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PROCEEDINGS AND DEBATES OF THE 94th CONGRESS, FIRST SESSION

SENATE—*Friday, April 25, 1975*

The Senate met at 12 noon, on the expiration of the recess, and was called to order by Hon. JOHN GLENN, a Senator from the State of Ohio.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, Ruler of men and nations, we beseech Thee to revitalize the inner life of this Nation. Rekindle in us the fires of pure religion and true patriotism. As our fathers trusted in Thee, so amid all change make us to know that in the march of time Thou art the same yesterday, today, and forever. Pardon our sins, correct our mistakes, overrule erroneous judgments, and cleanse the roots of national life. Guide by Thy higher wisdom all who bear the burdens of public office that they may be true servants of the common good. In this forum of freedom, help us to worship while we work, and so dwell in our hearts and minds, that high decisions made here may lift the world nearer to that kingdom whose builder and maker is God. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 25, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JOHN GLENN, a Senator from the State of Ohio, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. GLENN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Thursday, April 24, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WORLD FOOD CONFERENCE IN 1976

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 87, Senate Concurrent Resolution 19.

The ACTING PRESIDENT pro tempore. The concurrent resolution will be stated by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 19) relating to the World Food Conference of 1976 in Ames, Iowa.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. CLARK. Mr. President, the World Food Conference of 1976 in Ames, Iowa, is an effort that deserves unanimous congressional support. This meeting of experts to discuss, debate, and help find resolutions to the critical food problems facing the world today is essential.

The problems of food production and distribution were discussed at the World Food Conference in Rome, and representatives from more than 130 nations agreed on need for more scientific investigation and evaluation on food issues. The Ames Conference meets that need. Scientists from all over the world will consider the available data on food production and discuss their own projections of the potential ability of nations to meet food needs.

I urge all of my colleagues to support this resolution which endorses the purpose and effort at Ames, Iowa, of the World Food Conference of 1976.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, is as follows:

Whereas the means of producing, processing and distributing food in nutritionally adequate quantities to feed an increasing world population is an awesome problem confronting the world today; and

Whereas the land grant colleges of the United States have made notable contributions to increased agricultural efficiency and improved quality of food and feed crops, particularly through developments in soybean and maize crops, animal breeding and feeding efficiency, farm machinery, and the dissemination of information to farmers and consumers; and

Whereas the Iowa State University of Science and Technology, one of the Nation's foremost land grant colleges, will host the World Food Conference of 1976 in Ames, Iowa, from June 27 through July 1, 1976; and

Whereas the subject of the World Food Conferene of 1976 will be "The Role of the Professional in Feeding Mankind"; and

Whereas such conference will bring together scientists and scholars from many disciplines and many countries for the purpose of sharing and increasing agricultural and nutritional knowledge among the world's scientists and teachers, and for the purpose of accelerating the development of methods of food production, processing, and distribution that will result in improved capabilities for meeting the food and nutritional needs of all the people of the world; and

Whereas the American Revolution Bicentennial Administration has endorsed the World Food Conference of 1976 as a bicentennial project of national and international significance: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States endorses the World Food Conference of 1976 to be held in Ames, Iowa, from June 27 through July 1, 1976, and commends the Iowa State University of Science and Technology for a humanitarian undertaking of international significance.

REMARKS OF SENATOR MANSFIELD AT THE DEMOCRATIC CONGRESSIONAL DINNER

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD remarks I made last evening at the Democratic Congressional Dinner.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR MIKE MANSFIELD, DEMOCRAT OF MONTANA, AT THE DEMOCRATIC CONGRESSIONAL DINNER, THE WASHINGTON HILTON HOTEL, THURSDAY, APRIL 24, 1975, 7 P.M.

We are here, tonight, to lay the groundwork for the political campaign of 1976. Congressional elections still cost money and congressional dinners are one of the less painful and more straightforward ways of raising it. Those who share in this event are performing not merely a party chore but a civic service in support of a free democratic system.

A congressional dinner is not the usual setting for serious remarks. Yet, recent events require that some be introduced here tonight. That we are gathered for a political rally does not excuse us from comment on the situation which confronts the Nation. Nor should we avoid doing so for fear that what may be said will be dismissed as partisan.

To be sure, what is spoken tonight and in the months ahead may bear on what happens to this party in the next election. Far more important, however, it bears on the responsibility of the congressional majority—no less than the President—to account to the people.

As we open a congressional campaign here, an era of American policy is closing on the other side of the globe. It has been a tragic era, a most tragic era. The President is correct when he says we need now to look ahead.

The time is not for finger-pointing; in any event, the fingers are on the hands of both parties. Nor is this the place for blame-fixing, there is enough to go around the political circle and more.

This is a time and this is a place, however, to take note of what the Southeast Asian experience has done to us all. The war has already changed the life of this Nation and will continue to do so. It subtracts from the well-being of the people. It is part and parcel of the inflation-recession. It is of the root of national divisions and disturbances. It leaves deep scars of grief and doubt throughout the Nation. These are realities from which there is no escape. We will have to live with them for a long time to come.

But the war need not leave us without hope.

One of a decade of tragedy, this Nation can emerge into a new day. We can do so if we do not now make haste to sweep the experience under the rug or to dismiss it as a bad dream. Instead, we need to ask ourselves: Do we more clearly perceive the limits of our international strength? Has the bitter conflict lit up the difference between international cooperation and isolated internationalism, to the end that henceforth, we will pursue the former vigorously and, avoid the latter? Will we now put some restraints on unilateral efforts to force the pace of world peace, progress, and freedom? Will we now eschew dead-end ideological crusades abroad? Has the vast wastage of this war made clear that we must take a new look at the accumulated needs of our own people? Is the Federal Government now enjoined to concentrate more on revitalizing the Nation's inner life and unity?

These questions are of the very substance of the political campaign which is now beginning. They cannot be evaded by any responsible political party. They must be confronted. Your party in Congress is alert to them. More than ever before, we are unified in our responses to them. We are determined to seek answers to the Nation's difficulties with new policies and in new directions. Yet we do not approach them with a cackling partisanship. The President and his party willing, we are prepared to work with them for our common objective—a better Nation in a better world.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Does the Senator from Virginia, as acting minority leader, seek recognition?

Mr. WILLIAM L. SCOTT. I do not.

Mr. MANSFIELD. Mr. President, I do not seek further recognition.

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, for not to exceed 15 minutes, with statements therein limited to 5 minutes.

Mr. McCLELLAN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

REPORT ON THE ALASKA RAILROAD—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. GLENN) laid before the Senate a message from the President of the United States transmitting the annual report by the Secretary of Transportation on the operations of the Alaska Railroad, which, with the accompanying report, was referred to the Committee on Commerce. The message is as follows:

To the Congress of the United States:

I transmit herewith the annual report by the Secretary of Transportation on the operations and activities of the Alaska Railroad, as required by the Alaska Railroad Act of March 12, 1914.

GERALD R. FORD.

THE WHITE HOUSE, *April 25, 1975.*

PROPOSED REVISION OF THE STATE AND LOCAL FISCAL ASSISTANCE ACT OF 1972—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore laid before the Senate a message from the President of the United States transmitting a draft of proposed legislation to extend and revise the State and Local Fiscal Assistance Act of 1972, which was referred to the Committee on Finance. The message is as follows:

To the Congress of the United States:

I am today transmitting to the Congress proposed legislation to extend and revise the State and Local Fiscal Assistance Act of 1972. The act, and the General Revenue Sharing program which it authorizes, expires on December 31, 1976. I strongly recommend that the Congress act to continue this highly successful and important new element of American Federalism well in advance of the expiration date, in order that State and local governments can make sound fiscal plans.

THE VALUE OF FEDERALISM

The genius of American government is the Federal system of shared sovereignty. This system permits and promotes creativity and freedom of action simultaneously at three levels of government. Federalism enables our people to approach their problems through the governments closest to them, rather than looking to an all-powerful central bureaucracy for every answer.

With the Federal Government heavily committed to international affairs, the Nation's defense, the state of the economy and the energy problem, we need strong, effective State and local governments to meet the everyday needs of our people—for good police and fire protection, education, transportation, sanitation, and the basic services of a well-governed society.

In 1972, when General Revenue Sharing was passed, the Federal partnership was in trouble. The Federal Government, with its highly efficient taxing system, then collected some two-thirds of the Nation's total tax revenues. Federal revenues, particularly because of the income tax, grew with the economy. However, State and local revenues are more dependent on real property taxes and sales taxes. These governments had to meet rising demands for services and costs through endless rounds of tax increases. Simply stated, revenues had grown fastest at the Federal level, while needs were growing fastest at the State and local levels.

The Federal Government, then as now, sought to help States and communities meet their needs through Federal aid. For the most part, this aid is in the form of categorical grants—that is, narrowly defined, closely controlled grants for specific purposes. Today, over one thousand of these categorical grants are available for almost every imaginable objective.

However, the necessity to go to Washington for the solution to many local problems has had a stifling effect on the creativity and accountability of State and local governments. Along with Federal aid comes Federal restrictions which limit local initiative and flexibility.

Furthermore, until the concept of bloc grants was developed, States and localities were limited to categorical grants which were designed to lead State and local governments in new directions. Consequently, the recipients, all too often, headed in the direction where the grant moneys were available, rather than where their genuine needs existed.

Finally, much of the aid the Federal Government makes available has to be matched by State and local funds. The impact of this requirement is often to aggravate rather than to alleviate a State or local government's financial plight.

This was the situation the executive branch and the Congress faced in 1972—a Federal system endangered by the growing impoverishment of two out of the system's three partners. This is the situation that the Federal Government wisely met, by the passage of General Revenue Sharing.

This program has been a resounding success. Since its enactment, General

Revenue Sharing has provided nearly $19 billion to 50 States and some 39,000 local governments—money which these governments could use as they saw fit to meet their priority needs.

These Federal revenue sharing dollars have meant new crime fighting equipment and more police on the street, help for essential mass transportation, a better environment, improved fire protection and many other useful public activities. If some communities have not used their revenue sharing funds wisely, they are a miniscule fraction of governments which have used this money well.

The current Revenue Sharing Act has also enabled individuals and citizen groups to play their part in determining the use of these Federal funds in their communities by placing the decision on the use of these funds at the local rather than the Federal level. This citizen participation strengthens our democracy in the best possible way. It is my intention to strengthen our efforts to encourage the widest possible citizen participation.

THE NEED GOES ON

General revenue sharing has also been the keystone of additional efforts to reform Federal aid. The new block grant programs, more decentralized grant management, joint funding projects and grant integration, improved program information and executive reorganization have all been included in a large-scale effort to make better sense of and to get greater results from the billions granted to State and local governments.

The General Revenue Sharing program enacted in 1972 turned a corner. It caught a serious problem in time and helped us get back on the road to a sounder Federalism, of shared rights and responsibilities.

Many State and local governments are facing deficits with the prospect of having to raise additional taxes or cut services. Our States and localities are facing these adverse developments at a time when their fiscal responsibilities have mounted due to the impact of inflation on their expenditures and the tax burdens placed on citizens. Further, the present high unemployment is taking its toll in terms of lower receipts and higher costs on States and communities. This combination of financial pressures is likely to continue to bear down on these governments for the foreseeable future.

Many units of governments, particularly in distressed urban areas, count on these funds for their budget planning. If the flow of shared revenues were to be turned off or scaled down, the results would be immediate and painful. Our efforts to revive the economy would suffer a serious blow. States, cities, counties and small communities would have to either cut back essential services causing increased public and related private unemployment or tax more or borrow more—thus defeating the objectives of our national efforts to reduce the total tax load and revive the economy.

Enactment of Federal revenue sharing was a wise decision in 1972. Its continuation is imperative now. Before deciding to recommend extension of this program, I directed that an exhaustive study be made of the present program to identify its strengths and weaknesses. This assessment has been carried out and has taken into account the views of the Congress, State and local government officials, interested citizen bodies, and private study groups analyzing government policy. I will also consider any significant findings which may yet emerge from studies presently underway.

Based on our review of this work, I am now proposing to the Congress legislation which will maintain the basic features of the existing revenue sharing program while offering several improvements.

The principal elements of the renewal legislation I am proposing are:

—The basic revenue sharing formula is retained. Experience to date suggests the essential fairness of the present formula and I recommend its retention.

—Funds will be authorized for five and three-quarters years. The effect of this provision is to conform the time period to the new Federal fiscal year.

—The current method of funding with annual increases of $150 million will be retained to compensate, in part, for the impact of inflation. Over the five and three-quarters years, this level will produce a total distribution of Federal revenues of $39.85 billion. By the final year, the revenues shared will have increased by $937 million over the current level of payments.

—Recognizing the need to raise the existing per capita constraint on the basic formula, my proposal would permit those hard-pressed jurisdictions now constrained by the per capita limitation to receive more money. The impact of this change on other communities would be minimized by phasing the change in five steps and by the increase of $150 million annually.

—To strengthen the civil rights provisions of the existing statute the proposed legislation would authorize the Secretary of the Treasury to invoke several remedies to enforce the nondiscrimination provisions of the act. This would be accomplished by stating explicitly that the Secretary has authority to withhold all or a portion of entitlement funds due a State or unit of local government, to terminate one or more payments of entitlement funds, and to require repayment of entitlement funds previously expended in a program or activity found to have been discriminatory. This change will further enhance the Secretary's ability to ensure that none of our citizens is denied on grounds of race, color, sex or national origin the benefits of any program funded in whole or in part through revenue sharing.

—To strengthen public participation in determining the use of shared revenues, the proposed legislation requires that recipient governments must provide a procedure for citizen participation in the allocation of revenue sharing monies.

—The Administration proposal would also make reporting requirements more flexible to meet varying needs from community to community. The legislation would grant the Secretary of the Treasury greater latitude in determining the form of reports and the kind of information required of recipients. Similarly, he would have more flexibility to determine the method by which recipient governments must publicize their use of funds.

—Finally, the proposal requires a reconsideration of the program two years before its expiration.

EARLY RENEWAL IS IMPORTANT

I urge the Congress at its earliest convenience to begin deliberations on the renewal of the State and Local Fiscal Assistance Act of 1972. Effective planning at the State capitols, city halls, and county courthouses will require action in this first session of the 94th Congress. In fact, in the fall of 1975 many of our States and local governments will be preparing their fiscal year 1977 budgets. It will be essential for them to know at that time whether General Revenue Sharing funds will be available to them after December, 1976.

The expiration of the present General Revenue Sharing Law is coincident with the year in which the Nation celebrates its bicentennial. There could be no more practical reaffirmation of the Federal compact which launched this Country than to renew the program which has done so much to preserve and strengthen that compact—General Revenue Sharing.

GERALD R. FORD.

THE WHITE HOUSE, *April 25, 1975.*

REPORT OF THE ADMINISTRATOR OF THE NATIONAL CREDIT UNION ADMINISTRATION—A MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore laid bfeore the Senate a message from the President of the United States transmitting the annual report of the Administrator of the National Credit Union Administration, which, with the accommpanying report, was referred to the Committee on Banking, Housing and Urban Affairs. The message is as follows:

To the Congress of the United States:

Pursuant to the provisions of Title I, section 102, of the Federal Credit Union Act, as amended (12 U.S.C. 1752a(e)), enclosed is the Annual Report of the Administrator, National Credit Union Administration for the calendar year

GERALD R. FORD.

THE WHITE HOUSE, *April 25, 1975.*

MESSAGE FROM THE HOUSE

At 12:03 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (H.R. 4975) to amend the Rail Passenger Service Act to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes, in which it requests the concurrence of the Senate.

The message also announced that the House insists upon its amendments to the bill (S. 249) to amend the Securities Exchange Act of 1934, and for other purposes; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. STAGGERS, Mr. MOSS, Mr. VAN DEERLIN, Mr. STUCKEY, Mr. ECKHARDT, Mr. MCCOLLISTER, and Mr. BROYHILL were appointed managers of the conference on the part of the House.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. GLENN) laid before the Senate the following letters, which were referred as indicated:

DETERMINATION PERMITTING SALE OF WHEAT

A letter from the Assistant Secretary for Congressional Relations of the Department of State transmitting, pursuant to law, a determination permitting the sale of 300,000 metric tons of wheat/wheat flour to Egypt under the Agricultural Trade Development and Assistance Act of 1954, as amended (with accompanying papers); to the Committee on Agriculture and Forestry.

REPORT OF THE ASSISTANT SECRETARY FOR EDUCATION OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Assistant Secretary for Education of the Department of Health, Education, and Welfare transmitting a bound copy of the report entitled "Condition of Education Report" (with an accompanying report); to the Committee on Labor and Public Welfare.

NONDISCRIMINATORY TREATMENT TO THE PRODUCTS OF THE SOCIALIST REPUBLIC OF ROMANIA

A communication from the President of the United States transmitting, pursuant to law, a copy of a proclamation extending nondiscriminatory treatment to the products of the Socialist Republic of Romania (with accompanying papers); to the Committee on Finance.

PROPOSED LEGISLATION BY THE SECRETARY OF THE TREASURY

A letter from the Acting Secretary of the Treasury transmitting a draft of proposed legislation to remove the restrictions imposed on the Treasurer of the United States by section 243 of the Revised Statutes (with accompanying papers); to the Committee on Finance.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. GLENN):

Senate Resolution No. 225 adopted by the Senate of the Legislature of the State of Hawaii; to the Committee on Labor and Public Welfare:

"SENATE RESOLUTION REQUESTING CONGRESS AND THE PRESIDENT TO ESTABLISH A NATIONAL NETWORK OF YOUTH ADVISORY BOARDS

"Whereas, the Greater Miami Jaycees and Third Century, U.S.A. (Miami's Official Bicentennial Coordinating Organization) have proposed the establishment, by federal law, of a national network of youth advisory boards; and

"Whereas, the purposes of the boards would be to take an active part in governmental affairs at the local, state and national levels, to stimulate interest and participation by young people in civic affairs, to work with existing youth activities and programs to insure well-rounded programs and prevent duplication of effort, to participate in programs to develop leadership and good citizenship among young people and to develop new programs in places that presently have none; now, therefore,

"Be it resolved by the Senate of the Eighth Legislature of the State of Hawaii, Regular Session of 1975, that this comprehensive national network well merits encouragement and establishment by federal law and that Congress should speedily enact it; and

"Be it further resolved that certified copies of this Resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, the Chairman of the committees on Commerce and Labor and Public Welfare of the United States Senate, the Chairman of the committees on Education and Labor and Interstate and Foreign Commerce of the United States House of Representatives, the members of Hawaii's congressional delegation, and Mr. Stuart Alan Rado, Project Chairman of the Greater Miami Jaycees."

Senate Resolution No. 125 adopted by the Senate of the Legislature of the State of Hawaii; to the Committee on the Judiciary:

"SENATE RESOLUTION REQUESTING CONGRESS TO GRANT AUTHORITY TO ALL U.S. ISLAND STATES, TERRITORIES AND POSSESSIONS TO CONTROL IN-MIGRATION

"Whereas, the population in the State of Hawaii is now approximately 874,000 and is predicted to be approximately 930,000 by 1980; and

"Whereas, the number of registered motor vehicles registration doubling every twelve years; and

"Whereas, it will be years before an adequate mass transit system will be implemented; and

"Whereas, Hawaii is an island State with limited land area and can, therefore, hold only a finite number of people and necessary buildings, roads, automobiles, et cetera, without destroying the quality of life for those who live here; and

"Whereas, an increasing population consumes more and more of the State's valuable limited natural resources; and

"Whereas, individuals coming into the State must find ways of earning a living and the State's current 7.8 per cent unemployment rate is already above the national average; and

"Whereas, housing in the State of Hawaii particularly within the affordable price range of those of low and moderate income is in very short supply; and

"Whereas, overpopulation creates frustration and anger on the part of the population which can lead to an erosion of Hawaii's unique and special aloha spirit and in extreme cases even lead to higher crime rates; and

"Whereas, because of inherently limited resources, any island State, Territory, or Possession is peculiarly vulnerable to the myriad problems caused by uncontrolled population expansion; and

"Whereas, to alleviate the population problem, the U.S. Congress may deem it feasible to grant authority to all U.S. island States, Territories and Possessions to control in-migration to their jurisdictions; now therefore,

"Be it resolved by the Senate of the Eighth Legislature of the State of Hawaii, Regular Session of 1975, that the Congress of the United States of America be requested to devise ways and means of granting authority to all U.S. island States, Territories and Possessions to control in-migration to their jurisdictions; and

"Be it further resolved that certified copies of this Resolution be sent to the President of the U.S. Senate, the Speaker of the U.S. House, each member of Hawaii's congressional delegation, the Governor, and the Senate Committee on Consumer Protection."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LONG, from the Committee on Commerce:

S. 1542. An original bill to authorize appropriations for the fiscal year 1976 for certain maritime programs of the Department of Commerce, (Rept. No. 94–96).

REPORT ON THE ACTIVITIES OF THE COMMITTEE ON ARMED SERVICES—(REPT. NO. 94–95)

Mr. STENNIS. Mr. President, in accordance with the requirements of section 136(b) of the Legislative Reorganization Act of 1946, as amended, submitted herewith is the report on the activities of the Committee on Armed Services during the 93d Congress.

The ACTING PRESIDENT pro tempore. The report will be received and printed.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. BEALL, from the Committee on Commerce:

Rogers C. B. Morton, of Maryland, to be Secretary of Commerce.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. SPARKMAN, from the Committee on Foreign Relations:

John Dellenback, of Oregon, to be an Associate Director of the ACTION Agency.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE BILL REFERRED

The bill (H.R. 4269) to amend the Organic Act of Guam and the Revised Organic Act of the Virgin Islands was read twice by its title and referred to the Committee on Interior and Insular Affairs.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. PROXMIRE (for himself, Mr. Williams, and Mr. Sparkman):

S. 1537. A bill to amend the Defense Production Act of 1950, as amended. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. YOUNG:

S. 1538. A bill for the relief of Arthur O. Bilden. Referred to the Committee on the Judiciary.

By Mr. KENNEDY:

S. 1539. A bill to authorize appropriations for activities of the National Science Foundation, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. SPARKMAN (by request):

S. 1540. A bill to provide for Family Financial Centers, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. CASE (for himself, Mr. Sparkman, Mr. Javits, Mr. Church, Mr. Hugh Scott, Mr. Symington, Mr. Pearson, Mr. Pell, Mr. Percy, Mr. McGee, Mr. McGovern, Mr. Baker, Mr. Humphrey, Mr. Clark, and Mr. Biden):

S. 1541. A bill to provide additional humanitarian assistance authorizations for South Vietnam and Cambodia for the fiscal year 1975. Referred to the Committee on Foreign Relations.

By Mr. LONG, from the Committee on Commerce:

S. 1542. An original bill to authorize appropriations for the fiscal year 1976 for certain maritime programs of the Department of Commerce, and for other purposes. Placed on the calendar.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PROXMIRE (for himself, Mr. Williams, and Mr. Sparkman):

S. 1537. A bill to amend the Defense Production Act of 1950, as amended. Referred to the Committee on Banking, Housing and Urban Affairs.

DEFENSE PRODUCTION ACT AMENDMENTS OF 1975

Mr. PROXMIRE. Mr. President, I am today introducing, for myself and my colleagues, Senator Sparkman and Senator Williams, legislation to extend the Defense Production Act of 1950. This bill, entitled the Defense Production Act Amendments of 1975, will shortly be introduced in the other body by Chairman Wright Patman of the Joint Committee on Defense Production, of which I am vice chairman.

The purpose of the bill is twofold. First it will extend for 2 years—or until June 30, 1977—the Defense Production Act. It has been customary to extend this important act every 2 years since it first came into effect over two decades ago. The Senate voted last year to extend the act for 2 years but later acceded to the will of the other body and agreed to the first ever, 1-year extension, which expires on June 30.

The cause for this shorter extension was the National Commission on Supplies and Shortages, which was provided for in section 720 of the act. Originally, it was thought that the Commission would make its required report this spring and that its recommendations would form part of the bill to renew the Defense Production Act. For reasons relating neither to the basic act nor to the Joint Committee, the Commission's timetable has been delayed and its own life has been separately extended by Public Law 94–9 enacted last month.

It is time, therefore, that we return to precedent and extend for another 2 years this vital legislation which allows the Government to carry on the programs that we need to be prepared for a national defense emergency. Before going on to this bill's second purpose, I feel I should note that, during last year's debate over the National Commission on Supplies and Shortages and the extension of the Defense Production Act, it became necessary to renew the DPA for two very short periods by concurrent resolution. For a week, there was, as a matter of fact, no Defense Production Act in effect. As a result, certain agencies were forced to halt ongoing programs authorized by the act. The major such program related to priorities for the performance of defense-related contracts. I hope this year we will be able to avoid a repetition of this lapse. We expect to be able to report a bill soon.

The second purpose of the bill is to clarify that portion of title VII which relates to antitrust immunity for firms requested by the Government to conclude voluntary agreements for purposes of the national defense. These voluntary agreements are the means whereby firms in a given industry may cooperate and exchange information so that they can respond more effectively to national needs which may override the customary provisions of antitrust legislation.

Such voluntary agreements have been used in the oil shortages of 1956–57, 1967, and 1973–74, to smooth out the distribution of this critical resource. Voluntary agreements could and have been required in connection with other resources, such as munitions and railway track-laying vehicles.

Currently, section 708 of the Defense Production Act, which addresses antitrust exemption for voluntary agreements, is rather broad and permissive in nature. It does not contain specific language setting forth procedures that will safeguard the public interest when firms are allowed to share information in a way that would normally result in antitrust action.

The aim of this amendment is to remedy the deficiency I have outlined. It supplies language establishing procedures and criteria for the development of voluntary agreements. First of all, it requires a finding of a real national emergency, one that would cause us to want to overcome the usual restraints on cartel-like activities. More importantly, it provides specific guidelines on public notification, disclosure, and representation; on completeness of records; and on Government participation in and oversight of the voluntary agreements process.

We have been very fortunate in having the assistance of the Judiciary Subcommittee on Antitrust and Monopoly in preparing this new section. The subcommittee's chairman, Senator Hart, and the distinguished Senator from Idaho, Mr. Church, have endorsed the revised section 708. Moreover, these provisions to safeguard the public interest have been supported by the administration, for which it is to be commended.

The bill I am introducing will in no way prevent the development of necessary voluntary agreements. While avoiding the possibility of a broad exemption from antitrust laws, it grants limited antitrust immunity under special conditions of national emergency and imposes certain procedural safeguards on officials, agencies, and firms involved in voluntary agreements. The safeguards are reasonable and to the point. They respond to the need increasingly seen in both Houses for an adequate shielding of consumer interests even in times of national emergency.

A further incentive to adoption of these safeguards lies in the fact that the Standby Energy Authorities Act (S. 622), recently passed by the Senate, contains procedural protection for voluntary agreements very similar to that provided for in this legislation. Without this change in the Defense Production Act, there is a very real possibility of a double standard for antitrust immunity where voluntary agreements are concerned, with one standard tightly drawn and the other overly elastic. Such a situation neither serves the public interest nor makes for good law.

Therefore, I introduce the bill at this time and ask unanimous consent that its text be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1537

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Defense Production Act Amendments of 1975".

Sec. 2. The first sentence of section 717(a) of the Defense Production Act of 1950 (64 Stat. 822) is amended by striking out "June 30, 1975" and inserting in lieu thereof "June 30, 1977".

Sec. 3. Section 708 of the Defense Production Act of 1950 is amended to read as follows:

"Sec. 708. (a) Except as specifically provided in subsection (k) of this section, no provision of this Act shall be deemed to convey to any person any immunity from civil or criminal liability, or to create defenses to actions, under the antitrust laws.

"(b) As used in this section, the term 'antitrust laws' means—

"(1) the Act entitled 'An Act to protect trade and commerce against unlawful restraints and monopolies.', approved, July 2, 1890, (26 Stat. 290), as amended;

"(2) the Act entitled 'An Act to supplement existing laws against unlawful re-

straints and monopolies, and for other purposes.', approved, October 15, 1914, (38 Stat. 730), as amended;

"(3) the Act entitled 'An Act to create a Federal Trade Commission, to define its powers and duties, and for other purposes.', (38 Stat. 717), as amended;

"(4) sections 73 and 74 of the Act entitled 'An Act to reduce taxation, to provide revenue for the Government, and for other purposes.', approved, August 27, 1894 (28 Stat. 579), as amended;

"(5) the Act of June 19, 1936 (49 Stat. 1526); and

"(6) the Act entitled 'An Act to promote export trade and for other purposes.', (40 Stat. 516), as amended.

"(c) (1) Upon finding that an imminent or probable danger to the national defense exists, the President is authorized to consult with representatives of industry, business, financing, agriculture, labor, and other interests, with a view to encouraging the making of voluntary agreements and programs by such persons, and may request the undertaking or entering into of such voluntary agreements or programs in accordance with the provisions of this section, to insure productive capacity in the event of an attack on the United States.

'(2) The authority granted in paragraph (1) of this subsection shall be delegated only (A) to officials who shall for the purpose of such delegation be required to be appointed by the President by and with the advice and consent of the Senate, unless otherwise required to be so appointed, and (B) upon the condition that such officials consult with the Attorney General and with the Chairman of the Federal Trade Commission not less than ten days before making any request thereunder, and (C) upon the condition that such officials obtain the approval of the Attorney General, after consultation with the Federal Trade Commission, to any request thereunder before making the request. For the purpose of carrying out the purposes of title I of this Act, the authority granted in paragraph (1) of this subsection shall not be delegated except to one and only one official of the Government.

"(3) The authority granted in paragraph (1) of this subsection shall be exercised only if the Attorney General, after consultation with the Federal Trade Commission, certifies that such voluntary agreements and programs are necessary to accomplish the objectives of paragraph (1) of this subsection, and that such objectives cannot reasonably be accomplished through alternative means having lesser anticompetitive effects.

"(d) The requirements of this section shall be the sole procedures applicable to the development, implementation, or carrying out of the voluntary agreements or programs to accomplish the objectives of subsection (c) (1) of this section, and to the availability of immunity from the antitrust laws respecting the development, implementation, or carrying out of such voluntary agreements or programs.

"(e) (1) (A) To achieve the objectives of subsection (c) (1) of this section, the President may provide for the establishment of such advisory committees as he determines are necessary. Any such advisory committees shall be subject to the provisions of the Federal Advisory Committee Act, whether or not such Act or any of its provisions expire or terminate during the term of this Act or of such committees, and in all cases such advisory committees shall be chaired by a Federal employee, other than an individual employed pursuant to section 3109 of title 5, United States Code, and shall include representatives of the public, and the meetings of such committees shall be open to the public. The Attorney General and the Federal Trade Commission shall have adequate advance notice of any meeting and may have an official representative attend and participate in any such meeting.

"(B) The authority granted in paragraph (1) (A) of this subsection shall be delegated only (i) to officials who shall for the purpose of such delegation be required to be appointed by the President by and with the advice and consent of the Senate, unless otherwise required to be so appointed, and (ii) upon the conditions that (I) such officials consult with the Attorney General and with the Chairman of the Federal Trade Commission not less than ten days before making any request thereunder, and (II) such officials, after consultation with the Chairman of the Federal Trade Commission, obtain the prior approval of the Attorney General, to any request thereunder. For the purpose of carrying out the objectives of title I of this Act, the authority granted in paragraph (1) (A) of this subsection shall not be delegated except to one and only one official of the Government.

"(2) A full and complete verbatim transcript shall be kept of such advisory committee meetings, and shall be taken and deposited, together with any agreement resulting therefrom, with the Attorney General and the Federal Trade Commission. Such transcript and agreement shall be made available for public inspection and copying, subject to the provisions of section 552 (b) (1) and (b) (3), of title 5, United States Code.

"(f) The Attorney General and the Federal Trade Commission shall promulgate jointly, by rule, standards and procedures by which representatives of industry, business, financing, agriculture, labor and other interests may develop and implement voluntary agreements and programs necessary to accomplish the objectives of subsection (c) (1) of this section.

"(g) That standards and procedures under subsection (f) shall be promulgated pursuant to section 553 of title 5, United States Code. They shall provide, among other things, that—

"(1) such agreements and programs shall be developed by meetings of committees, councils, or other groups which include representatives of the public, of interested segments of the relevent industry or industries and of consumers, and shall in all cases be chaired by a Federal employee other than an individual employed pursuant to section 3109 of title 5, United States Code;

"(2) meetings held to develop a voluntary agreement or program shall—

"(A) permit attendance by interested persons; and

"(B) be preceded by timely and adequate public notice, published in the Federal Register not less than 10 days in advance of any such meeting, including identification of the agenda of such meeting;

"(3) interested persons shall be afforded an opportunity to present, in writing and orally, data, views and arguments at such meetings; and

"(4) a full and complete verbatim transcript shall be kept of any meeting, conference or communication held to develop, implement or carry out a voluntary agreement or program under this section and shall be taken and deposited, together with any agreement resulting therefrom, with the Attorney General and the Federal Trade Commission. Such transcript and agreement shall be available for public inspection and copying, subject to provisions of section 552 (b) (1) and (b) (3) of title 5, United States Code.

"(h) The Federal Trade Commission, after consultation with the Attorney General, may exempt types or classes of meetings, conferences or communications from the requirements of subsection (e) (2) and (g) (4) of this section provided such meetings, conferences or communications are ministerial in nature and are for the sole purpose of implementing or carrying out a voluntary agreement or program authorized pursuant to this section. Such ministerial meeting, conference or communication may take place in accordance with such requirements as the Federal Trade Commission may prescribe by rule. Such persons participating in such meeting, conference or communication shall cause a record to be made specifying the date such meeting, conference, or communication took place and the persons involved, and summarizing the subject matter discussed. Such record shall be filed with the Federal Trade Commission and the Attorney General, where it shall be made available for public inspection and copying.

"(i) (1) The Attorney General and the Federal Trade Commission shall participate from the beginning in the development, implementation and carrying out of voluntary agreements and programs authorized under this section. Each may propose any alternative which would avoid or overcome, to the greatest extent practicable, possible anticompetitive effects while achieving substantially the purposes of subsection (c) (1) of this section. Each shall have the right to review, amend, modify, disapprove, or prospectively revoke, on its own motion or upon the request of any interested person, any voluntary agreement, or program, at any time, and, if revoked, thereby withdraw prospectively the immunity conferred by subsection (k) of this section.

"(2) Any voluntary agreement or program entered into pursuant to this section shall be submitted in writing to the Attorney General and the Federal Trade Commission 20 days before being implemented, and it shall be made available for public inspection and copying.

"(j) (1) The Attorney General and the Federal Trade Commission shall monitor the development, implementation and carrying out of voluntary agreements and programs authorized under this section to assure the protection and fostering of competition and the prevention of anticompetitive practices and effects.

"(2) The Attorney General and the Federal Trade Commission shall promulgate joint regulations concerning the maintenance of necessary and appropriate documents, minutes, transcripts and other records related to the development, implementation, or carrying out of voluntary agreements and programs pursuant to this section.

"(3) Persons developing, implementing, or carrying out voluntary agreements and programs authorized pursuant to this section shall maintain those records required by such joint regulations. The Attorney General and the Federal Trade Commission shall have access to and the right to copy such records at reasonable times and upon reasonable notice.

"(4) The Federal Trade Commission and the Attorney General may each prescribe pursuant to section 553, title 5, United States Code, such rules and regulations as may be necessary or appropriate to carry out their responsibilities under this Act. Each may utilize for such purposes and for purposes of enforcement, any and all powers conferred upon the Federal Trade Commission of the Department of Justice, or both, by any other provision of law, including the antitrust laws; and wherever such provision of law refers to 'the purposes of this Act' or like terms, the reference shall be understood to be this Act.

"(k) There shall be available as a defense to any civil or criminal action brought under the antitrust laws (or any similar State law) with respect to actions taken in good faith to develop, implement or carry out a voluntary agreement or program that—

"(1) such action was taken—

"(A) in the course of developing a voluntary agreement or program pursuant to this section, or

"(B) pursuant to a voluntary agreement or program authorized and approved in accordance with this section, and

"(2) such persons fully complied with the requirements of this section and the rules and regulations promulgated hereunder.

"(l) The Attorney General is directed to make, or request the Federal Trade Commission to make for him, surveys for the purpose of determining any factors which may tend to eliminate competition, create or strengthen monopolies, injure small business, or otherwise promote undue concentration of economic power in the course of the administration of this Act. Such surveys shall include studies of the voluntary agreements and programs authorized by this section. The Attorney General shall submit to the Congress and the President at least once every year reports setting forth the results of such studies of voluntary agreements and programs authorized by this section."

By Mr. KENNEDY:

S. 1539. A bill to authorize appropriations for activities of the National Science Foundation, and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. KENNEDY. Mr. President, as chairman of the Senate Special Subcommittee on the National Science Foundation I am introducing today an authorization for the National Science Foundation for fiscal year 1976 of $854.6 million.

The National Science Foundation is the only Federal agency with a direct mandate to strengthen science and science education. It performs a critically important and unique function—at a time when our need for trained scientists and advances in science is as great as it has ever been. We are looking to our scientists for guidance in finding solutions to air and water pollution control problems; for improved designs for mass transportation system; for more effective utilization and delivery of health services; and for methods of allocating our scarce resources as fairly and effectively as possible.

To carry out these responsibilities the National Science Foundation has been directed by the Congress to:

Strengthen U.S. scientific research in the mathematical, physical, medical, engineering, biological, social, and other sciences.

Focus U.S. science resources on selected current national problems.

Strengthen science education programs at all levels.

Stimulate international scientific cooperation between United States and foreign scientists.

Assist in providing the Nation with highly trained scientists and engineers through a program of fellowships for science and engineering.

Insure that science information is readily available to U.S. scientists and engineers.

Appraise the impact of research upon industrial development and the general welfare, and

Gather and publish scientific and technical data pertinent to national science policy decisionmaking.

An expanding base of scientific knowledge is of critical importance to the Nation's future and to efforts to find ways to deal with a range of domestic and international problems. The products of research by U.S. scientists in all parts of the Nation not only have provided for the progress of science, but provide the knowledge base needed to increase understanding of the principles that govern the physical, life and social sciences—understanding which is essential if we are to enhance the quality of life.

Mr. President, the legislation I am introducing today recognizes that inflation has affected the cost of scientific research and equipment to the same extent that it has affected the cost of food, housing and fuel. This is as true for applied research aimed at meeting our immediate needs, as it is for basic research from which benefits may only be reaped by future generations. It recognizes that our colleges and universities have found their budgets eroded as a result of inflation and rising energy costs, combined with declining income from endowments.

In the face of these facts, the administration sent to the Congress a budget request for the National Science Foundation barely sufficient to keep up with the pace of inflation. Support for science education was requested at a level 12 percent below that requested for fiscal year 1975. Witnesses who testified during hearings on this budget request made clear their belief that in many respects the level of funding requested by the administration is not equal to the challenges which will face the Foundation and the scientific community in the coming fiscal year.

In order to insure a strong Federal commitment to basic research, to maintain the Foundation's role as an innovator in the improvement of science education and to sustain the sound principles of research applied to national needs, I am introducing an authorization to fund the Foundation at a level of $854.6 million. It includes: $394,000,000 for scientific research project support; $117,500,000 for national and special research programs; $60,200,000 for national research centers; $8,000,000 for science information activities; $8,000,000 for international cooperative scientific activities; $90,000,000 for research applied to national needs; $12,000,000 for intergovernmental science and research utilization; $20,000,000 for institutional improvement for science; $77,000,000 for science education improvement; $4,200,000 for planning and policy studies; $4,000,000 for science advisory activities; and $41,700,000 for program development and management.

It places floors under certain critical portions of the National Science Foundation's programs, including research into the ethical and human value implications of science and technology, institutional improvement for science, science education improvement, intergovernmental science programs, science information activities, ethnic minorities and women in science programs, elementary and secondary school programs, and environmental research, including earthquake engineering.

Also included in the authorization I am introducing today is a new program—to improve public understanding of public policy issues involving science. It is designed to facilitate the participation of experienced scientists in the resolution of public policy issues having significant scientific and technical aspects and to facilitate the participation of undergraduate and graduate students in scientific and technical components of community and citizen group activities aimed at the resolution of public policy issues. It will also enable nonprofit citizens public interest groups to acquire necessary technical expertise to assist them in dealing with the scientific and technical aspects of public policy issues, and will provide funds to academic and other nonprofit organizations for the conduct of applied research to ensure the effectiveness of these programs.

Also included is a provision setting aside 10 percent of the Foundation's applied research budget for small businesses which have developed outstanding scientific and technical capabilities and which have too often been overlooked as a resource in meeting this Nation's scientific and technical needs.

Mr. President, concern has been raised recently over some of the projects supported by the National Science Foundation. I would like to take this opportunity to address myself to those concerns and to outline for my colleagues the procedures followed by the National Science Foundation in selecting proposals for funding.

Each year the National Science Foundation receives thousands of proposals from scientists who seek answers to unresolved questions concerning fundamental scientific processes and forces, natural laws and phenomena in scientific disciplines. These proposals are initially reviewed by the staff of the National Science Foundation under the guidance and policy stipulations of the National Science Board.

Proposals are then subject to an extensive peer review process which draws on a pool of over 40,000 qualified and independent members of the scientific community with expertise in the specific area of research for which funding has been requested. In their consideration of the merits of the proposals submitted to them for review they apply criteria relating to competent performance of research—the technical adequacy of the performer and of his institutional base; criteria relating to the internal structure of science itself; criteria relating to utility or relevance; criteria relating to future and long-term scientific potential of the United States.

The staff of the National Science Foundation is then required to compile these reviewer comments and to make recommendations to the NSF Director and the National Science Board. Proposals must be supported in order of merit to the extent permitted by available funds. In cases of proposals of substantially equal merit, consideration is given to such factor as geographic distribution and general subject matter coverage of grants made in a particular program.

The peer review system must operate fairly and effectively, and improvements must be made wherever necessary. At the subcommittee's request, the General Accounting Office is now completing a comprehensive evaluation of the Foundation's research applied to national needs program. That report will be available shortly and will include recommendations with specific regard to the peer review system. In addition, an internal National Science Foundation review is presently underway to determine whether there are specific areas where changes may be required, to ensure that the Federal Government receives a full return on the money it invests in scientific research, and to insure that the staff of the National Science Foundation is diligent in insuring the integrity of the peer review process. It is my conviction that these steps will lead to an even more effective contribution by science and scientists to the national well-being.

New and greater demands are being placed upon science, upon scientists and upon scientific institutions. To meet these demands, I urge my colleagues to support the authorization I am introducing today, and I ask unanimous consent that the text of the bill together with supplemental material be printed at this point in the RECORD.

There being no objection, the bill and material was ordered to be printed in the RECORD, as follows:

S. 1539

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby authorized to be appropriated to the National Science Foundation for the fiscal year ending June 30, 1976, for the following categories:

(1) Scientific Research Project Support, $394,000,000.

(2) National and Special Research Programs, $117,500,000.

(3) National Research Centers, $60,200,000.

(4) Science Information Activities, $8,000,000.

(5) International Cooperative Scientific Activities, $8,000,000.

(6) Research Applied to National Needs, $90,000,000.

(7) Intergovernmental Science and Research Utilization, $12,000,000.

(8) Institutional Improvement for Science, $20,000,000.

(9) Graduate Student Support, $18,000,000.

(10) Science Education Improvement, $77,000,000.

(11) Planning and Policy Studies, $4,200,000.

(12) Science Advisory Activities, $4,000,000.

(13) Program Development and Management, $41,700,000.

SEC. 2. Notwithstanding any other provision of this or any other Act—

(1) of the total amount authorized under section 1 of this Act not less than $20,000,000 shall be available for the purpose of "Institutional Improvement for Science";

(2) of the total amount authorized under Section 1 of this Act not less than $77,000,000 shall be available for the purpose of "Science Education Improvement";

(3) of the total amount authorized under section 1 category (7) not less than $10,000,000 shall be available for "Intergovernmental Science Programs";

(4) of the total amount authorized under section 1, not less than $8,000,000 shall be available for "Science Information Activities";

(5) of the total amount authorized under section 1 category (10) of not less than $9,600,000 shall be available for "Ethic Minorities and Women in Science Program";

(6) of the total amount authorized under section 1 category (10) not less than $21,900,000 shall be available for "Elementary and Secondary School Programs";

(7) of the total amount authorized under section 1 category (6) not less than $25,000,000 shall be available for environmental research, including $5,500,000 for earthquake engineering.

(8) of the total amount authorized under section 1, category (11) not less than $1,500,000 shall be available for programs related to the ethical and human value implications of science and technology.

(9) of the total amount authorized under section 1 category (6) not less that 10 percent of such amount shall be expended to small business concerns.

SEC. 3. (a) The National Science Foundation is authorized and directed to establish and conduct a "Science for Citizens Program". Such program shall be designed—

(1) to improve public understanding of public policy issues involving science and technology;

(2) to facilitate the participation of experienced scientists and engineers in public activities aimed at the resolution of public policy issues having significant scientific and technical aspects;

(3) to facilitate the participation of undergraduate and graduate students in necessary scientific and technical components of community and citizen group activities aimed at the resolution of public policy issues;

(4) to enable non-profit, citizens public interest groups to acquire necessary technical expertise to assist them in dealing with the scientific and technical aspects of public policy issues; and

(5) to provide grants and contracts to academic and other non-profit organizations for the conduct of applied research designed to improve the effectiveness of the programs conducted under paragraphs (1), (2), (3), and (4) of this subsection.

(b) Notwithstanding any provision of this or any other Act, of the total amount authorized under section 1, category (2), not less than $5,000,000 shall be available for the "Science for Citizens Program" authorized under this section.

SEC. 4. The Director of the National Science Foundation is authorized and directed to prepare a comprehensive plan to facilitate the participation of members of the public in the formulation, development, and conduct of the National Science Foundations programs, policies, and priorities and to submit the resulting recommendations, plans, and other findings to the Committee on Science and Technology of the House of Representatives and the Committee on Labor and Public Welfare of the Senate within 120 days from the effective date of this Act.

SEC. 5. In addition to such sums as are authorized by section 1, not to exceed $4,000-000 is authorized to be appropriated for fiscal year ending June 30, 1976, for expenses of the National Science Foundation incurred outside the United States to be paid for in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States.

SEC. 6. Appropriations made pursuant to this Act may be used, but not to exceed $5,000 for official consultation, representation, or other extraordinary expenses upon the approval or authority of the Director of the National Science Foundation, and his determination shall be final and conclusive upon the accounting officers of the Government.

SEC. 7. Appropriations made pursuant to sections 1, 2, 3, and 5 shall remain available for obligation, for expenditure, or for obligation and expenditure, for such period or periods as may be specified in Acts making such appropriations.

SEC. 8. No funds may be transferred from any particular category listed in section 1 to any other category or categories listed in such section if the total of the funds so transferred from that particular category would exceed 10 per centum thereof, and no funds may be transferred to any particular category listed in section 1 from any other category or categories listed in such section if the total of the funds so transferred to that particular category would exceed 10 per centum thereof, unless—

(A) a period of thirty legislative days has passed after the Director or his designate has transmitted to the Speaker of the House of Representatives and to the President of the Senate and to the Committee on Science and Astronautics of the House of Representatives and to the Committee on Labor and Public Welfare of the Senate a written report containing a full and complete statement concerning the nature of the transfer and the reason thereof, or

(B) each such committee before the expiration of such period has transmitted to the Director written notice ot the effect that such committee has no objection to the proposed action.

SEC. 9. Notwithstanding any other provision of this or any other Act, the Director of the National Science Foundation shall keep the Committee on Science and Technology of the House of Representatives and the Committee on Labor and Public Welfare of the Senate fully and currently informed with respect to all of the activities of the National Science Foundation.

SEC. 10. This Act may be cited as the "National Science Foundation Authorization Act, 1976".

[From the Boston Globe, Apr. 22, 1975]

VETOING RESEARCH

The U.S. House of Representatives has taken a potshot at basic research projects funded through the National Science Foundation. Like most potshots, it missed the mark and may have hit something else instead.

The House action came in the form of an amendment from the floor during debate on the NSF's $755 million budget authorization calling for the right of congressional veto of any specific research grant for a period of 30 days before the grant is actually made.

As matters now stand, Congress appropriates fixed amounts of money for each fiscal year and the NSF makes direct awards to individual research projects. Each of the approximately 14,000 grants made is subject to review by NSF staff with assistance from about 40,000 scientists in a "peer review" of the objectives of the project.

The House voted 212–199 in favor of the veto amendment on the heels of scattered reports of esoteric studies with occasionally seemingly comic elements. Some of these reports involved non–NSF funds. One of them, invoked several times during the House debate, was $70,000 in Defense Department funds for study of perspiration by Australian aborigines. This, it was ultimately pointed out by Rep. James W. Symington (D-Mo.), was "an effort to learn if there was some way to keep the GI's in better fitness for the crunch in the jungle after they had become dehydrated after many hours without water, a problem that did not seem to better the aborigines." Fair enough.

Supporters of the amendment contended that they were merely exercising tighter control over the budget process and stiffening up their responsibility to ward off unseemly sounding expenditures. The extent to which they felt they had to go was put well by Rep. Robert H. Michel (R-Ill.), who said that "Doggone it, my credibility is destroyed when there are even just one or two of these items."

Rep. Michel also complained about the fact that a Denver scientist "will get $40,100 of the taxpayers' money to conduct a 'Measurement of the Stratospheric Distribution of the Fluorocarbons and Other Constituents of Interest in the Effect of Chlorine Pollutants in the Ozone Layer.' At least in that title there was one word I understood: constituents."

His comment is studded with irony. The study is part of the growing concern that aerosol sprays are breaking down the protective layers in the upper atmosphere that shield us from potentially lethal solar radiation. Yet Rep. Michel wants veto power because he and 211 of his colleagues may not understand the language.

It is the soul of scientific inquiry that one keep an open mind and pursue promising questions wherever they lead. It may be that the veto provision will be killed in the Senate, as it should be, or that Congress will use it sensibly—which the tone of the debate in the House does not forecast. But the air, which is already poisoned with shortage of funds for research, is made worse by this process. There will inevitably by greater reluctance to try the unusual, an unhealthy situation for scientists. Surely the Rep. Michels of the world can recognize the fact that no one learns medicine by studying only healthy persons.

Congress should drop the veto provision, which it is not well equipped to implement.

[From the Washington Post, Apr. 22, 1975]

TAKING THE ROMANCE OUT OF RESEARCH

Given the billions that federal agencies invest in research every year, plenty of dubious projects are bound to slip through. One of the latest, publicized by Sen. William Proxmire (D-Wis.), is the National Science Foundation's $84,000 study of why people fall in love. This seems so inappropriate—what is less scientific than romance?—that it is bound to wind up on the perennial list of apparent boondoggles, along with the NSF's $15,000 study of hitch-hiking, the Navy's $375,000 inquiry into the aerodynamics of Frisbees and an NHI study of whether Australian aborigines perspire.

"Apparent" is the key word, however, since some of these disputed projects are more sensible than they sound. The research on aborigines, for instance, was combined with studies of Eskimos in an attempt to find out how military personnel might be helped to adapt to very hot and cold climates. Other types of projects may be as easy to ridicule but also represent quite justifiable aspects of basic research.

It takes just a few silly studies and mislabeled projects, however, to set off complaints to—and from—the Congress. So this month, when the $755-million National Science Foundation authorization bill reached the House floor, a number of representatives availed themselves of the occasion to go on record against wasteful research. The old list of odd projects was hashed over once again, even though it includes some efforts long completed and many not financed by NSF. Then the House before passing the bill, tacked on an amendment by Rep. Robert E. Bauman (R-Md.) that would give the Congress 30 days to review and, if so inclined, to veto all future NSF grants.

The Bauman approach is not good oversight; it is mischief. To start with, NSF makes far too many grants—14,000 to 16,000 per year, across the entire spectrum of sciences—for such an approach to work. No member of Congress, even if well versed in all these arcane fields, could look seriously at more than a few projects of the total. The ones bound to draw attention (as now) would be those that sound suspect—as distinct from those that may actually be trivial, superfluous or poorly planned. Moreover, researchers would learn quickly to tailor their proposals for congressional clearance, and the dubious art of "grantsmanship" could reach new heights. All in all, nothing suggests that the Bauman approach would help Congress prevent mistakes—and everything points to disruption of the system of scholarly review that NSF has built, at congressional urging, over the years.

There is reason and there is room for serious inquiry into the conduct of federal research. Programs in several agencies may overlap. Sen. Proxmire has questioned the concentration of NSF grants at large universities and has challenged some of the agency's standards for handing out funds. These patterns could surely stand examination. But the prospects for intelligent oversight are poor so long as legislators are more inclined to shuffle through projects in search of small headlines and little laughs.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 1326

At the request of Mr. JAVITS, the Senator from Delaware (Mr. BIDEN), the Senator from Vermont (Mr. LEAHY), the Senator from Michigan (Mr. PHILIP A. HART), and the Senator from Rhode Island (Mr. PELL) were added as cosponsors of S. 1326, the Emergency Special Public Service Employment and Railroad Improvement Act of 1975.

S. 1502

At the request of Mr. RIBICOFF, the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of S. 1502, the unemployment loan extension bill.

S. 1533

At the request of Mr. PERCY, the Senator from Maryland (Mr. MATHIAS), the Senators from Tennessee (Mr. BAKER and Mr. BROCK), the Senator from Ohio (Mr. TAFT), the Senator from New York (Mr. JAVITS), and the Senator from Indiana (Mr. BAYH) were added as cosponsors of S. 1533, a bill relating to the employment and training of criminal offenders, and for former offenders, and for other purposes.

S. 1534

At the request of Mr. PERCY, the Senator from Maryland (Mr. MATHIAS), the Senator from New York (Mr. JAVITS), the Senator from Indiana (Mr. BAYH), and the Senator from North Dakota (Mr. BURDICK) were added as cosponsors of S. 1534, a bill relating to voting rights of former offenders.

S. 1535 AND S. 1536

At the request of Mr. PERCY, the Senator from Maryland (Mr. MATHIAS), the Senator from New York (Mr. JAVITS), and the Senator from Indiana (Mr. BAYH) were added as cosponsors of S. 1535, a bill relating to the parole of offenders; and S. 1536, a bill relating to the parole of certain District of Columbia offenders.

SENATE JOINT RESOLUTION 3

At the request of Mr. KENNEDY, the Senator from Colorado (Mr. HASKELL) was added as a cosponsor of Senate Joint Resolution 3, a joint resolution to require the submission and approval by the Congress of fees on oil imports.

SENATE CONCURRENT RESOLUTION 35—SUBMISSION OF A CONCURRENT RESOLUTION APPROVING AN AGREEMENT BETWEEN THE UNITED STATES AND ROMANIA

(Referred to the Committee on Finance.)

Mr. MANSFIELD (for himself and Mr. HUGH SCOTT) (by request) submitted the following concurrent resolution:

S. CON. RES. 35

Resolved by the Senate (the House of Representatives concurring), That the Congress approves the extension of nondiscriminatory treatment with respect to the products of the Socialist Republic of Romania transmitted by the President to the Congress on April 25, 1975.

AMENDMENTS SUBMITTED FOR PRINTING

ADDITIONAL AUTHORITY FOR THE COUNCIL ON WAGE AND PRICE STABILITY—NO. 409

AMENDMENTS NOS. 379, 380, 381

Mr. KENNEDY submitted three amendments intended to be proposed by him to the bill (S. 409) to amend the Council on Wage and Price Stability Act to confer additional authority on the Council with respect to the prices of commodities and services, and for other purposes.

Mr. KENNEDY. Mr. President, when S. 409, the bill to extend the Council on Wage and Price Stability, reaches the Senate floor, I plan to offer three amendments.

The first amendment would provide a modest increase in the number of staff personnel for the Council. Under the current act, the Council is authorized to employ five persons in the GS 16–18 categories. The amendment would add three new positions, and would instruct the Council to give preference in filling the new positions to persons who are specialists in various sectors of the economy. The first 8 months of the Council's work—particularly its price-monitoring activities in steel, aluminum, metal cans, rubber tires, industrial chemicals, sugar, and bakery products—demonstrate the value of sector-by-sector approach to the economy. The amendment will encourage the Council to continue and expand this role. If Congress intends the Council to be a watchdog against inflation, we must give the Council the resources with which to watch. My hope is that in its ongoing role, the Council will pursue its sector-by-sector approach, and will continue to attract and develop a highly professional staff with the ability and experience to establish a comprehensive and fully effective anti-inflation policy.

The second amendment will make clear that in the various activities of the Council to promote price restraint, the Council shall be concerned not only with price increases but also with the failure of prices to show adequate downward flexibility in periods of recession. A number of observers have pointed out cases where sectors of the economy that displayed strong upward price flexibility in the past, inflation are now failing to show commensurate downward flexibility in the current recession. The amendment will insure that the Council considers this problem.

The third amendment will set the expiration date for the Council's authority at June 30, 1976, rather than September 30, 1977, as in S. 409. I believe it would be unwise at this time to set the 1977 date, which might result in Congress ignoring the Council for the next 2 years. The Council is the Nation's first line of defense against inflation. At this critical period in the development of economic policy, the Senate and House of Representatives should consider the Council's authority on a yearly basis, to insure that our anti-inflation policy keeps on the right track. The favorable recent CPI figures are no grounds for complacency. We must take every responsible step to guarantee that inflation is not rekindled. Now is the time to set a realistic anti-inflation policy in place.

Mr. President, I ask unanimous consent that the text of the amendments may be printed in the Record.

There being no objection, the amendments were ordered to be printed in the Record, as follows:

Amendment No. 379

On page 8, line 23, strike out "September 30, 1977" and insert in lieu thereof "June 30, 1976".

Amendment No. 380

At the end of the bill, add the following new section:

Sec. — (a) Section 2(d) (relating to the number of authorized positions for the Council in grades 16, 17, and 18 of the General Schedule) of the Council on Wage and Price Stability Act is amended by striking out "five" and inserting in lieu thereof "eight".

(b) In appointments to the additional positions authorized by the amendment made by subsection (a), the Council shall give preference to economists and other persons with special ability and experience in one or more of the various sectors of the economy.

Amendment No. 381

At the end of the bill, add the following new section:

Sec. —. The Council on Wage and Price Stability Act is amended by adding the following new subsections at the end of section 3:

"(c) In its activities directed toward price restraint and restraining prices under subsection (a), the Council shall include the consideration of price levels in a sector that, in a period of weak demand, fail to demonstrate a downward flexibility commensurate with the upward flexibility demonstrated by such price levels in a period of strong demand."

NOTICE OF HEARINGS: ENERGY RESEARCH AND DEVELOPMENT AND SMALL BUSINESS—SOLAR ENERGY AND SMALL BUSINESS

Mr. NELSON. Mr. President, I announce that the Select Committee on Small Business on May 13 and 14 will begin a series of hearings on energy research and development and small business. The subject on the first 2 days will be solar energy. On later dates, to be announced, other aspects of energy R. & D. will be considered, and further attention will be given to solar energy.

The hearing on May 13 will be in room 318, the caucus room, of the Russell Senate Office Building, and will begin at 10 a.m.

The hearing on May 14 will begin at 10 a.m. in room 457 of the Russell Building.

These hearings will be conducted by the full committee because the subject is within the jurisdictional interests of all of our subcommittees and of particular interest to three: the Subcommittee on Monopoly, which I chair; the Subcommittee on Government Regulations, chaired by Senator McIntyre; and the Subcommittee on Government Procurement, chaired by Senator Hathaway.

The Senator from New Hampshire (Mr. McIntyre) and the Senator from Maine (Mr. Hathaway) will therefore alternate with me in chairing these full committee hearings on solar energy and other energy research and development. We anticipate 4 to 6 days of hearings later in the year, after the opening 2 days on May 13 and 14.

Our witnesses on May 13 will be from the small business community and will express certain grievances with the manner in which solar energy research and development have been and are being handled by the Federal Government.

On May 14, we shall receive additional small business testimony, or testimony from some of the agencies mentioned in the May 13 testimony, or a combination of both.

Within the next few days, a full witness list and more detailed comments about the first 2 days of the hearings will be made available by the committee.

ANNOUNCEMENT OF HEARING BEFORE THE ENVIRONMENT AND LAND RESOURCES SUBCOMMITTEE OF THE SENATE INTERIOR AND INSULAR AFFAIRS COMMITTEE

Mr. HASKELL. Mr. President, I announce for the information of the Senate and the public, the scheduling of a public hearing before the Environment and Land Resources Subcommittee of the Senate Interior and Insular Affairs Committee.

The hearing is scheduled for May 20, 1975, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building.

Testimony is invited regarding four wilderness proposals which are pending before the subcommittee. The proposals are:

S. 74—A bill to designate the "Sheep Mountain Wilderness", Angeles and San Bernardino National Forests, California;

S. 226—A bill to designate the "Aldo Leopold Wilderness", Gila National Forest, New Mexico;

S. 392—A bill to designate the "Great Bear Wilderness", Flathead and Lewis and Clark National Forests, Montana; and

S. 1391—A bill to study certain lands (the "Snow Mountain Wilderness Study Area") in the Mendocino National Forest for possible inclusion in the National Wilderness Preservation System.

For further information regarding the hearings you may wish to contact Mr. Steven Quarles or Mr. Thomas Williams of the subcommittee staff on 224-9894. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Environment and Land Resources Subcommittee, room 3106, Dirksen Senate Office Building, Washington, D.C. 20510.

ADDITIONAL STATEMENTS

DEREGULATION OF NATURAL GAS

Mr. FANNIN. Mr. President, 4 years ago in the spring of 1971, the Senate expressed its earnest concern about the impending energy crisis by passing Senate Resolution 45, which established a multicommittee national fuels and energy study, with the chairman of the Senate Interior Committee presiding over it. The Senate commanded the members participating in the study to recommend solutions which, if implemented, would mitigate harm to the economy and to the welfare of American citizens.

Many hearings on the natural gas problem were held. In fact, hearings on the subject were held in 1971, 1972, and in 1973. In November of 1973, after repeated requests by minority members of the energy study, the Senate Resolution 45 membership met to deliberate a recommendation on natural gas policy. At that time the hearing record was replete with predictions of doom in terms of dramatically declining natural gas production and even more seriously declining natural gas reserves. Back then, the Federal Power Commission was instituting emergency curtailment procedures, and reports of growing unemployment were circulating due to the natural gas shortage. The national fuels and energy study membership had 2 days of meetings in November 1973, and then gave up trying to reach agreement. In the meantime, President Nixon had recommended deregulation of new natural gas, as did President Ford, who succeeded him. Various minority Members sponsored deregulation amendments to energy bills in 1973 and 1974. Their amendments were greeted by remarks of Commerce Committee Democrats, who stated that the natural gas shortage was phony. They said there really was no natural gas shortage.

Minority Senators were not alone in recommending deregulation. The Washington Post has printed several editorials urging quick deregulation of new natural gas.

Ninety days ago the President proposed a comprehensive national energy program. None of his proposed legislation has been enacted. On March 4, at the request of the Democratic leadership, the President postponed taking actions that S. 621 is intended to prevent in order for his administration spokesmen to meet with the Democrats to discuss an alternative energy strategy. The Democrats stated that within 60 days they would evolve an acceptable alternative energy strategy. To date all that has developed is an unfulfilled commitment. Instead of biting the bullet, the Democrats with words, not legislation, have proposed a conceptually platitudinous and programmatically "bandaid" approach to solving our national energy problems.

The latest development in the Washington area has been a communication from the Washington Gas Light Co. to Senators and to all its customers indicating the seriousness of the shortage of natural gas supplies and the immediate need to deregulate natural gas.

I ask unanimous consent that the letter from the Washington Gas Light Co.'s chairman of the board and president, Paul E. Reichardt, be printed in the RECORD, and I seriously commend it to the attention of my colleagues.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON GAS LIGHT CO.,
Washington, D.C., April 21, 1975.

Hon. PAUL J. FANNIN,
Washington, D.C.

DEAR SENATOR FANNIN: Washington Gas Light Company distributes natural gas which we buy from interstate pipeline companies, and there is less and less of it available. Since March 1972, we have been unable to accept any new customers. Recently we have had to discontinue service to all of our interruptible customers. Further curtailment of supply seems certain.

Because of the natural gas shortage, virtually all new homes built in the Washington area in the past 3 years have electric heat, which presently costs on the order of 2½ times as much as gas heat. And the situation in Washington is becoming more and more prevalent throughout the land.

I am writing to you as one who makes his home in the Washington area for part of each year and who, as a member of Congress, is in a position to help alleviate the growing shortages of natural gas.

Most people will agree that if Federal Power Commission control of the wellhead price of gas were removed, more gas would become available to the interstate market. But there seem to be two principal objections to decontrol.

First, some people believe that the natural gas shortage is largely the result of a conspiracy by producers, who (the argument goes) are cultivating the shortage in the hopes it will take the lid off prices. There is no question that the shortage has been brought about largely by the failure of producers to produce enough gas, for like any other businessman, the gas producer wants a reasonable return on his investment. In recent years the profit incentive appears to have been inadequate by reason of federally controlled prices. At any rate, it is clear that many producers shifted their activities from the production of domestic gas to other fields of endeavor.

The other objection to decontrol centers around the belief that the minute the lid is removed, the price of gas will skyrocket. In point of fact, however, only *new* gas would be decontrolled; and since it would take many years for the new gas to replace the gas now being produced under long-term contracts, the effect on the retail price of gas would be gradual and the inflationary impact would be minimal. Most studies indicate that natural gas will continue to remain competitive in price with other fuels well into the 1980's.

As a distribution company, our interest in this matter is simply to comply with our franchise responsibilities and get enough gas to serve our customers. We have no wish to see producers "make a killing", and coupling deregulation of new gas with a windfall profits tax and plow-back credit would seem a reasonable approach.

Natural gas provides one-third of our nation's total energy requirements. It is the cleanest fuel—the only fossil fuel which creates no pollution problems. But, as a nation, we are not doing enough to produce our substantial natural gas reserves. The decontrol of new natural gas would seem the vital first step to encourage production. Opening the potential gas fields of the Atlantic Outer Continental Shelf is another—a step which could be of exceptional benefit to the eastern part of the country.

Many members of Congress have become experts in the energy field, and I write to you in the full knowledge that you may look upon this letter as simplistic in its approach to a very complex issue. Nevertheless, to me and the other officers of Washington Gas Light Company, it is a crucial issue which will determine in large measure whether we shall have enough gas here in the National Capital area to supply our customers in the years ahead.

Sincerely,

PAUL E. REICHARDT.

AWACS DEMONSTRATION TIMED TO CONGRESSIONAL DECISION

Mr. PROXMIRE. Mr. President, if it did not involve so much money, the situation would be amusing. I am referring to the Air Force decision to bring the AWACS aircraft to Andrews Air Force Base on the outskirts of Washington, D.C., at precisely the moment that the House Armed Services Committee is considering how much money to pump into the program.

Of course the aircraft will just not sit there. There will be a series of flights for distinguished visitors, Members of Congress, perhaps members of the press. And the purpose of this quiet little demonstration—to influence Congress and the press at a critical decisionmaking point.

My friend and colleague from Missouri (Mr. EAGLETON) has time and again pointed out the deficiencies of the aircraft. Expert testimony from the General Accounting Office has shown that it is susceptible to cheap countermeasures of a not so sophisticated origin.

Mr. President, I want to be fair about this. Maybe the timing is just a coincidence. Perhaps there is a bureaucratic reason why the invitations were sent out by the Director of the Air Force budget office. It could be that there is no intent to try to influence the congressional decision on AWACS in the days ahead. These are open questions although I have my suspicions as to how the answers might read.

In any event I have asked the Secretary of the Air Force to provide certain cost and manpower documentation relating to this demonstration and I will gladly print his response in the RECORD so that the both sides of the story are told.

Mr. President, I ask unanimous consent that a copy of my letter to the Secretary of the Air Force be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 23, 1975.

Hon. JOHN L. MCLUCAS,
Secretary of the Air Force,
Washington, D.C.

DEAR MR. SECRETARY: On April 22, 1975, I received an invitation from General Charles C. Blanton, Director of the Budget, USAF, to take part in a demonstration flight of the AWACS at Andrews Air Force Base.

The timing of this invitation, during consideration of the FY 1976 military budget and the interest of the Air Force Budget Office in promoting this event, leads to certain questions.

First, could you provide me with the total cost of making the AWACS aircraft available for this demonstration? I would like this broken down by direct and indirect costs, including manpower, flying time, fuel, maintenance, operational costs for the demonstration, support, public relations activities and such others costs as can be identified.

Second, could you please provide the number of people involved in setting up this demonstration: crew members, support crews, Pentagon public relations specialists, USAF budget officers, distinguished military visitors to be present, members of the press invited, members of Congress invited (total numbers), other guests by category.

Third, I would appreciate receiving your thinking as to why this apparent public relations effort is being made at this time?

If it is possible it would be helpful to have your reply before these demonstrations begin here in Washington.

Sincerely,

WILLIAM PROXMIRE,
U.S. Senate.

S. 1499—THE EMERGENCY MASS TRANSIT DEVELOPMENT ACT

Mr. HART. Mr. President, recently, I introduced S. 1499, the Emergency Mass Transit Development Act. At the time, it was my intention to ask unanimous consent to have the text of the bill printed in the RECORD. Unfortunately, that was not done, but I do make that request now.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1499

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That this Act may be cited as the "Emergency Mass Transit Development Act".

FINDINGS OF FACT; DECLARATION OF PURPOSE

SEC. 2. (a) The United States is committed to developing a more efficient system of mass transit in order to conserve energy, reduce our reliance on foreign oil, stimulate employment, improve air quality, and provide millions of Americans with a balanced, attractive, convenient, safe and inexpensive means of travel.

(b) The productive capacity of the Nation's mass transit manufacturing industries falls well short of current demand, and is inherently incapable of meeting a substantial increase in rail and bus equipment requirements; whereas, in the Nation's automobile industry, capacity and output far outstrip current and projected demand, with a resulting depressent effect on employment and the Nation's economy.

(c) High concentration and a persistent absence of competition in the production of key bus components (especially diesel engines, transmissions, and angle-drive differentials) has restricted output and retarded innovation in the manufacture of transit buses. High concentration in rail locomotive manufacturing and the continuing exit of established railcar builders has inhibited the progress of American rail technology.

(d) The expansion of rail and bus production through new entry would enable industry to meet future mass transit equipment demands with competitively priced and innovatively designed vehicles; and it would secure for all citizens the advantages resulting from a balanced and competitive system of transportation. Moreover, the conversion and utilization by new rail and bus entrepreneurs of excess auto manufacturing capacity and manpower to the extent practicable, would reduce unemployment and preserve critical engineering skills.

(e) It is the purpose of this Act to stimulate new entry and provide additional capacity in the mass transit manufacturing sector by furnishing assistance in the form of loan guarantees to eligible industrial borrowers otherwise unable to obtain financing.

ESTABLISHMENT OF THE MASS TRANSIT DEVELOPMENT BANK

SEC. 3. (a) There is created a Mass Transit Development Bank (hereinafter referred to as the "Bank") composed of the Secretary of the Treasury, as Chairman, the Chairman of the Federal Trade Commission, or their respective designates, and three other persons who shall be appointed by the President from among individuals recommended by the Senate and House Committees on Banking, by and with the advice and consent of the Senate. A majority of the members of the Bank shall constitute a quorum.

(b) The members of the Bank who are not otherwise employed by the United States shall serve for a term of five years and shall receive compensation for service as members at the rate provided for individuals occupying a position under level II of the Executive Schedule (5 U.S.C. 5313).

(c) No member of the Bank shall in any manner, directly or indirectly, participate in the deliberation upon, or the determination of, any question affecting his personal interests, or the interests of any corporation, partnership, or association in which he has a direct or indirect personal interest.

(d) There shall be an Advisory Board to the Bank consisting of the Administrator of the Urban Mass Transit Administration, Administrator of the Federal Railroad Administration, the Chairman and Chief Executive of the National Rail Passenger Corporation, the Administrator of the Environmental Protection Agency, and the Administrator of the Federal Energy Administration. The Advisory Board shall provide the Bank with advice on matters uniquely within the expertise of its membership.

AUTHORITY

SEC. 4. The Bank, on such terms and conditions as it deems appropriate, may guarantee, or make commitments to guarantee, lenders against loss of principal or interest on loans that meet the requirements of this Act.

LIMITATIONS AND CONDITIONS

SEC. 5. (a) A guarantee of a loan may be made under this Act to assist any borrower to finance plant construction, conversion, or expansion, or the acquisition of real estate, equipment, materials, or supplies; or to obtain working capital, only if—

(1) the Bank finds that (A) the loan is needed to enable the borrower to undertake either (i) the domestic assembly of rail or bus passenger vehicles, or (ii) the domestic manufacture of rail or bus equipment, (B) the borrower, if seeking a guarantee of a loan for the assembly of rail or bus passenger vehicles, is not at the time of application already engaged in that assembly activity, (C) the borrower, if seeking a guarantee of a loan for manufacturing rail or bus production equipment, is not at the time of application already engaged in that manufacturing activity, (D) credit is not otherwise available to the borrower under reasonable terms or conditions, and (E) the prospective earning power of the borrower, together with the character and value of the security pledged, furnish reasonable assurance that it will be able to repay the loan within the time fixed, and afford reasonable protection to the United States; and

(2) the lender certifies that it would not make the loan without such guarantee.

(b) Loans guaranteed under this Act shall be payable in not more than ten years.

(c) Loans guaranteed under this Act shall bear interest (exclusive of guarante fees and service charges, if any) at rates not to exceed a rate determined by the Bank to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risk assumed.

DEFINITIONS

SEC. 6 (a) The definitions set forth in this section apply for the purposes of this Act.

(b) The term "borrower" includes any person, partnership, corporation, or other business association existing under or authorized by the laws of either the United States, the laws of any State, or the laws of any foreign country.

(c) The term "rail or bus passenger vehicle" means any type of steel-wheel or rubber-tired vehicle of integral construction operated on rails, fixed-guideways or streets and with a seated passenger capacity of 24 or more adults. The term "bus" shall not be deemed to include a vehicle sold primarily for school service.

(d) The term "bus equipment" means major bus components including bus bodies and suspension; engines, transmissions, drive shafts, angle-driven differentials, braking and other power train components; and lighting, heating, ventilating and air conditioning systems.

(e) The term "rail equipment" means major rail components including railcar bodies, propulsion and braking; trucks and suspension; and lighting, heating, ventilating and air conditioning systems; and railroad motive power.

CONVERSION OF AUTOMOTIVE MANUFACTURING CAPACITY AND MANPOWER; PRIORITIES

SEC. 7. To the maximum extent feasible, the Bank will give priority in the guarantee of loans under this Act to borrowers seeking to convert excess automotive assembly or manufacturing capacity and manpower to mass transit production.

SECURITY FOR LOAN GUARANTEES

SEC. 8. Loans guaranteed under this Act shall in the opinion of the Bank be adequately secured.

REQUIREMENTS APPLICABLE TO LOAN GUARANTEES

SEC. 9. (a) A guarantee agreement made under this Act with respect to an enterprise shall require that while there is any principal or interest remaining unpaid on a guaranteed loan to that enterprise the enterprise may not—

(1) declare a dividend on its common stock; or

(2) make any payment on its other indebtedness to a lender whose loan has been guaranteed under this Act.

The Bank may waive either or both of the requirements set forth in this subsection, as specified in the guarantee agreement covering a loan to any particular enterprise, if it determines that such waiver is not inconsistent with the reasonable protection of the interests of the United States under the guarantee.

(b) If the Bank determines that the inability of an enterprise to obtain credit without a guarantee under this Act is the result of a failure on the part of management to exercise reasonable business prudence in the conduct of the affairs of the enterprise, the Bank shall require before guaranteeing any loan to the enterprise that the enterprise make such management changes as the Bank deems necessary to give the enterprise a sound managerial base.

(c) A guarantee of a loan to any enterprise shall not be made under this Act unless—

(1) the Bank has received an audited financial statement of the enterprise; and

(2) the enterprise permits the Bank to have the same access to its books and other documents as the Bank would have under section 10 in the event the loan is guaranteed.

(d) No payment shall be made or become due under a guarantee entered into under this Act unless the lender has exhausted any remedies which it may have under the guarantee agreement.

(e)(1) Prior to making any guarantee under this Act, the Bank shall satisfy itself that the underlying loan agreement on which the guarantee is sought contains all the affirmative and negative covenants and other protective provisions which are usual and customary in loan agreements of a similar kind, including previous loan agreements between the lender and the borrower, and that it cannot be amended, or any provisions waived, without the Bank's prior consent.

(2) On each occasion when the borrower seeks an advance under the loan agreement, the guarantee authorized by this Act shall be in force as to the funds advanced only if—

(A) the lender gives the Bank at least ten days notice in writing of its intent to provide the borrower with funds pursuant to the loan agreement;

(B) the lender certifies to the Bank before an advance is made that, as of the date of the notice provided for in subparagraph (A), the borrower is not in default under the loan agreement: *Provided,* That if a default has occurred the lender shall report the facts and circumstances relating thereto to the Bank and the Bank may expressly and in writing waive such default in any case where it determines that such waiver is not inconsistent with the reasonable protection of the interests of the United States under the guarantee; and

(C) the borrower provides the Bank with a plan setting forth the expenditures for which the advance will be used and the period during which the expenditures will be made, and upon the expiration of such period, reports to the Bank any instances in which amounts advanced have not been expended in accordance with the plan.

(f) (1) A guarantee agreement made under this Act shall contain a requirement that as between the Bank and the lender, the Bank shall have a priority with respect to, and to the extent of, the lender's interest in any collateral securing the loan and any earlier outstanding loans. The Bank shall take all steps necessary to assure such priority against any other persons.

(2) As used in paragraph (1) of this subsection, the term "collateral" includes all assets pledged under loan agreements and, if appropriate in the opinion of the Bank, all sums of the borrower on deposit with the lender and subject to offset under section 68 of the Bankruptcy Act.

INSPECTION OF DOCUMENTS; AUTHORITY TO DISAPPROVE CERTAIN TRANSACTIONS

Sec. 10. The Bank is authorized to inspect and copy all accounts, books, records, memoranda, correspondence, and other documents of any enterprise which has received financial assistance under this Act concerning any matter which may bear upon (1) the ability of such enterprise to repay the loan within the time fixed therefor; (2) the interests of the United States in the property of such enterprise; and (3) the assurance that there is reasonable protection to the United States. The Bank is authorized to disapprove any transaction of such enterprise involving the disposition of its assets which may affect the repayment of a loan that has been guaranteed pursuant to the provisions of this Act.

MAXIMUM OBLIGATION LIMITATION

Sec. 11. The maximum obligation of the Bank under all outstanding loans guaranteed by it shall not exceed $3,000,000,000 prior to October 1, 1978; but in no event shall the Bank guarantee loans to any one borrower in an amount (1) greater than $200,000,000 for the assembly of rail or bus vehicles, or (2) $400,000,000 for the manufacture of rail or bus equipment, or (3) $600,000,000 for combined assembly and manufacturing operations.

ANNUAL REPORTS AND MAXIMUM OBLIGATION REQUESTS

Sec. 12. The Bank shall submit to the Congress not later than March 31 of each year a full report of its operations and performance under this Act during the preceding calendar year. To assure program continuity, the Bank shall submit to the Congress requests for increased authority (1) for fiscal years 1979, 1980, and 1981, not later than March 31, 1978, (2) for fiscal years 1982, 1983, and 1984, not later than March 31, 1981, and (3) for fiscal years 1985, 1986, and 1987, not later than March 31, 1984, and (4) for fiscal years 1988, 1989, and 1990, not later than March 31, 1987.

EMERGENCY LOAN GUARANTEE FUND

Sec. 13. (a) There is established in the Treasury an emergency loan guarantee fund to be administered by the Bank. The fund shall be used for the payment of the expenses of the Bank and for the purpose of fulfilling the Bank's obligations under this Act. Moneys in the fund not needed for current operations may be invested in direct obligations of, or obligations that are fully guaranteed as to principal and interest by, the United States or any agency thereof.

(b) The Bank shall prescribe and collect a guarantee fee in connection with each loan guaranteed by it under this Act. Sums realized from such fees shall be deposited in the emergency loan guarantee fund.

(c) Payments required to be made as a consequence of any guarantee by the Bank shall be made from the emergency loan guarantee fund. In the event that moneys in the fund are insufficient to make such payments, in order to discharge its responsibilities, the Bank is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Bank with the approval of the Secretary of the Treasury. The aggregate amount of obligations issued under this subsection may not exceed amounts approved in an appropriation Act. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued hereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act are extended to include any purchase of such notes and obligations.

FEDERAL RESERVE BANKS AS FISCAL AGENTS

Sec. 14. Any Federal Reserve bank which is requested to do so shall act as fiscal agent for the Bank. Each such fiscal agent shall be reimbursed by the Bank for all expenses and losses incurred by it in acting as agent on behalf of the Bank.

PROTECTION OF GOVERNMENT'S INTEREST

Sec. 15. (a) The Attorney General shall take such action as may be appropriate to enforce any right accruing to the United States or any officer or agency thereof as a result of the issuance of guarantees under this Act. Any sums recovered pursuant to this section shall be paid into the emergency loan guarantee fund.

(b) The Bank shall be entitled to recover from the borrower, or any other person liable therefor, the amount of any payments made pursuant to any guarantee agreement entered into under this Act, and upon making any such payment, the Bank shall be subrogated to all the rights of the recipient thereof.

TERMINATION

Sec. 16. The authority of the Bank to enter into any guarantee or to make any commitment to guarantee under this Act terminates on September 30, 1990. Such termination does not affect the carrying out of any contract, guarantee, commitment or other obligation entered into pursuant to this Act prior to that date, or the taking of any action necessary to preserve or protect the interests of the United States in any amounts advanced or paid out in carrying on operations under this Act.

BILL McGAFFIN

Mr. PERCY. Mr. President, many of us lost a good and valued friend last week with the death of Bill McGaffin, deputy Washingon bureau chief of the Chicago Daily News. Bill was the kind of reporter who made other journalists proud of their profession. In a career that spanned four decades and most of the globe, he had a passion for accuracy and a hard eye for anything less than the whole truth.

Away from the typewriter he was a gentle and friendly family man who was so at peace with himself and his maker that he could look even impending death in the face with equanimity. He leaves us all stronger for having known him.

The most graceful tribute to Bill that I have seen was writen by his friend and colleague Peter Lisagor, bureau chief of the Chicago Daily News.

Mr. President, I ask unanimous consent that Mr. Lisagor's article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Chicago Daily News, Apr. 15, 1975]

McGaffin: A Gentle Man of Conscience

(By Peter Lisagor)

Washington.—William McGaffin was, plainly and simply, a man of conscience.

Beneath a sweetness of spirit that was rare in a man who had covered wars and every imaginable government crisis here and abroad over nearly four decades as a journalist, his conscience remained a rigorous arbiter of the behavior of public officials.

Deeply religious, compassionate to a fault, he had one hangup as a reporter: He could not tolerate deceit by those in government. Long before it became fully fashionable to question the works of men in high places, Bill McGaffin was bent on truthseeking.

He was offended by even the hint of abuse of power. He once riled President Dwight Eisenhower when, at a news conference, he asked Ike about the propriety of using government helicopters to whisk the President out to the golf course. It was a gutsy thing to do in the placid Eisenhower years.

Together with reporter Erwin Knoll, he wrote two books, "Anything but the Truth," and "Scandal in the Pentagon," exposing the deceitful games played by the Pentagon in pushing its weapons programs through Congress, and the duplicity practiced in other government agencies.

His critical stories on the military brass sometimes led to those petty reprisals that he refused to accept.

Once, when the Defense Department issued a "defense posture" statement and distributed it only to Pentagon friends in the press corps, he got wind of it and stayed on the telephone half the night, waking up general officers and civilian officials, until he obtained a copy. He wrote a reasoned story about it and had it in the paper in time to meet his competition.

His indignation was always controlled but persistent. In admiration of his probing inquiries, a colleague once said, "Bill McGaffin keeps them honest."

What he deemed the public's right to know about its business was a passion with Bill McGaffin. He fought every attempt to keep the news buttoned up, and he was a pioneer in helping to fashion freedom of information regulations.

Although saintly in demeanor and reticent by nature, he was tough-mined about his work. He was neither awed nor intimidated by the powerful. He knew the corruptive nature of power and dealt with it as a reporter with the sensitive dedication of a true professional.

While he covered upheavals around the world inspired by the wickedness and greed of despotic rulers, he never had to struggle with cynicism. He retained a basic faith in people and an uncommon loyalty to his friends and associates.

In his losing battle with cancer, Bill found an inner peace in his religion. And he had the courage to write about it without a trace of piousness.

The memory of this gentleman's uncommon civility in a tough trade, to which he brought pride and distinction, will always be green among his colleagues.

EMIL RIEVE—A GREAT AND GOOD AMERICAN

Mr. HUMPHREY. Mr. President, yesterday I attended the memorial service for Mr. Emil Rieve, the longtime president of the Textile Worker's Union and a former vice president of the AFL-CIO. I am saddened that this great man is no longer with us, but his noble spirit remains to guide Americans who have chosen to serve their country with the same dedication.

He made many contributions to our country. He guided the merger of the AFL–CIO; conceived and sought to promote the idea of an international minimum wage; and he spoke of the need for national economic planning. The devotion and determination of Emil Rieve will remain in our hearts to inspire us always.

Mr. President, I ask unanimous consent that the text of my eulogy at the memorial service be printed in the Record.

There being no objection, the eulogy was ordered to be printed in the Record, as follows:

Emil Rieve Memorial Service

(By Hubert H. Humphrey)

Emil Rieve was among the most fortunate of men. He lived a full, fruitful, exciting and purposeful life.

We, therefore, do not gather here this afternoon to mourn his death, painful as it is to lose a dear friend.

Rather, we gather to pay tribute to the memory of a good friend—a noble spirit.

The newspapers reported that Emil suffered from a heart failue. Strangers may believe that, but those of us who knew him well do not—we know better.

Emil Rieve never had a failure of heart, of spirit, of courage, or of mind; he was always strong of heart and intense of conviction.

Emil and I first met in 1946—29 years ago. It was in Minneapolis and I, a young mayor with just a hint of ambition in my make-up, was invited to address an educational institute of the Twin Cities Joint Board of the Textile Workers Union, locally headed by Oscar Winger and Al Esnough.

Bill Tuller, my dear friend and the brother of Doris who had worked for me in Minneapolis, was then regional director of Textile out of Chicago. With the advice of Larry Rogin and Joe Glazer, Bill had enlisted the aid of my friend and later my lawyer, Max Kampelman, to serve as a political consultant to the Union.

This institute was to be a major step forward in the move to rid the Minnesota labor movement of its pervasive communist influence.

Into that picture came Emil Rieve—the formidable, and to us in the Mid-West, the awesome Emil Rieve—president of a powerful labor union, friend of Presidents, Governors and Congressmen, an intimate friend of Phil Murray.

But as I soon learned, there was no need for a young man to be fearful. For that crinkly, full, hard-worn hosiery worker face was also warm and smiling. And behind that exterior was great warmth, a sense of compassion, and deep wisdom.

I have heard it said that under Emil Rieve the Textile Workers Union had the best legal staff, the best educational department and the best political department in the trade union movement. Obviously, the careers of Larry Rogin, Al Barkan and Joe Glazer can be looked to as evidence for that contention. The fact that the claim was made was in itself a tribute to the leadership capabilities of this great man—small in stature but a giant in perception.

Furthermore, this leadership was broadguaged. Emil Rieve knew that a democratic labor movement must never lose sight of its members and their aspiration to share the fruits of their hard labor. But, he also knew that a democratic labor movement must never lose sight of its stake in a strong democratic society and in an effective democratic political structure.

Emil Rieve and I, therefore, found ourselves side-by-side in many political struggles to establish and solidify a liberal political movement in America, free of rigid orthodoxy and totalitarian influence.

From the day we met, Emil Rieve supported me in every political fight of my life—for Mayor, Senator, Vice President and President. I will never forget and will always be grateful to this dead man, this dedicated champion of American workers, this loyal friend.

Yes, Emil Rieve was a fortunate man, but those of us who had the privilege of knowing him and being his friends were even more fortunate for his friendship.

This superb pragmatist and genuine idealist lived to see so many of his goals realized. Fights—yes; but victories, too—and victories even if they were not always immediately apparent.

And not the least but perhaps the most important ingredient of Emil's good fortune was Wanda, who gave him tenderness, scolding as needed, guidance and care, always love.

To Wanda, to Harold (his son), to Emil's family, we his friends say: "thank you for sharing him with us."

STRETCHING CRITICAL FUELS

Mr. FANNIN. Mr. President, regrettably the people who have suffered most from the energy crisis have not been politicians, but consumers. In particular, those hurt the most have been Americans whose electric bills have skyrocketed. The principal reason for the increased price for electricity has been the high cost of residual fuel oil which is used as a boiler fuel to generate electricity. The OPEC oil cartel has been largely responsible for the increase in oil prices. But, the OPEC cartel has no control over the 500-year supply of U.S. coal. Nor does it have any control over the development within the United States of nuclear generated capacity.

The Congress has been principally responsible for holding back development of coal-fired and nuclear electrical generating capacity. Overly zealous environmentalists have blocked the licensing of nuclear powerplants. Overly zealous environmentalists have been trying to block surface mining of coal. Overly zealous environmentalists have successfully pressed for the enactment of legislation which would prohibit the burning of coal. The result of all of this has been high electricity bills for the American consumer. In this Tuesday's Washington Post at page A9, W. Donham Crawford, president of the Edison Electric Institute, presented a message entitled "Nobody Can Do More To Stretch America's Critical Fuels Than Your Electric Companies." His statement lays out the facts about the problems our American electrical utilities are confronted with.

I commend this message to the attention of my colleagues and ask unanimous consent that it be printed in the Record.

There being no objection, the message was ordered to be printed in the Record, as follows:

[From the Washington Post, Apr. 22, 1975]

Nobody Can Do More To Stretch America's Critical Fuels Than Your Electric Companies

(By W. Donham Crawford, President, Edison Electric Institute)

You count on your electric company for dependable electric service.

But your electric companies can do even more for you.

By building new plants that use different fuels to make electricity, they can "free up" hundreds of millions of barrels of oil. Badly needed oil.

A single nuclear plant can produce as much electricity in a year as an oil-fired plant burning 10 million barrels of oil.

ALMOST ANY FUEL CAN BE CONVERTED INTO ELECTRICITY

Your electric company uses a generator to make electricity. And like the generator in your car, it needs to be turned by something.

In hydroelectric plants, the generators are hooked up to elaborate "water wheel" turbines that turn them.

But in most electric plants, it is steam, made in a boiler, that turns the generators.

How you make the steam is a key to saving fuels for this country.

In oil-fired plants, oil is burned to make the steam. In coal plants, coal. In nuclear power plants, the carefully controlled nuclear reaction gives off heat that makes the steam.

HOW COAL AND NUCLEAR FUEL CAN TAKE THE PLACE OF OIL

Knowing that it's all in how you make the steam, you can see that the way to save oil is simply not to build more power plants that depend on oil.

With the oil shortage, we have had a hard time getting the oil to keep these plants going. Where available, it has been expensive.

So the idea is to shift to fuels which are more plentiful.

Coal, for instance, is now used to make about 46% of our electricity. Nuclear energy only 6%.

The oil-saving answer is to build new plants that can use coal or nuclear energy. Both of these alternative fuels also offer important economic advantages over oil. There are economies for consumers, too.

On a nationwide average, nuclear fuel costs about one-eight as much as oil.

THEN WHY HAVEN'T WE SWITCHED OVER TO COAL AND NUCLEAR FUELS?

The answer is, we're trying—but the going is tough.

The past year has been so hard on electric companies financially that 83 new nuclear installations have been delayed or shelved. And what hurts most is that it takes 10 years to build a nuclear plant. Based on projections of the population and energy use for 1985, we need each one of the plants still being held up.

We need new coal-burning plants, too. But environmental restrictions have closed off much of our coal supply.

We are optimistic that the delays will be overcome and construction schedules maintained on both nuclear and coal-burning plants. We hope that a reasonable balance can be struck between our environmental goals and our energy needs.

The country has hundreds of years worth of coal in the ground and a long-range supply of uranium to rely on—these are two fuels we have in great supply. And that, to the electric companies, is fuel reliability.

A WORD ABOUT CLEAN BURNING OF COAL

The electric companies favor and support the objectives of the Clean Air Act, but have disagreed so far with the Environmental Protection Agency on the best way to achieve these objectives in the burning of coal. There are a number of ways to achieve health-related air standards, and we think they all have a place.

A requirement to install scrubbers where they are not needed will cost consumers hundreds of millions of dollars. Not to mention the possible threat to the continuity of service.

As we've said, reliability must govern whatever electric companies do.

HOW YOU CAN HELP STRETCH ALL OF OUR FUELS

This last year, you helped by using electricity wisely, but there's still more you can do.

Shift any electric job you can out of the "rush hour" periods to quieter times, such as nights and weekends.

If enough people do this, your electric company can often avoid having to start up an extra generator during rush hours.

And since these "spare" generators are generally less efficient than the main generators, they use more fuel. The fuel is usually gas or oil.

CAN NEW COAL AND NUCLEAR PLANTS SLOW DOWN THE RAPID RISE OF ELECTRIC RATES?

Electricity prices, like everything else, have climbed rapidly the last year and show every indication of continuing to climb.

So the economies of a nuclear plant, for instance, cannot turn inflation around, but they can slow it down. And that is important.

Fuel costs, construction costs, interest rates and inflation have all been forcing the price of electricity up despite the efforts of companies and regulatory commissions to slow the rise.

To sum up, your electric companies are in a unique position of being able to help stretch this country's critical fuels—specifically oil and natural gas—and keep your electric service reliable at the same time.

It's a big order, but with your help we can do it.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the value of the Genocide Convention lies on two planes: What it is and what it represents. The convention is the outlawing, specifically, of genocide. The convention represents the first attempt to establish international law that would create a moral and philosophical standard. This universal code of ethics would, in turn, hopefully promote understanding and peace between nations.

The problem we face is the simple failure to acknowledge the enormous benefits to be reaped from this second plane, because of a preoccupation with the first.

In a report the Committee on Foreign Relations concluded:

> Indeed, there is a note of fear behind most arguments—as if genocide were rampant in the United States and this Nation could not afford to have its actions examined by international organs—as if our Supreme Court would lose its collective mind and make of the treaty something it is not—as if we as a people don't trust ourselves and our society. The rhetoric of the opponents, and to a degree the proponents, has obscured what a modest step the Convention represents.
>
> Philosophical, moral, and constitutional questions have been raised which go far beyond this modest step and probe man's relationship to his fellow man and the responsibilities of governments to protect the rights of their citizens. These questions appear inherent in the area of human rights treaties and legislation and it is good that they are raised, because they serve to lift our sights to what is really an issue here, an attempt to curb the excesses of mankind. As our planet becomes more crowded, man's behavior towards his fellows must be governed by standards ever higher and more humane. This treaty seeks to set higher standards of international morality and should be judged on that basis.

I again urge ratification.

THE PROBLEMS AND PROSPECTS OF EAST ST. LOUIS, ILL.

Mr. PERCY. Mr. President, I want to bring to the attention of my colleagues a recent article by Paul Delaney, of the New York Times, describing East St. Louis, Ill.

It is not a pretty story; in fact, it is a downright gloomy and pessimistic one. But the present problems and future prospects of East St. Louis, Ill., hold lessons for all of us who are concerned about urban America.

We here in Washington had better pay attention to these lessons and then provide the necessary leadership and support to help in the rebuilding of East St. Louis and similar cities across America.

I ask unanimous consent that Mr. Delaney's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EAST ST. LOUIS, DECAYED AND DESPERATE, STILL HAS HOPE

(By Paul Delaney)

EAST ST. LOUIS, ILL.—In the revolving rooftop restaurant of Stouffer Inn on the St. Louis side of the Mississippi River, the cocktail napkins have a map of the riverfront drawn on them.

The map notes the Gateway Arch, Busch Stadium, the old cathedral and other points of interest. Ignored completely is the City of East St. Louis, the predominantly black town that comes out only as a blank white space on the napkins.

The omission perhaps is typical of the feelings of many on both the Illinois and Missouri sides of the Mississippi that East St. Louis should just disappear along with its myriad of problems and seemingly insurmountable decay.

But East St. Louis is there, standing as an unfortunate example of what happens when a city is allowed to deteriorate to the point of desperation. The city's dwindling population, down to about 60,000, was once predominantly white but is now over 75 per cent black and extremely poor.

Much of East St. Louis' housing is decayed. There is a deficit of $2-million in the city government's $9-million operating budget. Unemployment is over 20 per cent, highest of any city in the state.

Crime is rampant, and were it not for state and Federal funds for such programs as job training, welfare benefits, public employment and unemployment compensation, things would be much worse than they are.

More than 30 per cent of the population receives some form of public aid and the overwhelming majority of the rest are dependent on a public payroll.

In interviews, leaders here said that today's problems were attributable to a history of being in the shadows of the bigger metropolis of St. Louis, and serving as its neighbor's "fun city" by providing horse racing, gambling, liquor and prostitution through a corrupt political machine that continues to flourish today, although now black-controlled.

Further, the heavy industry and 13 railroads that came to East St. Louis attracted from the South a work force of unskilled and uneducated blacks and whites. Many of them were originally headed for Chicago but were delayed in St. Louis, and the blacks in particular preferred to settle in a "northern" state rather than Missouri.

Despite such a gloomy situation, there are some citizens and leaders here who see better days ahead for East St. Louis. There is no way to go but up, many of them said candidly.

They point to a new city government under a different form of government as one reason for optimism. On May 5, a strong mayor and 18-member council form of government replaces a five-man commission that was elected at-large.

Other reasons, they say, are good transportation—ground, water and air—and plenty of available land almost free for the asking and a large work force.

"This city is a gold mine, but its resources have never been tapped," commented Mayor James B. Williams, who was defeated April 1 for re-election by 800 votes.

He was not alone in his assessment. Some persons interviewed could think of nothing more to say other than East St. Louis has great potential.

The slogan outside the First National Bank of East St. Louis says "we're staying." But inside, C. J. Rogers, president, explained, "We're staying because we don't have much of an option. Besides, while there is no business here and none coming in the foreseeable future, banking is doing okay. More people are saving and there are massive amounts of Federal and state dollars coming here that have to be deposited."

One of the biggest optimists in town is Mayor-Elect William E. Mason. He feels that his election as the first black Democratic Mayor—Mayor Williams was an independent—signaled the beginning of unity, the key to solving the problems of East St. Louis.

Mr. Mason, holder of a doctorate degree, resigned Thursday night as Superintendent of Schools here. He criticized Mayor Williams' independence and distrust of partisan politics.

"You can't be in politics without participating in politicking. As Mayor of the city and head of my party I intend to use that clout for the benefit of East St. Louis," Mr. Mason said.

However, many others interviewed expressed concern over the Democratic party, which they described repeatedly and bitterly as corrupt. The party is firmly entrenched and just captured all 18 council seats, with only one white and no women.

Indeed, Mr. Mason himself, along with the school board and several school staff officers, are representatives of the plight of East St. Louis. He is under investigation by the Federal authorities in a series of scandals involving kickback schemes and other forms of corruption. The school district is the city's biggest employer—with 2,000 mostly patronage jobs and a budget of $32 million coming mainly from the state. Mr.

Mason has denied any involvement in wrongdoing.

Four of the school board's seven members, including its president, went on trial in Federal District Court today, along with the school district's business manager and purchasing agent. Not even the church escaped the scandals, as a Roman Catholic nun was also indicted.

City leaders, including Mr. Williams, Mr. Mason, Mr. Jordan and Mr. Rogers, analyzed East St. Louis' basic problem thusly: for decades poor, unskilled and uneducated blacks were exploited politically and economically. But they continued to support and deliver the votes for the white-controlled Democratic machine.

Meanwhile, a strong black middle class never developed, and when blacks suddenly took over politics five years ago, the leaders were the ward heelers and flunkies of the previous white machine.

"There is no question that the black community is unsophisticated in the ways of politics," Mr. Jordan commented, echoing the sentiment of many.

White businessmen refused to deal with the new political leaders and became more and more alienated, Mr. Rogers said. He and Gilbert Novotny, president of National Stockyards Company, served on a committee formed 10 years ago to try to attract new industry to East St. Louis. Mr. Novotny said that not a single new white business had settled in East St. Louis in that period.

Mayor-elect Mason said that his first order of priority would be to curb crime on the streets, which should lead to a better atmosphere to stem the abandonment of the city now by middle class blacks and eventually attract white residents and businesses back to East St. Louis.

A DAY OF REMEMBRANCE FOR ARMENIA

Mr. KENNEDY. Mr. President, today marks the observance of a "National Day of Remembrance of Man's Inhumanity to Man"—the 60th anniversary of the Armenian massacre and exile. It is a day to pay tribute to millions who were denied life and liberty and the right to live in peace in their own land. But it is also a day to reaffirm our commitment to the principles embodied in every treaty and declaration which seeks to protect minorities and end the oppression of people and nations.

For Americans and other peoples who cherish their heritage of freedom and the equality of man, the tragic history of the Armenian people serves as a constant reminder of our Nation's failure to outlaw the crime of genocide. So long as the United States fails to ratify the Genocide Convention, our long-standing commitment to help alleviate the tragic dimensions of conflict will remain under test. So, too, will our pledge to uphold the principles of international law and humanitarian justice—principles so integral to the fabric of our society. Our failure to act decisively during the years on this treaty has created a burden of neglect—neglect of principles for which we pride ourselves in setting an example for other nations to follow. And while few nations can match America's incomparable record of persistence in the cause of equality and morality in the conduct of international relations, there is much more we can and must do. To begin achieving this objective, it is imperative to move quickly once and for all against civilian destruction and the excess of war by upholding the Genocide Treaty.

For Americans of Armenian descent, our adherence to these principles is the challenge which all Americans must confront together, not one group alone. The tragedy of Armenia should be reason enough for us to move forward.

What transpired in 1916 exists even in our own time. Turmoil and violence remain constant companions to millions of innocent war victims around the world. Still today, as the tragedy of the past is rekindled on this occasion—the ruthless course of war leaves a never-ending succession of human disasters in its wake.

In Indochina, Africa, and elsewhere, innocent civilians flee armies and the hatred of governments. Too often the simple protests of the international community fails to stop such violence. With war-ravaged populations suffering wherever we turn, Armenians know all too well that if history is to serve as our guide, genocide acts are not simply sorry episodes of the past—but very real and immediate threats which demand far greater concern and more definite obligations on our part.

Mr. President, along with all Americans, I wish to express my support for this day's objectives. Let us seek a common purpose from this National Day of Remembrance. We can do no less for the cause of the Armenian people.

U.S. FUNDS UNCLAIMED BY LOCAL GOVERNMENTS

Mr. PERCY. Mr. President, today—April 25, 1975—the Washington Post published a newsstory, written by Joel D. Weisman, entitled "U.S. Funds Unclaimed by Local Governments." I commend Reporter Weisman on the thoroughness of his research and the Washington Post for publishing this informative article. As I travel around the State of Illinois and meet with municipal officials, I learn that most of the local governments have severe fiscal problems despite the revenue sharing funds they receive. I repeatedly hear the same remark as the primary reason for their desperate money plight. The remark is:

> The people want an increase in services without an increase in taxes.

But, currently, many villages and towns have no recourse but to cut back on present services. In addition to other adverse effects, this action invariably causes increased unemployment and a worsening of the economic problems of the communities.

I am confident many local officials are not aware of many Federal programs which do have funds and could be of assistance in some areas. I feel the information contained in the article would be of genuine value to thousands of local officials who face critical financial problems.

Mr. President, I ask unanimous consent to have the article referred to printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.S. FUNDS UNCLAIMED BY LOCAL GOVERNMENTS

(By Joel D. Weisman)

Several billion dollars in federal grants—for programs ranging from drug control to flood prevention—have yet to be claimed by local governments.

The unclaimed billions were discovered in a Washington Post survey of 1974 and 1975 grants. An exact figure cannot yet be determined because of varying claim deadlines and the fact that many government agencies do not compute outstanding grants until the end of the fiscal year.

However, the survey shows:

More than $100 million in community development revenue sharing and highway funds have been rejected by dozens of local governments.

More than $5 billion in environmental protection grants have yet to be claimed with the July 1 deadline approaching.

More than $5 million in Health, Education, and Welfare and Department of Agriculture grants were not claimed in 1974 in programs including drug control, hospital construction, scholarships, child and maternal care and state agricultural experimental stations. HEW says even more may go unclaimed this year.

Mere compliance with application requirements, sometimes no more than filing out a single-page proposal, assures the communities of the grants, which are so-called mandatory, as contrasted with the discretionary variety. In discretionary grants various applicants vie for portions of a total allotment. The portions are decided at the discretion of the federal government officials.

In virtually all the programs surveyed, the amount of unclaimed grants was relatively small in light of the multibillion-dollar totals available, but taken overall their impact could be significant as local governments, short of cash, try to hold the line on taxes.

The survey indicated there are various reasons for failure to claim funds, including: lack of matching local funds; fear of federal controls; administrative carelessness; and fear of racial integration since most grants require pledges of non-discrimination among other promises.

"These are surely not the times the city should ignore available money," said John Gunter, executive director of the U.S. Conference of Mayors, which represents the nation's largest cities. "But in some cases, it takes money to get money," he added, referring to local matching requirements.

Local matching requirements range from 10 per cent on Interstate Highway funds to 50 per cent for some agriculture grants.

However, there are vast sums available that require no matching funds.

For instance, some $27 million remains available until July 1 for full federal funding of highways in and around national parks. Yet the following states have yet to make claims: Alaska, allotted $3.9 million; Oregon, $3.6 million; Montana, $3 million; Colorado, $2.9 million; Arizona, $2.4 million.

The new HUD community development grants—designed to replace a half-dozen categorical grants—also have no local matching requirements. Moreover, they can be spent for a wide variety of programs, ranging from flood control and open space development to fire and ice protection.

But communities receiving the funds must file low and moderate income housing plans—a requirement that has caused the outright rejection of more than $25 million.

Some two dozen predominantly white, medium-sized cities generally located near large cities with substantial black populations, were among those that turned down the HUD funds.

"We turned down the program because we feel that such housing plans would encourage inner-city people to migrate to our cities," said Mayor Ted Bates, of Warren, Mich., which borders Detroit. Bates concedes his city of 180,000, with about 90 black families, could have used the $1.6 million in HUD funds "but we don't want it to be at the price of inviting poor people here."

Similar sentiments were expressed by local government leaders in Berwyn, Cicero, and Oak Lawn, Ill., which all border Chicago.

"Let's face it, we're talking about integration," said Richard Drager, of Roseville, Mich., another Detroit suburb.

But while blue-collar cities of 50,000 or more passed up about $5 million in HUD monies, urban counties, comprised of smaller, often white-collar, suburbs, passed up nearly five times that amount.

For instance, Montgomery County, outside Philadelphia, received only $340,000 of a possible $1 million in community development grants because so many suburbs refused to sign a county cooperative agreement—and participate in the housing plan. Cook County, where Chicago is located, sacrificed some $700,000 for the same reason.

And nine urban counties were forced to reject all funds they were allotted because they could not get enough communities to meet the combined 200,000 population minimum required for an urban county grant. These counties were: Dallas County, Tex.; Milwaukee County, Wis.; Waukesha County, Wis., west of Milwaukee; McComb County, Mich. near Detroit; York County, Pa.; Monroe County, N.Y., which includes Rochester; Westchester County, N.Y.; Lake County, Ind., which includes Gary; and Baltimore County, Md.

"The cities don't come right out and say it, but in most cases they fear blacks," said Thomas Goodwin, Waukesha County grant administrator. In his county 25 of 37 suburbs refused to enter cooperative agreements, leaving the county short of the minimum 200,000.

HUD officials were surprised by the outright rejections, but declined to label the motive racism. "It may well be a genuine concern for maintaining family economic levels," says James Broughman, chief of HUD grant statistics. "Blacks may be feared because they're poor, more than because they're black."

Like the HUD funds, federal revenue sharing requires no matching grants—and allows local authorities broad discretion in spending funds.

Yet, despite two telegrams, five postcards, and various other reminders and communications from the Treasury Department to apply, 125 government units rejected revenue sharing dollars in 1974 and 103 units have done the same this year.

In some cases rejections are based on deep-seated philosophical beliefs.

"We just don't want something for nothing," says Mayor Gene Hoke, of Ocean Breeze Park, Fla., who could have cut his city's budget by 25 per cent by accepting the $2,500 in funds.

Arnold Hewitt, a spokesman for the Tuscarora Indian Reservation near Niagara Falls, N.Y., says his tribe refused $18,000 in revenue sharing funds "because the money is like the old palefaces' fire water. They give it to us then they take our land."

In Leonard Village, Mich., officials refused money they wanted for a public building "because we can't afford to pay laborers prevailing union wages," one of the requirements under the act.

Among the largest unclaimed sums are Environmental Protection Agency grants, which require matching funds. "In some cases communities have to pass referendums just for the matching money," said Peter Romsey of the Illinois Bureau of the Budget Other states are having difficulty meeting stiff technical requirements.

Thus with only two months until the deadline for claiming 1974 funds and 14 months to claim '75 funds, almost $5 billion remains in Washington.

Interstate highway funds are also plentiful. Massachusetts and the District of Columbia have already rejected $70 million to build Interstate highways, and many millions earmarked for other states have yet to be obligated under the 1973 Highway Act, which expires June 30. For instance, as of March, Delaware had claimed only $3 million of an allotted $24 million and Iowa had received only $5 of $128 million.

Department of Transportation spokesman say in some cases local governments can't meet the 10 per cent matching requirements on Interstate funds and the 30 per cent matching requirements on Interstate federal highways. Many projects, as in the case of the District, are also threatened by citizen opposition to highways or adverse court decisions.

In most cases, unused federal funds revert to the agencies that dispense them and are added to the next year's allotments—but not always to the same states. Thus, alert local governments can increase their share by claiming unused funds.

"That's one good feature of people not taking what they're entitled to," said Richard Eckfield, who has been retained by the cities of San Jose, Dayton, and Seattle to oversee their acquisition of federal funds "I am in the midst of building my own Interstate in San Jose out of funds not claimed by other states—and I've already got money for a few miles."

STERLING PARK RESIDENTS SAY SST IS TOO LOUD

Mr. PROXMIRE. Mr. President, at a Federal Aviation Administration hearing on April 21, residents of Sterling Park, Va., took issue with the FAA draft environmental impact statement in support of allowing the Concorde supersonic aircraft to land at Dulles and Kennedy Airports.

The fact is that the Concorde's noise level represents a 20 to 30 percent increase in noise over the noisiest aircraft in our jet fleet. Moreover, the gap between the Concorde and other subsonic aircraft will increase as newly subsonic jets meet the more stringent requirements of Federal Aviation Regulation, part 36, and older, noisier aircraft are retroffied to reduce their noise level.

Given the existing level of aircraft noise, any increase—no matter how minimal—is unacceptable.

As the Department of Transportation predicted in a 1973 study, considerable adverse public reaction can be expected if the Concorde is permitted to operate into the United States, because of the higher noise levels and the greater number of people exposed.

I wholeheartedly support the efforts of Sterling Park residents to defeat the FAA proposal to allow the Concorde to land in the United States until such time as that aircraft can meet our environmental standards.

I ask unanimous consent that an article which appeared in the Washington Star on April 22, entitled "SST Is Too Loud, Residents Tell FAA," be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

SST Is Too Loud, Residents Tell FAA

(By Jody Beck)

Is the Concorde supersonic transport "imperceptibly" noisier or "immensely" nosier than other jet aircraft?

Residents of Sterling Park, Va., and several other communities near Dulles International Airport contended at a public hearing in the Sterling Middle School last night that the Concorde was much louder than the planes now using the airport.

They testified against a draft environmental impact statement written by the Federal Aviation Administration that would allow the British-French SST to land at Dulles twice a day and John F. Kennedy Airport in New York four times daily beginning early next year.

Rosemary Phalen, who lives in the Sugarland Run area about 10 miles from the airport, said a 1973 test flight of a Concorde into Dulles sounded like "a bomb" falling on her home.

Other neighbors, Mrs. Phalen said, compared the noise to an earthquake or a jet crashing. She said she had read the difference between the Concorde and jets now landing regularly at Dulles would be "imperceptible," but decided after hearing the plane that the difference was "immense."

Michael Wilde, Concorde project director for British Aircraft Corp., told the FAA hearing that Concorde noise was "essentially the same" as other jets, including the Boeing 707 and the DC8. He added the Concorde has landed at 10 U.S. airports "without complaint about low frequency noise and vibration, much less any evidence of damage."

Opponents also pointed out that two SST flights a day would increase the airport's traffic by less than 1 percent but would increase pollution emissions by at least 8 percent. Those supporting the Concorde countered by pointing out the airport accounts for less than 1 percent of the metropolitan area's total pollution.

Rep. Joseph L. Fisher, who asked for the Sterling Park hearing, said he did not believe that the SST should be allowed to use Dulles or other U.S. airports unless it can be proved safe for the health of those living near the airports and for the environment. He listed a number of questions left unanswered in the FAA draft environmental impact statement.

In a more strongly worded statement, Rep. Herbert Harris pointed out "severe environmental consequences of SST flights at Dulles" and cautioned against being "misled into thinking such flights would be limited to only a few a day." He called the plan "a lemon."

OPPOSITION TO OCS LEASING

Mr. HANSEN. Mr. President, here on the Senate floor during the last few weeks, this great deliberative body has knocked down that straw bogeyman of its imagination, the U.S. oil industry.

Not satisfied with eliminating depletion allowance for all but the independents and further punishing the industry by an added shackle to their ability to compete abroad, we added a crown of thorns with S. 622, the Standby Energy Authorities Act which, if enacted, would lock in allocation and price controls as well as mandating a no-growth energy policy.

By the time S. 622 was passed late the night of April 10, this deliberative body was voting on unprinted amendments without debate, amendments that could have devastating effects on the U.S. economy, jobs for the poor and unemployed and the ability of the United States to lessen its dependence on insecure sources of foreign oil.

No one would listen but the net result of S. 622 on top of the Tax Reduction Act may well be just what the country needs to remain in a constant state of recession. The one thing above all others needed to get the United States on the road to recovery is jobs and more jobs from the private sector—business and industry. Gearing up the wheels of industry from its present idling capacity will take more, not less energy but all Congress so far has done is agree by overwhelming votes to lessen any prospect of more oil and gas.

Mandating a no-growth energy policy coupled with virtual demolition of the oil industry's efforts to continue its vastly expanded search for new oil and gas can result only in a sharing of shortages and the continued threat of blackmail and further price extortion by those who control the world's jugular vein of oil.

A few of us in this great body have been crying wolf for several years. The wolf came with a vengeance in the Arab oil embargo.

During the year since he left, Congress has done nothing, really, but pass the blame around.

My colleagues may tire of my constant reminders that when the wolf returns he will bring the whole pack with him unless we take some positive steps to counteract the negative actions included in S. 622 and the Tax Reduction Act and S. 621 which is now pending.

If the Senators will not listen to those of us who they possibly have grown weary of hearing, perhaps they would heed the warning of a fresh new voice, the able and knowledgable Governor of Louisiana.

Gov. Edward W. Edwards in an article in the April issue of World Oil Magazine reiterated the need for positive congressional action. He said:

> Early in my career as Governor, as I was yelling about offshore development, I was sort of like John the Baptist—a voice crying in the wilderness. But now the President, Interior Secretary Morton and others in the Administration are all aware of the need to develop OCS. Regrettably, the Congress doesn't share that awareness.

In answer to the question, "Do you except a change in the congressional attitude?" Edwards answered:

> Oh yes, eventually. But any change isn't going to come from reason. It's going to come from dark nights, cold homes, stalled automobiles, and empty filling stations.

The next question was: "Do you think the Congress has been remiss in its responsibility as the President indicates?" Governor Edwards answered:

> Yes, it has been remiss. Federal law requires the Secretary of the Interior to fully develop the nation's resources and part of these resources are the oil and gas that lie dormant under the outer continental shelf. But instead of helping to implement that policy, the Congress has thrown stumbling blocks in the way. Whether it's the President, members of Congress or a private citizen, anyone who believes that the solution to our energy problem lies in trying to divide an inadequate source of fuel, rather than trying to provide more of the product, is just going to end up frustrated and unhappy. Such a course will only make a bad situation worse.

Mr. President, the Louisiana Governor also had some comments which I share on congressional proposals to create a national oil company.

His response to that proposal was:

> That is probably the most counterproductive, foolish, shortsighted, unrealistic idea to come out of the Congress. I don't see how anybody who is familiar with the great inefficiency of the federal postal system could ever suggest having the government take over the oil and gas industry.

Mr. President, Governor Edwards words, especially his comments on the ugly, unwarranted, counterproductive, antioil attitude in Congress should be noted, and heeded by all Senators before we destroy the only hope we have of reversing the suicidal trend toward a no-growth energy policy and the first act of the Great American Tragedy of destroying the free enterprise system.

I ask unanimous consent that the World Oil interview with Governor Edwards be printed in the RECORD.

There being no objection, the interview was ordered to be printed in the RECORD, as follows:

ACCORDING TO LOUISIANA GOV. EDWIN W. EDWARDS . . . OPPOSITION TO OCS LEASING IS SINCERE, BUT MISGUIDED

Governor Edwin W. Edwards of Louisiana has spoken out forcefully in recent months on a variety of subjects related to current oil and gas energy problems in the United States. Specifically, the Governor is an outspoken critic of federal government energy non-policy, Congressional dilly-dallying over energy legislation and of opposition to further development of OCS areas off the Atlantic, Pacific and Alaskan coastlines.

Unlike many political figures, who comment on energy chiefly for publicity purposes, Governor Edwards is eminently equipped to support his strong views. In essence, he knows what he's taking about and he has the ability and foresight to apply common sense in developing some suggested solutions to the energy dilemma. In addition to being the chief executive officer of a state which produces more oil than all but a few countries in the world, and which derives a great deal of benefit from the petroleum industry, he has lived and worked in the heart of the South Louisiana oil country for many years. This personal experience has given him a keen insight into both public and industry problems associated with petroleum.

Too, his political experience on local, state and national levels qualifies him to comment on the manner in which the current U.S. Congress is attempting to cope with energy legislation.

WORLD OIL. *What is your opinion of President Ford's energy program?*

Gov. EDWARDS: **First, it's very late. The country is about 30 years late in providing** any effective energy program, both from the standpoint of production and distribution, and for planning for long term needs. Second, **I cannot embrace fully any energy program—or anyone's energy program—unless** its primary aim is the development of our own resources. **Specifically, of course, I refer to outer continental shelf development, both on the Atlantic and the Pacific seaboards as well as offshore Alaska. Finally, I think that if a crash program were initiated for OCS development, and an all out effort is made to get the Alaskan pipe line on stream as soon as possible, other alternatives suggested by the President and the Congress—allocation, rationing, taxes on gasoline and fuel oil—would no longer be necessary.**

WORLD OIL. ***As the governor of one of the major producing states, has the Administration or the congressional Democratic majority solicited your advice on their respective energy programs?***

Gov. EDWARDS: **The Administration has, frequently. I have had four separate meetings, either with the President himself, or with his advisors. Early in my career as governor, as I was yelling about offshore development, I was sort of like John the Baptist—a voice crying in the wilderness. But now the President, Interior Secretary Morton and others in the Administration are all aware of the need to develop the OCS. Regrettably, the Congress doesn't share that awareness.**

WORLD OIL. *Do you expect a change in congressional attitude?*

Gov. EDWARDS. Oh yes, eventually. But any change isn't going to come from reason. It's going to come from dark nights, cold homes, stalled automobiles and empty filling stations.

WORLD OIL. *Do you think the Congress has been remiss in its responsibility, as the President indicates?*

Gov. EDWARDS. Yes, it has been remiss. Federal law requires the Secretary of the Interior to fully develop the nation's resources—and part of these resources are the oil and gas that lie dormant under the outer continental shelf. But instead of helping to implement that policy, the Congress has thrown stumbling blocks in the way. Whether it's the President, members of Congress or a private citizen, anyone who believes that the solution to our energy problem lies in trying to divide an inadequate source of fuel, rather than trying to provide more of the product, is just going to end up frustrated and unhappy. Such a course will only make a bad situation worse.

WORLD OIL. *Significant opposition has developed to OCS leasing. Would you comment on this?*

Gov. EDWARDS. The opposition is probably sincere, but misguided. Protests came from people who are totally unaware of what off shore development is. They envision some dirty, ugly, spewing, noisy, monstrous mechanism 100 yards offshore that has to be circumnavigated by swimmers. But offshore development in the northeast, for example, means the Baltimore Canyon, which is 100 miles off the coast of New York and New Jersey. From that distance, an oil rig couldn't be seen from the top of the Empire State building on a clear day—if they had a clear day. If the critics just knew what they were opposing, I don't believe they would oppose it. As a matter of fact, if we could get them to leave town for six months, after the wells are drilled, we could have that oil and gas coming onshore. And when they returned they wouldn't even be aware of it.

WORLD OIL. *What does the offshore petroleum industry mean to your state?*

Gov. EDWARDS. Within the three mile limit, of course, it means a great deal to the treasury of our state, because we receive a royalty on production. Development of federal properties is something else. For example, it's a burden for us to prepare roads and schools, and provide support services for development of tax free federal areas, and then have the government pump production across our state into other areas of the country. States that are now yelling and screaming about their right to block OCS development by the national government are the same states that 20 years ago told us it was none of our business if the federal government wanted to allow drilling off our shores in the Gulf of Mexico, and that we couldn't stop it. You can't have the argument both ways.

WORLD OIL. *Have you any evidence that off-*

shore drilling and production operations have adversely affected Louisiana shrimping and fishing interests?

Gov. Edwards. Absolutely none. Quite the contrary. In the late 1940s and early 1950s there was some concern, but all of that concern has evaporated. The shrimping, fishing and oyster industries have learned to get along with the oil industry. They accommodate each other. There is no damage whatever and, as a matter of fact, the catch from these areas has increased almost every year, since drilling began offshore. In the few periods when take has been reduced, it has been totally attributable to flooding, hurricanes and other circumstances beyond, and totally unrelated to, the oil and gas industry.

World Oil. *Louisiana and California received widespread publicity in recent years when offshore wells blew out and spilled oil. Do you think coverage of such events by the general news media has been fair?*

Gov. Edwards. The news media does a lot to form public opinion. Take the Santa Barbara thing, for example. That was one of four spills out of 15,000 wells drilled in the coastal waters of this country over 25 years. And it was the *only* one where appreciable oil reached the coast line. Yet, to watch the television networks for six weeks thereafter, you'd think every seagull in the country had had its wings dipped in oil, since they had a different child every night holding up the same seagull, as if the end of the world had come. This clearly left a bad impression with the public. To me, the ignorance of the national news media and their willingness to mislead the American public are unbelievable. But they do exactly that.

World Oil. *What action could oil and gas producing states initiate to counter the generally anti-oil influence facing it in Congress today?*

Gov. Edwards. One thing we can do is to try and remind the public and the Congress that for 40 years U.S. oil companies have furnished the American people, who constitute 6% of the world's population, with 40% of the world's energy at ⅓ the world cost. That record is unequaled anywhere on this earth. Too, the Congress must realize that America's energy problem can only be solved by American technology and American gas and oil companies, and that government must assist in this effort, not hinder it.

One of the best things that could happen would be for the Congress to free the industry from the regulatory mess which the Congress itself has created. I think if Congress would stop passing legislation that changes the rules for operators from week to week, so that those risking money in the business would know what they can and cannot do over a reasonable period of time, and if positive legislative steps were taken to give industry the authority to immediately develop areas of high potential—such as the OCS—we could attain self-sufficiency in energy again.

World Oil. *Senator Lloyd Bentsen, now a presidential candidate, has proposed offshore OCS leasing procedure be changed from a bonus bid to a production sharing contract type arrangement similar to that used in some other countries. What do you think of this idea?*

Gov. Edwards. I think that's a good concept and the government should adopt it. For years the thing to do was to get as much bonus money as possible for the lease and then be unconcerned about participation and development. I think if governments are enlightened, they'll shift the emphasis from a cash bonus to greater participation in production. One good reason for this is that it doesn't require a company to spend large amounts of money on bonuses that could be invested in exploration. It makes the government more a partner in the development.

World Oil. *Should price controls on oil and gas be removed?*

Gov. Edwards. Absolutely. 100%. And may I say the removal of wellhead price controls on interstate gas is contrary to my state's interest. For example, we supply more gas than any state in the country. FPC regulates the price of gas going into interstate commerce and has unrealistically kept the price at ⅓ of its true value for the last 20 years. Today, gas produced within the state has no chance of crossing the state line because it can be sold within our borders for a much more realistic price—some 3 to 4 times the FPC controlled price. This has allowed us to keep the gas for use in Louisiana, and this benefits the state.

Now that's in my state's interest. However, the national interest clearly requires deregulation at all levels if the *interstate* gas supply is to be increased. You can't expect producers who have the money—if they have that kind of money, they didn't get it because they're stupid—it takes to drill a $2-million gas well to 20,000 feet, or out in the Gulf, to invest in such expensive projects if they can't be assured of a reasonable return. You simply can't spend $2 million to drill a well to sell gas at 40 cents per Mcf. It's not economically realistic. But at $1.50 per Mcf it is. And $1.50 gas is still a bargain. I know it's a bargain because all the gas that can be produced in Louisiana can be sold within the state for this price.

World Oil. *What do you think of the recent congressional proposals to create a national oil company?*

Gov. Edwards. That is probably the most counter-productive, foolish, shortsighted, unrealistic idea to come out of the Congress. I don't see how anybody who is familiar with the great inefficiency of the federal postal system could *ever* suggest having the government take over the oil and gas industry.

World Oil. *How serious is the possibility of nationalization of American oil companies?*

Gov. Edwards. Well, it's serious in the sense that people want easy, ready solutions and look to the government for them. Rather than realisitcally face up to the problems, and do what can be done to resolve them, it's popular to jump on the oil companies and say it's all their fault. Unfortunately critics seem to be unaware that nationalization of the oil companies would mean nationalization of properties owned by millions of tax-paying American shareholders in these companies.

World Oil. *What do you think of the proposal in the Congress to eliminate the depletion provision?*

Gov. Edwards. First, it should be pointed out that the oil and gas depletion allowance is only one of about 55 such allowances for 55 different minerals, some of which have been on the statutes for as long as 60 years. If you want to be fair about it, the depletion allowance on all minerals should be eliminated, if the allowance for oil and gas is dropped. If this approach were taken, those fellows from Utah and Montana and Wyoming and other places would not be so anxious to jump on the kill-depletion bandwagon.

Second, it's beguiling the American people to tell them that it's going to help them if the oil and gas depletion is eliminated. Obviously, the oil companies are going to have to turn around and soak up the loss by increasing product and gas prices—that's just a fact of economics you can't escape. You can laugh about it, cry about it, argue about it—but it's a fact. Indirectly, the taxpayer benefits from the depletion allowance, because he gets fuel at a lower cost.

If depletion is killed, there's no doubt the politicians are going to make quite an issue of how they stuck it to the big, bad oil companies. But it is the worst possible thing they could do, because loss of depletion will dry up sources of capital from outside the industry—capital now used to finance drilling venture with the possibility of making a reserves. Instead of investing in a risk drilling venture with the possibility of making a 6% return on their money—if they hit—these outside sources are going to invest in savings and loans, federal government bonds or something similar at 8 or 9%, where there is no risk and assurance of a return. And as a result, we'll have less drilling, fewer reserves and declining production.

World Oil. *How do you feel about the states sharing in revenues from federal OCS areas?*

Gov. Edwards. This should have been done 25 years ago. I think it's a fair concept and it would probably eliminate objection of some states, especially if a portion of the money were allocated to take care of any environmental impact resulting from OCS development. Because I think OCS development is so crucial to the national interest, I would much prefer to move in with the National Guard and simply tell those who are delaying leasing that we're going to develop the Atlantic Ocean and if you don't like it, get out of the way. But that isn't the way things are done in this country.

Of course, the states have *no* right—and I repeat, have *no* right—under the law to prohibit the federal government from developing the OCS beyond the three-mile limit. We've fought that battle for years, and the same states that are now saying they *do* have the right were saying 25 years ago that we *didn't* have the right. They've just reversed their opinion. But rather than agonizing over the problem, if sharing in OCS revenues would win support and cooperation from coastal states, I would support it, even though we have been badly treated for 25 years by those same states.

World Oil. *Would you perhaps consider suggesting any sharing provisions be made retroactive?*

Gov. Edwards. Oh, I might—but I'm too realistic to suppose that those unfair people would want to suport that. It certainly would be fair, but I don't think it's practical.

World Oil. *Have you any suggestions for combating the current natural gas shortage?*

Gov. Edwards. There are several things we can do. First and foremost, we've got to get the government out of price regulation, as I mentioned earlier. If there is an area where the government could serve a useful purpose, it is in mandating a priority use for gas. For example, the most efficient uses of gas are converting it to fertilizer components and burning it to heat homes. We should emphasize the use of coal, with appropriate scrubbers, for firing boilers that generate electricity, and get on with a crash program to develop nuclear power.

We should not use gas as a boiler fuel to generate electricity, because that's inefficient and wasteful. In my state, 80% of the gas is used for industrial purposes, and only 20% in homes and home-related purposes. In New York, it's just the opposite—only 12% is industrial and 88% is for home use. Inefficient use of gas must be stopped, because gas is a finite resource and we ought to get the most benefit from it—fertilizers and home heating. This will be possible only if the federal government establishes some priorities and gives companies the opportunity to make the transition.

World Oil. *Besides our energy problem, do you foresee difficulties with other natural resources?*

Gov. Edwards. Before the year 2000, we're going to face a serious problem with fresh water, if we don't do something to efficiently utilize the billions of barrels lost into the oceans every day. There are areas of the country that already have fresh water problems. If I live a normal span of life to age 75—I'm 47 now—the problem of fresh water is going to haunt multiple areas of this country before I die. And if my children live a normal span of life, they are going to see some extremely difficult times from a lack of fresh water. Americans have a tendency to say everything is going to be all right until a problem becomes serious, and then they begin a crash program to solve it. Energy and fresh water are two things that we should not attempt to deal with on that basis.

(NOTE.—*Governor Edwin W. Edwards holds a Doctor of Laws degree from Louisiana State University. Since 1949, he has practiced law in Crowley, and is a senior partner in the law firm of Edwards, Edwards and Broadhurst. His public service is unique in that he has held local political office as a senator, and national office as representative in the 89th to 92nd Congresses. He was elected governor in 1972.*)

FLOOD INSURANCE

Mr. HUDDLESTON. Mr. President, when the Senate debated the Federal flood insurance program in December of 1973, I expressed concern over the bill. It was my belief that the punitive provisions contained in that legislation could cause as many problems as they cured. As the date of full implementation draws near, we are becoming more and more aware of those problems.

When we passed this measure in 1973, I do not think we fully realized that the prohibition against federally insured financial institutions extending home loan mortgages in the flood plain could mean a man would be unable to sell his home. Rather, we viewed the provision as relating to new construction and as a means to "encourage" protection against future losses.

I do not believe we realized how many flood-prone areas would not have the zoning authority to implement the land use standards required for participation in the program or the difficulties which would be encountered in obtaining that authority.

I do not think we envisioned the frustration of individuals located on the flood plain who support community entrance into this program but are unable to persuade their community to enact the necessary zoning laws.

As HUD pointed out in a letter dated April 23, 1975:

> Of the population residing in these communities [designated as special flood hazard areas], approximately 10% live in the areas which have been identified as being exposed to serious flood hazard.

It is hardly unusual that a 10-percent minority would not have had enough votes to get their wishes. However, it should be unusual that those individuals most directly affected are powerless to help themselves.

Not only can the most directly affected individuals suffer because they are unable to purchase flood insurance for their home and possessions, they are precluded from any Federal disaster assistance—other than food, temporary shelter, and clothing—for any disaster in the flood-prone area, including tornados.

As a representative of a State which was recently devastated by tornados, I hardly see the linkage between participation in a flood insurance program and Federal aid for other-than-flood disasters.

Another area of particular concern to me during the 1973 debate on this program was the impact of punitive provisions on the Appalachian region and other mountainous areas.

Much of the Appalachian region, including eastern Kentucky, is "flood prone" within the definition of the Flood Disaster Protection Act of 1973. The alternative to building on the flood plain, in most areas of this region, is building on slopes of 14 degrees or more. To chose the alternative location to the flood plain would increase construction costs and expose the structure to the dangers of mudslides.

If Appalachian communities participate in the flood insurance program, new construction on the flood plain would have to be flood-proofed. This, too, would add to construction costs.

However, no one has been able to provide even a good guess as to how much construction costs would be increased. Would it be in the general range of 5 to 10 percent, 20 to 40 percent? No one knows.

At a time when home mortagage interest rates are still high and our construction industry depressed, it is imperative that we consider any mandated increases in construction costs which might price even more Americans out of the housing market.

It is also one thing to impose such cost increases upon economically prosperous areas, but another to impose them upon an economically depressed area, such as Appalachia.

I favor the concept of flood insurance, and I realize that efforts to encourage voluntary participation in the insurance program met with something less than success. However, I believe there are too many questions unanswered and problems unsolved to forge blindly ahead. I believe the program should be fully reviewed, and I am pleased that the Senate yesterday decided upon that course.

MINNESOTA DEPARTMENT OF AGRICULTURE RELEASE ON DAIRY SITUATION

Mr. HUMPHREY. Mr. President, I wish to share with this body a release by the Minnesota Department of Agriculture concerning the dairy situation in Minnesota.

Recent figures indicate a further decline in both milk production and dairy cow numbers, which further demonstrates the cost/price squeeze which confronts our dairy farmers.

Unfortunately, we have been unable to get this message through to the administration. Minnesota's milk production in March was 31 million pounds below the same month last year. The number of milk cows, 881 million, was an alltime record low.

Minnesota farmers on the average received $7.13 per 100 pounds of milk produced, which is among the lowest of the average prices received among the States, the national average being $8.17 per 100 pounds.

I cite this release and the disheartening statistics in it because of the need to warn our people of the continuing reduction in the number of dairy farmers and milk cows. We cannot allow these numbers to continue to decline and expect our domestic milk supplies to remain adequate.

I commend the Minnesota commissioner of agriculture, Mr. Jon Welfald, for providing us with this information.

Mr. President, I ask unanimous consent that this release be printed in the RECORD.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

MINNESOTA DEPARTMENT OF AGRICULTURE DAIRY RELEASE, APRIL 22, 1975

New all-time lows in March milk production and in dairy cow numbers continue to evidence the depressing impact of a losing cost-price squeeze on Minnesota's important dairy farming industry, Agriculture Commissioner Jon Wefald said today.

He reported March milk production estimated at 890-million pounds (77-million gallons), a record low for the month, and the 881-million milk cows in inventory an all-time record low.

Minnesota's March milk production was 31 million pounds below the same month last year and was the largest cutback by any of the 34 reporting states. Neighboring South Dakota, trapped in the same cost-price squeeze, reported a 24-million cutback in March milk production compared to 1974, and that state's 17% drop was the highest ratio of cutback among all states.

Reflecting the shortage of farm produced feed and hay and the near record prices for commercial dairy feeds was the March average production for Minnesota milk cows, down 20 pounds from a year ago to 1,010 pounds per cow. According to the State-Federal Crop and Livestock Reporting Service, the state's dairy farmers cut average daily feed rations one-half pound per cow.

Despite the cutbacks, Minnesota's March milk production was the third highest among all states, topped only by Wisconsin and California. The trim did reduce Minnesota's share of the national milk supply to 8.9%, down more than one-half percentage point from March 1974.

New York posted the biggest increase in March milk production, by 29-million pounds over last year to hold its fourth rank behind Minnesota.

Commissioner Wefald observed that the mid-March price averages help explain why Minnesota dairy farmers and those in at least 14 other states are cutting production, while New York and 17 other major consumer market states are increasing production.

Minnesota dairy farmers received an average of $7.13 per 100 pounds (11.6 gallons) of milk in March, compared to the New York average of $7.95, the national average of $8.17, and the domestic high of $11.05 for the same amount of milk in Florida.

SARGENT SHRIVER'S SPEECH TO ACADEMY OF SCIENCE OF U.S.S.R.

Mr. MANSFIELD. Mr. President, several weeks ago Sargent Shriver, on a visit to the Soviet Union, gave a major address to the Insitute of United States of America and Canada Studies of the Academy of Sciences of the U.S.S.R. in Moscow. This speech is very thought-provoking and is an excellent defense of the American system while understanding the forces that are at work in the Soviet Union.

I commend the text of the speech to my colleagues and ask unanimous consent that Mr. Shriver's address be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

COEXISTENCE AND COMMON EXISTENCE

INTRODUCTION

We confer today as citizens of nations physically distant and ideologically distinct. Yet we are drawn together not merely in brief dialogue, but by similar chords of memory and strong bonds of the moment, by our history and our circumstance.

Though we have met at many brinks, we have never made war against each other. And during the time of Fascist aggression, we fought alongside each other.

Though we have and hold to separate visions, we are alike the heirs of great and consequent revolutions. The farmers of Lexington fired the first shot of America's revolution—and it was heard around the world. The workers of Petrograd stormed the Winter Palace in the October Revolution—and that storm raised a new wind across the world.

We are both places of many races, of vast resources, of continental expanses. We have the power to end the human presence on earth—or the human poverty of earth. We can light the sky with a nuclear fire—or set in orbit the man-made stars of shared space exploration. We can exhaust our energies or explode our armories over the issues which divide us—or we can improve security and society by pursuing the interests which unite us.

The choice of detente should be obvious, but there are those who would choose otherwise. There are some in my country, and probably in yours, who say detente is dying. There are some in both countries who would like to kill it, and resume trying to bury the other side. For them the setback on trade offers a pretext to turn back from the journey to peace.

Others continue to counsel unilateral efforts to exploit momentary disadvantage for perceived national gain. Such a course can only undermine the foundation of detente, which is the recognition that neither of us will either disintegrate or convert to the other's system; that both of us must survive together. Detente must not be deployed as a new weapon in yesterday's war; the veiled pursuit of conquest, idealogical, economic or military, will restore cold war confrontation, squandering for transient ends what may be our last, best hope for peace. Yet most Americans, and most Russians, want detente to survive because they want to survive. We know that a policy of confrontation will not settle our disputes, but prolong them and at some point may provoke the unbalancing of terror, the unleashing of the last and total war.

Cold War, too, has its casualties. Our economies are wounded. Domestic advances are defeated. We manufacture more weapons instead of more housing; we teach our sons how to kill enemies instead of how to cure disease.

That is the way it was; it is a way we cannot take again. To do so would deny the process and promise of history. Many Americans have believed that they were ordained by God in history to become a model for all mankind. You have believed that Communism was similarly ordained by history as God. Events have not settled the propriety of either claim, but history has set a priority: that together we must make a detente, so that by perfecting our co-existence, we may achieve a common existence.

For many years, co-existence has meant that though we should not be enemies in a word war, we are adversaries in a world wide contest to vindicate our respective systems—that in trade and aid, production and planning, values and culture, we must be competitors.

Common existence recognizes that co-existence by itself is now insufficient—that though there are proper areas of competition, there are inescapable and increasing imperatives of cooperation—that the Soviet Union and the United States must change with the world we inhabit—and that this world will be neither habitable nor hospitable, for ourselves or for others, unless we invest less in rival endeavor and more in shared enterprise.

A revolution owned by no particular ideology now summons us to transcend the oppositions of our ideologies. It is a global revolution which permeates all knowledge and pervades all relations between nations and among peoples; commerce, diplomacy, and warfare will not be the same again. We cannot deflect that revolution, for even a combination of the strongest powers could not work a shared will on every question. Condominium is a cliche, an impossibility, an unreality. We have no right or way to dominion. And we have no means of isolation. Others have nuclear power or potential; other peoples are more than equal in some resources and raw materials; other states can poison the air, fish out the oceans, overpopulate the planet, or release unnatural and uncontrollable bacteria. We cannot stand apart even when we stand together.

No single season of detente secures a generation of peace, let alone co-operation. Despite the best progress of negotiation, real differences of policy and principle will continue. We will not persuade you to become capitalists—and you will not talk us into Communism. But while we each remain what we are, we can both enlist in a larger cause. We must not only make the world safe for diversity; we must also make a safer world by a degree of unity.

A century ago Kierkegaard wrote: "The individual no longer belongs to his God, to himself, his beloved, to his art, or his science . . ." Today no nation belongs to any one God or science, or solely to its citizens or its ideology. By circumstance we belong to a still separated but now seamless world. In such a world, the shaping of a common existence is the precondition of a secure existence—and perhaps of any existence at all.

The purpose of these remarks, and of my visit to many parts of the Soviet Union, is to discuss the rationale of common existence, and to outline some ways in which it can be realized. I will talk first of the basis of detente, of the historical evolution of co-existence and the current movement toward a bilateral common existence. Then I will speak of the basis of negotiation, of certain ground rules which seem to me essential to the maximum progress of Soviet-American bargaining. Here I will respond to the question of how the American political system operates. The foundations of detente could crumble unless we build well; and we will not build well upon a quicksand of myths about each other's internal structures, methods of decision, and modes of thought. Finally, I will urge the expansion of common existence from a bilateral to a global dimension in areas such as nuclear energy, environment, economics, trade, nutrition and human rights.

THE BASIS OF DÉTENTE

I

Historical context defines the limits of choice: Even when men break with the past its record is their reference point. So it was for Marx when he wrote the Manifesto and for Jefferson as he labored over the Declaration of Independence. The direction of our future relations begins with the road we have already travelled.

After your Revolution, the first phase of Soviet-American co-existence was marked by ambivalent feelings of unconcern and attention, hostility and fascination. Neither nation was a present danger to the other. Bolshevik leaders were intent on internal consolidation and their external focus was largely on Europe. America's brief intervention in Siberia was half-hearted; its true purpose was not counter-revolution, but to restrain Japan.

For a generation, there were no diplomatic relations between us, but there were many contacts between our peoples. American engineers, experts, and business firms contributed to the development of the Soviet Union. Russian ideas and politics were studied and debated in the United States. Recognition in 1933 did not realize all the hopes either nation held; partly this was due to American isolation from the European and world problems of those days, and our preoccupation with domestic reform.

In that first phase of co-existence, we had the luxury—or at least we thought we did—of leaving our relations to a casual intercourse. Americans denounced or admired or ignored the Soviet Union; some were encouraged and others were disillusioned by its example—and nothing in the real world seemed to be changed by any of these reactions. Similarly the United States was not a primary concern of your foreign policy; our role then seemed secondary to the resolution of the European crisis—upon which the reality of the world in fact and fundamentally did depend.

But the war which came made our relations what they have been ever since—of central relevance to us, of vital relevance to mankind.

We both entered the war the same way—as victims of surprise attack. We each suffered a day of infamy. The Soviet people paid a terrible price to defeat Fascism; blood poured out from the Arctic to the Crimea in a river of resistance which swept the Nazis back to Berlin. The annals of your heroism and sacrifice still move Americans; the story of Leningrad's nine hundred days under siege was recently among the most widely read books in the United States. And we are proud of our part in the struggle—of our material aid to you and other allies, of our sons who fought and died on the run to Murmansk, in Africa and Europe, and across the Pacific.

As the war made our relations a dominant factor then and for the future, it brought us to a second phase of co-existence. Clearly it showed us the perils of separation; without our alliance, victory would have been at best a matter of many more years and deaths. Less obviously the war raised occasions of suspicion—you criticized the delay of the second front; we questioned Soviet ambitions and actions in Eastern Europe.

These contradictory elements—divisive suspicion and the perils of separation—were carried into the post-war period. Their relative influence shifted constantly. Moments of brinkmanship alternated with spirits of Geneva and Camp David. But behind every spirit, there was still suspicion. At each brink, men saw—if only at the last instant—the peril of stepping over. The proportions of suspicion and recognized peril would be reset by perceptions or events; the Cold War would intermittently be thawed or colder; and thus our co-existence would continue.

You assumed we wanted to destroy you; we assumed you wanted to destroy us; we both sought with nuclear weapons to deter that danger. Our consciousness of this terrible bond was raised in the experiencing of recurring crisis. An intensifying sense of the life and death power of each nation over the other—which could slip past the best controls and intentions of either nation—was the seedbed of efforts during the 1950s and 1960s to achieve what is now known as détente. The process has brought two American Presidents to the Soviet Union and Chairman Khrushchev, Chairman Brezhnev, and

Premier Kosygin to the United States. There have been disruptions—the conflict in Vietnam and the invasion of Czechoslovakia. There have been distempers—stirred by the effects in America of the wheat sale and by the breakdown of the trade agreement. But these episodes are dwarfed by the force of the nuclear bond which pulls us away from the co-existence of suspicion and peril toward the co-existence of détente.

II

The co-existence of détente does not rely on the wishing away of suspicion; it substitutes safeguards for suspicion. It will not end the peril overnight; it will ease the peril over time as step by step additional safeguards make possible additional restraints.

At least implicitly, detente represents a decision in both nations to disenthrall ourselves of certain notions. Peril and suspicion once seemed bearable because each side expected relatively soon a collapse or disintegration on the other side. Theorists of containment held that your system would be strained and then overthrown by internal dissatisfactions; theorists of Communism argued that the Western system would be subverted by internal contradictions. Both Kennan and Stalin were wrong. Both systems are still alive and strong. Human foresight is imperfect, but as far as the future can be seen, it does not seem that either system will be found on the ash-heap of history. Of course, things will change; Americans and Soviets will seek changes in their own societies and welcome at least some changes in the other society. But most Americans do not believe you will disappear or convert. And neither will we.

Yet in the last year, some commentators have announced the onset of the long-predicted decline of Western capitalism, perhaps even Western civilization. The signs of disarray have have been undeniable: The deepest recession since the Great Depression has struck most market economies. Inflation has devalued currencies. The energy crisis has shifted balance-of-payments positions, shaken the stability of the banking system, and raised the prospect of unmanageable resource transfers. And as the market economy faltered, its political leaders fell; Prime Ministers were driven from office in Germany, Japan and England; for the first time, an American President was forced to resign.

Surely the West is troubled. Sadly our institutions were slow to respond. Complacency on our part would be a mistake. But so would any premature celebration by others of our collapse.

In fact, our problems are the result of strength, not weakness. Since 1945, the West has experienced an unprecedented prosperity. Per capita income in the United States is $6,500 a year, and some European countries exceed even that performance. There has been no relapse to trade wars; international rules have tamed the excesses of an earlier period. This progress led consumers to expect more in less time than most systems could supply over a long span of time. We were profligate in our use of energy and other raw materials. The consequence was a general inflation; and because of economic interdependence, the inflation of each country reinforced the inflation of every other.

The West could have better anticipated and moderated the side-effects of success. But the West would not have chosen to forego that success in order to prevent those side-effects. Indeed the gains of the last three decades have brought the market economies to a point where they can adjust effectively, despite mistakes, delays and lack of foresight.

Perhaps the best evidence of our basic soundness has been our response to the energy problem. Twelve months ago, in the face of an oil shortage and rising prices, few ventured even cautious optimism. The pessimists, and there were many, foresaw an apocalypse of the marketplace. Instead, oil consumers are adapting; effective programs of conservation are reducing the energy problem to a manageable factor in a functioning economy. Energy demand has been cut by the laws of both the marketplace and the government. The major nations are consuming 3 to 12% less oil than last year.

What we are witnessing is not the beginning of the West's decline, but of its recovery. Inflation is receding. So governments are turning to policies of stimulation. As they take hold, recession will be reversed; prosperity will be re-established.

In the United States, an economic policy will emerge from the "creative tension" between the White House and the Congress, the Republicans and the Democrats. And in the years ahead, I believe, America will move on to measures of economic reform unequalled since Franklin Roosevelt and the New Deal. We are meeting the crisis, but we will not master it until we apply principles of planning to the practices of our economy. We must reconcile our structures of production to the permanent reality of resource scarcity. We will do what we must, as the West always has. New international arrangements, such as flexible exchange rates, are already in force. The financial system has not been bankrupted, but strengthened. National planning—for example, to convert some auto production to mass transit—is a near term prospect.

I believe you should welcome the resilience of the West, and its adaptability. Communists and capitalists once thought: What's bad for them is good for us, and vice versa. But what's bad for either of us can become a danger to both of us and all the world. The dissolution of any system leads to irrational behavior; societies, like individuals, "do not go gently into that good night." Indeed the truth is the opposite of past assumptions; peril and suspicion are even more unbearable when disintegration seems imminent on either side.

Each of us also has a positive stake in the survival and prosperity of the other. Our goods can maximize your growth; our food can nourish your citizens; our technology can improve your productivity. Without that improvement, capital investment requires the Soviet consumer to carry a heavier burden of sacrifice. Similarly, our industry will prosper more if we can sell more to you; our resource base will expand as we purchase more raw materials from you; your advanced techniques of coal gassification, thermonuclear fusion, and power transmission can multiply our energy reserve.

Neither economy needs the other in an absolute sense, but both economies can benefit from a sharing of their respective superiorities. Separately, prosperity is not impossible; mutually, we can gain a greater prosperity at lesser cost.

We can also enhance our economies by ending our arms race. The more we are free from a competition in weapons of destruction the more capital we will free for tasks of domestic construction.

The Strategic Arms Limitation Talks have led to negotiated controls on our nuclear forces. But we should not rely on negotiations alone. While we support the Vladivostok Agreement, we should not permit its ceilings to become the floors of our arsenals. Our aim must be to end the arms race, not ratify it up to a point. This depends not just on our negotiating plans, but on our defense policies. Either country could take the first step of further restraint by reducing its military spending in a specific, clearly observable area and calling on the other side to follow. If the response was positive, and I think it would be if the initiative was perceived as genuine, each step could lead to another and then another, reversing the momentum to multiply weaponry, setting in motion a new, self-sustaining mechanism of disarmament. For a cycle of munitions competition, based on worse case assumptions, we could substitute a cycle of munitions cutbacks, based on proof by corresponding deeds.

Taking the first step would not threaten either nation's security. When we each can overkill the other many times, the difference between that many and more is a difference in number of weapons which would not make a difference in time of war.

And reciprocal cutbacks would not replace negotiations, but improve their prospects. As resources were shifted from warfare to the peoples' welfare, they would mount further pressures for the maximum progress of SALT. Segments of the defense establishment, in my country and here, will always find or invent some reason to resist even minimum agreements. The surest counter to these militaristic impulses will be publics who know the penalties of the arms race because they are experiencing the benefits of arms restraint.

Their preferences can become an additional incentive to restrict counterforce capabilities. If the SALT process is to be irreversible, qualitative controls become indispensable. Otherwise, we will race against reason again, up another escalatory spiral of mutual suspicion, each higher step hewn by a more sophisticated, more expensive instrument of death.

The danger lies not merely in qualitative changes in our strategic forces; it lies also in changes in the quality of our strategic thinking. Some analysts now argue that only the means to launch a limited nuclear attack will deter the opponent from doing so. But if both countries start thinking that such an attack is thinkable, the thought may father the deed. Acceptability amplifies the possibility. A limited strike is less likely if the expected response is massive retaliation. But a limited strike is more likely if there are new rules—if we or you anticipate a limited retaliation, followed by negotiation.

In addition, both sides now conceive of a nuclear engagement solely when the survival of the nation or an ally is at stake. Counterforce creates a nuclear option on a wider range of issues, less essential than survival. It permits those who weary of bargaining and compromise to seek settlements, or speed them, by having a little atomic war—which would of course leave a lot of human beings a little dead.

It is conceivable that qualitative improvements could permit a first-strike at the price of a relatively minimal retaliatory blow. The maintenance of our multiple deterrents discourages any quest for that capacity because it makes it costly and probably futile. But assume for a moment that the capacity became a reality. An anti-submarine breakthrough might occur. The command and control systems for bombers might be knocked out.

In this situation, someone might contemplate a limited nuclear exchange. It may be fantasy and it surely would be folly, to gamble that a limited assault would not lead to all-out war. To act on the conceit that we could contain such escalation would surpass any blunder in the history of human blundering. Most, though surely never all, of the opponent's second strike forces could be neutralized. But in the absence of a basic political crisis, would it be worthwhile to cripple the other side by sacrificing merely two cities—say, Moscow and Leningrad, or New York and Chicago? Even if one of us could get away with it, the world is not a gaming table; the object is not to come out a little bit or even a lot ahead, to give up ten million lives to take twenty or even a hundred million.

During a recent discussion in Washington, someone argued that the mere fact of nuclear advantage would lead to its use. Averell Harriman was there, blunt and sensible as always. He listened, looked around the room, and then replied: "There are two kinds of people in the Soviet Union and the United States—sane people and insane people. Sane people understand that neither nation will attack the other because it might seem to have some marginal advantage. Sane people understand that both sides would lose. I consider myself a sane person. If anyone in this room considers himself insane, I wish he would speak up."

There were no volunteer lunatics that night, and I suspect there are none here. Yet nonsense and insanity are often masked by technical expertise and terminology. The irrational often comes with a rationale. But no matter what formula some may devise, we must insist on the sense and sanity of our true situation: It is not in either nation's interest to attack the other, unless its own or an ally's existence is the issue; neither nation could ever win enough even in an unequal nuclear exchange; both nations have an interest in stoppering the nuclear bottle, not in drilling new holes for the genie to escape.

But sanity is not just the absence of insanity. Sense is not merely the avoidance of nonsense. As we spurn the suicidal dangers of conflict, we must seize the societal advantages of co-operation. We have seen this with a sharpening clarity in recent years—and so we have sought not merely the detente of non-destruction, but a detente of mutual gain in commerce, science, and national efforts to raise standards of life.

Our progress has been real and worthy. But as we move forward, we experience misunderstandings; we encounter questions which involve the rest of the world. In perspective, these should be seen as the inevitable tensions of a relaxation of tension, the complexities which follow the resolution of simpler matters. When the gears are engaged, they make a grinding noise. But to finish the journey, we must face the harder problems of our negotiating situation and the wider implications of our common existence.

THE BASIS OF NEGOTIATION

Winston Churchill stated the imperative of negotiation succinctly: "It is better to jaw, jaw than to war, war." But jawing, no less than warmaking, has its discordances. Distinct political systems with differing traditions must define a basis of negotiation. That basis must include a degree of shared purpose and an understanding of some inevitable divergence. We cannot demand that either system imitate the other in order to negotiate with each other. Just as the longest journey begins with a single step, so the process of negotiation must begin with starting points. Let me suggest several of them.

I

First, we must avoid the temptation to take any advantage which is available, even at the cost of disadvantage to the other side. The Soviet government drove a good bargain for American wheat in 1972. But a bargain that is too good may not be the best choice. Partly as a consequence of the wheat deal, the Washington Post—which urges and supports detente—has called for export controls on food. This incident illustrates a truth: Negotiations that repeatedly hurt us economically would not help you in the long run. A new wariness about trade would narrow the channels of commerce. We would sell less to each other. We could not buy as much as we needed, when it was needed. Nor could you.

At least in the United States, there has been a long-standing myth that our diplomats are easy marks for the supposed cleverness of everyone else—Europeans, Orientals, Russians, whoever currently sits across the table. Kissinger has eased, but not erased, this perception. Americans remain psychologically prepared to conclude with Will Rogers that their country "always wins the war and loses the peace." And if Americans ever think they are victims of détente—or if you ever suspect that you were tricked into a trade agreement which is depleting your resource base, progress will be slowed and could be reversed—in arms control as well as economic and scientific co-operation. Suspicion will again and at least for a while outweigh the perils of separation; détente will be succeeded by renewed dangers.

Yet no negotiator can represent two sides. Every negotiator will make mistakes—yours as many as ours. In the nature of things, some agreements will be better for you, others for us. But all the negotiators should aim not to beat their counterparts, but to benefit both countries. The more balanced the benefits over the long term, the more benefits we will be able to achieve in less time.

II

The second temptation is to wrap the instrument of co-operation into weapons of coercion. But if we cannot overthrow each other's systems by war, then we certainly do it by peace. Russia and America cannot follow Clausewitz to their bargaining table and make detente an extension of military competition by other means. Americans would not barter their principles for a load of ore—and we should not expect Russians to trade theirs for a brace of transistors.

Detente will become impossible unless both sides accept the limits of its possibilities. Co-operation does not constitute a mutual endorsement of Communism and capitalism; it is a recognition of intersecting interests which are consistent with separate ideologies. We can make agreements in the common interest even as we disagree on some issues.

Americans will protest when a Solzhenitsyn is arrested; they will picket the Soviet Embassy when a Panov is denied permission to emigrate; they will be outraged when a Soviet Army enters Czechoslovakia. Similarly Russians will denounce American policy in Vietnam—as many of our own citizens have; you will arraign us in Pravda for the vestiges of racial discrimination—which the New York Times also does; you will point to the overthrow of Allende—which our Congress is publicly investigating. Such criticisms are relevant to what is criticized, not what is shared: the urge to live, and therefore to control the weapons of death; the quest to discover new sources of energy and new cures for disease, and therefore to learn from each other; the yearning to prosper, and therefore to trade resources and technology. The criticisms do not mean that we are anti-Soviet or you are anti-American. Each area—of agreement and disagreement—has its own atmosphere.

III

The third temptation is to weary of negotiations beause the respects in which our systems differ lead us to negotiate in different ways.

There is much we as Americans do not understand about you and about your system, and the problems of bargaining with you. And there is much you find perplexing about us. You wonder how it can be that a trade arrangement is altered once our Congress proceeds to address the issue, or how a strategic arms accord can spark dissent in the American Senate. When we explain that our constitutional structure mandates a process of consultation and consent beyond the Chief Executive's decision, many of you react with the incredulity of one who has been tripped by an obviously empty technicality. "After all," many in Russia seem to ask, "doesn't the power structure in the United States speak through its President? Can't we assume that the American President speaks with authority when he announces an official compact with another nation in solemn public proceedings?"

The answer is not "yes" and not "no". The answer is "maybe". And that answer symbolizes how easy it is to be confused about America. Indeed, to a degree Americans themselves often are. And I could not in good faith travel half the globe to boast of all things as they are in my country; much that happens there tries my patience, as much that happens here must try yours. But the American system, which is so frustrating at times, is something which Americans deeply revere—and which other nations need to understand in order to negotiate productively with us.

Too often the picture of America has been obscured by lenses which have missed our most essential features. Hegel's famous lecture on the United States, delivered in 1830 in his university course on World History, concluded that the American destiny could not excite "profound interest" because it was entirely part of a future that no historical research could predict from coherent patterns in the past. But to search for our future—or indeed even our past—in historical forces and their unfolding represents a fundamental misperception. It is not at the level of substance that our coherence is to be found. It is instead at the level of procedure and structure—of frameworks for choice in a perpetual revolution of change.

To put the matter directly, we have deliberately paid the price of substantive disorder for the sake of procedural openness and regularity—in a system which disperses authority so that the abuses of one center of power might be checked by countervailing power; so that each group has a meaningful chance to express opinions, to be counted in the calculus of decision. This may seem an unwieldy process, viewed from without; even from within, it often looks awkward; but it is always flexible and fluid. In the American system, political participation and representation serve, although imperfectly, to assure the continuing responsivness of government to the multitude of men and forces that demand a hearing.

The preservation of such responsiveness and of the forms of political action that underlie it, are at the heart of our values as a nation. They are inscribed on constitutional parchment and institutional stone. They are treasured as priceless beyond any of the particular policies they may provide or prevent. It is a heritage which yields to the force of no law, the will of no man. The shifting tones of personality and place, the clamoring demands of circumstance, the ceaseless cries for the prudence and judgment of the moment—all these are too fleeting and ephemeral, too insecure against the test of time, to be permitted dominion over the constitutional structure which alone, we believe, can assure the permanence of change.

We have held from our beginning to this faith in constitutionalism. Tempered by our experiences with the British Crown and by disillusion with our own early legislatures and executives, we have always been suspicious of power and have insisted on openness to new forces and ideas. Charles Beard's Constitution once persuaded many scholars to credit that single explanation, but it was discredited long ago. Instead a far richer picture of the American Revolution as a largely moral assertion, mixed of course with other motives, has emerged. Recently a cartoon appeared in *The New York* magazine which showed one pilgrim leaning over the edge of a vessel which looked like the Mayflower and telling another: "Religious freedom is my immediate goal . . . but my long-range plan is to go into real estate." There is some slight truth in that, as there is in any recognition of ways in which idealistic claims may mask material aims. But there is more falsity than truth; ours has been a constitutional history unusually faithful to procedure even at the expense of policy.

In the time of our constitution's framing, the perpetuation of slavery was a majoritarian policy. Three quarters of a century later, the majoritarian procedure brought the abolition of slavery. The people's views had changed. The fundamental structure of American government permitted new voices to be heard and the will of a new majority to be heeded.

My country has relearned recently and painfully the practical virtues of openness to all voices. For years, we fought a war in Asia against rising opposition at home; the opponents were scorned at first and then berated; but they were right and finally we are ending our involvement in a war that is wrong. Last year, we saw a once-popular President forced from office because he failed to heed the principle that all official authority must be contained so that the people may be king.

Some Soviet analysts have suggested that Richard Nixon tempted the wrath of American militarism by moving too far, too fast, toward détente—that the threat of impeachment was a punishment for the progress of SALT. Most Americans are startled by this interpretation. Détente did not bring Nixon down; on the contrary, it may have stayed his leaving; nearly until the last days, he exploited the pervasive support in America for peace in an attempt to hold his place in power. If Richard Nixon is remembered at all well by history, or at all fondly by his fellow citizens, the reason will be his contribution to the completion of co-existence.

And when history blames him, as his fellow citizens did, it will be because he transgressed constitutional axioms which survive time and temper, which are superior to any policy. He lost his power because he abused our domestic ideals and misused our domestic institutions. Even Presidents who make a détente are not permitted to cover up crimes. In our system, no leader is allowed to take our rights no matter what he may offer in return. That was the lesson of Watergate. It was not revenge for détente, but justice notwithstanding détente.

Of course, democracy in practice in the 20th Century is more complex than the shining light which brightened the eyes of our founding fathers in the 18th Century. A nation which grants a voice to all must stand guard always to protect against the accretion of such awesome private wealth and power as may purchase the voice of those who have nothing else left to sell. To critics, it may appear that this is the real American system—that a potent ruling class pulls the strings as the people, poor puppets, predictably respond.

The appearance is an illusion. In the 1950s, books like C. Wright Mills' "The Power Elite" described an America under monolithic rule, and that interpretation was reinforced by a succession of defense and economic officials drawn from corporate boardrooms and law offices. But when political scientists in the 1960's sought more systematically to determine who governs in America, they were struck with the difficulty of sustaining any single answer. In the end, persuasive evidence accumulated for the proposition that no power elite, no single class dominates the United States. Minorities do rule—not the minorities of class and wealth—but a shifting majority of many minorities, of temporary coalitions among distinct interest groups. Such coalitions appear, disappear, and reappear. Even within each group, there are differences which must be continually accounted and conciliated. No nation whose labor movement has boasted leaders as diverse as Phillip Murray, Walter Reuther, and Harry Bridges—Cesar Chavez, Leonard Woodcock, and George Meany—can accurately be called monolithic. But no nation that has rallied as ours has in times of crisis—of great depression of global conflict—can be said to suffer from its pluralism.

No group always wins in America; no one always wins in life. This is a lesson we teach our children in school. It is a hard lesson to accept when one sees so much to be done, but it is the lesson history has taught Americans. Among us, it is not enough to be right; it is essential to persuade enough others that you are right, for only in this way, we believe, can we guard against the greater wrongs of civil strife or repressive control. We have chosen the middle ground of democratic consent, where everyone sometimes gains and sometimes yields, even those on whom fortune has smiled most brightly.

So America has no single, fixed power structure—or person—with the authority to bargain and bind without review. When a President or Secretary of State negotiates an agreement, he does not speak with finality for other parts of government and all constituencies. Woodrow Wilson's League as much as Richard Nixon's trade pact was a shattered memorial of that reality. But the reality does not mean that history must be repeated. It does mean that the context of negotiation will be defined by setbacks as well as successes; that the failure of the last trade agreement will redefine the framework of the next; that more Americans may seek, and settle for, future agreements which ratify co-operative interests without requiring a resolution of other, clashing views.

To deal with us, you must understand the American process and be patient for the sake of progress. We, too, must come to a clearer understanding of you—that the Soviet Union is committed to substantive more than procedural ends, that our valuation of procedure as central and almost sacred, even at the sacrifice of policy, confounds Soviet expectations.

The full consequences of this fundamental difference of conception—between procedural and substantive notions of the right—defy any brief analysis and go far deeper than current negotiating postures. But this much, at least, is apparent: In bargaining with a procedurally-oriented, pluralist society, you should be under no illusion that your case need be made only to a ruling elite through one representative. Before it can prevail, the case must persuade a much wider constituency. And in dealing with a substantively-oriented power which mistrusts a fidelity to procedure as an excuse for self-interest, we should be under no illusion that our case need be made only in terms of honoring commitments and preserving established structures. If it is to convince, our case must be cast in terms of the substantive interests of the other side.

It will be easier for both nations to negotiate without false hopes or undue cynicism once each nation recognizes that its problems with the other are almost mirror images of the other's problems with it. The differences of bargaining rooted in the divergence of systems should incline us not to abandon negotiations, but to intensify them. For only in this way can we experience each other enough to work together despite our separate attributes, to recognize how agreements can be made and when we can expect them to be kept. Like the content of negotiation, the context of negotiation requires concessions—so that while we will not adopt one another's perspectives as our own, we will see the landscape as it looks through both sets of lenses, and will take the steps which are within the vision of both world views.

THE EXPANSION OF COMMON EXISTENCE

I

Intersections of interest provide the basis for detente. Intersections of insight can strengthen the basis of negotiation. Such intersections do not represent a convergence of our societies, but crossing points of problem and purpose, where we can achieve results without resolving variances of ideology. But common existence is more than a two dimensional relationship of the United States and the Soviet Union. Its final shape and space are set in the third dimension of the wider world, where the particular intersections of our bilateral relations in turn intersect the concerns of the entire human species. Every nation's fate is part of a single world destiny. So now we must seek the truly common existence of all rather than the mere co-existence, or even the common existence, of great powers.

In an earlier time, our countries expanded their territory, each of us moving in opposite directions—Russia eastward and America westward—toward the same Pacific Ocean. Now we must seek the expansion of common existence—not by moving in opposition to other nations, but toward the same goal of international co-operation—not to acquire territory or establish a tyranny of great power diplomacy, but to help make the order of independent states equal to the interdependent realities of the current situation. Just as our common existence does not require an ideological or institutional convergence, so the expansion of common existence does not demand the extinction of differences among men and countries. Rather it rests on shared necessities which are consistent with different political choices, and increasingly essential to having and keeping any chance to choose.

This generalization is an abstraction from many facts of international life. Few topics better exemplify the urgency of an expanded common existence than the question of nuclear energy. Recently a film screened in my country demonstrated with chilling precision and persuasiveness how a college student, drawing solely upon scientific information in the public domain, could design and construct an atomic bomb with a small amount of plutonium from a nuclear energy facility. This bomb, if produced and exploded, could kill over 100,000 people. Sufficient plutonium could be stolen by a group or even an individual; a growing number of governments could simply divert it from the peaceful uses for which they obtained it in the first place. Nuclear weapons in the hands of terrorists or in the arsenals of unstable regimes would certainly be exploited as instruments of extortion, and might casually be used as implements of warmaking or revengetaking.

This danger knows neither the bounds of governmental structure nor the borders of national sanity, fragile as even those constraints are. Without stricter international and domestic controls over access to fissionable materials and stronger prohibitions against proliferation, the nightmare of nuclear blackmail, or the ultimate nightmare of global conflagration, could be visited upon us despite any and all progress along the lines of SALT and Vladivostok.

The destructive potential of insufficiently controlled nuclear development and dissemination is just one of a family of structurally similar problems. In such cases, we must learn to reduce chaos and contain risk without trying to dictate the policies, or resolve the disputes, of third parties. In such cases, the overriding fact is that our two nations are involved more in a game against nature than in a game against each other, or other nations. And in all such cases, only a perception that transcends our bilateral relations can make either of us secure against a loss, not to the other, but to forces that go beyond us both.

Our linked destiny is also deeply imbedded in the delicate sphere of the world's threatened ecosystems.

Internally, each of our nations has manifested a new awareness of environmental issues. Each has enacted significant legal constraints upon the heedless plunder of land, air, and water resources; *Tass* reports that you have allocated "every tenth ruble" to a major program of environmental protection. And bilaterally, our nations have entered into a far-reaching agreement for co-operative research in eleven areas ranging from pollution control to earthquake prediction.

Yet much more is required, not only in the form of joint efforts to improve our respective environments, but also in the form of international initiatives to forge an environmental consciousness and responsibility the world over. Neither of us can suggest such an initiative alone, for then either of us would be accused of callous indifference to the needs of less developed economies. But together we can speak the same truth: After a process of development heedless of natural systems, there will be little use for canals which salinate fields instead of irrigating them; there will be small reward from an industrialization which makes the air itself an agent of death; none will gain in the long run by subverting the natural systems which sustain the existence of all.

The advanced nations have already done vast damage. After the recent voyage of the Ra, Thor Hyerdahl reported a new discovery which confirmed the worst fears of scientists, voiced over many years: There was a man-made sea of pollution quite literally overlaying the ocean. Globules of tar deface the Atlantic from Europe to America. Yet men still make the ocean, the womb of all life, their largest garbage dump, while plundering its reserves of life. It is alarming that world fish yields, for the first time in history, have actually fallen over the past two years. Nor is the air which circles our planet any more immune from the poisons of careless technology. The ozone which may be destroyed by one nation's fleet of supersonic planes is the ozone which could have protected every nation's people from cancer-inducing radiation.

By supporting the United Nations Environment Programme, your government and mine made a commitment to international environmental cooperation. But both of us must go further than either has yet shown a willingness to go. Particularly when our own immediate interest are at stake, neither nation has adequately remembered the future all men are fated to—that ours is indeed a "spaceship earth"; a frail vehicle with finite resources of nourishment and regeneration, with no airlocks for anyone against another's fouling of the atmosphere, no watertight compartments to prevent flooding from a polluted ocean; a world whose physical frontiers have been reached, and, in many ways, exceeded. We cannot expect others to be responsible if we do not accept our responsibilities. We cannot ask them to take a long-range view when we are short-sighted—when the Soviet Union resists proposals at the Bucharest Conference to limit population growth—or when the United States postpones scheduled environmental protections.

Instead, let us move in a common effort of many nations to reclaim the seas, to monitor regional and global pollution and inadvertent weather modification from all sources, to share information on the testing and dissemination of potentially dangerous new synthetics, to provide advance notice and discussion of experiments and activities which could have irreversible adverse effects, and to take other measures that fully recognize the extent of our dependence upon a bounded and wounded earth. Together we will protect our planet—or separately, at first a relative few of us, then more, then millions, and finally generations, will perish amid its pollution.

The scientific community too some first steps away from this ecological bring at an international conference this February in Asilomar, California. Molecular biologists and geneticists from the Soviet Union and the United States met with their counterparts from other nations to propose a world-wide system of restraints and safeguards on further research in genetic engineering. The participants suggested methods to limit experiments which threaten to unleash micro-organisms of potentially devastating toxicity to man. Limits of this sort can be made effective only at the international level; hard as it is to stay the impulses of experimentation, it becomes virtually impossible when the scientists of one nation can say that others will do the experiment anyway. The resolve of Asilomar represents a bare beginning. As the wonders of science and technology transform the moral as well as the physical landscape, only multilateral standards can preserve the opportunities of this process for mankind, while presenting the mutilation of the very meaning of man.

III

Some environmental damage cannot be predicted, because it has already happened; some of it cannot be undone, because no power on earth can make a new earth.

We have spent resources as though they were endless, and the result is a threat to world resource shortages. At least for the "short run," which might be too long, individuals and even nations may have to live without certain necessities of modern life.

And the shortages caused by overconsumption have been deepened by underproduction and overpricing. States which control raw materials have contrived shortages through coordinated efforts. Private firms in some industries have pursued a similar course. Collusion between producer countries and corporations enlarges the power of both to underproduce and overprice at the expense of everyone else.

Once again the lesson is the necessity of a global common existence. Though we cannot make a new earth, we can make new mechanisms to forecast trends in world production and consumption of primary products. Such planning can only be effective on an international scale. Even the best forecasts for a single country provide an incomplete—and sometimes even a distorted—outlook for prices, demand, and supply.

All economic systems—developing countries, socialist states, and market nations—are essential elements of resource planning. Many developing countries are key producers, or potential producers, in areas of shortage; many of them are part of an effort to create artificial shortages. The socialist and market economies are both major consumers and sources of raw materials.

The United States and the Soviet Union occupy a special place in this pattern of commerce. We are the most nearly self-sufficient nations in the world, yet we each rely on a few key imports—the United States especially for oil, tin, and bauxite, the Soviet Union for food. By contrast, most other countries are either large net sellers—Canada, Australia, and the Arab States—or large net buyers—Western Europe and Japan—in the world marketplace. So our two continental economies have a unique opportunity to advance our own national interests in ways which would promote world economic stability. Within an inclusive international context, a combination of new planning methods and market mechanisms could maximize the long-term efficiency of food and raw material consumption and minimize the rate at which resources are depleted.

The creation of inclusive arrangements will require adaptation and binding commitments. The arrangements will fail if we insist on ideological rigidities of planning or laissez-faire. Monitoring systems must operate over geographical as well as ideological boundaries. Commodities agreements must govern specific products. An international agency for indicative economic planning, open to all countries and with appropriate voting rights for each, could provide a new framework for conservation, specific negotiation, and the development of production techniques.

The Soviet Union's demand for some commodities, particularly food, is obvious. Its ability to supply others, such as oil and gas, is also obvious. Now your country can reassert the role of global economic leadership which it took at Bretton Woods in 1944. You remained outside the trade structure of the world community throughout the Cold War. But in an era of détente and shortages, Soviet interests in the area of trade intersect the interests of non-Communist economies.

Those shared interests would be fostered if ways could be found for your government to participate in institutions such as the Organization for Economic Co-operation and Development, and the General Agreement on Tariffs and Trade. We welcome the fact that you are considering observer status at the current multilateral trade negotiations—and we hope this is a forerunner of more active involvement in the near future. In 1945, the major international trading institutions were founded with an overriding goal—truly universal membership as a basis for maximum world prosperity. The founders were thirty years ahead of time. But now it is time for an expanded common existence in global commerce. It should include the Soviet Union on terms and in a manner consistent with your needs and system.

One poignant crisis cannot wait out the evolution of common existence across the entire range of commerce. Today a third of the world is hungry; half a billion people are at the edge of famine. Although the crisis has yet to be universally conceded, the evidence has mounted beyond the point of rational denial. The food shortage is not a rumor started by hundreds of thousands of dying children, or millions of malnourished parents. Coming to terms realistically with that shortage is in our interest as nations which cannot permanently endure as secure islands in a sea of starvation. It is in the interest of us both as nations with their own real, if rarely admitted, problems of malnutrition. And surely it is in the interest of us both, and of the world as a whole, that our two countries join wtih others to shape and support an international organization to disseminate agricultural technology, collect statistical information on projected food shortages and food supplies, and gather a global food reserve.

Consider my country's past decisions to withhold land from agricultural production; note our frequent misuse of food as an instrument of international politics; observe your country's reluctance to release agricultural data on grounds of national security; recall your understanbale suspicion that the release of detailed information on food production could swell the profits of grain traders rather than filling the stomachs of the hungry. All of these do not mandate an acceptance of things as they are, but the commitment of both nations to the emerging structure of agreements based on the recent World Food Conference in Rome. The structure must be carefully constructed, so every member state can exercise appropriate control, and vital information can be accumulated and assessed in ways fully sensitive to the need for confidentiality and fully alert to the risks of exploitation. No nation should stand aside while most nations are working to design a viable world food system. We have competed with one another for nuclear superiority; now let us co-operate with many others for the sake of food sufficiency.

The question of hunger represents a special case of a more general and no less planetary issue: How are the basic rights of human beings to be assured in a time of scarcity and conflict? When the issue is cast in that way, we can call upon a common ideal which can make us natural if paradoxical partners in support of a worldwide common existence. Your revolution and ours differed in many things, but they claimed at least one great and same aspiration: Not merely to overthrow the existing order of colonialism or autocracy, but to lift the ancient yoke of human oppression. We have taken opposed paths from our beginnings, each insisting on our fidelity to the aspiration with which we both began. Americans have accused you of abandoning that aspiration legally and politically; you hve accused us of abandoning it economically. These accusations and counter-accusations will continue; as I have suggested earlier, our ideals of politics and government are not on a converging course. But both of us have come remarkably close to agreement on a substantive ideal—that every person has a right, though we may conceive its content differently, to the basic means for survival and self-realization. For the first time in history, it may indeed be possible to affirm seriously the universal existence of some such right—to say, and truly mean, that the preconditions of a decent life are each person's due in the world.

We are in little danger of understanding the difficulty of achieving the sort of substantive agreement such standards would require, much less the difficulty of implementing any standards agreed upon. The danger, rather, is that we may underestimate the importance of trying.

Hundreds of millions of people will not stare down into a mass grave of starvation and then quietly die. The world will not move easily, or peacefully, toward extinction. Maybe it is too much to as of nations that they do the right thing simply because it is the right thing to do. But here the right thing is the only rational choice. If not out of compassion, then because we have a stake in global security, let us at least and at last attempt to make effective the emerging consensus that living, living decently, is each man's most inalienable right.

V

One last element is important: A lowering of barriers to the exchange of ideas in the international arena. Though you may reject our nation's ideals of free expression, let us agree that impediments to the unfettered flow of truth may be obstacles to the mutual search for practical solutions. Occasionally higher values are served by limiting access to data; no one in his right mind would advocate the publication of blueprints for a plutonium bomb. But the most effective methods to control plutonium theft and thus to limit the danger of clandestine proliferation cannot be devised if the engineers who think about them cannot share ideas with one another. Solutions to our agricultural problems cannot be certain if data bearing on levels of production and patterns of distribution are treated as national secrets. Ways of producing energy with less fouling of our common nest cannot be invented and perfected if the scientists who seek to understand the workings of ecosystems cannot enter into dialogue with their colleagues in other lands. At times, both of our nations have overclassified, overprotected, and overcontrolled intellectual products and exchange. In the recognition of mutual fault, and in the realization of a mutual interest in rectifying our errors in this respect, there may lie a basis for acknowledging and ultimately protecting a procedural right as fundamental as the substantive rights on which we seem to agree—a right to think and communicate on questions of basic scientific importance to the human condition.

As common existence comes to be experienced over time, each of us will have less reason to feel threatened by others. With the quelling of fear, there may come an abatement of restraints on expression beyond the scientific realm. But that is a more distant and perhaps more parochial hope, one which could easily slip into unrealistic musings. There is no necessity for us to believe that you may be convinced to accept the value we place upon political liberty. Nor is there any necessity for you to believe that we may be convinced to accept your view that such liberty in a capitalist state is a trick and an illusion. As I said at the beginning of these remarks, a safer world requires a degree of unity, not an identity of systems.

CONCLUSION

In 1815, the Congress of Vienna initiated a period of brilliant diplomacy; political bargains by skillful negotiators preserved the order and systems of Europe. But the security of the *status quo* permitted the old regimes to perpetuate vast social injustice. The last century of continental peace was a long season of human suffering. The statesmen of that century scorned the basic needs of the people. The workers produced, but others profited. The people aspired, but others ruled. The causes of instability were shackled, but not solved. And this condition of suppression the statesmen called a structure of stability. It prevailed for awhile, as such structures usually do; then it failed all at once, as in the end suppression always will. The discontented of many nations rose up, and their rising overwhelmed the sophisticated arrangements of the power balance, and engulfed those who governed within it. The diplomacy of Metternich and his successors was tactically brilliant; it was also and inevitably a strategy of self-destruction.

Today the heirs of revolution could become the new incarnation of the old regimes. The United States and the Soviet Union could retreat behind fortress walls of megatonage and relative economic might. We could feel safe in our fortress, as others once did in theirs—the Kaiser, the Czar, the Austrian Emperor. And one day a revolutionary tide would sweep over the walls and sweep away all who were inside. We cannot predict how it would happen; we could insist that we have the power to hold off that day of reckoning. So did Nicholas and Franz Josef and Wilhelm.

This, I believe, need not be our fate because we are not condemned to it. We could choose it, but we can choose otherwise. As the heirs of revolution, we know its signs; we recognize its claims; we can ride with it, rather than stand against it. We can make the troubles of our world the foundation stones of a worldwide common existence.

Perhaps the memory of the blood we shed together against Facism can provide the most fitting metaphor for our future. We fought as one to defeat a common enemy. Now Providence, which you call history and I call God, calls us to join together again, this time with all men, to defeat the most ancient and most recent enemies of mankind: the tyranny of hunger and disease and the poverty of a world stripped bare.

AMNESTY INTERNATIONAL

Mr. KENNEDY. Mr. President, as the Geneva Conference on Security and Cooperation in Europe draws to a close, there appears to be a sad contrast unfolding in the Soviet Union.

For in recent weeks, while the Geneva Conference has dealt with the issue of increasing human contacts and respect for humanitarian ideals, there has been a disturbing development in the Soviet Union.

I refer to the recent series of arrests of Soviet dissidents, whose single bond appears to be their membership in Amnesty International.

Amnesty International is an international organization committed to achieve the release of or the improvement of conditions of political prisoners. Its distinguished President, Sean McBride, a recent recipient of the Nobel Peace Prize, and its board members reflect all elements of the political spectrum.

It has scored the violation of human rights in Chile and Cuba, in Brazil and in the Soviet Union. Its cause always has been individual freedom and its vision has truly not been restricted by partisan blinders.

The recent arrests of Valentin Turchin, Andrei Tverdokhlebov, Vladimir Albrecht, and Mikola Rudenko—all members of the Amnesty chapter in the Soviet Union—deserve our attention and our protest.

I would hope that these arrests and the pending prosecutions of these individuals would be reconsidered and voided by the Soviet Union leadership.

I ask unanimous consent to have printed in the RECORD an article by Peter Osnos on this subject.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LATEST ARRESTS BY SOVIETS VIEWED AS OPEN CHALLENGE TO WEST

(By Peter Osnos)

MOSCOW, April 20.—Early Friday morning, Andrei Tverdokhlebov, an engineer, left for work as usual. On the street outside, he was arrested.

Valentin Turchin, a physicist, and his family were at home when police arrived and began a 12-hour search. Vladimir Albrecht was picked up at a friend's house and then his apartment was searched too. In Kiev, a writer named Mikola Rudenko was taken away to jail.

What these people have in common is membership in the small, fledgling Soviet chapter of Amnesty International, the London-based civil rights organization that presses worldwide for the release or better treatment of political prisoners. Yesterday, Turchin angrily charged that the authorities have decided to break up the Amnesty group here in a self-confiident challenge to the West.

"The KGB (Soviet Secret police) tells us that public opinion abroad has grown bored with cases like ours and that they can do what they want," he said.

Turchin said the men who searched his apartment told him: "You can no longer trust the West to be concerned with your activities. They have problems of their own these days."

Turchin told newsmen: "I have to agree. This is true."

[Dissident physicist Andrei Sakharov said today he had learned that police had freed Rudenko but had ordered him to remain in Kiev pending trial on charges of anti-Soviet slander, news agencies reported.

[Sakharov also said that security police had searched the house of dissident author Alexander Ginsburg in Tarusa, 60 miles south of Moscow, where he is in internal exile.

[Sakharov said the police took away foreign medicines intended for political prisoners and a card index file of prisoners' relatives.

[n London, the headquarters unit of Amnesty International said it had sent a telegram to Soviet Communist Party Leader Lenoid Brezhnev protesting the arrests.]

Clearly, the Soviets do not regard Friday's events as routine. The home offices of major American, British and French news agencies, The Washington Post and perhaps other newspapers, were informed of Tverdokhlebov's arrest in telex dispatches signed "APN"—the official Soviet news agency Novosti. The news was not released here.

Novosti sometimes covers dissident trials and produces articles to counterbalance what the Soviets regard as "distorted" Western reports. But this is apparently the first time that the agency has sent out what is in effect a press release on a police action.

Also puzzling is that Thursday night, 12 hours before he was arrested, Tverdokhlebov received a phone call from a friend in Kiev who said a foreign radio station was broadcasting in Ukrainian that he had been arrested.

The Novosti account did not mention Amnesty International. It said that Tverdokhlebov had been accused of "spreading deliberate falsehoods maligning the Soviet political and social system" and that his apartment contained anti-Soviet literature for distribution. The arrest of Rudenko and the searches at Turchin's and Albrecht's were ignored.

Turchin, who is president of the Amnesty chapter, said he believes the Soviets will never openly link the respected organization with the case—Sean McBride, a former Irish foreign minister and Amnesty president was chairman of a Soviet-sponsored world peace congress here in the fall of 1973.

But he said that much of the material seized at the four apartments concerned the group. Tverdokhlebov, an active dissident who is a close friend of the physicist Andrei Sakharov, was searched in November and on that occasion Amnesty literature was left behind.

One possibility is that the Soviets decided to move now out of concern that the group—which numbers only about 20 persons—might become the focal point of the Soviet dissident movement, weakened in recent years by emigration, exiles, punishment and weariness.

Amnesty's activities, however, are humanitarian and international. The Moscow chapter, which had its first full meeting only about a month ago, was given responsibility by London headquarters to lobby on behalf of a jailed left-wing writer in Spain, a right-wing Yugoslav nationalist and a Tamil activist in Sri Lanka.

Previously, the group had sent some 25 postcards and letters in support of a leftist imprisoned in Uruguay and others for whom the Soviets would presumably not find support objectionable.

A Soviet move that could be interpreted as suppression of Amnesty International might prove embarrassing to them at the 35-nation Geneva Conference on Security and Cooperation in Europe, where the issue of human contacts has been a central concern. Moscow wants that conference to end quickly with a gala summit conference to sign a declaration of principles.

The Soviet members of Amnesty for the most part have established dissident credentials. Turchin spoke out on behalf of Sakhrarov when the physicist was under attack. As a result, Turchin lost his job. Rudenko, in Kiev, was a member of the Communist Party but was expelled because of his unpublished writings on "Christian socialist" themes. Albrecht is a frequent signer of statements on political subjects.

QUESTIONABLE SECURITY ON U.S. NUCLEAR WEAPONS AT HOME AND ABROAD

Mr. SYMINGTON. Mr. President, 2 days ago, the General Accounting Office reported to the Secretary of Defense that the Pentagon has been shipping nuclear warheads along our highways without adequate security precautions against potential terrorist activities.

As is well known, for some time I have been concerned with the security of our nuclear arsenals abroad.

The United States currently has some 7,000 tactical nuclear weapons stockpiled in European countries plus thousands more in other countries around the globe. This does not include these aboard U.S. ships.

Reports during the past year are to the effect that some of these weapons may not be well protected against potential nuclear saboteurs or thieves—especially those who may have both the armed capability and intelligence information necessary to overcome security systems designed to protect these weapons.

The mere presence of such large numbers of nuclear warheads around the world provides an ever-present risk of their seizure—not only by criminal groups, but also by host governments themselves. Any change in government, or in government policy, in a country where U.S. nuclear weapons are stored could lead to a takeover of these weapons.

It is no secret that during the Cyprus crisis, which is still with us, the United States has been concerned about the security of its nuclear arsenals in both Greece and Turkey, and there are other cases where political and international developments could have serious implications for the security of our nuclear arms.

This security is not only a problem for the United States, but also for France, Great Britain, the Soviet Union, the People's Republic of China—or any other country which has or soon will have nuclear weapons; in fact, there have been developments which would lead us to believe that a growing number of countries will soon possess such weapons.

All nations must take the risk that the security and potential use of nuclear weapons may be affected by the political stability of the countries which possess or store them.

Now that the General Accounting Office has confirmed the need for tightening safeguards on the shipment of nuclear weapons along our own highways, I would hope that the administration will also take whatever measures may be necessary to strengthen safeguards on our nuclear weapons shipments and storage abroad.

The administration should also review our policy of placing thousands of tactical nuclear weapons abroad, removing those not actually required for defense purposes.

At this point, I am providing copy of the unclassified "digest" of the GAO report which was released on April 23, and ask unanimous consent that it be printed in the RECORD.

There being no objection, the digest was ordered to be printed in the RECORD, as follows:

GENERAL ACCOUNTING OFFICE REPORT TO THE SECRETARY OF DEFENSE—SAFEGUARDS SHOULD BE TIGHTENED FOR TRANSPORTING NUCLEAR WEAPONS ON HIGHWAYS, DEPARTMENT OF DEFENSE

(This is an unclassified digest furnished in lieu of a report containing classified security information.)

WHY THE REVIEW WAS MADE

The Atomic Energy Commission and the Department of Defense frequently move nuclear weapons in motor vehicle convoys over public highways and streets.

Because of the recent successes of terrorist organizations and the ability of such groups to strike almost anywhere in the world, GAO wanted to find out if adequate security precautions were taken when nuclear weapons were transported by motor vehicle convoys in the continental United States.

FINDINGS AND CONCLUSIONS

Nuclear weapons transported in motor vehicle convoys by the Army and Navy were more vulnerable to potential terrorist activity, and more susceptible to damage, than were shipments by the Atomic Energy Commission and the Air Force.

The Army:

Used commercial van-type trucks without armor or entry denial fixtures to carry nuclear warheads between storage locations and missile launch sites.

Did not use helicopters to provide aerial reconnaissance and surveillance for its convoys.

Did not have an adequate en route communication system to monitor progress.

Did not provide for a security team vehicle to follow its convoys and respond to emergencies.

Navy shipments also were vulnerable to terrorist activity and susceptible to damage.

The Secretaries of the Army and Navy acknowledged that these observations were valid. They cited a number of actions taken or planned which should bring about needed improvements.

RECOMMENDATIONS

The Secretary of Defense should follow up on the corrective measures promised by the Army and Navy to insure that the additional safeguards are timely and effective.

The Secretary of Defense should also explore the possibility of using the Atomic Energy Commission's safe/secure trailers or other vehicles equipped with entry denial and alarm security features when motor vehicle convoys are required for Army and Navy nuclear weapons.

SENATOR KENNEDY'S EXCELLENT OVERSIGHT WORK

Mr. PROXMIRE. Mr. President, it is a rare day when a Member of Congress is recognized by the press and public for excellence in the time-consuming, detailed, undramatic field of following up a program that we have enacted into law to determine whether it is working, and if it is not to exert the pressure to see that it does work.

This, of course, is congressional oversight. All of us in the Congress engage in it. Some do much more work than others. But rarely is that work reported, and even more rarely is that work recognized and praised even if it gets big results.

This is why Members of Congress will be impressed by an extraordinary article in the April 24 Wall Street Journal by Alan Otten, citing our colleague Senator EDWARD KENNEDY for the solid and successful job Senator Kennedy has been doing in the airline field.

Kennedy's work has already produced lower prices for airline tickets. It has infused a much-needed recognition by the Civil Aeronautics Board that its mission is to represent the public interest—not just the interest of the airlines it regulates.

All this has been accomplished by Senator Kennedy, his Judiciary Subcommittee and its staff, not by a few speeches or press releases but by many months of strenuous investigations including detailed questionnaires, private staff discussions, specially commissioned academic analyses and public hearings.

In case political ideologs would read some kind of liberal or partisan plot into all this, we should note that Senator Kennedy's principal coworker in all this has been none other than the distinguished Senator from South Carolina, Strom Thurmond.

Senator Thurmond also deserves great credit for the work he has done in making it possible for air travelers to get a fair break when they buy their tickets.

Mr. President, I ask unanimous consent that the article by Alan Otten, to which I have referred, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Overflight

(By Alan L. Otten)

Washington.—Wall Street Journal readers will probably find bizarre the image of Senator Edward Kennedy crusading for less government regulation and more marketplace competition.

Yet that's precisely what Mr. Kennedy has been doing, with considerable impact and success, in the airline field. In the process, he's also been graphically demonstrating the enormous potential of well-done legislative oversight.

Oversight, as has been frequently noted here, is a conspicuously neglected congressional chore. Trying to determine whether a government program is working well, or is working as Congress intended, is tedious labor. Frequently, the committee charged with oversight is stacked with lawmakers who have close ties to the people administering the program or benefitting from it. Unless it hits scandal or other publicity-rich pay dirt, tough oversight gains an ambitious legislator far fewer friends than most other things he could be doing.

All the more surprising then that Mr. Kennedy should invest substantial amounts of time and energy in this sort of activity. Yet last summer, looking around for a new task for his Judiciary Subcommittee on Administrative Practice, he worked out with Harvard law professor Stephen Breyer plans to study the way different government agencies now regulate economic activity—starting with the Civil Aeronautics Board.

"For a long time," Mr. Kennedy says, "I'd been working on getting better air service and lower fares for New England. And I'd gradually become convinced that less regulation would actually benefit the consumer and still strengthen the industry."

Since last Summer, Mr. Kennedy, ranking subcommittee Republican Strom Thurmond, and the subcommittee staff have bombarded CAB members and their top aides—with detailed questionnaires, private staff discussions, specially commissioned academic analyses, and beginning in early February, public hearings.

How could intrastate airlines in Texas and California, free from federal regulation, manage to charge much lower fares and still operate so profitably? Why does the board freeze out major new competition from airline routes? Wouldn't the threat of new competition help keep down airlines fares?

Even if lower fares made airlines cut back service, might not people accept less service in order to fly more cheaply? Why does the CAB rate formula include a fat 12% rate of return? How could the board justify higher fares at a time of sharply slumping traffic?

And CAB policies changed. Recently the board has begun to entertain new route applications; dropped an earlier plan to force higher charter rates and instead proposed more low-cost charter flights; permitted a no-frills, low fare for National Airlines; and set up an internal group to consider the desirability of broader competition.

"Much of this never would have been proposed, let alone approved, six months ago," contends antitrust expert Breyer.

Certainly there may be some argument over just why it's all happening now. The recent recession, cutting into passenger volume and industry profits, made many airlines ready to compete harder. Key officials at the Council of Economic Advisers and the Departments of Justice and Transportation were independently moving towards a deregulation policy anyhow, and President Ford promised this in his economic report in early February.

Yet at the very least the Kennedy subcommittee catalyzed these and other forces. Its announcements of plans to start hearings Feb. 6 prodded the administration to pull a policy together by then. Several CAB reversals of direction were actually announced at the hearings, under specific subcommittee questioning.

In addition to the "why now?" question, there's the even greater debate over whether deregulation is the correct policy. Most airlines say emphatically not, and the CAB so far has seemed to agree.

Industry executives admit that less regulation may lower fares at first, but insist that profits will also gradually drop, airlines will have to merge or fold, small towns will lose service, technological innovation will slow, and safety standards will suffer. Ultimately, they contend, fares will rise higher than ever.

But the judiciary subcommittee and apparently the Ford Administration believe the contrary. "Testimony by independent experts and other witnesses," Sen. Kennedy said in hailing a new Ford deregulation pledge last week, "indicated that a more flexible regulatory policy, one that leads to greater competition, is likely to lead to lower fares and fewer empty seats"—and sounder airlines.

The subcommittee's report, now in preparation, will probably urge far easier airline qualification for new routes, still more liberal charter rules, freedom for airlines to raise or lower fares within a specified range without CAB approval, and several restrictions on the board's power to grant antitrust immunity for airline agreements reducing frequency of flights.

Mr. Ford has indicated the administration's bill will be along much the same lines, and the subcommittee is pleased. "A lot can be done by the board without legislation," Mr. Breyer says, "but then there's the risk of a relapse later. It's safer to have legislation." He admits, though, it may be hard to sell the current liberal Congress on the deregulation approach. "Liberals don't have a bias against government regulation," he understates.

To be sure, the Kennedy operation has had some luck. The Senator's name commands press attention even for dull subjects. Watergate created doubts about too-close government-industry ties. The declining economy heightened interest in the health of the airlines. "We caught the issue at the right time," Mr. Kennedy concedes.

Yet the investigation also required long, hard work, as good oversight always must. And it showed that with hard work—and a little bit of luck—oversight can do a vital job.

PROGRAMS FOR OLDER AMERICANS IN MINNESOTA

Mr. HUMPHREY. Mr. President, the State of Minnesota has always been a leader and an innovator in its efforts to assist the elderly. Through a multitude of programs and services, Minnesota has provided its senior citizens with new opportunities and a sense of dignity.

The Minnesota Governor's Citizens Council on Aging served as the catalyst for these changes. Since its incepton in 1957, the council has provided direction and guidance to the statewide drive. A 25-member body, the Governor's council brings together concerned citizens and legislators who have a special interest and expertise in aging.

The number of older people present in our society is rapidly increasing each year. In Minnesota there are 600,000 people over the age of 60, many of whom have special needs and problems. The Governor's council has studied these people and found that: one-half of Minnesota's older people have chronic health problems; one-fourth have less than an eighth grade education; one-third live in poverty; one-sixth have transportation problems; one-half often feel lonely.

These highly significant statistics pose an important challenge which can only be answered by the type of positive action which has been developed by the council.

The Governor's council recently published an annual report which outlines their functions and discusses the progress which has been made in Minnesota. This booklet describes the many social services which were begun under Federal funding programs and continued via local support following the expiration of the Federal money. Last year the council funded 15 new programs in response to the needs of the State's elderly.

Since 1967 the GCCA has initiated 101 projects covering a wide range of services. A total of $4 million has been awarded to these programs during this time, each project being supported for about 3 years.

The Council sponsors a broad spectrum of health services, from clinics to loan closets. By assisting the elderly with their health needs, the State allows them to feel comfortable in their retirement years. Coupled with this are over 100 senior citizen centers which enable older people to find companionship and worthwhile activities. These two programs serve to give elderly citizens a sense of security and well-being which is essential to their daily lives.

The Governor's Council also initiated dining and transportational facilities in order to help senior citizens remain active members of their communities. Over 30,000 participants received good meals and friendly companionship at neighborhood centers throughout Minnesota.

Besides these basic services, the Council has an extensive network of educational and counseling services, designed to insure full and meaningful lives for Minnesota's older citizens.

In sum, the Governor's Citizens Council on Aging has taken decisive steps to reach out to senior citizens in Minnesota. Chairman Cy Carpenter and Executive Secretary Gerald Bloedow direct a noble undertaking which is attempting to build a society of human fulfillment for the elderly.

The efforts of the GCCA demonstrate that citizens can solve problems within their own communities by working with both Federal agencies and their local counterparts. I commend them for the progress which they have made and point to their work as a model for other States and communities.

Mr. President, I ask unanimous consent that excerpts from the GCCA's annual report be printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

ANNUAL REPORT OF THE GOVERNOR'S CITIZENS COUNCIL ON AGING, JANUARY 1975

(Cy Carpenter, Chairman; Gerald A. Bloedow, Executive Secretary)

THERE IS NOTHING NEW ABOUT AGING

What is new is the number of older people alive today and the changed society in which they live. In 1900, 3 million older people lived in a largely agrarian America. Today more than 20 million older people live in our radically altered society—fast-paced, urban, aggressive, youth-oriented.

As the older population has increased, so have its problems. Minnesota was among the first to recognize the plight of many of her older citizens, but until 1951 no statewide efforts were launched to deal comprehensively with the problems faced by older people. In that year the legislature created a legislative interim commission to study the health, housing, recreation, employment, and welfare needs of Minnesota's older population. Shortly afterwards (in 1956) the Governor's Citizens Council on Aging was created by executive order to meet the needs of older Minnesotans; in 1957 the Council was established by statute.

Today the 25-member council serves as the focal point on aging for Minnesota's 600,000 older people (those age 60 and older); for individuals approaching retirement or into an early retirement; and for all other Minnesotans of whatever age who are interested in aging and gerontology.

Council members—individuals who have a special interest and expertise in aging—come from every congressional district in the state. Each member is appointed by the Governor for a two-year term; no member may serve for more than six consecutive years.

The Governor's Citizens Council on Aging serves older people in a variety of ways. As the sole state agency responsible for administering Titles III and VII of the Older Americans Act, the Council plans, coordinates, and evaluates social service and nutrition programs for older people throughout the state. It also administers the state-funded portion of the Foster Grandparents program—a program employing low-income persons age 60 and older who give retarded children close personal attention.

In its advisory and educative role, the Council acts as a consultant to the Governor, legislature, and heads of state departments concerning policies and services affecting older people. In addition, the Council assists regions, counties, and local communities in the planning and development of programs for older persons.

The Council also participates in the legislative process by reviewing proposed legislation, commenting upon existing legislation affecting older persons, and drafting new legislation—always acting on behalf of Minnesota's older citizens.

By law the Governor's Citizens Council on Aging is charged with the following:

To advise the Governor and heads of state departments and agencies regarding policy, programs, and services affecting the aging;

To provide a mechanism for coordinating plans and activities of state departments and citizen groups as they pertain to the aging;

To create public awareness of the special needs and potentialities of older persons;

To gather and disseminate information about research and action programs, and to encourage state departments and other agencies to conduct needed research in the field of aging;

To stimulate, guide, and provide technical assistance in the organization of local councils on aging;

To provide continuous review of on-going services, programs, and proposed legislation affecting the elderly in Minnesota; and

To administer and to make policy relating to all aspects of the Older Americans Act of 1965, as amended, including implementation thereof.

SOCIAL SERVICES THROUGH TITLE III OF THE OLDER AMERICANS ACT

Over the years the Governor's Citizens Council on Aging has used federal money to start all of these services for older people. Throughout Minnesota project sponsors (social service agencies, local units of government, committees on aging, etc.) have played a most important role in ensuring the success of the program; and Title III of the Older Americans Act has provided the "seed" money for the projects. But because Title III money can only be used for short-term projects, the Governor's Citizens Council on Aging has invested it in programs the Council considered capable of obtaining total local support after three to four years. Minnesota's older people have benefited by this policy: every project but one which the Council has funded has been continued after federal funds expired.

In 1974 fifteen new social service programs—creative, innovative projects responsive to the needs of Minnesota's older people—were funded by the Council throughout Minnesota. For instance, in North Minneapolis a legal rights and advocacy program was started; in St. Paul a social services-counseling project was begun for older residents of public housing. Health services, multi-purpose senior centers, and transportation programs were also funded throughout the state.

HEALTH SERVICES

Last year the Governor's Citizens Council on Aging continued funding a broad spectrum of health services for older people.

Diagnostic health screening so older people won't have to worry away their health;

Mini-clinics so older people can receive needed "maintenance" health care;

Health education so older people can learn to prevent health problems or to cope with what ails them;

Day care centers so older people can live independently but still receive skilled nursing care daily;

Home health assessment so trips to the doctor can be either avoided or hastened to catch diseases in their early stages;

Loan closets so older people have a special source of needed supplies and equipment;

Health reassurance checks so older people know how to follow the doctors orders.

The two new health programs funded by the Council in 1974 were programs designed to meet the health needs of older Minnesotans in the metropolitan area. These new comprehensive programs currently provide each of their elderly clients with most of the above services.

MULTIPURPOSE SENIOR CENTERS

With Title III funds the Governor's Citizens Council on Aging has, since 1967, helped to develop more than 100 senior citizen centers for older people, three new centers in 1974.

Senior centers are places where older people can be involved and feel at home. Places where they can find people like themselves for companionship. Places where life is humming at a quick-but-easy pace.

Senior centers are friendly places overflowing with activities and opportunities for older people—exercise classes, crafts, educational classes and forums, musical activities, counseling, health testing cards, day camps, information and referral and many others. Through its development and support of senior citizen centers throughout Minnesota, the Governor's Citizens Council on Aging has helped older people find a place.

TRANSPORTATION

It's lonely in the country when you can't get out. When your nearest neighbor is miles down the road. Conversation gets sparse. It can be frightening in the country too, if a person should fall and need a doctor but have no way to get there.

The Governor's Citizens Council on Aging is concerned about the isolation of Minnesota's older people. Providing food, health care, or recreation helps older people very little if they can't use the services; if they can't get to them. So the Governor's Citizens Council on Aging has worked to develop transportation programs for older people throughout Minnesota. Eight new transportation systems—city-wide, county-wide, and region-wide alike—were developed in 1974. Buses, mini-buses, and volunteer drivers with their own cars were used.

Now older people no longer need to sit at home. The Governor's Citizens Council on Aging is helping them go places.

NUTRITION PROGRAM FOR THE ELDERLY THROUGH TITLE VII OF THE OLDER AMERICANS ACT

In 1974 the Governor's Citizens Council on Aging, using federal money under Title VII of the Older Americans Act, supported 122 congregate dining facilities for older persons throughout Minnesota. Each day more than 3,800 hot, nutritious meals were served to older Minnesotans who contributed according to their means.

More than 30,000 older persons participated in the Nutrition Program for the Elderly, a program directed toward older people who cannot afford to eat adequately; who lack the skills to select or prepare nourishing meals; who have limited mobility impairing their ability to shop and cook for themselves; or who are so isolated and alone they lack the incentive to prepare and eat meals. With Council help plus help from 17 sponsoring agencies all over Minnesota these 30,000 participants ate well and they ate right. But more important for many was the social contact and support they received from dining with neighbors and friends. They also took advantage of the eight social services which are an integral part of the nutrition program: transportation, nutrition education, recreation, outreach, shopping assistance, health and welfare counseling, personal escort service, and information and referral.

How is the Governor's Citizens Council on Aging involved?

Initial and continual program planning.

Administration and management.

Technical consultation and support.

Monitoring and evaluation.

Title VII funds administered by the Governor's Citizens Council on Aging in 1974: $1,815,461.

FACILITATING SERVICES

The Governor's Citizens Council on Aging, understanding that older people in particular may have difficulty in recognizing services available to them, initiated in 1974 two major efforts aimed at informing older people about services they may need: an SSI-ALERT Project and an Information and Referral Program.

SSI—ALERT

Minnesota's SSI-ALERT is part of the Administration on Aging's nationwide search for potential new Supplemental Security Income recipients. Supplemental Security Income, a federal program begun in January of 1974, is a guaranteed annual income plan which replaced state and county Old Age Assistance programs.

Realizing that many older people consider income their number one problem and that these same persons might very well be unaware of the new federal program, the Governor's Citizens Council on Aging, in conjunction with the Social Security Administration and the Red Cross, worked throughout the year to locate potential new SSI recipients. A statewide publicity campaign was launched and volunteers were trained to answer questions about the program and to do outreach work in their communities.

In some areas outreach workers went door to door visiting with older people and, when appropriate, asking them to fill out special memos indicating their social service and income needs. Social Security Offices and other local organizations were then contacted to provide the needed help. In the Hibbing area alone, of 1,900 older people contacted, more than 500 (28%) were found to be eligible for SSI; they are now receiving, on the average, an additional $60 in income every month—income that significantly improves the quality of their lives.

Information and Referral Services

The Governor's Citizens Council on Aging in 1974 applied for and received a model project grant from the Administration on Aging to initiate a statewide information and referral system for older people. The $200,000 project, begun in September of 1974, will provide information to the general public on matters pertaining to the older population and will create a network of information and referral centers throughout the state.

Information and referral centers will direct older people who have problems or questions concerning health, housing, income, education, employment, recreation or any other kind of human service need to agencies and organizations that can help. The Governor's Citizen Council on Aging believes that regional or sub-regional information and referral centers will greatly aid older people who are currently unfamiliar with or afraid to approach the many organizations and bureaucracies available to serve them.

PLANNING SERVICES

Insuring full and meaningful lives for all of Minnesota's older citizens is a challenging responsibility. To meet it, the Governor's Citizens Council on Aging engages in a constant planning process: reviewing progress already made, analyzing problems still unsolved, and designing and coordinating projects and programs it hopes will solve those problems.

State plan for aging

In 1974 the Council formulated its second major State Plan for Aging which detailed goals for the coming fiscal year and the mechanisms by which the Council hoped to achieve those goals. This document, which serves as a work plan for the Council, was submitted to the Administration on Aging in Washington for their approval and for their use in coordinating aging programs nationwide.

Area planning

During 1974 the Governor's Citizens Council on Aging's five Area Agencies on Aging offered technical assistance to aging programs in their respective regions, promoted the development of new aging services, coordinated existing services, and engaged in an on-going planning effort on behalf of older persons. Area agencies received increased responsibility in 1974 for the direct funding and review of Title III social service programs in their regions, a development which increased each agency's ability to effectively plan and coordinate a comprehensive system of services of older people. The agencies supported by the Council themselves with Title III funds from the Older Americans Act, are placed within Regional Development Commissions to maximize their planning capabilities.

Consultative services

In 1974 the Governor's Citizens Council on Aging assisted a variety of agencies and organizations in the planning, development, and evaluation of programs for older people. Consultative services were provided to, among others, the Office of the Governor, the Federal Executive Board, the Model Cities programs of Duluth, Minneapolis, and St. Paul, the Minnesota State Department of Personnel, and numerous legislators. Three Regional Coordinators, staff personnel to the Governor's Citizens Council on Aging, also offered consultative services to communities and social service agencies across the state, providing them with technical assistance in their planning and coordination of aging programs.

EDUCATIONAL SERVICES

Annual Institute on Aging

Each year the Governor's Citizens Council on Aging in conjunction with Gustavus Adolphus College sponsors a two-day Institute on Aging devoted to a topic of particular concern to older people. Institutes are part of the Council's efforts to provide continuing education to Minnesotans interested in aging and the concerns of older people. In 1974 the theme of the 16th Annual Institute was "Life is Worth Living, But You Can Count on Dying." Guest speakers provided information on topics such as coping with grief and drawing up wills.

Retirement planning

To prepare state employees for the social, emotional, physical, and financial changes often accompanying retirement, the Governor's Citizens Council on Aging works with the State Department of Personnel in the planning and presentation of pre-retirement seminars for state employees. The set of five-session seminars, offered continuously throughout the year, covers such subjects as physical and mental health, insurance, employment possibilities, and alternative living arrangements. Staff of the Governor's Citizens Council on Aging serve as speakers, panelists, and resource persons.

Films

The Governor's Citizens Council on Aging provides free 16mm films on aging and gerontology to all groups and organizations requesting them. Currently the Council's film library contains more than 50 different films on subjects ranging from stereotypes of older people to the organization of senior citizen clubs. In 1974 the Council filled approximately 150 film requests.

Tax training

Throughout Minnesota the Governor's Citizens Council on Aging in conjunction with the State Department of Revenue trains people each year to help older citizens fill out their tax forms. The purpose of the program is to insure that older people receive all the tax relief they are entitled to as a result of recent changes in Minnesota's tax laws. More than 25 training sessions were held in 1974.

Newsletter

The "Senior Spotlight," published bimonthly by the Governor's Citizens Council on Aging, had a circulation in 1974 of over 6,000. Through the newsletter the Council informs older Minnesotans about its activities and programs, and about developments in aging programs at the local, state, and national levels.

ADVISORY COMMITTEES

People helping people. The Governor's Citizens Council on Aging is involved in this rewarding process daily, and has called upon others to help. Recognizing the complexities involved in planning for new programs and in administering current ones, the Council has established four advisory committees in the areas of nutrition, technical review, planning, and legislation. The nutrition advisory committee reviews and makes recommendations to the Council on Aging on all aspects of the implementation of the Title VII Nutrition Program, the technical review committee studies applications for Title III projects from regions in the state not served by an Area Agency on Aging and makes recommendations for action to the Council on Aging; the state plan committee reviews and makes recommendations on all statewide and regional planning activities of the Council; and the legislative committee examines legislative issues affecting Minnesota's older population and makes recommendations to the Council. In addition to these four advisory committees the Governor's Citizens Council on Aging has formed an executive committee which acts on behalf of the Council when issues arise requiring immediate action.

Committee members donate their time to the Council; they are rewarded by the success of the programs they are involved with.

There are other Minnesotans from all parts of the state who join regularly with the Governor's Citizens Council on Aging to insure that older Minnesotans live fulfilling later years. County committees on aging and the advisory committees to each of the five Area Agencies on Aging work both to identify the needs of older people and to develop practical ways of meeting these needs. The newly created steering committee of the Council on Aging's Information and Referral project, a committee composed of professionals representing many departments of state government, works to insure that the Information and Referral project operates in consort with other information and referral efforts in the state.

STAFF

Council and advisory committee members show their concern for older people by donating time and energy on their behalf; the professionals employed as staff to the Council are similarly motivated—they devote their professional lives to the field of aging. Staff professionals assist committee and Council members in the administration of on-going programs, the planning of new efforts on behalf of older people, the provision of consultative services to those seeking the expertise of the Council, and the stimulation of public interest in aging. Not only do they assist the Council and its advisory committees, they also act as staff of the Aging Division of the State Department of Public Welfare.

GENETIC RESEARCH

Mr. KENNEDY. Mr. President, on April 22 the Senate Subcommittee on Health held a hearing on genetic research, a new and revolutionary scientific endeavor involving complex problems including benefit and risk assessment and the proper role of Government and the public. A recent article in the Washington Post by Stuart A. Auerbach detailing some of these problems was very helpful in the preparation, by the subcommittee, for the hearing.

Mr. President, I request unanimous consent to print this article in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

And Man Created Risks

(By Stuart Auerbach)

PACIFIC GROVE, CALIF.—The day dawned clear and warm on what is often the fog-shrouded coast of Monterey Bay. But the sun was not yet up when the scientists gathered at 8:30 for the conference's opening session. Most had arrived the night before, but friendships had not yet formed and everyone appeared a little stiff. David Baltimore, an articulate young molecular biologist from the Massachusetts Institute of Technology, opened the meeting by reminding everyone of a letter published last July by a committee of the National Academy of Sciences warning of the potential hazards from new types of genetic engineering and calling on scientists to voluntarily halt experiments in certain areas until they had a chance to assess their potential risks.

Baltimore was a member of that committee, which was headed by Paul Berg of Stanford University. What the Berg committee did was revolutionary; never before had scientists stopped research because of unknown dangers inherent in their work.

For these scientists are creating new forms of life in a laboratory by melding genes from any living thing—including viruses, sea urchins and animals—with the genetic material from other living things, and then growing these hybrid genes in "factories" of bacteria.

Could these unknown forms of life—"novel biotypes," the scientists called them—threaten the world as an "Andromeda Strain"? (The scientists here blanched at even the casual mention of the term.) Could their research increase the risk of cancer? Or create new types of drug-resistant germs?

Standing at what was once the pulpit of the Asilomar chapel—left over from the days when this state-run conference center was a YWCA camp—the bearded Baltimore reminded the 139 scientists from 17 countries that their research concerns "biological activity of an unprecedented nature" which could prove hazardous to both lab workers and the public. "Issues which relate to the safety of research," he said, "are appropriate concerns for scientists and laymen."

Baltimore ruled out discussion of "peripheral issues"; the ethical and moral consideration of whether genetic engineering should be done at all and its applications for chemical and biological warfare. "This meeting is not designed to deal with those questions," he said.

"The issue that does bring us here is that a new technique of molecular biology appears to have allowed us to abort the standard events of evolution by making combinations of genes which could be unique in natural history. These pose special potential hazards while they offer enormous benefits.

"We are here, in a sense, to balance the benefits and hazards right now and to offer a strategy that will maximize the benefits and minimize the hazards of the future.

"Many people in scientific societies, in government agencies and private individuals around the world are looking to this meeting for guidance, and unless we go out of here providing that guidance we will not have fulfilled our responsibility and we will have left a really serious void . . . If we come out of here split and unhappy, we have really failed the mission that is before us."

With that charge on the table, Berg—who did some of the pioneering work in the field and whose fears, along with those of other scientists such as Maxine Singer of the National Institutes of Health in Bethesda, prompted the formation of the National Academy of Sciences' committee and the voluntary moratorium that followed the publication of the July letter—outlined the scientific experiments that caused the furor.

The ability to create hybrid genes arose from the discovery in labs across the country about five years ago that certain chemicals named "restriction enzymes" could cut the twisted strands of genetic material known as deoxyribonucleic acid (DNA) at specified places.

With that knowledge, it wasn't long before scientists were able to take segments of DNA from such higher forms of life as toads or sea urchins and insert them into simple, fast-growing single-cell organisms such as bacteria. The resulting hybrids were new, man-made forms of life that could multiply rapidly.

Two years ago, Berg considered cleaving a piece of DNA from a virus called SV-40 that causes cancer in monkeys and inserting it into the DNA of a bacteria known as Escherichia coli (E. coli). E. coli is one of the most common bacteria; it is present in everyone's intestines. After discussing his experiment with a number of other scientists—including James D. Watson, who won a Nobel Prize for his work in discovering the double helical shape of DNA 20 years ago—Berg realized that his experiment held the potential of creating massive disease. So he never did it.

E. coli, however, is the bacteria most commonly used in these experiments, which scientists call the formation of recombinant DNA, or Chimeras DNA, after the Chimera of Greek mythology, a female monster made up of parts of two or more animals.

Some scientists at the conference expressed concern over the handling of these potentially dangerous microbes in laboratories. Microbiologist Stanley Falkow of the University of Washington School of Medicine said he was shocked to learn that in some labs samples of E. coli were poured down the sink instead of being disposed of in a way that would keep the laboratory germs out of the public sewers. He called that "sloppy."

The strain of E. coli used in laboratory experiments is called K-12; it came from the intestine of a woman being treated for diphtheria at Stanford in 1922. But E. S. Anderson, an English scientist at the conference, reported that the K-12 strain of E. coli is no longer a normal inhabitant of the intestine. Indeed, an English colleague, H. William Smith, reported that he swallowed 10 billion E. coli mixed with a glass of milk for a number of days and found they could not survive in his intestine for more than a few days.

Anderson was the first participant in the conference to belittle the potential dangers that Berg and Baltimore had raised.

"Science fiction types of epidemics have been suggested by people who are not really, shall we say, sober-minded citizens in the sense that what they want is the thrill of horror rather than the sober facts which may be unmoving," Anderson commented tartly.

Over lunch, the discussions continued at big round tables. Many of the scientists used the lunch hour to make pay calls home to their labs, passing on the latest information on how to make their experiments work.

One of the few non-scientists on the program—Washington attorney Harold Green, who specializes in science and public policy—opened the afternoon's discussion. He said the self-imposed moratorium generated by the Berg committee letter undoubtedly slowed the pace of research and may have delayed the public from reaping some of its benefits. But he said it was important to settle the problem of potential risks before proceeding.

This started the first debates of the conference. Joshua Lederberg of Stanford, one of the two Nobel Prize winners at the conference, said this new research "has the potential for some of the most fundamental medical advances of the century." Postponing them, he said, will harm millions of people.

"I don't regard it as sinful to postpone benefits," replied Green. But Green's talk failed to persuade many of the scientists. Indeed, it solidified the ranks of those who thought that Berg and his colleagues had overreacted by calling for the moratorium last July.

Lederberg was still on the subject when the formal session ended, sitting in one corner of the auditorium carrying on a heated discussion with, among others, his fellow Nobel laureate, James Watson, and Norton D. Zinder of New York's Rockefeller University.

Lederberg insisted that any controls put on experiments will add to the scientists' paperwork, thwart research and hurt science in general. He said far more dangerous experiments have been done for years without this kind of public hue and cry. But genetic engineering, he said, captures headlines and public attention. He suggested that Berg, Baltimore and their committee might have purposely picked that issue in an effort to raise the social consciousness of scientists to the implication of their work. "There's nothing worse than a moratorium," said Lederberg, "to overdramatize a problem."

But Watson, dressed in a baggy blue pullover and with wisps of his hair flying out, noted that Lederberg himself had warned against bringing samples back from the moon and other planets because they might contaminate the earth. Partly because of the warnings of Lederberg and other scientists, NASA built an expensive supersafe Lunar Receiving Laboratory in Houston.

After Watson had left the little discussion, Lederberg called this new kind of genetic engineering "the first practical application of the uncovering of the structure of DNA"—for which Watson had won his Nobel Prize.

Even since Watson and Sir Francis Crick uncoded the structure of DNA about 20 years ago, people around the world have been awaiting practical benefits. Instead, each scientific discovery has appeared to raise more questions than it answered, and the practical benefits have been few, if any.

"The things we know," Lederberg continued, "are the tip of the iceberg. It's the hottest medical advance that has happened since antibiotics." Recombining genes, he said, "is analogous to crossing beans and corn in the field to get succotash."

As an example of what this new form of genetic engineering can do, he said, researchers can now search for the gene that produces human growth—a rare and expensive substance that is needed to treat people whose growth is stunted because of a hormone deficiency. This gene can be inserted into a bacteria "factory" which can then produce tons of human growth hormone. In less than five years, Lederberg predicted, enough human growth hormone will be produced by this method to serve the world's medical needs.

"Two years ago," he said, "I was predicting that in 10 years we would be where we are today."

A few minutes later, I ran into Watson, who was leaning against a pool table in Asilomar's main administration building, waiting for a free phone booth. When I told him about Lederberg's optimistic predictions of the value of this research, and how it is the first practical discovery stemming from the decoding of DNA, Watson said, "Nonsense."

"Josh is so bright and articulate," said Watson, "that everybody pays attention to him. I stopped paying attention to him in 1951.

"I don't believe anybody here can predict what practical benefits will flow from the research and I don't believe anyone here can quantify the hazards. I don't believe this is the great breakthrough we all have been waiting for for 20 years. The human, practical benefits flow from continued scientific work and not from jumping on board one isolated set of discoveries."

After dinner, most of the conference participants were exhausted. Instead of resting, walking along the rocky beach or looking at the flowered sand dunes and pine forests, they had spent the few free hours of the afternoon in heated discussions of their own.

Nevertheless, the chapel was filled—as it was for every session—when Stanley Cohen of Stanford, one of the pioneer researchers in the field, took the podium. He provided unpublished details (as many other researchers did) of his latest experiments—including the introduction of DNA from sea urchin eggs in E. coli. (Later asked if he got sea urchins from tidal pools such as the ones that form at low tide at Asilomar, he replied. "I've never seen a sea urchin. I just see their genes.")

The attack on plans to control research into this new form of genetic engineering solidified even more the next morning, when a special committee presented a report which would have restricted experiments that create new forms of life to laboratories with special safety features. One form of experiments—combining E. coli with genetic materials from bacteria that cause hard-to-treat fetal diseases—was ruled out as being too hazardous to do at this time. The committee of five scientists, headed by Richard Novick of the Public Health Research Institute in New York, had met for six days in New York and Palo Alto, Calif., prior to the Asilomar meeting.

Lederberg argued repeatedly that any guidelines passed by the Asilomar conference would be taken as Holy Writ by "bureaucrats" in Washington and other world capitals. "I take no exception to the language," he said, "but I am concerned over the general rigidity of guidelines." Novick replied that review committees of scientists could update or modify guidelines that didn't work or become outdated because of scientific progress.

Novick's assurances were not enough to satisfy Anderson, the Englishman who had scoffed at "science fiction" warnings. "We may end up with a series of taboos which we will find hard to reverse," he said. Anderson complained that many of the report's definitions were "oversimplifications" that omitted important points. When Novick defended the 35-page single-spaced report as "terse," Anderson replied tartly, "You could have fooled me." And when Falkow, another committee member, said the drafters couldn't cover every point in six days of meetings, Anderson said, "Why couldn't you do it in six days? After all, the Lord created the earth in seven days."

The bickering continued through the morning, silenced briefly by Dr. Sydney Brenner, a senior scientist with the British Medical Research Council in Cambridge. Brenner was a member of Berg's organizing committee for the Asilomar conference and he emerged during the 3½ days as its conscience.

He reminded the assembled scientists that nothing passed at Asilomar could give them a license to return to their laboratories at the end of the week and resume their work as they had done it before the self-imposed July moratorium. Indeed, Brenner was acutely aware of that fact; as an employee of the Medical Research Council he is banned by law from doing this work until the British government draws up guidelines of its own.

"The issue now," he said, "is not to consider what might emerge in terms of ultimate human danger, in terms of danger to the planet. Rather the issue is how to proceed with scientific investigations consistent with the ability to do it with no risk to the investigator, no risk to the innocents within our institutions who clean and help in the labs, and no risk to the public, the innocents outside our institutions."

He then asked if there was anyone in the audience who believed these experiments presented no hazards at all and that they could be continued using the same "sloppy" lab techniques. "Or have you thought and learned during this conference," he continued, "that there are dangers?"

He pointed out that there were scientists at the meeting from countries—including Poland and the Soviet Union—where the governments alone would decide whether the work should go on. If the government decided no, he continued, "it would become a criminal offense. There would be no question of censure by your peers; they would just send the police to arrest you and put you in jail.

"But this is a chance for the scientific community to show that they are prepared to consider these things and prepared to accept as necessary some restrictions. I would like people to stand up and say they are not just pretending there is a biohazard."

There was silence after Brenner's talk. He is a captivating speaker who uses his mobile face, bushy eyebrows and body movements to punctuate his comments. Finally David Botstein from Watson's laboratory facility at Cold Spring Harbor, N.Y., commented, "We all think our experiments are safe and the guy we are sitting next to is the crazy man . . . We always draw the line just beyond where we are."

Then Watson took the floor. He called for an end to the moratorium. Regulations on scientists, he continued, would be impossible to set up and to enforce.

"I hate to agree with Josh (Lederberg)," said Watson, "for I have found him wrong on almost everything he has said during the last couple of days . . . But in this case I think we should use common sense and suffer the possibility that someone is going to sue us."

He said that some of the cancer viruses that are being studied at his Cold Spring Harbor labs scare him more than this research—creating new possibly dangerous forms of life. "We have to rely on our good sense and be very cautious," he said.

One of the few government officials—as distinguished from government scientists—at the meeting was Dr. De Witt Stetten, the scientific director of the National Institutes of Health. For the most part he sat silently, listening to the debate, for on the day after the end of the conference he was to chair a meeting of an advisory committee drawing up guidelines for federally funded research in this area.

In his only statement to the conference, he said, "The fewer regulations we have to live by, the better off we are." He advised the conference to "couch any statement it issued" in as general terms as possible. . . . Specifics should be avoided if at all possible."

Thus, as the second morning session ended, people were beginning to think of the final report they would have to pass and the consequences of that report. One young California scientist, dismissing statements by such leaders in the field as Lederberg and Watson with the comment, "They're not bench scientists," said: "I am worried that we are giving a brickbat to people who would like to have a brickbat to use against science." He had not come to Asilomar for philosophical or ethical discussions. "Those in the trenches," he said, "came to pick up new information. The scientific sessions were the whole meeting, and the rest was nonsense."

Nonsense or not, it was clear by noon that changes had occurred in the thinking of many of the participants. For one thing, their level of consciousness as to the potential dangers of their work had been raised, and they would undoubtedly proceed more carefully in the future.

But perhaps more important, a new scientific concept emerged during the meeting: the idea of using supersafe microorganisms in the research instead of the same old E. coli and bacteriaphages (viruses that attack bacteria) that scientists have used for decades because they are so well understood.

Brenner led the first of many brainstorming sessions on what became known as "disarming the bug" during what was supposed to be a mid-afternoon break Tuesday. "We are clever enough," he said, "to design a safe bug that we don't have to work with upside down in the refrigerator."

The idea is to build into a microorganism characteristics that will not allow it to survive outside the laboratory environment, and especially not allow it to survive in the human gut (the scientists' preferred term for the intestine). E. coli, for example, flourishes at 37 degrees centigrade, the normal intestinal temperature. To disarm it, the scientists aim first to change it so it can only live at 30 degrees and will die at 37 degrees.

But there are what Brenner called "far more ingenious" mutations that can be built into microorganisms—including one that will not only keep a bug from growing but will force "it to actually explode and empty its contents when it gets out of the lab." This mutation plays on an organism's need to continuously regenerate an outer skin to hold it together; otherwise, when the outer skin weakens the pressure inside pushes through and the organism disintegrates, or explodes. "But it doesn't make a loud noise," Brenner said.

By adding eight or ten of these mutations to a microorganism, Brenner estimated that the odds of anything going wrong could be raised to 1 in a trillion trillion times (that's a 1 followed by 24 zeros, and statisticians say those odds are equivalent to no chance of an accident) .

During these brainstorming sessions, scientists from different laboratories put aside their normal rivalries and promised to cooperate in both designing safer bugs and getting them into widespread use as soon as they are ready. Some of these supersafe organisms are already under development in the United States and Great Britain. Waclaw Szybalski of the University of Wisconsin's McArdle Laboratory promised to have supersafe microbes ready for use by the end of March, but other scientists said the testing process could take longer.

The question of how fast safe bugs could be developed came to a head during the discussion that afternoon and evening on the limits that should be placed on using DNA from animal viruses to create new forms of life. A committee recommended to the conference that most of this research could proceed if the precautions used for viruses were followed.

But one committee member, Andrew M. Lewis of the Laboratory of Viral Diseases at the National Cancer Institute in Bethesda, demurred from the recommendations. In a minority report, he said that safer microorganisms should be developed before laboratories start making hybird genes from viruses. Moreover, Lewis said that way of enforcing any guidelines developed by this conference or by the government should be in place before experiments start. "Implicit in my position," he said "is kind of a slowdown."

Most of the other scientists, however, opposed Lewis' positions. Lederberg said he saw "no significant impediment" to the development of a safe bug.

It developed during this session that at least a few scientists at the meeting, including Lewis and Roy Curtiss III of the University of Alabama, had stopped research into these Chimeras genes because of their possible risks.

In effect, the scientists were being forced to go against their own nature, which is to follow the trail of scientific truth as determined by their experiments, wherever it leads. Normally, it is like trying to untangle a ball of twine, going from one knot to another. Only in this case each knot the experimenters undo might unleash biological dynamite. So they must stop and look ahead before performing each experiment.

Most scientists recognized the need for this caution. What they feared was its institutionalization. But, they also recognized, this institutionalization may be necessary because of the competitiveness of science; there is always the risk that someone may take a potentially fatal shortcut if he thinks he can beat a rival to a major discovery.

In a sense, NIH's Stetten commented during a break in one of the sessions, this was the first time molecular biologists had been forced to see their work in life-and-death terms the way doctors do every day.

As if the conference organizers wanted to make sure no one forgot that the research could do great good, the third morning session focused on potential benefits—which Brenner suggested could have almost immediate large-scale applications in industry, medicine and agriculture. But scientists, he said, have little idea of how the application gets done; that is the job of people who specialize in converting scientific discoveries into technology.

One scientist—Raymond C. Valentine of the University of California at San Diego—illustrated one possible use of genetic engineering by carrying a legume plant on stage. He showed the nitrogen-fixing bacteria modules on the plant's roots—its natural means of fertilizing itself—and said there would be a million-dollar prize for anyone who put that kind of module on a corn plant, eliminating the need for chemical fertilizers.

All these discussions took place in a rarefied, academic atmosphere. It took a group of lawyers to bring the scientists back to real life that night and to shock them with some of the legal and financial consequences of their experiments.

Daniel Singer, an attorney interested in the ethics of science and husband of NIH scientist Maxine Singer, said the people who favor a risky experiment must prove its usefulness. "It is not the burden of the rest of society," he said, "to prove experiments are dangerous."

His warnings, however, were mild compared to the ones that followed from Alexander Capron of the University of Pennsylvania School of Law and Roger Dworkin, a lawyer working at the University of Washington Medical School.

Capron said the scientists at the meeting were not the ones to decide whether the benefits of an experiment outweigh its risks. That, he said, is the job of society. "As crucial as the work seems to you," he said, "be prepared to find out that the public doesn't agree. The public has a right to reach the wrong decision."

Dworkin was even rougher as he reminded the scientists that they are not immune from the nation's laws—including industrial health and safety regulations if lab workers are hurt because of risky experiments and negligence suits if outsiders or lab workers are injured.

"If you want to rely on benefits to society as a defense," he continued, "you had better be more specific on the benefits than I heard at this conference."

Dworkin said there haven't been suits against scientists because of their research yet, probably because "scientists enjoyed popular acceptance and immunity." But if science fails to police itself, and loses its popular support, it will be a "disaster" and the scientific community can expect the type of malpractice suits that are now plaguing doctors—who Dworkin said "abused their trust."

Once again it was Brenner who put the issue into perspective before the session closed. "We live at a time," he said, "when there is a great anti-science attitude developing in society and government.

"It is very important that the way we move does not offend this situation any more. Is there a chance that in this issue we can be allowed to be trusted to regulate ourselves? For if we fail, and merely adopt token regulations, we will lose. They will come in with regulations."

With the somber words of the lawyers still ringing in their ears, the conference organizing committee—Berg, Baltimore, Brenner, Richard O. Robin III of Harvard and Maxine Singer—went off to write a final report that could encompass the divergent views of the scientists while reassuring the public both that risks would be minimized and that science could police itself.

This public relations aspect was an unseen—and at times resented—force in the conference. Many of the scientists opposed opening the meeting to press coverage; some said they felt intimidated to speak their minds in front of reporters; others felt it was none of the public's business.

Watson said he was glad he had signed the Berg committee letter calling for the moratorium last July but he wondered if the public hadn't made too much of the issue. Industrial pollutants such as polyvinyl chloride and asbestos, he said, pose a far greater risk to the public than experiments in genetic engineering. He also felt much of the scientific posturing at the meeting was designed to win press attention; he would have preferred a small meeting restricted to top scientists.

But Herbert Boyer, a bright young microbiologist from the University of California Medical Center in San Francisco who played a large part in developing the restriction enzymes that made this research possible, thought the moratorium had been "a smashing success. It kept people from doing types of experiments that some of us thought were dangerous."

Another pioneering researcher, Stanley Cohen of Stanford, felt that no matter what the conference approved, "ultimately it is the responsibility of the individual investigator to be responsible for what he does. Short of having a policeman in every lab 24 hours a day, there is no way we can control a scientist's actions."

There was more than the usual amount of tension during the final morning's breakfast. Everyone was curious as to how the organizing committee had spanned differing points of view. At 8:30, when the meeting was scheduled to start, a five-page single-spaced document was ready; the scientists were told via a message on the blackboard that they had a half hour to read it. There was silence in the chapel for the next 30 minutes.

"It's impossible for everyone to agree with every point," said Berg, his eyes red-rimmed from lack of sleep, as he opened the meeting. He explained that the organizing committee had spent from 10 the night before until 3 in the morning writing the document, and two more hours to have it copied. In their haste, they had neglected to sign the report, which was labeled, "Provisional Statement of the Conference Proceedings."

"We accept the full responsibility for the report," said Berg. "It is not the statement from the conference. It is a statement from the organizing committee, in an attempt to pull together differing views as it sees them. This is what we feel is the consensus of the group."

He also said the conference had to end by noon.

Stanley Cohen pointed out that the report would be considered by the public and most scientists as coming from the conference as a whole, despite the disclaimers from the organizing committee. He asked for a vote on the report—something Berg had hoped to avoid since he feared there might be great opposition.

"The group," said Cohen, "should determine whether this should be issued to the media and our colleagues as the consensus of the group."

Discussion started on the first of the report's six sections—the simplest and least controversial.

"The use of recombinant DNA methodology promises to revolutionize the practice of molecular biology," the draft report said. "While there has as yet been no practical application of the new techniques, there is every reason to believe that it will have significant impact in the future."

But, the section continued, "the new techniques combining genetic information from very different organisms place us in an area of biology with many unknowns. It is this ignorance that has compelled us to conclude that it would be wise to exercise the utmost caution.

"Nevertheless," the section ended, "the work should proceed with appropriate safeguards."

Those were the words most of the scientists wanted to hear, and the vote in favor of that section was practically unanimous. One hand was raised in opposition on the ground that some research should not be allowed—something taken care of later in the report—and there was carping over grammar from Anderson, who dismissed Berg's explanation that the committee was tired when it drafted the report.

The second section stated that there are potential risks from the experiments and that these risks should be contained—both through safer labs ("physical barriers") and through "biological barriers," the failsafe bugs. "The effect of the containment should match the estimate for potential risk."

Once again the question was raised of prohibiting some kinds of research as just too dangerous. "There are some experiments," said Robert G. Martin of the National Institute of Arthritis, Metabolism and Infectious Diseases, "that should not be carried out under presently available techniques."

That section was also passed by an overwhelming majority.

The third section listed the levels of containment required for specific types of experiments. Low-risk experiments—those involving the exchange of genetic material between the simplest organisms that normally exchange genetic material—could be carried out in the usual microbiological lab. If, however, the experiment makes the organism more resistant to drugs or increases its ability to harm man, it should be done under safer conditions.

The bulk of the experiments were defined as carrying "a moderate risk," and they would also require safer facilities that provide physical containment on a level now used for handling viruses known to cause cancer in man. This means specially equipped labs with hooded and vented safety cabinets for transferring material from one container to another so they can't escape into the atmosphere; limited access to the lab, and negative air pressure to keep inside the lab any germs that do escape.

Lederberg pointed out that it will cost money—between $50,000 and $100,000 a lab—to upgrade a facility so it can do moderately risk experiments.

"The physical containment procedures are recognized to provide significant but incomplete protection against the accidental spread of biological agents," the report said. "The potential hazard of moderate-risk agents is such that a strong measure of biological containment is needed to insure their safe handling." Experiments with high-risk viruses—those that carry diseases of man—should be done in super-safe facilities, of which there are about 18 scattered around the country.

These recommendations passed, but not without some grumbling. "Very complex issues are being railroaded through," Lederberg complained. "Many points are not being heard and discussed. There is no real consensus."

Nevertheless, with the proviso that the final document—not yet ready—would contain changes suggested at the final morning session, the meeting approved the entire report by the noon deadline.

This included a ban on research using the most dangerous organisms which cause fatal and untreatable diseases in man. "These organisms are hot," said Anderson, "and should not be worked on within this kind of experimental field."

Other sections called for the creation of the failsafe bugs and their spread throughout the scientific community; a policy of informing all lab workers of experiments' potential dangers and giving them routine health checks; a newsletter to spread information quickly on new biological containment techniques and a short course on lab techniques and the new methodology.

Another section, not discussed at all, linked compliance to containment with federal funding for research. It would set up a model system of enforcement based on peer review, with each university or laboratory setting up a special containment committee.

By noon everyone was weary and anxious to go. But there was still one small order of business.

The five-man Russian delegation had been silent observers at the meeting. They sat in the front row, took copious notes and photographed most slides and speakers. But they said nothing, despite the fact that the delegation was headed by a senior scientist well known in the field of molecular biology, the octogenarian W. A. Englehardt. They kept mostly to themselves; another senior scientist, A. A. Bayev, confided to reporters that the Soviets are just beginning this research.

"In our country," he said, "it is a very new science. But many of our young scientists will be moving into the field." He said the delegation had come to the meeting "to get your know-how." He smiled at the use of American slang.

The previous afternoon, Bayev had walked into lunch with Berg and asked if he could address the meeting on the last day. Berg replied, "Of course. You are a participant. You can talk whenever you want."

So before the meeting ended, Berg gave Bayev the floor. In heavily accented English, the Soviet scientist thanked Berg and the National Academy of Sciences for inviting the delegation to the conference; which he called "successful and instructive." He said the conference report was "reasonable and acceptable," and added that "its general principles will be useful for discussion in my country."

"The scientific community of the U.S.S.R. fully recognizes the possible biological hazards of recombinant experiments. Prudence will be maintained," he promised, "for mankind and the environment too."

SENATOR RANDOLPH COMMENDS SECRETARIES AS MAJOR CONTRIBUTORS TO GOVERNMENT AND BUSINESS—BELIEVES SALARY DIFFERENCES SHOULD NOT BE BASED ON SEX

Mr. RANDOLPH. Mr. President, this week we recognize National Secretaries Week. Efforts have been made in recent years to recognize secretaries for their professional abilities.

A recent study indicates that there are about 62,000 secretaries in the Federal Government, most of whom are women. Government could not function without them. A competent secretary can conserve much time for an organization, agency, or business. It is a challenging position. They compose letters, meet and conduct business with many people, and solve involved problems by telephone.

Women contribute increasingly to business and Government activities. Although 34 percent of all full-time white collar Federal employees are now women, there are not sufficient numbers of women in positions with policymaking decisions involved.

In many cases salaries for women are less than those paid men for equal duties and responsibilities. A comparison of the salaries of men and women in clerical positions reveals that the level of women's salaries is only 64.4 percent of men's wages. This inequity must be corrected. Clearly, the cost of living impacts both women and men equally. Salary differences should not be based on sex.

Today, many entry-level secretarial and clerical jobs are becoming available for men. Male secretaries are beginning to recognize the advantage of secretarial duties and the experience with executives as a valuable asset to their own success and progress in job responsibility. These opportunities for advancement derived from secretarial work should also be made available to women in larger degree.

I paraphrase a statement that former President Woodrow Wilson made. He said:

> No man ever amounted to a snap of the finger who is not constantly surrounded by a bevy of admiring females.

I suggest: "No man or woman ever amounted to a snap of the finger who is not surrounded by dedicated and competent secretaries."

I thank the secretaries who work with me for their pleasantness and diligence, and for accepting their share of responsibility in serving the constituents of our State.

April of the Bicentennial year will mark a quarter century during which National Secretaries Week has been commemorated. Secretaries of America, we salute you.

AMENDMENT TO BUDGET RESOLUTION

Mr. MONDALE. Mr. President, next Tuesday, April 29, the Senate will take up Senate Resolution 32, the first concurrent resolution on the budget to be considered under the Budget and Impoundment Control Act of 1974. I am encouraged by the progress of the new budget procedure, and the work of the Senate Budget Committee on which I am privileged to serve under the distinguished leadership of the senior Senator from Maine (Mr. MUSKIE). But I also deeply believe that the resolution in its present form contains insufficient funding for temporary, recession-fighting programs.

According to the committee report, this resolution is associated with unemployment of 9 percent or more for the remainder of this calendar year, and 8 percent or more for most of next year, reaching at best 7.5 percent in December 1976. Under this approach there is little hope of attaining full employment and balanced budgets in this decade.

The budget resolution would permit only $4.5 billion in temporary, employment stimulating programs. By comparison, the resolution reported by the House Budget Committee would provide $13.6 billion for similar purposes.

The extended level of unemployment which we must anticipate under Senate Resolution 32 would work unjustifiable hardship on tens of millions of Americans and their families in this decade. It would place wholly unjustifiable strains on the fabric of our society.

When Senate Resolution 32 is before the Senate, I will be joined by Senators HUMPHREY, JAVITS, WILLIAMS, and SCHWEIKER in offering an amendment to provide an additional $9 billion in temporary outlay authority for recession-fighting programs such as additional public service employment, emergency fiscal aid to State and local government, quick-impact public works, health insurance for the unemployed, additional housing aid, and others.

These additional funds will be "triggered in" if unemployment continues, as anticipated, at its present high rate until the beginning of the fiscal year. They will "trigger out" if unemployment should fall below 6 percent for 3 consecutive months.

This approach guarantees that programs funded under this authority will not linger on as the economy approaches recovery.

The higher level of employment and economic activity produced by our amendment would yield $3 billion in higher tax receipts and lower payments for unemployment compensation and related programs. The amendment includes an added $2.5 billion in anticipated tax reforms, and so would increase the deficit by no more than $3.5 billion.

Because the programs allowed are temporary and would by nature phase out as the economy recovers, our amendment poses, in our opinion, no threat to the availability of private credit, and no risk of fueling inflation. Yet our amendment would add $25 billion to our national product, help forestall inevitable increases in State and local taxes, and help to convert a prolonged recession into an orderly recovery.

Mr. President, I ask unanimous consent that the press release announcing our amendment, a brief description of the amendment, and the text of the separate views of Senator Abourezk and myself to the Senate Budget Committee report may be printed in the Record at this point.

There being no objection, the material was ordered to be printed in the Record, as follows:

Senators Mondale, Humphrey, Javits, Williams, and Schweiker Announce Amendment to Budget Resolution

Washington, D.C., April 25.—Senator Walter F. Mondale (D-Minn.), joined by Senators Hubert H. Humphrey (D-Minn.), Jacob K. Javits (R-N.Y.), Harrison A. Williams (D-N.J.), and Richard S. Schweiker (R-Penn.), announced an effort today to include $9 billion for additional regression-fighting programs in the FY 1975 budget resolution to be considered by the Senate next Tuesday. Funds under the amendment would be available for programs such as transitional public service employment, emergency fiscal aid to state and local government, quick-impact labor-intensive public works, health insurance for the unemployed and others.

"If additional action is not taken," the Senators said, "the Budget Committee report and independent experts indicated that we almost certainly face 9% unemployment for the remainder of this calendar year, 8% unemployment at best for most of the next calendar year, and cannot hope for full employment within this decade. This extended and unprecedented level of unemployment would work unjustifiable strains on the fabric of our society.

"High unemployment means lower federal revenues," the Senators added. "The only way to achieve balanced federal budgets is to end the deficit in employment and production, and to put this country back to work.

"The higher level of employment and economic activity produced by our amendment would produce $3.0 billion in higher tax receipts and lower payments for unemployment compensation and related programs. It includes an added $2.5 billion in anticipated tax reforms, and so would increase the deficit by no more than $3.5 billion. Because the programs allowed are temporary and would by nature phase out as the economy recovers, our amendment poses, in our opinion, no threat to the availability of private credit, and no risk of fueling inflation. Our amendment can provide as many as 1 million jobs, add $25 billion to our gross national product, help forestall inevitable increases in state and local taxes, and help to convert a prolonged recession into an orderly recovery."

Organizations supporting the amendment are the AFL–CIO; United Auto Workers; Leadership Conference on Civil Rights; Communication Workers of America; American Federation of Teachers; National Education Association; American Federation of State, County and Municipal Employees; National League of Cities; U.S. Conference of Mayors; National Congress of Hispanic-American Citizens; and Americans for Democratic Action.

A brief description of the amendment is attached.

Brief Description of Budget Amendment To Be Offered by Senators Mondale, Humphrey, Javits, Williams, and Schweiker

The Budget Committee Resolution and Report provides only $4.5 billion for temporary, employment-providing programs in FY 1976.

The Committee Report indicates that this recommendation for only $4.5 billion in recession-fighting outlays would accept 9% unemployment for most of this year, and average unemployment next year of 8%. Under these policies, there would be little hope for full employment in this decade.

The Amendment would provide $9 billion in outlay and budget authority for temporary, recession-fighting programs such as additional public service jobs, emergency fiscal aid for State and local government, quick-impact public works, health insurance for the unemployed, and others—at the option of the authorizing and appropriations committees, and the Congress as a whole.

This additional authority could fund more than half a million jobs, and would bring the Budget Resolution in line with the Joint Economic Committee's recommendation that budget strategy be targeted to producing an unemployment rate no higher than 7% at the end of 1976, with reductions of 1% or more each year thereafter.

Because the increase in outlays would "trigger in" only if there are three successive months of unemployment averaging 8.5% or more and because the increase is targeted to temporary programs which phase out as the economy recovers, the full-employment budget will remain in surplus. This guarantees that federal demand on the credit market will decline as the economy recovers and private demand increases. Further assurance is provided by the Amendment's requirement that the added outlay authority "trigger out" when unemployment reaches 6% for three months.

While the Amendment would add $9 billion in outlay and budget authority, $3 billion would be returned to the Federal Treasury in the form of higher tax receipts and reduced unemployment compensation due to a higher level of economic activity. In addition, the Amendment provides for $2.5 billion (less than 1% of Federal tax receipts) in increased revenue from tax reforms which do not impede economic recovery. The net increase in the deficit would be $3.5 billion.

The additional temporary recovery outlays would, as they "ripple" through the economy, increase overall production (GNP) by roughly $25 billion. This would be reflected not only in higher employment, but in more normal work weeks, higher wages and higher profits.

Added outlays	$9.0
Less savings from higher revenues and reduced unemployment compensation	−3.0
Less tax reform	−2.5
Added to deficit	$3.5
Added to GNP	$25.0

Separate Views of Senator Walter F. Mondale and Senator James Abourezk

I. OVERVIEW

The budget resolution and accompanying majority report represent a substantial improvement over the budget submitted by the President 2 months ago. They do not, in our view, allow enough leeway for the temporary programs that will be needed if we are to achieve acceptable goals for economic recovery.

The President's budget would have reduced domestic programs overall by $18.3 billion below the estimated current services level, in the face of recession. It would have reduced the Federal share of the national budget for elementary and secondary education from 9 percent to 6 percent. It would have taken $7 billion in promised social security cost-of-living increases and medicare benefits from the pocketbooks of the elderly and disabled. Through increased matching requirements and static or reduced funding, it would have slashed the real level of aid to State and local governments by $6 billion in constant, inflation-adjusted dollars.

With recession eating away at revenues and inflation escalating program costs, we believe all can agree that this is not a year for large outlays on new permanent spending programs. If we wish to avoid a new round of inflation, we must take care that the Federal budget will balance as the economy returns to health and revenues rise to normal levels.

But we hope we can all agree that this is a year to keep our national commitments—to the elderly and the less fortunate in our society, to protecting our environment and natural resources, to community development, and basic scientific research.

And above all, we hope we can agree that this is a year to chart a policy that will restore the health of our economy and return the employment and production lost to recession.

On the whole, we believe the Committee resolution and report establishes a sound and workable approach to the basic, permanent Federal program budget.[1]

In a healthy economy this budget would not only be balanced, it would have a $2 billion surplus. And in a healthy economy the Committee resolution would receive our full support.

II. THE BUDGET RESOLUTION AND ECONOMIC RECOVERY

Goals for economic recovery

Today our economy is not healthy. Unemployment is at least 8.7 percent. At least 8 million Americans now looking for work cannot find jobs, and another 1.1 million have been discouraged from seeking jobs that are not there. Almost 4 million Americans are forced to work part-time because full-time work is not available. Our factories are operating at 68.3 percent of capacity. Our economy is now operating at a level $230 billion below potential, and unless decisive action is taken, even higher rates of unemployment are virtually certain for the rest of this year.

We have consulted the best economic advise we can find—including this Committee's fine economic staff.

And we are convinced that the budget resolution we have reported to the Senate does not do enough to reverse the tide of unemployment and lost production which is sweeping over this country. The Committee resolution and report are associated with reducing unemployment only to 7.5 percent by December 1976.

If additional temporary recovery programs—beyond those allowed under this resolution—are not adopted, then we must expect unemployment averaging 9 percent or more for the remainder of this year, and we cannot expect a return to normal levels of employment and production before the end of this decade.

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[1] Although we would have preferred a somewhat lower target for defense spending, the Committee's target would wisely postpone for future careful examination much of the Administration's request for authority to contract for massive new commitments. The Administration projects defense budget authority of $149.4 billion by 1980. That is, indeed—as Secretary Schlesinger said—a "turnaround," and it deserves the closest scrutiny.

This is not the best we can do. The Congressional Joint Economic Committee, after detailed study, has established as a reasonable minimum goal the achievement of 7 percent unemployment by the close of next year. Even this rate of recovery would involve extended hardship for too many working Americans. But achievement of the JEC goals would return our economy to normal levels of government, and balanced budgets, in 1978—far sooner than we can expect under the approach toward recovery programs reflected in the Committee resolution and report.

The costs of recession

Each 1 percent of unemployment costs the Federal Government roughly $16 billion in reduced taxes and increased spending for unemployment compensation and related programs. Each 1 percent costs State and local governments in the neighborhood of $5 billion. And each 1 percent costs our economy a million man-years and over $48 billion in lost production.

The economic costs of recession are staggering. But the human costs are even greater. A recent Library of Congress study, for example, shows that unemployment rates can account for almost all the variation in the rate of Federal and State prison admissions. Similarly, rates of suicides, alcoholism, and mental illness have been shown to be sensitive to the unemployment rate.

Ours is a strong and resilient economy. We will rebound from this recession, as we have before. But the recession we face today is blighting the lives of millions of decent American families. It will leave its mark on a generation of American children.

We must not be blinded to the human and social costs of extended recession.

We must not accept a 5- or 6-year plan for economic recovery if the job can safely be done more quickly. And we are convinced that it can.

Need for additional employment-producing programs

An analysis of the FY 1974 and FY 1975 budgets, together with the budget resolution reported by this Committee, demonstrates that as recession grew the outlay side of the budget was esenially neutral in effect—with the permanent budget growing at a rate equal to inflation, and unemployment compensation, food stamps and other income security programs responding passively to the impact of unemployment.

The budget resolution approved by the Committee would continue this impact in FY 1976—except for the addition of only $4.5 billion in temporary recession-fighting expenditures.

This means that the burden of producing additional employment under this budget must be borne almost entirely by the modest $23 billion tax cut enacted last month.

However, the bulk of these tax cuts are one-time rebates and will take effect before June 30, 1975, during fiscal year 1975. As the table below shows, only a net of $8.3 billion provided under the Tax Relief Act will remain to be distributed during fiscal year 1976.

Revenue stimulus in fiscal year 1976

	Billions
Tax Reduction Act of 1975	$10.7
Tariff on imported oil imposed by President	—2.4
Total tax reduction	8.3
Percent GNP	.6

And virtually all of this impact will come in the first half of the fiscal year, between July 1 and December 31, since the major provisions of the Tax Relief Act expire December 31, 1975.[1]

We are hopeful and confident that the Tax Relief Act will be extended, providing an added $4.4 billion in stimulative and badly needed tax relief. But, even so, much of this amount is likely to be offset by increased energy-related taxes and other tax changes. The $2 billion offset estimated by the Committee is, we believe, conservative.

Under the expenditure and revenue projections in the Committee Resolution, there will be a maximum of $10.7 billion in aggregate employment-generating tax relief.

Maximum revenue stimulus under committee resolution including Tax Relief Act extension

	Billions
Existing law	$8.3
Extension of tax relief	4.3
Less Gas Tax	—2.0
Total tax reduction	10.7

This amounts to 0.8 of 1 percent of our total annual production (GNP). It is simply not enough.

An approach toward temporary recovery programs

A number of temporary programs are now before the Congress. These include additional public service employments; temporary fiscal aid for State and local governments; health insurance for the unemployed; accelerated Federal procurement, construction and modernization; quick-impact State and local public works; interest subsidies to encourage housing purchases and permit moderate income families to own their own homes; and mortgage loans or loan guarantees to help the temporarily unemployed retain homeownership. Each bears promise of putting Americans back to work, and then disappearing as the economy returns to health.

Many of these proposals are still in the process of development. Hearings on most are not yet complete, and in many cases the legislation will undoubtedly be substantially changed before enactment. Some proposals may not be enacted at all.

We simply do not know enough at this time to make final judgments about each of these programs. And this kind of specific decision is well within the proper function of the authorizing and appropriations committees.

In its present form, the budget resolution and underlying report would permit only $4.5 billion for temporary recovery programs—of which $2.4 billion has been requested by the President for public service employment (including summer youth jobs).

Temporary recovery programs included by Senate Budget Committee

[In billions]

Program and target outlay:	
Public service employment	$2.9
Railbed improvement	.6
Housing aid	.4
Accelerated Federal procurement, renovation and construction	.6
Total temporary recovery outlays targeted by Committee	4.5

We believe that this first budget resolution should present the Senate with a range of additional choices, and a recommended maximum additional expenditure level of $9.0 billion.

These added expenditures would have at least $3 billion in increased tax revenues and decreased income security outlays. An additional $2.5 billion could be raised without adverse economic impact by prompt enactment of overdue tax reforms—which would permit those who have enjoyed special privileges to participate to a small extent in the hardship shared by so many Americans. And so the net increase in deficit need be no more than $3.5 billion, while the full employment budget would remain in surplus.

Impact of added temporary recovery programs as proposed

[In billions]

Outlays	$9.0
Less savings	—3.0
Less tax reforms	—2.5
Total	3.5

We also believe that we should recommend three principal criteria by which to judge among temporary recovery programs:

First, the need for programs with a quick impact on the economy;

Second, the need for programs with the maximum impact on employment; and

Third, the need for programs which clearly phase out as the economy recovers.

The authorizing and appropriations committees, then, would make the final determination as to program merit and mix.

Just as the appropriate committees and then the full legislative process would make final decisions with respect to priorities among temporary recovery programs, it would be the responsibility of the tax committees to meet the revenue targets with changes in tax policy which would not have an adverse economic impact. Speed would be needed; however, the needed revenues can be obtained through closing tax expenditures which have already been studied at length.

The urgency required of the tax-writing committees is no greater than that required of the authorizing and appropriations committees if a recovery program is to be ready by the beginning of the fiscal year. And the depth of the recession surely justifies urgent congressional action.

Benefits of added temporary recovery programs

The additional temporary recovery programs proposed would—while adding only $3.5 billion to the total deficit—produce a million additional jobs.[1] As this increased employment "ripples" through the economy, overall production (GNP) can be expected to rise by roughly $25 billion. This would be reflected in higher wages, higher profits, and more normal workweeks.

Most important, this addition to the budget will be sufficient to achieve the goals established by the JEC—normal employment levels (5 percent) and the prospect of balanced budgets by the end of 1978, and the real hope for full employment by the end of the decade.

This analysis rests heavily on economic forecasts prepared by the Committee staff and independent economists. We know that these forecasts are far from perfect. But they are the same basic forecasts used in the Committee report. And for the last 2 years virtually every forecast has been overly optimistic of recovery.

The increase we propose is a modest one. Our fear is not that it will be too much, but too little. And our hope is that, whether such an increase is later adopted or not, the Committee will continue to closely watch the unemployment rate and other indicators—

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[1] The $30 personal tax credit, the increase in the minimum standard deduction, and the earned income credit all expire December 31.

[1] Subject to variation based on the eventual program mix.

with a view toward recommending additional recovery outlays if and as they are needed.

The deficit

We believe that each of us is as genuinely concerned about balanced budgets and large deficits as any Member of Congress.

But the deficit which most concerns us is the deficit in employment—and it is that deficit which accounts for 100 percent of the budget deficit we face today.

Much has been made by the Secretary of the Treasury, Mr. Simon, of the danger that Federal borrowing may "crowd out" private borrowing in the credit market.

We have little to add to the convincing argument put forward by the Committee report. Certainly the additions we have suggested, which would increase outlays by 2.5 percent and the deficit by 5 percent, should not alter those views.

The fact is that the private credit market is slack, and will remain slack until real economic recovery is well underway. Only *permanent* spending, which would continue undiluted as the economy recovers, would run the risk of creating a "credit crunch."

The additional programs we have suggested do not affect the permanent budget, which would retain a surplus at full employment.

And these additions, together with the $4.5 billion in temporary programs included by the Committee and the $15 billion in extra unemployment compensation and other automatic stabilizers would disappear as the economy recovers.

If recovery is faster than we predict, revenues will be higher, expenditures will be less, the deficit lower, and public demands on the credit market less. Thus, as the economy recovers, there will automatically be added room in the credit market for private borrowing. And at full employment there would be no deficit financing at all.

We have said that the budget deficit poses no serious threat to our credit markets. But there are serious threats.

As noted in the Committee report, if the Federal Reserve Board fails to accommodate and support new economic growth by allowing the money supply to grow as well, then there may well be a "crunch"—caused not by deficit financing but by Federal Reserve policy.

And ill-advised debt management practices by the Treasury Department can contribute distortion to the capital markets.

The recent Treasury decision to borrow in the long-term market (8¼s of 1990) where interest rates are relatively high, rather than in the short-term market where rates are lower, is a case in point.

That action has already forced long-term rates higher. It also will cost the American taxpayer billions of dollars in higher Federal interest payments on high-interest long-term Treasury bonds.

A stable and sustained recovery requires the cooperation of the Chairman of the Federal Reserve Board and the Treasury Secretary. We believe that a sustained dialog between the Congress and these crucial policymakers can build a base for a cooperative policy. We are encouraged by adoption of the resolution calling for quarterly review of the Federal Reserve policy before the Joint Economic Committee, and we believe it is crucial that this Committee and every committee with economic jurisdiction give monetary and debt management policy the closest continuing examination.

In past recessions we have succeeded in stimulating recovery through budget policies. But we have done so with permanent deficits which led to inflation once recovery had been reached.

The Committee has wisely proposed combining restraint in the permanent budget with the addition of temporary programs in an effort to learn from past mistakes. It would be tragic if, having learned the wisdom of temporary programs, we failed to use that lesson boldly enough to deal with the massive nature of the current recession.

III. CONCLUSION

Washington is a company town.

The company is the Federal Government. And Federal employment is one area of our economy that suffers little from recession. We who work here in a climate of relative comfort must not be blinded to the wave of layoffs, shorter workweeks, and reduced income which is centered in our great industrial centers and spreading throughout the country.

We are encouraged by the adoption of the Budget and Impoundment Control Act and the establishment of this Committee. We are deeply grateful for the leadership of our distinguished Chairman and the work of the Committee's fine staff which has been assembled so quickly and pressed to work with such great haste. We are deeply hopeful that through our work on this resolution and over the remainder of this year the Committee can contribute to resolving the economic crisis which—we believe—is the gravest current threat to our national security.

WALTER F. MONDALE,
JAMES ABOUREZK.

CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, is there further morning business?

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is concluded.

EMERGENCY EMPLOYMENT APPROPRIATIONS, 1975

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of H.R. 4481, which will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 4481) making emergency employment appropriations for the fiscal year ending June 30, 1975, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

Mr. McCLELLAN. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BELLMON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BELLMON. I ask unanimous consent that Doug Jackson of my staff be allowed the privilege of the floor during consideration of this bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BELLMON. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. McCLELLAN. Mr. President, H.R. 4481, the Emergency Employment Appropriations Act, provides a grand total of $6,082,647,000—$5,504,535,000 in new budget authority, $485,000,000 in loan authority, and $93,112,000 in liquidation of contract authority—for the acceleration of existing Federal programs and projects in order to immediately increase employment throughout the Nation.

The bill as recommended to the Senate provides an increase of $141,011,000 over the total amount passed by the House. Of this increased amount, $131,061,000 is new budget authority and $9,950,000 is appropriations to liquidate contract authority.

The funds recommended in the bill represent a blend of two approaches to the unemployment problem—funding of programs such as public service jobs in which funds are used directly for the creation of jobs and funding of accelerated Federal construction, building and purchase programs where funds will be used to create jobs indirectly through construction contracts, further development of the Nation's recreational and public land resources, and other similar programs.

The bill provides for the direct creation of jobs $1,625 million in public service jobs; $500 million in summer jobs for youths; $36 million in jobs for older Americans; $119.8 million in work-study grants for college students; $70 million in the work incentive program to provide employment, training, and related child care for welfare recipients; and $15 million in jobs for youths in the Youth Conservation Corps.

These are funds which will be directly used to employ people. These programs should create over 200,000 jobs for adults for 1 year; 920,000 summer youth jobs; and about 250,000 part-time jobs for students attending college, including those attending college during this summer.

In recommending $1,625 million for public service jobs, the committee fully funds the amount authorized for this program. The committee makes this carefully considered recommendation only because of the severity of the unemployment problem, the requirement to have an immediate impact on joblessness, and in combination with the recommendation of other stimulative actions providing productive, tangible, and lasting results. The committee firmly believes that economic stability must be promoted through the private sector and stresses that the provision of such public service jobs should be viewed only as a temporary emergency action taken in response to the current economic crisis.

I may say, Mr. President, personally, that I rather think this amount for public service jobs is excessive at this time, but we are straining in every way and in every direction to try to get the unemployed back to work, create immediate jobs and thus rehabilitate the economy.

The committee believes that the best way to create employment during an economic crisis is by giving people the opportunity for useful, productive work that will result in lasting improvements of the manmade resources of this Nation.

Thus, it recommends funding of $3,716,847,000 for such projects. These include items such as the acceleration of ongoing public works projects, increase of rural water and sewer grants, upgrading of railroad trackbeds, the improvement and modernization of existing veterans' hospitals, increased maintenance of the national cemeteries, reforestation and timber stand improvement, expansion and upgrading of facilities in national parks, forests, and other Federal land, increased assistance to small businesses, major repairs and renovations of existing Federal buildings, and the purchase of automobiles.

Mr. President, today our Nation faces one of the gravest economic crises in its history. On almost all sides—wherever we turn—we are besieged by serious economic and fiscal ills. The prices we pay for goods and services are still rising, although at a less alarming rate than in the recent past. Lines are still growing at the unemployment offices. There have been frustrating declines in the value and the purchasing power of the dollar. We are confronted by the paradox of simultaneous inflation and recession, by the perils of higher prices, and by a declining number of workers engaged in productive employment.

Unemployment is reaching crisis proportions. In March 8,700,000 people were unemployed and the unemployment rate—seasonally adjusted—was 8.7 percent of the civilian labor force. In addition, there have been reports estimating that over 1 million people have given up looking for work, and were therefore no longer counted in the official unemployment rate for March 1975.

Civilian employment at 83,849,000 declined by 1,029,000 below March, a year ago. The past 4 months have witnessed the sharpest rise in unemployment since the Great Depression of the 1930's. In the 1 month alone between December and January, unemployment climbed a full 1 percent. Unemployment is at its highest peak since the beginning of World War II.

In all, the funds recommended in this bill should generate about 1 million new jobs. The creation of these jobs, over the next 3 to 8 months, will come at a time when they are urgently needed. This bill reaffirms the congressional purpose that all healthy Americans who seek work should be able to find it. The strengths of the American people and the economy are enormous. Through the stimulation of our economic resources by the enactment of H.R. 4481 and by other proposed and ongoing programs, there is much hope for restoring the vitality of our economy.

Mr. President, I yield to the distinguished Senator from North Dakota.

Mr. YOUNG. Mr. President, the emergency employment appropriations bill we are now considering has been explained in detail by the distinguished chairman of the Appropriations Committee (Mr. McClellan). I will make only a few comments.

As the chairman has indicated, this bill will provide $5,504,535,000 in new budget authority. This is $3,461,835,000 more than was requested by the administration and $131,061,000 more than the House bill. In addition, this bill provides $485,000,000 in loan authority and $93,112,000 in liquidation contract authority. Therefore, the grand total of this bill is $6,082,647,000.

Some of the funds made available is in the form of loan authority and liquidation of contract authority which will permit obligations with these appropriations. These contracts occur most frequently in public works projects of the Department of the Interior programs such as road construction.

I share the concern about our economic situation and particularly the high rate of unemployment. According to March figures there are now 8.7 million unemployed.

The Federal Government must do something to alleviate this situation. The funds provided in this bill will be very helpful in providing additional employment—employment that will be productive and help our economy as well.

I am particularly interested in those items in this bill which provide funds to accelerate public works and reclamation projects now under construction. Money provided for this purpose not only makes possible many more jobs for the unemployed, but when these projects are completed they will add to the economic base of our Nation.

In regard to public service jobs, the committee has included in the report on page 6, a caution about the $1.625 billion contained in the bill for such jobs. The committee stresses that public service jobs should be viewed as a temporary emergency action in response to the current economic crisis.

Mr. President, this bill provides considerably more funds than the administration requested. I question the need for some of the programs contained in this bill, particularly the amount of money provided in this bill and the end cost. I am voting for it because there is a need to make available additional money to provide more jobs to bolster our economy. I hope and feel certain that when the bill is considered in conference with the House that it will be much more acceptable.

Mr. ROBERT C. BYRD. Mr. President, chapter 111 on Interior and Related Agencies contains a total of $216,255,000 in new budget authority for the emergency employment appropriation bill and $85,112,000 in appropriations to liquidate contract authority. This is an increase over the House allowance of $44,566,000 in new budget authority and $1,950,000 in contract liquidation cash.

Increases are recommended primarily in programs of the Fish and Wildlife Service, National Park Service, Bureau of Indian Affairs, Forest Service, and Indian Health Service. The recommendation also includes funding for three agencies not included in the House bill—the Mining Enforcement Safety Administration, the Geological Survey, and the National Foundation on the Arts and Humanities. The amounts recommended for all these agencies are detailed in the table provided in the report.

Program increases, are based on additional data provided to the committee that were developed from more recent information on high unemployment areas. This is particularly so in the case of the Fish and Wildlife Service and National Park Service.

Increases recommended for the Forest Service are to fill important gaps in the House allowance in Forest Research and Research Construction in the Youth Conservation Corps.

All appropriation recommendations for the Interior and Related Agencies chapter closely adhere to the criteria established by the House—that is, they are needed, useful, labor intensive programs that do not involve increases in permanent employment nor new commitments to ongoing programs.

As closely as possible, these appropriations and the employment they will create are targeted for high unemployment areas, 6½ percent or higher. Further, these programs are of such a nature that they can be obligated for the most part within 30 to 60 days.

Mr. PASTORE. Mr. President, I thank the chairman of the full Appropriations Committee (Mr. McClellan) for his very adequate explanation of the items in the Emergency Employment Appropriations Act of 1975. I would like to add here some of the principal details relating to chapter VI of the bill which deals with antirecessionary programs falling under the jurisdiction of the State, Justice, Commerce, the Judiciary and Related Agencies Subcommittee.

Chapter VI of the bill includes a total of three items in the amount of $969 million, which is $209 million over the House allowance. There is no budget request for any of these items. The House bill included two items in the amount of $760 million. I will explain these first and then the proposed Senate amendments.

JOB OPPORTUNITIES PROGRAM

The first item included in the House bill is $375 million for the job opportunities program under the Department of Commerce. This amount, together with the $125 million already appropriated, will provide a total of $500 million to accelerate public works programs authorized by existing law. This funding level is consistent with the congressional program of economic recovery and energy sufficiency which was transmitted to the President last month. The purpose of this jobs program is to provide short-term employment opportunities while constructing facilities of lasting value to the community.

There is no doubt the funds can be used. The Secretary of Commerce has on hand 18,000 proposals from 43 Federal agencies worth $3.3 billion. The funds made available under this program will be sufficient to support approximately 15 percent of the highest priority proposals. Priority in allocation of the funds will be given to those labor intensive projects which can be initiated promptly and which can be substantially completed in 12 months. About 50,000 jobs will be created by the $375 million in the bill and the $123 million already provided.

The committee encourages the Secretary of Commerce to give special emphasis to those projects designed to preserve and expand sources of energy.

SMALL BUSINESS ADMINISTRATION LOANS

The second item included in the House bill is $385 million for additional capital for Small Business Administration Loans. The action by the committee in this area will serve to create or maintain between 93,000 and 188,000 jobs at an average cost of $3,000 to $6,000 per job.

It is important to remember that these funds will be used for loans—not grants—and therefore will be paid back with interest to the Federal Government over the coming years.

SENATE AMENDMENTS—HANDICAPPED LOANS

The committee has included a language amendment which would not increase the amount in the House bill. This amendment would set aside $10 million of the total $385 million for small business loans for the handicapped loan program. This program provides low interest loans to nonprofit organizations employing handicapped persons, such as sheltered workshops. Funding for the current year is exhausted and there is already a backlog of $3 million worth of approved but unfunded applications. This amendment is needed to enable our handicapped citizens to participate in this loan program.

ECONOMIC DEVELOPMENT ASSISTANCE

The committee has included an additional $209 million over the House allowance to strengthen and accelerate the traditional economic development assistance programs, including the regional planning commissions. These are the tried and proven programs that provide just what the title says—economic development assistance. The effect of this amendment would be as follows:

The sum of $69,000,000 under title I of the Public Works and Economic Development Act for construction of approximately 130 needed public works projects designed to stimulate commercial development. Examples are construction of industrial parks, sewer and water improvements, and harbor facility improvements. The $69 million proposed here, together with the $131 million already appropriated will provide the full authorization of $200 million for title I, as contemplated in the congressional program of economic recovery and energy sufficiency which was formulated and transmitted to the President earlier this year. This amount is needed to merely restore the program to the 1973 operating level—which I believe is a minimum level needed to deal with the staggering unemployment levels and promote economic recovery. The Department of Commerce estimates that for every $10,000 invested in title I, four additional jobs will be created as the follow-on benefit. That means that the additional $69 million for title I will result in the creation of approximately 30,000 additional job opportunities.

The sum of $58,000,000 under title II of the act to finance approximately 90 business development projects such as loan guarantees and guarantees of lease payments for buildings and equipment. These additional funds would create approximately 8,000 job opportunities at a cost of $7,335 per job. This amount is needed to restore the title II program to the 1971 level in terms of real dollars and level of effort.

The sum of $36,250,000 under title IV of the act to develop and fund 10 economic adjustment plans that will assist communities adversely affected by economic dislocations such as base closing. The program provides a full range of activities such as public works, business loans and guarantees, training and other appropriate assistance. The amount proposed here together with the amounts already appropriated will provide the full authorization of $75 million for this program as contemplated in the congressional economic recovery and energy sufficiency program.

The sum of $42,000,000 under title V of the act to provide an additional $6 million to each of the seven regional commissions. Because most of the commissions are currently operating 20 percent to 40 percent below the level of effort of recent years, it should be possible for them to develop additional technical assistance, planning, and demonstration projects without delay and to assist State and local governments to make full and effective use of increases in funding for public works construction projects. The committee expects that each regional commission will add at least two additional locations to administer the enlarged program.

The sum of $3,500,000 for the necessary administrative costs associated with the enlarged EDA program.

In summary, the committee is proposing an amount of $969 for chapter VI of the bill—all aimed at improving the employment situation. The Department of Commerce estimates that virtually all—over 90 percent—of the economic development assistance funds included in this bill will be spent in fiscal year 1976 and fiscal year 1977. Inasmuch as the President's own budget assumes a recessionary level of unemployment well beyond 1977, it is impossible to argue that these amounts will be inflationary. Finally, the House Public Works Committee is holding hearings on a $5 billion public works bill. I submit that the amounts I am proposing to be added in the bill to accelerate public works projects through established programs will reach their target and start providing useful job opportunities much faster than any new massive effort—although that might be necessary also.

In the final analysis, what I am proposing is that we do more to help people—people who want to work to support themselves but who cannot find employment. All of the funds in this chapter help business and Government to work together to fight unemployment and help bring the country a step closer to economic recovery and a restoration of the tax base that has been so badly eroded by skyrocketing unemployment—which even by the President's own accounts—1976 President's budget, page 41—will remain at recessionary proportions for 5 more years unless something is done above and beyond the budget request to put our people back to work.

I recommend that my colleagues adopt the committee recommendations.

Mr. BAYH. Mr. President, I compliment the chairman of the full Appropriations Committee (Mr. McCLELLAN) for his fine efforts in bringing this antirecessionary employment measure before the Senate.

I also extend my congratulations to the chairman of the State, Justice, Commerce, Judiciary Subcommittee (Mr. PASTORE) for his efforts regarding chapter VI of this measure which included increased funding for the economic development assistance programs of the Department of Commerce.

Mr. President, I would like to make a comment and then direct a question to Senator PASTORE regarding a situation in the State of Indiana. I notice that the report mentions that economic development assistance programs can be used for such projects as harbor facilities improvement. I also notice that the committee report recommends the Secretary of Commerce—in the distribution of the funds—should give special emphasis to programs designed to conserve and expand the sources of energy. The report indicates that these Committee proposals are consistent with the congressional program of economic recovery and energy sufficiency which was developed under the very able leadership of the Senator from Rhode Island earlier this year.

In southern Indiana we are faced with the problem of economic depression. But we also have extensive coal resources in that area. It would seem to me that a part of the funding included in this bill could be used to develop harbor facilities that would facilitate the development and transfer of the coal resources in this economically depressed area. I ask the Senator from Rhode Island if my understanding is correct.

Mr. PASTORE. I thank the Senator from Indiana for his gracious remarks about chapter VI and the ad hoc committee. The Senator's understanding that it would be possible for a part of the funds to be used for the purpose he outlined is correct.

Mr. SCHWEIKER. Mr. President, the pending bill, H.R. 4481, is designed to deal with the continuing unemployment crisis facing the Nation.

In March the seasonally adjusted unemployment rate for the United States was 8.7 percent of the civilian labor force with some 8,700,000 people out of jobs. In my own State of Pennsylvania, the February jobless rate was 8.9 percent.

We hear reports that more than 1 million people nationwide have given up the search for work and were not counted in the official March unemployment rate.

According to figures given us, the past 4 months have seen the sharpest rise in unemployment since the Great Depression. Unemployment is at its highest peak since the beginning of World War II.

Through a variety of means, including public service employment, extended unemployment benefits and job-creating construction projects, Congress is working to deal with the present situation.

However, in the light of reports predicting continued high-level unemployment, Congress must do still more to alleviate the hardship of so many of our fellow citizens. I concur with the report of the House Appropriations Committee which stated—

> These critical times * * * require immediate positive action.

The Labor-HEW chapter of the pending bill is designed to provide just such "immediate positive action."

For instance, we provide $1,625,000,000 to continue funding current public service jobs which are expected to total 310,000 by the end of the present fiscal year. The House of Representatives provided an identical amount for this program when it considered the bill now before us.

Our committee also provides $502.3 million for the summer jobs for youth program—$89.6 million more than the House. This appropriation would provide approximately 920,000 job opportunities for needy youth. In addition, our recommendation includes $2.3 million for a transportation program to get these young people to and from their jobs.

Another job creating program is community service employment for older Americans. Under this program low income elderly persons 55 years of age and older are given part-time jobs in such work as beautification of parks and assisting in hospitals and nursing homes. Our committee provides a level of $48 million for this program for fiscal year 1975. The Labor Department estimates that with this amount of money about 16,000 jobs can be created.

The Labor-HEW Chapter also provides:

An additional 146 positions for health professionals for rural and medically underserved areas. This will be under the National Health Service Corps.

For the college work-study program, $119.8 million, the amount in the bill will support part-time jobs for approximately 250,000 students, providing them with assistance in financing their college educations.

For the work incentve program, $70 million—funds which are needed to maintain the current program level. The program provides training and employmnt for welfare recipients, as well as child care services to permit parents to attend class or go to work.

For the summer youth recreation program, $26 million, an increase of $10.7 million over last year's appropriation. It is estimated that more than 1 million poor youngsters, ages 6 to 13, will benefit from this important summer program.

For emergency energy conservation services, $10 million. These funds will be used for short term assistance, including loans and grants, to eligible individuals to help them with unpaid utility bills and thus avoid a cutoff of service.

Mr. President, I believe our committee's recommendations in the Labor-HEW chapter are responsive to the joblessness now afflicting our Nation. I recommend their approval.

Mr. President, I ask unanimous consent that a statement by the Senator from Massachusetts (Mr. BROOKE) on the bill be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BROOKE

The pending bill is aptly titled, "The Emergency Employment Appropriations Act." It is designed to deal with the emergency nature of the joblessness confronting our Nation.

Consider these facts:

Unemployment is at its highest peak since the beginning of World War II.

Last month the seasonally adjusted unemployment rate reached 8.7% of the civilian work force with some 8.7 million people out of work.

There are reports that more than one million other persons have given up looking for work altogether and these were not counted in the official unemployment rate for March.

My own state of Massachusetts recorded an 11.9% unemployment rate in February, according to the U.S. Department of Labor.

Unemployment in other states is as bad or worse.

Many sectors of the work force, including minorities, women, young and old people, and Vietnam veterans, are the particular victims of the nation's wave of joblessness.

The statistics, of course, do not tell the full human story of what it means to be out of work, unable to provide for oneself or one's family and looking forward to an uncertain future.

Congress has not been indifferent to the suffering of so many of our fellow citizens. Through a variety of means, including programs to provide public service jobs and expanded unemployment benefits, Congress has acted to assist the unemployed.

But as the trauma of joblessness continues, it is necessary that we do still more. The pending $6 billion jobs bill is an effort to be responsive to the present situation and I believe it is.

As ranking minority member on the Labor-HEW Appropriations Subcommittee, my particular concern has been with seeing to it that the Departments of Labor and Health, Education and Welfare do as much as possible to put the unemployed to work.

For example, we provide $1.625 billion to maintain currently funded public service jobs under a Temporary Employment Assistance program enacted last year.

The program is designed to provide 12-month jobs for, among others, those who have exhausted their unemployment benefits or have been out of work for 15 or more weeks.

Enrollees may work in a variety of jobs in local government, assist in hospitals or even help beautify our cities and towns.

Our bill also provides $502.3 million for some 920,000 summer jobs for youth along with a modest program to get these young people to and from their jobs. The Committee's recommendation is $89.6 million over the amount provided by the House.

This program provides disadvantaged youth with an average of 26 hours of work each week for nine weeks during the Summer. The youthful workers are paid the minimum wage of $2.10 per hour and may serve in jobs ranging from recreation aide to assistant in local government.

Our bill also provides $12 million more than the House for a program of jobs for the low income worker 55 years of age and older. Under my amendment to the bill, the fiscal 1975 program level will be $48 million. The Labor Department estimates this will provide 16,000 jobs at a unit cost of about $3,000 per job.

Our Committee bill also provides:

$119.8 million to help finance jobs for college students during the summer and in the coming school year. This is the so-called College Work-Study program which helps students meet the high cost of tuition while keeping them off the unemployment rolls.

$70 million to assure continuation of the Work Incentives program which provides for training and work experience for welfare recipients. The program also provides for child care while the parent attends class or goes to work.

$26 million to continue the Summer Recreation program for disadvantaged youth, particularly those living in our urban ghettoes. The Senate figure is $10.7 million over last year's amount.

$10 million for initiating an emergency program of short-term assistance, including loans and grants, to help the poor pay delinquent utility bills and avoid the shut-off of service. At my urging the Committee provided the $10 million to get this essential program underway.

I believe such a program may be of help in Massachusetts where we pay the second highest electric bills in the entire nation.

I believe the Labor-HEW section of the pending bill will contribute to the solution of our difficult economic problems. I urge that it be approved.

Mr. President, I yield the floor.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, and that the bill as thus amended be regarded as original text for the purpose of further amendment, provided that no points of order shall be waived by reason thereof.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendments agreed to en bloc are as follows:

On page 3, in line 17, strike out "$350,000" and insert "$175,000".

On page 4, in line 10, after "$6,548,000," insert "to remain available until October 31, 1975".

On page 4, in line 23, strike out "$21,496,000" and insert "$24,647,000".

On page 5, in line 4, after "$5,700,000," insert "to remain available until October 31, 1975".

On page 5, in line 8, strike out "$22,100,000" and insert "$29,361,000".

On page 5, in line 9, after "expended" insert a colon and the following:

Provided, That $2,300,000 shall be available to assist in constructing a sewage system and treatment plant in cooperation with the towns of Harpers Ferry and Bolivar, West Virginia, to serve such towns and the Harpers Ferry National Historical Park.

On page 5, in line 17, strike out "$12,700,000" and insert "$14,650,000".

On page 5, beginning with line 19, insert:

Geological Survey

SURVEYS, INVESTIGATIONS, AND RESEARCH

For an additional amount for "Surveys, investigations, and research", $1,500,000, to remain available until October 31, 1975.

On page 6, beginning with line 1, insert:

Mining Enforcement and Safety Administration

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $2,775,000: *Provided,* That these funds shall remain available until expended for the construction of facilities.

On page 6, in line 9, strike out "$5,000,000" and insert "$10,000,000, to remain available until October 31, 1975".

On page 6, in line 24, after the first comma, insert "to remain available until October 31, 1975,".

On page 6, in line 25, strike out "$56,080,000" and insert "$56,580,000; for 'Forest research', $1,500,000".

On page 7, in line 5, strike out "$18,000,000" and insert "$21,000,000".

On page 7, in line 9, strike out "$10,000,000" and insert "$15,000,000".

On page 7, in line 11, strike out "$5,000,000" and insert "$7,500,000".

On page 7, in line 12, strike out "$5,000,000" and insert "$7,500,000".

On page 7, in line 23, strike out "$12,574,000" and insert "$22,453,000".

On page 8, beginning with line 1, insert:

National Foundation on the Arts and the Humanities

SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", $5,000,000, to remain available until October 31, 1975, of which $3,000,000 shall be for the National Endowment for the Arts and $2,000,000 shall be for the National Endowment for the Humanities.

On page 8, in line 14, strike out "$412,700,000" and insert "$502,300,000".

On page 8, in line 21, strike out "$24,000,000" and insert "$36,000,000".

On page 9, beginning with line 3, insert:

Health Services Administration

HEALTH SERVICES

Notwithstanding any other provision of law, the Secretary of Health, Education, and Welfare is hereby authorized to hire and assign not to exceed 146 additional health professionals to serve in the National Health Service Corps.

On page 10, in line 2, after "appropriated" insert a colon and the following:

Provided further, That any amounts appropriated for basic opportunity grants for the fiscal year ending June 30, 1974, which are in excess of the amount required to meet the payment schedule announced for the academic year 1974–75, shall remain available for payments under the payment schedule announced for the academic year 1975–76.

On page 10, beginning with line 11, strike out:

For an additional amount for carrying out a work incentive program, as authorized by part C of title IV of the Social Security Act, including registration of individuals for such program, and for related child care and other supportive services, as authorized by section 402(a)(19)(G) of the Act, including transfer to the Secretary of Labor, as authorized by section 431 of the act, $70,000,000, which, in addition to sums previously appropriated under this heading for fiscal year 1975, shall be the maximum amount available for transfer to the Secretary of Labor and to which the States become entitled pursuant to section 403(d) of such Act, for these purposes. and insert:

For an additional amount for "Work Incentives", $70,000,000 for carrying out a work incentives program as authorized by part C of title IV of the Social Security Act, including registration of individuals for such program, and for related child care and supportive services, as authorized by section 402(a)(19)(G) of the Act, including transfer to the Secretary of Labor, as authorized by section 431 of the Act, which, together with the previously authorized current year appropriation, shall be the maximum amount available for transfer to the Secretary of Labor and to which States may become entitled, pursuant to section 403(d) of such Act, for these purposes, for the current fiscal year and for any period in the prior fiscal year provided the prior fiscal year expenditures are claimed on quarterly statements of expenditures received by the Secretary of Health, Education, and Welfare prior to February 1, 1975.

On page 11, in line 25, strike out "$58,055,000" and insert "$226,350,000".

On page 12, beginning with line 1, insert:

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES

For an additional amount for "Flood Control, Mississippi River and Tributaries" $25,000,000, to remain available until expended.

On page 12, in line 7, strike out "$48,000,000" and insert "$22,405,000".

On page 12, beginning with line 11, insert:

GENERAL INVESTIGATIONS

For an additional amount for "General investigations", $3,500,000, to remain available until expended.

On page 12, in line 16, strike out "$9,600,000" and insert "$42,920,000".

On page 12, beginning with line 18, insert:

UPPER COLORADO RIVER STORAGE PROJECT

For an additional amount for "Upper Colorado River Storage Project", $2,450,000, to remain available until expended, which shall be available for the "Upper Colorado River Basin Fund".

COLORADO RIVER BASIN PROJECT

For an additional amount for "Colorado River Basin Project", to remain available until expended, $10,400,000, of which $8,000,000 is for liquidation of contract authority provided by section 303(b) of the Act of September 30, 1968 (82 Stat. 894).

On page 13, in line 6, after the first comma, insert "to remain available until expended".

On page 13, beginning with line 9, insert:

LOAN PROGRAM

For an additional amount for "Loan Program", $1,600,000, to remain available until expended.

On page 13, in line 19, after "expenses", insert a colon and the following:

Provided further, That $3,000,000 shall be available until expended, and shall be transferred to "Regional Development Programs", Regional Action Planning Commissions, to carry out programs authorized by Title V of the Public Works and Economic Development Act of 1965, as amended.

ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

For an additional amount, $163,250,000, to remain available until June 30, 1976.

ADMINISTRATION OF ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

For an additional amount, $3,500,000, to remain available until June 30, 1976.

Regional Action Planning Commissions

REGIONAL DEVELOPMENT PROGRAMS

For an additional amount, $42,000,000, to remain available until expended.

On page 14, in line 17, after "$210,000,000" strike out "for the direct loan program authorized by section 7(a) of said Act,".

On page 14, in line 19, after "limitation" insert a colon and the following:

Provided, **That $10,000,000 shall be for the direct loan program authorized by Section 7(h) of such Act, and $200,000,000 shall be for the direct loan program authorized by section 7(a) of said Act.**

On page 15, in line 18, strike out "$3,500,000" and insert "$250,000".

On page 16, in line 4, after "exceed" strike out "six hundred and eighty-seven" and insert "four hundred and sixty".

On page 16, in line 6, strike out "52,900,000" and insert "$24,300,000".

On page 17, in line 9, after the comma, strike out "including purchase of (not to exceed fifty) passenger motor vehicles,".

On page 17, in line 13, strike out "fifty" and insert "one hundred".

On page 17, in line 18, strike out "six hundred and forty-one" and insert "four hundred and seventeen".

On page 17, in line 20, strike out $6,500,000" and insert "$3,600,000".

On page 17, beginning with line 21, strike out:

United States Postal Service

PAYMENT TO THE POSTAL SERVICE FUND

For an additional amount for "Payment to the Postal Service Fund", pursuant to 39 U.S.C. 2004, $900,000,000.

On page 18, at the beginning of line 5, strike out "for the construction of buildings as authorized by law (40 U.S.C. 490 as amended)" and insert "to remain available until expended".

On page 19, in line 10, strike out "$100,000,000" and insert "$75,000,000, to remain available until September 30, 1976."

On page 19, in line 14, strike out "$100,000,000" and insert "$75,000,000".

On page 19, in line 17, strike out "$451,000,000" and insert "$426,000,000".

On page 19, beginning with line 18, insert:

The aggregate amount made available in the Treasury, Postal Service and General Government Appropriation Act, 1975, for real property management and related activities is increased to $1,449,870,700 and the amount provided in such Act in excess of which revenues, collections and other sums accruing to the fund (excluding reimbursements pursuant to 40 U.S.C. 490(f)(6)) shall be deposited in miscellaneous receipts is increased to $1,528,870,700.

Appropriations hereby made to the Federal Buildings Fund shall not be subject to the provisions of section 210(f)(4) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)(4)) requiring repayment with interest.

On page 20, in line 8, strike out "eighty thousand" and insert "eighteen thousand eight hundred and sixty-four".

On page 20, line 10, strike out "$280,000,000" and insert "$66,100,000".

On page 20, beginning with line 13, insert:

Federal Railroad Administration

RAIL TRANSPORTATION IMPROVEMENT AND EMPLOYMENT

For payment of financial assistance to assist railroads by providing funds for repairing, rehabilitating, and improving railroad roadbeds, and facilities, $700,000,000 of which not to exceed $7,000,000 shall be available for administrative expenses of the Secretary to remain available until December 31, 1976: *Provided, however,* That these funds shall be available only upon enactment of authorizing legislation.

RELATED AGENCY

Mr. McCLELLAN. Mr. President, I ask unanimous consent that Mr. Murphy of the staff of the Committee on Labor and Public Welfare have the privilege of the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLELLAN. The bill is now open to amendment, I assume.

Mr. FONG. Mr. President, I send to the desk an amendment, cosponsored by Senators EAGLETON, BEALL, HUDDLESTON, MANSFIELD, METCALF, STAFFORD, BUMPERS, ABOUREZK, and BURDICK, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 8, line 21, after "$36,000,000" insert the following:

Provided, That, notwithstanding any other provision in law, amounts contained herein, together with amounts heretofore appropriated for "Community service employment for older Americans" may be expended to continue projects now being conducted as part of the National Operation Mainstream program authorized by title III of the Comprehensive Employment and Training Act of 1973 (Public Law 93-203).

Mr. FONG. Mr. President, this amendment will prevent the laying off of many elderly poor individuals now participating in Operation Mainstream—National Older Workers program, under the Department of Labor through contract with four national organizations.

Under this program, 12,000 older Americans work at part-time public service jobs, thus giving local communities the benefit of the skills they have accumulated in a lifetime of work. The participants gain the dual advantage of much-needed extra income, along with the knowledge that they still have an important role in society, although retired from the regular labor force, and are capable of contributing to the communities in which they live.

The Department of Labor can no longer use discretionary funds for this program, but is willing to continue it with funds from title IX of the Older Americans Act.

However, title IX, Community Service Employment for Older Americans, requires distribution of funds to the States on a formula basis.

Today, in 21 States, there are more older workers than can be supported by the formula grant of title IX. Approximately 2,000 older workers will lose their jobs if this amendment is not accepted.

The language of our amendment to H.R. 4481 permits use of title IX funds to continue Operation Mainstream while at the same time assuring all States an equitable share of title IX funds.

The Department of Labor is in favor of this amendment.

Mr. SCHWEIKER. Mr. President, will the Senator yield?

Mr. FONG. I am happy to yield.

Mr. SCHWEIKER. Mr. President, I wish to direct an inquiry to the chairman of our committee on this chapter of the supplemental bill regarding the amendment. If I understand correctly, application of the title IX formula, under the Older Americans Act, holding all States harmless, will result in a reduction of jobs for the elderly formula entitlement for some States; is that correct?

Mr. McCLELLAN. The distinguished Senator from Pennsylvania is correct.

Mr. SCHWEIKER. However, the language in the proposed amendment would permit all States to operate at their full title IX formula, or "hold harmless" level, whichever is higher, for a period of 10 months in fiscal year 1976. I would ask the distinguished Senator if this is what is intended by this amendment?

Mr. McCLELLAN. That is correct. With fiscal year 1976 appropriations, that will be included in the regular bill. It is our intent to provide the necessary funding to maintain at least this level, the 10-month level, for the remaining 2 months of fiscal 1976.

It is our intention to provide for permanent and adequate funding for title IX programs, in this bill, and from here on in, and to get away from this constant uncertainty which our needy, elderly citizens have faced about continuation of their jobs.

I am submitting for the RECORD a table showing the amounts each State would receive, on a 10-month basis, if this amendment is accepted, guaranteeing the highest of either the "hold harmless" or title IX formula distribution levels.

Mr. President, I ask unanimous consent to have the table printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

DISTRIBUTION OF TITLE IX, OLDER AMERICAN ACT FUNDS, BY STATE

[Dollars in thousands]

	Fiscal year 1974 funds [1]	Fiscal year 1975 title IX formula	1975 hold harmless level [2]	10-mo funding at highest of formula or hold harmless level [2]
Total	$36,000	$48,000	$48,000	$48,000
Alabama	498	758	647	681
Alaska	50	240	240	240
Arizona	268	422	360	379
Arkansas	1,355	514	1,518	1,362
American Samoa	24	120	120	121
California	2,695	4,190	3,574	3,763
Colorado	318	442	376	397
Connecticut	430	682	581	613
Delaware	50	240	240	240
District of Columbia	295	240	330	296
Florida	1,685	2,227	1,900	1,999
Georgia	651	893	762	802
Guam	24	120	120	121
Hawaii	50	240	240	240
Idaho	103	240	240	240
Illinois	1,205	2,448	2,088	2,197
Indiana	1,358	1,094	1,521	1,365
Iowa	309	710	606	637
Kansas	298	547	467	492
Kentucky	857	739	960	862
Louisiana	477	715	610	643
Maine	268	245	300	269
Maryland	359	754	643	675
Massachusetts	678	1,363	1,162	1,223
Michigan	975	1,747	1,490	1,566
Minnesota	1,735	854	1,944	1,744
Mississippi	336	490	418	438
Missouri	981	1,162	1,099	1,042
Montana	383	240	429	385
Nebraska	315	370	353	332
Nevada	91	240	240	240
New Hampshire	74	240	240	240
New Jersey	$1,370	$1,651	$1,535	$1,481
New Mexico	130	240	205	240
New York	2,259	4,286	3,656	3,849
North Carolina	654	1,027	876	921
North Dakota	342	240	383	343
Ohio	1,329	2,242	1,912	2,011
Oklahoma	678	643	759	681
Oregon	854	518	957	859
Pennsylvania	1,662	2,900	2,478	2,602
Puerto Rico	242	504	430	453
Rhode Island	221	240	248	240
South Carolina	357	485	414	435
South Dakota	504	240	564	506
Tennessee	457	888	757	797
Texas	1,727	2,314	1,974	2,076
Trust Territories	24	120	120	121
Utah	348	240	389	349
Vermont	242	240	271	243
Virginia	902	902	1,010	906
Virgin Islands	24	120	120	121
Washington	327	730	623	654
West Virginia	510	437	571	512
Wisconsin	1,509	1,027	1,690	1,516
Wyoming	133	240	240	240

[1] Includes $26,000,000 of title III CETA funds.

[2] Provides at a minimum continued funding of current slot level.

Mr. SCHWEIKER. Mr. President, I thank the distinguished chairman for this information which, I think, clarifies the situation, and I thank the Senator from Hawaii for yielding.

Mr. McCLELLAN. Mr. President, this matter was discussed in committee, and it needed some detail in drafting and working out, but it was generally understood by the committee at the time the bill was reported that this amendment would be offered on the Senate floor, and there was no objection to it. Therefore, I am willing to accept it.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Hawaii.

The amendment was agreed to.

The ACTING PRESIDENT pro tempore. The bill is open for further amendment.

Mr. McCLELLAN. Mr. President, I understood there would be another amendment offered. I understand one Senator wishes to offer an amendment and is on his way to the Chamber. Unless there is some other matter that Members want to take up at this time, I would suggest the absence of a quorum.

Mr. BEALL. Mr. President, will the Senator yield for a question on the proposal while we are awaiting the arrival of the Senator who wishes to offer an amendment?

I note in reading the report that the chairman of the committee highlighted a minute ago, there was a section that authorizes the expenditure of $74,600,000 for the purchase of 20,712 automobiles and other vehicles by the General Services Administration.

I wonder if the distinguished chairman of the committee could enlighten us on that particular section of the proposal.

I am wondering, for instance, how many more vehicles are to be bought this year. Are all these vehicles necessary? I assume they are. How much of a greater purchase in numbers of vehicles is this than would normally be the case?

Mr. McCLELLAN. Mr. President, the

House bill provides $1,724,957,000 under chapter VII for the programs and activities under the jurisdiction of the Treasury, Postal Service, and General Government Subcommittee. The major items included in the House bill are for 121,292 motor vehicles at a cost of $297 million, $28 million for construction of Joint Customs Service/Immigration and Naturalization Service border stations, $440 million for real property operations and alteration and major repairs of Federal buildings, and $900 million for the U.S. Postal Service.

There is little doubt that the House bill would provide jobs in the industries which have experienced the largest unemployment. For example, unemployment in the automobile and construction industries currently exceeds 20 percent. However, as stated by OMB Director James Lynn in his appearance before the Appropriations Committee, this bill would add to the current Federal deficit, which is now estimated by OMB to go as high as $93 billion for the combined fiscal years 1975 and 1976.

The committee has reviewed the House bill and amounts for the various accounts. It is our proposal that the House bill be reduced by $1,173,650,000 and the committee recommends an appropriation of $551,325,000.

The committee recommendation will reduce the procurement of motor vehicles to 20,712 at a cost of $74.6 million. This will provide for replacement of only those vehicles which are eligible to be replaced by being 6 years old and/or exceeding 60,000 miles. These vehicles are generally uneconomical to continue in operation. We believe replacing the entire GSA fleet of over 70,000 vehicles to convert to a fleet of compact sedans and light trucks due to improved fuel conservation would be unwise. It would be false economy, at this time, in my judgment. Many of these vehicles have entered the inventory during the past few years. Additionally, the subcommittee does not recommend approval of the $900 million appropriation for the Postal Service. This would be tantamount to providing an additional subsidy to the capitalization of the Postal Service.

We believe the committee recommendation of $551,325,000 will provide for increased employment, and agencies will receive much needed equipment and construction which was previously deferred due to lack of funding.

We urge that the committee's position be sustained. The buying of over 100,000 automobiles is not now needed, just to stimulate employment in the automobile industry. It would seem to us to be unwise.

Mr. BEALL. I thank the distinguished chairman for answering the question.

If the chairman will yield for another question, some of us recently were deliberating as members of the Budget Committee on the concurrent resolution which will be brought to the floor next week. In our deliberations we had assumed the deficit for fiscal year 1975 would be $45 billion, and in the concurrent resolution that is to be brought to the floor next week we are predicting a deficit for fiscal year 1976 of $67.5 billion.

Can the distinguished chairman tell me how this bill today, this particular appropriation of in excess of $6 billion, fits into that picture for fiscal year 1975 and 1976.

Mr. McCLELLAN. I cannot give the Senator a definite answer to that. I assume that the Budget Committee has taken this into account in its recommendations and in its prognostication as to what the deficit will be. I do not know whether it did or not, but I would assume that it did.

This bill was pending, it passed the House, has not been reported yet by the Senate, and I assume the committee took it into account.

Mr. BEALL. Can the chairman, perhaps, tell me what percentage of this bill will be, what percentage of the money will be, an outlay in 1975 and what percentage will be an outlay in 1976?

Mr. McCLELLAN. Approximately $1.5 billion of the bill would outlay in the 1975 budget.

Mr. BEALL. And the remainder would be in the——

Mr. McCLELLAN. About $4 billion next year, would outlay during fiscal year 1976.

Mr. BEALL. I thank the Senator.

Mr. YOUNG. Will the Senator yield?

Mr. BEALL. Yes.

Mr. YOUNG. I might make an additional comment.

The money contained in this bill is $3,461,835,000 more than requested by the administration and $131,061,000 more than the House bill. It is nearly $3.5 billion more than requested by the administration, which would add about that much to the deficit.

Mr. WILLIAM L. SCOTT. Will the Senator yield?

Mr. BEALL. Do I have the floor? If I have the floor, I will be happy to yield to the Senator from Virginia.

Mr. WILLIAM L. SCOTT. Mr. President, I would like to supplement what the distinguished Senator has asked and ask the chairman of the committee, is this amount in the President's budget calling for $52 billion deficit, would this add further to the deficit that the President has recommended?

Mr. McCLELLAN. The bill would increase the budget authority level recommended by the President by $3.5 billion.

Mr. WILLIAM L. SCOTT. About half of the funds requested in H.R. 4481 is in the budget and half is not?

Mr. McCLELLAN. A little less than half is correct.

Mr. WILLIAM L. SCOTT. I thank the Senator.

Mr. STENNIS. Will the Senator yield?

The ACTING PRESIDENT pro tempore. The Senator from Arkansas has the floor.

Mr. McCLELLAN. I am glad to yield to the Senator.

Mr. STENNIS. Mr. President, if the Senator would just yield to me on the question the Senator from Virginia raised, the only money in this bill that was in the budget was just the $2 billion that the President requested for so-called public service jobs alone, is that not correct?

Mr. McCLELLAN. Well, before us they testified——

Mr. JAVITS. Mr. President——

The ACTING PRESIDENT pro tempore. The Senator from Arkansas has the floor.

Mr. McCLELLAN. The $1.6 billion for public services jobs was requested by the administration in a recent budget amendment.

Mr. STENNIS. I thank the Senator.

Mr. WILLIAM L. SCOTT. If the Senator will yield briefly further, I will not intrude on the desire of the Senator from New York for recognition.

My concern is that we get one bill after another, we do not know the effects of the measures that have been passed by the Congress previously.

We may very well wind up with $100 billion deficit if we keep on doing this sort of thing.

Mr. McCLELLAN. The Senator is correct.

Mr. WILLIAM L. SCOTT. Well, for this reason, I am going to vote against the bill.

Mr. McCLELLAN. The Senator has that right, of course, and I respect it.

Mr. JAVITS. Will the Senator yield?

Mr. McCLELLAN. I yield to the Senator from New York.

Mr. JAVITS. I thank my colleague.

There will be occasion in a few moments, as I expect an amendment to this subject, to debate this issue respecting the amount provided for public service employment programs. But at the moment I would like to call attention to a number of affirmative things which the committee has recommended to the Senate which I consider to be very constructive and to resolve major problems in a very admirable way.

In the main, these items come under Senator MAGNUSON's subcommittee and both he and the chairman have always shown themselves very sympathetic to these needs.

There is, first, the public service employment which we will be debating on Senator JOHNSTON's amendment.

First, $1.6 billion for public service employment programs under title VI of the Comprehensive Employment and Training Act of 1973—CETA, as amended by Public Law 93-567. This is the amount of the House allowance at the level requested by the administration.

This appropriation, together with the $875 million already appropriated, would bring the appropriation level up to the full authorization of $2.5 billion for that title for fiscal year 1975. Together with currently available funds under title II of CETA—which are available in areas of 6.5 percent unemployment or more—this will provide for an aggregate level of 310,000 public service jobs by the end of this fiscal year. This is a substantial number of public service jobs, but very modest in terms of meeting the needs of the nearly 8 million unemployed in March, as well as an additional 1.1 million "discouraged" unemployed.

The Committee on Labor and Public Welfare will soon be considering S. 609, the "Emergency Public Service Employment Extension Act of 1975," which Senator Williams and I, together with 14 others, have proposed to extend the public employment program under title VI for fiscal year 1976, to provide an aggregate level of 1 million jobs in fiscal year 1976.

Second, there is the provision for $500 million summer youth jobs. The committee has been very provident in that regard in coming as close as it could, and it has come very close, to meeting the views of the National Associations of Municipal Officials, the National League of Cities, and its companion organization. That has provided for over 900,000 summer jobs for poor youth ages 14 to 21, and when one sees the appalling 40-percent rate for teenage in unemployment, one can see just by mentioning, juxtaposing the two figures, what a critical benefit this represents.

Each job opportunity will consist of 9 weeks of employment, 26 hours a week at the minimum wage of $2.10 an hour. This is an increase of $87.3 million and 160,000 opportunities above the House allowance, which in accordance with the administration's request, provides $412.7 merely to maintain last year's level of 760,000 opportunities at the new minimum wage.

Joined by 17 Senators, I wrote the President and the HEW-Labor Subcommittee on Appropriations, on February 28, urging an aggregate of $649 million for approximately 1.1 million summer youth jobs, and $4.5 million for transportation, the amounts which the National League of Cities had documented as necessary for this summer.

Accordingly, the committee recommendation is a shortfall of $149 million and 180,000 opportunities from the amount we requested. However, as the Committee on Appropriations notes on page 35 of its report, State and local prime sponsors can utilize a portion of their general grants under title I to supplement these efforts and I believe that with these additional funds, the 1.1 million job level can be maintained.

The committee's action in this regard is a very gratifying response to the very dangerous summer youth unemployment situation with predictions of rates of unemployment exceeding 50 percent in many urban areas, and this is a very timely action if planning is to proceed for a basic summer program.

Also the committee has provided $26 million for recreation opportunities for the very young who are poor, between 6 and 13. There are few things more heartbreaking than those very young people in the hot city during the summer.

The committee has provided for emergency energy conservation for the poor to the extent of $10 million. Again, a very admirable provision.

In the education field, which is so close to Senator Magnuson's heart, the committee has provided for $19.8 million for the college work study program and for a carryover for the basic educational opportunity grants—BEOG.

Also, the committee has been very forehanded in anticipating the passage by the Congress of a bill to deal with employment on railroad rights-of-way. That represents a very splendid and constructive initiative and use of what we have heretofore called public service jobs.

The committee in this case is anticipating the authorizing committees and I hope—I am the sponsor of one of the bills, and I am serving on a committee with responsibilities in that regard—will match the celerity of the Appropriations Committee. We have a joint hearing scheduled for next week by the Labor and Public Welfare Committee and the Committee on Commerce on S. 1326, the Special Public Service Employment and Railroad Improvement Act of 1975, a bill which Senator Williams and I, along with 14 others including Senator Magnuson and Senator Hartke have introduced.

The committee has even reached into the cultural field and provided some money for the National Endowments on the Arts and Humanities, finding some several hundred jobs in the renovation of museums.

One of the monuments of the great depression was the fact that the WPA was turned to such constructive uses as to survive to this very day, when people can still point to the fact that this was not sterile money wasted, but there were vast public improvements under the Government's organized effort.

The committee has also provided $10 million for emergency energy conservation services under section 222(a) (12) of the Economic Opportunity Act—which I authored—designed to aid low-income families, reduce their energy consumption, and lessen the impact of the cost of energy. As the committee notes on page 41 of its report, these funds will be used for short-term assistance including loans and grants to eligible individuals to help them avoid utility cutoffs in instances where they temporarily cannot pay utility bills. The House made no allowance for this program.

Joined by 18 Senators who wrote the President on February 20 and the committee on February 25, we had pointed to needs in terms of pending or expected applications before the Community Services Administration—which administers the program—totaling $144.0 million. The Director of the Administration, Mr. Gallegos, in testimony before the Subcommittee on HEW-Labor Appropriations, stated that $64.0 million of that amount could be effectively utilized in this fiscal year.

The amount recommended by the committee represents a significant start toward meeting these needs, and I hope that the committee will consider adding the balance of $54 million to the second supplemental appropriations bill which it is now considering and which includes the regular appropriations for the Community Services Administration for this fiscal year.

The committee has a lot that is negative, but I am delighted to be able to state some of the very positive aspects of this bill which the committee and Senator Magnuson's subcommittee are so heavily responsible for.

I thank my colleague.

Mr. President, I ask unanimous consent to have printed in the Record the text of two letters sent by 20 Senators to the President regarding the urgent need for appropriations for summer youth employment and Emergency Energy Conservation Service, together with accompanying materials.

There being no objection, the material was ordered to be printed in the Record, as follows:

Washington, D.C.,
February 28, 1975.

Hon. Gerald R. Ford,
President, The White House,
Washington, D.C.

Dear Mr. President: We urge you to submit revised budget requests for fiscal year 1975, aggregating $680,211,844, to meet urgent needs for 1,147,847 summer youth jobs and related transportation and recreational activities for this summer. Last summer, an aggregate of $397.0 million was made available for these purposes which included approximately 709,200 nine-week jobs.

Our request consists of the following elements:

First, an aggregate of $649,681,402 for the provision of 1,147,847 summer jobs for economically disadvantaged youth 14 to 21 years of age, as authorized under section 304(a) (3) of the Comprehensive Employment and Training Act of 1973. Each job would provide a nine-week opportunity of 26 hours a week at the minimum wage of $2.10 an hour. The 1,147,847 jobs consist of 458,463 jobs in the Nation's 50 largest cities, and 689,384 jobs in smaller cities and other areas. Last summer, $380.0 million was made available for approximately 709,200 nine-week jobs.

These needs are documented on a city-by-city basis in the enclosed letter dated January 29, from Alan E. Pritchard, Executive Vice President of the National League of Cities, in response to a request made by Senator Javits.

Second, $4,530,442 under section 304(a) (3) of the Comprehensive Employment and Training Act of 1973 to provide transportation to youth to enable them to participate in the summer youth job program. Last summer, approximately $1.7 million was made available.

This request is set forth in the enclosed letter dated February 6, from Mr. Pritchard.

Third, $26,000,000 to provide recreational opportunities to poor youth, six to 13 years of age, under the Summer Youth Recreation program authorized by section 222(a) (13) of the Economic Opportunity Act of 1964, as amended by P.L. 93–644, which became law on January 4. $15.3 million was provided last summer.

This request is set forth in the enclosed letter dated February 25, from Dwight F. Rettie, Executive Director of the National Recreation and Park Association.

The Administration has not submitted any specific budget requests for any of these elements.

We note that summer youth job programs are among the eligible activities for which state and local governmental prime sponsors may use funds allocated to them under title I of CETA, "Comprehensive Manpower Services."

However, because of the very substantial needs for comprehensive programs for adults and others under title I—stemming from the crisis unemployment situation—it is clear that title I cannot be regarded as an adequate source to meet to any significant extent the aggregate needs for summer youth jobs and transportation that we have documented. Already, preliminary estimates from the Department of Labor suggest that only a small number of prime sponsors have been able to plan for a summer youth job program, even at last year's level—which will clearly be inadequate.

While the Nation as a whole continues in a severe recession with unemployment at 8.2 percent in January and 7.5 million unemployed—and with the Administration's projections that unemployment will average 8.1 percent throughout this calendar year—poor youth, which have unemployment levels of 30 to 40 percent even in better times, are expected to suffer rates of 50 percent and more this summer. The National League of Cities, which has projected such a rate, indicates that it expects more than 3.1 million poor youth to be looking for jobs this summer.

We urge, in light of the serious emergency situation for the coming summer, that you send to the Congress a revised budgetary request for a special youth job program and related transportation and recreation, to meet the aggregate needs which we have documented.

Sincerely,

Jacob K. Javits, Alan Cranston, Jennings Randolph, George McGovern, Hubert H. Humphrey, Walter F. Mondale, Clifford P. Case, Edward M. Kennedy, Claiborne Pell, Henry M. Jackson, Harrison A. Williams, Jr., Robert T. Stafford, John V. Tunney, Edward W. Brooke, Abraham Ribicoff, J. Glenn Beall, Philip A. Hart, William D. Hathaway, Edmund S. Muskie, and Gaylord Nelson.

JANUARY 29, 1975.

Hon. JACOB K. JAVITS,
U.S. Senate, Old Senate Office Building, Washington, D.C.

DEAR SENATOR JAVITS: In accordance with your request and as in the past, we have surveyed the nation's cities to determine the needs for a summer youth employment program this year.

The information we have received from the 50 largest cities shows that the total number of slots these cities could effectively use this summer is 458,463. On the basis of our contacts with a sample of smaller cities, we estimate that their needs for summer jobs total 689,384. Combining these figures, the present real need for 1975 is 1,147,847 slots nationwide.

As you are aware, rapidly rising unemployment rates and deteriorating economic conditions are having a severe impact on joblessness among youth. With projected increases in the number of disadvantaged youth and alarming numbers of lay-offs in both the private and public sectors, an unemployment rate of 50% or more may be anticipated among disadvantaged youth this summer.

Congress has recognized the crisis of unemployment among adults through the Emergency Jobs and Special Unemployment Assistance Act of 1974, and it is essential that it address this separate crisis of unemployment among youth.

As summer job prospects for youth in the private sector become increasingly dim, it is clear that job creation in the public sector must be greatly expanded to fill this void. In addition, local government lay-offs are rapidly expanding and substantial efforts made by cities to hire youths during the summer months with local funds will be severely curtailed. In facing dramatically increased needs and evaporating job opportunities, your leadership is again urgently requested in securing additional funds for a summer employment program at the earliest possible date. Adequate time to plan and implement summer youth programs is critical to the operation of an effective national effort.

While it is clear from the survey that those eligible for a summer youth employment program far exceed the capacity of cities to employ these youngsters effectively, it is urgent that the Congress also address the need for additional funds for a recreation program to provide disadvantaged youngsters with some form of constructive activity during the summer months. We are currently in the process of surveying city needs for recreation programs and should have this information to you shortly.

We would appreciate your assistance again this year in assuring adequate funding for a summer jobs program.

Sincerely,

ALLEN E. PRITCHARD, Jr.,
Executive Vice President.

City	1974 actual		1975		
	Funding[1]	Slots[2]	Number eligible	Effectively employ	Funding need[3]
Region I: Boston	$2,480,867	4,637	18,000	18,000	$10,188,000
Region II:					
Buffalo	1,275,620	2,384	40,000	10,000	5,660,000
Newark	3,442,799	6,435	25,900	11,000	6,226,000
New York	24,473,511	45,744	426,000	80,000	45,280,000
Rochester	637,558	1,191	6,000	2,000	1,132,000
Region III:					
Baltimore	4,183,526	7,819	17,600	12,000	6,792,000
Norfolk	1,535,979	2,870	11,680	3,500	1,981,000
Philadelphia	4,315,810	8,066	52,792	22,000	12,452,000
Pittsburgh	2,568,647	4,801	7,000	7,000	3,962,000
Washington, D.C	6,563,092	12,267	25,000	18,000	10,188,000
Region IV:					
Atlanta	1,489,979	2,785	10,000	5,388	3,049,608
Birmingham	1,123,440	2,099	7,700	2,774	1,570,084
Jacksonville	844,711	1,578	20,000	2,500	1,415,000
Louisville	1,210,223	2,262	15,000	4,000	2,264,000
Memphis	1,445,064	2,701	12,250	2,716	1,537,256
Miami	2,354,311	4,400	6,500	4,400	2,490,400
Nashville	738,378	1,380	4,000	2,500	1,415,000
Tampa	1,192,915	2,229	7,000	6,515	3,687,490
Region V:					
Chicago	19,209,563	35,905	85,000	50,000	28,300,000
Cincinnati	1,533,527	2,866	40,000	5,000	2,830,000
Cleveland	4,919,923	9,196	24,200	18,000	10,188,000
Columbus	899,175	1,680	2,500	2,500	1,415,000
Detroit	5,095,798	9,524	40,000	23,000	13,018,000
Indianapolis	1,056,816	1,975	12,000	4,500	2,547,000
Milwaukee	1,319,978	2,467	6,000	3,713	2,101,558
Minneapolis	$1,104,440	2,064	6,000	3,500	$1,981,000
St. Paul	431,679	806	3,200	3,200	1,811,200
Toledo	673,997	1,259	2,000	1,400	792,400
Region VI:					
Dallas	1,017,619	1,902	45,000	4,000	2,264,000
El Paso	546,547	1,021	6,000	4,672	2,644,352
Fort Worth	459,190	858	2,500	1,600	905,600
Houston	2,126,840	3,975	12,000	4,000	2,264,000
New Orleans	1,607,513	3,004	10,000	10,000	5,660,000
Oklahoma City	557,096	1,041	3,000	2,400	1,358,400
San Antonio	2,856,730	5,339	10,000	5,500	3,113,000
Tulsa	553,663	1,034	2,000	1,300	735,800
Region VII:					
Kansas City, Mo	1,835,348	3,430	13,000	5,000	2,830,000
Omaha	1,069,481	1,999	2,500	2,000	1,132,000
St. Louis	2,810,441	5,253	9,900	7,500	4,245,000
Region VIII: Denver	1,578,466	2,950	9,250	4,000	2,264,000
Region IX:					
Honolulu	966,788	1,807	3,000	2,500	1,415,000
Long Beach	764,769	1,429	7,500	2,500	1,415,000
Los Angeles	6,902,818	12,902	75,000	30,000	16,980,000
Oakland	1,705,211	3,187	10,000	5,850	3,311,100
Phoenix	2,146,338	4,011	60,000	9,000	5,094,000
San Diego	2,017,157	3,770	25,000	6,000	3,396,000
San Francisco	2,167,803	4,051	8,000	8,000	4,528,000
San Jose	1,178,891	2,203	4,000	3,535	2,000,810
Region X:					
Portland	1,024,404	1,914	5,000	5,000	2,830,000
Seattle	4,136,643	7,732	13,000	5,000	2,830,000
SAMPLING OF CITIES OTHER THAN 50 LARGEST					
Region I:					
Bridgeport, Conn	$1,074,314	2,008	4,500	3,000	$1,698,000
Cambridge, Maine	616,566	1,152	1,200	1,000	566,000
Lowell, Maine	385,052	719	1,600	1,000	566,000
Worcester, Maine	348,291	651	1,700	1,200	679,200
Region II:					
Elizabeth, N.J	173,228	322	1,500	375	212,250
Albany, N.Y	401,086	749	5,000	5,000	2,630,000
Yonkers, N.Y	178,286	333	900	600	339,600
Carolina, P.R	498,180	931	6,000	4,000	2,264,000
San Juan, P.R	1,166,329	2,180	12,296	3,117	1,764,222
Region III:					
Erie, Pa	185,745	347	2,500	650	367,900
Hampton and Newport News, Va	557,863	1,042	2,000	1,300	735,800
Region IV:					
Huntsville, Ala	264,980	495	2,000	1,200	679,200
Montgomery, Ala	658,920	1,231	1,800	1,800	1,018,800
Savannah, Ga	297,401	555	2,500	1,050	594,300
Lexington, Ky	502,790	939	3,000	1,200	679,200
Jackson, Miss	551,117	1,030	3,000	1,200	679,200
Durham, N.C	449,046	839	1,800	839	474,874
Greensboro, N.C	297,574	556	1,500	1,000	566,000
Chattanooga, Tenn	548,910	1,026	2,175	1,975	1,117,850
Knoxville, Tenn	712,386	1,331	4,500	2,000	1,132,000
Region V:					
Peoria, Ill	260,742	487	2,000	650	367,900
Evansville, Ind	745,308	1,393	3,040	1,500	849,000
Fort Wayne, Ind	584,414	1,092	2,000	2,000	1,132,000
Gary, Ind	2,713,313	5,071	7,000	6,500	3,679,000
South Bend, Ind	$522,918	977	2,000	1,101	$623,166
Dearborn, Mich	36,540	68	120	120	67,920
Duluth, Minn	143,135	267	4,000	2,000	1,132,000
Akron, Ohio	772,002	1,442	2,300	1,800	1,018,800
Canton, Ohio	317,121	592	700	667	377,522
Youngstown, Ohio	1,048,872	1,960	10,000	6,000	3,396,000
Region VI:					
Little Rock, Ark	768,039	1,435	2,200	1,481	838,246
Shreveport, La	314,340	587	4,035	1,200	679,200
Albuquerque, N. Mex	475,776	889	10,500	2,500	1,415,000
Region VII:					
Cedar Rapids, Iowa	77,053	144	1,400	300	169,800
Des Moines, Iowa	471,468	881	4,500	1,200	679,200
Kansas City, Kans	391,248	731	1,600	1,142	646,372
Wichita, Kans	525,768	982	2,000	1,300	735,400
Springfield, Mo	114,589	214	300	300	169,800
Region VIII: Salt Lake City, Utah	285,128	532	2,000	700	396,200
Region IX:					
Tucson, Ariz	814,416	1,522	4,500	3,000	1,698,000
Glendale, Calif	71,155	133	2,000	200	113,200
Region X:					
Spokane, Wash	318,724	595	3,404	600	339,600
Tacoma, Wash	641,021	1,198	2,500	2,000	1,132,000
50 largest total	138,151,082	258,202	1,268,972	458,463	259,490,058
Balance of cities	241,848,918	450,998	1,909,593	689,384	390,191,344
Total	380,000,000	709,200	3,178,565	1,147,847	649,681,402

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[1] Department of Labor figures.

[2] Figures based on consortia (where applicable) dollar allocations averaging $535 per slot.

[3] Figures based on a cost of $566 per slot; 26 hr per week at $2.10/hr for 9 weeks.

FEBRUARY 25, 1975.

Senator JACOB JAVITS,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR JAVITS: We are pleased to respond to your request for information regarding dollar needs for operation of the 1975 summer Recreation Support Program (RSP), authorized by the "Headstart, Economic Opportunity and Community Partnership Act of 1974." The National Recreation and Park Association has surveyed the Comprehensive Employment and Training Act "Prime Sponsors," designated in the program's authorization as RSP sponsoring agencies. We specifically requested data on the amount of money needed to run the summer recreation program in the summer of 1975.

The Prime Sponsors were asked to provide NRPA with the dollar figure they would like to receive and could effectively spend in 1975, given staffing, facility and planning limitations. NRPA also asked how much money recipient communities received in 1973 and 1974. This information is basic to ascertaining 1975 funding levels, since the program's authorization contains a hold-harmless clause which insures that no community will receive fewer RSP funds in 1975 than received in the summers of 1973 and 1974.

Though the complete survey results are not yet in, we project the communities will express a need in the range of $30–40 million. However, given the past levels of funding and the present directives for fiscal conservatism, we feel that a $26 million appropriation level will fund a meaningful Recreation Support Program in 1975.

Sincerely,

DWIGHT F. RETTIE,
Executive Director.

FEBRUARY 6, 1975.

Hon. JACOB K. JAVITS,
U.S. Senate, Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR JAVITS: In response to your request for need figures and as a follow-up to my letter of January 29, we estimate that the cities will need $4,530,442 for an employer-related transportation program this summer. This compares with an estimated need figure for summer 1974 of $3.9 million and an actual allocation of $1.7 million.

As you well know, the transportation program is essential to provide disadvantaged youngsters with the opportunity to participate in meaningful employment in the city.

We appreciate your assistance on this vital matter.

Sincerely,

ALLEN E. PRICHARD, Jr.,
Executive Vice President.

WASHINGTON, D.C.,
February 20, 1975.

Hon. GERALD R. FORD,
President, The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We urge that you submit a revised budget request for fiscal year 1975 for "Emergency Energy Conservation Services" under section 222(a)(12) of the Economic Opportunity Act of 1964, to meet the urgent energy-related needs of low-income individuals and families.

Section 222(a)(12), which was added to the law this January 4, by P.L. 93-644, is designed to reduce the impact of high energy costs on low-income individuals and families, including the elderly and the near poor. It authorizes the Director of the Community Services Administration, the successor to the Office of Economic Opportunity, to establish winterization programs and provide other supportive assistance, such as emergency loans and grants, and special fuel voucher or stamp programs, as well as transportation, nutrition and health services in emergency cases.

As you stated in your economic message to the Congress of October 8, 1974:

"Now I know that low-income and middle-income Americans have been hardest hit by inflation. Their budgets are most vulnerable because a larger part of their income goes for the highly inflated costs of food, fuel and medical care."

We are pleased that the Administration has proposed some steps to meet these problems through its inclusion of a winterization assistance program in title XI of its proposed "Energy Independence Act of 1975", for which title the Administration has requested $9 million in fiscal year 1975, to be utilized by the Federal Energy Administration through grants to the states.

However to meet the problem effectively in this fiscal year will bequire, in our opinion, immediate utilization of the existing authority, section 222(a)(12), at a level of funding substantially above what the Administration has proposed.

Already, the Community Services Administration and its agencies are currently expending approximately $25 million on energy related programs from local-initiative and other general appropriations, following the pattern of "Project FUEL" in the State of Maine, which was commenced by the Office of Economic Opportunity.

It seems clearly advisable to expand those efforts under section 222(a)(12)—which represent an approach closer to the poor—rather than to await new and duplicative authority.

We have been informed by the Director of the Community Services Administration, Bert A. Gallegos, by letter dated February 12, 1975, in response to a request we made, that there are now pending unsolicited and unmet applications for programs under section 222(a)(12) totalling $88.1 million and that an additional $53.5 million in new proposals are being developed, for an aggregate of $141.6 million.

However, the Community Services Administration has not provided requested information indicating what portion of the $141.6 million can be effectively provided in this fiscal year.

We request, that after consultation with the Community Services Administration, a revised budgetary request be submitted for an amount for that portion of the $141.6 million that can be effectively provided in this fiscal year.

In view of the increasingly serious situation of the poor, we urge that you give this matter your earliest attention.

Enclosed is a copy of the letter from Director Gallegos, together with charts indicating overall need on a regional and state basis.

Sincerely,

Jacob K. Javits, Harrison A. Williams, Jr., Claiborne Pell, Edward M. Kennedy, Jennings W. Randolph, Edward W. Brooke, Edmund S. Muskie, Abraham Ribicoff, Henry M. Jackson, Robert T. Stafford, Hubert H. Humphrey, Charles McC. Mathias, Jr., Gaylord Nelson, Walter F. Mondale, Richard S. Schweiker, Clifford P. Case, Alan Cranston, George McGovern, and William D. Hathaway.

COMMUNITY SERVICES ADMINISTRATION,
Washington, D.C., February 12, 1975.

Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: Thank you for your inquiry concerning applications to conduct energy-related programs and activities for poor and older people which could be funded under the new Section 222(a)(12) which you authorized.

The attached lists of applications by State totalling $88 million has been received. The applications do not contain reimbursement for programs currently being conducted.

We have been informed that an additional $53.5 million of new proposals are being developed. In this regard, it should be remembered that CAAs have not been encouraged to apply for such programs because funds were not available. In addition, over 700 of the CAAs have already reallocated approximately $22 million in local initiative funds from existing programs for energy-related programs. In addition, I have reallocated $3 million nationally for similar objectives. An example of the reallocation for winterization is the attached Wisconsin press release.

The President's budget message has requested $9 million in fiscal 1975 and $55 million in 1976 to begin winterization. We fully support such activities.

With best wishes,

Sincerely,

BERT A. GALLEGOS,
Director.

SUMMARY

[Dollars in millions]

	Number of requests	Amount of requests
Proposals submitted	184	$88.1
Proposals under development	120	53.5
Total	304	141.6

COMMUNITY SERVICES ADMINISTRATION—PROGRAM FUNDING REQUESTS

	Number of new energy proposals	Dollars requested	Number of energy proposals in development	Dollar estimate	Total dollars
Region I (70)—Boston:					
Maine	2	1,450,000	3	461,000	1,911,000
New Hampshire	2	789,000	2	181,000	970,000
Vermont	2	685,000	1	317,000	1,002,000
Massachusetts	1	2,500,000	6	5,430,000	7,930,000
Connecticut	1	2,100,000	4	961,000	3,061,000
Rhode Island	2	750,000	1	480,000	1,230,000
Total	10	8,274,000	17	7,830,000	16,104,000
Region II (72)—New York:					
New York	12	4,628,000	7	3,863,000	8,491,000
New Jersey	7	4,938,000	5	2,777,000	7,715,000
Puerto Rico					
Total	19	9,566,000	12	6,640,000	16,206,000

COMMUNITY SERVICES ADMINISTRATION—PROGRAM FUNDING REQUESTS—Continued

	Number of new energy proposals	Dollars requested	Number of energy proposals in development	Dollar estimate	Total dollars
Region III (94)—Philadelphia:					
Pennsylvania	3	13,420,000	5	2,740,000	16,160,000
Maryland	1	7,429,000	3	186,000	7,615,000
Delaware	2	486,000	0		486,000
Virginia		(*)	10	2,870,000	2,870,000
West Virginia		(*)	12	4,390,000	4,390,000
District of Columbia		(*)	1	713,000	713,000
Total	6	21,335,000	31	10,899,000	32,234,000
Region IV (185)—Atlanta:					
Kentucky	6	2,820,000	2	863,000	3,683,000
Tennessee	9	2,680,000	4	619,000	3,299,000
North Carolina	15	3,162,000	3	1,412,000	4,574,000
South Carolina	9	1,480,000	6	1,102,000	2,582,000
Georgia	12	2,220,000	4	318,000	2,538,000
Alabama	4	1,400,000	2	209,000	1,609,000
Mississippi	7	1,000,000	5	714,000	1,714,000
Florida	6	3,620,000	2	316,000	3,936,000
Total	68	18,382,000	28	5,553,000	23,935,000
Region V (176)—Chicago:					
Illinois	2	1,202,000	8	1,890,000	3,092,000
Wisconsin	4	2,616,000	5	873,000	3,489,000
Minnesota	7	923,000	3	413,000	1,336,000
Michigan	4	3,126,000	4	926,000	4,052,000
Indiana	3	1,237,000	2	61,200	1,849,000
Ohio	4	569,000	7	943,000	1,512,000
Total	24	9,673,000	29	5,657,000	15,330,000
Regional VI (31)—Dallas, Tex.:					
Texas	1	4,900,000	6	2,800,000	7,700,000
Oklahoma	2	535,000	4	1,380,000	1,915,000
Louisiana	1	1,163,000	5	2,500,000	3,663,000
Arkansas	6	1,907,000	2	740,000	2,647,000
New Mexico	3	540,000	3	700,000	1,240,000
Total	13	9,045,000	20	8,120,000	17,165,000
Region VII (62)—Kansas City:					
Missouri	7	643,000	4	210,000	853,000
Kansas	2	400,000	5	318,000	718,000
Nebraska	1	350,000	2	180,000	530,000
Iowa	1	350,000	3	320,000	670,000
Total	11	1,743,000	14	1,028,000	2,771,000
Region VIII (33)—Denver, Colo.:					
Colorado	3	1,277,000	2	600,000	1,877,000
Utah	4	569,000	1	320,000	889,000
Wyoming			1	780,000	780,000
Montana	1	460,000			460,000
South Dakota			1	1,900,000	1,900,000
Total	8	2,306,000	6	5,000,000	7,306,000
Region IX (62)—San Francisco:					
California	9	4,104,000	7	1,803,000	5,907,000
Nevada	3	486,000	2	713,000	1,199,000
Arizona	4	1,618,000			1,618,000
Hawaii	4	523,000			523,000
Total	20	6,731,000	9	2,516,000	9,247,000
Region X (58)—Seattle:					
Washington	1	790,000	2	83,000	873,000
Oregon	1	57,000	3	161,000	218,000
Idaho	3	194,000			194,000
Alaska					
Total	5	1,041,000	5	244,000	1,285,000
Grand total	184	88,096,000	120	53,487,000	141,583,000

Mr. McCLELLAN. Mr. President, I thank the distinguished Senator from New York.

I am certainly pleased to have the Senator's comments about the provision in the act on the railroad provision in H.R. 4481 bill. It is my hope that the legislative committees will, after their hearings, find it advisable to report a bill that will enable us to use the funds for railroad upgrading that are being appropriated in this measure subject to enactment of authorization.

Mr. STENNIS. Mr. President, will the Senator yield to me?

Mr. McCLELLAN. I yield the floor.

Mr. STENNIS. Mr. President, I shall make a few remarks on that part of the bill that relates to public works, that is chapter V and provides appropriations for carrying on certain public works programs with which we are all familiar.

Mr. President, in chapter 5 of the emergency employment appropriations bill, a total amount of $328,925,000 is recommended by the committee to accelerate work on the public works projects of the Army Corps of Engineers and the Bureau of Reclamation, and thereby contribute significantly to employment by creating meaningful, productive jobs.

The Subcommittee on Public Works Appropriations, of which I have the honor and pleasure of chairing, recently completed its first round of the annual hearings on the water resources development programs of the Army Engineers, the Bureau of Reclamation, and other executive agencies concerned with water development for our Nation. The subcommittee examined this matter of accelerating public works projects to create additional employment during those hearings, and this recommendation reflects the information and proof that we received.

Mr. President, the funds contained in this chapter not only will provide for productive jobs, but also will provide enduring capital assets for the Nation, as well as improve conditions with respect to the energy crisis. Water is one of our most precious resources. Massive amounts of water are required to run our hydroelectric power projects, operate electric power generating plants, produce food and fiber, operate our navigation systems, and to provide human consumption and industrial supplies. Vast quantities of water will be required to develop certain energy resources such as coal and oil shale in many parts of our land. Mr. President, we have a propensity to take our water resources for granted. In dealing with our natural resources, we have seen that time after time a crisis is on us before appropriate action is taken which could have averted or alleviated the crisis—and we have been warned that adequate water supplies may well be the next critical resource problem facing the Nation.

In this connection, Mr. President, I call attention to the National Water Conference sponsored by our Government, and which has been meeting here in Washington for the past 5 days. I have noted the reports coming from the conference, particularly on the matter of water shortage, where both Government and private experts have again brought to our attention the critical water situation which could occur. I ask unanimous consent to have printed in the RECORD an article appearing in yesterday's Washington Post headlined "Water Crisis Seen in Energy Shortage."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WATER CRISIS SEEN IN ENERGY SHORTAGE

Government and private experts warned yesterday that the U.S. drive to solve the energy shortage may trigger an even worse national water crisis.

What the United States must rapidly develop, the experts told the National Conference on Water here, is vastly improved water use planning on the federal, state and local level.

Poor planning today, they said, can have a profound impact a decade from now in such seemingly unrelated areas as energy production, food growing, city water supplies, flood control and the prevention of pollution.

Energy figured heavily in the conference because virtually every one of the proposed methods of boosting domestic energy production places heavy new demands on U.S. water supplies.

"Today, our water requirements are snowballing," the Water Resources Congress said in a report presented at the government-sponsored conference. "As we evaluate requirements to 1985, we can already see that a water crisis is in the making. We have moved too slowly, or our requirements have escalated almost unnoticed."

If the United States were to stop water development now, the report said, by the year 2000 there would be few areas of the country with an ample water supply at all times and many areas with a chronically short supply.

"As a nation, we must develop more than 7 million acre-feet of consumable water supply by 1985—above present requirements—to provide water for energy alone," the report said.

The national conference was sponsored by the Cabinet-level U.S. Water Resources

Council under the direction of Interior Secretary Rogers C. B. Morton.

Mr. STENNIS. Mr. President, let me emphasize that the amounts included in this chapter are for water resources development—for current projects of the Corps and Bureau all of which are ongoing and under construction and for essential operation and maintenance activities which will create jobs. There are no long leadtimes involved, because the contractor is on the job now on the projects under construction and can step up his pace of work with these dollars being made available. The O&M work is a labor intensive activity that should be performed regularly rather than allowing it to accumulate and then have huge backlogs of deferred maintenance. The report fully details the recommendations of the committee and lists the amounts by project so I shall not elaborate on the items.

In conclusion, I repeat that these funds will provide for an acceleration of the already ongoing construction of these projects and will provide for essential operation and maintenance of completed projects, which will greatly assist in providing jobs, help the construction industry as a whole, and provide enduring capital assets for the Nation, a truly productive effort in the public interest.

Mr. President, the total amount of this bill is what concerns me. Of course, it does all Members, but the projects we have put in were deemed by our subcommittee unanimously to be projects that are constructive and are now ongoing.

The contracts for most of them have already been let and the contractors are on the job, and so far as creating employment is concerned, all they have to do is just put on more manpower or womanpower, however the case may be. There will be the water resources project, the reservoir, the lake, the stream clearance, the navigation project, or whatever the project may be, hydroelectric power, it will be just that much further along. New employment will have been created.

There is permanent constructive capital investment to extend for many years of production and creative wealth and created income as compared to the so-called public service jobs, some of which—some of which, at least—will be little left to show.

So we make no apologies for putting in these projects because it is based on judgment, it is based on reality. Of course, it is up to the Senate whether or not to accept all or any part of it.

We asked the Reclamation Bureau and also the U.S. Army Engineers for civil functions as to certain projects. "What is your capability?" meaning, of course, "What are you capable of producing here above and beyond the money you have available for these projects now?"

We received a response. They were warned they would be asked these questions. We calculated the totals. Unless there was some prevailing reason to the contrary, we included them in the bill. They are now before the Senate for consideration.

I would be glad to try to answer any questions which might arise about any item. These are not just choices of the subcommittee. There are no pet projects. There are no new starts. It was all approved in the regular way by the subcommittee based on the information from the Bureau of Reclamation and the U.S. Army Engineers.

There are no new starts on projects at all that have been included here.

Mr. YOUNG. Will the Senator yield?

Mr. STENNIS. Yes, I yield.

Mr. YOUNG. I believe in every instance we stayed within the capability of the Corps of Engineers and the Bureau of Reclamation. Is that correct?

Mr. STENNIS. The Senator is entirely correct. There is no overcrowding or pushing or stuffing of the money box. They are within the capability of the Bureau of Reclamation and the U.S. Army Corps of Engineers.

As I say, Mr. President, we are ready to answer any questions which might arise. This is a matter of accelerating work and thereby jobs on projects already in progress. I do not think you can look anywhere in the books or in the country to find anything better or sounder from every possible viewpoint, concerning unemployment, the need for developing resources, or any other standards you might have.

I yield the floor, Mr. President.

Mr. JOHNSTON. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

On page 8, line 24, strike the figure "$1,625,000,000" and insert in lieu thereof "$812,500,000."

Mr. JOHNSTON. Mr. President, this amendment is the soul of simplicity. What it does is, it takes $1,625,000,000 presently provided for public service jobs, that money which is being sent to the States and the cities for use by them in employing people, and simply cuts that figure in half. It reduces it by some $812 million.

Mr. President, the Committee on Appropriations has been very responsive and very generous on the subject of jobs. We have responded in a most admirable way, and some would say a most overly generous way, in providing jobs in this time of economic difficulty.

We have summer youth jobs, and that is a great program, to get the kids employed during the summer, to get them off the streets and doing something productive. That is great.

The distinguished chairman of the Public Works Subcommittee just talked about the public works acceleration. That is a tremendous program, Mr. President. It is accelerating jobs that are already on the blueprints, jobs that are already in the pipeline. It produces productive work.

So it is with automobile purchases; with jobs for the elderly, in forestry, railroad maintenance, DA, VA facilities maintenance, Indian facilities construction, and a host of other programs that are provided for by the Appropriations Committee and funded to give jobs in this time of economic difficulty.

But now, Mr. President, on top of that, we come along with another program.

They used to say, "If you have a problem, you cannot solve it by throwing money at it." Well, we threw $1,625,000,000 at the cities and States and said, "Go and employ people." There was very little policing. There was very little control. There was very little demonstration of need to employ people other than a concern, a real concern and a genuine concern, a proper concern, for people who are unemployed.

But, Mr. President, I think that the record reveals, and the evidence shows, that this is the most wasteful of all these programs, the most expensive in terms of Federal dollars, and the least productive in terms of what we get for a dollar spent.

So, Mr. President, what I propose to do is to simply cut the amount in half. What is the effect of that? Well, the effect of cutting this program in half, cutting it by $812 million, is this: Of the 310,000 jobs provided for by this program, it would mean that you would either cut that in half, which I think is improper and the unlikely thing to be done, or else you cut the length of the program and you let these people off their jobs in January or February 1976 instead of at the end of the fiscal year, July 30, 1976.

Mr. MANSFIELD. Will the Senator yield?

Mr. JOHNSTON. Certainly.

Mr. MANSFIELD. I note in this bill that there is $74,600,000 for the purchase of 20,712 automobiles and other vehicles by the General Services Administration and other agencies. What do we need that many automobiles for?

Mr. McCLELLAN. Will the Senator yield to me?

Mr. JOHNSTON. I yield.

Mr. McCLELLAN. I answered that fully a while ago in a discussion with an-another Senator. The House bill provides for purchase of approximately 120,000 automobiles.

Mr. MANSFIELD. 120,000?

Mr. McCLELLAN. Over 120,000 at a cost of $297 million. What we have done is to reduce this amount to provide for the purchase of automobiles to replace those that would normally be replaced after a reasonable life and reasonable mileage on them.

Mr. MANSFIELD. Does the Senator think that there may be too many automobiles being used in the bureaucracy at the present time?

Mr. McCLELLAN. I thought 120,000 under the House bill would certainly be too many, so we cut it down to about 20,000. I think these are normal replacements. That is what we have tried to do, instead of going out and purchasing a lot of vehicles to replace good ones that have a lot more service in them. We cut it considerably, as the Senator will note.

Mr. MANSFIELD. I thank the Senator.

The ACTING PRESIDENT pro tempore. The question is on the amendment——

Mr. JOHNSTON. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. JOHNSTON. I believe I have an amendment at the desk.

The ACTING PRESIDENT pro tempore. The Senator is correct. The question is on the amendment.

Mr. JOHNSTON. Mr. President, may I regain the floor?

The ACTING PRESIDENT pro tempore. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I will not make this discourse a long one or a lengthy one because it is a very simple question.

Mr. President, the mayors and the people back in the States are going to like having this money and do like having this money. There is no question about that. It is like a friend of mine was telling me this morning. He said the amount of money that can be spent on jobs by cities and local subdivisions and States and the Federal Government is without limit. It is like the number of closets you have. If you have one closet in a house, you are going to have that closet full. If you have two, it is going to be full. If you have four, it is going to be full. No matter how many closets you have, they are going to be full. No matter how big your wife's budget is, she is going to spend it all. No matter how much money we send to the States and the cities, they will find employees. They will find people who are willing to accept those checks.

However, there is no evidence in this record that we have to keep 310,000 people employed past January or February of 1976. With half this money, we can keep all the people employed until January or February 1976. That is past the time when we are supposed to be coming out of this recession.

Mr. President, if it appears in late fall of this year that in fact we are still in the depths of a recession and in fact we need to keep 310,000 people on this kind of payroll, we can come in and add the other $812 million.

My fear is that by funding this program at such a high level, we are encouraging the cities and the States to make a permanent program out of this, to have it as another form of revenue sharing, to put on permanent employees simply to swell the rolls, in competition with private industry, and that we are doing so in a most wasteful way.

The ultimate question is, How serious are we about deficit spending? The people in my State are more concerned about deficit spending than they are about the rate of unemployment, and they are very concerned about the rate of unemployment. But they are scared to death about a deficit that may go to $75 billion. They are telling us in Congress to look around and find where we can cut this budget.

Of all the places I can see to cut in this bill, this is the place to do it, because not one employee would have to be fired until the recession is on its way back up. The $812 million will keep all 310,000 hired until January or February of 1976. I say all 310,000. We have only 290,000 employed at the present time. That employment can be increased up to 310,000, and they can be kept there until January or February of 1976.

Mr. President, we need to save this money. We need to cut this deficit as much as we can. The committee has been most generous with the needs of employing people and fighting recession and fighting unemployment.

I ask the favorable consideration of the Senate.

(At this point, Mr. MORGAN assumed the chair.)

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. SCHWEIKER. I yield.

Mr. MAGNUSON. Mr. President, I hope there is no misunderstanding about this amount. It was not a creature of the Committee on Appropriations, as such. It was sent up by the President, as part of his budget for these public service jobs, with the justification that this would only keep the public service jobs at their present level. We are not adding any new jobs. We just keep the program level as it is.

This is not another new program. It is more than 3 years old. It is not at a high level. This program provides jobs for less than 4 percent of the unemployed—about the same percent as the 1972 program—despite the fact that unemployment today is almost double that of 1972. If we do not keep it at least at the current level, the mayors and the county commissioners and whatever local government is involved will start to lay off people, not knowing whether they can keep them in this program.

Mr. JOHNSTON. Mr. President, will the Senator yield for a question?

Mr. MAGNUSON. Let me finish, and I will yield.

I do not think that cutting this program will reduce any deficit. Everybody is concerned about deficits, but this is a program that has been in effect for more than 3 years, and it has been a good program.

When the Senator talks about it not being well-policed, that is not correct. The best we can find, after 3 years under the public service jobs program is that ineligible enrollments have been less than 1 percent of total enrollees. Getting rid of this 1 percent of illegal enrollments is an argument for better congressional oversight, not an argument for cutting the program.

I say to the Senator from Louisiana that these are not people who could handle some of the regular technical jobs, even if the recession goes away. Usually, they are older people, and they just go on welfare.

Does the Senator know what it costs to keep a person on welfare—the per capita cost? What does the Senator think? It costs $4,500 per capita to have them on welfare. That is what will happen to these people.

All these jobs have been pretty well justified. I agree with the Senator that we did pretty well in this bill. Welfare costs are already estimated to be $15 billion in fiscal 1976, and unemployment benefits will cost an estimated additional $16 billion.

No one has higher welfare costs than the State of Louisiana—with eligible people.

I do not think this proposal serves any purpose at all. I did not concoct this figure. The administration sent it up and said this would be the amount simply to maintain the present level. That is all we are doing. We did not add anything to it. It is not a new program. It has been around for quite a while.

I know that perhaps some local officials have committed administrative abuses in this program. The Senator from Louisiana has dealt with them, and I have dealt with them. They are not all perfect. But the track record has been very good. Inefficiency results from local sponsors not being able to plan because of uncertainties about congressional funding. The money in this bill would sustain the current program level through fiscal year 1976 and give sponsors lead-time to make plans.

The fear that cities and States are laying off employees only to rehire them with Federal funds is not supported by the facts: only 6 percent of public service jobs enrollees were formerly State and local government employees, according to a Labor Department survey.

It is not like another closet. The Senator from Louisiana must have been talking to his wife. I bought an apartment a couple of years ago, and I gave my wife an unlimited budget to furnish it, and she exceeded it. [Laughter.]

These are tough, hard-core jobs. I would say that 50 percent of these people would drift over to welfare. Cutting this program would not reduce the deficit; it would only increase money spent on welfare and unemployment compensation.

A vote for this amendment would be a vote to destroy about 100,000 jobs. Congress would be voting to make the recession worse, not helping to stop it.

Mr. JOHNSTON. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. JOHNSTON. The Senator mentioned that this is a long-standing program.

Mr. MAGNUSON. No, I said 3 years.

Mr. JOHNSTON. Is it not a fact that there are two titles under the CETA program—title 2 and title 6; title 2 has been in existence for only about 10 months, funded only to a level of about $350 million, and title 6, which has the greater funding, for only about 4 months?

Mr. MAGNUSON. The big title is title I. But all these titles basically continue programs previously authorized under the Emergency Employment Act of 1971 and the Manpower Development and Training Act.

I want to state for the record, for the benefit of the Senate, a breakdown of enrollment by major job categories under this program: Education is 17 percent. Law enforcement is 12 percent. Office work—for example, in courthouses—is 21 percent. Public works and transportation is 19 percent. Health is 8 percent. Social services is 9 percent. Parks and recreation is only 9 percent, which is contrary to the argument of those who say they are going to hire most people to rake up leaves in the parks.

Fire protection is 2 percent and environmental quality is 3 percent.

Mr. JOHNSTON. Will the Senator further yield?

Mr. MAGNUSON. Yes.

Mr. JOHNSTON. The point I was making is that actually title I of this act creates title VI of the CETA. Title VI has been in operation only 4 months. That is the big part of this employment. It has not been in effect long enough either to reach the full capacity or to see whether it is policed or not. Would that be a correct statement?

Mr. MAGNUSON. There is no reason to assume that the program is not going to be practically the same as the one that has been going on.

Mr. JOHNSTON. I know, but it has been going on only for 4 months.

Mr. MAGNUSON. No, I mean the 3-year program. These figures will be about the same.

Mr. JOHNSTON. No; the title II program has been in operation only about 10 months, is that not correct?

Mr. MAGNUSON. As I say, the proportions will be the same. They will be used for the same purposes. We are not adding to it.

I say to the Senator that I would not agree to add more to the public service job program than we had last year. I know the mayors and all these people want more. The Senator is absolutely correct, it is a sort of revenue-sharing program. But I remember back when we had the WPA, that was revenue sharing. There was no revenue anyplace but with the Federal Government.

Some cities and States are in bad shape, and need manpower to perform vital public services.

Most enrollees are in vital public service professional jobs. Here are some examples: policemen; guards; correctional officers; teachers; library aides; draftsmen; surveyors; firefighters; homemakers; accountants; recreational specialists; tree trimmers; painters; plumbers; landscapers; carpenters; mental health aides; and nutritionist trainees.

Mr. JOHNSTON. If the Senator will further yield, is it not a fact that funding at this level will allow for 310,000 jobs and only 290,000 are now employed, indicating either that they have not been able to find the employees for the additional 20,000, or, more likely, that the program is simply going to grow?

Mr. MAGNUSON. Well, there are about 20,000 in the figure that we cannot count, because people are quitting or they are laying off. But a Department of Labor survey indicates that only 6 percent of public service job enrollees were former city employees. Therefore, the fear that cities are laying off employees only to rehire them—which I was afraid of in the beginning—with Federal funds is largely unfounded.

Mr. JOHNSTON. But 6 percent of them are, according to that statement.

Mr. MAGNUSON. Six percent of them are. That is the survey.

Mr. President, I wish to make a few brief comments on chapter IV, the Labor-HEW portion of the Emergency Employment Appropriations Act of 1975, which totals $2.4 billion.

Here are the amounts requested by the President, to which the Committee agreed:

For public service jobs $1,625,000,000. These funds would simply maintain currently funded jobs throughout fiscal year 1976; they do not create new public service jobs.

For summer youth jobs $412,700,000. This would continue last year's level of 760,000 job opportunities for disadvantaged youth.

Here are the amounts added by the House, to which the committee agreed:

For work incentives $70,000,000. This money is needed to avoid layoffs of current enrollees and staff, not to expand the program, which puts welfare people into jobs. We added language, however, to permit use of these funds to pay the States the Federal share of 1974 expenditures in excess of grants to fund the 1974 program.

For community service jobs for the elderly, $24 million. This would provide 8,000 jobs for our low-income citizens, who are most severely hurt by inflation and recession. We held over for debate on the floor, without prejudice, "hold harmless" language aimed at preventing the layoff of older workers enrolled in the national Operation Mainstream program.

For the college work-study program for low-income students, to help keep 250,000 students from joining the dropout and unemployment roles, $119,800,000.

Here are the amounts added by the Senate Appropriations Committee:

For 4,000 more jobs for the low-income elderly, for a total increase of $36,000,000 and 12,000 jobs, +$12,000,000. The waiting list for this program is 10 times the available openings. Since the administration is abolishing the $20,000,000 Operation Mainstream jobs program for the elderly, the net increase recommended here is only $16,000,000 and 5,300 jobs.

For summer youth jobs and transportation, +$89,600,000. This would bring the total appropriation to $502,300,000, providing 920,000 jobs. The unemployment rate for poor youth is now over 40 percent and may go to 50 percent by summer.

For antipoverty programs of the Community Services Administration, +$39,000,000. The House did not consider these items, which would continue last summer's youth recreation and transportation programs and provide initial funding for the emergency energy conservation services program.

Mr. President, we had amendments offered by Senators to add $390.6 million to this bill, which the committee pared down to $140.6 million. Some of these increases are for items which the House would have considered for a later supplemental, but which we felt deserved to be included in this urgent bill. These supplementals come so often now, we hardly have time for a regular bill. This is the fourth supplemental we have worked on so far this fiscal year.

I ask unanimous consent to have printed in the RECORD tables highlighting the items I have just summarized.

There being no objection, the charts were ordered to be printed in the RECORD, as follows:

CHAPTER IV, EMERGENCY EMPLOYMENT APPROPRIATIONS ACT, 1975—LABOR-HEW SUBCOMMITTEE

	Budget request	House bill	Senate Appropriations Committee	Increase over House
Department of Labor:				
Public service jobs	$1, 625, 000, 000	$1, 625, 000, 000	$1, 625, 000, 000	
Summer youth jobs	412, 700, 000	412, 700, 000	502, 300, 000	+$89, 600, 000
Jobs for the elderly		24, 000, 000	36, 000, 000	+12, 000, 000
Department of HEW:				
College work-study jobs		119, 800, 000	119, 800, 000	
Work incentives		70, 000, 000	70, 000, 000	
Related Agencies:				
Summer youth recreation and sports programs			29, 000, 000	+29, 000, 000
Emergency Energy Conservation Services			10, 000, 000	+10, 000, 000
Total	2, 037, 700, 000	2, 251, 500, 000	2, 392, 100, 00	+140, 600, 000

Current status of chapter IV of Emergency Employment Appropriations (H.R. 4481)

Labor-HEW Items

Budget estimates	$2,037,700,000
Amount in House bill	2,251,500,000
Amount in Senate committee bill	2,392,100,000
Senate committee recommendation:	
Over the budget estimates	+354,400,000
Over the House bill	+140,600,000
Changes to the budget estimates:	
College work-study	+119,800,000
Summer youth employment and transportation	+89,600,000
Work incentives	+70,000,000
Summer youth recreation	+26,000,000
Community service employment for older Americans	+36,000,000
Emergency energy conservation	+10,000,000
National youth sports program	+3,000,000
Total	+354,400,000

Mr. MAGNUSON. Mr. President, the sums recommended here are modest compared to the need. Unemployment is at its highest rate in 34 years. More than 8 million people cannot find jobs. More than another million people have given up looking for work, and are, therefore, no longer in the official unemployment statistics. If these so-called discouraged workers were included in the official statistics, the March unemployment rate would be 9.5 percent, not the 8.7 percent we hear publicized.

In the face of this enormous unemployment problem, we are recommending public service jobs funds for only 310,000 individuals—only about 4 percent of the unemployment. If the economy continues to deteriorate, more may be needed later, but I believe we are recommending about all the funds State and local governments can effectively absorb at this time. Any reduction in funding for public service jobs would merely accelerate the increase in unemployment insurance and welfare costs. Since the taxpayers would thus pay one way or the other, it seems preferable to have people work, for their own dignity and self-respect, not to mention the accomplishments achieved from the public services provided.

Mr. President, we did not provide any new jobs or money—just enough to continue into 1976 the existing level. I recommend adoption of this chapter in full.

Mr. JOHNSTON. Will the Senator yield for one final question?

Mr. MAGNUSON. Yes, I yield.

Mr. JOHNSTON. Is it not a fact that if we fund this at 50 percent—that is, the $812 million—we can keep employed all 310,000 employees until January or February of 1976, at which time, the unemployment rate should have receded considerably?

Mr. MAGNUSON. Except without the certainty of extended funding, local sponsors would have to start phasing down enrollments right away, to avoid massive layoffs all at once. The President's budget predicts unemployment will remain above 7 percent until 1979, which would mean millions of people would be out of work for at least the next 4 years. We need to appropriate the $1,625,000,000 now for fiscal year 1976, to give program sponsors the time to plan good programs—and to avoid the kind of poor planning and "make work" jobs we all dislike.

I hope the amendment does not carry, because I think we are just going to add to the unemployed the kind of people who are the most helpless when they get unemployed.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MAGNUSON. I ask unanimous consent to have printed in the RECORD also my complete arguments in support of the Senate Appropriations Committee recommendation of $1,625,000,000 for public service jobs, as well as by reasons for opposing the amendment to cut $812,500,000.

There being no objection, the arguments were ordered to be printed in the RECORD, as follows:

ARGUMENTS SUPPORTING SENATE APPROPRIATIONS COMMITTEE RECOMMENDATION OF 1,625,000,000 FOR PUBLIC SERVICE

1. The President requested this $1,625,000,000, and the House has already approved it. This is not a "budget busting" program.

2. These funds would simply maintain the current program level of 310,000 public service jobs. Without these funds, local program sponsors can be expected to start phasing-down the current level of enrollees.

3. Unemployment is at its highest in 34 years—since the beginning of World War I. Unemployment is officially 8.7 percent for March, 1975—or more than eight million jobless people looking for work. More than another million people have given up looking for work, meaning the unemployment rate is really 9.5 percent for March.

4. If Congress cuts back on public service jobs, it may cost just as much to force more people onto welfare or unemployment rolls.

5. Welfare costs are already estimated to be $15 billion in fiscal year 1976; unemployment benefits will cost an estimated additional $16 billion.

6. This is a temporary program, to meet an emergency high unemployment situation, to try to help keep the Country out of a deeper and prolonged recession.

7. Congress needs to stimulate the economy toward recovery. By cutting back on public service jobs, the Congress would only create more unemployment.

8. This program provides jobs for less than 4 percent of the unemployed—about the same percent as the 1972 program—despite the fact that unemployment today is almost double that of 1972.

9. More than 2 million people have lost their jobs in the last four months; yet we are merely talking about funds to maintain the current level of public service jobs.

10. Many cities are losing so much tax revenue in this recession, they are being forced to lay off employees. Without emergency Federal funds to provide more jobs, the unemployment situation will continue to get worse.

11. The enrollees in this program provide valuable public services that would not otherwise be provided by State and local governments and become taxpayers instead of "tax eaters." They are prohibited from simply replacing the jobs of laid-off employees.

12. A Department of Labor survey indicates that only about 6 percent of public service jobs enrollees were formerly city employees. Therefore, the fear that cities are laying off employees only to rehire them with Federal funds is largely unfounded.

ARGUMENTS AGAINST AMENDMENT TO CUT $812,500,000 FROM PUBLIC SERVICE JOBS PROGRAM

1. Impact of Amendment:

A vote for this amendment would be a vote to destroy about 100,000 jobs. Congress would be voting to make the recession worse, not helping to stop it.

2. Deficit and Expense Issues:

Cutting this program won't reduce the deficit; it would only increase money spent on welfare and unemployment compensation.

3. Inefficiency Issue:

Inefficiency results from local sponsors not being able to plan because of uncertainties about Congressional funding. The money in this bill would sustain the current program level through fiscal year 1976 and give sponsors lead-time to make plans.

4. Replacement of Local Funds with Federal Funds Issue:

The fear that cities and States are laying off employees only to rehire them with Federal funds is not supported by the facts: only 6 percent of public service jobs enrollees were formerly State and local government employees, according to a Labor Department survey.

5. Administrative Abuses Issue:

Experience so far under the public service jobs program is that ineligible enrollments have been less than one percent of total enrollees. Getting rid of this one percent of illegal enrollments is an argument for better Congressional oversight, not an argument for cutting the program.

6. Labor-Intensive Issue:

To fight recession, we want to sustain consumer spending; this can most quickly be done by creating temporary public service jobs.

Capital-intensive projects are fine, but they take longer to create jobs; we need to stimulate the economy now. (Note: This bill also contains $375 million for capital-intensive public works projects under Chapter V, for the Commerce Department.)

The advantage of temporary public service jobs is that they can be quickly eliminated as unemployment recedes. Capital projects often take years to complete, and thus could lead to inflation if they continue after the recession is over.

7. "Make-Work" Jobs Issue:

Most enrollees are in vital public service professional jobs. Here are some examples: policemen; guards; correctional officers; teachers; library aides; draftsmen; surveyors; firefighters; homemakers; accountants; recreational specialists; tree trimmers; painters; plumbers; landscapers; carpenters; mental health aides; and nutritionist trainees.

Here is a breakdown of enrollment by major job category:

Category:	*Percent of Enrollment*
Education	17
Law Enforcement	12
Office Work	21
Public Works, Transportation	19
Health	8
Social Services	9
Parks and Recreation	9
Fire Protection	2
Environmental Quality	3
Total	100

Mr. MAGNUSON. I yield the floor.

Mr. JAVITS and Mr. SCHWEIKER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania has the floor.

Mr. JAVITS. Mr. President, will the Senator yield for a moment?

Mr. SCHWEIKER. Without losing my right to the floor, I yield.

Mr. JAVITS. I wish to answer that question. I should not interrupt the Senator otherwise.

With regard to Senator JOHNSTON'S point made to Senator MAGNUSON about cutting this in half, keeping the same number on until next year, then if we want to, we can reappropriate, the difficulty is that we cannot have the argument that, well, they only have 290 and they can take 310, and take advantage of it, too, by that assertion. The reason they only have 290—by the way, that is very close to 310; they are doing very well; they have done worse before—is that it takes a while to build up. If we really want the right people in this program, we cannot have the threat of laying them off. No community is going to lay them off in 10 minutes. They are going to gradually taper them off. Therefore, the whole system will be dismantled if they are put in this kind of peril which the Senator proposes to put them in. Considering the rate of unemployment and, as Senator MAGNUSON has pointed out, the rather hardcore person to which this type of employment applies, I would consider that highly improvident.

If that is the Senator's central argument against this, for me—and as the Senator knows, I have lived with this a long time and was the original author of it—for me, there seems to be one of of the very reasons why we should not do it, because we would disable these communities from doing exactly what we want them to do, which is to be careful and to apply this program to the people who really ought to have it and to build up slowly and not be faced with a proposition of suddenly turning them off during the fiscal year.

Mr. JOHNSTON. Will the Senator yield for a question?

Mr. JAVITS. I would yield gladly but I do not have the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania has the floor.

Mr. SCHWEIKER. I should like to make one statement. I have had the floor for 10 minutes and have not said a word though I shall afterward.

I rise as a member of the Labor-HEW Appropriations Subcommittee and as an author of this bill. I also serve with my distinguished colleague, the senior Senator from New York, on the Committee on Labor that authorized this program. He was a key leader in that program when it originally got started. So I certainly think his input here is very critical. I wish to emphasize a few things I think needs to be repeated in view of the urgency of this situation.

This $1.6 billion is basically money that the President requested for this public service jobs program. This is not an overage, this is not a budget buster. We are not in disagreement with the President. This is basically his figure. We have accepted it, so did the House, and in essence, it is not an overage in terms of busting the administration's budget.

Second, unemployment is the highest it has been in 34 years, since the beginning of World War II. While it is officially at a peak of 8.7 percent, with some 8 million people out of work, the number of jobless actually is probably a million higher than that because we do not record people who have given up looking for work. The Bureau of Labor Statistics estimates that the number of unemployed is probably a million higher than the official figure, or about 9.1 percent, which is a pretty horrendous figure.

Third, we are kidding ourselves if we think we can cut this amendment and save money, because what is going to happen is that people who will not get these jobs will either go on welfare or unemployment insurance. In either event, we shall end up footing the bill.

I think the alternatives here are, do we do it in a way that plays a constructive, positive role in our society, or do we put people on welfare for a handout or give them unemployment benefits?

What has happened is that, in just 4 months, some 2 million people have lost their jobs. That is a pretty serious dent in our whole employment picture, so to be cutting back in this program at this time, I think, would be wrong.

Finally, in spite of the fact that there has been some charge that, basically, the cities have laid off people and then turned around and rehired them, I reply to that in two ways: First of all, a Department of Labor survey indicates that only about 6 percent of public service jobs enrollees formerly were city employees. So to the extent that that is true, it is only 6 percent true and it is 94 percent not true. I think that is an important point to make.

The second point to make is that on the 6 percent that it is happening to, is this not a rather logical happening in a recession? Because a city has a budget failure, a budget cutback, a decline in revenues, they may have no recourse but to lay people off. That is the only option they may have. Some cities may not have the authority we do to go out and borrow money, so, in essence, they lay people off.

Obviously, then, if they get funding for moneys they did not have, they need essential services maintained, so they are going to rehire some. Therefore, I think it is a logical explanation, with all the budgets of the cities and States shrinking, that there would be layoffs, but there would be some rehiring.

So in essence, Mr. President, I think this is a viable program. I think it is badly needed, and I hope it will be accepted.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MAGNUSON. Mr. President, will the Senator yield so that I may ask for the yeas and nays on the pending amendment?

Mr. JAVITS. I yield.

Mr. MAGNUSON. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JAVITS. Mr. President, I ask unanimous consent to yield to the Senator from New Mexico without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I have a question to address to both the Senator from New York and the Senator from Washington, but let me first say I am going to support the amendment. This amount is in the President's budget, so it is no new program. He apparently has it all analyzed in his departments, and they can use it.

I shall not be able to change the minds of any of the Senators who have spoken, but I should like other Senators to understand that that is not the issue. Many of the things that are supposed to create jobs in America are not in the President's budget. If we are going to play the game that we pick out of the President's budget, the job-creating programs which he supports, and say we should not cut them, but then we add $2, $3, or $4 billion to create jobs that he did not have in his program, we ought to have some real justification for it.

I do not agree that the public service employment measure, at least the emergency portion of it—perhaps the ongoing CETA portion is for those people who could not get a job elsewhere, but the emergency public service portion of it is not for people who cannot get jobs elsewhere. In fact, it is assumed that we would pick up unemployed construction workers and others looking for work, and put them on temporary employment. So I think any argument that the full funding under the President's program of public service jobs should be followed, or those people who are on that program will have no other place to go, is to ignore $4 billion worth of other job-producing stimulators in this appropriation bill. The same kind of people ought to be looking for those jobs, whether they are in construction, highway maintenance, or whatever they are. If we tell anyone that the full thrust of the President's public service jobs is to get people employed by cities, counties, and States that cannot be employed otherwise, it is just not true.

The second reason why I am going to support this proposal is that we have not even had the budget balancing proposal in the concurrent resolution presented. In both Houses of Congress, that will be started next week. I apologize for not having this down to the hundreds of thousands, but I will have to stick to millions.

If this bill is approved and becomes law, my rough calculations tell me this: We have today, before we ever get the budget ceiling in the concurrent resolution, with all the hoopla that our $67 billion deficit is too big and the House's $71 billion deficit is too big, we have right here in this measure added a minimum of $2 billion to the President's budget, which means that of the $7 billion or $8 billion latitude that we have for all the rest of the appropriation bills—that is, the latitude between $60 billion and $68 billion—we are going today to use up $2 billion of that, and we do not yet have a budget ceiling agreed upon on tentative functional areas even before us.

So everyone ought to know that, come this next Wednesday, Thursday, or Friday, we will approve a concurrent resolution, I hope, saying we all want a $67 billion deficit, more or less based upon the Senate figures; and I think it is fair that everyone know that with the outlays here for 1975 and 1976, if spent—and they are outlays, not authorizations—we will have, with this bill, taken up more than two-fifths of the difference between the President's budget deficit and the one recommended by the Senate or the House, whichever way you figure it, both of which budgets have already cut the military, for those who want to stand up and say we will take it out of the military.

The House Budget cut the military by $5 billion already, in the deficit I have just described, and the Senate Budget Committee estimates cutting it about $2 billion. So I hope everyone understands that the new jobs stimulators in this measure should not be increased, and we pull out of the President's budget the new job stimulators that he recommended, without everyone understanding that there are a lot of things back here he did not recommend, and the question is, if he had those in place, what would he recommend in outlays on public service jobs?

The second question is, are we prepared today to use up, before we have ever considered the budget positions for next year, somewhere between one-fourth and one-fifth of the deficit disparity between the Budget Committee recommendations and the President's, before we have even got the other one before us?

I support this amendment on the basis that at least as to $600 million, the Senator is saying leave the public service jobs in place, and we can look again in 6 months and see if we need some more. That is basically what I think we ought to do, if we want to have a budget ceiling with some functional limitations as a part of the budget reform process. I think it would be absolute chaos to take part of the President's budget and say, "We are not extending it without looking at the other things we are putting in." I am here to support the Budget Committee's limit, not the President's, but I think everyone ought to know what we are doing here today respecting outlays for 1975 and 1976.

Mr. JAVITS. Mr. President, my position is 180 degrees opposed to that of the Senator to whom I have just yielded, for the very solid reason stated by Senator MAGNUSON and Senator SCHWEIKER. The solid reason is this: We are not going to save any money by doing what we wish to do. All we will do is disable the counties and cities from doing a good job by putting them in doubt as to termination of this program in the middle of the fiscal year. We will simply compound all the difficulties we have taken a long time to overcome and have now overcome.

Every one of these people will go on extended unemployment compensation, or, Heaven forbid, on welfare.

These jobs are very low paying. Even the Senator himself concedes in his own statement that they only come to around $6,000 a year.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. PASTORE. Mr. President, I listened with great attention to our distinguished colleague from New Mexico, but I think what we are overlooking here is the human element. It all depends on what the situation is in your State how you arrive at what may be considered to be compassion, to be justice, to be equity, and to mean jobs.

Rhode Island is right at the top in unemployment. I am not boasting about it; it breaks my heart to admit it on the floor of the Senate, but we have more people unemployed in Rhode Island today than we had during the Great Depression.

The big question here is, what are we going to do about it? Are we going to talk about the budget? Did we talk about the budget when we gave $150 million to Vietnam? Did we talk about the budget when they asked for $90 billion for the military? It means to give people jobs, and they are lined up hundreds deep in Rhode Island in that line, waiting for a little bit of a paltry sum as unemployment compensation.

I say to the Senate, if you do not want to ruin this country, if you do not want marches on Washington, you had better begin to do something about putting people back to work, and that is what this is all about. That is the name of the game, putting people back to work, where they can pay taxes, so that the towns and the cities can become fiscally stable.

That is what we need to do. This idea that, we do not know about the budget, well, I know a lot about unemployment. I do not know how many people are unemployed in New Mexico, I do not know if it is over 20 percent in New Mexico, but that is about where it is in Rhode Island.

I am telling you I get letters every day. People are walking our streets looking for work, and they cannot find it. So they go to unemployment compensation and, after awhile, we become a little excited here, and we extend it for another 13 weeks, and maybe we will extend it again for another 13 weeks. I am telling you that this is a desperate situation where I come from.

It is easy enough if you come from a State where you have oil, where you have agriculture, where you have tobacco that is being supported by the taxpayers. It is a different situation. You should see them in my State. They go into the supermarket—I do not know how many Members of the Senate go into the supermarket with their wives, but I do—and then to see these people pick up a piece of steak, look at it, admire it, and make a funny face and then put it down because they cannot buy it, because they are out of work.

I say, you do this, you eliminate these jobs, and you cut 500 jobs out of Rhode Island, and maybe you will give yourself satisfaction that you balanced the budget or you made the deficit a little smaller, but what do I say to the 500 that you are cutting in my State? What do I say to them? "Go and fish for yourself?" Or is somebody here in the Senate going to listen to them?

I say this is something we considered in the committee. We do not have starry-eyed spenders. We do not have a Magnuson who just throws this money around. We do not have a committee that throws the money around. I am saying right here and now we had better begin to do something about putting Americans back to work, otherwise we will all end up behind the 8-ball.

I repeat again, it breaks my heart to admit it, but we are No. 1, we are Hertz in Rhode Island, when it comes to unemployment. If anybody gets any satisfaction from that, the senior Senator from Rhode Island cannot, and I am going to vote this down with a loud "No."

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. JAVITS. I have the floor and I would like to make my statement and then I will yield.

I think the Senator from Rhode Island has put it very, very eloquently, and I would like to break down his argument into the details which are vital to the arguments made by Senator JOHNSTON.

In the first place, Mr. President, whatever may be said about the fact that the Senator from New Mexico would not like us to argue that the President wants this program, he does want it. I do not see why, if they can pick out what they want to break down, we cannot pick out what we want to build up. Every Senator is at liberty to vote for this and not for something else or to move to amend something else and reduce it.

The fact is that the argument is pertinent that the President and the administration favor this program. Here is a letter from the Department of Labor today, and I ask unanimous consent that it may be printed as part of my remarks, signed by the new Secretary, John T. Dunlop, and it reads as follows:

> This is to affirm the Department of Labor's support for the President's request for $1.625 billion for continuing the public service employment program under title VI of the Comprehensive Employment and Training Act through Fiscal Year 1976. Without these funds, financing of presently employed individuals would be curtailed, and presumably layoffs would occur as early as July 1, 1975.

May I read that again:

> . . . as early as July 1, 1975.
>
> In view of continued projections of high unemployment, we cannot support a reduction in the present request.

May I read that again:

> we cannot support a reduction in the present request.

The administration itself, Mr. President, is, unhappily for us, predicting that the 8,700,000 now unemployed are very likely to continue through this fiscal year and next and, as is shown by Mr. Dunlop's letter and just what I said a minute ago, in answer to this idea, "We will keep them on but in danger of going off at the turn of the year," all these municipalities are going to begin to reduce now. You cannot run a program on any such uncertain and chancy basis as that which involves tens of thousands of people.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF LABOR,
Washington, D.C., April 25, 1975.
Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: This is to affirm the Department of Labor's support for the President's request for $1.625 billion for continuing the public service employment program under title VI of the Comprehensive Employment and Training Act through Fiscal Year 1976. Without these funds, financing of presently employed individuals would be curtailed, and presumably layoffs would occur as early as July 1, 1975. In view of continued projections of high unemployment, we cannot support a reduction in the present request.

Sincerely,

JOHN T. DUNLOP,
Secretary of Labor.

Mr. JAVITS. I wish to remind my colleagues, that there are expected to be 2 million people using up their unemployment compensation benefits, including the additional 13 weeks Congress authorized last December. Many here have worked very closely together with me in an effort to continue those benefits, but 2 million workers will exhaust by the end of this year, not this fiscal year but this calendar year, and this is expected to occur at the rate of about 400,000 a month, anybody who was fired out of one of these jobs can go right on the Federal purse for unemployment assistance all over again, and it just does not make any sense.

Mr. President, the position I have just read from the Department of Labor is backed by the U.S. Conference of Mayors, and the National League of Cities, and I ask unanimous consent that the letter be printed in the RECORD as part of my remarks, and letters from the National Association of Counties and the National Governors' Conference.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NATIONAL LEAGUE OF CITIES, UNITED
STATES CONFERENCE OF MAYORS,
April 25, 1975.
Hon. JACOB K. JAVITS,
U.S. Senate, Washington, D.C.

DEAR SENATOR JAVITS: It is our understanding that an attempt will be made today, in consideration of H.R. 4481, to reduce the funds appropriated for Title VI of CETA by $812.5 million. We are strongly opposed to this amendment.

The only weapon that has been brought to bear directly on joblessness in the nation's cities over the past six months has been public service employment. While over the coming quarters, the effects of the tax cut will begin to be felt, the concentration of long-term unemployment will continue in our urban areas at higher levels than has been experienced in many decades.

Public service employment programs have been implemented rapidly and efficiently despite the relatively short lead-time for planning. These programs will shortly peak at a level of approximately 310,000 jobs—an inconsequential level when compared to the over 10 million Americans potentially eligible to participate and the urgent public service needs that exist in urban areas.

These programs are geared to workers at the lower end of the skill spectrum, those traditionally last hired and first fired. Their immediate needs for jobs are enormous and the benefits produced by their work in public service are substantial. At the same time, the initial funding outlays necessary to sustain these employees are reduced by at least half when the net economic effects of increased tax revenues, decreased transfer payments and multiplier effects are considered. These benefits are furthermore increased by offsetting the potential social costs of increased crime, family instability and social unrest that arise when dignified work is no longer available.

Expanded public works activities are also needed to help address these problems, but not at the expense of public service jobs. These programs have different service effects, different objectives, different geographic impact and different client constituencies and are therefore not substitutes for each other. Public works are greatly needed to offer an economy—with a predicted unemployment rate in excess of 7% over the next five years—a long-term stimulus that can engage our most highly skilled and productive workers. In recent experience these projects have not been significantly directed toward urban development where joblessness and public needs are most concentrated. An urban-oriented public works program *and* a parallel public service employment effort would combine in their efforts to serve both long-term and immediate job creation objectives for the lowest as well as the highest skilled workers.

We therefore urge that in your consideration of the Emergency Employment Supplemental Appropriation of 1975 these dual objectives be kept separate and distinct. At this time the $1.625 billion for public service jobs included in this measure will barely suffice to sustain the existing level of public service employment, at a time when substantial increases are warranted. The prospect of layoffs of subsidized workers resulting from inadequate federal resources is a definite possibility in the $1.625 billion figure is reduced. We strongly urge that the Senate reject this amendment.

Thank you for your consideration of our views.

Sincerely,

ALLEN E. PRITCHARD, Jr.,
Executive Vice President, National League of Cities.
JOHN J. GUNTHER,
Executive Director, U.S. Conference of Mayors.

NATIONAL ASSOCIATION OF COUNTIES,
Washington, D.C., April 25, 1975.
Hon. JACOB JAVITS,
Senate Subcommittee on Employment, Poverty and Migratory Labor, Dirksen Senate Office Bldg., Washington, D.C.

DEAR SENATOR JAVITS: The National Association of Counties strongly supports Senate approval of H.R. 4481. Counties will face massive layoffs of public service employees on June 30, 1975, if the full $1.625 billion for Title VI is not passed by the Senate today. In addition to these potential layoffs coming at a time of unsually high unemployment, counties are also concerned with the resulting loss in human services to their residents which would result from any reduction of the $1.625 billion level.

Counties moved quickly to place people in public service jobs as soon as money was made available under the act. In fact, most counties doubled and tripled their hiring by converting these dollars into shorter term jobs, This has created an even larger number of people who would lose their jobs if the full $1.625 billion were not appropriated.

Counties have used public service job monies to create productive jobs which provide necessary services in communities across the country. Despite anecdotal impressions to the contrary, CETA is working and is vital to our nation's economic recovery.

Sincerely,

BERNARD F. HILLENBRAND,
Executive Director.

NATIONAL GOVERNORS' CONFERENCE,
Washington, D.C., April 25, 1975.
Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR JAVITS: As the Emergency Employment Appropriations Act of 1975 (H.R. 4481) comes to the Senate floor for debate, we are aware of efforts being made to reduce the public service employment funds requested by the Administration and passed by the House. The House-passed measure would fully fund Title I of the Emergency Jobs and Unemployment Assistance Act of 1974.

During their February Mid-Winter Meeting here in Washington, the Governors adopted the enclosed resolution, the thrust of which is an endorsement of a mixture of public service employment and public works programs to create jobs during this recession.

Since the Administration is threatening a possible veto of the legislation because of the several billion dollar public works additions, not because of the public service jobs and summer youth program components, it seems peculiar that the attempt to cut the total dollar figure of the bill is directed at an unobjectionable portion of the total with the argument that the sum is budget busting. That is the same argument used by the Administration for the public works portions.

It should be clear that enactment of H.R. 4481 with less than the PSE appropriation recommended by the National Governors' Conference will require the termination of some CETA participants during the height of the recession when other employment may not be available. Costs for unemployment insurance, welfare, and food stamps would, therefore, be correspondingly higher.

The National Governors' Conference called for a balanced approach to solve our unemployment dilemma because too great a reliance on only one alternative would not provide the broad-based stimulus we need. Sole reliance upon public works projects would particularly assist our depressed construction industry and its employees, but may not fairly provide for women or the disadvantaged who are more equitably served through programs such as PSE.

We trust the Senate, in its wisdom, will enact a balanced program as it votes upon H.R. 4481.

Sincerely,

JAMES L. MARTIN,
Director, State-Federal Affairs.

PUBLIC SERVICE EMPLOYMENT

The National Governors' Conference supports and encourages policies that enable all Americans to achieve and maintain self-sufficiency and gainful employment opportunities.

The NGC wishes to state that Governors have an obligation to provide immediate assistance to those unemployed Americans who suffer during periods of unusually high unemployment, utilizing the resources available to States, such as public service employment, unemployment insurance, and public works programs. The NGC recognizes, however, that public service employment alone will not, and cannot, solve America's economic problems nor provide long-term solutions for our citizens.

The Nation's Governors support all efforts made by the Congress and the federal government to provide meaningful and dignified ways to provide unemployed Americans with public service employment opportunities, unemployment insurance assistance and jobs through public works projects.

The Conference supports the following policy recommendations:

1. That Congress appropriate at least another $1 billion from the initial $2.5 billion authorization of Title VI of the Comprehensive Employment and Training Act of 1973.

> (a) It should be recognized that if no additional funds are appropriated for public service employment beyond those of December 1974, then further payments under unemployment insurance, welfare, and medicaid programs will be made correspondingly higher.
>
> (b) While it is anticipated that Congress will monitor the progress of city, county, and state public service employment utilization, it is suggested that this new recommended $1 billion and other appropriations for fiscal years 1975 and 1976 be made available to individual prime sponsors when they have effectively and fully committed previously appropriated funds.
>
> 2. That Congress extend Title I of the Emergency Jobs and Unemployment Act of 1974 (CETA Title VI). This extension should include a funding authorization that will provide such sums as may be necessary to enable a significant number of unemployed Americans to receive public service job opportunities. The extension, at a minimum, should continue through fiscal year 1976.
>
> 3. That the Act and Regulations for the Emergency Jobs Program be amended immediately to state that "prime sponsors utilize at least 85 percent of the funds for wages and fringe benefits and 15 percent of the funds for administration, training, supportive services and job related equipment for participants in the program."
>
> 4. That state, city, and county governments develop and maintain effective cooperative working relationships in the administration of all public jobs programs, including the provision of equitable state public service employment opportunities in areas of over 100,000 population.
>
> Proposed by Committee on Human Resources.
>
> Adopted February 20, 1975.

Mr. JAVITS. Now, Mr. President, instead of my arguing the thing, let me read to the Senate what is stated in the Manpower Report of the President which has just been transmitted by the President to Congress. It is not very long and it is worth reading, at least an excerpt from it, which appears at page 47 on this matter.

It states as follows:

> A General Accounting Office evaluation of the public services provided with EEA money cited examples of parks, libraries, and other public facilities which remained open for longer hours; much more police on the streets in high-crime areas, and of increased staffing for overworked departments. In many cases, the report stated, staff cutbacks were avoided by designating the new hires for old job openings.
>
> Perhaps the best criteria for judging the usefulness of the positions created under PEP are the feelings of the workers and supervisors involved in the program. Reports from both regular and high-impact programs indicated that most employees feel their jobs were fulfilling public service needs. In addition, most supervisors indicated a high level of satisfaction with their PEP employees, ranking them as generally better than average in their work habits and efficiency when compared with government employees.

I ask unanimous consent that the table which accompanies this report showing the division of public service employees as of now as showing the highest number in public works and transportation, the next highest number in education, and the next highest number in law enforcement, all critically important categories of work as far as we are concerned, be included in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

[In percent]

Employment category	PEP	State and local employment, 1971
Law enforcement	15	7
Education	19	52
Public works and transportation	23	7
Health and hospitals	8	10
Environmental quality	5	4
Fire protection	2	3
Parks and recreation	9	3
Social services	7	3
Other	12	11

Mr. President, I deeply believe that when we are spending, as has already been pointed out, $15 billion in fiscal 1976 for welfare costs at the Federal level, and $16 billion for unemployment compensation at the Federal level, and when you lay that, which is 10 percent of the $16 billion, beside this figure, considering the constructive nature of it, and the fact that it deals essentially with those unemployed, and I now read from the statute which is applicable to this, "who are the most severely disadvantaged in terms of the length of time in finding employment without assistance under this title, to wit, public service employment referral," then, Mr. President, I think it appears absolutely and conclusively that at least to the extent that can be provided, at least these 310,000 jobs, it is an essential, vital and indispensable element for dealing with the catastrophic unemployment situation in this country.

For those reasons, I hope very much the amendment will be rejected.

Mr. PROXMIRE. Mr. President, I support the amendment of the distinguished Senator from Louisiana to cut funding for this program. The Emergency Employment Appropriation Act we are considering today would provide over $6 billion for the creation of about one million jobs of short duration. It would have a substantial adverse impact on an already staggering projected budget deficit. Since these are dollars that would be spent very quickly, it will be reflected at an early date in the deficit and will, in all likelihood, exceed $70 billion in fiscal 1976.

I should point out to the Members of the Senate, having acted as we did on the tax reduction bill, the impact of that bill, the biggest fiscal impact will be this quarter—in fact we are told that the annual rate, the deficit at an annual rate during this quarter, will be over $100 billion.

That is because, of course, there are rebates in this quarter, plus refunds from last year. We can expect, therefore, a powerful stimulus from the tax reduction and while it is difficult when we have more than 8 percent unemployment to feel we can overstimulate the economy, it is true that we can very seriously upset our capital markets. We can reverse the healthy dolling of interest rates, and begin to push them up because of the effect of too much Government spending and borrowing to finance it at this time.

I think that for the reasons that the distinguished Senator from Louisiana and the distinguished Senator from New Mexico have given us, we ought to take a long look at this bill and support the Johnston amendment.

All that Senator JOHNSTON is asking us to do, as I understand it, is not to cut jobs, as he pointed out, but to cut the funds so that between now and January 1 we can consider the situation and see whether or not, under the circumstances, it is wise for us to proceed with this large expenditure.

As the distinguished Senator from New Mexico pointed out to us, the budget ceiling has been recommended by the Budget Committee and if we stick to that ceiling, and I hope we do, if we stick to it, it means we will be strapped if we adopt this bill unamended today.

Mr. President, under these circumstances, the Johnston amendment is logical, it is responsible, it is not a cruel and inhuman amendment. It will not reduce the number of jobs, necessarily. Maybe it will, but we have plenty of time between now and January to decide whether to restore the amount we would cut here.

Mr. President, I think we ought to recognize——

Mr. MAGNUSON. Will the Senator yield for half a second?

Mr. PROXMIRE. I yield.

Mr. MAGNUSON. I want the RECORD to be correct, but the Department of Labor says that they have to let them off July 1, not January, if the amendment carries.

Mr. PROXMIRE. Well, it may be that the Department of Labor would have to make some reductions in spending before the end of the calendar year, but I would doubt very much they would have to make very substantial cuts.

It seems to me in a program this massive, when we have already passed highly stimulating legislation in the form of the tax cut, that this may well go too far.

Mr. President, I would hope also we consider the fact that there are other programs that may be far better than this that we can adopt. I think the public service jobs program is attractive and does make sense, but as a program it is essentially, basically, a make-work program. Far better than welfare, I agree, and better than unemployment compensation, but we can take other actions and we ought to be free to take them, to do work that must be done in this country, build houses, provide sewer and water and to provide many other things that are being held up.

I would hope that we do not rush. The Johnston amendment has the great advantage, telling us now that we ought to hold up on this so we can take a second look at it and determine, once we have acted on the budget, recommendations and set the ceiling. We can then determine whether or not this is the best way, the most responsible way to provide jobs, and the best way from the standpoint of our country and also from the standpoint of the prospects of aggravating our capital markets and setting off, an inflation spiral once again.

I yield the floor.

Mr. MAGNUSON. Vote.

Mr. FORD. Mr. President, I would like to use a few moments just to support the distinguished Senator from Washington's comments that he made as to the broad scope of support this money would help in the local communities, from law enforcement to libraries, and various areas in which this money would help the communities.

One point I wish to make, and that is that the distinguished Senator from Wisconsin said we need go into emergency housing, I thought we passed his bill yesterday.

The distinguished Senator from Rhode Island talks about people standing in line for a pittance, and he admits, and I believe I would admit and anyone here would, that the people in our State would rather work than beg.

And what happens to the communities? What happens to State government?

We stand here today doing the same thing that we have always done. We encourage the cities to join in with a program here of the Federal Government and then we cut their legs out from under them by saying that we are going to cut their program in half and see what it will do in January and we may give them some more money.

We say the same things to State government, and they cannot run an efficient State government or an efficient local goverment if we are going to continue to do this to the people that have the respect and responsibilities in their communities.

It is somewhat exasperating to a former Governor to come here, only a very few months away, and have to live under this cloud. I would hope my colleagues would say to those in the communities who have the responsibility of working closer to the people than we, those Governors who have to run their States, they are closer to the people than we are, "Go on, you are doing a good job."

Not a word has been said about the employment at the local level. That is bad. Do not cut the legs out from under these people who are trying at the local level to shore up what you and I want to do. We pass the legislation here, but they carry out the job down there.

I ask Senators to vote this amendment down and say to our people out there in the communities and in the States, "You have a program, stay with it, we want you to know we support you."

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, the distinguished Senator from Kentucky, I think, put his finger very well on some of my concerns when with his parting remarks he said, "You have got a good program, stay with it." And the distinguished Senator from Rhode Island when he said, "Let us put the cities back where they can be fiscally stable."

In effect, what we have got here, Mr. President, is a program that threatens to become permanent. It is very difficult to create jobs and then ever come along at any other time and comfortably let go those jobs. The jobs soon become permanent. The spending soon becomes permanent.

The distinguished Senator from Rhode Island would divide up this Senate into those who have compassion and empathy and sympathy for those who are unemployed—and those, apparently, would oppose the amendment, and the others would be hardhearted and have no sympathy and no compassion for those who are unemployed and who are picking up——

Mr. PASTORE. Will the Senator yield on that point

I never said such a thing. All I said is that to know unemployment—to have the unemployment we have is to know the problem and to have compassion for it.

Maybe in the Senator's State they do not have that problem. I do not know what the level of unemployment is in the Senator's State. Does the Senator know what it is?

Mr. JOHNSTON. Eight percent.

Mr. PASTORE. Eight percent.

In my State it is 2½ times larger than that. That is a tragedy and it is like everything else, the man who has a full stomach can never understand the pains of being hungry.

That is the point I am trying to make.

To have unemployment and to be frustrated, not meeting it and not being able to solve it, that is the tragedy today.

Mr. JOHNSTON. I agree.

Mr. PASTORE. I did not say the Senator did not have compassion.

Mr. JOHNSTON. No, no.

Mr. PASTORE. I think every Member of the Senate has compassion, I think every Member of the Senate has a big heart, but the question is that sometimes we fail to realize, the fact that there is a situation in one State that does not exist in another State, and that is the point I was making.

Mr. JOHNSTON. I think the Senator made the point very well, very eloquently. The point I am trying to make is that every Member of this Senate does have compassion, but the question is how to deal with this cancerous problem we have. Do we help ourselves by putting what will become a permanent program of unemployment at the expense of the economy of this country?

Mr. President, just about 6 weeks ago Texaco went to the capital markets to try to sell some bonds. They withdrew that offering from the public because interest rates were too high and the responses were not good enough. Why? Because of competition from the Federal Government in trying to get money from the public. And the Federal Government has just begun.

We started off with a $50 billion deficit. This bill adds $6 billion. Yesterday we added over $1 billion for housing and mortgage insurance. We released some $9 billion for highways. Tax reduction was almost $23 billion. We are looking at a $75 billion deficit. What is going to be the result of a $75 billion deficit?

It is going to mean that private enterprise when it tries to go to the capital markets to get the money to create the jobs to build the industry to produce the products to make the things that make America really good are not going to be able to get the money in sufficient quantities to make this free enterprise engine work.

Sure, I have compassion. I have compassion for those thousands in Louisiana who are unemployed. But my people in Louisiana realize that you cannot kill the goose that laid the golden egg. I feel that we are thinking about doing that in this country because of our compassion for people out of work. We are creating jobs in the public sector. One out of 6 jobs is in the public sector. How far can the public sector go without ruining free enterprise? That is our system in this country—free enterprise.

I believe we need public jobs, public compassion. I believe we need programs to get jobs going.

Mr. GOLDWATER. Will the Senator yield?

Mr. JOHNSTON. Mr. President, I believe $6 billion in this bill is enough without adding another $1,625,000,000 for public jobs.

I yield to the Senator from Arizona.

Mr. GOLDWATER. On this subject of compassion, it has been a long time since I heard anybody express compassion for the taxpayers of this country. I think it is time that we worry about that man who is now approachng the point where nearly 50 percent of his income will have to be used to pay for these things we so wantonly handle in this Senate.

Mr. JOHNSTON. I appreciate the comments of the Senator from Arizona.

Mr. MANSFIELD. Mr. President, the yeas and nays have been ordered on the Johnston amendment. Would it be possible to vote at 2 o'clock on the amendment?

Mr. BAYH. With all respect to our leader, I have heard some things discussed here which concern me greatly. It is not that I do not feel that people are sincere. On the matter of compassion, I know my distinguished friend from Louisiana is as compassionate as anybody here. But I think we are basing some of our judgments on a misguided——

Mr. MANSFIELD. As the Senator is aware, this question has been thrashed out for the last hour and a half. I do not think other new arguments can be offered. I am trying to get the Senate going because we have other business this afternoon, too.

Mr. BAYH. I do not want to belabor this any longer than necessary, but I am sure the leader recognizes that others of us can make a contribution.

Mr. MANSFIELD. I withdraw the suggestion.

Mr. JOHNSTON. Mr. President, if I may address the leader, I think most of those who wanted to say something have had the opportunity to speak. I would think we could get a time limitation to accommodate the distinguished Senator from Indiana and not vote by 2 o'clock but shortly thereafter.

Mr. BAYH. I must say I seldom interpose an objection to our leader, and I do not think I spend a great deal of time discussing issues on the floor. But this one I feel very strongly about. I think 10 minutes will be sufficient.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the distinguished Senator from Indiana have the rest of the time and that the vote occur at 2:10. That gives him 16 minutes.

Mr. BAYH. That is fine with me, provided my distinguished colleague from Maine does not have the same kind of yearning in his heart that I do.

Mr. MUSKIE. Mr. President, I have been asked to comment on this from the point of view of the budget to be considered next Tuesday. I can do it in 5 minutes or less.

Mr. MANSFIELD. I ask that there be 10 minutes and 5 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. I think we ought to have another 5 minutes, Mr. President, if there is a question to be answered.

Mr. MANSFIELD. The Senator knows what I am up against, and the Senator has spoken several times on this subject.

Mr. JAVITS. I said there is a question to be answered, can we answer it?

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered. The Senator from Indiana is recognized for 10 minutes.

Mr. BAYH. Mr. President, I feel compelled to offer some concern about some of these arguments and express myself. I happened to have chaired one of the subcommittees on the Appropriations Committee that has a significant component in this bill, as well as having studied the other aspects which are under criticism by our distinguished colleague from Louisiana.

At the risk of repeating what has been said, none of us enjoy the reasons for this bill. There is not a person here who would not rather have no need to consider a measure like this. But I believe we all recognize the need to face the facts as they are, to take off the rose-colored glasses and make some of the painful decisions that will keep this economy from getting worse and start it moving back up again.

That is one of the major reasons that we are here discussing this important piece of legislation—how we get matters on a different track; how we correct some past mistakes.

We are trying to accomplish three basic things. We are trying to provide jobs that everybody knows are necessary. We have over 8 million people out of work. I must say in a free enterprise society I would much rather have people working in the private sector. But there is something wrong in a great, free, and rich nation like ours when you have 8 million people out of work—something very wrong. I must say I do not care whether it is 8 percent or 20 percent unemployment. We sit here employed. All of us are employed. All of us get that paycheck every month. We may be able to sort this out as to high-unemployment areas and low-unemployment areas. But the person who is unemployed, wherever he lives, finds great difficulty in this rationale.

So with great respect to those who may have a differing opinion on this, I think that the jobs that are in this bill are not going to cover the families that do not have wage earners right now. I think it is important, and I certainly salute my distinguished friend from Rhode Island. He has made more progress than anybody else. And also the distinguished Senator from Washington. But let us not feel that we are going to have a lot of jobs out here going begging in this bill. We are just going to provide bare bone essentials. In fact, we will not provide enough.

Second, we are looking for something that yields a return on the investment. Some of these jobs are going to make a significant contribution in this regard and some are not.

There is another very important section in this bill.

Mr. President, for chapter VIII the committee is recommending appropriations for two items—$5 million for the administrative expenses of the U.S. Railway Association for the balance of fiscal year 1975 and $700 million for the Federal Railroad Administration to initiate a program of rail rehabilitation and improvement.

The committee's $5 million recommendation for the USRA is the full amount requested by the Department and included in the House version of the bill. These funds are urgently needed in order to enable the USRA to complete its work on the final system plan which, under the Regional Rail Reorganization Act, is to be submitted to Congress this July 26.

Mr. President, the committee had two purposes in mind in adding the $700 million for the Federal Railroad Administration: first, providing reemployment opportunities for the Nation's railroad workers, particularly those engaged in maintenance of the roadbeds and; second, expediting critically needed assistance to the railroads to enable them to accelerate programs to begin railroad rehabilitation.

The effects of the current recession have been particularly devastating on the railroad industry. Carloadings are down 20 percent from last year, forcing the railroads to reduce their payrolls and curtail their maintenance programs to a marked degree. Results of operations for the first quarter of this year show the largest decline in earnings since the Depression for the Nation's major railroads. The industry lost over $100 million compared with profits of $170 million for the same period last year. It has been estimated that the number of laidoff maintenance-of-way workers that will be immediately rehired under this appropriation exceeds 20,000 people.

In addition, another 20,000 to 30,000 jobs will be provided for other furloughed railroad employees and other unemployed persons who have unsuccessfully sought work for more than 3 months. Of the $700 million contained in the bill, $600 million must be used for wages and related benefits. The other $100 million will be used by the Secretary of Transportation to provide assistance to railroads which show that they are unable to acquire the necessary tools or equipment to implement a rehabilitation project without such additional assistance.

Mr. President, at a time when the Nation must utilize every possible measure to conserve our scarce energy resources, we simply cannot allow our freight and passenger trains to continue to be forced to travel at greatly reduced speeds over much of the country because of hazardous track conditions. Amtrak has estimated that over 25 percent of the tracks over which its trains run are under "slow orders" due to poor track conditions. The USRA says that in the region covered under the Regional Rail Reorganization Act, some 8,000 miles of track needs immediate rehabilitation.

The railroad industry is a very important element of this country's transportation system. We all know of the growing importance of coal as an energy source. Over two-thirds of all the coal mined in this country is shipped by rail. In addition, 70 percent of the automobiles, 78 percent of all lumber and wood materials, 60 percent of chemicals and raw material products, 71 percent of pulp and paper goods, and 66 percent of the country's food are shipped by rail. Surely from these figures it is clear that an efficient and properly maintained rail system will be essential to the Nation for the foreseeable future. This appropriation is not intended as a long-term solution, Mr. President.

The authorizing committees of both Houses of Congress have numerous proposals before them which attempt to resolve the long-range needs of our railroads. The committee views this appropriation as an interim, emergency measure to deal with the immediate problems which it addresses. We worked closely with the Public Works and Commerce Committees in developing this proposal and have been assured that the authorizing committees of both Houses plan immediate action to complete the necessary authorizations for this program by mid-May or thereabouts.

Although the committee in making this recommendation has not followed the usual process of awaiting authorizing legislation and a budget request before making appropriations, the committee views this emergency jobs bill as a unique opportunity to expedite critically needed assistance to the Nation's railroads for rehiring their furloughed employees and for accelerating programs to begin the process of railroad rehabilitation.

I commend to the Senate their taking our item of $700 million to get the railroad maintenance people back to work again. That will have a positive showing in getting people back to work. Many of these jobs by local officials will leave a positive contribution by the community.

Third, and the last thing that I think we have to recognize, is that this is another part of the building block to put this economy back on the right track.

My distinguished friend from Louisiana has expressed great concern about unemployment and employment, but he is particularly concerned about employment in the private sector.

I see the expenditure of these moneys putting people to work and having them being able to buy things that are needed by their families as another shot in the arm.

I listened to our good colleague from Arizona saying that nobody is concerned about the taxayer. We have spent more time debating that tax bill and cutting the people's taxes than on any other issue. We are concerned about the taxpayers. We are not going to solve the economic problems that confront us today with any easy solution. It took that tax bill. It took the housing bill of the distinguished Senator from Wisconsin. It took that highway bill that the Senator from West Virginia and the Senator from Indiana were concerned about yesterday. It takes a freeing up of the pollution money that the Senator from Maine is worried about. In the final analysis it takes this public service jobs program.

It is like trying to suggest that all you need is a framework on a house. That is not the way you build a house. That is not the way you put an economy back together. It takes all of these parts, hopefully working together.

I think this is a very important part of the total package of putting our economy back together.

I am concerned about inflation, but I must say that I have not talked to any economist who has said that the expenditure of this money is going to be inflationary. If you get 1½ or 2 years away, the expenditure of this kind of money is going to be a problem, but it is not going to be a problem right now.

I want to work with the Senator from Louisiana to find a way we can develop a capital investment pool for some of the big expenditures some of those big firms are not now able to meet in the open market.

If we look at the reason why they cannot do it now, we have to go to the Federal Government being involved and see what the Federal Reserve Board has done so far as cranking up the interest rate and cutting back on the supply of money. The Federal Reserve Board has had a significant role in why the corporations have problems.

We are concerned about deficit spending, but I suggest that the taxpayer look at where the major part of this deficit is coming from. It has not come from the Members of this body throwing money out of the rear end of the pay wagon. It has come by 8 million people being out of work, businesses going bankrupt, revenues falling off.

I suggest to my colleagues—I will close now, and I ask their forgiveness for being carried away in this matter—that the best way to deal with the deficit and with unemployment is to get the economy moving and create an incentive so that people are hiring instead of firing, so that people are making money instead of going bankrupt.

With all respect to the distingushed Senator from Louisiana, I think this is an important part—these public service jobs. Let us spend this money now, get these people something to live on and to spend, as an additional stimulation to the economy. A year or two from now, we will have a different situation.

The PRESIDING OFFICER (Mr. LAXALT). The Senator from Maine is recognized for 5 minutes.

Mr. MUSKIE. Mr. President, I rise to speak not so much on this amendment as I do in my capacity as chairman of the Budget Committee.

I simply want to make it clear that in terms of the budget resolution which the Budget Committee will take up on the floor of the Senate next Tuesday, the outlays that would be mandated by this bill could be accommodated by the overall spending ceiling which the Budget Committee will recommend.

We were fully informed as to this program by the Committee on Appropriations in the report the committee filed with us on March 15. We considered this and other proposals for recovery programs; and the totals assumed in this bill—in the form in which it appears on the floor of the Senate—can be accommodated under the overall spending ceiling.

Let me be a little more specific, so that the Senate will understand what I mean.

This bill would provide, as I understand it, $5.5 billion in new budget authority, $485 million in loan authority, and $93 million in the liquidation of existing contract authority, for a total of slightly more than $6 billion for the acceleration of existing Federal programs and projects in order to increase employment immediately.

It is estimated by the committee that this legislation could produce more than 1 million jobs, including 310,000 jobs for adults, for 1 year; 920,000 summer youth jobs, and about 250,000 part-time jobs for students attending college.

The bill greatly increases funding for the two major Federal approaches to the unemployment problem: funding programs for the direct creation of jobs such as public service jobs, and funding for indirect creation of jobs through accelerated Federal construction, building, and purchase programs.

As I understand, it would add $1.6 billion to funds already appropriated in fiscal year 1975 for public service job title VI althorizations. It would add $3.7 billion for the creation of jobs. Government stimulation of construction, manufacturing, and other economic activities, such as acceleration of ongoing public works projects, rural water and sewer grants, improvements in modernization of veterans hospitals, reforestation and timber stand improvements, expansion and upgrading of facilities for Federal parks, forests, and other Federal lands, increased assistance to small business, and other items.

The outlay implications for fiscal year 1976 total $3.7 billion. That can be accommodated within the $4.5 billion that the Budget Committee assumed for recovery job creating programs of this nature. The total of $600 million already had been enacted earlier this year, and another $200 million was approved yesterday in connection with the emergency housing legislation.

Reciting this does not suggest that any Member should adopt these kinds of programs, rather than some other kind, or no programs for creating jobs. But this seemed to us to be a responsible program, initiated on the House side, which was already moving through committees and could be approved quickly, to begin the job of putting people back to work. For that reason, we included it within our overall ceiling on spending.

Some of us would have preferred more than this; but the result, approved by a vote of 13 to 2 in the Budget Committee, assumed this kind of total, and it seems to me that the Senate would like to have that information from the Budget Committee.

I hope that in more normal times, we will have the report of the Budget Committee and will act upon it before we act on the programs which comprise its elements. But we live in unusual times. We were faced with this recession in January, so we had to act quickly, and in advance of the full implementation of the budget process.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MUSKIE. Mr. President, will the Senator yield me another minute?

Mr. MANSFIELD. I yield.

Mr. MUSKIE. With the cooperation of other committees, we were able to get to the consideration of these matters and the proposals, and I am happy to add my endorsement of this program to that of the distinguished Senator from Arkansas and the Appropriations Committee.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. MUSKIE. I yield.

Mr. McCLELLAN. To make it definitely clear, the enactment of this bill, including the amount for public service jobs, is within the ceiling that is recommended by the Budget Committee.

Mr. MUSKIE. That is as I understand it.

Mr. McCLELLAN. Nothing then is added to the deficit than that which is contemplated by the Senator's committee.

Mr. MUSKIE. The Senator is correct.

Mr. NUNN. Mr. President, will the Senator yield on that point?

Mr. MUSKIE. I yield.

Mr. NUNN. Mr. President, I commend the Senator for making this statement. I think it is important, if the Budget Committee process is going to work, that these items be looked at in this context.

As I understand it, the outlays we had in the Budget Committee concurrent resolution are $4.5 billion, and the outlays as a result of this bill are $3.7 billion. We previously had authorized and appropriated outlays of $600 million and $200 million on other matters. If we add the $3.7 billion, the $600 million, and the $200 million, we get exactly $4.5 billion.

Mr. MUSKIE. That is correct.

Mr. NUNN. Would it be a fair assumption to say that if we had any more outlays under any type program, it would exceed the Budget Committee's concurrent resolution?

Mr. MUSKIE. Yes. The only way additional outlays for this purpose could be approved would be to take them out of other functions of the Government or to raise the ceiling. Let us understand that implication.

Mr. NUNN. Unless there were a tradeoff.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. BELLMON. Mr. President, I join in the statements made by the chairman of the Budget Committee I sat through the hearings, and I agree with his conclusion that the amount of outlays contemplated in this bill is in keeping with the conclusion of the Budget Committee.

I point out, as the distinguished Senator from Georgia has just done, that this virtually uses up all the funds that the Budget Committee has budgeted for this purpose. But I feel that since the bill has moved so far toward passage and since these programs can be put into operation quickly, this is the wisest course for the Senate. I am going to support the bill and vote for it, and I will urge the President to sign it.

Mr. HANSEN. Mr. President, the deficit in the fiscal year that ends this June will undoubtedly exceed $45 billion. The Senate Budget Committee is recommending a deficit of nearly $70 billion for fiscal 1976. Mr. President, I do not understand how the Congress can continue to spend money it does not have.

I commend Senator Johnston for his effort to hold the deficit in line. The Johnston amendment to the Emergency Employment Appropriation Act of 1975 will reduce the funding for public service jobs by one-half, from approximately $1.6 billion to $800 million. Clearly a saving of $800 million will help ease the pressures of the Nation's expanding deficit.

Mr. President, the Senator from Louisiana has already indicated many of the problems with public service employment. I find it appalling that it will cost the American taxpayer approximately $6,530 to create each public service job. Moreover, in many instances, the program is so poorly administered that the jobs created are merely "make work." Accordingly, often the money spent results in little or no meaningful improvement to our society.

Mr. President, I voted against the legislation that created this program last year and still oppose it. However, if they Congress is intent on funding this program, I strongly feel that $800 million is enough to spend during fiscal 1976, and urge my colleagues to support the Johnston amendment.

VA-EPA PORTION OF EMERGENCY JOBS SUPPLEMENTAL

Mr. PROXMIRE. Mr. President, chapter II of today's jobs bill will provide $70,930,000 for the creation of 4,742 jobs through Veterans' Administration and Environmental Protection Agency expenditures.

The committee has deleted $175,000 of the $350,000 provided in the House-passed version of the legislation for the hiring of 200 EPA personnel to distribute waste treatment grant funds. However, language has been included in the report which directs the Office of Management and Budget to release 100 positions funded in fiscal 1975 for this purpose. These 100 positions together with the 100 funded in the bill as reported from committee will allow an additional 200 personnel to be utilized to distribute $5 billion in waste treatment funds made available by a recent Supreme Court decision. The cost of the additional 100 positions for the remainder of this fiscal year is $175,000.

This chapter also includes $70,755,000 for the creation of 4,642 Veterans' Administration jobs through the upgrading of VA facilities. Although I am opposed to the expenditure of these funds in today's economic climate, the money would help to put various VA medical facilities and cemeteries in better shape.

The funds will provide jobs quickly. They will all be spent within the next 15 months. Recurring and nonrecurring maintenance at various VA sites will consume $60 million of the $70,755,000. Another $5 million will be spent on the demolition of 95 obsolete structures. A further $5,200,000 will permit the employment of personnel in 82 national cemeteries for 8 months for maintenance. The final $555,000 will be expended on national cemetery construction projects.

As I indicated I have grave doubts about the wisdom of spending this money at this time to create jobs in this fashion. However, in all fairness I must note that the VA dollars included in this section are considered by the administration to be the least objectionable of the expenditures they oppose. Thus, although I must vote against the bill, it is clear that these items would have a fairly high priority if the budget were closer to balance.

Several Senators. Vote. Vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Delaware (Mr. Biden), the Senator from California (Mr. Cranston), the Senator from Mississippi (Mr. Eastland), the Senator from Alaska (Mr. Gravel), the Senator from South Carolina (Mr. Hollings), the Senator from Hawaii (Mr. Inouye), the Senator from Louisiana (Mr. Long), the Senator from New Mexico (Mr. Montoya), the Senator from Utah (Mr. Moss), the Senator from California (Mr. Tunney), and the Senator from Arkansas (Mr. Bumpers) are necessarily absent.

I further announce that the Senator from Iowa (Mr. Culver), the Senator from Vermont (Mr. Leahy), the Senator from Wyoming (Mr. McGee), the Senator from New Hampshire (Mr. McIntyre), and the Senator from Georgia (Mr. Talmadge) are absent on official business.

I further announce that, if present and voting, the Senator from California (Mr. Tunney) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. Brock), the Senator from Massachusetts (Mr. Brooke), the Senator from New York (Mr. Buckley), the Senator from Kansas (Mr. Dole), the Senator from New Mexico (Mr. Domenici), the Senator from Utah (Mr. Garn), the Senator from North Carolina (Mr. Helms), the Senator from Kansas (Mr. Pearson), the Senator from Ohio (Mr. Taft), and the Senator from South Carolina (Mr. Thurmond) are necessarily absent.

I also announce that the Senator from Nebraska (Mr. Curtis), the Senator from Maryland (Mr. Mathias), the Senator from Vermont (Mr. Stafford), and the Senator from Alaska (Mr. Stevens) are absent on official business.

I further announce that, if present and voting, the Senator from New Mexico (Mr. Domenici), and the Senator from Utah (Mr. Garn) would each vote "yea."

On this vote, the Senator from Ohio (Mr. Taft) is paired with the Senator from South Carolina (Mr. Thurmond).

If present and voting, the Senator from Ohio would vote "nay" and the Senator from South Carolina would vote "yea."

The result was announced—yeas 22, nays 47, as follows:

[Rollcall Vote No. 150 Leg.]

YEAS—22

Allen
Baker
Bartlett
Bellmon
Byrd, Harry F., Jr.
Goldwater
Hansen
Hatfield
Hruska
Johnston
Laxalt
McClure
Morgan
Nunn
Packwood
Proxmire
Roth
Scott, William L.
Sparkman
Stone
Tower
Young

NAYS—47

Abourezk
Bayh
Beall
Bentsen
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Eagleton
Fannin
Fong
Ford
Glenn
Griffin
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Huddleston
Humphrey
Jackson
Javits
Kennedy
Magnuson
Mansfield
McClellan
McGovern
Metcalf
Mondale
Muskie
Nelson
Pastore
Pell
Percy
Randolph
Ribicoff
Schweiker
Scott, Hugh
Stennis
Stevenson
Symington
Weicker
Williams

NOT VOTING—30

Biden
Brock
Brooke
Buckley
Bumpers
Cranston
Culver
Curtis
Dole
Domenici
Eastland
Garn
Gravel
Helms
Hollings
Inouye
Leahy
Long
Mathias
McGee
McIntyre
Montoya
Moss
Pearson
Stafford
Stevens
Taft
Talmadge
Thurmond
Tunney

So. Mr. Johnston's amendment was rejected.

Mr. McCLELLAN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WILLIAMS. Mr. President, I rise in support of H.R. 4481, the Emergency Employment Appropriations Act of 1975.

This is strong medicine, which is never pleasing nor enthusiastically prescribed, but it is what the beleaguered condition of our economy requires, and I support it with a determination to discharge a solemn responsibility.

I want to express my deep appreciation to the distinguished chairman of the Appropriations Committee (Mr. McClellan) and the members of the committee for the great care and detailed attention they have given this urgent funding bill. The committee is to be congratulated on the dispatch with which it has considered the numerous intricate issues that arise in such emergency legislation.

The need to act swiftly and decisively is dictated by the grave economic crisis whose human impact is measured by unemployment and its consequences for millions of American families.

Eight million workers are now counted as unemployed. Another million are not counted because they have stopped looking for work, in despair after weeks and months of disappointment.

In my own State of New Jersey, the unemployment rate is 10.9 percent—more than two full percentage points above the national rate. No more than a handful of States can claim the grim distinction that New Jersey claims as a State most ravaged by joblessness and its miserable effects.

Nationally, the number of persons receiving unemployment compensation has doubled over the past year. Some take a measure of comfort in the fact that unemployment insurance is working now, as it was not in the Great Depression, to alleviate the hardship for over 5 million families. But 4 million others were laid off jobs that were not covered by unemployment insurance, and for those 5 million who do receive weekly benefits, they are either less than minimal or in danger of expiring after June 30.

Mr. President, since the recession took hold last fall, the Labor and Public Welfare Committee, which I have the privilege to chair, has targeted on the human impact of joblessness on a personal level. In a series of field hearings around the nation, we have seen and heard personal tragedies first-hand.

Illness strikes a family whose breadwinner is unemployed. The medical bills consume the family's savings and force them into long-term of debt or bankruptcy.

Unemployment benefits averaging $68 per week are far short of a family's needs to meet the monthly mortgage payment and astronomic utility bills. Bankruptcy again.

Still another jobless worker is thwarted in his search for a job, and his unemployment benefits are exhausted after 65 weeks without work. The family spends all its savings, and after depleting their assets completely, they can qualify for the welfare rolls.

Young people drop out of school or college, or vocational training. They cannot find a job and cannot get any help from their unemployed parents.

Businesses close their doors in economically hard-pressed communities, leaving employees and employer alike without incomes.

Viewed in these terms, from the perspective of individual Americans, there can be no reasonable doubt that determined, broad-based congressional initiatives are needed immediately to alleviate the human suffering that the recession has inflicted.

This legislation is a vital part of those initiatives, particularly because of the wide variety of fiscal remedies that are aimed directly at major problem areas of the economy.

The acceleration of public works projects is targeted on relieving unemployment in the construction industry which is hardest hit of any industry with a jobless rate of approximately 25 percent. To the extent that these funds are channeled immediately into labor-intensive projects, they constitute the foremost stimulus contained in this bill.

The $3.7 billion to be approved for this purpose, together with increased purchases of Government automobiles and immediate improvements to Government lands and buildings, can provide a tremendous lift by stimulating construction and manufacturing employment.

Mr. President, it is particularly gratifying that the committee has recommended generous funding of summer youth employment and recreation programs, in response to a need that Senator Javits and I and a number of other Senators enunciated in a letter to the committee on February 28.

The $502.3 million recommended by the committee will provide an estimated 920,000 job opportunities for needy youth this summer. This is an increase of $87.3 million and 160,000 jobs over the amount requested by the President. This appropriation will provide for 9 weeks of summer employment with an average of 26 hours per week at the minimum wage of $2.10 per hour.

In this regard, Mr. President, I wish to note what the committee report has to say about allocation of these funds:

> The Department shall not require prime sponsors to provide matching funds for any part of these supplemental Summer Youth Employment funds.

This language is direct and unmistakably clear, and it has my support.

As I understand the tentative plans of the Department of Labor, a matching requirement was to be imposed as a means of prodding local prime sponsors to obligate some $300 million in unspent CETA funds. However, a matching requirement would adversely affect all of those areas, particularly large cities where unemployment has been worst, where CETA funds have been fully committed in a commendable effort to combat the recession.

To promote obligation of unspent funds, the Secretary of Labor can utilize his authority to reallocate them, and this alternative would not have the effect of undermining the urgently needed summer jobs program.

The committee has also wisely recommended $26 million for summer youth recreation programs, none of which was recommended by the President. I want to emphasize that this amount was derived in order to assure that the 50 largest cities of the Nation will receive no less than they received in 1973 and that the remainder of the Nation will receive funds at a level equal to 1974's allocations. The Community Services Administration, which administers these funds, should not mistake the intent of the committee and of the Senate as contained in the committee report in this regard.

I would also like to direct special attention to the committee's recommendation for an appropriation of $119.8 million in additional funds for the college work-study program. Approval of these funds will constitute a strong and unwavering affirmation by the Congress of the value of this vital program at a time when the administration persists in abolishing it.

Aside from the urgent need of several educational institutions for additional funds under college work-study, the appropriation makes eminent sense in this time of grave unemployment. First, it will make it possible for thousands of students, perhaps hundreds of thousands, to continue their studies rather than drop out of school and exacerbate competition for jobs. Second and more important, there is no better time for expanding educational opportunity than during a recession that features astounding levels of unemployment among youth and low-skill workers. Utilizing our educational institutions to enhance individual potential at this time will pay incalculable dividends in additional productivity of the American work force as a weapon against inflation and expanded job opportunities as a weapon against recession.

The committee's recommendations are similarly appropriate in providing funding of $36 million to provide community service jobs for older Americans, with a stern instruction that the Department of Labor move immediately to obligate these funds and discontinue its efforts to dismantle the national program under title LX of the Older Americans Act.

Mr. President, I want to place particular emphasis on the committee's recommendation of $1.625 billion for public service jobs programs. These funds were authorized as temporary emergency measures in the Emergency Jobs and Unemployment Assistance Act of 1974, enacted on an urgent basis last December pursuant to a recommendation by the Labor and Public Welfare Committee.

The appropriation is critical for the full implementation of the emergency public service jobs program contained in title VI of the Comprehensive Employment and Training Act. The total authorization for the program, agreed to in December, was $2.5 billion.

However, the administration requested only $875 million in an urgent supplemental appropriation and has made no further requests for funds. The $1.625 billion to be appropriated with this act represents the balance of the authorized amount and will fund the emergency public service jobs program until December 31, 1975, at the level Congress felt last December would be sufficent.

In January, however, we learned the grim truth that unemployment was worse, and worsening faster, than anticipated a month earlier. The unemployment rate now stands fully 2.5 percent higher than December. Clearly, additional public service jobs are required, not only under title VI of CETA, but under new program ideas, such as repair and renovation of vital railroad resources. Whatever the mix of public service jobs programs, it is imperative that the Department of Labor take every precaution to insure that the funds are used to supplement, rather than supplant, existing jobs.

Mr. President, there is some measure of pride to be had in enacting this urgent appropriation because as many as 1 million new jobs will result from expenditure of these funds. Added to the 300,000 resulting from appropriations to partially fund the December emergency act, the Congress will have directly and indirectly created an estimated 1.3 million new jobs.

While this is significant, I believe it is important to maintain perspective on the scope of the problem and the level of our effort.

The jobs that will have been created are equal to about one-seventh of the total number of unemployed. In the Great Depression, a nation with far less in resources did far more to provide work for its unemployed. The Roosevelt administration provided jobs for one-third of the unemployed through a variety of work-relief programs, more than twice our level of effort.

Admittedly, the billions of dollars now being expended for unemployment compensation constitute a national endeavor to alleviate the symptoms of joblessness through a program that was not in effect during the worst years of the depression. But, as I have already pointed out, the unemployment insurance systems provides a meager level of sustenance and, more important, it is no substitute for jobs that provide a worker with a feeling of personal dignity and provide society with the fruits of his work.

Mr. President, next week the Senate will begin consideration of the first concurrent resolution on the budget, intended to establish within the Congress a target for Federal expenditures that is appropriate in these times of severe economic strain.

The Budget Committee has recommended allocations that total $365 billion for fiscal 1976, with a budget deficit that would approach $70 billion in that year alone. The committee considered but rejected a proposal by the Senator from Minnesota (Mr. MONDALE) to approve an additional several billion dollars for countercyclical assistance to stimulate the economy.

Such a proposal, while increasing Federal outlays on the order of $8 to $9 billion in fiscal 1976, would also produce significant new Federal revenues as a result of the increased economic activity that would be spawned. A net increase in the Federal deficit on the order of $3.5 billion would result, pushing the total estimated deficit for 1976 to slightly over $70 billion.

It is estimated that these additional Federal outlays would reduce the unemployment rate to 7 percent by the end of 1976.

But the unemployment rate is a relative thing, and relativity is a snare that distracts us from the reality of the flesh-and-blood impact on individual people.

A 7-percent unemployment rate translates into about 6.5 million persons who would be counted as unemployed. An additional 1 million discouraged and disaffected workers would be just as unemployed, but not counted because they have given up hope of finding a job.

In sum, 7.5 million persons would remain among the jobless, even with an additional $8 to $9 billion of economic stimulants. The Senate will have to confront this fact next week when, in considering the budget ceilings for 1976, we shoulder the responsibility to guide the economy back onto the road to recovery.

Mr. BAKER. Mr. President, the Senate has before it today H.R. 4481, the Emergency Employment Appropriations Act of 1975. The bill recommends a total of approximately $6 billion—$5.5 billion in new budget authority, $485 million in loan authority and $93 million for liquidation of contract authority. The purpose of the bill is to accelerate existing Federal programs and projects in order to increase immediately employment throughout the Nation.

While I do not wish to support every provision in the bill, I believe that this approach, which makes use of ongoing Federal programs and attempts to get funds and jobs into the economy now, is superior to the creation of new programs at this time to aid economic recovery. New programs require policy guidelines, regulations, staffing, and separate appropriations—a gearing up process taking several months.

The approach in this bill—of utilizing ongoing Federal budgets and programs to stimulate jobs quickly—is the same idea of the jobs opportunities program, title X of the Public Works and Economic Development Act, which I cosponsored last December along with Senator McCLURE, Senator RANDOLPH, Senator DOMENICI, Senator MONTOYA, and others.

Under the jobs opportunities program, as distinguished from this bill, the effort is made to select projects among the Federal agencies so that areas of highest unemployment receive assistance and the type of Federal activity is appropriate for the type of unemployment in that area. The act also requires prompt initiation of projects and their completion within 12 months.

I am pleased that the Committee on Appropriation recommends full funding for the jobs opportunities program, for I believe it can be most effective. Several of the other activities included in H.R. 4481 were submitted for funding to the Secretary of Commerce under the jobs opportunities program.

By appropriating for ongoing Federal activities now, without waiting for the full appropriation process which is usually not completed until late summer, jobs can be created now. I am concerned, however, that while these appropriations are for fiscal year 1975, ending June 30 of this year, many of them would remain available through June 30, 1976, and others until expended. The budgetary impact of delayed expenditures could, of course, come at the wrong time. The Committee on Appropriations will, however, have an opportunity to make adjustments in the regular appropriations for these agencies during consideration of the fiscal year 1976 budget, taking the increases in this bill into account.

I am also concerned that we are acting in an ad hoc fashion on separate pieces of legislation—with ostensively the same purpose of aiding economic recovery—before the Congress has had time to consider and pass the first concurrent resolution on the budget. For example, we have passed the farm bill, housing bill, and tax bill in recent weeks. Today we are considering an additional $6 billion in appropriations. Other recovery bills, including accelerated public works bills, are under consideration in one committee and before the other body.

While the Budget Reform Act does not become fully operative until fiscal year 1977, I believe it important that we proceed now in the spirit of the act to the fullest extent possible. There is no time when the mechanism we set in place by enacting the Budget Reform Act is more valuable, necessary, or imperative than during economic conditions such as we face today. While such reforms take time to fully implement technically, I trust the Congress will nonetheless adhere to the concepts of the act, and that it will prove of assistance in guiding congressional action and making judgments of the sort we are called upon to make today.

Mr. McGOVERN. Mr. President, H.R. 4481, the Emergency Employment Appropriation Act, is an essential stimulus to a troubled economy.

It would create jobs throughout our Nation, throughout our economy.

I wish to speak just briefly about the increased appropriations for rural and farm programs which would help so much to stimulate income and employment in a shaky rural economy.

First, this bill would provide lending authority for an additional $150 million in farm operating loans through the Farmers Home Administration.

This money is critically needed by farmers throughout the land, but especially in States across the southern United States where earlier planting requirements have exhausted the available operating capital.

Despite increased production costs during this year, the present ceiling for operating loans remains at $525 million, the same as last year. Yet, because of higher costs of production items—seed, feed, fertilizer, chemicals, baling twine—farmers need to borrow more money this year just to plant the same crops they did last year.

If they heed their Government's appeal for all-out production, they will need more.

The $150 million increase authorized here is a modest increase. It will not fully meet the needs of our farmers.

Second, this bill provides additional

funding for rural water and waste-disposal programs—$150 million for grants and $300 million for loans.

This appropriation would not only create thousands of jobs in the construction industry for those who will build water and sewer systems in our small towns and rural areas, it also will provide the essential central water and waste-disposal systems which must precede longer term job-creating new enterprises in rural areas.

Hundreds of thousands of small communities and rural areas are today without modern water and sewer service—a service that urban Americans take for granted. Thus, their quality of life is diminished, and their opportunities for job expansion are lessened.

This appropriation, too, is modest. It fully deserves adoption.

Third, the committee recommends an additional $106 million for watershed and flood prevention works.

Such investments not only will provide additional jobs for the people in our land improvement contracting industries, but will help mightily to improve the environment and protect our land and water resources, which are the base of our food production in this Nation.

Mr. President, these items only highlight the importance of these appropriations to rural America. Rural people recognize their interdependence with Americans everywhere; they realize that softness in any segment of our economy hurts all of us.

I urge the Senate to approve this legislation with a resounding vote. Indeed, as I said so many times in 1972, I wish we had a national policy to insure a job opportunity for every American able and willing to work. Nothing is so wasteful as unemployment.

Mr. McCLURE. Mr. President, a significant portion of this bill involves programs developed by the Committee on Public Works. That committee examined the issue of job-producing public works spending in a thorough budget review earlier this year. A number of days of hearings were held. A major question was how public works projects could best be employed as a tool to stimulate the economy.

We covered many of the same points as the Committee on Appropriations, and plowed through many of the same figures: the capability of the Corps of Engineers, the wish list of the General Services Administration, and so forth. Let me examine, as an example, the figure in H.R. 4481 for repair and renovation of Federal office buildings. The bill appropriates $340 million to GSA. GSA told us, in testimony, that it could accomplish a total of $360 million in such work within an 18-month period. Of that sum, $110 million was included in the fiscal year 1976 budget. The remaining $250 million was unbudgeted.

I would make two observations: The sum in H.R. 4481 apparently encompasses nearly all that is feasible—both in and outside the budget in fiscal year 1976. But we must not deceive ourselves into thinking that this work will go forward quickly.

Very little of this repair and alteration work has been submitted to the Congress for the necessary authorizations by the Committees on Public Works.

And, second, there was no effort in this bill to match work to areas of joblessness. Of the repair and alteration work in this bill, $117 million is to be accomplished in the Washington, D.C., area, where employment is stronger than in many other metropolitan areas of the Nation.

The inescapable conclusion is that this $340 million cannot be spent quickly, and it will not necessarily get to those areas where jobs are most needed.

Frankly, that is my concern about this entire bill. It takes the meat-axe approach to our economic problems. In no way does it attempt to examine priorities or to fit spending within the overall budgetary goals of the Congress.

Mr. President, I shall vote against passage of this bill.

Mr. MORGAN. Mr. President, I shall vote for H.R. 4481, but I do so reluctantly and only after voting to reduce or eliminate some of the programs which I consider unwise. The bill is a conglomeration of some programs which are already in existence and are meritorious, that is, additional funds for direct loans to small businesses, college work-study programs, water and sewer grants, and construction of some Federal projects will be useful over the years and at the same time provide employment opportunities. On the other hand, I do not condone such expenditures as the purchase of 20,712 new automobiles by agencies of Federal Government. I want the record to be clear that I think many of such programs are not only wasteful, but will unnecessarily contribute to the huge Federal deficit. However, weighing all programs, I must vote for the bill.

Mr. HARTKE. Mr. President, I shall vote against H.R. 4481, the Emergency Employment Appropriations Act.

This step is taken reluctantly. As a member of the Appropriations Committee I prefer whenever possible to stand with the committee.

The bill before us is so flawed both within itself and in relation to the overall Federal and national financial situations that I cannot support it.

It is called an emergency act. Congressional overuse of this label is tending to debase its significance. It should not be used as a cover to ram through ill-conceived and inadequately processed legislation. The Nation's economic plight is too serious for us to indulge in passing so-called emergency bills whose consequences for the economy could well be contrary to the effects sought. I am concerned particularly about appropriating funds which may be injected into the economy some months and possibly years ahead when the economic situation then would call for restraint in Federal spending.

The President requested additional funds over 2 months ago which amounted to $2,042.7 million:

[In millions]

Temporary employment assistance	$1,625.0
Summer Youth employment	412.7
U.S. Railway Association administrative expenses	5.0
Total	2,042.7

The House of Representatives more than doubled that figure by extracting from Federal departments and agencies information on programs and funding levels with employment generating potential. It is important, Mr. President, that we distinguish clearly between the President's request and the amounts dredged up from the agencies by the House and for the most part now offered to the Senate. The normal executive branch processes of advocacy, screening, and final selection, which are integral parts of the Federal budget process, were largely bypassed in congressional pyramiding above the President's original request.

As a member for many years of the Senate Appropriations Committee, I have experienced my share of frustrations with Federal budgetmaking. But the process can be effective in informing the Congress how best to achieve fiscal goals through a myriad of spending actions, provided the process is given an opportunity to work.

In testimony before the Senate Appropriations Committee last March 17, Mr. James T. Lynn, Director of the Office of Management and Budget, reviewed precisely and in considerable detail the administration's many concerns with the amounts added by the House. He pleaded for not exceeding the President's original request both as to amounts and programs. All factors were discussed including impact on the deficit, various risks associated with public unemployment programs, effects of then pending tax cuts, lags in public works programs, and the general difficulties of economic forecasting.

Judged by the recommendations of the committee, Mr. Lynn's efforts were largely in vain. I regret very much, Mr. President, that we could not find a way to respond quickly to the President's original request. Then, in a more orderly and systematic way through action on the supplemental and regular appropriations bills, we could have sought genuinely effective ways to combat recession without risking more inflation in the future and an even more serious recessionary situation than now confronts us.

Finally, Mr. President, I remind my colleagues that the Senate will debate next week the first concurrent resolution under the new budget reform procedures. We will be asked to vote on total outlays, total new budget authority and a deficit level, and to recommend a level of Federal revenues and set an appropriate public debt limit. Needless to say, we cannot have it both ways. We cannot vote nearly $6 billion on the bill before us, and continue in this fashion through the numerous appropriation bills still to come before us, and stay within any reasonable set of total budgetary and fiscal figures which we will set next week.

Mr. HUDDLESTON. Mr. President, as a member of the Committee on Appropriations, I am pleased to support H.R. 4481, the Emergency Employment Appropriations Act of 1975.

The legislation before us is emergency legislation, designed to deal with a crisis situation—and it is certainly no secret that unemployment in this Nation has reached crisis proportions. In March, more than 8 million people, some 8.7 percent of the civilian labor force, were out of work. Unemployment was at its highest level since the beginning of World War II more than 20 years ago.

In my State of Kentucky, 7.4 percent of the labor force is jobless. Unemployment is above 6 percent in some 93 of our 120 counties.

Clearly, the situation demands forceful and immediate action—and that is what H.R. 4481 proposes to do.

Through a double-pronged attack, the legislation is designed to create 1 million jobs in the next 3 to 8 months. First, it would increase direct employment programs—programs which provide for immediate job creation. Additional funding would be provided for public service employment, the job opportunities program of the Economic Development Administration, summer youth programs, older Americans community service jobs, the work incentive program—WIN, work-study for college students, the Youth Conservation Corps and the summer youth recreation and national youth sports programs.

Furthermore, the legislation seeks to remedy a number of allocation and administrative problems which have arisen in the implementation of these programs.

Second, the bill provides for the acceleration of a number of public works programs which can be moved ahead immediately and which can increase the number of jobs available. In other words, in this section of the bill, we will be investing in identifiable future results and providing jobs at the same time.

We are, for example, providing $150 million for rural water and waste disposal grants, which will fund at least part of the more than 1,000 pending applications.

We are making funds available for various needed improvements at our veterans hospitals.

We are accelerating specified Corps of Engineers projects.

We are appropriating additional funds for forest protection and timber stand improvement to help insure our timber needs of the future.

We are expanding the economic development assistance program.

We are seeking to improve the tracks and beds of railroads which have deteriorated, restricting service.

In other words, in this legislation, we will be moving ahead on worthwhile projects which had been judged as beneficial even before we confronted the need to stimulate employment.

I realize that this bill means additional Federal spending and that we as a nation cannot spend our way to wealth. But at a time when more than 8 million of our people are out of work and many others are underemployed or too discouraged to seek work—at a time when more than $50 billion is being lost to the Federal Treasury in tax revenues because of unemployment—at a time when the gross national product is declining—we must act for our own good.

H.R. 4481 represents prompt and positive action, and I am pleased to support it.

Mr. RANDOLPH. Mr. President, the spring sunshine and the beautiful flowers that are blooming all across this land are deceptive. All is not right with America. Millions of our fellow citizens are without jobs, and the number is growing. Despite a decline in the inflation rate, inflation itself continues to undermine our economy and impose hardship on the people.

From all corners of the country we are receiving a clear and distinct signal that the Federal Government must act with dispatch to restore health and stability to our economy. Since it convened in January, the 94th Congress has given priority attention to economic matters as we worked to develop a balanced response to the twin challenges of inflation and recession.

Mr. President, the bill before the Senate represents a significant portion of that response. It provides funds to expand existing Federal activities that can result in new employment opportunities. I believe this to be the most expeditious way that we can stimulate the economy.

This measure, H.R. 4481, appropriates additional funds across the full spectrum of Federal programs. I call attention to those with which I am personally concerned and which are within the jurisdiction of the Committee on Public Works.

Last winter the Congress approved establishment of the jobs opportunities program as title X of the Public Works and Economic Development Act. This effort is aimed specifically at alleviating current economic conditions by giving additional funds to Government agencies and bodies and to regional commissions to accelerate their programs.

At that time, $125 million was appropriated for the jobs opportunities program. This bill provides an additional $375 million for this important program, raising the total appropriations to the full authorization level of $500 million. Both urban and rural areas suffering from unusually high unemployment levels can benefit from this additional financing. It is important now that the executive branch move without delay to implement the job opportunities program. An estimated 50,000 jobs could result from the implementation of title X.

Title X required that a survey be made of Federal agencies to determine the number of projects available for funding and their employment potential. The findings were that 18,000 backlogged projects could be implemented with $3 billion in Federal funds. These would generate 3,141,479 man-months of employment.

The bill also provides an additional $163,250,000 for other programs authorized by the Public Works and Economic Development Act. This amount is in addition to the $247 million previously appropriated for titles I, II and IX of the act. The title V regional action commissions will receive an additional $42 million under provisions of H.R. 4481.

The total of these supplements to economic development programs amounts to more than $580 million. These are programs that can have an immediate impact on unemployment. They have the added attraction of bringing into being needed public facilities with lasting benefits to communities and people.

Acceleration of water resources projects is permitted in this bill through the appropriation of $226,350,000 more for civil works projects of the Army Corps of Engineers. These funds are allocated to 121 projects, all of which have received prior approval. No funds are provided for starting new projects, only for those that are now underway and thus capable of putting the supplemental money to work in a timely fashion.

For maintenance of water resource facilities, an additional $22,405,000 is provided. This is normally the kind of activity that is highly labor intensive, so these funds can be quickly translated into jobs.

A similar area is that of alterations and repairs to Federal Government buildings. For this purpose, the bill appropriates an additional $340 million to the General Services Administraton. It also appropriates $25 million for the construction of seven new customs border stations.

Repair and alteration work is especially job productive. These involve the employment of workers with skills that are particularly hard hit by the current unemployment. Painters, plasterers, electricians, carpenters, and others could immediately find jobs in their fields as we undertake improvements to Federal buildings.

These structures, too, are often located in large urban areas where jobless rolls are often higher than average. Unemployment among construction workers nationally is 24 percent, but it is even higher in cities—49 percent in Miami, 37 percent in St. Paul, Minn., 32 percent in Newark, 32 percent in Cincinnati. These are locations where the improvement of Federal buildings could have substantial impact.

Mr. President, there is one appropriation contained in this bill which is not for an ongoing program. I refer to the $700 million for the Department of Transportation and designated for the repair and rehabilitation of railroad tracks and rights-of-way.

I am particularly gratified that the Committee on Appropriations agreed to the unusual procedure of appropriating funds in advance of passage of the authorizing legislation and contingent on adoption of such legislation.

The money provided in this bill would finance the program envisioned in S. 1436 which I introduced on April 15. These funds would be expended with the dual benefit of job creation and the improvement of a vitally needed public service.

Increasing attention is being focused on the rapidly deteriorating condition of

America's railroads. The ability of many of them to continue functioning as viable parts of our national transportation system is disappearing. Railroads that have been short of cash for many years are pinched even harder by the recession which results in even lower revenues. Curtailment of maintenance operations is an inevitable continuation of this downward cycle.

The $700 million in this measure would support the program of S. 1436 to enable railroads to accelerate repair and rehabilitation work. This work is essential in a period when we as a Nation are turning more and more to our railroads. The inclusion of these funds in the Emergency Employment Appropriation Act is indicative that the Committee on Appropriations shares my concerns. It is my hope that consideration of the authorizing legislation can be expedited so that this vital work can be initiated. Hearings on S. 1436 will begin May 1.

Mr. President, this legislation demonstrates that the Congress is eager and able to move quickly to meet a pressing national need. Adoption of H.R. 4481 will place many thousands of Americans to work on productive labor. This is action that we must take.

Mr. President, the economic development programs which receive additional funding in this bill were developed under the leadership of the able Senator from New Mexico (Mr. MONTOYA), the chairman of the Subcommittee on Economic Development of the Public Works Committee. Senator MONTOYA is necessarily absent from the Senate. I ask unanimous consent that his statement on the pending bill be printed in the RECORD.

STATEMENT BY SENATOR MONTOYA

The bill contains a significant addition of money to agencies under the jurisdiction of my Subcommittee on Economic Development of the Public Works Committee. We have worked closely with the Appropriations Committee on this bill. We think the added stimulus to job creation through appropriations increases in existing authorizations is timely.

First, funds have been provided to complete the authorization for the job opportunities program, which is Title X of the Public Works and Economic Development Act. The bill provides the additional $375 million to the already appropriated $125 million for the calendar year 1975. This is the program that brought in some 18,000 project applications to the Economic Development Administration earlier this year. Nearly $4 billion in labor intensive projects has been proposed. The Administration has recently apportioned the first $125 million, which was appropriated in the closing hours of the 93rd Congress. The present $375 million in this bill will now give that program a meaningful test as to its job-creating potential.

Second, $163 million is also provided to regular EDA programs which are chronically underfunded. These funds—$69 million for public works in the form of community facilities, $58 million for business loans and guarantees, and $36 million for economic adjustment—bring appropriations up to authorization levels for FY '75. However, the funds are to be available through fiscal year 1976.

Third, funds in the amount of $42 million are also provided to the seven regional commissions authorized under the Public Works and Economic Development Act. Six million dollars would be provided to each of the commissions to work with their State partners within existing programs to deal with the current recession.

Finally, provision is made in the bill for additional positions to carry out these expanded programs. In the cast of Title X, the Job Opportunities Program, and additional 35 positions are funded on a temporary basis only for the life of that program. An additional 116 positions are provided for EDA.

I commend the Senator from Rhode Island for his leadership, and his cooperation in our efforts to get realistic funding for these job-creating programs. I wish also to thank and commend the efforts of the chairman of both the Appropriations Committee and the Public Works Committee, Senators McClellan and Randolph, for their leadership and support in these efforts.

I know these programs will produce jobs. They have been creating jobs now for more than ten years. The Congress has been satisfied they have made significant job-creating impacts on our economically lagging communities, for we have extended these programs year after year.

Mr. ROTH. Mr. President, I am deeply concerned about the condition of our economy and the plight of the millions of workers who are currently unemployed. The combined effects of inflation and recession have placed a heavy burden on nearly every American, but the impact on the unemployed worker and his family has been devastating.

Because of these economic hardships, I have supported a degree of deficit spending to get the economy moving again and put people back to work. I have supported the $23 billion antirecession tax cut. I have supported the nearly $20 billion that is already in the fiscal 1976 budget for unemployment compensation and public employment programs. And I have supported the increased food stamp program in order to help the families of the unemployed worker.

But we have to draw the line somewhere, and start to say no to the various emergency programs that are coming out of almost every congressional committee.

Today the Senate is considering a $6 billion emergency job bill. While we are considering this emergency bill, a House committee is considering another $5 billion emergency job bill, while still another House committee is considering a $5 billion emergency bill for public works projects.

I shall continue to support programs to help the economy that I believe are necessary, but I cannot support this budget-breaking bill which, I believe, will be highly inflationary. Many of the programs in this bill are well-intentioned, particularly the summer jobs program, which I shall support in separate legislation. But I do believe that we must make better use of our existing programs before we enact new and expensive programs.

I am very concerned about the reports that there are several billion dollars that have already been approved by Congress that have yet to be used by our local governments.

According to a story in today's Washington Post, there are many programs that are already on the books which State and local governments have not taken advantage of, including my own home State of Delaware which has not spent $21 million of the $24 million allocated for highway construction.

I ask unanimous consent that the Washington Post article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.S. FUNDS UNCLAIMED BY LOCAL GOVERNMENTS

(By Joel D. Weisman)

Several billion dollars in federal grants—for programs ranging from drug control to flood prevention—have yet to be claimed by local governments.

The unclaimed billions were discovered in a Washington Post survey of 1974 and 1975 grants. An exact figure cannot yet be determined because of varying claim deadlines and the fact that many government agencies do not compute outstanding grants until the end of the fiscal year.

However, the survey shows:

More than $100 million in community development revenue sharing and highway funds have been rejected by dozens of local governments.

More than $5 billion in environmental protection grants have yet to be claimed with the July 1 deadline approaching.

More than $5 million in Health, Education and Welfare and Department of Agriculture grants were not claimed in 1974 in programs including drug control, hospital construction, scholarships, child and maternal care and state agricultural experimental stations. HEW says even more may go unclaimed this year.

Mere compliance with application requirements, sometimes no more than filling out a single-page proposal, assures the communities of the grants, which are so-called mandatory, as contrasted with the discretionary variety. In discretionary grants various applicants vie for portions of a total allotment. The portions are decided at the discretion of the federal government officials.

In virtually all the programs surveyed, the amount of unclaimed grants was relatively small in light of the multibillion-dollar totals available, but taken overall their impact could be significant as local governments, short of cash, try to hold the line on taxes.

The survey indicated there are various reasons for failure to claim funds, including: lack of matching local funds; fear of federal controls; administrative carelessness; and fear of racial integration since most grants require pledges of non-discrimination among other promises.

"These are surely not the times the city should ignore available money," said John Gunter, executive director of the U.S. Conference of Mayors, which represents the nation's largest cities. "But in some cases, it takes money to get money," he added, referring to local matching requirements.

Local matching requirements range from 10 per cent on Interstate Highway funds to 50 per cent for some agriculture grants.

However, there are vast sums available that require no matching funds.

For instance, some $27 million remains available until July 1 for full federal funding of highways in and around national parks. Yet the following states have yet to make claims: Alaska, allotted $3.9 million; Oregon, $3.6 million; Montana, $3 million; Colorado, $2.9 million; Arizona, $2.4 million.

The new HUD community development grants—designed to replace a half-dozen categorical grants—also have no local matching requirements. Moreover, they can be spent for a wide variety of programs, ranging from flood control and open space development to fire and ice protection.

But communities receiving the funds must file low and moderate income housing plans—a requirement that has caused the outright rejection of more than $25 million.

Some two dozen predominantly white, medium-sized cities, generally located near large cities with substantial black populations, were among those that turned down the HUD funds.

"We turned down the program because we feel that such housing plans would encourage inner-city people to migrate to our cities," said Mayor Ted Bates, of Warren, Mich., which borders Detroit. Bates concedes his city of 180,000, with about 90 black families, could have used the $1.6 million in HUD funds "but we don't want it to be at the price of inviting poor people here."

Similar sentiments were expressed by local government leaders in Berwyn, Cicero, and Oak Lawn, Ill., which all border Chicago.

"Let's face it, we're talking about integration," said Richard Drager, of Roseville, Mich., another Detroit suburb.

But while blue-collar cities of 50,000 or more passed up about $5 million in HUD monies, urban counties, comprised of smaller, often white-collar, suburbs, passed up nearly five times that amount.

For instance, Montgomery County, outside Philadelphia, received only $340,000 of a possible $1 million in community development grants because so many suburbs refused to sign a county cooperative agreement—and participate in the housing plan. Cook County, where Chicago is located, sacrificed some $700,000 for the same reason.

And nine urban counties were forced to reject all funds they were allotted because they could not get enough communities to meet the combined 200,000 population minimum required for an urban county grant. These counties were: Dallas County, Tex.; Milwaukee County, Wis.;; Waukesha County, west of Milwaukee, Wis.; McComb County, Mich. near Detroit; York County, Pa.; Monroe County, N.Y., which includes Rochester; Westcester County, N.Y.; Lake County, Ind., which includes Gary; and Baltimore County, Md.

"The cities don't come right out and say it, but in most cases they fear blacks," said Thomas Goodwin, Waukesha County grant administrator. In his county 25 of 37 suburbs refused to enter cooperative agreements, leaving the county short of the minimum 200,000.

HUD officials were surprised by the outright rejections, but declined to label the motive racism, "It may well be a genuine concern for maintaining family economic levels," says James Broughman, chief of HUD grant statistics. "Blacks may be feared because they're poor, more than because they're black."

Like the HUD funds, federal revenue sharing requires no matching grants—and allows local authorities broad discretion in spending funds.

Yet, despite two telegrams, five postcards, and various other reminders and communications from the Treasury Department to apply, 125 government units rejected revenue sharing dollars in 1974 and 103 units have done the same this year.

In some cases rejections are based on deep-seated philosophyical beliefs.

"We just don't want something for nothing," says Mayor Gene Hoke, of Ocean Breeze Park, Fla., who could have cut his city's budget by 25 per cent by accepting the $2,500 in funds.

Arnold Hewitt, a spokesman for the Tuscarora Indian Reservation near Niagara Falls, N.Y., says his tribe refused $18,000 in revenue sharing funds "because the money is like the old pale-faces' fire water. They give it to us then they take our land."

In Leonard Village, Mich., officials refused money they wanted for a public building "because we can't afford to pay laborers prevailing union wages," one of the requirements under the act.

Among the largest unclaimed sums are Environmental Protection Agency grants, which require matching funds. "In some cases communities have to pass referendums just for the matching money," said Peter Romsey of the Illinois Bureau of the Budget. Other states are having difficulty meeting stiff technical requirements.

Thus with only two months until the deadline for claiming 1974 funds and 14 months to claim '75 funds, almost $5 billion remains in Washington.

Interstate highway funds are also plentiful. Massachusetts and the District of Columbia have already rejected $70 million to build Interstate highways, and many millions earmarked for other states have yet to be obligated under the 1973 Highway Act, which expires June 30. For instance, as of March, Delaware had claimed only $3 million of an allotted $24 million and Iowa had received only $5 of $128 million.

Department of Transportation spokesman say in some cases local governments can't meet the 10 per cent matching requirements on Interstate funds and the 30 per cent matching requirements on Interstate federal highways. Many projects, as in the case of the District, are also threatened by citizen opposition to highways or adverse court decisions.

In most cases, unused federal funds revert to the agencies that dispense them and are added to the next year's allotments—but not always to the same states. Thus, alert local governments can increase their share by claiming unused funds.

"That's one good feature of people not taking what they're entitled to," said Richard Eckfield, who has been retained by the cities of San Jose, Dayton, and Seattle to oversee their acquisition of federal funds "I am in the midst of building my own Interstate in San Jose out of funds not claimed by other states—and I've already got money for a few miles."

OREGON AND THE EMERGENCY EMPLOYMENT APPROPRIATIONS

Mr. HATFIELD. Mr. President, Oregon's economy will benefit from several aspects of an emergency employment appropriations bill. The bill contains funds for a wide cross section of government programs designed to create new jobs.

PUBLIC INVESTMENTS

Oregon's long-range benefits from this $6 billion bill will be in the public works and natural resource sections.

Accelerated public works funding for Oregon totalling $6.5 million not only puts people to work right now in construction jobs, but it also provides a capital asset that continues to benefit our local economies and provides a multiplier economic effect in the region. This multiplier effect from the $6.5 million should mean the creation of from 1,400 to 2,100 Oregon jobs for Corps of Engineers and Bureau of Reclamation construction projects and maintenance and operation work. Also, the Forest Service, BLM, Park Service, and related areas will receive over $17.7 million, which not only means jobs now, but better land resource management for the future.

AGRICULTURE

Oregon agriculture will receive an estimated $8.3 million in programs where jobs can be created. Rural water and sewer grant and loan increases of about $4.5 million also help broaden the economic base of Oregon small towns and rural areas. This assists their efforts to attract new industry to create needed jobs to stem the migration of their young people into metropolitan areas. Approximately $2 million in increased funding for FHA farm operating loans also is included in the bill, as is about $1.8 million for small watershed projects under the Soil Conservation Service.

PUBLIC SERVICE EMPLOYMENT

Three public service employment programs should earmark approximately $24.5 million for Oregon. I have made no secret of my skepticism of long-range benefits from these programs, as opposed to others in this bill. That is why I supported the Johnston amendment. While some can be justified, the cost per job raises questions with me. While a public service employment program may cost $9,000 per job, the housing bill we approved yesterday will create 740,000 housing-related jobs nationally at a cost of between $1,000 and $2,500 per job. To me, the benefits of the housing-related jobs appear greater than those in public service employment. There, people sometimes are merely put onto public service work payrolls after being dropped from city or county payrolls, or else are little more than make-work jobs.

I ask unanimous consent that a chart showing the amount this bill contains for individual Oregon public works projects appear at this point in the RECORD.

Mr. President, I ask unanimous consent that a listing of Oregon rural water and sewer projects that possibly can be funded if Oregon receives the anticipated $3 million in loans and $1.5 million in grants appear at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OREGON PUBLIC WORKS

Corps of Engineers construction

Bonneville 2nd PH	600,000
Columbia 40′ Channel	200,000
Cougar Fish Hatchery	200,000
Elk Creek	1,000,000
Lower Columbia R. Bank Protection	800,000
McNary	500,000
Scappoose Drainage Dist	1,200,000
Williamette Basin Bank Protection	1,000,000
Total	5,500,000
Bureau of Reclamation construction: Tualatin	110,000

Corps of Engineers operation and maintenance

Columbia 40′ Channel	199,000
Coos Bay	195,000
Rogue at Gold Beach	134,000
Siuslaw at Florence	174,000
Umpqua at Reedsport	133,000
Yaquina Bay (Newport)	65,000
Total	900,000

(NB: Multiplier job effect in region: 4–6, meaning an additional 1400–2100 jobs in region resulting from this public works spending.)

Oregon rural water and sewer projects

Glide Water Association, Douglas County	300,000
Riets Water District, Umatilla County	109,000
Long Creek, Grant County	132,000
North Tillamook County Sanitary Authority	450,000
Seal Rock, Lincoln	250,000
Mollalla, Clackamas	500,000
Glen Eden, Lincoln	530,000

Beverly Beach, Lincoln	113,000
Hubbard, Marion	330,000
Rufus, Shermanok	60,000
Netarts, Tillamook	295,000
Bly, Klamath	255,000
Total	9,324,000

Mr. PACKWOOD. Mr. President, I cannot in good conscience vote for the legislation now before us. We just cannot spend another $6 billion that we do not have. The danger is clear. We have got to decide now to stop spending ourselves into a deficit that looms ever nearer to a crippling $70 billion.

The Emergency Employment Appropriations Act of 1975, as reported out of the Senate Appropriations Committee, increases fiscal year 1975 outlays by $6,082,647,000. Congress is acutely aware of the need for increased employment. But the expenditure of so staggering a sum as this bill provides can only jeopardize efforts to heal our ailing economy. Undoubtedly, Mr. President, there are some very good projects for Oregon funded in this bill. No Senator wants to vote against Federal projects in his own State. This legislation would appropriate money for flood control, and dam construction and maintenance in the two great river regions of Oregon. It would add jobs with the Forest Service, among others. But we have got to say "no" to some projects. The middle-income taxpayers in our States just cannot afford to say "yes" all of the time.

I am increasingly distressed by the prospect that runaway deficit spending will spur another round of crippling inflation. Oregonians, too, recognize the serious implications here. They know that our economy and our taxpayers cannot afford all of the worthy programs we would like to have.

My constituents have responded to my recent questionnaire, Mr. President, with obvious concern over inflation. When asked, "If you were talking to Senator Packwood in person, which of the following would you tell him concerns you the most? First, increasing unemployment; second, inflation; or third, recession and possible depression, the overwhelming majority of Oregonians responded, 'inflation'."

I am worried about the same thing.

Mr. ROBERT C. BYRD. Mr. President, I wish to call attention to a very important item contained within the Agricultural Chapter of H.R. 4481, within the total amount provided for the Soil Conservation Service. The item to which I refer is the $2 million for the Pocatalico River basin project.

Last year, at my request the committee included $1,161,000 for initial funding of the Pocatalico River basin project. This SCS project, which is desperately needed to provide a source of water supply for the towns of Pocatalico, Walton, Sissonville, and Gandeeville, W. Va., was authorized by section 5 of Public Law 93–251. This authorization made the release of the project funds contingent upon approval by the President, and in January of this year, he approved the release and use of the initial funding which I obtained.

On March 6, I wrote to Senator McGee, chairman of the subcommittee, to urge the inclusion of the additional $2 million required to complete this project within H.R. 4481. Senator McGee informed me by letter of March 12 that, within the $106 million provided for accelerated work by the Soil Conservation Service, the necessary $2 million would be allocated to Pocatalico River basin project.

Mr. President, I want to take this opportunity to thank the chairman for his endeavors in including these funds within the pending appropriations bill.

I ask that both of these letters, to which I referred, be included in the Record at this point.

There being no objection, the letters were ordered to be printed in the Record, as follows:

March 6, 1975.

Hon. Gale McGee,
Chairman, Subcommittee on Agriculture, Environmental and Consumer Protection, Washington, D.C.

Dear Mr. Chairman: You will recall that last year your committee included $1,161,000 in initial funding for the Pocatalico River Basin Project which, when constructed, will provide sources of water supplies for the towns of Pocatalico, Walton, Sissonville and Gandeeville, West Virginia. Thereafter, the President approved release of this initial funding and that project is now moving ahead. I am writing to request the Committee to include the additional $2 million which is required to fund the balance of the project.

The Soil Conservation Service developed in conjunction with the Corps of Engineers emergency plans for water provision in the Pocatalico River Basin, and the total amount recommended would permit construction of the water impoundments, installation of vegetative cover to control erosion and resulting sedimentation, and limit annual out-of-bank flooding, and would meet a need for water-oriented recreational facilities.

I believe it is urgent that immediate funding be provided for the balance needed for this project, in order that advantages may be taken of the forthcoming construction season. We are facing very terrible health hazards in the area, implicit in the current situation due to polluted water supplies, and this fact makes it imperative that we quickly rectify the inadequate and degraded water supply which is available to the residents of these communities, and that we obtain completed construction of this proposed project at the earliest possible date.

Therefore, I urge that the additional $2 million for this very important project be included in the first available appropriation bill which comes before the Subcommittee—within which you deem it suitable to include these funds—to assure timely completion of this project (which (while under construction) will create sorely needed jobs and will (when completed) have lasting benefits.

Sincerely yours,

Robert C. Byrd,
U.S. Senator.

Washington, D.C., *March 12, 1975.*

Hon. Robert Byrd,
U.S. Senate,
Washington, D.C.

Dear Bob: Thank you for your recent letter in reference to additional funding for the Pocatalico River Basin Project.

As you know, the House approved the Emergency Employment Appropriations Act and it is now pending in the Senate. That bill contains $106 million for the Watershed and Flood Prevention activities of the Soil Conservation Service. It is my understanding that the Pocatalico project was one which was identified as suitable for accelerated construction and was included in this total.

The Agriculture Appropriations Subcommittee will hold hearings on this bill later this week and I shall be certain that the record is clear that this project is to be included in this bill. As I indicated, this is my understanding but the record made in the House does not spell this out. You may rest assured that we shall do so in the Senate hearings.

Sincerely yours,

Gale McGee,
Chairman, Subcomimttee on Agriculture and Related Agencies.

Mr. GOLDWATER. Mr. President, I ask for the yeas and nays on passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill is open to further amendment. If there is no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is, Shall the bill pass?

The yeas and nays have been ordered, and the clerk will now call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Delaware (Mr. Biden), the Senator from Arkansas (Mr. Bumpers), the Senator from California (Mr. Cranston), the Senator from Missouri (Mr. Eagleton), the Senator from Mississippi (Mr. Eastland), the Senator from Alaska (Mr. Gravel), the Senator from South Carolina (Mr. Hollings), the Senator from Hawaii (Mr. Inouye), the Senator from Louisiana (Mr. Long), the Senator from New Mexico (Mr. Montoya), the Senator from Utah (Mr. Moss), and the Senator from California (Mr. Tunney) are necessarily absent.

I further announce that the Senator from Iowa (Mr. Culver), the Senator from Vermont (Mr. Leahy), the Senator from Wyoming (Mr. McGee), the Senator from New Hampshire (Mr. McIntyre), and the Senator from Georgia (Mr. Talmadge) are absent on official business.

I further announce that, if present and voting, the Senator from California (Mr. Tunney) would vote "yea."

Mr. HUGH SCOTT. I announce that the Senator from Tennessee (Mr.

Brock), the Senator from Massachusetts (Mr. Brooke), the Senator from New York (Mr. Buckley), the Senator from Kansas (Mr. Dole), the Senator from New Mexico (Mr. Domenici), the Senator from Utah (Mr. Garn), the Senator from Michigan (Mr. Griffin), the Senator from North Carolina (Mr. Helms), the Senator from Kansas (Mr. Pearson), the Senator from Ohio (Mr. Taft), and the Senator from South Carolina (Mr. Thurmond) are necessarily absent.

I also announce that the Senator from Nebraska (Mr. Curtis), the Senator from Maryland (Mr. Mathias), the Senator from Vermont (Mr. Stafford), and the Senator from Alaska (Mr. Stevens) are absent on official business.

I further announce that, if present and voting, the Senator from New Mexico (Mr. Domenici) and the Senator from Utah (Mr. Garn) would each vote "nay."

On this vote, the Senator from Ohio (Mr. Taft) is paired with the Senator from South Carolina (Mr. Thurmond). If present and voting, the Senator from Ohio would vote "yea" and the Senator from South Carolina would vote "nay."

The result was announced—yeas 53, nays 14, as follows:

[Rollcall Vote No. 151 Leg.]

YEAS—53

Abourezk
Baker
Bayh
Beall
Bellmon
Bentsen
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Fong
Ford
Glenn
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Huddleston
Humphrey
Jackson
Javits
Johnston
Kennedy
Magnuson
Mansfield
McClellan
McGovern
Metcalf
Mondale
Morgan
Muskie
Nelson
Nunn
Pastore
Pell
Percy
Randolph
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stennis
Stevenson
Stone
Symington
Weicker
Williams
Young

NAYS—14

Allen
Bartlett
Byrd, Harry F., Jr.
Fannin
Goldwater
Hansen
Hruska
Laxalt
McClure
Packwood
Proxmire
Roth
Scott, William L.
Tower

NOT VOTING—32

Biden
Brock
Brooke
Buckley
Bumpers
Cranston
Culver
Curtis
Dole
Domenici
Eagleton
Eastland
Garn
Gravel
Griffin
Helms
Hollings
Inouye
Leahy
Long
Mathias
McGee
McIntyre
Montoya
Moss
Pearson
Stafford
Stevens
Taft
Talmadge
Thurmond
Tunney

So the bill (H.R. 4481) was passed.

Mr. McCLELLAN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. McCLELLAN. Mr. President, I move that the Senate insist on its amendments, requests a conference with the House, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer appointed Mr. McClellan, Mr. Magnuson, Mr. Stennis, Mr. Pastore, Mr. Robert C. Byrd, Mr. Proxmire, Mr. Montoya, Mr. Bayh, Mr. Young, Mr. Hruska, Mr. Case, Mr. Brooke, Mr. Hatfield, Mr. Mathias, Mr. Stevens, and Mr. Bellmon, on the part of the Senate.

ORDER TO HOLD H.R. 4269 AT THE DESK

Mr. MANSFIELD. Mr. President, I ask uanimous consent that H.R. 4269 be held at the desk pending reference to the appropriate committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

HUMANITARIAN ASSISTANCE FOR SOUTH VIETNAM—CONFERENCE REPORT

Mr. MANSFIELD. Mr. President, I submit a report of the committee of conference on H.R. 6096, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. Laxalt). The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6096) to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions in the availability of funds for the use of U.S. Armed Forces in Indochina, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report, which reads as follows:

Conference Report (S. Rept. No. 94-97)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6096) to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions on the availability of funds for the use of United States Armed Forces in Indochina, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Vietnam Humanitarian Assistance and Evacuation Act of 1975".

Sec. 2. Funds hereafter made available under section 36 of the Foreign Assistance Act of 1974 may be used on such terms and conditions as the President may deem appropriate for humanitarian assistance to and evacuation programs from South Vietnam without regard to the provisions of section 36(a)(1), section 36(a)(6), section 38(a)(1), or the third sentence of section 37(b) of such Act and notwithstanding any other provision of law.

Sec. 3. (a) It is traditional for the American people to be generous and compassionate in helping the victims of foreign conflicts and disasters. In keeping with that tradition it shall be the policy of the United States to provide humanitarian assistance to help relieve the suffering of refugees and other needy people who are victims of the conflict in South Vietnam.

(b) Notwithstanding any other provision of law, in addition to amounts made available under section 2 of this Act, and in addition to those amounts otherwise available for assistance to South Vietnam, there are authorized to be appropriated to the President for the fiscal year 1975, to remain available until expended, $150,000,000, under such terms and conditions as he may determine, to provide humanitarian assistance to refugees and other needy people who are victims of the conflict in South Vietnam.

(c) To insure that the humanitarian assistance provided under this section is provided to refugees and other needy people who are victims of the conflict in South Vietnam, such assistance shall be provided, to the extent feasible, under the direction and control of international organizations or under the auspices of voluntary relief agencies. To the extent that such assistance is so provided, it may be furnished only under the direct supervision and control of representatives of such organizations or agencies.

(d) Not less than ninety days after the date of enactment of this Act and not later than the end of each ninety-day period thereafter, the President shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report with respect to humanitarian assistance provided under this Act describing fully and completely—

(1) the amount of each type of humanitarian assistance;

(2) the expected recipients of such assistance;

(3) the names of all organizations and agencies involved in the distribution of such assistance; and

(4) the means with which such distribution is carried out.

Sec. 4. (a) If the President determines that the use of United States Armed Forces is necessary to evacuate citizens of the United States and their dependents from South Vietnam, the President may, in accordance with the provisions of subsection (b), use such Armed Forces in a number and manner essential to and directly connected with the protection of such United States citizens and their dependents while they are being evacuated. In the event that such evacuation cannot be accomplished without involving such Armed Forces in hostilities or in situations where imminent involvement in hostilities is clearly indicated by the circumstances, such evacuation shall, if feasible, be accomplished in a single operation. Other than the minimum number of personnel determined by the President to be essential to carry on critical functions of the United States mission or to carry out such evacuation, all such citizens who are employed by, or in the service of, the United States, and all such dependents, shall be evacuated as rapidly as possible after the date of enactment of this Act.

(b) If the President uses the United States Armed Forces for the purposes stated in subsection (a) of this section, he shall submit a report on the use of those forces as required by section 4(a) of the War Powers Resolution (including the certification required under subsection (c) of this section) and shall comply with all other provisions of that resolution.

(c) In addition to the information required under section 4(a) of the War Powers Resolution, the President shall also certify pursuant to subsection (b) of that section that—

(1) there existed a direct and imminent

threat to the lives of such citizens and their dependents; and

(2) every effort was made to terminate the threat to such citizens and their dependents by the use of diplomatic and any other means available other than use of the Armed Forces; and

(3) other than such essential personnel, such citizens and their dependents are being evacuated as rapidly as possible.

SEC. 5. In carrying out the withdrawal of such United States citizens and their dependents from South Vietnam pursuant to section 4 of this Act, the President is authorized to use the United States Armed Forces to assist in bringing out—

(1) dependents of permanent residents of the United States;

(2) Vietnamese nationals eligible for immigration to the United States by reason of their family relationship to citizens of the United States; and

(3) other foreign nationals to whose lives a direct and imminent threat exists;

if he determines and certifies in writing to the Congress pursuant to section 4(b) of the War Powers Resolution that—

(A) every effort has been made to terminate the threat to such persons by the use of diplomatic and any other means available other than the use of the Armed Forces; and

(B) the number of such United States Armed Forces will not be required beyond those essential to and directly connected with the evacuation of citizens of the United States and their dependents; and

(C) the duration of the use of such United States Armed Forces to hostilities will not thereby be extended; and

(D) such evacuation will be confined to areas where United States forces are present for the purpose of protecting citizens of the United States and their dependents while they are being evacuated.

SEC. 6. The authority contained in this Act is intended to constitute specific statutory authorization within the meaning of section 8(a) of the War Powers Resolution but shall not be considered specific statutory authorization for purposes of sections 5 (b) and (c) of the War Powers Resolution.

SEC. 7. Nothing contained in section 839 of Public Law 93–437, section 30 of Public Law 93–189, section 806 of Public Law 93–155, section 13 of Public Law 93–126, section 108 of Public Law 93–52, or any other comparable provision of law shall be construed as limiting the availability of funds for the use of the Armed Forces of the United States for the evacuation programs authorized by this Act.

SEC. 8. (a) The President shall transmit each day to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report setting forth fully and completely—

(1) the number of citizens of the United States and their dependents who left Vietnam the previous day, including the number of Embassy personnel and private contract personnel among such persons;

(2) the number of such persons remaining in South Vietnam; and

(3) the number of Vietnamese nationals who left South Vietnam the previous day with the assistance of the United States.

(b) Such reports shall be transmitted until such date as the Speaker of the House of Representatives and such committee may direct. The information may be submitted on a confidential basis if the President deems it advisable.

SEC. 9. Not more than four days after the date of enactment of this Act, the President shall transmit to the Speaker of the House of Representatives and the chairmen and ranking minority members of the Committees on Foreign Relations, Judiciary, and Armed Services of the Senate a report describing his general plan for the evacuation from Vietnam of the persons described in sections 4 and 5 of this Act.

SEC. 10. It is the sense of the Congress that as the humanitarian aid provided under this Act is made available in South Vietnam, the President is requested to use all appropriate diplomatic means at his disposal to obtain (1) an updated accounting of Americans listed as missing in action in Southeast Asia, and (2) the return of the remains of known American dead. The President is further requested to report to the Congress within 30 days after aid is made available in Southeast Asia, the diplomatic actions being taken.

SEC. 11. No funds authorized in this Act shall be used, directly or indirectly, to aid the Democratic Republic of Vietnam (DRV) or the Provisional Revolutionary Government (PRG) nor shall any funds authorized under this Act be channeled through or administered by the DRV or the PRG.

And the Senate agree to the same.

JOHN SPARKMAN,
FRANK CHURCH,
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JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill H.R. 6096, the Vietnam Humanitarian Assistance and Evacuation Act of 1975, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Committee of Conference recommends that the House recede from its disagreement to the amendment of the Senate to the text of the bill with an amendment which is a substitute for both the text of the House bill and the Senate amendment thereto.

Except for clarifying, clerical, and necessary conforming changes, the differences between the two Houses and the adjustments made in the committee of conference are noted below.

SHORT TITLE

The House bill contained a short title which cited the Act as the "Vietnam Humanitarian Assistance and Evacuation Act of 1975".

The Senate amendment contained a short title which cited the Act as the "Vietnam Contingency Act of 1975".

The Senate receded.

FUNDING AUTHORIZATION

The House bill authorized the appropriation of $150 million for FY 1975 for humanitarian assistance to and evacuation programs from South Vietnam. The House version also authorized the use of Indochina economic aid funds previously authorized under the Foreign Assistance Act of 1974, for humanitarian purposes without regard to the restrictions of sections 36(a)(1), 36(a)(6), 37(b) (third sentence) and 38(a)(1).

The Senate amendment authorized the appropriation of $100 million for FY 1975 for humanitarian and withdrawal purposes and waived all the provisions of sections 36 and 38.

In addition the Senate version established a policy to provide humanitarian aid for war victims throughout all of South Vietnam and Cambodia, to be provided through channels acceptable to all parties; and authorized the appropriation of $150 million for FY 1975 for humanitarian assistance to refugees and other victims of the conflicts in South Vietnam and Cambodia, to be furnished under the direction and control of the UN or under the auspices of other international organizations, international agreements, or voluntary agencies, to be distributed only under the direct supervision and control of representatives of such organizations and agencies.

The Senate amendment also required the President to report to the Congress every 90 days (A) the amount of each type of economic assistance provided under the bill, (B) the expected recipients, (C) the distributing agencies, and (D) the means of distribution.

The committee of conference agreed to authorize the use of Indochina economic aid funds previously authorized under the Foreign Assistance Act of 1974, but not yet appropriated, for humanitarian assistance to, and evacuation programs from, South Vietnam without regard to the funding limitations set in Section 36(a)(1), section 36 (a)(6), section 38(a)(1), or the third sentence of section 37(b) of such Act.

The committee of conference also agreed to a new authorization of appropriations of $150 million for humanitarian assistance in South Vietnam. It is the intent of the committee of conference that funds made available under this section be available to administer these humanitarian programs for victims of the conflict, wherever they may be located.

It is the intention of the conference that such programs be carried out under the direction and control of international organizations and voluntary relief agencies, located in the United States and abroad, to the extent feasible. In order to insure that assistance so provided is actually delivered to refugees and others in need, the section requires that the assistance only be furnished under the direct supervision and control of representatives of the international organizations and voluntary agencies. The Conferees expect the Executive Branch to make every reasonable effort to involve these organizations and agencies in this humanitarian effort. Finally, the section requires quarterly reports to the Congress which would describe the amount and nature of the assistance provided by the Act, the expected recipients, the organizations and agencies involved in the distribution of the assistance, and the means by which the assistance is distributed. This reporting requirement should not be construed to require the imposition of additional U.S. Government inspections and audits on the distributing agencies and organizations, if such requirements would substantially impede or diminish the involvement of these agencies and organizations in the programs authorized by this section.

The Conferees have deleted the provisions in the Senate bill authorizing humanitarian assistance to refugees and war victims in Cambodia and a provision relative to Public Law 480 food assistance to Cambodia solely because the retention of these provisions of the Senate version would have subjected the Conference report to a point of order under the House rules. The managers of both the House and the Senate are aware that under existing law food assistance for humanitarian purposes can be supplied to needy people in Cambodia and urge that Executive Branch officials give continuing consideration to requests for food and other assistance from international organizations and voluntary relief agencies to the extent such assistance may be provided under existing law. As to Cambodian refugees who have fled from Cambodia, the Conferees expect that the United

States will provide appropriate assistance to those refugees through international organizations and voluntary agencies through whatever authority and funds that are available for such purposes, including the Migration and Refugee Assistance Act.

There is no funding authorization in this Act for military assistance programs in South Vietnam.

AUTHORIZATION OF USE OF UNITED STATES ARMED FORCES FOR EVACUATION PROGRAMS IN VIETNAM

The House bill had no express authorization for the use of United States Armed Forces but defined "evacuation" as one "without the use of military force, if possible, but should it become necessary and essential, with the minimum use of necessary force" to remove the categories described in the House bill.

The Senate amendment authorized the President to use United States Armed Forces to assist in withdrawing Americans and their dependents and endangered foreign nationals, and placed limitations on the use of those forces. If feasible, a single operation was required where imminent involvement in hostilities was indicated.

The House receded. It is the intention of the Committee of Conference that references in the conference report to the use of the United States Armed Forces are not intended to relate to the normal logistics and related services which may be performed by the Department of Defense, using military personnel in a non-combat situation, on a reimbursable basis under the Foreign Assistance Act and other laws.

Reporting requirements regarding use of Armed Forces in connection with evacuation of Americans and their dependents

The House bill did not refer to the provisions of section 4 of the War Powers Resolution which require that the President submit reports to the Congress in connection with the introduction of U.S. combat forces into a foreign country or the introduction of forces into a situation involving actual or imminent hostilities.

The Senate amendment required that if it is essential to employ the Armed Forces in withdrawal operations, a report be filed as required by Section 4 of the War Powers Resolution, and that that report certifies:

1. That a direct and imminent threat exists to the lives of U.S. citizens and their dependents;

2. That every effort was made to terminate the threat by means other than the use of forces; and

3. That, with the exception of essential personnel, such citizens and their dependents are being evacuated as rapidly as possible.

The House receded.

EVACUATION OF FOREIGN NATIONALS

The House bill authorized the use of minimum necessary force to evacuate, in addition to American citizens, their dependents, Vietnamese nationals eligible for immigration to the U.S. by reasons of their relationships to American citizens, and other foreign nationals "to whose lives a direct and imminent threat exists". Military force employed for this last purpose may not exceed that necessary to carry out the evacuation of the three categories of persons. The House bill also stipulated that the authority with respect to the last category does not extend to any action or conduct not essential to effectuate and protect the evacuation of the persons referred to above.

The Senate Amendment authorized the President to use Armed Forces to assist in bringing out endangered foreign nationals if he certifies, pursuant to section 4(b) of the War Powers Resolution, that:

1. Every effort has been made to terminate the threat by other than military force;

2. A direct and imminent threat exists to the lives of such individuals;

3. The number of American forces used to evacuate foreign nationals will not be greater than those essential to and directly connected with a withdrawal of American citizens;

4. The duration of the use of such forces will not be extended; and

5. The withdrawal will be confined to areas where United States Forces are present for the purpose of protecting Americans while they are being withdrawn.

The conference report adopts the authorities and restrictions provided in the Senate version but adopts the definition of foreign nationals eligible for evacuation under the Act which was part of the House version.

WAR POWERS RESOLUTION

The difference

The House bill stated that nothing in this Act is to be construed in derogation of the War Powers Resolution or to constitute a specific authorization for the use of Armed Forces within the meaning of section 5 (b) and (c) of such Resolution.

The Senate amendment stated that the authority of this Act is intended to constitute specific authorization within the meaning of secion 8(a) of the War Powers Resolution and is not a specific authorization for the purpose of section 5(c) of such Resolution, and required the removal of such forces by concurrent resolution if Congress directs.

The conference report provides that the authority contained in the Act is intended to constitute specific statutory authorization within the meaning of section 8(a) of the War Powers Resolution but shall not be considered specific statutory authorization for the purposes of sections 5 (b) and (c) of the War Powers Resolution. This reference incorporates the time limitations and termination procedure of section 5(b) of the War Powers Resolution and requires that such forces be removed by the President if the Congress so directs by concurrent resolution under section 5(c) of the Resolution.

WAIVER OF PROHIBITIONS ON THE USE OF FUNDS FOR THE USE OF U.S. FORCES IN EVACUATION

Th House bill waived prohibitions on the use of funds for combat activities in Vietnam, in 5 public laws, section 839 of PL 93–437, section 30 of PL 93–189, section 806 of PL 93–155, section 13 of PL 93–126, section 108 of PL 93–52 and the precautionary phrase "or any other comparable provision of law" to the extent necessary for the evacuation programs authorized in that bill.

The Senate amendment waived the same five prohibitions, plus section 741 of PL 93–238, and section 307 of PL 93–50, "only to the extent necessary" to use U.S. armed forces to withdraw U.S. citizens and their dependents from South Vietnam. The Senate amendment did not contain the precautionary phrase "or any other comparable provision of law."

The Senate receded.

DAILY WITHDRAWAL REPORT

The House bill contained no provision requiring a daily withdrawal report.

The Senate amendment required a daily report to the Speaker and to the Senate Committee on Foreign Relations, as long as the recipients desire such reports, on the numbers of Americans and dependents who left Vietnam the previous day, broken down by government and private contract personnel. The number remaining in South Vietnam, and the number of South Vietnamese who left South Vietnam the previous day with U.S. assistance.

The House receded.

WITHDRAWAL PLAN

The Senate amendment required the President to submit, within 48 hours of enactment, a report to the Speaker and to the Chairman and ranking minority members of Senate Foreign Relations, Judiciary and Armed Services Committees a report describing his general plan for withdrawal of U.S. citizens and their dependents and for withdrawal of endangered foreign nationals.

The House bill contained no provision requiring the submission to the Congress of a withdrawal plan.

The House receded, with an amendment extending the time period within which a report is required from 48 hours to 4 days.

MISSING IN ACTION REPORT

The House bill contained a sense of the Congress provision requesting that, as humanitarian assistance is being made available to South Vietnam, the President use all appropriate diplomatic means to obtain:

1. An updated accounting of Americans missing in action; and

2. The return of the remains of known American dead.

The House bill further requests that within 30 days after aid is made available in Southeast Asia, the President report to the Congress the diplomatic actions being taken.

The Senate amendment contained no comparable provision.

The Senate receded.

PROHIBITION ON ASSISTANCE

The House bill prohibited the use of funds authorized in this Act to aid, directly or indirectly, the Democratic Republic of Vietnam (DRV) or the Provisional Revolutionary Government (PRG) or the channeling or administration of funds by the DRV or the PRG.

The Senate amendment contained no comparable provision.

The Senate receded, with an understanding that the provision is not intended to prohibit assistance to refugees and other needy people who are victims of the conflict located in the territories controlled by these entities, if such assistance is channeled through and directly administered by international organizations or private voluntary agencies, and public facilities (for transportation, etc.) are only used in a manner that is similar to the common practice of these agencies and organizations in non-communist territories.

EVACUATION OF DESERTERS FROM THE UNITED STATES MILITARY

The House bill contained no provision relating to the evacuation of deserters from the United States military.

The Senate amendment contained a provision which expressed the sense of Congress that the United States not abandon in Vietnam deserters from the United States military who remain in that country, but that upon their return to the United States they be turned over to proper authorities for prosecution in accordance with the law.

The Senate receded, with the understanding that the provision would have been subject to a point of order in the House.

RESCESSION OF PROVISIONS THROUGH CONCURRENT RESOLUTION

The House bill provided that any provisions of the bill may be rescinded by the Congress through concurrent resolution.

The Senate amendment contained no comparable provision.

The House receded, because the Committee of conference believed that the safeguards contained in Section 5, concerning the War Powers Resolution, made the provision unnecessary.

DELIVERY OF PUBLIC LAW 480 SHIPMENTS TO CAMBODIA

The House bill did not contain a provision relating to delivery of PL 480 shipments to Cambodia.

The Senate amendment required PL 480

food shipments scheduled for delivery to Cambodia on or before the date of enactment of this bill to be delivered to Cambodia through international channels, provided that the assistance is requested by the Cambodian Government.

The Senate receded.

FINDING OF CONGRESS ON NORTH VIETNAMESE AND VIETCONG VIOLATION OF PARIS PEACE AGREEMENT

The House bill stated the finding of the Congress that this bill is made necessary by North Vietnamese and Vietcong military aggression in flagrant violation of the Paris Peace Agreement.

The Senate amendment contained no comparable provision.

The House receded. The Committee of Conference believes that a formal assessment of blame could have undesirable consequences with respect to the overall objectives of the Act and, specifically, with respect to obtaining information about Americans listed as missing in action in Southeast Asia and the return of the remains of known American dead.

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Mr. MANSFIELD. Mr. President, I ask unanimous consent if I may have the attention of the Senate, that a vote occur on the pending conference report no later than the hour of 4 o'clock; that in the meantime, 40 minutes be allocated to the distinguished Senator from Iowa and 21 minutes to the distinguished Senator from New Jersey, under the usual rule.

The PRESIDING OFFICER. Without objection, it is so ordered. Who yields time?

Mr. MANSFIELD. Mr. President, I ask unanimous consent that one side or the other yield 2 minutes to the distinguished Senator from Kentucky (Mr. FORD), and I now yield 1 minute to the distinguished Senator from Wisconsin (Mr. PROXMIRE)

The PRESIDING OFFICER. Without objection, it is so ordered.

SECURITIES REFORM ACT OF 1975

Mr. PROXMIRE. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 249.

The PRESIDING OFFICER (Mr. LAXALT) laid before the Senate the amendments of the House of Representatives to the bill (S. 249) to amend the Securities Exchange Act of 1934, and for other purposes, as follows:

Strike out all after the enacting clause and insert:

That this Act may be cited as the "Securities Reform Act of 1975".

TITLE I—REGULATION OF EXCHANGES AND ASSOCIATIONS

SEC. 101. (a) Section 3(a)(3) of the Securities Exchange Act of 1934 (15 U.S.C. 78c (a)(3)) is amended to read as follows:

"(3) The term 'member' when used with respect to a national securities exchange or national securities association means any person who agrees to be regulated by an exchange or association and with respect to whom the exchange or association undertakes to enforce compliance with its rules and with the provisions of this title, and any amendment thereto and any rule or regulation made or to be made thereunder."

(b) Section 3(a)(21) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(21)) is amended to read as follows:

"(21) The term 'person associated with a member' with respect to a member of a national securities exchange or national securities association means any partner, officer, director, or branch manager of such member (or any person occupying a similar status or performing similar functions), any person who is employed by such member, or any person directly or indirectly controlling, under common control with, or controlled by, such member. The Commission may, by rule, classify, for the purpose of any provision of this title, persons associated with a member of an exchange or an association."

SEC. 102. Section 6 of the Securities Exchange Act of 1934 (15 U.S.C. 78f) is amended to read as follows:

"NATIONAL SECURITIES EXCHANGES

"SEC. 6. (a) Any exchange may register with the Commission as a national securities exchange under the terms and conditions provided in this section by filing with the Commission a registration statement in such form as the Commission may prescribe setting forth the following information and accompanied by the following documents:

"(1) Copies of its constitution, articles of incorporation, bylaws, or rules or instruments corresponding to the foregoing, and its stated policies and practices relating to its organization, membership, and procedures, collectively referred to in this title as the 'rules of the exchange'.

"(2) Such other information which may be necessary or appropriate in the public interest or for the protection of investors as the Commission may, by rule, require.

"(b) An exchange shall not be registered as a national securities exchange unless it appears to the Commission that—

"(1) such exchange will be able to comply with and carry out the requirements of subsection (q) of this section;

"(2) the rules of the exchange provide that any broker or dealer registered under this title may become a member of such exchange in conformity with the requirements of subsection (o) of this section;

"(3) the rules of the exchange assure a fair representation of its members, issuers of securities listed on the exchange, and the public, in the adoption of rules of the exchange and amendments thereto, the selection of its officers and directors, and in all other phases of the administration of its affairs, including, as a minimum provisions that—

"(A) the governing body of the exchange, whether called a Board of Governors, Board of Directors, or some other name, contain individuals who are not brokers, dealers, members, persons associated with a broker or dealer or persons associated with a member, and who are representative of issuers and the public (hereinafter referred to as the 'public representatives');

"(B) the exchange will appropriate for the use of the public representatives such sums as are requested by the public representatives and determined by the governing body of the exchange to be reasonable to permit the public representatives to employ such staff or retain such attorneys, consultants, or other experts, as the public representatives may reasonably require, independent of the exchange staff; and

"(C) there are reasonable limits on the length of time and the number of terms members of the governing body may serve;

"(4) the rules of the exchange provide for the equitable allocation of dues, fees, and other charges among its members, among issuers whose securities are traded on such exchange, and among other persons using the facilities of the exchange;

"(5) the rules of the exchange are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest, and to remove impediments to and perfect the mechanism of a free and open market; and are not designed to permit unfair discrimination between or among customers, issuers, or brokers or dealers;

"(6) the rules of the exchange provide for the appropriate disciplining of its members and persons associated with its members for violations of its rules or the provisions of this title and the rules or regulations thereunder, by expulsion, suspension, fine, censure, limitation of activities, functions and operations, being suspended or barred from being associated with a member or any other fitting sanction, except that such rules need not require an exchange to discipline any person, directly or indirectly controlling, under common control with, or controlled by, a member of such exchange if such person is not otherwise a person associated with such member;

"(7) the rules of the exchange provide a fair and orderly procedure with respect to the disciplining of members and persons associated with members, including that the rules, as a minimum, meet the requirements of subsection (g) of this section;

"(8) the rules of the exchange provide a fair and orderly procedure with respect to the denial of membership to any person seeking membership therein or with respect to action taken to bar any person from becoming a person associated with a member of such exchange, including that the rules, as a minimum, meet the requirements of subsection (h) of this section; and

"(9) the rules of the exchange are sufficient and reasonably necessary to permit the exchange to discharge its regulatory responsibility under this title.

"(c) Unless disapproved by the Commission pursuant to subsection (f) of this section or otherwise provided by the Commission pursuant to section 6A of this title, nothing in this title shall be construed to prevent any exchange from adopting and enforcing any rule not inconsistent with this title and the rules, regulations, and orders thereunder and with applicable State law.

"(d) The Commission shall, upon the filing of an application of registration pursuant to subsection (a), publish notice of the filing and afford interested persons a reasonable opportunity for comment. Within 60 days of the filing of an application for registration pursuant to subsection (a) the Commission shall—

"(1) by order grant such registration if the Commission finds that the requirements of this section are satisfied, or

"(2) institute appropriate administrative action to determine whether the application should be denied.

If, after appropriate notice and opportunity for hearing, the Commission finds that any requirement of this section is not satisfied, the Commission shall by order deny such registration. The Commission shall conclude administrative action and issue an order either granting or denying an application within 120 days of the filing of the application, unless the Commission finds good cause for extending the period, in which case the Commission may extend such period for a period of time not to exceed 90 days.

"(e) A national securities exchange may, upon such terms and conditions as the Commission may deem necessary in the public interest or for the protection of investors, withdraw from registration by filing a written notice of withdrawal with the Commission. If the Commission finds that any such exchange or such other person for whom an application of registration is pending is no longer in existence or has ceased to do business in the capacity specified in the registration statement, the Commission shall by order cancel or deny registration.

"(f)(1) Each national securities exchange shall file with the Commission, in accordance with such rules as the Commission may prescribe, copies of any proposed changes in, additions to, deletions from, or amendments to the rules of the exchange, to be accompanied by a summary statement of the bases and purposes of such proposed change, addition, deletion, or amendment, and such other information and documents as the Commission may require to keep current or supplement the registration statement and documents filed pursuant to subsection (a). No proposed change, addition, deletion, or amendment to an exchange's rules shall take effect except in accordance with the provisions of this subsection.

"(2) The Commission shall, upon the filing of a proposed change, addition, deletion, or amendment to an exchange's rules, publish notice of such proposal together with the exchange's statement of bases and purposes and, except with respect to those rules which constitute its stated policies and practices relating to its organization, membership, and procedures, shall afford interested persons a reasonable opportunity for comment on the proposed change, addition, deletion, or amendment. Proposed changes, additions, deletions, or amendments to an exchange's rules, except those rules which constitute its stated policies and practices relating to its organization, membership, and procedures, shall take effect 45 days after publication of such notice by the Commission, unless the Commission, by order, disapproves such proposed change, addition, deletion, or amendment as inconsistent with the purposes of this title or otherwise inconsistent with the public interest, but the Commission may extend this time for a period not to exceed 90 days in order to solicit additional public comment or to provide interested persons an opportunity for oral presentation of views, data, or arguments concerning the proposed change, addition, deletion, or amendment. The Commission, upon its own motion, or upon application setting forth the reasons therefor, may, conditionally or unconditionally, exempt from the public comment requirements of this subsection, and may accelerate the effectiveness of any proposed change, addition, deletion, or amendment, or any class of such proposed change, addition, deletion, or amendment if the Commission finds that the application of either the public comment requirement, or the waiting period requirement, or both, to such change, addition, deletion, or amendment, or class of such change, addition, deletion, or amendment is not necessary or appropriate in the public interest or for the protection of investors and that such exemption or acceleration is not inconsistent with the purposes of this section.

"(3)(A) Notwithstanding the provisions of paragraphs (1) and (2) of this subsection, changes, additions, deletions, or amendments to an exchange's stated policies and practices relating to its organization, membership, and procedures may take effect on such date as may be designated by the exchange. An exchange shall file with the Commission, on a date no later than on the date on which any such change, addition, deletion, or amendment takes effect, copies of any such change, addition, deletion, or amendment to such stated policies and practices, accompanied by a summary statement of the basis and purpose therefor, except that the Commission shall have no authority to require the filing of such copies and statements prior to the date on which any such change, addition, deletion, or amendment takes effect, and the failure to file such copies and such statements as hereinabove provided shall not affect the validity, force, or effect of any such change, addition, deletion, or amendment.

"(B) The Commission may, at any time but no later than 60 days after the filing of any such change, addition, deletion, or amendment to an exchange's stated policies and practices relating to its organization, membership, and procedures (except those which relate solely to the internal administration of such exchange) disapprove, by order, such change, addition, deletion, or amendment as inconsistent with the purposes of this title or otherwise inconsistent with the public interest. Disapproval by the Commission under this subparagraph shall apply prospectively.

"(4) Any filing required to be made with the Commission under this subsection or pursuant to any rule under this subsection, and all written communications between the Commission and the exchange and between the Commission and any other person relating to all such filings, shall be placed in a public file and shall be made available to any person for inspection and copying.

"(g)(1) In any proceeding to determine whether a member or person associated with a member should be disciplined, rules of a national securities exchange registered under this section shall require that specific charges of any violation be brought; that such member or person associated with a member shall be notified of and be given an opportunity to defend against such charges; and that a record shall be kept. A determination to impose a disciplinary sanction shall be supported by a statement setting forth—

"(A) any act or practice in which such member or person associated with such member has been found to have engaged, or any required act or practice which such member or person associated with such member has been found to have omitted;

"(B) the specific rule or rules of the exchange or provisions of this title or rules or regulations thereunder which any such act or practice, or omission to act, is deemed to violate; and

"(C) the sanction imposed and the reasons for that sanction.

Such statement shall be publicly noticed in accordance with such procedures as the Commission shall, by rule, specify.

"(2) Rules of a national securities exchange may, with the approval of the Commission, provide for a summary procedure for the suspension, in whole or in part, of the business activities of a member or person associated with a member—

"(A) where the member or person associated with a member who is the subject of the summary proceeding has been disciplined by another national securities exchange or national securities association for the behavior which is the subject of the summary procedure; or

"(B) where the member is insolvent or failing to perform its contracts, and the exchange determines that public investors may be endangered, or where the member is in such financial or operating condition that it cannot be permitted to continue in business with safety to its customers, creditors, or the exchange.

Following any such suspension, the member or person associated with a member so suspended promptly shall be afforded an opportunity for a hearing which meets the requirements of paragraph (1) above.

"(h) In any proceeding to determine whether a person shall be denied membership, or whether a person should be barred from being associated with a member, rules of a national securities exchange registered under this section shall provide that any such person shall be notified of, and be given an opportunity to be heard upon, the bases for the denial or bar which are under consideration; and that a record be kept. A determination to deny membership or to bar a person from being associated with a member shall be supported by a statement setting forth the specific grounds on which the denial or bar is based.

"(i) If any national securities exchange imposes any disciplinary sanction against or concludes disciplinary proceedings without imposing a sanction with respect to any member thereof, or any person associated with a member, or denies admission to any person seeking membership therein or bars any person from being associated with a member of such exchange, the exchange shall promptly notify the Commission. Such action or proceedings shall be subject to review by the Commission within 30 days after a copy of the statement referred to in subsection (g) or (h) has been given to the aggrieved party and to the Commission, or within 30 days after the exchange has notified the Commission pursuant to this subsection that the exchange has concluded disciplinary proceedings without imposing a sanction, upon the Commission's own motion, or upon application by any person aggrieved thereby. The Commission may, upon the application of an aggrieved party for review or upon the initiation of review by the Commission on its own motion, order a stay of such disciplinary action, or order a stay of any action under subsection (h) barring a person from being associated with a member, pending completion of the review proceeding.

"(j)(1) In a proceeding to review disciplinary proceedings of a national securities exchange registered under this section with respect to a member or any person associated with a member, after appropriate notice and opportunity for hearing—

"(A) if the Commission finds that such member or such person has engaged in such acts or practices, or has omitted such acts, as the exchange has charged or has found him to have engaged in or to have omitted, and determines that such acts or practices, or omission to act, are in violation of the provisions of this title, or the rules adopted thereunder, or the rules of the exchange as have been designated in the determination of the exchange, it shall by order so declare and, if appropriate, affirm the action taken by the exchange or remand the proceeding to the exchange or modify any sanction in accordance with paragraph (2) of this subsection; or

"(B) if the Commission finds that such member or such person has not engaged in such acts or practices, or has not omitted such acts, as the exchanges has charged or found him to have engaged in or to have omitted, or that such acts or practices are not prohibited by the designated provisions of this title, or the rules adopted thereunder, or by the designated rule or rules of the exchange or that such act as alleged or found to have been omitted is not required by such designated provisions, rule, or rules, the Commission shall by order so declare and, if appropriate, set aside the action of the exchange.

"(2) If the Commission, having due regard for the public interest, finds that the disposition of the proceedings before the exchange with respect to the imposition or failure to impose any sanction against a member or person associated with a member is inappropriate, the Commission shall, by order, declare that the imposition or failure to impose a sanction is inappropriate and may in such order cancel, reduce, or require the remission of such sanction or penalty, or may remand the disciplinary proceeding to the exchange with a statement of the Commission's position thereon and with appropriate instruction to the exchange to reconsider such sanction, to adduce such additional evidence as may be necessary, and to determine whether some different or additional sanction should be imposed. The exchange shall notify the member or person associated with the member, and the Commission, as to the exchange's determination whether to impose a different or additional sanction, and the Commission, within 30 days after being informed of the exchange's determination, upon the Commission's own motion or upon application by any person aggrieved thereby, may again review such disciplinary action or proceeding and may then, by order, confirm, reduce, cancel, or require the remission of such sanction.

"(k) In any proceeding to review the denial of membership in a national securities exchange or to review action of an exchange to bar a person from being associated with a member, if the Commission, after appropriate notice and opportunity for hearing, (A) finds that the specific grounds on which such denial or bar is based exist in fact and are valid under the rules of the exchange and this section, it shall by order so declare and affirm the exchange's action; or (B) finds that the specific grounds do not exist or are invalid under the rules of the exchange or this section, the Commission shall by order so declare and set aside the action of the exchange and require it to admit the applicant to membership or to permit such person to be associated with a member.

"(l) With respect to (1) any broker or dealer who is not a member of an exchange but whom the Commission finds to be effecting transactions on an exchange through a member of such exchange in significant and substantial amounts, or (2) any person who is not a member of, but who is permitted by, an exchange to effect transactions directly on the exchange without the services of another person acting as broker, the Commission may, after notice and opportunity for hearing, as it determines to be necessary or appropriate in the public interest, to protect investors, or to assure the maintenance of fair and orderly markets, require, by order, such broker or dealer or person to accede to the regulation of such exchange with respect to the effecting of such transactions of such exchange and require such exchange to regulate such broker or dealer or person, but such person shall not, solely because of such action, be deemed a member of such exchange. In any such circumstance, the Commission shall define and specify the authority and responsibility of such exchange to establish and enforce standards and requirements to be satisfied by such broker or dealer or person with respect to such transactions.

"(m)(1) The Commission may, with respect to any person who is a member of more than one national securities exchange, or who is a member of an exchange and a national securities association, assign to an exchange or an association of which such person is a member the responsibility in whole or in part for the regulation of such person, including the responsibility to conduct inspections and examinations of such person, and such assignment shall, as the Commission may find to be consistent with the purposes of this title, relieve from the requirement of subsection (q) of this section and section 15A(m) of this title any exchange or association of which a person is also a member to the extent that the responsibility for regulation has been assigned to another exchange or association.

"(2) In any circumstance in which an assignment of regulatory responsibility under paragraph (1) is determined by the Commission to relieve an exchange or an association from the requirements of subsection (q) of this section or subsection (m) of section 15A, with respect to a member of such exchange or association, the Commission may, as it deems necessary or appropriate in the public interest and for the protection of investors, require any such exchange or association and any such member, to take appropriate steps to notify the public, customers, and persons doing business with such members of the nature of such membership.

"(n) A national securities exchange or national securities association shall furnish copies of any reports of inspections or examinations of its members to any other national securities exchange or national securities association of which such member is a member upon the request of such member, exchange, or association, or upon the request of the Commission, and shall not be liable for damages to any person, whether or not the subject of such report, solely for having furnished such copies to another exchange or association pursuant to such request.

"(o) A national securities exchange shall permit any broker or dealer registered under this title to become a member of such exchange, except that any exchange may—

"(1) deny membership to, or bar from being associated with a member, any person who, by order of the Commission or by action of an exchange or association, has been expelled or suspended from membership in, or who has been barred or suspended from being associated with a member of, any other exchange or any national securities association, during the period of such expulsion, suspension, or bar;

"(2) deny membership to any broker or dealer, who is subject to an order of the Commission denying, suspending for a period not exceeding 12 months, or revoking such broker or dealer's registration pursuant to section 15 of this title;

"(3) bar from being associated with a member any person who, by his conduct while associated with a broker or dealer, was a cause of any suspension, expulsion, or order of the character described in paragraph (1) or (2) of this subsection and in entering such a suspension, expulsion, or order, the Commission or any such exchange or association shall have jurisdiction to determine whether or not any person was a cause thereof;

"(4) deny membership to any broker or dealer who has associated with him any person who is known, or in the exercise of reasonable care should be known, to such broker or dealer to be a person who, if such person were a broker or dealer, would be ineligible for admission to or continuance in membership under paragraph (1), (2), or (3) of this subsection;

"(5) unless the Commission directs to the contrary in a proceeding under section 6(k), in instances where the Commission finds it appropriate in the public interest so to direct, deny membership to, or bar from being associated with a member, any person on those grounds set forth in section 15(b)(5) (C)–(F) of this title or to any person who (A) has willfully made or caused to be made in any application for membership or report required to be filed with the exchange, or in any proceeding before the exchange, any statement which was at the time and in the light of the circumstances under which it was made false or misleading with respect to any material fact, or has omitted to state in any such application or report any material fact which is required to be stated therein; or (B) has been convicted within ten years preceding the filing of the application or at any time thereafter of the crime of armed robbery or grand larceny or of any felony or misdemeanor which the exchange finds—

"(i) involves the purchase or sale of any security;

"(ii) arises out of the conduct of the business of a broker, dealer, or investment adviser;

"(iii) involves embezzlement, fraudulent conversion, or misappropriation of funds or securities;

"(iv) involves the violation of section 1341, 1342, or 1343 of title 18, United States Code;

"(6) condition membership on the members meeting financial responsibility requirements which are additional to those imposed by rules or regulations adopted by the Commission pursuant to section 15 of this title and which the Commission determines are reasonable and consistent with the purposes of this title and with the public interest;

"(7) require applicant for membership, or any natural person to be associated with a member, to meet competency requirements which are additional to those imposed by rules or regulations adopted by the Commission pursuant to section 15(b)(8) of this title and which the Commission determines are reasonable and consistent with the purposes of this title and with the public interest; and

"(8) condition membership on the members meeting operation capability requirements imposed by rules of the exchange which the Commission determines are reasonable and consistent with the purposes of this title and with the public interest.

An exchange may, pursuant to such procedures as the Commission finds, give fair and equitable treatment to the members of the exchange, limit the number of its members or designated representatives of its members permitted to effect transactions on the exchange without the services of another person acting as broker to the extent that such limitations are found by the Commission to be justified by reason of limitations in the physical capacity of the exchange.

"(p)(1) On and after May 1, 1975, no national securities exchange may fix or impose any schedule or rate of commission, allowance, or discount except that such prohibition shall not apply to floor brokerage commissions until May 1, 1976, and except that the Commission may (A) after May 1, 1975 and until October 1, 1976, by rule, after appropriate notice and affording interested persons an opportunity for the oral presentation of views, data, and arguments, in addition to an opportunity to make written submissions, permit a national securities exchange or exchanges to continue, establish, or reestablish a reasonable schedule or rate of commission, allowance, or discount for transactions or portions of transactions on such exchange involving amounts up to $300,000 if the Commission determines that the public interest requires the continuation, establishment, or reestablishment of a reasonable schedule or rate for such transactions or portions of transactions on such exchange or exchanges; and (B) on or after October 1, 1976, by order, after appropriate notice and opportunity for a hearing on a record, permit a national securities exchange to continue, establish, or reestablish a schedule or rate of commission, allowance, or discount for transactions or portions of transactions on such exchange involving amounts up to $300,000 if the Commission determines (i) that such schedule, rate of commission, allowance, or discount is reasonable (stating the standard or standards employed by the Commission adjudging the reasonableness of such schedule, rate of commission, allowance or discount) and (ii) that such action is required to accomplish the purposes of this title and to assure the maintenance of fair and orderly markets in securities, taking into consideration the competitive effects of permitting the continuance, establishment, or reestablishment of such schedule, rate of commission, allowance, or discount weighed against the competitive effect of other lawful action which the Commission is authorized to take under this title and taking into consideration the preservation of auction markets, promotion of market liquidity, the encouragement of direct investment by individual investors, the availability of equity capital to business, and the prevention of undue concentration of the investment banking industry. Any schedule or rate of commission, allowance, or discount at any time permitted after May 1, 1975, may (i) apply only to transactions or portions of transactions of a particular size involving amounts of less than $300,000 and (ii) relate only to one or more particular services rendered and shall be terminated by rule or order whenever the Commission, after appropriate notice and opportunity for the oral presentation of views, data, and arguments, in addition to an opportunity to make written submissions, determine that the public interest no longer requires the continuation of such schedule or rate of commission, allowance, or discount, the Commission shall promptly transmit a copy of any rule or order adopted pursuant to this subsection to the Congress, together with a statement of the Commission's reasons for adopting such rule or order, and the Commission's recommendations, if any, for legislation concerning the matter of commission rates.

"(2) The Commission shall include in its annual report to the Congress required by section 23(b) of this title a description of the effect that competitive determined commission rates is having on the development of a national securities market system and a national clearance and settlement system.

"(q) National securities exchanges registered under this section shall comply with the provisions of this title, and the rules, regulations, and orders thereunder, and shall enforce, so far as within their power, compliance by their members with the provisions of this title, and the rules and regulations thereunder, and with the rules of the exchange.

"(r) This section shall not require any securities exchange which was registered on the date of enactment of the Securities Reform Act of 1975 to re-register with the Commission. If in its opinion the rules of any exchange which is registered on the date of enactment of the Securities Reform Act of 1975 do not comply with the requirements of this section, the Commission, no later than one year from the date of enactment of the Securities Reform Act of 1975, shall so notify such exchange in writing specifying the reasons why in the Commission's opinion such rules do not comply with such requirements. On and after the 180th day following the date of enactment of the Securities Reform Act of 1975, but no sooner than 90 days after an exchange has been notified as required herein, the Commission is authorized, after appropriate notice and opportunity for hearing, by order to suspend the registration of any such national securities exchange if the Commission finds that the rules of such exchange are not in compliance with the requirements of this section, such suspension to continue in effect until the Commission issues an order declaring that the rules of such exchange comply with such requirements.

"(s) Paragraph (2) of subsection (b) of this section and subsection (o) of this section shall not take effect with respect to a national securities exchange registered with the Commission on the date of enactment of the Securities Reform Act of 1975 until January 1, 1978. The Commission shall notify the Congress no later than June 30, 1977, whether the requirements of this subsection can be equitably and reasonably implemented. Taking into consideration the loss of value of exchange seats, if any, that would be sustained by exchange members as a result of the implementation of this subsection, if the Commission finds, with respect to any national securities exchange registered with the Commission on the date of enactment of the Securities Reform Act of 1975, that this subsection cannot be equitably and reasonably implemented it may, by order, after notice and opportunity for hearing, delay the effective date of this subsection with respect to such exchange for an additional period but not beyond January 1, 1979.

"(t)(1) Rules of an exchange may require any person, or any class of persons, associated with a member to be registered with the exchange in accordance with the procedures specified by such rules and may provide that applications to become a member or a person associated with a member shall set forth such facts as the exchange may prescribe as to the training, experience, and other qualifications (including, in the case of an applicant for membership, financial responsibility) of the applicant and that the exchange may adopt procedures for verification of qualifications of the applicant.

"(2) Any application or document supplement thereto required by rules of an exchange to be filed by a person applying for membership on such exchange or to be filed by a person applying to be associated with a member of an exchange shall, for the purposes of subsection (a) of section 32 of this title, be deemed an application or document required to be filed under this title."

SEC. 103. The Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) is amended by adding after section 6 the following new section:

"AUTHORITY TO AMEND EXCHANGE AND ASSOCIATION RULES

"SEC. 6A. (a) The Commission, by rule, may amend the rules of any national securities exchange or national securities association (the term 'amend', when used with respect to any rule of a national securities exchange or national securities association means to abrogate, or compel the adoption of an alteration of, or supplement to, such rule, or to adopt a new rule) as the Commission deems necessary or appropriate in the public interest or for the protection of investors, or to insure fair dealing in securities, or to insure the fair administration of such exchange or association, or otherwise to effectuate the purposes of this title, in the following manner:

"(1) The Commission shall give appropriate notice to the exchange or association and shall publish in the Federal Register its proposed rule, which shall contain the text of the proposed amendment to the rules of the exchange or association; a statement of the reasons for the Commission's determination to propose to require the amendment, including any facts which the Commission considers especially pertinent to its determination, and an evaluation by the Commission of the effect of the proposed amendment to the rules of such exchange or association.

"(2) Rules which have been proposed under paragraph (1) shall be promulgated pursuant to the procedures specified in section 553 of title 5, United States Code, except that the Commission shall give interested persons an opportunity for the oral presentation of data, views, and arguments, in addition to any opportunity to make written submissions. A transcript shall be kept of any oral presentation. The Commission may make written submissions or oral presentations respecting such proposed rulemaking. Nothing in this section shall be construed to impair or limit the Commission's power to promulgate, or to modify or alter the procedures the Commission may follow in promulgating rules, regulations, and orders pursuant to any other authority under this title.

"(3) Whenever the Commission promulgates a rule under this section it shall publish with such rule a statement of its bases and purposes for requiring the amendment, including (A) an identification of those facts upon which the Commission considers its determination to be grounded, including its conclusions as to any of such facts which were disputed in oral presentations under paragraph (2) or in written submissions under such paragraph, and (B) an evaluation of what the Commission considers to be the principal arguments made in such oral presentations and in such written submissions.

"(b)(1) Any person adversely affected by a rule promulgated under subsection (a) may, within 120 days from the promulgation of such rule, file a petition for judicial review of such rule with the United States Court of Appeals for the District of Columbia or for the circuit in which such person resides or has his principal place of business. Copies of the petition shall be forthwith transmitted by the clerk of the court to the Commission or any person designated by it for such purpose. The Commission shall file in the court the rule and the statement published therewith; the transcript required by subsection (a)(2) of any oral presentations by the Commission and by interested persons; and any written submission by interested persons or by the Commission in a proceeding under this section.

"(2) Upon the filing of the petition under paragraph (1) of this subsection, the court shall have jurisdiction to review the rule and to affirm or set aside the rule and to grant interim relief of the nature described in section 705 of title 5, United States Code. Upon review, the facts identified by the Commission pursuant to subsection (a)(3), if supported, by substantial evidence, are conclusive. The rule shall be affirmed unless the court finds that (A) the Commission's action in prescribing the rule is arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law; or (B) that the Commission's action is (i) contrary to constitutional right, power, privilege, or immunity; (ii) in excess of statutory jurisdiction, authority, or limitation, or short of statutory right; or (iii) without observance of procedure required by law.

"(3) If proceedings have been instituted under this subsection in two or more courts of appeals with respect to the same rule, the Commission shall file the materials set forth in paragraph (1) of this subsection in that court in which a proceeding was first instituted. The other courts shall thereupon transfer all such proceedings to the court in which the materials have been filed. For the convenience of the parties in the interest of justice that court may thereafter transfer all the proceedings to any other court of appeals.

"(4) The judgment of the court affirming or setting aside, in whole or in part, any rule under this subsection shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification, as provided in section 1254 of title 28, United States Code."

SEC. 104. Section 19 of the Securities Exchange Act of 1934 (15 U.S.C. 78s) is amended to read as follows:

"POWERS WITH RESPECT TO EXCHANGES, ASSOCIATIONS, AND SECURITIES

"SEC. 19. (a) The Commission is authorized, if in its opinion such action is necessary or appropriate for the protection of investors—

"(1) After appropriate notice and opportunity for hearing, by order to suspend for a period not exceeding 12 months or to revoke the registration of a national securities exchange or national securities association if the Commission finds that such exchange or association has violated any provision of this title or any rules, regulations, or orders thereunder, or is unable to comply with the provisions of this title or any rules, regulations, or orders thereunder, or, without reasonable justification or excuse, has failed to enforce compliance with the title or any rules or regulations thereunder, or with its own rules by a member or, with respect to an exchange, by an issuer of a security registered thereon.

"(2) After appropriate notice and opportunity for hearing, by order to deny, to suspend the effective date of, to suspend for a period not exceeding 12 months, or to withdraw, the registration of a security if the Commissioner finds that the issuer of such security has failed to comply with any provision of this title or the rules and regulations thereunder, or any rule of a registered national securities exchange upon which such security is listed for trading.

"(3) After appropriate notice and opportunity for hearing, by order to suspend for a period not exceeding 12 months or to expel from a national securities exchange or national securities association any member thereof, or to suspend for a period not exceeding 12 months or to bar any person from being associated with a member thereof, whom the Commission finds has violated any provision of the Securities Act of 1933, the Investment Advisers Act of 1940, the Investment Company Act of 1940, or of this title, or a rule, regulation, or order under any of such statutes, or has effected any transaction for any other person who, such member or such person associated with a member had reason to believe, was violating in respect to such transaction any provision of any of such statutes, or a rule, regulation, or order thereunder.

"(4) After appropriate notice and opportunity for hearing, by order to remove from office any officer, director, or employee of a national securities exchange or national securities association who, the Commission finds, has willfully and without reasonable justification or excuse failed to enforce compliance with this title, or any rules or regulations thereunder, or with the rules of the exchange or association of which he is an officer, director, or employee, by a member or, with respect to an exchange by an issuer of a security registered on the exchange, or has willfully abused his authority.

"(5) And if in its opinion the public interest so requires, summarily to suspend trading in any registered security on any national securities exchange for a period not exceeding 10 days, or, with the approval of the President, summarily to suspend all trading on any national securities exchange for a period not exceeding 90 days."

Sec. 105. Section 11(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78h(a)) is amended to read as follows:

"(a)(1) The Commission shall prescribe such rules and regulations as it determines to be necessary or appropriate in the public interest, to assure fair dealing in securities, or for the protection of investors, to regulate or prevent trading by members of national securities exchanges, or trading by brokers or dealers, directly or indirectly (A) for their own account, (B) for any account in which an affiliated or associated person of such member or such broker or dealer has a financial interest (other than an interest which the Commission determines to be insignificant), or (C) for any managed account. Rules under this section shall, as a minimum, assure that any such trading is consistent with and not detrimental to the maintenance of a fair and orderly market in securities.

"(2) For the purposes of this section:

"(A) An 'affiliated person' shall include any person directly or indirectly controlling, controlled by or under common control with (i) such member or such broker or dealer, or (ii) an associated person of such member or such broker or dealer, whether by contractual arrangement or otherwise. A person shall be presumed to control another person if such person has a right to participate to the extent of more than 25 per centum in the profits of such other person or owns beneficially, directly or indirectly, more than 25 per centum of the outstanding voting securities of such person. An affiliated person may also include any person whom the Commission determines to be in a position to control a member or a broker or dealer by reason of the nature and extent of such person's business with such member or such broker or dealer.

"(B) The term 'associated person' with respect to a member or a broker or dealer means any partner, officer, director, or branch manager of such member or such broker or dealer (or any person occupying a similar status or performing similar functions), including any employee of such member or such broker or dealer, except that for the purposes of this section an associated person of such member or such broker or dealer whose functions are clerical or ministerial shall not be included in the meaning of such term; and

"(C) The term 'managed account' shall mean an account of any person (including any investment company, insurance company, separate account of an insurance company, bank, trust company, pension-benefit or profit-sharing or similar plan, foundation or educational or charitable endowment) for which such member or such broker or dealer, any affiliated person of such member or such broker or dealer, or any associated person of such member or such broker or dealer: (i) is empowered to determine what securities or other property shall be purchased or sold or is otherwise authorized to select the securities bought or sold or (ii) regularly furnishes advice with respect to the desirability of investing in, purchasing or selling securities or other property. For the purposes of this section a member, or broker or dealer, or any affiliated or associated person of such member, or of such broker or dealer, shall not be considered to be regularly furnishing advice with respect to the desirability of investing in, purchasing or selling securities or other property if such member, or broker or dealer, or any affiliated or associated person of such member, or of such broker or dealer, furnishes only statistical or other factual information, advice regarding economic factors and trends, or advice as to occasional transactions in specific securities or if such advice is furnished solely through uniform publications distributed to subscribers thereto or to customers of such member, or broker or dealer, or affiliated or associated person.

"(3) Except as provided in paragraph (5) of this subsection, on or after May 1, 1975, it shall be unlawful for any member of a registered national securities exchange to effect, whether as broker or dealer, any transaction on an exchange for any account described in subparagraphs (A), (B), and (C) of paragraph (1) of this subsection, except that this paragraph shall not apply so as to make unlawful the following—

"(A) any transaction by a registered specialist acting in such capacity;

"(B) any transaction for the account of an odd-lot dealer in a security in which he is so registered;

"(C) any transaction determined in accordance with criteria acceptable to the Commission to be a transaction by a block positioner, or a market maker, acting in such capacity;

"(D) any stabilizing transaction effected in compliance with rules under section 10 (b) of this title to facilitate a distribution of a security in which the member effecting such transaction is particiapting;

"(E) any bona fide arbitrage transaction, including hedging between an equity security and a security entitling the holder to acquire such equity security, or any risk arbitrage transaction in connection with a merger, acquisition, tender offer, or similar transaction invoking a recapitalization;

"(F) any transaction for a managed account of a natural person or of a trust created by and for a natural person or his spouse, children, grandchildren, brothers, sisters, aunts, uncles, nieces, or nephews, if such natural person is not otherwise an affiliated or associated person of such member;

"(G) any transaction for a member who is a natural person, or for an account of a natural person who is an affiliated or associated person of a member;

"(H) any transaction to offset a transaction made in error;

"(I) any other transaction of a kind which the Commission, by rule, shall determine contributes to the fair and orderly functioning of the securities market and which is consistent with the purposes of this paragraph; and

"(J) any transaction by a member for a managed account of a person who, with respect to such member is, not an affiliated or associated person, if such member (or any affiliated or associated person of such member) performs no functions for such account other than those functions described in paragraph (2)(C) of this subsection and which is effected pursuant to standards prescribed by the Commission, by rule, to assure that (i) satisfactory provision is made for the review of trading for such account by a person with investment experience who is not an associated or affiliated person of such member, and (ii) the effecting of such transaction by such member would be consistent with the maintenance of fair and orderly markets in securities.

The Commission shall promulgate appropriate rules under section 3(b) of this Act which shall define terms used in subparagraphs (A) through (J) of this paragraph.

"(4) The Commission shall, under authority of paragraph (1) of this subsection, prescribe such rules and regulations applicable to any transaction for an account described in subparagraph (A), (B), and (C) of paragraph (1) to prevent any member of a national securities exchange from effecting transactions for such accounts otherwise than on an exchange and to prevent any broker or dealer (other than a member of an exchange) from effecting any transaction for such an account on an exchange or otherwise than on an exchange to the extent that the Commission determines that the prohibition on trading contained in paragraph (3) of this subsection must be applied, in whole or in part, to such members and such brokers or dealers in order to assure the maintenance of fair and orderly markets in securities.

"(5) Until the end of a period of 3 years following the date of enactment of the Securities Reform Act of 1975, the provisions of paragraph (3) of this subsection shall not apply to any member of an exchange who acquired membership on such exchange prior to January 16, 1973, or who on date of enactment of the Securities Reform Act of 1975 was directly or indirectly controlled by a person who was a member of such exchange prior to January 16, 1973, so as to make unlawful the effecting of any transaction for (A) such member's own account, (B) for the account of any associated or affiliated person who was so associated or affiliated on January 16, 1973, or (C) for a managed account for which such member or any affiliated or associated person performed functions described in subparagraph (C) of paragraph (1) on January 16, 1973.

"(6) It shall be unlawful for any member of a national securities exchange or for any broker or dealer to utilize a scheme, device, arrangement, agreement, or understanding designed to circumvent or avoid, by reciprocal means or otherwise, the provisions of paragraph (3) of this subsection or any rule or regulation promulgated by the Commission under authority of this subsection."

SEC. 106. Section 21 of the Securities Exchange Act of 1934 (15 U.S.C. 78u) is amended to read as follows:

INVESTIGATIONS, INJUNCTIONS, AND PROSECUTION OF OFFENSE

"SEC. 21. (a) The Commission may, in its discretion, make such investigations as it deems necessary to determine whether any person has violated or is about to violate any provision of this title or any rule or regulation thereunder, or any rule of a national securities association, national securities exchange, registered clearing agency, or registered securities depository, of which such person is a member, an associated person or a member, a participant, or a person who is required to be regulated by an exchange pursuant to section 6(l) of this title, and may require or permit any person to file with it a statement in writing, under oath or otherwise as the Commission shall determine, as to all the facts and circumstances concerning the matter to be investigated. The Commission is authorized, in its discretion, to publish information concerning any such violations, and to investigate any facts, practices, or matters which it may deem necessary or proper to aid in carrying out its functions under this title or in securing information to serve as a basis for recommending further legislation concerning the matters to which this title relates.

"(b) For the purpose of any such investigation, or any other proceeding under this title, any member of the Commission or any officer designated by it is empowered to administer oaths and affirmations, subpena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, or other records which the Commission deems relevant or material to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States or any State at any designated place of hearing.

"(c) In case of contumacy by, or refusal to obey a subpena issued to, any person, the Commission may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, correspondence, memoranda, and other records. And such court may issue an order requiring such person to appear before the Commission or member or officer designated by the Commission, there to produce records, if so ordered, or to give testimony touching the matter under investigation or in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found. Any person who shall, without just cause, fail or refuse to attend and testify or to answer any lawful inquiry or to produce books, papers, correspondence, memoranda, and other records, if in his power so to do, in obedience to the subpena of the Commission, shall be guilty of a misdemeanor and, upon conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for a term of not more than one year, or both.

"(d) Wherever it shall appear to the Commission that any person is engaged or about to engage in any acts or practices which constitute or will constitute a violation of the provisions of this title, or any rule or regulation thereunder, or any rule of a national securities association, national securities exchange, registered clearing agency, or registered securities depository, of which such person is a member, an associated person of a member, a participant, or a person who is required to be regulated by an exchange pursuant to section 6(l) of this title, it may in its discretion bring an action in the proper district court of the United States, the United States District Court of the District of Columbia or the United States courts of any territory or other place subject to the jurisdiction of the United States, to enjoin such acts or practices, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond: *Provided, however*, That the Commissioner shall not proceed against any person under this subsection based on a violation of an exchange, association, clearing agency, or securities depository rule without first notifying such exchange, association, clearing agency, or securities depository of the alleged violation and the Commission's intention to proceed based upon it and giving such exchange, association, clearing agency, or securities depository such time as the Commission determines to be reasonable within which to take appropriate action, except that the Commission need not give prior notification to an exchange, association, clearing agency, or securities depository if the Commission determines that the public interest or the protection of investors requires immediate action on the part of the Commission. The Commission may transmit such evidence as may be available concerning acts or practices which may constitute a violation of this title, or any rule, regulation, or order thereunder to the Attorney General, who may, in his discretion, institute the necessary criminal proceedings under this title.

"(e) Upon application of the Commission the district courts of the United States, the United States District Court for the District of Columbia, and the United States Courts of any territory or other place subject to the jurisdiction of the United States shall also have jurisdiction to issue writs of mandamus commanding any person to comply with the provisions of this title or any rule, regulation, or order of the Commission made in pursuant thereof, or any rule of a national securities association, national securities exchange, registered clearing agency, or registered securities depository, of which such person is a member, an associated person of a member, a participant, or a person who is required to be regulated by an exchange pursuant to section 6(l) of this title, or with any undertaking contained in a registration statement as provided in subsection (d) of section 15 of this title or to compel a registered national securities exchange, national securities association, registered claims agency, or registered securities depository to enforce compliance with the rules of such exchange, association, clearing agency, or securities depository: *Provided, however*, That the Commission shall not proceed against any person under this subsection based on a violation of an exchange association, clearing agency, or securities depository rule without first notifying such exchange, association, clearing agency, or securities depository of the alleged violation and the Commission's intention to proceed based upon it and giving such exchange, association, clearing, agency, or securities depository such time as the Commission determines to be reasonable within which to take appropriate action, except that the Commission need not give prior notification to an exchange, association, clearing agency, or securities depository if the Commission determines that the public interest or the protection of investors requires immediate action on the part of the Commission.

"(f) Notwithstanding the provisions of section 1407 of title 28, United States Code, no enforcement action for equitable relief instituted by the Commission pursuant to the securities laws shall be consolidated or coordinated with other actions not brought by the Commission, even though such other actions may involve common questions of fact, unless such consolidation is consented to by the Commission. As used in this subsection, the term 'securities laws' includes the Securities Act of 1933 (15 U.S.C. 77 et seq.), the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), the Public Utility Holding Company Act of 1935 (15 U.S.C. 79a et seq.), the Trust Indenture Act of 1939 (15 U.S.C. 77aaa et seq.), the Investment Company Act of 1940 (15 U.S.C. 80a–1 et seq.), the Investment Advisors Act of 1940 (15 U.S.C. 806 et seq.), and the Securities Investor Protection Act of 1970 (15 U.S.C. 78aaa et seq.).".

SEC. 107. Section 15A of the Securities Exchange Act of 1934 (15 U.S.C. 78o–3) is amended to read as follows:

"NATIONAL SECURITIES ASSOCIATIONS

"SEC. 15A. (a) Any association may register with the Commission as a national securities association under the terms and conditions provided in this section by filing with the Commission a registration statement in such form as the Commission may prescribe setting forth the following information and accompanied by the following documents:

"(1) Copies of its constitution, articles of incorporation, bylaws, or rules or instruments corresponding to the foregoing, and its stated policies and practices relating to its organization, membership, and procedures, collectively referred to in this title as the 'rules of the association'.

"(2) Such other information which may be necessary or appropriate in the public interest or for the protection of investors as the Commission may, by rule, require.

"(b) An association shall not be registered as a national securities association unless it appears to the Commission that—

"(1) such association will be able to comply with and carry out the requirements of subsection (m) of this section;

"(2) the rules of the association provide that any broker or dealer may become a member of such association in conformity with the requirements of subsection (l) of this section;

"(3) the rules of the association assure a fair representation of its members, issuers of securities, and the public, in the adoption of rules of the association and amendments thereto, the selection of its officers and directors, and in all other phases of the administration of its affairs, including, as a minimum, provisions that—

"(A) the governing body of the association, whether called a Board of Governors, Board of Directors, or some other name, contain individuals who are not brokers, dealers, members, persons associated with a broker or dealer or persons associated with a member, and who are representative of issuers and the public (hereinafter referred to as the 'public representatives');

"(B) the association will appropriate for the use of the public representatives such sums as are requested by the public representatives and determined by the governing body of the association to be reasonable to permit the public representatives to employ such staff or retain such attorneys, consultants, or other experts, as the public representatives may reasonably require, independent of the association staff; and

"(C) there are reasonable limits on the length of time and the number of terms members of the governing body may serve;

"(4) the rules of the association provide for the equitable allocation of dues, fees, and other charges among its members, among issuers with respect to whose securities quotations are disseminated through facilities of the association, and among other persons using its facilities;

"(5) the rules of the association are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to provide safeguards against unreasonable profits or unreasonable rates of commissions or other charges, and, in general, to protect investors and the public interest, and to remove impediments to and perfect the mechanism of a free and open market; and are not designed to permit unfair discrimination between or among customers or issuers, or brokers or dealers, to fix minimum profits, to impose any schedule of prices, or to impose any schedule or fix minimum rates of commissions, allowances, discounts, or other charges;

"(6) the rules of the association provide for the appropriate disciplining of its members and persons associated with its members for violations of its rules or the provisions of this title and the rules or regulations thereunder, by expulsion, suspension, fine, censure, limitation of activities, functions, and operations, being suspended or barred from being associated with a member, or any other fitting sanction, except that such rules need not require an association to discipline any person, directly or indirectly controlling, under common control with, or controlled by a member of such association if such person not otherwise a person associated with such member;

"(7) the rules of the association provide a fair and orderly procedure with respect to the disciplining of members and persons associated with members, including that the rules, as a minimum, meet the requirements of subsection (g) of this section;

"(8) the rules of the association provide a fair and orderly procedure with respect to the denial of membership to any person seeking membership therein or with respect to action taken to bar any person from becoming a person associated with a member of such association, including that the rules, as a minimum, meet the requirements of subsection (h) of this section;

"(9) the rules of the association are sufficient and reasonably necessary to permit the association to discharge its regulatory responsibilities under this title; and

"(10) the rules of the association include provisions governing the form and content of quotations relating to securities or any class thereof which may be disseminated by any member or any person associated with a member, and the persons to whom such quotations may be supplied. Such rules relating to quotations shall be designed to produce fair and informative quotations, both at the wholesale and retail level, to prevent fictitious or misleading quotations, and to promote orderly procedures for collecting, publishing, and disemmating quotations.

"(c) Unless disapproved by the Commission pursuant to subsection (f) of this section or otherwise provided by the Commission pursuant to section 6A of this title, nothing in this title shall be construed to prevent any association from adopting and enforcing any rule not inconsistent with this title and the rules, regulations and orders thereunder and with applicable State law.

"(d) The Commission shall, upon the filing of an application for registration pursuant to subsection (a), publish notice of the filing and afford interested persons a reasonable opportunity for comment. Within 60 days of the filing of an application for registration pursuant to subsection (a), the Commission shall—

"(1) by order grant such registration if the Commission finds that the requirements of this section are satisfied, or

"(2) institute appropriate administrative action to determine whether the application should be denied.

If, after appropriate notice and opportunity for hearing, the Commission finds that any requirement of this section is not satisfied, the Commission shall by order deny such registration. The Commission shall conclude administrative action and issue an order either granting or denying an application within 120 days of the filing of the application, unless the Commission finds good cause for extending the period, in which case the Commission may extend such period of time not to exceed 90 days.

"(e) A national securities association may, upon such terms and conditions as the Commission may deem necessary in the public interest or for the protection of investors, withdraw from registration by filing a written notice of withdrawal with the Commission. If the Commission finds that any such association or such other person for whom an application of registration is pending is no longer in existence or has ceased to do business in the capacity specified in the registration statement, the Commission shall by order cancel or deny the registration.

"(f)(1) Each national securities association shall file with the Commission, in accordance with such rules as the Commission may prescribe, copies of any proposed changes in, additions to, deletions from, or amendments to the rules of the association, to be accompanied by a summary statement of the bases and purposes of such proposed change, addition, deletion, or amendment, and such other information and documents as the Commission may require to keep current or supplement the registration statement and documents filed pursuant to subsection (a). No proposed change, addition, deletion, or amendment to an association's rules shall take effect except in accordance with the provisions of this subsection.

"(2) The Commission shall, upon the filing of a proposed change, addition, deletion, or amendment to an association's rules, publish notice of such proposed together with the association's statements of bases and purposes and, except with respect to those rules which constitute its stated policies and practices relating to its organization, membership, and procedures, shall afford interested persons a reasonable opportunity for comment on the proposed change, addition, deletion, or amendment. Proposed changes, additions, deletions, or amendments to an association's rules, except those rules which constitute its stated policies and practices relating to its organization, membership, and procedures, shall take effect 45 days after publication of such notice by the Commission, unless the Commission, by order, disapproves such proposed change, addition, deletion, or amendment as inconsistent with the purposes of this title or otherwise inconsistent with the public interest, but the Commission may extend this time for a period not to exceed 90 days in order to solicit additional public comment or to provide interested persons an opportunity for oral presentation of views, data, or arguments concerning the proposed change, addition, deletion, or amendment. The Commission, upon its own motion, or upon application setting forth the reasons therefor, may, conditionally or unconditionally, exempt from the public comment requirements of this section, and may accelerate the effectiveness of any proposed change, addition, deletion, or amendment or any class of such proposed change, addition, deletion, or amendment if the Commission finds that the application of either the public comment requirement, or the waiting period requirement, or both, to such change, addition, deletion, or amendment or class of such change, addition, deletion, or amendment is not necessary or appropriate in the public interest or for the protection of investors and that such exemption or acceleration is not inconsistent with the purposes of this section.

"(3)(A) Notwithstanding the provisions of paragraphs (1) and (2) of this subsection, changes, additions, deletions, or amendments to an association's stated policies and practices relating to its organzation, membership, and procedures may take effect on such date as may be designated by the association. An association shall file with the Commission copies of any such change, addition, deletion, or amendment to such stated policies and practices, accompanied by a summary statement of the basis and purpose therefor, on the date on which such change, addition, deletion, or amendment takes effect, except that the failure to file such charge, addition, deletion, or amendment to such stated policies and practices as hereinabove provided shall not affect the validity, force, or effect of any such change, addition, deletion, or amendment.

"(B) The Commission may, at any time but no later than 60 days after the filing of any such change, addition, deletion, or amendment to an association's stated policies and practices relating to its organization, membership, and procedures (except those which relate solely to the internal administration of such association) disapprove, by order, such change, addition, deletion, or amendment as inconsistent with the purposes of this title or otherwise inconsistent with the public interest. Disapproval by the Commission under this subparagraph shall apply prospectively.

"(4) Any filing required to be made with the Commission under subsection or pursuant to any rule under this subsection, and all written communications between the Commission and the association and between the Commission and any other persons relating to all such filings, shall be placed in a public file and shall be made available to any person for inspection and copying.

"(g)(1) In any proceeding to determine whether a member or person associated with a member should be disciplined, rules of a national securities association registered under this section shall require that specific charges of any violation be brought; that such member or person associated with a member shall be notified of and be given an opportunity to defend against such charges; and that a record shall be kept. A determination to impose a disciplinary sanction shall be supported by a statement setting forth—

"(A) any act or practice in which such member or person associated with such member has been found to have engaged, or any required act or practice which such member or person associated with such member has been found to have omitted;

"(B) the specific rule or rules of the association or provisions of this title or rules or regulations thereunder which any such act or practice, or ommission to act, is deemed to violate; and

"(C) the sanction imposed and the reasons for that sanction.

Such statement shall be publicly noticed in accordance with such procedures as the Commisison shall, by rule, specify.

"(2) Rules of a national securities association may, with the approval of the Commission, provide for a summary procedure for the suspension of a member or person associated with a member—

"(A) where the member or person associated with a member who is the subject of the summary proceeding has been disciplined by another national securities association or a national securities exchange for the behavior which is the subject of the summary procedure; or

"(B) where the member is insolvent or failing to perform its contracts, and the association determines that public investors may be endangered, or where the member is in such financial or operating condition that it cannot be permitted to continue in business with safety to its customers, creditors, or the association.

Following any such suspension, the member promptly shall be afforded an opportunity for a hearing which meets the requirements of paragraph (1) above.

"(h) In any proceeding to determine whether a person shall be denied membership, or whether a person should be barred from being associated with a member, rules of a national securities association registered under this section shall provide that any such person shall be notified of, and be given an opportunity to be heard upon, the bases for the denial or bar which are under consideration; and that a record be kept. A determination to deny membership or to bar a person from being associated with a member shall be supported by a statement setting forth the specific grounds on which the denial or bar is based.

"(i) If any national securities association imposes any disciplinary sanction against or concludes disciplinary proceedings without imposing a sanction with respect to any member thereof, or any person associated with a member, or denies admission to any person seeking membership therein or bars any person from being associated with a member of such association, the association shall promptly notify the Commission. Such action or proceedings shall be subject to review by the Commission within 30 days after a copy of the statement referred to in (g) or (h) above has been given to the aggrieved party and to the Commission, upon the Commission's own motion, or upon application by any person aggrieved thereby. The Commission may, upon the application of an aggrieved party for review or upon the initiation of review by the Commission on its own motion, order a stay of such disciplinary action, or order a stay of any action under subsection (h) barring a person from being associated with a member, pending completion of the review proceeding.

"(j)(1) In a proceeding to review disciplinary proceedings of a national securities association registered under this section with respect to a member or any person associated with a member, after appropriate notice and opportunity for hearing—

"(A) if the Commission finds that such member or such person has engaged in such acts or practices, or has omitted such acts, as the association has charged or has found him to have engaged in or to have omitted, and determines that such acts or practices, or omission to act, are in violation of the provisions of this title, or the rules adopted thereunder, or the rules of the association as have been designated in the determination of the association, it shall by order so declare and, if appropriate, affirm the action taken by the association or remand the proceeding to the association, or modify any sanction in accordance with paragraph (2) of this subsection; or

"(B) if the Commission finds that such member or such person has not engaged in such acts or practices, or has not omitted such acts, as the association has charged or has found him to have engaged in or to have omitted, or that such acts or practices are not prohibited by the designated provisions of this title, or the rules adopted thereunder, or by the designated rule or rules of the association or that such act as alleged or found to have been omitted is not required by such designated provisions, rule, or rules, the Commission shall by order so declare and, if appropriate, set aside the action of the association.

"(2) If the Commission, having due regard for the public interest, finds that the disposition of the proceedings, before the association with respect to the imposition or failure to impose any sanction against a member or person associated with a member is inappropriate, the Commission shall, by order, declare that the imposition or failure to impose a sanction is inappropriate and may in such order cancel, reduce, or require the remission of such sanction, or may remand the disciplinary proceeding to the association with a statement of the Commission's position thereon and with appropriate instruction to the association to reconsider such sanction, to adduce such additional evidence as may be necessary, and to determine whether some different or additional sanction should be imposed. The association shall notify the member or person associated with the member, and the Commission, as to the association's determination whether to impose a different or additional sanction, and the Commission, within 30 days after being informed of the association's detrmination, upon the Commission's own motion or upon application by any person aggrieved thereby, may again review such disciplinary action or proceeding and may then, by order, confirm, reduce, cancel, or require the remission of such sanction.

"(k) In any proceeding to review the denial of membership in a national securities association or to review action of an association to bar a person from being associated with a member, if the Commission, after appropriate notice and opportunity for hearing, (A) finds that the specific grounds on which such denial or bar is based exist in fact and are valid under the rules of the association and this section, it shall by order so declare and affirm the association's action; or (B) finds that the specific grounds do not exist or are invalid under the rules of the association or this section, the Commission shall by order so declare and set aside the action of the association and require it to admit the applicant to membership or to permit such person to be associated with a member.

"(l) A national securities association shall permit any broker or dealer to become a member of such association, except that, any association may—

"(1) unless the Commission, by order, directs otherwise in cases in which the Commission finds it appropriate in the public interest so to direct, deny membership to, or bar from being associated with a member, any person who, by order of the Commission or by action of an exchange or association, has been expelled or suspended from membership in, or who has been barred or suspended from being associated with a member of, any other association or any national securities exchange, during the period of such expulsion, suspension, or bar;

"(2) unless the Commission, by order, directs otherwise in case in which the Commission finds it appropriate in the public interest so to direct, deny membership to any broker or dealer, who is subject to an order of the Commission denying, suspending for a period not exceeding 12 months, or revoking such broker or dealer's registration pursuant to section 15 of this title;

"(3) unless the Commission, by order, directs otherwise in cases in which the Commission finds it appropriate in the public interest so to direct, bar from being associated with a member any person, during the period of any suspension, expulsion, or order of the character described in paragraphs (1) or (2) of this subsection, who, by his conduct while associated with a broker or dealer, was the cause of such suspension, expulsion, or order, and in entering such a suspension, expulsion, or order, the Commission or any such exchange or association shall have jurisdiction to determine whether or not any person was a cause thereof;

"(4) unless the Commission, by order, directs otherwise in cases in which the Commission finds it appropriate in the public interest so to direct, deny membership to any broker or dealer who has associated with him any person who is known, or in the exercise of reasonable care should be known, to such broker or dealer to be a person who, if such person were a broker or dealer, would be ineligible for admission to or continuance in membership under paragraphs (1), (2), or (3) of this subsection;

"(5) unless the Commission directs to the contrary in a proceeding under section 15A (k), in instances where the Commission finds it appropriate in the public interest so to direct, deny membership to, or bar from being associated with a member, any person on those grounds set forth in section 15(b)(5)(C)–(F) of this title or to any person who (A) has willfully made or caused to be made in any application for membership or report required to be filed with the association, or in any proceeding before the association, any statement which was, at the time and in light of the circumstances under which it was made, false or misleading with respect to any material fact, or has omitted to state in any such application or report any material fact which is required to be stated therein; or (B) has been convicted, within ten years preceding the filing of the application or at any time thereafter, of the crime of armed robbery or grand larceny or of any felony or misdemeanor which the association finds—

"(i) involves the purchase or sale of any security;

"(ii) arises out of the conduct of the business of a broker, dealer, or investment adviser;

"(iii) involves embezzlement, fraudulent conversion, or misappropriation of funds or securities;

"(iv) involves the violation of section 1341, 1342, or 1343 of title 18, United States Code;

"(6) condition membership on the members meeting financial responsibility requirements which are additional to those imposed by rules or regulations adopted by the Commission pursuant to section 15 of this title and which the Commission determines are reasonable and consistent with the purposes of this title and with the public interest;

"(7) require an applicant for membership, or any natural person to be associated with a member, to meet competency requirements which are additional to those imposed by rules or regulations adopted by the Commission pursuant to section 15(b)(8) of this title and which the Commission determines are reasonable and consistent with the purposes of this title and with the public interest; and

"(8) condition membership on the members meeting operation capability requirements imposed by rules of the association which the Commission determines are reasonable and consistent with the purposes of this title and with the public interest.

"(m) National securities associations registered under this section shall comply with the provisions of this title, and the rules, regulations, and orders thereunder, and shall enforce, so far as within their power, compliance by their members with the provisions of this title, and the rules and regulations thereunder, and with the rules of the association.

"(n) This section shall not require any securities association which was registered on the date of enactment of the Securities Reform Act of 1975 to re-register with the Commission. If in its opinion the rules of any association which is registered on the date of enactment of the Securities Reform Act of 1975 do not comply with the requirements of this section, the Commission, no later than one year from the date of enactment of the Securities Reform Act of 1975, shall so notify such association in writing specifying the reasons why in the Commission's opinion such rules do not comply with such requirements. On and after the 180th day following the date of enactment of the Securities Reform Act of 1975, but no sooner than 90 days after an association has been notified as required herein, the Commission is authorized, after appropriate notice and opportunity for hearing, by order to suspend the registration of any such national securities association if the Commission finds that the rules of such association are not in compliance with the requirements of this section, such suspension to continue in effect until the Commission issues an order declaring that the rules of such association comply with such requirements.

"(o) (1) The rules of a registered securities association may provide that no member thereof shall deal with any nonmember broker or dealer (as defined in paragraph (2) of this subsection) except at the same prices, for the same commissions or fees, and on the same terms and conditions as are by such member accorded to the general public.

"(2) For the purposes of this subsection, the term 'nonmember broker or dealer' shall include any broker or dealer who makes use of the mails or of any means or instrumentality of interstate commerce to effect any transaction in, or to induce the purchase or sale of, any security otherwise than on a national securities exchange, who is not a member of any national securities association, except a broker or dealer who deals exclusively in commercial paper, bankers' acceptance, or commercial bills.

"(3) Nothing in this subsection shall be so construed or applied as to prevent any member of a national securities association from granting to any other member of any national securities association any dealer's discount, allowance, commission, or special terms.

"(p) Nothing in this section shall be construed to apply with respect to any transaction by a broker or dealer in any exempted security.

"(q) (1) Rules of an association may require any person, or any class of persons, associated with a member to be registered with the association in accordance with procedures specified by such rules and may provide that applications to become a member or a person associated with a member shall set forth such facts as the association may prescribe as to the training, experience, and other qualifications (including, in the case of an applicant for membership, financial responsibility) of the applicant and that the association may adopt procedures for verification of qualifications of the applicant.

"(2) Any application or document supplemental thereto required by rules of an association to be filed by a person applying for membership in such association or to be filed by a person applying to be associated with a member of an association shall, for the purposes of subsection (a) of section 32 of this title, be deemed an application or document required to be filed under this title."

TITLE II—FINANCIAL RESPONSIBILITY; REGULATION OF BROKERS AND DEALERS; REPORTS AND EXAMINATIONS

SEC. 201. Section 8 of the Securities Exchange Act of 1934 (15 U.S.C. 78h) is amended to read as follows:

"RESTRICTIONS ON BORROWING BY MEMBERS, BROKERS, AND DEALERS

"SEC. 8. It shall be unlawful for any registered broker or dealer or any broker or dealer who transacts a business in securities through the medium of any member of a national securities exchange directly or indirectly—

"(a) To borrow in the ordinary course of business as a broker or dealer on any security (other than an exempted security) registered on a national securities exchange except (1) from or through a member bank of the Federal Reserve System, (2) from any nonmember bank which shall have filed with the Board of Governors of the Federal Reserve System an agreement, which is still in force and which is in the form prescribed by the Board, undertaking to comply with all provisions of this Act, the Federal Reserve Act as amended, and the Banking Act of 1933, which are applicable to member banks and which relate to the use of credit to finance transactions in securities, and with such rules and regulations as may be prescribed pursuant to such provisions of law or for the purpose of preventing evasions thereof, or (3) in accordance with such rules and regulations as the Board of Governors of the Federal Reserve System may prescribe to permit loans between such members and/or brokers and/or dealers, or to permit loans to meet emergency needs. Any such agreement filed with the Board of Governors of the Federal Reserve System shall be subject to termination at any time by order of the Board after appropriate notice and opportunity for hearing because of any failure by such bank to comply with the provisions thereof or with such provisions of law or rules or regulations; and, for any willful violation of such agreement, such bank shall be subject to the penalties provided for violation of rules and regulations prescribed under this title. The provisions of sections 21 and 25 of this title shall apply in the case of any such proceeding or order of the Board of Governors of the Federal Reserve System in the same manner as such provisions apply in the case of proceedings and orders of the Commission.

(b) In contravention of such rules and regulations as the Commission shall prescribe for the protection of investors to hypothecate or arrange for hypothecation of any securities carried for the account of any customer under circumstances (1) that will permit the commingling of his securities without his written consent with the securities of any other customer, (2) that will permit such securities to be commingled with the securities of any person other than a bona fide customer, or (3) that will permit such securities to be hypothecated, or subjected to any lien or claim of the pledgee for a sum in excess of the aggregate indebtedness of such customers in respect of such securities.

"(c) To lend or arrange for the lending of any securities carried for the account of any customer without the written consent of such customer or in contravension of such rules and regulations as the Commission shall prescribe for the protection of investors."

SEC. 202. Section 15(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(a)) is amended to read as follows:

"SEC. 15. (a) (1) No broker or dealer (other than one whose business is exclusively intrastate) shall make use of the mails or an exchange facility or of any means or instrumentality of interstate commerce, and no broker or dealer who is a member of an exchange shall make use of an exchange facility, to effect any transaction in, or to induce the purchase or sale of, any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills) unless registered as a broker or dealer in accordance with subsection (b) of this section.

"(2) The Commission may by such rules and regulations or orders as it deems necessary or appropriate in the public interest or for the protection of investors, either unconditionally or upon specified terms and conditions or for specified periods, exempt from paragraph (1) of this subsection any broker or dealer or class of brokers or dealers specified in such rules, regulations, or orders.

SEC. 203. (a) Section 15(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(b)) is amended to read as follows:

"(b) (1) A broker or dealer may be registered for the purpose of this section by filing with the Commission an application for registration, which shall contain a balance sheet certified by an independent public or certified accountant and such other financial statements (which may be certified) or such other information in such detail as to such broker or dealer and any persons associated with such broker or dealer as the Commission may by rules and regulations require as necessary or appropriate in the public interest or for the protection of investors. Within 45 days of the filing of such application or any amendment to such application the Commission shall—

"(A) by order grant such registration if the Commission finds that the requirements of this section are satisfied, or

"(B) institute appropriate administrative action to determine whether the application should be denied. If, after appropriate notice and opportunity for hearing, the Commission finds that any requirement of this section is not satisfied, the Commission shall by order deny such registration. The Commission shall conclude administrative action and issue an order granting or denying the application within 120 days of the filing of such application, unless the Commission finds good cause for extending the period, in which case the Commission may extend such period for an additional 90 days.

"(2) An application for registration of a broker or dealer to be formed or organized may be made by a broker or dealer to which the broker or dealer to be formed or organized is to be the successor. Such application shall contain a balance sheet certified by an independent or certified public accountant and such other financial statements (which may be certified) or such other information in such detail as to the applicant and as to the successor and any person associated with the applicant or the successor, as the Commission may by rules and regulations require as necessary or appropriate in the public interest or for the protection of investors. The effectiveness of such application shall be governed by the same procedures as set forth in subsection (b) (1). Should the Commission grant such application for registration, the registration shall terminate on the forty-fifth day of the effective date thereof, unless prior thereto the successor shall, in accordance with such rules and regulations as the Commission may prescribe, adopt such application as its own.

"(3) Within 6 months of the granting of an application for registration the Commission, or such national securities association or national securities exchange of which such broker or dealer is a member as the Commission may, by rule, designate, shall conduct an inspection of the broker or dealer so registered, to determine whether such broker or dealer is operating in conformity with the provisions of this title, and the rules and regulations adopted thereunder: *Provided, however,* That the Commission may classify brokers and dealers on appropriate bases, including the type of business in which they are engaged, and, with respect to particular classes of brokers and dealers, delay for a period not to exceed 6 months the inspection required by this paragraph.

"(4) Any provision of this title (other than section 5 and subsection (a) of this section) which prohibits any act, practice, or course of business if the mails or any means or instrumentality of interstate commerce are used in connection therewith shall also prohibit any such act, practice, or course of business by any broker or dealer registered pursuant to this subsection or any person acting on behalf of such a broker or dealer, irrespective of any use of the mails or any means or instrumentality of interstate commerce in connection therewith.

"(5) The Commission shall, after appropriate notice and opportunity for hearing, by order censure, deny registration to, suspend for a period not exceeding 12 months, or revoke the registration of, any broker or dealer if it finds that such censure, denial, suspension, or revocation is in the public interest and that such broker or dealer, whether prior or subsequent to becoming such, or any person associated with such broker or dealer, whether prior or subsequent to becoming so associated—

"(A) has willfully made or caused to be made in any application for registration or report required to be filed with the Commission under this title, or in any proceeding before the Commission with respect to registration, any statement which was at the time and in the light of the circumstances under which it was made false or misleading with respect to any material fact, or has omitted to state in any such application or report any material fact which is required to be stated therein.

"(B) has been convicted within 10 years preceding the filing of the application or at any time thereafter of the crime of armed robbery or grand larceny or of any felony or misdemeanor which the Commission finds—

"(i) involves the purchase or sale of any security.

"(ii) arises out of the conduct of the business of a broker, dealer, or investment adviser.

"(iii) involves embezzlement, fraudulent conversion, or misappropriation of funds or securities.

"(iv) involves the violation of section 1341, 1342, or 1343 of title 18, United States Code.

"(C) is permanently or temporarily enjoined by order, judgment, or decree of any court of competent jurisdiction from acting as an investment adviser, underwriter, broker, or dealer, or as an affiliated person or employee of any investment company, bank, or insurance company, or firm engaging in or continuing any conduct or practice in connection with any such activity, or in connection with the purchase or sale of any security.

"(D) has willfully violated any provision of the Securities Act of 1933, the Investment Advisers Act of 1940, the Investment Company Act of 1940, or this title, or any rule or regulation under any of such statutes.

"(E) has willfully aided, abetted, counseled, commanded, induced, or procured the violation by any other person of the Securities Act of 1933, the Investment Advisers Act of 1940, the Investment Company Act of 1940, or of this title, or any rule or regulations under any of such statutes, or has failed reasonably to supervise, with a view to preventing violations of such statutes, rules, and regulations, another person who commits such a violation, if such other person is subject to his supervision. For the purposes of this clause (E) no person shall be deemed to have failed reasonably to supervise any person, if—

"(i) there have been established procedures, and a system for applying such procedures, which would reasonably be expected to prevent and detect, insofar as practicable, any such violation by such other person, and

"(ii) such person has reasonably discharged the duties and obligations incumbent upon him by reason of such procedures and system without reasonable cause to believe that such procedures and system were not being complied with.

"(F) is subject to an order of the Commission entered pursuant to paragraph (7) of this subsection (b) barring or suspending the right of such person to be associated with a broker or dealer, which order is in effect with respect to such person.

"(6) Pending final determination whether any registration under this subsection shall be revoked, the Commission shall by order suspend such registration, if after appropriate notice and opportunity for hearing, such suspension shall appear to the Commission to be necessary or appropriate in the public interest or for the protection of investors. Any registered broker or dealer may, upon such terms and conditions as the Commission may deem necessary in the public interest or for the protection of investors, withdraw from registration by filing a written notice of withdrawal with the Commission. If the Commission finds that any registered broker or dealer is no longer in existence or has ceased to do business as a broker or dealer, the Commission shall, after appropriate notice and opportunity for hearing, by order cancel the registration of such broker or dealer.

"(7) The Commission may, after appropriate notice and opportunity for hearing, by order censure any person, or bar or suspend for a period not exceeding 12 months any person from being associated with a broker or dealer if the Commission finds that such censure, barring, or suspension is in the public interest and that such person has committed or omitted any act or omission enumerated in clause (A), (D), or (E) of paragraph (5) of this subsection or has been convicted of any offense specified in clause (B) of said paragraph (5) within 10 years of the commencement of the proceedings under this paragraph or is enjoined from any action, conduct, or practice specified in clause (C) of said paragraph (5). It shall be unlawful for any person as to whom such an order barring or suspending him from being associated with a broker or dealer is in effect, willfully to become, or to be, associated with a broker or dealer, without the consent of the Commission, and it shall be unlawful for any broker or dealer to permit such a person to become, or remain, a person associated with him, without the consent of the Commission, if such broker or dealer knew, or in the exercise of reasonable care, should have known, of such order.

"(8) No broker or dealer registered under section 15 of this title shall effect any transaction in, or induce the purchase or sale of, any security unless such broker or dealer and all natural persons associated with such broker or dealer meet such specified and appropriate standards with respect to training, experience and age, and such other qualifications as the Commission finds necessary or appropriate in the public interest or for the protection of investors. The Commission shall establish such standards by rules and regulations, which may—

"(A) appropriately classify brokers and dealers and persons associated with brokers and dealers (taking into account relevant matters, including types of business done and nature of securities sold).

"(B) specify that all or any portion of such standards shall be applicable to any such class.

"(C) require persons in any class to pass examinations prescribed in accordance with such rules and regulations, which examinations shall, with respect to any class of partners, officers, or supervisory employees (which latter term may be defined by the Commission's rules and regulations and as so defined shall include branch managers of brokers or dealers) engaged in the business activities of the broker or dealer, include questions relating to bookkeeping, accounting, internal control over cash and securities, proper maintenance of records, and other appropriate matters.

"(D) provide that persons in any class other than a broker or a dealer and partners, officers, and supervisory employees of brokers or dealers, may be qualified solely on the basis of compliance with such specified standards of training and such other qualifications as the Commission finds appropriate.

The Commission may prescribe by rules and regulations reasonable fees and charges to defray its costs in carrying out this paragraph, including, but not limited to, fees for any examination administered by it or under its direction. The Commission may cooperate with national securities associations registered under section 15A of this title and with national securities exchanges registered under section 6 of this title in devising and administering examinations and may require brokers and dealers registered under this section and persons associated with such brokers and dealers to pass examinations administered by or on behalf of any such association or exchange and to pay such association or exchange reasonable fees or charges to defray the costs incurred by such association or exchange in administering such examinations.

"(9) In addition to the fees and charges authorized by paragraph (8) each broker or dealer registered under section 15 of this title which is not a member of a national securities association registered pursuant to section 15A of this title shall pay to the Commission such reasonable fees and charges as may be necessary to defray the costs of additional regulatory duties required to be performed by the Commission because such broker or dealer is not a member of such a securities association. The Commission shall establish such fees and charges by rules and regulations.

"(10) No broker or dealer subject to paragraph (9) of this subsection shall effect any transaction in, or induce the purchase or sale of, any security (otherwise than on a national securities exchange) in contravention of such rules and regulations as the Commission may prescribe designed to promote just and equitable principles of trade, to provide safeguards against unreasonable profits of unreasonable rates of commissions or other charges, and in general to protect investors and the public interest, and to remove impediments to and perfect the mechanism of a free and open market."

(b) The amendments and repeals made by this section shall not require the re-registration of any person registered pursuant to subsection 15(b) on the date on which the Securities Reform Act of 1975 take effect.

SEC. 204. Section 15(c) (3) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(c) (3)) is amended to read as follows:

"(3) (A) No broker or dealer shall make use of the mails or an exchange facility or of any means or instrumentality of interstate commerce, to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills) in contravention of such rules and regulations as the Commission shall prescribe as necessary or appropriate in the public interest or for the protection of investors to provide safeguards with respect to the financial responsibility and related practices of such brokers and dealers including, but not limited to, the acceptance of custody and use of customers' securities, and the carrying and use of customers' deposits or credit balances. Such rules and regulations shall (i) require the maintenance of reserves with respect to customers' deposits or credit balance, and (ii) by no later than July 1, 1975, establish minimum capital requirements for ample, liquid, and permanent capital of such brokers and dealers.

"(B) The Commission shall have authority, after appropriate notice and opportunity for hearing, to order any broker or dealer or class thereof to restrict any of its activities if the Commission finds that such restrictions are reasonably necessary to assure continued compliance with rules under this section.

"(C) For the purposes of this paragraph, the Commission is authorized to classify brokers and dealers on appropriate bases including the type of business in which they are engaged and risks attendant thereto.

"(D) (i) The Commission may, by order, upon written application, exempt from the provisions of this paragraph, either unconditionally or on specified terms and conditions, any broker or dealer who satisfies the Commission that, because of the special nature of his business, his financial position, and the safeguards he has established for the protection of customers' funds and securities, it is not necessary in the public interest or for the protection of investors to subject the particular broker or dealer to the provisions of this paragraph and the Commission may, by rule, exempt from the provisions of this paragraph, either unconditionally or on specified terms and conditions, any broker or dealer or class of brokers or dealers who do not handle customers' funds and securities, if the Commission determines that it is not necessary in the public interest or for the protection of investors to subject such brokers or dealers or classes of brokers or dealers to the provisions of this paragraph.

"(ii) The Commission shall include in its annual reports to Congress required by section 23(b) of this title information concerning the number of requests for exemptions received, the number granted pursuant to (i) above, the basis or bases upon which the exemptions were granted and any rule or rules exempting any broker or dealer or class of brokers or dealers from the provisions of this paragraph."

SEC. 205. Section 17 of the Securities Exchange Act of 1934 (15 U.S.C. 78q) is amended to read as follows:

"ACCOUNTS AND RECORDS, REPORTS, EXAMINATIONS OF EXCHANGES, MEMBERS, AND OTHERS

"SEC. 17. (a) Every national securities exchange, every member thereof registered under section 15 of this title, every broker or dealer who transacts a business in securities through the medium of any such member, every national securities association, every broker or dealer registered pursuant to section 15 of this title and every securities information processor, shall make, keep, and preserve for such periods, such accounts, correspondence, memoranda, papers, books, and other records, and furnish such copies thereof, and make and disseminate such reports, as the Commission by its rules and regulations may prescribe as necessary or appropriate in the public interest or for the protection of investors or to remove impediments to or perfect the mechanism of a national securities market system. No exchange, broker, dealer, national securities association, or securities information processor shall be liable for damages to any person, whether or not the subject of such accounts, correspondence, memoranda, papers, books, or other records solely for having furnished copies of such material as required by this section or rules or regulations thereunder.

"(b) Such accounts, correspondence, memoranda, papers, books, and other records shall be subject at any time or from time to time to such reasonable periodic, special, or other examinations by examiners or other representatives of the Commission as the Commission may deem necessary or appropriate in the public interest or for the protection of investors.

"(c) Every broker or dealer registered under this title shall file with the Commission balance sheets and income statements, certified by an independent public or certified public accountant, prepared on a calendar or fiscal year basis for the current year and the preceding year, if any, and shall file such other information concerning its financial conditions as the Commission shall, by rule, require. Every such broker or dealer shall send to its customers its certified balance sheet and, upon the request of any customer or as may be required by the Commission, by rule, its certified income statement and any other information concerning its financial condition which it is required to file with the Commission.

"(d) Rules under subsection (a) of this section may include rules (1) regulating the reporting of transactions executed on an exchange, or otherwise than on an exchange on a continuous basis or otherwise; (2) regulating the reporting of bids and offers for securities traded on an exchange or otherwise than on an exchange on a continuous basis or otherwise; and (3) prescribing uniformity in accounting procedures and systems of brokers and dealers and members of exchanges and associations.

"(e) Any broker, dealer, member or other person extending credit who is subject to the rules and regulations prescribed by the Board of Governors of the Federal Reserve System pursuant to this title shall make such reports to the Board as it may require as necessary or appropriate to enable it to perform the functions conferred upon it by this title. If any such broker, dealer, member, or other person shall fail to make any such report or fail to furnish full information therein, or, if in the judgment of the Board it is otherwise necessary, such broker, dealer, member, or other person shall permit such inspections to be made by the Board with respect to the business operations of such broker, dealer, or other person as the Board may deem necessary to enable it to obtain the required information.

"(f) The term 'securities information processor' means any person engaged in the business of (1) collecting, processing, or preparing for distribution or publication, or assisting, participating in, or coordinating the distribution or publication of information with respect to transactions in, quotations for, or indications of interest to purchase or sell any security, or (2) distributing or publishing (whether by means of a ticker take, a communications network, a terminal display device, or otherwise) on a current and continuing basis information with respect to such transactions, quotations, or indications of interest. The term 'securities information processor' does not include the publisher of any bona fide newspaper, news magazine, or business or financial publication of general and regular circulation, any common carrier subject to the jurisdiction of the Federal Communications Commission or a State commission as defined in section 3(t) of the Communications Act of 1934, any national securities exchange, or any national securities association."

TITLE III—DEVELOPMENT OF A NATIONAL CLEARANCE AND SETTLEMENT SYSTEM

SEC. 301. Section 2 of the Securities Exchange Act of 1934 (15 U.S.C. 78b) is amended by striking the word "and" immediately before the phrase "to impose requirements necessary to make such regulation and control reasonably complete and effective," and by adding the following immediately after the phrase "and to provide for the development of an integrated national system for the prompt and accurate processing and settlement of securities transactions".

SEC. 302. Section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)) is further amended by adding at the end thereof the following new paragraphs:

"(22) (A) The term 'clearing agency' means any person who acts as an intermediary in making payments or deliveries (or both) in connection with transactions in securities or who provides facilities (i) for comparison of data respecting the terms of settlement of securities transactions, (ii) to reduce the number of settlements of securities transactions, or (iii) for the allocation of securities settlements responsibilities.

"(B) The term 'securities depository' means (i) any person who acts as a custodian of securities in connection with a system which permits securities so held to be transferred, loaned, or pledged without physical delivery of securities certificates, or which otherwise permits or facilitates or provides facilities for the settlement of securities without physical delivery of securities certificates, or (ii) any person who engages on behalf of an issuer of securities, or on behalf of itself as an issuer of securities, in transferring record ownership of such securities by bookkeeping entry without physical issuance or delivery of securties certificates.

"(C) The terms 'clearing agency' and 'securities depository' shall not include (i) Federal Reserve Banks, Federal Home Loan Banks, Federal Land Banks and (ii) any bank or any building and loan, savings and loan, and homestead association or any cooperative bank if such bank or association would be classified as a clearing agency or securities depository solely by reason of lending, fiduciary, correspondent, or safekeeping functions commonly performed by them as incidental to their banking or association activities.

"(D) The terms 'clearing agency' and 'securities depository' shall not include (i) any life insurance company, or its registered separate accounts, or a subsidiary of such insurance company by reason of functions commonly performed by such entities in connection with variable annuity contracts issued by such insurance company or its separate account, or, (ii) any registered open-end investment company or unit investment trust by reason of functions commonly performed by it in connection with shares in such registered open-end investment company or unit investment trust.

"(23) The term 'participant', when used with respect to a clearing agency or securities depository, means any person who uses a clearing agency or securities depository for the purpose of settling or comparing transactions in securities or making or receiving payment for or delivering, lending, or hypothecation of securities; but does not include a person whose only use of a clearing agency or securities depository is through another person.

"(24) The term 'transfer agent' means any person who engages, on behalf of an issuer, or on behalf of itself as an issuer, of securities, in: (A) countersigning such securities upon issuance; (B) monitoring the issuance of such securities with a view to preventing unauthorized issuance, a function commonly performed by a person called a registrar; (C) registering the transfer of such securities; or (D) exchanging or converting such securities. The term 'transfer agent' shall not include any person who performs such functions solely with respect to variable annuity contracts issued by an insurance company or its registered separate account.

"(25) The term 'appropriate regulatory agency', when used with respect to a clearing agency, securities depository, or transfer agent required to be registered under this title, means:

"(A) the Comptroller of the Currency, in the case of a national bank or a bank operating under the Code of Law for the District of Columbia, or a subsidiary of any such bank;

"(B) the Board of Governors of the Federal Reserve System, in the case of a State member bank of the Federal Reserve System or subsidiary thereof;

"(C) the Federal Deposit Insurance Corporation in the case of a bank insured by the Federal Deposit Insurance Corporation (other than a member of the Federal Reserve System) or a subsidiary thereof; and

"(D) the Commission, in the case of all other clearing agencies, securities depositories, and transfer agents.

"(26) The terms 'rules of a clearing agency' or 'rules of a securities depository' mean the clearing agency's or securities depository's constitution, articles of incorporation, bylaws, or rules or instruments corresponding to the foregoing, and its stated policies and practices relating to its organization, participation, procedures, financial condition, methods of safekeeping, transferring, hypothecating, lending and accounting for funds and securities, and similar matters."

SEC. 303. Section 15(c) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(c)) is further amended by adding the following new paragraph at the end thereof:

"(6) No broker or dealer shall make use of the mails or of any means or instrumentality or interstate commerce and no member of a national securities exchange shall make use of an exchange facility to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any security (other than an exempted security or commercial paper, bankers' acceptances, or commercial bills) in contravention of such rules and regulations as the Commission shall prescribe as necessary or appropriate in the public interest or for the protection of investors to regulate the time and method of making settlements, payments, and deliveries and of opening, maintaining, and closing accounts. Nothing in this paragraph shall be construed to affect the authority of the Board of Governors of the Federal Reserve System, pursuant to section 7 of this title, to prescribe rules and regulations for the purpose of preventing the excessive use of credit for the purchase or carrying of securities, or to authorize the Commission to prescribe rules or regulations for such purpose."

SEC. 304. The Securities Exchange Act of 1934 is amended by inserting after section 17 (15 U.S.C. 78q) the following new section:

"PROCESSING OF SECURITIES TRANSACTIONS

"SEC. 17A. (a) (1) One hundred and eighty days after the effective date of the Securities Reform Act of 1975, and except as otherwise provided in this subsection, it shall be unlawful for any person, directly or indirectly, to make use of the mails or any means or instrumentality of interstate commerce to perform the function of a clearing agency, securities depository, or transfer agent unless such person is registered under this section. The Commission, by rules and regulations or by order, upon its own motion, or upon application, may conditionally or unconditionally exempt any person who is a clearing agency, securities depository, or transfer agent, or any class of persons, who are clearing agencies, securities depositories, or transfer agents from any provision or provisions of this section or of any rule or regulation prescribed under this section if the Commission finds that the application of such provision or provisions or such rule or regulation to such person, is not necessary or appropriate in the public interest or for the prompt and accurate processing and settlement of securities transactions.

"(2) The Commission shall include in its annual reports to Congress required by section 23(b) of this title information concerning the number of requests for a rule, regulation, or order exempting a person, or class or classes of persons from the provisions of this section, action taken with respect to such requests, and the basis or bases for such action, and similar information concerning exemptions granted on the Commission's own motion.

"(3) The provisions of this section shall apply only to securities and to persons performing the function of transfer agent with respect to securities which are registered under section 12 of this title or which would be required to be so registered except for the exemption from registration provided in subsection (g) (2) (B) or (g) (2) (G) of that section.

"(b) TRANSFER AGENTS.—(1) Any transfer agent may be registered for the purposes of this section by filing with the appropriate regulatory agency a registration statement which shall state the address of its principal office or offices for transfer agent activities, the identity of the issuers and issues of securities for which it is then acting as transfer agent, and such other information in such detail as the Commission may by rule require as necessary or appropriate in the public interest, for the protection of investors or to assure the prompt and accurate processing and settlement of securities transactions. Each appropriate regulatory agency other than the Commission shall supply to the Commission a copy of any registration statement filed with it as well as such additional information as the Commission may request to keep current the information in such registration statement or to carry out its responsibilities under this section. Except as otherwise provided in this subsection, a registration statement of a transfer agent filed under this subsection shall become effective thirty days after its filing or within such shorter period of time as the appropriate regulatory agency may determine.

"(2) The appropriate regulatory agency shall, after appropriate notice and opportunity for hearing, by order, deny registration to any transfer agent if it finds that such denial is in the public interest and that such transfer agent does not have procedures or means to be able to comply with the provisions and purposes of this section and the rules, regulations, and orders prescribed thereunder.

"(3) Pending final determination whether the registration of a transfer agent shall be denied, the appropriate regulatory agency may, by order, postpone the effective date of such registration for a period not to exceed 90 days, except that the appropriate regulatory agency may extend such period until final determination if it finds good cause for such extension and publishes its reasons therefor.

"(4) A transfer agent registered under this subsection may, upon such terms and conditions as the appropriate regulatory agency may deem necessary in the public interest, for the protection of investors, or to assure the prompt and accurate processing and settlement of securities transactions, withdraw from registration by filing a written notice of withdrawal with the appropriate regulatory agency. If the appropriate regulatory agency finds that any such registrant or such other person for whom an application of registration as a transfer agent is pending is no longer in existence or has ceased to do business as a transfer agent, the appropriate regulatory agency shall, by order, cancel or deny the registration. Appropriate regulatory agencies other than the Commission shall inform the Commission of the withdrawal from registration by a transfer agent under its jurisdiction and shall supply to the Commission a copy of all orders canceling or denying the registration of a transfer agent.

"(c) Any clearing agency or securities depository may be registered for the purposes of this section by filing with the Commission a registration statement in such form as the Commission may prescribe setting forth the rules of the clearing agency or securities depository and such other information as the Commission may, by rule, require.

"(d) An applicant shall not be registered as a clearing agency or a securities depository unless the Commission finds that—

"(1) such clearing agency or securities depository is organized so as to facilitate the prompt and orderly settlement of securities transactions, to safeguard funds and securities held for the accounts of participants, and to comply with the provisions of this title and the rules, regulations and orders thereunder, and to carry out the purposes of this section;

"(2) (A) the rules of the clearing agency or securities depository provide that (i) all registered brokers or dealers, (ii) other registered clearing agencies or securities depositories, (iii) registered investment companies, (iv) banks, (v) such other persons or classes of persons as the Commission may from time to time designate by rule as appropriate to the development of an integrated national system for the prompt and accurate processing and settlement of securities transactions, are eligible to become participants in such clearing agency or securities depository, subject only to such other rules of the clearing agency or securities depository as are expressly permitted under subparagraph (B) of this paragraph;

"(B) the rules of the clearing agency or securities depository may (i) restrict or condition participation upon the deposit of property of value or the posting of a bond with the clearing agency or securities depository in an amount which bears a reasonable relationship to the risks attendant to such participant's use of such clearing agency or securities depository; (ii) restrict or condition participation upon compliance with such standards of operational capacity and financial responsibility as the Commission, by rule, finds to be necessary to assure the prompt and accurate processing of securities transactions and the protection of investors, the clearing agency or securities depository, and participants therein; (iii) deny participation to persons who have been expelled or suspended by a registered clearing agency or securities depository during the period of such expulsion or suspension; and (iv) provide for the exclusion of persons who have been convicted within 10 years preceding the filing of the application for participation of the crimes of armed robbery or grand larceny or of any felony or misdemeanor which the clearing agency or securities depository finds—

"(a) involves the purchase or sale of any security,

"(b) involves embezzlement, fraudulent conversion, or misappropriation of funds or securities, or

"(c) involves the violation of section 1341, 1342, or 1343 of title 18, United States Code;

"(3) the rules of the clearing agency or securities depository assure that no participant or class of participants, by reason of stock ownership or otherwise, is afforded a role greater than that of any other participant in the adoption of rules of the clearing agency or securities depository, the selection of officers and directors, or in any other phase of the administration of such clearing agency or securities depository;

"(4) the rules of the clearing agency or securities depository provide for the equitable allocation of dues, fees, and other charges among its participants;

"(5) the rules of the clearing agency or securities depository do not impose any schedule of prices, or fix minimum rates or charges, for services rendered by its participants;

"(6) the rules of the clearing agency or securities depository are designed to promote the prompt and orderly processing and settlement of securities transactions, to provide safeguards for securities and funds which are in its custody, to foster cooperation and coordination with national securities exchanges, national securities associations, other clearing agencies or securities depositories, brokers, dealers, banks, registered investment companies, and with other persons engaged in the settlement and processing of securities transactions, and to protect investors and the public interest; and do not have the effect of unfairly discriminating in the admission of participants in the use of such clearing agency or security depository;

"(7) the rules of the clearing agency or securities depository provide for the imposition of appropriate sanctions on participants for violations of its rules or the provisions of this section and the rules or regulations thereunder, which sanctions may include expulsion, suspension, fine, censure, or the limitation of activities, functions, and operations.

"(8) the rules of the clearing agency or securities depository provide a fair and orderly procedure with respect to the imposition of sanctions on participants and the denial of participation to any person seeking participation therein. In any proceeding to determine whether a sanction should be imposed such rules shall require that specific charges of any rule violation shall be brought; that a participant shall be notified of and be given an opportunity to defend against such charges; that a record shall be kept; and that a determination to impose a sanction shall be supported by a statement setting forth—

"(A) any act or practice in which such participant may be found to have engaged, or any required act or practice which such participant may be found to have omitted;

"(B) the specific rule or rules of the clearing agency or securities depository or provisions of this section or rules or regulations thereunder which any such act or practice, or omission to act, is deemed to violate; and

"(C) the sanction imposed and the reason therefor.

In any proceeding to determine whether a person shall be denied participation, such rules shall provide that the prospective participant shall be notified of, and be given an opportunity to be heard upon, the specific grounds for denial which are under consideration; that a record shall be kept and that the determination to deny participation shall be supported by a statement setting forth the specific grounds on which the denial is based. Nothwithstanding any other provision of this section the rules of the clearing agency or securities depository may provide for the temporary suspension of a participant, the prohibition of such participant's use of the clearing agency or securities depository and the closing of such participant's accounts pending determination on the merits of any disciplinary proceeding if, in the opinion of the clearing agency or securities depository, such suspension or prohibition on use and closing of accounts are necessary for the protection of the clearing agency or securities depository or its participants or for the protection of investors or to facilitate the orderly and continuous performance of the clearing agency's or securities depository's services. The rules shall afford the participant opportunity for a prompt hearing on the merits in the case of any temporary suspension.

"(e) The Commission shall, upon the filing of an application for registration pursuant to subsection (c), publish notice of the filing and afford interested persons a reasonable opportunity for comment. Within 90 days of the filing of an application for registration pursuant to subsection (c), or such shorter period of time as the Commission may determine, the Commission shall:

"(1) by order grant such registration if the Commission finds that the requirements of this section are satisfied, or

"(2) institute appropriate administrative action to determine whether the application should be denied. After appropriate notice and opportunity for hearing, the Commission shall by order grant such registration unless it finds that any requirement of this section is not satisfied, in which case the Commission shall by order deny such registration. The Commission shall conclude administrative action and issue an order granting or denying an application within 180 days of the filing of the application unless the Commission finds good cause to extend such period and publishes its reasons therefor.

"(f) A clearing agency, or securities depository, registered under this section may, upon such terms and conditions as the Commission may deem necessary in the public interest, for the protection of investors, or to assure the prompt and accurate processing and settlement of securities transactions, withdraw from registration by filing a written notice of withdrawal with the Commission. If the Commission finds that any such registrant or such other person for whom an application of registration is pending is no longer in existence or has ceased to do business in the capacity specified in the registration statement, the Commission shall by order cancel or deny the registration.

"(g) No clearing agency, securities depository, or transfer agent registered under this section shall, directly or indirectly, engage in any activity as clearing agency, securities depository, or transfer agent in contravention of such rules and regulations as the Commission shall prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(h) If any registered clearing agency or securities depository imposes any sanction on any participant therein, or denies admission to any person seeking participation therein, such action shall be subject to review by the Commission, on its own motion, or upon application by any person aggrieved thereby filed within 30 days after such action has been taken or within such longer period as the Commission may determine. Application to the Commission for review, or the institution of review by the Commission on its own motion, shall not operate as a stay of such action, unless the Commission otherwise orders, after notice and opportunity for hearing on the question of a stay (which hearing may consist solely of affidavits and oral arguments).

"(i) (1) In a proceeding to review sanctions imposed by a registered clearing agency or a securities depository against a participant after notice and opportunity for hearing:

"(A) if the Commission finds that such participant has engaged in such acts or practices, or has omitted such acts, as the clearing agency or securities depository has found him to have engaged in or to have omitted, and that such acts or practices, or omission to act, are in violation of such rules of the clearing agency or securities depository or provisions of this section or rules or regulations thereunder as have been designated in the determination of the clearing agency or securities depository, it shall by order so declare and affirm the action taken by the clearing agency or securities depository or, if appropriate, modify the sanctions in accordance with paragraph (2) of this subsection, or

"(B) if the Commission finds that the evidence does not warrant the finding required in clause (A), or if the Commission determines that such acts or practices as are found to have been engaged in are not prohibited by the designated rule or rules of the clearing agency or securities depository or the designated provisions of this section or the rules or regulations thereunder or that such act as is found to have been omitted is not required by such designated provisions or rules, the Commission shall by order set aside the action of the clearing agency or securities depository.

"(2) With respect to any sanction imposed by a clearing agency or a securities depository upon a participant the Commission may, having due regard to the public interest, if it finds that such sanction is inappropriate, cancel, reduce, increase, require the remission, broaden the scope or otherwise require modification of such sanction.

"(j) In any proceeding to review the denial of participation in a registered clearing agency or a securities depository, if the Commission, after appropriate notice and opportunity for hearing, determines that the specific grounds on which such denial or bar is based exist in fact and are valid under this section, it shall by order dismiss the proceeding; otherwise, the Commission shall by order set aside the action of the clearing agency or securities depository and require it to admit the applicant to participation therein.

"(k) (1) Each registered clearing agency or securities depository shall file with the Commission, in accordance with such rules as the Commission may prescribe, copies of any proposed changes in, additions to, or amendments to the rules of the clearing agency or securities depository accompanied by a summary statement of the basis and purpose for such proposed change, addition or amendment, and such other information and documents, as the Commission may require to keep current or to supplement the registration statement and documents filed pursuant to subsection (c). All such proposed changes, additions, or amendments, and their accompanying statements of basis and purpose, shall be made available for public inspection and copying. No such proposed change, addition, or amendment shall become effective except in accordance with the provisions of this subsection.

"(2) The Commission shall, upon the filing of a proposed change in, addition to, or amendment to the rules of a clearing agency or securities depository, publish notice of such proposal together with the clearing agency's or securities depository's statement of basis and purpose, and shall afford interested persons a reasonable opportunity for comment on the proposed change, addition, or amendment. The Commission shall make available for public inspection and copying copies of all written communications between the Commission and the clearing agency or securities depository, and between the Commission and any other persons, related to the proposed change, addition or amendment. Such change, addition, or amendment shall take effect 60 days after publication of such notice by the Commission, unless the Commission disapproves such change, addition, or amendment as inconsistent with the purposes of this section or otherwise inconsistent with the public interest: *Provided*, That the Commission may extend this time for a period not to exceed 90 days in order to solicit additional public comment or to provide interested persons an opportunity for oral presentation for views, data, or arguments concerning the proposed change, addition or amendment. The Commission, upon its own motion, or upon application setting forth the reasons therefor, may, conditionally or unconditionally, exempt from the public comment requirements of this subsection, and may accelerate the effectiveness of any proposed change, addition or amendment or any class or classes of such proposed change, addition or amendment if the Commission finds that the application of either the public comment requirement, or the waiting period requirement, or both, to such change, addition or amendment or class of such change, addition or amendment is not necessary or appropriate in the public interest or for the protection of investors and that such exemption or acceleration is not inconsistent with the purposes of this section.

"(l) The appropriate regulatory agency may, after appropriate notice and opportunity for hearing, by order, censure, bar, suspend for a period not exceeding 12 months, or place limitations upon any transfer agent, or revoke the registration of any transfer agent, if the appropriate regulatory agency finds that such censure, barring, suspension, placing of limitations, or revocation is in the public interest, or necessary for the protection of investors, and that such transfer agent or any partner, officer, director, or employee thereof has violated or is unable to comply with any provision of this section or any rule, regulation or order promulgated thereunder.

"(m) The Commission is authorized, if it finds such action to be necessary or appropriate in the public interest or for the protection of investors or to carry out the purposes of this section—

"(1) after appropriate notice and opportunity for hearing, by order to suspend for a period not exceeding 12 months or revoke the registration of a registered clearing agency or a securities depository or impose limitations upon the activities, functions, or operations of such clearing agency or securities depository, if the Commission finds that such clearing agency or securities depository has violated any provision of this title, or any rule or regulation thereunder, or has failed to enforce compliance with its own rules, or has engaged in any other activity tending to defeat the purposes of this section;

"(2) after appropriate notice and opportunity for hearing, by order to suspend for a period not exceeding 12 months, censure or expel from a registered clearing agency or securities depository any participant therein, or impose limitations upon the activities, functions, or operations of such a participant if the Commission finds that such participant, or any partner, officer, director, or employee of such participant, has violated any provision of this title or any rule, regulation, or order thereunder or any rule of the clearing agency or securities depository; and

"(3) after appropriate notice and opportunity for hearing, by order to remove from office any officer, director, or employee of a registered clearing agency or a securities depository who, the Commission finds, has willfully failed to enforce the rules of the clearing agency or securities depository or the provisions of this section or the rules or regulations promulgated thereunder, or has willfully abused his authority.

"(n) If a proceeding under subsection (m)(1) of this section results in the suspension or revocation of the registration of a clearing agency or a securities depository, the Commission may, upon notice to such clearing agency or securities depository, apply to any court of competent jurisdiction specified in section 21(e) or 27 of this title for the appointment of a trustee. In such event, the court may, to the extent it deems necessary or appropriate, take exclusive jurisdiction of the clearing agency or securities depository involved, and the books, records, and assets thereof, wherever located; and the court shall appoint the Commission or a person designated by the Commission as the trustee with the power to take possession and to continue to operate or to terminate the facilities of such clearing agency or securities depository in an orderly manner, for the protection of participants and public investors, subject to such terms and conditions as the court may prescribe.

"(o)(1) Each registered clearing agency and securities depository shall make, keep, and preserve for such periods such accounts, correspondence, memorandums, papers, books, and other records, and furnish such copies thereof and make such reports, as the Commission by its rules and regulations may prescribe as necessary or appropriate in the public interest, to facilitate cooperation among clearing agencies and securities depositories and the prompt and orderly settlement of securities transactions, to safeguard funds and securities held for the accounts of participants, or for the protection of investors. Such accounts, correspondence, memorandums, papers, books, and other records shall be subject at any time to such reasonable periodic, special, or other examinations by examiners or other representatives of the Commission as the Commission may deem necessary or appropriate in the public interest or for the protection of investors.

"(2) Each registered transfer agent shall make, keep, and preserve for such periods such accounts, correspondence, memorandums, papers, books, and other records, and furnish such copies thereof and make such reports, as the Commission by its rules and regulations may prescribe as necessary or appropriate in the public interest, to facilitate the prompt and orderly settlement of securities transactions or for the protection of investors. Such accounts, correspondence, memorandums, papers, books, and other records shall be subject at any time to such reasonable periodic, special, or other examinations by examiners or other representatives of the appropriate regulatory agency as may be deemed necessary or appropriate in the public interest or for the protection of investors. Appropriate regulatory agencies other than the Commission shall make a report of all examinations conducted by them with respect to transfer agents subject to their jurisdiction and shall furnish to the Commission, at its request, a copy or portion of any such report which is relevant to functions regulated under this section. Nothing in this section shall preclude an appropriate regulatory agency (other than the Commission) from requiring a registered transfer agent to comply with such additional or other recordkeeping, reporting, inspection, or examination requirements as may be consistent with rules and regulations prescribed by the Commission under this section.

"(3) In the case of a transfer agent which is subject to regulation by an appropriate regulatory agency other than the Commission, the Commission shall rely to the fullest practicable extent on such agency for the conduct of routine, periodic, or other inspections or examinations under this section, and for obtaining reports from such transfer agents, but notwithstanding any provision of this section, the Commission shall have authority to make special or other examinations or inspections and to require special reports of such transfer agents in those situations where the Commission determines that such action would nevertheless be appropriate.

"(4) In the case of any disagreement between the Commission and any other appropriate regulatory agency concerning any rule of the Commission with respect to any transfer agent, the determination of the Commission shall be definitive.

"(p)(1) The Commission shall make a full and detailed report of all examinations conducted by it of any bank, bank subsidiary, or bank holding company which is a registered clearing agency or securities depository and shall, upon request, furnish a copy of such report to the other appropriate regulatory agencies.

"(2) The Commission shall, in the conduct of its responsibilities under this title with respect to banks registered as clearing agencies, securities depositories, or transfer agents, consult and cooperate with the other appropriate regulatory agencies toward the end that their mutual regulatory needs and responsibilities be fulfilled to the maximum extent practicable. At least 5 days prior to the issuance for public comment or adoption of any proposed rule or regulation pursuant to this section, the Commission shall first consult and request the views of the other appropriate regulatory agencies: *Provided*, That the failure of the Commission to so consult or request views shall not affect the validity, force or effect of any rule or regulation of the Commission or of any Commission action or omission to act thereunder.

"(q) Compliance with the requirements of this section or any rule, regulation, or order thereunder, with respect to transfer agents may be enforced under section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818) by the appropriate regulatory agencies other than the Commission. For the purpose of the exercise by such agencies of their powers under section 8 of the Federal Deposit Insurance Act, a violation of any requirement imposed under this section is a violation of the requirements imposed under the Federal Deposit Insurance Act and shall constitute adequate basis for the issuance of orders under sections 8(b) and 8(c) of that Act. In addition to its power under section 8 of the Federal Deposit Insurance Act, each of such appropriate regulatory agencies may, for the purpose of enforcing compliance with this section (or any rule or order thereunder), exercise any other authority conferred on it by law.

"(r) The provisions of this section 17A or of any rule or regulation thereunder shall not apply to any person acting as transfer agent with respect to securities transactions which occur without the jurisdiction of the United States, except as the Commission may prescribe as necessary or appropriate to prevent the evasion of this title.

"(s) The Commission shall, on or before December 31, 1976, take such steps as are within its power to bring about elimination of the stock certificate as a means of settlement among brokers or dealers of transactions consummated on national securities exchanges or by means of the mails or other means or instrumentalities of interstate commerce. In 1975 and in 1976, the Commission shall report to the Congress (1) the steps it has taken and progress it has made toward elimination of the stock certificate as a means of settlement, and (2) its recommendations, if any, for further legislation to eliminate the stock certificate. In connection with such reports, the Commission shall consult with the other appropriate regulatory agencies concerning the effects elimination of the stock certificate as a means of settlement among brokers or dealers may have on the safeguarding of assets held by securities depositories for the accounts of participants, and shall report such views to the Congress."

SEC. 305. Section 24 of the Securities Exchange Act of 1934 (15 U.S.C. 78x) is amended to read as follows:

"INFORMATION FILED WITH THE COMMISSION

"SEC. 24. (a) Any person filing information contained in a registration statement, document, report, contract, correspondence, or other paper filed with the Commission pursuant to this title may make written objection to the public disclosure of such information stating the grounds for such objection. The Commission is authorized to hear objections in any such case where it deems it advisable. The Commission shall grant confidential treatment to such information for which application has been made if it finds (1) that disclosure is not in the public interest, and (2) that disclosure would (A) jeopardize the safety of funds or securities, (B) require the revealing of trade secrets or processes, or (C) impair the value of a contract.

"(b) The Commission is authorized to treat such information as confidential pending the findings required by subsection (a), but if the Commission does not make such a finding within 60 days from the date the information is received by the Commission, then the information shall cease to be afforded confidential treatment.

"(c) Nothing in this section shall prohibit the Commission from disclosing any information in any administrative or judicial proceeding.

"(d) Nothing in this section shall authorize the Commission to withhold information from the duly authorized committees of the Congress.

"(e) It shall be unlawful for any member, officer, or employee of the Commission to disclose to any person other than a member, officer, or employee of the Commission, or to use for personal benefit, any information contained in any registration statement, document, report, contract, correspondence, or other paper filed with the Commission which is not made available to the public pursuant to subsection (a) of this section: Provided, That the Commission may make available to an appropriate regulatory agency any information requested by such agency for the purpose of enabling it to perform its duties under this title."

SEC. 306. Section 12 of the Securities Exchange Act of 1934 (10 U.S.C. 781) is amended by inserting after subsection (i) the following new subsections:

"(j) It shall be unlawful for an issuer, any class of whose securities is registered under this section or which would be required to be so registered except for the exemption from registration provided by paragraph (2)(B) or (2)(G) of subsection (g), by use of any means or instrumentality of interstate commerce, or of the mails, to issue, either originally or upon transfer, such securities whose form or format contravenes such rules and regulations as the Commission may prescribe as necessary or appropriate for the prompt and accurate processing of transactions in securities. The provisions of this subsection shall not apply to variable annuity contracts issued by an insurance company or its registered separate account.

"(k) Every issuer whose securities are registered under this section, or which would be required to be so registered except for the exemption from registration provided by paragraph (2)(B) or (2)(G) of subsection (g), shall comply with such rules and regulations as the Commission may promulgate as necessary to assure the prompt and accurate processing and settlement of securities transactions, which rules may provide for the consolidation into a single person of the functions of transfer agent and registrar. The provisions of this subsection shall not apply to variable annuity contracts issued by an insurance company or its registered separate account."

SEC. 307. Section 19 of the Securities Exchange Act of 1934 (15 U.S.C. 78s) is further amended by inserting at the end thereof the following new subsection:

"(b) The Commission is authorized and directed to make a study and investigation of the practice of registration of securities other than in the name of the beneficial owner and to determine (1) whether such registration is consistent with the policies and purposes of this title, with particular reference to sections 12(g), 14, 15(d), and 17A and (2) if consistent, whether steps can be taken to facilitate communications between corporations and their shareholders while at the same time retaining the benefits of such registration. The Commission shall report to the Congress its preliminary findings within six months after the date of enactment of this subsection, and its final results and recommendations within one year of such date."

SEC. 308. Section 28 of the Securities Exchange Act of 1934 (15 U.S.C. 78bb) is amended by inserting after subsection (b) the following new subsection:

"(c) No State or political subdivision thereof shall impose any tax on any change in beneficial or record ownership of securities effected through the facilities of a registered clearing agency or securities depository or any nominee thereof or custodian therefor or upon the delivery or transfer of securities to or through or receipt from such agency or depository or any nominee thereof or custodian therefor, unless such transfer or delivery or receipt would otherwise be taxable by such State or political subdivision if the facilities of such registered clearing agency or securities depository or any nominee thereof or custodian therefor were not physically located in the taxing State or political subdivision. No State or political subdivision thereof shall impose any tax on securities which are deposited in or retained by a registered clearing agency or securities depository or any nominee thereof or custodian therefor, unless such securities would otherwise be taxable by such State or political subdivision if the facilities of such registered clearing agency or securities depository or any nominee thereof or custodian therefor were not physically located in the taxing State or political subdivision."

SEC. 309. The Securities Exchange Act of 1934 is amended by inserting after section 19 (15 U.S.C. 78s) the following new section:

"LOST, STOLEN, AND COUNTERFEIT SECURITIES; FINGERPRINTING

"SEC. 19A. Every national securities exchange, national securities association, broker dealer, member of an exchange or association, transfer agent, clearing agency, and securities depository, registered pursuant to this title, and every participant therein shall—

"(1) report such information about missing, lost, counterfeit, or stolen securities, in such form and within such time as the Commission determines by rule is necessary or appropriate in the public interest or for the protection of investors, to the Commission or to such other person as the Commission may by rule designate, and such information shall be made available, for a reasonable fee, to any such exchange, transfer agent, association, broker, dealer, member, clearing agency, or securities depository who shall request it;

"(2) make such inquiry with respect to information reported pursuant to this section as the Commission decides, by rule, is necessary or appropriate in the public interest or for the protection of investors to determine whether securities transactions in which they are participating involve securities that have been reported as missing, lost, counterfeit, or stolen; and

"(3) in the case of a clearing agency, securities depository, transfer agent, broker, dealer, or member, require that each of its partners, directors, officers, and employees be fingerprinted and shall submit such fingerprints, or cause the same to be submitted, to the Attorney General of the United States for identification and appropriate processing. The Commission may, by rule, exempt from the provisions of this paragraph upon such terms and conditions and for such period as it deems necessary or appropriate, any one or more classifications of partners, directors, officers, or employees of any one or more of such clearing agencies, securities depositories, transfer agents, brokers, dealers, or members if the Commission finds that such action is not inconsistent with the public interest or the protection of investors."

TITLE IV—MISCELLANEOUS

SEC. 401. Section 23(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78w(b)) is amended to read as follows:

"(b) The Commission and the Board of Governors of the Federal Reserve System, respectively, shall include in their annual reports to Congress such information, data, and recommendation for further legislation as they may deem advisable with regard to matters within their respective jurisdictions under this title. The Commission shall also include in its annual report each year information detailing its administration of the Freedom of Information Act (5 U.S.C. 552). Such information shall include a detailed description of its processes for handling requests under the Act, including the names of persons assigned to carry out those processes; and also include data on schedules of fees (if any), and on the number of written requests for records under the Act, the number of denials, the section relied upon in each denial, the number of administrative appeals, the elapsed time in responding to initial requests and the handling of appeals, the number of suits filed within the year, and any regulatory changes made during the year. Further, the Commission shall include in its annual report each year information concerning (1) the effects its rules and regulations are having on the viability of small brokers and dealers; (2) its attempts to reduce any unnecessary reporting burden on such brokers and dealers; and (3) its efforts to help to assure the continued participation of small brokers and dealers in the United States securities markets."

SEC. 402. (a) Section 31 of the Securities Exchange Act of 1934 (15 U.S.C. 78ee) is amended to read as follows:

"REGISTRATION FEES

"SEC. 31. Every national securities exchange shall pay to the Commission on or before March 15 of each calendar year a registration fee for the privilege of doing business as a national securities exchange during the preceding calendar year or any part thereof. Such fee shall be in an amount equal to one one-hundredth of 1 per centum of the aggregate dollar amount of the sales of securities (other than securities which are direct obligations of or obligations guaranteed as to principal or interest by the United States or such securities issued or guaranteed by corporations in which the United States has a direct or an indirect interest as shall be designated for exemption from the provisions of this section by the Secretary of the Treasury) transacted on such national securities exchange during the preceding calendar year and subsequent to its registration as a national securities exchange. Every registered broker or dealer shall pay to the Commission on or before March 15 of each calendar year a fee in an amount equal to one one-hundredth of 1 per centum of the aggregate dollar amount of the sales of securities listed for trading on a registered national securities exchange pursuant to section 12(b) of this title (other than securities which are direct obligations of or obligations guaranteed as to principal or interest by the United States or such securities issued or guaranteed by corporations in which the United States has a direct or an indirect interest as shall be designated for exemption from the provisions of this section by the Secretary of the Treasury) transacted otherwise than on an exchange during the preceding calendar year and subsequent to the date of enactment of the Securities Reform Act of 1975, except that no payment shall be required for any calendar year in which such payment would be less than one hundred dollars."

(b) The amendment made by subsection (a) of this section shall take effect on the first day of the first full calendar year which begins after the date of enactment of this Act and shall apply with respect to such first full calendar year and all succeeding calendar years thereafter.

SEC. 403. (a) Section 24 of the Securities Act of 1933 (15 U.S.C. 77x) is amended by changing the figure "$5,000" to "$10,000".

(b) Section 32(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78ff(a)) is amended by changing the phrase "or imprisoned not more than two years" to read: "or imprisoned not more than five years".

(c) Section 29 of the Public Utility Holding Company Act of 1935 (15 U.S.C. 79z–3) is amended by changing the phrase "or imprisoned not more than two years" to read "or imprisoned not more than five years".

(d) Section 325 of the Trust Indenture Act of 1939 (15 U.S.C. 77yyy) is amended by changing the figure "$65,000" to "$10,000".

(e) Section 49 of the Investment Company Act of 1940 (15 U.S.C. 80a–48) is amended by changing the phrase "or imprisoned not more than two years" to read "or imprisoned not more than five years".

(f) Section 217 of the Investment Advisers Act of 1940 (15 U.S.C. 80b–17) is amended by changing the phrase "imprisoned for not more than two years" to read "imprisoned for not more than five years".

SEC. 404. Section 203(c) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–3) is amended to read as follows:

"(c) Any investment adviser, or any person who presently contemplates becoming an investment adviser, may register under this section by filing with the Commission an application for registration. Such application shall contain such of the following information, in such form and detail, as the Commission may by rules and regulations prescribe as necessary or appropriate in the public interest or for the protection of investors:

"(1) information in respect of—

"(A) the name and form of organization under which the investment adviser engages or intends to engage in business; the name of the State or other sovereign power under which such investment adviser is organized; the location of his or its principal business office and branch offices, if any; the names and addresses of his or its partners, officers, directors, and persons performing similar functions or, if such an investment adviser be an individual, of such individual; and the number of his or its employees;

"(B) the education, the business affiliations for the past ten years, and the present business affiliations of such investment adviser and of his or its partners, officers, directors, and persons performing similar functions and of any controlling person thereof;

"(C) the nature of the business of such investment adviser, including the manner of giving advice and rendering analyses or reports;

"(D) the nature and scope of the authority of such investment adviser with respect to clients' funds and accounts;

"(E) the basis or bases upon which such investment adviser is compensated; and

"(F) whether such investment adviser, or any person associated with such investment adviser, is subject to any disqualification which would be a basis for denial, suspension, or revocation of registration of such investment adviser under the provisions of subsection (e); and

"(2) a statement as to whether the principal business of such investment adviser consists or is to consist of acting as investment adviser and a statement as to whether a substantial part of the business of such investment adviser consists or is to consist of rendering investment supervisory services.

"(3) within 45 days of the filing of such application or any amendment to such application the Commission shall—

"(A) by order grant such registration if the Commission finds that the requirements of this section are satisfied, or

"(B) institute appropriate administrative action to determine whether the application should be denied. If, after appropriate notice and opportunity for hearing, it appears to the Commission that any requirement of this section is not satisfied, the Commission shall by order deny such registration. The Commission shall conclude administrative action and issue an order granting or denying the application within one hundred and twenty days of the filing of such application, unless the Commission finds good cause for extending the period, in which case the Commission may extend such period for an additional ninety days."

Sec. 405. Section 203(e)(2) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-3(2)) is amended to read as follows:

"(2) has been convicted within ten years preceding the filing of the application or any time thereafter of the crime of armed robbery or grand larceny or of any felony or misdemeanor which the Commission finds (A) involves the purchase or sale of any security, (B) arises out of the conduct of the business of a broker, dealer, or investment adviser, (C) involves embezzlement, fraudulent conversion, or misappropriation of funds or securities, or (D) involves the violation of section 1341, 1342, or 1343 of title 18, United States Code; or"

Sec. 406. Section 204 of the Investment Advisers Act of 1940 (15 U.S.C. 80b-4) is amended to read as follows:

"Sec. 204. Every investment adviser who makes use of the mails or of any means or instrumentality of interstate commerce in connection with his or its business as an investment adviser (other than one specifically exempted from registration pursuant to section 203(b)), shall make, keep, and preserve for such periods, such accounts, correspondence, memorandums, papers, books, and other records and furnish copies thereof, and make such reports (which may include certified financial statements) available to clients or to the Commission as the Commission by its rules and regulations may prescribe as necessary or appropriate in the public interest or for the protection of investors. Such accounts, correspondence, memorandums, papers, books, and other records shall be subject at any time or from time to time to such reasonable periodic, special, or other examinations by examiners or other representatives of the Commission as the Commission may deem necessary or appropriate in the public interest or for the protection of investors."

Sec. 407. The Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), is amended by adding at the end thereof the following new section:

"AUTHORIZATION OF APPROPRIATIONS

"Sec. 35. There are hereby authorized to be appropriated to carry out the functions, powers, and duties of the Commission not to exceed $54,000,000 for the fiscal year ending June 30, 1976, not to exceed $62,600,000 for the fiscal year ending September 30, 1977, and not to exceed $71,200,000 for the fiscal year ending September 30, 1978. For fiscal years succeeding the 1978 fiscal year, there may be appropriated such sums as the Congress may hereafter authorize by law.".

Sec. 408. (a) The Investment Company Act of 1940 (15 U.S.C. 80a) is amended as follows:

(a) Section 15 thereof is amended by adding at the end thereof the following new subsection:

"(f)(1) An investment adviser or a corporate trustee performing the functions of an investment adviser of a registered investment company or an affiliated person of such investment adviser or corporate trustee may receive any amount or benefit in connection with a sale of securities of, or a sale of any other interest in, an investment adviser or a corporate trustee performing the functions of an investment adviser which results in an assignment of an investment advisory contract with such company or the change in control of or identity of a corporate trustee which performs the functions of an investment adviser, if—

"(A) for a period of three years after the time of such action, at least 75 per centum of the members of the board of directors of such registered company or such corporate trustee (or successor thereto, by reorganization or otherwise) are not (i) interested persons of the investment adviser of such company or such corporate trustee, or (ii) interested persons of the predecessor investment adviser or such corporate trustee; and

"(B) there is not imposed an unfair burden on such company as a result of such transaction or any express or implied terms, conditions, or understandings applicable thereto.

"(2)(A) For the purpose of paragraph (1)(A) of this subsection, interested persons of a corporate trustee shall be determined in accordance with section 2(a)(19)(B), except that no person shall be deemed to be an interested person of a corporate trustee solely by reason of (i) his being a member of its board of directors or advisory board or (ii) his membership in the immediate family of any person specified in clause (i) of this subparagraph.

"(B) For the purpose of paragraph (1)(B) of this subsection, an unfair burden on a registered investment company includes any arrangement, during the two-year period after the date on which any such transaction occurs, whereby the investment adviser or corporate trustee or any interested person of any such adviser or any such corporate trustee receives or is entitled to receive any compensation directly or indirectly (i) from any person in connection with the purchase or sale of securities or other property to, from, or on behalf of such company, other than bona fide ordinary compensation as principal underwriter for such company, or (ii) from such company or its security holders for other than bona fide investment advisory or other services.

"(3) If—

"(A) an assignment of an investment advisory contract with a registered investment company results in a successor investment adviser to such company, or if there is a change in control of or identity of a corporate trustee of a registered investment company, and such adviser or trustee is then an investment adviser or corporate trustee with respect to other assets substantially greater in amount than the amount of assets of such company, or

"(B) as a result of a merger of, or a sale of substantially all the assets by, a registered investment company with or to another registered investment company with assets substantially greater in amount a transaction occurs which would be subject to paragraph (1)(A) of this subsection.

such discrepancy in size of assets shall be considered by the Commission in determining whether or to what extent an application under section 6(c) for exemption from the provisions of paragraph (1)(A) should be granted.

"(4) Paragraph (1)(A) of this subsection shall not apply to a transaction in which a controlling block of outstanding voting securities of an investment adviser to a registered investment company or of a corporate trustee performing the functions of an investment adviser to a registered investment company is—

"(A) distributed to the public and in which there is, in fact, no change in the identity of the persons who control such investment adviser or corporate trustee, or

"(B) transferred to the investment adviser or the corporate trustee, or an affiliated person or persons of such investment adviser or corporate trustee, or is transferred from the investment adviser or corporate trustee to an affiliated person or persons of the investment adviser or corporate trustee, except that (i) each transferee (other than such adviser or trustee) is a natural person and (ii) the transferees (other than such adviser or trustee) owned in the aggregate more than 25 per centum of such voting securities for a period of at least six months prior to such transfer.".

(b) Section 15(c) is amended by adding at the end thereof a new sentence as follows: "It shall be unlawful for the directors of a registered investment company, in connection with their evaluation of the terms of any contract whereby a person undertakes regularly to serve or act as investment adviser of such company, to take into account the purchase price or other consideration any person may have paid in connection with a transaction of the type referred to in paragraph (1), (3), or (4) of subsection (f).".

(c) Section 16 thereof is amended as follows:

(1) in the first sentence of subsection (b) by striking out "The provisions of subsection (a) of this section" and inserting in lieu

thereof "The foregoing provisions of this section";

(2) by redesignating subsection (b) as subsection (c), striking out "this subsection (b)" therein, and inserting in lieu thereof "this subsection (c)"; and

(3) by adding after subsection (a) thereof the following new subsection:

"(b) Any vacancy on the board of directors of a registered investment company which occurs in connection with compliance with section 15(f)(1)(A) and which must be filed by a person who is not an interested person of either party to a transaction subject to section 15(f)(1)(A) and which must be filled person (1) who has been selected and proposed for election by a majority of the directors of such company who are not such interested persons, and (2) who has been elected by the holders of the outstanding voting securities of such company, except that in the case of the death, disqualification, or bona fide resignation of a director selected and elected pursuant to clauses (1) and (2) of this subsection (b), the vacancy created thereby may be filled as provided in subsection (a).".

(d) Sections 13(b), 15(d), 18(i), and 32(a) thereof are amended by striking out the phrases "subsection (b) of section 16" and "section 16(b)" wherever they occur and inserting in lieu thereof "section 16(c)".

(e) Section 10(e) thereof is amended to read as follows:

"(e) If by reason of the death, disqualification, or bona fide resignation of any director or directors, the requirements of the foregoing provisions of this section or of section 15(f)(1) in respect of directors shall not be met by a registered investment company, the operation of such provisions shall be suspended as to such registered company—

"(1) for a period of thirty days if the vacancy or vacancies may be filled by action of the board of directors;

"(2) for a period of sixty days if a vote of stockholders is required to fill the vacancy or vacancies; or

"(3) for such longer period as the Commission may prescribe, by rules and regulations upon its own motion or by order upon application, as not inconsistent with the protection of investors.".

(f) Section 9 thereof is amended by adding at the end thereof the following new subsection:

"(d) For the purposes of subsections (a) through (c) of this section, the term 'investment adviser' includes a corporate or other trustee performing the functions of an investment adviser.".

(g) Section 36 thereof is amended by adding at the end thereof the following new subsection:

"(c) For the purposes of subsections (a) and (b) of this section, the term 'investment adviser' includes a corporate or other trustee performing the functions of an investment adviser.".

"(h) Section 15(d) of the Investment Company Act of 1940 (15 U.S.C. 80a–15(d)) is amended by striking 'paragraph (40) of section 2(a)' and inserting in lieu thereof 'paragraph (42) of section 2(a)'.".

SEC. 409. Section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m) is amended by adding at the end thereof the following new subsection:

"(f)(1) Every institutional investment manager which uses the mails, or any means or instrumentality of interstate commerce, or any facility of a national securities exchange, directly or indirectly, in the course of its business as an institutional investment manager and which exercises investment discretion with respect to accounts holding equity securities having an aggregate fair market value on the last trading day in any of the preceding twelve months of at least $100,000,000 or such lesser amount (but in no case less than $10,000,000) as the Commission, by rule, may determine, shall file reports with the Commission in such form, for such periods, and at such times after the end of such periods as the Commission, by rule, may prescribe. Such reports shall include for each such equity security held on the last day of the reporting period by accounts (in aggregate or by type as the Commission, by rule, may prescribe) with respect to which the institutional investment manager exercises investment discretion (other than securities held in amounts which the Commission, by rule, determines to be insignificant for purposes of this subsection), the name of the issuer and the title, class, CUSIP number, number of shares or principal amount, and aggregate fair market value of each such security. Such reports may also include for accounts (in aggregate or by type) with respect to which the institutional investment manager exercises investment discretion such of the following information as the Commission, by rule, prescribes—

"(A) the name of the issuer and the title, class, CUSIP number, number of shares or principal amount, and aggregate fair market value or cost or amortized cost of each other security (other than an exempted security) held on the last day of the reporting period by such accounts;

"(B) the aggregate fair market value or cost or amortized cost of exempted securities (in aggregate or by class) held on the last day of the reporting period by such accounts;

"(C) the number of shares of each equity security held on the last day of the reporting period by such accounts with respect to which the institutional investment manager possesses sole or shared authority to exercise the voting rights evidenced by such securities;

"(D) the aggregate purchases and aggregate sales during the reporting period of each security (other than an exempted security) effected by or for such accounts; and

"(E) with respect to any transaction having a market value of at least $500,000 or such other amount as the Commission, by rule, may determine, effected during the reporting period by or for such accounts in any equity security.

"(i) the name of the issuer and the title, class, and CUSIP number of the security;

"(ii) the number of shares or principal amount of the security involved in the transaction;

"(iii) whether the transaction was a purchase or sale;

"(iv) the per share price or prices at which the transaction was effected;

"(v) the date or dates of the transaction;

"(vi) the date of the settlement of the transaction;

"(vii) the broker or dealer through whom the transaction was effected;

"(viii) the market or markets in which the transaction was effected; and

"(ix) such other related information as the Commission, by rule, may prescribed.

"(2) The Commission, by rule or order, may exempt, conditionally or unconditionally, any institutional investment manager or security or any class of institutional investment managers or securities from any or all of the provisions of the subsection or the rules thereunder.

"(3) The Commission shall tabulate the information contained in any report filed pursuant to this subsection in a manner which will, in view of the Commission, maximize the usefulness of the information to other Federal and State authorities and the public. Promptly after the filing of any such report, the Commission shall make the information contained therein conveniently available to the public for a reasonable fee in such forms as the Commission, by rule, may prescribe, except that the Commission, as it determines to be necessary or appropriate in the public interest or for the protection of investors, may delay or prevent public disclosure of any such information in accordance with section 24 of the title. Notwithstanding the preceding sentence, any such information identifying the securities held by the account of a natural person or an estate or trust (other than a business trust or investment company) shall not be disclosed to the public.

"(4) In exercising its authority under this subsection, the Commission shall determine (and so state) that its action is necessary or appropriate in the public interest or for the protection of investors or to maintain fair and orderly markets, or, in granting an exemption, that its action is consistent with the protection of investors and the purposes of this subsection. In exercising such authority the Commission shall take such steps as are within its power, including consulting with the Comptroller General of the United States, the Director of the Office of Management and Budget, the appropriate regulatory agencies, Federal and State authorities which, directly or indirectly, require reports from institutional investment managers of information substantially similar to that called for by this subsection, national securities exchanges, and registered securities associations, (A) to achieve uniform, centralized reporting of information concerning the securities holdings of and transactions by or for accounts with respect to which institutional investment managers exercise investment discretion, and (B) to avoid unnecessarily duplicative reporting by and minimize the compliance burden on institutional investment managers consistent with the purposes of this subsection. Federal authorities which, directly or indirectly, require reports from institutional investment managers of information substantially similar to that called for by this subsection shall cooperate with the Commission in the performance of its responsibilities under the preceding sentence. An institutional investment manager which is a bank, the deposits of which are insured in accordance with the Federal Deposit Insurance Act, shall file with the appropriate regulatory agency a copy of every report filed with the Commission pursuant to this subsection.

"(5)(A) For purposes of this subsection the term 'institutional investment manager' includes any person, other than a natural person, investing in or buying and selling securities for its own account, and any person exercising investment discretion with respect to the account of any other person.

"(B) The Commission shall adopt such rules as it deems necessary or appropriate to prevent duplicative reporting pursuant to this subsection by two or more institutional investment managers exercising investment discretion with respect to the same account.

"(6) A person exercises 'investment discretion' with respect to an account if, directly or indirectly, he (A) is authorized to determine what securities or other property shall be purchased or sold by or for the account, (B) makes decisions as to what securities or other property shall be purchased or sold by or for the account even though some other person may have responsibility for such investment decisions, or (C) otherwise exercises such influence with respect to the purchase and sale of securities or other property by or for the account as the Commission, by rule, determines, in the public interest or for the protection of investors, should be subject to the operation of the provisions of this subsection and the rules and regulations thereunder.".

TITLE V—DEVELOPMENT OF A NATIONAL SECURITIES MARKET SYSTEM

SEC. 501. The Securities Exchange Act of 1934 is amended by adding after section 20 (15 U.S.C. 78t) the following new section:

"NATIONAL SECURITIES MARKET SYSTEM

"SEC. 20A. (a) Congress finds and recognizes—

"(1) that our country's capital markets are an important national asset which must be preserved and strengthened;

"(2) that changing conditions and trading patterns have placed considerable strain on existing market mechanisms;

"(3) that in order to preserve and strengthen our capital markets, a national securities market system, should be established;

"(4) that it is in the national interest to assure the vitality and strength of the Nation's securities markets and to take all practicable steps to encourage a free and adequate flow of capital to the economy of the United States;

"(5) that a national system for the clearance and settlement of securities, wherever traded, should be established as part of the system; and

"(6) that a national regulatory body may be appropriate to govern and operate the system, subject to oversight and regulation by the Commission.

"(b) The Commission is directed, therefore, having due regard for the public interest, the protection of investors and the need to assure fair dealing in securities, and to preserve and foster competition among exchanges and between exchange markets and markets occurring otherwise than on an exchange, to take such steps as are within its power, including the power granted to it pursuant to this section and section 17 of this title, to establish a national market system for transactions in securities. Such a system shall include, as a minimum, a transactional reporting system for reporting transactions in securities qualified for trading within the national securities market system; a composite quotation system for reporting bid and offered quotations for all securities qualified for trading in the national securities market system; and rules or regulations designed to provide fair competition between competitors in the national securities market system.

"(c) No dealer shall make use of the mails or of any means or instrumentality of interstate commerce to effect, or induce, the purchase or sale for his own account of any security in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest and for the protection of investors, to assure the maintenance of a fair and orderly market in securities, or to remove impediments to and perfect the mechanism of a national market system. The Commission shall, under authority of this section, promulgate such rules and regulations applicable to any dealer in securities registered under section 12(b) of this title who, with respect to such securities, (a) regularly publishes bid and offer quotations through an interdealer quotation system, communications system or otherwise, (b) furnishes bid and offer quotations on request to others, including brokers and dealers, (c) holds himself out as being ready, willing, and able to effect transactions at quoted prices with others, including brokers and dealers, or (d) is otherwise acting as a specialist or market maker (as such term may be further defined by the Commission) in such securities on an exchange or otherwise than on an exchange, as may be necessary to assure that equal regulation of such dealers is obtained. For the purposes of this subsection the term 'equal regulation' means that degree of regulation as the Commission may determine to be necessary and appropriate to apply to such dealers in order to remove any unfair competitive advantage found to result from an unjustifiable disparity of regulation of such dealers by exchanges and associations of which they are members. If the Commission finds after notice and opportunity for hearing on a record, that rules promulgated by the Commission pursuant to this title as applied to any broker or dealer, or class of brokers or dealers who effect transactions in securities registered under section 12(b) of this title, on a national securities exchange or otherwise than on a national securities exchange, are insufficient to assure the protection of investors and the maintenance of a fair and orderly market in such securities and that such investor protection and the maintenance of a fair and orderly market in such securities may not be assured through other lawful action under this title, it may, by order, prohibit such broker or dealer or such class thereof from effecting, or inducing, the purchase or sale of any such security on a national securities exchange or otherwise than on a national securities exchange. The Commission may, by such order, conditionally or unconditionally exempt any security or transaction, or class of securities or transactions, from the provisions of this section.

"(d) The Commission shall prescribe such rules and regulations as it deems necessary or appropriate in the public interest or for the protection of investors (1) to assure that all brokers and dealers and, subject to such limitations as the Commission may, by rule, impose as necessary or appropriate for the protection of investors and the maintenance of fair and orderly markets, all other persons, have access on reasonable and nondiscriminatory terms to quotations for, and reports of transactions in, securities; (2) to assure that any system utilized by any broker or dealer to transmit or direct orders for the purchase or sale of securities to a facility for execution operates in a manner consistent with the development and operation of a national market system; and (3) to provide for the fair and reasonable allocation among national securities exchanges, national securities associations, and brokers and dealers subject to paragraph (9) of section 15(b) of this title of the costs associated with the collection, processing, distribution, and publication of information with respect to quotations for, and transactions in, securities, and the development and operation of a national market system.

"(e) To facilitate the establishment and governance of a national market system, in accordance with this section, within one hundred eighty days after the effective date of the Securities Reform Act of 1975, or at such earlier date as the Commission may determine to be appropriate for the purposes of this title, the Commission shall appoint a National Market Board ('Board').

"(f) (1) In carrying out its responsibilities under subsection (e), the Commission shall appoint a Board of fifteen members, not all of whom shall be from the same geographical area of the United States, for a term specified by the Commission (but in no event to exceed five years), a majority of whom may, in the Commission's discretion, be persons active in the securities industry, the remainder of whom shall be representative of the public who, to the extent feasible, shall have knowledge of the Nation's capital markets.

"(g) (1) The Board is authorized and directed to study and advise the Commission of the steps it finds appropriately should be taken, by the Commission, the securities industry, the Congress, or otherwise, to facilitate the development of the system. For the purposes of performing the functions set forth in this paragraph, the Board shall assume the responsibilities of, and the documents prepared for or by, any advisory committee, in existence at the time of the establishment of the Board, appointed to advise the Commission on the implementation of the system.

"(2) The Board shall have, as a continuing responsibility, the obligation to furnish the Commission with its views on significant regulatory proposals of the Commission or any registered national securities exchange or association relating to the fairness, honesty, and efficiency of the markets for the trading in securities.

"(h) (1) The Board is authorized and directed to make a study of the need for the establishment of a national regulatory body (hereinafter referred to as the 'National Market Regulatory Board' or 'Regulatory Board') to administer the national market system, including the following:

"(A) the point in time at which such a Regulatory Board should be established;

"(B) the composition of such a Regulatory Board;

"(C) the manner in which such a Regulatory Board shall be brought into existence;

"(D) the scope of the authority of such a Regulatory Board;

"(E) the relationship of such a Regulatory Board to the Commission and to national securities exchanges and national securities associations registered with the Commission; and

"(F) the manner in which such a Regulatory Board should be funded.

"(2) The Board shall report to the Congress, on or before December 31, 1976, the results of its study, together with its recommendations, including such recommendations for legislation as it deems advisable.

"(3) In connection with the study authorized by this subsection, the Board shall consult with national securities exchanges; national securities associations; the likely classes of participants in a national market system, such as securities information processors, market makers, specialists, brokers and dealers; investors; the public; representatives of Government agencies and other interested persons.

"(i) (1) There is authorized to be appropriated $300,000 to the Commission for allocation to the Board for the purpose of enabling the Board to hire staff, rent office space, and generally to organize to carry out the functions set forth in this section.

"(2) Such sums when appropriated for this purpose may be made available by the Commission to the Board beginning with the creation of the Board pursuant to the provisions of this section.

"(3) The Board, since it shall act as an advisory body, is authorized to appoint and fix the compensation of such officers, attorneys and other experts and employees as may be necessary for carrying out its functions under this section, without regard to the provision of any laws applicable to the employment and compensation of officers and employees of the United States.

"(4) The Board shall furnish to its members representing the public such funds, on a per diem basis, as it finds reasonably will permit such members to perform their functions under this section.

"(j) (1) The Commission is authorized and directed to make a study of the securities activities conducted by persons who are not brokers or dealers, who maintain accounts on behalf of public customers for buying and selling securities registered under section 12 of the Act to determine the extent of such business conducted by such persons, the desirability of greater uniformity of regulation of such accounts, the effects of such activities on the process of raising and allocating capital in interstate commerce, the effect on competition for such public accounts, and whether the exclusions from the definition of broker and dealer are necessary and appropriate for the protection of investors and to achieve the purposes of this title.

"(2) The Commission shall report to the

Congress on or before December 31, 1976, the results of its study including such recommendations for legislation as it deems advisable."

"Sec. 502. The Securities Exchange Act of 1934 is further amended by adding after section 20A the following new section:

"RESTRICTIONS ON MARKET SELECTION AND USE OF CLEARING AGENCIES AND DEPOSITORIES

"Sec. 20B. (a) On or after September 1, 1975, no national securities exchange, or national securities association may, by rule or otherwise, limit or condition a member's ability to transact business on any other exchange or otherwise than on an exchange, except pursuant to a rule of such exchange or association which is approved as consistent with the purposes of this title and such member's agency obligation to its customer, and declared effective by the Commission by rule, after providing for appropriate notice and an opportunity for the oral presentation of views, data, and arguments by interested persons in addition to an opportunity to make written submissions to the Commission. The Commission shall approve, with or without modification, or disapprove any such rule proposed by an exchange or association within 90 days of the date of the filing of such proposed rule.

"(b) No national securities exchange registered under section 6 and no national securities association registered under section 15A shall by rule or otherwise limit or condition any of its members from participating in any clearing agency or securities depository registered under section 17A."

Sec. 503. Section 28 of the Securities Exchange Act of 1934 (15 U.S.C. 78bb) is further amended by adding at the end thereof the following new subsection:

"(d) (1) No person using the mails, or any means or instrumentality of interstate commerce, in the exercise of investment discretion with respect to an account shall be deemed to have acted unlawfully or to have breached a fiduciary duty under State or Federal law in effect on or enacted prior to the date of enactment of the Securities Reform Act of 1975 solely by reason of his having caused the account to pay a broker or dealer an amount of commission for effecting a securities transaction in excess of the amount of commission another broker or dealer would have charged for effecting that transaction, if such person determined in good faith that such amount of commission was reasonable in relation to the value of the brokerage and research services provided by such broker or dealer, viewed in terms of either that particular transaction or his overall responsibilities with respect to the accounts as to which he exercises investment discretion. This subsection is exclusive and plenary insofar as conduct is covered by the foregoing, unless otherwise expressly provided by contract: *Provided, however,* That nothing in this subsection shall be construed to impair or limit the power of the Commission under any other provision of this title.

"(2) A person exercising investment discretion with respect to an account shall make such disclosure of his policies and practices with respect to commissions that will be paid for effecting securities transactions, at such times and in such manner, as the appropriate regulatory agency, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors.

"(3) For purposes of this subsection a person provides brokerage and research services insofar as he—

"(A) furnishes advice, either directly or through publications or writings, as to the value of securities, the advisability of investing in, purchasing, or selling securities, and the availability of securities or purchasers or sellers of securities;

"(B) furnishes analyses and reports concerning securities, economic factors and trends, and the performance of accounts; or

"(C) effects securities transactions and performs functions incidental thereto (such as clearance, settlement, and custody) or required in connection therewith by rules of the Commission or a securities industry regulatory organization of which such person is a member or person associated with a member or in which such person is a participant.".

Amend the title so as to read: "An Act to amend the Securities Exchange Act of 1934 to remove barriers to competition, to foster the development of a national securities market system and a national clearance and settlement system, to make uniform the Securities and Exchange Commission's authority over securities industry regulatory organizations, and for other purposes."

Mr. PROXMIRE. Mr. President, I move that the Senate disagree to the House amendments and that the Chair appoint conferees.

The motion was agreed to; and the Chair appointed Messrs. Proxmire, Williams, McIntyre, Tower, and Brooke conferees on the part of the Senate.

HUMANITARIAN ASSISTANCE FOR SOUTH VIETNAM—CONFERENCE REPORT

The Senate continued with the consideration of the conference report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6096) to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions in the availability of funds for the use of U.S. Armed Forces in Indochina, and for other purposes.

Mr. SPARKMAN. Mr. President, I yield 2 minutes to the distinguished Senator from Kentucky (Mr. Ford).

Mr. FORD. I thank the Senator from Alabama.

Mr. President, I am concerned about what seems to be the administration's evacuation policy in South Vietnam. From reports in this morning's paper, and from calls made to relevant offices in the State Department and in the Immigration and Naturalization Service, it is my understanding that the flow of Americans from Saigon has been stemmed in overwhelming favor of evacuating South Vietnamese at an intensified pace. Apparently it is the administration's intention to leave American citizens for the last possible moment, perhaps at a time when they must be brought out under fire. L. Dean Brown, U.S. Task Force Director, was quoted at a State Department news conference yesterday as saying. "If Saigon is under attack and the airfield is under attack, that is that. That is when you go in for the last haul" of Americans.

To add insult to injury, it is said that Americans must pay for evacuation flights while the airlift is free to the South Vietnamese.

Mr. President, I think the Senate needs to know the rationale behind this policy. I am sending a letter to the President requesting an immediate explanation. I would hope to be able to read his answer to my colleagues at the first of next week.

The PRESIDING OFFICER (Mr. Roth). Who yields time?

Mr. SPARKMAN. Mr. President, the conference, which has just concluded on the Vietnam evacuation bill, was one of which I have participated in a long time. There were significant differences between the House and the Senate bills both in terms of money authorizations and in the issue involving authority for use of the U.S. Armed Forces in hostilities if necessary to bring out Americans and foreign nationals. The gap between the House and the Senate on the latter point was especially broad.

I am pleased to report to the Senate that the Senate's position relative to authority to use the Armed Forces in evacuation of Americans and foreigners was accepted by the House conferees. The evacuation authority in the conference report is as tight and as restricted as that in the bill passed by the Senate by a vote of 75 to 17 2 days ago. The House conferees were persuaded by the more restrictive provisions in the Senate bill. We did, however, add in the Senate bill specific reference to categories of persons who could be taken out along with Americans but in such a way that the Senate bill's authority was not expanded.

As to the funds allowed under the conference version, the conferees agreed to authorize of $177 million in unappropriated balances of previous authorizations for economic aid to Indochina, which will be available for "humanitarian assistance to and evacuation programs from South Vietnam." In addition, the conferees agreed to a separate authorization of $150 million for humanitarian assistance in South Vietnam. The provision is essentially that of the Senate's bill which authorized this same amount for humanitarian aid in South Vietnam and Cambodia. Unfortunately, the House conferees were adamant on the question of taking out provisions from the bill, including the amendment of the Senator from Oregon (Mr. Hatfield) relative to aid to Cambodia. They argued very strenuously that any provision in the conference report concerning aid to Cambodia would be subject to a point of order in the House and would endanger the entire conference report. The managers on both sides, however, did agree to include language in the statement of managers of the conference report urging the administration to give continuing consideration to the food and other humanitarian needs of refugees and other Cambodians who are victims of the war. I ask unanimous consent that the language which will be included in the statement of managers be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Aid to Cambodia

The Conferees have deleted the provisions in the Senate bill authorizing humanitarian assistance to refugees and war victims in Cambodia and a provision relative to Public Law 480 food assistance to Cambodia solely because the retention of these provisions of the Senate version would have subjected the

Conference report to a point of order under the House rules. The managers of both the House and the Senate are aware that under existing law food assistance for humanitarian purposes can be supplied to needy people in Cambodia and urge that Executive Branch officials give continuing consideration to requests for food and other assistance from international organizations and voluntary relief agencies to the extent such assistance may be provided under existing law. As to Cambodian refugees who have fled from Cambodia, the Conferees expect that the United States will provide appropriate assistance to those refugees through international organizations and voluntary agencies through whatever authority and funds that are available for such purposes, including the Migration and Refugees Assistance Act.

Mr. SPARKMAN. Mr. President, the bill authorizes a total of $327,000,000 in these two categories compared with a total of $250,000,000 in the Senate bill and $327,000,000 in the House bill.

The two reporting provisions sponsored by the Senator from Iowa were retained in the conference agreement.

All in all, it was a very satisfactory and historic conference. The conference report before the Senate is the first exercise by Congress under the war powers resolution to authorize specifically the President to use the Armed Forces in hostilities. It will serve as an important precedent for the future.

Mr. President, I yield to the Senator from New Jersey such time as he may require.

Mr. CASE. I thank the chairman.

Mr. President, I again pay my respects to the Senator from Alabama for his wise, skillful, and understanding chairmanship of the conference. The fact that we accomplished agreement on this quite difficult matter in such a relatively short time, with a degree of unanimity which is satisfying to many of us, is a tribute to his ability and the trust and confidence all of us, on both the House and the Senate sides, have in him and in his leadership.

He has described the conference report accurately. I believe it measures up to the requirements of the Senate bill in all basic ways, and it does not depart from it in any way that is a matter of substance. I fully support it, as do my colleagues on this side of the aisle who were members of the conference, and I hope it will be adopted quickly.

Mr. President, I ask unanimous consent that during further consideration of the report, including any vote on it, my staff assistant, Stephen Bryan, be allowed the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CLARK. Mr. President, I ask for the yeas and nays on the conference report.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CLARK. Mr. President, I join the ranking member of the Committee on Foreign Relations in complimenting the chairman on his patience and fairness in dealing with this bill throughout the last 2 weeks. And I would like to add that a great deal of credit also should go to an outstanding staff, particularly Dick Moose and Chuck Meissner who went to Vietnam and came back with an excellent report, and to Norvill Jones and the other members of the staff who did such an outstanding job working with us on this legislation.

Mr. President, I voted against the Vietnam Contingency Act when it came from the Committee on Foreign Relations a week ago today. I voted against it on Wednesday, did not sign the conference report this morning, and I will vote against it one final time this afternoon.

The conference committee did a good job on the legislation—the report contains a number of positive features. But the final version of the legislation is inevitably weaker than the original Senate bill on several significant points.

First, the contingency fund in this bill has been increased to $177 million from the $100 million in S. 1484 approved here 2 days ago. The money can be used for direct military assistance to the South Vietnamese Government if the President feels that it is in the national interest—despite the language in the bill, the language in the conference report, and the best intentions of Congress. And even this possibility of military assistance could be detrimental to the chances of an early and negotiated settlement.

There should not be any confusion about this contingency fund. The President could not use it for direct military assistance unless it was clearly connected, in his judgment, with withdrawal or evacuation or humanitarian purposes. But it is the President that would make that connection and that judgment.

We do not need any further debate on that question. We are all aware that the Senate does not want the President to use it for military assistance. It is clearly our desire that it not be used for that purpose. But it is also clear that a crack is left in the door for that to occur.

Second, the conference dropped from the legislation all humanitarian assistance to the people of Cambodia. The people of Cambodia, it seems to me, deserve special consideration. If we needlessly involved one country and one people more than any other in this war, it was the Cambodians. Eliminating Cambodia aid from the bill was particularly unfortunate because it was dropped for parliamentary reasons. The House conferees argued, as it so often does, that it cannot take anything back to the House that is not in the original House bill. As a result, it often becomes necessary to drop Senate amendments. It would seem wise for the Senate to adopt a similar rule—if only in self defense. But that is another question.

The fact is that we have come out of the conference eliminating humanitarian assistance for Cambodia.

Mr. SPARKMAN. Will the Senator yield for a brief comment?

Mr. CLARK. Yes, I do yield.

Mr. SPARKMAN. I subscribe completely to his statement regarding the House rule. Many times, I have protested against it. It is vicious. Nevertheless, it is a rule and we have to abide by it. The only way I have found to get around it—and when I was chairman of the Committee on Banking, often, we could do this—was to be certain that the bill that we passed here was a Senate bill and that we would pass it before they would pass one and send it over here. That way, there is a Senate title and that rule does not hold against us.

Every time a House bill comes over here, we are caught in the viciousness of that rule. I wish we could do away with it.

Mr. CLARK. I thank the chairman.

But given the immediate food relief needs there, it is unfortunate in this final act providing aid to South Vietnam, nothing could be done to help the people of Cambodia.

Finally, while the Senate bill required that humanitarian assistance be provided through international organizations and private relief agencies, the conference report enables the President to provide this assistance through whatever channels he sees fit. It was important to many Members of the Senate that humanitarian assistance be channeled through the United Nations and international organizations like the Red Cross. Such assistance would be unmistakably humanitarian, not political, and the chances would be greater that it would get to the people who need it. Under this legislation all of the assistance could bypass international organizations and relief agencies, frustrating the humanitarian intent of this legislation.

While I voted against the bill in the conference committee because of these weaknesses, I am encouraged that the conferees retained the Senate provisions to require that the administration send Congress a plan for evacuation of Americans and South Vietnamese; that daily reports be made of the numbers of Americans and Vietnamese evacuated, and that the American personnel in Vietnam be reduced to the minimum essential to run the Embassy—and carry out our remaining mission there.

I think that is important, and I hope that we can hold this administration to those requirements.

Today's report on evacuation only emphasizes the need for Congress to keep a close watch on that process.

There are still more than 1,800 Americans and their dependents in South Vietnam—and at least half of them are not essential.

There is no justification for the continued presence of nonessential Americans and dependents in South Vietnam. The larger the American community in Vietnam, the greater the chance that a sizable American force will have to go in for an extended period to bring them out, and the greater the danger to American lives.

Despite all this, the United States is bringing 18 South Vietnamese citizens out for every one American. It is critically important that Congress continue to urge the Administration to evacuate Americans as quickly and as safely as possible—before it becomes necessary to use U.S. troops under sections 3 and 4 of the bill to get them out.

I strongly favor bringing out as many South Vietnamese endangered nationals as possible, but let us not resort to military intervention unnecessarily.

Mr. President, the Senate wants to vote on this conference legislation right away, and I will not delay its passage. However, it is essential that Congress be aware of its possible implications. The chances for a negotiated settlement in South Vietnam appear better today than ever before, but this bill will not help attempts to reach a negotiated settlement. If President Ford does use the authority in this bill to send in a large American force to evacuate the sizable community of Americans remaining and as many Vietnamese as possible during the negotiations, the consequences could be unfortunate. I hope and believe that the President will do everything in his power to complete the evacuation without U.S. troops.

The conference legislation, I think, does have some sound features. But I will vote against it because of the lack of restrictions on military aid, the presence of restrictions on humanitarian aid, and the continued presence of so many Americans in Saigon.

Mr. ABOUREZK. Mr. President, will the Senator yield?

Mr. CLARK. I yield to the Senator from South Dakota.

Mr. ABOUREZK. Mr. President, I wish to take a few minutes to voice my objection to this bill, which has been labeled a humanitarian bill. Actually, more than one administration has been selling snake oil to Congress, and this is just another bottle of snake oil with a different kind of label on it. This is $377 million, supposedly for humanitarian aid to South Vietnam and for evacuation. But in fact, many of us here have been trying to determine from the administration what kind of plan they have to bring Americans out of South Vietnam, how rapidly they are going to bring them out, and we can get no such plan. The only response that we do get is that if we bring them out too rapidly, panic will occur in the streets of Saigon.

Permit me to say that administration witnesses testified this morning before the Subcommittee on Refugees of the Committee on the Judiciary that we are now bringing out of South Vietnam with American airplanes some 5,000 South Vietnamese each day. The capacity and the plan is for the administration to move out 5,000 each day until they can no longer bring out South Vietnamese.

We still have 1,357 American nationals in South Vietnam. They have been moving only from 100 to 300 American nationals a day out of South Vietnam, up until yesterday, when 501 were moved out.

It is obvious that there is no more money needed to evacuate Americans, and it is obvious that, as many of us have charged, they were holding American nationals in South Vietnam hostage to whatever policy it was that the administration wanted to carry out.

So we see now that the request for and imminent approval of $327 million additional to go to a very doubtful and a very nebulous kind of evacuation plan is for $327 million that ought not to be used, for many reasons, one of them being that the Pentagon already has the money with which to evacuate the Americans left in Vietnam. There is no more money needed for that purpose, and especially not $327 million.

What it amounts to, I think, is really this: The Pentagon is simply asking for this money to replenish what they are using out of their own contingency fund for evacuation of Americans, and what we are doing, in essence, is voting $327 million in military aid, not in humanitarian aid. Why we insist on buying this kind of snake oil and being, in effect, conned each time they come up with this kind of request I fail to understand, Mr. President.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. SPARKMAN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 12 minutes remaining.

Mr. SPARKMAN. I yield 5 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, I wish to deal with two points in respect to the conference report.

First, I, joining the Senator from New Jersey (Mr. CASE) in expressing great appreciation for the quality and character of the conference, and also expressing to the Senator from Iowa (Mr. CLARK), a member of our committee, the fact that notwithstanding his opposition, it was always handled in such a way as not to interfere with the essential functions of the committee, and indeed with great helpfulness in clearing up points which were valuable to the legislation itself.

The two things I would like to clarify are, first, this question, can any of the funds, the $177 million which is for evacuation and humanitarian purposes together, be used for military supply to Vietnam or any of its forces?

The Senator said, and I tried to note it down here:

> Clearly if he, the President considered it in the national interest, he could divert some of this money for military aid for the South Vietnamese Government.

The important thing that I would like to emphasize is that his primary duty, at least as to this money, is humanitarian aid and evacuation, and it is only in order to promote and forward those particular things, strictly, that some money was required for munitions, in order that the President could, in his discretion, use it.

We do not contemplate any program of military assistance, or any substitution of this money for Pentagon money which has already been expended, and we should, I think, look with great disfavor on any effort to distort what we are doing in that way. It is strictly confined to what is absolutely essential to the two things: humanitarian aid—obviously no munitions are needed there—or evacuation, if we should get in a jam on evacuation.

I should like to point out, Mr. President, that the war powers resolution has met its first test, and very admirably. Congress has specified the ways in which Armed Forces may be used, and the principles which must be employed in that regard, and has not tried to be an army officer itself in telling the President exactly how to go about performing this responsibility. An examination of sections 4 and 5 of this legislation makes that crystal clear.

Second, we retain all our rights under the war powers resolution to put an end to any Armed Forces participation anytime we join in a concurrent resolution, if we feel that that small authority, in consideration of the great size of the problem, is being abused.

Finally, Mr. President, in respect of the point made by the Senator from Kentucky (Mr. FORD), we have locked into this particular bill the sternest kind of mandate respecting prompt evacuation. The conference report requires that not more than the minimum number of personnel determined by the President to be essential to carry on critical functions of the U.S. mission, or to carry out such evacuation, shall be used, and that they shall be evacuated as rapidly as possible after the enactment of this act.

I emphasize that, Mr. President, because I oppose, and the Senate sustained the idea, naming 500 as a specific number, for the reasons which I argued then—that it could break the back of the new authority which we have respecting the war powers resolution. But certainly I join with Senator CLARK, Senator ABOUREZK, and other Senators in the clear understanding as a conferee, as a Senator, and as one of the architects of this bill with Senator CASE, Senator HUMPHREY, and others, that we insist on the very minimum in terms of any personnel who are absolutely essential to the functions of the United States in that area; and those functions obviously are getting down to evacuation and humanitarian assistance.

Mr. President, as I say, Congress has met, in my judgment admirably, the first test under the war powers resolution, with great statesmanship, very promptly—which was also critically important—and with proper understanding of the President's powers and the new powers which we have claimed and secured in the war powers resolution.

I believe that our people can feel assured in the future that the dogs of war are under greater restraint than they have ever been in our history since its very beginning, because of this landmark statute which we have enacted as to the methodology by which American forces may be put into war situations, and the final control of Congress as to how long that should last, considering all the circumstances, to be applied not with the President's consent but by our own concurrent resolution.

I thank my colleague for yielding the time. I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Several Senators addressed the Chair.

Mr. ABOUREZK. Mr. President, will the Senator from Iowa yield?

Mr. CLARK. I yield.

Mr. ABOUREZK. I want to ask several questions of the Senator from Iowa. Is it possible that the $177 million contingency fund could be used for military assistance to South Vietnam?

Mr. CLARK. I agree with Senator JAVITS' interpretation of that provision just a moment ago. This money could not be used for military assistance unless it is tied, in the President's judgment, to evacuation or humanitarian purposes. Clearly, that decision is left to the judgment of the President—in terms of what he believes is in the national interest. I would hope that the President would not use it for that purpose.

Mr. ABOUREZK. But he could.

Mr. CLARK. Yes. And there is no question about the President's desire to have some military assistance. He has made that very, very clear over and over—as late as yesterday.

Mr. ABOUREZK. Another question: What would be the impact of the passage of this bill on the effort to reach a negotiated settlement in South Vietnam?

Mr. CLARK. It depends very much on what happens over the weekend. I am pleased that the House of Representatives will not be taking up the measure until Monday at the earliest.

There seem to be strong indications that a cease-fire or a negotiated settlement is very possible. Giving the President even this possibility of military assistance would not help achieve a negotiated settlement.

Mr. ABOUREZK. Is it possible, in the Senator's opinion, that the slowness in the manner in which the administration is moving out Americans is tied to the provision in this bill and, of course, in their original planning, that the slower the Amercans come out, the more Vietnamese they can bring out under the authority granted to them in this bill and under the authority they believe they already have under the War Powers Act?

Mr. CLARK. I am not prepared to say that these people are being held there intentionally for that purpose. But I certainly have no explanation for why we brought out over 5,500 South Vietnamese yesterday and yet the number of American citizens in South Vietnam went down by only 324.

We clearly have the ability to take out more Americans. I cannot believe that that is in the interest of this country to keep nonessential personnel there. However, I do know the figures are not adequate. The evacuation is not getting down to the essential minimum.

Mr. ABOUREZK. Does the Senator from Iowa have any idea why Ambassador Brown who is special assistant to the President to coordinate refugee evacuation in Indochina, declined to testify before the Judiciary Committee today on grounds of executive privilege? Would that be connected in any way to what the administration's plan is with regard to a slowdown of American evacuation?

Mr. CLARK. I was not aware of that refusal.

Mr. ABOUREZK. In this conference report in what way were the humanitarian assistance provisions of the Senate bill altered?

Mr. CLARK. They have been weakened in, perhaps, two or three respects. First of all, we cannot now give aid to Cambodia under the conference bill, although we did write language in the report, that we would try to get the administration to continue to deliver the Public Law 480 food that is on its way. But clearly we have eliminated humanitarian aid to Cambodia in the bill.

Second, we have taken the words "United Nations" out of the bill.

Third, instead of mandating the $150 million in humanitarian aid, we have now just given the President the authority to do that. Furthermore, we have said in the conference report that the President need not go through international organizations. That is up to him. In the Senate bill, we mandated that this money be spent through international organizations.

Mr. ABOUREZK. May I ask the Senator, is there an advantage to giving the President the discretion over giving it to international organizations?

Mr. CLARK. It seems clear to me that there would be a better chance of getting food delivered to people who were hungry if we went through the United Nations and through international organizations. It is no longer possible to deliver aid through bilateral assistance to almost anybody in South Vietnam—except right around Saigon.

The conference also reluctantly accepted a House section which forbade any assistance to the PRG or to the Khmer Rouge and that, too, of course, not only eliminates any possibility of money going to Cambodia, but to the occupied areas of South Vietnam as well.

Mr. ABOUREZK. I thank the Senator.

I yield to the Senator from Ohio.

Mr. GLENN addressed the Chair.

Mr. CLARK. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 17 minutes remaining.

Mr. CLARK. How much times does the Senator want?

Mr. GLENN. 5 minutes.

Mr. CLARK. I yield 5 minutes to the Senator.

Mr. GLENN. I have a question I would like to ask the distinguished chairman of the Committee on Foreign Relations. I know in the past, Mr. Chairman, we have had some very great difficulties in getting information just to know what the situation is in Vietnam.

It seemed to me earlier, when we were debating this whole thing in the Senate that, perhaps, we were missing something here. We already had some powers we were trying to protect against in the War Powers Act where by a concurrent resolution we can, in fact, stop whatever is going on in Vietnam by a concurrent resolution of both Houses of Congress. So this really leaves us in control, with one big factor necessary, and that is that we get all the information surrounding what the situation is at any one time.

I know that in the Committee on Foreign Relations they are receiving daily reports, and I hope, as I understand, they are daily reports concerning the situation in Vietnam. I also know that earlier, before some pressure was put on to get that information, it was so difficult to find out the truth of what was going on that the Senator felt compelled to send a couple of investigators to get your own information which, I thought, was a very wise and proper thing to do and, in retrospect, the information those gentlemen brought back was instrumental in making some of the decisions that have been made in this body in the last couple of weeks.

So I think it is paramount that we are at the mercy of the administration with regard to information that we are given on a daily basis.

I had earlier had an amendment drawn up before the original bill passed that I was going to submit requiring that the administration give Congress as a whole a daily briefing because all of our people are vitally concerned about this entire situation. I felt it was that critical.

My question today, I guess, is does the Senator feel that at the current time there is sufficient information coming in, and that we will be provided sufficient information to make certain that we do have every bit of information we need?

The bill, as now constituted out of conference, provides for only a reporting daily of the number of personnel still involved. Yet we find, we would find, in a combat situation that we would want to know such things as: Is a perimeter defense set up; are we expanding that perimeter defense; are we getting more involved in a military situation; have SAM missiles been moved in on the other side? All of these are things that would be of absolute and paramount importance to make decisions in this body if they are not being known somewhere.

At the present time I do not have that information. I get most of my information from the news media in this regard, and I think we probably should be making our decisions on a better basis than that, of course.

So does the Senator think that the current information being obtained daily by the committee is adequate, and could that information be made available to Members of the Senate who would wish to stop by in the committee room and be briefed by the staff of the Committee on Foreign Relations on a daily basis so that we could keep up with every possible bit of this whole situation?

Mr. SPARKMAN. Mr. President, I will say to the distinguished Senator from Ohio that certainly Members of the Senate are urged—I do not know how many of them take advantage of it—to come by the Committee on Foreign Relations anytime to see any of the papers that we have there that we feel ought not to go out on general distribution.

We welcome any and every Senator to come by at any time and ask for that information and he will be shown just what we have.

Now, in the conference report, we included one of the amendments that the Senator from Iowa offered here on the floor of the Senate:

> SEC. 8. (a) The President shall transmit each day to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report setting forth fully and completely—
>
> (1) the number of citizens of the United States and their dependents who left Vietnam the previous day, including the number

of Embassy personnel and private contract personnel among such persons;

(2) the number of such persons remaining in South Vietnam; and

(3) the number of Vietnamese nationals who left South Vietnam the previous day with the assistance of the United States.

(b) Such reports shall be transmitted until such date as the Speaker of the House of Representatives and such committee may direct. The information may be submitted on a confidential basis if the President deems it advisable.

Now, we have been getting that information.

Let me say this in all frankness, the thing we have been concerned with for the last 10 days, I presume, maybe 2 weeks, has been more the matter of how many Americans were there, how we could get them out, how we could get them together, how many dependents they had, and things of that kind, rather than following the battle plan of South Vietnam, and I believe the Senator——

The PRESIDING OFFICER. The 5 minutes of the Senator from Ohio have expired.

Mr. GLENN. May I have 1 more minute?

Mr. CLARK. One more minute.

Mr. GLENN. I thank the Senator from Iowa very much.

I am concerned about it and I think most of those in the Senate have shown that much of the concern was what the combat situation would be that we might be getting ourselves into, and that we would not be in an expanding situation beyond, say, a perimeter defense, just to evacuate people, and would not be reinvolving ourselves, in effect, in a land war in Asia.

Is the information available daily to the Committee on Foreign Relations, covering the combat situation, if we once get our people back in there?

Mr. SPARKMAN. Yes, in the completely reverse condition to that stated by the Senator.

We have got the safeguard, as far as I believe can be done, to make certain that we do not have people in there who become engaged in conflict.

Mr. GLENN. I thank the chairman very much.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SPARKMAN. The only conflict recognized is that to our men where it might be necessary to help our people get out.

Mr. GLENN. I thank the chairman very much for his courtesy.

The PRESIDING OFFICER. Who yields time?

Mr. GLENN. And for his courtesy in letting me sit in with the committee in the past.

Mr. SPARKMAN. Mr. President, how much time do we have?

The PRESIDING OFFICER. The Senator has 7 minutes remaining.

Mr. SPARKMAN. Seven minutes.

I had promised Senator CHURCH, I promised him time and he wants 5 minutes.

Senator CHURCH now says he will take 3 minutes, and if the Senator from Illinois takes 3, I will retain 1.

The PRESIDING OFFICER. The Senator only has 6 minutes remaining now.

Mr. PERCY. I appreciate very much the Senator's generosity.

Mr. SPARKMAN. I surrender my minute.

Mr. PERCY. I will take no more than 2 minutes in commending the chairman of the committee.

I would not want this conference report to be considered by the Senate without taking into account that I believe the best has been done, taking into account the parliamentary situation that we faced.

I do wish to commend Chairman JOHN SPARKMAN and Senator CLIFFORD CASE for their leadership on this bill, and Senator JAVITS, particularly, for the immense help in connection with the War Powers portion of this legislation.

I also wish to thank the chairman for very prompt action on the letter I sent to him and Senator CASE suggesting that two staff members of our own committee be sent out to Vietnam. I was very concerned that the information we would have would only be the executive branch viewpoint. The objectivity of our staff members, their ability to talk with both sides, their ability to objectively look at the matter, and their competence and knowledge of Vietnam and Cambodia, proved of immense help to the committee.

I also feel we ought to comment on the fact that, in a sense, history was made in the way the Senate worked together with the executive branch of Government to create a common policy. The unusual meeting that we requested be held with the President, the first the Committee on Foreign Relations has held since World War I, I think was an historic moment. The President, with his usual candor and openness, made himself available on very short notice and had with him the Secretary of State, the Secretary of Defense, and General Frederick Weyand, who had just returned from Vietnam. He listened attentively as the members of the Committee on Foreign Relations expressed to him their deep concern about the continuation of military assistance, President Thieu's continued presence, and the deep concern we had for the slowness of the evacuation process in Southeast Asia.

I think it is probably one of the best examples I have seen, in some 9 years in the Senate now, of the Senate exercising its oversight responsibility, working in cooperation with the executive branch of Government, but very firmly holding positions it believed were right, and absolutely not exceeding or caving in or giving way when we felt that the arguments presented to us simply did not correspond with the firsthand information brought to us by the Senate staff members Charles Meissner and Richard Moose.

The actions of the Committee on Foreign Relations over the last week have laid on excellent precedent for the future. It carried out its oversight function with great skill and both Senators SPARKMAN and CASE are due congratulations. Their efforts and those of the committee members effectively transmitted the concern of this body that the rate of evacuation of Americans from South Vietnam was inadequate.

I am distressed that for parliamentary reasons this bill does not include humanitarian aid for the people of Cambodia. I concur with Senators CLARK and SPARKMAN on the unreasonable nature of the House rules that compelled the Senate to accept this aspect of the House legislation. While I am relieved that American military involvement in Indochina has finally ended, our concern for the welfare of the peoples of these countries has not terminated. I am, therefore, proud to be a cosponsor on new legislation that will restore humanitarian aid to the people of Cambodia.

I would hope that H.R. 6096 will close the legislative chapter of this body dealing with what is now known as the second Indochina war. Many Members of this body have opposed U.S. involvement in this war and others have just as eloquently supported the American presence. Let us not now fall into recriminations and self flagulation as to who lost this war, whether it be from hawk or dove.

What we need now is a look forward, not backward. Vietnam is history and while history always affects the present it need not dominate it. We are faced with major foreign policy questions in the North Atlantic, the Middle East, and the Far East. For too long we have neglected issues in Latin America, Africa, and South Asia. Let us now turn to these problems, the legislative and executive branches together. Together we shall make progress and together we shall heal the wounds that for so long have weakened the resolve of this great Nation.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. PERCY. I thank my distinguished colleague and I gladly yield.

Mr. SPARKMAN. I yield the remainder of my time to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho has 3 minutes.

Mr. CHURCH. Mr. President, first of all, I want to say that all members of the conference, indeed, all members of the Committee on Foreign Relations have tried very hard to design a bill that meets the needs of the current crisis in Saigon.

Certain members of the committee have opposed this bill. I want to say to them, to Senator CLARK of Iowa, to Senator BIDEN of Delaware, that I fully appreciate the reason for their misgiving.

Furthermore, I want to say that I share with them the concern they have expressed about the sluggish pace of the withdrawal from Saigon of American citizens and their dependents.

There is no reason why the remaining Americans should not be out of Saigon by now, except for those absolutely critical to the mission, and this number is 500 or less.

The reason why it is necessary to remove all unessential Americans is to make certain that, if worse comes to worse, and it is necessary to use U.S. Armed Forces to rescue the remaining

Americans, this can then be done very quickly, with the least possible exposure of our forces and the least possible danger of them being mired down in protracted hostilities.

Mr. President, if we reach that point, the question we face is whether we are going to leave it to the President to decide how many troops to employ, how many foreign nationals to bring out with the Americans, or whether we are going to tie it down with the stringent restrictions contained in this bill.

When the President sent in U.S. forces to remove Americans and Cambodians from Phnom Penh, he did not ask for a clarification of the law; he did not ask for congressional authority. He exercised what he believed to be his constitutional prerogative as commander in chief. But he did ask for a clarification of the law when it came to Vietnam.

Now we are giving him that clarification, and we are giving it to him in such terms that Congress imposes the limitations that will apply if it becomes necessary to use troops.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CHURCH. Very well.

Mr. President, let me just say, the two alternatives are clear. Between the two, we are better advised to proceed with the bill than without.

Mr. CLARK. I yield 4 minutes to the Senator from Illinois.

Mr. STEVENSON. I thank the Senator from Idaho.

Mr. President, this bill confers no authority on the President that he requires for the evacuation of Americans or South Vietnamese from South Vietnam. The President is already evacuating American nationals and South Vietnamese from South Vietnam. Earlier he evacuated Americans and Cambodians from Indochina. And he does so with U.S. Armed Forces. This bill is not required for that limited purpose—authority to evacuate American nationals and in conjunction therewith, South Vietnamese, from South Vietnam.

If the bill were merely redundant, an unnecessary measure motivated by some obscure but innocent political purpose, I would not vote against it. But that is not the case. The intentions of its authors are commendable—but the bill is dangerous.

Power has not been transferred in South Vietnam to General Minh or some other such figure capable of negotiating a settlement or bloodless surrender. A negotiated settlement or surrender is the only alternative to an assault upon Saigon followed by reprisals. Negotiations could permit the safe evacuation of all remaining foreign nationals and some assurance of amnesty for the South Vietnamese. With or without this legislation, and with or without a negotiated transfer of power to the PRG, hundreds of thousands of South Vietnamese who were associated with the Americans and the Saigon regime, will be left behind. Without a negotiated surrender they will be left behind and in grave danger of reprisal.

The purpose of this legislation is to permit the safe evacuation of Americans and South Vietnamese, but its effects could be the opposite, a resumed conflict, a bloody battle for Saigon and an end to any prospect for negotiations with an enlarged threat to the lives of Americans and South Vietnamese. Its purpose is humanitarian assistance but that purpose appears to be nullified by the prohibition of any assistance to or through the PRG or the North.

Whatever the intentions of the Congress and the President, this bill appears to contemplate a massive removal of South Vietnamese. If enacted, the first result could be heavy fire on Tan Son Nhut Airport and the cutoff of Vangtau. The North Vietnamese might be prompted to cut off the last remaining exits for large numbers of South Vietnamese.

But more dangerously, it authorizes $177 million which could be used as military assistance for the Government of South Vietnam. That money is not needed. Millions of dollars worth of equipment is still undelivered to South Vietnam. Additional funds for military equipment cannot, with no time remaining, be delivered to an army which does not exist in any event. But from its appearances, this bill could make it look as if the United States is still pursuing the policy which has already led the PRG and the North Vietnamese to the gates of Saigon. Additional military assistance for the continued pursuit of military stabilization by the Thieu regime, now the Huong regime, combined with massive evacuations and the presence of U.S. forces in Thailand and off the coast authorized by law to intervene, could encourage the North to abandon a political settlement and take Saigon by storm. If that happens, the lives of South Vietnamese and Americans would be endangered and the risks of reinvolvement by U.S. forces would be greatly increased.

The timing of this legislation is particularly unfortunate. The North is awaiting events to determine if, finally, a possibility for negotiations exist—or so it appears. And the South Vietnamese have not yet arranged a transfer of power to General Minh or to some other such figure capable of negotiating. For the Congress at this moment to intrude by authorizing massive evacuations, the reintroduction of U.S. forces and $177 million which could be used for military assistance to the South Vietnamese is not only gratuitous, unnecessary as the present evacuations have proved, but destructive of the remaining possibility for a political and bloodless solution.

Mr. CLARK. I thank the Senator for his statement.

I yield 3 minutes to the Senator from Delaware.

Mr. BIDEN. Mr. President, I associate myself with the remarks of the Senator from Illinois. I wish to speak to two questions raised by a man for whom I have the greatest respect, who has been a leader in this area for a long time, the Senator from Idaho (Mr. CHURCH).

The Senator addressed himself a moment ago to two specific points. He said, No. 1, that this bill was the necessary tool to limit the power of the President and it was essential that the Congress do that in this regard; otherwise, our alternative was worse. The second thing that he spoke to was that this bill was necessary to insure the safety of American citizens in their evacuation.

I am going to vote against this bill. I am going to vote against it primarily for the two reasons the Senator from Idaho indicates he is going to vote for it.

No. 1, I will not repeat the arguments I have made for the last 3 weeks in the Foreign Relations Committee and here in the Chamber at length with regard to how this endangers American nationals, but, clearly, the President has the power now. We could proscribe that power if need be to evacuate American citizens and their dependents.

When the ratio is running 18 to 1 Vietnamese nationals to American citizens being withdrawn from Vietnam, it seems to me that we are making a bit of a fruitless effort here in going under the guise of evacuating Americans when in fact the intent of the administration seems to be to evacuate large numbers of Vietnamese to whom they say the American people have a moral obligation. If we do have that moral obligation, which in fact I questioned on occasion, if we do, the only way to safely insurance that they be evacuated, and not at the potential expense of American citizens, is through a negotiated settlement.

Second, with regard to the question of limiting the President's power, how in Lord's name do we limit the President's power when we expand the power which he does not have now, which is his inability to use military force to remove Vietnamese nationals? Why did we not just adopt the resolution offered by me or others which said, "Mr. President, you have the power to use force to insure the safety of American citizens while you are evacuating them." We needed to do no more. We needed to do nothing else in order to insure the stated objective of everybody in this Chamber. That is to save the lives and insure the safety of American citizens.

So let us not kid ourselves, the Ameriman public or anybody else. We call it contingency funds. We call it humanitarian aid. We call it evacuation. It is not needed. It was not needed. It still is not needed. All it does is obfuscate the issue. Why are American citizens still there? Why do we need this additional power, even though it is stated that they can only take out Vietnamese incidental to the evacuation of Americans? There should be no incidental to. They should be out. They should be gone. We should be taking a totally different course of action.

I shall not detain my colleagues any further.

Mr. CLARK. I yield to the Senator from New Jersey.

Mr. CASE. Mr. President, I thank my colleague.

At this time I announce that I have introduced a bill for $50 million in humanitarian assistance to Cambodia with the cosponsorship of my colleagues from the committee: Our chairman (Mr. SPARKMAN), Senator CHURCH, Senator McGEE, Senator HUMPHREY, Senator CLARK, Senator PELL, Senator JAVITS, Senator Scott, Senator Percy, Senator Griffin, Senator Baker, and Senator Griffin. Senator Symington, I believe, will also cosponsor.

Mr. BIDEN. Mr. President, I would like to ask unanimous consent——

The PRESIDING OFFICER. The Senator from Iowa has control of the time.

Mr. STENNIS. Will the Senator yield a half minute?

Mr. CLARK. I yield to the Senator from Delaware.

Mr. BIDEN. I request the Senator from New Jersey to add me as a cosponsor to that resolution, if he will.

Mr. CASE. It is my understanding that the Senator had been asked to be a cosponsor and said he did not want to be. I will be happy to do so.

Mr. CLARK. I yield the remainder of my time to the Senator from Massachusetts.

Mr. MANSFIELD. As long as the vote will occur at 4 o'clock, I ask unanimous consent that the Senator from Mississippi have one-half minute and the Senator from Massachusetts have one-half minute.

Mr. KENNEDY. Mr. President, I rise to indicate that although I supported this measure at the time it came before the Senate, I thought primarily it provided an important vehicle to try and recognize our responsibilities in a humanitarian way toward the whole Indochina peninsula.

The PRESIDING OFFICER. The one-half minute has expired.

Mr. KENNEDY. Mr. President, I ask unanimous consent to be able to proceed for 1 minute.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, it seems to me that the Committee on Foreign Relations has demonstrated a very serious effort to try and recognize that our responsibilities in that part of the world should be met by working through the humanitarian agencies of the United Nations and the voluntary agencies.

That provision, as I understand this measure, has been gutted effectively in conference. Although the other provisions limiting the use of U.S. forces remain, I think that with the loss of these humanitarian provisions, the conference report does not deserve support, and I intend to vote in opposition to it.

First, it eliminates all reference to Cambodia.

Second, it deletes specific reference to United Nations agencies, and eliminates the proviso requiring all humanitarian assistance authorized by the bill must be "furnished under the direction and control of the United Nations or its specialized agencies or under the auspices of other international organizations, international agreements, or voluntary relief agencies." Instead, it provides a weak instruction to the President to provide such assistance through these international channels only "to the extent feasible."

Mr. President, a similar phrase is already in the Foreign Assistance Act of 1975, in section 35(a)(7), and regrettably the record will show it has all but been ignored by this administration in the past. Less than 6 percent of the funds available for humanitarian assistance this year have actually been channeled through international agencies.

Finally, Mr. President, I am deeply disturbed by section 11 of the conference report which stipulates that "no funds authorized by this Act shall be used, directly or indirectly, to aid . . . the Provisional Revolutionary Government." I am greatly concerned that this language, as similar language has been used in the past, will block U.S. contributions to international relief agencies which work in all areas of Indochina—such as UNICEF, the International Red Cross, and the United Nations High Commissioner for Refugees.

Last year, for example, we saw a similar provision of law relating to the Democratic Republic of Vietnam used by the administration to halt U.S. contributions to UNICEF programs in Vietnam.

I hope the President will not use this provision to destroy America's ability to meet humanitarian needs of all people in all areas of South Vietnam. The Sacred Heart Orphange in DaNang, which we helped to support only a month or so ago, should still be eligible to receive our aid today through international or voluntary agencies.

Mr. President, a change of government, or a shift of political geography does not change or alter the humanitarian needs of people, nor does it relieve us of our moral obligations to help all people in need. I regret that the conference report seriously jeopardizes our ability to fulfill these responsibilities, and for that reason I am voting against its acceptance.

The PRESIDING OFFICER. The Senator from Mississippi is recognized for one-half minute.

Mr. STENNIS. Mr. President, I thank the chairman and the members of the Committee on Foreign Relations for working out a bill in this very difficult area with respect to the refugees, the Vietnamese nationals, who really deserve to be taken care of, to be provided for. Even though it is not an absolute ceiling, it is a reasonable understanding with reference to this matter.

Mr. HATFIELD. Mr. President, I oppose the recommendations of the conference. Despite the fact that Congress has made efforts to eliminate any possibility of direct U.S. troop involvement in the conflict in the Saigon area, the clear and present danger remains, as a result of the authority vested in this bill, for American soldiers to again fight, and possibly die, in a confrontation on South Vietnamese soil.

Mr. President, I have spent 10 years trying to convince the Congress of the United States that the death of American soldiers in Southeast Asia occurred—tragically—in defending international policy that was morally and politically bankrupt. The fact that this policy has now entered its final, sad chapter in no way diminishes the danger to American lives that is contained in the bill recommended today by the conferees.

It is clear that the evacuation of the remaining Americans in South Vietnam can occur without additional action of Congress. In fact, it has proceeded in the past weeks without such authority having been granted. Given the critical situation developing in Saigon, given the immediate danger that confronts American citizens there, and given the fact that there are virtually no guarantees that the situation will not worsen, I cannot conceive of why the administration has not evacuated these remaining countrymen long before this.

Congress has been given no reliable information as to the number of South Vietnamese that we will be required to evacuate from Saigon, nor the number of U.S. military forces that will be necessary to insure that this evacuation will successfully take place, nor the conditions that these troops will encounter in attempting to secure the safe passage of these Vietnamese nationals. Indeed, it might be emphatically asked why Congress has bothered to grant such dangerous authority to the Executive when over 12,000 Vietnamese citizens have already been flown to safety without the benefit of the mandated authority that Congress is granting today?

Mr. President, at best the answers to these questions remain unclear. I suggest to my colleagues that this is no time to grant, in haste and in fear, authority to use U.S. military forces in a land where so much American blood has already been shed. I suggest that the granting of this authority, however characterized by good intent, is both dangerous and unnecessary.

Mr. President, years filled with tragedy, bloodshed, and loss have gone by since we first entered, with misguided intentions, into the jungles and swamps of Indochina. Those intentions proved wrong. They were based on inaccuracies both moral and strategic, and the mistakes brought us nothing but the return of hundreds of thousands of wounded and dead American soldiers, haunting pictures of a devasted land, and a people whose hope had died amid the rumblings and slaughter of war. Our involvement in this conflict was rifled with misconceptions, half-truths and tragic decisions that proved little and cost us deeply in honor, lives and treasure. As our involvement now draws to a close, let us not make the same mistakes that brought us to this time, this place and this tragic situation. We must give these people all the humanitarian assistance that the charity of America can possibly provide, but it can and must be done without leading us back, or having us contribute to, the nightmare of despair that is and will always be, symbolized by Vietnam.

The PRESIDING OFFICER (Mr. Beall). All time on the conference report has expired.

The question is on agreeing to the conference report. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Bumpers), the Senator from California (Mr. Cranston), the Senator from Mississippi (Mr. Eastland), the Senator from Alaska (Mr. Gravel), the Senator from

South Carolina (Mr. Hollings), the Senator from Hawaii (Mr. Inouye), the Senator from Louisiana (Mr. Long), the Senator from New Mexico (Mr. Montoya), the Senator from Utah (Mr. Moss), the Senator from California (Mr. Tunney), the Senator from North Carolina (Mr. Morgan), the Senator from Wisconsin (Mr. Nelson), and the Senator from Missouri (Mr. Eagleton) are necessarily absent.

I further announce that the Senator from Iowa (Mr. Culver), the Senator from Vermont (Mr. Leahy), the Senator from Wyoming (Mr. McGee), the Senator from New Hampshire (Mr. McIntyre), and the Senator from Georgia (Mr. Talmadge) are absent on official business.

On this vote, the Senator from North Carolina (Mr. Morgan) is paired with the Senator from Virginia (Mr. Scott). If present and voting, the Senator from North Carolina would vote "yea" and the Senator from Virginia would vote "nay."

I further announce that, if present and voting, the Senator from Iowa (Mr. Culver), the Senator from Arkansas (Mr. Bumpers), and the Senator from Wyoming (Mr. McGee) would each vote "yea."

Mr. HUGH SCOTT. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Tennessee (Mr. Brock), the Senator from Massachusetts (Mr. Brooke), the Senator from New York (Mr. Buckley), the Senator from Kansas (Mr. Dole), the Senator from New Mexico (Mr. Domenici), the Senator from Arizona (Mr. Fannin), the Senator from Utah (Mr. Garn), the Senator from Michigan (Mr. Griffin), the Senator from North Carolina (Mr. Helms), the Senator from Kansas (Mr. Pearson), the Senator from Virginia (Mr. Scott), the Senator from Ohio (Mr. Taft), and the Senator from South Carolina (Mr. Thurmond) are necessarily absent.

I further announce that the Senator from Nebraska (Mr. Curtis), the Senator from Maryland (Mr. Mathias), the Senator from Vermont (Mr. Stafford), and the Senator from Alaska (Mr. Stevens) are absent on official business.

I further announce that, if present and voting, the Senator from Utah (Mr. Garn), the Senator from Ohio (Mr. Taft), and the Senator from South Carolina (Mr. Thurmond) would each vote "yea".

The result was announced—yeas 46, nays 17, as follows:

[Rollcall Vote No. 152 Leg.]

YEAS—46

Allen
Bartlett
Bayh
Beall
Bentsen
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Fong
Ford
Glenn
Goldwater
Hansen
Hart, Gary W.
Hathaway
Hruska
Huddleston
Humphrey
Jackson
Javits
Johnston
Laxalt
Magnuson
McClellan
McGovern
Metcalf
Mondale
Muskie
Nunn
Packwood
Pastore
Pell
Percy
Proxmire
Randolph
Roth
Scott, Hugh
Sparkman
Stennis
Stone
Tower
Williams
Young

NAYS—17

Abourezk
Bellmon
Biden
Burdick
Clark
Hart, Philip A.
Hartke
Haskell
Hatfield
Kennedy
Mansfield
McClure
Ribicoff
Schweiker
Stevenson
Symington
Weicker

NOT VOTING—36

Baker
Brock
Brooke
Buckley
Bumpers
Cranston
Culver
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Garn
Gravel
Griffin
Helms
Hollings
Inouye
Leahy
Long
Mathias
McGee
McIntyre
Montoya
Morgan
Moss
Nelson
Pearson
Scott, William L.
Stafford
Stevens
Taft
Talmadge
Thurmond
Tunney

So the conference report was agreed to.

Mr. SPARKMAN. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. HUMPHREY and Mr. CASE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

APPOINTMENTS BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER (Mr. Beall). The Chair, on behalf of the President pro tempore of the Senate, pursuant to Public Law 93-526, appoints the following Senators to the National Study Commission on Records and Documents of Federal Officials: The Senator from Wisconsin (Mr. Nelson) and the Senator from Connecticut (Mr. Weicker).

EXECUTIVE SESSION

Mr. HATFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider certain nominations.

The PRESIDING OFFICER. Without objections, it is so ordered.

ACTION

Mr. HATFIELD. Mr. President, I call up the nomination of John Dellenback, of Oregon, to be Director of the Peace Corps, favorably reported earlier in the day by the Committee on Foreign Relations.

The PRESIDING OFFICER. The nomination will be stated.

The second assistant legislative clerk read the nomination of John Dellenback, of Oregon, to be an Associate Director of the ACTION agency.

The PRESIDING OFFICER (Mr. Packwood). Without objection, the nomination is confirmed.

Mr. HATFIELD. I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Mr. HATFIELD assumed the chair as Presiding Officer at this point.)

Mr. PACKWOOD. Mr. President, the Senate has just confirmed the nomination of John Dellenback as head of the Peace Corps. I should like to say just a few words for the record. I have known John Dellenback for 15 years. I knew him when he first served in the Oregon legislature. He is one of my half-dozen closest friends in this country, and I have been as proud to associate with him as with anyone I have ever met in my life. He is tolerant of everyone's views, he is a leader without qualification, and he will add a luster to the Peace Corps that was intended when it was founded. I am delighted with the action of the Senate today.

DEPARTMENT OF COMMERCE

Mr. BEALL. Mr. President, I call up the nomination of Rogers C. B. Morton, of Maryland, to be Secretary of Commerce, favorably reported by the Committee on Commerce earlier in the day.

The PRESIDING OFFICER. The nomination will be stated.

The second assistant legislative clerk read the nomination of Rogers C. B. Morton, of Maryland, to be Secretary of Commerce.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. BEALL. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. PACKWOOD. Mr. President, I move that the Senate resume the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR THE COMMITTEE ON COMMERCE TO HAVE UNTIL MIDNIGHT TO FILE REPORTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Commerce may have until midnight tonight to file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR TAFT ON TUESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Tuesday, after the two leaders or their designees have been recognized under the standing order, the Senator from Ohio (Mr. Taft) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

DESIGNATION OF PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, following the recognition of the two leaders or their designees under the standing order, there be a period for the transaction of routine morning business of not to exceed 30 minutes, with Senators permitted to speak not in excess of 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 12 o'clock noon on Monday, following a recess.

After morning business is concluded, the Senate will proceed to the consideration of S. 917, a bill to amend the Interstate Commerce Act to authorize the Interstate Commerce Commission to grant temporary operating authority to a carrier by railroad pending final determination by the Commission.

There is a time limitation agreement on that measure, but under a previous unanimous-consent agreement entered on yesterday, there will be no rollcall vote prior to the hour of 4 o'clock. I would anticipate rollcall votes on amendments or on passage thereof.

There may be other matters called up on Monday which I cannot foresee at this time. Conference reports, being privileged matters, of course, are always in order, and may result in rollcall votes.

On Tuesday, the Senate will take up the measure relating to a determination of the congressional budget for the United States, Senate Concurrent Resolution 32.

RECESS UNTIL MONDAY

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 12 o'clock noon on Monday.

The motion was agreed to; and at 4:25 p.m., the Senate took a recess until Monday, April 28, 1975, at 12 noon.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 25, 1975:

DEPARTMENT OF COMMERCE

Rogers C. B. Morton, of Maryland, to be Secretary of Commerce.

ACTION AGENCY

John Dellenback, of Oregon, to be an Associate Director of the ACTION Agency.

(The above nominations were approved subject to the nominations' commitment to respond to requests to appear and testify before and duly constituted committee of the Senate.)

EXTENSIONS OF REMARKS

SPRAYS ARE POISONING US NOW

HON. WILLIAM S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. BROOMFIELD. Mr. Speaker, the controversy surrounding the use of aerosol sprays and the ozone layer in the Earth's atmosphere has diverted attention from more immediate, and equally serious, questions raised by our society's widespread use of aerosols.

For a number of years, many scientists and medical authorities have suspected that exposure to particles in these sprays is a serious health hazard. Dr. Harold Gregg, a dentist from Birmingham, Mich., has been working in this area for several years, and last week the Detroit News ran a most interesting article on Dr. Gregg and the aerosol controversy.

Since the health questions involved with the use of aerosols have been overshadowed by the ozone debate, I would like to bring this Detroit News story to the attention of my colleagues:

SPRAYS ARE POISONING US NOW, SOME CRITICS CONTEND

(By William A. Clark)

A Birmingham dentist is convinced that Americans are spraying themselves to death with the contents of the three billion aerosol cans manufactured annually in this country.

"We are poisoning people by spraying solid particles into the air we breathe," claims Dr. Harold Gregg, a Birmingham dentist for the last 26 years and now engaged in a Ralph Nader-like crusade to "make people aware of the dangers of inhaling the spray particle contents of aerosol products."

It is estimated that there are 45 spray cans in the average American home. Dr. Gregg said it can be mathematically proven that the contents of 45 spray cans "will leave 2½ pounds of chemical residue in a house."

Some aerosols, he said, contain talcum powder.

"Talcum powder is essentially silicon dioxide," he said, "which is a prime cause of silicosis—a serious lung disease.

"These sprays are dust, pollution, death-in-a-can.

"Everything in a can is a pollutant when it gets in your lungs. Paint isn't dangerous on a wall but it is dangerous when it is broken down into particles small enough to be sprayed out of a can and later inhaled into the lungs.

"And you can't really spray away from yourself because it's in the air and will come back at you."

Government agencies and industry representatives discount Dr. Gregg's contentions, but he is not without supporters.

A medical officer and researcher for the Environmental Protection Agency (EPA) said last week that he believes Dr. Gregg is correct in the thrust of his claims although they yet have not been scientifically proven.

"I don't think I can prove in the absolute sense," said Dr. Kenneth Bridbord, "but as we look at chemicals in cans and their use in confined spaces—I believe we are sitting on a chemical time bomb."

Dr. Bridbord is medical officer at the EPA's Environmental Research Center in North Carolina. He said he believes there are "substantial product effects" from the use of aerosols in the home that these include carcinogenesis (production of cancer) and "electrical disturbances in the heart that could lead to sudden death."

However, an EPA press officer in Washington indicated the agency primarily is concerned with claims that certain aerosol spray propellants are a threat to upper atmosphere ozone. The ozone absorbs ultraviolet radiation and, thus, helps shield humans from the dangers of overexposure to the sun's radiation.

Regulatory supervision of household aerosols is divided among three government agencies—the EPA, the Food and Drug Administration (FDA) and the Consumer Product Safety Commission (CPSC).

FDA has regulatory powers over aerosol foods, drugs and cosmetics; EPA over spray pesticides and insecticides; and CPSC has all the rest—spray paint, furniture polish, window and oven cleaners, and the many other uses to which aerosols have been put in the last 30 years.

Use of aerosols has proliferated in recent years to the extent that the industry is estimated to be a $3-billion-a-year business, producing an average of 45 such cans annually for every American household.

A 1974 CPSC aerosol can hazard analysis study stated that when 2.8 billion such cans were filled in 1971 the total would supply 14 cans for every man, woman and child in the country.

The study report defined aerosol as a "term commonly used to refer to all products which depend upon the power of a compressed liquid gas to dispense them from their containers."

The report said there were an estimated 5,000 aerosol-related injuries requiring hospital treatment in 1973. It said it was aware of in-depth investigation reports on nine deaths due to aerosol-related accidents and that "at least 11 additional fatalities have come to the attention of the commission since September, 1973."

The study said that intentional misuse (sniffing to obtain a "high") "is particularly serious because it is often fatal."

In all, the analysis pointed out "four distinct aerosol hazard areas—explosive hazard, fire hazard, intentional and unintentional inhalation of vapors, and chemical burn and other sensitizer reactions."

Nevertheless, the CPSC announced earlier this month that an 18-month staff study concluded that there is not enough evidence of danger from aerosol sprays to warn consumers to stop using them.

Asked about the seeming incongruity between the CPSC hazard analysis and the staff study, an agency spokesman said:

"Any action under the Consumer Product Act of 1972 is predicated on a finding that a product poses an unreasonable risk of injury or illness to consumers."

The spokesman said the key to agency action is in "determining unreasonable risk as opposed to reasonable risk. Congress only gave us a little help in defining this," the spokesman said.

Such talk enrages Dr. Gregg, father of three grown children and a 1949 graduate of the University of Michigan's dental school.

"They are avoiding the issue," he said, "it's up to them to prove these products are safe before we use them.

"Instead, they allow people to be in the test tube and have drugs put in on top of us. If we survive, they say the drugs are safe."

Dr. Gregg read from an article by R. H. Wheater in the March 24 issue of the Journal of the American Medical Association which concluded that "all aerosol consumer products are potentially dangerous to humans . . . even if medical evidence is lacking or inconclusive as to how harmful these products are."

The Industrial Council on Atmospheric Science (an umbrella group of companies and associations in the aerosol field) said through a spokesman:

"A number of industry and government groups are studying the aerosol issues and considerable additional facts are needed before conclusions can be drawn."

Albert J. Fritsch, co-director of the Washington, D.C., based Center for Science in the Public Interest, maintains: "There is sufficient evidence to indicate aerosols are extremely expensive and ecologically dangerous."

He said that persons arguing for the banning of aerosols "are in trouble when they attempt to use individual arguments (health hazard, ozone hazard, explosion hazard, etc.) against aerosols.

"The total picture must be argued," Fritsch said, "because when you add all the elements together aerosols are a junk material that can easily be replaced by other dispensing methods—roll-ons, atomizer types."

Fritsch said he believes aerosols continue on the market "because people are hooked on them. They love the convenience—that's the only criteria they use: how quickly the stuff can be sprayed on the body. I say use another criteria—your health."

Government agencies within the last year have taken action to either ban or recommend the banning of certain ingredients from aerosol sprays. Among these are the propellant vinyl chloride (a known cancer-causing agent) and zirconium, an ingredient of some anti-perspirants.

A special interagency (FDA, CPSC, and EPA) commission has been established to study the danger to the ozone from flurocarbon-type aerosol propellants.

And the FDA has ordered that certain "warnings" must be included on aerosol spray cans under its jurisdiction by March, 1977. One of the warnings concerns sprays using "halocarbon or hydrocarbon propellants." It will read:

"Warning. Use only as directed. Intentional misuse by deliberately concentrating and inhaling the content can be harmful or fatal."

The warning incenses Dr. Gregg.

"They are warning people about hydrocarbons. Yet the automobile industry has taken one of the greatest beatings ever, over hydrocarbons. The contamination danger from spray cans in the house is far greater than the danger from automobiles out in the street."

An FDA spokesman said, however, the agency's current position on aerosols is that "if used properly they are safe to use. If we are presented with evidence to the contrary we will take it into consideration . . . regulations change and are written on the basis of the best scientific evidence available at the time."

OLD AGE: THE MYTH AND THE REALITY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. DOWNEY. Mr. Speaker, the real problems of older people in the United States have been receiving increasing attention. And yet as our awareness of that reality has developed, perhaps so, too, has a myth. I would like to share with my colleagues a newsstory that discusses just this problem. It appeared recently in the Long Island Press in my district:

OLD AGE: THE MYTH AND THE REALITY

(By Susan Fogg)

WASHINGTON. — Old age is viewed by the public as a time of fear, infirmity, poverty, loneliness and neglect, according to a survey conducted by pollster Louis Harris for the National Council on the Aging.

But this stereotype of the aged—which is shared by those 65 and older, who ought to know better—doesn't stand up when older Americans are asked to rate their personal well-being, said the 245-page report on the survey called "The Myth and Reality of Aging in America."

Fifty per cent of the public said fear of crime was a "very serious problem" for the elderly, but only 23 per cent of those over 65 rated it a personal problem for themselves.

Fifty-one percent of the public rated poor health as a major concern of old age, but only 21 per cent of those over 65 said poor health was a problem.

Sixty-two per cent of the public viewed "not having enough money to live on" as a serious problem for those over 65, but only 15 percent of the older Americans saw it that way personally.

Loneliness was a personal problem for 12 per cent of those over 65, although 60 per cent of the general public feared it was.

Older Americans shared the general public's notions about the hardships of old age, apparently assuming that they were exceptions to the rule, the report said.

These ungrounded views of the old as a "socially and economically deprived group can do the old a disservice," the report said, by leading society to regard them as objects of "guilt and fear," rather than people with energy and talents to contribute to society.

Moreover, "exaggerations of the problems of old age might instill in the young a deep-seated fear of growing old," the report said.

Financial insecurity, loneliness and poor health do plague significant numbers of older Americans, especially the elderly poor, the report found. However, these problems are more a function of income than of age, the report said, with poor people regardless of age sharing the same fears and problems.

Although the public over 65 did testify to somewhat greater personal problems in the area of health and fear of crime than the general public, on all other yard sticks of well-being—money, loneliness, a sense of being unneeded—the old were no more afflicted than anyone else.

Personal well-being was much more likely to be a function of income, education and race than age, the report said.

The one area where older Americans clearly had problems unique to old age was social mobility. Those over 65 do not get around as much as younger Americans and they regard a variety of entertainments as less convenient, the report showed.

The older public saw libraries, parks, movies, sports events, museums and live theater, dance or musical concert performances as far less convenient to get to than did persons under 65, the report showed.

Older Americans were about as likely as the young to visit friends and relatives, doctor's offices, shops or churches, but their attendance at other social doings was much more limited.

Only 22 per cent of those over 65 had attended a movie in the last year, compared with 70 per cent of the general public, the report said.

The elderly also were much less likely to get to restaurants, museums, public parks, sports events and live theater than the population under 65, the report said.

These discrepancies held regardless of the income or educational background of the older Americans.

"Lower attendance rates have to be attributed either to lack of interest in these places and events by older people or to their perceived inaccessibility," the report said. "Fear of crime . . . may prevent them from evening attendance at many of these places."

Senior citizens centers or Golden Age clubs held no attraction for 57 per cent of the Americans 55 or older, with one 90-year old woman quoted as saying "I would feel out of place, because I have young ways and young ideas. I like rock and roll."

But if older Americans were somewhat less likely to burn the candle than younger people, those over 65 did have a positive self-image of themselves as active, bright and alert, competent and open-minded.

However, the positive personal self-image those over 65 had of themselves was not shared by the general public—nor was it the view the old held of their contemporaries, the report found.

For instance, 68 per cent of those 65 and older viewed themselves personally as bright and alert compared with 29 per cent of the total public who regarded most people over 65 as bright and alert.

Older Americans agreed in this assessment, with only 33 per cent rating their peers as bright and alert, the report showed.

The general public rated older Americans as warm and friendly and wise from experience, but did not see them as competent, open minded or physically active, the report showed.

Those over 65 went along with this image—with one exception: where 82 per cent of the public saw older people as "warm and friendly" only 25 per cent of those over 65 saw other older people that way.

Thus young and old alike share a jaundiced view of the social and economic plight of the old, and tend to regard old people as passive, sedentary dodderers (with those over 65 seeing themselves as exception, of course) the report said.

Before the problems of aging can be solved these misconceptions about old age need to be cleared away, the report said.

"The young must be taught to see that there is a continuity to life, and that, apart from the inevitable aging of the body, people in their later years are not that much different from the way they were in the own youth and the way the young are now themselves," the report said.

"The old themselves must learn to see that they are not really exceptions, but that their peers as a group share their energies, interests, capabilities and concerns."

METRO FINANCING

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. FISHER. Mr. Speaker, I am pleased to join with other Congressmen from the Washington metropolitan region, in bipartisan cosponsorship of the National Capital Transportation Act of 1975.

The Metro system is of vital concern not only to the residents of my district in Virginia, but it is important also to our Nation to serve the visitors who pour into the Washington area from all parts of this country and the world.

Increasing the Federal share of the cost of building Metro from a one-third-two-thirds formula to an 80–20 formula retroactive to July 1, 1973, would place the Washington area in the same position as other metropolitan areas of the country. This will also help lift some of the financial burden weighing on local governments in the Washington metropolitan area. It would be a significant step toward insuring full completion of the Metrorail system as originally designed. Not completing the entire project—the framework for a balanced transportation system to serve the metropolitan area—would have devastating effects. Outlying districts denied service could demand their money back, intensifying the financial burden on the remaining jurisdictions. This in turn could cause complete collapse of Metro's financial structure. Further, it could lead to increased demands for construction of more highways at a time when energy concerns dictate that we cut down on the use of private automobiles.

By providing some of the Federal share through an increase in the amount supported by long-term bonds, thus spreading Federal payments over 40 years, this bill is in line with the effort to hold down annual Federal expenditures.

Without this or similar legislation, Metro will face severe problems this fall in funding design and construction contracts. Time is running out.

I urge your support for this bill.

COMMEMORATION OF THE FIRST GENOCIDE AGAINST THE ARMENIAN PEOPLE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1975

Mr. DERWINSKI. Mr. Speaker, today, April 24, 1975, we commemorate what is properly regarded as the first tragedy of genocide in the 20th century—the ruthless massacres of the Armenian people by the Ottoman government. Since that time, of course, the world has witnessed other incidents of man's irresponsible cruelty to his fellow human beings. However, this historic event not only threatened the Armenian people with extinction as attempted by the tyrants of the Ottoman Empire but also set an unfortunate precedent for the world as the first modern genocide.

The history of the Armenian people has been marked by long periods of subjugation to foreign rule. As early as the 16th century nearly the whole country was overrun and held by the Ottoman Turks. Today, the historic Armenian area is what is now Turkey and is totally devoid of Armenian populace, while the Soviet Union holds the Armenian people captive in Soviet Armenia.

Despite the years of subjugation by alien rulers the Armenian peoples still manage to hold on their religious and cultural heritage and retain their national consciousness through their national church and their language.

The Armenians were the first nation in the world to accept Christianity as their state religion. As I have emphasized, the Armenians retained their sense of unity and their national aspiration became intense by the mid-19th century, with the hope of attainment of a goal of self-government. However, at that time, the Turks set out to exterminate the whole Armenian Christian population within its borders and called for the elimination of some 2 million Armenians in the Ottoman empire through deportation, contrived famine, and large-scale massacres. But many hundreds of thousands were able to flee abroad to neighboring Persian and the Russian Caucasus, and others, mostly women and children were forced to adopt the Moslem faith and submit to servitude in Turkish homes. The Armenians paid with their lives for having entertained the elemental idea of human dignity and freedom. No provocation on the part of individual Armenians could justify such a crime against the whole race.

The anniversary of this tragic event must not be allowed to pass without a tribute to the 1,500,000 Armenian men, women, and children who perished during the 1915–18 period. As one of the cosponsors of House Joint Resolution 148, which designates today, April 24, 1975, as "National Day of Remembrance of Man's Inhumanity to Man," I believe the statement of "man's inhumanity to man" symbolizes not only the crime of genocide committed against the Armenians, but dedicates the day to the memory of those martyrs who sacrificed their lives, and recognizes a day for us all to renew our reverence for human life, and the call of justice for all peoples.

END FAIR TRADE LAWS TO BATTLE INFLATION

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. FINDLEY. Mr. Speaker, we face an unprecedented economic situation—inflation gallops at a high rate and recession and unemployment cripple our efforts to bring it under control.

The quandary seems to defy solution. Proposals which curb inflation may worsen the recession. Attempts to confront the recession seem only to aggravate the inflation we are trying to check. We are caught in a vicious economic circle.

The bill I am introducing today, although not a panacea, will help make our free enterprise system function more efficiency. It provides us with a unique opportunity to strike at inflation without compounding our recessionary woes and it will encourage the forces of composition in our Nation's market system. I propose we eliminate the network of fair trade laws in this country.

Fair trade laws are residual of the Great Depression. Also referred to as resale price maintenance laws, they are simply agreements between a producer and a seller that a commodity bearing the producer's trademark or brand name be sold at or above a set price. The first State fair trade laws were passed in 1931 to revive a shattered economy. To avert an obvious conflict with Federal antitrust legislation, Congress enacted the Miller-Tydings Act of 1937, granting the State fair trade laws an exemption from the Sherman Antitrust Act. Then again, in 1952, Congress exempted these restrictive statutes from the Federal Trade Commission Act. Fair trade laws are nothing but Government-sanctioned price fixing. They are legally protected contracts which force every retailer in a particular State to market a product at the manufacturer's privately set price, whether the individual retailer was party to the original contract or not.

In all, 36 States have enacted fair trade laws of one form or another including Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Virginia, Washington, West Virginia, and Wisconsin.

These laws are restrictive. They penalize the consumer now more than ever and subsidize certain segments of an industry at a time when such protection is no longer necessary. Officials at the Federal Trade Commission and the Departments of Justice and Commerce agree with many businessmen and retailers that fair trade is a concept whose time has passed.

The Department of Justice estimates that fair trade laws increase prices 18 to 27 percent above the level which competition would dictate. All told, fair trade laws cost consumers $2.1 billion annually. By removing this $2.1 billion burden from the backs of the consumers, we can take an effective step toward curbing inflation.

We are all aware of the circumstances which prevailed during the 1930's. In a time when business firms were failing left and right, fair trade laws presented an attractive stabilizing influence on a shaky economy. We need not debate the wisdom of adopting such measures to agree that the circumstances under which they were adopted are behind us.

In fact, the argument used in recent years to justify fair trade laws is that such legislation insures against the predatory practices of mammoth chain and discount stores. Translated, that means insuring higher prices than might otherwise be charged. In many instances, fair trade laws actually inhibit the smaller retailer's ability to compete effectively with the chain stores by requiring him to charge an artificially high price.

There is no lack of State and Federal legislation prohibiting predatory marketing practices on the part of the large chain retailers and two Federal agencies exist to enforce these laws. Fair trade laws serve only to make it a crime to market products inexpensively and efficiently within those laws.

By legally insulating such products as electrical appliances, bicycles, jewelry and baseball gloves from the competition of the open market, fair trade laws allow manufacturers to skim artificial profits off the top while both the retailer and the consumer pay the price. If there was ever a valid argument for such Government intervention in the marketplace, it is now outdated.

Since entering the House of Representatives, I have been firmly committed to a policy of encouraging competition in our free enterprise system. What I propose is a simple, uncomplicated answer to an outdated problem.

Our laws are not intended to insulate inefficient small businesses from the competition of the open market. The overall effects of the repeal of fair trade laws and a return to a more competitive, free enterprise system will ultimately be of benefit to the consumer and businessman alike.

IN COMMEMORATION OF ARMENIAN MARTYR DAY AS A NATIONAL DAY OF REMEMBRANCE OF MAN'S INHUMANITY TO MAN

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. ROE. Mr. Speaker, it is indeed my privilege and honor to join in the solemn observance of Armenian Martyr Day which is being memoralized in special religious services throughout our State and Nation today as we observe April 24 as "National Day of Remembrance of Man's Inhumanity to Man."

This year marks the 60th anniversary of the genocide of the Armenians, one of the most atrocious, offensive crimes against the human race. As we pause in our deliberations today for this commorative observance, we share with our people of Armenian heritage our renewed reverence for human life and pay tribute to the memory of the martyrs of the Turkish massacre of 1915.

As a nation comprised of a society of people who came to the United States seeking comfort and solace from the oppressed and dictatorial government of other lands, we are fully dedicated to the essential need to preserve the heritage of the people of all nations. The grief and horror of the annihilation of any of our people strike at the heart of our Nation's conscience and weigh heavily upon the conscience of all civilized mankind throughout the world.

On April 8 the House of Representatives adopted the joint resolution, which I was privileged to join with many of our colleagues in sponsoring, requesting the President to issue a proclamation calling upon the people of the United States to observe today as a day of remembrance for all victims of genocide, especially those of Armenian ancestry who lost their lives six dacades ago in the massacre that was aimed at the genocide of the entire Armenian nation. This congressional action fully recognizes that—

The Armenian people have been by their spirit of dedication and creativity champions of civilization;

The Armenian people have struggled and suffered for over 50 years to establish a Free Republic of Armenia;

The people of Armenia have been subjected to hunger, poverty, and disease by their oppressors;

The Armenian people fought valiantly with the Allied forces in World War I and became known as the Little Allies;

The first genocide of the 20th century, resulting in the death of 1.5 to 2 million people, was perpetrated upon Armenians living in Turkey; and

People of Armenian ancestry all over the world commemorate April 24 of each year as a sacred day of mourning for the victims of genocide.

Mr. Speaker, there is undying strength in the spirit of freedom and justice that can be achieved through the communion of understanding that is within the realm of all freedom-loving nations of people. In remembering the unwanton destructiveness of the dastardly act of genocide, may today's commemorative salute help instill in the hearts and minds of all mankind that the true purpose and fulfillment of life's endeavors is within the domain of all human life—spiritual, moral, cultural, and social—if each and every human being practices the divine principle, "Do unto others as you would have done unto yourself." In reflecting and observing with all freedom-loving people throughout the world man's inhumanity to man, we can take another step in our humanitarian ideals for a communion among all peoples of the world to achieve quality of life that will permit the widest possible expression of cultural and national heritage so important to mankind's purpose and objectives in attaining a rich and lasting peace throughout the world.

REDUCING THE U.S. FINANCIAL ROLE IN THE UNITED NATIONS

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. HAMMERSCHMIDT. Mr. Speaker, recently, I had the opportunity to contribute an article to The Congressional Digest magazine, advocating a substantial reduction in the U.S. financial commitment to the United Nations.

I am pleased that the U.S. Information Agency—USIA—has requested that my article be used for publication overseas.

Because this is an issue being widely discussed at this time and is one which I feel is very much on the minds of the American people, I respectfully submit my comments as they appeared, for the earnest consideration of my colleagues.

The text of the article is as follows:

REDUCING THE U.S. FINANCIAL ROLE IN THE UNITED NATIONS

(By Hon. John Paul Hammerschmidt)

A question being asked today with increasing frequency is whether the United States should curtail significantly its financial support for the United Nations.

The answer, in my view, is yes and the reasons are compelling. In fact, the issue of the extent of our financial commitment to the U.N. should be consistent with that of seeking a re-evaluation of the thrust of our entire foreign assistance program.

Our membership and participation in the United Nations can be equated with the nature of our aid commitments throughout the world. In short, I believe the American people are beginning to question seriously the value and return of the huge unilateral aid investments made over the years with their tax dollars.

United States U.N. Ambassador John Scali has very clearly set the tone of what is rapidly becoming the American view toward the organization. In his well-publicized address before the General Assembly on December 6th, he said:

"Americans are questioning their belief in the United Nations. They are deeply disturbed. My country cannot participate effectively in the United Nations without the support of the American people and the American Congress. For years, they have provided that support generously. But I must tell you honestly that this support is eroding—in our Congress and among our people."

The recent U.N. actions to which the Ambassador addressed himself related to the exclusion of member states, the restriction of their participation in discussions of matters relevant to them, and attempts to convert U.N. humanitarian and cultural activities into instruments of political reprisal. All were vigorously opposed by the United States and, according to diplomatic sources, could eventually lead to the irreparable debilitation of the international forum.

The United States, as the organization's largest single contributor, has provided 40 per cent of all monies spent by the world body between 1945 and 1970. The traditional disproportionate share assumed by the U.S. strikes at the heart of the question at hand, whether or not to curtail our financial commitment.

For the first time, in 1973, the U.S. share was reduced. The impetus has very clearly been provided and the momentum is gaining.

I cannot help but believe that the American people have come to realize that we cannot buy friendship. We must earn it. Perhaps the only way to do so is to demonstrate clearly how a democracy can best function and to indicate in a very positive way the benefits of living under our form of government and in our society. And, we can best achieve those ends by providing exemplary leadership, realizing order in our own house, and thus fortifying the inherent strengths of a democratic government. By attaining those lofty but necessary aims, we might expect to insure our continued position as leader of the Free World.

Like other well-meaning intentions which have not lived up to their expectations—the unilateral foreign aid programs, for example—our participation in and traditional sense of obligation toward the U.N. have not fully achieved their purpose, which was and is to create and foster a palpable and very real sense of mutual understanding and peaceful co-existence.

Unfortunately, it would appear that those expectations have not been realized. The body has, it seems, taken on counter-productive aspects.

Points of disagreement alone would not necessarily dictate that the United States withdraw its U.N. membership or truncate entirely its financial support. It is important to keep open the lines of communication, which in itself can represent a worthwhile end. It is desirable that we "keep talking" and conduct an active and frank dialogue. Many American officials will underscore the value of saving the United Nations if only to continue performing vital peacekeeping tasks.

But, the dialogue is becoming a cacophony of strident voices. This is reflected in the "tyranny of the majority" of which Ambassador Scali spoke, and it concerns me greatly.

The attitude of some member nations has taken on a different aspect. In short, it is taking on the form of hostility.

There are, of course, compelling financial reasons which come into play, as we consider the reduction of our U.N. financial commitment.

I am convinced that the American people are tired and dismayed by the lack of truly meaningful and lasting accomplishment of the world body. They view with concern also the recalcitrance of certain member states who are acting contrary to the spirit of the U.N. Charter, which formed the global organization to reflect the highest aspirations of a world torn by two major conflicts.

Our people have, I believe, grown weary of being expected to continue their traditional policy of open-handed largesse, while being slapped in the face. We must and should respond to this situation with a changing posture, not only in relation to the U.N., but perhaps also to our continuing programs of unilateral aid, as well.

This is not meant to infer that the United States must embrace isolationism. Nor does it mean that by assuming a firmer, stronger stance, we need abandon our determination not to forcibly impose our way of life or form of government on other nations.

What it is meant to imply, in the simplest of terms, is that the time has come to take a long, hard look at certain aspects of U.S. assistance programs, particularly those for which the direction has been primarily unilateral. The Congress indicated such a view in December of 1974, by enacting as part of a foreign assistance measure, the so-called "barter" concept, under which the United States would provide aid to nations in exchange for strategic or critical raw materials. The thrust of this program offers a step in the right direction and represents one aspect of the solution in re-aligning our commitments, along with other multilateral arrangements.

A good point at which to continue what I feel is a growing trend is through a reassessment of our financial commitment to the United Nations. We can apply what we have learned from that experience to other areas of U.S. assistance policies.

We may find that we have learned some very valuable lessons.

THE ABORTION CONTROVERSY

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. CRANE. Mr. Speaker, in the wake of the 1973 Supreme Court decisions, *Roe* v. *Wade* (93 S. Ct. 705) and *Doe* v. *Bolton* (93 S. Ct. 739), invalidating numerous State abortion laws, there has been a rising tide of sentiment urging Congress to pass legislation, or a constitutional amendment, protecting the right to life of the unborn. As the father of eight children and as one who finds the concept of abortion on demand totally repugnant, I sympathize completely with those who feel the Supreme Court was out of line in its abortion ruling.

In essence, what the Court ruled was that, until the fetus becomes viable—able to sustain life outside the womb if necessary—a woman's right to privacy is protected by the 14th amendment to the extent that State law may not prevent her from getting an abortion. However, once the fetus is judged to be viable—usually 24 to 28 weeks after conception—a State may prohibit abortion except in cases where the life or health of the mother are endangered. In so ruling, the Court not only departed from the long-standing American custom of leaving abortion decisions up to the States, but also went counter to the entire history of English common law regarding such matters.

Prior to the Civil War, the English common law was the law that prevailed in most States vis-a-vis abortion. From the 13th century on, English common law set forth the proposition that an act of abortion was a crime if evidentiary proof of the existence of a live fetus could be established since the process of conception was not fully understood by medical science until 1827, "quickening"—the first time the mother feels the unborn child kicking in her womb—was usually considered to be the first conclusive and, therefore, legally acceptable, evidence of pregnancy. Since quickening generally occurs about 17 to 20 weeks after conception, it should not be confused with viability as defined by the Supreme Court in Roe against Wade.

However, once the process of conception was fully understood, the British Parliament simply dropped the requirement for proof of pregnancy and imposed a penalty for any act of abortion. This step was certainly a logical extension of the common law concept of punishing those who tried to abort life after it could be proven to exist. Moreover, a similar evolution in the law took place in the United States except that, instead of a national statute being enacted, the matter was handled by the States individually. By 1883, 35 of the 38 States then comprising the United States, had made an act of abortion prior to quickening a criminal offense. And, by 1950, all 50 States had abortion laws on the books which, consistent with the legal history of abortion, differ considerably from State to State. Thirty-one State statutes outlawed abortion except to save the life of the mother; two States extended that exception to include the health of the mother; three States allowed abortions not unlawfully performed or not without lawful justification, and 14 States permitted abortions in other specified instances.

From all this history several points become clear. First, it is quite evident that the historical thrust of abortion legislation aimed at making abortions illegal from the time it could be proven a fetus was alive, not at making them legal up until the time the fetus became viable. Second, it is quite evident that the term quickening is not comparable to the term viability and, by adopting the latter standard, the Supreme Court has established a different criterion from the one used to determine the point at which an act of abortion might be considered a crime. Third, from a historical standpoint, abortion legislation and case law in the United States has been a matter of State rather than Federal concern. And, finally, there has been considerable diversity in State law concerning abortion, although most statutes were far more stringent than those permitted under the recent Supreme Court decisions.

Given these historical considerations, it seems to me the Supreme Court would have done better by leaving the matter of abortion up to the States to decide. Not only would such a decision have been more consonant with legal tradition and recorded legislative intent, but it would have permitted a greater reflection of community consensus. One of the greatest strengths of our republic, from its inception, was federalism. This principle guaranteed diversity, recognized the sensitivities of local constituencies, and rejected the arrogant presumptions of national infallibility.

Personally, I am opposed to abortion except in three instances: First, rape of a minor child; second, when incestuous conception between minors has taken place; and third, when substantial medical opinion indicates that carrying the child will threaten the life of the mother. However, I recognize that many will not agree with me and suggest, therefore, that the best way to settle the matter is to permit the degree of diversity that community judgment, translated into State law, can provide. Instead of a nationalized answer, the result would be variation from State to State in keeping with the ideals and morals of the people in the various States, which was the situation that prevailed prior to Roe against Wade.

While I realize that such an approach will not please everybody, I also believe that it will be more acceptable or, to put it another way, less offensive to more people than any other solution. There would be more opportunity for divergent views to be accommodated which, in turn, should mean less infringement on the deeply held convictions of people on all sides of the issue.

In order to accomplish the objective of having State Law prevail, I have recently sponsored a bill that would remove the question of abortion from the jurisdiction of either the Supreme Court or lower Federal Courts. This would mean that States could reenact abortion laws and that State courts would be able to rule on abortion cases without being intimidated by a Supreme Court ruling.

Not only does article III, sections 1 and 2, make it very clear that Congress has the power to limit the jurisdiction of Federal Courts and the Supreme Court, but there are a number of precedents for such action being taken. Perhap the most striking evolved out of an 1868 case (Ex Parte McCardle, 6 Wall. (7 U.S.) 318) in which the Supreme Court had agreed to review a case involving a writ of Habeas Corpus—dealt with in article I, section 9 of the constitution fearing that the Supreme Court might void all, or part, of its plan for reconstruction of the South Congress passed a law repealing the act on which the case was based thus inducing the court to dismiss the case for lack of jurisdiction (Ex parte McCardle, 7 wall (74 U.S.) 506 (1869)).

However, there have been other, more recent examples. In two cases, the Norris-La Guardia Act of 1932 and the Emergency Price Control Act of 1942, Congress limited the Court's use of remedies—in each case, injunctions. In the first instance, a rigorous procedure had to be followed before the courts could issue an injunction and, in the second case, jurisdiction was limited to an emergency court of appeals to reduce the possibility of an injunction being issued.

Even more recently, Congress passed an amendment implicitly limiting court jurisdiction over an abortion matter thereby causing a Montana State court to reverse a ruling that initially required a hospital receiving Federal—Hill-Burton—funds to perform abortions and sterilizations even though the policy of the hospital—it was a private Catholic hospital—was opposed to such operations *Taylor* v. *St. Vincent's Hospital*, Civil No. 1090 (D. Mont. Nov. 1, 1972) and *Taylor* v. *St. Vincent's Hospital*, 369 F. Supp. 948 (D. Mont. 1973). Moreover, less than 18 months ago, in an effort to overcome legal obstacles being thrown up by environmentalists, Congress limited court jurisdiction in the matter of the Trans-Alaska Pipeline to constitutional questions and to actions which went beyond the authority of the act. Furthermore, the time in which such challenges could be brought was limited to 60 days and the district courts in which the cases were to be brought was required to give them precedence over all other matters. In short, further court challenges on environmental grounds were barred and court jurisdiction over such cases thereby denied.

It is apparent, therefore, and many constitutional scholars uphold this point of view, that Congress can restrict the jurisdiction of the Federal courts and the Supreme Court over a specific type of case. By so doing, a potential plaintiff would not be deprived of recourse, because he could still seek relief in the State courts which would have the final say. Furthermore, this approach has the advantage of being easier to pass and quicker to implement. Instead of requiring a two-thirds vote of Congress plus ratification by three-fourths of the States, as would be required by a constitutional amendment, only a majority vote by both Houses of Congress and signature by the President is necessary.

Finally, it must be said that, from a political standpoint, an abortion measure that permits diversity stands a much better chance of passage than one which enunciates a hard-and-fast rule. Given the past precedents, it would seem to me that there is no reason why we should not proceed with a bill limiting Federal and Supreme Court jurisdiction over abortion as soon as possible.

In the meantime, I believe that we should make sure that no Federal moneys are used to foster abortions. It is bad enough that the issue has reached its present point, but to have the tax dollars of those who oppose abortion used to promote it can only make things worse. Furthermore, it gets the Federal Government into an area which, as I have repeatedly indicated, is best left to the States.

Abortion is, and always will be, a volatile issue, however, one of the strengths of America has been the ability of its people to accommodate divergent views within the framework of a republican system of government. As long as each American continues to respect the rights of others to hold views differing from his, neither abortion nor any other issue is going to undermine that basic strength.

DEPARTMENT OF STATE—COORDINATOR FOR HUMANITARIAN AFFAIRS

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. FRASER. Mr. Speaker, I would like to insert in the RECORD two documents relating to the recent establishment by the Department of State of a new post entitled "Coordinator for Humanitarian Affairs." As the attached letter from Deputy Secretary Ingersoll indicates, the Coordinator will be responsible:

> To bring a clear focus on human rights issues to activities throughout the Department, and to assure attention at the highest level, as these issues deserve.

I am gratified not only with the Department's establishment of this office but with Secretary Ingersoll's keen concern that human rights as well as refugee affairs be given greater consideration in the making of U.S. foreign policy.

These bureaucratic changes will, I hope, give rise to increasing sensitivity to human rights issues in the making of U.S. foreign policy.

The documents follow:

APRIL 18, 1975.

Hon. DONALD M. FRASER,
Chairman, Subcommittee on International Organizations, Committee on International Relations, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: On July 28, 1974, I wrote to Chairman Morgan of the House International Relations Committee about my plan to have attached to my office someone who could advise me on overall progress in human rights matters and ensure full consideration of human rights factors in decision making. I am pleased to inform you that I have now appointed James M. Wilson, Jr., an able senior Foreign Service Officer with broad experience, to the position of Coordinator for Humanitarian Affairs. This is a new position expressly created to bring a clear focus on human rights issues to activities throughout the Department, and to assure attention at the highest level, as these issues deserve.

Mr. Wilson will be charged with coordinating the efforts of all of the existing offices within the Department engaged in work which is directed toward, or impinges upon, human rights and humanitarian affairs. He will in addition undertake the direct supervision of activities now performed by Frank Kellogg, Special Assistant for Refugee and Migration Affairs, and the office of Frank A. Sieverts, my Special Assistant for Prisoner of War and Missing in Action Matters. Mr. Wilson will of course work closely with the Under Secretary for Security Assistance, the Deputy Under Secretary for Management, and the Legal Adviser, all of whom have broad Department-wide responsibilities in this area.

In short, I am instituting centralized direction of the Department's efforts on human rights, refugees, humanitarian assistance, prisoners of war and with the Red Cross, other voluntary agencies and such related institutions.

I would like to stress that our objective in creating this new position, and appointing Mr. Wilson to fill it, is to expand and upgrade the time and attention devoted to human rights considerations in the work of the Department of State. In so doing, we intend to consult fully with you and your colleagues in Congress, a task to which Mr. Wilson will be devoting special effort.

I shall report to you further on the progress of this reorganization.

Sincerely,

ROBERT S. INGERSOLL.

[From The Christian Science Monitor, Apr. 22, 1975]

STATE DEPARTMENT TURNS TO HUMAN RIGHTS CONCERN—CONGRESSIONAL PRESSURES HELP PROD UNITED STATES TO LINK DEALINGS ABROAD TO RIGHTS OBJECTIVES

(By Benjamin Welles)

WASHINGTON.—The State Department—bowing to congressional pressure—is creating an Office of Humanitarian Affairs. Its aims will be to monitor and—where possible—oppose the use of torture and other forms of political repression in countries with which the U.S. has diplomatic ties.

The question now being asked in Congress is whether the move implies a genuine commitment to human-rights issues, particularly in such areas as Indo-China, or is merely a cosmetic gesture designed to placate congressional liberals.

James M. Wilson, a veteran foreign-service officers who has been serving as U.S. deputy representative in the office for Micronesian status negotiations, has been selected as special assistant on human rights to Deputy Secretary Robert S. Ingersoll. Mr. Wilson will coordinate the work of human-rights officers recently appointed by the State Department.

Creation of the new post in the office of Mr. Ingersoll, Secretary of State Henry A. Kissinger's ranking assistant, follows increasing congressional criticism that the State Department has long ignored the use of torture and political repression by several foreign governments to which it has furnished large-scale aid. Among those often cited are Chile, Brazil, and South Korea.

BILL AMENDED

Rep. Donald M. Fraser (D) of Minnesota, backed by other liberal congressmen, succeeded last year in amending the foreign-aid bill to bar all but "development" aid to governments found guilty of violating the human rights of their citizens.

In the future, Mr. Wilson and his human-rights colleagues are expected to keep a close eye on reports from U.S. embassies about torture or other repressive measures overseas and recommend to Mr. Kissinger, Mr. Ingersoll, and other policymakers when aid to offending governments should be cut. The new office will also maintain close liaison with Congress on this issue.

Mr. Fraser and congressional colleagues reportedly were incensed last autumn by reports that David Popper, U.S. Ambassador to Chile, had been disparaged as a "bleeding heart" by Secretary Kissinger during a meeting with top-level aides. Mr. Popper had reported in detail on repressive measures employed by the Chilean military junta against suspected opponents of the regime.

As a result of congressional criticism of the State Department's alleged indifference to the mounting human-rights problem around the world, Mr. Fraser, Sen. Alan Cranston (D) of California, Rep. Jonathan Bingham (D) of New York, Rep. Dante B. Fascell (D) of Florida, and others met with Secretary Kissinger in December and again in January. Another meeting has been scheduled for the near future.

"They told Kissinger in no uncertain terms that there was no one around they could talk to in the State Department about human rights," said one informed source, "They said the time had come to put someone in charge of this problem—fast."

REACTION: CAUTIOUS

Reaction on Capitol Hill to news of the State Department's forthcoming move was cautious.

It was suggested, for instance, that in seeming to bow to congressional demands for more attention to human rights, Dr. Kissinger was attempting to blunt further congressional moves to "legislate" foreign policy. He is known, for instance, to resent congressional bans on military aid to Turkey and Chile and Mr. Fraser's recent amendment limiting military aid to South Korea.

Congressional sources suggest that Mr. Kissinger's sudden decision to drop Chile and Peru from his coming visit to Latin America can be traced to urgent warnings from liberal senators and congressmen who have recently visited him.

Sources close to Sen. Edward M. Kennedy (D) of Massachusetts noted that Mr. Kennedy has been pressing the State Department unsuccessfully for years to create a bureau of humanitarian and social affairs under an assistant secretary "with clout." They regard the designation of Mr. Wilson as "special assistant for human rights as a timid step in the right direction, but no more.

DEVELOPMENT OF NEW ENERGY SUPPLIES

HON. RAY THORNTON

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. THORNTON. Mr. Speaker, there are few challenges more vital to our Nation than a clear recognition that real solutions to problems of our economy depend upon the development of new energy resources, and the conservation of existing energy supplies by avoiding wasteful uses of such resources.

On April 22, 1975, the gentleman from Washington, Mr. McCormack, appeared before the Joint Engineering Legislative Forum to discuss these issues. His remarks to that group, which I am placing in the Record, deserve to be shared with all Members of this House:

COMMENTS BY CONGRESSMAN MIKE McCORMACK

Mr. Robertson, Mr. Nader, ladies and gentlemen.

I would like to express my appreciation to the National Society of Professional Engineers for inviting me to meet with you today, and to discuss some aspects of this nation's energy crisis. This is a matter of supreme importance, for our nation is truly in mortal danger. Our standard of living, our economic stability, our political institutions, and even the safety of our streets may well hang on whether or not we are able to produce enough energy to maintain the job market and an opportunity for low-income Americans and members of minority groups to aspire to and work for a decent standard of living. We must bring a spotlight of truth on this subject, so that every responsible person can see and understand the facts.

Out of the confused debate about the energy crisis, one concept is almost universally accepted. We must reduce waste in our use of energy, and we must reduce our historic rate of growth of energy consumption. What is not apparent, however, even to many sincere and concerned policy-makers, is that the total energy consumption of our nation must continue to increase, even if we establish very successful conservation programs. Of the dozen or so major reports projecting future energy consumption, all agree on this fundamental fact, even including "The Citizen's Energy Platform", to which Mr. Nader's "Congressional watch" subscribes. This is true because additional energy will be required for new homes, new jobs, upward mobility of low income groups, employment and liberation for women, and more productive and competitive manufacturing processes. This would be true even if we had a zero population growth, starting today.

The recent report of the Ford Foundation Energy Policy Project assumes, as a reasonable scenario for the future, limiting the growth of our total energy consumption to 2% per year. This would be a dramatic reduction, but a 2% growth rate still means that we will double our energy consumption in about 35 years. Within this overall growth, there will inevitably be a dramatic shift from the use of petroleum and natural gas to the production of electricity from coal and nuclear fission, and the annual growth rate here will be 4% to 5% per year, doubling electric generation by about 1990.

Unfortunately, most of the debate on the energy crisis, in spite of the perils we are facing, has centered around such subjects as import tariffs, quotas, gas taxes, allocations, regulations, and incentives. While all of this is important, it is somewhat like wrestling for deck chairs on the Titanic.

The stark realities are that while this debate has been going on, our oil production is down from last year, our natural gas production is down from last year, our coal production has scarcely changed from last year, the percent of petroleum we import has now increased to about 38%, more railroads have gone out of business, the situation in the Middle East has deteriorated, and Mr. Nader is clamoring for us to declare a moritorium on nuclear energy—our only rapidly growing energy resource, and the cleanest, safest—most environmentally acceptable—energy option available to this nation during this century.

The challenge we face today is to overcome this attempt at confusing and misleading the American people, and to develop now an energy policy to produce the energy that we will need in the future. If we do create such an energy policy, and if we implement the programs which will carry it into effect, the people of this country can have adequate energy, environmental protection, and economic stability. If we fail, the inevitable result will be catastrophe.

There are several fundamentals upon which an energy policy must be built, and which merit special attention.

Any energy policy must be based upon the best scientific and engineering facts available. We simply cannot afford the luxury of basing policies on fantasies, such as assuming that solar energy or geothermal energy or some suppressed carburetor design will bail us out of our problems; or prejudices, such as an anti-Israeli—or anti-Arab—or anti-oil company or utility industry obsession—or anti-nuclear fanaticism; or hopes, such as the hope that we will keep finding enough natural gas or petroleum to keep us going, or the hope that the people of this country will voluntarily reduce their standard of living, and voluntarily accept massive unemployment, in the name of energy conservation, or because they have been frightened into a state of irrationality by irresponsible scare stories about nuclear energy.

A national energy policy must allow a large segment of our people to continue to aspire to—and strive for—a higher standard of living, and greater freedom and dignity. This has always been the hallmark of American society, and we cannot expect low and modest income Americans—or average American housewives—or those who want women to be liberated, to sacrifice such aspirations because irrational fears have prevented us from providing adequate supplies of safe, clean energy.

Certainly each of us recognizes that a sort of three-cornered dynamic equilibrium should exist between energy conversion, transmission, and consumption in one corner, a reasonable and rational program for protecting our environment and conserving our resources in the second, and the maintenance of a stable and responsive economic system in the third corner.

So, while we can't allow the excesses which marked some industrial development of the past, raping our land and polluting the atmosphere, we cannot expect to have energy production without some impact on the environment, no matter how benign the source may seem to be from a distance; and we certainly cannot expect to have jobs for the American people unless we produce more energy. Thus, we have several "environments" to protect all at the same time. There are, for instance, those that we classically think of in terms of air and water, but there is also the environment of the job market, and an industrial capacity that will maintain this nation's national security and standard of living. Finally, there is the environment of our own homes, where we must have enough energy for a decent standard of living. Our national energy policy must strike this dynamic balance in a rational manner.

It may be appropriate at this point to review what the energy crisis is really all about, and why we are where we are. To put it simply, Western industrialized civilization—and our affluent standard of living—have risen to their present remarkable heights on a prodigious consumption of petroleum and natural gas. About seventy-five percent of the energy we use today comes from these sources. Now, when our society and our economy are actually dependent on continued energy growth, we are coming face-to-face with the reality that we are running out of petroleum and natural gas. We are just beginning to feel the first effects.

This reality is the most difficult of all for us—who have lived all our lives in a culture built on cheap mobility—that we have, almost certainly, already discovered and burned up more than half of all the petroleum and natural gas we have ever discovered, or ever will discover, on this continent or off its shores, and that it will be gone, insofar as a significant supply of fuel is concerned, by the end of this century. Furthermore, responsible studies by the National Academy of Sciences and the Federal Power Commission point out that, even with crash programs of exploration and drilling, we cannot expect to significantly increase production at any time in the future above present levels.

As our supplies of petroleum and natural gas dwindle, this nation will become dependent for virtually all of its energy on coal and nuclear fission. But in the long perspective, even these sources of energy are really only transitional. Though we must increase our reliance upon them now, we must also make plans for phasing them out in the more distant future, and replacing them with other, still-to-be-developed energy sources.

Of course, coal is our greatest resource of fossil fuel, and we must rely heavily upon it. However, there are a broad spectrum of factors which limit the rate of growth of coal consumption—economic—logistical—and environmental. Although time does not allow an in-depth discussion of this subject here today, clearly coal can play only a partial role in this nation's energy future.

As responsible citizens sort out the facts in the energy picture, it becomes more and more obvious that one of the greatest strokes of good fortune this nation has experienced is to have our nuclear industry as well advanced as we find it today, ready *now* to provide much of the energy this nation will need during the next fifty years.

Nuclear energy is the cleanest, cheapest source of energy available with the least environmental impact of any significant option. If we did not have nuclear energy available to us for the coming decades, the future of this country would indeed be black—in more ways than one.

Today, there are 55 nuclear power plants licensed to operate in the United States. They have a capacity of about 40 thousand megawatts, or about 9% of this nation's electric generating capacity. Seventeen more plants should be on the line within the next two years. In addition to the 72 plants that will be on the line by the end of 1976, there are 149 more nuclear plants which are under construction or being planned. If these plants are are on the line by 1985, and they *can* be if we simply eliminate unnecessary delays and provide for construction capital, then this nation will have a nuclear capacity of about 220 thousand megawatts—about 30% of our electric generating capacity—in 1985. One can appreciate the importance of such progress. Each nuclear plant saves the equivalent of from 10 to 12 million barrels of oil a year. Thus, it would require 6 to 7 million barrels of oil a day to produce the same electricity as these 221 plants will generate. This is equivalent to all the U.S. petroleum imports today.

The nuclear industry, contrary to statements by Mr. Nader, does not have to be perfect. He is the only person I know of who has made this suggestion—setting up his own straw man to knock down with his own lack of technical competence. Just as any industry or any other nuclear technology, nuclear energy has some hazardous aspects, and we must assume that at some time in the future there will be some accident causing property damage, injuries, and even deaths.

While it is essential that every conceivable accident be guarded against, and every reasonable precaution taken, there is a point of absurdity beyond which the rational public should not be expected to go in imagining nuclear hazards or hypothesizing extreme nuclear accidents.

Recent studies by Dr. Norman Rasmussen of M.I.T. indicate that with 100 plants on the line (as will be the case by 1980) a major nuclear accident would be 10,000 times less likely to happen than a comparable accident with 100 fatalities in a non-nuclear facility. Thus, the hazard to any individual or group will be about the same in 1980—with 100 plants on the line—as the hazard of being struck by a meteor.

Numerous scare stories have been circulated about the radiation impact of a nuclear industry on the general public. Here are some figures that cast some light on this subject.

If we assume 1,000 nuclear power plants on the line in the year 2000, the average person in the United States will receive the following radiation: 102 millirem per year from natural background, 73 millirem per year from medical X-rays and therapeutic radiation, but only 0.4 millirem per year from the operation of all 1,000 nuclear plants and all their supporting activities. That's less than ½ of a millirem, as compared to almost 200 from natural and medical sources.

Today, with our automobile speed limit reduced to 55 mph, we kill about forty-five thousand Americans a year, and suffer about 2 million serious injuries from automobile accidents. More than 8,000 persons burn to death. Overdoses of aspirin and aspirin compounds cause more than 200 deaths per year. 1,000 persons die from electrical shock. About 160 are killed by lighting. About 3,000 choke to death on food. About 2,000 persons are killed in plane accidents. More than 2,000 are bitten by rabid animals. An unknown number of persons are killed each year by polio vaccines and smallpox vaccinations. No radiation injury or death has resulted from the operation of any licensed nuclear power plant in the United States, nor has any member of the public been exposed to any radiation in excess of internationally approved standards as the result of the operation of all the 55 nuclear power plants and their supporting activities, and the more than 100 U.S. military nuclear reactors now in service.

Ladies and gentlemen, we have discussed the energy crisis, our need for increased supplies of energy, and what sources of energy we have available. Of course, you recognize that solar and geothermal energy will make no significant contribution to this nation's energy demand before 1990, and very little before the year 2000. Competitive generation of electricity from nuclear fusion will not come before the 21st Century. (Mr. Nader had recently changed his position on these subjects and has been forced to agree with me.)

Now I want to talk to you about the most critical aspect of the energy crisis facing America today. The best estimates for U.S. energy demand for 1985—ten years from today—average about 48 million barrels of oil a day of oil equivalent. If we assume a very aggressive conservation program, cutting 6½ million barrels below projected growth rates; and if we undertake an all-out exploration and drilling program for petroleum and natural gas; and if we undertake a massive expansion of our coal extraction industry, almost doubling it within ten years; and if we get all the hydroelectric sites that are going to be developed on the line—and if we get all the nuclear power plants that are on the line, under construction, or on order built and operating, thus producing about 6½ million barrels of oil a day equivalent; then we must still import about 8½ million barrels of oil per day, which is 2 million barrels more than we import now. For each million barrels we fall below some critical point near 48 million barrels of oil per day consumption, we must accept the unemployment of another 900,000 American workers. The nuclear portion of that 1985 energy consumption is also equivalent to almost 6 million jobs. There is no substitute for it.

Mr. Nader wants to deprive us and the people of this country of our traditional practice of basing policies on scientific and engineering facts, and frighten us into accepting this kind of unemployment and the chaos it would bring with fantasies and irrational scare stories. Are you ready to give up your right to rational thought? Are you willing to allow Mr. Nader to do this to our nation?

THE EUROPEAN SECURITY CONFERENCE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. KEMP. Mr. Speaker, there is an apparently growing likelihood of a substantial increase in Soviet influence over all of Europe—including Western Europe—through the agreements expected to be arrived at during this summer's European Security Conference. The United States is a full participant in that conference.

The United States entered into the preliminary meetings associated with this conference several years ago for a variety of reasons. But one of those reasons was Soviet insistence that there be such a conference as a precondition of its willingness to pursue a policy of détente.

I am not confident that the American people—or the people of Western Europe—are sufficiently aware of the premises on which this conference is based. It is within this context—the need for heightened public awareness of the possible outcome of the conference—that I was impressed by an analysis in the New York Times of today, authored by former Presidential Assistant William Safire. This analysis reflects much insight as to the dangers associated with this summer's conference sessions and its agreements.

There is much public misunderstanding about the issues associated with this conference.

The idea of collective European security is not one within which the distinctions of the past 30 years between the separate securities of western-alined—NATO—countries and eastern-alined—Warsaw Pact—countries are to be maintained.

To the contrary, the European Security Conference envisages an all-European security arrangement, through which the NATO and Warsaw Pact countries would pledge themselves to a mutual defense of each other against non-European or other European forces. This has obvious anti-U.S. implications. And, it also has obvious advantages to the Soviet Union, whose dominance and authority over half the countries of Europe—the Moscow-controlled countries of Communist Eastern Europe—is already forcefully assured.

Such an arrangement implies that the European countries which would become members of the European mutual security system would accept one another as partners who would not threaten, but would rather defend, their mutual security. Thus, the Atlantic principle of collective defense against potential aggressors would lose its moral justification.

Any guarantees of all-European collective security would also be far from reliable, for while the principles basic to sovereignty in the autonomous countries of Western Europe imply that when a threat or aggression occurs each would have to decide for itself what to do, the equally basic principle of coordinated military action among the Eastern European countries—coordinated by Moscow despite all the appearances of increasing independence in unrelated non-military affairs—would still result in unanimous action by those countries.

It is inconceivable that a Warsaw Pact country would support a Western country under pressure or attack from another Warsaw Pact country. There is additionally no evidence that the Soviet Union is prepared to dissolve its alliance system if an all-Europe security system were to materialize. Such a system, however, might well induce the United States to discontinue her security commitment to Europe, especially at a time when there is great pressure in the Congress to reduce U.S. policy commitments.

Writing in the February 1975 publication of the Atlantic Treaty Association, entitled "Soviet Foreign Policy: Its Many Facets and Its Real Objectives," Dr. Gerhard Wettig of the Institute for Political Science and International Studies in Cologne, summarized these concerns:

> If the idea of an all-Europe security system became a psychological and political reality, the Soviet leadership would have gained a major victory sought for decades: the withdrawal of the American super-power from Europe. The West European States would lose their military and political backing vis-a-vis the USSR, which could then play a hegemonic role on the whole Continent—a role regarded as natural in Moscow. The permanent organization which the Soviet leaders want to create at the end of the CSCE is to be an institutional standing-point for an all-Europe State system under the aegis of Moscow. As has been explicitly stated, the Soviet side wants that organization gradually to take over security and policy functions from NATO.
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> A characteristic feature of Soviet policy in Europe is that the USSR's military superiority in the area is being maximized, while the tendency in the Western European countries is towards a reduction of manpower. In both public and diplomatic statements, Soviet representatives have made clear that peace in Europe should be built not on the allegedly archaic notion of balanced military forces, but on Western confidence in the

peaceful character of Soviet intent. What would be the purpose of the Soviet military build-up in Europe if the non-use of force is to govern inter-European relations? An overwhelming military advantage of the Soviet Union over Western Europe (particularly if isolated from the US and fragmented in itself) would be a political factor of greater importance, even if the USSR never issued explicit threats. If the Soviet Union were in a position of unrestricted military superiority throughout Europe, it could, by its implied capacity for unimpeded military action, exert a dominating influence over the Western part of the Continent.

Viewed in this context, William Safire's essay is of profound importance. He sees the realization of Soviet aims in Europe, through the agreements it seeks as conclusions of the European Security Conference, as the final step in their domination of all Europe—a domination which they have sought since the end of World War II.

That article follows:

ENDING WORLD WAR II

(By William Safire)

WASHINGTON.—In case you hadn't heard, World War II will soon be coming to its official end. The Russians won.

In Helsinki and then Geneva, delegations from 35 nations have been meeting for the past two years at the European Security Conference, preparing for the grand summit finale this summer at which the heads of state are to gather and make legitimate the Soviet conquest of Eastern Europe.

Naturally, the Soviet Union has long been looking forward to this triumph. To get the conference started, it agreed in 1971 to a four-power arrangement on Berlin, and in 1973 to exploratory talks on a mutual reduction of troops in Europe, which have led nowhere but seemed hopeful at the time.

Since the Soviets have been salivating at the chance to make their Iron Curtain a permanent division of Europe, one might think that the United States is extracting great concessions in return.

But all the Russians have been offering is "confidence-building measures," such as prior notification of military maneuvers, which have no real military meaning, and economic and scientific cooperation projects that the Soviets need more than we do. No quid pro quo there, unless you consider détente an end in itself.

The British, the Belgians and the Dutch—with some belated interest on the part of the United States—have been pressing for freer movement of people between East and West, placing in this basket freedom of contact between creative artists, specific guarantees of credentials for journalists, the opening of "reading rooms" to insure access to foreign periodicals, and agreements to make available television time for the airing of other countries' documentaries.

The Russians are turning aside demands for specifics, instead offering flabby language like "nations shall endeavor to encourage" human rights, which already exists in the United Nations Charter and permits the Communists to interpret it any way they choose.

When the West Germans wanted a provision saying that border changes could be made by peaceful agreement in the future—reunification is still their goal—the Soviets artfully put that in the "Sovereign Equality of States" section of the draft document, and not in the part about the "Inviolability of Frontiers" where it might have had some meaning.

The United States delegation is demoralized. Since our position has been to denigrate the importance of the whole conference, the United States delegation in Geneva is half-headed by our Ambassador to Czechoslovakia, who has his hands full in Prague; his deputy in Geneva has returned to Washington and not been replaced, and the rest of the frustrated staff passes along this story:

When the American Secretary of State met in Geneva two months ago with Soviet Foreign Minister Gromyko, the European Security Conference was discussed at length; afterward, Mr. Gromyko gave a detailed briefing to the Soviet delegation on what had transpired. But the United States delegation was left in the dark and had to ask their Soviet counterparts what had gone on. That close-to-the-vest technique is exactly what led us up the garden path on the SALT negotiations.

President Ford, who plans to attend a NATO meeting soon, did not refer to the European Security Conference in his State of the World address; perhaps he felt that ignoring the problem—as he did Portugal—would make it go away. But if he is serious about making détente a "two-way relationship," Mr. Ford should put a high price on any legitimization of Soviet victories.

First, no European security summit conference should be convened until the Soviets agree to much more than a token reduction of troops in Europe and a timetable for future withdrawals.

Next, a subject we should insist be put on the agenda for debate is the Brezhnev Doctrine, under which the Soviets claim the right to put in their tanks to crush uprisings against their puppet regimes. If that is not a matter of concern to "European Security" and relevant to the "Inviolability of Borders," what is?

Finally, the Soviets should be made to understand that their deeds—in providing North Vietnamese with the means of victory and extremist Arabs with hopes for a "final solution" to the Israelis—speak louder than any protestations of détente. Linkage should live again: no deal in the Middle East, no deal in Europe.

Would demands for these quids pro quo scuttle the Helsinki Summit? Perhaps; at a time when the Soviet Union is riding high and the United States President is helpless against a large group of willful men in Congress, a two-year postponement of the biggest gathering of heads of state since Queen Elizabeth's coronation might not be a bad idea.

Thirty years have passed since V–E Day. America's power has dwindled from days of dominance through an era of parity to a stage of uncertainty. Why, at this worst moment, are we allowing ourselves to be drawn into a Supersummit at which the only purpose is to declare the Russians the victors of World War II?

Mr. Speaker, I commend this article to the members of the House Committee on International Relations, the Senate Committee on Foreign Affairs, our Committees on Appropriations, and most particularly those in the Department of State and White House with responsibilities in this subject area.

Are we—this time in Europe—to risk and perhaps lose through a conference that for which American and other allied men in uniform gave their lives 30 to 35 years ago—a free Europe? The answer is yet to be given.

SENIOR CITIZENS AND THE ECONOMY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. DOWNEY. Mr. Speaker, on March 3 I held a day-long public hearing in my district on senior citizens and the economy. I heard testimony from more than two dozen witnesses, including heads of senior citizen organizations, agency directors, and some very outspoken individuals representing themselves. The hearing room was filled with interested older Americans anxious to be heard by their Congressman as well as by the various public officials who were also in attendance.

Mr. Arthur Gregory of Lake Ronkonkoma was a witness at the hearing. His remarks constitute a forceful statement of how one senior citizen copes with the economy. I think that we as legislators can learn from Mr. Gregory's experience as we formulate the legislation that is designed to assist older Americans. I include his testimony to be reprinted at the conclusion of my remarks:

TESTIMONY OF MR. ARTHUR GREGORY

Mr. GREGORY. With your permission, Congressman, I would like to introduce two men who I haven't seen in nine or ten years that retired from the newspaper business with me. With your permission, I'd like to introduce both of them, Tommy Hogan and Jimmy Lynn. Thank you very much.

My name is Arthur Gregory. I live at 17 Marc Street, Lake Ronkonkoma.

I will be seventy-four years old this coming July 7th. My wife will be seventy-one on July 24th. We will be married fifty-two years on the 29th of April.

We raised our family and gave them everything. Now, we are retired. We have our own home, the Mrs. and I, though we are being choked with taxes. Not only sales taxes and property taxes but also with the food prices.

I'd like to say to you, Congressman Downey, this morning that the prices of articles have been going out the window. They jump from day to day, and I brought a sample along of what is taking place. Two months ago I bought Wesson Oil for my wife. A sixteen-ounce bottle was fifty-nine cents. That was the price on the label. I went out Friday and bought the same bottle. Do you know what the price on it is? $1.25. Here it is (indicating).

Now, I say this to you and to you, Congressman Downey. It's not the farmers. It's not the people that work or the union women that look for raises in their salaries. It's the man in the middle. The man in the middle is your supermarket. The big corporations that put our little country stores out of business.

I bawl my wife out time and time again, "Stay out of the A. & P. Go to the corner store. Give that little fellow a break."

I've seen it in my entire family where our women, they went to the supermarket. They run to Cheap Johns with a lot of junk, buy these things that are made on the other side. And we, with our people here, are looking to work for a living.

Now, Social Security Income. I have been fighting for four years to have Senator Guiffreda, Assemblyman Costigan and Governors Wilson and Rockefeller—four years prior to this last election, I went after all of them. They were down in our Lake Ronkonkoma church, and I laid the law down to them.

I said, "You are nothing but a lot of phoney baloneys. You are sitting on your big fat fannies and doing nothing."

This is no reflection on you, Congressman Downey. I have to apologize. I believe in giving everybody a break. He has just got the position as Congressman, and I hope he does a good job because, if he does, we can all depend on him.

Now, talking about Social Security. I went after them about property taxes for senior citizens sixty-five and over. That Social Security should be taken off as income. Now, let's not forget one point. It isn't only for the property owner like myself. I'm fighting for the guy that is paying rent. They are being ripped off by landlords.

If you don't believe it, I was talking to a young lady before. She had to run home to get her Social Security check because she is afraid somebody would steal it. She told me she gets $208 and pays rent of two hundred some-odd dollars. Now, you tell me how in the devil can a women or anybody—she can't even feed herself. It costs me more to feed my dog.

WOMAN from the audience. They don't want us to have dogs now.

Mr. GREGORY. I've got one.

The only point I really wanted to get off is that Social Security be taken off as income, and people that are paying rent are being ripped off.

I'd like to add to that. We started a lottery in New York State, and, while Governor Rockefeller was in office, they had been using the lottery money for every Tom, Dick and Harry to go out and have a cup of coffee. The purpose of it when this was put into effect was to be used for educational purposes, and, that way, it would reduce everybody's taxes.

Now, Mr. Ford comes out trying to cut the income taxes from twenty some-odd billion dollars. By the same token, he wants to raise the gasoline taxes and you and you and me and a whole lot more of us that are living on fixed incomes, we will never see a dime out of this reduction in taxes. But we will have to pay the fifteen cents a gallon that they want to put in there on top of it.

Now that we've got a few bucks, what is he going to do? Drain us, send us to the poorhouse or to a nursing home like these fellows they got in there now that are killing off our people?

Now, your Social Security. We are supposed to get a five per cent increase in July, is that right? Well, it seems to me that every time the senior citizen got an increase, we had to wait a year or a year and a half or better because in the last six or seven years, the two previous raises that we got took over two years. But, by the same token, in 1967, Johnson had a law passed to raise everybody in the Senate and Congress including President Nixon's salary up $100,000. The legislators up here in Albany increased every one of themselves up to $15,000, and they did this within forty-eight hours. They put it in effect in less than a month. But, still in all, we have to sit back and twiddle our thumbs for a couple of bucks. Now, Mr. Ford—

The only thing I want to say now is Mr. Ford wants to give Cambodia and the other side $300,000,000.

My belief is charity begins at home. A lot of people in this country live in one-room shacks down in Tennessee and Virginia. This guy didn't want to hear it. We have a lot of people living right through Tennessee and Virginia and down there living in one-room shacks with four, five and six kids, and they can't get nothing. And they are starving to death. This man wants to go to work and give them $300,000,000 in Cambodia. Let us all go after these people and tell them that charity begins at home.

In addition to that, Mr. Ford tells you to go out and buy a little car so you don't waste too much gas, but, by the same token, Mr. Ford and all the representatives in the federal government are riding around with big limousines that suck up a gallon of gas when you turn the corner and that goes for the state and county. I think it's time we let them know about it.

Thank you.

MAN'S INHUMANITY TO MAN

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1975

Mr. ANDERSON of California. Mr. Speaker, today is a day of particular significance. April 24, 1975, marks the 60th anniversary of the Armenian massacres, which saw the slaughtering of 800,000 to 1 million Armenians. At the same time, it is the National Day of Remembrance of Man's Inhumanity to Man. I am happy to say that I cosponsored House Joint Resolution 148, a joint resolution to so designate this day. I feel that at this time it is appropriate to ask ourselves what are the factors that breed mass violence, and what are the solutions to this problem. I also feel that we can make a good start by reexamining the ideals that make up our way of life.

Individualism and politcal sovereignty are ideals that stand as cornerstones of modern democratic thought. And similarly, the pride in one's family, in one's cultural and ethnic roots, as well as one's nation, are concepts that certainly deserve praise.

But at the same time, individual, family, and cultural differences all too often lead to conflict, which all too often lead to open aggression, and in turn, senseless violence. Add to these rather traditional concepts the more recent problems of overpopulation and subsequent food shortages, and the possibility of mass violence greatly increases.

We certainly do not have to look very far to see some current examples. Almost every day, terrorist groups carry out acts of senseless violence. In South Vietnam, we hear fears of a massive bloodbath with a Communist takeover of Saigon. And the recent inhumanities in Bangladesh and South Africa continue.

Yet, the problem does not lie in the concept of individualism itself. Nor does it lie in the cultural, ethnic, and national distinctions we find both inside and outside of national boundaries. For in striving for a strong, unified society, there is room for individualism; there is room for cultural differences; and there is room for political differences that fall short of violence.

There is no room, however, for mass ignorance which leads to misunderstanding and, in, turn, fear. Fear, that is, of anything that is minutely different from what we have come to know through prior personal experience.

Such ignorance and fear are surely a factor in the breeding of mass violence and the genocidal impulse. Yet, education itself is not the answer, for understanding stops far short of compassion. What also seems to be lacking is a strong sense of moral commitment. Simply understanding your fellow man does not necessarily mean having sympathy for his rights as a human being.

We are now in an era where we are finding it necessary to reexamine our societal institutions. Each part of society has a necessary function aimed at achieving the goal of societal harmony. What, then, is religion's role in a violent world? I think that the answer is obvious. The church's role is to help teach the moral values that are necessary for a civilized existence. The universities' role is to help educate in order to understand as well as respect what we have previously feared.

The fact that this day of national remembrance falls on the eve of the Bicentennial of our Nation's birth is, I feel, significant. It is time to reexamine the ideals that this Nation was founded on and ask ourselves if we are living up to them.

Individualism is not at the root of mass violence. It is, rather, the tool with which we can solve our conflicts which lead to aggression. For along with the concept of individualism goes the concept of individual rights and freedoms. The respect for our fellow man's freedoms can only start with the respect of our own. A greater understanding of our fellow man tempered with a morality that respects his rights as a human being is the necessary step away from uncivilized violence.

Solutions to the problem of mass violence and the genocidal impulse lie in relieving of economic disparities, for they lead to conflicts over hunger. They also lie in relieving educational disparities, for they lead to misunderstanding and ultimately intolerance. And finally, they lie in instituting a morality that transcends political, cultural, and individual differences. For in a society there is room for such differences. The recognition and respecting of their existence leads to societal unity. The intolerance of them leads to senseless violence.

SENATE—*Monday, April 28, 1975*

(Legislative day of Monday, April 21, 1975)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by Hon. PATRICK J. LEAHY, a Senator from the State of Vermont.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, infinite, eternal, and unchangeable, we who are finite, temporal, and changeable open our lives for the indwelling of Thy spirit. We confess that without Thee our human strength and wisdom are insufficient for the urgent needs committed to us. Be with us, O Father, to guide us in actions great and small, that serving Thee with our whole heart and mind and strength, this Nation and all nations may achieve that peace and justice which is the nature of Thy kingdom.

And to Thee shall be the glory and the praise. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 28, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. PATRICK J. LEAHY, a Senator from the State of Vermont, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. LEAHY thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Friday, April 25, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WAIVER OF CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the legislative calendar, under rule VIII, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

UNITED NATIONS PEACEKEEPING FORCES IN THE MIDDLE EAST

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 86, S. 818.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 818) to authorize U.S. payments to the United Nations for expenses of the United Nations peacekeeping forces in the Middle East, and for other purposes.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read a third time, and passed, as follows:

S. 818

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby authorized to be appropriated to the Department of State such sums as may be necessary from time to time for payment by the United States of its share of the expenses of the United Nations peacekeeping forces in the Middle East, as apportioned by the United Nations in accordance with article 17 of the United Nations Charter, notwithstanding the limitation on contributions to international organizations contained in Public Law 92-544 (86 Stat. 1109, 1110).

BILL McGAFFIN

Mr. MANSFIELD. Mr. President, it was not until I was reading the RECORD over the weekend that I became aware that an old friend, a great reporter, a key investigator, Mr. Bill McGaffin, of the Chicago Daily News, had passed away.

At this time, I wish to express my deep sense of loss and my feeling of regret and to extend to Bill's family my wife's and my deepest sympathy and condolences.

Bill McGaffin was a gentleman in the real sense of the word, but that did not keep him from being a good investigative reporter. He was respected and admired by all Members of the Senate. I feel deeply and personally the loss of Bill McGaffin, because I believe he contributed much to the well-being of the fourth estate and to a better understanding of Congress and the Capital, which he covered so assiduously, and so well.

May his soul rest in peace.

Mr. HUGH SCOTT. Mr. President, will the distinguished majority leader yield?

Mr. MANSFIELD. Yes, indeed.

Mr. HUGH SCOTT. Mr. President, I had learned of the passing of our friend, Bill McGaffin, and I have written a letter of condolence to his family.

I take this opportunity to join the distinguished majority leader in paying tribute to a journalist who was a great writer and who was, in addition, a fine reporter of events as they occurred, who was a perfect gentleman, whose fairness was notable, a gentleman whom we all trusted and with whom I had never had a disagreement, and a man who will be sorely missed because of his fine qualities.

I extend my condolences to his family, also, and I thank the distinguished majority leader for bringing up this matter.

SOUTHEAST ASIAN REFUGEES

Mr. HUGH SCOTT. Mr. President, we are still in the midst of a serious situation in Southeast Asia. The number of Americans now there is below 900. The number of South Vietnamese evacuated has been considerable, compared to the number who would like to leave and thereby vote with their feet.

A substantial number of South Vietnamese whose survival otherwise would be at stake have been able to leave the country, some by commercial airlines, some by their own efforts, some by their own small boats or by the vessels of others, or by going over boundary lines. Some inevitably will be left to a tragic fate.

The Committee on the Judiciary meets at 2:30 to consider the matter of 279 orphans who come in under a category in excess of 2,000 orphans we have already approved to the Judiciary Department for admission to this country. More than a third of these orphans are being brought out by the Catholic Relief Society, and the remainder by two other relief organizations. We undoubtedly will increase the amounts well past the 279 to admit other orphans into this country.

I urge Americans to open their hearts to these refugees, particularly to the children. I urge Americans, also, to consider how they can help by making contributions to the Vietnamese and Cambodian refugee relief funds. America always has opened its heart—to the Hungarians, to the Cubans, to Bangladesh, to Nigeria, to India, to all parts of the world that has seen this suffering of displaced and oppressed peoples.

I am not going to ask others to do what I am not willing to do, myself. I think it is sufficient to mention this simply because I do not want to be in a position of politicians telling other people what to do. But I hope the Americans will make it possible for these people to be resettled.

The United States will arrange for a resettlement in perhaps three or more resettlement bases in different geographical parts of the country. The States represented by those who are so filled with the goodness of mankind and so concerned about the rights of mankind need not fear too great an influx in any one State. This is where some vaunted liberal principles have broken down, I am afraid, where there is the fear of job displacement.

We brought 650,000 Cubans into this country, and they have become the heart and soul of Florida in many of its industries, businesses, and other supportive activities. The Hungarians have contributed greatly to our country and to its strength. I was at the Hungarian refugee relief camp outside of Rome on Christmas Day, to celebrate Christmas with these Hungarians.

I would like these people coming to the United States to feel that we want them, that we welcome them, that we are glad they were able to escape to freedom. But I do not want to be a part of any of this niggling or nit-picking about, "Don't send them to my State." I would be glad to see those come to Pennsylvania who wish to come to Pennsylvania and to be a part of our life, and we will welcome them.

Our hearts go out to them; and our hearts go out even more to those who may be killed because they cannot get out.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, for not to exceed 30 minutes, with statements therein limited to 5 minutes each.

REFUGEE PROBLEM

Mr. ROBERT C. BYRD. Mr. President, I have serious reservations about the plans being discussed to bring as many as 130,000 South Vietnamese refugees to the United States. I have heard figures ranging all the way from 130,000 to 174,000 to a million to a million and a half.

Humanitarian motives, I am sure, prompt those who favor this kind of undertaking, but in my judgment some very practical considerations raise grave doubts about the wisdom of bringing any sizable number of evacuees here.

Our relations with the South Vietnamese from the beginning have been hampered by the vast cultural differences that exist between our two countries—and this difficulty cannot be ignored when it is proposed to remove permanently large numbers of South Vietnamese citizens from their homeland. The fact that more than 8 million Americans are unemployed, and that our own country is experiencing an economic recession, does not add to the prospect for success of such a program, carried out in great magnitude.

A number of South Vietnamese themselves have voiced objections to the departure of large numbers of their fellow citizens, especially when the refugees include professional and highly skilled workers such as doctors, pharmacists, and teachers.

The ramifications of the problem are intensified by the importance of family and relatives in Vietnamese life. In many instances it will be necessary not only to move members of an immediate family, but parents and other relatives as well.

The United States currently has a jobless rate of 8.7 percent, the highest since 1941; and our overall economic picture—the recession, inflation, national debt, gross national product—is far from bright. Adding well over 100,000 South Vietnamese refugees to that picture will not help the United States.

What is really tragic for the refugees, who have already suffered greatly, is that the situations in which they would find themselves in America seem destined to be crammed with disappointments and frustrations.

For the unskilled refugee, there seems little hope of finding gainful employment; our own unskilled workers face bleak futures. For the skilled and professional refugees, there seems to be only the prospect of underemployment; doctors, lawyers, and teachers could wind up doing the most menial work. And for all the refugees, the language-barrier is an added burden that will not be easily overcome.

Former South Vietnamese Vice President Nguyen Cao Ky warned his countrymen about going to the United States. In a weekend speech in Saigon, he pointed out the problems inherent in migrating to a different culture—unemployment, underemployment, and the general difficulties of adjusting quickly enough to a transcultural experience.

One big point that has bothered me all along in this matter is the matter of the actual number of South Vietnamese citizens who may want to leave or who may be in peril. We have heard a good many different figures. The 130,000 figure now being heard was first a million and a half, then it was a million, then 174,000—all kinds of estimates have been stated.

Where do we draw the line? Do we simply bring out all who worked for or with the Americans? Do we remove all who had a connection with the South Vietnamese Government? Do we evacuate only high officers of their armed forces? Or do we seek to provide asylum for all who fought against the Communists?

If large numbers are endangered, then other countries as well as our own should open their gates to them, especially those countries that have cultural similarities to Vietnam. The U.S. State Department—to say nothing of the United Nations—ought to be moving in that direction.

The ACTING PRESIDENT pro tempore. Is there further morning business?

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR THE SENATE TO STAND IN RECESS EACH DAY FROM TODAY TILL THURSDAY, MAY 1, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business each day from today through Thursday, it stand in recess until the following day.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR JAVITS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after Mr. TAFT is recognized tomorrow under the order previously entered, Mr. JAVITS be recognized for not to exceed 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CLARK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE EVACUATION IS TOO SLOW

Mr. CLARK. Mr. President, I would like to spend just a few moments talking about the evacuation reports from South Vietnam, the number of Americans who remain there, the rate of evacuation, and the possible reasons for so many Americans remaining there.

In spite of the increasingly dangerous situation, the number of Americans being brought out has slowed to something less than a trickle. The net reduction, for the 24-hour period ending midnight Saturday is 65 American citizens. In the meantime, more than 6,600 South Vietnamese were evacuated in the same period. The preceding 24-hour period was not much better—a net reduction of just 76 American citizens. So in the last 48 hours the number of Americans remaining in South Vietnam was reduced by 141.

We actually have evacuated somewhat more than that, but the Embassy has become aware of additional American citizens in the country, so that the net reduction is only 141.

At this rate, it will take us 2 weeks to complete the evaluation of American citizens.

Over 950 Americans are still there, and this does not include Vietnamese dependents of American citizens. For reasons that are not clear, the State Department has not released the figures on dependents for 4 days; but the last report indicated that there were several hundred alien dependents of American citizens still in Vietnam.

The military situation in South Vietnam has changed a great deal in the last few hours. Tan Son Nhut Airport apparently was attacked. However, it is still open, and it is still possible to continue evacuation efforts by fixed-wing aircraft out of Tan Son Nhut. If the airport is closed, evacuation will have to be by helicopter, more dangerous and more difficult. And we know that the more Americans and dependents remaining, the greater the risk will be.

Why, then, is the administration leaving such a large number of Americans in South Vietnam? There has been no explanation. No one contends that it takes more than 500 to run the mission there. Yet we have twice that many there right now.

I do not have the answers, but I would raise some questions.

Are Americans being left in Saigon to provide an excuse for evacuating South Vietnamese?

Are we leaving Americans there as a kind of "bargaining chip" with North Vietnam?

What are the reasons?

Again, I do not know the answers. But it seems to me that in these finals hours—when we know that at any moment the government and the army could collapse, when we know that at any moment the one remaining outlet for mass evacuation, Tan Son Nhut Airport, could be shut off—we ought to be putting some Americans on the planes with the South Vietnamese. We ought to be able to get out more than 141 citizens in 48 hours. That is just not adequate.

I share the view that we ought to bring out as many South Vietnamese as possible, I do not think we ought to keep Americans there at the same time. If this legislation (S. 1484) we passed Friday afternoon is approved by the House of Representatives today or tomorrow, the President will have the authority to go in with U.S. military forces to bring out South Vietnamese along with American citizens. One cannot help but speculate whether Americans are being left there for the purpose of bringing out more South Vietnamese.

So, Mr. President, I hope that the Members of the Senate and the Members of the House of Representatives will watch the evacuation figures very closely in the next 24 hours, and that we will continue to demand that the nonessential Americans still in South Vietnam be brought home as soon as possible.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS AND CONSIDERATION OF SENATE CONCURRENT RESOLUTION 32 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the orders for the recognition of Senators for 15-minute speeches have been consummated, there be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements limited therein to 5 minutes each and, at the conclusion of routine morning business, the Senate proceed to the consideration of Senate Concurrent Resolution 32.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. LEAHY) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

APPROVAL OF BILL

A message from the President of the United States received today stated that the President had approved and signed the enrolled bill (S. 994) to authorize supplemental appropriations to the Nuclear Regulatory Commission for fiscal year 1975.

MESSAGE FROM THE HOUSE

At 1:30 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clearks, announced that the House disagrees to the amendments of the Senate to the bill (H.R. 4481) making emergency employment appropriations for the fiscal year ending June 30, 1975, and for other purposes; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. MAHON, Mr. WHITTEN, Mr. SIKES, Mr. PASSMAN, Mr. EVINS of Tennessee, Mr. BOLAND, Mr. FLOOD, Mr. STEED, Mr. SLACK, Mr. MCFALL, Mr. YATES, Mr. CEDERBERG, Mr. MICHEL, Mr. CONTE, Mr. MYERS of Indiana, and Mr. MILLER of Ohio were appointed managers of the conference on the part of the House.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. LEAHY) laid before the Senate the following letters, which were referred as indicated:

PROPOSED SUPPLEMENTAL APPROPRIATIONS FOR THE COMMISSION ON FEDERAL PAPERWORK

A communication from the President of the United States transmitting proposed supplemental appropriations for the fiscal year 1975 in the amount of $100,000 for the Commission on Federal Paperwork (with accompanying papers); to the Committee on Appropriations.

PROPOSED SUPPLEMENTAL APPROPRIATION FOR THE VETERANS' ADMINISTRATION

A communication from the President of the United States transmitting a proposed supplemental appropriation for the fiscal year 1975 in amounts totaling $535 million for the Veterans' Administration (with accompanying papers); to the Committee on Appropriations.

ORDER FOR STAR PRINT OF COMMITTEE REPORT (REPT. NO. 94-66)

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a star print be ordered of the Government Operations Committee report on S. 200, dated April 9, 1974. This is in order to include two rollcall votes on amendments considered by the committee during its consideration of the Consumer Protection Act, as required by section 133 of the Legislative Reorganization Act of 1946, as amended. These two rollcall votes were inadvertently omitted from the report on S. 200. This is the only change that will be made in the committee report.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. MAGNUSON:

S. 1543. A bill to amend the third proviso of section 27 of the Merchant Marine Act, 1920, as amended. Referred to the Committee on Commerce.

By Mr. MAGNUSON (for himself and Mr. PEARSON) (by request):

S. 1544. A bill to amend the act of August 16, 1971, as amended, which established the National Advisory Committee on Oceans and Atmosphere, to increase and extend the appropriation authorization thereunder. Referred to the Committee on Commerce.

By Mr. BUMPERS:

S. 1545. A bill to amend the Agricultural Adjustment Act of 1938 with respect to peanuts. Referred to the Committee on Agriculture and Forestry.

By Mr. JACKSON:

S. 1546. A bill to amend title 10, United States Code, to prevent discrimination against the Armed Forces of the United States in the supply of petroleum products, and for other purposes. Referred to the Committee on the Judiciary.

STATEMENT ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MAGNUSON:

S. 1543. A bill to amend the third proviso of section 27 of the Merchant Marine Act, 1920, as amended. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce today a bill to assure compliance with the Jones Act in the Alaska trade, and to prevent the increasingly serious diversion of cargoes from United States ports and U.S.-flag carriers operating in the trade. The third proviso of the Jones Act was part of the language of the act as originally passed. The proviso specifically excluded Alaska.

In 1958, the Congress passed the Alaska statehood bill. This bill amended the third proviso to include Alaska. The Congress made clear that the purpose of the amendment was to extend to Alaska the provisions of the Jones Act. The Congress has reaffirmed its intent in this regard by denying requests for amendments to the act to allow foreign-flag vessels to operate in the Alaska trade.

Despite the clear intent of the Congress that the Jones Act apply to Alaska, the third proviso of the act is being used to shift cargoes from U.S. ports to Canadian ports and to foreign-flag vessels for transportation to Alaska. A substantial increase in the number of these services and thus of the amount of cargo shifted is expected. The Canadian National Railway advertises service aboard its trains to Canadian ports and thence to Alaska. The railway is planning to increase this service with new vessels, and new routes through Canada.

The ports of Washington State, including particularly Seattle and Tacoma, are the major ports of loading and discharge for cargoes to and from Alaska. Moving Alaska cargo through Canadian ports has had a serious impact on Washington State ports, and on other U.S. ports, and on the U.S.-flag carriers serving those ports. But I believe, Mr. President, that the greater danger to U.S. ports comes from the threatened proliferation of foreign-flag transportation in conjunction with Canadian rail movements. The additional foreign services will displace substantial U.S.-flag tonnage presently moving in the trade, and will shift to Canadian ports, and away from U.S. ports, up to 100,000 tons of cargo a year. These shortages will have a severe impact on U.S. ports. Further, the growth of Canadian movements will likely cause curtailment of water services at U.S. ports.

The legislation I propose, Mr. President, will not have any impact on existing services. This is not to say that I do not have serious reservations about the propriety of some of these services under the existing provisions of the Jones Act. I do have serious reservations. The Congress did not,and did not intend to, exempt Alaska from the Jones Act by the amendment in the Alaska statehood bill. Some people have improperly construed the 1958 amendment as an exemption from the act. My bill reaffirms the purpose of Congress to apply the Jones Act to trade between Alaska and other States.

However, I do not believe, Mr. President, that companies presently operating in this trade should be forced out of business. The greater danger to U.S. ports, such as Seattle, and to U.S.-flag carriers—and therefore my greater concern—is with the proliferation of new foreign vessels and foreign rail services which make a mockery of the provisions of the Jones Act in the Alaska trade. This danger is immediate and is substantial. The impact upon U.S. ports and U.S.-flag carriers will be severe.

I ask unanimous consent that the bill as introduced be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1543

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the third proviso of section 27 of the Merchant Marine Act, 1920 (46 U.S.C. 883), as amended, be amended by deleting the semicolon after the word "facilities", and adding the following words: "With regard to Alaska, the exception of this proviso shall apply only to those services offered as of January 1, 1975:".

By Mr. MAGNUSON (for himself and Mr. PEARSON) (by request):

S. 1544. A bill to amend the act of August 16, 1971, as amended which established the National Advisory Committee on Oceans and Atmosphere, to increase and extend the appropriation authorization thereunder. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce by request, for appropriate reference, a bill to amend the act of August 16, 1971, as amended, which established the National Advisory Committee on Oceans and Atmosphere, to increase and extend the appropriation authorization thereunder, and ask unanimous consent that the letter of transmittal and statement of purpose and need be printed in the RECORD with the text of the bill.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1544

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the Act of August 16, 1971, as amended (Public Law 92-125, 85 Stat. 344; Public Law 92-567, 86 Stat. 1181), is amended to read as follows: "There are hereby authorized to be appropriated to the Secretary of Commerce, for the fiscal year ending June 30, 1973, and for each of the two fiscal years immediately thereafter, such sums, not to exceed $400,000; and for each of the fiscal years 1976, 1977, and 1978, such sums, not to exceed $445,000, as may be necessary for expenses incident to the administration of this Act, and for succeeding fiscal years only such sums as may be authorized by law."

THE SECRETARY OF COMMERCE,
Washington, D.C., March 19, 1975,

Hon. NELSON A. ROCKEFELLER,
President of the Senate,
U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed are six copies of a draft bill "to amend the Act of August 16, 1971, as amended, which established the National Advisory Committee on Oceans and Atmosphere, to increase and extend the appropriation authorization thereunder," together with a statement of purpose and need in support thereof.

We have been advised by the Office of Management and Budget that there would be no objection to the submission of our draft bill to the Congress, and further that enactment would be in accord with the program of the President.

Sincerely,

FREDERICK B. DENT,
Secretary of Commerce.

STATEMENT OF PURPOSE AND NEED

The National Advisory Committee on Oceans and Atmosphere (NACOA) was established by Public Law 92-125, approved August 16, 1971. NACOA consists of 25 non-Federal members appointed by the President from State and local governments, industry, science and other appropriate sources having an interest and expertise in oceanic and atmospheric affairs. NACOA has the mandate to (1) to perform a continuing review of the progress of the Nation's marine and atmospheric science and service programs and to report to the President and the Congress, annually, its findings and recommendations on marine and atmospheric affairs, and (2) to advise the Secretary of Commerce specifically with respect to the carrying out of the purposes of the National Oceanic and Atmospheric Administration.

Public Law 92-125 assigned NACOA's support functions to the Secretary of Commerce. It was amended in October 1972, by Public Law 92-567, to raise the level of authorization to $400,000 per year for the three fiscal years 1973-75, and in the following fiscal years, such funds as the Congress authorizes.

In fulfilling its mandate, NACOA has assumed a highly active mode of operation, meeting 9-10 times a year in full session, and with ad hoc panels meeting, as the occasion demands, to develop special material for full NACOA consideration. Support of this level of activity, which in part accounts for NACOA's value, requires a core staff of six professionals and four non-professionals. This was the basis for the authorization level provided for in 1972. The new authorization request merely extends this for three years, recognizes that earlier full-time assistance by other agency personnel has now been phased out, and provides small increases in succeeding years in anticipation of costs beyond NACOA's control.

This level of NACOA activity derives from NACOA's unique nature and responsibility. P.L. 92-125 examined in the perspective of its legislative history emphasizes NACOA's role of applying non-Federal expertise toward the development of a truly national effort viewed as a "partnership between government, industry, and the academic community." NACOA collectively possesses the requisite industrial, academic, and lower-level government expertise for this purpose, but individually as non-Federal employees, each carries a special burden in becoming thoroughly familiar with the vast range of Federal and other programs, plans, and policies over the broad spectrum they are expected to assess. No reasonable staff level nor degree of cooperation from Federal agency observers and other representatives can substitute for a high level of activity on the part of the NACOA members themselves. The need for full-time professional staff stems from experience of what it takes to make this level of NACOA involvement efficient and productive. It is judged probable that attempting to provide a significant portion of the staff requirement by people on loan would either be less effective or require larger numbers, or both.

Enactment of this legislation would result in authorizations of $445,000 for each of the fiscal years 1976, 1977, and 1978.

By Mr. JACKSON:

S. 1546. A bill to amend title 10, United States Code, to prevent discrimination against the Armed Forces of the United States in the supply of petroleum products, and for other purposes. Referred to the Committee on the Judiciary.

Mr. JACKSON. Mr. President, for well over a year the permanent Subcommittee on Investigations has studied the relationship between the military and the major oil companies. Put simply, I would characterize it as a one-way relationship with the oil companies reaping the benefits and the military suffering the consequences.

Let me provide some illustrations.

Last week the subcommittee issued a study indicating that military buyers had overpaid for jet fuel by hundreds of millions of dollars. Military purchasers had failed to obtain the necessary backup data to support prices asked for by the oil companies. They accepted, in many instances, first offers without any attempt at negotiation.

But the oil companies must share the blame. They refused to supply backup data when asked and balked at entering into contracts requiring consistent cost accounting principles.

I have asked the Department of Justice to examine whether any overcharges can be recouped for the taxpayers. I have also asked the Federal Energy Administration to determine the basis for the overcharges.

Finally, I have requested the General Accounting Office to completely review military procurement practices and procedures.

Mr. President, I ask unanimous consent that these letters be printed in the RECORD at the conclusion of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JACKSON. Mr. President, the findings and recommendations of the subcommittee staff reflect insight into defects of military purchasing procedures.

Mr. President, I ask unanimous consent that the findings and recommendations of the staff study entitled "Procurement of Petroleum Products by the Military" be printed in the RECORD at the conclusion of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. JACKSON. Mr. President, this staff study resulted from an ongoing investigation into the relationship between the major oil companies and the military.

In late December of 1974 this subcommittee learned that the military had reached an impasse with the major oil companies in contracting for its petroleum supplies for the following year, just days away. The oil companies refused to supply data to back up their prices and would not enter into contracts containing these clauses, and clauses requiring conformance to certain cost accounting standards. The military felt that it could not legally accept petroleum supplies without a contract even if offered by the oil companies.

Thus the uninterrupted flow of oil to the military and especially to strategic overseas bases was threatened.

The subcommittee took an active role in trying to break this impasse and work out an accommodation between the parties. After I wrote the oil companies and urged them to meet their national responsibilities and enter into these critical contracts, a contract to continue to supply the Navy's Operation Deepfreeze in Antarctica with appropriate clauses requiring backup data and compliance with cost accounting standards was agreed upon.

But it was not before the major oil companies had implicitly threatened to cut off supplies to the military.

And this was not the first time that the Armed Forces of the United States have faced a cutoff of oil and petroleum products for overseas operations with U.S. multinational oil corporations playing a prominent role.

Last April the permanent Subcommittee on Investigations held hearings on the cutoff of oil to our military forces in the aftermath of the 1973 Arab-Israeli war. The subcommittee's investigation probed a crucial question: the role of U.S. corporations in implementing a cutoff directed by foreign nations of vitally needed oil supplies to our military forces abroad at a time when our 6th fleet was still on alert.

It is imperative that the Armed Forces of the United States never again be threatened with the cutoff of critical oil supplies. This is especially true where the suppliers are U.S. corporations which operate under the protection of the American flag. Legislation must spell out the duties and obligations of those responsible for providing defense needs.

Accordingly, today I introduce a bill which provides criminal sanctions for any individual or corporation who willfully discriminates in supplying petroleum products for the U.S. Armed Forces either within or outside the United States. This legislation covers not only a failure to perform contracts for the supplying of petroleum products as was the case in the aftermath of the 1973 Arab-Israeli war, but also a refusal or failure promptly to enter into such contracts at appropriate prices in accordance with governing laws and regulations. This will take care of the situation where companies refuse to contract because they do not want to disclose data.

This bill provides that whenever the Secretary of Defense has reason to believe that there has been such discrimination against the Armed Forces of the United States by any citizen or corporation organized or operating within the United States or controlled by them with respect to contracts involving the furnishing of petroleum supplies, he shall immediately institute an investigation. If the Secretary of Defense determines that there has been discrimination he shall refer the matter to the Attorney General of the United States who is authorized to institute appropriate proceedings, including the enjoining of such discrimination. The amendment also provides that the Attorney General may file with the clerk of the district court a certificate of the Secretary of Defense stating that, in the Secretary's opinion, the proceeding is of critical importance to the effective operation of the Armed Forces of the United States and that immediate relief from the discrimination is necessary. Upon receipt of such a certificate, a panel of three judges shall be convened to immediately hear and make a determination in such proceedings. Convictions for such discrimination will carry penalties of a fine of $100,000 or imprisonment for not more than 2 years, or both.

Other amendments to title 10 would cover jurisdiction, the right to inspect records, and other procedural matters.

Mr. President, I ask unanimous consent that the amendments I propose to title 10, United States Code, be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1546

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that Title 10 of the United States Code is amended as follows:

(1) Chapter 141 is amended by adding the following sections after section 2389.

§ 2390. Findings and declaration of purpose.

The armed forces of the United States operate world-wide in maintaining international peace and in protecting the interests of the United States. It is essential to the effective operation of the armed forces that they receive adequate supplies of petroleum products. Citizens of the United States and corporations organized or operating within the United States enjoy the benefits of the United States flag and the protection of the armed forces and owe allegiance to the United States. It is the purpose of sections 2391 thru 2396 of this chapter to provide a remedy against discrimination by citizens of the United States or corporations organized or operating within the United States, and by organizations controlled by them, against the Department of Defense in the supply of petroleum products.

§ 2391. Investigation of discrimination by the Secretary of Defense.

(a) No citizen of the United States or corporation organized or operating within the United States, or an organization controlled by United States citizens or corporations organized or operating within the United States, shall engage in discrimination in the supply, either within or outside the United States of petroleum products for the armed forces of the United States.

(b) The Secretary of Defense, whenever he has reason to believe that there has been such discrimination shall immediately institute an investigation.

(c) If, following such investigation, the Secretary of Defense determines that there has been such discrimination, he shall refer the matter to the Attorney General of the United States.

§ 2392. Jurisdiction of the United States courts.

(a) The several district courts of the United States are invested with jurisdiction to prevent and restrain such discrimination; and it shall be the duty of the several United States attorneys, in their respective districts, under the direction of the Attorney General, to institute proceedings to prevent and restrain such discrimination. Such proceedings may be by way of petitions setting forth the case and requesting that such discrimination shall be enjoined or otherwise prohibited. When the parties complained of shall have been notified of such petitions the court shall proceed, as soon as possible, to the hearing and determination of the case; and pending such petition and before final decree, the court may at any time make such temporary restraining order or prohibition as shall be deemed just in the premises.

(b) Whenever it shall appear to the court before which any proceeding under subsection (a) of this section may be pending, that the ends of justice require that other parties should be brought before the court, the court may cause them to be summoned, whether they reside in the district in which the court is held or not; and supenas to that end may be served in any district by the marshal thereof.

(c) Any proceeding against a corporation may be brought not only in the judicial district whereof it is incorporated, but also in any district wherein it may be found or transacts business; and all process in such cases may be served in the district of which it is incorporated, or wherever it may be found.

(d) In any proceeding brought in any district court of the United States pursuant to this section, the Attorney General may file with the clerk of such court a certificate of the Secretary of Defense that, in his opinion, the proceeding is of critical importance to the effective operations of the armed forces of the United States and that immediate relief from the discrimination is necessary, a copy of which shall be immediately furnished by such clerk to the chief judge of the circuit (or, in his absence, the presiding circuit judge) in which the proceeding is pending. Upon receipt of the copy of such certificate, it shall be the duty of the chief judge of the circuit or the presiding circuit judge, as the case may be, to designate immediately three judges in such circuit, of whom at least one shall be a circuit judge, to hear and determine such proceeding, and it shall be the duty of the judges so designated to assign the proceeding for hearing at the earliest practicable date, to participate in the hearing and determination thereof, and to cause the proceeding to be in every way expedited.

(e) In every proceeding brought in any district court of the United States under this section, an appeal from the final order of the district court will be only to the Supreme Court.

§ 2393. Inspection of records and furnishing of information.

For the purpose of the investigation instituted by the Secretary of Defense pursuant to section 2391, he, or his designee, shall at all reasonable times, have access to and the right to copy any book, account, record, paper, or correspondence relating to the business affairs of the person or corporation being investigated. Such person or corporation, upon demand of the Secretary of Defense, or his designee, shall furnish such information as the Secretary of Defense may require as to his or its business, organization, conduct, practices, management, and relation to other individuals, corporations, partnerships, associations and other entities.

§ 2394. Definitions.

As used in Sections 2390–2393 of this chapter:

(a) The term "United States" when used in a geographical sense includes the several States, the possessions of the United States, the Canal Zone, and the District of Columbia.

(b) The term "discrimination" means the refusal or failure promptly to enter into or perform contracts for the supply of petroleum products, at appropriate prices, in accordance with the laws and regulations of the United States governing the entering into and performance of such contracts when requested by the Secretary or his designee.

§ 2395. Penalties.

Any person or corporation who willfully discriminates as prohibited by Section 2391 shall, upon conviction, be fined not more than $100,000 or imprisoned for not more than two years, or both.

§ 2396. Separability.

If any provision of sections 2390 thru 2396 or the applicability thereof is held invalid, the remainder of those sections shall not be affected thereby.

(2) The analysis of chapter 141 is amended by adding the following items after the item for section 2389:

§ 2390. Finding and declaration of purpose.
§ 2391. Investigation of discrimination by the Secretary of Defense.
§ 2392. Jurisdiction of United States courts.
§ 2393. Inspection of records and furnishing of information.
§ 2394. Definition.
§ 2395. Penalties.
§ 2396. Separability.

Exhibit 1

Senate Permanent Subcommittee on Investigations,
Washington, D.C., April 24, 1975.
The Honorable Elmer B. Staats,
Comptroller General of the United States.

My Dear Comptroller General: On January 22, 1975, I requested the General Accounting Office to examine data available to the Defense Supply Agency for the purpose of determining the appropriateness of exemptions to oil companies from supplying pricing data under the Truth in Negotiations Act, and the requirements of the Cost Accounting Standards Board. This request stemmed from inquiries being made by the Subcommittee on the the procurement of petroleum products by the Defense Fuel Supply Center.

These inquiries have now raised questions as to the effectiveness of the procurement practices being followed by the Fuel Center. In this regard I enclose a copy of the Subcommittee staff study on military oil purchases. In light of staff findings, I want to expand my previous request and ask that the General Accounting Office make a review of the procurement practices being followed by the Defense Fuel Supply Center including, but not limited to, the following:

1. Are the quantities which the Fuel Center purchases based upon realistic requirements?

2. Would it be more economical for the Fuel Center to procure petroleum products for periods of one year or longer rather than for six-months periods as at present?

3. Is it true that it is impossible for the military to estimate its requirements for petroleum products for more than six months in advance?

4. Are the procurement personnel of the Center adequately trained and experienced in the negotiation of supplies contracts?

5. Is there a sufficient number of personnel available to analyze cost, pricing and market data and is an analysis of such material being used effectively in the negotiation of supplies contracts?

6. Do the contract files contain adequate documentation as to the negotiations on which contract awards are based?

7. Do the contract files contain adequate documentation to substantiate that the prices accepted are fair and reasonable and in the best interests of the Government?

8. Is the Fuel Center continuing to use trade publications data as a major item in the substantiation of prices paid?

9. Are contracts being executed where the contract price escalates directly with prices quoted in trade publications?

Of course your opinion on any other procurement practices would be greatly appreciated.

If you have any questions on this matter, please contact Subcommitee Chief Counsel Howard J. Feldman.

Sincerely yours,
Henry M. Jackson,
Chairman.

Senate Permanent Subcommittee on Investigations,
Washington, D.C., April 24, 1975.
Hon. Frank G. Zarb,
Administrator, Federal Energy Administration, New Post Office Building, Washington, D.C.

Dear Mr. Zarb: The staff of the Senate Permanent Subcommittee on Investigations has been making inquiries into the procurement of petroleum products by the Defense Fuel Supply Center of the Department of Defense with particular emphasis on the procurement of jet fuel for military aircraft. The staff findings are contained in the enclosed study.

The study discloses that the military has been paying substantially higher prices for jet aircraft fuel than the domestic airlines since October 1973, although the military was paying substantially lower prices than the airlines before that date.

It was further found that during 1974 and the early months of 1975, there was some concern in the Defense Department that the major oil companies who supply jet fuel both to the military and to domestic airlines might be loading a disproportionate amount of "pass through" charges on to the prices which they were charging the Government. This might explain, at least in part, why the Government prices were so much higher.

Although some correspondence was exchanged between the Department of Defense and the Federal Energy Administration on this subject in 1974, nothing has been done to determine definitively whether the major oil companies are including more "pass through" charges in the Government's prices than in the prices of other customers for jet fuel. It is, of course, possible that this same situation exists for the other petroleum products which the Government purchases.

Accordingly, by this letter, I am requesting that an investigation be made by FEA to determine whether the major oil companies are loading more "pass through" charges on to the Government prices for jet fuel and other refined petroleum products as opposed to prices charged other customers for these products. I would also like to request that this investigation be expedited and that a report of your findings be sent to this Subcommittee by June 15, 1975.

If you have any questions on this matter, please contact Subcommittee Chief Counsel Howard J. Feldman.

Sincerely,
Henry M. Jackson,
Chairman.

Senate Permanent Subcommittee on Investigations,
Washington, D.C., April 24, 1975.
Hon. Edward H. Levi,
The Attorney General.

My Dear Mr. Attorney General: A recent staff study issued by this Subcommittee on the procurement of petroleum products by the military concludes that military buyers have overpaid for their oil purchasers.

The question of petroleum product pricing is indeed a complex one and, accordingly, I have written to the Federal Energy Administration requesting that they undertake an examination to determine whether prices charged the military by the oil companies were legal under the law and implementing regulations. Specifically, I have asked FEA to determine whether or not the major oil companies have disproportionately passed through to military higher costs for crude oil and other charges. If such costs were passed on to government purchases but not in accordance with the law, or regulations interpreting the law. I believe that the United States Government should seek to recoup these excess charges. To fully pursue this matter, I would like the Department of Justice to cooperate with the Federal Energy Administration, using all available resources to recover the taxpayers' monies.

Should you have any questions on this matter, please contact Subcommittee Chief Counsel Howard J. Feldman, who will be pleased to render any assistance.

Sincerely,
Henry M. Jackson,
Chairman.

Exhibit 2

Findings and Recommendations

The Department of Defense, through the Defense Fuel Supply Center of the Defense Supply Agency will purchase in fiscal year 1975 approximately $3.5 billion in petroleum products to service United States military forces throughout the world.

There are two ways to procure these

products. One is by advertised competitive bids. The other is by negotiated contracts.

By its very nature, the advertised bid method would generate competition and hopefully enable the government to obtain products at the most favorable price. Accordingly, ordinarily little or no cost or other data supporting the price of the winner of the competitive bid would be necessary.

On the other hand, negotiated contracts are the result of a give and take process between the government's contracting officer and the potential contractor. As such the contracting officer must be able to obtain backup data for the contractor's price—generally called cost or pricing data—in order to satisfy himself of the reasonableness of the price charged. Such requirements for supporting data are codified in the so-called "Truth in Negotiations Act" and in the Armed Services Procurement Regulations. Waivers of such requirements are to be made only in exceptional cases.

As of January 1, 1973, all bulk purchases of petroleum products by the Defense Fuel Supply Center were made by advertised invitations for bid and by public awards. However, in May of 1973, procurement moved to a negotiated basis. After the Arab embargo of October 1973 and the passage of the Emergency Petroleum Allocation Act in January 1974 these negotiated contracts were mandated.

Despite having procured products on a negotiated basis since May of 1973, DFSC did not request cost or pricing data from the oil companies until September, 1974. The oil companies refused to supply the data and an impasse resulted in December.

With the year drawing to a close and contracts running out, the controversy between the Department of Defense and the oil companies had reached the point that there arose the possibility that some petroleum supplies to the military might be interrupted. At this point the Subcommittee took an active role in assuring uninterrupted supplies as well as seeking an accommodation between the Department of Defense and the oil companies.

In the course of its activities Subcommittee staff began to make an intensive review of the petroleum procurement policies of the military. The following are the staff's findings and recommendations:

FINDINGS

1. The Defense Fuel Supply Center, prior to 1973, had established a policy of buying petroleum products and particularly jet fuel for military aircraft on a short-term basis by advertised bids. This was done to obtain the lowest possible prices. This policy contained inherent risks if short supplies and rising prices were encountered. The DFSC failed to recognize in 1973 that a market change in this direction was imminent and DFSC failed to plan or provide for such a contingency.

2. DFSC purchasing personnel were accustomed to handling advertised bids and had little training and experience in direct negotiations with suppliers. They were unprepared to negotiate with suppliers and thus obtain the lowest possible price for the government. Review of DFSC contract files by the Defense Supply Agency, the General Accounting Office and by the Subcommittee staff all disclosed a failure of DFSC personnel to document their price negotiations with suppliers as well as a failure to show how they determined price reasonableness. These conditions had been noted by the Defense Supply Agency in audits conducted in 1974 and before, and they continued throughout 1974. A General Accounting Office survey also found that in all contracts reviewed for the November–December period of 1973 the contracting officer had accepted the first price offered by the petroleum supplier with no apparent evidence of any real negotiations.

3. Audits by Defense Supply Agency had disclosed a long-standing deficiency in DFSC's operations in its failure to have available qualified personnel to perform analyses of cost and pricing data and market data for use in determining price reasonableness. This deficiency existed long before 1973 and continued into 1975.

4. Prior to the fall of 1974, DFSC had continually failed to require potential contractors to supply cost or pricing data under the Truth in Negotiations Act and the Armed Services Procurement Regulations and had consistently permitted contractors to avoid supplying such data by obtaining waivers for them even though the Act calls for such waivers only in "exceptional cases."

5. Prior to the fall of 1974, DFSC had erroneously determined fair and reasonable prices to a large extent from trade publications rather than requiring potential contractors to submit backup data as required by law. Audits of DFSC by the Defense Supply Agency had repeatedly criticized DFSC for their failure to get proper data directly from the supplier and for reliance on trade publications data. Trade publications data in many cases does not represent real transactions but only bid and asked prices. DFSC persisted in using trade publication data to justify prices in July 1974 even though it was specifically instructed by DSA earlier in 1974 that this procedure was not proper.

6. In 1974, the procurement of petroleum products by DFSC was governed by regulations and allocations of the Federal Energy Administration, but the personnel of DFSC failed to acquaint themselves with the regulations applicable to the purchases they were making.

7. DFSC did not attempt to obtain in 1974 specific information from either oil companies or from the domestic airlines as to quantities and prices of jet fuel sold by major oil companies to the airlines to compare with the prices the major oil companies were charging the Government. DFSC proceeded in July 1974 to award contracts based on trade publications without data from suppliers despite DSA's recommendations to the contrary.

8. The DFSC was aware as early as April 1974 that there was a possibility that the major oil companies might be loading a disproportionately heavy amount of "pass through" costs on to Government contracts. There was some communication between the Defense Department and FEA on this matter, but it was not properly resolved. Both FEA and the Defense Department have been negligent in not resolving this matter which was the key to how prices to the government were being calculated. It was not until March 1975, after the Subcommittee had expressed its interest, that FEA issued instructions to its field auditors to begin an investigation of how "pass through" costs were allocated to military jet fuel.

9. The DFSC failed in 1974 to press for and obtain data which the oil companies had supplied to FEA on crude oil costs. This data would have been useful to DFSC purchasing personnel in making a determination as to the reasonableness of prices offered by oil companies.

10. In the fall of 1974, when DFSC belatedly began to press for data from the oil companies which was required by law and was essential to determine the reasonable price of petroleum products, the oil companies refused to supply such data and placed the military in the position of either acceding to their demands or facing the threat of having oil supplies interrupted, especially to strategic overseas locations.

11. By asking for a blanket waiver enabling all companies to be relieved of supplying cost or pricing data for all contracts for the last six months of 1974 because it was too late and the companies would not cooperate, DFSC was negligent in performing its responsibilities and ignored the statutory mandate to grant waivers only in "exceptional cases" since it had been aware of this requirement for some time and had failed to timely request the companies to comply with the provision.

12. The failure of DFSC to provide protection in advance of heavy price increases; the failure of DFSC to attempt to inform itself as to comparable prices of jet fuel purchases by airlines; the failure of both FEA and DFSC to press vigorously for a determination as to whether DFSC's prices contained an excessive amount of "pass through" charges; and the general failure to obtain supporting data to determine the reasonableness of prices charged the government has cost the government millions of dollars in its purchases of jet fuel.

13. Information furnished to the Subcommittee indicates that substantial reductions in prices of jet fuel were received by DFSC from the major oil companies in January 1974. No specific reasons for this reduction were advanced. The controversy over the submission of cost and pricing data and the continuing interest of the Subcommittee may have had some effect on the negotiations which resulted in these reductions. DFSC informed the Subcommittee that after the Subcommittee expressed its interest, previous offers made by supplies were reduced by $32 million.

RECOMMENDATIONS

The audits by DSA, GAO and by the Subcommittee staff disclosed the continuing existence of long-standing deficiencies in procurement practices such as failure to forcecast and plan for significant market changes; failure to have qualified personnel trained in negotiation techniques and for cost, pricing and market data analysis; failure to properly document contract negotiations; and failure to obtain and report proper data to document the reasonableness of prices accepted which have cost the government millions of dollars. Therefore, it is recommended that:

1. GAO conduct a thorough examination into the procurement practices at the Defense Fuel Supply Center to determine what is being done to eliminate these long-standing deficiencies and improve procurement procedures.

2. The Federal Energy Administration make a full and complete investigation into whether the major oil companies were and are presently charging disproportionate amounts of "pass through" charges to government contracts.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 319

At the request of Mr. Talmadge, the Senator from Arkansas (Mr. Bumpers) was added as a cosponsor of S. 319, a bill to provide a natural gas priority for fertilizer and farm chemical producers.

S. 872

At the request of Mr. Hatfield, the Senators from Michigan (Mr. Philip A. Hart and Mr. Griffin) were added as cosponsors of S. 872), a bill to amend title 39, United States Code, to provide that certain State conservation publications shall qualify for second-class mail rates.

S. 1219

At the request of Mr. INOUYE, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of S. 1219, the child care deduction legislation.

S. 1220

At the request of Mr. INOUYE, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of S. 1220, a bill to amend the Social Security Act.

S. 1502

At the request of Mr. RIBICOFF, the Senator from Minnesota (Mr. MONDALE) was added as a cosponsor of S. 1502, the unemployment loan extension bill.

SENATE JOINT RESOLUTION 65

At the request of Mr. INOUYE, the Senator from Colorado (Mr. HASKELL), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from Utah (Mr. Moss) were added as cosponsors of Senate Joint Resolution 65, to authorize and request the President to call a White House Conference on Women in 1976.

SENATE CONCURRENT RESOLUTION 29

At the request of Mr. CURTIS, the Senator from Wisconsin (Mr. NELSON) was added as a cosponsor of Senate Concurrent Resolution 29, expressing the sense of Congress regarding the annexation of the Baltic nations.

AMENDMENT SUBMITTED FOR PRINTING

TRANSFER OF CERTAIN LANDS IN MONTANA—S. 252

AMENDMENT NO. 382

(Ordered to be printed and referred to the Committee on Interior and Insular Affairs.

Mr. METCALF. Mr. President, in the past Senator MANSFIELD and I have jointly introduced a private bill to quiet title on some Montana land in the name of August Sobotka and Joseph J. Tomalino. This year my distinguished colleague, Senator MANSFIELD, introduced a bill for this purpose, but the description of the land is incorrect. I concur in urging prompt action on this legislation and submit an amendment to S. 252 to correct the description.

NOTICE OF HEARING

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Monday, May 5, 1975, at 10:00 a.m., in room 2228 Dirksen Senate Office Building, on the following nomination:

William H. Stafford, Jr., of Florida, to be U.S. district judge for the northern district of Florida, vice David L. Middlebrooks, Jr., resigned.

Any persons desiring to offer testimony in regard to this nomination, shall, not later than 24 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

The subcommittee consists of the Senator from Arkansas (Mr. MCCLELLAN); the Senator from Nebraska (Mr. HRUSKA) and myself as chairman.

NOTICE OF HEARING

Mr. CANNON. Mr. President, I wish to announce that the Committee on Rules and Administration will hold a hearing on Wednesday, April 30, 1975, commencing at 2 p.m., in room 301, Russell Senate Office Building, on Senate Resolutions 60 and 110, introduced by Senator MIKE GRAVEL, and others, and relating to additional personal staff for Members of the Senate to assist them with their committee responsibilities. Any Member wishing to testify should contact William M. Cochrane, staff director, on extension 4-0275.

NOTICE OF HEARING ON FUTURE DIRECTIONS IN SOCIAL SECURITY

Mr. CHURCH. Mr. President, I wish to announce that the Senate Committee on Aging will conduct a hearing on "Future Directions in Social Security" on May 1, at 9:30 a.m., in room 6226 of the Dirksen Senate Office Building.

The hearing will focus on the operations of the supplemental security income.

Senator KENNEDY, who is keenly interested in the effective administration of the SSI program, will preside.

ANNOUNCEMENT OF HEARING

Mr. ROTH. Mr. President, I wish to announce that the Subcommittee on Intergovernmental Relations of the Government Operations Committee will hold hearings in Wilmington, Del., on May 5. The hearings, third in a series on the State and local effects of proposals to reduce energy consumption and increase energy resources, will begin at 9:30 a.m. The subcommittee has scheduled a full agenda of witnesses including the Governor of Delaware and numerous other officials. The hearings will be especially timely and helpful to the Congress in soliciting views on the local effects of various national energy policy proposals.

NOTICE OF HEARINGS

Mr. JACKSON. Mr. President, I want to bring to the attention of the Senate and the public that the hearing scheduled on April 30 to consider the nomination of Stanley K. Hathaway to be Secretary of the Interior will begin at 9:30 a.m. instead of 10 a.m. as originally scheduled.

Also, in accordance with the rules of the Senate Interior and Insular Affairs Committee, I wish to advise my colleagues and the public that the following hearings have been scheduled before the committee for the next 2 weeks:

April 29: Full committee and national fuels and energy policy study, 10 a.m., room 3110, hearing. Title III, re powerplant siting, of S. 984, Land Resource Planning Assistance Act, and S. 619, Energy Facilities Planning and Development Act.

April 29: House-Senate conference, 2 p.m., Room S221, Capitol, H.R. 25, surface mining legislation.

April 30: Full committee, 9:30 a.m., room 3110, hearing. Nomination of Stanley K. Hathaway to be Secretary of Interior.

May 1: Indian Affairs Subcommittee, 10 a.m., room 3110, hearing. Information hearing re Indian housing.

May 2: Environment and Land Resources Subcommittee, 10 a.m., room 3110, hearing. S. 984, Land Resources Planning Assistance Act, and S. 619, Energy facilities Planning and Development Act.

May 5: Energy Research and Water Resources Subcommittee, 10 a.m., room 3110, hearing. Information hearing on automotive research and development.

May 5: Senate Interior Committee and Public Works Committee, 10 a.m., room 4200, joint hearing. H.R. 3787 and H.R. 3130, re court decision relating to highway construction and environmental impact statement matter.

May 6: Minerals, Materials and Fuels Subcommittee, 10 a.m., room 3110, hearing. S. 391, to amend Federal Coal Leasing Act of 1920.

May 6: Full committee, 2 p.m., room 3110, hearing. Nomination of Philip C. White to be an Assistant Administrator of Energy Research and Development.

May 7 and 8: Minerals, Materials and Fuels Subcommittee, 10 a.m., room 3110, hearing. S. 391, to amend Federal Coal Leasing Act of 1920.

May 9: Indian Affairs Subcommittee, 9:30 a.m., room 3110, hearing. S. 1327, submarginal lands bill.

May 9: Environment and Land Resources, 10 a.m., room undetermined, hearing. S. 393, Montana Wilderness study area bill.

May 12: Parks and Recreation Subcommittee, 10 a.m., room 3110, hearing. S. 82, to repeal certain provisions of the act for the establishment of Assateague Island National Seashore; S. 98, to establish the Klondike Gold Rush Park; S. 150, to construct an Indian Art and Cultural Center; S. 313, to authorize exchange of lands at Guadalupe Mountains National Park; and S. 466, to establish Franklin D. Roosevelt National Historic Site.

ADDITIONAL STATEMENTS

HANDGUN REGULATIONS

Mr. BUCKLEY. Mr. President, the ever-rising crime rate in our urban areas has resulted in renewed demands that we pass strict legislation designed to control the availability of handguns. These demands are, of course, understandable because the connection between handguns and violence is graphic and direct.

I cannot, however, accept the argument that the solution is as simple as some would have us believe. I presented my own views on the subject in testimony submitted last week to the Subcommittee to Investigate Juvenile Delinquency. I ask unanimous consent that my testimony be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY BY SENATOR JAMES L. BUCKLEY

Mr. Chairman, I appreciate the opportunity to express my views on the issue of gun control. I share the alarm of all Americans over the increasing rate of crime in our country. Each day news reports bring additional justification for the public's fear of walking the streets at night and, in some communities, of being alone at home during the day. Parents wonder if their children are safe playing in neighborhood parks and recreational centers. All too often, the answer is that they are not.

Congress is again faced with the responsibility of responding to the public's concern for personal protection and security. In doing so, however, the Congress should be careful not to restrict unduly the liberties of all Americans in halting the crimes committed by a small minority among us. Instead, the attention of the Congress, and specifically to this committee, should focus upon the innocent, the helpless, the aged and the weak. The time is long overdue for the legislators to react strongly as their constituents against those who, by endangering the well-being of individuals, endanger as well the very fabric of our free society.

The American people have been outraged by the way terrorist groups around the world have acted as if they are immune to governmental reprisals against their barbarism. But the same attitude of immunity prevails among street criminals in our own land. They know that, if they are apprehended for their crimes, there is a strong chance that a lenient court will treat them as the unfortunate victims of their environment, rather than as perpetrators of deliberate evil. In other words, we have minimized the risks involved in committing a crime. Like most New Yorkers, I believe that our emphasis must now be upon the punishment of criminal conduct, rather than the prohibition of the possession of firearms.

Some latter-day authorities on the Constitution claim that the Second Amendment to that neglected document refers only to the right of an organized militia, rather than private individuals, to bear arms. That is not my view, and I am glad to say it was not the view of those who framed that amendment. At the time of the adoption of the Bill of Rights, this country's statesmen were concerned with the need to protect citizens from government itself, and the passage of almost two centuries has not negated the validity of this concern. The fact that Article I, Section 8, clause 16 of the Constitution grants Congress the power to organize, arm, and discipline the militia clearly indicates a quite different intention for the Second Amendment. Moreover, several of the state constitutions, newly drafted during the period of the early Republic, specifically mentioned the right of the individual to own arms. If the framers of the Constitution truly wished to protect citizens from the potential tyranny of any strong, centralized government, they could not also have intended to disarm citizens, who would then have been helpless to resist the very kind of usurpations which the Founding Fathers hated and feared.

I hate to think of the present-day consequences of the disarmament of the American people. Gordon M. Johnson, Chief of Police in Minneapolis, in an article in the Manchester Union Leader, January 3, 1974, declared:

"Police forces were never designed to provide general personal security; that reliance has of necessity rested with the people. Who provides protection before the squad car arrives?"

In an interview with a Human Events reporter, published March 22, 1975, the former Chief of Police for Los Angeles, Edward M. Davis remarked:

"If we didn't have a pro gun lobby, we would be completely disarmed by now. Frankly, I'm not going to give up my guns until government can assure me that I will be protected from the blood thirsty killers turned loose by the courts. Any individual who wants my guns will have to come and get them the hard way."

I am sure that millions of Americans share the sentiments of former police chief Davis. Can our government provide for adequate protection of all its citizenry without taking on many of the characteristics of a police state? I think not. We will not control the criminal use of guns by disarming the law-abiding.

Mr. Chairman, this country will never achieve justice and domestic order until the penalty for criminal conduct becomes commensurate with the evil it has caused. I have long advocated mandatory penalties for any felon who commits a crime while in possession of a firearm. I am a co-sponsor of Senator Domenici's bill, S. 216, which would do just that. It mandates imprisonment of not less than 1 year and not more than 10 years for a first offense, and not less than 2 years nor more than 25 for a second offense with a gun. In addition, probation would not be permitted. It therefore provides the kind of assured penalty that will discourage criminals from carrying guns under circumstances when they may be tempted to use them. Moreover, the penalties here stated could not run concurrently with any other sentence. It is my firm belief that only legislation such as that which Senator Domenici has proposed can really come to grips with the criminal use of guns that has made America a nation of fearful victims.

Mr. Chairman, I would like to address myself specifically to proposals recently made by the Attorney General regarding the Federal regulation of handguns. While I share Mr. Levi's concern for the crime rate and for the apparent inability of Federal law enforcement efforts to reduce it significantly, I find his proposals to be faulty in their conception, erroneous in their assumptions, and unworkable in their application.

As I understand Mr. Levi's plan, it provides for virtually gun-free zones in various metropolitan areas of the country, depending upon their level of population, their crime rate, and the rate of increase in their crime rate. A certain formula, as yet to be worked out, would automatically trigger the provisions of the law, making them applicable to an area when its crime rate hit a certain level. Thereafter, the possession and sale of firearms and ammunition would be severely limited. In fact, they would be almost impossible to obtain.

The plan is shot through with loopholes. In the first place, it is at best misleading to think that the Attorney General's proposals would apply only to large cities. When suburbanities, and even the residents of rural counties on the far fringes of large cities, discover that the Census Bureau and the Office of Management and Budget have included their communities in the definition of "metropolitan areas," they will also find themselves brought under Mr. Levi's proposals.

Moreover, although the plan professes to safeguard the interests of sportsmen and members of gun clubs—by allowing them the right to fire their weapons at properly licensed gun ranges—it also would require them to store their weapons at properly licensed arsenals. We can imagine the scenario. Law-abiding citizens, having registered their guns, must leave them at their gun club's vault, if that vault passes federal inspection and meets federal standards. Then, when criminals raid the vault and add those guns to their private stockpiles, the Department of Justice would presumably investigate the gun club to see if the theft was due to their negligence or oversight. This is not meant to be a humorous matter; it is all too likely to actually happen.

The fatal flaw in the Attorney General's plan, as the Washington Post pointed out in a recent editorial, is that it cannot prevent gun-running between those areas covered by the plan and those in which the possession of firearms would still be left to state jurisdiction. In short, the plan would not work, could not work, unless it were eventually extended to the entire country; and even then it is hard to believe that anything short of repeated house-to-house searches would flush out even a fraction of the millions of handguns now in private hands.

Let us face the facts, Mr. Chairman. Let no one be deluded on this point. The Attorney General's nicely crafted proposals not only would not deprive criminals of their guns, but before this decade is out, it would mean the end of legal private ownership of handguns in America, at least on the part of those law-abiding citizens whose right to bear arms should not be impaired.

In conclusion, Mr. Chairman, I repeat again what should not need repetition: the American people are frightened for their safety and security. Because our criminal justice system seems not to be protecting them, they are purchasing firearms for their own defense. Who can blame them? They are convinced, and rightly so, that their government is not taking adequate measures to bring criminals to justice. They have therefore realized that they must themselves guarantee their own safety. It is a lamentable state of affairs, but denying those facts will not change them.

THE NATO ALLIANCE

Mr. STENNIS. Mr. President, in the wake of recent unhappy events in Southeast Asia, there is an understandable tendency to review our worldwide situation and our overseas military commitments.

I refer particularly to the value of our NATO alliance. This has been the most important and the most successful treaty in our post-World War II history. Despite stresses and strains, it has proved to be a highly successful post-World War II policy both for us and our European allies. It has worked, and worked well, in deterring Communist expansionism in this key area of the world.

I want to say to my colleagues, and to the American people as well, that we should not let the adverse developments in Southeast Asia disturb and affect us to the point that our confidence in NATO is undermined. Even though a review of our commitments is always in order, we cannot draw back and try to go it alone.

The key point is that, in the face of the strength of Russian arms, the military alliance between the United States and Western Europe is just as necessary for our mutual security as it ever was. The fact is that militarily, we need our NATO allies and they need us. Bitterness over our role in South Vietnam and Cambodia is no justification for scuttling or jeopardizing the most successful alliance we formed at the end of World War II.

Some headway has been made in readjusting our military forces in Western Europe. Some U.S. expenditures have been saved. We have carried more than our part of the load at times and must insist that our allies there continue to increase their contribution. The Mutual Reduction of Armaments Conference shows more promise and I believe there is a real chance for sound accomplishments this time. All chances for achievements there would be lost if we make unilateral reductions, or wavered in any way.

Mr. President, the need for NATO was the prime reason why I felt that, on the Cyprus question, we should not tie the President's hands but should give him ample room to negotiate with Greece and Turkey, both members of NATO. If the differences between them cannot be worked out, then the southeastern flank of NATO could come apart at the seams and the whole NATO structure could be put in jeopardy.

I say again, Mr. President, that NATO has been an outstanding military and diplomatic success story for more than a quarter of a century despite some rough going along the way. Let us not let public disillusionment with respect to other events in which we were involved cause us to take any actions which will undermine or destroy it.

To the contrary all Members must keep it alert and vigorous.

WASHINGTON STRAIGHT TALK

Mr. CHURCH. Mr. President, it was recently my pleasure to be interviewed at length by correspondent Paul Duke on "Washington Straight Talk," a production of the National Public Affairs Center for Television. I ask unanimous consent that the transcript of that interview be printed in the RECORD.

There being no objection, the transcript of the broadcast was ordered to be printed in the RECORD, as follows:

WASHINGTON STRAIGHT TALK

ANNOUNCER. Senator Frank Church, Democrat of Idaho, a key member of the Senate Foreign Relations and Interior Committees, and Chairman of the Senate Select Committee on Intelligence activities. Tonight . . . on Washington Straight Talk . . . Senator Frank Church is interviewed by NPACT Correspondent, Paul Duke.

PAUL DUKE. Senator Church, with President Thieu stepping down in South Viet Nam, do you think this means peace is coming at last to South Viet Nam?

Senator FRANK CHURCH. It means the war is finished. The cause is lost. It probably means that with the final evacuation of the Americans, the Vietnamese will now take charge of their own affairs and that some terms of surrender will be worked out and Saigon will be spared destruction.

DUKE. You mean that we will now have a negotiated settlement?

Senator CHURCH. Yes, you can call it that, but if this is straight talk, I'd call it surrender. However, the terms of the surrender might very well make some provision for the safe passage of those Vietnamese who feel endangered and who may wish to leave. That happened, you remember, after the French surrender following Dien Bien Phu—those that had sided with the French were given 90 days to leave North Viet Nam; now perhaps those South Vietnamese who sided with the United States could be given a safe passage.

I hope that happens because that's the only way that it's possible to accommodate the numbers that President Ford has talked about. He has spoken of as many as 175- or 200-thousand endangered Vietnamese who they wished to leave.

Obviously there's no way that we can extricate that number. We can't set up a rescue mission. All the talk about using the military forces for this purpose is clearly unrealistic. If they come out, they'll come out on the basis of an agreement that's reached with the North Vietnamese.

DUKE. You said the other day that you don't think any American troops should be used to help rescue the South Vietnamese who have worked with us for so long. Don't we have a moral obligation to exert every kind of means possible to help those people get out?

Senator CHURCH. Yes, but I want possible means, means possible, possible means. Why talk about the use of American troops to rescue 175-thousand people—that would mean establishing a perimeter, opening a new theater of war, thousands of more casualties, prisoners of war, all the rest.

It would mean a Dunkirk-like evacuation, and it would take a very large American army and a brand new war. Now no one is for that, not even President Ford, so let's not talk about that. Let's talk about possible means. And as I say, the possible means for bringing out these people is an agreement reached now with the victors, which would permit their withdrawal.

It did happen after the French withdrawal, and it's possible that now with Thieu's resignation, that such an arrangement can be worked out again.

DUKE. Well, are you suggesting that, given the circumstances as they now exist, with President Thieu gone, that this government should stop talking about additional military aid to try to save Saigon and should put all the emphases on trying to work out some arrangement with the Communists to prevent Saigon from being taken by military force, and to permit the evacuation of as many South Vietnamese as possible. Is that what you're really saying our policy should be from now on?

Senator CHURCH. Yes, that's what I'm saying—let's stop the old shell game, and everyone else knows, why don't we finally level with the American people and stop talking about stabilizing the military situation or another dose of military aid, three-quarters of a billion dollars, it's past time for such posture.

DUKE. Well now Senator, some Democrats are even going further and are suggesting that perhaps we should hold out a hand to the North Vietnamese, proposing to give economic aid to them to help to rebuild the entire country of Viet Nam. How do you feel about that?

Senator CHURCH. I just don't think that's realistic either. I wouldn't jump that far in the other direction. I'd rather doubt that the North Vietnamese want us around any more. I really think they want us out of their country.

They've fought now for ten years to reunite the two halves of Viet Nam. Clearly they have had the support of the greater part of the Vietnamese people. They have been able to instill in them the kind of fighting spirit that in the end prevailed. This has been a long civil war, however differently we wished to describe it, or however differently we conceived it. It has, in fact, from the beginning been a civil war between the Vietnamese people, and it's has been won by the North. Not surprisingly, because after all Ho Chi Minh was the George Washington of Viet Nam. He was the architect of national independence, the leader of the struggle against the French, and his forces were more closely identified in the eyes of the Vietnamese people with this indigenous struggle for independence than the faction that we chose to support.

And so the cause has been lost, and the sooner that we recognize this and begin to draw the right lessons from Viet Nam, the better. I'm afraid that a lot of wrong lessons are being drawn. And we must not go through this terrible ordeal with all of the sacrifice that's been entailed, and then fail to learn the lessons.

DUKE. Well, learn the lessons or not, Vice President Rockefeller was suggesting last week that what has happened has the makings of a political issue. Are we now going to be in for a political bloodbath of recriminations here at home?

Senator CHURCH. Oh, it's possible. I hope not. And I rather suspect that it won't happen, because I think that the American people have followed this war long enough and are sufficiently well aware of what has happened out there, not to be taken in by that kind of a divisive political bloodletting in this country.

There's a natural tendency of course, to always point the fingers. Politicians are good at that. President Thieu this morning when he resigned pointed the finger of blame at Henry Kissinger and said if hadn't have been for the peace deal that Nixon and Kissinger worked out, none of this would have happened.

Henry Kissinger is pointing the finger of blame at the Democratic Congress, saying that it's failure to grant the eleventh hour requests of the President is the cause.

The President himself doesn't know quite who to blame. He seems to be ambivalent. But actually, you know, we ought to avoid this. The country can't stand another period of recrimination over this war. The Ford administration is not to blame for the fall of South Viet Nam. The Congress is not to blame. The American people are not to blame. No time in history has one country done more for another than we've done for South Viet Nam during the past ten years.

DUKE. Well, who is to blame? Somebody must be to blame?

Senator CHURCH. What's to blame was the mistake in the policy. It's been a flaw from the beginning. The notion that the United States as a Western power could intervene successfully and control the politics of an Asian country—that's the basic mistake in this understanding of the historical tides that have dominated Asia since the end of the Second World War.

Asia is for the Asians. And just as the European countries have had to give up their effort to control Asian affairs, so the United States is going to have to give up its efforts. That's the chief lesson to be learned from Viet Nam. Asia is for the Asians, and it's no longer possible for us to control the politics of that part of the world.

DUKE. As you know Senator, we're now having something of a great debate building up in this country about the course of our foreign policy in the future. What kind of foreign policy do you think we must now rebuild in the wake of the Viet Nam disaster?

Senator Church. Well I think that we have to learn that there are very definite limits to what we can do in the world in having our way. And it's very healthy that we should learn this before we bankrupt ourselves completely in a series of Viet Nams.

There's no reason, for example, why the United States must maintain a military presence on the Asian mainland.

Duke. Now let me ask you on that point—when you refer to the Asian mainland, do you include Korea, do you include Taiwan, do you include Japan?

Senator Church. No, I refer to the mainland itself. I have been arguing for the past twelve, fifteen years, nearly from the time when I first came to the Senate, that the American line of defense in the Pacific ought to be the Pacific itself, because our military strength consists primarily of naval and aerial strength. We can't match the Asians in foot soldiers.

And therefore, it would make sense to draw a line that is comparable to the kind of military strength we possess. Now the Pacific Ocean is the largest moat that God has placed on this earth. It's 8,000 miles wide. It certainly ought to be sufficient for purposes of American security.

But to insist that move beyond the Pacific, and actually establish military beachheads on the Asian mainland in places like Korea, in places like Thailand, and of course Southeast Asia, is not only enormously costly as we have discovered, but it is self-defeating.

And furthermore, there's no reason why the United States must possess these military beachheads in Asia. Asia is quite different from Europe. If we were entirely out, if we withdrew our remaining forces from the mainland of Asia, a natural equilibrium of power would develop between the Chinese, the Russians, the Indians, the Indonesians, the Japanese, that equilibrium of power can exist in Asia without the necessity of maintaining our military forces on the mainland.

Duke. Let me ask you more specifically, would you go as far as Senator Mansfield, the Democratic leader in the Senate, who says that we should withdraw our forces from Korea, from Taiwan, that we should, instead of being a three-ocean Navy, be a two-ocean Navy now, getting out of the Mediterranean almost in effect, and also substantially reduce our military force in Europe, which would be a rather sizable pull-back of American power.

Senator Church. I would say we should start on the Asian mainland. I quite agree, as I've already indicated, that we should withdraw our forces from the mainland. That would include Korea, and it would include Thailand.

Secondly, I would not insist on trying to convert the Indian Ocean into an American lake. It never has been that, and doesn't have to become that.

With respect to the Mediterranean and Europe, I would go very cautiously because Europe is more closely connected with America's security and economic well-being than these other places we've discussed. I do think, however, that we should not remain wedded to the notion that a fixed number of troops must remain on station in Europe. We've been much too inflexible in that regard. However, a general pull-back from Europe and the Mediterranean I would not endorse.

Duke. Well, Senator, isn't all of this discussion and talk here at home bound to have repercussions abroad. For example, last week we had a West Germany leader who said he was not at all certain that if West Berlin were attacked that America would come to its defense.

And Henry Kissinger, taking note of the fact that Congress has been increasingly aggressive in its assertion on foreign policy, said only last week as well, and I would like to quote what he said, he said, "Congress has taken actions which have paralyzed our policies in the Middle East, weakened our hand in dealing with Russia, and inhibited our dialog in this hemisphere."

Now are you at all concerned that Congress, feeling its foreign policy oats, may be going too far?

Senator Church. Well, I think that Mr. Kissinger has gone too far in his indictment. It's extravagant, emotional, and it's not really accurate. What is he referring to?

Let's look at his various . . . let's break that down for a minute. Would you go over it. . . .

Duke. Yes, he says that "Congress has paralyzed our policies in the Middle East" for one.

Senator Church. Well now, he must have reference there to Cyprus since the Congress has interfered in no way with respect to his effort to negotiate between the Israelis and the Arabs.

If he has reference to Cyprus, he's talking about a Congressional ban against further military aid to Turkey. Now there was a good reason for that ban. Turkey violated its solemn pledges with the United States and used *our* weapons that we had supplied Turkey to invade Cyprus, another ally of the United States, the Greeks. And so Congress said we'll give no further arms until a peaceful settlement is achieved in Cyprus. That's not entirely unreasonable.

How does the Secretary want to achieve that peace? Well, if you listen to him and the President, you'll find they want to buy the peace; they want to pay the Turks on the one hand, and the Greeks on the other hand, to settle the Cyprus affair.

Now that may be policy by grand design, but it's known as a "pay-off" in less stately terms. And there's a strong suspicion in the Congress that the United States ought not to pay both these countries to settle the Cyprus dispute.

Now, the next indictment . . .

Duke. He said that "you've weakened the Administration's hand in dealing with Russia."

Senator Church. Well, how have we weakened the Administration's hand there? We have put one restriction, that is to say, no more than 400 million dollars of American credit to help in the economic development of the Soviet Union without coming back to Congress and getting Congressional consent.

Now I don't think that's so unreasonable, particularly when you consider that they're thinking about underwriting the development of a seven billion dollar project to develop natural gas in the Soviet Union, under arrangements that would be very risky from the American point of view.

So here again, Congress, I think, has simply put a prudent restriction on the use of money in the Soviet Union and asks the Administration to come back and make a case if it wants more. I don't think that's unreasonable.

Duke. Do you think that Kissinger has outlived his usefulness?

Senator Church. I think that Kissinger is a very skillful negotiator and a very able man. I think that we put too much emphasis, however, upon the man that holds the position and too little emphasis upon the policy.

Now it wouldn't make any difference at all if Kissinger were dismissed tomorrow if the man who replaced him was an adherent of and an advocate of the same policy. And remember, the last half dozen American presidents have all been serviced by the same fraternity of foreign policy advisors. Now unless you get a man that's going to change the policy, it doesn't much matter whether Kissinger leaves or stays.

Duke. But do you think he should go? Do you think that at this point in time . . .

Senator Church. . . . Not if he's going to be replaced with another Kissinger. What difference does it make? You see, that's my whole point. We ought to be talking about changes in American foreign policy, and not about the people. . . .

Duke. Well then if we change the . . .

Senator Church. . . . who hold the positions, as long as the policy remains the same.

Duke. But if we do change the foreign policy, then obviously you feel Kissinger must go.

Senator Church. Yes.

Duke. He couldn't administer the new foreign policy.

Senator Church. That is true, and I think the policy should change.

Duke. So you think Kissinger should go?

Senator Church. If he's replaced by someone who will change the policy. You've got to look at both sides of this coin.

Duke. Senator, the other hat you're wearing these days is that of being Chairman of the Senate's new special investigation of the CIA. On the basis of what you now know, has there been a widespread pattern of abuse of authority by the CIA?

Senator Church. There has been abuse, how widespread it's been we haven't yet had a chance to determine; we're just at the early stages of the investigation. But clearly, there have been violations of the law, not only respecting the CIA but the FBI as well.

We expect to look thoroughly into the whole intelligence community, and I'll have a better idea as to how widespread these transgressions have been by the time we finish our investigation.

Duke. But you don't know how widespread they are at this point?

Senator Church. Not yet.

Duke. We've been told that the CIA planned and carried out political assassinations. Is that a legitimate activity of the CIA?

Senator Church. First of all, we don't have evidence that such assassinations were carried out, and we don't know yet whether they were really planned in any formal way. We'll be looking into that question.

As to whether it's a legitimate activity, of course it's not a legitimate activity. No agency of the Federal Government can be licensed to commit murder. And it doesn't matter whether or not they act under the President's orders; the President of the United States is not a glorified godfather. And we can't permit murder to be an instrument of our national policy in times of peace.

Duke. We keep having recurring reports that the CIA in some fashion was involved in the assassination of John Kennedy in Dallas in 1963. Is this one of the things you're going to seriously look at?

Senator Church. We'll look at it very seriously if we find any evidence that in any way substantiates that charge. I'd have to answer the question that way.

Duke. But at this point you just don't know how much you'll get into it then, unless you get evidence, is that what you're saying?

Senator Church. Of course, that's what I'm saying. If we have no evidence to pursue, naturally we're not going to be able to develop that as a focal point of our investigation. We will go where the evidence leads.

Duke. Senator, we know by the CIA's own admission, that they have destroyed innumerable documents and papers which could be very important to your investigation. How can you possibly get to the bottom of all the things the CIA has done, knowing that they have destroyed potentially important material?

Senator Church. Well, we'll do the best we can. We have the right to interrogate CIA employees, both past and present, we'll go to such sources, basic sources of the information as we can find, we'll try to piece together what has happened as thoroughly as time permits, and do everything we can to find out what the truth may be of the charges that have been leveled against this agency.

Duke. But it does mean, doesn't it, that you may not necessarily get to the truth about the CIA?

Senator Church. It is possible. I can't guarantee it. I can only guarantee that we'll do the best job we can with the evidence that is available.

Duke. As you know, there's another commission that was set up by President Ford, investigating the CIA, headed by Mr. Rockefeller. And some people, some critics have suggested that this group was set up primarily to protect the CIA and in the process it may suppress certain material which could be used by your investigators. Are they cooperating with you? Do you share that fear?

Senator Church. Well, first of all I think that the Rockefeller Commission will have to be judged on its findings and its general performance, and I think that it's going to wrap up its investigation by the end of May. And then the public can reach its own judgment.

However, we will be seeing—when I say we, I mean Sen. Tower and I—we will be visiting with Vice President Rockefeller very soon, and we're going to ask him to supply all of the evidence and the testimony, the transcripts, everything that has been accumulated by his commission, so that we may have the benefit of all of that in connection with our own investigation.

Duke. One of the members of your committee, Republican Senator Howard Baker, said the other day that you can't possibly do a thorough job unless Richard Nixon testifies. Are you going to call him as a witness?

Senator Church. Well, the committee hasn't yet decided what the focal points of the investigation will be. It's such a large mandate that we're going to have to narrow down on certain focal points. If one of those relates to subject matter that would require President Nixon as a witness, I would have no hesitation in recommending to the committee that he be called.

Duke. Senator, you said some time ago, that in a free society, intelligence activities must be carried out according to strict rules, very high standards. But isn't it unrealistic to expect that this can occur? Isn't spying really a dirty business by its very nature, which can't be carried out by gentlemanly rules?

Senator Church. Well, let's be clear about what we're talking about. When the CIA was set up it was set up to spy on countries that might become enemies of the United States, that is to say its spying was to be done abroad, not at home. And it is a dirty game, and that's why special precautions were taken at the time to see to it that the dirty game was not turned by such an agency upon the American people, and that the CIA did not become another Gestapo or KGB. That is terribly important if we're going to keep a free society.

And one of our particular interests in this investigation is to look at the ways that the CIA might have disregarded this prohibition in the law and turned its spying inward on the American people.

After all, what is it set up for in the first place, save to protect a free society from its enemies abroad. And we must be very careful that such an agency does not become a secret police and become a menace to the very freedom it's supposed to be protecting.

Duke. You headed the Senate Foreign Relations Subcommittee which investigated the oil situation a few months ago. The Democrats in Congress still seem to be floundering on developing some kind of oil policy. Your subcommittee recommended a 15% cut in oil consumption and turning to gas rationing if necessary. Do you still stand by that?

Senator Church. Yes, I stand by it. I think that we have to reduce our imports of foreign oil, not only because of the expense that's involved, which is one of the reasons for our serious inflation that persists despite high unemployment, but also to reduce our dependence upon uncertain foreign sources. After the Arab embargo we've been forewarned of the need to become more independent in our fuel supplies.

So I do stand by that. I think that we should reduce our imports as we effect savings in this country as we shift from oil to other sources of fuel and as we manage to conserve gasoline. And I think that's the key—it's the automobile and the need to emphasize more efficient automobiles in the future.

But as we reduce our consumption, then I think we should translate that reduction into quotas that will reduce our importation of foreign oil.

Duke. Senator, as a rising Democratic voice in Congress, are you going to run for President?

Senator Church. I've put off any decision on that score until after this investigation that I head up is completed because I just can't mix any possible involvement in presidential politics with . . .

Duke. Well, that sounds like you are planning to run.

Senator Church. I don't know where this investigation will bring me out—it's been called a Kamikaze mission, it's been called a mine field, and until I'm through that mine field I've just set aside any thought of presidential politics.

Duke. But you think you could get through the mine field to the White House?

Senator Church. Well, the future will speak.

Duke. Well, we'll talk to you in the future then. Thank you for coming here and talking with us tonight, Senator Church.

Senator Church. Thank you. It's been my pleasure.

Announcer. Washington Straight Talk. From Washington NPACT has brought you Democratic Senator Frank Church of Idaho, with NPACT correspondent Paul Duke.

Production funding provided by Public Television stations, the Ford Foundation, and the Corporation for Public Broadcasting. This has been a production of NPACT, a division of GWETA.

ARMENIAN AMERICANS

Mr. BUCKLEY. Mr. President, many Americans of Armenian descent marked April 24 as a day of mourning for those who perished at the hands of the Turks during one of the most brutal periods of the history of that region. It is estimated that over 1½ million Armenians perished during the 25 years of persecution by the Turkish Government, and estimates of those who died during forcible deportations add possibly another million individuals to that grim figure.

On this date in New York City, a series of assemblies were held to commemorate this tragic event. I believe that it is vital to recall this episode along with other experiences we have known in the 20th century, for this directs the attention of the world to a brutal example of man's inhumanity to his fellow man.

I wish at this time to extend to all of my Armenian-American constituents and to all other Armenian-Americans in the United States my thanks for keeping the memory of their past sufferings alive, and my prayers that, through their actions, such a persecution will never again be allowed to happen. We wish to be reminded of past tragedies so that we may remain determined to prevent others in the future. We owe the Armenian-American community a great debt for this reminder of our own blessings, and of the obligation we owe to others less fortunate than we during periods of great suffering.

I ask unanimous consent that there be printed in the Record an article from the New York Times which details some of the activities which took place in New York on April 24.

There being no objection, the article was ordered to be printed in the Record, as follows:

The 1915 Genocide Is Still Vivid to Armenians Here

(By Richard F. Shepard)

New York, a city of survivors, will be reminded today by its small but articulate Armenian community of one of the century's first and worst genocides, which wiped out half of its compatriots who lived in the Turkish part of Armenia 60 years ago.

Even now, there are few among the 50,000 Armenian-American New Yorkers who were not personally touched, through the experiences of grandparents or parents, by the Turkish massacres of 1915 that led to the desolation of eastern Anatolia and left Armenia as a small state, now a Soviet Republic, on the Russian side of the border.

The observance of the day of remembrance, which commemorates April 24, 1915, when the Turks rounded up and killed more than 200 Armenian leaders in Constantinople as the prelude to a general extermination, actually began yesterday. There was an interfaith conference, and a candlelight procession last evening wound its way from the golden-domed St. Vartan Cathedral at 34th Street and Second Avenue through midtown by way of the United Nations, to St. Patrick's Cathedral, where a service was held.

TWO GOALS

Today's events, sponsored by a number of organizations, have a common thrust: to recall to the world the brutalities of 60 years ago and to call for Turkish acknowledgement of the atrocities. Samuel Azadian, deputy commissioner of the city's Department of Highways and chairman of the procession yesterday, quoted a remark by Adolf Hitler during World War II, as he prepared his own programs of extermination: "Who talks nowadays of the extermination of the Armenians?"

"We are not doing this for revenge against the Turks or for bloodlust," said Mr. Azadian, whose mother and sister survived the massacres. "We have to say what happened because it might prevent other genocides."

The Diocese of the Armenian Church of America, with the co-sponsorship of the Greek Orthodox Church, the United States Catholic Conference, the American Jewish Committee, the Islamic Center of Washington, the Council of Churches of Christ of the U.S.A., and the United States Conference of the World Council of Churches, will continue its conference, "Religion's Role In a Violent World," at St. Vartan's meeting halls, with sessions at 9 A.M. and 2 P.M. The conference ends tomorrow.

The Prelacy of the Armenian Apostolic Church of America, will sponsor at 9 A.M. today a "Survivor's Pilgrimage" to the Statue of Liberty, of 60 people who escaped the killings of 1915. A silver chalice will be presented to the Museum of Immigration there.

At 6:30, the prelacy will offer a special program honoring Armenian-Americans at the Felt Forum in Madison Square Garden. Among the speakers will be Barbara Tuchman, the Pulitzer-prize winning author whose grandfather was Henry Morgenthau, United States Ambassador to Turkey in 1915 and a prime figure in calling attention to the Armenian plight.

At 1 p.m., local branches of three major Armenian political parties, united in one action for the first time in their long histories, will hold a mass demonstration to protest "Turkey's continuing violation of human rights" and Turkey's failure to make reparations or to admit to the annihilation. This will start at Madison Avenue and 26th Street and will move along to the United Nations, where a formal complaint will be presented to United Nations Secretary General Waldheim. In Dag Hammarskjold Plaza, proclamations by Mayor Beame, and Governors Carey and Byrne, taking note of the occasion, will be read.

THE OPPOSITION

A Congressional resolution that would have designated today as a day of remembrance passed the House, but has not been voted upon by the Senate, where it was reported, the State Department, worried about negotiations with Turkey and Greece over Cyprus, strongly opposed to the measure.

At the New York Armenian Home for the Aged, 137–31 45th Avenue, in Flushing, Queens, a suggestion that elderly survivors dredge up what they recalled of their terror-stricken childhood reduced many to tears. An aide said that most did not even speak of it among themselves.

However, Nevart Prudian, a pleasant-looking 67-year-old woman who is a cook at the home, which has an appetizing Armenian menu, offered to tell her story because she felt it was important for the world to know.

"I was 6 or 7 years old in Erzerum, in eastern Turkey, when the soldiers came to the house in April, 1915, and pushed us out," she said, speaking through an interpreter. "We walked to a town where they separated the men from the women. They threw the men into the water and killed them. The Euphrates was red with blood.

MARCHED INTO DESERT

"I was with my mother and two younger sisters. The sisters died on the march. We tried to bury them, but the next day we saw the dogs at the grave," she said.

The Armenians were marched hundreds of miles into the Mesopotanian Desert. The Turks, Mrs. Prudian said, took the young women and raped and killed them as they went.

"People were dying of thirst and exposure on the way," she continued. "Pregnant women were killed with knives. We walked from that April until the next February, stopping here and there, but nobody did anything for us. You would see people fighting each other for a bit of garbage to eat, for an orange peel."

Unlike many companions on the march, Mrs. Prudian finally reached an American-run orphanage in Syria and in 1908 was married in Beirut.

"I often dream of those things," she said, adding, when asked what her experiences all meant for the rest of the world. "I want peace, brotherhood, love, a piece of land for Armenians where I can go."

The story repeated with infinite variations according to a particular experience, is told not only by survivors but also by their descendants. Yet few of those interviewed said they harbored a personal bitterness for the Turks.

Archbishop Torkom Manoogian, primate of the Armenian Church Diocese, said that there were several aspects to the observance.

"One is for the Armenians to commemorate events of the past to preserve their unity with history," he said. "One million or one and a half million Armenians were massacred in a premeditated genocide by the Turks. This generation followed the example of its ancestors by not denying their Chistian faith when the Turks forced the Moslem religion upon them."

POSITION DETAILED

Archbishop Karekin Sarkissian, Prelate of the Armenian Apostolic Church in America, said, "We all feel this way about the Turks: You cannot suppress a whole nation. If they admit something wrong was done, then we can see about remedies. We can sit and talk. But, today we are faced with a situation they do not acknowledge. They not only do not accept the fact but they do not concede that they had anything to do with it."

This consciousness affects all levels of American Armenian life. Armenians in America number a half million, with concentration in California and pockets in Boston and Detroit, as well as in the New York area, where many have moved out of traditional Manhattan neighborhoods to such areas as Queens and Bergen county.

Many are well-educated, reasonably affluent and active in professions, the arts, business and public life a change from the days when first and second generations clustered in rug-dealing and photoengraving. They go to Armenian churches, either the traditional ones or Protestant and Roman Catholic, and their children go to Sunday schools and even Armenian day schools. Identity is a central issue among Armenian Reporter, a Queens English-language weekly, for copies of the New Yorker that carried the three installments of Michael Arlen's quest for his Armenian identity.

The library was swamped with requests for copies. The writer, son of the British author, described how he learned about himself and his heritage.

THIRD GENERATION IS MILITANT

"The third generation is more active than the second," said Edward K. Boghosian, editor of the Armenian Reporter. "There's been a revival stimulated by the civil rights movements—if you have black power, why not Armenian power—and because the third generation doesn't have the problem of deciding what they are as the second did."

Melik Ohanesian, the 44-year-old owner of the Dardanellen Restaurant, 86 University Place, was born in France but came to New York as a youngster. His father and mother were among those who fled Turkey unscathed.

"You are always conscious of being Armenian," he said: "Armenians do not hate the Turks, I cannot hate a Turk. We want history to be built on the truth.

"My daughters are young," he said. "But they have the feeling of being Armenian as well as American, even though they might not know the Armenian language. This is how we survive with our culture. We are, I call it, the last of the Mohicans."

LAW DAY IN CONNECTICUT

Mr. RIBICOFF. Mr. President, May first, 1975, will mark the 18th annual nationwide observance of Law Day–USA, a special day set aside by joint resolution of Congress and by Presidential proclamation for "rededication to the ideals of equality and justice under law."

The purpose of the annual observance is to dramatize the values of living under a system of laws and independent courts that protect rights and make possible a free society.

The theme selected in recognition of Law Day 1975 is: America's Goal—Justice Through Law.

The significance of the nationwide observance of Law Day on May 1 has never been more pointed than this year. Events during the past 2½ years have proved that the American judicial system does work, that it successfully resisted every attempt to subvert it, and that ours is a government of laws, not men, and those laws are sound.

More than 1,500 State and local bar organizations will observe the Law Day event with appropriate activities and ceremonies in the Nation's courts, schoolrooms and municipalities with the cooperation of thousands of public spirited agencies and organizations.

The Connecticut Bar Association, which has set an unprecedented record as the recipient of the ABA Award of Merit for 4 of the past 5 years for the excellence of its Law Day programs, will join with Connecticut's secretary of the State, Gloria Schaffer, to present young attorneys in more than 150 of Connecticut public and private high schools speaking on the rights, obligations and privileges of reaching the majority age of 18.

At the same time, Project VOTE—Voice Opinions Through Elections—cosponsored by 17 public and private organizations, including educational, political, business and community service groups, will attempt to register at the school assemblies all students who have become eligible to vote by that date.

In addition, all of Connecticut's 25 local and county bar associations will conduct a variety of programs which will include presentations in elementary and junior high schools, ceremonies in all of the State's courts, proclamations by the mayors and first selectmen of Connecticut's 169 municipalities, special distinguished service awards to deserving laymen and media presentations.

JACK SHEEHAN

Mr. PERCY. Mr. President, I noted with regret the impending departure of Gov. John Sheehan from the Federal Reserve Board.

Appointed in 1972, Jack Sheehan served with great distinction during times of extraordinary economic and financial stresses. The counsel, wisdom, and thoughtful approach he brought to his responsibilities will be missed.

Mr. President, I ask unanimous consent that an article, which appeared in the New York Times, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JOHN E. SHEEHAN

John E. Sheehan has resigned as a member of the Federal Reserve Systems board of governors, effective June 1, the White House announced yesterday. Mr. Sheehan, who is 45 years old and who has been a governor since 1972, will return to private business, but his exact plans could not be determined yesterday afternoon. His term was scheduled to expire in 1982.

In recent months, Mr. Sheehan has carried several messages to the banking community. In March, he urged that bankers, who had been watching the demand for business loans sag, become more accommodating in their lending policies. Last December, Mr. Sheehan criticized what he called "the hodgepodge of bank regulation" and he came out in support of a single Federal banking regulatory agency.

Born in Johnstown, Pa., Mr. Sheehan graduated from the United States Naval Academy and the Harvard Business School. When he was appointed to the board by former President Nixon, Mr. Sheehan was president and chief executive officer of the Corhart Refractories Company of Louisville, Ky., a subsidiary of Corning Glass Works.

In resigning the $40,000-a-year position, Mr. Sheehan described serving at the Fed as "an unqualifiedly satisfying privilege and experience." He also praised the central bank's "truly brilliant staff."

VAN CAMP SEAFOOD CO. ENTERS INTO VOLUNTARY FISH INSPECTION PROGRAM

Mr. MAGNUSON. Mr. President, the Van Camp Seafood Co., a subsidiary of the Ralston Purina Co. of St. Louis, Mo., has entered into the voluntary fish inspection program administered by the National Marine Fisheries Service, an important component of the National Oceanic and Atmospheric Administration. The National Marine Fisheries Service is authorized by the Agricultural Marketing Act and the Fish and Wildlife Act to develop and implement quality grading standards for fishery products and to improve health and sanitation standards in the industry. Through the voluntary inspection program, NMFS conducts plant and product inspection services on a continuing basis for fish processors.

While plants under the continuous inspection program are subject to inspections by the Food and Drug Administration, this program represents one more initiative at joint Government-industry cooperation. On the one hand we have the Federal agencies involved deferring to the expertise of one another. On the other hand we have an outstanding processor leading the way to insure the high quality and safety of the fisheries products which it produces.

To the Van Camp Seafood Co., I extend my heartiest congratulations for entering this voluntary inspection program. Once under the program, the level of safety and quality is as high a standard as can be expected. It is definitely a step which other fisheries processors should consider.

DAVID ROCKEFELLER ON MULTINATIONAL CORPORATIONS

Mr. PERCY. Mr. President, David Rockefeller, chairman of the Chase Manhattan Corp., recently commented on criticisms of multinational corporations. He called multinationals—

> The most important instruments in the unprecedented expansion that has taken place in world trade.

He said that they promoted competition and jobs. He called for an effort to help refute the critics of multinational corporations.

Mr. President, I ask unanimous consent that an article from the New York Times reporting Mr. Rockefeller's remarks be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DAVID ROCKEFELLER ON "MULTINATIONAL CORPORATIONS

David Rockefeller called on the business community in Britain and elsewhere yesterday for a united effort in refuting what he termed "the proliferating critics" of multinational corporations.

The chairman of the Chase Manhattan Corporation, said in an address at the stock exchange in Manchester, England, that "We should be doing all in our power to lift the siege that is taking shape around the beleaguered multinational companies."

He termed the multinationals "the most important instruments in the unprecedented expansion that has taken place in world trade." He said that, instead of creating monopolies, exporting jobs and exploiting underdeveloped countries, as critics charge, the multinationals were promoting competition and creating jobs.

Mr. Rockefeller commented that the principal complaint of underdeveloped countries was that multinational companies were neglecting them in new investment and expansion.

He noted that the "fiercest kind of political and rhetorical assault" on multinationals has been coming from "academicians, from writers, from left-leaning economists and from politicians." He characterized "the spate of new publications" on multinationals "as collections of innuendo, half-truths, distortion and outright falsehood."

MUNICIPAL CLERKS WEEK

Mr. INOUYE. Mr. President, the City Councils of Gardena and South El Monte, Calif., have recently passed resolutions in support of Senate Joint Resolution 45, which I have introduced, to designate the second week in May as "Municipal Clerks Week."

I ask unanimous consent that these resolutions be printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTION NO. 75–1781

A resolution of the City Council of the City of South El Monte, California, supporting Senate Joint Resolution No. 45 and House Resolution No. 227, relative to designating the second week in May as "Municipal Clerks Week"

Whereas, it is recognized that the City Clerk performs the highly valued functions of administering the procedures and keeping the records of the City; and

Whereas, it is further recognized that the City Clerk provides and maintains an organized source of knowledge about the community; and

Whereas, the City Clerk provides conscientious representation of the municipal government in the affairs of the community; and

Whereas, the City Clerk helps mold public opinion of local government through daily contact with the citizenry;

Now, therefore, the City Council of the City of South El Monte, California, does hereby resolve as follows:

Section 1: That the City Council of the City of South El Monte does hereby support the national movement to recognize the importance of the position of City Clerk with the passage of joint congressional resolutions designating the second week in May as "Municipal Clerks' Week."

Section 2: That the City Council of the City of South El Monte does hereby encourage the Senate Committee on Judiciary and the House Post Office and Civil Service Committee to give Senate Joint Resolution No. 45 and House Joint Resolution No. 227 respectively, favorable hearings.

Section 3: That the City Clerk be authorized and instructed to forward a copy of this Resolution to the City of Carson, to Senators Alan Cranston, John V. Tunney and Daniel K. Inouye, Congressmen Charles H. Wilson and G. William Whitehurst, Virginia, Committee of Post Office and Civil Service, Senate Committee on Judiciary, and all cities within Los Angeles County.

Section 4: That this Resolution shall take effect immediately.

Section 5: That the City Clerk shall certify to the passage and adoption of this Resolution; shall cause the original of same to be entered in the Book of Resolutions of said City of South El Monte, and shall make a minute of the passage and adoption thereof in the records of the proceedings of the City Council of said City in the minutes of the meeting at which the same is passed and adopted.

RESOLUTION NO. 3127 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDENA, CALIFORNIA, SUPPORTING SENATE JOINT RESOLUTION NO. 45 AND HOUSE JOINT RESOLUTION NO. 227, RELATIVE TO DESIGNATING THE SECOND WEEK IN MAY AS "MUNICIPAL CLERKS' WEEK"

Whereas, it is recognized that the City Clerk performs the highly valued functions of administering the procedures and keeping the records of the City; and

Whereas, it is further recognized that the City Clerk provides and maintains an organized source of knowledge about the community; and

Whereas, the City Clerk provides conscientious representation of the municipal government in the affairs of the community; and

Whereas, the City Clerk helps mold public opinion of local government through daily contact with the citizenry;

Now, therefore, the City Council of the City of Gardena, California, does hereby resolve, declare, find, determine, and order as follows:

Section 1. That the City Council of the City of Gardena does hereby support the national movement to recognize the importance of the position of City Clerk with the passage of joint congressional resolutions designating the second week in May as "Municipal Clerks' Week."

Section 2. That the City Council of the City of Gardena does hereby encourage the Senate Committee on Judiciary and the House Post Office and Civil Service Committee to give Senate Joint Resolution No. 45 and House Joint Resolution No. 227 respectively, favorable hearings.

Section 3. That the City Clerk be authorized and instructed to forward a copy of this Resolution to the City of Carson, to Senators Alan Cranston, John V. Tunney and Daniel K. Inouye, Congressman Charles H. Wilson and G. William Whitehurst, Virginia, Committee of Post Office and Civil Service, Senate Committee on Judiciary, and all cities within Los Angeles County.

Section 4. That this Resolution shall take effect immediately.

Section 5. That the City Clerk shall certify to the passage and adoption of this Resolution; shall cause the original of same to be entered in the Book of Resolutions of said City of Gardena, and shall make a minute of the passage and adoption thereof in the records of the proceedings of the City Council of said City in the minutes of the meeting at which the same is passed and adopted.

SECTION 235 HOMEOWNERSHIP PROGRAM

Mr. PERCY. Mr. President, I know my colleagues are aware of the suit which has been filed by Elmer B. Staats, Comptroller General of the United States, against President Ford, Director James Lynn of the Office of Management and Budget, and Secretary Carla Hills of the Department of Housing and Urban Development.

Mr. Staats, acting on behalf of the Congress, is seeking an order from the court requiring the President to obligate $264.1 million in contract authority available under the section 235 homeownership program.

The case, I believe, is a strong one. Under the Housing and Community Development Act of 1974, Congress specifically authorized the use this year—before August 22, 1975—of the spending authority that was impounded as a result of President Nixon's suspension of the 235 program in January 1973. Under the terms of the Budget Control Act, the Senate disapproved President Ford's request to defer implementation of the program and both the Senate and the House rejected the request to rescind the spending authority specified in the relevant appropriations acts of 1971 and 1972. The money, therefore, must be obligated.

With the need for anywhere from 2.2 to 2.7 million new housing units a year for the rest of the decade and with unemployment among construction workers running at a rate in excess of 20 percent, we should revive and adequately fund the 235 program. As Oliver H. Jones, executive vice president of the Mortgage Bankers Association, has said:

> If the Ford Administration wants quick action to stop the rising rate of unemployment in residential construction, its best bet is to open up the subsidized programs that are already on the books.

Senator PROXMIRE, the distinguished chairman of the Senate Banking, Housing and Urban Affairs Committee, has said that the $264.1 million could help support the purchase of 200,000 new housing units and put 400,000 workers back on the job. The National Housing Conference estimates that the impounded funds will provide 240,000 units.

I believe the 235 homeownership program should be reactivated now. I have never understood the administration's negative attitude toward this program, especially in the wake of the amendments which Congress enacted in the 1974 Housing Act.

There has been fraud and abuse in various FHA programs. But much of the fraud has been wrongly attributed to the 235 program. Whatever problems existed, and there were some, were not caused by the program's design but to a great extent by mismanagement of the program by HUD.

The program, I believe, accomplished a great deal despite poor management. The Federal budget for fiscal year 1976 estimates that by June 30, 1977, the end of the fiscal year, 447,000 units will be eligible for mortgage subsidy payments. This means that nearly 450,000 families, representing over 2 million people, will be homeowners as a result of the 235 program. With a median income of about $6,500, few of these families would have otherwise achieved this status.

According to HUD statistics, the average monthly income of 235 families was $456 in 1972. The family's share of the monthly mortgage payment was $100 and the average monthly subsidy was $68.

A significant percentage of households which receive these subsidies eventually receive reduced subsidies or no subsidies at all because of their increase in income. After one recertification of income of 235 families, 8 percent stopped receiving any subsidy, 65.8 percent received a reduced subsidy, 13.4 percent had no change, and only 20.8 percent received a larger subsidy.

"Housing in the Seventies," the comprehensive study itself commissioned by the Department of Housing and Urban Development to attempt to justify suspension of several housing subsidy programs, including section 235, reached the following conclusions about the program:

First, the program enabled a great number of low- to moderate-income families to buy homes who could not have otherwise.

Second, only a third of all homeowners nationally have incomes below $7,000, but close to two-thirds of all 235 beneficiaries had incomes below that level.

Third, the 235 program provided substantial benefits to recipients. Housing quality, the study estimated, improved 35 percent. Nonhousing expenditures made possible by 235 subsidies increased by 8 percent.

Fourth, the study did not demonstrate that section 235 housing cost more than privately built units.

The 235 program also has received high marks in other studies. Dr. Anthony Downs, vice president of the Real Estate Research Corp., reached the following conclusion:

> On balance, we believe that both the Section 235 and Section 236 programs are effective instruments for meeting the key objectives of housing subsidies . . . We believe their basic designs are sound, although some modifications can improve them. The major inadequacies so far encountered in the execution of these programs stemmed from either poor administration by HUD or the inherently higher risks of investing capital in housing for relatively low-income households in relatively deteriorating areas.

During the last few years, newspapers and magazines have given prominent coverage to the limited number of cases of fraud and abuse which have been associated with the 235 program. Few accounts of the program's success have been printed.

Two stories in particular illustrate the success of the 235 program. One involves a demonstration project conducted by the San Francisco Development Fund. A preliminary report shows that under the Development Fund's buyer agent program, serious delinquencies in the 235 total of 412 section 235 loans were included in the buyer's agent program, of which 303 were included in the analysis. By the end of August 1974, only one of the loans was in foreclosure. The key to the success of the program was mandatory prepurchase counseling. The selection and training of prospective homeowners produced responsible buyers who caught up with their cash flow problems and did not become chronic delinquents, the study reported:

> The provision of such "guidance," "counseling," or "training" was intended when the plans for the Section 235 legislation were first formulated. It is unfortunate that these plans were not carried out.

The San Francisco Fund's program differed from the usual administration of section 235 loans in a number of ways. In addition to careful screening and mandatory training sessions, prospective homebuyers themselves instead of builders or real estate brokers were given HUD subsidy reservations. Consumers then shopped for homes anywhere within a 50-mile radius of San Francisco. This demonstration project shows the effect of imaginative management of the section 235 program.

Another successful effort occurred in Chicago. The Bickerdike Redevelopment Corp., a nonprofit community housing corporation on the near-northwest side of the city, built and sold single-family homes. They were the first new single-family homes built in the community in over 50 years. Most of the homes were sold to families who qualified for interest subsidies under the 235 program. From 1970 to 1973, Bickerdike, along with two general contractors, built 65 single family homes. Sixty-three of these were sold under section 235 and two were sold with conventional FAA financing.

Seventy percent of the buyers were Latin Americans. The majority of the families were in the $7,000 to $9,000 income range and most had two, three, or four children. As of about a year ago, three families had lived in their homes for over 3 years; 24 families 2 to 3 years, 32 families for 1 to 2 years, and 5 families for about a year. Two of the homes had been turned back to HUD because of foreclosures. One was owned by a single woman with adopted children who simply left the property. The other was turned back because the divorced mother of five children died. Two families in danger of foreclosure were able to stay in their homes, because of counseling from Bickerdike.

Besides coordinating the construction of homes, arranging financing, and selling them, Bickerdike worked with the buyers to help them become knowledgeable homeowners. Meetings were held on insurance, maintenance, and budgeting for home improvements. A homeowner's association was formed to work on common problems such as high taxes.

Mr. President, success stories such as these exist in every part of the Nation.

They provide ample evidence for reactivation of the section 235 program. I hope President Ford will respond to the suit filed by the Comptroller General and allocate the appropriate funds for the program. So far as creating jobs soon and filling urgent national and human needs it is much, much preferable to release highway trust funds as the President has done.

DO NOT BLAME THE PEOPLE

Mr. CHURCH. Mr. President, the distinguished Senator from New Hampshire (Mr. McINTYRE) has issued a painfully truthful indictment of the American political establishment's capacity not only for self-delusion but for delusion of the populace it leads.

In a speech excerpted in the Washington Star, he describes how the establishment has stripped itself of credibility by the failures of its guidance. He notes that, even today, with an energy crisis born of heedless gluttony, the establishment answer is more of the same, a voracious assault on dwindling reserves.

And he asks why the American people should believe their leaders when those same pretenders to wisdom are in the face of their own failures, trying "to dump a load of guilt and anguish upon the American people for the fall of South Vietnam and Cambodia in order to save face for the establishment and soothe the tender egos of those whose prophecies self-destructed before they self-fulfilled."

But if the establishment is blind, the people are not. If the establishment is incapable of learning from its mistakes, the people are not. As this pointed speech notes, the American people "finally saw what the establishment still refuses to see—that we were not supporting freedom-loving democratic governments, but callous despots who rigged their own elections, jailed their political opponents, closed down critical newspapers, and wallowed in bribery and corruption."

America can do better than that. In the future America must do better. And part of our redemption as a nation lies in heeding the sobering counsel found in this heartfelt speech. Mr. President, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the excerpted speech was ordered to be printed in the RECORD, as follows:

THE ESTABLISHMENT'S OLD EXPLANATIONS SIMPLY WON'T WASH

(By Senator THOMAS McINTYRE)

(Vietnam, recession, the energy crisis, Watergate: Don't blame the people for the delusions and blunders of the power structure.)

The social ethic of the Constitution holds that the people are the ultimate authority, does it not?

But the sheer mass of 220 million Americans—scattered and preoccupied with personal and parochial interests—leaves the immediate and primary responsibility for charting the course of the nation to the power structure of the nation.

Now when we consider that the power structure of the country is, in truth, that loose coalition of business leaders, political figures, old-line labor leaders and opinion molders we call The Establishment, it would seem at first glance that our is not a democratic republic—but an elitist regime.

Is it?

It was not supposed to be.

Even if we concede the practical need for a power structure, the social ethic of the Constitution is unmistakably clear . . . *and it demands that the power structure, The Establishment, if you will, be ultimately and forever accountable to the people.*

We—you and I—are part and parcel of The Establishment whether we like it or not. And so, in the context of this discussion, it is time to ask ourselves some questions.

Have we been accountable to the people? Have we met Daniel Webster's challenge to The Establishment to be alert and responsive to injustice and inequities, to be receptive to new ideas and concepts, to be tolerant of diverse opinion, to be willing to make necessary compromises and accommodate to changing circumstances?

Have we made an honest effort to preserve the viability of the public dialogue . . . to keep the lines of communication open and responsive in order to build trust and confidence?

Or—under the stress of crises and the clamor for reform of the system, re-examination of values, reordering of priorities and redefinition of national mission—have we hardened our defense lines around the status quo . . . and made bankrupt rhetoric and the cant of conventional wisdom our sole contribution to the public dialogue?

Let me drill a little closer to the nerve.

I have a strong feeling that you and I have a lot more in common than circumstantial membership in The Establishment.

Many of us are from the same generation and much the same background. We were reared in a simpler time, when value systems, authority and conventions were rarely challenged. In that sense, ours was a secure existence because it was singularly free from question if not from need. And when we grew up, even the wars we fought were fought with unswerving conviction and untroubled conscience.

In short, we came from a time and a society where it was deceptively easy to subscribe to "my country right or wrong" because to our knowledge our country never did anything wrong.

America was good . . . because it was good to us.

And within many of us, this conditioning nurtured a simplistic, single-dimension patriotism that rarely looked beyond the furls of the flag or the lyrics of the anthem and was sharply at odds with the sophistication of our education and our adult experience.

We knew what America was, didn't we?

It was God-given bounty in endless supply. It was oil and steel. It was opportunity and enterprise. It was a way of life so righteous and rewarding we were honor-bound to impose it upon other peoples and cultures whether they wanted it or not.

Moreover, there were spin-offs from this primitive concept of what America was . . . and why it was that we were no less self-deluding.

Did we not begin to equate right with respectability? Dollar success with omniscience in all matters? Conformity with competence? Traditional methods with eternal verities? Bigness with best?

If the answer is at least a qualified yes, then perhaps this explains why the public dialogue broke down.

For under siege by its own convention-defying sons and daughters, and by some thoughtful non-Establishment adults, the power structure of the country fell back to defend its vested interest in the status quo with an arsenal of rhetoric that bore little relationship to changing circumstances and new realities and was an affront to balanced judgments.

Consider some of that rhetoric:

When that quintessential figurehead of The Establishment, Richard Nixon, was toppled by Watergate, how did we respond?

Did we tell those who looked to us for balanced judgment that Watergate proved that the Founding Fathers' system of checks and balances still worked? Or did we call it "politics as usual?" Or cynically observe that Richard Nixon's only mistake was "getting caught?"

When the energy crisis caught us unawares, did we face up to it as the legacy of heedless exploitation of finite resources, the neglect of keeping refinery capacity up to demand, a pricing structure that encouraged waste and discouraged and discouraged conservation, the failure to develop alternative sources?

Or did we blame it all on the embargo and the environmentalists?

Were we guilty of the same tunnel vision in explaining the current economic crisis?

Did we blame it all on inflationary government handouts and social spending? But discreetly ignore the increasing number of industry giants seeking government bail-outs to help them socialize losses while they privatized profits?

Did we vent our moral outrage on welfare cheats . . . but save none of it for antitrust violators, price-fixers, price gougers or government contract rip-off artists?

And when our exaggerated national pride was offended by the refusal of rebel forces in far-off Indochina to surrender to government troops backed up by thousands of American advisers, soldiers, planes and equipment, how did we respond?

Did we say failure was due to our not doing enough? Did we call for more of the same? More money, more guns, more bullets, more Americans drafted from the ghetto while our sons were safe in college? Or did we admit to a colossal error in judgment and face up to the avalanching evidence that the cause we were supporting wasn't viable enough to support itself?

When national crisis shatters national illusion, the restoration of public trust and confidence depends upon the credibility of explanation and solution.

The Establishment's explanations for the crises I've noted won't wash, my friends. *They simply won't wash.*

But what concerns me now is The Establishment's post-crisis response. What solutions will the power structure offer for the American people's consideration?

Let me zero in on two, and tell you straight off that they won't wash, either.

Indeed, one of them could kill the body of America . . . and the other its soul.

Consider The Establishment's solution to the energy crisis: What does it propose to the American people?

More of the same. More oil wells, more refineries, more coal mines, more nuclear fission generating plants. All this in the face of disturbing evidence that our national sources of oil and natural gas will be gone in 25 years. That mining the tempting subsurface coal in the Western states could destroy the water supply and the food-producing capacity of that region, that generating power through nuclear fission may not be cost effective, may never become fail-safe, but may become ever more vulnerable to theft, sabotage and terrorist blackmail.

Is this all we can offer the American people? This and high and higher energy costs? I'm sure you've heard that some people are now paying more for electricity than they are on their home mortgages. And what does that do to public trust and confidence?

What ever happened to the vision, boldness and ingenuity of American enterprise?

Did it, too, fall victim to the deluding comforts of the status quo and the rigidities of conventional wisdom?

Let me tell you a little story. A year ago, a native son of my state of New Hampshire died after a lifetime that spanned more than a century.

This man believed that the sun could be put to work to provide energy without pollution. In 1920 he invented a solar cooker. In 1938 he patented a solar engine that would produce 100,000 kilowatt hours of electrical power a year. In 1972 he secured another patent on a refinement of this engine.

But he never found anyone willing to invest in so much as building a prototype.

Some of you may have conjured up an image of an eccentric visionary no respectable investor in his right mind would take seriously.

You'd be wrong. The gentleman I'm talking about is the late Dr. Charles Greeley Abbot, a world-renowned astrophysicist who at the time of his death was the oldest member of the National Academy of Sciences, the past president of the prestigious Cosmos Club, and the longtime secretary of the Smithsonian Institution.

When a man of his credentials is not taken seriously by The Establishment, what more is there to say? Except to ask what America's energy situation would be today if The Establishment had listened to, encouraged and underwritten Dr. Abbot's efforts 55 years ago.

But if The Establishment has defaulted in its responsibility to be receptive to new concepts and responsive to new challenges in the aftermath of the energy crisis, it has all but destroyed its credibility in the closing hours of the Indochina crisis.

If ever a situation cried out for honesty with ourselves, it is here. For The Establishment has deluded itself—and misled the people—for a quarter of a century.

I can say this, because for a long, long time this particular member of The Establishment deluded himself about Vietnam, and I know I was not alone.

It was not until 1968 that I began asking myself why the light at the end of the Vietnam tunnel kept going out before we reached it. And finally it came to me that those rosy readouts from the Pentagon and the State Department computers were the direct result of faulty programming.

Not only was the information fed into the computers of suspect accuracy, but motivation—the most crucial component of all—was never factored into the equation!

The entire analytical process was skewed from the outset by this glaring omission, and the blame rests squarely with The Establishment and its faulty assumption that the government of South Vietnam was a bastion of freedom and democracy its people would fight to the death to defend.

It is now tragically self-evident that neither 56,000 American lives nor 150 billion American dollars could make that asumption fact.

And I say to you here and now: The final, ultimate and most reprehensive betrayal of truth in this endless travesty is the misbegotten effort—already under way—to dump a load of guilt and anguish upon the American people for the fall of South Vietnam and Cambodia in order to save face for The Establishment and soothe the tender egos of those prophecies self-destructed before they self-fulfilled.

The American people didn't sell out South Vietnam and Cambodia.

They gave their dollars. And they gave their sons. Fifty-six thousand Americans died in Indochina. But so far as we know, not one Soviet or Chinese soldier fought on the side of the North Vietnamese.

The American people gave 34 times as much military aid to South Vietnam as the Communist powers gave to North Vietnam. And let the record show that, by the CIA's own estimates, we gave the South Vietnamese $6.6 billion in assistance since the Paris peace accords were signed, while the Soviets and the Chinese were giving only $2.7 billion to the North Vietnamese.

The American people gave again and again and again . . . until to their everlasting credit they finally saw what The Establishment *still* refuses to see—that we were *not* supporting freedom-loving democratic governments, but callous despots who rigged their own elections, closed down critical newspapers and wallowed in bribery and corruption.

They saw the paradox of an Establishment boasting of detente with the Soviet Union and the Peoples Republic of China but obsessed with crushing rebellions—inspired more by anti-colonialism and nationalism than by communism—in tiny southeast Asia countries.

They saw the inherent flaw in a foreign policy that allied us with authoritarian regimes whose sole claim to our support was not that they stood for freedom, but that they spoke against communism. They saw that the dominoes are falling not for lack of our support—but from their own inner rot.

They saw that from beginning to end, paradox, duplicity and self-delusion have presented us with an endless series of impossible options in Southeast Asia, including the final and agonizing choice of pledging more aid or risking the lives of those Americans still in Saigon to South Vietnamese reprisal!

No, my friends, the American people cannot—and must not—be blamed for the mistakes of The Establishment.

They deserve The Establishment's admission it was wrong.

They deserve The Establishment's pledge to see straight—and talk straight—from now on.

If the people are given the facts, if they are told the truth, if their judgment is respected by The Establishment, if the public dialogue is a two-way street, they will make what sacrifices are necessary; they will honor those national commitments that deserve to be honored.

There is nothing wrong with their compassion; nothing wrong with their courage; nothing wrong with their resolve.

But don't ever try to fool them again. Because they know better now.

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, is there further morning business?

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

RAILROAD TEMPORARY OPERATING AUTHORITY ACT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of S. 917 which the clerk will state by title.

The legislative clerk read as follows:

A bill (S. 917) to amend the Interstate Commerce Act to authorize the Interstate Commerce Commission to grant temporary operating authority to a carrier by railroad pending final determination by the Commission.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Commerce with amendments.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum. I ask unanimous consent that the time not be charged against either side.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS UNTIL 1:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, without the time for the recess being charged against time on the bill, I ask unanimous consent that the Senate now stand in recess until the hour of 1:30 p.m. today.

There being no objection, the Senate, at 12:44 p.m., recessed until 1:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Bumpers).

ORDER OF BUSINESS

Mr. STONE. Mr. President, I ask unanimous consent to address the Senate for 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator may proceed.

VISIT OF OFFICIAL NAVAL TRAINING SHIP OF SPAIN

Mr. STONE. Mr. President, yesterday the Port of Miami was graced by the arrival of the official naval training ship of the Spanish nation. This visit to Miami was in celebration and is in celebration of the American Bicentennial and it is a grand and glorious gesture, making a very favorable impact on our south Florida community.

The inauguration ceremonies of this visit were attended by His Excellency, the Ambassador to Washington of Spain, Jaime Alba, by naval officials of the U.S. Coast Guard and Navy, and by officials of the county, city, and the United States.

As we commence our bicentennial year, it is appropriate to recall that the origin of settlement in this Nation was Spanish and occurred in the area of St. Augustine, Fla., more than 400 years ago, twice the bicentennial period that we celebrate. Those settlements took place, and the settlements still exist and, in fact, the relationship between my State and Spain has grown warmer and more friendly over the decades and over the centuries.

In this period when the nation of Portugal seems to be drifting or even galloping away from its commitment to the West, while we are in negotiations with the Spanish Government for the renewal of our treaty arrangements for military and naval installations in that nation, it is appropriate that this celebration of the bicentennial spirit take place.

I was gratified to learn, for example, that Spanish leaders greatly assisted in the American Revolution with men, with materiel, and with all sorts of support, and I wish to salute His Excellency, the Spanish Ambassador, for his warmth of friendship to this Nation.

I wish to salute the Captain de Fragata, Marcial Fournier Palicio, the officers and men of the Juan Sebastian De Elcano for their visit to Florida and to this Nation.

QUORUM CALL

Mr. STONE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll, and the following Senators entered the Chamber and answered to their names:

[Quorum No. 24 Leg.]

Bumpers
Griffin
Hansen
Hartke
Hruska
Mansfield
Pearson
Stafford
Stone
Weicker

The PRESIDING OFFICER. A quorum is not present.

Mr. MANSFIELD. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

Pending the execution of the order, the following Senators entered the Chamber and answered to their names:

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Biden
Brock
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Culver
Curtis
Dole
Domenici
Eagleton
Eastland
Fong
Ford
Garn
Goldwater
Gravel
Hart, Gary W.
Hart, Philip A.
Haskell
Hatfield
Hathaway
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Magnuson
McClellan
McClure
McGee
McGovern
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nunn
Packwood
Pastore
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Williams

Mr. ROBERT C. BYRD. I announce that the Senator from California (Mr. CRANSTON), the Senator from Ohio (Mr. GLENN), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Louisiana (Mr. LONG), the Senator from Indiana (Mr. BAYH), and the Senator from Wisconsin (Mr. NELSON) are necessarily absent.

I further announce that the Senator from New Hampshire (Mr. MCINTYRE) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from Massachusetts (Mr. BROOKE), the Senator from Arizona (Mr. FANNIN), the Senator from North Carolina (Mr. HELMS), and the Senator from North Dakota (Mr. YOUNG) are necessarily absent.

I also announce that the Senator from Maryland (Mr. MATHIAS) is absent on official business.

The PRESIDING OFFICER (Mr. BROCK). A quorum is present.

RAILROAD TEMPORARY OPERATING AUTHORITY ACT

The Senate continued with the consideration of the bill (S. 917) to amend the Interstate Commerce Act to authorize the Interstate Commerce Commission to grant temporary operating authority to a carrier by railroad pending final determination by the Commission.

Mr. HARTKE. Mr. President, I yield to the Senator from Kansas.

Mr. PEARSON. Mr. President, I am pleased that the Senate today has taken up for consideration the bill, S. 917, which I have introduced in order to provide the Interstate Commerce Commission with adequate tools to insure that a continuation of service is maintained on the Rock Island properties which are essential to communities and shippers throughout the 13-State region served by the carrier. This legislation is cosponsored by the distinguished Senators from Iowa (Mr. CLARK and Mr. CULVER), and the distinguished Senators from Minnesota (Mr. MONDALE and Mr. HUMPHREY).

After a full day of hearings on the Rock Island crisis, the Committee on Commerce met in executive session to consider whether additional legislative authority was needed to insure a continuation of service until a permanent plan of reorganization is considered and approved by the court and the Interstate Commerce Commission. The committee reported S. 917, with important and significant amendments, after a full discussion of the options available to the Congress.

Mr. President, the committee has concluded, along with the ICC, the DOT, and the Board of Directors of the U.S. Railway Association, that the financial situation of the Rock Island is hopeless. The carrier has lost money continuously since 1965. Because of the downturn in the economy and other factors, car loadings this year are down nearly 15 percent below 1 year ago. After the carrier lost some $10 million in the first 2 months of 1975, the ICC estimated that the Rock Island would suffer an aggregate $60 million cash drain during the current year.

If a reasonable program of rehabilitation would put the carrier in a financially viable position, the U.S. Railway Association undoubtedly would have approved the requested $100 million loan. But, the USRA Board determined that some $700 million would be needed over a 10-year period to rehabilitate the Rock Island system. In order for this rehabilitation program to be successful, a down payment of some $400 million would be needed now. Ultimately, the USRA Board of Directors rejected the request of the Rock Island for a $100 million loan guarantee because, in the view of the USRA, the railroad had no hope of repayment—as the law requires.

It appeared to the committee, as it did to the USRA Board, that a loan to the railroad at this time, in order to maintain the status quo, would be a little more than a grant. Such a loan could be repaid only after liquidation of the company and the sale of its properties to other railroads in the region.

The Rock Island railroad entered bankruptcy proceedings under section 77 of the Federal Bankruptcy Act on March 17. Mr. William Gibbons, a Chicago lawyer, was named by Federal District Judge Frank McGarr on March 28 as the trustee in bankruptcy. I am pleased to report that those who have had personal conversations with Mr. Gibbons are convinced that he is sensitive to the deep obligation, under section 77 of the Bankruptcy Act, to maintain service at least until a plan of reorganization is submitted for court and ICC approval.

Mr. President, a railroad in bankruptcy may defer payment of taxes and interest on debt obligations. In bankruptcy the Rock Island will defer, at most, payment of $8.2 million on an annual basis. This railroad has such a modest debt structure that an income based reorganization, under the Bankruptcy Act, is considered to be somewhat unlikely. Debt service has not been the problem for the Rock Island. Cash flow has been and continues to be a problem. The Rock Island's cash position has been the subject of almost daily scrutiny by the ICC and the DOT since the company's management announced early this year that obligations due and payable could not be met.

Mr. President, the decision of the ICC on March 25 to authorize a nationwide 7-percent freight rate increase will reduce Rock Island projected losses for 1975 to about $40 million. This is a substantial loss, of course, and must be considered a problem of major proportions by the trustee, the Court, the Commission, and the Congress. Nevertheless, it is not an unmanageable crisis, in view of the fact that cash savings are being achieved by deferral of interest and tax payments. The trustee will have an opportunity to undertake further initiatives to reduce cash drain. And finally, the trustee will have an opportunity to issue "trustee certificates," with the highest priority upon liquidation, to raise the necessary cash to continue operations. The DOT, moreover, has authority to guarantee up to $23 million in trustee certificates of the Rock Island under the terms of the Emergency Rail Services Act of 1970. This obligational authority available to DOT under existing law is the remainder of the loan guarantees approved by Congress to meet a comparable problem on the Penn Central more than 4 years ago.

Mr. President, much has been made of the fact that, upon recommendation of our committee, the Congress ultimately approved grants to continue service on the Penn Central and other bankrupt railroads in the Northeast.

The Congress approved grants for the Penn Central, however, only after the Court concluded that an unconstitutional erosion of the creditors' estate would result if further federally guaranteed trustee certificates were issued with high priority upon liquidation. The situation on the Rock Island today, of course, is materially different from that on the Penn Central. In the case of the Penn Central, the debt was enormous. The common stockholders' equity over the years had been reduced to the point where the stock was virtually worthless upon liquidation. In the case of the Rock Island, however, the trading was suspended at $8 per share of common. The management of the Rock Island, in testimony before our committee, has estimated that the common equity in their company is between $75 and $100 per share. There is no doubt that the trustee of the Rock Island properties has adequate opportunity to issue trustee certificates in order to raise cash for continuing operations pending submission of a reorganization plan to the Court and to the Commission.

Therefore, Mr. President, it appears to the committee that the trustee of the Rock Island has adequate resources to continue operations without direct Federal loans or grants through calendar 1975, at the very least.

Mr. President, throughout the difficult weeks and months since the Rock Island management announced the current cash crises, I have been impressed by the thoughtful and prudent response of the various railway labor organizations who represent affected employees on the Rock Island lines. The representatives of rail labor have worked closely with the committee and staff throughout this process, and have sought with us an appropriate response which, in the long run, will ensure viable and comprehensive rail service to the affected region. As is always the case, the Railway Labor Executives in this crisis have been concerned not only for the positions of their members, but also for the communities and shippers served by this railroad throughout its 123-year history. On April 15, 1975, the Railway Labor Executives Association met in Washington to consider the Rock Island crisis. In the course of the meeting, a resolution was adopted which sets forth, in my judgment, a very responsible recommendation for the consideration of the trustee, the Court, the ICC, the Congress, and the administration.

Mr. President, I request unanimous consent that the text of the resolution on the Rock Island crisis, as adopted by the RLEA, be inserted in the RECORD at this point.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

RESOLUTION

The Railway Labor Executives' Association meeting in Washington, D.C., April 15, 1975, hereby adopts the following resolution concerning Congressional action to preserve the Chicago, Rock Island and Pacific Railway and other railroads and their operations in the States of Colorado, Illinois, Iowa, Kansas, Louisiana, Arkansas, Minnesota, Missouri, Nebraska, North Dakota, Oklahoma, New Mexico, South Dakota, Tennessee, Texas and Wisconsin (herein referred to as the Midwestern Region).

Whereas, the Chicago, Rock Island and Pacific Railway and certain other railroads serve sixteen states in the Midwestern Region of the United States and are important connecting links in the commerce of the United States running on East-West and North-South main routes, as well as serving the entire region through numerous branch lines and secondary main lines. As an example, the Chicago, Rock Island and Pacific has a total trackage of 7,200 miles, operated by 11,000 employees; and

Whereas, the Chicago, Rock Island and Pacific Railway is in reorganization under Section 77 of the Bankruptcy Act as a result of its having insufficient funds to meet its debts as they matured and is unable to rehabilitate its lines of railroad, rolling stock, and other equipment in order to remain competitive and provide to the Midwestern Region of the United States efficient and reliable service; and

Whereas, the Chicago, Rock Island and Pacific Railway has been denied a guaranteed loan by the United States Railway Association, because the USRA Board of Directors has not considered such a loan guarantee to be permitted under the provisions of the Regional Rail Reorganization Act of 1973:

Now, therefore, be it resolved, that the Railway Labor Executives' Association, which Association represents 80% of the railroad employees in the United States, does hereby request the Congress of the United States to give the highest priority and favorable consideration to continuation and rehabilitation of the services of the Chicago, Rock Island and Pacific Railway as well as other railroads in the Midwestern Region through legislative action which would:

(1) Urge the Trustee of the Chicago, Rock Island and Pacific Railway to seek funds now available under the provisions of the Emergency Rail Services Act of 1970, in the form of loans secured by Trustee Certificates in amounts necessary to preserve service intact pending reorganization;

(2) Urge the Trustees to publicize receipt of adequate funds through the issuance of Trustee Certificates in order to restore shipper confidence in the continued operation of that railroad;

(3) Provide for emergency public service employment to rehabilitate railroad lines;

(4) Amend the Emergency Rail Services Act of 1970 as necessary to provide the required funds or amend the Regional Rail Reorganization Act in such manner as to permit the United States Railway Association to guarantee loans to the Chicago, Rock Island and Pacific Railway and other railroads in the Midwestern Region for the purpose of rehabilitation of said railroads' track, roadbed, related facilities and rolling stock in order to enable them to continue serving as important parts of our nation's railway transportation system; and

(5) Insure that the Midwestern Region of the United States has a healthy transportation system adequate to serve the present and future needs of that region and of the United States.

Mr. PEARSON. Mr. President, the RLEA in its resolution has recognized the affirmative duty of the trustee in bankruptcy to continue service pending submission of a plan of reorganization. In its resolution, the RLEA has urged the trustees to utilize available loan guarantees if such guarantees are needed to secure trustee certificates for the continuation of service in the affected 13-State region. The Congress is admonished to insure that adequate authority is available under either the Emergency Rail Services Act of 1970 or the Regional Rail Reorganization Act to facilitate financing in the private sector for this essential transportation purpose. Inasmuch as $23 million in unexpended obligational authority is now available under the 1970 act, it would be appropriate for Congress to defer consideration of any loan or guarantee program for the Rock Island until existing remedies in law are fully exhausted.

Mr. President, in the fifth paragraph of the RLEA resolution, the unions have petitioned the Congress to "insure that the Midwestern region of the United States has a healthy transportation system adequate to serve the present and future needs of that region and of the United States."

I fully endorse this position, and I am confident that our committee will continue to work for this goal in the months ahead.

Mr. President, the committee urges the Senate to approve S. 917, as reported, to insure that, under all circumstances, the ICC has adequate authority to assure a continuation of adequate and essential services on the Rock Island properties. The authority contained in S. 917, as reported by the committee, is comparable to authority contained in part 2 of the act with respect to motor carriers. Under the terms of the bill, the ICC is authorized, on an emergency basis, to grant a petitioning railroad temporary authority to operate properties of a defunct railroad if such temporary authority is essential to maintain services and to avoid destruction or injury to the properties of the defunct carrier.

Under the terms of S. 917, as reported by the committee, those employees of the Rock Island, or any other railroad in comparable circumstances, who might be affected adversely by any orders issued, would be assured fair and equitable arrangements by the ICC in its orders. Thus, I stress that the terms of S. 971 in no way disadvantage any railroad employee. On the contrary, the fair and equitable arrangements for affected employees insure that, in the event of a Rock Island collapse, additional employees would be protected who, under existing law, are assured no protection.

Mr. President, under existing law, the ICC has authority in section 1(16)(b) of the act to order profitable railroads to operate over the lines of a defunct carrier to perform essential services for up to 8 months. The Government would be obligated to reimburse the operating carrier under this provision of the act. Section 1(16)(b) authority is adequate to protect the most essential services; however, there are other services currently performed by the Rock Island which might not be continued. The authority contained in S. 917, if exercised by the Commission upon application by operating carriers, could expand the service

program supervised and administered by the ICC following a Rock Island collapse. Therefore, it provides the Commission with a needed tool to insure that the most comprehensive possible service program and pattern be continued indefinitely.

Mr. President, S. 917, as reported by the committee, contains amendments recommended by the Department of Transportation to provide timely payment to operating carriers under section 1(16)(b). Under existing law, carriers ordered to operate essential properties of a defunct carrier under section 1(16)(b) could be required to wait many months before reimbursement by the Government. S. 917 contains an amendment to this subparagraph to provide monthly reimbursement to the operating carriers.

Mr. President, I would urge the Senate to approve S. 917 as a bill which could be useful in the event that, notwithstanding his authority to issue trustee certificates, the trustee in bankruptcy of the Rock Island properties decides that the railroad should be shut down.

Although the committee does not view it as appropriate for the trustee to terminate services on the Rock Island properties at this time, or in the foreseeable future, it is possible that he may descide otherwise. In the event that this latter decision is reached by the trustee, the terms of S. 917, as it is being considered in the Senate today, will provide an appropriate and needed response.

Mr. HARTKE. Mr. President, I wish to join my distinguished colleague, the ranking minority member of the Surface Transportation Subcommittee, Senator WEICKER of Connecticut in urging the Senate to pass S. 917. This bill is designed to authorize the Interstate Commerce Commission to grant temporary approval of the operation of one railroad by another railroad if failure to grant such temporary approval would result in destruction of rail properties or a substantial limitation upon their future usefulness in the performance of service to the public. The Interstate Commerce Commission already has similar authority under part II of the act, which deals with motor carriers, and this merely extends similar provisions to part I of the act in order to deal with a possible emergency in rail service.

The exercise of this ability would result in no direct cost to the Federal Government and could provide for the continuation of essential services on railroads where those services might be threatened with a cessation of operations. The legislation emerged from the cash crisis facing Chicago, Rock Island, and Pacific Railroad. Because of the precarious condition of the Rock Island one of the major carriers in the Midwest, my subcommittee recently held hearings on the possible legislative solutions to this crisis. At the time of the hearings, the Rock Island announced that it would soon run out of cash and would, therefore, be forced to embargo traffic and suspend service or enter reorganization proceedings under section 77 of the Bankruptcy Act.

Since that hearing the latter course of action has been followed, and reorganization court has appointed a trustee to oversee the Rock Island's operations. A recently granted rate increase by the Interstate Commerce Commission, in combination with the deferal of charges through the reorganization process, has led to a more favorable cash picture for the Rock Island. White the situation has somewhat stabilized, there still needs to be a long range planning effort and rehabilitation effort in the Midwest. I should caution my colleagues here in the Senate today that the bill before us merely provides the Commission with additional tools to deal with emergencies that might arise in the future—in my opinion, it probably does not provide the long range answer to the need to thoroughly upgrade the rail system serving the Midwest portion of the United States. In the coming days, the Senate Commerce Committee will be considering a number of pieces of legislation which are designed to make major policy changes toward rail transportation throughout the United States. Without these basic policy changes, not only will the Midwest be in further jeopardy, but the rest of the Nation should also expect to face serious crises in connection with the provision of essential rail services.

Mr. President, the hearings held by the Surface Transportation Subcommittee made it clear that the Rock Island is not the only railroad in the Midwest facing financial difficulties. At the same time, there was strong support for the view that the government should not immediately intervene with additional financial assistance other than that now provided by law to continue essential services in case one or more of these marginal carriers should be faced with a cessation of service. The Senate Commerce Committee evaluated all of the possible options for dealing with the need to upgrade rail service in the Midwest, and decided that substantial financial assistance should not occur without a coordinated planning effort to assure that that assistance creates a better long range system adequate to serve the needs of that region. The additional tools of S. 917 is designed to give the Interstate Commerce Commission will permit the ICC to assure the continuation of essential services while that long range planning effort is carried out. It allows other railroads to provide services on a temporary basis until a long term solution can be effectuated.

Mr. President, it has already been pointed out that this provision contains adequate labor protection provisions which will assure that fair and equitable labor protection conditions can be imposed by the Interstate Commerce Commission should it choose to exercise the authority granted by this legislation.

This legislation would also amend section 1(16)(b) of the Interstate Commerce Act to provide greater flexibility to the Commission in issuing emergency service orders under that provision of existing law. This minor technical change is also designed to insure that there will be adequate authority to continue essential operations in the event of a cessation of rail service by permitting a more timely payment to railroads ordered to take up service on the lines of another railroad. It is a measure of the health of the entire railroad industry that the Congress needs to address the payment periods for services performed pursuant to section 1(16)(b). The simple fact of the matter is that many railroads could not sustain a 180-day billing cycle; this amendment permits more frequent payments to insure an adequate cash flow.

Mr. President, I commend the efforts of the distinguished ranking minority member of the Commerce Committee, Mr. PEARSON, in introducing this bill. I feel it helps to assure the continuation of essential rail services should we be faced with more emergencies, and I commend its provisions to the Senate.

S. 917 is not the final solution to the rail transportation problems of the Midwest—or any other region, for that matter. When my subcommittee held hearings on the Rock Island crisis, it was clear that two actions by the Congress are necessary: First, action to deal with a possible cessation of service by a rail carrier such as the Rock Island that is financially unable to continue operations; second, long-range action designed to create a healthy rail system in the Midwest and the rest of our Nation. The reason that the committee decided not to grant massive assistance to the Rock Island is that the Rock Island is not the only rail carrier that is in financial trouble. In the Midwest, for instance, both the Chicago and Northwestern and the Milwaukee Road are in a relatively precarious state. Furthermore, there is a substantial amount of excess trackage in the Midwest—we do not need six mainline direct routes between Chicago and Omaha, for instance. If the sort of massive Federal assistance that would be required to rebuild the Rock Island were provided by the Congress, it would not solve the rail transportation problems of the Midwest. In fact, we would still be faced with a Midwestern rail transportation system burdened with excessive trackage and marginal rail carriers—even if the Rock Island became a healthy carrier.

Over the next months, the Senate Commerce Committee will be working on a more comprehensive approach to the rail transportation problems of not only the Midwest, but the entire Nation. We will be looking at rail trust funds, government ownership or assistance to rehabilitate roadbeds, and many other concepts designed to bring our rail transportation system to the place it needs to be. Another concept we intend to examine is the possible role of the U.S. Railway Association in the Midwest. A planning and consolidation effort in that region similar to the effort now underway in the Northeast may be necessary. It is clear, however, that funds should not be provided without a long-range plan for improvement. I think it is important to remember that the Commerce Committee has not recommended further interim operating assistance for the northeastern railroads such as the Penn Central without tying those funds to the development and implementation of a long-range plan designed to alleviate the problem. We do not intend to do so in the Midwest either.

Mr. CURTIS. Mr. President, will the distinguished Senator yield?

Mr. PEARSON. I was yielded to by the distinguished Senator from Indiana. With his concurrence, I am pleased to yield to the Senator from Nebraska.

Mr. CURTIS. I commend the distinguished Senator from Kansas for the time and attention he has given to this matter. As I understand it, without the passage of this bill, the only way service could be provided to those areas that must have it would be for the ICC to order that another company extend the service, and then pick up the check for all their losses; is that correct?

Mr. PEARSON. The Senator is substantially correct. Of course, the service could be continued by the order of the bankruptcy court. But if full service could not be assured under the bankruptcy proceeding, the Senator is absolutely correct: The only way to maintain service would be for the ICC to issue orders and the Federal Government would have to reimburse directed carriers to the extent that they do not earn a reasonable profit from such directed service.

Mr. CURTIS. But this will broaden the authority of the ICC, and put upon them the responsibility of shopping around to see if they can get another carrier to volunteer to serve the same lines without cost to the Government?

Mr. PEARSON. The Senator is correct.

Mr. CURTIS. And that is basically the reason for the statement in the report that:

> The administration of this act will entail no appreciable additional cost.

Mr. PEARSON. The Senator is correct.

Mr. CURTIS. It is true that we cannot turn the calendar back and complain about mistakes of the past; that does not solve the problem now. On the other hand, I think it is important that in all areas of the Government we do look at the mistakes of the past in order to avoid the same mistakes in the future.

It was quite apparent for a long time that the Rock Island was losing money and was headed for trouble, and an attempt was made to merge it with other roads in order to serve the public, and at the same time give to management a situation that apparently could operate without a loan.

Can the Senator tell us why that merger never went through?

Mr. PEARSON. The ICC did finally issue an order providing for a merger, but the merger proceeding is not administratively final. It has taken some 12 years, but that is because the parties to the merger proceeding have been contesting every step of the way. Procedures within the ICC and conflicting interests among the various parties drew this matter out to the extent that, as the Senator may know, it was the new Secretary of Transportation's recommendation in the past week that Congress act on some type of legislation which would remove merger proceedings from within the jurisdiction of the ICC.

So I would say to the Senator that there is a good deal of blame that can be passed around among all parties involved.

One of the reasons why it is suggested that perhaps there would be no really great chance for reorganization under the Bankruptcy Act is the fact that the track and roadbed maintenance has been deferred and the costs of building the railroad up are so very great. Nothing has been done for a long time. There is equity in the stock, trustee certificates can be issued, and there can be a maintenance of service as a result of the bankruptcy proceedings themselves. It is thought that this is a matter very much different from the Penn Central, in that the Penn Central was down to rock bottom, no equity was left in any stock, and the assets were being dissipated from day to day.

The point is that you cannot have merger proceedings and have them run through some 12 years and have any sort of viable solution.

Mr. CURTIS. If the Senator will yield briefly for an observation——

Mr. PEARSON. Of course.

Mr. CURTIS. I do not wish to unfairly reflect upon any member of the Interstate Commerce Commission, now or at any time in the last 50 years.

Mr. PEARSON. They are prisoners of their own rules and procedures.

Mr. CURTIS. In any personal way, or anyone that works for them. Nevertheless, of all the antiquated agencies of the U.S. Government, they get the prize. They have not changed their procedures in the last 100 years. Not only does it take 10 or 11 years to get an answer on a merger matter that is of vital importance, their other procedures are just as bad. I know of one situation where a fairly small truckline was being acquired by a railroad company. Year after year went by. The seller could not find out whether he should renew the insurance on his trucks, whether he should get new licenses, whether he should repair them, whether he should buy tires—the thing was just pending in Washington.

In this day and age that is intolerable, and I do direct this criticism, not against anyone personally, but against the institution of the ICC. Not only are their procedures and laws antiquated, and while it is true that Congress writes the laws, they have been on the spot in charge of this, charged with public responsibility to provide us with transportation, and they have not come before Congress often enough and with sufficient vigor to demand changes in laws and procedures so we could have an Interstate Commerce Commission that served the public interest in a quick, efficient, and just way.

I thank my friend for yielding.

Mr. PEARSON. I thank the Senator. I might say that I think this is meritorious, and that I hope we will do some good work in that field.

Mr. TAFT. Mr. President, will the Senator yield for a question?

Mr. PEARSON. I yield.

Mr. TAFT. First, I commend the Senator on his assessment of the problems of the ICC, which I have been studying over a period of years, and found them so complicated and frustrating that, in fact, I have been tempted from time to time to advocate the abolition of the ICC.

Mr. CURTIS. Well, I do that several times a year, when we cannot get boxcars. So far I have not succeeded, but I keep on trying.

Mr. TAFT. I do, too. But in connection with this particular matter, it seems to me, on initial, cursory examination of it, that even though we have a bankrupt company here, it is in the order that we would establish here that a railroad could come in and start operating with ICC approval over the tracks of the Rock Island; they would be doing so without any compensation, and I have serious question, from a constitutional point of view, whether that is possible if it is true. Will the Senator tell me whether or not in his opinion that is the case, or what was the resolution by the committee of that question?

Mr. PEARSON. The bill seeks to be implemented in this way: Railroads would petition the ICC for authority to operate over lines where service was essential and necessary. The ICC could then issue an order granting temporary operating authority. Any losses are to be borne by the railroads seeking permission to operate.

Mr. TAFT. That is, their revenues and their losses, if I understand the Senator correctly. It does not go to the question of what the interest of the stockholders or the creditors of the Rock Island might be with regard to being compensated for what is obviously, if there should be profits, something of some value.

Mr. PEARSON. The partial answer to that, of course, is that the Rock Island Railroad is now in bankruptcy proceedings under section 77.

Mr. TAFT. That is certainly true, but that does not mean——

Mr. PEARSON. Where the court has the authority not only to protect the interests of the creditors, but of all interested parties.

Mr. HARTKE. Mr. President, let me say to the Senator from Ohio that the situation is such that where the Rock Island is concerned, it would be impossible for it to successfully claim any right to reimbursement for usage of its track or other facilities.

Mr. TAFT. I agree, but it seems to me that if this is something of value that is being taken in this situation, and it is of some value because of the question of profit or loss in it, and there is some property there which ultimately would have to go to creditors for the Rock Island, I wonder if the trustee in bankruptcy would not have the obligation to bring a lawsuit to test this particular piece of legislation if we do not take care of this problem and compensate the Rock Island. What remains of the Rock Island and the various holdings in it for the use of the services of the line?

Mr. HARTKE. Let me say there are a number of things in this bill that are not as protective or generous as they could be, but I do not believe it would be subject to a successful lawsuit. In the first place, there is a limitation to the initial order of 180 days, to begin with. That is one provision.

If the Senator would read on page 8 of the report, if the Senator has that print before him, if he will look down there, it is an initial period for not to exceed 180 days. It must be found that grant authority might result in destruction or injury to the property for them to go ahead and the operation; also if the Senator would read down to the next line:

". . . if it shall appear that failure to grant such temporary approval may result in destruction of or injury to such railroad properties or in a substantial limitation upon their future usefulness in the performance of adequate and continuous service to the public:"

I do not know how one could draw it any more clearly. As far as Rock Island is concerned, they are in a position where a service which is necessary to the public would be continued; that the continuation of that service would be for a limited period of time, and that it would not result in the reduction of the usefulness of that property for the future.

Mr. TAFT. I understand that. But it still does not seem to me to answer the question of service having some value that it does have, and they would be interested in it. It is true it has a value. If you are going to take it away for 180 days, if you take a house away from somebody for 180 days, it is depriving him of property without due process of law.

Mr. PEARSON. May I say to the Senator the petitions which would come forward under this particular provision would be filed in anticipation of cessation of the service involved. The railroad not only is in bankruptcy but is about to shut down its operations.

In addition to that, the ICC, in the issuance of its orders, can attach such conditions as it deems necessary. They might very well do that in the face of any sort of a constitutional question.

Mr. TAFT. Does the Senator think they could require the payment before the service?

Mr. PEARSON. Yes, the bill provides for the attachment of terms and conditions.

Mr. HARTKE. Let me also say that it has repeatedly been held in situations of this kind that the requirement of public convenience and necessity, the requirement for public service there, carries with it certain obligations, and one of the obligations is to the public itself. When a carrier is relieved of that obligation, which under normal circumstances it would be required to perform, it is not only an advantage to them but also to the stockholders of the railroad, even though it is in reorganization. Of course, when they are in reorganization they are under the jurisdiction of the court to begin with.

This is a case of very limited application. What we are saying is it is very limited but, at the same time, it is a very specific case we are addressing ourselves to, and that is the immediate question of the Rock Island Railroad. It is not one which is going to be unique, in my judgment.

Mr. TAFT. If the Senator will yield further, there is no question, I take it, that the Rock Island or the trustee in bankruptcy for the Rock Island actually owns the right-of-way involved.

Mr. HARTKE. Yes, they own it; and they have an obligation to use it, and that obligation, if it is not fulfilled, then three is an obligation to permit someone else to provide for that service.

Mr. TAFT. But the Senator does agree that the ICC, in arranging and approving the use of the track by others, can order compensation to the Rock Island if they find it necessary.

Mr. PEARSON. I might say to the Senator that the law already on the books today, section 1(16)(b) of the Interstate Commerce Act, says that the ICC has the authority when there is a cessation of service to order other railroads to provide that service, and if it does so the Federal Government must reimburse directed carriers to the extent that directed service does not result in a reasonable profit. That comes out of the Federal Treasury.

This is an additional provision which is voluntary in nature, which is not meant—I want to emphasize—to implement the merger plan which has been developed after some 12 years of study, but it provides that the carrier applying for temporary authority would bear any losses.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. PEARSON. Yes; I yield to the Senator.

Mr. MANSFIELD. Mr. President, I feel somewhat like the Senator from Nebraska (Mr. CURTIS) and the Senator from Ohio (Mr. TAFT) about the ICC. It seems as if every time a railroad which crosses the State of Montana applies to the ICC for a rate increase, it is automatically granted, and it is granted in a hurry.

I introduced a bill some years ago—not too many years ago—to abolish the ICC because it is not only the rate structures which they increase all the time, but it is also the lack of boxcars to take care of our wheat and other commodity shipments from the State of Montana east and west.

I believe I read in the newspaper the other day that the trustees in bankruptcy of the Penn Central got pretty hefty raises in their pay; is that true?

Mr. PEARSON. I think that is correct.

Mr. MANSFIELD. Whereas on the Rock Island there have been firings and reductions in pay.

Mr. PEARSON. The Senator is correct.

Mr. MANSFIELD. Now, on page 8 it states under "Estimated Cost of the Legislation":

The administration of this act will entail no appreciable additional cost.

Can the Senator inform the Senate what he means by no appreciable additional costs in the figures?

Mr. PEARSON. The whole thrust of the bill is to provide service at no additional cost to the Federal Government. I would assume that that language was put in there because there might be additional costs in the administration in the ICC itself.

Mr. MANSFIELD. In the ICC?

Mr. PEARSON. In the ICC itself.

Mr. MANSFIELD. How many commissioners does the ICC have and how big a staff does it have? Eleven commissioners. I think it might be well if that could be furnished for the RECORD. It is a big old outfit. It has a lot of clout. It has helped to create a bureaucracy which, I am sure, has not shrunk with the years any more than any other Government bureaucracy.

Mr. PEARSON. If the Senator will yield, I am told the estimated number of the staff of the ICC is in the range of 2,000.

Mr. MANSFIELD. 2,000.

Now, S. 917 is:

A bill to amend the Interstate Commerce Act to authorize the Interstate Commerce Commission to grant temporary operating authority to a carrier by railroad pending final determination by the Commission.

What is the Commission's final determination going to be? Does the Senator have any idea?

Mr. PEARSON. The final determination of the reorganization of the railroad itself.

Mr. HARTKE. Let me make two points on that, if the Senator will yield.

Mr. PEARSON. I yield.

Mr. HARTKE. First, a railroad. It can be renewed by the commission under certain conditions. But these railroads are in reorganization, which means, very simply, under chapter 77 of the bankruptcy law that they are being administered by trustees under the jurisdiction of the court.

The ultimate determination of that, certainly, is not going to be made by the Interstate Commerce Commission. The ultimate decision is going to be made within the framework of the court, or other than that, within the framework, hopefully, of some type of legislative procedure which we can come forward within the future.

But as far as the Rock Island is concerned at this moment, that provision in the title of the act means, very simply, this is temporary authority granted by the Interstate Commerce Commission within the framework of the overall jurisdiction of the reorganization court.

Mr. MANSFIELD. I thank the Senator.

Mr. HARTKE. Let me point out one other thing. I doubt whether there would be any cost whatsoever under this bill. I really cannot see it, but I think rather than have a flat statement that there would be no cost whatsoever, it was our judgment if there was some additional administrative cost—such as sending people out there to do the work, or something of that kind which could not be performed under our procedures—would be providing some protection. There is no anticipation of any additional cost.

Let me say one thing to the Senator from Ohio about the constitutional and legal question. Under the cases and under the testing of the constitutionality of the Regional Reorganization Act. I think this matter has been really thoroughly litigated. I do not believe it is open to question whatsoever.

Mr. TAFT. I thank the Senator for his comments.

Mr. HARTKE. Let me make one further comment. There is always the provisions of the Tucker Act. If there has been some undue taking under the due process clause, that always is available.

But let me say, I do not think it would be available under this legislation. I think it is available, but I do not think it would apply.

Mr. TAFT. It would not apply because the Senator feels if compensation is due, the ICC——

Mr. HARTKE. That is right. I think Senator PEARSON put his finger on that. But no compensation is justified.

This authority is already contained in section 2 of the Interstate Commerce Act in regard to motor carriers. It is not new in that regard.

Mr. TAFT. The motor carriers run on the public highways, not on the right-of-way run by the trustee in bankruptcy.

Mr. HARTKE. It is basically the same thing. They receive their certificate of public convenience and necessity. They receive their certificate and authorization to go over these routes and that certificate has with it an obligation of performance.

Mr. TAFT. That is correct.

Mr. HARTKE. And with that obligation in performance, when they cease to perform that service, that in and of itself——

Mr. TAFT. But the trustee in bankruptcy of the Rock Island does not own his right-of-way.

Mr. HARTKE. The trustee in bankruptcy——

Mr. TAFT. He may to operate, but not on the right-of-way.

Mr. HARTKE. He owns the right-of-way and also to use that right-of-way, but when he fails in that performance he has forfeited his rights. In any case, they are losing money.

Mr. TAFT. I will not press the amendment at this time, but I have read the language of the act. I think the implications of it are to the contrary. Perhaps by legislative history here, we have established legislative history to say the ICC does have authority to pay compensation if required, but I do not read the language that way.

In fact, the prior clause relating to protecting the fair and equitable arrangement, protect the interests of the railroad employees, would seem to imply to me, perhaps, there is not anybody else that——

Mr. PEARSON. May I respond to the Senator by saying that I am not certain that the language was drawn at the time to anticipate the issue that the Senator has properly raised, but I think there is authority there, and will say so in relation to the legislative history, that that kind of condition could be implied and enforced by the ICC in granting the petition, or that, as the Senator from Indiana said, the Tucker Act is still there to compensate carriers.

Mr. TAFT. I thank the Senator for that remark. I think that does pretty clearly establish legislative history.

Mr. PEARSON. Will the Senator yield for a second?

The PRESIDING OFFICER (Mr. HATFIELD). The time of the Senator from Kansas has expired.

Mr. HARTKE. I yield the Senator additional time.

Mr. PEARSON. I thank the Senator from Indiana.

Mr. HARTKE. Mr. President, I have no further comments to make and I am ready for the third reading of the bill.

Mr. DOLE. Will the Senator yield

Mr. HARTKE. Yes.

Mr. DOLE. Mr. President, although I have no particularly strenuous objection to this bill—and in fact recognize there may come a time when the authority it provides could be useful—I question just how necessary it really is in dealing with the immediate problems involving the Rock Island Railroad.

As originally conceived, that is, S. 917 sought to permit what would amount to implementation of a temporary merger arrangement between two willing carriers. Specifically, it would have allowed principally the Union Pacific—through mandate of the ICC—to proceed with its operation of Rock Island routes pending final formal approval of a consolidation between the two lines.

Now, however, Union Pacific has disaffirmed its merger intent and presumably would not be agreeable to taking over Rock Island services on that basis. Moreover, the Rock Island's own bargaining position is at best clouded by its section 77 reorganization status.

I am a little concerned, therefore, that until Rock Island's ultimate destiny can be determined, this legislation may further complicate and confuse matters. There might even be a serious constitutional problem arising if, for example, another carrier who desires a "piece of the Rock" makes the designated application to the ICC who—in all its wisdom—determines that the "substantial destruction" or "future usefulness" requirements have been met with respect to a part of the Rock Island properties.

Of course, we are supposed to assume that this bill contemplates a partial shutdown or discontinuation of essential services—but it does not, after all, say that. Accordingly, we could fully expect—in the case of an ICC finding with which the Rock Island or a carrier in similar circumstances does not acquiesce—the authority provided by S. 917 to be challenged in Court.

While I am not inclined to vote against this measure in the event a rollcall is taken, I really believe we could better concentrate our efforts on other proposals—such as that introduced with my cosponsorship by the distinguished Senators from Oklahoma and Arkansas (Mr. BARTLETT and Mr. MCCLELLAN). I refer to S. 1306, which would go a long way towards stabilizing the Rock Island situation until a longer-range solution can be worked out.

The PRESIDING OFFICER. The clerk will report the first committee amendment.

Mr. HARTKE. Mr. President, I ask unanimous consent that the committee amendments be considered en bloc.

The PRESIDING OFFICER. Without objection, the committee amendments are considered and agreed to en bloc.

The committee amendments agreed to en bloc are as follows:

COMMITTEE AMENDMENTS

On page 1, beginning on line 8, strike out the following:

"(g) Pending the determination of an application filed with the Commission for approval of a consolidation or merger of the properties of two or more carriers by railroad; or of a purchase, lease, acquisition of control, or contract to operate the properties of one or more carriers by railroad; or of acquisition by a carrier by railroad of trackage rights over, or joint ownership in or joint use of any railroad line or lines owned or operated by any other such carrier, and terminals incident thereto,"

And insert in lieu thereof:

"Upon application by a carrier by railroad";

On page 2, in line 9, following the word "Grant", insert the words "such carrier"; in line 10, following the words "180 days," strike the words "of the operation of" and insert the words "to operate"; beginning in line 11, following the words "railroad properties" strike out the words "or property rights sought to be acquired by the party or parties proposing in such pending application to acquire such properties or property rights," and insert the words "owned or operated by another carrier by railroad,"; beginning in line 17, following the word "or" strike the words "property rights sought to be acquired, or to interfere substantially with" and insert the words "in a substantial limitation upon"; beginning in line 20, following the word "public" strike the period and insert the following:

": *Provided*, That as a condition of its approval of any such application under this subparagraph, the Commission shall require a fair and equitable arrangement to protect the interests of the railroad employees affected.";

On page 3, beginning in line 2, following the word "warrant" strike the period and insert the following " , including but not limited to terms and conditions providing for modification or revocation of such order."; beginning in line 4, strike out the words "Extension of such temporary authority beyond 180 days may be determined by the Commission" and insert the words "The Commission may extend such temporary authority beyond 180 days"; beginning in line 7, following the word "or" strike out the words "it may determine the need therefor"; beginning in line 8, following the word "initiative." ." insert the following:

"Every 60 days, the Commission shall report to the Congress upon the effect of all such orders issued under this subparagraph in effect during such 60-day period on competition between carriers by railroad subject to this part: *Provided*, That such a report shall not be required for any such period during which no such orders are in effect.";

Beginning on line 15, insert a new section as follows:

"SEC. 3. (a) Section 1(16)(b)(A) of the Interstate Commerce Act (49 U.S.C. 1(16)(b)(A)) is amended to read as follows:

"(A) Such direction shall be effective for no longer than 60 days unless extended or renewed by the Commission for cause shown for an additional period or periods. Such additional period or periods shall not exceed in the aggregate 180 days. At the time of any such extension or renewal, the Commission may alter or amend its direction with respect to such carrier by substituting another carrier or carriers for a directed carrier, or otherwise.".

(b) Section 1(16)(b)(E) of the Interstate Commerce Act (49 U.S.C. 1(16)(b)(E)) is amended by striking "90 days after expiration of such order" and inserting in lieu thereof "30 days after the last day of each calendar month during which such costs are incurred".;

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Railroad Temporary Operating Authority Act".

SEC. 2. Section 5(2) of the Interstate Commerce Act (49 U.S.C. 5(2)) is amended by adding at the end thereof the following new subsection:

Upon application by a carrier by railroad the Commission may, in its discretion, and without hearing, grant such carrier temporary approval, for a period not exceeding 180 days, to operate all or part of the railroad properties owned or operated by another carrier by railroad, if it shall appear that failure to grant such temporary approval may result in destruction of or injury to such railroad properties in a substantial limitation upon their future usefulness in the performance of adequate and continuous service to the public: *Provided,* That as a condition of its approval of any such application under this subparagraph, the Commission shall require a fair and equitable arrangement to protect the interests of the railroad employees affected. The Commission may, in its discretion, attach to any order granting such temporary approval such terms and conditions as in its judgment the circumstances surrounding such temporary approval shall warrant, including but not limited to terms and conditions providing for modification or revocation of such order. The Commission may extend such temporary authority beyond 180 days upon written request by an interested party, or upon its own initiative.". Every 60 days, the Commission shall report to the Congress upon the effect of all such orders issued under this subparagraph in effect during such 60-day period on competition between carriers by railroad subject to this part: *Provided,* That such a report shall not be required for any such period during which no such orders are in effect.

SEC. 3. (a) Section 1(16)(b)(A) of the Interstate Commerce Act (49 U.S.C. 1(16)(b)(A)) is amended to read as follows:

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(b) Section 1(16)(b)(E) of the Interstate Commerce Act (49 U.S.C. 1(16)(b)(E)) is amended by striking "90 days after expiration of such order" and inserting in lieu thereof "30 days after the last day of each calendar month during which such costs are incurred".

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. WEICKER. Mr. President, the legislation before the Senate for consideration at this time was introduced by the distinguished ranking minority member of our Committee on Commerce (Mr. PEARSON), for himself, and Senators CLARK, CULVER, HUMPHREY, and MONDALE. It would amend the Interstate Commerce Act so as to authorize the Interstate Commerce Commission—ICC—to grant temporary operating authority to a carrier by railroad to operate all or part of the railroad properties operated by another carrier by railroad; and, more specifically, it is designed to vest in the ICC the complete authority needed to insure the continuation of essential rail services in the region served by the Chicago, Rock Island, and Pacific Railroad Co.—Rock Island.

Mr. President, the Rock Island in recent weeks entered reorganization under section 77 of the Bankruptcy Act. It has a severe cash shortage problem which might at any time necessitate cessation of its rail service. Such a cessation of rail service by the Rock Island would result in significant economic hardship to the affected region. The Rock Island operates more than 7,000 miles of rail lines in 13 Midwestern States and employs approximately 10,000 people. While several other railroads provide competitive service in the Rock Island's territory, the Rock Island is the only carrier available to a substantial number—as much as 30 percent—of the shippers in the affected region. For example, 180 grain elevators in Kansas depend exclusively for rail service on the Rock Island. The Federal Energy Administration estimates that alternative motor carrier service for these elevators could require 669,000 movements per year and could consume as much as 22.2 million gallons of diesel fuel. Thus, continuation of many of the services provided by the Rock Island is essential to the maintenance of the economy in the affected region.

Mr. President, I am well aware of the reluctance of many members of this body to extend additional financial assistance to marginal railroads. Certainly, that issue has been fully aired in this chamber during the deliberations on the Regional Rail Reorganization Act of 1973 and amendments thereto. However, Mr. President, S. 917 would not provide any financial assistance to the Rock Island or any other railroad. Rather, it would provide the ICC with the authority necessary to continue Rock Island services without such assistance in instances when other railroads are willing to operate Rock Island properties on a temporary basis.

Mr. President, I find myself once again taking the floor to manage an emergency bill to address the impending collapse of a major American railroad. Once again the Federal Government is stepping into the breach to provide for continuation of vital rail services to communities in the several States.

Mr. President, as I have repeated time and again, it is becoming increasingly difficult for me to sponsor and sell stopgap measures to prop up our deteriorating railroads. Earlier this year, it was a bailout for the bankrupt Penn Central; today we propose to allow the ICC to grant temporary operating authority to other rail carriers to operate the properties of the Rock Island; tomorrow, who knows what patchwork scheme will be advanced to save rail service in one part or another of the country?

Mr. President, I confess my frustration with the pending legislation. On the one hand, it embodies a reasonable interim solution in situations when a railroad is unable to continue service by expanding the options available to the ICC before the actual crisis situation. On the other hand, little in the way of a cure, let alone a proper diagnosis, of the sickness that is sapping the life out of the railroad industry has been forthcoming.

Therefore, I call on my colleagues to focus on those initial efforts by the U.S. Railway Association, the Rail Services Planning Office, the Department of Transportation, and others, to develop a comprehensive plan to put the Nation's railroads on the right track as a viable, competitive, and energy-efficient transportation mode for America's future.

The Congress has acted to resolve the railroad problem in the Northeast region of our country, and I believe it should also take action with regard to similar problems in the Midwest and other regions. Therefore, pending a comprehensive resolution of the problems confronting all of our Nation's railroads, I urge the favorable consideration by the Senate of the pending bill, S. 917, as an appropriate response to the critical situation confronting the region served by the Rock Island.

Mr. BARTLETT. Mr. President, when S. 917 was originally introduced in the Senate on March 3, 1975. I had asked that my name be added as a cosponsor to that bill. It was my opinion that the best solution to the Rock Island crisis was to allow the railroad industry itself to solve its problems by expediting a long-sought merger between the Union Pacific Railroad Co. and the Chicago, Rock Island & Pacific Railroad Co.

The Union Pacific has since indicated that it is no longer interested in a merger, and the Rock Island filed for reorganization in bankruptcy on March 17. Therefore, S. 917 no longer offers the solution for which it was originally introduced.

S. 917 places discretionary power in the Interstate Commerce Commission—ICC—to order the temporary operation of one railroad by another railroad, "if it shall appear that failure to grant such temporary approval may result in the destruction of or injury to such railroad properties or in a substantial limitation upon their future usefulness in the performance of adequate and continuous service to the public."

I have serious reservations about the ability of the ICC to carry out the new discretionary powers it would have under this bill in light of its ability to carry out its responsibilities under the Interstate Commerce Act as it is now written and under which it has operated for many years.

My distinguished colleague from Ohio, Senator TAFT, has raised serious questions regarding the constitutionality of this bill and I share those concerns also.

This bill does not help the Rock Island. It does potentially contain provisions that could be harmful to other railroads that are in a financially unstable condition.

I am deeply concerned also that the Commerce Committee has suggested in its report—S.R. 62—on page 7 that:

> Future action may include the need for reorganization of the railroads in the Midwest under a plan similar to that provided for the railroads in the Northeast and Midwest in the Regional Rail Reorganization Act of 1973.

If the railroad reorganization of the Northeast is an example of a solution for the problem of the railroads of the Midwest, I oppose such an approach, just as I oppose this bill.

Mr. President, I ask unanimous consent that my name be withdrawn from S. 917 as a cosponsor.

The PRESIDING OFFICER. Without objection, its is so ordered.

Does the Senator from Indiana yield back his time?

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. HARTKE. On my time.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARTKE. Mr. President, I yield back the remainder of my time.

Mr. PEARSON. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

The bill (S. 917) was passed.

The title was amended so as to read:

> A bill to amend the Interstate Commerce Act to authorize the Interstate Commerce Commission to grant temporary operating authority to a carrier by railroad and for other purposes.

Mr. HARTKE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HARTKE. Mr. President, I ask unanimous consent that the bill (S. 917) be printed in the RECORD as passed, and that copies be printed for the use of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 917) as passed, reads as follows:

S. 917

To amend the Interstate Commerce Act to authorize the Interstate Commerce Commission to grant temporary operating authority to a carrier by railroad, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Railroad Temporary Operating Authority Act".

SEC. 2. Section 5(2) of the Interstate Commerce Act (49 U.S.C. 5(2)) is amended by adding at the end thereof the following new subsection:

"(g) Upon application by a carrier by railroad the Commission may, in its discretion, and without hearing, grant such carrier temporary approval, for a period not exceeding 180 days, to operate all or part of the railroad properties owned or operated by another carrier by railroad, if it shall appear that failure to grant such temporary approval may result in destruction of or injury to such railroad properties or in a substantial limitation upon their future usefulness in the performance of adequate and continuous service to the public: *Provided,* That as a condition of its approval of any such application under this subparagraph, the Commission shall require a fair and equitable arrangement to protect the interests of the railroad employees affected. The Commission may, in its discretion, attach to any order granting such temporary approval such terms and conditions as in its judgment the circumstances surrounding such temporary approval shall warrant, including but not limited to terms and conditions providing for modification or revocation of such order. The Commission may extent such temporary authority beyond 180 days upon written request by any interested party, or upon its own initiative. Every 60 days, the Commission shall report to the Congress upon the effect of all such orders issued under this subparagraph in effect during such 60-day period on competition between carriers by railroad subject to this part: *Provided,* That such a report shall not be required for any such period during which no such orders are in effect.".

SEC. 3. (a) Section 1(16)(b)(A) of the Interstate Commerce Act (49 U.S.C. 1(16)(b)(A)) is amended to read as follows:

"(A) Such direction shall be effective for no longer than 60 days unless extended or renewed by the Commission for cause shown for an additional designated period or periods. Such additional period or periods shall not exceed in the aggregate 180 days. At the time of any such extension or renewal, the Commission may alter or amend its direction with respect to such carrier by substituting another carrier or carriers for a directed carrier, or otherwise.".

(b) Section 1(16)(b)(E) of the Interstate Commerce Act (49 U.S.C. 1(16)(b)(E)) is amended by striking "90 days after expiration of such order" and inserting in lieu thereof "30 days after the last day of each calendar month during which such costs are incurred".

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 11 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will meet tomorrow at 11 a.m., following a recess. After the two leaders or their designees have been recognized under the standing order, Mr. TAFT will be recognized for not to exceed 15 minutes. Mr. JAVITS will then be recognized for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business of not to exceed 30 minutes, with Senators permitted to speak not in excess of 5 minutes each during that period.

At the conclusion of routine morning business, the Senate will proceed to the consideration of Senate Concurrent Resolution 31, relating to a determination of the congressional budget of the U.S. Government.

RECESS

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 11 a.m. tomorrow.

The motion was agreed to; and at 2:53 p.m. the Senate recessed until Tuesday, April 29, 1975, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate April 28, 1975:

LEGAL SERVICES CORPORATION

The following-named persons to be members of the Board of Directors of the Legal Services Corporation for the terms indicated (new positions).

For a term of 2 years commencing upon the date of the first meeting of the Board:

Marshall Jordan Breger, of Texas.
William J. Janklow, of South Dakota.
William L. Knecht, of California.
Rodolfo Montejano, of California.
Samuel D. Thurman, of Utah.

For a term of 3 years commencing upon the date of the first meeting of the Board:

Roger C. Cramton, of New York.
Edith Green, of Oregon.
Robert J. Kutak, of Nebraska.
Revius O. Ortique, Jr., of Louisiana.
Glee S. Smith, Jr., of Kansas.
Glenn C. Stophel, of Tennessee.

NATIONAL TRANSPORTATION SAFETY BOARD

Isabel A. Burgess, of Arizona, to be a member of the National Transportation Safety Board for the term expiring December 31, 1979 (reappointment).

IN THE NAVY

The following-named officers of the Navy for permanent promotion to the grade of lieutenant commander.

LINE

Lieutenant commander

Abbey, Donald Lewis
Abbey, James Robert
Abel, Warren Robert
Abrams, Steven Selby
Adair, Roy Ernest, Jr.
Adams, Charles Edward
Adams, Chester Anthony
Adams James Winston
Adams, John Robert
Adams, William Victor, Jr.
Addicott, Raymond Walter
Afdahl, Darwin Frank
Agnew, Alfred Howard
Agnew, James Robert
Ahern, David Gaynor
Ahlborn, Edward Richard, Jr.
Albaugh, Cleve Willis
Albright, Richard Charles
Albright Robert Ernest
Alcorn, Wendell Reed
Allen, Henry Carter
Allen, John E
Allin, John Wilfrid
Allison, William Stuart, III
Allwine Robert Anderson
Althouse Thomas Stephenson
Amundsen, Richard Oliver, Jr.
Anawalt Richard Arthur
Andersen, Franklin Dayle
Andersen Oliver Lorrain
Anderson, Gerald Lee
Anderson, Raymond Charles
Anderson, Richard Arnold
Anderson, Richard Glenn
Anderssen, Arthur Harald

Andrews, James Randolph
Andrews, Larry Joe
Andrews, Michael Keeney
Andridge, Phillip Carl
Anselmo, Philip Shepard
Anson, Robert, Jr.
Antrim, Benjamin Franklin, III
Arnest, Charles Sherman
Arnold, David Phillips
Arnold, William Knowles, Jr.
Arnold, William Tamm
Arthur, John Robert, Jr.
Astor, Lawrence Ira
Aubuchon, Robert George
Aucella, John Paul
Auer, James Edward
Austin, Donald Gene
Austin, Leon
Austin, Michael Gaylord
Avery, Donald William, Jr.
Avery, Robert Young
Babb, Dewey Eugene
Baffer, Roger Alexander
Bagby, James Lovelace, Jr.
Bailey, Howard Lindy
Bailey, James Lindsey
Bailey, Larry Wayne
Bailey, Larry Weldon
Baird, Don Wilson
Baker, Brent
Baker, David James
Baker, John Lee
Baker, John Sherman
Baker, Milton Sumner, Jr.
Baker, Willard David
Baldwin, John Milton, III
Baldwin, Richard Charles
Balian, Alexander George
Ball, Harry Francis, Jr.
Ballard, Don Eugene
Baltutis, John Stanley
Balut, Stephen John
Barbour, Richard Elwood
Bard, Albert Eugene
Barker, Ross Daniel
Barnes, Harlan Leslie
Barnes, James Clayton, Jr.
Barnett, William Richard
Barney, William Clifford
Barnicle, Paul Edward
Baron, Michael
Barrow, Edward M., Jr.
Barrows, Blair
Barthold, Todd Alan
Bartlett, Robert Charles
Bartol, John Hone, Jr.
Bartolomei, Marino James
Barton, William Robert
Bassett, Larry Allen
Bates, Allen Webster, Jr.
Bates, Robert Carroll
Batie, Howard Franklin
Batti, Donald Edward
Batzel, Thomas Joseph
Bauer, Wayne Edmund
Baumhofer, William James
Beal, Richard Frank
Beall, David Albert
Bealle, William Edgar
Bean, Charles Dunbar
Beasley, Fenn Coffin
Beaton, John Hudson
Becker, Dennis Edward
Beckham, Robert Frederick
Beedle, Ralph Eugene
Begley, Jerry Noonan
Behrend, Robert Michael
Beland, Conrad Lucien
Belanger, Raymond Louis
Bell, Corwin Allan
Bell, Denis Joseph William
Bell, Merlin Gene
Bellingham, Herbert John
Bellis, James Richard
Belmore, Richard Kenneth
Belton, David Calvin
Benepe, John Wesley
Bennett, Paul Lawrence
Bennett, Richard Allan
Bennitt, Brent Martin
Berg, John Stoddard
Berigan, Francis Michael
Berkey, Thomas Joe
Berry, Billy W.
Berry, John David
Berry, Russell Elliott, Jr.
Betzner, Hugh William, Jr.
Beumer, Theodore Herman
Beyer, Dean Harder
Beyman, David Earl
Bezrutch, Rudolph Art
Bierig, Frederick Arthur
Bilbrey, Harlan Kenneth
Billingsley, Christopher
Bisbing, Raymond Harvey
Bishop, Joseph Brooke
Bissonnette, Laurence Arthur
Bivins, Howard Vernon
Bjorkner, Arthur Charles
Blakeley, William Robert
Bledsoe, John Francis
Blesch, Jerry Morgan
Blevins, Ladelle F.
Blumberg, Lawrence Bertram
Blunden, Alec Reginald
Bogard, Thomas Hugh
Boggess, Randolph Cowan
Bohley, Carl Martin
Bohn, Charles Joseph, Jr.
Bole, Robert Fulton, Jr.
Bolka, David Frank
Bonds, John Bledsoe
Boone, George Junior
Borghoff, Francis A.
Boss, Ronald Arthur
Boston, Michael Rhodes
Boswell, Dale Eugene
Boughton, Louis Charles
Bowers, Fred Forest
Bowes, William Charles
Bowman, Terry L.
Boyce, Robert William
Boyd, John Theodore
Boydston, James Laymance
Boyer, Philip Albert, III
Bradberry, Brent Alan
Bradshaw, Wilton Drexel
Braham, Donald Francis
Branch, Allen Drue
Brauer, Gordon Richard
Brayton, Gerald Ray
Brennan, Michael John
Brennan, William John
Brickett, John Francis
Bright, Calvin Fred
Brink, James Andrew
Brittingham, Edward Michael
Brodehl, Richard Brian
Brokaw, Charles Roger
Bronson, Marshall Wilkes
Brough, Robert Franklyn
Brown, Carroll Dean
Brown, Charles Franklin
Brown, David Charles
Brown, Donald Hugh
Brown, Emory Worth, Jr.
Brown, George Elliott, Jr.
Brown, Hal Gibbs
Brown, Joseph Richard
Brown, Joseph Zachariah
Brown, Noel Warren
Brown, Ronald Lee
Brown, William Bruce
Browne, Joseph Majette
Browning, Robert Eugene
Brucato, Philip Edward
Brun, Charles Robert
Brunelle, William Thomas
Brunhaver, Richard Marvin
Brunner, Maurice Thomas
Bryant, Herbert Victor
Bryant, James Culver
Bryant, William Harry
Buchans, James Curtis
Buck, Arthur Edwin, Jr.
Buckley, Peter Patrick
Buckley, Thomas Daniel
Buckley, William Clayton
Buell, Kenneth Richard
Buescher, Stephen Meredith
Bugg, William Edmunds
Bunn, Ronald Roy
Burch, Othney Phelps
Burcham, Devirda Houston, II
Burges, Rufus Thurman, Jr.
Burgess, Andrew Lynn, Jr.
Burgett, Bernard Edward
Burke, Gary Leigh
Burke, Kevin James
Burke, Michael Edward
Burns, Robert Louis
Burrell, Donald Overt, III
Burritt, James Graham
Burrows, John Shober, III
Burt, John Alan
Burtram, Roderick
Bussey, Laurence Throckmort
Bustamante, Charles Joseph
Butler, Francis Wayne
Butler, John Harrison
Byers, John Arthur
Byrnes, David Thomas
Byrnes, Henry Francis, Jr.
Cablk, Steven Richard
Cacchione, David Americo
Cahill, Allen Lewis
Calande, John Joseph, Jr.
Calhoun, Ronald Joel
Callahan, Paul Lawrence
Calvano, Charles Natale
Camp, Norman Thomas
Campbell, Guy Reeder, III
Canaday, Carlton Weaver
Canady, Paul Allen
Canepa, Louis Robert
Capewell, John, Jr.
Capie, Donald James
Carder, William Hunter
Carl, Lester William
Carlmark, Jon William
Carlson, John Algot
Carman, Jesse Logan
Carney, James Allen
Carpenter, Allan Russell
Carroll, Hugh Edward, II
Carson, Joe Warren
Carswell, Herschell Ronald
Carter, Clyde Louis
Carter, James O'Neill
Cash, Roy, Jr.
Cashin, Joseph William, Jr.
Cassidy, Tom Kenneth
Cassiman, Paul Arthur
Cerstvik, John Theodore
Chadwick, Stephen Kent
Chafin, Thomas Lee
Challenger, Jack Lee
Chapman, Austin Eugene
Chappell, Stephen Francis
Charette, Alfred Arthur, Jr.
Charles, David Montgomery
Chasteen, Robert Wayne
Chauncey, Gregory Arthur
Chesbrough, Geoffrey Lynn
Chesser, Marvin Brooks, Jr.
Chester, James B.
Christensen, Clyde Vernon
Christensen, Edward Louis
Christensen, George Ainswor
Churbuck, James Forrest
Cima, Frank John
Ciszewsyi, Robert Allen
Clair, Robert Arthur
Clarey, Stephen Scott
Clark, Arthur
Clark, Arthur Doron
Clark, David George
Clark, Hiram Ward, Jr.
Clark, Howard Bowman
Clark, Vady Robert
Clark, Walter Thomas
Clark, William Thorkel
Clarke, Edward Joseph
Clason, Aryl Benton
Cleary, Francis Paul
Clemenger, John William
Cline, Robert Neil
Clow, Wallace Gilbert, Jr.
Coates, Thomas Ashley
Cochran, Frederick Franklin
Cockrell, Milford Norman, Jr.
Coffey, John Andrew
Cohen, Steven Robert

Colavito, Thomas Joseph
Cole, Legrande Ogden, Jr.
Coleman, Jon Suber
Coleman, Thomas Milton
Collins, Richard Xavier
Collins, William Gerard, Jr.
Collman, Charles Bonham
Colthurst, Wallace R.
Colucci, Anthony Robert
Comfort, Anthony Jerome
Compton, Andrew Jerome
Comstock, George Alfred
Conley, Dennis Ronald
Connolly, Michael Brian
Conrey, Thomas Rolland
Conway, Frank Mark III
Cook, Bruce Conrad
Cook, Douglas Watkins
Cook, John Francis, Jr.
Cook, Raymond Lee
Cooke, Oren Boyd
Cooper, George Thomas
Copeland, Aaron Clifford
Corcoran, Joseph Francis
Corgan, Michael Thomas
Corn, Robert Holt
Cornia, Howard
Coshow, George Horace II
Costelli, John Patrick II
Coulter, William Laurence
Coupe, Jay, Jr.
Cousins, Belmont William
Covey, Robert Wesley
Covington, William Ellerbe
Coward, Asbury IV
Cowart, John Michael
Cox, John Hannan
Cox, Landon Greaud, Jr.
Cox, Virgil Glenn
Craddock, John Raymond
Craft, James Harris
Craig, Philip Charles
Crane, Mark Francis
Crawford, Leslie Paul
Creighton, Charles Benson
Creps, Stephen George
Cressy, Peter Hollon
Croix, Larry Edmond
Croll, Larry Richard
Cronin, Michael Paul
Crooks, Richard Alan
Crooks, Stephen Chapman
Cross, Stanley Owen
Crossman, Walter Augustine
Crow, Robert Lee
Crowe, Lucious Brannon
Crowley, Edward Joseph
Crumly, Jerry MacLean
Cullipher, John Oscar
Culver, John Bergen III
Cummings, Vincent Paul, Jr.
Cunha, George Daniel Martin
Curran, Lawrence E.
Currey, John Michael
Currie, Daniel Lee, Jr.
Curtin, Andrew James
Curtin, Peter Maxime
Curtis, Richard Bradford
Curtis, Robert Edwin
Cybul, Harvey John
Dadant, Dennis John
Dade, Thomas Brodrick
Dahl, Dennis Kay
Daigle, Glenn Henri
Dalberg, Richard Leo, Jr.
Dalton, Clem Edward
Daley, Michael James
Dalrymple, Edward Kent
Dalton, Gerard Holbrook
Dalton, Henry Frederick
Daly, Edward Lawrence
Daniels, James Edward
Dannheim, William Taylor
Daramus, Nicholas Thomas, Jr.
Dau, Frederick W., III
Daugherty, Shaun Michael
Daughters, Milo Philip, II
Davidson, Alan Norton
Davidson, Dan Lee
Davis, Edward Anthony
Davis, Eugene Berkeley
Davis, Gerald, Jr.
Davis, Henry Hooper, Jr.
Davis, John C.
Davis, John Paul, Jr.
Davis, Martin Dorner
Davis, Milton Edwin, Jr.
Davis, Richard Clinton
Davis, Robert Lee
Davis, Thomas Cahill, Jr.
Day, Patrick Arthur
Decarli, Wiley Paul
Decker, Wilbur Leon
Declercq, Keith Laverne
Decrona, Donald Allen
Deevy, Thomas Joseph
Defloria, Joseph George, Jr.
Defries, Melton Ellis, Sr.
Dehnert, Charles Eugene
Dekker, Jon Karel
Deklever, Vaughn Gerard
Dekshenieks, Vidvuds
Delgaizo, Theodore John
Demark, Ramon Samuel
Demech, Fred Ralph, Jr.
Denault, Donald Raymond
Denning, William James, III
Dennis, James Augustin, Jr.
Denson, James Kitchel
Denton, William Howard
Derf, Tad Arlen
Dersham, Dayton Leisle
Desrosiers, Richard Albert
Deutermann, Peter Thomas
Dewey, John Robert
Dias, Gerald Freitas
Dick, Allen Howard
Diehl, Robert Walter Johns
Dietz, Gary Conrad
Dill, Donald Lloyd
Diselrod, John Edwin
Ditchey, Robert Louis
Ditmore, George Walter, II
Dix, Paul Grover
Dixon, Douglas Mack
Dobberteen, James David
Dodd, James Lloyd
Dollard, John Anthony
Domaloan, Paul
Donaldson, William Jay
Donahue, Drake Allen
Donegan, John Joseph, Jr.
Doney, John Harvey, III
Donn, Alan Henry
Donnelly, John Joseph
Donofrio, Anthony Louis
Dorman, Craig Emery
Dorman, Merrill Herrick
Dorsey, Medford Don
Doswell, Eugene Varnon
Doty, Wells Blakeslee
Dougherty, Robert Joseph
Downs, Charles Patrick
Doyle, Thomas Francis, Jr.
Drake, Albert Wayne
Drew, James Joseph
Driscoll, Kurt Allen
Droste, James Bentley
Dryden, Victor Duane
Dryden, William Thomas
Duchock, Charles Jack, Jr.
Duda, Daniel Martin
Duffield, Carper Paul, Jr.
Dufresne, Michael Paul, Jr.
Dukat, Frank
Duncan, Duane Stewart, Jr.
Dunlap, Calvin Ray, III
Dunlap, Howard Dewitt
Dunn, Anthony Thomas
Dunne, Gerald William
Dunstan, Richard Alan
Dunton, Lewis Warren, III
Durham, Dan Wilson
Durham, Jere Carlton
Durkee, Albert White
Earner, William Anthony, Jr.
Earnhardt, John Baughn
Easley, George Alfred
Eckstein, Eric Rockhill
Edgar, Peter David
Edge, Jacob, II
Edleson, Stuart Kaufmann, Jr.
Edmonston, Lee K.
Edwards, Joseph William
Edwards, L. Vernon, Jr.
Efird, William Alexander
Ehret, Howard Charles.
Eischen, Gerald Nicholas
Eissing, Frank Eugene III
Elberfeld, Lawrence George
Eldred, William Alexander
Elkins, Frank Callihan
Eller, John Christian
Ellis, George Jeremiah
Ellis, John Richard
Ellis, Richard Hoff
Ellis, William Christopher
Ellis, Winford Gerald
Ellison, William Theodore
Ellsworth, Thomas Burpee, Jr.
Elmore, Lawrence L.
Elrod, Stephen Anthony
Emarine, Larry Lee
Emerson, Norman Perry
Emery, George Williams
Endrizzi, Raymond Louis
Engman, Lee Mathew
Engwell, Darrel Wayne
Ennis, Michael Kirby
Enriquez, Jose
Erlandson, John Lyle, Sr.
Esbeck, Leonard John
Estell, William Andrew, Jr.
Estes, Donald Harold
Eubanks, Glen Earl
Evans, Irvin Christopher, Jr.
Evans, Jimmie Wayne
Ewert, Lawrence Edward
Falcon, Michael Francis
Fant, Robert St. Clair, Jr.
Fantin, Jonnie Ronald
Farber, Donald Joseph
Farley, Robert Theodore
Farmer, Michael Arthur
Faticoni, John Anthony
Feist, Eugene Paul
Felps, Lowell Douglas
Ferguson, Jerry Edward
Ferguson, Thomas Edward
Ferranti, Nicholas Anthony
Ferrell, John Lester
Ferriter, Nicholas Mark
Fertig, Lanny Leo
Fiedeldey, Joseph Wilfred J.
Field, John Burke
Fields, James Richard
Finch, Parker Thomas, Jr.
Finley, John Cain
Finn, Edward Stephen
Fiori, Mario Peter
Firestone, Philip Giles
Firnbach, James Donald
Fischer, Ernest Collis
Fishburn, Charles George
Fisher, Gordon Everet, III
Fister, George Rodwell
Fitrell, Stuart James
Fitzgerald, James Richard
Fitzgerald, John Allen
Fitzgerald, John Edward
Flaningam, James Douglas
Fleitz, William Vincent, Jr.
Fleming, Richard Thomas
Fliegel, Robert Aalbu
Flint, Lewis Ware
Flower, Roger Paul
Folsom, John Harold
Fontana, James David
Ford, Henry, IV
Ford, Jack Charles
Forster, Robert Douglas
Fortney, Doyle Wright
Foster, Brent Dean
Foust, James Eldridge, III
Foy, Basil W., Jr.
Francis, William Charles
Franz, David
Franson, Alvin Laverne
Franz, David
Franz, Rodney Crane
Frazer, Paul David
Fredericks, Roy Charles

Fredette, Roger Aime
Freeman, Ernest Raymond
Freibert, Ralph William
French, John C., Jr.
French, Thomas Penn, Jr.
Frick, Dean Earl
Frick, Frederick Mark
Friedman, Marcus Velvil
Friedrichsen, Lewis Johnson
Fritz, Thomas Clifford
Fritz, Thomas Wayne
Froehlich, Edward William J.
Froehlich, Jacob Clare
Frost, David Eugene
Frost, John Allen
Fugard, William Harvey
Fulbright, Terrell Woodrow
Fuller, John Paul
Fuller, Robert Davis
Fulton, Stephen Howard
Fulton, William James
Fulton, William Lawrence, II
Furr, Jack Carlton
Furry, Richard Paul
Futch, George Wiley
Gabriel, Thomas Oscar
Gabryelski, Richard Marion
Gaines, George L.
Gaines, William Andrew
Gainor, John Wesley, III
Galanti, Paul Edward
Gallagher, Lawrence Ambrose
Gallegos, Joe Rodriquez
Gapp, Donald Robert
Garmon, Gerald Sutherland
Gaston, Mack Charles
Gates, Jonathan Hubert
Gaudiano, Antonio William
Gaul, James Howard
Gautier, James Berry
Gaylord, Reginald F., Jr.
Gee, George Nicholas
Geissler, Richard Frank
Genung, Edward Noland, Jr.
George, Harold Wayne
Georgius, David Russell
Gerwe, Franklin Henry, Jr.
Ghrer, Grady Francis
Giannotti, Sterling Maurice
Gilchrist, Orville Lee
Gill, Gary Edward
Gill, James Edward
Gill, Russell Carter
Gilleece, Peter Gerard
Gilroy, Vincent J., Jr.
Gilson, James Donald
Gingras, Peter Southworth
Giorgio, Frank Arthur, Jr.
Gladwin, Harold Russell
Glaes, Roger Burton
Glasier, Peter Keith
Glass, Arnold Lee
Glenn, Danny Elloy
Glenn, Walter Lewis, Jr.
Glover, Jimmy Neal
Glover, William Ferguson H.
Gluck, John Milton
Gobbel, James Thomas, Jr.
Godek, Leonard S.
Goebel, David Maxwell
Gold, Bennett Alan
Goldman, Dan Edgar, Jr.
Goldman, Robert Barry
Gomez, Luis Vilas
Gompper, James Harold
Goodgame, Billy Donald
Goodloe, Robert Vannerson, Jr.
Goodwin, James Harvey
Googins, Bruce Russell
Gordon, Hayes Ingersoll
Gordon, Richard Scott
Gormly, Robert Anthony
Goss, Robert Wayne
Gottschalk, Gary Ward
Gower, Leon Haskell
Grabowsky, Theodore Eron
Grace, Robert Francis
Graf, Karl Rockwell
Graff, Russell John
Graham, Clark
Graham, Edward Mary
Graham, Ian Keith
Graham, Walter Harry
Grantham, Wiley George
Granuzzo, Andrew Aloysius
Graves, Bibb Logan
Graves, George William, Jr.
Graves, William Thomas
Gray, Brian Elliott
Gray, Francis David
Gray, Wyron Paul
Green, Norman Richard, Jr.
Green, Robert Leonard
Green, Thomas Ray
Green, William Jennings, Jr.
Greene, David Lockwood
Greene, James Bernard, Jr.
Greenman, Robert Pruyn
Greeson, Tommy Darell
Gregory, Francis Carl
Griffin, Charles Donald, Jr.
Griffin, Clyde William
Griffin, Harold Craven, Jr.
Griffith, Douglas Kent
Griffiths, David John
Groff, Jon Philip
Groman, Alphonse Winslow, Jr.
Gross, Charles Nicholas
Grove, Frank Henry
Grubb, Robert George
Grunwald, Gerald Max
Grzymala, Thomas Chester
Gubbins, Philip Stanley
Guest, George Robert
Gullett, Fred Wayne
Gushaw, Gregory Vance
Gyle, Robert Bentley, III
Haan, Dale Everett
Hadley, Allan William
Hagy, James Henry Dixon, Jr.
Hahn, William Dillon
Halenza, Hal Rodger
Hall, James Benjamin
Hall, Thomas Forrest
Hall, William Ervin
Halperin, Mark Israel
Hames, William Jewell
Hamilton, Jack Edward
Hammer, George Charles
Hammer, John Levering, III
Hancock, William John
Hanks, William Lloyd
Hanley, James Joseph
Hansen, Laurence Russell
Hanson, Claude Lee
Hanzel, Joseph A., Jr.
Hardman, Herbert Franklin
Hargrove, James Carroll
Harken, Jerry Lynn
Harker, Donald Alfred
Harley, James Harold
Harmon, Edward Keith
Harms, John Henry
Harper, John Norman, Jr.
Harris, James Partsch
Harris, Robert Harlan
Harrison, Edward James, Jr.
Hart, Harvey Hicks, Jr.
Hart, Ronald John
Hartman, Charles Willia, III
Hartman, Richard Henry
Haskins, John Bryant
Haskins, Toner Charles, Jr.
Hassell, Benny Kyle
Hasty, Richard Leon
Hatfield, Philip Neal
Hauck, Frederick Hamilton
Hauert, Patrick Charles
Haugen, Ronald Gilbert
Hauhart, James Norval
Havey, Brian Joseph
Hawley, John Garland
Hayes, Cornelius Charles, Jr.
Hayes, Richard James
Hays, George Elden, Jr.
Hays, James Malcolm
Heare, Charles Ivan, Jr.
Heath, William John
Heilig, John
Heins, Raymond Rice
Heins, Roger John
Heintzelman, Thomas Gary
Heinz, Michael Kasper
Helbig, Raymond Allan
Helle, Frederick Allan
Helsper, Charles Frederick
Hendon, Jerry Edwin
Hendrick, William Smith
Hennessey, Raymond Wilson
Hennessy, William Joseph, Jr.
Henry, Russell Jones
Hering, Frederic Shriver
Hermann, Kermyn Jerome
Herring, Arthur Eugene, Jr.
Herron, Francis Joseph
Hess, Donald Robert
Hewitt, John Francis
Hewlett, Harold Eugene
Hickox, Oscar Jonathan, Jr.
Hicks, Robert Louis
Hicks, William Lloyd
Higginbotham, Harry E.
Hightower, Roger Wayne
Hillis, Robert J.
Hilton, Francis Warren, Jr.
Himchak, William Alexander
Hines, David Spencer
Hines, Henry Lee, Jr.
Hingsberger, Andrew John, Jr.
Hinkle, John Calvin
Hinkley, William Leslie
Hitch, James Harvey
Hitchborn, James Brian
Hite, Thomas Howard
Hoag, David Wesley, Jr.
Hobbs, Marvin Edward
Hockman, Robert Edward
Hodell, John Charles
Hoff, Robert Glenn
Hoffman, Carl Walter
Hoffman, David Wesley
Hoffman, William St. Clair
Hogan, James Joseph, III
Hohlstein, Julian Geoffrey
Hoivik, Thomas Harry
Hokanson, Anders, Jr.
Hollingsworth, William Louis
Holme, Thomas Timings, Jr.
Holmes, Frank Clayton
Holt, Philip Nelson
Holt, Richard Watkins, Jr.
Holton, Wilbur Earl
Homer, James Joseph
Honhart, David Crosby
Hood, John McCoy, Jr.
Hooper, Harold Danny
Howard, James Willoughby
Howell, James Dorn
Howell, Robert Lawrence
Howie, Robert John
Howson, Richard John
Hubbard, George Dallas, Jr.
Huchko, William Anthony
Huchthausen, Peter Anthony
Huchting, George Arthur
Hucks, Jerry Pierson
Hughes, Frank Weber
Hughes, Michael Bryant
Hughes, William Allen
Hughes, William Charles, Jr.
Huling, John McKee, Jr.
Hull, Kent Sherwood
Humphrey, David Deane
Hunsucker, Royce Hulton, Jr.
Hunt, Donald Bayard
Hunt, Paul Dean
Hunt, Paul Delton, Jr.
Hunter, Richard Joseph
Hupp, Arnold Jay
Hurd, Michael Fuller
Hurley, Robert Francis, Jr.
Hurst, Cecil Roy, Jr.
Hurst, Paul Drake
Huss, Jerry Francis
Hutcheson, James Edward, Jr.
Hutter, George Richard
Hutton, Joseph John Jr.
Hutton, Kenneth Laverne
Hyde, Walter John
Hyland, John Joseph, III
Hynes, William Richard
Iber, William Randolph
Idleberg, Norman
Ingram, Isom Irvin
Ireland, Delbert Howard

Isenburg, William, Jr.
Ishiguro, Guy Akira
Ison, William Bradley, Jr.
Itkin, Richard Ivan
Iverson, Michael Martin
Jacanin, John Andrew
Jackson, Grady Lee
Jackson, James Barrett
Jackson, Marshall Neil
Jackson, Robert Joseph
Jackson, Virgil Frank, Jr.
Jacobs, Lawrence Robert
Jacobs, Philip Henley
Jacobs, Philip Roberts
Jacobs, Ralph Edward
Jacobson, Gerald
Jacobson, Herbert Adolph
James, Charles Lee
James, Franklin Wilson
James, William Ednor
Janke, Roger Alan
Jarrett, John Marshall
Jarvis, Gary Thomas
Jaudon, Joel Bates
Jeffords, John Maxwell
Jenkins, Alan Kent
Jenkinson, William Raymond
Jennings, Lawrence Francis
Jensen, Jack James
Jensen, Jay Lian
Jessel, David George
Jewell, Robert Michael
Jiannas, John Stergot Emman
Johns, Constantine Albert
Johnsen, Bruce R.
Johnson, Alan Joseph
Johnson, Allan Leroy
Johnson, Arne Edward
Johnson, Bradley
Johnson, Charles Edward
Johnson, Earl Paul
Johnson, Edwin Allen
Johnson, Gerald Arthur
Johnson, John Robert
Johnson, John David
Johnson, Patrick Woodruff
Johnson, Perry Emerson Jose
Johnson, Raymond
Johnson, Richard Leroy
Johnson, Terry Lowell
Johnson, William L., Jr.
Johnson, William Spencer
Johnston, Thomas Franklyn
Jones, Dennis, Richard
Jones, Kenneth Earl
Jones, Robert Charles
Jones, Robert Eugene
Jones, William Dean
Joplin, James Edward, Jr.
Jordan, James Francis
Jordan, Jerry William
Jordan, John Alton
Jordan, John Franklin, Jr.
Jordan, Wesley Earl, Jr.
Josefosky, Kenneth Martin
Joyner, Thomas Woodrow, Jr.
Juarez, David Victor
Juengling, Robert George
Juerling, James Robert
Jurecka, Edwin Kenneth
Justice, Edward Tabb, Jr.
Kahrs, J. Henry III
Kaiser, David Gordon
Kaiser, John Martin
Kaiserian, Harry, Jr.
Kaiss, Albert L.
Kammerdeiner, Roger Neil
Kane, David Charles
Karns, Norman Milton, Jr.
Karp, Leonard
Karr, James Dale
Karr, Kenneth Richard
Kaup, Karl Lee
Kay, Norman Bruce
Keck, Leland Stanford, Jr.
Keefer, James Francis
Kehrli, Lynn Clifford
Keim, Edward Franklin
Keithley, Charles Leon, Jr.
Keleher, John Allen
Kell, Richard Edward
Keller, Douglas George
Kelley, Thomas James
Kelley, William Emanuel
Kelly, John Patrick
Kelsay, Leslie Rufus
Kemp, William Richard
Kennedy, James John
Kennedy, John Richard
Kennelly, Robert J.
Kent, Bennie Ray
Kephart, Robert Max
Kerns, Alexander Harrison
Kerns, Kenneth Harper
Kerr, Frank Leigh
Key, Wilson Denver
Kidd, George Norman
Kiem, Robert Lang
Kiess, Dean William
Kilby, Kent Thomas
Kile, Thomas Joseph
Killian, James Edward
Kimball, Darrell Hiram
Kime, Steve Francis
King, George Leonard, Jr.
King, John Barry
King, William Henry, Jr.
King, William Walter
Kinne, William Burton
Kinnear, Richard James
Kinsey, David Lawrence
Kinsley, Dudley Joseph
Kiraly, Joseph Stephen
Kirk, Gary Lee
Kirkwood, William Warren
Kisieleski, Kenneth Raymond
Kleyn, Fredrick Gilbert, II
Klimaszewski, Marcel Paul
Klintworth, Philip George
Klippert, Richard Hobdell, Jr.
Knight, John Michael
Knight, Ralph Woodrow, Jr.
Knight, Windall Ray
Knosky, Michael Joseph, Jr.
Knostman, Paul Brayton
Knutson, Rodney Allen
Koch, Dean Henry
Koch, Frank Charles
Kochert, Gary Lee
Koczur, Daniel Joseph
Koeber, Charles John
Kohler, Charles Louis
Konewko, Everett Lawrence
Korhonen, Kenneth Roger
Koss, Howard Edward
Kost, John Gregory
Kotchka, Jerry Allen
Kottke, Robert Arthur, Jr.
Kozlowski, Neil Lee
Kramer, Lawrence Joseph
Kreinik, Eugene Gerard
Kreitzburg, John Walter
Krekich, Alexander Joseph
Krieger, Eric Weston
Krohne, Theodore Karl
Krommenhoek, Jeffrey Martin
Krotz, Charles Kit
Krueger, Dan William
Krueger, Rudolph Vince
Kruger, Richard Wayne
Krupp, Marvin Mack
Kruse, Dennis Keith
Kuepker, Donald Lee
Klunsky, David Allen
Kyzar, Sammy Berton
Laabs, Stephen Kermit
Labyak, Peter Stephen
Lachata, Donald Martin
Lachnich, John Francis
Ladwig, James Calvin
Lagassa, Robert Edward
Laidlaw, Charles Edward
Lain, Calvin Edgar
Laine, Lawrence Leroy
Lamasters, Edward Reid
Lamay, Thomas Vincent
Lamb, James Joseph
Lamb, John Peter
Lamping, James Richard
Land, Clinton Dale
Landers, Michael Francis
Lantz, Stephen P.
Laplante, John Baptiste
Larkin, Robert Rene, Jr.
Larsen, Donald Mark
Larsen, Richard Milton
Lasch, Charles Anthony
Lasswell, James Bryan
Latham, Peter Richard
Lauer, John Nikolaus
Lautenbacher, Conrad C., Jr.
Lawson, Joseph Hamilton, Jr.
Lebrecht, Clifford William
Ledoux, Lawrence James
Lee, Charles Richard
Lee, Ronald Alvin
Leeke, Howard Wardfield, Jr.,
Lehnus, Ronald Karl
Leightley, Albert Lewis, II
Lemon, Frank Michael
Lennox, Richard John
Lewis, John Michael
Leonard, Edwin Walter
Leonard, John Alexander
Leonard, William Joseph
Lepak, Ronald Roman
Lerich, Barry Harold
Lesemann, Donald Frederick
Lesh, Vincent Edward
Lester, Edwin Thatcher
Letourneau, Charles Edward
Levangie, James Clement
Levings, William H., III
Lewis, Ernest Lamar
Lewis, Frederick Lance
Lewis, Jary William
Lewis, Jerry Allen
Lewis, Lyle Eugene, Jr.
Lewis, Robert Joseph
Lierman, John Stephen
Life, Richard Aaron
Limongelli, Joseph Louis
Lind, Carl Victor, Jr.
Lindell, Colen Richard
Lindsay, James Henry, Jr.
Linn, Larry Eugene
Lippincott, Richard Jay
Little, Edwards Sanford
Little, Robert Douglas
Livingston, Donald Joseph
Lockhart, Theodore Charles
Lodge, Charles David
Lodge, Raymond Francis
Logan, Carl Flack
Lombardo, Stephen William
Long, Glenn Ulsh
Long, Herman James, Jr.
Long, Michael Darrah
Longfellow, Dennis Ray
Lonsdale, Paul Taylor
Lord, William Fred
Lounsbery, William John
Love, George Paul, III
Lovett, Billy Ray
Lowas, Emil Peter
Lowery, Fred Henry, Jr.
Lowman, Richard Whitmore
Loy, Michael Howard
Ludena, Roy
Lucey, John Francis
Lugo, Frank John
Luke, John Davidson
Lulchuk, Daniel
Lunde, Roger Kenneth
Lundquist, Dallas Earl
Lundy, George Willis, Jr.
Lutz, Gilbert Martin
Lynch, Anthony Joseph
Lynch, Charles William
Lynch, James Richard
Lynch, Thomas John
Lyons, Arvid Frederick
Lyons, Robert Woodrow
Lytikainen, Robert Carl
Mabery, Lester Richard, Jr.
Macauley, Phillip Hardin
MacDonald, Michael John, III
MacDonald, Timothy Angus
MacDonald, William Robert
MacGregor, John Andrew
Mackin, Jere Gene
Maclin, Charles Sidney
Macomber, David Blair

Maddocks, Ronald James
Maddox, George Nelson
Madison, Russell Lee
Magruder, Peyton Marshall J.
Mahaffy, Lorrence Alger, Jr.
Maher, Daniel Edward
Maher, Thomas Michael, Jr.
Maheu, John Chaisson
Mahoney, Patrick Francis
Maier, Robert Alex
Major, Watson Harris
Malchiodi, Michael Anthony
Malkus, Kenneth Charles
Mantei, Thomas Joseph
Mallen, Frank Harshman
Malloy, Charles Joseph, Jr.
Mamer, Edwin John
Maness, Anthony Ray
Manlove, William Woodrow, Jr.
Mannarino, Mario Raffaele
Mansell, Waymond
Marano, Augustine Carlo
Marchetti, Michael Joseph
Mardis, Benny Joe
Marrical, Anthony Rolland
Marsden, Phillip Scherrer
Marsh, Larry Roy
Marsh, William Lee
Marshall, James Allen
Martel, Norman Leo
Martin, David Arthur
Martin, Frank
Martin, John A.
Martin, Ralph Kenneth
Martin, Ronald Weldon
Martin, Virgil, Jr.
Martin, Walter Potts
Martin, Wayne Allen
Martinache, Charles Gilbert
Martinsen, Glenn Tracy
Masciangelo, Frederick John
Mascitto, Eddy Joe
Mason, Henry Boyd
Mason, John Allen
Massey, Scott Spencer, Jr.
Masters, David William
Matheson, Norm Keller
Mathews, Michael Frawley
Mathiowetz, Donald Ray
Mathis, Donald Wayne
Mathis, William W.
Matthews, John Garrett
Mattson, Gary Harrison
Mauro, Peter John
Maxey, Fred, Jr.
Maxwell, Malcolm Douglas
May, Cyril Victor, Jr.
Mayer, Luke Ferdinand, Jr.
Mays, Michael Everett
Mazzi, Arnold Otello
McAllister, James Peter
McAloon, Albert Joseph, Jr.
McAuley, John Anthony, Jr.
McBride, Kenneth B.
McBride, Michael Andrew
McCallum, James Archibald
McCammon, Peter Leverich
McCann, William Robert, Jr.
McCarthy, Michael James
McCleary, Joseph Raymond
McClellan, William Dean
McCloskey, David Junius
McClung, Lonny Kay
McColly, John Clark
McCormick, James Thomas
McCraith, Laurence Paul
McCrory, Donald Lee
McCrumb, James Brayton
McCulloch, David Hamilton
McCullough, Donald Charles
McCurrach, Douglas Seely
McCusker, Arthur Eugene
McDaniel, Vernon Dale
McDaniels, Joseph Eugene
McDavitt, Frederick Harry
McDevitt, Michael Allen
McDonald, Jay Gale
McDonald, John Joseph, Jr.
McGee, Robert Thomas
McGinty, Patrick Eugene
McGrath, John Michael

McGuire, Thomas Patrick
McHenry, John Walter
McHugh, Richard Gregory
McIntyre, James Edward
McKay, Dennis Albert
McKay, John Douglas
McKearn, Michael Clerk
McKechnie, Thomas William
McKenna, Richard Bernard
McKenna, Russell Edmund, Jr.
McKenney, George Gordon, Jr.
McKinley, Robert Newton
McKinnon, Clark Davis
McLane, David John
McLaughlin, George Thomas
McLean, Robert
McMillan, John Hammack
McNeely, Ellis Eugene
McNeer, William Paul, Jr.
McNeill, Corbin Asahel, Jr.
McNeill, Donald Ray
McPhail, Eugene Bates
McQuaig, Clarence Marsh
McQuown, Michael James
McRae, David Albert
McRoy, Willie Clifford
McSherry, Bernard Patrick J.
McWhinney, John Loren
Medaglia, Cornelius Peter
Meek, Danny Lee
Melampy, Ronald Francis
Melander, Errol Norman
Melanephy, James P.
Meno, Timothy Deming Barron
Merchant, Steven Lee
Merrill, Hugh Anthony
Merz, Vincent Paul
Meston, Stanley Sercomb
Meyer, Donald Robert
Meyers, David William
Meyers, John Moberg
Meyett, Frederick Elwood, Jr.
Mezmalis, Andrejs Modris
Mikolajczyk, Ronald Joseph
Miles, Richard Jeffrey
Millard, John Warren
Miller, Albert Earl
Miller, Andrew Pickens, Jr.
Miller, George Morey, III
Miller, John Michael
Miller, Paul David
Miller, Ralph Rillman, III
Miller, Raymond Paul
Miller, Thomas Hayes
Miller, William Charles
Miller, William Clark, Jr.
Millikin, Stephen Thomas
Mills, Robert Charles
Minard, Julian Edward
Minnick, Thomas Anthony
Minter, Charles Stamps, III
Mirkin, Howard Benjamin
Mister, Richard Woodie
Mitchell, Albert Hoyt, Jr.
Mitchell, Eugene Francis
Mitchell, Robert Marvin
Mitchell, William J.
Mizner, Malvern Maynard
Moessner, Paul Carl
Moir, Weston Gavin
Moller, Arthur Edward, Jr.
Monash, Richard Frank
Montana, Richard Thomas
Montgomery, Robert Creel
Mooberry, William James
Moody, William Brooks Blais
Moore, David Baker Ames
Moore, Durward Earl, Jr.
Moore, Guy Carroll, Jr.
Moore, James Edward
Moore, John Allen
Moore, Ronald Cullen
Moore, Warwick Breckinridge
Moran, Robert Colin
Moran, William Patrick, Jr.
Morawey, Michael Robert
More, Alan Robert
Morgan, Thomas Leeroy
Moritz, Carl Arthur, Jr.
Moritz, Dennis Michael
Moroney, Joseph Maris

Morris, Clarence Andrew, Jr.
Morrison, Vance Hallam
Morrow, Gary Keith
Morse, Clayton Kavanaugh
Morse, John Arthur
Morton, Norman Lee
Moseley, Leo Otto, Jr.
Moser, Alan Brown
Moses, Raleigh Warren
Moulson, John Alfred
Mount, Donald Lee
Moynihan, Brian George
Mulholland, Lyle Jerry
Mulkerrin, Joseph Martin
Mullins, David Lynn
Mullins, Willice Ralph II
Munsee, Stewart Frederick
Murdock, Charles Dale
Murphy, Jerome Thomas
Murphy, Thomas Francis
Murray, Richard Scott
Murray, William Michael
Musick, George Meredith, III
Mustian, Jonathan David
Myers, Collin Keith
Nakayama, Homer Shiro
Naldrett, William John
Nanney, Robert Gaither
Naquin, John Charles
Nash, John Mitchell
Nash, Malcolm Peters, III
Nash, Michael Arthur
Neal, John Stephen
Neapolitan, Richard Clyde
Neeb, Karl Anthony
Nelson, Jack Paul
Nelson, Richard Crawford
Nerup, Robert Kent
Neuberger, Douglas Francis
Neuman, Dennis Earl
Newton, Roy Irwin
Nickerson, Robert Gordon
Nicklas, Charles
Niederstadt, Robert Grant
Njus, Ingmar Joel
Noble, Donald Scott
Nolan, George Fred
Norman, Warren Aubrey, Jr.
Norris, Dwayne Orange
Norris, Jerry David
Northcraft, Zane Wade
Northrup, Paul William
Norton, Douglas Marvin
Norton, Jack Trask, Jr.
Norwood, Kenneth Edward
Norys, Robert Martin
Nunn, James Willis
Nystrom, Stephen Curtis
Oakes, Charles White
Oates, Anthony Brent
O'Brien, John Joseph, Jr.
O'Brien, Robert Clark
O'Brien, Terence James
O'Brien, Thomas Joseph, Jr.
O'Claray, Daniel George
O'Connor, Kip
O'Connor, Michael Bernard, Jr.
Oden, Leonard Nelson
Oertel, E. James
Oetinger, Mark
Ogles, Homer Cecil
O'Hara, Thomas N.
Ohler, Herman
O'Keefe, Cornelius Francis
Okeson, James Clifford
Okeson, Lars Holman
Oldham, George Roberts
Oliphant, Gary Thomas
Oliver, David Edward
Oliver, Richard Joseph
Olsen, Glenn Ray
Olson, David Edward
Olson, Donald Milton
Olson, Jerrold Elwood
Olson, Kenneth Paul
Olson, Phillip Roger
Olstad, Vincent Kenneth
Orluck, James Emmanuel
Oriss, David Anthony
O'Shea, Donald James
Oshell, Walter Edward

Otis, Robert Busby
Otto, Paul Eugene
Overstreet, John Wesley, Jr.
Owen, Kenneth Joseph
Owen, Robert Harrison
Owens, William Arthur
Palen, Don Gilbert
Palma, Richard John
Palmer, Jerry Dale
Palmer, Robert Earl
Palmer, William Allison, Jr.
Paquin, James Edward
Parchen, William Robert
Parent, Donn Valentine
Park, John Prentiss
Parker, Charles David
Parker, Raymond Francis
Parkhurst, Nigel Ernest
Parrie, Elman James
Patch, Frank Henry
Patrick, Roger David
Pattarozzi, Norman Joseph
Patterson, Bernard Leo III
Patterson, Jeffrey Spear
Patton, Kuemen Behling
Paul, Harold Wayne
Paul, Martin Andrew
Pauling, David Robert
Pearson, Dale Quimby
Peck, Bert Lyle
Peebles, Robert Graham, Jr.
Peirce, Frank Haber
Pelot, Kent Barry
Pendleton, Alan Ray
Pennington, Chad Allen
Penny, Douglas Corrigan
Perez, Demetrio Jose
Perez, Joseph Silvio
Perkins, Ernest Della, II
Perkinson, Brian Thomas
Pesce, Victor Louis
Peters, Joseph Paschall
Peters, Victor Lee
Peterson, Charles A.
Peterson, John Christian
Peterson, Ralph Duane
Peterson, Robert William
Peterson, Richard Norman
Petrovich, James Michael
Pfeiffer, John Jacob
Pfingstag, William Carl
Pfister, William Campbell
Phaneuf, Joseph Theodore, Jr.
Phelps, Harold Richard, Jr.
Phillips, Alexander Martin
Phillips, Joseph Larry
Phoebus, Charles Richard
Pickett, Larry James
Pieno, John Anthony, Jr.
Pierce, Cole Jon
Pierce, Sidney Robert
Pira, Peter
Piret, Ronald Sterling
Plath, Richard Neil
Plummer, Galen Robert
Poellnitz, Walter Durand, II
Popp, Arvel Jerald
Popp, Robert Leonard
Portenlanger, Stephen
Porter, John Dudley
Porter, Philip Edward
Porterfield, Gary Lloyd
Post, Warren Lee
Poulin, Norman Raymond
Powers, Thomas Edward
Powers, William Benton, Jr.
Pozzi, Robert John
Prath, Robert Lee Emerich
Prather, Jerauld Stuart
Pratt, George Washington
Pratt, Thomas Rolla
Preston, Joe Wayne
Prince, Robert Vernon
Procopio, Joseph Guydon
Provine, John Arthur
Pryzby, Stanley John
Pulfrey, Charles Allen
Punches, Robert Louis
Purcell, Darrell William
Quade, Edward Lynn
Quarles, Herbert R.
Quinn, Joseph Sydney
Quinton, Peter Douglas
Rackowitz, Marion Rex
Raebel, Dale Virgil
Raetzman, Donald Patrick
Raggett, Michael Mark
Rainey, Peter Garland
Raiter, Friedrich Eric
Ramm, Edward James
Ranson, William M.
Ranzinger, William F.
Ratcliff, John William
Rathjen, Arthur David
Rau, Morton David
Ray, Donald Joseph
Ray, Norman Wilson
Ray, Roy Lafayette, Jr.
Rea, John Paul
Read, Ray Weldon, Jr.
Reader, Robert James
Reber, Peter Michael
Reemelin, Thomas Edward
Rees, Bob Gary
Reeves, Robert Dulaney
Reff, Roger Gene
Regan, James Peter
Regan, John Thomas
Register, Mahlon Edmond
Reich, Donald Gene
Reilly, Edward L.
Reilly, Errol Francis
Reilly, John Thomas
Reinhardt, David Starr
Reistetter, Emery Andrew
Resweber, Owen Joseph, Jr.
Retz, William Andrew
Revesz, William, Jr.
Reynolds, Franklin Eugene
Reynolds, Keith Earl
Rhea, Kennedy J.
Ribolla, Romolo Thomas
Rice, Michael Gerard
Rich, James Earl
Richards, Frank Martin
Richardson, David Paul
Richardson, Earnest Wells
Richmond, Frederick James
Riddell, Richard Anderson
Ridgely, Philip Jay
Riess, James Richard
Riggle, Gordon Grant
Riggs, William Decapp
Riker, Robert Townsend
Riley, David Richard
Ring, Henry Mark
Ristad, Arnold Clifford
Ritt, Dayton William
Rixse, John Henry, III
Robbins, Charles Bruce
Robbins, David Leroy
Roberson, Bernard Gordon
Roberts, Donald Arthur
Roberts, William J.
Robertson, Thomas James
Robinson, Keith Phillips
Robinson, Paul Matthew
Robison, James Clifford
Rodriguez, Antonio Beltran
Rogers, Louis Anthony
Rogerson, Henry Porter
Rohm, Fredric William
Roll, Francis Patrick
Rooney, Philip James
Roper, James Edward
Rosenthal, Joseph Eugene
Ross, James Andrew
Ross, Raymond Harper, Jr.
Rossi, Joseph Lewis
Rosson, Vernon Lee
Roton, James Richard
Roy, Rudolph John, Jr.
Ruck, Merrill Wythe
Ruckner, Edward Aberle, Jr.
Rueff, James Louis, Jr.
Ruff, John Crawford
Ruff, Paul Gray, III
Ruliffson, James Howard
Rupprecht, Robert Philip
Rust, Gregory Bedell
Rust, Robert Stanley
Rutherford, Paul Findlay
Ryan, Bruce Anthony
Ryland, Robert Baird
Saber, Gerald William
Sagerian, Ara
Salisbury, William R.
Salmon, Harry Paul, Jr.
Salners, Edward Addison, Jr.
Sampsel, Michael Martin
Sampson, Harry Burnell
Sanders, William Milfred
Sandstrom, John Fridolf, Jr.
Sanger, Kenneth Tisdale
Santamaria, Donald Frank
Santi, Ralph Louis
Sargeant, Harry, Jr.
Scarlett, Bernard
Schafer, Carl Edward, II
Schaller, Martin Nink
Schantz, John Malcolm
Schardt, Delvin Leroy
Schatz, Arthur David
Schaus, Richard Harris
Schenck, William Herman
Schery, Ferdinand Michael
Schiffer, John Richard, Jr.
Schiller, Frederick Conrad
Schmeling, Leslie Lynn
Schmidt, Charles Thomas
Schmidt, Clemens Edward
Schmidt, Donahue Henry
Schneider, George Frederick
Schoonover, Ray Richard
Schrader, John Yale, Jr.
Schroeder, Arthur Frederick
Schroeder, Gerald Mark
Schroeder, Kenneth A., Jr.
Schropp, John Warren
Schrupp, Manfred Sheldon
Schuerger, Richard Francis
Schufeldt, Coral Vance
Schultz, Peter Hutchisson
Schwab, James Alexander
Schwartz, Henry William
Scott, David E.
Scott, Gerald Dean
Scott, Jon Jaul
Seaquist, Larry Ray
Seay, Marvin Eugene, Jr.
Secades, Vincent Cecil
Segal, Harold William
Segrist, Edward Lewis, Jr.
Seiberling, Ronald Keith
Settlemyer, Charles Talmad
Shackelton, Norman John, Jr.
Shaffer, Leslie Victor, II
Shaffer, Lloyd E.
Shankel, William Leonard
Shapard, James Richard, III
Sharer, Don Allen
Sharp, David Dean
Sharp, David Robert
Sharpe, Joseph Daniel, Jr.
Sharpe, Raymond Alexander J.
Shaw, James Ashton, Jr.
Shea, Jerome
Shea, Richard Francis, Jr.
Sheafer, Edward David, Jr.
Sheehan, John Wilfred, Jr.
Sheffield, George Albert
Shepherd, Gary Lee
Sheridan, Joseph Lawrance
Sheridan, Thomas Russell
Sherman, Allan
Shermer, William Barton
Shields, Donald Kent
Shillingsburg, John William
Shirk, Robert Leroy, Jr.
Shirmer, Dan Armstrong
Shoup, Linn Tyler
Shreve, Robert Lee
Shupe, Robert David
Shutt, John Jay
Siebecke, Alfred George
Siemer, John Robert
Simon, William Frederick
Simonelli, Norman Walter
Simpson, Michael Grant
Simpson, Troy Eugene
Singer, Edward Anthony, Jr.
Sirmans, James Stanley
Sisson, Robert Harsha

Skrzypek, John Anthony
Slack, William Michael
Slater, Thomas Stafford
Slaughter, Jimmy Ray
Sloan, Robert Eugene
Small, Selden Matthew
Smith, Bernard John
Smith, Dan Howard
Smith, David Cleveland
Smith, Franklin Jerome III
Smith, John Monroe
Smith, Joseph Francis
Smith, Lary Don
Smith, Lyman Hibbard II
Smith, Robert James
Smith, Robert Seaward
Smith, Roger Walter
Smith, Vernon George
Smith, William Earl
Smith, William Richard Hawe
Smith, Wilton Jeremain, Jr.
Smyth, Gregory Stephen
Snell, Alfred Walter
Snyder, Christian Ross
Snyder, Donald Marshall
Sokol, Stanley Ernest
Soles, Thomas Edwin
Soluri, Elroy Anthony
Sootkoos, Donald Richard
Sordelet, James Robert
Soto, Octavio
Souder, James B.
Soverel, Peter Wolcott
Spane, Robert Johnson
Spang, Norman Walbridge
Spencer, Larry Howard
Spinello, John Anthony
Spofford, Barry Andrew
Spruance, James Harvey, III
Stacy, Edward Gerhard
Stahl, Dale Stough, Jr.
Stakel, Robert Wallace
Stanley, Joe Milton, Jr.
Stansbury, Frederick Alexan
Stapleton, Daniel Victor, Jr.
Stark, John Wayne
Stark, William Carleton
Stegina, Robert Francis
Steiger, Gary Carlton
Steinbruck, Charles George
Stender, Richard Henry
Stephens, Darrel Lindel
Stephenson, Gary Phillip
Stephenson, Max Olin
Sterner, George Rudolph
Stevens, John Bradford
Stewart, Jake William, Jr.
Stiger, Robert David, Jr.
Stilwell, William Carter
Stinson, William Albrecht
Stoakes, Richmond Bruce
Stoddard, Howard Sanford
Stolgitis, William Charles
Stone, Thomas Edward
Stone, William Charles
Story, William Ferguson
Stoufer, Donald Andrew
Stout, Michael Dinsmore
Stowell, Ralph Henry, Jr.
Strand, Richard Charles
Strasser, Joseph Charles
Strickler, James Wilson
Striffler, Paul John
Strole, Douglas Luther
Stromberg, David Lynn
Stryker, Lyal Maurice
Stubbs, William Olan, Jr.
Stuckemeyer, John Andrew
Studeman, William Oliver
Sturvist, Gerald Hilding
Sullivan, Joseph Cornelius
Sullivan, Kenneth David
Sullivan, Michael Edward
Surles, Billy Wayne
Sushka, Peter William, Jr.
Sutton, Gwynn Richard, Jr.
Szopinski, Robert William
Tague, James Robert, Jr.
Tahaney, Hubert Francis, Jr.
Tanner, Michael
Tansey, Philip Michael
Taranto, Richard
Tate, James Andrew
Tate, William August
Taylor, B. J., Jr.
Taylor, James Samuel
Taylor, Robert Monard
Taylor, Steven Craig
Taylor, Thomas Lee
Taylor, Wade Hampton, III
Telfer, Grant Richard
Tenney, Stuart Lowe
Terry, Donald Lee
Terry, Michael Roy
Terry, William Edwin
Testa, Ronald Fred
Testwuide, Robert Louis, Jr.
Tettenburn, Howard Thomas J.
Thaxton, David Reuben
Thomas, Frank Hughes, Jr.
Thomas, Norman Mattoon, III
Thomas, Peter Donald
Thomas, Peter William
Thomas, William Akins
Thomassy, Louis Edward, Jr.
Thompson, Allan Medley
Thompson, Clifford Jackson
Thompson, Eugene Claren
Thompson, Lailie Hunter, Jr.
Thompson, Robert Gutz
Thorn, John Charles
Tidball, Douglas D.
Tiernan, Barry Vincent
Tiernan, Michael Connolly
Tillinghast, Theodore V.
Tillotson, Frank Lee
Tobergte, Paul Edwin
Tobin, Paul Edward, Jr.
Tobolski, Donald Michael
Todaro, Richard Clark
Todd, James Norman
Todd, Terrence Stephen
Toft, Richard Joseph
Tolbert, Clarence O.
Tolbert, William Haywood
Tomlin, Joseph Mayhew
Tompkins, Paul Stuart
Tonti, Louis George
Toone, John Pierce
Torbit, Jerry Bert
Tortora, Carmine
Towers, Edwin Lydell
Towle, John Moore
Trafton, Robert Truman
Traver, James Emery
Travis, David Timothy
Trefry, Edwin Victor
Tripp, Richard Willis, Jr.
Trotman, George, Jr.
Truxell, Thomas Reed
Tschudy, William Michael
Tucker, Albert Lee
Turley, John, Jr.
Turnbull, James Laverne
Turner, David Andrew
Turner, James Richard
Turner, Thomas Willard
Twardy, Clement Robert
Twomey, Daniel Timothy
Tynan, Douglas Michael
Tyner, Jimmie Cortez
Tyrrel, Norman Leroy
Uber, Thomas Edward
Ullman, Harlan Kenneth
Unger, Maurice Henry
Urice, Ronel Morgan
Usborne, Roger Way
Ussery, David Lawrence
Vanallman, Alfred Christ
Vanarsdall, Clyde James, III
Vanbrackle, Vernon Lamar, Jr.
Vance, Richard Moon
Vandergrift, Ronald William
Vandervelde, Kent Mills
Vanhoften, Scott Adrianus
Vanhoy, William Lester, Jr.
Vansaun, Arthur
Vanwormer, Thomas Park
Vaughan, Raymond Edmon
Vaupel, David Karl
Vazquez, Raul
Veazey, Luther Tracy
Verd, George Harris
Vernallis, Samuel Larry
Vernon, Larry Jay
Vetter, David Allen
Victor, Edward George
Vincent, William Lansing
Virden, Charles Samuel
Vogel, Raymond William, III
Volk, John Stanley, II
Vollmar, Fredrick, Joseph, Jr.
Vonsydow, Vernon Hans
Wagner, George Francis Odol
Walker, Jerry David
Walker, John Andrew, Jr.
Walker, Robert Ormond
Walker, Ronald Wallace
Wallace, Roy Neil
Wallin, Steven Russell
Walls, James Monroe
Walters, John Bennett, III
Walters, Ronald Francis
Walther, Arthur Ernest
Walton, Don Holland
Walton, Harold Alexander
Walton, James Allen
Wanamaker, Gregory
Wann, Charles Billy
Waples, Robert Everett
Ward, John William
Warn, Jon Christian
Warren, Ferrell Dean
Warren, Roger Clayton
Warren, Roy Dale
Warthin, Jonathan Carver
Waterman, George Russell
Watford, Jennings Clement J.
Watkins, Donald Edward
Watkins, James
Watkins, Richard Smith
Watrous, Timothy Bennett
Watson, Randolph Grant
Watt, Robert Henry
Waugaman, Merle Alvin
Weale, Gary Dean
Weaver, Charles Thomas
Weaver, James Edward, Jr.
Weegar, Carl Allen
Weidman, Robert Hulbert, Jr.
Weihmiller, Gordon Richard
Weisgerber, Donald Edwin
Welham, Walter Frederick, Jr.
Weller, Edward Emerson
Wells, David Austin
Wells, Robert Mathew
Werner, Robert Mitchell
Wernsman, Robert Lee
West, Karl Grove
West, Walter David, III
West, William Allen
Westbrook, Richard Evans
Westin, Brian E.
Westwood, James Thomas
Whalen, Frank Richard
Wheeler, Gerard Charles
Wheeler, John Rutherford
Wheeler, Sidney Earl
Wheeler, William Wayt, Jr.
Whelan, Joseph Gerard
Whisler, Glenn Edward, Jr.
Whitaker, Roger Brent
Whitcomb, Winfield John
White, Arthur Edward
White, Chester Gurnett, Jr.
White, Donald Clark
White, John Dwyer, II
White, Larry Raymond
White, Robin John
White, Ronal Lee
White, Walter Edward
Whitehurst, Bryon Paul
Whitney, Payson Rogers, Jr.
Whitt, Eugene Nye
Whitus, Ernest Ferrell
Wiggins, William Frederick
Wike, Max A.
Wilbourne, David Garner
Wilbur, Gene Leo
Wilcox, Mack Rudolph
Wilkin, Howard Arthur
Wilkins, Stephen Vincent
Wilkinson, John Glenn, Jr.

Willandt, Theodore August
Williams, David Daniel
Williams, James C.
Williams, Michael Vernon
Williams, Ronald Lee
Williams, Thomas Dan
Williamson, Gordon Morris
Williamson, James Vivian, Jr.
Willoz, Clifford Paul, Jr.
Wilson, Ashley Vannorden
Wilson, Frederick Simaika
Wilson, Gary Warren
Wilson, Richard Alexander
Wilson, Robert Montague
Wilson, Torrence Bement, III
Winters, Curtis John
Wise, Randolph English
Wisehart, Kenneth Martin
Wisely, Hugh Dennis
Witcraft, William Robert
Witman, William Paul
Woehl, Robert David
Wolf, Rexford Elwood
Wolfram, Charles Barrett
Womble, Talmadge Anthony
Wood, Forrest Kent
Wood, Hansel Trevylon
Wood, Virgil West
Woodbury, Roger Lee
Woodford, Duval Sterling
Woodka, Thomas Kenny
Woodroof, Olen C., Jr.
Woodruff, Harold Hanson
Woodruff, Peter Bayard
Woodruff, Robert Bruce
Woods, James Raney, Jr.
Woods, Paul Franklin
Woodworth, George Prebble J.
Wools, Ronald Joe
Worcester, John Bowers
Wright, Donald Jay
Wright, Eugene
Wright, James Joseph
Wright, Julian Maynard, Jr.
Wright, Malcolm Sturtevant
Wright, Timothy Wayne
Wright, Will Royce
Wunderly, William Louis, Jr.
Wurts, Edward Vanuxem, III
Wynne, David Cowgill
Wyttenbach, Richard Harring
Yankura, Thomas William
Yanovsky, Allen John
Yarbrough, Milton Edward, Jr.
Yonkers, David Peter
Yonov, Serge A.
Yost, James Alfred
Young, Bruce Albert
Yufer, Kenneth Lee
Zabrocki, Alan Dale
Zaretki, John Philip
Zimmermann, Claus Erwin
Zlatoper, Ronald Joseph
Zucca, Gary Joseph

SUPPLY CORPS

Abbott, Gerald William
Abernethy, James Robert, Jr.
Actis, Charles Louis
Adelgren, Paul Wayne
Aleva, David Andrew
Anderson, Louis Gary
Andrews Ernest Lee, Jr.
Arehart, Robert Coffman
Armistead, William Bright
Atkinson, Larry Richard
Ayers, James Dennis
Baker, Charles Edmund, Sr.
Baldwin, Seth Weaver, II
Barnes, Edmund Lee, Jr.
Bartel, Joseph Richard
Bednar, Edmund Joseph
Beer, Robert Oakley, Jr.
Bergquist, John Roy
Biggins, James Alfred
Bissett, John Lynn
Blankenfeld, Richard Kieth
Blondin, Peter William
Bondi, Peter Albert
Boyd, Terran Ray
Bradley, James Smith
Brochu, Robert Adelard
Bromen, Roger Raymond
Brown, Bernard Elton
Brown, Reed Eaton
Bryant, Verle Eugene
Buhr, Joseph David
Bunch, Joseph Rovert, Jr.
Burnett, Michael Howard
Burnham, John Kenneth
Cangalosi, Davis Stewart
Cantrall, Edward Loren
Carr, William Neil
Carre, Darwin Beach, Jr.
Carroll, John Perry
Casanova, Kenneth Evelio
Caudle, Allen Davis, Jr.
Chapman, George Aubrey, Jr.
Chappell, Richard Glenn
Cleary, Richard Thomas III
Cole, Chester Benny
Conner, John Thomas
Conser, Richard Lewis
Cook, Kendall Raymond
Correll, Charles David
Crabb, Dal Ed
Crocker, William Guy
Dahm, Eugene Emile
Daniels, John G.
Danner, Glenn Richard
Davis, Fredrick Cook
Delasfuentes, Jose, Jr.
Dilger, Dean Edward
Dominy, Wilbur Dupre
Driskell, James David III
Dunn, Robert George
Duryea, Robert James
Eadie, Paul Warren
Earhart, Terry Lee
Earle, Samuel Broadus, III
Evans, George Albert
Fellows, Fred Yates, III
Fields, Billy Joe
Fincke, Edwin August
Fisher, Gary Clay
Fisher, Orville Leroy, Jr.
Fitzgerald, Thomas Patrick
Fleming, James Alexander, Jr.
Flowers, John Holder
Foley, Richard Lynde
Franklin, Norman Gale
Frantz, Harold Wayne
Frassato, Robert Charles
Fuller, Franklin Barry
Gainey, John Michael, III
Galligan, David Richard
Gallion, Robert Zurill
Garmus, David Paul
Geary, John Paul
Gee, Charles Daniel
Glisson, Donald Jerry
Grant, Robert David
Green, William Thomas
Grichel, Dietmar Fritz
Griffin, Jon Edward
Grim, James Woodrow
Groves, William Dennis
Habermann, William Frank
Hagerty, William Orme
Hale, Ronald Arthur
Hanson, Harold Charles
Harrington, Phillip Henry
Harshbarger, Eugene Burks
Hart, Charles Ashley
Hawthorne, Richard Lee
Haynes, William Mitchell, Jr.
Heider, James Martin, Jr.
Hekman, John Gilbert
Helmuth, Robert Allen
Henderson, Andy Leroy
Henson, Verlin Charter
Hering, Joseph Florian
Hernandez, Edward Simon, Jr.
Hickman, Donald Eugene
Hildebrand, Jarold Ray
Hislop, Charles Edward
Hodapp, Charles Aloysius
Hogan, Brian Thomas
Holland, Donald Lee
Holmes, Clifford Joseph
Hooker, James Stewart
Hopkins, William Leslie
Hundelt, George Robert
Hunter, Curtis Stanley, Jr.
Hutto, John Aaron
Hyman, William M.
James, William Don
Janse, Anthony Ludwig
Jenson, Ronald Lee
Johnson, Thomas Lawrence
Jones, Eric Bywater
Jones, Richard Walter
Jones, William Marcus
Karosich, James Charles
Kaufman, James David
Kavanaugh, John Thomas
Kerr, Harold Lewis, Jr.
King, David O.
King, William Delano
Kizer, John L.
Koselka, James Anthony
Kosch, Charles Arthur
Krehely, Donald Edward
Kuster, Ulrich Emil
Lafianza, Bernard John
Lafnitzegger, Frederick A.
Lambright, John James
Landon, Stewart Noel
Laurent, Daniel Henri
Lebel, Robert Francis, Jr.
Leeper, James Edward, Jr.
Lenga, James R.
Leon, Albert
Lewis, James Joseph
Lines, Donald Paul
Logan, Don Edward
Lovstedt, Joel Mathies
Lutz, Gerald Gilbert
Lynch, Michael Gerald
Macaulay, Charles Patrick
MacMurray, Michael McRobert
Maley, Michael Denton
Mandel, Allan Lee
Manning, Gary Clifford
Marohn, Louis Norman
Marshall, William Baker III
Mastrandrea, Gary Allen
McClure, John Marvin
McDermott, John Edward
McDonald, John Francis
McGraa, John Robinson III
McNutt, Beverly Daniel
Meneely, Frank Thomas
Merritt, Frank Wilbur, Jr.
Meys, Charles Pawling
Miller, James Rush
Mitchell, John Wayne
Monroe, James Leslie Dukes
Monson, Jon Philip
Moore, Thomas John
Moreland, Richard Dean
Morgan, George Parker, Jr.
Morgan, Ronald Dean
Morris, John David III
Morris, John Glenn
Mortensen, John James
Moum, Jerry Davis
Mueller, John Joseph
Musgrave, Alvin William, Jr.
Nair, Sterling Edward, Jr.
Natole, Robert Lester
Nichols, Clifford John
Nichols, Edward Hamilton
Norris, David Carter
Oberle, Michael Joseph
O'Connor, Joseph Andrew
Oehrlein, William Philip
O'Hara, Patrick Joseph
Olio, John Francis
Orahood, Douglas William
Overhalser, Dennis Dee
Owens, Joseph Frederick
Owens, Robert K.
Packard, Charles Alden
Paine, John Spaulding
Palazzolo, Gregory S.
Parks, Leonard Cranford
Parrott, Ralph Condron
Parsons, Donald Sargent, Jr.
Pearson, David Edward
Pedersen, Carl Jens
Peiffer, Robert Hurst
Perrill, Fredrick Eugene

Perry, James Hilliard, Jr.
Peterson, Roland Hokan
Phillips, James Donald
Pinskey, Carl Walter
Pittman, Harold Sherrod
Ponder, Joseph Edward
Porter, Robert Cleve
Price, Clifford Ronald
Price, Robert Francis
Quigley, Patrick Joseph
Quinn, John Thomas
Quinn, Kenneth James
Rasmussen, Kenneth Herman
Rasmussen, Paul Duane
Redman, William Ernest, Jr.
Reynolds, Kevin Thomas
Rice, Richard Ray
Ringberg, David Allen
Rittenhouse, Ferness Levere
Rodgers, Gary Lee
Rosson, Bobby Joe
Rueckert, Jon
Rumsey, Charles Gary
Ryland, Charles Wayne
Sadler, David Henry
Sandeen, John King
Sapera, Leonard Joseph
Sareeram, Ray Rupchand
Sattler, Roger Charles
Savola, Vernon Victor, Jr.
Scharff, Richard Darrell
Schiel, William Arron, Jr.
Schultz, Robert Arthur
Seddon, Thomas Albert
Sewell, John Burdon
Shannon, William Northrop
Sherman, Bruce Leslie
Shields, Edward Joseph
Siburt, Forrest Nile, Jr.
Sikes, James Eugene
Simeon, Harlan Lee
Smith, Charles Edward
Smith, Olen Brown, Jr.
Smith, Richard Michael
Smith, William James
Sneiderman, Marshall Lewis
Stafford, Joe Roberson
Standish, John Alden
Starnes, Bobby Franklin
Stebbins, Lynten Harvey
Steen, George Samuel, Jr.
Stocker, Vernon Dean
Stone, Charles Welborn, Jr.
Sulek, Kenneth James
Summers, John Howard
Suter, David Floyd
Swan, Aubrey Earl
Szalapski, Jeffrey Paul
Tarr, Nicholas William
Taube, Arden Raymond
Terwilliger, Bruce Kidd, Jr.
Thomas, Dudley Jerome
Thomas, Gary Lee
Thomas, Robert Louis
Thompson, Robert Howard
Tomcheck, John Kenneth
Torrey, Tracy Everett
Trbovich, George Melvin
Treanor, Richard Craig
Trotter, Edgar Stoker, Jr.
Tully, Albert Paul, Jr.
Ullman, Robert Chester
Unsicker, David Wayne
Vanness, Robert Louis
Vaughan, Woodrow Wilson, Jr.
Verhage, Ronald Glenn
Wachutka, James Richard
Wagner, Gregory Leonard
Waldron, Andrew John, Jr.
Walker, Charles Kerwin
Wallace, James Joseph
Wallace, William Warren
Walton, Joseph Leo
Watrach, Dennis Kenneth
Weaver, Edwin Richard, Jr.
Webster, Bert Reed
Wells, Michael Vance
Wells, Paul Denzil
Wellumson, Douglas Raymond
West, Karl Peterson
Williams, Richard Hardy
Williams, Robert Joseph
Wilson, Michael George
Windbigler, John J.
Woodward, Joseph Albert
Wootten, John Francis
Worsena, Richard Francis
Yaney, Donald L.
Young, Robert Reese
Zeppieri, Ronald James
Zumbro, Sherrod Branson

CHAPLAIN CORPS

Bartholomew, Carroll Eugene
Bruggeman, John Anthony
Coughlin, Conall R.
Curran, Wade Hampton, Jr.
Dennis, Billy Vernon
Depascale, Daniel Francis
Dorr, Charles Edward
Eckles, James Warren
Erick, Robert James
Fiorino, Alfred Lewis
Flick, Carl William
Force, Daniel Lawrence
Fullilove, Ray Weldon
Gibney, Robert George
Gill, Francis
Kerner, William Byron
Kuhn, Thomas Walter
Luebke, Robert Bingham, Jr.
Matthias, Robert William
McCoy, Charles Joseph
Meehan, Conon Joseph
Moffitt, Robert George
Murray, Edward Kevin
O'Donnell, Joseph Francis
Olander, Edward Alfred
Read, Gordon Amos
Richards, Gerald Thomas
Riley, Robert Joseph
Rowland, William Alfred, Jr.
Roy, Raymond Armand
Smith, Jerry Ronald
Stewart, Lisle Edwin
Taylor, Francis Stuart, III
Winnenberg, John Oscar

CIVIL ENGINEER CORPS

Andrews, Richard Earl
Bass, William Martin, Jr.
Bergstrom, Robert Russell
Beuby, Stephen Charles
Black, Dorwin Clay
Bookhardt, Edward Lee, Jr.
Buckner, Ernest Wesley
Buffington, Jack Eugene
Camden, Edward Brydges
Carnell, Donald Lee
Chapla, Paul Anthony
Crane, Thomas Clemson
Day, Norman Walter
Dillman, Robert Peter
Drennon, Patrick William
Eckert, James Watts
Edmiston, Robert Clair
Endebrock, Robert Neal
Everett, Ernest James
Finn, James Robert
Fluharty, David Henning
Fowler, George Edward, III
Frauenfelder, Henry Roger
Goin, Paul Thurman
Greene, Carl Deforest
Griffith, Harry Gates
Hansen, Robert Edwin
Harris, William Frank
Hathaway, James Luther
Heffernan, Thomas John
Heine, Richard Frederick, Jr.
Henley, Joseph Leo
Hosey, Gary Ronald
Hull, David Nelson
Jackson, Bruce Lawellin
Leap, Joseph Brian
Martinelli, Salvatore Aldo
McCahill, Dennis Francis
McCullagh, Paul William
Michna, Thomas Benjamin
Morrison, Paul Albert
Myers, Larry Daniel
Oconnell, Brian John
Olson, Harold Martin
Pearson, Rufus Judson, III
Rabke, Walter Edward
Renzetti, Joseph Leo
Ringel, Duane Arthur
Robertson, William Edmond J.
Rohrbach, Richard Magee
Ross, Gerald Harry
Rumbold, William Walter, Jr.
Sahlman, Claire George
Schneider, John David
Scott, Gary Hugh
Shalar, Alexander
Shaw, Arthur Robinson
Sheaffer, Donald Ralph
Sherman, Myron Bernard
Smith, Erik Theodore, Jr.
Smith, Homer Francis, II
Stevens, Joseph Michael, Jr.
Stewart, Allen Jack
Stewart, Stephen Edgar
Stokes, Stephan Robert
Vaudreuil, Wilfred Joseph, J.
Wells, Donald Raymond
Wheeler, David Earl
Wilson, Ronald King
Wood, James Albert
Zimmermann, Gerard Alan

JUDGE ADVOCATE GENERAL'S CORPS

Armstrong, Arthur John, Jr.
Berkley, Robert C.
Boasberg, Robert, Jr.
Bohaboy, Howard
Brown, Michael A.
Brush, James Dillon, II
Buchholz, Duane Carl
Burke, Charles Russell
Carroll, Paul F.
Closser, Daniel Penn, Jr.
Cohen, William David
Cromwell, James H.
Dalton, William Harvey
Derocher, Frederic George
Ellis, Donald Porter, Jr.
Fridell, Lane C.
Gall, William Dudley
Gilliam, Thomas Alfred, Jr.
Henkel, George Edward
Horst, Carl Henry
Hosken, Edward Watters, Jr.
Huff, David A.
Ise, William Henry
Kauffman, Robert K.
Kjos, Wendell Arthur
Kuhner, Robert Legier
Landen, Walter James
Little, Harvey Edward
Manning, Edward Francis
Martens, John Jerry
McCoy, Dennis Frederick
McLeran, Robert Harold
Michael, George Lewis, III
Norgaard, Kenneth Ray
Patterson, Donald Ross
Pierce, Charles David
Powell, George Butts, Jr.
Rapp, Michael Duer
Reuling, Todd Johnston
Riddle, Ervin A.
Rote, Edward A.
Sanchez, Francis P.
Sanftner, Thomas Richard
Sinor, Morris L.
Studer, John Armitage
Turner, Patrick Charles
Wigle, Gerald F.
Woods, Terrence Joseph

MEDICAL SERVICE CORPS

Anderson, Francis Glen
Armstrong, Joseph Cunningham
Beckner, William McCarty
Bell, R. Thomas, III
Bond, James Calvin
Brown, Seth Edsel
Brown, Wayne Allen
Cannizzaro, John Silvio
Carnahan, Clarence Lee
Chatelier, Paul Richard
Coan, Richard Manning
Cowan, Morris Joseph, Jr.

Curran, Patrick Michael
Cusick, Richard Allen
Deeter, Victor Raymond
Delaughter, John Douglas
Ferguson, John Christian
Funaro, Joseph Francis
Gannon, John Harry
Gay, Kenton William
Gillespie, Franklin Delano
Gooch, Roy Lee
Green, Charles Madison
Geogoire, Harvey Gilbert
Hartman, Carl Herman
Hatten, Arthur Dallas, Jr.
Henderson, S. Douglas
Hill, Thomas Alfred
Johnson, Robert Alton
Juda, Thaddeus, Albin
Laughlin, Leo Lemuel, Jr.
McAllister, Robert George
McGuire, James Stuart
Murrell, William Raymond
Nathan, Howard Wayne
Newell, Richard Lee
Parrish, William Carroll
Payton, Richard Alan
Peterson, Warren Roger
Rector, Douglas Eugene
Rice, Richard Timothy
Robinson, Patsy June
Rosplock, Jerome Donald
Santana, Frederick Joseph
Saye, Clarence Boswell
Schmutz, Clinton Elmer
Self, William Lee
Shaughnessy, Mary Kay
Skelly, Robert Stanley, Jr.
Smith, Lamar Richard
Theisen, Charles Joseph, Jr.
Tilton, Delmar Levoy
Tomczyk, Frank Edward
Toops, Paul Edwin
Walker, Jerry M.
Warren, Joseph Edmond
Wesolowski, Carl Anthony

NURSE CORPS

Ancelard, Madeline Mary
Armstrong, Susanne Russell
Arnold, Mary Ann
Benning, Luella May
Boyce, Virginia Edna
Campen, Kathryn Elizabeth
Cohagan, Mary Kathryn
Conway, Joan
Cote, Clarence William
Dexter, Marion Caroline
Dillon, Dolores Jo
Dunn, Glenda Gale
Foreman, Evelyn N.
Fox, Patricia Michele
Geraghty, Rosemary B.
Hausmann, Abigail Margaret
Henninger, Judith Erma
Hicks, Shirlee Christine
Hubbard, Carol Ann
Huskey, Bobby Gene
Janik, Barbara Ann
Kohn, Dorothy Ann
Leadford, Bonnie Ann
Lee, Elaine Elizabeth
Loughney, Juel Ann Margaret
Marks, Alita Claire
McCaughey, Anne Marie
McDonald, Patricia Kathalee
McKown, Frances Carroll
Medina, Elida Delosangeles
Megonnell, Joann Helen
Mudge, Blanche Schneider
Newton, Katheryn Eleanor
Oconnell, Anne Louise
Odom, Helen A.
Ormsby, Karen Arndt
Pack, Valaine
Peters, Shirley
Ricardi, Jean Cecilia
Riddell, June Elizabeth
Sheehan, Lona Wallace
Simer, Monica
Simpson, Barbara Lou
Skola, Nancy Ann
Smith, Joann Hennessy
Speckmann, Elissa Mary Ann
Staley, Patricia Louise
Thompson, Marjorie Christine
Tolar, Sara Campbell
Triplett, Audrain Marie
Wildeboer, Henrietta Mae
Witherow, Mary Ann
Word, Helena Mary
Yucha, Shirley Ann

IN THE NAVY

The following-named officers of the Reserve of the U.S. Navy for temporary promotion to the grade of commander in the staff corps of the Reserve of the U.S. Navy, as indicated, subject to qualification therefor as provided by law:

MEDICAL CORPS

Branson, William B.
Johnson, Roy M.

The following-named officers of the U.S. Navy for temporary promotion to the grade of lieutenant commander in the line and staff corps, of the U.S. Navy, as indicated, subject to qualification therefor as provided by law:

LINE

Carlisle, James A.
Curland, James W.
Mills, Pelham E., III
Moosally, Fred P., Jr.

MEDICAL CORPS

Bayne, Gary G.
Carius, Michael L.
Cohen, Richard
Cummings, Nickie
Fawcett, William A., IV
Fitzsimmons, Michael A.
Freeland, George R.
Goad, Robert F.
Govin, Gerald G.
Hardy, William L.
Harman, Richard L.
Heckel, Charles G.
Hilton, Edwin B.
Hunt, Clyde M., Jr.
Judice, Donald T.
Koett, John W.
Lewis, William J.
McKinzie, Charles E.
McLaughlin, Charles R.
Melaragno, Anthony T.
Millbern, Stephen M.
Miller, Samuel J., III
Mitas, John A., II
Nelson, Robert C., Jr.
Scanlon, Thomas S., III
Tarquinio, Thom A.
Taylor, John H.
Ware, Lewis L., Jr.
Wilcox, John R., Jr.
Williams, David L.
Withers, Benjamin F., III

CHAPLAIN CORPS

Grove, John W.
McManus, William G., Jr.
Peterson, Jay D.

DENTAL CORPS

Bartz, Raymond D.
Carlson, Thomas D.
Clark, Dennis P.
Deluca, Alfonse T.
Hewlett, Thomas M.
Moore, Paul R.
Myers, George R.
Phillips, Charles C., III

NURSE CORPS

Ingram, Charles H.

The following-named officers of the U.S. Navy for temporary promotion to the grade of lieutenant in the line and staff corps, of the U.S. Navy, as indicated, subject to qualification therefor as provided by law:

LINE

Bailey, James C., Jr.
Baker, William S.
Baxter, Michael J.
Bishop, Richard W.
Blaisdell, James H.
Block, Terry J.
Boyd, John T.
Broadley, Timothy S.
Casper, David C.
Conroy, Thomas, Jr.
Cranston, James S.
Curry, Peter W.
Davis, John R.
Dean, Jeffrey S.
Derego, Charles A.
Dolle, James E.
Dorsey, Danny E.
Duignan, Michael J.
Eldridge, Michael S.
Etter, Stephen S.
Foulk, Donald L., Jr.
Fullbright, Robert W.
Gardner, Brian M.
Gardner, James A.
Goar, Everett L., III
Greene, Stephen D.
Griffin, Joe E.
Groux, Roger C.
Grubaugh, Clarance E.
Honig, Joseph F.
Johnson, Gregory H.
Johnston, Terry W.
Kelly, Frank B.
Kyzer, Braddock K., Jr.
Lake, Gerald E.
Lamb, Michael P.
Link, Joseph W.
Luhan, John B.
Maniscalco, Ronald J.
Mauro, Charles T.
McBride, John G.
McLean, Bruce D.
McNamara, Robert J.
Milligan, William F., Jr.
Mills, Nile D.
Moore, William J.
Morton, Thomas W.
Nelson, James L.
Noe, Thomas W.
O'Connell, Patrick M.
Pagnotta, Alan R.
Pulsinelli, John A.
Rathneal, Melvin D.
Rohlfs, H. Warren, Jr.
Schneberger, Scott L.
Sprinkle, Charles T.
Staples, Ralph E., Jr.
Talton, George M., III
Taylor, Ronald D.
Urban, Joseph
Wakeman, Mark
Watson, Frederick D.
Xefteris, Constantine L.

SUPPLY CORPS

Carpenter, Levon H.
Mitchell, Lonsdale C.
Tabler, Alan T.

CHAPLAIN CORPS

Mennis, James F.

CIVIL ENGINEER CORPS

Foster, James F.
Parisi, Anthony M.

MEDICAL SERVICE CORPS

Crabbe, Joel R.
Dean, Larry M.
Mahlin, Patrick L.
Martin, Early M.
Mastervich, Mark M.
Penkunas, John J.
Pinkerton, Randy M.

NURSE CORPS

Benson, Donna J.
Brown, David A.
Gantz, Gary S.
Henbest, David
Kozlowski, Janet G.
Lea, Rita M.
Muller, Geraldine E.
Neirynck, William E.

Com. Thomas V. McManamon for temporary promotion to the grade of captain in the Medical Corps of the Reserve of the U.S. Navy, subject to qualification therefor as provided by law:

The following-named officers of the U.S. Navy for transfer to and appointment in the Supply Corps in the permanent grade in lieutenant (junior grade).

Lyons, Daniel W.
Soule, William E.

Ensign Wayne E. Anderson, of the U.S. Navy, for transfer to and appointment in the Supply Corps in the permanent grade of ensign.

Lt. (junior grade) Walter T. Sorrow, of the U.S. Navy for transfer to and appointment in the Supply Corps as permanent ensign and temporary lieutenant (junior grade).

Lt. Com. Kent A. Willever, of the U.S. Navy for transfer to and appointment in the Judge Advocate General's Corps in the permanent grade of lieutenant and temporary grade of lieutenant commander.

Lt. (junior grade) Dan E. Babarik, of the U.S. Navy for transfer to and appointment in the Judge Advocate General's Corps in the permanent grade of lieutenant (junior grade).

Lt. James A. Carlisle for permanent appointment to the grade of lieutenant in the line of the U.S. Navy, subject to qualification therefor as provided by law.

IN THE MARINE CORPS

The following-named U.S. Naval Academy graduates for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Ahle, Dirk R.
Allemand, Christopher D.
Andriko, Stephen W.
Arline, Johnny E., Jr.
Bailey, Cozy E.
Becker, Christopher L.
Biggs, Timothy P.
Brechtel, William J., Jr.
Brewington, Emmitt D.
Bridgeman, Randolph R.
Bronars, Bruce E.
Brown, John D.
Born, Timothy B.
Buckiewicz, Bruce A.
Carroll, Robert M.
Chinn, Courtney D.
Clark, Robert B.
Connally, Patrick D.
Cooper, Cleveland E.
Cuff, James J., Jr.
Curdy, Brian E.
Dahlen, Robert F. N.
Day, Jeremiah C.
Dempsey, Thomas L.
Dillon, Darrel W.
Dixon, William H., Jr.
Elwell, John P.
Estilow, Rex A.

Everett, Willie M.
Faigley, Phillip A.
Flynn, George J., Jr.
Forman, William M.
Gaffney, Steven J.
Garrett, Donald M.
Giuda, Robert J. W.
Gonda, Daniel B.
Gustin, Paul R., Jr.
Hammes, Thomas X.
Hampton, Myron L.
Harris, William M.
Hart, Kevin P.
Howey, William J.
Hummel, Bernard S.
Inghram, Jonathan D.
Jinnett, Michael J.
Johnson, Floyd J. III
Lawson, Henderson Jr.
Leahy, Thomas G.
Lee, Harry A.
Lindemann, Joel G.
Lindsey, Scott A.
Lundeen, Gary A.
Malone, William H.
Maximuck, Walter Jr.
McComb, Francis M. M.
Meier, Michael D.
Merrell, William
Miller, Gary L.
Montgomery, William J.
Moore, Jacques J. Jr.
Moore, Roger K.
Muthler, Daniel J.
Neundorfer, David H.
Newcomer, Lawrence A.
Ortiz, Pierre J. Jr.
Penman, David N.
Phillips, James A.
Plechash, Alexander
Poulos, Dennis D.
Richter, James S.
Robinson, James W. Jr.
Roepke, Daniel W.
Rybolt, Richard A.
Seibel, William E.
Seney, Scott G.
Sichko, William J. Jr.
Simon, David
Simons, Jeffrey R.
Stevens, Michael H.
Stevens, Robert A.
Stratmann, George E. Jr.
Theeuwen, John D. Jr.
Thumm, Michael W.
Tryon, Richard T.
Turner, Stephen A.
Warfle, Dayton F. Jr.
Wehrle, Daniel A.
Wilcox, Robert G.
Wolf, Larry J.
Wood, David B.
Young, Randolph F.
Zakula, Robert G.

The following-named (Navy enlisted scientific education program) graduate for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Hehl, Charles W.

HOUSE OF REPRESENTATIVES—*Monday, April 28, 1975*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

God is spirit and they that worship Him must worship Him in spirit and in truth.—John 4: 24.

O God and Father of us all, at the beginning of a new day we turn to Thee acknowledging our dependence upon Thee and praying for wisdom to walk in Thy ways and for faith that our steps may not falter in the fields of fruitful endeavors on behalf of our beloved country. Give us to see that our coming to Thee is in vain unless it brings us closer to one another and nearer to the members of our human family. With Thee and with one another we can face this hour and live through these days with honor bright, faith firm, and courage true.

Guide our Nation through this critical period to an era of enduring peace, lasting brotherhood, and abiding good will.

In the spirit of Christ we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested bills of the House of the following titles:

H.R. 4481. An act making emergency employment appropriations for the fiscal year ending June 30, 1975, and for other purposes; and

H.R. 4485. An act to provide for greater homeownership opportunities for middle-income families and to encourage more efficient use of land and energy resources.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 4481) entitled "An act making emergency employment appropriations for the fiscal year ending June 30, 1975, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MCCLELLAN, Mr. MAGNUSON, Mr. STENNIS, Mr. PASTORE, Mr. ROBERT C. BYRD, Mr. PROXMIRE, Mr. MONTOYA, Mr. BAYH, Mr. YOUNG, Mr. HRUSKA, Mr. CASE, Mr. BROOKE, Mr. HATFIELD, Mr. MATHIAS, Mr. STEVENS, and Mr. BELLMON to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 4485) entitled "An act to provide for greater homeownership opportunities for middle-income families and to encourage more efficient use of land and energy resources," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PROXMIRE, Mr. SPARKMAN, Mr. WILLIAMS, Mr. MCINTYRE, Mr. CRANSTON, Mr. BROOKE, Mr. PACKWOOD, and Mr. GARN to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to a bill of the Senate (S. 249) entitled "An act to amend the Securities Exchange Act of 1934, and for other purposes," agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. PROXMIRE, Mr. WILLIAMS, Mr. MCINTYRE, Mr. TOWER, and Mr. BROOKE to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 6096) entitled "An act to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions on the availability of funds for the use of U.S. Armed Forces in Indochina, and for other purposes."

The message also announced that the Senate had passed a bill and resolutions of the following titles, in which the concurrence of the House is requested:

S. 435, An act to amend section 301(b) (7) of the Agricultural Act of 1938, as amended, to change the marketing year for wheat from July 1–June 30, to June 1–May 21, and

S. Con. Res. 19. Concurrent resolution relating to the World Food Conference of 1976 in Ames, Iowa.

S. Res. 69. Resolution disapproving the proposed deferral of budget authority for Federal-Aid Highways, which deferral (D75–17) was set forth in a special message transmitted by the President to the Congress on September 20, 1974, under section 1013 of the Impoundment Control Act of 1974.

The message also announced that the President pro tempore, pursuant to Public Law 93–526, appointed Mr. NELSON and Mr. WEICKER as members on the part of the Senate, of the National Study Commission on Records and Documents of Federal Officials.

The message also announced that the Vice President, pursuant to Public Law 61–435, appointed Mr. DOLE to the National Forest Reservation Commission in lieu of Mr. Aiken, retired.

APPOINTMENT OF CONFEREES ON H.R. 4481, EMERGENCY EMPLOYMENT APPROPRIATIONS FOR FISCAL YEAR 1975

Mr. MAHON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4481) making emergency employment appropriations for the fiscal year 1975, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentlemen from Texas? The Chair hears none, and appoints the following conferees: Messrs. MAHON, WHITTEN, SIKES, PASSMAN, EVINS of Tennessee, BOLAND, FLOOD, STEED, SLACK, MCFALL, YATES, CEDERBERG, MICHEL, CONTE, MYERS of Indiana, and MILLER of Ohio.

CONFERENCE REPORT ON H.R. 6096, AUTHORIZING FUNDS FOR HUMANITARIAN ASSISTANCE AND EVACUATION IN VIETNAM

Mr. MORGAN submitted the following conference report and statement on the bill (H.R. 6096) to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions on the availability of funds for the use of U.S. Armed Forces in Indochina, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 94–176)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6096) to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions on the availability of funds for the use of United States Armed Forces in Indochina, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Vietnam Humanitarian Assistance and Evacuation Act of 1975".

Sec. 2. Funds hereafter made available under section 36 of the Foreign Assistance Act of 1974 may be used on such terms and conditions as the President may deem appropriate for humanitarian assistance to and evacuation programs from South Vietnam without regard to the provisions of section 36(a)(1), section 36(a)(6), section 38(a)(1), or the third sentence of section 37(b) of such Act and notwithstanding any other provision of law.

Sec. 3. (a) It is traditional for the American people to be generous and compassionate in helping the victims of foreign conflicts and disasters. In keeping with that tradition it shall be the policy of the United States to provide humanitarian assistance to help relieve the suffering of refugees and other needy people who are victims of the conflict in South Vietnam.

(b) Notwithstanding any other provisions of law, in addition to amounts made available under section 2 of this Act, and in addition to those amounts otherwise available for assistance to South Vietnam, there are authorized to be appropriated to the President for the fiscal year 1975, to remain available until expended, $150,000,000, under such terms and conditions as he may determine, to provide humanitarian assistance to refugees and other needy people who are victims of the conflict in South Vietnam.

(c) To insure that the humanitarian assistance provided under this section is provided to refugees and other needy people who are victims of the conflict in South Vietnam, such assistance shall be provided, to the extent feasible, under the direction and control of international organizations or under the auspices of voluntary relief agencies. To the extent that such assistance is so provided, it may be furnished only under the direct supervision and control of representatives of such organizations or agencies.

(d) Not less than ninety days after the date of enactment of this Act and not later than the end of each ninety-day period thereafter, the President shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report with respect to humanitarian assistance provided under this Act describing fully and completely—

(1) the amount of each type of humanitarian assistance;

(2) the expected recipients of such assistance;

(3) the names of all organizations and agencies involved in the distribution of such assistance; and

(4) the means with which such distribution is carried out.

Sec. 4. (a) If the President determines that the use of United States Armed Forces is necessary to evacuate citizens of the United States and their dependents from South Vietnam, the President may, in accordance with the provisions of subsection (b), use such Armed Forces in a number and manner essential to and directly connected with the protection of such United States citizens and their dependents while they are being evacuated. In the event that such evacuation cannot be accomplished without involving such Armed Forces in hostilities or in situations where imminent involvement in hostilities is clearly indicated by the circumstances, such evacuation shall, if feasible, be accomplished in a single operation. Other than the minimum number of personnel determined by the President to be essential to carry on critical functions of the United States mission or to carry out such evacuation, all such citizens who are employed by, or in the service of, the United States, and all such dependents, shall be evacuated as rapidly as possible after the date of enactment of this Act.

(b) If the President uses the United States Armed Forces for the purposes stated in subsection (a) of this section, he shall submit a report on the use of those forces as required by section 4(a) of the War Powers Resolution (including the certification required under subsection (c) of this section) and shall comply with all other provisions of that resolution.

(c) In addition to the information required under section 4(a) of the War Powers Resolution, the President shall also certify pursuant to subsection (b) of that section that—

(1) there existed a direct and imminent threat to the lives of such citizens and their dependents; and

(2) every effort was made to terminate the threat to such citizens and their dependents by the use of diplomatic and any other means available other than use of the Armed Forces; and

(3) other than such essential personnel, such citizens and their dependents are being evacuated as rapidly as possible.

Sec. 5. In carrying out the withdrawal of such United States citizens and their dependents from South Vietnam pursuant to section 4 of this Act, the President is authorized to use the United States Armed Forces to assist in bringing out—

(1) dependents of permanent residents of the United States;

(2) Vietnamese nationals eligible for immigration to the United States by reason of their family relationship to citizens of the United States; and

(3) other foreign nationals to whose lives a direct and imminent threat exists;

if he determines and certifies in writing to the Congress pursuant to section 4(b) of the War Powers Resolution that—

(A) every effort has been made to terminate the threat to such persons by the use of diplomatic and any other means available other than the use of the Armed Forces; and

(B) the number of such United States Armed Forces will not be required beyond those essential to and directly connected with the evacuation of citizens of the United States and their dependents; and

(C) the duration of the use of such United States Armed Forces to hostilities will not thereby be extended; and

(D) such evacuation will be confined to areas where United States forces are present for the purpose of protecting citizens of the United States and their dependents while they are being evacuated.

Sec. 6. The authority contained in this Act is intended to constitute specific statutory authorization within the meaning of section 8(a) of the War Powers Resolution but shall not be considered specific statutory authorization for purposes of sections 5 (b) and (c) of the War Powers Resolution.

Sec. 7. Nothing contained in section 839 of Public Law 93–437, section 30 of Public Law 93–189, section 806 of Public Law 93–155, section 13 of Public Law 93–126, section 108 of Public Law 93–52, or any other comparable provision of law shall be construed as limiting the availability of funds for the use of the Armed Forces of the United States for the evacuation programs authorized by this Act.

Sec. 8. (a) The President shall transmit each day to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate a report setting forth fully and completely—

(1) the number of citizens of the United States and their dependents who left Vietnam the previous day, including the number of Embassy personnel and private contract personnel among such persons;

(2) the number of such persons remaining in South Vietnam; and

(3) the number of Vietnamese nationals who left South Vietnam the previous day with the assistance of the United States.

(b) Such reports shall be transmitted until such date as the Speaker of the House of Representatives and such committee may direct. The information may be submitted on a confidential basis if the President deems it advisable.

Sec. 9. Not more than four days after the date of enactment of this Act, the President shall transmit to the Speaker of the House of Representatives and the chairmen and ranking minority members of the Committees on Foreign Relations, Judiciary, and Armed Services of the Senate a report describing his general plan for the evacuation from Vietnam of the persons described in sections 4 and 5 of this Act.

Sec. 10. It is the sense of the Congress that as the humanitarian aid provided under this Act is made available in South Vietnam, the President is requested to use all appropriate diplomatic means at his disposal to obtain (1) an updated accounting of Americans listed as missing in action in Southeast Asia, and (2) the return of the remains of known American dead. The President is further requested to report to the Congress within 30 days after aid is made available in Southeast Asia, the diplomatic actions being taken.

Sec. 11. No funds authorized in this Act shall be used, directly or indirectly, to aid the Democratic Republic of Vietnam (DRV) or the Provisional Revolutionary Government (PRG) nor shall any funds authorized under this Act be channeled through or administered by the DRV or the PRG.

And the Senate agree to the same.

Thomas E. Morgan,
Clement J. Zablocki,
Wayne L. Hays,
L. H. Fountain,
Dante Fascell,
Wm. Broomfield,
Edward J. Derwinski,
Managers on the Part of the House.
John Sparkman,
Frank Church,
H. H. Humphrey,
Clifford P. Case
J. Javits,
Hugh Scott,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill H.R. 6096, the Vietnam Humanitarian Assistance and Evacuation Act of 1975, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The committee of conference recommends that the House recede from its disagreement to the amendment of the Senate to the text of the bill with an amendment which is a substitute for both the text of the House bill and the Senate amendment thereto.

Except for clarifying, clerical, and necessary conforming changes, the differences between the two Houses and the adjustments made in the committee of conference are noted below.

SHORT TITLE

The House bill contained a short title which cited the Act as the "Vietnam Humanitarian Assistance and Evacuation Act of 1975".

The Senate amendment contained a short title which cited the Act as the "Vietnam Contingency Act of 1975".

The Senate receded.

FUNDING AUTHORIZATION

The House bill authorized the appropriation of $150 million for fiscal year 1975 for humanitarian assistance to and evacuation programs from South Vietnam. The House version also authorized the use of Indochina economic aid funds previously authorized under the Foreign Assistance Act of 1974, for humanitarian purposes without regard to the restrictions of sections 36(a)(1), 36(a)(6), 37(b) (third sentence) and 38(a)(1).

The Senate amendment authorized the appropriation of $100 million for fiscal year 1975 for humanitarian and withdrawal purposes and waived all the provisions of sections 36 and 38.

In addition the Senate version established a policy to provide humanitarian aid for war victims throughout all of South Vietnam and Cambodia, to be provided through channels acceptable to all parties; and authorized the appropriation of $150 million for fiscal year 1975 for humanitarian assistance to refugees and other victims of the conflicts in South Vietnam and Cambodia, to be furnished under the direction and control of the United Nations or under the auspices of other international organizations, international agreements, or voluntary agencies, to be distributed only under the direct supervision and control of representatives of such organizations and agencies.

The Senate amendment also required the President to report to the Congress every 90 days (A) the amount of each type of economic assistance provided under the bill, (B) the expected recipients, (C) the distributing agencies, and (D) the means of distribution.

The committee of conference agreed to authorize the use of Indochina economic aid funds previously authorized under the Foreign Assistance Act of 1974, but not yet appropriated, for humanitarian assistance to, and evacuation programs from, South Vietnam without regard to the funding limitations set in section 36(a)(1), section 36(a)(6), section 38(a)(1), or the third sentence of section 37(b) of such Act.

The committee of conference also agreed to a new authorization of appropriations of $150 million for humanitarian assistance in South Vietnam. It is the intent of the committee of conference that funds made available under this section be available to administer these humanitarian programs for victims of the conflict, wherever they may be located.

It is the intention of the conference that such programs be carried out under the direction and control of international organizations and voluntary relief agencies, located in the United States and abroad, to the extent feasible. In order to insure that assistance so provided is actually delivered to refugees and others in need, the section requires that the assistance only be furnished under the direct supervision and control of representatives of the international organizations and voluntary agencies. The conferees expect the executive branch to make every reasonable effort to involve these organizations and agencies in this humanitarian effort. Finally, the section requires quarterly reports to the Congress which would describe the amount and nature of the assistance provided by the Act, the expected recipients, the organizations and agencies involved in the distribution of the assistance, and the means by which the assistance is distributed. This reporting requirement should not be construed to require the imposition of additional U.S. Government inspections and audits on the distributing agencies and organizations, if such requirements would substantially impede or diminish the involvement of these agencies and organizations in the programs authorized by this section.

The conferees have deleted the provisions in the Senate bill authorizing humanitarian assistance to refugees and war victims in Cambodia and a provision relative to Public Law 480 food assistance to Cambodia solely because the retention of these provisions of the Senate version would have subjected the conference report to a point of order under the House rules. The managers of both the House and the Senate are aware that under existing law food assistance for humanitarian purpose can be supplied to needy people in Cambodia and urge that executive branch officials give continuing consideration to requests for food and other assistance from international organizations and voluntary relief agencies to the extent such assistance may be provided under existing law. As to Cambodian refugees who have fled from Cambodia, the conferees expect that the United States will provide appropriate assistance to those refugees through international organizations and voluntary agencies through whatever authority and funds that are available for such purposes, including the Migration and Refugee Assistance Act.

There is no funding authorization in this Act for military assistance programs in South Vietnam.

AUTHORIZATION OF USE OF UNITED STATES ARMED FORCES FOR EVACUATION PROGRAMS IN VIETNAM

The House bill had no express authorization for the use of U.S. Armed Forces but defined "evacuation" as one "without the use of military force, if possible, but should it become necessary and essential, with the minimum use of necessary force" to remove the categories described in the House bill.

The Senate amendment authorized the President to use U.S. Armed Forces to assist in withdrawing Americans and their dependents and endangered foreign nationals, and placed limitations on the use of those forces. If feasible, a single operation was required where imminent involvement in hostilities was indicated.

The House receded. It is the intention of the committee of conference that references in the conference report to the use of the U.S. Armed Forces are not intended to relate to the normal logistics and related services which may be performed by the Department of Defense, using military personnel in a noncombat situation, on a reimbursable basis under the Foreign Assistance Act and other laws.

REPORTING REQUIREMENTS REGARDING USE OF ARMED FORCES IN CONNECTION WITH EVACUATION OF AMERICANS AND THEIR DEPENDENTS

The House bill did not refer to the provisions of section 4 of the War Powers Resolution which require that the President submit reports to the Congress in connection with the introduction of U.S. combat forces into a foreign country or the introduction of forces into a situation involving actual or imminent hostilities.

The Senate amendment required that if it is essential to employ the Armed Forces in withdrawal operations, a report be filed as required by Section 4 of the War Powers Resolution, and that that report certifies:

1. That a direct and imminent threat exists to the lives of U.S. citizens and their dependents;

2. That every effort was made to terminate the threat by means other than the use of forces; and

3. That, with the exception of essential personnel, such citizens and their dependents are being evacuated as rapidly as possible.

The House receded.

EVACUATION OF FOREIGN NATIONALS

The House bill authorized the use of minimum necessary force to evacuate, in addition to American citizens, their dependents, Vietnamese nationals eligible for immigration to the United States by reasons of their relationships to American citizens, and other foreign nationals "to whose lives a direct and imminent threat exists". Military force employed for this last purpose may not exceed that necessary to carry out the evacuation of the three categories of persons. The House bill also stipulated that the authority with respect to the last category does not extend to any action or conduct not essential to effectuate and protect the evacuation of the persons referred to above.

The Senate amendment authorized the President to use Armed Forces to assist in bringing out endangered foreign nationals if he certifies, pursuant to section 4(b) of the War Powers Resolution, that:

1. Every effort has been made to terminate the threat by other than military force;

2. A direct and imminent threat exists to the lives of such individuals;

3. The number of American forces used to evacuate foreign nationals will not be greater than those essential to and directly connected with a withdrawal of American citizens;

4. The duration of the use of such forces will not be extended; and

5. The withdrawal will be confined to areas where United States Forces are present for the purpose of protecting Americans while they are being withdrawn.

The conference report adopts the authorities and restrictions provided in the Senate version but adopts the definition of foreign nationals eligible for evacuation under the Act which was part of the House version.

WAR POWERS RESOLUTION

The House bill stated that nothing in this Act is to be construed in derogation of the War Powers Resolution or to constitute a specific authorization for the use of Armed Forces within the meaning of sections 5 (b) and (c) of such Resolution.

The Senate amendment stated that the authority of this Act is intended to constitute specific authorization within the meaning of section 8(a) of the War Powers Resolution and is not a specific authorization for the purpose of section 5(c) of such Resolution, and required the removal of such forces by concurrent resolution if Congress directs.

The conference report provides that the authority contained in the Act is intended to constitute specific statutory authorization within the meaning of section 8(a) of the War Powers Resolution but shall not be considered specific statutory authorization for the purposes of sections 5 (b) and (c) of the War Powers Resolution. This reference incorporates the time limitations and termination procedure of section 5(b) of the War Powers Resolution and requires that such forces be removed by the President if the Congress so directs by concurrent resolution under section 5(c) of the Resolution.

WAIVER OF PROHIBITIONS ON THE USE OF FUNDS FOR THE USE OF U.S. FORCES IN EVACUATION

The House bill waived prohibitions on the use of funds for combat activities in Vietnam, in five public laws, section 839 of Public Law 93–437, section 30 of Public Law 93–189, section 806 of Public Law 93–155, section 13 of Public Law 93–126, section 108 of Public Law 93–52 and the precautionary phrase, "or any other comparable provision of law" to the extent necessary for the evacuation programs authorized in that bill.

The Senate amendment waived the same five prohibitions, plus section 741 of Public Law 93–238, and section 307 of Public Law 93–50, "only to the extent necessary" to use U.S. armed forces to withdraw U.S. Citizens and their dependents from South Vietnam. The Senate amendment did not contain the precautionary phrase "or any other comparable provision of law."

The Senate receded.

DAILY WITHDRAWAL REPORT

The House bill contained no provision requiring a daily withdrawal report.

The Senate amendment required a daily report to the Speaker and to the Senate Committee on Foreign Relations, as long as the recipients desire such reports, on the numbers of Americans and dependents who left Vietnam the previous day, broken down by government and private contract personnel. The number remaining in South Vietnam, and the number of South Vietnamese who left South Vietnam the previous day with U.S. assistance.

The House receded.

WITHDRAWAL PLAN

The Senate amendment required the President to submit, within 48 hours of enactment, a report to the Speaker and to the Chairman and ranking minority members of Senate Foreign Relations, Judiciary and Armed Service Committees, a report describing his general plan for withdrawal of U.S. citizens and their dependents and for withdrawal of endangered foreign nationals.

The House bill contained no provision requiring the submission to the Congress of a withdrawal plan.

The House receded, with an amendment extending the time period within which a report is required from 48 hours to 4 days.

MISSING-IN-ACTION REPORT

The House bill contained a sense of the Congress provision requesting that, as humanitarian assistance is being made available to South Vietnam, the President use all appropriate diplomatic means to obtain:

1. An updated accounting of Americans missing in action; and
2. The return of the remains of known American dead.

The House bill further requests that within 30 days after aid is made available in Southeast Asia, the President report to the Congress the diplomatic actions being taken.

The Senate amendment contained no comparable provision.

The Senate receded.

PROHIBITION ON ASSISTANCE

The House bill prohibited the use of funds authorized in this Act to aid, directly or indirectly, the Democratic Republic of Vietnam (DRV) or the Provisional Revolutionary Government (PRG) or the channeling or administration of funds by the DRV or the PRG.

The Senate amendment contained no comparable provision.

The Senate receded, with an understanding that the provision is not intended to prohibit assistance to refugees and other needy people who are victims of the conflict located in the territories controlled by these entities, if such assistance is channeled, through and directly administered by international organizations or private voluntary agencies, and public facilities (for transportation, etc.) are only used in a manner that is similar to the common practice of these agencies and organizations in noncommunist territories.

EVACUATION OF DESERTERS FROM THE U.S. MILITARY

The House bill contained no provision relating to the evacuation of deserters from the U.S. military.

The Senate amendment contained a provision which expressed the sense of Congress that the United States not abandon in Vietnam deserters from the U.S. military who remain in that country, but that upon their return to the United States they be turned over to proper authorities for prosecution in accordance with the law.

The Senate receded, with the understanding that the provision would have been subject to a point of order in the House.

RESCISSION OF PROVISIONS THROUGH CONCURRENT RESOLUTION

The House bill provided that any provisions of the bill may be rescinded by the Congress through concurrent resolution.

The Senate amendment contained no comparable provision.

The House receded, because the committee of conference believed that the safeguards contained in Section 6, concerning the War Powers Resolution, made the provision unnecessary.

DELIVERY OF PUBLIC LAW 480 SHIPMENTS TO CAMBODIA

The House bill did not contain a provision relating to delivery of Public Law 480 shipments to Cambodia.

The Senate amendment required Public Law 480 food shipments scheduled for delivery to Cambodia on or before the date of enactment of this bill to be delivered to Cambodia through international channels, provided that the assistance is requested by the Cambodian Government.

The Senate receded.

FINDING OF CONGRESS ON NORTH VIETNAMESE AND VIETCONG VIOLATION OF PARIS PEACE AGREEMENT

The House bill stated the finding of the Congress that this bill is made necessary by North Vietnamese and Vietcong military aggression in flagrant violation of the Paris Peace Agreement.

The Senate amendment contained no comparable provision.

The House receded. The committee of conference believes that a formal assessment of blame could have undesirable consequences with respect to the overall objectives of the Act and, specifically, with respect to obtaining information about Americans listed as missing in action in Southeast Asia and the return of the remains of unknown American dead.

THOMAS E. MORGAN,
CLEMENT J. ZABLOCKI,
WAYNE L. HAYS,
L. H. FOUNTAIN,
DANTE FASCELL,
WM. BROOMFIELD,
EDWARD J. DERWINSKI,
Managers on the Part of the House.

JOHN SPARKMAN,
FRANK CHURCH,
H. H. HUMPHREY,
CLIFFORD P. CASE,
J. JAVITS,
HUGH SCOTT,
Managers on the Part of the Senate.

LEGISLATION ON MEDITERRANEAN FRUIT FLY ERADICATION

(Mr. DE LA GARZA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DE LA GARZA. Mr. Speaker, the Mediterranean fruit fly is an incipient threat to several subtropical fruit and vegetable producing areas of the United States. One of those areas is in my south Texas district.

This pest is capable of inflicting disastrous damage on 167 varieties of fruits and plants, including citrus and stone fruits, melons, tomatoes, and peppers. It has infested sections of the United States several times and each time has been successfully combated through the efforts of the U.S. Department of Agriculture and the producers involved.

The most serious infestations have been in Florida. In my own district, however, in the Brownsville area, it was necessary in 1966 to carry out a Mediterranean fly eradication program covering some 7,000 acres of productive land.

The pest is at present well established in the State of Hawaii. It flourishes in the countries of Central America. The Department of Agriculture is deeply concerned with keeping it away from the U.S. mainland.

For this reason, I have introduced a bill to clarify the authority of the Secretary of Agriculture to carry out pest eradication programs in cooperation with other countries. For a number of years such programs have been conducted cooperatively between the United States and Mexico and have proved outstandingly successful in meeting substantial threats to crop production.

My bill would serve to remove any question of the Agriculture Department's authority to extend these programs. It would ensure the feasibility of an extensive effort to prevent the threatened invasion of the Mediterranean fruit fly, which if it should come would inevitably result in tremendous losses to fruit and vegetable producers in Texas, Louisiana, Florida, and elsewhere.

The matter is urgent. The Department of Agriculture has available contingency funds with which to undertake this necessary program without further appropriations. I hope the House will see fit to act speedily and favorably on my bill.

EVACUATING AMERICANS FROM SOUTH VIETNAM

(Mr. JOHN L. BURTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHN L. BURTON. Mr. Speaker, I would again like to address myself to the fact that the evacuation of Americans from South Vietnam is not proceeding as rapidly as it should.

The Reuters report in the New York times yesterday stated that there were between 900 and 1,000 Americans left in South Vietnam. This figure did not include their non-American dependents. We have not been able to get the figures for noncitizen dependents from the State Department since last Thursday. It was stated that some 262 Americans were evacuated from South Vitenam during the previous 24-hour period, during which time 6,300 South Vietnamese were evacuated.

I have heard today that the figure of Americans is now over 900, which means that less than 100 were evacuated.

I would like to quote from the remarks made by the junior Senator from Kentucky (Mr. FORD) where he quoted Dean Brown as saying:

> If Saigon is under attack and the airfield is under attack, that is that, and that is when you go in for the last haul of the Americans.

I think the Americans should be out now and their dependents should be out now, and certainly there is no reason for them to be there in danger at this time.

AD HOC COMMITTEE TO REVIEW LIQUID METAL FAST BREEDER REACTOR PROJECT

(Mr. McCORMACK asked and was given permission to address the House for 1 minute to revise and extend his remarks and include extraneous matter.)

Mr. McCORMACK. Mr. Speaker, as most of the Members are probably aware, the Joint Committee on Atomic Energy has created a new special ad hoc committee to review this Nation's liquid metal fast breeder reactor project.

Tomorrow, at 2 p.m., the subcommittee will hold its first briefing. Dr. Gerald F. Tape, U.S. Ambassador to the International Atomic Energy Commission and president of Associated Universities Inc., will relate the historical developments of this Nation's civilian nuclear power program, starting with the early days of the Manhattan Project and progressing through the decision that made the liquid metal fast breeder reactor, as the President designated it, "this Nation's No. 1 energy project."

In addition, Mr. Ed Johnson, head of E. R. Johnson and Associates, will describe the uranium fuel cycle, describing for the Members the entire process, starting with the mining of uranium, and following it through milling and purification, the fabrication of fuel elements, what happens in a nuclear reactor, how uranium is recycled, and the plutonium recycle concept.

This briefing will be extremely valuable for any Member who wish to update himself on this subject. It will be held in the Joint Committee public hearings room in room S-407. All Members are urged to attend. The meeting is open to the public.

LEGISLATIVE PROPOSAL FOR THE NATIONAL PORTRAIT GALLERY

(Mr. YATES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. YATES. Mr. Speaker, the National Portrait Gallery Act of 1962 defines portraiture as "painted or sculpted likenesses." The original bill approved by the Board of Regents of the Smithsonian Institution in January 1961, and introduced by former Senator Clinton P. Anderson in February 1961, and defined portraiture as "portraits and reproductions thereof made by any means or processes, whether invented or developed heretofore or hereafter." The more restrictive language that became part of the final legislation was substituted by the Senate committee at the request of the Librarian of Congress who argued that the National Portrait Gallery would otherwise enter into competition with the Library of Congress in the collecting of prints and photographs.

It has become increasingly clear over the years that the National Portrait Gallery cannot fully perform its legislated functions, either in exhibition or in research, under the existing restriction. More than half of our national history has occurred since the invention of photography. Many Americans who should be represented in our National Portrait Gallery are best portrayed by photographs, and some are portrayed only by photographs. As a center for the study of history through portraiture, the Gallery requires photographic and printed reproductions of portraits in all media not in its own collection.

Given the very restricted area in which the Portrait Gallery would collected and display prints, photographs, films, and other likenesses, competition with the collections of the Library of Congress would be minimal. Indeed, we are confident that sensible cooperative arrangements between the Library and the Gallery can be worked out.

No other Smithsonian Museum is prevented by law from collecting prints and photographs in its areas of specialization; it is difficult to imagine that any of them could operate effectively if it were so limited.

PERSONAL EXPLANATION

Mr. MIKVA. Mr. Speaker, on Thursday, April 24, I was obliged to be in Illinois on district business and was therefore unable to vote on certain bills considered that day. Had I been present, I would have voted "Yea" on final passage of the Securities Reform Act (roll No. 153), "Aye" on the Moffett amendment to delete the salary increase for the president of Amtrak (roll No. 155), and "Yea" on final passage of the Amtrak Improvement Act (roll No. 156).

TRUTH IN ARITHMETIC

(Mr. GOLDWATER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GOLDWATER. Mr. Speaker, there is not one Member of this House who does not know that congressionally induced, Federal deficit spending is the primary cause of the economic disaster currently plaguing the United States. That it can be said of all recent Congresses that as alcohol is to the alcoholic, mindless deficit spending is to the Congress. Just as the alcoholic believes—he can drink his way to a better condition unfortunately so many Members of Congress insist on believing that the way to get out of our current economic mess is to spend more and ignore the deficit hangover. Such an attitude and practice are sheer folly.

Beginning on Wednesday of this week, the Congress will take up what has been promised to be the first of several budget resolutions. This concurrent resolution has no binding authority. It relies on verbal declarations of intent and uses such forceful wording as "recommended" and "appropriate." It says that a $73.2 billion spending deficit for fiscal year 1976 is appropriate. Well, my fellow colleagues, that strikes me as about as sensible as telling a gutter stumbling drunk to break open another case of booze and see if that will not help him recover.

If this concurrent resolution is any indication of what we can expect, what this Nation needs is a little "truth in arithmetic" legislation—legislation that means something, that is binding, and that permanently stops Federal deficits and forces this Congress to tell the truth about our fiscal policies and positions.

CONGRESS MUST AUTHORIZE PRODUCTION FROM ELK HILLS

(Mr. BELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BELL. Mr. Speaker, tomorrow the House will consider H.R. 49—a bill which will allow for long overdue production from the petroleum reserve at Elk Hills in California to help ease this Nation's dangerous energy situation.

We can no longer afford the luxury, Mr. Speaker, of allowing such a critical resource as Elk Hills—or Pet 4 in Alaska—to sit there undeveloped and in such an inadequate state of readiness.

In the national interest, the Congress must authorize production from Elk Hills as envisioned in H.R. 49.

I urge the support of my colleagues for this legislation tomorrow.

A "Dear Colleague" scurrilous letter has been circulated by some Members inferring that we may have another Teapot Dome scandal.

Let us get the facts out. Names. Names.

COMMUNICATION FROM THE PRESIDENT OF THE UNITED STATES WITH REGARD TO FOREIGN ASSISTANCE ACT OF 1961 (H. DOC. NO. 94-116)

The SPEAKER laid before the House the following communication from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on International Relations and ordered to be printed:

THE WHITE HOUSE,
Washington, D.C., April 25, 1975.

Hon. CARL ALBERT,
Speaker of the House of Representatives, Washington, D.C. 20515

DEAR MR. SPEAKER: In accordance with the notification requirement set forth in Section 652 of the Foreign Assistance Act of 1961, as amended, (hereinafter, the "Act"), please be advised that I intend to exercise my authority under Section 614(a) of the Act to authorize the use of Indochina Postwar Reconstruction funds for the purpose of financing the evacuation from South Vietnam of certain South Vietnamese nationals and nationals of other foreign countries without regard to the requirements of the Act, the Foreign Assistance Act of 1974, including Section 38, and Section 113 of the Act Making Appropriations for Foreign Assistance and Related Programs for the Fiscal Year Ending June 30, 1975, and for Other Purposes. Justification for this action is contained in the enclosed memorandum.

I have determined that such authorization is important to the security of the United States and will be forwarding my formal determination to you within the next few days.

Sincerely,

GERALD R. FORD.

Enclosure.

JUSTIFICATION FOR PRESIDENTIAL DETERMINATION TO AUTHORIZE THE USE OF INDOCHINA POSTWAR RECONSTRUCTION FUNDS TO FINANCE THE EVACUATION FROM SOUTH VIETNAM, AND RELATED COSTS, OF CERTAIN SOUTH VIETNAMESE NATIONALS AND THE NATIONALS OF OTHER COUNTRIES

Although Section 38(a)(1)(A) of the Foreign Assistance Act of 1974 authorizes the use of funds made available under that act for relief of refugees, the $70 million authorized for that purpose may not be sufficient to cover this evacuation and related costs when this amount is determined and added to other refugee relief programs already funded. Section 38(b) limits the amount that may be transferred out of the other major categories of assistance authorized under section 38(a) into the humanitarian category to not more than 20 percent of the amount authorized under each of the other major categories.

Section 113 of the Foreign Assistance Appropriations Act of 1975 requires congressional notification of the use of funds for new Indochina postwar reconstruction activities at least 15 days in advance of the obligation of such funds. An evacuation project was not presented to the Congress for Foreign Assistance Act financing at the time of the fiscal 1975 congressional presentation. Funds for such a project have been included in the legislation now before the Congress, but no funds have been appropriated as yet nor can they be in the time available. Insufficient funds are available under the Migration and Refugee Assistance Act of 1962, as amended, and there is no time to pursue appropriations thereunder for this immediate need. Accordingly, this urgent requirement, if it is to be met at all in the time available, must be met with Foreign Assistance Act funds. Of course, the use of Indochina postwar reconstruction funds will serve only as a stopgap measure pending passage of the legislation presently being considered by the Congress. Ordinarily we would notify Congress of this new activity under section 113, but to do so now, and wait 15 days, will prevent the successful evacuation of these people.

Without such a determination under section 614(a) of the act, it may not be possible to finance the evacuation from South Vietnam, and related costs, of nationals of that country and of other foreign countries. The failure to evacuate these people from South Vietnam would leave them in danger of harm, perhaps even death, in the face of Communist aggression, and would raise serious questions in the eyes of other nations regarding the U.S. Government's humanitarian concerns toward those with whom it has been closely associated and allied for many years. I therefore believe it to be important to the security of the United States to undertake such an evacuation and to finance this undertaking with Indochina postwar reconstruction funds.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
April 25, 1975.

Hon. CARL ALBERT,
The Speaker,
House of Representatives.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 12:05 p.m. on Friday, April 25, 1975, and said to contain a message from the President wherein he transmits the annual report of the National Credit Union Administration.

With kind regards, I am,
Sincerely,
W. PAT JENNINS,
Clerk, U. S. House of Representatives.
By W. RAYMOND COLLEY,

ANNUAL REPORT OF THE NATIONAL CREDIT UNION ADMINISTRATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Banking, Currency and Housing:

To the Congress of the United States:

Pursuant to the provisions of Title I, section 102, of the Federal Credit Union Act, as amended (12 U.S.C. 1752a(e)), enclosed is the Annual Report of the Administrator, National Credit Union Adminstration, for the calendar year 1974.

GERALD R. FORD.

THE WHITE HOUSE, *April 25, 1975.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C., *April 25, 1975.*

Hon. CARL ALBERT,
The Speaker,
U.S. House of Representatives.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 12:05 p.m. on Friday, April 25, 1975, and said to contain a message from the President wherein he transmits the annual report of the Alaska Railroad Act.

With kind regards, I am,
Sincerely,
W. PAT JENNINGS,
Clerk, U.S. House of Representatives.
By W. RAYMOND COLLEY.

ANNUAL REPORT BY SECRETARY OF TRANSPORTATION ON THE ALASKA RAILROAD—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States which was read and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

I transmit herewith the annual report by the Secretary of Transportation on the operations and activities of the Alaska Railroad Act of March 12, 1914.

GERALD R. FORD.

THE WHITE HOUSE, *April 25, 1975.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
April 25, 1975.

Hon. CARL ALBERT,
The Speaker,
House of Representatives.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 12:05 p.m. on Friday, April 25, 1975, and said to contain a message from the President regarding Revenue Sharing and a draft bill.

With kind regards, I am,
Sincerely,
W. PAT JENNINGS,
Clerk, U.S. House of Representatives.
By W. RAYMOND COLLEY,

PROPOSED LEGISLATION TO EXTEND AND REVISE THE STATE AND LOCAL FISCAL ASSISTANCE ACT OF 1972—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–117)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Government Operations and ordered to be printed:

To the Congress of the United States:

I am today transmitting to the Congress proposed legislation to extend and revise the State and Local Fiscal Assistance Act of 1972. The act, and the General Revenue Sharing program which it authorizes, expires on December 31, 1976. I strongly recommend that the Congress act to continue this highly successful and important new element of American Federalism well in advance of the expiration date, in order that State and local governments can make sound fiscal plans.

THE VALUE OF FEDERALISM

The genius of American government is the Federal system of shared sovereignty. This system permits and promotes creativity and freedom of action simultaneously at three levels of government. Federalism enables our people to approach their problems through the governments closest to them, rather than looking to an all-powerful central bureaucracy for every answer.

With the Federal Government heavily committed to international affairs, the Nation's defense, the state of the economy and the energy problem, we need strong, effective State and local governments to meet the everyday needs of our people—for good police and fire protection, education, transportation, sanitation, and the basic services of a well-governed society.

In 1972, when General Revenue Sharing was passed, the Federal partnership was in trouble. The Federal Government, with its highly efficient taxing system, then collected some two-thirds of the Nation's total tax revenues. Federal revenues, particularly because of the income tax, grew with the economy. However, State and local revenues are more dependent on real property taxes and sales taxes. These governments had to meet rising demands for services and costs through endless rounds of tax increases. Simply stated, revenues had grown fastest at the Federal level, while needs were growing fastest at the State and local levels.

The Federal Government, then as now,

sought to help States and communities meet their needs through Federal aid. For the most part, this aid is in the form of categorical grants—that is, narrowly defined, closely controlled grants for specific purposes. Today, over one thousand of these categorical grants are available for almost every imaginable objective.

However, the necessity to go to Washington for the solution to many local problems has had a stifling effect on the creativity and accountability of State and local governments. Along with Federal aid comes Federal restrictions which limit local initiative and flexibility.

Furthermore, until the concept of block grants was developed, States and localities were limited to categorical grants which were designed to lead State and local governments in new directions. Consequently, the recipients, all too often, headed in the direction where the grant moneys were available, rather than where their genuine needs existed.

Finally, much of the aid the Federal Government makes available has to be matched by State and local funds. The impact of this requirement is often to aggravate rather than to alleviate a State or local government's financial plight.

This was the situation the executive branch and the Congress faced in 1972—a Federal system endangered by the growing impoverishment of two out of the system's three partners. This is the situation that the Federal Government wisely met, by the passage of General Revenue Sharing.

This program has been a resounding success. Since its enactment, General Revenue Sharing has provided nearly $19 billion to 50 States and some 39,000 local governments—money which these governments could use as they saw fit to meet their priority needs.

These Federal revenue sharing dollars have meant new crime fighting equipment and more police on the street, help for essential mass transportation, a better environment, improved fire protection and many other useful public activities. If some communities have not used their revenue sharing funds wisely, they are a minuscule fraction of governments which have used this money well.

The current revenue sharing act has also enabled individuals and citizen groups to play their part in determining the use of these Federal funds in their communities by placing the decision on the use of these funds at the local rather than the Federal level. This citizen participation strengthens our democracy in the best possible way. It is my intention to strengthen our efforts to encourage the widest possible citizen participation.

THE NEED GOES ON

General Revenue Sharing has also been the keystone of additional efforts to reform Federal aid. The new block grant programs, more decentralized grant management, joint funding projects and grant integration, improved program information and executive reorganization have all been included in a large-scale effort to make better sense of and to get greater results from the billions granted to State and local governments.

The General Revenue Sharing program enacted in 1972 turned a corner. It caught a serious problem in time and helped us get back on the road to a sounder Federalism, of shared rights and responsibilities.

Many State and local governments are facing deficits with the prospect of having to raise additional taxes or cut services. Our States and localities are facing these adverse developments at a time when their fiscal responsibilities have mounted due to the impact of inflation on their expenditures and the tax burdens placed on citizens. Further, the present high unemployment is taking its toll in terms of lower tax receipts and higher costs on States and communities. This combination of financial pressures is likely to continue to bear down on these governments for the foreseeable future.

Many units of governments, particularly in distressed urban areas, count on these funds for their budget planning. If the flow of shared revenues were to be turned off or scaled down, the results would be immediate and painful. Our efforts to revive the economy would suffer a serious blow. States, cities, counties and small communities would have to either cut back essential services causing increased public and related private unemployment or tax more or borrow more—thus defeating the objectives of our national efforts to reduce the total tax load and revive the economy.

Enactment of Federal revenue sharing was a wise decision in 1972. Its continuation is imperative now. Before deciding to recommend extension of this program, I directed that an exhaustive study be made of the present program to identify its strengths and weaknesses. This assessment has been carried out and has taken into account the views of the Congress, State and local government officials, interested citizen bodies and private study groups analyzing governmental policy. I will also consider any signficant findings which may yet emerge from studies presently underway.

Based on our review of this work, I am now proposing to the Congress legislation which will maintain the basic features of the existing revenue sharing program while offering several improvements.

The principal elements of the renewal legislation I am proposing are:

- —The basic revenue sharing formula is retained. Experience to date suggests the essential fairness of the present formula and I recommend its retention.
- —Funds will be authorized for five and three-quarters years. The effect of this provision is to conform the time period to the new Federal fiscal year.
- —The current method of funding with annual increases of $150 million will be retained to compensate, in part, for the impact of inflation. Over the five and three-quarters years, this level will produce a total distribution of Federal revenues of $39.85 billion. By the final year, the revenues shared will have increased by $937 million over the current level of payments.
- —Recognizing the need to raise the existing per capita constraint on the basic formula, my proposal would permit those hard-pressed jurisdictions now constrained by the per capita limitation to receive more money. The impact of this change on other communities would be minimized by phasing the change in five steps and by the increase of $150 million annually.
- —To strengthen the civil rights provisions of the existing statute the proposed legislation would authorize the Secretary of the Treasury to invoke several remedies to enforce the nondiscrimination provisions of the act. This would be accomplished by stating explicitly that the Secretary has authority to withhold all or a portion of entitlement funds due a State or unit of local government, to terminate one or more payments of entitlement funds, and to require repayment of entitlement funds previously expended in a program or activity found to have been discriminatory. This change will further enhance the Secretary's ability to insure that none of our citizens is denied on grounds of race, color, sex or national origin the benefits of any program funded in whole or in part through revenue sharing.
- —To strengthen public participation in determining the use of shared revenues, the proposed legislation requires that recipient governments must provide a procedure for citizen participation in the allocation of revenue sharing monies.
- —The Administration proposal would also make reporting requirements more flexible to meet varying needs from community to community. The legislation would grant the Secretary of the Treasury greater latitude in determining the form of reports and the kind of information required of recipients. Similarly, he would have more flexibility to determine the method by which recipient governments must publicize their use of funds.
- —Finally, the proposal requires a reconsideration of the program 2 years before its expiration.

EARLY RENEWAL IS IMPORTANT

I urge the Congress at its earliest convenience to begin deliberations on the renewal of the State and Local Fiscal Assistance Act of 1972. Effective planning at the State capitols, city halls, and county courthouses will require action in this first session of the 94th Congress. In fact, in the fall of 1975 many of our States and local governments will be preparing their fiscal year 1977 budgets. It will be essential for them to know at that time whether General Revenue Sharing funds will be available to them after December, 1976.

The expiration of the present General Revenue Sharing Law is coincident with the year in which the Nation celebrates its bicentennial. There could be no more practical reaffirmation of the Federal compact which launched this Country than to renew the program which has done so much to preserve and strengthen that compact—General Revenue Sharing.

Gerald R. Ford.

The White House, *April 25, 1975.*

CALL OF THE HOUSE

Mr. DEVINE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 157]

Andrews, N.C.
Badillo
Biaggi
Boggs
Bolling
Brademas
Breckinridge
Broomfield
Brown, Mich.
Chappell
Cochran
Conyers
Crane
Dellums
Dent
Diggs
Flood
Flynt
Ford, Tenn.
Ginn
Gonzalez
Gradison
Hanley
Hansen
Harkin
Harsha
Hébert
Hefner
Howard
Hughes
Ichord
Jarman
Kastenmeier
Kemp
Krueger
Litton
Lott
McKinney
Matsunaga
Meeds
Milford
Mills
Mollohan
Peyser
Poage
Pritchard
Railsback
Rangel
Rhodes
Ruppe
Russo
Satterfield
Scheuer
Shipley
Shriver
Shuster
Staggers
Steiger, Ariz.
Sullivan
Symington
Taylor, N.C.
Teague
Traxler
Udall
Ullman
Vanik
Wilson, Charles, Tex.
Young, Fla.
Young, Ga.
Zablocki

The SPEAKER. On this rollcall 362 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

ELECTION CAMPAIGN ACT OF 1974

(Mr. FRENZEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FRENZEL. Mr. Speaker, in today's New York Times Mr. William Safire, in an "essay" speculated about a feature in the 1974 Election Campaign Act which relates to the Democrat national chairman, Mr. Straus. Mr. Safire and I discussed this matter on the telephone, and reference to our conversation was made in the "essay." None of the Safire speculation is attributed to me, but for those who have not read the article closely, I want to make the record clear that I have indulged in none.

The statute of limitations features in the law precludes investigation of Mr. Straus' part in receiving a corporate campaign contribution. It may protect him, but it also precludes a finding that he, like others who accepted similar contributions, thought they were personal contributions.

I did not like the statute of limitations when we were marking up the bill and said so, but it seemed then to be a minor issue, and it still seems to me to be a minor issue.

The Election Campaign Act of 1974 is a good law—flawed in many ways as are all complicated laws—and it reflects bipartisan credit on the 93d Congress. I believe that speculation about various features of the law is a legitimate editorial exercise, but I hope that such speculation does not cause a reduction in either the people's or the Congress' confidence in that law.

I find it likewise not fruitful to indulge in speculation as to the motivation of the people who worked on the law. Each of us who did so worked hard in an effort to present the best package that Congress could accept and the President would sign. I was unstinting in my praise of those who contributed to the passage of the bill last year, and I have no reason to suspect their motivations now nor to diminish the value of their contributions.

THE NATIONAL SCHOOL LUNCH ACT AND CHILD NUTRITION ACT OF 1966 AMENDMENTS OF 1975

Mr. PERKINS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 4222) to amend the National School Lunch and Child Nutrition Acts in order to extend and revise the special food service program for children and the school breakfast program, and for other purposes related to strengthening the school lunch and child nutrition programs.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky (Mr. Perkins).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 4222, with Mr. Evans of Colorado in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Tuesday, March 25, 1975, there was pending an amendment in the nature of a substitute offered by the gentleman from Michigan (Mr. O'Hara) for the committee amendment in the nature of a substitute.

Are there further amendments to the amendment in the nature of a substitute?

Mr. PERKINS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I take this time to review for the Members the action taken thus far on the important school lunch bill and to indicate what further amendments we anticipate.

Let me begin by reviewing very briefly the provisions of the original committee bill—H.R. 4222 as reported by the committee can only be described as a balanced piece of legislation which addressed all of the component parts of the School Lunch and Child Nutrition Acts.

The major provisions of H.R. 4222 as reported—

Make permanent the authorizations of the school breakfast program;

Make children of unemployed parents automatically eligible for free meals;

Expand eligibility for reduced price lunches to an additional 5 to 7 million students;

Extend and expand the participation of children in child care institutions and preschool programs;

And extend the authorization for the supplemental feeding program for women, infants, and children—known as WIC—for 3 years at $250,000,000 per year.

Many of these provisions in the committee-reported bill reflect the Committee on Education and Labor's continuing concern for and commitment to providing nutritious meals for those in financial need. The bill is further evidence of the committee determination that these programs be effective and adequate in meeting the needs of children from financially needy families.

But in the Committee on Education and Labor we have a concern also for the children from families whose incomes exceed these eligibility guidelines. We have a concern that all children have an opportunity for at least one nutritious meal per day—and when we examined the evidence it was clear that the legislation also had to provide some additional subsidy for the regular school lunch program.

Our solution was to place a ceiling of 25 cents that could be charged any paying student. During general debate on the committee measure, it was clear that there was deep concern among the membership over the costs of this proposal and we agreed when we went into the 5-minute rule to offer a substitute for the committee bill—a substitute which retained the major provisions of the committee bill I have mentioned, but which placed the cap at 35 cents rather than 25 cents.

But even this effort—the 35 cents cap—by the committee to help working families was not acceptable to the House. We therefore have pending before us the O'Hara substitute which originally—and as it has been amended—greatly strengthened feeding programs for the needy. In fact, we were pleased to accept an amendment to the substitute to mandate the offering of reduced price lunches. That in combination with an original committee provision raising the eligibility guideline for a reduced price lunch to 100 percent of the poverty guideline, will have a significant beneficial impact.

There is no question that the bill as it now stands represents a significant effort on behalf of low-income families. But it does nothing for many of the working people of this country. If we allow the bill to remain as it is, it will be those children in families with incomes of $14,000, $15,000, and $16,000 who will be unable to pay what will be even higher school lunch prices next year.

Over the last 2 years, costs of producing a lunch have increased by 28 percent, and under existing law, virtually all of those increased costs must be passed on to students. For that reason, Mr. Chairman, I will offer an amendment to provide a 5-cent payment on every lunch served to a paying student next year.

This is quite a concession from our original committee position, and from the modified position we took in the O'Hara substitute. A step backward which I deeply regret. We will not have a standard price for paying students. We may not reduce the price of lunches for students as we had intended—but at least this amendment will help to keep prices where they are presently. It is a 1-year holding action and a necessary action.

It is my understanding, Mr. Chairman, that the State Superintendent of Education in Florida has advised that there has been a decline of 9 percent in paying students in Florida within the last year due to increased prices in the school lunch program.

Mr. Chairman, this approach will respond to the concerns that were voiced about the other proposals. Both the 25-cent and 35-cent caps would have resulted in different payments being made throughout the country. In some States, 10 cents per lunch would have been paid, while in others it might have been as high as 30 cents. Under this proposal, 5 cents will be paid on every lunch.

Under the original proposal, there was deep concern about the estimated costs—which ranged from $400,000,000 to over a billion dollars. We are here talking about a 1-year program at a cost of $125,000,000.

Mr. Chairman, during the previous debate, many Members who objected to the 25-cent and 35-cent cap said that it was unreasonable—that they would support a reasonable subsidy for the paying students. This proposal is so reasonable it not even covers the increase in the cost of producing a lunch with the 5-cent payment. I believe that all Members of the House will be able to support this measure.

Mr. QUIE. Mr. Chairmain, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from Minnesota.

Mr. QUIE. Mr. Chairman, the gentlemain has stated again, as he did the other time that the numbers in the regular program have been reduced, but the total number of childrein participating in the school lunch program has increased.

Mr. PERKINS. Yes, and the gentleman knows why that is so. We increased free lunch eligibility to 125 percent of the poverty level so students could get free lunches, and we increased the price level figure up to more children to participate, but the gentleman well knows on the other hand that during the same period we have lost approximately 3 million children from the regular program.

The people that we are talking about here are not rich people. They are the people in the $11,000, $12,000, $13,000, $14,000 and $15,000 brackets. If we offer all the children from families up to the $15,000 bracket in a reduced price lunch, we would cover 62.5 percent of the children in this country.

So this is not a wealthy man's program by any means. It is the $10,000-$15,000 middle-income parents that we want to try to hold in the school lunch program, so that the children will not be priced out of the school lunch room. That is exactly what has happened.

As I stated, we are only subsidizng the regular school lunch program at 21¾ cents, and we are only asking now that we subsidize it for one additional nickel, which I feel is reasonable, and for 1 additional year.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. Yes. I yield to the distinguished gentleman from Minnesota.

Mr. QUIE. Mr. Chairman, I say to the gentleman, no matter how much we talk, we have to face facts and if we increase the eligibility for free and reduced cost lunches, more students who are paying for their lunches qualify for a free or reduced cost lunch. If that is a consideration, how can we have anything but the free and reduced cost lunches being increased and thus making the number making the regular payment decrease.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

(By unanimous consent Mr. PERKINS was allowed to proceed for 1 additional minute.)

Mr. PERKINS. Mr. Chairman, I am saying to the membership of the committee that if we fail to do something for the regular school lunch program for the masses of the taxpayers in the $11,000, $12,000, and $13,000 bracket, we are not going to have any program in a few years.

Mr. QUIE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, when we make a decision on the amendments, I would say let us do it on the facts and the facts that each year the total number who participate in the school lunch program has increased. The table that appears on page 10 of the committee report shows 24.6 million participants in 1973, 24.7 million participants in 1974, 25.2 million participants in 1975.

Every time we increase the eligibility for free and reduced cost lunches; individuals who were paying the full amount for their lunch are then qualified to take part in the free or reduced cost. There is no way they would continue the paying for their lunches if they did not have to. We are going to increase the eligibility again for reduced cost lunches, making it 200 percent of the low-income factor. That means additional individuals who are paying for their lunches now will be able to secure lunches for 20 cents. That is what I think we intend to do. We say in the bill already that anybody from a family of four with $10,020 or less can get a lunch for 20 cents.

Why do we have to subsidize beyond the 21¾ cents the present subsidy, and the increase that is going to come in July with the automatic escalator, and the other increase that is going to come in January? That present 21¾ cents subsidy in July will go to 23¾ cents, and in January it is expected to go to 24¼ cents. That is the escalator which is already in the act so that inflation would not harm those who pay for their own lunches and have the financial capability of doing it.

In the meantime, with increased unemployment, we make it automatic that for a person who becomes unemployed, his children can come under the free lunch program. So that everybody who was paying for their lunches, whose parents become unemployed will automatically receive free lunches. Therefore, there will be that reduction in the number of paying lunches. There is no other way for the committee to do it.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, let me say to my distinguished friend that it is true we have increased the level at which reduced price lunches are available up to $9,020 for a family of four, this year, and up to approximately $10,000 beginning July 1.

Mr. QUIE. Ten thousand dollars.

Mr. PERKINS. They cannot be charged more than 20 cents, but that does not take care of the family of four with an income of $11,000, an income of $12,000, an income of $13,000.

I want to refer to the chart, if the gentleman will permit, which he referred to on page 8. If the gentleman will notice, right under the chart in the first paragraph, this chart shows that there has been a decline of approximately 192,000 paying students in the school lunch program in New York State from 1972 to the present. Only 56,000 of these students shifted to the free and reduced price program. The remaining 136,000 students simply dropped out of the program.

Mr. QUIE. M. Chairman, I refuse to yield any further.

Mr. PERKINS. I want to try to clarify a point.

Mr. QUIE. Mr. Chairman, the chairman would like to use up all my time and I will never have a chance to answer that.

Mr. Chairman, the story is, as I have been explaining to the gentleman, that any time we move children from paid lunch to free or reduced-cost lunch, naturally the number of paid lunches will go down. In fact, if we would give a free lunch to everybody, there would be nobody in this country who was counted in the paid lunch column. How do we find enough people to make the program work then?

Mr. PERKINS. Mr. Chairman, will the gentleman yield further?

Mr. QUIE. I yield to the gentleman from Kentucky.

Mr. PERKINS. Presently we do not have a million children in America receiving reduced price lunch, but we have made them eligible. We have a million children who could receive a reduced price lunch. I just want to point that out so the committee will understand that the gentleman's statement is not logical because in the regular program we have lost over three million. We did have 18 million in the regular school lunch program, which covers about 60 percent of total participation. We have dropped down to 15.3 million.

Mr. QUIE. Mr. Chairman, I decline to yield any further.

The reason for that is that we have increased substantially the free or reduced cost lunch eligibility, and if we continue to increase it—and I supported the increase of eligibility—that is going to draw some into that and take it away from the paid lunches.

AMENDMENT OFFERED BY MR. PERKINS TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. O'HARA

Mr. PERKINS. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. PERKINS to the amendment in the nature of a substitute offered by Mr. O'HARA: Page 25 of the amendment offered by Mr. O'HARA, after line 25, inserting the following:

ADDITIONAL PAYMENTS FOR FULL-PRICE LUNCHES DURING FISCAL YEAR 1976

SEC. 18. (a) Section 4 of the National School Lunch Act is amended by inserting "(a)" immediately before the first sentence and by adding at the end thereof the following new subsection:

"(b)(1) In the fiscal year which begins on July 1, 1975, in addition to food assistance payments under subsection (a) for that fiscal year, the Secretary shall make additional payments to each State educational agency in a total amount equal to the result obtained by multiplying (A) the number of lunches other than free lunches and reduced-price lunches (consisting of a combination of foods which meet the minimum nutritional requirements prescribed by the Secretary under section 9(a)) served during that fiscal year to children in schools in the State which participate in the school lunch program under this Act under agreements with that State educational agency, by (B) 5 cents. Additional payments under this paragraph shall not be subject to the matching requirements contained in the third sentence of section 7. From the payments received under this paragraph, each State educational agency shall disburse—

"(A) to each local educational agency in the State with schools which participate in the school lunch program under this Act under agreements with that State educational agency, an amount equal to the result obtained by multiplying (i) the number of lunches described in clause (A) of the first sentence of this paragraph served in the schools of that local educational agency which participate in such program by (ii) 5 cents, and

"(B) to each school in the State which is not a school of a local educational agency in the State but which participates in the school lunch program under this Act under an agreement with that State educational agency, an amount equal to the result obtained by multiplying (i) the number of lunches described in clause (A) of the first sentence of this paragraph served in that school by (ii) 5 cents.

"(2) In the fiscal year which begins on July 1, 1975, in addition to food assistance payments under subsection (a) for that year, the Secretary shall make additional payments to each school to which the Secretary makes direct disbursements under section 10 in a total amount equal to the result obtained by multiplying (A) the number of lunches described in clause (A) of the first sentence of paragraph (1) served during that fiscal year to children in that school by (B) 5 cents. Additional payments under this paragraph shall not be subject to the matching requirements contained in section 10."

Mr. PERKINS. Mr. Chairman, my amendment provides a 5-cent supplemental payment for each lunch served to a paying student during fiscal year 1976. The payment, which will be authorized for 1 year only, is designed to assist the school districts in maintaining the 1975 school lunch price, in order to prevent further erosion of participation by paying children.

On Friday, I furnished to all Members of the House background information on this disturbing downtrend. The number of paying children in the school lunch program has declined from 18 million in 1970 to 15.3 million in 1975. This loss of 2.7 million children seriously undermines the goal of providing a nutritious meal for all children.

We have made every endeavor to reach children whose families cannot afford the rising cost of a school meal by providing Federal support which has now reached 84.25 cents per free meal. With this support the schools of the Nation feed 10 million children free, and that number will continue to rise as addtional schools come into the program.

Under this amendment adopted by this House on March 25, we are now going to be able to reach additional millions of children whose parents earn up to $10,000, by means of the mandated reduced-price lunch in all schools which are participating in the national school lunch program.

While we have made these great strides in bringing a well-balanced, nutritious meal to so many millions of children, we are alarmed at the sharp decline in the participation of children who do pay for their lunch. At the present time, that group constitutes 60 percent of all participants. I feel it is time for the Federal Government to take action to reverse the downward trend by supplying an additional supportive payment of 5 cents for each lunch served to a paying child. The cost of this amendment would be $125 million, based upon the service yearly of 2.5 billion lunches. This is a very simple amendment, and it is an equitable amendment, but I feel it will be a very effective amendment in preventing further erosion.

I hope that the schools will make every possible effort to keep their lunch prices at present levels for the next school year in view of the added 5 cents that they will receive from the Federal Government. I know they are aware that if their participation increases their unit cost will be reduced, and the best way to insure maximum participation is to keep the price at a level where most children can afford to buy the school lunch.

Mr. Chairman, I wish to take this opportunity also to advise the Members of a correction in the "Dear Colleague" letter which we circulated last Friday. Because of a typographical error, the letter indicated that the increase in the cost of producing a lunch is estimated at 12 cents. Mr. Chairman, the letter should have stated that the increase in the cost of producing a lunch has risen by 12 percent, and not 12 cents. We sincerely regret the error.

I urge my colleagues to vote in favor of this amendment, whose cost will be minimal in view of the universal benefit we can anticipate.

Mr. QUIE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, one might feel that this amendment is better than some of the other ones that we talked of in previous days because it is $125 million rather than $1 billion or $870 million, as it once was, or $520 million, as it once was. However, the principle is wrong.

We are going to increase the eligibility for reduced-cost lunches. At the present time a family of four with a $7,087 income or less is eligible for reduced-cost lunches, and they all do not receive it. Under the bill a family of four with a $10,020 income or less will be able to receive a reduced-cost lunch, and it will be made mandatory on the school district to provide it for them. The result of that is going to be substantially increasing the number of children who avail themselves of reduced-cost lunches, and also, the result will be that there will be a reduction in the number of children who pay for their own lunches. It just has to be. That is where they come from.

The escalator, as the chairman indicated, is going to go into effect in a 21¾-cent subsidy that is available for those who can afford to pay for the lunches of their children. In July of this year it will go up to 23¾ cents, and as expected, in January will go to 24¼ cents. If we add the 5 cents to that, then there will be a 35-percent increase by next year in the amount that the Federal Treasury will be paying for the middle- and upper-income students.

If we do that it will put the subsidy for the lunches of children of parents who can afford to pay for their lunches at a higher subsidy than the average that is available today in the food stamp program for households.

That is how generous this amendment is proposing to be.

It is also interesting to note that in the wealthier communities as well as the greatest amount of subsidy will go. The county of Montgomery, Md., with the highest median family income in America, will receive a greater Federal subsidy from this proposal than will the whole city of Chicago.

The question is: Will the students who had been paying for their lunches last year no longer be in the paid lunch program? And the answer will be: Many of them will not be in the paid lunch program because any of the children whose parents become unemployed will be able to get free lunches, and so we have that factor, plus the increased eligibility for reduced cost lunches that will increase the number who go into those two categories.

Let us look at the cost of the program. The administration has recommended $1.7 billion for the school lunch program. We have turned it down. I have turned it down. My colleagues on my side of the aisle on the committee have turned it down, and the people on the Democratic side of the aisle have turned it down.

The program now costs $2 billion a year, or slightly over. If we did nothing except extend the present act it would cost $2.4 billion next year.

However, the bill that we have before

us without that 5-cent amendment on it will be a little over $3 billion.

I think we can sell that increase in cost of the school lunch program to the people of this country, and I hope also to the administration as well. Because its purpose is to help the poor and the lower middle-income families of the Nation. But when we provide a subsidy for the upper and the middle-income families of the Nation I think then we will not be able to sell it to the people of this country or to the administration. And I do not think we should be able to do that.

To me, the subsidy that we have provided for those who can afford to pay for their own lunches is high enough. We have an escalator which increases this subsidy as the meals served away from home costs increase so it therefore will be able to keep pace with the economy even though they are in the upper and middle incomes.

Mr. LEHMAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment offered by the gentleman from Kentucky (Mr. PERKINS).

Mr. Chairman, I would like to read a telegram our office received today from Ralph D. Turlington, commissioner of education of the State of Florida:

> School lunch dropout rate for Florida this year was nine percent, we believe entirely due to the increased cost. The school nutrition program is a top need. I ask you to support the school lunch program even to the exclusion of some other educational support if necessary. I urge you to support Congressman Perkins' amendment.

Signed, "Ralph D. Turlington, Commissioner of Education."

In addition, Mr. Chairman, I talked last week to the superintendent of the Dade County School System, Dr. Edward Whigham. He says that at the present time that Dade's school food service is $600,000 in debt and have been forced to raise the price another 5 cents.

This is a basically built in self-destructive program in regard to those systems still trying to maintain a school lunch program for middle income children who are still trying to pay their own way. I do not want to see this 5 cents go in any way as a windfall or extra funds to the school food service programs. This 5 cents provides a means by which we can possibly keep the middle-income young people in the school food system so that it will not continue to become, as I say, a self-destructive program, where a continued deficit means continued increases in the costs and further dropouts in the school food service paying children.

I strongly urge my colleagues to support this amendment so that we can maintain one of the most important programs in our whole school operation, that is, a reasonable and sufficient and healthful diet for our schoolchildren.

Mr. RONCALIO. Mr. Chairman, will the gentleman yield?

Mr. LEHMAN. I yield to the gentleman from Wyoming.

Mr. RONCALIO. I thank the gentleman for yielding.

I am impressed with the fact that the gentleman supports this amendment and this legislation, and I will be glad to give my support to it. I have profoud respect for the gentleman in the well and what he did for education before coming to the Congress.

Mr. LEHMAN. I thank the gentleman from Wyoming.

Mr. Chairman, I yield back the remainder of my time.

Mr. GOODLING. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I am sure all members of the committee are very capable in the area of arithmetic, and I am sure that all members of the committee realize that we have had a 2.7 million increase in school lunch participation in the last 5 years. They are not figures that I dreamed up; they are figures found on page 10 of the committee's report—an increase of 2.7 million people participating in the school lunch program. Simple arithmetic has to tell us that if we have had a decrease in school population during the same time of 1.5 million and we have had an increase in participation of 2.7 million, it is very, very, very plain that we do not have a problem of people falling out of the lunch program; it is just that we have made it so much easier for them to participate in a free- and reduced-price program—which is good. Therefore, we have 5.4 million at the present time participating in those free and reduced priced programs. That is the increase in that 5-year period.

So, no matter how we add, subtract, divide, or multiply, we have to come up with the fact that there are more people participating. We have an escalator clause built into this program to take care of these people who are on a pay-as-you-go program. This escalator clause is based on the increased cost of food away from home.

Let me refer to an article that was in the Washington Post today. Let me just read a small portion of it. This is an editorial from the Washington Post. I am only going to read a section. It is very complimentary about the bill up to a point. Then it says:

> The bill recognizes the critical importance of feeding hungry children, and it has sought to fashion a program that is fiscally reasonable in every respect but one,—

I repeat, "but one"—

> and that concerns the federal subsidy for the school lunch program. The House is scheduled to debate today a provision supported by 23 members of the committee that would permit a subsidy of five cents more per lunch for the sole purpose of keeping middle class children whose families earn above $10,000 in the program. Several committee members are concerned by a drop last year of about a million children from the lunch program, which now serves 15 million children. Because many of those who dropped out were middle class, the prevailing notion among the committee members has been that an additional subsidy will bring them back or keep in the program other middle class children who might drop out.
>
> The cost of this subsidy to middle class families is estimated at $120 million. We should say that it is a modest figure; an earlier version of the same subsidy would have reached nearly $1 billion a year within five years. This scaled down subsidy has been tacked on to the school lunch program—

and I want to emphasize this—

> for only a year.

This is what the Washington Post editorial says:

> How it will be rooted out if it got in, nobody really says.

Then there comes another paragraph:

> This is almost certainly a case where the committee has wearied of well-doing. Every other provision of the bill deserves support, but it is impossible to justify this additional expense on the grounds that it will keep middle class children in the school lunch program.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I yield to the chairman, the gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. Mr. Chairman, I thank the gentleman for yielding.

But the escalator the gentleman refers to for the school lunch program, where the price of food has gone up 28 percent in the last 2 years, that escalator under section 4 has increased only one and three-quarters percent. We also have escalators for the free and reduced price lunches which amount to 8 cents a year and I do not think we should confuse the House.

So far as that editorial is concerned I do not take issue with the people who wrote it but we would never have had a regular school lunch program in the first place if we had followed the line of thinking of that editorial. We never would have had a regular lunch program in the first place.

Mr. GOODLING. Mr. Chairman, it was mentioned we should not confuse anyone. I want to make one more statement that has been made over and over again so we do not confuse people.

There has been an increase in participation in the school lunch program. There has been an increase in the last 5 years of 5.4 million people participating in free and reduced price lunches. If that is true, and it is reported in our report, then there has to be a decrease in those who pay. There is just no other way we can mathematically work it out.

I think in keeping the RECORD straight we should make sure we do not confuse people with the facts as they are listed on page 10 of this report.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. GOODLING. I yield to the gentleman from Minnesota.

Mr. QUIE. Mr. Chairman, the gentleman from Kentucky mentioned a 1.4-percent increase in the price. I think he meant 1.4 cents increase in the price due to the escalator, which is of course a much substantially higher percentage of the price.

Mr. GOODLING. That is right.

One additional statement. The school lunch program in the 23 years I participated in it went from 25 cents to 50 cents for lunch over a 23-year period. Show me any other thing in this country that has had such a minor increase as that.

Mrs. CHISHOLM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in objection to the amendment offered by Mr. PERKINS.

I am gravely concerned about the wisdom of adding an additional $125 million to this bill for general aid to the schools for their lunch program for children from middle income families.

One of the most often heard rationales for an amendment to section 4 is that students who are paying the full price for their lunches are dropping out of the program as the prices increase. This is presented as a widespread malaise that threatens the very existence of the entire school lunch program, threatening the reduced price and free lunch programs as well.

It seems to me that if this drop in participation were as overwhelming a program as has been presented, that the original bill, as introduced by the committee's chairman, would have included a provision to lower prices to students. There was certainly ample time to hear about the problems from those persons and organizations who provided input for that original bill and who subsequenlty fought for a price rollback. Earlier this month, the Senate Select Committee on Nutrition and Human surveyed State school food service directors on the school lunch program. Thirty-eight directors answered the questions, "Has the students price per lunch increased over last year?" and "Can you correlate loss of participation among paying students, if any, with this increase?"

More than half the State school lunch directors who responded felt they could not correlate any loss of paying students with an increase in school lunch prices. Some directors reported that many of the paying students who supposedly dropped out of the regular program actually became eligible for the reduced price program. The entire school lunch program has actually grown by about 500,000 students in the last year.

The genealogy of this amendment is fascinating. It began in committee with a ceiling of 25 cents on the cost of a regular lunch, a provision that would have cost $700 million, which would have gone directly to the pockets of the nonpoor students currently paying an average price of 45 cents for lunch. The second version of the amendment was in the O'Hara substitute. This provision fixed a ceiling of 35 cents on the price of school lunches to middle-class children. The cost of the amendment: $500 million. Mr. GOODLING's amendment to strike was adopted and the bill was taken from the House floor.

During the weeks that have passed, since we last debated the School Lunch Act, several other amendments to section 4 were discussed. They were finally dismissed as either too expensive—such as an escalator provision that would have cost almost a billion dollars by 1980, or they were considered to be unacceptable to the majority of the Members of this House for some other reason.

The increase in the price of school lunch to a middle-income student now seems to have lost some of its importance. There is in this 5 cents per lunch subsidy provision, no guarantee that the student will benefit directly. The school district may decide to use the money for some other purpose within the school lunch program.

An additional reason for my opposition to this amendment is the fact that the 5 cents goes where the largest numbers of paying students are. Those areas with concentrations of poor families will get much less money than areas of the country where there are concentrations of higher income families.

My final argument against this provision concerns this Nation's Federal budget. We all know that there is a limited amount of Federal money for antihunger and antipoverty programs. Spending money to subsidize lunch programs for middle-income students will undoubtedly make it more difficult than it already is to increase benefits for those Americans who are truly needy.

At this time the average food stamp benefit is only 24 cents per person per meal. This amendment would raise the per meal subsidy for a middle-income child in the school lunch program to almost 29 cents. Is this fair?

No, it is not. Please vote against this amendment.

Mr. MEEDS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think the point that the gentleman from Pennsylvania made in attempting the defeat the amendment is precisely the point we want to make in passing this amendment. He cited the increase in overall participation of some 5.5 million students in the past 5 years. Had he looked very closely at these figures, he would have realized that this increase took place in free and reduced-price lunches, while in the section 4 or paid lunches there was during the same period of time a loss of 2.7 million students participating. He therefore, concludes that all of the students who were heretofore on the paid-lunch program have now joined the free and reduced cost program; and that is why we have the increase.

That is not true at all. If we look at page 8—I advise the gentleman from Pennsylvania and others to look on page 8 of the committee report and see that in New York State where there was a very close survey done on this, that there they had a decline of 192,000 paying students during this period of time, but only 56,000 of them—only 56,000, less than one-third of them—joined the free and reduced-price lunches.

So I think in the area where there are statistics available, the conclusion is inescapable that while some students who have been paying for lunches have now joined the free and reduced-price lunch group, more students have dropped out of the paying section than have done this.

That indicates what so many of us are fearful about, that the strong backbone of the school lunch program is still in the paying portion of the school lunch program, and if we lose that, we begin to lose that support. Once that support is gone, then we are either for no school lunch program or we will have only a free and reduced paid lunch program. I do not think we want that to occur in this country.

We have had a strong school lunch program to provide nutritional value for all students. It is a program which works on economies of scale. In the event the strong backbone of the paid-lunch program is lost to the program, there will not then be the economies of scale to provide a free and reduced-price lunch at present costs, so it is essential that we keep this section 4 strong.

It is essential that we have this 5 cents added so it can keep up with the increases that have occurred—increases, incidentally, which we provided for in free and in reduced-price lunches.

One other thing which I think is very important and which shows precisely what I am saying, that we have had an increase in the number of schools and students participating in addition to what I have cited as losses in the paid for program, the increases in the free and reduced price. During the period of time that the gentleman talks about, we have taken in an additional 4,000 schools which have joined the school lunch program since that time, and some 2.3 million students. One would think that with all of that increase we would have a very substantial increase in section 4, but no, that increase has come in the free and reduced price area, not in the strong backbone of section 4. The paid for program, if lost to us, will really bring about the demise of this program.

The CHAIRMAN. The time of the gentleman from Washington has expired.

(On request of Mr. GOODLING and by unanimous consent, Mr. MEEDS was allowed to proceed for 2 additional minutes.)

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. MEEDS. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, I think the gentleman inadvertently misquoted me. I did not say it was an increase of 5.4 million in participation in the school lunch program. I said there was a free and reduced price lunch program.

What those of us in the school business want—if the gentleman will turn to page 10——

Mr. MEEDS. On page 10, that shows 5.5 million increase in the total.

Mr. GOODLING. Free and reduced, 2.7 million increase; 2.7 million decrease in paid, and an increase of 5.4 million in free and reduced, if I read that correctly.

Mr. MEEDS. An increase of 5.4 million in the free and reduced price, that is correct. Then, we would deduct 2.7 million for the decrease in section 4 participation.

Mr. GOODLING. 2.7 million increase in participation.

Mr. MEEDS. 2.7 million decrease in the section 4, of paid for lunch, which would give us the total overall.

Mr. GOODLING. Yes. In this 84-cent situation, we get that in the free lunch. That is more than the local school districts get when they prepare and serve as paid lunch. In both instances, the school districts get 84 cents, so there is no concern about the school districts as far as their costs are concerned because they are getting more money by participating in those programs. We were happy to see the increases that were made in reduced and free lunch.

Mr. MEEDS. But here is where the gentleman's argument really bogs down.

He is speaking, in effect, about increases in free and reduced price lunches. This amendment does not go to that. It goes to section 4.

Mr. GOODLING. There is no way I am speaking in opposition. The whole time through committee, I was trying to say that if we have a concern with those, 10, 11, 12, and higher people, that is the area to make the move, increase that particular area as far as being eligible.

Mr. MEEDS. This bill does that. We have already done that.

Mr. GOODLING. No, what we are trying to do now is take $125 million from needy programs where we should be concerned about plowing it into an area where we have no justification to do it.

Mr. BURKE of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. MEEDS. I yield to the gentleman from Massachusetts.

Mr. BURKE of Massachusetts. Mr. Chairman, I rise in support of the amendment now before us and the O'Hara substitute to the original committee bill, H.R. 4222. Hopefully, we will have final action today on this strong and good supplement to America's already successful school lunch program and to the WIC program. I am pleased that after much confusion in the early penny-nickel-dime raises in the paying lunch ante we are near a decision that will assure the continuation of the program that makes nutrition and a full stomach the way of life for students who otherwise might have suffered.

Those students, the ones who benefit from the free lunch and reduced-price lunch programs are not affected by this bill, except to increase their numbers by easing eligibility and making it possible for children in families where unemployment has removed the head of the household from his or her job. This is a very valuable portion of this bill, as is the Chisholm amendment's order forcing the offering of reduced-priced meals to students eligible for them. I see it as another example of how Congress is keeping a watchful eye on the potential suffering of our citizens during these difficult economic times.

Most of the controversy in this bill has flowed around the sections of the committee bill and the substitute now before us that deals with the plight of the paying students, those who pay the full price of the school's cost, less a 22-cent subsidy by the Government. Because the maximum price of their meal is not mandated by the school lunch program's charter legislation, as the maximum price of the reduced-price lunch is, the paying students absorb most increases in costs to the schools, be they a result of genuine inflation in food or labor costs, or poor management, or waste.

There was an attempt, in the committee bill, and in the substitute, to set the maximum price of the paying student's lunch. The goal of these efforts was to keep the students' costs down, so as not to price the paying students out of the program and tip the balance of the program in the direction of a poverty program. That effort having been defeated by the Goodling amendment, we face now another amendment that intends to ease the burden of the paying student, and with a cost to the Treasury of much lesser magnitude. It is an important step to help schools absorb their increased costs, instead of forcing them to pass them on to the paying students.

Here we have a proposed increase in that meager subsidy to the paying student of one nickel per meal for 1 year, which would raise the Federal subsidy per paid meal to 27 cents. Of course, the argument that we may be subsidizing poor management, or waste, still holds in the extreme, but the fact is we are helping the students by taking one nickel of what would be additional burden off their shoulders.

It would be nice to have a larger supplemental payment, of perhaps a dime or more, as educational interests point out. I would fully support a dime supplement, or more, as I supported the larger reimbursement that was included in the 25 cents and 35 cents maximum price plans. But we must be satisfied for the moment with a nickel and we must recognize that we are voting as we vote on this measure on the daily nutritional habits of millions of students.

It is important to keep in mind the targets of the school lunch program. We should remember that we are trying to make good lunches and nutrition available to all students at equitable rates. This has been our aim since the inception of the program and we should stick by it, even if it comes to partially subsidizing lunches for students through many ranges of income.

The money involved here, $130 million, should not be the issue that begs the decision. Our decision should be based on the successful history of the school lunch program, its achievements, and a continued desire to keep this opportunity open to as many students as possible.

I urge my colleagues to support the additional hike in the Federal reimbursement of 5 cents per paid meal. In the end analysis, the beneficiary of this action will be the students, and their families, and the educational process.

The Congress can be proud of the school lunch program, as I think we can be proud of our record so far this term in battling inflation and helping Americans climb out of this recession, slowly, but surely and proudly, with self-determination.

This 5 cent additional supplement is one more significant helping hand that may or may not be noticed by many American families. Probably, it will not be noticed, for when prices stay the same consumers generally do not notice a suspended price hike unless it is suspended with great fanfare.

Even without much fanfare, I believe this extra nickel will go a long way. I urge acceptance of this amendment so we may quickly get on with the needed strengthening of the school lunch program.

Mr. CORNELL. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, despite what some of my colleagues have stated on the floor and despite the editorial in this morning's edition of the August Washington Post, there is evidence of a definite relationship between the cost of school lunches and student participation. A recent survey of the lunch program in elementary schools in my home State of Wisconsin shows that where the student charge was 25 cents, there was 82 percent participation; if the price was 35 cents. 68 percent participated; if the cost was 45 cents, only 44 percent bought lunches, and if the charge was 55 cents, a mere 22 percent purchased the hot lunch.

The 5 cent supplemental payment for fiscal year 1976 proposed in the committee amendment will serve only to help preserve the present price structure. Without it the figures I quoted above clearly indicate that price increases required by increased costs will further erode the entire school lunch program.

Let us keep in mind also that, as President Ford recently stated in describing the problems of the middle-class family, half of the families in this country today have an income of between $10,000 and $25,000 per year. This bill would at least in some small way aid such families while continuing the reduced and free lunch programs for the lower-income groups. It is ridiculous to oppose such a measure simply because incidentally in rare instances we may be providing some modest assistance to a well-to-do family.

The basic question: Do we want to continue a program that makes possible a nutritious hot lunch for America's schoolchildren? If your answer is yes, your vote should be yes on this amendment.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. CORNELL. I yield to the gentleman from California (Mr. MILLER).

Mr. MILLER of California. Mr. Chairman, the bill that we now have before us is likely to cause very substantial improvements in the child feeding programs, particularly the school breakfast program. Since the breakfast program has failed to reach many of the impoverished children that need that program's benefits, the legislation currently being considered is of vital significance.

Under the present law, the State educational agency is required to develop a plan for child nutrition operations and submit it to the Secretary prior to January 1 of each year. The submission of this plan is a prerequisite to the distribution of any funds and commodities to States for the child nutrition operations formulated under the School Lunch and Child Nutrition Acts. This plan must not only be properly prepared but the State educational agency has a clear and mandatory responsibility to fulfill the commitments and plans its set forth in its State plan of child nutrition operations.

With regard to the breakfast program, each State educational agency is required to describe how it intends to use section 4 funds of the Child Nutrition Act, as well as funds from sources within the State, to reach—"to the maximum extent practicable"—needy children. Thus, the State educational agency must devise specific plans that set forth how schools in impoverished areas, currently without a breakfast program, will be brought into the program under an explicit timetable.

Through this process, the Secretary of Agriculture knows how many schools will initiate the breakfast program and when those schools will start serving breakfasts; this provides for orderly planning within the Agriculture Department. In addition, this process reliably informs the pertinent communities about the timetables for getting new programs started, thereby giving them confidence in their State and local educational agencies' commitments to the expansion of the breakfast program. Obviously, then, the essence of our current law is a fixed timetable, properly complied with, setting forth when new school breakfast programs will be established in each State—such timetable reflecting the requirements that needy children are to be served "to the maximum extent practicable."

The legislation which our committee drafted, and which we hope to pass today, will put more teeth in the school breakfast program requirements. We take several steps beyond the specific requirements in the current law, especially devising a meaningful procedure for the fulfillment of our commitment to make the program "available in all schools where it is needed to provide adequate nutrition for children in attendance." The Secretary of Agriculture, in cooperation with State educational agencies, is required to devise a regulatory scheme for the accomplishment of our stated objective.

We require the Secretary to conduct a program of information to expand the program. More importantly, the Secretary must devise specific plans for the expansion of the breakfast program on a mandatory basis among schools in needy areas. At a minimum, the Secretary is expected to require the implementation of the program in schools that have numerous children, in attendance therein, who are needy.

This requirement should be pertinent to schools eligible for title I assistance—under the Elementary and Secondary Education Act—for example, and to schools that have a high percentage of children eligible for free and reduced-price school lunches. A school with more than one-fourth of its children eligible for free and reduced-price lunches should, under this requirement, be obligated to implement the breakfast program.

Since we know that hungry children cannot learn properly, these significant advances in the school breakfast program will be critical to our Nation's educational advancement. The mandatory expansion of the school breakfast program, as envisioned by the current bill, will do much to feed the youngsters of our country who are in dire need of nutritional assistance. Therefore, I support this bill and urge my colleagues to do likewise.

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. CORNELL. I yield to the gentleman.

Mr. GOODLING. Mr. Chairman, the gentleman touched on one area that I am very concerned about.

Does the gentleman have any statistics on those increases of a la carte lunches that were served? As we know, up until not too long ago one was not allowed to serve anything but the class A lunch. A la carte is becoming a very, very fashionable thing. It has taken many school students out of the regular program.

Does the gentleman have any figures on the increase of the a la carte lunch participation?

Mr. CORNELL. The gentleman will note that the statistics I have given in the survey that was taken were only applicable to the elementary schools, and in the elementary schools they did not have the a la carte food service. All of these figures demonstrate simply the tremendous decrease in the hot lunch program as the cost went up 5 cents at a time.

Mr. GOODLING. In my State, they do have a la carte all the way through, and it has been a very, very attractive program.

Mr. DE LA GARZA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time to ask some questions in order to clarify, at least in my mind, a problem which I find with this amendment. I do not care which side of the aisle answers the questions.

Am I to undestand that the 5-cent supplement is to be given to people who earn more than $10,000 a year?

Mr. PERKINS. If the gentleman will yield, I will answer the gentleman.

Mr. DE LA GARZA. Is that what we are doing with the amendment?

Mr. PERKINS. We have, first, the free school lunch program that provides for children from families with income of up to 125 percent of the poverty guideline. The reduced-price program is for children from families with incomes up to $9,000 presently, however, we have less than 1 million children participating presently in the reduced-price program. This amendment will take care of all children who participate in the regular school lunch program. The 5 cents is not given to any family; it is given to school districts to help them keep their prices down. It is our hope that prices will not increase, if we provide the 5-cent supplement.

Mr. DE LA GARZA. I thank the gentleman.

Maybe the gentleman from Minnesota (Mr. QUIE) can help me.

Who gets free lunch? What level of income gets a free lunch?

Mr. QUIE. If the gentleman will yield, the free lunch goes to anyone whose income is up to 25 percent above the low-income factor, which is $5,010, so the figure is a little over or is, I think, $6,262.

Mr. DE LA GARZA. Below that, one gets a free lunch?

Mr. QUIE. That is right, and everybody who is unemployed does also.

Mr. DE LA GARZA. Where does the 5 cents come in? Whom are we helping there?

Mr. QUIE. The answer to the gentleman's first question was yes; that is only for those in a family of four with an income of $10,020 and above.

Mr. DE LA GARZA. Therefore, this amendment by the gentleman from Kentucky (Mr. PERKINS) would add 5 cents onto each meal in the case of the child of any family of four earning over $10,000 a year?

Mr. QUIE. That is right; it is only for those in a family of four whose income is over $10,020 a year.

Mr. DE LA GARZA. Mr. Chairman, I thank the gentleman very much. That clarifies in my mind the question I had.

Mrs. MINK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the chairman of the full committee.

The Members will recall that during the last debate by this committee on the subject bill, I opposed the recommendation which the committee made with respect to establishing a national school lunch price. I felt that this was very unfair and that it would provide for very large subsidies to those school systems that had not been careful and attentive to cost and considerate of the pocketbooks of the paying students. It seemed to me that if we were going to adopt a program to help our school systems meet the rising costs of preparing their school lunches, everyone ought to receive the same amount of financial support. Therefore, in accordance with this general approach, I offered an amendment which would have provided a 10-cent additional subsidy to all school systems, with the proviso that this 10 cents would have to, in some way, be used to lower the price of the lunch.

In taking this matter back to the committee and in discussing it more thoroughly with the chairman and others who had been supporting the committee amendments, I now find that the compromise which has been worked out is a satisfactory one. True, I would prefer the 10 cents, but it seems to me that the 5-cent amendment is absolutely imperative. Anyone who has been involved in the difficult process of making ends meet, whether in a family household or in the school lunch program, surely knows, month by month, how much additional money is required just to keep even, for the purchase and preparation of food, salaries for the lunch program personnel, increases in utility costs and paper costs; everything has gone up.

It seems to me that the 5-cent recommendation which the committee is now making to the House is an entirely reasonable one. It does not guarantee that the school lunch costs will not increase, but at least it will give the school systems an opportunity to hold the line to make it possible for the families across the country that are not participating in a free lunch program or a reduced price lunch program to have the opportunity of looking forward to another school year where the prices of lunches, at least, will be held to the status quo.

If the Members would look at a Senate study which was released recently regarding a survey which was sent to the States, you will note that of the 38 States that reported with respect to increases in their school lunch prices in the school year 1973 and in the school year 1974, 27 of those school districts out of the 38 States that replied, indicated they had to raise the prices of their school lunches either a nickel or higher, some went up 10 cents, and more. In one State the increase was in excess of 10 cents.

We are not dealing with a hypothetical question. We are dealing with the immediate prospect that come September in addition to a number of schools raising the price of the school books and other items, they will have to raise the price of the school lunches.

It seems to me to be patently unfair that in increasing the number of children who will qualify for the free lunches and reduced-price lunches if we do not also provide additional funds for the general support of the program as a whole. The whole school lunch system needs to be supported. I believe students should be given some assurances that the prices of their lunches will not increase in September. Passage of this amendment will help assure this.

This is really what this debate is all about. The system needs at least this additional nickel to maintain themselves in a status quo position, in the face of the accelerating costs of the program.

The report from the Senate committee indicates that the cost of preparing the lunches have gone up some 28 percent. What has the Congress done to help meet this rise in costs?

We have only given an additional penny and three-quarters in cash, so instead of 10 cents, we have raised the Government's subsidy to 11¾ cents, far below what the increase in costs to the school system have been to prepare the lunches. Let us not be blind to the needs of the schools. This is just as critical as other school programs. Let us not divide in this House between those who want feeds only for the poor and for programs that only benefit the poor. My own State has a policy which provides that the rate is 25 cents. This means a State subsidy in excess of 30 cents for each lunch served. We are facing the possibility of having to increase that subsidy by an additional nickel in September. To the extent that the State must further subsidize this program, all children suffer, rich and poor alike, as it merely takes money away from other needed programs. It seems to me if we are truly interested in supporting this program, and if we consider the school lunch program as an integral part of our school system, then we have got to give just as much attention to this area as we do to books, libraries, and all the other aspects of elementary and secondary education that Congress supports.

I urge your support of this important amendment.

Mr. FORD of Michigan. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, the gentleman from Minnesota (Mr. QUIE) made reference to an amendment that I offered in the committee—and I believe it was adopted unanimously, or almost unanimously—to automatically qualify a child in a household where the normal breadwinner is unemployed during that period of unemployment. It further requires the school districts to notify the population that this free lunch is to be available. However, after that amendment was adopted, I discovered through a study of the school lunch program in Wayne County, Mich., that I have already on a previous day where we discussed this bill put into the RECORD. This study covers all of the school districts in Wayne County, including the City of Detroit. We have had such a severe impact because of the increased cost of maintaining a hot-lunch program that in my congressional district, where the unemployment in some school districts is now in excess of 15 percent, my amendment cannot help children of unemployed parents because many elementary schools have long since ceased participating in the school lunch program.

With schools in States like Michigan being turned down more and more frequently on their appeals for increased millage, and with the highest millage rates in the entire State located within my area, I find that the school boards, hard pressed to make economy moves, are cutting out many extra activities. They are cutting down on counselors, and they have cut back on basic programs. One does not have to have a lot of imagination to understand how well the hot-lunch program survives under those pressures.

So the effect of my amendment would be great, I will say to the gentleman from Minnesota, if, in fact, the school lunch program were something universally available to the children in areas of working people. But I think we are going to find that the blue-collar residential communities around our industrial cities have less than half of the elementary children exposed to either a free or a paid hot lunch.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. FORD of Michigan. I yield to the gentleman from Minnesota.

Mr. QUIE. I thank the gentleman for yielding.

How will this 5 cents then help the gentleman's situation?

Mr. FORD of Michigan. Because the 5 cents is an incentive for them to either continue and not drop further schools out of the program, or to come back into the program. Presumably the $125 million would do that. I am going to be realistic with the gentleman in saying that $125 million is so inadequate for the purpose that it is not likely to produce a whole lot of new exposure for children. It may, however, save a few of the existing programs. It is far worse than a band-aid on a broken arm, frankly, and I am somewhat ashamed to support this overly modest effort for a nickel.

Mr. QUIE. Will the gentleman yield further?

Mr. FORD of Michigan. Yes, I yield to the gentleman.

Mr. QUIE. For the free lunch for the unemployed, the Federal Government will pay the total cost.

Mr. FORD of Michigan. Yes, if there is a free-lunch program in the school, but there is not a free-lunch program in the school if the local school board has decided they cannot afford it.

Mr. QUIE. If the gentleman will yield further, think of what we can do to induce the school by paying 84 cents by this bill for all of the free lunches, and 64 cents for all of the reduced-cost lunches. That is going to be the incentive to bring the schools back into the program who stayed out of it. That will be the incentive to hold them in the program who are thinking of going out of it, rather than the extra 5 cents for those who can afford to pay for it.

Mr. FORD of Michigan. I agree with the gentleman, that will be helpful. What we really ought to do is provide a universal nutritional hot lunch program for all children in the public schools. Since the gentleman and others on the committee are not willing to go that far with me, I am faced with having to support this very weak, very pallid, very shameful and inadequate amendment for a measly $125 million.

Mr. QUIE. Will the gentleman yield further?

Mr. FORD of Michigan. I yield to the gentleman.

Mr. QUIE. If we went to a free lunch for everyone, then those who would pay for their own lunch would drop down to zero, if that is the concern of the gentleman's side of the aisle.

Mr. PEYSER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I regret rising in opposition to an amendment offered by the chairman of my committee, because I think the program and his efforts have been outstanding. I must agree with the gentlewoman from New York (Mrs. CHISHOLM) in her outline of the impact of this program.

I wonder when I hear many of my friends on this side of the aisle speaking of adding this 5 cents to the middle income area as though this is really a plus for the middle income people, because I believe we all in this Congress know this $125 million we are speaking of, which let us say is a nickel on every lunch for that middle income person or 25 cents a week or probably less than $10 a year, that $125 million is going to be paid for by the middle income family in taxes because they do pay most of the taxes, so I do not think we are doing them a favor.

However I would like to look at it a little differently and say if I had $125 million to spend how would I spend it. Frankly I would like to see more in the title I programs under the Elementary and Secondary Education Act. I would like to see more in libraries. I would like to see more in the bilingual programs. I would like to see more in summer jobs.

We have been talking about jobs now under the regulations which provide that States right now with Federal appropriated money to do road work and road repair still have to put up 10 percent of the money before the Federal Government puts up 90 percent. I would like to see us waive that 10 percent for a while and get people back to work, and this $125 million would very much help.

For my agriculture friends and people I strongly feel those who are faced with the problems of increased fertilizer cost, I would like to see $125 million go toward subsidizing the fertilizer cost for our farmers so they can produce food at less cost. This is the type of thing I think we should do.

Mr. FORD of Michigan. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Michigan.

Mr. FORD of Michigan. Mr. Chairman, the gentleman now in the well, as other speakers before him, throws around the expression "middle income." I have in my hand a print from the Federal Register of July 24, of the fiscal year 1975 figures. Would the gentleman say a family of 12 on an income of $9,220 is a middle income family well able to pay for school lunches for four children?

Mr. PEYSER. No, I would not.

Mr. FORD of Michigan. Or $10,000—that is the break-off point. Is the gentleman saying a family of four with $11,500 income is a middle income family that can pay without difficulty for its lunches at the increased cost?

Mr. PEYSER. No, I am afraid I will say to my friend, I am not saying that at all.

The gentleman is well aware of the statistics in this school lunch program. We are talking about families with $10,000 income or more and we are talking about 5 cents on each lunch for that family. If we went out to that family and talked about helping at the expense of having them lose money—because I am willing to fight for that money, and the gentleman knows I am—they are all overfunded. Let us not talk about having the middle income families pay $125 million in taxes for this small amount they receive.

Mr. FORD of Michigan. I cannot understand. Would the gentleman consider a family of seven with income of $6,450 to be middle income? That is the point where a family of seven will qualify—or as the gentleman would say they become "middle income."

Mr. PEYSER. I do not call that a middle income family.

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. Mr. Chairman, I think we should straighten out one thing very quickly. There was reference to a family of 12 making $9,000. I would like to say a family of 12 making $18,000 could receive reduced price lunches. I do not think we should let that go unexplained.

Mr. PEYSER. I thank the gentleman.

Mr. MOTTL. Mr. Chairman, I move to strike the requisite number of words.

(Mr. MOTTL asked and was given permission to revise and extend his remarks.)

Mr. Chairman, I rise to support the amendment offered by the gentleman from Kentucky (Mr. PERKINS). As the distinguished gentleman from Michigan stated, this is a token gesture at least, something we are offering to the average income people is our society.

I think this is a humanitarian amendment. We have talked last week about humanitarian aid and we spent many hours of debate on humanitarian aid to South Vietnam. Tomorrow undoubtedly Vietnam will have additional humanitarian aid given to it to the tune of well over $300 million. I think humanitarian aid should be given to the average income people, to people between $10,000 and $25,000 earning capacity. These people have been devastated by the spiraling inflation over the last several years. Let us do something for these people who provide the most taxes, which in turn provides our national defense and who provide money for HEW and who provide money for all the other bona fide programs that Congress and the people of the United States desire.

The superintendent of Cleveland schools, Mr. Paul Briggs, and all the other superintendents of schools in the 23d Congressional District of Ohio have endorsed the Perkins amendment. So let us strike a blow; let us do something for the average income people in our society. We do not want to take anything away from the poverty group or the reduced lunches programs. Let us keep them at present level, or even improve them, but let us do something once and for all for the average income people.

So I entreat my colleagues to support this amendment. As the chairman stated, we also urge to a great extent help for the poverty group and the other people up to $10,000. Let us now do something for the people from $10,000 to $25,000.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. MOTTL. I yield to the gentleman from New York.

Mr. PEYSER. The gentleman mentioned the 23d Congressional District in Ohio. The 23d Congressional District in New York did not support this amendment.

My question is basically if we pass this $125 million of extra cost we are putting in this bill, where does that money come from?

Mr. MOTTL. Mr. Chairman, it is paid by the taxpayer; but I think the average income taxpayers who bear the great tax burden of our society, those people that earn between $10,000 and $25,000, would like to get something back for once.

Mr. PEYSER. If the gentleman will yield further, I would agree with the gentleman. In other words, I would agree with a larger rebate in taxes to those individuals as well; but the problem is that we are asking those people to take this 5 cents a day, 5 days a week, and pay it back in taxes.

Mr. MOTTL. They are the ones who pay the $125 million.

Mr. PEYSER. Other than that, I think it is a great idea.

Mr. MOTTL. May I say to the gentleman from New York, his point is well taken. The point I wish to make is these taxpayers should get something back to help their sons and daughters. Also, where are our priorities? I think it is prudent to help people who are in the $10,000 to $25,000 bracket. Let us give humanitarian aid to our people, rather than the people in Vietnam.

Mr. MEEDS. Mr. Chairman, will the gentleman yield?

Mr. MOTTL. I yield to the gentleman from Washington.

Mr. MEEDS. Mr. Chairman, I might respond to the gentleman from New York by asking him who pays the taxes for the increases for free and reduced-price lunches? The middle-income people pay for that, too, and they are not getting one darned cent from that. Here is something that will get something back for them.

Mr. PEYSER. If the gentleman will yield further, I agree, that is where the money would come from; but I just do not like to see us spending this money now for the middle-income group from the middle income. They have to pay for that money today.

Mr. BUCHANAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to say to the Committee, I do believe this idea is better than the previous one. At a different time and place I would support it. However, given the degree of the economic crisis and the other priorities that have been earlier mentioned and given the fact that what the gentleman from New York has just said is clearly true, I must oppose it at this time. The people from $10,000 to $25,000 in income are the people who will pay the bill. They will simply pay in terms of more taxes and more economic crises, if we add unnecessarily to the deficit allegedly for their sake.

I think the best way to help the average American family is by spending less money and not doing things through the Government that the average family in my district would rather do for themselves.

Therefore, I urge the defeat of the amendment and the passage of the school lunch program.

Mr. SIMON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, there are several sets of statistics I would suggest we keep in mind as we make this decision. The one that the distinguished gentleman from Pennsylvania (Mr. GOODLING), as well as the gentleman from Minnesota (Mr. QUIE) have mentioned is the increasing participation; but in order to get 500,000 more young people participating in 1974, we had to have 800,000 additional free and reduced meals.

In addition, fewer and fewer schools are participating. The second set of statistics—I am going to ask the distinguished gentleman from Wisconsin (Mr. CORNELL) if he would not mind repeating those, because I think these are extremely significant.

Mr. CORNELL. Mr. Chairman, if the gentleman will yield, I shall be pleased to oblige him.

The number of participating elementary schools in this survey was 1,797 throughout the State of Wisconsin. The number of students attending those schools was over 1½ million. Figures showed that as the charge for the school lunch went up, the student participation decreased substantially.

Where we have 25-cent lunches, 82 percent participated; 35-cent lunches, 68 percent participated; 45-cent lunches, 44 percent participated; and 55-cent lunches, only 22 percent participated.

Mr. SIMON. I think that is extremely significant. Then, I would add one other set of figures which I think are important. On the paying lunch, what percentage of the paying lunch is paid by the Federal Government today? Twenty-one percent. What was it 10 years ago? It was 27 percent. What was it 25 years ago? It was 33 percent. We are going in just exactly the wrong direction in my opinion.

Finally, the question was raised, I think by the gentleman from New York or the gentleman from Michigan, as to who pays. I think the fundamental question is not who pays, but what is for the benefit of the general welfare of this Nation. I think what benefits the general welfare of this Nation is maximum participation in our school lunch program.

The more schools, the more young people that participate, the healthier Nation we are going to have in 10 and 20 and 30 years from now, and a better education product we are going to have today. The other question is, will this $125 million aid in those things, and it seems to me it is clear that they will.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from New York.

Mr. PEYSER. Mr. Chairman, I do want the gentleman to know that I have actively pushed this thing and supported every school lunch program and summer feeding program to enlarge them as best we could at all times, and I will still continue in that effort.

I guess what I am hung up on is, I do not think we are helping the people that it is inferred will be helped. In other words, 5 cents a day for the so-called $10,000 and up family, because they have to pay that bill, will not help. I have talked to these people, and I have talked to them about this issue. We were talking about $80 million last week, because that is what it was at that time. They say, "We would rather pay the nickel a day for the lunches if it is going to cost us $80 million."

I do not think, in other words, there will be a large increase because we have a family with a $12,000 income who will now get lunch 5 cents cheaper.

Mr. SIMON. First of all, I will commend the gentleman from New York on his distinguished record, and I hate to see him mar that record today, but the gentleman from New York did hear the statistics that were read by the distinguished gentleman from Wisconsin.

Mr. PEYSER. I did hear the statistics that were read, and as I heard them, even applying this nickel to that, I think it would make a difference in the percentages of only about 2 or 3 percent. If we take the figures he read and the range he read, it would still only make about 2 or 3 percent difference on the 5 cents. If that is elementary school only he was talking about—and he made a point of it—if we take the entire program which includes all levels, elementary and secondary schools, I think the gentleman will find that will represent about one-half of 1 percent.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(On request of Mr. Goodling, and by unanimous consent, Mr. Simon was allowed to proceed for 2 additional minutes.)

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. For this reason, I say to my friend in the well, do you have figures that would indicate that there are fewer schools participating in the school lunch program?

I would like to see those, because I think the Members will find that there has been an increase every year in the number of schools participating in this program.

The point I tried to make before was that if one gets 84 cents for free lunches, 64 plus 20, for the reduced price, we are ahead of the game in the cafeteria business.

I think if one would check carefully, we have had an increase. We now have 92 percent of all public schools participating in the school lunch program.

Mr. SIMON. In response, I was going through the reports. I was trying to find that figure. Someone testified before the committee—and I will yield to any others who are here if they remember it—that there was a decline in the number of schools participating. I do not recall the figures, but it was a pretty dramatic decline.

Mr. GOODLING. I asked for the figures on Friday. They have been increasing every year, and we are now up to 92 percent of all public schools.

Mr. SIMON. I have no figure to counter that. My impression was to the contrary, but I really cannot answer the gentleman's question.

Mr. GOODLING. I thank the gentleman.

Mr. RICHMOND. Mr. Chairman, I rise in opposition to the amendment. I am opposed to the amendment because it is not, in my mind, the proper approach to take in trying to improve our child nutrition program.

Mr. Chairman, this amendment will cost the taxpayers $120 million and will benefit those who can afford school lunches rather than those who cannot afford school lunches.

For example, right here in Montgomery County, Md., one of the richest counties in the Nation, they will receive more money as a result of this amendment than the entire city of Chicago.

In New York City, it is estimated that only 35,000 children will be helped by the amendment, 35,000 children out of more than 500,000 children participating in the school lunch program. This means less than $500,000 in Federal funds to New York City residents, while the benefits of the rest of this bill combined mean a much needed $60 million to the city.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. RICHMOND. I yield to the gentleman.

Mr. PERKINS. Let me say to the distinguished gentleman that we increased the income guideline for our reduced-price lunches from $7,900 up to $9,500. That will eventually bring in about 7 million children for reduced-price lunches. I would like to go much higher. We are trying to have a balanced program so that we will not let our regular school lunch program go down the drain.

If the gentleman will check his figures in New York City, the gentleman will find they lost several regular school lunch programs, and free and reduced-price lunch programs had to close down because the regular program was priced out of the market. The price was beyond what many school children could pay.

Here we are trying to strengthen the regular program so that there will not have to be an increase in price. That is what we are trying to do. At the same time, we have done something for the free and reduced price so that they can expand by several million children. But we have done nothing for the regular program, and I think this is something that would be beneficial.

Mr. RICHMOND. Mr. Chairman, my only answer is that I think there is so much more we can do for the middle-income people in the United States, so much more.

Mr. PERKINS. I agree with the gentleman, and I am ready to do it.

Mr. RICHMOND. Just as an example, the middle-income person who wants to build a house should get a substantial tax incentive for installing solar energy equipment on his roof.

Mr. PERKINS. I am ready to help the gentleman do it.

Mr. RICHMOND. I will just finish, if I may.

Mr. Chairman, I am also opposed to the amendment because the funds could be spent helping poor children. New York is not, as the proponents of this amendment claim, losing participation in the school lunch program; it is gaining them.

What we need to do is to help those who need help most, not give a handout to those who can take care of themselves.

With this amendment, Mr. Chairman, the bill is in jeopardy of losing the bipartisan support it has enjoyed and needs. I urge my colleagues to think twice about jeopardizing this vital legislation because of the misdirected priorities of this amendment.

Mr. LEHMAN. Mr. Chairman, will the gentleman yield?

Mr. RICHMOND. I yield to the gentleman from Florida.

Mr. LEHMAN. Mr. Chairman, I thank the gentleman for yielding.

I will just take a moment. In Florida we cannot make up a deficit in our school lunch program by local funds. The only place we have to go is to those who are paying for school lunches. To go to them again will drive more out of the program and be, as I said before, self-destructive.

Mr. Chairman, we must pick up the burden to save the school lunch program.

Mr. CORNELL. Mr. Chairman, will the gentleman yield?

Mr. RICHMOND. I yield to the gentleman from Wisconsin.

Mr. CORNELL. I would like to ask this question: Has the gentleman any idea of what percentage of school children in his home district are receiving reduced-price or free lunches?

Mr. RICHMOND. To answer the gentleman, in my own district I would expect—and I know my colleague, the gentlewoman from New York (Ms. Chisholm) will bear this out—that almost every child receives reduced-price lunches. The gentlewoman from New York (Ms. Chisholm) and I represent the two poorest districts in New York City.

Mr. CORNELL. Yes; I know.

Mr. RICHMOND. And we do not think that the middle class really needs that extra 5 cents.

Mr. CORNELL. I realize that, and that is why I rise, because I anticipate that if we really want to save the program, that is what this is for. That is our point here, so that we will have greater participation, and the addition of the 5 cents is to try to get greater participation so that we can continue the program for people such as in the gentleman's district.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky (Mr. Perkins) to the amendment in the nature of a substitute offered by the gentleman from Michigan (Mr. O'Hara).

The question was taken; and the Chair announced that the ayes appeared to have it.

RECORDED VOTE

Mr. QUIE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 213, noes 176, not voting 43, as follows:

[Roll No. 158]

AYES—213

Adams
Addabbo
Ambro
Anderson, Calif.
Annunzio
Aspin
AuCoin
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bevill
Blanchard
Boland
Bolling
Bonker
Bowen
Breckinridge
Brinkley
Brodhead
Brooks
Brown, Calif.
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burton, John
Burton, Phillip
Carney
Carr
Carter
Clay
Collins, Ill.
Corman
Cornell
Daniels, Dominick V.
Danielson
Davis
Delaney
Dent
Dingell
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
English
Evans, Colo.
Evans, Ind.
Fascell
Fisher
Fithian
Florio
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Fulton
Fuqua
Gaydos
Gibbons
Ginn
Green
Gude
Guyer
Haley
Hall
Hamilton
Hammerschmidt
Hannaford
Harrington
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Hefner
Helstoski
Henderson
Hicks
Holland
Horton
Howe
Hubbard
Hungate
Jacobs
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Keys
Krebs
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lujan
McCormack
McDade
McFall
McKay
Macdonald
Madden
Madigan
Maguire
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mineta
Minish
Mink
Moakley
Moffett
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Patman
Patten
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pressler
Preyer
Price
Randall
Reuss
Riegle
Risenhoover
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Ryan
St Germain
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Steed
Stephens
Stratton
Stuckey
Studds
Taylor, N.C.
Thompson
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vigorito
Waxman
Weaver
Whalen
White
Wilson, Charles H., Calif.
Wirth
Wolff
Wright
Yates
Yatron
Young, Alaska
Young, Tex.
Zablocki
Zeferetti

NOES—176

Abdnor
Abzug
Alexander
Anderson, Ill.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Ashley
Badillo
Bafalis
Bauman
Beard, Tenn.
Bell
Bennett
Bergland
Biester
Bingham
Blouin
Breaux
Brown, Ohio
Broyhill
Buchanan
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Casey
Cederberg
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cohen
Collins, Tex.
Conable
Conlan
Conte
Conyers
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
de la Garza
Derrick
Derwinski
Devine
Dickinson
Dodd
Downing
Duncan, Oreg.
Duncan, Tenn.
du Pont
Edwards, Ala.
Emery
Erlenborn
Esch
Eshleman
Fenwick
Findley
Fish
Flowers
Forsythe
Frenzel
Frey
Giaimo
Gilman
Goldwater
Goodling
Gradison
Grassley
Hagedorn
Hanley
Hastings
Hébert
Heckler, Mass.
Heinz
Hightower
Hillis
Hinshaw
Holt
Holtzman
Hughes
Hutchinson
Hyde
Jarman
Jeffords
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Kasten
Kelly
Ketchum
Kindness
Koch
LaFalce
Lagomarsino
Landrum
Latta
Lent
McClory
McCloskey
McCollister
McDonald
McEwen
McHugh
McKinney
Mahon
Mann
Martin
Mathis
Mazzoli
Michel
Miller, Ohio
Mitchell, Md.
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mosher
Myers, Ind.
Myers, Pa.
Nichols
O'Brien
Ottinger
Passman
Peyser
Pickle
Pike
Quie
Quillen
Regula
Rhodes
Richmond
Rinaldo
Roberts
Robinson
Rousselot
Runnels
Santini
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Shuster
Sikes
Skubitz
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steelman
Steiger, Ariz.
Steiger, Wis.
Stokes
Symms
Talcott
Taylor, Mo.
Teague
Thone
Thornton
Treen
Vander Jagt
Waggonner
Walsh
Wampler
Whitehurst
Whitten
Wiggins
Wilson, Bob
Winn
Wydler
Wylie

NOT VOTING—43

Andrews, N.C.
Biaggi
Boggs
Brademas
Broomfield
Brown, Mich.
Burgener
Chappell
Cochran
Crane
Dellums
Diggs
Evins, Tenn.
Flood
Gonzalez
Hansen
Harkin
Harsha
Howard
Ichord
Jones, Ala.
Kemp
Krueger
Leggett
Lott
Matsunaga
Mills
Mollohan
Poage
Pritchard
Railsback
Rangel
Rees
Ruppe
Russo
Shipley
Shriver
Sullivan
Symington
Vanik
Wilson, Charles, Tex.
Young, Fla.
Young, Ga.

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. PERKINS TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. O'HARA

Mr. PERKINS. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Perkins to the amendment in the nature of a substitute offered by Mr. O'Hara: Page 17 of the amendment in the nature of a substitute offered by Mr. O'Hara, immediately after line 7 add the following:

(e) The last sentence of section 17(a) of the Child Nutrition Act of 1966 is further amended by striking out the period at the end of the sentence and inserting a comma in lieu thereof and adding the following: "and any eligible local health or welfare agency or private non-profit agency that applies to operate such a supplemental food program immediately shall be provided with the necessary funds to carry out the program for all eligible persons that such an applicant agency can demonstrate to the satisfaction of the health department or comparable agency of each State; Indian tribe, band, or group recognized by the Department of Interior; or the Indian Health Service of the Department of Health, Education, and Welfare that it is capable of serving under the program. The requirements set forth herein shall not be construed to permit the Secretary to ratably reduce the amount of foods that an eligible health or welfare agency shall distribute under the program to pregnant or lactating mothers and infants: Provided however, that the Secretary periodically may revise the types and quantities of food issued under the program as he deems necessary for the provision of adequate nutrition to pregnant or lactating mothers and infants."

(f) Subsection (f) of section 17 of the Child Nutrition Act of 1966 is amended by adding at the end thereof the following new clause:

"(5) 'Eligible local health or welfare agency or private non-profit agency' under this section shall mean any clinic or other health agency determined by the health department or comparable agency of each State; Indian tribe, band, or group recognized by the Department of Interior; or the Indian Health Service of the Department of Health, Education and Welfare to be serving significant numbers of infants and pregnant and lactating mothers at nutritional risk with, or in association with, one or more persons of competent professional authority, thus rendering such agency eligible to participate in the program."

Mr. PERKINS. Mr. Chairman, first let me state that we authorized the original so-called WIC program in 1972. It appeared that the administration was very hostile to the program, so a court order, a suit was filed, in the district court and the court ordered the first $20 million spent.

This is a very popular program. This last year we spent $95 million. We have authorized some $250 million in the O'Hara substitute, as amended; but it is believed that the money will not be spent unless we do make clear that the allocation of funds is put on a performance basis. The program is administered by the local health agency, so the Government, in my judgment, has got value received for every dollar spent under the so-called WIC program.

As I stated, the total of $125 million was made available for the WIC program for fiscal year 1975, and the Secretary was ordered to spend the entire amount. It is projected that the approximate WIC expenditures for fiscal year 1975 will be about $95 million. Since commitments for program expansions were made very late, thereby substantially increasing the expenditure rate near the end of the fiscal year, the current authorized annual expenditure rate increased to about $200 million.

But, we have Mr. Chairman, on the national level, 647,000 applicants. On the actual December participation—think about this—on the actual December participation we only had 266,062 mothers and babies being served, receiving food through the various health centers in all the States of the Union; not taking care of one-half of the applicants.

As I stated, 48 States, the Virgin Islands, Puerto Rico, are all participating in this program, and the estimated program areas of future projects are 322, and the total fiscal year 1975 funds obligated are $122.4 million.

We started this program under section 32 funds. When the rule was granted and the bill brought to the floor, it was the opinion of many Members in the chamber that we should eliminate all the backdoor spending. I know the chairman of the House Committee on Appropriations discussed this with me, and we agreed to eliminate all the backdoor spending, section 32 funds, from this bill. That is the way this program was started.

Unless local applicant agencies are approved by the State department of health, they do not get any funds. This amendment provides the necessary funds to enable an eligible agency to carry out a program for all eligible persons whom such agency can demonstrate to the appropriate State agency a capacity to serve. Mr. Chairman, it is my judgment that this amendment should be adopted. I am of the opinion that this amendment will more nearly insure the funding of the program. That is the reason we offered this amendment, to try to get some assurance that there would be funding.

Mr. QUIE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I am a strong supporter of the WIC program, and even the amendment in the nature of a substitute offered by Mr. O'HARA continues to have the authorization of $250 million. The substitute, however, would remove the backdoor spending. There is no way that we can mandate the Secretary of Agriculture to spend the funds until the Congress appropriates the money. We have the means, through the appropriations process, to provide the $250 million.

The popular support of the WIC program, I think, indicates that when an appropriation bill comes before this body, if it does not carry $250 million for the WIC program, it would be added on the floor. We have the new Budget and Impoundment Control Act, which makes certain that the money is expended. We have the court decision which mandated the Department of Agriculture to spend the money. So, they cannot get out of it.

Yet, the amendment says, and I quote:

"Immediately" these organizations that are running the WIC program—

> Immediately shall be provided with the necessary funds to carry out the program for all eligible persons that such an applicant agency can demonstrate to the satisfaction of the Health Department or comparable agency of each State; Indian tribe, band, or group recognized by the Department of the Interior; or the Indian Health Service of the Department of Health, Education, and Welfare that it is capable of serving under the program.

There is no way one can mandate the Department of Agriculture to do that until the Congress appropriates the money. There is no way one can mandate the Department of Agriculture to make money available, funds available, that the Congress has not appropriated, if the request should be for more than $250 million or any lesser amount appropriated.

Then it goes on to say that he cannot ratably reduce. That means if there is a lesser amount appropriated, then there is no way he can ratably reduce payments to all eligible applicants.

So it is inconsistent. It ties the Secretary's hands, and it gives the assumption of an authority that we cannot give.

We have deluded the people for years, authorizing money that we do not appropriate.

The advantage of the $250 million in the WIC program is that I think we can appropriate the $250 million. If somebody had offered a billion dollars because they thought it was good, I would say we would again be falsely promising. But that $250 million I do not think is a false promise. The amendment that we have before us is a false promise, because we cannot assure that all applicants will be funded. So I urge my colleagues to vote this amendment down because we have the responsibility of deciding whether these programs are to be funded or not. We have it in our appropriations process. Once we appropriate that money, the Department of Agriculture must spend it, so that concern which I suppose the amendment is intended to address, is no longer valid.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the distinguished gentleman from Texas.

Mr. MAHON. I thank the gentleman for yielding.

Does the gentleman from Minnesota (Mr. QUIE) say that this mandates the expenditure of money? In other words, is this in effect now an appropriation rather than backdoor spending through the Public Law 32 funds?

Mr. QUIE. I do not think it is, because I do not think that the language in here can mandate the spending, even though it says he must spend it; because if the language were true, it would be backdoor spending, I would think, because it says "and any eligible local health or welfare agency," and so forth, shall immediately be provided the funds once they demonstrate that they are capable of serving the program.

Mr. MAHON. Would the gentleman interpret that as an appropriation?

Mr. QUIE. I do not so interpret it, but it is very confusing language in a law governed by a direct appropriation within a stated authorized amount.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman.

Mr. PERKINS. It was not intended to be an appropriation, I will say to the distinguished gentleman.

Mr. QUIE. It could not mandate him to spend money that we had not appropriated.

I would say again that there is no way under the court decision and the Budget Impoundment Control Act that the Department can refuse to spend once we appropriate the money.

Mr. MILLER of California. Mr. Chairman, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from California.

Mr. MILLER of California. I thank the gentleman for yielding.

If it is the position of the gentleman that this is not an appropriation, that this language cannot create powers that come with an appropriation, then I think the gentleman has nothing to fear. It is very clear that this language is directed at the Secretary of Agriculture, who has shown such great hostility toward this program in the past, toward spending the money that this Congress has authorized in the past and appropriated.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MILLER of California. I move to strike the requisite number of words.

Mr. Chairman, the language which is authorized in this amendment is there for the purpose, as I have just stated on the time of the gentleman from Minnesota (Mr. QUIE), to make sure that the money under this program is spent, so that the benefit this Congress has seen in this program is received by the recipients.

It is a program, if the Members will remember from the discussions that went on here some weeks ago, whereby pregnant women, infants, and young children are certified by health agencies of local governments that they are nutritionally high risk.

In that regard, that means that the woman, while she is pregnant, has a much greater chance of giving birth to a deformed child or that the child in its very infancy has much less chance to reach its full potential growth than a normal child.

The evidence in favor of this program and for the need of this program has been overwhelming, and I do not think that it is necessary that I go into it in detail, although I think one point has to be made very clearly. That is that we have established the causal chain between low incomes, poverty, low birthweight, inadequate diet, and mental retardation and physical deformities. I think that this is a program that on the cost-benefit basis, in terms of trying to prevent these deformities, in the light of the evidence, returns many, many dollars, tenfold to this Government in the fact that we now do not have to spend the astronomical amounts of money on cures, rehabilitative costs, and custodial costs.

Mr. MEEDS. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Washington.

Mr. MEEDS. Mr. Chairman, I thank the gentleman for yielding.

I rise in strong support of this amendment and commend the gentleman for his statement that if this does not appropriate money—and I agree that it does not—the gentleman from Minnesota really has nothing to fear.

I would like to ask the gentleman from California if he would not agree with me that the same kind of application is made to all of the other programs, or a very similar kind of application; in other words, an entitlement by individual. This is an entitlement by program. In all of the other programs under this bill we have entitlement by individual.

Why can we not provide entitlement for the programs which are existing and which it is very essential that we continue this program with?

Mr. MILLER of California. Mr. Chairman, I thank the gentleman for his remarks. I am inclined to agree with him.

In reference to what the distinguished gentleman from Minnesota (Mr. QUIE) has said, in the past, there is nothing more deluding to the people, in terms of appropriating money, than not making it available.

I suggest that that is what would be done by this Congress, given Secretary Butz' attitude toward this program where they had to get contempt citations against the Secretary to get the money released. They had to go to court twice in both fiscal years to get this program underway, especially in light of the fact that we are only serving 15 percent of the eligible population.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Minnesota (Mr. QUIE).

Mr. QUIE. Mr. Chairman, let me ask the gentleman from California (Mr. MILLER) two questions.

What if one of the agencies should request the funds and demonstrates that it is capable of serving under the program, and we have not appropriated the money? What does the Secretary of Agriculture do then?

Mr. MILLER of California. To answer the gentleman, I think we have built a record here in the last few minutes that demonstrates that these funds are not to become available until they are appropriated by the Committee on Appropriations and by the Congress. I think that is the legislative history that we are building.

I also say to the gentleman that that is not the problem which this language seeks to remedy. The problem is that we have put ourselves, with all due deference to the committee, in a parliamentary position with respect to section 32 that I do not concede to be correct, but nevertheless exists.

Mr. QUIE. Mr. Chairman, could the gentleman answer my question, though. What does the Secretary do?

Mr. MILLER of California. He waits until the Committee on Appropriations appropriates the money.

Mr. QUIE. What if he has requested the funds and we have not appropriated enough money to take care of it?

Mr. MILLER of California. I am sure that he would feel very free to say that he cannot dispense the money until such time as it has been appropriated. I think that that is the record which we have created.

Mr. QUIE. But we say here that he shall provide the necessary funds.

Mr. MILLER of California. There has been no reluctance in the past by the Secretary of Agriculture not to dispense the money, even when the funds were available.

Mr. QUIE. The past is not involved. We are writing legislation here. It says that he shall immediately provide.

I want to know what he does when they have fulfilled all of the requirements, and we say in the law that he shall immediately provide. What does he do then?

The CHAIRMAN. The time of the gentleman from California (Mr. MILLER) has expired.

(On request of Mr. QUIE and by unanimous consent, Mr. MILLER of California was allowed to proceed for 2 additional minutes.)

Mr. MILLER of California. Mr. Chairman, is the gentleman offering a corrective amendment?

Mr. QUIE. I would like to lay a basis for what the Secretary of Agriculture does.

Mr. MILLER of California. I think I have answered that question.

Mr. QUIE. What does he do if we do not provide funds?

Mr. MILLER of California. It is my contention that that question has been answered on the floor by the chairman of the committee in his response to the question of the gentleman from Texas (Mr. MAHON). It has also been answered in my response to the gentleman from Minnesota that the legislative history has been created. We have fulfilled our legislative obligations, and if the executive branch does not, these children and these women go without the program.

Mr. MILLER of California. This is not a program that can be interpreted willy-nilly.

Mr. QUIE. He could prorate the money, could he not?

Mr. MILLER of California. All right.

Mr. QUIE. Is that right?

Mr. MILLER of California. He could not readily reduce the allocation.

Mr. QUIE. Very well.

Mr. MILLER of California. This is a very important point. You are dealing with a health program, and you are dealing with basically a program where your entitlement to the program is a medical prescription. We are saying we can prevent these conditions.

Mr. QUIE. We have to get the procedure set up and then make the money available.

Mr. MILLER of California. The point is that we need sufficient funds to make the program work. If the Secretary was to take it from $21 a month and decide that there would be twice as many people served for $11 a month, or $10.50 a month, it may not have the same medical value. Just tell that to a woman who is a high risk that she will be getting only half of her needs.

Mr. QUIE. I am asking what the Secretary can do, and not for a speech about he could readily reduce.

Can the Secretary do it on a first-come, first-serve basis?

Mr. MILLER of California. He has to make the entitlement within the amount which is authorized and appropriated by this Congress. He has already extended it, and made new programs under the existing law without asking the Congress whether the money is going to be available. He is extending it today, 42 new programs in January.

Mr. QUIE. Let us suppose that the request totaled $300 million, and we authorize approximately $250 million. How does the Secretary handle it? Could he readily reduce those items on a first-come, first-serve basis?

Mr. MILLER of California. I would suggest that he could.

Mr. QUIE. The second question is——

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. QUIE, and by unanimous consent, Mr. MILLER of California was allowed to proceed for 1 additional minute.)

Mr. QUIE. If the gentleman will yield, the question is: What if the program does not have the medical components that presently are demanded by the Secretary, by the Department of Agriculture, because he will not approve, that approval will be turned over to another agency, and what if they do not provide or order adequate medical components? The gentleman from California has indicated many times himself the strong necessity for that part as well as the nutrition part.

Mr. MILLER of California. Mr. Chairman, I would say that I am not sure I have followed the gentleman's question.

Mr. QUIE. The question is, what if the program that is being approved, that is approved by an agency of the State, Indian tribe, band, or group, recognized by the Department of Interior or the Indian Health Service of the—and so forth, does not provide the medical component? For instance, we talk about the welfare agency, and it is very possible that this could be the case, that it does not provide for the medical component that is necessary, what can the Secretary do then? Because, do we not take the authority away from him to require the standards that are presently set?

Mr. MILLER of California. No, we do not do that. We do allow the Secretary to change the components of the program, and there has been evidence in the committee to show that there are some programs where perhaps the programs have too much milk, that perhaps the $21 there should be allowed for the benefit of high protein soy formulas, and so forth, this would be allowed under this amendment.

The CHAIRMAN. The time of the gentleman has again expired.

(On request of Mr. QUIE, and by unanimous consent, Mr. MILLER of California was allowed to proceed for 2 additional minutes.)

Mr. MILLER of California. They could readily reduce the program.

Mr. QUIE. I am not talking about readily reducing the program, I am talking about the standards that have to be set.

The amendment says:

> Can demonstrate to the satisfaction of the Health Department or comparable agency of each State—

which is using that, and there is not a sufficient medical component, but some new or other components presently demanded, any standard set by USDA set for that State, or by the State, what does the Secretary do about it?

Mr. MILLER of California. What does he do under existing law?

Mr. QUIE. He has the authority, he will not fund it unless they come up with the standard that they set.

Mr. MILLER of California. It would be my conclusion—let me say, I do not know the answer.

Mr. QUIE. I would say that is one of the difficulties in this amendment. Now we have standards that have been set. I recognize the Department of Agriculture did not agree with the way they should be set, and I do not agree with them any more than the gentleman does, but we have these two questions, the kind of program and, second, what happens if there is not enough money to meet the demands of the proponents?

Mr. MEEDS. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Washington.

Mr. MEEDS. I thank the gentleman for yielding.

I think we talked with counsel, and it is our opinion here that unless it had that medical component, it would not be approved by the State agencies.

Mr. QUIE. If the gentleman will yield, how do we know, when they have a number of them, and they have to be approved by not only the health department, but a comparable agency of each State, Indian tribe, band, or group recognized by the Department of Interior, or the Indian Health Service of the Department of Health, Education, and Welfare? We have no assurance they will meet the standards.

Mr. MEEDS. If the gentleman from California will yield further, the State must meet the standards which the Secretary prescribes, and if they do not, the program cannot be approved.

Mr. MILLER of California. I assume that the language is to be read—the State eligibility is to be read in light of the Federal requirements and USDA standards that exist elsewhere in the current law; also the fact that the program is limited to a very specific number of food products or substitutes that deal with the specific problems we have found through the medical portion of this program with a survey of the children, a survey of the women for the purpose of finding out what deficiencies they do suffer from.

Mr. QUIE. If the gentleman will yield further, this changes existing law, and that is what we ought to give our attention to. In fact, this changes the existing law and makes very difficult the administration of the program the way we in the Congress want it.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Kentucky (Mr. PERKINS) to the amendment in the nature of a substitute offered by the gentleman from Michigan (Mr. O'HARA).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. PERKINS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 238, noes 152, not voting 42, as follows:

[Roll No. 159]

AYES—238

Abzug
Adams
Addabbo
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Bevill
Biester
Bingham
Blanchard
Blouin
Boland
Bolling
Bonker
Bowen
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Brown, Calif.
Burke, Calif.
Burke, Mass.
Burton, John L.
Burton, Phillip
Carney
Carr
Carter
Chisholm
Clay
Cleveland
Cohen
Collins, Ill.
Conte
Corman
Cornell
Cotter
D'Amours
Daniels, Dominick V.
Davis
de la Garza
Delaney
Dent
Derrick
Dingell
Dodd
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
Esch
Evans, Colo.
Fascell
Fisher
Fithian
Flood
Florio
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Fulton
Fuqua
Gaydos
Gibbons
Gilman
Ginn
Green
Gude
Guyer
Hall
Hamilton
Hanley
Hannaford
Harrington
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Hicks
Holland
Holtzman
Horton
Howe
Hubbard
Hughes
Hungate
Jacobs
Jenrette
Johnson, Calif.
Jones, Ala.
Jordan
Karth
Kastenmeier
Kazen
Keys
Koch
Krebs
LaFalce
Lehman
Levitas
Litton
Lloyd, Calif.
Long, La.
Long, Md.
McCormack
McFall
McHugh
McKinney
Macdonald
Madden
Maguire
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patman
Patten
Patterson, Calif
Pattison, N.Y.
Pepper
Perkins
Peyser
Pickle
Pike
Preyer
Price
Randall
Rees
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Rodino
Roe
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Ryan
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Sikes
Simon
Sisk
Slack
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Stephens
Stokes
Stratton
Stuckey
Studds
Thompson
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vigorito
Waxman
Weaver
Whalen
White
Wilson, Charles H., Calif.
Wirth
Wolff
Wright
Yates
Yatron
Young, Tex.
Zablocki
Zeferetti

NOES—152

Abdnor
Alexander
Anderson, Ill.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Ashley
Bafalis
Bauman
Beard, Tenn.
Bell
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Casey
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Collins, Tex.
Conable
Coughlin
Daniel, Dan
Daniel, Robert W., Jr.
Derwinski
Devine
Dickinson
Downing
Duncan, Tenn.
du Pont
Edwards, Ala.
English
Erlenborn
Eshleman
Evans, Ind.
Fenwick
Findley
Fish
Flowers
Flynt
Foley
Forsythe
Frenzel
Frey
Giaimo
Goldwater
Goodling
Gradison
Grassley
Hagedorn
Haley
Hammerschmidt
Hastings
Hébert
Henderson
Hightower
Hillis
Hinshaw
Holt
Hutchinson
Hyde
Jarman
Jeffords
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kasten
Kelly
Ketchum
Kindness
Lagomarsino
Landrum
Latta
Lent
Lloyd, Tenn.
Lujan
McClory
McCloskey
McCollister
McDade
McDonald
McEwen
McKay
Madigan
Mahon
Mann
Martin
Mathis
Michel
Milford
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Myers, Pa.
Nichols
O'Brien
Passman
Pressler
Quie
Quillen
Regula
Rhodes
Roberts
Robinson
Rogers
Rousselot
Runnels
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Shuster
Skubitz
Smith, Iowa
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steed
Steelman
Steiger, Ariz.
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Treen
Vander Jagt
Waggonner
Walsh
Wampler
Whitehurst
Whitten
Wiggins
Wilson, Bob
Winn
Wydler
Wylie
Young, Alaska

NOT VOTING—42

Biaggi
Boggs
Brademas
Broomfield
Brown, Mich.
Chappell
Cochran
Conlan
Conyers
Crane
Danielson
Dellums
Diggs
Evins, Tenn.
Gonzalez
Hansen
Harkin
Harsha
Howard
Ichord
Kemp
Krueger
Leggett
Lott
Matsunaga
Mills
Mollohan
Poage
Pritchard
Railsback
Rangel
Ruppe
Russo
Shipley
Shriver
Steiger, Wis.
Sullivan
Symington
Vanik
Wilson, Charles, Tex.
Young, Fla.
Young, Ga.

So the amendment to the amendment in the nature of a substitute was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. PERKINS TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. O'HARA

Mr. PERKINS. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mr. PERKINS to the amendment in the nature of a substitute offered by Mr. O'HARA: Page 7, line 17, strike

out "the following new paragraph:" and insert in lieu thereof "the following: 'Beginning with the fiscal year ending June 30, 1976, the income guidelines prescribed by each State educational agency for reduced price lunches for schools in that State under the fifth sentence of this paragraph shall be 100 per centum above the applicable family size income levels in the income poverty guideline prescribed by the Secretary, and any child who is a member of a household, if that household has an annual income which falls between (A) the applicable family size income level of the income guideline for free lunches prescribed by the State educational agency in accordance with the third and fourth sentences of this paragraph and (B) 100 per centum above the applicable family size income levels in the income poverty guideline prescribed by the Secretary, shall be served a reduced price lunch at a price not to exceed 20 cents."

Mr. PERKINS. Mr. Chairman, this amendment corrects the deficiency in the Chisholm amendment, which mandates the serving of reduced-price lunches to children from families with incomes which are 100 percent above the povery guidelines. Without this amendment, what we agreed to in the Chisholm amendment would be frustrated because of an error which would allow States to set eligibility below the 100-percent figure.

This amendment would carry out the original intent of the Chisholm amendment by requiring the States to set the eligibility level at 100 percent.

Mr. QUIE. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. I yield to the distinguished gentleman from Minnesota (Mr. QUIE).

Mr. QUIE. I thank the gentleman for yielding.

I would say that since the Chisholm amendment mandated the provision of reduced-cost lunches to all students who are eligible, undoubtedly the States would move to the 100-percent figure. I think this is a good amendment to make certain that all students are treated equitably throughout the Nation, and I support the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky (Mr. PERKINS) to the amendment in the nature of a substitute offered by the gentleman from Michigan (Mr. O'HARA).

The amendment to the amendment in the nature of a substitute was agreed to.

AMENDMENT OFFERED BY MRS. KEYS TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. O'HARA

Mrs. KEYS. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mrs. KEYS to the amendment in the nature of a substitute offered by Mr. O'HARA: On page 23, line 1, insert immediately after "commodities" the following: "or upon the application of a State education agency, cash in lieu of commodities in such amounts as may be provided in appropriations Act."

Mrs. KEYS. Mr. Chairman, I rise to offer a technical amendment to the day care section of this bill. Section 16 of the O'Hara substitute contains an excellent amendment offered in the Education and Labor Committee by Mrs. CHISHOLM and adopted by the committee. This amendment greatly strengthens the day care food program by providing that day care and Head Start programs receive the same level of Federal assistance that schools receive in the school lunch program, and may I add that there are few things more important for us to be doing than feeding a hungry child. As one part of this section, the bill provides that day care programs receive 10 cents per lunch in commodities, just as schools participating in the school lunch program do.

The problem here is that the bill provides no opportunity for day care centers to receive cash in lieu of commodities as well as commodities. In my State of Kansas, we no longer have any commodity distribution program, and our schools receive 10 cents in cash rather than in commodities. This approach has worked very well and to the benefit of school children. This cash has been spent to purchase a better variety of nutritional food. This approach has allowed more flexibility and has resulted in less administrative costs. Just as our schools receive cash instead of commodities, so will, too, our day care centers need to receive cash instead of commodities.

Moreover, some day care centers in other States may have difficulty in getting to railyards or warehouses to pick up their commodities and may have no freezer space in which to store commodities. In this respect, small day care centers serving 10 or 20 children are far different from entire school districts, who generally are able to pick up, transport, and store commodities.

My technical amendment allows States to elect to receive in cash the equivalent to some or all of the commodities for which they would be eligible in their child care centers, provided that this cash has been made available through the appropriations committee. If the cash has not been appropriated, then the required commodity donation rate for such States would have to be met entirely through the providing of commodities.

The purpose of this amendment is to require the Department of Agriculture to meet the State's preference—whether that be commodities or cash. Adoption of this amendment will provide States with the necessary flexibility to best meet the needs of their child care programs.

It is important to point out that my amendment does not add additional costs to this bill. In fact, it may actually save some money because it allows the States and the Federal Government to provide cash instead of commodities in situations where the logistics and expense of getting commodities to individual day care centers would be difficult. I think the amendment therefore enhances the overall purpose of this section of the bill.

Mr. PERKINS. Mr. Chairman, will the distinguished gentlewoman yield to me?

Mrs. KEYS. I yield to the distinguished gentleman.

Mr. PERKINS. The amendment, in my judgment, is a good amendment, and we on this side of the aisle accept the amendment. It merely permits the day care centers to accept cash in lieu of commodities for the meals served. This is quite different from the school lunch program because of the inadequacy of the facilities in the day care centers.

I thank the gentlewoman for offering a good amendment and I wish to compliment her.

Mrs. KEYS. I thank the gentleman.

Mr. QUIE. Mr. Chairman, will the gentlewoman yield?

Mrs. KEYS. I yield to the distinguished gentleman from Minnesota.

Mr. QUIE. Mr. Chairman, this is just exactly what we did 2 years ago, providing that cash could be used in place of commodities. It gives flexibility to the Secretary of Agriculture if commodities are not available. I think it is an excellent provision. I will be glad to support it.

Mrs. KEYS. I thank the gentleman.

Mr. Chairman, I urge the passage of the amendment and the bill.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Kansas (Mrs. KEYS) to the amendment in the nature of a substitute offered by the gentleman from Michigan (Mr. O'HARA).

The amendment to the amendment in the nature of a substitute was agreed to.

Mr. KELLY. Mr. Chairman, I move to strike the requisite number of words.

(By unanimous consent, Mr. KELLY was allowed to speak out of order.)

TRIBUTE TO MISS NATIONAL TEENAGER

Mr. KELLY. Mr. Chairman, the Fifth District of Florida is the largest congressional district in the United States.

This district and Florida are honored because Miss Lisa Lyon of New Port Richey, Fla., one of our young ladies, has been chosen Miss National Teenager.

Miss Lisa Lyon represents what is right about American young people and is an intelligent, involved young lady.

This beautiful young woman is in Washington today and honors our Nation's Capitol by her presence.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Michigan (Mr. O'HARA), as amended.

The amendment in the nature of a substitute, as amended, was agreed to.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I rise in support of the Perkins amendment to H.R. 4222. I want to address my remarks to the special supplemental food program for women, infants, and children or WIC.

First authorized in 1972, WIC is a supplementary feeding program available to pregnant women, infants, and children up to age 4 who are considered by physicians to be potential medical problems because of "inadequate nutrition and inadequate incomes."

The program is preventive in concept and medical in nature.

By providing highly nutritious foods to pregnant women, nursing mothers, and infants and young children, the WIC program attempts to stop serious health problems before they start.

Eligible mothers receive food vouchers which are traded for eggs, milk, cheese, high protein cereals, and infant formulas.

Allegheny County, in which my district is located, has a WIC program, one of the first in the Nation.

Each month, approximately 6,000 county residents, many from the Pittsburgh area, get food assistance and health care under the program.

Dorothy Kolodner, chief of nutritional services for the Allegheny County Health Department estimates that an additional 6,000 people in the county would also qualify if staff capacity would allow for their identification.

During the congressional Easter recess, I visited two WIC centers on my district and spoke with dozens of WIC clients. In addition, I have received hundreds of letters in my office in support of this innovative food program.

I can attest to it being one of the most successful ventures in preventative care and proper diet maintenance that I have observed in my 16 years in the Congress.

For these reasons, I urge my colleagues to promptly approve the Perkins amendment and to vote "yea" on final passage of H.R. 4222.

Mr. HAWKINS. Mr. Chairman, the bill now being debated is one that I strongly support. Although the bill has many fine features in it, and although the bills deals with all of the child feeding programs, I would like to devote my comments to the school breakfast program legislation in the bill. That part of the bill is of greatest importance to poor children.

Our committee's bill, and the O'Hara substitute which incorporates the committee's language, takes the school breakfast program from its temporary status to a permanent program. Moreover, we clearly express our purpose and intent "that the school breakfast program be made available in all schools where it is needed to provide adequate nutrition for children in attendance." Through this expression of purpose and intent, we mandate the Secretary to require the immediate expansion of the breakfast program to all schools in needy areas throughout the country.

To accomplish the fulfillment of congressional purposes, in this regard, we direct the Agriculture Secretary—in cooperation with State educational agencies—to conduct "a program of information." Also, the Secretary is required to formulate plans and regulations to bring about the needed expansion of the school breakfast program. Within 90 days from the passage of this legislation, the Secretary shall report to the Education and Labor Committee of the House and the Agriculture and Forestry Committee in the Senate about his plans and regulations.

In devising his regulations, we expect USDA to give highest priority to schools located in the neediest areas. Those schools—which are eligible for title I assistance under the Elementary and Secondary Education Act, or which have more than a quarter of their children eligible for free and reduced price lunches—must implement the program immediately. We expect the Secretary to mandate the establishment of the program in these impoverished-area schools so that our purposes and intentions are fulfilled and needy children are properly fed.

The need for this bill is obvious. Current statutory provisions for the expansion of the breakfast program have been ineffective. Under the law, State educational agencies—as a condition for receiving Federal child feeding aid—are required to devise child nutrition program plans of operations. For the breakfast program, those plans must specifically demonstrate how the program will be expanded to reach needy children to the maximum extent practicable. Such plans should specify which schools will come into the breakfast program and when such implementation will be accomplished. Thereafter, the State educational agency must foster and require thorough compliance with the plans.

Despite the clarity of the law, it apparently has not worked. Less than 13 percent of the public schools in our country currently participate in the breakfast program. Therefore, it is necessary that we now mandate the implementation of the breakfast program in all needy schools. I am confident that our school breakfast program legislation adequately improves the program by requiring program expansion, and, as a result, I strongly support the bill.

Mr. ALEXANDER. Mr. Chairman, I rise in support of H.R. 4222, the School Lunch Act and Child Nutrition Act amendments. The school lunch program is one of the cornerstones of our modern educational system. Our commitment to provide a well-balanced meal for every school child is one which this Government can ill afford to neglect.

H.R. 4222 includes provisions to make permanent the school breakfast program under the Child Nutrition Act, makes children of unemployed parents automatically eligible for free meals under the National School Lunch Act, makes licensed day care centers, Head Start centers, and other child care institutions eligible for school lunch funds, extends the school lunch program for summer camps for children from poor economic areas, makes children from families with up to 100 percent higher incomes than the poverty level eligible for reduced-price lunches, extends the nutrition program for low-income pregnant women and infants, directs the Secretary of Agriculture to purchase commodities at market prices and requires that at least 75 percent of Federal commodity assistance to school lunches be food donations.

It is obvious that we are going to have to make substantial reductions in our level of Federal spending if we are to put our economic house back in order. But I do not believe that we can make these cuts discriminately. There are certain areas where our country cannot afford to scrimp. The school lunch program is one such area.

I urge my colleagues to support this bill which, in my estimation, is as fundamental and integral a part of our educational process as the alphabet.

Mr. EDWARDS of California. Mr. Chairman, I rise to urge the support of my colleagues for the free and reduced-price school lunch provisions of the National School Lunch and Child Nutrition Act.

The purpose of the reduced-price lunch is to improve the nutritional status of the school age children of this country. We are all aware of the relationship between a healthy diet and the proper physical and mental development of a child. However, we must also be mindful of the rescession-bred pressures which are forcing even middle-class families to cut back on their food budgets. In many homes less nutritional meals are being served, and there is less money available for a child to buy a proper lunch at school. The result is that many children from poor and and middle-class families are not receiving proper nourishment.

This situation is exacerbated by the fact that the cost of preparing a school lunch has risen over the last 28 years from 30.4 cents to 84.5 cents. Yet during the same period the Federal share of this cost has dropped from 31 to 21 percent. As a result of this increased cost 1 million children dropped out of the program during last year alone.

An additional problem is that as participation in the programs declines, economies of scale will allow fewer and fewer schools to afford school lunch programs at all. On the other hand, if Congress provides an inexpensive, nutritious lunch, the number of students participating will increase, costs of preparation will be reduced and as many as 50,000 new jobs will be created.

This is not a program to subsidize the children of the rich. The great majority of children purchasing school lunches come from families with annual incomes of $10,000 to $15,000. As a result, this program serves as a form of tax relief for that portion of the population which has traditionally born the heaviest tax burden in this country.

The continuing need for this program is clearly illustrated in my own Congressional district where everyday more than 38,000 schoolchildren are nourished by a free or reduced-price lunch.

There can be no doubt that our young people are the most valuable resource we have in the United States. Their health and nutrition should be of paramount importance to us all. I ask you to consider these thoughts when voting on the reduced-price provision of the National School Lunch Act.

Mr. ZEFERETTI. Mr. Chairman, I rise in favor of the O'Hara substitute to H.R. 4222. This bill will be immensely useful to needy children throughout the country. Significant advances are made, through this legislation, in the day care, summer feeding, school lunch, and school breakfast programs. As a result, these programs will become much more responsive to the needs of poor children.

One provision of this bill can be rather significant for our Nation's needy schoolchildren and it deserves our special attention. That provision is likely to cause a very substantial expansion of the school breakfast program. It improves the current status of the school breakfast legislation under the National School Lunch and Child Nutrition Acts.

Under the current law—section 1759a (e)(1) of the School Lunch Act—each State educational agency is supposed to develop an annual State plan of child feeding operations that is supposed to detail how the State will reach needy children with the breakfast program. Such a plan must document the intended expansion of the program so that, "to the maximum extent practicable," the program will "reach needy children." Under the Department of Agriculture's regulations pursuant to that statute, this plan should set forth specific plans that will assure the provision of the breakfast program in schools with numerous "children in need of such benefits." Consequently, under the statute and regulations, such State plans must be submitted to USDA and the States must comply with those plans. Compliance with the requirements are "a prerequisite to receipt of Federal funds" under the School Lunch and Child Nutrition Acts.

The bill now before us, with the school breakfast provision we drafted in committee, will substantially expand these requirements. First, the Secretary of Agriculture is required to conduct an ongoing informational campaign, together with the State educational agencies, that will cause the expansion of the breakfast program. Second, the new bill makes it clear that the school breakfast program must be made available "in all schools where it is needed to provide adequate nutrition for children in attendance" therein. And finally, the Secretary is required to report to the appropriate committees of Congress what he, together with the State agencies, will do to enforce our intentions that the school breakfast program be made available in all schools where it is needed.

These requirements are not to be taken lightly. We expect the Agriculture Secretary to promulgate regulations that will effectuate our intentions. Such regulations, at a minimum, should require the implementation of the breakfast program in schools that have a sizable number of needy children—schools designated as eligible for title I assistance—under the Elementary and Secondary Education Act—or schools that provide free and reduced-price meals to more than one-quarter of the children in attendance therein. Those schools should be required to implement the breakfast program, and the Department, together with the State educational agencies, should cooperate in efforts to enforce that requirement.

The time for rhetoric and exhortation is over. We now want and mandate specific action on the school breakfast program, and the Agriculture Secretary is now directed to devise regulations that will require the implementation of the breakfast program "in all schools where it is needed to provide adequate nutrition for children in attendance." As a result of these regulations, we expect that the breakfast program will be established in all the poverty area schools in the country, thus fostering better nutrition and education for the youngsters of our Nation. Consequently, I urge everyone to support this bill.

Mrs. **BURKE** of California. Mr. Chairman, hunger and malnutrition in America is an unfortunate reality that stands in dark contrast to the prosperity and affluence that accompany the popular image of this country as a land of plenty. The importance of an adequate diet cannot be minimized. The link between an adequate nutrition and a child's ability to learn and grow has been well established.

The National School Lunch and Child Nutrition Acts amendments are an important continuation of a national effort and commitment to the goal of assuring that every child has at least one nutritious meal during the course of the day.

The Congress showed wisdom in initiating the school lunch program. It has demonstrated greater wisdom in extending this legislation to include the school breakfast program, the supplemental food program, the women, infants, and children—WIC—food program, and the special milk and nonschool food service programs.

In California more than 5,600 schools participate in the school lunch program—1,464, or 26 percent of these participating schools are in Los Angeles County alone. I am pleased to note that this means almost every school in Los Angeles County is taking part in the school lunch program.

I am distressed by the statistics cited in the committee report that in the 5 years since 1970, the total number of students purchasing lunches daily has declined from 18 million to 15.3 million, a decrease of 1.7 million children. This downward trend in participation by paying students is also evident in Los Angeles County, where the average daily participation—ADP—is 450,560 lunches served, while the average daily attendance—as of October 1974—was approximately 1,126,600. Of the 450,560 ADP, 270,349 are free or reduced-price meals.

I wholeheartedly approve of the expanded eligibility provisions for free and reduced-price meals, which will have the effect of including those children of families who are hard-hit by our economic difficulties. Projections by the California Food and Nutrition Services estimate there would be an increase of close to 10 percent of free or reduced-price meals in California.

Free and reduced-price meals should be and must be made available to those in need. At the same time, I do not believe that we should abandon need as the test for eligibility. The improvement and expansion of the School Lunch and Child Nutrition Acts are indeed worthwhile objects, they must not be used as a backdoor method of funding the nutrition for families who can afford to pay at the expense of those who cannot.

Mr. **MIKVA**. Mr. Chairman, the school lunch program has been a great success since its inception. It stands as an example of what government can do and should do to meet the health and nutritional priority needs of this country.

The bill which we are considering, amending the National School Lunch and Child Nutrition Acts, extends and revises the special food service program for children and the school breakfast program. It expands eligibility for reduced-price lunches, creates a permanent child care food program, makes automatically eligible for free meals the children of unemployed parents, and expands the special supplemental feeding program for women, infants and children—the so-called WIC program.

It is because I support the program and the pending bill that I joined a bipartisan majority of the House in approving the Goodling amendment, when this bill was originally considered on March 25, and why I am today supporting the Perkins amendment, which will provide for a supplemental 5-cent payment on all lunches served in fiscal year 1976 other than free or reduced-price lunches.

Mr. Chairman, the school lunch program has been a success because it has targeted help to the children who need help. Without the Goodling amendment, adopted by the House on March 25, the proposal before the House would have spewed assistance to all children whether they needed it or not. That distorted "fair play" notion robs us of precious resources that are needed to solve the many pressing domestic problems we have. It also robs us of the credibility that Congress—and indeed government as a whole—needs to set the priorities of this country and undermines the role government should play in meeting those priorities.

We go into this next fiscal year with an ominous deficit hanging over our collective heads. It is a deficit in large part caused by inadequate tax and economic policies of the past. No matter how we cut the budget, we cannot avoid a deficit of huge proportions. The fact that we cannot void it makes it all the more essential that every Government expenditure in this period of crisis be one aimed squarely at solving a priority need of the country. The school lunch program is such a priority need, and I intend to vote for the bill on final passage. However, a school lunch program which provides free or near free lunches for kids of all income brackets, rich and poor, whether they need help or not, is not such a priority need. Indeed, it mocks the word priority.

The Perkins amendment, which provides a 5-cent supplemental payment for each lunch served to a paying student during only fiscal year 1976, on the other hand, is a well-designed and targeted approach to a particular problem, that of increasing school lunch costs. It will not subsidize in a helter-skelter fashion the children of the wealthy. It will, to the contrary, prevent further erosion of the entire school lunch program, both for paying students and those from low-income families.

The task is to compassionately assist those in need while responsibly rejecting propositions that would take deficit dollars from more urgent programs. By accepting both the Goodling and the Perkins amendments to the National School Lunch Act, Congress will be moving in that direction.

Mr. **DOMINICK V. DANIELS**. Mr. Chairman, I rise in support of the amendment to the amendment in the nature of a substitute offered by Mr. O'HARA. This amendment will provide for a supplemental 5-cent payment on all lunches served to paying students in fiscal year 1976.

Mr. Chairman, this amendment addresses the vital need for positive action to bolster the regular school lunch program catering to paying students.

Over the last few years, there has been a marked decline in the number of paying students participating in the school lunch program. In the 5 years since 1970, the number of children purchasing lunches daily has declined from 18 million to 15.3 million, a drop of 2.7 million children. This decline has occurred despite the fact that since 1970 nearly 4,000 schools with an enrollment of 2.3 million children have entered the program

This decline in participation is indicative of the difficulty that has been encountered by middle-income parents in absorbing regular price increases of school lunches. These price increases, in turn, are reflective of the higher cost of producing nutritionally balanced lunches because of sharply higher food and labor costs as well as costs of other items, such as utilities, transportation, and supplies used in preparing and serving lunches. Since 1967, the cost of producing lunches has increased by nearly 70 percent. In the past year alone, the increase has been well over 12 percent.

At the same time, the Federal share of lunch cost for paying children has declined, even though expenditures have increased. By way of example, when the program was initiated in 1947, the Federal Government spent $68 million in cash and commodity assistance to support the program. At that time, the total cost of the lunch was approximately 3 cents, and the Federal Government share of lunch cost for paying children was 31 percent. In 1974, even though $1.4 billion was expended, the Federal share dropped to 21 percent of the lunch cost for paying children because the total cost of preparing a lunch had risen to 84.5 cents.

The price increases that have not been offset by Government subsidies have been passed directly on paying children. Because of the economic conditions in the country, more and more parents are having increasing difficulty in keeping up with price increases for school lunches for their children.

More and more paying children are dropping out of the program. These children constitute the backbone of the program—when they drop out, the entire program is jeopardized—including the reduced and free lunch provisions for needy children.

Mr. Chairman, the committee amendment to provide a temporary 5 cent payment on all lunches served will help to keep paying children in the program.

This amendment represents a reasonable compromise in both scope and price. The committee anticipates that the amendment will cost $125,000,000. This represents a significant reduction from the cost estimates associated with the previous proposals to place ceilings on the price charged to paying students. The ceiling provisions would have cost between $600,000,000 and $1,000,000,000.

Mr. Chairman, I believe the effect of this amendment will be to encourage local school districts to hold the line on school lunch prices for paying students. It is common knowledge that without this kind of help, the school districts will have no choice but to increase lunch prices in September. If this happens, even more children will drop out of the regular program.

Mr. Chairman, I urge my colleagues to consider the needs of the middle-income parent in these troubled economic times. I also ask my colleagues to consider the nutritional needs of America's schoolchildren—needs that should not be sacrificed in some misplaced concern about costs. I have long maintained that the needs of the American people should be our first consideration. These needs include the reasonable assurance that our children will receive adequate nutrition.

Mr. Chairman, the amendment we are considering will help insure that these nutritional needs are met for millions of American schoolchildren. It is an amendment that reflects both a concern for maintaining the viability of the regular school lunch program and a concern about keeping the costs of the program within reasonable limits.

Mr. Chairman, I hope my colleagues will support this amendment, and will lend their full support to the passage of the bill.

Mr. HEINZ. Mr. Chairman, I rise today in support of the special supplemental food program for women, infants, and children, known simply as WIC.

Mr. Chairman, Samuel Johnson said that the mark of a civilized society is its provision for the poor. This is particularly valid when the poor are children totally innocent of their circumstances and totally helpless to change those circumstances. The WIC program tries to assure that despite other disadvantages, these children will grow up with their health unimpaired. First, by providing pregnant women with nutritional food, WIC has helped prevent the dangerously low weights at which infants from poor families are often born. Second, by providing these same infants with nutritional food, the programs protect children from sickness while they are most vulnerable. The administration, which supports most of the other provisions of H.R. 4222, opposes continuation of WIC. Yet, if we support the school lunch program, which protects the health of children once they begin their education, should we not consider WIC a program which helps insure that they begin this education at all, equally, if not more important?

WIC has also been that rarity in Government—an efficient program. With just $200 million, the program has established more than 1,500 individual clinic sites and enrolled 187,500 women, 178,000 infants, and 282,000 children for a total of 648,300 participants. Even in the face of such a large Federal deficit, we must not eliminate programs, like WIC, that are both necesary and efficient.

I am particularly proud to have a WIC program in my home area Allegheny County. This program, started in May of 1974, already has reached over 7,000 residents and now has the largest enrollment in Pennsylvania. Communications received from more than 30 participants attest both to the benefits they received and the support WIC deserves.

Mr. Chairman, so much time is spent in the vapid exaltation of Government programs that the ear tends to discount it. But there are programs, such as WIC in Allegheny, that by efficiently helping those who cannot help themselves bind a community together and remind us of the delights of reasoned democracy.

Mrs. CHISHOLM. Mr. Chairman, I rise in support of the bill H.R. 4222, the School Lunch and Child Nutrition Amendments of 1975.

Although I spoke earlier in opposition to one amendment to this bill, I want to go on record as supporting a piece of legislation that contains many extremely worthwhile provisions. Children's residential institutions are now included in the school lunch program. The children of the unemployed are now eligible for free lunches and breakfasts. The reduced price lunch program has been mandated in all schools participating in the lunch program, extending the 20-cent lunch to children in families with incomes between $6250 and $10,050 per year for a family of four.

Day care centers, family day care homes, and Head Start Centers are allowed into the program upon request, and their reimbursement rates are double that under current law. The amendments giving the WIC program entitlement status, along with a higher authorization of $250 million for 3 years also have my enthusiastic support.

The advances made in all these programs and in some of the others are of great importance, for as I have said many times before, I am convinced that good nutrition is one of the most effective ways of preventing the problems of poor health that cause suffering among so many Americans living in poverty, and as a result, lead to large expenses in the areas of health care and welfare programs for these people.

Another part of the bill deserves substantial attention. That part relates to the operation of the school breakfast program—a program of critical concern for youngsters who often are too hungry to learn. Currently, only about 13 percent of the schools in our Nation provide federally subsidized morning meals. Yet, from our experiences in those schools, we have found out that the breakfast program is of extraordinary usefulness in the development of decent educational opportunities for needy youngsters.

In schools where the breakfast program is operational, attendance rates have increased. In those schools, tardiness has decreased and discipline problems have diminished. Most importantly, however, impoverished children receiving school breakfasts have become far more alert and have increased their attention spans. Clearly, the implementation of the breakfast program in needy communities throughout our country is of vital concern to the educational advancement of many impoverished schoolchildren.

The school breakfast program provision that we drafted in committee, contained in the O'Hara substitute bill now before us, directs its mandate toward the expansion of the program. As a matter of clear and unmistakable policy, we state that "it is the purpose and intent of the Congress that the school breakfast program be made available in all schools where it is needed to provide adequate nutrition for children in attendance." To implement this unequivocal policy, the Secretary, in cooperation with State educational agencies, must carry out an informational effort to promote the specified congressional objectives. In addition, he must devise plans and regulations to require the expansion of the school breakfast program.

With regard to the Secretary's obligations to devise plans for the expansion of the breakfast program, we expect him to target in on the schools that are located in impoverished neighborhoods. Those schools are the ones that are eligible for Federal assistance under title I of the Elementary and Secondary Education Act. Those schools are the ones that currently have large numbers of children eligible for free and reduced-price lunches. As a result, the Secretary's regulations, at an absolute minimum, must require the implementation of the breakfast program in all title I schools and in all schools in which more than one quarter of the children are eligible for free and reduced-price lunches.

In order that the Secretary's plans and regulations give substance and meaning to the policy we articulate in this bill, his regulations must require and mandate program expansion in needy schools, not just encourage it. The time for rhetoric about program expansion is over now. Our committee wants specific and unequivocal steps to be taken by the Secretary, and the State educational agencies, to require the implementation of the breakfast program in all needy schools. This mandate substantially increases our previous commitments for breakfast program expansion—commitments that required State agencies to devise child nutrition operation plans, and then implement such plans—as a precondition for the receipt of child nutrition funds—to make sure that needy children were reached with the breakfast program "to the maximum extent practicable."

In sum, under this bill, it is our expectation that the Secretary will mandate the breakfast program's expansion to all needy schools. This step is important, and indeed vital, to the improved health and educational opportunities of impoverished children throughout the country. I hope this fine bill passes.

Mrs. HOLT. Mr. Chairman, another example of congressional irresponsibility is on display in H.R. 4222 as amended. It increases the authorization for the school lunch program by 50 percent for the 1976 fiscal year by offering higher subsidies for every student, even those who can afford to pay for their lunches.

This legislation will allow the school lunch program to increase from $2 to $3 billion in a single year. Not content with helping the truly needy, the architects of this legislation are interested in swelling food subsidies for every family.

Will we never learn that Government can give nothing to the people that it does not take from the people? The people are already carrying a terrible burden of taxation and inflation that will be made worse by this kind of irresponsibility. The school lunch program, originally intended to help children who would otherwise go hungry, has become a massive giveaway in three phases. First comes the subsidized lunch for every student. Next is the reduced price lunch which is subsidized at a higher rate. Then comes the fully subsidized free lunch for the impoverished children.

What we have here is a mania for extending charity to everybody, and everybody will be forced to pay an inflated price for it. The food stamp program is another example of this philosophy at work. The rules of eligibility are so loose that nobody really knows how many millions of people will get the subsidy.

Meanwhile, the Federal budget deficit pushes toward the $80 billion mark, promising future grief for everybody. Government borrowing on so vast a scale will drain away the capital needed for private industry to expand and provide jobs. The huge deficit will cause more inflation.

Mr. OTTINGER. Mr. Chairman, it has been nearly 30 years since the Federal Government first began to participate in providing food services to children in the schools through the school lunch program. In that period of time Federal expenditures for this program have grown from less than $100 million to over $1.4 billion per year.

In 1947, when school lunches first began to be served with aid from the Federal Government, our subsidy covered about 31 percent of the cost of preparing and serving a lunch for any participating child. Today, with increased costs for preparation and the failure of the subsidy to keep pace with these increased costs, the Federal Government is contributing only about 21 percent of overall costs of meals for paying children. In recent years, however, this reduction in the percentage of Federal subsidy has been at least partially offset by the addition of special assistance for needy students.

In 1966, the Congress first appropriated money to allow for free and reduced-price meals to students from low income families. That same year the 89th Congress, in which I was privileged to serve, also created the school breakfast program, expanded the special milk and non-food assistance programs and established a special feeding program for preschoolchildren to operate in the schools.

Mr. Chairman, the feeding programs which operate under authority of the legislation we passed earlier this week are vitally important to our effort to insure that every American receives an adequate diet. In my own congressional district the preschool feeding program has been especially successful in aiding families with eligible children. I also fully support the plan to provide a special entitlement for the special supplemental feeding program for women, infants and children under which the State health agency will have the authority to determine the eligibility of clinics desiring to participate. It is my own belief that removing this authority from the Department of Agriculture, which has a long and well-known history of neglect of low-income people, can only serve to make it more effective.

We have now acted to expand these programs still further by making school breakfast a permanent program and by making children in families where the principal wage-earner has become unemployed due to the current recession eligible for free lunches during a 1-year period. We have also reduced the cost of school lunches to children in families of four members with incomes of up to $10,000 per year. Licensed day care and Head Start centers will become eligible for school lunch funds, and both breakfast and lunch programs will be provided for children in orphanages and other similar residential facilities. Since summer vacation often means to the children of the poor a temporary end to an adequate diet until school reopens in the fall, we have expanded and improved the summer feeding program.

I doubt if there is anyone in this Chamber who would argue against our effort to provide an adequate diet for Americans during their most important stages of development, when they are struggling to become productive citizens. The amendments which I have been privileged to support are particularly significant in view of the fact that they make so many extra provisions for those who have the least ability to provide proper nutrition for their children, and they are most reflective of our already established goal of Federal assistance to those who have the greatest need. I take great pride in supporting such a philosophy.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment, in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. O'NEILL) having assumed the Chair, Mr. EVANS of Colorado, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4222) to amend the National School Lunch and Child Nutrition Acts in order to extend and revise the special food service program for children and the school breakfast program, and for other purposes related to strengthening the school lunch and child nutrition programs, pursuant to House Resolution 352, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted in the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

POINT OF ORDER

Mr. BAUMAN. Mr. Speaker, I make a point of order.

The SPEAKER pro tempore. The gentleman will state his point of order.

Mr. BAUMAN. Mr. Speaker, I make a point of order against further consideration of the bill on the ground that the amendment offered by the gentleman from Kentucky (Mr. PERKINS) on page 17, line 7, constitutes an appropriation in a legislative authorization bill in that it gives to the Secretary of Agriculture the duty of providing all necessary funds to carry out and maintain certain other programs to be used as sources of these funds, but leaves to his discretion the other programs that might possibly be used as sources for these funds and, therefore, constitutes an appropriation of moneys in a legislative authorization bill.

Therefore, Mr. Speaker, I make a point of order against the bill.

The SPEAKER pro tempore. Does the gentleman from Kentucky (Mr. PERKINS) desire to be heard on the point of order?

Mr. PERKINS. Mr. Speaker, I desire to be heard on the point of order.

Mr. Speaker, the point of order made by the gentleman from Maryland (Mr. BAUMAN), comes too late, would be my first point. But, Mr. Speaker, on the merits of the bill, the point of order is not well taken because, on page 22 of the amendment in the nature of a substitute offered by the gentleman from Michigan (Mr. O'HARA) we find this language:

> (b) In order to carry out the program provided for under subsection (a) of this section during each of the fiscal years ending June 30, 1976, September 30, 1977, and September 30, 1978, there is authorized to be appropriated the sum of $250,000,000 for each such fiscal year.

So that the authorization is plain, and the only thing we do is to mandate some regulations to the effect if the money is appropriated that the Secretary may be required to spend the money.

Mr. BAUMAN. Mr. Speaker, may I be heard further on the point of order?

The SPEAKER pro tempore. The gentleman from Maryland will proceed.

Mr. BAUMAN. Mr. Speaker, under the rules of the House, specifically, this point of order lies at any time, and it does not come too late. The rules of the House provide that it may be made at any time prior to the final consideration of the bill.

In this respect, Mr. Speaker, I refer the Chair to the question that was ruled on last week on either Wednesday or Thursday in regard to the Vietnamese war.

The SPEAKER pro tempore. The Chair will state that the point of order raised by the gentleman from Maryland (Mr. BAUMAN) comes at a time when the amendment is not being considered, and cannot be directed against consideration of the bill itself. In view of the fact that the gentleman from Maryland did not raise his point of order at the time of the consideration of the amendment the Chair holds that the point of order is out of order.

Mr. BAUMAN. But, Mr. Speaker, the rules of the House directly provide for this.

The SPEAKER pro tempore. The Chair again will state that the point of order is not well taken.

The Chair has already ruled.

PARLIAMENTARY INQUIRY

Mr. WAGGONNER. A parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. WAGGONNER. My parliamentary inquiry is this: Does the Chair rule this way in view of the decision of the Chair last week when the gentleman from New York (Mr. PIKE) was the Chairman of the Committee of the Whole, and who ruled that a point of order could be made at any time?

The SPEAKER pro tempore. The Chair will state it can be made at any time that the House is in the Committee of the Whole, and the amendment is pending. The House is not in the Committee of the Whole at this time, and the amendment has been agreed to.

Mr. WAGGONNER. The words "at any time," then, may be interpreted in a different way today than they were last week?

The SPEAKER pro tempore. No; the rulings are consistent.

Mr. WAGGONNER. I thank the Speaker.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT

Mr. QUIE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. QUIE. I am, in its present form, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. QUIE moves to recommit the bill H.R. 4222, to the Committee on Education and Labor with instructions to report back the same forthwith with the following amendment: Strike out section 18 thereof, entitled "Additional Payments for Full-Price Lunches During Fiscal Year 1976."

The SPEAKER pro tempore. Under the rules of the House, the gentleman from Minnesota is recognized for 5 minutes.

Mr. QUIE. Mr. Speaker, the issue is the same as we had when we debated the amendment offered by the gentleman from Kentucky (Mr. PERKINS) to increase the subsidy for the lunches of those who can afford to pay for their own lunches, by 5 cents. The subsidy is now 21¾ cents, and will be raised by 5 cents at a cost of $125 million additionally at a time when our country is in severe economic straits and when we have a huge deficit facing us. This would mean an additional $125 million on top of a bill that is $1.4 billion over the budget, $1.1 billion over this year's costs, and $700 million over the cost it would be if we had just a straight extension of the programs as currently authorized.

I believe that to provide an additional subsidy for those who do not need it is totally unwarranted. We will have many reasons to go above the budget substantially. We will have many reasons to have a higher deficit than any of us want; but to add this, I think, is the straw that breaks the camel's back.

I urge my colleagues to accept the motion to recommit.

Mr. LANDRUM. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Georgia.

Mr. LANDRUM. I thank the gentleman for yielding.

At what point in the individual income does the increased subsidy begin?

Mr. QUIE. For a family of four, it begins for those with incomes of $10,020 and above.

Mr. LANDRUM. Incomes of what?

Mr. QUIE. $10,020 and above.

Mr. LANDRUM. In other words, a family of four making $11,000 has its school lunch program subsidized by an additional nickel over what it is now subsidized?

Mr. QUIE. That is right, or a family of $50,000 or $25,000.

Mr. LANDRUM. And the additional 5-cent subsidy will call for an added $125 million budget?

Mr. QUIE. A $125 million budget.

Mr. LANDRUM. $125 million?

Mr. QUIE. That is right.

Mr. LANDRUM. Meaning that will be added to the already heavy deficit being recommended by the Committee of the House and the committee of the other body?

Mr. QUIE. I would assume that would be correct.

Mr. LANDRUM. And the budget deficit recommended by the House committee is now $73.2 billion?

Mr. QUIE. That is what I understand.

Mr. LANDRUM. Does that mean that we add this $125 million to that?

Mr. QUIE. Since the amendment was not before the Budget Committee, I would assume that would be correct.

Mr. LANDRUM. I thank the gentleman.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Illinois.

Mr. MICHEL. I thank the gentleman for yielding.

I certainly support his motion to recommit. This School Lunch and Nutrition Act currently is costing us $2,046,000,000, and if we simply extend the act, we would be spending $2,418,000,000. With the adoption of the amendment offered by the gentleman from Kentucky, we are going to run over $3 billion, in other words, a 50 percent increase for the comparable programs in the coming fiscal year 1976 over this fiscal year. I think it is just, frankly, too much at this time. With the adoption of the Chisholm amendment, every child in a family of four making $10,020 is entitled to have all of his or her lunch over 20 cents subsidized. If it is 90 cents, it means that there is a 70-cent Federal subsidy. And that can cost us anywhere from an additional $150 to $300 million.

While that is probably acceptable in some quarters for low-income families, certainly those of us in the middle-income and above do not need our own kids' lunches subsidized by the increase in this proposed piece of legislation. I support the gentleman's motion to recommit. I think it is sound and his approach is much more reasonable for these times.

Later on this week we are going to take

up the budget concurrent resolution and we are going to hear all kinds of weeping and wailing over the size of the Federal deficit, but when given a chance to do something about it, we see Members running for cover.

This authorization in its present form is over $1 billion over the budget and over the current year's level of spending.

Why not support the gentleman's motion and do the right thing for a change.

Mr. GOODLING. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. I thank the gentleman for yielding.

Would the gentleman repeat what he said previously in the discussion? What is the difference as far as Montgomery County is concerned and the city of Chicago, as far as this 5 cents is concerned?

Mr. QUIE. I used the comparison between Montgomery County with 569,000 residents and Chicago with 3,300,000 residents, and Montgomery County will get more money from that 5-cent amendment than the whole city of Chicago.

Mr. PERKINS. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, first let me state that we have some 10 million school students, elementary and secondary, receiving free lunches that we subsidize at 84 cents a lunch. We have another 800,000 that we are subsidizing on a reduced price at 64 cents a lunch. The regular lunch program for many years has been going downhill. Presently we only have 15.3 million schoolchildren in the paid-lunch category. We have dropped from 18 million down to 15.3 million children in the last 4 years; at the same time we have added on 4,000 school lunchrooms in the country. The reason we have dropped is we are pricing the regular school lunch child out of the school lunchroom.

I want to yield briefly to the gentleman from Wisconsin but I would like to say that surveys throughout the Nation prove conclusively this 5 cents will be a holding operation to keep the school lunch programs from raising their prices next fall.

I yield now to the distinguished gentleman from Wisconsin to give us an example of what is going on in this country.

Mr. CORNELL. Mr. Speaker, I would like first of all to preface my remarks by assuring the Members of this House the 5 cents will not subsidize the school lunch program for my children.

We had a survey taken in the elementary schools in the State of Wisconsin, which were not selected but included the whole State. It showed that as we increase the cost of the hot lunch program there is a substantial reduction in the price of students. I have given these figures before but I would like to repeat them because they are very significant. Where the student charge was 25 cents, 82 percent participated; where the price was 35 cents, 68 percent participated; where the price was 45 cents, 44 percent participated; and where the price was 55 cents, only 22 percent bought the hot lunch program.

Mr. PERKINS. Let me tell the Members of this House we have escalators built in for the free and the reduced price lunch for children as the cost of the food goes up. It amounts to 11 cents a year, whereas under the escalator for the paid lunch program the cost of food is going up 28 percent during the past 2 years and the escalator under the regular school program provided 1.75 cents additional per meal.

I say to the body this 5-cent pass-on to the school lunch programs where the children participate is absolutely essential and a must if we are going to strengthen the paying program. When the paying program is shut down the free and reduced price lunch programs are also shut down. Families with a $10,000 income or $11,000 income or $12,000 income are the people who are paying the taxes in the country and they deserve to have a regular lunch program in their schools. That is all this amendment will do. It will insure that the price of the regular program will not go up.

The SPEAKER pro tempore (Mr. O'NEILL). Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

Mr. QUIE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 144, nays 246, not voting 42, as follows:

[Roll No. 160]

YEAS—144

Abdnor
Anderson, Ill.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Ashley
Bafalis
Bauman
Beard, Tenn.
Bell
Bennett
Biester
Bingham
Blouin
Brown, Ohio
Broyhill
Buchanan
Burgener
Burleson, Tex.
Butler
Byron
Casey
Cederberg
Chisholm
Clancy
Clausen, Don H.
Clawson, Del
Cleveland
Cohen
Collins, Tex.
Conable
Conlan
Conte
Coughlin
Daniel, Dan
Daniel, Robert W., Jr.
de la Garza
Derrick
Derwinski
Devine
Dickinson
Downing
Duncan, Oreg.
du Pont
Edwards, Ala.
Emery
Erlenborn
Esch
Eshleman
Fenwick
Findley
Fish
Flowers
Flynt
Forsythe
Frenzel
Frey
Giaimo
Goldwater
Goodling
Gradison
Grassley
Hagedorn
Hastings
Hébert
Heinz
Hillis
Hinshaw
Holt
Hughes
Hutchinson
Hyde
Jarman
Jeffords
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Kasten
Kelly
Ketchum
Kindness
Lagomarsino
Landrum
Latta
Lent
McClory
McCollister
McDonald
McEwen
McKinney
Mahon
Mann
Martin
Mathis
Mazzoli
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mosher
Myers, Ind.
Myers, Pa.
Nichols
Passman
Pickle
Quie
Quillen
Regula
Roberts
Robinson
Rousselot
Runnels
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Shuster
Skubitz
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steelman
Steiger, Ariz.
Symms
Talcott
Taylor, Mo.
Teague
Thone
Thornton
Treen
Vander Jagt
Waggonner
Wampler
Whitehurst
Whitten
Wiggins
Wilson, Bob
Winn
Wydler
Wylie

NAYS—246

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bergland
Bevill
Blanchard
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brown, Calif.
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Carr
Carter
Clay
Collins, Ill.
Corman
Cornell
Cotter
D'Amours
Daniels, Dominick V.
Danielson
Davis
Delaney
Dent
Dingell
Dodd
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
English
Evans, Colo.
Evans, Ind.
Fascell
Fisher
Fithian
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fraser
Fulton
Fuqua
Gaydos
Gibbons
Gilman
Ginn
Green
Gude
Guyer
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harrington
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Holland
Holtzman
Horton
Howe
Hubbard
Hungate
Jacobs
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Keys
Koch
Krebs
LaFalce
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lujan
McCloskey
McCormack
McDade
McFall
McHugh
McKay
Macdonald
Madden
Madigan
Maguire
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Patman
Patten
Patterson, Calif
Pattison, N.Y.
Pepper
Perkins
Peyser
Pike
Pressler
Preyer
Price
Randall
Rees
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Ryan
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Sikes
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, James V.
Stark
Steed
Stephens
Stokes
Stratton
Stuckey
Studds
Taylor, N.C.
Thompson
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vigorito
Walsh
Waxman
Weaver
Whalen
White
Wilson, Charles H., Calif.
Wirth
Wolff
Yates
Yatron
Young, Alaska
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—42

Biaggi
Brodhead
Brooks
Broomfield
Brown, Mich.
Chappell
Cochran
Conyers
Crane
Dellums
Diggs
Evins, Tenn.
Gonzalez
Hansen
Harkin
Harsha
Howard
Ichord
Kemp
Krueger
Leggett
Lott
Matsunaga
Mills
Mollohan
Poage
Pritchard
Railsback
Rangel
Rhodes
Ruppe
Russo
Shipley
Shriver
Steiger, Wis.
Sullivan
Symington
Vanik
Wilson, Charles, Tex.
Wright
Young, Fla.
Young, Ga.

So the motion to recommit was rejected.

The Clerk announced the following pairs:

Mr. Russo with Mr. Broomfield.
Mr. Rangel with Mr. Charles Wilson of Texas.
Mr. Shipley with Mr. Rhodes.
Mr. Howard with Mr. Hansen.
Mr. Biaggi with Mr. Ruppe.
Mr. Diggs with Mr. Young of Georgia.
Mr. Matsunaga with Mr. Hardin.
Mr. Pritchard with Mr. Shriver.
Mr. Krueger with Mrs. Sullivan.
Mr. Leggett with Mr. Kemp.
Mr. Railsback with Mr. Wright.
Mr. Vanik with Mr. Steiger of Wisconsin.
Mr. Young of Florida with Mr. Mollohan.
Mr. Dellums with Mr. Lott.
Mr. Evins of Tennessee with Mr. Symington.
Mr. Gonzalez with Mr. Chappell.
Mr. Brooks with Mr. Crane.
Mr. Conyers with Mr. Brodhead.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken.

RECORDED VOTE

Mr. PERKINS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 335, noes 59, not voting 38, as follows:

[Roll No. 161]

AYES—335

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bell
Bennett
Bergland
Bevill
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brooks
Brown, Calif.
Brown, Ohio
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Carter
Cederberg
Chisholm
Clausen, Don H.
Clay
Cleveland
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniel, Dan
Daniels, Dominick V.
Danielson
Davis
de la Garza
Delaney
Dent
Derwinski
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
English
Esch
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fraser
Frey
Fulton
Fuqua
Gaydos
Gibbons
Gilman
Ginn
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harrington
Harris
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Hinshaw
Holland
Holtzman
Horton
Howe
Hubbard
Hughes
Hungate
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kelly
Keys
Kindness
Koch
Krebs
LaFalce
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lujan
McClory
McCloskey
McCormack
McDade
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Mathis
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moore
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Patman
Patten
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pickle
Pike
Pressler
Preyer
Price
Quillen
Randall
Rees
Regula
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowksi
Roush
Roybal
Runnels
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Sikes
Simon
Sisk
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vigorito
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitten
Wilson, Charles H., Calif.
Winn
Wirth
Wolff
Wright
Wydler
Yates
Yatron
Young, Alaska
Young, Tex.
Zablocki
Zeferetti

NOES—59

Archer
Armstrong
Ashbrook
Bauman
Beard, Tenn.
Broyhill
Burgener
Burleson, Tex.
Butler
Casey
Clancy
Clawson, Del
Collins, Tex.
Conable
Conlan
Daniel, Robert W., Jr.
Devine
Dickinson
Edwards, Ala.
Erlenborn
Eshleman
Frenzel
Giaimo
Goldwater
Holt
Hutchinson
Hyde
Jarman
Kasten
Ketchum
Lagomarsino
Landrum
Latta
McCollister
McDonald
McEwen
Martin
Michel
Miller, Ohio
Montgomery
Moorhead, Calif.
Quie
Rhodes
Robinson
Rousselot
Satterfield
Schneebeli
Shuster
Skubitz
Steiger, Ariz.
Symms
Teague
Treen
Vander Jagt
Waggonner
Whitehurst
Wiggins
Wilson, Bob
Wylie

NOT VOTING—38

Biaggi
Brodhead
Broomfield
Brown, Mich.
Chappell
Cochran
Crane
Dellums
Derrick
Diggs
Gonzalez
Hansen
Harkin
Harsha
Howard
Ichord
Kemp
Krueger
Leggett
Lott
Matsunaga
Mills
Mollohan
Passman
Poage
Pritchard
Railsback
Rangel
Ruppe
Russo
Shipley
Shriver
Steiger, Wis.
Symington
Vanik
Wilson, Charles, Tex.
Young, Fla.
Young, Ga.

So the bill was passed.

The Clerk announced the following pairs:

Mr. Russo with Mr. Ruppe.
Mr. Shipley with Mr. Brown of Michigan.
Mr. Pritchard with Mr. Hansen.
Mr. Biaggi with Mr. Broomfield.
Mr. Railsback with Mr. Passman.
Mr. Chappell with Mr. Lott.
Mr. Krueger with Mr. Crane.
Mr. Young of Florida with Mr. Shriver.
Mr. Matsunaga with Mr. Derrick.
Mr. Rangel with Mr. Kemp.
Mr. Howard with Mr. Harkin.
Mr. Diggs with Mr. Symington.
Mr. Mollohan with Mr. Steiger of Wisconsin.
Mr. Vanik with Mr. Ichord.
Mr. Dellums with Mr. Gonzalez.
Mr. Leggett with Mr. Young of Georgia.
Mr. Brodhead with Mr. Mills.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to amend the National School Lunch Act and the Child Nutrition Act of 1966 in order to extend and revise the special food service program for children and the school breakfast program, and for other purposes related to strengthening the school lunch and child nutrition programs.".

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. SYMINGTON. Mr. Speaker, I wish to make a personal explanation. When the House concludes its debate today on H.R. 4222, the school lunch bill, I will not be present due to a previous commitment to participate in the World Food Outlook Symposium in St. Louis. If I were able to be present I would vote "aye" on the final passage of H.R. 4222.

AUTHORIZING CLERK TO MAKE CORRECTIONS IN H.R. 4222

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill just passed, the Clerk shall have authority to make any necessary corrections in punctuation and section numbers, including cross-references.

The SPEAKER pro tempore (Mr. O'NEILL). Is there objection to the request of the gentleman from Kentucky?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, what is the gentleman talking about on the bill here?

Mr. PERKINS. I understand there are a couple of sections that may require corrections as to punctuation and references in the bill just passed and we have always left it up to the Clerk in the engrossment. I have never heard that question before. There are no substantive changes involved anywhere; and I was simply asking unanimous consent that these matters be corrected. There are no substantive changes in the bill anywhere, just the numbering of the paragraphs and punctuation.

Mr. ROUSSELOT. Could that not be done in conference? Can the gentleman assure me there were no substantive changes from what we voted on here? Can the gentleman assure me of that?

Mr. PERKINS. Certainly it would be much better if we did it as we went along. All of this legislation will be gone over in conference. I think this procedure is customary. I have always made those requests and they have never been objected to.

Mr. ROUSSELOT. Further reserving the right to object, Mr. Speaker, in voting on substantive changes, our concern is that we cannot have unanimous-consent requests, as we had in the tax rebate bill and then we find out there were all kinds of other things involved that were not presented to the House.

I certainly do not want to cause unnecessary trouble, but I am just saying, if the gentleman can assure us there are no substantive changes in what we are talking about.

Mr. PERKINS. Let me assure the gentleman from California, that is 100 percent correct.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

GENERAL LEAVE

Mr. PERKINS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

PROVIDING FOR CONSIDERATION OF CONFERENCE REPORT ON H.R. 6096

Mr. PEPPER, from the Committee on Rules, reported the following privileged resolution (H. Res. 425, Rept. No. 94–180), which was referred to the House Calendar and ordered to be printed:

H. RES. 425

Resolved, That immediately upon the adoption of this resolution, clause 2, Rule XXVIII to the contrary notwithstanding, it shall be in order to consider the conference report on the bill (H.R. 6096) to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions on the availability of funds for the use of United States Armed Forces in Indochina, and for other purposes.

LEGISLATION FOR CARE OF VIETNAMESE REFUGEES

(Mr. ANDERSON of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDERSON of California. Mr. Speaker, today I am introducing legislation which will enable the Federal Government to pay for the care of Vietnamese refugees upon their arrival in the United States.

This is a problem of immediate importance. The evacuation of Vietnamese refugees has been underway for some time. To date, it has unfortunately been a scene of confusion at almost every level.

We have all seen news reports of the panic among residents of Saigon. What is even more appalling is the lack of any definite plans for the accommodation of these people when and if they reach our country.

And they are coming. Indeed, many refugees from the Vietnam conflict are already in this country. Many of them have entered illegally, causing even more confusion for local officials.

My distinguished colleague from California (Mr. MINETA) has reported that a planeload of refugees arrived in his district, without any papers, legal status, or accommodations. Other areas have reported similar situations. The flow of refugees to Guam has already become so heavy that many of these people are being sent to Wake Island.

I have made repeated attempts to find out what plans are being made for the care and relocation of these people. This morning, we were informed by the State Department that plans are being made for one or more reception centers to be opened on military reserve bases in the United States, although no decision has been made as to where these bases would be opened.

Earlier, the State Department had informed California officials that the State Department's responsibilities would end with the arrival of the refugees into this Nation. I am pleased that the Federal Government is now planning some sort of operation to receive these refugees. The volunteer organizations who have offered to help relocate these people are to be commended. There are no firm figures on how many refugees we expect. The State of California has been told to expect approximately 50,000 refugees. There are already 30,000 refugees in Guam, with more on the way from Saigon and Clark Air Force Base in the Phillipines.

However, there is still a strong possibility that State and local governments will have to bear the burden, in the long run, for the care and housing of these refugees. Considering the high rate of unemployment that we already have in this country, it will undoubtedly be some time before the refugees become self-supporting. And since many of them do not speak English, and are unfamiliar with our customs and way of life, additional problems can be anticipated.

The bill I am introducing, along with my colleagues, does not in itself provide money for the refugee problem. It does give the Federal Government the authority under existing law to meet these needs.

Briefly, it amends the Migration and Refugee Assistance Act of 1962 to include refugees from Vietnam and Cambodia. As it stands now, this law provides Federal aid for refugees in the United States only if the refugees fled from a nation in the Western Hemisphere.

My bill also calls for the Federal Government to consult with the State and local officials who will be affected by an influx of refugees.

Mr. Speaker, I believe this bill will provide needed assurance to State and local officials that we do not intend to leave them with a massive financial burden, because of a massive in-migration of Vietnamese refugees. If we are to accept the responsibility for these refugees, we must do so in a complete and effective manner.

INTERGOVERNMENTAL COUNTER-CYCLICAL ASSISTANCE ACT OF 1975

(Mr. MOORHEAD of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I am today introducing the Intergovernmental Counter Cyclical Assistance Act of 1975 which I feel is an essential component of the Federal Government's efforts to restore prosperity and growth to the economy.

The bill will provide antirecession grants to financially pressed State and local governments. Similar legislation has been introduced in the other body by Senators MUSKIE and HUMPHREY in the Senate.

Our country is currently experiencing its most severe economic crisis since the depression. Eight million Americans were unemployed in March, almost 9 percent of the country's work force. Many economists predict that the national unemployment rate could rise as high as 10 percent later this year. This means a further reduction in production and further erosion of America's standard of living. The Joint Economic Committee has estimated that the current recession will cost America $200 billion in goods and services in 1975 alone. For the remainder of the decade we could lose as much as $1.5 trillion in output, which would have been produced at full employment. This is an amount equal to our entire gross national product in 1974.

The severity of the current recession has imposed significant financial hardships on many State and local governments. Costs have soared and revenue growth has been less than anticipated. One need only look at the combined deficit of all State and local governments to observe the tremendous impact of the current recession on their financial problems.

In 1972, the strength of the economy combined with the enactment of revenue sharing to yield a $4 billion surplus for all State and local governments. By 1973, this surplus had disappeared and State and local governments were operating in balance. In 1974, however, the combination of rising costs and declines in anticipated revenue yielded a $7.5 billion deficit. The deepening recession this year will undoubtedly exacerbate already severe financial problems by increasing the demand for services and by further eroding the anticipated growth in revenues.

As a result of their deteriorating fiscal positions, many State and local governments have been forced to take stringent budgetary actions—laying off employees, cutting services, canceling or delaying capital construction and, in some cases, raising taxes. Without question, these budget actions by themselves impose great hardships upon the employees who lose their jobs and upon the citizens who suffer reductions in services. However, they are particularly damaging in a severe recession because they tend to undermine Federal Government efforts to stimulate a recovery.

It simply is not sound economic policy to allow State and local governments to raise regressive local taxes when the Federal Government is reducing progressive Federal income taxes. These State and local government tax actions weaken Federal efforts to stimulate a recovery and weaken the progressivity of the total tax system. Similarly, it is unwise to permit State and local governments to lay off employees and delay or cancel capital construction when the Federal Government is trying to increase employment through public service employment programs and through accelerated public works expenditures. Nor is it wise to allow State and local governments to cut essential social services, just when the need for these services is the greatest.

Unfortunately, it is unrealistic and in most cases illegal for State and local governments to correct their actions and undertake separate fiscal policies through deficit spending. State constitutions generally require State and local governments to operate with balanced budgets. However, even if these constitutional requirements did not exist, one could not realistically expect the thousands of State and local governments to coordinate their economic policies, thus formulating a consistent fiscal policy. Only the Federal Government has sufficient flexibility in economic policy to eliminate the fiscally perverse nature of State and local government budgets and to make all Government budget actions more consistent.

The legislation I am introducing today will provide the means for rationalizing the budgetary actions of all levels of government into one coherent fiscal policy. It would provide enough assistance to prevent fiscally perverse State and local government budgetary actions, but not enough to prevent essential streamlining that all sectors of the economy undergo in a recession. It will prevent State and local governments from bearing a disproportionate share of the burden imposed upon the country by recession.

The Intergovernmental Counter-Cyclical Assistance Act of 1975 will provide untied financial assistance to State and local governments, preventing them from taking budget actions that will undermine Federal Government recovery policies. It will allow these governments to maintain services and retain employees without raising taxes.

The total amount of assistance provided varies with the national unemployment rate; $2 billion would be available at 6 percent unemployment with an additional $1 billion available for each 1 percent increment in the national unemployment rate. The present unemployment rate of 8.7 percent would make $4 billion available per year.

The program is designed to target assistance toward those communities that suffer the greatest recession induced financial problems. No jurisdiction with an unemployment rate below 6 percent will receive assistance under the act. By adopting this trigger, the bill clearly chooses a pinpointed approach rather than a peanut butter approach.

Assistance will be distributed on the basis of a formula that takes into account the level of services provided by a State or local government and the total number of unemployed persons within the jurisdiction. The number of unemployed persons, is used to measure the impact of the recession on each jurisdiction's financial position.

In addition to rationalizing all governments' budget actions and providing essential relief to hard-pressed State and local governments, this bill is an effective antirecession program for three important reasons. First, the magnitude of program varies with the severity of the recession, increasing as unemployment worsens and phasing out as we return to full employment. Second, the assistance is targeted toward those communities with the greatest recession induced financial problems. Finally, expenditures under this program will be made quickly and thus will not linger long after the recession has ended.

Because of these unique advantages, I urge my colleagues to support the Intergovernmental Counter-Cyclical Assistance Act as an essential element of our efforts to reduce unemployment and restore economic growth.

Mr. Speaker, I am inserting an explanation of the bill prepared by the Senate Intergovernmental Relations Subcommittee into the RECORD at this point:

EXPLANATION OF INTERGOVERNMENTAL COUNTERCYCLICAL ASSISTANCE ACT

This program would provide targeted emergency financial assistance to hard pressed State and local governments caught in a fiscal squeeze brought on by the combination of recession and continued inflation.

The purpose of this assistance would be to help State and local governments maintain their existing levels of services and employment without raising taxes, thereby preventing them from undertaking policies that will undercut Federal efforts to stimulate the economy.

THE PROBLEM

A. During times of severe national economic difficulties, the economies of State and local governments also suffer.

As recent testimony before the Senate Subcommittee on Intergovernmental Relations revealed, that is particularly true in the current economic situation. Hit by the double whammy of inflation and recession, State and local governments are faced with paying higher costs for providing services at the same time that higher unemployment reduces their projected revenues.

B. The impact of Federal policies to stimulate the economy can be substantially reduced if State and local governments, in an economic crunch of their own, adopt policies that undercut the Federal effort:

(1) The stimulative effect of a Federal tax cut designed to put money into the economy quickly would be substantially reduced if State and local governments increase their taxes.

(2) The net effect of a public jobs program, designed to create new jobs, would be substantially reduced if State and local governments lay off regular employees and replace them with public service employees.

(3) Federal efforts to stimulate the construction industry would be substantially damaged if State and local governments are forced to cancel construction of essential capital projects because they have no money to pay for them.

(4) Federal efforts to target the stimulus to those most in need—through the use of the progressive income tax cuts—would be distorted as State and local governments raised property and sales taxes which hit hardest at those at the bottom of the income ladder.

PROPOSED SOLUTION

This program would attempt to reduce the likelihood that State and local governments will adopt policies that blunt Federal efforts to stimulate the economy by providing such governments with emergency financial assistance.

This program would be distinct from revenue sharing. *It is an anti-recession program.* It will provide assistance to a limited number of jurisdictions—those with the most serious economic problems.

LEVEL OF FUNDING

The level of funding for this emergency assistance program would fluctuate with the national rate of unemployment.

When the national unemployment rate averages 6% or more, for three consecutive months, a maximum of $2 billion would be made available for distribution to needy State and local governments. An additional $1 billion would be made available for each subsequent percenatge point increase in the national unemployment rate.

In other words, when the national unemployment rate averages 7% for three consecutive months, a maximum of $3 billion would be available under this program. At 8% unemployment, a maximum of $4 billion would be made available.

Similarly, as unemployment decreases, the amount available under this program would decrease.

Because the program would phase out as the economy improves, it would have less long term inflationary impact than other programs enacted during a recession. Unlike other programs that may start small and then get larger over the years, this program would start large when it is most needed—when the economy is in the greatest difficulty and would get smaller as the economy improves.

The level of funding should provide enough funds to stabilize those State and local governments in the worst fiscal shape without making up in full the projected deficit of State and local governments. This is very important because a time of economic difficulty should be a belt-tightening time for all levels of government. The purpose of this program is not to bail out State and local governments in fiscal difficulty. Rather, it is to provide them with enough assistance so that, if they make economies of their own, they can stabilize their budgets and not be forced to reduce services or employment or taxes.

DISTRIBUTION OF FUNDS

The funds available under this program would be divided into two pots—one-third of the funds would go to State governments and two-thirds of the funds would go to local governments.

The formula for distribution to both State and local governments would take into account both unemployment and taxes raised by each recipient government with unemployment given double weight. Unemployment would provide a measure of the impact of the recession on a particular government. The level of taxes raised would provide a measure of the size of the operations of that particular government.

A. Allocations to State governments

State allocations would be made two-thirds on the basis of unemployment and one-third on the basis of its adjusted taxes. In each case the particular State's unemployment (in numbers) and its taxes raised would be compared to national totals, with the unemployment percentage weighted double. Say, for example, a State had 5% of the nation's unemployment and raised 2% of all taxes raised by all State governments. With the unemployment percentage weighted, that State would receive 4% of the funds for all State governments. At current unemployment levels, the State would receive about $52 million—or 4% of the $1.3 billion available to State governments.

B. Allocations to local governments

Allocations to local governments would be made according to the same formula—two parts unemployment and one part adjusted tax raised. For each local government for which the Labor Department has verified unemployment statistics (about 2,000 in all), there would be an allocated share. For those local governments for which the Labor Department does not have verified unemployment data, funds to be administered by the State would be set aside in each State.

Local governments for which there is no precise unemployment data would, in the aggregate, receive funds in the same proportion as the local governments for which there is unemployment data.

State or local governments whose unemployment rate drops below 6% would not receive assistance under this program. However a local jurisdiction with an unemployment rate above 6% would receive its share even if it were located within a State with an unemployment rate below 6%. Any funds not expended because they were allocated to jurisdictions with an unemployment rate below 6% would remain with the Treasury—and as a result the total funding of the program would be reduced.

In addition, the legislation provides for a contingency fund to be administered by the Secretary of the Treasury, of up to 2½% of the amount authorized for the program. This fund would be used by the Secretary for the purpose of making additional support grants to State and local governments in severe fiscal difficulty.

RESTRICTIONS ON USE OF FUNDS

It is important to give State and local governments as much flexibility as possible in the spending of these funds so that this assistance can be used to compliment other Federal programs to stimulate the economy. The principal restriction that would be placed on State and local governments is that these funds be put toward maintaining current service levels.

State governments receiving funds under this program would be required to maintain their current levels of assistance to local governments.

In addition, whenever a State or local government which receives assistance under this legislation raises its taxes or substantially reduces its services, it must report that to the Secretary of the Treasury within 30 days.

APPLICATION PROCEDURE

Unlike revenue sharing, there would be an application procedure—though be it expedited—for State and local governments obtaining funds under this program. The Secretary of the Treasury is required to approve within 30 days every application that meets the requirements of the program.

CIVIL RIGHTS ENFORCEMENT

There would be a flat prohibition against discrimination in the use of any funds under this program. In any case where the Secretary of the Treasury makes a finding of discrimination by a State or local government and is unable to achieve compliance within 30 days, he would be authorized to defer payment to the discriminating jurisdiction unless compliance is achieved.

WAGE STANDARDS FOR LABORERS

The legislation provides that laborers and mechanics employed by contractors on all substantial repair or renovation construction programs funded under this program be paid wages at rates not less than those prevailing on similar projects in the locality as determined by the Secretary of Labor under the Davis-Bacon Act.

FORMULA

State allocations

Definitions:

State Unemployment Percentage: The ration obtained by dividing the number of unemployed persons within each State for the most recent quarter by the total number of unemployed persons in the nation for that same quarter.

State Tax Percentage: The ratio is obtained by dividing the adjusted taxes raised from own sources by each State government by the adjusted taxes raised from own sources by all State governments.

Each State's allotment is based on the following formula: 2(SUP) plus (STP) over 3 equals percentage of funds authorized for allocation to State governments.

Local allocations

Definitions:

Local Unemployment Percentage: The ratio obtained by dividing the number of unemployed within each locality for the most recent quarter by the total number of unemployed persons in the nation for that same quarter.

Local Tax Percentage: The ratio obtained by dividing the adjusted taxes raised from own sources in each locality by the adjusted taxes from our sources raised by all localities across the nation.

Each locality's allotment is based in the following formula: 2(LUP) plus (LTP) over 3 equals percentage of funds authorized for allocation to local governments.

STATE GAS TAX REVENUES IN DANGER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DERWINSKI) is recognized for 5 minutes.

Mr. DERWINSKI. Mr. Speaker, in our pell-mell rush to solve the energy crisis, we are on the verge of voting crippling sanctions against each of our 50 States. Ever since the oil embargo, existing and pending energy conservation measures have put the emphasis on ways to reduce gasoline consumption. Commendable and meritorious as this approach may be from an energy standpoint, it will have calamitous financial consequences for the States.

Since State gasoline tax revenues generally are based on a fixed gallonage tax, it is not too difficult to understand that reduced gasoline consumption would have a substantial impact on State revenues. In 1973, the States collected $7.6 billion in gas taxes—a total which accounted for approximately 12 percent of all State tax revenues. Based on 1973 tax rates and assuming a 5-percent annual growth in gasoline consumption, State revenues would total $13.6 billion by 1985.

However, the cumulative effect of previous Federal action and pending legislation now before the House Ways and Means Committee will reduce gasoline consumption by nearly 18 percent in 1976 and by approximately 30 percent by 1980. That means, based on 1973 rates, the States would lose $1.5 billion in gasoline tax revenue in 1976 and $3.8 billion by 1980. In my own State of Illinois, lost gasoline tax revenue would total $124 million in 1980 and would have a crippling effect on the State's highway program.

While the Federal Government earmarks gas tax revenue for highway and related transportation problems, many States use State gas tax revenue not only for transportation but for a variety of other programs. For decades, the States have relied on State gas taxes for a stable and sizable segment of their total revenue. As the accompanying table shows, gas tax revenues accounted for more than 20 percent of total tax revenues in four States. Only two States collected less than 8 percent of their total tax revenue in gas taxes.

In my own State, Governor Walker and the Illinois General Assembly will be faced with the unenviable job of trying to replace a revenue source which now provides about 10 percent of the State's total tax revenue. The only other alternative for Illinois and the other 49 States would be substantial cutbacks in programs which are financed with State gas tax revenues.

In view of the devastating impact reduced gasoline taxes will have on each of the States, I think consideration has to be given to reimbursing the States for resultant revenue losses. None of the proposals pending in the House Ways and Means Committee addresses itself to that problem.

So that the Members may see the impact of Federal energy conservation proposals on State revenues, I am submitting tables which provide data for each State and include them in the RECORD at this point:

TABLE 1.—GAS TAXES AS SOURCE OF STATE REVENUE

[In millions of dollars]

State	1973 tax per gallon of gas (cents)	1973 gas tax revenues	1973 total tax revenues	Gas tax revenues as a percentage of total tax revenues
Alabama	7.0	$130	$828	15.7
Alaska	8.0	9	79	11.4
Arizona	7.0	81	628	12.9
Arkansas	8.5	97	536	18.1
California	7.0	715	7,010	10.2
Colorado	7.0	89	636	14.0
Connecticut	10.0	131	1,065	12.3
Delaware	9.0	27	306	8.8
Florida	8.0	336	2,400	14.0
Georgia	7.5	211	1,263	16.7
Hawaii	5.0	14	304	4.6
Idaho	8.5	37	234	15.8
Illinois	7.5	354	3,471	10.2
Indiana	8.0	220	1,419	15.5
Iowa	7.0	110	821	13.4
Kansas	7.0	85	491	17.3
Kentucky	9.0	150	898	16.7
Louisiana	8.0	138	1,095	12.6
Maine	9.0	47	281	16.7
Maryland	9.0	163	1,381	11.8
Massachusetts	7.5	177	1,967	9.0
Michigan	9.0	402	4,061	9.9
Minnesota	7.0	137	1,557	8.8
Mississippi	9.0	108	624	17.3
Missouri	7.0	177	1,073	16.5
Montana	7.0	$31	$162	19.1
Nebraska	8.5	74	351	21.1
Nevada	6.0	23	146	15.8
New Hampshire	9.0	35	150	23.4
New Jersey	8.0	252	1,775	14.2
New Mexico	7.0	47	351	13.4
New York	8.0	466	8,034	5.8
North Carolina	9.0	244	1,525	16.0
North Dakota	7.0	23	164	14.0
Ohio	7.0	348	2,522	13.8
Oklahoma	6.6	103	656	15.7
Oregon	7.0	84	592	14.2
Pennsylvania	8.0	383	3,755	10.2
Rhode Island	8.0	30	297	10.1
South Carolina	8.0	116	789	14.7
South Dakota	7.0	26	110	23.6
Tennessee	7.0	156	918	17.0
Texas	5.0	358	2,613	13.7
Utah	7.0	42	313	13.4
Vermont	9.0	22	179	12.3
Virginia	9.0	217	1,315	16.5
Washington	9.0	151	1,218	12.4
West Virginia	8.5	65	533	12.2
Wisconsin	7.0	146	1,759	8.3
Wyoming	7.0	19	85	22.3

TABLE 2.—IMPACT OF REDUCED GAS CONSUMPTION ON STATE REVENUES

[In millions of dollars

State	Projected loss in gas tax revenues		
	1976	1980	1985
Alabama	31	63	115
Alaska	2	3	6
Arizona	22	48	93
Arkansas	23	49	94
California	147	312	562
Colorado	19	41	77
Connecticut	26	54	93
Delaware	4	10	17
Florida	98	212	426
Georgia	58	124	245
Hawaii	1	4	5
Idaho	7	15	26
Illinois	49	124	232
Indiana	42	89	157
Iowa	18	40	70
Kansas	10	23	37
Kentucky	34	71	131
Louisiana	31	65	120
Maine	8	18	31
Maryland	39	83	156
Massachusetts	32	65	113
Michigan	83	175	316
Minnesota	24	50	87
Mississippi	23	51	95
Missouri	34	71	126
Montana	5	11	18
Nebraska	13	26	42
Nevada	8	16	31
New Hampshire	9	18	33
New Jersey	42	89	156
New Mexico	10	21	38
New York	65	140	230
North Carolina	54	116	212
North Dakota	5	8	15
Ohio	71	174	274
Oklahoma	20	41	72
Oregon	19	42	80
Pennsylvania	67	140	242
Rhode Island	6	10	19
South Carolina	28	58	110
South Dakota	2	7	12
Tennessee	38	80	151
Texas	68	143	253
Utah	9	19	33
Vermont	4	10	18
Virginia	52	110	209
Washington	29	61	107
West Virginia	2	26	46
Wisconsin	3	58	103
Wyoming	5	8	13

SUBSTITUTE BUDGET RESOLUTION INTRODUCED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. ROUSSELOT) is recognized for 15 minutes.

Mr. ROUSSELOT. Mr. Speaker, today I am introducing a concurrent resolution setting aggregate budget levels for fiscal year 1976. I intend to offer my resolution as an amendment in the nature of a substitute to the House Budget Committee's resolution (H. Con. Res. 218) when this legislation is considered later this week.

My resolution would balance budget outlays with anticipated revenues, and the following is a summary of its provisions:

First. Section 1(a)—Recommended level of Federal revenues in fiscal year 1976 is $299.4 billion. The Budget Committee's resolution has reduced Federal revenues by $4.4 billion to $295 billion in anticipation of the loss in revenue that will occur when Congress extends the tax reduction provisions in the recently enacted tax legislation—Tax Reduction Act of 1975, Public Law 94-12—to 1976. Essentially passage of the Budget Committee's resolution would be a tacit agreement by Congress to extend the tax reduction bill—legislation which has not even been considered. It is too early to know if the tax rebates will have any meaningful impact on the economy, and I do not believe that they will. In my view, the taxpayers of this Nation would rather see inflation brought under control, which could result in greater savings and spending power to the people, than a small tax rebate that is refunded to them in the year after it was collected. I have added a new section 2 to my substitute which would force Congress to act by July 15 if a revision of this budget resolution is necessary under section 304 of the Congressional Budget and Impoundment Control Act of 1974, and, in my estimation, that would be the appropriate time to make a decision on the extension of the Tax Reduction Act not 4 weeks after its enactment as the Budget Committee's resolution proposes.

Second. Section 1(b)—New budget authority in fiscal year 1976 is set at $300 billion. The committee in its resolution sets the budget authority at $395.6 billion. As you know, Mr. Speaker, the budget authority is essentially the appropriations and "back door" spending that is allowed in a fiscal year, but, of course, not all of this authority will be obligated or spent in that fiscal year. If we are truly to bring the budgetary process under control, we must put an end to massive appropriating and "back door" spending bills that mandate spending in years to come—commonly referred to as the so-called "uncontrollables" in the budget. As a matter of fact, approximately $110 billion is mandated to be spent in fiscal year 1976 under budget authority enacted in previous years unless congressional action is taken to amend and reduce that budget authority.

Third. Section 1(c)—Budget outlays in fiscal year 1976 limited to the amount of anticipated revenues, $299.4 billion. The Budget Committee's resolution would set outlays at $368.2 billion—a $100 billion increase over fiscal year 1974—which would result in a deficit for fiscal year 1976 of $73.2 billion. Although the Budget Committees' report on House Concurrent Resolution 218 admits that the economy cannot continue to tolerate huge deficits in fiscal year 1977, it dismisses its recommended deficit of $73.2 billion for fiscal year 1976 as "unavoidable and necessary." The committee reasons that Treasury borrowing to finance its recommended deficit will not displace borrowing in the private sector, and it gives as one of its reasons that, "private demand for loans has fallen rapidly during the current recession." In other words, the committee believes that if the recession continues there is no problem with financing the deficit. The "catch-22" of this theory is that their justification for the excessively high level of Federal spending and the resultant exorbitant deficit is that such action is needed to stimulate the economy, and—

> Given that result, continued Federal borrowing at the fiscal year 1976 level could compete with revived private loan demand and drive interest rates beyond what many borrowers could afford. Under those circumstances, to avoid high interest rates would require a further expansion of the money supply in excess of productive capabilities. This excess supply of money could lead to higher rates of inflation, if the strength of private demand again rises strongly. (House Budget Committee's Report on H. Con. Res. 218, H. Rept. 94–145, page 16.)

Many companies are already being pushed out of the bond market as a result of Treasury borrowing to finance the deficit. These stories have appeared in recent issues of the Wall Street Journal:

> The corporate bond market may be on the verge of collapse.
>
> "The door into the capital market is beginning to close, and soon perhaps only the stronger companies will be able to squeeze in," warns one official of a prestigious investment banking firm, Morgan Stanley & Co. And one veteran trader says he believes that, "major segments of the bond market" are near collapse.
>
> The reason so many companies are being forced out of the bond market is the vast sums of money that the U.S. Treasury will have to raise there, thus causing a shortage of cash for other issues. It's estimated that the Treasury will have to tap the public debt market for an estimated $80 billion over the rest of this year to offset a record U.S. budget deficit. Earlier this week the Treasury said it must raise about $17.5 billion in net new money by June 30. This is a staggering $13 billion more than had been forecast as recently as late February. (Wall Street Journal, April 3, 1975)
>
> In puzzling over the outlook for corporate credit in the months to come, private economists generally agree on certain points.
>
> For one, the government will go on trying to stimulate the economy out of the current recession, following up the $22.8 billion tax cut with new federal spending programs. At some point a vigorous recovery will get underway, accompanied by a sharp rise in business demands for credit.
>
> The Treasury, however, will preempt a large share of the available funds as it finances big federal deficits. So the upshot will be one of the following or, quite possibly, a combination of both:
>
> Interest rates will rise and some business borrowers will be crowded out of the market; a rush to avoid just such a development has helped to push the bond market close to collapse within the past few days.
>
> The Federal Reserve System will supply enough funds to meet the combined needs of the Treasury and business. But the swift growth of the money supply eventually will rekindle inflation and that will push up interest rates. (Wall Street Journal, April 7, 1975)

It is clear to me that the only solution to restoring long-term economic stability is to bring Federal spending under control and ease the inflationary pressures on the economy. A balanced budget would mean more credit available in the private money markets—a fact which would encourage capital investments by industry to expand production and jobs.

Fourth. Section 1(d)—Deficit for fiscal year 1976 recommended in my substitute would be $0, while the committee's resolution would ask the economy to accept a $73.2 billion deficit.

Fifth. Section 1(e)—Increase in the public debt limitation necessary in my substitute is $11.4 billion for fiscal year 1976. The committee's proposal includes a $93 billion increase in the debt limitation—the current debt limitation is $531 billion through June 30, 1975. The $11.4 billion increase in my substitute is necessary primarily to account for the outlays of the off-budget Federal agencies. These off-budget agencies currently include the Export-Import Bank, the Federal Financing Bank, the Rural Electrification and Telephone Revolving Fund, the Rural Telephone Bank, and the U.S. Railway Association. It is necessary to include the outlays of the off-budget agencies in the budget deficit since the lending of these Government-sponsored enterprises has to be financed by borrowing from the public or by other means.

It is only by including their outlays that a true picture can be given of the total Federal deficit that has to be financed in fiscal year 1976. As you know, Mr. Speaker, section 606 of the Congressional Budget and Impoundment Control Act requires the Budget Committees of Congress to study the provisions of law which exempt the off-budget agencies from inclusion in the normal budgetary computations. The committees are further authorized to recommend changes terminating or modifying these provisions—this is an action which I hope will be forthcoming in the near future.

The House Budget Committee included approximately $8 billion in its $93 billion recommendation to increase the debt limitation to compensate for the rise in the debt ceiling that it estimates will be necessary at the end of fiscal year 1975. However, we are dealing with a fiscal year 1976 resolution, and the budget control provisions in the Congressional Budget and Impoundment Control Act of 1974 are not effective until fiscal year 1976 and then only partially implemented. In addition, such an increase to cover fiscal year 1975 expenditures has not been approved by Congress. If the Ways and Means Committee also believes that an $8 billion increase in the debt limitation is necessary to cover fiscal year 1975 expenditures, it should bring such a bill before the House for consideration before the end of this fiscal year. It is for these reasons that I did not include this estimate in my substitute, and I do not think it is appropriate that it should be included.

Following is the full text of the resolution I am introducing setting aggregate budget levels for fiscal year 1976:

H. CON. RES. 254

Resolved by the House of Representatives (the Senate concurring),

SEC. 1. That the Congress hereby determines, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on July 1, 1975—

(a) the recommended level of Federal revenues is $299,400,000,000;

(b) the appropriate level of total new budget authority is $300,000,000,000;

(c) the appropriate level of total budget outlays is $299,400,000,000;

(d) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $0; and

(e) the appropriate level of the public debt is $542,400,000,000 and the amount by which the temporary statutory limit of such debt should be accordingly increased is $11,400,000,000.

SEC. 2. The Congress may adopt a revision of this resolution, pursuant to section 304 of the Congressional Budget Act of 1974, in the event of sharp revisions in revenue or spending estimates brought on by major changes in the economy or other developments. The adoption by the Congress of any such concurrent resolution described in this section, revising the recommended or appropriate aggregate levels contained in the first section of this resolution, shall be not later than July 15, 1975.

THE CAUSE OF THE RECESSION WAS INFLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 15 minutes.

Mr. KEMP. Mr. Speaker, economic analysts now agree the key cause of our recession was inflation.

It was inflation which created the turmoil in the economy which made recession inevitable.

And, this inflation—to a very great degree—was caused by the Federal Government, including its out-of-control spending and the deficits arising from that reckless spending.

The day after tomorrow, the House will begin a historic 10-hour debate on the resolution to establish the "target" ceilings on Federal expenditures and the deficit this coming fiscal year.

For years Congress sought a greater role in the formulation of the Federal budget, and the Congressional Budget Control Act of 1974 finally vested the Congress with that enhanced role. For those who had hoped that this would mean less—instead of more—Federal spending I am sorry to report that Congress is apparently about to fail the test.

The resolution which will be before us calls for Federal spending of about $73 billion in excess of revenue. Little or no restraint has been exercised. Programs have not been trimmed, and there has been little reluctance to engage in more new programs.

This staggering deficit will add to the national public debt—the burden not only saddled upon the living but those yet to be born.

The disastrous effects of this additional spending on efforts to control inflation will be severe, touching off another round of double-digit inflation. The result: a great likelihood of an even more severe recession, probably beginning in or soon following the winter of 1976–77—conveniently after the November 1976 elections.

How does this excessive spending bring about inflation?

When Government spends more than it takes in, it still must pay its bills. It pays those bills through borrowing funds from the same financial institutions that lend them out privately to businesses, to contractors, to prospective home purchasers, et cetera. The more capital Government takes out of the markets, the less remains.

Thus competition for those dollars remaining allows those institutions to sets higher rates of interest. This in itself reduces the amount of speculative capital, because those with speculative ventures cannot nearly as well afford to pay the higher rates of interest. But, the effect is higher interest rates, and when business, contractors, home purchasers, and so forth, cannot borrow, recession is the inevitable result, meaning the loss of productivity and jobs.

The Federal Government, unlike you or me, has another way to pay off its bills. The Government may pay off a portion of its new debt by monetizing it—a process by which the Federal Reserve System extends credit to its member banks, through "high-powered" money devices.

If the money supply increases faster than production, higher prices are always the result. There has never been a dramatic increase in money supply in the last century which has not been followed by a dramatic increase in prices. As the rate of inflation goes up, so to does the rate of prices, following by a few months to a year.

What is the effect on the dollar? Let me use an example.

If there is a level of national productivity of, for example, 1,000 units, and there are $1,000 in circulation, then each has a value of $1. Now, if Government increases the money supply by 100 the next year—without any commensurate increase in national productivity—that means we have $1,100 in circulation, but productivity still stands at 1,000. Thus, the value of each unit of money is decreased to about $0.91. That simply means that it takes more of those units of money today to buy what you could have bought last year. What cost $1 last year, now costs about $1.09. That is inflation.

A majority of members of the Committee on the Budget have apparently not learned their lessons sufficiently as to the direct consequences of what they are asking us to approve this week—the inflationary, then recessionary, consequences of too much Federal spending.

The debate on this issue is usually structured this way. One side argues that it was the recession which created the deficits. The other side—the one with which I agree—contends that it was the deficits which through inflation created the recession.

I think the proof of the accuracy of the latter position is in the facts.

We have had deficits 16 out of the past 18 years—a substantial and sustained Government stimulus to the economy—one designed, according to the advocates of deficit financing, to create jobs and assure prosperity. It ought to be obvious to even the most casual observer that this has not happened.

Instead, we now have the highest level of unemployment since before the Second World War and the lowest level of national productivity in 37 years.

Their plans have backfired, and it is time for them to acknowledge it and set about a separate course—one designed to reduce Government spending and deficits, thereby reducing inflation and the risks of recession.

A penetrating analysis published last Friday in the Wall Street Journal substantiates this growing awareness among economic analysts that it was inflation which caused the recession.

I think it is well worth the time of every Member to read this thoughtful study. It certainly shows us what we ought not to do this week—rubberstamp the committee's recommendations that we spend more and more of the taxpayers' already scarce money and that we set into motion policies which will burden the taxpayer with continued inflation.

The analysis follows:

STUDYING THE SLUMP: ANALYSTS NOW AGREE RECESSION'S KEY CAUSE WAS RAMPANT INFLATION

(By James P. Gannon)

"It was all held up by mirrors."

Looking back on last year's apparent business prosperity from the depths of this year's severe recession, economist Charles Reeder of Du Pont Co. finds it clear that there was a basic phoniness about it all. In mid-1974, production was booming, prices were climbing, profits were rising and orders were pouring in so that that Du Pont's plants couldn't keep up with them.

But even then, Mr. Reeder had a nagging worry that this boom wasn't real. "Our manufacturing divisions kept telling me I was wrong," he recalls. "They were flat sold out and scrambling to get raw materials." Still, the economist knew that consumer spending had been weak for months, so the order strength had to reflect inventory building by businesses rather than final sales. Du Pont's customers were ordering feverishly to beat expected price increases and to stockpile goods against possible shortages that might disrupt their operations or retard their sales.

This buying panic, fueled by inflationary psychology, was going on all across the industrial economy. Businessmen were selling goods to one another at a hectic pace, largely ignoring the steady erosion of consumer purchasing power being wrought by inflation. "It was the kind of situation where, when change came, it had to come fast," the Du Pont economist reflects. "Sort of like the stock market: When a bull market ends, it can happen quickly."

THE COLLAPSE

It did happen quickly. The phony prosperity of 1974 collapsed so fast last fall that it caught the federal government, American businessmen and the economics profession flat-footed. In September, the White House was holding its summit conference on inflation and pooh-poohing talk about a recession; the head of General Motors Corp. was predicting sales of 10 million 1975-model cars, a 5% rise from expected 1974-model sales; a quarterly survey of 50 leading economists yielded a consensus forecast of a fourth quarter upturn. Yet at the same time the bottom was starting to drop out of the U.S. economy.

None of the authorities foresaw what the next six months would bring: the worst recession in America since the great Depression of the 1930s. Since September, industrial production has plunged 12.7%, employment has dropped by 2.5 million jobs, and the nation's unemployment rate has leaped to 8.7%, the highest since 1941, from 5.8%. That means eight million jobless people.

Though the economy's slide is still continuing it is losing momentum. The decline in factory production is moderating, and businesses are selling the unwanted inventories that forced the big production cuts and layoffs. Businessmen and economists generally expect a gradual recovery in summer or fall.

ROOT CAUSE: INFLATION

What caused the recession? And why did it sweep through the economy with such frightening speed? Extensive interviews with academic economists, business forecasters, corporate executives and other analysts across the country indicate that they are still sifting the debris of their shattered expectations for the answers. That process may go on for months or years, but the most important conclusion already is evident: The root cause of this recession was rampant inflation.

When Mr. Reeder of Du Pont says last year's fragile prosperity was "held up by mirrors," he is thinking of all the reflections of inflation that distorted the true picture of the economy. Inflation swelled profits and sales figures, producing a phony euphoria among businessmen; it distorted government economic statistics, making it hard to see that a recession was brewing; it bred a buy-and-stockpile psychology among businessmen even as it was eroding purchasing power and increasing the income-tax bite on consumers, producing a save-and-retrench attitude. Inflation's impact is the key thread linking all the many causes of recession, including the Federal Reserve's heavy-handed tight-money policy of 1974 that sought to stop the frightening price spiral at all costs.

"What we have here," comments Edwin N. Yeo, senior economist and vice chairman of Pittsburgh National Bank, "is an inventory recession that has its roots in inflation." Like many other economists, Mr. Yeo thinks of the current slump as a two-stage recession: a consumer recession, which began late in 1973 as increasing costs of food, fuel and other basics undermined people's ability to buy cars, refrigerators, clothing and other things; and a business recession, which started soon after last Labor Day. "The consumer recession has been mild, but the business recession has been wild." Mr. Yeo says.

Consumers ran a losing race with prices all through 1973 and 1974. The workingman's income just couldn't keep up with double-digit inflation. Real spendable earnings—take-home pay after tax and price increases are considered—fell 8.8% between November 1973, when the economy was at its peak, and last month. One key reason was the explosion in retail food prices, which soared 20% in 1973 and another 12.2% in 1974, according to government statistics.

Two elements of the inflationary squeeze on consumers had especially debilitating effects. One was the "oil tax" imposed by Arab and all oil-exporting states; the other was the hidden income-tax increase imposed by the interaction of inflation and the progressive federal income-tax system.

By more than tripling the price of oil exported to the U.S., the foreign oil producers extracted an additional $18 billion from Americans last year. That increase in the U.S. oil-import bill represented a deadweight loss to the economy; the money flowed entirely out of the American spending stream into foreign pockets. The oil-price explosion triggered other energy-price increases that may have doubled the direct impact of $18 billion, according to some estimates.

Many economists liken the impact of these price rises to that of a massive excise tax. "It's as though we put a 4% sales tax on everything we buy," with the government keeping rather than spending the receipts, says Arthur Okun of the Brookings Institute.

This "oil tax" was at once both inflationary and deflationary; it pushed up prices to consumers and pushed down the economy by taking a vast amount of income out of the spending stream. "We get the worst of both worlds" in such a case, Mr. Okun observes.

THE TAX BURDEN

The unlegislated income-tax increase of 1974 also is gaining recognition as a cause of the consumer recession. Again, inflation is the culprit. "The tax system treats an increase in money income as an increase in real income and takes a bigger withholding bite," explains F. Thomas Juster, a University of Michigan economist who studies consumer behavior.

Families whose incomes rose just enough last year to keep up with the 12% pace of price rises didn't have any increase in real income. But their nominal gain was subject to taxation, and this pushed many into higher tax brackets. Thus, last year's 8% increase in total personal income produced a 15% jump in tax collections from individuals. Mr. Juster says that "the tax system is supposed to be an automatic stabilizer" that extracts less from the economy during recessions than during booms but that "it didn't work out that way in 1974" because of inflation.

"As a result of inflation-swollen tax collections," states a study by the Joint Economic Committee of Congress, "this is the first recession during which the overall tax burden on individuals and families has increased." The committee study reports that tax payments last year rose faster than any other part of the family budget, outstripping hefty advances in food and housing costs. The study figures that for a typical family of four with an income of $14,466, income taxes rose by $426 and Social Security taxes by $140 last year, mainly because the family's income rose $1,840 from the year before.

As they watched grocery bills, fuel bills, tax bills and other budget items climb alarmingly, consumers lapsed into a state of inflation-shock. Frightened and confused, they cut back spending postponing purchases of things that weren't absolutely essential. In this bearish, unstable environment, Detroit unleashed its summer stunner: price increases averaging $500 per car. The consumer recession deepened as the expensive 1975-model autos went on sale to an unreceptive public. The "powerful combination" of inflation-shock and auto-industry layoffs created "a real air pocket in consumer spending in September, October, November and December," Mr. Juster of Michigan says.

BUSINESS GETS THE MESSAGE

Although consumer markets had been sluggish since late 1974, the recession message didn't really get through to most businessmen until autumn.

"They just didn't see the recession because they were selling to each other," explains David Grove, chief economist for International Business Machines Corp. "They weren't looking at the consumer, they were looking at all the orders from other producers." With profits holding high and orders strong, he says, "businessmen were misled into thinking, 'What recession?' "

Certainly, there were a lot of misleading signals. In Washington, government officials were assuring businessmen as late as mid-October that the economy was just "waffling sideways" through a temporary energy-crisis "spasm." Private economists were widely divided about the outlook, with those predicting a recession generally saying it would be mild.

Economic statistics were confusing, too. "We had lots of data problems that were puzzling," says Geoffrey Moore, vice president of the National Bureau of Economic Research, a private outfit that keeps track of economic trends. Real gross national product (the physical output of all goods and services) was down sharply, but industrial production was essentially flat and employment was rising through much of 1974, he notes.

Inflation turned some key statistics into misleading indicators. Mr. Moore says that "the profits situation was confusing because profits in dollars looked very good and kept going up all through 1974." But, he adds, when profits were adjusted for gains in inventory values because of inflation, "they looked very sick indeed." Most businessmen, however, had a hard time thinking recession when their earnings statements looked so good.

INVENTORY ACCUMULATION

Spurred by fears of shortages, a stream of materials-price increases and their own inflation-distorted profits and sales figures, businessmen kept building up inventories. "The inventory accumulation was stupendous," says Raymond J. Saulnier, chief White House economist under President Eisenhower. "And it was all obscured by totally misleading inventory statistics."

In July, the Commerce Department reported that it had massively underestimated the pileup of inventories in 1973 and early 1974. Its revised figures showed that inventory building in 1973 had been double its earlier estimate and that inventory accumulation in the first quarter of 1974 ran at a dangerously high $16.9 billion annual rate, rather than a $5.5 billion rate as previously thought.

"Overnight, we went from a position of saying that there was no inventory overhang to saying that we've got the biggest overhang in years," Mr. Grove of IBM says. "It became clear that we were going to have a humdinger of an inventory correction." And that means a deep recession "This is one of the reasons the slide is so steep now," Mr. Grove adds, "because it is a delayed reaction." In other words, if businesses had gradually lowered production last year in line with weakening consumer buying, the collapse in autumn could have been avoided.

The forces building toward an economic bust were strongly reinforced by government policies in 1974. Horrified by the eruption of double-digit inflation, officials of the Ford administration and the Federal Reserve Board decided to risk a recession in adopting restrictive fiscal and monetary policies to halt the price spiral.

"LEANING TOO FAR"

Herbert Stein, who resigned as chief White House economist last September, told Congress in mid-1974 that strong restraint must be used to subdue inflation, "even at the risk of possibly leaning too far" toward recession. Now a professor at the University of Virginia, Mr. Stein concedes that the administration and the Fed leaned too far. The chief anti-inflation hawks, Treasury Secretary William Simon and Fed Chairman Arthur Burns, promoted a type of "zealotry" that made more moderate policies impossible, Mr. Stein says.

William Fellner, another member of the President's economic council until he resigned in February, confirms that the policymakers were willing to risk a recession. "The feeling was that if we don't get inflation under control," he says, "then the system is lost." Officials felt that a free-enterprise democracy couldn't survive long with double-digit inflation because "ruthless" government controls on economic activity would have become necessary.

This climate of fear produced not only restrictive budget and monetary policies but also a post-summit Ford proposal for an income-tax increase and a WIN-button campaign. The tax proposal was doomed in Congress from the outset—as administration officials undoubtedly knew—but it helped buy some time to permit the Fed's tight-money policy to slow inflation.

Was the recession an accident, or was it made in Washington on purpose? Probably it was some of both. "It wasn't that Simon and Burns wanted to fill the record books with bad economic numbers, like 9% unemployment," says Mr. Okun of Brookings, who was chief economist under a Democratic President, Lyndon Johnson. "But all the risks were taken on the downside."

Inflation had sown the seeds, and the crusade against inflation had reaped the harvest: the bitter fruit of recession.

Mr. Speaker, it is time we went on a spending diet. Inflation is not an act of God. It is a result of politicians' irresponsible actions. I can think of no better time than now to put a stop to it.

CONDOMINIUM TAXATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. BURKE) is recognized for 10 minutes.

Mr. BURKE of Florida. Mr. Speaker, I introduced a bill to provide tax relief for condominium owners, homeowner's association, and cooperative housing corporations by adding to the list of exempt organizations contained in the Internal Revenue Code (a) section 501 (c) those organizations set up to operate, preserve and maintain the common areas and facilities of the same.

I represent the Fort Lauderdale, Fla., area which is known as the condominium capital of the United States. Specifically my district is composed of 18 municipalities, and a large portion of the unincorporated areas of Broward County, the fastest growing county in the United States. The cities include Dania, Davie, Fort Lauderdale, Hollywood, Lauderdale-by-the-Sea, Lauderdale Lakes, Lauderhill, Miramar, Pembroke Pines, Plantation, Oakland Park, Sunrise, and Wilton Manors.

Last year we passed the Housing and Community Development Act of 1974 which mandated the Department of Housing and Urban Development—HUD—to conduct a full investigation and study of condominiums and cooperatives and to report its findings to Congress before August 22, 1975. I was happy to offer my support for this legislation.

While condominiums have been popular in Europe for years, they are a new concept in the United States. Only since 1962 have people been able to buy condominiums. In fact, in 1970 condominiums accounted for only 11 percent of new home sales. Now, in Broward County, Fla., condominiums are the prevalent form of housing, and, if the experts are correct, they will soon be the prevalent form of housing for all Americans.

At the present time approximately 35,000 condominiums in the Fort Lauderdale area are vacant. When the Consumer Price Index—CPI—started to rise many condominium buyers became aware of the fine print in their purchase contracts, notably those containing recreation leases and escalation clauses tied to the CPI. Some leases obligate buyers, their heirs, or subsequent purchasers to continual monthly payments to the developers for such amenities as swimming pools and saunas, and the payments go up but not down with the Consumer Price Index. Failure to make such monthly payments can result in foreclosures and the loss of the purchaser's investment.

Pursuant to the law passed by the 93d Congress, early in 1975, I requested the HUD Condominium Task Force to hold field hearings on condominium problems in Fort Lauderdale so that concerned Floridians could have the opportunity to give their views to HUD officials charged with handling condominium problems. A team of investigators headed by Assistant Secretary for Policy Development and Research, Michael H. Moskow, in accordance with my request, did hold hearings in Fort Lauderdale on March 24, 1975. Voluminous information was obtained from both the developers and owners as to the problems of condominium development and ownership.

Condominiums, of course, may be office buildings, resort hotels, townhouses, or single family homes, but national concern is presently on alleged abuses involving apartments. Basically, a buyer gets fee simple title to an apartment and part of a common interest in other facilities, including public hallways, elevators, grounds, lobbies, and recreation.

One may purchase an interest in such facilities outright or pay a monthly rental under a lease with a developer. Generally the lease arrangement is more favorable to the latter, since it enables him to sell at a more competitive price and still receive residuals for as long as 99 years.

One might ask why anyone would sign a purchase contract with a recreation lease. According to testimony in Fort Lauderdale, only about 5 percent of the buyers were represented by an attorney when they signed contracts which often ran to 60 pages. The buyers apparently were dazzled by what the Sunshine State offered—beautiful apartments at modest prices, well-landscaped grounds with enticing recreational facilities, and just ignored the fine print and signed up.

Although the State of Florida recently passed a law governing full disclosure of facts in condominium sales, it does not protect buyers who signed contracts for the purchase of a condominium prior to passage. Problems still remain such as:

Long-term recreation leases that force owners to pay for use of facilities for years after the cost of such facilities has been recouped by the developer.

Management contracts that state maintenance service charges are included automatically in condominimum ownership.

Conversion of apartment units to condominiums, forcing renters, many elderly and poor, to move.

Possible bankruptcy of developers who have received down payments for building condominiums, but who have found themselves unable to build.

Furthermore, the Florida law does not establish authority for any specific agency to administer the law, hence this necessitates a great amount of litigation by the State attorney general and individuals.

Despite the many problems with condominium ownership there are still many advantages. Any new type of housing requires adjustments and proper protective legislation.

Mobile homes created problems when they were first introduced, so it is not surprising that today condominiums which are so popular—and, by the way—here to stay—concern all levels of government.

The legislation I introduced today will deal with one of the serious problems faced by condominium owners. Recently the Internal Revenue Service held that condominiums and housing associations are, in fact, corporations under the law, thus they should be taxed at corporate levels. The practical effect of this ruling is to severely hamper the development of such housing concepts by placing heavy tax penalties on the accumulation of reserve funds, and thus require associations to make heavy assessments on homeowners whenever extensive repairs must be made.

Mr. Speaker, as you know, condominium owners, are responsible for the maintenance of the interior of their units, but, the commonly held areas, are maintained by an association composed of the individual owners. This ownership management association takes the form of a corporation in order to protect owners from unlimited liability. Unit owners then pay, usually in monthly installments, a sum to the management organization, or the association, to meet these maintenance costs. The bulk of the monthly assessment is used for utilities, current maintenance and repairs and capital replacement and repairs. However, a smaller portion of this fee generally is set aside as a reserve for future capital replacement or repairs, such as for repairs to roofs, sidewalks, heating and air conditioning equipment and other pertinent recreational facilities. It is there reserve funds which are taxable by the IRS decision. The amount of tax involved could be as high as 48 percent at the Federal level, in addition to any State corporation tax such as we have in Florida.

Mr. Speaker, there are presently over 20,000 "community associations" in the United States. To allow the IRS ruling to stand would be to force each and every owner to pay the high tax assessments on this reserve fund, an amount which is often in the tens of thousands of dollars.

Such a tax, in my opinion, is double taxation on these owners. The owner has already paid income taxes on the money deposited with the association for maintenance, but he must in effect pay another higher tax when that money goes into the reserve.

We have a situation where the Government and private lenders are requiring the maintenance of a reserve as a good, sound financial procedure, but another Government agency—the IRS—is taxing the reserve to death.

On January 15, 1974, the Internal Revenue Service, in Revenue Ruling 74–17, ruled that organizations "Formed by the unit owners of a condominium housing project to provide for the management maintenance and care of the common areas of the project as defined by State statute, with membership assessments paid by the unit owners does not qualify for exemption under section 501(c)(4) of the code." This decision reversed the traditional IRS interpretation which stated that organizations which are operated primarily for the purpose of bringing about civic betterment and social improvement, such as condominiums, were tax-exempt.

On March 6, 1974, Revenue Ruling 74—17 was modified to apply to homeowners associations, although not in such as an all-inclusive order as was the case with condominiums. In Revenue Ruling 74–99, a homeowners' association my qualify for exemption under section 501(c)(4) of the code, if first, it serves a "community" which bears a reasonable recognizable relationship to an area ordinarily identified as governmental; second, does not conduct activities directed to the exterior maintenance of private residences; and third, offers the common areas or facilities it owns for the use of the general public. Thus, although some homeowner associations will still be tax exempt, most will no longer receive the exemption they previously enjoyed.

Cooperatives face these same heavy tax burdens when they accumulate excess assessments. In *Park Place, Inc.* v. *Commissioner of Internal Revenue,* 57 T.C. 767 (1972), the court found that excess assessments from members over and above, those amounts used for current operating expenses were taxable. Thus this ruling also prohibits cooperatives from accumulating reserves necessary for the accomplishment of long-term or costly maintenance tasks.

The individual homeowner does not have to pay a tax on the money he saves and expends for maintenance, but because of these rulings, the condominium, cooperative, and planned unit development homeowner does. In effect, the Internal Revenue Service has made it more costly for condominium homeowners than other homeowners to operate, preserve, and maintain their homes.

The bill I introduced today would exempt from corporate taxes the income derived by condominium homeowners and cooperative housing associations from owner assessments for the purpose of maintaining, repairing, and replacing common property items. The measure requires that such corporation be operated exclusively for the preservation, maintenance, management, operation, and repair of common buildings, grounds, and facilities of the association, and does not allow such associations to engage in any profitmaking ventures not connected with the performance of services for the benefit of individual members of the association.

Additionally, membership would be limited to owners or occupants of residential units in the condominium, housing development, or cooperative housing corporation. Thus my bill would preclude the use of this exemption by commercial operations seeking such favorable tax treatment. Finally, to eliminate abuse, my proposal includes a special rule that only membership income—that income derived from assessments, fees, or charges received from members of the association for maintenance, and management of the development—is exempt—and that other income, from whatever source, including interest, is still subject to taxation.

Stated briefly my legislation exempts from Federal tax those reserve funds accumulated by housing associations through membership assessments for the purpose of maintaining the common buildings, grounds, and facilities of condominium, cooperative, or homeowner associations.

With all the other headaches besetting condominimum owners, they do not need this added aggravation, and it is my hope that the Congress will act swiftly to enact my bill.

CONGRESSMAN DRINAN REFUTES CONTENTIONS THAT ISRAEL WAS INFLEXIBLE IN NEGOTIATIONS WITH EGYPT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN), is recognized for 10 minutes.

Mr. DRINAN. Mr. Speaker, the Congress and the country have been assured by Secretary of State Kissinger in his recent address to the American Society of Newspaper Editors that "the American commitment to the survival of Israel will not be affected and cannot be affected" by the reassessment now being made by the Ford administration with respect to U.S. policies in the Middle East.

Although all of us would have been more pleased if Dr. Kissinger had spoken of the "security" of Israel rather than of its "survival" it seems unlikely that any important change in America's position on Israel can or will take place. Nonetheless, every possible misunderstanding must be clarified and every allegation of misconduct on the part of Israel must be answered. Israel must be able to continue to rely upon the friendship of the United States—especially in connection with the defense of Israel for which Israel is now seeking to purchase $2.2 billion in arms from the United States, including several squadrons of advanced F-15 fighters and Lance ground-to-ground missiles.

Mr. Speaker, all of the pulse-taking with respect to United States-Israel relations does not pertain to the Congress where support for Israel is at an unprecedented high. Whatever reassessment is being conducted has been ordered by the Ford administration on the allegation that Israel was less than flexible in the unsuccessful negotiations conducted by Dr. Kissinger.

All of the facts, however, that have emerged with respect to the negotiations between Israel and Egypt demonstrate that Israel was extraordinarily open while Egypt continued to be intransigent. Israel recognized the enormous difficulties confronting this tiny nation after the Rabat Conference of October 1974. The decisions at Rabat were not essentially different from those of the Khartoum Conference in 1967. In both conferences the Arab heads of state resolved and announced no peace with Israel, no recognition, and no negotiation. The Rabat Conference added the ominous declaration that the Palestinian Liberation Organization—PLO—was the sole representative of the Palestinians; the PLO of course openly seeks both in practice and as an ideological objective to exterminate Israel. The Rabat Conference also reached the decision to forbid separate or partial agreements between Israel and single Arab countries.

Despite these formidable barriers, Israel, in its negotiations with Egypt, offered to withdraw from the passes at Mitla and Gidi. In addition, Israel agreed to withdraw from the Abu Rodeis oil fields—the source of at least 50 percent of all the oil needed by Israel.

Israel offered these very tangible concessions in return for a requested long-range commitment of nonbelligerency toward Israel. President Sadat and his associates appeared at a moment in time to be talking about something approximating a declaration of peace, but at no time did they ever sincerely offer anything of substance in return for the very real and sacrificial concessions made by Israel.

Mr. Speaker, it seems difficult to understand how the allegation of intransigence or even of inflexibility against Israel has been made. The concessions offered by Israel were unprecedented in number and in depth. Not a few members of the Knesset and at least a strong minority of Israeli citizens wondered whether Israel should ever have offered the broad concessions which it extended to Egypt. The spokesmen for Israel in the negotiations quite literally wanted to progress step by step under the direction of Secretary Kissinger. A careful and comprehensive review of Egypt's reactions to each phase of the proposed step-by-step diplomacy causes one to wonder whether President Sadat ever comprehended that the negotiations depended upon concessions and compromises being made by each side on a step-by-step basis. The position of President Sadat reflects of course the hard line, "hawkish" members of the Egyptian Government. But similarly minded persons are numerous and very articulate in Israel. Despite the presence and force of these persons, however, the Israeli Government extended olive branches unparalleled in all of the negotiations since the 1967 war. The offer to withdraw from the oil fields is in and of itself a startling concession by Israel. I do not know with any certainly whether the United States made some commitment to furnish Israel with oil in the event that it did withdraw from the oil fields in Abu Rodeis. But even if the States had made such an offer, the political and economic difficulties of carrying out such a promise would be very clear to the Israelis.

The Mitla and the Gidi Passes were, moreover, the key points of access through Sinai's western mountains to the plains that reached to the very borders of Israel. It is clear that the nation that holds these passes holds the key to the Sinai. Israel was willing to withdraw first to the middle of these passes and then to the east of them if the United Nations had supervision of the passes. In return for these concessions, Israel did not ask for peace, but only for a commitment to end war as an instrument of policy.

The best that Egypt after extensive negotiations would offer was an ambiguous military formula about "the non-use of force." This was a repetition in slightly different words of the undertaking which Egypt had assumed in the military disengagement agreement made in the Sinai in January 1974. Even though Israel offered concessions that would weaken it strategically, Egypt demonstrated that it was not going to be a serious partner in the step-by-step approach to peace. It was the Egyptian intransigence and President Sadat's determination to use the peace talks for military strategic gains that inexorably brought about the suspension of the negotiations.

It should also be pointed out that it was Israel in the final days of the Yom Kippur war that made a deliberate decision not to press on to a decisive military defeat of the invading Egyptian Army. It was once again Israel that in early 1975 demonstrated that it was ready to make far-reaching concessions with the full knowledge of the military risks involved. Egypt was asked only to take the first step away from war toward some prospects of peace. It must sadly be concluded that Egypt during the recent negotiations has not deviated from its 26-year long record of refusal to negotiate even the beginning of a comprehensive peace settlement.

THREE OTHER EXAMPLES OF EGYPTIAN PRETENSIONS OF PEACE

So many voices insinuate or imply that Israel has been inflexible that it seems necessary, Mr. Speaker, to set forth the details of three areas in which Egypt has been obstinate and recalcitrant in carrying out its commitment. In these three areas Egypt has pretended to make concessions when in fact it has refused all compromise. These three areas are: First, the opening of the Suez Canal; second, the extension of the United Nations Emergency Force; and, third, the return of Israeli dead and missing in action.

The widely heralded intention of President Sadat to open the Suez Canal on June 5 demonstrates the hypocrisy of Egypt. The fact is that Egypt is already required by international law under the Constantinople Convention of 1888 to keep the canal open at all times. In addition, the Israel-Egypt disengagement agreement of January 18, 1974, includes an unqualified obligation by Egypt to permit the free passage of all cargo ships including those destined for and coming from Israel.

The alleged benefits to Israel and to the world from the forthcoming opening of the Suez Canal are not therefore a concession or a compromise on the part of Egypt. The opening of the Suez Canal is simply a withdrawal by Egypt from its lawlessness in defining international law with respect to the Suez.

President Sadat's announcement that he was "extending" the United Nations Emergency Force mandate for another 3 months is a second pretended concession by Egypt. President Sadat has no mandate or right to "extend" the existence of this emergency force in the Sinai Desert. By law, such a decision is entirely up to the Security Council and not to Sadat. This fact is clearly stipulated in the Security Council's Resolution No. 341—1973—which states that the force in the Sinai—

> . . . shall be established . . . for an initial period of six months and it shall continue in operation thereafter, if required, provided the Security Council so decides.

President Sadat's unilateral decision to extend the duration of this mandate is not a concession or a compromise but rather a usurpation of the exclusive function of the Security Council of the United Nations.

A third reason why Israel and the world can be skeptical of the so-called concessions of President Sadat comes from the manner in which he has handled the issue of the return of the bodies of Israeli soldiers who died in the Yom Kippur war in October 1973. On March 29, 1975, President Sadat announced to the Parliament in Cairo that he would return the bodies of 39 Israeli soldiers. Sadat pretended to the world that he was performing a great humanitarian act. The fact is, however, that in the Israel-Egypt disengagement agreement of January 1974, both sides agreed to cooperate with the Red Cross with respect to the immediate exchange of bodies. Egypt delayed in fulfilling its obligation in this matter and, beginning in May 1974, the Egyptians began to impose conditions on the return of the bodies. In particular, they demanded the release of hundreds of Arab terrorists—including the bodies of the killers of the children at Ma'alot. Israel acceded to the release of 92 terrorists and spies along with 50 members of their families. In June 1974, Egypt demanded the release of more terrorists. When Israel refused, Egyptians promptly put an end to the search for the bodies of Israeli soldiers. It was not until February 1975 that the Egyptians, having extracted further concessions from Israel, indicated that they would implement the commitments which they made in January 1974, with regard to the fallen soldiers of Israel.

Egypt made no concessions in any of the three foregoing events. Indeed, it must be said with sadness that Egypt has made no concessions or compromises at any time. In fact, Egypt does not even live up to the basic agreements and commitments which it made in the Israel-Egypt disengagement agreement signed at kilometer 101 in the Sinai Desert on January 18, 1974.

ISRAEL'S PROBLEMS AND PROSPECTS

Nationally syndicated Prof. John P. Roche of Tufts University said recently that we could anticipate "a massive administration-sponsored campaign to bad-mouth Israel." One can hope that the situation will not come to this. At the same time, Israel will be criticized if she breaks off the Geneva Conference on the legitimate ground that the PLO is an Arab-Soviet front dedicated to the destruction of Israel. On the other hand, if Israel goes to the Geneva Conference, it will be construed as a de facto recognition of a certain legitimacy of the PLO.

A conclusion of the administration's "reassessment" is promised for mid-May. I cannot believe that any "reassessment" can reverse the positions of 6 Presidents and 13 Congresses.

Perhaps Secretary Kissinger spoke wisely in his recent interview with Pierre Salinger of the French newspaper. L'Express. Kissinger was asked if he felt that there were an erosion of support for Israel in the United States. He replied:

> I think in general the readiness to give foreign aid and to run the risk of war has deteriorated in America, but I think that Israel has suffered less from that deterioration than almost any other country.

Secretary Kissinger was reassuring, however, when he reaffirmed in this same interview, that the objects of the administration's reassessment is "how we are to conduct" our diplomacy. He added:

> This is the essence of our reassessment. Our reassessment isn't primarily concerned with questions of economic and military aid.

One can quarrel with the word "primarily" but overall Secretary Kissinger's words give some assurance that the unique friendship that has always existed between the United States and Israel is not being eroded.

Another area where Egypt appears to have been intransigent relates to the Arab boycott and blacklisting of American corporations that either have Jewish personnel or do business with Israel. In the negotiations between Israel and Egypt presided over by Secretary Kissinger, Israel offered concessions of a very tangible nature in return for a requested cessation of the economic boycott by Israel. Egypt seems not even to have responded to this request.

In order to eliminate American complicity with the Arab boycott of Israel, I introduced on April 14 the Foreign Discriminatory Commercial Practices Act of 1975 (H.R. 5913). This bill would prevent American companies which do business with the Arabs from releasing information about the race or religion of their employees. H.R. 5913 would also make illegal the furnishing of information which would allow the Arab nations to continue their economic boycott of Israel. This bill, if enacted into law, would offset the reported adverse effects on the economy of Israel of Arab economic warfare. Background on this proposed measure may be found in the Congressional Record of April 15, 1975 at Page 10326. A description of the insidious anti-Israel and anti-Semitic impact of the Arab boycott was described by me in some detail in the Congressional Record of March 24, 1975 at page 8445.

THE BONDS THAT LINK ISRAEL AND AMERICA

Despite any ambiguity which might exist in the minds of people at this particular moment with respect to Israel, the simple fact is that the United States is overwhelmingly committed to the protection and preservation of this small nation. Nothing in all of American history has ever resembled the bond that exists between America and Israel. One might think that there would be no reason whatsoever why a giant, immense country like America would have such a love affair with tiny Israel, one of the smallest nations of the earth, both geographically and in population. The bonds that unite these two nations are not pragmatic or political but moral and spiritual. America, like Israel, was once the land for the ingathering of the exiles. America, like Israel, is a nation of immigrants come together in a country whose main business is the extension of freedom.

The scientific poll released on April 6, 1975, by Louis Harris in the New York Times confirms the solidarity which Americans feel for the people of Israel. By a 66 percent to 24 percent majority, the people of American favor sending Israel what it needs in the way of military hardware. This is most remarkable in view of the decisive 65 percent to 22 percent majority of Americans who, according to the same Harris poll, oppose America's giving military aid to other nations. A solid majority of the public, furthermore, and 77 percent of American leaders feel that the current Government of Israel is "reasonable in wanting to work for a peace settlement." In addition, 55 percent of the public is opposed to America's pressuring Israel to hand back the occupied areas, while a larger majority, 65 percent to 14 percent is opposed to Israel's giving up occupied territory in order to let PLO leader Yasir Arafat rule it.

Even when confronted with the hypothetical question of choosing between oil from the Arabs and friendship with the Israelis, Americans, by a 68 percent to 20 percent majority, rejected the notion that "we had better find ways to get along with the Arabs, even if that means supporting Israel less."

When it came to the fundamental hypothetical question of whether we should stop supporting Israel with military aid if such were necessary to obtain Arab oil, an overwhelming majority of Americans, 64 percent to 18 percent, came down against abandoning Israel in order to secure sufficient oil.

The results of this Harris poll demonstrate that even if the Ford administration is making a "reassessment" of its position in the Middle East, the American people are not. It would seem that American citizens realize that the Arabs constitute only about 3 percent of the human race, have about 15 percent of the membership of the General Assembly of the United Nations, and have more than 60 percent of all the known oil resources in the world. Americans recognize that Arabs cannot pretend that they are the cruelly neglected and heavily underdeveloped peoples and nations of the Earth. All of the intransigence and the sabre-rattling of the Arab nations could not and hopefully never will deter the American people from continuing and intensifying that unique friendship which they have had with Israel ever since that small nation was created by international eminent domain by the United Nations some 27 years ago.

Mr. Speaker, the overwhelmingly clear message coming out of the negotiations between Israel and Egypt is that Israel will give massive withdrawal of land in return from a massive commitment of abiding peace from its neighbors. International law, in Resolutions No. 242 and No. 338 of the United Nations, supports Israel in its unwavering position that it will give withdrawal only in return for assurances that Israel will not ever again have to undergo any of the cruel wars which have tormented its people in 1948, 1956, 1967, and 1973.

Israel asks only that the United States continue its friendship and that, by diplomacy rather than by dictation, the people of America seek to help Israel in this difficult moment to obtain concessions from her enemies, alliances with her potential friends and understanding from all of the nations of the Earth.

ASSISTANCE FOR DISTRESSED STATE AND LOCAL GOVERNMENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. FORD) is recognized for 10 minutes.

Mr. FORD of Tennessee. Mr. Speaker, today I am introducing legislation designed to provide urgently needed assistance to distressed State and local governments across the Nation.

We are experiencing the most severe economic crisis since World War II. Unemployment is at its highest rate since the Great Depression of the 1930's. The national rate of unemployment as of February 1975 was over 9 percent, representing well over 8 million Americans out of work. In my own district of Memphis, Tenn., unemployment jumped from 5.9 to 7.1 percent between January and February of this year alone. The gross national product has declined for 4 successive months and will undoubtedly show another decline in the first quarter of 1975.

In response to this economic turmoil, Congress has been laboring diligently to lighten the hardships and correct the ills suffered by the citizens of this country. The Tax Reduction Act, the Emergency Employment Appropriations Act, and the two emergency housing measures enacted over the past weeks will go far in alleviating our economic woes. The 94th Congress is aware of its responsibility to combat this recession and is meeting the challenge with swift and decisive action.

The bill I am today introducing, entitled the Intergovernmental Countercyclical Assistance Act of 1975, is intended to be part of this program to fight the deleterious effects of the recession/inflation squeeze on State and local governments by establishing a system of emergency support grants.

The need for this legislation is unmistakably clear. Over the past months, State and local governments have been compelled to take budgetary actions which in many instances negate or encumber Federal initiatives to deal with the recession. As the Federal Government enacts tax cuts and rebates, the State and local governments are forced to increase taxes simply to recoup falling revenues. As Congress expands the public service jobs program, the States and localities find themselves having to lay off employees and establish hiring freezes. At the same time that additional Federal appropriations have been made available for new building programs, the State and local governments are canceling job-producing capital improvement projects. Finally, drastically needed municipal and State services are undergoing widespread curtailment at precisely a period when they should be expanded.

This is a cautiously drafted, straightforward bill, the purpose of which is to assist State and local governments maintain their existing levels of services and employment without raising taxes, thereby preventing them from undertaking policies that will undercut Federal efforts to stimulate the economy. As Mayor Henry W. Maier of Milwaukee, Wis., noted:

> It makes no sense for the Federal Government to cut taxes while at the same time pursuing policies to force our cities to increase taxes.

Mr. Speaker, the economic recovery program of the Congress up to now has been directed mainly toward the private sector. Public service jobs, tax rebates, and investment credits offer no help to the ailing public sector. And yet the State and local government sector is one of the most rapidly growing segments of the economy, employing four times as many people as the Federal Government and spending almost two-third's as much. This bill would remedy this shortcoming in our national economic policy.

Moreover, the assistance provided by this proposal is not meant to bail out State and local governments which are in fiscal straits. In a depressed economy, each State and local government must take steps to economize and use their resources as efficiently as possible. This legislation would insure that the budgetary actions of all levels of government aimed at solving this crisis are taken in a coherent fashion and that they are not counterproductive.

This bill would become operative when the national rate of unemployment reached 6 percent and the level of funding would correspond to increases in unemployment. When the national rate of unemployment averages 6 percent or more, for 3 consecutive months, a maximum of $2 billion would be made available for distribution to needy State and local governments. An additional $1 billion would be made available for each subsequent percentage point increase in the national unemployment rate. Similarly, as unemployment decreases, the amount available under this program would be reduced. Finally, only those States and local governments whose own unemployment rates were 6 percent or greater would be eligible to receive assistance.

The Intergovernmental Assistance Act of 1975 would give help to States and localities now, not at some future time when the crisis we are now facing has passed. This bill is limited in scope, designed only to help those governments which need it and only until their State and local economies have achieved some degree of normalcy or stability.

Mr. Speaker, I strongly urge my colleagues both to join me in sponsoring this sorely needed legislation and to work enthusiastically for its speedy enactment. The State and local governments are the foundation upon which this great nation is based. Reason tells us that this is a most sensible approach to economic recovery. Duty demands that we give these governments nothing less than our full support during this unsettling period. The Intergovernmental Countercyclical Assistance Act of 1975 is just such support.

TAX CREDITS AND ALLOWANCES ACT OF 1975 INTRODUCED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. CORNELL) is recognized for 15 minutes.

Mr. CORNELL. Mr. Speaker, it is with great pleasure that I rise to introduce the Tax Credits and Allowances Act of 1975. This bill provides permanent tax relief and simultaneously overhauls our confused jumble of programs that supplement low and moderate incomes. In my judgment, it is especially timely that this bill be given consideration before we move to make permanent any of the temporary individual income tax cuts recently enacted with the passage of the Tax Reduction Act of 1975.

This plan consists of two parts: Tax relief for persons up to middle-income levels, and modest cash grants related to income for the poor. Since the existing programs of aid to families with dependent children—AFDC—and food stamps would no longer be necessary, they would be dropped.

First, a rebatable tax credit of $225 per person would replace the current personal exemption of $750 in the tax system. The credit would be deducted directly from tax liabilities rather than from taxable income. Any excess credits would be paid to the filer. Most workers would pay less taxes than now, including taxpaying families of four with earnings up to $25,000.

Second, subsistence allowances would be paid to poor families and individuals. The maximum allowance, varying by family size, would be reduced by 50 cents for each dollar earned by recipients net of social security taxes. The total value of grants and tax credits for two adults and two children would be $4,300; $3,775 for one adult and three children. These are maximum amounts and would go only to the comparatively few families without any earnings or other private income.

Under this plan, people with no private income will receive full allowances and tax credits and pay no income tax. Those with very small incomes will still receive full tax credits but reduced allowances. Persons in the modest- and middle-income range will not be eligible for allowances, but they will pay less tax than now. Taxpayers in high-income brackets, for example a family of four with more than $25,000 income, will owe somewhat more in taxes than they do now because the tax credits are less valuable than personal exemptions to filers with marginal tax rates above 30 percent. Since the tax credit and other tax reform provisions would reduce the tax burden for many, the plan would rationalize existing welfare programs while simultaneously aiding inflation-squeezed workers. Millions of people are pushed into higher tax brackets simply because their wages are increased to offset inflation. As a result, their real incomes have been falling at a time when prices are climbing beyond belief.

The Federal Government would fund and operate this program. Help to our poorer citizens would no longer depend primarily on their State's fiscal capacity. The Internal Revenue Service would administer the new program, and this will assure a higher level of accuracy and lower cost than relying on separate State agencies.

Over one-third of the $22.6 billion net Federal budget cost of the new program would be in the form of tax relief for most workers; the rest would be cash grants for the poor. The cost could be financed from the normal growth in tax revenues since spending in other areas of the Federal budget could be restricted. The program would more than halve the income deficit of families in poverty. With State supplementation of Federal benefits, their income deficit would be further reduced.

In conjunction with the supplemental security income program for the aged, blind, and disabled, all needy groups will be covered. The law now provides substantial cash benefits to female-headed families in high-income States, while categorically excluding most male-headed families trapped in poverty by low wages, poor health, or frequent unemployment. The system thereby discriminates against the working poor, and encourages husbands to desert their families in order to enable them to get on welfare. This plan will not exact the cruel price of family breakup as a condition for aid.

Benefit amounts under this plan are not designed to provide "adequate" levels of living. First, comparatively few families have no income-producing opportunities of their own. The program is thus designed to build on private efforts, rather than to substitute for them. It fits the vast majority of cases. Most beneficiaries will be low- and moderate-income workers, and benefits will provide only a minority share of total income. For example, a one-earner, two-parent family of four with earnings of $4,000 will receive supplementation totaling $2,417.

Second, persons with greater needs will be helped by the existing program of supplemental security income for the aged, blind, and disabled, or by States and localities on a case-by-case basis.

Third, the country cannot afford high support levels. For example, providing $5,400 a year to a penniless family of four, with a 50-percent reduction in benefits for each earned dollar, would carry a gross cost of $56 billion.

A revision of the tax code would give a special-earnings deduction to two-earner households and to one-parent households. The deduction would be in lieu of complex itemized work expense deductions for child care and other costs. The earnings deduction for two-earner families will reduce the "marriage penalty" that such couples now face under the income tax, and is a desirable tax reform measure in its own right.

The moderate benefit-loss rate and special earnings deduction would have three positive effects: They would provide significant supplementation of low earnings, maintain a reasonable income differentiation between workers and nonworkers and between those who work more or less, and minimize work disincentives.

This program has been designed to keep work profitable, and in effect to make it necessary. Surely, given such a structure, and given the rampant inflation, we shall have laid to rest doubts and fears about the wisdom of aiding workers. They, above all others, deserve aid, and now more than ever before, it is clear they need it. Workers need not think of themselves as welfare recipients. Instead they will be like so many in the higher income brackets—merely getting tax relief.

The existing multiplicity of welfare programs tends to smother work incentives for multibeneficiaries, by reducing the net gain from work to as low as 25 or 15 cents on the dollar or sometimes zero. But this new plan is rigorously coordinated with remaining programs to insure that beneficiaries can always gain an ample reward for each dollar earned through their own efforts.

The food stamp program would be terminated, but the rebatable tax credits will more than compensate most families and individuals—including beneficiaries of social security, veterans' pensions, and supplemental security income—for their loss.

Federal matching of AFDC would be ended. States would be required to supplement the new Federal cash grants plus tax credits given to families who received AFDC as of December 1976 for a period of at least 2 years if those families otherwise would be worse off under the new system. For AFDC recipients enrolled in the food stamp program, total Federal-State benefit income would have to equal the old AFDC grant plus 80 percent of the food stamp bonus. States could voluntarliy supplement new cases and continue to supplement old cases beyond 2 years at their own expense.

Mr. Speaker, there are two schools of thought about welfare reform. To some, welfare reform means far fewer people getting help at far lower cost to the Federal Government. This view—and plans built around it—would be correct if there were fewer poor people than the number of persons getting help from welfare or food stamps today. If the problem, in fact, were that we throw our largesse out to people indiscriminately, then draconian "reform" would be a good thing.

But consider what the problem really is. It is millions of people working full time, year round, and not making enough for their families to get by. These are not chiselers or cheaters or ne'er-do-wells. These are responsible Americans locked into a hopeless struggle to keep afloat. Cutting the rolls will not help them because they are not getting a nickel of aid now.

No, Mr. Speaker, we cannot have it both ways. We cannot extol the virtues of work, crack down on the nonworking welfare recipients, and turn a deaf ear to the needs of the working poor. Who of us here can imagine working all year for the grand sum of $4,000 gross—less $234 in social security and less about $750 in work expenses?

Putting up the money to match our words is what real welfare and tax reform is all about.

I urge my colleagues to study this plan. I urge them further to read the background documents on which it is based—the series studies in public welfare, published by the subcommittee on fiscal policy of the Joint Economic Committee, chaired by former Representative Martha W. Griffiths, who first introduced this program in the last Congress.

Before we throw billions of dollars away on permanent tax cuts that lead us nowhere, remember that these cuts can be structured in a way that moves toward overhaul of public welfare programs. The

Tax Credits and Allowances Act of 1975 gives us both permanent tax relief and welfare overhaul. Both are badly needed.

PANAMA CANAL PROBLEM: THE KEY ISSUES

The SPEAKER pro tempore (Mr. McFALL). Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD), is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, in the course of my work on the interoceanic canal problem, I have testified a number of times before committees of the Congress, among them subcommittees of the House Committees on Appropriations, Foreign Affairs and Merchant Marine and Fisheries.

One of the lessons learned from this experience is the necessity for the Congress and the Nation to have a brief and simple statement on the major canal issues. My testimony on April 22, 1975, before the Panama Canal Subcommittee was directed toward this end.

To make that statement readily available to the Congress, I quote it as part of my remarks:

STATEMENT OF HON. DANIEL J. FLOOD

Mr. Chairman and Members of the Subcommittee: As a long time student of interoceanic Canal History and problems, I am glad to testify again before this subcommittee. During my last appearance on December 6, 1971, in hearings concerning the effect on canal operations that a proposed new Panama Canal treaty then being negotiated would have on the efficiency of the enterprise, I submitted a detailed historical narrative. There is little of significance that could be added to what was stated or provided in the way of documents on that and previous occasions.

Among the positive results of the 1971–72 hearings by this Subcommittee was the summary of its work as embodied in the January 2, 1973, report of the Committee on Merchant Marine and Fisheries to the House of Representatives concerning the Committee's activities during the 92d Congress. Especially notable were its statement on major Panama Canal issues which, I believe, is the first in Congressional history.

As set forth in the report these issues are:

First, the transcendent one of retaining the undiluted sovereign control by the United States over the indispensably necessary protective frame for the Canal known as the Canal Zone; and

Second, the major increase of capacity and operational improvement of the existing Canal under the Terminal Lake-Third Locks Plan.

I concur with the 1973 committee report that all other canal questions, however important, including the highly propagandized old idea of a so-called sea level canal, are "irrelevant" and should not be allowed to confuse the crucial issues of Canal Zone sovereignty and major modernization. (H. Rept. No. 92–1629, p. 36.)

These two aspects of the canal problem, sovereignty over the Canal Zone and major modernization of the Canal, are so closely related that they cannot and should not be separated. History shows that the people of the United States and their Congress will not approve expending the necessarily large sums involved for major modernization in an Isthmian area not under the sovereign control of the United States. In that land of endemic revolution and endless political instability only full sovereign control provide the authority and flexibility essential for the efficient maintenance, operation, sanitation, protection and major modernization of the Canal. Any other arrangement, however well intended, would place the United States in the position of having grave responsibility without authority, which is unthinkable. Moreover, it would constitute a "calamitous misjudgment" of the real situation.

Measures to clarify and reaffirm United States sovereignty over the Canal Zone and to authorize the long overdue major modernization are now pending in the Congress. In connection with the latter, I would repeat what has been stated on many other occasions that no treaty is required for such "expansion and new construction." (*Congressional Record,* July 24, 1939, p. 9834.)

The initial major modernization project was authorized in 1939 but suspended in 1942 after the expenditure of $76,357,405. When to this sum are added some $95,000,000 spent on the widening of Gaillard cut from 300 feet to 500 feet completed in 1970 the total already spent toward major modernization is more than $171,000,000. My information is that Gaillard Cut enlargement will continue, which is a step in the right direction.

The work accomplished in 1940–42 includes huge lock site excavation for larger locks at Gatun and Miraflores, a railroad-vehicular bridge across the Miraflores locks for construction purposes, and a new bed for the Panama Railroad near Gatun. All of this construction is usable when work on major modernization is resumed.

Ever since first studying the proposals for increased canal transit facilities, I have been impressed by the strong support that the Terminal Lake-Third Locks Plan has received from well informed engineers, geologists, economists and other experts, including active Panama Canal pilots. They hold that this plan offers the best solution when the problem is evaluated from all significant angles. Moreover, it will enable the maximum utilization of all work so far accomplished in improving the Canal and without treaty involvement.

The latest development as regards the type of canal was a telegram on April 8, 1975 by ten environmental organizations to the President in opposition to any treaty authorizing the construction of a new canal of "sea level" design and urging the President to instruct the Secretary of State to cease all negotiations for a "sea level" provision as part of a new canal treaty. This telegram emphasizes that major modernization of the existing canal would preserve the fresh water barrier of Gatun Lake and thus continue to protect the two oceans from marine ecosystem hazards involved in a "sea level" undertaking.

The major canal modernization project as provided in the pending bills will supply the best operational canal practicable of achievement with every assurance of success at least cost, benefit all users of the canal, revitalize the Isthmus with enormous benefits to Panama, help employment in the United States, and remove the fog of confusion that has for so long hovered over the Panama Canal.

In lieu of further comments, I include the following documents with the request that they be made parts of my testimony:

Daniel J. Flood, "Projected Surrender of U.S. Canal Zone Calls for National Crusade." Address before the V.F.W., Washington, D.C., March 9, 1975.

Committee for Continued U.S. Control of the Panama Canal. "Sovereignty and Modernization Memorial to the Congress, 1975 with H. Res. 75, and H.R. 198, 94th Congress attached.

Dr. James P. Lucier. "Panama Canal: Focus of Power Politics." *Strategic Review* (Spring 1974), p. 34–43.

John W. Grandy et al. Telegram to the President. April 8, 1975.

Captain W. H. Vantine, Letter of October 25, 1973, forwarding resolution of Panama Canal Pilots Association on Panama Canal Major Modernization.

CORRIDOR HOLDS PROMISE FOR FUTURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 30 minutes.

Mr. ALEXANDER. Mr. Speaker, last week Secretary of Transportation Coleman urged that we expedite our efforts to make our Nation's system of railroads viable again, calling for establishment of a national railroad policy.

I commend the Secretary for this stand, one that is long overdue on the part of Department of Transportation officials. But I would urge that he go a step further and work toward the establishment of an overall national transportation policy which will make the most efficient use of all modes of transportation.

The April edition of the American Road Builder cites one proposal for a multi-State, multimode transportation route which I believe has great merit and is compatible with efforts to formulate a national policy on transportation.

This Missouri to Georgia multi-State corridor will fill vast gaps existing in our interstate and national defense highway system. The proposed corridor would enhance national efforts to create an efficient, multimodal transportation system using interstate highways, railroads, barge lines, and air freight. It would provide benefits to consumers throughout the Nation by helping hold down transportation costs on food and manufactured products. It would provide the missing link in our present highway network for moving national defense units as they may be needed.

I would like to share with my colleagues the article relating to this proposed transportation route, one which DOT, to this point, has rejected because, in their opinion, it would not be a "unique" addition to our transportation network:

CORRIDOR HOLDS PROMISE FOR FUTURE

Among the routes proposed, but not funded under the Interstate Highway System, was one from Jacksonville, Florida through Columbus, Georgia; Birmingham, Alabama; and Memphis, Tennessee to Kansas City, Missouri. This corridor lacks adequate transportation routes and has not experienced the prosperity that the Interstate System has brought to other parts of the Nation. In recent years, it has been the subject of several studies for improved highway facilities. In addition to several state and regional studies proposing a four-lane limited access highway in this corridor, two studies are especially significant.

A study conducted for the Ozark Express Route Association concluded that an improved route was needed to assist the economy and provide access to recreational facilities of the Ozark region. It was further concluded that such a route should be a part of a highway facility extending at least from

Kansas City to Birmingham and serving Springfield (Mo.) and Memphis.

A study conducted concurrently for the South Georgia Limited Access Highway Association (SGLAHA) concluded that high-volume high-speed traffic service is needed in Georgia between Brunswick and Columbus, and that in order to be fully effective this service should be provided by a facility built to present Interstate standards along a route extending through Birmingham, and Memphis to Kansas City.

In 1972, the SGLAHA, Ozark and other public interest groups joined forces to promote the implementation of a limited access highway connecting the Southeast with the Midwest. The Multi-State Transportation Corridor Advisory Board was formed of a permanent staff and representatives from the six states involved and several local Chambers of Commerce in the corridor. They were instrumental in establishing cooperation of the U.S. Department of Transportation and the highway and/or transportation departments of the several states to join together in a contract with Wm. S. Pollard Consultants, Inc. of Memphis and Traffic Planning Associates, Inc. of Atlanta to conduct a feasibility study for the transportation corridor.

A parametric study and study design were first completed to summarize and define factors to be analyzed by further study and to outline methods of analysis and a timetable for the feasibility study. The schedule for the feasibility study calls for it to be conducted in five phases; (1) a highway study; (2) a study of trucking, rail, and water transportation; (3) a study of special transportation elements, interface areas, and terminal areas; (4) a study of innovations in transportation; and (5) a study of communications and power production and distribution.

The general objective of the parametric study is to determine parameters and sensitive areas within the six-state study region to be considered in detail in subsequent study of the corridor. Specific objectives of the study are enumerated as follows:

1. Locate and determine the corridor's probable environmental impact on natural preservation, recreation, historic, and urban development areas;

2. Review the relationship between the coorridor and existing state and metropolitan transportation plans;

3. Locate barriers to transportation development such as environmentally sensitive areas and restrictive terrain features.

4. Identify existing transportation systems and areas of interaction between various modes;

5. Determine travel patterns within the corridor;

6. Identify and determine the probable impact of the transportation corridor on regional economic and population characteristics;

7. Indicate relative beneficial and detrimental impacts of the transportation corridor in regard to environmental, social, and economic factors.

A limited access highway in this corridor will do far more than replace the existing inadequate highways. It will be a transportation investment with the more far reaching purpose of improving the economic and social structure of the corridor in much the same way as the Appalachian Development Highway Program (See *American Road Builder*, September 1973). A highway in this corridor would provide Kansas City and other inland cities a direct route to a Southeastern port; the grain producing areas of the Midwest would be linked to the livestock producing areas of the Southeast; and urban areas along the corridor would be provided better access to recreational areas of the Ozarks and southern Appalachians.

In addition to providing improved highway access for the twenty million residents of the study region, the highway will be designed as but one element of a unified transportation system in which many transportation modes are coordinated. Along the entire route the highway will provide access to rail terminals, motor freight terminals, airports, ports on the inland waterway system, pipeline terminals, and utility terminals. Joint use of right-of-way by various transportation modes is to be considered throughout the planning of the transportation route.

HIGHWAY CORRIDOR ANALYSIS

The Highway Corridor Study, recently submitted to FHWA for their review, narrowed the one-hundred-mile-wide study corridor by selecting what, at this time, appear to be the most feasible routes for more detailed study. Characteristics of the region, transportation systems and service in the corridor, existing plans for route improvement, and route improvement standards, costs, and impact were used in the determination of the alternative routes.

Nearly 20 million people, or 10% of the Nation's population, live in the six-state study region. Six million live in the one-hundred-mile-wide by twelve-hundred-mile-long study corridor. This region suffers economic retardation as shown by a personal per capita income some $800 below the national average. A net outmigration from the region between 1960 and 1970 also reflects this retardation.

Mineral, agricultural, forest, and labor resources throughout the study region, together with improved transportation to the distribution centers of Kansas City, Memphis, and Birmingham, could spur industrial development along the entire corridor. Such development would improve the economy of both rural and urban areas in the study corridor. Improved access to the over twelve million acres of parks, recreation areas, and public forests in the region without damage to their ecological balance or social value would result in improvement of the standard of living throughout the region.

The region is presently served by a system of Interstate highways generally providing service in north-south and northeast-southwest directions. At present the I–16, I–75, and I–24 highway corridor providing service from Savannah to southern Illinois is the only northwest-southeast highway corridor in the study region. The existing highway system providing service from Brunswick to Kansas City through Columbus, Birmingham, and Memphis is in poor condition and is far from adequate for present volumes. The rail network is fairly extensive and provides moderate service to most areas. The waterway system is generally at right angles to the corridor and offers many opportunities for transportation interface areas.

In conjunction with the parameters for analysis already discussed and the recognized need determined by various state studies, each of the six states in the study region submitted one or more alignments for study. These were assembled into the alternative study routes for the entire corridor. For these routes, two cost estimates were compiled, the first based on AASHTO freeway standards and the second in accordance with each state's 1990 highway plan. The impact of each alternative route was determined in regard to transportation services, land use, environmentally sensitive areas, economic effect and social effect. Public hearings were held in each state along the corridor in which public sentiment appeared to be overwhelmingly in favor of a new limited access highway in the corridor. Some minor concern was voiced about changes in the life style indigenous to the Ozarks and encroachment on some environmentally sensitive areas.

In terms of user benefits alone, a Brunswick to Kansas City freeway should be considered a good investment. A conservative estimate of savings in operating costs, time costs, and accident costs indicated that 130 to 165 million dollars could be saved during the first year of operation. This would add up to an amount equal to the initial construction cost in *less than eleven years* based upon user benefits alone. When fuel savings, reductions in accidents and loss of life, and both national and regional developmental and recreational goals achievement are included, the feasibility and necessity are both overwhelmingly established.

FUTURE OF THE MULTIMODAL CORRIDOR

The feasibility study for rail, trucking, and water transportation modes is to be done as concurrently as possible with the highway study since the location of the highway will affect interface with these modes. The third phase of the study would concentrate on special modes of transportation such as air and pipeline with primary emphasis on methods for coordinating all modes of transportation and location of areas of interaction among modes. The fourth phase of the study will review and analyze innovations in transportation modes and services which may now be only in development or research stages or on the very threshold of technology. The application of multiple use of right-of-way to existing or new modes of power and communications distribution and production will be reviewed in the final phase of the study.

This corridor may serve not only as the route of economically reliable modes such as the highway and railroad, but as a laboratory for innovative transportation systems and services and controlled urban development. Such practical innovations as the separation of commercial vehicles and private vehicles and improved passenger train service may be tried. More imaginative systems such as a high speed rapid transit system, pneumatic tube for freight or passenger transit, or guideways for automobiles may be tested.

Electrical power plants and distribution lines along the corridor would provide power for development of industrial parks and the implementation of electric powered trains or other modes of transportation utilizing large quantities of electrical energy. Since most of the corridor passes through open land, generous rights-of-way may be reserved to experiment with joint use between various modes of passenger, freight, and utility transportation.

Concepts in urban development such as planned transportation interface areas, planned towns about the interface areas, and planned satellite towns along the corridor route could be combined with a comprehensive transportation system to make the Multi-Mode Multi-State Transportation Corridor one of the important projects of this century.

SUPPORT THE EMERGENCY FARM BILL OF 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. FITHIAN) is recognized for 10 minutes.

Mr. FITHIAN. Mr. Speaker, I rise today to support the emergency farm bill (H.R. 4296) which adjusts the target prices, loan rates, and purchase levels on the 1975 crops of corn, wheat, soybeans, upland cotton, and dairy products.

I view this emergency farm bill as a moderate compromise between those who prefer much higher levels of protection and those who prefer little change from the status quo. Both farmers and consumers have a mutual interest in a farm bill which increases production, but provides adequate income for farmers.

This program is designed to insure the farmer the kind of income which will allow him to replace machinery and maximize production of food, thus assuring consumers that food will be reasonably priced and of sufficient quantity and quality to meet present and future needs. Jobs for ruralities and urbanities, as well as American laborers and farmers will be continued and further stimulated by a sensible farm program.

This emergency farm bill establishes loan rates and target prices which serve as an insurance policy but in no way guarantee a profit. The prices of corn and feed grains—$1.87 loan and $2.25 target—and on wheat—$2.50 loan and $3.10 target—are well below present market prices. These rates will not add to consumer prices, but will give farmers the confidence they need to plant a full crop rather than cut back production, and thus, insure that the American people will have a sufficient supply of foodstuff for our domestic needs.

If the market should decline low enough to activate the new loan rate, then the production of agricultural products will drop, and the supply will become uncertain. Higher prices, therefore, would be an inevitable result of this situation.

The bill also provides for an interest rate on these loans at a level not to exceed cost of the money to the Treasury. At present, the Department of Agriculture charges the farmer 9.4 percent on money loaned against his crops. With the prime rate in steady decline—some banks have lowered the prime rate to 7.5 percent—farmers should not be forced to pay an exorbitant rate of interest. If loans are designed to insure an orderly marketing of grain that will allow the farmer to sell, not at the bottom of the market, but at a more favorable price, then a lower interest rate is absolutely necessary.

Mr. Speaker, most individuals engage in business or commerce not only to cover their costs of production, but also to make a profit. The role of the Federal Government should not be to guarantee high profits for any industry or to become so involved in the private sector as to totally upset the free market system. Yet the Federal Government can and should provide basic insurance for farmers to encourage the high production levels we all recognize as being necessary. The target prices and loan rates now in effect do not provide this insurance. They do not even come close to covering production costs. The changes in target prices and loan rates suggested in the bill passed by the House will help rectify this situation. It must be pointed out that the bill in no way guarantees profits for farmers. In the case of every agricultural commodity covered by the bill, loan rates run below current market prices. But farmers will accept the risks and produce more, as they have been asked to do, if they have assurances, such as those provided for in this bill, that they will not also be asked to lose their shirts.

The average estimated figures for the cost of production of corn, as computed by the five State universities in the major corn producing States, is $2.01. The loan rate of $1.87 is 14 cents below the farmer's cost of producing that bushel of corn. The State universities in the five leading wheat producing States estimate that it costs a wheat farmer $3.01 per bushel, or some 51 cents more than the loan which this bill provides. Although these loan rates do not cover the cost of production, they go a long way toward providing the minimum protection that farmers need.

Dairy farmers face the same plight as do grain farmers. Last year alone, Minnesota and Wisconsin each lost between 3,000 and 5,000 dairy farmers. Across the Nation 20,000 dairy farmers were forced out of business, and existing conditions threaten that many more dairy farmers will be forced to leave their farms.

The emergency farm bill offers little relief for the American dairy farmer. The milk price supports will remain at 80 percent of parity. I strongly supported the original section in the bill that would have raised the parity level to 85 percent, and voted against the Richmond amendment that struck this section of the bill. At a time of increasing inflation and declining farm prices, the dairy farmer faces a most perplexing economic future. From March to December 1974, the Minnesota-Wisconsin base price fell from $8.15—85 percent of parity—to $6.41—67 percent of parity—per hundredweight. The price has since increased slightly, but certainly not enough for many dairy farmers to cover the cost of production.

The cost of production for grain and dairy farmers has risen sharply from 1973 to 1974. The Department of Agriculture estimates that the cost of labor, feed grains, energy, and credit rose 17 percent. Everything that a farmer must purchase has dramatically increased in price. Diesel fuel has jumped nearly 100 percent, fertilizer prices have leaped more than 150 percent, and items like bailer twine, fencing wire, and nails have increased by 275, 122, and 200 percent respectively.

While the cost of production has risen sharply over the past 2 years, the price for raw agricultural products has dropped for the fifth straight month. The farm price index began its slide last November 15. By March 15, the Department of Agriculture reported that the average of all farm prices was 15 percent below a year earlier. The food grains portion of the index, however, was 28 percent below a year earlier. Farm prices on meat animals was 20 percent below the prices of 1 year ago. Soybeans, for example, averaged about $5.31, a drop of 41 cents from a month earlier, and 65 cents below mid-March, 1974 prices. Food prices continue to increase, and the prices that farmers have to pay to meet expenses have averaged about 10 percent above March 15, 1974, figures. The continued expansion of the gap between farm prices and the goods and services that farmers and consumers purchase has raised serious questions about the 1975 crop. Farmers cannot continue to be caught in the cycle of soaring production costs and falling farm prices.

In 1974, farmers across this Nation suffered a loss in net income. Cash receipts from farm marketing climbed $6.5 billion to a record $95 billion, but the $10 billion surge in the cost of production more than offset the gain in income. Total personal income of farm people declined last year. Income from farm sources was off almost 20 percent, while nonfarm earnings were up 10 percent. The year 1974 was not a good year for the American farmer. Unless something is done now to alter this disastrous trend, 1975 will not be any better, and could possibly be worse.

As farm prices decline, many farmers are considering the reduction of their acreage. If farmers trim their planting plans for 1975, it could well mean that another spiral of shortages and rising food prices will take place. This is something that both farmers and consumers can ill afford now or in the future

Mr. Speaker, how much longer must the American farmer endure rapidly increasing costs of production and falling farm prices without some modest assistance from the Federal Government?

As a Nation, can we afford to drive the family farm, the backbone of American agriculture, out of business? Can we afford to allow continued bankruptcies to push the average working farmer off the land? Can we afford to allow the consolidation of family farms and farmland into corporate entities that increase monopolistic practices and potential price fixing with resulting higher prices to the American consumer?

We cannot afford to wait any longer. Action is demanded. We must act now to do what we can to protect the basic interests of farmers across this country. To do less would be to shrink from our responsibilities. I ask only for a policy that is fair and just, a policy that provides equity for the American farmer.

The timing of this bill is very critical. The planting season is upon us. As I travel throughout northwestern Indiana I see many farmers plowing their fields. It is absolutely imperative that farmers know exactly where they stand vis-a-vis target prices and loan rates. They have to make difficult decisions of how many acres to plant and what kinds of crops to plant. Farmers also need lead time to purchase the seed, fertilizer and chemicals that are necessary. Adequate time is a necessary prerequisite for proper planning.

This Congress has worked very hard to get this farm bill through the subcommittees, the full committees and the entire House in time for farmers to plant this spring. Within a few weeks, the bill will be before the President. I urge him to sign the bill because I believe that it is in the best interests of the farmers, consumers, and the entire Nation. A Presidential veto would only delay the Nation's recovery and raise many uncertainties in the farm community setting off a chain of events that could lead to a decrease in acreage and the upward spiraling of food costs. This is something that farmers, consumers and the Nation must avoid at all costs.

In addition to the present price squeeze that the American farmer finds himself, he is also faced with significant destabilizing influences that greatly affect his ability to compete in the world market. Modern farming requires massive capital investment. Farm debts have been rising at a rapid rate, increasing from $38 billion in 1965 to $82 billion last year. Farmers have experienced considerable difficulty in bringing new lands under cultivation and again face the age-old problem of the inadaptability of lands to other crops. To the many uncertainties facing the American farmer, the list of shortages now includes fertilizer, propane gas, and other energy sources.

Foreign trading states, such as the Common Market and the Soviet Union, cause sharp fluctuations in farm prices by subsidizing internal farm prices and dumping products overseas in the World Market. Last year, about 60 percent of our wheat crop, 40 percent of our soybeans, and 20 percent of our feed grains were exported. These farm exports earned $22 billion, an all-time high. Although the Nation benefits from these foreign sales, farmers are faced with quick shifts in world supplies and demand. The American farmer, I believe, bears the burden of adjusting to the fluctuations of the supply and demand cycle in international agriculture commodities.

While farmers helped us earn a considerable amount of foreign exchange and nearly helped to balance the trade deficit, our Government has asked farmers to produce record crops, to cultivate record acreage, and to export as much as possible, but has not seen fit to provide a fair and equitable price structure that adequately covers the cost of production. The emergency farm bill now under discussion will help rectify this injustice to farmers.

Too often, Mr. Speaker, the debate over the farm bill has degenerated into a conflict between farmer and consumer. The adversary tone of this dialog is frequently construed to mean that the interests of the consumer and the interests of the farmers are somehow different and opposed to one another. Nothing could be further from the truth.

This bill seeks to protect the American farmer as well as the American consumer. We must encourage farmers to produce adequate food supplies at reasonable prices. Every American, whether consumer or farmer, benefits from such a program. As the Consumer Federation of America pointed out on March 14, 1975:

> Federal programs to support adequate farm income are as essential to the nation's economic policy as minimum wages. The critical issue is not whether consumers should support farm income policies, but whether such policies are adequately designed and implemented to insure that consumer interests are properly considered and weighed with the interest and need of family farmers.

Both farmers and consumers have a mutual interest in stabilizing prices in an unstable market.

Some opponents of the emergency farm bill suggest that it will have an adverse impact on the consumer. The Agriculture Committee, of which I am a member, reported a bill that called for milk prices at 85 percent of parity. The Department of Agriculture mistakenly reported that milk prices at 85 percent of parity would result in price increases of milk by 8 cents a gallon, cheese by 10 cents a pound, and butter by 20 cents a pound. Using these distorted figures, Congress adopted the Richmond amendment on March 20 which lowered the parity rate to 80 percent. The U.S. Department of Agriculture now frankly admits that its estimates were inaccurate. How significant was the error? How large was the discrepancy? The revised USDA figures are now 4.5 cents a gallon for milk, 5.25 cents a pound for cheese, and 5.3 cents a pound for butter. This represents an error of 77.8 percent on milk, 90.5 percent on cheese, and 277.4 percent on butter. It is incredible that such errors and distorted facts could be presented to the Congress and the American people. Congress too frequently depends on departments and agencies for information, and too frequently finds they are wrong.

The USDA explains its error by stating that its original figures were mistaken because it misread the quarterly adjustment provision of the bill. The USDA originally thought that the support price for manufacturing milk would be set at 80 percent of the parity price for that quarterly adjustment. Actually, the farm bill will adjust the price each quarter according to the change in the cost of production index. The inflationary "family living" component of parity, therefore, should not have been included in the projected cost of milk product.

The USDA has now suggested new projections for all indexes. These new projections show that the consumer impact of a support floor at 85 percent of parity would actually be less than they had previously estimated for 80 percent of parity. The impact of 80 percent of parity on consumer prices would be negligible—an increase on only 1.1 cent per gallon for milk—or one-quarter of a cent per quart—1.3 cents per pound of cheese and 1.3 cents per pound of butter. These price increases are less than 1 percent, and are well below the double-digit inflation that plagued the Nation for the last 2 years.

The impact of 80 percent parity on the American dairy farmer may be devastating. Instead of a modest increase in the price of milk products, the dairy farmer faces economic uncertainty and possible disaster if the hundredweight of milk increases only from $7.24 to $7.31, as the USDA now projects. The farmers that need the most immediate assistance will get very little or no help from this legislation.

The USDA mistaken figures were first discovered, not by the executive branch or the USDA, not by my distinguished colleagues in the Democratic Party or consumer advocate groups, but by a distinguished Republican colleague from Vermont, JAMES M. JEFFORDS. His dedication and persistent hard work discovered the glaring errors that existed in the USDA reports. The Congress owes JAMES JEFFORDS a debt of gratitude.

Opponents of farm legislation over the years have attempted to pit farmer against consumer. As a Congressman who represents urban, suburban, and rural areas, I have had an opportunity to meet thousands of my constituents who represent these different sectors of the economy. The farmland of America must flourish and produce if people in the suburbs and urban areas are going to eat and survive. Some of my urban colleagues from the Northeast do not understand that everyone, including farmers, must have a decent income and a decent standard of living. At a time when the Congress is taking several steps toward providing additional jobs and unemployment compensation for urban workers, can we afford to forget about the American farmer. Can we afford to do less for the farmer than for the average working family.

Mr. Speaker, I was born and raised in a rural farming community during the Great Depression. I saw firsthand how farmers were driven from the land, forced out of their homes, and reduced to subsistence living. We must never return to those disastrous days. I chose to live on a farm because I deeply believe that it is the best place to raise a family, to teach them to great values of the American way of life, to instill in them an appreciation of the free enterprise system, and to give us all a deeper appreciation of the earth that God put us on.

As I look around the Second District of Indiana, I see many disturbing things in the agricultural arena. I see farmers leaving the land. I see the rapid consolidation of family farms into corporate agriculture. I see young farmers going out of business and leaving the rural community. These things I see, but do not like. We can and we must do more for the family farmers.

We must take whatever steps are necessary to prevent the collapse of American agriculture similar to that which took place at the beginning of the Great Depression in the 1930's. When farmers go broke and are forced off the land, merchants who sell to them also go out of business. In turn manufacturers, who sell to merchants, cut back production and lay off workers. The whole downward spiral can start from any sector of the economy. But agriculture is so basic, so primary, and so central, that it is the keystone of the arch in our Nation's economy.

Mr. Speaker, all Americans, including farmers are consumers. Farmers buy food, clothing, automobiles, and other products as do other Americans. They are forced to pay high prices in the marketplace as is the American consumer. Farmers know what it is like to go into a supermarket and purchase food at inflated prices. These high prices in the grocery stores and chain stores are not the result of farm prices. Farm prices are declining, but food costs are rising. A farmer from my district recently raised a provocative question: "If farmers can't afford to produce and consumers can't afford to buy, who is ripping off both the farmer and the consumer."

Mr. Speaker, the plain truth is that the middleman—the food processors and the giant food chains—are piling up huge profits at the expense of the American farmer and consumer. The time has come to initiate a full-scale congressional investigation of the food processing and distribution system of this Nation, and to carefully examine the soaring profits of chain grocery stores.

We need to look into the activities of conglomerates and multinational corporations that have become involved in agriculture. We need to analyze the extent to which food chains and other distributors of food products have bought into the food producing end of the business—buying dairy farms, vegetable truck farms, cattle ranches, and grain producing farms. The farmer is forced to sell his product to the giant output industries that process, market, and retail foodstuffs. The individual farmer is almost powerless when faced with large corporations that monopolize the food industries.

While the farmer is confronted with giant corporations that control the output industries, he is also facing monopolized conglomerates that control the input industries. These input industries control the farmer's supply of capital, machinery, pesticides, seed and feed, and fertilizers, and other energy-related products. The family farmer is particularly feeling the pinch of fuel costs that have doubled and fertilizer costs that have tripled in the last year. The time has come for the Congress to fully investigate oil pricing and the distribution of oil products and their effects on American agriculture. We need to look into possible anti-trust violations in both the input and output industries, and determine if the farmer and the consumer are getting "ripped off."

For years farmers, consumers, and politicians have talked about investigating the input and output industries that dominate American agriculture and have talked the proposals to death. Since the administration and the Justice Department have not taken the initiative in this area, I urge the Congress to act immediately to investigate these matters. But an *investigation* is only the first step in coming to grips with these problems. The Congress must rededicate itself to the proposition that it is going to put its shoulder to the wheel and come forth with some meaningful legislation this year to alleviate the price gouging by food processors and chain stores.

This emergency farm bill is but a tiny step in the direction of securing equity and fairness for the American farmer and consumer. It is, however, a step that must be taken to restore confidence in the farm community, to provide increased target prices and loan rates, to partially meet the rising costs of production, to guarantee that adequate food supplies will be produced, and to assure that the consumer has food at reasonable prices. Once this step is taken to meet the emergency situation, then it is time for Congress to investigate the twin problems caused by the monopolistic control of the input and output industries, and arrive at some much-needed legislation that would benefit the farmer and the consumer.

REPEAL OF "FAIR TRADE" EXEMPTIONS APRIL 28,1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 5 minutes.

Mr. RODINO. Mr. Speaker, I was delighted to see President Ford reiterate his support this week for repeal of the so-called fair trade exemptions to our Federal antitrust laws. Here is an issue, I think, on which a Democratic Congress and a Republican President can happily agree.

It has been estimated conservatively that these laws, which sanction price fixing, cost the consumers of this country at least $2.5 billion a year. I believe that the simplest and most effective action we in the Congress could take to combat inflation would be to repeal the Miller-Tydings and McGuire Acts, which exempt State fair trade laws from the prohibitions of the Sherman Act and the Federal Trade Commission Act.

Repeal of Miller-Tydings and McGuire has strong bipartisan support. Bills have been introduced to repeal these laws by members of both parties in the Monopolies and Commercial Law Subcommittee of the Judiciary Committee.

The subcommittee has moved rapidly in this area. We have completed hearings already and hope to mark up the bill before mid-May. Early action by the full committee should follow.

The Senate is moving on a parallel track, again with bipartisan support.

The Congress is not alone in rejecting these inflationary laws. At their high-water mark, fair trade laws prevailed in 45 States. Now the figure is close to 30, and an accurate count is difficult to maintain as more legislatures act each month. New York recently repealed its law, and I am happy that in my own State of New Jersey the assembly passed repealing legislation overwhelmingly on April 17.

As Senator BROOKE, the principal sponsor of repeal in the other body, has said:

> Repeal of our fair trade laws is not a panacea for our economic ills, but it is a start, a needed start.

MONTHLY LIST OF GAO REPORTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. BROOKS) is recognized for 5 minutes.

Mr. BROOKS. Mr. Speaker, the monthly list of GAO reports includes summaries of reports which were prepared by the staff of the General Accounting Office. The April 1975 list includes:

Improved Procedures Needed for Implementing Safety Recommendations, RED–75–334.

Assistance to the Nonrubber Footwear Industry, ID–75–36.

Audit of United States Railway Association, February 1 through June 30, 1974, RED–75–341.

Weakness in Administration of the Program to Correct Defects in Housing Insured Under the Section 235 Program, RED–75–340.

Examination of Financial Statements of the Pennsylvania Avenue Development Corporation for the Fiscal Year Ended June 30, 1974, FOD–75–13.

Data-Reporting Requirements for State and Local Educational Agencies, MWD–75–28.

Substantial Improvements Needed in Work Incentive Program, Atlanta, Georgia, MWD–74–161.

Assessment of the Work Incentive Program in Washington State, MWD–74–152.

From Welfare to Self-Sufficiency: An Assessment of the Work Incentive Program in Wayne County, Michigan, MWD–75–24.

Problems in the Work Incentive Program in Los Angeles and San Diego, MWD–75–24.

Slow Implementation of the Work Incentive Program in New York City, MWD–75–41.

Forecast of Postal Service Self-Sufficiency Potential, GGD–75–58.

Acquisition of a Building in Laguna Niguel, California in Exchange for Government-Owned Properties, LCD–75–314.

States Need, But Are Not Getting, Full Information on Federal Financial Assistance Received, GGD–75–55.

Stockpile Objectives of Strategic and Critical Materials Should Be Reconsidered Because of Shortages, LCD–74–440.

General Services Administration's Methods for Computing Rent for Federally Occupied Buildings Need Further Improvement, LCD–75–323.

How To Improve Administration of the Federal Employees' Compensation Benefits Program, MWD–75–23.

Executive Branch Action on Recommendations of the Commission on Government Procurement, PSAD–75–61.

Opportunities for Improving Computer Use in the Bureau of the Mint, FGMSD–75–19.

Savings Expected From Better Use of Truck Warranties by Government Agencies, PSAD–75–64.

What Is Being Done About Individuals Who Fail To File a District Income Tax Return? GGD–75–8.

Progress and Problems in Implementing the Intergovernmental Personnel Act of 1970, FPCD–75–85.

Mandatory Tax Withholding Recommended for Agricultural Employees, GGD–75–53.

Services for Special Beneficiaries: Costs Not Being Recovered, GGD–75–72.

Excluding Substandard Canned Pineapple From the United States, MWD–75–40.

Food and Drug Administration's Investigation of Defective Cardiac Pacemakers Recalled by the General Electric Company, MWD–75–71.

Many Medicare and Medicaid Nursing Homes Do Not Meet Federal Fire Safety Requirements, MWD–75–46.

Information on United States Ocean Interests Together With Positions and Results of Law of the Sea Conference at Caracas, ID–75–46.

Export of U.S.-Manufactured Aircraft—Financing and Competitiveness, ID–75–41.

Holiday Administration Overseas: Improvements Needed To Achieve More Equitable Treatment of Employees, ID–75–42.

Proposals to Strengthen the Foreign Gifts and Decorations Act of 1966, ID–75–71.

Improving Productivity Through Better

Management of Maintenance Operations in Europe, LCD-75-401.

Readiness of Navy Air and Surface Units for Antisubmarine Warfare, LCD-74-429.

Number and Legality of Military Officers Holding Certain Key Department of Defense Posts, FPCD-75-143.

Need to Eliminate Incentive for Accumulating Military Leave, FPCD-75-139.

Opportunity for Improving Computerized Civilian Payroll Processing Operations, FGMSD-75-15.

How to Improve the Selected Acquisition Reporting System, PSAD-75-63.

Impact of the All-Volunteer Army on Discipline, Troop Training, and Personnel Use of Fort Campbell, Kentucky, FPCD-75-104.

Effectiveness of the Financial Disclosure System for Employees of the U.S. Geological Survey, FPCD-75-131.

National Attempts to Reduce Losses from Floods by Planning for and Controlling the Uses of Flood-Prone Lands, RED-75-327.

Problems in Identifying, Developing, and Using Geothermal Resources, RED-75-330.

Outlook for Federal Goals to Accelerate Leasing of Oil and Gas Resources on the Outer Continental Shelf, RED-75-343.

Cleaning up the Great Lakes: United States and Canada Are Making Progress in Controlling Pollution from Cities and Towns, RED-75-338.

Examination of Financial Statements of the Tennessee Valley Authority for Fiscal Year 1974, FOD-75-11.

Additionally, letter reports are summarized including:

Notification of intent to the Comptroller General to file a law suit for release of over $1.2 billion of budget rescissions required to be released under the Impoundment Control Act of 1974, ACG-75-15.

Release of $1.2 billion of budget authority withheld by deferrals which were disapproved by the Congress, or proposed for rescission but required to be released, ACG-75-16.

Rescission of Office of Education budget authority, which the President did not report to the Congress as required by the Impoundment Control Act, ACG-75-17.

Controls and procedures used by executive branch agencies to insure that the legislative dollar ceiling for Cambodia is not exceeded, ID-75-54.

Inconsistent accounting procedures by Department of Defense caused $21.5 million error in military assistance to Cambodia, ID-75-59.

Department of Defense procedures for accumulating cost information on the Military Assistance Service funded (MASF) program in support of the South Vietnamese Government, LCD-75-410.

Can the economic impact of Defense and other Government spending be analyzed? PSAD-75-42.

Corps of Engineers' acquisition of Minisink Island properties at the Tocks Island Lake project in New Jersey, RED-75-331.

GAO comments on allegations by Gordon Rule concerning the Navy's contract to build the Trident submarine, B-178056.

Department of Defense actions to conserve petroleum, LCD-75-430.

NASA expenditures for public affairs activities, LCD-74-417.

Progress by the Federal Trade Commission in improving the Line-of-Business report, OSP-75-9.

Improvements need in the Navy Aviation Supply Office's automated system for computing procurement requirements for reparable aviation items, LCD-75-423.

Significant problems in the Office of Education's financial management information system, MWD-75-69.

Examination of financial statements of the Southeastern Federal Power Program for fiscal year 1974, RED-75-335.

Excess personnel costs of $17 million annually because Military Airlift Command aerial ports are staffed to provide wartime strategic airlift capability rather than to meet current peacetime workloads, LCD-75-110.

Need for military departments to periodically reevaluate communications requirements to identify changes in equipment needs and, when needed, reallocate equipment or adjust contract requirements, LCD-75-110.

The Army's enlisted personnel assignment and distribution system, FPCD-75-130.

Better supply of spare parts needed to realize benefits of modular design concept of aircraft electronic equipment, LCD-75-429.

Navy's planned procurement of aircraft not consistent with Secretary of Defense's decision to consolidate all tactical support missions within the Air Force, LCD-75-434.

The Monthly List of GAO Reports and/or copies of the full texts are available from the U.S. General Accounting Office, room 4522, 441 G Street NW., Washington, D.C. 20548. Phone (202) 386-6594.

A TRIBUTE TO LOUIS JORDAN

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Mrs. BURKE) is recognized for 5 minutes.

Mrs. BURKE of California. Mr. Speaker, in these troubled times, it is often refreshing to remember those who brightened our lives through the gift of self. Louis Jordan of "Tympany Five" fame was such a giver and made many outstanding contributions to the national spirit through his work as an entertainer. Sunday, April 27, 1975, many of those friends who joyed in Louis Jordan's life and his gifts of music, humor, love and wit honored his memory with a "Tribute" in Los Angeles.

Moving to Los Angeles in the 1960's, Louis Jordan brought his special blend of musical magic to our community and expanded his giving. Already noted in many quarters as the "father" of the story-to-music art form in the jazz idiom, Louis went on to become one of our foremost musical ambassadors. In this capacity, he traveled extensively throughout Europe and Asia performing for foreign dignitaries and American military forces.

We lost Louis Jordan last February in his 66th year, but his musical imprint, his life impact, remains to delight our ear and excite warm feelings of nostalgia. The years he gave America were nationally important ones. The music he composed and played is regularly heard and will continue to bring pleasure to all of us.

I urge my colleagues to pause a moment and reflect with me on the wealth of this man's gifts and the joys he brought the world.

ONE HUNDRED AND NINE CONGRESSMEN ASK FOR AUDIT OF THE FEDERAL RESERVE SYSTEM AND STILL DR. ARTHUR BURNS REFUSES TO APPEAR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PATMAN) is recognized for 10 minutes.

Mr. PATMAN. Mr. Speaker, the Domestic Monetary Policy Subcommittee has been conducting hearings on H.R. 4316 and companion bills to require a GAO audit of the Federal Reserve System. This would be the first full-scale audit of the entire Federal Reserve System since it began operations in 1914.

The need for this audit becomes crystal clear when one looks at the skyrocketing operating expenses of the Federal Reserve System in recent years. This supersecret and vitally important agency has spent $6,461,414,578 to operate since 1914. But $2,154,373,386 of this sum—or 33 percent—has been spent just since 1970, the year Dr. Arthur Burns took over as Chairman of the Board of Governors.

Mr. Speaker, I am sure many Members of this Congress would like to know the reason behind this increase. This was, after all, the period when Dr. Burns was on the front pages regularly decrying inflation and defending tight monetary policies as the only way to cure inflation. Surely, if inflation was our problem, the operating expenses of the Federal Reserve System should have been trimmed, not allowed to mushroom.

Mr. Speaker, 109 Members of the House are cosponsoring this legislation to find out more about this secretive bureaucracy.

And yet our ability to learn the reasons behind this fantastic increase is being hampered by the same arrogant tendencies Dr. Burns has always used when Congress gets too close to what he considers his prerogatives. After 4 weeks of negotiations and several exchanges of correspondence Dr. Burns is still refusing to testify as a witness on H.R. 4316.

This just cannot be allowed to go on. The arrogance of this agency is based on its unique funding system. The Federal Reserve System holds U.S. Government securities in its Open Market Committee in New York—at present, $86 billion worth—on which the U.S. Treasury pays the Federal Reserve interest on bonds which have already been paid at once. The Federal Reserve System takes its operating expenses out of this interest and then sends the excess to the Treasury. No budget is submitted to the Congress for authorization and appropriation. No one from the General Accounting Office is allowed to check the books. Congress has to practically get down on its hands and knees to get even a morsel of information—and that only what Dr. Burns approves of.

Mr. Speaker, in all the years the Federal Reserve System has been operating, it has taken in $41,757,146,741 in interest from the U.S. Treasury. $20,430,848,929—or 49 percent of that—has been taken in since Dr. Burns began his term as Chairman. One has to wonder if the sight of all that unaudited money did not weaken some budgetary restraints in the mind of the Nation's so-called No. 1 inflation fighter.

All of this makes it that much more important that we get an audit of this agency. Unfortunately, to date, Dr. Burns has refused to cooperate with our subcommittee and appear on the bill to provide for an audit and without this legislation we will never have an accurate assessment of just how and why these expenses have increased so much.

Mr. Speaker, I place in the RECORD a chart detailing the figures I have mentioned here:

BONDS HELD IN OPEN MARKET COMMITTEE; NET EARNINGS ON BONDS BEFORE PAYMENTS TO U.S. TREASURY; OPERATING EXPENSES OF ALL FEDERAL RESERVE BANKS; DOLLAR AND PERCENTAGE COMPARISONS OF EXPENSES WITH PREVIOUS YEARS; 1914–74

Year	Bonds held in open market committee	Net earnings before payments to U.S. Treasury	Operating expenses	Expenses—Comparison with previous year dollar	Percentage
1914–15	$16,000,000	−$141,459	$2,320,586		
1916	55,000,000	2,750,998	2,273,999	−$46,687	−2.01
1917	122,000,000	9,582,067	5,159,727	+2,885,728	+126.9
1918	239,000,000	52,716,310	10,959,533	+5,799,806	+112.41
1919	300,000,000	78,367,504	19,339,633	+8,380,100	+76.46
1920	287,000,000	149,294,774	28,258,030	+8,918,397	+46.11
1921	234,000,000	82,087,225	34,463,845	+6,205,815	+21.96
1922	436,000,000	16,497,736	29,559,049	−4,904,796	−14.23
1923	134,000,000	12,711,286	29,764,173	+205,124	+.69
1924	540,000,000	3,718,180	28,431,126	−1,333,047	+4.4
1925	375,000,000	9,449,066	27,528,163	−902,963	−3.18
1926	315,000,000	16,611,745	27,350,182	−177,981	−.65
1927	617,000,000	13,408,249	27,518,443	+168,231	+.62
1928	228,000,000	32,122,021	26,904,810	−613,633	−2.23
1929	511,000,000	36,402,741	29,691,113	+2,786,303	+10.36
1930	729,000,000	7,988,182	28,342,726	−1,348,387	−4.54
1931	817,000,000	2,972,066	27,040,664	−1,302,062	−4.59
1932	1,855,000,000	22,314,244	26,291,381	−749,283	−2.77
1933	2,437,000,000	7,957,407	29,222,837	+2,931,456	+11.15
1934	2,430,000,000	15,231,409	29,241,396	+18,559	+.06
1935	2,431,000,000	9,437,758	31,577,443	+2,336,047	+7.99
1936	2,430,000,000	8,512,433	29,874,023	−1,703,420	−5.39
1937	2,564,000,000	10,801,247	28,800,614	−1,073,409	−3.59
1938	2,564,000,000	9,581,954	28,911,600	+110,986	+.39
1939	2,484,000,000	12,243,365	28,646,855	−264,745	−.92
1940	2,184,000,000	25,860,025	29,165,477	+518,622	+1.81
1941	2,254,000,000	9,137,581	32,963,150	+3,797,673	+13.02
1942	6,189,000,000	12,470,451	38,624,044	+5,560,894	+17.17
1943	11,543,000,000	49,528,433	43,545,564	+4,921,502	+12.74
1944	18,846,000,000	58,437,788	49,175,921	+5,630,357	+12.93
1945	24,262,000,000	92,662,268	48,717,271	−458,650	−.93
1946	23,350,000,000	92,523,935	57,235,107	+8,517,836	+17.48
1947	22,559,000,000	95,235,592	65,392,975	+8,157,868	+14.25
1948	23,333,000,000	197,132,683	72,710,188	+7,317,213	+11.19
1949	18,855,000,000	226,936,980	77,477,676	+4,767,488	+6.56
1950	20,778,000,000	231,561,340	80,571,771	+3,094,101	+3.99
1951	23,801,000,000	297,059,097	95,469,086	+14,897,315	+18.49
1952	24,697,000,000	352,950,157	104,694,091	+9,225,005	+9.66
1953	25,916,000,000	398,463,224	113,515,020	+8,820,929	+8.43
1954	24,932,000,000	328,619,468	109,732,931	−3,782,089	−3.33
1955	24,785,000,000	302,162,452	110,060,023	+327,092	+.30
1956	24,915,000,000	474,443,160	121,182,496	+11,122,473	+10.11
1957	24,238,000,000	624,392,613	131,814,003	+10,631,507	+8.77
1958	26,347,000,000	604,470,670	137,721,655	+5,907,652	+4.48
1959	26,648,000,000	839,770,663	144,702,706	+6,981,051	+5.07
1960	27,384,000,000	963,377,684	153,882,275	+9,179,569	+6.34
1961	28,881,000,000	783,855,223	161,274,575	+7,392,300	+4.80
1962	30,820,000,000	872,316,422	176,136,134	+14,861,559	+9.22
1963	33,593,000,000	964,461,538	187,273,357	+11,137,223	+6.32
1964	27,044,000,000	1,147,077,362	197,395,889	+10,122,532	+5.41
1965	40,768,000,000	1,356,215,455	204,290,186	+6,894,297	+3.49
1966	44,282,000,000	1,702,095,000	207,401,126	+3,110,940	+1.52
1967	49,112,000,000	1,972,376,782	220,120,846	+12,719,720	+6.13
1968	52,937,000,000	2,530,615,569	242,350,370	+22,229,524	+10.10
1969	57,154,000,000	3,097,829,686	274,973,320	+32,622,950	+13.46
1970	62,142,000,000	3,567,286,887	321,373,386	+46,000,000	+17
1971	70,000,000,000	3,440,451,196	377,000,000	+56,000,000	+17
1972	70,600,000,000	3,328,112,382	414,000,000	+37,000,000	+10
1973	76,000,000,000	4,440,998,464	495,000,000	+81,000,000	+19.56
1974	81,059,000,000	5,654,000,000	547,000,000	+52,000,000	+10
Total		41,757,146,741	6,461,414,578		

Net earnings before payments to U.S. Treasury—total 1914–1974, $41,757,146,741.

1970–1974 total net earnings before payments to U.S. Treasury, $20,430,848,929.

49% of the net earnings before payments to U.S. Treasury since 1914 have occurred since 1970.

Total operating expenses, 1914–1974, $6,461,414,578.

1970–1974 total operating expenses, $2,154,373,386.

33% of all the operating expenses since 1914 have occurred since 1970.

PETROLEUM RESERVES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. METCALFE) is recognized for 5 minutes.

Mr. METCALFE. Mr. Speaker, this week we will be asked to vote on H.R. 49, a bill which would authorize the Secretary of the Interior to establish national petroleum reserves. The bill would accomplish more than that. According to House Report 94–81, part 2—

> The thrust of the language in that Report (House Report 94–81, Part 1) . . . makes it evident that the real purpose of H.R. 49 is to break through the protection afforded Naval Petroleum Reserves 1 and 3 and open them for commercial exploitation with little apparent regard for national security consideration.

Because of the far-reaching ramifications of this legislation, I would like to call my colleagues' attention to an article in the April 26, 1975, issue of the Nation.

The article follows:

STANDARD OIL KEEPS POPPING UP—ELK HILLS RIP-OFF

(By George L. Baker)

WASHINGTON.—A lot of strange things are happening in the name of Operation Independence, the attempt to make the United States self-sufficient in energy by 1985. And one of the oldest is a plan to tap four petroleum reserves held in trust by the Navy since the 1920s.

It is natural enough for interest to focus on the reserves, particularly on Elk Hills in California and Pet 4 in Alaska. Elk Hills contains a minimum of 1.3 billion barrels of oil, all ready to be pumped out with a minimum effort or expense. Pet 4, 23 million acres, contains 10 to 33 billion barrels of oil. If the estimate is accurate, this field would dwarf the commercial Prudhoe Bay, lying directly east of Pet 4. The Navy's two other reserves, Teapot Dome in Wyoming and Buena Vista close to Elk Hills, hold too little oil to warrant such excitement.

Last year, at the height of the Arab embargo, Congress was all set to turn the reserves over to the oil companies to do with as they saw fit. The move failed because of the intransigence of the House Armed Services Committee, which passionately resists anything that faintly smacks of an attack on national defense. When they found their way blocked in one committee, proponents of exploiting the reserves conceived an end run. Why not transfer control of the reserves from the Navy to the oil-industry-dominated Interior Department?

Brushing aside warnings that a similar transfer in the 1920s had precipitated the infamous Teapot Dome scandal, the pliable House Interior Committee a few weeks ago reported out a bill so weak and carelessly drawn that it would give the Interior Secretary virtual *carte blanche* to decide how oil companies might make one of the richest land grabs in memory. Reposing control of the reserves in Interior would certainly assure production, for the department has one function—to give away the nation's natural resources—and it performs that admirably.

Yet, laudable as is the goal of increased domestic oil production, tapping the reserves for the purpose raises disturbing questions, some of which have hardly been given thorough scrutiny. For instance, given its record, how would the Interior Department structure bids to produce from Elk Hills? The normal government royalty for an unexplored field is from 10 to 16 per cent of the wellhead price of crude. But at Elk Hills the oil is spotted and ready to be produced. Navy witnesses testified that it costs less than $1 to produce a barrel of that oil, which can be sold by commercial oil companies for at least $10. How would Interior recapture what obviously is a huge public benefit? Various officials of Interior have said the department would ask for competitive bidding, but that doesn't mean much in the oil industry. Further, the bill, which is likely to be enacted soon, gives no guidelines as to how the bidding should be done.

Indeed, would Interior be able to get any competitive bids? There is a great deal of evidence to show that the major oil companies in California, led by the San Francisco-based Standard Oil Co., would continue to maintain their stranglehold on the access to and price of oil. Congress has paid scant attention to possible violations of antitrust law by some of the companies that would be either producing or purchasing oil from Elk Hills. The investigation, begun in 1970 by the U.S. Department of Justice, has only lately been revived after a dormant period that coincided with John Mitchell's reign. But those who are pushing for production at Elk Hills—including several otherwise knowledgeable Congressmen, such as Reps. John Melcher (D., Mont.) and Alphonzo Bell (R., Calif.) profess little knowledge of it.

Everywhere you turn Standard's name pops up. It owns 20 per cent of Elk Hills and when oil is pumped from there the company will make a substantial profit. At present, because the field is operated under a contract whereby Standard and the government pool their reserves, the oil company isn't able to get to its oil. If commercial production were authorized, it could do so.

While it is evident that a few oil companies would benefit by drawing on the reserves, it is a good deal less clear that the public or government would be enriched. Theoretically, the planned 300,000 barrels a day from Elk Hills would reduce dependence on overseas oil by that amount. But there are no assurances that the oil companies would not simply continue those imports and shut down other domestic wells—especially since imported oil fetches the uncontrolled price of $10 a barrel, as would oil from Elk Hills, while much of domestic production is still controlled at the "old" oil price of $5.25.

It seems to have occurred to no one that, rather than give the companies a huge parcel of public property, a more workable and equitable approach would be to use the reserves as a building block for a government-owned oil exploration and production company. That proposal has been kicking around

Congress for several years and is gaining considerable strength. As it stands, the government merely acts as agent for oil companies that want to exploit a resource that belongs to everyone.

The concept of retaining for the government what belongs to it surely would be in the public interest, but in Washington these days little thought is given to public interest. Cerainly it isn't a concept that would weigh heavily on the conscience of the Interior Department. For years, the Bureau of Land Management, an Interior agency, allowed private oil developers to poach oil from the edges of all four reserves; it has only recently halted the practice in response to rising protests.

In fact, the department is acting as if it already had the reserves in its grasp. It has plotted routes for the eventual construction of a pipeline to carry oil from Pet 4, and it has established what it calls the North Slope Project in Palo Alto, to study the subsurface geology. Since most of Prudhoe Bay has already been explored, one can conclude that Pet 4, with its vast riches, is the center of its interest.

The Ford Administration has not exactly fronted for the Interior proposal, lest unkind parallels be drawn between it and the Harding administration, but it is clear that Ford's people are doing nothing to discourage the idea. Rather than move straight ahead, the President has chosen an oblique way to get at the reserves and to prod Congress into action. As part of his energy package, he has proposed the establishment of what he calls the National Strategic Petroleum Reserve, which would stockpile 1.3 billion barrels for commercial and military use in the event of another embargo. Oil would be stored in salt domes in Texas and Louisiana and in steel tanks to be constructed throughout the country. Some people haven't taken to the idea. Rep. Otis Pike (D., N.Y.) said it sounded to him vaguely similar to an earlier scheme proposed by Interior Secretary Albert Fall when he agreed to lease Elk Hills and Teapot Dome in exchange for construction of oil storage tanks in Hawaii.

No one is talking about such a scandal this time, but there remains nevertheless the antitrust question. Investigators are trying to find out if six companies—Standard, Shell, Union Oil, Tidewater, Mobil and Texaco—have violated the Sherman Act by using their control of California pipelines to squeeze out competition from independent refiners. Further, they want to know if a "posted price" system, employed by several of the majors in moving oil throughout the state, is illegal price-fixing. The questions are intriguing, but the Interior Committee, in hearings dating back to last year, has never found time to explore them.

As long ago as 1970, memoranda prepared by Justice attorneys warned that competition for oil produced at Elk Hills might be strangled by the companies and that the government would receive less money than it deserved. The key figure in the setup is Standard, the nation's fifth largest oil company. As then Deputy Atty. Gen. Richard Kleindienst wrote in a 1970 letter to then director of the Bureau of the Budget Robert Mayo, Standard "is the largest producer and purchaser in the locality, indeed in the whole state. Moreover, Standard owns the only pipeline connected to the field, which any purchaser of Elk Hills oil must use for the first link in transportation to any refinery. The Standard line, however, is a private carrier, handling only oil owned by that company."

"Acting in concert with other companies," Kliendienst continued, "Standard could drive the Elk Hills wellhead price down, while still maintaining it at a higher price at the point where delivery is actually made to the refinery. Consequently, in order to move the oil, any purchaser must make arrangements for sale to Standard and repurchase from it at the delivery point."

Because of its privileged position, Standard, even if it produced not a drop at Elk Hills, could thus control the flow of oil from the reserve; and it could dictate the price and terms to any firm that wanted the oil from its pipeline, particularly independent firms which must rely on the good will of the majors.

But that is only part of the story. Last year a joint legislative committee in California, headed by the current state Controller Ken Cory, examined how the pipeline system in the state operated and how crude oil prices were set. Late last year, the committee concluded that crude oil flows into California according to a "closed system in which market price is a deliberate illusion veiling the real value of that supply and the division of revenues therefrom."

The committee said this after examining company records and discovering that oil is very seldom sold in the open market. It is customarily traded from one company's pipeline at a so-called "posted price," which is artificially set. Accordingly, "There is no free market for crude oil in which a willing buyer and willing seller can bargain. Most of the crude oil is not traded on the market. It is kept within the select group of seven [companies]; produced by them, singly and jointly, and sent either directly to the producer's refinery or traded within the group without reference to the 'market price.' "

In Congressional testimony, Keith I. Clearwaters, deputy assistant attorney general for antitrust, said the Justice Department has intensified its antitrust investigation, but as yet has no conclusive evidence of violations. He added, "We are stll investigating, however, and I would not want to suggest that the charge cannot ultimately be made."

Though no evidence has been received that independent refiners have been denied access to oil by major oil companies, Clearwaters said investigators are also looking into allegations by the Cory committee. "That is, whether there is an implied agreement to fix the prices of crude oil." Such a possibility could be inferred, he said, because "there is a pattern of substantial uniformity of postings" by at least four majors, including Standard.

Given this demonstration of rather sleazy free enterprise on the part of the major oil companies, one wonders if those who advocate turning the Navy reserves over to the Interior Department have tried to foresee the consequences. Though Congress appears to be in a panic to give away the oil, the least it can do is wait until the antitrust questions are resolved. To do otherwise would be an abdication of public responsibility.

The Navy's case for holding onto its oil for World War III is rather weak, but the proposal to hand over the oil to Interior for distribution among a few industry giants, is even more dubious. To do so will almost certainly mean that the taxpayer, once again has his pocket picked.

As Rep. John E. Moss (D., Calif.), a persistent critic of production at the reserves, has noted, "Past patterns of behavior by [Standard] and Interior do not inspire confidence in their ability or desire to protect the public interest." But then, one man's national emergency is another man's larceny.

PLANNING AND THE ECONOMIC CRISIS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I should like to draw to the attention of my colleagues an article that appeared in Newsday on April 10 by Arnold Saltzman. From his experience serving in World War II on the National Industrial Mobilization Committee, the Office of Price Administration, and the U.S. Procurement Policy Board, he sees the need for an Economic Strategy Board. Mr. Saltzman, who lives in Great Neck, is president of Seagrave Corporation, a diversified manufacturing company. In the 93d Congress he rendered great volunteer service to the New York bi-partisan congressional delegation. The text of the article follows:

THE WAY I SEE IT—A DECLARATION OF WAR ON STAGFLATION

(By Arnold A. Saltzman)

More and more Americans are beginning to realize that our country is in deeper economic trouble than they have been told. The politicians have been unable or unwilling to explain the problems so that people can understand them. And economists, like doctors, speak in their own special jargon which is hard for anybody else to understand.

One year ago we were suffering from several economic diseases at the same time. Inflation was stealing from rich and poor, businessman and worker, and especially from the old, the pensioned, the jobless. It still is.

Recession was galloping into depression with 5,000,000 of our people unemployed. Now we are getting close to 9,000,000, with 25 per cent of our plant capacity idle, and the waste is shameful. Every day a man doesn't work, the potential wealth he creates—bricks, sewing machines, shoes, bread—is lost. It's like pouring milk down a sewer. And the increase in the rate of crime keeps pace with the increase in the rate of unemployment.

One year ago Washington was moaning about the energy crisis, reflecting the fact that a year before that, even before the Arab-Israeli war, the Arabs had tripled the price of oil. The reality is that for 10 years America has been using energy faster than we have replaced it, so while Washington has done nothing but beat its breast about the energy shortage Con Edison has raised prices 300 per cent.

We are losing $125 billion of annual production and spending $35 billion to feed 9,000,000 unemployed—all of that money down the drain. And we didn't restore our cities, turn coal into oil, cure cancer, or modernize our railroads. The $60 billion deficit projected by June, 1975, I call the deficit of omission.

In recent weeks we have seen a great drama unfold between the President and the Congress on how to "spend us out of recession." It was all shadowboxing, because no way in the world does it matter whether the President spent $17 billion or Congress spent $22 billion. Neither expenditure would get us out of our mess, and the White House must know it if they want to extend special unemployment benefits into 1977.

There is no way that we can get healthy without attacking all of our illnesses at the same time. There is no way the White House could crush inflation without economic controls or without throwing people out of work, so in 1974 they starved us into a recession. There is no way they can spend us out of a depression without economic controls and without serious price inflation in 1975.

We need strong medicine to cure our several economic diseases *at the same time*. It won't help us if we improve our heart disease and die from cancer. And until we can get out of serious trouble at home, our standing in the capitals of the world diminishes as does the value of the dollar.

We need an overall plan for national progress and survival instead of being nibbled to death by one crisis after another. The government must intervene until we get back on the track here at home and get straightened out abroad. But this must be done logically and boldly, not in a helter-skelter fashion that upsets all of us. The American people will accept and do whatever is necessary if they can believe that the White House and Congress know where they are heading and have the courage to take us there.

It is ridiculous to have idle workers in the glass, lumber, aluminum and construction industries coexisting with a shortage of decent housing. It makes no sense to say that spending $800,000,000 to subsidize mass transit so people can get to work at the cheapest energy cost is inflationary, but on the same day to allocate $2 billion to the cattle interests to encourage them to keep beef off the market and raise meat prices that consumers forced down. It makes no sense to make such little use of the nation's coal, while high-priced imported oil puts us in a financial straitjacket.

Since we are in crisis we need to create the equivalent of a War Production Board and a Bureau of Economic Warfare. This combination of economic planning and prescription for action I call an Economic Strategy Board. Such a board would long since have made it clear that we could not lick *both recession and inflation* without tough wage-price-money and export-import controls. It would have been clear long ago that we were using energy faster than we were creating it and would have produced a sensible plan to meet such problems.

The United States no longer has an infinite store of natural resources—in fact, on balance we have to import them. We no longer are the most efficient industrial producer in the world, nor is our dollar the strongest and most sought-after currency. And at the rate we are now exporting our last great superiority, our technology, we will soon not be supreme there as well. While we are still strong, we should realize that we can no longer do everything, waste our resources, save the whole world whether or not it desires to be saved, and increase our consumption without measuring the cost. We need to plan ahead as well-run corporations and wise heads of households do. We need to determine what our people will need next year and five years from now and what resources we will have to meet those needs.

In calling for an Economic Strategy Board, I purposely invoke the wartime names of War Production Board and Bureau of Economic Warfare. We are at war today—a war to preserve the American standard of living at home and a war to prevent our great country, which is under economic attack all over the world, from submitting to such pressures. If we act now, we can still preserve the promise of America for ourselves and our children. We don't have much time.

CONSUMERS MUST BEAR COST FOR STRIP MINING LEGISLATION

(Mr. WAMPLER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. WAMPLER. Mr. Speaker, for weeks I have been trying to get an answer to a simple question. How much will the Surface Mining Control and Reclamation Act of 1975, now in conference, cost the consumers of America?

Apparently this is a difficult question to answer and one which appears not to have been studied very deeply. Yet to me and to millions of Virginians concerned about the phenomenal rise in their electric bills, it is a valid question and a pressing question. I should also think this question would also be important to millions upon millions of other American consumers who are also alarmed about the recent rise in their electric bills.

Several weeks ago I requested the Congressional Research Service of the Library of Congress to draft me a statement, using the best available data, which would present in recapitulation form, the economic and social costs of implementing the surface mining control and reclamation bills, H.R. 25 and S. 7, with special emphasis on how much these bills would cost consumers. I received a fine report from the Library and inserted it in the Congressional Record, page H2870 on April 16. However, my question on "how much these bills would cost the American consumers" was not answered. Finally, I received another report. Unfortunately, it is an economic report and is couched in economic jargon, but, it does contain some very important facts.

The report states that there are quantifiable and unquantifiable costs to consumers, under these bills, of $850 million annually; plus, an unnecessary $11 billion in payments for imported oil, which would annually be charged to consumers, because of losses in coal production that will be brought about by enactment of this legislation.

To me, an annual energy cost increase to the American consumers of approximately $12 billion for any legislation is disturbing. I would think the consumers of this Nation would want to know why this increase is necessary. I would think the press of America would want to know why these costs have not been presented to the public before. I know I am not satisfied that this much of an increase in cost is necessary, and I intend to continue my efforts to find a more detailed answer to the question: How much will the Surface Mining Control and Reclamation Act of 1975, now in conference, cost the consumers of America?

Mr. Speaker, the statement drafted for me by the Library of Congress follows:

The Cost to Consumers if Strip Mining Legislation Is Enacted

The potential for damage to consumers' vital interests from passage of H.R. 25 lies in its implications for both the cost and availability of coal. Whatever the initial impact of higher production costs, it is predictably the final energy user who will eventually be called on to shoulder these increased expenses. Through higher priced fuels and the additions to prices of every product that uses energy from coal in its production, America's consumers will end up paying the check for this ill-considered measure. Quantifiable costs for the 684 million tons of coal affected after 1976 will burden consumers with more than $350 million in additional energy expenses. Unquantifiable costs could, according to the Administration, boost this total to nearly half a billion dollars in additional annual outlays.

Against the heady rises in petroleum prices, this figure may seem small. Yet it is important to realize that its impact will be focused on exactly those sectors of the economy that can little afford another shock. Because coal plays so dominant a role in the fueling of electric power plants, the already hard-pressed utility industry—and its customers—will bear the brunt of more expensive coal supplies. Utility companies must either further shrink the earnings that alone enable future growth, or already dissatisfied electricity purchasers, in homes and factories across the land, must be asked to ante up millions of dollars to pay utility bills they view as excessive presently. The tasks of financing needed expansion of utility generating power, regulating the chaotic utility markets, and gaining public understanding of the problems and prospects confronting electricity users—all will be rendered more difficult by a sudden and unnecessary hike in the cost of coal.

These consequences will flow inevitably from those provisions of H.R. 25 imposing additional costs on coal production. Less easily seen, perhaps, but far more important in the long run are the effects of H.R. 25 on the actual volume of coal production that we can expect in coming years. According to the Administration, passage of the bill could cut U.S. coal output by 167 million tons annually. Even reducing this figure to 100 million tons—a figure that even advocates of strip mining bans would find hard to quarrel with—would have a decisive and disastrous effect on our overall energy dilemma. Consider: A hundred million tons of lost coal production annually translates to an increase of more than one million barrels a day of petroleum needs. This reflects the simple assumption that any reduction in the availability of one fuel source—or a decrease from what it otherwise might have been—compels the enlarged dependence on some other fuel source. For the immediate future there is only one alternative fuel source capable of replacing coal in this volume: imported crude oil and refined petroleum.

President Ford has submitted his own plan for reducing U.S. dependence on foreign oil by a million barrels a day next year. Whatever the final disposition of the Administration's and others' energy plans, I think one fact has emerged in recent debates: any workable policy designed to have this much energy will force real sacrifices on the American people. Yet the entire benefit of these sacrifices could be offset, indeed squandered by the immediate impact of this one piece of legislation.

And how will such a wasted effort hit the pocketbooks of consumers? There is no easy answer to this question; but a review of some of the issues involved leads to the inescapable conclusion that the cost could be immense. The purpose of a serious energy conservation program is chiefly to reduce America's import needs enough to moderate the price-setting manipulations of the oil cartel itself. No target number of "barrels-a-day" saved can be regarded as certain to achieve this goal. Yet it is clear that the more we save in energy the better our chances of restraining imported oil prices and the sooner we can expect to do so. Conversely, the more energy we waste—either by overconsuming or failing to develop practical reserves of coal and other sources—the longer we will have to go on paying exorbitant charges for foreign crude oil. We presently import more than six million barrels a day of crude and products at a price approaching $12/bbl. Most experts put the free market price needed to encourage oil supplies at about $7/bbl. If the coal lost because of H.R. 25 were to delay a return to something like a free international energy market by just one year (and the million barrels a day in extra oil needs indicates that this is not an unrealistic assumption) it would cost the nation an unnecessary $11 billion in payments for imported oil.

The fulfillment of that particular scenario—or of any other precise set of developments in world oil markets—cannot of course be predicted. But the point stands: H.R. 25 works against the essential directions which U.S. energy policy must take if we are to solve the problem of our addiction to foreign fuel supplies at monopoly price levels. And it works against these policies in ways that are measurable and measurably significant.

For the American consumer who has been asked to pay so much for our past oil policy mistakes, the cost of further mistakes may prove intolerable. Intolerable as well to the consumer as taxpayer and voter would be the sort of decision-making by elected representatives that would needlessly impose such costs.

BENEFITS FOR RECIPIENTS OF DISABILITY INSURANCE

(Mrs. MINK asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mrs. MINK. Mr. Speaker, through legislation which I have introduced earlier in this session and through bills which I am introducing today, I seek remedies to several disadvantageous provisions of current law as it relates to benefits for recipients of disability insurance.

My bill, H.R. 3032, would equalize the earnings limitations placed on recipients of disability benefits and social security retirement benefits to whatever the limitation on the latter benefits might be for purposes of determining eligibility. Equalizing the earnings limitations not only has the obvious and desirable result of eliminating confusion between these two programs, but it also has the immediate effect of raising the earnings limitation substantially for recipients of disability benefits to allow a meaningful income for an individual who, despite his disability, is able to engage in some kind of gainful employment.

I have also introduced H.R. 5354 which would exempt disability income entirely from the income tax. These payments are exempt currently for recipients through age 65, but are considered "retirement benefits" after age 65, and are thus subject to taxation. I feel this is wrong. No additional burden should be placed on an elderly disabled person. Certainly, if anything, older recipients require more in the way of benefits to cope with increased costs of living in the face of possible reduced earning capacity which might result from reaching retirement age, in addition to whatever barriers the disability itself might place in the person's way.

My bill H.R. 5923, which was before the 93d Congress as H.R. 4029, also deals with persons who are disabled. It extends benefits to persons not now covered. This amendment liberalizes the test for the nonblind disabled so that it equals that for the blind. That is, currently, full disability benefits are available to the medically blind person at age 55 if he is unable to work in his normal occupation, whereas the nonblind disabled must show that he is unable to work at any occupation at all before these benefits become available. My bill changes this so that the nonblind disabled person need only show that he is unable to obtain work in his accustomed employment.

This latter change in the law is in line with recommendations in the recent report of the Advisory Council on Social Security which notes that a "severe, but not totally disabling impairment can have virtually the same impact on an older worker as does total disablement on a younger worker." The report suggests that these "occupationally disabled" workers over 55 years of age be paid higer disability benefits. My bill provides full benefits to these persons. In addition, medicare coverage would be provided these occupationally disabled on an equal basis with other recipients of disability benefits, which currently means that medicare coverage is available after a person has received disability payments for a period of 24 months.

I am also introducing two bills today which deal with disability benefits, one of which was my bill H.R. 4028 of the 93d Congress. This bill liberalizes the conditions governing eligibility of blind persons to receive disability benefits. Persons who meet the definition of "industrial" blindness would be considered disabled, regardless of their capacity to work, and could receive social security disability insurance benefits for any month in which they do not engage in substantial gainful activity. Such persons would qualify for disability benefits with as few as 6 calendar quarters of social security coverage; whereas in general, the law now requires that a worker be fully insured and have at least 20 quarters in the 40 quarters preceding disablement. The bill would eliminate the alternative definition of disability that now applies to blind workers aged 55 and over which requires inability to do previous work or any similar work as I have described above. Disability benefits would be payable after age 65 to blind workers who have 6 quarters of coverage even though they are not insured for retirement benefit purposes.

The other bill I offer today would alter the quarters-of-coverage concept altogether. It would correct an inequitable situation in which potential benefits may be denied disability payments even though they have paid sufficiently into the program, but at the "wrong" time in their lives.

As the law presently stands, eligibility for disability benefits requires:

First, that the individual be fully insured—that is, that he have one quarter coverage for each year elapsed since 1950, or if later, his 21st birthday, with a minimum of 6 quarters, or that he have accumulated a total of 40 quarters coverage; and

Second, either that not less than 20 of the 40 quarters immediately prior to the onset of disability were quarters of coverage, or that if under age 31, that not less than half the quarters since he was 21 were quarters of coverage, or if he has less than 12 quarters of coverage, that not less than 6 of the last 12 were quarters of coverage.

This latter requirement was placed into the law originally to insure that the program would apply to those wage earners who had been regular and recent members of the labor force. The bill I am introducing today was H.R. 4564 in the 93d Congress. It eliminates the 20 out of 40 quarters requirement altogether, leaving only the requirement that the individual be fully insured. That is, under my amendment to the Social Security Act, an individual would be qualified for disability insurance benefits if he has enough quarters of coverage to be fully insured for old-age benefit purposes, regardless of when such quarters were earned. Thus, for example, a 32-year-old person with 11 quarters of coverage—one quarter per year since age 21, per the definition of "fully insured"—might be eligible for benefits under my bill.

Mr. Speaker, there is a real need today to assist our disabled citizens to exist in this time of increasing costs needed for simple living. A recent survey has indicated a continuing willingness on the part of the American people to support the Nation's social security system to help those who are now beneficiaries of the system. While there are increased demands placed on the system by the bills I have proposed, I feel those demands are justified to the end of effecting greater equity and justice. I urge my colleagues to carefully consider these bills, and to act favorably and expeditiously on them.

CHEMICAL WARFARE—AN HISTORICAL DISCUSSION

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, an important issue under consideration in this Congress is a determination whether this Nation should approve the complete modernization of our chemical warfare stockpiles. I have already introduced legislation proposing to stop this program, together with 60 of my colleagues. I will, in a few days, provide information which has been furnished to me by the Chairman of the Joint Chiefs of Staff in reply to some of my questions about United States chemical warfare programs.

It has been 60 years since large scale chemical warfare began in modern battles. Perhaps some of the Members may be interested in a review of the effects of gas in war, and some of the reasons why such programs were initiated. Dr. Robert Jones recently prepared the first of a series of articles on this subject which has been printed in the British journal, New Scientist, April 17, 1975. I offer the article for inclusion in the RECORD.

CHEMICAL WARFARE—THE INITIAL HORROR

(By Dr. Robert Jones)

The idea of using choking fumes as an offensive weapon in war is very old indeed. One of the earliest instances to be recorded occurred in 428 BC, when the Spartans burnt wood saturated with pitch and sulphur under the walls of the city of Plataea in an attempt to subdue the defending Athenians. The operation was not a success, for a sudden rainstorm extinguished the fires. History documents examples of similar incidents which took place subsequently, with varying degrees of success. But the events that occurred at the Ypres salient 60 years ago on 22 April, 1915, constitute a turning point in the development of chemical warfare.

The day was a fine one in the immediate vicinity of Ypres. At 5 pm, men in forward positions heard a light hissing noise from the direction of the German trenches. Within 15 minutes, no less than 168 tons of chlorine had been released along a front extending about four miles. A light wind of 3–4 mph bore the wall-like cloud towards trenches manned by British, Canadian, French and Algerian troops. Distant observers spoke of a low greenish mist "such as is seen over water meadows on a frosty night". The deadly gas brought horror and confusion into the ranks of the Allies. Those still capable fled past rear positions, only to run the risk of being shot in the back by their comrades unaware of the advancing terror. More chlorine was discharged on an adjoining sector of the front on 24 April, this time against Canadian troops. The Allied position was simultaneously bombarded with shells containing lachrymators. Much uncertainty exists over the numbers of victims; the figures most quoted are 15,000 casualties, of whom 5,000 died during or soon after the attacks.

The Allies had not, however, been completely without warning. Several days before, a captured deserter had provided the French with information that the Germans were intending to use "tubes of asphyxiating gas placed in batteries of 20 tubes for every 40 metres along the front of the 26th (French) Corps". The prisoner even had a cotton pad, to be dipped in a chemical that counteracted the effects of the gas. Accordingly, the Royal Flying Corps made a special reconnaissance of the German positions, but nothing suspicious was reported, and no further precautions were made. The surprise and effectiveness of the German attack rent an immense hole in the Allied front, but Canadian and British reserves were able to fill the gap before the Germans followed up their advantage. Later, in September, the British retaliated in kind at Loos, with chlorine.

As with other poisonous gases, the effects of chlorine are related to the duration and magnitude of exposure. At high concentrations, victims experience feelings of intense suffocation, fall to the ground, struggle for a few moments, and expire. Conan Doyle wrote of the scene after the attack near Ypres, when the Germans advanced through successive lines of Allied trenches "tenanted only by the dead garrisons, whose blackened faces, contorted figures, and lips fringed with blood and foam from their bursting lungs, showed the agonies in which they had died" (The British Campaign in France and Flanders 1915). Men exposed to lower doses sense a burning of the throat and feelings of suffocation, and cough repeatedly. Breathing becomes intensely difficult, and death may follow within two days. The main effect of the gas is to cause the secretion of massive quantities of a frothy fluid into the airspaces of the lungs. As fluid builds up, lack of oxygen induces feelings of weakness, fatigue, lassitude, and headache. Medical examination can detect bubbling noises within the chest. The body temperature tends to fall, and the features become bluish. When slightly tilted in a head-downwards position, patients may produce over a litre of frothy fluid. Gassed individuals surviving for 36 hours generally developed bronchitis. The fluid coughed up became greenish and purulent; the pulse became weak and rapid, while respirations became shallow and fast. Headache and debility would develop, persisting sometimes for several weeks. Those who lasted out the initial two days usually made some kind of recovery.

GROWTH OF CHEMICAL INDUSTRY

The attack of 22 April represents the culmination of a multitude of diverse events that had begun well over 100 years before, with the discovery of chlorine by Scheele in 1774. The growth of chemical knowledge that began at about that time was to lead to enormous industrial application and innovation. Whereas scientific endeavor in this country remained largely stifled throughout the nineteenth century by an excessive emphasis laid on the teaching of classics in secondary education, the Germans were quick not only to grasp the significance of the new knowledge, but also to foster its spread and application. A chief consequence was the rapid growth and dominant position attained by the massive dyestuffs industry, whose output by 1913 had reached over 110,000 tons. Germany was ideally situated to develop the war potential of her chemical industry at the beginning of hostilities. For example, dyestuff intermediates derived from coal tar were readily switched to the synthesis of explosives and, later, to the manufacture of poison gases whose structures incorporated aromatic rings. A rudimentary but adequate awareness of the irritant and poisonous properties of a small proportion of the substances discovered in previous decades was all that was further required to divert the capacity of the complex chemical industry towards novel bellicose aims.

The time was also ripe for a rapid and intensely active phase of research and development in chemical warfare. The first Hague Convention had considered the possibility of this kind of hostility as far back as 1899. Twenty-five nations had met together, and had recognised that recent advances in the technology of explosives, notably in the emergence of nitrocellulose and nitroglycerine powers as propellants, made possible the delivery at long range of "asphyxiating or deleterious gases" by means of high velocity shells. In fact, no such weapons had actually then been devised, but nearly all the participating nations agreed to ban them, despite their notional reality. The United States failed to approve the resolution, and Great Britain's vote was contingent on unanimity.

The years 1915–17 provide fascinating details of the scissors-paper-stone sequence of offence/defence in research and development During the entire period the ball remained almost exclusively in the German court. The main physiological target of chlorine is the respiratory tract, especially the lungs. The earliest protective devices, consisting of cotton pads soaked in a solution of sodium carbonate plus thiosulphate, were intended to cope with chlorine. The pads were not particularly efficient, and were only regarded as a temporary expedient. Moreover, the device offered no protection against lachrymatory agents, the use of which followed the introduction of chlorine almost simultaneously. The pads were replaced with a flannel helmet fitted with eyepieces; the solution of sodium salts was supplemented with glycerol, to prevent the cloth from drying out and losing its slender protective capacity.

British intelligence then discovered that the Germans were soon to introduce phosgene, which is several times more poisonous than chlorine. The anti-chlorine solution was changed to include sodium phenate and gylcerol, but the Russians found that hexamethylene tetrammine was more effective against phosgene. So the P. (for phenate, or phenolate in contemporary terminology) became the P.H. (phenolate-hexammine) helmet. As a countermeasure, the Germans stepped up the delivery of lachrymators; the Allies responded with rubber goggles fitted with mica eyepieces, to be used in conjunction with the P.H. helmet.

GAS MASKS INTRODUCED

The next defensive innovation was introduced by the British, in the form of a respirator. The air intake was purified by passage through a canister containing activated charcoal (against lachrymators and vapours), sodalime (against chlorine and phosgene) and potassium permanganate. The facepiece consisted of layers of muslin impregnated with sodium zincate and hexamethylene tetrammine; the eyes were protected by goggles.

The toxicity or irritant power of each new substance tended to exceed those of its predecessors. By the late spring of 1917, defence measures had been so successfully improved, despite the awkward, clumsy and cumbersome aspects of the equipment, that the casualties caused by gassing were almost entirely restricted to men caught unawares by the sudden build-up of toxic concentrations. In July, the Germans shattered the stalemate with two novel and deadly weapons.

The first of these, diphenylchloroarsine, is classified as a sternutator, or cough-inducing agent. CS also belongs to this group. Sternutators are solids of almost negligible volatility, and therefore require heat for their dissemination. The vaporisation induced by heating leads to the formation of tiny particles which readily penetrated the standard masks, causing immediate and intense irritation of the eyes and mucous membranes. Coughing, nausea, and vomiting resulted, the intention being that affected soldiers would remove their masks, thereby risking exposure to other gases such as phosgene that were included in the bombardment. The Allies responded in kind; indeed, the American Major Adams, discovered a cheap method of preparing another sternutator, namely, 10-chloro-5, 10-dihydrophenarsazine. The compound became known as Adamsite, and achieved later notoriety as a riot control agent both on its own and in conjunction with tear gas. The essential requirement of adequate protection is an air filter that effectively traps the particles. This was not easy to achieve in practice without increasing substantially the resistance to airflow.

MUSTARD GAS

The second of these new weapons overcame the problem in a different way. Mustard gas, first launched against the British near Ypres on the night of 12 July, 1917, marked the beginning of the next phase. The name mustard gas is a misnomer; the substance is an oily liquid possessing only slight volatility (0.4 mg/litre at 15° C) in relative terms, although this level is three times that necessary to kill after an exposure of 10 minutes. Unlike any of its predecessors, but like the nerve gases developed during the Second World War, the compound can inflict death by skin contact. Worse, mustard gas can penetrate rubber and even leather, causing distressing blisters to the underlying skin.

The response to mustard gas varies considerably depending on the nature of exposure. Apart from a slight irritation of the nose and a faint smell in high concentration that has been likened to mustard, garlic, or horse-radish, mustard gas produces no immediate physiological effects. So on the night of 12 July, the bombarded British noticed nothing, apart from sneezing. Within two hours, however, eyes became inflamed, and vomiting sometimes occurred. If the eyes were totally unprotected, victims were effectively blinded. The famous picture by J. S. Sergeant in the Imperial War Museums shows men blinded by gas being led in groups, each holding on to his predecessor. False membranes soon developed on tongue and trachea; with heavy exposure, lung tissue sometimes practically disintegrated.

Sufferers experienced nausea; the skin became irritated and inflamed, with blister formation at sites of splashing. High concentrations of vapour also produced blistering, especially in the armpits and body crevices of the pelvic region. Affected areas later became necrotic, taking weeks to heal. The white cell count showed a prompt initial rise soon after exposure before plummeting to levels so meagre that the body became, in effect, a welcoming culture medium for bacteria. Many of the deaths were due to infection. The lungs would become "the seat of an extensive necrotising bronchopneumonia with abscess formation . . . pneumonia is due to secondary infection, and is the principal cause of death . . . the small bronchi are entirely occluded with pus . . ." (Vedder, E. B., Medical Aspects of Chemical Warfare. 1925).

In addition, affected persons presented a picture of abject misery. Those fortunate enough to be moved from the front sometimes took months to recover. Their distress chiefly took the form of acute detestation of light and of being moved; headache, nausea, vomiting, fever, intense depression, feelings of insuperable lassitude and fatigue, diarrhea, and extensible body wasteage were the predominant symptoms, in addition to blistering. Some idea of the detailed lethal consequences of poisoning by mustard gas can be gathered from the dispassionate account, produced for the Medical Research Committee by Dr. M. J. Stewart at the end of 1918, of 10 moribund cases. The true wretchedness of the condition is still difficult to visualize; in the appaling existence of the trenches, with frequent bombardment and risk of injury or death, perpeutal mud, lack of sanitation and facilities for hygiene, sores, lice, and substandard nutrition, that men endured such a compounded artificial hell is nothing short of miraculous. Little wonder, then, that mustard gas acquired a terrifying notoriety as the "king of the war gases" against which there was no complete defense in the front line.

WILFRED OWEN'S DESCRIPTION

Most of the poisons used offensively in the Great War produced symptoms broadly similar to those described; the effects are documented in the literature, which proliferated hugely at the end of the war and into the immediate post-war years before subsidizing to a small trickle. Yet the most vivid description of gas poisoning was penned neither by scientist nor doctor. Wilfred Owen, tragically shot a few days before the signing of the Armistice, wrote of the consequences when a soldier failed to protect himself in time.

But someone still was yelling out, and stumbling,
And floundering like a man in fire or lime.
There, through the misty panes and dim green light,
As under a thick sea, I saw him drowning. . . .

I must not speak of this thing as I might.
In all my dreams I hear him choking, drowning.
In all your dreams if you could slowly pace
Behind the wagon that we laid him in,
And watch the white eyes turning in his face,
His hanging face, tortured for your own sin,—

If you could see, at every jolt; the blood
Come belching black and frothy from the lung,
And think how once his face was like a bud,
Fresh as a country rose, and clear, and young,
You would not go on telling with such zest,
To children ardent for some desperate glory,
The old lie: Dulce et decorum est
Pro patria mori.

GUN CONTROL—THE NEED TO ACT QUICKLY

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, I would like to take this opportunity to insert into the RECORD two articles which have appeared recently in a local newspaper in my congressional district. These articles describe the sale of "antique" pistols which apparently are becoming something of a fad in New York State since the State gun control law was amended last year to allow those without gun permits to purchase these items in the form of a kit that can be quickly assembled. Tests show that the weapons can be easily fired, that ammunition for them is readily available and that they are capable of infliction great bodily harm.

If the deaths and injuries that result from the sale of these fad objects follow the established pattern, most of them will occur when an adult or child accidentally discharges the weapon while playing with it or examining it or will result from a heated argument between friends or relatives in which an individual decides in the passion of the moment to settle the matter once and for all. As a cosponsor of the national handgun control bill introduced recently by my distinguished colleague, Mr. MIKVA, I urge that we act promptly to end this madness.

The articles referred to follow:

[From the (White Plains, N.Y.) Reporter Dispatch, Apr. 18, 1975]

NO PERMIT NEEDED FOR REAL WEAPONS MADE FROM KIT

(By Charles Lachman)

A person doesn't need a pistol permit in order to legally buy a handgun in Westchester County. In fact, the individual doesn't even need to be over 18 years of age.

Many stores in Westchester are selling antique pistol kits, and the guns "can kill as easily as any weapon," according to county law enforcement officials.

The gun kits do not fall under the protective code of New York State's handgun law, and it is possible for anyone with $32 to buy the potentially lethal weapon.

The antiques are rally replicas of pistols used in the 1800's. When assembled, the kits turn into workable weapons that can fire a 44 caliber ball with enough force to penetrate a thick piece of wood.

Before Jan. 15, 1974, a person who wanted to purchase the pistol kit was required to apply for a permit. But the law was amended last year to exclude the replicas from any state gun control legislation.

Since the pistols can be purchased without a permit, there are no age limitations who the kits may be sold to, according to William Ritigliano, the agent in charge of the White Plains office of the U.S. Bureau of Alcohol, Tobacco and Firearms.

Theoretically, a 10-year-old can walk into a discount store or any of the more than 10 Westchester gun shops surveyed, pay $32 and walk out with a flint-lock pistol.

But most gun shop operators say there is a self-imposed restriction on selling the kits to minors, even though state law does not demand it.

"I doubt very much if anyone in this particular store would sell the kits to a child under 18," says Peter Remling, a gun salesman who works in the Peekskill branch of Caldors.

The law was changed because legislators believed that gun powder and the .44 caliber balls used to fire the pistol were not easily available, according to chief investigator John DeLeo from the county sheriff's office.

But the legislators were wrong.

Right now, any person can buy under five pounds of gun powder in most county gun shops. The .44 caliber balls are also sold in the gun shops and at Caldors.

The new law placed the pistol kits into the category of "antiques" that do not require permits or registration by the purchaser. The result is that a number of companies which manufacture or distribute the pistol kits increased their inventory supply to Westchester, Putnam and other counties.

The new law has a "favorable effect on our sales," says Hank Goodman, vice president of one of the largest distributors of the pistol kits, Ultra-High Products of New Jersey.

Goodman, however, would not release sales figures for his company for the past year.

Caldors has only recently begun selling the pistol kits. One reason is the lenient law, but another is growing interest in America's Bicentennial.

Ritigliano said, "With the Bicentennial coming, we get a lot of questions from people who want to participate in the parade with the pistols."

Under state law, a person who wants to fire the weapons must apply for a permit.

But no permit is required to buy the pistol kit.

This quirk in the law inevitably causes many violations, according to the sheriff's office. For example, a sales pamphlet from Ultra-High Products estimates that 30 per cent of the assembled pistols are actually fired. The remainder are displayed in the dens of aspiring gun collectors.

But as one gun salesman said, "Who's going to catch you if you fire it without a permit?" Sheriff Thomas Delaney agreed that there are many violations of the law.

The antique pistol kits come in two models. One resembles the six-cylinder Colt .45, while the other is a replica of the Revolutionary War flint-lock or percussion pistols.

Among Westchester stores that sell the pistol kits are Male Town in White Plains, Daum Company in Mount Kisco, Agramonte's in Yonkers, Armonk Gun Shop, and the Bedford, Peekskill and Yorktown branches of Caldor's.

TEST FIRE SHOWS KIT GUN POWER

(By Charles Lachman)

With his feet firmly planted, Westchester ballistics specialist Joseph Reich Thursday fired a $54 pistol into three 2 by 3 inch blocks of wood.

The pistol created enough force to drive a .44 caliber ball into the first block.

These pistols come in kits, and can be purchased by anyone without a permit—including 10-year-olds.

"A skull would never stop that ball," said Westchester Sheriff Thomas Delaney after the smoke cleared away. "We've just proved that the kits are deadly weapons. There's no doubt about it."

Delaney is just one of many law enforcement officials who are showing increased concern about the sale of the pistol kits in Westchester and Putnam.

The Sheriff and his ballistics expert arranged the firing session Thursday to prove that new legislation is needed so that persons who buy the kits must apply for a permit.

The pistol kits come in many models. But the two most popular ones include a $32 Revolutionary War percussion-type pistol and a Colt .45 replica that can fire six .44 caliber balls.

Under recently passed state laws, the pistol kits are considered "antiques," not firearms. As a result, no permit or any form of registration is required of persons who buy the weapons.

But Delaney would like to see the law changed. After Thursday's demonstration, he concluded that the pistol kits "should be considered a weapon. We proved that they are capable of being fired."

Compared to a .38 caliber police revolver, the Colt .44 replica, which can be purchased for about $50 in one White Plains gun shop, is just as powerful. Both were lodged into the second of three wooden blocks that were set up near the Sheriff's firing range in Valhalla.

At the very least, Delaney says he would like to force manufacturers of the pistol kits to make the weapon "inoperable." But he would also like to require persons who buy the kits to register them with the county clerk.

In fact, Delaney vowed that any person caught with the assembled pistol, gun powder and ball will be arrested if he does not have a permit.

The Sheriff agreed that the arrest would go far in challenging the state law.

He added, "No one from the state can disprove that it is not a fireable weapon."

Chief Investigator John DeLeo said that he has already received an anonymous complaint from an irate parent who said her son purchased the kit in northern Westchester.

Any attempt to require permits for the pistol kits would receive the opposition of the powerful arms lobby in Albany, Delaney says. One distributor of the pistol kits, Hank Goodman of Ultra-High Products, said that the pistols are a "true sport. We strongly feel that no permit should be required for them because they are not weapons.

"They are antiques."

ELECTRICITY—NATIONAL POWER GRID BILL REINTRODUCED

(Mr. OTTINGER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. OTTINGER. Mr. Speaker, on March 17, 1975, I introduced the National Electric Energy Conservation Act of 1975, along with five of my colleagues—Record pages 6857, 6858. Senator Metcalf introduced a companion bill in the Senate on the same day.

On April 14, 1975, I reintroduced the bill, along with 25 additional colleagues who feel that it is time to use our present generating capacity more efficiently by forming a national power grid—Record, page 10091.

I am pleased to reintroduced the bill a second time today with 10 more of my colleagues who wish to cosponsor the legislation.

ADDITIONAL COSPONSORS

Mr. Murphy of New York, Mr. George Miller, Mr. Pattison, Mr. Ashley, Mr. Ryan, Ms. Holtzman, Mr. Solarz, Ms. Fenwick, Mr. Maguire, Mr. Hannaford, and Mr. Carr.

The Members might be interested to know that the concept of a national power grid has had the support of America's rural and public electric systems for several years. I would like to insert in the Record an advertisement that the Nation's rural electric systems are using in support of a grid:

NEEDED: A NATIONWIDE POWER GRID

Our country, once a land of isolated communities, is bound together today by networks of many kinds—highway, railroad, television, telephone, radio.

Missing, however, is one highly important network . . . a system for sending electricity to where it's needed, when it's needed . . . shuttling millions of kilowatts from sleeping California to up-and-about New York, for instance, and back again when required.

We of America's consumer-owned rural electric systems believe a nationwide power grid—an extra high voltage system—capable of quickly moving large blocks of power anywhere in the country—north, south, east or west—is long overdue.

It becomes clearer each day that if we, as a nation, are to solve our complex and persistent energy problems, we must take this and other steps—using to the fullest extent technical capabilities now available—that will help maximize the efficient use of our power generating facilities and energy supply.

We believe such a grid system can best be achieved within the present pluralisitc ownership structure of the electric industry. But size of profit or feasibility of investment should not be the all-determining factors. *Performance in the public interest*—that must be the principal purpose and value. This means every element of the electric utility industry—and government—must carry its fair share of the financial responsibility.

To enable our nation to use energy resources more wisely . . . to help match supply with demand and reach the primary objective of ensuring reliable electric service for all Americans . . . and for national security and consumer health, safety and convenience, we advocate speedy development of a nationwide power grid.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Dellums (at the request of Mr. O'Neill), for today and Tuesday, April 29, on account of attending a funeral.

Mr. Matsunaga (at the request of Mr. O'Neill), for today and Tuesday, April 29, on account of official business.

Mr. Railsback (at the request of Mr. Michel), for today, on account of illness (throat examination).

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Moore) to revise and extend their remarks and include extraneous material:)

Mr. McKinney, for 5 minutes, today.
Mr. Derwinski, for 5 minutes, today.
Mr. Rousselot, for 15 minutes, today.
Mr. Kemp, for 15 minutes, today.
Mr. Burke of Florida, for 10 minutes, today.
Mr. Heinz, for 30 minutes, today.

(The following Members (at the request of Mr. LaFalce) to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 5 minutes, today.
Mr. Kastenmeier, for 5 minutes, today.
Mr. Drinan, for 10 minutes, today.
Mr. Ford of Tennessee, for 10 minutes, today.
Mr. Cornell, for 15 minutes, today.
Mr. Flood, for 5 minutes, today.
Mr. Alexander, for 30 minutes, today.
Mr. Fithian, for 10 minutes, today.
Mr. O'Neill, for 5 minutes, today.
Mr. Rodino, for 5 minutes, today.
Mr. Brooks, for 5 minutes, today.
Mrs. Burke of California, for 5 minutes, today.
Mr. Patman, for 10 minutes, today.
Mr. Metcalfe, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Moore) and to include extraneous matter:)

Mr. Hagedorn in five instances.
Mr. Crane in two instances.
Mr. Gilman.
Mr. Lent.
Mr. Esch.
Mr. Ashbrook.
Mr. Myers of Indiana.
Mr. Bell.
Mr. Horton.
Mr. Anderson of Illinois in two instances.
Mr. Thone.
Mr. Heinz in three instances.

(The following Members (at the request of Mr. LaFalce) and to include extraneous matter:)

Mr. Evins of Tennessee.
Mr. Baldus.
Mr. Annunzio in six instances.
Mr. Gonzalez in three instances.
Mr. Anderson of California in three instances.
Mr. Carney in two instances.
Mr. Mineta in five instances.
Mr. Riegle in two instances.
Mr. Rodino in two instances.
Mr. Rangel in 10 instances.
Mr. Lloyd of California in three instances.
Mr. Beard of Rhode Island in two instances.
Mr. Runnels.
Mr. Wirth.
Mr. Harris.
Mr. Mitchell of Maryland.
Mr. Simon in two instances.
Mr. Long of Maryland.
Mr. Hawkins in two instances.
Mr. Dingell.
Mr. Nowak in 10 instances.
Mr. Zeferetti.
Mr. Bolling.
Mr. Eckhardt.
Mr. Richmond.
Mr. Mikva.
Mr. Downey in two instances.
Mr. John L. Burton.
Mrs. Spellman.
Mr. McDonald of Georgia in two instances.
Mr. Jones of Tennessee.
Mr. Moorhead of Pennsylvania in 10 instances.

SENATE BILL AND CONCURRENT RESOLUTION REFERRED

A bill and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 435. A act to amend section 301(b)(7) of the Agricultural Adjustment Act of 1938 as amended, to change the marketing year for wheat from July 1–June 30, to June 1–May 31; to the Committee on Agriculture.

S. Con. Res. 19. Concurrent Resolution relating to the World Food Conference of 1976 in Ames, Iowa; to the Committee on International Relations.

ADJOURNMENT

Mr. CORNELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 31 minutes p.m.), the House adjourned until tomorrow, Tuesday, April 29, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

866. A letter from the President of the United States, transmitting a draft of proposed legislation to extend and revise the State and Local Fiscal Assistance Act of 1972; to the Committee on Government Operations.

867. A letter from the President of the United States, transmitting notice of his intention to exercise his authority under section 614(a) of the Foreign Assistance Act

of 1961, as amended, to authorize the use of Indochina Postwar Reconstruction funds for the purpose of financing the evacuation from South Vietnam of certain South Vietnamese nationals and others without regard to the requirements of the act, the Foreign Assistance Act of 1974, and section 113 of Public Law 94–11, pursuant to section 652 of the Foreign Assistance Act of 1961, as amended (H. Doc. No. 94–116); to the Committee on International Relations and ordered to be printed.

868. A letter from the Secretary of Defense, transmitting a semiannual report on the standardization of military equipment in NATO and other related actions, pursuant to section 302(c) of Public Law 93–365; to the Committee on Armed Services.

869. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend section 269(e) of title 10, United States Code, to provide that a member of the Ready Reserve may not be transferred to the Standby Reserve under that subsection unless he has served on active duty (other than for training) for at least 91 days and has requested that transfer 180 days in advance; to the Committee on Armed Services.

870. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to authorize the negotiated sale by the Department of Defense of certain equipment, materials, and obsolete spare parts to U.S. purchasers, and for other purposes; to the Committee on Armed Services.

871. A letter from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation to amend the U.S. Housing Act of 1937 to increase the amounts of annual contributions which may be provided thereunder with respect to low-income housing projects, to specify the manner in which annual contributions shall be subject to appropriation acts, and for other purposes; to the Committee on Banking, Currency and Housing.

872. A letter from the Secretary of Health, Education, and Welfare, transmitting an interim report on long-range projections of the service needs of the handicapped required by section 405(a)(1) of Public Law 93–112; to the Committee on Education and Labor.

873. A letter from the U.S. Commissioner of Education, Department of Health, Education, and Welfare, transmitting his annual reports for fiscal year 1973 on the program of financial assistance to local educational agencies and the program of school construction in areas affected by Federal activities, pursuant to section 401(c) of Public Law 81–874, as amended [20 U.S.C. 242(c)], and section 12(c) of Public Law 81–815, as amended [20 U.S.C. 642(c)], respectively; to the Committee on Education and Labor.

874. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting a proposed amendment to the regulations governing the Guaranteed Student Loan Program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

875. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed regulations and guidelines for the Rights to Read reading academy program under section 2(a)(1) of the Cooperative Research Act, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

876. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed final regulations and guidelines for part B of the Education of the Handicapped Act—assistance to States for education of handicapped children, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

877. A letter from the Secretary of the Interior, transmitting a report on Federal programs and Alaska Natives, pursuant to section 2(c) of Public Law 92–203; to the Committee on Interior and Insular Affairs.

878. A letter from the Assistant Secretary of the Interior, transmitting his approval of the application of the Nevada Irrigation District of Grass Valley, Calif., for a loan under the Small Reclamation Projects Act, as amended, pursuant to section 4(c) of the act; to the Committee on Interior and Insular Affairs.

879. A letter from the Deputy Secretary of State, transmitting a report on the reduction of U.S. civilian and military personnel abroad, pursuant to section 15(b) of Public Law 93–475; to the Committee on International Relations.

880. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the intention of the Department of the Air Force to offer to sell certain defense articles to the Government of Tunisia, pursuant to section 36(b) of the Foreign Military Sales Act, as amended; to the Committee on International Relations.

881. A letter from the Attorney General, transmitting a draft of proposed legislation to amend section 511(d) of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 881(d)) to raise the monetary limit applicable to drug-related judicial forfeitures from $2,500 to $10,000; to the Committee on Interstate and Foreign Commerce.

882. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Federal Railroad Safety Act of 1970 to authorize additional appropriations; to the Committee on Interstate and Foreign Commerce.

883. A letter from the Acting Director, Office of Telecommunications Policy, Executive Office of the President, transmitting a draft of proposed legislation to amend certain provisions of the Communications Satellite Act of 1962, as amended; to the Committee on Interstate and Foreign Commerce.

884. A letter from the Postmaster General, transmitting a draft of proposed legislation to amend the Postal Reorganization Act to preserve the present method of computing the compensation of rural letter carriers; to the Committee on Post Office and Civil Service.

885. A letter from the Secretary, Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Social Security Act to make permanent the program of assistance for U.S. citizens returned from foreign countries; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Pursuant to the order of the House on Aug. 24, 1975, the following report was filed on Apr. 25, 1975*]

Mrs. SULLIVAN: Committee on Merchant Marine and Fisheries. H.R. 3902. A bill to authorize appropriations for the fiscal years 1976 and 1977 for certain maritime programs of the Department of Commerce, and for other purposes; with amendment (Rept. No. 94–175). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted April 28, 1975*]

Mr. MORGAN: Committee of Conference. Conference report on H.R. 6096 (Rept. 94–176). Ordered to be printed.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 5357. A bill to authorize appropriations to the Secretary of Commerce for the promotion of tourist travel. (Rept. No. 94–177). Referred to the Committee of the Whole House on the State of the Union.

Mrs. SULLIVAN: Committee on Merchant Marine and Fisheries. H.R. 5217. A bill to authorize appropriations for the Coast Guard for the procurement of vessels and aircraft and construction of shore and offshore establishments, to authorize appropriations for bridge alterations, to authorize for the Coast Guard an end-year strength for active duty personnel, to authorize for the Coast Guard average military student loads, and for other purposes; with amendment (Rept. No. 94–178). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 5272. A bill to amend the Noise Control Act of 1972 to authorize additional appropriations (Rept. No. 94–179). Referred to the Committee of the Whole House on the State of the Union.

Mr. DELANEY: Committee on Rules: House Resolution 425. Resolution providing for the consideration of the conference report on H.R. 6096. A bill to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions on the availability of funds for the use of U.S. Armed Forces in Indochina, and for other purposes (Rept. No. 94–180). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANNUNZIO (for himself and Mr. MOFFETT):

H.R. 6393. A bill to amend title 38, United States Code, to provide hospital and medical care to certain members of the armed forces of nations allied or associated with the United States in World War I or World War II; to the Committe on Veterans' Affairs.

By Mr. ASPIN (for himself, Mr. BEDELL, Mr. BINGHAM, Mrs. BURKE of California, Mr. CARR, Mr. CARTER, Mr. DOMINICK V. DANIELS, Mr. FENWICK, Mr. FRASER, Mr. HALL, Mr. HARKIN, Mrs. HECKLER of Massachusetts, Mr. METCALFE, Mr. MOAKLEY, Mr. MOFFETT, Mr. RICHMOND, Mr. RODINO, Mr. ROE, Mr. ROSE, and Mr. ROSENTHAL):

H.R. 6394. A bill to prohibit the licensing of certain activities regarding plutonium until expressly authorized by Congress, and to provide for a comprehensive study of plutonium recycling; to the Joint Committee on Atomic Energy.

By Mr. BEARD of Rhode Island (for himself, Mr. HECHLER of West Virginia, Mr. BROWN of California, Mr. SOLARZ, Mr. CARR, Mr. MURPHY of Illinois, Mr. HARRINGTON, Mr. ST GERMAIN, Mr. DOWNEY, Ms. ABZUG, Mrs. SCHROEDER, Mr. LONG of Maryland, Ms. HOLTZMAN, Mr. GILMAN, Mr. MAZZOLI, Mr. KOCH, and Mr. PEPPER):

H.R. 6395. A bill to require unannounced State inspections of public and private extended care facilities, skilled nursing homes, and intermediate care facilities and to require State enforcement of guarantees of rights of the patients in such facilities; to the Committee on Interstate and Foreign Commerce

By Mr. BEARD of Rhode Island (for himself and Mr. ST GERMAIN):

H.R. 6396. A bill to require the Administrator of Veterans' Affairs to acquire the

Rhode Island Veterans' Cemetery; to the Committee on Veterans' Affairs.

By Mr. CEDERBERG:

H.R. 6397. A bill to amend the National Portrait Gallery Act to redefine "portraiture"; to the Committee on House Administration.

By Mr. CRANE (for himself, Mr. Robinson, Mr. Collins of Texas, Mr. Young of Florida, Mr. Haley, Mr. Archer, Mr. Abdnor, Mr. Conlan, Mr. McDonald of Georgia, Mr. Eshleman, Mr. Bafalis, Mr. Henderson, and Mr. Beard of Tennessee):

H.R. 6398. A bill to preserve and protect the free choice of individual employees to form, join, or assist labor organizations, to refrain from such activities; to the Committee on Education and Labor.

By Mr. CRANE (for himself, Mr. Kelly, and Mr. Beard of Tennessee):

H.R. 6399. A bill to remove statutory limitations upon the application of the Sherman Act to labor organizations and their activities, and for other purposes; to the Committee on the Judiciary.

By Mr. CRANE (for himself, Mr. Collins of Texas, Mr. Conlan, Mr. McDonald of Georgia, Mr. Eshleman, Mr. Bafalis, Mr. Ketchum, Mr. Henderson, and Mr. Beard of Tennessee):

H.R. 6400. A bill to protect the freedom of choice of Federal employees in employee-management relations; to the Committee on Post Office and Civil Service.

By Mr. CRANE (for himself and Mr. Kelly):

H.R. 6401. A bill to amend title 39, United States Code, to eliminate certain provisions relating to private carriage of letters, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CRANE (for himself, Mr. Symms, Mr. Lent, Mr. Hannaford, and Mr. Kindness):

H.R. 6402. A bill to amend title XI of the Social Security Act to repeal the provision for the establishment of professional standards review organizations to review services covered under the medicare and medicaid programs; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. de la GARZA:

H.R. 6403. A bill to clarify the authority of the Secretary of Agriculture to control and eradicate plant pests; to the Committee on Agriculture.

By Mr. ESCH:

H.R. 6404. A bill to insure that recipients of veteran's pension and compensation will not have the amount of such pension or compensation reduced, or entitlement thereto discontinued, because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

H.R. 6405. A bill to establish a science and technology policy for the United States, to provide for scientific and technological advice and assistance to the President, to provide adequate administrative organization to assure effective Federal support and utilization of research and development, to amend the National Aeronautics and Space Act of 1958, to amend the National Science Foundation Act of 1950, and for other purposes; jointly to the Committees on Science and Technology, and Government Operations.

By Mrs. FENWICK:

H.R. 6406. A bill to amend the Truth in Lending Act to provide that creditors who act in accordance with advisory opinions rendered by agencies under this act shall be presumed to be in compliance with the act with respect to the matter upon which the advisory opinion was rendered; to the Committee on Banking, Currency and Housing.

By Mr. FOLEY (for himself and Mr. Wampler) (by request):

H.R. 6407. A bill to further amend the Agricultural Marketing Act of 1946; to the Committee on Agriculture.

By Mr. FORD of Tennessee:

H.R. 6408. A bill to coordinate State and local government budget-related actions with Federal Government efforts to stimulate economic recovery by establishing a system of emergency support grants to State and local governments; to the Committee on Government Operations.

By Mr. GIBBONS:

H.R. 6409. A bill to amend the Accounting and Auditing Act of 1950 to provide for the audit of certain Federal agencies by the Comptroller General; to the Committee on Government Operations.

By Mr. GOLDWATER (for himself and Mr. Lagomarsino):

H.R. 6410. A bill to amend the Surplus Property Act of 1944 to allow the Administrator of General Services to convey or dispose of to any State, political subdivision, municipality, or public district, without monetary consideration to the United States, surplus real or personal property which is essential, suitable, or desirable for the development, improvement, operation, maintenance, or use of a public port; to the Committee on Government Operations.

By Mr. HANSEN (for himself and Mr. Symms):

H.R. 6411. A bill to authorize the Secretary of the Interior to engage in feasibility investigations of certain potential water resource developments; to the Committee on Public Works and Transportation.

By Mr. KOCH (for himself, Mr. Moss, Mr. Simon):

H.R. 6412. A bill to provide for the payment by the United States of attorneys fees and other costs of the accused in criminal cases where the ultimate disposition is other than a conviction; to the Committee on the Judiciary.

By Mrs. MINK:

H.R. 6413. A bill to amend title II of the Social Security Act to provide that an individual may qualify for disability insurance benefits and the disability freeze if he has enough quarters of coverage to be fully insured for old-age benefit purposes, regardless of when such quarters were earned; to the Committee on Ways and Means.

H.R. 6414. A bill to amend title II of the Social Security Act so as to liberalize the conditions governing eligibility of blind persons to receive disability insurance benefits thereunder; to the Committee on Ways and Means.

By Mrs. MINK (for herself and Mr. Hawkins):

H.R. 6415. A bill to authorize the Secretary of Health, Education, and Welfare to make grants to conduct special educational programs and activities designed to achieve conservation and nonuse of energy and materials and for other related educational purposes; to the Committee on Education and Labor.

By Mr. MOORHEAD of Pennsylvania:

H.R. 6416. A bill to coordinate State and local government budget-related actions with Federal Government efforts to stimulate economic recovery by establishing a system of emergency support grants to State and local governments; to the Committee on Government Operations.

By Mr. RICHMOND (for himself, Mr. Miller of California, Mr. Hechler of West Virginia, Mr. Conyers, Mr. Dellums, Mr. de Lugo, Mr. Rosenthal, Mr. Roybal, Mr. Harrington, Mr. Waxman, Mr. Koch, Mr. Zeferetti, Ms. Chisholm, Ms. Abzug, Mr. Rangel, Mr. Badillo, Mr. Vigorito, Mr. Harkin, Mr. Nolan, Mr. McHugh, Mr. Jenrette, Mr. Bergland, Mr. Melcher, and Mr. Brown of California):

H.R. 6417. A bill to amend the Food Stamp Act of 1964 to provide for improved and more extensive means of distributing food stamp informational materials, to improve the application procedure for food stamp applicants, and to provide special assistance in areas of high unemployment; to the Committee on Agriculture.

By Mr. RICHMOND (for himself, Mr. Roe, Mr. Stark, Mr. Mitchell of Maryland, Mr. Pattison of New York, and Mrs. Meyner):

H.R. 6418. A bill to amend the Food Stamp Act of 1964 to provide for improved and more extensive means of distributing food stamp informational materials to improve the application procedure for food stamp applicants, and to provide special assistance in areas of high unemployment; to the Committee on Agriculture.

By Mr. RINALDO:

H.R. 6419. A bill to provide for additional sentences for commission of a felony which use of a firearm; to the Committee on the Judiciary.

By Mr. RODINO:

H.R. 6420. A bill to make additional immigrant visas available for immigrants from certain foreign countries, and for other purposes; to the Committee on the Judiciary.

By Mr. SIMON (for himself, Mr. Perkins, Mr. Brown of California, Mr. Rees, Mr. Charles H. Wilson of California, Mr. Blanchard, Mr. Udall, Mr. Hechler of West Virginia, and Mr. Buchanan):

H.R. 6421. A bill to require the Secretary of Labor to establish a pilot program for the provision of guaranteed employment opportunities in selected counties of the United States; to the Committee on Education and Labor.

By Mr. SISK (for himself, Mr. Barrett, Mr. Benitez, Mr. Brown of California, Mr. Carney, Mr. Chappell, Mr. Cornell, Mr. Derrick, Mr. Drinan, Mr. Duncan of Tennessee, Mr. Florio, Mr. Hanley, Mr. Harkin, Mr. Hechler of West Virginia, Mr. Hicks, Mr. Hubbard, Mr. Ichord, Mr. Kazen, Mr. LaFalce, and Mr. Litton):

H.R. 6422. A bill making appropriations for section 107 (a)(6) of the Housing and Community Development Act of 1974 for the fiscal year ending June 30, 1975; to the Committee on Appropriations.

By Mr. SISK (for himself, Mr. McCormack, Mr. McFall, Mr. Mitchell of Maryland, Mr. Moakley, Mr Mollohan, Mr. Nolan, Mr. Perkins, Mr. Rees, Mr. Roe, Mr. Ryan, Mr. Stratton, Mr. Thompson, Mr. Udall, Mr. Weaver, Mr. Young of Texas, and Mr. Zeferetti):

H.R. 6423. A bill making appropriations for section 107(a)(6) of the Housing and Community Development Act of 1974 for the fiscal year ending June 30, 1975; to the Committee on Appropriations.

By Mr. SISK (for himself, Mr. Barrett, Mr. Benitez, Mr. Brown of California, Mr. Carney, Mr. Chappell, Mr. Cornell, Mr. Derrick, Mr. Drinan, Mr. Duncan of Tennessee, Mr. Florio, Mr. Fuqua, Mr. Hanley, Mr. Harkin, Mr. Hechler of West Virginia, Mr. Hicks, Mr. Hubbard, Mr. Ichord, Mr. Kazen, Mr. LaFalce, and Mr. Litton):

H.R. 6424. A bill to amend the Housing and Community Development Act of 1974 for the purpose of authorizing additional appropriations for fiscal year 1975; to the Committee on Banking, Currency and Housing.

By Mr. SISK (for himself, Mr. McCormack, Mr. McFall, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Mollohan, Mr. Nolan, Mr. Perkins, Mr. Rees, Mr. Roe, Mr. Ryan, Mr. Stratton, Mr. Thompson, Mr. Udall, Mr. Weaver, Mr. Young of Texas, and Mr. Zeferetti):

H.R. 6425. A bill to amend the Housing and Community Development Act of 1974 for the purpose of authorizing additional appropriations for fiscal year 1975; to the Committee on Banking, Currency, and Housing.

By Mr. WHITE (for himself and Mr. Cohen):

H.R. 6426. A bill to amend title 44, United States Code, to strengthen the authority of the Administrator of General Services and National Archives and Records Service with respect to records management by Federal agencies, and for other purposes; to the Committee on Government Operations.

By Mr. YATES:

H.R. 6427. A bill to amend the National Portrait Gallery Act to redefine "portraiture"; to the Committee on House Administration.

By Mr. ANDERSON of California (for himself, Mrs. Mink, Mr. Edwards of California, Mr. Ketchum, Mr. Won Pat, Mr. Stark, Mr. Sisk, Mr. Brown of California, Mr. Waxman, Mr. Mineta, and Mr. Fraser):

H.R. 6428. A bill to amend the Migration and Refugee Assistance Act of 1962 to provide for assistance to refugees from Southeast Asia; to the Committee on the Judiciary.

By Mr. BURKE of Florida:

H.R. 6429. A bill to provide tax relief for condominium owners, homeowner's associations, and cooperative housing corporations; to the Committee on Ways and Means.

By Mr. CORNELL:

H.R. 6430. A bill to amend the Internal Revenue Code of 1954, the Social Security Act, and other laws to provide effective welfare reform by replacing public assistance and food stamps with a system of allowances and refundable credits, and for other purposes; to the Committee on Ways and Means.

By Mr. DRINAN (for himself, Mr. Brodhead, Mr. Brown of California, Mr. Eilberg, Mr. Fraser, Mr. Gilman, Mr. Gude, Mr. Harrington, Mr. Harris, Mr. Hicks, Mr. Koch, Mr. Krebs, Mr. LaFalce, Mr. Long of Maryland, Mr. Mazzoli, Mr. Pattison of New York, Mr. Rangel, Mr. Richmond, Mr. Rosenthal, Mr. Scheuer, Mr. Simon, Mr. Solarz, Mr. Stark, and Mr. Waxman):

H.R. 6431. A bill to prohibit actions by U.S. exporters which have the purpose or effect of supporting restrictive trade practices or boycotts imposed against countries friendly to the United States by other foreign countries; to the Committee on International Relations.

By Mr. FASCELL:

H.R. 6432. A bill to amend the Internal Revenue Code of 1954 to permit an exemption of the first $5,000 of retirement income received by a taxpayer under a public retirement system or any other system if the taxpayer is at least 65 years of age; to the Committee on Ways and Means.

By Mr. FASCELL (for himself, Mr. Drinan, and Mr. Baucus):

H.R. 6433. A bill to provide that meetings of Government agencies shall be open to the public and for other purposes; to the Committe on Government Operations.

By Mr. GINN:

H.R. 6434. A bill to amend the Federal Trade Commission Act (15 U.S.C. 45) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

By Mr. MAHON:

H.R. 6435. A bill to amend the National Portrait Gallery Act to redefine "portraiture"; to the Committee on House Administration.

By Mr. NIX:

H.R. 6436. A bill to amend the Housing Act of 1937; to the Committee on Banking, Currency and Housing.

By Mr. OTTINGER (for himself, Mr. Murphy of New York, Mr. Miller of California, Mr. Pattison of New York, Mr. Ashley, Mr. Ryan, Ms. Holtzman, Mr. Solarz, Ms. Fenwick, Mr. Maguire, Mr. Hannaford, and Mr. Carr):

H.R. 6437. A bill to improve the Nation's energy resources; to the Committee on Interstate and Foreign Commerce.

By Mr. ROE:

H.R. 6438. A bill to establish an arbitration board to settle disputes between supervisory organizations and the U.S. Postal Service; to the Committee on Post Office and Civil Service.

By Mr. WALSH:

H.R. 6439. A bill to amend chapter 34 of title 38, United States Code, to authorize additional payments to eligible veterans to partially defray the cost of tuition; to the Committee on Veterans' affairs.

H.R. 6440. A bill to provide a deduction for income tax purposes, in the case of a disabled individual, for expenses for transportation to and from work; and to provide an additional exemption for income tax purposes for a taxpayer or spouse who is disabled; to the Committee on Ways and Means.

By Mr. WHITEHURST:

H.R. 6441. A bill to repeal the Fair Trade provision of the McGuire Act; to the Committee on Interstate and Foreign Commerce.

By Mr. TALCOTT:

H.R. 6442. A bill to amend the Federal Trade Commission Act (15 U.S.C. 44, 45) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed per se unlawful; to the Committee on Interstate and Foreign Commerce.

By Mr. ROUSSELOT:

H. Con. Res. 254. Concurrent resolution setting forth, on an aggregate basis only, the congressional budget for the U.S. Government for the fiscal year 1976; to the Committee on the Budget.

By Mr. ESHLEMAN:

H. Res. 426. Resolution to honor the sacrifices and achievements of the Pennsylvania Riflemen; to the Committee on Post Office on Civil Service.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

112. By the SPEAKER: Memorial of the Legislature of the State of Hawaii, relative to control of communicable diseases among immigrants; to the Committee on the Judiciary.

113. Also, memorial of the Legislature of the State of Maine, relative to extension of the Voting Rights Act of 1965; to the Committee on the Judiciary.

114. Also, memorial of the Legislature of the State of Oklahoma, relative to removing the question of abortion from the jurisdiction of the Supreme Court of the United States; to the Committee on the Judicary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PHILLIP BURTON:

H.R. 6443. A bill for the relief of Georgina Kam Tong Choi (a.k.a. Georgina Kam Tong Au Yeung); to the Committee on the Judiciary.

By Mrs. MINK:

H.R. 6444. A bill for the relief of Tran Van Bien Rosa; to the Committee on the Judiciary.

By Mr. REUSS:

H.R. 6445. A bill to authorize R. Edward Bellamy, doctor of philosophy, a retired officer of the Commissioned Corps of the U.S. Public Health Service, to accept employment by the Canadian Department of Agriculture; to the Committee on International Relations.

By Mr. SYMMS:

H.R. 6446. A bill for the relief of Brandywine-Main Line Radio, Inc., WXUR and WXUR-FM, Media, Pa.; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

109. By the SPEAKER: Petition of the Southwest Regional Energy Council, Little Rock, Ark., relative to financing of State energy offices; to the Committee on Government Operations.

110. Also, petition of Mrs. Clarence W. McIntosh, Winnetka, Ill., relative to the Advisory Commission on Intergovernmental Relations; to the Committee on Government Operations.

111. Also, petition of Robert J. Pryor, San Angelo, Tex., and others, relative to an accounting of men missing in action and the return of prisoners of war in Southeast Asia; to the Committee on International Relations.

112. Also, petition of the City Council, Youngstown, Ohio, relative to an investigation of the assassinations of John F. Kennedy, Robert Kennedy, and Martin Luther King, and the attempted assassination of George Wallace; to the Committee on Rules.

113. Also, petition of Richard M. Frugia, Angleton, Tex., relative to medical benefits of retired military personnel; to the Committee on Veterans' Affairs.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 49

By Mr. DINGELL:

Page 12, line 4, strike "Federal, State"; and insert "State".

By Mr. HUGHES:

Insert on Page 5, Line 11 "Each such contract, lease, or operating agreement shall terminate at the end of any calendar year during which full production is not maintained with respect to oil and gas covered by such contract, lease, or operating agreement.

Insert on page 7, line 9 and redesignate present sections (d) and (e);

"Sec. (d). No such contract, lease, or operating agreement may be entered into by the Secretary of the Interior for the development and production of such oil or gas on Naval Petroleum Reserve Numbered 1 in quantities which exceed the capacity of pipelines in existence or under construction at the time such contract, lease, or operating agreement is consummated."

By Mr. JEFFORDS:

To amend the substitute to H.R. 49, as recommended by the Committee on Interior and Insular Affairs, as further amended by the text of H.R. 5919 as a substitute as offered by the Committee on Armed Services, by further amending the text of H.R. 5919 as follows: In the text of H.R. 5919, on page 9, line 3, amend Sec. 2(a) to read as follows:

"It is hereby declared to be the policy of the United States that a National Strategic Petroleum Reserve (Military) shall be established in order that the energy requirements of the United States military will be met in the event of any disruptions of foreign supplies of petroleum and petroleum products or any military emergency. The stockpiles of such a reserve shall be created in such a manner that they may be, as a general rule, physically integrated and managed together with such stockpiles as may be created in the event the Congress creates a National Civilian Petroleum Reserve. Accordingly—

(b) Upon enactment of this Act, the Secretary of the Navy shall commence a search for suitable storage facilities within which petroleum from Naval Petroleum Reserves 1, 2, and 3 or its equivalent may be stockpiled. The Secretary shall conduct his search with the cooperation of the Administrator of the Federal Energy Administration for the purpose of integrating such stockpile with such petroleum which may be stockpiled by that Administrator in the event that a National Civilian Strategic Petroleum Reserve be created by Congress. The search shall be conducted under the assumption that storage will be needed for at least 100 million barrels of military stockpiles. This figure may be modified upon completion of the study delineated in subsection (d) hereof.

(c) When suitable facilities, either in or above ground, or both, are found, the Secretary is directed to stockpile up to 50% of the daily production of petroleum from Naval Petroleum Reserves 1, 2, and 3, or its equivalent, in such facilities.

(d) One year after the enactment of this Act, the Secretary of Defense, after consultation with the Joint Chiefs of Staff, shall provide the Congress a report recommending the amount of petroleum to be stockpiled on an annual basis in such Military Reserve.

On page 6, line 9, after "(c)", strike the word "Any", and add the following before the word "disposition": "Except as may be provided under section 2(a) of this Act, any".

On page 8, line 4, add an additional subsection as follows:

"(4) Stockpiling of petroleum products as part of the National Strategic Reserve (Military) in facilities at strategic locations in the United States."

H.R. 5919

By Mr. DINGELL:

Pages 6, lines 5 and 6, "Federal, State"; and insert "State".

H. Con. Res. 218

By Mr. ROUSSELOT:

Amendment in the nature of a substitute to House Concurrent Resolution 218 or to any amendment in the nature of a substitute to House Concurrent Resolution 218:

Sec. 1. That the Congress hereby determines, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on July 1, 1975—

(a) the recommended level of Federal revenues is $299,400,000,000;

(b) the appropriate level of total new budget authority is $300,000,000,000;

(c) the appropriate level of total budget outlays is $299,400,000,000;

(d) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $0; and

(e) the appropriate level of the public debt is $542,400,000,000 and the amount by which the temporary statutory limit of such debt should accordingly be increased is $11,400,000,000.

Sec. 2. The Congress may adopt a revision of this resolution, pursuant to section 304 of the Congressional Budget Act of 1974, in the event of sharp revisions in revenue or spending estimates brought on by major changes in the economy or other developments. The adoption by the Congress of any such concurrent resolution described in this section, revising the recommended or appropriate aggregate levels contained in the first section of this resolution, shall be not later than July 15, 1975.

Amendment to House Concurrent Resolution 218, or to any amendment in the nature of a substitute to House Concurrent Resolution 218 (to be considered en bloc);

On page 1, line 7, strike out "$295,000,000,000" and all that follows through line 9, and insert in lieu thereof "$299,400,000,000;";

On page 1, line 11, strike out "$395,600,000,000" and insert in lieu thereof "$300,000,000,000";

On page 2, line 2, strike out "$368,200,000,000" and insert in lieu thereof "$299,400,000,000";

On page 2, line 5, strike out "$73,200,000,000" and insert in lieu thereof "$0";

On page 2, line 7, strike out "$624,000,000,000" and insert in lieu thereof "$542,400,000,000";

On page 2, line 9, strike out "$93,000,000,000" and insert in lieu thereof "$11,400,000,000";

Amendment to House Concurrent Resolution 218, or to any amendment in the nature of a substitute to House Concurrent Resolution 218 (to be considered en bloc);

On page 1, line 7, strike out "$295,000,000,000" and all that follows through line 9, and insert in lieu thereof "$299,400,000,000;";

On page 2, after line 9, add the following new section:

"Sec. 2. The Congress may adopt a revision of this resolution, pursuant to section 304 of the Congressional Budget Act of 1974, in the event of sharp revisions in revenue or spending estimates brought on by major changes in the economy or other developments. The adoption by the Congress of any such concurrent resolution described in this section, revising the recommended or appropriate aggregate levels contained in the first section of this resolution, shall be not later than July 15, 1975."

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EXTENSIONS OF REMARKS

FOURTH HOUSE OFFICE BUILDING

HON. BOB ECKHARDT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. ECKHARDT. Mr. Speaker, a considerable amount of attention has been excited by the request for an appropriation for the acquisition of New Jersey Avenue SE. as the site for a fourth House Office Building—an acquisition that would necessitate the razing of a large number of private houses. I think we should all be gratified by the widespread interest—not just on Capitol Hill and in the District of Columbia—that this has aroused. The plan is being discussed in the press and by broadcasters nationally. Their concern is welcome, for it helps to focus public attention on the Capitol, not just as a piece of architecture, but as a symbol of our legislative institution. What we do and the style in which we do it is a matter of national concern. Also, everybody pays part of the bill.

For this reason I should like to extend my remarks to include the statement of Maurice Rosenblatt which was presented to the House Appropriation Legislative Subcommittee on April 15. Mr. Rosenblatt is known to many Members as the founder of the National Committee for an Effective Congress. He has long been an active supporter and participant in various citizens' activities to back up and improve Congress.

Since I was recently elected to the chairmanship of the Democratic Study Group, I am personally interested in the part he played in its early development.

In its first stages, as I understand it, a small group of congressional Members and advisers met weekly for breakfast in the Longworth cafeteria to discuss the possibilities of a voluntary study and action group. Among the most faithful attendants were Representatives Lee Metcalf, Frank Thompson, Chet Holifield, John Blatnik, George Rhodes, Chester Bowles, and Henry Reuss. They were assisted by William Phillips, an aide to Mr. Rhodes, who became the staff director for the DSG, and by Mr. Rosenblatt, who at that point represented the National Committee for an Effective Congress. I have a somewhat sentimental attachment to New Jersey Avenue since the DSG's first formal address was 435½ New Jersey Avenue SE.

But sentiment aside, there are some very practical and historic considerations which Maurice Rosenblatt's statement puts forward:

Statement Prepared by Maurice Rosenblatt Before the House Appropriations Legislative Subcommittee, April 15, 1975

My name is Maurice Rosenblatt. I have been a resident of the District of Columbia since 1945 when I left the military service in the South Pacific. I have lived on Capitol Hill since 1950, first occupying the historic Frederick Douglass House behind the Supreme Court and now for the past ten years living and working in my home on New Jersey Avenue Southeast—part of the tract of land at present the subject of this inquiry.

My interest in Congress has always been intense—a vocation and an avocation. In 1948, I founded the National Committee for an Effective Congress with Mrs. Eleanor Roosevelt, Senator Harley Kilgore and other citizens. I am a professional Congress-watcher and Congress-worrier, one of its most driving critics and devoted fans. I have probably known more members of Congress—in both parties—than almost any other citizen of this community not directly an official of the institution.

I am here today not because of my concern for real estate, my own or that of my neighbors; I am concerned for the Congress. Since I have lived on Capitol Hill, I have witnessed the erection of a series of buildings that obstruct, distort, clash and do violence to the spirit and integrity of the Capitol of the United States. Each one outdoes its predecessor in inappropriateness, in vulgarity and in cost. Each one is a greater affront to the spirit of the Capitol—probably the most revered and respected symbol of our government for all the people. The latest edifice, the almost-completed Madison Library, looks suspiciously like the carton in which the Rayburn building was delivered.

As Congress prepares to embark upon yet another construction project, I am reminded of Winston Churchill's remarks before the House of Commons on October 28, 1943, after Parliament had been destroyed by Nazi air raids: "We shape our buildings and afterwards our buildings shape us." Any of you who have had to make the trek to the Capitol from the far reaches of the Rayburn Building can begin to understand.

This procession of atrocities was not your doing. They just seemed to happen, like a creeping blight. But the point is not what has been done—the extravagant cost, the aesthetic affront, the gross inefficiency—but what will be done. The time has come to examine the entire question of what this Capitol Hill is all about, what its purpose is, both functionally and spiritually. You gentlemen have an opportunity to rescue the most important symbol of American political life from further violation.

What is the question we are asking here? Is it a question of real estate? Of adding another building, in the blind faith that real estate will somehow be the answer? Is it merely a question of tearing down two blocks of historic dwellings or is there a larger issue lurking beneath the surface, one that we have been putting off and putting off?

The Architect says more space is needed. He doesn't say how much more. We suggest the Rayburn garages be built upon, as was the original plan for that area. But, no, they will support only a frail two story structure. The site of the Congressional Hotel is available—and already owned by the government, I might add—but the 400,000 plus square feet there is evidently not enough either. Mr. White's amorphous needs for space remind me of the high command in Joseph Heller's *Catch-22*. Each time the pilots had completed the number of missions necessary to finish their tour of duty, the number of missions required was raised. The Architect's office claims authority to take all land south of Independence Avenue to the Anacostia River. But why be so modest and stop at the Anacostia? Why not Roanoke?

Unless Congress defines its function, it will be impossible to describe any perimeter, set any boundary to federal buildings on the Hill. And that is the real issue here—defining the function of Congress.

If Congress is a legislative body, then its facilities must be designed accordingly. The House is the national assembly of America, the locus where the elected representatives must meet to debate and to pass judgments—as a body. The well of the House is the fulcrum of our democracy. Ideally, all activity should radiate from this point. Members should be able to be personally in touch with each other as closely as possible—face to face. The physical contact on and around the House floor is vital to the proper functioning of this body.

Already, much of that function has been compromised. One of your colleagues told me the other day, almost in despair, that he had an eight o'clock breakfast in the Capitol, followed by 5 meetings and conferences in the next two hours, scattered from the Dirksen Building to the Capitol to the House office buildings. Between running, phone calls to find out about last minute room changes and more running, he managed to make perfunctory appearances at two of his five appointments. As all of you well know, the experience was not unique, nor was it likely to go unrepeated.

Adding more buildings more bases of operations more corridors and more subways is not the solution unless one is fond of the Orwellian vision of members of Congress sitting in their offices watching an empty chamber on closed circuit television and voting by flick of a switch—all done without coming in contact with another human soul.

In contrast to this let us see what Winston Churchill said about the House it size and its character. This was at the time when the House of Commons had been destroyed by Nazi bombs and he was discussing its rebuilding:

"It should not be big enough to contain all its Members at once without over-crowding and (that) there should be no question of every Member having a separate seat reserved for him. The reason for this has long been a puzzle to uninstructed outsiders, and has frequently excited the curiosity and even the criticism of new Members. Yet is not so difficult to understand if you look at it from a practical point of view. If the House is big enough to contain all its Members, nine-tenths of its Debates will be conducted in the depressing atmosphere of an almost empty or half-empty Chamber. The essence of good House of Commons speaking is the conversational style, the facility for quick, informal interruptions and interchanges. Harangues from a rostrum would be a bad substitute for the conversational style in which so much of our business is done. But the conversational style requires a fairly small space, and there should be on great occasions a sense of crowd and urgency. There should be a sense of the importance of much that is said, and a sense that great matters are being decided, there and then, by the House."

But how is the Capitol used today? An endless labyrinth of electricians' offices, carpenters' rooms, busy hives in which artisans ply their trade-activities having little to do with the true business of Congress. And this is true of the office buildings as well.

The logical solution to the problem is two-fold. First, locate the legislative functions of Congress as close as possible to the floor of the House.

Second, get the non-legislative functions off Capitol Hill.

The other day I was lunching at the Capitol Hill Club with a spry Hill veteran. He had first come to Washington on March 24, 1925, as assistant to freshman Massachusetts Congressman Joe Martin. Some of you knew Joe Martin, who later became Speaker, a man universally liked and respected. He was an effective Congressman. With one stenographer, Joe Martin and his assistant shared one room, 173, in what is now the Cannon Building. I know you will say he had a much smaller district. He had over 230,000 constituents. Today, that same area, now the Massachusetts 10th District, has 448,000, almost twice as many constituents. The staff of a representative today has grown to eighteen—sixteen more than Mr. Martin's allotment. Admittedly, the role of Congress has grown immensely since George Washington laid the cornerstone of the Capitol in 1793. There is some truth that there is an increase in Congressional responsibility and workload, but only a modicum.

Today, many Congressional offices have shifted emphasis from legislative matters to media, to case-work. More and more time is spent on informational duties and the maintenance of the office as a communications center. Without making any judgments on the propriety of such a change in emphasis, I submit that few if any of these new activities need to be conducted on the Hill. I suggest that the essential functions and responsibilities of the legislative branch is not helped but hindered by the agglomeration of these nonlegislative activities.

I have been talking about function and efficiency; but there is also the matter of spirit. Architecture is the truest and most revealing statement of a society. It was not an accident our Capitol was located in the middle of a city and intimately surrounded by private homes and private enterprises. That, in itself, is a statement of what our government is all about. To let one of the homes on New Jersey Avenue be destroyed by a wreckers' ball, without any assessment of the real need, without any idea of what will replace it, is an action of irresponsibility bordering on vandalism. For these buildings that some speak so casually of tearing down are some of the finest examples of federal architecture left in the city, and certainly in the immediate vicinity of the Capitol. Once you have razed them, they cannot be rebuilt. No amount of money you might wish to appropriate will be able to replace them. If you decide to go ahead and destroy this small patch of history, I hope that you are certain that you will be proud of what you build in its stead.

People have come to us, important members of the House, and said to us, "You are right, this move is an abomination. But of course you know that what Congress wants, Congress gets. Don't be a damned fool. Just realize it's all set and there's really nothing for you to do but haggle for a higher price."

I do not believe this is true. This matter has not been settled and I do not think Congress will act capriciously or deceptively. You gentlemen were the ones who were deceived about the Rayburn garages, you gentlemen were the ones who were led down the primrose path, and never given the whole story, never told who was getting the goodies. But it was your good name and the Congress that suffered in the end. I don't think you will let that happen again.

May I conclude with practical suggestions, some of which are probably being implemented.

1. There should be; a complete survey of all space on the House side of the Capitol Building and the related House buildings, properties and garages. Who has it and what is it used for? I have heard many members complain that they are short of office rooms, but I have also been invited to members' "hideaways", some of which have been very modest and convenient rooms for senior members, exactly where they should be, near the floor, near the scene of the action. But there are others who are rumored to collect such space, as part of the head-hunting prestige game of the successful chieftain. Rooms unused, just trophies of power.

2. A removal from the Capitol and House facilities of general services activities, repair shops, administrative and accounting offices not absolutely needed on a day to day basis.

A plan to reassign space utilization that will bring members and activities closer to the well of the House, be it committee meetings, or the smaller conference and meeting rooms where you spend a major part of your time.

4. Let the various subcommittees of Congress, the Government Operations Committee, the Congressional Commission of Information and Facilities, and the other studies report back to Congress and the Public before—*before*—you let Mr. White start swinging his wreckers' ball.

Symbols are realities in our politics. The American public is somewhat fed up with government, its size, its cost, its insensitivity, its non-performance. Adding one more mausoleum to the capitoline hill will not be considered as a solution to Congressional space problems but as an arrogant gesture, a step toward the Imperial Congress.

We feel, gentlemen, that you are in a position to keep these things in proportion, and let us remember that Julius Caesar wrote that no Commander should have more than five people report to him personally.

COLLAPSE NOT OUR FAULT

HON. JIM LLOYD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. LLOYD of California. Mr. Speaker, the ordeal suffered by this Nation in Southeast Asia is finally coming to a close. The questions of how and why America became embroiled in this foreign tragedy and made it her own will no doubt be asked many times. However, the important thing to me, is to know that at least this Nation tried to bring about an honorable solution. The following editorial in the San Gabriel Valley Daily Tribune, published April 18, 1975, expresses precisely my feelings on the situation in Indochina.

COLLAPSE NOT OUR FAULT

It's about time that Americans stopped all the breast-beating and guilt-ridden wailing about the collapse of South Vietnam and Cambodia.

Clearly the situation in Southeast Asia is attributable to a rout of local governments and local armies. Armies that were well supplied by the U.S. It is not attributable to any American presidents, any American congressmen or any American people.

It was never a war for us to win. Our nation chose that course long before 58,000 Americans had died in Vietnam and long before we had pumped $200 billion in military aid and food into it.

It was a war, similar to the one in Korea, where the most that could be hoped was for the South Vietnamese and Cambodians to develop the leadership and military prowess to retain their own freedom. Significantly, South Korea remains free of domination by the North.

What was the situation when the nation finally brought American troops home from Vietnam?

The South Vietnamese had a manpower advantage of 3-1 over the North. It had a 12-1 advantage in armored vehicles and a 50-1 advantage in ammunition. The South had absolutely no opposition in the air.

Yet, today the South Vietnamese stand on the brink of defeat at the hands of North Vietnam.

The blame, if it is to be cast, must lay with the erratic leadership of South Vietnam's President Thieu, who proved time and again that he was too indecisive to make proper military decisions. He advanced when he should have withdrawn; he withdrew when he should have stood fast, as in March when he virtually abandoned two-thirds of his country to the North without justification.

In the headlong retreat, army supplies estimated at up to $10 billion worth were abandoned. Troops fought civilians for places on boats and planes to the seeming safety of Saigon.

Thieu set off the panic. Now his country faces destruction because of it and because of him—not because of the United States.

With U.S. military assistance, South Korea stands firm and free. With U.S. military assistance, tiny Israel has made itself the scourge of its Arab enemies.

America is not to blame for the ignominy and collapse of South Vietnam, nor for that matter, the fall of Cambodia.

If we have any fault, it is in having financed and entrusted a noble cause to incompetent leaders like Thieu and Cambodia's Lon Nol.

The families of 58,000 dead American servicemen and the tens of thousands who were wounded and maimed in Vietnam certainly realize that it was President Thieu and his generals who have stained the honor and sacrifice of their sons and loved ones.

RADICAL INTEREST IN SOUTHERN AFRICA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. McDONALD of Georgia. Mr. Speaker, for some years, foreign terrorist organizations have been sending representatives to this country to develop both propaganda campaigns and programs of "concrete" support—usually money for guns and supplies. In many instances, these terrorist travellers have been Marxist-Leninist revolutionaries covertly armed, trained, and directed by the Soviet Union or Red China.

Presenting themselves to Americans as "freedom fighters for national liberation," and always as the "legitimate representatives of the people," propaganda terms of little objective reality, these revolutionary spokesmen have worked at organizing pressure campaigns by American "progressive" leaders and institutions.

Among the most popular revolutionary guerrilla groups with U.S. "progressives" and liberals are the Soviet-financed African National Congress—ANC—of South Africa and the Southwest Africa People's Organization—SWAPO. The two organizations in the United States most devoted to advancing their cause have been the American Committee on Africa—ACOA—and the National Council of Churches—NCC.

On Wednesday, April 23, 1975, NCC's local Council of Churches of Greater Washington sponsored a "Community Hearing on U.S. Corporations and Apartheid" in the District of Columbia City Council chambers. The published handbills advertising the "hearings" listed some 50 cosponsors, members of the "hearing" panel and "witnesses."

The persons involved with the "Community Hearing" include many with long records of dedicated service to the cause of the ANC, SWAPO, and other Russian sponsored guerrilla groups in Southern Africa. For the information of my colleagues, I attach the list of cosponsors and participants, together with background information wherever appropriate:

COSPONSORS, COMMUNITY HEARING, U.S. CORPORATIONS, AND APARTHEID

Rev. Harry Applewhite, Area Conference Minister, United Church of Christ Potomac Association; served as a delegate from the UCC to the Communist Party, U.S.A.-Dominated "peace front," the New Mobilization Committee and its successor, the People's Coalition for Peace and Justice (PCPJ).

Richard J. Barnet, Institute for Policy Studies; the New Left "think tank" which has "dedicated itself to ushering in the new society by inquiry and experimentation [and] is also doing what it can to hasten the demise of the present one." Barnet, a founder of IPS and its co-director, is a graduate of Harvard Law School and has been a member of the National Lawyers Guild. Barnet worked for the U.S. Department of State and for the Arms Control and Disarmament Agency in the early 1960's, before joining with Marcus Raskin, one of those who drafted the legislation setting up the Arms Control and Disarmament Agency, to found IPS. Barnet has been a supporter of many pro-North Vietnam "antiwar" activities, and was a visitor to Hanoi in 1969. A member of the elite Council on Foreign Relations, Barnet and the IPS *apparat* serve as important links between the liberal detente establishment and the Leninist factions of the old and New Lefts.

Marion Barry, D.C. City Council; Mr. Barry, then a chemistry student at Fisk University in Tennessee, was the first national chairman of the militant Student Non-Violent Coordinating Committee (SNCC) in 1960; he has supported various "antiwar" actions by the PCPJ and other "peace" groups.

Josephine Butler, D.C. Statehood Party; participated in the opening of the CPUSA's Cabral/Tubman Center in Washington, D.C. in 1974, and has been active in the "antiwar" movement.

Charles Cassell, Chairman, OPEN [Organization for Political Equality Now]; formerly head of the D.C. Statehood Party, an affiliate of the avowedly socialist People's Party which in turn was founded by IPS and CPUSA as an antiwar tactical vehicle.

Benjamin Chavis, Director, UCC Commission for Racial Justice, Washington Office; an executive of the CPUSA's National Alliance Against Racist and Political Repression (NAARPR).

David Clark, D.C. City Council.

Charles Cobb, Sr., United Church of Christ Commission for Racial Justice; and a sponsor of a 1974 NAARPR mass march in Raleigh, N.C.

Courtland Cox, S.A. Project, Center for National Security Studies; a former member of the Central Committee of SNCC and member of the Bertrand Russell International War Crimes Tribunal, associate of SNCC leader Ralph Featherstone, killed in 1970 by the bomb he was holding, and an organizer for the North American contingent at the 6th Pan-African Congress in Tanzania in 1974, a meeting dedicated to "smashing imperialism" and socialism. The Center for National Security Studies, an IPS and Fund for Peace spin-off, was described on pages 3867 to 3868 in the Congressional Record of February 20, 1975.

William Davis, Director, National Jesuit Conference.

Rev. Carl Dianda, St. Teresa's Church.

Rev. David Eaton, All Souls Unitarian Church; well-known militant "peace activist" in the Metropolitan Washington area.

Gretchin Eick, Chairperson, United Church of Christ South Africa Task Force.

Dr. Therman Evans, D.C. School Board.

Hon. Walter Fauntroy, U.S. Congress [D.C. Delegate].

Ed Guinan, Community for Creative Non-Violence; a militant group of "Catholic leftists" associated with Philip and Elizabeth McAllister Berrigan who have been involved in various sit-in protests at the White House during the past two years.

Sr. Charlotte Hanson, Vice President, D.C. Council of Women Religious.

Thomas Hargrave, General Executive, YMCA of Metropolitan Washington.

Roy Johnson, Chairman, GUARD [Government Employees United Against Racial Discrimination].

Eloise Jones, Chairman, Downtown Cluster of Congregations.

John Jones, Acting Executive Director, Adams Morgan Organization.

William Jones, Black Vote Coalition.

Fr. Raymond Kemp, D.C. School Board.

Msgr. Ralph Kuehner, Director, Office of Social Development, D.C. Archdiocese

Edgar "Ted" Lockwood, Director, Washington Office on Africa; WOA is the lobbying office for the American Committee on Africa (ACOA). Lockwood is a former leader of Episcopal Churchmen for South Africa who once wrote to *Ramparts* magazine stating he was a liberal, no doubt in case he was mistaken for something else. A member of the board of the Institute for Policy Studies (IPS), Lockwood also serves on ACOA's executive board where two other IPS policy makers, Arthur I. Waskow and Ivanhoe Donaldson, also have served. Lockwood was associated with the Redress antiwar action in the U.S. Capitol; he is a trustee of two other radical/liberal organizations promoting detente, disarmament and a new world order, the Council on Economic Priorities (CEP) and the Center for the Study of Peace and Power (CSPP). Lockwood is a member of the stridently pro-guerrilla *Southern Africa* magazine collective.

Francis Kornegay, Jr., Washington Task Force on African Affairs.

Melvin A. McCaw, Director, African American Institute, Washington office.

Rev. Douglas Moore, D.C. City Council;

Rev. Jerry Moore, D.C. City Council;

Virginia Morris, President, D.C. School Board.

Fr. John Mudd, Assistant Director, Office of Social Improvement, D.C. Archdiocese.

Mary Jane Patterson, Acting Director, United Presbyterian Church, USA Washington Office.

Jeremy Rifkin, Coordinator, People's Bicentennial Commission; an activist in publicizing alleged U.S. "atrocities" in South Vietnam who now heads PBC, a slick Marxist revoluntionary public relations outfit which aims at perverting the ideological underpinnings of American independence.

William Sanders, D.C. Black Assembly.

William Simon, President, D.C. Teachers Union; and a sponsor of numerous pro-North Vietnamese "peace" rallies organized by both CPUSA and Trotskyist communist front groups.

Sam Smith, Editor, *D.C. Gazette;* an "alternate" newspaper originally organized via the Institute for Policy Studies.

Sterling Tucker, Chairman, D.C. City Council.

Dr. Ronald Walter, Howard University and the African Heritage Studies Association.

Fr. William Wendt, St. Stephen and the Incarnation Church; an antiwar activist who has opened his church as a meeting place for radical and revolutionary groups for many years.

John Wilson, D.C. City Council.

Nadine Winter, D.C. City Council.

Fr. Jack Wintermeyer, Newman Center, George Washington University.

The members of the "hearing" panel were listed as including:

Rev. Robert Pruitt, Panel Chairperson.

Goler Butcher, attorney; in February, 1974, the *Daily World* reported that Miss Butcher, "councelor and legislative assistant for the House Subcommittee on Africa, chaired by Rep. Charles C. Diggs," spoke at an Evening Tribute to Amilcar Cabral" sponsored by the D.C. chapter of CPUSA's National Anti-Imperialist Movement in Solidarity with African Liberation (NAIMSAL). Cabral was the Marxist-Leninist founder of the PAIGC guerrillas, now granted control of Guinea-Bissau by the Portuguese revoluntionary junta.

James Coates, D.C. City Council.

Charles Cobb, Jr., WHUR-FM; a SNCC activist and with Ralph Featherstone a founder of the Drum and Spear Bookstore whose Tanzanian branch was active in the organizing of the 6th Pan African Congress held in Dar-es-Salaam last July. Cobb was reportedly a member of Rep. Diggs' staff during 1974.

Ivanhoe Donaldson, rep. for Marion Barry; while head of the New York City branch of SNCC in 1966, Donaldson accompanied Stokely Carmichael to Puerto Rico where they both participated in violent demonstrations leading to riots with the Castroite Movimiento Pro Independencia, now called the Puerto Rican Socialist Party. Donaldson has been a fellow at the Institute for Policy Studies for several years and was one of the principal organizers of the National Black Political Convention. He has also been a board member of the American Committee on Africa.

Rev. David Eaton.

Sr. Charlotte Hannon.

Roy Johnson.

Virginia Morris.

William Simon.

Dr. Ronald Walters, Chairman, Political Sci., Howard University.

Those scheduled to testify at the "Community Hearings" included:

Judge William Booth, President, American Committee on Africa; a New York City Criminal Court Judge and former chairman of the NYC Human Relations Commission who replaced National Lawyers Guild activist Peter Weiss as head of ACOA.

Yvonne Reed Chapelle, Special Assistant to Congressman Charles Diggs.

Jennifer Davis, exiled South Africa economist; a member of the *Southern Africa* magazine collective and director of research for ACOA.

Tim Smith, Director, Church Project on U.S. Investment in South Africa; a Canadian educated at the University of Toronto (B.A. 1966) Smith's interest in African matters began in 1966 when he was sent to Kenya by Operation Crossroads Africa, of whose board of directors he was a member in 1970. While attending Union Theological Seminary, he served on the Southern Africa Committee of the University Christian Movement (UCM), the "Christian new left". Smith remains a member of the collective of the militantly pro-guerrilla *Southern Africa* magazine published monthly by the Southern Africa Committee. Smith has held executive posts with the Committee for a Free Mozambique, a support group for the Marxist-Leninist FRELIMO guerrillas; with the Church Project on U.S. Investments in Southern Africa; with the Interfaith Committee on Social Responsibility in Investments; the United Church of Christ Council for Christian Social Action. Smith has been a consultant for the Council on Economic Priorities and a board member of the ACOA.

Mary Jane Patterson.

Dr. Ben Magubane, African National Congress, South Africa liberation movement; the ANC is a Marxist-Leninist organization controlled by the Soviet Union. In 1961, under the direction of the South African Communist Party, ANC formed a terrorist commando known as Spear of the Nation. Illegal in South Africa, ANC acts primarily as an exile agitational organization.

Roger Wheeler, Control Data Corporation. [The program noted that representatives from IBM, ITT & Motorola also had been invited to attend].

COMMEMORATION PLANNED OF BAESBALL'S 1-MILLIONTH RUN

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. HYDE. Mr. Speaker, baseball, America's national pastime, will reach an unusual milestone this spring, thanks to an enterprising young man with a flair for statistics—and a public-spirited company that brought his discovery to the public.

Mark Jay Sackler, a 24-year-old radio announcer from Westport, Conn., researched the Baseball Encyclopedia and determined that someone in baseball will score the 1,000,000th run in the history of the National—since 1876—and American—since 1901—Leagues sometime this spring. At the end of the 1974 season, a total of 997,869 runs had been scored in regular season play in both leagues; 2,131 shy of the magic number.

Mr. Sackler took his idea to Tootsie Roll Industries, whose national headquarters are in Chicago; and that company, like baseball an American institution, is sponsoring a nationwide consumer project centered around the recording of the 1,000,000th run.

The player who actually scores the landmark run will receive from Tootsie Roll among other awards the sum of $10,000, which he will, in turn, donate to the Association of Professional Ball Players, an organization dedicated to the needs of former major and minor league players. Fred Haney is president and Joe DiMaggio, first vice president, of this organization.

The 1,000,000th Run promotion is being directed by Hall of Famer Stan Musial, the former St. Louis Cardinal great· Ernie Banks, the all-time star Chicago Cubs shortstop; and ex-Brooklyn Dodger pitcher, Ralph Branca.

Baseball and the Tootsie Roll Co. are to be commended for fostering projects such as this, which prove that the youth of America, as exemplified by the scores of talented athletes and creative young men like Mr. Sackler, continues to be the most vital force in our country.

INCREASED GASOLINE TAXES

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. NOWAK. Mr. Speaker, as the time approaches when we will be debating the energy conservation bill, I would like to bring to my colleagues' attention an article from the Buffalo Courier-Express on the potential impact of certain tax provisions on the boating industry.

The committee has wisely made a tentative decision not to impose a manufacturer's excise tax on motorboat engines, general aviation aircraft, or snowmobiles, but still proposes additional gasoline taxes.

Over 100 Members of the House have signed a letter to the committee members, expressing opposition to increased gasoline taxes as ineffective in reducing consumption or producing revenues and as discriminatory to lower income groups; and expressing support for a combination of allocations and closing tax loopholes.

This article emphasizes some little known points about the tiny percentage of fuel used in recreational boating, and the catastrophic and far-reaching effects of a disruption to the industry.

I urge a thoughtful appraisal of the following:

On the Waterfront—Boating Industry Faces Tax Threat

(By Joe Glaser)

Proposed tax—A complex energy conservation bill affecting fuel consuming products, introduced to the House Ways and Means committee by Al Ullman (D., Ore.), chairman of the committee, and expected to go before the House around the first of May, could, if passed by Congress, deal a serious blow to the boating industry.

The bill, H.R. 5005, was drafted by seven committee task forces as a starting point for the committee energy bill. One of its provisions calls for a 20 per cent excise tax on marine engines of 10 h.p. or more and replacement parts. The 20 per cent levy would also apply to general aviation aircraft, snowmobiles and recreational vehicles. Commercial aircraft and commercial fishing boats would be exempt.

The bill would also increase the gasoline tax to 37 cents a gallon by 1980. The current rate is 4 cents a gallon. The tax would be imposed gradually—3 cents more on Jan. 1, and then 8, 7, 8 and 7 cents more, respectively, each April 1 through 1980.

The Outboard Boating Club of America's Legislative Ledger, in alerting the boating public to provisions of the proposed bill, points out that recreational boating industry leaders agree that of all the proposals made by Washington to reduce the nation's fuel consumption, an excise tax on boat engines would hit recreational boating and the industry the hardest.

It would raise prices substantially, aggravate the buying slump, and cause substantial unemployment. It could also result in increased usage of fuel (continued use of older engines which are far less efficient users of fuel than new models) and decrease boat safety (the excise tax on purchase of motorboat engines would lead the average boatman to continue using his old boat, increasing the risks of boating accidents as boats in use become older and more outmoded). And it would be difficult to administer on an equitable basis.

An excise tax on engines for motorboats, the OBC Legislative Ledger notes, would intensify energy shortage in the United States. Less than one-half of one per cent of all fuel consumed in the U.S. (880 million gallons) is used by pleasure boats. This amount is equal to less than half a tank of gasoline per year for each automobile in the U.S. Accordingly, the amount of fuel "saved" by reducing boat usage would be miniscule.

The recreational boating industry consists of 2,500 manufacturers of marine products (excluding accessories) and 16,500 retail dealers and distributors of marine products. The industry employs 350,000 persons on a full-time basis and will have retail sales of boating equipment and services in 1975 of around $5 billion.

These figures do not include additional firms with a significant take in the viable recreational boating industry, such as the suppliers of raw materials used in construction and fabrication of boats, marine engines and accessories, the sport fishing industry and marine insurance companies.

The excise tax would result, all other things being equal, in a decline in the marine products industry in a ratio of 2 to 1. In other words, as noted in the OBC Legislative Ledger, a 20 per cent excise tax on pleasure craft would result in a 40 per cent decline in sales—resulting in serious injury to the pleasure boat industry and a substantial increase in unemployment.

The House Ways and Means Committee, composed of 37 members (25 democrats and 12 republicans) includes three New Yorkers. They are Barber B. Conable (R.) from Alexander, Wyoming County; Otis G. Pike (D.) of Riverhead, L.I., and Charles B. Rangel (D.) of New York City. It is to these members of the House Ways and Means Committee, in particular, that Western New York boaters, boating organizations and others interested in seeing the proposed excise tax bill (H.R. 5005) defeated, can address their protests. Cards, letters or telegrams addressed to any or all of the three committee members can be sent to the House of Representatives, Washington, D.C.

NEW YORK ISLANDERS

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. WOLFF. Mr. Speaker, it is with perhaps pardonable pride that I am pleased today to call to the attention of the House an achievement by a group of Long Islanders who have come a long way in a very short time, and which, I hope, still has a journey before it.

I refer to the triumph against all odds wrested last weekend by the New York Islanders, Long Island's National Hockey League team, which came back from three straight losses to sweep four hard-fought matches against the Pittsburgh Penguins.

Tuesday night the Islanders will begin their semi-final playoff series against the current Stanley Cup champions, the Philadelphia Flyers, and I want them to know that they have the admiration and support of many of us here in this House, and, of course, of their loyal fans in New York.

The Islanders have only been in the league for 3 years, and, indeed, had to fight to finish third in the regular season, thus gaining a spot in the playoffs. I know that some of us with new districts, or strong primary battles facing us, can appreciate all the better the odds the Islanders have faced successfully to date, and will wish the team all possible success for the future.

While I certainly do not wish to unduly arouse our distinguished brethren from the great State of Pennsylvania, let me assure the delegation that we in New York are confident that our boys will not be content with only half a loaf against the Keystone State.

Mr. Speaker, let me put the good residents of Philadelphia on notice—the Stanley Cup will soon be headed north to New York, where it has been sorely missed, and will be surely appreciated.

I am now pleased to submit for the Record the box score of Saturday night's triumph by the Islanders:

NY Islanders	0	0	1	—1
Pittsburgh	0	0	0	—0

First Period—None. Penalties—Paradise, Pit, 5-min., fighting, 2:44; Gilies, NY, 5-min., fighting, 2:44; Burrows, Pit, 3:48; Lewis, NY, 6:06; Westfall, NY, 7:27; Owchar, Pit, 11:17; Lewis, NY, 17:25; Kelly, Pit, 17:25; Campbell, Pit, 18:07; St. Laurent, NY, 18:07; Hart, NY, 20:00; MacDonald, Pit, 20:00.

Second Period—None. Penalties—Pronovost, Pit, 1:11; J. Potvin, NY, 3:11; Arnason, Pit, 15:35.

Third Period—1, NY Islanders, Westfall 4 (Mashal), 14:42. Penalties—Howatt, NY, 5:48.

Shots on goal: New York 5–6–6—17. Pittsburgh 14–11–5—30.

Goalies: NY Islanders, Resch. Pittsburgh, Inness. A: 13,404.

COHEN RECEIVES B'NAI B'RITH MAN OF YEAR AWARD

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. ANDERSON of Illinois. Mr. Speaker, on April 26, 1975, our colleague from Maine (Mr. Cohen) received the B'nai B'rith "Man of the Year Award" at an awards dinner held in Bangor, Maine. In accepting that award, Congressman Cohen addressed himself to the critical foreign policy challenges confronting our Nation today as we pass through the "final painful spasms of withdrawal from our involvement in Southeast Asia." He draws attention to "the danger that in our moment of wounded pride, in this hour of confusion and doubt, that we will retreat from the sunlight of a world power into the shadows of isolationism, the comforting but illusory notion that our progress and prosperity is independent of that of any other nation."

Central to our current foreign policy challenge, according to Congressman Cohen, is the need to formulate, define, and clarify a foreign policy which is now "so filled with nuance and inconsistency that it is no longer comprehensible to the average American and therefore no longer credible." Only through such a clarification can the President hope to "revitalize the flagging spirit of the American people and galvanize the bipartisan support of Congress."

Mr. Speaker, I commend Congressman Cohen on the honor which has been bestowed upon him by B'nai B'rith, and I commend the full text of his acceptance speech to the reading of my colleagues:

Address Given by Congressman William S. Cohen at a B'nai B'rith Awards Dinner Upon Receiving the "Man of the Year" Award in Bangor, Maine, April 26, 1975

I want to take this opportunity to thank B'nai B'rith for conferring this honor upon me. The magnitude of an honor is not judged as much by the recipient as by the reputation and prestige of the organization that bestows it. In this instance, there are few if any that exceed prestige and reputation of the B'nai B'rith in its dedication to the preservation of dignity and decency of people of all races and ethnic backgrounds.

I once received a letter from a young girl in junior high school. She wanted me to define bigotry and prejudice. I labored at length in trying to formulate a definition that was simple and yet not superficial.

In retrospect, I should have referred the young girl to B'nai B'rith for a definition because it has been dealing with the subejct and problems for decades. As Seymour Graubard, the Chairman of the Anti-defamation League, points out in his forward to the book entitled, *The New Anti-Semitism*, "The Anti-defamation League has been synonymous for years with the fight against prejudice, bigotry and discrimination. Their weapons have been law, education and pulbic persuasion. And in the years since 1913 when the League was founded 'to end the defamation of Jews . . . to seek justice and fair treatment for all citizens alike,' there have been massive, hard-won changes in the status and security of American Jews—and indeed of all minorities."

As a result of the unending efforts of B'nai B'rith and a genuine sense of decency within the American people, we bore witness to a very moving moment in American history when Henry Kissinger took the oath of office as Secretary of State in the East Room of the White House. Dr. Kissinger said:

"There is no country in the world where it is conceivable that a man of my origin could be standing here next to the President of the U. S."

Three decades have passed since the horror of Auschwitz, Dachau, Bergenbelsen and Treblinka stirred the moral indignation of people in all parts of the world, most particularly in America. We would like to think that bigotry and bias and prejudice has been uprooted, but unfortunately it is like an ugly weed that springs up in the plushest of gardens, and must be constantly sprayed with herbicides of law, education and moral indignation. If we become complacent in pointing to our gains, and if we become sluggish or neglectful, than moral indignation will slide into moral indifference and the weeds will spread and choke the roots of our most prized flowers—of liberty, equality and justice.

I can tell you from personal experience last year that the weeds of bigotry are still lurking below the surface of civility, in the shadows of ignorance. There are people who in a time of stress—economic, social or political—look for scapegoats instead of solutions, who would turn on a people instead of resolving a conflict in principles or policies.

And so the mission of B'nai B'rith and other likeminded organizations is a never ending one. It must labor to possess that which it has won.

1975 was a critical year for the United States. It was a time filled with national tension, diversion, with internal struggle between conflicting loyalties to political parties and time-honored principles, between a President and a process.

I think that historians will look back upon Wategrate as our watershed, when the American people called to the top of their agenda a scrunity of the stated purposes of our Constitution to determine whether there was an intolerable departure between what we professed as a nation and what we in fact were practicing.

As we inch our way toward the bicentennial celebration of this Nation's birth, I believe that 1975 will prove as critical to our survival as a power as 1974 was to the survival of our constitutional system.

We are passing through the final painful spasms of withdrawal from our involvement in Southeast Asia. It is a bitter experience. Never quite sure of why it was essential for our intervention, we are even less certain and confident about the means and methods of our withdrawal. For years we were attacked at the international level for immorality, imperialism, barbarism in dropping bombs, and now that we have disengaged our forces and diminished our support, we are protrayed as a large corporation writing off a nation with all the callousness of a failing subsidary that is no longer producing a profit. The national magazines and networks for years spoke about a corrupt South Vietnamese government that was propped up and supported by American tax dollars that were being misspent. Now that Phnom-Penh has fallen, and Saigon is on the verge of collapse, the same networks and magazines carry the pictures of burned children, of weeping mothers, of men and women holding on to the landing gear of departing aircraft, of human faces twisted by fear of slaughter. The evening news is laced with tales of horror. Even our humane efforts to evacuate orphans was initially shattered in the wreckage of a C–5A transport plane—all while our allies look on in silence, while the United Nations Secretary General refuses to help any evacuation effort because it would be "inappropraite;" while not one of the signatories of the Paris Peace Accords has responded to our repeated requests that they at least point out North Vietnam's flagrant violations of the agreements; while Thailand prepares for the closing of our bases; while President Marcos calls for a thorough review and perhaps revision of our mutual defense pact with the Philippines; and Portugal, a member of the Nato Alliance, shifts to the Socialists and Communists with the aid of Moscow.

I mention this tonight, not to renew the debate over Vietnam, our involvement or our extrication but to draw attention to the danger that in our moment of wounded pride, in this hour of confusion and doubt, that we will retreat from the sunlight of a world power into the shadows of isolationism, the comforting but illusory notion that our progress and prosperity is independent of that of any other nation.

We seem to be floating amid the debris of shattered creeds, broken values and a debased language. Two weeks ago, for example, on the academy awards, an Oscar was presented for the documentary "Hearts and Minds."

The recipients took that opportunity to send greetings from the Viet Cong and to praise the "liberation" of Vietnam. As one political observer has noted it was a statement straight out of George Orwell's 1984 where a new language (Newspeak) was developed to accommodate the means and ends of totaliarianism. War is peace, love is hate, freedom is slavery, ignorance is wisdom. And now, conquest is liberation.

The distortion of language is the precursor and preconditioner to a distortion of values. And a great deal of the debate over America's lack of direction or decency and commitment may be attributed to our inability to articulate a straightforward and clearly defined statement of our purpose and our principles. We seem to have woven in a knit one, purl two, fashion, a foreign policy that is so filled with nuance and inconsistency that it is no longer comprehensible to the average American and therefore no longer credible.

For example, in his address to a joint session of Congress two weeks ago, President Ford, in discussing Indo-China referred to the Communist powers as adversaries or enemies who had shown no interest in negotiation. When discussing Europe and the Mid-East, they were referred to as potential adversaries. But in referring to trade talks with the Soviet Union and China, these nations were rarified into countries interested in easing tensions and building constructive relations.

Congress was asked to appropriate a billion dollars to ward off a defeat of our ally at the hands of an enemy, and then chastised for adopting the Jackson-Vanik amendment to the foreign trade bill which prohibited the granting of trade credits to the Soviet Union unless it allowed the free emigration of those who wished to leave that country.

President Ford warned our enemies not to use detente as a license to fish in troubled waters (which is exactly what they have done in Indo-China, the Middle-East and Portugal), but just last week the President stated "I don't think we can blame the Soviet Union and the peoples Republic of China. In this case, if we had done with our ally what we promised, I think this whole tragedy could have been eliminated."

As the columnist James Reston observed, "In other words if we had cheated on the spirit of the Paris Peace Accords as much as the Soviets did, Cambodia and South Vietnam would still be standing." More confusion was added when Dr. Kissinger later said that we should not turn away and ignore who supplied the arms with which North Vietnam used to make a mockery of its signature on the peace agreement.

And finally Sargent Shriver reports that Moscow is not gloating over the fall of Cambodia or South Vietnam for fear that it might stir resentment in the U.S. and endanger detente.

That is very gracious and generous of them in our dark hour. In other words, they still want our trade credits, our commerce and our technology so they can strengthen their economy while spreading the seeds of revolution or aggression in Southeast Asia, the Mid-East and now Portugal.

I raise these observations not out of a sense of berating criticism but out of concern for the conceptual and linguistic confusion that exists and must be clarified by the President if he is going to revitalize the flagging spirit of the American people and galvanize the bi-partisan support of Congress. Such a clarification is of critical importance to the state of Israel and to peace in the Mid-East—which in all likelihood will be the next point of pressure.

In recent weeks we have read reports that President Ford privately blames Israel for the failure of Kissinger's shuttle diplomacy—that the Israelis are too intransigent in their demands.

It is a familiar axiom that those who are ignorant of history are doomed to repeat it. Israel knows its history. It knows for example that in the Sinai War in 1956, President Eisenhower brought pressure on Israel to withdraw to borders that had been established in the 1949 Armistice—which had proved to be indefensible. Israel acquiesed and this set the stage for the 1967 war—which for all its success cost the Israelis more lives on a proportional basis than America lost in Vietnam. And no sooner was the war over when Israel was called upon to be generous and yield to Arab demands to return conquered territory without any concession that Israel had a right to exist and to be free from Arab calls for its destruction.

The fact is there must be compromises on part of both Israel and the Arab nations. Israel must be willing to yield some of its conquered territory just as the Arab nations must abandon their call for conquest.

Recently the Israeli foreign minister stated that Israel offered to yield the oil fields, to withdraw substantially into the strategic passes which would have remained a U.N. buffer zone. Israel even gave up its demand for a pledge of non-belligerency and agreed to a formula of non-use of force. The Egyptians refused to accept a mutual warning system that would have prevented surprise attack for each of them. Why then do we label Israel "intransigent?"

Steadfastness in the pursuit of security and survival does not appear to me to be obstinance of inflexibility or intransigence. And the U.S., if we are to remain a world power, must make it clear that in our commitment to peace we will not follow a policy of appeasement at all costs, and that in our pursuit of detente we will not sacrifice our principles under the sword of force, or for the carrot of commerce.

A clarification of language, purpose and policy must be the highest order of business of the U.S., without a clarity of purpose, and a resolution of mind and heart to cope with accumulating disorders, there will be a dangerous loss of that "reasoned self-esteem" which is the foundation upon which world respect rests.

On the day he became Secretary of State, Henry Kissinger said:

"We will strive not just for a programmatic solution for this or that difficulty, but to recognize that America has never been true to itself unless it meant something beyond itself. As we work for a world at peace with justice and compassion and humanity, we know that America is fulfilling man's deepest aspirations."

Kissinger was articulating a basic tenet of the B'nai B'rith, and of Hillel who phrased the moral imperatives of each person's existence in the form of a question?

If I am not for myself who will be for me? If I am for myself alone, what am I? If not now, when?

THE PRINCIPAL ACCOMPLISHMENTS OF THE AMERICAN BAR ASSOCIATION COMMISSION ON CORRECTIONS

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. RODINO. Mr. Speaker, at the association's 1969 annual meeting, the Chief Justice of the United States urged the American Bar Association to assume leadership in a comprehensive examination of our penal system. It was in response to this challenge that the Board of Governors and House of Delegates of the American Bar Association created the Commission on Correctional Facilities and Services. The commission is essentially interdisciplinary in its professional background. Judicial and lawyer members were joined by outstanding authorities in penology, criminology, behavioral sciences, psychiatry, government, business, and labor. Richard J. Hughes, former Governor and now Chief Justice of the State of New Jersey, was named as chairman and led the commission effort until August 1974, when Robert McKay, dean of the New York University School of Law and director of the program on justice, society, and the individual of the Aspen Institute of Humanistic Studies, assumed the chairmanship.

Major accomplishments of the Commission include:

Through the national volunteer parole aide program, programs have been established in more than 20 States under which young lawyers help a parolee on a one-to-one basis in the difficult task of community reentry. More than 2,000 lawyers have been trained and over 1,500 have served in the past year as volunteer parole aides. In addition, the program has developed manuals on how to organize such programs, training materials for volunteers, training courses for State coordinators, and a definitive handbook on legal rights and liabilities of citizen volunteers and their agencies. During the demonstration program's final year, it will seek under its Federal grant to encourage all States to establish permanent volunteer service divisions within their correctional departments.

Through the national clearinghouse on offender employment restrictions, 15 States were assisted in the framing and passage of legislation and regulations removing unreasonable job prohibitions on released offenders. The project has also developed widely distributed manuals and studies on techniques for removing employment restrictions, such as trade licensing prohibitions applicable to ex-convicts and civil service barriers; a variety of public information pamphlets; and a bimonthly newsletter which serves as the Department of Labor's vehicle for information on offender job programs, training developments, and employment handicaps. In its final year of Federal support, the project will seek to increase the number of jurisdictions successfully achieving legislative or regulatory revision to half of the 50 States. It will also lay the ground work for continuation of its work and advocacy by other national organizations and civic groups.

Through the correctional officers education program, the commission joined forces with the American Association of Community and Junior Colleges to help double the number of junior college degree programs for guards and line officers in the period 1971 through 1973—from under 50 to over 100 programs involving enrollment expansion from roughly 7,000 to 13,000 correctional officer students. In addition, standards for line officer education, remedial legislation and career service guidelines, and important research on educational needs and resources was produced. At the time of program completion in late 1973, the 2-year correctional education degree had established itself as a recognized offering for line officer career development.

Through the Resource Center on Correctional Law and Legal Services, the commission has made an important impact in the rapidly changing body of case law, legislation, and administrative regulation covering all facets of correctional endeavor. Work of the Center has included submission of three Supreme Court amicus briefs on major issues of correctional law; development of handbooks on offender legal services law; paralegal utilization; a comprehensive compendium of model correctional legislation and standards; national surveys of parole conditions, sentence credit practices, and prison disciplinary procedures; monographs on such major legal services issues as rights to medical care, censorship, disciplinary due process, and prison law libraries; a training handbook on prison law for correctional workers; a manual on how to litigate prison cases for legal services attorneys; and a profile series on ombudsman and grievance mechanisms for early handling of inmate complaints and problems. Direct aid has been provided to several States in code revision, negotiation of new prison regulations, and training of correctional personnel. The Center is now completing its work with a major study of court decrees as a technique for implementing needed correctional system reforms.

Through the bar activation program for correctional reform, the commission has stimulated a ten-fold increase in the number of State and local bar committees constituted to work exclusively on penal reform—from 5 to 50 such committees during 1971–74—and provided a variety of technical assistance materials, program ideas, and other guidance in advancing local improvement efforts. This effort—completed in mid-1974—paved the way for the ABA's massive new program to provide not only technical and backup support but actual grant awards for State and local bar association work in penal reform—see BASICS program described below.

Through the National Pretrial Intervention Service Center, the commission has launched planning efforts and is assisting in the development of new programs for early diversion of young or nonserious offenders in 10 metropolitan areas. It has also produced information bulletins, a comprehensive analysis of legal issues, a handbook of operational profiles, a source book to guide planning of new programs and is now completing an extensive National Science Foundation study of evaluation research on the effectiveness of such programs. Important work has also been undertaken in the area of addict diversion through two monographs produced jointly with the Drug Abuse Council.

Through the statewide jail standards and inspection systems project, the commission has encouraged legislation and enforcement machinery to establish minimum standards of operation, quality, and service for local jails and juvenile detention facilities. It has worked with four States which actually succeeded in enacting jail standards legislation, has helped many others to consider new legislation or strengthen existing programs, and has produced a variety of handbooks and bulletins on designing such programs or improving their operations. A special study of the jail standards machinery of three States was also completed with Federal grant support and a widely distributed source book on female offenders in the Nation's jail systems was prepared.

Through the clearinghouse for offender literacy programs, the commission has launched regional training conferences for correctional educators covering more than 40 States and has produced a variety of handbooks to guide development of effective reading programs in prisons, planning for educational program needs, use of proper diagnostic and test procedures, reading improvement packets focused on such important subjects as job applications, filling out government forms, et cetera, and a series of profiles of outstanding prison literacy programs. The clearinghouse also completed a survey of all prisons and major pails in the country suggesting that less than one-half of all incarcerated prisoners can handle the sixth grade reading level now required even for most manual and everyday service jobs in the Nation. The clearinghouse is now engaged in a more massive workshop program which will involve some 600 correctional educators in all 50 States and lead to the stimulation of "back home" literacy volunteer tutoring programs in a number of correctional institutions.

Through its new Correctional Economics Center, the commission is attacking the critical problem of costs and resources needed to advance penal reform. It has already produced monographs for correctional administrators on cost effectiveness analysis, the value of inmate manpower, economic analysis of community corrections centers, cost and resource aspects of women offender programs, and institutional food service programs. The center has provided major assistance to six States with fiscal and cost allocation projects and, under a special Federal grant, is undertaking a comprehensive cost analysis of the dollar and resources needed to realize correctional reform proposals and standards.

Through the United Nations penal reform support program, the commission undertook the sponsorship of a special U.N. conference to plan the correctional agenda and develop recommendations for the coming Fifth United Nations Congress on Prevention of Crime and Treatment of Offenders—Toronto—September 1975; the coordination for the U.S. Government of a 50-State survey on implementation of the U.N. Standard Minmum Rules for Treatment of Prisoners; the launching of a campaign to stimulate formal adoption of the U.N. rules by the 50 State governments—thus far 5 States have responded; and development of monographs on enforcement mechanisms for the U.N. rules and their adaptation to community supervision programs. As a major goal, the project is seeking to encourage the U.N. and member governments to authorize development of world standards for offenders under community supervision comparable to the now well-accepted rules for treatment of prisoners in penal institutions.

In 1974, two new major projects were activated which offer much promise for the cause of correctional system improvement:

First, the publication of Corrections magazine—a national bimonthly magazine on correctional developments and innovations, featuring tough-minded investigative reporting and an attractive Fortune magazine-type format heretofore missing in the correctional literature. This is being produced through an affiliated project, Correctional Information Service, Inc., with the commission serving as a monitor, grant conduit, and facilitator but not the direct implementor of this needed reform tool.

Second, the launching of BASICS—Bar association support to improve correctional services—a major new million-dollar program of financial grants to State and local bar associations for well-defined projects to achieve a concrete correctional reform goal. As of the close of 1974, BASICS had awarded three action grants and 78 study/planning grants to State and local bars across the Nation for efforts ranging from prison legal services through jail improvement, elimination of offender employment restrictions, establishment of pretrial diversion programs, and comprehensive revision of State correctional codes.

In addition to the foregoing project efforts, a number of additional accomplishments and initiatives have been achieved. These include:

TV announcements. Sponsorship and dissemination of a series of TV public service announcements on behalf of correctional reform subjects which were each seen by more than 100 million viewers in the Nation's largest television markets.

Law reporter. Continued sponsorship, with the Young Lawyers Section, of the Prison Law Reporter, the only such legal publication now available for attorneys interested in correctional law.

Minority involvement. Continued advocacy through literature, meetings, review of proposed Federal regulations, et cetera, for increased representation of minorities on correctional staffs.

AMA collaboration. Major assistance to and partnership with the American Medical Association in the launching of a national program to increase medical and health care in jails and prisons, including commission compilation of what is currently the standard resource and materials book in this area.

Legislative compendium. Publication with the Council of State Governments of a comprehensive compendium which brings together, in one place and as a valuable reference tool, all major model acts and standards of responsible professional organizations dealing with some facet of penal reform.

Professional association development. Assistance to the national professional organization of corrections, the American Correctional Association, in development and funding of a project which broadened and unified its coverage and representation of juvenile corrections workers and in support of a system of accreditation for correctional agencies and facilities.

Attica documentary film. Sponsorship of the official filmed report of the New York State Special Commission on the Attica Prison Riot, the first visual undertaking of this kind by any major governmental investigating commission, and maintenance subsequent to the initial national television broadcast in September 1972—of a free national loan service for colleges, prison personnel, citizen groups and all others interested in viewing the film.

In addition to involvement of sister ABA sections and committees, the Commission has sought cosponsorship of relevant projects by such national organizations as the National District Attorneys Association, Council of State Governments, American Correctional Association, National Association of Adult Public and Continuing Education, American Medical Association, Drug Abuse Council, National Civil Service League, and American Association of Community and Junior Colleges. Thus, the Commission has proved a vital force for correctional improvement not only in its own right but has mobilized the private professional sector, both inside and outside the bar, on behalf of the important work that lies ahead in making our correctional systems work more effectively.

AMENDMENTS TO H.R. 49 AND H.R. 5919

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. DINGELL. Mr. Speaker, I wish to take this opportunity to announce that I have prepared, and expect to offer an amendment to H.R. 49, and to any bills offered as a substitute for that measure, when it is before the House later in the week.

The amendments which I will offer are designed to eliminate the possible conflict between the language of those proposals and the language of the energy legislation which my subcommittee presently has under consideration. The language proposed by the Committee on Armed Services, on pages 5 and 6 of H.R. 5919, might have the effect of allowing the allocation of oil resources in a manner which would be entirely inconsistent with a national allocation plan developed by the Federal Energy Administration. I believe that this problem should be alleviated, and consequently have drafted language to do so.

I hope that the managers of this legislation will find themselves able to accept this amendment.

The amendments to H.R. 49 and H.R. 5919 follow:

H.R. 49

Page 12, line 4, strike "Federal, State"; and insert "State".

H.R. 5919

Page 6, lines 5 and 6, strike "Federal, State"; and insert "State".

ODDS AND ENDS

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. SIMON. Mr. Speaker, James Choisser edits the Benton Evening News of Benton, Ill., and writes a well-read column, "Odds and Ends." Sometimes there is a tendency in Congress to believe that back in our home districts people do not understand the thrust and weaknesses of U.S. foreign policy. To remind us that back home there is more understanding than many realize, I am inserting a recent editorial column by my friend Jim Choisser at this time, in the RECORD:

[From the Benton (Ill.) Evening News, April 21, 1975]

ODDS AND ENDS

The moral error of U.S. foreign policy in supporting strong men who assume dictatorial powers over their people has always been evident.

The strategic error became apparent today when Nguyen Van Thieu resigned as president of South Vietnam and prepares to flee. The figurehead has stepped down, and the U.S. has no allegiance from the mass of people we were ostensibly trying to help with our investment of 50,000 lives and an almost unestimable flow of dollars.

The United States does have a stake in friendly relations in Southeast Asia, as, indeed, in all parts of the world. World trade, natural resources and the very rightness of peaceful existence intertwine one part of the world with another.

But in Vietnam, as in Greece, Portugal and elsewhere we have aligned ourselves with those who hold command by force and terror, rather than with the people themselves. This is a strange concept for a nation where self-government was first brought into actuality.

We may raise another straw man in South Vietnam to support, just as we may do in so many other areas where we have suffered setbacks in prestige and respect. So long, however, as we contribute to keeping people in subjection, rather than assisting them, we will continue to suffer major disasters, just as we have in South Vietnam.

REFLECTIONS ON A THIRD FORCE

HON. DONALD W. RIEGLE, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. RIEGLE. Mr. Speaker, our former colleague Allard Lowenstein has written an important article entitled "Reflections on a Third Force," which I am inserting at this point in the Record.

Reflections on a Third Force

(By Al Lowenstein)

Governor McCall of Oregon is using a "Third Force" as the best way to deal with the grave national problems which have not been eased by the general yawn that has greeted the 1976 campaign to date. This "Third Force," Governor McCall says, would provide "fresh leadership" and would "make government responsive." It would not be a third party, apparently, or he would call it that.

But what then would it be? A national lobby—a newly-McCalled Common Cause? A sort of ADA-of-the-middle, stressing its bipartisanship by finding more "good" Republicans to embarras with endorsements, and adding more letters to the alphabet of reform groups in and around the fringes of the Democratic Party? Or an independent candidacy for President, possibly like Senator McCarthy's—possibly Senator McCarthy's if joined by Governor McCall?

I respect Tom McCall. He has shown independence and courage, though not, perhaps, so much as we are now supposed to believe (his hero is Nelson Rockefeller). But even limited independence and courage are useful qualities not typically found in Republican governors, or—for that matter—in politicians of any party. Still, these qualities do not constitute or substitute for a program. Nor is "making government responsive" a program, or even a catchy new battle cry. Jobs, prices, transportation, taxes—these are not battles one can win (if you will pardon the phrase) by employing catchy new battle cries, in any case.

It can be argued that, absent simple solutions, effective leadership is the best way to start—leadership which would display, among its other virtues, independence and courage. But programless leadership that cannot get itself elected cannot "make government responsive" or do much of anything else.

Robert Kennedy was the last American politician whose personal qualities and sense of program made him at least potentially broad enough in his appeal to get elected as a "Third Force"—and he wisely waged his battles within the Democratic Party. Without a candidate of similar transcendent appeal, a "Third Force" candidacy seems mostly an announcement that one wishes to sound noble without facing the burdens of governing.

The dilemma of Tom McCall is genuine and understandable. He is a decent and sensible man troubled about the condition of his country. He is also a Republican unhappy about the record of his party, and doubtful as well about the purity and purpose of the Democratic Party—which also is uncertain of its purity and purpose. His preference for Nelson Rockefeller for President suggests that his real hope is national reform via taking over the Republican Party. Now, clearly someone should take over the Republican Party, but to suggest that a Rockefeller takeover of the party would represent new hope is to inject terminal humor early on.

Which brings us back to the question of how useful it would be to put together another out-of-power group to try to strengthen the forces of virtue in both parties. It is my view that energies available for this kind of effort would be spent more usefully in working to improve the quality of the *second* force that will be presented to the voters next time around.

Meetings like Congressman Don Fraser's in Chicago last month are efforts to do just this. In fact, Governor McCall could do a lot worse than to swap Nelson Rockefeller for Don Fraser if he wants to help provide a fresh leadership which really might make government responsive—and which has a program to which decent and sensible men could rally.

A TRIBUTE TO STEPHEN J. SOLARZ

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. SIMON. Mr. Speaker, one of the finest Members of Congress is the distinguished gentleman from New York, Stephen J. Solarz. I predict his service to the country will be long and productive.

In the report from the Committee on International Relations there was one most significant paragraph, which Congressman Solarz wrote:

> Late last week I had an opportunity to discuss the question of the evacuation of Americans and Vietnamese from Vietnam with Mr. Pham Van Ba, the head of the permanent mission in France of the Provisional Revolutionary Government of the Republic of South Vietnam, in Paris. Mr. Ba indicated to me that the PRG would be willing to permit Americans and those Vietnamese who so wish to leave Vietnam without fear of military intervention. While I do not know to what extent Mr. Ba's assurances accurately reflect the real view of the PRG, and the Democratic Republic of Vietnam with which it is associated, it seems to me that it is incumbent upon the Administration to promptly pursue this possibility before sending in any American military personnel.

As I speak, we are not certain what contacts the Government of the United States has with North Vietnam and the Provisional Revolutionary Government of South Vietnam. Apparently some type of contacts have been made which have at least reduced the warfare in South Vietnam temporarily. The lull in the attack on Saigon is encouraging, temporary though it may be.

Whether the leadership of our colleague, Congressman Solarz, had anything to do with the current unacknowledged communications I do not know. And lest I be misunderstood, I do not advocate individual Members of Congress going off and negotiating for the U.S. Government independently. That would violate the Constitution.

Congressman Solarz did not do that, but he took the initiative to do some exploring, to ask questions, to probe to see what might be done to move toward a minimum amount of bloodshed in a difficult situation. I personally am grateful to him, as I believe most of us are who are aware of his leadership in this matter.

ADDRESS OF HON. JAMES R. SCHLESINGER, SECRETARY OF DEFENSE

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. BOLLING. Mr. Speaker, the Honorable James R. Schlesinger, Secretary of Defense, analyzes our defense posture in the following speech to the Overseas Press Club on Tuesday, April 15. The speech is an important and informative one which deserves careful attention:

Address by the Honorable James R. Schlesinger, Secretary of Defense

It is my intention this evening to discuss the historic ebb and flow of American sentiment regarding the proper role and responsibility of the United States in international affairs. Examination of these alternating tendencies is, I believe, essential both to understanding and to establishing the future directions of American policy. But before going into these matters in depth I should like to deal with two immediate issues.

First, the American society now is clearly passing through a bad patch. Nonetheless, make no mistake about it: this is a highly resilient society, perhaps preeminently so among the nations of the world. How and how quickly the United States passes through this transitional period is of vital importance not only from the standpoint of the internal health and cohesion of our American society, but also from the standpoint of the American impact on the stability, security, and well-being of other free states around the world.

Today, in contrast to the situation that existed before 1945, there is no acceptable alternative to deep and steady American support of and participation in the security of other free states. The only alternatives are either Finlandization or Polandization, depending on whether one happens to be an optimist or a pessimist. Such an outcome might be tolerable to the relatively few advocates of "little America"; it would be wholly intolerable to everybody else.

Second, I must refer to the tragic events in Southeast Asia—the prospective fall of all Cambodia cities still held by the government and the attempt by the Republic of Vietnam to stabilize its position in Cochin China after the collapse of its forces and position in the northern-two-thirds of the country. We cannot predict precisely how successful this attempt will prove to be, but the Vietnamese deserve not only our hope for their success, but our continued support.

This is not the time to attempt a detailed assessment of what has transpired in Southeast Asia. Perhaps a full understanding of these events will never be available, and for this reason we should endeavor to keep our passions in check—and, above all, to look to the future.

Touching upon the developments in Southeast Asia is nonetheless desirable because of the light that recent events there shed on the broader compass of American policy. Let me therefore mention the symptoms inherent in this course of events. It reflects the historic misunderstanding regarding the necessary role that force plays in the settlement of international disputes, on the one hand, and the role of noble intentions supported by moralizing but unsupported by physical force, on the other. In the absence of physical security it is apparent that hearts and minds are not enough.

Perhaps more important, the steady and, subsequently, the flagrant violations by the North Vietnamese of the Paris Accords, which they have treated with the historically familiar contempt enshrined in the phrase "a scrap of paper," should give us pause. It is an object lesson regarding how mulh constraint on the actions of at least one communist state such pledged treaty obligations have when the force balance becomes unfavorable. It illustrates, most dramatically, I believe, how our valid hopes for detente directly depend upon the retention of an underlying equilibrium of force in the areas of vital importance to the free nations of the world. Detente, as President Ford has stated, cannot be regarded as a license to flish in troubled waters.

Let me turn now to my wider issue for the evening: the historic swings in American sentiment regarding the role the United States should play in the external world. Conflicting views on this issue may be traced back to 1898, when, during the Spanish-American War, for the first time the United States exerted its power at a distance far removed from the North American continent. American sovereignty over the Philippines was the start of a steady, though frequently superficial, involvement in Asian affairs. It is interesting to note that this preceded by almost two decades any American military involvement in European affairs, though the latter was to prove to be far deeper. A characteristic of the American role in this period was to proffer high moral principles, sharply at variance with the underlying power realities, as guideposts for the conduct of their affairs by the other, somewhat skeptical, powers.

Already certain characteristic attitudes of the American public had been revealed. Quite recently the Secretary of State has posed the question: what kind of people are we? It runs parallel to Winston Churchill's defiant question in the aftermath of Pearl Harbor: what kind of people do they think we are? The question is a valid and important one. I shall attempt to deal with it, drawing on the relevant historical evidence.

The American people are highly idealistic, given to moral enthusiasm—reflected in such expressed goals as "make the World Safe for Democracy," the Four Freedoms, or the preservation of the Free World. The American people are also susceptible to disenchantment, when others fail to share our moral enthusiasms or embrace our own patterns and attitudes. In consequence, one discerns alternating patterns of enthusiasm and disenchantment. It helps to explain why the United States stands ready to embark on great crusades such as World War II, or even the Cold War—while rapidly becoming disillusioned with police actions or dealing with insurgencies. And oscillation in the public mood can become quite exaggerated in the course of public discussion.

In addition it should be reiterated that the American society is a highly resilient one. While it can be volatile in opinion, i.e., publicly expressed opinion, it is for a democracy remarkably tenacious of purpose, as I think the overall history of the war in Southeast Asia would indicate. Under attack, as the response to 7 December 1941 so graphically illustrates, dissension disappears and is replaced by a remarkable cohesion and unity of purpose.

This alternating pattern may be discerned throughout the Twentieth Century. The plunge into the first World War came after a policy of "being too proud to fight," and resulted in the elaboration of morally fetching but false hopes for the aftermath. It is sometimes said that our failure to join the League of Nations "broke the heart of the world." I am not sure that the line of causation did not run the other way around. The postwar reaction in the United States reflected our disenchantment that other nations had failed to be captured by our own moral enthusiasm. Instead, to our great displeasure, they continued to focus on the power realities. We ourselves turned away from the League of Nations not because of its obvious weaknesses and its inability to impose sanctions, but because of our failure to ignite the rest of the world with our moral enthusiasm as well as some petulance about being unappreciated.

As a consequence, in the 'twenties, the United States renounced the application of force and chose to substitute the high-flown moral commitment, as exemplified by the Kellogg-Briand Pact, emphasizing the expression on paper of good intentions divorced from both the realities of power and the sanctions necessary to enforce such intentions.

In the 'thirties things grew rather worse and we reached the high point—or the low point—of public disenchantment, so well represented in the Nye Committee investigations. There was the search for conspiracy, the mixture of paranoia and self-flagellation as the substitute for seeking an understanding of history, as well as the quasi-Marxist nonsense about the Merchants of Death—which replaced freedom of the seas, unrestricted submarine warfare, Wilsonian idealism, and astute British propaganda as the explanation of our involvement in World War I. Today, of course, the disenchantment has not gone so far. I regret to say, however, that the mentality of the Nye Committee is in some places once again with us. Perhaps it is best reflected in new-left revisionist history. Nonetheless, I am persuaded that the resiliency of the American society and the good common sense of the American public in the face of arrant nonsense will keep this nation on a stable course.

Where does this leave us with respect to policy? In what channels will American sentiments flow? Predictions can never be completely certain. Moreover, that admixture of idealism and disenchantment has historically resulted in a quest for novelty in foreign policy. But in foreign policy novelty is not available. There are at the poles only two broad lines of policy. Given the underlying realities of the single strategic stage on which world politics is now played, the United States will be obliged either to support its more or less permanent interests or withdraw into the North American Continent. There are matters of degree, of course, but in the face of the underlying realities there are no novelties suddenly to be discovered.

What then are the permanent aspects in the position of the United States that inevitably will frustrate that search for novelties in foreign policy? One interpretation which stresses the unadorned assessment of power realities—and leaves out both the role of hostile ideologies and the American sense of mission—has been elegantly stated by George Kennan (in an earlier phase):

". . . it was essential to us . . . that no single Continental land power should come to dominate the entire Eurasian land mass. Our interest has lain rather in the maintenance of some sort of stable balance among the powers of the interior, in order that none of them should effect the subjugation of the others, conquer the seafaring fringes of the land mass, become a great sea power as well as land power, shatter the position of England, and enter—as in these circumstances it certainly would—on an overseas expansion hostile to ourselves and supported by the immense resources of the interior of Europe and Asia."

Kennan's summary is not a complete statement of our policy or a full description of the motivation that lies behind any American policy. It fails to include such important ingredients as the American sense of mission, the legitimate desire to preserve liberty so that the United States can flourish in a closely integrated world in which other states share to a considerable degree the values that inspire the American spirit, the appropriate repugnance for hostile and totalitarian ideologies. Nonetheless, in the existing complex of international pressures, it represents a pragmatic guide to overall policy.

Given the realities, it explains why American forces have been and must continue to be deployed overseas. It explains why the United States and its allies must take quite seriously the need to retain a military balance—and to study carefully the changing requirements of strategy and force structure. In light of these realities, it explains why no novel discoveries will suddenly eliminate the continuing responsibility of the United States as the mainstay and cohesive force among free nations.

A substantial reduction in the American presence overseas would, in the absence of compensating measures, inevitably unsettle the military equilibrium. It would force major shifts in political calculations and relationships. To take the most dramatic example, American forces remain in Germany, as the cliche goes, thirty years after the close of World War II. That, however, is no oversight. Those forces remain an essential ingredient in the security of Western Europe. They are deployed there, not by historical accident, but because of the present and prospective utility of those forces in maintaining the balance and in achieving the security of Western Europe. Despite some of the expectations in the post-Vietnam environment there is no novel way in which those forces can be withdrawn and the military balance in Europe preserved.

I am happy to state my belief that with the slaking of the passions over Southeast Asia, an improved perspective is reemerging regarding our own role in the North Atlantic community. Once again the true American stake in the external world is undergoing serious rethinking and validation. The questions of force balance and strategy, as well as the purpose and character of the American defense effort, are once again being approached as respectable issues demanding serious intellectual discipline. Though there is no desire to be the policeman of the world, there is a developing appreciation, to revise Carlyle, that without the constable there can only be anarchy.

I cannot suggest, however, that we are out of the emotional woods. In the recent past it has been accepted as axiomatic that American policy must be based upon a position of strength. That view continues to be supported by the American public at large. Nonetheless, in the wake of the disappointments and disillusionment with the course of our policies in Southeast Asia, even that premise has suffered from the time-honored type of disenchantment. Since a position of strength failed to achieve all of the objectives that the United States might set, perhaps we should substitute a position of weakness. It is an interesting thought. But whatever the inadequacies of a position of strength, they will not be remedied by a position of weakness.

Though there is some fashionable tendency to find virtue in American weakness, let me underscore as sharply as I can: though virtue may be its own reward, it can never be its own defense.

Readjustments of course are required. But these readjustments will, I believe, be reassuring. Tell them in other lands, not that the United States is prepared to go anywhere or to pay any price in supporting others, but that the United States will continue to play its proper role in the support of other nations, when those other countries effectively demonstrate both a will and a capacity for self-help.

I would urge you not to infer too much from the developments in Southeast Asia. Southeast Asia remains unique. Only in the four successor states to French Indochina is the United States expressly prohibited by law from employing its military power. Elsewhere, by contrast, our treaty obligations, whether embodied in the mutual defense agreements with Japan and the Republic of Korea or in the North Atlantic Treaty, remain the highest law of the land. Our forces are deployed notably in Germany in support of our NATO allies. It will be understood in all nations, East and West, that an attack upon our forces supporting the Alliances will immediately bring to bear the full weight of American military power.

The role of American military power in the preservation of freedom, not only in the Western but in the Eastern Hemisphere, is indispensable. There are, for better or worse, only two superpowers.

The current configuration of world power makes the United States the indispensable ingredient for the preservation of freedom. In the past, the United States has been described as "the last, best hope of earth." Indeed, many recognize, it is the only hope.

THE RETIREMENT OF ROBERT E. QUINN

HON. EDWARD P. BEARD

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. BEARD of Rhode Island. Mr. Speaker, today a legendary political figure, Robert E. Quinn, will retire as Chief Justice of the U.S. Court of Military Appeals. As one of the truly remarkable figures in Rhode Island government, Bob Quinn was raised in the Pawtuxet Valley where he established a reputation for battling for the rights of the average person. His efforts earned him the title of "fighting Bob Quinn."

A former Rhode Island Governor, a member of the Rhode Island Legislature, a justice of the Superior Court of the State of Rhode Island, in 1950 he was honored by the President of the United States, Harry S. Truman, by appointment to his present position on the Court of Military Appeals.

It was because of his outstanding work while in the Navy that he became intimately familiar with the workings of the military law and its impact upon those in service of our country. Because of Judge Quinn's burning desire to see those in military service provided with genuine justice, he was selected for this high honor.

Like his contemporary, the late John E. Fogarty, Bob Quinn never turned a deaf ear to the needs of people. George Roche, former Chief Commissioner of the Rhode Island Workman's Compensation Commission, once said:

> There isn't a day that goes by that Robert Quinn does not do something for somebody.

That is the kind of person he is. His country and his State are proud of him. Just the other day, the President of the United States indicated similar sentiments to him in a personal letter to the judge. Truly Robert Emmett Quinn is a heavyweight champion of the people.

PARISIAN IS FIRST FEMALE TO HEAD MURRAY SGA

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. JONES of Tennessee. Mr. Speaker, our Nation has at last recognized the heretofore unnoticed potential for American women. In recent years, the female population has made itself heard in the affairs of just about every facet of our Nation.

I have the great distinction of representing one of our country's younger women who has taken up the new responsibility advocated by the leaders of the women's movement. Miss Cathy Cole is a student at Murray State University in Kentucky and has recently been elected as the first female to ever hold the office of president of that institution's Student Government Association.

I think it is certainly a healthy sign in our society when we can see the enthusiasm and dedication displayed in such an undertaking by one of our country's young people. It is also a tribute that her contemporaries would elect her to such a high office based on Miss Cole's merits as an able leader among the students of Murray State rather than on gender.

I would also like to note that Miss Cole has been active prior to this election in civic and governmental functions in her hometown of Paris, Tenn., and her home State. I welcome Miss Cole into her new role of leadership and would like at this time to enter the following article from the Paris Post-Intelligencer newspaper into the RECORD in honor of her achievements:

PARISIAN IS FIRST FEMALE TO HEAD MURRAY SGA

Cathy Cole of Paris has become the first woman in Murray State University's history to be elected president of the Student Government Association.

Miss Cole, 21, is the daughter of Mr. and Mrs. Ardelle Cole of 806 Manley Ave. A junior, she was elected last week as the first female president of the group since it was organized in 1936 as the Student Council.

Her victory over Fayte Brewer of Murray came during the first two-day April 9–10 election ever held on the campus. With a near-record 1,582 students voting, she finished with 878 votes to 704 for Brewer.

Having served previously on the SGA as executive secretary, Miss Cole was the favorite to win the election for the right to preside over all SGA activities and to serve as the student representative on the school's board of regents.

However, Brewer, a 26-year-old senior, who ran as an independent candidate, closed the final gap to one of the closest in the school's history.

Immediately after the final machine vote was tabulated, Miss Cole said, "I'd sincerely like to meet the needs and wants of the students who elected me to serve as their president."

Asked by one of her supporters about her feelings towards her unique position in MSU history, she said, "I think it's an honor to be in this position, but not just because I'm a female, rather because the students approved what I as an individual represent."

Succeeding Eugene Roberts of Mayfield, she will take office immediately.

A total of 47 candidates filed for the 31 association positions filled in the elections.

Miss Cole has won scholastic, social and beauty honors at Murray State. She is one of the 12 members of the university's chapter of Omicron Delta Kappa scholastic and service honorary. In the fall semester she held a perfect 4.00 grade average.

She was named "ideal active" of Alpha Omicron Phi social sorority, of which she has been vice president, and was a finalist in the Mountain Laurel Queen competition.

She is majoring in child psychology.

SENIOR CITIZENS AND THE ECONOMY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. DOWNEY. Mr. Speaker, on March 3, I held a day-long hearing in my district on senior citizens and the economy. I heard testimony from more than two dozen witnesses, including heads of senior citizen organizations, agency directors, and some very outspoken individuals representing themselves. The hearing room was filled with interested older Americans anxious to be heard by their Congressman as well as by the various public officials who were also in attendance.

Mr. Charles Bodie, director of the town of Babylon senior citizens program, was one of those witnesses. In his testimony he addressed himself to the particular problems he hears from seniors. Predominant among those problems were property taxes and transportation. I think my colleagues would benefit from reading the words of a man who is close to the concerns of our older citizens, and I insert Mr. Bodie's testimony to be reprinted in the RECORD:

TESTIMONY OF MR. CHARLES J. BODIE

Mr. BODIE. I prefer this interval between my speaking and Jack O'Shea. Following Jack O'Shea is like following a revival.

I appreciate the opportunity to come here to talk to you. I don't claim any expertise in the line of old age and senior citizens. I've listened to several of the speakers. In the interest of brevity, I'm not going to repeat a lot of things they said.

I feel one of the things we should keep in mind on a federal level is the Nutrition Program. How this can be cut, I can't see. We do have in New York State increasing taxes. I do know of several senior citizens who come to my club who are faced each year with tax increases of over $300, up to twenty-five or thirty dollars a month. If it weren't for the Nutrition Program, this would mean the difference between these people eating and not eating.

As far as SSI goes, I think the income eligibility levels are far too low. I think they should be made more generous to attract more people.

I think the biggest problem we face here in Suffolk County—and poverty isn't only a federal job; it's a state job—is mass transportation. As a Director of Senior Citizens in the Town of Babylon, the only people we can reach are those who can come to us, and I know there are thousands of others who can't come to us for lack of transportation.

I know the senior citizens have volunteered at times to take others, but, because of insurance problems, we are reluctant to do that, too. So there are many, many people we cannot give the benefit of our services to just because they can't get here.

We have many types of programs on a federal level. We have the Hot Line. As a suggestion, why can't this Hot Line have its own free number. I think then it eliminates the necessity of a toll call for several of our people, and it would make it more available to them.

I think, Mr. Downey, the biggest crunch we have as individuals other than inflation is our property taxes. It not only affects the property owner but also the renter with the increases in taxes, and most of them are on a school level. People are becoming hit and really hit hard when you tie in inflation.

I have stories of rentals where the landlord has increased the taxes not on a proportionate basis, but, if he had a twenty-family apartment, he would take one-twentieth of the tax increase and apportionate it to the renters regardless of the size of the apartment they had. A person may have a studio apartment and pay the same increase in rent for taxes that somebody with a two-bedroom apartment would pay.

The local taxes have gone to a point where it's making it impossible for people to keep their homes.

I do know this is a state problem, but I do feel the office of the Congressman would probably bring some pressure to bear and use the influence of his office to help alleviate these things.

I am encouraged by the fact that I received some literature from the state telling about some pending legislation. It's appropriately titled "Old age legislation", and I hope it doesn't get too old.

One of the things I think is of particular importance, and I would like to recommend it to everybody in the room. It's Senate Bill 744 and Senate Bill 1070 which would make partial real property tax exemptions for people sixty-five and over mandatory and reimburse the locality by the state. In other words, people sixty-five and over would get the tax exemptions, the local offices and schools wouldn't lose their tax money but they would be reimbursed by the state. I think it's only fair because people sixty-five and over have really paid and paid and paid for their schools and for their homes.

Another bill—there are six of them filed—would exclude Social Security from the definition of income in determining eligibility for the tax exemptions. I think that is a worthwhile bill, and I think people can get behind it.

I'll read one of them, but there are six of the same type. There is a Senate Bill 65 and Assembly Bill 778.

While I'm addressing myself to that, sir, I think there should be some consistency in when a person becomes classified as a senior. In New York State, for tax purposes or for State Aid, it's based on age sixty. Still, in New York State, in order to be eligible for the golden-age pass, you have to be sixty-five. Why the distinction? If we are senior citizens at age sixty for State Aid, why can't the same eligibility apply for the golden-age pass?

We have many more bills in here which take effect at a different time. These are nuisance values. Not everybody knows when these things are available. If it was a stated age, a consistent age when a person would become a senior, then, at least, people would then know to what they would be entitled instead of saying now at sixty, I'm entitled to this and sixty-five I'm entitled to that and at sixty-four I'm entitled to that.

I have a piece of good information for Jack O'Shea. There was a bill in here which would reduce the age limit for getting a free hunting license down to sixty-five.

Mr. Downey, I personally feel that for too many years our country has been on youth oriented basis, and, therefore, they have lost sight of the fact that they have so many seniors. I do believe with the advanced state of medical knowledge today and with the decreased birth rate, the senior citizen population is going to grow and grow.

And I do believe one other thing. The senior citizens are beginning to recognize they have political muscle, and I think it's about time that the seniors banded together to do what they can for themselves because as Jack O'Shea has said, "They have paid and paid and paid."

The CHAIRMAN. Thank you, Mr. Bodie.

CONGRESSMAN HAWKINS WARNS OF RETREAT ON AFFIRMATIVE ACTION

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. RANGEL. Mr. Speaker, the urgent economic recession must not be allowed to destroy the progress this country has made in ending job discrimination.

Minority groups have struggled for decades to make successful inroads into the labor market, despite the presence of racism and job discrimination. Today the recession has compounded this problem by resurrecting the "last hired; first fired" syndrome, which many people thought dead or, at least, dying.

The Congress must not sit idle when programs to end job discrimination such as affirmative action, are eroded by the current economic situation. This country must continue its efforts to end job discrimination, in spite of our economic problems.

At this time I would like to share with you an article by our distinguished colleague, AUGUSTUS HAWKINS, which appeared in the April 1, 1975 edition of the Boston Evening Globe. Its content will hopefully add to the knowledge my colleagues already possess regarding this very important problem. The article follows:

ANTIDISCRIMINATION JOB LAWS IN DANGER

(By Augustus F. Hawkins)

A survey report recently released by the Equal Employment Opportunity Commission on employment discrimination in San Diego and Miami, indicates that minorities and women significantly hold many of the lowest paying jobs in those cities.

Conversely they also hold, in insignificant proportions to their numbers, only few high paying jobs.

Miami with 1270 reporting establishments, employing 213,686 employees, had a Spanish-speaking work force of 23.3 percent; blacks represented 12.4 percent of the work force.

While more than half of the white females were employed as office and clerical workers, 73 percent of the black males, and 54 percent of the black females were employed in the lowest paying jobs as laborers and service workers; 54 percent of Spanish-speaking males, and 54 percent of Spanish-speaking females were also in the low paying laborer and service worker categories.

One of the conclusions that one can make even in light of the preliminary nature of this survey (Birmingham and Cincinnati will be the next reporting cities in this series) is that job discrimination is still a crippling employment problem in the United States for minorities and women.

The dynamics of this serious issue will become even more crippling if the economic situation doesn't improve, especially as the question of nondiscriminatory hiring, and equal employment opportunity, begins to experience mounting attacks against equal employment opportunity laws and on affirmative action goals. And also as equal employment laws come into conflict with labor union seniority systems.

These organized attacks on public persons they project hiring (and when), laws and presidential orders supporting affirmative action goals contend that affirmative action programs promote quotas and reverse discrimination.

The organizational attacks, coming from some corporate sectors, coordinated higher education faculties and ethnic and religious groups, are an effort to discredit and defame the intent and character of the nation's antidiscrimination employment efforts.

In essence, affirmative action guidelines forbid employment discrimination by firms, organizations, institutions and agencies with 50 or more employees or with goods or services Federal contracts of $50,000 or more. Contractors doing business with the Federal government must have affirmative action plans, which must show how many minority if minorities are underutilized or underrepresented in their institutions.

The anti-affirmative action groups contend that affirmative action goals and timetables are quotas; they don't like quotas. The anti-affirmative action groups also say that quotas cause "reverse discrimination" and that white males therefore are being victimized by affirmative action. All of these contentions are incorrect and racist in tone.

The Legal Defense Fund of the NAACP says that "quotas imply" a fixed number or set ratio that must be filled and generally cannot be exceeded. Goals, however, in LDF's view, provide a yardstick for judging the efficiency of a program in achieving equality.

We believe that job discrimination will end if affirmative action is truly affirmative and aggressive.

TRIBUTE TO ARMENIAN PEOPLE

HON. JIM LLOYD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. LLOYD of California. Mr. Speaker, I would like to pay tribute to the Armenian people of my district, my country, and the world, as they mourn the 60th anniversary of their national tragedy. The following words from Annie Dermengian, of West Covina, Calif., express my sentiments and I am sure, of sentiments of the Armenian people:

ARMENIANS MOURN 60TH ANNIVERSARY OF MASSACRES BY THE TURKS

(By Annie Dermengian)

Sixty years ago, the Armenian people were the victims of the first genocide of the 20th Century, and many thousands were massacred by the Turkish government, and millions deported throughout the world.

April 24th, 1975, when the tragedy of Vietnam and Cambodia faces the world with horror, American Armenians mourn the 60th anniversary of the slaughter of their country by the Turkish government.

These events will never be forgotten, and American Armenians pay tribute to the United States for having helped to save the survivors of the massacres. Although the world is still in upheaval and insecure, the events of those days, and the martyrs who died at the hands of the Turks, will remain a constant reminder of man's inhumanity to man.

CONGRESSMAN BALDUS HONORS ONE OF THE WORLD'S TRULY TALENTED AND DISTINGUISHED EDUCATORS

HON. ALVIN BALDUS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. BALDUS. Mr. Speaker, it is my privilege to bring to the attention of my colleagues the achievements of a most remarkable and distinguished educator, Dr. Surrender Singh. Dr. Singh recently was appointed vice chancellor—equivalent to chancellor in the United States—of the newly established University of Faizabad in the State of Uttar Pradesh, India.

Dr. Singh was born September 12, 1932, in Uttar Pradesh, India. He received his education at Lucknow Christian College, Lucknow, India, finishing at Macalaster College, St. Paul, Minn., in 1956. He is presently a member of the board of directors of the Daily Gate City Co. and chairman of the Political Science Department of the University of Wisconsin-LaCrosse, Wis. Dr. Singh is a published authority in his field. He is listed in American Men of Science, Dictionary of International Biography, National Register of Prominent Americans and International Notables, American Men and Women of Science, Contemporary Authors and Men of Achievement.

Dr. Singh's contributions to his field include "American National Government—George Washington to Johnson" and "Twin Democracies: India and the United States."

Dr. Singh received his M.A. and P.A. at the University of Minnesota and his Ph.D. at the University of Minnesota. Having benefited from education in both the United States and India, Dr. Singh has devoted considerable effort to strengthening the bond between our two countries. He has served La Crosse University for 11 years and is now carrying his talents and goodwill to India.

Dr. Singh's achievements, though, have extended beyond the literary and academic. During the time that he worked in our country, he became a part of it. Keokuk, Iowa, will remember him as a teacher at Carthage College and a friend. He joined the Keokuk Rotary Club and was active. He worked with the Wisconsin State Political Science Association and was steadily recognized, first as secretary in 1970, as vice president in 1971, and president in 1972. He is a member of various boards and committees at La Crosse. This year, he will return to Wisconsin to finish out his duties as coordinator of the International Conference on the Status of Women, which will be held in La Crosse this year and host delegates from more than 40 countries.

Dr. Singh is fortunate to be married to Mrs. Virginia S. Singh, with whom he has established two schools in India and several other village uplift projects. Virginia graduated from Isabella Thoburne College with B.A.L.T. and M.A. from Peabody College, Nashville, Tenn.

Dr. Singh continued an active participation in the affairs of his native country during his stay in the United States. He managed a Lucknow school since 1969 and was a member of the Board of Directors of Suraj Paper and Pulp Co., Uttar Pradesh, India, in 1974.

I have every confidence that Dr. Singh will share with those he works with in India a rich collection of academic and everyday experiences. Dr. Singh's experiences, first in India, then in the United States, and now back to India will serve as a bridge of understanding and goodwill between the two countries. In his own words:

> I am not entirely severing my contacts with this University here in La Crosse which I admire so much and where I feel comfortable and at home. One of my ambitions is to establisth with the advice and help of Chancellor Lindner (of the University of Wisconsin-La Crosse) and others, some sort of meaningful relationship between our two universities. Perhaps, it can involve an exchange of students, faculty and administrators.

Throughout his long service to both countries, and despite his accomplishments, Dr. Singh has never lost sight of his mission. In the spirit of humility and goodwill as practiced by Dr. Singh, I commend him to India on behalf of the Congress as the "Ambassador from La Crosse."

FRIENDS OF FRANK HAPP HONOR HIM WITH TESTIMONIAL DINNER

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, one of my oldest acquaintances, Frank N. Happ, is being honored by his many friends and neighbors on Sunday, April 27, with a testimonial dinner in recognition of his 42 years of hard work on behalf of the Allegheny County Democratic Party.

Frank Happ is one of the reasons the party enjoys nearly a 2-to-1 registration advantage in Allegheny County.

In addition to his many party positions, including chairman of the Ross Township Democratic organization, a post he has held for 44 years, Frank served in State government under both Republican and Democratic Governors—a tribute to his ability and skill.

Frank was born in the city of Pittsburgh 74 years ago. Later in life he moved to the city's northern suburbs in nearby Ross Township.

He worked tirelessly for local and national Democratic tickets and has received awards from both the local and national party offices for his organizational acumen.

An accountant by training and profession, Frank and his lovely wife of 49 years, Marcella, have 3 children and 15 grandchildren.

With this brief review of his achievements and victories, I want to extend my sincere and heartfelt congratulations to a great friend, an excellent party worker, and a good human being, Frank N. Happ.

JOBS AND CRIME

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. MILLER of California. Mr. Speaker, the high unemployment which has been affecting our Nation for so long brings with it not only financial hardship but also terrifying social consequences. Many Americans note with grave concern the parallel rise in the jobless and crime rates. A recent article by Tom Wicker of the New York Times succinctly illustrates the relation between these two national evils. I am inserting a copy of this article into the RECORD in order to draw the attention of Congress to the social impact of unemployment on the jobless themselves, as well as upon thousands of innocent and unoffending citizens.

[From the New York Times, Apr. 25, 1975]

JOBS AND CRIME

(By Tom Wicker)

When the F.B.I. published sharply higher figures for the incidence of crime in 1974, Attorney General Edward Levi attributed part of the increase to rising unemployment, and it was remarked in this space that Americans might well "ponder the implications of the apparent link between rising unemployment and rising crime."

Now publication of crime figures for the first two months of 1975 in New York City tend to confirm that there is such a link, as Police Commissioner Michael Codd had warned that there would be. And the more chilling truth—as disclosed in a recent survey by Soma Golden of The New York Times—is that economists believe high unemployment will be with us for at least the rest of this decade, that the rate will rise even higher before it begins to come down, and that the general public seems prepared to tolerate high unemployment for some as preferable to inflation for all.

Americans, then, ought indeed "ponder the implications of the apparent link between rising unemployment and rising crime." In 1974, as a declining economy progressively forced people out of work, the rate of crime rose by 17 per cent nationally, compared to a rise of only 6 per cent in 1973.

The rate of violent crime doubled, the rate of property crime tripled, and the link to rising unemployment was suggested by the facts that crime rose the most in the last three months of the year, as did joblessness; that cities with the most unemployment had the biggest rises in the rate of crime; and that the crime rate increases were reflected most sharply in muggings, robberies and assaults—the crimes of the streets, where poor and unemployed persons often make their way.

The January–February figures for New York City show much the same pattern with serious crimes increasing by 21.3 per cent. Robberies went up most, by 26.3 per cent. Assaults rose 20.5 per cent. In New York, robberies and assaults are often street muggings—again suggesting the link to unemployment, since muggers tend to be youths, and teen-age unemployment, is now running at 20.6 per cent (and more than 40 per cent for black teenagers).

But the Golden survey tells us that it may be 1979 before unemployment—it is now nearly 9 per cent of the work force and may yet rise to 10 per cent or more—can be reduced to 6 per cent, and that economists have all but abandoned the old "full employment" target of only 4 per cent unemployment. At this moment, eight million Americans are looking for work and another 1.1 million have been so long out of work that they have given up looking for a job in frustration.

Worse, as Miss Golden pointed out, is the age-old pattern in which "the unemployment rate of women is worse than that of men, of blacks worse than whites, of teen-agers worse than adults, and of the unskilled worse than the skilled." Note the bottom categories—unskilled teen-age blacks, with unskilled teen-age whites not much better off, and the most disadvantaged of all the unskilled teen-age black female. Moreover, these particular unemployed persons usually have not worked enough to be eligible for unemployment insurance.

It seems self-evident that these patterns of unemployment are bound to have a stimulating effect on crime—particularly street crime (although it is not so clear that unemployment similarly affects murder and rape). Not only is street crime committed in most cases for economic gain; it also seems reasonable to suppose that much of it stems from the anger and frustration and alienation of those essentially rejected by a highly technological society—the enjoyable fruits of which, for the affluent many, are plainly visible to the poor and the embittered few. And even if unemployment can be reduced in four years to something like 6 per cent, Soma Golden's figures suggest that that still will mean as many as 5.5 million persons out of work, and hundreds of thousands more underemployed, poverty-stricken and probably alienated from the affluent society around them.

In attempted refutation of these views, it is sometimes asked why crime did not rise so spectacularly during the Great Depression as it has recently. One reason could be that the economic disaster of the thirties was more general, and the current contrast between widespread affluence and abject poverty was not so apparent. Another surely is that unskilled blacks had not then, to the degree that they have since, migrated from the South into the urban ghettos.

Is it not possible, in fact, that the swift and frightening increase in the crime rate in America in recent decades is due not least to the concurrent development of something like a permanent underclass not so much exploited as left behind—an economic substratum unable to rise by unskilled labor that is no longer in demand, unable to compete in a highly organized technological society, heavily damaged by being—in the cities—predominantly black in a white environment, and embittered by evidence all around of its hopeless disadvantage?

SEASHORE ENVIRONMENTAL ALLIANCE

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. BELL. Mr. Speaker, today I would like to recognize a special group of citizens in my home State of California. The Seashore Environmental Alliance—SEA—is a nonprofit California coalition of citizens groups and individuals dedicated to the preservation of California's 1,000 miles of coastline.

SEA was founded in June of 1974, less than a year ago, and has burgeoned to include 3,000 individual members, 91 affiliated organizations, and an affiliated membership in excess of 700,000.

SEA advocates the establishment of oil drilling and production off the California coast only as a last resort measure, or in the event of a national emergency situation, with the approval of Congress. Over last Labor Day weekend, SEA volunteers gathered over 200,000 signatures in support of this position.

SEA has from the outset sought input and support from legislators and officials from every level of those governments affected by coastal activities, and several of those officials are honorary members of the SEA board of directors.

Due in large part of such efforts, SEA's activities have been endorsed by the city councils of 14 coastal cities of southern California including Los Angeles. Their experts have testified before several governmental hearings and participated substantively on seminar panels and workshops and radio and television public interest programs to further citizen awareness of coastal issues.

SEA's newest program is the establishment of the environmental protection employment program—EP–EP—to assist public and private organizations in funding and staffing on a broad range of environmental projects.

SEA is a fine example, Mr. Speaker, of the tremendous assistance organized citizens can be to government in establishing appropriate public interest priorities. I am proud that this organization has emerged from the particular efforts of persons residing within my congressional district. Their high level of community concern and involvement is an inspiration to all of us associated with it.

TWO HUNDRED YEARS OF FREE ENTERPRISE COMMEMORATIVE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. CRANE. Mr. Speaker, I have been happy to note that, as part of our Nation's Bicentennial celebration, the U.S. Postal Service has been issuing a number of stamps commemorating the Revolutionary era. Included among these have been stamps depicting: Revolutionary flags; the Boston Tea Party; the Continental Congress; communication in Revolutionary times; craftsmen in the Revolutionary era; unsung contributors to the Revolutionary cause and, just last week, the battles of Lexington and Concord. In the next few months, these issues will be followed by others depicting uniforms of the Revolutionary War and commemorating the Battle of Bunker Hill.

Because of their widespread usage, their worldwide appeal as collectors items, and their ability to inexpensively convey both a written and a pictorial message, U.S. postage stamps have a special meaning not only for Americans but also for people in other lands. As we approach 1976, these Bicentennial stamps will serve two purposes: To remind us of the sacrifices and achievements of our Founding Fathers and to remind the rest of the world that America is proud of its heritage and the principles of freedom upon which it was founded.

As the history of colonial and revolutionary America indicates, economic as well as political freedoms were a matter of great importance to those who laid the foundation for the United States of America. Much attention, and deservedly so, has been given to the political issues such as taxation without representation, the right to local self-government, the quartering of troops in private homes without permission, and the right to a fair and speedy trial by one's peers, but we cannot forget that efforts to tailor American commerce to the needs of Great Britain, to regulate American trade with other nations, and finally to blockade and, in two instances, to burn American ports had a lot to do with the ultimate decision in favor of independence.

Since the beginning of the colonial experience, Americans had been forced to rely on their own initiative for survival. Over the years, they had established their own farms, built a few small factories, and, as a recent commemorative series indicates, had become skilled craftsmen and artisans. They asked little of government—either local or British—other than to be left alone so that they might succeed or fail on their own merits. In short, they became ardent advocates of a free enterprise system.

Certainly, the benefits of free enterprise were not lost upon the Founding Fathers. They recognized that political and economic freedoms were intertwined; that you could not have one without the other. In fact, it was this very realization that united the otherwise divergent interests of the colonies and enabled George Washington to later say:

> Much good to the community is predicted from the spirit of industry and economy which begins to prevail more extensively than it has ever before done.

Certainly the course of history has borne out the validity of Washington's prediction. In the relatively short space of 200 years, America has grown from a struggling nation of farmers, traders and small shopkeepers to the greatest agricultural and industrial power the world has ever known. And it has been done by relying on the strength of the free enterprise system. America's progress has been sponsored by those who took risks and did things on their own, not by those who looked to government for either subsidies or protection. As a result, we have achieved the highest standard of living in the annals of recorded history.

Mr. Speaker, I believe the Bicentennial celebration would be incomplete without adequate recognition being given to the role played by the free enterprise system, both in the founding and in the subsequent history of this Nation. And, to my way of thinking, an excellent means of extending this recognition would be through issuance of a postage stamp commemorating "200 Years of Free Enterprise."

As a matter of fact, a proposal for just such a stamp has been made and is now under consideration by the Citizens' Stamp Advisory Committee. To date, over 100 Members of Congress and upward of 20 of the Nation's Governors have endorsed the idea and I know that it would meet with widespread approval all across the country. Therefore, to add weight to individual expressions of support, I am planning to introduce a joint resolution that would put both Houses of Congress on record in favor of the idea. I hope my colleagues will give it their fullest support.

A SALUTE TO THE CITY OF NEWARK'S MAJOR NEW ANTI-CRIME OFFENSIVE

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. RODINO. Mr. Speaker, during this past weekend, in my home town of Newark, N.J., I had the pleasure of participating in an anticrime conference which I believe represents a very significant new commitment on the part of the citizens of Newark toward creating a crime-free Newark.

The mayor of Newark, the Honorable Kenneth Gibson, began a week of intensive activity by issuing the following proclamation:

NEWARK ANTI-CRIME WEEK, APRIL 20–27, 1975

Whereas: Crime is a serious concern for many residents and workers in our city, and has a corrosive effect on our economic and social life as well as the personal lives of its victims; and

Whereas: The Newark Police Department and other law enforcement agencies have made significant advances in the fight against crime in Newark, but need fuller cooperation from all segments of the community in order to achieve full victory; and

Whereas: Many organizations and individuals in the City of Newark are seeing a challenge and a responsibility in the fight against crime, and are actively seeking ways to restore the sense of security necessary for our city's revitalization; and

Whereas: The South District Police Community Relations Council has taken the lead in mobilizing our resources by arranging a City-wide Anti-Crime Conference on April 26 and 27, 1975, at the Robert Treat Hotel, and inviting many community leaders and residents to take part in its discussions.

Now, therefore, I, Kenneth A. Gibson, Mayor of the City of Newark, New Jersey, do hereby proclaim the week of April 20–27, 1975 as Newark Anti-Crime Week in the City of Newark, and do call upon all our citizens, particularly those in positions of leadership, to support and attend the City-wide Anti-Crime Conference, and to contribute their ideas, their time and their energy to this laudable effort to rally all the law-abiding forces in our city for a concerted attack on lawlessness and the evils that breed it; and I urge everyone who lives and works in Newark to place a personal role in the campaign to rid our streets of crime and to free our people from fear, so that our city may at last enjoy true peace and progress.

Of special note in the mayor's proclamation was the role played by the South District Police Community Relations Council in arranging a city-wide anti-crime conference for the weekend of April 26, and 27, 1975. This public spirited group has demonstrated that through concerted community action real strides can be made in our quest for safer cities. A special salute should be given to Mr. Bill Wallace of the South District Police Community Relations Council for his efforts in preparing the porgram presented at the anti-crime conference.

I found this conference to be especially practical and beneficial. Rather than focusing on the general topic of "crime in the streets" and dealing in generalities, this conference was specifically targeted to actively involve citizens in the "war on crime" in the Newark area. The program involved a great deal of interplay between the participants and members of the Newark Police Department with the police asking the citizen-participants for suggestions on ways of improving their service. Citizens were also given an opportunity to serve in a variety of ways including: block watchers, auxiliary police, special police, community crisis observers, disaster squads, and many others.

I believe this type of workshop session can go a long way toward arresting the crime rate in Newark and cities like it around the country. As I noted in my remarks to the conference:

> The work of this Conference and this community is an encouraging demonstration that we can commit ourselves to the control of crime and we can find new answers and new avenues together.

Mr. Speaker, I commend the citizens of Newark for this effort.

THE FLAT-RATE RIPOFF

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. ROSENTHAL. Mr. Speaker, a major topic of consumer complaints received by my office is automobile repairs. One of the most recent was from a young woman whose car would not start. The first mechanic she took it to wanted over $100 to replace the generator and alternator. Fortunately she sought a second opinion. This time the problem was solved for less than $1 when a small piece of frayed wire leading from the generator was replaced.

This consumer was lucky. Many others, though, are not so fortunate. For them the shock comes when they are handed the mechanic's bill. That is when they learn that the simple installation of a part costing less than $5 can sometimes cost 10 times that much after labor charges are added.

Part of the reason behind this is the fact that auto mechanics are among the few persons in the world who can get paid for more hours than there are in a day. This is made possible by a book called the "flat-rate manual."

I am inserting in the RECORD at this point some articles about the controversial practice of using flat-rate manuals to compute labor charges for automotive repairs. The articles written by Margaret Bresnahan Carlson, coauthor of "How to Get Your Car Repaired Without Getting Gypped," are from Media & Consumer, a small but influential public interest magazine that addresses itself to important consumer issues.

The articles follow:

THE FLAT-RATE SYSTEM: WHEN MECHANICS TURN THE SCREW YOU PAY BY THE BOOK

(By Margaret Bresnahan Carlson)

Patrick Welsh of Alexandria, Va., paid $96 an hour to have a screw turned on the carburetor of his 1973 Pontiac.

Although you may not know it, you may occasionally pay a comparable labor rate thanks to a largely unknown, but all-pervasive system for pricing auto repairs called "flat-rate."

Under the flat-rate system, the customer is charged not for the time spent repairing his vehicle, but for the time a reference book—the flat-rate manual—says it should. For instance, one flat-rate manual lists 1.2 hours for replacement of brake linings. That the job might take a skilled mechanic eight-tenths of an hour is immaterial. The customer will be charged, and the mechanic paid, according to the listed time.

Mr. Welsh got caught by this system when he went to pick up his car from the garage and remembered that the carburetor needed to be adjusted. He asked the mechanic to take a look. Three minutes and one screw later, Mr. Welsh owed an additional $4.80.

Highway robbery? Not at all, at least not in the classic sense. Had Mr. Welsh gone to the garage around the corner, he probably would have paid the same price because this adjustment is part of a job that the flat-rate manual says should take three-tenths of an hour, or 18 minutes.

The flat-rate system is one of the truly creative ideas of the American enterprise system. Under it, a garage with 10 mechanics working an 8-hour day can typically bill customers for 120 hours instead of a normal 80 hours, as one would assume.

In the most extensive investigation of the flat-rate system yet undertaken, the Wisconsin Attorney General's office found that 12 new-car dealers in Madison, Wisconsin, typically charged customers for more hours of labor than there were hours in a day.

The study found that over a nine-month period, customers were charged for 61,887 man hours of labor than humanly possible. The shops were closed during most of those 61,887 hours. One mechanic billed customers for 594 hours of work over a nine-week period, but he was only working for 262 hours. Another charged customers for 648 hours but was only in his stall for 348. What flat-rate time worked out to for these mechanics was almost double time—80 hours pay for 40 hours work. Looking at it from the customer's angle, the labor charge quoted by the dealer was fraudulent by a factor of two, for when a customer pays $30 for labor, he is not paying for two hours of work on his car as he might think, but only one hour. The effective labor rate then is actually $30 per hour. (That the customer's bill is computed according to any system other than actual time spent is not generally disclosed.) The Attorney General's office found that the labor rate does not indicate that it will be based on anything other than the time actually spent repairing the vehicle.

By subpoenaing cumulative billing records and time cards for each mechanic, the Attorney General's office was able to compare the actual hours worked with the flat-rate time billed and find out just how inflated flat-rate times are. Although such an intensive investigation has not been undertaken for the rest of the nation, service managers and mechanics universally estimate that a good mechanic can beat the flat-rate manual on most standard jobs by 40 per cent.

A 1968 study by the Management Information Corporation, a subsidiary of the National Automotive Dealers Association, reveals that on 75 per cent of all jobs, mechanics can beat the manufacturer's suggested flat rate time, which is generally less than the times allowed by the independent manuals.

The Attorney General's office concluded that the quickest way to stop the inherent fraud in the flat rate system was to require that customers be told how much time was actually spent working on their cars and how much time they were being charged for. They proceeded to issue a trade-practice rule which in part reads:

"It is ordered ... that the respondent, either directly or through any corporate or other business device in billing customers for auto repairs, including body repairs ... shall disclose on the customer's repair bill the actual time required to complete the repairs, if a flat rate time or predetermined fixed time is stated on the repair bill."

Needless to say, the Wisconsin rule has not taken the nation by storm. It appears that no other state has a similar rule on the books. For now, the flat-rate system remains firmly entrenched as the predominant, if not the sole means for pricing auto repairs.

It is through the use of flat-rate manuals that the two largest consumers of auto repairs—insurance companies and the auto manufacturers under their warranty program—are able to control repair prices. The insurance companies refuse to do business with any shop that does not follow company-approved flat-rate-manual time standards. One Washington writer got two estimates for repairs to a 1974 Datsun from body shops at opposite ends of Washington, D.C., and the estimates varied by only a few dollars. Senator Hart's auto repair hearings also revealed that some insurance companies wangle a set discount based on the flat-rate time. A shop which doesn't meet the demands of the insurance companies quickly goes out of business.

The auto manufacturers require their authorized dealers to charge them for auto repairs based on factory-authorized flat-rate manuals. Thus, the manufacturers, the largest purchaser of auto repairs, set the price they will pay, while the ordinary customer, unable to wield comparable economic power, pays according to other flat-rate manuals, thus subsidizing warranty work.

This other type of flat-rate manual is known as the independent manual.

The flat-rate system came into being when manufacturers sought to develop a scheme for paying their dealers for warranty work. A brake job is a brake job is a brake job, they reasoned, and it should cost the same in every dealership.

But the system developed a life of its own, and now almost every garage in America uses some form of a flat-rate system. While a car is under warranty, the dealers generally follow their manufacturer's flat-rate book. For non-warranty repairs, dealers and independent garages turn to one of the independent flat-rate books, published by Chilton, Glen Mitchell, or Hearst, all of which are similar to the manufacturers' in style and format, with one exception—the independent flat-rate manuals' time allotments are more liberal.

As an example, the Ford manual lists one hour to the Chilton manual's 2.1 hours for replacing starter brushes. At $15 an hour for labor, the difference in repair bills between a garage using the Ford manual and a garage using Chilton's would be $16.50. These independent manuals allow more time for each job because according to the publishers, the allotments are computed without the use of power tools. Critics contend that Chilton, one of the most popular independent manuals, and others simply add extra minutes to the factory time as the spirit moves them. It helps sell more books. (A copy of Chilton costs $26 a year.) The books are used to set prices and often to justify prices for skeptical customers. It is in the garage's interest to have as much time as possible allowed for a job. Chilton is aware of this. Printed inside the front cover are instructions for use of the manual:

"Factory Time is supplied for the benefit of those shops that prefer to work on Factory Time. Chilton Recommended Labor Charges are furnished for those shops that choose to take advantage of independent time surveys."

Inflated prices are not the only problem with the flat-rate system. Putting workers on a piecework system encourages slapdash, shoddy work. In a race to clock flat-rate hours mechanics replace rather than repair parts, or don't really repair the car at all.

One example of replacing rather than repairing occurs with generators, which often fail because the brushes wear out. In the military, where time and labor are plentiful, electricians take the time to replace generator brushes. It is considered routine maintenance and is much more economical than replacing the entire generator. But the mechanic on flat rate can cut his time in half by simply replacing the entire generator because it is easier to beat the flat-rate time alloted for replacing a generator than the time alloted for repairing it. The customer ends up paying for a new generator and perhaps twice as much time as was actually spent on his car.

The flat-rate system also leads to a pitch-till-you-win approach. The mechanic cannot spend precious minutes diagnosing the problem and troubleshooting on the customer's behalf. He must do something quickly or he won't get paid. So first he replaces the spark plugs. If that doesn't do the trick he installs new points and a condenser. If the car still isn't running right, in goes a new distributor. While the car may eventually get fixed, the owner ends up paying for a bushel of unnecessary parts.

A savvy mechanic can also find time-included operations if he knows his flat-rate book well. Each flat-rate job allows a little time for getting the car, putting it in the stall, getting the tools out and locating the parts. If he can find another job to do at the same time, he can log another flat-rate time that includes the getting, putting and locating all over again, but of course he doesn't have to take the time to do it.

For instance, a mechanic who has just replaced the fan belt on your car might as well put in six new spark plugs, points, and a condenser as well. He gets a separate flat-rate time for each job, which includes locating the car, even though it's already in the stall.

Under the flat-rate system, the veteran skilled mechanics, who usually get their pick of the lot, skim off the easiest jobs, since these are the ones on which the flat-rate time is most inflated. It is the rookie mechanics, least able to handle the more complicated repairs, who get stuck with the tedious and time-consuming jobs.

By most accounts, the method of establishing flat-rate times is sloppy at best. GM, Ford, Chrysler, American Motors and others run their own time studies at the factory and tend to set low flat-rate times to limit how much they will pay for warranty work. Even so, a good mechanic can beat factory time.

The three independent manuals, Hearst, Chilton, and Glen Mitchell list factory flat-rate time and then their own flat-rate time. Testifying at the Senate Subcommittee on Antitrust and Monopoly hearings on the auto repair industry in 1970, the editor and publisher of *Motor Age* and the Chilton manual, John Kushnerick, explained that Chilton time is computed by using 11 full-time and six part-time technicians to come up with time allotments for the installation of over 100,000 parts. They also used to suggest a labor charge that they gleaned from keeping their ear to the nation's carburetors. (Glen Mitchell still publishes a labor charge.) Critics contend that the suggested labor rate is a reflection of what Chilton thinks the market will bear. Chilton time allotments are more liberal because they don't take into account the use of power tools on the novel theory that to allow less flat-rate time would penalize the businessman/mechanic for his investment and efficiency.

In defending the widespread use of flat-rate manuals, Kushnerick claims that they bring order to a diverse and chaotic industry. Apologizing for the built-in inefficiency of a flat-rate system, Kushnerick recalled Winston Churchill's comment on democracy—it's highly inefficient except when compared to every other form of government.

Kushnerick says that without the aid of the flat-rate manuals, no garage would know whether it is headed for profit or loss. "150,000 businessmen would be operating in the dark," Kushnerick says. And besides, he contends it provides the mechanic with technical information he desperately needs, and gives the mechanic an incentive to work at top capacity.

THE TWO SIDES OF FLAT RATES

PROCLAIMED BENEFITS

The flat-rate manual makes it possible for the garage to give you an estimate on any job.

A CLOSER LOOK

An accurate estimate based on time allotments that bear no relationship to the actual time spent repairing the vehicle defeats the protective purpose of an estimate. In England, the flat rate is used only for estimates, with actual clock time being charged for repairs.

PROCLAIMED BENEFITS

A consumer pays the same price for a repair even if he/she happens to get an inefficient or slow mechanic.

A CLOSER LOOK

Consumers would be better served paying the actual labor time of mechanics who are tested and licensed to insure competence.

PROCLAIMED BENEFITS

The flat-rate manual is an averaging method and provides uniform costs to consumers as a whole.

A CLOSER LOOK

The system fosters mediocrity because any shop can charge the flat-rate price. Since most garages use the flat-rate system there is little competition. Even if prices were competitive, it is difficult for the consumer to comparison shop since the published labor rate bears little relationship to the actual labor rate.

PROCLAIMED BENEFITS

The flat-rate system gives the mechanic an incentive to become more proficient.

A CLOSER LOOK

The flat-rate system encourages mechanics to beat the clock. In order to build more hours and increase their income, repairmen are encouraged to do sloppy work, replace instead of repair parts, and spend no time on diagnosis. Also, the mechanics with greatest seniority skim off the best jobs, that is, those jobs on which he is most likely to beat the flat-rate time. Less experienced mechanics are stuck with the more complicated jobs—the very jobs that require greater skill.

WHAT YOU CAN DO TO PROTECT YOURSELF

The flat-rate system is pervasive, subtle, official-looking, and touted by industry as protection for the consumer. Consequently, it is deadly.

You can shop around for that rare garage that doesn't use the flat-rate system. But if you are one of the millions of car owners who must patronize dealers and garages that use the flat-rate manuals, here are a few things you can do to protect yourself:

1. Get an estimate ahead of time. There is no reason for the garage not to give you one, since a job will cost what the book says, no matter how long it takes.

2. If your garage charges by a flat-rate manual, ask to see it before you pay your bill, and look up the repair you had done. Most garages have several manuals on hand. If you are doing business with a new-car dealer, he should be charging you by the factory flat-rate manual. If he is using one of the independent manuals, he is charging you more than he charges for warranty work. This means that you are subsidizing the dealer's favorite customer—the factory. Such wholesale discounts to large customers, while not illegal, are questionable practices and should be challenged whenever they occur.

3. Refuse to pay a labor surcharge. Many dealers are now tacking the surcharge onto repair bills to cover overhead items and service supplies. For example, one Maryland Chevrolet dealer adds 25 per cent to the cost of labor. Any company that uses the flat-rate times is that the mechanic must be compensated for those items.

4. Attorneys at the Federal Trade Commission are preparing to issue a proposed trade rule for the auto repair industry. Let them know how you feel about the flat-rate system:

Office of Marketing Practices, FTC, 6th and Pennsylvania Avenue, N.W., Washington, D.C. 20580.

And, of course, send a copy to us:

Flat-Rate Project, Media & Consumer, P.O. Box 850, Norwalk, Conn. 06852.

DO FLAT RATES CONSTITUTE PRICE FIXING?

To those unschooled in the intricacies of antitrust law, the flat-rate manuals may look like price-fixing, where, instead of competing, auto repair firms agree on what prices consumers should be charged. Critics charge that the flat-rate manuals furnish garages with a schedule on which they can base a uniform charge for labor. While this may not be price-fixing, it clearly affects one of the two elements of the price ultimately charged.

But to the experts in charge of policing such matters at the Justice Department and the Federal Trade Commission, there is recognition of the problem but no pursuit. One Justice Department attorney familiar with the flat-rate system says it is unrealistic and raises some serious questions; but where, he asks, is the agreement to fix the actual price?

Well, agreement, like beauty, may be in the eye of the beholder. In antitrust parlance, an agreement is a consensus among competitors to charge the same prices for any product or service. Consumer groups, whose complaints about auto repair top all others, see tacit if not explicit agreement in the use of the flat-rate manuals. Communication among auto industry members is good. Its trade associations are well-organized, well-informed, and well-met. Adam Smith commented in *The Wealth of Nations* that "people of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public or in some contrivance to raise prices." It is perhaps with this axiom in mind that the Supreme Court has repeatedly said, "unlawful conspiracy," and that "business behavior is admissible circumstantial evidence from which the fact finder many infer agreement." More explicitly, the Court has held that any "combination formed for the purpose and with the effect of raising, depressing, fixing, pegging, or stabilizing the price of a commodity in interstate or foreign commerce is illegal per se."

The Federal Trade Commission has been investigating the auto repair industry in general and flat-rate manuals in particular for the last year, but the commission is not expected to charge the industry with unfair competition practices. Rather it is likely to issue a Trade Rule Regulation similar to that issued in Wisconsin. The Wisconsin regulation calls for disclosure to the customer that he is being charged for flat-rate time, not for the amount of time actually spent repairing his vehicle. One who knowingly violates an FTC rule can be taken to U.S. District Court and fined $10,000 per day. Others can be brought before the commission, which can issue a cease and desist order and require consumer restitution.

In the past, the FTC has said that the use of flat-rate manuals by competitors is likely to result in a restraint of trade. On February 5, 1965, the FTC issued an advisory opinion disapproving of a proposed flat-rate manual strikingly similar to the one already in existence, for the automotive radiator repair industry.

The manual, which proposed to make time studies and then publish the results for pricing purposes, "would be likely to result in a violation of the law," the commission said, "Even though couched in the form of a suggestion, the natural and probable result of such an action by the association would be to persuade substantial numbers of the members to charge the prices suggested, thus leaving an almost inescapable inference of an agreement among competitors to charge a uniform price . . . a clear restraint of trade under existing law." In considering the request, the commission compared the proposed manual to Chilton's. In fact, the proposal came into being because the radiator mechanics did not feel that Chilton's manual adequately covered the many and varied specialized repairs of the radiator garages.

Using much the same language, the FTC squelched a similar manual proposed for paint repairs by the Independent Garage Owners of America. The commission told the garage owners group that "the public expects to derive benefits from different prices offered by competing services."

Although there is little difference between the manuals disapproved and the ones that exist, the difference between issuing an advisory opinion and charging the industry with an unfair trade practice is substantial. As one Federal Trade Commission attorney put it, "Flat-rate manuals are not the major problem anyway. While they distort the economics of the industry and legitimize artificially-set prices, the costs associated with car repairs probably wouldn't come down if flat rates were abolished. That will take reform of the whole system"

As long as consumers and industry continue to confront one another with their group interests in hand, flat rates will remain an issue. Consumer groups have learned to chip away at marketplace abuses one at a time, and a new awareness that flat rates exist is prompting calls for change. The FTC's proposed remedy of disclosure is a beginning. A dollar's work for a dollar's pay may not be far behind.

UNSAFE AT ANY FLAT RATE

About 55,000 people are killed each year in cars. Statistics aren't kept on how many of these can be blamed on poorly repaired or defective vehicles, but the Department of Transportation has recognized at least part of the problem by establishing an Office of Defects which is responsible for recalling cars with factory defects. As yet, however, no one has devised a system for recalling cars with mechanic-inspired defects.

Haste, as we well know, makes more than waste. Mechanics, pushed by a silent but unyielding boss called the flat-rate manual, could be more prone to mistakes. Some mistakes a mechanic makes just cost money. But others could have a far more serious cost.

One recent incident, which involved a *Media & Consumer* editor, highlights the problem. Our man took his Ford truck for repairs to a dealer. Among other things, the garage fixed his directional signals in all but one major respect—the right signal light blinked when he flipped the left-turn signal and the left signal blinked when he hit the right-turn signal. It wasn't until a car swooped by on the driver's right-hand side when he thought he had his right-hand turn signal on that the truck owner knew his signals were reversed. Had an accident occurred under these circumstances, it would have most likely been attributed to driver error when it reality it was a mechanic's error.

INDIA HAILS U.S. SETBACK

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. ASHBROOK. Mr. Speaker, I can only wonder why the majority of Congressmen continue to vote for billions of dollars in foreign aid. Commonsense would certainly tell us otherwise.

Between 1946 and 1974 the United States has handed out more than $164 billion to foreign nations. And what do we receive from these nations in return? Usually all we get for our money is a kick in the pants.

India is one of the prime examples. We have given millions of dollars to that country. We have sent them shipload after shipload of grain to help feed their people.

When the United States suffers some setback, however, India crows at our misfortune. Typical is their response to the Indochina situation.

As the Communist armies march over Cambodia and South Vietnam, the Indian Foreign Minister states that the American reverses are "a gratifying vindication" of India's foreign policy. According to the Foreign Minister:

> They represent the inevitable victory of forces of nationalism over attempts to undermine such forces through outside intervention, and constitute a gratifying vindication of the consistent policy maintained by us on this question over the years.

This beggar nation has a lot of nerve to refer to the forces of nationalism after it has come to the United States year after year with hat in hand, asking for handouts.

When is our Nation going to learn

from past experience? When is the Congress going to bring a halt to the foreign aid giveaways? I urge my colleagues to stop this waste of taxpayers' funds.

Following is the text of an article from the April 23 edition of the Washington Star, "U.S. Indochina Setback 'Gratifying,' India Says":

U.S. INDOCHINA SETBACK "GRATIFYING," INDIA SAYS

NEW DELHI.—Foreign Minister Y. B. Chavan said today the American reverses in Indochina were "a gratifying vindication" of India's foreign policy.

In the first reaction by Prime Minister Indira Gandhi's government to the victory of the Khmer Rouge in Cambodia and to Communist military successes in South Vietnam, Chavan said:

"They represent the inevitable victory of forces of nationalism over attempts to undermine such forces through outside intervention, and constitute a gratifying vindication of the consistent policy maintained by us on this question over the years."

Chavan spoke at a seminar organized by India's Institute for Defense Studies and Analyses and Indonesia's Center for Strategic and International Studies.

Meanwhile, the lower house of the Indian parliament voted 299 to 11 today to annex Sikkim as India's 22nd state, and end the 300-year-old monarchy in the Himalayan kingdom.

The only opposition to the proposed constitutional amendment, which will be considered by the upper house Friday, came from militant Marxist Communists.

THE HIDDEN TAX INCREASE

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. HAGEDORN. Mr. Speaker, as the Congress grapples with the serious economic problems facing Americans, it becomes increasingly important that we recognize just how many of those problems are caused by Government itself. Most obvious of these Government-spawned economic difficulties is the burden of high taxes, particularly on middle-income Americans. That burden becomes even greater in times of rampant inflation—which is itself caused, in large part, by Government spending and regulation—when taxpayers are forced into higher tax brackets by inflated incomes, without realizing a parallel increase in purchasing power.

The following editorial, which appeared in the April 14 edition of the Minneapolis Tribune, graphically illustrates this problem and points out the need for some form of tax-indexing, or a better alternative, to help the hard-pressed taxpayer out of this dilemma:

THE HIDDEN TAX INCREASE

The taxpayer, whom we shall call Jones, was content Tuesday night. State and federal returns were in the mail. ("Ought to get at those earlier next year," he thought.) He was in good health and employed, important assets for the sole source of income in a family with a wife and two children. His earnings had been substantial in 1973 ($20,000), and in 1974 Jones's employer raised his salary to $22,400, the same percentage increase as the increase in cost of living. Moreover, under the new tax law, Jones looked forward to a rebate in part of the 1974 taxes paid and lower taxes in 1975. But there was a nagging question: Why did the family budget seem tighter than ever?

With federal tax records still at hand, Jones did some calculations. He found that the salary increase moved him to a higher tax bracket. Not only did he pay a larger dollar amount of income for taxes, but a larger percentage as well, which worked out this way:

His 1973 income after paying federal taxes (and applying the standard deduction) was $16,990. The comparable figure for 1974 rose $1,758. To sustain his buying power from 1973 to 1974—which was the purpose of his 12-percent pay raise—his after-tax income would need to have risen 12 percent of $16,990, or $2,039. Instead, the increase of $1,758 fell about $280 short. So in terms of buying power, Jones was $280 worse off in 1974. Part of that decline was the result of his moving to a higher tax bracket.

Thus the irony for Jones and millions of others is that inflation, which affects both costs and personal incomes, also causes unlegislated tax increases. According to Congressional Quarterly, 1974 rebates will exceed only slightly the inflation-induced increases in personal taxes for the same year. The further irony is that Congress can claim credit for enacting four major tax cuts since 1962 even though people have found themselves paying more taxes.

One way to uncover the tax increases caused—and hidden—by inflation is to move tax brackets upward as the cost of living rises. Had that system of "tax indexing" been in effect, Jones in 1974 would have been taxed at the same rate as in 1973; his purchasing power would thus have stayed closer to living costs.

But just as it cost Jones more to support his family in 1974, so did costs of government rise. Tax savings to the Joneses of America would cause a loss in revenue to Washington. To prevent a revenue shortfall, Congress presumably would need to enact a tax increase—which explains the lack of enthusiasm on Capitol Hill for tax indexing.

The better answer is to obviate the need for both cost-of-living pay increases and tax indexing by stopping inflation. Since the record of recent years offers little encouragement that problems of inflation will soon be solved, the question is whether hidden tax increases of the kind experienced by Jones should be perpetuated. We would say no. And if indexing is not the best solution, we'd like to hear Congress discuss alternatives.

MONUMENT TO INTEGRITY: NICHOLS

HON. JIM LLOYD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. LLOYD of California. Mr. Speaker, one the great privileges of my lifetime has been my friendship with Robert Russell "Russ" Nichols, who was a mayor, city councilman, school principal, and school district administrator in West Covina, Calif. Russ' death on June 16, 1974, was likewise one of my saddest moments, for he was truly a fine man. I went to West Covina April 19, 1975, to share in a testimonial to this exceptional community leader. To further his memory, I would like to share with the Congress the following article published April 21, 1975, in the San Gabriel Valley Tribune:

MONUMENT TO INTEGRITY: NICHOLS

(By Mark Landsbaum)

WEST COVINA.—They honored an enigma Saturday.

He was a lucid, but inscrutable man, born with a gift for clarity and a drive for public service, yet a complex man of deep thought and with a selective private life.

Robert Russell "Russ" Nichols served his community in innumerable ways until his death June 16, 1974. He was a teacher, a school principal, an administrator, a civic volunteer and a city councilman.

But those were only the roles, the man was more.

Associates characterize him as a deeply devoted servant of the public. A councilman who walked away from the lure of self-profit at the expense of integrity.

It is one thing to retain integrity in the absence of temptation, but it is another to hold fast on principles when allured by examples of those around you.

There were those whose interests were selfish and not the public's. It was during the early 1960s in West Covina's booming land development, the opportunists, the whispers.

But not for Russ Nichols.

"So many times he was able to walk away from it. Not once would he give his friends information or an opportunity that would benefit him on a second-hand basis," according to Sam Sornborger.

Nichols' widow Gladys is a testament to her husband's integrity.

"He taught me a code of ethics," she said of the man supporters and opponents alike describe as a non-political politician.

Sornborger was one of a handful of confidants Nichols embraced as personal friends. He chose friends like he made decisions, with deliberation and discretion.

"He knew a lot of people, but was not too close to too many," Sornborger said. "There had to be a depth there."

A connoisseur of character, he looked for the qualities he held highly, integrity, courage, honor, intellect.

Qualities that were the measure of the man himself.

A former tank gunner in the South Pacific in World War II, Nichols had two tanks blown out from beneath him in combat. Stamped with a soul-wrenching agony of death and war, Nichols returned home to dedicate his life to the uplifting and constructive.

And that devotion to the public good was enhanced with time. He became a blend of the humanistic and the private.

And as one man near him surmised, it may have been personal tragedy that even more solidified the unlikely bond of Nichols' private desires and public ambitions.

Personal suffering may have heightened his concern for the public.

Grief didn't suddenly visit the Nichols household when 8-year-old Dale died in 1964. The youth's bout with leukemia had been a long, agonizing one for the family.

It was a hard lesson for the Nichols.

"I could never read any emotion in Russ," said John Gunn, the former minister also officiated at both Dale's and Russ' funerals.

"Russ was about 90 per cent ramrod backbone," according to Gunn.

"He was probably the greatest person I have ever known," his widow says of him today. "He was not afraid to face it, to pick up the pieces and go on."

Upon their son's death, Gladys was understandably crushed. Nichols counseled his wife with the firmness that was his mark. Their son's death had to be accepted, he told her.

A close personal friend recently remarked that Nichols' deadpan acceptance was a sign of courage because "it had to be tearing him up inside."

And those who know his wife, credit her strength at Nichols' death with the manner in which her husband fortified her when the boy died.

"He always had his feet on the ground and faced reality," said Gladys.

The death of his son prompted Nichols to contribute his city council salary—$100 a month—for construction of a youth center.

A devoted public representative, Nichols may have given an impression of being insulated from those he represented, according to Sorenberger. But he was simply preoccupied, his friend said—a man of deep concentration.

Current Mayor Kenneth Chappel, a supporter in Nichols' unsuccessful bid for higher public office, remembers "the dean" of the city council as a steadfast defender of the rights of the homeowner.

"He knew exactly what he wanted to do, what he wanted somebody else to do," said Kay Zahrt, a local teacher who taught under Nichols' administration at California School.

Nichols' administrative prowess stemmed from his systematic mind.

"We used to kid him about his five-year plans," Sornborger recalled. Nichols plotted out his public and private futures with the articulation that marked his council activity.

He was "able to wade through the forest and pick out the problem, a gift most of us don't have," said his widow.

Gunn agrees, remembering how Nichols methodically would wipe aside the city council harangue and go to the essence of the issue.

That skill made him a mediator of disputes, the balancing on the council, according to those who watched him.

But Nichols was watched from many perspectives, not the least of which was from the school yard.

Said a one-time rowdy who once led the elementary principal on a chase out of the school yard, over a fence, down the street and into the bushes, "he was all right."

Remembering how on another occasion, Nichols put the youth inside a small restroom in the nurse's office and turned out the light from the outside "until I behaved," the now 17-year-old high schooler recalls "he had a reason because I wouldn't shut up."

"He kept trying to call my mother and I kept hanging up the phone," said the since partially reformed youth.

A school principal is part diplomat, part administrator and part counselor.

He ruled several campuses as a "hardnosed principal," one friend remembers, but in a manner described this way by a former student at California school:

"You weren't automatically wrong just because you were a kid."

It was the extra-curricular activity that best exemplified Nichols' contributions, however.

Gunn, poles apart from Nichols politically, used to delight in their philosophical debates.

"He would lead you down the garden path and then stick you," he said of the Nichols' brand of logic.

But when a crisis arose, such as the public emotion when racial minorities began to trickle into West Covina in the early 1960s. Nichols was on the firing line calming the waters.

Nichols' courage and strength prevailed to the last. He learned his disease was terminal only six weeks before he died.

His doctor told Gladys and closest friend Sornborger that Nichols was denying the inevitable.

He clung to life with a tenacious grip, denying to the very end the cancer that killed him.

"His attitude was whatever is wrong with me, they are going to find it out and cure it," according to Chappell.

Never did Nichols concede the inevitable, according to Sornborger. "As bad as he was, he resented being taken out of his home to go to the hospital."

The methodical, precisely planned life of Russ Nichols was unraveled, and for the first time there was nothing he could do about it.

Civic leaders Thursday honored him posthumously, and Saturday dedicated a memorial to him, and then established a scholarship in his name.

But Russ Nichols' contribution was one that did not have to be missed to be appreciated.

ORGANIZATION FOR SCIENCE TECHNOLOGY IN THE U.S. GOVERNMENT

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. WIRTH. Mr. Speaker, today I am introducing in the RECORD in abridged form a timely and thoughtful report by the American Association for the Advancement of Science—AAAS. The report, prepared on behalf of the AAAS Board by William D. Carey and Richard A. Scribner, is entitled "Observations on Needs and Organization for Science and Technology in the Executive Branch of the U.S. Government." It has been forwarded to Vice President Rockefeller as a AAAS "white paper" and has been published in the March 7 issue of the journal, Science.

The questions of what should be our national policy toward science and how we should expect the President to utilize science and technology in helping to determine public policies are both issues of major importance. The AAAS report constitutes as clear an analysis as I have yet seen on the organizational roles for science and technology in the executive branch in support of Presidential decisionmaking.

The report sees three distinct but complementary roles for science to serve the President: the science and technology policy advice role, the R. & D. coordination role, and the science and engineering advocacy role. The first two should be in the White House or Executive Office, but the advocacy role is best explicitly lodged elsewhere in the executive branch.

We should give careful consideration to the structural needs pointed out in the report and to its organizational recommendations and caveats.

I would especially like to emphasize the report's stress upon the need for a science policy which is strategic rather than tactical in nature. In our planning for more effective use of human and material resources, we must begin to view the financing of R. & D. as investments for the future and not merely as discretionary expenditures of the present.

These distinctions are important to keep in mind, especially since they have so often been lost in much of the discussion on the subject. "What matters," in the words of the report, "is what we are doing with and to science and technology and how they can best help to define the direction and quality of our public policies." I congratulate the board of directors of the AAAS and Messrs. Carey and Scribner for this fine report and I submit it herewith:

ORGANIZATION FOR SCIENCE AND TECHNOLOGY IN THE EXECUTIVE BRANCH

Scientific advice in the White House must be viewed primarily in a substantive rather than an organizational context. In the recent discussions on the matter too little has been said about the requirements of complete presidential staff work, anticipatory planning, and the formulation of public policies toward science and technology. A disembodied decision on structure is unlikely to serve well either the needs of science policy formulation or the quality of scientific research and development.

Little would be gained by a political gesture restoring a seat at the table to the scientific community. It is a much deeper matter, which goes to the effectiveness of the national policy machinery in the decade ahead.

An examination of federal policy-making relative to science and technology must begin with the recognition that:

National goals of every description depend significantly, although in differing degrees, on scientific and technological progress.

The federal government's approach to R & D has been more tactical than strategic. (The most notable exception to this rule has been the National Science Foundation, which has consistently emphasized the long-term aspects of science.)

Reliance on a tactical, crisis-type of scientific and technical response is wasteful and disruptive of human and material resources.

Within the federal government, the financing of R & D is not yet viewed as investment, but only as discretionary expenditure.

The institutional interactions among economic planning, international policy-making, national security planning, domestic social objectives, and science and technology are ad hoc rather than systematic, with predictable malfunctions of policies and outcomes.

Here, then, is the issue: As we assess the position of the United States at home and in the world against the emerging concerns of the 1970's and 1980's, is there a clear need and opportunity to improve our national policy machinery by strengthening the role of science and technology in defining and meeting national goals? If so, how can we do this most effectively?

THE ARRAY OF POLICY PROBLEMS

It is clear that most of the driving issues of the last half of the 1970's and into the 1980's will be related to major social problems of which scientific knowledge and technological development are pervasive and critical aspects. The agenda is now tilted strongly toward consumer and public-oriented technologies in, for example, energy, transportation, health, education, natural resources, ecology and environment, and social systems.

For the remainder of this decade, and into the 1980's and beyond, policy-makers will confront a formidable and changing array of problems. The array of problems can be categorized under headings of: *social and economic; environmental, technological, and institutional; technological innovation;* and *national security*.

The national security issues in policy-making obviously require independent and critical staff work. Choices among military hardware systems aside, the real dimensions of "national security" have assumed a wholly new scale and character. They concern the uses of the sea, the environment, and the resources of the planet. They address the equities of resource allocation among developed and developing societies. They confront choices as to population stabilization, and the uses of science and technology and creating alternative social and economic structures which can help to reduce dissatisfactions leading to conflict. These are presidential issues, and our national security is tied to them. For these reasons, we believe that any realignment of the science advisory process must provide for direct involvement, within that process, in the staff work on the transnational problems on which global security will depend in the future.

This indicative enumeration of policy problems comprises a formidable menu for policy-making. Many are long lead time problems rather than quick response issues. To deal with them, policy analysis cannot rely on ad hoc improvisation. The national policy machinery must be equal to them.

While science and technology alone will not have all the answers, they certainly will have important roles in illuminating questions of choice, feasibility, and alternatives. For that reason, we believe that the national policy machinery must have an effective science and technology component which functions in concert with other policy support staffs.

THE STRUCTURAL PROBLEM

Within the context of the preceding assessment of the federal government's needs relative to science and technology, we see three distinct but complementary Executive Branch staff support roles:

1. The science and technology policy advice role.
2. The R&D management and coordination role.
3. The science and engineering advocacy role.

The first two functions can best be performed within the Executive Office of the President, and the third, while very much needed, is best kept out of the White House or the Executive Office and quite distinguishable from the others.

The science and technology policy advice role. There are two dimensions of science policy advice. The first involves frequent inputs to the traffic of *short-term* policy-making. The second involves *strategic planning* for the contribution of science and technology to national goals and objectives.

Short-term policy-making should focus on (i) budget allocations, (ii) evaluation of proposed legislation, and (iii) major program decisions or choices, such as the amount and distribution of R & D for energy, appropriate levels of expenditure, and best mix of civilian and defense R & D, or the treatment of multinational corporate R & D expenditures under proposed tax rules of the Internal Revenue Service. These are critical functions which require timely and informed science policy advice. If the policy advice role does not involve participation in them, it will have no clout or impact.

The second dimension is addressed to a longstanding gap in our national policy machinery.

The strategic planning dimension requires deliberate attempts to develop assessments of the quality and productivity of science and technology and to develop long-range goals for them in relation to the position and needs of the United States at home and in the world. Establishment of this role implies that government recognizes the character of the discovery process, accepts its long lead times, and means to create multiyear perspectives which will help to define and forecast the policy environment within which science and technology can be carried on.

An important dividend which should emerge from the planning and assessment roles is an annual guidance statement of the Office of Management and Budget (OMB) defining the ranges of new budget authority and outlays for the federal R & D effort, to be used as planning benchmarks in the preparation of the Executive budget. These guidelines should be consistent with the medium- and long-term economic, social, and international policy objectives of the Administration, and they should reflect the context of the real world in which budgetary choices have to be made. The development of the annual guidance statement does not preempt the role of the OMB in rationing resources among rival needs, but instead provides a rational framework which can help to extricate budgeting for science and technology from the constraints of incrementalism and inequities of "crash" R & D funding.

Whether both of these activities—short-term staff support and longer-range strategic planning—can be handled effectively by the same group in the Executive Office is arguable. However, it should be tried, because the realism of strategic policy planning will be fortified by immersion of the advisory staff in current decisionmaking with OMB and agency heads on the touchy issues which confront political executives from one day to the next. The danger to be guarded against is that long-range policy planning may be driven out by demands for quick response staff work for the White House.

Both of these advisory functions must be situated in the Executive Office to have the necessary ad hoc policy input and leverage required to set long-range science and technology goals. They must be accepted and tied into the delivery of staff work, and they must be headed by presidential appointees. Finally, they must be accessible to the outside world, where science and technology are largely initiated and performed, and not screened from "real life." The science and technology policy advisory staff would establish working relationships with the Domestic Council, the National Security Council, the Office of Management and Budget, the Council on Environmental Quality, and the operating departments and agencies.

There will be times when a President will need and want advice. He has to be the judge of this. The main objective, however, is to deliver sound, timely, and informed advice to the centers of the national policy machinery in and around the Executive Office—to make it an arm of complete staff work, so that facts, judgments, arguments, and alternatives work their way up the line. This is the best way to help the President.

In organizational terms, this means that the restoration of a science advisory system need not necessarily require a personal science adviser to the President; it may be enough to provide the staff capability to work on even terms with the White House and Executive Office staffs and the heads of agencies.

Finally, a degree of institutional tension is one of the risks that a staff activity must run. Science advice includes the responsibility to criticize or oppose policy trends, *within the White House staff system,* when the grounds for doing so are within the competence of science and technology.

The R & D management and coordination role. While the administration of federal R & D programs must remain the responsibility of the mission-oriented departments and agencies, there is great need for "cross-cutting" coordination and oversight. This problem has never been handled well in the past. Intraagency committee are poorly suited to the task. The OMB is necessarily concerned with issues of program content, cost-effectiveness, and dollar cost and, while some measures of oversight can be exercised through budgetary reviews, the process is selective, targeted, and may lack a balanced perspective.

What is needed, we believe, is assurance as to the priority, quality, balance, and end utilization of R & D. Crash programs, especially, call for objective evaluation and quality assurances, as in the case of cancer research and energy R & D. This evaluation requirement is particularly needed when these programs are supported by high and growing budgets while other fields of science and technology are relatively constrained by a lower support level. To make this kind of assessment, it will be necessary to reach out for help from organizations and individuals whose insights, skills, and experience will inject freshness and objectivity to the evaluation, including groups which can communicate the values and preferences of a diverse society.

Serious and unresolved questions exist as well with regard to the efficiency with which the nation's R & D capabilities are being employed; examples are failures to define R & D objectives in concert with industrial and other users of the results, disarray in the arrangements for handling scientific and technical information, contradictory practices among federal agencies with regard to patent rights, policy barriers to joint or cooperative R & D by industry, the absence of systemwide oversight of valuable federal laboratories and research centers, and costly practices in competitive proposal solicitation. Priorities for R & D will emerge from agencies' missions and role, but good science policy requires these priorities to be reviewed and coordinated to make them realistic in terms of feasibility, manpower requirements, timing of expected results, available funds, and well-defined objectives.

Equally important is the need to manage the federal government's discordant impacts on technological vitality in the United States. The attitude prevails at all levels of government that technology is the result of market forces and the decisions made in the private sector. What is not recognized adequately is that the government's policies and activities have a tremendous influence on the rate of technological investment, innovation, and risk-taking. Nor is it clear that government understands the importance of lively technology in maintaining a positive international trade balance, in improving productivity, and in generating jobs.

Yet, the federal government influences the rate of technological enterprise in ways that are critical: through its regulatory and standard-setting activities (which need a sound scientific base), through its massive procurement operations, through its R & D expenditures, through its tax policies, through its trade and monetary policies, through its economic policies, through its personnel policies, and through its educational and research policies. The aggregate effects of these disparate interactions on the directions and the scale to technological enterprise are unseen but great. No focus now exists in the public policy structure for coordinating policies and decisions relative to technological thrust. No analytic focus exists for considering the impacts of changing policies or regulatory actions on technological risk-taking, or for evaluating the impact of government on the marketplace in which decisions that affect technological risk-taking must be made.

An Executive Office focus is needed to deal systematically with these problems of management policy, to carry out special projects and R & D management audits, and to deal with issues which today go by default.

The science and engineering advocacy role. Because scientific research is long-range in nature—it is a discovery process whose benefits and costs must be inferred rather than quantified—its claims on resource allocation are often difficult to establish. This difficulty means that scientific research—especially basic research in the physical, biological, and social sciences—cannot compete for support on equal terms with the short-run operational responsibilities of government agencies. Budget levels for these short-run operations are resolved by bargaining and level-of-effort compromises. Year-to-year changes in budget policy erode the continuity of research and induce chronic uncertainty, while inflation forces up the costs of research manpower and laboratory investigation.

While science, as a claimant for federal support, cannot be exempted from the "ends-means squeeze," neither can it be expected to maintain its vitality under conditions of open-ended uncertainty. As a comparatively weak claimant on limited resources, science needs to have responsible champions to help its case to be heard, to identify and argue for pursuit of emerging opportunities, and to press for the maintenance of a lively and productive scientific enterprise. What must be guarded against is the creation of a special interest lobby for science, or what might be perceived as a lobby. The advocacy role within government must not be a partisan or special interest one: it should be selective and well supported with analytic assessments of the nation's research enterprise, judgments on the balance of effort among fields of research, and evaluation of the scientific and social merits of new opportunities in science. This is the kind of information which should be brought effectively to the attention of the Executive and Legislative branches and the general public.

These roles, we believe, should be carried out within government primarily, but not exclusively, by the National Science Foundation, working with the National Academy of Sciences, the National Academy of Engineering, and the Institute of Medicine. However, ours is a broad and pluralistic society, and openings must be made for the advocacy of views from many groups and organizations which reflect crosscurrents of change and the articulation of emergent needs. The strength of our national science and engineering endeavors will be enhanced if strongly held views on health research, applied social science, environmental science needs, basic research, and technological innovation and development, to name but a few, can find a ready, but critical and evaluative hearing within the federal government.

Furthermore, there is need for an Executive Office annual report on science, technology, and national policy addressed to the Congress. Such a report should assess the health of science and engineering endeavors and project long-range goals for science and technology applicable to the needs of the United States. Such a report could provide a degree of guidance to the scientific and engineering communities and be the focus for a continuing appraisal by the National Science Board and the director of the National Science Foundation, as well as the Academies, and such broadly based organizations as the American Association for the Advancement of Science, of critical questions affecting science and technology and requiring governmental attention.

RECOMMENDATIONS

The essential point is that the Administration must decide its posture toward the function of science and technology in the total national policy picture. Our view of the future persuades us that the country's goals and objectives are linked closely to science and technology, and that the arrangements for policy analysis, planning, resource allocation, and management should reflect that linkage.

The aim is not to aggrandize the image of science and technology, but to improve the quality and performance of public policy. If the Administration shares this view, we assume that it will take steps to put new machinery in place. If the Administration believes that our view is overstated, it should not adopt recommendations just because we make them. Otherwise, the disorder will only be compounded.

In the context of this discussion of needs and functions, we would welcome an organizational initiative comprising the following elements:

1. A. Council of Science and Technology Advisers in the Executive Office, headed by a strong chairperson, to provide continuing staff advice on scientific and technical aspects of domestic and foreign policy-making together with long-range policy research, planning, and public investment for the uses of the nation's scientific and technological resources in achieving major goals and objectives. At the discretion of the President, the head of the council could also serve as science adviser to the President.

An alternative to a council would be a single presidential appointee, assisted by a carefully chosen staff. This alternative would be appropriate in circumstances where a President might find a council unwieldy and slow-moving, and would prefer a simpler arrangement.

To ensure a strong and in-depth capability for planning and assessment to support policy-making, the Executive Office elements should be able to look to the National Science Foundation to mount and carry out a substantial level of science policy research, analysis, and reporting.

What matters, however, is not so much the organizational mechanics but rather the explicit provision for lively and complete presidential staff work—staff work which captures and gives weight to scientific and technical considerations in the examination and choice of policy alternatives and program strategies. The organizational answers should match the demands of the assignment, and should be seen as doing so.

2. An Office of Research and Development Management with the responsibility to evaluate programs, set priorities, provide quality assurance, see to policy coordination, and stimulate new initiatives. This office can be either a separate unit in the Executive Offices or an element in the OMB headed by a presidential appointee.

3. Principal reliance on the National Science Board and the director of the National Science Foundation, working closely with other federal scientific and technical agencies, for assessments of the nation's needs and opportunities for the advancement of science and education for science and engineering. Effective outreach should be maintained with the National Academy of Sciences and the National Research Council, as well as with scientific, professional, and public interest groups.

CLOSING COMMENTS

Organizational inventions tend to lose vitality over time, and to become preoccupied with problems of the past rather than the future. Organizational lag is one of the afflictions of bureaucratic life. We believe that our suggestions are appropriate for as far ahead as we can look, but we strongly recommend that future administrations keep an open mind and open options as to the character and appropriations of any set of science policy and managerial institutions. Events may call for different arrangements, and the national policy machinery must have the ability to recognize the need for change and revitalization.

HATCH ACT REVISIONS SUPPORTED

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. HARRIS. Mr. Speaker, at the April 14 hearings in northern Virginia on H.R. 3000, held by the House Subcommittee on Employee Political Rights and Intergovernmental Programs, one of my constituents, Ronald Jones, presented his case for amending the Hatch Act. He said:

> I believe that the evil of depriving any group of rights freely enjoyed by all others is far greater than the risk of abuse of official position by the few who might be unscrupulous no matter what the prevailing conditions are.

I would like to share the views of this Federal employee with my colleagues.

VIEWS OF RONALD JONES

Members of Congress and fellow-citizens, I want to express my most sincere gratitude for having been given the opportunity to offer my thoughts on H. R. 3000, the proposed amendment to the Hatch Act. My name is Ronald E. Jones, and for 5 years I have been an employee of the U. S. Department of Labor's Manpower Administration. I am a member of Local 12 of the American Federation of Government Employees, and I am a constituent of Congressman Herbert Harris, whose interest in this proposed legislation I commend to my friends and neighbors in Alexandria, Virginia. Additionally, I have studied political science through George Washington University's excellent program in Legislative Affairs. However, I claim to speak for no organization, but regard myself as a "grass roots" spokesman with deep feelings about the issue under consideration.

I strongly favor enactment of H. R. 3000, which with some strengthening would reestablish the right of civil servants to participate in the partisan political process in a way that I believe can be consistent with maintaining an effective, impartial executive branch. I am proud to serve as a civilian employee of the government, but I want to be able to contribute more—just let me have the chance! Surely the Members of the Subcommittee entered public life for similar reasons.

I am one who knows what it feels like to be part of a disadvantaged minority, whose voice is muzzled and whose actions are manacled by the majority. We of the Federal civil service are deprived of some of the rights which others take for granted as self-evident and inalienable in a democracy: of being equally able to act and serve in our common political process. Other groups who are similarly deprived are convicted criminals and those in insane asylums. Do the American people really intend that their Civil Servants should be so equated?

The intentions of the Hatch Act are laudable in encouraging a professional civil service impartially administering public business. As the Supreme Court recently reiterated: "it is in the best interest of the country, indeed essential, that federal service should depend upon meritorious performance rather than political service." But the barring of political activity does not guarantee a federal service dependant on meritorious performance. Further, I believe that voluntary service in the political arena can make a positive impact on the performance of those who choose to participate, by inculcating new human skills and awareness and by expanding the breadth of one's perspective.

The key word in the phrase "partisan political activity", from which the Hatch Act excludes us, is the word "partisan", which Title 5, Part 733, Subpart A of the Code of Federal Regulations defines as "a political party." My copy of the U.S. Constitution neither permits nor forbids political parties, it does not mention them because they were not invented until some years after Ratification. I need not remind Members of the Subcommittee that, by far, most of the policy debate and resolution which so vitally affects the lives of Americans is conducted within partisan political channels. Thus, although we have the vote, our exclusion from most stages of debate and all except final selections critically limits our choices; in effect, we can eat the menu offered, or we can leave the table hungry.

Besides the educational values of participation—which a number of Presidential candidates have noted—there are other reasons why I believe civil servants should participate. It would tend to develop our awareness of issues not usually connected with our employment but which might have bearing on the way we perform our work. There are those who criticize the Federal establishment for being unresponsive. If this were true, it could be because the avenues open to us to learn first hand the problems and needs of our countrymen through face-to-face encounters are inadequate.

We know that voting and political participation of all kinds have been declining at alarming rates in this country. It is easy enough to take a complacent attitude towards letting others conduct the policy-making business of the country. Certainly with a ban like the Hatch Act, we are provided with a too-simple excuse to ignore the responsibilities of citizenship. Further, can the nation afford to do without the political services, experience, support, and commitment of so large a portion of the adult population? I don't think so.

Similarly, I believe participation of civil servants would help raise the level of debate in the political process, bringing wealths of new expertise, experience, and approaches into the marketplace of ideas. Who knows better than those expected to carry out the law of the land, the difficulties and complexities of achieving the intent of legislation, which is but the collective will of the public.

The Hatch Act does not simply prevent my participation at the Federal level, but at State and local levels as well. In a partisan context—which is about the only context there is—I cannot even support my local dog-catcher without possibly running afoul of the law. Because of the Hatch Act, I and others like me have perhaps the least voice in the areas which affect us most, such as property taxation or in school allocations—if they fall in a partisan division.

As a possible new source of time and talent, to the extent that we would participate—if permitted—we would help revive and strengthen the two-party system, thus helping insure that there will always be a choice.

In the final analysis, I believe the evil of depriving any group of rights freely enjoyed by all others is far greater than the risk of abuse of official position by the few who might be unscrupulous no matter what the prevailing conditions are. Besides, the amendment would continue to provide strong safeguards against criminal abuse of position. Thus, we are not merely trading greater freedom for more criminality. Events of the past few years are graphic demonstration that even the Hatch Act cannot prevent abuse. In any case, whether or not improper pressures are used depends on the character, ethical integrity, and commitment to duty of those who are bound to abide by the law. The Framers of the Constitution intended that all citizens—including civil servants—could be trusted to govern themselves. It is time to restore that trust, to extend it to civil servants.

With regard to improving the proposed legislation, I believe it is vital to better define what is meant by "use of official position to influence the outcome of elections." This definition could be so vague that many of us would still refrain from participating so as to take no chance of being in the wrong. I also think the prohibition should be extended to preclude use of official position to promote the interests of a political party, particularly in non-election seasons. It might also be wise to prohibit the use for political purposes of information gained in confidence through official employment.

To help insure that participation would be above suspicion and to help us protect ourselves, it might be desirable to set up a reporting system outside normal official channels to which we might file notices of intent to participate, log our activities and file periodic reports.

Regarding possible abuse of official position, it would be valuable to specify a difference between effects which may have been intended, and from those which may have been inadvertant or unforeseeable side effects of particular administrative decisions. This raises the interesting question, too, of whether a defeated candidate could sue for a new election if he suspected improper interference by civil servants.

As I read H.R. 3000, it would be impossible for cabinet officers or other well-known political appointees to campaign, because they would be unable to disassociate themselves from their official positions. If this interpretation is accurate, it might make for a more evenly matched contest, but it also might unduly reduce the ability of incumbents to persuade, inform, and generate support for their positions.

I believe my fellow-panelists will have other suggestions for improving the legislation.

To conclude, if the definition of prohibited behavior can be nailed down and if the monitoring and oversight processes can be strengthened, I heartily urge others to join me in support of the adoption of H.R. 3000. I know this change would help bring a breath of air to freshen the holds where we who are "Hatched", wait. My thanks to Members of Congress for taking a new look at the political limbo in which we serve.

I would be pleased at this time to answer questions or clarify my statement.

MEETING FUTURE ENERGY REQUIREMENTS

HON. HAROLD RUNNELS

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. RUNNELS. Mr. Speaker, because of an abundance of natural resources, the State of New Mexico has played a leading role in national oil and gas production in past years. Like the rest of the Nation, our State is confronted with the problem of meeting future energy requirements. As a result, a wide range of projects by local, State, and Federal agencies, our universities, and private business firms are being undertaken today to develop the technology necessary for providing energy for the future.

The energy research projects being conducted in our State include studying the merit and potential of such energy sources as solar, geothermal, atomic, laser, and gasification.

Each of these various forms of energy hold the promise of meeting some of our future energy requirements to replace depleting fossil fuels. However, during the next 15 to 20 years the primary energy supply will continue to come both directly and indirectly from fossil fuel, and therefore, the coal gasification process holds the promise of being best able to meet our immediate needs.

Preparations have been underway for some time for El Paso Natural Gas Co. and Western Gasification Co.—Wesco—to construct and operate six coal gasification plants and necessary support facilities in northwestern New Mexico on the Navajo Indian Reservation.

As expected with any new project, public concerns have been and will continue to be expressed about the environmental impact of this new process in which coal is converted into other petroleum products. Because the residents of my State have an interest in not only developing new energy sources but also in protecting the clean air environment of our State, I have sought to become as well informed as possible on the gasification process.

Recently, I had the opportunity to go to the Republic of South Africa to gain first-hand knowledge on the coal gasification technology that is proposed for operating the New Mexico gasification plants.

Unlike the United States, South Africa has no domestic petroleum reserves. But they have been able to largely overcome this deficiency by intensive coal gasification. In fact, the South African Coal, Oil, and Gas Corp.—SASOL—is presently preparing to expand their plant tenfold.

To say that I was impressed with South Africa's program is an understatement. The opportunity to visit this unique facility answered many of my questions and also raised some new issues which I feel should be pursued.

South Africa is known as a country

that likes to be independent. Because of their remote location, and the world political situation, they are also confronted with a requirement of being able to function independently. Dr. Edward Teller, a world-renowned energy expert, after observing the SASOL facilities was quoted in the Johannesburg Star as stating that the Arabs would soon realize that the best place for their oil is not underground because technology was soon going to provide a replacement, the technology being South Africa's SASOL plant.

SASOL has been described as the "South African industrial whiz kid" in the field of gas, petroleum, and chemicals. Gasoline produced by the plant represents only a portion of the production which has resulted in the operation of the facility at a profit, even before world gas and oil prices reach new highs.

Because the gasification technology also converts undesirable components in coal, such as sulfur, into chemical forms that can be removed from the product gas, the process produces a wide range of chemicals which add to the profitability of the operation.

The following table provides an example of SASOL's major output:

Products in barrels/day	
Gasoline	3,675
Kerosene	45
Diesel fuel	365
Fuel oil	90
Wax and waxy oil	295
Methanol	15
Ethanol	310
Methyl ethyl ketone	22
Acetone	16

Because of its leadership in gasification technology, South Africa today is selling its knowledge to many Western nations including the United States. They are also conducting new research to improve the technique that will allow this country, small by U.S. standards, to become completely independent of foreign energy sources.

In New Mexico, WESCO hopes to have the first plant in operation in a couple of years and producing an average of 250 million cubic feet of synthetic natural gas. I am convinced that we will be able to work out the various economical and environmental problems.

As New Mexico has so often in the past on the development of new technology, we will be providing the talents and natural resources of our State for the good of the Nation.

THIS IS THE YEAR OF BROOKLYN

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. RICHMOND. Mr. Speaker, I would like to submit this article for extension of remarks in the CONGRESISONAL RECORD:

THE BLOOMING OF DOWNTOWN BROOKLYN

This is the year of Brooklyn, but you'd never know it in New York. The season's top theatrical event—the visit of England's Royal Shakespeare Company—took place in Brooklyn, at the handsomely restored Brooklyn Academy of Music. Generally, it is easier to get New Yorkers to cross the Atlantic to London than to cross the East River.

Politically, as well as culturally, it is the year of Brooklyn, with a Brooklyn man in City Hall and a Brooklyn man in the State Capitol at Albany, which gives Brooklyn both clout and cachet. And with Manhattan marking time in an atmosphere of recession and gloom, most of what is happening in New York is going on quietly across the river.

Actually, the blooming of downtown Brooklyn should not really take New Yorkers so very much by surprise. It wouldn't if they didn't keep looking the other way. A walk across the Brooklyn Bridge on a magical early spring day or evening reveals more than its accustomed romantic beauty. (How spoiled we New Yorkers are; but this is part of our dubious charm.) Downtown Brooklyn has no easy answer and is still fraught with real and continuing problems, but there is enough visible accomplishment in terms of design, development and the creation and reinforcement of community and amenity for a dozen other cities.

Brooklyn's lessons in architecture and urbanism—which largely involve informed efforts to turn around an area decimated by a residential and commercial flight to the suburbs of the 1950's and 1960's—are heartening. And so are the role and achievements of the city agency in charge, the Office of Downtown Brooklyn Development, now under the direction of Richard M. Rosan, working in collaboration with exceptionally strong and dedicated local groups. This is one of those on-the-spot Mayor's planning offices that have done more for New York in terms of positive development policy than any single idea or action initiated by city government in the last decade. And at the moment, when the more glamorous planning offices are in a bind or a stalemate, Brooklyn is paying off.

You don't have to be a closet Brooklynite to know about Brooklyn's brownstone revival, but the first thing that strikes the visitor is the startling dimensions of the residential renaissance. These neighborhoods go on literally for miles, ringing downtown Brooklyn. They have an incredible population of 275,000—at least as big as three medium-size cities. Beginning with Brooklyn Heights, the revival moved to Cobble Hill, Boerum Hill and Park Slope—four areas that have been declared historic districts. Still another, Fort Greene, is in the process of designation.

Almost all of these seemingly endless, superb streets of 19th-century row houses were once slated for the bulldozer brand of urban renewal. That figured, of course, since the easiest thing to demolish is a treasury of intimately scaled, rich architectural styles of exceptional craftsmanship and quality. The revival that took place instead was a spontaneous, snowballing, bootstrap operation of individual and collective gut faith, born of a dedication to the principle that New York is livable and made by a young, committed, urban middle class.

If you want to know the extent of such faith, it is worth noting that with the exception of a few local Brooklyn institutions, New York banks would give no loans or mortgages on any of these houses in any of these areas. Has anyone ever estimated the disastrous impact of such "sound banking policy" on cities, even when street wisdom was in the act of proving the bankers wrong? They have a lot to answer for. (They'll handle the buildings now, at quintuple markups in sound, marketable neighborhoods.)

This charm, comfort and beauty, from tree-lined streets and blooming back yards to Eastlake parlors and sun-filled kitchens, is within a stone's, or a subway's throw of the big apple. Transportation facilities are excellent, although they need upgrading like the rest of New York's mass transit. Everything converges on downtown Brooklyn. And if the natives don't want to cross the river, they have an overwhelming concentration of their own cultural and educational institutions.

Again, if one stops to think about it, the score is stupefying. There are at least a dozen educational institutions, with 45,000 students enrolled in them, as compared to 26,288 students in Cambridge, Mass. Baruch College is now moving toward realization on 13 acres of the Atlantic Terminal renewal site after 10 years of backing and filling. There is a small, steady, loyal stream to the dance programs (outstanding) and exhibitions (ditto) of the topflight Academy of Music and Brooklyn Museum. (One draw, even with Manhattan's easy riches, is dinner at Gage and Tollner's landmark restaurant, an island of authentic food and atmosphere in the expensive *ersatzchnüer* of New York dining.)

And that's not all, as they say in boostensville. Just beyond the bridge is Brooklyn's civic and commercial center. About 67,000 people, divided between the public and private sectors, work in its businesses, courts, government agencies, law and insurance offices and retail enterprises. And these are not just buildings—we are also talking about architecture. From the solid granite Romanesque Revival Post Office and the neo-classical Borough Hall to the nifty Art Deco of Corbett, Harrison and McMurray's 185 Montague Street (headquarters of the Office of Downtown Brooklyn Development), there is more substantial, stylish, top quality building in downtown Brooklyn than one can shake an architectural historian at. Block for block, it is some of the best, most under-publicized landmark territory in New York.

Most of the pivotal change and the concentrated redevelopment effort have taken place in this central business district, around Fulton Street. There has been commercial spillover beyond, from the brownstone neighborhoods, revitalizing Atlantic Avenue as well, with its older ethnic strengths and burgeoning antique and specialty shops. Atlantic Avenue is now surprisingly reminiscent of New Orleans' Magazine Street in both character and renewal. The development office has devised a special Atlantic Avenue zoning district to protect just those urban and architectural features that would be lost, without controls, in the regenerative process.

With the Downtown Brooklyn Development Association, the planners have made steady progress in the Fulton Street area. Abraham and Straus and May's have held on, while the famous movie houses died and traditional shopping turned into a redundancy of fancy shoes and wigs. But even with suburban defection and social change, this section still has the sixth largest sales volume of all U.S. central business districts, and one of the planners' proposals is a Fulton Street pedestrian mall. This seems about to go ahead. (Not the least problem is the repeated political, social and commercial mobilization needed, year after year, as every project inches forward one hearing at a time.)

A good deal less visible remedial action has also been under way. The Livingston-Bond garage that opened recently does more than provide parking space; it is a coordinating facility for off-street unloading, goods handling and new shops. Two handsome new, key buildings have been completed by the firm of Skidmore, Owings and Merrill—for Con Ed and the New York Telephone Company. Under careful planning persuasion, they feature such mandated urban assets as arcades and new subway entrances as well as far-above-speculative-quality design.

There have been disappointments. Dreams of large amounts of new office space have died with the real estate market. Housing plans have collapsed, brought on by the failure of UDC, and it is hoped that the city will pick up some of the housing pieces.

But nothing is too big or too small for the Brooklyn planning office. A clear indication of its eye and attitude is a series of tidy, tiny, "traffic island" parklets throughout the area—carefully repaved, with trees and benches. The strength of a local planning office is that, unlike a centralized agency, its attention is focused on every street corner. This is the only kind of planning that really works.

We have saved the best till last. Downtown Brooklyn not only has an unparalleled view of Manhattan, it has a wonderful waterfront. The development office's Fulton Ferry waterfront plan ranges from the building of a small park and ferry slip, almost completed, to a pair of imaginative schemes to use a fine "modernistic" factory for the Brooklyn Museum Art School and the city-owned Fire Boat House for a Brooklyn Bridge Museum. (One of New York's secret treasures is the set of Roebling's inch-by-inch watercolor renderings of the bridge in the original wooden file cabinets in the base of the Brooklyn tower.)

Long range plans would link the area with the South Street Seaport on the Manhattan side. But it isn't necessary to wait for that to happen to explore the architectural marvels of the dramatic brick Empire Stores with their griffins and eagles and arched gates at the water's edge. Last one over the bridge this spring is a loser.

EMERGENCY LOW INCOME HOUSING ACT OF 1975

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. MITCHELL of Maryland. Mr. Speaker, the housing legislation which I introduced on Tuesday, April 22, 1975, fulfills a commitment made in 1968 and reaffirmed last year in the Housing and Community Development Act of 1974: the construction or rehabilitation of 6 million subsidized units during the 1968–78 decade. It provides for 3 million additional subsidized housing units for low and moderate income people during the next 3 years.

This House has recently dealt with two pieces of emergency housing legislation for people already in decent homes or able to afford them: one to help them get new housing and the other to avoid foreclosures. I supported both of these bills. Now it is time to enact housing legislation for low and moderate income people who have been the focus of much housing discussion, but who have been denied effective housing programs.

HUD submitted its 1974 national housing goals report 11 months late. That report makes clear that we have done too little. To meet the target of 6 million units by 1978, we will need to provide another 4 million subsidized units. Perhaps the section 8 program will provide 1 million of them. This leaves a gap of 3 million. My bill will close this gap.

It will do more. It will provide an estimated 2 million jobs over the 3-year period. This alone will reduce the unemployment level from its present 8.5 percent to the 5.5 percent which the administration assumes will not come about until 1980. Moreover, the Council of Economic Advisers, in its latest report, estimates that one-half the decline in real output in 1974 could be attributed, directly or indirectly, to the slump in housing production.

This year's budget request for low and moderate income housing subsidies is $2.6 billion—less than 1 percent of the budget. This represents the cumulative cost of all subsidized housing provided since adoption of the Housing Act of 1937. It represents about 3 percent of all our housing stock. Most of these subsidies go to people with incomes below $10,000.

While it takes no budget request, we will also have in the next fiscal year an $11.3 billion housing subsidy program. This is the cost to the Treasury of the tax deductions taken by homeowners for mortgage interest and property taxes. Most of these subsidies go to people with incomes above $15,000.

The National Rural Housing Coalition has recently calculated who benefits from our housing subsidy programs—including both tax subsidies and direct subsidies for low and moderate income housing. The conclusions are shocking:

People with incomes above $50,000—1 percent of the population—get 10 percent of all housing subsidies—$1.4 billion. People with incomes below $3,000—14 percent of the population—get only 7 percent of the housing subsidies—$0.9 billion.

Nine out of ten people with incomes above $50,000 get housing subsidies through the tax system. Nine out of ten people with incomes below $3,000 get no housing subsidies at all.

The average subsidy per household for people with incomes below $3,000 is $90. The average subsidy per household for people with incomes above $50,000 is $2,300.

More than two-thirds of all housing subsidy recipients have incomes above $10,000. Less than 3 percent have incomes below $3,000.

There will be, no doubt, charges that the program proposed in this bill is expensive. It is, in comparison with previous expenditures for low and moderate income housing. It could—if HUD's method of calculating costs is valid—be about as expensive as our present system of tax subsidies for the affluent.

It is time to recognize that there is no costless way of providing decent housing for low-income people. We do not expect to provide education at little or no cost. We do not expect to provide health care at little or no cost. We should not expect to provide housing at little or no cost. Instead we should recognize that decent housing will require Federal expenditures of substantial magnitude. We should recognize, as well, that these expenditures will be offset by both economic and human benefits.

According to the Department of Housing and Urban Development's own estimates:

There are 1.5 million households with incomes below $1,000 annually who are eligible for housing subsidies, but for whom there is no subsidized housing available.

There are 3.1 million households with incomes between $1,000 and $2,000 who are eligible for housing subsidies, but for whom there is no subsidized housing available.

There are 3.6 million households with incomes between $2,000 and $3,000 who are eligible for housing subsidies, but for whom there is no subsidized housing available.

There are 3.2 million households with incomes between $3,000 and $4,000 who are eligible for housing subsidies, but for whom there is no subsidized housing available.

There are 3.1 million households with incomes between $4,000 and $5,000 who are eligible for subsidies, but for whom there is no subsidized housing available.

Almost all of these families live in housing which is either unsafe, unsanitary, or which costs so much that they cannot meet other basic needs. For example, in 1970 the median rent paid by families with incomes below $2,000 was $79, or at least 47 percent of their incomes, leaving no more than $86 for all other needs. The average renter family, in contrast, had an income of $6,300 and paid rent of $108, or 20 percent of income. This left more than $400 monthly for all other needs.

Yet, in 1972, when subsidized production was at its peak, two-thirds of all new housing production was priced to serve families with incomes above $10,000. Only 3 percent served families with incomes below $4,000. If these rates continue, it will only take 14 years to build new houses for the 25 million families with incomes above $10,000, but it will take 179 years to provide new housing for the 15 million families with incomes below $4,000.

The bill I introduced on Tuesday was developed in cooperation with the Ad Hoc Low Income Housing Coalition—a group of more than 30 public interest organizations deeply concerned with the housing needs of low- and moderate-income people. It is an emergency measure. It is a fulfillment of an existing, unhonored commitment, not a comprehensive program for meeting the full spectrum of our housing needs.

It uses the existing housing programs now on the books simply because they are there and, even given a commitment to move quickly and make a program work—as the administration has been in section 8—the evidence is overwhelming that it takes several years to start up a brand new housing program and bring it to a high level of production.

Therefore, our proposal reactivates or expands the programs presently available—those with which HUD and Farmers Home personnel and nonprofits and others in the private sector are familiar—though some have grown rusty from disuse.

Specifically, the bill provides for the following additional subsidized units over the next 3 years:

One million units of public housing—not section 8—with at least one-third of these allocated to nonmetropolitan areas.

One million units of subsidized rental housing, as follows: 25,000 farm labor housing grants; 75,000 rural rental units under section 515 of the Housing Act of 1949, 15,000 with rent supplements; 200,000 units of section 202 housing for the elderly and handicapped; and 700,000 units of section 236 below the market interest rate.

One million units of subsidized sales housing, as follows: 250,000 units in rural areas under section 502 with interest credits; and 750,000 units of section 235 below the market interest rate.

The 1968 housing goal was set in a time when mortgage interest rates were about 6 percent, and when almost anybody with a steady job at decent pay could afford to buy or rent new housing. The situation today is very different. But instead of focusing on meeting the critical housing needs of people who have never been able to afford decent housing, we are dealing with the newer, less critical needs of people who cannot afford 8 percent or 9 percent interest rates.

What sense of national priority is it that lets us make a commitment a generation ago to "a decent home and a suitable living environment for every American family" and do so little to achieve it?

What sense of national priority—or legislative priority—is it that permits us to approve in 2 weeks a tax credit to benefit people well enough off to itemize their deductions, while there have not, since I have been in the Congress, been so much as a series of hearings focused on the housing news of low income people?

It is time to reorder these priorities—to fulfill our commitments to millions of American families who live in rural shacks or urban tenements. This bill is a beginning.

MARXISM VERSUS NATIONALISM: IDEOLOGICAL DEBATE AMONG BLACK INTELLECTUALS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. McDONALD of Georgia. Mr. Speaker, in my Extensions of Remarks on March 19, 1975—page E1277—I noted an incident bringing to public attention the current sharp ideological debate among black intellectuals as to the merits of Marxism-Leninism versus Pan African nationalism. In the New York Times of April 28, 1975, Charlayne Hunter, a former citizen of my State, has written a brilliantly concise analysis of that debate which I am entering into the Record. I recommend it to all those interested in the ideological struggles of modern times:

[From the New York Times, Apr. 28, 1975]

Black Intellectuals Divided Over Ideological Direction

(By Charlayne Hunter)

An intense and growing ideological debate between the advocates of a "new" Communism-Socialism and advocates of black nationalism has galvanized major segments of the black intellectual and activist community.

The debate, which has sparked numerous conferences along with a proliferation of position papers in scholarly journals and magazines, is the chief development in black thought since the civil rights movement culminated in black power in the late nineteen-sixties.

Its importance is itself a matter of debate. There are those who feel that it is confusing, uninformed, divisive and irrelevant. But there are others, including historians and political scientists, who view it as part of a historical pattern of black development in which periods of activism are followed by periods of introspection and theorizing.

SOCIALIST SOLUTIONS

Thus, it is the graduates of the civil rights movement and the student movement whose restlessness and frustration over falling short of their goals of complete liberation have set the stage for this new development in the "cyclical process," as one historian described it.

The conflict is at once national and international, scholarly and emotional, courteous and acrimonious, confused and lucid, serious and humorous.

At the Sixth Pan African Congress in Tanzania last fall, the 200-member American delegation was awestruck when representatives of one African government after another advocated socialist solutions to race problems, which, these speakers said—to the Americans' dismay—were based on class and not on blackness or race.

There, as here, the basic issue is whether race and culture is the most important factor in the oppression of black people or whether being poor is.

The issue is color-and-culture versus class, a debate that black thinkers have engaged in since Emancipation. It has gained a new urgency today, however, among young whites, too, but particularly among blacks, who are experiencing the worst of an economic downturn that is expected to continue for some time.

Many black studies departments at universities are divided over the issue and many organizations, including the National Black Assembly, are torn by it.

Because there are divisions within each group, depending on degrees of orthodoxy, strict definitions are difficult. Moreover, there are Marxist-Leninists among the blacks who maintain a Pan Africanist view and there are black nationalists who hold Socialist views.

CALL PREDECESSORS "FAKE"

Generally, however, the "new" Marxist-Leninists reject the Communist Party U.S.A. and the Communist movement of the nineteen-thirties as "fake" and "revisionist"—thus, Angela Davis is not a party to this debate—and see blacks in the role of initiators.

Among these "scientific Socialists" who emphasize economic class struggle and the overthrow of capitalism and imperialism, are: Amiri Baraka, the activist poet-playwright; Ron Karenga the activist-philosopher now serving a sentence of from one to 10 years in a California penal institution for aggravated assault; S. E. Anderson, a mathematician on the faculty of Old Westbury college on Long Island; Owusu Sadauki, formerly head of the now-defunct Malcolm X Liberation University in North Carolina, and Mark Smith, former vice chairman of the Youth Organization for Black Unity.

Among the black nationalists who believe their oppression is due to their color and to cultural conflicts and that solutions must derive from and be carried out by black people, are: Haki Madhubuti (Don L. Lee), the Chicago-based poet; John Oliver Killens, the author; Ronald Walters, a political scientist; John Henrik Clarke, the historian; Jitu Weusi, head of the East, a black cultural organization in the Bedford Stuyvesant section of Brooklyn, and Kalamu ya Salaam, a Louisiana-based playwright and author.

The black nationalists are suspicious, even disdainful, of alliances with whites, and are extremely critical of former nationalists, like Mr. Baraka, who now say nationalists are part of "an ideology with three cutting edges—from nationalism to Pan-Africanism to Socialism .

In an edition of The Black Scholar, Mr. Madhubuti describes the black nationalists' position essentially as race "to work for race."

They regard Marxism-Leninism as "another integrationist program," according to Mr. Killens. And they accuse the advocates of being "faddist," and in some cases "opportunists."

ARMS OF SAME WHITE BODY

For Mr. Madhubuti, the conclusions of Marx and Lenin were "white and racist." And he further argues that racism predates both mercantillism and capitalism, and that capitalism and Communism are "the left and right arms of the same white body."

The problem, Mr. Madhubuti writes, is that "the Negro must stop trying to be like the American Express credit card, universally accepted. We must seek acceptance for ourselves before we seek acceptance outside the race."

Mr. Baraka's conversion to "scientific socialism" followed by some time other former black nationalists', including that of Mr. Karenga, the imprisoned former chairman of the militant West Coast group, US, who is regarded as a kind of spiritual mentor to Mr. Baraka. ("To know Baraka's position tomorrow, read Karenga today," commented a political scientist who has followed Mr. Baraka over a period of years.)

Nevertheless, Mr. Baraka has emerged—in print, a least—as a major spokesman for the "new Communism."

Distinguishing between it and the old Communism, of the thirties and forties,' Mr. Baraka writes:

"We say our ideology is scientific Socialism, specifically as practiced and theorized by Marx and Lenin and Mao Tse-tung."

In the October, 1974, Black Scholar, he elaborates:

"Our struggle is ultimately a struggle to destroy capitalism, the creator of racism. Skin nationalism cannot do that. We need to gain a clear knowledge of Socialist theory, and unite with those who really want to build a new world. That is the only criteria. Black liberation is Socialist revolution."

Not only have response to these positions proliferated, but as they have a new language, new charges, new divisions and new casualties have emerged.

Mr. Walters, responding in Black Scholar, inveighed against the "many brothers and sisters, trapped in an imperfect understanding of the long distance imperatives of black nationalism and Pan Africanism. The turn toward Marxism has represented a way out, a way to take off their African clothes, change back their names, refry their hair, pick up white friends again."

Also in Black Scholar, Mr. Anderson assailed Mr. Madhubuti's position: "In his desperate attempt to hold back the tide of the Afro-American and world revolution. Brother Madhubuti, insistently falls back on analyses and observations that have been relentlessly shown to be jive."

In addition to the charge made by some Marxist-Leninist that the nationalists "only want to talk about how many kings we had in Africa," Mr. Karenga criticizes them for "mask [ing] contradictions among blacks in pursuit of an elusive ideal unity."

"But," he goes on, 'regardless of chit'lins, fried chicken and soul, dancing-doin-it and rhythm there are basic conflictual differences among blacks and those are class differences."

Charles V. Hamilton, a political scientist at Columbia University and coauthor with Stokeley Carmichael of "Black Power: The Politics of Liberation in America," holds the view that even among those who appear to hold conflicting positions there tend to be more similarities than differences and that assigning labels adds little clarity.

On the current debate, Dr. Hamilton argues that both sides are basically Socialist and that their positions with respect to the masses of black people are not that far apart.

Both sides are accused, for example, of focusing neither on immediate needs of the people nor on public policy issues. Yet, on both sides, there are people who argue that they are involved in thinking about or moving to affect these issues in one way or another.

DIVISION OVER THE WORKER

A major perceptual division is occurring, however, around the attitude toward the worker.

Mr. Smith, who has been active in union organizing efforts among textile workers in North Carolina, writes in the January-February issue of Black Scholar:

"Our experience has been that in struggling alongside black workers on the job—struggling to organize a caucus, to fight currupt union leadership—one of the first points that brothers and sisters often raise is the need for a strategy to build unity between black and white workers!"

Ronald Walters does not oppose working with whites. "You can't turn all white people into devils," he says. "But you form coalitions—not because of some theory, but because of pragmatism—who has the resources—and you apply them on behalf of your people."

But John Oliver Killens is more cautious, arguing that blacks must integrate from a position of power, something he does not believe they now have.

"The problem with the instant Marxist," Mr. Killens says, "is that theirs is a misinterpretation of Marx." He went on:

"Marx talked about the absolute impoverishment of the working class, without talking about the absolute incorruptability of the working class. The thrust should be for black working class leadership.

"With the unemployment problem becoming more crucial, I predict that white workers are going to shoot down black workers, fight them for the few jobs that are out there."

Mr. Killens said, however, that he sees no contradiction between black nationalism and Socialism, and views the debate as "divisive at a time when we need unity; that could be why it's happening."

Harold Cruse, the acerbic political analyst whose major work is "The Crisis of the Negro Intellectual," argues that neither side knows what it is doing and that the whole debate is merely confusing.

"The kids are not equipped and the older people don't want to be bothered with the kids," he said in an interview from Michigan State, where he is a professor in both history and Afro-American studies. "But you have a generation gap created by a series of national and international developments that occurred too rapidly for anybody to embrace. Very few kids, for instance, understand the New Deal and the lasting impact it had on national forms. They take Social Security for granted, for example."

While Vincent Harding does not necessarily share Dr. Cruse's analysis,—he feels that the debate is "necessary"—he argues that there are new forces at work in the world that have implications for what happens in America. Those include "America's rise as an imperial force," and black Americans' experience in seeing revolutionary movements develop and succeed in such places as Mozambique and Guinea Bissau.

But primarily Dr. Harding, head of the Atlanta-based Institute of the Black World, believes that the black movement has "gained a right of its own to demand that it be dealt with as a power."

That is why the old questions have surfaced in a new debate, Dr. Harding believes. Can there be any real Pan-African liberation in Africa that does not involve total transformation in America? he asks. Is the working class scientifically ordained by history to lead the revolution? Is there a recognition of the uniqueness of America and of how difficult it is for black people to really open up and look at an ideology that embraces whites in a way that would not be poisoned by the realities of racism?

C. L. R. James, a leading Trinidadian Marxist theoretician and author now living and teaching in Washington, refuses to discuss the current debate.

Part of the answer may be found in his historical work on the Haitian revolution, "The Black Jacobins," first published in 1938, in which he wrote:

"The race question is subsidiary to the class question in politics, and to think of imperialism in terms of race is disastrous. But to neglect the racial factor as merely incidental is an error only less grave than to make it fundamental."

Although his life and works have spanned nearly a century of black ideological development, he confides in a whispery voice that he does not understand the conflict.

"In [George] Padmore's book, 'Pan Africanism and Communism' is an account of the work we did between 1935 and 1939. I was the editor of both the Trotsky paper and Padmore's [the Stalinist]. And we never quarreled. They were for the revolutionary emancipation of Africa and that was okay with us. We were for the overthrow of capitalism and that was okay with them. This quarreling now, I don't understand it."

If there are those among the elite who do not understand, many feel that the masses, with whom they all profess some affinity, have no idea of it at all.

"The elites are carrying them [the discussions] on as if the correct decision is absolutely fundamental for the struggle to go on, and they are absolutely wrong," said one black historian, who also prefers to stay out of the fray. "They are getting together because they feel something is on the way and they are trying to get a position so that they can say something the masses can follow. In 1960 and later, though, the ranks didn't wait for these discussions. They went into the streets in more than 150 cities. They don't need to worry about the masses. The masses will find their way."

For many of the intellectuals involved in the debate, however, there is the concern that basically what is wrong with it is that it is not broad-based enough.

As one former activist from the 'sixties said: "We wrote off everybody. The church. The political parties. The bourgeoisie. Well, it may not be all we want it to be, but it's there and it's organized.

"Take Jesse Jackson, for instance. Jesse doesn't fit into the equation, but he's trying to make a religious movement the basis for a new movement. We criticize Jesse for being a capitalist, but that's not really important. He can mobilize."

THE ILLUSIONS OF POWER

HON. HELEN S. MEYNER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mrs. MEYNER. Mr. Speaker, the final act of the Vietnam tragedy is being played out. It is right and proper that Americans now try to articulate the lessons that we have learned from that experience. Too often, however, these postmortems take the form of bitter assessments of blame or simple rehashing of the old arguments on the merits of the war. It was encouraging to me to see instead a careful broad view articulated by the editors of the Delaware Valley News of Frenchtown, N.J. in a recent editorial. It deserves the attention of all Members of Congress.

The editorial follows:

THE ILLUSIONS OF POWER

The Vietnam debacle, at least for the older generation, can only be described in terms of the expression, "deja vu," the sense of having seen it all happen before. During World War II and for four years after, the United States poured billions of dollars into Nationalist China in the attempt to help Chiang Kai-shek stem the communist tide. Both the Nationalist Chinese and the South Vietnamese were led by a corrupt clique of generals and politicians, put or maintained in power by successive American Administrations.

In both cases, vast quantities of U.S. arms and supplies failed to create a national will to fight on the part of the Chinese and South Vietnamese people. Huge amounts of those arms and supplies were, according to report, actually sold to the Communists. In China, and now in Vietnam, arms, ammunition, tanks, planes and guns worth billions of dollars have been abandoned to the Communists without even a pretense of resistance. Company and batallion commanders in the South Vietnamese "army" are said to even sell food and arms to their own men, and in the recent panic retreat, supposedly "crack" troops thrust aside starving civilians trying to get aboard rescue ships and planes.

And now, we have the incredible spectacle of still another American general demanding a further half billion dollars worth of military aid for an army that has never fought, is not fighting now and will never fight.

The whole sorry sequence of events in East Asia can be traced directly to the Communist hysteria of the 1950s, a hysteria that a generation of rightwing politicians, beginning with McCarthy and Nixon, has foisted on the American people. The word "communist" causes a knee-jerk reaction among these politicians and Pentagon generals, and their immediate reaction is to go for their guns. That hysteria created a C.I.A. that has given us a rotten-egg image all over the world.

We have been living an illusion of omnipotent American power and we will have to shed that illusion before any realistic foreign policy is obtainable. The war hawks claim that failure to support South Vietnam will hurt our credibility; instead, that credibility has already been badly damaged by misuse of our immense wealth and power. The result is an anti-American tide of opinion throughout large parts of the world.

But the war hawks in Congress show signs that at last they are beginning to listen to their constituents. Many, returning to Washington last week, said the voters are fed up with the war. And that is the only way we can find our way back to sanity in foreign policy—for the grass-roots voter to make it unmistakably plain to the politicians that the time for foreign military adventures is over.

WASTE BY THE U.S. ARMY IN EUROPE

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. DOWNEY. Mr. Speaker, for more than two decades now the United States has maintained a massive military establishment in Europe. Yesterday Newsday published the first in a series of articles that raises serious questions about the effectiveness of our forces there. In the coming weeks, we in Congress will be considering the Defense budget and I think that the facts revealed in Newsday will contribute to the quality of our decision. Therefore, I would like to share this first article with my colleagues.

Decay in the Motor Pool; for Want of a Jeep . . .

(By Patrick J. Sloyan)

Boblingen, West Germany.—Millions of taxpayer dollars are being wasted by the U.S. Army in Europe because of inadequate care of overflowing stocks of tanks, guns, trucks and other military equipment that have rusted, decayed and provided easy pickings for the arms black market.

An extensive investigation by Newsday has found that:

At least $52,000,000 is needed to repair neglected equipment supposedly ready for combat on six hours' notice.

More than $32,000,000 worth of Army hardware in West German depots cannot be accounted for and has been either stolen or misplaced. As a result, the "combat-ready" vehicles in these depots have been stripped of their batteries to prevent theft.

Expensive German labor performs exhaustive overhauls on Army vehicles requiring only minor repairs that should have been done by U.S. soldiers.

Inadequate maintenance has resulted in expensive vehicles lasting only a part of their expected lifetimes, necessitating costly overhauls ahead of schedule or the purchase of even more expensive replacement vehicles.

Thousands of vehicles meant to replace combat losses in a future war are left rusting and inoperable, untouched by human hands for years.

Army field commanders are covering up serious maintenance problems that would affect their combat capability—and Congress has overlooked them.

The findings raise serious questions about the effectiveness of what the Defense Department's Installation and Logistics Division says is a $25 billion-a-year budget for worldwide maintenance of U.S. military equipment purchased at a rate of $40 billion a year.

In recent years, the Pentagon has been under fire for the way it buys equipment that some defense officials say costs twice as much as promised and performs only half as well as expected. Largely ignored, however, has been the nuts-and-bolts side of military maintenance of goods worth billions of dollars.

The past and current failures in military housekeeping are blamed on everything from the Vietnam war to the kind of soldiers being recruited by the all-volunteer Army.

A number of Army commanders in Europe say that the Defense Department has simply refused to provide enough manpower in recent years to care adequately for European military supplies. "Our primary concern was Vietnam, and the Army in Germany suffered," said Col. William Miller, chief of logistics at U.S. Army headquarters in Heidelberg.

Another frequent criticism by some military officials is that the Army dropped its entrance standards so low when the draft was elimiated that today's soldier is unable or unwilling to keep costly equipment in good repair.

But perhaps the overriding reason is that the Army has too much equipment in Europe to care for properly. From Defense Secretary James Schlesinger on down, no one in the Ford administration knows exactly how much—in terms of total dollars or items—the Army has in European stocks.

Whatever the reasons, the poor maintenance and resulting waste is being hidden from Congress, senior civilian officials in the Pentagon and military commanders.

Extensive interviews with officials in Washington and at Army headquarters in Heidelberg produced assurances that as much as 90 per cent of the military hardware in Europe was up to snuff, ready for war.

But visits to units doing the actual work at lower levels and a still-to-be-released classified government report produced dramatically different set of facts. Proper maintenance procedures were found to be absent in combat-ready units, which are supposedly prepared for war at a moment's notice, as well as in units maintaining stockpiles of supplies for troops that would fly to Europe in a crisis.

The classified report, by the General Accounting Office, has concluded that Army front-line units have not done effective maintenance. According to GAO investigators, Army commanders were not planning or executing effective repair programs. The GAO focused on the lack of skilled or motivated soldiers to do the work; a backlog of broken tanks, jeeps and trucks throughout the Army because of inefficient motor pools or a slow supply system, and all these and other problems covered up with glowing reports of combat readiness sent on to higher headquarters.

"They just aren't doing the job, and no one really seems to care about it," one GAO investigator said.

A down-to-earth picture of Army maintenance, the key to the Army's ability to go to war and withstand the rigors of combat, can be found on a wooded hillside in Boblingen.

The scene is the headquarters motor pool of the 4th Battalion, 73rd Armored Division. This is where basic maintenance is supposed to be carried out. A sergeant speaks:

"Yeah, well, you tell him to get down to this motor pool hubba-hubba because we got work to do here and he is in deep trouble."

Warrant Officer Paul Michaelis, of Salt Lake City nods approvingly. "I've got a good motor pool sergeant. You can't do this job without a good sergeant."

Michaelis was such a good sergeant—with a keen eye and sure hand in keeping the heart of a mechanized Army pumping—that he was made an officer. He is a 13-year veteran of motor pools in Vietnam, Korea and Europe. His job is to keep 51 tanks and an assortment of trucks, tank retrievers, armored personnel carriers and jeeps out of the motor pool and on the road. This equipment belongs to the front-line U.S. troops who would bear the brunt of initial fighting in some future European war.

"Well, we try, but we're just not getting the job done," Michaelis said in an interview. "The equipment is going down much sooner than it should. They don't get near the lifetime out of these tanks, and they cost $400,000, or these five-ton trucks or the smaller trucks or the jeeps.

"Now look at this five-ton truck. It's only two years old. It won't last more than five years. It should last 15 years, maybe 20.

"If we were a commercial company we'd go broke. You should see the breakdowns on these field exercises. That's a real eye-opener."

Despite the self-criticism, Michaelis and his motor pool men put in five- and six-day weeks to accomplish what they can. He has begun his own program of maintenance on his most expensive vehicles—the tanks—so that each gets a thorough going-over twice a year. His jeeps and trucks, however, do not get that kind of attention.

Nevertheless, Michaelis said that tank crews and truck drivers are not performing the routine maintenance that is required to achieve an economical length of service for his vehicles. Instead, they are on guard duty, in a parade, in a class on racial relations or doing tasks other than maintenance.

"They say there will be a half-day of maintenance," he said. "Well, hell, it takes a half day just to open the tank and get your tools out."

The "Army way" of doing things is also wasteful. Instead of repairing, for example, the turbocharger on a tank engine, motor-pool personnel remove the whole engine and replace it with a new engine. "I can fix the turbocharger but they won't let me," said Spec. 5 Sidney Watson of Albuquerque, New Mexico. "They just waste the money."

The supply system has been another problem. On the day of his interview, Michaelis had eight vehicles out of action because of missing parts. "We got an automated, computerized supply system," he said, "but we're still running it on a manual, pencil-and-notepaper basis."

Michaelis said that the Army should reorganize its maintenance system, giving each major unit a garage. "Then you would take the vehicle to the garage to have whatever work needed done by a staff of mechanics. You could have contact teams from the garage visiting the units at a lower level.'

What the Army does have is three to four levels of maintenance, with each higher level doing more complex and extensive overhauls. What happens, however, is that lower units simply ignore their maintenance, sending equipment on to higher levels.

Regulations require that most tanks get scheduled maintenance at 500- and 1,000-mile intervals, with most of the relatively minor work performed by American soldiers at their unit levels. However, when a tank rolls up 5,000 miles, it is scheduled for a major overhaul, getting a new lease on life by costly replacements of engines, damaged metal, electronics, gunsights and other equipment. Tanks that have been knocked out on the battlefield have gone through such overhauls and rolled out of the depot ready for war once again. But the Army doesn't always follow its own procedures.

For example, the Government Accounting Office discovered that the Army was shipping to depots hundreds of tanks that should have had minor repairs at lower levels. The depots—where tanks are revitalized through extensive rebuilding—are manned by German civilians whose hourly wages have gone from $5 in 1970 to $19.75 today because of dollar devaluation.

There are three such depots in West Germany, which spend $63,000,000 a year to do work that could be done by soldiers. As a result of the GAO study, the Army says it is closing two of the depots at a savings of $53,000,000 a year.

The Army continues to lean on Germans and other local civilian workers to maintain everything from its mess halls—it employs 2,800 German pot scrubbers—to its tanks, even though the cost of their employment has skyrocketed as the dollar's value has sunk on the international monetary market. Currently, there are 52,000 local civilian workers who run up a $435,000,000-a-year payroll paid by U.S. taxpayers.

In a series of interviews in Zell, Wurzburg, Kaiserslautern, Schwabish-Gemund and other U.S. installations in West Germany, veteran Army mechanics focused, to one degree or another, on the same problems outlined by Michaelis: lack of skilled personnel, poor scheduling of maintenance, backlogged supply systems and an overall lack of concern about nuts and bolts and the grease-gun side of Army life.

As far as the Army is officially concerned, the vehicles and equipment are ready to roll. But some senior officers said privately that while the effort in U.S. Army motor pools had improved in recent years, adequate maintenance still was far from official Army goals.

"Things are a lot better today than they were, I can tell you that," said Col. Patrick Roddy, who is in charge of $700,000,000 worth of hardware pre-positioned in Germany for troops who would be flown to Europe in an emergency.

Of the 5,000,000 components under his control, mostly in warehouses at eight sites in Germany, there is enough to equip three Army divisions and send them into battle on six hours' notice.

It turns out, however, that there are no batteries in the 28,734 trucks and jeeps, 15,960 tanks, armored personnel carriers and other vehicles stored in Roddy's warehouses. The batteries are stored in separate warehouses—often miles from the vehicles—at these eight sites. They must be filled with liquid and recharged before they are reinstalled in the vehicles.

"We had to take the batteries out because they were stealing the stuff," Roddy said in an interview. "They were ripping off trucks, cranes, bulldozers—all kinds of stuff. They caught one group and they were mainly French and Czech. They'd make out a phony trip ticket and drive the stuff to Amsterdam usually.

"Then they'd sell it for the highest price, usually for the Mideast. It didn't make any difference which side—just to the highest bidder."

Roddy said he did not know how much was stolen from the stockpiles, but as a result, he has beefed up the German guard force around them with police-dog teams.

Last year, the Army could not account for $32,000,000 worth of such stockpiled goods. "It could have been stolen or just misplaced—they have so much," one government auditor said.

Today, Roddy is directing a "get-well" program for these strategic stockpiles, which have been amassed since the Berlin crisis of 1962. The Kennedy administration began the stockpiling after encountering logistics difficulties during the cold-war era.

"I'd say we're in pretty good shape now," Roddy said. According to the Army, more than $12,000,000 has been spent at the sites under Roddy's command during the past year to repair hardware that was permitted to deteriorate during the Vietnam war through lack of maintenance.

But according to the Government Accounting Office, an additional $52,000,000—or a total of $64,000,000—would be required to "restore the equipment and replace shortages."

"The repair program appears to be one of repairing equipment which should have been maintained throughout the years," the GAO said in another still-classified report. "Unless more resources are applied to keeping pre-positioned equipment operable, similar get-well programs will be necessary."

Roddy has a 1,800-member work force that continually performs maintenance on the stockpiled equipment, hoping to check and repair all of it—if necessary—on a cyclical basis. "It's hard to keep up with the volume," Roddy said.

At least once a year, the equipment under Roddy's supervision is removed from sprawling parking areas and taken to the hillsides of Germany by combat units flown from the U.S. on "Reforger" operations.

Another use for the pre-positioned stocks dedicated for use in some future European war is rarely discussed. But on more than one occasion, the U.S. has dipped into the supplies to aid foreign countries in an emergency. During the 1973 Arab-Israeli war, the U.S. quickly sent 450 tanks to Israel, many of them "borrowed" from the West German stockpiles. Last year, the stockpile again was tapped for several dozen M-60 tanks, sent that time to Ethiopia.

These little-noticed maneuvers have left the U.S. Army 1,650 tanks short of its authorized strength of 8,350. Now the Army is pushing for a replacement tank that could cost more than $1,000,000—almost triple the price of its current front-line weapons.

There is still another category of stockpiled equipment that the Army at one point "overlooked." It is at the combat theater replacement centers, designed to resupply NATO's losses after a future war is under way. In 1972, the Army complained that Vietnam had left it dangerously short of tanks that would be needed in the event of the start of war. But after some checking by Congress, the Army "found" 4,000 to 5,000 more tanks, mainly at the West German replacement centers.

Equipment in the combat replacement centers gets substantially less attention than the warehoused supplies under Roddy's command.

Rows upon rows of tanks, trucks, jeeps and other equipment at the combat center sit out in the European rain and snow. Metal rusts. Tires decay. Canvas rots. No one knows exactly how much of this equipment exists—no one has counted it.

The largest such center, in Germersheim, is manned by German civilians who, at large salaries, bicycle rather than walk around the sprawling complex doing a job they will never finish.

"We have no worries about stealing here," said an English-speaking German mechanic with a wave of his hand. "Even if they could get them started, they would not get far."

In fact, it would probably take weeks—even months—to prepare most of the Germersheim equipment for combat, provided the Army had the men and time to do the job.

The Germans, in a methodical fashion, do not check individual vehicles; instead, they sample one vehicle to get an indication of what must be done to groups of 100 and 200 vehicles. Even so, most of the equipment goes untouched by human hands for at least four years at a time. (The Army schedules major maintenance in four-year cycles).

The Army's depots at all levels appear to be designed with the idea that war will never come to Europe again. All this equipment is crammed into neat rows or clearly marked warehouses—there is no camouflage—that could be destroyed in hours by a handful of aircraft.

The sitting-duck aspect of the stockpiles has concerned some veteran members of Congress. Rep. Clarence Long (D-Md.), remembers the vulnerability of Pearl Harbor.

"They [the stockpiles] are terribly vulnerable," Long said in an interview. "There isn't very much we could do to hold off the Russians. They have the stuff there. Their bases are dispersed. The more we have over there, the more we might lose if a war really broke out."

The Pentagon has ignored Long's complaints, arguing that German real estate is simply too costly to be bought for dispersing its highly concentrated stockpiles.

Despite evidence to the contrary, Army commanders in Europe today insist that poor maintenance is behind them. "Things were bad over here during the Vietnam war," said Col. Bill Miller, who helps direct Army maintenance in Europe.

"The horror stories are true—sickeningly true. But the need then was in Vietnam and that's where the people were. Now, they're here getting the job done."

But the headquarters assessment is based on reports from field commanders—reports traditionally designed to please superiors more than present the facts. "We're making an effort to overcome this old Army tradition," said another senior officer. "We want the truth."

The truth is that Defense Secretary Schlesinger is about to cut back the Army's maintenance effort in Germany as part of reducing support units in favor of bolstering combat ranks. It's part of Schlesinger's new theory that the substantially larger Soviet and Warsaw Pact nations will no longer ride roughshod over NATO forces in Europe in the event of war. The theory, in reality, was forced on the Ford administration by a Democratic Congress increasingly fed up with the Pentagon budget in general and the cost—almost $20 billion a year—of maintaining U.S. forces in West Germany.

For 26 years, the U.S. has paid to keep 300,000 troops, along with their 250,000 dependents, ready for a war that has become increasingly improbable as Western Europe has matured economically and militarily.

The changing work scene, along with the drain on the U.S. Treasury and adverse impact on U.S. balance of payments abroad, has increased support in Congress for a proposal by Senate Majority Leader Mike Mansfield (D-Mont.) to bring American troops home from Europe.

In the face of that pressure, the Pentagon is attempting to cut costs by reducing support units charged with doing maintenance and other non-combat duties. Rather than improving care given to equipment that cost taxpayers dearly, the effort appears to be in the process of being reduced.

Until the major foreign-policy battle over U.S. troops in Europe is concluded in Congress, the Pentagon continues half-hearted preparations for a war that probably never will be.

The reality in this Alice-in-Wonderland policy centers on the Army's ability to prepare for a conventional war in Europe. In that struggle, a key weapon is the grease-gun in the motor pools of Germany. Today, the Army appears to be losing that battle, and there is no doubt that taxpayers are covering the motor-pool losses.

SYMPOSIUM ON OUR NATION'S HUNGER PROBLEM

HON. MARVIN L. ESCH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. ESCH. Mr. Speaker, on March 13 and 14 of this year administrators of the Womens, Infants, and Children feeding program—WIC—from around the nation held a symposium on our Nation's hunger problem at the University of Michigan's School of Public Health. The participants discussed the various aspects of the program, reviewed legislative proposals and came up with a series of recommendations.

Although I am not necessarily in agreement with each and every one of the points made, I would like to share them with my colleagues. I think it is important that as the Congress considers this legislation they are aware of the opinions and recommendations of those who work with the program in the field.

RECOMMENDATIONS OF THE WIC SYMPOSIUM

I. RECOMMENDATIONS OF WORKSHOP NO. 1 "WIC PROGRAM FINANCE ISSUES"

A. This workshop finds that the administrative, fiscal and humanitarian concerns arising under the Child Nutrition Act of 1966, as amended, have been largely addressed under the proposed National School Lunch and Child Nutrition Act Amendments of 1975 (S. 850 and its counterpart H.R. 4103). This workshop endorses the elements of these amendments with the following exceptions:

1. A member of a low income population should be defined as one who is eligible for free or reduced rate medical care under any federal, state, local, public or private health care service program.

2. The term "pregnant and lacating women" as defined by Section 16(g)(1) of the proposed National School Lunch and Child Nutrition Act Amendment of 1975 should be amended to include women to one year post-partum and should be further amended by substituting the term "women" for the word "mothers" whatever the latter occurs in said definition.

3. The term "administrative costs" should be amended throughout the text to read "operational costs".

4. All rules and regulations promulgated pursuant to Section 16 of the National School Lunch and Child Nutrition Act Amendments of 1975 should be drafted within sixty days after the passage of this law and should be submitted to the National Advisory Council on Maternal, Infant and Fetal Nutrition, and to the state and local agencies, for review and comment within thirty working days of this date and prior to publication in the Federal Register.

5. Cost-of-living adjustments should be included in the legislation to permit automatic budgetary response to external fiscal pressures caused by inflation.

B. This workshop finds that the United States Department of Agriculture has promulgated rules and regulations for the implementation of the WIC Program that are directly contrary to the intent of Congress and detrimental to the best interests and health needs of the people of the United States, and that, therefore, the Congress should increase its oversight function to insure Department compliance and implementation of the will of the legislative branch.

C. This workshop finds that all supplemental applications should be funded for implementation on January 1 or July 1 only. Notification of funding status should be made within six weeks prior to funding.

D. This workshop finds that the states should be permitted flexibility in adjusting the food package supplied to reflect cultural or other dietary differences among the populations served, such adjustments being allowed for at least one-half of the total allotment available to the client.

E. This workshop finds that the Congress should exercise all due speed to enact the necessary legislation to continue the WIC Program to prevent interruption of service to the women, infants and children of this nation.

II. RECOMMENDATIONS OF WORKSHOP NO. 2 "MEDICAL EVALUATION AND ASSESSMENT OF NUTRITIONAL RISK"

A. The WIC Program should remain as a component to a health care delivery system.

B. It is paramount to maintain the highest quality medical records possible within each WIC program.

C. Section 16(f) of S. 850 should be revised to read as follows:

"State or local agencies or groups carrying out any program under this section shall maintain adequate medical records for ongoing surveillance of the nutritional assistance provided under this section, for the purpose of assisting Congress in determining the appropriate role and methods of examining the benefits of the nutritional assistance provided under this section. The Secretary shall convene an advisory committee . . .

III. RECOMMENDATIONS OF WORKSHOP NO. 3 "WIC ELIGIBILITY CRITERIA"

A. This workshop wishes to emphasize its support of the view that the WIC Program is a preventive program and a remedial program second.

B. With respect to the above statement, this workshop recommends in particular that WIC eligibility shall not be limited to persons who demonstrate or have an actual history of nutritional deficiency.

C. Neither the state agency nor the United States Department of Agriculture shall impose on projects more restrictive eligibility criteria than those stated in the law. An example of such an excessively restrictive eligibility criteria would be that an individual be required to demonstrate a preexisting nutritional deficiency.

D. Benefits under section 16 of the proposed National School Lunch and Child Nutrition Act Amendments of 1975 shall be made available to women one year post partum and for infants up to age six.

E. Change Sec. 16. Section 17(g)4 of the proposed National School Lunch and Child Nutrition Act Amendments to read exactly as Section 17(f)4 of Public Law 92-433. The existing law reads as follows:

"(4) 'Competent professional authority' includes physicians, nutritionists, registered nurses, dieticians, or State or locally medically trained health officials, or persons designated by physicians or State or local medically trained health officials as being competent professionally to evaluate nutritional risk."

F. Benefits under Section 16 of the proposed National School Lunch and Child Nutrition Act shall be made available to migrant worker families.

F. WIC program grantees shall provide or contract for prenatal health services.

G. A state/local advisory committee with consumer representation should be established to determine, among other things, the selection of foods of the nutritional supplement for various ethnic groups.

THE PRESIDENT'S BUDGET PUNISHES THE POOR

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. HAWKINS. Mr. Speaker, the persons hit hardest by the current recession are the poor. With less money to spend for food, clothing, and shelter, then middle- and upper-income families, poor families are just managing to survive. Their existence is day to day, and their future does not look promising.

The President, in his 1976 budget, wants to make an even greater strike at the ability of the poor to live.

In a recently published book called UAW Proposals to Stimulate the Economy, UAW's President Leonard Woodcock presented testimony to the U.S. Senate Committee on the Budget on March 4, 1975, on the President's budgetary slashes.

Mr. Woodcock's view, which I want to share with my colleagues, draws attention to the inappropriate nature of the President's budget proposals:

SPENDING CUTS

Inconceivable as it may seem in a year when jobs and incomes are scarce, federal programs that serve the poor and elderly—community health and mental centers, Medicaid, food stamps, welfare, child nutrition programs, federal pensions and income plans—are the object of cuts in the 1976 fiscal budget. The President would like to see a decrease in spending amounting to $17 billion. Of these, only $12.3 billion require legislative action. These almost surely will be rejected by Congress. Nevertheless, it is informative to look into the specific nature and the magnitude of some of these cuts:

	Proposed cut (millions)	Proposed cut as a percentage of fiscal year 1975 outlays on each area of expenditure
INCOME SECURITY		
Old-age, survivors, and disability insurance	$3,194	5.0
Railroad retirement	116	3.8
Special benefits for disabled coal miners	23	2.4
Federal employee retirement and disability	773	10.8

	Proposed cut (millions)	Proposed cut as a percentage of fiscal year 1975 outlays on each area of expenditure
Supplemental security income	85	1.8
Grants to States for public assistance payments	499	10.3
Food stamps	217	5.9
Child nutrition and other food and nutrition programs	215	11.1
Subtotal, income security	5,122	
HEALTH		
Medicare	1,379	9.7
Medicaid	610	9.0
Health research and education	196	7.3
Subtotal, health	2,185	
EDUCATION		
Elementary, secondary and vocational education	255	6.0
Research and general education aids	98	10.4
Subtotal, education	353	
SOCIAL SERVICES		
Grants to States for social services	478	24.2
Total	8,138	

Many of these spending cuts, especially in the area of income security, result from requesting a ceiling for automatic increases under cost-of-living formulas. According to the Administration, we have gone too far in taking care of the needy. In the words of Roy Ash, Director of the Office of Management and Budget, at the time the 1976 budget was put together: "In the past 25 years, this country has been more compassionate toward those in need than at any other time in the history of this country or any other country. It is a question of how well off they should be."*

For the 23 million persons—11 percent of the U.S. population—who were living under the official (extremely low) poverty threshold in 1973, such a statement is a slap in the face. Among those people singled out for most of the cuts—the old and retired—the incidence of outright poverty was over 16 percent in 1973 and surely larger in 1974.

Other cuts, like those in Medicaid and social services, are based on the assumption that the states will pick up a larger share of the cost of programs that are jointly financed by the federal and state and local governments.

Such an assumption is totally unrealistic at a time when inflation and recession have drastically reduced the ability of state and local governments to maintain even the most essential services. This was recognized by Charles Edwards, Assistant HEW Secretary for Health, who was prompted to resign by the Administration's utterly indefensible proposals to shift health funding from Washington to state and local governments. In his resignation memo Dr. Edwards pointed out:

"Proposing to shift additional health cost burdens to the states during our current economic climate immediately translates into letting the disadvantaged carry the fight against recession.

"With our rising unemployment and inflation more people will be in need of these federally supported services and most states will be unable to absorb the cost burden."

The budget also proposes that the pay raise for federal employees next October, which usually reflects the increase in the cost of living, be held to 5 percent, for a "saving" of $1.6 billion in 1976. According to the Administration, the federal government should defray part of the cost of unemployment insurance and public employment by picking the pockets of its own employees.

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*The latter part of this statement is simply not true. Many other countries surpass ours in their care for the needy. Many do this, of course, by ensuring that there are very few people in real need—e.g., by keeping unemployment low, by more equitable distribution of income, etc.

GOVERNMENT FACILITIES AND OPEN HOUSING ACT OF 1975

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mrs. SPELLMAN. Mr. Speaker, I am introducing legislation today to require Federal agencies and Federal contractors to assure that an adequate supply of middle- and low-income employees will be available in any community in which a Federal Government facility is to be located. This legislation, the Government Facilities and Open Housing Act of 1975, requires Federal agencies and Federal contractors to expand or locate Federal facilities only in those communities willing to provide adequate housing for the facilities' low- and middle-income employees. If a contractor locates or expands a Government facility in violation of this act, the Equal Employment Opportunity Commission is given the power to terminate all Federal contracts held by such contractor unless the agency involved certifies that such termination will seriously and substantially impede the mission of the department or agency. Likewise, any State agency that locates a facility in violation of this act may have its Federal assistance terminated until compliance is achieved.

In addition, this legislation provides that the Federal Government will provide grants to local educational agencies for the anticipated additional cost of educating the influx of children brought into the locale by the construction of such new housing in the immediate area of a Federal Government facility.

In recent years more and more new jobs have been created in the suburbs by the location or expansion of Federal facilities. However, often a Federal facility is located, relocated, or expanded in a suburban area where its workers are unable to reside. This is often caused by local restrictive zoning practices or by inadequate planning by Federal Government decisionmakers. The result is a group of people who are left behind, who are unable to commute to their job or can do so only at extraordinary expense. The answer is housing for people near their place of work. In order to safeguard present employees and new employees against the present lack of housing opportunities for employees in neighborhoods close to where their place of work is located, this legislation is necessary. If this Nation wants to preserve and create neighborhoods around which people can center their work, home, and community lives, this legislation is necessary. If the Federal Government wants to recognize its responsibilities in a manner that will preserve and create communities with a full range of housing opportunities, this legislation is necessary.

The material follows:

H.R. —

A bill to require Federal agencies and Federal contractors to assure that an adequate supply of housing for middle and low-income employees will be available in any community in which a Government facility is to be located, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Government Facilities and Open Housing Act of 1975.

FINDINGS

SEC. 101. The Congress finds that—

(1) Government facilities are increasingly being located outside central cities in communities which have not made housing available for middle or lower income employees;

(2) the unavailability of middle or lower income housing in such communities compels many employees of Government facilities to commute long distances at considerable expenditure of time and money to acquire or retain employment;

(3) the growing separation of work sites from residences, especially for middle and lower income Government employees and Government contractor employees, prevents the proper matching of jobs and workers in the nation's metropolitan areas and contributes to the persistence of the manpower problems of central cities; and

(4) a positive, affirmative program is necessary to provide middle and lower income employees of Government facilities with the opportunity to purchase or rent decent and safe housing in suitable living environments, at rents and prices they can afford, in all communities in which such Government facilities are located.

STATEMENT OF PURPOSE

SEC. 102. It is the purpose of this Act—

(1) to require Federal agencies and Federal contractors to assure that an adequate supply of housing for middle and lower income employees will be available in any community in which a Government facility is to be located; and

(2) to provide financial assistance to communities to assist them in meeting the requirements of this Act.

DEFINITIONS AND DETERMINATIONS

SEC. 103. As used in this Act, except where otherwise specified—

(1) "Government agency" means any agency or authority of the Federal Government;

(2) "Government employee" means any person employed by any Government agency;

(3) "Government facility" means any building or complex of buildings occupied in whole or in part during working hours by more than twenty-five Government employees or any plant, factory, installation, office, or other place of business which houses, during working hours, more than 25 employees of a Federal contractor;

(4) "Federal contractor" means any person, corporation, partnership or association

with more than fifty employees which is a party, the parent company of a party, a subsidiary of a party, or a subsidiary of the parent company of a party, to any contract, or which is a subcontractor under a contract, with any Government agency, which exceeds $50,000 in value;

(5) "immediate area" means any area which is within the corporate limits of the community in which a Government facility is located and which is within a reasonable commuting distance as defined by the Chairman;

(6) "middle and lower income employee" means any employee of any Government agency or Federal contractor whose wages and salary are such that he is unable to buy or rent decent and safe housing in a suitable living environment in the immediate area with 25 per centum or less of his monthly income;

(7) "Chairman" means the Chairman of the Equal Employment Opportunity Commission or his designee;

(8) "community" means any political subdivision of a State;

(9) "locate" means to establish or construct a Government facility, to move a Government facility from another location, or to make any addition or additions to, any Government facility so that such additions or the sum of such additions results in increasing the work force at that facility by fifty employees within any 365-day period;

(10) "child" means any young person who is within the age limits for which the applicable State provides free public education;

(11) "parent" means a legal guardian or other person standing in loco parentis;

(12) "free public education" means education which is provided at public expense, under public supervision and direction, and without tuition charge, and which is provided as elementary or secondary school education in the applicable State;

(13) "current expenditures" means expenditures for free public education, including expenditures for administration, instruction, attendance and health services, pupil transportation services, operations and maintenance of plant, fixed charges, and net expenditures to cover deficits for food services and student body activities, but not including expenditures for community services capital outlay, and debt service, or any expenditures made from funds granted under title I, II, and III of the Elementary and Secondary Education Act of 1965;

(14) "local education agency" means a board of education or other legally constituted local school authority having administrative control and direction of free public education in a county, township, independent, or other school district located within a State. Such term includes any State agency which directly operates and maintains facilities for providing free public education;

(15) "State educational agency" means the officer or agency primarily responsible for the State supervision of public elementary and secondary schools;

(16) "State" means a State, Puerto Rico, Wake Island, Guam, the District of Columbia, American Samoa, or the Virgin Islands;

(17) "Commissioner" means the United States Commissioner of Education;

(18) "construction" includes the preparation of drawings and specifications for school facilities; erecting, building, acquiring, altering, remodeling, improving, or extending school facilities; and the inspection and supervision of the construction of school facilities;

(19) "school facilities" means classrooms and related facilities (including initial equipment) for free public education and interests in land (including site, grading improvements) on which such facilities are constructed, except that such term does not include those gymnasiums and similar facilities intended primarily for exhibitions for which admission is to be charged to the general public; and

(20) "equipment" means machinery, utilities, and built-in equipment and any necessary enclosures or structures to house them, and includes all other items necessary for the functioning of a particular facility as for the provision of educational services, including items such as instructional equipment and necessary furniture, printed, published, and, audio-visual instructional materials, and books, periodicals, documents and other related materials.

(b) Average daily attendance shall be determined in accordance with State law, except that the average daily attendance of children with respect to whom any payment is to be made under section 1112(g) (1) shall be determined in accordance with regulations of the Commissioner.

(c) The average per pupil cost of constructing minimum school facilities in the State in which the school district of a local educational agency is situated shall be determined by the Commissioner on the basis of the contract cost per square foot under contracts for the construction of school facilities (exclusive of cost of site improvements, equipment, and architectural, engineering, and legal fees) entered into in the States for the second fiscal year preceding the year of the application, increased by a percentage estimated by the Commissioner to represent additional costs for site improvements, equipment, and architectural, engineering, and legal fees, and multiplied by a factor estimated by the Commissioner to represent the area needed per pupil in minimum school facilities. If the Commissioner finds that the information available for the State concerned for such second preceding fiscal year is inadequate or not sufficiently representative, he shall determine such cost on the basis of such information as he has available and after consultation with the State educational agency. The cost of constructing minimum school facilities in the school district of a local educational agency shall be determined by the Commissioner, after consultation with the State and local educational agencies, on the basis of such information as may be contained in the application of such local educational agency and such other information as he may obtain

(d) The Commissioner shall determine whether school facilities are minimum school facilities after consultation with the State and local educational agencies, in accordance with regulations prescribed by him. Such regulations shall (1) require the local educational agency concerned to give due consideration to excellence of architecture and design, (2) provide that no facility shall be disqualified as a minimum school facility because of the inclusion of works of art in the plans thereof if the cost of such works of art does not exceed 1 per centum of the cost of the project, and (3) require compliance with such standards as the Secretary of Health, Education, and Welfare may prescribe or approve in order to insure that facilities constructed with the use of Federal funds under this Act shall be, to the extent appropriate in view of the uses to be made of the facilities, accessible to and usable by handicapped persons.

RESTRICTIONS ON THE LOCATION OF GOVERNMENT FACILITIES

SEC. 104. (a) After January 1, 1976, no Government facility may be located in any community which has failed to develop an acceptable plan which provides, as determined by the Chairman, an adequate supply of housing for middle and lower income employees of that facility.

(b) Each Government agency or Federal contractor shall, prior to initiating location procedures, require written assurances in the form of a plan that the appropriate government body will meet the requirements of section 105.

(c) (1) If, after the acceptance of the plan, by the Chairman, any community fails to comply with the provisions of the plan, the Chairman shall bring a civil action in the United States District Court for the District of Columbia to secure an injunction to require such community to conform to its plan.

(2) The United States District Court for the District of Columbia shall have jurisdiction of any action brought under this subsection.

(d) If any Federal contractor locates or expands any facility in violation of the provisions of this section, the Chairman shall, after giving appropriate notice, notify the heads of all Government agencies who shall suspend or terminate all Federal contracts held by such contractor, except that the head of each Government agency having a contract with such Federal contractor may, if he determines that termination or suspension will seriously and substantially impede the mission of the agency, continue such contract. Any determination made under this subsection by the head of a Government agency shall be subject to judicial review as provided in chapter 7 of title 5, United States Code.

THE PLAN

SEC. 105. Each plan required to be filed by section 104 of this Act shall—

(1) be evidenced by a contract between the Federal Government, as represented by the Chairman, and the governing body of community in which the Government facility is to be located;

(2) provide assurances that at least one unit of middle and lower income housing will be available in the community for every prospective middle and lower income employee of the Government agency or Federal contractor, and such units shall meet the requirements of size, price, location, cleanliness, and habitability as set by the Chairman after consultation with the Secretary of Housing and Urban Development;

(3) provide assurances that the community has taken the necessary steps to permit operation of all housing programs authorized under Federal housing legislation;

(4) contain a timetable for providing the housing units required by paragraph (2) of this section, at least one-half of which shall be completed within 6 months after the actual completion date of the Government facility, and the remaining units will be in existence within 12 months after its completion date; and

(5) provide for sufficient community services to serve the new residents of the community.

(b) Whenever a community does not file a plan or is found to be in noncompliance with an approved plan, and there are compelling reasons for the Government contractor facility to locate in that community, the Federal Government shall provide housing to meet the needs of current and potential middle and lower income employees.

(c) If the Chairman determines that a change in the local situation, the size of the Government facility or other relevant factors necessitates a modification of the plan, he may approve such modifications, if they are proposed by the community, or require a community to make necessary modifications, except that such modifications may not impede the effectuation or achievement of the purposes of this Act.

(d) The Chairman shall reject any plan or any modification in any plan which would result in residential segregation of low- and moderate-income families within the community.

JOINT PLANNING

SEC. 106. If the Chairman determines that, as a result of the size, location, and accessibility of two or more communities, it would facilitate implementation of the purposes of this Act for such communities to develop a joint plan, he may approve such plan.

REPORTS

SEC. 107. (a) Each Government agency and Federal contractor shall report annually to the Chairman the number of low- and moderate-income employees employed at each Government facility, the availability of housing for such employees, and such other information as the Chairman may require.

(b) The Chairman shall prepare, in cooperation with the Secretary of Housing and Urban Development, a report to the Congress describing the funds needed for existing Federal programs which the Chairman deems necessary for the successful implementation of approved plans.

EDUCATIONAL FINANCIAL ASSISTANCE

SEC. 108. (a) Each community that files a plan under this Act may also file an application with the Chairman for financial assistance under subsection (b) of this section. The local education agency which administers the schools of that community may file an application for financial assistance under subsection (c) of this subsection with the Commissioner through the appropriate State educational agency.

(b) Upon application meeting such standards as the Chairman may establish, the Chairman shall grant to each community an amount not to exceed $150,000 to reimburse such community for the expense of developing a plan meeting the requirements of this Act.

(c) (1) The Commissioner of Education shall pay to the local educational agency for each community in which moderate and lower income housing has been constructed pursuant to this title, a sum to be computed by him in consultation with the State educational agency and the local educational agency, in the following manner:

(A) He shall first determine the number of children living in moderate and lower income housing constructed pursuant to this Act for whom the community provided free public education during the fiscal year for which the computation is being made.

(B) He shall next determine the contribution derived exclusively from local sources which the local educational agency made for the cost of educating the community's school age population during the second fiscal year preceding the year for which he is making the determination.

(C) He shall then divide that aggregate expenditure by the aggregate number of children in average daily attendance in the public elementary and secondary schools of such agency during such second preceding fiscal year.

(D) He shall multiply the figure determined in subparagraph (A) by the figure determined in subparagraph (C) and divide by two.

(2) Whenever a local educational agency does not make a contribution derived from local sources or whenever the local contribution is below the national average per child contribution, the national average per child contribution for the second preceding fiscal year will be deemed to be the figure in subparagraph (C) for the purposes of the determination made under this subsection.

(3) Whenever the Commission determines that—

(A) a local educational agency has made preparations to provide during a fiscal year free public education for a certain number of children to whom subsection (a) (A) of this section applies;

(B) such preparations were reasonable in the light of the information available to such agency at the time such preparations were made; and

(C) such number has been substantially reduced by reason of a decrease in or cessation of activities at the Government facility, or by reason of a failure of any of such activities to occur.

the amount to which such agency is otherwise entitled under this section for such year shall be increased to the amount to which, in the judgment of the Commissioner, such agency would have been entitled but for such decrease in or cessation of Federal activities or the failure of such activities to occur, minus any reduction in current expenditures for such year which the Commissioner determines that such agency has effected, or reasonably should have effected, by reason of such decrease in or cessation of activities or the failure of such activities to occur.

(4) (A) No local educational agency shall be entitled to any payment under this subsection for any fiscal year except upon application therefor, submitted through the State educational agency, and filed in accordance with regulations of the Commissioner. Each such application shall provide adequate assurance that the local educational agency will submit such reports as the Commissioner may reasonably require to determine the amount to which such agency is entitled under this subsection.

(B) The Commissioner shall from time to time pay to each local educational agency, in advance or otherwise, the amount which such agency is entitled to receive under this subsection. Such payments shall be made through the disbursing facilities of the Department of the Treasury and prior to audit or settlement by the General Accounting Office.

(C) (i) The amount which a local educational agency in a State is otherwise entitled to receive under this subsection for any fiscal year shall be reduced in the same proportion (if any) that the State has reduced for that year its aggregate expenditures (from non-Federal sources) per pupil for current expenditure purposes for free public education (as determined pursuant to regulations of the Commissioner) below the level of such expenditures per pupil in the second preceding fiscal year. The Commissioner may waive or reduce this reduction whenever in his judgment exceptional circumstances exist which would make its application inequitable and would defeat the purpose of this subsection.

(ii) No payments may be made during any fiscal year under this subsection to any local educational agency in any State which has taken into consideration payments under this subsection in determining eligibility of any local educational agency in that State for State aid (pursuant to regulations of the Commissioner), or the amount of that aid, with respect to free public education during that year or the preceding fiscal year, or which makes such aid available to local educational agencies in such a manner as to result in less State aid to any local educational agency which is eligible for payments under this subsection than such local educational agency would receive if it were not so eligible.

(iii) No payments may be made under this subsection unless the Commissioner determines that the local educational agency is making a reasonable tax effort and is exercising due diligence in availing itself of State and other financial assistance.

(d) (1) Whenever the increase in a community's school-age population brought about by the construction of housing pursuant to this title necessitates the construction of minimum school facilities to provide for public education for such children the Commissioner shall pay the local educational agency a sum to be computed in the following manner:

(A) He shall determine the number of children living in moderate and lower income housing constructed pursuant to this title for whom the community provides free public education and who will be without adequate school facilities unless new facilities are constructed.

(B) He shall determine the average per pupil cost of constructing minimum school facilities in the State in the manner set forth in section 102(c) of this Act.

(C) He shall multiply the figure determined in subparagraph (A) by the figure determined in subparagraph (B) and divide by two.

(2) The Commission shall not pay to the local educational agency any sum for the construction of minimum school facilities if the figure determined in (A) is twenty or less.

(3) (A) No payment may be made to any local educational agency under this subsection except upon application therefor which is submitted through the appropriate State educational agency and is filed with the Commissioner in accordance with regulations prescribed by him.

(B) Each application by a local educational agency shall set forth the project for the construction of school facilities for such agency with respect to which it is filed, and shall contain or be supported by—

(i) a description of the project and the site therefor, preliminary drawings of the school facilities to be constructed thereon, and such other information relating to the project as may reasonably be required by the Commissioner;

(ii) assurance that such agency has or will have title to the site, or the right to construct upon such site school facilities as specified in the application and to maintain such school facilities on such site for a period of not less than twenty years after the completion of the construction;

(iii) assurance that such agency has legal authority to undertake the construction of the project and to finance any non-Federal share of the cost thereof as proposed, and assurance that adequate funds to defray any such non-Federal share will be available when needed;

(iv) assurance that such agency will cause work on the project to be commenced within a reasonable time and prosecuted to completion with reasonable diligence;

(v) assurance that the rates of pay for laborers and mechanics engaged in the construction will be not less than the prevailing local wage rates for similar work as determined in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a–276a-5);

(vi) assurance that the school facilities of such agency will be available to the children for whose education contributions are provided in this subsection on the same terms, in accordance with the laws of the State in which the school district of such agency is situated, as they are available to other children in such school district; and

(vii) assurance that such agency will from time to time prior to the completion of the project submit such reports relating to the project as the Commissioner may reasonably require.

(4) (A) Upon approving the application of any local educational agency under sub-

section (d) (3) of this act the Commissioner shall pay to such agency an amount equal to 10 per centum of the Federal share of the cost of the project. After final drawings and specifications have been approved by the Commissioner and the construction contract has been entered into, the Commissioner shall, in accordance with regulations prescribed by him, and at such times and in such installments as may be reasonable, pay to such agency the remainder of the cost of the project which such agency is entitled to receive under this subsection.

(5) Whenever the Commissioner, after reasonable notice and opportunity for hearing to a local educational agency, finds

(A) that there is a substantial failure to comply with the drawings and specifications for the projects,

(B) that any funds paid to a local educational agency under this subsection have been diverted from the purposes for which paid, or

(C) that any assurance given in the application is not being or cannot be carried out,

the Commissioner may forthwith notify such agency that no further payment will be made under this chapter with respect to such agency until there is no longer any failure to comply or the diversion or default has been corrected, or, if compliance or correction is impossible, until such agency repays or arranges for the repayment of Federal moneys which have been directed or improperly expended.

(e) (1) In carrying out subsections (c) and (d) of this section, the Commissioner may make such regulations as he deems necessary.

(2) The Commissioner may delegate to any officer or employee of the Office of Education any of his functions under subsections (c) and (d) of this section, except the making of regulations. In carrying out his functions under subsections (c) and (d), the Commissioner may also utilize the facilities and services of any other Federal department or agency and may delegate the performance of any of his functions except the making of regulations, to any officer or employee of any other Federal department or agency.

APPROPRIATIONS

SEC. 109 (a) For the fiscal year beginning October 1, 1975 and for the four fiscal years thereafter there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

(b) Funds appropriated shall remain available for obligation for one fiscal year beyond that for which they are appropriated.

THE CARVER FEDERAL SAVINGS & LOAN ASSOCIATION MAKES BLACK HISTORY

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. RANGEL. Mr. Speaker, the February 22 edition of the Amsterdam News carried an article describing certain activities of the Carver Federal Savings & Loan Association. The citizens of New York City, as well as other citizens throughout the country, recognize Carver as a truely outstanding organization that has made countless contributions to the black community. I am confident that my colleagues in the House of Representatives will be interested in the work of the Carver Federal Savings & Loan Association, and I, therefore, include in the CONGRESSIONAL RECORD the full text of the article from the Amsterdam News:

CARVER FEDERAL MAKING ITS OWN BLACK HISTORY

"Black History is nothing new at Carver, we've been making it for over twenty five years!" said Carver President Richard T. Greene, as he announced Carver's plans to open a new branch office in the Crown Heights section of Brooklyn.

In a later interview, Mr. Greene explained how Carver went about creating its own history, and maybe more important, what Carver's history making growth means to the Black communities Carver serves.

"First of all," said Mr. Greene, "Carver made history when it became chartered as a Savings and Loan Association over twenty five years ago. Very few people outside of the Black community took the fledgling financial institution that Carver was at that time very seriously. Even fewer people expected Carver to grow into anything more than a "We've got one, too" token institution."

BIG MOVE

But, according to Mr. Greene, a short few years later Carver moved out of the storefront office that had been its home since its humble beginnings, and into a brand new building of its own, located in the very heart of New York's Black community: 125th Street.

"That move," said Mr. Greene, "Was due primarily to the foresight and good judgment of Carver's founders, and the support of the Black community."

But Carver was not stopping there. Carver expanded into new areas: Brooklyn's Bedford Stuyvesant, and Manhattan's Chelsea. "That expansion was more than just growth for Carver," said Mr. Greene. "It marked the beginning of Carver's leadership role in the Black business community, and firmly positioned Carver as the largest Black-owned and managed banking institution in the United States!"

"Now, Mr. Greene continued, "Carver is making history again through expansion and growth. You might say," he added. "That as far as Black History goes, Carver's been making it, and promoting it since we opened our doors to the public twenty five years ago."

CARVER CALENDARS

Mr. Greene then went on to explain exactly how Carver goes about promoting Black History. "Twenty years ago, our belief in and support of Black pride and awareness was manifested when we at Carver printed and distributed our first Black History Calendars.

"Since then," he added, "they've become an institution at Carver; one which we take so seriously, that we still insist upon producing our own Calendars, rather than purchasing them ready-made from some printer."

"Our calendars are distributed free of charge at all Carver offices," he went on, "and I might add, that the compliments and community support we have received as a result of them has made their production well worth the cost and effort. They serve to encourage Black pride and self awareness as they educate Black people to their history. And Carver, as a Federal Savings and Loan Association—founded in and for the Black community—can do little but benefit from that education."

EFFECT ON COMMUNITIES

When Greene was asked to describe Carver's effect on the communities, he responded with one word: "Positive!"

"You see," he elaborated, "as a Savings and Loan Association, Carver encourages thrift, and thrift is the first step toward remedying many of the ills that afflict the Black community. Everyone knows that in a capitalistic society money means power, and with that power you can bring about change."

"You might say that one of Carver's reasons for existence is to provide an economic power base for change within the communities it serves. And," he continued, "we do this in a very interesting way."

"First of all, we are dedicated to the communities we serve in a way that very few other financial institutions can be: we are Black owned and managed. The money that comes into Carver gets re-distributed back into the community. It gets re-distributed in the form of home mortgage loans; home improvement loans; and education loans. These loans to people who live in the community that supports Carver bring about immediate positive changes in the form of new and improved housing and education. These are changes for the good of the community."

According to Greene, the people who live in the communities Carver serves benefit in other positive ways too. Carver provides valuable jobs and training in highly marketable skills. Carver also sponsors a wide ranging list of community oriented programs like Little League Baseball teams, scholarship funds, and educational lecture programs. Carver works closely with community action groups and churches. And probably the best thing about all of these activities, besides their being free, is their effectiveness.

CARVER'S BUSINESS STYLE

Greene then went on to explain how Carver's commitment to the communities it serves goes way beyond Calendars and community oriented programs. Said Mr. Greene:

"We try to bring first class service to the people of the communities we serve. That entails knowing the nature of the problems they face on a day to day basis, then designing our services to suit their needs.

"For instance, for the past few years jobs have been getting harder and harder to find for many Black people.

"They, in many cases, had to take what they could get. This meant that many of our savers had to work at night, on weekends; whatever the job called for. In order to accommodate the needs of these people, Carver redesigned its banking hours.

"We opened sidewalk windows, which remained open long after other banks had closed. We instituted Saturday banking hours, for those people who just couldn't get to us during the week. Those two innovations, coupled with our free postage, "Save by mail" program allowed people working day jobs, night jobs, or two jobs to take care of their banking needs at Carver."

COUNSELING

"We also provide free counselling on money matters," Mr. Greene went on. Many people, lacking the necessary expertise to be able to make their own decisions as to the proper savings plan, or how to set up a mortgage, or even how to open a trust or savings account for their children, come to us seeking advice. We always try to help them, even if they aren't customers, because they represent potential customers."

Asked how one goes about supporting Carver in its work? Greene said:

"Simple, all anyone need do to support Carver is open a Carver Savings Account. After all," he added smiling, "It's in their interest!"

ADMINISTRATION'S '76 BUDGET PUNISHES THE POOR

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. HAWKINS. Mr. Speaker, within recent weeks we have seen the administration exort the Congress and the Nation, to provide great sums of money to meet the humanitarian needs of the war refugees and war orphans of South Vietnam. Members of the administration have even gone so far as to suggest that if the Congress did not answer these needs with millions of American dollars, then the Congress would be to blame for the tragedy that is occurring in South Vietnam.

The administration exhibited a fine compassion for the victims of the long Vietnam war.

I am hopeful that the administration will show the same compassion for the American victims of poverty and despair, by withdrawing in their 1976 budget all the budget cuts they project making in programs designed to serve the poor and disadvantaged.

One of the best evaluations I have read on the President's 1976 budget slashes appeared in the March 1975, Washington Newsletter of the Friends Committee on National Legislation.

I am presenting the Friends' article for my colleagues review so that they can more intelligently decide how best to meet the needs of the poor in 1976:

TOUGH SLEDDING FOR DOMESTIC PROGRAMS

The Administration proposes no new domestic spending programs except for energy. In addition, a number of existing programs are slated for cuts.

PASSING THE BUCK ON HEALTH

While total federal health spending requests are up slightly because of automatic increases in obligations to Medicare and Medicaid, deep cuts have been made in certain health agency programs. Budget authority requests for FY76 are at least 20% lower than appropriations for FY75 for community health centers, family planning, maternal and child health, migrant health, immunization and venereal disease control, and lead-based paint and rat control programs. State or local governments must make up for the loss, or else many programs will be cut.

To limit the growth of the Medicaid program, which is a form of public assistance, Congress is being asked to eliminate coverage of nonemergency dental services for adults and to reduce the federal matching share from 50% to 40% (raising the burden on states by 10%). These and other redefinitions of coverage will trim the growth of Medicaid in FY75 by $217 million and in FY76 by $939 million.

The administration also is proposing to require elderly and disabled persons covered by Medicare to pay a larger share of hospitalization expenses. The plan would increase costs to Medicare recipients by $255 million in FY75 and $1.3 billion in FY76.

All proposed reductions in federal medical relief for the poor, the elderly and the disabled must win approval from Congress. Major objections are expected from states, which will need to play a larger role in medical relief.

Charles Edwards, M.D., who has just departed as HEW's Assistant Secretary of Health, protested recently. "You can't cut service programs at a time like this. Proposing to shift additional health cost burdens to the states during our current economic climate immediately translates into letting the disadvantaged carry the fight against recession."

DOUBLE BLOW TO KIDS

The FY76 budget proposes several blows to programs dealing with domestic hunger. In the area of child nutrition, for example, block grants to states would replace categorical programs, including school lunch and breakfast, special milk, day care, summer, and supplemental feeding programs. Thus, states must establish their own child nutrition programs. Some may choose to do so; others may not. Secondly, total federal budget authority for child nutrition under block grants will be $700 million less in FY76 than under categorical grants in FY75.

One USDA budget official admits that these cuts are hard to track down, since "nutrition budgets are only for economists and accountants to understand." Yet states understand that reduced federal funding under block grants will shift the nutrition burden to them. One state official estimates that in one program the changes could lead to a 40% reduction in participation in federally assisted school lunches, and "could force many schools to back out of the program completely."

Sen. McGovern, SD, chairman of the Senate Select Committee on Nutrition and Human Needs, says: "I am sure Congress will not allow 30 years of progress in the health and welfare of our children to be destroyed because of misguided values."

FOR NATIVE AMERICANS

The total budget authority for the Bureau of Indian Affairs is decreased by $84,534 despite inflation. Under HEW, Indian Health is increased by .06% and Indian Education is increased by .05% for FY76. A positive note is the addition of Indian Action Teams. The budget request for IAT is $15 million, which would help to stimulate economic development, encourage all-Indian corporations, provide specialized training and create more jobs in Indian communities. Ideally, this program will aid economic growth and therefore self-determination.

FOOD STAMP FIGHT

The Ford Administration is waging a general assault on food stamps. Congress has decisively repelled the first wave of blocking an administrative order which would have raised the cost of food stamps for recipients by an estimated total of $650 million this year. The vote in the House was 374 to 38, February 4; in the Senate, 76 to 8, February 5.

Further, President Ford would impose a 5% cost-of-living ceiling on food stamp benefits in this inflationary period. These and other measures, if accepted by Congress, would have the net effect of reducing budget authority for the food stamp program by $755 million in FY76.

BUDGET CHISELS WELFARE

The FY76 budget calls for a net decrease of $90 million in federal payments to public assistance (welfare), despite an expected increase in caseloads of almost 246,0000 persons, resulting from the current economic recession. However, budget authority for federal aid to families with dependent children (AFDC) will decrease by $124 million, since the federal matching share to AFDC programs in 12 low-paying states will be reduced and income qualifications for participants in all states will be raised.

The Administration is expected to propose legislation to reduce the share of federal contributions to social service programs administered by states benefiting low-income families and adults by an additional $448 million in FY76 (from 75% to 65% in FY76 to 50% in FY77). At the same time, budget authority for the work incentives (WIN) program for AFDC recipients will be increased by $110 million, even though high rates of unemployment will present a growing obstacle to the success of WIN job training and placement services. (Last year, fewer than 25% of AFDC recipients registered with WIN were actually placed in jobs.)

Losses in federal support for welfare for FY75 and FY76 are expected to force states to reduce benefits under many programs. The people most severely affected will be low income single parents and children.

BOOSTS FOR PRISONS, FBI

In the area of criminal justice, the Ford budget emphasizes punishment over prevention. Budget authority for construction of new federal prisons would rise by almost 38%, from $25.9 million in FY75 to $35.8 million in FY76. Most of this increase would speed construction of a highly controversial behavioral research center in Butner, NC, a new adult prison in the northeast region, and two new youth prisons in the southeast and west. However, no funds have been requested for FY76 to implement community crime prevention programs authorized under the Juvenile Justice and Delinquency Prevention Act of 1974. This Act is meaningless without funds.

At the same time, President Ford is requesting a $25 million increase in budget authority for the FBI, from $440.7 million in FY75 to $465.8 million in FY76. Yet budget authority for the new Legal Services Corporation to help indigent defendants would remain at the FY75 level of $71.5 million.

Budget authority requests have been cut by $110.8 million (from $880.6 to $769.8 million) for the Law Enforcement Assistance Administration (LEAA), which has been growing rapidly in recent years.

PUBLIC SERVICE JOBS DOWNGRADED

The Ford FY76 budget states a clear preference for paying unemployment compensation to those out of work, rather than providing public service jobs. Less than $4 billion will be spent on jobs and the administration of job programs. But $18.2 billion is slated for unemployment relief. Billions more will be lost because income and payroll taxes will not be collected from the unemployed.

The Congressional Joint Economic Committee has estimated that if the unemployment rate for FY76 were 4.5% instead of the projected 8.5%, there would be a budget surplus of a billion dollars rather than a minimum $52 billion deficit.

The Administration is hoping that recovery will take place rapidly, so tax receipts will increase and unemployment funds, food stamps and welfare costs will decrease. Also it does not want to become committed to long-term public service programs.

WHY BIG CUTS IN FEDERAL PROGRAMS?

The HEW FY76 Budget Report says federal programs are being cut to foster "greater local responsibility and accountability."

President Ford said on January 22 in a speech to a Washington business group, "More than a generation ago a trend was set in motion to advocate massive federal spending as a sure way to social progress. This massive spending took the form of income redistribution programs such as food stamps, social security, federal retirement benefits and so forth. I think we have to turn this trend around. To the extent that I possibly can, I intend to do so."

In his budget message for 1976 he argues, "Were the growth of domestic assistance programs to continue for the next two decades

at the same rates as in the past 20 years, total government spending would grow to more than half of our national output. We cannot permit this to occur. . . . We must begin to limit the rate of growth of our budgetary commitments *in the domestic assistance area* to sustainable levels." (emphasis added).

A REPORT ON THE PANAMA CANAL ZONE

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. RINALDO. Mr. Speaker, I wish to take this opportunity to report to my colleagues in the Congress on my recent factfinding mission to the Panama Canal Zone.

As a new member of the Panama Canal Subcommittee, I approached my mission with an open mind. I was willing to learn and to listen to all sides. These included U.S. Ambasador William Jordan; U.S. Embassy officials; Gov. Harold R. Parfitt; Demetrio B. Lakas, President of the Republic of Panama; U.S. military officials; numerous civic councils and labor representatives. In short, our 4 days of talks and inspections of facilities in the Canal Zone and Republic of Panama was an intensified and comprehensive study of the people, the geography, the strategic importance, the economics and the political and social ramfications of present and future U.S. and Panamanian relations as they pertain to the Panama Canal and international commerce.

The factfinding trip to Panama proved the wisdom of firsthand experience in assessing U.S. policy decisions and their direct effects on the people involved.

Mr. Speaker, I am shocked at the extent of our official blundering in Panama. The State Department policy initiatives in Panama have misled the Panamanian Government into believing that our Government and this Congress can be persuaded through negotiations to surrender our sovereign control over the Panama Canal Zone to Panamanian authorities on some kind of nebulous partnership.

Before I go into the present situation, however, I wish to review some recent history, especially the student riots that broke out in Panama in January, 1964. The riots were part of a general wave of Latin American unrest inspired by Communists and pro-Castro student groups throughout Latin America.

Panama has always been as vulnerable to new political revolution stirrings in Latin America as Cuba is to the Trade Winds. Panama picks up every fresh revolutionary breeze. Indeed, it has long been identified by Latin American scholars as the Land of Endemic Revolution, endless intrigue and governmental instability. There have been 59 changes in government in Panama in 70 years.

So our State Department could hardly have been surprised when leftist student brigades began raising the Panamanian flag over U.S. territory in 1964 and deliberately provoked a wave of anti-American violence. It was part of the revolutionary fever of the times in Latin America.

In order to wet down the flames of Communist and Castro inspired revolution in that part of the hemisphere, a Joint Statement of Principles was laid down by President Johnson. It might be noted here that the Johnson administration had its hands full in Vietnam, and we had only recently experienced the ill-fated U.S. attempts at the Bay of Pigs to free Cuba from Castro domination. The United States was in no mood to have another conflagration so near to our doorstep.

It is my belief from conversations and studies that the policy at that period was designed to buy time in order to cool down passions and to avoid bloodshed in Panama. Nevertheless, the Johnson administration made the serious mistake of going too far in a Joint Statement of Principles. What it meant, in effect, was that the United States was prepared to seriously consider a new treaty to replace the Treaty of 1903 which gave to the United States in perpetuity the use, occupation and control of the Canal Zone.

If sovereignty was ever transferred to the Republic of Panama, the United States would become only a leaseholder, even though it has an agreement to maintain, operate, and defend the canal. It would be somewhat like the status of forces agreements that we have with other governments in places like Greece, the Azores and elsewhere. Need I point out that many of these bases were denied to U.S. military cargo airlift during the last Mideast crisis.

Furthermore, in Portugal, a leftwing Communist dominated government is moving to limit our access to the Azores and to further curb U.S. military capability in the Mediterranean.

The point is that American sovereignty over the Panama Canal Zone is infinitely better for American interests and for the protection of international commerce through the Panama Canal than any other kind of negotiated arrangement.

Nevertheless, in order to calm down Panamanian rioters, the Johnson administration agreed to renegotiate this existing treaty that had worked so effectively for more than half a century in building peaceful commerce in Central America. Mr. Speaker, need I point out that this was of major importance to all of Latin America and not just to the United States. It meant that nations everywhere could rely on unimpeded access through the canal and that it would be maintained at peak efficiency.

In its most simple terms, this provides that hemispheric trade and prosperity are safeguarded by free access to the canal, unhindered by economic retaliation, political intimidation or tonnage rates that would amount to economic blackmail.

The U.S. policy in the Canal Zone, as judged over the course of the last 72 years, has been eminently fair to all nations that engage in trade with Latin America and need the canal to reach the Pacific and the Orient. We have a record to be proud of in building and operating the Panama Canal.

But, as a result of the panicky decision during the Johnson administration, the Government of Panama believed that we were ready to replace the 1903 treaty with a less positive and still murky new agreement to share with Panama in the canal's defense as well as turn over American property to Panama.

The history of the Panama Canal shows that the transfer of the territory to the United States was accomplished by the treaty, a fact confirmed by the U.S. Supreme Court. We paid the highest price ever negotiated for the jungle and swamps where the French had failed to build a canal. It was overrun with malaria, other diseases, snakes and all sorts of tropical vegetation and hazards.

The United States paid Panama $10 million as the price of compensation, plus $250,000 annually, the latter representing the annual fee formerly paid to Colombia by the Panama Railroad, a privately owned venture bought out by the United States.

In addition, private claims were extinguished by a United States-Panama Joint Commission which purchased the titles from private owners at fair market value under eminent domain. In all, the United States has invested nearly $163.7 million in acquiring the Canal Zone, excluding the $6 billion spent for construction and maintenance.

Reviewing the history of those negotiations, you become acutely aware of the divisions in America in 1900 by taking such an enormous risk. The Congress back then decided that the United States should only do so with the absolutely clear understanding by Panama and the other nations of the world that we would retain control over the zone so long as the Panama Canal was in existence. Well, Mr. Speaker, we have not come to Armageddon yet; the Panama Canal still stands, open to navigation by vessels from all over the world; so, also, does the 1903 treaty stand.

We have seen what happens when we turn over responsibility for the operation of a vital international waterway to a politically unstable nation. Several years ago the British, who had poured their blood and resources into building the Suez Canal, turned over the Suez Canal to Egypt. The Suez Canal has been closed for 7 years. Only now is the Suez being cleared of its last sunken ships, mines, and silt.

The cost of closing the Suez has been enormous in terms of world trade. The longer route around the African continent has added untold millions to the cost of foreign commerce. It should be mentioned that the wrecking of huge supertankers in the swirling oceans around the tip of Africa has poured millions of gallons of oil into ocean currents, threatening our marine life elsewhere.

The lesson is that the world cannot count on the good intentions of unstable, revolutionary governments to control vital waterways like the Suez and the Panama Canals. Responsibility demands that the United States retain complete control over the Panama Canal.

I am appalled, Mr. Speaker, that our State Department experts have not recognized this fact. But on February 7, 1974, U.S. Secretary of State Henry A. Kissinger initiated a joint statement of principles for negotiations on a new Panama Canal Treaty. It is this commitment that we are haunted by in Panama. Dr. Kissinger spoke of a new canal treaty in the context of worldwide international developments. It was a gesture toward a new Latin American policy of conciliation and trust.

Giving up our sovereignty in the Canal Zone would be like returning Louisiana to France, Alaska to the Soviet Union and California to Spain. Had the United States not poured its resources, engineering genius, brains and brawn into building the canal no one would have the slightest interest in the isthmus. Why should we surrender it in order to build a rickety political bridge to some of the revolutionary forces in Latin America?

An even more fundamental question is whether the new status of the canal would benefit the hemisphere economically. I very much doubt that it would. Tolls on the canal would probably go up, discouraging marginal shippers from using the canal if at all possible.

American allies, like Japan, which depend on the canal for oil and trade with Europe, would have second thoughts about America's determination to stand by its own vital interests. Japan would probably look into new trading and political relationships in China and Asia rather than toward this country.

Furthermore, a good deal of U.S. oil and coal supplies must pass through the Panama Canal. By giving up sovereignty we would make ourselves vulnerable to possible interference in the passage of our ships through the canal.

Mr. Speaker, I should also point out that our naval power might be limited by a giveaway of the land in the Canal Zone, since it would make it easier for a saboteur to enter to damage or destroy the locks, thus impending entry of U.S. naval vessels.

I believe that those State Department officials who are negotiating a new treaty have noble intentions. They see a rising tide of third world independence and national pride, and U.S. domination of the Panama Canal Zone as a vestige of the past.

Well, I believe, Mr. Speaker, that not all of the past political and economic leadership by the United States has been wrong; nor was it bad for Latin America in many respects.

The treaty with Panama has brought more prosperity to that nation than any other place in Central America. The United States has given more to Panama than it has taken out of the Canal Zone; indeed, Panama is receiving millions annually while the U.S. share of the tolls is all plowed back in to maintaining the Canal from landslides, silt, and other conditions.

The United States must continue to carry out its leadership in the world by insuring that world shipping shall have unimpeded access through the Isthmus of Panama through a route that the American people built with their resources, genius, tenacity and courage.

Finally, Mr. Speaker, during the hearings that the subcommittee held in Panama, Mr. Douglas C. Schmidt, president of the Pacific Council, which represents American civilians in the Canal Zone gave excellent testimony to our delegation. His statement summarized the current attitudes of all U.S. Civic Councils in Panama. Therefore, it would be appropriate to insert the testimony at this point in the RECORD:

PACIFIC CIVIC COUNCIL,
Balboa Hgts., C.Z., April 3, 1975.

FORMAL STATEMENT TO THE PANAMA CANAL SUB-COMMITTEE, UNITED STATES HOUSE OF REPRESENTATIVES

We welcome this opportunity to address you today as representatives of Panama Canal Company/Canal Zone Government United States citizen employees in the Pacific sector of the Canal Zone. These employees are not part of the foreign service and therefore not represented by the State Department. They are not Department of Defense employees and are therefore not the concern of that Department. Thus, the Panama Canal Company/Government employees have always looked to Congress to ensure fair treatment.

Your presence here today is evidence that the Congress of the United States is interested in the views of this group of people; individuals who have invested portions of their lives toward maintaining the operating efficiency of the Panama Canal for world commerce; therefore as representatives of these concerned citizens of the United States, the Pacific Civic Council would like to go on record with the following views:

We are more familiar with the workings of the Canal operation than other persons in the world because we live each day with the Canal. We believe that our efforts to keep the Canal operating smoothly and without interruption is a form of patriotism, because this contributes to the image of the United States as a nation known the world over for its reliability, dependability, skill and thoroughness. We feel strongly that the United States should continue to operate the Canal and not relinquish these duties to another nation for purely political reasons. Our nation has performed efficiently and creditably in this area for the history of the Canal and has the technology and expertise to continue to do so. As we present our views, we are aware that we have often been represented to the world at large as "colonialists" or "gravy-trainers" fighting to preserve the best of all possible worlds rather than as conscientious employees doing the best possible job under sometimes difficult circumstances.

Journalists from the various media visit the Canal Zone for comparatively short stays which permit only a superficial view at best of conditions in the Zone and in Panama. These "experts" then return to the United States and produce newspaper stories, radio and TV programs that purport to give an accurate picture of the Canal Zone and its residents. When Panama Canal employees are quoted directly in these journalistic efforts, the quotations are placed in a context to support the "colonialist" stereotype. There have been other sources of one-sided, detrimental views of the Canal Zone including the Government of Panama, local Panamanian newspapers, State Department spokesmen, Panamanian residents of the United States and special groups visiting the United States for propaganda purposes.

Within the past year, a segment of the CBS program "Sixty Minutes" portrayed the Canal Zone as a paradise for military assignments and seemed to leave the impression that everyone in the Canal Zone, Panama Canal Company/Canal Zone Government employees included, enjoy life around swimming pools in a country club atmosphere. So far as we can see, the Public Information Office of the Company is not permitted to provide factual balancing information to answer such distortions in the United States communication media.

We are concerned about the apparent determination of the State Department to accede to Panamanian demands, with or without the concurrence of Congress. Employees have a severe lack of information about treaty negotiations, but we cannot help but relate these treaty talks to setbacks in South Vietnam and Cambodia, and of the possible loss of military bases in the Azores. The loss of the United States sovereignty in the Canal Zone would be part of what appears to many to be a world-wide pattern.

In a word, "sovereignty" is our key concern, not only because we are employees of the Panama Canal Company/Canal Zone Government, but because we are United States citizens with the same patriotic interests as those Americans living in the United States. We believe the negotiators for the United States in the treaty talks must give serious consideration to international repercussions should a change of sovereignty in the Canal Zone occur. If the draft treaty which Congress will consider does allow for such a change-over, we hope you will give this all-important issue much thought bemore approving such an action.

We urge the Congress of the United States not to be intimidated by threats of violence by Panama as retaliation for an unfavorable treaty or for lack of ratification by the United States Congress. Threats should never cause the United States to ratify a treaty not in the best interests of the United States, the Canal, or its employees. Rather the United States should adopt a position of strength, courteous but firm, and pursue a course of action that takes into consideration long-range effects on the Canal operation, rather than current political expediency.

Retention of United States sovereignty in the Canal Zone will allow the United States citizen to continue to live and work here under the security of the United States system of justice which guarantees the liberties we hold very dear as part of our American heritage. If you wonder why we would fear to live under a Panamanian system of justice, as it now exists, we urge you to hold closed door hearings in order to obtain first hand testimony from United States citizens who have had, among other matters, personal encounters with harassment by the Guardia Nacional, including arrest and imprisonment. In such hearings, you will learn for yourself why even citizens of the Republic of Panama live in fear of their own police. Many rights which we take for granted, such as the right of *habeas corpus*, the right of legal counsel, the right to a speedy and fair trial, and other precious rights listed in our Bill of Rights, are in no way guaranteed under the Panamanian system of justice as it now exists.

Because Congress will be called upon to ratify a new canal treaty, we strongly urge members of Congress to be aware of negotiations so that they will not be caught offguard and forced to make a hasty decision without adequate information and study of the subject. Executive agreements made by the President of the United States have been used to make various changes in the Canal Zone. One very visible example is the appearance of two flags, United States and Panamanian, where only one flag once flew. The recent action of the Canal Zone Administration which allows Panama to use France Field accentuates our fears that, with or without a treaty, the State Department will seek to accomplish its goal of ceding the Canal to Panama.

At a recent Civic Council executive session with the Governor, a State Department representative was asked by a Pacific Civic Councilman if, in the absence of a treaty, the Administration would seek to accomplish its goals by other means. His reply was that nothing would be done without Congressional ratification of a new treaty. But, when legislation regarding France Field was held up by the Congress, the same objective was attained through the use of an obscure existing agreement dealing with furnishing sites for customs houses. It is of interest to note that in a recent news release, General Torrijos said "a part of the area could be put to use as a main street for businesses." We wonder, therefore, what assurances can be given to Company/Government employees that, even in the absence of a new treaty, functions essential to the U.S. citizen (e.g., police, schools, customs, health facilities) will not be dissolved?

We, in 1975, can look back at the 1903 Treaty and agree that there is need for some change; but certain things should not be changed, chief of which is United States sovereignty in the Panama Canal Zone.

General Torrijos has said that three years after the ratification of a new treaty, the Canal Zone Government will disappear and its activities passed into Panamanian hands. In the event that certain groups of employees are to be phased out, we strongly urge you as Congressmen to press for a reasonable transition period; an amount of time that would allow most employees to finish their careers without a change of employers. The reported three-year transition period would impose real hardships on many families where the head of household is past the age when he can easily find another job in the United States. In addition, employees whose jobs have been abolished should be assured of transfer rights to suitable employment in the United States. Panama Canal Company/Canal Zone Government employees have faithfully met their employment commitments; therefore, they should be given all possible assistance in relocating elsewhere.

Believing that the future operation of the Panama Canal is of vital importance to the United States, and assuming the continued presence of a United States citizen work force for an indefinite period, we respectfully request that this Committee consider the following recommendations:

1. That unceasing effort be given to retaining United States sovereignty in the Canal Zone;

2 That the United States Government guarantee employees Civil Service retirement benefits, apart from treaty considerations.

3. That the Panama Canal Sub-Committee (and/or other committees of the House and Senate) meet with the United States Treaty Negotiators to determine the nature and extent of concessions being negotiated and that, to the degree possible, United States citizens in the Canal Zone be informed on matters vitally affecting their lives.

4. That the Panama Canal Sub-committee hold closed-door hearings and conduct an investigation to obtain specific testimony about problems encountered, including cases of harassment, in the Republic of Panama. This will enable the Committee to better understand our overriding concern about a change in sovereignty the Canal Zone.

5. That the Canal Administration make every effort to advise its employees of all options and contingencies that might be available in the event an adverse situation develops that would be prejudicial to the best interests of the United States citizen employee; and that such information be made available at the earliest possible date.

6. That the Public Information Office of the Company be used to furnish factual balancing information to the United States press.

You, our Congressmen, are faced with a critical decision as you consider the strengths and weaknesses of a new Canal treaty with Panama. The decision you make, for or against ratification, will have widespread effects, not only on present employees, but on generations of Americans to come. We trust that your decision will not be based on pressures of political expediency but as the result of much considered thought, active debate, and vigorous investigations into all aspects of the situation.

We thank you for giving us this opportunity to contribute some of our own observations which we hope will be helpful as you consider the critical decision of ratification of a new Panama Canal treaty.

Douglas C. Schmidt,
President.

REPRESENTATIVE BEARD OF RHODE ISLAND SALUTES HIS SECRETARIES DURJNG NATIONAL SECRETARY WEEK

HON. EDWARD P. BEARD

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. BEARD of Rhode Island. Mr. Speaker, the occasion of National Secretaries Week of April 21 to 25, 1975 brought very forcefully to my mind the extraordinary work performed by the persons who are absolutely indispensible in the operation of any office, whether in business or in government. This tribute of mine will certainly reflect the feelings of every Member of this body.

Every one of the secretarial staff in my offices in Providence, R.I. and here in Washington is an ambassador for me and in no sense does typing and shorthand describe the job. It so happens that all nine of the secretaries who work for me are women: I am sure this tribute would apply equally to any of the male secretaries who might be upset by some emphasis on the distaff side.

My Providence office glows with the day-to-day radiance of Patricia Celletti, JoAnn Capobianco, Nancy St. Pierre, and Ann Mitchell. In Washington, the virtues of patience, kindness and calm consideration are displayed every day by Beverly Moss, Kathleen McKenna, Marilyn Pesaturo, Susan Alfiero, and Elaine Gavegnano. And all rank in my eyes as eminently qualified for a "Miss America" title.

As one Member of the 94th Congress, I salute these wonderful women without whose abilities and consummate skills the labors of this office would be grim indeed.

SEWARD, NEBR., BICENTENNIAL FEATURES WORLD'S LARGEST TIME CAPSULE

HON. CHARLES THONE

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. THONE. Mr. Speaker, the enthusiasm and energy that communities all over the Nation are putting into celebration of America's Bicentennial is phenomenal. It is especially encouraging that localities in States that were not among the Original Thirteen Colonies are entering with great vim and vigor into observance of the 200th birthday of the United States.

The American Revolution Bicentennial is going to be observed in Seward, Nebr. with the "world's largest time capsule." The inside of this capsule will measure 20 feet by 8 feet by 6 feet. It will be made of reinforced concrete with walls 1 foot thick and will weigh about 34 tons.

The capsule is to be coated with plastic and tar paper and covered with 4 feet of earth to make certain it is free from moisture.

The capsule is going to be sealed on July 4, 1975. A 3-foot plug will be left at one end, so that additional Bicentennial items can be placed in it on July 4, 1976. The capsule is to be opened on July 4, 2025.

The largest item to be placed in the capsule will be a new 1975 automobile. Schools, churches, lodges, and civic organizations within 100 miles of Seward are being invited to place small objects in the unit to be sealed. Individuals in the same area are being invited to write letters to their children or grandchildren to be read in 50 years.

This capsule will give to the people living in Seward in 2025 a wonderful picture of what life was like in 1975. Mr. Speaker, I am proud to say that I plan to be on hand when Seward's capsule is sealed on July 4, 1975. I do not plan to be representing that district in Congress, however, when the huge receptacle is opened in 2025.

MARION HEIGHTS METHODIST CHURCH, CAMPBELL, OHIO, CELEBRATES 50TH ANNIVERSARY

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. CARNEY. Mr. Speaker, on Sunday, May 18, 1975, the Marion Heights Methodist Church of Campbell, Ohio, will celebrate its 50th anniversary. The Marion Heights Methodist Church has had a beautiful and memorable history. Many of my old friends and neighbors helped to build this church. Although I will not be able to be present at the anniversary celebration, I know it will be a most joyful and inspirational service. My prayers and good wishes go to

Bishop Kearns, Reverend King, and all the members of Marion Heights Methodist Church who will take part in this important festival.

The Marion Heights United Methodist Church was formed by the union of the Coitsville and Wilson Avenue Methodist Episcopal Churches. The Coitsville Church land was a gift from the Isaac Powers family, deeded on November 18, 1839. Until the church was built, the people worshipped in homes and barns. This church, unfortunately, was destroyed by fire. A short time later, another church was erected in the same location.

This church was abandoned to unite with the Wilson Avenue Methodist Episcopal Church in the fall of 1919. The Wilson Avenue Church land was purchased from C. D. Hine on August 18, 1892, and was sold for $300 to people for a dwelling house. Known as "The Little White Church on the Hill," its memory is held most dear by all who worshipped within its sanctuary.

As with the Coitsville Methodist Episcopal Church, the kindly, happy fellowship and words of inspiration received while worshipping within its walls will always remain as tender memories of "Dear Old Wilson Avenue Church," as it has often been called by many who made it their church home. However, membership and attendance began to decline, so it was sold in 1920 to the Black Jerusalem Baptist Church for $13,500. It is still being used to this day.

After several meetings of the official boards of the two churches, it was found impractical to move the Wilson Avenue Church building. Consequently, the boards decided to meet between the former locations.

The McCartney School building, Campbell, Ohio, was procured as a temporary meeting place in which to worship and on December 14, 1919, under the pastorate of Reverend Cassidy, the forces of the two churches were united by electing a new official board. Members of the first official board were as follows: Mrs. W. H. Reed, auditor of church records; Seth Coutler, treasurer; William M. McCartney, benevolence treasurer; Mrs. Bessie M. Yost, recording secretary; music committee: Gertrude E. McCartney, J. D. Johnson, J. Richards, Warren Shively; finance committee: W. H. Reed, J. Johnston, John Reynallt, J. McCartney, and I. L. Small.

The heirs of the Joseph G. McCartney estate offered as a gift, the land on which to build a church, permitting the trustees to select any location they should desire. The offer was gladly accepted. Four lots on the corner of Woodlawn and Gladstone Streets in Campbell, Ohio, were selected, making it as centrally located as possible to all interested. The deed was granted on September 20, 1921.

Reverend Askue was the pastor for the next 3 years. During his pastorate the parsonage was built, and considerable planning was done for the new church.

In the fall of 1924, Rev. Bruce Walters was sent as pastor and through his own abundant faith and untiring efforts, together with the cooperation of the people of Marion Heights and the aid of the Divine Leader, he succeeded in bringing to a happy climax the fond desires of Marion Heights people for a church building, dedicated to the worship of God. The contract was given to Martin, Orr, Martin of Columbus, Ohio. The cornerstone was laid on Ncvember 30, 1924, and the church was dedicated on May 17, 1925.

The church was named for the granddaughter of the Joseph McCartney's who gave the land for the building.

These are the highlights of the history of the churches that formed the Marion Heights Methodist Church and that were placed in the cornerstone of the church on November 30, 1924.

MINISTERS SERVING MARION HEIGHTS CHURCH

1920–1921 Rev. H. A. Cassidy.
1921–1924 Rev. W. L. Askue.
1924–1926 Rev. Bruce Walters.
1926–1928 Rev. Leroy James.
1928–1931 Rev. J. F. Stomn.
1931–1933 Rev. John Hawkins, Rev. Dwight Jack, Rev. Detrick Cordes.
1933–1935 Rev. W. L. Hodder.
1935–1939 Rev. E. M. Hughgart.
1939–1944 Rev. F. A. Ashburn.
1944–1946 Rev. Paul Uhlinger.
1946–1947 Rev. R. A. Uphoff.
1947–1949 Rev. B. T. Riley.
1949–1952 Rev. L. Whiteman, Sr.
1952–1954 Rev. Paul Frantz.
1954–1963 Rev. David Boldt.
1963–1967 Rev. John Obee.
1967–1969 Rev. Able Napadona.
1969–1975 (to present) Rev. Henry King.

For 50 years, the Marion Heights Methodist Church of Campbell, Ohio, has been a source of faith hope and love for its members. I would like to take this opportunity to wish my dear friends and former neighbors many more years of peace, joy and happiness in the service of the Lord.

RECOMPUTATION OF MILITARY RETIRED PAY

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1975

Mr. LONG of Maryland. Mr. Speaker, I am most pleased to bring to the attention of my colleagues the views of Col. Donald C. Foote, legislative chairman, Maryland Retired Officers Association, on an issue of importance: recomputation of military retired pay. Colonel Foote and other members of the Reserve Officers Association shared their views with members of Maryland's congressional delegation at a meeting in Washington. Colonel Foote makes several interesting points with regard to current levels of active duty and retired military pay from a historical perspective.

The remarks follow:

RECOMPUTATION OF MILITARY RETIRED PAY

1. Background of recomputation;

a. Federal Statutes until 1958 guaranteed military retired pay based on current active duty rates, i.e., recomputed each time AD rates were changed.

b. System precipitiously suspended in 1958 with no "saving clause" to protect the earned rights of those already in the system.

c. Career Compensation Act of 1963, PL 88–132 again increased AD pay but permanently changed the law so as to deny the benefits of that act and of future AD pay raises to retirees. It substituted a CPI (Consumer Price Index)—CLI (Cost of Living) formula less advantageous to retirees.

d. Initial saving to the government because of the change in the system was only 29 million in 1958.

2. Interim results to restore recomputation of retired pay:

Seventeen years of frustrated effort on the part of organizations (TROA, NAUS, Fleet Reserve—others) and many individuals to restore the pre-1958 pay plan (recomput). The Congress (Senate & House) at various times—in different years—passed bills to restore equity of pay, but not both Houses in the same year. Of late years, even with Presidential blessing 360 million dollars set aside in the Defense Budget—and riders attached to the Military Approp. Bills (1972–73–74)—by parliamentary maneuvering in the House Armed Services Committee the matter was deemed "non-germane" by the Conference Committee. What a travesty of justice adversely affecting so many dedicated serviceman (enlisted and commissioned), veterans of two and even three wars now retired. In summary the net result "no progress" toward a solution of the problem.

3. Specific statistical data of how the change from recomputation to CPI plan has affected the military retiree over the years:

a. Active duty pay increase (June 1, 1958 to Oct. 1, 1973): Total is 165.7%.

Retired pay increase, actual cumulative (June 1, 1958 to July 1, 1973): 68.3%.

Differential in favor of active duty military: 97.4%.

b. Below is cited two factual examples of the wide discrepancy and injustice involved in the pay of retirees of comparable grade and length of service:

E–7

(Enlisted man to M.Sgt., 20 years)

1958 retiree: Initial pay, $175 per month. Pay updated, (9–30–74), $312.

1974 retiree: Retiree initial pay (9–30–74), $434.

Differential of $122 or 39%.

O–5

(Lieutenant colonel, 20 years)

1958 retiree: Initial pay, $373 per month. Pay updated (9–30–74), $664.

1974 retiree: Retiree initial pay (9–30–74), $945.

Differential of $281 or 42%.

Note: Many other similar cases (different commissioned and enlisted grades) could be cited to show even a greater pay disparity among the older and more recent retirees.

c. Food stamps being issued to older retirees and lower grade enlisted men:

None other than Lt. Gen. John W. Carpenter, Pres., TROA, in a recent letter to the Sec. of Defense said, ". . . men trying to raise a family are spending some $1.5 million each month in military commissaries. Sad, indeed, honorable members of this delegation that some of our military retirees are at welfare level. We plead again with you to help rectify this longstanding injustice to our military retirees.

CONCLUDING REMARKS

Should any of this very capable Md. Delegation—after 10 to 20 or more years of congressional service—retire and find your pay categories for the same position and length of service radically different in the amount of retired pay, WHAT WOULD YOUR REACTION BE? Needless for this speaker to give an answer.

Another aspect for military retired pay (1958 to date) no one to our knowledge has considered (in defense or in the Congress): what the Government saved in 17 years, if the difference over what we actually received and what was justly our entitlement had the recomputation plan been operative. It would be in billions of dollars.

It would appear—as the hour grows late for many of the vets of two or more wars—appropriate that we plead again with each of you to actively support the present corrective legislation (H.R. 1167 and/or Sen. Hartke bill), or other similar legislative bill to partially rectify this injustice of 17 years. Actually H.R. 1167 and other similar legislative proposals cover only partial recomputation, i.e. to Jan. 1/72 in relation to the AD rate. Not only do we urge you to support H.R. 1167 (and Senate bill) but to utilize your combined power to insure that the Congress actually has an opportunity to vote on the appropriate House and Senate bills. Then, if necessary because of a Presidential veto, to override same. From past votes in both Houses of Congress on similar legislation the majority FOR was overwhelming.

In conclusion may we express the thanks of our Md. Ret. group and its ten chapters here represented for the current support of Mrs. Holt, Mr. Byron and Mrs. Spellman for introducing H.R. 515, 1639 & 4455—and again Mrs. Holt for co-sponsoring Bob Wilson's H.R. 1168.

HOUSE OF REPRESENTATIVES—*Tuesday, April 29, 1975*

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore (Mr. McFALL).

PRAYER

The Reverend Mr. Robert W. Thurston, pastor, the First Baptist Church, New London, N.H., offered the following prayer:

Eternal God, we thank You for the faith which sustains us, the hope which inspires us, and the light by which we daily walk.

Help us to correct our mistakes. Cause us to look within ourselves and to see there all that we condemn in others.

Give to every nation that which we seek for our own Nation—concern for the needs of everyone, sensitivity to moral issues, deliverance from cynicism and despair, strength to be free and to carry the burden of freedom, and readiness to accept responsibility, rather than to evade its consequence.

There was no objection.

Let us go through today's work with faithfulness, strong to do justly, to love mercy, and to walk humbly with You. Amen.

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

THE SPEAKER'S ROOMS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., April 29, 1975.

I hereby designate the Honorable John J. McFall to act as Speaker pro tempore for today.

CARL ALBERT,
Speaker of the House of Representatives.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

REV. ROBERT THURSTON

(Mr. CLEVELAND asked and was given permission to revise and extend his remarks.)

Mr. CLEVELAND. Mr. Speaker, it is a distinct pleasure for me to welcome to this House my good friend, the Reverend Robert Thurston, and to also welcome his wife, Penny, and friends from our hometown in New London, N.H.

Bob has served as minister of the First Baptist Church of New London, N.H., since 1967. He has done so with great distinction. His friendship and preaching and prayers have brought comfort, inspiration, guidance, and solace to countless people who have been blessed by his ministry.

On a number of occasions he has brought his youth group here to Washington, which typifies his concern and interest in helping those of all ages and in so many ways. And speaking of help, it reminds me of the many times when I have listened to Bob Thurston and have thought—there are so many ways to help people—and this House has no corner on that market.

Following his graduation from Yale Divinity School, Bob served ministries in New York State and in Vermont where he was born. Since coming to New London, N.H., in 1967 he serves as a member and chairman, department of professional concerns, American Baptist Churches of New Hampshire; member, board of trustees, American Baptist Churches of New Hampshire; member, President's Advisory Council, Colby-Sawyer College, New London, N.H.

Reverend Thurston was selected to appear in the 1967 edition of "Who's Who in the East" and 1968 edition of "Outstanding Young Men of America."

PROVIDING FOR CONSIDERATION OF CONFERENCE REPORT ON H.R. 6096, VIETNAM HUMANITARIAN ASSISTANCE AND EVACUATION ACT OF 1975

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 425 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 425

Resolved, That immediately upon the adoption of this resolution, clause 2, rule XXVIII to the contrary notwithstanding, it shall be in order to consider the conference report on the bill (H.R. 6096) to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions on the availability of funds for the use of United States Armed Forces in Indochina, and for other purposes.

CALL OF THE HOUSE

Ms. ABZUG. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. DELANEY. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 162]

Ambro
Anderson, Ill.
Biaggi
Breaux
Broomfield
Brown, Calif.
Burke, Calif.
Burton, Phillip
Cederberg
Chisholm
Clay
Conlan
Conyers
Coughlin
Crane
Dellums
Diggs
Fascell
Ford, Mich.
Gonzalez
Hansen
Harsha
Heckler, Mass.
Hightower
Krueger
McDade
McKay
Macdonald
Mahon
Matsunaga
Michel
Mills
Mollohan
Moss
O'Hara
O'Neill
Pike
Pressler
Price
Pritchard
Rhodes
Rose
Rosenthal
Rousselot
Russo
Scheuer
Shriver
Stark
Stephens
Stokes
Udall
Vanik
Wiggins
Wilson, Bob
Wilson, Charles, Tex.
Wright
Young, Fla.

The SPEAKER pro tempore. On this rollcall 375 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

WITHDRAWAL OF HOUSE RESOLUTION 425, PROVIDING FOR CONSIDERATION OF CONFERENCE REPORT ON H.R. 6096, VIETNAM HUMANITARIAN ASSISTANCE AND EVACUATION ACT OF 1975

Mr. DELANEY. Mr. Speaker, I have just received a message from the Speaker, who is now at the White House, and on his request I am going to withdraw the resolution at this time.

The SPEAKER pro tempore. The resolution is withdrawn.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 818. An act to authorize U.S. payments to the United Nations for expenses of the United Nations peacekeeping forces in the Middle East, and for other purposes; and

S. 917. An act to amend the Interstate Commerce Act to authorize the Interstate Commerce Commission to grant temporary operating authority to a carrier by railroad, and for other purposes.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE CONFERENCE REPORT ON H.R. 4481

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a conference report on the bill (H.R. 4481), making emergency employment appropriations for the fiscal year 1975, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

SOUTHEAST ASIAN TRAGEDY

(Mr. McDONALD of Georgia asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. McDONALD of Georgia. Mr. Speaker, we gather here today as another anti-Communist nation dies in Saigon, as anti-Communist leaders are beheaded in Cambodia, as a final silence descends on Laos, and as Thailand bends before the pressure of events. The remaining nations of Southeast Asia—Malaysia, Indonesia, and the Philippines—all of which had defeated earlier Communist moves against them, are now freshly menaced.

Nations are not dominoes. The so-called domino theory cannot be dismissed as a myth, however. We are talking about nations which are indeed falling, just like dominoes.

As they weaken and fall, Members of both these great legislative bodies issue pious statements about "humanitarian relief," all of which boil down to a question of how many, if any of our friends in Vietnam will be helped to escape alive. It has been suggested that we pay off the Communists to permit an evacuation. I doubt that they will go along with such a program, although they will be happy to accept payment.

We must keep in mind that our enemies in Southeast Asia are people who turn their full ferocity on refugee columns, shredding them with heavy artillery, running them down with trucks. They want all the world to know what happens to those who resist, or who even try to flee.

Time and again, since World War II, we have fought no-win wars, and in the end we have abandoned our friends and allies. Each time, we have assuaged what passes for conscience by accepting refugees—each time, I may add, with a quota of enemy agents consciously included. We have paid ransom often enough. I believe that if force is needed to effect an evacuation, force should be used, but, to revive a phrase, "not one cent for tribute."

For more than 10 years, under four Presidents, our leaders have insisted upon bloodshed without victory. We are now face-to-face with the logical result of a no-win policy—defeat—massive, bitter, bloody defeat.

The record of communism everywhere shows that the human cost of fighting is small, when compared to the human cost of succumbing to a Communist regime. Massacre and terror are standard tools used by the Communists to consolidate their conquests. We must keep in mind that, in Russia and China alone, over 100 million people were killed after organized opposition had ended.

By now, the word "bloodbath" seems an overworked cliche. However, it is all too accurate a term. A 24-year veteran of the North Vietnamese Communist Party, Col. Tran Van Dac, has said that a Communist victory will mean the slaughter of about 3 million South Vietnamese. Another Communist, Col. Le Xuan Chuyen, tells us that some 5 million people are considered by the Communists to owe "blood debts." As we all ought to know—although it is by no means obvious that we all do know—the Communists routinely collect in blood. Sir Robert Thompson, a British general who has tried to be helpful about Vietnam, was asked whether fears of a bloodbath were exaggerated. He said no, "it could not be exaggerated. It will happen."

Really, every intelligent person who gives the matter any thought must realize that the Communists, during the past 58 years, have killed more people than any organization in the history of the world.

Now, as always, we hear calls for further negotiations. Three years ago, Representative John Schmitz, of California pointed out that:

> Since all negotiations with the Communists start out from the premise that nothing they now control can be touched . . . the worst they can ever get is a draw, while the best we can ever get is likewise a draw.

Gen. Douglas MacArthur, who was relieved of his command for trying to win the Korean war, predicted:

> We shall eventually see the fall of all Indochina to the Communists as a result of our failure in Korea. If we maintain a limited war posture against an enemy willing to fight all-out at any time they deem our weakness to be such as to warrant such attack, our nation will eventually be isolated.

Indeed, the leader of one endangered nation has reminded us that there is not an infinite supply of small nations to be sacrificed.

Speaking of sacrifices, there are many, in Congress and outside of Congress, who protest that "we went the extra mile, we have sacrificed enough." May I remind everyone that the object of war is not to make sacrifices, but to gain victory. There is no merit in sacrifices on the altar of "no-win" policy; there is no point in "going the extra mile" down the road to self-inflicted defeat.

SIMPLE LOGIC

In war, you have a winner and a loser. War is a contest of strength in which a decision is sought; from this, a winner and a loser eventually emerge. A draw merely represents "unfinished business"—as we may discover in Korea.

In any contest, if one contestant intends to win and makes every effort to do so, and his opponent declares that he does not intend to win, and makes convincing efforts in that direction, I think it is perfectly obvious who will win, even if he is weaker or less clever or possessed of other failings.

For the past 30 years, regardless of what party was in power, the U.S. Government has followed a "no-win" policy. It has been our publicly declared policy for only about 15 years, but it has been our policy, in effect, ever since the end of World War II.

A "no-win" policy simply guarantees defeat. Our Government, in fact, enforces defeat upon our own Armed Forces. Gen. Douglas MacArthur was sacked for trying to achieve victory in Korea: Most recently Lt. Gen. John D. Lavelle found himself in deep trouble for daring to strike at enemy missile sites and tank columns without permission from the "no-win" artists in Washington. During the 20 years between these events, military careers have been made and broken according to a military man's ability to accept the "no-win" dictates of our Government. Some of us may recall the degrading campaign called "muzzling the military"—a generally successful effort by our civilian leaders to banish the word "victory" from the vocabulary, and even the thoughts, of our own military officers.

Men who served in Vietnam realize that the "mistakes" we made were not "mistakes", they were policy. Our leaders chose to fight a 10-year jungle war instead of a 6-week air war which could have destroyed North Vietnam's capacity to support its aggression in the south. Our 1962 "settlement" regarding Laos gave the North Vietnamese the Ho Chi Minh Trail. Our support of the present Red Chinese puppet in Cambodia, Prince Sihanouk, meant that we built a modern port for him, connected it to Phnom Penh by a modern highway—and allowed it to be used to support Communist forces operating from Cambodia for many years before 1970.

During most of the Vietnam war, our Government granted the Communists "sanctuary" in Laos, Cambodia, and even North Vietnam itself. During most of the war, the most vital and obvious targets in the north were immune from attack. Indeed, the Red River dike system was never touched, the ships loaded with supplies for the enemy were never touched, either. When the bombing of Haiphong Harbor produced too great inconvenience to the enemy, it, too, was ended. Gen. Curtis Lemay, years ago, described the "no-win" system of target selection practiced by the civilians in the Pentagon, the system of taking targets listed in order of priority and bombing the least vital ones.

"Bombing halts" were almost too numerous to count. Each was advertised as a step toward "peace", but each was actually a measure for preventing victory. In December of 1972, when we closed Haiphong Harbor and settled down to some serious strategic bombing of the north, we came as close to victory as we ever had. The North Vietnamese had no more air-defense missiles, their supplies of everything were virtually cut off and they were running out of rice.

Then came the final "bombing halt," just in time to prevent victory. The result was that infamous "peace with honor", which left North Vietnamese forces in place in the south, their existence not even acknowledged. Our promises of "full economic and military support" were worth only enough to purchase that equally infamous "decent interval" between bug-out and collapse which was considered politically necessary here at home.

Our defeat in Vietnam was the logical, obvious, and inevitable product of our own Government's "no-win" policy. We must realize this. It is the only truly useful lesson we can now learn from the Vietnam disaster.

CONSEQUENCES OF "NO-WIN" POLICY

Today it is the South Vietnamese and the Cambodians who taste the full bitterness of defeat, while we, so far, must swallow only a little. We, the American people, do not confront stark, inescapable terror and slaughter, with more slavery reserved for those most capable of pleasing their conquerors.

Nearly 60,000 American sons and husbands died. Our leaders have insisted upon defeat, meaning that they have died in vain. Throughout more than 10 years of dragged-out agony in Vietnam, our Government encouraged "aid and trade" to support the slave economies which produced the weapons used to kill those men.

Tens of thousands of young men were maimed or blinded for life. Thousands will finish their lives as wretched quadriplegics; hundreds of thousands bear the scars of lesser wounds. What an unprecedented betrayal it has been. We sent those men out with instructions to fight, bleed, and die—but we forbade them to win. We made things easy for their enemies, at home as well as in the Communist countries.

What of the severe demoralization of our own Armed Forces, the result of enforced defeat? What of the brutalization of our men, who were forced to fight and the cruelest kind of war against an enemy recognizing no rules and observing no code of honor? What of the effects of years of deliberate privation, humiliation, and agonizing tortures inflicted upon our prisoners of war? These are the men who know, first hand, how the Communists treat people when they have them in their power. Yet they return home to find the enemy victorious in the propaganda war; not only were their efforts and their sufferings in vain, but they have found their own Government quite as interested in brainwashing them as the Communists ever were.

Defeat is offering bribes, ransoming your prisoners rather than liberating them, and offering "reparations" currently disguised as "humanitarian aid." Defeat is having our own mass media filled with Communist propaganda, our own Government covering up enemy atrocities. Defeat is granting amnesty, not merely to young men reluctant to fight a "no-win" war, not only to simple cowards, but to vicious and dedicated haters of their country. Defeat is hailing enemy agents who have led the "antiwar movement" as worthy citizens, morally superior to men who fought, thinking that they might prevent the very horrors now overtaking the people of South Vietnam and Cambodia. Defeat is being ashamed to face your television set when the news comes on.

WE NEED A "WIN" POLICY

On the other hand, we can adopt a policy of meeting and defeating the Communist drive for world domination. This does not mean, as our leaders would like us to believe, "nuclear holocaust," a world in ashes. It does mean using our economic and military strength properly and intelligently. It means an immediate halt to present policies of feeding and supplying machinery and technology to our shown enemies—often on credit. It means a reversal of the 15-year policy of disarmament, which we have insanely pursued throughout the Vietnam war. A "win" policy may sound dangerous, to a population softened by propaganda to accept defeat supinely.

However, what risks are worth taking, to escape a sentence of death, or life imprisonment? Quite a few, I would venture. What we must realize, before it is too late, is that Communists victory sentences every human being either to death or to life imprisonment.

INVESTIGATION OF ARAB DISCRIMINATION AGAINST AMERICANS OF JEWISH FAITH

(Mr. REES asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. REES. Mr. Speaker, I am submitting for the RECORD an announcement concerning a study the Banking, Currency, and Housing Committee's Subcommittee on International Trade, Investment, and Monetary Policy will be making of Arab discrimination against American citizens of Jewish faith:

INVESTIGATION OF ARAB DISCRIMINATION AGAINST AMERICANS OF JEWISH FAITH

Direct and indirect Arab discrimination against various U.S. companies—primarily financial institutions—which are owned or controlled by, employ or do business with Americans of Jewish faith, is currently being investigated by the Subcommittee on International Trade, Investment and Monetary Policy, chaired by Thomas M. Rees (D-Calif.). Also under study are similar cases of discrimination against individuals.

Of the two current types of overlapping discrimination—(1) direct, by Arab representatives against American corporations officially being boycotted by the Arab League or other Arab groups; and (2) indirect, by U.S. companies, under Arab pressure, against other allegedly "pro-Zionist" U.S. companies or against their own employees or customers because of Jewish affiliations—it is the second type that the Subcommittee is investigating. The direct Arab boycott is currently being studied by the House Foreign Affairs Committee.

While the 30-year-old boycott is not in itself a main focus of the Subcommittee's inquiries, some discriminatory effects of the Arab boycott are being examined: i.e., how and why particular firms are blacklisted; the historically selective enforcement of the boycott; and, as mentioned, the secondary effects of the boycott, where one U.S. company is pressured by the Arabs into a middle-man role and discriminates against another U.S. company or against employees or customers of Jewish faith. The implications of the Arab's new oil wealth are obviously relevant in this context, too.

But it is discrimination per se, particularly as evidenced in international financial transactions, that concerns the Subcommittee. For example, the Comptroller of the Currency recently learned that "some national banks may have been offered large deposits and loans by agents of foreign investors, one of the conditions for which is that no member of the Jewish faith sit on the bank's board of directors or control any significant amount of the bank's outstanding stock." The boycott may not violate any existing U.S. statutes, but specific cases of economic discrimination are possibly in violation of the U.S. law.

The U.S. Government has deplored the boycott of particular U.S. firms. President Ford issued a formal statement to that effect on February 26, 1975. The Departments of State, Treasury, Justice, and the SEC have been asked to investigate the bank blacklist as well as the boycott of American companies. Also, in the Comptroller of the Currency's bulletin to presidents of all national banks, he warns against "any practices or policies that are based upon considerations of the race, or religious belief of any customer, stockholder, officer or director of the bank."

Mr. Speaker, the subcommittee's investigation was requested by Representative HENRY S. REUSS, Democrat of Wisconsin, chairman of the House Committee on Banking, Currency and Housing.

EVACUATION OF AMERICANS FROM SOUTH VIETNAM A FAIT ACCOMPLI WITHOUT ARMED UNITED STATES INTERVENTION

(Mr. JOHN L. BURTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHN L. BURTON. Mr. Speaker, if we can believe the news reports, which I hope we can believe, the administration has finally expedited the efforts and evacuated the Americans and their dependents from South Vietnam, which I think is a very excellent thing.

It also indicates that the President

did not need the legislation providing for the introduction of U.S. troops for the purposes of accomplishing that goal. I am just very happy that finally, if we can believe the news reports, that all Americans are out; and again, I am very happy that it indicates that it was not necessary to give the President authority to use military force to accomplish such goals.

EULOGIES TO THE LATE HON. JOHN C. KLUCZYNSKI, OF ILLINOIS, AND HON. JERRY L. PETTIS, OF CALIFORNIA

Mr. HAYS of Ohio. Mr. Speaker, this announcement is to advise the membership that the closing date for printing the eulogies and encomiums to the late Representative John C. Kluczynski, of Illinois, and Representative Jerry L. Pettis, of California, has been set for Friday, May 9, 1975. All copy for insertion must be submitted before this cutoff date so as to be included in the final publication of their compendiums of eulogies.

THE ELK HILLS PETROLEUM RESERVE

(Mr. FRASER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FRASER. Mr. Speaker, when the House this afternoon takes up a rule to deal with the petroleum reserves that we possess, owned by the U.S. Government, I hope the Members will pay close attention to the debate on the rule.

I think a good case can be made with respect to deferring action on the bill. Both the bill from the Committee on Interior and Insular Affairs and the amendment proposed by the Committee on Armed Services are premature in light of the fact that the Elk Hills Reserve would be best suited for use to build a strategic reserve, but as yet we do not have a strategic reserve authorized. The Committee on Commerce expects to report such a bill. Therefore, it would be appropriate to defer action on these other two bills until the strategic reserve has been authorized, because this is the best source of oil to establish this strategic reserve. We need a strategic reserve more than we need almost any other immediate action in the energy field.

Therefore, Mr. Speaker, I hope the Members will pay close attention to the debate on the rule.

REFORMING THE RECORD

(Mr. DAN DANIEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr DAN DANIEL. Mr. Speaker, there follows an editorial from the South Hill Enterprise of April 23, 1975:

REFORMING THE RECORD

The Congressional Record is a disgrace to Congress and should be reformed.

The most obvious abuse is the insertion in the printed record of personal reelection campaign material. Robert F. Drinan, D-Mass., recently has his entire voting record for 1974 printed in the Record, using 22 pages at a cost of $278 per page. That's $6,116 of the taxpayers' money.

This is a time-honored congressional prerogative but it should be curbed.

More important, the Congressional Record should be purged of extraneous matter including "speeches" never delivered (one by Hale Boggs was printed two days after his death in an Alaskan plane crash), newspaper editorials and articles, press releases and other miscellany. Such items now make the Record a confused collection.

The printed record should be an actual record of oral proceedings in the chamber. All extraneous printed or written matter should be printed, if worth printing, in a separate appendix.

Some bunkum and disorder is indigenous to democracy, can't be helped and may in fact be healthy. But the Congressional Record as now constituted carries this confusion principle to a deplorable extreme.

(Mr. Congressman, please don't reprint this in the Record.)

I could not resist the temptation.

DEBATE ON THE FIRST BUDGET RESOLUTION TOMORROW

(Mr. ADAMS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ADAMS. Mr. Speaker, tomorrow the House will begin debate on the first budget resolution. We hope to complete general debate on Wednesday, and then proceed with the amending process with no votes until Thursday. We hope to complete action on the bill on Thursday.

I am placing in the RECORD at this point certain information which indicates the basis of the projections of the House committee, the Senate committee, and the President with regard to gross national product, Consumer Price Index, proposed or possible unemployment rates, and the basis on which the Budget Committee believes the deficit can be financed.

I hope the Members will attend tomorrow. I think this will be a very long and difficult session, both in explaining the budget and also in arriving at a final conclusion; and I am hopeful that we will be able to pass the resolution by Thursday afternoon.

The information referred to follows:

PRESIDENT'S BUDGET

[Dollar amounts in billions]

	Calendar year—		
	1974	1975	1976
Gross national product:			
Current dollars	1,397	1,498	1,686
1958 dollars	821	794	832
Consumer Price Index	1.477	1.644	1.772
Rate of change in Consumer Price Index	11.0	11.3	7.8
Unemployment rate	5.6	8.1	7.9
	Fiscal year—		
	1974	1975	1976
Deficit	−3.5	−34.7	−51.9

SENATE BUDGET COMMITTEE

[Dollar amounts in billions]

	Calendar year—		
	1974	1975	1976
Gross national product:			
Current dollars	1,397	1,465	1,665
1958 dollars	821	794	854
Consumer Price Index	1.477	NA	NA
Rate of change in Consumer Price Index	11.0	NA	NA
Unemployment rate	5.6	8.8	7.9
	Fiscal year—		
	1974	1975	1976
Deficit	−3.5	−34.7	−69.6

HOUSE COMMITTEE ON THE BUDGET

[Dollar amounts in billions]

	Calendar year—		
	1974	1975	1976
Gross national product:			
Current dollars	1,397	1,467	1,685
1958 dollars	821	789	856
Consumer Price Index	1.477	1.612	1.707
Rate of change in Consumer Price Index	11.0	9.1	5.9
Unemployment rate (average for year)	5.6	8.6	7.5
Unemployment rate (end of year)	N/A	N/A	7.0
	Fiscal year—		
	1974	1975	1976
Deficit	−3.5	−34.7	−73.2

COMPARISON OF ESTIMATES FOR FISCAL YEAR 1976—BUDGET AUTHORITY

[In millions of dollars]

Function	President's budget as submitted (1)	President's budget as adjusted [1] (2)	Budget adjusted for House committees' views and estimates (3)	House Budget Committee estimates (4)	House Budget Committee estimates as compared to— President's budget as submitted (5)	House Budget Committee estimates as compared to— President's budget as adjusted [1] (6)	House Budget Committee estimates as compared to— House committees' views and estimates (7)
050—National defense	107,700	107,700	109,842	99,778	−7,922	−7,922	−10,064
150—International affairs	12,627	12,627	12,627	4,677	−7,950	−7,950	−7,950
250—General science, space, and technology	4,686	4,686	4,708	4,708	22	22	0
300—Natural resources, environment, and energy	12,226	12,226	18,317	14,105	1,879	1,879	−4,212
350—Agriculture	4,273	4,273	4,273	4,273	0	0	0
400—Commerce and transportation	6,602	7,330	17,490	11,726	5,124	4,396	−5,764
450—Community and regional development	5,164	5,164	11,431	10,814	5,650	5,650	−617

COMPARISON OF ESTIMATES FOR FISCAL YEAR 1976—BUDGET AUTHORITY—Continued

[In millions of dollars]

Function	President's budget as submitted (1)	President's budget as adjusted [1] (2)	Budget adjusted for House committees' views and estimates (3)	House Budget Committee estimates (4)	House Budget Committee estimates as compared to— President's budget as submitted (5)	President's budget as adjusted [1] (6)	House committees' views and estimates (7)
500—Education, manpower and social services	13,686	13,686	21,472	19,010	5,324	5,324	−2,462
550—Health	31,022	31,022	34,936	33,112	2,090	2,090	−1,824
600—Income security	135,339	137,239	142,055	141,327	5,988	4,088	−728
700—Veterans benefits and services	16,163	16,763	18,277	17,998	1,835	1,235	−279
750—Law enforcement and justice	3,169	3,169	3,346	3,291	122	122	−55
800—General government	3,335	3,335	4,897	3,300	−35	−35	−1,597
850—Revenue sharing and general purpose fiscal assistance	7,305	7,305	7,305	7,305	0	0	0
900—Interest	34,419	34,419	34,419	35,000	581	581	581
Allowances	8,325	8,325	8,750	1,325	−7,000	−7,000	−7,425
950—Undistributed offsetting receipts	−20,193	−16,193	−16,193	−16,193	4,000	0	0
Total	385,848	393,076	437,952	395,556	9,708	2,480	−42,396

[1] Adjusted to include official Presidential amendments and reestimates, administrative actions, court decisions, and underestimates of budget authority.

COMPARISON OF ESTIMATES FOR FISCAL YEAR 1976—OUTLAYS

[In millions of dollars]

Function	President's budget as submitted (1)	President's budget as adjusted [1] (2)	Budget adjusted for House committees' views and estimates (3)	House Budget Committee estimates (4)	House Budget Committee estimates as compared to— President's budget as submitted (5)	President's budget as adjusted [1] (6)	House committees' views and estimates (7)
050—National defense	94,027	94,027	96,071	89,736	−4,291	−4,291	−6,335
150—International affairs	6,294	6,405	6,294	4,900	−1,394	−1,505	−1,394
250—General science, space, and technology	4,581	4,581	4,599	4,599	18	81	0
300—Natural resources, environment, and energy	10,028	10,078	13,526	11,546	1,518	1,468	−1,980
350—Agriculture	1,816	1,816	2,698	1,816	0	0	−882
400—Commerce and transportation	13,723	15,451	22,219	19,810	6,087	4,359	−2,409
450—Community and regional development	5,920	5,920	9,706	9,498	3,578	3,578	−208
500—Education, manpower and social services	14,623	16,461	22,035	20,426	5,803	3,965	−1,609
550—Health	28,050	28,082	32,507	30,702	2,652	2,620	−1,805
600—Income security	118,724	120,624	129,619	123,915	5,191	3,291	−5,704
700—Veterans benefits and services	15,592	16,192	17,741	17,469	1,877	1,277	−272
750—Law enforcement and justice	3,288	3,288	3,368	3,363	75	75	−5
800—General government	3,180	3,180	4,099	3,350	170	170	−749
850—Revenue sharing and general purpose fiscal assistance	7,249	7,249	7,249	7,249	0	0	0
900—Interest	34,149	34,419	34,419	35,000	581	581	581
Allowances	8,050	8,050	8,460	1,050	−7,000	−7,000	−7,410
950—Undistributed offsetting receipts	−20,193	−16,193	−16,193	−16,193	4,000	0	0
Total	349,371	359,630	398,417	368,326	18,865	8,606	−30,181

[1] Adjusted to include official Presidential amendments and reestimates, administrative actions, court decisions and underestimates of outlays.

DEMAND FOR LOAN FUNDS (FISCAL YEARS)—Continued
DEMAND FOR LOAN FUNDS (FISCAL YEARS)

Funds	1973 (actual)	1974 (actual)	1975 (estimate)	1976 (estimate)	1976 (Budget committee estimate)
Private short-term funds	86.5	94.4	35.2	44.3	--------
Private long-term funds	103.3	89.7	77.6	89.3	--------
Total private funds	189.8	184.1	112.8	133.6	(134.0)
U.S. Government securities	18.5	2.1	43.9	63.7	(85.0)
Federal agencies	14.4	21.3	17.6	14.7	(11.0)
State and local securities	12.6	16.8	15.9	17.0	(17.0)
Total public funds	45.5	40.2	77.4	95.4	(113.0)
Total funds raised	235.3	224.3	190.2	229.0	(247.0)

Source for first 4 cols.: Office of the Secretary of Treasury Office of Debt Analysis.

Estimate of gross savings in fiscal 1976

[Dollars in billions]

Sources:	
Personal Savings	$105
Business Savings	160
Net Foreign Investment	10
Total	275

REPUBLICAN CONFERENCE TO HOLD OPEN SESSIONS

(Mr. HILLIS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. HILLIS. Mr. Speaker, I take this time to address the House to inform the Members of the action taken by the Republican conference earlier today.

Some 3 or 4 years ago, the Republican conference led the way in adopting certain amendments to our rules of procedure, including the voting on ranking members of committees, that proved to be historic. Some 3 or 4 years later, our colleagues on the other side of the aisle followed our lead and made significant changes which modified greatly the seniority system.

Today, I think, is another historic day because the Republican conference voted to go to open sessions, to make party affairs public affairs. I predict that with this move, the public will once again have a chance to see what is going on in our Government and that the problems of credibility in our Government will be removed.

This resolution is the product of much hard work by a task force studying congressional reform chaired by my good friend and colleague, the gentleman from Minnesota (Mr. FRENZEL). I congratulate all of the members of the task force who worked so hard on this proposition, especially the Chairman, Mr. FRENZEL, which was adopted by the conference after careful consideration.

Again I say that this is a very significant and historic move and I call upon our colleagues on the other side of the aisle to follow suit in bringing the public into their party affairs as well.

THE EVACUATION OF AMERICANS FROM VIETNAM

(Ms. ABZUG asked and was given permission to address the House for 1 minute, and to revise and extend her remarks.)

Ms. ABZUG. Mr. Speaker, this is a very critical day in the lives of Americans and for America. To some of us it was a relief that the President finally ordered the evacuation of all Americans from South Vietnam. At this hour it appears that the helicopter lift has accomplished this.

I regret very deeply, as I am sure everyone does, that two marines have been killed, and that one American plane was shot down. We have all been appalled by the loss of American and Asian lives during this whole unfortunate and illegal war.

I am glad to see that at this time we are not forced to give the President authority which he could use to justify armed intervention here in Vietnam or in other conflict situations. I believe that removing the rule from the floor of the House this morning for the consideration of the conference report was a wise act.

Mr. ALBERT. Mr. Speaker, will the gentlewoman yield?

Ms. ABZUG. I am happy to yield to our Speaker, the gentleman from Oklahoma (Mr. ALBERT).

Mr. ALBERT. Mr. Speaker, I have just returned from the White House, where it was agreed there by the President that we would take this whole matter off for today because the section 4 part, which was the controversial part, may be moot before the day is over. If so, when we consider the bill, the parliamentary situation may permit removal of that part from the final version.

Ms. ABZUG. I thank the Speaker.

I requested that the chairman of the Rules Committee and the chairman of the International Relations Committee not call up the rule of the report today, because I too believe it to be moot. For the same reason I asked a quorum call. I hope that the only part that we would consider in the conference report would be sections which would provide for humanitarian aid for food and medical supplies directly to the people through international organizations, because that great need remains.

So I would hope that whatever action this House takes will deal solely and exclusively with the granting of humanitarian aid through international auspices. That is the only way I believe that the Congress will be fulfilling its responsibility. Any other section of the conference report would yield to the President authority for reintervention at some time, which would be inappropriate.

THE CONFERENCE REPORT ON HUMANITARIAN AID FOR VIETNAM

(Mr. ZABLOCKI asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. ZABLOCKI. Mr. Speaker, I sincerely hope that as expeditiously as possible and as soon as possible we do act on the conference report. I submit that it is necessary because it does contain provision to help pay for evacuation of U.S. nationals including South Vietnamese. The legislation also authorizes money for humanitarian purposes, but what is more important, I submit, Mr. Speaker, is that the conference report contains several reporting provisions which will be of great help to the Congress in getting accurate information on how the evacuation was carried out.

Without those reporting requirements the executive branch may well be less forthcoming with such information.

Of course, the President would want us to strike section 4. That section clarifies the relationship of the evacuation with regard to the war powers resolution and sets a good precedent of congressional action pursuant to that resolution. It is understandable why the President would not want us to insist on retaining that section. In view of the reported loss of two Marines during the evacuation process or in case there were other instances of confrontation endangering the lives of U.S. Forces the President would have to report under section 4(a)(1).

OPEN REPUBLICAN CONFERENCE

(Mr. FRENZEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FRENZEL. Mr. Speaker, this morning the Republican conference voted 59 to 17—77 percent—to open its conference meetings to the public. House Republicans have faith in the people of America to judge their conference actions fairly.

Republicans have acted as a responsible minority to encourage the Democrat majority to open up its meetings. Republicans, who do not determine policy for their Members, have let the sunshine on their meetings. Democrats, who make clandestine agreements by secret vote behind closed doors, are now invited to vote for sunshine, too.

The Democrat Caucus was able to consider immediately a petition for an amendment to the Tax Reduction Act. One can only wonder why a resolution to open the Democrat Caucus, signed by about twice the required number of signators, is still awaiting caucus action after several weeks.

Is King Caucus allergic to sunshine? For the sake of the people's confidence in its Government, I hope not.

PERSONAL EXPLANATION

Mrs. FENWICK. Mr. Speaker, I was away from the House last Wednesday and Thursday on official business as requested by the minority leader. I feel I should make it clear how I would have voted had I been present on those days. On the Vietnam Humanitarian Assistance and Evacuation Act of 1975, I would have voted "aye" on the final passage of the committee bill.

I supported and would have voted "aye" on the Securities Exchange Act amendments, and I would have voted "aye" on the Amtrak Improvement Act.

APPOINTMENT OF CONFEREES ON H.R. 4485, EMERGENCY MIDDLE-INCOME HOUSING ACT

Mr. REUSS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4485) Emergency Middle-Income Housing Act, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin? The Chair hears none, and appoints the following conferees: Messrs. REUSS, BARRETT, ASHLEY, MOORHEAD of Pennsylvania, ST GERMAIN, MITCHELL of Maryland, AuCOIN, BROWN of Michigan, J. WILLIAM STANTON, and ROUSSELOT.

CALL OF THE HOUSE

Mr. GOLDWATER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

Mr. SISK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 163]

Alexander
Andrews, N.C.
Bergland
Biaggi
Breaux
Burke, Calif.
Chisholm
Clay
Conlan
Conyers
Corman
Crane
Danielson
Dellums
Flowers
Ford, Mich.
Frey
Fuqua
Gonzalez
Hansen
Harsha
Hastings
Horton
Karth
Krueger
Landrum
Leggett
McCormack
McDade
Macdonald, Mass.
Matsunaga
Mills
Mitchell, N.Y.
Mollohan
Montgomery
Moss
Murphy, N.Y.
O'Hara
Patten
Pike
Pritchard
Randall
Rees
Rose
Roybal
Russo
Santini
Satterfield
Scheuer
Sebelius
Shriver
Skubitz
Smith, Nebr.
Staggers
Stanton, James V.
Stokes
Stuckey
Sullivan
Thompson
Vander Jagt
Vanik
Waxman
Whitten
Wiggins
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wright
Young, Fla.

The SPEAKER pro tempore. On this rollcall 363 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FURTHER LEGISLATIVE PROGRAM

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, I ask for this time for the purpose of asking whoever would like to respond what the program of the House is going to be this afternoon, since most of us were under the impression that we were having legislation.

I wonder if anyone in the leadership would like to respond as to what the plans are.

The SPEAKER. The Chair would like to state that in view of the developments, which the Chair cannot discuss in detail, neither the conference report nor the bill scheduled for today will be brought up today. There will be no further legislative business.

Mr. BAUMAN. I thank the Speaker.

THE ELK HILLS NAVAL PETROLEUM RESERVE

(Mr. MELCHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MELCHER. Mr. Speaker, it has been a long road until this House could address itself to the question of Elk Hills and to resolving the issues that are involved with opening up the naval petroleum reserve, which has 1½ billion barrels of proven reserves.

That debate, in the House, was scheduled for this afternoon. The Committee on Interior and Insular Affairs had reported a bill to the House floor on March 18. We believe it is a sensible bill to provide the country with more U.S.-owned oil, provide jobs, and fight the recession. It was referred subsequently to the Armed Services Committee for its consideration, and it came back to the floor under the proposition that the House would make the decision on whether or not the Elk Hills Naval Petroleum Reserve would remain under the control of the military with the oil produced to be restricted for the military or whether our bill with greater production of oil permitting it to be used for the public in a manner to help the independent refiners and add $1 billion a year to the Treasury.

The two proposals—ours and the Armed Services' Committee's bill did accord the House an opportunity to decide between the two. But, unfortunately, there is a feeling among some Members of the House and some of the staff of the Committee on Armed Services that the bill as presented from the Committee on the Interior would allow a circumstance to develop where Elk Hills would be producing under the Mineral Leasing Act.

We did not see that in our bill. We had it examined by Interior solicitors. We have been in discussion with the Department of Justice Antitrust Division regarding H.R. 49, and none of us have seen that objectionable possibility in the bill. However, if there is some serious question that the Mineral Leasing Act could be utilized in the case of Elk Hills, should the House decide on our bill, we would want that possibility removed from the bill.

We are intent, on behalf of the Committee on Interior and Insular Affairs, to prepare such amendments so that the House can be reassured that that set of circumstances could not develop. We assure all Members of the House that our bill will definitely put all of the money from Elk Hills oil into the U.S. Treasury.

ELK HILLS NAVAL PETROLEUM RESERVE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Stratton) is recognized for 15 minutes.

Mr. STRATTON. Mr. Speaker, the gentleman from Montana (Mr. Melcher) took the well of the House a moment ago to comment on the reason for removing from the agenda today the bill H.R. 49 dealing with the right to tap and to exploit the naval petroleum reserves.

The point to which he took exception was a statement expressed by myself, as well as other Members of the House, in several "Dear Colleague" letters, to the effect that the basic issue that would have been before the House, had this bill remained on the agenda, would have been the question of whether the naval petroleum reserves were to be pumped dry without any control, without any plan, without any concern for whether there was enough petroleum available to the Armed Services in the event of an emergency, or whether the naval petroleum reserves were instead to be properly developed and produced according to a rational plan that would not only proceed at a pace cautious enough to protect us and our Armed Services in the event of a national emergency, but one that also made available to all of the people of the 50 States the funds from that production for the further exploration and development of the Naval Petroleum Reserve No. 4 in Alaska, which is the only one of these reserves with enough potential oil in it to be of some positive use in easing the civilian fuel crunch.

The Naval Petroleum Reserve No. 4 probably has such an enormous amount of oil in it that a good deal of this oil could be made available down the road for civilian consumption.

Now the particular point that the gentleman from Montana (Mr. Melcher) has taken exception to—and it is hard for me to see how he could take exception to something that appeared so plainly in our hearings—was that under his bill, under H.R. 49, the naval petroleum reserve at Elk Hills could have been exploited and developed under the Mineral Leasing Act, pursuant to section 3–A of their bill. The Mineral Leasing Act provides that 37.5 percent of proceeds from such production would go to the State in which the mineral resource is located, in the case of Elk Hills, of course, the State of California. The Mineral Leasing Act also provides that 52.5 percent of the revenue would go into the reclamation fund. But the reclamation fund, under the Reclamation Act, applies only to 17 Western States. So that of the money that would be received as a result of oil production authorized by the bill of the gentleman from Montana (Mr. Melcher), 90 percent could go to 17 Western States, and then only 10 percent would be available for the General Treasury.

By contrast, the bill which the Committee on Armed Services was preparing to bring to the House floor today as a substitute to the bill of the gentleman from Montana, H.R. 5919, would have provided that all of the money from any production at Elk Hills would go into a special fund, and that fund would be used to exclusively explore and develop Elk Hills and Teapot Dome as well as Petroleum Reserve No. 4 in Alaska, the oil reserve, as I have said, which could well provide substantial sums of oil for the civilian economy.

Mr. MELCHER. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. Not until I have completed my statement, I will say to the gentleman from Montana.

Mr. MELCHER. Mr. Speaker, the gentleman has been very liberal with the use of the argument of the gentleman from Montana.

Mr. STRATTON. I decline to yield to the gentleman.

The gentleman from Montana maintains that somehow these figures that I have just quoted have been pulled out of the hat somewhere. He even suggests in his remarks a moment ago that a staff member of the committee somehow gave these figures in some sinister way to other Members of the House.

I would like to invite the gentleman's attention to the printed hearings of our Investigating Subcommittee, of which I am proud to be a very junior member, under the procedures established recently by our Democratic Caucus. I invite his attention to page 191.

Mr. Lally, the committee counsel, says this:

> Mr. Lally. Mr. Melcher, if the committee did not intend for the leasing of the naval petroleum reserves, why is there provision made for such leasing in section 3–A of the bill?
>
> Mr. Melcher. I think you are referring to the term leasing.
>
> Mr. Lally. Yes, sir. I am.
>
> Mr. Melcher. Does your question then imply that that term contemplates leasing under the Mineral Leasing Act?
>
> Mr. Lally. You said before you thought that any Secretary of the Interior who would lease the petroleum reserves—
>
> Mr. Melcher. Under the Mineral Leasing Act.
>
> Mr. Lally. Well, the testimony we have from Secretary Carlson the other day, was that the only existing authority of the Secretary of the Interior for leasing onshore lands, is the Mineral Leasing Act.
>
> Mr. Melcher. Well, Mr. Lally, this is additional authority. This is additional direction.
>
> I'm sure you are aware that when Congress set up or gave encouragement to the Interior Department on offshore development, that that is not under the Mineral Leasing Act.
>
> Mr. Lally. Congress specifically provided the offshore leasing would be under that legislation. It was specifically legislation for the Outer Continental Shelf leasing.
>
> This act does not provide the Mineral Leasing Act would not apply to any leasing under it.
>
> Mr. Melcher. No; it does not specifically do that.

And then on page 192, Mr. Lally, says:

> Mr. Lally. Mr. Melcher, I'm going to read you a sentence from a statement of a witness who is going to follow you here, a representative of the Antitrust Division. He characterizes H.R. 49 in this fashion:
>
> H.R. 49 would thus appear to provide a broad and ill-defined power to establish what are called national petroleum reserves on almost all public lands throughout the United States.
>
> Do you agree with the assessment of H.R. 49, Mr. Melcher?
>
> Mr. Melcher. I don't know who the witness is.
>
> Mr. Lally. Mr. Clearwaters of the Antitrust Division.
>
> Mr. Melcher. I think that is the very point Mr. Stratton made in the earlier hearings, and I think it is a very valid critique of the bill.
>
> Mr. Lally. Thank you.

Let me also go to the earlier testimony given by Secretary Carlson, which appears on page 57 of the hearings:

> Mr. Lally. What is the existing authority for the Secretary of Interior for the leasing of public lands for oil and gas development?

Secretary CARLSON. We have two basic laws. We have the Mineral Leasing Act of 1920 and we have the Outer Continental Shelf Act of 1953.

Mr. LALLY. Now the Outer Continental Shelf Act is specific legislation dealing only with the Outer Continental Shelf. Is that correct, sir?

Secretary CARLSON. That is correct. That is where it has been used.

Mr. LALLY. And the Mineral Leasing Act is your general legislation dealing with all onshore leasing; is that correct, sir?

Secretary CARLSON. That is correct.

Mr. LALLY. So at the present time any oil and gas leasing in other than the Outer Continental Shelf is under the Mineral Leasing Act of 1920.

Secretary CARLSON. That is correct.

Mr. MELCHER. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. Not at this time.

Mr. Speaker, I think the record makes it perfectly clear that the material to which the gentleman from Montana takes exception, which I included in my letter to my colleagues in New York State, is not something that was dug up as a figment of the imagination; it is the actual and uncontested testimony presented to our committee.

I think, if I may say so, Mr. Speaker, coming from the State of New York, that I have stood on this floor and have sat in this Chamber time after time after time when benefit formulas dealing with mass transportation, education and welfare, were developed on this floor which were detrimental to the State of New York because everybody was claiming that New York was a rich, wealthy State, and therefore they did not need any Federal help. As a New Yorker I have resented this.

Now we have a bill here, the financial proceeds from which will be directed almost exclusively to 17 specific States.

I think it is a legitimate and a proper and a completely honest procedure for a Congressman from New York to point out to his fellow Congressmen from New York that if they want to protect their interests and the interests in the other 32 States, not benefited by the reclamation fund, they would be well advised to support the rational, carefully reasoned, cautiously developed substitute for H.R. 49 offered in H.R. 5919. I am well aware that these facts may have damaged the position of the gentleman from Montana in trying to get his bill through the House today. But I am also sure that this discussion will reinforce the support that our substitute will have on the floor when the appropriate rule is finally called up.

Mr. MITCHELL of New York. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. I yield to my colleague from New York.

Mr. MITCHELL of New York. Since there does seem to be some confusion, I should just like to point out the section of the law, section 191, "Disposition of moneys received." All money received from sales, bonuses, royalties, and rentals of public lands under the provisions of this chapter shall be paid into the Treasury of the United States; 37½ percentum thereof shall be paid by the Secretary of the Treasury as soon as practicable after December 31 and June 30 of each year to the State within the boundaries of which the leased lands or deposits are or were located; said moneys to be used by such State or subdivision thereof for the construction and maintenance of public roads or for the support of public schools or other public educational institutions, as the legislature of the State may direct; and, excepting those from Alaska, 52½ percentum thereof shall be paid into, reserved and appropriated, as a part of the reclamation fund created by the act of Congress known as the Reclamation Act, approved June 17, 1902, and of those from Alaska 52½ percentum thereof shall be paid to the State of Alaska for disposition by the legislature thereof: provided, that all moneys which may accrue to the United States under the provisions of this chapter from lands within the naval petroleum reserves shall be deposited in the Treasury as "miscellaneous receipts," as provided by the act of June 4, 1920.

I would just like to agree with the gentleman from New York and say that when one adds 37½ percent and 52½ percent, the total is 90 percent, leaving only 10 percent for the residents of all those other States.

Mr. STRATTON. I thank the gentleman for his remarks. I want to point out that the gentleman from New York (Mr. MITCHELL) joined with me in signing the "Dear Colleague" letter to the Members of Congress from New York State.

It may be of interest to the gentleman and to other Members of the House that the gentleman from Montana indicated a moment ago that if this legal interpretation was indeed the case, he intended to offer an amendment to his bill that would knock out that provision so that the item that we have been pointing to and which appeared, as I have indicated, in the hearings, and which obviously was so very damaging to the prospects of H.R. 49, would be eliminated. But, I think, Mr. Speaker, that this is just another example of the fact that H.R. 49 was a very hastily drawn and ill conceived piece of legislation. It is not surprising that it should be, because the committee was dealing primarily with the naval petroleum reserves which are properly under the jurisdiction of the Committee on Armed Services, not the Committee on the Interior, and have been ever since the Teapot Dome scandal when some private oil interests tried to pump those reserves dry, and we all know about the resulting scandal.

Our committee has taken that Interior Committee bill and has developed a rational substitute program which has taken all of the relevant factors into account. We did not come up with a fly-by-night piece of legislation that must now be amended in order to make it acceptable on the floor. I am delighted the gentleman from Montana has given me the opportunity to bring this important issue to the attention of the House.

Mr. MELCHER. Mr. Speaker, will the gentleman yield?

Mr. STRATTON. I yield to the gentleman from Montana.

Mr. MELCHER. I thank the gentleman for yielding.

I think the colloquy that has developed on the floor here between the two gentlemen from New York is a clear indication that they do not believe our bill clearly prevents the use of the Mineral Leasing Act at Elk Hills. Whenever there is doubt in the motivation of a bill, it is proper to take that into mind and to correct it. The Interior Committee, the Interior Department and the Justice Department do not believe that the Mineral Leasing Act would be used for Elk Hills if our bill is passed. However, to clear the air and remove any doubts we shall amend the bill to expressly and positively prohibit the use of the Mineral Leasing Act at Elk Hills. We read our bill to mean all the money from sales of Elk Hills oil goes to the U.S. Treasury and we are pleased to reinforce that by an amendment clearly stating so.

Mr. STRATTON. I decline to yield any further to the gentleman. I say to the gentleman this is not a question of doubting the motivation of the bill at all. It is a question of what is actually contained in the wording of his bill.

The SPEAKER pro tempore. The time of the gentleman has expired.

INTRODUCTION OF PRESIDENT'S PROPOSAL FOR EXTENSION OF UNEMPLOYMENT COMPENSATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. STEIGER) is recognized for 5 minutes.

Mr. STEIGER of Wisconsin. Mr. Speaker, today I am introducing a bill along with by colleague, Mr. FRENZEL of Minnesota, which is designed to bring temporary emergency support to American workers who are unemployed through no fault of their own. On April 4, President Ford described, in a speech in San Francisco, the urgent need to provide unemployed workers adequate protection under our social insurance system, pending the period of economic recovery. The President specifically pointed to the need to increase the benefits payable under the two temporary unemployment benefit programs enacted by Congress last December.

One of the programs provides an extension of unemployment compensation for workers who exhaust their regular entitlement and are still unemployed. This is a temporary measure for 1975 and 1976. The second temporary program, due to expire at the end of this year, provides benefits for unemployed individuals with work experience, but who are not covered under the regular unemployment compensation system.

In his April 4 statement, the President also indicated that he would recommend appropriate procedures for reducing or terminating these programs as unemployment levels recede, so that available, limited resources can then be concentrated in those areas of the country where the need is greatest.

Last week, Secretary of Labor John T. Dunlop, described before the Subcommittee on Unemployment Compensation of the Committee on Ways and Means, specific administration proposals implementing the President's recommendations.

The Subcommittee on Unemployment Compensation has scheduled hearings Wednesday and Thursday of this week exclusively for the purpose of considering these proposals, as well as other bills dealing with the two temporary programs.

There is need for prompt action in this area. Under current legislation, the full entitlement of extended benefits that is now available to unemployed workers will be cut back June 30 to 13 weeks. The special unemployment assistance program will be terminated December 31.

The bill I am introducing embodies the recommendations of the President, and the specific proposals described by Secretary Dunlop. It would insure that unemployed workers receive adequate protection while unemployment continues high, and also provide an orderly reduction of the benefits available under the temporary programs as unemployment conditions improve.

Under this bill, the full entitlement of benefits under the two temporary programs would continue to be available on a nationwide basis beyond June 30 and to the end of this year. With respect to the Federal supplemental benefits program, the bill provides that during 1976, these extended benefits will continue to be available in each major population area of the country as long as unemployment levels remain high. As unemployment rates for the Nation and for each area fall below specified limits, the amounts of extended benefits available in the area will be correspondingly reduced.

With respect to the special unemployment assistance program, the bill would increase the maximum amount of benefits now provided, and extend the life of that program through 1976 for those areas of the country where high unemployment persists. The procedures for reducing the availability of Federal supplemental benefits as unemployment conditions improve would apply also to these special unemployment assistance benefits.

The bill would also deny the payment of special unemployment assistance to certain categories of school employees during the periods between school terms or between academic years. This would impose essentially the same limitation on benefits payable to school teachers that now applies, by reason of 1970 amendments to the unemployment compensation system, to instructors in colleges and universities.

A similar limitation applicable to teachers otherwise eligible for special unemployment assistance was included in the supplemental appropriations bill (H.R. 5899) passed by the House earlier this month. That limitation would extend, however, only with respect to the use of funds for the special unemployment assistance program appropriated for this fiscal year.

MAJ. GEN. THOMAS A. LANE: ARMY OFFICER, ENGINEER, STRATEGIST, PUBLICIST, AUTHOR, AND STATESMAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, one of the greatest compensations for service in the Congress is the opportunity to know outstanding leaders of the Armed Forces of the United States. One of these was Maj. Gen. Thomas A. Lane, U.S. Army, retired, who died on April 20, 1975, at Walter Reed Hospital.

After retirement in 1962, General Lane entered upon a second career in writing. As a syndicated columnist, author, and editor he made important contributions, proving himself one of the Nation's leading strategists. Among his recent signal services were his editorials on the interoceanic canal problem about which he spoke with the authority of experience in the Canal Zone. As a member of the Committee for Continued U.S. Control of the Panama Canal, he was a strong advocate for retention of U.S. sovereignty over the Canal Zone and for the major modernization of the canal.

General Lane's latest notable contribution was his perceptive book, "The Breakdown of the Old Politics," published by Arlington House, New Rochelle, N.Y., a few weeks before his death.

As General Lane's life and achievements should be an inspiration to other officers of the Armed Forces and the youth of our land, I quote an obituary that provides additional information about his distinguished career, written by Jean R. Hailey, and which appeared in the Washington Post on April 23, 1975.

THOMAS A. LANE, EX-D.C. COMMISSIONER, DIES

(By Jean R. Hailey)

Retired Army Maj. Gen. Thomas A. Lane, 68, engineer commissioner for the District of Columbia from 1954 to 1957, died of cancer Sunday at Walter Reed Hospital.

After his retirement from military service in 1962, he returned to the Washington area, where he had lived since, devoting most of his time to writing.

Unlike some Army officers, who found assignment to the governing three-man D.C. Board of Commissioners a hardship duty and of little interest, Gen. Lane threw himself into the city's problems with gusto.

He brought with him a military reputation as a "no nonsense" officer who could and would cut through red tape.

He maintained that reputation during his tenure here. He was outspoken and didn't hesitate to step on a few toes. As a result, he was considered one of the most controversial commissioners the District had had in many years.

At the same time, his sincerity and ability were not questioned. He started as a friendly commissioner and never lost that touch.

Even before he took the job of engineer commissioner on Dec. 10, 1954, the then Col. Lane visited the District Building, shaking hands.

"I'm Col. Lane. We'll probably be talking to each other a lot," he said to secretaries, department heads and aides. He kept his word.

The Board of Commissioners consisted of two civilians, appointed by the President, and an officer appointed from the Army Corps of Engineers.

The primary responsibility of the latter was to direct the city's highway planning and public works program.

Col. Lane, who became a brigadier general while serving as a commissioner, found himself in a hotbed of controversy in both these areas.

There was a running feud with the old Capital Transit Co. and a prolonged transit strike in 1955. Pro and con arguments were of long standing on whether to build another bridge across the Potomac River or to tunnel underneath it.

A planned 10-year public works program was having difficulty getting off the ground.

Gen. Lane emphatically favored the bridge. It was built and is now known as the Roosevelt Bridge.

He was a vigorous advocate of the District's right to build highway's and other public works with a minimum of participation by the federal government. This put him at frequent odds with federal planners.

At one point, Gen. Lane stepped out of his particular area to speak out on what he called an unmanageable problem of educational lags in the District schools.

He minced no words when he said that many pupils, primarily those who attended segregated Negro schools before the court-ordered desegregation in 1954, were lagging behind standards for their grades.

Gen. Lane suggested a mass demotion of pupils and brought down the wrath of many community leaders upon his head. While his proposal was not carried through, a program was developed to correct many of the things he had spoken about.

Many of the things he advocated, including the bridge and improved school programs, came to pass.

The transit strike was ended shortly after he became commissioner. Some years later, the city's streetcars were phased out and public transportation was entirely by bus, which he favored.

The Southwest area was redeveloped. A 15-member citizen's review committee was established to push public works.

He considered District representation in Congress and home rule vital to the city's welfare.

When he left office in July, 1957, he called his term as commissioner an "interesting and constructive experience. I am indebted to the citizens of the District of Columbia and the suburbs for their hospitable and courteous consideration of me at all times."

Gen. Lane was born in Revere, Mass., and graduated from West Point in 1928, ranking third in a class of 261.

In 1929, he was assigned to an engineer battalion at Ft. Belvoir and went with the unit to Nicaragua, where it was on canal survey duty until 1931.

Returning to this country, he attended Massachusetts Institute of Technology, receiving a bachelor's degree in civil engineering.

He returned to Ft. Belvoir to attend the engineer school in 1932–33, and then was assigned to the Memphis district of the Corps of Engineers, where he participated in an economic survey of the drought-stricken areas of the Southwest.

After further duty at Ft. Belvoir in 1935, Gen. Lane returned to West Point as an instructor in engineering and military history.

He saw duty in the Panama Canal Zone, and in 1941–42 served with the 30th Engineer Topographic Battalion at Ft. Belvoir. He trained Army aviation engineer battalions on airfield construction then went to the Southwest Pacific with the headquarters engineer staff.

There he supervised contruction operations in the field and was awarded the Distinguished Service Medal.

He entered Japan with the Occupation Forces in 1945, then came back to Washington to serve on a Joint Operations Review Board, convened to write amphibious doctrine for the military services.

From 1946 to 1948, Gen. Lane was chief of the logistics division of the Air Command and Staff School Air University at Maxwell Field, Ala.

He spent the next two years as district

engineer of the Little Rock District, saw two more years as district engineer in Okinawa, working on a new construction program for that island, and came back to Washington to attend the National War College.

Prior to his appointment at District commissioner, he was assistant to the chief of engineers for policy planning in Washington and engineer of Army field forces at Ft. Monroe, Va.

Gen. Lane became commander of Ft. Leonard Wood, Missouri, one of the Army's basic training centers, after his assignment as commissioner here, and was promoted to major general.

His final assignment before retirement from the military on July 1, 1962, was that of president of the Mississippi River Commission. He received an Oak Leaf Cluster to his Distinguished Service Medal.

He became a syndicated columnist on public affairs and served as a military analyst. From 1965 through 1969, he was president of Americans for Constitutional Action.

He was director of the United States Strategic Institute and editor-in-chief of its quartely publication, Strategic Review.

Gen. Lane had written a number of books, including "The Leadership of President Kennedy," "The War for the World," "America on Trial: The War for Vietnam" and "The Breakdown of the Old Politics."

He was a member of the American Society of Civil Engineers and on honorary member of the Washington Society of Engineers.

He is survived by his wife, Jean Lane, of the home, 6157 Kellogg Dr. McLean; a daughter, Julie Rasmussen, of Friendly, Md.; a son, Army Capt. Thomas Lane, of Ft. Rucker, Ala.; two brothers, Jeremiah Lane, of Fairfax, and retired Army Gen. John Lane, of Fall Church; two sisters, Julia Walsh and Mary Lane, of Roslindale, Miss., and four grandchildren.

The family suggests that expressions of sympathy be in the form of contribution to the Catholic Relief Services for Vietnam Refugees.

GEN. ROBERT E. LEE: A MAN OF CONSCIENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. HARRIS) is recognized for 5 minutes.

Mr. HARRIS. Mr. Speaker, today I have introduced a resolution to posthumously grant citizenship to Gen. Robert E. Lee, a Virginian who spent part of his life in my district.

Also, I have urged the Subcommittee on Immigration, Citizenship, and International Law to consider enactment of this resolution and the others before the subcommittee at an early date. I would hope that the Congress could enact this bill by June 13, a day that will mark 110 years after General Lee applied for restoration of his rights.

General Lee was a man of conviction. After the war he said:

> I have fought against the people of the North because I believed they were seeking to wrest from the South dearest rights. But I have never cherished bitter or vindictive feelings, and have never seen a day when I did not pray for them.

Even though his citizenship was never restored—and historians are still puzzled about why—he always acted as a citizen of the United States. In fact, he refused one offer to make his home in England. His answer was:

> I must abide the fortunes and share the fate of my people.

After the war, his primary interest was restoring the economic, cultural and political life of the South. One biographer says:

> He set an example of obedience to civil authority.

I have joined in this effort to restore General Lee's citizenship because I believe the Congress must set the example of respect for the conscience and beliefs of others—no matter how different they may be. Freedom of speech and thought are basic to our Government. It is in this spirit of tolerance and forgiveness that I urge my colleagues to join me.

THE BUDGET RESOLUTION: LET US CLOSE A TAX LOOPHOLE OR TWO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 5 minutes.

Mr. REUSS. Mr. Speaker, on Thursday, May 1, House Concurrent Resolution 218, the budget resolution, will be open for amendment. I intend to offer an amendment raising the aggregate revenue target by $3 billion—to be found by closing tax loopholes.

Tax expenditures—now estimated to total some $100 billion—are every bit as important as direct expenditures in determining national priorities and fiscal stimulus. If we are going to ask the poor, the elderly, the minority groups to sacrifice Federal programs which benefit them, should we not consider asking the wealthy to do without a loophole or two?

The revenue so raised—only a trifle in terms of the overall budget—will stand us in good stead later in the year. It could be used to finance an expanded public jobs or public works program, a national health insurance program, to pay for cost overruns or unexpected increases in uncontrollable outlays, or simply to reduce the deficit, if economic recovery gets under way sooner than expected.

The text of the amendment follows:

AMENDMENT OFFERED BY MR. REUSS TO MR. O'NEILL'S SUBSTITUTE FOR HOUSE CONCURRENT RESOLUTION 218

Paragraph (1), strike "$295,181,000,000" and insert in lieu thereof "$298,181,000,000".

Paragraph (4), strike "$73,032,000,000" and insert in lieu thereof "$70,032,000,000".

Paragraph (5), strike "$622,900,000,000" and insert in lieu thereof "$619,900,000,000", and strike "$91,900,000,000" and insert in lieu thereof "$88,900,000,000".

H.R. 49, U.S. NATIONAL PETROLEUM RESERVES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Montana (Mr. MELCHER) is recognized for 5 minutes.

Mr. MELCHER. Mr. Speaker, I want to assure the House that the colloquy that has just gone on between the two gentlemen from New York is a clear indication of a need to satisfy the Members of the House as to the content of the bill and satisfy them that the purposes of H.R. 49 are not to provide an advantageous position for certain Western States.

We have had H.R. 49 or a similar bill before us in the Interior Committee in the last Congress or this Congress for a year and a half. We have discussed with the Department of Interior solicitors and with the Justice Department Solicitors, particularly the Antitrust Division, this bill and of course we have had it thoroughly reviewed by our own committee counsel.

We cannot find in the bill the doubts and the questions raised by the two gentlemen from New York and by others, but if there is indication of any fear that if H.R. 49 were passed and became law Elk Hills would be open under the Mineral Leasing Act, our committee will certainly want to reassure Members of the House that such a condition could not occur.

For that purpose we will prepare an amendment to explicitly state that the Mineral Leasing Act or any similar procedure does not apply to the proven petroleum reserves such as Elk Hills, and the Members can vote with confidence on H.R. 49 keeping in mind that more of the funds from Elk Hills oil would go anywhere but to the U.S. Treasury. So the set of circumstances as outlined by the two gentlemen from New York simply would not occur if H.R. 49 is passed by the House.

SETTING AGGREGATE BUDGET LEVELS FOR FISCAL YEAR 1976

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. ROUSSELOT) is recognized for 15 minutes.

Mr. ROUSSELOT. Mr. Speaker, the following is the full text of the resolution I am introducing setting aggregate budget levels for fiscal year 1976:

H. CON. RES. 257

Resolved by the House of Representatives (the Senate concurring),

SEC. 1. That the Congress hereby determines, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on July 1, 1975—

(a) the recommended level of Federal revenues is $299,400,000,000;

(b) the appropriate level of total new budget authority is $300,000,000,000;

(c) the appropriate level of total budget outlays is $299,400,000,000;

(d) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $0; and

(e) The appropriate level of the public debt is $542,400,000,000 and the amount by which the temporary statutory limit of such debt should be accordingly increased is $11,400,000,000.

FORMER CIA AGENT GIVES DETAILS OF DOCTORED FIGURES ON STRENGTH OF VIETCONG WHICH MILITARY ESTABLISHMENT FAILED TO RECOGNIZE

(Mr. EVINS of Tennessee asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. EVINS of Tennessee. Mr. Speaker, the current issue of the magazine Harper's includes an article by Mr. Sam Adams, former agent of the Central Intelligence Agency, disclosing a "cover-up" by the CIA and the military of the true strength of the Vietcong.

Mr. Adams writes that there was no question but that the Vietcong forces numbered at least 600,000, but that CIA officials insisted on keeping the figure below 300,000—thus doctoring the figures to the military establishment, which refused to recognize the true enemy strength situation.

Because of the interest of my colleagues and the American people in this important matter, I place the article from Harper's in the RECORD herewith.

The article follows:

VIETNAM COVER-UP: PLAYING WAR WITH NUMBERS

(By Sam Adams)

(Sam Adams is a fourth cousin, seven times removed, of President John Adams.)

In late 1965, well after the United States had committed ground troops to Vietnam, the CIA assigned me to study the Vietcong. Despite the almost 200,000 American troops and the advanced state of warfare in South Vietnam, I was the first intelligence analyst in Washington to be given the full-time job of researching our South Vietnamese enemies. Incredible as it now seems, I remained the only analyst with this assignment until just before the Tet offensive of 1968.

At CIA headquarters in 1965 nobody was studying the enemy systematically, the principal effort being geared to a daily publication called the "Sitrep" (Vietnam Situation Report), which concerned itself with news about the activities of South Vietnamese politicians and the location of Vietcong units. The Sitrep analysts used the latest cables from Saigon, and tended to neglect information that didn't fit their objectives. The Johnson Administration was already wondering how long the Vietcong could stick it out, and since this seemed too complicated a question for the Sitrep to answer, the CIA's research department assigned it to me. I was told to find out the state of enemy morale.

GOOD NEWS AND BAD NEWS

I looked upon the new job as something of a promotion. Although I had graduated from Harvard in 1955, I didn't join the Agency until 1963, and I had been fortunate in my first assignment as an analyst of the Congo rebellion. My daily and weekly reports earned the praise of my superiors, and the Vietcong study was given to me by way of reward, encouraging me in my ambition to make a career within the CIA.

Without guidance and not knowing what else to do, I began to tinker with the VC defector statistics, trying to figure out such things as where the defectors came from, what jobs they had, and why they had wanted to quit. In short order I read through the collection of weekly reports, and so I asked for a ticket to Vietnam to see what other evidence was available over there. In mid-January 1966, I arrived in Saigon to take up a desk in the U.S. Embassy. After a couple of weeks, the CIA station chief (everyone called him "Jorgy") heard I was in the building adding and subtracting the number of defectors. He called me into his office. "Those statistics aren't worth a damn," he said. "No numbers in Vietnam are, and, besides, you'll never learn anything sitting around Saigon." He told me I ought to go to the field and start reading captured documents. I followed Jorgy's advice.

The captured documents suggested a phenomenon that seemed incredible to me. Not only were the VC taking extremely heavy casualties, but large numbers of them were deserting. I got together two sets of captured papers concerning desertion.

The first set consisted of enemy unit rosters, which would say, for example, that in a certain seventy-seven-man outfit, only sixty men were "present for duty." Of the seventeen absent, two were down with malaria, two were at training school, and thirteen had deserted. The other documents were directives from various VC headquarters telling subordinates to do something about the growing deseration rate. "Christ Almighty," they all seemed to say. "These AWOLs are getting out of hand. Far too many of our boys going over the hill."

I soon collected a respectable stack of rosters, some of them from large units, and I began to extrapolate. I set up an equation which went like this: if A, B, and C units (the ones for which I had documents) had so many deserters in such and such a period of time, then the number of deserters per year for the whole VC Army was X. No matter how I arranged the equation, X always turned out to be a very big number. I could never get it below 50,000. Once I even got it up to 100,000.

The significance of this finding in 1966 was immense. At that time our official estimate of the strength of the enemy was 270,000. We were killing, capturing, and wounding VC at a rate of almost 150,000 a year. If to these casualties you added 50,000 to 100,000 deserters—well, it was hard to see how a 270,000-man army could last more than a year or two longer.

I returned in May to tell everyone the good news. No one at CIA headquarters had paid much attention to VC deserters because captured documents were almost entirely neglected. The finding created a big stir. Adm. William F. Raborn, Jr., then director of the CIA, called me in to brief him and his deputies about the Vietcong's AWOL problem. Right after the briefing, I was told that the Agency's chief of research, R. Jack Smith, had called me "the outstanding analyst" in the research directorate.

But there were also skeptics, particularly among the CIA's old Vietnam hands, who had long since learned that good news was often illustory. To be on the safe side, the Agency formed what was called a "Vietcong morale team" and sent it to Saigon to see if news was really true. The team consisted of myself, acting as a "consultant," and four Agency psychiatrists, who presumably understood things like morale.

The psychiatrists had no better idea than I'd had, when I started out, how to plumb the Vietcong mind. One of the psychiatrists said, "We'll never get Ho Chi Minh to lie still on a leather couch, so we better think up something else quick." They decided to ask the CIA men in the provinces that they thought about enemy morale. After a month or so of doing this, the psychiatrists went back to Washington convinced that, by and large, Vietcong spirits were in good shape. I went back with suitcases full of captured documents that supported my thesis about the Vietcong desertion rate.

But I was getting uneasy. I trusted the opinion of the CIA men in the field who had told the psychiatrists of the Vietcong's resilience. The South Vietnamese government was in one of its periodic states of collapse, and somehow it seemed unlikely that the Vietcong would be falling apart at the same time. I began to suspect that something was wrong with my prediction that the VC were headed for imminent trouble. On reexamining the logic that had led me to the prediction, I saw that it was based on three main premises. Premise number one was that the Vietcong were suffering very heavy casualties. Although I'd heard all the stories about exaggerated reporting, I tended not to believe them, because the heavy losses were also reflected in the documents. Premise two was my finding that the enemy army had a high desertion rate. Again, I believed the documents. Premise three was that both the casualties and the deserters came out of an enemy force of 270,000. An old Vietnam hand, George Allen, had already told me that this number was suspect.

In July, I went to my supervisor and told him I thought there might be something radically wrong with our estimate of enemy strength, or, in military jargon, the order of battle. "Maybe the 270,000 number is too low," I said. "Can I take a closer look at it?" He said it was okay with him just so long as I handed in an occasional item for the Sitrep. This seemed fair enough, and so I began to put together a file of captured documents.

The documents in those days were arranged in "bulletins," and by mid-August I had collected more than 600 of them. Each bulletin contained several sheets of paper with summaries in English of the information in the papers taken by American military units. On the afternoon of August 19, 1966, a Friday, Bulletin 689 reached my desk on the CIA's fifth floor. It contained a report put out by the Vietcong headquarters in Binh Dinh province, to the effect that the guerrilla-militia in the province numbered just over 50,000. I looked for our own intelligence figures for Binh Dinh in the order of battle and found the number 4,500.

"My God," I thought, "that's not even a tenth of what the VC say."

In a state of nervous excitement, I began searching through my file of bulletins for other discrepancies. Almost the next document I looked at, the one for Phu Yen province, showed 11,000 guerrilla-militia. In the official order of battle we had listed 1,400, an eighth of the Vietcong estimate. I almost shouted from my desk, "There goes the whole damn order of battle!"

Unable to contain my excitement, I began walking around the office, telling anybody who would listen about the enormity of the oversight and the implications of it for our conduct of the war. That weekend I returned to the office, and on both Saturday and Sunday I searched through the entire collection of 600-odd bulletins and found further proof of a gross underestimate of the strength of the enemy we had been fighting for almost two years.

When I arrived in the office on Monday a colleague of mine brought me a document of a year earlier which he thought might interest me. It was from Vietcong headquarters in South Vietnam, and it showed that in early 1965 the VC had about 200,000 guerrilla-militia in the south, and that they were planning to build up to 300,000 by the end of the year. Once again, I checked the official order of battle. It listed a figure of exactly 103,573 guerrilla-milita—in other words, half as many as the Vietcong said they had in early 1965, and a third as many as they planned to have by 1966.[1]

NO OFFICIAL COMMENT

That afternoon, August 22, I wrote a memorandum suggesting that the overall order of battle estimate of 270,000 might be 200,000 men too low. Supporting it with references to numerous bulletins, I sent it up to the seventh floor, and then waited anxiously for the response. I imagined all kinds of sudden and dramatic telephone calls. "Mr. Adams, come brief the director." "The President's got to be told about this, and you'd better be able to defend those numbers." I wasn't sure what would happen, but I was sure it would be significant, because I knew this was the biggest intelligence find of the war—by far. It was important because the planners running the war in those days used statistics as a basis for everything they did, and the most important figure of all was the size of the enemy army—that order of battle number, 270,000. All our other intelligence estimates were tied to the order of battle: how much rice the VC ate, how much ammunition they shot off, and so forth. If the Vietcong Army suddenly doubled in size, our whole statistical system would collapse. We'd be fighting a war twice as big as the one we thought we were fighting. We already had about 350,000 soldiers in Vietnam, and everyone was talking about "force ratios." Some experts maintained that in a guerrilla war our side had to outnumber the enemy by a ratio of 10 to 1; others said 5 to 1; the most optimistic said 3 to 1. But even if we used the 3 to 1 ratio, the addition of 200,000 men to the enemy order of battle meant that somebody had to find an extra 600,000 troops for our side. This would put President Johnson in a very tight fix—either quit the war or send more soldiers. Once he was informed of the actual enemy strength, it seemed inconceivable that he could continue with the existing force levels. I envisioned the President calling the director on the carpet, asking him why this information hadn't been found out before.

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[1] A document was later captured which showed the Vietcong not only reached but exceeded their quota. Dated April 1966, it put the number of guerrilla-militia at 330,000.

Nothing happened. No phone calls from anybody. On Wednesday I still thought there must have been some terrible mistake; on Thursday I thought the news might have been so important that people were still trying to decide what to do with it. Instead, on Friday, the memorandum dropped back in my in-box. There was no comment on it at all—no request for amplification, no question about my numbers, nothing, just a routine slip attached showing that the entire CIA hierarchy had read it.

I was aghast. Here I had come up with 200,000 additional enemy troops, and the CIA hadn't even bothered to ask me about it, let alone tell anybody else. I got rather angry and wrote a second memorandum, attaching even more references to other documents. Among these was a report from the Vietcong high command showing that the VC controlled not 3 million people (as in our official estimate) but 6 million (their estimate). I thought that this helped to explain the origins of the extra 200,000 guerrilla-militia, and also that it was an extraordinary piece of news in its own right. A memorandum from my office—the office of Current Intelligence—ordinarily would be read, edited, and distributed within a few days to the White House, the Pentagon, and the State Department. It's a routine procedure, but once again I found myself sitting around waiting for a response, getting angrier and angrier. After about a week I went up to the seventh floor to find out what had happened to my memo. I found it in a safe, in a manila folder marked "Indefinite Hold."

I went back down to the fifth floor, and wrote still another memo, referencing even more documents. This time I didn't send it up, as I had the others, through regular channels. Instead, I carried it upstairs with the intention of giving it to somebody who would comment on it. When I reached the office of the Asia-Africa area chief, Waldo Duberstein, he looked at me and said: "It's that Goddamn memo again. Adams, stop being such a prima donna." In the next office, an official said that the order of battle was General Westmoreland's concern, and we had no business intruding. This made me even angrier. "We're all in the same government," I said. "If there's a discrepancy this big, it doesn't matter who points it out. This is no joke. We're in a war with these guys." My remarks were dismissed as rhetorical, bombastic, and irrelevant.

On the ninth of September, eighteen days after I'd written the first memo, the CIA agreed to let a version of it out of the building, but with very strange restrictions. It was to be called a "draft working paper," meaning that it lacked official status; it was issued in only 25 copies, instead of the usual run of over 200; it could go to "working-level types" only—analysts and staff people—but not to anyone in a policy-making position—to no one, for example, on the National Security Council. One copy went to Saigon, care of Westmoreland's Order of Battle Section, carried by an official who worked in the Pentagon for the Defense Intelligence Agency.

By this time I was so angry and exhausted that I decided to take two weeks off to simmer down. This was useless. I spent the whole vacation thinking about the order of battle. When I returned to the Agency, I found that it came out monthly and was divided into four parts, as follows:

Communist regulars, about 110,000 (it varied by month).

Guerrilla-militia, exactly 103,573.

Service troops, exactly 18,553.

Political cadres, exactly 39,175.

That is, 271,301, or about 270,000.

The only category that ever changed was "Communist regulars" (uniformed soldiers in the Vietcong Army). In the last two years, this figure had more than doubled. The numbers for the other three categories had remained precisely the same, even to the last digit. There was only one conclusion: no one had even looked at them! I decided to do so right away, and to find out where the numbers came from and whom they were describing.

I began by collecting more documents on the guerrilla-militia. There were "the soldiers in black pajamas" the press kept talking about; lightly armed in some areas, armed to the teeth in others, they planted most of the VC's mines and booby traps. This was important, I discovered, because in the Da Nang area, for example, mines and booby traps caused about two-thirds of all the casualties suffered by U.S. Marines.

I also found where the number 103,573 came from. The South Vietnamese had thought it up in 1964; American Intelligence had accepted it without question, and hadn't checked it since. "Can you believe it?" I said to a fellow analyst. "Here we are in the middle of a guerrilla war, and we haven't even bothered to count the number of guerrillas."

The service troops were harder to locate. The order of battle made it clear that these VC soldiers were comparable to specialists in the American Army—ordnance sergeants, quartermasters, medics, engineers, and so forth. But despite repeated phone calls to the Pentagon, to U.S. Army headquarters, and to the office of the Joint Chiefs of Staff, I couldn't find anyone who knew where or when we'd hit upon the number 18,553. Again I began collecting VC documents, and within a week or so had come to the astonishing conclusion that our official estimate for service troops was at least two years old and five times too low—it should not have been 18,553, but more like 100,000. In the process I discovered a whole new category of soldiers known as "assault youths" who weren't in the order of battle at all.

I also drew a blank at the Pentagon regarding political cadres, so I started asking CIA analysts who these cadres might be. One analyst said they belonged to something called the "infrastructure," but he wasn't quite sure what it was. Finally, George Allen, who seemed to know more about the VC than anyone else, said the "infrastructure" included Communist party members and armed police and people like that, and that there was a study around which showed how the 39,175 number had been arrived at. I eventually found a copy on a shelf in the CIA archives. Unopened, it had never been looked at before. The study had been published in Saigon in 1965, and one glance showed it was full of holes. Among other things, it left out all the VC cadres serving in the countryside—where most of them were.

By December 1966 I had concluded that the number of Vietcong in South Vietnam, instead of being 270,000, was more like 600,000, or over twice the official estimate.[2] The higher number made many things about the Vietnam war fall into place. It explained, for instance, how the Vietcong Army could have so many deserters and casualties and still remain effective.

NOBODY LISTENS

Mind you, during all this time I didn't keep this information secret—just the opposite. I not only told everyone in the Agency who'd listen, I also wrote a continuous sequence of memorandums, none of which provoked the least response. I'd write a memo, document it with footnotes, and send it up to the seventh floor. A week would pass, and then the paper would return to my in-box: no comment, only the same old buck slip showing that everyone upstairs had read it.

By this time I was so angry and so discouraged with the research directorate that I began looking for another job within the CIA, preferably in a section that had some use for real numbers. I still believed that all this indifference to unwelcome information afflicted only part of the bureaucracy, that it was not something characteristic of the entire Agency. Through George Allen I met George Carver, a man on the staff of Richard Helms, the new CIA director, who had the title "special assistant for Vietnamese affairs." Carver told me that I was "on the right track" with the numbers, and he seemed an independent-minded man who could circumvent the bureaucratic timidities of the research directorate. At the time I had great hopes of Carver because, partly as a result of his efforts, word of my memorandums had reached the White House. Cables were passing back and forth between Saigon and Washington, and it had become fairly common knowledge that something was very wrong with the enemy strength estimates.

In mid-January 1967, Gen. Earle Wheeler, chairman of the Joint Chiefs of Staff, called for an order-of-battle conference to be held in Honolulu. The idea was to assemble all the analysts from the military, the CIA, and the Defense Intelligence Agency in the hope that they might reach a consensus on the numbers. I went to Honolulu as part of the CIA delegation. I didn't trust the military and, frankly, I expected them to pull a fast one and lie about the numbers. What happened instead was that the head of Westmoreland's Order of Battle Section, Col. Gains B. Hawkins, got up right at the beginning of the conference and said, "You know, there's a lot more of these little bastards out there than we thought there were." He and his analysts then raised the estimate of the enemy strength in each category of the order of battle; instead of the

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[2] This was broken down as follows: Communist regulars, about 100,000; guerrilla-militia, about 300,000; service troops, about 100,000; political cadres, about 100,000.

103,573 guerrilla-militia, for example, they'd come up with 198,000. Hawkins's remarks were unofficial, but nevertheless, I figured, "the fight's over. They're reading the same documents that I am, and everybody's beginning to use real numbers."

I couldn't have been more wrong.

After a study trip to Vietnam, I returned to Washington in May 1967, to find a new CIA report to Secretary of Defense Robert McNamara called something like "Whither Vietnam?" Its section on the Vietcong Army listed all the discredited official figures, adding up to 270,000. Dumbfounded, I rushed into George Carver's office and got permission to correct the numbers. Instead of my own total of 600,000, I used 500,000, which was more in line with what Colonel Hawkins had said in Honolulu. Even so, one of the chief deputies of the research directorate, Drexel Godfrey, called me up to say that the directorate couldn't use 500,000 because "it wasn't official." I said: "That's the silliest thing I've ever heard. We're going to use real numbers for a change." Much to my satisfaction and relief, George Carver supported my figures. For the first time in the history of the Vietnam war a CIA paper challenging the previous estimates went directly to McNamara. Once again I said to myself: "The battle's won; virtue triumphs." Once again, I was wrong.

Soon after, I attended the annual meeting of the Board of National Estimates on Vietnam. Held in a windowless room on the CIA's seventh floor, a room furnished with leather chairs, blackboards, maps, and a large conference table, the meeting comprised the whole of the intelligence community, about forty people representing the CIA, the Defense Intelligence Agency, the Army, the Navy, the Air Force, and the State Department. Ordinarily the meeting lasted about a week, its purpose being to come to a community-wide agreement about the progress of the war. This particular consensus required the better part of six months.

The procedure of these estimates requires the CIA to submit the first draft, and then everyone else argues his group's position. If one of the services violently disagrees, it is allowed to take exception in a footnote to the report. The CIA's first draft used the same 500,000 number that had gone to McNamara in May. None of us expected what followed.

George Fowler from DIA, the same man who'd carried my guerrilla memo to Saigon in September 1966, got up and explained he was speaking for the entire military. "Gentlemen, we cannot agree to this estimate as currently written. What we object to are the numbers. We feel we should continue with the official order of battle." I almost fell off my chair. The official OB figure at that time, June 1967, was still 270,000, with all the old components, including 103,573 guerilla-militia.

In disbelief I hurried downstairs to tell my boss, George Carver, of the deception. He was reassuring. "Now, Sam," he said, "don't you worry. It's time to bite the bullet. You go on back up there and do the best you can." For the next two-and-a-half months, armed with stacks of documents, I argued with the military over the numbers. By the end of August, they no longer insisted on the official order of battle figures but would not raise them above 300,000. The CIA numbers remained at about 500,000. The meetings recessed for a few weeks at the end of the month, and I left Washington with my wife, Eleanor, to visit her parents in Alabama. No sooner had we arrived at their house when the phone rang. It was George Carver. "Sam, come back up. We're going to Saigon to thrash out the numbers."

I was a little cynical. "We won't sell out, will we?"

"No, no, we're going to bite the bullet," he said.

ARMY ESTIMATE

We went to Saigon in early September to yet another order-of-battle meeting, this one convened in the austere conference room in Westmoreland's headquarters. Among the officers supporting Westmoreland were Gen. Phillip Davidson, head of intelligence (the military calls it G–2); General Sidle, head of press relations ("What the dickens is he doing at an OB conference?" I thought); Colonel Morris, one of Davidson's aides; Col. Danny Graham, head of the G–2 Estimates Staff; and, of course, Col. Gains B. Hawkins, chief of the G–2 Order of Battle Section. There were also numerous lieutenant colonels, majors, and captains, all equipped with maps, charts, files, and pointers.

The military dominated the first day of the conference. A major gave a lecture on the VC's low morale. I kept my mouth shut on the subject, even though I knew their documents showed a dwindling VC deseration rate. Another officer gave a talk full of complicated statistics which proved the Vietcong were running out of men. It was based on something called the crossover memo which had been put together by Colonel Graham's staff. On the second day we got down to business—the numbers.

It was suspicious from the start. Every time I'd argue one category up, the military would drop another category down by the same amount. Then there was the little piece of paper put on everybody's desk saying that the military would agree to count more of one type of VC if we'd agree to eliminate another type of VC. Finally, there was the argument over a subcategory called the district-level service troops.

I stood up to present the CIA's case. I said that I had estimated that there were about seventy-five service soldiers in each of the VC's districts, explaining that I had averaged the numbers in a sample of twenty-eight documents. I briefly reviewed the evidence and asked whether there were any questions.

"I have a question," said General Davidson. "You mean to tell me that you only have twenty-eight documents?"

"Yes sir," I said. "That's all I could find."

"Well, I've been in the intelligence business for many years, and if you're trying to sell me a number on the basis of that small a sample, you might as well pack up and go home."

A lieutenant colonel then got up to present the military's side of the case. He had counted about twenty service soldiers per district, he said, and then he went on to describe how a district was organized. When he asked for questions, I said, "How many documents are in your sample?"

He looked as if somebody had kicked him in the stomach. Instead of answering the question, he repeated his description of how the VC organized a district.

Then George Carver interrupted him. "Come, come, Colonel," he said. "You're not answering the question. General Davidson has just taken Mr. Adams to task for having only twenty-eight documents in his sample. It's a perfectly legitimate question. How many have you in yours?"

In a very low voice, the lieutenant colonel said, "One." I looked over at General Davidson and Colonel Morris to see whether they'd denounce the lieutenant colonel for having such a small sample. Both of them were looking at the ceiling.

"Colonel," I continued, "may I see your document?" He didn't have it, he said, and, besides, it wasn't a document, it was a POW report.

Well, I asked, could he please try and remember who the twenty service soldiers were? He ticked them off. I kept count. The total was forty.

"Colonel," I said, "you have forty soldiers here, not twenty. How did you get from forty to twenty?"

"We scaled down the evidence," he replied.

"Scaled down the evidence?"

"Yes," he said. "We cut out the hangers-on."

"And how do you determine what a hanger-on is?"

"Civilians, for example."

Now, I knew that civilians sometimes worked alongside VC service troops, but normally the rosters listed them separately. So I waited until the next coffee break to ask Colonel Hawkins how he'd "scale down" the service troops in a document I had. It concerned Long Dat District in the southern half of South Vietnam, and its 111 service troops were broken down by components. We went over each one. Of the twenty in the medical component, Hawkins would count three, of the twelve in the ordnance section, he'd count two, and so forth, until Long Dat's 111 service soldiers were down to just over forty. There was no indication in the document that any of those dropped were civilians.

As we were driving back from the conference that day, an Army officer in the car with us explained what the real trouble was: "You know, our basic problem is that we've been told to keep our numbers under 300,000."

Later, after retiring from the Army, Colonel Hawkins confirmed that this was basically the case. At the start of the conference, he'd been told to stay below a certain number. He could no longer remember what it was, but he recalled that the person who gave it to him was Colonel Morris.

The Saigon conference was in its third day, when we received a cable from Helms that, for all its euphemisms, gave us no choice but to accept the military's numbers. We did so, and the conference concluded that the size of the Vietcong force in South Vietnam was 299,000. We accomplished this by simply marching certain categories of Vietcong out of the order of battle, and by using the military's "scaled-down" numbers.

I left the conference extremely angry. Another member of the CIA contingent, William Hyland (now head of intelligence at the Department of State), tried to explain. "Sam, don't take it so hard. You know what the political climate is. If you think they'd accept the higher numbers, you're living in a dream world." Shortly after the conference ended, another category was frog-marched out of the estimate, which dropped from 299,000 to 248,000.

I returned to Washington, and in October I went once again in front of the Board of National Estimates, by this time reduced to only its CIA members. I told them exactly what had happened at the conference—how the numbers had been scaled down, which types of Vietcong had left the order of battle, and even about the affair of Long Dat District. They were sympathetic.

"Sam, it makes my blood boil to see the military cooking the books," one of the board members said. Another asked, "Sam, have we gone beyond the bounds of reasonable dishonesty?" And I said, "Sir, we went past them last August." Nonetheless, the board sent the estimate forward for the director's signature, with the numbers unchanged. I was told there was no other choice because Helms had committed the CIA to the military's numbers.

"But that's crazy," I said. "The numbers were faked." I made one last try. My memorandum was nine pages long. The first eight pages told how the numbers had got that way. The ninth page accused the military of lying. If we accepted their numbers, I argued, we would not only be dishonest and cowardly, we would be stupid. I handed the memo to George Carver to give to the director, and sent copies to everyone I could think of in the research branch. Although I was the only CIA analyst working on the subject at the time, nobody replied. Two days later

Helms signed the estimate, along with its doctored numbers.

That was that. I went into Carver's office and quit Helms's staff. He looked embarrassed when I told him why I was doing so, but he said there was nothing he could do. I thanked him for all he had done in the earlier part of the year and for his attempt at trying to deal with real rather than imaginary numbers. I thought of leaving the CIA, but I still retained some faith in the Agency, and I knew that I was the only person in the government arguing for higher numbers with accurate evidence. I told Carver that the research directorate had formed a VC branch, in which, I said, I hoped to find somebody who would listen to me.

FACING FACTS

In November General Westmoreland returned to Washington and held a press conference. "The enemy is running out of men," he said. He based this on the fabricated numbers, and on Colonel Graham's crossover memo. In early December, the CIA sent McNamara another "Whither Vietnam?" memo. It had the doctored numbers, but this time I was forbidden to change them. It was the same story with Helms's New Year briefing to Congress. Wrong numbers, no changes allowed. When I heard that Colonel Hawkins, whom I still liked and admired, had been reassigned to Fort Holabird in Baltimore, I went to see him to find out what he really thought about the order of battle. "Those were the worst three months in my life," he said, referring to July, August, and September, and he offered to do anything he could to help. When he had been asked to lower the estimates, he said, he had retained as many of the frontline VC troops as possible. For several hours we went over the order of battle.

We had few disagreements, but I began to see for the first time that the Communist regulars, the only category I'd never looked at, were also seriously understated—perhaps by as many as 50,000 men. No one was interested, because adding 50,000 troops would have forced a reopening of the issue of numbers, which everyone thought was settled. On January 29, 1968, I began the laborious job of transferring my files from Carver's office to the newly formed Vietcong branch.

The next day the VC launched the Tet offensive. Carver's office was chaos. There were so many separate attacks that someone was assigned full time to stick red pins in the map of South Vietnam just to keep track of them. Within a week's time it was clear that the scale of the Tet offensive was the biggest surprise to American intelligence since Pearl Harbor. As I read the cables coming in, I experienced both anger and a sort of grim satisfaction. There was just no way they could have pulled it off with only 248,000 men, and the cables were beginning to show which units had taken part. Many had never been in the order of battle at all; others had been taken out or scaled down. I made a collection of these units, which I showed Carver. Two weeks later, the CIA agreed to re-open the order-of-battle controversy.

Suddenly I was asked to revise and extend the memorandums that I had been attempting to submit for the past eighteen months. People began to congratulate me, to slap me on the back and say what a fine intelligence analyst I was. The Agency's chief of research, R. Jack Smith, who had once called me "the outstanding analyst" in the CIA but who had ignored all my reporting on the Vietcong, came down from the seventh floor to shake my hand. "We're glad to have you back," he said. "You know more about Vietnam than you did about the Congo." All of this disgusted me, and I accepted the compliments without comment. What was the purpose of intelligence, I thought, if not to warn people, to tell them what to expect? As many as 10,000 American soldiers had been killed in the Tet offensive because the generals had played politics with the numbers, and here I was being congratulated by the people who had agreed to the fiction.

In February the Agency accepted my analysis, and in April another order-of-battle conference was convened at CIA headquarters. Westmoreland's delegation, headed by Colonel Graham (now a lieutenant general and head of the Defense Intelligence Agency) continued to argue for the lower numbers. But from that point forward the White House stopped using the military estimate and relied on the CIA estimate of 600,000 Vietcong.

All along I had wondered whether the White House had had anything to do with fixing the estimates. The military wanted to keep them low in order to display the "light at the end of the tunnel," but it had long since occurred to me that maybe the generals were under pressure from the politicians. Carver had told me a number of times that he had mentioned my OB figures to Walt Rostow of the White House. But even now I don't know whether Rostow ordered the falsification, or whether he was merely reluctant to face unpleasant facts. Accepting the higher numbers forced the same old decision: pack up or send a lot more troops.

On the evening of March 31, the question of the White House role became, in a way, irrelevant. President Johnson made his announcement that he wasn't going to run again. Whoever the next President was, I felt, needed to be told about the sorry state of American intelligence so that he could do something about it. The next morning, April 1, I went to the CIA inspector general's office and said: "Gentlemen, I've come here to file a complaint, and it involves both the research department and the director. I want to make sure that the next administration finds out what's gone on down here." On May 28 I filed formal charges and asked that they be sent to "appropriate members of the White House staff" and to the President's Foreign Intelligence Advisory Board. I also requested an investigation by the CIA inspector general. Helms responded by telling the inspector general to start an investigation. This took two months. The director then appointed a high-level review board to go over the inspector general's report. The review board was on its way to taking another two months when I went to the general counsel's office and talked to a Mr. Ueberhorst. I said, "Mr. Ueberhorst, I wrote a report for the White House about three months ago complaining about the CIA management, and I've been getting the runaround ever since. What I want is some legal advice. Would I be breaking any laws if I took my memo and carried it over to the White House myself?" A few days later, on September 20, 1968, the executive director of the CIA, the number-three man in the hierarchy, called me to his office: "Mr. Adams, we think well of you, but Mr. Helms says he doesn't want your memo to leave the building." I took notes of the conversation so my reproduction of it is almost verbatim. "This is not a legal problem but a practical one of your future within the CIA," I was told. "Because if you take that memo to the White House, it will be at your own peril, and even if you get what you want by doing so, your usefulness to the Agency will thereafter be nil." The executive director carried on this conversation for thirty-five minutes.

I copied it all out until he said, "Do you have anyt.hing to say, Mr. Adams?" "Yes sir," I said, "I think I'll take this right on over to the White House, and please tell the director of my intention." I wrote a memorandum of the conversation, and sent it back up to the executive director's office with a covering letter saying, "I hope I'm quoting you correctly; please tell me if I'm not."

A short while later he called me back to his office and said, "I'm afraid there's been a misunderstanding, because the last thing in the world the director wanted to do was threaten. He has decided that this thing can go forward."

I waited until after the Presidential election. Nixon won, and the next day I called the seventh floor to ask if it was now okay to send on my memo to the White House. On November 8, 1968, Mr. Helms summoned me to his office. The first thing he said to me was "Don't take notes." To the best of my recollection, the conversation then proceeded along the following lines. He asked what was bothering me; did I think my supervisors were treating me unfairly, or weren't they promoting me fast enough? No, I said. My problem was that he caved in on the numbers right before Tet. I enlarged on the theme for about ten minutes. He listened without expression, and when I was done he asked what I would have had him do—take on the whole military? I said, that under the circumstances, that was the only thing he could have done; the military's numbers were faked. He then told me that I didn't know what things were like, that we could have told the White House that there were a million more Vietcong out there, and it wouldn't have made the slightest bit of difference in our policy. I said that we weren't the ones to decide about policy; all we should do was to send up the right numbers and let them worry. He asked me who I wanted to see, and I said that I had requested appropriate members of the White House staff and the President's Foreign Intelligence Advisory Board in my memo, but, frankly, I didn't know who the appropriate members were. He asked whether Gen. Maxwell Taylor and Walt Rostow would be all right. I told him that was not only acceptable, it was generous, and he said he would arrange the appointments for me.

With that I was sent around to see the deputy directors. The chief of research, R. Jack Smith, asked me what the matter was, and I told him the same things I had told Helms. The Vietnam war, he said, was an extraordinarily complex affair, and the size of the enemy army was only—his exact words—"a small but significant byway of the problem." His deputy, Edward Procter, now the CIA's chief of research, remarked, "Mr. Adams, the real problem is you. You ought to look into yourself."

PERMISSION DENIED

After making these rounds, I wrote letters to Rostow and Taylor, telling them who I was and asking that they include a member of Nixon's staff in any talks we had about the CIA's shortcomings. I forwarded the letters, through channels, to the director's office, asking his permission to send them on. Permission was denied, and that was the last I ever heard about meeting with Mr. Rostow and General Taylor.

In early December I did manage to see the executive secretary of the President's Foreign Intelligence Advisory Board, J. Patrick Coyne. He told me that a few days earlier Helms had sent over my memo, that some members of PFIAB had read it, and that they were asking me to enlarge on my views and to make any recommendations I thought were in order. Coyne encouraged me to write a full report, and in the following weeks I put together a thirty-five-page paper explaining why I had brought charges. A few days after Nixon's inauguration, in January 1969, I sent the paper to Helm's office with a request for permission to send it to the White House. Permission was denied in a letter from the deputy director, Adm. Rufus Taylor, who informed me that the CIA was a team, and that if I didn't want to accept the team's decision, then I should resign.

There I was—with nobody from Nixon's staff having heard of any of this. It was far from clear whether Nixon intended to retain the President's Foreign Intelligence Advisory Board. J. Patrick Coyne said he didn't know. He also said he didn't intend to press for the release of the thirty-five-page report. I thought I had been had.

For the first time in my career, I decided to leave official channels. This had never occurred to me before, not even when Helms had authorized the doctored numbers in the month before Tet. I had met a man named John Court, a member of the incoming staff of the National Security Council, and through him I hoped for a measure of redress. I gave him my memorandum and explained its import—including Westmoreland's deceptions before Tet—and asked him to pass it around so that at least the new administration might know what had gone on at the CIA and could take any action it thought necessary. Three weeks later Court told me that the memo had gotten around, all right, but the decision had been made not to do anything about it.

So I gave up. If the White House wasn't interested, there didn't seem to be any other place I could go. I felt I'd done as much as I possibly could do, and that was that.

Once again I thought about quitting the Agency. But again I decided not to, even though my career was pretty much in ruins. Not only had the deputy director just suggested that I resign, but I was now working under all kinds of new restrictions. I was no longer permitted to go to Vietnam. After the order-of-battle conference in Saigon in September 1967, Westmoreland's headquarters had informed the CIA station chief that I was persona non grata, and that they didn't want me on any military installations throughout the country. In CIA headquarters I was more or less confined to quarters, since I was no longer asked to attend any meetings at which outsiders were present. I was even told to cut back on the lectures I was giving about the VC to CIA case officers bound for Vietnam.[3]

I suppose what kept me from quitting this time was that I loved the job. The numbers business was going along fairly well, or so I thought, and I was becoming increasingly fascinated with what struck me as another disturbing question. Why was it that the Vietcong always seemed to know what we were up to, while we could never find out about them except through captured documents? At the time of the Tet offensive, for example, the CIA had only a single agent in the enemy's midst, and he was low-level.

At about this time, Robert Klein joined the VC branch. He had just graduated from college, and I thought him one of the brightest and most delightful people I had ever met. We began batting back and forth the question of why the VC always knew what was going to happen next. Having written a study on the Vietcong secret police in 1967, I already knew that the Communists had a fairly large and sophisticated espionage system. But I had no idea *how* large, and, besides, there were several other enemy organizations in addition to the secret police that had infiltrated the Saigon government. Klein and I began to sort them out. The biggest one, we found, was called the Military Proselytizing Directorate, which concentrated on recruiting agents in the South Vietnamese Army and National Police. By May 1969 we felt things were beginning to fall into place, but we still hadn't answered the fundamental question of how many agents the VC had in the South Vietnamese government. I decided to do the obvious thing, which was to start looking in the captured documents for references to spies. Klein and I each got a big stack of documents, and we began going through them, one by one.

Within two weeks we had references to more than 1,000 VC agents. "Jesus Christ!" I said to Klein. "A thousand agents! And before Tet the CIA only had one." Furthermore, it was clear from the documents that the thousand we'd found were only the top of a very big iceberg.

Right away I went off to tell everybody the bad news. I had begun to take a perverse pleasure in my role as the man in opposition at the Agency. The first person I spoke to was the head of the Vietnam branch of the CIA Clandestine Services. I said, "Hey, a guy called Klein and I just turned up references to over 1,000 VC agents, and from the looks of the documents the overall number might run into the tens of thousands." He said, "For God's sake, don't open that Pandora's box. We have enough troubles as it is."

The next place I tried to reach was the Board of National Estimates, which was just convening its annual meeting on the Vietnam draft. Because of the trouble I'd made the year before, and because the meeting included outsiders, I wasn't allowed to attend. By now, Klein and I had come to the very tentative conclusion, based mostly on extrapolations from documents, that the Military Proselytizing Directorate alone had 20,000 agents in the South Vietnamese Army and government. This made it by far the biggest agent network in the history of espionage, and I was curious to know whether this was known in Saigon. I prompted a friend of mine to ask the CIA's Saigon station chief—back in Washington to give another briefing I wasn't allowed to attend—just how many Vietcong agents there were in the South Vietnamese Army. The station chief (a new one; Jorgy had long since moved) was taken aback at the question. He'd never considered it before. He said, "Well, the South Vietnamese Military Security Service has about 300 suspects under consideration. I think that about covers it." If Klein and I were anywhere near right with our estimate of 20,000, that made the station chief's figure too low by at least 6,000 percent.

NEW DISCOVERIES

Deciding that we didn't yet know enough to make an issue of the matter, Klein and I went back to plugging the documents. The more we read, the wilder the story became. With a great deal of help from the CIA counterintelligence staff, we eventually found that Vietcong agents were running the government's National Police in the northern part of the country, that for many years the VC had controlled the counterintelligence branch of the South Vietnamese Military Security Service (which may explain why the station chief's estimate was so low), and that in several areas of Vietnam, the VC were in charge of our own Phoenix Program. Scarcely a day passed without a new discovery.

The most dramatic of them concerned a Vietcong agent posing as a South Vietnamese ordnance sergeant in Da Nang. The document said that the agent had been responsible for setting off explosions at the American air base in April 1969, and destroying 40,000 tons of ammunition worth $100 million. The explosions were so big that they attracted a Congressional investigation, but the military managed to pass them off as having been started accidentally by a grass fire.

The problem with all these reports was not that they were hidden, but that they'd never been gathered and analyzed before in a systematic manner. Although CIA men in the field were aware of VC agents, Washington had failed to study the extent of the Vietcong network.

This is exactly what Klein and I attempted in the fall of 1969. By this time we had concluded that the total number of VC agents in the South Vietnamese Army and government was in the neighborhood of 30,000. While we admitted that the agents were a mixed bag—most of them were low-level personnel hedging their bets—we nonetheless arrived at an extremely bleak overall conclusion. That was that the agents were so numerous, so easy to recruit, and so hard to catch that their existence "called into question the basic loyalty of the South Vietnamese government and armed forces." This, in turn, brought up questions about the ultimate chances for success of our new policy of turning the war over to the Vietnamese.

In late November Klein and I had just about finished the first draft of our study when we were told that under no circumstances was it to leave CIA headquarters, and that, specifically, it shouldn't go to John Court of the White House staff. Meanwhile, however, I had called Court a number of times, telling him that the study existed, and that it suggested that Vietnamization probably wouldn't work. For the next two-and-a-half months, Court called the CIA front office asking for a draft of our memo on agents. Each time he was turned down.

Finally, in mid-February 1970, Court came over to the VC branch, and asked if he could have a copy of the agent memorandum. I told him he couldn't, but that I supposed it was okay if he looked at it at a nearby desk. By closing time Court has disappeared, along with the memo. I phoned him the next morning at the Executive Office Building and asked him if he had it. "Yes, I took it. Is that okay?" he said. It wasn't okay, and shortly after informing my superiors I received a letter of reprimand for releasing the memo to an "outsider." (Court, who worked for the White House, was the "outsider.") All copies of the study within the CIA—several were around being reviewed—were recalled to the Vietcong branch and put in a safe. Klein was removed from working on agents, and told that if he didn't "shape up," he'd be fired.

My memo was ready in early June, and this time I gave a copy to John Court of the White House the day before I turned it in at the Agency. This proved to have been a wise move, because when I turned it in I was told, "Under no circumstances does this go out of the room." It was the best order-of-battle paper I'd ever done. It had about 120 footnotes, referencing about twice that many intelligence reports, and it was as solid as a rock.

A week later, I was taken off the Khmer Communist Army and forbidden to work on numbers anymore. A junior analyst began reworking my memo with instructions to hold the figure below 30,000. The analyst puzzled over this for several months, and at last settled on the same method the military had used in lowering the Vietcong estimate before Tet. He marched two whole categories out of the order of battle and "scaled down" what was left. In November 1971, he wrote up a memo placing the size of the Khmer Communist Army at 15,000 to 30,000 men. The CIA published the memo, and that number became the U.S. government's official estimate.

MORE DISTORTIONS

The present official estimate of the Khmer rebels—65,000—derives from the earlier one. It is just as absurd. Until very recently the Royal Cambodian Army was estimated at over 20,000 men. We are therefore asked to believe that the insurgents, who control four-fifths of Cambodia's land and most of its people, are outnumbered by the ratio of

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[3] In mid-1968 I had discovered that Agency officers sent to Vietnam received a total of only one hour's instruction on the organization and methods of operation of the Vietcong. Disturbed that they should be sent up against so formidable a foe with so little training, I had by the end of the year increased the hours from one to twenty-four. I gave most of the lectures myself.

3 to 1. In fact, if we count *all* the rebel soldiers, including those dropped or omitted from the official estimate, the Khmer Rebel Army is probably larger than the government's—perhaps by a considerable margin.

The trouble with this kind of underestimate is not simply a miscalculation of numbers. It also distorts the meaning of the war. In Cambodia, as in the rest of Southeast Asia, the struggle is for allegiance, and the severest test of loyalty has to do with who can persuade the largest number of peasants to pick up a gun. When American intelligence downgrades the strength of the enemy army, it ignores the Communist success at organizing and recruiting people. This is why the Communists call the struggle a "people's war" and why the government found it difficult to understand.

I spent the rest of 1971 and a large part of 1972 trying to get the CIA to raise the Cambodian estimate. It was useless. The Agency was busy with other matters, and I became increasingly discouraged. The Cambodian affair seemed to me to be a repeat of the Vietnam one; the same people made the same mistakes, in precisely the same ways, and everybody was allowed to conceal his duplicity. In the fall of 1972 I decided to make one last attempt at bringing the shoddiness of American intelligence to the attention of someone, anyone who could do anything about it.

Between October 1972 and January 1973 I approached the U.S. Army inspector general the CIA inspector general, and the Congress—all to no avail. To the Army inspector general I delivered a memorandum setting forth the details of what had happened to the VC estimate before Tet. I mentioned the possibility of General Westmoreland's complicity, which might have implicated him in three violations of the Uniform Code of Military Justice. The memorandum asked for an investigation, but the inspector general explained that I was in the wrong jurisdiction. Of the CIA inspector general I requested an investigation of the Cambodian estimates, but he adopted the device of neglecting to answer his mail, and no inquiry took place. In a last desperate measure—desperate because my friends at the CIA assured me that Congressional watchdog committees were a joke—I even appealed to Congress. To committees in both the House and Senate that watch over the CIA I sent a thirteen-page memorandum with names, dates, numbers, and a sequence of events. A staff assistant to the Senate Armed Services Committee thought it an interesting document, but he doubted that the Intelligence Subcommittee would take it up because it hadn't met in over a year and a half. Lucien Nedzi, the chief superintendent of the CIA in the House, also thought the document "pertinent," but he observed that the forthcoming elections obliged him to concern himself primarily with the question of busing. When I telephoned his office in late November, after the elections had come and gone, his administrative assistant told me, in effect, "Don't call us; we'll call you.

By mid-January 1973 I had reached the end of the road. I happened to read a newspaper account of Daniel Ellsberg's trial in Los Angeles, and I noticed that the government was alleging that Ellsberg had injured the national security by releasing estimates of the enemy force in Vietnam. I looked and damned if they weren't from the same order of battle which the military had doctored back in 1967. Imagine! Hanging a man for leaking faked numbers!

FOOD STAMP PROBLEM

(Mr. RICHMOND asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RICHMOND. Mr. Speaker, we all know the problem of food stamp applicants having to wait in lines day after day just to see a caseworker. And we all know the problems faced by the elderly and mothers with babies in their arms who have to stand for these many hours, only to be told to come back again because they could not be seen that day. And we all know that once they have applied, many applicants wait months before they get their stamps. These people need help now.

That is why I am introducing emergency food stamp legislation today. We cannot wait to streamline the application process for these citizens—they cannot wait months for assistance they need now. This legislation will remove the blockade faced by food stamp applicants.

Some of my colleagues may dispute the need for this legislation now, but a real emergency exists. Several reports and studies indicate that the problem is more widespread than some of us might like to think. I would like to insert into the CONGRESSIONAL RECORD at this point excerpts from several of these studies, particularly the study by the Senate Select Committee on Nutrition, as well as materials prepared by the Children's Foundation, Food Research and Action Center, the GAO, and many other sources. These reports and memoranda deal with the food stamp certification problem. I hope they are of some use to those of my colleagues who are interested in studying the food stamp situation further. I would urge my colleagues to not only study, but to act swiftly on legislation that deals effectively with the emergency that now confronts us:

EXCERPTS FROM A MEMORANDUM TO CONGRESSMAN RICHMOND, BY THE CHILDREN'S FOUNDATION, WASHINGTON, D.C.

In re: Recommendations for Changes in the Food Stamp Programs

In answer to your request of Barbara Bode for suggestions regarding improvement of the food stamp program, I have prepared the following outline. Please call if you have any questions or if you want to discuss any of the recommendations.

OBSERVATIONS AND GENERAL RECOMMENDATIONS

Though the reasons for low participation in the food stamp program are varied and complex, they can be usefully summarized in the following . . . points:

The certification process is extremely complicated and time-consuming, discouraging initial applications and re-applications and causing substantial inconvenience to participants.

Issuance points where stamps can be purchased are severely limited and hours of operation restrictive. Difficulties in purchasing stamps cause some participants to drop out of the program.

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No level of government responsible for the program has shown a willingness to hire the numbers of personnel necessary to certify all eligible households on a timely basis, much less to identify and inform eligible non-participants through a comprehensive outreach program.

* * * * *

A. Recomendations for simplifying certification

1. *Certification by declaration:*

A simple self-certification affidavit or declaration form signed by the head of the household should constitute application for the program. The lengthy interview procedure for non-public assistance households and the requirement for income verification are the greatest causes of delay in getting households onto the program. The source of such conservative banners as coupon over-issuance and participation of ineligibles in the program is almost entirely due to errors in certification and not to fraud on the part of participants. It therefore makes good sense to eliminate the complicated procedures which produce the high error rate and to monitor the program by a system of spot checks similar to that used by the Internal Revenue Service to monitor tax fraud.

3. *Blanket Emergency Certification:*

In any project area where the level of unemployment has reached 30%, all unemployed heads of households should be deemed automatically eligible for one month's participation in the program on an emergency basis. (Emergency certification is now theoretically available to zero income households and does not require verification of income, assets or deductions.) Verification of unemployed status could be provided by employment security offices.

* * * * *

D. Staff rations and outreach requirements

2. *Caseworker—Household Ratio.*

Though possibly an encroachment on state and local jurisdiction, some consideration should be given to establishing minimum staff requirements for food stamp case work, say one case worker for every 750 eligible nonpublic assistance households. Federal matching money, now at 50%, might be contingent upon a minimum staff-household ratio. Enforcement of such a provision is complicated by the fact that in some states, local jurisdictions support almost the full cost of certification and issuance and therefore make manpower allocations. Local jurisdictions with the least resources often have the highest potential case loads. (It is worth noting that states where local jurisdictions carry most of the costs, food stamp programs are poorest. At this point, however, we see no legal way of forcing greater state, as opposed to local, contributions toward administrative costs.)

EXCERPTS FROM: RECOMMENDATIONS FOR AMENDING THE FOOD STAMP ACT, BY THE FOOD AND RESEARCH AND ACTION CENTER, INC., NEW YORK CITY

Listed below are recommendations for amending the Food Stamp Act. These recommendations are proposed in the context of improving both the benefits and the administration of the Program. Each numbered proposal contains the recommendation, the proposed amendments, and an explanation. The second category "proposed amendments", contains the present legislation with the suggested changes underlined. In some instances, a series of recommendations are grouped together solely because they can be effectuated by amending the same subsection in the Act.

* * * * *

(4) a. *Recommendation:* The Food Stamp Act must explicitly require improvements in the present administration of the Program. Specifically, the Act should allow States to delegate coupon issuance to private agencies. The Act should also require that public assistance and Supplemental Security Income households (living in States that have not cashed out food stamps for SSI recipients), as well as households in areas of substantial unemployment and households with income so low as to entitle them to food stamps free of cost, all be provided food stamps immediately, upon their first reasonable attempt to receive such aid, through a simplified self-declaration application. Verification of such households eligibility would be completed within 30 days of the date of their request for aid. All other households should be certified for food stamps, or notified of

denial of these benefits, within 30 days of the date they first attempt to request assistance. Finally, the Act should require that the number of food stamp certification workers be increased, that food stamp applications be simplified in form, that non-public assistance households be certified for stamps for no less a period of time than 4 months, that participating households be notified at least 30 days prior to the expiration of their certification period of the requirement that they be recertified, that the number of food stamp issuing centers be increased and that the hours and days such centers are open to recipients be expanded.

* * * * *

c. *Explanation:* A major problem with the Food Stamp Program is the administrative hurdles and delays a recipient confronts in attempting to get on, and remain on, the Program. Often, poor households will forego needed food assistance rather than attempt these hurdles, and just as often, households attempting to receive assistance as soon as possible will simply be unsuccessful in their attempts. Mr. Richmond's proposed amendments to section 10(b) would help to alleviate much of this administrative morass.

One of the most harmful of the administrative problems that food stamp applicants are faced with is the long delay between the time the applicant requests participation and the time he is certified and actually receives such benefits. Often the recipient is told that he needs an appointment to apply for food stamps, an appointment that is made for several weeks after certification is requested. The applicant is required to wait months after his appointment interview before he is certified, and then several weeks later before he actually receives food stamps. While this kind of a situation is harmful to needy applicants, it is intolerable to the poorest of the poor, i.e., those with income so low that they are entitled to food stamps free of charge. One reason for these long certification delays is the shortage of certification workers, which is then compounded by long application forms and the sometimes tedious verification of income requirements.

The amendment to section 10(b) would help to alleviate much of these problems in the following manner: The amendment would require that each State and local agency have a sufficient number of certification workers so as to insure that applicants will be provided faster service in having their applications processed and their eligibility certified. Sufficient numbers of certification workers will help reduce, and hopefully avoid, the long lines of applicants waiting outside of the food stamp offices. The amendment would also require State Food Stamp offices to simplify their food stamp applications if such applications are too long or cumbersome, and if such applications presently request information that is unnecessary for eligibility determination purposes. The amendment would also require State Food Stamp offices to simplify their food stamp applications if such applications are too long or cumbersome, and if such applications presently request information that is unnecessary for eligibility determination purposes. The amendment would also prohibit State agencies from requesting documentation of income when such documentation is unreasonably difficult to obtain. For example, households could not be denied certification because they are unable to document that they have no income.

The amendment will be particularly helpful in insuring that needy food stamp recipients are not required to go back to the food stamp office daily until they finally get to see a certification worker. Nor will a needy person have to make an appointment to see a food stamp certification worker several weeks beforehand. Rather, under this proposed legislation, an individual must be provided the opportunity to receive and file a food stamp application on the same day that he makes his first reasonable attempt, either by oral or written request, to receive food stamp aid, and must then receive an ATP card, or be notified of a denial of eligibility, within 30 days of the day he made this attempt.

The amendment also requires that public assistance households, SSI households (in states that have not cashed-out food stamps for SSI recipients), households with monthly incomes so low as to entitle them to food stamps at no costs, and households residing in areas of substantial unemployment, shall be certified for food stamps upon their first reasonable attempt to request (either orally or in writing) such benefits, and shall receive an ATP card on that same day. These households will be required to file a self-declaratory affidavit attesting to their status as an SSI household, or a public assistance household, etc., and actual recertification of their eligibility must be completed by the State agency within 30 days of their request for aid. Most important, however, is the fact that those needy households would get their food stamp ATP card immediately rather than having to wait weeks or months for certification and resulting benefits.

The amended section will also help to eliminate the common administrative delays caused during recertification for benefits simply by making the certification period a minimum of 4 months and by requiring 30 day notification to households that they must be recertified if they wish to continue their participation. Under present food stamp regulations, non-public assistance and non-SSI recipient households are normally certified for food stamps for a 3-month period. Many households, however, with less stable incomes, are certified for one month periods. Thus, millions of recipient households must be recertified for their benefits 4 times a year or more. The result is a tremendous administrative burden on the local food stamp offices with consequent injuries to the recipients: often the local office fails to tell the recipient to come in for recertification and simply cuts off the household's benefits at the end of its certification period; sometimes the recipient is notified of the need to be recertified but the notification is provided the day before, or on the every day the recipient is expected to come in to reapply; other times the recipient is provided adequate notice but becomes the victim of hurried administrative miscalculation as to the amount he must pay for his food stamps because the recertification worker is overloaded with recertification applications. Some of this confusion and resultant errors in benefit denials will be avoided by the proposed minimum certification of 4 months.

Finally, this whole body of food stamp SSI legislation expires on June 30, 1975, and will be replaced by earlier legislation that provides an even more complicated scheme for SSI food stamp eligibility wherein SSI recipients would receive food stamps only if their present SSI income is less than the combination of benefits they would presently be entitled to under the defunct Federal Aid to the Aged, Blind and Disabled (AABD) standards of December 1973, plus the food stamp bonus they would presently receive, using the July 1973 food stamp standards. This legislation will create an administrative nightmare and should not become effective.

The proposed amendments would have the effect of keeping all SSI recipients in non-cash-out states eligible for food stamps while allowing SSI recipients in cash-out states to receive a cash-out that is equivalent to the present (January 1975) average food stamp bonus for households of similar size. This cash-out would be updated semi-annually to keep up with increases in food costs. The amendments must be made in the Food Stamp Act as well as in the relevant SSI legislation, hence the deletions of amendments to P.L. 92-603, P.L. 93-86, P.L. 93-233 and P.L. 93-335.

6) a. *Recommendation:* Section 15(b) of the Food Stamp Act should be amended to provide Federal reimbursement of 65% of all administrative costs incurred by the States implementing the Food Stamp Program. This section should also require that Food Stamp offices be staffed with sufficient personnel to fulfill the proposed amendments to section 10(b).

* * * * *

c. *Explanation:* Presently, the Federal government pays 50% of administrative costs of the Food Stamp Program with the States providing the remaining 50%. The continuing expansion of the Program, however, results in increased administrative expenditures. The States have a difficult time meeting administrative costs of the Food Stamp Program and of course, will have additional difficulties as the Program expands. Without additional reimbursement for administrative costs, state agencies may continue to be lax in their outreach efforts since effective outreach efforts means a large caseload which in turn means additional administrative costs. Thus, an increase to 65% in Federal reimbursement for these costs, will insure the alleviation of the State's administrative financial burden, and would result, thereby, in less reluctance by the States to effectively inform potential recipients of the availability of the Food Stamp Program.

Section 15(b) presently provides that the 50% Federal reimbursement for administrative costs will not be paid if the State does not demonstrate that it has hired an adequate number of qualified personnel to administer the Food Stamp Program efficiently and effectively. Under this proposed amendment, it is clear that adequate and sufficient personnel to administer the program efficiently and effectively also means the employment of enough personnel to comply with the requirements of the proposed amendments to section 10(b).

7) a. *Recommendation:* Section 8(b) should be amended to require that retail food stores authorized to accept and redeem food stamps, have food stamp applications available for their customers.

* * * * *

c. *Explanation:* It is important that all needy households be aware of the availability of the Food Stamp Program and be provided ample opportunity to apply for participation in the program. The availability of food stamp applications in retail food stores will help to further these ends.

1975 STUDY OF NUTRITION PROGRAMS BY: JIM ARIDAS, SUNSET PARK FAMILY HEALTH CENTER, BROOKLYN, NEW YORK

RECOMMENDATION FOR EASEMENT OF FOOD STAMP APPLICATION PROGRAM

1. Simple declaration application should be implemented and spot checks (10%) for eligibility should be conducted AFTER recipient is on Food Stamp rolls.

2. An A.T.P. card (temporary) should be given immediately after declaration is signed and temporary certification established. A permanent card (A.T.P.) should be issued within 30 days.

3. Extension of outreach must be implemented to seek out those new unemployed and underemployed persons who recently became eligible. Efforts must be increased to reach the isolated senior citizens.

RECENT STATEMENT BY WOMAN'S NATIONAL DEMOCRATIC CLUB: DOMESTIC FOOD POLICY: POSITIONS FOR IMMEDIATE ACTION

INTRODUCTION

Spiraling inflation, the recession and ever-increasing unemployment are placing a growing number of Americans at grave nutritional risk. Quite simply, more and more people are able to spend less and less on food. Economists agree that food is the most elastic item in a needy family's budget and that as other expenditures increase the amount of money available for food decreases.

Federal food assistance should be a national priority. Under present law, the food stamp program and four child nutrition programs providing for infants, pre-school and school age children (described in Appendix I: catalogue) are authorized to meet the needs of many of the poor and nutritionally vulnerable.

PROBLEMS

All of these programs fail to serve all the people for whom they were intended. Thus, the will of the Congress has not been carried out. For example, less than a half of those eligible to participate in the food stamp program currently are enrolled.

Many of the problems in all the federal food assistance programs stem from inadequate, complicated and recalcitrant administration.

FOOD STAMP PROGRAM PROBLEMS

Some 35 million Americans are currently eligible to participate in the food stamp program and yet only 17 million are presently participating. Too many simply do not know the program is available. Others are discouraged by waiting as long as 5 to 8 weeks merely for an appointment to be certified. Still more find the complicated certification forms combined with long waiting periods and frequent re-certification more than they can bear. And many, particularly those living on fixed incomes, find that inflation has made food stamps a luxury—with other prices rising many people can no longer set aside enough money to pay the monthly purchase price of stamps.

WNDC POSITION FOR IMMEDIATE ACTION

Since the food stamp program not only helps those most in need but also stimulates the economy by increasing spendable income and, thus, employment, the Woman's National Democratic Club suggests that the new amendments under consideration by the Congress extend the food stamp program, improve it, and make it accessible to all those for whom it is intended.

EXCERPT FROM A MEMORANDUM BY RICHARD MORRIS AND GEORGE STRAUSS, CONSULTANTS TO THE NEW YORK STATE ASSEMBLY

FISCAL IMPLICATIONS

Approximately 3.9 million Americans are enrolled in public assistance programs (35% of recipients) and are not receiving food stamp assistance (excluding those SSI recipients who live in states which have elected to cash out their food stamp benefits). The average bonus value of food stamps is currently $20 a month. This creates a potential additional cost of $975 million were all public assistance recipients to participate fully in the food stamp program. New York City, which uses the application procedure incorporated in this proposed legislation, currently sustains an 89% rate of enrollment in the food stamp program and a 90% participation rate among those eligible. Were a similar rate sustained over the United States as a whole, the cost of this amendment would approximate $425 million in additional food stamp benefits.

There are estimated, by the Institute for Research on Poverty of the University of Wisconsin, to be 18 million Americans eligible for food stamps and not receiving them. Accordingly, the 15 cent per capita requirement outlined in the second part of this amendment, would cost $2.7 million, about $1,300,000 in federal cost and the remainder in state government expenditures.

EXCERPTS FROM OBSERVATIONS ON THE FOOD STAMP PROGRAM, REPORT BY THE GENERAL ACCOUNTING OFFICE

Various studies made in recent years indicate that the 17 million people currently estimated to be participating in the program may constitute less than half of all potentially eligible people. Despite some limitations in the data on which they are based, the study estimates raise a serious question as to whether all segments of the target population are aware of their potential eligibility for food stamp benefits.

TARGET POPULATION

Several studies made by various groups in recent years indicate that from 27 million to 39 million people may be eligible for food stamps.

The staff of the Senate Select Committee on Nutrition and Human Needs estimated that 26.7 million people lived in poverty during 1972.

The staff of the Subcommittee on Fiscal Policy of the Joint Economic Committee estimated that 37 million people were eligible for food stamps in March 1974.

Two economists involved in social research work estimated that from 34 million to 39 million people were eligible for food stamps in March 1974.

The data on which these studies were based has some inherent limitations because of such things as the lack of verification of income and other data, the use of certain assumptions to compensate for data being incomplete or not being compatible with food stamp program eligibility requirements, and the lack of information regarding such things as availability of cooking facilities. However, the studies do provide useful estimates of total needs and indicate the existence of a large gap between the total estimated number of potentially eligible people and the estimated 17 million program participants as of December 1974.

Although the [USDA Food and Nutrition] Service has not always agreed with some of the specific study results and estimates because of the lack of complete data, it has nonetheless indicated essential agreement with the general extent to which potentially eligible people may not be participating in the program. During hearings on appropriations for 1975, the Administrator of the Service acknowledged that little more than about half of the people eligibue for food stamps were participating in the program in 1973.

The Service is aware of the need for more data on the people eligible for food stamps and the characteristics of eligible people not participating to improve program planning. It is considering a plan to develop a data base for the food stamp program in the form of a simulation model, similar to one HEW uses for some of its programs. Specifically, the Service hopes to program the model to provide management with useful data on such things as the number of potentially eligible people, program caseload projections based on various assumptions, and program costs.

At this time, it would be difficult to assess the potential use that could be made of such a system in managing the program at State and local levels and even at the national level. The Service has not finalized the data dimensions expected from such a model. Also, HEW's experience suggests that the resulting data in certain instances will need to be compared with actual program data to validate it.

DATA IS AVAILABLE ON SOME SEGMENTS OF THE TARGET POPULATION

Although overall data on the size and general composition of the total program target population is desirable, it may not be possible or practicable to obtain precise information of this nature. However, there is much useful information generated by other Federal agencies and the States on the number of people in certain major segments of the program target population that could be used by the Service and by the States and counties operating the program to evaluate and improve program coverage and effectiveness.

Most of this information is available from HEW which publishes monthly statistical data showing the number of people receiving social security retirement benefits, supplemental security income, aid for families with dependent children, State general welfare, and medical assistance.

The largest single group in the food stamp program is made up of public assistance households—those receiving aid for families with dependent children or State general welfare benefits. Under Federal food stamp regulations, these households are eligible for food stamps without regard to income and assets. The States compile and submit to HEW monthly data on the number of families and people receiving assistance under each of the two public assistance programs. The States also maintain this data on a county-by-county basis. Although HEW caseload figures are not precisely equivalent to food stamp caseload figures, enough data is available to give the Service a good measure of the number of people in this segment of the program's target population.

For example, available data showed that about 11.2 million people were on public assistance as of June 30, 1974. By State, the numbers ranged from 7,640 in Wyoming to 1,343,320 in California. Our analysis of the data showed that, overall, 65 percent of the people receiving public assistance were participating in the food stamp program. The percentage of participation varied significantly among the States as shown below.

Participation (note a.):	*Number of States (note b.)*
Below 30 percent	4
31 to 50	10
51 to 70	17
71 to 90	19
91 and over	0
Total	50

a. The results are somewhat understated because some non-public-assistance households in the food stamp program include individuals receiving public assistance.

b. Includes the District of Columbia but not the State of New Hampshire which was not in the program at the time.

A further analysis of program coverage for this segment of the target population could be made at the county level. In Michigan where overall program coverage for the public assistance segment was 67 percent, the situation at the county level follows.

Participation:	*Number of counties*
Below 30 percent	0
31 to 50	6
51 to 70	59
71 to 90	17
91 and over	0
Total	82

In addition to information being available through HEW, the Civil Service Commission has information on retired Federal employees, the Department of Defense on retired military personnel, the Department of Labor on unemployed, the Veterans Administration on veterans' benefits, and the Railroad Retirement Board on railroad pensioners. Not all people in all of these groups would be eligible for food stamps; however, the groups appear likely to have many potentially eligible people because the monthly benefits of many of them could be quite low. Statistical data on the levels of monthly benefits being received by the individuals may also be available from these sources to provide a better measure of the number of people in each group who may be eligible.

EXCERPT FROM HOW THE FOOD STAMP PROGRAM WORKS, A PUBLICATION OF THE LIBRARY OF CONGRESS CONGRESSIONAL REFERENCE SERVICE, BY KATHRYN MICHELMAN AND JOE RICHARDSON

5. *What is the Procedure for Getting Food Stamps?*

A household that wishes to receive food stamps must apply through its local welfare office. That office, following general welfare program procedures and Food Stamp Program rules, certifies the household as eligible, arranges for the issuance of food stamps, and handles any grievances (through the regular "fair hearings" process used in Federally supported welfare programs such as "AFDC"). The local agency making the eligibility certification is required to act on a household's application within 30 days. However, actual issuance of food stamps to the household might take place somewhat after this 30-day period. Regulations also require that the period for which a household is certified eligible coincide, as closely as possible, with a calendar month. Thus, if a household applies in the middle of a month, it would, most likely, be certified for the following month.

If the entire applicant household is in receipt of some form of cash public assistance (for example, an "AFDC" household), it is certified eligible (automatically) through the execution of an affidavit. This allows the local welfare agency to use the information gathered for determination of eligibility for welfare (plus some additional information gathered from the affidavit) in making an eligibility certification for food stamps.

NOTE.—Applications must be processed within 30 days from the time the agency *accepts* the application. In other words, applications do not have to be acted on within 30 days from the time the applicant *first appears* at the welfare office to make an application.

If the household is "mixed" (a public assistance recipient and a nonpublic assistance applicant) or if none of the household members receive welfare, an application form is filled out and the information on it is verified according to the normal procedures followed in the other welfare programs handled by the local agency. Net income and resources (along with other data from the application form) are then checked against the eligibility standards for the Food Stamp Program and the household is either certified eligible or ineligible.*

The length of time for which a household is certified eligible depends on the stability of its income and the probability of changes in the status of the household. Federal guidelines aid the State agencies in determining the length of the certification period. The certification period can range from a half month to 12 months. Public assistance households are usually certified for a period to coincide with their public assistance eligibility review date. Non-public assistance households are normally certified for three months. However, an elderly couple whose sole income is Social Security checks might be certified for 12 months, a household headed by a temporarily unemployed worker would probably be certified eligible for less than 3 months, and a striker would generally be certified for no longer than a month. [Households are required to be recertified at the end of their period of certification if they are to continue participating.]

After a finding of eligibility (either automatically in the case of welfare recipients or through a comparison with Food Stamp Program eligibility standards for those who do not receive welfare), all households have their *net* monthly income calculated in order to determine how much they must pay to "purchase" their food stamp allotment. In the case of non-public assistance households, the *net* monthly income calculated for eligibility purposes is used. In the case of public-assistance households, it is necessary to calculate this separately from the eligibility determination process—since they were certified eligible "automatically" because they receive welfare.

The household is then issued an authorization-to-purchase ("ATP") card showing its allotment and the required "purchase" price. This ATP card is then taken to the prescribed issuance outlet (either a part of the welfare office itself or a bank or credit union with which the welfare office has contracted for issuing food stamps). The household shows its ATP card, pays its "purchase" price, and is issued the proper allotment of food stamps—in booklets containing various denominations.

If a household is found ineligible, feels that the net income which is attributed to it is in error, or has other grievances, it may have a "fair hearing" and, in some cases, may receive food stamps during that process or retroactively.

[Copy of "New for Consumers," Highlights of new federal consumer publications distributed by: Consumer Information Center General Services Administration]

YOU AND FOOD STAMPS

We all know how important it is to buy nutritious food for our families. But, we're also very aware of just how much it costs to put a good meal on the table. The Food Stamp Program is one way to help you stretch your food dollar.

The U.S. Department of Agriculture has a pamphlet which tells what the Food Stamp Program is and how you can qualify. It's bilingual—in Spanish and English—and it's free. For a copy of *You and Food Stamps* write to Consumer Information, Department 17, Pueblo, Colorado 81009.

The publication includes the following details:

If your income is low and you are unable to buy all the food your family needs for a good diet, you should see about joining the Food Stamp Program.

To apply for Food Stamps, take along this information to the local welfare office: rent receipts, house payment book, and utility bills; proof of all income of all those in your household; bank books or other papers that show any savings, and proof of medical bills (doctor, hospital).

If you qualify for food stamps, you will be issued an identification card. You use it when you buy your Food Stamps.

Here's how the program works: You buy the Food Stamps each month at the Food Stamp Issuance Office. Then the Food Stamp Issuance Office will add "extra" stamps. The "extra" or "free" stamps you get will depend on the size of your family and your household income. When you get your Food Stamps, you can use them like cash to buy the foods you need at any store that can take them. Generally, stores involved in the Food Stamp program will have a large sign in their window or in the store saying they participate.

You and Food Stamps is made available from the Consumer Information Center of the General Services Administration. Also available is the *Consumer Information Index*, a listing of almost 250 selected Federal consumer publications. A free copy may be obtained from Consumer Information, Dept. 17, Pueblo, Colorado 81009, or at Federal Information Centers located throughout the country.

[From the Houston (Tex.) Post, Sept. 27, 1974]

SUIT CHARGES POOR LEFT UNAWARE OF FOOD STAMP ELIGIBILITY

AUSTIN.—The Texas Department of Public Welfare and the U.S. Department of Agriculture are not doing enough to make poor people in Texas aware of their eligibility for food stamps, a suit in federal court in Dallas charges.

The suit has been filed by the West Dallas Welfare Rights Organization and the East Dallas Tenants Alliance with the aid of Dallas Legal Services and the Food Research and Action Center (FRAC) in New York City. Similar suits have been filed against 16 other states and the USDA with Jay N. Lipner, staff attorney for FRAC, as co-counsel for the plaintiff legal service groups in all.

Lipner said Thursday similar suits will be filed against at least four or five other states.

Texas Department of Public Welfare officials had still not seen the petition in the Texas suit Thursday, although it was filed Monday.

Lipner claimed about 2.5 million—maybe 3 million—Texans are eligible for food stamps, but only about 1,098,000 were receiving them last May.

Nationally, he said, a congressional study estimated that 37 million to 50 million Americans are eligible to receive food stamps, while only about 13.5 million were participating in the program.

The suits charge that the states have failed to comply with the requirement of a 1971 amendment to the Federal Food Stamp Act that they take effective action through an "Outreach" program to inform low-income families of the food stamp program and insure that they participate. The USDA has failed to prod the states to do so as required by the law, Lipner said.

The suits demand that they be made to comply with the Congressional mandate.

Lipner said the federal government reimburses the states for 62.5 per cent of the cost of the "Outreach" programs, but the Texas Welfare Department did not claim "a penny" of reimbursement for "Outreach" during the 1973 federal fiscal year and claimed federal reimbursement for only $1,993 through the third quarter of the 1974 fiscal year, which ended March 31.

Jerome Chapman, the welfare department's deputy commissioner for administrative management, said, however, that department records show it claimed federal reimbursement on "Outreach" expenditures of $17,516 in calendar 1973 and on $30,423 in 1974 through August.

Chapman said those expenditures did not reflect the department's full "Outreach" efforts, however, because regional officers in its social services program also do "Outreach" work and federal reimbursement for their efforts are not allocated to the food stamp program.

Chapman said the department has a coordinator of volunteers in each of its 17 regions to promote awareness of the food stamp

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*In determining income eligibility for food stamps, *"anticipated"* monthly *net* income is used, not the previous month's income. However, the previous month's income and expenses can be used in calculating *net* income—as a guide for verification. In addition, some households are allowed or required to average their annual income in computing a monthly *net* income. For example, farmers and certain farmworkers may average their annual income. Persons who, like teachers, work regularly for more than 8 months, but less than 12 months each year must average their income.

program and has publized it with radio and television announcements and leaflets.

He said 1,035,457 Texans, from about 325,000 families, received about $35.5 million of the food stamps in July, paying about $11.7 million for them and receiving free or "bonus" stamps worth about $23.8 million.

The welfare department has estimated there are about 607,500 "poverty" families in Texas, so only about half of those eligible may be participating in the food stamp program, he said. But many who are eligible may not be participating because they do not consider the amount of free stamps they could receive, based on their family size and income, "worth the trouble," he said.

The food stamp program was started in Texas in December, 1972, and was not in operation in all 254 counties till November 1973.

The number of participants has not "leveled off" yet, he said. Several months ago the department estimated the number would level off at a little less than 400,000 families by September, 1975. But poor economic difficulties and growing unemployment may create more interest and participation, he said.

All families receiving aid to families with dependent children (AFDC) assistance and recipients of the federal supplemental security income program in eligible households are automatically eligible for food stamps. Other low-income families meeting federal eligible standards are also eligible.

There are complex formulas for the amounts of assistance available to those who are eligible, depending on family size and income.

For example, a family of four with no income is eligible for $150 worth of stamps free each month, while a family of four with monthly income from $450 to $480 must pay $126 for $150 worth of stamps. A family of eight with income up to $750 monthly is eligibile for $256 worth of stamps monthly, but must pay $215 for them.

Lipner said, however, that various deductions for shelter and other budget items considered in figuring a family's income for eligibility purposes make far more people eligible for assistance than generally supposed.

[From the Washington Star, Mar. 10, 1975]

FOOD STAMP FAILURES

Surely there should be agreement on one point as the hardship of unemployment spreads across America: Food is fundamental. It is the one basic requirement which should generate no quibbling as to the government's responsibility to assure an adequate amount for every family that lacks the capacity to buy it. But the food stamp program, despite a sharp increase of outlay in the past year, is shot through with deficiencies and laden with complexities which no doubt are causing many people to go hungry.

These are outlined shockingly in last week's report by the Senate Committee on Nutrition and Human Needs, but many people in the area around Washington have learned about them first-hand in recent months. When a jobless family has to wait several weeks to get food stamps, that a crisis no one should have to endure. The certification system has been unduly complicated by tortuous forms to be filled out, and manifold documentations to be gathered and presented. And this works hardest against the poorest and least educated members of society, who sometimes simply give up in the maze-like process and go without stamps. Better-educated applicants—especially those with some experience in bureaucratic paperwork—may get more stamps than they need in some cases, we suspect, while less adroit folk remain baffled and undernourished.

Some also give up because of unbearably long waits at state social services centers, and the need for return visits to provide more and more personal information in order to qualify. With unemployment swelling, the lines grow ever longer. One sometimes must wait many hours. But this is largely because the certification procedure is terribly overcomplicated—so time-consuming for each case. State welfare agencies can't afford enough manpower expansion to properly handle the growing crowds of stamp applicants. If the certifying process were greatly simplified, present administrative forces could cope with the load much faster. And fewer deserving people would be excluded because of inability to fill out forms very well or to find transportation—repeatedly—to welfare offices.

Congress, one way or another, should force this simplification upon the Agriculture Department, whose secretary, Earl Butz, never has been hospitable to this program as a part of his domain. In fact, the administration's intent to cut participation in the program has been glaringly obvious, most recently in its attempt to make recipients pay more for stamps. Congress, to its great credit, rebuffed this misdirected money-saving scheme in a hury. Along with simplifying the whole business, several steps by Congress are needed. It ought to increase federal aid to the states for employment of more food stamp certifiers at local levels, and provide for more stamp outlets and a much stronger effort to reach eligible citizens who still haven't qualified for food assistance.

These run into many millions; by the Senate panel's account, only 38 percent of those eligible are receiving stamps. By an Agriculture Department estimate, many others have received overpayment in stamps. Both of these situations need to be corrected with forceful action, but most importantly, the shameful negligence of real need must be stopped. This country may not be able to afford everything it needs these days but it certainly can finance—as a matter of highest priority—the prevention of hunger among its unemployed and indigent citizens. The public should demand that Congress and the administration see to this, promptly.

[From the New York Times, Mar. 5, 1975]

FOOD STAMPS DRAW MIAMI BEACH OUTCRY

(By B. Drummond Ayres, Jr.)

MIAMI BEACH, March 4.—In a striking demonstration of the puzzling nature of the current recession, the poor gathered here today in a steamy community center to bemoan the inadequacies of food stamps while record numbers of the rich frolicked in the cool azure pools at Gold Coast resorts.

"My tongue is hanging out for a dollar for some food," cried Mrs. Goldie Fisher, a frail, 78-year-old woman who was one of several dozen persons to testify in the community center during a special hearing of the Select Senate Committee on Nutrition and Human Needs.

Just down the street, the well-to-do stood in grocery stores, picking through the colorful bins of fresh Florida fruit.

Farther on, the pastel facades of $100,000 condominiums and $100-a-day beach hotels soared from the golden sand toward the warm tropical sun.

A GOOD SEASON

Miami Beach is having one of the best tourist seasons in its 50-year history. No one is quite sure why.

Mrs. Fisher is having one of the worst years of her long life, along with 18 million other Americans who must depend on food stamps for subsistence. Today, she and some of her friends tried to explain why to Senator George McGovern, the South Dakota Democrat who is chairman of the special congressional committee.

They said the $4-billion food stamp program, administered by the Department of Agriculture, is bogged down in red tape, that it is inadequate in these times of high inflation and, worst of all, that it is demeaning.

PROCEDURE CRITICIZED

Earl L. Butz, the Secretary of Agriculture, was the target of a number of emotional outbursts that brought cheers from the several hundred persons who came to the hearing, one of a series being held by the Senate committee.

Hy Sachs was one who denounced Dr. Butz. Then, discussing the detailed eight-page form that food stamp applicants must fill out, Mr. Sachs added:

"I'm not asking for charity, only justice. I was made to feel like . . . like . . . well, I won't use the word because ladies are present. I was made to feel like dirt.

"I've worked. I've paid my taxes. I've fought for my country. It's ridiculous."

After a visit at dawn today to a food stamp distribution center in Miami, Senator McGovern also called the registration procedure "ridiculous."

Applicant after applicant—some had been in line since shortly after midnight—told him that the form was too complicated, that too many receipts for such items as rents and medical bills were required, and that too many clerks seemed to regard applicants as second-class citizens.

"I waited in line three hours," said Al Langston, "and then when I got ready to buy some stamps they told me they wouldn't take a check, something they'd never warned me about."

BASED ON INCOME

Mr. Langston, an unemployed warehouseman, pays $58 in cash each month for stamps that will purchase $122 worth of food. Stamp allotments are based on family income, whether from work or welfare sources.

Senator McGovern said that Secretary Butz was "violating" the food stamp law by not clearing up the confusion.

"What we need is a form on which a person simply declares a need for stamps, a form that can be picked up at any post office or bank," the Senator said. He added:

"If Mr. Butz is so worried about fraud, let him spot-check the way the tax people do. They have very short forms for low-income people and they have very little fraud, I might note."

Max Serchuk, the president of a senior citizens group, told Mr. McGovern that many persons in the Miami area were going to soup kitchens in search of food.

"I've seen some hot-meal recipients taking leftover food out of the trash can as they turned in their plates," he said.

Naomi Benson, a social worker specializing in nutritional needs, said:

"People will come in [to nongovernment facilities] for hot meals because they are treated with dignity. But they say they won't stand in line for food stamps."

Joseph Cander, a blind recipient of food stamps, said he had been forced by hunger to apply for aid despite his pride.

"Its humiliating," he asserted. "I didn't want to go through that. Oh, the humiliation. I have to come down every four weeks and be recertified. Why?" He added:

"I'd like to see that Mr. Butz investigated. Why did he send all of that grain to Russia and here we are with all these people over here with malnutrition?"

[From the Manchester Guardian Weekly, Feb. 15, 1975]

STAMP OF SUDDEN POVERTY

(By Simon Winchester in Duluth)

The St. Louis County Welfare Department, a three-story buff brick structure that dominates the skyline of this old town from one of the steep hills on the Lake Superior shore, was filled with shivering, shabby men and women seconds after it opened for business at 8 am.

The early arrivals had come, hopefully, to receive Government food stamps which are sold on a sliding cost scale, but always below redeemable value, according to income, to poor people who qualify by means test. The stamps can be exchanged at stores but only for food.

"It's like this at the beginning of every month," explained Mrs. Murial Zeleznikar, one of the five desk clerks at the Food Stamps Office. "And it's getting much worse now. Month by month more and more people are coming to get their stamps. They used to think it was pretty shameful to take food stamps—but people seem to be burying their pride these days. And this," she gestured around, "is what we get."

What Mrs. Zeleznikar had got this morning was a steamy room crammed with the new, and the not so new poor citizens of this far northern Minnesota city. Single old women on pensions and social security payments, young students unable to afford to eat, workers down from the Iron Range who can't find a job, dock workers who have been laid off because the ice has finally choked the lakes and damage down at the Soo Locks has tied up shipping for weeks to come.

Mainly though, the room teemed with children. Not the boisterous, noisy all-American children of the sort you see in the prosperous white suburbs like Grosse Pointe, Chevy Chase, and Shaker Heights, but sullen, pasty-faced children with scrawny necks who have neither enough to do, nor to eat.

Since the St. Lawrence seaway opened this city has been the most westerly port on the Atlantic Ocean—a ship from Liverpool was the first to dock here in 1959—and 1,000 ft. long cargo ships from Cherbourg to Chittagong call here daily during the summer, taking goods from the very tip of the American cornucopia to people all over the world.

But of late this great old port has ground into a savage decline. The ore in the vast Iron Range country to the north is now depleted, and the cost of smelting, combined with polultion problems, forced U.S. Steel to close its giant plant here two years ago.

The volume of shipping is going steadily down: freighters are calling at nearer Great Lakes ports like Cleveland and Milwaukee, and the wheat shipments from the prairies are increasingly being taken down the Mississippi by barge and hoisted on to cargo vessels at New Orleans or taken to the railhead at Galveston.

Then the wealthy old families that owned most of this town 20 years ago seemed to lose faith, and now they are taking their money to the banks.

And so inevitably unemployment, poverty, and hunger have arrived at this front of American largesse.

There is precious little evidence that the chunky Swedes and Finns and Germans who settled here a century ago are in the throes of some chronic unwillingness to work. The unemployment lines—about 3,000 were out of work today, from a work force of about 40,000—are growing steadily, but there is a brave reluctance to accept the prospect of the shortage being permanent, and the lines of those signing on for welfare are growing at a much slower rate.

Jim Mattheson, a 44-year-old former mill worker, typifies the Nordic stoicism of this part of the world. Since he was laid off in the wake of the steel plant closure, he has taken a job at a parking garage, checking businessmen's cars in and out for 10 hours a day. For his work he gets about $450 (£180) a month, and with a wife and two young children to support, finds it almost impossible to survive.

The Mattheson's case presents the classic picture of recession meeting inflation head on: the recession has forced him to take less money, inflation means his money can buy less. The consequence, but for the food stamp programme, is that he and his children would go hungry to bed every night.

Sarah, his 35-year-old wife, dowdy and extremely tired, her snow boots leaking from a crack in the sole, was at Mrs. Zeleznikar's desk just after dawn. "This lady is typical of the kind of poverty we are starting to find here," Mrs. Zeleznikar said.

"Look at these figures. Her husband brings back $450. The taxes he pays whittles it down to $380. Gas and electricity cost over $90 in January—the family lives in a trailer—so that brings it down to $290 (propane gas, by the way, went up from $70 to $90 just before Christmas). They have to pay $200 a month mortgage on their trailer, and $30 to rent a place to park it. That leaves them $60 a month for food and clothing. I've no need to tell you that it's not enough to keep them even in bread and water."

Elaborate calculations are made by the food stamp authorities, which end up by allowing Mrs. Mattheson to buy $154 worth of stamps—the federally-calculated amount needed to buy adequate food for four for a month—for only $34 in cash.

In Washington last week the Senate debated whether to raise the price of food stamps "to relieve the burden on the Federal budget" as the White House said the week before. The House of Representatives threw out the proposal by a massive majority, telling President Ford bluntly that no democratic Congress was going to make the country's poor people bear the heat of his "battle against inflation."

The Senate went along with the House. If it had accepted the Ford Bill, Mrs. Mattheson would have to pay $54 a month for her stamps—leaving her only $60 a month for all the papertowels and clothes and shoe repairs she so obviously needs.

[From the Los Angeles Times, Mar. 3, 1975]

Agriculture Department Denying Food Stamps to 20 Million Needy, Senate Study Says

Washington.—More than 20 million needy Americans are being denied food stamp aid by the restrictive policies of an insensitive and inefficient Department of Agriculture, according to a Senate staff study released Sunday.

The 71-page report by the Select Committee on Nutrition and Human Needs calculated that by last September at least 20 million persons eligible for food stamps were not receiving them. Only 38% of those eligible were getting food stamps assistance, it said.

The report said the number eligible for stamps had risen by 50%, from more than 26 million in 1972 to 38.6 million last year. Food stamps reached 52% of those eligible in 1972.

In addition, as many as 85,000 applicants waited more than 30 days to be certified for food stamp eligibility in February, the report said.

The committee's staff concluded:

"The failure of the food stamp program to meet the goals mandated by Congress can be traced directly to the restrictive policies and practices of the U.S. Department of Agriculture, policies that have plagued the poor for years and are now preventing the food stamp program from meeting the needs of the newly unemployed."

An Agriculture Department survey released Saturday indicated that nearly a quarter of those receiving food stamps might not be eligible or their eligibility had been calculated improperly.

The Senate report indicated that the department was more concerned about food stamp fraud by a minority than about making certain that persons who were eligible got their stamps.

The Senate report recommended that the eligibility certification process be dropped in favor of the applicant's signing a sworn statement of eligibility, that the Postal Service sell the stamps and that 20% more free stamps be provided to persons who medically require a special diet.

When told of the staff report, Undersecretary of Agriculture Phil Campbell said, "It's a little unbecoming for Congress to say we are not administering the program properly when we are doing it within the law as laid down by Congress.

"We are staying within the law. You've got to have guidelines somewhere or everybody will be on food stamps, almost."

The Agriculture Department report on fraudulent use involved a limited sampling of households, and officials said they could not determine from the results how much such overpayments might total nationally.

The analysis involved 25,585 households in 46 states. During the six-month period the households received nearly $1.8 million in bonus food stamps, which go to needy persons after they have bought a specified number of stamps. The food stamp program costs about $5 billion a year.

The 17.9 million persons in the program in December bought $252.1 million in stamps and received bonus coupons worth an added $392.9 million, a bonus of about $22 a person.

In its analysis the Agriculture Department said 7.7% of the bonus stamps had gone to ineligible households because of errors in computing incomes, resources and other required information.

The study added that an additional 7% had gone to technically ineligible homes because registration requirements had not been completed and 8% had gone to households that were eligible but which either paid too little or had been given too many stamps.

[From the Washington Post, Nov. 22, 1974]

Group Says Many Fail To Ask for Food Stamps

(By Judy Luce Mann)

About 140,000 people in the Washington area are entitled to federal funds to help them buy food but for a variety of reasons, they are not taking advantage of the food stamp program, according to the non-profit Community Nutrition Institute.

This estimate is based on reports filed by area governments and the District with the Department of Agriculture and on 1970 census income data. It was made available yesterday to about 100 people who attended a workshop in the District on ways of publicizing the food stamp program.

Officials at the Department of Agriculture verified the accuracy of the institute's data on the number of people using food stamps but said they had not made any study themselves on how many people in the local jurisdictions are now eligible for help. One official said he believes the estimate of 140,000 eligible is accurate.

Local officials and community workers were told at the workshop that the number of people eligible for help is increasing because eligibility levels are directly tied to the cost of food, which is increasing.

In July 1973, for example, a family of four was still eligible for food stamps if it had a monthly income of $387, after deductions of such things as taxes, social security, child or elderly care costs, and certain shelter costs.

The eligibility level rose to $473 last Jan. 1 and then went to $500 a month in July and will go to $513 a month on Jan. 1 for a family of four.

Food stamp participants use a certain portion of their income to buy coupons worth more than their purchase price, which are then used to buy food. A family of four with a net monthly income of $290 to $309.99 could spend up to $83 of that income and get $150 worth of stamps.

Participants also are receiving stamps that are worth more now than a year ago, according to federal standards cited by Robert Greenstein of the institute. He said that $83 bought $116 worth of stamps a year ago and that it will buy $154 worth of stamps as of Jan. 1.

Eligibility standards and benefits are adjusted to cost of living variations every six months.

The workshop was told the eligible people are not buying food stamps because they don't know they are eligibile, they are too proud to accept public help, or they are discouraged by a myriad of procedural barriers set up by localities, such as long lines and too few outlets.

The participants were concerned about telling the elderly of the program. "Food stamps should go to everybody (who has a low income), not just people on welfare," said Catherine Jensen of the human resources department's community relations division. "We have a lot of trouble getting old people to accept food stamps because they identify (the stamps) with welfare."

According to the Community Nutrition Institute, which counts only persons living at a standard that is 125 per cent below the poverty line, there are 155,742 people in the Washington area receiving food stamps and 297,321 who are eligible.

Frank Sample, Virginia state food stamp field director for Northern Virginia, said the number of applicants has been "exploding" since August, because of the economy, but his statistics included only data drawn from early summer. According to this data and the 1970 income census data, there are 2,335 recipients in Arlington and 13,606 eligible; 4,663 recipients in Alexandria and 12,645 eligible; 3,946 recipients in Fairfax and 25,534 eligible.

There are 8,967 recipients in Montgomery County and 29,239 eligible; 26,322 recipients in Prince Georges County and 53,537 eligible; and 109,509 recipients in the District and 162,761 eligible. The District, with 67.3 per cent of those eligible receiving stamps, has the highest percentage of any local jurisdiction.

[From the Montgomery (Ala.) Advertiser, Apr. 13, 1975]

Malnutrition, Food Stamp Lines: Signs of Recession

(By Jonathan Wolman)

Hard times have brought hunger and malnutrition to millions of Americans.

Government nutrition experts estimate that at least 30 million persons—15 percent of the U.S. population—are eating less than they should or are not getting the right kind of food. They say the problem is getting worse because government food programs aren't keeping pace with inflation and recession.

Interviews with nutritionists and government food officials, as well as a nationwide Associated Press survey, show that in extreme cases the recession has forced some Americans to beg, borrow or steal the food they need to get by.

These food scavengers represent a desperate minority, to be sure. Nevertheless, not getting enough food is an everyday occurrence for many old people living on fixed incomes and for urban and rural poor, the interviews and survey showed. Higher food prices mean grocery budgets are exhausted before the end of the month, forcing cutbacks at millions of dinner tables.

And, perhaps more ominous, a growing number of middle-income families are flirting with malnutrition because of job cutbacks. For most it is the first time that obtaining an adequate diet has been a problem.

Retired New York City plumber Vincent Church, bowlegged and thin as a reed at 71, is one of those having trouble getting enough food. He says he can't afford to buy groceries every week on his Social Security allowance.

"You learn, he says. "You just learn not to want to eat."

In Detroit, a middle-aged man reaches deep into a garbage bin behind a Howard Johnson's restaurant. Clutching several slices of stale bread and what appears to be scraps of lettuce, he shrugs and says, "A man's gotta eat," and walks to his car, a 1974 Chevrolet.

Nine per cent of Americans now receive food stamps, compared with 6.3 per cent in early 1974. That's a jump of 41 per cent. One Ford administration official says wryly: "It is the nation's largest growth industry."

The government will spend $9 billion this year to help feed people, but because assistance is entangled in red tape and because President Ford proposes to cut most food aid budgets, critics say the administration is trying to sabotage its own food programs.

The Department of Agriculture (USDA) estimates that 43 million persons are eligible for food stamps. In 1969, the special Senate Committee on Nutrition and Human Needs said there were 38 million people eligible. Today, 24 million of those eligible are not getting stamps, and government nutritionists say the majority almost certainly are malnourished.

Of the 19 million persons who do receive stamps, an estimated 11 million never earn enough to go off the stamp rolls. The program provides an average of $10 per week, not enough to sustain a satisfactory diet, nutritionists agree.

A woman receiving food stamps in Richmond, Va., says: "I don't guess I'll starve, but with the little food my money buys now, I know I'm not getting what I need to eat."

According to a study spanning 1971–74, "Biochemical indicators of iron, protein and vitamin A reveal that 10 per cent of the population were below recommended standards," says Dr. Jean-Pierre Habicht of the U.S. Government's National Center for Health Statistics. Habicht says this means most of them are malnourished.

Based on the study, he guesses that "with the current economic strains, 15 per cent of of the population (32 million persons)" may be deficient in some area of their diet. Other nutrition experts within the Department of Health, Education, and Welfare, who did not want their names used, estimated as many as 40 million people are malnourished and could face health dangers.

The AP survey shows that many Americans are sacrificing protein to save money, and nutritionists say they fear the economic decline is reversing the six-year government war on malnutrition.

The problem is centered in industrial areas hit hard by layoffs, in "gray ghettos" where old people live, and in traditional poverty pockets in the South and the Northeast.

The victims are among the 23 million chronic poor—11 per cent of all Americans who never seem to make a living wage; senior citizens living on a fixed income; and the recently unemployed or working people unable to out-earn inflation.

Inflation—28.9 per cent in 1973 and 1974—has driven the federal poverty level up, covering now a family of four with an annual income of $5,040 (it was $3,743 in 1969) and a person living alone on an income of $2,360 (up from $1,757).

Dr. Michael Lane at the U.S. Center for Disease Control (CDC) in Atlanta says: "That means more people are hungry—but we don't know how many more, and we don't know how hungry."

Dr. Habicht takes a long look at the biochemical data, and muses: "Unfortunately, the specific health consequences of these deficiencies are not clearly understood."

Malnutrition—a weakened condition brought about by eating the wrong foods or not eating enough—may leave millions of Americans in a poor position to ward off illness, especially anemia and cardiac disease, the experts say. A good diet helps assure proper mental and physical development in the very young and fortifies resistance to illness in the elderly.

Hunger, the craving for food, is harder to get a grip on. Lane says the U.S. Public Health Service doesn't know how many Americans are always hungry.

Since stamps are designed to buy only a short-term, emergency diet, the 11 million persons who qualify permanently "will pay the price in good health," says Bill Clexton, director of health in Detroit.

HEW Secretary Casper Weinberger says: "Good food is probably a lot better than going to the doctor. When you have nutritional problems, I think it affects your health more quickly than anything else."

Despite what nutritionists say is a sharply increased need for food assistance, President Ford has proposed cutting back on child-nutrition programs and holding the line on meals for the elderly.

"How in the world can he expect to save money on assistance programs now?" asks one county welfare director in Michigan who did not wish to be named. "Doesn't he know what's going on out here?"

Well before dawn on a chilly Monday morning in south Florida long lines stretch outward from a food stamp center in Miami.

Some 500 persons have waited for hours, shifting uncomfortably from foot to foot beneath staunch palm trees, when a rugged looking man holding a young child bellows into the darkness:

"We're hungry, goddammit."

It is the new American breadline, these first-of-the-month marathons at food stamp distribution centers. They appear from coast-to-coast—in Seattle, Appalachia, Detroit, rural Maine—anywhere unemployment is a problem.

Perry Powers, the 42-year-old laborer who spoke up in Miami, has been working "one job or another every day since I was 17," most recently wielding a jackhammer in nearby Fort Lauderdale.

"Never missed a day in my life," Powers says—until he was laid off when the construction boom fizzled. "Now I don't know when I'll work again. My kids are hungry, and for the first time I'm scared."

Until last fall, 65 per cent of all food stamp recipients were from public assistance rolls. USDA says most recipients now are people from the workforce, the "new poor."

Because food stamp discounts are based on income, not health, many current recipients would not be malnourished even without the discounts. For others receiving stamps the food program provides just enough buying power to keep up a good diet.

But a complex income formula, which limits the amount of savings or assets a person may acquire and still be eligible, disqualifies many people no matter how little income they have after recession hits.

Alice Bean, who heads a welfare advocacy group in Portland, Maine, says that "old people who saved money just so they'll have a decent funeral" are ineligible for food stamps because more than a little money in the banks disqualifies most.

Many laid-off workers would have to give up mortgage payments to qualify for food assistance and most prefer to sacrifice their diets than their homes hoping things will get better, says Gerry Cassidy, counsel to the Senate nutrition committee.

[From the New York Times, Mar. 3, 1975]

SENATORS CHARGE 20 MILLION NEEDY LACK FOOD STAMPS

(By Nancy Hicks)

WASHINGTON, March 2.—Before dawn tomorrow, America's new breadlines will begin forming as the newly unemployed and the chronically poor begin the monthly ordeal of applying for or buying food stamps.

And as long as the lines are, a 71-page report issued today by the Senate Select Committee on Nutrition and Human Needs estimates that only 38 per cent of those eligible for food stamps are getting them, leaving off the rolls some 20 million eligible persons.

The lines will include people such as Victoria Toy, 22 years old, the wife of a Miami policeman, who has been caught in an economic bind of rising food costs, high medical expenses for her two children and a newly imposed ban on overtime on her husband's job, which has reduced the family income.

And there will be people such as Jeff Emert, 25, of Phoenix, Ariz., who lost his $150-a-week job as a construction worker and now lives on the $50 a week he earns as a part-time tennis instructor.

But there will not be people such as Gloria Long, a 30-year-old working mother with a son and a diabetic mother who will never receive food stamps because, after hours of waiting for an interview, she failed to have all the necessary documentation and vowed never to return.

"I have too much respect to go through this hassle again," she said as she left the Department of Welfare office on South Broad Street in Trenton.

All over the country, scenes such as this have been occurring in what may be one of the nation's fastest-growing and most controversial social programs.

"They wait in line, and they wait too long," said Michael J. Jacobs, supervisor of the district welfare office in Chicago, who said that he had found as many as 60 people waiting to apply when he unlocked the doors at 8:30 A.M.

ENROLLMENT RISES RAPIDLY

The demand for food stamps has pushed national enrollment in the program up to 17.9 million, as of Jan. 31. Two million joined the rolls in December and January alone, as unemployment grew to 8.2 per cent of the labor force.

Most food stamp recipients are drawn from the ranks of the chronically poor. A study by the Congressional Joint Economic Committee showed that as of November, 1973, the average recipient had a monthly income of $364, 80 per cent of that drawn from Federal and state programs for the poor. More than 70 per cent of the heads of participating families were not in the work force.

The program cost $4-billion last year.

Three reports released this weekend charged that the program was badly administered, was distributing more stamps than it should in some instances and was not reaching the people who needed them most.

"The food stamp program is suffering from grave administrative inadequacies which I fear may invite its political critics to attempt to discredit it," said Senator George McGovern, Democrat of South Dakota, who is chairman of the Senate select committee.

He offered 15 recommendations, one of which would include certification by the applicant's declaration of eligibility rather than by the complicated certifying procedure now used. This approach has resulted in some 65,000 applicants' waiting more than 30 days to receive benefits, he said. Any fraud would be detected in random audits, similar to those conducted by the Internal Revenue Service on income tax returns.

Yesterday, the Department of Agriculture, which administers the program, reported it had found in a broad sample of recipients that 23.2 per cent were receiving more assistance than they were legally entitled to. The General Accounting Office, investigative arm of Congress, issued a report critical of the structure and the administration of the program.

"HIPPIES IN COMMUNES"

The current food stamp program, in effect since 1964, allows a family of four to receive $154 a month in food stamps, which the Department of Agriculture estimates it costs to purchase food for a nutritious diet. The amount that the family pays for those coupons depends on its net income, computed from gross income with certain deductions for large medical expenses and other costs. The family of four with a net income of $130 a month or less receives its food stamps free. Others pay on a sliding scale. All payments average 22 per cent of families' net monthly income.

The department and President Ford had sought to raise the purchase price to 30 per cent but Congress voted overwhelmingly to prevent that.

The Congressional fight that held down the purchase price of the stamps, though, was rife with suggestions by legislators that the program was filled with "cheats."

Senator Milton A. Young, Republican of North Dakota, complained about "hippies in communes who do not want to work" being in the program.

Senator Herman E. Talmadge, Democrat of Georgia, recounted a story in which a man drove a Cadillac up to a store and bought $189 worth of steak with food stamps.

Senator Carl T. Curtis, Republican of Nebraska, told of a constituent whose landlord was receiving food stamps.

The complaints are reminiscent of those about welfare programs in the nineteen-sixties when the welfare rights movement began looking at the full range of benefits to which recipients were entitled and demanding that they be given. This activity resulted in a backlash against "welfare cheats" and a tightening of regulations.

With the food stamp program, however, most of the criticism has been directed at the Agriculture Department for withholding legislated benefits and failing to seek out eligible participants. In some cases, the local certifying agencies have come under attack for harassing applicants by such actions as refusing to allow them to use bathroom facilities.

JUDGE ORDERS FUNDS SPENT

Last fall, a Federal judge ordered the department to review all state recruitment programs and to require the submission of new plans where deficiencies were found to exist.

The judge, Miles W. Lord of Minneapolis, also ordered the department to spend $278-million that had been appropriated but not spent in the fiscal year 1973 for the food stamp program.

Others, such as the Senate committee, would like to see certification streamlined in other ways. Currently, recipients must appear periodically at local offices and reapply. Some localities allow participants to purchase their stamps in post offices and banks, facilities that are easily accessible.

In cities such as Miami where stamps are purchased at social service offices, an estimated 2,000 people a day show up during the first few days of the month to buy their stamps, according to Paul E. Aubert, the regional food stamp administrator for Dade County.

For this reason, the Senate committee would like recipients to be able to purchase food stamps in post offices.

Robert Greenstein of the Washington-based Community Nutrition Institute wants local food stamp workers to make it clearer to recipients that they do not have to buy all their stamps at one time.

Because this point is not emphasized, Mr. Greenstein said, many people who do not have the money needed to purchase their monthly allotment of stamps do not apply for them at all.

[From the Madison (Wis.) Times, Apr. 4, 1975]

LUCEY TRYING TO INCREASE STATE'S PARTICIPATION IN FOOD STAMP PLAN

Gov. Patrick J. Lucey said today he is looking into ways to increase the participation of eligible people in the food stamp program.

Lucey's remarks came after he gave the keynote address at a conference on nutrition being held today and Saturday at the Wisconsin Center.

Two presentations to the conference called attention to Wisconsin's low participation date in the federal program.

"I don't know how much we can do legislatively beyond mandating that the program be available," Lucey told reporters after his speech. "People just aren't informed of their eligibility."

He noted that the current budget requires all of Wisconsin's counties to provide food stamps.

One possibility to increase awareness of eligibility, Lucey said, was to use federal Manpower dollars to hire outreach workers.

Lucey drew applause from the 200 nutritionists, health planners, and consumer advocates at the conference when he made reference in his speech to the difficulties poor people have in obtaining food stamps in other nutritional programs.

"Too often these programs fail to reach those whose need is greatest because of their lack of knowledge of the existence of the program, because of bureaucratic inefficiencies, or because politically inspired barriers to access," Lucey told the conference.

In a speech scheduled for delivery this afternoon, Pat Raymond, coordinator of the People's Rights Organization, called on the governor to declare April 14–20 "Food Stamp Outreach Week" to increase the number of eligible people receiving food stamps.

Raymond cited statistics which show that less than 28 per cent of those eligible for food stamps in the state are actually receiving them. "Only seven states in the country have a worse record," she claimed.

A report by University of Wisconsin poverty researcher Maurice MacDonald put the state's participation rate even lower. Only 24.4 per cent of those eligible are participating, he said, ranking Wisconsin 45th in the nation.

The national participation average is 44 per cent, he said.

In Dane County, about 16 per cent of those eligible for food stamps are receiving them, according to MacDonald, putting it among the lowest 15 counties in the state. Madison had the lowest participation rate—also about 16 per cent—of any metropolitan area in the state.

According to MacDonald, one of the reasons for Wisconsin's low food stamp participation rate is the state's high Aid to Families of Dependent Children (AFDC) payments, which could mean some AFDC recipients do not qualify for significant amounts of food stamps and thus do not apply.

But both MacDonald and Raymond placed part of the blame on the state's failure to push food stamps through an effective outreach program.

"Wisconsin has made no effort to reach our hungry people with news of this program in spite of the fact that Wisconsin is required by federal law to have an outreach program 'to inform low-income households concerning the availability and benefits of the food stamps program and insure the participation of such households,' " Raymond charged.

She maintained, "This failure to inform people about and insure participation in the food stamp program has led to an estimated 355,000 men, women and children being deprived of an adequate diet."

Raymond noted that 50 per cent of the cost of administering the food stamp program—which is done on a county level—is funded by the federal government. The food stamps themselves are a U.S. Department of Agriculture program.

If another 50,000 Wisconsinites were enrolled in the program, she said, "Wisconsin's economy would get an additional $10 million in federal funds, as a result of the food stamp bonus, thus increasing the purchasing power of our low income people.

[From the Pittsburgh (Pa.) New Courier, Apr. 19, 1975]

TO BE EQUAL—FOOD STAMP LOGJAM

(By Vernon E. Jordan, Jr.)

The food stamp program seems to be going the way of the welfare program—a rational attempt to help people in need deteriorates into an irrational attempt to make getting that help difficult.

Just as in the welfare system, people trying to exercise their rights to legally-mandated aid find themselves faced by suspicion, extend help find themselves instead, trying neglect and bureaucratic hurdles to overcome. The people who are supposed to be extending help find themselves instead, trying to limit people from getting that help.

The basic reason for the problems the food stamp program has been having lies not with the large increase in recipients, but in the attitude of administrators that something must be wrong with anyone who applies for them, and that applicants are probably not eligible anyway, and are trying to "rip off" the government.

It is just incredible how this nation can shovel hundreds of millions of dollars into openly corrupt dictatorships in southeast Asia, where local generals and officials literally steal us blind, but when our own jobless seek food stamps worth a few dollars a month, they're viewed with suspicion and distaste.

This is an attitude typical of popular ideas about human service programs. All those inflated stories about "welfare chiselers" have finally caught up with many workers who spent their time complaining about the "cheats on welfare" and now, having lost their jobs in the Depression, find themselves in the same position of seeking aid.

The concept of blaming the victim has to be changed. People are poor and need aid not because of personal failings, but because the economic system doesn't work for everyone in good times, and in times like these it doesn't work at all for many people. It has been estimated that over a four-year period, over 80 million people are poor at one time or another.

So let's get rid of that sickness of outlook that assumes they're all trying to cheat the government. Big operators take millions at a shot, but when an overpayment of a few dollars on a welfare check is discovered, the papers start screaming "theft."

A recent federal report indicates that some people getting food stamps are ineligible for them. Much is made of this, but what does it mean? Merely that someone applied for stamps, was granted the right to buy them, and was later discovered to be making a few dollars over the legal eligibility limit. So what? That's not cheating, it's a bureaucratic error of no real significance, since that person's actual economic condition is still bad, and the extra few dollars doesn't change that reality.

What is far worse are all those people eligible for aid who don't get it. Although some 18 million people are currently receiving food stamps, a federal study indicates they amount to only 38 percent of all eligible people.

The law makes it the duty of food stamp administrators to inform people about the program and to undertake "outreach" programs that include people in it, but no real attempt has been made to do this.

The rational way to deal with the eligibility problem is to have applicants for stamps file a simple declaration of income. Spot-checking would discourage people from lying on these forms, just as the spot-checks made by the income tax investigators keep most taxpayers honest. The point is that honesty should be assumed and should replace the suspicion that pervades the system that makes legitimate aid into something degrading and not worth the dehumanization of filling out lots of forms and being treated like a criminal.

Anyone who thinks the food stamp program is, for all its cost, giving that much help to people is not familiar with the fact that the subsidy to each person in the program comes to only $22 a month.

And, like all such transfer programs, the recipient of the aid is not the real beneficiary. In the case of food stamps, the real winners are the food producers and retail stores that exchange food for stamps. The program insures their profits and keeps many in business.

No one need apologize for participating in a program that helps people in need buy food. The real apologies are due from the administrators who strangle the program in red tape and from the budget-cutters trying to save pennies at the expense of someone else's hunger.

[From the Denver (Colo.) Post, Mar. 12, 1975]

COLO. FOOD STAMP PROGRAM "TRAGEDY"

(By Charles Roos)

A state senator said Tuesday Colorado's food-stamp program is a "tragedy" and seems to be approaching "chaos."

The remarks by Sen. Regis Groff, D-Denver, a teacher and former caseworker, followed descriptions of the program to the Senate Health, Environment, Welfare and Institutions Committee.

The committee is considering a resolution asking Congress to review the program and also to block a plan by President Ford to raise the price of food stamps to many low-income persons.

Sen. Dennis Gallagher, D-Denver, sponsor of the proposal, said the most vulnerable needy group are elderly persons, who need and deserve special treatment under the program.

CRITICAL OF BUREAUCRACY

Groff's criticisms of the program weren't directed at the people who run food-stamp offices, but chiefly at the bureaucracy.

When he was himself a caseworker, Groff said, he felt so "bound by paperwork" that he couldn't do the job the way it ought to be done.

Groff questioned the requirement of elderly people to prove over and over again that they need the food-stamp program to help fill out their dietary needs.

"Once an elderly person has shown he is needy, that isn't going to change until the day he dies," Groff said. "What's to be suspicious of the elderly? They don't have anything hidden under the bed. They don't have a boxful of money."

STATE'S HANDS TIED

"It's inhumane, and it's nonsense," Groff said.

The state director of food-stamp operations, Ronald Mikesell of the Department of Social Services, seemed to agree, but said the state's hands are tied.

"Under federal regulations, it may not be 'necessary,' but it is required," Mikesell said drily.

A pressing need is for more office workers in food-stamp centers throughout the state, Mikesell said.

Since the economic downturn hit Colorado last year, he said, office staffs have been overwhelmed by applicants for the stamps, which are purchased at a discount by needy persons to help fill out food budgets.

Lines often form at Denver food-stamp centers at 5 a.m., two hours before the doors open, Mikesell said.

He conceded that applicants may sometimes be treated rudely but argued that overworked, worn-out staffs simply can't handle the job properly.

Earlier Tuesday, the Senate took action to provide some relief for the staffing situation. A supplemental appropriation including money to hire 33 workers was approved.

Mikesell said the true need is for about three times that many workers.

Many persons who need food-stamp assistance and are qualified to get it are unable to do so because they are too proud or are physically unable to go through the procedure, Mikesell said.

He estimated only 30 per cent of eligible old people in Colorado are in the program.

CATHOLIC AGENCY'S AID

Sister Mary Alice Murphy of Denver Catholic Community Services said her agency has helped many food-stamp applicants, including advances of money to make initial purchases of stamps.

"But there is no way our agency can continue to meet the gaps in the program," she said. "The voluntary dollar can keep up with this effort."

Gallagher said older persons are hardest hit because they often have special dietary needs and find it difficult physically to go through the ordeal of applying, qualifying and buying stamps.

The committee chairman, Sen. Ted Strickland, R-Westminster, said he will insist that any message to Congress from Colorado ask the federal government to review "abuses" of the program.

Strickland specifically questioned whether strikers ought to be eligible for stamps. And he is afraid, he said, that the answer of Congress to any criticism of the program "will be just to throw more money into it."

Mikesell invited the committee to visit a Denver food-stamp center either early some morning or in the evening. Strickland said the group might do that.

[From the Kansas City (Mo.) Star, Apr. 10, 1975]

FOOD STAMP ISSUES SLOW IN CLAY COUNTY

(By Ted Stein)

The Clay County Family Services Department is about three months behind in processing applications for food stamps because of a shortage of caseworkers.

About 240 applications—some dating back to mid-December and all filed by at least March 1—were pending at the end of last month and were considered delinquent, and another 160 were pending that were filed after March 1, state and county family services officials said this week.

Increased case loads resulting from recent layoffs, high unemployment and economic recession cannot be handled by the three caseworkers who currently consider applicants not receiving any other welfare aid. Mrs. Sandra Brooks, Clay County director of family services, said.

Applications not processed 30 days after they are filed are termed delinquent under federal food stamp guidelines, Mrs. Brooks said. An additional five caseworkers are needed to eliminate the backlog, she added.

In nearby Platte County, although food stamp applicants have doubled during the past eight months, no significant delay problem exists, Mrs. Elsie Wells, director of family services for Platte County, said. Platte County officials have been promised one additional caseworker by the state. Nineteen applications were delinquent early this week, Mrs. Wells said.

In Jackson County state officials said about 260 applications were delinquent at the end of last month.

The three Clay County caseworkers handle about 250 food stamp applications a month, officials said.

The situation does not seem to be easing. "Let's say it's not getting any better," Mrs. Brooks said. "Usually you can't even find a place to sit down in our waiting room."

Mrs. Brooks added that those who need immediate aid are getting it. Emergency food stamps for a 30-day period are being issued to about 200 persons a month, she said.

Processing such emergency requests contributes to delays, she said, since the requests are given priority over ordinary applications.

The shortage of food stamp caseworkers is statewide, an official of the Missouri Social Services Department said.

"The whole state has felt this," Thomas McLaughlin, deputy state director of income maintenance, said. "Many of the persons applying have low-paying jobs. Last year their money went around. This year it won't."

State officials have been asking metropolitan areas like Kansas City, where the caseworker shortage is most pronounced, to donate federal public service job funds obtained by the cities to hire more workers. But so far only about 130 federally funded positions have been offered, none from the Kansas City area, McLaughlin said.

"The attitude they've taken is that it's the state's responsibility. But these people are also residents of the Kansas City area," McLaughlin said.

"We've never used public service (funds) until this year. But we've had to this year because the general funds were not there," he added.

The Clay County Court last week discussed allocating federal manpower funds to hire an additional county caseworker. The move was opposed by Charles S. Broomfield, western judge. "I think we ought to take care of ourselves (Clay County)," he said.

No action was taken on the matter.

State officials have requested an additional 87 caseworkers for the fiscal year starting July 1. McLaughlin said Gov. Christopher S. Bond has opposed the increase. "That (the increase) won't be decided until July and we need help right now," he added.

State officials want to use some federal Manpower funds for less populous counties and cities to hire caseworkers for the Kansas City area, but they have not yet received clearance to do so, McLaughlin said.

McLaughlin said he couldn't predict when more caseworkers would be assigned to Clay County. "We'll get them out there as soon as we can," he said.

Government officials, meanwhile, have been receiving complaints about delays in processing food stamp requests. Since Jan. 1 the Kansas City office of Sen. Thomas F. Eagleton (D-Mo.), has received about 20 complaints locally, a staff aide said.

Rep. Philip Snowden (D-Gladstone) said he has received about 10 complaints. "I have checked these people out with the welfare department to see if they have overlooked anyone," he said. "But generally I find out they're in the same stack with everyone else."

Most states are suffering from delays in dispensing food stamps because of shortages, McLaughlin said.

A U.S. Senate bill proposed by Sen. Philip Hart (D-Mich.) seeks to increase the share of state administrative costs paid by the federal government and allocate $20 million for hiring food stamp caseworkers and support staff nationwide from the ranks of the unemployed, a spokesman for Eagleton's office here said.

[From the Ann Arbor (Mich.) News, Apr. 4, 1975]

Milliken Told To Cut Food Stamp Obstacles

(By Bud Vestal)

LANSING.—Gov. William G. Milliken got a message from Washington: don't make people stand in line many hours or wait a month to get food stamps if they are eligible.

It was brought by an old friend, Edward J. Hekman, formerly a Grand Rapids industrialist and now national administrator of the Federal Food and Nutrition Service which has become a multi-billion dollar business. The food stamp program alone now costs an estimated $4 billion a year.

Other programs administered by Hekman include the school lunch program and the child nutrition program for infants and expectant mothers, and the school milk program.

Hekman said after a meeting with Gov. Milliken and staff members, lasting more than an hour, that he urged the Governor, as he is urging governors of all states, to build an adequate staff to administer the "fast-expanding federal food programs."

One objective, he said in answer to questions, is to process applications rapidly and "not make people stand in line for hours or wait 30 days to get on a program."

He said new federal regulations for the food programs will require "a certain level of competence in administrative staff" and funds can be withheld if the administration doesn't meet federal requirements.

But he had good news for Michigan: the "error rate" of overpayment in the food stamp program in Michigan is relatively low—only four and a half per cent "overbenefit" compared to a national average of eight per cent.

And he had bad news: while approximately 4,500 Michigan schools have entered the lunch program—which provides lunches at low prices and in many cases entirely free—but more than 1,000 schools are not in the program.

He also said that 640,000 persons in Michigan take part in the food stamp program, making it one of the largest federally-financed programs of aid in this state. It is estimated that, nationally, 18 million Americans will be in the program by June, Hekman said.

He emphasized that his message to Milliken was partnership "that this is a federal-state program in the management of it, and the federal government pays half the cost of administration."

Hekman is on tour in which he will visit five other states and talk with governors: California, Florida, Arkansas, Idaho, Nebraska. He said he had asked his regional directors to pick a state in each region where a visit would be beneficial.

"Michigan has a high level of unemployment, and it's my home state," Hekman noted.

The meeting was unannounced and afterward Gov. Milliken and his staff had no immediate comment on it. The Governor has already ordered the Social Services department to put more employes into the food stamp and unemployment compensation programs to speed up application processes. News media had carried pictures and stories of long lines of applicants waiting in the cold for state offices to open.

[From the Miami (Fla.) Herald, Apr. 2, 1975]

Food-Coupon Recipients To Rise To 80,000—Stamp Lines Growing

(By Dorothy Gaiter)

Lines formed at six of the eight Dade County food stamp offices, Tuesday as 9,000 more eligible persons certified to participate in the program this month began seeking aid. Program Administrator Thomas McConnell said the number probably will increase during the next two or three months.

The increase, McConnell said, brings to 75,000 households buying stamps with 200,000 person receiving the benefits from them. On March 1, the number of residents eligible for the program reached a record 180,000.

By the end of the month, McConnell said about 80,000 households probably will be receiving stamps.

Although recipients are requested not to flock to the offices during the first week of the month, many continue to come then when their welfare and pension checks arrive and while they still have money, supervisors said.

Others cannot wait until the second or third week because inflation has boosted the cost of food and curtailed the buying power of the stamps, officials added.

Despite the increasing number of cases handled, McConnell said, his staff has grown only by four since last month. He has 221 employes.

Although a new office opened Monday at 3400 NW 135 St. in Opa-locka to relieve the Model City center of one-third of its case load, Frank Clark, supervisor of the Model City center, said people lined the streets at 4 a.m. By 3 p.m., 21,000 had been served, he said.

Many recipients who have fluctuating incomes were recertified Monday. They can return today to buy stamps.

Officials of the two offices with no lines—at 5818 SW Eighth St., and 550 Perrine Ave., said they eliminated first-of-the-month crowds by talking to the public and explaining the problems.

"If we talk to 50 per cent of them and if they understand us, they'll cooperate," Frank Calvo, manager of the Eighth Street Office said.

Supervisors at the Perrine office talk to community groups, PTAs and other school groups asking recipients to come to their offices after the first week.

Social Security offices, which normally are crowded at the same time as the food stamp outlets, enjoyed a quiet day Monday. Joe Scott, assistant manager of the downtown office said he expected to be deluged by people at the beginning of next week.

McConnell said cameramen from the British Broadcasting Corp. filmed the food-stamp operation at one office because Dade County's program is one of the best in the county "for reaching the public."

[From the Boise (Idaho) Statesman, Mar. 20, 1975]

Annual Volume Soars 436 Percent—Food Stamps Use Skyrockets

(By Sandra Watkinson)

Across Idaho, food stamp use continues to soar—the case load through February this year was up 436 per cent over what it was in January of 1974, Health and Welfare Department officials said.

However, a loose alliance of citizens is convinced there are still many eligible people who don't know they're eligible and need the stamps. One out of every six Idahoans is eligible, according to one study.

The citizens group, formed in January, has no name. Made up of representatives of various public and private organizations, its avowed purpose is to promote and explain the food stamp program to the people who can most benefit from it.

In Idaho, the number of cases in the first month of 1974 was 1,912—by the end of January, 1975, the load was 9,201. In February the load was up 10 per cent to 10,249 and Health and Welfare predicts the March load will be 11,647 cases, up another 12 per cent, from the month before.

However, the new "outreach" group promoting food stamps said that based on Department of Special Services figures, one-third of Idaho's population is below the poverty line. A national study based on late 1974 figures said in Idaho only a fourth of those eligible for the stamps are getting them, and 17 per cent of the population is eligible.

"We're a loose-knit organization of interested people working to clear the air as to the comments being made about food stamps and trying to reach more people in the state to tell them they're eligible," said Joy-Buersmeyer, League of Women Voters member who's part of the three-month-old "outreach" organization.

The group also has representatives from the Welfare Rights Organization, the Young Women's Christian Association (YWCA), H & W, the Department of Agriculture, Community Action Agencies and others, she said. There are about 30 people actively working in the Boise area with contacts throughout the state, she added.

Ms. Buersmeyer said there are misconceptions about how many students buy food stamps. In the Boise office of H & W roughly a fourth of the recipients are college students.

A new federal ruling which was scheduled to go into effect March 1 will tighten current student use. Students whose parents claim them as dependents will no longer qualify to buy the stamps unless their parents also qualify.

However, John Clark of H & W's Regional IV public information office said the ruling won't go into effect until the regulations are forwarded from Washington. That's expected to happen early in May.

The outreach alliance says that H&W has a problem in handling food stamps because there's not enough money for enough eligibility workers. Additional funding has been requested of the legislature, a move which the alliance supports.

The group is also worried about who's going to sell the stamps. The eligibility examiners give successful applicants an "authorization to purchase"—but they have to buy the stamps from places that have bondable employees and reasonable security, such as banks, she said.

Downtown Boise banks sell the stamps, Ms. Buersmeyer said, but recently Idaho First National Bank announced it won't handle them any more. "We're concerned that the rest of the banks will follow," she said. Those who sell the stamps for the government are paid a fee.

[From the Nashville (Tenn.) Banner, Mar. 27, 1975]

FOOD STAMP ROLLS INCREASE IN STATE

The Tennessee food stamp rolls increased by 9,703 persons in February, part of a 32 percent increase since October.

In February, 129,289 households and 447,842 individuals were receiving food stamps in Tennessee. The low-income participants paid $5,070,208 of their money last month and received $11,461,577 in food stamps from the federal government.

Food stamps are provided by the U.S. Department of Agriculture and administered by the Department of Public Welfare.

In response to advertisements for a food stamp information kit costing $3, Welfare Commissioner Horace Bass pointed out that this information is available without charge in USDA and state publications available at food stamp offices.

"I want to remind everyone that complete information on all aspects of the food stamp program is available to anyone without charge," Bass said.

"I make this reminder because private companies are offering for sale the same information available for free to anyone."

[From the Denver (Colo.) Post, Oct. 4, 1974]

INFLATION LEADS TO BIG JAM FOR FOOD STAMPS

(By Sharon Sherman)

Inflation has forced so many Colorado families into food stamp lines that there is a severe backlog at food stamp offices throughout the state, according to social services officials.

Nearly half of the 129,901 persons receiving stamps are from low-income working families rather than families on welfare, a Thursday news release reported.

"Our large food stamp offices in Denver, Boulder, Colorado Springs, Greeley and Pueblo are hard-pressed to handle the increased applications, with eligibility staff stretched to the limits in certifying the flood of low-income and elderly persons applying for food stamps," said Con F. Shea, director of the Colorado Department of Social Services.

Shea said those applying for stamps in Denver and Greeley are required to make appointments as much as 30 days in advance, except in an emergency.

If families run out of food and have no money, Shea said, they may come to a food stamp office on a walk-in basis but may have to wait hours before being interviewed. In January, when the upsurge began, some applicants were waiting 10 hours, only to be turned away at the end of the day.

Shea said he will ask the General Assembly for more stamp eligibility technicians to try and reduce the backlog.

He said new U.S. Department of Agriculture rules have added to the workload of technicians. Those rules require more investigations and home inspections of applicants.

Shea also said many persons once automatically eligible for stamps now have to be recertified. Those persons are former recipients of state assistance programs for the aged, blind and disabled who are now receiving the federal Supplemental Security Income (SSI).

"This means that the elderly couple down the street living on a fixed low income of combined Social Security and SSI payments must now fill out a four-page application, be personally interviewed and await the results of income verification from all sources," Shea said.

Shea said the worst delays in processing food stamps applications are occurring in the state's 10 largest counties, who operate 17 percent of the program.

[From the Dover (Del.) State News, Oct. 4, 1974]

DELAWARE'S FOOD STAMP FOULUP

(By Donna Stevenson)

The long wait applicants to Delaware's food stamp program must undergo is an example of poor planning for which there is no excuse.

An article in yesterday's editions of an upstate newspaper revealed one Wilmington couple waited about four months for an interview and will probably have to wait another month before they receive authorization to buy stamps.

Theirs is not an isolated case, and the long wait has been attributed to a state-run system with budget limits on the amount of money and number of people that can be expended on the program.

A little foresight might have prevented a situation in which the needy suffer most. It's just common sense that 30 people is an inadequate number to run a program affecting such a large number of Delaware residents in the low-income bracket.

Why weren't enough people and money budgeted to make the program effective? Or isn't the basic need for food a priority item?

Since the Delaware program is hampered by inadequate staffing and bureaucratic red tape, perhaps another system should be tried.

Food stamp programs in other states are also being deluged with applications, but faster results are being obtained through the municipality and county-run systems.

Such a system may not be feasible for Delaware, but it wouldn't hurt to give an alternative method some consideration.

[From the Hartford (Conn.) Times, Apr. 7, 1975]

STAMPS PUSHED, BUT . . . THOUSANDS SHUN FOOD HELP

(By Dan Fitts and Jim Weslowski)

An intense new campaign may get more people to join the food stamp program, but thousands of state residents probably won't enroll because of continued ignorance or confusion.

With an estimated half of those eligible not participating in the program now, Connecticut may be losing as much as $40 million a year in federal aid for food stamps and that money, by one estimate, could create another 1,600 jobs in food services and related businesses.

Many who stay out of the program will be elderly. Cecil McCarthy, director of the state food stamp division, cites estimates that as many as 6,000 Hartford senior citizens go to bed hungry sometime each month. But they don't apply for food stamps, he says, because it is inconvenient or they believe it would be degrading.

Others will miss out because of language barriers, a lack of understanding of eligibility or because they are just too busy making ends meet to notice the program.

A recent Washington, D.C. study said only about 40 to 47 of Connecticut resident who could have gotten food stamps were getting them last fall—and that was better than most states. The national average was between 31 and 37 per cent.

McCarthy says such statistics can be misleading. He thinks the 53,000 Connecticut families now getting food stamps represent about 65 per cent of those who could qualify.

But he thinks it will be hard, even with his office's new campaign, to enroll more than three-fourths of all potential recipients.

"If we reach 75 per cent, I think we'd be doing a fantastic job," McCarthy says. "Remember the resistance, and it's a very, very real factor. Very real."

Reasons for resistance vary. One, cited repeatedly by food stamp officials, social workers and others, is the reluctance some people have about getting government aid.

Edward T. "Ned" Coll, director of the Revitalization Corps, says it is unfortunate that the food stamp program is administered by the Welfare Department. Many incorrectly assume they have to be on welfare to qualify; others feel they would be somehow degraded by receiving food stamps.

McCarthy says that if he could talk to such people he would emphasize that food stamps are a subsidy, just like federal subsidies for highways or developing aircraft engines. He'd say participating in the program is good for the state's economy and that recipient's already help pay for the program through federal income taxes. (The state investment is half the cost of administering the program.)

Connecticut now gets more than $2.5 million a month in federal food stamp aid and could get twice as much with full participation.

Robert Greenstein of the Community Nutrition Institute in Washington, D.C. estimates that one new job is created for each $25,000 in federal food stamp funds used in a year. Connecticut could gain perhaps 1,600 jobs by finding all the estimated eligible and enrolling them.

Greenstein says the hang-up of the program's connection to welfare is probably not the biggest single cause for rejections of food stamps. Polls show the initial cost of buying the stamps may be a bigger problem.

For instance, Connecticut pensioners buy food stamps once a month. A qualifying elderly couple could receive up to $154 worth of food stamps by paying $65.

The couple doesn't have to buy the full amount each month But this fact is not always made clear to those applying for the stamps.

Now the Welfare Department's food stamp division is implementing new federal court-ordered measures to increase participation. Other government and private agencies continue referring potential recipients.

The Welfare Department has set up a toll-free information hotline and is planning a number of "outreach" efforts, including a one-time mailing of food stamp information with telephone bills, posting signs explaining food stamps in state unemployment offices and setting up booths in supermarkets.

It also plans to coordinate these moves with unions, volunteer agencies and representatives of the state Department of Aging in all towns.

In an effort to reach the elderly in Hartford, food stamp applications may be processed at the new Multi-Service Center for the Elderly when it opens in about a month at 360 Main St.

Roger W. Yurkevicz, coordinator of services to the aging, said despite efforts to get the city's elderly to buy food stamps "there has been a problem getting them to go to the State Welfare Department's 2550 Main St. office to try to get the stamps."

Many senior citizens think the location is too far from their homes and the wait at the welfare office too long to check out qualifications, Yurkevicz said.

Connecticut is considering getting senior citizens using food stamps to spread word of their benefits to friends not participating. In Rhode Island officials found putting out information through churches the best method for enrolling the elderly.

The new emphasis to find people grew out of a federal court ruling which staid the poor state of the economy meant the state had to streamline its procedure for getting food stamps and had to develop ways to find potential recipients.

The Welfare Department also is hiring about 40 persons and buying special calculators to speed the processing of applications.

Many feel the attitude of those processing the applications is a major factor in whether people will come in for the stamps.

Ned Coll says the welfare administration under former Gov. Thomas J. Meskill didn't understand the plight of poor people and its negative attitude toward giving people aid kept many persons from applying for stamps.

A Meskill administration official agreed the Welfare Department under Commissioner Nicholas Norton made little effort to inform people about food stamps.

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And McCarthy agrees that until recently "there wasn't that much attention put to the food stamp program." That, he says, is changing. Coll also thinks the attitude is improving under the new Grasso administration.

More and more people are coming in for stamps. Some, like the Newington father of three and a stock foreman out of work with a broken leg, are getting them on a temporary basis and finding them a godsend in making ends meet during an emergency.

Others may be applying because of the publicity or because of the worsening economic situation.

Ralph Davis, director of neighborhood services for the Community Renewal Team, feels it's a combination of all these factors—more need, more awareness, and a better attitude by the Welfare Department.

"And the hang-up many old Yankees have with the program is even changing," Davis said. "When it gets down to a choice between food and pride, more people are choosing the stamps."

[From the Grand Junction (Colo.), Sentinel, Apr. 2, 1975]

More Working Class Families Are Seeking Food Stamp Help

Glenwood Springs.—As the spiral of inflation-recession continues, more working class families are now seeking food stamp assistance to help offset rising grocery costs.

The trend has been noted around the state. And in several Northwest Colorado counties the tide is much the same.

In Garfield County, Ron Johnson, the director of Social Services said Tuesday that figures now show an almost even breakdown in food stamp useage by welfare and non-welfare assisted families.

"The increase in non-publically assisted families," Johnson said, "comes from working people who can't afford to make ends meet."

He said the food stamp program can often lighten the financial load on a family and stretch out its purchasing power.

Many of the families now joining the program have been long eligible, Johnson said, but worsening economic conditions are now forcing them to seek food stamp assistance.

Mesa County's food stamp coordinator, Robert Stabenow said today although food stamp applications are up from working families, he's not sure it's reached the stage to be classified a trend.

Stabenow said the current ratio between publically and non-publically assisted households in the program is about five to four. This time last year he estimates "there probably would have been a wider split." He figures then the ratio was more like six publically assisted households to four homes not receiving welfare benefits.

Eligibility for food stamp assistance is based on a set of criteria that takes into account net income, shelter costs, and medical expenses, officials say.

In Montrose County, food stamp official L. R. Gilchrist said there has been nothing exceptional in food stamp applications by non-publically assisted households.

"Our economy has not been hurt too bady," Gilchrist said this morning. As a result he saw nothing more than a seasonal trend in the clientele of applicants.

He estimated the ratio between households would show more coupon recipients came from those receiving public assistance, but he said the figures tend to vary on the local employment market.

Delta County food stamp officials report there is an increase in applications by non-welfare clients, and March figures show the program now has enrolled 279 public assisted households as opposed to 249 non-public assisted families.

Delta officials point out, however, the increase is more like a change since many families assisted by public monies during the winter are now off the program having found farming-related jobs.

[From the Chicago Tribune, Mar. 20, 1975]

Public Aid Chief Promises To Act on Food Stamps

(By Barbara Reynolds)

After hearing angry complaints from more than 50 welfare recipients, Illinois Public Aid Director James Trainor promised to fire discourteous caseworkers and help unemployed workers who are being denied food stamps.

Members of the Northwest Community Organization [N.C.O.] packed the director's conference room at 624 S. Michigan Tuesday and demanded that the agency hire four Spanish-speaking translators at each of five aid offices; provide faster responses to requests for food stamps and medical aid; and fire "disrespectful" caseworkers.

Dorothy Maeda, a N.C.O. spokeswoman, said workers "who have been on their jobs for more than 20 years" are being denied food stamps because of poor communication between the Public Aid Department and the Bureau of Workmen's Compensation.

"A man we all know, who is too proud to be here, has been standing in the compensation lines trying to get his check for 11 weeks," she said. "He can't get his check, and then he is told by the welfare department he can't get food stamps either.

"The man has eight children. He is an honest man. But now he is talking about picking up a gun to get some money to support his family."

Shirley Jordan, N.C.O. chairman, accused the aid department of pushing responsibility for feeding the hungry on to free community pantries, which, she said, barely have the resources to operate.

In a separate interiew Trainor said that most of the complaints are legitimate. "On information turned over by the N.C.O. and from our regional directors, I will take action on the conduct of caseworkers," he said.

"If the charges are proven, they [the caseworkers] will have to go.

"Some workers are being caught between the compensation office and our department. If they are not getting their unemployment checks, they are eligible for food stamps, but because of different accounting and reporting systems, in some cases they haven't. This will be cleared up."

According to Trainor, the department has acted to speed assistance payments.

[From the Washington Post, Mar. 3, 1975]

ONLY 38 PERCENT OF ELIGIBLES PARTICIPATE—LAG ON FOOD STAMPS WIDENS

(By Austin Scott)

Although the number of Americans receiving food stamps rose from 14 million to 17.9 million in less than a year, the program is falling further behind in taking care of all those eligible, according to a staff report of the Senate committee on Nutrition and Human Needs.

Another report, issued by the Department of Agriculture, said a sample audit of the $4 billion program showed that payment errors were made in 56.1 per cent of the cases sampled. While there were overpayments as well as underpayments, the USDA report said, they added up to a 23.3 per cent overpayment.

The committee staff report said 52 per cent of those eligible for federal food assistance received it in 1972, but by September, 1974, despite the increase in numbers, only 38 per cent of those eligible were getting assistance.

In part, the drop is a measure of the state of the economy and the rise in unemployment, the report said. But it laid much heavier responsibility on what it said were unnecessarily burdensome administrative requirements, and "restrictive policies and practices of the U.S. Department of Agriculture."

Committee Chairman George McGovern (D-S.D.) said in releasing the report that he fears the program's problem might invite those who oppose it to try to discredit it. He repeated his belief that "the real problem with the food stamp program is the attitude" of Agriculture Secretary Earl L. Butz and the administration toward it.

Butz told a Senate Agriculture Committee two weeks ago that he considered the program "welfare," and would like to see it transferred out of his department.

He made the comment after McGovern told him he should either run the program properly, or resign.

Highlights from the nutrition committee staff report:

Although the law requires that food stamp applications be processed in 30 days or less, "the most conservative estimates indicate that, in mid-February, at least 85,000 people were waiting longer than 30 days . . ."

The declining economy is putting "a heavy demand on state food stamp agencies," so that the 50-50 state-federal sharing of administrative costs made law just this year no longer adequately pays for state costs.

The Agriculture Department has not encouraged states to vigorously seek out and register those who are eligible. U.S. District Judge Miles Lord of Minneapolis reached the same conclusion last fall, and handed down an opinion accusing Butz of failing to run the program properly.

Some areas are trying, and succeeding, to cure problems in their programs. The report cited Atlanta, which it said cut a backlog of 4,500 applicants to 1,000 by opening food stamp offices on Saturdays and Sundays, and using volunteers.

The survey conducted by USDA on error and overpayment did not determine whether the errors were made by applicants misstating their eligibility, or by the caseworkers who processed them, a department spokesman said.

The nutrition committee staff, however, said it found "little intentional abuse of the food stamp program."

It quoted a June, 1973, statement made by Assistant Agriculture Secretary Clayton Yeutter to the committee. Yeutter said then that the program has been "remarkably free from fraud."

Statistics submitted by USDA showed that from July 1, 1972, through March 30, 1973, there were 12 instances of embezzlement by state and local employees involving $28,376, four cases of "coupons trafficking" involving $26,000, and all told, losses amounted to 14 cents for each $1,000 worth of food stamps issued.

The committee staff report said "there is no evidence that there is more abuse of the program now than there was two years ago."

The USDA report, which sampled 25,585 households out of 5.7 million, did not claim any of the error found constituted fraud.

A USDA spokesman said the department did not know what error factor there might be in such a sample, but considered the results "quite good."

There were no tabulations in the survey for families that did not receive as much of a food stamp bonus as they were entitled to.

For those who received more than they should have gotten, the survey found 8 per cent of the overpayments were caused by giving too much to eligible households, 7.5 per cent were caused by giving too much to households that were not yet eligible but would be once paperwork was finished, and 7.7 per cent were caused by giving food stamps to ineligible households.

Food and Nutrition Service Administrator Edward J. Hekman said the error rate is a 25 per cent improvement over the rate the same survey found in 1973.

The nutrition committee staff report included a number of recommendations. Among them were:

Selling of food stamps in all post offices, to improve on the short banking hours and long waits in banks: certification by declaration on a simple form with a random check for fraud; congressional appointment of an advisory council, including poor people; and a boost in food stamp benefits, which are now based on a diet plan the Agriculture Department says is not suitable to maintain good health over a long period of time.

[From the Wall Street Journal, Dec. 20, 1974]

BECAUSE OF INFLATION, MIDDLE-CLASS FAMILIES JOIN FOOD-STAMP ROLLS

(By David Gumpert)

BOSTON.—From all outward appearances, Cornelius and Carol Cronin and their six children are a comfortable middle-income family. Mr. Cronin, an affable 39-year-old, works as a bus mechanic for the Massachusetts Bay Transportation Authority and earns $15,000 annually. The family lives in a plain but warmly furnished seven-room house in this city's Dorchester area. The Cronins have two TV sets and a pool table. Mrs. Cronin prepares the family's meals in a spacious, wood-paneled kitchen.

Since November, those meals have been prepared with the assistance of federal food stamps. For all their middle-class trappings, the Cronins have found the rapidly rising cost of food and other basics making a shambles of their seemingly comfortable income. Mrs. Cronin figures that it now costs $130 a week to feed the family of eight, more than double the $55 it cost four years ago. Food stamps, which allow the Cronins $49 of free food monthly, have taken some of the sting out of the price rises. "It's milk and bread money," Mrs. Cronin says.

The Cronins aren't alone among middle-class families making their first trek to the local welfare office, which is responsible for administering the federal program in the states. Many of these families discover that after deducting a number of inflation-bloated fixed costs from their take-home pay, their middle-class incomes don't look quite so comfortable. More and more of them are finding that their wages have been so eroded that they are entitled to federal subsidies to feed themselves.

MORE AND MORE, "YOU AND ME"

Food-stamp applicants increasingly are "you and me," says Mary Kelly, head social-work supervisor for the Massachusetts Department of Public Welfare. Among those applying for food stamps these days, she says, are accountants, truck drivers, government employes, factory workers, college students, and even a few Massachusetts schoolteachers.

National statistics confirm that the popular image of food-stamp recipients as being only people on welfare is fast changing throughout the rest of the country as well. Individuals who don't receive any form of . . . made up about 47% of the nearly 15 million food-stamp recipients on Oct. 31, up from 38% of the total a year earlier, according to the Department of Agriculture. A department study of food-stamp recipients early this year showed that more than half the family heads who weren't getting public aid had full-time or part-time jobs. The rest were mostly students, retirees and the temporarily unemployed.

The food-stamp program, which is administered nationally by the Agriculture Department, is expected to cost the federal government $4.2 billion in the current fiscal year, which ends June 30, up from $2.7 billion in fiscal 1974. It is intended to help poor families supplement their diet. Stamps are sold to families based on their size and net income. For example, a family of four with a yearly net income of $4,400 can buy $150 worth of stamps monthly for $104 while a family of 10 with income of $11,500 can buy $300 of stamps for $252. The stamps always have a value in excess of what they're sold for. The further a family's net income falls under Department of Agriculture maximums, the less it pays for its stamps.

AS GOOD AS CASH

Applicants fill out seven-page questionnaires detailing their income and expenses, and take pay stubs and receipts to local welfare offices to substantiate their claims. Once declared eligible, recipients can buy the small coupons at many banks (or at welfare offices and even post offices) in denominations of 50 cents, $2 and $5. They are as good as cash at the supermarkets, except that they can be used toward buying only food items and can't be applied to purchases of paper products, pet food, cigarets and liquor.

Not surprisingly, the growing popularity of food stamps has led to instances of abuse. Welfare workers have been discovered taking bribes to issue or sell the stamps illegally in Philadelphia, Chicago and the Washington-Baltimore area, according to the Department of Agriculture. Caches of counterfeit food stamps have been confiscated by federal authorities in the Boston and Los Angeles areas.

The growing use of food stamps by seemingly more prosperous families has led to reports of wealthy individuals receiving food stamps. A Massachusetts legal-aid attorney tells of a bank vice president and an insurance company executive who receive food stamps, but efforts to find them proved fruitless. Such reports don't go over well with federal officials. "We've all heard the story about the lady wearing a mink coat or the man with the Cadillac using food stamps at the grocery store," Edward Hekman, administrator of the Department of Agriculture's food and nutrition service, said in a recent speech. "This is totally unfounded."

A HOST OF DEDUCTIONS

The program's rules and regulations, though, allow families in a reasonably wide variety of circumstances to qualify. Net income often can be reduced substantially from gross income through a host of allowable deductions such as all taxes, medical expenses over $10 monthly, alimony payments, tuition bills for students living at home and housing costs over 30% of income after allowing for other deductions. All families must have savings of less than $1,500—or $3,000 if a family member is over 60.

Thus the Cronins were able to qualify in part because of some sizable medical bills, parochial-school tuition for three of their children, and fast-rising heating and electricity bills that raised their housing costs substantially. With taxes and other minor deductions, their gross monthly income of about $1,300 was reduced to just over $700 for food stamp purposes. Their savings totaled only $500. They can now buy a maximum of $256 worth of food stamps for $207 monthly.

Similarly, a Cape Cod junior-high-school teacher, who is married with one child, was having trouble making ends meet on an annual salary of $9,600, which he got at the rate of $800 a month. The teacher, who prefers not to be identified, went to his welfare office "on a whim" and found that his taxes and housing costs reduced his net monthly income to about $290. That entitles him to receive $118 of food stamps for $76, or $42 of free food monthly. His experience has encouraged three of his fellow teachers to apply for the stamps, he says.

Many other families also may qualify. The Food Research and Action Center, a New York-based legal and organizing group that specializes in food-stamp problems, estimates that in addition to the nearly 15 million people currently receiving food stamps, another 25 million people might be eligible and not realize it. While some of them are extremely poor people in desperate need of the stamps, "we're probably talking in many cases about people who are earning $8,000 a year," says Roger Schwartz, a staff attorney for the group.

Of course, not all the middle-class types who qualify are employed with steady incomes. Many are students, retirees and divorcees whose outside sources of income have been reduced by the deteriorating economy or rendered less effective by inflation. Ann Goldberg, a 23-year-old graduate student at Brandeis University in Waltham, Mass., had been relying heavily on her parents for assistance through her previous college years. But by this fall, her father's Brooklyn restaurant business had declined, and she was almost completely on her own. The food stamps she now gets supplement loans and scholarship money she receives from Brandeis.

Currently, if they are living away from home, students who apply for food stamps are subject to the same criteria on income and deductions as any other food-stamp applicant. But, under a proposed change in the regulations, students would no longer be eligible for food stamps if they receive over half their financial support from a house ineligible for the stamps.

For some from middle-class backgrounds, the stigma of getting something for nothing makes applying for food stamps an uncomfortable proposition. A 70-year-old retired Worcester, Mass., traveling salesman who started receiving stamps in November had waited a year before applying for them. Finally, the burden of contributing $1,000 yearly to a son's college education from his $238 monthly Social Security check and his wife's $350 monthly earnings as a part-time nurses' aid persuaded him to apply. He still feels self-conscious, though. "I come from an old line of people that never took any handouts," he says. "I wouldn't want my friends to know about this."

Similarly, Barbara Strauss, a 27-year-old unemployed divorcee. who lives with her seven-year-old son in prosperious Brookline, Mass., put off applying for food stamps for five months. "I was embarrassed," she says. "I went to private schools and from private schools to welfare is quite a change." But because she receives only $300 a month in alimony payments, Mrs. Strauss found that by last October her savings account had shrunk to $500 from $1,500 in June. She finally applied for the stamps and now gets $82 of stamps monthly for $32.

Once people obtain food stamps, their embarrassment is sometimes just beginning. At the supermarket checkout counter, food-stamp recipients are easily distinguishable from others because they must separate the food covered by stamps from the items such as toilet paper and dog food that aren't and they also must tell the cashier that they have stamps.

Mrs. Strauss says that when she approaches the checkout counter, "I try to say real softly that I have food stamps, but someone behind me always seems to hear. Then I'll hear a remark like, 'Look how nicely her boy is dressed.' "

For most food-stamp recipients, though, the benefits of the stamps far outweigh any embarrassment that they might feel. A Leominister, Mass., mother of 12 found herself worrying about whether her children were getting a nourishing diet. "We were just getting to the point where it was getting impossible to put the right food on the table," says LaVerne Palmer, whose husband is an auto mechanic earning about $8,500 annually. The Palmers began receiving food stamps in October—$388 of food stamps for $224 monthly—and since then, Mrs. Palmer says, "I've been buying pork chops and hams and meats I wasn't buying before."

Liz Teitel, a 25-year-old college graduate and wife of a fourth-year Boston University medical student, early this year became pregnant with their first child and soon after discovered that she was anemic. With her husband's high tuition costs, "one thing we had really cut back on was food." The prospect of getting food stamps didn't sit well with her husband, she says, because "he's going to be doctor in a few years."

Financial realities won out, though, and the Teitels started receiving food stamps during the summer. Instead of starchy foods such as spaghetti that they had been eating, the Teitels began eating more meat and fresh vegetables. "After eating better food, I felt better," Mrs. Teitel says. And as far as she's concerned, the reward of a better diet came in November when she gave birth to a healthy 8½-pound boy.

[From the Detroit (Mich.) News, Apr. 12, 1975]

Food Aid Office Hours Assailed

The Wayne County Department of Social Services has agreed to extend the hours of some food stamp offices to evenings and Saturdays, but said it will be four to six weeks before it does so.

In announcing the decision yesterday, R. B. Shelton, director of Wayne County Social Services, said it would take 30 to 45 days to iron out the administrative problems in extending the hours.

But Mrs. Selma Goode, co-chairman of the Coordinating Council on Human Relations (CCHR), was critical of the Social Services Department for not moving faster.

She said members of her group met with Shelton two weeks ago and asked that the food stamp office hours be extended, so that eligible persons who are working need not take time off work to be certified for the stamps or to purchase them.

"Two weeks ago, we were told they were going to look at the problems and today, we were told they are still going to look at the problems," said Mrs. Goode.

She said the extended hours should be implemented "now rather than in the distant future."

Mrs. Goode said the Social Services Department should make a greater effort to let people know who is entitled to receive food stamps.

Shelton said the department is currently working on an information campaign to publicize food stamp eligibility requirements.

About 50 persons picketed the Executive Plaza Building during the lunch hour yesterday, while Shelton and Mrs. Goode were meeting upstairs. They carried signs asking for evening and Saturday hours at food stamp offices.

[From Newsweek magazine, Feb. 24, 1975]

The Sticky Issue

The first workday of the month is food-stamp day in Miami, and by noon on Feb. 3 the line of applicants outside the welfare center on 62nd Street was a thousand strong. With hours of waiting still ahead, the crowd stood listlessly, some nursing wounds from early-morning fist-fights over spaces in the parking lot. Along the fringes of the line, vendors hawked ice cream and hot dogs. Cast-off clothes were being sold from a Winnebago camper, and a battered old Cadillac had been turned into a wig shop, with nylon Afros dangling from its aerial. Inside the center, pandemonium reigned. A welfare official stood on a table, calling out the numbers of the people next in line for service. As he surveyed the surging mass of applicants around him, the official declared to no one in particular: "There's got to be a better way."

There may be, but so far no one has found it. The Federal food-stamp program has become the last line of economic defense for the unemployed, the unemployable and the working wounded of these stagflationary times. Despite massive bureaucratic foulups, the rolls of stamp buyers increase steadily. The latest statistics, for December, show 17.1 million people in the program, an increase of 1.2 million in just one month. The program will cost the government at least $4 billion this year. In an effort to save $650 million annually, President Ford sought to raise the price of food stamps from 23 per cent of the average recipient's disposable income to 30 per cent for everyone, but Congress resoundingly passed a bill to block him. Last week, Ford said he would not veto the measure but instead would allow it to pass into law without his signature.

The program thus salvaged is no model of simplicity. Typically, candidates for food stamps first go to a state welfare office to find out if they are eligible—and to set in motion a process leading eventually to receipt of an "ATP card," an authorization to purchase food stamps. With that card, they can buy stamps in denominations of 50 cents, $2 and $5 (next month new stamps will be issued bearing face values of $1, $5 and $10). How many stamps they can buy and for how much is determined by a sliding scale that accounts for family size and monthly income after necessary living expenses such as rent and electricity. An elderly couple with $150 left over after expenses each month would pay $38 for $84 worth of food stamps. A family of six with the same net income could buy $210 worth for $43.

The stamps can be used at grocery stores to purchase basic foodstuffs only—not gourmet treats. Nor can they be used for liquor, tobacco or such inedible household necessities as detergents. The stamp allotment for each household is based on what the U.S. Department of Agriculture considers to be the cheapest nutritious menu possible—

the "basic economy diet plan." But apparently the Agriculture Department, which runs and finances the food-stamp program, knows it isn't that simple. According to a report by the Senate's Committee on Nutrition and Human Needs, a department study of sample households using that budget found that "fewer than 10 per cent . . . obtained RDA's [recommended daily allowances] for the seven most essential nutrients."

"We have to cut out most of the meat," says Richard Evans, an unemployed Georgia truck driver with a wife and six children. "We get the cheapest food they have—rice, potatoes, beans." Evans pays $44 for $245 in stamps each month and estimates his food bill is still running $75 more than that. Mrs. Marjorie Robinson, who lives alone in a Chicago housing project, makes her stamp allotment do—but barely. "I can make a pot of beans last three days," she boasts. With the $46 in stamps she buys each month for $16, she supplements that basic diet with only corn bread, flour, sugar and one gallon of milk each week.

Part of the problem stems from one of the principal reasons for food stamps: inflation. Food-stamp allowances are adjusted biannually to keep pace with the cost of food, but with continually spiraling prices, the six-month lag can be devastating. Moreover, stamp buyers have to pay for their coupons in lump sums each month, creating severe "cash flow" problems, particularly for the poorest poor. Mrs. Louise Ivey of Atlanta is entitled to buy $84 worth of stamps for $50. But when she went to buy stamps early this month, she could scrape up only $37.50.

Desperate: The bureaucratic snarl also works a hardship on people who need stamps. In Fairfax County, Va., there is a wait of six to eight weeks just to begin the process. Last November, when applications skyrocketed, an office in Phoenix, Ariz., began turning away 150 to 200 people a day. Desperate applicants lined up at 5:30 in the afternoon, waiting through the chilly night for the office to open in the morning.

In most places, extensive documentation is required—driver's license, social-security cards for all members of the household, birth certificates of all children, voter's registration card, rent receipts, bank statements and cancelled checks. Failure to produce one required document can mean having to start all over again. Periodically, recipients in many states are forced to repeat the process—in person—to be "recertified." At the end of the bureaucratic maze, the payoff can be niggardly. "I pay $16.50 for $23 worth of food stamps," complains Carol Dray, 20, a student at New York University. "That's a saving of $6.50 every two weeks. It isn't worth it."

Lies: Food-stamp users come from many segments of society—retired people, self-supporting students and blue-collar workers, as well as welfare clients and the unemployed. But there are people who abuse the program. Thomas McConnell, administrator of the program in Dade County, Florida, estimates that between 5 and 6 per cent of all recipients have lied or distorted their applications in order to qualify. "The income requirements are so low," maintains a university student in California, "that you have to lie a lot."

The underworld also appears to cash in on food stamps at times. The stamps have been counterfeited (the new series of stamps is designed to thwart that activity), and in some cities there is a thriving black market in legitimate stamps. In Detroit, there are reports of ATP cards being traded for heroin fixes.

Proponents of food stamps are less concerned about the abuses of the program than about all the people who are qualified to use stamps but don't bother to because of pride or ignorance. In Los Angeles, the Neighborhood Action Participation Project is hunting for such people. We want them to know," says coordinator Irene Rivas, "that food stamps aren't charity, that they have a right to ask for them." By some estimates, there may be another 15 to 20 million Americans—some with family incomes of as much as $9,000 a year—who could qualify for food stamps if only they knew it and were willing to endure the indignities of claiming their rights.

EXCERPTS FROM REPORT ON NUTRITION AND SPECIAL GROUPS: PART I—FOOD STAMPS

(Prepared by the staff of the Select Committee on Nutrition and Human Needs, U.S. Senate.)

SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS

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INTRODUCTION

Hunger in 1975

"I never thought I'd see the day we'd be on food stamps."—Sue Carlson, the wife of a warehouseman laid off in Minneapolis. January 1975.

Supermarket managers in Detroit have been finding food wrappers and scraps of food in the aisles of their stores where the hungry have left them.

One of those who was eating in the stores is a woman almost 70 who receives about $130 a month from the government as her sole income. She waited six months before she was certified for food stamps.

In Detroit, unemployment in the inner city was estimated to have reached 50 per cent. As of January, 1975, there were only 38 food stamp workers in seven locations in the city, even though the stamp program had more than 200,000 participants in January, 1974, before unemployment began to climb.

The program was run so poorly that in 1974, an investigation started by angry citizens uncovered 5,000 applications for stamps, not acted on, stuffed in shoeboxes in a food stamp office.

In the spring of 1974, the Detroit Mayor and Common Council's Task Force on Hunger and Malnutrition asked the state for an increase in certification centers, but nothing was done.

Eleanor Josaitis, of Focus Hope in Detroit estimates that there may be as many as 2,000 people waiting longer than 30 days for certification for food stamps. Thirty days is the maximum permitted under law. This pressure of numbers caused the governor to hire an additional 93 food stamp workers for the city in January, but a subcommittee of the City Council estimates that 200 workers are needed.

Because of the long lines and the irritability of the overworked certifiers, many in need do not go to stamp offices, Mrs. Josaitis says: "The long-standing poor are afraid . . . they don't want to go through the inhumane treatment."

Detroit is the extreme toward which other cities are headed.

In Massachusetts, state officials admitted in response to a lawsuit seeking to enforce 30-day certification, there were in mid-January as many as 18,000 people waiting more than a month for certification. Under an order from the state's Supreme Judicial Court, service is to be speeded up through the use of group certification interviews and revised certification requirements, which will be discussed in more detail later.

In Atlanta, a backlog of as many as 4,500 people waiting beyond 30 days for certification late in 1974 was cut to about 1,000 by mid-February, according to an unofficial estimate. To accomplish this, certification offices have been open Saturdays, and in some cases Sundays, and volunteers have been used in pre-certification.

Between September, 1974 and January, 1975, unemployment nationwide rose from 5.8 to 8.2 per cent, and food stamp participation rose from 15 million to 17.1 in December, 1974. Both unemployment and the demand for food stamps are continuing to rise sharply.

A quick survey of the United States by Department of Agriculture food stamp officials indicated that in mid-February, a minimum of 63,000 Americans were waiting more than 30 days to receive food stamp benefits. This figure does not include states in which there were reports of people waiting beyond 30 days but for which no estimate could be given. Based on the data provided, however, we estimate that as many as 85,000 people are waiting beyond the one month limit for certification.

Moreover, a review of recent studies on the number of people who may be eligible for food stamps indicates that there are at least 20 million Americans who are not now getting food stamps but should be receiving them. In addition, as noted in the case of Detroit, the crush of unemployment cases is creating a burden on stamp offices that, in many areas, is a handicap for long-standing poor people, particularly the elderly. And in some areas, this overload is also blocking plans to seek out those who may need stamps but do not know they are eligible.

The decline in the economy, the rapid rise in the price of food, means that these 20 million Americans are worse off than they were in June, 1974, when the Select Committee's panel on special groups reported at the National Nutritional Policy hearings that:

"The disproportionately large share of food expenses in the budgets of poor people has caused the poor person's price index to advance faster than the regular consumer price index. The result is a disastrous decrease in the purchasing power of the poor. It also means that the poor have suffered far more grievously from the recent inflationary spiral than have the affluent and the middle class."

Now, as the economy declines, the circle of suffering encompasses more and more Americans.

FINDINGS

The staff of the Senate Select Committee on Nutrition and Human Needs, based on information gathered at the National Nutrition Policy hearings, from testimony before the Select Committee and the Senate Agriculture Committee and through staff investigation, finds that:

1. The food stamp program is failing to keep pace with the growing problem of hunger in the United States.

In 1972, 52 per cent of those eligible for food assistance were receiving it; in September, 1974, only 38 per cent of those eligible were getting assistance. In September, 38.6 million people were eligible, and this figure has no doubt risen rapidly, as has participation, which now stands at close to 18 million. But even if eligibility were still at 38.6

million today, which it is not, the percentage of eligibles served would only be 46.6 percent.

2. The failure of the food stamp program to meet the goals mandated by Congress can be traced directly to the restrictive policies and practices of the U.S. Department of Agriculture, policies that have plagued the poor for years and are now preventing the food stamp program from meeting the needs of the newly unemployed.

More specifically:

The USDA verification requirements are unnecessarily burdensome and are not justified. They serve to inconvenience food stamp users and state food stamp officials and to act as a bar to participation.

The most conservative estimates indicate that, in mid-February, at least 85,000 people were waiting longer than 30 days for stamp certification, the maximum time period permitted by law for the certification process.

As the decision of Judge Miles Lord, of the U.S. District Court in Minneapolis, noted, the Department of Agriculture has failed to encourage the States to pursue a vigorous program of outreach, thereby contributing to the withholding of the benefits of the program from millions of people.

The Agriculture Department has not emphasized the importance of service to stamp participants, with the result that stamp issuance is often inconvenient, often to the degree that it discourages participation.

USDA's use of the Economy Diet Plan as the basis for determining the food stamp allotment ensures that participants will not have enough stamps to purchase an adequate diet; nor does the allotment provide for the special dietary needs of pregnant women, the elderly, and those with medical needs for a specialized diet.

Food stamp purchase prices are too high and the asset limits are too low.

3. National economic decline is placing a heavy demand on State food stamp agencies. The current 50-50 sharing of administrative costs does not adequately compensate the States for their expenses in dealing with this national problem.

RECOMMENDATIONS

(NOTE.—Asterisks indicate changes that could be made by regulation.)

One. Food stamp certification should be by declaration. Monitoring of the program for fraud would be done in the same way that the Internal Revenue Service checks for tax fraud.*

In addition, the following changes should be made to speed certification:

a. An optional standard deduction should be extended to all applicants in lieu of itemizing hardship allowances.*

b. Standard public assistance and non-public assistance food stamp Application forms should be used nationwide and should be no more than two pages long.*

2. The federal government's share of food stamp administrative costs should be increased from 50 to 65 percent.

3. The Department of Agriculture should be required to develop a model outreach program and to require all States to submit detailed outreach plans prior to the beginning of each fiscal year for comment by USDA. USDA would then make a report, evaluating the States' outreach efforts at the close of each year.*

Personal contact of potential food stamp participants by outreach workers should be a mandatory requirement in all outreach plans.

4. The Postal Service should be required by law to sell food stamps in all post offices during normal working hours.

5. The food stamp allotment should be based by law on the USDA low-cost diet plan.* The allotment should be adjusted quarterly to better compensate for inflation in food prices.

In addition, in any case in which one or more members of an eligible household medically requires a special diet, the allotment should be increased by 20 percent of a one-person allotment for each member needing the special diet, at no extra charge.*

6. The purchase price of food stamps should be reduced, with the maximum that can be charged based on 25 percent of income rather than the current 30 percent.*

In addition:

a. Asset limits for all households should be raised to $2,000 for a family of two, with $250 more for each additional household member to a maximum of $3,000.*

b. Households should automatically be allowed a $3,000 asset limit if they include one person 60 years old or older, and the limit for an elderly couple should be $4,500.*

c. The definition of income should be revised to exclude certain vendor payments, such as housing payment from the Department of Housing and Urban Development.*

7. To help define the dimension of hunger in the United States and the degree to which the food stamp program is meeting this need, the Department of Agriculture should be required to immediately undertake a study to estimate the number of persons eligible for food stamps.

8. In order to provide for greater state and public involvement in the writing and application of food stamp regulations, Congress should form a 15-member Food Stamp Advisory Council, to be composed of representatives of State governments, legal services and food stamp participants with the appointments to the Council made by Congress. The Council would meet quarterly and report to Congress annually.

I. FOOD STAMP BASICS

In 1938, Fred Waugh, a USDA economist, proposed to Agriculture Secretary Henry Wallace "that our farm relief programs put more emphasis on selling part of the crop at high prices and distributing the remainder, or 'surplus' among low-income groups, charging them whatever they can afford to pay or are willing to pay."

The result was the first food stamp program, inaugurated in 1939. The program permitted families on relief to purchase orange-colored stamps in amounts that were equivalent to their normal food purchases and then to receive free, blue stamps equal to half the value of the orange stamps. The orange stamps were good for the purchase of any food, the blue stamps could be used only for commodities that were declared surplus.

The stamp program flourished and grew to serve as many as 4 million people at its peak in 1942. However, the war reduced surpluses and unemployment, and the stamp program was ended in 1943.

After the failure of continual attempts to legislate a food stamp program in the 1950's, President Kennedy, using the authority of the Agriculture Adjustment Act, established a pilot food stamp project in 1961 in his first executive order.

Since then, the food stamp program has become a nationwide program, run jointly by the federal and state governments, with the federal government paying 100 per cent of the stamp bonus and sharing the cost of administration 50-50 with the states.

How the program works

The purpose of the food stamp program as described in the Food Stamp Act of 1964 is to "permit low-income households to purchase a nutritionally adequate diet through normal channels of trade." Under the program, families buy a certain amount of food stamps which then may be redeemed for more than they cost.

Eligibility is based on the income and resources of households. The maximum income standards for a household are set at three times the cost of an adequate diet, standards developed by the Social Security Administration in 1965.

Currently, the net income limit for a family of four is $513 a month. In addition, the household may not have liquid assets of more than $1,500 (for households in which there are two or more people in which at least one is age 60 or older, the resource limit is $3,000.)

The allotment of stamps for each household varies with household size. All four-person households, for example, now are entitled to $154 a month in food stamps (the allotment is changed semi-annually to compensate for inflation). The purchase price for the allotment varies with monthly income.

The family of four with no income pays nothing for the $154 a month allotment, and the family of four with the maximum allowable monthly income pays $130 a month for the $154 allotment. The difference between the payment and the value of the stamps is known as the bonus.

After the food stamp certifier has verified the family's income, resources and deductions, the family receives an "authorization to purchase" card and then buys their stamps. Depending on the locality, stamps may be purchased at post offices, banks or other outlets approved by food stamp officials. As will be discussed later, hours of purchase are often limited.

The stamps may be exchanged for any food items but are not good for liquor, tobacco, pet food or non-food items. The grocer in turn exchanges the stamps for money, either from a food wholesaler or a bank.

Who uses food stamps?

A recent study paid for by the Department of Agriculture and released by the Fiscal Policy Subcommittee of the Joint Economic Committee provides a profile of food stamp participants. The study, done by Chilton Research Services, based on a 2,191 household sample and using data for November, 1973, shows the following:

The average food stamp household size was 3.2 persons, with one- and two-person households accounting for 49.9 percent of those surveyed. Almost 30 percent of all households had one person; 20 percent had two. Families with three or four persons made up 26 percent of the total, and 16 percent contained six or more.

Households headed by a person 66 years or older accounted for 27 percent of the total, and the majority of these were headed by women.

Nearly 99 percent of the household members were related to the head of the household.

By race, 55 percent of the households were white; 37 percent were black and 8 percent were Spanish-American.

Forty-four percent of the households were located in the core of cities. Metropolitan rural and rural households accounted for 18.5 percent.

About 70 percent of the heads of households surveyed were not in the work force. Of these, 18 percent were retired (over 65) and another 51 percent were described as "Unemployed (not seeking work)." A significant number of those not seeking work are mothers with children. This is supported by other statistics in the study showing that 21 percent of the heads of households using food stamps are women aged 18 to 34. Also included in the total not seeking work are the disabled and the blind.

Footnote at end of article

Twenty-three percent of the heads of households using food stamps were employed full or part-time and 8 percent were unemployed and seeking work.

Since the rise in unemployment, the number seeking work is undoubtedly greater than it was in 1973. In addition, there are a greater number of non-public assistance food stamp participants.

What is the income of food stamp participants?

The Chilton study found that income in food stamp households averaged $364 a month. Of this $238 was in cash and the remaining $126 came from "in kind" sources, such as Medicaid and the food stamp bonus.

Of the total monthly income, 80 percent came from public agencies, and 20 percent was derived from wages and other private sources, such as savings. The four principal sources of income were: AFDC, $72; Medicaid, $59; social security, $54; and food stamps $49.

Households using stamps were concentrated in the $210 to $300 a month range, 23 percent of the households were in this range. About 8 percent were in the $0 to $120 a month range.

Three percent had an income ranging from $700 to $799 a month and 5.8 percent had a monthly income of $800 or more. A cross tabulation of food stamp participants by household size and income shows that the bulk of the households in the "upper" income levels had eight, nine and ten or more members.

Table 1 gives a complete income summary. Table 2 shows household size and income.

TABLE 1.—PERCENTAGE DISTRIBUTION OF MONTHLY NET CASH AND IN-KIND INCOME OF FOOD STAMP AND FOOD DISTRIBUTION HOUSEHOLDS, NOVEMBER 1973

[In percent of households]

Monthly net income	Cash income		In-kind income		Total income	
	Food stamp	Food distribution	Food stamp	Food distribution	Food stamp	Food distribution
$0	2.5	1.1	[1] 1.0	0.0	1.2	0.8
$1 to $29	1.1	.4	19.6	26.7	.4	.4
$30 to $59	1.8	1.2	21.5	18.9	1.0	.4
$60 to $89	6.9	3.4	11.8	11.6	1.5	.9
$90 to $119	8.2	9.7	11.9	11.1	3.7	3.6
$120 to $149	12.8	11.1	9.7	9.4	6.5	8.6
$150 to $179	10.7	8.4	4.1	4.8	7.2	5.5
$180 to $209	9.4	10.6	3.7	3.7	8.4	6.8
$210 to $239	8.0	9.7	3.4	2.6	8.5	7.2
$240 to $269	6.6	9.9	2.2	2.3	7.7	8.2
$270 to $299	6.4	6.1	1.2	1.1	6.5	6.6
$300 to $399	11.8	12.9	3.9	3.1	17.3	15.8
$400 to $499	7.1	6.7	2.4	2.2	12.0	12.3
$500 to $599	3.6	3.7	1.6	1.0	7.1	8.3
$600 to $699	1.6	2.3	1.3	1.0	4.3	5.7
$700 to $799	.7	.8	.4	5	3.0	3.2
$800 and over	.9	1.7	.5	1	5.8	5.7

[1] There were some eligible households who did not take advantage of the food stamp program or other in-kind transfer income programs in November 1973.

TABLE 2.—HOUSEHOLD SIZE AND INCOME OF HOUSEHOLDS PARTICIPATING IN THE FOOD STAMP AND FOOD DISTRIBUTION PROGRAMS, NOVEMBER 1973[1]

Household size	Size distribution (percent)		Net cash income		In-kind income		Total income	
	Food stamp	Food distribution	Food stamp	Food distribution	Food stamp	Food distribution	Food stamp	Food distribution
1	28.5	27.7	$138	$145	$56	$45	$194	$190
2	20.9	25.0	200	228	90	83	290	311
3	13.3	13.4	238	270	121	107	359	377
4	12.4	10.7	289	322	172	155	461	477
5	8.8	6.8	308	382	170	192	478	574
6	5.5	6.1	347	368	235	191	582	559
7	4.1	3.8	372	367	193	205	565	572
8	2.7	3.3	401	463	301	240	702	703
9	1.6	1.5	442	467	235	252	677	719
10 and up	2.2	1.8	462	479	304	255	766	734

[1] See appendix tables 1–4 for income by household size.

There is no data available yet on how the income distribution and family size of food stamp participants may be changing because of the large jump in unemployment. We estimate, however, that the total cut-off of income from firings and lay-offs would increase the numbers at lower income levels.

How many people are eligible for stamps?

No one has exact figures on how many people are eligible for food stamps but are not receiving them. As will be discussed in more detail later, the Department of Agriculture has not gathered such figures, and consequently we must rely on other sources for an estimate.

The most detailed analysis we have found so far has been done by Gary W. Bickel of the Bureau of Social Science Research and Maurice MacDonald, of the Institute for Research on Poverty at the University of Wisconsin, Madison. (See Appendix B.)

They estimate that in any given month of 1974, the average number eligible for food stamps was 38.6 million people. Their analysis is based on income distributions published by the Census Bureau, and it takes into account food stamp maximum allowable income standards, deductions from income and limits on assets.

Their figure is in line with the results of other eligibility studies. A report by the subcommittee on fiscal policy of the Joint Economic Committee estimated that 37 million were eligible for stamps in March, 1974. And an analysis, published by the Congressional Research Service of the Library of Congress, put the number of eligible households in June, 1975 at 12 million, or 36 to 38 million people.

In September, 1974, the latest month for which final food aid participation figures are available, there were about 15 million Americans receiving either food stamps or food commodities directly. There were then 14,517,195 people using food stamps and 77,810 receiving commodities.

The participation level in the food programs has remained almost constant over the last three years. Food stamp participation, up until September, 1975, grew primarily as the commodity distribution program was phased out.

Thus, using figures for September, 1974, it is possible to estimate that, given 38.6 million eligible for food stamps and about 15 million participants, there were at least 23 million Americans who needed stamps but were not receiving them.

Since September, food stamp participation has risen. The most recent official figure, for December, puts total participants at 17.1 million. We believe that, given the nation's economic decline, the number of eligible people has also increased, but to provide the most conservative possible estimate of the participation gap we will compare the 38 million eligibility of September with the December participation figure. The result is the conclusion that there are at least 20 million Americans who are eligible for food stamps but are not receiving them.

To understand why this gap exists, it is necessary to look at the politics of food stamps and the attitude of the Department of Agriculture toward the program.

II. STILL GOING OUT OF BUSINESS

When the food stamp program was initiated in 1939, it was tied directly to the need to reduce farm surplus. A report on the effectiveness of the stamp program published by the Department of Agriculture in 1940 said:

"Price-depressing farm surpluses are coexistent with a situation in which millions of American families are receiving inadequate diets. The purpose of the Food Stamp Plan is to raise farm income and at the same time to improve the dietary standards of low-income consumers."

In its recommendations, the report said: "The stamp plan program must be increased substantially above its present extent if it is to be a major factor in meeting some of our farm problems."

However, World War II intervened, resolving the problem of surpluses and bringing high employment.

When attempts were made in the late 1950s to restart the food stamp program, the structure of farming in America and government policy toward agriculture had changed from the 1930s. The common interest between farmers and the poor, *Hunger USA* pointed out "has disintegrated as the control of agricultural policy has shifted from the small producer, the family farmer, to the large producers, the commercial, and corporate farmer."

In the late 1950s, many large farmers were cushioned by income support mechanisms and a commodity distribution program, and food stamps offered no attraction as a means of cutting surpluses. In 1956, a report requested by Congress from Secretary of Agriculture Ezra Taft Benson said that the food stamp plan "is not an effective device for disposing of surplus in the hands of the Commodity Credit Corporation," and that "a food stamp plan would not be as effective in dealing with seasonal, temporary, or localized surplus situations as would a program of Government purchase and direct distribution."

In 1958, Assistant Secretary of Agriculture Don Paarlberg (currently director of agricultural economics) testified: "In conclusion, as we now see developments ahead, we do not favor the adoption of a stamp plan. That is, we do not believe the present system of making Federal surplus foods available to needy people should be replaced by a food stamp plan."

Under these circumstances, the food stamp program was considered by agricultural interests to be an unnecessary welfare program, a view taken by President Eisenhower when, in 1959 he signed a bill that would permit the Secretary of Agriculture to start a food program but not require him to do it. The President said if the stamp provision were implemented it would add to welfare costs that were already heavy. Secretary Benson said there was "no need" for the program, and it was not implemented.

There was, however, a need for food stamps from the viewpoint of the needy, because the commodity program offered a limited selection of food and availability fluctuated with the size of surpluses. Studies have since shown that food stamps offer greater nutritional benefits than the commodity distribution programs.

One of those favoring food stamps and introducing a bill in 1959 to start a stamp program was Senator John Kennedy. His first executive order established, in 1961, pilot food stamp programs in West Virginia, Pennsylvania, Eastern Kentucky, Northern Minnesota, Southern Illinois and Detroit.

The stamp program expanded, but under continued pressure from opponents on the basis of it being a "welfare" program. However, in 1964, farm and urban interests coincided long enough to bring the passage of the Food Stamp Act, which was an extension of the pilot program, but left it up to the states to decide whether to come into the program and to set eligibility requirements.

Between 1961 and 1968, food stamp participation rose from 50,000 to about 2.5 million. During that period, the Department of Agriculture remained under pressure from agricultural interests in Congress to limit the size of the program, *Hunger USA* said:

"To date the USDA has shown concern for the hungry largely as a result of external pressures: from congressional committees other than the agriculture committees; from other agencies such as the Office of Economic Opportunity and the Civil Rights Commission; from public scrutiny and public attack; and from countervailing political considerations, both doremtis and international."

When President Nixon entered office, the nation was highly sensiitve to the issue of hunger. An atmosphere of urgency had been created by tours of areas of high incidences of hunger by Senators and Congressmen, the release of *Hunger USA* and media attention, such as CBS' *Hunger in America*.

Early in 1969, two White House staff commitees proposed a $1 billion reform in the food stamp program that would lower the cost of stamps and provide more food.

In *Let Them Eat Promises*, Nick Kotz reported:

"Presenting the plan to President Nixon, Clifford Hardin (Secretary of Agriculture) discovered conflicting motives in the politics of hunger.

"The most troublesome question is how wide is the hunger problem in fact?" asked the President.

"Replied Hardin, 'We know there are six million persons in families with less than $300 per capita income, 25 million with less than $3,000 family income, and probably one half have the nutritional problems, give or take one or two million. We're absolutely convinced this is a serious problem and one that with our abundance shouldn't be permitted to exist.'

"Nixon, somewhat skeptical but politically astute, then asked, 'To what exent does our report reflect or respond to the Senate (McGovern) hearings? I've been on that side as a congressman or senator. Are we allowing their propaganda to pull us?'

" 'No,' replied Hardin. 'We've been very cold in our analysis.' The absolute minimum a family of four can get by on is $100 a month for food.'

" 'For $100 per month,' quipped the President, 'you can't even pay the interest on the bill at Gristede's (an expensive New York grocery chain).' When everyone in the room laughed, the President quickly became grave, shook his head in dismay at the disparity in living styles, and added, 'You might see less a problem than the McGovern group. You might see more. All I hope is that we are really analyzing this for ourselves.'

"(Robert) Finch, politically aggressive and action-oriented, quickly jumped in: 'Let's take the play away from the McGovern committee and send a couple of your guys (White House aides) in a helicopter to Southern Virginia, for example.'

" 'Good, replied the President. 'Don't be props for McGovern.'

"Hardin also stressed political pressure, 'I feel very much on the spot,' he told Nixon.

" 'How soon do we have to move?' asked the President. 'This week?'

" 'I have three speeches to give this week, the first one tomorrow night,' answered Hardin. 'And what I need to do when I speak is to say that I'm speaking within the policy of this Administration.'

" 'You can say that this Administration will have the first, complete far-reaching attack on the problem of hunger in history,' Nixon told the Secretary of Agriculture. 'Use all the rhetoric, so long as it doesn't cost any money.'

Secretary Hardin thought the President was joking, Kotz reports, but it became clear he wasn't. The President put pressure on to cut the budget, and at the same time, advocates of the administration's family assistance plan downgraded the hunger problem to prevent it from diverting attention from their proposals.

When the budget was presented in April it provided for no increase in the food stamp program.

Senator McGovern, along with others, including Senators Javits, Mondale and then Senator Marlow Cook, increased the pressure on the President through field tours and speeches. A turning point in the fight came when the McGovern committee invited Secretaries Hardin and Finch to appear before the Nutrition Committee on May 5 and 6 to explain why their own food plans had not been implemented. On May 6, the President asked for $270 million in fiscal 1970 and $1 billion in fiscal 1971 for feeding programs and committed himself to eradicating hunger in America for all time.

The pledge was more rhetorical than real. In the fall of 1969 the administration lobbied against a food stamp bill sponsored by Senators Javits and McGovern, and in early 1971 it attempted to cut about 350,000 welfare recipients from the program. The plan was defeated only to have the President try again, unsuccessfully, to cut benefits to the "upper income" poor.

The recent effort by the Ford administration to increase the price of food stamps is an extension of the Nixon administration's policies.

During the period from 1969 to the present, the food stamp program has been expanded in spite of administration opposition, largely due to continued publicity about hunger, to make it a mandatory, nationwide effort, based on national eligibility standards and providing a standard allotment nationwide.

As Congress has moved to liberalize the program, however, the Department of Agriculture, following the traditional line, has sought, through restrictive regulations and delay in regulation issuance to limit food stamp participation.

In October, 1974, U.S. District Court Judge Miles W. Lord, in Minneapolis, in a decision in which he ordered that USDA spend $278 million earmarked for the food stamp program:

"The Secretary's (Agriculture Secretary Earl Butz(response to the Congressional directive (the food stamp act), when viewed in its totality, is fairly described as a total failure on his part to do what the Congress clearly intended him to do."

Speaking at the National Nutrition Policy hearings in June, 1974, Arthur Schiff, a former food stamp administrator for the City of New York, said the stamp program "is really very hard to run, and the fact of the matter is that . . . the federal government does not want the program run very well, and they do everything in their power possible to inhibit any kind of efficient, reasonable, humane, meaningful food stamp program . . ."

The specifics of these charges will be discussed shortly. It is important to add here, however, that this reluctance by the Department of Agriculture to deal with food stamps gives the program a debilitating sense of impermanence as well as prompting restrictive regulations.

Secretary Butz has said often that he dislikes having a "welfare" program in the Agriculture Department and would like it transferred, perhaps to the Department of Health, Education and Welfare.

In addition, food stamps would have been eliminated under the Nixon Administration's welfare reform plan, as they would be under welfare reform proposals discussed recently by HEW Secretary Caspar Weinberger and former Congresswoman Martha Griffiths.

When a food stamp official came to work in the food stamp division of USDA's Food and Nutrition Service more than five years ago, she was told: "Don't count on having this job too long because the program is going to be abolished."

III. THE DENIAL THAT HUNGER EXISTS

Nothing symbolizes the attitude of the Department of Agriculture toward hunger so much as the continuing reluctance to estimate how many Americans are eligible for the food stamp program.

In 1972, an economist in USDA's Economic Research Service completed a study for the Food and Nutrition Service which found, among other things, that the incidence of poverty in a county is the most important variable affecting food stamp participation and that for each increase of 100 persons in the poverty population there would be an increase of 35 persons on food stamp rolls.

That conclusion, the connection it made between poverty and stamp participation, was contrary to the USDA denial that any connection could be made between the incidence of poverty and food stamp use. That denial was important to USDA as it was used to counter the conclusions of Hunger, 1973, published by the Select Committee, which related hunger to poverty statistics, county by county.

The report of the ERS economist has been through several review cycles, and it is thought by other economists to be sound, but now, two years since it was completed, it has yet to be published.

A USDA economist, not connected with the report, asked why the report has not been published, said: "They really didn't want to know about those things (eligibility)." And, he said, "The basic attitude" has been "don't publish anything" about food stamps.

This attitude may be changing somewhat. It is reported that FNS is considering funding an eligibility study, but it may not be completed for more than a year.

Food stamp officials have a practical reason for being non-commital about food stamp eligibility since USDA and 17 states are defendants in lawsuits charging that they are not working hard enough to bring those eligible into the program. Any official estimate of the total need would verify that there is a gap in performance.

Moreover, if the primary goal is to reduce food stamp participation, as efforts of the administration over the last several years indicate, there is little reason to specify the complete dimension of need.

Food stamp officials dispute eligibility estimates, such as the 38.6 million figure quoted earlier, by saying these figures do not show the number of people who actually benefit from food stamps because people go on and off the program.

In a deposition responding to a suit filed by Legal Services of Nashville, to force improvement to the Tennessee stamp program, Edward J. Hekman, FNS administrator said:

"Information has been developed which indicates that the actual number of persons participating in the program over a 12-month period is as much as double the average number of persons participating during such period. Put another way there are large numbers of persons who come in and out of the program . . .

"In Carter County (Tennessee), 7,932 separate persons participated in the program during the period in question (a 12-month period), although the average monthly participation of persons in the program in that county was only 3,875."

FNS was asked to provide the studies on which this and other participation information was based, but the material was said to be not yet ready for release. The deposition was filed June 24, 1974.

The FNS argument is invalid first, because it seeks to compare the number of people who might use stamps at any time during a year, with a monthly average number of eligibles. If the monthly average of 38.6 million eligibles were to be converted into the total yearly figure, this number would be far higher.

What the Hekman statistics indicate, however, is that there are a number of people whose monthly incomes fluctuate a great deal, and therefore they are not eligible in all months.

A dramatic refutation of FNS contentions that most eligible people are being reached came in New Jersey last summer. In July, the state, with the help of the National Child Nutrition Project, ran a campaign to draw more people into the stamp program. Seven television stations ran 30-second commercials on stamps, giving hot-line numbers to call for more information. More than 800,000 flyers were distributed to shoppers. Food chains advertised food stamps in their ads, and 12 billboards were donated to the campaign for a month.

In the first four weeks of the campaign, nearly 12,000 people called the state-wide hot-line. Bill Stevens, the state food stamp administrator, said in August that there had developed a "deluge of applications."

Between June and August there was an 82 percent increase in authorizations to purchase, from 4,386 in June to 7,970 in August, for non-public assistance applicants. Public assistance authorizations rose 40 percent.

Between July and October, total authorizations to purchase rose from 49,593 in the area of non-public assistance to 69,931, an increase of 41 percent. Total authorizations for public assistance households rose 4 percent, from 86,454 to 90,009.

A certain percentage of the increase, particularly during the fall, resulted from layoffs, but nevertheless, it is clear that a sizeable number of working families were eligible for the program but were not participating because of ignorance about it.

Unfortunately, nation-wide participation has not risen as it has in New Jersey. The statistics show, in fact, that hunger is on the increase.

IV. HUNGER IS GROWING

In *Hunger, 1973*, the Select Committee analyzed participation in the two family food programs, food stamps and commodity distribution. (The commodity program has been phased out now in all areas except a handful of Indian reservations.) The statistics in *Hunger, 1973* are not based on the same standards as the figures in the Bickel-MacDonald study, but both standards measure eligibility for the food stamp program and can be compared nationwide, and state by state, to show the progress in alleviating hunger.

Combined participation in the food stamp and commodity programs has remained the same for the last two years (through September, 1974) while the number of those found eligible for assistance has risen by 50 percent, from over 26 million in 1972 (Hunger, 1973) to 38.6 million in 1974 (Bickel-MacDonald).

Consequently, the percentage of the needy being reached by these programs has dropped from 52 percent in 1972 to 38 percent in 1974.

A small part of this increase in eligibility is due to population increase, but the major factors affecting the eligibility increase has been the rise in the maximum level of income allowed under the food stamp program, a rise caused by inflation.

The maximum income allowed in the program is based on a standard that is three times the cost of a diet plan worked out by USDA called the "Economy Diet Plan." The adequacy of the diet plan will be discussed later. Families with income below the standard are judged to be unable to afford a nutritionally adequate diet without food assistance.

Since the standard is based on the diet plan, it rises with food costs. Food prices have risen about 33 percent in the last two years, consequently, the income standard has risen; for a family of four, the maximum income standard has gone from $373 a month in 1972 to $500 a month in 1974.

Therefore, most of the increase in the number of eligible persons has come about because inflation has put the cost of an adequate diet out of the reach of an increasing number of people.

Hunger, State by State

Table 3, from the Bickel-MacDonald study, gives a measure, state by state, of the degree to which the needy are receiving food aid. (In five states, recipients of Supplemental Security Income payments are barred from receiving food stamps, so the number of SSI recipients (column 2) is subtracted from the total number of eligibles (column 1). In states where the commodity distribution program is still operating, the number of persons receiving commodities (column 4) is added into the total number of participants.)

Table 4 lists, in order, the states having the highest rates of participation in the food programs. In this, and Table 5, comparisons are made between participation rates from the Bickel-MacDonald study and *Hunger, 1973*.

TABLE 3.—1974 FOOD STAMP PARTICIPATION RATES, BY STATE

State	Estimated average monthly number of persons eligible for food stamps in 1974 (net income and assets criteria combined)	Number of SSI recipients in 5 cash-out States, September 1974	September 1974 food program participation levels		Total food program participation rate (percent) (col. 4 divided by cols. 1–2)
			Food stamps	Commodities	
	(1)	(2)	(3)	(4)	(5)
Alabama	1, 177, 139		338, 507		28.8
Alaska	71, 968		14, 205		19.7
Arizona	421, 552		110, 400	33, 020	35.5
Arkansas	754, 353		245, 940		32.6
California	2, 989, 736	577, 255	1, 343, 373		55.7
Colorado	411, 554		131, 151		31.9
Connecticut	291, 513		139, 532		47.9
Delaware	85, 458		21, 214		24.8
District of Columbia	150, 783		116, 392		77.2
Florida	1, 713, 309		514, 847		30.0
Georgia	1, 318, 000		424, 830		32.2
Hawaii	160, 839		71, 540		44.5
Idaho	161, 812		31, 695		19.6
Illinois	1, 569, 158		840, 900		53.6
Indiana	771, 298		194, 036		25.2
Iowa	510, 030		105, 645		20.7
Kansas	425, 553		53, 107		12.5
Kentucky	1, 035, 952		400, 655		38.7
Louisiana	1, 269, 096		502, 279		39.6
Maine	212, 394		96, 133		45.3
Maryland	560, 352		245, 101		43.7
Massachusetts	724, 630	111, 881	284, 966		46.5
Michigan	1, 156, 822		567, 791		49.1
Minnesota	599, 682		165, 930	1, 291	27.9
Mississippi	982, 632		348, 321		35.4
Missouri	1, 074, 852		288, 353		26.8
Montana	147, 786		32, 821	6, 719	26.8
Nebraska	299, 628		44, 332		14.8
Nevada	70, 419	4, 495	27, 168		41.2

State	Estimated average monthly number of persons eligible for food stamps in 1974 (net income and assets criteria combined) (1)	Number of SSI recipients in 5 cash-out States, September 1974 (2)	September 1974 food program participation levels: Food stamps (3)	September 1974 food program participation levels: Commodities (4)	Total food program participation rate (percent) (col. 4 divided by cols. 1–2) (5)
New Hampshire	102,000		30,277		29.7
New Jersey	833,394		435,187		52.2
New Mexico	351,627		149,831		42.6
New York	2,798,187	350,651	1,195,785		48.9
North Carolina	1,484,562		341,397	497	23.0
North Dakota	155,072		18,361	6,572	16.1
Ohio	1,517,172		750,774		49.5
Oklahoma	691,202		155,463		22.5
Oregon	346,542		163,617		47.2
Pennsylvania	1,814,010		744,896		41.1
Rhode Island	143,888		77,881		54.1
South Carolina	859,161		354,484		41.3
South Dakota	204,789		30,273	13,942	21.6
Tennessee	1,247,504		329,456		26.4
Texas	3,007,732		1,057,976		35.2
Utah	188,742		39,829		21.1
Vermont	82,382		38,165		46.3
Virginia	1,030,544		215,338		20.9
Washington	475,084		228,898	9,769	50.2
West Virginia	543,888		213,774		39.3
Wisconsin	663,712	53,727	129,403		21.2
Wyoming	62,325		9,272		14.9
Total United States	39,721,819	1,098,009	14,567,195	77,810	37.9
	38,623,810		14,645,005		

TABLE 4.—THE TOP 10

State	Percent of eligible persons receiving food assistance: 1974	Percent of eligible persons receiving food assistance: 1972
District of Columbia	77.2	89
California	55.7	80
Rhode Island	54.1	72
Illinois	53.6	65
New Jersey	52.2	59
Washington	50.2	78
Ohio	49.5	61
Michigan	49.1	75
New York	48.9	66
Connecticut	47.9	64

TABLE 5.—THE BOTTOM 10

State	Percent of eligible persons receiving food assistance: 1974	Percent of eligible persons receiving food assistance: 1972
Kansas	12.5	24
Nebraska	14.8	28
Wyoming	14.9	28
North Dakota	16.1	30
Idaho	19.6	36
Alaska	19.7	61
Iowa	20.7	34
Virginia	20.9	30
Utah	21.1	40
Wisconsin	21.2	37

As in 1972, the District of Columbia is still reaching the largest percentage of its eligible population, although the percentage dropped from 89 percent in 1972 to 77 percent in 1974. California is second, as it was two years ago, but the percentage of eligible people receiving food aid dropped from 80 percent in 1972 to 56 percent in 1974.

It should be noted that the actual number of people participating in the District of Columbia and California has not changed a great deal since 1972 even though the number of those eligible has increased, causing the participation rate to drop.

The other states on this list also had relatively high participation rates in 1972. With the exception of Illinois, Ohio and Michigan, these high participation states are all from the northeast or far west regions, the same regions which were found to be reaching the largest percentage of needy in 1972. All the states in the Top Ten have large urban populations.

All the states listed in Table 5, the Botton Ten, with the exception of Alaska, were states reaching low percentages of their needy populations in 1972.

Kansas had the lowest participation rate in 1972, 24 percent; and its percentage of eligible participation dropped to 12.5 percent in 1974.

Nebraska and Wyoming, both with the next lowest participation rate in 1972, are now second and third from the bottom. Both were reaching 28 percent of their eligible populations in 1972; in 1974, both have participation rates of about 15 percent.

Except for Alaska and Virginia, as the states with low participation rates in food programs are located in the northern central area of the country, the same region that had the lowest participation in 1972.

The Great Lakes states show the greatest contrast within one region in terms of the percentage of the eligible populations participating in the food programs. Illinois, Ohio and Michigan all have relatively high rates of participation, while Iowa and Wisconsin have very low participation rates. Although the reason for this variation is not entirely clear, it is apparent that geography is not a major factor determining a state's percentage participation in the food programs. The state administration of the programs also determines how effective it is in reaching all of its eligible population.

The Impact of Unemployment

As we have already noted, food stamp participation remained relatively stable until September, 1974. Unemployment in that month was 5.8 percent. By November, unemployment had climbed above 6 percent, but although reports of increased applications for food stamps were coming in, USDA officials did not anticipate the impact of unemployment on the program.

In November, food stamp officials were estimating that, for each percentage point increase in the unemployment rate, stamp participation would rise 250,000 to 300,000. By January, however, they acknowledged they had thrown that yardstick away as participation figures by December climbed to 17.1 million. Unemployment in December was 7.1 percent.

Had the USDA officials the unemployment yardstick provided in the suppressed ERS participation study mentioned earlier they would have been better prepared. The study estimates that for each percentage point increase in unemployment food stamp participation will rise by 700,000 persons.

It is important to note that this rapid, record expansion in eligibility for food stamps brought about by unemployment is not part of the calculations of 38.6 million eligibles in the Bickel, or other studies. Consequently, we believe the number of those eligible for and in need of food stamps is larger than it ever has been before and that this number will continue to increase.

Moreover, this higher level of eligibility, this higher level of need, will persist for the next several years at least, based on projections of employment levels.

Many economists believe that unemployment will stand at 7 percent at the beginning of 1977. (It is important to note that the blue-collar unemployment rate is generally higher than the national average. In January it was 11.0 percent. This is the working group whose income is closest to food stamp eligibility standards.)

A study of factors contributing to change in the economic condition of households, conducted by researchers at the University of Michigan, found that unemployment had an appreciable downward pull on income when the level was six or more percent over several years.

Currently, most major metropolitan areas and many rural areas, particularly in the South, are experiencing unemployment beyond six percent. Furthermore, President Ford has predicted an average unemployment rate of 8.1 percent in 1975 and 7.9 percent in 1976. This means that at some point, the rate is likely to reach 9 percent before it falls. It reached 8.2 percent in January, considerably ahead of the predicted timetable.

The message of these statistics is that many communities in the United States are in for extended hard times. The statistics mean that many people, many more than the 38.6 million found eligible as of September, 1974, are going to be in need of food assistance.

"In 1975, if economic conditions don't improve," said Paul Levecque, a Maine welfare official, "I can envision us having 60,000 cases (using food stamps, about 210,000 people) by this time next year. In parts of the state, in some towns, 80 to 90 percent of everyone in town will be eligible."

The statistics show that unemployment, heaped on top of inflation, is making hunger a very real threat for more and more Americans. Nowhere is the evidence of this more apparent than in the lines that are forming at food stamp offices, in many places before dawn.

Recommendation

In order to help define the dimension of hunger in the United States and the degree to which the food stamp program is meeting this need, it is recommended that the Department of Agriculture undertake a study to determine the number of persons eligible for the food stamp program, with special emphasis on the elderly and migrant workers.

V. BREAKDOWN

"I came in a few mornings at 7:30, and there were about 20 waiting to get in. So I came earlier, at 6:30 a.m., and there were still 20 to 25 people." Charles Jefferson, food stamp program supervisor in Richland County, South Carolina. December, 1974.

In Front Royal, Virginia, there is one food stamp certifier, and since the major industry in the town has practically shut down, it has become necessary to conduct group interviews to help applicants fill out applications.

A request for another certifier was made in January and has been approved, and she will be on the job by the first of March. In the meantime, regulations have prevented welfare certifiers from assisting the food stamp worker in the certification of non-welfare applicants.

This, in miniature, is what is happening all over the United States in areas of high unemployment. In Front Royal, applicants are receiving stamps within several days at most. But in other areas, as noted in the introduction, conditions are far worse.

At the request of the Select Committee, a nationwide telephone survey of the five food stamp regions was made by USDA in mid-February to determine how many people are waiting for stamp certifications beyond the 30-day period permitted by law. Some states reported people waiting longer than 30 days but could make no estimate of the numbers involved. From those states that did make estimates it can be calculated that there were in mid-February at least 65,000 people waiting beyond 30 days for certification.

We estimate, based on national participation figures, that in mid-February there were at least 85,000 people waiting beyond the 30-day limit. The figure is likely to be much higher, however, because we have found instances in which people make inquiries about food stamps but are not given an application until they have an appointment, and the appointments in some cases are not available for several weeks.

Although most states are not reporting waiting periods beyond 30 days, this does not mean there is no hardship in them for applicants, and food stamp employees.

Pennsylvania, for example, had in mid-February, nine counties in which the waiting period for certification was nine to 23 days and three counties in which the waiting period was nine to 16 days.

In addition, it was necessary in Philadelphia to do pre-certification interviews in groups and to transfer temporary certification help to the city to cut down the backlog.

According to a state official, the state was hit with more stamp applications in September, October and November of 1974 than in the preceding eight months.

South Carolina indicates no backlog, but the state food offices have been under severe pressure, particularly in the northwestern section of the state where textile mills have laid off heavily or closed completely.

The certification bottleneck

The element of the food stamp program creating these backlogs and the intense pressure on thousands of food stamp offices is the certification process, a process that has discriminated against the persistently poor for years.

The following extremely candid report on certification in South Carolina, prepared by the state department of social services, describes a situation representative of what is happening all across the United States. South Carolina has handled the problem much better than many states, however.

"With the downturn in the economy the certification units across the State are being taxed beyond their limits. While we do not have data to indicate the exact increase in the number of interviews certification workers must conduct, we have been told by many counties that their certification units have never been busier.

"Sixteen counties reported that some clients had to wait at least three hours before being interviewed, and in seven counties this wait was more than four hours. Some clients who arrive by 8:30 a.m. must wait all day in Union and Richland* Counties. In 30 counties, more clients arrive on some days than can be seen on those days.

One of the figures we consider particularly significant is the average number of interviews per certification worker per month. Twenty-six counties reported on the number of interviews in October. The average number of interviews per worker per month in these 26 counties ranged from a low of about 50 to a high of about 400.

If we assume that there are 20 working days per month, then the counties which average 5 or less interviews per worker per day are Cherokee, Abbeville, Hampton, Lee and Bamberg. Eighteen counties averaged between 5 and 12 interviews per worker per day. Judging from the questionnaire Union seems to have the greatest problems of these three counties, while Dorchester seems to be running smoothly.

"Thirty-two counties described their facilities in certifications as inadequate. Of these 13 are involved in obtaining new facilities. Among the most common complaints were lack of space, the heat in summer and the cold in winter, more than one interview conducted at a time in rooms with no partitions which affords little privacy (23 counties), and noisy conditions.

"Finding qualified certification workers does seem to be a problem. Of 401 allocated positions in the state 57 were not filled in October. Poor salary was most often cited as the reason for the difficulty in hiring.

"There are great variations in the lengths of certification periods from county to county. We looked at the number of ½ month, 1 month, 3 month, 6 month and 12 month certifications completed in October. Thirty counties reported these figures. Clearly, some counties have decided not to certify for certain lengths of time. Abbeville had no ½ month certifications while Oconee had three and Orangeburg two ½ month certifications. Charleston had no 3 month certifications while Orangeburg issued only four out of 950. Barnwell, Chester, Lexington, Marion and Oconee had no 12 month certifications. In Abbeville 97 out of 123 certifications were for one month. These figures indicate a need to make the determination of certification periods more uniform."

In 1968, *Hunger, USA* recommended: "Certification should be made upon applicants' affidavit alone" and "certification should be on an annual basis except at the request of the participant for adjustments either of the price he pays or the allotment he receives."

But in 1972, *Hunger USA Revisited* reported that the Department of Agriculture "appears, if anything, to have exacerbated (the) defects in the system, making certification more onerous than ever."

No control was being exerted over hours of certification offices, the report said, or the number of offices available.

"The applicants, most of whom have to return every three months to be certified once again, frequently find the application offices physically inadequate to accommodate the work load. In San Antonio, Texas, the offices were described by a witness before the Board of Inquiry as 'a cattle-like corral' adjoining a glue factory . . ."

"The certification forms today are, if anything, more complex than they were in 1968. The Department's certification instructions to state welfare agencies contain a sample application form that lists 21 question areas, most with several sub-sections. In Arkansas the application runs five pages. Multi-hour interviews are commonplace elsewhere. Bewilderment and reluctance to participate are the direct products."

The situation has not changed in two years. Certification forms vary from state to state, as do numbers of offices and certification workers per participant. Food stamp officials are as angry about the certification as applicants.

The food stamp regulations, said a welfare official in Virginia, "are so confusing and ambiguous . . . there are built-in errors."

"Right now, the program is virtually impossible to implement," according to Hilton Bolton, manager of the Knox County, Tennessee food stamp office. The main problem is the longer, more complex application forms issued by the state in November. The forms were changed after changes in Federal guidelines.

"We are aware of the many eligibility inconsistencies in the program," said James Young, welfare director in Hudson County, New Jersey, "and have been in touch with state and federal officials requesting changes."

The Federal regulations requiring some people to undergo monthly recertification are inefficient, he said.

Frank Drew, stamp administrator in Hudson County, said there are more than 60,000 participants in the county, and "the bleak economic outlook indicates that more and more people will become eligible to receive food stamps."

In North Carolina, food stamp administrators asked USDA to permit changes to break the certification bottleneck.

They included:

Declaration of counties under pressure as disaster areas to permit applicants to fill out shorter forms.

Automatic recertifications of recipients whose eligibility had expired without referring such requests to Washington. Regulations require resubmission of applications when certification lapses.

Suspension of administrative inspections and the use of inspectors to certify applicants.

Use of volunteers to interview applicants.

The request by the administrators was refused, it was reported, because the changes were "against regulations."

"On the national level," said the *Charlotte Observer*, a week before the request was made, "the complex certification system should be done away with. It takes more paperwork to get food stamps than to get married, buy a home or declare war. Those administrative costs come out of the taxpayers' pockets and do nothing to help feed hungry people. If Congress will not take the most sensible approach and merely provide needy families with cash income supplements, it should at least streamline the cumbersome application process."

A typical food stamp application appears as Appendix C.

The alternative

The alternative to the tedious and demeaning certification process is affidavit or declaration certification in which the food stamp applicant would fill out an application, just as an income tax form is filled out, and declare that the various statements of income, assets and liabilities were correct. Verification would not be required on all applications, as is now the case. Fraud would be countered through spot audits, just as it is for income tax.

A permanent step in the direction of declaration certification has been taken in Massachusetts because of the demand for food stamps. As the result of the suit by Massachusetts Law Reform Institute, mentioned earlier, the state revised its certification regulations in January 1975, dropping the requirement for verification of medical and heating deduction claims under a certain dollar limit.

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* A questionnaire was not received from Richland County, but we did visit there. During that visit, we learned that clients do wait all day and some arrive as early as 7:30 a.m.

Bills for medical care require verification, the regulations say, only when the deduction claimed exceeds $40 a month for each household. The household is expected to list the actual expenses under $40, however, not just claim the maximum. Verification for claims for deductions for oil, gas or electric heat must be made only if the claim is more than $600 a year or $50 a month.

In the case of medical and heating claims, if more than the limit is claimed and bills are not available, the maximum claim is entered and when the bills are produced to justify a higher claim, the deduction is revised.

Fraud

The principal argument against affidavit or declaration certification has been that it would result in fraud and abuse. Putting aside for the present the discretionary nature of such a position, the Select Committee has found little intentional abuse of the stamp program.

Moreover, in June, 1973, Assistant Secretary of Agriculture Clayton Yeutter said that the Department of Agriculture had found little abuse of the program.

Appearing before the Select Committee, Secretary Yeutter was asked by Senator Charles Percy whether there was excessive fraud or abuse in the food stamp program.

Mr. YEUTTER answered:

"I'm very pleased that you raised that issue, Senator Percy, because it's one that constantly arises, particularly from critics of the program who seek means by which it may be castigated or indicted. Each time a violation is prosecuted it makes big headlines. Many people assume that that means that everyone in food stamps is cheating and there is massive fraud and massive violative intent. That simply is not the case. In fact I am personally surprised to find the rate of violation to be so low. I think it is encouraging that we have a situation where really most people are still basically honest. Probably people who are participating in these programs are just as basically honest as people who do not participate in these programs."

Senator PERCY. "I think that's one of the most important statements that's ever been made before this committee because there is a feeling that there can be in the administration of this kind of a program a tremendous amount of abuse. My own personal observation is that in the area of food most people are not trying to cheat. They don't want to look like they are paupers. In fact, this great reluctance of people to say that they're in need is one of the problems you have in reaching them. They somehow feel that they don't want to be put in a degrading category of looking for a handout. Many of these people have worked all their lives, they don't want to be on the dole, they don't want to go to the county poorhouse, and that's almost the category they put this in. They're hard to find sometimes, too. They'd rather suffer in their poverty rather than admit the impoverished condition in which they find themselves and somehow we've got to reach out and say look, this is not degrading, you had nothing—it's beyond your control. You probably did have enough to live on in 1940 prices, but here you've lived twice as long as you thought you would, and you can't make the ends meet and we want to help you. I think that's what we're trying but we don't want to open the doors so wide that there is fraud. And your reassurance that you have seen very little of it in the program, I think is very important. Thank you."

Mr. YEUTTER. "In fact, if you'd like, Senator Percy, we'd be glad to submit for the record some statistics on this that very vividly illustrate that point. It has been remarkably free from fraud."

This is the statement presented by Secretary Yeutter in support of his testimony.

USDA statistics-programs remarkably free of fraud

From July 1, 1972 through March 30, 1973, there were twelve instances of embezzlement by State and local employees. The Office of Inspector General is investigating each case. Six of these cases have been completed, resulting in three prosecutions and convictions and with the U.S. Attorney declining to prosecute the other three. The total dollar loss to the program involved in the six completed investigations was $28,376. During the same period, there were four instances of OIG investigations into coupon trafficking, involving $26,000 in program losses. There was a prosecution and conviction in one case, two cases still are under investigation and one is pending with the U.S. Attorney. There were 24 instances of coupon theft losses resulting from burglaries and armed robberies during the first nine months of fiscal year 1973. The losses totalled $418,771 out of a total of $2.89 billion coupons issued during that period, making the loss equivalent to .0145 percent of the total volume of coupons issued. This is equivalent to just about 14 cents stolen from each $1,000 of coupons issued. During the same period, 400 retailers were disqualified. Also based on the findings of violations, the courts sentenced 115 retailers or their employees for criminal violations of the Act. These sentences have included fines ranging up to $10,000, probation periods and confinements of periods up to two years. As the figures show, only a small percentage of the 180,000 firms who are authorized have been found to be violating the Food Stamp Program. Additionally, there were 8,250 claims established against recipients, for fraudulently receiving food stamps. These claims amounted to $1,784,427 of which $694,714 has so far been collected. The percentage of bonus coupons issued through fraudulent activity in relation to total bonus coupons issued during the first three quarters of fiscal year 1973 is 11 hundredths of one percent. For the same period, the percent of these losses in terms of total coupons issued is 6 hundredths of one percent. In the first three quarters of fiscal year 1973, the percentage of fraudulently participating households, equalled 24 thousandths of one percent.

There is no evidence that there is more abuse of the program now than there was two years ago.

State Senator Henry McDowell, of Georgia, testifying February 5, 1975, before the Senate Agriculture Committee said:

"We have been investigating in my own county, Chatham County, a very thorough investigation which was called for by my opponent, who was a Republican, and it showed that we had, after a thorough investigation by the legal staff from Atlanta, seven possible abuses of the food stamp program out of 25,000 participants in Chatham County."

At the same hearing, Cecil McCarthy, director of Connecticut's food stamp program, said: We have found some hundreds of cases (of fraud) over an eight or nine-year period." (In September there were 139,532 participants in the Connecticut food stamp program.)

Senator Henry Talmadge, the committee chairman, asked: "Have you had any prosecutions?"

Mr. McCarthy: Yes, we have."

Senator Talmadge: "Any convictions?"

Mr. McCarthy: "We have had convictions."

Senator Talmadge: "What recommendations would you make to tighten it up?"

Mr. McCarthy: "One of the recommendations I would make, Senator, is to have the United States Attorneys exercise their duty in these cases. We have gone to them. They do not want to talk to us."

Senator Talmadge: "I have complained to Secretary Butz time after time. Everywhere I travel in my state, of course I do not have time to look up abuses myself, but people who are reasonably responsible tell me about abuses and I hear it continually about negotiating food stamps for liquor and that kind of thing."

Mr. McCarthy: "As I said, I do know the Department of Agriculture who polices the stores in our state, and I suspect in every other state, too, are extremely diligent. I get complaints of this nature, and I turn them over to the Department of Agriculture field man.

"I know of my own knowledge the investigation starts and they are on the scene sometimes within the hour."

From these two testimonies it can be concluded that the incidence of fraud is relatively low, and moreover, that at least in Connecticut, the incidence and degree of fraud is insufficient to raise the interest of the U.S. Attorney.

Recommendations

1. Food stamp certification should be accomplished by declaration. Monitoring of the program for fraud would follow the same procedure as that used by the Internal Revenue Service for income tax.

2. An optional standard deduction should be extended to all applicants in lieu of itemizing hardship allowances.

3. Standard public assistance and nonpublic assistance food stamp application forms be used nationwide and that they be no more than two pages.

4. The federal government increase its share of administrative and certification costs from 50 to 65 percent.

5. Certification offices should be open at least from 9 to 5 on weekdays and at least half a day on Saturday.

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APPENDIX B—PARTICIPATION RATES IN THE FOOD STAMP PROGRAM: ESTIMATED LEVELS FOR 1974, BY STATE

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NOTE

This study, which was not available in final form for publication in "Nutrition and Special Groups, Part I—Food Stamps," is an analysis of the average monthly eligibility for the Food Stamp Program, taking into account maximum income standards, deductions from income and limits of assets.

The figures in this study are not all identical to those quoted in Part I—Food Stamps because participation figures are continuously being updated by USDA. The differences in figures, however, are not significant and do not affect the conclusions of the Report on Nutrition and Special Groups, Part I—Food Stamps.

Since 1968, the Food Stamp Program has been criticized for its inability to enroll even a majority of the persons who are eligible for food stamp benefits.[1] Because eligibility is established primarily for households with financial resources that indicate they will be virtually unable to purchase a minimally adequate diet without food stamps, the welfare implications of this charge are very serious. At the same time, the charge also implies a failure of the program to reach its other intended recipient group, the "working poor" who are eligible for food stamps because of the deductions allowed for payroll taxes and other work-related expense. As the only universally-available income support program in the United States today, embracing this important work-incentive feature designed to bridge the gap between welfare recipients and low-income working families, the failure of the program to reach the latter group is an equally serious charge.

Nevertheless, there has been empirical support for the charge. According to estimates prepared by DHEW, Office of Income Security Policy and Analysis, the number of persons eligible for food stamps on the basis of annual income projections for 1974 was approximately 37 million,[2] while the actual level of food stamp participation over the first three quarters of 1974 as reported by USDA averaged less than 13.7 million.[3] Thus, as indicated by this rough estimate of the eligible population, well under 40 percent of all persons entitled to obtain food stamps were actually receiving them during this period.

A fairer measure of the food program participation rate for 1974 might include recipients of commodities under the Family Food Distribution Program, still in operation during the first half of the year. In March 1974, for example, some 500 counties and other governmental units still maintained commodity distribution programs instead of food stamps, with nearly 2 million total participants.[4] The total level of combined food program participation averaged less than 14.5 million over the first three quarters of 1974, however, and was no higher by September. Combined food program participation nationally still amounted to less than 40 percent of the baseline number of persons eligible for food stamps as estimated by DHEW.

The present study was undertaken to develop data on food stamp participation rates at the state level. If progress toward more adequate food stamp participation is to be monitored, information of this kind is necessary, since states are responsible for the administration of the actual food stamp operation in each locale. As of July 1974, states were required by law to make food stamp programs available in all counties, and under the law each state is responsible for informing low-income households of the availability and benefits of the program, and for encouraging the participation of eligible households.[5] By September 1974, moreover, the Family Food Distribution Program was entirely phased out in all states, with the exception of certain Indian reservations and several counties in Washington, in favor of food stamps.[6]

The principal aim of our research, then, was to construct valid estimates of the 1974 Food Stamp Program participation rate for each state and the District of Columbia. For the most part, this involved estimating the size of the 1974 eligible population in each state, since information about the number of food stamp participants is readily available from USDA, Food and Nutrition Service. It also is possible to take account of some of the important determinants of food stamp eligibility in addition to household gross incomes. In the present study we have utilized recent information on the average level of deductions from gross income allowed to food-stamp participant households in 1973, as well as older data on the average financial asset holdings of low-income households. The participation rates reported here are thus based on a more detailed consideration of the various eligibility criteria under the food stamp program than has been undertaken heretofore, as well as on state level estimation of the eligible population.

The national total of our state-by-state estimates is comparable in size to the earlier estimates derived from national sample survey data. Depending on the magnitude attributed to the "turnover effect" among part-year eligible households, the size of the eligible population in the nation, on average throughout 1974, is estimated (conservatively, we believe) to be between 39.7 and 47.7 million persons. When the number of recipients of Supplemental Security Income in the five SSI "cash-out" states, who by statute are categorically ineligible for food stamps, is subtracted from these totals, the average 1974 eligible population is estimated to number between 38.6 and 46.6 million nationwide, the true size probably lying closer to the latter number. These figures indicate a combined food program participation rate over the first three quarters of 1974 amounting to something between 31 and 37 percent of the total (full-year equivalent) population eligible under current food stamp program criteria.

It should be emphasized that these estimates refer to the "full-year equivalent" level of eligible population (described in more detail below), not to the larger number of all persons ever eligible at any time during the year, irrespective of the duration of their eligibility. It might also be called the "12-month average" level of eligibility, and is the appropriate measure to compare with actual monthly participation levels, especially when the latter are averaged to smooth out seasonal variation. It also should

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be noted that these figures apply to the population eligible for food stamps on both income and assets criteria combined, and in that sense provide a more stringent measurement than estimates based on income data alone.

ESTIMATING STATE ELIGIBLE POPULATIONS: AN OVERVIEW

Federal regulations specify uniform national standards for the maximum levels of income and assets that a household of a particular size may have and still qualify for food stamps. Of the two types of criteria, the income standard is the more fundamental determinant of eligibility. The asset limitations are relatively nonstringent,[7] in the sense that households eligible on income grounds would seldom be disqualified for exceeding the asset standard. While current data on the liquid assets of low-income households are not readily available, earlier findings tend to validate the assumption that a relatively small proportion of households eligible for food stamps on income grounds, perhaps 15 to 20 percent, are ineligible on asset grounds (as described below). Consequently, our approach is to postpone detailed consideration of the asset screen initially and to concentrate first on developing sound estimates of the number of households, and persons in such households, with current income levels lower than the income standard for food stamp eligibility.

For each state and size of household, the data requirements for that computation are the following:

1. a cumulative percentage distribution of households by income;
2. the food stamp program's maximum allowable income;
3. the total number of households.

By applying the appropriate income maximum to each cumulative percentage distribution, we first estimate the percentage of all households of a given size that are eligible for food stamps. Next, multiplication of the resulting percentage by the number of households of that size produces the estimated number of eligible households. These two steps are repeated for each household size. Then, multiplying the number of eligible households by their respective sizes and cumulating products gives the total number of eligible persons in the state.

Once the data are at hand, the procedure is simple. The necessary data, however, are not normally available in the proper form for such a calculation; rather they must be generated from the household income data that do exist. Our procedure for doing this is described in detail in Appendix A below. A number of other complications exist as well in obtaining estimates that reflect comprehensively the various major elements involved in the determination of food stamp eligibility.

SOME COMPLICATIONS AFFECTING THE ESTIMATION METHOD

Income data collected by the Census Bureau, the data used here, are limited to total money income received by the household before payments for personal income taxes or any other deductions. By contrast, the food stamp income maximums are for household net income, which is total money income less a number of deductions, including allowances for the following: 10 percent of wages or salaries, not to exceed $30 a month; all mandatory deductions from earnings, including all income taxes, Social Security taxes, union dues, etc.; all medical expenses if they exceed $10 a month; child care payments if they permit a household member to be employed; tuition and mandatory educational fees; unusual necessary expenses like funerals. Finally, a further deduction is allowed for "excess shelter costs," defined as that portion of shelter costs (rent, utilities, and one telephone) that exceeds 30 percent of the net income remaining after all other deductions.

The shelter deduction alone can cause total money income to exceed household net income by a substantial margin. But, for example, even without the shelter deduction—or any other federal tax and Social Security withholdings—a working father with three dependents, filing a joint income tax return without itemizing or deducting state and local taxes, could have $7200 in gross earnings and still qualify for food stamps because his net income would be less than the maximum ($6000 on an annual basis) for a four-person household.[8]

Until recently there was no accurate way to estimate the total value of deductions from gross income that can legitimately be claimed for purposes of food stamp eligibility. Certain elements could be estimated from the U.S. Census Public Use Sample for each state, but these would be costly to obtain and at best partial in coverage.

Consequently, our line of approach was first to derive a minimum baseline estimate of the number of food stamp eligible households and persons on the unrealistic assumption (Assumption A) that no deductions are taken from gross income. The food stamp net income maximum for each household size is here applied to the distribution of households by total money incomes. This of course produces a sizeable undercount of the true numbers of households and persons eligible for food stamps in each state, but it does provide a basis for further work.

To get some idea of the relative magnitude of downward bias that results from the unrealistic assumption of zero deductions from gross income, we next calculated the number of eligible households and persons on the alternative assumption (Assumption B) that the total amount of such deductions averages 9.1 percent of gross income in each household-size category.[9] This is still a highly conservative assumption. It should be noted, for example, that in the hypothetical case quoted above, the estimated reduction from gross to net income due to the allowance for Federal income and payroll tax withholdings alone amounts to at least 17 percent of gross family income. These preliminary or baseline estimates of the food-stamp eligible population in each State are presented in the first two columns of Table 1, below.[10]

Quite recently data have become available from a USDA national sample survey of food program participants (the Chilton survey) which reveal the average level of the major non-tax deductions allowed to actual participant households in November, 1973. These findings indicate that the average value of such deductions (i.e. not including tax and other payroll withholdings) was $46 per food-stamp household.[11]

The actual food stamp participant group includes a very large proportion of households with little or no earnings, however. (The Chilton data indicate that less than 30 percent of both groups of households surveyed had any earned income in November 1973, *op. cit.*, p. 2.) Yet many of the deductions from gross income allowed for food stamp purposes are oriented toward work-related expenses. Thus, the average level of legitimate deductions among the entire food-stamp eligible population, with a much greater representation of "working poor" and "near-poor" households, is almost certainly higher than that reported here.

Similarly, the tax withholdings applicable to food program participant households have been estimated by Mathematica, Inc. of Washington, D.C., working with the same Chilton survey sample data, to average about six percent of gross income.[12] But this also is much too small a figure for the average tax and other mandatory payroll withholdings appropriate to the entire group of food stamp eligible households. Conservatively estimated, these probably amount to at least ten to twelve percent of gross income, as an average, for all eligible households.

On that assumption, plus the probably very conservative assumptions that both the final net incomes and the total non-tax deductions available to all eligible households are the same, on average, as those reported for the Chilton samples of participating households, the average gross incomes of eligible households would amount to $265–270 monthly.[13] The sum of tax and non-tax deductions comes to $73–78 per month, or 28–29 percent of gross income. This latter figure probably provides a reasonable estimate for the food stamp eligible population as a whole. While average gross income is very likely larger for the group of presently *non*participating eligible households than for participants, and the average dollar amount of deductions available to the nonparticipant group is also likely to be larger, the *rate* of deductions from gross income should not differ markedly between the two groups.

The figures presented in Column 3 of Table 1 go beyond the unrealistic baseline estimates (Assumptions A and B) in embodying an overall rate of deductions from gross income of approximately 28–30 percent.[14] This of course tends to expand significantly the count of eligible households in each state.

Another correction also is introduced in the estimates obtained at this stage, however, which substantially offsets this expansionary effect. An important defect in the data underlying our baseline estimates is that the U.S. Census income data are known to suffer from a general underreporting of incomes of most types. The Current Population Survey income data for 1972 have been estimated by the Bureau of the Census to be underreported by an overall average amount of just under ten percent: wages and salaries showed virtually no underreporting in that year, but public assistance and social security receipts were underreported by eight and 26 percent respectively, and property income components by more than one-half.[15] If the reported Census household income distributions underlying our estimates are adjusted upwards by a uniform 11.1 percent (corresponding to an underreporting of 10 percent), this lowers the counts of eligible households and persons obtained through our method of estimation. The reduction in number of eligible units ranges from 14 to 17 percent for the various household sizes nationally, and average approximately 16 percent of the total number of eligible persons. The figures given in Table 1, Column 3 include this correction as well as the allowance for a more realistic level of total deductions from household gross incomes.

So far, all the estimates presented remain preliminary in two important respects: they reflect only the income limits for food stamp eligibility, not yet allowing for those households with low incomes but having financial resources too large to qualify under the assets criterion. On this score, they would give a significant overcount of the true number of eligibles. On the other hand, they reflect an even greater undercount from the actual average level of eligibility, through applying annual income data when in fact the food stamp eligibility criterion is based on monthly incomes with no requirement for carryover or averaging over a longer period (with one exception, to be noted). This aspect is discussed in detail below.

Column 4 of Table 1 presents the adjusted count of eligible that results when annual income data are retained, but the estimated relative effect of the assets screen is taken into account. To obtain an estimate for this effect, data were drawn from the 1966 study of the financial holdings of consumers conducted by Dorothy Projector and Gertrude

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Weiss for the Federal Reserve Board of Governors.[16]

The findings from this excellent study are admirably suited to fit the appropriate income and financial assets criteria of the current food stamp program. Two different "poverty income" levels were utilized in the original study. The higher of the two ($4000 per family of four in 1962) amounts to about $6400 per family of four in 1974 dollars, closely comparable to the current food stamp (net) income standard of $600 per four-person household. For families with incomes below this particular standard and with heads under age 65, the proportion with liquid asset holdings exceeding $1000 (in 1962 dollars, equivalent to about $1650 in 1974 dollars) ranged from 1 to 17 percent, depending on age. For two-person or larger families with heads aged 65 or older, the proportion with liquid assets exceeding $2000 (equivalent to about $3300 in 1974 dollars) was 39 percent. The weighted average by age distribution of family heads indicates that overall about 16 percent of these low-income families had liquid asset holdings greater than the current food stamp resource limits. (The weighting is by family heads in each age group with total incomes below 125 percent of the poverty line as of the 1970 census.)

TABLE 1.—NUMBER OF PERSONS ELIGIBLE FOR FOOD STAMPS, 1974 AVERAGE MONTHLY LEVEL, BY STATE: BASELINE ESTIMATES AND SUBSEQUENT CORRECTIONS

State	Estimated number of persons eligible on 1974 annual household income criteria			Estimated number of persons eligible on net annual income and assets criteria combined	Number of SSI recipients in 5 cash-out States, statutorily ineligible for food stamps, September 1974 [1]
	Gross census income basis (assumption A baseline estimate) (1)	Adjusted for 9.1 percent rate of income deductions (assumption B) (2)	Adjusted for 28–30 percent rate of deductions, and census income undercount (3)	(4)	(5)
Alabama	840, 943	950, 000	993, 366	784, 759	
Alaska	50, 837	58, 232	60, 732	47, 978	
Arizona	295, 437	342, 257	355, 741	281, 035	
Arkansas	536, 212	608, 199	635, 559	502, 902	
California	2, 061, 026	2, 463, 220	2, 522, 984	1, 993, 157	577, 255
Colorado	284, 448	337, 846	347, 303	274, 369	
Connecticut	200, 085	243, 165	246, 002	194, 342	
Delaware	59, 352	89, 815	72, 116	56, 972	
District of Columbia	106, 558	121, 998	127, 243	100, 522	
Florida	1, 216, 832	1, 384, 362	1, 445, 830	1, 142, 204	
Georgia	939, 556	1, 064, 085	1, 112, 237	878, 667	
Hawaii	110, 913	132, 465	135, 729	107, 226	
Idaho	112, 620	131, 966	136, 550	107, 875	
Illinois	1, 132, 189	1, 265, 177	1, 324, 183	1, 046, 105	
Indiana	529, 781	639, 638	650, 885	514, 199	
Iowa	351, 407	422, 172	431, 038	340, 020	
Kansas	293, 684	350, 017	359, 117	283, 702	
Kentucky	736, 860	836, 263	874, 222	690, 635	
Louisiana	915, 320	1, 023, 277	1, 070, 967	846, 064	
Maine	145, 872	176, 190	179, 235	141, 596	
Maryland	388, 111	458, 903	472, 871	373, 568	
Massachusetts	507, 551	588, 459	611, 503	483, 087	111, 881
Michigan	803, 946	944, 400	976, 221	771, 215	
Minnesota	413, 658	493, 605	506, 061	399, 788	
Mississippi	721, 943	792, 585	829, 225	655, 088	
Missouri	751, 140	874, 100	907, 048	716, 568	
Montana	101, 775	121, 939	124, 714	98, 524	
Nebraska	206, 988	246, 157	252, 851	199, 752	
Nevada	50, 224	56, 845	59, 425	46, 946	4, 495
New Hampshire	69, 724	86, 236	86, 076	68, 000	
New Jersey	576, 559	683, 450	703, 286	555, 596	
New Mexico	250, 750	283, 877	296, 732	234, 418	
New York	1, 940, 963	2, 288, 298	2, 361, 339	1, 865, 458	350, 651
North Carolina	1, 061, 150	1, 197, 990	1, 252, 795	989, 708	
North Dakota	107, 510	126, 880	130, 862	102, 381	
Ohio	1, 079, 640	1, 225, 301	1, 280, 314	1, 011, 448	
Oklahoma	483, 835	561, 542	583, 293	460, 801	
Oregon	239, 428	284, 609	292, 441	231, 028	
Pennsylvania	1, 259, 881	1, 481, 733	1, 530, 810	1, 209, 340	
Rhode Island	101, 256	116, 593	121, 424	95, 925	
South Carolina	616, 186	693, 020	725, 031	572, 774	
South Dakota	143, 367	166, 359	172, 818	136, 526	
Tennessee	884, 938	1, 008, 195	1, 052, 746	831, 669	
Texas	2, 121, 721	2, 435, 175	2, 538, 171	2, 005, 155	
Utah	129, 339	157, 552	159, 276	125, 828	
Vermont	56, 798	67, 851	69, 520	54, 921	
Virginia	723, 518	836, 024	869, 657	687, 029	
Washington	330, 199	387, 849	400, 915	316, 723	
West Virginia	381, 851	441, 205	458, 977	362, 592	
Wisconsin	461, 511	541, 664	560, 095	442, 475	53, 727
Wyoming	42, 812	51, 679	52, 595	41, 550	
Total United States	27, 930, 264	32, 319, 419	33, 520, 132	26, 481, 212	1, 098, 009

[1] Social Security Administration, Office of Research and Statistics, Division of Supplemental Security Studies: "Advance Release of SSI Program Data for September 1974" (Washington D.C., Nov. 1, 1974).

When "unrelated individuals" are included in the average, and weighted according to our estimated number of single-person and multiperson eligible households, on the basis of 1973–74 household incomes, the overall proportion of income-eligible households not passing the food stamp assets screen is 21 percent. This estimate may be slightly overstated, due first to the inclusion of household heads aged 60–64 along with younger families under a $15000 asset limitation instead of the $3000 actually allowed, and second to the similar miscounting of households that include family member, other than the head, over age 60. On the other hand, the true average gross income level corresponding to the food stamp net income standard is probably higher than the income interval considered here, and thus some eligible households with larger assets than reported here probably are omitted. On this score, the true proportion of income-eligible households failing to pass the assets test would tend to be larger than the figure given, although this effect should be very slight. On balance, the estimate given here probably errs on the liberal side.

We have nevertheless used a figure of 21 percent for the estimated proportion of income-eligible persons excluded by the food stamp resource limitation, even though this may overstate the effect to some extent. The chief weakness of this estimate, of course, is that we do not really know whether present-day low-income households are in general better or worse off in the real value of their liquid assets than comparable households were in 1962. In the absence of more recent data, however, this probably is as realistic an estimate of the relative impact of the asset screen effect as can be developed.

Before turning to consideration of the major source of undercount inherent in any food program eligibility estimates limited to annual income data, two other aspects of the present estimates should be noted, each of which tends to create a downward bias, or undercounting of the true number of food stamp eligibles in 1974. First, while our objective is to calculate 1974 food stamp participation rates, the most recent year for which data on the size distributions of household income are available is 1973. Household incomes generally may show some growth from 1973 to 1974 (as total personal income has), although in real terms this growth will be slight, given the combination of deepening recession and high inflation throughout 1974. For the relevant group of lower-income households, the average change in real incomes from 1973 to 1974 very probably was negative, and if positive, could be only very slight at best. Thus, the 1973 household income distribution data, while not ideal, do provide an excellent proxy for the actual 1974 situation. Our procedure of deriving 1974 eligibility estimates from the 1973 income data is subject to error in the following way: if the real incomes of low-income households in fact grew from 1973 to 1974, our estimates will tend to overstate the 1974 proportion of all households eligible for food stamps on income grounds, but if in fact such real incomes declined on average over the period, our estimates will give an undercount.

There is, moreover, another aspect of using the 1973 data in proxy for the 1974 situation which definitely will produce some degree of undercount in our results. The total number of households of each size in each state plays an important role in our estimating procedure,[17] and 1973 also is the latest year for which data on household numbers by state are available. By 1974, however, normal population growth and family formation actually will have increased the number of households of most sizes in most states. Thus, even if real incomes did in fact increase over the period for the relevant segment of the population, the offsetting effect from using the smaller 1973 count of the number of households in each state will almost certainly produce a net downward bias in our estimates.[18]

The second possible source of undercount or downward bias in the estimates presented here lies in the fact that certain households that are categorically eligible for food stamps are not explicitly considered in our approach, and thus may be omitted from the counts obtained. In all states "public assistance households" (those in which all members are welfare recipients) are automatically eligible for food stamps, by statute, with no additional income or resource test. The same is true in all but five states for most aged, blind, and disabled recipients of Supplemen-

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tal Security Income (SSI), as described below.

In states with high welfare payment standards, a family with sufficiently great exempted earnings, in combination with unusually large "special need" requirements recognized by its welfare department, could conceivably have net income higher than the maximum set by the Food Stamp Program. Such a family would nevertheless be eligible (statutorily) for food stamps, but it would be omitted from our estimates. The number of families in this circumstance must be very small, however—even in the most liberal public assistance states. With the earnings disregard required for AFDC programs by Federal regulation (which exempts the first $30 monthly, plus ⅓ of all additional earnings) the earned income maximum for AFDC eligibility of a family of four would be as follows in the four states with the highest AFDC eligibility standards as of July, 1973: [19]

	Full standard for basic needs, AFDC family of 4, July 1973	Income maximum for AFDC eligibility, (assuming Federal earnings disregard)	Food stamp maximum net income for 4-person household, July, 1974
Alaska	$400	$630	$640
Hawaii	385	608	620
New York	380	600	500
Michigan	372	588	500
Median, 50 States and District of Columbia	307	490	500

According to the DHEW 1973 Study of AFDC,[20] only 16.3 percent of AFDC families in all the states surveyed had any earnings (10.4% in New York; 13.1% in Michigan). In all states, the 89–90 percent of AFDC families without earnings would qualify easily under the 1974 food stamp program criteria in any event. Among the much smaller group of families with excludable earnings (whose total incomes may thus exceed the current food stamp maximums) the normal level of food stamp deductions brings them all within the net income limit also, except for those few who are receiving substantial "special need" payments in addition to their basic AFDC grant. But in most of the higher-standard states, "special need" payments are very sparingly used: In New York state, for example, only 3.17 percent of all AFDC families received any such payment in the 1973 survey month (DHEW, *op. cit.*, p. 45). For all states included, only 3.20 percent of all AFDC families received monthly "special need" payments greater than $25. There is no cross-tabulation in the published data of those AFDC recipients with *both* earnings *and* "special need" payments simultaneously, but clearly the number is minuscule.[21]

A potentially more important omission from our estimated number of eligibles is that of SSI recipients, most of whom are categorically eligible for food stamps, except in the five so-called "cash-out" states where all SSI recipients are categorically ineligible for food stamps.[22] The Federal income-guarantee levels under SSI are considerably below the food stamp income maximums, while the Federal SSI support standards plus state supplementary payment levels are lower in all but the five high-supplementing "cash-out" states. One of the significant new departures of the SSI system, however, is its substantial disregard of earned income.[23] Consequently, those SSI recipients with earnings can have total incomes far above the food-stamp maximums: in the 24 non-supplementing states up to nearly twice the food stamp net income limits, and in the supplementing states to substantially higher levels yet.[24] Such higher-income SSI recipient households would be omitted from the present estimates of food stamp eligibles. In practice, this effect also must still be negligible at the present time. On the one hand, only a small proportion of all SSI recipients have earnings. On the other, estimates made at the Bureau of Social Science Research (using the Social Security Administration estimate of 7.2 million for the current national total of SSI eligibles) indicate that among all persons newly eligible for SSI support in 1974 (i.e. not converted from public assistance roles), only 23 percent were actually in the program as of September.

ADJUSTMENT FOR FLUCTUATING INCOMES AND MONTHLY ELIGIBILITY DETERMINATION

One major inadequacy remains in all the estimates of food stamp eligibility levels presented so far. They are all based on annual levels of household income, while the food stamp program determines eligibility essentially on the basis of current monthly incomes.[25] Given the widespread fluctuation in incomes that normally occurs over the course of a year among many households, and especially among those in the lower income ranges,[26] it has come to be well understood that the use of annual income data necessarily will produce a significant undercount of the total number of households and persons actually eligible during the year under any program that bases income eligibility on current monthly or quarterly incomes.[27]

Ideally, for any such program, each month's participation level would be compared with that month's distribution of incomes and resultant number of eligibles, these "true" monthly participation rates then being averaged to find the annual rate. Current monthly income data would be necessary for this "ideal" measurement, corresponding to the income accounting period actually employed in the large majority of food stamp eligibility determinations.

In actuality, very little monthly income data exists, limited almost exclusively to that reported in the recent OEO and HEW income maintenance experiments. Using these data, however, estimates have been made of the degree of undercount that results when annual income figures are used to estimate the numbers of persons eligible for income supplements, such as food stamps, under monthly or quarterly income criteria (Allen, *op. cit.*). The general finding from these estimates is that a program with no requirement for carryover or averaging of income from previous months—in other words comparable (with the exceptions noted) to the food stamp program—will have a much larger eligible population on average during any year than it would if program eligibility were based on annual incomes. Stated alternatively, the number of persons estimated to be eligible based on annual income data will significantly undercount the number actually eligible based on current monthly or quarterly incomes.

This "income-accounting-period effect" may be explained as follows: the use of annual income data would produce the "proper" count of eligibles only if those persons in households with income levels qualifying them for food stamps, on average, but who failed to qualify in particular (high-income) months, were exactly equalled in number over the year by those with average incomes too high for eligibility, but who did qualify in particular (low-income) months. The valid use of 12-month average income levels (annual data) thus implicitly would require a strict condition on the circulation of households, in terms of month-to-month income variation, upwards and downwards across the program eligibility line. It would require that the number of normally lower-income household members (i.e., on average, and here defined in reference to the program income maximums) who had *above*-maximum incomes in particular months was exactly counterbalanced by the number of normally higher-income household members with *below*-maximum incomes in particular months.

This implicitly assumed condition does not exist in reality, however, but rather is violated in a predictable direction. The food-stamp income maximums are quite low relative to the entire income distribution: the number of normally below-standard-income households is a small fraction of the number normally above the standards. Thus, on quite general grounds, the number of normally above-standard households that will fall temporarily below the food stamp eligibility levels in particular months is substantially larger than the opposite number of normally below-standard households temporarily rising in some months to above-maximum incomes.

This could fail to be true only if the degree of income variability were so much greater among those households with normally below-standard incomes than among normally higher-income households that it fully offset the large difference in relative size of the two groups. In fact it is the case that low family incomes, especially wage earnings, are in general more variable than higher ones, within as well as between years,[28] but the actual differential is much too small to meet the required condition. The degree of income variability that exists at higher income levels, although proportionately declining, is nevertheless substantial,[29] while a disproportionately large share of many of the lowest incomes consists of extremely stable income types. Additionally, those categories of households that are permitted to average their incomes on annual basis for food stamp purposes probably constitute a fair proportion of all those normally lower-income units with occasional periods of temporary higher incomes. These should be excluded from the critical comparison altogether—making the required condition even more unrealistic for the rest of the population.

Appendix B, below, provides some further discussion of the eligibility measurement problems associated with the existence of widespread irregular incomes and the resultant "turnover" of households eligible for food stamps through the course of each year.

AVERAGE 1974 FOOD STAMP PARTICIPATION RATES

Table 2 presents two further estimates of the average monthly level of food stamp eligibility in each state, taking account of the "turnover effect" (or "income-accounting-period effect") resulting from fluctuating household incomes. Column 1 contains the eligibility levels that result when a very low estimate of the effect is employed, while column 2 gives the levels that result from a somewhat higher although still conservative estimate. Both of these assumed levels of the "turnover effect" are low by comparison with the best empirical evidence available to date on its probable magnitude.[30] The figures presented here should provide therefore a reasonable and conservative range of estimation for the true average level of food stamp eligibility in 1974. We should note, moreover, that these figures do not represent the broadest eligibility concept associated with the "turnover effect"—i.e. the aggregate number of persons ever eligible at any time during the year, irrespective of duration—but rather the "full year equivalent" or "12-month average" measure of eligibility. (This is the "Type II" eligibility measure described in Appendix B.)

Column 3 of Table 2 lists the actual peak monthly level of food stamp participation attained in each state during the first three

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Footnotes at end of article.

quarters of 1974. For the majority of states, this peak participation level was reached in the period after July 1, and for all but a handful of states the earlier Family Commodities Distribution program was entirely phased out by the end of this period. Columns 4 and 5 give the food stamp and commodities program participation levels, respectively, as reported for September. The increase in food stamp participation nationally over the summer of 1974 almost exactly matched the decline in number of persons receiving commodities, so that the combined food program participation level remained virtually constant, varying by little more than two percent from June through September.[31]

Footnotes at end of article.

In general, the use of either one of these figures as a proxy for the overall 1974 average monthly program level will tend to overstate the latter figure to some extent for most states. It will thus also overstate somewhat the average 1974 participation rate among the food stamp eligibility population. Moreover, this is notwithstanding the unprecedentedly rapid expansion of food stamp roles in the last quarter of 1974. On the basis of the preliminary estimates released by USDA for national program levels through December,[32] the 1974 12-month average level of food stamp participation was less than 14.3 million persons. When the combined food program levels through September are averaged with the preliminary food stamp figures for October–December, the 12-month average is still only 14.9 million.

The estimated 1974 food stamp participation rate for each state, as approximated by the actual food program level for September, is given in Columns 6 and 7 of Table 2. The variation between these two rates reflects our lack of exact knowledge, and consequent alternative assumptions, as to the magnitude of the "turnover effect" on the average or "full-year equivalent" level of eligibility.

An alternative, slightly higher, pair of participation rates estimates could be developed for most states based on the peak monthly program levels listed in Column 3. Eventually, when the detailed state participation data are reported by USDA for the final quarter of 1974, the actual average program levels for the entire year can be substituted for these proxy measures.

TABLE 2.—1974 FOOD STAMP PARTICIPATION RATES, BY STATE

State	Estimated 12-mo average number of persons eligible for food stamps (adjusted for turnover effect of monthly income accounting		Peak monthly number of food stamp participants, January through September 1974	September, 1974 food program participation levels		Estimated 1974 food stamp participation rate, (September program level)	
	Low estimate of effect (1)	Intermediate estimate of effect (2)	(3)	Food stamps (4)	Commodities (5)	With low estimate of turnover effect (6)	With intermediate estimate of turnover effect (7)
Alabama	1,177,139	1,412,566	338,762	338,507		28.8	24.0
Alaska	71,968	86,360	21,769	14,205		19.7	16.4
Arizona	421,552	505,863	111,520	110,400	39,020	35.4	29.5
Arkansas	754,353	905,220	249,514	245,940		32.6	27.2
California	2,412,481	3,010,427	1,404,824	1,343,373		55.7	44.6
Colorado	411,554	493,864	138,567	131,151		31.9	26.6
Connecticut	291,513	349,815	145,313	139,532		47.9	39.9
Delaware	85,458	102,549	21,214	21,214		24.8	20.7
District of Columbia	150,783	180,939	117,830	116,392		77.2	64.3
Florida	1,713,309	2,055,970	514,847	514,847		30.0	25.0
Georgia	1,318,000	1,581,600	424,830	424,830		32.2	26.9
Hawaii	160,839	193,006	71,540	71,540		44.5	37.1
Idaho	161,812	194,175	33,794	31,695		19.6	16.3
Illinois	1,569,158	1,882,989	878,455	840,900		53.6	44.7
Indiana	771,298	925,558	194,791	194,036		25.2	21.0
Iowa	510,030	612,036	116,020	105,645		20.7	17.2
Kansas	425,553	510,663	53,107	53,107		12.5	10.4
Kentucky	1,035,952	1,243,143	401,992	400,655		38.7	32.2
Louisiana	1,269,096	1,522,915	530,589	502,279		39.6	33.0
Maine	212,394	254,872	96,133	96,133		45.3	37.7
Maryland	560,352	672,422	258,710	245,101		43.7	36.4
Massachusetts	612,749	757,675	284,966	284,966		46.5	37.6
Michigan	1,156,822	1,388,187	581,754	567,791		49.1	40.9
Minnesota	599,682	719,618	184,142	165,930	1,291	27.9	23.2
Mississippi	982,632	1,179,158	351,117	348,341		35.4	29.5
Missouri	1,074,852	1,289,822	290,932	288,353		26.8	22.4
Montana	147,786	177,343	33,393	32,821	6,719	22.2	22.4
Nebraska	299,628	359,553	50,447	44,332		14.8	12.3
Nevada	65,924	80,007	27,168	27,168		41.2	34.0
New Hampshire	102,000	122,400	32,000	30,277		30.0	24.7
New Jersey	833,394	1,000,072	435,187	435,187		52.2	43.5
New Mexico	351,627	421,952	161,695	149,831		42.6	35.5
New York	2,447,536	3,007,173	1,199,870	1,195,785		48.9	40.0
North Carolina	1,484,562	1,781,474	341,397	341,397	497	23.0	19.2
North Dakota	155,072	186,085	21,666	18,361	6,572	16.1	13.4
Ohio	1,517,172	1,820,606	778,856	750,774		49.5	41.2
Oklahoma	691,202	829,441	155,463	155,463		22.5	18.7
Oregon	346,542	415,850	171,903	163,617		47.2	39.3
Pennsylvania	1,814,010	2,176,812	746,567	744,896		41.1	34.2
Rhode Island	143,388	172,665	77,881	77,881		54.1	45.1
South Carolina	859,161	1,030,993	370,991	354,484		41.3	34.4
South Dakota	204,789	245,746	30,273	30,273	13,942	21.6	18.0
Tennessee	1,247,504	1,497,004	351,579	329,456		26.4	22.0
Texas	3,007,732	3,609,279	1,104,190	1,057,976		35.2	29.3
Utah	188,742	226,490	60,939	39,829		21.1	17.6
Vermont	82,382	98,857	40,345	38,165		46.3	38.6
Virginia	1,030,544	1,236,652	217,575	215,338		20.9	17.4
Washington	475,084	570,101	261,592	228,898	9,769	50.2	41.9
West Virginia	543,888	652,665	244,615	213,774		39.3	32.8
Wisconsin	609,985	742,728	132,313	129,403		35.0	17.4
Wyoming	62,325	74,790	11,018	9,272		14.9	12.4
Total United States	38,623,810	46,568,153	14,778,715	14,411,501	77,810	37.5	31.1

One final comment is in order: the food stamp eligibility levels and participation rates presented here were designed (in Spring of 1974) to measure the "average" situation for calendar year 1974. Beginning in October, the *level* of food program participation has been rising rapidly. This probably betokens an increase in the *rate* of participation among the eligible population, but to what extent we cannot be sure. With the deepening economic recession and rapidly rising unemployment over the same period, it is certain that the size of the eligible population also is increasing. Thus the "average" 1974 estimates presented here probably understate significantly the level of food stamp eligibility prevailing in 1975, and at the same time understate to some unknown degree the rates of participation now being achieved. This is no paradox, but perhaps one more indication of the complexity of the economic changes taking place.

FOOTNOTES

[1] See, for example, *Hunger U.S.A.*, A Report by the Citizens' Board of Inquiry into Hunger and Malnutrition in the United States, (Washington, D.C., 1968), and *Hunger 1973*, a staff report of the Select Committee on Nutrition and Human Needs, United States Senate, (Washington, D.C., G.P.O., 1973).

[2] The DHEW estimate was prepared for the Subcommittee on Fiscal Policy of the Joint Economic Committee of Congress (the Martha Griffiths Subcommittee), and is quoted in the Subcommittee Staff report, Studies in Public Welfare, Paper No. 14: *Public Welfare and Work Incentives: Theory and Practice*, (J.E.C. Print, April 15, 1974), p. 5. The figure of 37 million refers to the baseline estimate of persons eligible on the basis of income projections from *annual* income data of the Current Population Survey

of the U.S. Bureau of the Census, not to the number actually eligible as determined by *monthly* incomes. The cumulative number of persons eligible at some time during the year on the basis of low incomes in some months—and more importantly, the full-year equivalent number of such part-year eligibles—would be substantially larger. For discussion of this "turnover effect" on the size of the food-stamp eligible population, and estimates of it, see below, pp. 21–25 and Appendix B.

[3] USDA, Food and Nutrition Service, Office of Program Reporting: *Food Stamp Program, Statistical Summary of Operations (monthly)*. These data are to a considerable extent preliminary estimates rather than actual program records. USDA does not publish any detailed monthly participation data for the food stamp program in fully corrected form.

[4] USDA, Food and Nutrition Service, Office of Program Reporting: *Family Food Distribution Program*, monthly reports.

[5] U.S. Code 2019(e)(5) and Code of Federal Regulations 271.1(k) *Federal Register*, v. 40, no. 6 (January 9, 1975), p. 1886.

[6] For excellent summary descriptions of legislative and administrative developments in the Food Stamp Program, and public food programs generally, see Community Nutrition Institute: *CNI Weekly Report*, (1910 K St., N.W., Washington, D.C., 20006).

[7] The assets portion of the food stamp means test stipulates that the countable resources of all household members may not exceed $1500, or $3000 if the household has two or more members at least one of whom is age 60 or over. Countable resources include liquid assets such as cash, savings accounts, stocks and bonds, and nonrecurring lump-sum payments. The home, one car (or two, if needed for employment), household and personal goods, insurance policies and pension funds, and any property essential to self-support are all excluded from the assets test.

For unusually lucid description of many detailed aspects of current Food Stamp Program provisions and regulations, see Food Research & Action Center (FRAC): *A Guide to the Food Stamp Program*, Revised, October 1974 (25 West 43rd St., New York, N.Y. 10036).

[8] Barry M. Blechman, *et al., Setting National Priorities: The 1975 Budget*, The Brookings Institution (Washington, D.C., 1974), p. 192.

[9] The actual method employed was to raise the income maximum interpolated into the income-distribution curve by ten percent. This is equivalent to a downward shift in the distribution curve as such (representing the adjustment from gross to net income) of 9.09 per cent at the point of interpolation.

[10] These baseline figures are presented in the preliminary version of our findings published by the University of Wisconsin, Institute for Research on Poverty, Discussion Paper No. 253–75 (Madison, January 1975).

[11] The Chilton survey was conducted for USDA at the request of the Griffiths Subcommittee of the Joint Economic Committee. A summary of some of its findings, prepared by the USDA Food and Nutrition Service, is published as the Subcommittee's last report: Studies in Public Welfare, Paper No. 17, *National Survey of Food Stamp and Food Distribution Program Recipients: A Summary of Findings on Income Sources and Amounts and Incidence of Multiple Benefits*, (JEC Print, December 31, 1974).

The report lists the average "monthly total claim" for non-tax deductions as $57 among those households with such deductions, and notes "about 80 percent" of the sample households as having deductions of this kind (note, p. 8). The average level of non-tax deductions across all households sampled would thus amount to $45.60.

[12] Personal communication from Jodie T. Allen. The Mathematica Inc. simulation indicated tax withholdings distributed as follows:

Rate of tax withholding

51% of households; 1–5% of gross income.
40% of households; 6–10% of gross income.
8% of households; 11–15% of gross income.

which averages out to approximately 6 percent of gross income. (These figures do not include union dues or other mandatory payroll deductions apart from income and payroll taxes.)

[13] The Chilton survey findings list the monthly average "cash income" of food stamp households (i.e. after taxes and other payroll deductions) as $238 (*op. cit.*, p. 8). Gross income would thus average $265–270 if basic tax and all other payroll withholdings averaged 10–12 percent of gross income. If all other deductions then averaged a total of $46 per household, the average "food stamp net income" of such households would be $192. This may be compared with the weighted average for all household sizes of the income-interval midpoint levels of "monthly household Food Stamp net income" reported in the same study (Table 13, p. 46) of $189, and with the similar weighted average level of net income reported by USDA for a sample of food stamp recipient households on June, 1973 of $226. [USDA/FNS, Food Stamp Division, Program Development Branch: "The 1973 Total United States Profile of Food Stamp Program Participants For All Persons By Household Size, By Income Range for the Month of June", March 31, 1974.]

[14] There is a small range of uncertainty as to the exact rate of deduction implied in all states, due to the particular method of calculation utilized. (In effect, an implicit overall distribution curve of the per capita incomes of the eligible persons in each state was projected, as determined from the original interpolations (A and B) into the separate household income curves.) For most states in which the adjusted (net) income levels remain within the same income intervals as the original interpolations, the rate utilized amounts to an average 28.3 percent of gross income for all households. In some states, however, in which the range of adjustment crosses an income interval boundary, and the slope of the distribution curve is perceptibly changing, the same nominal rate actually amounts to a slightly higher average rate of deduction.

In general, our method of working from the segmented linear distribution curve expressed in the published household income data (aggregated into $1,000 intervals) tends to produce an undercount of eligible households from the underlying nonlinear "true" income distribution curve. In this particular case, however, the effect is reversed: if the "true" rate of deduction is deemed to be 28.3 percent, the method of calculation produces a slight overcount of eligible households. Alternatively, if the method is deemed to reflect the "true" count of eligibles, the rate of deduction implied is slightly higher than 28.3 percent.

[15] U.S. Bureau of the Census: *Current Population Reports: Consumer Income*, series P–60, No. 95, "Supplementary Report on the Low Income Population: 1966 to 1972," p. 54 (July, 1974). See also P–60, No. 90, Table K (December, 1973).

[16] Dorothy Projector and Gertrude Weiss: *Survey of Financial Characteristics of Consumers*, (Federal Reserve Technical Paper, August, 1966) Table A–39: "Poverty Income Status—Size of Equity in Portfolio of Liquid and Investment Assets, December 31, 1962."

[17] See Appendix A for detailed description of data and estimating method.

[18] A major step in our computational method involves multiplying the proportion of eligible households of each size by the total number of households of that size in a given state to produce the estimated number of eligible households of that size. Consequently, a given proportional error in the total *number* of households of given size, due to use of the 1973 figures, would introduce a much greater (downward), bias in our estimate of the number of eligible households than would the same-sized proportional error in the *percentage* of households eligible, resulting from the use of the 1973 data on income distributions, and assuming real income growth from 1973 to 1974. Any net bias resulting from the use of the 1973 data, therefore, is almost certainly conservative in effect—that is, tending to undercount the true number of eligibles in 1974.

[19] DHEW Publication No. (SRS) 74–03200: *Public Assistance Programs, Standards for Basic Needs, July 1973*, DHEW Social and Rehabilitation Service, National Center for Social Statistics, (Washington, D.C., March 1974).

[20] DHEW Publication No. (SRS) 75–03765: *Findings of the 1973 AFDC Study, Part II–A: Financial Circumstances*, DHEW Social and Rehabilitation Service, National Center for Social Statistics, (Washington, Sept. 1974).

[21] Staff members of the USDA Food and Nutrition Service some time ago made a similar calculation and also concluded that there are virtually no AFDC families anywhere in the country who would not be eligible for food stamps under the regular income and assets criteria now in effect.

[22] Those SSI recipients who live as part of larger, nonwelfare households are the only ones who—as part of the entire household—must meet income and asset requirements. The five highest-standard states in terms of State Supplementary Payments (SSP) above the basic Federal SSI support levels are California, Massachusetts, Wisconsin, New York, and Nevada. These states also have been identified by the Secretary of HEW as food-stamp "cash-out" states for purposes of SSP cost sharing. (That is, the maximum standard for possible Federal obligation in SSP cost sharing—called the "adjusted payment level"—in these states includes, at their option, the cash equivalent of the average food stamp bonus value otherwise available to SSI recipients.) SSI recipients in these states are excluded from food stamp eligibility because they are presumed to be benefitting instead from the "cashing out" of food stamps in the SSI plus SSP support levels. For a detailed description of state supplementation in the SSI system and the state-federal cost-sharing formula involved (the "hold harmless" formula), see G. W. Bickel: *The Supplemental Security Income Program: Estimated Impact, By State*, Bureau of Social Science Research (1990 M St., N.W., Washington, D.C., 20036), January, 1974.

[23] The first $20 of unearned income and first $65 of earnings monthly (or the first $85 of earnings in the absence of any unearned income) are fully exempt from counting towards the SSI income guarantee level (currently $146 for single persons and $219 per month for couples living independently), and one-half of all additional earnings are exempt.

[24] The general formula for the income maximum for SSI eligibility is: $(E-85)\div 2=S$ or $E=2S+85$

where E is the earned-income maximum and S is the combined standard of support maintained in the state (SSI+SSP, if any)

For the 24 states with SSP=0, $E=2\times 146+85=\$377$ (single person) or $2\times 219+85=\$523$ (couple)

This compares with current food stamp net income maximums of $194 and $273 per month for one- and two-person households respectively. Among SSI supplementing states, the value of E reaches maximum levels among the five "cash-out" states. Apart from them, it exceeds $400 per month for single persons and $550 for couples in Hawaii, Maine, Michigan, New Jersey, Rhode Island and the major areas of Vermont and Washington.

[25] Certain recipients (farmers, other self-employed, and farm workers with one employer over the year) have the option of averaging or prorating their expected incomes for periods of up to one year, and some others (teachers and others on regular part-year contracts) are required to average their incomes on a 12-month basis. The annual figures are the proper income date for those households, but they are a small fraction of all eligible households. All other recipients are certified on an essentially current monthly income basis. Those with quite regular incomes (e.g. many Social Security, public assistance, and SSI recipients) are often certified for quarterly periods or sometimes even longer: their expected future incomes are equal to their current ones. All other recipients, not in the special categories noted and not having predictable future incomes, are ordinarily certified for one month at a time, on the basis of their current actual or anticipated incomes.

[26] See James N. Morgan, *et al.*, University of Michigan, Survey Research Center: *Five Thousand American Families—An Analysis* (Volume I) and *Special Studies* (Volume II) *of the First Five Years of the Panel Study of Income Dynamics,* Jacob Benus: "Income Instability" (Vol. I, pp 277–304), and Thad Mirer: "Aspects of the Variability of Family Incomes" (Vol. II, pp. 201–212), (Ann Arbor, 1974).

[27] See in particular Jodie T. Allen: "Designing Income Maintenance Systems: The Income Accounting Problem", in Studies in Public Welfare, Paper No. 5, Part III, *Issues in Welfare Administration: Implications of the Income Maintenance Experiments,* prepared for the Subcommittee on Fiscal Policy of the Joint Economic Committee of Congress, (JEC Print, March 12, 1973).

[28] Morgan, *et al., op. cit.*

[29] *Ibid.* See also A. I. Kohen, H. S. Parnes and J. R. Shea: *Income Instability Among Young and Middle-Aged Men,* The Ohio State University, Center for Human Resource Research (Columbus, May, 1973).

[30] Allen, *op. cit.*, pp. 69–97. The relevant estimates presented in this excellent and detailed simulation study of the accounting period "turnover effect" on eligibility levels for income support programs range from a value of 59% for urban households only to 140% for urban and rural households combined for the increased number of persons *ever* eligible during a year over the number who would be eligible, on average through the year, based on their annual incomes (i.e., a Type I/Type III comparison, in the terminology of Appendix B). These estimated values set an upper bound to the size of the expansion factor relevant to the present study: i.e., the *full-year equivalent* level of eligibility over the level of eligibility based on annual incomes (a Type II/Type III comparison).

The Allen estimates also may be combined with the more recent work done at Mathematica, Inc. by Harold Beebout for the Congressional Research Service, [CRS Education and Public Welfare Division, Library of Congress: "Estimating The Population Eligible for Food Stamps," (CRS Multilith 75–49ED, Februray 19, 1975).] which yields a 16.3% differential in the number of persons ever eligible in a year (Type I count) over the number eligible on average in any given month. (Type II count). Taken together, these estimates imply a Type II/Type III differential (relevant to the present study) ranging from 37% for urban households alone to 106% for urban and rural households combined. (See Appendix B.)

These figures are subject to considerable uncertainty, however, as the 16.3% differential (Type I/Type II comparison) was not derived from actual monthly income data, but rather a hypothetical simulation of wage variability only, using CPS data on the periods of reported employment and unemployment of low-income family heads. The data underlying the Allen simulation also are not strictly relevant to the potential food-stamp eligible population, being limited to multiperson families with children (originally intended to test the FAP model). The recent USDA/Chilton survey data indicate, by contrast, that as many as one-half of all actual food stamp participants are one- and two-person households (*op. cit.*, pp. 25–26).

The expansion factor utilized in the DHEW study cited above (note 2) was 35% over the eligibility level determined from annual income data, yielding an estimated 50 million eligibles in comparison to the baseline 37 million. This appears a quite realistic assumption when interpreted as reflecting the Type II/Type III differential, and limited to urban households only.

The values utilized in the present study are 50 and 80% respectively for the "highly conservative" and "moderately conservative" assumptions as to the true magnitude of the "full-year-equivalent accounting period effect" (i.e., the Type II/Type III multiple) for urban and rural households combined.

If the 16.3% differential implied by the Beebout estimates is an accurate reflection of the Type I/Type II differential, then the relationship of Type II/Type III and Type I/Type III differentials is as follows:

[In percent]

A Type II/Type III Differential of:	Implies	A Type I/Type III Differential of:
37		59
40		63
50		74
60		86
80		109
100		133
106		140

[31] The combined count of persons participating in the two programs over the period (in thousands) was: 14,282 (June), 14,142 (July), 14,348 (August), and 14,448 (September). (USDA, FNS; monthly program reports).

[32] USDA, FNS, Program Reporting staff (preliminary figures): October—15,089,642; November—15,924,707; December—17,118,202.

APPENDIX A: DATA BASE AND METHOD FOR GENERATING INITIAL BASELINE ESTIMATES OF FOOD STAMP ELIGIBLE POPULATION

CUMULATIVE PERCENTAGE DISTRIBUTIONS OF HOUSEHOLDS BY INCOME SIZE FOR STATES, 1973

Published tabulations of the 1970 census can be used to derive cumulative percentage distributions of households by 1969 income, for states and for the nation as a whole.[1] Similarly, the March 1974 Current Population Survey provides a comparable national cumulative percentage distribution for household income in 1973,[2] the most recent year for which such data presently exist.

Utilizing these 1969 state, 1969 national, and 1973 national distributions to generate state cumulative percentage distributions involves one reasonable assumption about the relationship between state and national distributions, namely that the 1969 state/national ratio of the percentages of households below each income-class boundary remains constant through 1973. That is, if S69i/N69i is the state/national ratio of the percentages of households having income in or below some income bracket i (where i is in constant dollars), and S73i/N73i is the corresponding ratio for 1973, we assume

(1) $S69i/N69i = S73i/N73i$.

Since S69i, N69i, and N73i are known from the 1969 and 1973 cumulative percentage distributions, we can solve (1) for S73i.

To see how this method accounts for income growth in the period 1969–1973, consider

(2) $S73i = (N73i/N69i) \times (S69i)$

and suppose that i is chosen to coincide with the Food Stamp Program's maximum allowable income for 1973, which implies that S73i is the percentage of eligible households in 1973. Due to income growth, fewer households have low incomes in 1973 than in 1969, so (N73i/N69i) is less than one. Therefore, in each state, the predicted percentage eligible in 1973 will be less than the actual percentage eligible in 1969, using the 1973 income maximum. And since S69i is reduced by the same fraction in all states, states with a relatively high (low) predicted 1973 percentage eligible will be those that also had a relatively high (low) percentage eligible in 1969.

In other words, the ranking of states by relative proportion of households below any given comparatively low income threshold remains constant under the stated assumption, although the proportion itself is changing in all states. A further implication of the assumption, given the ordinary shape of income distributions, is that the rate of income growth among low-income households over the period has been greater than average in the "poorer" states (i.e., those with proportionately larger low-income populations) and less than average in the "richer" states, thus tending toward a convergence among the states in this particular measure of degree of income inequality. This aspect of the assumption is also consistent with the empirical evidence on the tendency toward convergence in recent years of per capita personal income levels among the states.[3]

By varying i in (1), a complete state cumulative distribution is easily constructed. In practice, it is sufficient to calculate S73i only twice for each household size, once for the income bracket above the allowable maximum for food stamps (a) and once for the bracket below that maximum (b). Then, linear interpolation between incomes a and b predicts the percentage eligible for food stamps. Figure 1 illustrates that interpolation, where S73x is the desired estimate. (Not reproduced.)

NET INCOME MAXIMUMS FOR 1973

Annual net income maximums for 1973 (the horizontal line at income level x in Figure 1) were constructed from their 1974 counterparts. The food stamp monthly income standards effective July 1, 1974 were first converted to annual equivalent levels, then expressed in average 1973 dollars. This deflation presumes an estimated figure for the 1974 average level of the Consumer Price Index. Based on the known monthly rate of inflation during January-May 1974, and the conservative assumption that this rate would decline steadily during the rest of the year, the average CPI for 1974 was projected as 147.2, which implies a 10.6 percent increase from the 1973 average CPI. The reported monthly CPI through May, 1974, and the projected levels assumed through December were:

Footnotes at end of article.

	CPI as originally reported	Monthly rate of increase (percent)	CPI, as revised by BLS	Projected CPI	Monthly rate of increase (percent)
Average, 1973	133.1				
December, 1973	138.5				
January, 1974	139.7	0.87			
February	141.5	1.29			
March	143.1	1.13			
April	144.0	.63	143.9		
May	145.6	1.11	145.5		
June			146.9	147.0	0.99
July			148.0	148.3	0.88
August			149.9	149.5	.78
September			151.7	150.5	.70
October			153.0	151.5	.62
November			154.3	152.3	.55
December, 1974			155.4	153.1	.49
Average, 1974			[1] 147.7	[2] 147.2	

[1] Actual.

[2] Projected.

The more recent actual experience with the CPI indicates that our assumed growth path over the latter half of 1974 was too conservative. The actual 1974 average CPI level was 147.7, giving an annual rate of increase from the 1973 to the 1974 average of 11.0 percent. The effect of this underestimate of inflation is to overstate slightly the current food stamp income maximums expressed in 1973 dollars, thus tending to overcount very slightly the number of eligible households. The magnitude of the error is slight, however; less than one percent of the estimated number of eligible persons.

1973 STATE TOTAL NUMBERS OF HOUSEHOLDS OF EACH SIZE

Using national data from the U.S., Current Population Survey[4] the ratio of March 1974 to March 1970 household populations was calculated for each household-size category. These ratios were then applied to the 1970 census counts of households in each state to obtain provisional estimates of the number of households of each size by state in early 1974. Next we computed a ratio of the sum of these provisional estimates to the Census Bureau projection of the total number of households in each state as of July 1, 1973.[5] Multiplying this second ratio by the provisional numbers for each household size gives the final state estimate for each size category in mid-1973. By construction, the sum of these estimates will be identical (apart from rounding error) to the July 1973 census projection for each state's total. Of course, the proportional distribution by household size of the provisional estimates is maintained in the final estimates. This implies that any divergence among states in proportional distribution of households by size in 1970 is perpetuated in the 1973 estimates, but with a slight convergence toward the national norm arising from the initial use of national ratics for provisional estimates.

FOOTNOTES

[1] U.S. Bureau of the Census: PC(1)-D series for each state, *Detailed Characteristics*, Table 206: "Income in 1969 of Households, by Size, Composition and Sex and Race of Head, 1970" (Table 258 in U.S. Summary Volume PC(1)-D1) (Washington, D.C., 1972 and 1973).

[2] U.S. Bureau of the Census: *Current Population Reports: Consumer Income*, Series P-60, No. 96, "Household Income in 1973", (Washington, D.C., 1974). These data were obtained originally in pre-publication form through the generous assistance of Vincent P. Barabba, Director of the Bureau of the Census.

[3] Robert Bretzfelder: "State and Regional Personal Income, 1959-1972", U.S. Department of Commerce, Bureau of Economic Analysis: *Survey of Current Business*, 1. 53, no. 8 (August, 1973).

[4] U.S. Bureau of the Census, *op. cit.* ("Household Income in 1973").

[5] U.S. Bureau of the Census: *Current Population Reports, Population Estimates and Projections*, series P-25, No. 515, "Estimates of the Number of Households by State, July 1, 1973 and 1972", March, 1974.

APPENDIX B: "TURNOVER" AND "ACCOUNTING PERIOD" EFFECTS ON FOOD STAMP ELIGIBILITY ESTIMATES

There are two related but distinct aspects to the part-year income accounting problem for eligibility estimation that easily become a source of some confusion. One may be called the broad "turnover" aspect: i.e. one result of fluctuating incomes is that different households will be eligible in different months, and the total number of distinct households or persons thereby eligible at some time during the year (the cumulative number ever eligible within the year) can be much greater than the number eligible in any particular month, or eligible on average over the twelve months. And all three of these eligibility measurements will be higher than the number of persons who are continuously eligible throughout the year.

The other aspect, which may be called the "income-accounting period effect", also is a consequence of fluctuating incomes, but a different one from the broad "turnover" aspect. It refers specifically to the differential between the average monthly eligibility level over a year's time, based on monthly or quarterly incomes, and the lower apparent level of eligibility based on annual incomes. This distinction between "turnover" and "accounting period" effects in the measurement of eligibility levels may be clarified by examining the relationships between the four types of eligibility measurement mentioned so far, and their necessary relative order of magnitude.

Type I—Total number of All Persons Ever Eligible: this measure is necessarily the largest, setting an upper bound for the other three. It is the cumulative count of all persons who become eligible at any time during the course of a year, irrespective of the duration of their eligibility. It makes no distinction between part-year and full-year eligibles, but county both equally (although it may avoid double counting of persons who become eligible more than once in the same year).

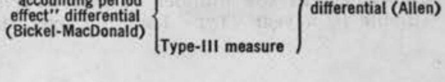
Type II—"12-month Average" level of eligibility, based on current monthly incomes: this could also be termed the *"Full-Year Equivalent Level"* of eligibility, or the aggregate number of monthly "eligibilities" throughout the year (irrespective of the varying eligibility periods of the partly changing group of actual eligibles involved), divided by twelve. This measure is the most meaningful of the four types described here. It indicates the average size of the population eligible under the program over a given period, avoiding the overcounting implicit in the Type-I measure due to the rotation or "turnover" of particular eligible units. In principle, this is the proper measure to compare with actual program participation levels over the course of a year in deriving the rate of program participation among the eligible population. Unfortunately, it also is the hardest to obtain directly, given the absence of monthly data on household incomes.

Type III—"Apparent Level, Annual Basis" of eligibility, based on annual incomes: the number of households or persons who would be eligible on average over the year (i.e. on the basis of their annual incomes) although not necessarily in all months. This, of course is the count obtained from annual income data, including the preliminary estimates presented in this paper (Table 1) and all other national estimates derived from Census Current Population Survey data. It may be described as the count of people who are "normally eligible", or within the program's income limits "on average" over the period of a year. For farmers, other self-employed persons, teachers, etc. who average their incomes on a 12-month basis for food stamp purposes, this count will coincide with the Type-II eligibility level, but only for them. For the population generally, the Type-III count will fall below the Type-II measure, and it is this differential that we have called the "accounting period effect" on eligibility measurement.

Type IV—"Continuous Full-Year Level" of eligibility: is the count of persons who are continuously eligible throughout the year, with no gaps or turnover. It sets a lower bound to the other measures, although that fact is not of much importance in an actual world of widespread fluctuating incomes.

Even more measures could be envisaged: e.g. the "peak monthly" count of eligibles resulting from income fluctuations falling into seasonal patterns for many households simultaneously. Although important, perhaps, for administrative scheduling, these are not relevant to the problems of eligibility determination and estimation. Essentially, it is only the difference between the Type-II measurement (the proper count to use as denominator in participation rate calculations) and the Type-III measurement (the only count directly obtainable from annual income data) that is directly relevant to the problem of meaningful estimation of the total level of eligibility and rate of program participation. The partial overlap between this Type-II/Type-III differential ("accounting period effect") and the broader Type-I/Type-III differential ("turnover effect") is probably the source of their frequent confusion.

The available empirical evidence on the magnitude of the key Type-II/Type-III differential is indirect. The earlier work of Allen (see notes 27 and 30) provides estimates of the Type-I/Type-III differential (the broader "turnover effect"), at least for multi-person households, while the more recent work of Beebout (note 30) yields an estimate of the Type-I/Type-II differential, at least for certain income types. These two types of estimate together implicitly determine the magnitude of the Type-II/Type-III differential. Their mutual relationship may be indicated schematically as follows:


Beebout differential
Type-I measure
Type-II measure
"accounting period effect" differential (Bickel-MacDonald)
Type-III measure
"turnover effect" differential (Allen)

REGULATING AND PROVIDING FOR ADEQUATE NURSING HOME AND HOME HEALTH CARE FOR OUR ELDERLY

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, the newspapers of my State and those of many other Members have been filled in recent months with grim stories of human exploitation and brutality directed against the elderly in our nursing homes. Reports of corruption have mounted, many recently uncovered by the Senate Subcommittee on Long Term Care, chaired by Senator Frank Moss.

My distinguished colleague, Representative Claude Pepper, of Florida, chairman of the new House Committee on Aging's Subcommittee on Health and Long Term Care, and I are today introducing a package of 36 bills designed to strengthen and tighten the regulation of our Nation's nursing homes so that we finally end these abuses.

Senator Moss is the Senate sponsor of the legislation.

The 36 bills we are introducing today are the second part of a 48 bill package, the first 12 of which Senator Moss and I introduced on March 12.

Mr. Speaker, my National Home Health Care Act, providing home health services under medicare and medicaid as an alternative to nursing homes, was a part of that earlier package.

I am pleased to report that this bill now has 85 House cosponsors, and hearings on home health as part of national health insurance are expected soon in the House Ways and Means Subcommittee on Health.

The bills we are introducing today have six major goals:

First, to make long-term care more readily available to all older Americans;

Second, to establish higher minimum Federal standards for nursing homes participating in medicare or medicaid;

Third, to improve nursing home inspection, enforcement, and auditing procedures;

Fourth, to require public accountability by nursing homes;

Fifth, to provide financial incentives for good patient care and to encourage the development and rehabilitation of high standard nursing home facilities by loans and interest subsidies; and

Sixth, to provide training in geriatrics and training for physicians, nurses, aides, and orderlies in the special needs of nursing home patients.

I am gratified that the House-Senate package includes a new bill which I drafted in response to many of the very serious nursing home problems in New York but which are national problems as well. The legislation would for the first time do the following:

First, provide Federal oversight of the closing down of medicare and medicaid nursing homes;

Second, require nursing homes to have transfer agreements with hospitals for specific services deemed unsatisfactory after inspection, in addition to the only currently available options of shutting down the entire nursing home or leaving it open and continuing the inadequacies;

Third, allow State agencies to cut off funds for medicaid facilities pending court review, instead of after. This is already allowed for medicare facilities, but not yet medicaid;

Fourth, require the auditing of Federal reimbursement for nursing homes, with further reimbursement to be based on what a prudent buyer would spend on the audited products and services;

Fifth, require public ownership disclosure of any nursing home interest including real estate and operating interests;

Sixth, require the disclosure of nursing home suppliers;

Seventh, prohibit profit reimbursement for a supply or service if the nursing home operator has more than a 10-percent interest in the supply or service company; and

Eighth, provide for psychological and social, as well as medical, assessment of medicare and medicaid long-term care patients, so that patients can obtain the proper level and form of care—skilled nursing care, intermediate nursing care, home health care, and so forth—without being overclassified into a costly, unnecessary level.

I believe that a national commitment is needed to control nursing home abuses and provide decent care for our elderly. There is a crisis in the health of our elderly and disabled, demonstrated in the many Federal, State, and local investigations of nursing homes. The package of legislation which Senator Moss, Representative Pepper, and I are introducing today, together with the legislation introduced on March 12, responds to this crisis.

The cosponsorship of this package by Representative Pepper and Senator Moss, respective chairmen of the House and Senate subcommittees concerned with long-term care of the elderly, enhances the chances of passage in this session of Congress.

For the information of my colleagues, I am attaching for the Record a summary of the 36-bill package Senator Moss, Representative Pepper, and I are introducing today:

Summary of 36 Bill Nursing Home Reform Package

I. BILLS DESIGNED TO MAKE LONG-TERM CARE MORE READILY AVAILABLE TO ALL OLDER AMERICANS

1. A bill to provide nursing home coverage under Medicare without requiring prior hospital and establishing a second level of care, intermediate care, and requiring standards for Intermediate Care Facilities providing such services under Medicare. (Intermediate Care services are presently authorized under Medicaid but not under Medicare.)

2. A bill to amend the Internal Revenue Code to allow a family to deduct as a "medical expense" payments made by a family for nursing home care received by a relative.

3. A bill to provide for modification of the Medicare reimbursement formula to allow small hospitals in rural areas with chronic low occupancy to provide long-term care but only in those areas where there are no appropriate nursing home beds available.

4. A bill to allow the use of Supplementary Security Income payment plus state supplementary payments to house residents in Shelter Care facilities which meet certain Federal minimum standards.

See also Moss-Koch bills introduced March 12, 1975 as follows H.R. 4782, to authorize an experimental program to subsidize families to care for their elderly in their own homes.

H.R. 4783 to authorize payment for day care under Medicare.

H.R. 4772 and H.R. 4774, to expand home health services authorized under Medicare and Medicaid. (This bill, the National Home Health Care Act of 1975, is now co-sponsored by 85 House members and would create at-home alternatives to nursing homes for those who do not require the full range of nursing home services) H.R. 4784, to authorize funding for "campuses for the elderly" (a nursing home, for the aged, congregate living facility, hospital, and senior citizens center located at one site.)

II. BILLS TO CREATE NEW MINIMUM FEDERAL STANDARDS FOR NURSING HOMES PARTICIPATING IN MEDICARE AND/OR MEDICAID

5. A bill to require physician visits to patients in skilled nursing facilities at least once every 30 days.

6. A bill to require Skilled Nursing Facilities under Title 18 and 19 to have registered nurse coverage 24 hours per day, 7 days per week effective January 1, 1978.

7. A bill to require that only licensed personnel (registered nurses or licensed practical nurses) are authorized to set up and distribute medications in skilled nursing homes.

8. A bill requiring Skilled Nursing Facilities to place responsibility for medical care in a Medical Director and/or a nurse practitioner trained in geriatrics.

9. A bill to require HEW to promulgate minimum ratios for nursing personnel to patients and for supervisory nurses to total nurses and further requiring that there should be no less than 2.25 hours of nursing care per patient per day for skilled nursing care.

10. A bill to require Skilled Nursing homes to provide medically related social services.

11. A bill to require admission contracts between the nursing home and patients paid for by Medicaid and to prohibit life care contracts.

12. A bill to require the upgrading of fire safety standards for nursing homes by requiring compliance with the 23rd edition (1973) of the Life Safety Code instead of the 21st edition (1967) presently mandated by law.

13. A bill to require the posting of a nursing home's license, Medicare/Medicaid certification, a description of the services provided by the facility, a list of the owners and staff of the facility, a patient's bill of rights and other pertinent information.

14. A bill to require nursing home administrators of facilities participating in Medicare and Medicaid to report epidemic diseases, accidents and significant changes in patient condition.

See also Moss bills of March 12, 1975.

S. 1164 to require nursing home participating in Federal programs to file CPA audited cost and financial statement and to provide penalties for fraud or misrepresentation.

S. 1166, to require full and complete ownership disclosure of each and every nursing home interest with penalties for misrepresentation of a material fact.

III. BILLS TO IMPROVE NURSING HOME INSPECTION, ENFORCEMENT AND AUDITING PROCEDURES

15. A bill to require State inspection of public and private skilled nursing and intermediate care facilities at least once every 90 days and to require state enforcement of the rights of patients in such facilities. (This bill originates with Congressman Ed Beard.)

16. A bill to (1) require that State plans to provide care for the aged, blind and disabled are approved by both the State's Legislative and Executive branch; (2) require such plan to be posted and available to the public; (3) require the Secretary of HEW annually to evaluate each State's compliance and administration of its plan, to publish state performance ratings and when necessary and after appropriate hearing, cut off funds to states not complying with their plan and (4) authorize any Title 19 recipient or a class of such recipients to bring a suit of specific performance against a state which substantially fails to comply with the provisions of its state plan.

17. A bill to require HEW to establish a rating system for nursing homes participating in Federal programs as a guide to consumers.

18. A bill to require states to establish ombudsman programs to investigate nursing home complaints and represent consumer interests.

19. A bill to establish the Office of Inspector General in the Department of Health, Education, and Welfare to investigate Medicare and Medicaid fraud and to report to the Congress.

20. A bill to make unlawful the offer or receipt of money or other consideration for the referral of clients, patients or customers under Medicare and Medicaid.

21. A bill to require strict controls for the handling of patient's accounts and personal expense funds.

22. A bill to make unlawful (1) the solicitation or receipt of charges to a Medicaid recipient over and above the rates established by the states and (2) soliciting or receiving any gift, money, donation or other consideration as a precondition of admitting a patient to a long-term care facility.

23. A bill to require minimum qualifications for surveyors inspecting nursing homes under Medicare and Medicaid.

24. A bill to require that forms submitted for payment by providers participating in the Medicare and Medicaid programs carry warnings of the criminal penalties under the law for fraud, kickbacks or misrepresentation of a material fact.

25. A bill to continue 100% Federal financing of the cost of State inspections provided that the States enact new enforcement tools as an alternative to license revocation including but not limited to citation systems and protective custodianship.

26. A bill to provide 100 percent Federal funding of the audits of Medicare and Medicaid facilities conducted by state personnel.

27. A bill to create a cadre of Federal inspectors to conduct spot checks of Medicare and Medicaid facilities to test the quality of state inspection procedures.

28. A bill to authorize Medicare/Medicaid recipients individually, or as a class, to bring suit for specific performance against a long-term care facility in violation of its provider agreement.

IV. BILLS INTENDED TO PROVIDE ACCOUNTABILITY AND FINANCIAL INCENTIVES FOR GOOD CARE IN NURSING HOME REIMBURSEMENT

29. A bill to increase Federal responsibility for inspection and certification of nursing homes under Medicare and Medicaid; (2) clarify conditions under which States can withhold Federal funds; (3) require audited prospective cost-related reimbursement for nursing homes with cost pegged to what a prudent buyer would spend for such services; (4) require ownership disclosure of any nursing home interest including real estate as well as any operating interests; (5) require the disclosure of interest in nursing home supply companies and prohibit reimbursement to suppliers in whom the nursing home operator has a substantial interest and; (6) broadening the scope of Medicare and Medicaid nursing home benefits by assessment of patient's medical, psychological, and social needs. (As stated earlier, I drafted this legislation in response to problems which were revealed in New York but which are national problems as well.)

30. A bill to allow the states to allow financial incentives for good care as a component of their cost-related reimbursement of nursing homes participating in the Medicaid program.

V. BILLS TO HELP NURSING HOME UPGRADE

31. A bill to provide for the making of direct loans for the construction, and rehabilitation of nursing homes owned and operated by Churches and other non-profit agencies.

32. A bill to authorize grants for the planning, development, construction and rehabilitation of nursing homes in Black and minority communities.

33. A bill to authorize interest subsidy payments to assist nursing homes in repair and renovation in order to comply with Federal standards.

VI. BILLS TO PROVIDE TRAINING IN GERIATRICS AND TO TRAIN PERSONNEL TO MEET THE NEEDS OF NURSING HOME PATIENTS FOR PHYSICIANS, NURSES, AIDES AND ORDERLIES

34. A bill to authorize the Secretary of HEW to enter into contracts with or make grants to colleges and universities to provide graduate programs for nurses in geriatrics and gerontology.

See also Moss bills introduced on March 12, 1975 as follows:

H.R. 4777, to provide funds to schools of medicine to help establish Departments of Geriatrics.*

H.R. 4778, to provide continuing education programs in geriatrics for physicians.*

H.R. 4780, to train medical corpsmen discharged from the armed services in geriatrics and the needs of nursing home patients.*

H.R. 4781, to provide for the training of physician's assistants trained in geriatrics to serve in nursing homes.*

H.R. 4779, to provide for the training of nurse practitioners in geriatrics in order that they may provide primary care in nursing homes.*

H.R. 4776, to provide funds to schools of nursing to provide in-service training programs for nursing home aides and orderlies.

35. A joint resolution to establish the sense of the Congress that the President call a White House Conference on Long-Term Care in 1976 and authorizing $500,000 for this purpose.

36. A bill making it an unfair labor practice to discharge an employee because he testifies before any Committee of the Congress. See also Church-Moss Sense of the Senate Resolution, S.R. 113, calling for HEW to establish a central clearinghouse and information center to help coordinate ongoing nursing home investigations.

CYPRUS—A TIME OF TESTING

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I want to take this opportunity to discuss the situation in Cyprus. The events of last year and this have once again tested the bravery of the Cypriot people and the conscience of us all.

All of us feel a profound agony for those 200,000 Cypriots who have been made refugees on their own island. Turkey's military invasion of Cyprus has caused untold suffering on the island. Turkish military forces, who occupy 40 percent of Cyprus, refer to their perimeter as the "Attila Line." How ghoulish. Yet, in a way, the Turkish Government has properly labeled, with that infamous name, its occupation as barbaric.

Yet for all this, there is an even greater outrage. The Ford administration has consistently pursued a policy of indifference to the plight of Greek Cypriots, of ignorance of their history and customs, and of insensitivity to the legitimate concern of Greek Americans. The Ford administration fought every effort by the Congress to cut off military aid to Turkey, even when all agreed that Turkey had violated the understanding and intent of that aid: that it was to be used only for defensive purposes and not for despicable actions of aggression. The Greek Cypriots were left fighting against some of the most modern, sophisticated weapons provided by the American taxpayer to Turkey. What the Greeks have had is their courage. As one Greek Cypriot soldier told a journalist, as he was fighting on a front line with only a one bolt-action rifle and supported by obsolete armored cars, "Write that Greeks were never afraid."

The State Department has shown a woeful lack in its commitment to maintain a free and independent Cyprus. Its inaction is startling. It refused to support Archbishop Makarios, the democratically elected President of Cyprus, when such support could have preserved stability and peace for Cyprus. It refused to bring pressure to bear on Turkey to prevent an invasion of Cyprus and once such aggression occurred, to restrict Turkish military activity. Contrast, if you will, the actions of the late President Johnson, who warned a Turkey preparing to go to war in no uncertain terms of the American Government's position, and thereby preserved peace in the area.

Confronted with this attitude from the administration, Congress had no choice but to take the matter of this Nation's foreign policy toward Cyprus into its own hands. Congress allowed President Ford many months to work out a just settlement in Cyprus. But in December of 1974, Congress finally called a halt to the use of American armaments and military supplies by Turkey in its subversion of the freedom of that independent republic.

Recently, Vice President ROCKEFELLER has been critical of the role Congress is taking in foreign affairs. In an airborne interview en route to Chiang Kai-shek's funeral, Mr. ROCKEFELLER seems to have succumbed to an ailment inflicting other administration figures such as Secretary of Agriculture Earl Butz: foot-in-mouth disease. Mr. ROCKEFELLER's ignorance of the Cyprus situation is startling. He clearly does not realize that continued arms aid to an aggressor, such as Turkey, is illegal. But, let me quote Mr. ROCKEFELLER's words, for they reflect better than I can the administration's attitude:

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*Added as amendments to S. 66 which passed the Senate on April 10, 1975.

> If I were a Greek and I believed in Democracy I would be so very happy that my country as a result of the blunders of the military dictatorship in Cyprus that the government was overthrown . . . that I would be down on my knees praying to whomever they pray to.

What is the future of U.S. foreign policy toward Cyprus? A renewed battle in Congress seems to be developing concerning military aid to Turkey. I am confident that under the able leadership of Congressmen ROSENTHAL, BRADEMAS, and SARBANES, we will defeat efforts to reinstate aid to Turkey through the Mansfield-Scott resolution. Also, we must do all we can to help Cypriot refugees. As I am sure my colleagues know, a conference committee of the Foreign Operations Subcommittee of the Appropriations Committee, of which I am a member, voted on March 20 to increase aid to Greek Cypriot refugees to $25 million.

While that is important, the issue of who controls our foreign policy toward Cyprus is crucial. If we forfeit our responsibility and allow a resumption of aid to Turkey, we are in effect putting our imprimatur on aggression. And that we must not do.

LONG-TERM CARE OF THE ELDERLY

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, I am honored to join Senator FRANK MOSS, chairman of the Subcommittee on Long-Term Care in the Senate Special Committee on Aging, in the introduction of 36 bills to provide more stringent controls of the nursing home industry and to provide training of additional persons qualified in the care of the elderly. The bills introduced today complete a 48-bill nursing home reform package designed to make a comprehensive system of adequate long-term care benefits more readily available to all older Americans. The first 12 bills were introduced on March 12 of this year.

My able and distinguished colleague, Representative EDWARD I. KOCH is joining me as the prime cosponsor of this package, and we will invite all our colleagues in the House to join in sponsoring this package later this week. It was at Congressman KOCH's request that the recent Senate Subcommittee on Long-Term Care's hearings on nursing home problems in New York and elsewhere were initiated and he has sponsored a great deal of previous legislation relating to the subject. He is the author of one of the first 12 bills, the "National Home Health Care Act of 1975." This bill is similar to the "Medicare Long-Term Care Act" which I introduced in the 93d Congress and retintroduced in this session of the Congress, H.R. 1354.

As chairman of the recently established Subcommittee on Health and Long-Term Care of the House Select Committee on Aging, I am pleased to introduce all the bills in the 48-bill package. My subcommittee is just now being organized, but I plan to see that the subcommittee considers this legislation. There are some provisions in the proposed bills which I would like to see amended and some may require refinements. The subcommittee further will surely want to recommend new or additional legislation. But the subcommittee is privileged to have the benefit of the Senate Subcommittee on Long-Term Care's hearings which have been conducted since July 1969, and their response to the problems and conditions in the nursing home industry which need correction now.

The scandals which have, over the years, pervaded nursing homes are perhaps the most tragic and pathetic of all in our Nation's history in terms of human suffering. The victims of the exploitation and unnecessary violations and abuses of the law have been the very old and the infirm. In 1965, I supported the Medicare-Medicaid Amendments to the Social Security Act and some amendments have been enacted since that time. But, both my subcommittee and the House legislative committees must give priority attention to these proposals in this session of the Congress. Legislation must be enacted to reform nursing homes on behalf of those who need the care, and to provide alternative health and the correlative services to help others avoid institutionalization.

I accepted the chairmanship of the House Subcommittee on Health and Long-Term Care because I want to see legislation to provide strong Federal programs to enable older Americans to remain in their own homes as long as they can, and to preserve their health and their dignity as long as they live.

Pollster Louis Harris published a survey this month which indicates the American public agrees with my view that the Government should use tax funds to help support the elderly. Let us begin by placing a priority on preventative health services and reforming the system of delivery of institutional benefits.

Later this week, I shall submit for the RECORD a complete list of all the 48 bills in this package. Today, I wish to summarize the scope of the major provisions of the 36 we are introducing.

Four are designed to make long-term care more readily available to all older Americans. They provide for nursing home coverage under medicare without requiring prior hospitalization. Further, they establish a second level of care—intermediate care—and require standards for such services under medicare. Included also is provision for supplementary security income payments plus State supplementary payments to house residents in shelter care facilities which meet certain Federal minimum standards. These four bills, together with 4 of the first 12 introduced on March 12, expand medicare and medicaid to provide for day care, extended home health services, and, in addition, subsidies to families to care for the elderly in their own homes.

Ten bills would create new minimum Federal standards for nursing homes participating in medicare and/or medicaid. Medicaid now pays about 50 percent of the Nation's more than $7.5 billion nursing home bill, and medicare pays another 3 percent. Thus, according to the Senate subcommittee's reports, $1 of every $2 in nursing home revenues is publicly financed. Today, there are more nursing home beds—1.2 million—in the United States than general and surgical hospitals beds—1 million.

These 10 bills provide that physician's visits to patients in skilled nursing facilities would be required at least once every 30 days; only licensed personnel—registered nurses or licensed practical nurses—would be authorized to set up and distribute medications in skilled nursing homes. Among other provisions, medically related social services would be provided: fire safety standards would be upgraded; and life care contracts would be prohibited.

Consideration of these 10 bills, along with two in the first package introduced on March 12—which provide for CPA audits, full disclosure of nursing home ownership, and penalties for fraud and misrepresentation—is essential to protect the lives and well being of 1,200,000 Americans who now reside in nursing homes.

Fourteen of the bills we are introducing today address the need to improve nursing home inspection, enforcement, and auditing procedures. States would be required to protect the rights of patients in skilled nursing and intermediate care facilities. Public disclosure of State plans to provide care for the aged, blind and disabled is required. Recipients of nursing care are authorized to bring a suit for specific performance against a State which substantially fails to comply with the provisions of a State plan, or against a long-term care facility which violates its provider agreement.

Two of the bills are intended to provide accountability and financial incentives in favor of good care in nursing home reimbursement. One bill allows the States to provide financial incentives for good care as a component of their cost-related reimbursement of nursing homes participating in the medicaid program. The second bill originating with Congressman KOCH broadens the scope of medicare and medicaid nursing home benefits to provide assessment of patients' medical, psychological, and social needs together with other provisions to tighten cost controls and accountability for utilization of Federal funds.

Three bills are designed to help nursing homes upgrade their facilities. Included are provisions: first, for the making of direct loans for the construction and rehabilitation of nursing homes owned and operated by churches and nonprofit agencies; second, for grants for the planning, development, construction and rehabilitation of nursing homes in black and minority communities; and third, for an authorization of interest subsidy payments to assist nursing homes in repair and renovation to comply with Federal standards.

One bill is to authorize the Secretary of HEW to enter into contracts with or make grants to colleges and universities to provide graduate programs for nurses in geriatrics and gerontology. This bill, together with six others introduced on March 12, meets some of the most urgent needs for training of physicians in geriatrics, and for the training of nurse practitioners and nursing home aides and orderlies.

A House joint resolution is included in the 36-bill package to establish the sense of the Congress that the President call a White House conference on long-term care in 1976 and authorizing $500,000 for this purpose.

The 48th bill would make it an unfair labor practice to discharge an employee because he testifies before any committee of the Congress.

Mr. Speaker, the evidence which substantiates the need for early consideration of these proposals is documented in the U.S. Senate Special Committee on Aging's report entitled, "Nursing Home Care in the United States: Failure in Public Policy." Until we change Federal policy toward the elderly and their needs, aging in America will continue to be more of a burden than an honor. Only the Congress can make it possible for older Americans to share in Robert Browning's joy in his poem "Rabbi Ben Ezra":

> "Grow old along with me!
> "The best is yet to be,
> "The last of life, for which the first was made."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. MOSHER (at the request of Mr. RHODES), for today and tomorrow on account of attending a funeral.

Mr. YOUNG of Florida (at the request of Mr. RHODES), for today, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. STRATTON, for 15 minutes, today.

Mr. MELCHER, for 5 minutes, today.

Mr. ROUSSELOT, for 15 minutes, today; and to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. MOORE) to revise and extend their remarks and include extraneous material:)

Mr. STEIGER of Wisconsin, for 5 minutes, today.

Mr. KEMP, for 10 minutes, today.

(The following Members (at the request of Mr. HAYES of Indiana) to revise and extend their remarks and include extraneous matter:)

Mr. FLOOD, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. EVANS of Indiana, for 5 minutes, today.

Mr. HARRIS, for 5 minutes, today.

Mr. REUSS, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. EVINS of Tennessee, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,390.

Mr. RICHMOND, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $7,228.

Mr. MADDEN, to extend his remarks in the Extensions of Remarks today and include an editorial.

(The following Members (at the request of Mr. MOORE) and to include extraneous matter:)

Mr. ARCHER.

Mr. HORTON in two instances.

Mr. DERWINSKI in two instances.

Mr. MCCOLLISTER.

Mrs. HOLT.

Mr. KEMP in two instances.

Mr. HEINZ in two instances.

Mr. STEIGER of Wisconsin.

Mr. ROUSSELOT in two instances.

Mr. MYERS of Indiana.

(The following Members (at the request of Mr. HAYES of Indiana) and to include extraneous matter:)

Mr. MINETA.

Mr. GONZALEZ in three instances.

Mr. ANDERSON of California in three instances.

Mr. PHILLIP BURTON.

Mr. REUSS.

Mr. MCDONALD of Georgia in 13 instances.

Mr. ADDABBO.

Mr. KRUEGER.

Mr. RANGEL.

Mr. PATTEN.

Mr. HELSTOSKI.

Mr. MIKVA.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 818. An act to authorize U.S. payments to the United Nations for expenses of the United Nations peacekeeping forces in the Middle East, and for other purposes; to the Committee on International Relations.

S. 917. An act to amend the Interstate Commerce Act to authorize the Interstate Commerce Commission to grant temporary operating authority to a carrier by railroad, and for other purposes; to the Committee on Interstate and Foreign Commerce.

ADJOURNMENT

Mr. HAYES of Indiana. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 18 minutes p.m.) the House adjourned until tomorrow, Wednesday, April 30, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

886. A letter from the Chairman and members, Federal Home Loan Bank Board, transmitting the annual report of the Board for calendar year 1974, including reports on the operations of the Federal Home Loan Bank System and the Federal Savings and Loan Insurance Corporation, pursuant to section 17(b) of the Federal Home Loan Bank Act; to the Committee on Banking, Currency and Housing.

887. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed regulations governing the implementation of the equalization provision contained in the financial assistance in federally affected areas program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

888. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting notice of proposed rulemaking for section 434(b) of the General Education Provisions Act as added by section 511 of the Education Amendments of 1974, pursuant to section 431(d)(1) of the Act; to the Committee on Education and Labor.

889. A letter from the Chief Scout Executive, Boy Scouts of America, transmitting the 65th annual report of the organization, covering calendar year 1974 (H. Doc. No. 94–118); to the Committee on Education and Labor and ordered to be printed.

890. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a copy of Presidential Determination No. 75–14, finding that it is in the national interest to make an agreement with the Government of Syria for the sale of 10,000 metric tons of rice under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, pursuant to sections 103 (d)(3) and 410 of that act, and section 620 (e)(1) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

891. A letter from the Chief Justice of the United States, transmitting rules and official forms governing proceedings under chapters X and XII of the Bankruptcy Act, pursuant to section 2075 of title 28, United States Code, together with an excerpt from the report of the Judicial Conference of the United States containing the Advisory Committee Notes submitted to the Court (H. Doc. No. 94–119); to the Committee on the Judiciary and ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ARCHER (for himself and Mr. KASTEN):

H.R. 6447. A bill to amend the Internal Revenue Code of 1954 to increase the corporate surtax exemption; to the Committee on Ways and Means.

By Mr. ARCHER (for himself and Mr. MOORE):

H.R. 6448. A bill to amend the Internal Revenue Code of 1954 to provide income tax relief for small businesses; to the Committee on Ways and Means.

By Mr. CONABLE (for himself, Mr. Corman, Mr. Duncan of Tennessee, Mr. Frenzel, Mr. Helstoski, and Mr. Rostenkowski):

H.R. 6449. A bill to amend the Internal Revenue Code of 1954 to provide that the tax rules now applicable to savings and loan associations, mutual savings banks, and certain cooperative banks, shall be applicable to the comparable mortgage programs now undertaken by national mortgage associations; to the Committee on Ways and Means.

By Mr. EILBERG:

H.R. 6450. A bill to incorporate the United States Submarine Veterans of World War II; to the Committee on the Judiciary.

By Mr. FULTON (for himself and Mr. Vander Jagt):

H.R. 6451. A bill to amend the Social Security Act in order to extend until June 30, 1976, the temporary assistance program for U.S. citizens returned from abroad; to the Committee on Ways and Means.

By Mr. GRADISON:

H.R. 6452. A bill to amend the Federal Trade Commission Act (15 U.S.C. 44, 45) to provide that under certain circumstances exclusive territorial arrangements used in the distribution or sale of trademarked soft drink products shall not be deemed per se unlawful, but shall be judged under the rule of reason standard; to the Committee on Interstate and Foreign Commerce.

By Mr. HAMMERSCHMIDT:

H.R. 6453. A bill to prohibit, except in cases of extreme emergency, assistance under the Agricultural Trade Development and Assistance Act of 1954 to any country which does not make reasonable and productive efforts, especially with regard to family planning, designed to alleviate the causes of the need for assistance provided under such act; to the Committee on International Relations.

By Mr. KEMP (for himself, Mr. Andrews of North Dakota, Mr. Archer, Mr. Beard of Tennessee, Mr. Bevill, Mr. Broomfield, Mr. Burgener, Mr. Robert W. Daniel, Jr., Mr. Derwinski, Mr. Devine, Mr. English, Mr. Eshleman, Mr. Gaydos, Mr. Ichord, Mr. Kasten, Mr. Ketchum, Mr. Bauman, Mr. Moore, and Mr. Pressler):

H.R. 6454. A bill relating to the settlement of debts owed the United States by foreign countries; to the Committee on International Relations.

By Mr. KEMP (for himself, Mr. Lent, Mr. Long of Maryland, Mr. McDonald of Georgia, Mr. Miller of Ohio, Mr. Mitchell of New York, Mr. Regula, Mr. Roe, Mr. Rousselot, Mr. Runnels, Mr. Spence, Mr. Thone, Mr. Waggonner, Mr. Weaver, Mr. Whitehurst, Mr. Winn, Mr. Yatron, and Mr. Ford of Tennessee):

H.R. 6455. A bill relating to the settlement of debts owed the United States by foreign countries; to the Committee on International Relations.

By Mr. KOCH:

H.R. 6456. A bill to amend the act entitled "An Act to establish the Fire Island National Seashore, and for other purposes" approved September 11, 1964 (78 Stat. 928); to the Committee on Interior and Insular Affairs.

By Mr. KOCH (for himself, Mr. Hawkins, Mr. Santini, Mr. Bedell, Mr. Gude, and Mr. Hechler of West Virginia):

H.R. 6457. A bill to amend the Internal Revenue Code of 1954 to increase the excise tax on cigarettes, and to amend the Public Health Service Act to establish a trust fund to be used to fund the research programs of the National Cancer Institute; to the Committee on Ways and Means.

By Mr. KREBS (for himself and Mr. Sisk):

H.R. 6458. A bill to prevent famine and establish freedom from hunger by increasing world food production through the development of land-grant type universities in agriculturally developing nations; to the Committee on International Relations.

By Mr. LATTA:

H.R. 6459. A bill to amend the Interstate Commerce Act to provide assistance in rebuilding the Nation's railroad rights-of-way, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. McKINNEY:

H.R. 6460. A bill to amend the Internal Revenue Code of 1954 to provide an income tax credit for any individual who performs voluntary service for any organization engaged in the treatment, care or rehabilitation of the physically handicapped or the mentally ill; to the Committee on Ways and Means.

By Mr. MACDONALD of Massachusetts (for himself, Mr. Murphy of New York, Mr. Carney, Mr. Byron, Mr. Wirth, Mr. Brodhead, Mr. Frey, and Mr. Madigan):

H.R. 6461. A bill to amend certain provisions of the Communications Act of 1934 to provide long-term financing for the Corporation for Public Broadcasting and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MILLER of Ohio:

H.R. 6462. A bill to amend the Clean Air Act to provide a postponement of certain motor vehicle emission standards and to provide for certain related studies and reports, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MITCHELL of Maryland:

H.R. 6463. A bill to amend the Small Business Act to impose a moratorium on the repayment of principal and interest on certain loans made by the Small Business Administration for a period of 2 years or until such time as the President determines that the United States is no longer in a period of economic recession; to the Committee on Small Business.

By Mr. MOORE (for himself and Mr. Hagedorn):

H.R. 6464. A bill to amend titles XVIII, XIX, and V of the Social Security Act to eliminate altogether any requirement that an institution have in effect a utilization review plan in order to qualify for participation in the medicare, medicaid, or maternal and child health and crippled children's services program; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. NIX:

H.R. 6465. A bill to provide Federal programs of educational, employment, and other assistance to areas with heavy concentrations of foreign-born persons; to the Committee on Education and Labor.

By Mr. PEPPER (for himself and Mr. Koch):

H.R. 6466. A bill to amend title XVIII of the Social Security Act to authorize the provision of intermediate care services under medicare, and for other purposes; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6467. A bill to amend section 213 of the Internal Revenue Code of 1954 with respect to certain nursing home expenses; to the Committee on Ways and Means.

H.R. 6468. A bill to provide for the modification of the medicare reimbursement formula to allow small hospitals in rural areas with low occupancy to provide long-term care but only in those areas where there are no appropriate nursing home beds available; to the Committee on Ways and Means.

H.R. 6469. A bill to allow the States to use supplementary security income payments plus a State supplement of not less than $100 per resident per month to provide care for residents in nonmedical shelter care facilities; to the Committee on Ways and Means.

H.R. 6470. A bill to require physician visits to patients in skilled nursing facilities at least once every 30 days; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6471. A bill to amend title 18 and 19 of the Social Security Act to require skilled nursing facilities to employ at least one registered professional nurse 24 hours per day, 7 days a week; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6472. A bill to amend titles 18 and 19 of the Social Security Act to require that only licensed personnel may set up or distribute medications in skilled nursing facilities; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6473. A bill to amend the Social Security Act to provide for placing responsibility for medical care provided by skilled nursing facilities under titles XVII and XIX in a medical director; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6474. A bill to amend titles 18 and 19 of the Social Security Act to require minimum ratios for nursing home personnel to patients and for supervisory nurses to total nurses; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6475. A bill to amend title 18 and title 19 of the Social Security Act to require skilled nursing facilities to provide medically related social services; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6476. A bill to require admissions contracts between nursing homes participating in Federal programs and the patients they serve; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6477. A bill to amend the Social Security Act to provide for the updating of safety provisions in skilled nursing facilities; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6478. A bill to amend title 18 and 19 of the Social Security Act to require nursing homes to post their current license, medicare/medicaid certification, a list of owners of the facility, the names of staff, a patient's bill of rights as well as a description of services offered by the facility and the facility's charges therefore; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6479. A bill to require the immediate reporting of epidemic diseases or accidents in nursing homes participating in Federal programs; jointly of the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6480. A bill to require that State plans under title 19 are ratified by both the State's legislative and executive branch before being presented to the Secretary for his approval; to require that such plans be posted and available to the public; to require the Secretary to annually review a State's compliance with such plan and to publish performance ratings for the States and creating a cause of action allowing title 19 recipients individually or as a class to bring suit against a State for specific performance when a State fails to comply with the provisions of its plan; to the Committee on Interstate and Foreign Commerce.

H.R. 6481. A bill to require HEW to establish a rating system for nursing homes participating in Federal programs as a guide to consumers; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6482. A bill to amend title 19 of the Social Security Act to require States to establish ombudsman programs to investigate nursing home complaints and represent consumer interests; to the Committee on Interstate and Foreign Commerce.

H.R. 6483. A bill to amend the Social Security Act to provide for the establishment of an Inspector General for health administration; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6484. A bill to amend title XVIII and XIX of the Social Security Act making unlawful the offer of receipt of consideration for the referral of patients, clients, or customers; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6485. A bill to amend title 18 and 19 of the Social Security Act to require strict controls for the handling of patients' accounts, personal expense moneys and valuables; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6486. A bill to make unlawful the solicitation or acceptance of any gift, money or consideration over and above the rates established by the States and to make unlawful the solicitation or acceptance of any gift, money or donation as a precondition of admitting a patient to a long-term care facility; to the Committee on Interstate and Foreign Commerce.

H.R. 6487. A bill to amend title 19 of the Social Security Act to make certain requirements with respect to long-term care facility personnel compensated with Federal funds who are responsible for determining whether such institutions comply with health and safety standards required under such act; to the Committee on Interstate and Foreign Commerce.

H.R. 6488. A bill to amend the Social Security Act to require that payment forms submitted from nursing homes contain warnings with regard to penalties imposed under sections 1877 and 1909; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6489. A bill to continue 100-percent Federal financing of the State costs in inspecting nursing homes and to assist the States new enforcement tools, such as a citation system and protective custodianship and other alternatives to license revocation; to the Committee on Interstate and Foreign Commerce.

H.R. 6490. A bill to provide 100-percent Federal funding of financial audits of facilities participating in medicare and medicaid conducted by State personnel; to the Committee on Interstate and Foreign Commerce.

H.R. 6491. A bill to amend the Social Security Act to provide for a system of inspections of State inspection and enforcement mechanisms with regard to facilities receiving payments under titles XVIII and XIX; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6492. A bill to authorize medicare or medicaid patients individually or as a class to bring suit for specific performance in Federal District Court against a long-term facility which is in violation of its provider agreement; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6493. A bill to authorize the States to incorporate financial incentives for good care within the context of their cost-related reimbursement formula effective July 1, 1976; to the Committee on Interstate and Foreign Commerce.

By Mr. KOCH (for himself, and Mr. Pepper):

H.R. 6494. A bill to amend the Social Security Act to improve the survey and certification process, rate setting and fiscal audit methods, and general regulation of nursing homes and intermediate care facilities under the medicaid program, and to provide for medical, psychological, and social assessment of long-term care patients under both the medicare and medicaid programs; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. PEPPER (for himself and Mr. Koch):

H.R. 6495. A bill to amend title VI of the Public Health Service Act to provide for the making of direct loans for the construction and rehabilitation of nursing homes owned and operated by churches and other nonprofit organizations; to the Committee on Interstate and Foreign Commerce.

H.R. 6496. A bill to authorize the Secretary of Health, Education, and Welfare to provide grants, for the planning, development, construction and rehabilitation of nursing homes in black and minority communities; to the Committee on Interstate and Foreign Commerce.

H.R. 6497. A bill to authorize interest subsidy payments to assist nursing homes in repair and renovation in order to comply with Federal standards; jointly to the Committees on Banking, Currency and Housing, and Interstate and Foreign Commerce.

H.R. 6498. A bill to amend title VII of the Public Health Service Act to provide for the making of grants to appropriate colleges and universities to assist them in establishing graduate programs for nurses in geriatrics and gerontology; to the Committee on Interstate and Foreign Commerce.

H.R. 6499. A bill to amend the National Labor Relations Act to make it an unfair labor practice to discharge an employee because he testifies before any committee of the Congress, and for other purposes; to the Committee on Education and Labor.

By Mr. ROONEY (for himself and Mrs. Holt):

H.R. 6500. A bill to protect collectors of antique glassware against the manufacture in the United States or the importation of imitations of such glassware; to the Committee on Interstate and Foreign Commerce.

By Mr. SISK:

H.R. 6501. A bill to prohibit common carriers in interstate commerce, and recipients of assistance under the urban mass transportation program, from charging elderly and handicapped people more than half fare for their transportation during nonpeak periods of travel; to the Committee on Public Works and Transportation.

By Mrs. SPELLMAN (for herself, Mr. Eilberg, Mr. Harrington, Ms. Abzug, Mr. Mitchell of Maryland, Mr. Fauntroy, Mr. Ryan, Mr. Zeferetti, Mr. Yatron, Mr. Downey, Mr. Stark, Ms. Schroeder, Mr. Thompson, Mr. Hawkins, Mr. Moss, Mr. Badillo, Mr. Carr, Mr. Mineta, Mrs. Boggs, Mr. Hanley, Mr. Nowak, Mr. Moakley, Mr. Scheuer, Mr. Rosenthal, and Mr. Jeffords):

H.R. 6502. A bill to extend and amend section 312 of the Housing Act of 1964; to the Committee on Banking, Currency and Housing.

By Mrs. SPELLMAN (for herself, Mr. LaFalce, Mr. Tsongas, Mr. Sarbanes, Mr. Patterson of California, Mr. Ottinger, and Mr. Ford of Tennessee):

H.R. 6503. A bill to extend and amend section 312 of the Housing Act of 1964; to the Committee on Banking, Currency and Housing.

By Mr. STEIGER of Wisconsin (for himself, Mr. Frenzel, and Mr. Conable):

H.R. 6504. A bill to amend the temporary unemployment benefits programs, and for other purposes; to the Committee on Ways and Means.

By Mr. YATRON:

H.R. 6505. A bill to provide for the protection and preservation of the Gruber Wagon Works in Berks County, Pa.; to the Committee on Public Works and Transportation.

By Mr. GREEN:

H.R. 6506. A bill to amend section 44 of the Internal Revenue Code of 1954 (relating to credit for purchase of new principal residence) to provide that the lowest offering price requirement be limited to offers after December 31, 1974, and to expedite the prescribing of final regulations on such section 44; to the Committee on Ways and Means.

By Mr. BROOMFIELD:

H.J. Res. 417. Joint resolution proposing an amendment to the Constitution of the United States to provide for mandatory retirement of Members of Congress and the Federal judiciary; to the Committee on the Judiciary.

By Mr. HARRIS:

H.J. Res. 418. Joint resolution to restore posthumously full rights of citizenship to Gen. R. E. Lee; to the Committee on the Judiciary.

By Mr. OBERSTAR (for himself, Mr. Breaux, Mr. O'Brien, and Mr. Erlenborn):

H.J. Res. 419. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. PEPPER (for himself and Mr. Koch):

H.J. Res. 420. Joint resolution to provide that it be the sense of Congress that a White House Conference on Long-Term Care be called by the President of the United States in 1976, to be planned and conducted by the Secretary of Health, Education, and Welfare; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. DERWINSKI (for himself, Mr. Ambro, Mr. Badillo, Mr. Bauman, Mr. Bedell, Mrs. Burke of California, Mr. Kasten, Mr. Richmond, Mr. Sikes, and Mr. Walsh):

H. Con. Res. 255. Concurrent resolution expressing the sense of Congress concerning recognition by the European Security Conference of the Soviet Union's occupation of Estonia, Latvia, and Lithuania; to the Committee on International Relations.

By Mr. MINISH:

H. Con. Res. 256. Concurrent resolution expressing the sense of Congress concerning recognition by the European Security Conference of the Soviet Union's occupation of Estonia, Latvia, and Lithuania; to the Committee on International Relations.

By Mr. ROUSSELOT:

H. Con. Res. 257. Concurrent resolution setting forth, on an aggregate basis only, the congressional budget for the U.S. Government for the fiscal year 1976; to the Committee on the Budget.

By Mr. MURPHY of New York (for himself and Mr. Fish):

H. Res. 427. Resolution to provide funds for the expenses of the investigation and study of the exploration and exploitation of the Outer Continental Shelf to be conducted by the Ad Hoc Select Committee on the Outer Continental Shelf; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

115. By the SPEAKER: Memorial of the Legislature of the State of Mississippi, requesting that Congress call a convention for the purpose of proposing an amendment to the Constitution of the United States rela-

tive to the national debt; to the Committee on the Judiciary.

116. Also, memorial of the House of Representatives of the State of Arizona, relative to handgun controls; to the Committee on the Judiciary.

117. Also, memorial of the Legislature of the State of South Carolina, relative to energy supplies and prices; jointly, to the Committees on Interstate and Foreign Commerce, Interior and Insular Affairs, the Judiciary, and International Relations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AuCOIN:

H.R. 6507. A bill for the relief of Chester C. Clark, Mary L. Clark, and Dorothy J. Wilbur; to the Committee on the Judiciary.

By Mr. PHILLIP BURTON:

H.R. 6508. A bill for the relief of Benjamin Kai Jeu Toy (a.k.a Choi Kai Jeu); to the Committee on the Judiciary.

By Mr. ESHLEMAN:

H.R. 6509. A bill for the relief of Sidney D. Lindenberg; to the Committee on the Judiciary.

By Mr. HÉBERT:

H.R. 6510. A bill for the relief of Seymour Joseph Gonzalez, Jr.; to the Committee on the Judiciary.

By Mr. MYERS of Indiana:

H.R. 6511. A bill for the relief of certain employees of the Naval Ordnance Systems Command; to the Committee on the Judiciary.

H.R. 6512. A bill for the relief of certain postmasters charged with postal deficiencies; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H. Con. Res. 218

By Mr. ROUSSELOT:

Amendment in the nature of a substitute to House Concurrent Resolution 218 or to any amendment in the nature of a substitute to House Concurrent Resolution 218:

Sec. 1. That the Congress hereby determines, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on July 1, 1975—

(a) the recommended level of Federal revenues is $299,400,000,000;

(b) the appropriate level of total new budget authority is $300,000,000,000;

(c) the appropriate level of total budget outlays is $299,400,000,000;

(d) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $0; and

(e) the appropriate level of the public debt is $542,400,000,000 and the amount by which the temporary statutory limit of such debt should accordingly be increased is $11,400,000,000.

SENATE—*Tuesday, April 29, 1975*

(Legislative day of Monday, April 21, 1975)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by Hon. Robert Morgan, a Senator from the State of North Carolina.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Our Father God, we pause for this hallowed moment to quiet our souls in Thy pervading presence. We seek Thy light which outshines the drab darkness of suffering and death in a world worn and torn by war. Amid all current uncertainties grant us the calm assurance that at the heart of the universe is the love that suffers and heals, redeems and outlasts all change—a love that will not let us go nor let us down. In this faith send us to our work determined to do the right as Thou dost give us to see the right, and to have a part in shaping a new and better world.

Through Him who is the Way, the Truth, and the Light. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Eastland).

The assistant legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., April 29, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. Robert Morgan, a Senator from the State of North Carolina, to perform the duties of the Chair during my absence.

James O. Eastland,
President pro tempore.

Mr. MORGAN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Monday, April 28, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MARITIME APPROPRIATION AUTHORIZATION ACT OF 1975

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 88, S. 1542.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 1542) to authorize appropriations for the fiscal year 1976 for certain maritime programs of the Department of Commerce, and for other purposes.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Maritime Appropriation Authorization Act of 1975".

Sec. 2. Funds are authorized to be appropriated without fiscal year limitation as the Appropriation Act may provide for the use of the Department of Commerce, for the fiscal year 1976, as follows:

(1) For acquisition, construction, or reconstruction of vessels and for construction-differential subsidy and cost of national defense features incident to the construction, reconstruction, or reconditioning of ships, not to exceed $195,000,000;

(2) For payment of obligations incurred for operating-differential subsidy, not to exceed $315,936,000;

(3) For expenses necessary for research and development activities, not to exceed $12,232,000;

(4) For reserve fleet expenses, not to exceed $4,242,000;

(5) For maritime training at the Merchant Marine Academy at Kings Point, New York, not to exceed $11,500,000;

(6) For financial assistance to State marine schools, not to exceed $4,708,000.

Sec. 3. There are authorized to be appropriated for the fiscal year 1976, in addition to the amounts authorized by section 2 of this Act, such additional supplemental amounts, for the activities for which appropriations are authorized under section 2 of this Act, as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law, and for increased costs for public utilities, food service, and other expenses of the Merchant Marine Academy at Kings Point, New York.

Sec. 4. Section 607(g) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1177 (g)), is amended by inserting at the end of paragraph (5) thereof the following new paragraph:

"(6) Notwithstanding any provision of paragraph (2), (3), or (4) of this subsection or any provision of law, in determining the 'qualified investment' in a vessel, barge, or container under section 46(c)(1) of the Internal Revenue Code of 1954, as amended (26 U.S.C. 46(c)(1)) or in determining the early disposition of such investments under section 47(a)(1) of such Code (26 U.S.C. 47(a)(1)), the basis or cost of such vessel, barge, or container shall not be reduced by the amount of all or any portion of a qualified withdrawal.".

Sec. 5. Section 809(a) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1213(a)) is amended by inserting immediately after the first sentence thereof the following: "In order to assure equitable treatment for each range of ports referred to in the preceding sentence, not less than 10 percent of the funds appropriated or otherwise made available for the foreign-trade requirements of the United States pursuant to this Act or any law authorizing funds for the purposes of such Act shall be allocated for the foreign-trade requirements of each such port range: *Provided, however,* That in the case of funds appropriated for construction-differential and operating differential subsidies such allocation shall apply to the extent that subsidy contracts are approved by the Secretary of Commerce. Not later than March 1, 1976, and annually thereafter, the Secretary shall submit to Congress a detailed report (1) describing the actions that have been taken pursuant to this Act to assure insofar as possible that direct and adequate service is provided by United States-flag commercial vessels to each range of ports referred to in this section and (2) including any recommendations for additional legislation that may be necessary to achieve the purpose of this section.".

SEC. 6. Section 1103(f) of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1273(f)) is amended by striking "$5,000,000,000", and inserting in lieu thereof "$8,000,000,000".

THE EVACUATION FROM SOUTH VIETNAM

Mr. HUGH SCOTT. Mr. President, as of this moment, it is very probable that the last of the Americans have been evacuated from South Vietnam. A few were left 4 hours ago. Some escaped by boat, some from Tan Son Nhut Airport, and the remainder from downtown. A number of South Vietnamese have been evacuated incidental to this operation.

The Attorney General has asked for waiver of visas for a limited number of orphans, which the Committee on the Judiciary has approved, in addition to approving the list of all the orphans so far reported as refugees. This is a humanitarian act.

The evacuation proceeded, particularly from the 18th of April on, with as much expedition as was safe under the circumstances, bearing in mind the preservation of the lives of Americans and the risk of panic or the risk of action from indigenous forces in Vietnam.

I think it would be highly counterproductive and perhaps a little political for us to engage in any recriminations as to how the evacuation was conducted. It appears to have been conducted with great care and enormous concern on the part of Congress and the President; and, working together, they have effected this evacuation.

For Congress to blame the President on details, such as what day of the week Congress did this or what day of the week the President did that, I think would be lapsing into a deplorable form of politics which trades on the lives of Americans for political advantage. I will not engage in it, and I will condemn it if it is engaged in by others. I yield back the remainder of my time.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Ohio (Mr. TAFT) is recognized for not to exceed 15 minutes.

THE NAVAL CHALLENGE

Mr. TAFT. Mr. President, during the last year or so the rapid expansion of Soviet naval power quite properly has become of increasing concern to many Members of Congress, as well as to the general public.

I think it important that we review, at this time, the background of this issue: the vital, complex relationship between America and the sea. We should have this background in mind as we review our defense budget.

A look at the map shows the origin of this relationship: we are an island. While our overland connections to the north and to the south are not insignificant, over 60 percent of our border is shoreline. Our basic orientation has always been to the east and west, to the Atlantic and Pacific Oceans and the resources and markets that lie beyond them.

Our geography has translated itself into our history. Our Nation was settled from across the sea and its early inhabitants looked to and over the sea for their government, their trade, and their culture. From well before our birth as an independent nation, we were a sea people, feeding ourselves on the cod of the Grand Banks and carrying our products in American-built ships with American crews to England, the Continent, Africa, and the Indies. The first American-built warship went down the ways in 1690.

Our Navy was founded 9 months before the Declaration of Independence, and it is significant that the American flag received its first international recognition at sea. Our flag became a symbol of worldwide commerce in a very short time: it appeared in Chinese waters as early as 1784.

For a brief period in the early 1800's we thought we could dispense with a seagoing Navy. We shelved our plans for line-of-battle ships, let our few frigates idle at their moorings, and built gunboats for coastal defense. We paid the price of this policy in the War of 1812, when British seapower bottled up our ports and, utilizing the ability of seapower to project force ashore where and when it chooses, razed the city of Washington.

We learned our lesson, and the 19th century saw America lead the world in many aspects of maritime development. The first steamboat was American; the world's fastest merchant ships, the clippers, were American; the world's first example of the modern, armored warship with turret guns was American. The Civil War gave our merchant fleet a blow from which it was long in recovering, but the steel Navy of the 1880's renewed our naval strength and enabled us to enter the 20th century a major maritime power. Our seapower was instrumental in the Allied victory in the First World War and decisive in the Second. Our undisputed command of the sea during our postwar contest with the Soviet Union was a key element in checking the spread of Soviet power.

Today, the sea is our lifeline. Our foreign trade, imports and exports, was worth over $139 billion in 1973; 45,795 foreign-flag ships entered our ports in that year; and an increasing percentage of the vital raw materials for our industries came from overseas, including over 84 percent of our bauxite, 64 percent of our chromite, 42 percent of our copper, 84 percent of our manganese, 92 percent of our nickel, and 36 percent of our petroleum. The importance of this trade, and the already startling degree to which we depend on imported natural resources increase each year.

In many ways our position on the sea in this century is similar to that of Britain in the 200 years preceding the First World War. If we are somewhat less dependent on imports and exports than was England, we nonetheless bear the same burden of maintaining the worldwide freedom and security of the seas that Britain bore before us. The American flag at the mast of an aircraft carrier has become the same symbol of power for peace, order, and commerce that the Union Jack on a cruiser was 70 years ago. Like Britain in the early part of the century, we face a challenge to our seapower—a challenge from a new naval power with strong interests in disrupting the peace, order, and commerce we seek to protect. Then, the challenge was Imperial Germany, where the genius of Admiral Tirpitz and the Kaiser's drive for a "place in the sun" sent dreadnoughts, battlecruisers, and U-boats down the ways at a pace which Britain was strained to match. Today, the challenge comes from Moscow, not Berlin, but its meaning for the dominant naval power, the United States, is much the same as it was then for Britain.

Since Admiral Zumwalt, then Chief of Naval Operations, stated the Soviet Navy was No. 1 in the world, there has been a great deal of inconclusive debate over the accuracy of his assertion. While his statement was relative to the ability of each navy to perform its assigned mission, most of the debate has been in terms of numbers and ship types: yet even in those terms, a case can be made for the admiral's opinion. The Soviet Union currently has 1,062 naval vessels in commission to our 514. They have 387 submarines to our 117. They have 54 major fleet units built since 1960 in commission, excluding submarines and amphibious ships; we have 66. But our slight numerical edge is partly offset by the fact that a large number of their major units are equipped with antiship missiles, a potent armament that not one of our major units presently carries. The Russians have, in addition, over 150 missile-armed attack boats.

Type for type, their ships clearly outclass our equivalents: Their *Kara* class cruiser, armed with three separate missile systems, is the most powerful cruiser in the world. "Jane's" 1974–75 edition, speaking about our rough equivalent, the DLGN's, notes that—

> It is difficult to see the justification for these ships . . . they could be highly expensive hostages if involved with ships armed with anti-ship missiles. . . .

Similarly, the Soviet *Krivak* class destroyers possess comprehensive antiship and antiaircraft missile systems. "Jane's," again speaking of the U.S. equivalent, the *Spruance* class destroyers now being built, notes that—

> They will have an anti-submarine capability but little else, lacking, in a missile age, both anti-ship missiles and long-range surface-to-air missiles.

The United States still has an advantage in numbers of aircraft carriers—the Soviets are now commissioning their first—but, paradoxically, this advantage has translated itself into a far stronger argument for Admiral Zumwalt's view than can be made on types and numbers alone. The essential elements in any military force is not equipment, not even men, but rather the concepts which direct how the equipment and men will be used. For example, in 1940, the French had more and better tanks than the Germans, but the decisive element was the Germans' concept of armored warfare. In our Navy, the fundamental operational concept is the carrier task force—an attack carrier with its antiaircraft and antisubmarine escort vessels. We evolved this concept in World War II, and today it remains the basis of our fleet. Almost all the nonnuclear striking power in the Navy, both for the antiship role and for the projection of power ashore, is contained in the carriers' aircraft.

The flaw in this fundamental concept is the fact that, in a preemptive situation, our carriers could be very vulnerable to the antiship missiles with which the Soviet Navy is equipped. A few hits can render a carrier incapable of launching or receiving aircraft until the decisive phase of the battle is past.

This is not to say that the carrier is obsolete; it still retains great utility in certain roles. But it has, in essence, undergone the same transformation the battleship underwent in World War II: from the major fleet unit for ship-to-ship engagements to a very useful but highly vulnerable means of projecting power ashore. Its vulnerability to preemptive missile attack, a possible situation in a crisis, brings into doubt the entire concept of the carrier task force as the standard fleet organization in peace or war. This concept puts our Navy, which has most of its eggs in the carrier basket, in a very dangerous position, and gives the Soviet Navy a credible chance of success, particularly if, as is possible, the Soviets choose the time and place of engagement.

The end of the aircraft carrier's unquestioned naval dominance is one weighty argument for Admiral Zumwalt's claim of Soviet naval superiority. The second argument is also the result of a concept plus the piece of equipment it involves. The concept is that, whereas our Navy's job is to keep the sea lanes open, the Soviets have the easier job of cutting them and the equipment is the submarine.

The Soviet Union today operates by far the largest fleet of submarines in the world. She has a long naval tradition of emphasis on submarines, and her boats are high quality: the latest Soviet attack submarines are the fastest in the world, and some carry antiship missiles which can be launched while submerged.

Admiral of the Soviet Fleet Sergei Gorshkov has noted that in World War II:

> For each German U-boat, there were 25 British and U.S. warships and 100 aircraft, and for every German submariner at sea there were 100 British and American anti-submariners. . . . Yet, nevertheless, this significant numerical superiority of defenders was insufficient to force the attackers to fully curtail their active operation. Therefore, the question of the ratio of submarines to anti-submarine forces is of great interest even under present-day conditions, since, if ASW forces, which were so numerous and technically up to date (for that time), possessing a vast superiority, turned out to be capable of only partially limiting the operations of diesel submarines, then what must this superiority be today to counter nuclear submarines, whose combat capabilities cannot be compared with the capabilities of World War II-era submarines.

Given that NATO can at best muster not a 25-to-1 ratio of antisubmarine ships to Soviet submarines, but about a 2-to-1 ratio. And that, as Admiral Gorshkov also indicates, the Soviet submarines would receive the support from surface ships and aircraft which the U-boats seldom had, it is hard not to agree with Admiral Zumwalt that the Soviets can perform their mission of cutting the West's sea lifeline. As Admiral Gorshkov said fully 7 years ago:

> The Soviet Navy has been converted, in the full sense of the word, into an offensive type of long-range armed force.

The distinguished chairman of the Armed Services Committee (Senator STENNIS) last fall referred to those who question U.S. naval superiority as "alarmists" who may be encouraging soviet belligerence. Despite my great respect for the distinguished chairman, I cannot accept this viewpoint. We must consider seriously and carefully the United States-Soviet naval balance, and we must not reject a priori the possibility that the Soviet Navy forces have more capability to perform their assigned mission—sea denial—than we have of performing the more difficult mission of sea control.

We must be prepared to examine this year's proposed naval procurement and R. & D. program not only from the standpoint of assuring that the taxpayers' dollars are used efficiently, but whether the proposed program is adequate, in view of Soviet naval expansion. I am examining the proposed programs carefully at this time; and I am not certain it is adequate, particularly in terms of the R. & D. funds which the Navy must have if Soviet superiority is not to be an unquestionable fact in the 1980's.

Over my objections at the moment, the R. & D. Subcommittee of the Armed Services Committee, on which I have the privilege to serve, voted to reduce funds in several naval R. & D. areas which, I believe, are key to our meeting the Soviet challenge. They voted to reduce advanced ship development funds for new carrier designs, for the nuclear powered strike cruiser, for the new mine countermeasure ship, and for the advanced hydrofoil. The subcommittee voted to remove all funds from the program for concept feasibility studies of new designs.

It is precisely in the area of new concepts and new ship designs that we must accelerate, not slow down, our efforts, if we are to meet the Soviet challenge I have discussed. As I pointed out, much of the Soviet capability springs from their new concepts and the advanced nature of their ship designs.

As I noted, although the Soviet antiship missile capability requires that we diversify the striking power of our fleet away from complete dependence on the aircraft carrier, the carrier still retains great utility in many roles, and it is certain that we will require new carriers in the future. It is also clear that we must examine new designs for these carriers, designs which will better enable them to meet the antiship missile threat. Accordingly, I voted in the subcommittee to restore requested funding for work in this area.

The strike cruiser is a new concept; and we should note that the Soviets place heavy reliance on such ships, and value their capability highly. I thus voted full funding in 197T—which the subcommittee cut—for advanced design work on this ship.

The Soviets are today the world's leader in naval mine warfare. In this they continue a long tradition; imperial Russia invented and first used naval mines during the Crimean war. I thus voted to restore funds for advanced design work for a mine countermeasure ship; the subcommittee voted to reduce the funds to zero.

The vote to zero the funds for concept feasibility studies of new ship designs particularly distressed me; this area, above all, should be funded, and funded generously.

I intend to work in the full committee and on the floor of the Senate to see that these and other vital areas of naval research and development and ship construction receive the funding necessary to permit us to meet the Soviet naval challenge.

Mr. President, I do not think I am being an "alarmist" by asking the Congress to consider the United States-Soviet naval balance carefully, thoroughly, and impartially. I realize it is difficult to face questions as complex as this—questions, the answers to which may necessitate voting additional defense funds, or transferring funds from one service to another. But I do not believe the Congress can responsibly ignore the vital question of whether the United States will continue to have maritime superiority. The quesiton is vital because the fact is vital; America depends on the seas. I hope that each of my colleagues will keep in mind this fundamental fact during the forthcoming debate on the fiscal year 1976 naval budget, and that we will examine the issue with the attention and openmindedness it requires.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. TAFT. I am pleased to yield to the distinguished Senator from Virginia.

Mr. HARRY F. BYRD, JR. I commend the able Senator from Ohio for his statement today, and for drawing attention to the great importance of the United States maintaining a strong navy.

Mr. TAFT. I thank the Senator from Virginia.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from New York (Mr. JAVITS) is recognized for a period not to exceed 15 minutes.

Mr. JAVITS. Mr. President, I ask unanimous consent that the remarks I am about to make be separated by individual subjects.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

H.R. 2808—REPORT OF A COMMITTEE (REPT. NO. 94–98)

Mr. JAVITS. Mr. President, on behalf of the Senator from Louisiana (Mr. JOHNSTON) I submit a report of the Committee on Interior and Insular Affairs on H.R. 2808, to amend the joint resolution of July 18, 1939 (53 Stat. 1062), to provide for the acceptance of additional lands for the home of Franklin D. Roosevelt National Historic Site, and for other purposes.

S. 896—REPORT OF A COMMITTEE (REPT. NO. 94–99)

Mr. JAVITS. Again on behalf of the Senator from Louisiana (Mr. JOHNSTON), I submit a report of the Committee on Interior and Insular Affairs on S. 896, to increase the appropriation authorization relating to the volunteers in the parks program, and for other purposes.

THE SITUATION IN NATO, THE EUROPEAN ECONOMIC COMMUNITY, AND THE MIDDLE EAST

Mr. JAVITS. Mr. President, my purpose this morning is to report to the Senate on a trip which I took with a delegation from the Senate visiting various countries of NATO, the European Economic Community, and the Middle East.

As a member of an official Senate delegation visiting various countries of the NATO European Economic—EC—Community, I recently traveled to Western Europe and the Middle East. The official delegation was headed by Senators HUMPHREY, and SCOTT of Pennsylvania and the trip took place between March 28 and April 7 inclusive. I traveled with the delegation to Brussels and then by prior arrangement proceeded to London and Rome and then to Tehran and Tel Aviv, thereby adding a Middle East perspective to the travels of the delegation, which concentrated primarily on developments in NATO and the European Community. This report is intended as a supplement to the official report of the delegation.

THE EUROPEAN COMMUNITY

The EC is operating effectively within its established framework; however, it continues to fall far short of the full integration of Western Europe, and expectations in that regard are unlikely to be realized in the near term. Progress in coordination in the critical sphere of energy policy is somewhat disappointing, and it is likely to take a year before the Common Market countries have harmonized effectively their petroleum conservation, storage, exploration and production policies. It is, therefore, apparent that there is a continuing need for further cooperation between ourselves and the EC in this regard.

The European Community has engaged in a very important initiative with 46 Third World countries in the Lome Agreement, which establishes generalized trade preferences between these two entities. In this connection, it would be most desirable for the United States to cooperate with the EC to determine what might be done to underwrite the Third World's earnings from local products and raw materials. We can gain considerable experience from the Lome Agreement as to what new undertakings the United States might consider in its economic relations with less developed countries in Latin America, Asia and Africa. The Lome Agreement also holds significance for the International Monetary System, the reform of which will become increasingly important and necessary as the industrialized nations begin to pull out of the current recession and turn their attention to the basic structural deficiencies in the world economy revealed by the recession; and, especially to the ad hoc nature of the currencies float on which the world's trade and monetary systems are presently based.

I also found of critical importance that the Organization of Economic Cooperation and Development—OECD—is working on two codes: one for foreign investment and one for multinational corporations. In both cases, critical issues are yet to be agreed upon on an international level; this is required lest the discussions deteriorate into confrontation between the industrialized countries and the Third World, or into nationalistic and chauvinistic reactions to the deficiencies in the world economic order. The critical importance to the world of foreign investment and that the activities of multinational corporations be constructive—of which half are of the United States—dictates that we devote major attention to these OECD initiatives.

UNITED KINGDOM

The two most critical international issues now facing the United Kingdom are continued adherence to the European Community and the rate of inflation. Inflation there is presently running at an annual rate of 25 percent and the question posed is whether the United Kingdom can afford to continue to pay its workers 6 percent more than the Nation is producing. This excess is well beyond the limits of the "social contract" to which the Labor Government and the British trade unions had committed themselves, and is being financed from the expected proceeds from North Sea oil and the expected continuation of deposits in United Kingdom banks of the Arab oil states.

The Labor Cabinet is divided—estimated at 16–7, but for continued adherence to the Common Market. The general view is that the United Kingdom will opt to stay in the Common Market in the June plebiscite, but this is by no means a certainty.

In my view, it is in the U.S. interest that Britain remain in the Common Market as it is in the interest of world peace and security that we continue to move toward an economically, socially, and politically united Western Europe. In addition, should the United Kingdom opt out of the Common Market, it could start a process of disintegration of the Market itself and reverse the progress toward Western European integration already made.

While North Sea oil is perceived as a great new resource that will help the British Government to carry the national debt and better secure it, Britain looks to trade as its major support and the Government is initiating programs to develop and stimulate trade. Continuing adherence to the Common Market should be a plus in this regard—as it would be also to cope with unemployment which is at a present rate of 3½ percent, or 800,000 workers—large for Britain and could go to a million.

There seems to be general satisfaction with the currency float and no feeling of urgency to reform the international monetary system now. But this is by no means an unchallenged concept.

ITALY

With unemployment at 5 percent—a million workers—the problem there is very serious. It is compounded by a large amount of partial employment which is made available by Italian firms as there is no formal unemployment compensation in Italy. The inflation rate is said to be coming down from an annual rate of 24 percent, and the balance of payments picture is felt to be improving; however, this latter improvement is at the cost of Italy's reduced purchase of industrial raw materials from abroad and a reduction of raw materials inventories. It must be recognized that this tactic is a gamble on increased trade in the future and being able to replenish such raw materials inventories from the avails of increased exports.

A new political fact in Italy is the beginning of more active participation in public affairs by a new group of business managers at all levels. The existence of this solid constituency in the 35–45 year age bracket is heavily attributable to the president of Confindustries, the national association of manufacturers of Italy, Giovanni Agnelli, who is also the head of Fiat and the most respected industrialist in Italy. The hoped for enhanced political activity of this group is looked upon as a very hopeful sign.

There is an interesting reaction in Italy to the recent events in Portugal. It is felt that Portugal's experience of moving to the left—now corrected by the result of the popular election—is unlikely to be repeated in Spain, as Spain is a more stable society and is likely to be sobered by Portugal's experience. This interpretation is a matter of considerable reassurance to many Italians in view of the strength of the Communist Party in Italy.

Finally, in Italy, as in the United States, much thought is being given to workers' profit sharing. It is believed there—as it is by many here—that there would be a resultant major economic improvement, through an increase in productivity and through an enhanced interest by the workers in their jobs and employers.

IRAN

The dominant factor in Iran is the Shah, who is going to great lengths to bring his country into the industrialized age with full cognizance of the great distance to be traveled in this regard, but also with full appreciation for the vast wealth that is being realized from oil and how to put that wealth to productive use.

Having met with the Shah personally, it is my judgment that he believes that binational agreements on oil prices and investments are more likely to be achieved in the near term, and that international agreements are likely to prove much more difficult to come by.

There is a real sense in Iran of a special relationship with the United States. One manifestation of this relationship is the vast amount of arms sales from the United States to Iran, resulting in a new Iranian military capability in the Persian Gulf and the Indian Ocean, a capability of which the Shah is very aware. Another manifestation is the objective and, on the whole, sympathetic view in Iran toward U.S. efforts to mediate—without excluding the U.S.S.R. from the effort—in order to bring peace to the Middle East. It is still hoped in Iran that an Israel-Egypt interim agreement, furthering the original disengagement agreement is possible. I believe, the Shah wants peace in the area and wants to see the material, educational, technological and economic improvements that would be so much more likely with peace than without it.

As I sense it, as seen from Iran, Israel ultimately represents a stable element in a generally unstable area.

There is a great interest in foreign investment in Iran and no self-consciousness or fear of it, as its nature is well understood. This is quite understandable, as Iran still has grave problems of poverty and illiteracy, and there is a real need for acquiring and retaining skilled people—many of whom are trained abroad. There is, therefore, anxiousness to avoid a "brain drain." Because of these conditions the state retains responsibility for heavy industry—steel, oil, copper, utilities and the railroads—but all else appears to be left open to private enterprise, which is greatly encouraged.

ISRAEL

I had not planned to stop in Israel, but due to commercial plane connections, I was able to stop there during a day and to see the Prime Minister who graciously accommodated his schedule to meet with me on short notice. I also had luncheon with former Foreign Minister Eban.

In Israel there continues to be much discussion over why the negotiations for another "military arrangement" between Israel and Egypt collapsed and who was responsible for this failure. This question can be really settled only by the historians and hardly in time to determine the course of U.S. policy; nor should it determine substantively the result of the "reassessment" of United States-Israel policy that is being undertaken by the President subsequent to the breakdown in Egypt-Israel negotiations.

While it must be recognized that officials so deeply involved in events will be somewhat conditoned by them for the immediate future, the national interests of the United States and Israel in the Middle East for peace and stability are so complementary, that any fundamental change in this basic relationship should be practically unthinkable.

In addition, the moral feeling in the United States as to the preservation of the security and national integrity of Israel is so profound that I do not believe any basic change in this feeling is being seriously contemplated by the American people, their representatives in Congress—or by the President and the Secretary of State. Hence, my discussions in Israel centered upon what there is to do, now, between our two countries.

In this respect, I found the view in Israel that right now the United States and Israel should come together to agree specifically and in detail both on the procedure and substantive proposals which it is possible to propose at Geneva, that such close contact was immediately needed and that such proposals should be based on three principles:

First. There must be a negotiation between Israel and the Arab States—at the very least even under the more conservative construction of U.N. Resolution 242 to adjust borders;

Second. Israel cannot negotiate with any party not accepting at least the fact of the national existence of Israel; and

Third. There must be an end to states of war between Israel and its neighbors.

There is also a feeling in Israel that either through step-by-step diplomacy, as contemplated by Secretary of State Kissinger when he undertook the Egypt-Israel shuttle in March 1975, or at Geneva, the chances of agreement should be considered to have improved, now, rather than to have deteriorated. This conclusion is based on the following considerations:

First. Israel has shown its independence as an ally of the United States and that it is not a client state;

Second, President Sadat, too, has shown his toughness, and Egypt, its self-confidence; and, at the same time, the Arab world has seen that President Sadat had only contemplated a separate agreement with Israel not to divide the Arab world, but because it would be simply interim and military in nature and could restore to Egypt a large slice of the Sinai; and

Third. The United States, it was hoped, would now show its dependability as Israel's friend by not letting the setback in the Egypt-Israel negotiations impair this friendship or endanger basic and essential U.S. economic military and diplomatic support for Israel, thereby reinforcing what Israel has claimed all along: that Israel's right to decide what is essential to its security and national integrity would be respected by the United States.

I found a very friendly and objective view there which sometimes is not reflected in the press, and I am still hopeful that the course of diplomacy which Dr. Kissinger has set for himself may be consummated, perhaps not on exactly the same terms, but with the same end result of a major step toward peace.

Mr. President, I yield back the remainder of my time.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order there will now be a period for the transaction of routine morning business for not to exceed 30 minutes, with statements therein limited to 5 minutes.

ACCEPTANCE OF ADDITIONAL LANDS FOR THE HOME OF FRANKLIN D. ROOSEVELT NATIONAL HISTORIC SITE

Mr. JAVITS. Mr. President, I ask unanimous consent to call up for immediate consideration H.R. 2808, which was reported earlier from the Committee on Interior and Insular Affairs.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 2808) to amend the joint resolution of July 18, 1939 (53 Stat. 1062), to provide for the acceptance of additional lands for the home of Franklin D. Roosevelt National Historic Site, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. JAVITS. The bill has been cleared on both sides. It is a bill to provide for the acceptance by the United States of certain additional land at the Franklin D. Roosevelt National Historic Site in the State of New York.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

PRIVILEGE OF THE FLOOR—SENATE CONCURRENT RESOLUTION 32

Mr. JAVITS. Mr. President, I ask unanimous consent that during the debate on the budget, George Krumohaar, Frank Ballance, and John Scales be granted the privilege of the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BELLMON. Mr. President, I ask unanimous consent that Mr. Robert Boyd and Mr. V. Bruce Thompson of the Budget Committee staff be granted privilege of the floor during consideration of this resolution.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I ask unanimous consent that Margo Carlisle and Jim Streeter, of my staff, be accorded the privileges of the floor at all stages of the proceedings on the pending resolution.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

QUORUM CALL

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

HOW MUCH IS $1 BILLION?

Mr. HARRY F. BYRD, JR. Mr. President, as the Senate begins to debate the budget resolution providing for expenditures of $365 billion for the fiscal year beginning July 1, it is well, I think, to put in focus just how much is $1 billion. The proposed budget would spend $1 billion each day during that fiscal year.

It is interesting to note that if $1,000 a day had been spent every day beginning with the birth of Christ nearly 2,000 years ago, that by spending $1,000 a day during that long period of time it would not yet equal $1 billion.

As debate begins on the budget today, I think it is well to give some consideration to what a gigantic figure $1 billion is.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGE FROM THE PRESIDENT

A message from the President of the United States was communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

The ACTING PRESIDENT pro tempore (Mr. MORGAN) laid before the Senate a message from the President of the United States submitting the nomination of Daniel E. Wherry, of Nebraska, to be U.S. attorney for the District of Nebraska, which was referred to the Committee on the Judiciary.

MESSAGE FROM THE HOUSE

At 11:45 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the bill (H.R. 4222) to amend the National School Lunch Act and the Child Nutrition Act of 1966 in order to extend and revise the special food service program for children and the school breakfast program, and for other purposes related to strengthening the school lunch and child nutrition programs, in which it requests the concurrence of the Senate.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. MORGAN) laid before the Senate the following letters, which were referred as indicated:

PROPOSED LEGISLATION BY THE PRESIDENT

A communication from the President of the United States transmitting a draft of proposed legislation to extend and revise the State and Local Fiscal Assistance Act of 1972 (with accompanying papers); to the Committee on Finance.

PROPOSED TRANSFER AUTHORITY FOR THE DEPARTMENT OF JUSTICE (S. DOC. 94–44)

A communication from the President of the United States transmitting a proposed request for transfer authority in the amount of $3,935,000 for the fiscal year 1975 for the Department of Justice (with accompanying papers); to the Committee on Appropriations and ordered to be printed.

REPORT OF THE DIRECTOR OF SELECTIVE SERVICE

A letter from the Director of Selective Service transmitting, pursuant to law, the semiannual report of the Director of Selective Service for the period July 1–December 31, 1974 (with an accompanying report); to the Committee on Armed Services.

PROPOSED LEGISLATION BY THE GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE

A letter from the General Counsel of the Department of Defense transmitting a draft of proposed legislation to provide that a member of the Ready Reserve may not be transferred to the Standby Reserve under this section unless he has served on active duty, other than for training, for at least 91 days and such transfer will be effected 180 days after the member requests that transfer (with accompanying papers); to the Committee on Armed Services.

PROPOSED LEGISLATION BY THE GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE

A letter from the General Counsel of the Department of Defense transmitting a draft of proposed legislation to authorize the negotiated sale by the Department of Defense of certain equipment, materials, and obsolete spare parts to U.S. purchasers, and for other purposes (with accompanying papers); to the Committee on Armed Services.

REPORT OF THE SECRETARY OF THE TREASURY

A letter from the Acting Secretary of the Treasury transmitting, pursuant to law, a report on the operations of the Exchange Stabilization Fund for the fiscal year 1974 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

PROPOSED LEGISLATION BY THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT

A letter from the Secretary of Housing and Urban Development transmitting a draft of proposed legislation to provide increased authorizations for annual contributions thereunder, and to specify the manner in which annual contributions would be made subject to appropriation acts (with accompanying papers); to the Committee on Banking, Housing and Urban Affairs.

REPORT BY THE EXPORT-IMPORT BANK

A letter from the Chairman of the Export-Import Bank of the United States reporting, pursuant to law, on the transactions of the Export-Import Bank in Indonesia; to the Committee on Banking, Housing and Urban Affairs.

PROPOSED LEGISLATION BY THE SECRETARY OF TRANSPORTATION

A letter from the Secretary of Transportation transmitting a draft of proposed legislation to amend the Federal Railroad Safety Act of 1970 to authorize additional appropriations (with accompanying papers); to the Committee on Commerce.

REPORT OF THE CONSUMER PRODUCT SAFETY COMMISSION

A letter from the Chairman of the Consumer Product Safety Commission transmitting, pursuant to law, a report on S. 1000 and H.R. 5361, identical bills cited as the "Consumer Product Safety Commission Improvements Act of 1975" (with accompanying papers); to the Committee on Commerce.

REPORT OF THE CIVIL AERONAUTICS BOARD

A letter from the Acting Chairman of the Civil Aeronautics Board transmitting, pursuant to law, the annual report of the Board covering the fiscal year 1974 (with an accompanying report); to the Committee on Commerce.

PROPOSED LEGISLATION BY THE SECRETARY OF COMMERCE

A letter from the Acting Secretary of Commerce transmitting a draft of proposed legislation to extend the provisions of the Merchant Marine Act relating to war risk insurance for an additional 5 years ending September 7, 1980 (with accompanying papers); to the Committee on Commerce.

PROPOSED LEGISLATION BY THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Secretary of Health, Education, and Welfare transmitting a draft of proposed legislation to amend the Social Security Act to make permanent the program of assistance for U.S. citizens returned from foreign countries (with accompanying papers); to the Committee on Finance.

REPORT OF THE UNITED STATES INFORMATION AGENCY

A letter from the Director of the U.S. Information Agency transmitting, pursuant to law, the semiannual report of the Information Agency (with an accompanying report); to the Committee on Foreign Relations.

PROPOSED LEGISLATION BY THE DIRECTOR OF ACTION

A letter from the Director of ACTION transmitting a draft of proposed legislation to enable the Peace Corps to continue to strengthen its work on behalf of world peace and understanding during fiscal year 1976 and the fiscal year transition quarter (with accompanying papers); to the Committee on Foreign Relations.

REPORT OF THE COMPTROLLER GENERAL

A letter from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "The Overseas Food Donation Program—Its Constraints and Problems" (with an accompanying report); to the Committee on Government Operations.

PROPOSED CONTRACT OF THE DEPARTMENT OF THE INTERIOR

A letter from the Deputy Assistant Secretary of the Interior transmitting, pursuant to law, a proposed contract with General Electric Co., Schenectady, N.Y., for a research project entitled "Horizon Control Device for Automated Longwall Mining" (with accompanying papers); to the Committee on Interior and Insular Affairs.

PROPOSED CONTRACT OF THE DEPARTMENT OF THE INTERIOR

A letter from the Deputy Assistant Secretary of the Interior transmitting, pursuant to law, a copy of a proposed contract with Southwest Research Institute, San Antonio, Tex., for a research project entitled "Research Contract Designed to Evaluate and Test the Durability of a Staged Combustion Rock Ripper" (with accompanying papers); to the Committee on Interior and Insular Affairs.

Application for a Loan Under the Small Reclamation Projects Act

A letter from the Assistant Secretary of the Interior transmitting, pursuant to law, a copy of an application by the Nevada Irrigation District of Grass Valley, California, for a loan under the Small Reclamation Projects Act (with accompanying papers); to the Committee on Interior and Insular Affairs.

Report of the Energy Research and Development Administration

A letter from the Freedom of Information Officer of the Energy Research and Development Administration transmitting, pursuant to law, a report on the administration of the Freedom of Information Act (with an accompanying report); to the Committee on the Judiciary.

Report of the Immigration and Naturalization Service

A letter from the Commissioner of the Immigration and Naturalization Service transmitting, pursuant to law, the annual report of the Service for the year ended June 30, 1974 (with an accompanying report); to the Committee on the Judiciary.

Report of the Department of the Interior

A letter from the Secretary of the Interior transmitting, pursuant to law, a report of the Interim Compliance Panel for the calendar year 1974 (with an accompanying report); to the Committee on Labor and Public Welfare.

Report of the National Advisory Council on Education Professions Development

A letter from the Chairman of the National Advisory Council on Education Professions Development transmitting, pursuant to law, a report entitled "Staffing the Learning Society: Recommendations for Federal Legislation" (with an accompanying report); to the Committee on Labor and Public Welfare.

Proposed Legislation by the Department of the Interior

A letter from the Commissioner of Indian Affairs of the Department of the Interior transmitting a draft of proposed legislation to declare certain submarginal lands of the United States to be held in trust for certain designated Indian tribes or communities and to make such lands part of the reservation involved (with accompanying papers); to the Committee on Interior and Insular Affairs.

Report of the Department of the Interior

A letter from the Secretary of the Interior transmitting, pursuant to law, a report entitled "Federal Programs and Alaska Natives" (with an accompanying report); to the Committee on Interior and Insular Affairs.

Rules and Forms of the Supreme Court

A letter from the Chief Justice of the United States transmitting, pursuant to law, the Rules and Official Forms governing proceedings under chapters X and XII of the Bankruptcy Act (with accompanying papers); to the Committee on the Judiciary.

Proposed Legislation by the Attorney General

A letter from the Attorney General transmitting a draft of proposed legislation to raise the monetary limit of drug-related judicial forfeitures from $2,500 to $10,000 (with accompanying papers); to the Committee on the Judiciary.

Proposed Regulations by the Department of Health, Education, and Welfare

A letter from the Executive Secretary to the Department of Health, Education, and Welfare transmitting, pursuant to law, proposed regulations and guidelines for part B of the Education of the Handicapped Act entitled "Assistance to States for Education of Handicapped Children" (with accompanying papers); to the Committee on Labor and Public Welfare.

Report of the Secretary of Health, Education, and Welfare

A letter from the Secretary of Health, Education, and Welfare transmitting, pursuant to law, a report on a tabulation of funds requested for sudden infant death syndrome research in fiscal year 1976 (with accompanying papers); to the Committee on Labor and Public Welfare.

Proposed Regulations of the Department of Health, Education, and Welfare

A letter from the Executive Secretary to the Department of Health, Education, and Welfare transmitting, pursuant to law, proposed regulations and guidelines for the Right to Read Reading Academy program (with accompanying papers); to the Committee on Labor and Public Welfare.

Report of the National Advisory Council on Education Professions Development

A letter from the Chairman of the National Advisory Council on Education Professions Development transmitting, pursuant to law, a report entitled "Gatekeepers in Education: A Report on Institutional Licensing" (with an accompanying report); to the Committee on Labor and Public Welfare.

Report of the Commissioner of Education

A letter from the Commissioner of Education transmitting, pursuant to law, the annual report of the Commissioner of Education on the administration of Public Laws 874 and 815, 81st Congress, as amended, for the fiscal year ending June 30, 1973 (with an accompanying report); to the Committee on Labor and Public Welfare.

Sale of Rice to Syria

A letter from the Assistant Secretary for Congressional Relations of the Department of State transmitting, pursuant to law, a determination with statement of reasons permitting the sale of 10,000 metric tons of rice to Syria (with an accompanying report); to the Committee on Agriculture and Forestry.

Approval of Loan by the REA

A letter from the Administrator of the Rural Electrification Administration transmitting, pursuant to law, a statement in connection with the approval of an insured loan in the amount of $9,965,000 to Central Electric Power Cooperative, Inc., of Cayce, S.C. (with accompanying papers); to the Committee on Appropriations.

Report of the Assistant Secretary of Defense

A letter from the Assistant Secretary of Defense reporting, pursuant to law, that no use was made of funds appropriated in appropriation acts during the period July 1–December 31, 1974, to make payments under contracts for any program, project, or activity in a foreign country except where the Treasury Department was not holding excess foreign currencies in the country involved; to the Committee on Appropriations.

Proposed Legislation by the Office of Telecommunications Policy

A letter from the Acting Director of the Office of Telecommunications Policy transmitting a draft of proposed legislation to amend the Communications Satellite Act of 1962 (with accompanying papers); to the Committee on Commerce.

Report of the Office of Management and Budget

A letter from the Deputy Director of the Office of Management and Budget transmitting, pursuant to law, a report with respect to the recommendations contained in the report entitled "Materials Needed and the Environment Today and Tomorrow" (with an accompanying report); to the Committee on Government Operations.

Report on Standardization of Military Equipment in NATO and Other Related Actions

A letter from the Secretary of Defense, transmitting, pursuant to law, a confidential report on the standardization of military equipment in NATO and other related actions (with an accompanying confidential report); to the Committee on Armed Services.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. Morgan):

House Concurrent Resolution No. 51 adopted by the Legislature of the State of Mississippi; to the Committee on the Judiciary:

"House Concurrent Resolution No. 51

"A concurrent resolution applying to the Congress for a convention to propose an amendment to the Constitution of the United States

"Whereas, an ever-increasing public debt is inimical to the general welfare of the people of the United States; and

"Whereas, the national debt is already dangerously high and any further increases will be harmful and costly to the people of the United States; and

"Whereas, a continuous program of deficit financing by the Federal Government is one of the greatest factors supporting the inflationary conditions presently existing in this country and therefore has been the chief factor in reducing the value of the American currency; and

"Whereas, payment of the increased interest required by the ever-increasing debt would impose an undue hardship on those with fixed incomes and those in lower income brackets; and

"Whereas, it is not in the best interest of either this or future generations to continue such a practice of deficit spending particularly since this would possible deplete our supply of national resources for future generations; and

"Whereas, by constantly increasing deficit financing the Federal Government has been allowed to allocate considerable funds to wasteful and in many instances nonbeneficial public programs; and

"Whereas, by limiting the Federal Government to spend only the revenues that are estimated will be collected in a given fiscal year, except for certain specified emergencies, this could possibly result in greater selectivity of Federal Government programs of the benefit of the public and which would depend upon the willingness of the public to pay additional taxes to finance such programs; and

"Whereas, there is provision in Article V of the Constitution of the United States for amending the Constitution by the Congress, on the application of the legislatures of two-thirds (⅔) of the several states, calling a convention for proposing amendments which shall be valid to all intents and purposes when ratified by the legislatures of three-fourths (¾) of the several states, or by conventions in three-fourths (¾) thereof, as the one or the other mode of ratification may be proposed by the Congress:

"Now, therefore, be it resolved by the House of Representatives of the State of Mississippi, the Senate concurring therein, That we do hereby, pursuant to Article V of the Constitution of the United States, make application to the Congress of the United States to call a convention of the several states for the proposing of the following amendment to the Constitution of the United States:

" 'Article —

" 'Section 1. Except as provided in Section 3, the Congress shall make no appropriation for any fiscal year if the resulting total of appropriations for such fiscal year would exceed the total revenues of the United States for such fiscal year.

" 'Section 2. There shall be no increase in the national debt and such debt, as it exists on the date on which this article is ratified, shall be repaid during the one-hundred-year period beginning with the first fiscal year which begins after the date on which this article is ratified. The rate of repayment shall be such that one-tenth (1/10) of such debt shall be repaid during each ten-year interval of such one-hundred-year period.

" 'Section 3. In time of war or national emergency, as declared by the Congress, the application of Section 1 or Section 2 of this article, or both such sections, may be suspended by a concurrent resolution which has passed the Senate and the House of Representatives by an affirmative vote of three-fourths (3/4) of the authorized membership of each such house. Such suspension shall not be effective past the two-year term of the Congress which passes such resolution, and if war or an emergency continues to exist such suspension must be reenacted in the same manner as provided herein.

" 'Section 4. This article shall apply only with respect to fiscal years which begin more than six (6) months after the date on which this article is ratified.'

"Be it further resolved, That this application by the Legislature of the State of Mississippi constitutes a continuing application in accordance with Article V of the Constitution of the United States until at least two-thirds (2/3) of the legislatures of the several states have made similar applications pursuant to Article V, but if Congress proposes an amendment to the Constitution identical with that contained in this resolution before January 1, 1976, this application for a convention of the several states shall no longer be of any force or effect.

"Be it further resolved, That a duly attested copy of this resolution be immediately transmitted to the Secretary of the Senate of the United States; the Clerk of the House of Representatives of the United States; to each member of the Congress from this state; and to each house of each state legislature in the United States."

Concurrent Resolution (H. 2796) adopted by the Legislature of the State of South Carolina; jointly, by unanimous consent, to the Committee of Interior and Insular Affairs, the Committee on Banking, Housing and Urban Affairs, the Committee on Commerce, the Committee on Public Works, the Committee on the Judiciary, and the Committee on Foreign Relations:

"A CONCURRENT RESOLUTION MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO INSURE THAT PLANS, PROCEDURES, LAWS, REGULATIONS AND GENERAL OVERSIGHT ARE INSTITUTED TO ASSURE ADEQUATE, DEPENDABLE AND REASONABLY PRICED SUPPLIES OF ENERGY, FUEL PURCHASED TO GENERATE ELECTRICITY

"Whereas, the people of South Carolina are particularly concerned over the substantial increase in electricity rates which have occurred in recent months, being particularly concerned with the excess fuel adjustment charges that are being imposed on all consumers; and

"Whereas, consumers understand the implication of international politics on the price of imported oil but do not understand the action of their government in decontrolling the price of coal or the action of the coal producers and suppliers in the area of price escalation since such decontrol; and

"Whereas, the citizens of South Carolina and the members of the General Assembly respectfully submit to the Congress of the United States the following resolution in order to make their position known to their elected representatives at the national level.

"Now, therefore, be it resolved by the House of Representatives, the Senate concurring; that the Congress of the United States is hereby memorialized to take whatever actions are necessary to establish or have established, possibly by the Federal Energy Administration, plans, procedures, laws, regulations and general oversight to insure the citizens of this nation adequate, dependable and reasonably priced supplies of energy which are not subject to domestic disruptions or international politics and to provide the means to eliminate or mitigate any impediment that can be reasonably foreseen to our energy supply by:

"(1) Establishing a national energy program which will efficiently and economically consolidate and oversee all energy extraction, conversion and transportation functions into an integrated program that will assure all consumers of an adequate, dependable and reasonably priced supply of energy;

"(2) Instituting an immediate and thorough investigation into the tremendous increases that have occurred in the cost of coal during the period beginning with the decontrol of coal prices, up to and including January 1975;

"(3) (a) Not considering deregulation of natural gas to the extent that coal was deregulated, allowing necessary incentives which would assure active and aggressive exploration and development and adequate return on investments so made;

"(b) Reinstituting regulation of the coal and oil industry, with incentives and financial assistance, if necessary, to encourage new exploration and development since virtually all producers and distributors of electricity to consumers operate under the regulation of some government agency, either State or Federal, as to the rates that they are allowed to charge to consumers and the return on their investment and nonregulation of their sources of energy, fuel purchased to generate electricity, places an unrealistic burden on utilities and others in serving consumers at reasonable prices;

"(4) Reevaluating regulations that have been established by various Federal and State environmental agencies regarding the types of fuel that may be used in power generation in specific areas in relation to that area's air pollution problems and what the average consumer can afford to pay in higher power costs for cleaner air:

"(5) Investigating, in depth, the possibility of monopolistic practices of industries which control reserves, extraction, conversion and transportation of energy, beginning with those companies, corporations, organizations and others which control, produce, transport or finance oil, coal, natural gas and uranium with particular emphasis and study given to the members of boards of directors of such organizations which interlock with those of other energy extraction, conversion or transportation companies and their bankers or other financial institutions and applying present or, if necessary, new anti-trust laws where the investigation warrants;

"(6) Continuing, in the field of foreign policy, negotiations that could result in lower fuel costs.

"Be it further resolved that a copy of this resolution be sent to the presiding officers of both Houses of the Congress of the United States and to each member of Congress of the United States representing South Carolina."

Mr. MANSFIELD subsequently said: Mr. President, I ask unanimous consent that a concurrent resolution (H.R. 2796) from the House of Representatives of South Carolina, be referred jointly to the Committees on Interior and Insular Affairs; Banking, Housing and Urban Affairs; Commerce; Public Works; Judiciary; and Foreign Relations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Resolutions of the General Court of the Commonwealth of Massachusetts memorializing Congress to oppose any higher tax on imported oil; to the Committee on Interior and Insular Affairs:

"RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO OPPOSE ANY HIGHER TAX ON IMPORTED OIL

"Whereas, The importation of foreign oil in substantial amounts is a serious national problem; and

"Whereas, The burden of the proposed solution of imposing a three dollar a barrel tax on imported crude oil would fall primarily on the New England states, including the Commonwealth of Massachusetts, and not on the nation as a whole; and

"Whereas, The three dollar a barrel tax on imported crude oil will deny taxpayers and the economy the benefits of the anticipated cut in federal personal income tax; and

"Whereas, The proposed tax on imported crude oil will cause substantial unemployment in the New England states, including the Commonwealth of Massachusetts, and drive many industries and businesses out of existence; and

"Whereas, The proposed tax on imported crude oil will substantially increase fuel charges on electric bills, now, therefore, be it

"*Resolved,* That the Massachusetts General Court respectfully urges the Congress of the United States to oppose any new taxes, inclusive of the one dollar a barrel tax already imposed, on imported oil, to enact legislation requiring Congressional approval before any higher tariff, fee or quota could be imposed on foreign oil, to support the concept of the Kennedy-Jackson resolution requiring Congressional approval before any tax could be imposed on imported oil, to hold public hearings on the merits of a three dollar a barrel tax on imported crude oil, to enact a mandatory national allocation program for oil and to extend the Emergency Petroleum Allocation Act of 1973 beyond August of nineteen hundred and seventy-five; and be it further

"*Resolved,* That copies of these resolutions be transmitted forthwith by the Clerk of the House of Representatives to each member of the Congress of the United States from the Commonwealth and to the presiding officers of the State Legislatures of each of the other New England States."

Resolution No. 64 adopted by the Legislature of the Territory of Guam; to the Committee on Interior and Insular Affairs:

"RESOLUTION NO. 63

"Relative to supporting the Northern District Sewerage System and memorializing the Governor to take all necessary steps to provide for the construction of said system

"Be it resolved by the Legislature of the Territory of Guam:

"Whereas, certain members were briefed by Navy and Air Force, GEPA, PUAG and PW officials regarding the importance and present status of the Northern District Sewerage; and

"Whereas, the Government of Guam has entered into a contractual agreement with the Navy who will provide funds on a cost-sharing basis for the construction of the Northern District Sewerage System; and

"Whereas, the Federal Environmental Protection Agency will provide in excess of Seven Million Dollars ($7,000,000.00) toward the construction of the Northern District Sewerage; and

"Whereas, there are 11.2 Million Dollars of Federal Environmental Protection Agency funds allocated to the Territory of Guam; and

"Whereas, in excess of Two and One-Half (2.5) Million of these Federal funds will be lost to Guam if not obligated to buy June 30, 1975; and

"Whereas, the design, plans and specifications for the Northern District Sewerage System and construction of a pipeline of the System are complete, including an Environmental Impact assessment, all at a cost of nearly One Million Dollars ($1,000,000.00); and

"Whereas, several private and Government of Guam developments on the Northern part of the island depend upon the construction of the Northern District Sewerage System; and

"Whereas, the protection of Northern Guam's underground drinking water resources is of paramount concern to all the people of Guam; and

"Whereas, the Northern District Sewerage System is now jeopardized as a result of the Government of Guam's inability to enter into a cost-sharing contractual agreement with the Air Force, due apparently to a lack of compromise by both parties; now, therefore, be it

"Resolved, that the Governor of Guam requested to immediately take such steps that are necessary to mutually finalize the cost-sharing contractual agreement with the Air Force, and any other steps necessary to ensure that the Northern District Sewerage System will adequately service the communities of Dededo and Yigo within this time-frame limitation thus preventing any loss of Federal funds for the project; and be it further

"Resolved, that the Bureau of Budget and Management Research provide the Committee, on Finance and Taxation with a description of the local funding situation for the Northern District Sewerage System, including a request for legislative allocation should additional funds be required; and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the Commander, Naval Forces, Marianas; Commanding Officer, Anderson Air Force Base; the U.S. Environmental Protection Agency; Chief Officer, Public Utility Agency of Guam; Director, Public Works Department; Administrator, Guam Environmental Protection Agency; Director, Bureau of Budget and Management Research; and Director, Bureau of Planning and to the Governor of Guam."

Senate Joint Resolution No. 9 adopted by the Legislature of the State of Nevada; to the Committee on Interior and Insular Affairs:

"SENATE JOINT RESOLUTION No. 9

"Senate joint resolution memorializing the Congress of the United States to authorize the establishment of preserves for free-roaming horses and burros and to permit the purchase of public lands and grazing privileges to assist in the establishment of such preserves

"Whereas, Wild, free-roaming horses and burros are living symbols of the historic and pioneer spirit of the West and an important part of our national heritage; and

"Whereas, The "multiple use" concept followed on public lands makes it difficult to properly supervise and manage free-roaming horses and burros; and

"Whereas, Establishing preserves for the sole use of wild, free-roaming horses and burros would protect these animals from harassment, capture or death; now, therefore, be it

"Resolved by the Senate and Assembly of the State of Nevada, jointly, That the Congress of the United States is hereby memorialized to authorize the establishment of preserves on public lands administered by the Secretary of the Interior through the Bureau of Land Management or by the Secretary of Agriculture through the Forest Service for the sole use of wild, free-roaming horses and burros; and be it further

"Resolved, That the federal law for the protection, management and control of wild horses and burros (16 U.S.C. § 1331) be amended to permit the purchase of such public lands and the grazing privileges thereon to assist in the establishment of these preserves; and be it further

"Resolved, That upon the establishment of such preserves, wild, free-roaming horses and burros be removed from other public lands; and be it further

"Resolved, That copies of this resolution be prepared and transmitted by the legislative counsel to the President of the Senate, the Speaker of the House of Representatives, the members of the Nevada congressional delegation, the Secretary of the Interior, the Secretary of Agriculture, the Director of the Bureau of Land Management and the Chief of the Forest Service; and be it further

"Resolved, That this resolution shall become effective upon passage and approval."

Resolutions of the Senate of the Commonwealth of Massachusetts memorializing the Congress to enact House Concurrent Resolution 165; to the Committee on Foreign Relations:

"RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO ENACT HOUSE CONCURRENT RESOLUTION ONE HUNDRED SIXTY-FIVE

"Whereas, The three Baltic states, Estonia, Latvia and Lithuania, have been illegally occupied by the Soviet Union since World War II; and

"Whereas, The Soviet Union will attempt to obtain the recognition of the annexation of these states at the European Security Conference; and

"Whereas, The United States delegation to the European Security Conference should not recognize this forcible occupation by the Soviet Union; now, therefore, be it

"Resolved, That the Massachusetts Senate respectfully urges the Congress of the United States to enact House Concurrent Resolution one hundred sixty-five; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the Secretary of the Commonwealth to the President of the United States, the presiding officer of each branch of Congress and to members thereof from the Commonwealth."

Resolutions of the General Court of the Commonwealth of Massachusetts memorializing Congress to enact legislation prohibiting the use of "an originating and closing charge" in residential mortgage loan transactions; to the Committee on Banking, Housing and Urban Affairs:

"RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO ENACT LEGISLATION PROHIBITING THE USE OF 'AN ORIGINATING AND CLOSING CHARGE' IN RESIDENTIAL MORTGAGE LOAN TRANSACTIONS"

"Whereas, The citizens of the Commonwealth of Massachusetts are rightly disturbed over the practice of leading institutions in assessing 'an originating and closing charge' in assessing points of interest before granting a mortgage; and

"Whereas, The use of points, so-called, increases the existing high cost of mortgages; and

"Whereas, The use of points, so-called, is allowed by federally charged institutions, the Federal Housing Administration and the Veterans Administration; and

"Whereas, The use of points, so-called, is in violation of the principle of truth-in-lending; now, therefore, be it

"Resolved, That the General Court of Massachusetts respectfully urges the Congress of the United States to take such action as may be necessary to prevent the use of points of interest before granting residential mortgages; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the Clerk of the House of Representatives to the President of the United States, Secretary of the Treasury, to the presiding officers of each branch of Congress and to the members thereof from the Commonwealth."

A petition from the Statewide Committees Opposing Regional Plan Areas seeking a redress of grievances from several citizens of the State of Arkansas; to the Committee on Government Operations.

A petition from the Statewide Committees Opposing Regional Plan Areas seeking a redress of grievances from several citizens of the State of California; to the Committee on Government Operations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JAVITS (for Mr. JOHNSTON), from the Committee on Interior and Insular Affairs, without amendment:

H.R. 2808. An act to amend the joint resolution of July 18, 1939 (53 Stat. 1062), to provide for the acceptance of additional lands for the Home of Franklin D. Roosevelt National Historic Site, and for other purposes (Rept. No. 94–98).

By Mr. JAVITS (for Mr. JOHNSTON), from the Committee on Interior and Insular Affairs, with an amendment:

S. 896. A bill relating to increase the appropriation authorization relating to the volunteers in the parks program, and for other purposes (Rept. No. 94–99).

EXTENSION OF TIME FOR FILING REPORT OF SPECIAL COMMITTEE ON AGING

Mr. CHURCH. Mr. President, I ask unanimous consent that the time for filing the report of the Special Committee on Aging, "Developments in Aging: 1974 and January-April 1975," be extended from April 30, 1975 to May 23, 1975. This additional time is needed to consider legislative and administrative developments in the field of aging.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Foreign Relations:

Lawrence S. Eagleburger, of Wisconsin, to be Deputy Under Secretary of State.

STATEMENT OF POLITICAL CONTRIBUTIONS OF LAWRENCE S. EAGLEBURGER

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Lawrence S. Eagleburger.

Post: Deputy Under Secretary of State for Management.

Nominated: April 15, 1975.

CONTRIBUTIONS, AMOUNT, DATE, AND DONEE

(If none, write none)

1. Self: I contributed to the National Republican Party.* in 1972, 1973, and 1974, and to the Virginia Republican Party in 1973 and

1974, but kept no records of the contribution. However, I am certain that the total for either donee in any given year was less than $100.00.

2. Spouse: None.
3. Children and spouses: None.
4. Parents: None.
5. Grandparents: None.
6. Brothers and spouses: None.
7. Sisters and spouses: None.

*Republican National Committee.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge the information contained in this report is complete and accurate.

LAWRENCE S. EAGLEBURGER.

William C. Harrop, of New Jersey, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Guinea.

STATEMENT OF POLITICAL CONTRIBUTIONS OF WILLIAM C. HARROP

Australia, Australian Capital Territory, City of Canberra, Embassy of the United States of America, ss.

Before me, Robert LaPrade, American Consul of the United States of America at Canberra, Australia, duly commissioned and qualified, personally appeared William C. Harrop, who, being duly sworn, deposes and says as follows:

(1) My name is William C. Harrop and I reside at 12 Mugga Way, Red Hill, Australian Capital Territory, 2603, Australia.

(2) Report of Federal campaign contributions, as required by section 6, Department of State Appropriations Authorization Act of 1973, covering the period January 1, 1971 to February 21, 1975.

Nominee: William C. Harrop.

Post: Presently Canberra (American Embassy).

Contributions: Amount, date, and donee:

1. Self: $60, 1972, Allard Lowenstein.
2. Spouse Ann D. Harrop, None.
3. Children (all unmarried): Mark D. Harrop, none; Caldwell Harrop, none; Scott N. Harrop, none; and George H. Harrop, none.
4. Parents: Mother — Esther C. Harrop, none; and father — deceased more than 4 years.
5. Grandparents: Deceased more than 4 years.
6. Brothers and Spouses: Brother—David C. Harrop, none; and spouse—Penelope K. Harrop, none.
7. Sisters and Spouses: Sister—Esther H. Godfrey, none; and spouse—William Godfrey, none.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge the information contained in this report is complete and accurate.

W. C. HARROP.

Subscribed and sworn to before me this 20th day of February, 1975.

ROBERT LAPRADE,
American Consul.

Laurence H. Silberman, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Socialist Federal Republic of Yugoslavia.

STATEMENT OF POLITICAL CONTRIBUTIONS OF LAURENCE H. SILBERMAN

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Laurence H. Silberman.

Post: Ambassador to Yugoslavia. Nominated: April 18, 1975.

Contributions: Amount, date , and donee:

1. Self: $400, Summer of 1972, committee to re-elect the president.
2. Spouse: None.
3. Children and spouses: Names—Robert, Katherine, and Anne; none.
4. Parents: Mrs. Irving Sherman, none, and Mr. William Silberman—I have not seen or spoken to my father for over 20 years. He and my mother were divorced when I was 9 years old.
5. Grandparents: Deceased.
6. Brothers and spouses: None.
7. Sisters: Jan Friedberg, none.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them other than my father. To the best of my knowledge, the information contained in this report is complete and accurate.

LAURENCE SILBERMAN.

Subscribed and sworn (or affirmed) before me this 18th day of April A.D. 1975, at Washington, D.C.

[SEAL] MARY L. MISSAKIAN.

Laurence L. Lane, Jr., of California, for the rank of Ambassador during the tenure of his service as Commissioner General of the U.S. Exhibition at the International Ocean Exposition to be held in Okinawa, Japan, in 1975.

STATEMENT OF POLITICAL CONTRIBUTIONS OF LAURENCE W. LANE, JR.

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Laurence William Lane, Jr.

Post: Ambassador. Nominated: April 1975.

Contributions: Amount, date, and donee:

1. Self: See Schedule A attached.
2. Spouse: See Schedule A attached.
3. Children and spouses, none.

Names: Sharon, Robert, and Brenda.

4. Parents: Mrs. Laurence W. Lane, Sr. See Schedule B. attached.
5. Grandparents, none (deceased).
6. Brothers and spouses: Melvin B. and Joan Lane. See Schedule C attached.
7. Sisters and spouses, none.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

L. W. LANE, JR.

Subscribed and sworn (or affirmed) before me this 14th day of April A.D. 1975, at Menlo Park, California.

ALAN H. HIRSCHY.

SCHEDULE A

Report of Federal campaign (political) contributions made by Laurence W. Lane, Jr., and spouse, Donna Jean Lane, during the period January 1, 1971 through April 20, 1975.

Amount, date, and donee:

$100, 1971, San Francisco Republican Fund.

$15, Republican National Committee.

$100, Republican United Finance Committee of San Mateo Co.

$25, the Republican Campaign (18-year-old vote).

$25, the Republican (sponsorship).

$25, the Republican National Finance Committee.

$50, 1972, National Republican Congressional Committee.

$50, Finance Committee for the Reelection of the President.

$1,000, Victory '72 luncheon for the President.

$50, Republican National Finance Committee.

$100, McCloskey for Congress Committee.

$50, Campaign to Elect Bill Mailliard.

$25, GOP Emergency Fund.

$25, Smylie for Senate Committee.

$100, Republican Victory Fund.

$100, Chafee for '72 Committee.

$150, 1973, Republican National Finance Committee.

$25, Finance Committee—John McCrady.

$100, United S.F. Republican Finance Committee.

$125, United Republican Finance Committee of San Mateo.

$150, 1974, Republican National Finance Committee.

$25, Bob Mathias Campaign Committee.

$100, Summer '74 GOP Emergency Fund.

$100, Fight "King Caucus" 74 Election Fund.

$100, McCloskey for Congress Committee.

$100, 1974 Campaign Travel Committee.

$100, Campaign for Senator Alan Cranston.

$100, Campaign for Senator Barry Goldwater.

$100, 1975, Republican Campaign Committee.

SCHEDULE B

Report of Federal campaign (political) contributions made by Mrs. Laurence W. Lane, Sr., mother of Laurence William Lane, Jr. during the period January 1, 1971 through April 20, 1975.

Amount, date, and donee:

$40, 1975, Republican National Finance Committee.

$50, 1975, United San Francisco Republican Finance Committee.

$50, 1974, Committee to reelect McCloskey.

$10, 1974, Young Republican National Federation.

$25, 1974, Kehoe Committee.

$15, 1974, Citizens for Cranston.

$10, 1974, National Republican Senate Campaign.

$150, 1974, United San Francisco Republican Finance Committee.

$75, 1974, Republican National Finance Committee.

$10, 1974, Peninsula Republican Women's Federation.

$25, 1974, Knapp to Congress Committee.

$50, 1974, Senate Republican Caucus.

$25, 1974, Steiger for Congress Committee.

$50, 1974, Republican State Central Committee of California and United Republican Finance Committee of Santa Clara County.

$50, 1974, GOP 1974 Victory Fund.

$25, 1974, Richardson for U.S. Senate Committee.

$25, 1973, Republican National Committee.

$25, 1973, Republican State Central Committee of California.

$100, 1973, United San Francisco Republican Finance Committee.

$25, 1973, Friends of Senator Thurmond.

$37, 1972, Republican National Committee.

$25, 1972, Republican State Central Committee of California.

$100, 1972, United San Francisco Republican Committee.

$15, 1972, Financial Committee to Reelect the President.

$100, 1972, McCloskey for Congress Committee.

$75, 1972, Friends of Senator Thurmond.

$25, 1972, Leo Ryan for Congress.

$25, 1972, Texans for Tower.

$75, 1971, California Plan, Republican State Committee.

$200, 1971, United San Francisco Republican Finance Committee.

$15, 1971, Republican National Finance Committee.

SCHEDULE C

Report of Federal campaign (political) contributions made by Melvin B. Lane, brother of Laurence William Lane, Jr., and spouse, Joan Lane during the period January 1, 1971 through April 20, 1975.

Amount, date, and donee:

$250, 1972, McCloskey for Congress Committee.

$250, 1972, McCloskey for Congress Committee.

$200, 1973, McCloskey for Congress Committee.

$200, 1974 Committee to Reelect McCloskey.

$200, 1974, Committee to Reelect McCloskey.

$100, 1974, Committee to Reelect McCloskey.

$100, 1974, Citizens for Senator Cranston.

John L. Loughran, of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Somali Democratic Republic.

STATEMENT OF POLITICAL CONTRIBUTIONS OF JOHN L. LOUGHRAN

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: John Louis Loughran.

Post: Mogadiscio, Somalia.

Contributions: Amount, date, and donee:

1. Self: None.

2. Spouse: Katheryne Straub Loughran, none.

3. Children and spouses: Kristyne, Lisbeth, John Michael, none for all.

4. Parents: Mother: June Hookey Loughran. Father: deceased, none.

5. Grandparents: Deceased.

6. Brothers and spouses: Mr. and Mrs. Frank H. Loughran; Mr. and Mrs. Joseph L. Loughran; Mr. and Mrs. Anthony L. Loughran; and Mr. David Loughran, none for all.

7. Sisters and spouses: (Jane) Mr. and Mrs. Pierre Petier; (Elaine) Mr. and Mrs. Thomas Boyle; Mary Ann Loughran; (Antoinette) Mr. and Mrs. John Williamson, none for all.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

JOHN L. LOUGHRAN.

Subscribed and sworn (or affirmed) before me this 1st day of April A.D. 1975, at Washington, District of Columbia.

[SEAL] MARY E. MISAKIAN.

Charles S. Whitehouse, of Virginia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Thailand.

STATEMENT OF POLITICAL CONTRIBUTIONS OF CHARLES S. WHITEHOUSE

Contributions are to be reported for the period beginning on the first day of the fourth calendar year preceding the calendar year of the nomination and ending on the date of the nomination.

Nominee: Charles S. Whitehouse.

Post: Vientiane. Nominated July 10, 1974.

Contributions: Amount, date, and donee:

1. Self: $1,000, December 1971, Advance R.I. Fund (Chafee); $100, October 1972, CREEP.

2. Spouse: None.

3. Children and Spouses: (Minors).

4. Parents: Mrs. Sheldon Whitehouse, $20,000, 1972, Senate Republic Campaign Committee. Father (Deceased).

5. Grandparents: (Deceased).

6. Brothers and spouses: (Deceased).

7. Sisters and spouses: Mrs. Robert O. Blake, $100, 1974, Senator Mathias; Ambassador Robert O. Blake, $200, 1972, Senator Fell; $100, 1975, Senator McGhee.

I have listed above the names of each member of my immediate family including their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

CHARLES S. WHITEHOUSE.

Subscribed and sworn (or affirmed) before me this 17th day of April A.D. 1975, at Washington, District of Columbia.

[SEAL] MARY E. MISAKIAN.

Willard H. Meinecke, of Maryland, to be an Assistant Director of the ACTION Agency.

Charles A. Mann, of North Carolina, to be an Assistant Administrator of the Agency for International Development.

Curtis Farrar, of Maryland, to be an Assistant Administrator of the Agency for International Development.

(The foregoing nominations from the Committee on Foreign Relations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. THURMOND. Mr. President, from the Committee on Armed Services, I report favorably the nomination of Lieutenant General Blanchard, U.S. Army, to be general; Lieutenant General Seitz to be placed on the retired list in that grade; Major Generals Kroesen, Jr., and Emerson to be lieutenant generals; Brigadier General Mohr, U.S. Army Reserve, to be major general as chief, Army Reserve, and chaplain, Colonel Kelley to be chief of chaplains, U.S. Army, as major general in the Regular Army; in the Navy, the following to be placed on the retired list in the grade of vice admiral, Vice Admirals Gaddis, Price, Jr., and Mack and Rear Admiral Armstrong to be vice admiral; and in the Air Force, Lieutenant General Hardin, Jr., to be placed on the retired list in that grade. I ask that these names be placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. In addition, Mr. President, there are 2,099 in the Army for appointment/promotion in the grade of colonel and below; in the Navy and Naval Reserve there 1,661 for promotion to the grade of captain and below; in the Marine Corps there are 158 for appointment to the grade of major and below; and, in the Air Force and Reserve of the Air Force there are 43 for appointments to the grade of colonel and below. Since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed at the end of the Senate proceedings in the RECORD of April 7, April 9, and April 16, 1975.)

HOUSE BILL REFERRED

The bill (H.R. 4222) to amend the National School Lunch Act and the Child Nutrition Act of 1966 in order to extend and revise the special food service program for children and the school breakfast program, and for other purposes related to strengthening the school lunch and child nutrition programs, was read twice by its title and referred to the Committee on Agriculture and Forestry.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. JAVITS:

S. 1547. A bill to amend the Small Business Act to make loans available for small businesses suffering economic injuries as the result of the disruption of operations and services of public utilities. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. FONG:

S. 1548. A bill to establish an advisory commission on future civilian manpower requirements at U.S. military installations. Referred to the Committee on Government Operations.

By Mr. PHILIP A. HART (for himself, Mr. HRUSKA, and Mr. MCCLELLAN):

S. 1549. A bill to amend the Federal Rules of Evidence and for other purposes. Referred to the Committee on the Judiciary.

By Mr. MCCLURE:

S. 1550. A bill to prohibit the sale, alienation, or commitment of gold by the Secretary of the Treasury without prior approval by act of Congress. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. FORD:

S. 1551. A bill for the relief of John Pak-Chong Wan. Referred to the Committee on the Judiciary.

By Mr. MOSS:

S. 1552. A bill to amend title XVIII of the Social Security Act to authorize the provision of intermediate care services under medicare, and for other purposes. Referred to the Committee on Finance.

S. 1553. A bill to amend section 213 of the Internal Revenue Code of 1954 with respect to certain nursing home expenses. Referred to the Committee on Finance.

S. 1554. A bill to provide for the modification of the Medicare reimbursement formula to allow small hospitals in rural areas with low occupancy to provide long-term care but only in those areas where there are no appropriate nursing home beds available. Referred to the Committee on Finance.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1555. A bill to allow the States to use supplementary security income payments plus a State supplement of not less than $100 per resident per month to provide care for residents in nonmedical shelter care facilities. Referred to the Committee on Finance.

By Mr. MOSS:

S. 1556. A bill to require physician visits to patients in skilled nursing facilities at least once every 30 days. Referred to the Committee on Finance.

S. 1557. A bill to amend title 18 and 19 of the Social Security Act to require skilled nursing facilities to employ at least one registered professional nurse 24 hours per day, 7 days a week. Referred to the Committee on Finance.

S. 1558. A bill to amend titles 18 and 19 of the Social Security Act to require that only licensed personnel may set up or distribute medications in skilled nursing facilities. Referred to the Committee on Finance.

S. 1559. A bill to amend the Social Security Act to provide for placing responsibility for medical care provided by skilled nursing facilities under titles XVIII and XIX in a medical director. Referred to the Committee on Finance.

S. 1560. A bill to amend titles 18 and 19 of the Social Security Act to require minimum ratios for nursing home personnel to patients and for supervisory nurses to total nurses. Referred to the Committee on Finance.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1561. A bill to amend title 18 and title 19 of the Social Security Act to require skilled nursing facilities to provide medically related social services. Referred to the Committee on Finance.

By Mr. MOSS:

S. 1562. A bill to require admissions contracts between nursing homes participating in Federal programs and the patients they serve. Referred to the Committee on Finance.

S. 1563. A bill to amend the Social Security Act to provide for the updating of safety provision in skilled nursing facilities. Referred to the Committee on Finance.

S. 1564. A bill to amend title 18 and 19 of the Social Security Act to require nursing homes to post their current license, medicare/medicaid certification, a list of owners of the facility, the names of staff, a patient's bill of rights as well as a description of services offered by the facility and the facility's charges therefor. Referred to the Committee on Finance.

S. 1565. A bill to require the immediate reporting of epidemic diseases or accidents in nursing homes participating in Federal programs. Referred to the Committee on Finance.

S. 1566. A bill to amend title 19 of the Social Security Act to require State inspection of public and private skilled nursing and intermediate care facilities at least once every 90 days and to require State enforcement of the rights of patients in such facilities. Referred to the Committee on Finance.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1567. A bill to require that State plans under title 19 are ratified by both the State's legislative and executive branch before being presented to the Secretary for his approval; to require that such plans be posted and available to the public; to require the Secretary to annually review a State's compliance with such plan and to publish performance ratings for the States and creating a cause of action allowing title 19 recipients individually or as a class to bring suit against a State for specific performance when a State fails to comply with the provisions of its plan. Referred to the Committee on Finance.

S. 1568. A bill to require HEW to establish a rating system for nursing homes participating in Federal programs as a guide to consumers. Referred to the Committee on Finance.

S. 1569. A bill to amend title 19 of the Social Security Act to require States to establish ombudsman programs to investigate nursing home complaints and represent consumer interests. Referred to the Committee on Finance.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1570. A bill to amend the Social Security Act to provide for the establishment of an inspector general for health administration. Referred to the Committee on Finance.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1571. A bill to amend title XVII and XIX of the Social Security Act making unlawful the offer or receipt of consideration for the referral of patients, clients, or customers. Referred to the Committee on Finance.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1572. A bill to amend title 18 and 19 of the Social Security Act to require strict controls for the handling of patients' accounts, personal expense moneys and valuables. Referred to the Committee on Finance.

By Mr. MOSS:

S. 1573. A bill to make unlawful the solicitation or acceptance of any gift, money or consideration over and above the rates established by the States and to make unlawful the solicitation or acceptance of any gift, money or donation as a precondition of admitting a patient to a long-term care facility. Referred to the Committee on Finance.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1574. A bill to amend title 19 of the Social Security Act to make certain requirements with respect to long-term care facility personnel compensated with Federal funds who are responsible for determining whether such institutions comply with health and safety standards required under such act. Referred to the Commitee on Finance.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1575. A bill to amend the Social Security Act to require that payment forms submitted from nursing homes contain warnings with respect to penalties imposed under sections 1877 and 1909. Referred to the Committee on Finance.

By Mr. MOSS:

S. 1576. A bill to continue 100 percent Federal financing of the State costs in inspecting nursing homes and to assist the States new enforcement tools such as a citation system and protective custodianship and other alternatives to license revocation. Referred to the Committee on Finance.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1577. A bill to provide 100 percent Federal funding of financial audits of facilities participating in medicare and medicaid conducted by State personnel. Referred to the Committee on Finance.

By Mr. MOSS:

S. 1578. A bill to amend the Social Security Act to provide for a system of inspections of State inspection and enforcement mechanisms with regard to facilities receiving payments under titles XVIII and XIX. Referred to the Committee on Finance.

S. 1579. A bill to authorize medicare or medicaid patients individually or as a class to bring suit for specific performance in Federal district court against a long-term care facility which is in violation of its provider agreement. Referred to the Committee on Finance.

S. 1580. A bill to authorize the States to incorporate financial incentives for good care within the context of their cost-related reimbursement formulae effective July 1, 1976. Referred to the Committee on Finance.

S. 1581. A bill to amend the Social Security Act to improve the survey and certification process, rate-setting and fiscal audit methods, and general regulation of nursing homes and intermediate care facilities under the medicaid program, and to provide for medical, psychological, and social assessment of long-term care patients under both the medicare and medicaid programs. Referred to the Committee on Finance.

S. 1582. A bill to amend title VI of the Public Health Service Act to provide for the making of direct loans for the construction and rehabilitation of nursing homes owned and operated by churches and other nonprofit organizations. Referred to the Committee on Labor and Public Welfare.

S. 1583. A bill to authorize the Secretary of HEW to provide grants, for the planning, development, construction and rehabilitation of nursing homes in black and minority communities. Referred to the Committee on Labor and Public Welfare.

S. 1584. A bill to authorize interest subsidy payments to assist nursing homes in repair and renovation in order to comply with Federal standards. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. MOSS:

S. 1585. A bill to amend title VII of the Public Health Service Act to provide for the making of grants to appropriate colleges and universities to assist them in establishing graduate programs for nurses in geriatrics and gerontology. Referred to the Committee on Labor and Public Welfare.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1586. A bill to amend the National Labor Relations Act to make it an unfair labor practice to discharge an employee because he testifies before any committee of the Congress, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. MONTOYA (for himself, Mr. GRAVEL, and Mr. RANDOLPH):

S. 1587. A bill to amend the Public Works and Economic Development Act of 1965 to increase the antirecessionary effectiveness of the program and for other purposes. Referred to the Committee on Public Works.

By Mr. PACKWOOD:

S. 1588. A bill to amend section 473 of title 18, United States Code, to provide penalties for the theft of obligations and securities of the United States and the possession and sale of such stolen obligations and securities. Referred to the Committee on the Judiciary.

By Mr. PROXMIRE (for himself and Mr. TOWER) (by request):

S. 1589. A bill to amend the United States Housing Act of 1937 to increase the amounts of annual contributions which may be provided thereunder with respect to low-income housing projects, to specify the manner in which annual contributions shall be subject to appropriation Acts, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. THURMOND:

S. 1590. A bill to amend title 10, United States Code, and the Military Selective Service Act to permit the assignment of members of the Armed Forces who have completed basic training and training in a military specialty as is prescribed by the Secretary concerned to overseas areas free from hostile fire, and to permit the release of Reserve component enlistees from their initial active duty for training upon the completion of basic training and training in a military specialty as is prescribed by the Secretary concerned. Referred to the Committee on Armed Services.

By Mr. JACKSON:

S. 1591. A bill for the relief of Mr. Laird H. Hail. Referred to the Committee on the Judiciary.

By Mr. MORGAN:

S. 1592. A bill to authorize the disposal of chemical grade chromite from the national stockpile. Referred to the Committee on Armed Services.

By Mr. CRANSTON (for himself, Mr. MONDALE, Mr. WILLIAMS, Mr. RANDOLPH, and Mr. LAXALT):

S. 1593. A bill to amend the Public Health Service Act to promote the health and welfare of children in need of adoption by facilitating their placement, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. PEARSON:

S. 1594. A bill to amend the Internal Revenue Code of 1954 to provide an additional investment credit for property which will assist employment opportunities in counties designated as balanced growth areas under State law. Referred to the Committee on Finance.

By Mr. JACKSON (for himself and Mr. FANNIN) (by request):

S. 1595. A bill to authorize the payment of oil import license fees collected for imports into Puerto Rico, and for imports into the Customs Territory of the United States from the U.S. Virgin Islands. Referred to the Committee on Interior and Insular Affairs.

S. 1596. A bill to amend the Water Resources Planning Act to increase the rate of compensation for experts and consultants and to provide continuing authorization for appropriations without limitation. Referred to the Committee on Interior and Insular Affairs.

By Mr. HARTKE (for himself, Mr. Talmadge, Mr. Randolph, Mr. Cranston, Mr. Stone, Mr. Hansen, Mr. Thurmond, and Mr. Stafford):

S. 1597. A bill to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans; to increase the rates of dependency and indemnity compensation for their survivors; and for other purposes. Referred to the Committee on Veterans' Affairs.

By Mr. MORGAN:

S. 1598. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide for an improved method of selection of the State planning agency, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. THURMOND:

S. 1599. A bill for the relief of Fidenciana Montes Montes. Referred to the Committee on the Judiciary.

S. 1600. A bill to amend chapter 75 of title 10, United States Code, to reduce to 1 year the duration of marriage requirement for eligibility for benefits for a surviving spouse, and to suspend deductions from retired pay when there is no eligible spouse. Referred to the Committee on Armed Services.

By Mr. EAGLETON:

S. 1601. A bill to authorize assistance for demonstration projects designed to develop reforms in the criminal justice system in the United States. Referred to the Committee on the Judiciary.

By Mr. MATHIAS:

S. 1602. A bill to discourage the use of leghold or steel jaw traps on animals in the United States. Referred to the Committee on Commerce.

By Mr. BENTSEN:

S. 1603. A bill to provide for training programs and relative supportive services which will provide middle-aged and older workers a full opportunity for meaningful employment and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. BAYH:

S. 1604. A bill to establish a committee to be known as the International Women's Year American Women's Conference Planning Committee. Referred to the Committee on Government Operations.

By Mr. MOSS (for himself and Mr. Percy):

S.J. Res. 75. A point resolution to provide that it be the sense of Congress that a Whole House Conference on Long-Term Care be called by the President of the United States in 1976, to be planned and conducted by the Secretary of Health, Education, and Welfare. Referred to the Committee on Labor and Public Welfare.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JAVITS:

S. 1547. A bill to amend the Small Business Act to make loans available for small businesses suffering economic injuries as the result of the disruption of operations and services of public utilities. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. JAVITS. Mr. Prsident, I introduce today for appropriate reference a bill to amend the Small Business Act to enable the SBA to make loans or guarantee loans in order to assist small business concerns that have experienced substantial economic injury as a result of the disruption of operations and services of public utilities.

On numerous occasions we have been called upon to address the urgent needs of the small business community. In almost every instance we have provided the SBA with the authority it has needed to protect and safeguard the interests of the small and vulnerable, frequently undercapitalized and marginal, small business concern, who, without our assistance might not be able to survive at all.

Mr. President, the recent telephone company central office fire in New York City is just such a situation. I am informed that at least a dozen small firms in the impacted area have already declared bankruptcy, more are expected to follow. Scores more are barely managing to keep their doors open and are in desperate need of financial assistance.

In this regard I was gratified to be informed that the New York regional office of the SBA has recently announced the availability of additional direct funds which are currently being made available to the small businessmen in the affected area of Midtown Manhattan.

The bill I offer today is designed not only to address the New York situation, but to make a permanent change in the SBA's disaster loan program to enable those businesses severely impacted by the failure of a public utility to call upon the Federal agency charged with protecting their interests for the necessary financial support. The need for this legislation, Mr. President, is merely typified by the New York Telephone Co. fire, and, though the immediate problems in New York City have been somewhat relieved the circumstances under which this relief was forthcoming were merely fortuitous; the underlying danger still remains as a problem.

Mr. President, I urge early consideration of this legislation to amend the Small Business Act and I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7(b) of the Small Business Act (15 U.S.C.) 636(b) is hereby amended by inserting immediately at the end of paragraph (8) the following new paragraph:

"(9) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administration may determine to be necessary or appropriate to assist any small business concern in reestablishing or continuing its business if the Administration determines that such concern has suffered substantial economic injury as a result of the disruption of operations and services of public utilities to such small business concern, providing the disruption was of substantial scope and duration and occurred on or after January 1, 1975: Provided, however, that such loans shall be made at the rate of interest and for the period of time provided in section 7(a)(4) of the Small Business Act."

By Mr. FONG:

S.1548. A bill to establish an advisory commission on future civilian manpower requirements at U.S. military installations. Referred to the Committee on Government Operations.

Mr. FONG. Mr. President, today I introduced a bill to establish an advisory commission on future civilian manpower requirements at U.S. military installations in our 50 States.

Since the reduction of military personnel following the Vietnam war, the economies of numerous communities were substantially disrupted due to a commensurate decrease in the number of civilians that were employed at various military bases. In some cases, whole installations were closed because they were either of marginal value or of no further use to the defense needs of our country. Needless to say, such base closings or drastic reduction-in-force actions without adequate notice to the civilian communities or proper planning for the utilization of the available manpower can prove to be economically devastating.

Mr. President, before I am misunderstood, I want to assure my colleagues that I am not challenging the merits or authority of the Defense Department to carry out its mandate to reduce waste and to make its organization more efficient and effective in carrying out its mission to provide for the security of our country. I continue to believe that the professionals are in the best position to determine what is best for our defense needs and what is not. If the Pentagon decides that a base is no longer needed as part of the Defense Establishment or that a major reduction in force is necessary at a military installation, the Advisory Commission would not be authorized to prevent the plan from going into effect; nor would it have the power to reverse such a decision.

However, the Commission would be authorized to find out, as expeditiously as possible, what military installations will be reducing their manpower requirements or closing permanently and then to recommend new ways to effectively utilize the changed status of the affected bases. In doing so, the Commission would be mandated to work closely with Federal, State, and local officials on ways to train, relocate, or utilize the civilians who will no longer be employed by the Department of Defense. Such close and formal working relationships are necessary to assure the fullest cooperation and coordination among the various levels of government. Only by such an arrangement can we be certain the best efforts of all concerned will be made in behalf of those scheduled to lose their jobs.

Mr. President, in addition to dealing with the current problems of reduction in force at military installations, the Commission would be authorized to make a comprehensive study and appraisal of the trends regarding the use and employment of civilians at U.S. bases and their implications with respect to the future utilization of such manpower. It will also be evaluating the current policies, programs, and practices of the Defense Department which have a direct bearing on the requirement for and the availability of qualified civilian manpower and the effective allocation and utilization of such trained human resources.

The Commission would also be authorized to determine and project the impact that the withdrawal of U.S. troops from overseas bases and the reduction of the

Armed Forces will have on the various States and communities that are heavily engaged in defense-related industries and/or servicing the needs and requirements of the U.S. Armed Forces.

Mr. President, figures provided by the Defense Department indicate that seven States and the Washington, D.C. metropolitan area each suffered a reduction of over 5,000 military and civilian positions in 1 year. Those areas that experienced this substantial reduction in the number of people employed by the Defense Department between June 30, 1973, and June 30, 1974, are as follows:

Area	*June 30, 1973*	*June 30, 1974*
California	350, 023	342, 209
Colorado	67, 047	60, 122
Maryland	60, 139	54, 432
Massachusetts	34, 019	24, 773
Rhode Island	16, 683	10, 163
South Carolina	64, 782	58, 024
Texas	228, 732	223, 331
Washington, D.C. metropolitan area	151, 933	146, 102

My own State of Hawaii was also hit by the reduction of military and civilan personnel employed by the Pentagon. During the above time period, the number of Defense Department employees was reduced from 63,760 to 62,188. Needless to say, this meant not only that there were fewer people on the defense payroll, but that there were less of them spending their incomes in Hawaii and thereby reducing the demand for goods and services.

Mr. President, although the reduction of men in uniform in a particular State will not directly add to that State's unemployment figure, it will do so indirectly, as there will be reduced need for civilian support functions and for other goods and services that are provided to the military men from the civilian sector of the economy. Thus the removal of say a thousand soldiers from a particular community because of a base closing or a reduction in force could have a tremendous rippling effect on the economy of a locality, especially if it has been closely associated with providing goods and services to the installation.

Finally, the Advisory Commission would be authorized to make recommendations regarding actions that the Federal Government can take to:

Lessen the economic impact that a base closing or a reduction in the civilian force working at military installations will have on the respective host communities;

Channel the talent, skill, and experience of the victims of a reduction in force into new fields of employment;

Retrain and utilize those individuals affected by a reduction in force carried out by the Defense Department; and

Keep the States and local communities adequately informed, at the earliest possible date, about the prospects of future civilian employment or unemployment at military bases and other installations under the jurisdiction of the Department of Defense.

Mr. President, there is no question in my mind that the Advisory Commission can serve a useful and valuable service not only to the individuals who may be affected by a reduction in force by the Defense Department, but to the respective communities in which these substantial cuts would be taking place. The establishment of the Advisory Commission on Future Civilian Manpower Requirements at U.S. military installations would help assure a more orderly transition and readjustment by the communities hardest hit by a major reduction in force.

The composition of the Commission demonstrates the importance placed on this undertaking and the likelihood of its success. Members of the advisory panel would include the following Government officials: Secretaries of Defense, Commerce, and Labor, the Director of OMB and the Chairman of the Civil Service Commission. The States would be represented by five Governors, while the cities would likewise be represented by five mayors. The bill also provides for the membership of five county officers and five nongovernmental leaders to be appointed by the President.

It is very evident by the membership of the Commission that its work will carry much weight and authority and that its recommendations will be given full and careful consideration by all levels of Government. This is essential if the purpose of the Commission is to be carried out and its mission is to succeed.

Mr. President, I urge my colleagues to give this proposal their serious consideration and to act upon it as expeditiously as possible.

I ask unanimous consent that the bill be printed in the Record at this time.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1548

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Defense Civilian Manpower Requirements Act".

ESTABLISHMENT

Sec. 2. There is established a commission to be known as the Advisory Commission on Future Civilian Manpower Requirements at United States Military Installations, hereinafter referred to as the "Commission."

STATEMENT OF FINDINGS AND PURPOSE

Sec. 3. (a) The Congress hereby finds that—

(1) the tight constraints on the Defense budget resulting in part from the current economic conditions in our country, and the related reduction in the size of our Armed Forces, have caused the Department of Defense to scrutinize with particular care the way in which they are using their civilian manpower resources;

(2) beginning in fiscal year 1974, the Defense Department undertook a series of reviews designed to uncover ways to increase military readiness and reduce costs through overhead and support reductions;

(3) the Defense Department is simultaneously eliminating civilian positions whereever possible and converting military positions to civilian jobs when feasible;

(4) for fiscal year 1969 there were 1,341,618 civilian personnel employed by the Department of Defense and that this number was reduced to 1,070,077 for fiscal year 1974;

(5) for fiscal year 1969 there were 3,460,162 active duty military personnel and that this number was reduced to 2,162,005 for fiscal year 1974;

(6) substantial reduction in the number of civilians employed by the Defense Department in a community or State can create economic and social turbulences which, if not adequately dealt with, could lead to significant adverse socio-economic consequences;

(7) the best interests of the Federal, State and local governments would be served by improving the contact and communication between the various levels of government regarding any plans to reduce or terminate the civilian manpower requirements at a particular military base or installation;

(8) the Federal Government should do what it can to work with State and local officials on ways to assist in training, relocating, or utilizing the civilian employees that will no longer be employed by the Defense Department.

(b) It is, therefore, the purpose of this Act to establish an advisory commission to deal with the problems surrounding the future needs of the Defense Department for civilian manpower at the various bases and military installations around the United States.

FUNCTIONS OF THE COMMISSION

Sec. 4. (a) The Commission is authorized to—

(1) make a comprehensive study and appraisal of the current situation and trends regarding the use and employment of civilians at U.S. military installations and their implications with respect to the immediate and future utilization of such manpower;

(2) evaluate the current policies, programs and practices of the Department of Defense which have a direct bearing on the requirements for and the availability of qualified civilian manpower and the effective allocation and utilization of such trained manpower;

(3) determine and project the impact that the withdrawal of U.S. troops from overseas' bases and the reduction of the Armed Forces will have on the various states and communities that are heavily engaged in defense-related industries and/or servicing the needs and requirements of the U.S. Armed Forces;

(4) find out, as expeditiously as possible, what military bases and installations will be reducing their manpower requirements or closing permanently and recommend new ways to effectively utilize the changed status of the military installations;

(5) work with Federal, state and local officials on ways to train, relocate, or utilize the civilians who will no longer be employed by the Defense Department;

(6) hold hearings and receive testimony from those living in communities that are undergoing a major reduction in force or a base closing; and

(7) make recommendations regarding actions that the Federal government can take to—

(a) lessen the economic impact that a reduction in the civilian force working on military bases will have on the respective host communities;

(b) channel the talent, skill, and experience of the victims of a reduction in force into new fields of employment;

(c) retrain and utilize those individuals affected by a cutback in military hiring of civilian personnel;

(d) keep the states and local communities adequately informed—as early as possible—about the prospects for future civilian employment or unemployment at military bases and other installations under the control of the Department of Defense.

MEMBERSHIP OF THE COMMISSION; APPOINTMENT OF MEMBERS; TERM

Sec. 5. (a) The Commission shall be composed of twenty-five members as follows:

(1) the Secretary of Defense;

(2) the Secretary of Commerce;

(3) the Secretary of Labor;

(4) the Director of the Office of Management and Budget;

(5) the Chairman of the Civil Service Commission;

(6) five Governors appointed by the President from a panel of at least ten submitted by the Governors' Conference;

(7) five Mayors appointed by the President from a panel of at least ten submitted by the United States Conference of Mayors;

(8) five county officers appointed by the President from a panel of at least ten submitted by the National Association of Counties; and

(9) five nongovernmental leaders appointed by the President from such fields as labor, business, education, etc.

(b) The term of office of each member of the Commission shall be two years; members shall be eligible for reappointment; and, except as provided in section 6(d) of this title, members shall serve until their successors are appointed.

ORGANIZATION OF THE COMMISSION—INITIAL MEETING

SEC. 6. (a) The President shall convene the Commission within 90 days following the enactment of this Act at such time and place as he may designate for the Commission's initial meeting.

(b) The President shall designate a Chairman and a Vice Chairman from among the members of the Commission.

(c) Any vacancy in the membership of the Commission shall be filled in the same manner in which the original appointment was made; except that where the number of vacancies is fewer than the number of members specified in paragraphs (6), (7), (8), and (9) of section 5(a) of this title, each panel of names submitted in accordance with the aforementioned paragraphs shall contain at least two names for each vacancy.

(d) Where any member ceases to serve in the official position from which originally appointed under section 5(a) of this title, his place on the Commission shall be deemed to be vacant.

(e) Thirteen members of the Commission shall constitute a quorum, but two or more members shall constitute a quorum for the purpose of conducting hearings.

DUTIES OF THE COMMISSION

SEC. 7. It shall be the duty of the Commission—

(1) to engage in such activities and to make such studies and investigations as are necessary or desirable in the accomplishment of its functions as set forth in section 3 of this title; and

(2) to submit an annual report to the President and the Congress on or before January 31 of each year. The Commission may also submit such additional reports to the President, to the Congress, or any Committee of Congress, and to any unit of government or organization as the Commission may deem appropriate.

POWERS AND ADMINISTRATIVE PROVISIONS

SEC. 8. (a) The Commission or, on the authorization of the Commission, any subcommittee or members thereof, may, for the purpose of carrying out the provisions of this chapter, hold such hearings, take such testimony, and sit and act at such times and places as the Commission deems advisable. Any member authorized by the Commission may administer oaths or affirmations to witnesses appearing before the Commission or any subcommittee or members thereof.

(b) Each department, agency, and instrumentality of the Executive Branch of the Federal Government is authorized and directed to furnish to the Commission, upon request made by the Chairman or Vice Chairman, such information as the Commission deems necessary to carry out its functions under this chapter.

(c) The Commission shall have the power to—

(1) appoint an Executive Director, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, who shall be compensated at the rate provided for a GS–18 of the General Schedule of such title;

(2) appoint and fix compensation of such additional personnel as may be necessary to carry out the provisions of this Act;

(3) obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code, at rates for individuals not to exceed the rate specified at the time of such service for grade GS–18 in section 5332 of title 5, United States Code; and

(4) accept and utilize the services of voluntary and noncompensated personnel and reimburse them for travel expenses, including per diem, as authorized by section 5703 of title 5, United States Code.

(d) Except as otherwise provided in this chapter, persons in the employ of the Commission under subsection (c)(1) and (2) of this section shall be considered to be Federal employees for all purposes, including—

(1) the Civil Service Retirement Act, as amended;

(2) the Federal Employees' Group Life Insurance Act of 1954, as amended;

(3) annual and sick leave; and

(4) the Travel Expense Act of 1949, as amended.

COMPENSATION OF MEMBERS

SEC. 9. (a) Members of the Commission who are officers of the Executive Branch of the Federal Government, Governors, or full-time salaried officers of city and county governments shall serve without compensation in addition to that received in the regular public employment, but shall be allowed necessary travel expenses and other necessary expenses incurred by them in the performance of duties vested in the Commission.

(b) Members of the Commission who are not regular, full-time employees of the Federal, state or local government shall, while serving on business of the Commission, be entitled to receive compensation at rates fixed by the President, but not exceeding the rate specified at the time of such service for grade GS–18 in section 5332 of title 5, United States Code, including travel time; and while so serving away from their homes or regular place of business, they may be allowed travel expenses including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

AUTHORIZATION OF APPROPRIATIONS

SEC. 10. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

By Mr. PHILIP A. HART (for himself, Mr. HRUSKA, and Mr. MCCLELLAN):

S. 1549. A bill to amend the Federal Rules of Evidence and for other purposes. Referred to the Committee on the Judiciary.

Mr. PHILIP A. HART. Mr. President, joined by the Senator from Arkansas (Mr. MCCLELLAN) and the Senator from Nebraska (Mr. HRUSKA), I am introducing legislation to amend the Federal Rules of Evidence to make clear that nonsuggestive lineup, photographic and other identifications, made in compliance with the Constitution, are admissible in evidence.

The Federal Rules of Evidence, as submitted by the Supreme Court, and passed by the House of Representatives, included the following provision in rule 801 (d) (1) (C):

> A statement is not hearsay if . . . the declarant testifies at the trial or hearing and is subject to cross-examination concerning the statement, and the statement is . . . one of identification of a person made after perceiving him.

A similar provision was contained in the preliminary draft of the proposed rules—March, 1969, the revised draft—March, 1971, the Judicial Conference proposed draft, and the Supreme Court draft—November, 1972.

The purpose of the provision was to make clear, in line with the recent law in the area, that nonsuggestive lineup, photographic and other identifications was not hearsay and therefore admissible. In the lineup case of *Gilbert* v. *California,* 388 U.S. 263, 272 n. 3, the Supreme Court, noting the split of authority in admitting prior out-of-court identification, stated:

> The recent trend, however, is to admit the prior identification under the exception that admits as substantive evidence a prior communication by a witness who is available for cross-examination at the trial.

And the Federal Circuit Courts of Appeals have generally admitted these identifications. See, for example *Clemons* v. *United States,* 408 F. 2d 1230 (D.C. Cir. 1968) (en banc), cert. denied, 394 U.S. 964 (1969); *United States* v. *Miller,* 381 F. 2d 529, 538 (2d Cir. 1967) (Friendly, J.); *Edison* v. *United States,* 272 F. 2d 684, 686 (10th Cir. 1959). See also 5 Wigmore, Evidence, Sec. 1130 (Chadbourn rev. 1972) which strongly supports admissibility of prior identifications. Notwithstanding this substantial authority, the Senate deleted this provision during the final weeks of the 93d Congress. Although the House conferees initially insisted it be reinstated, they finally relented on this issue as a part of a series of compromises to gain agreement on a bill before Congress adjourned.

There was no suggestion in the Judiciary Committee report that prior identifications are not probative and should not be admitted to corroborate in-court identifications. Some members of the committee had reservations on the deletion of this provision at that time.

Upon reflection, it appears the rule is desirable. The experience of courts suggests that identifications consisting of nonsuggestive lineups or photographic spreads made reasonably soon after the offense are more reliable than in-court identifications and therefore provide greater fairness to both the prosecution and the defendant in a criminal case. See McCormick, Evidence, 602 (2d Ed. 1972). Exclusion of these identifications would be detrimental to the fair administration of criminal justice.

Moreover, the trier of fact, whether it be judge or jury, cannot perform its function, if highly probative and constitutional identification evidence is kept from it. As the Court of Appeals for the District of Columbia Circuit stated *en banc* in *Clemons* v. *United States,* 408 F. 2d at 1243:

> The rationale behind the exclusion of hearsay evidence has little force in the case of witnesses . . . who are available for cross-examination. We also think that juries in criminal cases, before being called upon to decide the awesome question of guilt or innocence, are entitled to know more of the circumstances which culminate in a courtroom identification—an event which, standing alone, often means very little to a conscientious and intelligent juror, who rou-

tinely expects the witnesses to identify the defendant in court and who may not attach great weight to such an identification in the absence of corroboration.

For the above reasons, I urge the Senate to give prompt consideration to the proposed legislation.

By Mr. McCLURE:

S. 1550. A bill to prohibit the sale, alienation, or commitment of gold by the Secretary of the Treasury without prior approval by act of Congress. Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. McCLURE. Mr. President, today I am introducing a bill to prohibit the sale, alienation, or commitment of gold by the Secretary of the Treasury without prior approval by act of Congress.

In the years prior to passage of the law which permits the American citizen to own gold the U.S. Treasury came up with a series of specious arguments against gold ownership. One of them was that gold is and should be treated exactly like every other commodity. During debates on this subject I often pointed out that that was precisely what Treasury was not doing, in advising against private ownership of gold. Showing the inconsistency of the Treasury's position did not, however, mean that I had brought their premise. Gold is not and never has been exactly like anything else. For century after century it has served as a numeraire that is the basis upon which the price of everything else was calculated and the ultimate reserve of value.

So called gold nuts are often criticized for a mystical reverence for the metal. But there is nothing mystical in a preference for a substance which is unique in combining the qualities of durability, malleability, and quantity and beauty.

There is more cause for surprise when a gold-based currency fails, at least until examination shows that the coinage has been deflated by government. And there is only a distinction of sophistication between the coin clipping of Emperors and the inflationary practices of democracies. Gold itself remains valuable in both its roles as a measure of value and store of reserve. For example, a barrel of oil has been worth the same 2 grains of gold for years. It is the currencies which fluctuate.

Given the overall stability of this metal it would be the height of folly to sell remaining reserves. The United States cannot unilaterally strip gold of its value. And despite all the talk of demonetization by the various committees of the International Monetary Fund gold is internationally as desirable today as it was when the United States belatedly closed the gold window in 1971 to protect its diminishing reserve. The IMF permitted members to offer gold as collateral for loans and the German-Italian loan followed. The IMF allowed members to reevalue gold at free market prices and the result was the French figure of 170. Demonetization is the popular phrase and the SDR is the fad of the moment, but the real action is in gold.

It is impossible to see why the United States or any financially responsible body would want to substitute the rapidly inflating paper currencies of the world for a metal with a proven intrinsic value. I urge therefore, that the sale of gold by the Treasury without approval by Congress be prevented by law.

By Mr. MOSS:

S. 1552. A bill to amend title XVIII of the Social Security Act to authorize the provision of intermediate care services under medicare, and for other purposes. Referred to the Committee on Finance.

NURSING HOME REFORM—PART II

Mr. MOSS. Mr. President, my Subcommittee on Long-Term Care has been investigating nursing home problems since 1963. Early hearings by the subcommittee resulted in a substantial number of amendments to medicare and medicaid in 1967. In fact, the existing body of uniform Federal minimum requirements from nursing homes stems from these so-called Moss amendments of 1967. Since 1969, the subcommittee has conducted 25 hearings and taken more than 5,000 pages of testimony. We are currently in the process of releasing a 12-volume report on nursing home problems entitled "Nursing Home Care in the United States: Failure in Public Policy." Five volumes of this report have been released with the remainder to follow at monthly intervals.

During a news conference last November, I detailed the subcommittee's plans to release our reports over a 12-month time frame for purposes of keeping the issue before the American public. Unfortunately, this has lead some observers to the conclusion that we would wait until the end of this year before introducing any legislation. As I said on the floor to the Senate on March 12, this is far from true. In fact, I introduced the first 12 bills of my nursing home reform package. Today I am introducing the remaining 36 bills.

I would like to emphasize a couple of points about this 48-bill package. First, I shall introduce still other bills. The present series of bills is, more than anything else, a response to the problems and conditions developed by the New York Times and hearings in that city conducted by my Subcommittee on Long-Term Care. Second, the Senate Special Committee on Aging is not a legislative committee. This means that we must rely on other committee's to enact the proposals we develop.

We have done this in the past and look forward to working with other committees of the House and Senate as they refine and hopefully enact the bills I am introducing today. This year I feel we are particularly blessed because of the creation of the House Permanent Committee on Aging chaired by my friend WILLIAM J. RANDALL of Missouri. I am grateful also for the fact that CLAUDE PEPPER of Florida has been named chairman of the House Aging Committee's Subcommittee on Health, and Long-Term Care. I look forward to working with Congressman PEPPER who has agreed to act as House sponsor for the legislation I am introducing. Congressman ED KOCH who has developed much nursing home and home health legislation on his own and who introduced my previous 12 bills in the House has graciously consented to be the prime cosponsor of the 36 bills that we are introducing today.

I should also like to emphasize that I shall be vigilant not only in my efforts to move this legislative package but also in seeing that HEW takes action to implement and enforce existing law in line with congressional directives. I have some specific points in mind:

First, HEW must begin to enforce Federal law and regulations which prohibit nursing home operators from dominating State boards which license nursing home administrators.

Second, HEW must announce regulations implementing section 242 of Public Law 92–603, which makes offering or accepting a kickback a crime punishable by a $10,000 fine and a year in jail.

Third, HEW must announce and enforce regulations implementing my measure to require the disclosure of nursing home ownership. This law was enacted in 1967 to cover indirect as well as direct interests, but HEW has made no change in regulations. There is no uniformity in the way States keep these lists or in the information they contain. They are seldom available to the public as required by law.

BILLS DESIGNED TO MAKE LONG-TERM CARE MORE READILY AVAILABLE TO ALL OLDER AMERICANS

First is a bill to provide nursing home coverage under medicare without requiring prior hospital and establishing a second level of care, intermediate care, and requiring standards for intermediate care facilities providing such services under medicare. Intermediate care services are presently authorized under medicaid but not under medicare.

Mr. President, I introduce for appropriate reference a bill to expand the scope of medicare to provide nursing homes without the prerequisite of prior hospitalization and to create a second level of care authorized in the program called intermediate care. This proposal should be viewed in tandum with several bills that I introduced last month such as:

S. 1161 to authorized an experimental program to subsidize families to care for their elderly in their own homes;

S. 1162, to authorized payment for day care services under medicare;

S. 1163, originally proposed by my colleague Congressman ED KOCH for purposes of broadening the scope of medicare and medicaid home health services; and

S. 1165 to authorize funding for "campuses for the elderly" that is, the construction and operation of a nursing home, home for the aged, congregate living facility, hospital, and senior citizens' center located on site.

These bills taken together and with those I refer to below will provide this Nation when they are enacted for the first time with a comprehensive program of treatment for our infirm elderly.

These proposals, of course, stem from our 25 hearings since 1969 and from our 12-volume series of reports. As our introductory report makes clear, we have made much progress in this field with the enactment of medicare and medicaid but we still have far to go.

HOW MANY OLDER AMERICANS NEED LONG-TERM CARE?

Ethel Shanas, a respected authority in the field, in her 1967 study, "The Needs of Older Americans in Five Countries," projected that about one-fifth of our 20 million older Americans needed some degree of protective service, ranging from personal care—help in dressing, bathing, eating, and just in getting through the day—to skilled nursing care on a continuous 24 hour nursing basis.

Of these 4 million older Americans, a little over a million are presently institutionalized. There are 900,000 in nursing homes and related facilities and 111,000 in mental institutions.

The remaining 3 million individuals are found in the community. These individuals are bedfast, housebound, or ambulate only with difficulty.

While these facts should be enough to document the increasing need for long-term care, two other factors should be added.

The first relates to the fact that more and more individuals are living longer and longer. Modern medicine has lengthened the lifespan. But while mortality has been set back, disability increases sharply with advanced age.

The second factor is the prohibitive cost of long-term care. The cost of nursing home care in the United States today averages something like $600 a month. An average retired couple receives less than $300 a month in social security benefits. Nursing home care is clearly out of their reach. The services of a home health nurse which must be purchased at an average rate of $3.50 an hour are also unavailable.

WHAT DO EXISTING PROGRAMS PROVIDE?

The explicit suggestion from the previous paragraphs is that millions of older Americans are going without needed care and services. This contention is amplified by the paucity of programs in the field of long-term care.

The medicare program which now serves our 20 million senior citizens and about 3 million disabled, provides a benefit for individuals who have been in the hospital for 3 days in a row, or who are transferred to a skilled nursing facility participating in medicare within 14 days of their discharge, providing that a physician certifies their continuing need for the kinds of services for which they were hospitalized.

In 1965, the Congress specifically considered the question of whether a nursing home benefit should be provided. The answer was negative. What was provided instead was a post-hospital benefit called "extended care." Extended care was so named because services had to be provided in separate facilities with standards just below that of the hospital itself. The level of care provided is called skilled nursing care. So last year's medicare reform bill, H.R. 1, resulted in a name change so extended care facilities are now known as skilled nursing facilities, taking the name of the acute, subhospital level of care they provide.

In 1974, this medicare nursing home program contributed only $200 million to the Nation's $3.5 billion nursing home bill. Some 70,000 nursing home patients in any given day have their care paid for by the medicare program.

The lion's share of the cost of nursing home care was assumed by the medicaid program which contributed $3.7 billion in 1974.

Medicaid is a Federal grant-in-aid program administered by HEW in which the Government pays from 50 to 83 percent of the costs incurred by the State in providing nursing home care to welfare recipients who are unable to pay for the care they need.

While it is clear that there is a great and growing need for long-term care, medicare, within the institutional context, presently provides little or no help. For those willing to take the pauper's oath, medicare now provides two levels of care. In addition to skilled nursing, that level nearest to hospital care, medicaid for the first time this year provides for a level called intermediate care. Individuals requiring more than board and room, but less than skilled nursing care, which is what most people associate with conventional nursing care, is available only to welfare patients.

NONINSTITUTIONAL CARE

What does medicare provide by way of home health benefits?

There is the skeleton of a program but no real program of substance with total outlays running less than 1 percent of medicare's $12 billion contribution care of Americans over 65.

Home health care is provided under both part A and part B of medicare. Part A provides for home health benefits—up to 100 visits for each benefit period—after an individual has been hospitalized for at least 3 days, providing that a home health plan is established for the patient within 14 days of his transfer from a hospital or medicare skilled nursing facility. Moreover, individuals must be confined to their homes and a physician must certify the need for skilled nursing care or physical therapy. Speech therapy, occupational therapy, part-time services of a home health aide and medical social services are also authorized, subject to the continuous precondition that the patient qualify for skilled nursing care.

The definition of skilled nursing care in the home health setting has been as restrictive as applied in the nursing home setting. The result has been to keep the costs of the medicare home health program down to their present minimal level and, perhaps, to deny millions of Americans the care they need.

To complete this analysis of existing programs, home health care is also provided under medicare part B, the supplementary medical insurance portion of medicare. The same preconditions for eligibility are required except for prior hospitalization which is unnecessary to claim benefits under part B. The scope of coverage is the same with the potential of benefits ranging from the services of a home health aide to speech therapy. Benefits are restricted by the limitation of qualification for skilled nursing care. In fact, home health agencies are required as a condition of participation in the medicare program to provide skilled nursing, plus one additional service. In 75 percent of the cases the other service provided is physical therapy.

SOLUTIONS: TOWARD A NATIONAL POLICY

Mr. President, my consistent theme throughout this discussion of both the home health—noninstitutional—and institutional setting is that there is a need for services broader than skilled nursing care—that most acute level of long-term care. The very absence of other levels of care undoubtedly leads to overutilization of hospital beds or skilled nursing facilities. The suggestion that needy patients are being denied services has by now become a ringing conclusion which necessitates legislative reforms.

The solution that I have proposed is to prove the broad spectrum of services to meet the individual needs of the elderly. As I noted previously, S. 1163 would provide expended home health services under medicare and medicaid. S. 1163 also introduced on March 12 would authorize programs to subsidize families to care for the elderly in their own homes. Morever, my bill, S. 1162 would authorize day care services under medicare. The bill I am introducing today expands medicare's nursing home coverage establishing a second level of care.

The level of care will be called intermediate care and will be consistent with the definition of intermediate care under title 19—medicaid. With the enactment of this proposal, medicare will for the first time provide assistance to the elderly needing levels of care characterizing conventional nursing home care. This bill provides that an individual will be entitled to 100 days care—total—per benefit period under medicare part A, regardless of whether such care is received in a skilled nursing facility or an intermediate care facility. Moreover, my bill deletes the 3-day prior hospitalization requirement and the 14-day transfer requirement so that physicians can place individuals in skilled nursing facilities or intermediate care facilities without the necessity of prior hospitalization. The present requirements for utilization review, medical review, and professional review would be continued to insure that patients are properly placed and to prevent overutilization.

In addition, the copayment features of the medicare nursing home benefit would be retained. The first 20 days care in a nursing home would be paid for irrespective of whether the patient was in a skilled nursing facility—SNF—or an intermediate care facility—ICF—the patient will continue to pay $7.50 a day thereafter for the next 80 days.

SUMMARY

Mr. President, the clear and growing needs of older Americans for long-term care is becoming an alarming reality. The problem will only become more acute in the future. If left unattended, the problems of the present will return in the form of an amplified crisis in the next few years. Equally as clear as this dramatic and growing need, is the failure of present Federal programs to insulate older Americans against the multiple costs and pressure of increased age with increased disability. With nursing home costs averaging $600 a month, a few but the rich can afford to pay for their care.

The medicare program provides help only to those who are so ill that they require hospitalization, and then only for the continuation of care provided in the hospital. This narrow range of nursing home benefits has led many misinformed older Americans to cry that medicare has become another broken promise. Only under the medicaid welfare nursing home program is there the broad range of institutional services. In the noninstitutional sphere, medicare under both part A, the hospitalization portion, and part B, the supplementary medical insurance portion of medicare, provides a home health benefit.

In theory, a wide range of services is available, including physical therapy, occupational therapy, speech therapy, the services of a home health aide, and medical social services. In practice, these services are not available because of the statutory precondition that patients must continue to be eligible for that highest of levels of long-term care called skilled nursing care.

The legislation I am introducing today provides a secondary, less acute level of care in the medicare programs institutional benefits. The proposals would provide expanded in-home and day care services. The enactment of these measures will give the Nation, for the first time, a comprehensive set of benefits in the field of long-term care. For the first time the United States will have a national policy with regard to the infirm elderly.

By Mr. MOSS:

S. 1553. A bill to amend section 213 of the Internal Revenue Code of 1954 with respect to certain nursing home expenses. Referred to the Committee on Finance.

TAX DEDUCTIONS FOR NURSING HOME CARE

Mr. MOSS. The next is a bill to amend the Internal Revenue Code to allow a family to deduct as a "medical expense" payments made by a family for nursing home care received by a relative.

Mr. President, I introduce for appropriate reference a bill to allow families to claim as a medical expense payments made for care in a nursing home received by a relative.

The purpose of this bill is obviously to help ease the tremendous financial burden of placing a family member in a long-term care facility. The average nursing home in the United States charges $625 per month. There are few families who can afford this extra expense, especially during these times of relative economic austerity.

There are still fewer elderly who can afford to pay for the nursing home care that they need.

This generally means that the elderly go without the care they need or that they must liquidate whatever assets they might have to pay for the care. Sometimes it means that families must sell their own assets or make important sacrifices. All too often there is a temptation on the part of families to "let the Government take care of it." This means that family members are placed on the welfare roles as medicaid recipients. This program pays for almost 50 percent of the Nation's nursing home bill. However, it is to be emphasized that medicaid requires a means test and is available only to indigents. The elderly must exhaust all or most of their assets before they are eligible.

At the present time the Internal Revenue Code allows a family to deduct the cost of providing nursing home care to a family member but only if that member is a dependent. My bill would make an important change allowing such deduction even when the aided person could not be claimed as a dependent.

The effect of this bill, in short, would be to encourage families to care for their aged adults. It may prevent the addition of patients to the welfare roles allowing the elderly to keep some modest assets and some modicum of their human dignity.

By Mr. MOSS:

S. 1554. A bill to provide for the modification of the medicare reimbursement formula to allow small hospitals in rural areas with low occupancy to provide long-term care but only in those areas where there are no appropriate nursing home beds available. Referred to the Committee on Finance.

LONG-TERM CARE IN SMALL RURAL HOSPITALS

Mr. MOSS. Third is a bill to provide for modification of the medicare reimbursement formula to allow small hospitals in rural areas with chronic low occupancy to provide long-term care but only in those areas where there are no appropriate nursing home beds available.

Mr. President, I introduce for appropriate reference a bill for the modification of the medicare reimbursement formula to allow small hospitals with low occupancy in rural areas to provide long-term care but only where there are no appropriate nursing home beds available.

This bill is based on the Utah cost improvement project funded by the Commissioner of Social Security on December 8, 1972, and which continues under the able direction of Dr. Burce Walter, Utah's deputy director of health.

In my State, as in many others, there are many small hospitals with empty beds. In some cases average occupancy rates have dropped down below 60 percent. Such hospitals are having a tough time making ends meet with medical costs continuing to skyrocket.

At the same time, there exists in many communities an acute shortage of nursing home beds. One small town in southern Utah was in the position of having to raise a bond issue to build a county nursing home while the county hospital had half its beds empty.

It was obvious to these people that the empty hospital's beds could and should be used. Theoretically, all that was required was for the State to pay to the hospital the standard medicaid rate which it would pay to any nursing home. While the hospital would not recover its normal daily charges for such patients, it would be able to spread its overhead costs over a broader basis. Moreover, the cost of providing nursing home care is far less expensive than providing acute hospital services.

The only problem was medicare's reimbursement formula which required the allocation of the hospital's expenses proportionately throughout the facility.

The experiment in Utah is directed at arriving at an alternative reimbursement formula which would not require proportional allocation of costs to all patients. I am pleased to tell you that the program is working successfully in my home State. It allows the more efficient utilization of resources with benefit to all concerned. I hasten to emphasize, however, that I do not intend that through this formula that all nursing home care should be offered in hospitals. Only hospitals with less than 100 beds, less than 60-percent average occupancy in rural areas where there is a demonstrated shortage of nursing home beds would be allowed to participate.

I am hopeful that this proposal can be enacted in the near future to allow other States the benefits of what we have in Utah. I should add that I am particularly grateful to Commissioner Cardwell for allowing the Utah project to continue its funding into its next phase.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1555. A bill to allow the States to use Supplementary Security Income payments plus a State supplement of not less than $100 per resident per month to provide care for residents in nonmedical shelter care facilities. Referred to the Committee on Finance.

SSI PAYMENTS TO PATIENTS IN SHELTER CARE FACILITIES

Mr. MOSS. Fourth, a bill to allow the use of supplementary security income payments plus State supplementary payments to house residents in shelter care facilities which meet certain Federal minimum standards.

Mr. President, I introduce for appropriate reference a bill to allow the States to use supplementary security income payments plus a State supplement to provide care for residents in nonmedical shelter care facilities that meet certain minimum Federal standards.

At the present time there are thousands of individuals in this Nation who need personal care, that is some kind of minimum supervision. They are not sick. They do not need medical or nursing services and consequently they cannot qualify as intermediate care patients under medicaid. Many of these patients are mentally retarded or mentally incompetent.

In recent days the lure of $146 per patient per month in supplementary security income—SSI—has fuel the discharge of thousands of patients from State hospitals or institutions for the mentally retarded into boarding homes or old hotels. The reasons are plain. It costs the States an average of $800 per patient per month to house an individual in a State hospital while the same person can be placed in a boarding home for $146 in *Federal* money.

The sad part of this tale is that most States have no standards for boarding homes. Very often such facilities are unsafe and unclean. No staff members are required to be present or to supervise such patients. No psychiatric, restorative, or habilitative services are provided for these people.

Understandably, many patients are better off in State hospitals—as bad as they are. My bill addresses this problem by allowing Federal SSI payments to be received by individuals in shelter care facilities under certain conditions. First, and most important, the States must agree to supplement each resident's stay in a facility by at least $100 per month. Second, the State must certify that residents placed in such facilities are ambulatory, that they do not need medical care but only minimum supervision. Third, the facilities must meet all the requirements of State licensure, provide sufficient numbers of personnel to offer personal care. Fourth, they must have an administrator who assumes overall responsibility; must provide restorative or habilitative programs and comply with the residential occupancy provisions of the Life Safety Code, 23d edition, 1973. Fifth, the bill requires that only licensed personnel or those completing special courses of instruction established by the States should be allowed to distribute medications in such facilities.

Several States have requested that we introduce this bill, so I am hopeful of its early and favorable consideration.

By Mr. MOSS:

S. 1556. A bill to require physician visits to patients in skilled nursing facilities at least once every 30 days. Referred to the Committee on Finance.

B. BILLS TO CREATE NEW MINIMUM FEDERAL STANDARDS FOR NURSING HOMES PARTICIPATING IN MEDICARE AND/OR MEDICAID

MONTHLY PHYSICIAN VISITS

Mr. MOSS. I introduce the following:

A bill to require physician visits to patients in skilled nursing facilities at least once every 30 days.

Mr. President, carefully documented in our third supporting paper, "Doctors in Nursing Homes: The Shunned Responsibility," is the sad fact that doctors are infrequent visitors to nursing homes. The absence of the physician from the nursing home is one of the root causes of poor patient care. Without the doctor present and without an adequate supply of nurses, care all too often is left to untrained aides and orderlies.

Earlier medicare and medicaid regulations required physicians to visit patients in skilled nursing facilities at least once every 30 days. Present regulations require monthly visits only for the first 3 months. Thereafter, it is left to the discretion of the physician, but visits must be made at least every 60 days. My bill would return to the earlier standard.

By Mr. MOSS:

S. 1557. A bill to amend Titles 18 and 19 of the Social Security Act to require Skilled Nursing Facilities to employ at least one registered professional nurse 24 hours per day, 7 days a week. Referred to the Committee on Finance.

RN COVERAGE: 24 HOURS PER DAY

Mr. MOSS. Mr. President, the present Federal requirements for registered nurse coverage for skilled nursing homes is one RN on the day shift, 8 hours per day, 7 days per week. Under this arrangement a nursing home, regardless of its size, may have registered nurse coverage for only one-third of each day. In light of the reports of poor patient care that continually appear, round-the-clock RN coverage for skilled facilities is a reasonable requirement.

By Mr. MOSS:

S. 1558. A bill to amend titles 18 and 19 of the Social Security Act to require that only licensed personel may set up or distribute medications in skilled nursing facilities. Referred to the Committee on Finance.

HANDLING OF MEDICATIONS ONLY BY LICENSED PERSONNEL

Mr. MOSS. Mr. President, in our supporting paper No. 2, "Drugs in Nursing Homes: Misuse, High Costs, and Kickbacks," my subcommittee concluded that between 20 and 40 percent of all medications in nursing homes are administered in error. The extent of drug error is, in large part, caused by allowing unlicensed—often untrained—personnel to set up and pass daily medications. When this fact is compounded with poor attention by physicians and insufficient supervision by licensed nurses, the results can be grim. Examples of overdose, excessive tranqualization, adverse drug reaction, and drug addiction have been documented. Many States permit only licensed personnel to set up and pass medications, and I think similar Federal legislation is long overdue.

By Mr. MOSS:

S. 1559. A bill to amend the Social Security Act to provide for placing responsibility for medical care provided by skilled nursing facilities under titles XVIII and XIX in a medical director. Referred to the Committee on Finance.

MEDICAL DIRECTOR—NURSE PRACTITIONER

Mr. MOSS. Mr. President, medical attention in skilled nursing homes will be greatly improved if the overall responsibility for such care is in the hands of a medical director. We must get more direct physician care into nursing homes, and I believe this is one good way to do it.

Under this bill the medical director must be on call for all emergencies, and he must spend a minimum of 10 hours per week in the nursing home. In an attempt to provide more flexibility to this 10-hour requirement in the alternative the home may have working with the medical director a "nurse practitioner" trained in geriatrics who spend at least 20 hours per week in the home. Under the nurse practitioner option, however, the medical director would still be required to spend at least 2 hours per week in the home.

By Mr. MOSS:

S. 1560. A bill to amend titles 18 and 19 of the Social Security Act to require minimum ratios for nursing home personnel to patients and for supervisory nurses to total nurses. Referred to the Committee on Finance.

MINIMUM RATIOS FOR NURSING CARE

Mr. MOSS. Mr. President, the Department of Health, Education, and Welfare has resisted the notion of minimum ratios on the grounds that such requirements are a false benchmark and do not insure good patient care. While I agree that minimum ratios are not a guarantee, I feel there is much to be said for indicating what is minimally acceptable. Without minimum requirements, we are left with regulations that say, in effect, that one licensed practical nurse on duty in a home of 200 or 400 patients constitutes properly supervised nursing services on the afternoon and the night shift.

Several States have applied minimum ratios, and I feel similar action is warranted at the Federal level. My bill would require HEW to set up minimum ratios of nursing personnel to patients and supervisory nurses to total nurses. No less than 2.25 hours of nursing care per patient per day would be allowed in skilled facilities.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1561. A bill to amend title 18 and title 19 of the Social Security Act to require skilled nursing facilities to provide medically related social services. Referred to the Committee on Finance.

SOCIAL SERVICES REQUIREMENT

Mr. MOSS. Mr. President, the interim report released in March 1975 by HEW entitled "Long-Term Care Facility Improvement Study," recognized the importance of having social services as a required component in the nursing home care. Departmental regulations may now be in effect to address this need, but I feel it is necessary to include such a requirement in the law as well. In the past, this requirement was mandatory until it was removed by Public Law 92-603. It is an important requirement and I want to insure that it remains in the law.

By Mr. MOSS:

S. 1562. A bill to require admissions contracts between nursing homes participating in Federal programs and the patients they serve. Referred to the Committee on Finance.

ADMISSION CONTRACT REQUIRED BETWEEN NURSING HOME AND PATIENT

Mr. MOSS. Mr. President, in our investigations over the past few years, our subcommittee has frequently run across documents of agreement for entering a nursing home that could only be described as "adhesion" contracts. In short, they spelled out all the rights and privileges of the facility and said nothing, or very little, about patient rights. All too often finding suitable nursing home vacancies is very difficult, and the patient is rarely in any reasonable bargaining position.

It is the purpose of this bill to require a contract between the facility and the patient adequately covering the rights and responsibilities of both parties. Especially noteworthy is the requirement that any items not included in the basic rate charged and for which an additional charge may be made must be spelled out in the contract. Often prospective patients have been told of reasonable rates, only to find out later that many extra charges are added to the bill with no prior notice.

By Mr. MOSS:

S. 1563. A bill to amend the Social Security Act to provide for the updating of safety provisions in skilled nursing facilities. Referred to the Committee on Finance.

LIFE SAFETY CODE (23D EDITION) MADE APPLICABLE

Mr. MOSS. Mr. President, under current law nursing homes are required to be in compliance with the 21st edition of the Life Safety Code issued in 1967. Several changes have been made in that code since that time, and a number of States have recommended that the law be updated. This bill would put that recommendation into effect and bring us more up to date.

By Mr. MOSS:

S. 1564. A bill to amend titles 18 and 19 of the Social Security Act to require nursing homes to post their current license, medicare/medicaid certification, a list of owners of the facility, the names of staff, a patient's bill of rights, as well as a description of services offered by the facility and the facility's charges therefor. Referred to the Committee on Finance.

REQUIRED POSTING OF PERTINENT INFORMATION

Mr. MOSS. Mr. President, one of the many complaints that we have heard consistently over the years decries the lack of information available to the prospective patient and his or her family about nursing homes they may be considering. In an effort to make some of that basic information available, this bill would require each participating home to post for view several items including their State license and their medicare/medicaid certification. Also required for posting would be a description of the complaint procedures established under State law, a list provided by the Health Department of materials available for inspection and copying, a copy of any notice issued for a hearing, order or decision of the Health Department pertaining to the home, and a copy of the patient's bill of rights as published in the Federal Register.

By Mr. MOSS:

S. 1565. A bill to require the immediate reporting of epidemic diseases or accidents in nursing homes participating in Federal programs. Referred to the Committee on Finance.

REPORT OF EPIDEMIC DISEASE

Mr. MOSS. Mr. President, hearings before our subcommittee in 1970 included testimony from the U.S. Surgeon General and the Communicable Disease Center that less than 1 percent of all infectious diseases are ever reported in the United States. The hearings grew out of a salmonella epidemic in a Baltimore nursing home where 36 patients died. Over 40 physicians were involved with patients in the home, and not one reported the disease to the State.

This bill would require each participating home to have in effect procedures for reporting not only epidemic diseases, but also, important changes in patient condition.

By Mr. MOSS:

S. 1566. A bill to amend title 19 of the Social Security Act to require State inspection of public and private skilled nursing and intermediate care facilities at least once every 90 days and to require State enforcement of the rights of patients in such facilities. Referred to the Committee on Finance.

C. BILLS TO IMPROVE NURSING HOME INSPECTION, ENFORCEMENT, AND AUDITING PROCEDURES

Mr. MOSS. Mr. President, I introduce for appropriate reference a bill to require State inspection of public and private nursing homes at least once every 90 days. This bill originates with the distinguished Representative from the State of Rhode Island (Mr. BEARD). Prior to his election, Congressman BEARD was very instrumental in bringing about the reform of the Rhode Island inspection and enforcement procedures. He now offers the successful reforms from his State as a model to the Nation.

His bill does address a major finding of our report which is that inspections are infrequent. For example, the Lieutenant Governor of Wisconsin, Martin J. Schreiber, recently issued a report indicating that many nursing homes in his State go a full year or more without inspection. Moreover, of 12 States surveyed in Minnesota by HEW in their test for conformity with Federal standards, the last date of inspection could not be found in seven homes, and fire safety inspections in four homes were 1 to 4 years old.

This bill also includes a patient's bill of rights and requires its enforcement. Congressman WILLIAM S. COHEN of Maine, Senator CHARLES PERCY, and others have advanced this worthwhile idea. I have cosponsored Senator PERCY'S bill. As a result of all these efforts, HEW on October 3, 1974, issued a patients bill of rights in its regulations. Despite this action, I agree with Congressman BEARD that it is necessary to write the patient's bill of rights into law.

There is one more provision worthy of note in by version of this bill. My version would require the Secretary of Health, Education, and Welfare to reinstate the specific protections and factors inherent in the medicare regulations for skilled nursing facilities prior to January 17, 1974. Our report contains many pages of discussion of how HEW inexplicably weakened these standards when the intent of Congress was simply the opposite. In short, my bill would require the medicaid standards in existence prior to January 1974 to be reinstated with respect to skilled nursing facilities participating in both medicare and medicaid.

As our report notes, the existing regulations are so vague as to virtually defy enforcement. My bill would restore the missing specifics HEW eliminated last year in the name of "providing flexibility" or "removing some of the excess verbiage."

By Mr. MOSS (for himself and Mr. PERCY):

S. 1567. A bill to require that State plan under title 19 are ratified by both the State's legislative and executive branch before being presented to the Secretary for his approval; to require that such plans be posted and available to the public; to require the Secretary to annually review a State's compliance with such plan and to publish performance ratings for the States and creating a cause of action allowing title 19 recipients individually or as a class to bring suit against a State for specific performance when a State fails to comply with the provisions of its plan. Referred to the Committee on Finance.

ENFORCEMENT OF STATE PLANS

Mr. MOSS. Mr. President, I introduce for appropriate reference, a bill to insure that States live up to their agreement with the Federal Government as set forth in their State plans.

The Federal Government requires the States to submit to the Secretary a State plan detailing the services which they promise to provide to the needy aged, blind and disabled. Such a plan must be submitted and approved as a precondition of a State's participation in the title 19, medicaid program.

The State plan is essentially a contract in which the Federal Government agrees to pay from 50 to 83 percent of the cost of providing services to certain categories of people if—the State agrees to first, provide six essential services—hospital care, nursing home care, home health care, mental health, X-ray and lab, and physician's services, second, pay the remaining 17 to 50 percent of the cost depending on the size and average individual income in the State, and third, to spell out in detail what services are to be provided to which beneficiaries for how long.

The problem is that the public rarely knows about the existence of a State plan or of its provisions. This is true even though the State plan sets forth the benefits to which individual citizens in various States are entitled. Logically, therefore, it is impossible for the general public to know if the State plan is being followed, that is—are the promised services being delivered.

In these times of economic hardship, there is a tendency at both the State and Federal level to cut many programs. There is also a specific tendency on the part of HEW to overlook the fact that a State might not be living up to its State plan. The reason for this is that if States do not provide services, the matching Federal moneys—which ordinarily would have to be paid—are saved.

My bill makes several changes. Essentially, it upgraded the importance of the State plan. It would require that the plan be ratified by both the State's executive and legislative branch. It would require that this plan be posted and made available to the general public. The Secretary of Health, Education, and Welfare would be required annually to asses the degree of each State's compliance with and the administration of its State plan. The Secretary would also be required to publish performance ratings to indicate which States are living up to their agreement and which are not. If the Secretary finds after reasonable notice and opportunity for a hearing that the State agency administering the plan has changed the plan so it no longer complies with the requirements of the Medicaid Act, or that the State has failed to comply with any provisions of its plan, he is authorized to withhold funds for such State—or for specific expenditures under the State plan—until he is satisfied that corrections have been made.

But my bill makes one more change. It will allow title 19 recipients individually, or as a class, to bring suit for specific performance in any Federal district court against any State which substantially fails to comply with the provisions of its State plan. I believe the addition of this provision provides an important, new, and a direct remedy for individuals most affected by the actions of the State. I would point out further that my bill would specifically allow class actions in Federal district court without reference to the $10,000 jurisdictional amount. It is likely that such a suit would involve a significant Federal question and would, therefore, quickly be considered by the courts.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1568. A bill to require HEW to establish a rating system for nursing homes participating in Federal programs as a guide to consumers. Referred to the Committee on Finance.

RATING SYSTEMS FOR NURSING HOMES

Mr. MOSS. Mr. President, I introduce for appropriate reference a bill to require the Secretary of Health, Education, and Welfare to establish rating systems for nursing homes participating in Federal programs.

Our first supporting paper makes the point that nursing home care is a "blind item." Essentially this means that you never know from looking at the facility what kind of care you or a loved one will be receiving there. Unfortunately, there is little that consumers can do to aid themselves in selecting a good facility. Day after day my office gets calls asking us to recommend good homes in various parts of the Nation.

In some cases, consumers have been misled, taking a nursing home's certification for participation in medicare as a sort of "Good Housekeeping Seal of Approval". It is far from that, and it never was intended for that purpose. Despite this fact, many nursing homes use the phrase "approved by medicare" or a plethora of framed certificates in their foyer as evidence of the quality of care they provide. Some such honors and certificates, are of coure legitimate, but many are not.

The consumer needs some guidance in this area. I have felt for a long time that senior citizens clubs in each part of the United States should simply keep files on the various nursing homes. In a short period of time they would have their own referral service. Having encouraged this idea for many years, I regret that it has not taken root the way I hoped it would. I am now convinced that with the increasing role of Government in health in the future, that ratings for nursing homes should originate with the people best in a position to know the conditions of and the care given in various long-term-care facilities. These people are, of course, the State surveyors and the employees in HEW's Office of Nursing Home Affairs, Bureau of Standards Enforcement. But my bill does not tie the Secretary's hands. It simply says that he shall establish rating systems for nursing homes participating in Federal programs. I know that former Under Secretary Frank Carlucci and others in HEW have and continue to endorse this proposal.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1569. A bill to amend title 19 of the Social Security Act to require States to establish ombudsman programs to investigate nursing home complaints and represent consumer interests. Referred to the Committee on Finance.

STATE OMBUDSMAN PROGRAMS

Mr. MOSS. Mr. President, I introduce for appropriate reference a bill to require the States to establish ombudsman programs to investigate nursing home complaints as a precondition of their continuing to receive 100 percent Federal funding for the cost of making State inspections.

In June 1972, HEW funded several ombudsman units for purposes of investigating nursing home complaints. Nine of these projects are funded by HEW at the present time. Responsibility for them is vested in the Administration on Aging. These units were funded as experiments to learn if they would help improve the quality of nursing home care. The units were located in various agencies within State government and in one case completely independent of State government.

Our report recommends that every State institute an ombudsman program. It spells out that such programs can be very useful if first, they have some degree of independence from the State health department; second, they are permanent and; third, they have power to influence the State in its inspection and licensing procedures.

The State ombudsman programs have been a success. Drawing on this success, I have proposed that every State be required to institute such a program as a precondition of continuing to receive the 100-percent Federal funding of the cost of State inspections. My bill requires that State ombudsman programs be located within the State department of justice, or at least that they not be located in any State agency which has responsibility for health. Such a unit must have the cooperation of all other agencies of State government. Under my bill it would be empowered to, first, hold hearings; second, investigate nursing home complaints; third, enter a nursing home without prior notice; fourth, recommend disciplinary action against a home including license revocation; and, fifth, file an annual report to the Governor and the legislature with recommendations for action.

I am sure it is only a matter of time before this proposal is enacted. I believe that it is worthwhile and will quickly result in the improvement of the quality of nursing home care.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1570. A bill to amend the Social Security Act to provide for the establishment of an Inspector General for Health Administration. Referred to the Committee on Finance.

INSPECTOR GENERAL FOR HEALTH ADMINISTRATION

Mr. MOSS. Mr. President, I introduce for appropriate reference a bill to establish the Office of Inspector General for Health Administration in the Department of Health, Education, and Welfare.

I cannot claim that my bill to create this office is original. I believe it was first proposed by Senator WILLIAM ROTH from Delaware. In any event, I am convinced of the need for this office, particularly after conducting our recent series of hearings in New York City.

During those hearings we heard testimony concerning widescale fraud in efforts to maximize payments and reimbursement from the Federal and State government. We heard of "no show" employees being added to the nursing home's roster for purposes of claiming more money from the State. We learned of the widespread misuse of patients' accounts and personal expense funds in violation of the fiduciary duty a nursing home owes its patients. We heard of the use of identity-of-interest vendors for purposes of maximizing reimbursement. We discovered widespread evidence of kickbacks from such vendors and suppliers as a precondition of receiving a nursing home account.

Another area which is particularly subject to fraud is drugs and pharmaceuticals supplied to patients. The former welfare inspector general of the State of New York stated that, in his judgment, 30 percent of the drugs paid for by New York's medicaid program were either fraudulent or nonexistent. Our own studies indicate much the same thing. We learned of kickbacks in the form of cash, long-term credit arrangements, gifts of trading stamps, color television sets, cars, boats, and prepaid vacations. Over 60 percent of the 4,400 pharmacists in our study indicated that they first, had been approached for a kickback or second, had a positive belief that they were widespread.

Our report provides still other examples of charging families "under the cover payments" as a precondition of accepting a medicaid patient. In other cases families were billed extra charges over and beyond the medicaid payment. In other cases, patients have signed away their life savings or their home to a facility sometimes in return for a life care contract.

These and other abuses have been documented by the U.S. General Accounting Office. Their current investigation in the State of Illinois has produced many startling disclosures which are proper endorsements for the provisions of my bill.

The Inspector General created by my bill would not be under the supervision of any officer in the Department of Health, Education, and Welfare. He would essentially be a congressional "watchdog" located in that agency. He would conduct continuous evaluation and review of Government programs.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1571. A bill to amend title XVII and XIX of the Social Security Act making unlawful the offer or receipt of consideration for the referral of patients, clients, or customers. Referred to the Committee on Finance.

FEES FOR REFERRING MEDICARE OR MEDICAID PAYMENTS UNLAWFUL

Mr. MOSS. Mr. President, I introduce for appropriate reference a bill to make unlawful the acceptance of money or other consideration for the referral of medicare or medicaid patients.

This bill is aimed at stopping some fairly common abuses. The first relates to the hospital social worker or the Department of Mental Hygiene official responsible for discharging patients from the State hospital into nursing homes, boarding homes, and other community based facilities. It is a fairly common practice for these individuals to be offered money or other consideration for placing patients in a particular facility.

Testimony during our hearings indicated that the "going rate" for such referrals was $100 per head. While this is a shameful and unethical practice, it has been illegal in only a few States. My bill would make the practice illegal in every State.

But the bill addresses an even more nefarious practice which is loosely termed "the selling of patients". This is commonly practiced by nursing homes going out of business or in some cases when they want to reduce their quota of medicaid patients. The unwanted patients are "sold", that is to say, transferred to other facilities in return for certain consideration which can be anywhere from $100 to $1,000 and up. My bill would make this practice illegal and punishable by 1 year in jail, a $10,000 fine, or both.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1572. A bill to amend title 18 and 19 of the Social Security Act to require strict controls for the handling of patients' accounts, personal expense moneys and valuables. Referred to the Committee on Finance.

CONTROLS FOR PATIENTS' ACCOUNTS AND PERSONAL EXPENSE MONEYS

Mr. MOSS. Mr. President, I introduce for appropriate reference a bill to provide strict new controls for the handling of patients' funds.

One of the most common abuses we have encountered in our investigation is the misuse of patients' accounts or personal expense funds. I am referring primarily to the $25 a month—amounts vary in each State—given to medicaid patients by the States for their personal expenses. Supplementary Security Income is another source of such payments. While SSI cannot be received by patients in State institutions, it will pay $25 per eligible SSI beneficiary housed in a nursing home. The fund again, is to be used for personal expenses.

Such funds are supposedly held in trust for the patients, but all too often the money is not even maintained in a separate account by the administrator. There is a great temptation to use this money as operating capital.

A particular problem is created in the case of the frail elderly who do not have the health or strength to walk to the administrator's office to demand their personal expense money.

In some cases, the patients do not ever see the checks which the facility receives. Endorsement is an "X" made on the back of the check by an administrator or someone else in authority.

In some cases, the facilities have used this money to buy clothes and items which the residents need. But all too often this has not been the case.

The purpose of my bill is to provide very detailed controls for the handling of such moneys. It requires that full records and vouchers be kept. It requires that there be no comingling of such funds and that the money and other valuables of patients be returned to them when they are discharged or turned over to the person responsible for the patient in the event of the patient's death at the facility.

By Mr. MOSS:

S. 1573. A bill to make unlawful the solicitation or acceptance of any gift, money, or consideration over and above the rates established by the States and to make unlawful the solicitation or acceptance of any gift, money, or donation as a precondition of admitting a patient to a long-term care facility. Referred to the Committee on Finance.

REQUIRING FAMILIES TO MAKE A "DONATION" AS A PRECONDITION OF ACCEPTING MEDICAID PATIENTS IN NURSING HOMES MADE ILLEGAL

Mr. MOSS. Mr. President, I introduce for appropriate reference a bill to make illegal the practice of requiring families to supplement the care of medicaid patients.

Our studies indicate that one of the most common abuses presently practiced by some nursing homes is charging families a fee or requiring them to make a "donation as a precondition of their being accepted" in the facility. This happens whether the patient is a medicaid patient or even if he pays his own way.

In Jacksonville, Fla., one operator required the children of a patient to sign a contract conditionally accepting their mother as a patient provided they pay a $8,500 gift to the nursing home in addition to the $900 per month for her care. If the family decided against placing the mother in the facility, the contract called for them to forfeit $1,000 as a pledge to the nursing home.

In other cases operators have required families to pay them money to take their parent in as a medicaid patient. Sometimes these "under-the-table payments" continue in supplementation of the amount paid by the State through medicaid. Nursing home operators rationalize that medicaid rates set by the State are too low.

Sometimes they tell the families that "you only get what you pay for"—implying that medicaid patients receive only minimal care. Indeed, testimony before our subcommittee indicated that there are three classes of care in some homes: Private paying customer, medicare patients, and medicaid patients. Reportedly, there were three types of meals and three kinds of care with medicaid patients receiving very poor meals or services.

The purpose of this bill is to end this unwholesome practice. It would require that anyone who charges, solicits, accepts, or receives any money, gift, or consideration over and above the rates established by the States or charges, solicits, accepts, or receives any gift, money, donation, or consideration as a precondition of admitting a patient to a long-term care facility shall be guilty of a misdemeanor punishable by a $10,000 fine, a year in jail, or both.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1574. A bill to amend title 19 of the Social Security Act to make certain requirements with respect to long-term care facility personnel compensated with Federal funds who are responsible for determining whether such institutions comply with health and safety standards required under such act. Referred to the Committee on Finance.

MINIMUM QUALIFICATIONS FOR SURVEYORS

Mr. MOSS. Mr. President, I introduce for appropriate reference a bill to require minimum qualifications for surveyors who inspect nursing homes participating in Federal programs.

Through the years, my subcommittee has received numerous complaints about the uneven quality of State inspections and the varying qualifications of State inspectors. HEW has recently recognized the importance of providing State inspectors with minimum training. This training helps the State surveyors who also do the inspections for medicare and medicaid to become familiar with Federal standards. This means that there is more uniform and even enforcement of the Federal standards throughout the United States.

However, this training program has been on a small scale, and it is only 4 weeks long. I would add that more often than not this 4-week basic surveyors course is the only formal training received by the surveyors.

My subcommittee recently completed a study of the qualifications and training of State inspectors in 10 States: Maryland, Georgia, Michigan, Indiana, New Mexico, Texas, Iowa, Missouri, California, and Washington. We learned that 34 percent of the 400 inspectors had no formal training and 55 percent had completed only the basic, 4-week course. Only 12 percent had completed an advanced course of any kind. With respect to experience, 24 percent had served less than 1 year; 34 percent 1 to 3 years; and 43 percent served over 3 years.

These results along with some of the complaints that we have received provide ample justification for my bill which would require that inspectors complete minimum training courses established by the Secretary and have additional qualifications as established by the Secretary.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1575. A bill to amend the Social Security Act to require that payment forms submitted from nursing homes contain warnings with regard to penalties imposed under sections 1877 and 1909. Referred to the Committee on Finance.

LISTING PENALTIES ON PAYMENT FORMS

Mr. MOSS. Mr. President, I introduce for appropriate reference a bill to require that payment forms submitted by nursing homes contain warnings with respect to the penalties imposed under sections 1877 and 1909 of the Social Security Act. The intent and purpose of this bill is obvious. I believe that placing these warnings on the payment forms may well serve to deter many providers from making misrepresentations or otherwise attempting to overcharge or defraud the Government.

By Mr. MOSS:

S. 1576. A bill to continue 100 percent Federal financing of the State costs in inspecting nursing homes and to assist the States new enforcement tools such as a citation system and protective custodianship and other alternatives to license revocation. Referred to the Committee on Finance.

REQUIRING NEW ENFORCEMENT TOOLS AS AN ALTERNATIVE TO LICENSE REVOCATION

Mr. MOSS. Mr. President, I introduce for appropriate reference a bill to continue the present 100 percent Federal funding of the cost of State inspections and allow such moneys to be used for the development of new enforcement tools.

This bill addresses one of the primary problems with the inspection and enforcement system. Many States are reluctant to enforce standards against nursing homes because they have only one weapon: license revocation. Revocation is, in many ways, an impractical tool. This is true because the courts have consistently viewed a nursing home license as a property right. Consequently, the license cannot be revoked without giving the provider the full protections of the due process clause of the Constitution. This is as it should be. However, there should also be some intermediate steps which the States can take prior to instituting lengthy proceedings to close a home.

Some States such as Wisconsin, Minnesota, and California have attempted to provide such new disciplinary options. New options may include prohibiting the placement of further medicaid patients in the facility, authority to transfer medicaid patients presently in the facility, a system of fines and penalties, a citation system, and measures for self-inspection and evaluation. These new disciplinary measures all underscore the premise that closing a nursing home should be an action of last resort; it should be pursued only after all reasonable efforts to bring a home into compliance have been exhausted.

One term needs further development and that is the term "protective custodianship." Essentially, this term incorporates the lessons of bankruptcy law where the appointment of a receiver is a common practice to help a corporation out of its financial troubles. These and other techniques should be used by the States as an alternative to revocation. My bill would help the States to establish such new techniques.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1577. A bill to provide 100 percent Federal funding of financial audits of facilities participating in medicare and medicaid conducted by State personnel. Referred to the Committee on Finance.

ONE HUNDRED PERCENT FEDERAL FUNDING FOR AUDITS CONDUCTED BY THE STATES

Mr. MOSS. Mr. President, I introduce for appropriate reference a bill to provide 100 percent funding of the cost of audits of nursing homes conducted by the States. This bill is another result of our hearings and reports. The evidence we received indicated that audits were few and far between. Maryland audited only two facilities in its medicaid program during an entire 3-year program. The State of New York had, until recently, only 16 auditors for all its health care facilities. Some States have no auditors who look at nursing home financial statements.

Public Law 92–603 required all the States to have "cost-related" reimbursement by July 1976, and it is likely that most States will comply. As the General Accounting Office noted, audits are particularly important in States with cost-related formulas for paying nursing homes. My bill would help the State hire additional auditors and pay for the auditing of the costs and financial statements of nursing homes participating in Federal programs.

Our recent hearings in New York suggest to us that this proposal is very urgent. Unless it is enacted soon, other States may face the prospect of nursing homes whose books do not balance, with unexplained lapses and millions of dollars missing.

By Mr. MOSS:

S. 1578. A bill to amend the Social Security Act to provide for a system of inspections of State inspection and enforcement mechanisms with regard to facilities receiving payments under titles XVIII and XIX. Referred to the Committee on Finance.

A CADRE OF FEDERAL INSPECTORS

Mr. MOSS. Mr. President, I introduce for appropriate reference a bill to create a cadre of Federal inspectors to test the quality of State inspection.

Our recent report emphasized that one of the central reasons why the inspection and enforcement system does not work is the exclusive reliance on State inspection. Under Secretary John Veneman told my subcommittee that exclusive reliance upon the States had led to "widespread nonenforcement of standards."

Our report, therefore, recommends that HEW take a more aggressive role in the enforcement of standards instead of relying exclusively on the States to do the job. At the same time, the report does not recommend nor do I advocate exclusive Federal control.

I believe this authority should continue to rest with the States and that the States should have the primary responsibility for the inspection and enforcement of nursing home standards. However, it is evident to me that a cadre of 50 Federal inspectors is necessary in order to make spot checks and test the quality of State inspection. This is precisely what my bill is designed to accomplish. Since the Federal Government pays almost 50 percent of the Nation's nursing home bill, I believe we are entitled to know first hand the degree of State compliance with its State plan and the degree to which Federal standards are being enforced.

I hope this bill can be enacted in the near future.

By Mr. MOSS:

S. 1579. A bill to authorize medicare or medicaid patients individually or as a class to bring suit for specific performance in Federal district court against a long-term care facility which is in violation of its provider agreement. Referred to the Committee on Finance.

ALLOWING PATIENTS TO BRING SUIT AGAINST A NURSING HOME

Mr. MOSS. Mr. President, I introduce for appropriate reference a bill to allow nursing home patients to bring suit against nursing home operators for specific performance of their provider agreements.

A provider agreement is, in essence, a contract between the facility and the State, and through the State, to the Federal Government. The facility agrees that it will provide services and comply with standards. The Government agrees to pay for such services but only if the required standards and conditions are met.

At the present time, HEW and the States may terminate a provider from participating in Federal medicare and medicaid programs because the nursing home failed to live up to the terms of its provider agreement. In practice this procedure has been rarely invoked by HEW. There are many who argue that it is an effective enforcement tool and that it should be used more often.

I believe that this approach can be even more effective if it is put into the hands of the private consumer. Accordingly, my bill will allow any medicare or medicaid beneficiary to bring a suit for specific performance in any Federal district court against any facility in breach of its provider agreement. Such suits may be brought without regard to the $10,000 jurisdictional amount and may be brought in the name of an individual or in the name of a class of beneficiaries. I believe the enactment of this proposal would bring a new dimension of standards enforcement with respect to nursing homes: the element of direct patient accountability. I believe this is most desirable and I urge the proposal's enactment.

By Mr. MOSS:

S. 1580. A bill to authorize the States to incorporate financial incentives for good care within the context of their cost-related reimbursement formulas effective July 1, 1976. Referred to the Committee on Finance.

D. BILLS INTENDED TO PROVIDE ACCOUNTABILITY AND FINANCIAL INCENTIVES IN FAVOR OF GOOD CARE IN NURSING HOME REIMBURSEMENT

INCENTIVES FOR GOOD CARE

Mr. MOSS. Mr. President, I introduce for appropriate reference a bill to allow the States to provide financial incentives in favor of good care as a component in their cost-related reimbursement formulas.

I believe that this is an important bill because it emphasizes the fact that very few of the existing reimbursement formulas for nursing homes contain any relationship between the dollars paid by the State and the quality of care. I believe that as long as we rely upon for-profit nursing homes, we should make an effort to line up the financial incentives so that the emphasis is toward good care.

In short this means the better the nursing home and the better the care, the higher the rate of reimbursement. I know that Dr. Paul Denson of Harvard University has been working on an incentive reimbursement formula at the request of HEW. Connecticut has a formula which provides some incentive for good care. I hope that upon the enactment of my bill, HEW and the States will develop and apply formulas which encourage good care. One has only to open the pages of our recent reports to know that the opposite is true at the present time.

By Mr. MOSS:

S. 1581. A bill to amend the Social Security Act to improve the survey and certification process, rate-setting and fiscal audit methods, and general regulation of nursing homes and intermediate care facilities under the medicaid program, and to provide for medical, psychological, and social assessment of long-term care patients under both the medicare and medicaid programs. Referred to the Committee on Finance.

PRUDENT BUYER CONCEPT ADDED TO COST-RELATED REIMBURSEMENT FORMULA, INCREASED FEDERAL RESPONSIBILITY FOR INSPECTION AND ENFORCEMENT

Mr. MOSS. Mr. President, I introduce for appropriate reference a bill to require audited prospective cost-related reimbursement for nursing homes, pegged to what a prudent buyer would spend for such services, and for other purposes. This bill originates with my good friend, the distinguished Congressman from New York, Mr. KOCH. More specifically this bill provides the following:

First. It increases Federal responsibility for the certification of skilled nursing facilities under the medicaid program. It does this by making the two programs consistent. In the present system the States survey facilities under both programs using a unified set of regulations. However, under medicaid, the State, on its own, certifies a nursing home as eligible to participate in the medicaid program. Under medicare, the State makes the initial determination but the final certification is done by HEW. This bill would require that the States would inspect and recommend certification, but that actual certification would come from HEW under both programs;

Second. It clarifies conditions under which State health departments may terminate reimbursement to facilities in violation of standards or their provider agreement;

Third. It allows the States to use existing medical reviews for the purposes of assessing the number of individuals in nursing homes who are misplaced and possibly receiving services in excess of their needs, and to determine the total reimbursement made for services found to be inadequate and unnecessary and requires a full refund of such excessive payments;

Fourth. It requires nursing homes participating in Federal programs to post a bond "adequate as to anticipate any and all claims for overpayment to such facility which are likely to arise;"

Fifth. It requires that nursing homes be reimbursed through prospective cost-based formulas in which audited costs for providing care are updated; provided, however, that costs allowed do not exceed what a prudent buyer would pay for the same goods and services;

Sixth. It requires the disclosure of the owner of land and buildings in which and on which the nursing home is housed; the names of all persons affiliated in any way; and requires that providers provide full information on any change in ownership of such facilities or corporations;

Seventh. It requires the disclosure of the names, addresses, and the extent of interest any nursing homeowner may have in businesses—including corporations—providing goods and/or services to any nursing home in the United States;

Eighth. It limits reimbursements to nursing home suppliers. When goods and services are provided to a nursing home in which there is a 10 percent or more identity of interest—the same parties own both entities—the operator of the nursing home shall be allowed only the actual cost of such goods and services to such vendor with no allowance for profit or other consideration;

Ninth. It allows the Secretary to require item by item identification of the components in a nursing home's proposed budget when there is evidence the facility provided unnecessary, over costly, or inadequate care; and

Tenth. It broadens the scope of medicare's and medicaid's nursing home services, requiring the medical, psychological and social assessment of the needs of patients.

I believe this is an excellent bill. It takes dead aim at some of the abuses we discovered in New York. I am thinking in particular about the use of identity of interest vendors for purposes of inflating reimbursement received from medicaid. The incorporation of the "prudent buyer" concept will do much to keep allowable costs within reasonable limits. Its provisions for requiring operators to identify their costs on an item by item basis will help prevent padding. The requirement that facilities post a bond will aid the recoupment of overpayments and moneys owned by the facility to the State.

Congressman KOCH is to be complimented for bringing this bill forward for hearings, discussion and debate. I hope its valuable provisions can be enacted at an early date.

By Mr. MOSS:

S. 1582. A bill to amend title VI of the Public Health Service Act to provide for the making of direct loans for the construction and rehabilitation of nursing homes owned and operated by churches and other nonprofit organizations. Referred to the Committee on Labor and Public Welfare.

E. BILLS TO HELP NURSING HOME UPGRADE

LOAN FOR CONSTRUCTION AND REMODELING OF NONPROFIT HOMES

Mr. MOSS. Mr. President, I introduce for appropriate reference a bill to aid in the construction and rehabilitation of nursing homes owned by churches or other nonprofit agencies.

There is an acute need for nursing home beds in many parts of the United States. Many nonprofit organizations and church groups would like to be able to provide such facilities but lack the funds to do so. Since such facilities are often among the best the United States has to offer, I am introducing this bill to help them construct new facilities and to repair old ones.

The bill provides long-term loans up to 100 percent of project cost directly from the Government. The sponsor will pay 4 percent interest or the Government's rate for borrowing money whichever is lower.

I anticipate the early passage of this bill.

By Mr. MOSS:

S. 1583. A bill to authorize the Secretary of HEW to provide grants, for the planning, development, construction, and rehabilitation of nursing homes in black and minority communities. Referred to the Committee on Labor and Public Welfare.

GRANTS TO NURSING HOMES IN MINORITY AREAS

Mr. MOSS. Mr. President, I introduce for appropriate reference a bill to authorize grants for the planning, construction, development, and rehabilitation of nursing homes in black and minority communities.

This bill is an effort to help provide some nursing homes in black and minority communities. Our hearings indicate that such facilities are urgently needed. They established that there are comparatively few members of minority groups in nursing homes—4 percent of the 1 million patients in U.S. nursing homes—for many reasons, but perhaps most important, because of the shortage of facilities near their homes.

All too often the existing facilities which serve minority groups are surviving on a shoestring. More often than not they are in violation of various structural standards because they defer such expenses in favor of continuing to provide good quality patient care. Nevertheless, such structural deficiencies are often used to force minority owned homes out of existence. There is a singular lack of any Government programs to help these nursing homes to upgrade.

My bill attempts to close this gap. It will provide grants from the Department of Health, Education, and Welfare for planning and development as well as for the construction of new facilities and the rehabilitation of old ones. Anyone who has studied long-term care for any length of time will readily understand the importance of this bill. I urge its enactment.

By Mr. MOSS:

S. 1584. A bill to authorize interest subsidy payments to assist nursing homes in repair and renovation in order to comply with Federal standards. Referred to the Committee on Banking, Housing and Urban Affairs.

EMERGENCY ASSISTANCE FOR NURSING HOMES

Mr. MOSS. Mr. President, I introduce for appropriate reference the Emergency Nursing Home Assistance Act of 1975.

This bill is offered in recognition that new Federal standards have made it very difficult for some facilities to continue to qualify for and participate in Government programs. I am thinking particularly about the provisions of the Life Safety Code as enforced by the States and HEW.

My bill will allow the Secretary of Housing and Urban Development to subsidize the interest on loans for the repair and renovation of nursing homes. As in other programs of this type the Secretary may subsidize interest down to 1 percent on the loan. In other words, the sponsor may pay only principal and 1 percent interest on his loan as the Secretary establishes.

I would emphasize that these generous loans are available only to certain nursing homes. The Secretary of HEW will have to certify that the facility applying for a loan is more than substantially in compliance with all other State and Federal standards except for those physical and other deficiencies which the sponsor seeks to correct through the loan.

There are many fine nursing homes in the United States who could readily meet this test and it is my intention to help them to continue to participate in Government programs.

By Mr. MOSS:

S. 1585. A bill to amend title VII of the Public Health Service Act to provide for the making of grants to appropriate colleges and universities to assist them in establishing graduate programs for nurses in geriatrics and gerontology. Referred to the Committee on Labor and Public Welfare.

F. BILLS TO PROVIDE TRAINING IN GERIATRICS AND THE NEEDS OF NURSING HOME PATIENTS FOR PHYSICIANS, NURSES, AIDES AND ORDERLIES

PROGRAMS IN GERIATRICS AND GERONTOLOGY FOR NURSES

Mr. MOSS. On April 24, 1975, our subcommittee released its Supporting Paper No. 4, "Nurses in Nursing Homes: The Heavy Burden (The Reliance on Untrained and Unlicensed Personnel)". As part of that paper, we included an excellent report submitted to the subcommittee by the American Nurses' Association. Their report was entitled "Nursing and Long-Term Care: Toward Quality Care for the Aging," and it included as a recommendation that preparation in gerontological nursing be made available on a larger scale than is available today. This bill is intended to implement that recommendation. Attracting good nurses to nursing homes and keeping them there is difficult. With more emphasis on the aging in schools of nursing and elsewhere, it is hoped that more nurses will enter this special field.

By Mr. MOSS (for himself and Mr. PERCY):

S.J. Res. 75. A joint resolution to provide that it be the sense of Congress that a White House Conference on Long-Term Care be called by the President of the United States in 1976, to be planned and conducted by the Secretary of Health, Education, and Welfare. Referred to the Committee on Labor and Public Welfare.

G. MISCELLANEOUS

1976 WHITE HOUSE CONFERENCE ON LONG-TERM CARE

Mr. MOSS. We are soon reaching the halfway point between the last White House Conference on Aging in 1971 and the next one. Many valuable pieces of legislation have been put into effect as a direct result of the recommendations of the 1971 Conference which served as a focal point for all the important directions and needs of older persons. The intense publicity and interest today in the problems facing the infirm elderly warrants such a conference. Nursing home problems and alternatives to institutionalization have become one of the major issues facing older Americans. The recent exposure of the issues involved in nursing home care and home health care have brought the needs of the infirm elderly out into the open.

The United States clearly needs a comprehensive policy on long-term care for its elderly citizens, and I feel that a White House conference on this subject would make possible the development of this policy.

By Mr. MOSS (for himself and Mr. PERCY):

S. 1586. A bill to amend the National Labor Relations Act to make it an unfair labor practice to discharge an employee because he testifies before any committee of the Congress, and for other purposes. Referred to the Committee on Labor and Public Welfare.

PROTECTION TO EMPLOYEES WHO TESTIFY

Mr. MOSS. Among the most valuable testimony received by our subcommittee in its investigation of nursing home abuses has been the courageous description of mistreatment provided by nurses, aides, orderlies, and other employees of long-term care facilities.

Unfortunately, for some of these witnesses, they have found themselves discharged from employment as a result of their cooperation with our committee.

In an effort to give these employees more protection, and, hopefully, to encourage more to come forward, this bill would make it an unfair labor practice for a home to fire an employee for testifying before any congressional committee.

Mr. President I ask unanimous consent that the text of the bills be printed, following my remarks.

There being no objection, the bills and joint resolution were ordered to be printed in the Record, as follows:

S. 1552

A bill to amend title XVIII of the Social Security Act to authorize the provision of intermediate care services under medicare and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) (1) section 1812(a) (2) of the Social Security Act is amended by striking out "post-hospital extended care service" and inserting in lieu thereof "intermediate care services or extended care services".

(2) Section 1812(b) (2) of such Act is amended by striking out "post-hospital extended care services" and inserting in lieu thereof "intermediate care services or extended care services".

(3) Section 1812(e) of such Act is amended by striking out "post-hospital extended care services" and inserting in lieu thereof "intermediate care services, extended care services".

(b) Section 1813(a) (3) of such Act is amended by striking out "post-hospital extended care services" and inserting in lieu thereof "intermediate care services or extended care services".

(c) (1) (A) Section 1814(a) (2) (C) of such Act is amended to read as follows:

"(C) in the case of extended care services such services are or were required to be given because the individual needs or needed on a daily basis skilled nursing care (provided directly by or requiring the supervision of skilled nursing personnel) or other skilled rehabilitation services, which as a practical matter can only be provided in a skilled nursing facility on an inpatient basis, for a particular health conditions including any condition with respect to which he was receiving inpatient hospital services (or services which would constitute inpatient hospital services if the institution met the requirements of paragraphs (6) and (9) of section 1861(e)) prior to transfer to the skilled nursing facility or for a condition requiring such extended care services which arose after such transfer and while he was still in the facility for treatment of the condition or conditions for which he was receiving such inpatient hospital services;".

(B) Section 1814(a) (2) of such Act is further amended—

(i) by striking out "or" at the end of subparagraph (D);

(ii) by inserting "or" at the end of subparagraph (E); and

(iii) by adding after subparagraph (E) the following new subparagraph:

"(F) in the case of intermediate care services, such services are or were required because of the health condition of the individual;".

(2) Section 1814(a) (6) of such Act is amended—

(A) by striking out "post-hospital extended care services" and inserting in lieu thereof "intermediate care services or extended care services"; and

(B) by striking out "hospital or skilled nursing facility" and inserting in lieu thereof "hospital, intermediate care facility, or skilled nursing facility".

(3) Section 1814(a) (7) of such Act is amended—

(A) by striking out wherever they appear, the words "services or post-hospital" and "services or further post-hospital" and inserting in lieu thereof, the words "services, intermediate care services, or" and "services, further intermediate care services, or further", respectively; and

(B) by striking out "hospital or skilled nursing facility" and inserting in lieu thereof "hospital, intermediate care facility, or skilled nursing facility".

(d) (1) Section 1814(h) of such Act is amended by striking out "Posthospital" in the caption of such subsection.

(2) Section 1814(h) (1) of such Act is amended by striking out "post-hospital extended care services" and inserting in lieu thereof "intermediate care services or extended care services".

(e) Section 1816(a) (1) of such Act is amended by inserting "intermediate care facilities," after "extended care facilities,".

Sec. 2. Section 1861 of the Social Security

Act is amended by adding at the end thereof the following new subsections:

"Intermediate Care Facility

"(aa) The term 'intermediate care facility' means (except for the purposes of subsection (a) (2)) an institution (or a distinct part of a hospital or skilled nursing facility) which has in effect a transfer agreement (meeting the requirements of subsection (l) with one or more hospitals having agreements under section 1866 and which—

"(1) provides, on a regular basis, health-related care and services to individuals who do not require the degree of care and treatment which a hospital or skilled nursing facility is designed to provide, but who because of their mental or physical condition require care and services (above the level of room and board) which can be made available to them only through institutional facilities;

"(2) meets such standards prescribed by the Secretary as he finds appropriate for the proper provision of the care and services described in paragraph (1);

"(3) has in effect a utilization review plan which meets the requirements of subsection (k);

"(4) in the case of an institution in any State in which State or applicable local law provides for the licensing of institutions of this nature, (A) is licensed pursuant to such law, or (B) is approved, by the agency of such State or locality responsible for licensing institutions of this nature, as meeting the standards established for such licensing;

"(5) has in effect an overall plan and budget that meets the requirements of subsection (z);

"(6) supplies full and complete information to the Secretary or his delegate as to the identity (A) of each person who has any direct or indirect ownership interest of 10 per centum or more in such intermediate care facility or who is the owner (in whole or in part) of any mortgage, deed, of trust, note, or other obligation secured (in whole or in part) by such intermediate care facility or any of the property or assets of such intermediate care facility, (B) in case an intermediate care facility is organized as a corporation, of each officer and director of the corporation, and (C) in case an intermediate care facility is organized as a partnership, of each partner; and promptly reports any changes which would affect the current accuracy of the information so required to be supplied;

"(7) cooperates in an effective program which provides for a regular program of independent medical evaluation and audit of the patients in the facility to the extent required by the programs in which the facility participates (including medical evaluation of such patient's need for intermediate care services;

"(8) meets such provisions of the Life Safety Code of the National Fire Protection Association (twenty-first edition, 1967) as are applicable to intermediate care facilities; except that the Secretary may waive, for such periods as he deems appropriate, specific provisions of such Code which if rigidly applied would result in unreasonable hardship upon an intermediate care facility, but only if such waiver will not adversely affect the health and safety of the patients; except that the provisions of such Code shall not apply in any State if the Secretary finds that in such State there is in effect a fire and safety code, imposed by State law, which adequately protects patients in intermediate care facilities; and

"(9) meets such other conditions relating to the health and safety of individuals who are furnished services in such institution or relating to the physical facilities thereof as the Secretary may find necessary (subject to the second sentence of section 1863),

except that the Secretary shall not require as a condition of participation that medical social services be furnished in any such institution; and except that such term shall not (other than for purposes of subsection (a) (2)) include any institution which is primarily for the care and treatment of mental diseases or tuberculosis. For purposes of subsection (a) (2), such term includes any institution which meets the requirements of paragraph (1) of this subsection. The term 'intermediate care facility' also includes an institution described in paragraph (1) of subsection (y), to the extent and subject to the limitations provided in such subsection. Notwithstanding any other provision of law, all information concerning intermediate care facilities required by this subsection to be filed with the Secretary shall be made available to Federal or State employees for purposes consistent with the effective administration of programs established under titles XVIII and XIX of this Act.

"Intermediate Care Services

"(bb) The term 'intermediate care services' means services provided an individual in an intermediate care facility after admission to such facility."

SEC. 3. (a) The following sections of the Social Security Act are amended—

(1) by striking out the phrase "hospital or skilled nursing facility" or "hospitals and skilled nursing facilities" each time either such phrase appears therein and inserting in lieu thereof "hospital, skilled nursing facility, or intermediate care facility" or "hospitals, skilled nursing facilities or intermediate care facilities," respectively; and

(2) by inserting "or intermediate care facility", or "or intermediate care facilities" after the phrase "skilled nursing facility" or "skilled nursing facilities", respectively, wherever either such phrase appears therein (except where either such phrase is part of the phrase "hospital, skilled nursing facility, or intermediate care facility" or "hospitals, skilled nursing facilities, or intermediate care facilities"):

(A) section 1861(k);
(B) section 1861(k);
(C) section 1861(l);
(D) section 1861(m) (7);
(E) sections 1861(y) (2) and (3);
(F) section 1861(z);
(G) the last sentences of section 1866 (a) (1), section 1866(b), section 1866(c) (2), and section 1866(d); and
(H) section 1876(i) (3).

(b) (1) Section 1861(a) (1) of such Act is amended by striking out "services, or extended care services" and inserting in lieu thereof "services, intermediate care services, or extended care services".

(2) Section 1861(a) (2) of such Act is amended by striking out "neither an inpatient of a hospital nor an inpatient of a skilled nursing facility" and inserting in lieu thereof "not an inpatient of a hospital, a skilled nursing facility, or an intermediate care facility".

(c) Section 1861(i) of such Act is repealed.

(d) Section 1861(k) (3) of such Act is amended by striking out "services or extended care services" and inserting in lieu thereof "services, intermediate care services, or extended care services".

(e) Section 1861(n) of such Act is amended—

(1) by inserting "or intermediate care facility" after "skilled nursing facility" the first time such term appears therein; and

(2) by striking out all after "part A" and inserting in lieu thereof "intermediate care services or extended care services.".

(f) Section 1861(u) of such Act is amended by inserting "intermediate care facility," after "skilled nursing facility,".

(g) Section 1861(v) of such Act is amended—

(1) by inserting in paragraph (1) (B) of such subsection "on intermediate care services" after "extended care services";

(2) by inserting in paragraph (1) (E) of such subsection (i) "and intermediate care facilities" after "in the case of skilled nursing facilities", (ii) "and intermediate care facility services" after "the cost of skilled nursing facility services", and (iii) "or intermediate care facility" after "to any skilled nursing facility";

(3) by striking out in paragraphs (2) (A) and (3) of such subsection "or post-hospital" and inserting in lieu thereof ", intermediate care services, or"; and

(4) by striking out in paragraph (3) of such subsection "hospital or skilled nursing facility" and inserting in lieu thereof "hospital, skilled nursing facility, or intermediate care facility".

(h) Section 1861(w) of such Act is amended by inserting "intermediate care facility," after "skilled nursing facility,".

(i) (1) The caption of section 1861(y) of such Act is amended to read as follows: "Extended Care and Intermediate Care in Christian Science Skilled Nursing Facilities and Intermediate Care Facilities".

(2) Section 1861(y) (1) is amended by striking out "The term 'skilled nursing facility'" and inserting in lieu thereof "The terms 'skilled nursing facility' and 'extended care facility'".

(3) Section 1861(y) (2) of such Act is amended by inserting "intermediate care services or" after "treated as".

(4) Sections 1861(y) (3) and (4) of such Act are amended by striking out "post-hospital extended care services" wherever such term appears in each such section and inserting in lieu thereof "intermediate care services or extended care services".

(j) Section 1864(a) of such Act is amended—

(1) by striking out "hospital or skilled nursing facility" and inserting in lieu thereof "hospital, skilled nursing facility, or intermediate care facility";

(2) by inserting "intermediate care facility," after "hospital, skilled nursing facility,"; and

(3) by inserting "or intermediate care facility" after "skilled nursing facility".

(k) Section 1866 of such Act is further amended by striking out in subsections (b) (3) and (d) "post-hospital extended care services" and inserting in lieu thereof "intermediate care services, or extended care services".

(l) Section 1877(c) of such Act is amended by inserting "intermediate care facility," after "skilled nursing facility,".

SEC. 4. The amendments and repeal made by this Act shall be effective for months beginning after June 30, 1975, and shall apply to spells of illness beginning after June 30, 1975.

SEC. 5. There are hereby authorized to be appropriated from general revenues of the Government to the Federal Hospital Insurance Trust Fund and to the Federal Supplementary Medical Insurance Trust Fund for each fiscal year, beginning with the fiscal year ending June 30, 1974, such amounts as may be necessary to reimburse such trust funds for 100 per centum of the expenditures required to be made from such trust funds in each such fiscal year to carry out the amendments made by this Act.

S. 1553

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That (a) section 213 of the Internal Revenue Code of 1954 (relating to deduction for medical, dental, and so forth, expenses) is amended by inserting immediately after subsection (b) the following new subsection:

"(c) Special Rule for Certain Nursing Home Expenses.—Amounts paid during the taxable year by the taxpayer for nursing home expenses for an individual who would be a dependent of such taxpayer, as defined in section 152, but for the support requirement in section 152(a) and which would otherwise be taken into account in computing the deduction under subsection (a) shall be taken into account under such subsection."

(b) The amendment made by this Act applies with respect to nursing home expenses paid by the taxpayer after December 31, 1975.

S. 1554

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1814 of the Social Security Act is amended by adding at the end thereof the following new section:

"(j) The Secretary shall develop and put into effect by January 1, 1977, an alternative reimbursement formula which will help hospitals participating in title 18 with less than 100 beds and less than 60 percent average occupancy located in areas where there is a demonstrated shortage of nursing home beds to provide long-term care without applying proportional allocation of overhead costs to all patients in such facilities. In developing such formulas the Secretary shall take into consideration the experience and data developed in the Utah Cost Improvement project approved by the Commissioner of Social Security on December 8, 1972."

S. 1555

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 1611(e)(1)(A) of the Social Security Act is amended by inserting at the end thereof the following:

"Except that nothing in this section shall prohibit benefits from being paid to residents, including the mentally retarded and mentally incompetent, in non-medical shelter care facilities if the States certify that the residents placed in such facilities are ambulatory, needing only minimum supervision, and that the amount of State supplementation is not less than $100 per resident per month. Provided further that such facilities (i) meet all the conditions of State licensure; (ii) provide sufficient numbers of personal care, laundry, dietary and maintenance staff to care for the needs of the residents including an administrator who assumes overall responsibility for the operation of the facility; (iii) conform to the residential occupancy provisions of the Life Safety Code (23d edition 1973) and such additional standards as the Secretary shall prescribe; (iv) provides restorative and habilitative programs designed to promote physical and mental well-being which are evaluated at least annually and sufficient numbers of personnel to carry out such programs; and (v) require that only licensed personnel or those completing special courses of instruction established by the States shall distribute medication."

S. 1556

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 1844(j)(4) of the Social Security Act is amended by striking everything after the comma and inserting the following:

"who visits such patients not less than once every 30 days, and (B) provides for having a physician available to furnish necessary medical care in case of emergency;"

S. 1557

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1844(j)(6) of the Social Security Act is amended by striking the semicolon and adding the following:

"24 hours per day, 7 days per week;"

Sec. 2. The provisions of this act shall become effective on January 1, 1978.

S. 1558

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1844(j)(7) of the Social Security Act is amended by striking the semicolon and adding the following:

"*Provided, however,* That only registered professional nurses or licensed practical nurses shall be used for such purposes;"

S. 1559

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1861(j) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (9);

(2) by inserting "and" after the semicolon at the end of paragraph (10); and

(3) by adding after paragraph (10) the following new paragraph:

"(11) in the case of an institution which is primarily engaged in providing skilled nursing care and related services, has a medical director (as defined in section 1861(z)(1);".

(b) Section 1861 of such Act is further amended by adding at the end thereof the following new subsection:

"Medical Director; Nurse Practitioner

"(z)(1) The term 'medical director' means a physician (as defined in subsection (r)(1)) who (by contract or other arrangement with a skilled nursing home) assumes responsibility for the medical care provided by such home; who is on call in emergencies and (A) spends a minimum of 10 hours per week in such nursing home or (B) has working with him a nurse practitioner trained in geriatrics who spends at least 20 hours per week in such home: *Provided, however,* That the physician spends at least 2 hours per week in such facility.

"(2) the term 'nurse practitioner' means a registered professional nurse who is licensed as such under State law and who has completed a program of study becoming competent to provide primary health care. The duties such individual may perform include but are not limited to the following:

"(A) obtaining a health history,

"(B) assessing health-illness status,

"(C) entering an individual into the health care system,

"(D) sustaining and supporting individuals who are impaired, infirm, ill, and undergoing programs of diagnosis and therapy,

"(E) managing a medical care regimen for acute and chronically ill patients within established standing orders,

"(F) assisting individuals in regaining their health,

"(G) teaching and counseling individuals about health and illness,

"(H) counseling and supporting individuals with respect to the aging and dying processes, and

"(I) supervising nursing assistants."

(b) Section 1902(a) of such Act is amended—

(1) by striking out "and" at the end of paragraph (28)(E); and

(2) by inserting after the semicolon at the end of paragraph (28)(F), "and" and the following new subparagraph:

"(C) has a medical director (as defined in section 1861(z)(1));".

(c) The amendments made by subsections (a) and (b) shall become effective on January 1, 1978.

S. 1560

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 1844(j)(6) of the Social Security Act is amended by striking the entire subsection (6) and inserting in lieu thereof the following:

"(6) provides 24-hour nursing service which is sufficient to meet nursing needs in accordance with the policies developed as provided in paragraph (2), provided that each patient receives no less than 2.25 hours of nursing time per day, has at least one registered professional nurse employed full time and meets such ratios as the Secretary may prescribe with respect to numbers of supervisory nurses to total nurses and staff;"

S. 1561

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 1844(j) of the Social Security Act is amended by inserting after paragraph (15) the following new paragraph:

"(16) provides a program of medically related social services."

S. 1562

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 1844(j) of the Social Security Act is amended by adding the following new subsection:

"(16) has in force a contract between the facility and each patient which covers the relative rights and duties of the parties. In the case of persons admitted to a facility on or after January 1, 1977, the facility and the patient shall conclude a contract, as far as practicable, within three days of the day of admission. Each party to a contract made hereunder shall receive a duplicate original or a copy of such contract. Whenever a patient is not competent to enter into a contract, the sponsor of such patient may contract on his behalf for the purposes enumerated hereunder.

(A) Every contract covering the relative rights and duties of a licensee and patient shall, after January 1, 1977, be in writing and on a form which the Secretary has approved. Every such contract shall contain express provision for (I) the duration of the contract, not to exceed six months; (II) the accommodations, services, and degree of care to be provided; (III) the daily or weekly rate therefor and any items not included therein for which a separate charge may be made; and (IV) specification of any rights, duties, and obligations of the parties in addition to those imposed by law. The Secretary may by regulation require that every such contract contain any provision which it finds necessary for the protection of patients or in the public interest and prohibit any provision which it finds unfair to patients or contrary to the public interest. The Secretary shall prepare and distribute a model contract which it finds acceptable.

(B) Every licensee of long-term care facility shall maintain in such facility a file of contracts made hereunder, and it shall retain each contract in such file for at least one year after the transfer or discharge of the patient covered thereby."

S. 1563

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1844(j)(13) is amended by striking out "21st edition, 1967" and inserting in lieu thereof "23rd edition, 1973".

S. 1564

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1844(j) of the Social Security Act is amended by adding the following new subsection:

"(16) maintains in an area of the facility accessible to patients, employees, and visitors a board suitable for posting notices and other written materials and posts conspicuously thereon such notices and materials as the Secretary may require, including but not limited to, the following:

"'(A) a current State license and Medicare/Medicaid Certification;

"'(B) a description, provided by the facility, of the accommodations, services, and degree or degrees of care provided by the facility and of the daily or weekly rate thereof and any items not included in such rate for which a patient may be separately charged;

"'(C) a list, provided by the facility, of the name, address, and principal occupation of each person who, as a stockholder or otherwise, has a proprietary interest of ten percent or more in the facility of each officer and director of a facility which is a corporation, and of each trustee and beneficiary of a facility which is a trust;

"'(D) a list, compiled by the administrator of the facility, of the names of all physicians, registered nurses, licensed practical nurses, and any other licensed personnel employed or retained by the facility;

"'(E) a description, provided by the Department of Health, of complaint procedures established under State law;

"'(F) a list, provided by the department, of such materials as are available under section 1844(j)(11) of this Act for inspection and copying; and

"'(G) for such period as the Secretary shall fix, a copy of any notice of hearing, order, or decision of the department pertaining to the facility;

"'(H) a copy of the patient's bill of rights as published in the October 3, 1974 Federal Register.'"

S. 1565

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 1844(j) of the Social Security Act is amended by adding the following new subsection:

"(16) has in effect procedures to prevent epidemic diseases and accidents and for reporting them immediately to appropriate authority and next of kin of patients involved in any untoward incident affecting health and safety."

S. 1566

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order for any State to be eligible for payments pursuant to title XIX of the Social Security Act, with respect to expenditures for any quarter beginning more than sixty days after the date of the enactment of this Act, such State must have in effect an agreement with the Secretary of Health, Education, and Welfare (hereinafter in this Act referred to as the "Secretary") under which the State will carry out the inspection program prescribed by the Secretary under section 2 of this Act and will enforce the guarantees of the rights of patients specified in section 3.

SEC. 2. (a) The Secretary shall by regulation prescribe a program for the inspection of public and private skilled nursing, and intermediate care facilities to determine if such facilities meet (1) health, sanitation, nursing care, and dietary standards and (2) standards respecting any other matter immediately affecting the well-being of patients of such facilities. The standards referred to in the preceding sentence shall be, with respect to Skilled Nursing Facilities participating under Title 18 and/or 19, the Conditions of Participation in an Extended Care Facility in effect *prior to* January 17, 1974 and with respect to Intermediate Care Facilities, shall be the standards set forth by the Secretary in the Federal Register of January 17, 1974.

(b) The inspection program prescribed under subsection (a) shall require the following:

(1) Inspections under the program shall be carried out as follows by the agency of the State which licenses or otherwise regulates the facilities to be inspected:

(A) Such inspections shall be made at least once every three months in such manner as shall be prescribed in the program.

(B) The inspecting agency shall make the results of its inspections open to the public and shall report them to the Secretary as required by the program.

(C) If the inspecting agency determines from an inspection under the program that a facility is not in compliance with a standard applicable to the facility under the program, such agency shall notify the facility by registered letter return receipt requested of the noncompliance and shall require the facility to take such action as may be necessary to bring it into compliance within the thirty-day period beginning on the date it receives the notice. Such thirty-day period may be extended by the agency for not more than fifteen days upon a showing of good cause for its extension.

(2) The laws of a State which has an agreement with the Secretary for the enforcement of the inspection program shall (A) require the imposition of a fine of not to exceed $300 for each willful refusal to permit any inspection required by the inspection program and for each willful failure to bring a facility into compliance with a standard under the program within the period prescribed by paragragh (1)(C), (B) require that the inspection agency of a State refer all violations of the inspection program to the attorney general of that State, and (C) otherwise authorize, as prescribed by regulations of the Secretary, appropriate and effective enforcement of the requirements of the inspection program.

SEC. 3. Each State which has an agreement with the Secretary under the first section shall, as prescribed by regulations of the Secretary, undertake the appropriate and effective enforcement of the following guarantees of rights of patients in public and private extended care facilities, skilled nursing homes, and intermediate care facilities:

(1) A guarantee that the patient's civil and religious liberties will not be infringed upon and that the facility will encourage and assist in the fullest possible exercise of these rights.

(2) A guarantee that the patient shall be furnished, upon request, with the names of the physicians, nurses, and other health care personnel directly responsible for coordinating his care in the facility.

(3) A guarantee of the patient's right to receive adequate, high quality, and appropriate medical care, including the right to have drugs administered only by personnel with appropriate training.

(4) A guarantee of the patient to be fully informed of his medical condition and proposed treatment, and to participate in the planning of all of his medical treatment, including the right to refuse medication and treatment and to know the consequences of such actions.

(5) A guarantee that if the facility or another agency proposes to use the patient in any experimentation project—human or otherwise—the patient shall be fully informed of such proposal and shall have the right to refuse to participate in such project.

(6) A guarantee of the patient's right to have private and unrestricted communications with his physician, attorney, and any other person; and the right to have privacy in caring for personal needs, confidentiality in the treatment of his personal and medical records, and security in the storage and use of his personal possessions.

(7) A guarantee that the patient shall be allowed to use his leisure time as he desires and to meet his needs for recreation, unless it infringes upon his health or rights or the health or rights of others.

(8) A guarantee of the patient's right to manage his own financial affairs and, if the patient delegates to the facility responsibility over any matter respecting his financial affairs, to have a monthly accounting of any financial transaction made in his behalf, of any debts incurred, and of investments made with, and interest and dividends accruing or paid on, the patient's money.

(9) A guarantee that before transferring a patient to another facility, the facility director must inform the patient in advance of the need for and alternatives to such a transfer.

(10) A guarantee that the patient, upon request, shall be allowed to examine and shall be given an explanation of the charges rendered by the facility irrespective of the source of payment of such charges.

(11) A guarantee that the patient shall receive services, both medical and personal, which are customarily rendered by the facility to the extent such services do not require the approval of the patient's physician or are not inconsistent with the patient's treatment.

(12) A guarantee of the patient's right to present grievances on behalf of himself or others to the facility's staff or director, to governmental officials, or to any other person, without fear or reprisal, and to join with other patients and outside parties to work for improvements in patient care.

(13) A guarantee of the patient's right to be free from mental and physical abuse and from physical and chemical restraints, except those legitimate restraints authorized in writing by a doctor for a specified limited period of time.

(14) A guarantee that the patient shall be provided a statement of the facility's regulations and an explanation of the patient's responsibilities to obey all reasonable regulations and to respect the personal rights and private property of other patients.

(15) A guarantee that the patient shall be offered long-term care and treatment without discrimination as to race, religion, sex, age, national origin, or source of income.

(16) A guarantee that, should the patient be adjudicated incompetent in accordance with State law and not be restored to legal capacity, the rights and responsibilities described in the preceding paragraphs shall devolve upon a sponsor or guardian who shall

see that the patient is provided with adequate, appropriate, and respectful medical treatment and care and all rights which he is capable of exercising.

S. 1567

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1901 of the Social Security Act is amended by striking the last line and substituting the following:

"The sums made available under this section shall be used for making payments to States which have State plans for medical assistance ratified by its Legislative and Executive branch and which have been submitted to and approved by the Secretary of Health, Education, and Welfare."

SEC. 2. Section 1902 is amended by adding the following new subsection:

"(37) be posted in public places and otherwise be readily available to the public."

SEC. 3. Section 1904 of the Social Security Act is amended by striking the entire section and substituting the following:

"SEC. 1904. (a) The Secretary shall conduct at least once a year a review of State plans approved under this title to determine each state's compliance with and the quality of the administration of its plan.

"(b) The Secretary shall promulgate a rating system reflecting the quality of each State's administration of and compliance with its state plan and shall publish ratings of each state's relative compliance with its plan on January 1 or every year, beginning January 1, 1977.

"(c) If the Secretary, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of the State plan approved under this title, finds—

"(1) that the plan has been so changed that it no longer complies with the provisions of section 1902; or

"(2) that in the administration of the plan there is a failure to comply substantially with any such provision; the Secretary shall notify such State agency that further payments will not be made to the State (or, in his discretion, that payments will be limited to categories under or parts of the State plan not affected by such failure), until the Secretary is satisfied that there will no longer be such failure to comply. Until he is so satisfied he shall make no further payments to such State (or shall limit payments to categories under or parts of the State plan not affected by such failure.)

"(d) Title 19 recipients individually, or as a class, without reference to the $10,000 jurisdictional amount, may bring suit for specific performance in any Federal District Court against any state which substantially fails to comply with the provisions of its state plan."

S. 1568

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1112 of the Social Security Act is amended by added at the end thereof the following:

"The Secretary shall establish a rating system for nursing homes participating in Title 18 and Title 19 as a guide to consumers. Ratings for nursing homes shall be determined on the basis of survey reports available to the Secretary and other pertinent data within the purview of Section 1106 of this Act."

S. 1569

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 1903(a)(4) of the Social Security Act is amended by striking out "plus" at the end thereof and inserting lieu thereof the following:

"Except that no payment or compensation shall be made unless the Secretary finds and certifies that there is in operation in such State an ombudsman program which is located within the State Department of Justice (or other non health related agency) and has the cooperation of all State agencies and is empowered to (i) investigate nursing home complaints; (ii) hold hearings; (iii) enter a nursing home without prior notice at any hour of the day or night; (iv) recommend to the State Health Department license revocation or other disciplinary action against a nursing home and (v) file an annual report to the Legislature and the Governor with recommendations for action; plus".

S. 1570

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) title XI of the Social Security Act is amended by adding after section 1123 the following new section:

"INSPECTOR GENERAL FOR HEALTH ADMINISTRATION

"Sec. 1125. (a) (1) In addition to other officers within the Department of Health, Education and Welfare, there shall be within such department, an officer with the title of 'Inspector General for Health Administration' (hereinafter in this section referred to as the 'Inspector General') who shall be appointed or reappointed by the President, by and with the advice and consent of the Senate. In addition, there shall be a Deputy Inspector General for Health Administration(hereinafter referred to as the 'Deputy Inspector General'), and such additional personnel as may be required to carry out the functions vested in the Inspector General by this section.

"(2) The term of office of any individual appointed or reappointed to the position of Inspector General shall expire 6 years after the date he takes office pursuant to such appointment or reappointment.

"(b) The Inspector General shall report directly to the Secretary of Health, Education and Welfare (hereinafter in this section referred to as the 'Secretary'); and, in carrying out the functions vested in him by this section, the Inspector General shall not be under the control of, or subject to the supervision by, any officer of the Department of Health, Education and Welfare, other than the Secretary.

"(c) (1) It shall be the duty and responsibility of the Inspector General to arrange for, direct or conduct such reviews, inspections, and audits of the health insurance program established by title XVIII, the medical assistance programs established pursuant to title XIX and any other programs of health care authorized under any other title of this Act as he considers necessary for ascertaining the efficiency and economy of their administration, their consonance with the provisions of law by or pursuant to which such programs were established, and the attainment of the objectives and purposes for which such provisions of law were enacted.

"(2) The Inspector General shall maintain continuous observation and review of programs with respect to which he has responsibilities under paragraph (1) of this subsection for the purpose of—

"(A) determining the extent to which such programs are in compliance with applicable laws and regulations;

"(B) making recommendations for the correction of deficiencies in, or for improving the organization, plans, procedures, or administration of such programs; and

"(C) evaluating the effectiveness of such programs in attaining the objectives and purposes of the provisions of law by or pursuant to which such programs were established.

"(d) (1) For the purposes of aiding and carrying out his duties under this section, the Inspector General shall have access to all records, reports, audits, reviews, documents, papers, recommendations or other material of or available to the Department of Health, Education and Welfare which relate to the programs with respect to which the Inspector General has responsibilities under this section.

"(2) The head of any Federal department, agency, office or instrumentality shall at the request of the Inspector General, provide any information which the Inspector General determines will be helpful to him in carrying out his responsibilities under this section.

"(e) (1) The Inspector General shall have the authority to suspend any regulation, practice or procedure employed in the administration of any program with respect to which he has responsibilities under this section if as a result of any study, investigation, review, or audit of such program, he determines that—

"(A) the suspension of such regulation, practice or procedure will promote efficiency or economy in the administration of such program; or

"(B) such regulation, practice, or procedure is contrary to the applicable provisions of law, or does not carry out the objectives and purposes of the provisions of law by or pursuant to which there was established the program in connection with which such regulation, practice or procedure is promulgated, instituted or applied.

"(2) (A) Any suspension by the Inspector General of any regulation, practice or procedure pursuant to this subsection shall remain in effect until the Inspector General issues an order reinstating such regulation, practice or procedure; except that—

"(i) in the case of any existing regulation, the Secretary may, at any time after such suspension by the Inspector General, issue an order revoking such suspension, and

"(ii) in the case of a suspension of a practice or procedure or the application of a proposed regulation, the Secretary may, at any time later than 30 days after any such suspension by the Inspector General, issue an order revoking such suspension.

"(B) Whenever the Secretary issues an order revoking any such suspension by the Inspector General, he shall promptly notify the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives of such order and shall submit to each such committee information explaining his reasons for the issuance of such order.

"(f) (1) The Inspector General may, from time to time, submit such reports to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives relating to his activities as he deems to be appropriate.

"(2) Whenever either of the committees referred to in paragraph (1) makes a request to the Inspector General to furnish such committee with any information, or to conduct any study or investigation and report the findings resulting therefrom to such committee, the Inspector General shall comply with such request.

"(3) Whenever the Inspector General issues an order suspending or reinstating any regulation, practice, or procedure pursuant to subsection (e) he shall promptly notify the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives of such order and shall submit to each such committee information explaining the reasons for the issuance of such order.

"(g) The Inspector General may make expenditures (not in excess of $50,000 in any fiscal year) of a confidential nature when he finds that such expenditures are in aid of inspections, audits or reviews under this section; but such expenditures so made shall not be utilized to make payments to any one individual, the aggregate of which exceeds $2,000. The Inspector General shall submit annually a confidential report on expenditures under this provision to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives.

"(h) (1) Expenses of the Inspector General relating to the health insurance program established by title XVIII shall be payable from the Federal Hospital Insurance Trust Fund and from the Federal Supplementary Medical Insurance Trust Fund, with such portions being paid from each such fund as the Secretary shall deem to be appropriate. Expenses of the Inspector General relating to medical assistance programs established pursuant to title XIX shall be payable from funds appropriated to carry out such title; and expenses of the Inspector General relating to any program of health care authorized under any title of this Act (other than titles XVIII and XIX) shall be payable from funds appropriated to carry out such program.

"(2) There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

"(i) The Secretary shall provide the Inspector General and his staff with appropriate office space within the facilities of the Department of Health, Education, and Welfare together with such equipment, office supplies and communications facilities and services as may be necessary for the operation of such office and shall provide necessary maintenance services for such offices and the equipment and facilities located therein."

"(b) Section 5315 of title 5, United States Code, is amended by inserting: (105) Inspector General for Health Administration.".

S. 1571

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That Section 1877(a) of Title XVIII be amended by adding the following new subsection:

"(5) offers, solicits receives or accepts any rebate, refund, commission preference, patronage dividend, discount, or other consideration, whether in the form of money or otherwise, as compensation or inducement for referring patients, clients, or customers to any person, irrespective of any membership, proprietary interest or coownership in or with any person to whom such patients, clients or customers are referred."

SEC. 2. Section 1909 of Title XIX is amended by adding the following new subsection:

"(5) offers patronage dividend, receives or accepts any rebate, refund, commission, preference discount, or other consideration, whether in the form of money or otherwise, as compensation or inducement for referring patients, clients, or customers to any person, irrespective of any membership, proprietary interest or coownership in or with any person to whom such patients, clients or customers are referred,"

S. 1572

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1861(j) of the Social Security Act is amended by inserting after paragraph (15) the following new paragraph:

"(16) Provides a program to insure the integrity of patients' accounts moneys or valuables and to insure that they are not mingled with those belonging to the facility. *Provided further,* That (a) patients' moneys and valuables shall be separate and intact and free from any liability the facility incurs in the use of his own or the institution's funds and valuables.

"(b) Each facility shall maintain adequate safeguards and accurate records of patients' moneys and valuables entrusted to his care.

"(1) Records of patients' moneys which are maintained as a drawing account shall include a control account for all receipts and expenditures, an account for each patient and supporting vouchers filed in chronological order. Each account shall be kept current with columns for debits, credits, and balance.

"(2) Records of patients' moneys and other valuables entrusted to the facility for safekeeping shall include a copy of the receipt furnished to the patient or to the person responsible for the patient.

"(c) Patients' moneys not kept in the licensed facility shall be deposited in a demand trust account in a local bank authorized to do business in the State in which the facility is licensed, the deposits of which are insured by the Federal Deposit Insurance Corporation, except that a county or State health facility may deposit such funds with the county or State treasurer.

"(d) When the amount of money entrusted to a licensee for patients exceeds $500, all money in excess of $500 shall be deposited in a demand trust account as specified in (c) above unless a fireproof safe is provided for protection of moneys and valuables.

"(e) Upon discharge of a patient, all money and valuables of that patient which have been entrusted to the licensee shall be surrendered to the patient or the person responsible for the patient in exchange for a signed receipt. Money and valuables kept within the facility must be surrendered upon demand, and those kept in a demand trust account or with the county or State treasurer must be made available within three normal banking days.

"(f) Following the death of a patient, all money and valuables of that patient which have been entrusted to the licensee shall be surrendered to the person responsible for the patient, the executor, or the administrator of the estate in exchange for a signed receipt, within 30 days. Whenever a patient without an agent or known heirs dies, immediate written notice thereof must be given to the appropriate county or State official as specified by law.

"(g) Upon change of ownership of a facility, a certified written audit of all patients' moneys which are being transferred to the custody of the new owner shall be obtained by the new owner in exchange for a signed receipt."

S. 1573

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 1909 of the Social Security Act is amended by adding the following new subsection:

"(5) charges, solicits, accepts or receives any money, gift or consideration over and above the rates established by the states or charges, solicits, accepts or receives any gift, money, donation or consideration as a precondition of admitting a patient to a long-term care facility."

S. 1574

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. Section 1903(a)(4) of the Social Security Act is amended by striking out "plus" at the end thereof and inserting in lieu thereof the following:

"Except that no payment attributable to compensation of such personnel shall be made unless the Secretary finds and certifies that, (i) such individuals have satisfactorily completed a course approved in advance by the Secretary which is specifically designed to enable said individuals to assess the compliance of institutions providing long-term care with applicable health and safety standards and, (ii) such individuals meet additional performance qualifications which the Secretary shall by regulation prescribe; plus"

SEC. 2. The amendments made by Section one shall be effective beginning July 1, 1976.

S. 1575

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1877 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(d) The Secretary in prescribing forms of payment of services under this title applicable to nursing homes, shall include in such forms a summary of the penalties prescribed by this section.".

SEC. 2. Section 1909 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(d) The Secretary in prescribing forms for payment of services under this title applicable to nursing homes, shall include in such forms a summary of the penalties prescribed by this section.".

S. 1576

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1903(a) of the Social Security Act is amended by adding a new subsection as follows:

"(7) an amount equal to 100 per centum of the sums expended in the enactment of, conversion to and enforcement of new enforcement tools short of nursing home licensure revocation including but not limited to a citation system and protective custodianship procedures."

S. 1577

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 1903(a) of the Social Security Act is amended by adding the following:

"(7) an amount equal to 100 per centum of the sums expended in carrying out financial audits of skilled nursing and intermediate care facilities participating in Federal programs."

S. 1578

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Section 2007 of the Social Security Act is redesignated as section 2008.

(b) Title XX of such Act is amended by adding after section 2006 the following new section:

"INSPECTIONS

"SEC. 2007. (a) The Secretary shall provide for the continuing inspection of State inspection and enforcement programs, on a random basis, with respect to facilities receiving payments under title XVIII and XIX.

"(b) The Secretary is authorized to employ not less than 50 persons as inspectors to carry out the provisions of subsection (a).

"(c) There are authorized to be appropriated to carry out the provisions of this section such sums as may be necessary.".

S. 1579

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 1866 of the Social Security Act is amended by adding at the end thereof a new subsection:

"(f) In addition to remedies provided to the Secretary under this section, Title 18 beneficiaries, individually, or as a class, without reference to the $10,000 jurisdictional amount, may bring suit for specific performance in any Federal District Court against any facility in breach or non-compliance with its provider agreement."

Section 2. Section 1904 of the Social Security Act is amended by adding the following sentence at the beginning of such section:

"The Secretary or Title 19 recipients, individually or as a class, and without reference to the $10,000 jurisdictional amount, may bring suit for specific performance against any facility in breach of or noncompliance with its provider agreement."

S. 1580

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 1902(a)(13)(E) of the Social Security Act is amended by striking the semicolon and inserting the following:

"provided however, that nothing in this section shall prohibit the States from incorporating financial incentives for good care within the context of their reasonable cost-related formulae;".

S. 1581

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—SURVEY AND CERTIFICATION, RATE-SETTING AND AUDIT, AND GENERAL REGULATION OF LONG-TERM CARE FACILITIES UNDER MEDICAID PROGRAMS

REQUIREMENT OF MEDICARE APPROVAL FOR SKILLED NURSING FACILITIES UNDER MEDICAID PROGRAMS

SECTION 101. Section 1902(a) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (35);

(2) by striking out the period at the end of paragraph (36) and inserting in lieu thereof "; and"; and

(3) by inserting immediately after paragraph (36) the following new paragraph:

"(37) provide that no skilled nursing facility may receive payments under such plan unless and until it is approved to receive payments under title XVIII."

TERMINATION OF PAYMENTS TO SKILLED NURSING AND INTERMEDIATE CARE FACILITIES FOR VIOLATIONS OF PROVIDER AGREEMENTS

SEC. 102. Section 1902(a) of the Social Security Act (as amended by section 101 of this Act) is amended—

(1) by striking out "and" at the end of paragraph (36);

(2) by striking out the period at the end of paragraph (37) and inserting in lieu thereof "; and"; and

(3) by inserting immediately after paragraph (37) the following new paragraph:

"(38) provide that (A) the State agency shall have the power to terminate reimbursement to a skilled nursing or intermediate care facility which such agency has found has violated its provider agreement, with such termination being so structured as to provide that it may be effected upon a unilateral finding of the agency and remain in effect until or unless it is reversed pursuant to a legal challenge, (B) it shall be unlawful to make reimbursement for any legal expenses or administrative costs incurred in contesting any rulings of the State agency, and (c) the State agency may order a halt to reimbursement for new admissions to the skilled nursing or intermediate care facility if such agency finds that the facility has violated the terms of its provider agreement or is not in compliance with the requirements of paragraph (28)."

SAMPLING PROCESS IN MEDICAL REVIEW UNDER MEDICAID PROGRAMS

SEC. 103. Section 1902(a)(26) of the Social Security Act is amended—

(1) by striking out "and" before "(C)"; and

(2) by adding after the semicolon at the end thereof the following: "and (D) the State agency shall determine from such inspection and medical review (which shall be undertaken without prior notice to the facility) the total reimbursement made for services found to be inadequate, unnecessary, or excessively reimbursed, and shall then (i) deem such inspection and review to be a sample to serve as the basis for a computation of a total overpayment to such facility over the course of the preceding year, and (ii) require full refund of this amount of excessive reimbursement."

SEC. 104. Section 1902(a)(31) of the Social Security Act is amended—

(1) by striking out "and" before "(C)"; and

(2) by adding after the semicolon at the end thereof the following: and (D) the State agency shall determine from such inspection and medical review (which shall be undertaken without prior notice to the facility) the total reimbursement made for services found to be inadequate, unnecessary, or excessively reimbursed, and shall then (i) deem such inspection and review to be a sample to serve as the basis for a computation of a total overpayment to such facility over the course of the preceding year, and (ii) require full refund of this amount of excessive reimbursement.

UPDATED COST BASIS FOR PAYMENTS TO SKILLED NURSING AND INTERMEDIATE CARE FACILITIES UNDER MEDICAID PROGRAMS

SEC. 105 Section 1902(a)(13) of the Social Security Act is amended—

(1) by adding "and" at the end of subparagraph (E); and

(2) by adding at the end thereof the following new subparagraph:

"(F) that payments described in subparagraph (E) shall be based upon a prospective cost-based method of computation in which the audited costs of rendering service in such facilities in a prior year is updated through the use of economic indices to the year in which payment is made, with this basis being supplemented through the certification by the State agency that the costs developed through the the prospective cost-base method do not exceed what a prudent buyer would pay for each type of goods or service reimbursed under the plan, and with the Secretary reviewing these prudent buyer ceilings subsequent to the certification of the State agency and being empowered to revise or alter them so as to reflect the reasonable costs which a prudent buyer would pay."

REQUIREMENT OF BONDS UNDER MEDICAID PROGRAMS

SEC. 106. Section 1902(a) of the Social Security Act (as amended by section 102 of this Act) is amended—

(1) by striking out "and" at the end of paragraph (37):

(2) by striking out the period at the end of paragraph (38) and inserting in lieu thereof "; and "; and

(3) by inserting immediately after paragraph (38) the following new paragraph:

"(39) that any skilled nursing facility or intermediate care facility receiving payments under such plan be required to maintain with the State agency a bond in such amount, under such terms, and in such form as such agency may direct, with such agency being required to base its determination as to the nature and amount of the bond upon the amount it reasonably considers to be adequate so as to anticipate any and all claims for overpayment to such facility which are likely to arise."

REGULATION OF BUSINESS DEALINGS BY NURSING HOME OWNERS UNDER MEDICARE AND MEDICAID PROGRAMS

SEC. 107. (a) Section 1861(j)(11) of the Social Security Act is amended by striking out "and" before "(C)", and by inserting before the semicolon at the end thereof the following: ", and (D) of the owner of the land and buildings in which and on which the facility is housed, or, in the case of an owner which is a corporation, of all persons affiliated in any way with such corporation".

(b) Secton 1861(j) of such Act is further amended—

(1) by striking out "and" at the end of paragraph (13);

(2) by striking out the period at the end of paragraph (15) and inserting in lieu thereof "; and"; and

(3) by inserting immediately after paragraph (15) the following new paragraphs:

"(16) provides the Secretary (in the case of a corporation) with full information as to any changes in the identity of its corporate owners, the form of the corporation, and any change in the relative interests of the principals in the corporation.

"(17) Supplies to the Secretary or his delegate the names and addresses of and the extent of his interest in businesses (including corporations) providing goods and/or services to any nursing home in the United States."

(c) Section 1861(v)(1) of such Act is amended by adding at the end thereof the following new paragraph:

"(F) Where a vendor of a good or service, or a member of a vendor corporation having at least a 10-percent interest in such corporation has a relationship with the nursing home operator, or with a member of a corporate nursing home operator having at least a 10-percent interest in the corporation, whereby they each hold at least a 10-percent interest in any business enterprise, the reasonable cost for any purchase of goods or services from such vendor by such operator shall be only the actual cost of such goods or services to such vendor with no allowance for profit or other consideration."

(d) Section 1861(z)(1) of such Act is amended by adding after the semicolon at the end thereof the following: "except that where the Secretary or the State agency administering or charged with administering a medical assistance plan approved under title XIX shall find that a skilled nursing or intermediate care facility rendered, over a period of time, inadequate, overly costly, or unnecessary care, he or it may require such an item-by-item identification of the components of each type of anticipated expenditure or income as part of such budget;".

TITLE II—MEDICAL, PSYCHOLOGICAL, AND SOCIAL ASSESSMENT OF PATIENTS IN NEED OF LONG-TERM CARE UNDER MEDICARE AND MEDICAID PROGRAMS

CONDITIONS OF AND LIMITATIONS ON PAYMENT FOR SERVICES UNDER HOSPITAL INSURANCE PROGRAM

SEC. 201. (a) Section 1814(a)(1) of the Social Security Act is amended—

(1) by inserting "based on such patient assessment criteria as the Secretary may require," after "post-hospital extended care services," in subparagraph (C); and

(2) by inserting "based on such patient assessment criteria as the Secretary may require," after "post-hospital home health services," in subparagraph (D).

(b) Section 1814(h)(1) of such Act is amended—

(1) by striking out "and" at the end of subparagraph (C);

(2) by redesignating subparagraph (D) as subparagraph (E); and

(3) by inserting after subparagraph (C) the following new subparagraph:

"(D) such certification is based on such patient assessment criteria as the Secretary may require, and".

(c) Section 1814(1) of such Act is amended—

(1) by striking out "and" at the end of subparagraph (B);

(2) by redesignating subparagraph (C) as subparagraph (D); and

(3) by inserting after subparagraph (B) the following new subparagraph:

"(C) such certification is based on such patient assessment criteria as the Secretary may require, and".

DEFINITIONS OF TERMS FOR PURPOSES OF HOSPITAL INSURANCE AND MEDICAL INSURANCE PROGRAMS

SEC. 202. (a) Section 1861(j)(12) of the Social Security Act is amended by striking out "which provides" and inserting in lieu thereof "which is based on such patient assessment criteria as the Secretary may require and which provides".

(b)(1) Section 1861(k) of such Act is amended by striking out "A utilization review plan" and all that follows down through "furnished by the institution" in the matter preceding paragraph (1) and inserting in lieu thereof the following: "A utilization review plan of a hospital, skilled nursing facility, home health agency, or (with respect to title XIX) intermediate care facility shall be considered sufficient if it is applicable to services furnished by the institution or agency".

(2) Section 1861(k) of such Act is further amended—

(A) by striking out "and" at the end of paragraph (3);

(B) by redesignating paragraph (4) as paragraph (5); and

(C) by inserting after paragraph (3) the following new paragraph:

"(4) for such review to be made, in each case of post-hospital extended care services, post-hospital home health services, or intermediate care services, with respect to each patient's initial and continued need for care based on such patient assessment criteria as the Secretary may require; and".

(3) Section 1861(k) of such Act is further amended by adding at the end thereof the following new paragraph:

"For purposes of this Act the term 'patient assessment' means an objective, quantifiable system of evaluating an individual's mobility, need for assistance in eating, behavior or mental condition, incontinence, current physical rehabilitation needs, special dietary needs, and needs for medications, injections, intravenous and subcutaneous fluids, dressings and appliances, catherization (including urigation), douches, enemas, colostomy irrigations, suctioning, oxygen and other special treatment modalities, together with such other needs or services as the Secretary may deem appropriate for the purpose of determining appropriateness of and initial or continued need for post-hospital extended care services, posthospital home health services, or intermediate care services.

"The Secretary shall not later than July 1, 1976, promulgate such regulations as may be necessary to carry out this subsection, and such regulations shall be periodically reviewed and revised thereafter in light of experience under this subsection."

(c) Section 1861(o) of such Act is amended—

(1) by striking out "and" at the end of paragraph (5);

(2) by redesignating paragraph (6) as paragraph (8); and

(3) by inserting after paragraph (5) the following new paragraphs:

"(6) cooperates in a program based on such patient assessment criteria as the Secretary may require which provides for a regular program of independent medical evaluation and audit of the patients;

"(7) has in effect a utilization review plan which meets the requirements of subsection (k)."

REQUIREMENTS FOR STATE PLANS UNDER MEDICAID PROGRAMS

SEC. 203. (a) Section 1902(a)(26) of the Social Security Act (as amended by section 103 of this Act) is amended—

(1) by inserting ", utilizing such criteria as are required by the Secretary under the last two paragraphs of section 1861(k)," after "for a regular program" in clause (A); and

(2) by striking out subdivisions (iii) and (iv) of clause (B) and inserting in lieu thereof the following: "(iii) the appropriateness of and initial or continued need for such services as may be furnished by the facility (or institution) involved, and (iv) the feasibility, determined by reference to the criteria and methods required by the Secretary under the last two paragraphs of section 1861(k), of meeting their health care needs through alternative institutional or noninstitutional services; and".

S. 1582

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part D of title VI of the Public Health Service Act is amended by inserting immediately after section 43A the following new section:

"LOANS FOR THE CONSTRUCTION OF NURSING HOMES OWNED AND OPERATED BY CHURCHES

"SEC. 644. (a) The Secretary is authorized to make loans to any nonprofit organization, church, or association of a church, qualifying under section 501(c)(3) of the Internal Revenue Code, to meet all or a part of the cost of construction or rehabilitation of a home which will be owned and operated by such church, organization, or association.

"(b) Any such loan shall be made only on the basis of an application submitted to the Secretary in such form and containing such information and assurances as he may prescribe.

"(c) Each such loan shall bear interest at whichever of the following is the lower:

"(1) the rate of 4 per centum per annum; or

"(2) a rate equal to the average market yield (computed by the Secretary of the Treasury on the basis of market quotations as of the end of the calendar month next preceding the month in which loan is made) on all marketable interest-bearing obligations of the United States then forming a part of the public debt which are not due or callable until the expiration of four years from the end of such calendar month (except that where such average market yield is not a multiple of one-eighth of 1 per centum, the rate of interest on such loan shall be the multiple of one-eighth of 1 per centum nearest such market yield).

"(d) There are hereby authorized to be appropriated such amounts as may be necessary to carry out the provisions of this section."

S. 1583

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part D of Title VI of the Public Health Service Act is amended by inserting immediately after section 643A the following new section:

"GRANTS FOR THE PLANNING, DEVELOPMENT, CONSTRUCTION, AND REHABILITATION OF NURSING HOMES IN BLACK AND MINORITY COMMUNITIES

SEC. 644. (a) The Secretary is authorized to make grants to any church, association of churches or other non-profit organization qualifying under section 501(c)(3) of the Internal Revenue Code to meet all or part of the cost of planning, developing, constructing, or rehabilitating a nursing home owned by such entity in black and other minority areas where there is a demonstrated shortage of nursing home beds.

"(b) Any such grants shall be made only on the basis of an application submitted to the Secretary and in such form and containing such information as he may prescribe.

"(c) There is hereby authorized to be appropriated such amounts as may be necessary to carry out the provisions of this section."

S. 1584

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 236 of the National Housing Act is amended by adding at the end thereof the following new subsection:

"(p) In addition to any other authority conferred by this section, the Secretary may make interest reduction payments with respect to a mortgage covering repair or rehabilitation of a nursing home in order to correct physical deficiencies and comply with Federal minimum standards, if—

"(1) the sponsor submits an application to the Secretary in such form and containing such information as he may prescribe; and

"(2) the Secretary of the Department of Health, Education, and Welfare or his designee or an officer of any designated single State agency certifies that such sponsor (nursing home) is in more than substantial compliance of Federal and State standards with the exception of those physical and other deficiencies the sponsor seeks to correct through this application."

S. 1585

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part E of title VII of the Public Health Service Act is amended by adding at the end thereof the following new section:

"GRANTS FOR THE ESTABLISHMENT OF GRADUATE PROGRAMS FOR NURSES IN GERIATRICS AND GERONTOLOGY

"SEC. 776. The Secretary may make grants and enter into contracts with public or nonprofit colleges and universities for the purposes of developing graduate programs for nurses in geriatrics and gerontology."

S. 1586

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8 (a)(4) of the National Labor Relations Act (29 U.S.C.; 158 (a) (4)) is amended by inserting immediately before the semicolon a comma and the following: "or because he has given testimony before any standing special or select committee of either House of Congress or any joint committee of the Congress or in any proceeding before any agency or department of the Federal government".

S.J. RES. 75

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the President of the United States is authorized to call a White House Conference on Long-Term Care in 1976, in order to develop recommendations for action in establishing a national policy with respect to the needs of disabled Americans with primary emphasis on the physically and mentally impaired aged. The Conference should consider methods to:

1. Make long-term care available to those who need it;

2. Provide alternatives to nursing home placement;

3. Improve the quality of care offered in long-term care facilities;

4. Provide for appropriate training of personnel;

5. Finance the necessary benefits structure to make long-term care a right for all Americans.

(b) For purposes of developing this plan or a national policy concerning the needs of infirm Americans requiring prolonged institutional care, the conference shall bring together representatives of Federal, State, and local governments, professional and lay people who are working in or concerned with long-term care.

(c) A final report of the White House Conference on Long-Term Care shall be submitted to the President not later than one hundred and twenty days following the date on which the Congerence is called and the findings and recommendations included therein shall be immediately made available to the public. The Secretary of Health, Education, and Welfare shall, within ninety days after the submission of such final report, transmit to the President and the Congress his recommendations for the administrative action and the legislation necessary to implement the recommendations contained in such report.

ADMINISTRATION

SEC. 2. In administering this joint resolution, the Secretary shall—

(a) request the cooperation and assistance of such other Federal departments and agencies as may be appropriate in carrying out the provisions of this joint resolution;

(b) render all reasonable assistance, including financial assistance, to the States in enabling them to organize and conduct conferences on aging prior to the White House Conference on Long-Term Care;

(c) prepare and make available background materials for the use of delegates to the White House Conference as he may deem necessary and shall prepare and distribute such report or reports of the Conference as may be indicated; and

(d) in carrying out the provisions of this joint resolution, engage such additional personnel as may be necessary without regard to the provisions of title 5, United States Code, governing appointments in the competitive civil service, and without regard to chapter 57 and subchapter 111 of chapter 53 of such title relating to classification and General Schedule pay rates.

ADVISORY COMMITTEES

SEC. 3. The Secretary is authorized and directed to establish an Advisory Committee to the White House Conference on Long-Term Care composed of not more than twenty-eight professional and public members, with one member ex officio appointed from the staff of the Senate Special Committee on Aging, the House Committee on Aging, the House Ways and Means Committee and the Senate Finance Committee. Members of the committee appointed pursuant to this section, who are not officers or employees of the United States, while attending conferences or meetings of their committees or otherwise serving at the request of the Secretary, shall be entitled to receive compensation at a rate to be fixed by the Secretary but not exceeding $75 per diem, including traveltime, and while away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized under section 5703 of title 5 of the United States Code for persons in the Government service employed intermittently. The Director of the Office of Nursing Home Affairs shall act as Executive Secretary of the Committee.

DEFINITIONS

SEC. 4. For the purposes of this joint resolution—

(1) the term "Secretary" means the Secretary of Health, Education, and Welfare; and

(2) the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

SEC. 5. There is authorized to be appropriated to carry out this joint resolution the sum of $500,000.

By Mr. MONTOYA (for himself, Mr. GRAVEL, and Mr. RANDOLPH):

S. 1587. A bill to amend the Public Works and Economic Development Act of 1965 to increase the antirecessionary effectiveness of the program and for other purposes. Referred to the Committee on Public Works.

PUBLIC WORKS EMPLOYMENT ACT OF 1975

Mr. MONTOYA. Mr. President, I introduce today the Public Works Employment Act of 1975. I introduce the bill as chairman of the Economic Development Subcommittee of the Committee on Public Works. The chairman of the Public Works Committee, Senator RANDOLPH, is cosponsoring this bill with me. Hearings will be held May 20 to 21, 1975, on this and related bills.

This is a public works bill to create jobs—to create them quickly and efficiently—with emphasis on construction jobs for the depressed construction sector. The bill does not authorize new programs. It builds on existing programs and capabilities in the Economic Development Administration, an agency with 10 years' experience in the Department of Commerce. The bill does not contain permanent authorizations. In some cases, programs "trigger off" when unemployment drops sufficiently.

The bill contains five different programs or methods to create new jobs and to maintain existing jobs, and to activate approved projects stopped because of unmanageable cost overruns or because of the inability of hard-pressed communities to meet local matching shares.

The bill authorizes $1,875,000,000 for obligation during fiscal year 1976. It amends the Public Works and Economic Development Act of 1965, as amended. Of the $1.875 billion, reliable estimates based on past program performance are that $745 million in outlays are projected for fiscal year 1976. The bill will create a total of nearly 100,000 jobs—and it will leave for the communities after the work is completed durable public facilities.

Mr. President, I am aware of two principal objections to this bill—to public works anti-recessionary legislation—the problem of increasing deficits and the so-called lead-time such projects require. I shall address these objections at a later point in these remarks.

First, the bill provides a new authorization of $750 million for the job opportunities program. The first authorization of $500 million became law on December 31, 1974, as an amendment to the emergency public service jobs legislation. Members may recall that an urgent appropriations bill enacted at the same time carried $125 million for the new job opportunities program. The Emergency Employment Appropriation Act, 1975, passed in the Senate last week, contained the appropriation of $375 million for the remainder of the authorization.

The first authorization covered calendar year 1975. Because more than 15,000 projects have been submitted to EDA totaling more than $3 billion, and because of the widespread enthusiasm for this program as a potent tool in reaching unemployed workers at all levels, a new authorization is vitally necessary for the fiscal year beginning July 1. This program complements the public service jobs programs. It may provide funds for construction materials and supplies for prime sponsor applicants under CETA. It provides funds for community improvement projects of the kind President Ford had in mind in his address to Congress last August.

I was pleased to see in the recent Joint Economic Committee economic report a recommendation for this program as one that—

> could provide productive public sector job opportunities . . . now and stimulate the development of permanent private sector jobs later. (pp. 59–60)

The most important feature of the job opportunities program is that Federal agencies having a potential to impact our national unemployment sickness may with funds from this program expand their existing programs to put people to work. Project submissions to EDA earlier this year demonstrated a convincing potential for this approach.

Second, the bill authorizes $400 million for short-term, quick impact projects for construction, repair, or improvement of public facilities. This is modeled on EDA's successful public works impact program, PWIP, authorized during the recession of 1971. It is streamlined to improve its quick start potential. Projects must be approved within 60 days after initiation. Time-consuming designation procedures are eliminated. This special authorization will trigger off, however, if unemployment drops to 6.5 percent.

Within the same title—title I—an increase in the present fiscal year 1976 authorization for long-term public facility development of $250 million is increased another $250 million—to permit an expansion to accommodate the continuing need for this program at a time when EDA's eligible areas have increased dramatically.

Third, the bill expands EDA's business loan and guarantee programs from a fiscal year 1976 authorization of $75 million to $200 million. A significant new feature is an interest subsidy for working capital loans. EDA will be able with this new tool to assist many businesses to borrow working capital so as to weather the current crises.

Presently many businesses that have a history of stability and rehability are unable to get working capital—both because of the increasing risk from the banker's point of view and because of their inability to pay 12 to 15 percent interest. With both an interest subsidy and loan guarantee authority, EDA should be able to save many of these businesses.

Five hundred jobs in a factory or other business saved through a working capital loan amounts to a fraction of the cost to create those jobs. At $10,000 a job times 500 equals $5 million is expensive medicine when the illness might have been prevented. Expanded authority is made for direct working capital loans also.

Fourth, the bill provides a $250 million authorization to activate public works projects that have been halted because the construction costs have risen unbelievably sharply between the time of approval and the letting of bids for contracts. In other instances, many worthy projects otherwise ready to go have been halted because of the rapid deterioration of State and local fiscal capability. State and local governments—as the Joint Economic Committee report points out—have gone from a 1972 aggregate $4 billion surplus to a 1974 deficit of $7.5 billion. A recent survey of the Washington Post, April 25, 1975, of 1974 and 1975 Federal grants found "billions" going unclaimed, among other reasons because of lack of matching local funds.

Fifth, and finally, the bill increases the fiscal 1976 authorization for EDA's title IX—the Special Economic Development and Adjustment Assistance—from $100 million to $200 million. This program was enacted in the 1974 EDA amendments. It is just now being implemented. Basically, it is designated as a flexible Federal response to communities suffering a major loss of employment such as the closing of a military base or the shutdown of factories because of Federal regulations. Though we had in mind adjustment to such dislocations, I believe this program can also be used in the war on unemployment. Funds are available for a variety of possible needs: planning, technical assistance, public works, business loans and guarantees, mortgage payment assistance, rent supplements, public services, and relocation of individuals.

Mr. President, bankruptcies are at record levels. Large firms are shutting down branch plants in communities across the land. This program can help these communities help themselves. It can also be used in assisting communities impacted by large scale development from military decisions or energy related development.

To sum up by program category:

[Fiscal year 1976]

Job opportunities program (title X)	$750,000,000
Quick start public works (title I)	400,000,000
Public works—long-term (title I)	250,000,000
Interest supplements, loans and guarantees to business (title II)	125,000,000
Local matching share and cost overrun supplementary fund	250,000,000
Special adjustment assistance (title IX)	100,000,000
Total	1,875,000,000

Mr. President, a call for a dramatic increase in public works authority is being heard from many quarters. The U.S. Conference of Mayors gave it high priority, calling for a vast increase in EDA programs. The Joint Economic Committee has called for the expansion of EDA programs, especially in depressed urban areas. It is these areas that currently suffer unbelievably high unemployment rates in the construction trades: Rochester, 61 percent; Miami, 49 percent; Phoenix, 40 percent; Cincinnati, 32 percent; Milwaukee, 23 percent; St. Paul, 37 percent; Newark, 32 percent; and St. Louis, 24 percent. The March seasonally unadjusted rate for construction unemployment is 24 percent.

These figures do not show the dramatic decline in average weekly work hours of construction workers who are counted as employed but are clearly underemployed.

I believe the situation warrants many initiatives to lick the recession: a relaxation of interest rates by the Federal Reserve; a public service jobs program; programs to stimulate the housing industry; and public works program to cope with the massive depression in the construction industry.

Yes, this bill will, I assume, add to the deficit. But we cannot afford to pay out money now to put people to work. As George Meany put it recently in House testimony: "The solution to deficits is jobs."

The chairman of the Joint Economic Committee has, day after day, kept us informed as to the views of deficit financing in the banking world and the community of economists. We are told that financing of expected deficits needs cause neither a new round of high interest nor a stifling of expanding because of a scarcity of funds. I am impressed by the arguments of the practitioners. I ask unanimous consent to have printed in the RECORD at the conclusion of these remarks the monthly economic letter for April 1975 of the First National City Bank of New York. The contents convincingly show that the inflation or scarce money arguments—at least for the coming year—do not hold water.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MONTOYA. Mr. President, I am impressed also by estimates that our public debt, as a percent of GNP, has been declining steadily since World War II. For example, it was 63.7 percent in 1952, 44.4 percent in 1962, and 29.4 percent in 1972. I ask unanimous consent to have printed in the RECORD to include at the conclusion of my remarks a table showing the relationship of Federal deficits and the public debt to the GNP, as prepared by the AFL–CIO Department of Research from Federal sources.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. MONTOYA. Mr. President, I believe in a balanced budget. I abhor deficits. But high unemployment means human misery and social unrest. What real choice does a humane society have?

Mr. President, I mentioned early in these remarks that I would speak to the question of "leadtime" in using public works programs to fight recessions. It is said that from the inception of a public works project to its completion takes too long to have a timely effect on a recession. In the bill I have introduced today, most of the new authorizations go to labor incentive or job effective programs that are not huge, capital intensive public works. The projects are designed for quick start.

In the case of the $400 million special impact public works program, applications must be approved in 60 days. The job opportunities program projects must be completed in 12 months. For the funds that are used for local matching share or cost-overruns, the leadtime is cut because these projects are otherwise ready to begin. With respect to working capital for business, I am assured these loans or guarantees or interest subsidies can be accomplished in 60 days.

I am told $745 million for outlays during fiscal 1976—the period of these authorizations—over against a $1.875 billion authorization is a good ratio for public works. I accept that, but I wish also to point out that some misunderstanding surrounds the term "outlay." Federal project outlays are often—because of Treasury Department regulations—not paid out until completion of a project. A project taking, say 10 months, would not be funded until it was completed. But during those 10 months jobs were created and payrolls existed. Yet the Federal outlay does not show on the books until the project is complete. Thus the "leadtime" as measured by outlays is not an accurate measure. EDA, for example, each year must obligate all its project funds, since they are 1-year funds. But the lag between obligation and outlay does not show how many jobs are being created.

Senator RANDOLPH in March formally requested the GA to conduct a study to determine the amount of Federal money now available for construction either through appropriations or obligational authority. He expects those results in a few days. The request was prompted by the need to know about delays in processing grant applications, as the committee considered legislation to stimulate jobs through public works. As we consider this bill, we shall be looking at what holds projects up—administrative inertia, environmental impact statement requirements, lack of State or local compliance with Federal requirements, or what other reasons.

As we look at public works as an anti-recession tool, we must constantly monitor the capacity of our productive facilities. We do not want to risk price increases in this way by excess demand. Sadly, we are all familiar with the dramatic drop in capacity—from 79 to 70 percent in the fourth quarter. There is little danger that Federal programs through increased demand for construction materials and supplies are going to overtax our productive capacity and thereby induce more inflation in the next year. The opposite is true—we need to stimulate demand in the productive sectors of our economy.

Mr. President, as I indicated earlier hearings will be held May 20 to 21 on this bill and related legislation that may be before the Public Works Committee. I wish to call attention to a bill, S. 1189, introduced by the majority leader, and referred to the committee. It would also amend the Public Works and Economic Development Act, providing a regional impact and development assistance program. Such authorization would be extended to the title V regional commissions now embracing 31 States. In addition to adjustment assistance, the bill would authorize the seven existing commissions to assist communities greatly impacted by energy related development. I understand President Ford has said he would consider expenditures in energy-related areas that go beyond his budget. We shall be examining the bill in the coming weeks.

Mr. President, I believe the bill I have introduced today is a prudent bill. Perhaps the Senate will substantially increase it. We shall see. It is my wish that we can have it reported and acted on before the long hot summer is upon us. I hope members will join Senator RANDOLPH and me in sponsoring it.

I ask unanimous consent to have the text of the bill printed in the RECORD, and a descriptive table of the bill's provisions.

There being no objection, the bill and table were ordered to be printed in the RECORD, as follows:

S. 1587

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Works Employment Act of 1975".

Sec. 2. (a) The Congress finds that unemployment is at a level which severely damages our economic well-being and that such unemployment in the construction industry is 20% of the normal work force.

(b) As a result of the inflation experienced over the last two years, funds available for construction have been inadequate to meet Federal, State and local facility needs.

(c) The Congress, further, finds that projects which can be approved and initiated within 60 days for construction, repair or improvement of local public facilities and development facilities would contribute to a reduction in the level of unemployment.

Sec. 3. Title I of the Public Works and Economic Development Act of 1965, as amended, is amended—

(a) by striking the second sentence of section 101(c) and inserting in lieu thereof after the first sentence the following:

"The Secretary may reduce the non-Federal share below such per centum or waive the non-Federal share in the case of a grant for a project in a redevelopment area designated under section 401(a)(6) of this Act if he determines that the eligible applicant (including private, non-profit groups) has exhausted its effective taxing and/or borrowing capacity".

(b) by striking in the first sentence of section 105 "$250,000,000 for the fiscal year ending June 30, 1976" and inserting in lieu thereof "$500,000,000 for the fiscal year ending June 30, 1976".

(c) by adding the following new section at the end thereof:

"PUBLIC WORKS EMPLOYMENT ASSISTANCE

"Sec. 107. (a) The Secretary is authorized to make grants to applicants eligible under section 101(a) under this Act for the construction, rehabilitation, alteration, expansion or improvement of local public facilities or for the development of land and improvements for public works, public services, or facilities usage, if he finds that the project for which financial assistance is sought will—

"(1) fulfill an essential community need,

"(2) provide, to the exent possible, construction and other employment, or

"(3) assist in the early development of programs which may contribute to the long-term improvement of the area.

"(b) Grants to eligible applicants shall be made only in areas of high unemployment, actual or threatened abrupt rise in unemployment due to the closing or curtailment of a major source of employment or any area designated pursuant to section 204(c) of the Comprehensive Employment and Training Act of 1973.

"(c) The Federal share of a grant made for a project under this section shall be 80 percentum: *Provided,* That the Secretary may waive or reduce the non-Federal share if he determines that an eligible applicant (including a private, non-profit group) has exhausted its effective taxing and/or borrowing capacity.

"(d) Grants shall be made pursuant to the rules and regulations established under section 101 of this Act except that rules and regulations established under

"(1) the second sentence of section 101(d) of this Act, and

"(2) the second sentence of section 401(a)(6) shall not be applicable to such grants.

"(e) There is hereby authorized to be appropriated to carry out this section $400,000,000 to be available until expended: *Provided,* That no obligation of funds may be made if the national average rate of unemployment for the most recent three consecutive months has receded below 6.5 per centum as determined by the Secretary of Labor: *And provided further,* That no funds may be obligated to carry out this section after June 30, 1976."

Sec. 4. Section 201(c) of such Act, as amended, is amended to read as follows:

"(c) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this section and section 202: *Provided,* That annual appropriations for the purpose of purchasing evidences of indebtedness, paying interest supplement to or on behalf of private entities making and participating in loans, and guaranteeing loans shall not exceed $170,000,000, for the fiscal year ending June 30, 1966, and for each fiscal year thereafter through the fiscal year ending June 30, 1973, and shall not exceed $55,000,000 for the fiscal year ending June 30, 1974, and shall not exceed $75,000,000 for the fiscal year ending June 30, 1975, and shall not exceed $200,000,000 for the fiscal year ending June 30, 1976."

Sec. 5. Section 202(a)(2) of such Act, as amended, is amended by striking out the period at the end and inserting in lieu thereof "(D) contracting to pay, and to pay annually, for not more than ten years, to or on behalf of private entities amounts sufficient to reduce by up to 4 percentage points the interest paid by such entities on working capital loans which are obtained from non-Government sources, which provide for annual amortization of principal, and the proceeds of which are used for purposes referred to in this paragraph."

Sec. 6. Section 905 of such Act, as amended, is amended to read as follows:

"Sec. 905. There is authorized to be appropriated to carry out this title not to exceed $75,0000,000 for the fiscal year ending June 30, 1975, and $200,000,000 for the fiscal year ending June 30, 1976."

Sec. 7. Section 1003(e) of such Act, as amended, is amended by striking "and the Secretary of Labor jointly determine" and inserting in lieu thereof "determines".

Sec. 8. Section 1004 of such Act, as amended, is amended to read as follows:

"Sec. 1004. Within 45 days after the date of enactment of the Emergency Jobs and Unemployment Assistance Act of 1974 and within 45 days after funds are appropriated to the Secretary to carry out the purpose of this title, each department, agency, or instrumentality of the Federal Government, and each regional commission established by section 101 of the Appalachian Regional Development Act of 1965 or pursuant to section 502 of this Act, shall (1) complete a review of its budget, plans, and program including State, substate, and local development plans filed with such department, agency, or commission; (2) evaluate the job creation effectiveness of programs and projects for which funds are proposed to be obligated in calendar year 1976 and additional programs and projects for which funds could be obligated in such year with Federal financial assistance under this title; and (3) submit to the Secretary of Commerce recommendations for programs and projects which have the potential to stimulate the creation of jobs for unemployed persons in eligible areas. Within 45 days of the receipt of such recommendations the Secretary of Commerce shall review such recommendations, and after consultation with such department, agency, instrumentality, and regional commissions, make allocations of funds in accordance with section 1003(e) of this title.

Sec. 9. Section 1005 of such Act, as amended, is amended by striking such section and renumbering subsequent sections accordingly.

Sec. 10. (a) Section 1006 as redesignated of such Act, as amended, is amended by inserting the following after "1975" in the first sentence: "and $750,000,000 for the fiscal year 1976".

(b) Section 1006 as redesignated is further amended by striking "1975" in the second sentence and inserting in lieu thereof "1976".

Sec. 11. Section 1007 as redesignated of such Act, as amended, is amended by striking "1975" and inserting in lieu thereof "1976".

Sec. 12. (a) The Secretary of Commerce shall provide financial assistance to federally assisted projects authorized and for which funds have been obligated at the time of enactment of the Public Works Employment Act of 1975 which because of rapid increases in wages or cost of materials cannot be completed within the amount obligated for the project: *Provided,* That nothing in this subsection shall authorize an increase in the maximum percentage of the federal contribution for any project for which funds have been obligated. (b) To be eligible for such assistance, the State or political subdivision thereof, Indian tribes, public or private non-profit group or association, or other eligible applicants to which Federal financial assistance is provided must submit an application to the Secretary setting forth the stage of project, type of project, job effectiveness of the project and the benefits to the community or region served by the project. The Secretary after reviewing the applications and with the concurrence of the agency, department, or instrumentality of the Federal Government funding the project shall provide funds for those projects which best serve the objectives of this Act: *Provided,* That not more than 15 per centum of the funds appropriated under this section may be used for projects in any one State.

(c) In addition to the grants otherwise authorized by this section, the Secretary is authorized to make a grant for the purpose of increasing the Federal contribution to a public works project for which Federal financial assistance is authorized under provisions of law other than this section to 100 per centum of the cost of the project if such Federal financial assistance under such law is immediately available for such project and construction of such project has not yet been initiated.

(d) There is hereby authorized to be appropriated $250,000,000 to carry out the purposes of this section, such amount to be available for obligation until December 31, 1976.

PUBLIC WORKS EMPLOYMENT ACT OF 1975

[In millions of dollars]

Fiscal year 1976—			
Authorized in bill	Presently authorized	Total authorization	Description
250,000	250,000	500,000	Increases EDA's title I public works authorization.
400,000	NA	400,000	Establishes separate temporary program to provide short-term construction and other employment. Projects must be approved within 60 days for construction, repairs or improvement of public facilities. Modeled on title I PWIP program except no requirement for formal designation of specific areas. Eligible areas are those of high unemployment and CETA designated areas.
125;000	75,000	200,000	Amends title II of Public Works & Economic Development Act (PWEDA) to increase authorizations for business loans and guarantees. Provides new interest supplement authority for working capital loans.
100,000	100,000	200,000	Increases title IX—Special economic development and adjustment assistance—Authorization to give this new program decided antirecession thrust. Program assists States and local areas to cope with actual or threatened severe unemployment due to economic dislocations due to drastic changes in economic conditions.
750,000	[1]500,000	750,000	Title X—Job opportunities program. New authorization. Allocates funds to Federal agencies and regional commissions to accelerate existing programs to increase new employment in high unemployment areas. Amendments remove participation of Secretary of Labor in project review and limitations on labor and nonlabor project costs.
250,000	NA	250,000	Sec. 12 provides additional funds for cost-overruns on authorized Federally assisted projects for which funds have been obligated by the time this bill becomes law. Secretary of Commerce will decide among projects on the basis of job effectiveness of project. Authority also provided in section 12 to provide Federal assistance up to 100 percent of public works project costs for local matching shares.
1,875,000			

[1] $125,000,000 has been appropriated, $375 is contained in Emergency Employment Appropriation Act of 1975.

EXHIBIT 1

[From the Monthly Economic Letter of the First National City Bank, April 1975]

CREDIT DEMAND—CROWDING OUT OR FILLING IN?

The recovery prognosis has been challenged by those who worry about the impact of heavy Treasury borrowing. The fear is that huge deficits in prospect for the fiscal years 1975 and 1975 will require the Treasury to sop up so much of the available credit that private borrowers will be shut off. If the Federal Reserve were to try to prevent this crowding out, the argument goes, they might create new money at such a fast clip that reasonable expectations of a new round of double-digit inflation would be quickly revived. In either case, the result could be a sharp rise in interest rates and a brake on recovery.

The logic behind the argument has serious flaws. Large as the federal budget deficit looms, it is primarily the result of the drop in tax payments and a rise in transfer payments. Estimates by government economists suggest that over $50 billion of the deficit in 1975 can be accounted for by the recession. During recessions, demands on the credit markets by households and private business diminish, and diminish the more sharply the deeper the recession. In other words, the counterpart of unusually heavy Treasury demands is a large decline in private borrowing by households and businesses.

These shifts in the apportioning of credit will be accompanied by an increase in the total credit supply. Federal Reserve policy is likely to be accommodative, as it typically has been in the past during recessions—and often in other periods when the Treasury has found it necessary to borrow large amounts. Personal saving also is likely to jump in 1975, partly due to the tax cut. The total amount of funds supplied (and raised) in the credit markets will rise, unlike the experience of 1974.

By the opening months of 1975, it was evident that the volume of nonfederal borrowing was running at less than a $100 billion annual rate, seasonally adjusted, compared with a $180 billion pace in the first half of 1974, and that this steep drop in demand for credit could become even deeper in the next few months. Later in the year, consumer borrowing should revive in response to stronger demands for durable goods and home purchases stimulated by ample supplies of mortgage credit.

Historical relationships suggest that total net nonfederal borrowing in 1975 is likely to run in the range of $90–120 billion. But the total credit supplied to ultimate borrowers—that is, consumers, nonfinancial businesses, governments and foreigners—is almost sure to top last year's estimated $172 billion, and it could rebound well above the $200 billion level. So the implication is that the total supply of credit will be sufficiently large to accommodate the total demand, including $70–90 billion of Treasury securities, without undue strain.

The judgment concerning the current year, however, does not necessarily hold for the longer run. As the economy recovers from this recession, private credit demands can be expected to escalate. As the economy nears full employment, the monetary authorities will face a painful dilemma unless the federal deficit and related Treasury borrowing diminish sufficiently. For they may find that they must either allow Treasury borrowing to crowd out private borrowers to an extent that stifles private capital formation or permit the money supply to grow at an inflationary rate.

EXHIBIT 2

RELATIONSHIP OF FEDERAL DEFICITS AND FEDERAL DEBT HELD BY THE PUBLIC TO GROSS NATIONAL PRODUCT

[Dollars in billions]

Fiscal year	Gross national product	Deficit or surplus	Debt held by public	Deficit, percent of GNP	Debt held by public, percent of GNP	Fiscal year	Gross national product	Deficit or surplus	Debt held by public	Deficit, percent of GNP	Debt held by public, percent of GNP
1947	$219.7	$3.9	$225.6		102.7	1962	$542.1	−$7.1	$248.4	1.3	45.8
1948	243.5	12.0	216.6		89.0	1963	573.4	−4.8	254.5	.8	44.4
1949	260.0	.6	214.5		82.5	1964	612.2	−5.9	257.6	1.0	42.1
1950	263.3	−3.1	219.6	1.2	83.4	1965	654.2	−1.6	261.6	.2	40.0
1951	310.5	6.1	214.3		69.0	1966	721.2	−3.8	264.7	.5	36.7
1952	337.2	−1.5	214.9	.4	63.7	1967	769.8	−8.7	267.5	1.1	34.8
1953	358.8	−6.5	218.5	1.8	60.9	1968	826.0	−25.2	290.6	3.1	35.2
1954	362.1	−1.2	224.5	.3	62.0	1969	898.3	3.2	279.5		31.1
1955	378.6	−3.0	226.6	.8	59.9	1970	954.6	−2.8	284.9	.3	29.8
1956	409.4	4.1	222.2		54.3	1971	1,012.1	−23.0	304.3	2.3	30.1
1957	431.3	3.2	219.4		50.9	1972	1,101.6	−23.2	323.8	2.1	29.4
1958	440.3	−2.9	226.4	.7	51.4	1973	1,224.1	−14.3	343.0	1.2	28.0
1959	469.1	−12.9	235.0	2.7	50.1	1974	1,348.9	−3.5	346.1	.3	25.7
1960	495.2	.3	237.2		47.9	1975	[1]1,434.0	[1]−34.7	[1]389.6	[1]2.4	27.2
1961	506.5	−3.4	238.6	.7	47.1	1976	[1]1,596.0	[1]−51.9	[1]453.1	[1]3.2	28.4

[1] Estimate.

Sources: U.S. Department of Commerce, Office of Business Economics; U.S. Department of Treasury, Office of Debt Analysis; Office of Management and Budget.

Mr. RANDOLPH. Mr. President, I join with Senator MONTOYA in introducing the Public Works Employment Act of 1975. This bill will amend the Public Works and Economic Development Act of 1975 to expand the antirecessionary effectiveness of the programs conducted under the act.

This Nation faces one of the most severe economic crises in our history. Unemployment has been climbing rapidly over the past 12 months, with 8.7 percent of the work force—8,700,000 people—unemployed. Our gross national product declined in the third and fourth quarters of 1974. Current trends indicate that the decline will continue at least through the second quarter of 1975. The recession is taking its toll in business failures, which in January reached an 8-year high.

Mr. President, the Congress is receiving clear and distinct signals that the Federal Government must act quickly to restore our economy's health and stability. The House and Senate have responded to this economic emergency in several areas: the Tax Reform Act of 1975 has been enacted into law and the Emergency Employment Appropriations Act of 1975 is in conference. These two measures will do much to stimulate economic recovery by making money available to individuals for increased levels of spending and by providing funds for useful jobs for those currently unemployed.

The bill introduced today by the able chairman of the Subcommittee on Economic Development of the Public Works Committee, will continue the philosophy of providing meaningful jobs for the unemployed.

This measure provides increased authorizations for titles I, II, IX, and X of the Public Works and Economic Development Act of 1965. A new section will be added to title I authorizing grants for local facility improvement and development. Another new provision will authorize increases in the funding available for already approved federally-assisted projects which have experienced rapid increases in costs or to provide local matching shares where necessary to enable the project to go forward. Both of these new authorizations will make funds available for programs and projects which can have an immediate impact on economic activity.

Mr. President, the program envisioned by this legislation will provide a positive response to unemployment and recession problems. Increases in existing authorizations are for fiscal year 1976 except for title X—jobs opportunities program—which is available until December 31, 1976. Other new program authorizations cease when unemployment drops to more acceptable levels.

This bill demonstrates the ability of Congress to work to meet a pressing national need. The potential of this measure to place Americans to work is great. This is action that we must take quickly to stabilize the economic deterioration in our Nation.

By Mr. PROXMIRE (for himself and Mr. Tower) (by request):

S. 1589. A bill to amend the U.S. Housing Act of 1937 to increase the amounts of annual contributions which may be provided thereunder with respect to low-income housing projects, to specify the manner in which annual contributions shall be subject to appropriations acts, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

INCREASE IN PUBLIC HOUSING AUTHORITY FUNDS

Mr. PROXMIRE. Mr. President, at the request of the administration I am introducing, along with Senator Tower, a bill to increase the amount of annual contribution which may be provided under the public housing program. I ask unanimous consent that a letter from the Secretary of HUD, explaining the legislation together with a section-by-section analysis, be printed in the Record.

There being no objection, the letter and analysis were ordered to be printed in the Record, as follows:

The Secretary of Housing
and Urban Development,
Washington, D.C., April 23, 1975.

Hon. Nelson A. Rockefeller,
President of the Senate,
Washington, D.C.

Dear Mr. President: I am enclosing proposed legislation which would amend the United States Housing Act of 1937 to provide increased authorizations for annual contributions thereunder, and to specify the manner in which annual contributions would be made subject to appropriation Acts. Also enclosed for your convenience is a section-by-section summary of the proposal.

The proposed authorization increases are consistent with and reflect recommendations for the public housing program contained in the President's budget for fiscal year 1976. Moreover, the recommendations for increased authorizations through fiscal year 1977 are in accordance with section 607 of the Congressional Budget Act of 1974; also, in accordance with section 401 of that Act, all proposed authorizations over current levels would be made subject to approval in appropriation Acts.

Together with the balance of the authorization which is expected to remain at the conclusion of fiscal year 1975, the added amounts of contract authority in the bill for fiscal year 1976 would provide for an estimated 400,000 additional subsidized new, rehabilitated, or existing housing units under the lower-income housing assistance program authorized under section 8 of the United States Housing Act of 1937. It also would provide for 6,000 units of Indian housing to be produced under other provisions of the Act. Additionally, the authorization increase proposed for fiscal year 1977 is designed to permit a fiscal year 1977 program at approximately the same level as that contemplated for fiscal 1976.

The proposal also would amend section 9 of the United States Housing Act of 1937 to authorize the Secretary of Housing and Urban Development to make annual contributions to public housing agencies for the operation of low-income housing projects, to the extent of appropriations therefor. The amendment would convert the present authorization of contract authority for operating subsidy annual contributions to an authorization of appropriations, thus making explicit in the statute the established current practice of funding such subsidies each year at a level for that year established through the appropriations process. Also, the proposed $525 million operating subsidy authorization level for fiscal year 1976 represents the level for that fiscal year reflected in the President's budget; the $572 million level proposed for fiscal year 1977 is consistent with budget projections for that fiscal year.

I ask that the enclosed bill be referred to the appropriate committee and urge its early enactment.

The Office of Management and Budget advises us that there is no objection to the submission of this legislation to the Congress, and that its enactment would be in accord with the program of the President.

Sincerely yours,

Carla A. Hills.

Enclosures.

Section-by-Section Summary—April 2, 1975

A bill to amend the United States Housing Act of 1937 to increase the amounts of annual contributions authorized thereunder, to specify the manner in which annual contributions shall be subject to Appropriation Acts, and for other purposes

Section 1. This section would amend section 5 of the United States Housing Act of 1937, which authorizes annual contributions undert he low-income public housing program, to increase the amounts of such contributions authorized to be made available. Current law provides that annual contributions may not aggregate more than $2,939,250,000 per annum.

Section 5 of the 1937 Act would be amended to provide additional annual contributions contract authority of $212,300,000 on July 1, 1975, with a further increase of $1,232,000,000 to occur on October 1, 1976. The section would provide, however, that the additional contract authority provided under the amendment would be effective only to such extent or in such amounts as are provided in appropriation Acts.

Section 2. This section would amend section 9 of the United States Housing Act of 1937. That section authorizes the Secretary of Housing and Urban Development to make annual contributions to public housing agencies for the operation of low-income housing projects, out of the aggregate amount of annual contributions authorized pursuant to section 5 of the 1937 Act.

Paragraph (1) of the section would amend the first sentence of section 9(a) to authorize the Secretary of Housing and Urban Development to make such annual contributions to the extent of appropriations therefor.

Paragraph (2) would authorize appropriations, for the purpose of providing annual contributions under section 9 on or after July 1, 1975, of not to exceed $525,000,000 per annum, which would be increased by $47,000,000 on October 1, 1976.

Section 3. This section would provide that the amendment to section 9 of the United States Housing Act of 1937 which would be made by paragraph (1) of section 2 would not affect authority under section 9, as such authority existed prior to such amendment, to make annual contributions for the operation of low-income housing projects pursuant to contracts for such annual contributions entered into prior to July 1, 1975.

By Mr. THURMOND:

S. 1590. A bill to amend title 10, United States Code, and the Military Selective Service Act to permit the assignment of members of the Armed Forces who have completed basic training and training in a military specialty as is prescribed by the Secretary concerned to overseas areas free from hostile fire, and to permit the release of Reserve component enlistees from their initial active duty for training upon the completion of basic training and training in a military specialty as is prescribed by the Secretary concerned. Referred to the Committee on Armed Services.

Mr. THURMOND. Mr. President, today I introduce legislation to amend title 10 of the United States Code which would permit the assignment of military personnel upon completion of basic or specialty training to overseas areas free from hostile fire.

This legislation would also permit the release of National Guard and Reserve component enlistees from their initial active duty for training upon completion of basic or specialty training.

Mr. President, currently there is a requirement that no individual can be sent overseas even to a nonhostile area or return to a Reserve or Guard unit until after completion of 4 months active duty. While this is appropriate for the majority of concerned personnel, there are those individuals who complete basic or specialty training within 3 months.

Under current regulations these individuals have to be maintained on active duty or delayed on overseas assignments although their training has been completed.

Mr. President, this is important legislation and will result in a more efficient operation of our military services as well as result in budgetary savings for the Department of Defense.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1590

Be it enacted by the Senate and House of Representatives of the United States of America in Congress asembled, That section 671 of title 10, United States Code is amended to read as follows:

SEC. 671. Members not to be assigned outside the United States before completing training—

"(a) Except as provided by subsection (b), no member of an armed force may be assigned to active duty on land outside the United States and its Territories and possessions until he has had four months of basic training or its equivalent.

"(b) Under regulations prescribed by the Secretary of Defense or the Secretary of Transportation with respect to the Coast Guard when it is not operating as a Service of the Navy, a member of an armed force who has completed basic training and training in a military specialty as is prescribed by the Secretary concerned may be assigned to active duty on land outside the United States and its Territories and possessions, where, at the time of such assignment, members of the armed forces are not subject to hostile fire, explosion of hostile mines, or other hostile action."

SEC. 2. The sixth paragraph of section 4(a) of the Military Selective Service Act (50 U.S.C. App 454(a)) is amended by inserting ", except as provided by section 671(b) of title 10, United States Code" after "(including the Canal Zone)".

SEC. 3. The second sentence of section 511(d) of title 10, United States Code, is amended to read as follows:

"Each person enlisted under this subsection shall perform an initial period of active duty for training and may be released from active duty upon completion of basic training and training in a military specialty as is prescribed by the Secretary concerned. Insofar as practicable, the initial period of active duty for training shall commence within 180 days after the date of that enlistment."

SEC. 4. The third sentence of section 6(c) (2)(A)(iii) of the Military Selective Service Act (50 U.S.C. App. 456(c)), is amended by striking out the words "for not less than four consecutive months," and inserting in place thereof the words "as provided by section 511(d) of title 10, United States Code,".

By Mr. MORGAN:

S. 1592. A bill to authorize the disposal of chemical grade chromite from the national stockpile. Referred to the Committee on Armed Services.

Mr. MORGAN. Mr. President, in order to alleviate an immediate critical situation, and to assure continuity of the U.S. chrome chemical business, I am introducing S. 1592, a bill to release from the national stockpile 219,000 short dry tons of chemical grade chromite ore. The national stockpile currently contains 250,000 short dry tons of chemical grade chromite ore, and the Office of Emergency Preparedness 3-year requirement is 31,000 short dry tons; thus leaving the excess of 219,000 which I propose should be freed immediately.

United States imports 100 percent of the chromite ore used and processed in this country. Chemical industry uses a chemical grade chromite ore imported almost exclusively from the Republic of South Africa. The metallurgical grade is imported primarily from the Soviet Union, Republic of South Africa, Turkey, and Rhodesia. The refractory grade chromite comes from the Philippines, Soviet Union, and Turkey.

The material that I propose to be freed up is exclusively classified as chemical grade, and would be used by the chemical industry. South African mining companies send this ore by rail to the Port of Lourenco Marques, Mozambique, for ship loading. A variety of problems including rail car shortage and other problems at Lourenco Marques have caused shipping delays of 2½ to 3 months.

Further, indications are that these problems could very well continue for some time. To date, U.S. chemical producers have had to absorb excessive demurrage charges when they could get materials. These demurrage charges ultimately will have to be passed on to the U.S. consumer and will have an adverse affect on inflation in the United States. It should be pointed out that there is no substitute for chromite ore in the chemical process, and without ore, chemical plants will be forced to cease operations resulting in further unemployment. Based on current low inventories of chrome ore, such plant shutdowns could start taking place by early summer.

The principal product made from chromite ore is sodium bichromate, which ultimately finds its way into the manufacture of pigments, chromic acid, which is primarily used for metal finishing and plating, as well as bichromate being used for corrosion control, petroleum usages, textiles, preservatives, and other miscellaneous uses.

I urge unanimous support of this legislation so there will not be a countrywide cessation of production by the U.S. chrome chemical processors causing a chain reaction of the many industries served by the chrome chemical business. If this industry is unable to produce its products because of lack of chromite ore, the only other source of obtaining these products would be from imports, if available. Past experience of importing these materials has not proved to be in the long-term best interest to U.S. industries and consumers. Time is a major factor and I urge immediate action by the Senate.

By Mr. CRANSTON (for himself, Mr. MONDALE, Mr. WILLIAMS, Mr. RANDOLPH, and Mr. LAXALT):

S. 1593. A bill to amend the Public Health Service Act to promote the health and welfare of children in need of adoption by facilitating their placement, and for other purposes. Referred to the Committee on Labor and Public Welfare.

OPPORTUNITIES FOR ADOPTION ACT OF 1975

Mr. CRANSTON. Mr. President, during the 93d Congress, on April 3, 1974, I introduced for myself and the chairman of the Labor and Public Welfare Committee's Subcommittee on Children and Youth (Mr. MONDALE) and the chairman of the Labor and Public Welfare Committee (Mr. WILLIAMS), S. 3298, the proposed Opportunities for Adoption Act. The measure was referred to the Labor and Public Welfare Committee, but unfortunately, other priorities prevented its being considered before the close of the last Congress.

I am pleased today to reintroduce this measure, again on behalf of myself, Mr. MONDALE, and Mr. WILLIAMS, and to welcome as cosponsors the distinguished ranking majority member of the committee (Mr. RANDOLPH) and the committee's new minority member (Mr. LAXALT). The substance of the bill remains intact, although we have made several changes of a technical or clarifying nature, based largely on comments we have received from the public.

Among the most significant of these changes is the added language in the proposed section 1402(a)(1) making express the authorization of financial assistance to adoption agencies for the purpose of identifying children in need of adoption services and of freeing them for adoption. The process of identifying and freeing children for adoption—for instance those who have been institutionalized or in foster care for extended periods of time—is an expensive and time-consuming process which adoption agencies cannot afford to undertake without such assistance.

Such an endeavor was initiated on a pilot basis in Los Angeles in early 1970. Known as the "Reach-Out Program," its purpose was to determine whether children who were staying for extended periods of time in foster care and who stood little chance of ever returning to their own homes could be identified and freed for adoption. In fiscal year 1970–71, 177 "Reach-Out" children were freed for adoption. In the following year when the program operated throughout Los Angeles County, 621 children were freed. Adoptive placements totaled 121 in the first year and increased to 493 in the second year.

A second significant change is the new clause (5) in proposed section 1403(b), which would include among the duties of the Director of the National Office of Adoption Information and Services the responsibility for coordinating and consulting with other appropriate Federal departments and agencies and charged with providing related services and benefits under their programs and with other units within the Department of Health, Education, and Welfare insofar as the programs they administer relate to the purposes and provisions of the proposed title XIV which this bill would add to the Public Health Service Act.

I believe this coordinating function is most important, Mr. President, particularly with respect to the new title XX programs of the Social Security Act which provide funds to States for services to children including, at the option of the States, foster care for children and grant aid for child welfare services; with respect to the Developmental Disabilities Act, since its provisions relate directly to most of the "special needs" children; with respect to medicaid—title XIX of the Social Security Act—which provides support for the board, room, and care of disabled children in public institutions; and, finally, with respect to the supplemental security income—SSI—program which establishes a Federal program of income maintenance for the aged, blind and disabled—including blind and disabled children under 18 years of age. Under the SSI program, since the benefit is vested in the handicapped youngster, an adoptive family could receive SSI assistance for an adopted child. The coordination of these programs would result in the optimum utilization and enhance the cost effectiveness of the benefits to children which they were created to provide.

Mr. President, I can think of no better time than now for the reintroduction of this measure. We have seen in recent weeks the moving response to "Operation Baby Lift". Americans have demonstrated that they care deeply about the youngest victims of the Indochina war. That concern, ironically, has forced us to further probe our national conscience regarding the 120,000 young Americans who are in need of adoption. I am sure we will all agree that they are equally deserving of the kind of compassion and humanity that our Nation is showing toward the Vietnamese orphans. S. 1593 asks the American people to open their hearts and homes to our Nation's own children with "special needs"—those who have not been adopted because of their age, race, mental or physical defect, or because they are members of a sibling group.

SUMMARY OF THE BILL

S. 1593 would add a new title XIV—adoption assistance programs—to the Public Health Service Act. It is designed to promote the health and welfare of children in need of adoption by:

Encouraging States to subscribe to uniform adoption regulations so that legal and jurisdiction obstacles to adoption might be eliminated;

Encouraging States to enter into adoption assistance agreements with adoptive parents so that financial obstacles to adoption might be alleviated; and

Providing for the establishment of a National Office of Adoption Information and Services to insure quality standards for adoption services and postadoption counseling.

Mr. President, the need for this legislation is clear. It is estimated by informed sources that there are at least 120,000 children waiting in foster homes or in institutions because they are in legal limbo, are physically or mentally handicapped, or are otherwise difficult to place, due to their age or racial background. The tragedy of the adoption situation today is that the adopting public remains mostly white, wedded to the idea that adoption means a healthy white infant.

The legislation we offer today, Mr. President, is intended to benefit the 120,000 hard-to-place children. There are 7,800 to 8,600 in foster homes in California alone.

In introducing S. 1543 we are not attempting to interfere with the traditional role of the State in regulating domestic relations as they pertain to adoption. Rather, we are attempting to give leadership for the implementation of a plan of action, involving concerned agencies and public and private groups dealing with adoption, designed to overcome the longstanding barriers to interstate adoption—barriers which hinder the healthy and beneficial adoptive placement of so many thousands of children.

In 1971 the Children's Bureau granted funds to the Child Welfare League of America for a project designed to identify the specific legal and policy provisions and practices that constitute common impediments to adoption. The study, undertaken by Roberta Hunt for the League's Research Center and entitled "Obstacles to Interstate Adoption," examines the varying and sometimes conflicting ways in which the States strive to achieve both socially desirable and legally incontestable adoptions.

Among the obstacles she summarizes are the following:

First. Conflicting termination or relinquishment proceedings among and even within States which result in a situation where the adoption of a child in one State would not be recognized as valid were the family to move to another State.

Second. Local emphasis of laws and policies restricting the right to consent to adoption to executives of local agencies, thereby prohibiting the transfer of guardianship from State to State. This results in a situation where adoptive parents must go to the State of the child's origin to file a petition. And in some States, laws restrict the filing of petitions to residents of that State.

Third. Conflicting State laws and policies regarding the termination of guardianships: The laws of one State making no provision for the termination of guardianship except in proceedings for adoption; the laws of another State requiring such termination even before the adoptive placement is made.

Fourth. Diversity in State adoption laws on the question of when an adoption decree may be granted.

Fifth. The existence of "importation and exportation of children" laws in some States which, while enacted to provide safeguards for the children, constitute an obstacle to interstate adoption since the original purpose of these laws was to block the movement of children across State lines.

Sixth. The absence of uniform or coordinated interstate adoption assistance policies, for expenditures such as transportation, epecially where older children are involved and preliminary visits across State lines are needed. In addition, the diverse provisions for subsidizing unusual adoption costs present obstacles to interstate adoption. For example, where a family in a State having adoption subsidy arrangements adopts a hard-to-place child from another State, that family will often be ineligible for subsidy assistance unless the other State also has a subsidy arrangement.

In her report, Ms. Hunt also suggests possible solutions to these obstacles, but concludes by citing the need for leadership in implementing a plan of action toward those solutions.

Our bill attempts to promote this leadership.

Section 1401 of the proposed new title provides for the establishment within HEW of a "Committee on Uniform Adoption Regulations" to review current conditions, practices, and laws relating to adoption and to propose to the Secretary uniform adoption regulations which would facilitate the finding of suitable adoptive homes for children. The committee would be composed of representatives of National, State, and local child welfare organizations and representatives of other groups interested in facilitating the objectives of adoption agencies, as well as the Chief of the Children's Bureau in HEW.

Section 1402 of the proposed new title would provide Federal grants to States for the purpose of assisting them in meeting certain adoption costs. The grants would be available only to those States implementing programs consistent with the regulations proposed by the committee and finalized by the Secretary within 24 months after enactment of this bill. In this way, the bill is designed to provide an incentive to States to review their adoption laws and policies and make them consistent with uniform regulations aimed at alleviating the barriers to interstate adoption.

But the adoption assistance grants to States, Mr. President, are vitally important in themselves. They would be made available in the respective States to State agencies principally responsible for services to families and children, these agencies would then allocate funds to public and private nonprofit agencies meeting certain standards of quality, the establishment of which are required by the bill. Funds under this act could be used to—

First. Assist agencies in meeting certain costs involved in locating, freeing for adoption and placing children with special needs—defined in the bill as individuals between the ages of birth and 18 years who are physically, emotionally, or mentally handicapped, members of a sibling group, members of a minority group, children having other impediments—including age—to their adoption, or children for whom an adoptive placement has not been made within 6 months after such child is available for adoptive placement.

Second. Assist agencies in meeting costs of providing prenatal and postpartum services to mothers, voluntarily planning to place their children for adoption, who are unable to assume such costs, but only to the extent that there are not alternative sources of bearing the costs of such services readily available under other Federal or State programs in the community, such as medicaid, maternal and child health services, or neighborhood health centers. We believe this provision is important, Mr. President, for two reasons. First, it would provide expectant mothers, who do not feel able to raise their offspring, the financial assistance needed to carry their pregnancies to term, while better assuring them that their offspring will be placed in the healthy and beneficial adoptive situation afforded by agency adoptions. Such women might otherwise feel no alternative but to resort to abortion or to infant adoption black marketeers. Second, this provision would relieve agencies of some of the costs they now bear for such purposes and enable them to direct their limited resources to furthering the placement for adoption of children with special needs.

Mr. President, the developing tide of grey and black market adoptions in these times of declining birth rates was discussed last year in a New York Times feature article of February 20, 1973, by Judy Klemesrud, in which she presented an in depth analysis of this growing problem, which I will ask to be printed in the RECORD at the conclusion of my remarks.

Third. Assist agencies in meeting costs of providing professional counseling and other social services to children in need of adoption, and to prospective and actual adoptive parents and foster parents to help them provide a supportive and healthy family environment;

Fourth. Provide assistance directly to adoptive parents in defraying the costs of special services to children required as a result of conditions which existed prior to their placement, up to an amount not exceeding the amount which similar services would cost the State were it to provide them as the guardian of these children. These special services are defined in the bill as including medical, dental, surgical, physical therapy, and psychotherapy services, and other services necessary for the well-being of the child; and

Fifth. Provide assistance directly to prospective adoptive parents, who would consider adoption but for their economic inability to meet a child's needs, in defraying the postplacement and post-adoption costs of supporting children with special needs, in amounts of assistance determined by the Secretary to be adequate to enable them to assume the responsibility for raising such children.

Thirty-six States and the District of Columbia have enacted forms of so-called adoption subsidy legislation which include provisions incorporating the areas of support I have just discussed. Mr. President, I will ask that a list of those States be printed at the conclusion of my remarks.

Mr. President, in addition, I would like to point out that we have included a provision in the bill—section 1402(c)—requiring the Secretary to take such steps as he deems necessary to encourage and facilitate the consideration of comprehensive adoption assistance legislation by those States which have not enacted such legislation.

Mr. President, subsidized adoption has proven to be much less costly than institutional care, and in many instances, less costly than long-term foster care. Under either of these alternatives, the obligation of the State as guardian to support the child will generally continue until the child is 18.

Cost-effectiveness aside, however, Mr. President, the major importance of the concept of assisting adoptive parents in meeting special costs associated with adoption is that such assistance has proven to be vitally helpful in alleviating the difficulty of finding permanent homes for children with special needs and giving these children identification with their own mom and dad.

My own State of California has a successful adoption assistance program carried out pursuant to a bill named for its author, my good friend, former State Senator and now Lt. Gov. Mervyn Dymally. By 1973, 704 children with special needs had been placed in permanent adoptive homes in Los Angeles County alone. The county estimates it saved nearly $8 million just in 1970 and 1971 by removing children from foster homes and placing them in adoptive homes. Here are two examples of the value, in human and cost-effectiveness terms, of the Los Angeles County program.

Jerry, who is now 8, was born with a brain dysfunction. He also suffers from myopia, hearing loss, and congenital heart disease. Jerry lived in various foster homes in Los Angeles County until he was finally placed for adoption in February 1973 by the Los Angeles County Department of Adoptions.

The family who adopted him has one child of its own and is giving Jerry the love and special attention he especially needs because of his physical and learning handicaps. They are getting $137 a month from the county for 3 years to help them correct some of Jerry's problems.

This compares with the $189 a month the county spent and would have had to continue spending for 10 more years until Jerry was 18 in order to keep him in foster homes. The total savings to Los Angeles County will amount to $19,080.

Debby, 4, had been in a foster home. She and her 5-year-old brother, Jim, who was living in another foster home, were adopted by the same family. Since their new father was only irregularly employed in the construction business and Jim needed special therapy, Los Angeles County paid the family $126 a month for Jim's medical care for a year.

If both children had remained in foster homes until they were 18, it would have cost the county $150 a month per child. This subsidized adoption enabled the county to save $47,088.

The net savings, after subtracting the foster home payments and the adoption assistance payments, to the county from these two cases alone is $66,168.

I will also ask to print in the RECORD, at the conclusion of my remarks, Mr. President, a most impressive and succinct report on the benefits of subsidized adoption prepared for the Illinois General Assembly. The case histories included in this report speak for themselves in providing a convincing justification for the concept of adoption assistance grants.

Finally, Mr. President, section 1403 of the proposed new title provides for the establishment of a National Office of Adoption Information and Services in the Children's Bureau of HEW's Office of Child Development. The Office would be the principal agency for carrying out the provisions of the new title.

The Director of the Office would be charged with the responsibility of conducting an educational program on adoption, evaluating and measuring the impact of the programs authorized by the new title, insuring that adoption agencies receiving assistance authorized under the new title subscribe to standards of quality which he would prescribe and coordinating and consulting with other appropriate Federal entities charged with providing related services and benefits. The office would also provide for, directly or by contract or grant, the operation of a national adoption information exchange system to assist in the location of children in need of adoption and in placing them in healthy adoptive homes.

I wish to acknowledge the many groups and individuals who have generously responded to our requests for assistance and information in our efforts to develop this legislation. They include staff members of the Child Welfare League of America, the American Academy of Pediatrics, the American Public Welfare Association, the National Conference of Commissioners on Uniform State Laws, the National Conference of Catholic Charities, the U.S. Children's Bureau, Julian K. Brantley of the Children's Home Society of California, Dorothy C. Williamson, former chief of Adoption Services, San Bernardino County, California Welfare Department; Walter A. Heath, former director, Department of Adoption, County of Los Angeles, and the present director, Lenore Compbell, and Evelyn Morton, Legislative Council on Adoptable Children. Their advice and constructive suggestions have been invaluable, and I am most grateful for their cooperation.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point the list of States with adoption subsidy laws, the New York Times article, and the Illinois General Assembly report on subsidized adoption.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATES WITH ADOPTION SUBSIDY LAWS

Alaska, California, Colorado, Connecticut, Delaware, District of Columbia, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Jersey, New York, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington (State), and Wisconsin.

[From the New York Times, Feb. 20, 1973]

ADOPTION COSTS SOAR AS BIRTHS DECLINE

(By Judy Klemesrud)

Childless New York couples, made desperate by the current shortage of healthy white infants, are turning to the legal but often expensive field of private adoption.

In this nonagency procedure—widely known as the "gray market"—lawyers arrange for couples to acquire a baby at a total cost, including legal and medical expenses, that may range as high as $25,000. Although the procedure is legal in all but two states (Connecticut and Delaware), critics have questioned the high costs.

Behind the baby shortage lie the pill and other modern contraceptive devices, liberalized abortion laws and the lessening of the stigma once attached to unwed motherhood.

The adoption agencies, which once were able to provide a steady stream of white infants at fees ranging from $500 to $2,000, have found that their sources have virtually dried up. A result: Waiting lists of from three to five years for a baby.

The agencies have shifted their emphasis to children who used to be classified as "hard to place": They are either black or of mixed race, over the age of 2, or physically handicapped. The Children's Bureau of the United States Department of Health, Education and Welfare estimates that 60,000 of these children are now available for adoption, 1,050 of them in New York City.

"Gray market" adoption differs from "black market" adoption—which is illegal—in that the black market involves bypassing legal procedures to directly sell a child for something of value (usually money), or it involves outright fraud—such as the falsification of a birth certificate.

But what both the "gray" and "black" procedures boil down to is the ability to pay. And generally, the fees are sky high.

"There is no law about legal fees—we can charge any fee that we want to," said Walter Lebowitz, a Miami lawyer who was acquitted there last November on charges that he sold an infant to a couple for $7,000—$5,500 in legal fees and $1,500 in medical expenses.

The judge ruled that the case was a legal adoption and that the fees were all legitimate adoption expenses. Since then Mr. Lebowitz has written 200 pages of a book about himself and the case, with the working title of "The Baby Seller." He hopes that it will become a best seller.

And what does he define as a black market adoption? "Oh, we recently had one of those in Florida," he replied. "A lady sold her baby for a car. Now that's clearly black market."

In private adoption (known as "independent adoption" in some states), a couple generally go to an adoption lawyer who is either already in touch with a pregnant woman or knows other lawyers who may be. (There is a group of about 40 lawyers across the country who frequently work together.) The couple then agree to pay the mother's medical expenses and all legal fees. Of course, the use of a second lawyer raises the cost. In any event, the total ranges from $3,000 to $25,000.

Once the mother officially relinquishes the baby in court, adoptive parents in New York are investigated by the city and the report is turned over to either Surrogates or Family Court, which have the final say on whether the adoption will be permitted. Court approval means the parents will receive a birth certificate in their name and that the original certificate will be locked away.

In agency adoptions, the agency does all of the investigating—before the baby is given to the couple. With private adoptions, the city investigation comes after the placement and is much more cursory.

The private placements, however, are rarely turned down. "We have to find something really drastic for that to happen," a city investigator said.

According to Joseph M. Reid, executive director of the Child Welfare League of America, a total cost of $10,000 for a baby involved in a "gray" or a "black" procedure is becoming "rather normal."

"What we're hearing about these days are $25,000 babies," Mr. Reid said. "This is a very serious situation and one that may develop into a very critical one.

"The baby business is expanding rapidly all over the country, judging from what people in the child welfare field are telling me," he added. "These profiteers are using any method they can, including hiring someone on a campus to keep an eye out for pregnant girls, hiring someone to watch maternity homes for new arrivals—and even accosting doctors, lawyers and social workers for the names of pregnant girls."

There is very sketchy evidence available as to the extent of such adoption abuses as sky-high fees, falsification of records, illegal payment to mothers and blackmail following some illegal transactions. Court cases such as the one involving Mr. Lebowitz are rare, although district attorneys in New York and Miami, where many of the shadier dealings occur, said "investigations" in this area were now under way.

In New York, selling babies is a Class A misdemeanor, punishable by a one-year jail sentence and a $1,000 fine for each act. In Florida, it is a felony, and the offender faces a fine of up to $5,000 and up to 5 years in prison.

"You rarely find prosecution in this area," Mr. Reid said, "because it is a very messy situation. There is a baby involved, and a family involved, and they generally don't want to testify."

Nationally, the percentage of private adoptions compared with agency adoptions has held steady over the years, even though the total number of adoptions is rapidly declining due to the baby drought.

In 1970, the last year for which Government figures are available, 69,600 children were adopted through agencies and 19,600 were adopted privately. In New York State, the figures for 1971–72 were 4,457 agency placements and 1,637 private placements.

Ten New York area couples who were interviewed about their experiences with private and black market adoptions all vehemently refused to have their names used, for fear of cutting off their contacts for future adoptions, or because they feared that the children they had already adopted in this manner might somehow be taken away from them.

Here are some of their stories:

A Brooklyn Heights couple learned through a lawyer friend of a man who allegedly had a steady supply of white babies born of prostitutes. The man visited the couple at their home a few nights later and said he knew of two babies who would be born in a few months.

If the couple agreed to his $5,000 fee, he said, one of the pregnant women would check into a hospital under the name of the Brooklyn Heights wife, and the baby's birth certificate would bear the couple's names. No adoption proceedings would therefore be necessary. The couple pondered this highly illegal offer for an hour, then dismissed it as "sordid."

An East Side couple in their early 40's, who had been rejected by an adoption agency as being "too old" to adopt, received a telephone call one evening. It was from a Manhattan lawyer whom they had never met, or even heard of.

"I may be able to help you," he said, sympathetically. "If you like, I will mail you photographs of some handsome single young men and beautiful single young women. For $10,000, you can choose the couple you want to make the baby for you." At last report, the couple were still considering the offer.

A Jewish couple from the Caribbean decided they wanted that rarest commodity in the baby market—a Jewish baby. So they called a Miami lawyer and said that money was no object. A few days later they flew to Miami with $12,000 in cash and flew home the same day with the baby.

Several of the couples who have adopted privately spoke highly, almost reverently, about their lawyers, and said they would have no hesitancy about going through the process again.

"The only thing that bothered me was the $700 that was unaccounted for in our adoptions," said a Westchester County woman who, with her husband, adopted two babies privately through a Manhattan lawyer before the market dried up. (Each adoption cost around $2,500, including legal and medical fees.) "But my husband says that's the way you play this game," she added.

Other lawyers, such as Helen Hope of Miami, a former airline stewardess who is one of about 10 Miami lawyers who specialize in private adoptions, send itemized lists to their clients showing every single expense in the adoption.

When does the cost of a private adoption become "excessive"? Observers of the adoption field say anything more than $1,000 for the lawyer and a total cost of more than $3,000 is questionable, with certain exceptions. Sometimes, for example, the cost can soar much higher due to unexpected medical expenses. A New Jersey couple who had planned to pay $3,000 wound up paying $6,500 because the mother required extensive surgery following the birth of her baby.

Lawyers hear of babies in several ways: Referrals from obstetricians and abortion counselors, who, lawyers say, often get kickback fees; contacts on college campuses; from the pregnant woman or her family, and from prospective adoptive couples who find pregnant women through their own sources.

Among the better known adoption lawyers in New York are Joseph Spencer, of 545 Fifth Avenue, who is sometimes called "the dean of private adoption"; Terry Milburn, who works out of her home at 670 West End Avenue; Stanley B. Michelman, of 250 West 57th Street, whose specialty is babies born in this country of visiting German and Austrian mothers; Leonard N. Tarr, of 40 Exchange Place, whose babies are sometimes called "Tarr babies," and Emanuel H. Pavsner, of 630 Third Avenue.

Mr. Tarr, who was also a stockbroker, could not be reached for an interview. He is serving the eighth month of a two-year prison sentence in the Federal Correctional Institution in Danbury, Conn., for perjury in a Securities and Exchange Commission case. He will be paroled March 7.

Mr. Pavsner received a three-year suspension last March from the Association of the Bar of the City of New York for "converting to his own use" money he received as a guardian for two elderly men designated as "incompetents." The sums involved were $17,690 and $17,887, according to bar association records.

Mr. Pavsner, who is still arranging adoptions, was one of three Manhattan lawyers who were visited recently by a New York Times reporter and a male friend who were posing as a prospective adoptive couple.

At the meeting, which was held on a Saturday morning, the day after the initial telephone conversation, Mr. Pavsner told the couple that for $10,000 they had a good chance of getting a baby by the end of February. He did not mention his suspension, but said that another lawyer would handle the court proceedings.

The parents, he said, were an 18-year-old Jewish girl and a 19-year-old Protestant boy, both college students from middle-class backgrounds. He said the girl did not know she was pregnant until it was too late for an abortion.

Mr. Pavsner, a modly dressed man in a navy turtle-neck and a goatee, spent 20 minutes taking a thorough written biography of the couple, including detailed information about their financial status. Then he said that if the couple were interested, they would have to pay him $10,000, which would be put in escrow in case the baby was not perfect.

"If the baby has any defects or is a mongoloid," he told the couple, "you will get the next available baby."

Mr. Paysner said that both the couple and the pregnant girl and her family would be given each other's name—which is in opposition to agencies' policies of strict anonymity—and each would have the right to decide on the other's qualifications.

Mr. Michelman, the second lawyer who was visited, told the couple that for approximately $6,200 he could probably arrange for them to have a baby within six to eight months. The mothers he deals with, he said, are German and Austrian girls who are found by his associates in Europe.

"The mother flies to New York in her ninth month and is housed in a private home until she gives birth at Flower and Fifth Avenue Hospitals," he said. "I work with three German-speaking doctors there, and they give the girls excellent care."

Mr. Michelman said he had arranged 45 similar adoptions, and that, so far, only one woman had decided to keep her baby and take it back to Europe.

He said his portion of the $6,200 would be $2,250. "I know that's a lot of money for an hour's paper work and two court appearances," he said, "but we do take very good care of the girl while she's here."

When the couple called Joseph Spence, they were told that he would be unable to see them before the end of March, and that he charged $100 for an hour's consultation. He added that the "situation was grim," and that the couple would probably have to wait two years for a baby.

However, when the "husband" indicated that money was no object, Mr. Spencer told him, "Well, I do take certain cases in my home in Jackson Heights." An appointment was set for the following week in his office.

Two days later Mr. Spencer called the couple and told them that a Philadelphia lawyer, who usually handles babies from Greece, Italy and Yugoslavia, know of a white American infant who was about to be born. The cost was $9,500, plus an additional $2,500 fee for Mr. Spencer.

"If you're not interested," Mr. Spencer said, "we can still have the meeting in my office on Monday." The appointment was confirmed the next day by letter, which informed the couple that Mr. Spencer's fee for an hour's consultation had risen to $250. The couple canceled the appointment.

The following week, Mr. Spencer was interviewed in his office by the reporter, whom he did not know was a member of the couple who had seemed so eager to adopt a baby.

The lawyer, a wizened man with a full head of silver hair, refused to discuss his fees, saying only that "when you go to the best, you pay more. That's why Louis Nizer can command $5,000. That's why I get more than other people."

Mr. Spencer said he abhorred the practices of certain profiteering lawyers whom he called "buccaneers," but said he often dealt with them when his clients desperately wanted a baby and agreed to pay their inflated fees.

"Money talks in this business," he said. "It's gotten to the point where babies that are supposed to go to my clients are being snatched right out from under our noses for more mony. There's a terrific hunger out there, and the people who will suffer are those in the $15,000–$16,000 bracket or less, because they'll never be able to afford to adopt—unless they have wealthy parents."

Mr. Spencer said that even though it was illegal, he thought there was nothing wrong with an adoptive couple giving a gift of money to the mother for her baby in addition to legal and medical expenses. The way to circumvent the law in this case, he said, is to give the mother $750 to $1,000 "for living expenses."

"I feel philosophically that a mother who is doing this noble thing should be rewarded for her pain and suffering," he said.

Many child welfare experts say the only answer to adoption abuse is to put all adoptions in the hands of agencies. Such a situation now exists in Connecticut and Delaware, and similar legislation has been introduced but defeated in recent years in Florida and California.

"The all-agency system has been absolutely successful in preventing independent adoptions in Connecticut," said Robert Budney, that state's chief of adoption and unwed mother services. "About a dozen couples try to arrange independent adoptions a year, but that's only because they're ignorant of the law."

The system has been in effect there since 1959, and allows adoptions only through public or private adoption agencies. The public agencies charge no fee; the private agencies' fees are figured on a sliding scale based on a couple's income. Religion becomes a factor only when a mother requests that her child be placed with a couple of a particular faith.

Proponents of private adoption in New York are critical of what they consider to be the archaic and sanctimonious practices of agencies as they are now set up here, as well as of the agencies' long waits for babies, their impersonality, and their rigid requirements that make it difficult for middle-aged people to adopt and virtually bar adoptions across religious lines.

"We just didn't want to go through the humiliation that applying at an agency involves," said one Queens mother who had adopted a child privately. "They ask you such personal questions, like all about your sex life and the size of your house."

Judge Nanette Dembitz of the New York City Family Court, who has presided over hundreds of adoption proceedings, said that the occasional result of a system in which money is the most important factor in getting a child was the "obnoxious practice" of babies going to "undesirable parents."

"I think all private adoptions should be abolished," she said. "But first we must have a sufficient network of agencies that are truly nonsectarian and do not act arbitrarily. That would be the ideal situation."

Subsidized Adoption—A Report to the Illinois General Assembly

(By Edward T. Weaver, Director, Department of Children and Family Services)

This report on subsidized adoption is submitted by the Department of Children and Family Services to members of the Illinois General Assembly in compliance with Public Act 76–1683, approved on October 6, 1969. The law amended the Act establishing the Department by adding the following language:

"The Department may provide financial assistance, and shall establish rules and regulations concerning such assistance, to persons who adopt physically or mentally handicapped, older and other hard-to-place children who immediately prior to their adoption were legal wards of the Department. The amount of assistance may vary, depending upon the needs of the child and the adoptive parents, but must be less than the monthly cost of care of the child in a foster home. Special purpose grants are allowed where the child requires a special service but such costs services would cost the Department if it were to provide or secure them as guardian of the child. The Department shall report to the General Assembly on the cost benefit of this program by April 1, 1970."

Accordingly, by official regulation effective November 14, 1969, the subsidized adoption program was implemented. Subsidized adoption is a plan by which the Department continues financial involvement beyond the legal consumption of an adoption of a child for whom the Department had responsibility by court order or surrender immediately prior to adoption. It makes adoption possible for children who would otherwise remain in tax-supported foster care until they reach adulthood. Included are children who cannot be placed for adoption through existing resources because of age, race, physical and/or mental condition, or other serious impediments.

Because of the program's newness and the need to familiarize staff with the criteria and procedures to be employed, only one subsidized adoption was completed in 1969. However, by March 20, 1970, a total of 45 applications for subsidized adoption had been approved, and the program was gaining momentum in each of the Department's eight regions throughout the state.

A careful, conservative projection of anticipated savings to the State of Illinois that will be realized while these 45 children grow to maturity has been set at $292.518. This figure was computed, at current dollar rates, by subtracting the total anticipated costs of the subsidies until the children reach 18 from the higher total of boarding care payments which the state would have to assume if it maintained guardianship of the children until they reach their majority. Known extra costs to the state to facilitate the adoptions—e.g., payment of a significant one-time medical or dental bill—have been deducted in arriving at the projected dollar benefit.

There will also be savings in administrative costs because Department caseworkers will no longer provide supervision of the child, which is required for youngsters in foster family care who remain under state guardianship. However, because the sample of approved cases is small and staff need time to become familiar with the processing of subsidized adoption (which represents an administrative cost), no attempt was made at this time to project the anticipated savings in administrative expenses. If the volume of children accepted under this program grows significantly, the savings in this area will be considerable.

All 45 children for whom subsidized adoption has been approved are being adopted by their foster parents. Twenty-two of the youngsters are white, 20 are black, two are of mixed race, and one is an American Indian. Thirty-two of the children are under five years of age. Some are physically handicapped. Some are mentally retarded. Some are older children who have been with the same foster parents for years and for whom placement in another home would definitely be traumatic for them.

The following examples have been taken from case records, with only the names of the individuals changed. They illustrate how the subsidized adoption program benefits the children, the adoptive family, and the taxpayer.

Margaret, 8, and Sarah, 5, are sisters. Joseph, 3, is a half-brother. All were victims of severe physical and mental abuse.

Margaret was brain damaged and is emotionally disturbed as well as retarded. She also suffers partial paralysis of the vocal cords from being choked, an incident which resulted in her stepfather's being sent to prison.

Sarah is a borderline retardate who was raped at age three and suffered other severe parental abuse and neglect.

Joseph was also abused in his former home and is a very slow learner.

These youngsters were placed in August, 1967, with a foster mother who has given them the love and security they so desperately need. The foster mother is divorced and works the night shift at a hospital as a licensed practical nurse. Her salary is $356 per month, and she has been receiving $290 per month from the Department for care of the three foster children. A young woman reared by the foster mother and now living in her home provides supervision for the youngsters when the foster mother is at her job. To enable her to adopt the children whom she has grown to love as her own, the foster mother is willing to reduce the Department's monthly care payments to $185 and to pay a lawyer to represent her in the three adoptions.

The Department has approved subsidized adoption. The dollar savings to the State of Illinois will amount to an estimated $22,900. In human terms, the "savings" to the children from obtaining a permanent home is inestimable.

Mary is a "hard-to-place" child. She is black and was born 8 years ago with a left arm stumped and malformed. Since she was one week old, Mary has lived with Mrs. Jenkins, a widow who is poor in material terms but rich in love for her foster child. Mary has called Mrs. Jenkins "Mom" as long as she can remember. They have been through much together, including the first fitting of a prosthesis on Mary's deformed arm. The prosthesis will need to be replaced two or three more times as Mary grows to maturity.

Mrs. Jenkins cannot afford a substantial loss of income, but she does want to adopt Mary. The Department has approved a subsidized adoption in which the agency will reimburse her for the lawyer's fee and will continue responsibility for Mary's medical care. The continuing monthly subsidy will be $75, or $17 less than the agency now pays for Mary's foster care. The estimated savings on "out-of-pocket" expenses over the next 10 years: $3,903.

Jimmy and Jonah are 4½-year old twins who were born prematurely. Both have a hare lip and cleft palate. For some time, the boys received medical care, through the University of Illinois' Division of Services for Crippled Children, at a specialized cleft palate clinic. Both have undergone successful surgery for repair of the defects, but Jonah still has an opening in his palate. Consideration is being given to a further operation.

A physician says "physically they are about like 2½-year olds and also in their apparent mental and social development. It is not realistic to assume they will ever reach normal intelligence or size." A psychologist is less fearful of mental retardation and believes the boys may continue to develop to "a low average to average intelligence potential."

Before the boys were six months old, the Department arranged through a private agency to place them with the Morris foster family. According to the caseworker, "much of the progress and continued development can be attributed to the Morris' support, incredible patience, and constant effort in behalf of the twins. Mr. and Mrs. Morris and their other children realize the limitations that the twins have physically and intellectually and accept their limitations with understanding and love."

Mr. Morris, an $810 a month design engineer, and his wife have adopted four children already, all of whom were "hard to place" by reason of physical or mental handicap or racial background. They range in age from six to seventeen years of age. Payments provided by the Department for care of the twins have represented the family's only income in addition to Mr. Morris' salary. However, the family recently received placement of a three-month old mulatto child who they will ultimately adopt.

The subsidy agreement worked out with Mr. and Mrs. Morris, enabling them to adopt the twins, calls for the Department to provide a $75 monthly subsidy per child instead of the $115 per month per child boarding care fee. The Department will also assume responsibility for the legal fees, plus any medical treatment, speech therapy, or special education costs relating to the twins' handicaps.

The dollar savings to the State of Illinois over the next 13 years is estimated at $12,120.

Jerry, a six-year old black youngster, has been considered for adoption by several families, but plans have fallen through in each instance. This handsome, intelligent youngster has an allergic condition that has required treatment by a specialist nearly every week for the past two years.

Jerry has been in the Washburn foster home since he was one week old. Both the foster mother and the foster father, who was forced into early retirement because of a ruptured spleen, want to adopt Jerry. The child has assumed their last name and knows no other parents.

The family income is based on the father's Social Security and disability pension. The couple has cared for other foster children in the past, and will continue to do so. However, Jerry is the only adoptable youngster who has been with them on a long term basis. In fact, in 1967, when it became apparent that Jerry's chances for adoption were quite slim, a long-term placement agreement was entered into with the family. The Washburns agreed to pay full clothing costs with the Department paying just the regular boarding care fee, without a clothing allowance.

Subsidized adoption will facilitate agency withdrawal from the case through payment to the family for legal fees for the adoption and by agreement to underwrite the cost of Jerry's medical treatment for the allergies. He is expected to need this type of medical treatment for only two or three years.

The savings that will accrue to the State of Illinois as a result of subsidizing Jerry's adoption has been estimated at $9,924.

Pamela is 5 and has been in the same foster home since she was four months of age. She did not become adoptable until she was more than 2½ years of age, well past the baby stage which appeals to most potential adoptive parents. Her foster mother and foster father, a steelworker who makes $400 per month, had not pursued the matter of adoption aggressively because they could not afford to hire a lawyer.

The case record states: "There is a strong emotional bond between the child and the prospective adoptive parents. Placement with this family has given the child a secure early childhood. To make any other plan for the child would be destructive, traumatic . . ."

The agreement recently approved by the Department of Children and Family Services calls for the agency to pay the family for necessary legal work to complete the adoption. This one-time fee will be more than offset by the foster parents' willingness to terminate the $81 monthly child care payments entirely. The savings, projected until Pamela reaches age 18, amounts to $15,782. Equally important, the parents and child are benefited by a program which enables them to become a permanent family.

Success of this program will not reduce Department efforts to find new parents for adoptable children. On the contrary, by moving into adoption the backlog of children who form the hard core of the "hard to place," Department staff will be in a better position to engage in enterprising efforts to recruit applicants for adoption of minority race or handicapped children as they are released for adoption.

Policies and procedures utilized in the subsidized adoption program are currently under review, but processing of initial applicants suggests no major problems. Appropriate safeguards have been built into the procedures for determining a family's eligibility for subsidized adoption. For example, the prospective adoptive parents must submit their most recent federal income tax return along with their application for a subsidy.

It is too early for the Department to make far-reaching claims of success in cost/benefit terms. However, the examples cited earlier demonstrate that subsidized adoption is a bold new approach to meet the need of "hard to place" children and that it has significant potential for conservation of public funds. The savings that may be effected by reducing, or at least controlling, worker caseloads should, moreover, not be overlooked. A significant long range benefit of this program is likely to be more effective utilization of the time of child welfare workers. If workers spend more time providing preventive services that hold families together, they reduce the need to place children outside their own homes, either in foster care or in adoption.

By Mr. PEARSON:

S. 1594. A bill to amend the Internal Revenue Code of 1954 to provide an additional investment credit for property which will assist employment opportunities in counties designated as balanced growth areas under State law. Referred to the Committee on Finance.

BALANCED GROWTH TAX INCENTIVES

Mr. PEARSON. Mr. President, I introduce a bill providing special tax incentives for job-creating investments in rural areas and in certain urban areas. The objective of this proposal is to advance the goal of rural development and balanced national growth.

Mr. President, over the past several years there have been many expressions of concern in the Congress and across the country about the imbalance in the distribution of our Nation's population; that too many of our people are concentrated in too few metropolitan agglomerations. Many of us have argued that this tilt in the population balance away from the countryside and the small town toward the large cities is economically inefficient, environmentally unsound, and socially undesirable. And we have argued that this imbalance will worsen unless steps are taken to counter it.

Congress has formally recognized the problem and declared a commitment to policies of rural-urban balance. Title X of the Agricultural Act of 1970 states:

> The Congress commits itself to a sound balance between rural and urban America. The Congress considers this balance so essential to the peace, prosperity and welfare of all our citizens that the highest priority must be given to the revitalization and development of rural areas.

And title VII of the Housing and Urban Development Act of 1970 declares:

> The Congress finds that the rapid growth of urban population and uneven expansion of urban development in the United States, together with a decline in farm population, slower growth in rural areas, and migration to the cities, has created an imbalance between the Nation's needs and resources and seriously threatens our physical environ-

ment, and that the economic and social development of the Nation, the proper conservation of our natural resources, and the achievement of satisfactory living standards depend upon the sound, orderly, and more balanced development of all areas of the Nation.

These are bold declarations. I believe the intent they embody is sound; that the achievement of a more rational, balanced growth is essential to the Nation's health and welfare.

Yet the gap between these broad declarations and the concrete programs to achieve them is enormous. We did adopt the Rural Development Act of 1972. This was a significant legislative achievement, although the implementation of this act has been far from satisfactory. And in the Housing and Community Development Act of 1974 we adopted several measures, particularly in the area of housing which will further the cause of rural development. There have been other actions favorable to the cause of rural development, at least indirectly. But all in all the record of concrete action is painfully disappointing.

Mr. President, given the nature of our Federal system and our aversion to centralized planning, it is not likely that we will ever implement a comprehensive, unified balanced growth policy as such. It is not likely that we will, at least in the near future, emulate the rather comprehensive balanced growth policies that many of the European countries have already adopted. But certainly we can and must take additional steps to advance the cause of balanced growth. The legislation I propose today is one such step, a step which I believe is timely and essential.

Specifically, I propose that Public Law 94–12, the Tax Reduction Act of 1975, be amended to provide a special tax credit of 13 percent during 1975 and 1976 for job-creating investments locating in designated "balanced growth areas." This bill further provides that after the expiration of the 2-year emergency period provided in Public Law 94–12, and the general investment tax credit reverts to the 7 percent level, the special investment tax for job-creating industries locating in "balanced growth areas" be retained permanently at the level of 10 percent.

Mr. President, the special investment tax credit provided for in this bill applies to the manufacturing, processing, assembling, and distribution of personal property only. It does not apply to retailing, extractive industries, and agriculture.

Mr. President, this proposal defines two types of balanced growth areas. First, are the nonmetropolitan, or rural counties. These are counties which are not a part of a standard metropolitan statistical area, which for the most part means they do not contain a city of over 50,000 people. There is one exception. Nonmetropolitan areas of over 250,000 would be excluded.

Second, certain portions of urban counties which are suffering a serious decline in population could be designated as eligible balanced growth areas. This provision is made in recognition of the fact that while the primary problem is an imbalance between metropolitan and nonmetropolitan America, there is also a growing imbalance within some of our metropolitan communities. The movement of jobs from the central cities to the suburbs has created a great economic imbalance which needs to be addressed.

In summary, most nonmetropolitan areas and some metropolitan areas are potentially eligible for designation as balanced growth areas and, therefore, job-creating industries locating in these areas would be eligible for the special balanced growth tax credit.

Mr. President, one very important provision of this legislation involves State governments in the decisionmaking process as to how the system of balanced growth tax credits is to be used.

Specifically, areas which meet the definitions provided for in this legislation will not actually become eligible until they are formally designated as balanced growth areas by the individual State governments.

In other words, the State would have the option of designating all, some, or none of the areas within its boundaries which meet the definitional standards of the legislation. I would anticipate that some States would designate all potential balanced growth areas to be eligible. Other States which have already developed some land use and balanced growth planning mechanisms would be selective and would designate only certain areas to be eligible for balanced growth tax credit. And, it might be, that some States would decide not to participate in the program at all.

In any case, this gives to the States an important responsibility. It would, I believe, provide an important stimulus to the development of land use and economic growth planning within each State. And, certainly, it would encourage a greater dialog between the State governments and the local communities. In this connection, this legislation provides that States shall designate the eligible balanced growth areas consistent with the State's goals of balanced growth and land use and in accordance with the expressed desires of the affected local communities.

Mr. President, one further comment in regard to the possible designation of balanced growth areas in metropolitan communities. If a county in a Standard Metropolitan Statistical Area has shown a net decline in population over the past 5 years, portions or all of that county may be designated as a balanced growth area. However, the State in designating balanced growth areas within metropolitan areas may not designate metropolitan balanced growth areas which contain a total population greater than the total population contained in designated nonmetropolitan balanced growth areas.

Mr. President, over the years that I have advanced this proposal, I have found broad-based public support for this concept. At one time or another the use of tax incentives to encourage more dispersed population and economic growth patterns has been endorsed by such varied organizations and groups as the Advisory Commission on Intergovernmental Relations, the National Governors Conference, the National Advisory Commission on Rural Poverty, the National Advisory Commission on Civil Disorders, and many other groups and individuals interested in rural development and balanced national growth. One of the most recent and persuasive endorsements comes from the Science Advisory Panel to the Committee on Public Works of the House of Representatives.

This broad-based support has been manifested in the fact that proposals similar to the one I introduce today have twice, in 1969 and 1971, passed the Senate.

Mr. President, later this year the tax writing committees in both Houses will undertake comprehensive hearings on general tax reform. This will provide the proper forum for a full and detailed consideration of the use of tax credits to stimulate the rural development and balanced national growth. A full hearing of the issues involved may result in suggestions to modify the specifics of the bill I introduce today. On the other hand, I am fully convinced that a full and fair hearing of this issue will generate widespread support for the general proposition that the goal of rural development is a desirable one and that tax incentives can be used effectively to advance that goal.

Mr. President, this proposal builds on the established principle that investment tax credits can be used to stimulate the development of new jobs. It proposes to use this tool to encourage the development of new jobs in areas which will contribute to the goal of balanced national growth. And, of particular importance, it brings the States into the decisionmaking process. This proposal provides them a powerful new tool that they can use to shape the growth patterns within their boundaries. Thus, while contributing to the goal of balanced national growth, this legislation I believe, also, would help to strengthen our Federal system.

Mr. President, I ask unanimous consent that the text of the Balanced Growth Tax Credit Act of 1975 be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1594

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subparagraphs (A) and (C) of section 46(a) (1) of the Internal Revenue Code of 1954 (relating to determination of amount of the investment credit) are each amended by inserting before the period at the end thereof the following: ", plus an additional 3 percent of the qualified investment (as so determined) attributable to section 38 property which is (or, for purposes of applying subsection (d), will be) qualified balanced growth property (as defined in section 48 (l))".

(b) Section 48 of such Code (relating to definitions and special rules) is amended by redesignating subsection (k) as (l), and by inserting after subsection (j) the following new subsection:

"(k) Qualified Balanced Growth Property.—

"(1) In general.—For purposes of this subpart, the term 'qualified balanced growth property' means balanced growth property—

"(A) which is used predominantly in one or more designated balanced growth areas (or former balanced growth areas), and

"(B) the construction, reconstruction, or erection of which is commenced at a time when the area is a designated balanced growth area or the acquisition of which is pursuant to a binding order or contract placed or entered into at a time when the area is designated balanced growth area.

"(2) Balanced growth property.—For purposes of this subpart, the term 'balanced growth property' means section 38 property with respect to which the taxpayer establishes, under regulations prescribed by the Secretary or his delegate, that—

"(i) such property will assist in providing new employment opportunities in the balanced growth area or areas (or former balanced growth area or areas) in which it is used,

"(ii) such property will be used in the manufacture, processing, assembling, or distribution of personal property (other than in a business consisting primarily of selling or leasing property at retail), or in connection with, or a part of, a facility providing recreation to the public which is not inconsistent with State recreation plans, approved by the Bureau of Outdoor Recreation, and with local economic development plans, and

"(iii) the new employment opportunities in the balanced growth area or areas (or former balanced growth area or areas) which will be assisted by such property will not result in a decrease in employment in any other area.

"(3) Designated balanced growth areas.—For purposes of this subpart, the term 'designated balanced growth area' means a geographical area, designated pursuant to a law of the State in which the area is located by the Governor or other officer or agency of the State prescribed by the State law, which is within—

"(A) a county (i) no part of which is within a standard metropolitan statistical area designated by the Office of Management and Budget, and (ii) no part of which is within 25 miles of a standard metropolitan statistical area which has a population of 250,000 or more, or

"(B) a county (other than a county described in subparagraph (A)) which has suffered a net decline in population during the immediately preceding five-year period. Such term also includes any area within an Indian reservation.

"(4) Criteria for State laws.—In order to qualify under this subsection, a State law must provide—

"(A) that balanced growth areas will be designated consistent with goals for balanced growth in the State and its counties and other political subdivisions and areas thereof, and consistent with the expressed desires of the governing bodies of its counties and other political subdivisions,

"(B) for an annual review of all designations and the revocation of any designation of an area which is no longer an area described in subparagraph (A) or (B) of paragraph (3), and

"(C) that the total population of designated balanced growth areas described in subparagraph (B) of paragraph (3) may not exceed the total population of designated balanced growth areas described in subparagraph (A) of such paragraph."

(c) The amendments made by subsections (a) and (b) shall apply as if they had been enacted as part of the Tax Reduction Act of 1975.

By Mr. JACKSON (for himself and Mr. FANNIN) (by request):

S. 1595. A bill to authorize the payment of oil import license fees collected for imports into Puerto Rico, and for imports into the Customs Territory of the United States from the U.S. Virgin Islands. Referred to the Committee on Interior and Insular Affairs.

Mr. JACKSON. Mr. President, by request, I send to the desk on behalf of myself and the Senator from Arizona (Mr. FANNIN) a bill to authorize the payment of oil import license fees collected for imports into Puerto Rico, and for imports into the Customs Territory of the United States from the Virgin Islands.

Mr. President, this draft legislation was submitted and recommended by the Department of the Interior, and I ask unanimous consent that the executive communication accompanying the proposal from the Secretary of the Interior be printed in the RECORD.

There being no objection, the item was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., March 28, 1975.

Hon. NELSON A. ROCKEFELLER,
President of the U.S. Senate,
Washington, D.C.
Hon. CARL ALBERT,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. PRESIDENT, AND DEAR MR. SPEAKER: Enclosed is a proposed bill, "To authorize the payment of oil import license fees collected for imports into Puerto Rico, and for imports into the Customs Territory of the United States from the Virgin Islands."

We recommend that the bill be referred to the Appropriate Committee for consideration, and that it be enacted.

Our proposed bill provides that on May 1, 1975, the amount determined by the Administrator of the Federal Energy Administration of oil import license fees collected by him pursuant to Presidential Proclamation 3279, as amended, between May 1, 1973 and January 31, 1975, for imports of crude oil, unfinished oils and finished products into Puerto Rico (other than imports from the Virgin Islands) and into the Customs Territory of the United States from the Virgin Islands, shall be transferred and paid into the treasuries of Puerto Rico and the Virgin Islands. The sums so transferred and paid over shall be used by these Governments for public purposes as authorized by law.

Presidential Proclamation 3270, as amended by Proclamation 4210 and 4227, provides, in section 3(c)(1) (ii) and (iii), for payments to Puerto Rico, the Virgin Islands, Guam and American Samoa derived from funds collected as oil import license fees pursuant to the Proclamation. On June 19, 1973, the President, by amending Proclamation 3270, ordered payments to these territorial Governments of the license fees collected on imports of crude oil, unfinished oils, and finished products into Puerto Rico (other than imports from the Virgin Islands) and into the Customs Territory of the United States from the Virgin Islands. To carry out this mandate, a "Budget Clearing Account (Suspense)" was established in the Treasury in which the license fees have been deposited but from which no payments have been made to either Puerto Rico or the Virgin Islands.

On November 23, 1974, the Assistant Attorney General for the Office of Legal Counsel, Department of Justice, ruled that there was no legal authority for providing that the payments contemplated by the Proclamation be made to Puerto Rico and the Virgin Islands. On the basis of this ruling, the funds in the suspense account which otherwise would have been available under the Proclamation for payment to these jurisdictions are necessarily to be regarded as deposited into the Treasury of the United States, from which they cannot be drawn except upon Congressional appropriation.

The Assistant Attorney General expressly ruled that the license fees under the Proclamation are not duties within the meaning of 48 U.S.C. 70, which provides a continuing appropriation for the payment to the Treasury of Puerto Rico of duties collected on foreign goods entering Puert Rico.

As a result of the Department of Justice ruling Puerto Rico has lost revenues that, prior to the Proclamation, as amended, it normally would have received from such imports. The Virgin Islands, in turn, has relied on this new revenue source to aid its rapidly deteriorating economy and has programmed these monies into its approved 1975 budget. The situation in the Virgin Islands is equally as acute as that in Puerto Rico, because tourism, a major source of income, is in a sharp decline. We also note that without further Federal authorization, the Virgin Islands has no authority to levy income taxes.

America Samoa and Guam are not included in the relief sought by this bill because there were no imports into the United States from these territories.

Because of their reliance upon receipts from the oil import license fees under the President's June 19, 1973 Proclamation, the Governments of both Puerto Rico and the Virgin Islands have programmed these receipts into their budget planning. These anticipated receipts are of particular importance because of the declining economies in both places. Since the monies accumulated in the Suspense Account between May 1, 1973 and February 1, 1975, were accumulated in accord with the Presidential mandate and intent we believe there is a moral obligation to pay them into the treasuries of the Virgin Islands and Puerto Rico in order not to cause further economic hardship.

The Office of Management and Budget has advised that there is no objection to the presentation of this draft bill from the standpoint of the Administration's program.

Sincerely yours,

RAYSTON C. HUGHES,
Assistant Secretary of the Interior.

By Mr. JACKSON (for himself and Mr. FANNIN) (by request):

S. 1596. A bill to amend the Water Resources Planning Act to increase the rate of compensation for experts and consultants and to provide continuing authorization for appropriations without limitation. Referred to the Committee on Interior and Insular Affairs.

Mr. JACKSON. Mr. President, by request, I send to the desk on behalf of myself and the Senator from Arizona (Mr. FANNIN) a bill to amend the Water Resources Planning Act to increase the rate of compensation for experts and consultants and to provide continuing authorization for appropriations without limitation.

Mr. President, this draft legislation was submitted and recommended by the U.S. Water Resources Council, and I ask unanimous consent that the letter of explanation accompanying the proposal from the chairman of the Council be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. WATER RESOURCES COUNCIL,
Washington, D.C., February 11, 1975.
Hon. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a bill to amend Water Resources Planning Act of 1965 (Public Law 89–80), to increase the rate of compensation for experts and consultants and to provide continuing authorization for appropriations without limitation.

The current provisions of the Water Resources Planning Act allow the Council and each river basin commission to employ experts and consultants at rates not to exceed $100 per diem. The bill would raise this amount by providing a rate of compensation not in excess of the daily equivalent of the highest rate of basic pay under Section 5332 of Title 5 of the United States Code (GS–18—approximately $138.00 per day). The proposed rate is commensurate with that offered by other Federal agencies.

The current Act does not contain authorization for preparation of regional or river basin plans for FY 1976 and the current ceiling of authorization for administration and coordination for Council activities has been reached in the FY 1976 budget. The bill would authorize to be appropriated to the Council without fiscal year limitation such sums as necessary to carry out the provisions of this Act. The proposal for no specific program ceilings is to provide for executive flexibility in establishing program levels through the budget and appropriation process.

The Office of Management and Budget advises that enactment of this legislation is consistent with the President's programs and objectives.

Sincerely,
ROGERS C. B. MORTON,
Chairman.

By Mr. HARTKE (for himself, Mr. TALMADGE, Mr. RANDOLPH, Mr. CRANSTON, Mr. STONE, Mr. HANSEN, Mr. THURMOND, and Mr. STAFFORD):

S. 1597. A bill to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans; to increase the rates of dependency and indemnity compensation for their survivors; and for other purposes. Referred to the Committee on Veterans' Affairs.

VETERANS DISABILITY COMPENSATION AND SURVIVOR BENEFITS ACT OF 1975

Mr. HARTKE. Mr. President, today I introduce for myself and for the distinguished Chairman of the Subcommittee on Compensation and Pension (Mr. TALMADGE), the Veterans Disability Compensation and Survivor Benefits Act of 1975. I am also pleased that joining me in this measure are the other members of the committee, the Senator from West Virginia (Mr. RANDOLPH), the Senator from California (Mr. CRANSTON), the Senator from Florida (Mr. STONE), the Senator from Wyoming (Mr. HANSEN), the Senator from South Carolina (Mr. THURMOND), and the Senator from Vermont (Mr. STAFFORD).

This bill I introduce today would provide needed cost-of-living increases in compensation payable to those veterans who have sustained service-connected disabilities and similar increases in the dependency and indemnity compensation—DIC—paid to the survivors of veterans who die of service-connected causes.

The Subcommittee on Compensation and Pension will hold hearings on this measure on Thursday, May 8. I am hopeful that both the subcommittee and the full Committee on Veterans' Affairs can expeditiously complete action on this measure so that the full Senate can consider this measure in the near future so that it can be enacted by the commencement of the new fiscal year.

There are currently 2.2 million veterans—including 405,800 Vietnam-era veterans—receiving disability payments to compensate for the loss or reduction of earning capacities resulting from their service-connected injuries. There are another 369,000 widows and children of veterans who have died of service-connected causes receiving survivor benefits known as dependency and indemnity compensation—DIC. Mr. President, I ask unanimous consent that the following table showing average cost and caseload of veterans disability and compensation costs by period of service be inserted in the RECORD at this point.

There being no objection, the table was ordered printed in the RECORD as follows:

TABLE 1.—AVERAGE COST AND CASELOAD OF VETERANS DISABILITY AND SURVIVOR COMPENSATION CASES

	Fiscal year 1974			Fiscal year 1975			Fiscal year 1976		
Total costs	Average cases	Average cost	Total cost	Average cases	Average cost	Total cost	Average cases	Average cost	Total cost
Total cost			$6, 734, 437			$7, 443, 174			$7, 499, 700
Compensation total	2, 579, 237	$1, 568	4, 045, 471	2, 583, 794	$1, 785	4, 612, 428	2, 577, 969	$1, 791	4, 617, 506
Veterans—total	2, 207, 001	1, 489	3, 285, 411	2, 214, 417	1, 689	3, 740, 220	2, 211, 915	1, 693	3, 744, 400
Spanish-American War	11	6, 270	69	5	7, 225	36	5	7, 225	36
Mexican border period	13	5, 253	68	12	6, 250	75	10	6, 300	63
World War I	61, 937	2, 105	130, 349	56, 900	2, 379	135, 370	52, 400	2, 379	124, 660
World War II	1, 339, 747	1, 376	1, 844, 035	1, 318, 500	1, 565	2, 063, 711	1, 300, 000	1, 570	2, 041, 058
Korean conflict	240, 573	1, 682	404, 745	240, 200	1, 921	461, 438	240, 000	1, 927	462, 415
Vietnam era	372, 824	1, 587	591, 581	405, 800	1, 778	721, 705	425, 500	1, 777	756, 134
Peacetime service	191, 896	1, 639	314, 564	193, 000	1, 854	357, 885	194, 000	1, 855	360, 034
Survivors—total	372, 236	2, 042	760, 060	369, 377	2, 361	872, 208	366, 054	2, 385	873, 106
Indian wars	1	1, 814	2	1	2, 064	2	1	2, 064	2
Civil War	12	2, 267	27	9	2, 556	23	6	2, 556	15
Spanish-American War	291	2, 395	697	265	2, 751	729	245	2, 751	674
Mexican border period	2	3, 098	6	2	3, 011	6	2	3, 011	6
World War I	36, 164	2, 415	87, 336	35, 400	2, 773	98, 178	34, 500	2, 792	96, 309
World War II	198, 350	1, 745	346, 176	194, 200	2, 020	392, 294	189, 700	2, 036	386, 171
Korean conflict	39, 288	1, 985	78, 005	39, 000	2, 289	89, 280	38, 800	2, 305	89, 438
Vietnam era	49, 187	2, 587	127, 252	52, 000	2, 971	154, 507	54, 500	2, 990	162, 977
Peacetime service	48, 941	2, 463	120, 559	48, 500	2, 829	137, 189	48, 300	2, 847	137, 514

Mr. HARTKE. Mr. President, it has been traditional practice under normal circumstances for the committee to review the rates of disability compensation and DIC every 2 years. My colleagues will remember that last year we enacted my bill the Veterans' Disability Compensation and Survivors Benefits Act of 1974—Public Law 93–295—which provided increases in these benefits. However, each of these disabled veterans and their survivors has in the last year become the victim of persistent, continuing rapid increases in the cost of living. The inflation experienced by the country in the last 12 months especially hits hard on disabled veterans and survivors who depend upon these fixed rates of income. Since May 1, 1974, the effective date of Public Law 93–295, the Consumer Price Index has risen 9.6 percent as of March 31 as shown in the following table:

TABLE 2.—U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS—CONSUMER PRICE INDEX

	1974	1975
January	139.7	156.1
February	141.5	157.2
March	143.1	157.8
April	144.0	
May	145.6	
June	147.1	
July	148.3	
August	150.2	
September	151.9	
October	153.2	
November	154.3	
December	155.4	

On an 11-month basis this represents an increase of 0.87 percent per month. For calendar year 1975 the President's Council of Economic Advisors estimates an inflation rate of 9 percent or 0.75 percent per month. Thus actual inflation to date plus projections for the 3 additional months to a July 1, 1975 effective date would require increases for compensation and DIC ranging from 11.85 percent to 12.2 percent, depending upon the inflation rate assumption utilized.

Mr. President, it is because of this increase in the cost of living that I pledged to the Disabled American Veterans when their national commander appeared before the full committee on February 26 that we would act this year to increase disability compensation to help restore purchasing power lost to the ravages of inflation.

Accordingly, the measure which I introduce today would provide increases of 12 percent in the rates payable to a veteran whose disability is rated 10 to 50 percent and a slightly higher increase of 14 percent in the rates payable to more severely disabled veterans whose disabilities are rated from 60 percent to totally and permanently disabled. A cost-of-living increase would be authorized for those receiving benefits under section 314(k) for anatomical loss and 14-percent increases would be authorized for those receiving statutory awards for severe anatomical losses.

The following table indicates rates payable under current law and the proposed increases in compensation payments if the Veterans' Disability Compensation and Survivors Benefits Act of 1975 is enacted:

TABLE 3.—COMPARISON OF COMPENSATION RATES UNDER PRESENT LAW AND UNDER S. 1597

Disability	Present law	S. 1597	Number of veterans
(a) Rated at 10 percent	$32	$36	867, 474
(b) Rated at 20 percent	59	66	343, 550
(c) Rated at 30 percent	89	100	314, 173
(d) Rated at 40 percent	122	137	179, 542
(e) Rated at 50 percent	171	192	112, 546
(f) Rated at 60 percent	211	241	115, 104
(g) Rated at 70 percent	250	285	75, 348
(h) Rated at 80 percent	289	329	37, 380
(i) Rated at 90 percent	325	371	13, 016
(j) Rated at total	584	666	122, 215
Limit for veterans receiving payments under (a) to (j) above			
(l) Anatomical loss or loss of use of both feet, 1 foot and 1 hand, blindness in both eyes (5/200 visual acuity or less), permanently bedridden or so helpless as to require regular aid and attendance	727	829	9, 129
(m) Anatomical loss of use of 2 extremities so as to prevent natural elbow or knee action with prosthesis in place, blind in both eyes, rendering veteran so helpless as to require regular aid and attendance	800	912	5, 387
(n) Anatomical loss of 2 extremities so near shoulder or hip as to prevent use of prosthesis, anatomical loss of both eyes	909	1, 036	1, 602
Limit for veterans receiving payments under (l) to (n) above			
(o) Disability under conditions entitling veteran to 2 or more of the rates provided in (l) through (n), no condition being considered twice in the determination, or total deafness in combination with total blindness (5/200 visual acuity or less)	1, 017	1, 159	29
(p) If disabilities exceed requirements of any rates prescribed, Administrator of VA may allow next higher rate or an intermediate rate, but in no case may compensation exceed	1, 017	1, 159	6, 370
(r) If veteran entitled to compensation under (o) or to the maximum rate under (p), and is in need of regular aid and attendance, he shall receive a special allowance of the amount indicated at right for aid and attendance in addition to whatever he is receiving under (o) or (p)	437	498	8, 285
(s) Disability rated as total, plus additional disability independently ratable at 60 percent or over, or permanently housebound	654	746	7, 135
Total number of cases affected			2, 211, 915

In sum, 2.2 million disabled veterans will receive additional benefits totaling $467 million in the coming year.

In addition, Mr. President, the bill would increase the annual clothing allowance payable under section 362 of title 38, United States Code from $150 to $175. My colleagues will recall that this provision which I was privileged to author, was part of the Veterans' Compensation and Relief Act of 1972—Public Law 93-328. This provision provided for an annual clothing allowance of $150 to a veteran, who because of his compensable disability wears or uses a prosthetic or orthopedic appliance—including a wheelchair—which tends to wear out or tear his clothing.

Because this allowance has not been revised since it was first created, it is our conviction that the modest cost-of-living increase provided in this bill is thoroughly justified. Preliminary estimates indicate that this amendment will have a first year additional cost of approximately $1.4 million.

The bill would also provide a 14 percent increase in the rates of dependency and indemnity compensation payable to survivors of veterans who have died of service-connected causes. I have been in close contact with the Gold Star Wives of America, particularly with their able national legislative chairman, Geraldine G. Chittick, concerning the need for these increases. Just last March, Mrs. Chittick and a number of officers of the Gold Star Wives relayed these concerns as to the need for such increases to me.

The following table indicates rates proposed in the Veterans' Disability Compensation and Survivors Benefits payable under current law, and those

TABLE 4.—COMPARISON OF DIC RATES UNDER PRESENT LAW AND S. 1597

Pay grade	Present law	S. 1597
E-1	$215	$245
E-2	221	252
E-3	228	260
E-4	241	275
E-5	248	283
E-6	254	290
E-7	266	303
E-8	281	320
E-9	294	335
W-1	271	309
W-2	282	321
W-3	291	332
W-4	307	350
0-1	271	309
0-2	281	320
0-3	301	343
0-4	318	363
0-5	350	399
0-6	394	449
0-7	427	487
0-8	467	532
0-9	502	572
0-10	549	626

Mr. President, the Veterans' Disability Compensation and Survivor Benefits Act would also liberalize the eligibility for payment of DIC to certain survivors of disabled veterans. Currently survivors are entitled to DIC payments if it can be established that the veteran died as a direct result of a service-connected disability. The bill I introduce today would automatically entitle a survivor of any veteran who at the time of his death had a compensable disability rated total and permanent in nature to DIC benefits.

A similar provision was included in my bill, S. 3072, which was considered by the Committee last year. At that time the committee received considerable testimony in favor of this automatic entitlement from the Disabled American Veterans, the American Legion and the Blinded Veterans of America. The administration however opposed the provision. In light of conflicting viewpoints, and the lack of available information the committee did not report this provision, but instead directed the Veterans' Administration pursuant to section 207 of Public Law 93-295 to conduct a study of DIC claims of survivors of those veterans who had been rated totally and permanently disabled at the time of their death.

The committee directed the Veterans' Administration to place particular emphasis in its analysis of disposition of DIC applications, first, to the difficulties in establishing service-connected death by widows; and second, to the financial situation of those widows and families denied DIC benefits.

The study, which was submitted to the committee on January 20, 1975, reveals a number of things which bear on both of those questions. First, the study reveals that nearly 25 percent of all claims for death benefits by widows of veterans who were totally and permanently disabled during their lifetime, were denied by the Veterans' Administration. It is my conviction that many of these denials were caused by the Veterans' Administration's failure—however well meaning claims adjudicators may be—in taking into full account the total impact of a total and permanent disability. Such a condition may be a contributing factor to a death resulting from a disease of disfunction which of itself may not be regarded as service-connected in origin. Existing procedures often do not take into account the recognized fact that catastrophic disabilities cannot be isolated in the body to one organ, one limb or one particular disfunction, but rather affects in one way or another a person's entire physical and mental system. The present practice also fails to adequately acknowledge that a total and permanent disability can severely shorten a life expectancy of a veteran. In short, the present system is imprecise, vague, and can lead to injustice where injustice is particularly tragic.

In its comments accompanying the report on its study of DIC denials, the Veterans' Administration said that its determinations were made on a "very liberal basis." Nevertheless, the Veterans' Administration recently recognized the inherent problems and difficulties in making such judgments in a program guide change issued on March 27, 1975, subsequent to report to the committee. The purpose of the program guide issued by the Acting Director of the Veterans' Administration Compensation and Pension Service—and approved by the Chief Benefits Director—was "to reemphasize and encourage more equitable use of the broad discretionary power" in the rating boards with respect to death claims. Whether or not this implicitly admits that less than equitable decisions have been made in the past, it seems to me that it does point up the need for increased compassion when dealing with surviving spouses of veterans who are totally and permanently disabled during their lifetime.

The program guide acknowledges that greater consideration should be given to whether service-connected conditions impaired the general health of the individual so that he or she was less able to ward off the effects of disease or trauma.

I ask unanimous consent that the entire text of the program change be inserted in the RECORD at this point.

There being no objection the program guide change was ordered printed as follows:

VETERANS' ADMINISTRATION,
Washington, D.C., March 28, 1975.

Department of Veterans Benefits PG 21-1, "Program Guide, Compensation and Pension", is changed as follows:

Pages P-2-1 and P-2-2: Insert these pages attached.

These pages are added to reemphasize and encourage a more equitable use of the discretionary power which is vested in the rating boards by controlling regulations and instructions pertaining to contributory cause of death.

J. C. PECKARSKY,
Acting Director, Compensation and Pension Service.
RUFUS H. WILSON,
Chief Benefits Director.

RATING PRACTICES AND PROCEDURES

DEATH

The purpose of this program guide is to reemphasize and encourage a more equitable use of the broad discretionary power which is vested in the rating boards by controlling regulations and instructions pertaining to contributory cause. Toward this end, the provisions of VAR 1312(C) and PG 21-1, section P-1, should be carefully studied and applied.

In giving more thought as to how a service-connected condition can contribute to death, the following should be considered by the rating board:

(1) Does it impair the general health of the individual so that he or she is less able to ward off the effects of disease or trauma?

(2) Does it act together with other conditions so as to produce a combined effect that overwhelms the individual's natural defenses?

(3) Does it deprive his body of its built-in reserve capabilities such as when one lung, or one kidney is removed and death is later due to a non-service connected involvement of the paired organ?

(4) Does it leave a vital organ so damaged that it renders it incapable of resisting the effects of an unrelated superimposed pathology such as viral pneumonia upon fibrotic lungs?

(5) Does it materially adversely affect the natural psyche to live, leading in the obvious cases to suicide and in the more subtle cases to subconscious behavior patterns, such as alcoholism, gluttony and drug addiction; or such as a profound and total disregard of normal self care measures leading inevitably to fatal consequences? These mental processes are often observed in psychotics and psychoneurotics with severe symptoms bordering on psychosis and those with very incapacitating conditions such as paraplegia, gross mutilation and disfigurement.

During the rating board's deliberation, the following guideposts should trigger in-depth consideration of the issue of contributory cause of death:

Does he have service connection for:

(1) A cadiovascular condition?
(2) A genitourinary condition?
(3) Other involvement of a vital organ?
(4) A chronic constitutional disease?
(5) A disability ratable at 50% or more?

Minor service-connected disabilities of a static nature which do not affect a vital organ do not, as a general rule, play a part in hastening death from an unrelated disease. It is to be recognized, however, that these disabilities of low evaluation can increase in severity prior to and at time of death and may as an active process become a material factor in hastening death.

Mr. HARTKE. Mr. President, aside from the very difficult question of deciding whether death was service connected, there is the additional question of the financial condition of those the totally disabled veteran leaves behind. According to the study submitted by the Veterans' Administration, the total income of those widows denied the DIC benefits averaged $2,621 a year. Thus, even if we assume a case in which there is no ambiguity with respect to service connection, I believe a strong argument can be made for a compassion and generosity toward this group of widows who have devoted so much of their lives to their totally disabled veteran spouses. Such recognition for those married to veterans with disabilities total and permanent in nature would not be unique. For example, educational and training assistance benefits are currently provided under chapter 35 of title 38, United States Code. Second, medical benefits are authorized for the spouses of totally disabled veterans under the CHAMPVA program, created by the Veterans' Health Care Expansion Act of 1973—Public Law 93-82. And finally, job counseling, training, and placement assistance under chapter 41 of title 38, United States Code was made available to this group under the Vietnam Era Veterans Readjustment Assistance Act of 1974—Public Law 93-508. Thus, automatic entitlement to DIC benefits would be a logical extension of the special status we accord to the spouses of severely disabled veterans. Further, the assurance of this additional income for the survivors should provide peace of mind for severely disabled veterans during their lifetime, knowing that their widows and children will be cared for.

The cost of this provision would, according to the Veterans' Administration, be "negligible"—probably less than $1 million a year. In addition, this cost should be considerably offset by reduced administrative costs currently entailed in determining such claims.

In closing, Mr. President, it should also be noted that cost-of-living increases have been acknowledged in the overall budgetary process as contemplated by the Congressional Budget Act of 1974. Earlier this year I wrote the Senate Budget Committee, pursuant to section 301(c) of Public Law 93-344, setting forth views with respect to matters within the jurisdiction of the committee which I am privileged to chair. In that report I noted that because of rapid increases in the consumer price index that there was a "pressing need for rate adjustments this year in the range of from 10 percent to 14 percent producing first full-year additional costs of from $300 to $600 million." The Budget Committee in its deliberations explicitly agreed with the need for cost-of-living increases. The precise cost of this cost-of-living measure, which has just been received by the committee from the Veterans' Administration, clearly falls within the parameters submitted to the Budget Committee.

In introducing this measure I am aware as my colleagues undoubtedly are also, of the President's intention to "draw the line" and oppose any new spending programs. However, as I just noted, the Veterans' Disability Compensation and Survivor Benefits Act of 1975 has been considered by the Budget Committee and has been incorporated as part of the overall budget resolution reported by that committee. Moreover, the President in his March 29 televised address, acknowledged an exception to his no new spending position for what he termed "urgent humanitarian needs." I am hopeful that the President will recognize that restoring lost purchasing power to the Nation's disabled veterans and survivors of those who have died as a result of the military service is a measure which is clearly humanitarian in nature and should be supported by him.

In closing, Mr. President, I ask unanimous consent that the text of the bill as introduced, together with a section-by-section analysis be printed in the RECORD at this point.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 1597

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans Disability Compensation and Survivor Benefits Act of 1975".

TITLE I—VETERANS DISABILITY COMPENSATION

SEC. 101. (a) Section 314 of title 38, United States Code, is amended—

(1) by striking out "$32" in subsection (a) and inserting in lieu thereof "$36";

(2) by striking out "$59" in subsection (b) and inserting in lieu thereof "$66";

(3) by striking out "$89" in subsection (c) and inserting in lieu thereof "$100";

(4) by striking out "$122" in subsection (d) and inserting in lieu thereof "$137";

(5) by striking out "$171" in subsection (e) and inserting in lieu thereof "$192";

(6) by striking out "$211" in subsection (f) and inserting in lieu thereof "$241";

(7) by striking out "$250" in subsection (g) and inserting in lieu thereof "$285";

(8) by striking out "$289" in subsection (h) and inserting in lieu thereof "$329";

(9) by striking out "$325" in subsection (i) and inserting in lieu thereof "$371";

(10) by striking out "$584" in subsection (j) and inserting in lieu thereof "$666";

(11) by striking out "$52" and "$727" and "$1,017" in subsection (k) and inserting in lieu thereof "$58" and "$814" and "$1,139", respectively;

(12) by striking out "$727" in subsection (l) and inserting in lieu thereof "$829";

(13) by striking out "$800" in subsection (m) and inserting in lieu thereof "$912";

(14) by striking out "$909" in subsection (n) and inserting in lieu thereof "$1,036";

(15) by striking out "$1,017" in subsections (o) and (p) and inserting in lieu thereof "$1,159";

(16) by striking out "$437" in subsection (r) and inserting in lieu thereof $498"; and

(17) by striking out "$654" in subsection (s) and inserting in lieu thereof "$746".

(b) The Administrator of Veterans' Affairs may adjust administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85–857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

SEC. 102. Section 315 (1) of title 38, United States Code, is amended—

(1) by striking out "$36" in subparagraph (A) and inserting in lieu thereof "$40";

(2) by striking out "$61" in subparagraph (B) and inserting in lieu thereof "$68";

(3) by striking out "$77" in subparagraph (C) and inserting in lieu thereof "$86";

(4) by striking out "$95" and "$17" in subparagraph (D) and inserting in lieu thereof "$68" and "$19", respectively;

(6) by striking out "$41" in subparagraph (E) and inserting in lieu thereof "$27";

(6) by striking out "$41" in subpargarph (F) and inserting in lieu thereof "$46";

(7) by striking out "$61" and "$17" in subparagraph (G) and inserting in lieu thereof "$68" and '$19", respectively;

(8) by striking out "$29" in subparagraph (H) and inserting in lieu thereof "$32"; and

(9) by striking out "$55" in subparagraph (I) and inserting in lieu thereof "$63".

SEC. 103. Section 362 of to title 38, United States Code, is amended by striking out "$150" and inserting in lieu thereof "$175".

TITLE II—SURVIVORS DEPENDENCY AND INDEMNITY COMPENSATION

SEC. 201. Section 411 of title 38, United States Code, is amended to read as follows:

"(a) Dependency and indemnity compensation shall be paid to a widow, based on the pay grade of her deceased husband, at monthly rates set forth in the following table:

"Pay grade	Monthly rate
E–1	$245
E–2	252
E–3	260
E–4	275
E–5	283
E–6	290
E–7	303
E–8	320
E–9	[1]335
W–1	309
W–2	321
W–3	332
W–4	$350
O–1	309
O–2	320
O–3	343
O–4	363
O–5	399
O–6	449
O–7	487
O–8	532
O–9	572
O–10	[2]626

"[1] If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by sec. 402 of this title, the widow's rate shall be $360.

"[2] If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, at the applicable time designated by sec. 402 of this title, the widow's rate shall be $671.

"(b) If there is a widow with one or more children below the age of eighteen of a deceased veteran, the dependency and indemnity compensation paid monthly to the widow shall be increased by $30 for each such child.

"(c) The monthly rate of dependency and indemnity compensation payable to a widow shall be increased by $73 if she is (1) a patient in a nursing home or (2) helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person.".

SEC. 202. Section 413 of title 38, United States Code, is amended to read as follows:

"Whenever there is no widow of a deceased veteran entitled to dependency and indemnity compensation, dependency and indemnity compensation shall be paid in equal shares to the children of the deceased veteran at the following monthly rates:

"(1) One child, $123.

"(2) Two children, $178.

"(3) Three children, $229.

"(4) More than three children, $229, plus $46 for each child in excess of three.".

SEC. 203. (a) Subsection (a) of this section 414 of title 38, United States Code, is amended by striking out "$64" and inserting in lieu thereof "$73".

(b) Subsection (b) of section 414 of such title is amended by striking out "$108" and inserting in lieu thereof "$123".

(c) Subsection (c) of section 414 of such title is amended by striking out "$55" and inserting in lieu thereof "$63".

SEC. 204. Section 410(a) of title 38, United States Code, is amended to read as follows:

"(a) The Administrator shall pay dependency and indemnity compensation to the widow, children, and parents of any veteran who dies after December 31, 1956, and who

"(1) dies from a service-connected or compensable disability; or

"(2) was at the time of his death in receipt of or entitled to receive compensation for a total service-connected disability permanent in nature.

The standards and criteria for determining whether or not a disability is service-connected shall be those applicable under chapter 11 of this title.".

TITLE III—EFFECTIVE DATE

SEC. 301. The provisions of this Act shall become effective on July 1, 1975.

SECTION-BY-SECTION ANALYSIS AND EXPLANATION OF S. 1597

Section 1

This section provides that the proposed act may be cited as the "Veterans Disability Compensation and Survivor Benefits Act of 1975."

TITLE I—VETERANS DISABILITY COMPENSATION

Section 101

Subsection (*a*) provides increases in the basic rates of service-connected disability compensation payable under section 314 of title 38, United States Code, ranging from 12 percent to 14 percent depending upon the degree of severity of disability. Increases of 12 percent are provided for disabilities rated 10 to 50 percent. Increases of 14 percent are provided for disabilities rated 60 to 100 percent. Currently, a veteran with a 10-percent disability receives $32 monthly and a veteran with a disability rated at 100 percent receives $584, the rates would be increased to $36 and $666 respectively. An increase of 14 percent is provided for all higher statutory awards involving combinations of severe disabilities. A 12-percent increase is provided for the statutory awards payable under section 314(k).

Subsection (*b*) authorizes administrative adjustment consistent with the rate increases specified in *subsection* (*a*), of the rates of disability compensation payable to persons under section 10 of Public Law 85–857 who are not in receipt of compensation under chapter 11 of title 38, United States Code.

Section 102

This section provides increases in the additional allowances payable under section 315 of title 38, United States Code to service-connected disabled veterans with spouses, children, and dependent parents when the veteran is rated 50 percent or more disabled. These allowances are increased by 12 percent and would affect approximately 365,000 veterans.

Section 103

This section would provide an increase in the clothing allowance of $25 payable under section 362 for a veteran who because of his compensation disability wears or uses a prosthetic or orthopedic appliance, including a wheelchair, which tends to wear out or tear his clothing, from $150 to $175.

TITLE II—SURVIVORS DEPENDENCY AND INDEMNITY COMPENSATION

Section 201

Subsection (*a*) would increase the rates of dependency and indemnity compensation (DIC) payable under section 411 to the widows of veterans who died of service-connected causes. Currently, the minimum amount of DIC payable is for the widow of a veteran who attained the grade of E–1, $215 monthly, ranging upward to the DIC payable to the widow of a veteran who attained the grade of O–10, $549 per month. These rates would be increased by 14 percent or $245 per month for an E–1, to $626 per month for an O–10.

Subsection (*b*) would increase the additional monthly allowance payable under section 411(b) to a widow receiving DIC for each child under eighteen by 14 percent from $26 to $30.

Subsection (*c*) would provide a 14-percent increase in the additional allowance payable under section 411(c) to a widow in receipt of DIC who is in need of aid and attendance from $64 per month to $73.

Section 202

This section would provide a 14-percent increase in the rates of DIC payable under section 413 for children when there is no widow entitled. Currently the rates range from $108 for one child to $201 for three children plus $40 per month for each additional child. The increases would provide rates of $123, to $229, respectively, with $46 for each additional child.

Section 203

Subsection (*a*) would provide a 14-percent increase in the additional allowance payable under section 414(a) to a child eligible for DIC who had attained the age of eighteen and is permanently incapable of self-support from $64 to $73 per month.

Subsection (*b*) would provide an increase of 14 percent in the additional allowance payable under section 414(b) to a widow receiving DIC when there is a child eligible who has attained the age of eighteen and is permanently incapable of self-support from $108 to $123 per month.

Subsection (*c*) would provide a 14-percent increase in the additional allowance payable under section 414(c) to a widow in receipt of DIC when there is a child pursuing a course of education approved under section 104 from $55 per month to $63.

Section 204

This section would amend section 410(a) to provide that the survivors of a veteran who was rated totally and permanently service-connected disabled would be automatically entitled to dependency and indemnity compensation.

TITLE III—EFFECTIVE DATE

Section 301

Provides that the provisions of this Act shall become effective on July 1, 1975.

By Mr. MORGAN:

S. 1598. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide for an improved method of selection of the State planning agency, and for other purposes. Referred to the Committee on the Judiciary.

Mr. MORGAN. Mr. President, today I am introducing S. 1598, a bill which allows the legislatures of the various States to determine for themselves who will administer the Law Enforcement Assistance Administration program in their States. They have been told by way of legal interpretations that the current law does not give them that right: I believe it only reasonable that they should have it and thus I am introducing this legislation.

Earlier in the session I introduced a similar bill, S. 1297. Since that time, I have given the matter additional attention and believe that this new bill will be an improvement. S. 1297 would have required that the States take affirmative action either to ratify the present method of administration or else establish some new means. This bill will allow those States which are satisfied with things as they now are to leave it that way without taking any legislative action. However, those who wish to transfer the direction and control of the program will have the power to do so within certain limits.

The LEAA program has come under strong criticism. I think that any action which we could take at the Federal level to make the program more efficient and responsive at either the national or State level should be done.

By Mr. THURMOND:

S. 1600. A bill to amend chapter 75 of title 10, United States Code, to reduce to 1 year the duration of marriage requirement for eligibility for benefits for a surviving spouse, and to suspend deductions from retired pay when there is no eligible spouse. Referred to the Committee on Armed Services.

Mr. THURMOND. Mr. President, the Congress passed Public Law 92–425 in 1972 to establish the survivor benefit plan for military widows. Under the provisions of this plan, a retired military member may elect to accept a reduction in his retired pay in order to provide an annuity for his spouse in the event he predeceases her.

Unfortunately, this reduction in a retiree's retired pay continues for the remainder of his life even though his spouse predeceases him or the marriage is terminated by divorce. In the event of remarriage, he may provide coverage for the new spouse provided he elects to do so within 1 year from the date of that remarriage. The benefits of the plan are available to the new spouse only if the retired member's death is at least 2 years after the marriage.

Mr. President, I am proposing legislation to amend chapter 75 of title 10, United States Code, to reduce to 1 year the duration of marriage requirement for eligibility for benefits for a surviving spouse and to suspend deductions from retired pay when there is not an eligible spouse. In my view, the requirement to continue contributing for the remainder of the retiree's life even though he no longer has an eligible spouse beneficiary is grossly unfair. Also, I believe that a 1-year delay between marriage and the eligibility of the new spouse will suffice to eliminate abuses arising from so-called death bed marriages entered into solely for the purpose of providing benefits under the plan.

The Survivor Benefit Plan was patterned in many respects on a plan available to retired civil service employees. In particular, the provisions for continuation of the deductions from the member's retired pay for the remainder of his life, and the 2-year delay in the coverage for the new spouse were adopted from the Civil Service Survivorship Plan.

However, the 93d Congress enacted legislation which changed those provisions to provide for discontinuing the reduction of a Civil Service retiree's retired pay at the time the marriage is terminated by death or divorce. The 93d Congress also reduced from 2 years to 1 year the interval between the date a retiree remarries and the date coverage for the new spouse becomes effective. Consequently, I am proposing legislation to amend the military Survivor Benefit Plan to make it consistent with the Civil Service Plan.

Mr. President, this is the objective of my amendment. I urge my distinguished colleagues to give this legislation serious and favorable consideration. I request that this amendment be appropriately referred and ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1600

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subchapter II of Chapter 73 of title 10, United States Code, is amended as follows:

(1) Clauses (3)(A) and (4)(A) of section 1447 are each amended by striking out "two years" and inserting in place thereof "one year".

(2) Subsection (a) of section 1452 is amended by adding the following at the end thereof:

"The reduction in retired or retainer pay prescribed by the first sentence of this subsection shall not be applicable during any months in which there is no eligible spouse beneficiary."

By Mr. EAGLETON:

S. 1601. A bill to authorize assistance for demonstration projects designed to develop reforms in the criminal justice system in the United States. Referred to the Committee on the Judiciary.

CRIMINAL JUSTICE REFORM ACT

Mr. EAGLETON. Mr. President, our involvement in foreign wars is, hopefully, ended for the present. But I believe that we, as a society, should turn our energies and resources to fight a new war—a war against crime here in the United States. It is a war that must be fought with all the determination and imagination that we can command, Mr. President, for in this war the enemy has imprisoned not thousands, but millions, of Americans in a cage of fear that leaves them incapable of carrying on the normal activities of daily life.

I make this proposal with some hesitancy, Mr. President. In recent years, we have declared war on poverty, on hunger, and on a host of other social ills. In each case, after the initial fanfare of the declaration of war and the announcement of bold new programs, there followed a steady erosion of support for that particular effort.

Regardless of these reservations, I have concluded that a declaration of war on crime would not be simply another exercise in governmental hyperbole. For it seems that only in wartime do we achieve the determination and the unity of purpose among our people that are necessary if we are to check the ever-growing rise in crime.

The available evidence points to the conclusion that, on this issue, the public is indeed aware and concerned and ready to support an attack on crime. National polls have repeatedly showed that Americans rate crime as the most serious domestic problem and the one that should be given top priority by Government.

Aside from these practical considerations, there is the certain knowledge of the debilitating effects of crime on the quality of life in this country and on the confidence and esteem accorded the Government by its citizens. If Government cannot protect us in the streets and in our homes against assault, and robbery, and rape, and murder, it might reasonably be asked, then of what value are the other accomplishments of the Government here, or abroad, or in space.

It has to stop. We simply cannot go on being the prisoners of crime—working behind locked doors in offices and even in detail establishments where customers must ring for admission—fearing to venture out to cash pension checks—living with the terror that any one of us may be the next victim. And no one is immune.

There are those who say that crime can be dealt with effectively only by attacking the underlying problems—lack of job opportunities, inferior education systems, discrimination against minorities, and a host of other social inequities.

Improvements in these areas necessarily involve massive programs of social reform, taking many years to influence the makeup of our society. I do not believe we have to wait that long. I believe we can start now.

We can begin by making improvements in the criminal justice system which we rely upon to deal with crime problems as they exist today. There is no need to wait for the millennium to reform the criminal justice system. Its deterioration has long been noted and there is a broad consensus on the need for improvement. But this system does not have an alumni body, or a parent-teachers association, or a lobby that can be depended upon for a forceful and timely presentation of its interests. It is largely dependent upon a public awareness of its needs, and a public concern that it be equipped to deal with modern criminal problems.

Given these circumstances, there is a great deal that can be done by the Federal Government to aid local law enforcement agencies—without absorbing them. It can offer financial support and technical assistance. Perhaps most importantly, it can provide leadership to point the way for the comprehensive reforms needed to equip the entire criminal justice system to combat crime more effectively.

Substantial financial assistance is already being provided. As a nation, we are now spending close to $10 billion annually for law enforcement purposes at all levels of government. Nearly 10 percent of that amount is dispensed by the Federal Law Enforcement Assistance Administration—LEAA—in the form of grants to States and communities under the authority of the Safe Streets Act of 1968, as amended.

It was hoped that leadership for reform would be forthcoming from LEAA, but the track record of LEAA shows this not to be the case. LEAA has functioned largely as a disbursing agent, with relatively little influence on the manner in which funds have been used. These conditions were perhaps inevitable, given the block grant approach and the unwieldly administrative structure for LEAA contained in the original Safe Streets Act. Improvements have been made, both in revising LEAA administration through subsequent legislation and, it is my understanding, in the imposition of better fiscal controls.

Nevertheless, the fact remains that LEAA has not served as a necessary catalyst for reform of the criminal justice system; rather, it has tended to reinforce the existing system in its traditional modes of operation.

There are exceptions to this pattern. Among the most noteworthy have been a number of programs funded through the Missouri Law Enforcement Assistance Council. This is not just my opinion as a booster of the State I represent—it is drawn from the observations of experts who do not have a parochial view.

When we speak of reform, we are talking about some of the very things that are being done in Missouri. Such things as statewide police recruitment and training standards, support for training of law-enforcement officers of all kinds, extension of parole and probation services, revision of the State's criminal code, and supplying alternatives for the care and treatment of juvenile offenders.

But, again, the experience in Missouri is an exception to the national rule. Even authorities within LEAA concede that disproportionate amounts of Federal funds have gone for arms and other equipment, or for construction of facilities that are not essential to the immediate task of reducing the amount of crime.

I am convinced, Mr. President, that no substantial improvements will come about until we approach the problems of law enforcement on a systematic basis. Indeed, it is an overstatement to refer to the current modes of enforcing criminal justice as a system. A 1969 staff report to the National Commission on the Causes and Prevention of Violence gives the following picture of the manner in which criminal justice is enforced in this country:

> A system implies some unity of purpose and organized interrelationship among component parts. In the typical American city and state, and under federal jurisdiction as well, no such relationship exists. There is instead, a reasonably well-defined criminal process, a continuum through which each accused offender may pass: from the hands of the police, to the jurisdiction of the courts, behind the walls of a prison, then back onto the street. The inefficiency, fallout, and failure of purpose during this process is notorious . . .

The bill I propose today represents an effort to change this pattern. This bill is grounded on the principle that what we call the criminal justice system must be viewed in its entirety, for if any one part malfunctions, the effectiveness of the whole is impaired. An excellent police force is hampered in preventing crime if there are long delays in bringing a defendant to trial. A criminal court system that disposes of cases quickly and fairly cannot salvage a convicted defendant who is sentenced to an institution which is only a breeding place for more crime.

The bill authorizes LEAA to make grants to States and localities which elect to participate, on a strictly voluntary basis, for the purpose of bringing about comprehensive reform. Initially, grants would be limited to a few States and localities as pilot programs, with the hope that these will point the way toward implementing the program nationally.

The bill does not contemplate detailed directions from Washington as to how each State must improve its system. Rather it sets a number of goals which participating States must undertake to meet—each through its own methods, each in the light of local conditions.

I will not attempt to enumerate all of the standards contained in this bill but they cover such things as the recruitment, training, pay, and retirement benefits of law enforcement personnel—criminal court operations, including the mandatory disposition of criminal cases within a fixed period after arrest, the extension of probation and parole services, correctional facilities—from local jails to State institutions, juvenile offenders, treatment of narcotics addiction, and alcoholism. For the most part, these are performance standards—that is, each State would be free to devise the most suitable way for it to meet the goals set out in the bill without Federal dictation at each step along the way, so long as these goals are being attained.

I do not suggest, Mr. President, that this bill is the final answer to the problems of fighting crime. We all know that those problems are too many and too complex to admit of a "single package" solution, but my bill does provide a starting point. Moreover, it may well be suited to amendments offered in the light of the final report of the National Advisory Commission on Criminal Justice.

Neither do I expect this bill—or any other bill—to reform human nature. Yet there are two things that we know can be done, and we know how to do them: first, law enforcement agencies can be improved so that more offenders are apprehended and brought into the criminal justice system; and, second, the entire system can be improved so that punishment will have greater meaning as a deterrent and incarceration will more nearly operate to rehabilitate.

For too long, government at all levels has acted as though an ever-increasing rate of crime is an inevitable fact of modern life—even though the rate of increase has been greater than population growth, has exceeded the rate at which our society has become urbanized, and has gone beyond the limits of our citizens' tolerance.

We have it within our power to reverse the upward trend in crime. Continued rising crime need not be an "inevitable" fact of life in this decade if we are willing to commit against it our talent, our means, and our determination.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1601

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Criminal Justice Reform Act."

DECLARATION OF POLICY

SEC. 2. The Congress finds that—

(1) in order to obtain effective control and prevention of crime, there is a need for demonstration projects to test within states and localities comprehensive criminal justice reforms, including reforms in recruiting, training, compensating, and supervising police and other law enforcement personnel, expediting and improving criminal court procedure, and strengthening correctional systems; and

(2) the recommendations of the President's Commission on Law Enforcement and the Administration of Justice, together with the planning and recommendations of a number of State planning agencies and commissions and other agencies, provide an excellent basis for the adoption of such reforms.

DEMONSTRATION PROJECTS AUTHORIZED

SEC. 3. (a) The Administrator of the Law Enforcement Assistance Administration is authorized to make grants to and to enter into contracts with States and, where appropriate, with localities for the conduct of demonstration projects designed to test the effectiveness of comprehensive criminal justice reforms as described in subsection (b) of this section.

(b) A demonstration project assisted under this section may involve the testing of the following comprehensive criminal justice reforms:

(1) A State or, where appropriate, a locality will establish with respect to police and other similar law enforcement personnel—

(A) standards for recruitment which are uniform throughout the State;

(B) appropriate educational requirements for advancement which are uniform throughout the State;

(C) beginning compensation and increases in compensation which are appropriate for a professional, considering the size of the community and the cost of living in the community in which such personnel serve;

(D) a retirement system that is uniform throughout the State, and a statewide pension plan for such personnel;

(E) to the extent possible, uniform promotional policies for such personnel throughout the State;

(F) to the extent appropriate, standard operational procedures for such personnel throughout the State;

(G) lateral entry between law enforcement agencies of each locality within the State and between Federal, State, and local law enforcement agencies located within the State, with appropriate conditions on the period of initial service for such personnel; or

(H) facilities offering short-term mandatory training for all such personnel within the State.

(2) A State or a locality having jurisdiction over the trial of criminal offenses will implement such necessary reforms as will insure that (A) the trial of all such offenses (excluding juvenile offenses) will be commenced no later than sixty days from the date on which the defendant was arrested or from the date on which the defendant was charged by the authorities with such offense, whichever occurs first, and (B) the charges will be dismissed with prejudice for failure to comply with the requirements of this paragraph, except that the Administrator shall, by regulation, provide for the exclusion from such sixty-day period of any periods of delay that he designates as may reasonably be necessitated in the interest of justice; and reforms under this paragraph may include, without limitation—

(i) increasing the number of judges trying criminal offenses;

(ii) improving the efficiency of criminal court procedures;

(iii) appointing professional court administrators; and

(iv) increasing personnel engaged in prosecuting and defending criminal cases.

(3) A State or, where appropriate, a locality within such State—

(A) will establish a system for classifying persons charged with, or convicted of, criminal offenses so as to permit individualized treatment and security standards appropriate to the individual;

(B) will establish a range of correctional facilities that are adequately equipped and staffed to treat the particular classifications of inmates assigned there, including small-unit, community-based correctional institutions;

(C) will provide comprehensive vocational and educational programs designed for the special needs of rehabilitating each class of persons charged with or convicted of criminal offenses;

(D) will provide separate detention facilities for juveniles, including shelter facilities outside the correctional system for abandoned, neglected, or runaway children;

(E) will establish standards applicable throughout the State for local jails and misdemeanant institutions to be enforced by the appropriate State corrections agency;

(F) will provide parole and probation services for felons, for juveniles, for adult misdemeanants who need or can profit from community treatment, and supervisory services for offenders who are released from correctional institutions without parole;

(G) will establish caseload standards for parole and probation officers that vary in size and in type and intensity of treatment according to the needs and problems of the offender;

(H) will establish statewide job qualifications and compensation schedules for correctional officers, including probation and parole officers, along with a mandatory system of in-service training;

(I) will develop and operate programs of treatment and rehabilitation for persons suffering from alcoholism and drug abuse, available both to inmates and as an alternative to incarceration.

(4) A State will study by an appropriate and responsible group the consolidation of law enforcement agencies within such State best suited to the particular needs of that State; and will report to the Administrator on its findings not later than two years following the approval of its application;

(5) A State or a locality will study by an appropriate and responsible group the application of the criminal laws, as well as the propriety of the application of such laws to—

(A) alcoholism and drunkenness;

(B) narcotics addiction and drug abuse,

(C) gambling;

(D) vagrancy and disorderly conduct; and

(E) such other related areas which the State deems appropriate,

and will report to the Administrator on its findings with respect to such matters not later than two years after the approval of its application.

(c) No grant may be made and no contract may be entered into under this section unless an application is made to the Administrator at such time, in such manner, and containing or accompanied by such information as he may reasonably require.

LIMITATION

SEC. 4. No grant may be made and no contract may be entered into under section 3—

(1) for any statewide comprehensive criminal justice reform with more than 4 States; or

(2) with more than 10 localities located in any one State, or with more than 500 localities in all States, not covered by paragraph (1) of this section.

ADDITIONAL PROVISIONS OF AGREEMENTS

SEC. 5. Any agreement evidencing a grant or contract under this Act shall contain provisions adequate to assure that—

(1) Federal funds made available under this Act will not be used to supplant State or local funds for the purpose for which the agreement is made;

(2) whenever there is a failure to comply with the provisions of that agreement, the Administrator may withhold further payments, until there is no longer such a failure;

(3) in the case of the construction of any facility—

(A) the design and cost of construction will be reasonable; and

(B) all laborers and mechanics employed by contractors or subcontractors will be paid wages at rates not less than those prevailing on similar construction in the locality, as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a–276a–5); and

(C) in any case in which—

(i) the ownership of the facility ceases to be a public agency, or

(ii) the facility ceases to be used for the purposes for which it was constructed unless there is good cause for releasing the applicant from the requirement of this clause, as determined by the Administrator, the interests of the United States will be protected.

TECHNICAL ASSISTANCE

SEC. 6. The Administrator is authorized to provide by grant, contract, or otherwise, technical assistance to a State or locality required to carry out the provisions of this Act.

PAYMENTS AND AUDIT

SEC. 7. (a) The Administrator shall pay in any fiscal year to each State or locality with which he has entered into an agreement pursuant to this Act for that fiscal year the Federal share of the cost of such agreement as determined by him.

(b) The Federal share for each fiscal year shall be 75 per centum of the cost of the programs and projects assisted under this Act.

(c) Payments under this section may be made in installments, in advance or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments.

(d) The Administrator and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination, to any books, documents, papers, and records of a grant recipient under this Act that are pertinent to the grant received.

DEFINITIONS

SEC. 8. As used in this Act —

(1) "Administration" means the Law Enforcement Assistance Administration;

(2) "Administrator" means the Administrator of the Law Enforcement Assistance Administration;

(3) "criminal offense" includes juvenile offenses, except as otherwise specified;

(4) "locality" means any city or other municipality (or two or more municipalities acting jointly) or any county or other political subdivision or State (or two or more acting jointly) having general governmental powers; and

(5) "State" means each of the several States of the Union, and the District of Columbia.

APPROPRIATIONS AUTHORIZED

SEC. 9. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of the Act.

By Mr. MATHIAS:

S. 1602. A bill to discourage the use of leg-hold or steel jaw traps on animals in the United States. Referred to the Committee on Commerce.

OUTLAWING THE STEEL JAW LEG-HOLD TRAP

Mr. MATHIAS. Mr. President, every year countless numbers of animals are maimed or killed by a method of trapping that is excessively cruel and inhumane. I am speaking about the steel jaw leg-hold trap. Not only is needless maiming and suffering inflicted upon wild animals by the use of these traps, but also many family pets and valuable hunting dogs are lost each year due to entrapment by these painful devices. In some cases, the animals snared by these traps are never found and consequently suffer a slow, terrifying, and agonizing death. I do not believe that anyone who has taken a careful look at these traps can still condone their use. I would like to share with my colleagues an article that highlights the cruelty of these devices that appeared in the January 15, 1975, issue of Farmland News entitled "Public Opinion Stirring Against Steel Jaw Traps." I ask unanimous consent that the article appear in the RECORD immediately following my remarks.

Mr. President, today I am introducing legislation to prohibit the use of the steel jaw leg-hold trap in the United States. I hope that my colleagues in the Senate will realize the justification for such a measure and support outlawing this most inhumane method of trapping. I ask unanimous consent that the text of my bill also be inserted in the RECORD following my remarks.

There being no objection, the article and bill was ordered to be printed in the RECORD, as follows:

PUBLIC OPINION STIRRING AGAINST STEEL JAW TRAPS

(By JILL SUSAN ROWE)

Trapping, long regarded as a necessary evil by some, a sport by others, is under attack by a growing number of vocal critics who contend that it is an unconscionable violation of the laws of humanity. There is no justification for the pain and terror suffered by millions of hapless animals caught every year in the steel jaws of the leghold trap, insist the critics.

Trappers often characterize their detractors as bleeding-heart do-gooders who oppose hunting and even fishing, as well as trapping. The fact is hunters are among trapping's strongest critics, because hunting dogs are so often victims of the trap.

It was the loss of two valued dogs, and injury of three others in steel jaw traps set near his lakeside home in Shell Knob, Mo., that began Stanley Patterson's crusade against trapping.

In December, 1971, three of Patterson's collie-shepherd pups disappeared. Two of them finally limped home on badly mangled feet. The third never returned. Then, just before Christmas, Taffy, the mother dog, disappeared with another pup. Christmas eve and day were spent searching for the dogs, to no avail. Then, the day after Christmas, Patterson found the missing pup.

"She had dragged the trap more than 100 yards before it caught in the underbrush," he remembers. "She had been in the trap for four days and was suffering from exposure, as well as a crushed front paw. She survived, but she still limps."

Taffy, a beloved family pet, was still missing. In his search for her Patterson found many unmarked traps, baited with small animals or household garbage. The weakened condition of raccoons and opossums found in some traps indicated the traps had not been checked for some time.

Finally, Patterson found evidence that Taffy had indeed been trapped, then shot and disposed of by the trapper. A spot where the ground has been dug up and underbrush uprooted was typical of an area where an animal has been trapped. The imprint of a trap, along with dog droppings and hair, pools of blood and a spent 22-caliber shell told the story. On the strength of this evidence, Patterson, a lawyer, signed a complaint against the trapper, who was convicted of willfully killing a dumb animal and assessed the maximum penalty—a $50 fine.

Outraged by the indiscriminate cruelty inflicted by traps, Patterson formed the Committee to Outlaw Steel Traps. His efforts have done much to arouse public outcry against trapping in Missouri, but, so far, nothing toward changing trapping statutes.

In response to strong public pressure, the Missouri Conservation Commission recently conducted a review of trapping. The result: they determined that trapping is a legitimate method of "harvesting" fur-bearing animals and that the moral issue involved is too nebulous and subjective to justify a revision in the statutes.

Patterson does not oppose the controlled trapping of individual predators, but deplores the use of wholesale trapping by part-time amateurs out to make a few dollars, or even worse, those who regard trapping as a "sport."

There are few professional trappers, he says. "Almost any other type of employment, given the same effort, would be more rewarding than trapping. I think it's reasonable to say that a ban on trapping would not deprive anyone of a livelihood."

It is the "sport" or trapping that arouses the most heated emotions among critics.

To any person with normal sensibilities and a share of compassion, trapping, which invariably causes hours and in many cases days of unspeakable suffering and terror, can hardly be considered a wholesome sport, says Patterson. "As for pitting a trapper's skill and wits against that of the wild animal, it reminds one of a stacked deck or loaded dice. The odds are indecent; man's passing gratification on the one hand and the animal's life on the other, with a lot of slow torture thrown in."

The ordeal of an animal caught in a leghold trap begins when the powerful jaws of the trap spring shut against its leg. The trap is strong and fast and this first impact often shatters the bone.

Initially stunned, the animal panics when it realizes it is trapped. In its frenzied attempts to free itself, it increases its pain by pulling and twisting the leg.

The animal may regain its freedom by gnawing off its own foot, although in its weakened and mutilated state it is unlikely to survive for long.

More likely it will remain in the trap. Thirst, hunger and the elements add to the suffering of the animal, whose leg becomes swollen and infected. For days, or even weeks, the animal may linger, until it dies of thirst, starvation or infection, is killed by a predator or finally destroyed by the trapper himself.

The trap is unselective and even trappers admit that more than half of the animals caught are not the ones the traps are intended for. This unwanted catch is referred to as "trash." Many cherished family pets and useful working or hunting dogs have been among the "trash."

An alternative to the painful steel jaw trap is the Conibear "killer" trap, which springs back against an animal's neck to kill it instantly. Invented by a Canadian trapper who finally sickened of watching the agony of the animals he trapped, the Conibear is a more humane method trapping. But trappers show little inclination to turn in their steel jaw traps for the slightly more expensive Conibear traps.

Behind every steel jaw trap in use today is a story—it's an ugly story filled with pain, terror and lingering death. That story used to be hidden in the woods and lakes and farmland where few saw it. But it's being told today, on television and in print. Films of trapped animals in the throes of death, followed by interviews with trappers calmly justifying their "harvest," build groundswells of popular resentment that are reaching the ears of elected representatives. The trap has already been banned in several European nations.

The steel jaw trap—simple, inexpensive and incredibly painful—may eventually become a relic of the past.

S. 1602

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DECLARATION OF POLICY

SECTION 1. It is hereby declared to be the public policy of the United States to discourage the manufacture, sale, and use of leg-hold or steel jaw traps on animals in the United States and abroad.

PROHIBITION

SEC. 2. No fur or leather, whether raw or in finished form, shall be shipped in interstate or foreign commerce if such fur or leather comes from animals trapped in any State of the Union or any foreign country which has not banned the manufacture, sale, or use of leg-hold on steel jaw traps.

CURRENT LIST

SEC. 3. The Secretary of Commerce shall compile, publish, and keep current a list of States of the Union and foreign countries which have not banned the manufacture, sale, and use of leg-hold or steel jaw traps.

PENALTIES

SEC. 4. Anyone shipping or receiving fur or leather in contravention of section 2 of this Act shall, for the first offense, be fined not more than $2,000; for the second or subsequent offenses, he shall be fined not more than $5,000 and shall be sentenced to a jail term of one to three years.

EFFECTIVENESS

SEC. 5. The provisions of this Act shall become effective two years after the date of its enactment.

By Mr. BENTSEN:

S. 1603. A bill to provide for training programs and relative supportive services which will provide middle-aged and older workers a full opportunity for meaningful employment and for other purposes. Referred to the Committee on Labor and Public Welfare.

MIDDLE-AGED AND OLDER WORKERS JOB ASSISTANCE ACT

Mr. BENTSEN. Mr. President, I am today introducing the Middle-Aged and Older Workers Job Assistance Act.

The deepening recession is endangering the livelihood and lives of a growing number of workers. They are being forced off the payrolls and onto lengthening unemployment lines at a rate unknown since the depression days of the 1930's.

Unemployment is particularly destructive to middle-aged and older workers who are in the period of life when their financial obligations are apt to be the heaviest. They have mortgages to meet, car payments to keep up, increasing medical expenses, a child or two in college, and perhaps an older parent who requires nursing home care. The loss of a job threatens them with the loss of everything they have worked for all their lives.

According to the Department of Labor, the number of unemployed workers over the age of 40 stood at 2,230,000 in March 1975. This is an alarming figure, but what is even more distressing is that this figure represents an increase of 86.9 percent since March 1974, just a year ago. Middle-aged and older workers now make up 26.7 percent of the total unemployed.

Even in the best of times unemployed older workers have faced special difficulties in securing new jobs. Despite the passage of the Age Discrimination in Employment Act, job bias against older workers persists. As a consequence, once unemployed, an older worker runs a substantial risk of being unemployed for a long period of time. Long-term joblessness of 15 weeks or longer is common.

Many never find new employment. They drop out of the workforce altogether, accepting as they reach the age of 62, actuarially reduced social security benefits. The result is the creation of a new generation of elderly poor who remain below the poverty level despite increases in social security payments.

In a time of widespread unemployment such as we have today these difficulties are obviously aggravated. Moreover, our economy is undergoing a number of realinements caused by the energy crisis. Many older workers have been trained for jobs that will not exist in the future through no fault of their own.

For all of these reasons, our country's older workers need special help in securing new employment or being retained for new jobs. But it is precisely this category of workers who have been consistently neglected by present and past manpower programs.

What will happen to these workers when their unemployment checks eventually run out? Unless they are to be required to take premature retirement, we must enable them to find new uses for their talents and abilities.

The U.S. Employment Service has directed relatively little of its efforts toward helping older workers. As a result only 13 percent of the 55- to 64-year olds find jobs through the U.S. Employment Service compared to 21.4 percent of those under 22, and 16.5 percent of those 22 to 39 years old. The same insensitivity toward the needs of older workers exists within the Department of Labor's manpower programs. Older workers are substantially under-represented in job training programs and public service employment jobs. They comprise only 6.4 percent of those enrolled in job training programs and 15 percent of those in public service jobs.

While Congress has already taken significant steps to ease the crisis of unemployment for the unemployed, we need to direct special efforts toward middle-aged and older workers who are out of work.

Toward that goal I am introducing today the Middle-Aged and Older Workers Job Assistance Act which will set up a midcareer development program to be administered by the Manpower Administration in the Department of Labor. It would help to provide training, counseling, and special support services especially designed to meet the neglected needs of the unemployed worker over 40.

It would authorize the Secretary of Labor to make loans and grants to suitable public and private groups for manpower training which would upgrade the work skills of workers over 40. It further authorizes the Secretary of Labor to set up a program which would train personnel to teach such skills to older workers.

The Middle-Aged and Older Workers Jobs Assistance Act will be of special help in areas of high unemployment. In these areas the Secretary of Labor would be authorized to recruit and train personnel to provide out-of-work older workers with recruitment, placement, and counseling services.

Through this program, unemployed older workers would be able to participate in training to upgrade existing skills, and undergo retraining for jobs which are needed in their communities. Special efforts would be made to reach unemployed older workers by recruiting and training personnel to provide placement, recruitment, and counseling services in communities with substantial numbers of unemployed older workers.

The cost of this program is small when we look at the alternatives. If we do nothing to help these people find jobs now, we will have to help them later when the cost will be higher still. The welfare rolls will rise as unemployed older workers exhaust their unemployment benefits and turn to public assistance. The food stamp program will be similarly swollen. And, eventually, social security benefits will have to be increased to compensate for lost earnings and reduced benefits.

I believe it is time we focused attention on the special problems of older unemployed workers. This measure would be a strong step in that direction.

At this point, I ask unanimous consent to insert the text of this legislation in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1603

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Middle-Aged and Older Workers Job Assistance Act".

MIDCAREER DEVELOPMENT SERVICE PROGRAM

SEC. 2. There is hereby established a comprehensive midcareer development service program, to be administered by the Manpower Administration in the Department of Labor, to assist middle-aged and older workers to retain and obtain remunerative employment by providing manpower training, counseling, and special supportive services to such workers.

TRAINING PROGRAMS

SEC. 3. The Secretary is authorized to make loans and grants to public and private nonprofit agencies, institutions, and organizations and to individuals for manpower training, including on-the-job, institutional, residential, and other training, designed to upgrade the work skills and capabilities of middle-aged and older persons.

(b) Any grant or loan made pursuant to this section may be used to pay all or part of the cost of any such program plus such stipends (including allowances for subsistence or other expenses) for such persons and their dependents as he may determine to be consistent with prevailing practices under comparable Federal programs.

(c) (1) A grant or loan under this section shall be made on such terms and conditions as the Secretary shall prescribe and may be made only upon application to the Secretary at such time or times and containing such information as he deems necessary.

(2) The Secretary shall not approve an application for assistance under this section unless it sets forth a program for training which meets criteria established by him, including training costs and tuition schedules.

(d) Individuals receiving stipends under the provisions of this section while undergoing training shall continue to receive such stipends only during such period as the Secretary finds that they are maintaining satisfactory progress in such training program.

(e) The Secretary is authorized to enter into agreements to provide loan guarantees to lending institutions on such terms and conditions as the Secretary shall prescribe in order to permit such institutions to make loans to middle-aged and older persons for training which qualifies under this section.

TRAINING PERSONS TO TRAIN AND RETRAIN MIDDLE-AGED AND OLDER WORKERS

SEC. 4. The Secretary is authorized to develop and carry out a program under which an adequate number of persons are trained to understand the manpower training and educational needs of middle-aged and older persons and to become qualified to train and retrain middle-aged and older workers in skills needed in the economy in the community in which such workers reside. Such programs shall emphasize developing innovative techniques for training middle-aged and older persons.

SPECIAL SERVICES FOR MASS LAYOFFS

SEC. 5. The Secretary is authorized to recruit and train personnel within the Department of Labor to be made available to localities in which substantial numbers of middle-aged and older persons are unemployed or underemployed, as a result of the closing of a plant or factory or a permanent large-scale reduction in the work force in such locality, or in communities where the rate of unemployment exceeds the national average rate for unemployment. In carrying out the provisions of this section, the Secretary is authorized to provide such persons with recruitment, placement, and counseling services.

SPECIALIZED SERVICES

SEC. 6. (a) The Secretary shall establish and carry out specialized services for middle-aged and older workers who desire to improve their employability, to receive manpower training to improve their capabilities at their present employment, or to obtain counseling in planning to maximize earning opportunities for the remainder of their working lives.

(b) The Secretary is authorized to recruit and train manpower specialists, including older and retired employment counselors and personnel directors to serve in programs authorized under this section.

EMPLOYMENT SERVICES FOR PART-TIME EMPLOYMENT

SEC. 7. The Secretary may, where appropriate, make special provisions through the United States employment service, or with the advice and assistance of the employment service, by means of grants to, or contracts with, nonprofit volunteer agencies to assist such agencies in securing part-time or temporary employment for additional members of middle-aged and older persons who wish such employment.

EQUITABLE DISTRIBUTION OF ASSISTANCE

SEC. 8. (a) The amounts appropriated under this Act for any fiscal year shall be allocated by the Secretary in such manner that of such amounts—

(1) not less than 80 percent shall be apportioned among the States in an equitable manner, taking into consideration the proportion which the total number of unemployed middle-aged and older persons in each such State bears to the total number of such persons in all States; and

(2) the remainder shall be available as the Secretary deems appropriate to carry out the purposes of this Act.

(b) The amount apportioned to each such State under paragraph (1) of subsection (a) shall be apportioned among areas within each such State in an equitable manner, taking into consideration the proportion which the total number of unemployed middle-aged and older persons in each such area bears to the total number of such persons, respectively, in that State.

(c) As soon as practicable after funds are apportioned to carry out this Act for any fiscal year, the Secretary shall publish in the Federal Register the apportionments required by subsections (a) (1) and (b) of this section.

ADMINISTRATION

SEC. 9. (a) In order to carry out the purposes of this Act the Secretary is authorized to—

(1) promulgate such rules and regulations as he deems necessary;

(2) employ experts and consultants in

accordance with section 3109 of title 5, United States Code;

(3) appoint such advisory committees composed of private citizens and public officials who, by reason of their experience or training, are knowledgeable in the area of job opportunities for middle-aged and older individuals, as he deems desirable to advise him with respect to his functions under this Act; and

(4) utilize, with their consent, the services, personnel, information, and facilities of other Federal and State agencies, with or without reimbursement therefor.

(b) Each member of a committee appointed pursuant to clause (3) of subsection (a) of this section who is not an officer or employee of the Federal Government shall receive an amount equal to the daily rate prescribed for GS-18 under section 5332 of title 5, United States Code, for each day on which he is engaged in the actual performance of his duties (including traveltime) as a member of the committee. All members shall be allowed travel expenses and per diem in lieu of subsistence as authorized by law (5 U.S.C. 5703) for persons in the Government service employed intermittently and receiving compensation on a per diem, when actually employed, basis.

(c) Each recipient of assistance under this Act shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipients of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(d) The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipients that are pertinent to the grants, agreements, or contracts entered into under this Act.

PROGRAM DEVELOPMENT AND COORDINATION

SEC. 10. (a) In addition to any other provisions for the administration of this Act, the Secretary shall designate personnel to have responsibility for program leadership, development, and coordination.

(b) No individual, institution, organization, or agency shall evaluate any program under this Act if that individual, or any member of any such institution, organization, or agency, is associated with the program as a consultant, technical adviser, or in any other capacity.

(c)(1) The Secretary is authorized and directed to require agencies, institutions, and organizations administering training and other programs and activities assisted under this Act to coordinate their activities with agencies and organizations conducting related manpower and employment programs under other provisions of law such as the Comprehensive Employment and Training Act of 1973, and the Emergency Job and Unemployment Assistance Act of 1974. In carrying out the provisions of this paragraph, the Secretary is authorized to make necessary arrangements to include projects and activities assisted under this Act within a common agreement and a common application with projects assisted under other provisions of law such as the Comprehensive Employment and Training Act of 1973, and the Emergency Job and Unemployment Assistance Act of 1974.

(2) The Secretary is authorized to make whatever arrangements that are necessary to carry out the programs assisted under this Act as part of any general manpower legislation.

DEFINITIONS

SEC. 11. As used in this Act the term—

(1) "middle-aged and older" means an individual who is 40 years of age or older;

(2) "middle-aged" means an individual who is at least 40 years of age but not older than 54 years of age;

(3) "older" means an individual who is at least 55 years of age;

(4) "Secretary" means the Secretary of Labor; and

(5) "State" means any of the several States of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, American Samoa, Guam, and the Trust Territory of the Pacific Islands.

AUTHORIZATION OF APPROPRIATIONS

SEC. 12. There are authorized to be appropriated to carry out the provisions of this Act $150,000,000 for the fiscal year ending June 30, 1976.

By Mr. BAYH:

S. 1604. A bill to establish a committee to be known as the International Women's Year American Women's Conference Planning Committee. Referred to the Committee on Government Operations.

Mr. BAYH. Mr. President, the United Nations has designated 1975 as International Women's Year. In making this declaration, the United Nations General Assembly stated three major goals—to promote equality between men and women, to insure full participation of women in the total development of their countries, and to recognize the importance of women's increasing contribution to world peace. In order to further recognize the importance of the United Nations declaration, the President, through Executive Order 11832, established a National Commission on the Observation of International Women's Year. It is a privilege for me to have been appointed as a member of this Commission by the President.

International Women's Year provides an unprecedented opportunity for all concerned with promoting equality for men and women, to affect the ways and means by which women can achieve full participation in all aspects of our society. It is now incumbent upon the Congress to implement measures which will make this symbolic recognition a meaningful one.

It is for this reason, Mr. President, that I am introducing a bill today which calls for the convening of an American Women's Conference to assess and evaluate the progress that has been made in achieving the goals of International Women's Year.

Under the provisions of my bill, a committee would be established within the executive branch with the express purpose of planning and convening an American Women's Conference. This conference would occur no later than December 31, 1976, and would be composed of representatives from local, State, regional, national and international institutions, agencies, or unions which promote the advancement of women's rights and world peace; representative men and women involved in policymaking and decisionmaking in Government, private industry, education, child care, social welfare, the media, and other fields; and members of the general public with special emphasis on the representation of low-income and minority women. The planning committee would remain in existence until the completion of a report to the Congress and to the President summarizing the recommendations of the conference.

Significant progress has been made in this country toward furthering women's rights and in recognizing the value of women's contributions to society within and outside the home. Women provide a substantial portion of the human resources of our Nation. More than half of all women between the ages of 18 and 64 are in the labor force. Among married women with children, 45.7 percent work today. The American economy needs the talents and skills of women. Despite the fact there are over 36 million women in the labor force, there are still barriers which prevent women from preparing for and entering suitable employment, in addition to barriers which prevent advancement or full recognition.

Women who work at full-time jobs the year round, earn on an average, less than $3 for every $5 earned by similarly employed men. The ratio varies slightly from year to year, but the earnings gap is greater than it was 15 years ago. Women's median earnings of $6,335 in 1973 were 56.6 percent of the salary for similarly employed men. It will be the mandate of the American Women's Conference to identify and address such barriers. The conference will develop the specific recommendations for the elimination of these barriers as well as establishing a timetable for their implementation.

International Women's Year is an important year. We have a unique opportunity to focus attention on the current status of American women and on the means to improve their status. Our emphasis must be on constructive action. Other nations already have begun preparations for national conventions, such as I am suggesting. I urge the Congress to act promptly to insure that an American Women's Conference be held as part of this Nation's commitment to International Women's Year and to the goals of equality, development, and peace.

I ask unanimous consent that the full text of this legislation be printed in the RECORD at this time.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1604

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

FINDINGS

SECTION 1. The Congress hereby finds that—

(a) International Women's Year 1975 is a particularly appropriate time for the United States to assess the progress that has been made toward insuring equality for all women, to set goals for the elimination of all barriers to the full and equal participation of women in all aspects of life, and to recognize the importance of the contribution of women in the effort to secure world peace; and

(b) An American Women's Conference is the most suitable mechanism by which such a national evaluation of the status of women and issues of concern to them can be effected.

ESTABLISHMENT AND DURATION

SEC. 2. (a) There is hereby established in the executive branch a Committee to be known as the International Women's Year American Women's Conference Planning Committee (hereinafter in this Act referred to as the "Committee").

(b) The Committee shall remain in existence until the issuance of the report of the International Women's Year American Women's Conference.

MEMBERSHIP

SEC. 3. (a) The Committee shall be composed of twenty-one women members who are qualified to serve because of their achievements in the field of women's rights, human rights, world peace, child care, education, or other related areas of national or international concern.

(b) The members shall be appointed as follows:

(1) seven appointed by the Speaker of the House of Representatives;

(2) seven appointed by the majority leader of the Senate; and

(3) seven appointed by the President.

(c) Appointments made pursuant to subsection (b) shall be made not later than thirty days after the date of the enactment of this Act.

(d) Members shall be appointed for the life of the Committee. Any vacancy in the Committee shall be filled in the manner in which the original appointment was made.

(e) Members of the Committee shall, while attending to the business of the Committee, be entitled to receive compensation therefor at the rate of pay for grade GS-18 in section 5332 of title 5, United States Code, including travel time. Such members may, while away from their homes or regular places of business, be allowed travel expenses, including per diem in lieu of subsistence, as may be authorized under section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

(f) The Chairwoman and Vice Chairwoman of the Committee shall be elected by the members of the Committee.

(g) The Committee shall meet at such times as it considers necessary to carry out its duties under this Act.

(h) Fourteen members of the Committee shall constitute a quorum.

DUTIES AND POWERS

SEC. 4. (a) The Committee shall call, organize, and convene an American Women's Conference at a time and place it determines, to be held not later than December 31, 1976.

(b) The Committee may appoint such staff personnel as it considers necessary to carry out its duties under this, Act, and such personnel may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of such title, relating to the classification and General Schedule pay rates, respectively.

(c) The Committee may accept, use, and dispose of contributions of money, services, and property.

(d) The Committee may use the United States mails under the same conditions as other departments and agencies of the United States.

(e) The Administrator of General Services shall provide to the Committee on a reimbursable basis such administrative support services as the Committee may request.

(f) When so authorized by the Committee, any member or agent of the Committee may take any action which the Commission is authorized to take by this Act.

(g)(1) The Committee may, when appropriate, request the cooperation and assistance of other Federal agencies and departments in order to carry out its responsibilities.

(2) Each Federal agency and department is authorized and directed to cooperate with, and provide assistance to, the Committee upon its request under paragraph (1). For that purpose, each Federal agency and department is authorized to provide personnel to the Committee.

(h) The Committee may make technical and financial assistance available, by grant, contract, or otherwise, to public and private, nonprofit organizations to enable them to organize and conduct conferences and other meetings in order to prepare for the Conference.

(i) The Committee may prepare and make available background materials for the use of representatives to the Conference.

(j) The Committee is authorized to publish and distribute for the Conference the report required under this Act.

(k) The Committee shall, in carrying out its duties under this Act, consult with the National Commission on the Observance of International Women's Year 1975, and with such other national and international organizations concerned with women's rights and related matters as the Committee considers advisable to carry out its duties.

COMPOSITION AND GOALS OF THE CONFERENCE

SEC. 5. (a) The International Women's Year American Women's Conference shall:

(1) assess the progress that has been made to date by both the private and public sectors in promoting equality between women and men in all aspects of life in the United States;

(2) assess the role of women in economic, social, and cultural development;

(3) assess the participation of women in efforts designed to achieve world peace;

(4) identify the barriers that prevent women from participating fully and equally in all aspects of national life, and develop recommendations for means by which such barriers can be removed;

(5) establish a timetable for the achievement of the objectives set forth in such recommendations;

(6) provide for the convening of a second national conference to be held in 1980 to assess the progress made in achieving the objectives set forth in paragraphs (3) and (4); and

(7) provide for the convening of decennial national conferences on the status of women starting in 1990.

(b) The International Women's Year American Women's Conference shall be composed of:

(1) representatives of local, State, regional, national and international institutions, agencies, organizations, unions and associations which promote the advancement of women's rights and world peace;

(2) representative women and men involved in policymaking and decisionmaking in Government, private industry, education, child care and social welfare, the media, and other fields; and

(3) members of the general public, with special emphasis on the representation of low-income and minority women.

(c) A final report of the American Women's Conference containing a detailed summary of the findings and recommendations developed under subsection (b) shall be submitted concurrently to the Congress and to the President not later than one hundred and twenty days following the close of the Conference, which final report shall be made public. Within ninety days of the receipt of the report by the President, the President shall transmit to Congress his or her recommendations with respect to such report.

AUTHORIZATION FOR APPROPRIATION

SEC. 6. There are authorized to be appropriated without fiscal year limitation, such sums, but not to exceed $3,500,000, as may be necessary to carry out the provisions of this Act. Such sums shall remain available for obligation until expended.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 80

At the request of Mr. MATHIAS, the Senator from Oregon (Mr. PACKWOOD), the Senator from New York (Mr. BUCKLEY), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Pennsylvania (Mr. SCHWEIKER) were added as cosponsors of S. 80, a bill to prevent the estate tax law from operating to encourage or to require the destruction of open lands and historic places, by amending the Internal Revenue Code of 1954 to provide that real property which is farmland, woodland, or open land and forms part of an estate may be valued, for estate tax purposes, at its value as farmland, woodland, or open land—rather than at its fair market value—and to provide that real property which is listed on the National Register of Historic Places may be valued, for estate tax purposes, at its value for its existing use, and to provide for the revocation of such lower valuation and recapture of unpaid taxes with interest in appropriate circumstances.

S. 93

At the request of Mr. MATHIAS, the Senator from Vermont (Mr. LEAHY), and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of S. 93, a bill to amend the Internal Revenue Code of 1954 to provide that a married individual who files a separate return shall be taxed on his or her earned income at the same rate as an unmarried individual.

S. 123

At the request of Mr. INOUYE, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 123, a bill to amend the Social Security Act.

S. 136, S. 137, S. 138, AND S. 139

At the request of Mr. MONTOYA, the Senator from Nevada (Mr. LAXALT), and the Senator from Maryland (Mr. MATHIAS) were added to S. 136 and S. 137, bills to amend the Internal Revenue Code; and the Senator from Nevada (Mr. LAXALT) was added as a cosponsor of S. 138 and S. 139, bills to amend the Internal Revenue Code.

S. 408

At the request of Mr. BROOKE, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 408, a bill to repeal exemptions in the antitrust laws relating to fair trade laws.

S. 588

At the request of Mr. HANSEN, the Senator from Oregon (Mr. PACKWOOD) was added as a cosponsor of S. 588, a bill to amend the Federal Meat Inspection Act to require that imported meat and meat food products made in whole or in part of imported meat be labeled "imported" at all stages of distribution until delivery to the ultimate consumer.

S. 997

At the request of Mr. Moss, the Senators from Indiana (Mr. HARTKE and Mr. BAYH) were added as cosponsors of S. 997, a bill to amend the Fair Packaging and Labeling Act to require the disclosure by retail distributors of retail unit prices of consumer commodities, and for other purposes.

S. 1124

At the request of Mr. BUCKLEY, the Senator from Wisconsin (Mr. NELSON) was added as a cosponsor of S. 1124, a bill to provide equity financing for minority businesses.

S. 1193

At the request of Mr. JACKSON, the Senator from Hawaii (Mr. INOUYE) and the Senator from Texas (Mr. TOWER) were added as cosponsors of S. 1193, to provide additional medical and dental benefits for members of the National Guard and the reserve military forces.

S. 1345

At the request of Mr. GOLDWATER, the Senator from Michigan (Mr. PHILIP A. HART) was added as a cosponsor of S. 1345, a bill to amend section 106 of title 38, United States Code, to deem certain service performed by members of the Women's Air Forces Service Pilots to have been active duty for purposes of laws administered by the Veterans' Administration.

S. 1359

At the request of Mr. MUSKIE, the Senator from Rhode Island (Mr. PASTORE) was added as a cosponsor of S. 1359, a bill to coordinate State and local government budget-related actions with Federal Government efforts to stimulate economic recovery by establishing a system of emergency support grants to State and local governments.

S. 1406

At the request of Mr. MONTOYA, the Senator from Montana (Mr. METCALF), the Senator from Colorado (Mr. HASKELL), the Senator from Idaho (Mr. CHURCH), the Senator from Maine (Mr. HATHAWAY), the Senator from California (Mr. TUNNEY), the Senator from New Jersey (Mr. CASE), the Senator from Missouri (Mr. EAGLETON), and the Senator from Nevada (Mr. CANNON) were added as cosponsors of S. 1406, a bill to amend title 38 of the United States Code to provide that veteran's pension and compensation will not be reduced as a result of certain increases in monthly social security benefits.

S. 1436

At the request of Mr. RANDOLPH, the Senator from Massachusetts (Mr. KENNEDY), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Connecticut (Mr. RIBICOFF) were added as cosponsors of S. 1436, a bill to improve the reliability, safety, and energy efficiency of transportation by providing funds for repairing, rehabilitating, and improving railroad roadbeds and facilities.

At the request of Mr. BENTSEN, the Senator from Wyoming (Mr. MCGEE) was added as a cosponsor of S. 1507, a bill to amend title 38, United States Code, to provide or a salary increase not to exceed 25 percent for qualified physicians, dentists, and nurses in the Veterans' Administration's Department of Medicine and Surgery.

S. 1526

At the request of Mr. HUMPHREY, the Senator from Minnesota (Mr. MONDALE) was added as a cosponsor of S. 1526, to make additional funds available for the purpose of acquiring certain lands in northern Minnesota.

SENATE RESOLUTION 143—SUBMISSION OF A RESOLUTION TO AMEND RULE XXII OF THE STANDING RULES OF THE SENATE

(Referred to the Committee on Rules and Administration.)

Mr. HATHAWAY submitted the following resolution:

S. RES. 143

Resolved, That rule XXII of the Standing Rules of the Senate is amended to read as follows:

"1. When a question is pending, no motion shall be received but—

"To adjourn.

"To adjourn to a day certain, or that when the Senate adjourn it shall be to a day certain.

"To take a recess.

"To proceed to the consideration of executive business.

"To lay on the table.

"To postpone indefinitely.

"To postpone to a day certain.

"To commit.

"To amend.

Which several motions shall have procedure as they stand arranged; and the motions relating to adjournment, to take a recess, to proceed to the consideration of executive business, to lay on the table, shall be decided without debate.

"2. Notwithstanding the provisions of rule III or rule VI or any other rule of the Senate, at any time a motion signed by sixteen Senators, to bring to a close the debate upon any measure, motion, or other matter pending before the Senate, or the unfinished business, except one to amend the Senate rules, is presented to the Senate, the Presiding Officer shall, upon the ascertainment that a quorum is present, shall at once state the motion to the Senate.

"Thereafter, the motion to close debate shall be the unfinished business to the exclusion of all other business until disposed of. Debate upon the motion, and debatable motions and appeals in connection therewith, shall be limited to not more than 50 hours. The time shall be equally divided between, and controlled by, the majority leader and the minority leader, or their designees. Such leaders shall equitably divide the time allotted between Senators favoring and Senators opposing the motion: *Provided,* That any Senator so requesting shall be allocated a minimum total of 30 minutes. It shall be the duty of the Presiding Officer to keep the time.

"Thereafter, but in no case sooner than three calendar days after the cloture petition is filed (exclusive of Sundays, legal holidays, and non-session days), the Presiding Officer shall lay the cloture motion before the Senate and direct the Secretary to call the roll, and upon ascertainment that a quorum is present, the Presiding Officer shall, without debate, submit to the Senate by a yea-and-nay vote the question:

"'Is it the sense of the Senate that the debate shall be brought to a close?'

"And if that question shall be decided in the affirmative by three-fifths of the Senators duly chosen and sworn, then said measure, motion, or other matter pending before the Senate, or the unfinished business, shall be the unfinished business to the exclusion of all other business until disposed of.

"Thereafter no Senator shall be entitled to speak in all more than thirty minutes on the measure, motion, or other matter pending before the Senate, or the unfinished business, the amendments thereto, and motions affecting the same, and it shall be the duty of the Presiding Officer to keep the time of each Senator who speaks. Except by unanimous consent, no amendment shall be in order after the vote to bring the debate to a close, unless the same has been presented and read prior to that time. No dilatory motion, or dilatory amendment, or amendment not germane shall be in order. Points of order, including questions of relevancy, and appeals from the decision of the Presiding Officer, shall be decided without debate.

"3. Notwithstanding the provisions of rule III or rule VI or any other rule of the Senate, at any time a motion signed by sixteen Senators, to bring to a close the debate upon any measure, motion, or other matter to amend the Senate rules, is presented to the Senate, the Presiding Officer shall, upon the ascertainment that a quorum is present, shall at once state the motion to the Senate.

"Thereafter, the motion to close debate shall be the unfinished business to the exclusion of all other business until disposed of. Debate upon the motion, and debatable motions and appeals in connection therewith, shall be limited to not more than 50 hours. The time shall be equally divided between, and controlled by, the majority leader and the minority leader, or their designees. Such leaders shall equitably divide the time allotted between Senators favoring and Senators opposing the motion; provided that any Senator so requesting shall be allocated a minimum total of 30 minutes. It shall be the duty of the Presiding Officer to keep the time.

Thereafter, but in no case sooner than three calendar days after the cloture petition is filed (exclusive of Sundays, legal holidays, and non-session days), the Presiding Officer shall lay the cloture motion before the Senate and direct the Secretary to call the roll, and upon ascertainment that a quorum is present, the Presiding Officer shall, without debate, submit to the Senate by a yea-and-nay vote the question:

"'Is it the sense of the Senate that the debate shall be brought to a close?'

"And if that question shall be decided in the affirmative by two-thirds of the Senators present and voting, then said measure, motion, or other matter pending before the Senate, or the unfinished business, shall be the unfinished business to the exclusion of all other business until disposed of.

"Thereafter no Senator shall be entitled to speak in all more than thirty minutes on the measure, motion, or other matter pending before the Senate, or the unfinished business, the amendments thereto, and motions affecting the same, and it shall be the duty of the Presiding Officer to keep the time of each Senator who speaks. Except by unanimous consent, no amendment shall be in order after the vote to bring the debate to a close, unless the same has been presented tion, or dilatory amendment, or amendment and read prior to that time. No dilatory mo- not germane shall be in order. Points of order, including questions of relevancy, and appeals from the decision of the Presiding Officer, shall be decided without debate.

"4. The provisions of the last paragraph of rule VIII (prohibiting debate on motions made before 2 o'clock) shall not apply to any motion to proceed to the consideration of any motion, resolution, or proposal to change any of the Standing Rules of the Senate.".

SENATE CONCURRENT RESOLUTION 36—SUBMISSION OF A CONCURRENT RESOLUTION AUTHORIZING THE PRINTING OF ADDITIONAL COPIES OF SENATE HEARINGS ON PROPOSED CONSTITUTIONAL AMENDMENTS TO LIMIT ABORTIONS

(Referred to the Committee on Rules and Administration.)

Mr. BAYH submitted the following concurrent resolution:

S. CON. RES. 36

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Senate Committee on the Judiciary not to exceed two thousand additional copies of each part of its hearings during the second session of the 93rd Congress and the first session of the 94th Congress on proposed constitutional amendments to limit abortion.

AMENDMENTS SUBMITTED FOR PRINTING

CONSUMER PROTECTION ACT OF 1975—S. 200

AMENDMENT NO. 383

(Ordered to be printed and to lie on the table.)

LABOR AMENDMENT

Mr. DOLE. Mr. President, I have proposed a number of amendments to the bill to create an Agency for Consumer Advocacy, S. 200. These amendments have been offered in an effort to make the bill a better bill and to make it more acceptable to those of my colleagues who have strong reservations about S. 200 as written, but who share the general concern felt in this body that legislation to assist the consumer is desirable.

I note that one provision of S. 200 which has prompted serious opposition among many of my colleagues is the so-called labor exemption. During debate last year on the predecessor to this bill, I described the feeling shared by a number of people—among both our colleagues and the public at large—that with this exemption "somehow labor was getting the break and business was getting a brake."

Analysts differ as to the real potential impact of this labor exemption. Some feel quite strongly that it gives labor an unfair advantage by in effect granting it immunity from the agency's ability to intervene. Proponents of the exemption argue that it does nothing of the kind, that it merely makes explicit the exemption of private negotiations which would be implicit in the bill in any event.

Obviously, Mr. President, if the exemption does provide to labor an unfair advantage, then it is not desirable. If it adds nothing of substance that would not be otherwise implied in the legislation, then it is not necessary. And, I am persuaded that it is a major stumbling block to support by many of my colleagues and so am proposing this amendment to delete it.

AMENDMENT NO. 385

(Ordered to be printed and to lie on the table.)

Mr. HATHAWAY submitted an amendment intended to be proposed by him to the bill (S. 200) to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes.

HEALTH INSURANCE FOR THE UNEMPLOYED—S. 625

AMENDMENT NO. 384

(Ordered to be printed and to lie on the table.)

Mr. HARTKE. Mr. President, I submit, for myself and the Senator from South Dakota (Mr. McGOVERN) an amendment to S. 625, providing health insurance for the unemployed, and I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 384

"TITLE I—EMERGENCY HEALTH BENEFITS FOR INDIVIDUALS WITH PRIOR COVERAGE"

On page 6, line 22, strike "2" and insert in lieu thereof "101".

On page 15, after line 24 add the following:

TITLE II—EMERGENCY HEALTH BENEFITS FOR INDIVIDUALS WITHOUT PRIOR COVERAGE

AMENDMENT TO THE SOCIAL SECURITY ACT

SEC. 201. Section 226 of the Social Security Act is amended by adding at the end thereof the following new subsection:

provisions of this section or any provisions

"(j)(1) Notwithstanding the foregoing of title XVIII—

"(A) every individual who—

"(i) is unemployed,

"(ii) is not, and upon filing any appropriate application would not be, entitled under any other provision of law to hospital insurance benefits, and

"(iii) is not the dependent spouse (as defined in regulations of the Secretary), and

"(B) every individual who is the dependent spouse or dependent child (as defined in regulations of the Secretary) of an individual described in clause (A), shall be entitled to hospital insurance benefits under title XX for each calendar month for which the conditions prescribed in clause (A) or clause (B), as the case may be.

"(2) An individual shall be deemed to be unemployed for a calendar month only if, for the first week which ends in such month, such individual has established, under a State or Federal unemployment compensation law, entitlement to weekly benefits under such law. For the purposes of the preceding sentence, an individual shall not be regarded as having failed to establish entitlement to a weekly benefit under such law for any week if a benefit for such week is not payable to him solely because he was unable to work because of illness or disease if such individual received a weekly benefit under such law for the week preceding the first week he was unable to work because of illness or disease."

SEC. 202. The Social Security Act is amended by adding after title XIX the following new title:

"TITLE XX. CATASTROPHIC HEALTH INSURANCE FOR THE UNEMPLOYED

"DESCRIPTION OF PROGRAM

"SEC. 2001. The insurance program established by this title provides protection against the high cost of catastrophic illnesses for the unemployed and establishes the conditions individuals must meet to become entitled thereto.

"ELIGIBILITY

"SEC. 2002. (a) The Secretary shall make grants to States equal to 100 percent of the costs and administration for the implementation of programs which provide health benefits to the unemployed in accordance with the requirements of subsection (b).

"(b) To be eligible for a grant under subsection (a) a State shall have in effect an agreement with insurance carriers within such State that such insurance carriers shall provide for payments for health services as described in section 2003 on behalf of individuals described in section 226(j).

"SCOPE OF BENEFITS

"SEC. 2003. (a) The benefits provided to an individual by the insurance program under this title shall be—

"(1) hospital insurance benefits which shall consist of entitlement to have payment made on behalf of an individual for—

"(A) inpatient hospital services (as defined in section 1861(b));

"(B) post hospital extended care services (as defined in section 1861(i) but only if with respect to at least one of the three days of hospitalization required by such section payment may be made pursuant to section 2004(a)(1)(A) for services furnished on each day);

"(C) home health services (as defined in section 1861(m));

"(D) outpatient physical therapy services (as defined in section 1861(p));

"(E) medical and other health services (as defined in section 1861(s), but subject to the limitation and conditions described in section 1832(a)(2)(B)); and

"(2) medical insurance benefits which shall consist of entitlement to have payment made to an individual or on his behalf for—

"(A) medical and other health services (as defined in section 1861(s));

"(B) services of the type described in section 1814(d)(1) for which payment cannot be made under paragraph (1)(A) or subparagraph (A) of this paragraph solely because the hospital does not elect to claim payment, but only if the provisions of section 1814(d)(2)(B) or section 1835(b)(2)(B) are met);

"(C) services described in section 1814(f).

"(b)(1) Notwithstanding the previous provisions of this section no payment may be made with respect to expenses incurred for items or services if pursuant to section 1862(a), (b), (c), or (d) payment may not be made for such expenses under title XVIII.

"(2) Notwithstanding the previous provisions of this section no payment may be made with respect to expenses incurred for items and services provided under subparagraph (a)(1)(B) for any individual over and above those provided under section 1812(a)(2).

"PAYMENTS, DEDUCTIBLES, AND COINSURANCE

"SEC. 2004. (a) Subject to the succeeding provisions of this section, there shall be paid to the States from the Federal Catastrophic Health Insurance Trust Fund for the Unemployed, in the case of each individual who is covered under the insurance program established by this title and incurs expense for services with respect to which benefits are payable under this title, amounts equal to—

"(1)(A) in the case of services described in subparagraph (A) of section 2003(a)(1), the reasonable cost of such services (as defined in section 1861(v)) furnished after the 7th day of inpatient hospital services (as defined in section 1861(b)) to such individual in any calendar year, reduced by a coinsurance amount (subject to subsection (e)) equal to one-quarter of the inpatient hospital deductible (as determined under section 1813(b)(2)) for each day after such 7th day on which such individual is furnished such services, except that—

"(i) the days on which such individual was an inpatient of a hospital in the last 3 months of the preceding calendar year and which were included in the 7 day period for which no benefits were payable during such calendar year shall be included in determining such 7 day period; and

"(ii) the reduction under this sentence for any day shall not exceed the charges imposed for that day with respect to such individual for services (and for this purpose, if the customary charges for such services are graded in the charges so imposed, such customary charges shall be considered to be the charges so imposed);

"(B) In the case of services described in subparagraph (B) of section 2003(a)(1), the reasonable costs of such services (as defined in section 1861(v)) reduced by a coinsurance amount (subject to subsection (e)) equal to one-eighth of the inpatient hospital deductible (as determined under section 1813(b)(2)) for each day on which such individual is furnished such services;

"(2) In the case of services described in subparagraphs (c), (d), and (e) of section 2003(a)(1), 80 percent of the reasonable costs of the services (as determined under section 1861(v)) and subject to subsection (e) of this section; and

"(3) In the case of services described in subsection (a)(2) of section 2003, 80 percent of the reasonable charges for such services (subject to subsection (e)).

For the purposes of paragraph (1)(A), any individual who is entitled to benefits under this title and to hospital insurance benefits under part A of title XVIII shall be deemed in the case of services described in section 2003(a)(1)(A) to be entitled to a payment made only under this title when such services are furnished after the 7th day of inpatient hospital services (as defined in section 1861(b)) to such individual in any calendar year.

"(b) Before applying paragraphs (2) and (3) of subsection (a) with respect to expenses incurred by an individual during any calendar year, the total amount of the expenses incurred for such individual during such year, including any expenses incurred for medical insurance benefits provided under part B of title XVIII (which would but for this subsection constitute incurred expenses from which benefits payable under paragraphs (2) and (3) of subsection (a) are determinable) shall be reduced by deductible of $300; except that—

"(1) the amount of the deductible for such calendar year as so determined shall first be reduced by the amount of any expenses incurred by such individual in the last three months of the preceding calendar year and applied toward such individual's deductible under this section for such preceding year, and

"(2) any such expenses so incurred by other members of such individual's family shall be deemed to have been incurred by such individual.

For the purposes of paragraph (2), a family may consist of one or more individuals (i) one of whom is entitled to benefits under this title by reason of section 2002(a)(1)(A) or (B), (ii) such others of whom are so entitled by reason of section 2002(a)(1)(C) or (D), but only to the extent that the individuals included under clause (i) and (ii) are living in a place of residence maintained by one or more of them as his or her own home.

"(c) The Secretary shall between July 1 and October 1, 1975, and each year thereafter determine and promulgate the deductible which shall be applicable for purposes of subsection (b) in the succeeding calendar year. Such deductibles shall be equal to whichever is higher—

"(1) $300, or

"(2) $300 multiplied by the ratio of the component of the Consumer Price Index, prepared by the Department of Labor for June of the year in which such determination is made and promulgated which represents fees for physician's services to such component of such Consumer Price Index for the month of June 1974, with such product, if not a multiple of $50 being rounded to the nearest multiple of $50.

"(d) Payment for services under this title shall also be subject to limitations described in section 1812 (c) and (e) and section 1813 (c) and (e).

"(e) Whenever the total of any coinsurance amounts under subsection (a)(1) (A) or (B) and any deductible under subsection (a) (2) and (3) which is required to be paid by an individual under this title exceeds the sum of $500 in any calendar year the Secretary shall pay any such amounts as are in excess of $500 during such calendar year.

"CONDITIONS OF AND LIMITATIONS ON PAYMENT FOR SERVICES

"SEC. 2005. (a) To the extent that payment may be made for services described in section 2003(a)(1), the provisions of section 1814, 1815, 1816, 1833(f), and 1835 shall apply.

"(b) To the extent that payment may be made for services described in section 2003 (a)(2), the provisions of section 1842 shall apply.

"APPLICABILITY OF CERTAIN PROVISIONS OF TITLE XVIII

"SEC. 2006. The provisions of section 1861 (except subsection (a) and (y)), 1866, 1867, 1869, 1870, 1871, 1872, 1873, 1874, and 1875 shall apply with respect to this title to the same extent as they are applicable with respect to title XVIII.

"(b) The provisions of section 402(a) of the Social Security Amendments of 1967 shall be applicable to title XVIII.

"FEDERAL CATASTROPHIC HEALTH INSURANCE TRUST FUND FOR THE UNEMPLOYED

"SEC. 2007. (a) There is hereby created on the books of the Treasury of the United States a trust fund to be known as the Federal Catastrophic Health Insurance Fund for the Unemployed (hereinafter in this section referred to as the 'trust fund'). The trust fund shall consist of such amounts as may be deposited in, or appropriated to, such fund as provided in this part. There are hereby appropriated to the trust fund for the fiscal year ending June 30, 1975, and for each of the next 2 succeeding fiscal years thereafter, out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the purposes of this title. The amount appropriated by the preceding sentence shall be transferred from time to time from the general fund in the Treasury to the trust fund, such amounts to be determined on the basis of estimates by the Secretary of the Treasury of the taxes, specified in the preceding sentence, paid to or deposited into the Treasury; and proper adjustments shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or were less than taxes specified in such sentence.

"(b) With respect to the trust fund, there is hereby created a body to be known as the 'board of trustees of the trust fund' (hereinafter in this section referred to as the 'board of trustees'), composed of the Secretary of the Treasury, the Secretary of Labor, and the Secretary of Health, Education, and Welfare, all ex officio. The Secretary of the Treasury shall be the Managing Trustee of the board of trustees (hereinafter in this section referred to as the 'Managing Trustee'). The Commissioner of Social Security shall serve as the secretary of the board of trustees. The board of trustees shall meet not less frequently than once each calendar year. It shall be the duty of the board of trustees to—

"(1) hold the trust fund;

"(2) report to the Congress not later than the first day of April of each year on the operation and status of the trust fund during the preceding fiscal year and on its expected operation and status during the current fiscal year and the next 2 fiscal years;

"(3) report immediately to the Congress whenever the board is of the opinion that the amount of the trust fund is unduly small; and

"(4) review the general policies followed in managing the trust fund, and recommend changes in such policies, including necessary changes in the provisions of law which govern the way in which the trust fund is to be managed.

The report provided for in paragraph (2) shall include a statement of the assets of, and the disbursements made from, the trust fund during the preceding fiscal year, an estimate of the expected income to, and disbursements to be made from, the trust fund during the current fiscal year and each of the next 2 fiscal years, and a statement of the actuarial status of the trust fund. Such report shall be printed as a House document of the session of the Congress to which the report is made.

"(c) It shall be the duty of the Managing Trustee to invest such portion of the trust fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose such obligations may be acquired (1) on original issue at the issue price, or (2) by purchase of outstanding obligations at the market price. The purpose for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of public-debt obligations for purchase by the trust fund. Such obligations issued for purchase by the trust fund shall have maturities fixed with due regard for the needs of the trust fund and shall bear interest at a rate equal to the average market yield (computed by the Managing Trustee on the basis of market quotations as of the end of the calendar month next preceding the date of such issue) on all marketable interest-bearing obligations of the United States then forming a part of the public debt which are not due or callable until after the expiration of 4 years from the end of such calendar month; except that where such average market yield is not a multiple of one-eighth of 1 per centum, the rate of interest on such obligations shall be the multiple of one-eighth of 1 per centum nearest such market yield. The Managing Trustee may purchase other interest-bearing obligations of the United States or obligations guaranteed as to both principal and interest by the United States, on original issue or at the market price, only where he determines that the purchase of such other obligations is in the public interest.

"(d) Any obligations acquired by the trust fund (except public debt obligations issued exclusively to the trust fund) may be sold by the Managing Trustee at the market price, and such public debt obligations may be redeemed at par plus accrued interest.

"(c) The interest on, and the proceeds

from the sale or redemption of, any obligations held in the trust fund shall be credited to and form a part of the trust fund.

"APPROPRIATIONS FOR CONTINGENCY RESERVE

"SEC. 2008. In order to assure prompt payment of benefits provided under this title and the administrative expenses thereunder during the early months of the program established by this title, and to provide a contingency reserve, there is authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, to remain available for the 2 calendar years immediately following December 31, 1975, for repayable advances (without interest) to the trust fund, an amount equal to one-half of the amount of benefits estimated to be paid under this title in each of such calendar years.".

(b) Section 201(g) of the Social Security Act is amended by—

(1) inserting after "title XVIII" the first time it appears the following: "and the Federal Catastrophic Health Insurance Trust Fund for the Unemployed established by title XX";

(2) inserting after "title XVIII" each time it appears therein after the first time the following: "and title XX".

SEC. 203. Effective 3 years after the date of enactment the amendments made by this Act are repealed.

CONGRESSIONAL BUDGET DETERMINATION—SENATE CONCURRENT RESOLUTION 32

AMENDMENT NO. 386

(Ordered to be printed and to lie on the table.)

Mr. DOLE submitted an amendment intended to be proposed by him to the concurrent resolution (S. Con. Res. 32) relating to a determination of the congressional budget for the U.S. Government for the fiscal year beginning July 1, 1975.

AMENDMENT NO. 387

(Ordered to be printed and to lie on the table.)

Mr. MONDALE (for himself, Mr. HUMPHREY, Mr. JAVITS, Mr. WILLIAMS, and Mr. SCHWEIKER) submitted an amendment intended to be proposed by them jointly to the concurrent resolution (S. Con. Res. 32), supra.

AMENDMENT NO. 391

(Ordered to be printed and to lie on the table.)

Mr. HELMS. Mr. President, Senate Concurrent Resolution 32 purports to reflect the will of Congress. It seeks to put us on record as favoring a gargantuan budget deficit for fiscal year 1976. According to the resolution—

> The amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $67.2 billion.

In my view, this amount is preposterous and I wish to go on record as unalterably opposed to this kind of fiscal irresponsibility.

What are these so-called economic conditions and other relevant factors justifying this resolution? The answer is, there are none, none at all. We are told that this vast deficit is necessary to stimulate the economy, an argument that I find incomprehensible in light of the fact our present economic situation is a product of successive deficit budgets. Instead of stimulating the economy, the new budget will, in all likelihood, run it further into the ground.

Certainly I need not remind my colleagues of the ever-increasing price of just about every commodity one can possibly imagine, including the necessities of life such as food, shelter, and clothing. Who is so blind as to ignore the obvious truth that this spiraling inflation is the offspring of deficit Federal spending during the past four decades?

For many years now—longer than I care to remember—we have been living on tomorrow's income. According to figures released on February 3, 1975, the Federal budget for fiscal year 1975 exceeds $313 billion, with a deficit of more than $35 billion. Then the Federal budget for fiscal year 1976 was estimated to exceed $349 billion, with a deficit of over $51 billion. Senate Concurrent Resolution 32 proposes that the budget outlays for fiscal year 1976 should be $365 billion, with a deficit of $67.2 billion.

As I have noted on previous occasions, the interest alone on the Federal debt exceeds $30 billion a year. For fiscal year 1975, the interest is estimated at $32.9 billion. If we consider simply the round figure of $30 billion a year in interest on the debt, we are paying $62,595 a minute in interest. This is $1,043.25 every second of the day.

And here are more disturbing figures. On December 31, 1972, the national debt was $449.3 billion. A year later it was up $20.6 billion to the sum of $469.9 billion. On December 31, 1974, the debt was up again—to $492.7 billion, an increase of $22.8 billion over the previous 12 months and an increase of a whopping $43.4 billion in the 2-year period.

Where does it end? The answer is obvious. If action is not taken in this Chamber to stop deficit spending, and emancipate our fiscal policies from the economic theories of John Keynes, we are headed for economic disaster. The American people know this, if the polls be any guide. Their faith in the American economy has already been shaken to the point that they fear a real depression, and here we are singing hosannah to the gods of big spending.

In the interest of candor and honesty, let us level with the American people for a change and admit that it is Congress which has created our current economic collapse and only Congress can do something about it. It is not pleasant to contemplate one's own folly, but I for one believe that it is time for Congress to say to the American people, "Yes, we caused this economic mess—we and our predecessors, who led the Government of the United States into the swamps of deficit spending and, what is worse, led the American people to believe that the swamps were a good place to be."

Before we become more deeply mired, let us turn to commonsense and simple arithmetic for an honest solution to our economic problems. Any real solution must address itself to the real cause of the problem, and not just the symptoms. Any budget that falls short of the balanced budget falls short of our goal of economic prosperity, for even a little deficit spending and a little inflation hurts everyone.

I, therefore, propose an amendment in the nature of a substitute to Senate Concurrent Resolution 32. My substitute provides a balanced Federal budget—a zero deficit. It works this way: the Budget Committee estimated that Federal revenues under existing law would be $297.8 billion. Accepting this figure for income, and applying the concept of a balanced budget, I propose that the appropriate level of total budget outlays is $297.8 billion. The Treasury Department has projected the amount of the national debt at the conclusion of the current fiscal year to be $531 billion. Since the Government should operate on a balanced budget for the next fiscal year, including the expenditures for interest payments on the debt, no increase in the debt level is necessary. The appropriate level for the deficit, of course, is zero.

One final figure remains in my substitute. That is the appropriate level of total new budget authority. I have simply accepted the Budget Committee figure of $388.6 billion for budget authority. I frankly doubt that we should go on increasing spending authority. The ultimate result will be that the Government eventually controls every sector of our economy, with a consequent diminishing of freedom and justice. But I recognize that this Congress will probably not turn away from the siren call of initiating new programs.

Yet in the long run we must recognize that simply because the authority is granted, it need not be fully exercised. This authority should be exercised only in a manner consistent with the concept of a balanced budget not only for fiscal year 1976, but also for succeeding fiscal years.

A final question remains. Where should the necessary reductions in expenditures be made in order to achieve a zero deficit? As my colleagues are aware, there are many competing points of view in response to this question. I am aware that there are some who would substantially reduce defense spending, but I favor a strong national defense with appropriate expenditures to accomplish that important goal.

There are some who feel that appropriations for social welfare programs are not large enough at present, but I feel there is a great deal of wasteful spending in this area. Considering all of the diverse views, I propose that Federal spending be cut across the board, on a pro-rata basis, with the single exception of interest payments on the national debt, in order to achieve a zero deficit. The interest payments on the debt should be paid as they accrue. As a basis for determining the prorata reductions, the budget message of the President relative to the Federal budget for fiscal year 1976 together with supporting material should be used.

While this approach is not fully responsive to all of my concerns regarding wasteful Federal programs, it is perhaps the most realistic proposal in the light of the realities of life that confront us. I make this proposal of across-the-board reductions frankly as a concession to opposing philosophies, but I do so because I believe so firmly that the future of my grandchildren is at stake, together with the future of every American who hopes that his lineage may face the future with a reasonable expectation of prosperity and freedom. I say this because there is no real freedom without economic freedom. And, there is no economic freedom in the midst of spiraling inflation, and confiscatory taxation, and there certainly is no real prosperity.

I urge the adoption of this substitute.

HUMANITARIAN ASSISTANCE FOR CAMBODIA—S. 1541

AMENDMENT NO. 388

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. HATFIELD. Mr. President, I am introducing an amendment to S. 1541, and I ask unanimous consent that it appear at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 388

On page 3, after line 9, insert the new following section:

"SEC. 3. Notwithstanding any other provision of law, any food assistance under Title I or Title II of the Agricultural Trade Development and Assistance Act of 1954 which was scheduled on or before the date of enactment of this Act for delivery to Cambodia shall be delivered to Cambodia, through international channels, if necessary: *Provided*, That such assistance is requested by the government of Cambodia and is found necessary to meet pressing needs of hungry and starving people in Cambodia."

Mr. HATFIELD. Mr. President, this amendment is nearly identical to my amendment No. 362 to S. 1484, the Vietnam evacuation bill. That amendment was accepted by the Senate and became part of S. 1541. However, the conference committee did not agree to the amendment because the conferees from the House insisted that it was not germane to the House bill and thus subject to a point of order on the floor of the House. The chairman of the Foreign Relations Committee (Mr. SPARKMAN) and others explained this matter to the Senate during debate on the conference committee report on April 25, 1975.

The effect of this amendment is simple and clear. It provides that the food assistance for Cambodia which our Government has already scheduled, bought, and even shipped for Cambodia during fiscal year 1975 be made available to the people of Cambodia if such assistance is requested by the new government there. I have added an additional phrase to this version of the amendment, so that the last clause now reads:

> *Provided*, That such assistance is requested by the Government of Cambodia and is found necessary to meet the needs of hungry and starving peoples in Cambodia.

Thus, such food assistance would be sent only if it was clearly seen as essential to meeting pressing humanitarian needs of the people. Further, the amount of food sent need not necessarily be the difference between that originally scheduled for delivery and that actually sent to date; it could be the amount determined as necessary to meet the needs of those hungry. This added provision insures that food assistance to Cambodia need not be in excess of that necessary to meet the pressing needs of those faced with inadequate food.

It is envisioned that such food assistance would, of necessity, have to go through international channels, such as the U.N. world food program, the International Red Cross, UNICEF, or multilateral means. That being so, the assistance would have to be transferred from title I to title II, Public Law 480 food aid. This presents no difficulty since the administration had already been converting portions of title I food in the pipeline into title II assistance prior to the fall of the Lon Nol government. Further, officials from the U.N. world food program are in Saigon, and officials of UNICEF and the International Red Cross are still in Cambodia.

Mr. President, if there has been any degree of integrity in all of the administration's public statements about its concern for the humanitarian needs of the Cambodian people, then it is unthinkable that we should hesitate a moment from providing that food already purchased and shipped for Cambodia to its people, if it is requested and needed to save those who hunger.

Mr. President, I have prepared a background paper explaining in detail the rationale for this amendment, and its implications. I ask unanimous consent that it appear in the RECORD at this point.

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

SENATE AMENDMENT TO S. 1541, RELATING TO FOOD ASSISTANCE TO CAMBODIA

BACKGROUND

The swollen population of Phnom Penh—about 2,000,000 people—became totally dependent on external food supplies during the course of the war, which forced hundreds of thousands off of productive farm lands into the cities. At the time of Phnom Penh's fall, A.I.D. figures demonstrate that about 700 tons of rice were being distributed daily to the residents of the city; about 150 to 200 tons were going directly to refugees through voluntary agencies and the remainder was being put into the market. On Tuesday, April 15, A.I.D. reported that the stockpiles of rice in the city could last for only six days. At that time the airlift had been suspended. There has been no definitive communication out of Phnom Penh since then but all indications would suggest that a critical food situation exists. The hundreds of thousands dependent upon our airlift of food have now been cut off from that life-line.

Under the FY 1975 authorization and appropriation measures for P.L. 480, 189,000 tons of rice, valued at $81 million, were allocated and shipped for Cambodia. This amount would meet Cambodia's food need through June, or the end of the fiscal year. However, 90,000 tons of this rice was still to be delivered to Cambodia at the time of its fall to the Khmer Rouge. (Specifically, 30,000 tons of rice destined for Cambodia is in Singapore, and another 60,000 such tons is in Saigon.)

Senate Amendment No. 362, introduced by Senator Hatfield to S. 1484 and accepted on the floor by the bill's managers, stipulated that this food which we have already allocated, paid for, and shipped for Cambodia for this fiscal year, shall still be sent to Cambodia through international agencies if it is needed and requested by the new government there.

POSITION OF THE STATE DEPARTMENT

Communications from the State Department and statements of Secretary Kissinger have stated support for continuing to give humanitarian aid through international channels to the people of Cambodia.

On March 7, Senators Hatfield and Brooke wrote to Secretary Kissinger asking him what the policy of the Administration would be relating to humanitarian assistance to Cambodia if the Lon Nol government collapsed. The State Department's reply of March 27, 1975, stated:

"In keeping with our traditions we would expect to continue humanitarian assistance for famine and disaster relief utilizing agencies of the United Nations, or the International Red Cross, if for whatever reason bilateral aid is no longer possible."

On April 15, Secretary Kissinger appeared before the Senate Appropriations Committee. Senator Mathias asked the Secretary if the Administration was prepared to provide humanitarian relief through the U.N. and other agencies for Indochina. The Senator specifically cited reports that day of Khmer Rouge rebels taking over Phnom Penh. Secretary Kissinger replied:

". . . With respect to Cambodia we would have no difficulty supporting humanitarian efforts under the current circumstances."

A minute later, the Secretary added, on the same point,

"In a situation like Cambodia where there is no longer—if that report which you tell me is correct and it is certainly plausible—under that hypothetical situation the humanitarian concerns would dominate."

(The report he referred to was that of Khmer Rogue rebels in the streets of Phnom Penh, indicating the final collapse of the Lon Nol regime.)

WHY NOT LET THE COMMUNISTS FEED THE CAMBODIANS?

The State Department has estimated that even if the Khmer Rouge turned to the People's Republic of China for food assistance, it would take at least 30 to 45 days for any to arrive. In the meantime thousands would still be faced without adequate food. This provision of the Senate bill allows for food assistance only through the end of this fiscal year to Cambodia.

It is only the short term food situation in Cambodia that is likely to be critical. Once the people return from the city to the countryside, and once the next rice harvest comes in by the end of this year, Cambodia could again have a rice surplus, as it has had in the past.

America's humanitarian concern for feeding those thousands in Cambodia who have been starving surely should not have been predicated, then or now, on what regime was in power. When President Ford sent to Congress his supplemental request for appropriations to Indochina on January 28, 1975, he said in justifying the additional economic assistance to Cambodia, "This is necessary to enable us to provide vital commodities, mostly food, under the Food for Peace program, to assure adequate food the victims of war. . . ." Our concern for seeing that people are saved from starvation should remain just as strong now as then.

It is possible that the Khmer Rouge government will attempt to get the refugees who have fled into Phnom Penh back to the countryside as soon as possible. It is also possible that they may have no interest whatsoever in receiving external assistance from the U.N. or any other such multilateral institutions. In such a case the amendment would have no effect, since it is dependent upon food assistance being requested by the Khmer Rouge government.

U.S. INTERESTS

Beyond the pure humanitarian considerations, if the U.S. has any hope of encouraging the new regime in Cambodia to adopt a course of policy marked by some degree of independence from the dominance of either China or North Vietnam, it can do so by insuring that the Khmer Rouge do not have to become totally dependent on either of those nations for crucially needed food supplies. This gives them an option of turning to international channels for any needed food relief.

WHO CAN ARRANGE FOR THIS FOOD TO REACH PHNOM PENH?

Senators Humphrey and Hatfield met with Dr. Francisco Aquino, Executive Director of the U.N. World Food Program, to discuss precisely this issue. Dr. Aquino told the Senators that the U.N. World Food Program would be eager and totally willing to perform this task, if asked. He pointed out that the World Food Program presently has personnel in Saigon, and that they could arrange for rice there to reach Cambodia, and oversee its distribution. Shipments from elsewhere could be arranged as well, with no difficulty. Other international agencies would also be available to accomplish this task. In any event, no Americans would be required in the Saigon Embassy to insure the shipment of any rice there to Cambodia. That point was made abundantly clear in the legislative history of the amendment.

In this regard, if our government does not take immediate steps to transfer the 60,000 tons of rice in Saigon destined for Cambodia into the hands of international agencies for relief purposes, it will end up in control of the P.R.G. when they take Saigon.

Mr. HATFIELD. Finally, Mr. President, I ask unanimous consent that the Senate debate of Tuesday, April 22, 1975, relating to amendment No. 362 and its adoption by the Senate appear at this point in the RECORD.

Just yesterday, I was in contact with the president of one of the major voluntary agencies which has been operating in Cambodia, and he remains gravely concerned about the plight of those thousands who are most certainly faced today with hunger and malnutrition.

There being no objection, the debate was ordered to be printed in the RECORD, as follows:

[From the CONGRESSIONAL RECORD, Apr. 22, 1975]

The PRESIDING OFFICER. The Senator from Oregon is recognized.

AMENDMENT NO. 362

Mr. HATFIELD. Mr. President, I call up my amendment at this time.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

"The Senator from Oregon (Mr. HATFIELD) proposes an amendment numbered 362:

"At the end of the bill add the following new subsection:

"'(c) Notwithstanding any other provision of law, any assistance under title I or title II of the Agricultural Trade Development and Assistance Act of 1954 which was scheduled for delivery to Cambodia on or before the date of enactment of this Act shall be delivered to Cambodia through multilateral, international channels, in accordance with section 35(a)(7) of the Foreign Assistance Act of 1974: *Provided*, That such assistance is requested by the Government of Cambodia.'"

The PRESIDING OFFICER. On this amendment there is a half hour, to be divided equally, 15 minutes to each side.

Who yields time?

Mr. HATFIELD. I yield myself 10 minutes.

Mr. President, I ask unanimous consent that the name of the distinguished Senator from Delaware (Mr. BIDEN) be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I shall be very brief concerning this amendment, because it is very simple. It merely puts into this bill the commitments made by both the executive and the legislative branches of Government over the past few months.

On January 28 of this year, the President of the United States presented to Congress his Vietnam and Cambodian supplemental appropriations requests, and he made this statement in the language transmitting the proposal:

"This is necessary to enable us to provide vital commodities, mostly food, under the Food for Peace program, to assure adequate food for the victims of war and to prevent the economic collapse of the country."

Mr. President, I think it clearly can be implied that the requests made by the President constituted basically an objective of meeting the food requirements for the people who are the victims of war—namely, the citizens of the country of Cambodia—more especially, than to a political regime that might be in power at any given time.

On March 7, because of the concern that the Senator from Massachusetts (Mr. BROOKE) and I had on this subject, we wrote a letter to the Honorable Henry Kissinger, Secretary of State. In this letter, Senator BROOKE and I stated:

"Since raising the ceiling on economic aid will have an actual effect on the conditions there next summer rather than at present, we believe the Administration should explore all contingencies that may occur between now and then. One such contingency, of course, is the collapse of the Lon Nol government. It is our firm view that America should have a commitment for using those food resources destined now for Cambodia, and those added by the raising of the ceiling, to relieve the needy and malnourished thousands of Phnom Penh, regardless of what government is in power, provided that such humanitarian assistance is requested."

Then, on March 27, the Secretary responded to the letter, under the signature of Robert J. McCloskey, the Assistant Secretary for Congressional Relations. I ask unanimous consent that both letters be printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., March 7, 1975.

Hon. HENRY KISSINGER,
Secretary of State, Department of State, Washington, D.C.

DEAR MR. SECRETARY: We are deeply concerned, as are most members of Congress, that the necessary humanitarian relief for the sick and starving in Cambodia reach those who suffer there. In an effort to insure that such assistance is available to the people of Cambodia, we are prepared to support an increase in the legislative ceiling of our assistance to Cambodia specifically for this purpose. However, in practical terms, the raising of this ceiling will have little immediate effect on the situation in Phnom Penh, under present conditions. As long as the Mekong River is inaccessible, and as long as we send as much ammunition through the airlift as at present, little more food can reach Phnom Penh over the 600–700 daily tons being flown there now. Payment for this food is coming out of obligations already made under the ceiling.

Since raising the ceiling on economic aid will have an actual effect on the conditions there next summer rather than at present, we believe the Administration should explore all contingencies that may occur between now and then. One such contingency, of course, is the collapse of the Lon Nol government. It is our firm view that America should have a commitment for using those food resources destined now for Cambodia, and those added by the raising of the ceiling, to relieve the needy and malnourished thousands of Phnom Penh, regardless of what government is in power, provided that such humanitarian assistance is requested. Further, this course of action holds the hope of enabling us to exercise some moderating influence over any insurgent-dominated government likely to emerge in control of Cambodia. Therefore, we are willing to lift this ceiling on economic assistance provided the Administration indicates its willingness to make available such humanitarian aid to the people of Cambodia, even if the present government in Phnom Penh fails to survive.

Under this arrangement, such assistance would have to be distributed and channeled primarily through U.N. agencies, voluntary agencies, and other multilateral or private groups operating in Cambodia in accord with Section 35(a)(7) of the Foreign Assistance Act of 1974. In this regard, we have met with Dr. Francisco Aquino, Executive Director of the World Food Program. He has assured us that the World Food Program, which presently has an infrastructure in South Vietnam, will be ready and available to administer food aid to Cambodia in such a situation.

We would respectfully ask you for your immediate reactions to this proposal, with any suggestions or comments you have to offer.

Sincerely,

MARK O. HATFIELD,
U.S. Senator.
EDWARD W. BROOKE,
U.S. Senator.

DEPARTMENT OF STATE,
Washington, D.C., March 27, 1975.

Hon. MARK O. HATFIELD,
U.S. Senate
Washington, D.C.

DEAR SENATOR HATFIELD: The Secretary has asked me to reply to your letter of March 7 on continued food aid to Cambodia. We, too, are deeply concerned that the humanitarian relief that we are providing in Cambodia reach those who suffer. In an effort further to demonstrate our concern, we have recently approved a Title II grants of up to 20,000 tons of rice for delivery to participating international and U.S. voluntary agencies such as Catholic Relief Services, Cooperative for American Relief Everywhere, Lutheran World Relief and World Vision Relief Organization. This donated rice will be used to support feeding programs for refugees, displaced persons and other needy Khmers. Unfortunately, at this time the FAA economic and PL 480 funding ceilings preclude immediate action to expand rice procurement; thus the 20,000 ton was provided for Title II by converting Title I rice which was in Saigon awaiting shipment to Phnom Penh.

With the deteriorating situation in Cambodia, the need for the Congress to increase the portion of the Cambodia ceiling applicable to economic and food obligations from $177 million to $250 million is now more urgent than ever. We need to respond to emergency humanitarian needs as they are identified either by providing Title I rice, Title II rice, Title II high-protein foods, or medicines financed from the Indochina Post-War Reconstruction account, along with funds to airlift these commodities.

Speedy action on lifting the economic and food assistance ceiling contained in Section 655(a) of the Foreign Assistance Act or increasing it in adequate amounts is essential. Sufficient PL–480 authorization and appropriation already exist under present law. No additional economic appropriations other than the $100 million authorized in the 1974 Foreign Assistance Act are required.

The food, nutrients and medicines which can be procured if the ceiling is raised may save or extend the lives of thousands of Cambodians if the Congress quickly approves appropriate levels of military and economic assistance authority. In keeping with our traditions we would expect to continue humanitarian assistance for famine and disaster relief utilizing agencies of the United Nations, or the International Committee of the Red Cross, if for whatever reason bilateral aid is no longer possible.

If we can be of further service please do not hesitate to let me know.

Sincerely,

ROBERT J. MCCLOSKEY,
Assistant Secretary for Congressional Relations.

Mr. HATFIELD. Mr. President, I read from Mr. McCloskey's letter:

"In keeping with our traditions we would expect to continue humanitarian assistance for famine and disaster relief utilizing agencies of the United Nations, or the International Committee of the Red Cross, if for whatever reason bilateral aid is no longer possible."

The next document to which I refer is the document of the Foreign Relations Committee relating to S. 663, which was reported to the floor of the Senate on March 21. As Senators will recall, this bill was not acted upon finally because of the collapse of Phnom Penh, but the Foreign Relations Committee, in carrying this bill for the appropriation, said this:

"In approving the additional food aid the Committee has included language stating that 'primary emphasis shall be given to relieving human suffering.' Under the bill approved by the Committee humanitarian aid can be made available to any new government that may emerge from the present situation."

We have, further, the language of the pending bill, which says in section 7:

"It is traditional for the American people to be generous and compassionate in helping the victims of foreign conflicts and disasters. In keeping with that tradition it shall be the policy of the United States to provide humanitarian assistance to help relieve the suffering of refugees and other needy people who are victims of the conflicts in South Vietnam and Cambodia."

That being the documentary background to this amendment, I point out that the amendment simply does one thing—that is, it stipulates that the delivery of this food is to be accomplished through multilateral international channels, in keeping with section 35(a), subsection 7, of the Foreign Assistance Act of 1974. The aid we are talking about is simply 60,000 tons of rice which is now in Saigon and 30,000 tons enroute to Saigon, which is now located in Singapore, both of which total 90,000 tons, and together were designated for the people of Cambodia.

All we are attempting to do is to put into the legislation a restatement of what has been stated by the President, as I have interpreted it with his statement to Congress in January, what has been stated very clearly on behalf of the administration in response to a letter of inquiry as to whether or not this rice was a commitment to the people or to a regime, the statement by Mr. McCloskey, on behalf of Secretary Kissinger, which clearly stated that it is a commitment to people, not to a regime, and the language of the Committee on Foreign Relations. We are merely restating that concept in this bill through this amendment.

Let it be understood clearly by the legislative record made here today that this is not to be interpreted either to implement or to camouflage or in any way to become an instrument, directly or indirectly, for military policy or for foreign policy as it relates to the extrication and evacuation of Americans in Saigon. This is simply a statement of fact, that we are committed here with resources that are already over there, to let those resources be placed to meet the needs of the Cambodian people, provided that they are requested and provided that it is made through the aegis and under the auspices of the United Nations. This does not involve the United States in any way militarily or politically; but strictly from a humanitarian point of view, it is carrying out the implied and explicit comments and promises made through both the legislative and the executive branches of Government.

Mr. BROOKE. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield.

Mr. BROOKE. Mr. President, I commend my distinguished colleague for offering this amendment and for bringing this matter to the attention of the Senate. He has always taken a leadership role in these matters.

I believe this is an excellent amendment. I hope that the floor manager of the bill will see fit to accept the amendment.

I ask my colleague if he will add my name as a cosponsor of this amendment.

Mr. HATFIELD. Mr. President, I thank the Senator from Massachusets for his generous remark. I will be very proud to have his name appear as a cosponsor.

I ask unanimous consent that the name of the distinguished Senator from Massachusetts (Mr. BROOKE) be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I have discussed this amendment with the ranking Republican member of the Committee on Foreign Relations, and my discussion with him indicated that it was not out of keeping with the record of that committee as I have referred to it today. I do not have any information from the chairman of that committee, but I assume that consultation has occurred between the ranking member and the chairman.

May I make an assumption? I should like to call my amendment up for a vote?

Mr. MANSFIELD. Mr. President, the amendment is acceptable to the Chair and to the ranking minority member of the committee.

Mr. HATFIELD. I thank the distinguished majority leader.

Mr. President, I yield back the remainder of my time.

Mr. MANSFIELD. I yield back the time on this side.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT OF THE SMALL BUSINESS ACT—S. 545

AMENDMENT NO. 389

(Ordered to be printed and referred to the Committee on Banking, Housing and Urban Affairs.)

Mr. MCGOVERN (for himself, Mr. ABOUREZK, Mr. CURTIS, and Mr. YOUNG) submitted an amendment intended to be proposed by them jointly to the bill (S. 545) to amend the Small Business Act to provide for compensation for small business and other losses arising out of the disturbances at Wounded Knee, S. Dak.

COUNCIL ON WAGE AND PRICE STABILITY EXTENSION ACT—S. 409

AMENDMENT NO. 390

(Ordered to be printed and to lie on the table.)

Mr. KENNEDY. Mr. President, last Friday, I introduced three amendments to S. 409, the Council on Wage and Price Stability Extension Act, to encourage the Council to continue and expand its current anti-inflation role. Those amendments, Nos. 379, 380, and 381, are described on pages 11891–11892 of the RECORD for April 25, 1975.

Today, I am submitting an additional amendment, designed to enhance the status of the Council by raising the position of Director from level IV, $38,000 annual salary, to level III, $40,000 annual salary, of the executive schedule, and by requiring Senate confirmation of future Directors. The Council is the Nation's first line of defense against inflation, and I believe it deserves the additional status these changes will bring to its increasingly important role. I hope that the amendment will be approved by the Senate.

Mr. President, I ask unanimous consent that the text of the amendment may be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 390

At the end of the Act, add the following new section:

SEC. . (a) The first sentence of Section 2(c) of the Council on Wage and Price Stability Act is amended by adding "by and with the advice and consent of the Senate" after the word "President".

(b) Section 2(c) of such Act is further amended by—

(1) striking out "level IV" and inserting in lieu thereof "level III"; and

(2) striking out "section 5315" and inserting in lieu thereof "section 5314".

(c) The amendment made by subsection (a) of this section shall take effect immediately after the individual holding the office of Director of the Council on Wage and Price Stability on the date of the enactment of this Act ceases to hold that office. The amendment made by subsection (b) of this section shall take effect on the date of the enactment of this Act.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 312

At the request of Mr. BAYH, the Senator from Indiana (Mr. HARTKE), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Minnesota (Mr. HUMPHREY), the Senator from Vermont (Mr. LEAHY), the Senator from Minnesota (Mr. MONDALE), and the Senator from Utah (Mr. MOSS) were added as cosponsors of amendment No. 312, intended to be proposed to the bill (S. 1279), a bill to extend the Voting Rights Act of 1965.

AMENDMENTS NOS. 376, 377, AND 378

At the request of Mr. HUMPHREY, the Senator from Illinois (Mr. STEVENSON), was added as a cosponsor of amendments Nos. 376, 377, and 378 intended to be proposed to the bill (S. 409) to extend the authorization for the Wage-Price Council.

NOTICE OF HEARING

Mr. PHILIP A. HART. Mr. President, I wish to advise my colleagues and other interested persons that the Antitrust and Monopoly Subcommittee will meet at 3 p.m., May 5, in room 146 of the Capitol to mark up S. 408. This bill, introduced by Senator BROOKE and several others, would repeal the Miller-Tydings and McGuire Acts which in turn would outlaw fair trade laws.

NOTICE OF HEARING

Mr. PHILIP A. HART. Mr. President, the Subcommittee on Antitrust and Monopoly will hold open hearings on S. 1284, the Antitrust Improvements Act of 1975, introduced by Senator HUGH SCOTT and myself.

The hearings will be held on May 7 and 8, 1975, in room 2228 of the Dirksen Senate Office Building, beginning at 9:30 a.m. on May 7 and 10 a.m. on May 8. Additional hearings will be scheduled in June.

All persons who wish to testify or submit a statement for inclusion in the record should contact Pat Springer, room A517, Senate Office Building; telephone 224-7489.

ANNOUNCEMENT OF HEARINGS—THE UNITED STATES AND THE UNITED NATIONS

Mr. SPARKMAN. Mr. President, I am pleased to announce today that the Committee on Foreign Relations has scheduled a series of hearings on a very timely and important subject, "The United States and the United Nations."

On the eve of becoming chairman, I noted the continuing need to reassess the United Nations. Another United Nations General Assembly session is not far off and now is the time to bring the best thinking and ideas to bear on our role in the United Nations and on the institution itself.

Inasmuch as the impetus for these hearings came on the recommendation of the senior Senator from Illinois (Mr. PERCY) in his report on "The United Nations," and in order to rekindle the bipartisan cooperation that resulted in the overwhelming acceptance of the United Nations Charter in the beginning, I am looking to him to act as cochairman of these hearings.

All the hearings outlined below will be open to the public and take place at 10 a.m., in room 4221, Dirksen Senate Office building.

In addition to the witnesses listed below, the committee is making arrangements for testimony by Secretary of State Henry A. Kissinger, which have not yet been finalized:

THE UNITED STATES AND THE UNITED NATIONS

May 7—*The U.S. Role in the U.N.: the Vision and the Reality:*

Harold E. Stassen, Member of the U.S. Delegation to the United Nations Conference on International Organization, San Francisco 1945.

Henry Cabot Lodge, former U.S. Representative to the United Nations.

Arthur Goldberg, former U.S. Representative to the United Nations.

Charles W. Yost, former U.S. Representative to the United Nations.

May 8—*The U.N. in the Seventies:*

The U.S. Role Today: Senator J. W. Fulbright, former Chairman, Committee on Foreign Relations; sponsor of the Fulbright Resolution of 1943.

Is the U.N. Working?:

Richard N. Gardner, Henry L. Moses, Professor of Law and International Organization, Columbia University.

Abraham Yeselson, Chairman, Political Science Department, Rutgers University; author, *A Dangerous Place: The United Nations as a Weapon in International Politics.*

Joseph Segel, Chairman, Board of Directors, United Nations Association; U.S. Alternate Representative to the 29th U.N. General Assembly.

C. Maxwell Stanley, President, Stanley Foundation.

May 14—*The Impact of Détenté:*

William F. Buckley, Jr., Editor-in-Chief, The National Review.

Marshall Shulman, Director, Russian Institute, Columbia University.

The Impact of the Third World:

Daniel Patrick Moynihan, former Member of the U.S. Delegation to the 26th United Nations General Assembly.

Richard A. Falk, Professor of International Law and Practice, Princeton University.

May 15—*The United Nations: Other Visions:*

Buckminster Fuller, Architect.

Richard Scammon, Governmental Affairs Institute.

Bruno W. Bitker, Chairman, Wisconsin Governor's Commission on the United Nations.

Pauline Frederick, former *New York Times* Reporter.

May 21—*The United Nations: Other Visions* (continued):

William Sloane Coffin, Chaplain, Yale University.

Seyom Brown, Brookings Institution.

Alvin Toffler, Author.

Norman Cousins, Editor, Saturday Review of Literature.

May 22—*The U.S. Role in the U.N.: Official Views:*

Ambassador John A. Scali, U.S. Representative to the United Nations.

William Buffum, Assistant Secretary of State for International Organization Affairs.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

W. Laird Stabler, Jr., of Delaware, to be U.S. attorney for the district of Delaware for the term of 4 years vice Ralph F. Keil, resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Tuesday, May 6, 1976, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE OF CHANGE IN HEARING DATE

Mr. RIBICOFF. Mr. President, on April 21, 1975, I announced, on behalf of the Committee on Government Operations, that the committee had scheduled a hearing on May 14, 1975, on the proposed public access regulations and explanatory report promulgated by the Administrator of General Services pursuant to Public Law 93-526, the Presidential Recordings and Materials Preservation Act.

Due to a change of plans, this hearing will be held on Tuesday, May 13, 1975, at 10:30 a.m., in room 3302, Dirksen Senate Office Building. I announce again that persons desiring to submit their comments and views to the committee should make their submissions by May 7, 1975.

NOTICE OF HEARINGS ON DRUGS

Mr. NELSON. Mr. President, I wish to announce that the Subcommittee on Monopoly of the Senate Small Business Committee has scheduled a resumption of hearings dealing with Federal expenditures on pharmaceuticals on May 16 in room 318—caucus room—of the Russell Senate Office Building at 10 a.m.

NOTICE OF HEARING

Mr. WILLIAMS. Mr. President, I wish to announce to the Senators and other interested persons that a hearing on the nominations of Harold L. Hodgkinson, of California, to be Director of the National Institute of Education; Theodore Cooper, of Maryland, to be an Assistant Secretary of Health, Education, and Welfare; and Donald Sharp Frederickson, of Maryland, to be Director of the National Institutes of Health, will be held by the Senate Committee on Labor and Public Welfare on May 2. The hearing will begin at 9:30 a.m. in room 4232, Dirksen Senate Office Building. Interested persons who wish to submit testimony to be included in the RECORD should contact Donald Elisburg, general counsel, Senate Committee on Labor and Public Welfare, 224-7665.

NOTICE OF HEARING

Mr. WILLIAMS. Mr. President, I wish to announce to the Senators and other interested persons that a joint hearing on S. 1326 and S. 1426, Rail Transportation Improvement and Employment Legislation, will be held by the Senate Committee on Labor and Public Welfare and by the Subcommittee on Surface Transportation of the Senate Committee on Commerce on May 1. The hearing will begin at 9:30 a.m. in room 5110, Dirksen Senate Office Building. Interested persons who wish to submit testimony to be included in the record should contact Donald Elisburg, general counsel, Senate Committee on Labor and Public Welfare, 224-7665.

NOTICE OF HEARINGS

Mr. MUSKIE. Mr. President, on May 6, 7, and 8, the Subcommittee on Intergovernmental Relations will hold hearings on S. 1359, the Intergovernmental Countercyclical Assistance Act of 1975. Witnesses will include economists, representatives of State and local government and of labor.

The hearings are scheduled to begin at 10 a.m., in room 3302 of the Dirksen Office Building. Anyone wishing to submit statements for the hearing record, please contact Mrs. Lucinda Dennis, chief clerk of the subcommittee, in room 508 of the Capitol Hill Hotel, 301 First Street NE., Washington, D.C. 20510.

ADDITIONAL STATEMENTS

FINAL PARAGRAPH IN VIETNAM

Mr. SPARKMAN. Mr. President, as the final paragraph in the current chapter of our relations with Vietnam is being written today I hope and pray: that the killing has stopped; that the few Americans who have decided to stay in South Vietnam and those Vietnamese who feel endangered will be treated fairly and humanely; that those Vietnamese who have been evacuated will eventually find peace in new homes, in this country or in other countries, and the emotional scars of their leaving family and friends will eventually disappear; that the equally severe scar upon the American body politic caused by our involvement in the Vietnamese war will be removed and we can go on to more important matters; that we will be able to develop new stronger relationships with our Asian friends.

The closing of the chapter on military involvement in Vietnam does not close the book. We will continue to have positive interests in Southeast Asia.

PASSING THE ENERGY BUCK

Mr. McCLURE. Mr. President, now that the Senate has overwhelmingly passed the Standby Energy Authorities Act of 1975 (S. 622), I believe that it is important for us to comprehend the damage which such legislation does to public confidence.

When this bill was first reported from the Committee on Interior and Insular Affairs, I joined with other Senators in minority views which summarized our objections to S. 622. One such objection was that the proposed legislation is another shirking of congressional responsibility. There is no need at this time to reiterate the basis for that concern. The facts were extensively presented during the final debate before the full Senate. But, it is now evident that there are those outside the Senate who recognize the basic truth contained in those facts. One such person is Columnist David S. Broder.

In his column of April 23, 1975, contained in the Washington Post, he has accurately explained how the Senate has approved legislation which is "a hodgepodge," and which would "put the administration in the position of making the politically disagreeable choices, while reserving to Congress a guaranteed right to second-guess." Mr. Broder's painfully accurate column has described S. 622 as "near perfect an example of buck-passing as Washington has ever seen."

He has concluded his indictment of our action by stating the simple truth:

> By the most charitable interpretation, the Senators abdicated their own responsibility for hard decisions and left the country with what can only be called a false-front facade of an energy policy.
>
> That's the kind of performance that already has brought the Federal Government into disrepute with its citizens.

Mr. President, I ask unanimous consent that the full text of Mr. Broder's column be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PASSING THE ENERGY BUCK

(By David S. Broder)

Despite what you have been hearing during this week's debate about gasoline taxes, it is not true that Congress has done absolutely nothing about the energy crisis. Just two weeks ago, while public attention was distracted by events in Indochina, the Senate passed a marvelous bill called the Standby Energy Authorities Act of 1975.

It was approved on the same afternoon that the Senators, in a remarkable burst of legislative creativity, also passed a resolution posthumously restoring the full rights of citizenship to Gen. Robert E. Lee.

It would be hard to judge which action will do more to help with today's problems. But the bet here is that Lee's ghost has more substance than any lawyer can find in the Standby Energy Authorities Act of 1975.

The reason Congress had to vote Gen. Lee his amnesty, at this late date, is that his own application for restoration of his citizenship rights, and his pledge of loyalty to the Union, submitted shortly after cessation of hostilities in October 1865 was unaccountably misplaced by the bureaucrats of his time and was not rediscovered until 1970.

Despite this demonstration of the perils of government paperwork, the senators came up with a supposed energy program that will, if rediscovered 100 years from now, make the historians of that age wonder about the competency of 20th-century Americans.

That bill is a hodgepodge. Part of it gives the President certain emergency powers, which he might use in case of another oil embargo, unless blocked by Congress. But to this marginally useful grant of authority, the Senate Democrats attached a complex provision, full of high-sounding aspirations and short of policy directions. It commands the federal government and all 50 states to devise energy conservation programs (again subject to congressional veto) that will supposedly cut energy use the equivalent of 800,000 barrels of oil a day without hurting anyone.

It is as near-perfect an example of buck passing as Washington has ever seen. The man who would have to administer the act, energy chief Frank Zarb, pleaded with the Senate not to establish such "far-reaching but ill-defined mandatory energy conservation programs."

None of the 60 senators who voted for the bill seemed to care. And the suspicion among those Republicans who opposed it is that Zarb and his boss, the President, are being set up as the fall guys when the program inevitably fails.

What the Senate did was put the administration in the position of making the politically disagreeable choices, while reserving to Congress a guaranteed right to second-guess.

While ruling out rationing or taxes, the Senate commanded Zarb to promulgate, within 90 days, precise standards of energy conservation covering everything from decorative lighting to car-pooling and mass transit use. The bill does not say what those standards should be. But it says that if Zarb guesses wrong, Congress can veto any of his guidelines, with suitable rhetoric within the following 30 days.

That is only the beginning. The mandated regulations then would go to each state, which would be required within 180 days to formulate its own conservation plan designed to meet Zarb's standards. Here, the Senate has created a two-edged sword for later use against the administration.

On the one hand, it has commanded that the state conservation plans should be approved by Zarb only if they "minimize adverse economic or employment impact" and "meet unique local economic, climatological, geographic and other conditions." On the other hand, the Senate has decreed that the net effect of these varied plans must reduce total domestic energy consumption by 4 per cent within a year of the bill becoming law.

So, if the regulations pinch in any state, Zarb will have violated one Senate command; and if energy use is not reduced nationally he will have violated another.

That leaves him in the interesting position of reducing the size of the energy pie without cutting anyone's slice. It is a no-win proposition—and the Republicans were probably right in saying it was that way by Democratic design and not by happenstance.

By the most charitable interpretation, the senators abdicated their own responsibility for hard decisions and left the country with what can only be called a false-front facade of an energy policy.

That's the kind of performance that already has brought the federal government into disrepute with its citizens. Some friendly medium ought to ask Gen. Lee if he really wants his citizenship back.

DECLINING SUPPORT FOR PLANT SCIENCE RESEARCH

Mr. PHILIP A. HART. Mr. President, Dr. Robert S. Bandurski of the Botany and Plant Pathology Department of Michigan State University has brought to my attention the unfortunate but apparent, declining support in this country for plant science research. In our efforts to alleviate hunger and plan for the future it seems this area should be playing a very significant role. Mr. President, I ask unanimous consent that Dr. Bandurski's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MICHIGAN STATE UNIVERSITY,
East Lansing, Mich.

DEAR SENATOR HART: I am writing to request your interest in a matter which, I believe, affects our nation's ability to produce and export food crops. As you are well aware, for humanitarian and economic reasons, our crop productivity should double in the coming 25 years—and this must be accomplished with few new acres and, hopefully, with reduced fossil fuel input. Attaining this goal depends on producing more plant material on the same acreage and that, in turn, requires new knowledge and technology. Curiously though our national investment in plant science research has been steadily declining.

Total dollars invested in plant science research, corrected by the federal deflationary factor, have declined. A similar erosion has also occurred at the state level. Further, plant science research in 1965 amounted to 7.4% of the total federal bio-medical budget and decreased to 5.6% by 1971. I do not have more current data but the decline has continued so that now perhaps less than 5% of federal bio-medical funds go to support plant science research. Thus, plant science research support has declined, in terms of 1965 dollars, and the plant science effort has declined as a percentage of all biomedical research.

In retrospect, it is easy to see how this situation came about. Our nation was faced with crop surpluses so that further investment in plant research seemed unnecessary. Further, research in the physical sciences had greater appeal to industry and medical research had an understandably greater personal appeal for all of us. Consequently, as the appended table shows; NIH gradually withdrew from what appeared to be non-programmatic plant science research, NASA curtailed its exo-biology program and AEC essentially halted its extra-mural biology program. The USDA plant science research budget was eroded by freezes and inflation and the few additional drop out dollars NSF obtained for plant science research did not nearly compensate for the cuts that occurred elsewhere.

Thus, the situation is serious. It is made more dramatic by the simultaneous concern with food, energy and petro dollars. A good example of this relationship is the following. The total annual *biological* fixation of nitrogen from the atmosphere in the U.S. is 23.8 million tons. At current prices this quantity would cost 6.6 billion dollars and, were it chemically fixed, would require enormous amounts of energy and petroleum. Despite this our total federal investment in trying to improve biological nitrogen fixation is probably of the order of one million dollars. Almost all areas of agriculture are similarly poorly research financed in proportion to the value of the product.

In general terms, AEC, NIH and NSF have supported the longer range aspects of plant science research, with NSF being the largest source, while the CSRS and ARS of the USDA have, in general, supported research on more immediate problems. It is going to take dollars and thought and effort to increase the levels of plant science research support in all of these agencies so as to continue the excellent results they have attained with relatively few dollars. Clearly too, we do not wish to increase plant science research at the expense of equally vital research in other areas.

I have gathered these data while serving as Chairman of the Plant Science Research Group composed of Presidents and representatives of the major plant science societies. I believe it is important that these data be better known by the congress. I hope that you are personally interested and, that if you feel it is desirable, that you supply a copy of this letter to those of your colleagues who are concerned with NSF, USDA and AEC (ERDA) funding. If I can be of any help I will be pleased to visit with you or to supply such additional information as you might find helpful.

Thank you for your kind attention.

Sincerely yours,

ROBERT S. BANDURSKI,

Professor.

GOOD-BYE, GREAT BRITAIN

Mr. DOMENICI. Mr. President, the lead editorial in the Wall Street Journal for today, Tuesday, April 29, 1975, is titled "Good-Bye Great Britain." It refers to the April 25 cover story of the Economist, the British weekly journal of news and opinion.

The Economist story, called "Steady as She Sinks," points out in bald, unemotional terms the certain result of Britain's present economic moves. The editorial describes Great Britain's "current contribution to the world" as revelation of "the ultimate result of economic and social policies rapidly gaining ascendancy in the United States." It cites the fact that, combining 20-percent inflation with the additional $3 billion in taxes just enacted, an Englishman earning $24,000 must have a pay raise of $9,600 just to maintain his present economic position.

The editorial goes on to say that England's $128 billion budget, 60 percent of a gross national product one-eighth the size of ours, is equivalent to a $900 billion budget in this country.

Mr. President, the lesson for America is so clear that we ignore it at our peril. Although imitation is said to be the most sincere form of flattery, let us not delude ourselves in this instance. The price England is paying will destroy England, in due and inevitable course.

If applied to America, it will destroy the Nation and the system we have been building for 200 years. Is this what we want to imitate?

Mr. President, I ask unanimous consent that this editorial, as printed in the Wall Street Journal for this morning, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

GOOD-BYE, GREAT BRITAIN

"Steady as She Sinks," proclaims the April 25 cover story of The Economist, the British weekly journal of news and opinion. It is the British economy, of course, that is sinking. But that's not news. What makes this issue of The Economist valuable—it should be bound in leather and made required reading in every U.S. school of economics—is that it so finely, albeit unwittingly, traces the ultimate consequences of the welfare-state-manic-Keynesian syndrome.

Britain's current contribution to the world is to reveal the ultimate result of economic and social policies rapidly gaining ascendancy in the United States. To wit, the state must fulfill all needs, especially medical care. Income must be redistributed, principally through taxes on the returns from capital. After all, transfer payments and redistribution stimulate the economy (don't they?). The inflationary results can be contained by various forms of price control (can't they?). And if problems arise, the solution lies in finding the magical proper balance between government spending and taxes.

Thus we have Denis Healey, the Chancellor of the Exchequer, announcing his latest budget, widely praised as "brave" and "courageous" because in the midst of world recession he has imposed another $3 billion in taxes on an economy whose chief problem is that it already is strangling on taxes. By some mad twist of logic, known only to British politicians and economists, this "mildly deflationary" move is designed to run the unemployment rolls up to one million, punish the unions for pushing up wage rates so fast (32.6% annual rate in March), and position the economy so that it can take advantage of next year's forecast of a world trade boom.

We learn that The Economist itself does not think it fair of Margaret Thatcher, the Conservative Party leader, to describe the budget as "typically Socialist." After all, Mr. Healey did not increase the 52% corporate tax rate. Nor did he increase the 83% marginal tax rate on earned incomes above $48,000 or the 98% marginal tax rate on "unearned income"—interest and dividends for example—above $48,000. And he does provide for government assistance to selected private industries in the amount of $240 million, especially those the government divines will be able to increase exports.

There are other interesting statistics. Because of the effect Britain's 20% inflation has in moving workers up the progressive tax schedule, combined with Mr. Healey's two point tax increase, a Briton earning $24,000 this year will have to get a pay raise of $9,600 merely to maintain his purchasing power. A worker now getting $12,000 needs another $3,000 to stay in the same place.

Public spending rises to $128 billion from $105 billion or to 60% of gross national product. In that the U.K.'s gross national product is about one-eighth the size of ours, this is the equivalent of a $900 billion federal budget. Mr. Healey boasts that the "social wage"—all the government goodies such as health, education and welfare—now amounts to $2,400 a year for every member of the working population. To get this in perspective, it has to be pointed out that Britain's per capita income last year was $3,085.

Britain, it is regularly noted, always seems to somehow "muddle through" despite the best efforts of its government. One reason has been that, in their imperfect understanding of economics, the income redistributors have always overlooked a few opportunities to confiscate wealth. Through these tiny cracks in the tax laws, otherwise known as "loopholes," the private economy has always been able to spy enough incentive to keep producing. As a result of the current economic crisis, however, the Labor government made a determined search for these tiny cracks and has found most of them.

Because most of what businesses pay their managers in increased wages is taken away by the government in taxes, there have been exotic schemes to permit managers to live off business perquisites. These are being closed up. A year from now, employes will be taxed on any private medical insurance coverage they receive, the government having determined that private medical treatment is a great incentive to keep producing. Mr. Healey also promises to tighten up on capital gains taxation, and has already closed an accounting loophole whereby corporations could avoid some taxation by selling shares they owned and taking the loss, and buying them back the next day.

The British government is now so clearly headed toward a policy of total confiscation that anyone who has any wealth left is discounting furiously at any chance to get it out of the country. Mr. Healey wisely halted the importing of gold coins, which could be rather easily smuggled out, and he's slapped a 25% value-added tax on jewelry, along with radios, televisions and electrical appliances. The result of all this is of course to bring investment to a screeching halt by drying up both available funds and potential returns. The price can only be still slower economic growth, and still lower living standards for all the British, rich and poor.

Good-bye, Great Britain. It was nice knowing you. Since we're following down the same road, perhaps we'll meet again.

PROPOSED ARMS SALES

Mr. SPARKMAN. Mr. President, section 36(b) of the Foreign Military Sales Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million. Upon such notification, the Congress has 20 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask unanimous consent to have printed in the RECORD the notifications I have just received.

There being no objection, the notifications were ordered to be printed in the RECORD, as follows:

DIRECTOR, DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, D.C., April 21, 1975.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Foreign Military Sales Act, as amended, we are forwarding herewith Transmittal No. 75-

24, concerning the Department of the Air Force's proposed Letter of Offer to Norway, Denmark, Netherlands, and Belgium for 348, F-16 aircraft and associated support equipment and services estimated to cost $2.119 billion. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

H. M. FISH,
Lieutenant General, USAF.

TRANSMITTAL No. 75-24

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(B) OF THE FOREIGN MILITARY SALES ACT, AS AMENDED

a. Prospective Purchaser: Norway, Denmark, Netherlands, & Belgium.

b. Total Estimated Value $2.119 Billion.

c. Description of Articles or Services Offered: A single purchase consortium of 348 F-16A and B model aircraft and associated support equipment and services.

d. Military Department: Air Force.

e. Date Report Delivered to Congress: April 22, 1975.

DIRECTOR DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, D.C., April 17, 1975.

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirement of Section 36(b) of the Foreign Military Sales Act, as amended, we are forwarding under separate cover Transmittal No. 75-21, concerning the Department of the Army's proposed Letter of Offer to Saudi Arabia for the design of an Air Force Academy. The initial phase of this case is not expected to reach the value of $25 million; however, the follow-on phases are expected to exceed $25 million and will be reported to Congress as they develop.

Sincerely,

WALTER B. LIGON,
Acting Director.

[Transmittal No. 75-21]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE FOREIGN MILITARY SALES ACT, AS AMENDED

a. Prospective Purchaser: Saudi Arabia.

b. Total Estimated Value: In excess of $25 million. (See Note below.)

c. Description of Articles and Services Offered:

Planning, design, and supervision of construction of the King Faisal Air Academy and airfield at Al Batin.

d. Military Department: Army (Corps of Engineers).

e. Date Report Delivered to Congress: April 18, 1975.

NOTE.—The estimated cost of construction will not be known until the planning and design phases of the project have been completed. However, the total cost is expected to exceed $25 million, and Congress is therefore being advised of the undertaking at this time. Upon development of a construction cost estimate, the Congress will be advised of the estimated total value of the project.

HRH Prince Sultan, Saudi Arabian Minister of Defense and Aviation, requested that this project be accomplished under the Engineer Assistance Agreement. This is an agreement between the U.S. Government and the Government of Saudi Arabia, effected by an exchange of notes in 1965 (Treaties and Other International Acts Series 5830) and extended in 1971 and 1973. The original legal authority for the agreement was Section 507 (a) of the Foreign Assistance Act of 1961, as amended, now superseded by the Foreign Military Sales Act, as amended. The Engineer Assistance Agreement, in effect, established procedures other than the standard Form 1513 Letter of Offer and Acceptance later adopted for Foreign Military Sales cases. Under these procedures, the Saudi Government submits a request to the U.S. Ambassador to Saudi Arabia for the Corps of Engineers to undertake planning, design, and supervision of construction of facilities. Upon approval by the Departments of State and Defense, the Ambassador is informed of the U.S. decision to honor the Saudi Government's request. The Saudi Government then deposits irrevocable letters of credit in a U.S. bank to pay the Corp's costs.

DIRECTOR, DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, D.C., April 16, 1975

Hon. JOHN J. SPARKMAN,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Foreign Military Sales Act, as amended, we are forwarding under separate cover Transmittal No. 75-23, concerning the Department of the Army's proposed Letter of Offer to Iran for repair parts, tools and components to support Augusta Bell helicopters models 205, 206 and Boeing Vertol CH-47C helicopters estimated to cost $30.0 million.

Sincerely,

WALTER B. LIGON,
Acting Director.

[TRANSMITTAL No. 75-23]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE FOREIGN MILITARY SALES ACT, AS AMENDED

a. Prospective Purchaser: Iran.

b. Total Estimated Value: $30.0 million.

c. Description of Articles or Service Offered: Repair parts, tools and components to support Augusta Bell helicopters models 205, and 206 and Boeing Vertol CH-47C helicopters for FY 76.

d. Military Department: Army.

e. Date Report Delivered to Congress: April 17, 1975.

PLIGHT OF THE RETIRED ENLISTED MAN OR OFFICER

Mr. GOLDWATER. Mr. President, since 1958 practically nothing has been done for the retired enlisted man or the retired officer. Efforts have been made, although I must say, sadly, of a very small nature on both sides of the Congress. Once again the Retired Officers Association and the Retired Enlisted Association are concerned for the plight of their members who are suffering almost alone among all the other millions of people who are retired on different programs.

Since 1958, frankly, the retired person has not received what I call a fair shake. I have not always gone along with all of their desires because of the highly inflationary aspects of what they come to. I have to come to this opinion, and I do this reluctantly, and I do it because I feel I am speaking for a minority of the Congress. If we are going to benefit everybody in this country who has worked or not workd, who has done some thing or not done something for our country, then I think it is time we think about our veterans.

For this reason I am going to look in a different light at the request put forth by the different retired associations this year, and so that my colleagues might have an understanding of just what these different approaches might be, I ask unanimous consent that the statement of the Retired Officers Association before the Defense Manpower Commission on March 13 be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF THE RETIRED OFFICERS ASSOCIATION

(Presented by Col. George F. Hennrikus, Jr., USAF, Retired)

Mr. CHAIRMAN and MEMBERS of the Commission:

This opportunity to present the views of The Retired Officers Association and the Retired Enlisted Association concerning some of the issues this Commission has been charged to study is appreciated.

In deference to the capability and experience represented on this Commission and conscious of the limitations of Associations such as ours to recommend substantive changes or solutions to the current problems of military personnel management, this statement will be limited to matters of concern to the retiree.

The major issues with which our members are most concerned are well-known to this Commission. For record purposes, however, recent statements which summarize our position with respect to recomputation and medical care are attached, together with a list of our legislative goals.

One other enclosure lists modifications we feel will improve the Survivor Benefit Plan (SBP). Three of these modifications have already been introduced in the 94th Congress by Congressman Bob Wilson.

H.R. 1162 would change the present inequitable social security offset for widows who receive social security payments based on their own employment.

H.R. 4032 would reduce from two years to one year the marriage requirement for a widow or widower to be entitled to a survivor annuity.

H.R. 4033 would eliminate the lock-in provision. By the way, similar legislation was introduced in the Senate last week by Senator Fong. His Bill is S. 919.

The remaining changes to the SBP are now being incorporated in legislative proposals by Mr. Wilson's staff. We feel, if adopted, they will improve an already fine plan and effect a higher percentage of participation. We anticipate that final legislation will provide for an open enrollment period to give another opportunity to those retirees who chose, originally, not to participate.

I intend to use the balance of my time to discuss a matter of immediate concern to all retirees. However, I'll be happy to answer any questions or provide additional information with respect to any of the foregoing subject.

Mr. Chairman, we feel it is essential that the conditions of the work contract under which military members now serve—the rights, benefits and entitlements—be abrogated only in instances where an improvement can be realized.

With one great exception, there have been few instances in recent history when a modification has not represented an improvement. Historically, this improving trend has been the nature of the Government's treatment of all Federal employees. The exception, of course, is the suspension in 1958, and finally, the repeal in 1963, of the law which provided for recomputation of military retired pay. Other setbacks affecting limited numbers have usually been related to ungovernable circumstances, such as base closures and the consequent loss of medical facilities, commissaries and exchanges.

CHAMPUS, The Survivor Benefit Plan, the cost of living formula, the effort to achieve active duty pay comparability—all have contributed to an excellent retirement system for recent retirees. Even for older retirees who are tied to deflated pay scales, the improvements have prevented complete disaster and have, at least, permitted them and their dependents minimal subsistence.

Now, faced with a combined inflation/recession, and the urgent requirement to maintain a viable defense through an expensive, but essential, weapons modernization program, Secretary Schlesinger has decided he must reduce manpower costs.

Since last summer, when consideration was given to modifying CHAMPUS, every pronouncement from the Secretary's office concerning personnel policy has constituted a threat to the military careerist and the retiree.

In its wisdom, the 93rd Congress successfully blunted the full effect of these threats. Now, Secretary Schlesinger has mounted a new effort to reduce costs by reducing or eliminating people-related expenditures. The President's Budget Request for 1976 recommends the withdrawal of support for recomputation, limiting cost of living increases, and a two-stage reduction of funds normally used to cover personnel costs of commissary operations. An Inter-Agency study, not yet released, is rumored to recommend substantial reductions in the military medical service, over and above those already in force.

In supporting these planned reductions, the Secretary and his assistants contend that military pay has now achieved comparability with civilian pay.

We do not agree. Pay comparability has not been achieved, even in dollars and cents terms. The current military pay scale begins below the poverty level and ends far short of the executive level. Presented graphically, it more nearly resembles a mushroom than the classic pyramid.

But the point I want to make here is that military compensation by the very nature of the profession cannot be fully represented in dollars and cents terms, except possibly with respect to hired mercenaries.

Consider the present circumstances. Despite the most severe recession in 30 years and a catastrophic unemployment rate; despite major force reductions; despite the continued promises of the very benefits which are now being considered for elimination, the Services still must spend millions of dollars each year to recruit and retain volunteers. Granted, recruiting goals are being met at lower cost per recruit, and retention rates are improving. However, most expert observers agree that no matter what pay incentives are offered, the Services will never compete on equal terms with industry for people.

The reasons for this seem fairly obvious. Several are sometimes categorized under the general title, "exigencies of the service": willingness to engage an armed enemy; long and erratic duty hours; frequent and expensive moves with little opportunity to build an investment in a home or to enjoy the long-term security of a familiar community; mental and, sometimes, physical stress on dependents; a work contract that can be changed at the whim of the government; and probably most important, the surrender of certain basic freedoms.

In an article in the January, 1974, issue of The Retired Officer magazine entitled "Military Careerists: A New Scapegoat Minority", Dr. Theodore C. Kahn, a clinical psychologist, stated:

"The greatly misunderstood fringe benefits, commissaries, post exchanges, medical care and space available travel, all have a symbolic significance that overrides their dollar value many times. Their continuation represents a symbolic expression of national appreciation for the sacrifices that almost every military person has been called upon to make sometime in his career. There is no substitute for them. The military culture prescribes symbols and the nation must reciprocate—at least partially—with symbols in order to maintain military morale."

We can only conclude from his recent actions and pronouncements, that Secretary Schlesinger has decided it's time for the Defense Department to begin emulating the personnel methodology of private industry—that what's good for General Motors is good for our Armed Forces.

We dispute this premise with as much vigor as we support the need for a constantly vigilant, well-equipped defense establishment.

Troops undergoing the rigors and discomforts of field exercises, sailors on long cruises away from their families, airmen in lonely missile silos or on alert beside their aircraft, staffers putting in 60-hour weeks in some recess of the Pentagon are not there because their pay is comparable to their peers in private enterprise.

If this were the case, they would form a union and strike for overtime pay. Furthermore, if they were called upon to engage the enemy, they would probably do so reluctantly, and only after their shop steward had obtained a majority vote.

In predicting the consequences of what we perceive to be Secretary Schlesingers' plan to action, I would cite the sad state of our Merchant Marine. The pay scales necessary to man our merchant ships finally put it out of business.

If this perception of Secretary Schlesinger's intention is correct, and if he achieves acceptance in the Congress, I can only foresee the most dire consequences.

We ask this Commission to do everything in its power to avert what we feel will be a disaster.

In conclusion I would also ask your support for a recomputation compromise. Until recently, our Associations have based our fight for pay equalization solely on its innate legitimacy—righting a wrong. Now, for the first time we have sufficient evidence to support an added argument based on need.

We recognize that, if any or all of the current proposals to reduce benefits were accepted by the Congress, the resultant changes would affect retirees at all levels. However, I want to stress that our particular concern is for the older retirees, those who retired prior to 1967 or 1968. This group represents about two-thirds of the total number of retirees. All of this group were not only affected by the repeal of recomputation in 1963, but also had the misfortune of retiring before the move toward pay comparability got underway. Though the cost of living formula has helped them to cope with the inflationary trend, they are still tied to an extremely low pay rate.

When Secretary Schlesinger and his key people use the term "pay comparability" in justifying reduction in retirement benefits, it is our contention that they are completely ignoring these older retirees. According to Defense Department statistics, more than half of this group receive incomes below $4,000 per year. This means that many of them subsist below the National poverty level. Almost all of them depend upon the commissary and the cost of living formula to survive. Many, even now, must rely on welfare programs to some extent. According to a recent report, more than $1.5 million in food stamps are being redeemed in military commissaries each month.

In the Budget Request for Fiscal Year 1976, the Administration justified its withdrawal of support for recomputation by citing the need to restrain spending, and further noting that "the present retirement system, with its provision for consumer price index adjustments, already had the effect of recomputing retired military pay."

In a White House meeting held two weeks ago, I had an opportunity to discuss this rationale with the executive staff who had prepared the Defense portion of the Budget. When Mr. Ogilvie of the Office of Management and Budget restated their belief that all retirees would ultimately receive equal pay for equal rank and time in service as a result of the cost of living formula, I was able to convince him that this would never occur in anyone's lifetime, much less the lifetime of an individual who retired prior to 1958. Though he was finally convinced, I was not at all reassured that it would cause any change of position on the issue.

This incident, plus other indications we have noted recently, have convinced us that the older retiree has been forgotten by the current Administration. Thus we are taking advantage of this opportunity and any others we are afforded to restate our support of the Hartke-Wilson Compromise plan for recomputation.

Again let me re-emphasize the point that we defend the rights, benefits and entitlements of all retirees under any circumstances but we particularly ask that this Commission give special consideration to the older retiree who is now having great difficulty coping with the current inflation/recession.

Finally, though I know it's unnecessary to point out to persons who hold the credentials of the members of this commission, I would like to note this thought for the record: The treatment accorded by the government to retirees on this or any other earned entitlement is closely watched by the active forces. Clearly it must have an impact on career decisions they must make.

ENERGY AND THE AMERICAN FUTURE

Mr. NELSON. Mr. President, the distinguished chairman of the House Committee on Interior and Insular Affairs Subcommittee on Energy and Environment (Mr. UDALL) recently delivered a very thoughtful speech on the topic "Energy and the American Future."

Congressman UDALL outlines a sound and practical approach to solving our Nation's energy problems. This approach correctly strikes a fair balance between environmental protection and the need to become energy self-sufficient.

This speech is an important document. I ask unanimous consent that Congressman UDALL's speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

ENERGY AND THE AMERICAN FUTURE

(BY MORRIS K. UDALL)

If we are to have an energy system that strengthens our economy and serves the real needs of our citizens, it is now plain that drastic reforms are required.

The first question that must be answered in formulating a national energy policy is whether the government or the petroleum industry will guide and direct what happens.

The American people have had it with the oil companies.

They are outraged by disclosures of frauds, price fixing conspiracies, and political slush funds.

They are suspicious of the claim of the oil companies that they need bigger and bigger profits for more drilling and exploration, when they witness a steady decline in our production and proven reserves of oil and gas.

They are tired of living under the threat that a few oil producing countries will embargo us and disrupt our economy.

They are incensed by special tax privileges which produce windfall profits—but no improvements in the U.S. oil outlook.

And they are at the end of their rope with governmental leadership that has allowed such an anti-competitive system to prosper and dominate our national life.

What the American people want in 1975 are policies that will end special privileges and practices which stifle competition.

They want their government to compel competition and halt the manipulation of energy prices by all segments of the energy industry.

They want their government to control all oil imports and arrange for embargo-proof systems of supply.

They are not demanding a nationalized energy system, but they want the energy resources owned by all of the people developed for the common good under plans and policies that will guarantee adequate energy for future needs, protect the environment from despoilation and protect consumers from exploitation.

The energy crisis has pitched us into a serious predicament: the country, at once, must grapple with the interrelated problems of economic recovery, runaway prices, shortages, increases in pollution, and threats to foreign policies vital to our future.

The American people want the hard facts about this energy predicament. They are willing to make sacrifices if sacrifices are necessary, but they are convinced the energy policies of the past are working against the national interest. In short, they want our energy destiny taken out of the hands of oil company executives and put in the hands of the people.

It is increasingly clear that Americans cannot have the kind of energy system they want unless the system itself is reorganized. Patchwork solutions will not be adequate. Structural changes are needed, changes which will enable us to shape an energy economy which serves the common good.

We have had no national energy policy in the past because as long as petroleum was cheap and seemingly superabundant, there did not seem to be a need for one. We called our policy a "free market" policy, but in fact it consisted largely of oil industry free-wheeling dedicated to the proposition that what was good for the oil companies was good for the country.

This policy is a disaster for consumers in a time of shortages. It jacks up all prices and enlarges the unbridled power of those who control our petroleum. The real energy crisis we face today is not—as some oil industry spokesmen would have us believe—a short term crisis of production: even if herculean efforts are made, our lives in the next decade will be dominated by energy shortages. The crisis centers on conservation, the rapid development of sound alternate energy sources, and actions to break the iron grip a few large oil companies have had on our energy system.

POLICY GUIDELINES

Action to implement this new national energy policy should be guided by eight broad concepts:

a) awareness that we live on a planet where energy resources are scarce, not abundant, that we must use them with a high degree of efficiency and conserve energy wherever possible;

b) the premise that whatever energy is available should be allocated to assure everyone enough for basic necessities at fair prices and according to priorities that protect jobs and promote economic health;

c) the idea that all laws and regulations should be reformed to penalize waste and encourage energy thrift;

d) an understanding that environmental protection must be a major objective of any national energy policy;

e) the belief that we should take steps now to reduce our dependence on unreliable sources of imported oil;

f) a steadfast commitment to support whatever level of research and development is needed to give this country stable, adequate energy supplies for the long haul;

g) a bias for open energy industries which compete aggressively for markets in all sectors of our energy economy; and

h) a recognition that it is the job of government to set policies and priorities that will reorient the energy future of this country.

STRUCTURAL CHANGES IN THE U.S. ENERGY SYSTEM

As stated, the framework of a national energy policy will involve fundamental changes in our systems of supply and distribution. Reforms, like the pieces of a puzzle, must fit together in a unified whole. My plan takes the form of six interrelated proposals.

PROPOSAL I: BREAKING UP THE ENERGY CONGLOMERATES

By any reasonable criteria of what constitutes a concentrated industry—high prices, inefficiency, lack of innovation and exploration, bloated profits and the power to control and direct the economy—the energy industry qualifies; and is in clear violation of the intent of the anti-trust laws.

The problem as now defined is not one of restraint of trade—but a naked question of who will determine America's energy future.

The time has come to restructure the oil industry and eliminate those features which stifle competition. This must be done by legislation; there is too much at stake to wait for conventional anti-trust proceedings.

Legislation should be enacted which would break up the energy conglomerates. It should fix reasonable deadlines for divestiture and prohibit any corporation from engaging in more than one phase of the petroleum business. Once this restructuring is consummated, separate companies would: a) explore and produce petroleum, b) transport it, c) refine it, and, d) market it at retail.

Such legislation should also prohibit the multiple ownership of competing energy resources. Already four coal companies owned by Big Oil account for 35% of domestic coal output. In addition, oil companies control over 30% of the nation's privately-held coal reserves, and 50% of the uranium reserves. Major oil companies which have become energy conglomerates are stifling the very competition needed to eliminate energy shortages.

The trend towards horizontal integration points to the further need for price controls on all domestic fuels until such time as divestiture is achieved and competition is injected into the energy market. For in the absence of controls, the energy conglomerates are pushing the price of all fuels—oil, gas and coal—up to the OPEC level.

This real danger is dramatized by what is now happening in the coal industry. Under the combined pressures of short supplies and increasing horizontal integration of the energy industry, coal prices are rising towards the artificially high price level of OPEC oil. Even independent coal companies, riding this trend for all it is worth, are now reporting windfall profits. For example, two independent coal companies recently reported annual profit increases of 669% and 340%. This policy of inflated, OPEC-level prices for all fossil fuels, would institutionalize inflation and make a return to economic vitality vastly more difficult.

PROPOSAL II: THE MANAGEMENT OF OIL IMPORTS

The government must also take immeditae steps to reduce America's dependence on unreliable sources of imported oil.

To achieve this, legislation should be enacted to accomplish the following:

a) The control over the importation of oil should be taken out of the hands of the multi-national companies and placed in the hands of the government. This should be done by reinstituting a system of quotas under which a federal agency would determine the amount of oil imported in order to reduce gradually our reliance on imports over the next decade.

Import quotas adjusted quarterly, would insure that all reductions in energy use come out of imports, rather than from reduced domestic production, as has been the case in the past year.

b) Once the control over oil imports is vested in the government, a bidding procedure and/or other appropriate negotiating techniques should be instituted which would give the government the final say over the source and price of all such imports.

In the 1960's our previous oil import quota program was administered under a "preference" which favored Western Hemisphere sources of supply (i.e. Venezuela and Canada). The new quota program should contain a "reliable sources" preference which would enable the U.S. to reduce—and ultimately eliminate—imports from the countries which embargoed us in 1973–74 and tie our future supply sources to such nations as Venezuela, Nigeria, Iran, Indonesia and Canada.

It is also urgent for the U.S. to start now to create a national oil stockpile of one billion barrels, including a 300 million barrel military stockpile. The purchase of this reserve should be rapidly escalated once the world price of oil falls to reasonable levels.

The paramount need of all the oil consuming nations is the lowering of oil prices. Because our self-sufficiency is greater, the U.S. should lead the effort to achieve this objective. We can do this by keeping price controls on supplies of domestic oil and gas, by instituting rigorous programs of energy conservation, by giving industry incentives to switch from petroleum to coal—and by other steps which will keep steady pressures on the oil cartel.

One step we should not take is to attempt to negotiate an international floor price for oil. Secretary Kissinger's proposal to commit the U.S. and the other oil importing nations to such a price is totally inexplicable. If we institute import quotas, adjustable on a quarterly basis, prospective domestic investors in energy resources need fear no loss of market from foreign oil at any price. At first glance, there is a kernel of economic sense in the Kissinger plan, but on further analysis, it blossoms into an absurdity. Whether we are talking about tertiary recovery methods for oil, expensive off-shore development of gas, or the highly capital intensive requirements of new synthetic fuels, all can be subsidized directly by the government without extending that subsidy indirectly to the OPEC cartel.

PROPOSAL III: THE MANAGEMENT OF U.S. RESOURCES

A third structural reform should be the creation by Congress of a new public agency with well-defined powers to manage our publicly owned energy resources.

Our privately owned resources are rapidly depleting. The great bulk of the remaining undeveloped fossil fuel resources of this country are in public ownership. It has been estimated that close to 70% of our undeveloped oil and gas resources lie under public lands, and that at least half of our mineable coal and over 85% of our oil shale are likewise owned by all the American people.

The time has come for the federal government to play a larger role in the management of our energy future. We can no longer afford to leave our lives and vital economic interests to the mercies of an oil cartel and a handful of giant corporations that have forfeited the trust of U.S. citizens.

This important agency (which might be

called The National Authority for Energy Management) should be chartered and given the power to play a catalyst role in the development of the nation's publicly-owned fossil fuel resources. It should be empowered:

1) to carry out the initial exploratory drilling on the remaining offshore frontier areas on the continental shelves of the Atlantic and Pacific oceans;

2) to develop sufficient producing oil and gas wells on public lands to provide a yardstick on production costs against which the performance of private companies would be measured;

3) to be the steward of the resources of all Naval Petroleum Reserves, and have the exclusive responsibility to inventory the petroleum resources within National Wildlife Refuges prior to any decisions concerning the actual development of such resources;

4) to be the manager of the U.S. petroleum stockpile.

To propose the creation of this authority, is not to propose the nationalization of the U.S. oil industry. To the contrary, such an agency will provide a cutting edge that will sharpen competition in the domestic industry.

Finally, government must take a more active part in the development of new energy resources: solar, geothermal, fuel cells, and a whole variety of energy conservation technologies. Under authority already vested in the Energy Research and Development Administration, joint government-industry corporations should be set up to insure that new technologies are promptly introduced into the marketplace.

PROPOSAL IV: A NEW APPROACH TO NATURAL GAS REGULATION

Of all the near term energy shortages we face, the prospect of a serious natural gas outage is the most ominous. For example, some experts are forecasting a 40% drop in gas availability for the North Central states by 1980. The natural gas industry has rightly been a regulated monopoly since its inception. But with the President dangling prospects of taking the lid off prices, it is not surprising that very little new gas is coming to market.

With the current shortages in the sky-high price of alternatives, decontrol of natural gas prices would be a multi-billion giveaway to the Big Oil companies who also monopolize gas production. Congress must act to end the uncertainty over the future of the natural gas industry.

The new legislation being developed by the Senate Commerce Committee is a step in the right direction. It will permit somewhat high prices for new gas discoveries to reflect higher costs, together with end-use controls phasing out the wasteful burning of natural gas as boiler fuel. This legislation will elicit all the gas that can be economically found and still protect the consumer against price-gouging.

We must remember that the fundamental answer to the natural gas shortage is to switch America's industrial boilers to coal as rapidly as possible in conformity with suitable environmental safeguards.

In the meantime, it is crucial that the Federal Power Commission make a decision that the gas from the Prudhoe Bay Field in Arctic Alaska be brought down the MacKenzie River Valley to replenish the dwindling supplies of the north central states. Canada will benefit as well as the U.S.

PROPOSAL V: LONG-TERM DIRECTIONS FOR THE COAL INDUSTRY

With the decline of our petroleum reserves, coal must once again become a key factor in our energy economy. The recent controversy over stripmining has temporarily clouded the outlook for coal, but now that new ground rules are about to be written into law, I am confident the coal industry will respond to the challenge.

Unfortunately, in recent years, the promise of widely expanded development of western coal has been overstated while the problems have been woefully underestimated. The Ford administration and one segment of the coal industry have pushed for headlong stripmining of western coal, despite its relatively low quality and the high cost of transporting it to the industrial states. Moreover, as long as the vast tracts of western coal are controlled largely by oil, railroads, and big mining concerns, there is little room for competition from the independent coal producers who have long played an important role in the eastern coalfields. And too many states have competed for the jobs that come with stripmining by ignoring the environmental and social devastation that also accompany it. Likewise, the Administration has closed its eyes to these matters in buying the strip-at-any-cost philosophy of the big coal producers.

Congress, however, has risen to the challenge. The balanced bill that will soon be on the President's desk will set fair national ground rules for coal development. This legislation has said to the coal companies, "Strip if you will, but not by permanently destroying the western way of life, not by poisoning the streams and groundwater as you have in the East, not by leaving productive farm and range lands desolate for centuries." We have tried to assure that any shift in production from eastern to western coal, from deep mined to stripmined coal, will not leave us with ghost towns in the East and ill-planned boom towns in the West.

In addition, the comeback of coal must be tied to a planned renaissance for American railroads. Nothing can do more to promote energy conservation than the rebuilding of our most efficient means of transportation. Coal cannot play the much larger role that it clearly must unless the government gives an immediate high priority to railroad rehabilitation.

PROPOSAL VI: AN OBJECTIVE ASSESSMENT OF NUCLEAR POWER

There is probably no area of energy policy more fraught with emotion, uncertainty, and dubious information from both proponents and opponents than nuclear power generation. On the one hand, utilities advertise that a nuclear power plant is "no more dangerous than a chocolate factory," and at the same time we hear prophesies of doom from informed nuclear opponents.

We need to know the real risks and benefits of nuclear power plants: what the short-and-long-range costs are, what the most reliable and economical technologies are. Beginning next week and continuing throughout the year, the Subcommittee on Energy and the Environment, which I chair, will take a leading role in promoting a national dialogue on nuclear energy. For the first time, both sides of the nuclear debate will get a fair hearing in a neutral forum. We will undertake a comprehensive analysis of the hard technical data to present in comprehensible form all that is known about nuclear safety, and to pinpoint the unanswered questions. Only with this kind of solid background, so lacking in the hyperbolic claims which have dominated the nuclear debate, can we make a rational, informed decision on how far and how fast the nation can afford to go.

Transportation reforms and energy efficiency

Personal mobility has been the most conspicuous boon of the cheap energy era. But we have paid a frightful price for the psychic and economic benefits of this freedom in the form of congestion, pollution, atrophied inner cities, and the disappearance of the neighborhood as a functioning social unit. We have permitted, even encouraged, the decline of public transportation by unneeded highways and inadequate financial support, so that even today, in the throes of an energy and economic crisis, we pour nearly three times as much federal money into highways as into all mass transit modes. We have the means to reverse these trends. We can replace our entire auto fleet in six or seven years if we make it a national goal to do so. If we convert our automotive fleet to vehicles which will get double the miles-per-gallon as today's dinosaurs, by 1981 (even assuming we use our cars almost as much as we use them today), the consumption of gasoline can be reduced 50 percent, or about 3½ million barrels per day.

The way to restore the auto industry to a condition of health is to build small cars that will stretch our existing oil and reduce our dependence on imported sources of supply. By gradual steps, if our automakers manufacture more buses and new kinds of public vehicles and provide more and better hardware for the new modes of public transportation, the whole country will be more efficient and more prosperous.

Conservation, jobs and the future

In the past eighteen months, we have learned much about the benefits and bonuses offered by a national strategy of conservation. Industries which have eliminated energy waste have improved their profits and made the jobs of their employees more secure, just as the practice of energy thrift has enabled families to make significant savings in their budgets. The fewer billions we spend on OPEC oil, the more billions we will have to spend on products and projects that benefit everyone in this country.

A well-designed energy conservation program will strengthen our economy in the years ahead. If the U.S. is a lean and efficient country, it will be stronger socially and economically. Conservation will mean shifts in patterns of investments and industrial growth—but will not mean reductions in employment.

To appreciate this prediction, it must be recognized first that the energy industry, while capital intensive, provides relatively few jobs. Today the energy industry accounts for nearly 10 percent of GNP but provides only 3 percent of American jobs. Dollars spent on energy generate fewer jobs than dollars spent elsewhere in the economy. To be more precise, it requires an investment of about $150,000 to provide for one permanent job in the energy industry, whereas only $22,000 is required in general manufacturing. So whenever we substitute better workmanship, more efficient machines or more carefully designed systems for wasteful energy use, we not only employ more people in implementing the conservation program itself, we also employ more workers when we spend the released dollars that no longer must be invested in producing energy.

While broad economic projections are always uncertain, the results of a pioneer University of Illinois study which attempted to calculate the energy and jobs consequences of diverting $5 billion from the highway construction program into other sectors, are instructive about the effects of various priorities. If the $5 billion were diverted to railroad and mass transit construction, the study calculates there would be a net saving of 61 percent in energy and a net gain of 3 percent in jobs. If the money were put into water and waste treatment facilities construction, there would be a 41 percent reduction in energy use and a very small—around 1 percent—increase in jobs. If the money were spent on the construction of education facilities, there would be a 36 percent decrease in energy use and a 5 percent increase in jobs. If the same sum were to be spent on national health insurance, there would be a 64 percent reduction in energy required and a huge 65 percent increase in jobs. If spent on improving the police and criminal justice systems, the $5 billion would mean a 3 percent loss of energy, but again, a huge 53 percent increase in jobs. And finally, if you took the $5 billion away from the government completely and gave it back to the people through tax reductions, there would be a 23 percent decrease in energy use and a 7 percent increase in jobs.

These predictions may not prove to be absolutely accurate, but the general trends are undeniably clear. Tens of thousands of new jobs can be created if we use our wealth and technology creatively. For example, Governor Milton Shapp of Pennsylvania has developed a plan—recently endorsed by other Eastern Governors—to rehabilitate the nation's railroads by investing $2 billion to $3 billion annually in restoring roadbeds and new rails and rolling stock. Shapp's studies show that such a program would create over 400,000 new jobs. Other areas where energy-efficiency and economic revitalization could go hand in hand are:

Building more subways and modernizing mass transportation in all of our cities;

Providing the machines and incentives to bring to birth new resource recycling industries in all parts of the country;

Giving an impetus to urban housing improvement programs which will make our cities more compact, more efficient, and more livable.

These are but some of the neglected areas of our national life where we can generate jobs that will utilize the full potential of America. These activities will require energy, but they will represent a rejection of the idea that we can work our way back to prosperity by building more gas guzzling cars, more energy-wasting glass houses, and more and more junky, resource-wasting products.

U.S. energy use soared in the past twenty years not because of need, but because energy was seemingly so cheap and so abundant. But now our wasteful economy is in serious trouble. The solution lies in learning to get to work, keep warm, and to run factories with less energy per unit of service. That clearly can be done and is being done. If we do this, the energy required per dollar of GNP will also go down—and the money saved can create thousands of new jobs. Once the full genius of U.S. know-how is brought to bear on the problems of energy efficiency, a stronger and sounder economic system will be created.

One thing is certain. The worst mistake any society can make in a time of rapid change is to stand pat. Each month we continue energy consumption as usual, we are forfeiting valuable options. If we are willing to make some hard decisions now—and begin stretching our oil resources now—we can save tomorrow's jobs and share our remaining petroleum resources with future generations as well.

FRANKLIN R. LITTLE—A SPOKESMAN FOR NEW YORK'S NORTHERN FRONTIER

Mr. JAVITS. Mr. President, with the death of Franklin R. Little, New York's northern frontier has lost a loyal and and effective spokesman. As chairman of the board and chief executive officer of the Northern New York Publishing Co., he provided a vital service to the citizens of St. Lawrence County for over 50 years.

Dedicated to preserving the natural beauty of the St. Lawrence River, most recently Frank Little editorialized firmly in favor of a "green belt." And, with equal strength he sought industrial development for that region and fought vigorously on behalf of the Massena powerplant. He respected the importance of the business community, and in recognition of that fact he was elected president of the Northern Federation, the Ogdensburg, and the St. Lawrence Counties Chambers of Commerce.

Although he spent most of his time in St. Lawrence County, the voice of Frank Little went far beyond the State of New York. He was a former director of the Associated Press, a vice president of the U.S. Society of Editors and Commentators, and a founder of the New York Society of Newspaper Editors.

Frank Little will be long remembered in the north country for his achievements as an outstanding journalist, and for his interest and active participation in civic, business, and environmental affairs. He was my friend during all the years I have held statewide office.

I ask unanimous consent that an article and editorial from the Watertown Daily Times also a major voice in the north country and with which Frank Little had his differences, regarding Franklin R. Little be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Watertown Daily Times, Apr. 22, 1975]

FRANKLIN R. LITTLE

Franklin R. Little, who died Sunday, aggressively championed St. Lawrence county, Ogdensburg, and the river valley. His newspapers, particularly the Ogdensburg Journal which he personally directed, recorded in ample detail his crusades, whether in behalf of the seaway, Massena power, or a self-applied antipathy toward the Watertown Daily Times. Personally as a man he always seemed most friendly to the editors and staff of this newspaper, so his frequent words about The Times we came to accept as a public display of brotherly disaffection which really didn't exist in his heart. If his provocations were based on a failure on our part to rise to the attack, he probably didn't receive the kind of satisfaction he wanted, but on the occasion of his death, we record our full remorse and are glad that we exercised self-denial.

Frank Little possessed a prodigious memory. He enjoyed tremendously visiting with leaders, state, federal, and international. His stories about his interviews had to be based on his memory because it would have been humanly impossible to take notes on the many details of his observant eye and ear. Many was the occasion when he traveled to Albany, New York or Washington and reported with thoroughness in the columns of his newspaper. He was energetic and enterprising, and in his observation, most dedicated to his newspapers and to his readers. He could write both with invective and with enthusiasm. He would frighten and he would please. He was unafraid and courageous.

As a businessman he was most successful in carrying out his desires as an editor. Originally he joined with the late Frank Gannett in the purchae of the Ogdensburg Journal in 1928. In that relationship he took the leadership in acquiring the Massena Observer, the Ogdensburg Advance News, the Potsdam Courier and Freeman, and the St. Lawrence Plaindealer. He took over 17 years ago the compelte ownership of these newspapers to the extent that they were part of the Gannett organization. Thus not only did he preserve several weeklies in a day when such publications dwindled in numbers in the nation, but also he allowed them to maintain their voices in their respective communities.

At the age of 74 Mr. Little's career ended after several years of illness. Nevertheless he wrote regularly, including an editorial as recently as last Thursday when he recommended a green belt in Ogdensburg to preserve the beauty of the St. Lawrence river for this and future generations. There may even be more comments stored in his editorial bank.

His middle name which began with R causes confusion upon his death. It may come out Rockefeller. Governor Nelson Rockefeller often invited his "cousin" to sleep in the mansion at Albany when newspaper editors made their annual trip to the Capitol for briefings on the state budget. Sometimes the spelling of the middle name came out with "a" rather than an "e", suggesting a different branch of the family. His father was Dr. Wilbur Taylor Little. His mother was Florence Rockefeller, spelling not clear, of a pioneer family in Colorado. His name was also known to have been spelled as Rockafellow, a form that we believe was correct. However, as so frequently happens, names in newspapers often go through interesting mutations.

After 50 years of being editor and publisher in Ogdensburg, Frank Little will be missed by his friends and those he may have misconceived as his enemies. In death he may want to continue his differences with this newspaper, but it would strain his talents to take exception to the foregoing comments.

FRANKLIN R. LITTLE DIES; NEWSPAPER PUBLISHER

OGDENSBURG.—Franklin R. Little, 74, chairman of the board and chief executive officer of the Northern New York Publishing Co., died at 6 a.m. Sunday at A. Barton Hepburn Hospital, where he had been a patient since last Monday. He had been in failing health for four years.

He dictated his final editorial for publication Friday. In it, he supported the creation of a "green belt" along the waterfront here as part of an urban renewal project.

Funeral services will be at 10:30 a.m. Wednesday at the McLellan Funeral Home and at 11 at St. John's Episcopal Church, Ogdensburg. The body will be cremated. He stipulated that half of his remains be buried next to his wife's and that the remainder be scattered in Colorado.

Friends may call at the McLellan Funeral Home, 400 Caroline St., today and Tuesday in the afternoon and evening.

He is survived by two sons, Franklin P., news editor of the Harrisburg Patriot-News, Harrisburg, Pa., and George R., Potsdam, president of the Northern New York Publishing Co. and editor of the Potsdam Courier and Freeman.

SON OF DOCTOR

Mr. Little was born Sept. 10, 1900, in Canon City., Colo., the son of Dr. Wilbur T. and Florence Rockafellow Little. His father was one of the leading specialists in tuberculosis in the West and was one of the pioneers with the late Dr. Solley of London, England, and Colorado Springs, in the early study of the influence of climate in the treatment of tuberculosis. Dr. Little was chairman of the committee of physicians named to design and supervise the building of the medical department at the University of Colorado.

Franklin R. Little was graduated from Princeton University in 1922 and began his newspaper career in Colorado where he was a member of the advertising department of the Colorado Springs Gazette and Telegraph.

In 1921 he married Miss Janet Pennoyer. The couple moved to Williamsport, Pa., in 1925 when Mr. Little became advertising manager of the Williamsport Sun.

GANNETT PARTNERSHIP

They came to Ogdensburg in 1928 when Mr. Little and the late Frank E. Gannett of Rochester purchased the Ogdensburg Journal from A. Eugene Sansoucy. The men formed the Ogdensburg Publishing Co.

The men remained in partnership 30 years, purchasing the Massena Observer from Leslie C. Sutton in 1937, purchased the Ogdensburg Advance-News in 1940 from Frederick C. King and Joseph Brandy and acquiring the Potsdam Courier & Freeman from the late Congressman Bertrand E. Snell in 1949.

The corporate name became the Northern New York Publishing Co. in 1937, following purchase of the Observer.

In October, 1958, controlling interest in the corporation was sold to Mr. Little by the Gannett Co., with Mr. Little, who had been serving as secretary-treasurer of the corporation, becoming president.

He was president until 1973, when his son George was elected, while he continued as chairman of the Board of Directors and chief executive officer of the corporation.

The fifth St. Lawrence County newspaper was added to the corporation in September, 1969, when Mr. Little purchased the St. Lawrence Plaindealer Canton, from Mr. and Mrs. Ralph J. Heinzen, Nutley, N.J.

Mrs. Janet Little, who had served as vice president of the Northern New York Publishing Co., died July 20, 1963, at Royal Victoria Hospital, Montreal, at the age of 63. Mrs. Little had been stricken with a rare paralyzing disease, Guillain-Barre Syndrome, while aboard the tour ship Kungsholm on a tour of the Orient with her husband.

Mr. and Mrs. Little had traveled extensively, with Mr. Little frequently addressing civic and school groups on his observations and experiences while abroad.

Mr. Little had traveled to India, the Orient, Africa, Russia and South Vietnam, Africa and the Middle East, having circled the globe several times.

He enjoyed writing of his meetings with such personages as Jawaharlal Nehru, Indira Gandhi, Abdul Nasser, Haile Selassie, Chiang Kai-Shek, and Nog Dien Diem.

HONORS

Honored by two Northern New York colleges, he received a North Country Citation at the Oct. 16, 1971, Homecoming Recognition Program at St. Lawrence University, Canton. The citation noted, "as publisher of St. Lawrence County's principal newspapers, he has provided a strong voice for Northern New York in the leadership councils of both state and nation."

He was awarded an honorary Doctor of Letters degree by Clarkson College of Technology, Potsdam in May, 1974. The citation accompanying the degree said in part: "For his ardent involvement in community endeavors; for his pursuit of excellence in North Country journalism and for his unerring pride in St. Lawrence County, Clarkson College expresses its high regard to Franklin R. Little."

In a statement this morning, Clarkson College President Robert A. Plane said, "Clarkson College is saddened by the death of Franklin R. Little, honory Clarkson alumnus. He will be long remembered for his loyal service to the North Country. Such loyalty to, and love for, the region will be sorely missed.

"But above all, we are saddened by the loss of a good friend and extend our sincere condolences to his family and friends."

Mr. Little was respected for his knowledge of business, news and advertising. He was a supporter of business and industrial development and actively sought a nuclear electrical power plant for this area despite the opposition of environmentalists.

He was a former director of the Associated Press, a vice president of the U.S. Society of Editors and Commentators, and was a member of the International Press Institute, the National Press Club, the National Newspaper Association and the Inter-American Press Association.

Mr. Little was a founder of the New York State Society of Newspaper Editors and had been a president of the Associated Dailies of New York.

He served as an officer and director of the New York Press Association, was a former director of the New York State Publishers Association, and was a director of the professional journalism society, Sigma Delta Chi.

He took an active interest in local affairs, having served as president of the board of trustees of the Ogdensburg Public Library and the Remington Art Museum.

He was also vice president and secretary of the Ogdensburg Bridge and Port Authority, chairman of the Ogdensburg Housing Authority and a trustee of A. Barton Hepburn Hospital.

He had been chairman of the Marine Midland Trust Co. advisory board at Potsdam, and president of the Northern Federation Chambers of Commerce and of the Ogdensburg and St. Lawrence County Chambers of Commerce.

He was a director of the St. Lawrence Council, Boy Scouts of America and the Ogdensburg Boys Club. Mr. Little was a member of the Ogdensburg Elks Club, the Ogdensburg Masonic Lodge and St. John's Episcopal Church.

JOHN M. BAILEY

Mr. RIBICOFF. Mr. President, John Bailey was one of my closest personal friends. More than 40 years ago as young men we started our political careers together. John's good works and memory will always have a unique place in the annals of Connecticut's history. He contributed so much to the success of the Democratic Party and to our State and Nation.

There will never be the likes of him again. John Bailey was an original. He was a political genius. So many in our State and Nation owe their political success to John's help, wisdom, and hard work.

John made my political career possible—as he did all those who attained prominence in the State of Connecticut for the past four decades. He was especially proud of his last victory—the election of his protege, Ella Grasso, as Governor of the State of Connecticut. John Fitzgerald Kennedy, too, would not have become the President of the United States were it not for John's help, dedication, and friendship.

A great Democrat, yet he always planned and worked for the nomination of candidates to high public office who, when elected, would serve the people of our State and Nation free from party politics and with the highest distinction.

John Bailey left a great legacy to good and wise government. The greatest legacy of all, however, will be found in a special and great lady who was his wife, Barbara, and their outstanding children and grandchildren. They will carry on his memory and good works for many years to come.

After his death, his memory and achievements received extensive comment and tribute. One of the most moving came at the Mass of Christian Burial for John. The Cathedral of St. Joseph was filled to capacity by family and friends as Msgr. John S. Kennedy gave a sensitive and thoughtful homily about John's life and service.

I would like to share this and the many other memorable comments about John with you. I ask unanimous consent that the material be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Homily Delivered by Msgr. John S. Kennedy, Editor of the Catholic Transcript, at the Mass of Christian Burial for John M. Bailey in the Cathedral of St. Joseph, Hartford, April 12, 1975

In the Gospel passage just read, Jesus is enunciating a principle which he intends to have prevail in the Christian Church.

Leadership there, authority and power there, are to take the form of service. The first places are not to be a license for self-aggrandizement, an excuse for lording it over people. The occupants of those places are so situated not to be served, but to serve and, it may even be, to lay down their lives for the community.

This rule cannot be transferred entire to the political sphere. There the concern is chiefly with the conduct of temporal affairs. There, too, men and women may quite properly propose themselves for office and seek election. Yet those who are entrusted with the public business would do well and wisely to reflect on the conception of service and sacrifice presented in the Gospel, and make it the norm for themselves.

The fact is that many do something of the sort. Were this not the case, a political system such as ours (of, by, and for the people) would be subverted. When it is not the case, our system is damaged, and the people sorely penalized.

Scandalous failures in this respect have led some people to attach opprobrium to the very word "politician," as if it were indelibly dyed with dishonor. But this is irrational. It is like saying that because some baseball players generally strike out, all baseball players always strike out or that because some surgeons are bunglers, all surgeons are butchers.

The political system is indispensable, and if it is to work, it requires expert handling, continuous professional attention. Which is to say it requires politicians. To expect perfection of them is to expect something which is not demanded of people in any other line of endeavor. A reasonable standard of conscientious performance should suffice. If anything, we probably are not grateful enough to those who keep the system working.

John Moran Bailey was a professional politician. The spell of politics was cast upon him in his boyhood, and this fascination was to be lifelong.

As a young man, he played a small role in one section of the local stage, and from this he moved on to bigger parts in the city, the state, the nation. This is not the time or the place, nor have I the competence, to judge his record. Indeed, the complete record of all aspects of his life has now been definitely judged by the highest authority.

But it should be said that, whatever recognition or reward his political career brought him, that career can be perceived as one of service—service to the community, the commonweal, the people.

It was exciting for him at times, but exacting as well. It could be tedious, burdensome, wounding. Much of the long journey was at a plodding pace, and in buffeting weather. But he stayed the course. He rendered an essential service, creditable service.

He was a public man who, curiously, was also a very private man. For the most part, he was not demonstrative or even ordinarily expressive. It was hard to read his face, and he rationed his words.

But during the long illness which wrestled him slowly down to death, he revealed something of his exceptional personal quality. He suffered, but it was without complaint. The strength of his patience and the buoyancy of his spirit impressed everyone who watched the grim and finally unequal struggle. He was a mettlesome man.

His wife and his children were his joy and his comfort. Theirs is the greatest loss in his passing, which is a loss to many and to the political process. He lived by Christian faith. He died in Christian hope. May he be at peace in the glorious light of the Resurrection.

[From the Washington Post, Apr. 16, 1975]

Politics, "Bailey-Style"

(By David S. Broder)

The last time John M. Bailey appeared at a national Democratic Party function was last December in Kansas City. The 70-year-old Connecticut boss and former chairman of the Democratic National Committee, ravaged by the cancer that killed him last week, was given appreciative applause by the delegates to the party's first mid-term mini-convention.

That sentimental gesture did not cloak the fact that it was hail and farewell in more than the personal sense. For the kind of party envisaged by the charter adopted in Kansas City has little room in it for future John Baileys. The organization leader or boss he symbolized is scorned by both the public and the party activists nowadays.

Even more than Chicago Mayor Richard J. Daley, Bailey was the archetype of the boss. He was the pure organization man, who ran the Connecticut Democratic party for a record 29 years without ever holding elective office.

His real power was his influence—amounting, at times, to virtual control—over the Democratic nominating process. He guided or strong-armed the selection of the party's candidates for state and federal office for almost three decades, manipulating the Connecticut convention system like the superb inside operator he was. That kind of power is the prime target of the rules changes enacted by the Democrats, by Congress and by the state legislatures in recent years, but the reformers have yet to prove their "open" system works as well as Boss Bailey's tactics.

There is no doubt that his long reign saw some cruel blows dealt to the ambitions of able contenders; often, there was arbitrariness in the punishments and rewards.

An obscure retired Army colonel named Frank Kowalski saw himself converted into an instant congressman in 1958 because he fit the ticket envisaged by John Bailey. That same Frank Kowalski, grown too big for his britches, was broken by Bailey four years later when he had the temerity to challenge Abe Ribicoff for the Senate nomination.

But over the years, the hallmark of Bailey's candidates was their quality. His long tenure and his success came because he never underestimated the electorate or forgot that the voters had the ultimate voice in deciding who held office. As long as the organization was responsible for picking those who represented the party, he was fully prepared to be held accountable for the character and competitiveness of his nominees.

He was a boss who understood far earlier than most reformers that increasingly educated and independent voters demanded candidates whose ability and integrity were greater than their loyalty to the machine. The first governor he helped elect was Chester Bowles and the last was Ella Grasso. His greatest political creation, Abe Ribicoff was given his chance to run for governor only a year after a rift with the Bailey organization that Ribicoff himself thought had ended his career.

John Bailey did not talk the reformers' jargon of affirmative action, but he understood both the worth of individuals and the attraction of the balanced ticket. In his time, he helped bring the first blacks to statewide office, the first Jew and the first woman to the governorship, and the first Catholic to the presidency.

He was able to maintain discipline in his organization because he kept tight rein on his own emotions and appetities. He understood that ambition and greed are part of politics, as they are part of human nature. He never was captured by the myth that laws or regulations could purge politics of such crass concerns. But by restraining his own hunger for glory and gain, he avoided for 30 years the stain of scandal that has destroyed so many other dominant party organizations.

John Bailey believed in a political party that was vigorous and outspoken when in opposition, and supportive of its officeholders when in power. When John Kennedy made him national chairman, Bailey gave him only one promise, and kept it: "I won't get you in trouble." Other, later Presidents might have valued such a principle in their political aides.

Bailey and his style of politics were anathema to some, but he survived and outdistanced them. The late Tom Dodd, who never accepted Bailey's leadership role, proclaimed after the party's defeat in 1970 that "the Democratic machine under John Bailey is now defunct."

He could not have been more wrong. The organization Bailey built gave the old and ailing boss one last, great victory in 1974.

Now cancer has conquered what no political foe could defeat. The loss will be felt by those who knew John Bailey. But it will be felt even more by those who, not having known him, missed what may well have been their last best lesson in political responsibility as taught by a party boss.

[From the Hartford Courant, Apr. 11, 1975]

John Bailey, Democratic Chairman, Dead at 70—Is Mourned by Leaders Nationwide

John M. Bailey, who guided the state Democratic party to unprecedented power and helped elect John F. Kennedy as president of the United States, died Thursday at 2:15 p.m. in Hartford Hospital. He was 70 years old.

Bailey, chairman of the Democratic State Central Committee since 1946, died after a two-year battle with throat cancer.

The lifelong Hartford resident became Democratic national chairman after Kennedy's victory in 1960, as the first Roman Catholic president in U.S. history, and remained in that post until 1968.

MOURNED NATIONWIDE

Statements mourning Bailey's death were issued by political figures across the state and nation, many of whom owed their careers to his guidance.

Gov. Grasso, whose triumph as the nation's first elected woman governor in her own right was Bailey's last political victory, described her longtime mentor as "a noble warrior who brought to the political arena the rare combination of vision, judgment and respect that made every combat an exercise in excellence."

Flanked by the state constitutional officers elected in Bailey's last campaign, Mrs. Grasso, her voice strained, told a crowded State Capitol press conference that Bailey had "a special sense of decency and civility that made the political process and all of us better than we were."

She quoted a newsman who once wrote, "All of John Bailey's enemies live to fight another day on his side."

DEMPSEY AT HOSPITAL

Former Gov. John N. Dempsey, also a Bailey disciple, said he had arrived at Hartford Hospital Thursday afternoon "to find the doctor looking for me. I walked into his room just as God took our good friend home."

The news of his father-in-law's death reached House Speaker James J. Kennelly of Hartford while he was presiding over a roll-call vote in the Hall of the House. He turned pale and left the podium to speak with House Majority Leader William A. O'Neill of East Hampton.

O'Neill gave the news to the legislators and said Kennelly had urged them to carry on as Bailey would have wished. After a moment of silence, the House did so.

In Washington, Sen. Edward M. Kennedy, D-Mass., said, "Those of us who want politics to be held in esteem by the citizens of this country need only adhere to the standards which were so natural to John."

POLITICAL GENIUS

U.S. Sen. Abraham A. Ribicoff, who was elected Connecticut's first Jewish governor under Bailey's tutelage, said, "There will never be the likes of him again. John Bailey was an original. He was a political genius."

Said Connecticut's Republican U.S. Sen. Lowell P. Weicker Jr., "He was a fighter. He was a winner. I'll miss him."

U.S. Sen. Hubert H. Humphrey, D-Minn., who became a Bailey friend during the administrations of Kennedy and Lyndon B. Johnson, said that even as national chairman, Bailey "never forgot where his home was . . . Even though I wasn't acquainted with the politics of Connecticut, I heard a great deal about it."

Lawrence F. O'Brien, who succeeded Bailey as national chairman, said, "John Bailey was in the true sense a political pro . . . He was a political leader of integrity who was nationally respected."

PERSONAL TRIBUTE

The present national chairman, Robert Strauss, recalled, "The warmest moment at the Democratic conference in Kansas City last December was when I presented John Bailey and the delegates stood and cheered with great affection. Many of us knew it would probably be his last convention. It was a very moving occasion . . . as well as a personal tribute to John."

State Democratic Vice Chairman Katherine T. Quinn, who worked at Bailey's side for more than 30 years, said, "John Bailey did more good for more people over a longer period of time then any other citizen of Connecticut."

Another longtime Bailey associate, U.S. Rep. William R. Cotter, D-1st Dist., called the chairman "one of a kind, a great political leader. Connecticut has lost a statesman."

Lt. Gov. Robert K. Killian said a little-known Bailey quality was his "keen sense of humor—the fact that he was the champion needler of all time . . . He knew my foibles and failings and took advantage of every one."

Republican leaders whose ambitions were so often foiled by Bailey's political skills were unanimous in mourning his passing.

Said Republican State Chairman Vincent A. Laudone, "His passing leaves a void in the state of Connecticut which will probably never be filled in quite the same way again. He was a giant among political personalities and a true gentleman in every sense of the word."

Former GOP State Chairman J. Brian Gaffney called his rival "one of the fairest men I ever met. His word was good."

Former Republican Gov. Thomas J. Meskill said "The leadership which he gave his party was largely responsible for its growth and success in Connecticut."

And U.S. Rep. Stewart B. McKinney, R-4th Dist., said "I only wish he had been a Republican."

[From the Hartford Courant, Apr. 11, 1975]

PARTY CHAIRMAN, ALWAYS TOUGH, NEVER GAVE UP

(By Jack Zaiman)

If ever a profile in courage is written in Connecticut about someone in politics and government, it will be written about John M. Bailey. He died, as he wanted, with his boots on.

He wouldn't give up. To the end, he was still talking to people and clearing patronage. This was the Democratic party he had created in Connecticut, this was his rags-to-riches political career from Hartford precincts to the White House. This was his life and he yielded it reluctantly and grudgingly, by inches, to death.

What a marvelous political career! He transformed Connecticut from a conservative Republican state to one that is moderate-liberal Democratic. He made governors, he made U.S. senators and he helped make John F. Kennedy president.

He became an institution in Connecticut, being a state chairman longer than any other man in history. He was a political boss, yes, and a power broker. He was a total politician.

It was his job to grab the patronage for the Democrats and he did. It was his job to win elections and he found candidates who could win for him and the party. He did all a Democratic state chairman was supposed to do. In politics he worked 24 hours a day, seven days a week. He loved every minute of it.

They couldn't keep him in his hospital bed. He amazed everyone by coming to Gov. Grasso's inaugural and to the ball that followed. "I wouldn't miss it," he said in a voice choked by cancer. He amazed everyone again by coming to the Jefferson-Jackson Day Democratic fund-raiser at the Hartford Hilton March 1.

He could hardly stand. Yet, when a reporter asked how he felt, his reply was "good." Everyone else knew different.

POLITICAL MENTOR

"He was my political mentor," Mrs. Grasso said the other day. Above all, his family will miss him. But Mrs. Grasso will miss him, too—his instinctive political reactions, his desire to do well by his state, his joy at being with people who could talk politics and trade stories about the close ones, and, for laughs, the runs, hits and errors of politics.

Running side by side with Bailey over nearly 40 years of Connecticut politics, watching and analyzing his moves, I can say that he has written the unwritten rule book of modern politics in this state. His style was instinctive politics—an automatic political reaction to almost anything that happened.

In 1946, when Bailey became state chairman, a reporter said to him: "What do you want it for? You're going to get your block knocked off in the election."

"I have to take it," said Bailey. "You take it when it comes. It may never come around again."

Bailey's block was knocked off in 1946 by close to 100,000 votes in the state election.

When he ran for probate judge in 1940, and he got his block knocked off when all other Democrats were winning, he said: "Never again. You're either a leader or a candidate. Not both."

DIDN'T STAY ANGRY

He begged a reluctant Abraham A. Ribicoff to run for the U.S. House in 1948 and made his career. He got angry at Chester Bowles in 1946 and then got friendly again in 1948. The rule: don't stay angry.

Above all, loyalty! Bailey was Tom Spellacy's man in Hartford, and everyone knew it. But, against Spellacy's wishes, Bailey supported the late Gov. Robert A. Hurley for renomination in 1944. Why? Because Hurley had appointed him statute revision commissioner, a job now known as legislative commissioner. "You're loyal to the guy who appoints you," explained Bailey at the time.

Again he broke with Spellacy in the famous Hartford Democratic primary in 1946, a primary that led to Bailey's appointment as State chairman. Bailey beat Spellacy, among others, in that fracas. Yet, years later when Ribicoff was governor, Bailey got Spellacy appointed state insurance commissioner.

SOFT SPOT

For Bailey had a soft spot in his heart for "long Tom," as Spellacy was known. He was Spellacy's runner in Hartford—the messenger—and he learned much of his political wisdom from him. He also learned what not to do and that was to stay angry. "Spellacy used to stay mad at people," Bailey said. "Not me."

What was Bailey's biggest disappointment? He hated, of course, to lose a political fight or an election. Those were disappointments.

Could it be, perhaps, that his biggest disappointment was the refusal of Bowles, when he was governor in 1949, to appoint Bailey to a vacancy term in the U.S. Senate? This was the vacancy caused by the resignation of Raymond E. Baldwin.

Bailey promised that he wouldn't seek the full-term election later. All he wanted was the honor. But Bowles, who then was looking to be president, thought it would look bad to the country for him to appoint a politician as a U.S. senator. So he appointed the late William Benton as senator. Soon, Benton and Bailey were close friends.

The one who never forgot Bailey's rejection by Bowles was Katherine T. Quinn of Wethersfield, the Democratic state vice chairman who perhaps has been Bailey's closest political friend. They started out together in politics in the 1930s and they stayed together.

While national chairman in the 1960s, Bailey would on occasion come home to sit around with old friends. But a reporter never could get him to talk about the inside of the Kennedy Administration. "I don't want them thinking down there that I'm shooting off my mouth in Connecticut," he said.

TOLD STORY

But he often told the story about sitting around with Kennedy and chewing the fat. Bailey said he looked at the White House floor while they were talking and noticed that it was full of little holes.

Kennedy saw him looking at the holes. "You know what those are?" Kennedy said. "Eisenhower made those with his golf shoes while running in and out to practice shots out on the lawn."

How did Bailey get along with his Democratic governors? Very well. The rule was laid down by Ribicoff, and Bailey followed it to the letter. "I run the government," said Ribicoff, "and you (Bailey) run the party."

And that's the way it has been.

There are hundreds of stories about Bailey and the world he lived in.

KNEW DEATH COMING

But the story that stands out now as one looks at the career of this remarkable boss and power broker is this one:

He knew he was going to die, for he spoke about it to friends. But he wanted that last big one, the taste of that last victory. He wanted, like everything, to win that 1974 gubernatorial election.

He had pulled off the biggest deal of his late career—getting U.S. Rep. Ella T. Grasso and then Atty. Gen. Robert K. Killian, two of his closest friends, to make peace. Nobody thought he could do it. But, ill as he was, he did it. And, ill as he was, he led his party to victory in 1974.

"He wanted to get Ella started off well," a friend said the other day. So, from his hospital bed, he "worked" the telephone. He summoned politicians to his bedside to get patronage straightened out. Mrs. Grasso visited him nearly every day.

Then, one day, the "no visitors" sign went up on Bailey's door and everyone knew that he had gone as far as he could go.

RITES SCHEDULED SATURDAY FOR PARTY CHAIRMAN

The funeral of Democratic State Chairman John M. Bailey will be at noon Saturday at the Cathedral of St. Joseph, 140 Farmington Ave.

The funeral procession will leave Bailey's home at 150 Scarborough St. at 11 a.m.

Burial will be in Cedar Hill Cemetery on Fairfield Avenue. The Ahern Funeral Home, 180 Farmington Ave., has charge of arrangements.

Calling hours will be today from 2 to 5 p.m. and 7 to 9 p.m. at the Bailey home.

Pallbearers will be Frank Daly of West Hartford, former Hartford Democratic Town Chairman Michael J. Zabbaro, Dr. John Winters of West Hartford, Atty. Joseph P. Cooney of Hartford, U.S. Rep. William R. Cotter of Hartford, Atty. Stephen K. Elliott of Southington, Dr. Thomas Murphy of West Hartford and John Budds of West Hartford.

Bailey leaves his wife, the former Barbara Leary; a son, Atty. John Michael Bailey of Colchester; three daughters, Mrs. Barbara Kennelly of Hartford, wife of House Speaker James J. Kennelly; Mrs. Louise Kronholm of West Hartford and Mrs. Judith Perkins of West Hartford, and 12 grandchildren.

Memorial contributions may be made to the American Cancer Society or other charity.

[From the Hartford (Conn.) Courant, Apr. 11, 1975]

BAILEY'S POLITICAL STYLE: CONTRADICTION IN TERMS

Damned as a political boss, revered as a political master, John M. Bailey was a contradiction—a cigar smoking Harvard educated lawyer who thrived on the machinations of politicas at any level. He knew them all, ward, city, state, national.

He lost by a wide margin the only elective office for which he ever ran. That was in 1940 when he ran for Judge of Probate in Hartford. Everybody else on his ticket rode Franklin D. Roosevelt's coattails to landslide victories.

But just six years later he became state Democratic chairman. Ten years after that, in 1956, he was pushing hard for a young Massachusetts senator named John F. Kennedy to be nominated vice president.

Bailey failed, only to help elect Kennedy president in 1960. Bailey won Kennedy's approval to become national Democratic party chairman.

He left his national post in 1968, but was still the head of the state party at his death.

John Moran Bailey was born on Nov. 23, 1904, in Hartford's old east side. One biographer has said he was weaned on politics.

His father was Michael Bailey, a doctor who found time to serve on the Board of Education, the Common Council and the Board of Aldermen.

His mother was Louise Moran Bailey. She was the first woman to serve as vice chairman in the Second Ward, where her son was to learn the rudiments of politics. When she was appointed to the Hartford Juvenile Commission, she became the first woman city commissioner.

Bailey attended St. Peter's Parochial School, Hartford Public High School and Catholic University. There he was quarterback of the football team, a member of the basketball team and captain of the baseball team.

After college he enrolled in Harvard Law School and was graduated in 1929. While in law school he met Barbara Leary of Mansfield, Mass. He married her four years after his graduation from law school and after he had begun his political career.

That beginning came in late 1929 when he tangled with Hartford's veteran political boss, Thomas J. Spellacy, for control of his family's own Second Ward. Bailey lost and a short time later became Spellacy's ally.

In 1931 Bailey received his first paid political post, secretary to then-Hartford Mayor William Rankin. The pay was $19.75 a week.

In 1933 he was appointed judge of Hartford Police Court, served as its clerk from 1935–39, then as judge again until 1941, when he was appointed state statute revision commissioner.

This post placed him in close daily contact with state leaders. And Bailey had not been inactive during his years in Hartford. As Spellacy's lieutenant he had made some state contacts and from 1937 to 1941 he served as treasurer of the National Young Democrats.

In 1944, Bailey broke with Spellacy over the best choice for the gubernatorial nomination. Bailey's favorite lost and two years later, as punishment, Bailey was dropped from the State Central Committee.

But somehow, in that same year, supposedly deprived of a power base, Bailey won control of the Democrats' state convention, named his own slate of candidates and was elected state chairman.

His candidates lost in state elections, however, and he spent a rough two years until the next election. His chairmanship remained secure through it all. Nobody else wanted it, he later claimed. After that loss, Bailey lost only two other gubernatorial elections, the latest in 1970.

His power was so great that Republicans often campaigned against Bailey instead of the Democratic nominees.

For a man usually at work behind the scenes, Bailey's finest hour may have come at the podium of the Democratic National Convention in 1964. The Courant reported it this way:

"John M. Bailey looked out over the roaring sea of Democrats and gavelled for order.

"The steady roar continued and Bailey pounded on.

"Suddenly he stopped. A wry smile crept over his face. Back to the microphones he stepped. Into the bedlam of the convention he boomed:

"Will the delegation from Connecticut please be in order!

"Up went the glasses to the familiar forehead perch. He stood there grinning at Gov. Dempsey and the laughing faces in the delegation.

"This was the greatest night of his political career and he was enjoying it."

Earlier in the week he had told some of the state delegation how he would handle the convention.

"We'll hit that gavel hard; away we'll go and hope we get through it all right."

Bailey led the Democratic party to gubernatorial victories in 1948, 1954, 1958, 1962 and 1966. His candidates lost in 1946, 1950 and 1970.

In 1974 came a big test when two of his close personal and political friends, Robert K. Killian of Hartford and Mrs. Ella T. Grasso of Windsor Locks, clashed over the Democratic gubernatorial nomination. The contest between the two became bitter.

Eventually, Mrs. Grasso took an insurmountable lead for the nomination. Killian, deeply hurt, indicated he would step out of politics. Democrats feared an Irish-American defection from the party would result along the lines of 1970.

In that year, an Irish-American defection caused the defeat of Emilio Q. Daddario of Hartford, the Democratic gubernatorial nominee. Daddario, early in the campaign, had indicated he might replace Bailey as state chairman.

In 1974, Bailey sought to avert the same defection by inducing Mrs. Grasso and Killian to make peace. After considerable behind-the-scenes work, Killian agreed to run for lieutenant governor. The threat of a defection was ended.

Mrs. Grasso was elected by a margin of 203,000 votes in the 1974 election. Democrats swept the state. It was Bailey's sixth gubernatorial victory since he became state chairman in 1946.

Bailey's health began to deteriorate toward the end of the campaign. He was admitted to Hartford Hospital for treatment several times for cancer of the throat.

He continued to run party affairs from his hospital bed, talking to party leaders by telephone, summoning others in person. He was in the hospital on Jan. 8, the day Mrs. Grasso was inaugurated.

He left the hospital for the day's events. He attended an inaugural luncheon at the Hartford Hilton. Then he went to the inaugural at the State Capitol. Later, he had dinner with Mrs. Grasso at the Governor's Residence. Then he went to the Governor's Ball at the State Armory. He received an ovation there.

Then he went back into the hospital.

Occasionally, he was released from the hospital to go home. But his condition was such that he had to return to the hospital after a few days to be cared for. Mrs. Grasso visited him nearly every day. He talked to party leaders on the telephone. Others came to his bedside, at his invitation, to talk political business.

On March 1, he insisted on going to the Democratic Jefferson-Jackson Day fund-raising dinner at the Hartford Hilton. He got an ovation from the more than 1,500 Democrats who attended. He spoke briefly. He stayed until the dinner was over and then was driven back to the hospital.

It was his last political hurrah.

PARTY CHIEF PORTRAYED AS LOVER OF POLITICS

Former Gov. Wilbert Snow of Middletown, who started John M. Bailey on his career as Democratic state chairman in 1946, Thursday described him as a man "who loved the intricate game of politics more than any man I ever knew."

"It was strange to me," said Snow. "But he was like a horse raring to go for a race."

Snow, who is 92, was the Democratic nominee for governor in 1946. He won the nomination with the support of Bailey, who was then just a Hartford party leader. As a reward, Snow designated Bailey as his choice for Democratic state chairman and the State Central Committee named him.

"He had a gift of leadership," Snow said.

"He knew I was going to lose in 1946 and he told me so," the former governor said. "So he took several thousand dollars from the campaign that year to set up a new Democratic headquarters in Hartford."

Snow lost by some 100,000 votes in 1946.

"I gave him his real start," said Snow, who served as lieutenant governor in 1945 and 1946 under Gov. Raymond E. Baldwin, and served as governor 13 days after Baldwin resigned to serve in the U.S. Senate.

"By nature," he said "he was not a liberal but a lot of us tried to make him one. At heart, he was very conservative."

"We became very good friends," said Snow.

Snow expressed his deepest sympathy to Bailey's family.

[From The Hartford (Conn.) Times, Apr. 11, 1975]

FUNERAL FOR JOHN BAILEY SATURDAY

John Moran Bailey, chairman emeritus of the Democratic National Committee and leader of his party in Connecticut for 28 years, died at 2:15 p.m. Thursday at Hartford Hospital. He was 70.

His funeral will be Saturday noon at the Cathedral of St. Joseph.

Gov. Ella T. Grasso, whose career in politics had been encouraged and enhanced by Bailey, said, "Now is a time of sadness—of very special sadness."

Expressions of regret over Bailey's death and of sympathy for his family were coming today from top personalities in public life.

Former Gov. John N. Dempsey, who had arrived at the hospital only a few minutes before Bailey died, said with some difficulty during an emotional moment Thursday that his long-time friend in politics was "a man of great compassion."

Calling hours will be at the Bailey home, 150 Scarborough St. from 2 to 5 and from 7 to 9 p.m. today. After the funeral Saturday, burial will be at Cedar Hill Cemetery.

Bailey's death was reported to the State Capitol, where the decision was made immediately to continue with the General Assembly session because it was felt Bailey would want no interruption of the business of the state.

His son-in-law, House Speaker James J. Kennelly, broke the news to legislative colleagues.

Thursday night, this list of pallbearers was given by the Ahern Funeral Home, which is handling arrangements: Frank Daly of West Hartford, Dr. Michael Zabbaro of Hartford, Joseph P. Cooney of Hartford, U.S. Rep. William R. Cotter of Hartford, Stephen K. Elliott of Southington, Dr. Thomas Murphy of West Hartford and John Budds of West Hartford.

Bailey, who was national chairman under the late Presidents John F. Kennedy and Lyndon B. Johnson, succumbed at last to throat cancer that afflicted him about two year ago.

He had never surrendered to his illness in spirit, however, and had been politically active, alert and consulted in a year of special accomplishment for him.

That was the election in November of Gov. Ella T. Grasso, the first woman in the nation to attain that office in her own right, and the return to power this year of Democrats on Capitol Hill.

Bailey, who had become one of the country's most successful and durable political strategists in a career covering 40 years, forged the ticket headed by Mrs. Grasso in a bit of finesse and diplomacy at his Scarborough St. home last June.

Through his persuasion, former Atty. Gen. Robert K. Killian agreed to run for lieutenant governor with Mrs. Grasso after Killian had battled mightily for the gubernatorial nomination.

Mrs. Grasso and Killian, both long-time political associates and friends of Bailey, swept to victory by more than 200,000 votes.

Bailey relished every moment of the campaign as it gained momentum under his experienced but off-stage direction and sense of timing.

Part of the time he had to watch from the hospital, where he had a phone by his bed. His stays there were becoming more frequent and for longer periods.

But the inauguration of Mrs. Grasso was almost as big an occasion for Bailey as it was for her.

The veteran chairman insisted on leaving the hospital to attend a luncheon for Mrs. Grasso. He was at the State Capitol when she took her oath of office that Jan. 8 afternoon and he escorted Mrs. Bailey to the formal Inauguration Ball that night.

In the early days of the Grasso administration, Bailey was back at the political work he loved—helping a governor choose the people who would make up the official family.

Bailey and the Democrats had been sidelined between 1970 and 1974, when Republicans held the governor's office and majorities in the legislature much of that time.

Although he was weak from his illness and medication, Bailey attended the party's Jefferson-Jackson Day dinner at the Hilton on March 1.

Typically, he looked ahead to the next political battle. It was time, Bailey said, to start work on the challenges of 1975 and 1976.

Bailey was unable to make a March 19 meeting of the Democratic State Central Committee, however. Instead, he sent a prepared statement endorsing reforms he knew would be under consideration that night.

The message was vintage Bailey, the organization man who rose from precinct captain in Hartford to the Democratic heights on the basic tenet that the name of the game is to win. He said it again that night in the statement for his troops downtown.

John Moran Bailey learned his politics originally from his parents in the years he was growing up at the family home on Main St., now the site of the federal building.

He was the only child of Dr. Michael A. and Louise Moran Bailey. He was born Nov. 23, 1904.

Bailey's doctor father was a councilman, alderman and member of the school board here. When the elder Bailey tried for nomination to the State Senate, he was beaten by a Democrat whose own political life was to influence young John greatly—Thomas J. Spellacy.

Bailey's mother was a ward chairman here and became the first woman to win appointment in city government when she was named to the Juvenile Commission.

Bailey attended St. Peter's School and Hartford High School. At Catholic University, the "skinny" undergraduate from Hartford was captain of the baseball team and quarterback of the football team.

He earned his law degree at Harvard Law School and returned to Hartford to go into practice. He opened an office in the house where he was born and plunged almost immediately into politics.

Bailey attracted the attention of Spellacy because of his work in the old East Side. Spellacy, his tutor then, would eventually yield control to his pupil Bailey.

In the 1930s, Bailey was political secretary to the mayor here, clerk of Hartford police court, judge of police court, and a member of the statute revision commission at the capitol.

The story is that Bailey, needing position and income to marry his college sweetheart, Barbara Leary of Framingham, Mass., was made judge of the police court through the good offices of Spellacy and the state legislature.

Bailey's only attempt to win elective office was a disaster. He was soundly beaten when he ran for judge of probate in 1940.

Bailey and Spellacy drifted apart in the mid-1940s and Bailey paved the way for his takeover as state chairman in 1946 when he backed Wesleyan Prof. Wilbert Snow for the nomination for governor while Spellacy supported Chester Bowles of Essex. Snow won, and Bailey went on to be elected unanimously at a meeting in New Haven on Sept. 23.

But in his first test as party chairman, Bailey took a beating. Democrats lost control of the legislature and Snow lost the contest for governor.

Bailey had made peace, however, with the Bowles faction and went on to back the former director of the federal Office of Price Administration for governor in 1948. This time Bailey's man won, and so did another Democrat who was to continue with a long and successful association with the chairman—Abraham A. Ribicoff.

Ribicoff won a term in Congress that year. He would later be governor and senator.

Bailey began to attract national attention when he was chosen as floor leader for Connecticut's delegation to the Democratic National Convention in Chicago in 1952. He backed Adlai E. Stevenson for the presidential nomination.

In 1954, Bailey took what he described as a major gamble in supporting Ribicoff, a Jew, for nomination as governor. Bailey sensed that the state was ready for such a breakthrough acceptance and he was correct. Ribicoff won over Republican Gov. John D. Lodge by 3,000 in what Ribicoff called his "American Dream" candidacy.

Ribicoff was re-elected by 246,000 votes in 1958. Bailey was now secure in the chairmanship and Democrats were on the beginning of a prolonged heyday.

Bailey's style had developed into fine tuning of the art of compromise and, when necessary, gentle headknocking. His victories illustrated a basic Bailey belief that candidates make the difference in politics, with issues and organization following.

He liked to say that even the best organization never stopped a landslide. He made no apologies for being something less than expert on issues. During his tenure as national chairman, Bailey had to perform speaking chores that he did not relish. He felt more comfortable in the raw political atmosphere of the inner rooms and the corridors.

Bailey never closed the door completely on individuals or ideas. Another favorite Bailey expression—especially when liberals forced many changes in the Democratic party structure and its philosophical position—was that you "do what you have to do."

He was a caricature of a political boss, with his cigar and his glasses on his bald head. But the scores of people in or close to politics who came to know Bailey over the years found him to be something far different from the textbook stereotype of a political boss.

Negotiation and compromise, with a lot of conversation thrown in, were Bailey standbys. He haid it was always possible to say "yes" after having said "no," but not the other way around.

Bailey was a fixture in the capitol corridors during a legislative session. He was sought after by politicians, and by newsmen who hoped for an occasional tip on what was happening. Bailey didn't always have a story for reporters, but he was usually accessible and they enjoyed the conversation.

Bailey saw the presidential possibilities in young John F. Kennedy of Massachusetts in the mid-1950s. He began to travel around with Kennedy and when Kennedy became a candidate in 1959, Bailey ran his campaign in the Northeast.

Bailey and Ribicoff had been among the earlybirds on the Kennedy bandwagon—even backing him for vice president in 1956. The chairman had no trouble convincing other Connecticut Democrats that Kennedy was the man to support in 1960.

He was close to, and trusted by, Kennedy by now.

Bailey was destined to become national party chairman as Kennedy's personal choice after winning the nomination. As it turned out, Bailey didn't take office until Kennedy's inauguration. There were two versions of why he was delayed.

Lawrence F. O'Brien, who was to become national chairman later, said Kennedy let Washington Sen. Henry M. Jackson serve as party chieftain during the campaign that year as a consolation prize for giving way to Lyndon Johnson as the nominee for vice president. O'Brien said Bailey agreed to wait.

The other report was that Kennedy, a Catholic, thought having Catholic John Bailey as chairman might pose a problem in the campaign so he turned to Protestant Jackson with the understanding that Bailey would take over if the Democrats won.

He continued as state chairman during the years he was also in the national post.

Johnson, the new president after Kennedy was assassinated in November of 1963, asked Bailey to stay on. O'Brien succeeded Bailey in 1968, when Democrats nominated Sen. Hubert H. Humphrey for president.

Bailey retained his chairmanship of the state organization throughout this period. Much of the detail work and routine direction was provided by his long-time co-worker in the Democratic hierarchy, Katherine Quinn.

And while Bailey was dividing his time between Washington and Hartford, a new star was emerging in the party as a strong force with the voters.

John N. Dempsey, a former state legislator and aide to Ribicoff, became governor when Kennedy named Ribicoff his secretary of Health, Education, and Welfare.

Dempsey was to continue as governor until his voluntary retirement in 1970—a withdrawal that stunned Bailey. Republicans, with Thomas J. Meskill, won that year over a candidate who had not been Bailey's original choice—U.S. Rep. Emilio Q. Daddario.

Bailey stepped back offstage and began firing at the GOP governor and others in his administration. He instituted what the writers dubbed the "Sabbath Message," a weekend critique of the Meskill performance.

Last year, with Mrs. Grasso leading the way, the Democrats and Bailey were back in political control of Capitol Hill.

John and Barbara Bailey had four children. They are Louise (Mrs. Conrad Kronholm), Barbara (Mrs. James J. Kennelly), Judith (Mrs. Brewster B. Perkins) and Judith's twin, John Michael.

Kennelly is Speaker of the House of Representatives in a chamber controlled by Democrats this year.

Bailey, whose favorite diversion away from politics was golf, belonged to Wampanoag Country Club in West Hartford and Burning Tree Country Club in Bethesda, Md.

He was a member of the American Bar Association, and was a director of the New Amsterdam Casualty Co., the South End Bank and St. Francis Hospital.

He and Mrs. Bailey lived at 150 Scarborough St. here.

[From the Hartford (Conn.) Times, Apr. 11, 1975]

TOP OFFICIALS EULOGIZE BAILEY

(By Mark Penders)

Long expected as it was, the death Thursday afternoon of Democratic State Chairman John M. Bailey, nonetheless saddened leaders who rose under his political tutelage.

Yet even as Gov. Ella Grasso and other elected officials announced their messages of sympathy to newsmen in the State Capitol's media room, the voices of the clerks of the legislature were heard on the booming loudspeakers of the building, calling senators and representatives for roll call votes.

House Majority Leader William O'Neill explained that Speaker James Kennelly—Bailey's son-in-law—was at the House podium when word came of the death.

As former Gov. John N. Dempsey nooded vigorously in agreement, O'Neill went on to say Kennelly insisted that the House remain in session because that was what Bailey, the master politician, would have wanted.

Gov. Grasso said Bailey had "a special sense of civility and decency" which enabled him "to make all of the political process better than it was."

"I give fervent thanks for every day of every year that I was the beneficiary of his advice . . .", she stated.

Dempsey noted that he had gone to Hartford Hospital to visit Bailey on Thursday afternoon, but arrived to find that his longtime friend had just died.

Most people, Dempsey commented, will "remember him as the tough political leader, glasses on his head, leaning back in his chair

. . . few people knew of his warmth and compassion and real love of people."

Comptroller J. Edward Caldwell called Bailey "a warm, kind, thoughtful human being . . . I hope I will be able to carry forth the principles which he exemplified."

Secretary of State Gloria Schaffer said he brought "a very special quality to the moral and ethical life of the State of Connecticut."

Bailey's honor was lauded by O'Neill, "John Bailey's word was his bond." Bailey taught, he said, "don't give it unless you are going to keep it."

Att. Gen. Carl Ajello noted, "he was a great teacher, not only about government and politics, but of responsibility courage." He said Bailey had a unique talent for encouraging young people and treating them as equals.

Attorney General Robert Killian, who noted that three generations of his family have been friends of Bailey, cited the chairman's sense of humour: "He was a champion needler of all time . . . he would use it frequently on me . . . he knew my foibles and failings and he took advantage of every one."

Bailey was the man "who hit the political grand-slam," declared Treasurer Henry Parker. He was personally responsible, Parker said for the election of the first Catholic president (John F. Kennedy), the first Jewish governor of Connecticut (Abraham Ribicoff), the first black treasurer of any state (Gerald Lamb) and Mrs. Grasso, the first woman governor, of Connecticut.

Among other leaders who reacted to Bailey's death were:

U.S. Sen. Abraham Ribicoff: "There will never be the likes of him again. John Bailey was an original. He was a political genius. So many in our state and nation owe their political careers to John's help, wisdom and hard work."

U.S. Sen. Lowell Weicker Jr.: "This man was dedicated, not just to the success of the Democratic party, but also to the success of his country and his state. He was a fighter. He was a winner."

Democratic State vice-chairman Katherine T. Quinn, a political ally for more than 30 years: "John Bailey did more good for more people over a longer period of time than any other citizen of Connecticut. . . . He will be missed by all of us who cherish decency and integrity in government. I have lost a close associate and dear friend, but more than that, humanity has lost a loyal supporter."

Former Republican Gov. Thomas Meskill: "The passing of John Bailey marks the end of a political era. The leadership which he gave his party was largely responsible for its growth and success in Connecticut."

GOP State Chairman Vincent Landone: "He was a giant among political personalities and a true gentleman in every sense of the word. The long and exceptionally successful career he had as a leader of the Democratic party exemplifies all that is of the best in our government and in our two-party system."

Connecticut's two freshman Democratic congressmen, Reps. Christopher Dodd and Toby Moffett offered their condolences and tributes.

Dodd said he knew Bailey most of his life not only as a politician but "on a personal basis through many years of close association with my parents."

Dodd is son of the late Sen. Thomas J. Dodd.

Bailey was "a humanitarian who demonstrated time and time again his great concern for the well being, not only of the residents of his beloved Connecticut, but for the people of his country," said Dodd.

Moffett called Bailey's death "a tragic loss." He said at a time "when all of us are extremely concerned by the low level of public participation in American politics, it is especially tragic to lose a man who devoted his entire life to political involvement, and to leadership both in his party and in the State of Connecticut."

In New Haven, Democratic Town Chairman Arthur T. Barbieri said he lost his "dearest friend" in the death of Bailey.

"I don't think anybody in the rest of the century can match 10 per cent of John's abilities.

"While he and I may have differed on occasion politically, we never differed socially. He was my dearest friend. I have lost a great friend and I'm very sorry," said Barbieri.

[From The Hartford (Conn.) Times, Apr. 11, 1975]

JOHN BAILEY—A LEADER TO THE END

(By Bob Conrad)

Top Democratic leaders in Connecticut were reluctant to speculate today, or even talk about, the leadership vacuum their party faces because of the death Thursday of John M. Bailey, the state chairman since 1946.

Gov. Ella T. Grasso, who will have more to say about a successor than anyone else, said only: "We will not do anything for a while. We want a chance to mourn, and to say our own farewell."

Bailey, the undisputed leader to the end, died of throat cancer Thursday afternoon at Hartford Hospital.

He died just as one of the most successful of the Democratic politicians he developed—former Gov. John N. Dempsey—arrived at the hospital for a weekly visit.

The quiet speculation within the party for about two years has been that Dempsey would succeed Bailey in the state chairmanship, at least on an interim basis, at the request of Mrs. Grasso.

For the present, however, Bailey's associate in directing the party, Vice Chairman Katherine Quinn, would be the acting chairman.

Bailey's term as chairman—the latest in an unbroken string that began with his unanimous election in September of 1946—runs until the Democratic state convention next year.

Periodically through the later years of his chairmanship there were rumors of campaigns to oust him. Various second and third echelon party leaders occasionally called for his resignation.

But Bailey's hold on the party apparatus was such that the party finds itself today with no obvious or designated successor. Bailey never entertained for a moment the thought of quitting. It was a party he brought from minority status in Connecticut to one that leads the Republicans in voter strength today by a wide margin.

Even so, in recent weeks there has been a stirring around in some party circles because of the widely-known terminal status of the veteran John Bailey's illness.

City leaders have been holding highly-secret meetings. Attending these strategy sessions have been Hartford Chairman Nicholas R. Carbone, New Haven Chairman Arthur T. Barbieri, Bridgeport Chairman John Luckart and Naugatuck Valley leader Henry Healy.

Of the names that have cropped up in talks about a new chairman, House Majority Leader William A. O'Neill of East Hampton is one. So is that of Danbury attorney Norman A. Buzaid, who heads a special Democratic committee on revising party rules.

The city bosses—Carbone, Barbieri and Luckart—are thought by some to be possibilities, but not by anything approaching a consensus. Their role, if any, may be in trying to have a say in who becomes chairman.

Meanwhile, tributes from some of the best-known and ranking figures in public life were coming in today to the late John Moran Bailey.

The present national chairman, who holds the job Bailey filled during the administrations of the late Presidents John F. Kennedy and Lyndon B. Johnson, Robert Strauss of Texas described Bailey as "a close and cherished friend and a tower of strength to me in my work as chairman."

Massachusetts Sen. Edward M. Kennedy, brother of the late President, said: "The years of ascendancy of the Democratic party in Connecticut can only be attributed to his leadership which he later brought to the national level."

[From The Washington Post, Apr. 11, 1975]

JOHN M. BAILEY, FORMER DEMOCRATIC CHAIRMAN, DIES

(By Jules Witcover)

Former Democratic National Chairman John M. Bailey, who in the political parlance he always used help "put it together" for John F. Kennedy in the 1960 presidential campaign, died yesterday of throat cancer at the age of 70.

Mr. Bailey, a gruff-talking but gentle-dispositioned man who first saw Sen. Kennedy's potential and gave him entree to party leaders in key states across the country, died at Hartford Hospital in his native Connecticut where he had been undergoing lengthy treatment.

In 1956, he was a central figure in then Sen. Kennedy's unsuccessful but eye-catching bid for the Democratic vice presidential nomination in Chicago, which projected the young Massachusetts senator into the 1960 presidential picture.

In the years preceding the 1960 convention, Mr. Bailey, along with Kennedy aids Kenneth O'Donnell and Theodore Sorensen, called on big city and state Democratic leaders for little-perceived meetings that provided the foundation for what later was known as "the well-oiled Kennedy machine."

And during the 1960 presidential primaries in which John Kennedy demonstrated his electability as the first Roman Catholic President, Mr. Bailey worked among states to help fashion the first-ballot nomination.

For his labors, the new President appointed Mr. Bailey chairman of the Democratic National Committee, a post he held for eight years, from 1961 to 1968, continuing under President Lyndon B. Johnson when Mr. Johnson assumed the White House in November 1963.

At his death, Mr. Bailey had been Democratic state chairman in Connecticut for 29 years, far longer than any chairman had served. In that time, he cracked solid Republican control and created a winning Democratic Party in the state. He was a visible symbol of hard-nosed, pragmatic politics at every national convention in those years, whispering in important ears, with a big cigar in his teeth and horn-rimmed glasses perched on the top of his bald head.

For all his orthodox style and reputation as a regular party man, John Bailey was a shatterer of precedent within the part. In addition to helping engineer the nomination and election of the first Catholic president, he helped elect Abraham Ribicoff, now a U.S. senator, as Connecticut's first Jewish governor, and last fall, Ella T. Grasso as the state's first woman governor.

According to Sorensen, Ribicoff and Mr. Bailey first began to talk of John Kennedy as a vice presidential prospect when the young senator spoke at a Connecticut Jefferson-Jackson Day dinner early in 1956.

"John Bailey was one of the very first politicians in the country to recognize in John Kennedy a potential President," Sorensen said yesterday on hearing the news of his death. "The fact that we had a political pro in our camp obviously made a difference on the other pros who tended to be very skeptical of John Kennedy."

O'Donnell agreed. He said Mr. Bailey personally introduced him to many old pros who "looked askance at a young fellow from Harvard" but eventually signed up for the Kennedy campaign.

"An Irish Catholic candidate for President was unthinkable in 1956," O'Donnell said, "but for Vice President was thinkable, and Bailey was the one who thought of it."

When the victorious President Kennedy turned to Mr. Bailey to be his national chairman after the campaign, Mr. Bailey, also a Catholic, first balked on grounds the President and the party chairman should not both be Catholics. The new President overruled him and Mr. Bailey took the job.

In the Kennedy administration, Mr. Bailey ran the Democratic National Committee as an obedient adjunct to the White House, and there were few problems. But during the Johnson years, President Johnson moved to strip the committee of much of its political power and bring that power into the hands of loyal Johnson men in the White House.

Mr. Bailey stepped down in favor of Lawrence F. O'Brien, another old John Kennedy hand in 1968 when then Vice President Hubert H. Humphrey was nominated for the presidency.

As national chairman, Mr. Bailey eschewed the limelight and spoke in public only when he had to. In a business where knowing people's names was considered essential, he always had troubles. For example, he habitually referred to the senator from Minnesota, whom he knew intimately for years, as "Senator Humphreys."

In the late 1960s and early 1970s, as dissent over the Vietnam war brought a new style of activist into mainstream politics, Mr. Bailey seemed perplexed at what was happening to the party of Roosevelt, Truman and Kennedy. But in Connecticut, he learned to do business with the new elements, or beat them.

He used to say, as Gov. Grasso recalled to David S. Broder of The Washington Post last year, that he would run a woman for office only when he thought the office was lost—and would laugh when he said it. But Mr. Bailey lined up solidly behind Mrs. Grasso in her winning effort last fall.

At the Democratic Party's miniconvention in Kansas City in December, he received a rousing ovation from the delegates, a majority still reflecting the left-of-center wing that nominated Sen. George McGovern in 1972.

Sen. Edward M. Kennedy (D-Mass.) expressed the sympathy of the Kennedy family yesterday to the Bailey family and said: "Those who want politics to be held in esteem by the citizens of the country need only adhere to the standards which were so natural to John."

O'Brien, recalling his service with Mr. Bailey in the John Kennedy campaign, said of him: "John Bailey was in the true sense a political pro . . . He was a political leader of integrity who was vastly respected."

Sen. Ribicoff said of Mr. Bailey yesterday: "There will never be the likes of him again. John Bailey was an original. He was a political genius."

Robert S. Strauss, the present Democratic national chairman, said: "With Democrats all across America, I share a deep sense of loss . . . He was a close and cherished personal freind and a tower of strength to me . . ."

O'Donnell said of him: "He was a lovely guy. He never put himself out front. I loved the guy."

During a recent visit to the hospital, O'Donnell recalled, Mr. Bailey took a phone call from Gov. Grasso and discussed politics. Before O'Donnell left, he recalled, Mr. Bailey told him: "We have to sit down soon and discuss what we're going to do in '76."

Mr. Bailey was born in Hartford on Nov. 23, 1904, the only child of Dr. Michael and Louise A. Bailey.

He graduated from Catholic University here, where he played baseball, football and basketball, and from Harvard University's law school in 1929.

He married Barbara Leary of Mansfield, Mass., in 1933. In addition to his wife, he is survived by three daughters and a son.

[From the New York Times, Apr. 11, 1975]

JOHN M. BAILEY DIES IN HARTFORD; HEADED DEMOCRATIC COMMITTEE

HARTFORD, April 10.—John M. Bailey, Democratic National Chairman during the Presidencies of John F. Kennedy and Lyndon B. Johnson, and Democratic State Chairman in Connecticut for nearly three decades, died this afternoon after a long battle with throat cancer. He was 70 years old.

Surviving are his widow, Barbara; a son, John Michael Bailey of Colchester, and three daughters, Barbara Kennelly of Hartford, Mrs. Louis Kronholm of Hartford and Judith Perkins of West Hartford.

The funeral will be Saturday at noon at St. Joseph's Cathedral here.

LONE, UNBROKEN TENURE

(By Robert McG. Thomas)

John Moran Bailey looked like a political boss, talked like a political boss and for more than 25 years operated as one of the most effective political bosses in the country.

No other state chairman of either party came close to matching his unbroken tenure, which began when he seized control of the Connecticut Democratic Central Committee in 1946 and continued with rarely a grumble from party regulars until his death.

He was an important figure on the national political scene as well as in Connecticut, for Mr. Bailey, after laboring mightily and well in John F. Kennedy's Presidential campaign in 1960, was rewarded with the chairmanship of the Democratic National Committee, a post he held for eight years.

Regardless of their tenure, few political leaders in recent times have wielded such power over the fortunes of his party's aspirants as the tall, bald man from Hartford who wore his glasses shoved up on his pate and smoked cigars constantly, even when deep in concentration during a game of high stakes poker, a favorite pastime.

With a voice that usually seemed to be coming confidentially from the side of his mouth, Mr. Bailey spoke in brusque tones that belied his genteel upbringing and Harvard education. But he spoke the language of Connecticut politicians, and to many his word was law.

POWER AND VISION

A consummate politician and proud of it, Mr. Bailey was a well-to-do physician's son. Joseph Duffey, who ran for the United States Senate in 1970 without Mr. Bailey's blessing, and learned to regret it, summed him up this way: "He was born with a silver spoon in his mouth and gilded it at the public trough."

It was a tribute to both his power and his vision that he successfully backed candidates who, according to the conventional political wisdom, could not be elected.

He supported Chester Bowles in a winning race for Governor in 1948 when the Bailey candidate was considered far more liberal than the state's voters; his support of Abraham A. Ribicoff in 1956 gave New England the first Jewish Governor in its history, and his early and enthusiastic support of Mr. Kennedy helped give the nation its first Roman Catholic President.

And in 1974, long after pundits had announced his decline, he orchestrated the nomination of Representative Ella T. Grasso, who became the first woman ever elected Governor of a Northeastern state. Another part of the oldtime politician's "last hurrah" was the satisfaction of seeing control of the State Legislature return to the Democrats.

The Grasso nomination illustrated a favorite Bailey stratagem: He talked her chief rival into accepting the nomination for Lieutenant Governor.

"I'm not a table thumper," Mr. Bailey once said. "I never back a man so far in a corner he can't find his way back to his own side."

Independently wealthy, with huge real estate holdings and a lucrative law practice that required little of his time, Mr. Bailey was a full-time politician who, talked politics at home, at the office and on the golf course. "I like John," a prominent politician was once quoted as saying, "but after a half-hour he bores me; I like to talk politics, but John won't talk anything else."

Mr. Bailey got his taste for politics early. Both his parents were active in Hartford politics, and their only child was an eager listener to dinner-table political discussions on the city's east side where he was born Nov. 23, 1904.

After being graduated from the Catholic University in Washington and receiving a law degree from Harvard, he plunged into the errand-running life of aspiring politicians, quickly becoming the protege and chauffeur of Hartford's reigning Democratic boss, the late Thomas B. Spellacy. "I drove him all over the state," Mr. Bailey since recalled, describing how he got to attend numerous high-level party caucuses. "I was only the kid on the door, but I was learning my trade."

DEFEATED FOR JUDGE

After a series of appointive positions that included two terms on the municipal bench, Mr. Bailey made his first and last bid for elective office in 1940, when he was soundly defeated in the race for probate judge.

Thereafter, he retired to the back room and developed a philosophy to justify it. "Politics is in two parts," he said, "the candidates and the people who run the organization. The two shouldn't mix." His resolve weakened only once, in 1949 when he asked Governor Bowles to appoint him to an unexpired Senate seat. Mr. Bowles refused, causing what Mr. Bailey saw to it was only a brief rift.

One of his first efforts at king-making was to prove his most successful: he persuaded Mr. Ribicoff, a struggling Hartford lawyer, whose parents were Polish immigrants, to succeed him on the municipal bench. Later, as both Governor and Senator Mr. Ribicoff was to become a vertually unassailable institution and a firm Bailey ally.

Though he had been a member of the central committee since 1932, it was not until 1946 that Mr. Bailey managed to take over the party. The occasion was a tumultuous party convention in which he engineered the gubernatorial nomination of Wilbert Snow, a college professor, who rewarded Mr. Bailey with the chairmanship. Mr. Snow lost the election, but Mr. Bailey remained chairman.

BRIEF INTERREGNUM

After a brief Republican interregnum following Mr. Bowles's term, Mr. Bailey presided over a 16-year Democratic reign that began with Mr. Ribicoff's election in 1954. The stunning upset over the Republican incumbent, John Davis Lodge, set the stage for Mr. Bailey's move to the national arena in 1956, when he organized the drive that came within a few votes of winning the Vice-Presidential nomination for John Kennedy.

Four years later, Mr. Bailey was named chairman of the Democratic National Committee. He strengthened his reputation as a cool tactician even while his blunt comments stirred occasional waves.

However, his long absence from the day-to-day affairs of Connecticut politics was costly, and was cited as a cause of the

Republican gubernatorial victory of 1970. The end of Mr. Bailey's long rule was now widely proclaimed.

His response was the successful Grasso gubernatorial bid in 1974 and his own election to his 15th successive two-year term as state chairman, a post he had made his own.

[From The Washington Star News, Apr. 11, 1975]

JOHN M. BAILEY DIES AT 70; DEMOCRATIC HEAD 8 YEARS

(By James R. Dickenson)

John Moran Bailey, an early backer of President John F. Kennedy and one of the predominant Democratic party leaders of the last 40 years, died yesterday at the age of 70 in Hartford, Conn. He had been hospitalized with cancer of the throat for several months.

Mr. Bailey was chairman of the national Democratic party for eight years during the 1960s and chairman of the Connecticut state Democratic party for 28 years, from 1946 to 1974, the longest anyone has held that post in Connecticut.

During his active political career Connecticut changed from a predominantly Republican state that voted for Thomas Dewey rather than Harry Truman in 1948 to a basically Democratic state that voted for Hubert Humphrey while Richard Nixon was carrying the country in 1968.

Bailey's peak years of political influence were between 1958, when the Democrats won control of the Connecticut state legislature for the first time, and 1968, when he lost control of the state Senate and new anti-war elements began to challenge the old guard in the national Democratic party.

The highlight of his career was his backing of John Kennedy in Kennedy's successful 1960 presidential campaign. The day after Kennedy was inaugurated in January 1961, he nominated Bailey as chairman of the national Democratic party and Bailey was unanimously elected by the members of the Democratic National Committee.

As national chairman he began building an organization to try to push Kennedy's domestic programs through Congress and elect Democrats to Congress in 1962 and 1964. During those years he spent as much time in Washington as in Connecticut.

Bailey cast his lot with Kennedy at the 1956 Democratic National Convention when Sen. Kennedy ran for the vice-presidential nomination after Adlai Stevenson, the party's presidential candidate, threw the nomination open.

Bailey distributed what has become known as the "Bailey Memorandum," which was written by Kennedy's chief aide, Theodore Sorensen. It listed the advantages of having a Roman Catholic on the Democratic ticket, reasons that proved valid when Kennedy, an Irish Catholic, was elected president four years later.

John Kennedy probably was the one great love of John Bailey's political life. Born in Hartford, Conn., he too was an Irish Catholic and his father, a physician, was active in Hartford politics. Bailey attended Catholic University here where he was captain of the baseball team, quarterback on the football team and a member of the basketball team. He received a B.A. degree in science in 1926 and his law degree from Harvard Law School in 1929.

A tall, bald, beefy man who walked in a heavy flat-footed away with his shoulders slightly slouched and his spectacles pushed up on his freckled forehead, Bailey looked, thought and acted like the ultimate politician.

He brought an amateur's enthusiasm to politics, an avocation he practiced like a professional. "John Bailey loved politics more than anyone I ever knew," Wilbert Snow, a poet, scholar and former lieutenant governor of Connecticut, once said.

Bailey, however, was a fourth generation American who was born to a family of considerable wealth and was described by Theodore H. White in his book, *The Making of the President 1960*, as a man who "conceals the fact that he is a Harvard Law School graduate."

Bailey started in Hartford politics as a precinct worker in the early 1930s and lost his only attempt at elective office, for probate judge, in 1940. By 1944, however, he was the man to see for anyone wanting a statewide Democratic nomination.

Sen. Abraham Ribicoff, the first and only Jew elected as U.S. senator from Connecticut, was a protege. Bailey understood ethnic politics in Connecticut, where the Irish, Italians and Poles have become dominant political factors, and was adept at balancing tickets.

He knew that patronage was the glue of politics and ruled by consensus rather than fiat. In 1965, when Connecticut was forced by the U.S. Supreme Court to reapportion its badly balanced state legislature on a "one-man one-vote" basis, Bailey worked out a compromise with the Republicans.

They agreed that the delegates to the constitutional convention would be half Democrat and half Republican and that a two-thirds majority would be required, a move that forced them to compromise.

For years Bailey held forth at his "office," a pillar that he leaned against in Connecticut's state capital building, and at Parma's Restaurant specializing in Italian food and Democratic politics.

He leaves his wife of 42 years, the former Barbara Leary of Mansfield, Mass., and three daughters and a son.

[From the Boston Globe, Apr. 11, 1975]

EX-DEMOCRATIC CHIEF JOHN M. BAILEY, AT 70

(By Malcolm Johnson)

HARTFORD.—John M. Bailey, Democratic national chairman under two presidents and leader of his party in Connecticut for 27 years, died of cancer yesterday in Hartford Hospital. He was 70.

Bailey came to national prominence in 1961, when he was named chairman by President Kennedy, whom he helped to win the nomination and then the election.

He stayed on as national chairman under President Johnson and held the office nearly a decade, longer than any other Democratic chairman except James M. Farley.

Although he gained recognition for his political work, on the national level, his main interest always was in Connecticut. He remained state chairman all during his years in Washington and continued to play a major role on the state political scene.

John Moran Bailey was born Nov. 23, 1904, on Hartford's old East Side, and it was said he was weaned on politics, His parents, Dr. Michael Bailey and Louise Moran Bailey, were active in city politics, and his mother was the first woman vice chairman of the Second Ward.

Bailey was an athlete at Catholic University and went on to Harvard Law School, graduating in 1929. His biographer, Joseph I. Lieberman, now a state senator, wrote of Bailey in "The Power Broker": "He is Welsh and Harvard; he is the wards and Hartford."

Bailey lost his first political fight for control of the Second Ward in 1929 and again in his only bid for elective office when he ran for judge of probate in Hartford in 1940.

During his rise to the chairmanship of the state party in 1946, there were other setbacks, but once he became head of the party he not only was a frequent winner but also saw the transformation of Connecticut from a conservative Republican state to a moderate Democratic one.

The first Democratic governor elected under Bailey's reign was former Ambassador Chester Bowles, in 1948. Then, in 1954, now-senator Abraham Ribicoff became the first Jew to be elected governor.

"That was my decision," Bailey said later. "I convinced the other leaders. You've got to realize that we had elected only one Catholic governor before then."

In 1974 Bailey was instrumental in the election of Connecticut's first woman governor, Ella T. Grasso, by a margin of 203,000 votes.

In his years as state chairman Bailey had six gubernatorial victories and lost three times—in 1946, 1950 and 1970.

Together with then-governor Ribicoff, Bailey worked hard to bring John F. Kennedy to national prominence—first in a losing bid for the vice presidential nomination in 1956 and then in his victory in 1960.

The cigar-smoking lawyer, often seen with his horn-rimmed glasses perched on his high balding forehead, remained as boss of Connecticut's Democrats until the end.

Only last summer he headed off a fight for the Democratic nomination for governor by persuading Robert A. Killian to give up his bid for governor to run as lieutenant governor with Mrs. Grasso.

He came to Mrs. Grasso's inauguration despite his failing health. "I wouldn't miss it," he said, in a voice choked by throat cancer.

"He was my political mentor," Mrs. Grasso said of Bailey recently.

Bailey's philosophy of politics was expressed sometimes in terms of sport "just another ball game, one game after another."

At other times he talked of the activity in which he had spent his life as "the art of compromise."

Bailey leaves his wife, Barbara (Leary), and four children, Mrs. Barbara Ann Kennelly of Hartford, wife of Democratic House Speaker James J. Kennelly; Mrs. Louise Kronholm of Hartford, Mrs. Judith Perkins of West Hartford, and Atty. Jack Bailey of Colchester.

Services will be at noon tomorrow in St. Joseph's Cathedral.

[From the Danbury, (Conn.) News-Times, Apr. 12, 1975]

JOHN BAILEY'S UNIQUE CAREER

John M. Bailey brought honor to the term "politician." His unique career, spanning three decades as Connecticut Democratic chairman and including eight years as Democratic national chairman, was ended Thursday by death. The throat cancer which had afflicted him for the past two years could not keep him from active guidance of party affairs to the very end.

Friend and foe alike in the political wars of bygone years have joined in mourning at his funeral today in Hartford. In death as in life, he held their respect.

Commentators have pointed to the many "firsts" for which he could take credit. He had a major part in the election of Abraham Ribicoff as first Jewish governor of Connecticut in 1954. His was a key role in the nomination and election of John F. Kennedy as the first Catholic to hold the presidency in 1960.

Even though he was seriously ill a year ago. Mr. Bailey employed his adroit and astute political skills to keep the state Democratic Party from fracturing itself. He brought together varied and conflicting interests into a united effort which saw election of the state's first woman governor and first governor of Italian descent.

Governor Ella T. Grasso, in leading the mourning of state officials, past and present, for their longtime associate, noted Mr. Bailey was "a noble warrior who brought to the political arena the rare combination of vision, judgment and respect that made every combat an exercise in excellence."

Two other factors contributed to the length, the success and the fascination of John Bailey's political career.

He played the game of politics for the love of it, not for power, nor money, nor influence, nor other rewards. That's one reason Connecticut has been free these past three decades of major scandals such as those which have rocked nearby states.

Mr. Bailey was also adaptable. He might have been the last of the old time political leaders, the likes of which will not be seen again for a long time. But he thought in terms of the present and the future.

As conditions changed, he adapted to them. As personalities came and went in various levels of party affairs, he adapted to them. He did not insist that what was good for 1948 had to be good for 1973.

Although he never held any major elective or appointive office, John M. Bailey had great influence on the affairs of Connecticut for some 30 years, and the state is better because of it.

[From the Waterbury (Conn.) Sunday Republican, Apr. 13, 1975]

JOHN MORAN BAILEY

The death of John Moran Bailey has removed from the Connecticut scene a true giant in politics and government.

He has been called a "power broker," "a political boss," and countless other names. The fact is, he left his mark on Connecticut government which will be remembered for decades.

Mr. Bailey served as chairman of the Democratic Party in Connecticut for close to 30 years. He also served simultaneously for a time as Democratic national chairman, but his real love, his real concern, remained this state.

Despite his long tenure, Mr. Bailey was one who continually accepted new ideas. He was even in the forefront of those broaching new methods to advance the fortunes of the Democratic Party.

He took over the party at a time when it was at a low ebb. He put his entire political future on the line when he backed Abraham A. Ribicoff as the candidate for governor in 1954. Ribicoff won the election, the first Jew ever to hold the office in Connecticut.

Mr. Bailey and Ribicoff quickly assessed the national potential of the late John F. Kennedy and backed him—to the astonishment of many political observers—for the Democratic nomination for Vice-President in 1956. Kennedy did not make it, but the impetus given his candidacy, combined with a continuing drive for four years, netted him the presidential nomination and election. Bailey's foresight in supporting a Catholic for national office paid off.

Last year, despite his illness, Mr. Bailey again proved the voters are ahead of most politicians in their acceptance of change. He supported Ella Grasso, a long-time political associate and friend, for the gubernatorial nomination. She was elected the first woman chief executive in Connecticut.

Mr. Bailey had a knack of quickly analyzing a political situation. When he met people from other communities, he was always the first to inquire of them of the local political situation. He stored up answers in his mind so he could make the sound judgments that are required of every political leader.

He had three assets which are rare in most men. He avoided so punishing a political enemy that it was impossible to gather that person back into the fold. He fought hard, but when the fight ended, he was willing to talk.

He always did business with the local leader, even in cases where there was open animosity between them.

And finally, he recognized his personal limitations. He did not try to get everything for himself. Only once did he run for political office—and lost. Mr. Bailey said: "Never again. You're either a leader or a candidate. Not both."

There are too many others in politics who try to be both, and are unsuccessful.

Mr. Bailey was able to develop intense loyalty among his supporters—and great admiration among his opponents. His word in politics was better than a written contract.

Not only the Democratic Party, the entire state is the loser with his death. We offer sincerest sympathy to his widow and family.

[From the Middletown (Conn.) Press, Apr. 11, 1975]

AN ERA ENDS

The death yesterday in Hartford of John Moran Bailey brings to an end a remarkably successful career in politics and, for the Democratic party of which he was a member for a half century, the end of an era probably unmatched for the party in this state.

The enthusiasm which marked his efforts in the activities of the Democratic party led to his advancement until in 1946 he became its state chairman and later to his choice as national chairman of the party, a position he held for seven years. Even in recent months of deteriorating health in his battle against cancer Chairman Bailey's enthusiasm for his party was evident as he left his sick bed for brief appearances at party functions.

Coupled with his enthusiasm was a remarkable grasp of practical politics which made him a man to reckon with both on the state and national levels. Among the first aboard the bandwagon for John F. Kennedy were Mr. Bailey and U.S. Senator Abraham Ribicoff, both of whom worked diligently in behalf of his nomination for the presidency. After his election Bailey was chosen to head the Democratic National Committee and Mr. Ribicoff became a cabinet member.

Along with the successes, victory in 14 straight elections for president, governor, senator and congressman-at-large, there were major disappointments. One came in 1970 when Mr. Bailey's choice for gubernatorial candidate, Alphonsus Donahue of Stamford, lost the first state-wide primary and the party chose a former Middletown mayor, Emilio Q. Daddario, who lost the election. And after the death of President Kennedy, National Chairman Bailey kept losing ground under the Johnson regime, ultimately to be replaced by Hubert Humphrey's decision to appoint Lawrence F. O'Brien.

There was trouble for Chairman Bailey in his home state as well during Governor Dempsey's last term when then State Senator Edward Marcus, the majority leader, reduced the Bailey influence in the General Assembly and sowed the seeds for party divisions. The long years of Bailey influence were waning and others were in the wings waiting for the opportune moment to take over the power.

Only once before in the memory of the living did the state have a political leader wielding power over the state for a long period of time. He was J. Henry Roraback who was for many years the Republican state chairman and, like Bailey, an astute and forceful leader who chalked up many victories but the time came when he faded from the picture but none of his successors came anywhere near matching his skills. Time alone will reveal whether the Democrats of the state will ever have a leader who will measure up to Chairman Bailey's widely acknowledged skills in the political arena or equal his record.

[From the New Haven Register, Apr. 11, 1975]

JOHN M. BAILEY

The death of John Moran Bailey leaves a power vacuum in Connecticut politics. Although this master of the art of politics had to some extent relinquished his hold on the State Democratic Party in the late stages of his fatal illness, he still wielded great influence. Perhaps his last great triumph was the instrumental role he played, despite the poor state of his health, in putting together the ticket that resulted in the election of Gov. Ella Grasso.

Once again the Democratic chieftain had returned his party to power—achieving another historic "first." His candidate was the first woman governor to win office on her own in the history of the nation. Once again, Bailey had successfully taken a reading of the public pulse, realizing that the idea of a woman governor was an idea whose time had come—and that he had the candidate to materialize the idea.

One reason that Bailey kept an iron grip on the party for so long was his uncanny ability to back appealing candidates. Although he sometimes seemed to be more interested in the success of the party rather than public policy, he used his wheeling and dealing skills to reconcile various elements of the party. So he offered candidates who represented "pioneer" developments and who responded to the climate of the times.

Bailey backed Abraham Ribicoff, the first Jewish governor of Connecticut, a candidate who was re-elected by a record-high vote. And Ribicoff achieved some of the most "impossible" reforms in the history of the state—including reform of the court system that had been perpetuated by politics.

Bailey was instrumental in the election of President John F. Kennedy, first Catholic to serve as the nation's Chief Executive. The Connecticut political strategist made important contributions to the Kennedy campaign.

At the peak of his power, John M. Bailey was chairman of both the national and state Democratic Parties. His genius for politics had a major impact on the national level.

Bailey was not above using party discipline and trading tactics typical of the political boss. Yet he was a complex figure who was more than a patronage-dispenser. He had a keen understanding of political trends and the changing times. And so through almost three decades as the leader of his party, John Moran Bailey gained the respect of politicians of every stripe. He was party welder and king-maker whose candidates responded to public demands.

The political scene seems so different today without the powerful presence of John Moran Bailey.

[From the Hartford Courant, Apr. 11, 1975]

JOHN M. BAILEY

There is probably no one on either side of the aisle, as the saying goes, but who feels an acute sense of loss with the passing of John M. Bailey. How many times have such words risen on the occasion of death, and yet what can more simply and accurately encompass the finality of the moment and the irretrievability of life.

Still, countless times, and this is no exception, the first sense of sudden void is quickly filled by memories and a sad, glad inventorying of them. John Bailey was a man of national accomplishment and recognition and his death after a long and courageous battle with illness will be mourned in many circles beyond his home city and state where he was a powerful political figure for a record number of years.

John Bailey's life was politics and it is with conscious admiration that one can say his was a legendary career. He was the butt, more than once, of the type of allegations to which almost any successful person, particularly in politics, is prey. Mr. Bailey was a master at compromise, he won points by undiluted effort, he marshalled delegates and directed them with unmatched generalship, and motivating it all was a bold, determined, far-seeing reach which brought strength to his party and the sapience to back the first Jewish governor of this state, the first Roman Catholic President of the United States, and to elect Connecticut's first Italian American governor, also the nation's first woman governor not preceded by her husband.

John Bailey, Democratic state chairman for an uninterrupted and unprecedented period of close to 30 years, and national chairman of his party for most of the 1960s, will be remembered, vividly, for an over-sized unlighted cigar, his glasses perched imperiously high on a glistening forehead from which hair had early receded, for his terse, plain but incisive, no-nonsense speech, and his penetrating, instant analysis looks and glances. To many, he appeared cool and aloof, which was, in truth, his public mien, but his warmth and appreciation of friends, their feelings and their worth were valued by those so touched.

But too much can be made of the outward marks and characteristics of the man. John Bailey was a durable and enduring leder because he knew every face and facet of his fiield of endeavor; he would rather convince than threaten; he drew and gained strength for himself and his party by emphasizing each common purpose, and above all, he was the type of leader who could provide leadership without demanding a blind following.

It is therefore with profound regret that we note the death of John Moran Bailey at the age of 70, and it is with equally profound respect that we salute his long and able leadership in the competitive, frenetic, necessary world of politics.

[From the New Britain Herald, Apr. 11, 1975]

JOHN MORAN BAILEY

He came to the ball, those who knew him best say, not to dance and not to celebrate, but to say goodbye. John Moran Bailey, suffering a throat cancer that he knew to be terminal, left his hospital bed that one last time in January to mark, in in a bitter-sweet kind of way, one last political victory—that of Governor Ella T. Grasso.

Thus, his death yesterday came as no surprise. Rather, it was the closing of the curtain on a remarkable political career. Bailey had been, of course, Democratic State Chairman since 1946. And as National Democratic Chairman from 1962 to 1968, he proved as adept at winning on the national level as the state.

Yet, he was an enigma. He rarely gave an outright 'no' to anybody, be it a prospective candidate to run for an office or to maneuver for an appointment. His 'no' was, rather, the absence of a 'yes', and the luckless one who had been denied Bailey's blessing knew that the Power Broker's word was so authoritative as to be absolute.

With wit and—depending on the circumstances, bluntness or charm—Bailey would fence with the press, analyze, mediate, cajole, or do what had to be done to hold control. He beat back challengers to his own authority, time and again—yet, months or years later, would re-emerge with those one-time party enemies as friends.

He could be secretive or candid. He could be in the forefront or virtually unseen. But through three successful decades, he was the boss; controlling conventions, dispensing patronage, masterminding the fund-raising, overseeing the political structure as few in Connecticut have ever done.

At times, this newspaper, like all other newspapers in this state, fought him tenaciously over the impact of his various strategic maneuvers. But always—like everybody else—we returned another day to admire a particular move or tactic.

Now, that chapter in Connecticut history is over, ended. John Bailey, the political legend in his time, is dead and is a legend for history. He never held an elective office—but he was as instrumental as any who did in shaping the course of this state's activities for three decades. We mourn his passing.

[From the Hartford Times, Apr. 11, 1975]

JOHN MORAN BAILEY, NOVEMBER 23, 1904–APRIL 10, 1975

A legend died in Hartford Thursday, and Connecticut politics never will be quite the same.

John Moran Bailey. Chairman emeritus of the Democratic National Committee. Chairman of the Democratic Party in Connecticut since 1946. One of the last of the great political bosses. In fact, with the exception of Chicago Mayor Richard Daley, the last of the political bosses. A larger than-life legend, the kind Frank O'Connor wrote about in "The Last Hurrah."

John Moran Bailey. The man who said, "My candidate is the one who can win the election," and then proceeded to do it over and over again, associating himself, in the process of winning, with candidates who broke down all of the old barriers.

Abraham A. Ribicoff, elected governor and now United States Senator in Connecticut where only one voter in 20 is Jewish.

John F. Kennedy, who he backed way back in 1956, when Kennedy sought the Democratic vice presidential nomination, elected the first Roman Catholic President in the nation's history in 1960.

Lyndon Baines Johnson, re-elected President in 1964 in a landslide, while John M. Bailey served as national chairman, the first Southerner to win the office since the Civil War.

Ella T. Grasso, elected governor of Connecticut in 1974, the first woman ever elected governor in her own right in the nation's history.

Good candidates all, and that was what mattered most to John Bailey: He won elections because he backed good candidates who then backed good legislation. In the process, he became a legend, but more importantly, Connecticut and the United States were a little bit better for the quality of the candidate he helped elect.

John Moran Bailey learned his politics at the cradle, from his father, a physician who loved politics, and from his mother, a Hartford ward chairman and the first woman to win an appointment in city government, a fact the chairman obviously never forgot.

He attended St. Peter's School, Hartford High, Catholic University and Harvard Law School. But almost as soon as he opened his law office he launched his real career: Politics.

By 1946 John Moran Bailey had worked his way up through the system, as political secretary to the mayor, clerk of the Hartford police court, judge of the police court, member of the statute revision commission at the Capitol, and as candidate—his one and only venture into the political arena on his own behalf, a sobering experience: He lost.

1946. That year was different, with John Bailey winning the first of his Democratic Party nomination battles in support of Wesleyan professor Wilbert Snow. Snow lost the race for governor, but John Bailey won the chairmanship of the state Democratic Party.

And in 1948 he helped elect his first governor: Chester Bowles. Two years later, John Lodge, a Republican, was elected governor and he held the office for four years. But by then, John M. Bailey was ready with the first of his firsts: Abraham A. Ribicoff. And it was smooth sailing until 1970, when Bailey protege John Dempsey suddenly decided to retire after almost 10 years as governor, a move that left the Democratic Party chairman without a candidate.

That was the state story, but there was another John Bailey, the one that was electing Presidents of the United States. The John Moran Bailey who went to his first Democratic National Convention as an alternate in 1932. That was the John Bailey who saw presidential possibilities in young John F. Kennedy, the United States Senator from neighboring Massachusetts. John Bailey and Abraham Ribicoff backed young Kennedy for the vice presidency in 1956, and in 1959, when Jack Kennedy was off and running for President, John M. Bailey was at his side and running his campaign in the Northeast.

One day after President Kennedy's inaugueration, John M. Bailey was chairman of the Democratic National Committee, a post he held until 1968, when Springfield, Massachusetts native Lawrence F. O'Brien succeeded him.

Somehow, though, the victories and the statistics tell precious little about John Bailey. Oh, they convey the image of the winner—and John M. Bailey was a winner—and they are the stuff the Bailey legend is made of, but they tell nothing of the man, of his humanity, his compassion, his warmth—contrary to the legends which claim he didn't have any.

It takes a very special kind of person to shape the political history of a state over a period of more than 28 years—and John Bailey was that kind of man.

He knew people, the candidates they would vote for, the issues they were concerned about. He knew that just because a candidate could win a nomination, George McGovern for instance, didn't mean he could win the election. He also had that unique ability to bring other people around to his way of thinking—and then leave them thinking the idea was original with them.

John Moran Bailey is gone now. In time, the talk will turn to the Bailey legacy, the larger-than-life legend. Perhaps even to the consideration of a successor. But that talk will lead nowhere—John Moran Bailey was one of a kind. The last of his kind.

But death cannot cheat Connecticut out of the legacy of good government that John Bailey left behind, and that is what he should most be remembered for.

IN MEMORIAM: JOHN M. BAILEY

John Bailey was a noble warrior who brought to the political arena the rare combination of vision, judgment and respect that made every combat an exercise in excellence. Democratic State Chairman for nearly thirty years and the National Chairman of his beloved party during the presidencies of John Kennedy and Lyndon Johnson, he earned a well deserved reputation as a skilled and successful leader who added new luster to the art of politics.

John Bailey was my political mentor and my friend. From the first days of my first legislative session, I learned from him valued lessons in the application of political skills to secure programs of benefit to the people and shared his deep respect for the essential wisdom and good sense of the electorate.

Although he did not hold public office, he brought courage, commitment and rare humor to a brilliant lifetime of involvement and concern for the state he loved and the people he cherished.

Government at every level has been enriched by the contributions of candidates for public office whom he encouraged. His stewardship has been reflected in their outstanding performance.

ELLA T. GRASSO,
Governor.

[From the Hartford Courant, Apr. 21, 1975]

A RECOLLECTION

(By Jack Zaiman)

As a newspaperman, I knew the late John M. Bailey for 40 years. I got to know him in 1935 when, as a youngster still not old enough to vote, I was assigned to cover the State Capitol beat. Our paths crossed occasionally in those days.

Both of us were fascinated by politics. It had everything. It was like baseball—another game every day. You win one, you lose one. The excitment of combat, win or lose, was indescribable. Mr. Bailey frequently used the words "ball game" to describe a political action.

In those years, Mr. Bailey was building his base of power that eventually led to his capture of statewide Democratic control. As he moved slowly but steadily from the Hartford level of politics to the state level, I got to know him more and more. His instinctive politics intrigued me. His mind was like a computer. Put the situation in, watch the almost instantaneous reaction in his eyes, and then out would come the answer.

Mr. Bailey was the political pupil of the late Mayor Thomas J. Spellacy. In those early years, the late Anthony P. Zazzaro was a major Democratic power in Hartford. T. J. or Long Tom, as Mr. Spellacy was known, would frequently get into fights with Tony Zazzaro, some of them real and some of them fake, and Mr. Bailey frequently found himself in the middle.

Somehow, Mr. Bailey managed to survive these rough and tumble Democratic fights in Hartford. Not only that. He had learned his lessons so well from T. J. that, in 1946, Mr. Bailey took control of Hartford away from the local organization, parlayed the revolution into a state convention victory, and became state chairman.

I learned a great deal of politics from Mr. Bailey. Political strategy intrigues me. Why do certain things happen in certain ways? Unwritten political rules apply in most situations. Yet there are occasions when the rules have to be bent. How does a political leader handle his troops? What is the strategy of "clearance"—the art of keeping political troops informed? Where does political loyalty begin and end?

Mr. Bailey and I used to sit around at times, during those early years, to discuss the strategy of each of his situations as they came up. Why did he do this and that? What considerations entered into his decisions? Why did he say yes or no?

I began to learn how his mind worked. After a while, I could anticipate what he would do in certain situations. Later on, when Mr. Bailey became a statewide power, this sense of anticipation that I had about the way he handled things got him into occasional trouble with Governors and others. I would see a situation, anticipate the way Mr. Bailey would handle it, and then write the story.

The story was usually correct. Governors then would holler at Mr. Bailey, the state chairman, for leaking some important news. But he never did. He used to get telephone calls at dawn from Governors when they read political news in The Courant. Mr. Bailey insisted he never leaked the stories. He was right.

I shall never forget a situation in 1949. One day, Mr. Bailey asked me for a ride overtown to his office while I was on my way back to The Courant's office.

We were coming from the State Capitol building. Usually, Mr. Bailey would make a lot of conversation. But, on this short automobile ride overtown, he was grim and silent. He just stared out the window. I asked him a question once and he never heard me. I knew him so well that I sensed something was up. He wasn't acting himself.

I spent much of that evening telephoning Democratic friends to find out if something big was up. Presently I found out Raymond E. Baldwin was resigning from the U.S. Senate to become an associate Justice of the State Supreme Court. Chester Bowles, then Governor, was to announce the resignation the next morning at a 9 a.m. press conference.

The Courant broke the story that same morning. Governor Bowles was outraged and blamed Mr. Bailey for leaking it. But he never did. I knew him so well that by his grim silence I was able to sense the story.

In his later career, after real success struck him, Mr. Bailey clammed up a great deal. He would rarely originate a story. He would confirm one if you got it somewhere else or almost confirm it.

I remember, a few weeks ago, asking him about a rumor of a certain appointment to a state commissionership. He didn't say yes or no. "He's not a bad fellow," Mr. Bailey said about the man I mentioned. That was his way of confirmation.

Mr. Bailey created his own political rule book. He taught hundreds of people his style of politics, maybe thousands. He operated under a political code of honor that involved keeping your word and playing with the enemy. I enjoyed all the ball games with him.

[From the Catholic Transcript, Apr. 25, 1975]

JOHN BAILEY KNEW MEDIA

(By John Clare)

The late John Moran Bailey, former state and national Democratic chairman has been eulogized in numerous publications for his political genius and public service. Yet, Mr. Bailey, renowned as an innovative politician, has not yet been credited for his understanding of the electronic media's role in the science and art of practical politics and government. With this in mind, this observer would like to share some first-hand knowledge of his positive attitude toward modern communication, television in particular, in his life-long vocation.

When he was at the forefront of the John F. Kennedy Presidential campaign in 1960, he was kind enough to intercede for this observer in securing the personal comments of the Democratic nominee on the effects of television in his campaign, the first in which use of that medium proved a distinct advantage to his candidate. John F. Kennedy's remarks were printed in this newspaper just before the election and were reprinted in other journals as well.

FIRST TIME

To my knowledge, the occasion marked the first time that a major political figure had made such a public statement and with due respect to The Transcript, it was hardly a giant circulation-wise, nor was it particularly influential outside the borders of a state with only eight electoral votes. Yet Bailey apparently looked seriously enough upon television to urge Kennedy to take the time during the frenetic, last stages of the campaign, to record his thoughts.

Further, the response to a request from a columnist of little repute indicated to me, at least, Bailey's attention to detail and his willingness to become involved personally in what most assuredly was a relatively minor activity of campaigning.

Mr. Bailey was a good friend of public television over the years. He believed in state support for, but not state control of what back in 1962 was the fledgling Connecticut Educational Television Corporation and confirmed this belief many times both publicly and privately. He saw the need for the noncommercial medium to be free from political or governmental pressure while also being aware of the large sums of money necessary to equip and operate a truly effective ETV system. His own state, Connecticut, is the only example in the nation of a network financed by a partnership of private and public interests.

He also regarded television coverage of governmental and political affairs as both desirable and necessary for a better informed, more participatory citizenry. He approved and applauded the efforts of Connecticut stations, both commercial and public, in bringing sessions of the General Assembly, the state political conventions and the candidates themselves into the living rooms of the state. Where there was reluctance to allow TV cameras where they never had been before. Mr. Bailey would persuade away such reluctance.

When Connecticut Public Television was seeking financial support from the Benton Foundation to cover the 1969 session of the Connecticut legislature, John Bailey wrote a personal letter to the former U.S. Senator from Connecticut whose name the foundation bears, urging that the funding be forthcoming. As viewers of that coverage know, the Benton Foundation helped support that coverage annually until the Senator's death two years ago.

Although I never had the opportunity to ask him, I feel sure that John Bailey would have supported the efforts now underway to permit TV on the floor of the U.S. Senate and House of Representatives. It is inevitable that television will be permitted access to these chambers soon. And this will come to pass because John Bailey and other political innovators could foresee that the benefits of permitting the people to look in on the political process through the miracle of modern-day electronics far outweigh the disadvantages.

HOSPITAL BOARD PRAISES JOHN BAILEY

To the Editor:

The Board of directors of St. Francis Hospital learned with deep sorrow of the death of its friend and colleague, John Moran Bailey, on April 10.

John Bailey, serving as a member of the board of directors since December 1938, had responded generously to the hospital's needs, be they needs of time or resources.

John Bailey's career as one of the top-level political strategists of our century, took him to high places. A famous president, eminent governors and senators, called him friend and advisor.

Yet, to John, of equal importance was the fine thread which for three generations, kept the Bailey family close to St. Francis Hospital.

His father, Doctor Michael A. Bailey, who was among the founders of St. Francis Hospital, was described by colleagues as "recognized for the unstinting devotion and ability which he applied to Saint Francis and to the practice of medicine."

John Bailey's mother, Mrs. Louise A. M. Bailey, was a memorable activist as president of the Ladies of Charity of St. Francis Hospital, a dynamic group devoted to serving the hospital's patients with time, funds, and countless personal amenities.

John's wife and daughters have carried on the family tradition of interest in and devotion to St. Francis Hospital, in particular through the Women's Auxiliary, thus continuing the skein of service from the mid-nineteenth century to the late twentieth century.

A distinguished record, this, and one of which John Bailey was legitimately proud.

The board of directors of St. Francis Hospital expresses appreciation of John Moran Bailey's service to St. Francis Hospital and sends condolences to his widow, Mrs. Barbara Bailey and to her children.

JAMES G. PETTIT,
Secretary of the Board of Directors,
St. Francis Hospital.

HARTFORD.

[From the Bridgeport (Conn.) Post, Apr. 20, 1975]

JOHN BAILEY'S STYLE

(By Alan E. Schoenhaus)

HARTFORD.—Sentimentality is always a highly suspect characteristic on the state political scene.

It's not that those who inhabit the Capitol arena lack warmth or human feeling, or that the political chromosome doesn't normally co-exist with the one that encourages tears at lullaby time. But the art of the possible leaves little room for other than the most pragmatic expression.

That's why, at the risk of sounding cynical, it appears that the waive of anecdotes gaining currency about the late John Moran Bailey threatens to obscure the legacy of his better than two decades as the top banana in Connecticut party politics. Something seems to get lost in the translation of most of the well-intentioned Bailey stories, for many of them are designed to demonstrate a kind of political one-upmanship that was totally alien to the man.

FEW WORDS

John Bailey's political genius had little to do with an ability to get off bon mots at appropriate moments, nor to bedevil his opponents with rapier-like rhetoric that cuts the philosophical premises out from under them. As was correctly noted by the clergyman who delivered his principal, and most accurate, eulogy, John Bailey was a man who rationed his words. As a matter of fact, he rationed them in much the same manner as he handled the trappings of his power.

In attempting to assess the nature of Bailey's extraordinary success as a political leader, measured against the unrelenting yardsticks of record and tenure, it is apparent that his was a record of solidly conceived game plans carried out with consistent determination over most of the more than a quarter century he headed the Connecticut Democratic organization.

Bailey's forte was execution; the ability to make a basic decision on a candidate or a course of action and follow it through to the very end. He was not a political technician by any stretch of the imagination and often scorned some of the sophisticated campaign techniques recommended by an army of experts, most of whom eventually moved on to other fields of endeavor.

What Bailey did was to determine a course of action and then doggedly follow through on its implementation. His basic decisions on selecting standard-bearers were often brilliant, and his approach to underticket building was often complex and almost always parochial.

STOCKHOLDER

All through his years of leadership, he manipulated raw political power in a way that gained him a reputation as a power broker when he was, in fact, a principal stockholder in most of the political operations he so painstakingly brokered from a position of strength. Even his detractors generally conceded Bailey's ability to ram through his will on a major matter while tying the rest of the congregation into knots in a negotiation over lesser matters.

Perhaps his most important characteristic was his ability to impose a pattern of political life on those around him. The Bailey method of operation gradually became a way of life in Connecticut politics. Through imitation, admiration, and self-defense, the political community began to adapt itself to the Bailey method. He became, in other words, the master teacher of the state political scene, and his success in that endeavor was enormously helpful to him, as well as to those who began to play the game by his rules.

Bailey's influence crossed party lines and his methods were discernable in many of the actions taken by GOP leaders over the years. Moreover, he visibly enjoyed jousting with just about all comers knowing full well they had to play in his ball park.

MANEUVERING

However, it is in his own Democratic Party that his brand of politics is almost certain to hold sway for years and years to come. Late last week, one of the bright stars in the Democratic political galaxy sat musing over the inside maneuvering that surrounds the selection of a new Democratic state chairman to replace Bailey. "It's amazing," he said as he verbally reviewed some of the reasoning expressed by key party people from Ella Grasso on down. "They all think along the same lines. They don't agree, but the pattern and the approach is the same one they all learned under Bailey."

Bailey himself would have been amused to be referred to as a teacher. Before he took on the battle for his life with an uncompromising throat malignancy, he carried off his role as a modern political boss (to use the words of his biographer, Joseph I. Lieberman) with an obvious relish. A well-spoken man, he often communicated with political associates in kind of Stengelese jargon that had the dual effect of offering the listener the feeling he was being treated as an insider, and then leaving him wondering whether he was putting the correct interpretation on the words.

This kind of minimal cue communication was characteristic of Bailey's responses to the hundreds of requests he used to receive weekly in his heyday as state chairman.

USED PATRONAGE

Bailey's attitude toward patronage was totally traditional. He used it to enhance the party position and to solve political problems. His supporters insist he took a benevolent approach toward its use, and his foes were critical of the way he dominated and controlled the patronage situation.

One thing is certain, however. No successor to Bailey or any other state party chairman is likely to hold such an iron grip on patronage and party control.

His legacy, then, is in the system of political thought and operation he leaves behind. His influence rests with the dogged determination he showed others, and the absolute dapper, courageous effort he made against the alien, non-political cancer that wrested him from the scene of fresh political victory.

Several years ago, in a moment of unhindered communication with John Bailey, I handed him my copy of Lieberman's biography of him and asked him to make a note on the title page.

"I hope you enjoy reading this as much as I did living it," he wrote without even taking the cigar out of his mouth. It may not have been original, but the execution was superb.

[From the New London (Conn.) Day, Apr. 12, 1975]

JOHN BAILEY'S LEGACY TO STATE DEMOCRATS

(By Stan DeCoster)

During a lull in last fall's campaign, Ella T. Grasso, the Democratic candidate for governor, lingered over a cheese omelet.

A young, perky campaign worker burst into the room.

Mrs. Grasso looked up. "How are things at the hospital and how is the boss?" she asked.

The boss—John Moran Bailey—was doing reasonably well then. He was dying of throat cancer—everyone knew that—but he was hanging in tough, fighting with the tenacity that had been his trademark for nearly 40 years in politics.

During those years, Bailey was the Democrats' premiere peacemaker, strategist, catalyst, father confessor, head-banger and manipulator.

He was, in short, Boss Bailey.

His loss will create a vacuum Democrats will not be able to fill.

The first 100 days of Mrs. Grasso's administration, a time in which Bailey's physical condition went from bad to extremely bad, marked the beginning of leadership gap. Bailey still was involved in doling out patronage and conferring with longtime political allies. But he was not the Boss Bailey of old.

There were clear signs of rebellion in the ranks, something that a healthy John Bailey would not have tolerated.

The best example came March 1 when party leaders from the largest Connecticut cities—upset over the way patronage was being handed out—boycotted the Jefferson-Jackson Day fund-raising dinner.

Bailey attended the dinner despite his poor health. But cancer obviously had weakened his political muscle. Despite his insatiable love for the political arena, he was expending most of his energy in the fight to stay alive.

The night of the dinner a veteran Democrat looked around, noting the absence of prominent town chairmen.

"This never would have happened with a healthy John Bailey," he said. "He would have said to hell with them all. They wouldn't have dared to stand against him."

Certainly, there were clear indictations that some of the local party bosses—with only a fraction of Bailey's political acumen—were flexing their muscles with the knowledge that Bailey was on his way out.

They were girding for the vicious political in-fighting that now will come to determine who will succeed Bailey as state chairman.

A leadership vacuum also became apparent in the day-to-day operation of state government. The most obvious indication was that Bailey, usually a regular in the corridors of the State Capitol, hardly ever was spotted there during this legislative session.

Mrs. Grasso has been trying to assert herself as party leader. She will have to fill the leadership vacuum until a successor to Bailey is found.

The governor has been traveling around the state, talking tough about a need for citizens to sacrifice by swallowing budget cuts and tax increases. She is conducting regional public hearings on her spending and taxation proposals although there outwardly would appear to be no reason for it. The budget and taxing plans she prepared now are out of her hands as they are scrutinized by the General Assembly.

All she is accomplishing is ridding herself of a portion of the sweet, compassionate image she has nurtured over the years.

Now Ella Grasso wants to be respected as a tough political leader capable of making the hard, unpopular political decisions.

The only certainty is that no one will be able to fill Bailey's shoes. He was the complete politician. He used a sledge hammer when strong-arm tactics were called for. But he could perform near-miracles with the precision of a surgeon's scapel when the delicate touch was required.

The uncanny thing about Bailey was that he almost always was right. He attracted more than his share of expletive deleteds over the years. Political enemies come with the job, and Bailey's insistence that his boat not be rocked didn't help his popularity in many quarters.

Bailey's longevity was directly attributable to his proven track record. He had molded the careers of the Ribicoffs, Grassos, Dempseys, and Killians and had provided Connecticut with the most loyal and dependable Democratic machine in the country.

The Bailey legacy is that of a winner. He was not loved by everyone but he was universally respected. And that is the best tribute anyone can pay John Moran Bailey.

[From the Bridgeport (Conn.) Post, Nov. 7, 1974]

BAILEY'S BEST DAY

(By Joseph A. Owens)

There was a special sweetness to the victory on Tuesday for the grand old gentleman of Connecticut politics.

John M. Bailey proved that a champion can come back.

He left a hospital room Sunday so that he could personally tend to a few details in Hartford the following day.

On Election Day he pulled the lever he loves—the little gadget which registers votes for Democrats all across the line.

That evening he settled down in his comfortable home with his wife, Barbara, fairly certain that the words of Sophocles would be appropriate:

"One must wait until the evening to see how splendid the day has been."

OTHER DAYS

There had been many magnificent days in the life of this kingmaker. Abe Ribicoff's hairline win of the governorship in '54; the Ribicoff landslide in '58; and the victory of John F. Kennedy in '60 are probably successes which take on a special glimmer when Bailey summons events of the past to mind.

And now Election Day '74 must be placed in his museum of trophies.

As broadcast commentators talked about the history-making achievement of Ella T. Grasso and the marvelous run of Abe Ribicoff, there must have been special satisfaction for the Irishman who prefers to remain in the background.

Let the candidates bask in the glory.

That is the Bailey philosophy.

But this is one year when the spotlight should be turned on him. Here is why:

HIS CREATION

Many, many months ago he told the chief contenders for the gubernatorial nomination to go out into the hinterlands and let the rank and file Democrats decide who they wanted. Whether it be Ella or Bob Killian, the Chairman would be ready to support the choice of the party faithful.

It turned out to be Ella.

At that point last summer only Bailey could have brought Bob Killian into the second spot. The master of ticket-making proved himself again.

The Grasso-Killian team was a creation of Bailey.

And it goes back much further, and deeper.

He brought Killian along in Hartford politics when the red head was a young, aspiring lawyer.

Ella, he spotted in the Legislature in the fifties and soon she was a candidate for the Secretary of the State.

And Abe Ribicoff.

That is a book, not a few lines in a column, the relationship between Bailey and Ribicoff.

Three Bailey people—Grasso, Killian, and Ribicoff—were the main forces firing the engine which roared to victory. But wait, there was another. Like Bailey his name was not on the ticket.

DEMPSEY TOO

Over in the eastern part of the state John Dempsey was out campaigning, working as hard as he ever did when his name was on the machines. He promised Bailey that the 2nd Congressional District would not deliver a big plurality for Bob Steele.

The base of Steele's support collapsed. Grasso carried the district. She and Bailey know where the credit belongs.

Looking down that Democrat lineup there was another individual for whom John Bailey nurtures warm affection—Ed Caldwell, "that good little soldier from Bridgeport."

There was a lot of maneuvering at the state convention. Bailey listened to many possible rosters, knowing in the end that Caldwell rated a position and would have one.

So Caldwell's election as comptroller was a cause for joy too.

The Democratic triumph on Tuesday was a victory which Bailey thirsted for. The Republican success in '70 was painful, but he survived.

The years and cancer in his throat have slowed his pace. He would not, however, enter the hospital in September until he had gone out to meetings in various parts of the state and placed before local leaders his strategy for success.

When he did go into Hartford Hospital, Bailey turned his private room into an antiseptic campaign headquarters. By phone he talked to the candidates and town chairmen daily. Posters and bumper strickers were affixed to the walls, creating an atmosphere, unlike any other in the institution.

AT DINNER

As time for the kickoff dinner approached, he let it be known he would be no place other than the head table, despite the word of doctors that he should stay in the hospital.

Bailey was at the Hilton that Saturday night. Perhaps then it was more apparent than ever before that this man has been responsible for writing a good share of history in Connecticut—and a few pages in the national book as well.

John Bailey had the foresight and the trust in people to believe that back in 1954 they would elect a Jew as their Governor. He perceived the qualities in JFK and the fairness of the electorate to envision a Catholic in the White House in '60. And in '74 his recognition of the talents of a woman, and his confidence in the people of this state to be conscientious in their decision, brought about Ella's election.

John Bailey would be the first to say Ella and Abe and all the rest belong in the sun, and he in their shadows. That is the manner of the man.

Maybe November 5, 1974 was his best Election Day ever. He is not a sentimentalist, so if it was, Bailey won't say so.

There are friends who think that it was.

[From the Bridgeport (Conn.) Post, Apr. 11, 1975]

JOHN M. BAILEY

Always it is sad to see a good man leave the public stage.

Yesterday afternoon life ended for an extraordinary individual, John Moran Bailey. By profession he was a lawyer. By choice he was a politician, certainly the most skilled man to practice this special and demanding science in Connecticut—perhaps in the entire country.

For many months Mr. Bailey knew that a debilitating illness, cancer, would not be denied. It was not his nature to give an inch. He continued to serve as Democratic state chairman until the final hour, counseling Governor Ella T. Grasso and others who made regular pilgrimages to his hospital room.

Mr. Bailey was best known as a kingmaker, the political scout who could perceive in certain individuals special qualities and potentials which would prove appealing to the electorate.

Coupled with this ability to accurately measure the worth of men and women as candidates was an equally important characteristic: courage. He was endowed with unique political foresight which was in union with a firmness of mind. That is perhaps the best way to explain his tremendous success in proving that seemingly insurmountable barriers could be overcome.

In 1954 Mr. Bailey sensed that Abraham Ribicoff's religion would not be a negative factor in the gubernatorial contest, though never before had either party nominated a Jew.

A few years later, when the thought of a Catholic living in the White House was believed appalling to millions, Mr. Bailey was the first prominent Democratic leader to endorse the presidential candidacy of John F. Kennedy.

As recently as last year, Mr. Bailey proved again that age and illness had not suppressed his natural instinct for detecting the mood of the people. He knew that Ella Grasso would be judged on her qualifications, and thus he recorded another first, the election of a woman to the Governor's office.

For 29 years Mr. Bailey served as state chairman of the Democratic Party and during the presidencies of Mr. Kennedy and Lyndon B. Johnson he was national chairman. Despite his long presence on the public scene, the true depth of the man was not generally known.

And old comrade in political arms and close personal friend, former Governor John N. Dempsey, observed in a tribute to Mr. Bailey that there had been countless beneficiaries of the warmth, kindness, and love of people which dwelled within the gentleman so many people affectionately referred to as "Mr. Chairman."

Mr. Bailey never thought of himself as a political power, even when he walked with presidents. When pressed to offer an explanation for his success, Mr. Bailey, glasses perched on his forehead and a cigar working, would often say: "You do what you got to do. You be where you got to be."

There was, of course, much more to it than that. John Bailey never shunted off to another a difficult task which was his responsibility. And, when in battle, he treated his opponents in a manner which allowed them to join him in the next contest, if they so desired.

Throughout his long public career Mr. Bailey was a modest and humble man who was thoroughly respected for many reasons, not the least of which was the fact his "word" was an unbreakable bond.

We know there will be no argument over our contention that Connnecticut was privileged to have had John M. Bailey for so long.

[From the Bridgeport (Conn.) Post, Apr. 11, 1975]

BAILEY: A GOOD DAY

(By Joseph A. Owens)

On occasion, a writer can and probably should share his experiences and memories.

Today, I exercise that privilege. My thoughts go back to a golden October afternoon. If ever nature had provided a perfect autumn day for 18 holes of golf it was October 4, 1973.

Maybe I am succumbing to sentimentality and emotionalism, but that round played with John Bailey, Brian Gaffney, and Bob Killian on that tranquil beautiful day was a most pleasurable experience.

OLD POWER GONE

Earlier, in the summer, Bailey had undergone surgery for cancer of the throat. He had lost weight. Illness and age had robbed him of the ability to drive a golf ball 200 yards or more. In his younger days Bailey was a scratch player—he could play the toughest courses in par and was ranked among the best amateurs in the state.

Even though his game had slipped, John still loved to play. So, it was with the enthusiasm of a youngster that he accepted a challenge thrust at him and Killian a few weeks earlier by myself and Gaffney.

Let it be clearly understood that one J. Brian Gaffney, then the Republican state chairman, rarely has to make excuses for his performance on a golf course, particularly his home grounds, Shuttle Meadow, which is just outside New Britain.

Bailey and Gaffney had not previously competed on the golf course. Their only contests had been strictly political in the hallways of the Capitol in Hartford. The old veteran had taken a liking to his young adversary. He admired Gaffney's spunk. In turn, Gaffney knew Bailey had virtually written the book on politics and that a fairer man never played the political game.

WANTS TO WIN

After the third hole, Gaffney, a serious look masking his cherubic countenance, announced to me, "This old guy really wants to beat us today."

And that was the truth.

When John Bailey stepped onto a golf course, it was like entering a political campaign, victory was his goal. Though he could no longer record considerable distance, he was uncanny with his chip shots around the greens and his putting.

The match was even most of the way around.

At the 17th tee Bailey hit a poor drive, the only tee shot of his which went astray all day. The ball went into the woods which line the right side of the fairway. Partner Killian said, "Hit another one Judge, we'll never find that one."

THE SEARCH

Bailey merely shook his head.

After everyone else had driven, the search for Bailey's ball began. According to the etiquette of golf, no more than five minutes should be allowed to look for a lost ball.

Gaffney, realizing Bailey was compiling a respectable score, said to me, "If I had a ball like the one John is playing I'd drop it in here."

After about 10 minutes Bailey's ball was located. The discoverer was none other than Gaffney.

Exuding confidence, Bailey took a five iron, blasted the ball out of a pile of leaves onto the fairway. He put his next shot on the green. Then with the finesse of Bobby Jones, he dropped the ball in the cup with one putt.

I wondered if people unacquainted with the ways of politicians would believe that Bailey's counterpart, GOP Chairman Gaffney, was actually rooting for Old John.

As matters turned out the Gaffney-Owens combo won the last hole and the match.

BAILEY LOW MAN

But when the individual scores were added up, who was the low man for the day with a highly respectable 82? None other than John Moran Bailey.

With the match over we seated ourselvs on a second floor porch of the clubhouse in what seemed to be serene comfort. Dutifully, the good shots of all four were replayed along with some of the not so good efforts. And then it came time to talk politics.

When Killian left briefly to make a phone call, Bailey expressed his personal affection for Bob, noting that he had been in politics with Killian's father.

Quick with the needle, Gaffney asked, "What's the matter John, are you afraid that if Ella is the candidate and wins, you won't get into the office?"

Bailey smiled, "Don't forget that Ella's my girl. I made her a leader in the Legislature and then put her on the state ticket. No, I wouldn't have any problems with Ella Grasso."

With sincerity marking his words, the political warrior added, "My wife tells me that when this whole thing is over (the contest between Grasso and Killian for the gubernatorial nomination) I am bound to lose a friend. I hope it does not turn out that way."

Subsequent events proved Barbara Bailey's fears were not to be realized. It was John Bailey who convinced Ella and Bob to team up and head the Democratic ticket the following year. Yesterday the eyes of both glistened as they spoke lovingly about the friend they had lost.

That day at Shuttle Meadow the verbal sparring went on, much to the enjoyment of all. Both Bailey and Killian assured Gaffney that his man, Tom Meskill, was doomed for defeat if he sought reelection the following year.

As late afternoon turned to early evening, the session broke up.

A GOOD DAY

John Bailey looked at me and Brian and declared, "It was a good day. That's the best score I've had all year. And I was in good company. We'll have to do it again."

We did get the same foursome together last summer, but by then his illness had sapped most of Bailey's strength. It was a struggle, not a joy, for him to play the game he loved. By then Gaffney had resigned the GOP chairmanship. So, it simply wasn't the same. The day is not worth recounting.

But that gorgeous fall afternoon in '73, well—that was something special. The Old Master had shown three younger fellows how the game of golf is supposed to be played.

And at the 19th hole John Bailey was as good with the political quips as he was with his putter out on the course.

[From the Waterbury (Conn.) Republican, Apr. 17, 1975]

BAILEY'S SPECIAL SMILE

(By Alan H. Olmstead)

John M. Bailey had one special little smile. It had a mixture of many things in it, a touch of ruefulness, a hint of the apologetic, a suggestion of demurral. It appeared on his face in a wide variety of situations, serving a variety of mods and purposes.

This small glimpse of a self-deprecating smile would appear on his face when and if it came to pass that one of his intricate political plays—like his pretense of neutrality in the 1958 state convention when he engineered the nomination of Tom Dodd for the United States Senate—had been uncovered and exposed.

The same smile would hover over some of his own recollection of feats of wicked political derring-do in the days when he was taking his political education in what might well have been labeled A School For Scoundrels.

It also served, this smile-look with which he seemed to ask himself how and why he could ever have done such a thing, in instances when he found he had made mistakes in judgment, such as taking one of his own governors too much for granted, which helped cost him a whole state election, or such as taking political spoils he did not need, which broke part of his heart when he realized it had resulted in anxiety for those he had wanted to please.

This same half-smile, which might seem at least half-apologetic for some Bailey moves and moments, also because the way he looked at himself as he found himself making gains and scoring successes and beginning to chalk up accomplishments which might have been justification for real pride on his part. It was a look which seemed to ask people not to blame him if they found him playing a higher brand of politics than had been taught in that original School For Scoundrels. It seemed to ask what else he could have done, but pick the best candidates he could find, when Abe Ribicoff and John Kennedy were ready to become the first Jew and the first Catholic in their respective offices.

But the most appealing and happy of all the instances in which the particular half twist would come into the lip and the little extra light of bemused self-analysis into the Bailey eye were those instances in which, at the summit of his career, he found himself in a position where, all political necessities taken care of, he could afford the luxury of a pure good deed.

To find himself working for some measure which had no political angle, which promised no patronage and no votes for anybody, but which appealed to him as a civilized and sensible thing to do—this gave him particular pleasure as he pretended to be surprised at being discovered in such a non-political mood.

"Who? Me?" the Bailey look always seemed to ask.

Surely, if he could have seen the throngs in Hartford last Friday and Saturday, throngs greater than any of those which noted the passing of any of the other captains and kings of his time, that same quizzical, half-unbelieving, disclaimer smile would have come to the John Bailey face, one more happy time.

EXPORT CONTROLS FOR GRAINS AND OTHER COMMODITIES

Mr. McCLURE. Mr. President, the continuing discussions of export controls for grains and other commodities are creating genuine concern among many of our farmers, and generating quite a bit of editorial comment in agricultural publications. Although export controls have been removed for the present, there is a real expectation among many farmers and writers that they will be "slapped back on" if prices show too much life.

One article in particular has been brought to my attention by a couple of my friends and constituents in Idaho, Mr. Harold West, administrator of the Idaho Wheat Commission in Boise, and Mr. Bill Corbett of Soda Springs.

I feel that the article from the Furrow, has enough merit to justify its being read by every Member of the Senate, and I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

PRICE CONTROL BY EMBARGO HURTS EVERYBODY

(By Ralph Reynolds)

It is easy to understand why an undeveloped nation, facing starvation, might place an embargo on the export of foodstuffs to other countries. Such a step would seem just and necessary in order to reduce hunger at home. But for a rich trade-oriented country to do so, as a way of manipulating domestic food prices, seems not only unncessary, unwise, and unfair, but counterproductive and downright callous.

An embargo or quasi-embargo against crop exports, such as U.S. restrictions on soybean exports in 1973, or the oft-threatened and widely-demanded (but never imposed) embargo on U.S. corn and wheat last year, can play havoc with crop marketing and consumption patterns. It creates a situation something like an auction of scarce commodities at which only one buyer (in this case the richest one) is allowed to bid on most of the lots. Lacking competition, the protected buyer can purchase what he desires at the price he wishes to pay. Others must scramble for what's left, and some—the poorest of course—go away empty-handed.

Have the best interests of the protected buyer really been served?

The answer, in my opinion, is no. Some short-term national benefit may be derived, but the aftershock can affect national and international well-being for years to come.

BUYER BEWARE

First of all, an export embargo on any scarce commodity causes a certain degree of economic disruption and hardship in countries that are traditional buyers of the crop. So those countries immediately begin searching for substitute foods or for ways to become self-sufficient. At the very least, they look carefully at other producing countries, seeking more dependable sources of supply. Thus there is great risk of losing future trade with valued customers, perhaps some long and carefully cultivated.

Fragile trading patterns and practices are disrupted by embargoes. World trade is inhibited by unpredictably gyrating supplies and prices. Commodity contracts lose viability and futures markets may become confused and depressed by fear of unnatural restrictions on trade.

SUBSIDIZED LUXURY

An embargo can also be directly damaging at home because it results in a false price that is well below the world value. Because this price does not function to dampen buying, the result is luxury domestic consumption of a scarce, high-value product in much demand overseas. Associated is the lost opportunity to strengthen the national currency through free trade of the product. Also, crop embargoes discourage home farmers, who find themselves subsidizing domestic consumption (or, by world standards, overconsumption). And demoralized farmers are not likely to produce a plentiful supply of anything.

Viewed through the eyes of would-be purchasers, one can see in food embargoes a kind of cynicism that places politics and short-term expediency above good world citizenship and responsible humanism. To deny people in other countries the right to bid for what is produced is to tell them: "Even though you may want and need this commodity more than we do, it is not available to you at any price." This kind of self-indulgence, if widespread, can't help but create a climate of international selfishness and distrust.

What is feed in one nation may be food in another. Thus, if the embargo idea spreads, one nation may fatten pigs with commodities that other countries want to purchase for human food, only to find the product can't be bought for love or money, even for both.

Food embargoes, imposed on scarce commodities, shut off supply when the customers' need is greatest. After years of trade have created dependence and trust, embargoes should be applied only to stave off famine at home. If you refuse to share a farm commodity when there's not a lot of it, the rest of the world will do everything possible to get along without your product even when you have too much of it.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, it has been more than a quarter century since President Truman first submitted the Genocide Convention for ratification by the Congress. Many critics contend that, because the treaty is so old, its time is passed. But the issue that it deals with is all too current and still bears importance that deserves our fullest attention.

The report of the individual rights section of the ABA states it best:

> Ratification and accession keep coming in all the time—Nepal was the latest in January of 1969. America's foes say, "You see what we mean . . ." and America's friends ask, "Where are you?"
>
> More important, more tragic, is the fact that the threats and acts of Genocide are in no sense remote. In Africa, in the Middle East, Southeast Asia, in the Mediterranean, and the Caribbean, it is clear that the ethnic hatreds war with hunger and depredation as weapons, brain-washing and torture are not of the past. If the excesses of World War II have not quite been repeated, the Genocide Convention may have had a part to play. No one can say that the concerns of the treaty are not the concerns of today and tomorrow.
>
> It may well be that the Genocide Convention has already been violated many times, even by those who have joined it. Magna Carta was violated many times in English history; the American Bill of Rights was violated many times—indeed continues to be violated all too often. So are the Fourteenth and Fifteenth Amendments. But none could gainsay their importance, and overall effectiveness.
>
> It is too early to tell whether the Genocide Convention will take its place alongside Magna Carta and the Bill of Rights. It is too late to pretend it does not matter.

Mr. President, this eloquent plea speaks for itself. I announce my firm support again, and urge ratification.

A VISIT TO SAIGON

Mr. GARY W. HART. Mr. President, early this month my legislative assistant was invited by the South Vietnam Government to visit Saigon. The purpose of the trip was to assess the military situation and the possible results increased U.S. arms aid might have on it. The observations, made in the critical period of early April, are particularly timely in view of the Senate's continuing debate on the administration's request for assistance to South Vietnam. Dr. Miller is a former career officer of the Air Force and well qualified to make professional judgments on military matters.

I ask unanimous consent that the report of my legislative assistant be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT OF A VISIT TO SOUTH VIETNAM, MARCH 31–APRIL 4, 1975, EDWARD A. MILLER, JR., LEGISLATIVE ASSISTANT TO SENATOR GARY HART OF COLORADO

On 28 March the South Vietnamese Embassy extended me an invitation to visit South Vietnam as a guest of the Foreign Minister. The purpose of the trip was to assess the military situation in South Vietnam and military assistance requirements and alternatives. I was accompanied on the trip by Dr. William Schneider, Jr., Legislative Assistant to Senator James L. Buckley of New York, Mr. William Sharpless of the Carnegie Foundation for International Peace, New York, and Mr. Jeff Gaynor of the Heritage Foundation, Washington, D.C. The views expressed in this report are my own, and they are not necessarily shared by the other participants.

BACKGROUND

The group met with South Vietnam government officials at minister level and below and with ARVN (Army of Vietnam) and VNAF (Vietnamese Air Force) officers in Saigon and in the field. The U.S. Embassy and Office of the Defense Attache provided briefings and made specialized personnel available on request. Most visits were in the Saigon area, but a visit to a representative refugee camp was made and some of the group flew to Can Tho for an inspection of security conditions in the Mekong Delta Region.

CONCLUSIONS

In my opinion, South Vietnam is suffering a crisis of leadership which extends from top to bottom. This apparent paralyzation of definitive direction has demoralized the South Vietnamese people, and I was convinced that unless some drastic changes are made among civilian and military officials, the chance for the ARVN to stabilize the military situation was not good.

U.S. Embassy and GVN (Government of Vietnam) officials with few exceptions want to soldier on with President Thieu despite the obvious fact that he is a thoroughly discredited leader. Their argument is that there is no alternative, but I think any one would now be better, even if just because Thieu is a prisoner in his own palace, unable to go into the field to build support for the war. The unqualified, back-Thieu-at-all-costs policy of our government is not sensible now, and it has probably been a poor policy since former Ambassador Bunker began it so long ago.

All officials, whether GVN or U.S., shared a common belief that American military aid in either arms assistance or B–52 bombing support was the sine qua non for survival. All appeared to believe that some immediate demonstration of a U.S. commitment would improve morale to a point where resistance to the Communists would be possible. In any event, all agreed that the amount of aid had no relevance to the immediate military situation. Whatever might be done would have a purely psychological value.

While it is certain that any new military aid is not going to stiffen the defenses of Saigon overnight, it is uncertain that what is in the pipeline now, much less new arms, will be effectively used. The evidence is not yet clear that the ARVN can regain its ability to fight, even temporarily.

The notion so widely expressed that B–52's would reverse the tide of war had a certain air of *deja vu* about it. As in 1964-1965, bombing is now seen as necessary to "show resolve" or to "hurt the NVA (North Vietnam Army)", thereby buying time to organize the shattered defenses. It was my impression that the advocates of this means of restoring SVN (South Vietnam) civilian and military morale were being unrealistic for the obvious reason that Congress and the people would not stand for it, but also because it probably would not work. Experience a decade ago demonstrated that bombing did give SVN a morale boost, but it was transitory, and it would be less lasting now because of the unprecedented ARVN collapse. Furthermore, my investigation of intelligence information available in Saigon leads to the conclusion that B–52 bombing would have little if any military utility. B–52 advocacy shows the basic sterility of thought in Saigon. The Embassy talks to the Thieu government and that government talks to the Embassy. Not the slightest attention is paid to what the American people think.

With respect to the war situation, I was convinced that military activities in the past month clearly demonstrated that the character of the battle had drastically changed. The North Vietnamese Army had launched an undisguised invasion of the South, marking the end of small unit warfare. The GVN decision to abandon the Central Highlands was made in anticipation of large, new attacks by DRV (Democratic Republic of Vietnam) regular forces, and it was a legitimate military decision.

The evacuation was, however, grossly mismanaged and resulted in the loss of all the equipment and supplies of several ARVN divisions and 400 aircraft. Some of the men escaped, and the government is now consolidating them into units to be used in the defense of Saigon. During the withdrawal, not one major battle was fought, demonstrating the depth of demoralization of the ARVN and its commanders. What isolated actions there were had no influence on the retreat and may have resulted in the useless sacrifice of good battalions that could have been better used in the battles for the capital.

Last month the Central Highlands were as much the key to the Vietnam War as they had been in 1965. Then, having abandoned the Taylor/Gavin enclave theory, the United States chose to meet main force Communist units there. The idea was to fight a war of attrition. As we know, the NVA selected the time and place of the battles and found it no trouble to match our buildups. The ARVN, on the other hand, without our mobility and firepower and perhaps without our will, was simply incapable of battles of attrition. As usual the NVA chose where to fight and through superior mobility could concentrate against thinly spread units as it wished. The NVA was always able to neutralize its enemies; this time it could overwhelm them. It used counterescalation, the game Westmoreland played, against the ARVN, but the South Vietnamese were not capable, as the NVA had been earlier in the war, of matching buildup with buildup.

I believe from my observations that the estimated 2 million South Vietnamese who fled before the NVA advance did so in order to escape from Communist control. Whether they feared a bloodbath or simply preferred life under the GVN to life under the DRV is unimportant. It seems apparent that the GVN did not encourage their flight, and the PRG Radio begged them to stay. In the end, however, only a few hundred thousand got away, and the GVN seems to have adequate plans if not resources to resettle all of them in the southern part of the country.

I was struck by the fact that no government officials looked forward to a reconquest of the territories lost in the past month. All seemed satisfied to keep what was left of SVN on the valid grounds that they still held the most valuable rice-and-oil producing lands. These alone would make SVN self-sufficient and, what is more, provide a large foreign exchange surplus in the next two or three years providing the war were settled.

Some officials thought the war's settlement might come about as the DRV would be unable to conquer Saigon because of scarcity of means. This premise was not as unrealistic as it may seem because the DRV was stretched very thin. In addition, it is NVA policy to go slow before major moves, and no doubt the Communists are just as much off balance from the speed and magnitude of their victory as the GVN is from the depths of its defeat. Because the rainy season is but several weeks away, the DRV might not be able to finish off Saigon before that time.

On the other hand, other officials thought that renewed negotiations between the two parties were the only solution to a continuing war that SVN would sooner or later lose. I reached no conclusion as to which view is most likely, but I am convinced that a military solution favorable to SVN is not probable over the long term.

South Vietnam at this time has sufficient arms and available funds which can be reprogramed to purchase essentials to continue combat operations for several weeks or more. Replacement of all that was lost in the retreat is not desired or necessary for survival of a SVN independent of DRV control. What is necessary, is a thorough shakeup in the nation's leadership, a demonstration that the ARVN is capable of establishing a battle line well north of Saigon and perhaps some possibility that a new ceasefire can be negotiated. Without these preconditions, American military assistance in excess of the more than $100 million already appropriated but not yet spent cannot drastically alter the critical situation. All it would accomplish is to boost morale, but whether this is enough to save South Vietnam is questionable.

Although we did not intend to investigate the problems inherent in evacuation of American and perhaps South Vietnamese nationals from SVN, the subject was one of concern during our visit. Naturally, no GVN officials brought up the subject; U.S. officials did. All the latter expressed their concern that they felt an obligation to evacuate U.S. employees of whatever nationality, but had no idea how or when this could or should be done. Some, in fact, thought it already too late for massive moves of people because the panic which would be induced in the population of Saigon would be uncontrollable. Others did not like the idea of making life or death decision about South Vietnamese, and a few predicted that we would end up firing on some South Vietnamese in the attempt to rescue others. In any event, I thought discussions of massive evacuations of Saigon, the members of the SVN armed forces and the South Vietnamese population generally.

Such discussions may also be dangerous because they could provide justification for American armed intervention: troops to protect evacuation bases, airpower to protect troops, and so on up the spiral of escalation. At best evacuation under fire requires a secure enclave; it might require several of them. What might seem to be a worthy humanitarian gesture could turn into a continuing fire fight against old enemies and even former friends.

PART V—MARCH 31, 1975

Call on Vuong Van Bac, Minister of Foreign Affairs. The Minister's general tone was at first angry, with the thesis that the present military situation is due primarily, if not exclusively, to the cut-back in U.S. assistance. He said the North Vietnamese offensive was undertaken because the GVN was unable to maintain isolated outports, particularly in the Central Highlands. Although he did not say so, the gist of his remarks leads to the conclusion that the ARVN had learned methods of war from the U.S. to whom abundant means was the rule. Defense of points under this system is done by harassing fire on approach routes and possible attack assembly points. Patrolling is likewise covered by artillery support, perhaps aircraft, etc. Of course, defense of fixed points does not work without the ability to move units quickly for blocking and spoiling actions. This requires helicopter lift and associated expensive air support.

Because of aid limits, not much of this kind of defensive warfare was possible. Consequently, the GVN planned a pullback from Pleiku and Kontum, but it is unclear if the Minister believes that was all the plan called for or if abandonment of the highlands would not have automatically led to loss of some coastal areas.

Minister Bac said the pullback was absolutely required, not because of a general erosion of the defense but because a large-scale offensive was anticipated. He did not, and perhaps could not explain why the planned withdrawal ended up in chaos and a total rout, except to say the refugee situation was unexpected. He had no criticisms, unlike others later, of military leadership or of the performance of the troops. On the contrary, he seemed to think they showed as much courage and fighting ability as could have been expected given the odds they faced and the confusion the refugees caused.

At the time of the meeting with Mr. Bac, the military situation was unclear, and, although he said he thought it had stabilized, obviously it had not. In fact, he forecast that the ARVN was capable of providing strong covering forces for the refugees along the coast roads, and he was optimistic that the ARVN was capable of expanding control of coastal areas in I and II Military Regions. None of these predictions turned out to be accurate two or three days later.

Mr. Bac admitted he did not know the number of refugees nor was he certain where they would go and what would become of them. It seemed to me that he was equally uninformed about the military situation. Given his high position, my observation would lead to the conclusion that the government generally was out of touch with the entire military situation in the upper half of the country and that, since there was an almost complete lack of information the government was incapable of planning what to do to halt the headlong retreat. It seemed that events were in command, and not even the NVA was pushing hard enough to justify the enormous losses of land, men and material even then going on. In respect to U.S. aid, he said the citizens of Vietnam think we let them down by not providing the $1 billion requested for this fiscal year.

He understands the American political process and the demands of other foreign and domestic needs, but does not believe SVN citizens do. Although SVN was aware of the Communist buildup, Mr. Bac thinks the U.S. would not listen because it had forgotten about Vietnam following the Paris Agreement. He also said he thinks the American public was unconvinced about the buildup reports and believed it was the usual budget time "sky is falling" approach to get more money out of the Congress.

Mr. Bac talked at length of the refugee situation, which was at the time of most apparent importance. He admitted data on the extent of the refugee volume was unclear; but that the government was making plans to resettle large numbers around Saigon and in the Delta region. He also said troops had been ordered to cover the flight of the refugees, but gave no specific information.

Perhaps the most interesting of Mr. Bac's observations concerned the involvement of other nations in the planning and the control of the Communist invasion. He said the PRC and USSR do not control the situation in SVN nor are these nations capable of controlling matters even in big power conferences. This is because of detente and other world political complications. The impression was given that the decision to invade was the plan of the DRV without outside consultation, even with the suppliers of means of war. He also said the Cambodia situation was irrelevant to the war in Vietnam.

Speaking of the new aid desired, Mr. Bac held that morale would be boosted by a positive demonstration of U.S. support, but any new arms would have very little practical military effort. Assistance would be mostly psychological, showing continued U.S. interest in the fate of SVN. Whatever assistance was provided would be used up mostly in POL and ammunition, not new equipment to replace that lost.

Mr. Bac said the GVN did not expect open-ended U.S. assistance. He said a two, three, or four year promise would be enough, but some promise was necessary to show U.S. support would not suddenly end. Asked if a loan to be paid from future oil ventures or rice exports was possible, Mr. Bac said it was, but that as a practical matter it would cause much political criticism. Bac claimed the GVN would accept a loan or grant aid, anything to keep going over the next few years.

Speaking of refugees, Bac suggested international pressure should be brought to bear to allow freedom of choice for all of them, those who got away and those who got caught up by the invasion in port cities and elsewhere.

Mr. Bac did not predict an attack on Saigon and predicted that the ARVN had an open option to expand control of more coastal areas, presumably in II and III Military Regions.

The visit with the Minister led me to think the general situation was bad but not critical. He also made the decision to evacuate the highlands seem militarily wise and perhaps a good political move. He had no explanation for why it all went wrong, leaving me with the impression that the people of

SVN were unprepared, especially for the magnitude of the mismanagement. This caused a chain reaction which many times multiplied the severity of the disaster.

Later the same day a group of U.S. Embassy officials briefed us on the U.S. appreciation of the military situation. Generally, the discussion concerned troop dispositions on 31 March, but some general details and observations have continuing value. For one thing, the Embassy thinks the Central Highlands evacuation was ordered because of the ARVN's failure to provide a successful defense of Bau Me Thuot, the Capital of Darlac Province. The significance of this point is that it means the evacuation was hurried. It also is contrary to what the Minister said. It would seem that the Embassy has no real explanation for the total collapse of resistance in I and II Military Regions any more than does Mr. Bac. Interestingly, as of 31 March, the DRV radio had not yet discussed any facet of the invasion but PRG radio was active, in particular asking the population not to leave threatened areas. It is uncertain if these pleas were in response to the evacuations already underway or whether they were made in advance of significant movements.

The U.S. Embassy, although well aware of the size of the NVA invasion, appears to think the disaster is due primarily to panic on the part of the ARVN and its commanders and not because of any significant military pressure on the withdrawing forces. Just how this collapse of ARVN morale can be arrested is uncertain, and the Embassy briefers gave little hope that the slide toward total DRV victory could be stopped or even slowed. But such a victory would not be one of the triumph of arms; it would be because of the GVN's lack of control over its own resources.

The only upbeat note was a qualified belief that some positive support by the U.S. would give breathing space to do something to reverse the situation. This opinion, which was very like that of Mr. Bac and other GVN officers and officials with whom we would speak, was unsupported by a view of just what physical acts might result from a psychological boost.

As for the state of forces in the evacuated I and II Military Regions, nearly everything was lost except for a handful of thoroughly disorganized and disarmed men. In all, somewhere from three to five divisional sets of equipment, including artillery, M–48 tanks, large ammunition supplies were lost. The replacement value of all this would be from $3 to $5 billion, but, even if replacement were authorized, it could not arrive in Vietnam soon enough to influence the situation.

Of the troops saved from MR I, one division might be reformed in a month from the odds and ends of the airborne brigade and the 22nd and 23rd Divisions who got away. On 31 March, it appeared that only 8,000 men from the Marine Division; one regiment of the 22nd Division and perhaps three ranger groups would be considered a potential fighting force.

In the rest of the country, only the Delta area (IV Military Region) seemed relatively secure. Military actions there were limited to small scale actions. But even there, the DRV with PRC augmentation would be capable of cutting communication lines with Saigon. To the west of the city in the area of Tay Ninh, one division, the 25th was strung out in penny packets, seemingly ripe to be overrun by a major attack. In fact, one Embassy briefer considered the province and city as good as lost. When it goes, if it does, Saigon will be in artillery range; but even more serious were the eastern and north-eastern approaches to Saigon because all cover of this so far undefended area was evaporating with the fall of MR's I and II. It would be there, I concluded after the briefing, that the battle for Saigon would be fought, but it would only be fought if the ARVN could successfully reconstitute the troops rescued from the lost territories. It appeared that the only thing keeping the NVA out of Saigon was its own surprise over the speed and extent of its victory. This view was shared by the Embassy briefer.

By far the most discouraging note in the generally pessimistic Embassy analysis of the military situation was provided by the expert, detailed information given us by U.S. Army Col. Le Gro of the Defense Attache Office. He, as did others on the Embassy team, appeared to believe only B–52 raids by U.S. could reverse the situation, but I confess that this proposal seemed as much a grasping at straws as a valid military action. In fact, Col. Le Gro did not claim bombing would destroy or seriously damage the communist forces. Once again only a morale boost could be expected. Therefore, even in the unlikely event the American people and Congress were to be asked to approve renewed U.S. bombing, a better military rationale would have to be found; but, as will be seen, bombing would not be militarily useful.

On the evening of the 31st, we dined with four junior officials and former officials of the U.S. State Department in Vietnam. Without exception, they shared the views of GVN officials that the reduction of U.S. aid below the amount requested was largely responsible for the erosion of the SVN military position, and it directly led to the debacle. I must admit, however, that I found this argument unconvincing since SVN had enough consumables to fight at a high level for some time. It is true that the FY 75 appropriation would have run out before June if that had been done, that very little worn out equipment was replaced and that spare parts were in short supply. Nevertheless, I thought that any nation facing absolute defeat would use all it had, rather than saving resources for the uncertain future. The fact of the matter is that, apart from gallant actions by scattered units, nearly everything, several years' worth of military assistance, was given up without a fight. Yet what the young Embassy officers said was not without merit because they, just like the Vietnamese, need an explanation for the collapse, but there is not one. It is not enough to say America did not listen to warnings that a North Vietnamese invasion by large-scale military forces was at hand. All the U.S. could have done would have been to provide more equipment and ammunition, but it, too, would have been lost because there is some doubt the ARVN would have fought for the Central Highlands and coastal areas even if the government had not ordered the pull back. Plain and simple, the failure seems to have been GVN leadership at every level even to include intermediate military commanders.

In retrospect, the pull back from the highlands was a good military decision and nothing much should have been lost even if the coastal area was given up. Actually SVN would be a better country without I and II Corps because these areas contain relatively poor land without potential for improvement. The young Embassy officers recognize this, but they do not seem to appreciate the complete leadership breakdown which caused a sensible plan to become a rout. They are like young, educated Vietnamese in this respect. That is they can see a bright future for SVN without war, and they know how to bring that future about. They do not have a solution for the war, however, and they have not yet appreciated that the GVN doesn't have one either.

PART II—TUESDAY, APRIL 1, 1975

The early morning was spent at U.S. military headquarters for briefings by the U.S. Delegation to the Four Parties Team which supervises the Paris Agreement. Needless to say, in view of the NVA invasion, the information received on the organization of this activity was not relevant to the present situation. The group was also briefed by the chief of the Saigon branch of the Joint Casualty Resolution Center, which is charged with recovering the remains of U.S. personnel killed in Southeast Asia. In general, this organization does not hold much hope that any still listed as missing are alive, and it is improbable many more remains will be discovered even if the Communists cooperate—which is doubtful. The briefer incidentally denied that absolutely that there is any truth to the Communist claim that his search teams engage in intelligence-gathering activities.

The same morning we met with Phan Quang Dan, the Deputy Prime Minister in charge of Social Welfare and Resettlement. Dr. Dan, who is a physician, explained his views of the refugee situation. Much of what he said about the help and assistance the GVN and other nations were providing is out of date; since then many refugees who escaped one trap were caught up in another. There were, according to Dr. Dan, two million new refugees created by the NVA offensive of which 1.5 million were caught in Da Nang. Planning for the 100,000 to 200,000 expected escapees seemed well organized, with plans underway to resettle most of them.

When we spoke to Dr. Dan, the Da Nang situation was unclear because ships were standing off the city hoping to bring out more escapees. Dan was still hoping the Communists could be included to allow those who wished to leave to be evacuated, but this did not happen. He did say that all people in the areas given up should have the right to choose their own futures, a procedures similar to that which followed the 1954 settlement. Possibly this freedom of choice can eventually be worked out; but it is unlikely this will occur until after the fighting stops, as was the case in 1954. Even then such an eventuality depends on whether SVN negotiates a peace or is just overrun. If the latter, few refugees are going to escape.

Dan said he had information that 23 "groups" of people were marked for liquidation by the Communists and that in the occupied areas some killing had already begun. He did not, however, identify the groups nor did he say how the information came to him.

He was impressed that Japan had suspended assistance to the DRV because of the invasion, but he did know how the world could likewise be convinced that the character of the war had changed. Over our suggestion, which we made to other officials as well, that the UN was a natural forum for this, Dan was not enthusiastic. He believes the UN is ineffective, but I concluded that he fails to realize the importance of using it to make known the facts to the world. I did not think then nor do I think now that most understand that this war is a new one. It is no longer a guerrilla conflict; it is an outright invasion by regular forces.

Dan commented on the change to a conventional conflict, and he said that the DRV did not have the resources to sustain a continuing major effort. He did not think the DRV capable of feeding the population it had acquired nor that the DRV could do much more than occupy abandoned territories. This analysis led him to the conclusion that if the GVN could stabilize the military situation for six months a favorable climate for negotiations would result. Whether talks would be based on the Paris Agreement or a new set of cease-fire rules was not made clear.

Other information which we received from U.S. Embassy officials and other sources seemed to support Dr. Dan's view that the DRV was at the end of its string. For example, we know that all the active divisions of the NVA are in the North or on the way there, that the entire training base has been depleted and that 15- and 16-year-olds with minimum training are in front-line divisions.

Dr. Dan blamed the U.S. cutback of aid funds for the DRV invasion and said that the people do not understand why the U.S. does not give more military assistance since we spent so much there already. He also criticized the U.S. Congress for taking its Easter recess despite the crisis in Vietnam. I told him, however, that Congressmen have a responsibility to hear the views of their constituents before making major decisions, but Dan said he thinks Congressmen should do what their consciences require even if it means disregarding public opinion. Our counter to this was that the GVN had not made a good case internationally so that its situation was understood.

Dan also said that his nation's demoralization was not due to the collapse of the pullout but rather almost entirely to the insufficient level of U.S. assistance.

The Minister listed, more or less by priority, the measures he thought the U.S. should take. First, he argued for some psychological boost for the people of SVN. Perhaps some strong talk by U.S. officials, threatening some unspecified actions if the DRV invasion was not stopped, or demands for respect for the Paris Agreement, would be appropriate. On the other hand, the U.S. might repudiate that agreement. Second, some military assistance was needed unless the supplies of the SRV were also cut off. Dan was willing to allow military supplies for both sides to be restricted to the replacement provisions of the Paris Agreement. This would also mean, of course, that the DRV regular would have to be withdrawn from SVN. Third, he called for humanitarian aid and finally, for a few years of economic aid.

Dr. Dan announced to us that he intended to loosen up controls over the immigration of orphans and would allow the various private agencies in Vietnam to send as soon as possible 600 or more children out of the country. He said his motive was to influence public opinion so the plight of SVN might be better understood. As we now know, he did as he said he would, and the orphans began moving later that same week. This was, according to information we received, a large concession on the part of the GVN because Vietnamese do not think their infants, orphans or not, should leave the country.

Dr. Dan made one interesting observation in his explanation of how much the Vietnamese people respect Americans. He was apparently worried that we would think the Vietnamese were so upset with the U.S. that the population was turning against us. He said atrocities by Americans were "isolated incidents," and during the war most Vietnamese were attracted to the Americans because of the protection and jobs they could provide. He said urbanization of the population from 15 percent to 41 percent since 1960 was illustrative of how great this attraction was. While it is undoubtedly true that many Vietnamese went to cities for the reason Dr. Dan cited, it is also true that urbanization was forced by compulsory relocation policies and the extremely destructive methods of war in an underdeveloped country. For example, we know US/GVN policy was to evacuate whole areas and plow up the ground to deny support to the communists. This made masses of refugees who seldom had any option but to go to the cities where some work might be available.

In general, his remarks stressed the urgency of the situation in the eyes of GVN officials. He is convinced that, unless the U.S. does something quickly, the situation will get worse. He concluded by observing that help too late will do no good. "When a patient dies, you can give him only tears," he said.

Late that day, we spoke to Lt. Gen. Tran Van Trung, Chief of the General Political Warfare Department, the organization responsible for national morale and for population indoctrination.

Gen. Trung told us little about the state of civilian and military morale or about what actions he is taking to inform the people about the current situation. Instead, he began with a discussion of the faults of the Paris Agreement and other matters. He asked if the Agreement meant the U.S. intended to abandon South Vietnam and discussed two deficiencies in it which led him to conclude that it did. First, no cease fire lines were clearly determined, making it impossible to resolve disputes over area control between the factions involved. Second, he said control and supervision was at best vague and therefore, a permanent or even temporary peace was from the beginning unattainable.

Gen. Trung was not as certain as were other officials that reduction of U.S. aid caused the invasion, but he was as insistent as they that the $300 million supplementary request before Congress had symbolic importance as a demonstration of the U.S. intention not to abandon SVN. He said the dollar amount of this assistance was not significant because a psychological boost was what was needed.

He went on to say that he favored the resumption of U.S. B-52 bombing raids as the most readily available means of doing something immediately to raise morale. He said bombing would clearly show the U.S. guarantee of SVN was still current, and it would force the Communists to revise their plans. He also observed that immediate bombing would be effective because the NVA was concentrated. (On this point, we made further investigations which will be discussed later.)

In general, Trung's argument was that U.S. assistance should not be seen as a matter of finance but should be viewed as a necessary humanitarian measure. He called for something to help stabilize the military situation and said the next two weeks were the critical period because at least that long would be required for consolidation.

Trung said the DRV's objective was, of course, to seize Saigon, but he went on to observe that the campaign was part of a plan by Russia and China to seize all of Asia. I was struck by the disagreement on third power intentions among various GVN and U.S. officials. It seemed to me that those who saw some centrally directed plot on the part of Communism were missing the point. Clearly, the NVA invasion should have been the focus of attention, not Cold War *rhetoric* which we have all heard before. It may be true, but it was hardly relevant to the emergency nature of conditions in South Vietnam. I told Trung that Americans knew those old arguments, and, if he expected some change in their attitude, he had to stress the fact that the war is now conventional with more or less clearly defined battle lines.

Following the meeting with Trung, we visited the psychological warfare headquarters of the Army where we were shown a film on the refugee exodus from the Central Highlands to the coast. The film had a Vietnamese sound track for which we were supplied an English translation. In my opinion, the film was visually moving even though some of us thought some scenes might have been staged.

The sound track was very bad propaganda, and we observed the obvious suffering of the refugees as seen on the screen did not need further embellishment. In fact, were the sound track used outside Vietnam, we were certain the film would be dismissed as entirely self-serving, without any merit. In short, it would damage attempts to publicize the very real suffering of the tens of thousands of refugees who fled from the highlands. But the film was already overtaken by events because most of the refugees pictured never got away. Nearly all of them were later trapped in Da Nang and elsewhere when evacuation efforts proved too little and too late.

Later that day, I went to Ton Son Nhat Air base for an informal discussion of the air situation with Colonel Hughes of the U.S. Defense Attache Office. I was interested in learning what air force assets had been lost and what the prospects were for reconstitution of a fighting force. Colonel Hughes outlined aircraft and *munition* losses at the several air bases in I and II Military Regions. In regard to munitions, at three bases alone bombs, rockets and ammunition sufficient for at least three months' operations was abandoned, and this was only a small part of the total lost. Aircraft losses were especially heavy, not due to energy action, but because nonflying equipment had to be left behind. At one base, for example, at least 100 aircraft were left, most because they were out of commission but some pilots for them were not available.

When we spoke to Colonel Hughes, the large base at Phan Rang and the airfield at Na Trang had not yet been given up. Nevertheless, the bases are of no further use for operational purposes, and at Na Trang all air force personnel have been evacuated.

PART II

Col. Hughes viewed the loss of air bases as a critical factor which made VNAF recovery chances doubtful. With the loss of so many stations the VNAF was reduced to only three operational locations. One of these, Bien Hoo, was already threatened by the communists and could be made unusable by artillery fire. The base is very important because it is where most of the VNAF's tactical fighters are stationed. It also is close to the largest Army supply center. This makes an early stabilization of the line as far north of Saigon a critical requirement. If these bases are lost or made unusable, the war might become more hopeless than it now appears.

In respect to petroleum products (POL), the SVN Air Force has sufficient JP-4 fuel for jets but has a shortage of aviation gas to fuel AC-47 and AC-119 gun ships being taken out of storage.

Colonel Hughes when asked about the military utility of B-52 raids was pessimistic that they would have any effect on the situation. He conceded that B-52 bombing might have an important influence on the morale of both North and South Vietnam, but he was not optimistic that renewed U.S. air action could improve the ARVN military picture.

We also discussed the redevelopment of NVA surface-to-air missiles (SAM's) to the South and the possibility that the DRV air force would operate from captured bases. He had no information on either subject but speculated that the open coast road made new SAM deployments practical and that, if moved, the SAM's could prevent SVN Air Force operations over the lost territories. He did not think that the bases would be used to permanently station aircraft, but thought that aircraft could be brought south temporarily for strikes against Saigon. I was aware that this staging technique was used in the air war over North Vietnam, so it is reasonable to presume attacks on the SVN capital are possible. What might prevent them is not physical impracticality but rather the apparent unwillingness of the SRV to openly show its armed forces as conducting the offensive. In any event, no air attacks could be militarily important, but they would cause further demoralization in Saigon.

That evening the group attended a dinner hosted by Le Quang Giang, Deputy Minister for Foreign Affairs. Other guests were officials of the government attached to the information section of the military.

Dinner conversation did not concern itself with the new matters of substance, but we did exchange opinions about how the GVN could better present its case to the world. We also spoke of our impression that the GVN was not keeping its own citizens sufficiently informed, and this was contributing to the general demoralization which we had observed.

PART III—APRIL 2, 1975

The morning was spent at a refugee camp 30 kilometers north of Saigon near the provincial capital of Phu Cuong. Although this camp is if anything an example of the best, conditions in it are shocking. It is a good camp because the refugees moved to it in village groups without being harassed on the way by the communists. The camp has 10,500 people in 2,000 families, and 580 refugees are less than two years of age. All come from the Tam district of Binh-Duong province which was overrun on March 13.

The camp is an old army training center which had been abandoned and virtually stripped some years ago. Consequently, not much is there except 26 iron roofed buildings on concrete platforms. There is no electricity or running water. Administration is by GVN officials, a few regional force troops and by the village officials who fled with their people. The camp has few management and control problems because it is populated by like-people who mostly know each other. Each refugee receives 500 grams of rice a day and nothing else. Some powdered milk is available for infants, but the amount each gets is far less than required for basic nutrition.

The camp has a dispensary served by a physician and several nurses and health workers. Very little medicine is available and the building is not much more than a crude hut without any sanitary facilities at all. Patients must use plastic cots, and the whole dispensary is very dirty.

The people seem as content as possible since they have abandoned their lands and the tombs of their ancestors, and their future is uncertain. They live on the bare concrete floors in family units, without privacy and with only what comforts they brought with them.

Although the provincial capital is only a mile or so away and is a rather substantial city by SVN standards, there seems to be very little contact between city and camp.

On the east-west road which borders the camp and at least one other road nearby the government is building some of the defenses of Saigon using regional force (RF) soldiers. The defensive works consist of a ditch about 10 feet wide and four to five feet deep parallel to the road. Between it and the road a fence of bamboo, 10 feet high, is being woven. The purpose of all this, we were told, was to stop tanks, but more likely it is for infiltration control. Against any vehicle, even cars, the ditch does not provide a substantial barrier.

On the road to Saigon, other control devices consisting of groups of 50 gallon drums filled with sand and plastered over with mud are placed in the road so as to restrict traffic. Each block is manned by some RF troops. Also, each bridge, no matter how small, has an armed guard. It would seem that these measures, while useful against guerrilla attacks, serve little purpose in a conventional war. Taken together a very large number of troops is tied at a time when mobile forces should replace static defenses.

After returning to Saigon, we met at the SVN Senate with Dr. Nguyen Duy Tai, Chairman of the Foreign Relations Committee and several other senators. Generally, they are critical of the leadership being provided by the Thieu Administration in this time. They also made a plea for U.S. assistance, again on the grounds that something, even if symbolic, would do a lot for national morale.

The meeting was short because of a call for a vote on the Senate floor, and we were privileged to observe the proceedings. The first vote was on a resolution deploring the scarcity of U.S. aid since the cease fire. It carried unanimously. The second resolution called for a change in GVN leadership, and it likewise passed without dissent. The resolution seems to me purposely vague since it did not ask Thieu to resign. The question is whether the SVN Senate has the power of independent action, although I was impressed that the vote, even on such an unsubstantial resolution had much significance. It showed at least that the Senate wanted some changes and that government business as usual was not the reaction to disaster that the senators and presumably their constituents expected.

Following the brief Senate visit, we went to the Saigon naval dockyard for what turned out to be an inspection of its facilities. The main activity seemed to be banging on iron with large hammers, and the visit was generally unproductive. A large number of ocean-going ships, including two destroyer escorts, were at dockside, and I wondered why these vessels were not off the coast aiding in the evacuation of refugees.

We then proceeded to Tan Sun Nhat airport to visit an operational air unit. The visit was set up on short notice at our request to substitute for a briefing by General Cau Van Vien, Chief of the Joint Staff, who was understandably not available. The officer who received us was Brig. General Tien. General Tien, Commander of the 5th Air Division, an organization which flies and maintains all the VNAF's 30 C–130 transports, some C–7's, C–47's and all the C–119 transports and gunships.

At the time we spoke, Gen. Tien had been on duty for two days as had nearly all of his organization. The 5th AD had just completed the evacuation of all VNAF personnel plus their families from Na Trang Air Base. The movement was done at night and in secret because of fears that the base would be overrun by refugees as happened at Da Nang. One C–130 carried 300 persons, about triple its capacity on one flight, and the crews generally flew three missions a day to accomplish the airlift.

Tien said his main problems were lack of spare parts for his C–130's. These aircraft, the first of the kind sent to Vietnam just before the peace agreement, were very old models to begin with and require considerable maintenance to keep them in commission. He said he has the technical staff to do all his maintenance, but without parts is unable to keep more than 50 percent of his 30 aircraft flying. We inspected his maintenance facilities and found them up to the highest USAF standards. Perhaps this is one of the problems the VNAF has because these standards might not be relevant in a grave tactical situation. It occurred to us that if other units at abandoned bases also took such pains with maintenance, many aircraft under repair might have been given up to the NVA when they could have been flown out.

Tien observed that his crews were flying at 300 percent of their fuel allocation which means they will run out before the end of June unless funds are reprogrammed or new funds provided for POL. He said he could keep 15 to 18 C–130's in commission for 60 to 70 days after which the poor parts supply situation would rapidly ground most of them.

Tien was putting AC–119 aircraft, which had been stored for lack of maintenance funds, back in service, but he was unable to repair the complex electronic gun sighting mechanism because of no spare parts and no calibration facilities. As a result, the gunships could only use visual sighting methods for attacks. This makes them less than fully effective, especially for night operations in which the best targets are normally found. Tien held no hope that low light level TV's could be repaired, but was planning to do the best he could with the equipment available.

Tien was the first tactical commander with whom we spoke, but, like the others later, he blamed the generals and other commanders for the MR I and II debacle. He said the leadership of the nation and the armed forces was clearly deficient and required a change before resistance would be effective. Perhaps because he is an air force officer, Tien favored Marshal Cao Ky, also a flyer, for chief of state, and he said military commanders who did not do their duty should be punished. Tien said he was prepared to fight to the finish and that his officers and men had the same intent. Of course his is an elite unit, but he observed that most of the armed forces had no option but to do the same in defense of Saigon and their families. He noted that there was literally no place to go.

That evening the group was invited to dinner by Senator Tai with whom we discussed the political alternatives open to the GVN. Tai did not necessarily favor the removal of Thieu, largely on the grounds that no good alternative was available. He thought a change would be disruptive in light of the crisis.

PART IV—APRIL 3, 75

Originally the group was scheduled to meet with Prime Minister Khiem, but unknown to us he was in the process of being removed from office. Consequently, we were taken in the morning to visit an agrichemical plant which makes all the fertilizer requirements for South Vietnam. The operation was apparently efficient and profitable, packaging sufficient quantities for export to Thailand, Indonesia and elsewhere in Southeast Asia.

Following this we were received by Nguyen Ba Can, speaker of the National Assembly. He said he had just come from visiting President Thieu, but, although we did not know it, he would be named Prime Minister the following day. He said very little in the short meeting, but did tell us the present Prime Minister was attempting to broaden the government by giving official positions to several political factions not then represented. Mr. Can also told us what he said should be the minimum support the United States should give SVN. It is that something should be done to reimplement the Paris Agreement which would result in a return to the lines before the SRV invasion. Just how this might be accomplished is not clear, and I thought it an unrealistic suggestion.

The next visit was with Nguyen Van Hao, Deputy Prime Minister in charge of Economic Development, and eight or ten of his assistants, all specialists in various economic areas. Mr. Hao stressed the need in SVN for political and military stability which, if attained, would be followed by economic prosperity. He and his assistants supported this declaration with specific data on the viability of the SVN economy. What was particularly impressive in this presentation was the thorough professionalism of Mr. Hao's staff and the seemingly accurate and non-self-serving information they provided.

What struck all of us as significant was the vitality of Mr. Hao's young men and the dedication they seemed to have for making SVN a self-sufficient nation. All of them were educated abroad, some in America at Harvard, Iowa and Colorado State, and others in France and Germany. One, for example, is a graduate in economics of the Ecole Polytechnique, and he was a full professor at the University of Paris when in his late twenties the youngest professor in any school in France. He decided, however, to give this up to return to Vietnam; whether to the North or South was the decision he had to make. Opting for the SVN, he is now working for one tenth his old salary.

All these men volunteered for front line combat duty in the defenses of Saigon, but

Mr. Hao refused their requests, telling them they still have a job to do.

This job they seem to be doing very well indeed. For example, we were told of the oil well development work being done off shore and on land in the MeKong Delta region. SVN has brought in two out of four wells which produce 1,000 to 2,000 barrels a day; each well is in a potentially vast field. The petroleum is especially clean of sulfur and other impurities, and the product of one well is nearly good enough to be usable as fuel without refining. The Vietnamese say they will need two or three years to get enough wells drilled to provide for SVN needs and for export sales, but, of course, the war, even though the oil bearing area is relatively secure, is preventing this development.

The GVN is also a rice surplus area for this year, but feeding refugees might use up the excess over the short term. The government is promoting wheat consumption at home so that exports of rice can be increased. Since wheat costs $200 per metric ton and rice sells for $500, a foreign exchange surplus can result. Advances are being made in agricultural development through the use of new rice strains. Where before each hectare or riceland produces a yearly crop of 1.7 to 1.9 metric tons, it is now possible to get at least 3 tons and perhaps as many as 7.5 tons per hectare.

Hao and his men also discussed the military situation with us. They said the NVA has all it needs in the way of outside support to take over SVN. On the other hand SVN was obliged to keep the peace with very little support. Mr. Hao said the present situation was not dissimilar from the American experience in the Korean War in that after the Chinese intervention we also retreated, abandoning all our equipment. But, he said, in every war we have recently fought as in Europe and Korea we never did pull out completely leaving the nation we aided to its own devices.

Hao summarized his remarks, saying that many Vietnamese asked for no more than a chance for the new generation as represented by the young men working as his deputies. These were the next generation of leaders to replace the old or discredited, and they had the potential to make SVN a viable nation. It would be a pity, he concluded, if all their promise was lost because of the invasion, because surely they would have no place in a Communist Vietnam.

Hao then invited us to have dinner with his men that same evening, an offer which we accepted. The discussion that evening confirmed our general impression that Hao's men would be outstanding in any society. We concluded that America would think better of SVN if they knew these remarkable men who do represent, as Hao said, the future of his nation providing there is one.

After the meeting with Minister Hao, we met with Major General Smith, the U.S. Defense Attache for Vietnam. Smith, a logistician, is responsible for the administration of U.S. military aid. We were particularly interested in hearing General Smith's evaluation of the military situation, the prospects for an improvement of the GVN position and his explanation for the magnitude of the disaster.

Smith said there was nothing militarily wrong with the evacuation plan since holding the highlands was wasteful of troops and equipment. The plan was drawn up as a result of the failure to defend Ban Me Thuot in Darlac Province. It was prepared by the ARVN logistics chief, an officer General Smith respects for his professional competence. Unfortunately, after making the plan this officer left the country for personal reasons. It was transmitted to the field on 11 March and ordered implemented on the 15th, obviously in too short a time for proper execution. Although he did not directly say so, I thought General Smith believed the field commanders were generally deficient in their duty, and this led to the panic among the troops.

Smith outlined the amount of equipment lost, tanks, artillery pieces and nearly everything necessary to outfit three divisions. He also said that air strikes were attempted on some of the abandoned ammunition depots but not much was destroyed because the bunkers containing the ammunition were so well constructed by the United States. He thinks, therefore, that it is all lost, and it will be used by the NVA.

In regard to the ability of the ARVN to recover, General Smith said he has reprogrammed available funds, amounting to over $100 million, to provide small arms and consumables such as ammunition instead of the scheduled field rations, clothing and other less essential planned assistance. With this material and with what can be withdrawn from depots in SVN, he expects to be able to equip 18 battalions with light weapons in several weeks time.

Smith did not specify what he thought the nature and direction of the attack on Saigon would be. When asked how he thought the tide could be turned, he said much the same as had the GVN officials with whom we had spoken. He thought some new military aid would uplift morale, but he also suggested B–52 bombing as the most effective, immediately available method of doing the same.

My impression of General Smith's remarks was that he had very little idea of the prospects the ARVN had to defend Saigon, but he did say there was a plan. He also did not seem to know the current state of the ARVN, reflecting perhaps the uncertainty of his counterparts on the Vietnamese general staff.

Smith said he was particularly worried about his Vietnamese civilian employees who had presented him with a petition asking evacuation of themselves and their families in case the Americans left. He was also worried how he could evacuate the more than 5,000 Americans in Vietnam and Vietnamese who had served our government. He had no solutions to these problems and seems to have accepted a stabilization of the military situation as the only real, if somewhat uncertain, answer to the dilemma he faces. He said he was evacuating some American employees because of a reduction directed earlier and was sending others home before they are due for reassignment. He did not tell us that he was sending a large number of his employees out on the C–5 orphan flight the next day, perhaps because he didn't want any leaks to the SVN civilian population.

We had just learned before meeting with Smith of an Embassy directive allowing U. S. employees to send their families to Thailand and other places at government expense, to include per diem and permitting them to pack up and ship their personal belongings and automobiles. This decision was made, we were told, so U. S. employees would not incur any temporary expenses. They could have shipped their families at their own expense and been reimbursed later, but this order guarantees no one would suffer any financial inconvenience. We thought the order particularly stupid and issued for entirely the wrong reasons. It caused immediate concern among the Vietnamese we met that the Americans were abandoning them before it was necessary. General Smith did not dispute the poor timing of the order, but he said it made his concerns a little lighter if full evacuation were ordered.

Some of the groups asked for a meeting with an intelligence officer to determine whether B–52 strikes could have any military utility. We had been told earlier that 511 strikes had been asked for by the ARVN and 95 of these were considered suitable by the U.S. Air Force. We spoke with a photo interpreter who showed us a map detailing the 95 "validated" targets. To get on this list the USAF had to have a photograph of a target and an evaluation that it was sufficiently important to justify a strike. The map showed most suitable targets were up along the old DMZ border in Quang Tri province and all were protected by SAMs and a sophisticated air defense system. This meant that strikes would put at risk USAF crews, and it was inconceivable that the American people would be willing to accept losses. The most concentrated more southerly targets were north and northwest of Saigon in Tay Ninh, Binh Long and Binh Buong provinces. They totaled about 50, and all were concentrations of supplies. Bombing these targets would not necessarily kill NVA troops and the supplies lost would probably not be critical to the battle for Saigon. In addition, what supplies were not destroyed in the first strikes would be rapidly moved and later hidden.

The result of my analysis of the military effectiveness of B–52 bombing is that it would not be tactically useful. During the U. S. involvement in the war, the number of sorties available and flown was in excess of the valid targets available. By starting up the bombing again, we would soon find ourselves in the same situation as before. That is, we would soon be out of targets and end up bombing an uncertain intelligence. Furthermore, the campaign would have to run from Guam because it is extremely doubtful Thailand would allow us to operate the B–52's stationed there. All reopening the B–52's air campaign could possibly accomplish in the present situation would be to improve morale. That does not seem certain enough to justify it on military grounds even if overriding political considerations would be disregarded.

PART V—APRIL 4, 75

I had intended to go to Phnom Phen this day, but the Saigon Embassy had made unsolicited demands on the U.S. Embassy in Cambodia which led to a denial of permission. Therefore, we requested a visit to an operational ARVN unit in contact with the SRV. We specified the 25th ARVN division which defends the western approaches to Saigon in Tay Ninh province. Unfortunately, this trip too could not be arranged, probably on sufficient grounds that no one was willing to put us at personal risk.

Consenquently, a visit to Can Tho, the principal city in the Mekong Delta region was arranged by the Saigon Embassy. We were flown to the city by Air America and met on arrival by the U.S. Consul General, Francis T. McNamara. He took us to his consulate where he and an assistant gave us a thorough briefing on the tactical situation in the Delta. His analysis was that the delta was secure and that what Viet Cong and NVA units were operating there were engaged in harassing operations. The objective of the communists seemed to be to cut route 4 in Long An province so as to break Saigon's road connection to the Delta. An operation a week earlier had been turned back by the ARVN, but renewed activity was expected. As it happened, new attacks were made the following week.

Mr. McNamara thinks that the Delta situation is under control of the ARVN and that no large-scale military actions should be expected there.

We then went to the headquarters of the local military commander, Col. Vinh, who gave us his analysis of the tactical picture in the four provinces he is responsible for: Phong Dinh, Ba Zuyen, Vinh Long and Vinh Binh. He commands RF and Popular Force (PF) units plus whatever regular ARVN units are operating in his area. At the time he had 3 or 4 battalions.

Vinh said he has very few problems with the level of activity as it is, but he does find his effectiveness limited by the lack of helicopter flight time forced by the shortage of operating funds. Actually, a large number of helicopters are stationed at Can Tho airport near his headquarters, but we did not see even one of them operating. The result is that Vinh is unable to move his troops by air to counter attacks and often misses the enemy because his men arrive too late. The VC were launching occasional rockets against the airport and city, and some had been fired the night before without causing any damage except to a temple.

Vinh offered that he could hold his own with no difficulty providing enemy activity remained the same, but he complained of shortages of such items of hand grenades. While this might not seem a major item, it is important to PF soldiers who are on duty in isolated outposts. When attacked they are supposed to hold their ground until help arrives. Since they are poorly trained local militia, firepower greatly improves their staying power.

Another serious shortage was of sufficient flight time for medical evacuation helicopters This had morale implications because a wounded soldier could not get rapid medical aid without them. The result is, Col. Vinh said, some of his troops did not fight as well as they had when supplies were more abundant.

Vinh's operation was a low-level and not illustrative of the kind of serious military activity that units in defense of Saigon could expect. He made the usual plea of the need for more assistance, and clearly he would use it.

More instructive was his observations on what the ARVN needed to do to become a fighting force once again. Because he is, we understand, the senior active colonel in the ARVN and has a distinguished combat record with elite airborne troops, his remarks have particular importance. He believes the ARVN suffers from a crisis of leadership and that SVN has no room for incompetent, political commanders. He thinks the commanders in MR's I and II with few exceptions failed to do their duty and should be punished. This, he believes, would boost ARVN morale at a time when most needed. That it has not been done to our knowledge, shows how little the GVN has done to recognize its own shortcomings. I think in retrospect that Col. Vinh's sound suggestions are an obvious, easy step to take, but the GVN is paralyzed and unable to believe the rout in MR's I and II is due to anything but a scarcity of U.S. aid. The only solution at hand, the GVN seems to think, is to boost aid and begin B-52 bombing. Then all will be well again.

We followed our visit to Vinh with lunch at Mr. McNamar's residence. He is the most impressive individual we met in Vietnam and by far the most perceptive and imaginative U.S. foreign service officer. We discussed with him the Embassy evacuation order, and he said he told his 1,000 U.S. employees scattered throughout the Delta that they could "go on vacation," but no one was going to pack his personal belongings. They would all, as he would, have to risk their possessions because to ship them out would unduly alarm the Vietnamese.

Returning to Saigon by air, we stopped by My Tho, another Delta city. The airfield was seemingly abandoned, and we saw no sign of military activity. On the aircraft we met a U.S. AID official who told us that the Delta was prepared to accommodate up to 500,000 refugees, and that U.S. and GVN officials had done all the necessary planning to resettle them. He was optimistic that protection from attack could be provided, and their presence in the Delta would greatly increase the already abundant food production.

On arrival in Saigon we learned our appointment with Ambassador Martin had been cancelled but that his deputy, Wolfgang Lehmann, would receive us. He told us primarily of his concerns for the safety of Americans in SVN, but little else. He did say, however, that he had news of ARVN offensive actions in MR II which had regained some lost territory. Since we have subsequently heard no more about this, we do not know if it occurred.

Mr. Lehmann did not tell us of the planned orphan evacuation flight leaving that evening aboard a C-5 from Saigon even though we discussed the C-5 flights with him. He also did not tell us he was evacuating U.S. employees on this same flight.

Leaving the Embassy we went to Tan Son Nhut Airport for departure from SVN. The airport was in total confusion because the German Embassy was evacuating its citizens, and many westerners were seeking flights out. Security was extremely tight, and we understand no Vietnamese without diplomatic status were being admitted to the airport. In general, the airport atmosphere was extremely tense, and it gave me my first real impression of how close to panic the city really was. One had the feeling of being trapped, expecting at any moment to be rushed by Vietnamese determined to leave their country.

At the airport we heard of the crash of the C-5 evacuation flight, but no one seemed particularly concerned or even interested in the fate of those aboard, such was the mental state of those present. In fact, our U.S. Embassy escort officer who arrived later told us nothing more than 100 or so children had been killed. He also said some escorts from "voluntary agencies" were casualties, but he never mentioned, although he must have known, that most of the escorts were U.S. civilian employees being evacuated clandestinely.

My final impression of the mood of Saigon is one of the absolute desperation of the people. Many Vietnamese are particulary apprehensive over the safety of their families, and all look for some magic by the United States to extract them from the situation. Whether their sorcery be aid or B-52 bombing, belief in its efficacy is universal in SVN. No one, it seems, has any faith in SVN's ability to do anything on its own, even with the abundant aid still available from this year's appropriation. I submit that SVN has to show more ability to reform its government and to defend itself before American magic can be expected. Even then, it is uncertain what can be saved of the crumbling structure of SVN life.

SENATE STAFF PARTICIPATION IN EDUCATIONAL EXCHANGE PROGRAMS

Mr. McCLURE. Mr. President, in compliance with Senate regulations pertaining to Senate staff participation in educational exchange programs, I submit the following report on behalf of myself, and Senators CURTIS, HANSEN, HELMS, and GARN.

Five staff members—Jeff Bingham (Senator GARN); Paul Weyrich (Senator CURTIS); James McClellan (Senator HELMS); Sam Marler (Senator HANSEN), and Marco Carlisle of my staff went to South Africa as guests of the Institute of Strategic Studies of the University of Pretoria.

The purpose of spending this time, April 3 to April 14, in South Africa was to observe and evaluate political trends, social changes, and economic positions of the country. To this effect, meetings and interviews were held with government officials, members of the various political parties, professors, and the press including, but not limited to, the following: Prof. J. H. Moolman, director of the Africa Institute; Mr. M. Zimmerman, head of the Internal Division of the Department of Information; Prof. D. Nieuwoudt, dean of the Faculty of Economic and Political Sciences and J. van der Merwe of the department of economics of the University of Pretoria; Maj. Gen. J. H. Robbertze, director of the Institute of Strategic Studies; Mr. J. Lang of the Chamber of Mines; Chief George Matanzima, Minister of Justice of the Transkei; Mr. K. Guzana, leader of the opposition; various members of Parliament including Mr. R. J. Lorimer of the United Party, Mr. T. Langley of the National Party, and Mrs. Suzeman of the Progressive Party; and Mr. B. Steyn, head of Nguni Services; Radio Bantu, Mr. J. Poorter, editor in chief of To the Point; Mr. J. R. Coleman, editor of the Cape Argus; and Mr. J. Scholtz, editor of Die Burger.

In addition, staff members participated in a panel discussion which included discussions of various systems of government, the political system of the United States, and economic considerations of international interest.

MONETARY POLICY GUIDELINES

Mr. PROXMIRE. Mr. President, today, tomorrow, and Thursday, the Committee on Banking, Housing and Urban Affairs is holding hearings on the conduct of monetary policy pursuant to House Concurrent Resolution 133. These are historic hearings. For the first time, congressional oversight of monetary policy is concerning on how it will be conducted in the future rather than on what was done in the past. In specific, the hearings will focus on the Federal Reserve's "objectives and plans with respect to the ranges of growth or diminution of monetary and credit aggregates in the upcoming 12 months."

An editorial in the April 28 issue of Business Week points out how important it is that we obtain concrete information on the Fed's money supply plans. On the same theme, Hobart Rowen writing in the Washington Post indicates that Dr. Burns "intends to be forthcoming—at our hearings—by announcing a 'target' for growth of the money supply during the next year." It is my fervent hope that Dr. Burns does exactly this when he appears before our committee on May 1. All sectors of the economy will benefit by the reduction of uncertainty which will be derived from setting such a target. Another result will be a rise in confidence both in government in general and the Federal Reserve in particular. I ask unanimous consent that the Business Week editorial and the article by Hobart Rowen be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Editorial From Business Week,
Apr. 21, 1975]

THE FED'S CREDIBILITY

Perhaps the greatest uncertainty in the minds of businessmen, investors, and economic forecasters today is a totally unnecessary one: They do not know how far the Federal Reserve will go in increasing the supply of money or when it will reverse course and start tightening again.

The Fed itself is sticking to the traditional policy of saying little, and what it says comes out in circumlocutions that require translation and interpretation. Not all bankers and economists interpret the Fed's obscure language the same way. So a lot of people believe that Chairman Arthur Burns is ready to put the economy through the wringer.

As a result, the Fed is rapidly losing credibility. Mounting worries about its policies—intensified by reports of dissension within the Fed's own staff—are seriously affecting the bond market.

There is a very simple way to end the suspense. The Fed should stop talking like the Delphic priestess and announce its plans in plain English.

There never has been much justification for the tradition of mystery in central bank operations, and most scholars suspect that the real reason for it is the reluctance of money managers to explain their mistakes. Recently, a number of Continental central banks have begun stating their monetary targets clearly. West Germany's Bundesbank, for one, has informed the money markets that it intends to generate 8% monetary growth this year, thus giving an important boost to the upturn of the German economy.

This is not only the modern way to do things, but at a time when the importance of money management is widely recognized, it is also an effective way to help stabilize the financial markets.

Arthur Burns should stop playing man of mystery and commit the Fed unequivocally to a policy of monetary growth in the remainder of 1975—by expansion of the monetary base, which consists mainly of bank reserves. And he should let everyone know what the target rate is. There are enough real uncertainties in the present situation without creating artificial ones.

[From the Washington Post]

BATTLING THE FEDERAL RESERVE

(By Hobart Rowen)

The battle over Federal Reserve Chairman Arthur Burns and his management of monetary policy is just beginning, although the canny head of the U.S. central bank will make a historic concession on May 1 before the Senate Banking Committee.

Having been directed by a joint resolution to define the objectives of Federal Reserve policy, Burns intends to be forthcoming by announcing a "target" for growth of the money supply during the next year, perhaps a range of 5 to 7 per cent.

Most will regard that as quite a commitment from Burns, one he has been reluctant to make. Congress, worried about recession, would not have been in mood to accept a vague formulation like "moderate growth"—and Burns is smart enough to know when to bend.

Most of the heat has been applied by Congress, which has arranged for two interrogations of Burns every year by each of the two banking committees. But there is also growing pressure on Burns from within the Federal Reserve establishment to shift policy.

When the record is finally published (after 45 days) of last week's Federal Open Market Committee meeting, it is likely to show that Burns was able to cling to much the same cautious policy only after some bitter disagreements and sharp exchanges.

Thus, the old-style unanimity of Fed decisions has ended, at least for the present. And although the situation is far from a palace revolt, some highly placed staff economists have been making anti-Burns noises loud enough to be heard outside the Fed's austere marble palace on Constitution Avenue.

What the inside and outside critics want is a money supply growth of at least 8 to 10 per cent over the next six months to lubricate a speedier rate of recovery.

This would be something like the "hard" target of 8 per cent money growth for 1975 just announced by the German Bundesbank.

A board member of the Bundesbank, Dr. Helmut Schlesinger, told an international monetary conference in Chicago over the weekend that "we do not regard this as an approach to any dogma, but consider it one attempt among others to prevent people from expecting too much or too little of monetary policy with regard to the inception of the upswing."

Burns won't buy anything as precise as the German target. He fears that if one fixed number is put out for public consumption, the tendency for politicians will be to keep an eye on the number, instead of economic objectives.

Besides, he argues, who's wise enough to know exactly what the target should be? He himself thinks that a basis has already been laid for U.S. economic recovery, but he likes to say there are no experts on the future.

Burns is known to maintain stolidly that too easy a policy now will sow the seeds of a new inflationary binge later. That's why he urged President Ford to veto the $23 billion tax cut bill, warning among other things that the "bad" features of the bill (such as a start on a negative income tax) would have to be retained in 1976.

Privately, Burns is contemptuous of the criticism he is getting from other economists. Some of them, he is known to believe, have become more like "pamphleteers or journalists," flitting from one public platform to another.

But some of Burns' colleagues and associates consider Burns' attitude unyielding and self-righteous and argue that unwillingness to alter policy in 1974 is responsible for the unprecedented joint congressional resolution.

"Arthur himself is to blame for putting the Fed in the spot it's in," a high official says flatly.

Having now succeeded in getting a kind of overview of Fed policymaking, the congressional appetite may be whetted for other reforms of the Fed. For example, an incoming President could be allowed to designate the chairman shortly after taking office, instead of waiting two years.

A more basic reform would be to make the board more representative of labor, consumers and others in the economy and less dominated by bankers and businessmen.

Chairman Henry Reuss of the House Banking Committee hasn't announced it yet, but he intends to launch into a year-long study of the whole financial system, the structure of the Fed, the operation of the bank regulatory agencies and the relationship between foreign and domestic banking.

This is a healthy basis for discussion. However, Congress could overreach itself. As they toy with the idea of managing the monetary policy themselves, politicians would do well to remember what Hubert Humphrey once said about the Senate: "It can't even run its own restaurant."

McCLAUGHRY ANALYZES THE SECTION 235 PROGRAM—HOMEOWNERSHIP FOR LOWER INCOME PEOPLE

Mr. PERCY. Mr. President, the current number of the Law Journal of Loyola University of Chicago features an analysis of the FHA section 235, homeownership program for lower income people, written by John McClaughry. I had the privilege of writing a preface for the article which is based on a study Mr. McClaughry prepared for the Senate Government Operations Committee.

This objective, fair, and lucidly written article joins the growing body of literature which points out how successful the section 235 program has been despite dreadful mismanagement by the Department of Housing and Urban Development through the years. I hope administration officials will carefully read the article and then reactivate the 235 program, the only program in memory cosponsored by every Republican in the Senate in 1967, when first introduced, and many Democrats.

I ask unanimous consent that John McClaughry's article "The Troubled Dream: The Life and Times of Section 235 of the National Housing Act," be printed in the RECORD together with my preface.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE TROUBLED DREAM: THE LIFE AND TIMES OF SECTION 235 OF THE NATIONAL HOUSING ACT

(By John McClaughry) *

PREFACE

I welcome John McClaughry's analysis of the FHA's section 235 home ownership program. His article is based on the report he prepared as a consultant to the Senate Government Operations Committee, on which I serve.

At the height of the controversy over the so-called "subsidized housing moratorium" announced in January, 1973, I recommend to Senator Sam J. Ervin, the Chairman of the Committee, that Mr. McClaughry evaluate the section 235 program, home ownership assistance for low and moderate income families. He had been my special assistant on housing when I drafted the National Home Ownership Foundation Act, one of several bills the Senate Committee on Banking and Currency considered in drafting section 235 of the National Housing Act, so I knew that he was uniquely qualified to examine the successes and failures of that program. I knew, too, that he would not hesitate to point out exactly where the fault lay for the problems which led to the 1973 moratorium.

Mr. McClaughry's conclusions and his analysis of policy alternatives make valuable reading for anyone, lawyers and laymen alike, concerned about the future of the federal housing programs. I agree with him that the 235 program compiled an enviable record of success even while being plagued by mismanagement. In my opinion, the National Home Ownership Foundation, had it been made operational after being authorized by the Congress in 1968, could have provided the oversight and direction necessary to avoid or quickly eliminate administrative problems as they arose.

That is in the past, however. The important point now is that we must apply in the future what we have learned from the history of the 235 program. Mr. McClaughry describes how this can be accomplished. I hope we pay heed—Senator CHARLES H. PERCY.

INTRODUCTION

In 1968, Congress, with considerable enthusiasm, enacted a major new program to enable lower income families to acquire the ownership of their own homes. Six years later, after an expenditure of $1.37 billion in assistance payments for over half a million families, the optimism of 1968 was thoroughly dissipated. Scandals and calamities had rocked the Department of Housing and

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Urban Development and its local Federal Housing Administration offices; FFA found itself the owner of record of tens of thousands of abandoned properties; the program itself had been suspended for 18 months; the Administration and Congress had clashed on the causes of the disaster; and everyone was more or less desperately looking for some way to deal with the emerging problems.

The 1973 program moratorium, the history of the 1968 HUD Act, the Moskow report, the Presidential Message of September, 1973, and the Housing and Community Development Act of 1974 are discussed, and eight conclusions reached as to the lessons learned to date from the whole experience. Five alternative strategies for dealing with the housing problems of lower income families are described in broad outlines, and a judicious mixture of four of them is suggested as a starting point for future policy.

THE GROWTH OF HOME OWNERSHIP PROBLEMS

"Home Ownership for the Poor," [1] a rallying cry of 1967 in the battle to save the cities, has fallen upon evil times.[2]

The Housing and Urban Development Act of 1968,[3] became, in the words of HUD Secretary George Romney, "a watershed in defining the objectives and means of Federal housing programs." [4] The 1968 HUD Act contained new programs aimed at reaching the sweeping housing production goals proclaimed by President Johnson in his February 26, 1968, message to Congress on housing and the cities: 26 million new housing units, 6 million of them for low and moderate income families, over a 10 year period.[5] This Act initiated a major new program for helping low and moderate income families to own their own homes.[6] It also put Congress squarely on record in favor of relaxed FHA insurance requirements in declining inner city areas [7]—the areas convulsed by the urban disorders of the mid-sixties.

Through January of 1974, 453,791 families had become homeowners under the new FHA section 235 home ownership program. Of these, 45,608 (10.05 percent) had been foreclosed, or their mortgages had been assigned to FHA for defaults.[8] By contrast, as of 1973 the basic FHA 203(b), unsubsidized home ownership program had shown only a 2 percent rate of default termination.[9] This higher rate of failure might not have been such an issue had not a combination of factors pushed the troubles of the FHA onto page one of the newspapers.[10]

A Brooklyn grand jury in March, 1972, returned a 500 count indictment against 10 real estate corporations and 40 individuals, including 7 FHA employees. A Philadelphia grand jury later indicted 46 persons for similar offenses, including the former head of FHA's Philadelphia insuring office.[11] The problems attracted a number of investigations, among them those of the Surveys and Investigations Staff of the House Appropriations Committee,[12] the House Banking and Currency Committee;[13] the Legal and Monetary Affairs Subcommittee of the House Government Operations Committee; [14] the General Accounting Office; [15] the HUD Office of Audit; [16] and the Joint Economic Committee.[17]

As a result of these disturbing events, HUD Secretary George Romney moved to tighten internal procedures. But at the same time, the Administration began to develop the position that the assisted housing programs adopted by Congress were inherently unworkable. Testifying before the House Housing Subcommittee on February 22, 1972, Secretary Romney said of the subsidized housing programs:

"When I came in I had certain tools handed me and I used them. And I used them in the inner city. That is what [Congress] told us to do. Now, I am here today because it hasn't worked. . . . [W]hat you have asked me to do hasn't worked." [18]

Two weeks later Secretary Romney carried this theme further. In a March 6 address to the National Housing Conference, he said of the subsidized ownership and rental programs:

"This program was so poorly conceived and so uncautiously developed that we estimate the Federal government will in the next few years have more than 240,000 units in default—and with little resale value except at a catastrophic level of loss." [19]

Finally, on January 5, 1973, the section 235 and 236 programs were suspended.[20] The action paralleled the Nixon Administration's impoundment of appropriated funds for many other domestic programs.[21] Secretary Romney defended the action by observing:

"It became crystal clear by 1970 that the patchwork, year-by-year piecemeal addition of programs over a period of more than three decades, had created a statutory and administrative monstrosity that could not possibly yield effective results even with the wisest and most professional management systems." [22]

Speaking in President Nixon's name, White House assistant Kenneth R. Cole wrote Senator John Sparkman, Chairman of the Senate Banking Housing and Urban Affairs Committee:

"The program structure we have now cannot possibly yield effective results even with the most professional management. There is mounting evidence that the present programs, for the most part, have proven inequitable, wasteful, and ineffective in meeting housing needs. They have proven inadequate and in most cases counter-productive in the greater solution of our urban and rural problems." [23]

Members of Congress were quick to voice concern. In a stinging report issued on March 2, 1973, the majority of the Joint Economic Committee's Subcommittee on Priorities and Economy in Government concluded that "the primary problem with housing subsidies has been HUD mismanagement." [24] The subcommittee majority went on to say that:

"The actions that have been taken, and similar announcements affecting many other programs, raise the most serious constitutional issue in many decades regarding our form of government. We recognize the need for some executive discretion in the management of Federal funds. But if the President can ignore the wishes of the Congress to implement programs for which it has authorized and appropriated funds, by the unilateral gutting of programs, the power of Congress to raise funds for designated purposes has been destroyed. The elected representatives of the people will no longer have any power to decide upon priorities in the expenditure of Federal revenues which it alone can raise." [25]

In a Senate speech, Senator William Proxmire elaborated on this theme:

"Section 235 housing has worked very well in some areas and not very well in others. But where it has failed, it has failed primarily because of bad, and sometimes criminal, HUD management." [26]

Joining in the debate, Senator Hubert Humphrey said:

"The administration has indiscriminately characterized all our housing programs as ineffective, not serving the poor, and wasteful. They have made these assertions without evidence, and they keep repeating the assertions over and over again in the hope that they will be accepted." [27]

Thus, the Nixon Administration and Congress moved into a position of confrontation on yet another front. The Administration claimed that the present housing programs were unworkable, and unilaterally halted further program activity. Congressional leaders replied that the programs were well designed, and that the problems arose solely from mismanagement by the Administration.

Clearly, if the Administration position is correct, nothing short of a massive overhaul of federal housing programs is necessary. If the Proxmire-Humphrey position is correct, the programs are soundly conceived, and with capable management will attain their intended objectives.

THREE POSSIBLE STRATEGIES

To develop a balanced judgment on these competing claims, it is necessary to keep sharply in mind the policies underlying current and alternative home ownership assistance programs. Over the past six years three essentially differing strategies have been advanced to support the idea of expanding home ownership opportunities for lower income families.

The individual opportunity strategy

This strategy recognizes home ownership as a worthy aspiration of Americans. It defines the problem as a denial of opportunity to some aspiring individuals: insufficient income to purchase a home, racial discrimination that limits home selection, inability to manage credit, and limited capital in the home mortgage market. To help these worthy families become home owners, the Individual Opportunity Strategy calls for such federal policies as open housing, credit counseling for potential home buyers, an expansion of available mortgage credit, ending the artificial redlining of high-risk neighborhoods,[28] and lowered costs of home purchase through subsidy. This strategy is not particularly concerned about where the new home owners purchase their home, so long as the opportunity for home wonership is opened for them.

The production strategy

This strategy focuses on increased volume of housing production as a primary goal. It defines the problem as artificial constraints on housing production, lack of large scale management capacity for home building, a shortage of mortgage money, and insufficient consumer demand for the new units to be produced. The Production Strategy calls for stimulating economic policies; rationalization and relaxation of building codes, work rules, and zoning requirements; the use of eminent domain for land assembly; production incentives; increased mortgage money through federal credit policies and institutions; and subsidies to enable more potential consumers to afford the costs of home ownership. The Production Strategy, like the Individual Opportunity Strategy, is not particularly concerned with where the new housing is to be built, and, all rhetoric aside, it is not so concerned about the housing plight of low income families as it is about a low number of housing starts. Nor is it particularly concerned about open housing, so long as high production is achieved; with high production the housing stock will increase and the poor will necessarily have a broader choice at prices they can afford, with or without subsidy. The Production Strategy is vocally advanced by such groups as the National Association of Homebuilders and the Mortgage Bankers Association.

The neighborhood strategy

This strategy begins with a concern about declining urban neighborhoods. It seeks policies for preventing the decline of neighborhoods and revitalizing them as decent living environments. It recognizes that no housing policy alone can produce the desired result—that revitalizing a decaying urban neighborhood requires a full panoply of programs, public and private, to deal with the manifold problems of the slum: joblessness, dependency, alienation, powerlessness, poor housing.

The Neighborhood Strategy embraces policies that promise to mobilize the people in

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the neighborhoods to work together to preserve their neighborhoods. Chief among these is the promise of steady improvement in living conditions to the most capable neighborhood citizens, those who must provide essential indigenous leadership. Since neighborhood improvement is characteristically led by homeowners rather than tenants, creating opportunities for residents to acquire the ownership of decent homes is a key ingredient in this strategy. Other ingredients are public and private programs that motivate lower income residents to achieve, make available to them basic education, job training, and job opportunities, and generate mutual self-help efforts toward a wide variety of community goals.

The Neighborhood Strategy is not particularly interested in rural areas, for which the concept loses much of its meaning, or in open housing, or in massive housing production. It recognizes that many neighborhoods are too far gone to respond to a Neighborhood Strategy, and for these neighborhoods it has no well defined solution. Its goal is to provide the people of declining neighborhoods with the tools and the will to reverse the decline. Home ownership, associated with upkeep and retention of neighborhood leadership, is thus essential to success.

With the capsule summary of these three strategies, it is instructive to examine the genesis of the present 235, 223(e) and 237 programs,[29] noting carefully which strategies underlay which legislative proposals, and how the rationales subtly shifted through the legislative process.

GENESIS OF HOME OWNERSHIP ASSISTANCE FOR LOWER INCOME FAMILIES

The year 1967 saw the emergence of home ownership for the poor as a national issue. The rioting in the nation's large cities, the well publicized Ribicoff subcommittee hearings on the crisis of the cities,[30] the Kerner Commission study,[31] and the innovative spirit of President Johnson's Great Society combined to focus the nation's attention on solutions to the problems of the slums.

A limited experimental FHA program had been enacted in 1966[32] under the leadership of Congresswoman Leonor K. Sullivan of Missouri. Tailored to meet the circumstances of an active slum improvement project in St. Louis,[33] 212(h) provided FHA insurance for mortgages, initiated by nonprofit sponsors, on rehabilitated single family houses. Eligible home buyers could obtain a 3 percent, 25-year mortgage with a minmium of $200 downpayment. Buyers' incomes were required to be lower than the income levels for continued occupancy of public housing in the locality.[34] The program included a $20 million mortgage purchase appropriation to FNMA.[35] Among the principal liabilities of the 221(h) program was its reliance on a below market interest rate,[36] that made the resulting mortgages unmarketable and required a full-value budget expenditure to purchase every mortgage insured.

When President Johnson devoted only three lines to urban problems in his 1967 state of the Union message,[37] a group of 28 Republican Senators, led by freshman Sen. Charles H. Percy of Illinois, issued a statement calling for "a new dawn of opportunity." [38] Chiding the Democratic President for his virtual omission of the urban issue from his address, the Republicans offered three principles "on which a new national effort to bring dignity and a better life to today's slum dwellers must be based." [39] These principles were:

1. harnessing the energies of private enterprise to the problems of the cities;

2. fostering self-help efforts by the people of the slums; and

3. advancing home ownership for the "economically underprivileged," with its associated value of pride, dignity, and independence.[40]

On July 17, 1967, major hearings began before the Senate Subcommittee on Housing and Urban Affairs, Senator John Sparkman, chairman.[41] The Johnson Administration had submitted a measure making modest changes in a number of programs and offering as a response to the crisis of the cities only a new program for rat control.[42] Others, however, both Democrats and Republicans, had offered creative new initiatives toward home ownership for the poor.

Senator Abraham Ribicoff (D-Conn.) offered a bill[43] which would have created a new 3 percent BMIR mortgage for home ownership. This, he said, "would give families in this moderate income bracket a much needed and much deserved alternative—the opportunity to purchase a home of their choice that is within their means." [44]

Senator Ribicoff's proposal clearly emphasized the Individual Opportunity Strategy, placing no emphasis on overall housing production and requiring no neighborhood focus. At the same time, interestingly enough, he also sponsored S. 1433, the Neighborhood Development Corporation Assistance Act,[45] a bill based squarely on the Neighborhood Strategy. It would have required the Secretaries of HUD, Commerce, Labor, and HEW, and the Director of OEO, to study "the most practicable ways to coordinate the activities of neighborhood development corporations with federally assisted programs and activities for improving housing conditions, increasing employment and business opportunities, expanding worker productivity through job training and education." [46]

The two Ribicoff bills were, however, totally independent of each other.

Senator Charles Percy, with 39 Senate cosponsors and 112 House sponsors, led by Rep. William B. Widnall of New Jersey, offered the National Home Ownership Foundation Act, S. 1592.[47] This bill, exemplifying the Neighborhood Strategy, would have chartered a quasi-public National Home Ownership Foundation. The bill had these main provisions:

1. federal assistance to lower income home buyers to help them pay the costs of their mortgages—the payments would be made directly by the Treasury to the mortgagee through a "coupon mortgage;" as a home owner's income rose, the government payment was reduced by means of an income tax recapture provision; this financial device obviated the need for subsidy via a BMIR mortgage;

2. a Home Ownership Loan Fund, capitalized at $2 billion through the public sale of federally guaranteed debentures, to provide necessary mortgage capital;

3. a Technical Assistance Service to assist neighborhood nonprofit groups to organize and conduct broad-based home ownership programs, including generating widespread participation by business, labor, churches, colleges, and government agencies; funding the elements of a housing construction or rehabilitation program; training local people in program management; and obtaining access to supporting programs in the fields of training, employment and counseling and other related programs necessary to the success of a home ownership program.

S. 1592 called for a 3 year authorization of $60 million in mortgage payment support. It was estimated that this amount would produce some 200,000 housing units over a 3 year period. Senator Percy also proposed a number of options to the workings of the proposed Foundation.[48]

The Percy-Widnall bill, which limited its assistance to neighborhood organizations attacking neighborhood problems along a broad front, was squarely based on the Neighborhood Strategy. While supportive of the Individual Opportunity Strategy in part, the bill did not contemplate financing the out-migration of the most affluent families from a declining neighborhood. The bill did attempt to give these families an incentive to stay and devote their talents to neighborhood revitalization. Its goal of 200,000 units over 3 years was timid in comparision with President Johnson's 1968 goal of 6 million subsidized units over a decade; Senator Percy recognized that the lack of a strong neighborhood infrastructure would limit his bill's utility to a far lower figure.

The third major home ownership bill to be introduced was S. 2115,[49] by Senator Joseph Clark (D-Penn.). The purpose of S. 2115 was to provide mortgage insurance for persons whose credit histories precluded insurability under current FHA home mortgage programs. The bill permitted FHA to insure mortgages for persons with a poor credit history and fluctuating incomes, provided such persons were given budget, debt management and related counseling services. Mortgages insured under this new section were to be assigned to a new Special Insurance Fund, and would thus not threaten the fiscal integrity of the regular FHA reserve funds. The new fund was to be capitalized by a direct $15 million appropriation, instead of through the payment of mortgage insurance premiums as in the standard FHA section 203 program.[50]

Senator Clark's bill was also an Individual Opportunity bill. It had been inspired by a HUD-sponsored, low income housing demonstration project in Gainesville, Florida.[51] Project sponsors found that many families were needlessly barred from home ownership by dubious credit reporting practices, and that, with proper counseling and assistance, these families could become responsible homeowners. The Clark bill did not carry a subsidy, other than the waiver of the ½ percent mortgage insurance premium.

Senator Walter F. Mondale (D-Minn.) offered another homeownership bill, S. 2124.[52] In essence, it was a combination of Senator Percy's financial mechanism, and Senator Clark's special risk insurance fund, applied to existing housing only. Under S. 2124, an eligible "person of modest means" could equivalent of 3 percent interest while the FHA made the required supplementary payment to the mortgagee to make up the full market interest rate. The mortgages would be assigned to a special "home purchase insurance fund" backed, if necessary, by appropriations instead of premiums. The bill authorized $50 million in mortgage payment assistance over 2 years, and up to $200 million in FNMA purchase authority to ensure a strong secondary market for the new mortgage instrument.

Senator Mondale stated that his bill aimed at dealing with "the dual problem of the high cost of credit and the scarcity of mortgage money for lower priced housing." [53] He explicitly rejected the Neighborhood Strategy,[54] and his authorization levels, coupled with the restriction to existing housing only, implied a rejection of the Production Strategy as well. Like the Ribicoff and Clark bills, the Mondale bill was principally an Individual Opportunity bill.

In addition to considering these various measures for encouraging home ownership among low and moderate income families, the Housing and Urban Affairs Subcommittee members became increasingly concerned about the redlining of declining urban areas by both FHA and private lenders.[55] Historically, in its popular 203 ownership[56] and 207 rental[57] programs, FHA had by law been required to apply a test of "economic soundness" in insuring mortgages. This test basically related to the location of the proposed unit. To pass the "economic soundness" test, the neighborhood had to exhibit market acceptability in terms of future viability and stability. Slum areas and rapidly changing urban neighborhoods could not meet the

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test, and it was these areas which were redlined by FHA and private lenders alike.[58]

Two steps had previously been taken to relax the "economic soundness" criterion in certain instances. The section 220 program, enacted in 1954, allowed the substitution of an "acceptable risk," criterion in place of "economic soundness," and the use of "replacement cost" instead of "value" in appraising insured properties.[59] The 220 program was available only in urban renewal and concentrated code enforcement areas, and was justified by the anticipated restoration of those areas to decent living environments and viable mortgage markets. In 1966, Congress also enacted a new section 203(*l*) mortgage insurance program [60] which substituted "acceptable risk" for "economic soundness" in riot-prone areas. This section was only sparingly used before its repeal by the HUD Act of 1968.[61]

The Senate Subcommittee in 1967, in the omnibus bill ultimately reported to the Senate, included a new section 223(e), that substituted "acceptable risk" for "economic soundness" in "reasonably viable" inner city areas, "giving consideration to the need for providing adequate housing for families of low and moderate income" in such areas.[62] Claims arising from mortgages insured under section 223(e) were to be paid from a special risk insurance fund created by the 1967 Act.[63]

As the Housing and Urban Affairs Subcommittee completed work on the 1967 Housing and Urban Development Act, a significant development took place at HUD. On October 23, 1967, FHA Director Philip N. Brownstein delivered a celebrated address to FHA directors and underwriters. Apparently stung by the criticism of FHA for redlining inner cities, and fearful of congressional action to establish a parallel home mortgage insurance program outside FHA, Brownstein issued a stirring mandate to his administrators:

"We have got to recognize that stimulating a flow of mortgage funds into the inner city, yes, even the slums, for the transfer of houses, for rehabilitation, and for new construction, is an FHA mission of the highest priority. No longer can we afford to wait until an applicant comes in and bludgeons us into this kind of activity. . . .

"We must be willing to take the risks necessary to accomplish the urgent job of assisting and encouraging private enterprise to house low- and moderate-income families and to revive the inner city. It is highly likely that there are more risks inherent in achieving this kind of urgent social purpose than in the insurance of loans on suburban subdivisions.

". . . I am asking you and every employee of FHA to enter into a new crusade—to see that our programs are used to the fullest extent possible to improve housing conditions for low- and moderate-income families and to revive the inner city.[64]

This address signaled a major broadening of policy at FHA: from suburban-only insuring and a defense of its reserve funds to a new emphasis on inner city involvement at admittedly higher risk.

On November 28, the Senate Banking and Currency Committee reported a clean bill to the Senate.[65] The bill included these major provisions:

1. a home ownership assistance program, designated section 235 of the National Housing Act, that authorized HUD to pay to section 235 mortgages a monthly payment sufficient to produce the equivalent of a 3 percent mortgage to the home buyer;[66]

2. a rental assistance program, designated section 236, to make equivalent subsidized housing available on a rental basis;[67]

3. a Special Risk Mortgage Fund, not designed to be actuarially sound through the payment of mortgage insurance premiums, to which the new section 223(e), 235, and 236 mortgages would be assigned;[68]

4. a relaxation of the "economic soundness" mortgage insurance criterion in older, declining urban areas, in favor of a doctrine of "acceptable risk" in view of the need for low and moderate income housing in those areas,[69]

5. loans and technical assistance to nonprofit housing sponsors;[70]

6. miscellaneous studies, commissions, and housekeeping amendments, including a National Home Ownership Foundation lacking any clear-cut function.[71]

Thus reported, the home ownership provisions of S. 2700 were based squarely on the Individual Opportunity Strategy. The scope of the proposed 235 program was limited: 200,000 units over 3 years, as proposed in Senator Percy's bill.[72] The authorizations for mortgage payment assistance were $10 million in Fiscal Year 1968, $35 million in Fiscal Year 1969, and $70 million in Fiscal Year 1970.[73] The only Production Strategy ingredient evident in S. 2700 was the requirement that, with the exceptions of public housing residents, families with five or more children, or displacees, none of the proposed payments could be made with respect to existing housing.[74]

The Senate did not, however, act on the proposed Housing and Urban Development Act of 1967. Instead, it waited for President Johnson's message on the problems of the cities, which arrived on February 26, 1968.[75]

The President's message proposed a program of federal assistance for the construction and rehabilitation of 6 million housing units over a 10-year period for the low and moderate income families as a part of the goal of 26 million overall housing units to be produced during this same 10-year period. This ambitious goal contrasted sharply with the actual number of publicly assisted housing units built in immediately preceding fiscal years: 1966, 49,000; 1967, 57,000; 1968, 128,000.[76] The President was placing the emphasis on a Production Strategy.

On May 15, 1968, the Senate Banking and Currency Committee reported a new committee bill, S. 3497.[77] In so doing the committee had obviously adopted a strong emphasis on production. With respect to the home ownership provisions, the 1968 bill, as passed, increased the first year authorization from $10 million to $75 million; the second year from $35 million to $175 million; and the third year from $70 million to $300 million, compared to the authorizations in the 1967 bill.[78] In addition, the new bill deepened the interest subsidy from 3 percent mortgage payments to 1 percent mortgage payments,[79] thus enlarging the number of potential homeowners significantly.

The Johnson Administration had pressed for an even larger clientele for the new home ownership and rental program. When the committee proposed to limit eligibility to income levels not in excess of 70 percent of the local 221(d)(3) income levels, HUD Secretary Weaver objected on the grounds that "by having the more liberal upper limits, you have the possibility of getting a greater volume quicker." [80] In the final version, the level was set at a more liberal 90 percent of the 221(d)(3) levels.

The Senate bill, which was to become the Housing and Urban Development Act of 1968 without major change, thus superimposed a strong Production Strategy approach on the Individual Opportunity approach of the previous year. The Neighborhood Strategy was abandoned precisely because it was incompatible with a Production Strategy. If the new programs were to be available only in neighborhoods that had formed a housing corporation and had begun comprehensive and expensive efforts to upgrade not only housing but also the living environment and the life opportunities of the residents, then it was clearly impossible to attain anything like the national housing goals proposed by the Johnson Administration.

This rejection of the Neighborhood Strategy was peculiarly ironic in that Secretary Weaver had attacked the Percy proposal on the grounds that it did not adequately integrate and coordinate a wide variety of neighborhood improvement programs nor sufficiently involve local governments.[81] Whatever the merits of the Secretary's attack on the Percy-Widnall proposal, this much was absolutely certain in 1968: the HUD Act of 1968 initiated a program to help far poorer home owners than Senator Percy's bill; it omitted any connection with local government or other public programs to help the homeowners advance economically; and it contemplated a program five times as large as the one offered by Senator Percy.

While ardently supporting the 1968 bill, Senator Percy expressed his deep concern over the committee's abandonment of what he termed the "integrated approach"—dealing simultaneously with both people and housing problems. In individual views on the 1967 bill, the Illinois Senator observed:

"Merely installing lower income families in decent structures that they own may well not, absent other considerations, result in the achievement of the goals of this program. Lower income families need the education and training that leads to decent jobs and advancement up the job ladder. They need instruction in the intricacies of mortgage financing, consumer buying, insurance and taxes, home maintenance, and community participation that accompany effective home ownership. Unless these factors are fully taken into account, the result may only confirm the fears of the skeptics in HUD and elsewhere that lower income families do not have the capacity to sustain home ownership, but must remain perpetual wards of the public housing agency or tenants of a benevolent landlord." [82]

Senator Percy's 1967 fears were to prove prophetic.

In addition to the foregoing provisions, the HUD Act of 1968 enacted a new section 237 of the National Housing Act,[83] providing for the insurance of mortgages to low and moderate income home buyers who, with counseling assistance, could overcome poor credit history and irregular income patterns to qualify. This provision, originally Senator Clark's bill,[84] had not been included in the 1967 omnibus bill. Strangely, the counseling assistance authorized under section 237 was not initially directed to regular 235 home buyers, who might be expected to need it most. It was not until the Housing and Urban Development Act of 1969 that section 237 was amended to explicitly authorize HUD counseling to 235 buyers.[85]

In summary, the home ownership provisions of the HUD Act of 1968 had these characteristics:

1. The Act created a major new program of subsidized mortgage insurance to help lower income families become home owners. The section was based on the Individual Opportunity approach, on which had been superimposed a very strong Production emphasis.

2. The terms of the new program made it possible for hundreds of thousands of families to qualify for home ownership by lowering the effective mortgage interest rate to 1 percent, with minimal down payments and long mortgage terms. The income eligibility levels had been raised, generally, to 90 percent of the moderate income 221(d)(3) program to increase the universe of eligible home buyers at the high end of the scale, just as the availability of 1 percent money increased it at the lower end of the scale. Both of these actions were necessary to create enough eligible buyers to make the production goals attainable.

3. The new program was made available to home buyers with absolutely no regard to

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any neighborhood organization, nonprofit sponsor, housing authority, or local government body with a continuing concern for the preparation and protection of the unsophisticated buyer. The counseling provisions authorized under the new section 237, moreover, were not directed to section 235(i) home buyer.[86]

4. The traditional "economic soundness" standard for mortgage insurability, relating to the location of the house in a neighborhood of stable or rising property values, was abandoned in favor of an "acceptable risk" standard, which coupled with FHA Commissioner Brownstein's urgent exhortations,[87] virtually forced FHA into previously redlined areas.

5. By establishing a Special Risk Insurance Fund, section 238, Congress for the first time initiated a mortgage insurance program not designed to be actuarially sound over the long run, and separated it from the traditional FHA insurance funds. By this action, FHA's jealous protection of its reserve was made far less important than previously, and consequently FHA was encouraged to embark on higher risk programs.

Under these terms, a poor person who had never before been able to buy a home became a potential home buyer; no counseling or community support was available to help him understand this new proposition; previously shunned areas were now opened up for FHA insurance; FHA was given a mandate to reverse its past policies of inner city caution; and the President and Congress had subscribed to a drastically increased production level of subsidized housing. This combination of factors pointed directly to trouble.

THE HOME OWNERSHIP PROGRAM IN OPERATION

The new home ownership programs were enthusiastically received by builders, brokers, and mortgage financiers, as well as by many lower income families. The procedure was simple; the prospective home buyer located a home, either existing, rehabilitated, or new; went to FHA for mortgage insurance, closed the loan with the bank, and became a homeowner. Builders, brokers, and sellers regularly scouted up prospective lower income families, peddled homes to them, and made their profits.

In many cases, of course, everyone was happy with the sale and the new homeowner made his payments regularly. Not infrequently, however, things did not go so smoothly. In a typical case, a real estate operator would buy up a number of rundown or abandoned buildings in an inner city slum. He would make sufficient cosmetic repairs to make the building temporarily presentable. A FHA appraiser—often a fee appraiser—would inflate the appraisal value, occasionally for an illegal kickback. The operator would find an aspiring low income family with little knowledge of the responsibilities of home ownership. The bank would make the loan, knowing, of course, that FHA would step in in case of default. The operator would take his money and disappear. Later, the homeowner would discover that his home had many substandard conditions—conditions more expensive to correct than his limited budget permitted. Having only some $200 in the deal, and facing huge expenses and protracted wrangling, the homeowner would abandon the property and disappear. And another problem home went into the FHA inventory.[88]

The most spectacular disaster occurred in Detroit. There, in Secretary Romney's words:

"FHA personnel were encouraged to begin to do what they had not been doing; namely, to put families into homeownership situations in the central city in areas that had previously been redlined.

"This was undertaken by personnel that had previously been putting middle-income families into homeownership situations in the suburbs who have mortgage insurance, but not families with problems of the type encountered in the central city and not in an environment of the type encountered in the central city and they were putting them into new homes more than existing units."[89]

By May, 1972, the General Accounting Office had reported to the House Government Operations Committee's Subcommittee on Legal and Monetary Affairs that:

"Acquisitions of property insured during 1968 [in Detroit] have reached alarming proportions. More significant, however, is the fact that acquisitions of property insured during 1969 and 1970 are following the same trend. For example, as of February, 1972, the acquisition rate for houses insured under the 223(e) program during 1968 has reached 34.6 percent and is still climbing; the rate for houses insured during 1969—1 year later—is already 26.4 percent and climbing; and the rate for houses insured during 1970—2 years later—is already 11.6 percent and climbing. Only time will tell what the ultimate rate will be."[90]

The GAO investigators estimated that when the FHA-owned properties in Detroit were completely sold or razed, the total loss to the FHA would run as high as $200 million. This estimate apparently did not take into account the further difficulties experienced in the Detroit office due to the tremendous unexpected volume of acquisitions and liquidations. This high volume, handled without significant staff increases, so disrupted the routine operations of the FHA office that "normal" FHA 203 acquisitions, usually at the 2 percent level of insurance in force, could not be handled properly. In many desirable areas of the city, $35,000 houses stood vacant until they were vandalized, merely because of the congestion caused by the inner city crisis.[91]

The causes of the increased foreclosures in Detroit, according to the House Subcommittee, were: overpriced and structurally unsound houses; unsophisticated home purchasers; a failure by the state of Michigan to properly regulate the real estate industry; failure of FHA and FNMA to curb imprudent lending by mortgage companies; failure by HUD to screen and counsel inner city home buyers; inadequate HUD staffing; lack of interagency coordination; and a desultory approach to prosecution of lawbreakers.[92]

Other investigations had reached similar conclusions about the home ownership programs in general. The December, 1971, report of the HUD Office of Audit[93] cited defective appraisals, inadequate internal supervision, lax penalty procedures, and inadequate handling of complaints by home buyers. These problems, said the report, were caused by "the attitude of certain HUD–FHA personnel, including management, supervisory and line staff, regarding the socio-economic aspects of the program;"[94] the quality and quantity of appraisals, and poor middle management.

In a more formal investigation of the entire home ownership program, the General Accounting Office recommended reinspection of all houses within the 1 year warranty period after purchase, a new effort to link program resources to needs, and additional study of defaults to aid screening and counseling programs.[95] In addition to these reports, Secretary Romney and his staff were subjected to intensive interrogation by the Appropriations Committees of both House and Senate in 1971 and 1972.[96]

In a candid statement before the House Banking and Currency Committee on December 16, 1970, Secretary Romney outlined the genesis of the debacle: "Faced with a housing shortage of crisis proportions, in the teeth of the worst credit crunch and housing shortage since World War II . . . we pushed the 235 program and all our assisted housing programs to the limit."[97] Citing a growing involvement of FHA in inner city problems since 1965, and particularly since 1968, the Secretary observed that "neither FHA nor anyone else had an adequate understanding of the problems inherent in an effort to place low-income families in a homeownership situation."[98] The combination of high production goals, the relaxation of the "economic soundness" doctrine in inner cities, the availability of 1 percent mortgages under 235, the special risk fund without a requirement of actuarial soundness, and the congressional mandate to accord "a preference to those families whose incomes are within the lowest practicable limits for achieving howeownership with assistance under this section"[99] taken together with virtually no increase in FHA staff, could hardly fail to produce a serious default problem.

Despite this relatively early recognition of problems, and despite numerous internal steps to tighten up the program, things had scarcely improved by April 10, 1972, when Secretary Romney told the House Appropriations Committee:

"These changes in the rules and procedures under which FHA had operated for years brought—along with some substantial successes—some unexpected and damaging results.

"These unexpected problems and their potential, I regret to say, were not apparent when I became Secretary of Housing and Urban Development in January, 1969. The problems we tackled immediately were of a different character. Housing production was declining. Housing costs were soaring. Mortgage money was in short supply. Congress had set an ambitious goal in the 1968 Housing Act, calling for production of 26 million housing units—6 million of them for low and moderate income families—by 1978.

"I concentrated on solving these problems. In retrospect, it was a mistake—in part—not to realize that the FHA was not prepared for its new role in central cities and its exposure to speculators and fast-buck artists.

"There was practically no preparation for this fundamental change [at FHA]; as a matter of fact, it occurred when FHA was least prepared for it."[100]

As a temporary emergency measure, Secretary Romney suspended approvals of all pending applications for section 235 existing home financing in early 1971. As internal changes were made in various insuring offices, this suspension was lifted. On January 8, 1973, however, the Administration announced suspension of all section 235 activity for a period of 18 months, ostensibly to give the Administration time to propose alternative methods of meeting the low income housing problem.[101] The Administration, however, was not too explicit about why, after 3 full years of rising costs, front page scandals, and congressional investigations of the low income housing program, plus an almost annual confession of sins by the responsible cabinet officer, it had not been able to generate any alternative ideas. There was considerable reason to believe that overall budget considerations had a great deal to do with the "necessity" of the suspension.[102]

COUNSELING

In one particular FHA office—Milwaukee—the results of the 235 program had been spectacularly gratifying. Under the leadership of Director Lawrence Katz, as of early 1972 the Wisconsin FHA area had a record of only nine foreclosures out of 8500 mortgages insured under sections 235 and 237—a .09 percent foreclosure rate. "The secret of Wisconsin's success has been to mobilize every conceivable national, State and local, pub-

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lic and private ally, in a well-coordinated blitz on the barriers to upward mobility of the poor," according to a report prepared by the Mortgage Bankers Association.[103]

In Milwaukee, the program worked as follows:

The applicant, frequently a welfare mother, must attend three pre-purchase counseling classes in which two FHA staffers explain taxes, insurance, amortization and the buyer's responsibility. Graduates are then told: "You are on your own. Find a house and talk to a real estate broker." FHA has a list of brokers and properties.

If the applicant doesn't have the required $200 minimum downpayment, the St. Vincent dePaul Society will provide it from a $100,000 fund for downpayment grants.

The buyer selects a house, and the county welfare agency checks its condition and adequacy. One of the 12 welfare agency housing aides then may certify approval of the structure.

The welfare agency's approval triggers the standard FHA inspection. If FHA approves, they notify the St. Vincent dePaul Society to release the downpayment, if needed.

Five days before closing, the buyer goes to the property, examines its condition and signs an acceptance that lists anything he does not like about the condition. This is important where there was no model home to inspect.

Next, a voluntary group of lawyers operating under an OEO program is cranked into the procedure, to represent the buyer at settlement.

After purchase, the buyer goes to classes in home maintenance conducted by the Milwaukee County Welfare Department, and is paid $53 a month for 2 months' attendance. The buyer receives transportation and is provided nursery services to look after the children while in class. The University of Wisconsin's extension program assists the program with a select group of welfare mothers, previously counseled in 235 ownership, as team leaders. The buyer is taught to replace faucet washers and fuses, how to upholster, make drapes, and purchase groceries wisely.

At the end of the course, the buyer gets his choice of $65 worth of tools provided from a government grant to the University of Wisconsin.

Since the Welfare Department has financial exposure (when they endorsed the house prior to purchase, they guaranteed to take care of all major and minor repairs that the buyer cannot make) a welfare aide returns for inspections scheduled every 3 months to spot neglect that might cause serious deterioration.

Costs incurred in this program are shared 55 percent by the Federal Government (OEO), 27.5 percent by the State and 17.5 percent by the county.[104]

Ironically, for his careful work to achieve both the goals of lower income home ownership and expanded production, Katz became the "bad boy" of FHA.[105] His "body count" of housing was too low. At the same time, the Detroit FHA director was getting rave reviews [106] for his aggressive processing of inner city homes, the subsequent results of which are now well-known.

The success of section 235 for welfare mothers in inner city Milwaukee is a testament to the importance of counseling. In his statement before the House Banking and Currency Committee on March 31, 1971, Secretary Romney observed that "neither FHA nor anyone else had adequate understanding of the problems inherent in an effort to place low income families in a home ownership situation." [107] This statement was demonstrably untrue.

During the Senate Housing and Urban Affairs Subcommittee's deliberations on what became the HUD Act of 1968, a host of witnesses came at Senator Percy's invitation to describe their work in helping low income families become home owners. Among these were the representatives of the Bicentennial Civic Improvement Corporation of St. Louis the Interfaith Interracial Council of the Clergy in Philadelphia; the Board for Fundamental Education in Indianapolis; Lincoln Estates of Gainesville, Florida; Better Rochester Living, of Rochester, N.Y.; HOPE, Baltimore; along with many other experts with practical experience in housing lower income families.[108] Even HUD Secretary Robert C. Weaver placed a strong emphasis on this point, saying in 1967:

"Under favorable circumstances, an effective neighborhood development effort can utilize housing and neighborhood rehabilitation as an instrument for reversing the cycle of poverty. Home ownership can be an important element in that total effort. But without such a comprehensive and coordinated attack for reversing that cycle, homeownership alone will often be doomed to failure.[109]

HUD had, in fact, funded a number of low income housing demonstration projects, notably in Gainesville, Florida, San Francisco, California, and Tulsa, Oklahoma, specifically aimed at shedding light on the essentials of lower income home ownership.[110] In addition, the Senate Report on the HUD Act of 1968 stated:

"Since many of the families who would be assisted have had little experience in the proper care of a home and the budgeting of income to meet regular monthly payments on a mortgage, this section would authorize appropriate counseling, either directly by HUD or by contract with public or private agencies, to assist these families in meeting their new responsibilities. Appropriations would be authorized for this purpose." [111]

In his individual views on S. 3497, Senator Percy once again observed:

"The credit assistance and counseling provided in the bill are essential to a successful home ownership program. It is vital that the Department of Housing and Urban Development recognizes the importance of these programs and administers them wisely.[112]

In Fiscal Years 1970 and 1971, HUD requested an appropriation to implement the counseling authorized under section 237, which had been made the vehicle for section 235 counseling by the Housing and Urban Development Act of 1969. Each year HUD was rebuffed by Congress. Denying HUD's plea for $3.1 million in Fiscal Year 1971, the HUD Appropriations Act directed HUD to use existing departmental funds for any program to be developed.[113] As a result of these two rebuffs, HUD did not request counseling funds for Fiscal Years 1972 and 1973.[114]

Instead, HUD initiated two different unfunded counseling programs. Under section 237, HUD was forced to rely on unpaid voluntary organizations to counsel families with poor credit ratings, to enable them to qualify as section 235 homeowners. In addition, HUD developed a pilot program in 15 selected cities where $100 was withheld from the mortgage proceeds due the seller. This $100 was paid, if necessary, to a local counseling organization to prepare the prospective homeowner for the responsibilities of ownership.[115]

In Fiscal Year 1972, somewhat to HUD's surprise, Congress volunteered a $3.25 million appropriation for home ownership counseling. HUD hastily put a group to work on ways of using the funds. In 1970, the last year that HUD had requested appropriations for counseling, a small contract program with a central office staff of five was presented to the appropriations committees.[116] In 1972, however, the HUD working group proposed a program which would have, in Secretary Romney's words, built "quite a sizeable organization." [117] Romney vetoed the plan,[118] with the result that HUD just barely managed to obligate most of the $3.25 million in Fiscal Year 1972.

HUD used the Fiscal Year 1972 funds to set up a "Counseling Fee System Demonstration" to offset the administrative costs of local counseling agencies in the 15 pilot cities. The contracts were let in June, 1972. HUD did not request a further appropriation for Fiscal Year 1973, stating that approximately $750,000 needed to complete and evaluate the counseling service system would be allocated from the HUD research and technology budget.[119]

As a result of this ragged history, there was in Fiscal Year 1974 no comprehensive system for assuring prospective homeowners such counseling as may have been needed to enable them to become effective homeowners. With the 18 month suspension of section 235 in effect, and a presidential policy of limiting domestic expenditures for overall economic reasons, Congress failed to make any counseling appropriation in 1973 for Fiscal Year 1974.

In 1972, Senator Percy proposed additional legislation to make explicit HUD's responsibility to assist the unsophisticated homebuyer. Reintroduced in 1973 as the Home Buyer and Home Owner Protection Act (S. 1614),[120] Senator Percy's bill would amend section 518 of the National Housing Act. This section had been enacted in 1964 [121] to authorize the Secretary of HUD to pay for correcting structural defects in certain FHA-insured properties. In 1970, as a result of the adverse home ownership publicity, Congress added section 518(b) to authorize similar payments for "structural and other" aspects in the case of section 235 housing.[122] S. 1614 would extend eligibility for compensation to all FHA programs, require a 3 year builder's warranty and allow a 5 year period for claims. In addition, the bill would create an Office of Consumer Assistance in HUD, authorize FHA neighborhood assistance offices, require additional seller/broker disclosures prior to closings, require annual reinspections for 5 years after initial insurance, and require a HUD-administered home ownership counseling program within 1 year after enactment.

The general provisions of the Percy bill have now become law, though in considerably less stringent form, in the Housing and Community Development Act of 1974.[123] In addition, that Act amends the HUD Act of 1968, that had authorized the Secretary of HUD to make technical assistance and front-end revolving loans available to nonprofit housing sponsors. Prior to the 1974 amendment, the law authorized "counseling on household management, self-help, budgeting, money management, child care, and related counseling services" to assist subsidized housing receipients in "improving their living conditions and housing opportunities, and in meeting the responsibilities of homeownership." [124] The 1974 amendment now makes this provision read "counseling and advice to tenants and homeowners with respect to property management, financial management, and such other matters as may dized housing recipients in "improving their housing conditions and in meeting the responsibilities of tenancy and homeownership." [125] The Secretary was required to make such counseling available to section 235 homeowners.[126] Whether this new provision, with its implied narrowing of the counseling focus to property and financial management, will be effective remains to be seen.

THE PROGRAM MORATORIUM, MOSKOW REPORT, AND HOUSING AND COMMUNITY DEVELOPMENT ACT, 1974

In his celebrated—and in some circles notorious—address to the National Association of Homebuilders on January 8, 1973,[127] HUD Secretary George Romney announced that the Nixon Administration had, as of

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January 5, imposed a suspension or moratorium on all subsidized housing programs. According to Secretary Lynn who took office shortly thereafter, "the suspension of the housing subsidy programs was necessary to avoid committing the Government to many additional billions of future dollars while we study alternative ways to better meet housing needs without the inequities, inefficiency and waste which has [sic] characterized these programs in the past." [128]

In announcing the program suspension, the Department of Housing and Urban Development embarked on a massive, top-priority study of the programs involved, under the direction of Assistant Secretary Michael H. Moskow. The study, according to Secretary Lynn, was to focus on:

"First, the roles of government in housing and housing finance . . . Second, what should be the role of Government in housing and housing finance? Third, what changes in policy and programs are necessary to achieve the appropriate role of Government in housing and housing finance?" [129]

Over 80 full time employees were assigned to the study, in addition to numerous contractors and consultants. In his state of the Union message to Congress on community development on March 8, President Nixon pledged that policy recommendations would be made to Congress by September 7, 1973.[130]

As noted above, the suspension and study received an enthusiastically negative reception on Capitol Hill.[131] In his first appearance before the Senate Housing and Urban Affairs Subcommittee since his confirmation, Secretary Lynn was grilled relentlessly on the rationale for the program suspension and the schedule for delivery of the Administration's recommendations.[132] When, for example, Secretary Lynn told Senator J. Bennett Johnston, Jr., Louisiana Democrat, that he hoped to be able to "be at least a long way toward the legislation" by the September 7 target date, Senator John Tower, a strongly pro-Administration Texas Republican, broke in to say pointedly, "I would suggest that it be in your best interest to have the legislation prepared at that time." [133]

In a special message to Congress on September 19, President Nixon unveiled the long-awaited recommendations,[134] purportedly based on the HUD study which was made public on October 6. After discussing proposals to ease the credit crunch and make long-term improvements in the credit system, President Nixon turned to "the challenge of low income housing." [135]

"All across America," the President observed, "the Federal Government has become the biggest slumlord in history." [136] The main flaw in the subsidized housing approach, he averred, was "its underlying assumption that the basic problem of the poor is a lack of housing rather than a lack of income. . . . [O]f the policy alternatives available, the most promising way to achieve decent housing for all our families at an acceptable cost appears to be direct cash assistance." [137] Citing a number of unresolved policy questions with respect to this approach, the President declared that they deserved "close examination," so that a decision could be reached in late 1974 or early 1975.[138] Title I of the Administration's proposed legislation [139] contained a formal endorsement of direct cash assistance, but only experimental authority.

Remarkably, close examination of the Moskow report [140] revealed that it contained no discussion whatever of the direct cash assistance or housing allowance scheme! While experimental work on the concept had been under way for 3 years, involving a total projected expenditure of $168.8 million,[141] the final results of all the housing allowance experiments were not expected until 1976 at the earliest.[142]

Reaction to the presidential message of September 19 was predictably harsh. A New York investment bank newsletter observed:

"Perhaps the greatest significance of the President's message last week lies in its insignificance . . . the failure to propose anything to fill the void between now and the 1976–77 implementation of allowances means that the Government role in the provision of low income housing will be nearly nil for several years." [143]

At the more liberal end of the spectrum, the newsletter of the Movement for Economic Justice reported:

"The President's new housing program offers immediate and substantial monetary benefits to housing investors. It offers middle America an opportunity to spend more money. The moderate and low income citizenry will have to wait to find out what it offers them. For the next 18 months they have been guaranteed a continuing study of their problems.[144]

Senator William Proxmire, Wisconsin Democrat, a frequent and harsh critic of the Nixon Administration policy, described the September 19 message in a Senate speech: "[It is] not only a disappointment. It is a disaster." [145] Ridiculing this "no policy" policy, Proxmire branded it as a "cover-up for HUD's own mismanagement and in far too many cases, actually corruption." He accused Administration spokesmen of "talking out of both sides of their mouths," characterized the policy as "cruel, brutal and harsh" and claimed that it condemns millions of American families to a tragic plight." [146]

Senator Robert Taft, Jr., Ohio Republican, offered this more even appraisal:

"[T]he Administration's proposal after months of study that the thrust of our housing program over the next two years be still another study, raised additional doubts about its commitment to eliminate America's remaining housing problems with all possible speed . . . a very skeptical [Senate Banking, Housing and Urban Affairs] Committee placed the burden of proof on the Administration's shoulders to submit convincing evidence that the old programs could not be made to work satisfactorily. Such evidence was never presented." [147]

With little guidance from the Nixon Administration, other than its interest in a special revenue sharing program for community development,[148] Congress passed and President Ford signed the Housing and Community Development Act of 1974,[149] containing a number of provisions relevant to housing strategy and the home ownership programs.

Despite a major effort by the Senate to rationalize and consolidate all FHA programs into a Revised National Housing Act,[150] The Act ultimately passed settles for making numerous amendments to the existing mortgage credit assistance programs.[151] Of particular interest was a new provision requiring federal housing assistance funds to be used in accordance with State and local housing assistance plans.[152] This provision signals the end of the unrestricted Individual Opportunity Strategy. Under it, a municipality could require that public housing and interest credit programs be offered only in specific areas, presaging the resurrection of the Neighborhood Strategy proposed by the Percy-Widnall bill in 1967.[153]

In the same vein, the Act adds two new subsections to the declaration of the national housing goal contained in the HUD Act of 1968.[154]

That declaration had focused exclusively on the Production Strategy goal of 26 million new housing units over the decade 1969–79, 6 million of them for low and moderate income families. The new language begins to resurrect a Neighborhood Strategy approach, although it continues to lack any emphasis on the initiative of neighborhood people that had characterized the 1967 proposals:

(b) The Congress further finds that policies designed to contribute to the achievement of the national housing goal have not directed sufficient attention and resources to the preservation of existing housing and neighborhoods, that the deterioration and abandonment of housing for the Nation's lower income families has accelerated over the last decade, and that this acceleration has contributed to neighborhood disintegration and has partially negated the progress toward achieving the national housing goal which has been made primarily through new housing construction.

(c) The Congress declares that if the national housing goal is to be achieved, a greater effort must be able to encourage the preservation of existing housing and neighborhoods through such measures as housing preservation, moderate rehabilitation, and improvements in housing management and maintenance, in conjunction with the provision of adequate municipal services. Such an effort should concentrate, to a greater extent than it has in the past, on housing and neighborhoods where deterioration is evident but has not yet become acute.[155]

The new Act also provides an explicit new authorization for the experimental housing allowance program, including a pointed requirement that the Secretary report to Congress with his findings by May, 1976.[156] Finally, the Act includes the new provisions on counseling and protection of unwary homebuyers previously described.[157] While these provisions are unquestionably important, the 1974 Act does not appear to signal any dramatic turn in national housing or home ownership policy, although it may later be regarded as having planted the seeds of some emerging new ideas along those lines.

CONCLUSIONS

As of mid-1974, the following conclusions and recommendations can be offered based on the experience of the preceding 6 years of the federal effort to encourage lower income home ownership:

1. *In Thousands of Instances Home Ownership for Lower Income Families Has Been an Outstanding Success.*

During Fiscal Year 1975 it is estimated that assistance payments will be made on 504,000 section 235 units, at a cost of $372 million.[158] Despite a high default termination rate—now over 10 percent nationally,[159] the FHA 235 program has been of vast importance in housing nearly half a million American families in decent homes of their own. This is no mean achievement. While the weaknesses of the program come first to the eye, it is well to remember that the successes to date have outnumbered the failures by about nine to one.

2. *Contrary to Various Apologies Offered by Administration Officials, Home Ownership for Lower Income Families Was not an Uncharted Field in 1968.*

Extensive testimony before congressional committees, plus the results of numerous publicly and privately sponsored projects across the country, constituted a virtually complete picture of the pitfalls and opportunities associated with lower income home ownership. There can be no excuse of ignorance for HUD officials although the tremendous emphasis on increasing housing production might be cited as a mitigating factor.

3. *By Superimposing a Strong Production Strategy on the Home Ownership Proposals Being Discussed in 1967 and 1968, the President and Congress Set the Stage for Inescapable Problems.*

The bills under consideration, prior to President Johnson's 1968 message on the cities, envisioned no more than 200,000 home ownership units over a 3 year period—through a Neighborhood Strategy, in the case of Senator Percy's proposal, and through an Individual Opportunity Strategy, in the

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case of the proposals of Senators Mondale, Ribicoff, and Clark. By superimposing a goal of 6 million assisted units over the ensuing decade, the President and Congress created a situation pregnant with future peril. The combination of these high production goals, the deep interest subsidy, the special risk insurance fund, FHA's unfamiliarity with inner city areas, the relaxation of the "economic soundness" doctrine, and the absence of either congressional or FHA emphasis on homeowner preparation and protection, was a certain recipe for serious problems.

4. *Having Enacted the Combination of Provisions in the 1968 Act, Congress Failed to Follow Through on the Counseling It Had Advocated.*

By rebuffing HUD's budget request for counseling funds in Fiscal Years 1970 and 1971, Congress not only made an effective counseling program impossible, but also gave HUD the impression that Congress did not think it as important as it had once stated. This was to have serious consequences.

5. *Despite the Failure of Congress to Fund Counseling Programs, HUD Had Little Excuse for Abandoning Its Demands, and When Unexpectedly Granted Counseling Funds, Fumbling Their Utilization.*

For 3 years, as the problems of lower income home ownership programs became more and more serious, HUD seemingly was unable to mount any effort to deal with the "people problems" involved. Secretary Romney made commendable efforts to tighten internal procedures and change negative attitudes within the department, but, as usual, FHA remained more interested in "units" and "insurance in force," than in shepherding individual home buyers. And when Congress unexpectedly provided a counseling appropriation, HUD gave a strong impression of having little idea how to use it effectively.

6. *While Counseling May Alleviate the Most Serious Problems of Lower Income Home Ownership and Bring Default Terminations Down to Respectable Levels, in the Long Run There Is Probably No Realistic Substitute for a Fully Integrated Approach to Helping Lower Income Families Achieve Economic Security and Improved Life Opportunities.*

For 8 years the federal government has pondered methods for coordinating its resources with those of State and local governments and private businesses and organizations to help lower income families achieve the goals of economic security and improved life opportunities. These methods have included the War on Poverty,[160] Model Cities,[161] Work Incentive Program (WIN),[162] and Federal Regional Councils.[163] Extensive studies have been undertaken on the subject,[164] with the almost inevitable finding that the desired coordination and focusing of effort has only very rarely been achieved. This conclusion has been so clear-cut that it cannot have failed to have been a major influence in President Nixon's revenue sharing strategy.[165] While revenue sharing in no way guarantees an effective integrated approach in solving these problems, it does have the effect of removing the federal government as the major actor, thus reducing by several the number of programs to be integrated locally.

Perhaps the greatest hope for achieving such an integrated approach, at least in urban areas, lies in reviving the Neighborhood Strategy. Local community development corporations[166] and housing development corporations, or possibly local subunits of government, may well afford the brightest opportunity for achieving these goals.

7. *A Neighborhood Strategy and a Production Strategy Are Necessarily in Conflict in Inner City Areas.*

If reviving declining urban neighborhoods through an integrated, neighborhood-oriented approach is adopted as a major strategy, either at the national level or at a State or local level, it is highly unlikely that the housing goals of the 1968 Act can be thereby achieved. The fact is that moving forward on a broad front within an urban neighborhood, relying in considerable measure upon the talents and resources of neighborhood residents, is a slow, fitful process. As every developer and urban renewal administrator knows, the way to get housing units quickly is to bulldoze and build new construction, with little concern for the former inhabitants of the area. That kind of program clearly violates the Neighborhood Strategy.

This is not to say that the Neighborhood and Production Strategies are completely incompatible in all areas. Where there is no neighborhood—as in dispersed rural areas—the Production Strategy will work well so long as there are customers available. In urban neighborhoods characterized by rows of abandoned and decrepit housing and a few stable families, traditional bulldozing and rebuilding may be the only alternative to inaction. But a goal of empowering urban neighborhood people to revive and preserve their own neighborhoods is not a goal that can maximize housing production.

8. *Housing the Lower Income Family Is Going to Continue to Cost The Taxpayer Money.*

Liberalized building codes, amended zoning laws, technological and managerial breakthroughs, and the like may lower the cost of housing relative to the resources available to members of the lower income group. They may succeed in increasing their incomes through better jobs and increased productivity. But it is hard to conceive of hundreds of thousands of America's lower income families enjoying decent housing in the large urban areas without the public footing a substantial part of the bill through one device or another. The public has committed itself, for better or for worse, to accepting this burden on behalf of those unable to care for themselves in education, health, income, and housing; there is no cheap and easy way out of this responsibility.

ALTERNATIVE POLICIES

Having set forth these conclusions from the examination of the FHA lower income home ownership programs, it remains to consider alternative policies that might be adopted by Congress in this area.

Policy 1: Revenue sharing

President Nixon initiated a strong effort toward termination of categorical grant assistance programs in favor of general and special revenue sharing with State and local governments. While this approach has no particular merit in solving the ultimate problems, it does have the merit of relieving the federal government from any active responsibility for their solution. For this reason, of course, it is controversial.

Although at least one city (Fresno, California) has experimented with its own mortgage insurance program,[167] it would seem unwise to terminate FHA and expect each state or locality to create its own mortgage insurance organization. There are two possibilities, however, that could build upon a revenue sharing approach to place the principal responsibility for improving housing at lower levels of government.

Under revenue sharing, housing subsidies could be terminated as federal programs, with FHA remaining as an unsubsidized mortgage insurance agency. FHA would agree to insure mortgages coinsured by State or local governments. Such a program might provide that whenever the default termination rate for the single family FHA program exceeded 3 percent of the insurance in force, in a participating state or municipality, that unit of government would be assessed the additional costs resulting from the defaults. This would maintain the mortgage insuring machinery of FHA intact, but require the State and local governments to exercise considerable care in coinsuring, and to provide any subsidy. If a given state wished to reap the benefits of a high housing production rate for lower income families, it would have to provide the subsidies out of its revenue sharing funds, and stand the risk of terminations resulting in assessments on it by FHA. Such a program would clearly involve a drastic reorganization of FHA and a major new involvement in housing by most State or local governments.

A second variation on this theme would involve private mortgage insurance companies, such as Mortgage Guaranty Insurance Company, headquartered in Milwaukee. A State or local government could agree to indemnify the reserve fund of such a private company, provided the company insured a specified number of families who would otherwise not be eligible for normal-risk insurance. The Wisconsin State Indemnity Fund, in fact, has since 1967 offered just such a program in that State.[168] This type of program is analogous to the Nuclear Energy Liability Insurance Association,[169] an association of private liability insurers formed to insure nuclear power stations against utterly unpredictable claims that might result from a major nuclear incident. NELIA is underwritten by the federal government in the event losses, to date nonexistent, exceed a specified dollar amount.

Under this variation, both the State and the private mortgage insurance company would have an economic interest to minimize the number of defaults.

Policy 2: An income strategy

This policy is exemplified by President Nixon's now defunct Family Assistance Plan,[170] the idea of housing allowances, now under intensive study at HUD, and the Negative Income Tax proposal of Dr. Milton Friedman.[171] Basically, this strategy eschews governmental assistance programs other than the provision of money to those without money. It affirms that the problem of lower income people is that they have little money; it prescribes the governmental provision of a sufficient amount of subsidy to poor people and the termination of all social service programs. According to this strategy, the poor know better than anyone else what is good for them, and if provided with money will purchase what they need, whether it is alcohol or night school.

The housing version of the income strategy is the housing allowance. Under this plan, the government gives eligible families a voucher redeemable in decent housing, either ownership or rental. It has the virtue of allowing the family to choose its own housing, rather than making assistance available only to those who are willing to live in certain kinds of housing in certain locations.

There are, however, grave problems with the housing allowance. An obvious one is that in a low-vacancy housing market a large infusion of housing allowance funds can only drive up the price of the existing housing. Since housing allowances are not made available on a contract basis covering the life of a typical housing mortage, no builder or developer is likely to expand his construction because of the allowances. That is, where there is no assurance that Congress will not cancel the program next year, no reasonable home builder will commit himself to increasing the housing stock in anticipation of long term buying power that may well not materialize.

If this economic obstacle is resolved by providing for a long term allowance—say 20 years—then one of the problems that led to the housing allowance idea in the first

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Footnotes at end of article.

place—the length of the assistance obligations involved in present public housing, 235 and 236, and rent supplement—reappears.

Congress will no doubt peruse the findings of the HUD housing allowance study with great care, for these reasons.

Policy 3: An Improved 235/236 assistance strategy

In addition to the internal improvements instituted at FHA in response to the recent problems, there are a number of structural changes that would improve the existing 235/236 mechanism. None of these changes, however, will relieve the Government from the responsibility for either purchasing and holding the mortgage itself for a number of years, as under the old BMIR programs, or contracting to make payments to a private mortgagee so long as the unit is occupied by an eligible family.

The first improvement to the 235 program would be the addition of a strong counseling and protection program for home buyers in advance of purchase and for a period thereafter. This has been discussed above,[172] and the parameters are fairly well-known.

A second major improvement would be to replace the clumsy and burdensome income recertification procedure with a graduated income tax recapture system. Under this system, worked out in detail by a task force at Harvard's Institute of Politics in 1968,[173] FHA would pay a fixed monthly amount to the mortgagee over the lifetime of the mortgage. The occupant, whether owner or renter, would, however, file an additional statement with his annual federal income tax return. As his income rose, a graduated recapture surtax would be imposed to offset the fixed subsidy. At a specified level of income the surtax would completely cancel the federal payment, leaving the occupant completely unsubsidized. This method obviates any need for having the landlord, mortgagee, employer or FHA office certify the occupant's income year after year.

In a further refinement of the idea, the amount of net subsidy (payment less surtax) paid each year would be accrued in what would amount to a revolving charge account in the Internal Revenue Service's computers. For those occupants whose incomes rose to middle income or upper income levels, not only would the annual net subsidy decline to zero, but the surtax would continue to offset the accumulated subsidy from previous years. This would be true whether the occupant sold his subsidized home or vacated his subsidized apartment. For those whose incomes did not rise, of course, the payments would continue as a subsidy.

In addition to solving the awkward recertification problem, this plan would phase down the subsidy smoothly as incomes rose, and increase the subsidy in case family income dropped. It would ease the problem of inequity often cited by critics of the 235 program by permitting many families to take part in the program, with widely varying subsidies, and confidentiality preserved. A careful study of the capacity of the Treasury's data processing equipment and procedures, made by IBM in 1967, revealed that the operating cost of maintaining such a system, once the initial information had been inserted, was ridiculously small.[174]

A third improvement in this category would be a limitation of the assisted housing programs to neighborhoods in which some public or private body has a continuing interest, *i.e.*, an urban renewal, code enforcement, model cities neighborhood or Community Development Corporation (CDC) area. This would necessarily restrict the production opportunities, but it would almost certainly reduce the default rate and focus neighborhoods. The disadvantage of such a provision, absent a full fledged Neighborhood Strategy, is that it creates an invidious distinction among different urban areas and restricts individual opportunity to take advantage of the program wherever the individual desires to locate.

A fourth improvement would be the initiation of a home ownership equity insurance program. The Housing and Urban Development Act of 1968 directed the Secretary of Housing and Urban Development to report to Congress within 6 months his recommendations for an insurance program for protecting homeowners against defaults due to death, disability, and involuntary unemployment.[175] This report is now 5½ years overdue, and Congress has seemingly lost interest.

This is regrettable. The late Professor Charles Abrams, long known as the dean of American housing, felt strongly that enactment of such an insurance plan, which he believed to be highly feasible, would be a "landmark in American housing legislation."[176]

There are, to be sure, problems involved in constructing a home ownership equity insurance program. These have been well outlined in a technical report prepared by the private insurance industry and submitted to HUD in 1969.[177] The value and cost of a sound scheme of this kind will not be known until Congress insists that the Secretary of HUD discharge his responsibility under this neglected section of the 1968 Act.

Policy 4:A full fledged neighborhood strategy

A full fledged Neighborhood Strategy would leave open the question of rural areas and of urban neighborhoods too far gone to be rescued. It would, however, in the remaining urban neighborhoods, attempt to marshal the talents and energies of neighborhood residents, along with increased knowledge and resources, to revive their neighborhoods and make them once again decent, wholesome, productive places in which to live.

The central role that housing policy might play in this neighborhood revival was extensively described by Senator Percy in 1967, in the explanation of his National Home Ownership Foundation Act of that year. But beyond mere housing programs, the concurrent programs for jobs, education, municipal services, transportation, beautification, and crime prevention would require a high degree of resource concentration and program coordination—a degree yet unachieved in any American city of any size.

Indeed, a Neighborhood Strategy is open to the charge that the neighborhood may no longer be the viable human community of the city. Secretary Romney, for instance, has argued strongly the case for dealing with the "Real City," the metropolitan area, instead of subcities such as model city areas.[178] While it is evident that an urban neighborhood cannot reasonably assume control of all transportation, sewage disposal, and police functions, there are nevertheless a number of functions that could lend themselves to neighborhood "mini-city" supervision. In fact, a combination of the "Real City" approach and the "mini-city" approach might come to supersede the present structure of a centralized city government, powerless neighborhoods, and governmentally unrelated suburbs.[179]

A full fledged Neighborhood Strategy would only be attempted after extensive experimentation and hence a considerable time delay. The community development corporations funded under Title VII of the Economic Opportunity Act[180] could offer useful vehicles, in cooperation with a city government, for pioneering this approach. Using CDC's to test the concept would seem to be a useful approach.

Policy 5: A straight out production strategy

A straight out Production Strategy, if successful, would increase the housing supply to the point where lower income families would have increased choice in decent housing within their price range. This of course relies on the much abused trickle-down effect, where upper income families move into the new homes, and lower income families move up a notch into homes vacated by middle income families.

There is no reason, other than costs and overall economic policy, for not embarking on a responsible Production Strategy. But to be truly responsible, the Production Strategy cannot at one and the same time emphasize high production, low income families, relaxed mortgage requirements, a special risk insurance fund, and no support for unsophisticated homeowners. Instead, it can seek to increase overall housing production in areas favored by private market forces.

Elements of a Production Strategy would be: technological advances; new techniques of management and land assembly, typified by New York's Urban Development Corporation;[181] new towns development; building code and work rule reform; lowering entry barriers to construction labor and contractors by ending restrictive union practices and onerous bonding requirements for contractors; and tax incentives to produce more of certain kinds of housing.[182] Except for some foregone revenue in the case of tax incentives, much of this program could be undertaken at minimal economic cost to the Government, but, as can be seen by the nature of the elements listed, the political costs would not be inconsiderable. In addition, this strategy would not include any explicit commitment to creating housing for the poor; if past experience is any guide, criticism of the trickle-down approach to better housing would be intense from many organized interest groups.

There may, perhaps, be additional policies which could be developed, but the foregoing would seem to be the most likely to emerge in one mixture or another.

Barring a full scale commitment to an income strategy (Policy 2), wise policy would indicate a compatible blend of an improved 235/236 strategy (Policy 3), with special attention to rebuilding urban neighborhoods (Policy 4), using revenue sharing funds (Policy 1), in an overall climate of a responsible program for expanding production (Policy 5). Contriving such a blend will obviously require a serious effort. Yet the experience is available to construct such a policy blend. There are resources available, despite conflicting demands and overall economic problems. What has been missing so far is an eagerness to learn from experience, and to admit that much of the Gordian knot of urban housing is caused not by the intrinsic economics of housing production, but by the people problems of urban America, compounded by the nature of the public programs, laws, and regulations that define the ground rules for problem solving.

The events of the past 6 years have not signaled the death of the idea of home ownership for the aspiring and upwardly mobile poor family, or even, under certain circumstances, of the welfare family. They have, instead, made it clear what circumstances are requisite to the success of home ownership for lower income families. Knowing those circumstances, Congress can continue to help to make home ownership available to many thousands of Americans, as it pledged to do in the euphoric year of 1968.

FOOTNOTES

*President, Institute for Liberty and Community, Concord, Vermont. Special Assistant for Housing and Urban Affairs to Senator Charles H. Percy (R.-Ill.) 1967. B.A. 1958, Miami University (Ohio); M.S. 1960, Columbia University; M.A. 1963, University of California (Berkeley).

[1] *See generally* C. Abrams & R. Kolodny, Home Ownership for the Poor (1970); H. Wehner, Jr., Sections 235 and 236, 1973 (monograph, American Enterprise Institute Washington, D.C.); Butler, *An Approach to*

Low and Moderate Income Home Ownership, 22 Rutgers L. Rev. 67 (1967); Carnegie, *Home Ownership for The Poor: Running The Washington Gauntlet,* 36 J. Am. Inst. Plan, 160 (1970); Downs, *The Success and Failure of Federal Housing Policy,* 34 Public Interest 124 (1974); Shafer & Field, *Section 235 of the National Housing Act: Home Ownership for Lower Income Families,* 46 J. Urban L. 667 (1968); F. & M. Sengstock, *Home Ownership: A Goal for All Americans,* 46 J. Urban L. 317 (1968).

[2] *Hearings on HUD-Space-Science-Veterans Appropriations for 1975 of the House Comm. on Appropriations,* 93d Cong., 2d Sess., pt. 6, at 81–82 (1974).

[3] Act of Aug. 1, 1968, Pub. L. No. 90–448, 82 Stat. 476 (codified as amended in scattered sections of 5, 12, 15, 18, 20, 31, 38, 40, 42 & 49 U.S.C.) [hereinafter cited as HUD Act of 1968].

[4] *Hearings on Real Estate Settlement Costs, FHA Mortgage Foreclosures, Housing Abandonment, and Site Selection Policies before the House Comm. on Banking and Currency,* 92 Cong., 2d Sess., pt. 1, at 25 (1972).

[5] *Crisis of the Cities: Message from the President of the United States,* 114 Cong. Rec. 3957 (1968).

[6] HUD Act of 1968, Pub. L. No. 90–448, § 101, 82 Stat. 477–85 (codified as amended in scattered subsections of 12 U.S.C. §§ 1701 and 1715).

[7] *Id.* § 103, 82 Stat. 486 (codified as amended at 12 U.S.C. §§ 1715n and 1709 (1970)).

[8] The 1974 data ws obtained by the author by phone from the Office of Research and Statistics of the Department of Housing and Urban Development, Washington, D.C., Aug. **22, 1974.**

[9] *Hearings on HUD-Space-Science-Veterans Appropriations for 1974 before a Subcommittee of the House Comm. on Appropriations,* 93d Cong., 1st Sess., pt. 3, at 30 (1973).

[10] Beginning in 1970, housing scandals began to make sensational copy in the nation's newspapers and magazines. *See e.g.,* Breckenfeld, *Housing Subsidies Are a Grand Delusion,* 85 Fortune 136 (Feb. 1972); Karmin, *Scandalized FHA Rules Toughened in Bid to Save Ailing Agenda of Government Programs,* 3 Black Enterprise 20 (Aug. 1972); Lilley & Clark, *Immense Costs, Scandals, Social Ills Plague Low-Income Housing Programs,* 4 National Journal 1075 (July 1, 1972); *The Bankruptcy of Subsidized Housing,* Business Week, May 27, 1972, at 42; Ball, *HUD—The Comedy Isn't So Funny,* Detroit News, March 16, 1973, at 1A, col. 1 (one of a series published by the Detroit News and reprinted at 119 Cong. Rec. E1699 (daily ed. Mar. 21, 1973)); Chapman, *FHA Scandal Spreads Across Nation,* Washington Post, March 10, 1974, at 1, col. 1; Shah, *Housing Mess,* National Observer, June 24, 1972, at 1, col. 4; Teuscher & Wilson, *Home Owning Poor Being Bilked: Speculators Reap Huge Profits while Public Picks up Bill,* St. Louis Globe Democrat, March 4, 1972, at 1A, col. 1 (reprinted at 118 Cong. Rec. 7052 (1972)); *Ailing FHA,* Wall Street Journal, March 19, 1974, at 1, col. 6.

[11] Shah, *Housing Mess,* National Observer, June 24, 1974, at 1, col. 4.

[12] Staff of House Comm. on Appropriations, 92d Cong., 2d Sess., Surveys and Investigations, March 3, 1972; bound in *Hearings on Hud-Space-Science-Veterans Appropriations for 1973 before a Subcomm. of the House Comm. on Appropriations,* 92d Cong., 2d Sess., pt. 3, at 1294 (1972).

[13] House Comm. on Banking and Currency, 91st Cong., 2d Sess., Investigation and Hearing on Abuses in Federal Low and Moderate Income Housing Programs, Dec. 1970; bound in *Hearing on HUD Investigation of Low- and Moderate-Income Housing Programs before the House Comm. on Banking and Currency,* 92d Cong., 1st Sess. 99 (1971).

[14] *Hearings on Defaults on FHA Insured Mortgages before a Subcomm. of the House Comm. on Government Operations,* 92d Cong., 1st & 2d Sess. (1971–72).

[15] Comptroller General, Report to the Congress: Opportunities to Improve Effectiveness and Reduce Costs of Homeownership Assistance Programs (B–171630, Dec. 1972); reprinted in *Hearings on Housing Subsidies and Housing Policies before the Subcommittee on Priorities and Economy in Government of the Joint Economic Comm.,* 92d Cong., 2d Sess. 46 (1972).

[16] Office of Audit, Dep't of Housing and Urban Development, Audit Review of Section 235 Single Family Housing (HUD Pub. No. 05–2–2001–4900, Dec. 10, 1972) (the findings are reported in Opportunities to Improve Effectiveness and Reduce Costs of Homeownership Assistance Programs; bound in *Hearings on Housing Subsidies and Housing Policies, supra* note 15, at 103).

[17] Subcommittee on Priorities and Economy in Government, Joint Economic Committee, 93d Cong., 1st Sess., Housing Subsidies and Housing Policy (1973).

[18] *Hearings on Real Estate Settlement Costs, supra* note 4, pt. 1, at 286.

[19] Address by HUD Secretary George Romney, National Housing Conference, March 6, 1972, quoted in *Hearings on Defaults on FHA Insured Mortgages, supra* note 14, pt. 3, at 488 (1972).

[20] The suspension was challenged in the courts by Pennsylvania, Maine and several nonprofit housing sponsors. In Commonwealth of Pennsylvania v. Lynn, 362 F. Supp. 1363 (D.D.C. 1973), the court held that the suspension was beyond the authority of the Secretary both in terms of the congressional mandate found in the statute and the constitutional duty of the executive branch to execute the laws. The court ordered HUD to resume processing applications.

[21] For general discussion of the legal and constitutional issues raised by impoundment see Fisher. *Presidential Spending Discretion and Congressional Controls,* 37 Law & Contemp. Prob. 135 (1972); Mills, *Impoundment: A Search for Legal Principles* 26 U. Fla. L. Rev. 191 (1974); 23 Cath. U. of Am. L. Rev. 359 (1973); and 27 Rutgers L. Rev. 201 (1973). In 1974, Congress itself took action passing the Budget and Impoundment Control Act, Pub. L. No. 93–344 (July 12, 1974). The statute requires the President to notify Congress of any impoundment by special message. The executive decision to impound can be overruled by a simple resolution of disapproval by either house.

[22] Address by HUD Secretary George Romney, National Association of Homebuilders, January 8, 1973, quoted in Housing Subsidies and Housing Policy, *supra* note 17, at 3.

[23] Quoted in Housing Subsidies and Housing Policy, *supra* note 17, at 3.

[24] Housing Subsidies and Housing Policy, *supra* note 17, at 4.

[25] *Id.* at 5.

[26] 119 Cong. Rec. S10,676 (daily ed. June 8, 1973).

[27] Id. at S10,679.

[28] Redlining is the practice of marking a city map with a red line to indicate an area in which no further mortgage loans are to be made because of economic and physical conditions within the area. For further discussion of redlining by FHA see p. 14 *infra; Testimony of Harold Greenwood, Hearings on Proposed Housing Legislation of 1967 before the Subcomm. on Housing and Urban Affairs of the Senate Comm. on Banking and Currency,* 90th Cong., 1st Sess., pt. 1, at 500 (1967) [hereinafter cited as *1967 Senate Housing Hearings*]; and Note, *Redlining—The Fight Against Discrimination in Mortgage Lending,* 6 Loyola U. Chi. L.J. 71 (1975).

[29] The programs take their names from their respective section numbers in the National Housing Act of 1934, ch. 847, 48 Stat. 1246. Sections 235, 223(e), and 237 were added respectively by sections 101(a), 103(a) and 102(a) of the HUD Act of 1968, Pub. L. No. 90–448, 82 Stat. 477–85, 486, 485–86 (codified as amended at 12 U.S.C. §§ 1715z, 1715n, 1715z–2 (1970)).

[30] *Hearings on the Federal Role in Urban Affairs of the Subcommittee on Executive Reorganization of the Senate Comm. on Government Operations,* 90th Cong., 1st Sess. (1967).

[31] Report of the National Advisory Commission on Civil Disorders (E.P. Dutton & Co. ed., 1968).

[32] Commonly known as section 221(h), the program was enacted as a part of the Demonstration Cities and Metropolitan Development Act of 1966, Pub. L. No. 89–754, § 310(a), 80 Stat. 1268–70 (codified at 12 U.S.C. § 1715*l* (1970)).

[33] The Bicentennial Civic Improvement Corporation, St. Louis, Mo. The project is described in some detail in *Testimony of J.–T. Dykman and Arnice Slaughter, 1967 Senate Housing Hearings, supra* note 28, pt. 2, at 974–82. *See also* Mazer & Granat, *Rehabilitation in St. Louis,* 24 Journal of Housing 200 (May 1967).

[34] This income level was set by Congress in the 1968 amendments to the 221(h) program, HUD Act of 1968, Pub. L. No. 90–448, § 105 (a), 82 Stat. 448, *amending* 12 U.S.C. § 1715*l* (1964).

[35] Act of Nov. 3, 1966, Pub. L. No. 89–754, § 310(a), 80 Stat. 1269. The authorization was increased to $50 million in the HUD Act of 1968, Pub. L. No. 90–448, § 101(c)(2), 82 Stat. 483.

[36] The below market interest rate had previously appeared as a feature of the rental property mortgages authorized by section 221(d)(3) in the Housing Act of 1961, Pub. L. No. 87–70, § 101(a), 75 Stat. 152. This section authorized the HUD Secretary to insure mortgage loans for rental housing for moderate income or displaced families at an interest rate as low as 3 percent or the current yield of outstanding Treasury obligations. In practice this became the "3 percent BMIR mortgage." Because of the below market rate, such mortgages could not be traded on the private market without enormous discounts. As a result, the Federal National Mortgage Association (after 1968 the Government National Mortgage Association) was forced to issue commitments to mortgagees to purchase BMIR mortgages at the mortgage closing, making the mortgagee merely a servicing agency instead of a lender. FNMA (GNMA) had to pay the full amount of the mortgage at its inception. This led to huge budget items and zero leverage of federal funds. Furthermore, to replenish its funds FNMA (GNMA) resorted to the sale of participations in mortgage pools. Since the pools contained many mortgages at a below market interest rate, the selling agency lost money on every sale and was forced to obtain an annual insufficiency appropriation from Congress. This whole system became increasingly ridiculous and, by 1965, had led to a search for alternative means for injecting the federal subsidy.

[37] 113 Cong. Rec. 36 (1967).

[38] 113 Cong. Rec. 1523 (1967).

[39] *Id.* at 1524.

[40] *Id.*

[41] 1967 *Senate Housing Hearings, supra* note 28.

[42] S. 1445, 90th Cong. 1st Sess. (1967).

[43] S. 1434, 90th Cong., 1st Sess. (1967).

[44] *1967 Senate Housing Hearings, supra* note 28, pt. 1, at 288.

[45] S. 1433, 90th Cong., 1st Sess. (1967).

[46] *Id.* at § 5(b).

[47] S. 1592, 90th Cong., 1st Sess. (1967). The bill is described in detail in the *1967 Senate Housing Hearings, supra* note 28, pt. 2, at 1517–45, 1609–37. The text appears therein, at 1414.

[48] *1967 Senate Housing Hearings, supra* note 28, pt. 2, at 1617–20.

[49] S. 2115, 90th Cong., 1st Sess. (1967).

[50] 12 U.S.C. § 1709 (1970).

[51] For a description of the Gainesville project see *Testimony of Gloria Richards and Phillip Emmer, 1967 Senate Housing Hearings, supra* note 28, pt. 1, at 825.

[52] S. 2124, 90th Cong., 1st Sess. (1967).

[53] *1967 Senate Housing Hearings, supra* note 28, pt. 1, at 476.

[54] *Id.* at 480.

[55] *See* note 28 *supra.*

[56] National Housing Act of 1934, ch. 847, § 203(c), 48 Stat. 1249 (codified as amended at 12 U.S.C. § 1709 (1970)).

[57] National Housing Act Amendments of 1938, ch. 13, § 4, 52 Stat. 18 (codified as amended at 12 U.S.C. § 1713 (1970)).

[58] For background *see generally* History of Risk Concepts in Home Mortgage Insurance Legislation, in House Comm. on Government Operations, Defaults on FHA Insured Home Mortgages—Detroit, Michigan, H.R. Rep. No. 92–1152, 92d Cong., 2d Sess. 51–56 (1972).

[59] The Housing Act of 1954, ch. 649, § 123, 68 Stat. 597–98 (codified at 12 U.S.C. § 1715k (1970)). *See also* Legislative History of Congressional Guidance for Administration of Section 220 Programs by the FHA, in *1967 Senate Housing Hearings, supra* note 28, pt. 1, at 25–30.

[60] Demonstration Cities and Metropolitan Development Act of 1966, Pub. L. No. 89–754, §302, 80 Stat. 1266.

[61] Act of Aug. 1, 1968, Pub. L. No. 90–448, § 103, 82 Stat. 486, repealed section 203(*l*) and provided for insurance in "older, declining urban areas" out of a Special Risk Insurance Fund (12 U.S.C. § 1715n (1970)).

[62] S. 2700, 90th Cong., 1st Sess. § 105 (1967).

[63] *Id.* § 103.

[64] Address by FHA Director Philip N. Brownstein to FHA Directors and Conference, October 23, 1967, in *Hearings on Real Estate Settlement Costs, supra* note 4, pt. 1, at 264, 266–67.

[65] S. 2700, 90th Cong., 1st Sess. (1967).

[66] *Id.* §§ 101 and 107.

[67] *Id.* § 102.

[68] *Id.* § 103.

[69] *Id.* § 105.

[70] *Id.* § 111.

[71] *Id.* §§ 104, 106, 108, 109, 110 and Title II. No appointments to the Board of the National Home Ownership Foundation were ever made and no appropriations were ever voted.

[72] S. Rep. No. 90–809, 90th Cong., 1st Sess. 10 (1967).

[73] *Id.*

[74] *Id.* at 9.

[75] *Crisis of The Cities—Message from the President of the United States,* 114 Cong. Rec. 3956 (1968).

[76] S. Rep. No. 90–1123, 90th Cong., 2d Sess. 178 (1968).

[77] S. 3497, 90th Cong., 2d Sess. (1968).

[78] 1968 HUD Act, Pub. L. No. 90–448, § 101 (a), 82 Stat. 479 (codified at 12 U.S.C. § 1715z (1970)).

[79] *Id* § 101(a), 82 Stat. 478.

[80] S. Rep. No. 90–1123, 90th Cong., 2d Sess. 179 (1968).

[81] In a release dated April 21, 1967, the day the Percy-Widnall bill was introduced with wide sponsorship and publicity, Secretary Weaver issued a statement which said:

"The failure of the proposal to involve local government means that it cannot become a major instrument for revitalizing urban slums and blighted areas. . . . The local governing body has to be involved in any large scale attempt to improve neighborhoods. . . . The failure of the proposal to involve local plans for its redevelopment or growth."

Soon thereafter, in a radio interview, the Secretary described the proposal as a "snare and a delusion":

"To promise large numbers of low income people that in the immediate future they are going to be able to achieve home ownership is a snare and a delusion and it can be a cruel hoax because in many instances with these extremely low down payments, with these long periods of loans after three years they will have a negative equity. And if they lose their jobs, or if they are sick, they will lose their home." . . .

After describing his department's experimental work with the 221(h) program, Secretary Weaver added:

"We are tying this to other programs, as contrasted to the Percy program which would be out there by itself and would not be coordinated with all that's going on."

These statements were reprinted at 113 Cong. Rec. 18,036–37 (1967).

[82] S. Rep. No. 90–809, 90th Cong., 1st Sess. 71 (1967).

[83] Act of Aug. 1, 1968, Pub. L. No. 90–448, § 102(a), 82 Stat. 485 (codified as amended at 12 U.S.C. § 1715z–2 (1970)).

[84] S. 2115, 90th Cong., 1st Sess. (1967).

[85] Act of Dec. 24, 1969, Pub. L. No. 91–152, § 110, 83 Stat. 382 (codified at 12 U.S.C. § 1725z-2(e) (1970)).

[86] In fact, no funds were appropriated for this purpose until Fiscal Year 1972.

[87] *See* note 64 *supra.*

[88] *See generally* Shah, *Housing Mess, supra* note 11.

[89] *Hearings on HUD-Space-Science-Veterans Appropriations for 1973, supra* note 12, pt. 3, at 68–69.

[90] Defaults on FHA Insured Home Mortgages—Detroit, Michigan, *supra* note 58, at 9.

[91] See the series of articles from the Detroit News reprinted at 119 Cong. Rec. E1699 (daily ed. Mar. 21, 1973).

[92] Defaults on FHA Insured Home Mortgages—Detroit, Michigan, *supra* note 58, at 13-35.

[93] Audit Review of Section 235 Single Family Housing, *supra* note 16.

[94] *Id.* at 5.

[95] Opportunities to Improve Effectiveness and Reduce Costs of Home Ownership Assistance Programs, *supra* note 15, at 33, 39, 45.

[96] *Hearings on HUD-Space-Science Appropriations for 1972 before a Subcomm. of the House Comm. on Appropriations,* 92d Cong., 1st Sess., pt. 2, at 1 (1971); *Hearings on HUD Space, Science, Veterans and Certain Other Independent Agencies Appropriations for Fiscal Year 1973 before a Subcomm. of the Senate Comm. on Appropriations,* 92d Cong., 1st Sess. 307 (1971); *Hearings on HUD, Space, Science, Veterans and Certain Other Independent Agencies Appropriations for Fiscal Year 1974 before a Subcomm. of the Senate Comm. on Appropriations,* 92d Cong., 2d Sess. 479 (1972).

[97] *Hearings on HUD Investigation of Low- and Moderate-Income Housing Programs, supra* note 13, at 234.

[98] *Id.* at 237.

[99] HUD Act of 1968, Aug. 1, 1968, Pub. L. No. 90–448, § 101(a), 82 Stat. 479 (codified at 12 U.S.C. § 1715z (1970)).

[100] *Hearings on HUD-Space-Science-Veterans Appropriations for 1973, supra* note 12, pt. 3, at 29, 32.

[101] See note 20 *supra* and accompanying text, *See also* Nenno & Maguire, *Housing and Community Development Issues Looming for 1973—White House/Congressional Debate,* 30 Journal of Housing 63 (Feb. 1973).

[102] *Hearings on Oversight on Housing and Urban Development Programs before the Subcomm. on Housing and Urban Affairs of the Senate Comm. on Banking, Housing and Urban Affairs,* 93d Cong., 1st Sess., pt. 1, at 2 (1973).

[103] *Hearings on HUD-Space-Science-Veterans Appropriations for 1973, supra* note 12, pt. 3, at 1515. This was precisely the approach advocated by Senator Percy's 1967 legislation. For example, section 110(a)(2) of S. 1592 required that the neighborhood housing sponsor, to qualify for a mortgage loan, "must be conducting, or otherwise arranging for, supporting programs in such fields as training, employment, credit counseling and budget management as needed to enable lower income families to assume the privileges and responsibilities of homeownership." This integrated approach, as a basic part of a Neighborhood Strategy, was rejected in the HUD Act of 1968. See discussion *supra* at pp. 17–18.

[104] *Hearings on HUD-Space-Science-Veterans Appropriations for 1973, supra* note 12, pt. 3, at 1515–16.

[105] *See Testimony of HUD Assistant Secretary Eugene Gulledge, Hearings on Defaults on FHA Insured Mortgages, supra* note 14, pt. 3, at 525. Katz was later hired as a consultant to Secretary Romney, *id.* pt. 2, at 319.

[106] *See Testimony of HUD Secretary Romney, Hearings on HUD-Space-Science-Veterans Appropriations for 1973, supra* note 12, pt. 3, at 68.

[107] *Hearing on HUD Investigation of Low- and Moderate-Income Housing Programs, supra* note 13, at 237.

[108] *1967 Senate Housing Hearings, supra* note 28.

[109] *Id.* pt. 1, at 9.

[110] These projects were funded as demonstration projects under the Housing Act of 1961, Pub. L. No. 87–70, § 207, 75 Stat. 165, repealed in the Housing and Urban Development Act of 1970, Pub. L. No. 91–609, § 503(4), 84 Stat. 1786.

[111] S. Rep. No. 90–1123, 90th Cong., 2d Sess. 11 (1968).

[112] *Id.* at 204.

[113] *See* dialog between Senator Pastore and HUD Departmental Budget Officer Nathaniel Eisemen, *Hearings on HUD, Space, Science, Veterans and Certain Other Independent Agencies Appropriations for Fiscal Year 1972 before a Subcomm, of the Senate Comm. on Appropriations,* 92d Cong., 1st Sess (1971); and *Hearings on HUD-Space-Science-Veterans Appropriations for 1974, supra* note 9, pt. 3, at 34–35.

[114] *Hearings on HUD-Space-Science-Veterans Appropriations for 1973, supra* note 12, pt. 3, at 451.

[115] *See Hearings on HUD, Space, Science, Veterans and Certain Other Independent Agencies Appropriations for Fiscal Year 1973, supra* note 96, at 557; *Hearings on HUD-Space-Science-Veterans Appropriations for 1973, supra* note 12, pt. 3 at 498; *and Hearings on Defaults on FHA Insured Mortgages, supra* note 14, pt. 3, at 507.

[116] *See* generally *Hearings on HUD, Space, Science, Veterans and Certain Other Independent Agencies Appropriations for Fiscal Year 1973, supra* note 96, at 557–63; and *Hearings on HUD-Space-Science-Veterans Appropriations for 1973, supra* note 12, pt. 3, at 401–04.

[117] *Hearings on HUD, Space, Science, Veterans and Certain Other Independent Agencies Appropriations for Fiscal Year 1973, supra* note 96, at 562.

[118] *Id.*

[119] *Hearings on HUD-Space-Science-Veterans Appropriations for 1973,* supra note 12, pt. 3, at 29, 32.

[120] S. 1614, 93d Cong., 1st Sess. (1973). For a detailed description, see 119 Cong. Rec. S7549 (daily ed. April 17, 1973).

[121] Housing Act of 1964, Pub. L. No. 88–560, § 121. 78 Stat. 783 (codified as amended at 12 U.S.C. § 1735b (1970)).

[122] Housing and Urban Development Act of 1970, Pub. L. No. 91–609, § 104, 84 Stat. 1771 (codified at 12 U.S.C. § 1735b (1970)).

[123] Act of Aug. 22, 1974, Pub. L. No. 93–383, § 306, *amending* 12 U.S.C. § 1735b (1970) (1974 U.S. Code. Cong. & Adm. News 3297).

[124] 12 U.S.C. § 1701x(a)(1)(iii) (1970).

[125] Housing and Community Development Act of 1974, Pub. L. No. 93–383, § 811(b)(1), *amending* 12 U.S.C. § 701x(a)(1)(iii) (1970) (1974 U.S. Code Con & Adm. News 3368).

[126] *Id.* § 811(b)(2), *amending* 12 U.S.C. § 1701x(a) (1970) (1974 U.S. Code Cong. & Adm. News 3368).

[127] *See note* 21 *supra.*

[128] *Hearings on HUD-Space-Science Veterans Appropriations for 1974, supra* note 9, pt. 3, at 8.

[129] *Hearings on Oversight on Housing and Urban Development Programs, supra* note 102, pt. 1, at 245.

[130] 119 Cong. Rec. S4122 (daily ed. March 8, 1973).

[131] *See* pp. 6–7 *supra.*

[132] *Hearings on Oversight of Housing and Urban Development Programs, supra* note 102, pt. 1, at 249–67.

[133] *Id.* at 251.

[134] 119 Cong. Rec. S16,861 (daily ed. Sept. 19, 1973).

[135] *Id.* at S16,863.

[136] *Id.* at S16,864.

[137] *Id.*

[138] *Id.*

[139] S. 2507, 93d Con., 1st Sess. (1973).

[140] Dept. of Housing and Urban Development, Housing in the Seventies (October 6, 1973).

[141] *Hearings on HUD-Space-Science-Veterans Appropriations for 1974, supra* note 9, pt. 3, at 882.

[142] For a detailed description of the housing allowance experiment, see *Hearings on HUD-Space-Science-Veterans Appropriations for 1974, supra* note 9, pt. 3, at 877–85.

[143] Smith, Barney & Co., Inc., Research Brief (Oct. 1, 1973).

[144] Movement for Economic Justice, Just Economics (Nov.–Dec. 1973).

[145] 119 Cong. Rec. S18,129 (daily ed. Oct. 1, 1973).

[146] *Id.* at S18,130–31.

[147] S. Rep. No. 93–693, 93d Cong., 2d Sess. 177 (1974).

[148] S. 1743, 93d Cong., 1st Sess. (1973).

[149] Act of Aug. 22, 1974, Pub. L. No. 93–383 (1974 U.S. Code Cong. & Adm. News 3243).

[150] S. 3066, 93d Cong., 2d Sess. ch. 1 (1974). *See also* S. Rep. No. 93–693, 93d Cong., 2d Sess. 22–36 (1974).

[151] Housing and Community Development Act of 1974, Pub. L. No. 93–383, Title III, *amending* scattered sections of 12 U.S.C. (1974 U.S. Code Cong. & Adm. News 3294).

[152] *Id.* § 213 (1974 U.S. Code Cong. & Adm. News 3292).

[153] *See* note 47 *supra.*

[154] Act of Aug. 1, 1968, Pub. L. No. 90–448, § 1601, 82 Stat. 601 (codified at 42 U.S.C. § 1441a (1970)).

[155] Housing and Community Development Act of 1974, Pub. L. No. 93–383, § 801, *amending* 42 U.S.C. § 1441a *et seq.* (1970) (1974 U.S. Code Cong. & Adm. News 3350).

[156] *Id.* § 802 (1974 U.S. Code Cong. & Adm. News 3350).

[157] See text accompanying notes 123–26 *supra.*

[158] *Hearings on HUD-Space-Science-Veterans Appropriations for 1975, supra* note 2, pt. 6, at 249, 501.

[159] *See* text accompanying note 8 *supra.*

[160] Economic Opportunity Act, Pub. L. No. 88–452, 78 Stat. 508 (codified as amended at 42 U.S.C.A. §§ 2701–2995d (1973)).

[161] Demonstration Cities and Metropolitan Government Act of 1966, Pub. L. No. 89–754, 80 Stat. 1255 (codified in scattered sections of 11, 12, 15, 16, 40, 42 U.S.C.). *See also* Congressional Research Service, Library of Cong. for the Senate Committee on Banking, Housing and Urban Affairs, 93d Cong., 1st Sess., The Central City Problem and Urban Renewal Policy 68–84, 171–207 (1973).

[162] 42 U.S.C. 630 (1970). The program is described in some detail in The Central City Problem and Urban Renewal Policy, *supra* note 161, at 290–92.

[163] Established under Exec. Order No. 11647, 3 C.F.R. 335 (1974).

[164] *See, e.g.,* San Francisco Federal Executive Board, an Analysis of Federal Decision Making and Impact: The Federal Government in Oakland (v. 1, 1968, v. 2, 1969); *Reorganization of the Federal Government—Message from The President of The United States,* 117 Cong. Rec. 7962 (1971); and Office of Management and Budget, Papers Relating to the President's Department Reorganization Program, chs. 3, 5 (February 1972).

[165] *The State of the Union Address of the President of the United States,* 117 Cong. Rec. 167–8 (1971).

[166] Some 35 community development corporations have been funded by the Office of Economic Opportunity under Title VII of the Economic Opportunity Act, 42 U.S.C. §§ 2981–85 (1970), *as amended* (Supp. II, 1972). *See generally* Twentieth Century Fund, CDC's New Hope for the Inner City (1971); *Community Economic Development,* 36 Law & Contemp. Prob. No. 1 & 2 (1971); J. McClaughry, Expanded Ownership 66–76 (Sabre Foundation, Fond du Lac, Wisconsin, 1972); Bibliography on Community Development Corporations (Center for Community Economic Development, 5 Upland Road, Cambridge, Mass. 02140, updated periodically).

[167] *See* National Urban Coalition, Municipal Mortgage Insurance Program: Housing Finance Board of Fresno, California (Program Case Study No. 2, Washington, D.C.).

[168] Wisconsin State Indemnity Fund, ch. 609, Laws of Wisconsin, ch. 117, Laws of 1973. It has not, however, been widely used, reportedly due to lack of interest in inner city development.

[169] 42 U.S.C. § 2210 (1970). The Association is discussed in some detail in S. Rep. No. 296, 85th Cong., 1st Sess. (1957), reprinted at 1957 U.S. Code Cong. & Adm. News 1811–12.

[170] H.R. 1, 92d Cong., 1st Sess. (1971).

[171] M. Friedman, Capitalism and Freedom ch. XII (1962). *See also* Ripon Society, The Negative Income Tax (P67–2, 1967); R. Hollister & M. Lefcowitz, Income Maintenance (1971).

[172] See discussion pp. 25–30 *supra.*

[173] Financing Publicly Assisted Housing (task force report, Institute of Politics, Harvard University, 1968).

[174] Memorandum to the author from Ralph Hawes, Washington Representative, IBM, April 1967.

[175] Act of Aug. 1, 1968, Pub. L. No. 90–448, § 109, 82 Stat. 496–97.

[176] *1967 Senate Housing Hearings, supra* note 28, at 717.

[177] Insurance Technical Assistance Group, Insurance Protection against Foreclosure in Government Assisted Home Mortgage Programs, April 24, 1969.

[178] *Hearings on HUD-Space-Science-Veterans Appropriations for 1973, supra* note 12, pt. 3, at 30.

[179] *See, e.g.,* the Indianapolis "Minigov" Act, Ind. Code of 1971, 18–4–15.5 (1972) (enacted at Acts 1972, Pub. L. No. 129, Feb. 17, 1972). As of mid-1974, however, the City-Council County of Indianapolis had failed to approve the necessary implementing plan. *See generally* Dept. of Metropolitan Development, City of Indianapolis, Minigov Communities Plan, December 2, 1972); *Remarks of Senator Mark Hatfield Introducing S. 2502, the Neighborhood Government Act of 1973,* 119 Cong. Rec. S18, 133–40 (daily ed. Oct. 1, 1973). The National Association of Public Administration has been awarded a grant by HUD to explore this approach.

[180] *See* note 166 *supra.*

[181] New York Urban Development Corporation Act, L. 1968, ch. 174, April 10, 1968 (codified at N.Y. Unconsol. Laws §§ 6251–6360 (McKinney Supp. 1973). For a description of the program, see Reilly & Schulman, *The State Urban Development Corporation: New York's Innovation,* 1 The Urban Lawyer 129 (1969).

[182] Int. Rev. Code of 1954, § 167(k) allows a 60 month depreciation period and zero salvage value for specified rehabilitation expenditures for low income rental housing.

DRAWING ON THE RICHES OF ELK HILLS

Mr. CRANSTON. Mr. President, the Sunday edition of the Los Angeles Times carried an editorial in support of legislation scheduled for debate in the House of Representatives today to authorize production from the Elk Hills Naval Petroleum Reserve.

On December 19, 1973, the Senate recognized the importance of opening up this rich pool of petroleum by approving Senate Joint Resolution 176. Unfortunately, the House Armed Services Committee, to which Senate Joint Resolution 176 was referred and which has long opposed any alteration of the Elk Hills status quo, was able to block the Senate's bill. It thus died in committee upon adjournment of the 93d Congress.

Senator Tunney and I have reintroduced a similar Senate resolution in the 94th Congress—Senate Joint Resolution 9. It now awaits action in the Armed Services Committee.

Congressman Al Bell of California has been particularly effective in pushing Elk Hills legislation in the House. H.R. 49 contains his recommendations for transferring authority for administering this Federal property from the Navy to the Department of the Interior and would authorize the Department to contract to sell oil from the naval reserves. This bill has been approved by the House Interior Committee. Those of us in the Senate who favor opening these reserves will be watching closely the progress of H.R. 59 in the House. Hopefully it will meet with House approval so that the Senate can go on record once again in favor of using this basically untapped 1.3-billion-barrel reserve to meet our essential domestic fuel needs.

Mr. President, I ask unanimous consent that the text of the Los Angeles Times editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Drawing on the Riches of Elk Hills

The House is at long last scheduled to vote this week on legislation to open up for production the rich Elk Hills Naval Petroleum Reserve in Kern County.

A number of competing bills are up for possible consideration. None is entirely satisfactory. That means that amendments from the floor will be needed to produce the kind of measure essential to the nation's goal of reducing reliance on insecure foreign sources of petroleum.

The Senate recognized the importance of tapping the huge Elk Hills reserve as long ago as 1973, when it approved a production plan in the wake of the Arab oil embargo. But companion legislation died in the House Armed Services Committee, which is traditionally committed to keeping Elk Hills locked up for potential military use.

The Armed Services Committee has not abandoned that goal. It will try this week to thwart the move to put Elk Hills on a permanent production basis by seeking to win approval for legislation of its own.

That legislation would limit production from Elk Hills and two smaller naval reserves to 200,000 barrels a day for no longer than three years, with the oil going exclusively for military use. Such a plan is a far cry from what the nation needs, from what President Ford wants, or from what is provided in

H.R. 49, a bill coauthored by Rep. Alphonzo Bell (R-Calif.) and approved by the House Interior Committee.

H.R. 49 recognizes the anachronism of maintaining 46,000-acre Elk Hills site as a naval reserve. It would transfer administrative authority over Elk Hills to the Interior Department, and open the way to producing 160,000 barrels of oil a day by the end of this year, up to 300,000 barrels a day in 1977.

Production at that level is feasible and necessary, and could continue for a long time. Elk Hills has at least a billion barrels of recoverable reserves, and possibly 3.7 billion. Use of this potential output could save the nation up to $1 billion a year in its balance of payments by reducing imported oil, which now makes up about 40% of the American supply.

H.R. 49 would authorize the Interior Department to contract to sell oil from the naval reserves, but would make no provision for channeling some of this output into a stored strategic reserve. That is the bill's major weakness, and the reason why it should be amended on the floor.

The President has asked for establishment of a 1.3 billion-barrel strategic reserve, 1 billion barrels for the civilian economy, the rest for military use. The purpose of a strategic reserve is to insure that the country could not suffer hardship from any interruption of foreign supplies. The size of the requested reserve would give the military a 100-day fuel supply on the basis of its estimated maximum war-time oil needs. At current consumption levels, it would provide a six-month supply for the civilian sector should all foreign imports be stopped, or a 16-month supply should only the Arab oil imports be cut off.

Creation of a strategic reserve could come either from an expansion in imports, with a commensurate dollar drain, or from augmenting domestic production, clearly the preferable route.

Elk Hills can be brought up to impressive maximum production in a short while. It is time to draw on this asset, and to use Elk Hills output for the best purposes. The House has the opportunity to see that this is done.

NATURAL GAS SHORTAGES

Mr. DOMENICI. Mr. President, those of us from States in which natural gas is found and produced have often discussed our concern that shortages of this natural gift will soon occur throughout the Nation. I wish to mention today one set of ironic circumstances that sheds light on how Government policy has too often taken us down the path of natural gas shortages.

Federal regulation of natural gas is a hodge-podge of cross-purposes that has left too many Americans without natural gas at any price. The Commerce Committee now has before it a bill, S. 692, which would extend Federal Power Commission authority to intrastate gas produced on Federal land. This legislation, if passed through the Congress and signed into law, would increase the likelihood that less and less New Mexico-produced gas would be available for New Mexico consumers, and would seriously hamper the State's efforts to attract new, clean industry that depends upon firm, long-term commitments of intrastate natural gas for either feed stock or general use. No reasonable man can see S. 692 in its initial form as anything less than a step backwards. It will not increase supplies; it will not increase conservation; it will decrease the tax revenues of the States affected, including New Mexico; and it will signal another failure of Congress to confront the realities of an important facet of the energy crisis.

We have a clearly unjust situation in New Mexico, where at least three communities have been denied more natural gas under a recent FPC ruling, and where irrigation farmers have been threatened with a large reduction in natural gas for their pumps. Yet, New Mexico is the fifth largest producer of oil and gas in the Nation. Such a situation is a direct indictment of this Nation's natural gas policy in the past. The legislation now before the Commerce Committee would increase the burden unfairly placed on New Mexico communities and farmers and could lead to Federal intervention in almost all natural gas produced in the Nation.

More than 54 percent of New Mexico's natural gas is from wells on Federal land. The provisions of S. 692 would make all this gas subject to Federal regulation, which has been so patchwork in the past. While the New Mexico communities of Las Cruces, Deming, and Lordsburg hunger for natural gas for their citizens, large pipelines full of natural gas for non-New Mexico users pass by these communities. Much of that natural gas in those pipelines is produced in New Mexico, yet these three towns are prohibited from use of it. S. 692 would mean that there would be less intrastate gas for New Mexico communities. It would mean that more New Mexico citizens would be hit by natural gas shortages.

We in the Federal Government are going to have to face up to the natural gas problem soon. We all know what the answer is. And we know that S. 692 in its present proposed form is not part of that answer.

STANDARD FOR HERMETIC SEALING OF PACEMAKER CIRCUITRY

Mr. RIBICOFF. Mr. President, I am today releasing a letter I received from the National Bureau of Standards recommending that the Food and Drug Administration "establish a standard for hermetic selling of pacemaker circuitry," in conjunction with other high standards, to prevent short circuiting of surgically implanted cardiac pacemakers.

As chairman of the Senate Government Operations Committee, I sought technical advice from the Bureau of Standards after the FDA's investigation of a series of recalls involving 23,000 pacemakers was severely criticized in a General Accounting Office report.

The Bureau of Standards' recommendation supports my criticism of FDA for not establishing a standard for hermetic sealing to prevent a recurrence of pacemaker short circuiting. It raises serious question as to whether the health and safety of the 125,000 Americans who use pacemakers is being adequately protected in the absence of such a standard.

The GAO found that despite the fact that leakage was the common defect causing short circuiting in the recalled pacemakers, the FDA's top medical device officer, David M. Link, said he had not developed a standard for hermetically sealing pacemakers because "such a standard might restrain manufacturers' efforts in developing a solution to the moisture problem."

Mr. Link's decision was reiterated by Caspar W. Weinberger, Secretary of Health, Education, and Welfare, in a letter to me on April 4:

> FDA, at this time, does not believe imposition of a standard simply to require the hermetic sealing of all implanted pacemakers is necessary or wise.

Mr. President, I turned to the Bureau of Standards to resolve conflicting points of view between the FDA and some pacemaker manufacturers, as well as between the Agency and its own staff, on the necessity of hermetically sealing pacemaker circuitry.

The General Electric Co. recently has hermetically sealed the circuit board of pacemakers being used to replace 2,600 of its pacemakers which were recalled because of the moisture-leakage problem. Other manufacturers have hermetically sealed the circuitry of their pacemakers on a voluntary basis, as well. Back in 1972, during the first recall of about 600 pacemakers by GE, Mr. Link had ignored the recommendation of a member of his staff that the FDA adapt a U.S. Navy standard for hermetically sealing high-reliability electronic components, as well as call a conference of pacemaker manufacturers to alert them to the moisture/short-circuiting problem.

The Bureau of Standards now reports that—

> Hermetic sealing of electronic devices and circuits is without doubt the most effective way of isolating them from the effects of moisture in the external environment and to reduce the incidence of failures from this cause.

The Bureau reported to me that several principles of the Navy standard for using hermetic sealing to overcome a serious seal problem in plastic encapsulated devices "could be applied to the present—circuit board—case." The Bureau also disclosed that plans are underway for the Bureau of Standards to run a pacemaker industry "workshop" for the FDA.

It is tragic that the FDA did not turn to the Bureau of Standards for this lifesaving information and assistance in 1972 when the first pacemakers were recalled. To date, the FDA has not turned to the Bureau of Standards for advice on hermetic sealing and other aspects of the moisture problem; nor has it developed any standards to deal with the pacemaker moisture problem. I, therefore, am turning this information over to Secretary Weinberger, with the urgent request that he direct the FDA immediately to implement the Bureau of Standards' recommendations with respect to hermetic sealing to prevent short circuiting in pacemakers.

The GAO investigation, which was initiated by me in 1973 and was completed 20 months later on March 10, found that FHA did not exercise existing legal authority in a "life threatening situation" to inspect pacemaker plants, obtain samples of recalled devices, or conduct its own tests to independently determine the cause and correct the defect. The report cited "the lack of FDA inspection guidelines, safety, and performance standards and good manufacturing criteria" with respect to pacemakers.

Mr. President, several pacemaker manufacturers already have adopted hermetic sealing and other high quality controls to insure safe, effective operation of the surgically implanted devices. Any questions that a pacemaker user has with respect to a particular device should be directed to his or her physician. Hopefully, new FDA pacemaker standards, as well as strong medical-device legislation which has just passed the Senate with my strong support, will insure the high reliability of all pacemakers sold to the American consumer.

I ask unanimous consent that the letter to me from the National Bureau of Standards, as well as my letter to Secretary Weinberger, be printed at the conclusion of my statement in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. RIBICOFF. Mr. President, I also ask unanimous consent that a letter to me from Secretary Weinberger, containing the Department's comments on the findings and recommendations of the GAO report, be printed in the Record following the other documents.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. RIBICOFF. Mr. President, despite the serious criticism by GAO of the FDA's recall, inspection and investigative procedures, the Secretary writes:

> After considering the FDA's capabilities and reviewing the Agency's performance in the recall, we believe that FDA's investigation of the GE pacemaker recall provided adequate protection to the public from further risk in this situation.

Mr. President, this is a conclusion with which I sharply disagree. I received the letter yesterday and considered it important to release the Department's comments immediately. However, I do intend to study the statement in detail and may have more to say about it after I receive the Secretary's reply as to what action he will take with respect to establishing a standard for hermetically sealing pacemakers.

Exhibit 1

National Bureau of Standards,
Washington, D.C., April 23, 1975.
Hon. Abraham Ribicoff,
Chairman,
Committee on Government Operations,
Washington, D.C.

Dear Mr. Chairman: In your letter of April 15, 1975, you posed questions on eight issues related to hermetic sealing of cardiac pacemakers and the effects of hermetic sealing on the reliability of the product. Our responses to these questions are enclosed.

Some of our responses are not as definitive as we would like them to be. The reason is that prediction of the reliability or effective life of an electronic product is not an exact science. Design, materials selection, component quality, manufacturing technology, and manufacturing practice all affect the reliability of the final product. Tests are required at each step in the process for incoming acceptance of materials, through control of the manufacturing procedures, to final performance and quality verification. Such tests are more effective in predicting susceptibility to failure in cases where the long-time behavior of the constituent materials and components of the system is better known.

In the case of many of the materials and parts used in cardiac pacemakers, the available information is incomplete. Therefore, in testing cardiac pacemakers, it is necessary to proceed on the basis of the knowledge we have now in a manner such that the data base on the various materials and processes is increased. In this way, a more effective means of assuring reliability can be developed.

As you know, the FDA has discussed with us the problem of pacemaker reliability. As a result we have proposed to FDA a workshop for the purpose of sharing with the pacemaker industry information available in the electronics community relating to semiconductor test and evaluation methods. Plans for this workshop are going forward at the present time.

Our experience with semiconductor measurement technology has been developed primarily in connection with programs conducted in coperation with the Department of Defense which has had a long and extensive interest in high-reliability electronic systems. We would be pleased to cooperate in a similar way with other government and industrial organizations which are concerned with applications of electronics which require high reliability.

Sincerely,

F. K. Willenbrock,
Director,
Institute for Applied Technology.

Responses to Questions in Senator Abraham Ribicoff's Letter of April 15, 1975

Question 1. Is the dendritic growth on the circuitry boards of defective pacemakers caused by moisture, and can such growth be prevented by hermetically sealing circuitry boards?

RESPONSE

Without examining and testing the circuit boards in question, we are unable to comment on the cause of the dendritic growths to which failure was ascribed. It is our understanding, from the various reports available on the dendritic growths in question, that the presence of moisture was found to be an essential causative factor. In such cases, hermetic sealing would, if properly carried out in a moisture-free environment, prevent such growths, provided also that the sealed enclosure contained no moisture-generating elements.

Question 2. Although the U.S. Navy Standard for hermetic sealing of discrete electronic components is not directly applicable to circuitry boards, can the findings in this standard relating to "a serious (plastic) seal problem" be *adapted* to an FDA standard for hermetic sealing of pacemaker circuitry boards?

RESPONSE

The chemistry and metallurgy of the printed circuit boards, hereinafter referred to as PCBs, are different from those of the semiconductor devices and microcircuits, hereinafter referred to as devices, which were the subject of Navelex Instruction 4120.6. However, the circumstances in existence now with respect to the PCB moisture problem and then with respect to moisture problems in devices contain many similar elements. In each case there was

(1) knowledge that under at least some conditions moisture penetration into the plastic encapsulated volume resulted in electrical failure,

(2) imperfect knowledge concerning the physical mechanisms causing failure, and

(3) considerable variations in the reliability of various plastic encapsulated parts.

It would appear, therefore, that the following principles of the Navelex Instruction could be adapted to the present (PCB) case:

(1) Prohibition of the use of a suspect technology (plastic encapsulation) in critical instruments (sections 6a. and 6b.),

(2) Provision for use of this technology in prescribed circumstances (section 6c.), and

(3) Establishment of procedures which govern introduction of such technology (sections 6d. and 6e.).

The last item is particularly important because it does not preclude completely the use of the technology in question as better material systems are found and reliability of the technology increases.

Question 3. What problems, if any, might be introduced if such hermetic sealing were required?

RESPONSE

If hermetic sealing were required it would be essential to establish, on the bases of adequate tests, the following:

(1) that deleterious materials, including moisture and corrosive chemicals, are not sealed within the enclosure in such a way that they could attack the electronic circuit or components,

(2) that the leak rate of the hermetically sealed enclosure is below an appropriate level,

(3) that the materials used for the enclosure itself and for the electrical connections (feed throughs) which pass through the enclosure are compatible with each other and with the environment in which the instrument is to be used and that these parts would maintain the hermetic seal during the expected lifetime of the instrument, and

(4) that reliable means for venting or absorbing the gas is provided, if gas-producing parts, such as batteries, are sealed within a hermetic enclosure.

It should be observed that the problems of testing for leakage in hermetic enclosures become more difficult as enclosure size increases and as plastic potting compounds are used to enclose parts within the enclosure. Furthermore, the presence of gas absorbing materials within the enclosure makes it impossible to interpret the results of almost all leak test procedures.

Question 4. Can the relative risks of pacemaker failure be assessed between hermetic sealing and no hermetic sealing of circuitry boards?

RESPONSE

It is generally accepted that hermetic sealing is the most effective way now known of keeping moisture and other deleterious elements from entering semiconductor devices and integrated circuits. However, the relationship between leak rate of hermetic enclosures and moisture penetration into such enclosures is not now well understood. It is the subject of several investigations being carried out at the present time in various government departments. The situation is further complicated by the fact that failure can occur through mechanisms not associated in any way with hermetic sealing or lack thereof.

Information regarding the behavior of plastic materials of various kinds in electronic applications is only slowly being accumulated. The most extensive series of tests yet conducted (the Panama tests on semiconductor devices described in Dr. Bullis' letter of April 3) has not yielded conclusive results.

In the absence of a solid data base against which to test specific materials and techniques, the degree of certainty with which an assessment can be made of risks of failure for hermetically sealed PCBs or non-hermetically sealed PCBs is not high.

Question 5. Would you recommend that

FDA establish a standard for hermetic sealing of pacemaker circuitry boards?

RESPONSE

It is difficult to determine accurately from the GAO report and the Secretary's letter the precise causes of failure in all of the pacemakers subject to recall. It would appear from these sources and press reports that the problems attributed to the recalled Cordis units not have been prevented by hermetic sealing of the circuitry boards since the problems with these are attributed to the presence of moisture which entered or was sealed within discrete parts during manufacture. Whether the units were subsequently hermetically sealed or not, the moisture would have remained within the affected parts. Leakage of battery electrolyte such as is reported to have occurred in the Vitatron units would not have been prevented by hermetic sealing of the entire unit with the unsealed batteries inside. On the other hand, if the circuitry had been individually sealed within an enclosure, and if none of he externally exposed materials were subject to attack by the electrolyte, the circuit or its components would have been damaged by the leaking electrolyte.

At the present time, provided it is properly performed and suitable materials are used hermetic sealing of electronic devices and circuits is without doubt the most effective way of isolating them from the effects of moisture in the external environment and to reduce the incidence of failures from this cause. However, component and manufacturing faults, or improper design or materials, can also result in failures.

Therefore we would recommend that FDA establish a standard for hermetic sealing of pacemaker circuitry, but only in conjunction with other standards which cover design, materials selection, component testing, manufacturing quality control, and both accelerated stress and life testing of the assembled unit. In the event that a standard which required the hermetic sealing of the unit is adopted, it would seem prudent to provide a mechanism for modification, should other technologies be introduced which are demonstrated to have equal or superior reliability characteristics.

Question 6. Would hermetic sealing of circuitry boards also eliminate the short-circuiting problem caused by leakage of electrolyte from pacemaker batteries?

RESPONSE

This point was discussed in the response to question 5. Only if the batteries or PCB or both were sealed in separate enclosures resistant to attack by the electrolyte could hermetic sealing solve this problem.

Question 7. Would hermetic sealing of batteries pose a trapped-gas problem inside the pacemakers? In particular, can an absorbant agent be used to eliminate this problem under hermetically sealed conditions?

RESPONSE

We regret that NBS has no experience or data on which we could base a response to these questions. We are not aware of any work elsewhere now being conducted along these lines.

Question 8. Would you recommend that the FDA establish a standard for hermetically sealing the entire pacemaker unit, including the batteries; or excluding the batteries?

RESPONSE

The evidence before us at the present time does not suggest that reliability improvements would be obtained by requiring the batteries to be included within the sealed enclosure containing the PCB. On the other hand, in cases where there is no trapped gas or electrolyte leaking problem, there is no reason to exclude the batteries from the PCB enclosure. Therefore we cannot formulate a specific recommendation on this question, but would suggest that the FDA standards include provisions for qualification testing of cardiac pacemakers with either integral or separate battery assemblies.

U.S. SENATE,
COMMITTEE ON GOVERNMENT OPERATIONS,
Washington, D.C., April 29, 1975.

Hon. CASPAR W. WEINBERGER,
Secretary, Department of Health, Education, and Welfare, Washington, D.C.

DEAR MR. WEINBERGER: I have sought the technical advice of the National Bureau of Standards in an effort to resolve conflicting points of view within the Food and Drug Administration and between the FDA and some manufacturers of cardiac pacemakers on the need for hermetically sealing pacemaker circuitry.

Enclosed please find a letter to me from F. K. Willenbrock, Director of the Bureau's Institution for Applied Technology, which recommends "that FDA establish a standard for hermetic sealing of pacemaker circuitry" in conjunction with other high standards. The letter also points out that several principles in a U.S. Navy standard for hermetic sealing of electronic components "could be adapted to the present (circuit board) case."

I urgently request, therefore, that in the interest of public health and safety, you reconsider FDA's position against adopting a standard for hermetically sealing pacemaker circuitry which you reiterated in your letter to me of April 4th. I urge you to direct the Agency to adopt such a standard immediately. I would appreciate your advising me within two weeks on what action you will require the FDA to take in response to the Bureau of Standards recommendations.

Sincerely,

ABE RIBICOFF.

EXHIBIT 2

THE *SECRETARY* OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., April 25, 1975.

Hon. ABRAHAM RIBICOFF,
Chairman,
Committee on Government Operations,
Washington, D.C.

DEAR MR. CHAIRMAN: In your letters of March 11th and 20th, 1975, you asked four specific questions related to the Food and Drug Administration's regulation of cardiac pacemakers, and also requested the Department's comments concerning the Comptroller General's report entitled, "Food And Drug Administration's Investigation Of Defective Cardiac Pacemakers Recalled By The General Electric Company."

In my letter of April 4th, I responded to your four questions. We have now completed our analysis of the Comptroller General's report and our comments on his findings and recommendations are enclosed.

Sincerely,

CASPAR W. WEINBERGER,
Secretary.

DEPARTMENT COMMENTS ON THE FINAL GAO REPORT ENTITLED "FOOD AND DRUG ADMINISTRATION'S INVESTIGATION OF DEFECTIVE CARDIAC PACEMAKERS RECALLED BY THE GENERAL ELECTRIC COMPANY"

GENERAL

Most of the recommendations in this report stem from the circumstances surrounding the recall of General Electric pacemakers in the Spring of 1972. In the intervening three years, the Administration and the Congress have recognized the need for increased resources in FDA's medical device program, and as a result, the Agency has strengthened its capabilities substantially. Today, for example, FDA's Bureau of Medical Devices and Diagnostic Products has six times as many personnel as the comparable organization had in the Spring of 1972. Many of the GAO recommendations have been overtaken by these changes; but to view the report in its historical perspective, it is useful to reconstruct the medical device situation as it existed in 1972.

In 1969, the President directed the Department to consider appropriate actions to strengthen the regulation of medical devices. At that time, the Secretary appointed a committee headed by Theodore Cooper, M.D., then Director of the National Heart and Lung Institute, to investigate and recommend steps to improve the regulation of medical devices. The report of this task force was released in September 1970. The Secretary subsequently directed the Food and Drug Administration to implement the committee's recommendations. In September 1971, FDA established the Office of Medical Devices with a staff of 9 professional personnel and 5 clerical employees to implement those recommendations which could be undertaken without specific new legal authority. These activities included (1) initiation of a medical device inventory, (2) classification of the devices identified in the inventory into an order of priority for regulation, and (3) the initiation of steps to stimulate the development of standards for medical devices.

At the time of the GE pacemaker recall in April 1972, the Office of Medical Devices had only 10 professional and 7 clerical employees. This small group, with no laboratory capability of its own and very limited contractual resources, was responsible for regulation of more than 8,000 medical devices manufactured by thousands of firms. In the Spring of 1972, this staff was involved in a significant number of recalls and regulatory activities in addition to the pacemaker problem. During the last three months of FY 1972, for example, this staff evaluated reports of 71 adverse effects, hazards, and injuries related to medical devices, recommended or initiated nine field investigations, provided 350 advisory opinions relating to the safety, efficacy and labeling of medical devices, recommended five regulatory actions and reviewed many inspection reports and related documents.

After considering FDA's capabilities in 1972 and reviewing the Agency's performance in the recall, we believe that FDA's investigation of the GE pacemaker recall provided adequate protection to the public from further risk in this situation. The following responses to specific GAO recommendations provide additional details to support this conclusion.

GAO RECOMMENDATION

The General Accounting Office recommends that the Secretary, HEW, direct the Commissioner, FDA, to make a concerted effort to insure that the requirements of FDA's recall procedures are complied with.

DEPARTMENT COMMENT

The Food and Drug Administration has taken and will continue to take prompt and effective action to fulfill the requirements of current recall policies. These policies are set forth in detail in the Agency's Regulatory Procedures Manual. Chapter 5 of this manual contains guidelines to assist all Agency personnel in recalls of all products regulated by FDA.

The 1972 GE pacemaker recall complied with recall procedures now in effect. All physicians who had patients with a suspect pacemaker implanted at the time of the recall were notified by the General Electric Company. The GE recall appeared on the Agency's public list of recalls for the week of April 13, 1972. The effectiveness of the GE recall was monitored by the Agency. Since the company had maintained detailed records for all units being recalled, the Agency utilized these records to determine the adequacy and status of the recall. Recall records showed that of 574 suspect pacemakers marketed around the world, all but one could be accounted for, and to this date, while the consignee is known, there is no indication that this one device was ever implanted in a patient. Of the remaining 573 devices, the location of every one was identified and FDA could verify that, for the 366 which were marketed in the United States and Canada, none remained implanted in a patient without the physician's full knowledge of the facts relating to the recall. Since the Agency checked the serial numbers of the returned units against the list of serial numbers for which recall had been requested, the effectiveness of the recall could be completely verified without contacting each consignee independently.

The Agency decided that, in this case, notification of the physicians involved was the most effective and logical method to protect the health of those using the possibly defective pacemakers. In 1972 GE pacemaker recall presented a situation quite different from a recall of widely available food and drug products. The GE pacemaker problem was the first instance of a recall of a life-sustaining medical device whose distribution and use was limited and completely controlled through physicians. General Electric was able to identify each of the suspect devices by serial number as well as the consignee to whom each was shipped. Since the potential defect involved with the GE pacemaker was one that could be monitored, the patient's physician was determined to be the one best qualified, based on his experience, training, and knowledge of his patient's specific condition, to decide whether the device should be dis-implanted immediately, or carefully monitored and replaced as needed.

GAO RECOMMENDATION

The General Accounting Office recommends that the Secretary, HEW, direct the Commissioner, FDA, to establish guidelines and provide training for FDA inspections of pacemaker manufacturing facilities and equipment.

DEPARTMENT COMMENT

Since 1972, the Food and Drug Administration has taken steps to provide guidelines and training for inspection of pacemaker manufacturers. A guideline was issued to FDA's inspection personnel in February 1973, providing information on pacemaker design, components, power sources, and general problems encountered in the manufacture of pacemakers. In addition, the Inspector Operations Manual was revised to furnish improved procedures for the conduct of medical device inspection. The Agency has also conducted several special training sessions to familiarize inspectors with pacemaker design and manufacture. At the most recent week-long course in February 1975, the instruction was augmented by technical personnel from the National Institutes of Health. These courses will continue to be conducted as part of FDA's training program for medical device inspection personnel.

GAO RECOMMENDATION

The General Accounting Office recommends that the Secretary, HEW, direct the Commissioner, FDA, to establish good manufacturing criteria for pacemakers.

DEPARTMENT COMMENT

We concur. The Food and Drug Administration recognizes the need for Current Good Manufacturing Practice Regulations not only for pacemakers but for all medical devices that present significant risks to consumers. The Agency has been working since 1973 with a number of interested parties to develop such regulations. FDA plans to issue a draft of these regulations later this year.

GAO RECOMMENDATION

The General Accounting Office recommends that the Secretary, HEW, direct the Commissioner, FDA, to make a public disclosure through the news media or a statement of facts to all affected parties (i.e., physicians, hospitals, or consumers) to insure timely notification of potentially hazardous products.

DEPARTMENT COMMENT

The present recall procedures of the Food and Drug Administration include a requirement that the Agency, as directed by the Commissioner, issue a public warning or issue a statement of facts to the appropriate segment of the public concerning the product being recalled and the problem involved. Determination of the need for issuance of a press release or public warning related to a recall is based on the circumstances of each recall.

In the GE pacemaker situation, a statement of facts concerning the units being recalled was furnished to each physician involved and the recall appeared on the Weekly Recall List for April 13, 1972. A general press release or public warning was considered inappropriate since the company had already notified the affected parties through the physicians involved and this recall involved less than 1% of the pacemakers in use.

This pacemaker recall illustrates a situation where the Agency believes a general press release may alarm or frighten those not affected by the recall. An example of such reaction occurred after release of the GAO pacemaker report to the media. A number of concerned pacemaker wearers across the country contacted FDA or their physicians in the mistaken belief that they were affected by this publicity. The emotional trauma experienced by many patients when unnecessary publicity is generated should not be understated.

GAO RECOMMENDATION

The General Accounting Office recommends that the Secretary, HEW, direct the Commissioner, FDA, to require that FDA's legal counsel be consulted before a final determination is reached as to whether a manufacturer should be prosecuted for violation of the FD&C Act.

DEPARTMENT COMMENT

We believe that implementation of this recommendation is neither feasible nor desirable in all cases. The Office of the Assistant General Counsel, Food and Drug Division, does review and approve all prosecutions recommended by the Agency. However, when Agency officials decide that the facts in a particular case do not warrant prosecution of an individual or corporation, or, for that matter, decide not to seize, enjoin, or issue a warning letter for an alleged violation of the Act, the Assistant General Counsel's office is not routinely notified nor is there any present merit for a change in this procedure. If every case were referred to the Assistant General Counsel, the caseload of that office would increase several fold and prevent thorough and prompt preparation of cases requiring prosecution action. In FDA's investigation of the GE pacemaker recall, the firm and certain responsible individuals of the firm were cited to show cause why they should not be prosecuted. A hearing was held by the FDA District Office which forwarded the results to FDA headquarters. The Office of Medical Devices reviewed the hearing record and decided that prosecution could not be supported.

In order to understand FDA's decision in the 1972 GE pacemaker situation, it is necessary to recognize the criteria which the Agency and the courts apply in these situations. These legal criteria are described in a recent case, argued before the United States Supreme Court by the Solicitor General, in a Brief joined in by the Assistant General Counsel, Food and Drug Division:

"Congress and this Court in Dotterweich recognized that the strict standard of liability of the 1938 Act could operate harshly, or even unfairly, and that FDA should therefore exercise reasonable discretion in pursuing criminal prosecutions. It has, accordingly, been FDA policy to limit prosecutions to continuing violations, violations of an obvious or flagrant nature, and intentionally false or fraudulent violations. Prosecution of individual corporate officials is confined to those in a 'responsible relation' to the offense; that is, officials who have the power and responsibility to prevent or discover and correct violations and fail to do so."

"In exercising the reasonable prosecutorial discretion contemplated by Congress and this Court, FDA has applied criteria which do not result in criminal prosecutions for every violation of the statute's strict standard of criminal liability. The government is interested in the prevention and correction of conditions potentially dangerous to the public health and welfare, not in prosecution for its own sake."

GAO RECOMMENDATION

The General Accounting Office recommends that the Secretary, HEW, direct the Commissioner, FDA, to establish pacemaker safety and performance standards to reduce or eliminate the risk of injury or illness to potential pacemaker users.

DEPARTMENT COMMENT

We concur. The Department agrees that pacemaker safety and performance standards should be established. In spite of the absence of an explicit statutory mandate to promulgate and enforce such standards, FDA, with the assistance of the Panel on Review of Cardiovascular Devices, has taken progressive steps leading to the development of appropriate standards. In May 1974, FDA awarded a contract to the Association for the Advancement of Medical Instrumentation for the development of pacemaker standards including (1) labeling, (2) standard test procedures, (3) performance standards, (4) power source standards, and other design standards. FDA expects the results of this contract to provide the basis for a comprehensive pacemaker standard.

Although a performance standard is necessary, it is important to recognize that there is a relatively short use-history for pacemakers and their components and that manufacturers are continually applying new technologies to make these life sustaining devices more reliable. In order to create a standard for a product, one must have thorough knowledge of the technology involved as well as the product and the interrelation of its components in order not to create new problems while attempting to correct more obvious deficiencies.

SENATOR PERCY'S MIDEAST REPORT

Mr. SPARKMAN. Mr. President, in January my distinguished colleague from Illinois (Senator PERCY) conducted an extensive factfinding tour of the Middle East under the auspices of the Committee on Foreign Relations. In 23 days he visited a dozen nations and had the unique opportunity to confer at length with the heads of government and other political and opinion leaders in that volatile and important region.

Senator PERCY has now presented his formal report on that journey to the committee. It is a comprehensive and informative description of the Middle Eastern situation, one that I think can be of immense value to our colleagues on the committee and to the Senate as a whole. In his report, Senator PERCY warns that time is running out on the efforts to achieve a lasting peace in the Middle East. But he expresses hope that, given the collective moderate leadership now in power in the region, peace can be achieved.

Mr. President, I ask unanimous consent that the conclusions of Senator PERCY's report, along with an editorial comment on the report published in the Chicago Tribune on April 23 be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WAR OR PEACE: SOME CONCLUSIONS

Throughout the Middle East, I found widespread expressions of peaceful intent coupled with a general sense of pessimism as to whether peace in the region can soon be achieved. In all of the confrontation states, I was repeatedly warned that time is running short, and that unless significant negotiating progress is made in the near future, there exists a very real danger of war this year. It is widely perceived that this danger will be sharply heightened if the United Nations' mandate in the area is not renewed.

I do not believe these warnings are ill-founded. For although all parties profess a deep desire for peace, they seem far from agreeing on what peace should consist of and on how to proceed from the present state of belligerency to a genuine relaxation of tensions. The danger signs pointing to the possibility of yet another Arab-Israeli war include the following:

The recent suspension of the step-by-step negotiations diminishes the chances of a negotiated settlement in the near future; Israel is likely to find it more difficult to reach an accord with a group of united Arab nations at Geneva if it cannot first reach an agreement with Egypt alone.

The Arab confrontation states (along with most of the rest of the Arab world) are united in their demand that Israel return almost all of the land occupied during the 1967 Six-Day War.

President Sadat of Egypt is insisting both publicly and privately that there be negotiating progress not only between Egypt and Israel, but on all fronts, thus easing particularly Syrian and Palestinian concern that Egypt will act solely in its own interest.

The Arab states continue to be understandably concerned about the continuing flow of U.S. military aid to Israel, while Israel is deeply concerned, also understandably, about the inflow of Soviet arms to neighboring, hostile nations. On both sides, there is a steadily increasing military buildup, including intensive training activities.

The Palestinian problem is a more contentious and a more dangerous one now that the Arab world is united in its insistence on the creation of a sovereign Palestinian state to be negotiated for by the PLO, an organization with which Israel flatly refuses to negotiate, citing public declarations by the PLO that it is dedicated to the destruction of Israel as a Jewish state.

Egypt is demanding the return of the Abu Rudeis oil fields in the Sinai, which provide Israel with about 50 percent of her energy requirements.

Many Arab leaders continue to insist that at least part of Jerusalem be put under Arab control, even as Israel continues its building and population expansion program in the primarily Arab eastern sector of the city.

These are some of the major reasons why so many observers in the region view the possibility of a fifth war as very great. Perhaps Jordan's King Hussein summarized the mood best when he characterized the present situation as "a false peace that is shrinking by the hour." In addition, of coures, there is always the danger that unexpected developments could trigger an outbreak of hostilities. As we have seen in recent weeks with the PLO attack on Tel Aviv, with King Faisal's death, and with the suspension of the step-by-step negotiations, critical events in the Middle East can occur with great suddenness.

Nonetheless, I came away from the Middle East not without hope that a lasting peace can still be achieved between Israel and her Arab neighbors. For one thing, there is so much logic in favor of peace. Moreover, there is a fundamental understanding on all sides that still another war would be terribly damaging to "winners" and losers alike, and that the continuation of the present no-war, no-peace situation can only prove ever more costly to everyone involved.

Financing their war establishments is pushing both Egypt and Israel toward national bankruptcy. Egypt, with a gross national product of $9 billion, will have a balance of trade deficit in 1975 approximating $2 billion; inflation is estimated to be near 20 percent, but figures are so poor that no real index exists. Israel's balance of payments defiict will be approximately $3.5 billion this year, a $2.5 billion increase over last year; inflation is running at 30 percent. To remain solvent, Israel has had to devalue its currency and raise taxes.

Another reason for hope is that despite their occasional rhetoric to the contrary, moderates hold power in many of the key countries, at least for now. I perceived President Sadat, Prime Minister Rabin and King Hussein as reasonable men with little appetite for another war. Even President Assad of Syria, whose reputation is that of a hardliner and a hawk, seems to provide a vital moderating voice within the context of his own government.

If this collective moderate leadership does not soon make substantive progress toward peace, it seems most unlikely from what I saw and heard in the region that more moderate leadership will take its place. That is why I believe the present moment is such an important and opportune one, one which must be seized before it is too late. For this fortuitous mix of personalities will not last indefinitely; in fact, a failure to achieve a settlement soon may well result in the political downfall of one or more of these leaders.

Given a genuine desire for peace on the part of generally responsible leaders, what is required to bring about a settlement that might endure? What adjustments of policy might enable the peace effort to succeed?

To begin with, I believe the Arabs must try to better understand Israel's deep fears for her safety, indeed for her very existence. After all, the horror of the holocaust was real and can never be forgotten; throughout Israel, there are men and women whose relatives perished in concentration camps, or who themselves were there. Former President Nasser of Egypt left Israelis with the impression that he would like to see their young nation pushed into the sea. And much more recently, last fall at the United Nations, Yasir Arafat, head of the Palestine Liberation Organization (PLO), repeated in the form of a "dream" his organization's goal of a secular Palestinian state of Moslems, Jews and Christians; to most Israelis, this was a threat to the survival of Israel as a primarily Jewish state. At the very least, the PLO's wanton terror raids and its unwillingness to accept Israel's sovereignty can only add to Israel's understandable fears.

A hopeful fact is that there has been a distinct trend within the Arab world since the 1973 war toward an acceptance of Israel's right to exist and of Israel's people to be secure from outside force. Perhaps the most notable breakthrough in this regard came in November, 1973, when Syria finally accepted the basic elements of the six-year-old United Nations Security Council Resolution 242; the resolution not only called for Israeli withdrawals, but upheld the right to exist of each country in the region. Throughout my trip, Arab leaders pointed (privately) to Resolution 242 as evidence that Israel had achieved de facto recognition among most Arab nations.

Throughout the Arab world, we heard very little animosity expressed toward Israel or the Jews; this was in sharp contrast with my first visit to the region 13 years ago. Frequently, the Arabs point out that Arabs and Jews lived side by side in the Middle East for centuries. Prime Minister Rabin was never referred to in disparaging terms; he was looked to as more moderate in approach than others who could replace him as Israel's leader. (But always concern was expressed as to whether he would be driven to war or prevented from ever negotiating a peace by the "hardliners.")

My hope is that what Arab leaders told me and others privately they might now make publicly and unmistakably clear: that they do accept Israel's right to exist. I believe this would be a significant demonstration of good will. (In this connection, I might note that I did not see the State of Israel named on a single Arab map. As a gesture of good faith, why not now put her there, "on the map," where she rightfully belongs.)

Another way in which Egypt in particular can promote a spirit of compromise and peace is to at least allow the passage of Israeli cargo through the Suez Canal when it is reopened this June; this again would be a sign of the good faith which is so badly needed in the present situation.

Everywhere I traveled in the Arab world, Arab leaders told me that a new Palestinian state combining the West Bank and the Gaza Strip would have to be an essential ingredient in any permanent peace package; they insisted that such a Palestinian state could and would be a moderate one with no designs on Israel. Although Yasir Arafat is widely viewed in America and elsewhere as a pistol-wielding terrorist, there is a definite concensus among Arab and neutral observers in the region that within the Palestinian liberation movement, Arafat himself must be considered less extreme than many of his followers or potential successors.

All of this may well be true, but it is understandably difficult for Israel to accept these claims and promises of Palestinian moderation when the PLO and others continue to conduct savage terrorist raids inside Israel. It is little wonder that Israel questions Arab motives and intentions when it is Arab nations which encourage, aid and finance the terrorists. The prospects of peace would be significantly enhanced if the Arab world would use its considerable influence to do everything possible to end Palestinian terrorist raids into Israel. Now, and even more so if a Palestinian state is eventually created, the Arab world has a responsibility to act as a moderating force.

Finally, if the Arab world would end its economic warfare against Israel, if it would end its boycott of Israeli goods and of companies doing business with Israel, the climate for peace would be improved. Regretfully, I should add, I saw little prospect of such a move in the near future.

Since my return from the Middle East, I have been repeatedly asked, "What would the Arabs give up in exchange for substantial Israeli withdrawals?" Frankly, I do not know what they would give up, but while in the region, I suggested to Arab leaders a number of political concessions which I urged them to consider—concessions which would surely contribute to stability and peace in the region.

To summarize, this is what the Arabs could do:

(1) Publicly acknowledge Israel's right to exist.

(2) Give assurances of non-belligerency.

(3) Allow free migration to Israel of Jews living in the Arab countries, giving them the same rights accorded all other residents.

(4) Establish limited diplomatic relations, very much as we have done in China, leading to full diplomatic recognition of Israel.

(5) Allow the beginning of cultural and non-military technical exchanges with Israel.

(6) Permit the opening of trade with Israel.

(7) End the Arab boycott.

(8) Guarantee free access of Israeli-flag ships, as well as cargoes, through the Suez Canal when it is opened.

(9) Develop joint economic projects to combine Israeli technology and know-how with Arab manpower and money.

(10) Put Israel literally on Arab maps of the region, and

(11) State publicly and clearly their continued adherence to UN Resolution 242, which acknowledges the sovereignty, border integrity and the right of all citizens in the region to live in peace, including the citizens of Israel.

These are actions which I believe the Arabs should take in their own interest and in the interest of peace.

What of the Israelis themselves? What might they do to promote the cause of peace at this critical juncture?

First and foremost, while their desire for guaranteed national security is completely understandable, it is also unrealistic and in fact impossible; no nation on earth, including the United States and the Soviet Union, enjoys such a guarantee. I left Israel with the impression that until she is willing to take some risks for a peace which is so clearly in her self-interest, peace will continue to elude her.

Some Israeli leaders appear to believe that the current state of no-war, no-peace, can continue indefinitely; if they do, I think it is a dangerous misconception. The Arab confrontation states believe that while they might well lose a next war, or even another after that, time in the long run is on their side. And I tend to agree with them. For one thing, the Arab nations are more united now. Population has always been on their side, and now, with their fast-growing oil wealth, so is money. "The gap," said one observer, "has always been technological, but now the Arabs are closing that gap." Egypt and Syria will soon become at least as well armed as Israel; we know now, for instance, that the Soviet Union recently delivered six MIG-23 fighters to Egypt, reportedly the first installment of 48, or enough for four squadrons. "The introduction of the supersonic MIG-23's in Egypt," the New York *Times* has reported, "after the delivery of 45 of these planes to Syria and 40 to Iraq, is expected to alter the balance of air power in the Middle East. Air Force sources here and abroad regard the MIG-23 as more maneuverable and slightly faster than the F-4 Phantoms, which are the cutting edge of the Israeli air force." I only hope that Israel will not pass up any legitimate negotiating opportunities which may now exist, because six months or a year or two years from now, a negotiated settlement may seem less desirable to the Arabs.

Throughout the Middle East, Arab leaders, as well as Palestinians not affiliated with the PLO, insist that there can be no meaningful settlement in the region until a permanent homeland is established for the displaced Palestinians. It seems to me that if anyone should be sympathetic to the desire of Palestinians for both recognition and a home of their own, it should be the people of Israel, who have worked so diligently and courageously to achieve those same objectives for themselves.

One can well understand Israel's reluctance to negotiate with the PLO given that organization's sickening record of terrorism and threat. Too, one may deeply regret that a man who is an acknowledged terrorist leader should be regarded as even a "relative moderate" in the context of the Palestinian liberation movement, but clearly that is the reality facing Israel—and the world—today. And unhappily, in this all-too-real world, we cannot select our enemies; we have to deal with adversaries as they are, striving for mutually beneficial accommodations which hopefully will lead to an end of the bloodshed. This does *not* mean appeasement; it means an effort to seek mutual advantage and peace for both parties.

If Israel continues to refuse to talk with the chosen leader of the Palestinian liberationists—a leader both acknowledged and supported by the entire Arab world—then I believe there will be no possibility of a durable peace in the Middle East and certainly no security for Israel. Such talks may get nowhere, may change nothing. But without them, I can foresee only a mounting toll of those innocent victims of PLO attack and Israeli counter-attack, ad infinitum. And should Yasir Arafat be succeeded by someone more extreme (as most observers believe would happen should he fall from power in the near future), then the terrorism will very probably be escalated, and with it the chances of the full-scale war we are all trying so hard to forestall.

I also believe there will be no peace for Israel, no security for Israel, until she withdraws from most of the lands she has occupied since the 1967 war. Egypt and Syria are no more likely to passively or permanently forfeit that land than Israel would if regional positions were reversed. Adjustments will probably have to be made in the pre-1967 borders, especially along the strategically critical Golan Heights, but I view the return of most of the occupied territory as an absolute prerequisite to a settlement that is to have any real chance of success. I personally believe that major withdrawals are absolutely inevitable. Why not take the first step now?

The remarkable first Prime Minister of modern Israel, David Ben-Gurion, put it this way: ". . . To get peace, we *must* return in principle to the pre-1967 borders. We simply haven't the available Jews to populate all Biblical Palestine. So when I consider the future of Israel. I only consider the country before the Six-Day War. We should return all gains except East Jerusalem and the Golan . . . East Jerusalem for history and the Golan for security—and considering the strength of Arab sentiment, some degree of accommodation will be necessary even here. As for Sinai, Sharm-el-Sheikh, Gaza, the West Bank—let them go. Peace is more important than real estate. With proper irrigation we now have quite enough land here in the Negev to care for all the Jews in the world—if they come. And they certainly will not all come.

"As for security, militarily defensible borders, while desirable, cannot by themselves guarantee our future. Some sections of our people still have not learned this lesson. Real peace with our Arab neighbors; mutual respect and even affection; perhaps an Arab-Israeli alliance; in any case a settlement they will not reluctantly agree to live with, but will enthusiastically welcome from their hearts as esesntial for our common future—that is our only *true* security."

Although I was not aware of these words of Mr. Ben-Gurion until I returned from the Middle East, they reflect precisely the conclusions I reached during my journey.

I have not changed my long-held support for the legitimate aspirations of the brave people of Israel. I continue to support Israel's desire for peace and security. And as I told the rulers in each of the 12 Arab nations. I visited, in any settlement the sovereignty of the State of Israel and its people must be assured.

But it is precisely *because* I care deeply about Israel and her future well-being that I now recommend changes in her policy vis-a-vis her Arab neighbors.

The changed circumstances in the Middle East requires changes in Israel's policy, because, for one thing, her potential enemies are no longer as weak as they were only a few short years ago. And unfortunately, as I have said, time is not on Israel's side. My hope, therefore, is that Israel will now negotiate in such a way that will enable the more moderate Arab leaders to resist the pressures of hawkish and radical elements in their respective countries, elements which would welcome another war.

As I have already indicated, in exchange for Israeli withdrawal from most of the occupied lands, Israel can reasonably insist upon formal diplomatic recognition by the Arab states, free and unhampered use of the Suez Canal for cargoes destined for Israel as well as for Israeli-flag ships, the beginning of economic and cultural contacts with the Arab nations, an end to the Arab boycott, and freedom for Jews to travel in and from Arab countries.

During the difficult period of negotiation ahead, during any period of rearrangement, and on into the future, I favor appropriate American diplomatic, economic, political and military assistance for Israel.

But as I stressed to Prime Minister Rabin and other Israeli leaders, I believe that Israel can continue to enjoy overwhelming American public and Congresional support only if Israel's efforts for peace are credible. The growing impression of Israeli rigidity in negotiation must be dispelled. This certainly does not mean that Israel is expected to take actions contrary to her national interests; even her enemies wouldn't expect that.

I would hope that Israel, in her own interest, would make those adjustments of policy which could help avert a fifth and bloodier war. There are perils in any policy, in any path, but I for one am convinced that the long-term peril to Israel is far greater if she fails to bend more in negotiations now than she has in the recent past.

Some other observations which apply to both sides in this long-running conflict:

As much as I admire the diplomatic skills of Henry Kissinger, I came away from the Middle East concerned that all the confrontation states were relying too heavily on the U.S. to make peace in their area of the world. For ultimately, only the parties directly involved can take the steps, demonstrate the good faith, create the good will, and make the concessions and compromises which are required for a lasting settlement of their differences.

Jerusalem is a city, and an issue, so complex and laden with religious emotion that I would suggest saving it as the final point to be negotiated *after* dealing first with other issues which might more easily yield to solution. When the other problems are settled, there may then be sufficient trust generated—and momentum—that an accommodation can be reached on Jersualem.

At the earliest possible opportunity, I hope both sides will sit down for face-to-face negotiations. Both sides are presently led by intelligent men who, in direct negotiations, could be expected to deal with differences more effectively than by always relying on even the most skilled of middle-men.

Throughout the region, there are extremists bringing pressure to bear on those in power, and it would be a disaster to let them push the region into an unwanted war. The last war left both sides much worst off economically; a next war would have the same effect, only more so.

I cannot stress too strongly my belief that the United States neither should nor would support an unprovoked preemptive strike by either side. In my judgment, such a strike by an Arab nation will do more than anything else to insure continued heavy U.S. military assistance to Israel, as well as to turn off the American people to Arab interests and needs. Such a strike by Israel would almost inevitably cause a dimunition of support for Israel in the United States. Moreover, the entire world has an important stake in peace in the Middle East; the entire world could well be endangered by a new full-scale war between Israel and the Arab nations. For either side to initiate such a war would be the height of international irresponsibility.

The recent suspension of the step-by-step negotiations raises the spectre of further stalemate at Geneva. For this reason, I urge that efforts for a pre-Geneva arrangement—either partial or total—be accelerated and pursued on an urgent basis.

Finally, for those of us in the United States, there are a number of policy questions which we owe it to ourselves to examine carefully in the weeks and months ahead:

To what extent should we continue to directly or indirectly arm both sides in the Middle East conflict? I find this a particularly disturbing trend, one which I hope the Congress and the Executive will reevaluate together. If there is another war in the area, it is likly to be more devastating than past wars, partly because ever more sophisticated and punishing U.S.-supplied weapons will be in the hands of both sides.

To what extent, if any, should we be willing to contribute U.S. troops to a multinational peace-keeping operation in the Middle East, or to finance UN forces or observers (e.g., border patrols)?

How can detente be used to influence the USSR to moderate its own policies of arms aid in the Middle East, thus helping to create an atmosphere more conducive to successful negotiations and peace?

Is our approach to the Middle East conflict a prudent, constructive one? If not, what can be done to make it more so?

SENATOR PERCY'S UNPOPULAR ADVICE

In his report to the Senate Foreign Relations Committee on his fact-finding tour of the Middle East, Illinois' Sen. Charles Percy offers both Arabs and Israelis just the kind of advice that neither side wants to hear. This speaks well for his impartiality, but won't do much for his popularity in either camp. We wish the chances of his advice being heeded were better than they seem to be.

Mr. Percy's thoughtful, 69-page analysis of the Arab-Israeli conflict boils down to this: Continuing the present deadlock can lead only to more war. To break it, both sides must make concessions very difficult for them; they must smother their feelings and deal with facts. And the time to start is now, when "reasonable men" are in positions of leadership on both sides. These leaders—Sadat of Egypt, Hussein of Jordan, Rabin of Israel—might be replaced by hardliners and hawks unless their policies show signs of success.

Mr. Percy's counsel will grate hard on Arab nerves. He suggests among other things that they "publicly recognize Israel's right to exist," give assurances of nonbelligerency, and put Israel—literally—on their maps. These are largely symbolic moves, but to many Arabs what they symbolize is surrender and it will take extremely careful persuasion on the part of moderate leaders to bring them about.

The key to this conflict, however, is Palestinian rights, and this bears hardest on Israel. According to Mr. Percy, Israel's refusal to deal with the Palestinian Liberation Organization is "unrealistic" and makes her efforts for peace "less credible"; the results may include a dwindling of American support for Israel in and out of Congress.

To Israeli ears this is blunt and disagreeable talk, but what Mr. Percy is saying in essence seems to us undeniable. It is that Israel, or any nation in a similar situation of danger, had better deal with that situation as cooly and logically as it can; that when national survival is at stake, facts should be given more weight than feelings, no matter how strong.

The Israelis' feelings are certainly understandable. To them the P. L. O. and its leader, Yassir Arafat, represent total evil—an army of homicidal fiends who have indiscriminately murdered Israeli men, women, and children, and mean to go on murdering more.

Once this has been stated, however, the following facts remain:

Without a settlement of the Palestinian problem there will be no peace in the Middle East. There can be no settlement unless the Palestinians are represented in it. There is no one to represent them but the P. L. O. And no expression of feeling will have the slightest effect on those facts.

The facts may provide a common basis for agreement. Feelings cannot. Israeli search-and-destroy missions into southern Lebanon, for instance, have produced their share of tragedies; families on both sides have seen sons and daughters killed by mistake. How is the world to judge which grief is greater, Arab or Israeli?

The Israelis may keep saying, in effect, "We feel so strongly about this question that we must be excused from dealing with it rationally." And we may be inclined to excuse them. The results, however, will be no better on that account for them or for us.

The simplest, and in the long run the best, standard for judging a nation's policies is their effectiveness in producing desired results. By that standard Sen. Percy's approach is far more promising than the current Israeli policy of saying "Never."

THE PORTUGUESE ELECTIONS

Mr. PELL. Mr. President, wherever freedom rings there is rejoicing over the results of the Portuguese elections last Saturday to choose members of a constituent assembly. In my statement a week before these first free elections in Portugal in 50 years—Congressional Record, pages 10857–58, April 18, 1975—I expressed confidence that if the electoral process were really free and fair, the Portuguese people would eschew an extremist choice for the middle way.

With the moderate candidates of the Socialist and Popular Democratic Parties winning 64 percent of the vote and the Communist and small allied parties only some 19 percent, that confidence was resoundingly substantiated. The innate sense of moderation and proportion of the Portuguese people did, indeed, prevail.

The Portuguese leadership commendably fulfilled its promise to provide genuinely free elecitons. And congratulations are due the Portuguese electorate for its vote of confidence in a democratic rather than an authoritarian way of national life.

The months and years ahead for Portugal will still be difficult and slippery. But with the ballot box and the megaphone, the Portuguese people have broadcast a message loud and clear to their own leaders in the Superior Council of the Revolution and to the Armed Forces Movement as well as to the world. "Hear this," the message reads, "we renounce the exchange of one dictatorship for another." What a great and encouraging message that is to all the democratic world assailed with self-doubts and wobbly leadership.

I believe that only at their peril can extremist elements in Portugal now attempt to subvert such a determined message. I believe, too, that the outside world, East or West, must equally heed this message and scrupulously refrain from interfering in any way in Portugal's internal choices. If as claimed, for instance, the Soviet Union gave massive pre-election support to the Communist Party in Portugal, it must now be disappointed with the return on its investment. On the other hand, our Ambassador Frank Carlucci has every reason to be pleased that despite agonizing in high places in the United States, his calm advocacy of a measure of patience and understanding in our policy toward Portugal has been amply vindicated.

I know that the friends of Portugal everywhere will join me in congratulating the Portuguese people for the faith they have shown in the democratic process and in wishing them well as they join the ranks of open societies in the march to a free future.

THE WORSENING SITUATION IN CHILE

Mr. ABOUREZK. Mr. President, Victor Perera, a Guatemalan novelist and freelance journalist has written an excellent article in the New York Times Magazine on the deplorable state of affairs which continues in Chile. Contrary to recent reports that the crisis is easing and the situation is improving, Mr. Perera found it worsening. The inflationary spiral reached nearly 400 percent in the last year. Even when one considers the serious problems which our 11-percent inflation rate has caused, it is impossible to realize the ramifications of the awesome rate now found in Chile.

The systematic and inhuman torture of the Chilean people continues and according to Mr. Perera, due process under the law for most political prisoners is nonexistent. Censorship is still as heavy handed as during the first days of the coup and academic freedom for Chilean students is only a dream. The Chilean junta has clamped its grip on every facet of Chilean society and the repercussions of that are felt even beyond its own borders.

There is a great deal of talk these days about the lessons to be learned from our experiences and our involvement in Vietnam. We should add to those lessons another chapter from our tragic and despicable involvement in the internal affairs of Chile.

Mr. President, I ask unanimous consent that the article by Mr. Perera be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times Magazine, Apr. 13, 1975]

LAW AND ORDER IN CHILE

(By Victor Perera)

Santiago.—I had come to Chile not long ago as an admitted opponent of the military junta that unseated Marxist President Salvador Allende Gossens on Sept. 11, 1973, in one of the bloodiest military take-overs in Latin America's history. I would find that the military junta's policies have crippled the country's long-standing democratic institutions in ways that go far beyond the damage already suffered during Allende's three years in office.

I entered as a tourist, to forestall the harassment encountered by two fellow journalists after they had written articles critical of the Government. Joseph Novitski of The Washington Post had been placed under house arrest for several hours, and Jonathan Kandell of The New York Times had been stopped at Pudahuel Airport and placed on the next plane to Lima.

Tensions then were heightened by the assassination of exiled Army Gen. Carlos Prats Gonzáles, who had been Allende's Commander in Chief. The general and his wife were blown up in their car, in Argentina, by unknown assailants, and his body was flown back to Santiago for a politically charged funeral. General Prats, who had still commanded the respect and loyalty of many younger officers and enlisted men despite his promise to keep a "correct" silence while in exile, had remained one of the few men considered strong enough to spark an internal rebellion against Gen. Augusto Pinochet Ugarte and his ruling junta. Another source of added tension was a holdup of the Bank of Chile, an act that embarrassed the junta and led to massive roundups of suspected leftists.

Soon after my arrival, I walked around Santiago's inner city, which is outwardly calm and orderly. The streets are spotlessly clean and the air is so clear that distant Andean snow peaks seem to hang in air, just above the city's rooftops. The department stores seem scantily stocked and devoid of chic; even the store-window manequins look dowdy and outmoded. Bookstore windows prominently display Piers Paul Read's account of the Uruguayan Andean survivors, "Alive," in Spanish translation. Other favorite titles are "The Little Prince" and Richard Bach's "Salvador Gaviota" ("Jonathan Livingston Seagull"). In university bookstores, student journals contain articles on archeology, the stiff new grading system and pre-20th-century literature and history. There is a conspicuous vacuum on politics and current events.

An uneasy stillness pervades Santiago's restaurants and cafes, particularly in the evening; the strain of speaking in hushed voices is felt like a cold draft. As I sit in the Waldorf Cafe I hear on the radio a Government spokesman expressing "the people's great admiration for the men who guard us." He calls for closer relations between the grateful citizenry and the military. "On the Day of the Fatherland write your local garrison and share with a soldier some anecdotes of his life . . . and you, women citizens, partake with a soldier's wife her valorous experiences while he is in the guardhouse performing his duty. . . ."

The huge central post office is empty, as desolate as a mausoleum. The sullen clerk refuses to sell me stamps and insists on machine-stamping my letter so that I cannot mail it from outside. A hand-lettered sign in front of another window reads, "Do not inquire except for urgent reasons, and then be brief." The clerk sits thumbing desultorily through a sheaf of papers.

At the rear of the post office a large red and blue poster boasts with specious logic, "In Every Chilean There Is a Soldier. In Every Soldier There Is a Chilean." The small copyright below belongs to a United States advertising agency.

The oppressiveness in the city lets up briefly at dusk, in that charged interval between day and night when the blood quickens and strangers smile and brush shoulders in the street. At twilight, a schoolgirl smiles and lifts her shoulders at me. This innocent flirtation startles me out of a deepening numbness. I realize that during my stay in Chile my senses have been closing up; I am becoming anesthetized. The absence of gesture has been so prevalent that even the simplest transactions acquire a lucid distinctness.

By around 10 at night, three hours before the curfew, restless crowds mill about the parklike Plaza de Armas. Under state-of-seige provisions, organized public assembly is prohibited, but tensions build during the day and the plaza is one of the few places where they can be released without attracting the attention of the military police.

As I enter the square a ragpicker is screaming that his sack of old clothes has been stolen. "They have robbed me," he shouts, flailing his arms at the crowd that has gathered to jeer him. "They have beaten me on the head. I am not a bad man." A policeman tries to calm the ragpicker but he keeps breaking loose and flailing his arms at the spectators who taunt him and squeal aloud as they dodge his blows. A second policeman starts to beat him.

"They are all the same, these filthy police," a woman in provincial dress mutters aloud. A bent old man standing nearby reproaches her: "One doesn't speak that way any more."

The woman wheels around and turns on the old man. "Who are you to tell me how to speak, you dried-up old goat? I have three small children who could beat you up."

"I said you don't speak like that now, you silly ———," the man says. "Have you no respect for your elders?"

Within seconds, two hostile camps have formed. Two peasant women and several urchins in ragged clothes side with the woman, while three elderly men who look like park regulars rally to the man's side.

"You queer old lady," the woman shouts. "Faggot of Pinochet. I have no respect for you or your kind. I respect only the young." She laughs mockingly and sticks out her tongue.

"We'll call the military on you," warns one old man in a straw hat, as he shakes his cane at the woman.

She turns her backside and bumps it at the old men, which makes the urchins shriek and clap their hands in delight. But the people disperse.

I walk to the other end of the park, where a one-legged newspaper vendor on crutches and a barefoot bootblack are trading insults, gathering still another crowd of oglers and hecklers. I can still hear the shrill, jeering laughter of the provincial woman, the piercing screams of the mad ragpicker. This is a plague-ridden medieval town.

I am in my hotel room by midnight, looking at the empty, brightly lighted Plaza Constitución. About an hour later, three shots ring out, followed by a police siren, which causes two dogs to bark in concert for the remainder of the night. Sometime before dawn a rooster crows, in the heart of the city.

The newspapers at this time were full of the death of Miguel Enriquez, secretary general of the underground MIR (Movement of the Revolutionary Left), who had been killed in a gun battle with military, security and police forces in a suburb of Santiago. Two other MIR leaders had been wounded: Pascal Allende, nephew of the former President, and his companion, Carmen Castillo, who was seven months pregnant. Pascal Allende had escaped.

"We have won a victory," said Col. Pedro Ewing, the Government Secretary General, "but the war is not over." The front pages showed him returning 15 million escudos ($7,500) to the Bank of Chile.

In the following days, the military uncovered a number of underground arsenals and clandestine hospitals belonging to MIR, as they continued intensive house searches and massive detentions in Santiago and the outlying shantytowns. The conservative newspaper El Mercurio reprinted a story from Le Monde, in which Enriquez's brother Edgardo mourned his death and vowed to continue the struggle. "His successor has already been chosen," Edgardo said. "This is not a catastrophe for MIR because it is deeply rooted in the working class."

An editorial in the conservative newsweekly *Que Pasa?* dealt not unsympathetically with Enriquez and his followers, after deploring their misguided idealism: ". . . and if we realize that the MIRist youth constituted the human élite of the country, destined to signal and light the way for the rest of the people . . . then we shall understand to what extent, without knowing it, we were a sick country, in need of a painful and complete surgery."

The Movement of the Revolutionary Left began in 1966 as a radical student organization of disaffected Maoists and Trotskyists from the Socialist and Communist parties; it never formally joined Allende's Popular Unity Government, although it had supported his election, and often worked with the far-left faction of his Socialist party.

During Allende's three years in office MIR organized armed cadres of peasants, students and workers; they stockpiled large quantities of Soviet arms smuggled from Cuba and reinforced their ranks with trained guerrillas from abroad. They continually pressed Allende into moving faster in nationalizing foreign industries and agricultural estates, even when doing so led to serious constitutional infringements. Ironically, MIR probably contributed as much as any of his enemies to undermining Allende by antagonizing moderates and inflaming the anti-Marxist hatreds of landlords and the top military brass. Much of the junta's brutality was sown by the extremist tactics of MIR, whose leaders are now sharing the fate suffered by thousands of Popular Unity members and supporters assassinated or jailed by the junta.

There is evidence that the coup may have been plotted by Adm. José Toribio Merino from his naval stronghold in Valparaiso, with the enthusiastic backing of Air Force Gen. Gustavo Leigh Guzmán. But Army General Pinochet, who is said to have been the most reluctant to join the conspiracy, emerged as the strongest member of the new military junta and, last June, proclaimed himself President of the Republic. Admiral Toribio Merino, occupying second position, is in charge of the economy; General Gustavo Leigh, in third, deals with social policy.

The military seizure left at least 2,000 dead in the first week—among them Salvador Allende, who was officially ruled a suicide after he died defending the Moneda Palace—and an estimated 20,000 Allende supporters in Government prisons and detention centers scattered throughout the country. (Figures for the total number of Chileans killed by the junta range from 4,000 to 18,000.) The systematic and continuing torture of hundreds of political prisoners has been confirmed by a number of international organizations, among them the Organization of American States and Amnesty International.

A week after the coup, a "State of Siege in Time of War" was declared by the four-man junta, which called itself "a Government of national restoration and dignity" and pledged to uphold legality and the Constitution. Within a matter of days, it proceeded, nevertheless, to issue a succession of decrees that dissolved the National Congress and suspended most constitutional liberties, including the right of assembly; banned the Central Workers' Confederation, with a membership of more than one million, and killed or jailed most of its leaders; outlawed strikes and collective bargaining and did away with much of the hard-won protective legislation passed by previous administrations. MIR, the Communist and Socialist parties were outlawed, and all other political parties were declared in "indefinite recess." The junta emasculated the already weakened court system by pressuring its allies in the Supreme Court and the Chilean Bar Association to quash effectively all habeas corpus petitions; it has indefinitely postponed civil trials of an estimated minimum of 6,000 to 7,000 political prisoners.

The junta has imposed a heavy press and TV censorship, after closing down five leftist newspapers. La Prensa, official organ of the once centrist Christian Democratic party, shut down voluntarily soon after the coup. "There seems no point in putting out a political newspaper when politics is banned," declared a spokesman. Of the remaining five newspapers, two are ultraright Government mouthpieces and three belong to the conservative El Mercurio organization, which consistently opposed Allende's policies. (El Mercurio, it was revealed to The Times by a source in the Central Intelligence Agency, was one of the principal beneficiaries of C.I.A. funds earmarked for the "destabilization" of Allende's Government.)

The junta violated a long tradition of university autonomy by outing recent Allende appointees and installing military rectors in most of Chile's seven universities and purging them of scores of thousands of Marxist and left-leaning faculty members and students. "Prosecutors" were named among rightist faculty members and students to encourage denunciations of leftist sympathizers. Sociology and philosophy courses were replaced by more in technology and indlustrial science.

All Cabinet posts have been filled with military brass or members of the conservative National party, which represents the large landholding families and corporate interests. Among the junta's economic and political advisers are former members of the fascist Fatherland and Liberty party, now defunct, and by a group of United States-trained laissez-faire economists known inside Chile as "the Chicago Boys." The junta has also briefly hired subsidiaries of United States advertising agencies such as J. Walter Thompson and McCann-Erickson to "sell" the military Government domestically and abroad. It has enlisted as consultant for DINA (the Chilean secret police) the former Nazi S.S. officer Walter Rauff, who supervised the extermination of thousands of Jews in mobile gas chambers during World War II.

The coup had not only the support of landowners and industrialists directly affected by nationalization under Allende and his predecessor, Eduardo Frei, but also the support of large sectors of the middle class which had grown disillusioned with Allende's harsh taxation and economic measures. The coup had the tacit backing of the United States military, particularly the Air Force, which went on sending supplies to the Chilean armed forces ($47 million worth) after credit loans to Allende were cut off by U.S. banks. And the C.I.A., as has now been publicly revealed by C.I.A. director William Colby and President Ford, contributed directly to Allende's downfall, if not to the military take-over, by spending well over $8 million to subsidize opposition parties and newspapers and finance the paralyzing strike by 40,000 truck owners in October, 1972.

The country's Christian Democrats, which had been the largest opposition party, and which had severely criticized Allende's economic and constitutional excesses, at first welcomed the junta as a transitional Government of national reconstruction. In recent months it has grown increasingly disaffected with the junta's far more extensive constitutional violations, the jailing of exiling of its members, particularly those who had cooperated with Allende: Bernardo Leighton, Frei's former Vice President, for example, was banned from returning to Chile after making antijunta declarations in Europe; former Senator Renan Fuentealba was expelled after calling for a return to civil liberties. Even Frei, who heads the now splintered Christian Democrats but who never cooperated with Allende, broke a long silence recently and denounced the Government's flagrant disregard for human rights.

The Communist party has gone underground. Its secretary general, Luis Corvalan, was thrown into jail. In late December, a Communist party spokesman issued a clandestine invitation to the Christian Democrats to join it in forming a united front against the ruling junta. So far, the Christian Democrats have ignored the summons. The Socialist and Radical parties, two other members of Allende's Popular Unity coalition, are in a shambles, most of their surviving members in exile, underground or in jail.

Meanwhile, the military junta shows no signs of surrendering power or preparing the country for a return to elected constitutional government. In a speech delivered at the Catholic University, General Gustavo Leigh declared: "We do not pretend to stay in power in perpetuity, but we will not surrender our command before our profound creative and corrective task is concluded. . . . It is an indisputable fact that there exists today no force capable of governing Chile other than the armed forces." And General Pinochet has declared, "I never said this was a transition government. . . . It may last 10 years or 20 years or maybe only 5."

One indication of General Pinochet's growing confidence in office was his decision to publish in El Mercurio an exchange of letters between himself and U.S. Senator Edward Kennedy, after Kennedy had sent a senatorial subcommittee to Chile, at General Pinochet's suggestion. In his peremptory reply to Senator Kennedy's balanced and specific charges, based on the committee's findings, of continued Government repression, arbitrary arrests and torture, General Pinochet accused Kennedy of an imperialist mentality and of meddling in Chilean affairs.

The military has continued to tighten its grip on all sectors of Chilean society, particularly its youth. A Government circular spells out obligatory patriotic programs for the public schools. The circular warns of "appropriate measures" to be taken against school directors who ignore or show disinterest in these programs, the purpose of which is to root out the "Marxist cancer."

On Catholic University's own TV channel a military spokesman warned Chilean youth of "major difficulties" if they did not show up for obligatory military training. On another program, a military official closed a grim news analysis of growing food scarcities, rising prices and unemployment with a reminder to viewers of how lucky they were to have homes and jobs and TV sets. "If you are not content," he warned, staring fixedly at the camera, "keep in mind that you can be replaced."

I have scanned the Government-controlled press and TV for signs of an effective resistance to the dictatorial authority. Prior to the first anniversary some provisions of the "State of Siege" had been relaxed, at least nominally. Several hundred pro-Allende detainees and others who had sought asylum in foreign embassies have been permitted to leave the country. The promise of relaxed controls and the release of these prisoners have led junta supporters in United States Government, military and business circles to claim that democracy is gradually being restored in Chile, and urge that all remaining trade and credit restrictions imposed against Allende be lifted. (Since the military takeover, more than $150-million in short-term credits have been extended to Chile by U.S. banks and the Pentagon has sold it 52 jet fighter and combat support planes.) But the thousands of political prisoners remain in Government jails and detention centers, security measures are as harsh as ever and the 1 A.M. curfew is still in effect.

Chile's severe economic problems are headed by an inflationary spiral of nearly 400 per cent in the past year. The official unemployment rate is given as 10.3 per cent, or three times that during Salvador Allende's last year in office. Two million Chileans, or 20 per cent of the population, are described by the Government as living in conditions of "extreme poverty." Allende's legacy is blamed as the principal villain.

The juntas Minister of Economy, Fernando Léniz, is a former manager of El Mercurio who represents the interests of the most entrenched capitalistic sectors of Chilean society. His solution to Chile's rampant economic ills has been to abolish food subsidies and price controls and promote unfettered competition at the expense of the poor and lower middle classes. In his efforts to stimulate foreign investment Léniz has granted concessions to multinational corporations and reversed the agrarian and economic reforms of both Eduardo Frei and Allende. One of his first measures as Minister of Economy was to compensate United States corporations—Anaconda and Kennecott—for losses they suffered after Allende nationalized the copper mines. Chile now finds itself unable to meet its debts to Scandinavian and Western European countries which are insisting on a restoration of basic human rights before they will agree to renegotiate Chile's loans. In the past month, the escudo has been devalued 50 per cent, but Léniz insists that "free competition will end up working. There is no other way." A front-page article in El Mercurio disclosed that 20 major United States corporations had opened negotiations to invest capital in Chilean enterprises. Two smiling General Motors executives herald the introduction of the new Open Kadett line over the caption, "We have come to stay a long, long time."

Because of the intensified security and xenophobia generated by the assassinations of Enriquez and General Prats, I could not make direct contact with Government officials, university faculty members or leaders of any political party. When I called some of the professionals and heads of middle-class families I had been given as "friendly" contacts, the telephone was invariably slammed in my ear. I soon learned to avoid the words "interview" and "journalist" and to disown any connection with The New York Times.

One evening I attended a performance of Federico Garcia Lorca's "Blood Wedding," put on by the University of Chile's department of performing arts. It was an excellent production. The part of the mother was played with dignity by a professional actress; one passage she delivered slowly, with added emphasis, and drew audible gasps:

> "Do I not seem mad? Well, I am mad from not having screamed all that is in my breast. I have in my chest a scream always ready which I must punish and thrust between my shawls. But the dead are taken away, and one must be silent. . . ."

I visited the university in the hope of talking with students and faculty members. I had tried without success to contact the poet Nicanor Parra and other literary figures who have chosen to remain in Chile and accommodate themselves to the military government. The university's public-relations office proved sullen and unhelpful, so I wandered around the campus on my own, conscious of being watched by plainclothes guards posted on stairwells and balconies.

Most students were uncommunicative. They stood or sat alone on benches, absorbed in their textbooks; in a small room of the law school I finally spoke with a youngish professor who expressed great relief at the state of calm and order in the university, as he nervously adjusted his thick lenses.

"You cannot imagine the anarchy that prevailed here in the last months of Allende," he said. "The university had been infiltrated by Marxist terrorists from Cuba and Argentina who had hidden large caches of armaments in the school of social sciences and other parts of the campus. Whole departments were under the direct control of MIR, which provoked violent clashes with moderate students nearly every day. The university had turned into an armed camp." He adjusts his lenses and mops his brow. "Now the situation has been normalized . . . and the students can get on with their studies in a calm, unpoliticized atmosphere, as they were intended to."

Outside the campus I struck up a conversation with an outspoken engineering student I shall call Juan. "The university board exams are very stiff now," he explained, as we strolled on La Alameda, "and everyone is afraid of flunking out or being expelled, because there are so few jobs available. What would they do?"

I asked Juan if he supported the military Government and he turned to meet my eyes, probing, as Chileans do. "Look, I don't know who you are, but I'll be open with you. My father is an official of the Christian Democratic party. We were strongly against Allende and his Marxist philosophy, which seriously harmed this country's economic and social structure. My family supported the military take-over and so did I, personally. It is doubtless true that we Chileans are still lacking in political maturity, and we felt the country needed a firm hand during this period of restoration. But I am a firm upholder of the Constitution, and I feel the military junta has dangerously overstepped its constitutional authority. The junta seems bent on silencing all opposing voices, including its former allies, in order to conceal its failures. That is my opinion, and I am not afraid to express it."

I asked Juan what he knew about the C.I.A. role in the military coup, and he shrugged: "But of course, this was known to anyone who kept his eyes open. You must understand, for us the revelations of C.I.A. intervention in our internal affairs are not the scandal they might appear to you in the States. We are keenly aware of the C.I.A. precedents in Guatemala, in Brazil and the Dominican Republic, and of course in the Bay of Pigs. To most of us this is part of the folklore of our situation, and we tend to take it for granted. The junta, of course, will go on denying vehemently that they had C.I.A. aid, but that, too is part of the folklore—a kind of ritual, you might say. . . ."

Las Rejas is one of the older and more respectable *poblaciónes* or shantytowns in the western outskirts of Santiago, where most of the city's 600,000 poor eke out a meager subsistence. Many of the original small cottages here date from the Frei administration and were built of durable brick and mortar; the newer wooden shacks already show signs of decay. I walked along the narrow dirt lanes, stopping here and there to inquire after the family Galindez, a name I had made up to start conversation. A small, green-eyed woman living in one of the brick cottages said she'd known a young couple by that name when she first moved in, six years earlier.

"They've gone to Argentina," she added. "Anybody who can is leaving Santiago these days, either for the provinces or abroad."

Surprised by her forth-rightness I asked "Then you are not happy here?"

The woman fixed her clear green eyes on mine, testingly. As she began to speak her three small daughters gathered around us, peering up at me from behind their mother's skirts. They all had green eyes and pale, delicate complexions. "My husband would tell you we are happy here," she said. "This is one of the cleanest and quietest residential areas. We have three schools and good friendly neighbors. We have not been disturbed by the military recently, as with some of the neighboring *poblaciónes*. Last week in La Bandera they rounded up 10,000 residents and arrested 60, because of the bank robbery. For now we have tranquillity here, but we are not content. You must understand that before, although things were bad, we could go anywhere we wanted, and we could unburden ourselves. Now we cannot."

"I understand," I said, and turned to go. She held my arm.

"Look, my husband would tell you that everything is fine here, because he is afraid. I don't know who you are. My husband has been unemployed for six months. We cannot buy milk for the children. . . .

"If one of them gets sick in the night and we go out to look for a doctor, they will kill us. It happened to a friend of mine, and her son. . . . *Esto ya no se compone*," she said, shaking her head. "The situation is beyond repair." It was a phrase I had heard before, and would hear several times again in the coming days.

At the Israelite Bank of Chile, which is state-run under Jewish management, I spoke with the manager Gil Sinay, a forceful-looking man of about 60. Sinay, a leader of Chile's Jewish community of 35,000 told me that 7,000 Jews—among them some of the wealthiest families—have left the country in the past four years.

"In Allende's time we lived under a sword of Damocles," Sinay said. "There were doubts, insecurities, bleak economic portents. Between 80 and 100 Jews, many of them avowed Marxists, held important positions in Allende's Government. Jews helped to frame both the agrarian reform program and the nationalization of the copper mines. For this reason, among others, many of us feared anti-Semitic outbreaks after Allende's overthrow. But the opposite is true. The fact is, the military regime has brought us tranquillity and security, and has opened many economic incentives for us. If we had had to invent an ideal alternative to Allende, it would have been very much like the present Government."

Uncertain if he is dissembling, I asked how he feels, as a Jew and a humanist, about the suppression of liberties. A pained expression crossed his fact, but he quickly recovered. "It's true of course that our freedom of expression is curtailed at the present time, but we are still living in a state of emergency. Now that the head of MIR has been eliminated we may look forward to some relaxation of controls. And I must say that the efficient way they located and gunned down Enriquez and recovered the bank loot is impressive.

"Many people in the United States criticize our Government without trying to understand our situation—without appreciating the chaos that existed in the last year of Allende's administration. Allende was taxing the middle class to death, to pay for his disastrous economic policies. He printed money almost at a whim, increasing the supply of escudos by 10 per cent each month and distributing most of it among the poor. But there was no productivity to back up the exploding money supply, and it became increasingly worthless. As a result Chile had to import $600-million in foodstuffs annually and hundreds of millions of dollars worth of manufactured goods. In three years, Allende raised our national debt to $3.5-billion. By the summer of 1973 the agrarian reform program was in total disarray, and the management of the copper mines was an unmitigated catastrophe. You must understand that Chile was on the verge of fiscal bankruptcy. The country was sliding into a civil war."

Sinay wagged a finger at me. "Tell our North American friends not to be too hasty in judging us. People living in houses of glass should not cast the first stone."

As I got up to leave Sinay presented me with a transcript of a conversation he and Chief Rabbi Angel Kreiman had held with General Pinochet, requesting that he lift the ban on the film, "Fiddler on the Roof." Sinay and Rabbi Kreiman argued that the Russian Jews in the film were not Marxists but Czarists, and that the ban might be mistaken as anti-Semitism. Pinochet flatly denied any anti-Semitic motive but insisted that the film was of a "clearly Marxist inspiration."

At one point, I began to feel uncomfortable in my hotel and decided to move to a smaller one, removed from the city center. The bellhop who carried my bags, a jovial dwarfish little man, asked me on the elevator where I was from.

I told him, "Guatemala."

"Ahh . . . Arbenz," he said, and winked at me.*

The taxi driver, who seemed to be connected with the hotel, also asked me where I was from, and what I did. I did not like his inquisitorial tone and told him I was a university lecturer from California.

"How do you find Santiago?" he asked, squinting at me in the rearview mirror.

"Oppressive," I said.

He gave a small tinny laugh. "Well, you should have seen it a year and a half ago. This city was crawling with Communists, and they were all armed with Soviet weapons smuggled in from Cuba. No one was safe—they would kill you on your way to work. The generals put a stop to that." He laughed. "This week they got the big fish. . . . They are still there, the Communists and protesters, but now they are paralyzed."

I gazed intently out the window.

"Tell me, did the bellhop ask you where you're from?"

"No," I said, and met his small gray eyes in the mirror. I knew those eyes, that mirthless laugh.

"Well, he's one of them. . . . The first time he blabs to someone we trust, we'll get him."

In the afternoon I walked to the telephone exchange and called a spokesman for the Interchurch Committee of Cooperation For Peace in Chile.

The Comite de Paz, as it is generally known, was established soon after the 1973 coup by four churchmen: a Lutheran and a Roman Catholic bishop, a Jesuit father and the Chief Rabbi. Its declared purpose is to oversee the preservation of human rights under the military regime. In practical terms, it has become the only agency inside Chile to provide legal and material aid openly to political prisoners and their families or to help them leave the country. So far more than 25,000 Chileans have received its assistance.

I met with Luis, as I shall call him, in the committee's headquarters, a large old colonial house in a back street of Santiago. He took me around to meet the staff and inspect the committee's extensive files, which have been made available to various libertarian groups abroad, among them Amnesty International and the Human Rights Commission of the Organization of American States.

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*Guatemalan Socialist President Jacobo Arbenz Guzman, who was overthrown with C.I.A. complicity in 1954.

"Since the suspension of all political parties by the military junta, the church has become the only effective voice of opposition," Luis said. "The Government would like to contain the committee's activities, but they haven't figured out a way. This is a predominantly Catholic country, and the committee grew and grew before they became aware of its reach. Of course, there have been repercussions, including arrests and interrogations of dissident churchmen. Air Force General Gustavo Leigh has referred to us as unintentional agents of international Marxism; El Mercurio has called for our abolition and a committee has been set up to press for the resignation of Lutheran Bishop Helmut Frenz, one of our founders."

"The role of the Catholic Church has evolved gradually," Luis goes on. "In the early months Bishop Fernando Ariztia or Raul Cardinal Silva Henriquez would intervene only in cases that touched directly on the church. Since last Easter they have been pronouncing on generalized abuses such as torture and arbitrary arrest, as well as on the economy and the regimentation of the schools. At the same time, the church has been careful to avoid an open break with the junta. The military, needless to say, has its conservative allies in the church hierarchy. About half the Catholic clergy, among them five or six bishops, are on the side of the junta, so an open defiance would create a crippling disunity and play us directly into the military's hands. . . . The right in Chile is a lucid, coherent entity," Luis added. "This must be taken into account. The take-over by the generals had a large middle-class backing, as evidenced by the thousands who turned out for the anniversary observances. It is hoped that as the economic situation worsens and the inequities in the distribution of income become more pronounced, much of this support will erode."

I visited the home of Angel Parra, a leftist singer and poet who had spent five months in Chacabuco Prison, and was awaiting his passport so he could leave the country. Angel belongs to one of Chile's best-known families. His mother Violeta, the popular folk singer who committed suicide in 1967, was a heroine of the working class and the poor. (A shantytown dedicated to her has been allowed to retain her name.) Violeta's brother, Nicanor Parra, is Chile's most reputable poet since the death of Pablo Neruda. Unlike his nephew Angel, Nicanor had become disillusioned with Allende before the coup and has not spent time in jail or been threatened with exile; he has retained his post at the University of Chile. (When I asked Angel if he had tried to enlist his uncle's aid to obtain release from prison, he remarked sharply: "I want nothing from that man!")

My talk with Angel, a thin, intense man with a Zapata mustache, began stiffly. He responded warily when I asked about his experiences in Chacabuco Prison and a remarkable Christmas mass he was reported to have held there.

"I cannot speak about that," he said curtly. "I can tell you that I was humiliated many times, that I was often hungry, but I was not tortured or physically abused, as were a large number of my companions." Although Angel did not mention him by name, I knew that he counted among these companions Victor Jara, the popular Marxist musician and poet. On the day of the coup Victor Jara was taken to the army commander Estadio Chile and forced to sing while his fingers were shattered. He was then kicked repeatedly in the groin and shot to death in the presence of hundreds of prisoners.

Parra continued, "I had hoped to stay in Chile, but what good is it? All my companions are dead, underground, or in exile. . . ." He fell silent and stroked his mustache, which did not conceal the ascetic pallor of his face. I could not get over how small he looked, crouched silently in a corner of the sofa as his pretty wife, Marta, sat knitting a sweater across from him.

Marta said, "After the take-over we were determined to stay in the open, to show them that we had nothing to hide, that we were not afraid of them. When they came to arrest Angel he was sitting right there, playing on his guitar. . . ." Marta resumed her knitting. I watched a sliver of light advance slowly on the living room carpet.

The brooding silence was broken by the appearance of Marta's small grandson, Rodrigo, who took me by the hand and led me around the house. He had me touch his bed, his blocks, his rag dolls, which he carefully placed on my lap. Angel followed us, bemused. "He's taken a liking to you," he said, and smiled for the first time.

When I return to the living room Marta had put away her knitting and asked if I would like some tea. The atmosphere had dramatically eased.

Angel and Marta spoke openly of what it was like in Chile before the coup: "The economy was a mess," said Marta. "We had little food to eat, but there was a camaraderie among us, a common spirit of adventure that is indelible, unforgettable. The sense of liberation we were experiencing went far beyond Allende's socialist policies, and their success or failure. For the first time in our history, the poor laborers and farmers were taking part in a process of social reform. When the poor *campesinos* sat down to discuss their problems, their hopes and desires, unlimited possibilities seemed to open up. It was like. . . . It was like. . . ." She shaped an answer with her hands. ". . . like the soul of an entire people awakening, struggling to become whole." Angel talked of the innocence, the spirit of companionship: "We actually believed that the *carabinaros* and the army were on our side."

I met one night with 10 Chileans who had been imprisoned and tortured, or who had spouses and close relatives in jail awaiting trial. They formed the nucleus of one of the small communities of aboveground dissenters surviving in Chile. (I am not going to use their real names; on the night we met a number of their companions were arrested.)

Their ages ranged between 19 and 50. What first struck me was the gentle, creaturely way they tended to one another's needs. The younger women would sit next to the men and slowly massage their necks or rub shoulders as they talked in subdued voices. After a while they would change places and the stroking and fondling would begin anew, without interrupting the flow of conversation.

I spoke first with the young wife of a doctor who was in prison awaiting trial. She sat very close to me as she spoke in a soft, steady voice:

"My husband, Jorge, was accused of attending to wounded MIR guerrillas in a clandestine hospital. One of his closest colleagues informed on him, which is not at all unusual. You should understand that the Medical College here is very conservative. On the day of his arrest, Jorge was stripped naked, beaten and then tortured with electrical instruments, not for purposes of information, but just as a matter of procedure. I cannot describe to you some of the other indignities he has been made to suffer. Jorge had completed his internship in a medical school in New York. Several of his colleagues and former professors there have written to the Government and have tried in other ways to intervene on his behalf. We are still awaiting his trial and our hope is that he will be expelled from the country so we can live abroad."

Roberto, who had been a provincial official under Allende, underwent two simulated executions, electrical shocks to his genitals, forced ingestion of excrement, prolonged solitary confinement and other torture during his months in prison. At age 50 Roberto's hair has turned almost completely white. He tends to forget names and events, but his mind seems otherwise lucid. Roberto quoted at length from Baudelaire and Rimbaud and asked me to stay in Santiago so I could meet some of his friends. He would not speak to me of his prison experiences, which had been documented and verified by witnesses.

Cecilia, a young university student, confessed apologetically that she had been in jail "one month only."

"They tried to break my spirit, to make me embrace the yoke of military authority. They treated me as a rebellious, perverse child who does not know right from wrong. Well, they miscalculated. I discovered in prison that my will is unbreakable, regardless of what they do to my body. I am more than ever determined to stay, and I feel more combative than I was before . . ." (The women I spoke with endured torture far better than the men.)

Maria Elena, whose young husband had died from the prison torture, sat down at my side and gazed at me with silent, limpid brown eyes. After some moments she began slowly to rub my back. Tears of relief rose in my eyes as an oppressive weight melted from my neck and shoulders.

Afterward I felt I had been part of an initiation rite, and that it was mainly through physical contact that they communicated to one another the reality of their experience. I had witnessed other instances of this Chilean *dulzura* or sweetness, the capacity to invest all of themselves into a single moment. Perhaps more than anything else it is this quality of total commitment that makes the events of the past year and a half an unrelieved tragedy.

A great many Chileans had sought under Allende to heal the country's deep internal contradictions, and, like Allende himself, they threw themselves with an often naive and reckless abandon into a socialist adventure that now seems to have been doomed to failure by the entrenched Chilean right and the conservative sector of the middle class. One becomes obsessed in Chile with the abysmal discrepancies between the causes and the effects of Allende's failure. Not even T. S. Eliot's bleakest vision casts a shadow like the dark night that has fallen between the expectations of Allende's experiment and its aftermath. What makes the Chilean tragedy most difficult to absorb is that the *dulzura* and the libertarian traditions made the country so vulnerable when the inevitable right-wing reaction set in, and allowed Chile to become a battleground for forces far larger than its history.

Military take-overs in Chile's recent history, in 1891, 1924 and 1932, led to a reinstatement of civilian Government within a matter of months. Although this junta speaks from time to time of staying in power only to complete its task of national restoration, it is hard to conceive of what kind of replacement could now emerge from the constitutional ruins. The Government's true course seems rather to be developing further along the lines of a fascist police state. Though there is scattered resistance by MIR guerrillas, the fragmented left is under constant threat of extinction. There is now no General Prats to challenge the junta. Economic pressures could possibly force a rapprochement between the junta and the Christian Democrats' center faction. But Defense Minister Oscar Bonilla, the only one who maintained close ties with the Christian Democrats, dropped out of sight, and last month the Government reported that he had died in what was said to have been an accidental helicopter crash in southern Chile.

STATEMENT ON VIETNAM

Mr. CANNON. Mr. President, the final chapter of the long Vietnamese conflict is at an end. For nearly 30 years, the people of Vietnam have known nothing but warfare, either in the struggle for independence from French colonial domination, or in the civil war pitting Vietnamese against Vietnamese.

Unfortunately, successive American administrations with the best of intentions have not been able to help the South Vietnamese people maintain their independence from the north. Toward this effort we lost our 14-year investment of 50,000 American lives and billions of dollars in military and political aid.

The questions of how and why America became embroiled in this tragedy, and made it our own, will no doubt be asked many times. It is important to understand, however, that this Nation did try to bring about an honorable solution but failed due to implacability of the Communist adversaries.

Some view it as up to America to help the Communist victors in Vietnam with some sort of postwar reconstruction and development aid. It is not up to us to shore up the military victories of the Communists. The Senate has rightfully passed a Vietnam Contingency Act which in effect rules out aid to the Vietcong's Provisional Revolutionary Government.

Only time will tell what these sad events mean to our foreign policy. There are many lessons to be learned from this ordeal, and out of the ashes of Vietnam and Cambodia must come a revised understanding of what role we should play in world affairs within the scope of our influence, consistent with our national goals.

REPRESENTATIVE MOFFETT AND THE F-111

Mr. McGOVERN. Mr. President, the April issue of Sane World contains an instructive report on the response of one Member of Congress, Representative TOBY MOFFETT of the Sixth District of Connecticut, to pressure for arms spending in his district.

A few weeks ago Representative MOFFETT took the unusual step of voting to uphold a Presidential recission of funds—in this case for the F-111—despite the fact that it involved jobs in his district. A decision of that kind takes a rare degree of courage, as every Member knows.

Yet it appears that courage is being rewarded. The protests have been far outweighed by strong expressions of support from constituents who welcome Mr. MOFFETT's opposition to military waste, even when it may hurt some at home.

This incident suggests to me that there is a great tendency in the Congress to overestimate local support for unneeded military projects, and to seriously underestimate the growing public revulsion against an arms budget that has grown beyond all reason. The old patterns are changing faster than we may realize. Military porkbarrel may be just as unpopular where it has an economic impact as where it does not.

In any event, I think Representative MOFFETT has set a good example for us all. I commend him, and I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REPRESENTATIVE MOFFETT: FRESH AIR IN CONGRESS

Toby Moffett is a freshman Democrat from Connecticut's 6th District, which has a 12% jobless rate. There are about 9,000 employees of United Aircraft in his district. United's Pratt & Whitney division makes the engines for the F-111 fighter. The Pentagon, for once, doesn't want to spend more money on F-111's. When President Ford refused to spend the money Congress had allocated for F-111's, Congress upheld him by a vote of 230-164.

Moffett, who previously headed Ralph Nader's operation in Connecticut, was the only Congressman from that state to vote with the President.

Then the trouble started. The local newspapers quoted United Aircraft and Rep. Robert Giaimo of Connecticut, an influential member of the Appropriations Committee, as saying the vote by Congress would cause layoffs of about 400 Pratt & Whitney workers. Blue-collar workers and one local Machinists union official called Moffett's office to protest his vote.

ON THE OFFENSIVE

Moffett went on the offensive. He charged that the claims of jobs loss were "after-the-fact conclusions, never officially issued, never researched and never substantiated." He reported that United Aircraft had told him after the vote that there could be a "loss equivalent" of up to 400 jobs when present production stops in 1976. But the "loss equivalent" may never take place, the company said, because of shifts to other types of work. Moffett is very interested in encouraging the big aircraft firm to move into civilian fields.

Moffett's mail supported his stand by a six-to-one ratio. One constituent wrote, "What we need are more people like you who are not at all concerned about reelection, but only in acting for the good of the country." Another wrote: "Just wish to applaud your vote on F-111 funding. Trust that your future judgments will prevail over the pressures of the multinational corporations, who have progressively dictated foreign, social and domestic policy since World War II, and thereby guide America from arsenal status to honest and mature leadership power."

When Toby Moffett returns to the district these days, people keep saying, "That was great! It's a breath of fresh air!"

MUNICIPAL CLERKS' WEEK

Mr. INOUYE. Mr. President, I ask unanimous consent that the resolutions in support of Senate Joint Resolution 45, to designate Municipal Clerks' Week passed by the City Councils of Baldwin Park, Compton, Hawaiian Gardens, Huntington Park, Norwalk, and San Fernando, Calif., be printed in the RECORD.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTION NO. 75-31

A resolution of the City Council of the City of Baldwin Park, California, supporting Senate Joint Resolution No. 45 and House Resolution No. 227, relative to designating the second week in May as "Municipal Clerks' Week"

Whereas, it is recognized that the City Clerk performs the highly valued functions of administering the procedures and keeping the records of the City; and

Whereas, it is further recognized that the City Clerk provides and maintains an organized source of knowledge about the community; and

Whereas, the City Clerk provides conscientious representation of the municipal government in the affairs of the community; and

Whereas, the City Clerk helps mold public opinion of local government through daily contact with the citizenry;

Now, therefore, the City Council of the City of Baldwin Park, California, does hereby resolve as follows:

Section 1. That the City Council of the City of Baldwin Park does hereby support the national movement to recognize the importance of the position of City Clerk with the passage of joint congressional resolutions designating the second week in May as "Municipal Clerks' Week".

Section 2. That the City Council of the City of Baldwin Park does hereby encourage the Senate Committee on Judiciary and the House Post Office and Civil Service Committee to give Senate Joint Resolution No. 45 and House Joint Resolution No. 227 respectively, favorable hearings.

Section 3. That the City Clerk be authorized and instructed to forward a copy of this Resolution to Congressmen Andrew Hinshaw, Norman Y. Mineta, John H. Rousselot, Charles H. Wilson and G. William Whitehurst, members of the Post Office and Civil Service Committee and to Senators Alan Cranston, John V. Tunney and Daniel K. Inouye, and all cities within Los Angeles County.

Section 4. That this Resolution shall take effect immediately.

Section 5. That the City Clerk shall certify to the adoption of this Resolution.

RESOLUTION 11,062

A resolution of the city council of the city of Compton, California, supporting Senate Joint Resolution No. 45 and House Joint Resolution No. 227, relative to designating the second week in May as "municipal clerks' week"

Whereas, it is recognized that the City Clerk performs the highly valued functions of administering the procedures and keeping the records of the City; and

Whereas, it is further recognized that the City Clerk provides and maintains an organized source of knowledge about the community; and

Whereas, the City Clerk provides conscientious representation of the municipal government in the affairs of the community; and

Whereas, the City Clerk helps mold public opinion of local government through daily contact with the citizenry;

Now, therefore, the city council of the city of Compton, California, does hereby resolve declare, find, determine and proclaim as follows:

Section 1. That the City Council of the City of Compton does hereby support the national movement to recognize the importance of the position of City Clerk with the passage of joint congressional resolutions designating the second week in May as "Municipal Clerks' Week."

Section 2. That the City Council of the City of Compton does hereby encourage the Senate Committee on Judiciary and the House Post Office and Civil Service Committee to give Senate Joint Resolution No. 45 and House Joint Resolution No. 227 respectively, favorable hearings.

Section 3. That the City Clerk be authorized and instructed to forward a copy of this Resolution to the City of Compton to Senators Alan Cranston, John V. Tunney and Daniel K. Inouye, Congressmen Charles H. Wilson and G. William Whitehurst, Virginia, Committee of Post Office and Civil Service, Senate Committee on Judiciary.

Section 4. That the Mayor and City Clerk of the City of Compton be, and they are hereby authorized to execute on behalf of the City of Compton this Resolution.

Resolution No. 42–45 of the City of Hawaiian Gardens

A resolution of the city council of the city of Hawaiian Gardens, California, supporting Senate Joint Resolution No. 45 and House Joint Resolution No. 227, relative to designating the second week in May as "Municipal Clerks' Week"

Whereas, it is recognized that the City Clerk performs the highly valued functions of administering procedures and keeping the records of the City; and

Whereas, it is further recognized that the City Clerk provides and maintains an organized source of knowledge about the community; and

Whereas, the City Clerk provides conscientious representation of the municipal government in the affairs of the community; and

Whereas, the City Clerk helps mold public opinion of local government through daily contact with the citizenry;

Now, therefore, the city council of the city of Hawaiian Gardens does hereby resolve as follows:

Section 1. That the City Council of the City of Hawaiian Gardens does hereby support the national movement to recognize the importance of the position of City Clerk with the passage of joint congressional resolutions designating the second week in May as "Municipal Clerks' Week."

Section 2. That the City Council of the City of Hawaiian Gardens does hereby encourage the Senate Committee on Judiciary and the House Post Office and Civil Service Committee to give Senate Joint Resolution No. 45 and House Joint Resolution No. 227 respectively, favorable hearings.

Section 3. That the City Clerk be authorized and instructed to forward a copy of this Resolution to the City of Carson, to Senators Alan Cranston, John V. Tunney and Daniel K. Inouye, Congressman Mark Hannaford and Senate Committee on Judiciary.

Section 4. The Mayor, or presiding officer, is hereby authorized to affix his signature to this resolution on behalf of the City Council, and the City Clerk or his duly appointed Deputy, is directed to attest thereto.

Resolution No. 75–48

A resolution of the city council of the city of Huntington Park, California, supporting Senate Joint Resolution No. 45 and House Joint Resolution No. 227, relative to designating the second week in May as 'Municipal Clerks' Week'."

Whereas, it is recognized that the City Clerk performs the important functions of keeping a record of ordinances, resolutions, contracts and certain other records of the City; and

Whereas, it is further recognized that the City Clerk provides and maintains an organized source of information which is made available to the citizens of our community; and

Whereas, the office of the City Clerk is the one which has day-to-day contact with members of the public and therefore which projects the City's image to the public;

Now, therefore, the city council of the city of Huntington Park, California does resolve as follows:

Section 1: That the City Council of the City of Huntington Park hereby voices its support of the national movement to recognize the importance of the position of City Clerk by the passage of joint congressional resolutions designating the second week in May as "Municipal Clerks' Week."

Section 2: That the City Council hereby encourages the Senate Committee on Judiciary and the House Post Office and Civil Service Committee to consider favorably the passage of Senate Joint Resolution No. 45 and House Joint Resolution No. 227.

Section 3: The City Clerk is authorized and instructed to forward a copy of this Resolution to Senators Alan Cranston, John V. Tunney and Daniel K. Inouye, Congressmen Charles H. Wilson and G. William Whitehurst, Committee on Post Office and Civil Service and to the Senate Committee on Judiciary.

Section 4: The City Clerk shall certify to the adoption of this Resolution.

Resolution No. 2728

A resolution of the Norwalk City Council supporting Senate Joint Resolution No. 45 and House Joint Resolution No. 227, relative to designating the second week in May as "Municipal Clerks' Week"

Whereas, it is recognized that the City Clerk performs the highly valued functions of administering the procedures and keeping the records of the City; and

Whereas, it is further recognized that the City Clerk provides and maintains an organized source of knowledge about the community; and

Whereas, the City Clerk provides conscientious representation of the municipal government in the affairs of the community; and

Whereas, the City Clerk helps mold public opinion of local government through daily contact with the citizenry;

Now, therefore, the City Council of the City of Norwalk does hereby resolve as follows:

Section 1. That the City Council of the City of Norwalk does hereby support the national movement to recognize the importance of the position of City Clerk with the passage of joint congressional resolutions designating the second week in May as "Municipal Clerks' Week."

Section 2. That the City Council of the City of Norwalk does hereby encourage the Senate Committee on Judiciary and the House Post Office and Civil Service Committee to give Senate Joint Resolution No. 45 and House Joint Resolution No. 227 respectively, favorable hearings.

Section 3. That the City Clerk be authorized and instructed to forward a copy of this Resolution to the City of Carson, to Senators Alan Cranston, John V. Tunney and Daniel K. Inouye, Congressmen Charles H. Wilson and G. William Whitehurst, Virginia, Committee on Post Office and Civil Service, Senate Committee on Judiciary.

Resolution

A resolution of the city council of the city of San Fernando, California supporting Senate Joint Resolution No. 45 and House Joint Resolution No. 227, relative to designating the second week in May as "Municipal Clerks' Week"

Whereas, it is recognized that the City Clerk performs the highly valued functions of administering the procedures and keeping the records of the City; and

Whereas, it is further recognized that the City Clerk provides and maintains an organized source of knowledge about the community; and

Whereas, the City Clerk provides conscientious representation of the municipal government in the affairs of the community; and

Whereas, the City Clerk helps mold public opinion of local government through daily contact with the citizenry;

Now, therefore, the city council of the city of San Fernando, California, does hereby resolve, declare, find, determine and order as follows:

Section 1. That the City Council of the City of San Fernando does hereby support the national movement to recognize the importance of the position of City Clerk with the passage of joint congressional resolutions designating the second week in May as "Municipal Clerks' Week."

Section 2. That the City Council of the City of San Fernando does hereby encourage the Senate Committee on Judiciary and the House Post Office and Civil Service Committee to give Senate Joint Resolution No. 45 and House Joint Resolution No. 227 respectively, favorable hearings.

Section 3. That the City Clerk be authorized and instructed to forward a copy of this Resolution to Senators Alan Cranston, John V. Tunney and Daniel K. Inouye, Congressmen James C. Corman, John H. Rousselot, G. William Whitehurst, Virginia, Charles H. Wilson, Norman Y. Mineta, Andrew Hinshaw, Committee on Post Office and Civil Service, Senate Committee on Judiciary.

Section 4. That this Resolution shall take effect immediately.

Section 5. That the City Clerk shall certify to the passage and adoption of this Resolution:

PASSING THE ENERGY BUCK

Mr. MATHIAS. Mr. President, Congress has recently considered the Standby Energy Authorities Act of 1975. I strongly opposed that particular piece of legislation because I believe that the Congress has a responsibility to legislate with greater specificity. We are today paying a heavy price in many areas of national life for broad congressional mandates of the past, filled with inadequate standards and definitions. We will pay a particularly heavy price if Congress is sloppy in enacting energy legislation. In short, the time has passed when bills can be enacted without a clear idea of what the fiscal burden will be on Federal and State treasuries and how the various programs mandated by Federal legislation will be carried out by Federal, State, and local government.

David S. Broder analyzes the Standby Energy Act in his column which appeared in the April 23, 1975, Washington Post. I commend his thoughts to all Senators because the final chapter is far from written on this particular legislation. Mr. President, I ask unanimous consent that David S. Broder's column be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Passing the Energy Buck

(By David S. Broder)

Despite what you have been hearing during this week's debate about gasoline taxes, it is not true that Congress has done absolutely nothing about the energy crisis. Just two weeks ago, while public attention was distracted by events in Indochina, the Senate passed a marvelous bill called the Standby Energy Authorities Act of 1975.

It was approved on the same afternoon that the senators, in a remarkable burst of legislative creativity, also passed a resolution posthumously restoring the full rights of citizenship to Gen. Robert E. Lee.

It would be hard to judge which action will do more to help with today's problems. But the bet here is that Lee's ghost has more substance than any lawyer can find in the Standby Energy Authorities Act of 1975.

The reason Congress had to vote Gen. Lee his amnesty, at this late date, is that his own application for restoration of his citizenship rights, and his pledge of loyalty to the Union, submitted shortly after cessation of hostilities in October 1865 was unaccountably misplaced by the bureaucrats of his time and was not rediscovered until 1970.

Despite this demonstration of the perils of government paperwork, the senators came up with a supposed energy program that will, if rediscovered 100 years from now, make the historians of that age wonder about the competency of 20th-century Americans.

That bill is a hodgepodge. Part of it gives the President certain emergency powers, which he might use in case of another oil embargo, unless blocked by Congress. But to this marginally useful grant of authority, the Senate Democrats attached a complex provision, full of high-sounding aspirations and short of policy directions. It commands the federal government and all 50 states to devise energy conservation programs (again subject to congressional veto) that will supposedly cut energy use the equivalent of 800,000 barrels of oil a day without hurting anyone.

It is as near-perfect an example of buck passing as Washington has ever seen. The man who would have to administer the act, energy chief Frank Zarb, pleaded with the Senate not to establish such "far-reaching but ill-defined mandatory energy conservation programs."

None of the 60 senators who voted for the bill seemed to care. And the suspicion among those Republicans who opposed it is that Zarb and his boss, the President, are being set up as the fall guys when the program inevitably fails.

What the Senate did was put the administration in the position of making the politically disagreeable choices, while reserving to Congress a guaranteed right to second-guess.

While ruling out rationing or taxes, the Senate commanded Zarb to promulgate, within 90 days, precise standards of energy conservation covering everything from decorative lighting to car-pooling and mass transit use. The bill does not say what those standards should be. But it says that if Zarb guesses wrong, Congress can veto any of his guidelines, with suitable rhetoric within the following 30 days.

That is only the beginning. The mandated regulations then would go to each state, which would be required within 180 days to formulate its own conservation plan designed to meet Zarb's standards. Here, the Senate has created a two-edged sword for later use against the administration.

On the one hand, it has commanded that the state conservation plans should be approved by Zarb only if they "minimize adverse economic or employment impact" and "meet unique local economic, climatological, geographic and other conditions." On the other hand, the Senate has decreed that the net effect of these varied plans must reduce total domestic energy consumption by 4 per cent within a year of the bill becoming law.

So, if the regulations pinch in any state, Zarb will have violated one Senate command; and if energy use is not reduced nationally he will have violated another.

That leaves him in the interesting position of reducing the size of the energy pie without cutting anyone's slice. It is a no-win proposition—and the Republicans were probably right in saying it was that way by Democratic design, and not by happenstance.

By the most charitable interpretation, the senators abdicated their own responsibility for hard decisions and left the country with what can only be called a false-front facade of an energy policy.

That's the kind of performance that already has brought the federal government into the disrepute with its citizens. Some friendly medium ought to ask Gen. Lee if he really wants his citizenship back.

AFRICAN ART ON CAPITOL HILL

Mr. HUMPHREY. Mr. President, Washington, D.C., has many marvelous museums, galleries, and other cultural facilities. But, as a recent editorial in the Washington Post noted, one of the finer museums is the Museum of African Art right here on Capitol Hill. It is my privilege to serve as Chairman of the Board of Trustees of this museum which is so ably directed by Mr. Warren Robbins. The editorial in the Washington Post of March 27 tells the story of this museum in concise and succinct terms. I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

AFRICAN ART ON CAPITOL HILL

Among the most wondrous of the many wonders on display in Washington's numerous museums is the permanent exhibition of the Frederick Douglass Museum of African Art on Capitol Hill. It consists of a fine and extensive collection of sculptures, masks, fetishes, artifacts and photographs which add up to a vivid survey of African culture. Like the one best liked teacher who stands out in most everyone's school day memories as having kindled a lifetime passion for one subject over many others, this small museum grips you and moves you and heightens your sense of wonder not only with the objects it presents, but also with the flair of its presentation. Our African Museum has a personality all its own.

The person behind this institutional personality is Warren Robbins, a former Foreign Service officer, who specialized in the sweeping pursuit of "cross-cultural communication." Ten years ago, he decided to be more specific. He set out to put African culture across. With nothing much more than his own modest savings, some borrowed money, the help of friends, many of them black community leaders, the loan of art works and a great deal of drive, Mr. Robbins opened the Museum of African Art in a townhouse at 318 A Street NE, where Frederick Douglass, the famous black abolitionist, had lived. It was an idea whose time had come. In only 10 years, Mr. Robbins and his museum have been able to make an important contribution to the acceptance, understanding and appreciation of Africa's ancient culture antecedents and they have done so far beyond Washington.

This acceptance, understanding and appreciation, in turn, have done much to advance black pride and interracial respect. In 10 short years the museum, with the help of donations and foundation grants (particularly a grant from the National Endowment for the Humanities), has also developed a remarkable education program for young and old that employs music, dance, costumes and story-telling to convey the history and culture of the peoples of Africa and give social meaning to the displays. Mr. Robbins, in fact, restricts special exhibits to one or two a year to be able to concentrate on lecture tours and classes in which last year alone almost 1,000 groups—about 32,000 people—participated. More than half of them were children from both inner city and suburban schools. The museum also includes a growing library and a picture archive, built on an estimated 100,000 color slides, photos and films made and donated by the late Eliot Elisofon, a Life photographer with a special passion for Africa. With all these activities, the museum, which now has a staff of 24 and an annual operating budget of $400,000, has also physically expanded into seven of the eight 3-story townhouses on its block. Perhaps it is the friendly intimacy of these old houses; perhaps it is Warren Robbins' intensely enthusiastic guidance; and most likely it is both, that has kept the Museum of African Art from becoming a stuffy institution. May it keep its vivacious personality for many more decades to come.

A BASIS FOR PEACE—WHERE KISSINGER WENT WRONG

Mr. PACKWOOD. Mr. President, last week I entered into the RECORD two articles I felt my colleagues should have the opportunity to read on the failure to reach a new agreement in the Middle East. Today, I commend to the attention of the Senate an essay by Eugene V. Rostow, professor of law at Yale University and former Under Secretary of State from 1966 to 1969.

It is a thoughtful and comprehensive view of the negotiations to date between Israel and Egypt, via the Secretary of State. Establishing his perspective in the opening paragraph, Professor Rostow states his belief that:

> The essence of the American national interest in world politics is not order alone, but peace. Our goal is not simply to achieve and maintain a deterrent balance of power, but on that indispensable foundation to help build a system of peace, characterized by the expectations that the basic rules of the United Nations Charter regarding the international use of force will be generally, and reciprocally obeyed and enforced. The ideal of law has been the organizing principle guiding the evolution of American democracy at home. It is the only possible first principle for the foreign policy of a democracy that aspires to remain a democracy.

He presents a strong case for redirecting our efforts toward the achievement of a settlement of the Arab-Israeli conflict consistent with the principles set forth in the two United Nations Security Council Resolutions 242 and 338. Professor Rostow further emphasizes that it will be virtually impossible to achieve any kind of lasting settlement without the participation of the Soviet Union in the negotiation process, something the Secretary of State has avoided in his step-by-step, shuttle diplomacy program. The fact that the Soviet Union has signed both Security Council Resolutions 242 and 338 should give added impetus to employing these resolutions as a framework within which an agreement might be reached. In Mr. Rostow's view,

> The only feasible procedure for achieving a condition of peace between Israel and its neighbors is that prescribed by the Security Council resolution.

Since the step-by-step approach is currently bankrupt and the transferral of further talks to the Geneva Conference seems inevitable, I think Mr. Rostow's comments are timely and worthy of note. Mr. President, I ask unanimous consent that the full text of Professor Rostow's essay, "A Basis for Peace," from the April 5, 1975 issue of The New Republic be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHERE KISSINGER WENT WRONG—A BASIS FOR PEACE

(By Eugene V. Rostow)

The essence of the American national interest in world politics is not order alone, but peace. Our goal is not simply to achieve and maintain a deterrent balance of power, but on that indispensable foundation to help build a system of peace, characterized by the expectation that the basic rules of the United Nations Charter regarding the international use of force will be generally, and reciprocally, obeyed and enforced. The ideal of law has been the organizing principle guiding the evolution of American democracy at home. It is the only possible first principle for the foreign policy of a democracy that aspires to remain a democracy.

The New Republic's editorial, "Mideast Peace?" (March 8, 1975) does not invoke this standard for judgment in discussing Secretary Kissinger's step-by-step Middle East diplomacy. Instead The New Republic, like every other newspaper and magazine I have seen in recent months, examines the subject in terms of the administration's premises, which it fully accepts. "Mideast Peace?" starts with the official thesis that Mr. Kissinger's approach was necessary in order "to maintain the momentum" for peace in the area; prevent any threat to the future of "détente"; and minimize the risk of another war, and another oil embargo. Behind these phrases was the hope that the Secretary would be able to separate Egypt from the other Arab states, and from the Soviet Union, and thus diminish Soviet influence in the area. Therefore our columnists and editorial writers said, Israel should not be "intransigent," "unimaginative," or "too difficult" about terms; on the contrary it should withdraw from some, or most, or all of the territories occupied in the course of the 1967 and 1973 wars, without a firm agreement of peace, in exchange for more or less impalpable political assurances, conveyed to the United States and not to Israel, and perhaps even conveyed secretly. There are, of course, differences of emphasis among those who write and speak on the subject. Some are clearly vexed with the Israelis for not withdrawing from all the occupied territories forthwith, and urge the Secretary of State to put even more pressure on Israel to withdraw quickly, and without real political counterparts. The New Republic, to the contrary, argued that it really wasn't unreasonable, after all, for the Israelis to hold out for "reciprocal—if necessarily asymmetrical—political concessions from Egypt" in return for partial withdrawals from territory of military significance.

The New Republic did not mention the most important feature of Mr. Kissinger's ill-fated Middle East campaign: the fact that the Secretary has abandoned the two key Security Council resolutions on the subject: Resolution 242 of November 22, 1967, and Resolution 338 of October 22, 1973. Resolution 338 is one of the Security Council's rare "decisions," imposing a binding legal obligation on all members of the United Nations. Legally and politically it has the extraordinary status of the Security Council resolutions on Namibia (the former South African mandate for German Southwest Africa) and Rhodesia. Resolution 338 was adopted in time to prevent the complete route of the defeated Arab forces in 1973; it commands the parties concerned to negotiate a just and durable peace "immediately and concurrently with the cease-fire," in accordance with the principles and provisions of Resolution 242. Equally it commands every other member of the United Nations to help the parties fulfill these difficult instructions.

Under the Security Council resolutions, Israel is not required to withdraw one inch from the territories it holds as the occupying power until its Arab neighbors have made peace. This is the famous "package deal" of Resolution 242—withdrawal for peace, and no withdrawal without peace. The twin Security Council resolutions require the parties to negotiate peace agreements that prescribe security arrangements, including demilitarized zones; provide guarantees for maritime rights through all the international waterways of the region; deal justly with the refugees; and establish secure and recognized boundaries—which need not be the same as the Armistice Demarcation Lines of 1949—to which Israel would withdraw.

In the diplomacy of Resolution 242 it has been understood since 1967 that the transition from the present armistice regime to a regime of peace would take time, perhaps a good deal of time, and that Israeli withdrawals, and the development of peaceful relations, should be accomplished in stages. The Egyptians particularly have stressed that the agreements of peace called for by Resolution 242 should be built around a "timetable," which spelled out in advance exactly what each party would do at each stage of the process.

In the perspective of the Security Council resolutions, there is therefore no ground for criticizing Israel for being "intransigent," "unimaginative" and generally difficult in the present round of negotiation. According to those resolutions Israel is under no obligation to withdraw except within the framework of an agreement of peace satisfying all terms of Resolution 242. Any Israeli withdrawal without such an agreement of peace is a political concession on Israel's part—a very important concession indeed.

The Security Council resolutions were reached by difficult procedures of negotiation, dominated by reality. The 1967 resolution, sponsored by the British government, was the achievement of concerted Atlantic Alliance diplomacy, in which British, Danish, Canadian, Belgian, Italian and American officials played important and effective parts. Resolution 338 was the accomplishment of Mr. Kissinger himself who rightly refused to consider any cease-fire resolution during the hectic crisis of October 1973 unless it contained the key language of Resolution 338, making Resolution 242 mandatory. Mr. Kissinger's Resolution 338 is the most important American diplomatic achievement in the area in 25 years, climaxing longstanding American efforts to achieve peace between Israel and its neighbors, and, for the first time, providing firm rules for the process of achieving peace.

There is a tendency in popular opinion to dismiss United Nations resolutions as scraps of paper. But there are many categories of United Nations resolutions. General Assembly resolutions can never be more than "recommendations" under the Charter save in a few cases not relevant to the Middle East conflict. Some General Asesmbly resolutions have a great deal of importance, nonetheless, as crystallizations of world opinion. Many are indeed trivial, or cynical, or both, and fully deserve to be disregarded.

Most Security Council resolutions are also "recommendations," and do not purport to be legally binding. That fact highlights the importance of the few Security Council "decisions" that have been given a binding legal effect under Article 25 of the Charter when they concern breaches of the peace, threats to the peace and aggressions.

Resolutions 242 and 338 are not abstract essays in international law. And they were not voted in a fit of absentmindedness. On the contrary they embody reluctant conclusions reached by the powers, and the world community, under circumstances of great stress, perceived in their context of international law and international politics. The twin Middle East resolutions therefore declare a judgment of critical importance on the nature of the Middle East conflict, and the way to resolve it in the light of its history, the passions and interests engaged, and the rules of minimal world public order expressed in the Charter—rules to which each state clings as the ultimate assurance of its own survival.

This is the rock on which Secretary Kissinger's step-by-step diplomacy foundered. The collapse of his efforts was caused by a fundamental flaw in the perception of reality on which it was based. The Security Council resolutions embody and reconcile two overriding aspects of the controversy over Israel's right to exist. The Arabs are afraid that Israel will never withdraw from any territories occupied in the course of war; the Israelis are afraid the Arabs will never make peace. Given the depth and intensity of these fears, the approach prescribed by the resolutions highlighted by the Arab aggression of October 1973, defines the only possible road to peace for the area.

I find it puzzling that no editorial I have seen, and no speech on the floor of the House or the Senate, examines the question whether Mr. Kissinger's approach was wise or prudent or necessary or better calculated to protect the national interests of the United States than a diplomatic effort based on the Security Council resolutions, and framed by them. Nor have I seen or heard any debate on the question whether the President of the United States has the right to disregard a mandatory resolution of the Security Council.

These questions are fundamental and difficult. They cannot be escaped by ignoring them. My own view is that Mr. Kissinger's policy of ad hoc negotiation in the Middle East put fundamental security interests of the United States into unnecessary peril, and betrayed one of the most vital permanent principles of American foreign policy. By ignoring the Security Council resolutions, the Secretary cut a great taproot of our foreign policy, its legitimate basis in international law. And by embarking on these negotiations without Security Council parameters and guidelines, Mr. Kissinger played a game in which the Soviets could always outbid him. The Soviet Union can offer the Arabs far more than we could ever bring ourselves to press the Israelis to accept: the borders recommended in the General Assembly Partition Resolution of 1947, for example; negotiations with the PLO rather than with Jordan; or a binational Palestinian state. American interests would have been far better protected if the Secretary of State had put the same energy and conviction into a peace effort based squarely on unwavering American support for the Security Council resolutions.

Instead of striving for peace under the resolutions, however, Mr. Kissinger tried to do exactly what John Foster Dulles did in 1957: to push the Israelis out of the Sanai without peace. What Dulles did turned out to be a disaster. I am persuaded that a repetition of Dulles' strategy would have been an even greater disaster today.

American interests in the Middle East rank high on any list of issues that require a national, and not a sentimental or a partisan approach. What is at stake for us in that feverish area should be examined in the perspective of the national interest, not of sympathy either for the Arabs or the Israelis. We can sympathize with both Arabs and Israelis, caught up in a web of history they did not make. But events in the region, and at other points on the periphery of NATO, are approaching a flash point. Vital security interests of the United States are in peril. They should be analyzed, and protected, as such.

What are the interests of the United States in the Middle East? The first and most basic is the geopolitical importance of the Middle East to the defense of Europe. Our alliance with Western Europe is absolutely essential to the balance of world power on which the primordial safety of the United States depends. On this proposition there is nearly complete unanimity in the United States. But the larger part of public opinion is not yet fully conscious of the fact that Middle East conflicts are not isolated regional problems, but are integral to the security of NATO.

For 20 years the Soviets have pursued a strategy of enveloping NATO. They have exploited Arab hostility to the existence of Israel as an important weapon of that strategy. The Arab-Israeli conflict is not, of course, the only arrow in their quiver. As the Soviets say they "push at every open door." They have tried to take advantage of every political and military opportunity that served their purposes, if it did not involve excessive risk or cost. Thus they have probed in Iceland and Norway. They are now moving on a large scale in Portugal. They have a naval base on Conakry, and have explored possibilities in many other places on the marches of Europe.

By playing on the Arab-Israeli conflict, and other issues, the Soviets have made considerable progress in the Middle East, from Iraq and Aden to Algeria. And their investment in that effort is by now massive. They have supplied Arab states with billions of dollars worth of arms and economic aid. And their technical assistance, especially in the military sphere, often becomes participatory. If the Soviet Union were to achieve domination of the Mediterranean, North Africa and the Middle East, it would outflank the NATO defenses in Central Europe, and threaten Europe from its soft underbelly, as President Pompidou once remarked. It has been painfully obvious since October 1973 that hegemonial control of the oil, the space and the mass of the region by the Soviet Union would carry with it domination over Western Europe as well. NATO would be dismantled. Europe would be reduced to the status of Finland, at best—a major supplier of technology and consumer goods to the Soviet Union, and a political eunuch.

In this perspective the American and the NATO interest in Israel is of critical importance. It has two aspects, related but distinct.

The first is the historical responsibility we share with other nations for the existence of Israel. Israel came into being in reliance on the solemn promises of the world community. Depending upon those pledges, nearly three million people have come together, refugees and idealists from the ends of the earth. They have forged a living democratic community, state and nation. While Arab public opinion is changing, it probably still believes that the creation of Israel was an injustice to the Arabs, beyond the powers of the League of Nations and the United Nations. But the United Nations has emphatically reiterated the judgment that Israel exists of right, and that the Arabs must at long last make peace. The most recent and most fundamental assertion of this judgment was the decision of the Security Council stated in Resolution 338. It is morally and politically unthinkable that the United States and its allies, and many other nations as well, could stand by and allow Israel to be destroyed. On this issue the verdict of history, however debatable, is irreversible. On such an issue we pass beyond the realm of power politics to the true sources of our being: to the ultimate and abiding question, what manner of men are we? The United States, Great Britain, France and Germany all made the answer clear in their responses last fall to the threats of Arafat in the General Assembly of the United Nations.

The second aspect of our national and NATO interest in the fate of Israel is the use the Soviets have made of the Arab-Israeli conflict in their programs for gaining control of Western Europe. In the late '40s the Soviets supported Israel in order to help drive Britain out of the Mediterranean. A few years later they changed sides. With massive arms supplies and political backing, they dangled before the eyes of the Arabs the irresistable temptation of an opportunity to drive out the Israelis, as the Crusaders had been driven out many centuries before. The wars of 1956, 1967, 1969–1970 and 1973 could never have taken place without Soviet support for Arab policy. Were the policy to succeed, the Soviets believe, the Arabs would be irrevocably committed to their protection. Before the incalculable storm the destruction of Israel would provoke, the Arabs would have no other choice.

Our political and strategic goal in the Arab-Israeli conflict, therefore, should be to convince the Arabs that their flirtation with Soviet policy can bring them nothing but tragedy, and to insist on a fair and even-handed peace, which both Arabs and Israelis could welcome and live with. The Soviet interest is to prolong and envenom the Arab-Israeli dispute as long as possible, provided that the risks do not become excessive. They have profited greatly from it. Some Israelis may think that Israel would be better protected by territorial acquisitions than by unequivocal peace treaties. The United States and its NATO allies must always favor peace as the goal of their policy for the Arab-Israeli dispute—a fair peace, a balanced peace, but peace, nonetheless, and not a truce, an armistice or a modus vivendi. American and allied interests in the Middle East will not be automatically safeguarded by peace between Israel and its Arab neighbors. Many other complex and difficult programs will be required to assure that end. But our common interests in the entire region cannot be safeguarded without an Arab-Israeli peace. This has been a principal theme of our Middle East policy, and of allied policy, whenever there was one, since 1948.

The goal of peace between Israel and its neighbors has been blocked, from that day to this, by Egypt's persistent refusal to make peace. Journalists, scholars and diplomats talk vaguely of missed opportunities for peace. They often reproach the United States and Israel for failing to discover or to invent the formula that might have persuaded Egypt to make peace. Two and a half years of direct and responsible experience with the problem, and a good deal of study since, have convinced me that these reproaches miss the point. No doubt mistakes have been made in conducting the complex diplomacy of the Middle East problem, many of them serious. But there has been no "intransigence," no "arrogance," no lack of imagination. Dozens of approaches to Egypt, some of the most important based on terms Egypt had professed to offer, all met the same fate: with full Soviet support Egypt simply said "No." In the nature of Arab political life it was impossible for Jordan or Lebanon to make peace, in the absence of action by Egypt.

Egypt did not even say that it was willing to make peace under Resolution 242 until 1971, and then only on terms that the Security Council had rejected in 1967. When Egypt went to the Geneva Conference in 1974, it abandoned that position, although it has since tried to revive it, in view of the apparent willingness of the United States to proceed with a diplomatic effort that puts the Security Council resolutions to one side.

Soviet support for the Arab aggression of October 1973 was only the most open and dramatic step in a long campaign on many fronts. Soviet policy in relation to the October war contradicted the public assurances the Soviets had given to President Nixon in May 1972 and in the summer of 1973. Instead of pressing for a diplomatic settlement of the Arab-Israeli dispute in accordance with Security Council Resolution 242, as they had promised, the Soviets helped to prepare and equip the Arab attack of October 6, 1973, supported the oil embargo, and urged distant Arab states to enter the fray. And, at the end, they threatened to intervene in order to prevent the total destruction of the Egyptian and Syrian armed forces.

While Nixon and Kissinger responded well to the final Soviet threat, by putting our own forces on a worldwide alert, they did accept a cease-fire immediately, as the Soviets demanded once it became obvious that the Israelis had defeated the Arab armies on both fronts. Since the Soviets and the Arabs had refused even to discuss American cease-fire proposals during the first two weeks of the war, there was no American interest in ending the war before the aggression was visibly and totally defeated. In October 1973 however, Nixon and Kissinger lived in the looming presence of Watergate. They were so completely the prisoners of their own détente rhetoric that they covered up the Soviet role in the war, both by what they said and what they did not say to American and to world opinion. Mr. Kissinger still tells us that Soviet behavior before, during and after the October war was "not unreasonable," and "less obstructive than in 1967," and that our détente relations with the Soviet Union contributed to an agreed settlement. In the United Nations our representative was instructed not to comment on the critical issue of Arab aggression, and Soviet complicity in that aggression. That policy was a grave error, denying our position the immense moral and political authority that still inheres in the charter of the United Nations, and further weakening the norms of the Charter as a restraint against the unchecked use of violence in international affairs.

The Soviet plan did not of course succeed in 1973. The brilliant victory of Israeli arms backed by American supplies and diplomacy and the terms of Resolution 338, which that victory made possible, gave the United States and its allies a fresh opportunity to protect their interests in the Middle East.

The content and structure of Resolution 242, now reaffirmed by Resolution 338, was determined by the refusal of the Arabs to make peace since the early '50s, and above all by the fate of the settlement reached between Israel and Egypt in 1957. In 1957 we were persuaded by Egypt to push Israel out of the Sinai without peace, in exchange for a long list of glittering promises that were made to us as well as to Israel, and were not kept. In 1957 we deferred to Nasser's sensibilities by acting as the broker of an agreement between Israel and Egypt. The terms of the agreement were put forward in a carefully planned scenario of apparently unconnected statements at the UN and in the capitols. I still have the printed volume of the State Department documents on the subject supplied to me during the 1967 crisis.

It is decorated by 15 or 20 paper clips. I was instructed that the pages marked by the paper clips constituted the peace agreement of 1957. Israel withdrew from the Sinai in reliance on assurances that the Strait of Tiran would be kept open; guerrilla attacks from Egypt would cease; Israel would be allowed to use the Suez Canal; and peace would be made in due course. And it was expressly understood that if Egypt ever closed the Strait of Tiran, Israel would be entitled to respond with force as an act of self-defense. This is why no majority could be brought together, either in the Security Council or the General Assembly, to condemn Israel's attack in 1967.

As a result of this experience the Security Council ruled in 1967, and again with binding force in 1973, that Israel need not withdraw without a binding, public, signed agreement of peace.

The United States did not build its recent diplomatic effort in the Middle East on this unassailable legal and political foundation. Instead it pursued Mr. Kissinger's tactics of step-by-step negotiations, intended to achieve Israeli withdrawals without peace. In order to evade the terms of the Security Council resolutions, the arrangements for Israeli withdrawal are called agreements of "military disengagement." It is hardly remarkable that Mr. Kissinger's efforts were warmly received in Arab capitals, and were encouraged, or at least not seriously opposed, by the Soviet Union.

There was justification under the Security Council resolutions for the original "military disengagement" agreement between Israel and Egypt, though not for all its terms. The cease-fire of October 22, 1973 had left Israeli and Egyptian forces precariously—and dangerously—intermingled. There was a legitimate legal and practical reason for establishing more workable cease-fire lines, especially since no one knew where the battle lines were on October 22. In the perspective of a long-term settlement, however, it was a mistake to allow even limited Egyptian forces to cross the canal, and to be stationed in the Sinai.

There were no corresponding justifications for the "military disengagement" agreement between Israel and Syria. There was no argument about the emplacement of Syrian and Israeli forces on October 22, 1973. The Syrian disengagement agreement began to erode the authority of the Security Council resolutions, which have been, and should continue to be the foundation of our policy.

Mr. Kissinger chose to ignore another central feature of Resolution 338: its command that the parties themselves conduct the negotiations. Instead of having Israel and Arab negotiators meet in his office, secretly if necessary, he was trapped into acting as a go-between, as Ambassador Jarring did. This procedure abandoned a principle whose importance is made obvious by the nature and history of the conflict. It is notable that the most significant agreements in the long, tragic cycle—the Armistice Agreements in 1949, and the Egyptian-Israeli disengagement agreement of 1973—resulted from direct negotiations between the parties, assisted by the good offices of outsiders.

There was no justification of necessity for the course we have been pursuing. If Mr. Kissinger's program of step-by-step negotiations could work, it should be equally possible, at far less risk, to reach agreements with each of the states subject to the command of the Security Council Resolution 338—framework agreements, agreements-to-make agreements, in the style of the Vladivostok understanding, pursuant to which the parties would move, stage by agreed stage, to the final step of full peace. If any one of those states is unwilling to commit itself to peace in accordance with the Security Council's mandate, the first remedy prescribed by the Security Council is clear—Israeli occupation of the territories taken in the course of the 1967 and 1973 wars, in the phrase of a French scholar, as "the gage for peace."

The United States has been seeking to avoid a return to the full Geneva Conference. There is no doubt that such a conference would present difficult problems, largely because Nixon and Kissinger—struggling to preserve the appearance of détente—agreed to the joint presidency of the United States and the Soviet Union. And such a conference might make it even more difficult than it is now to isolate Syria, which has never committed itself to the principle of peace.

But a peace conference at Geneva is not in itself an odious idea.

Our diplomacy has been struggling to convene such a conference since 1949. And the Geneva Conference would of necessity be based squarely on the Security Council resolutions. If the United States and its allies reach a firm common position on what those resolutions require and permit, and pursue a steady diplomacy in support of that position, the risks of such a conference would be far less, both for us and for Israel, than the course we followed until March 22.

It was in any event a fantasy to suppose that the Soviet Union can be excluded from the process of making peace in the Middle East. That goal would be undesirable even if it were possible. There will be no peace in the Middle East or in other inflamed regions of the world until the Soviet Union does accept responsibility for peace. The Soviets cannot, after all, be ignored. And they have, and will continue to have, a considerable capacity for mischief. The only sensible goal for our diplomacy therefore is to induce the Soviets to accept peace based on the Security Council resolutions for which they voted. The Soviet Union has been persuaded to accept many sensible policies during the last 30 years once it came to realize that the alternatives were all worse. Soviet acquiescence in Resolutions 242 and 338 are vivid cases in point.

In Israel recently Mr. Kissinger is reported to have told the Israelis that peace would require "an act of faith" on their part. In context his meaning was clear: he was asking the Israelis to repeat the procedures of withdrawal without peace that proved to be such a catastrophe in 1957.

One can accept, as I am glad to do, the view that President Sadat is genuinely and sincerely interested in making peace. But he speaks of leaving office soon. And in any event the issues at stake are the ongoing policy of states, which should be expressed in documents and policies of ongoing vitality. The only feasible procedure for achieving a condition of peace between Israel and its neighbors is that prescribed by the Security Council resolutions.

SENATOR TUNNEY SPEAKS OUT ON BEHALF OF OLDER AMERICANS

Mr. CHURCH. Mr. President, the Subcommittee on Aging of the Senate Labor and Public Welfare Committee concluded hearings on April 23 on proposals to extend the Older Americans Act and other legislation affecting the elderly.

The 4 days of hearings produced excellent testimony on a wide range of subjects from leaders in the field of aging, Government officials, older Americans, and others.

One such example was a statement by Senator John Tunney, a member of the Committee on Aging and an effective advocate on behalf of the elderly.

Senator Tunney, I am pleased to say, has joined me in sponsoring the Older Americans Amendments, which would improve and extend the Older Americans Act, the Older American Community Service Employment Act, and other important legislation.

He has also taken the lead in attempting to strengthen legal representation for the aged.

Senator Tunney's testimony provides fresh new perspectives on a number of key issues.

For this reason, Mr. President, I ask unanimous consent that his April 23 statement before the Subcommittee on Aging be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement of Senator John V. Tunney

Mr. Chairman, I am pleased to take this opportunity to speak briefly on behalf of S. 1426, the Older Americans Act Amendments of 1975, introduced by Senator Church on April 14. I was pleased to cosponsor this forward-thinking legislation.

On this, the tenth anniversary of passage of the first comprehensive legislation targeted toward the older American, I find it most fitting that we are considering legislation which will further expand the scope of services to aid our senior citizens.

It must be acknowledged that the economic hardships faced by our society these days have hit hardest upon the elderly. The effect of inflation on those with fixed incomes has been especially devastating, and the majority of our senior citizens fit this category. There are now more than 20 million people in this country who are 65 or over, and this number increases every day. One fourth of these people live in poverty. These are proud people, people who have worked hard all their lives. They do not want handouts or token sympathy. All they ask of us is the most basic assistance for living. The Older Americans Act Amendments of 1975 must provide such requisites.

Our nation long has been youth directed. We are instructed to "think young, dress, act and be young." The youth is the "future of America," and we rightly spend many millions of Federal money to secure their futures. Frequently, however, few stop to recognize that those who have retired from business, who imperceptibly have slid into old age, have well served our society and can continue to do so. There is no need to shelve an individual once he or she has become a "senior citizen." That person continues to grow, to develop, and, most important, to contribute to our society if given a chance.

The Older Americans Act Amendments of 1975 will extend that chance to countless senior citizens who otherwise would not have the opportunity to do so. It permits the older American to participate in part-time work, to get out among other people, to receive adequate nutrition, to play an active role in the society in which he or she lives.

During the ten-year history of the Act, many small but significant steps have been taken. Over 200,000 senior citizens are receiving the benefits of the congregate meals program, providing not only a nourishing hot meal, but the person to person contact that so many senior citizens need and miss. Through volunteer and part-time employment programs, over 130,000 senior citizens are giving of their talents. Countless young persons have been trained to the special legal, fiscal and social needs of our older citizens and are now using their talents to better the lives of the senior citizens.

These efforts are to be commended, as are the efforts of many area and state agencies on aging for their decade of work. However, we cannot afford to stop here. I believe that S. 1426 will provide the additional impetus to continue these most crucial services to older Americans and to continue them with rededicated purpose and resolve.

The bill extends the authorization for all the programs of the Older Americans Act including: Title III grants for state and community programs on aging; Title IV research, demonstration and training programs to meet the special needs of the elderly, and Title V to develop and perpetuate valuable multi-purpose senior centers. Also retained is Title VII which provides important congregate meals programs to thousands of senior citizens across the nation. Title IX, the Older Americans Community Service Employment Act, is also continued, and the job opportunities broadened.

The bill, comparable in part to the House-passed bill, is most significant in several ways. First, it earmarks special services as crucial to the needs of senior citizens in a new Title VIII. The title mandates that at least twenty percent of the funds expended by states and area agencies on aging under Title III must be spent on five special areas. These include special homemaker and other home services, housing repairs and renovation, transportation services, mortgage aid, and legal counseling services. Through the course of its hearings, both House and Senate have learned that these areas are of particular importance and are among those in greatest need of Federal program support. The legal services program is one in which I take special pride. The needs are well documented in hearings, and I have worked hard during the past year to insure that legal needs are met in the best way possible. This bill provides just that.

Several provisions mark the Senate bill as different, however. Title VII includes provision of Federal cost-sharing of the administrative costs to run the nutrition program. We have been careful, however, to insure no cutback in the number of meals to be served. A new special emphasis has been placed on rural area delivery systems in the demonstration program under Title III.

There is also a major difference in the appropriations. First, S. 1426 provides slightly increased funds for Title III area planning and social services. While the increase is not substantial, it will provide the relief necessary in the development of quality delivery systems. Second, and most important, this bill authorizes the Act for two more years, rather than four. We believe that this is sound fiscal planning. The cost is not exorbitant—$800 million over the two-year time—to provide senior citizens the means to carry on their lives with dignity.

The House has passed their version of this legislation by a resounding majority. It is now time for this Subcommittee to come to grips with the various alternative bills to extend the Older American Act.

Mr. Chairman, whatever final version emerges from this Subcommittee, I am hopeful that it will reflect the firm commitment of Congress to insure the sanctity of the lives of our senior citizens. The Older Americans Act has come a long way since 1965, and I am certain that the implementation of strong amendments will allow it not only to continue, but to flourish.

DEFENSE INDUSTRY LOBBIES TO RETAIN HIDDEN PROFITS

Mr PROXMIRE. Mr. President, Congress created the Cost Accounting Standards Board to provide uniform cost accounting standards for defense contracts. The Board was established as a legislative agency because Congress wanted assurance that taxpayers are not being required to pay for unwarranted charges against defense contracts and that contract costs are properly identified.

PROFITS HIDDEN IN DEPRECIATION CHARGES

One of the most serious abuses of the contract system has been the practice of padding defense contracts with profits that are hidden in depreciation charges. The Cost Accounting Standards Board promulgated a new standard on depreciation recently to eliminate hidden profits, and it should come as no surprise that the defense industry is now vigorously lobbying on both sides of Capitol Hill to overturn or water down the new standard.

DEFENSE CONTRACTOR'S INFLUENCE IN WASHINGTON

I do not criticize the defense contractors for doing whatever they can to protect what they perceive as their interests. This is a natural reaction. But their influence in Washington is something to behold.

One hearing before a Senate committee has already been held at the request of the contractors, intended as far as the contractors are concerned to create pressure against the new standard. Another hearing before a House committee is scheduled for later this week.

It is not every group or interest in America that can get committees of the House and Senate to move so quickly into hearings.

I do not mean to imply that the hearings have been loaded or are rigged in favor of the defense contractors. Both committees in question are chaired by men whom I admire and respect very much, and I am a member of the Senate committee with jurisdiction over this matter. But the efforts of the defense industry—the letter writing campaign, the buttonholing, the concerted action—is something to behold. It is a tribute to this group that it can organize so quickly and effectively.

Nevertheless, there is no doubt in my mind that the hearings will prove that the new depreciation standard is both reasonable and necessary to protect the public interest and to prevent overcharges on defense contracts.

NEW STANDARD MATCHES COSTS AND BENEFITS

One of the most important benefits of the standard is that it will result in proper matching of depreciation costs with the benefits to the contractor from the use of the asset being depreciated. This point was emphasized in the testimony given by Elmer Staats, Chairman of the Costs Accounting Standards Board, before the Subcommittee on Stabilization and Productivity of the Senate Banking Committee. Mr. Staats stated:

TESTIMONY OF ELMER STAATS

Standard No. 409, which permits the determination of the proper measurement and allocation of depreciation costs under negotiated defense contracts should be of value to both the Government and the contractor. If a contractor performs nothing but defense work, it is important that his different defense contracts bear the correct costs of depreciation of the assets used in performance of those contracts. The costs of all procurements are distorted if some procurements bear disproportionately heavy depreciation costs while others bear disproportionately light depreciation costs. For the same reason, a contractor whose business is mixed between defense and commercial business must be able to allocate the correct costs of depreciation to the defense portion of his business.

Mr. President, this comment by Mr. Staats is very significant. Preliminary information in my possession indicates that several major defense contractors may have charged the Government for the depreciation costs of equipment and subsequently used that equipment for their commercial business. It is entirely possible that millions of dollars may have been drained from the United States.

Fortunately, the new standard on depreciation will put a stop to such improper allocations of depreciation cost. But the new standard will not be included in defense contracts until July 1, 1975. Whatever improper allocations of depreciation cost have been made in the past, resulting in millions of dollars in benefits to defense contractors, will remain buried and hidden.

The defense contractors' current efforts are designed to keep those benefits well hidden from public view or congressional scrutiny.

I ask unanimous consent that the testimony presented by Elmer Staats on April 14, 1975, be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT OF THE HONORABLE ELMER B. STAATS

I welcome this opportunity to discuss Cost Accounting Standard Number 409, Depreciation of Tangible Capital Assets. There has been considerable misunderstanding among some defense contractors and defense industry associations as to what the Standard provides. This hearing should help both in clarifying the reasons for promulgation of the Standard and also in explaining its provisions.

The Cost Accounting Standards Board believes that the Standard is a keystone to the development of Cost Accounting Standards for defense contracts. The Board believes that it establishes fair and equitable requirements for measuring and allocating depreciation costs under negotiated defense contracts and subcontracts, and that it promotes a greater degree of uniformity and consistency in the pricing of those contracts.

I have prepared a brief statement about the background of the Board, about the nine Cost Accounting Standards which the Board has promulgated and about the Board's Disclosure regulations. The statement also includes other background information which may be of interest to the Subcommittee. Rather than read that background material, I would appreciate your including it as part of the record of this hearing as an attachment to this Statement. I want to discuss the background of the Standard and the provisions of it which I understand are objectionable to some defense contractors.

The Board instructed its staff almost four years ago to begin the work which has led to Standard No. 409. The subject of depreciation is not a new one. It was identified as a major problem area in the General Accounting Office's Feasibility Study conducted in 1968 and 1969—the work which preceded Congressional creation in 1970 of the Cost Accounting Standards Board. Beginning in May 1971, our staff conducted rigorous research of published material, including Government procurement regulations dealing with depreciation and the changes made in them from time to time. We considered the research data made available to us by the American Institute of Certified Public Accountants and the Management Accounting Practices Committee of the National Association of Accountants. We consulted with the Treasury Department and the Internal Revenue Service.

We also have had the benefit of a great deal of research work performed by the Board relating specifically to depreciation in connection with negotiated defense contracts. We made analyses of the several hundred Disclosure Statements of contractor accounting practices which are on file with the Board. An issues paper dealing with capitalization and depreciation was distributed on December 23, 1971 to 50 individuals and organizations who expressed an interest in the Board's work. A questionnaire derived in part from the responses to the issues paper was distributed to about 100 interested parties in April 1972. Staff Members made numerous plant visitations and held discussions with company officials at contractor locations during the more than three years spent in developing the Standard on depreciation. We benefited from a detailed Staff study of depreciation costs of 107 contractor profit centers.

In addition the Board invited representatives of the Department of Defense, the Aerospace Industries Association, the American Institute of Certified Public Accountants, the Financial Executives Institute, and the Machinery and Allied Products Institute to meet with us for a discussion of the issues involved. Board staff also arranged for informal meetings with representatives of professional accounting and industry organizations. We rely heavily on these organizations to provide us with an understanding of the view of those who will be affected by any Standard, if promulgated.

Based on this general background research and on our understanding of the issues involved, a preliminary Staff proposal was mailed in March 1973, to 270 contractors and others to provide them an opportunity to comment and advise the Board. We received over 100 letters of comment on that Staff proposal. At subsequent meetings, the Board had numerous discussions about issues highlighted and alternative approaches to those issues.

On June 11, 1974, a Board exposure draft was published in the Federal Register, soliciting comments from all interested parties. It was also mailed directly to the approximately 1,000 persons then on the Board's mailing list of individuals and organizations who have expressed an interest in the Board's work. We received more than 100 letters commenting on that proposal. After careful Board consideration of those comments, the proposed Standard was revised and published again in the Federal Register of October 3, 1974. This second publication of a proposal was unprecedented for the Board; it was also sent to the entire Board mailing list. We received 80 letters in response to this second exposure draft.

On December 20, 1974, at the request of industry spokesmen, the Board scheduled a special meeting. This meeting was attended by many industry representatives who provided a further exchange of views which assisted the Board as it began its final deliberations on the proposed Standard. The Board by a four to one vote decided at its January meeting this year to promulgate the Standard.

The Standard was submitted to the Congress on January 24, 1974, in accordance with Section 719(h)(3) of the Defense Production Act, which requires that sixty days of continuous legislative session elapse before the Standard goes into effect. In the absence of a concurrent resolution stating in substance that the Congress disapproved of the promulgated Standard, it became final on March 25, 1975. It will be incorporated in appropriate negotiated defense contracts made on and after July 1, 1975.

Even after that date, however, the requirements of the Standard are phased so that those contractors for whom accounting changes will be required will not experience the full impact of the Standard for many years. This long-delayed impact of this Standard on the negotiation of defense contracts will not even begin for most defense contractors until some time in 1978.

I would like to turn now to a discussion of the provisions of the Standard itself. The first point I would make—and it is a matter of very considerable significance—is that the Standard has not been challenged or questioned with respect to its accounting concepts or techniques. The purpose which the Congress prescribed for any Cost Accounting Standard is that it provide for fair and equitable means whereby costs under negotiated Government contracts may be measured and allocated to the Government business of the contractor, in such a way as to provide increased uniformity and consistency in cost accounting practices used in Government contracts. The Board has heard little criticism that Standard No. 409 fails to satisfy this primary, statutory requirement of all Cost Accounting Standards.

As I mentioned earlier, accounting for depreciation costs was clearly identified as a significant problem area, even before the Cost Accounting Standards Board was created. The Government's procurement regulations such as the Armed Services Procurement Regulation were relying largely on financial accounting practices and Federal income tax regulations for the determination of depreciation costs. The Board's research showed that defense contractors often used minimum lives permitted for tax purposes for financial accounting rather than lives based on actual experience. During its research, the Board was also urged to rely on tax accounting for the determination of service lives. The Board recognized that contract costing often deals with the same expenditures and the same problems of allocation to time periods that are of interest in income tax accounting. The Board recognized however that tax regulations are intended to achieve a variety of social and economic goals quite foreign to the purposes of contract costing.

I should emphasize at this point that Cost Accounting Standards do not modify tax laws or accounting practices used for reporting Federal income taxes. Compliance with Standards No. 409 for contract cost accounting purposes will in no way affect the accounting practices a firm uses for making its tax returns, and accounting practices suitable for tax accounting will continue for that purpose.

Standard No. 409, which permits the determination of the proper measurement and allocation of depreciation costs under negotiated defense contracts should be of value to both the Government and the contractor. If a contractor performs nothing but defense work, it is important that his different defense contracts bear the correct costs of depreciation of the assets used in performance of those contracts. The costs of all procurements are distorted if some procurements bear disproportionately heavy depreciation costs while others bear disproportionately light depreciation costs. For the same reason, a contractor whose business is mixed between defense and commercial business must be able to allocate the correct costs of depreciation to the defense portion of his business. Finally, it is in the public interest that the Government not be forced to continue to make premature borrowings or an unduly early use of its revenues to reimburse contractors for depreciation costs which under sound cost accounting principles would not be subject to reimbursement as early as they now are.

What then are the economic arguments being presented against Standard No. 409? Let me say briefly that the principal objections from those opposing the Standard have been that it will, several years from now, require them to base depreciation costs under negotiated defense contracts on estimates of the actual expected lives of the assets being depreciated, rather than on the shorter periods of time which they have up to now been entitled to use for tax purposes. The result of this future requirement will in most cases stretch out the period of time under which the costs of those assets will be reimbursed, from an artificially short period to a more realistic and longer period based on the experience of each company.

This in turn leads to what the opponents of the Standard see as a deprivation of cash-flow advantages which many defense contractors have enjoyed for many years. They believe that the effect of the Standard may inhibit investment in plant and equipment, that it may "strangle" capital formation and regeneration, and that it may adversely affect earnings.

The Board was of course well aware of the potential impact on many contractors' cash-flow of Standard 409, and it heard the arguments of the economic consequences of this impact from industry spokesmen. The Board sought to answer these arguments in its prefatory comments issued at the time the Board promulgated the Standard. For contractors who have been using realistic service lives, the Standard is likely to have little effect. For contractors who have not been using realistic service lives, what we indicated in the prefatory comments and would repeat today is that the Board understands that the stretching out of lives will deprive them of the cash-flow advantages which they have been realizing in the performance of those contracts.

The Board believes that if the profits made in the performance of defense contracts are inadequate to provide an incentive for the necessary investment in new plant and equipment or inadequate to provide sufficient incentive to American industry to undertake defense contracting, then this problem should be addressed directly by the procuring agencies in the application of, or in a reformulation of, their profit policies. The Board believes that profits should not be realized on the basis of inappropriate accounting practices. Profit objectives should be set openly and realistically as a matter of public policy. The Government obviously wants to retain its present supplies base and expand that base if possible. Profits should be sufficient and sufficiently visible to accomplish those objectives.

Contrariwise, we do not believe that Cost Accounting Standards should overlook real costs involved in fulfilling a negotiated contract. For example, the Cost Accounting Standards Board has under consideration the question of whether the cost of capital should be recognized as a cost in fulfillment of these contracts. Interest, as you know, is now disallowed. The Board does not have authority to direct that this policy be changed. However, we do have authority to require that these costs be identified and properly allocated as a cost in fulfilling negotiated contracts, and our staff is currently working on such a standard with this as our objective.

The Board deliberately delayed the impact of Standard No. 409 so that any necessary readjustments of Government profit policy could be made deliberately. Thus Standard No. 409 will have no impact at all on most Government contractors until some time in 1978, almost 3 years after its promulgation. Furthermore, even if the Standard begins at that time to affect the reimbursement of depreciation costs of some contractors, it will be three or four more years before that impact can possibly be substantial. The Board is fully confident that the Government and its suppliers, both current and potential, given several years within which to address themselves to the proper profit levels and the need for new plant and equipment for the performance of Government contracts, will resolve these matters equitably. These solutions can be arrived at in an atmosphere in which both parties can address themselves specifically to the profit and capital requirements of Government suppliers, without the distortion which has persisted throughout prior years of consideration of these specific issues because of the availability to some of accounting practices which may produce unacknowledged profits during the performance of Government contracts.

One final argument has been made against the Standard which I have not specifically dealt with. That is that the Standard will require the establishment and maintenance of records bearing on the life of capital assets beyond anything presently established and maintained by defense contractors, and that this record-keeping requirement will be so burdensome and expensive that its costs themselves will outweigh any advantage to be derived from use of the Standard.

The Board gave careful consideration to these arguments prior to its promulgation of Standard No. 409. The Board responded to these concerns by providing that contractors might employ statistical sampling from existing records or judgmental samples with analyses to support a large portion of the dollar amounts involved. In this way, reasonable estimates may be developed through the use of relatively small samples. Furthermore, the Board urged procurement agencies to provide early written guidance to their field personnel on ways in which contractor estimates of the expected lives of assets will be evaluated by Government auditors and contracting officers. The Board also volunteered its own assistance, if requested, in the development of this guidance. Our assistance has indeed been requested, and our Staff is now working with Government agencies on this matter.

We have in this connection learned that the Department of Defense has surveyed 92 defense contractors, including large, medium and small firms, to determine the quality of their records of their fixed assets. Of that number, all 92 have records showing the acquisition dates of their assets, 91 have records showing the acquisition costs of those assets, and 82 have records showing the disposition date of those assets. The survey concluded that all of the 92 contractors have records which are either adequate to determine the service lives of assets or which are available for that purpose but required analysis to determine such lives. All of the 92 companies surveyed were found to have records adequate to be used as a base line for estimating the service lives of future acquisitions.

All of these companies and other defense contractors will have until some time in 1978 in which to develop the necessary estimates. The Board's belief that the record-keeping requirements of the Standard are not unusual and do not in fact require the huge majority of defense contractors to establish and maintain records which they do not already maintain appears to have been wholly justified.

I have taken some time to explain the way in which the Board researched the entire subject of depreciation before promulgating Standard No. 409. My purpose was to provide to you an understanding of the way in which the Board seeks to carry out its statutory responsibilities of promulgating this and all other Cost Accounting Standards to achieve greater uniformity and consistency in the cost accounting practices used by defense contractors and subcontractors.

The Board's research, development, testing, consideration, and reconsideration of proposals have been exhaustive, have been conducted objectively by skilled professional staff, and have resulted in Cost Accounting Standards which we believe are most likely to satisfy the requirements which the Congress through Public Law 91–379 has placed upon the Board.

Having entered a strong defense of the Board's action, let me hasten to add that we will proceed with an open mind and, should experience indicate the desirability of a modification of the Standard, you can be assured that we will make the appropriate changes. This principle applies to all of the Standards issued by the Board, and for this reason we have agreed that we need to systematically assess from time to time how these Standards are working out. We do this on a continuing basis. In addition, we have scheduled in early June a 2-day conference in Chicago specifically for this purpose at which we will hear the views of all interested parties with respect to the Standards which have been in effect for a reasonable period of time.

I am prepared to respond to your questions at this point.

Summary of Cost Accounting Standards Board Achievements and Activities, 1970–1974

The Cost Accounting Standards Board was established as an agent of the Congress and independent of the executive departments by enactment of Public Law 91–379 on August 15, 1970.

In January 1971, following appropriations for the work of the Board, I appointed the four persons who first served with me on the Board. These were Mr. Herman W. Bevis, who was Senior Partner of Price Waterhouse & Co., Certified Public Accountants; Mr. Robert K. Mautz, who is currently a Partner in the firm of Ernst & Ernst, Certified Public Accountants; Mr. Charles A. Dana, who is Director of Government Accounting Controls of Raytheon Company; and the Honorable Robert C. Moot who was Assistant Secretary (Comptroller) of the Department of Defense. The terms of those four Board Members expired early in 1975, and I reappointed Mr. Bevis and Mr. Mautz to second terms. The Honorable Terence E. McClary, now the Assistant Secretary of Defense (Comptroller), was appointed to succeed Mr. Moot; and Mr. John M. Walker, Vice President and Controller of Texas Instruments, Incorporated, was appointed to succeed Mr. Dana.

Early in 1971, the Board selected Mr. Arthur Schoenhaut as its Executive Secretary, and a small full-time staff—now numbering 24 professional persons—was soon formed.

The Board generally holds monthly meetings lasting from one to three days. The Board operates on the basis of staff papers, and each Board Member is personally briefed by the staff in advance of each Board meeting on the items included in the meeting agenda. Board Members are in frequent communication with the staff on materials being developed by the staff. Thus, the Board Members are deeply involved in all aspects of research and development of Standards and regulations.

The Board has promulgated nine Cost Accounting Standards and implementing regulations; seven of them are now required to be included in negotiated defense contracts and subcontracts covered by Public Law 91–379. Standards Nos. 408 and 409 will be included in such contracts made on and after July 1, 1975.

The nine Cost Accounting Standards promulgated by the Board to date are:

No. 401 Consistency in Estimating, Accumulating, and Reporting Costs;

No. 402 Consistency in Allocating Costs Incurred for the Same Purpose;

No. 403 Allocation of Home Office Expenses to Segments;

No. 404 Capitalization of Tangible Assets;

No. 405 Accounting for Unallowable Costs;

No. 406 Cost Accounting Period;

No. 407 Use of Standard Costs for Direct Material and Direct Labor;

No. 408 Accounting for Costs of Compensated Personal Absence; and

No. 409 Depreciation of Tangible Capital Assets.

The Board has also solicited comments from the general public on a proposal for Standard No. 410, dealing with allocation of business unit general and administrative expenses to cost objectives, and a proposal for Standard No. 411, concerned with accounting for acquisition costs of material. Comments submitted to the Board on these proposals are being analyzed prior to Board consideration of whether to go forward with promulgation of Cost Accounting Standards on the two subjects.

The Board is working on approximately 10 additional subjects, many of which we believe will culminate in Cost Accounting Standards.

The Board has also designed a Disclosure Statement of cost accounting practices which certain contractors must submit to the Government as a condition of contracting. These Disclosure Statements require major defense contractors to describe the principal practices they will follow for applicable negotiated defense contracts. Initially, each contractor who received negotiated prime defense awards in excess of $30 million in Fiscal Year 1971 was required to submit a Disclosure Statement. The Board amended that regulation to provide that, beginning April 1, 1974, Disclosure Statements were also required from companies which received in excess of $10 million of negotiated prime defense contracts of the kind subject to the Board's jurisdiction in either Fiscal Year 1972 or Fiscal Year 1973. The Board has only recently published a proposed amendment to its regulations on the Disclosure Statement which, if adopted, would require firms to file Disclosure Statements on the basis of awards received in subsequent fiscal years.

As of March 31, 1975, the Board had received copies of 1,260 Disclosure Statements from 155 multi-divisional companies required to make disclosure of cost accounting practices to the Government. The Board has established a computerized data bank into which are placed the responses contained in every Disclosure Statement received. We have the capacity now to provide aggregate data with respect to any question or combination of questions covered by the Disclosure Statement. This data bank is of considerable assistance to the Board in its research into possible Standards.

In 1974 the Board promulgated a Disclosure Statement for use by colleges and universities receiving defense contracts and subcontracts. The Statement closely parallels the Disclosure Statement submitted by commercial firms but is designed specifically for use by colleges and universities.

In 1974 the Board completed a study leading to establishment of a contract threshold amount below which the Board's Standards and regulations need not be followed. The Board decided to increase the exemption from the statutory limit of $100,000 to $500,000. The increase became effective January 1, 1975. Based on Department of Defense statistics, the Board estimates that about 70 percent of the companies receiving DOD prime contract awards representing only about ten percent of the total dollar value of annual DOD contract awards, will be exempt. Contractors who do not receive a covered contract in excess of $500,000 can, however, elect to comply with the Board's Standards and regulations.

Recognizing that cooperation by departments and agencies of the Executive Branch would be very important in achieving the full benefit of its regulations and Standards, the Board established an Interagency Advisory Committee in 1972. The Committee is composed of controller and procurement representatives of the Energy Research and Development Administration, the Department of Defense, the General Services Administration, the National Aeronautics and Space Administration, the Department of Health, Education and Welfare, and the Department of Transportation. The Committee is chaired by a representative of the General Services Administration.

The cooperative spirit of this Committee and of the individual Federal agencies involved has materially assisted in the implementation of promulgated Standards, rules and regulations. For example, the Atomic Energy Commission, the Department of Defense and the National Aeronautics and Space Administration, the original three principal relevant Federal agencies under Public Law 91–379, have issued uniform implementing regulations. The General Services Administration, in its publication of the Federal Procurement Regulations, provided that, with certain exceptions, the Board's Standards, rules, and regulations, as a matter of policy, are to be extended to nondefense contracts, thus better assuring consistent application of Board issuances to contractors having both defense and nondefense contracts.

To improve understanding of the Board's fundamental objectives and concepts and thus to provide the basis for a productive dialogue with those concerned with the

Board's work, the Board formulated and published in March 1973, a Statement of Operating Policies, Procedures and Objectives. Interested members of the public should, on the basis of this Statement, be better able to focus on the complex and difficult substantive issues which the Board faces in promulgating Cost Accounting Standards.

The task of issuing sound, fair Cost Accounting Standards is exceedingly complex. To assist the Board in achieving its objectives, the Board has actively sought the cooperation of all those who have an interest in its work. The Board has established active, open consultations with representatives of all groups, including Government agencies, professional and industry associations, the academic community, and representatives of individual companies. Participation on both an individual basis and an organizational basis has been excellent. There are now more than 1,500 organizations and individuals to whom Board proposals and promulgations are regularly mailed during the course of the Board's research. These organizations and individuals generally have provided constructive reviews and comments on Board materials.

As an aspect of its conviction of the need for candid and regular communication with industry and Executive Branch agencies and also of its continuing concern for the orderly implementation of its rules, regulations, and Cost Accounting Standards, the Board undertook to sponsor in 1972 and 1973 a series of 1-day briefing sessions held throughout the country for both Government and industry representatives to explain its Standards and regulations. We estimate that approximately 11,000 persons attended those sessions.

Believing that training should be assumed by established training organizations, at least after the Board's early materials had been covered in Board-conducted sessions, the Board in 1974 encouraged the Civil Service Commission, the Army Logistics Management Center, and the American Institute of Certified Public Accountants to establish and maintain training courses in Cost Accounting Standards matters. The Board worked closely with those organizations in the preparation of their courses and continues to provide assistance with respect to the course material and also to provide occasional speakers at the training sessions.

As a further example of the Board's earnest desire to foster communications between itself and defense industries, the Board has announced that it will hold in June of this year an Evaluation Conference on Promulgated Standards and Regulations. The conference will be held in Chicago, Illinois, in order to facilitate attendance by any interested persons. Anyone wishing to appear before the Board to discuss his company's experience with promulgated Standards and regulations is invited to participate in the conference. The conference will also be open to the general public. There are early indications that industry greatly welcomes this opportunity to meet directly with the Board and that attendance at the conference will be high.

To assure effective coordination of the work of the Board with other agencies and groups concerned with accounting principles, the Board has established and maintains regular exchanges with the Securities and Exchange Commission, the Internal Revenue Service, and the principal standard-setting body in the private sector, the Financial Accounting Standards Board.

NATIONAL HEALTH INSURANCE

Mr. TAFT. Mr. President, the 94th Congress is likely to consider very seriously the enactment of national health insurance legislation. While the resolution of this issue is several months away at the very least, now is an opportune time for Congress to be listening to the views of all interested parties on this issue.

In that connection, the views of those in the life and health insurance industries must be regarded as crucial. Congress would be performing a great disservice to the public if it unquestionably accepted the health insurance recommendations of the industry, but Congress would also be performing a disservice if it blinded itself to the industry's comments, needs, and concerns. As we deal with the crucial issue of health insurance, we need the advice of those who have been working in this field for years.

The National Association of Life Underwriters has prepared a nine-point position paper on national health insurance. I will be pleased to insert that position paper in the RECORD for the benefit of my colleagues and others, because I believe it is important that Congress hear the views from the 130,000 life insurance agents, general agents, and managers who comprise this organization. This group obviously is vitally concerned with national health insurance because it could affect their jobs so crucially, and their experience in the field gives them a good perspective for commenting on the issues.

I also find many principles in the position paper which I feel are extremely important. Some of these include the principle that all Americans must have access to adequate health care, the great need for catastrophic insurance coverage, and the importance of effective cost control mechanics. I also agree strongly with the life underwriters that a proposal to federalize the entire health industry and delivery system must shoulder a burden of proof which it probably cannot bear. It is only logical that to the extent feasible and possible any national health program should utilize the delivery system we now have in place.

I ask unanimous consent that the position paper of the National Association of Life Underwriters on Health Care be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

NALU POLICY ON HEALTHCARE

The National Association of Life Underwriters, with a countrywide membership of 130,000 career agents, managers and general agents vitally concerned with the best interests of the insurance buying public, believes that any national healthcare program should encompass the following principles:

1. Adequate Healthcare should be regarded as a right, rather than a privilege. Nationalization or serious impairment of the private health insurance business will hinder rather than assure guarantee of this right. Rather, the private health insurance financing and delivery sectors should be supported by government in attainment and preservation of this right.

2. The private health insurance industry should build on its demonstrated strengths by developing a portable uniform minimum of comprehensive benefits with a minimum catastrophic benefit of $250,000. This benefit should be made available to groups and individuals with competition in rate structure preserved and optional benefits at additional cost available.

3. The uniform minimum program should be available to all, including the poor, near poor and uninsurables. The cost of protection for the poor and near poor to be borne by Federal-State Governments. The cost of uninsurables to be borne by the covered individual and the insurer through a pooling system.

4. In order to minimize cost and provide equity to all insureds, benefits payable by all and all medical coverage on an individual must not provide more than the actual total expense incurred.

5. The private health insurance industry, through its agents and agency system, must continue to merchandise its products under a free competitive market and be reasonably compensated for their sales and service efforts.

6. An effective means of cost control is an absolute necessity so that any program of national health insurance will work efficiently and economically.

7. The entire costs to individuals and employers required to provide at least a uniform minimum healthcare program must allow for an appropriate deduction from income taxes.

8. We urge Congress to consider seriously the adverse economic impact, that any nationalization of the health insurance industry will have on the nearly one million employed and their families, an industry which has contributed so greatly to the economic and social well-being of most Americans.

9. We have the largest Federal debt in history—about $500 billion. We have a Federal Budget of more than three hundred billion a year and face increasing deficits each year. Recognizing these facts we should not increase Federal expenditures by some 50 to 100 billion a year. Neither should we destroy by legislative fiat an industry and hundreds of thousands of individuals who strengthen our economy by constant tax payments.

It will be the purpose of The National Association of Life Underwriters to articulate these relevant principles in fulfilling its commitment to assure the best possible healthcare for all Americans.

TANZANIA CELEBRATES NATIONAL DAY

Mr. HARTKE. Mr. President, the East African country of Tanzania celebrated its National Day on April 26.

Famed for its high mountain peak, Kilimanjaro, the highest in Africa, and the Olduvia Gorge, where the oldest fossils of man have been found, Tanzania has moved politically forward since independence.

Under President Julius Nyerere's concept of "Ujamaa"—familyhood—the country is moving toward self-sufficiency.

What Tanzania lacks in natural resources, she makes up in the ambition and ceaseless effort of the people, who number approximately 14 million.

There is no major manufacturing industry to balance the agriculture sector, which accounts for over 40 percent of the gross domestic product. Major exports are diamonds, cloves, coffee, sisal and pyrethrum.

The United States enjoys friendly bilateral relations with the United Republic of Tanzania, and with this in mind I join the American people in wishing the government, the President and the people of Tanzania, continued development and peace on her national day.

SENATOR GRAVEL WARNS OF NUCLEAR POWERPLANT PROLIFERATION

Mr. CRANSTON. Mr. President, the "fallout" of nuclear powerplants around the world is becoming a matter of grave concern. The proliferation of these plants means the dispersed production of nuclear materials which in turn can mean the spread of nuclear weapons.

In a speech before the 15th annual foreign affairs conference at the Naval Academy on April 23, the Director of the Arms Control and Disarmament Agency, Fred Ikle, sounded a warning we should all heed:

> As if to saddle mankind with a double curse, the nuclear technology now of greatest interest throughout the world—reactors to produce energy—is also a technology that yields material necessary to build nuclear bombs. From a powerful mixture of economic and nationalistic motives, nation after nation will want this technology. The most dangerous material man has ever fashioned will gradually spread all over the world.

On the morning following Dr. Ikle's speech, the New York Times ran a front page story by Walter Sullivan headlined "U.S. Lab Develops a Laser Technique That May Facilitate Atom Arms Output." The story was about a new isotope enrichment technique using laser beams. The process raises the possibility that uranium fuel for atomic bombs might be more accessible to terrorist groups or small countries that presently are without nuclear weapons.

What can be done as the nuclear reactor trade grows and science marches on?

Last month Senator STEVENSON and I introduced Senate Joint Resolution 51 directing the Eximbank to defer action on a loan to the Republic of South Korea for a nuclear powerplant until Congress could review reports from the President on the adequacy of domestic and international safeguards. The Bank later withdrew its offer of assistance to South Korea. The powerplant that was to have been underwritten would have been capable of producing enough plutonium in a single year to make several nuclear bombs. Incidentally, Mr. President, South Korea is not a party to the Nuclear Non-Proliferation Treaty—NPT.

Also, late last month the Nuclear Regulatory Commission wisely stopped issuing licenses to import and export nuclear reactors and several materials such as plutonium—pending a review of procedures in this area. A total of 5 import applications and 77 export applications would be affected by the Commission's decision.

Just last week Representative LES ASPIN urged the Nuclear Regulatory Commission to withdraw a license for a shipment of nuclear materials to South Korea that he said would give it the capacity to make 100 nuclear bombs. And the Senate Government Operations Committee began hearings last Friday on the whole question of the adequacy of Federal restrictions that are designed to prevent the conversion of exported U.S. nuclear technology into weapons. Legislation is being considered that would establish a system of interagency checks on exports, including a requirement that safeguards against theft, diversion, or sabotage in the receiving nation be at least as stringent as those required in the United States.

These precautionary steps by the executive and legislative branches of our Government can at least serve to slow down the spread of the means to make the bomb. But the United States alone cannot stop the spread, as one of our colleagues recently reminded the world.

Senator MIKE GRAVEL met for 2 days in early April with Swedish leaders concerned about the spread of nuclear powerplants and the production of plutonium. Among those who talked with Senator GRAVEL were Torbjorn Falldin, the leader of the Center—opposition—Party in the Riksdag—parliament; Mrs. Birgitta Hambraeus, a member of the Riksdag; and Dr. Hannes Alfven, Nobel laureate in physics.

While in Sweden, the Senator from Alaska called on all the nations that have signed or ratified the Nuclear Non-Proliferation Treaty, when they meet in Geneva in May, to reexamine the basic philosophy of the treaty and act to prevent the spread not only of nuclear weapons but also of nuclear power reactors.

Mr. President, I ask unanimous consent that Senator Gravel's statement of April 4 be printed in the RECORD, along with the article from the Times.

There being no objection, the statement and article were ordered to be printed in the RECORD, as follows:

STATEMENT BY U.S. SENATOR MIKE GRAVEL

During my short stay here I have been gratified to note that Swedish-American relations have returned to normalcy. They are rooted in a long period of peace and understanding. A century and a half of active commerce and the ties of kinship established by Swedish settlement in America form a strong foundation for these relations. I am confident that the favorable development in relations will continue to the mutual benefit of both our people.

The main reason I'm visiting Sweden is to develop contacts with your national leaders engaged in the political dialogue on the commercialization of nuclear activity.

Sweden has been the nation to have the most rational dialogue on the subject in the world.

I'm deeply grateful that Sweden has not rushed into the nuclearization of its power industry without its first knowing the benefits and objections.

As stated at the Pugwash meeting in Aulanko:

"Owing to potentially grave and as yet unresolved problems related to waste management, diversion of fissionable material, and major radioactivity releases arising from accidents, natural disasters, sabotage, or acts of war, the wisdom of a commitment to nuclear fission as a principal energy source for mankind must be seriously questioned at the present time."

Next month, the nations that have signed or ratified the Nuclear Non-Proliferation Treaty will meet in Geneva to discuss the effectiveness of the Treaty and any changes that may be desirable.

I am asking today that these nations reexamine the basic philosophy of the Treaty and that they act to prevent the spread not only of nuclear weapons, but also of nuclear power reactors. These two activities are inextricably interrelated.

I believe that the events of the past year have demonstrated that peaceful uses of the atom cannot be separated from the terrible threat of atomic weapons proliferation.

I ask that the nations represented in Geneva consider not how nuclear fission energy can be spread around the world, but how we can fill our energy needs without nuclear fission.

The Non-Proliferation Treaty was written to prevent the spread of nuclear weaponry while at the same time assuring all nations that the "benefits" of nuclear power would be available to them.

In the last few years, more and more people have become aware that these benefits are offset by enormous potential hazards. Quantities of radioactive wastes, some of the deadliest poisons known to man, accumulate in the peaceful reactors and threaten our land, health and genetic integrity.

And more than that, the peaceful reactors themselves can be used as nuclear weapon factories. A byproduct of uranium fissioning is plutonium, the actinide that can be used to make nuclear bombs.

It was with a "peaceful" reactor that India constructed its "peaceful" bomb.

It was with a "peaceful" reactor that Israel carried out its top-secret project in the Negev desert.

Now South Korea wants a "peaceful" reactor like India's, Iran wants "peaceful" reactors, too, and a "peaceful" reprocessing plant.

The basic premise of the Non-Proliferation Treaty is simply being proven wrong. The peaceful employment of the fission process is bringing us to the very same precarious limb that we were trying to avoid—and it may be bringing us there even more quickly than we would otherwise arrive.

We are actually arming the most unstable areas in the world with atomic potential.

The duty of the Treaty countries is to keep the world from becoming a storehouse of nuclear weapons.

These nations must recognize that the spread of peaceful reactors, encouraged by the Non-Proliferation Treaty, is not slowing the proliferation of weapons. It is actually accelerating that proliferation. There is only one answer and that is the total control of all plutonium and U235 by one central international body. This would include fissionable material for "peaceful" and military use.

I am hopeful that Sweden in view of its long history of concern for man's world being for the last 150 years will help provide leadership toward the attainment of this goal.

U.S. LAB DEVELOPS A LASER TECHNIQUE THAT MAY FACILITATE ATOM ARMS OUTPUT

(By Walter Sullivan)

A laser technique that scientists believe will make it easier to produce nuclear weapons and commercial nuclear power has been developed by the Los Alamos Scientific Laboratory.

The hitherto secret process presumably could be used for extracting uranium 235—a key isotope used to produce nuclear energy—from the raw uranium metal more simply and cheaply than methods now employed.

The process may hasten the development of cheaper nuclear power. But it also is expected to complicate efforts to limit the proliferation of nuclear weapons because it would make possible the production of uranium 235 used in such weapons with a minimum of technical sophistication.

It also casts in a new light fears about the theft of potential bomb fuel, such as plutonium, by terrorists, since it suggests that bomb fuel could more easily be extracted from raw uranium without recourse to elaborate thievery.

The process was made public this week following disclosure that the new technique had been achieved by scientists in the Soviet Union.

The new process separates the varying

forms, or isotopes, of an element by means of a laser beam tuned precisely to the vibrational frequency characteristic of one such isotope. In this way, it is possible to break that isotope loose from the chemical compound of which it is a part without affecting its almost identical sister isotopes.

Each of the elements, from the lightest (hydrogen) to the heaviest (such as uranium) occur as isotopes that, for each element, are identical chemically but vary slightly in weight because of differences in the number of neutrons in their nucleus.

The isotope uranium 235, with 235 protons and neutrons in its nucleus, can be used to generate nuclear power or a nuclear explosion. Uranium 238 neutrons cannot be so employed.

More than 99 per cent of raw uranium is of the latter type, and therefore a major challenge in the original atomic bomb project was the extraction of the uranium 235.

The account of the new development at Los Alamos makes no mention of attempts to use the method for uranium separation. Rather it tells of recent success with isotopes of boron, chlorine and sulphur.

However, the leader of the group there, Dr. C. Paul Robinson, believes that the method, "if completely successful," will extract Uranium 235 with one-hundredth to one-thousandth the energy required with present methods.

This, he told a meeting here on laser technology, could worsen the problem of checking nuclear proliferation. He presented a paper on the subject Tuesday and elaborated on it in an interview yesterday.

Since all the isotopes of one element react in the same manner chemically, they cannot be separated by chemical means. Instead, their very slight differences in weight or magnetic properties have been exploited.

This led, for example, to the huge gaseous diffusion plant at Oak Ridge, Tenn., where the compound uranium hexafluoride was run through some 3,000 successive stages to produce enough uranium 235 for the first atomic bombs. Each stage enriched the product by a factoral only 1,004.

In the work reported this week isotopes of boron, chlorine and sulphur were enriched—by factors of from 5 to 33.

In previous attempts at isotope separation by means of lasers, several steps were needed. A laser generating infrared light tuned to excite vibrations in only one isotope of an element was aimed at a compound containing the element in its raw form.

This raised that isotope to the next higher energy state, whereupon another laser beam at an ultra-violet wave length raised the isotope to a sufficiently high energy level to break it loose from the compound of which it was a part. Those molecules of the compound containing other isotopes of the element would not be affected.

In 1973, Dr. Robinson proposed that, if an infrared laser beam were powerful enough, it would do the entire job alone. It is this that has now proved correct in the experiments at Los Alamos and at the Institute of Spectrocopy in Moscow. The group there is led by R. V. Ambartsumian, son of the Soviet astronomer who formerly headed the International Astronomical Union.

The Los Alamos group was clearly disappointed when word of the Soviet work reached them a few days ago. Dr. Robinson said the Moscow scientists had achieved even higher levels of sulphur enrichment.

COST COMPARISON

He reported that sulphur 34 normally costs $1,000 a gram in terms of the energy required for its extraction, whereas the energy cost under the new method is 40 cents a gram. Thus the method would appear applicable to a wide range of situations where isotopes are used for industrial, medical or other purposes—for example for tracers of bodily function.

The isotopes sulphur 34, for example, is seen as potentially useful in tracing the manner in which plant and animal food passes through a complex system of living organisms.

A few years ago the separation of uranium isotopes by means of centrifuges emerged as a method of bomb fuel production that one feared could be exploited by nations lacking high technology. However, each stage of this process enriches the uranium by so small an amount that a large number of stages are required.

LOS ALAMOS BUDGET

The scope of the effort at the Los Alamos Scientific Laboratory is indicated by its $8-million budget for the current fiscal year. Some $2-million of this went into outside contracts for the special lasers required. The laboratory is operated by the University of California for the Energy Research and Development Administration.

Concerning the current emphasis on safeguarding nuclear fuel, Dr Robinson said the possibility of producing bomb fuel "in small, lower-cost plants is expected to seriously impair" such safeguarding. It was this fear, he added, that had led to the "strict classification" of the project—keeping it strictly secret.

The code name for the project—JUMPer—was chosen because participants felt they were under such pressure they were always "on the jump." However only "Jumper" was given in a catalogue of permitted code names for secret scientific work, so they decided to capitalize the first four letters.

Experiments in laser separation began at Los Alamos in 1970, but did not gain momentum until the end of 1971. That the Soviet group had also devised the single-stage method became known when letters from the Soviet scientists describing the effort reached a number of their American counterparts.

Mr. CRANSTON. Mr. President, I also ask unanimous consent to have printed in the RECORD another article by Mr. Sullivan from this morning's Times, entitled "Physicists Voice Long-Term Worry on Reactor Peril."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PHYSICISTS VOICE LONG-TERM WORRY ON REACTOR PERIL: NOT FEARFUL FOR PRESENT BUT THINK GROWING NUMBERS OF PLANTS MIGHT POSE HAZARD

(By Walter Sullivan)

Special to The New York Times

WASHINGTON, April 28.—A team of physicists, convened last year by the American Physical Society to assess the safety of American nuclear reactors, has found no reason for "substantial short-term concern," but is critical in terms of long-range prospects.

The study focused on the water-cooled reactors that are the standard energy source in American atomic power plants. Fifty-four are in operation, as well as one gas-cooled reactor. A total of 236 water-cooled reactors have been built or are under construction or projected.

The physicists noted that so far the safety record of such reactors "has been excellent, in that there has been no major release of radioactivity," and said they had uncovered no reasons for substantial short-range concern regarding risk of accidents. But they did express concern for long-term operation of an increasingly large number of such power plants when the likelihood of seemingly "improbable" accidents becomes greater.

DANGER OF LETHAL DEBRIS

One major source of concern to the panel is the absence of any realistic, full-scale test of what would happen in case of the most serious accident—a core melt-down. If all the cooling systems failed, the reactor core and its fuel rods could heat sufficiently to melt.

The reactors are enclosed in pressure vessels designed to contain the radioactive gases released if melting occurred. If heat or internal pressure became sufficient to rupture the pressure vessel, winds could carry this lethal debris hundreds of miles.

The physicists, chosen to be independent of any connections with the reactor safety program, accepted estimates of the former Atomic Energy Commission that the likelihood of such a casualty was very small. The calculated probability that it would happen to any one reactor in any one year ranged from one in 50,000 to one in 50 million.

The study found, however, that estimates of cancer deaths resulting from such an event should be 50 times higher than those of the A.E.C. It also regarded the A.E.C. estimates of genetic injuries as much too low.

The physicists' higher figure for cancer deaths derived from consideration of two factors not considered by the A.E.C.

One was the long-term effect on populations downwind of radioactive material deposited on the ground. The other was the effect of radioactive debris on organs such as lungs and thyroid gland. In the extreme case considered, the physicists estimated that from 20,000 to 300,000 residents would have thyroid glands damaged from exposure to radioactive iodine.

Although this is less frequently fatal than other such exposures, it would help raise the total cancer deaths to 10,000 to 20,000 in the 10,000 to 20,000 square miles downwind from the plant, the physicists estimated. These estimates assume a population density of 300 a square mile.

It was pointed out here today by Dr. Wolfgang K. H. Panofsky, director of the Stanford Linear Accelerator in California, that since the exposed population was very large, these additional cancer deaths would add only 0.1 per cent to the 20 per cent of the exposed population who would be expected to die of cancer normally, according to national statistics.

Since many of the deaths would occur long after the accident, it would be hard to pin down the blame. It would also be difficult to persuade people to leave their homes in the contaminated area if the added risk of their dying of cancer was less than 1 per cent.

Dr. Panofsky presided over a session of the Physical Society's spring meeting here at which results of the study were presented by some of its dozen participants. Dr. Panofsky was chairman of a trio of internationally known physicists who reviewed the study's findings.

REPORT MADE PUBLIC

The two others were Dr. Hans Bethe of Cornell University and Dr. Victor F. Weisskopf of the Massachusetts Institute of Technology. Like Dr. Panofsky, both are former presidents of the society. The published report was also made public yesteday.

At a news conference before the session at the Shoreham Hotel, Dr. Harold W. Lewis of the University of California at Santa Barbara, chairman of the year-long study, noted that it was focused entirely on the safety of reactors cooled by ordinary water, such as those now in use in this country.

It did not assess other reactor types or the relative merits of other energy sources.

"We studied risks; we didn't study benefits," he said.

Publication of the report followed an assessment last week by the Environmental Protection Agency suggesting that development of breeder reactors be delayed from 4 to 12 years. Such reactors would "breed" new atomic fuel.

Their chain reactions would not only generate power but also would release neutrons with sufficient energy to penetrate the nucleus of Uranium 238, which is useless as fuel. This would convert it into plutonium 239, which can power a reactor—or a bomb. Breeder reactors are already functioning in Europe and the Soviet Union. Opponents of the program fear that, if many are built, enough plutonium will be produced to tempt seizure of the material by terrorists.

The E. P. A. report said that new estimates of national power needs through the year 2020 indicated that the requirements would not be so great as assumed in earlier planning. It proposed, thereupon, that the breeder program could be delayed while alternatives were assessed.

Today, Elmer B. Staats, Controller General of the United States, submitted to Congress a report on the primary breeder development effort—that of a liquid metal fast breeder reactor. He called it "our nation's highest priority energy program." While his report is a background paper that makes no recommendations, it finds projections by the Energy Research and Development Administration "optimistic and possibly unrealistic."

The administration, which has acquired many of the functions of the defunct A.E.C., has projected operation of the first breeder reactor in 1987. It has also projected that 186 commercial-size breeders will be operating by the year 2000, and 1,178 by the year 2020.

The cost to the Government of breeder development so far has been close to $2-billion. By 2020 it has been projected to $10.7-billion. However, inquiries within the atomic industry indicated, according to Mr. Statas, "that few utilities would be willing to commit large amounts of capital until they were fairly certain that Lmf Br's [breeder reactors] would be technically and economically viable."

MAJOR STEPS PROPOSED

Members of the Physical Society's study group cited a long delay in carrying out a test designed to provide data needed to assess what would happen if the cooling system of present reactors failed. Much concern has been expressed in recent years about the adequacy of the emergency core cooling systems provided in case of such failures.

The performances of various elements of the reactor system in an emergency have been simulated in computer models. However, the panel found, there has been no such modeling of the system as an interrelated whole.

In view of the large number of water-cooled reactors now operating and being planned, the panel said, "we believe it is important that the reactor safety research program quickly take major steps to bring about a convincing resolution of the uncertainties in [emergency core cooling] performance."

Likewise it was found that operating personnel had not been trained adequately to respond quickly and correctly to unexpected emergencies.

It was noted that, at a typical atomic plant, about 10 "scrams" occur each year. The term goes back to early days in reactor development when, if anything went wrong, a "scram" button was pushed, the reactor was shut down and everyone "scrammed." In current parlance it means an instrument reading indicating that something is sufficiently amiss to call for a temporary shutdown.

Personnel are well trained for the commonly occurring scram, the panel found, but not for the rare, unusual combination of factors that could lead to major trouble.

It recommended the use of training simulators like those designed to train airline pilots for the unexpected.

As an example of a "weak point" found in the safety program it was noted that diesel generators, like those at air traffic control centers, were provided at reactor sites in case of a power failure. However, inquiries of the Federal Aviation Administration showed that such generators fail to start up 3 per cent of the time. Two are needed for high reliability.

Among the recommendations of the study were the following:

Greater automation of reactor operation to reduce to a minimum the danger of human error.

Consideration of controlled venting to prevent explosion of the containment vessel after an accident.

Preparations to lessen the effects of a major accident such as providing the population with iodine pills to reduce uptake of radioactive iodine.

Defense measures against sabotage, including provisions for shutdown before invaders could reach their goal.

"Careful assessment" of benefits and costs of placing atomic plants underground or in remote "nuclear park" settings.

The study also recommended a major expansion of research on many aspects of reactor safety, including quality control of components and biological effects of an accident.

THE U.S. ECONOMY NEEDS MAJOR OVERHAUL, NOT TUNEUP

Mr. HUMPHREY. Mr. President, one of our colleagues, the distinguished junior Senator from Colorado, Mr. Gary Hart, in a feature article that appeared in the Minneapolis Tribune for Sunday, April 27, has stated that "the U.S. economy needs major overhaul, not tuneup." His article is a challenge to all of us and, in particular, to those committees of Congress that deal with the economy. As chairman of the Joint Economic Committee, I am determined to have that committee undertake the thorough and comprehensive analysis of the American economic system which Senator Hart has recommended. We are indebted to our colleague for his provocative and thoughtful proposals. I ask unanimous consent that the text of the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The U.S. Economy Needs Major Overhaul, Not Tuneup

(By Gary Hart)

Washington.—The thought seems hardly to have occurred to any one, during our current scramble to cure the nation's economic ills, that we may be treating only the symptoms of the illness, or, even worse, the wrong disease.

Congress has voted a hodge-podge of tax rebates, tax reductions, investment tax credits and tax reforms—all representing "fine tuning" of an economic engine that requires a major overhaul.

Consider what the mood of the country will be in six to 12 months if these measures have gone into effect and nothing happens: Inflation runs rampant and unemployment remains at recession levels.

Politicians and economists must realize that times have changed. The creaking economic ship of state is taking on water from leaks that did not exist in the Great Depression or even more recent recessions:

Keystone industries have become increasingly concentrated and anti-competitive and spend more money on sexy advertising campaigns than they do on innovation, invention, product quality and product safety.

New Deal regulatory agencies stifle competition, create bureaucratic nightmares and are seduced by the industries they were designed to regulate.

Government procurement policies, particularly for military hardware, are political footballs that, with acquiescence by organized labor, have become tools for "economic stimulation" in favored regions.

Giant multinational corporations—chartered in this country, but owing allegiance to no flag—run roughshod over our foreign policy and dominate our economy through control of vast quantities of raw materials and productive facilities.

The tax structure is increasingly used as a subsidy mechanism in the amount of $92 billion a year, over half of which goes to powerful special interests.

Much of the nation's capital assets—railroads, seaports and shipyards, plants and productive capacity—deteriorate while we seek to "stimulate" an economy premised on wasteful consumption and planned obsolescence.

More than anything else, the nation cries out for leaders who will tell the hard truth—that old-time, "fine-tuning" economic remedies are no better than leeches and snake oil in the last quarter of the 20th century; that the free lunch is over, and, in fact, the economic pie is shrinking; that economic stimulation through weapons procurement is inherently inflationary; that a democracy cannot long survive with a tax system as inequitable as ours; that our "free-enterprise" economy is being eaten alive by big enterprise while the government acquiesces; that the quality of life is more important than the quantity of goods consumed.

But those same leaders could offer a message of hope and a return of fundamental values. Translating these values into sound policy will require strong measures such as these:

Fiscal stimulation through rebuilding our national assets, not through weapons production; a return to true competition through strict antitrust action and public-interest regulation; stimulation of private savings and investment through programs to broaden private ownership of productive assets; subsidies dispensed above the table and not hidden in the tax laws; replacement of a paternalistic government's handout programs with guaranteed employment and income maintenance, and thorough review and reform of our economic institution—the Federal Reserve Board and our monetary system; our planning and budgeting process, where progress has been made; our credit system, and our tax structure.

The administration and Congress have merely taken the easiest course, the one most readily at hand. But the hard questions have not been asked and the causes have not been identified, and the people know it.

The people know that a fundamentaliv sound structure is beginning to rot and decay through misuse and lack of maintenance.

THE LESSONS OF VIETNAM

Mr. ABOUREZK. Mr. President, events in South Vietnam are occurring at a rapid pace. Gen. Duong Van Minh's accession to the Presidency and our total withdrawal from that country have negated the need for consideration of the President's request for additional assistance to that government. President Ford's statement at Tulane University that this country has ended its involvement in South Vietnam should serve as the last milestone in our disastrous and unforgettable experience of the last generation.

A great deal has been written and said about this colossal mistake in U.S. foreign policy. Nevertheless, rather than putting the whole matter behind us and chalking it up to experience, I believe that American foreign policymakers ought to be forced to recall the tragic repercussions of faulty and misguided decisionmaking. Only in this way can the country "learn from our experience" and resolve never to follow the same path again.

In the past week, Anthony Lewis has written two of the best articles I have read in recent memory on the lessons which we should have learned from our 30-year involvement in Vietnam. I I heartily recommend that all who read the Record devote a sufficient amount of time to read the two Lewis articles.

Mr. President, I ask unanimous consent that they be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

No End of a Lesson: I

(By Anthony Lewis)

Boston, April 23.—We should have had no illusion that it would end well, when it finally did end. But we did not have to expect the nightmare that now confronts us: Americans fleeing Saigon, leaving behind most of those whom we enlisted in our war against Communism. It is a final horror in the series of horrors that has marked the American intervention in Indochina.

If we are to learn the lessons of our disastrous involvement over all these years, we ought at least to understand the ending. And doing so will in fact afford insight into what went wrong in general. For a crucial element at the end was the same one that caused disaster all along: deception by American officials—deception of others and ourselves.

The last long phase of deceit began with Henry Kissinger's declaration of peace just before the 1972 election. When the published peace terms were not signed over the next two months, Mr. Kissinger and President Nixon blamed North Vietnamese intransigence. There was the same explanation for the Christmas bombing of Hanoi. But we know now that that was all a charade.

The obstacle to agreement at the end of 1972 was not Hanoi but Saigon. President Thieu, in his resignation speech, has just confirmed what many had surmised: that he at first refused to sign the agreed terms, objecting to the lack of any provision for removal of North Vietnamese forces from the South. To overcome his resistance, the United States rushed $1 billion in fresh arms to Thieu—and bombed Hanoi as a demonstration of our will.

What happened at the end of 1972 was more than just an isolated episode of deception and brutality. It foreshadowed the nature of the "peace" that followed.

It was "peace with honor," Mr. Nixon said when the Paris agreements were signed in January, 1973. Such a peace would necessarily mean the substitution of political for military struggle in South Vietnam. And the accords did contain numerous provisions to start a political process, notably the creation of a National Council of Reconciliation.

But Mr. Kissinger and Mr. Nixon did not really favor political compromise in South Vietnam. Their policy was "Vietnamization"—making the Thieu regime strong enough militarily to survive without compromise. They saw the Paris agreements as essentially providing a military pause in Vietnam and meeting the domestic demand to bring home the American soldiers and prisoners of war.

Accordingly, after the 1973 agreements were signed, American officials encouraged Mr. Thieu to believe that he could disregard the political provisions. If the Communists returned to the offensive on the battlefield, as they inevitably would in the absence of a political process, he could defeat them with American arms.

In the words of Richard Holbrooke of the magazine Foreign Policy, who spent years in Vietnam, that policy was "a fantastic gamble." In 1965 and 1968 and 1972 only the most massive American power—troops and bombers—had denied the insurgents victory. How could anyone conceivably expect the South Vietnamese to win without that kind of intervention?

The answer is that Mr. Thieu was led to believe that the United States *would* send its bombers back, if necessary. He says now that he had a "solid pledge" from Mr. Nixon to "actively and strongly intervene" against any renewed North Vietnamese "aggression." President Ford confirms that there were Nixon-Thieu letters but refuses to publish them, saying that they did not go beyond public expressions of support for Saigon.

What did Mr. Nixon and Mr. Kissinger really intend in whatever they conveyed to Mr. Thieu? Perhaps their words were ambivalent, implying more to him than they knew could be delivered. After all, it was hardly likely that Congress would have supported a pledge of re-intervention if it had been informed of such a thing following the Paris agreements.

But if our leaders really meant what they signaled to Mr. Thieu—if they really meant to use the B–52's again—then that policy came to a dead end on Aug. 15, 1973, when Congress prohibited all American military activity in or over Indochina. After that it was rank cynicism to go on with the policy of resisting political accommodation in Vietnam and banking on military victory. By doing so, we saved face for a little while, and assured a bloodier, more shameful version of the same ending.

Deceit does not pay; it may have worked in some other century or some other country, but in the United States at the end of the twentieth century it cannot. That is the lesson, the familiar lesson, of what has happened since Henry Kissinger declared that peace was at hand.

No End of a Lesson: II

(By Anthony Lewis)

When we learned about the Thirty Years War in school, its origins seemed beyond understanding. To go on so long, to devastate the center of Europe for reasons of theology and dynasty—it was some 17th century lunacy.

Now, toward the end of the 20th century, we are finishing a thirty years war. That is how long the Vietnamese have been fighting. And for most of that war, and most of the incredible suffering that resulted, the United States was responsible. Will school children in the future be able to understand it? Can we understand ourselves? If we hope to avoid repeating what went wrong, we have to try.

An accident of history played a part at the beginning. President Roosevelt was determined not to let the French resume their colonial role in Indochina; but he was dead when the French, with our acquiescence, marched back in the summer of 1945. Ho Chi Minh declared Vietnam independent, using Jefferson's words. The French attacked his Saigon headquarters, but Ho escaped. In November 1946, the French bombared Haiphong, killing 6,000 people. The war was on.

On May 8, 1950, the U.S. Government decided to help the French in their Indochina war. President Truman and Secretary of State Acheson were doubtless moved to that decision, in part, by the political attack they were undergoing for "losing" China to the Communists.

By 1954, the United States was paying 78 per cent of France's war budget. On May 8 of that year the French were defeated at Dienbienphu. When they decided to pull out, and Ho's government was established in Hanoi, the United States moved in to create and support a separate regime in Saigon. Our chosen instrument, highly touted by American diplomats and journalists, was a politician named Ngo Dinh Diem.

How easily it could all have been avoided, how often it could have been stopped: Those are the thoughts that assail us as we look back over the years ignorance and lies and death.

Ignorance first, because it was the foundation of our folly. We knew virtually nothing about the Vietnamese, their culture or their history. Worse yet, we did not understand the simplest fact of their politics, after 1945, which was the overwhelming appeal of nationalism, of anti-colonialism. Ho and the Communists understood and assumed the leadership of the movement. We took the losing side.

On top of ignorance, presumption. We presumed to tell the South Vietnamese how to order their society. We sent over advisers to build an army and an economy and a government on the American model. And when the result was not American freedom and productivity but corruption and tiger cages, we tried not to notice.

And then, obsession. Whatever did not work, we doubled. More bombs, more defoliants—and means became madly disproportionate to ends that we would not reexamine. And the same in politics, for twenty years we struggled to maintain a right-wing anti-Communist government in Saigon, preventing coalition, preventing compromise: preventing, as we now can see, a Vietnamese solution.

The lessons of it all will require books to list and years to explore. But a few are plain enough.

First, America does not have the answers to all the world's problems. We should not really be surprised to discover that our perspective is different from that of a peasant in Southeast Asia. Why should we think that American democracy and capitalism are what he wants? We have come, finally, to realize that Chinese Communism meets China's needs, however little we would like it. We ought now to accept diversity in general—and to stop treating and society's choice of a different model as a provocation.

Second, means cannot be separated from ends; countries, like individuals, must be able to justify both. For a generation, American leaders lied to the public and Congress about Vietnam, telling themselves that it would work better that way. But unprincipled means corrupted our politics as they ravaged Indochina. In the end, correction came when our democratic process was able to function.

Third, pride exacts a terrible price. For years we refused to admit the failure of our disastrous enterprise in Indochina; our politicians and diplomats and generals were afraid of losing face, afraid of being blamed for defeat. But when President Ford said in New Orleans the other night that the war was over for Americans, what a feeling of relief there was—and that feeling would have come years ago if someone else had been willing to say: Enough.

The American feeling now should be one of release, not despair. For if we understand what has happened in Vietnam, we shall know that it did not represent American ideals. We went wrong because we strayed from openness, realism, humanity. We can regain our ideals and our confidence. But understanding comes first.

THE ANTIPYRAMID-SALES BILL—S. 1509

Mr. MONDALE. Mr. President, earlier this week I introduced S. 1509, the antipyramid-sales bill. The bill is designed to outlaw the No. 1 consumer fraud problem in this country—the pyramid sales scheme.

Each year, thousands of Americans are defrauded of millions of dollars by ruthless pyramiders. Although action has been taken at both the State and the Federal level to eliminate their practices, stronger measures are needed.

My bill would provide an effective solution to this problem. With a combination of private rights of action, criminal penalties, and injunctive powers, Federal and State law enforcement officials would be able to effectively deal with the problem.

Mr. President, last month the Special Committee on Consumer Affairs of the Association of the Bar of the City of New York issued a committee report. I am proud to say that the committee endorsed S. 1509—formerly S. 1939 during the 93d Congress.

I am extremely grateful to the association for its support and hopeful that the Congress will soon respond by passing this important legislation.

Mr. President, I ask unanimous consent that the report of the special committee on consumer affairs be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMITTEE REPORT

REPORT ON LEGISLATION TO PROHIBIT PYRAMID SALES TRANSACTIONS

(By The Special Committee on Consumer Affairs)

The idea of an endless chain of people, each paying the person representing the prior link, has long fascinated promoters as a source of gain.

The mischievous lure of such schemes consists in the fact that each prospect can indeed make money—but only by getting more people involved, and so forth until the number becomes impossibly large. If each person must recruit 10 others in order to recoup the investment and expenses, for example, a billion customers must be brought in by the ninth step for the scheme to work.

Such schemes may be compared to a game in which one person goes under water. To get out from under water, that person must get 10 others to put their heads under. Each of them can get out by getting 10 others to go under, etc. Whenever the whistle is blown, more are under water than above it.

These schemes often involve sale of franchises. They can also involve sale of a consumer product to a consumer who can allegedly recoup the cost and even make money by getting others to buy the item. The former type are generally known as "pyramid" schemes and the latter as "chain referral" swindles.

Large numbers of people have lost their life savings in such ventures in the past few years. S. Rep. No. 93-1114, 93d Cong., 2d Sess. (1974).

The distinguishing feature of such schemes is that money is to be made, not on the actual sale of products or services to the ultimate consumer, but on the recruitment of others into the scheme.

S. 1939, 93d Cong., 2d Sess. (1974) was unanimously recommended by the Senate Commerce Committee and passed by the Senate on August 22, 1974 and prohibits pyramid sales schemes, defined as plans whereby a person pays $100 or more for the right to earn compensation by recruiting still others. The sanctions provided include criminal penalties, administrative civil penalties, injunctive relief, private treble damage actions, and voiding of pyramid sales contracts. Under Section 6 of the bill, the injunctive remedies in federal court are available at the suit of either state or federal authorities, an innovative approach which we commend. See Comment, 24 Case-Western Res. L. Rev. 144, 152 (1972).

Pyramid schemes have been held illegal under the existing mail fraud statute (18 U.S.C. 1341). Such schemes have also been attacked under the Federal Trade Commission Act and the federal securities laws. E.g. United States v. Armantrout, 411 F. 2d 60 (2d Cir. 1969). However, both the specific provisions of S. 1939 and its additional remedies are important in attacking this serious evil. Consequently we recommend approval of S. 1939 unanimously.

Respectfully submitted,

SPECIAL COMMITTEE ON CONSUMERS AFFAIRS.

LIST OF SPECIAL COMMITTEE ON CONSUMER AFFAIRS

Rhoda H. Karpatkin, Chairperson; Douglas V. Ackerman, Evan A. Davis, George B. Adams, Jr., James D. Dougherty, Albert W. Driver, Jr., Robert J. Egan, Carl Felsenfeld, Richard A. Givens, Joseph Good, Leon I. Jacobson, James J. Lack, Richard S. Lane (Hon.), Michael B. Maw, Sheila Rush Okpaku.

Barbara B. Opotowsky, David Paget, James T. Prendergast, Don Allen Resnikoff, Irving Scher, Philip Schrag, Andrew B. Schultz, Randolph J. Seifert, David Caplowitz, Martin Cole, Emilo Gautier, Leon Harris, Patricia Hynes, Bruce C. Ratner.

THE INTERGOVERNMENTAL COUNTERCYCLICAL ASSISTANCE ACT—S. 1359

Mr. MUSKIE. Mr. President, when Senators HUMPHREY and BROCK and I introduced the Intergovernmental Countercyclical Assistance Act (S. 1359) on April 7, an explanation of the bill was inadvertently omitted I ask unanimous consent that the explanation of the countercyclical proposal be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

APRIL 1975.

EXPLANATION OF INTERGOVERNMENTAL COUNTERCYCLICAL ASSISTANCE ACT

This program would provide targeted emergency financial assistance to hard pressed State and local governments caught in a fiscal squeeze brought on by the combination of recession and continued inflation.

The purpose of this assistance would be to help State and local governments maintain their existing levels of services and employment without raising taxes, thereby preventing them from undertaking policies that will undercut Federal efforts to stimulate the economy.

THE PROBLEM

A. During times of severe national economic difficulties, the economies of State and local governments also suffer.

As recent testimony before the Senate Subcommittee on Intergovernmental Relations revealed, that is particularly true in the current economic situation. Hit by the double whammy of inflation and recession, State and local governments are faced with paying higher costs for providing services at the same time that higher unemployment reduces their projected revenues.

B. The impact of Federal policies to stimulate the economy can be substantially reduced if State and local governments, in an economic crunch of their own, adopt policies that undercut the Federal effort:

(1) The stimulative effect of a Federal tax cut designed to put money into the economy quickly would be substantially reduced if State and local governments increase their taxes.

(2) The net effect of a public jobs program, designed to create new jobs, would be substantially reduced if State and local governments lay off regular employees and replace them with public service employees.

(3) Federal efforts to stimulate the construction industry would be substantially damaged if State and local governments are forced to cancel construction of essential capital projects because they have no money to pay for them.

(4) Federal efforts to target the stimulus to those most in need—through the use of the progressive income tax cuts—would be distorted as State and local governments raised property and sales taxes which hit hardest at those at the bottom of the income ladder.

PROPOSED SOLUTION

This program would attempt to reduce the likelihood that State and local governments will adopt policies that blunt Federal efforts to stimulate the economy by providing such governments with emergency financial assistance.

This program would be distinct from revenue sharing. It is an anti-recession program. It will provide assistance to a limited number of jurisdictions—those with the most serious economic problems.

LEVEL OF FUNDING

The level of funding for this emergency assistance program would fluctuate with the national rate of unemployment.

When the national unemployment rate averages 6% or more, for three consecutive months, a maximum of $2 billion would be made available for distribution to needy State and local governments. An additional $1 billion would be made available for each subsequent percentage point increase in the national unemployment rate.

In other words, when the national unemployment rate averages 7% for three consecutive months, a maximum of $3 billion would be available under this program. At 8% unemployment, a maximum of $4 billion would be made available.

Similarly, as unemployment decreases, the amount available under this program would decrease.

Because the program would phase out as the economy improves, it would have less long term inflationary impact than other programs enacted during a recession. Unlike other programs that may start small and then get larger over the years, this program would start large when it is most needed—when the economy is in the greatest difficulty—and would get smaller as the economy improves.

The level of funding should provide enough funds to stabilize those State and local governments in the worst fiscal shape without making up in full the projected deficit of State and local governments. This is very important because a time of economic difficulty should be a belt-tightened time for all levels of government. The purpose of this program is not to bail out State and local governments in fiscal difficulty. Rather, it is to provide them with enough assistance so that, if they make economies of their own, they can stabilize their budgets and not be forced to reduce services or employment or taxes.

DISTRIBUTION OF FUNDS

The funds available under this program would be divided into two pots—one-third of the funds would go to State governments and two-thirds of the funds would go to local governments.

The formula for distribution to both State and local governments would take into account both unemployment and taxes raised by each recipient government with unemployment given double weight. Unemployment would provide a measure of the impact of the recession on a particular government. The level of taxes raised would provide a measure of the size of the operations of that particular government.

A. Allocations to State governments

State allocations would be made two-thirds on the basis of unemployment and one-third on the basis of its adjusted taxes. In each case the particular State's unemployment (in numbers) and its taxes raised would be compared to national totals, with the unemployment percentage weighted double. Say, for example, a State had 5% of the nation's unemployment and raised 2% of all taxes raised by all State governments. With the unemployment percentage weighted, that State would receive 4% of the funds for all State governments. At current unemployment levels, the State would receive about $52 million—or 4% of the $1.3 billion available to State governments.

B. Allocations to local governments

Allocations to local governments would be made according to the same formula—two parts unemployment and one part adjusted taxes raised. For each local government for which the Labor Department has verified unemployment statistics (about 2,000 in all), there would be an allocated share. For those local governments for which the Labor Department does not have verified unemployment data, funds to be administered by the State would be set aside in each State.

Local governments for which there is no precise unemployment data would, in the aggregate, receive funds in the same proportion as the local governments for which there is unemployment data.

State or local governments whose unemployment rate drops below 6% would not receive assistance under this program. However, a local jurisdiction with an unemployment rate above 6% would receive its share even if it were located within a State with an unemployment rate below 6%. Any funds not expended because they were allocated to jurisdictions with an unemployment rate below 6% would remain with the Treasury—and as a result the total funding of the program would be reduced.

In addition, the legislation provides for a contingency fund to be administered by the Secretary of the Treasury, of up to 2½% of the amount authorized for the program. This fund would be used by the Secretary for the purpose of making additional support grants to State and local governments in severe fiscal difficulty.

RESTRICTIONS ON USE OF FUNDS

It is important to give State and local governments as much flexibility as possible in the spending of these funds so that this assistance can be used to compliment other Federal programs to stimulate the economy. The principal restriction that would be placed on State and local governments is that these funds be put toward maintaining current service levels.

State governments receiving funds under this program would be required to maintain their current levels of assistance to local governments.

In addition, whenever a State or local government which receives assistance under this legislation raises its taxes or substantially reduces its services, it must report that to the Secretary of the Treasury within 30 days.

APPLICATION PROCEDURE

Unlike revenue sharing, there would be an application procedure—though be it expedited—for State and local governments obtaining funds under this program. The Secretary of the Treasury is required to approve within 30 days every application that meets the requirements of the program.

CIVIL RIGHTS ENFORCEMENT

There would be a flat prohibition against discrimination in the use of any funds under this program. In any case where the Secretary of the Treasury makes a finding of discrimination by a State or local government and is unable to achieve compliance within 30 days, he would be authorized to defer payment to the discriminating jurisdiction for up to 180 days unless compliance is achieved.

WAGE STANDARDS FOR LABORERS

The legislation provides that laborers and mechanics employed by contractors on all substantial repair or renovation construction programs funded under this program be paid wages at rates not less than those prevailing on similar projects in the locality as determined by the Secretary of Labor under the Davis-Bacon Act.

FORMULA

State allocations

Definitions:

State Unemployment Percentage: The ratio obtained by dividing the number of unemployed persons within each State for the most recent quarter by the total number of unemployed persons in the nation for that same quarter.

State Tax Percentage: The ratio obtained by dividing the adjusted taxes raised from own sources by each State government by the adjusted taxes raised from own sources by all State governments.

Each State's allotment is based on the following formula:

$2(\mathrm{SUP})+(\mathrm{STP})\ /3=\ \%$ of funds authorized for allocation to State governments.

Local allocations

Definitions:

Local Unemployment Percentage: The ratio obtained by dividing the number of unemployed persons within each locality for the most recent quarter by the total number of unemployed persons in the nation for that same quarter.

Local Tax Percentage: The ratio obtained by dividing the adjusted taxes raised from own sources in each locality by the adjusted taxes from own sources raised by all localities across the nation.

Each locality's allotment is based on the following formula:

$2(\mathrm{LUP})+(\mathrm{LTP})/3=\%$ of funds authorized for allocation to local governments.

JAPANESE NATIONAL DAY—APRIL 29

Mr. HARTKE. Mr. President, Emperor Hirohito's birthday, April 29, is celebrated as Japan's National Day.

Japan's parliamentary government—a constitutional monarchy—operates within the framework of a constitution which became effective on May 3, 1947. Sovereignty, previously embodied in the Emperor, is now vested in the Japanese people, and the Emperor—Head of State—is defined as the symbol of the state. Japan has universal adult suffrage with a secret ballot for all elective offices. The government has an executive responsible to the legislature, and an independent judiciary.

In 1971, for the first time in the history of Japan, the reigning Emperor left his homeland and visited with the President of the United States in Anchorage, Alaska. This informal visit is being followed in October of this year with a state visit to Washington, D.C., with an extended visit from October 1 to October 3.

Japan ranks among the most densely inhabited nations in the world and yet there was not a single incident of homicide with a handgun in the capital city of Tokyo.

In spite of its lack of land and natural resources, Japan has emerged as one of the leading industrial nations of the world. The Japanese have made steady progress in their foreign assistance programs to the point where they are second only to the United States in terms of total resource flows to the less-developed countries.

After reflecting on the close relationship that has developed between the United States and Japan, I take these few moments to congratulate H.I.H. Hirohito on his birthday and the Government and people of Japan on their National Day.

TRYING TO FILL THE MEDICARE GAPS

Mr. CHURCH. Mr. President, recently the Senate Special Committee on Aging published a study of private health insurance supplementary to medicare.

Written by economist Gladys Ellenbogen, the paper provided a balanced account of the protection—and the pitfalls—provided by such insurance.

It also pointed out that Americans of age 65 and up pay out well over half a billion dollars annually for such "Medi-Gap" coverage, even though they often have serious misconceptions about the extent and nature of that coverage.

Recently, the New York Times offered two articles by its "Personal Finance" columnist, Leonard Sloane, who commented on the Ellenbogen report and added new information and commentary of his own.

Mr. Sloane's articles are informative and timely; I ask unanimous consent to have them printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

Personal Finance: Other Insurance Is Helpful in Filling Medicare Gap

(By Leonard Sloane)

Payments by Medicare, principally for the hospital and medical needs of those 65 and older, are likely to amount to almost $15-billion in 1975. Nonetheless, more than half of the 20 million-plus Americans participating in Medicare spend over a half-billion dollars annually through supplementary private health insurance.

The fact that so many people believe it necessary to pay for additional insurance points up the gaps in Medicare protection. These fall into two broad categories: expenses that are only partly covered by Medicare and costs at Medicare does not cover at all.

Medicare is available to all citizens 65 and older, regardless of income level. It is often confused with, but unrelated to Medicaid, a

Federal-state program that provides cash-assistance payments to such groups as the aged, blind and disabled who are defined as medically needy.

DEFINITION VARIES

This definition varies from state to state. In New York, for example, a family of four qualifies for Medicaid if its income is $5,000 or less and its assets (excluding equity in a home) are $4,500 or less.

But Medicare, like Social Security, is designed for everyone. Employes and self-employed persons now pay 0.9 per cent of their first $14,100 of yearly earnings during their working years and can enjoy the benefits of Medicare to reduce their health expenses after age 65.

Yet according to Dr. Gladys Ellenbogen, an economist and consultant to the Senate Special Committee on Aging, Medicare "is removing less and less of the crushing burden of health costs from the aged in our nation."

In a paper prepared last December for the committee, Dr. Ellenbogen said: "Private insurance fills a need since Medicare was not designed to be a program to cover all health costs of the elderly. Unless Medicare is substantially expanded, private policies will continue to be important sources of protection."

Many elderly people, however, do not understand either the provisions of Medicare or of the private insurance policies purchased. This lack of understanding, the Health Insurance Institute reports, derives from misconceptions about the nature of group health insurance.

Medicare is a health insurance program for the aged and disabled, financed under the Social Security program. It has two basic parts: hospital insurance and medical insurance.

Part A, hospital insurance benefits, pays mainly for hospital costs as well as for some health services and nursing home expenses. Since this coverage does not give "first dollar" insurance, there are deductibles similar to private policies.

SERVICES OF PHYSICIANS

Part B, medical insurance benefits, helps to meet the costs of services of physicians and certain other medical practitioners. It is voluntary, though, and—in addition to the Federal contribution—entails a monthly premium charge set by the Government and typically deducted from Social Security checks.

Among the gaps in Medicare causing individuals to purchase private health insurance are:

The dollar amount of the deductibles before Medicare payments begin has steadily risen. For hospitalization, the deductible has increased from $40 in 1966 to $92 today, while the medical deductible has advanced from $50 to $60 in the same period.

Coinsurance—the provision by which the insured and the insurer share the covered losses under a specified ratio—of the hospital coverage has risen correspondingly. The daily amount paid by individuals for services between the 61st and 19th day of hospitalization is up from $10 to $23 over the last 10 years.

Medicare will generally pay 80 percent of "reasonable charges" for medical services. But if a doctor bills a patient for more than what Medicare terms the "approved charge" for a particular service, the patient must pay the entire amount of the difference.

There has been a growing percentage of denials of Medicare claims by the Social Security Administration, particularly for persons in skilled nursing facilities. In addition, the elderly have been making increased usage of such uncovered items as out-of-hospital prescription drugs, eyeglasses, hearing aids and the first three pints of blood each year.

"Medicare has been oversold and under-explained to the American public," Dr. Ellenbegen declared. "The major economic dissatisfaction and disappointment with medicare derives from the illusion, shared by many of the elderly, that it is a comprehensive insurance program. It is not such a program and it was not designed to be such a program."

Millions of people, or Medicare therefore, must turn to private health carriers to give them more comprehensive coverage. And most of them pay for such insurance individually because they do not qualify for group coverage while working or their company does not provide health insurance to their retired employees.

The next Personal Finance Column will discuss the advantages and disadvantages of the private policies supplementing Medicare.

PERSONAL FINANCE: AUGMENTING MEDICARE

(By Leonard Sloane)

Millions of individuals above the age of 65 who receive the benefits of Medicare also buy private health insurance policies.

These men and women have purchased additional coverage because of the gaps in the Government-sponsored program. Less than 50 per cent of the average medical costs of the aged is covered by Medicare, according to the Social Security Administration, and the proportion is declining.

Thus private policies fill a real need. Sold by many health insurance companies, they offer—for a monthly premium—such benefits as the amount deductible under Medicare's hospital insurance, the co-insurance amount after the first 60 days of free semi-private hospitalization and the amount that must be paid by senior citizens after the 20th day in an extended-care facility.

BENEFIT LACKING

Since relatively few employers provide health insurance for retired workers, most people who buy supplementary policies must do so individually or through membership in a group. A recent survey by the Conference Board showed that only 48 per cent of 1,800 major corporations offer this benefit to their retired employes—with most of those that do reducing the amount of coverage upon retirement.

Supplementary health policies provide either service benefits or benefits on an indemnity basis. With service benefits, the insurer pays the entire cost incurred for a particular service. For instance, when such a policy supplements the 20 per cent co-insurance requirement of Medicare, the insurance company pays 20 per cent of covered services regardless of cost.

Indemnity policies pay a flat, stated amount for certain health services. But many experts believe that payment of a fixed number of dollars in an inflationary period does not offer adequate protection.

REPORT FOR SENATE

One such expert is Dr. Gladys Ellenbogen, who recently prepared a report for the Senate Special Committee on Aging. "The cost of some of the policies is really greater than the benefits you get," she said.

Dr. Ellenbogen asserted that many complaints have been received by state insurance departments from old people who did not understand their policies or who found certain provisions unfair. "Age 65 is not a magic age at which one is likely to become suddenly expert on the technicalities and legalities of insurance policies," she said.

A major source of complaints is the refusal of companies to pay a claim on the ground that it involves a "pre-existing condition"—an illness that began or originated before the policy was written. Many insurance departments recommend, therefore, that the period for such an exclusion be shortened to, say, six months or a year.

MATTER OF WORDING

In its "model bill" for minimum standards in health policies moreover, the National Association of Insurance Commissioners recommends that when an application has no questions on health or medical treatment history, "the policy must cover any loss occurring from any pre-existing condition not specifically excluded from coverage by terms of the policy."

Another type of complaint adversely affecting the elderly deals with unscrupulous selling tactics—such as over-insurance and the replacement of one policy with another from the same agent—used by some companies.

"The sale of several policies to the same individual to cover the same risk results in a waste of the money spent for the premiums," Dr. Ellenbogen said. "Benefits are coordinated so that overpayments to policyholders are avoided."

Cancellation of a policy and sale of a new one leads to an additional commission for the selling agent, of course. But it could also be a disadvantage to the purchaser of the prior exclusion clause usually found in these policies—resulting in no benefits for any condition existing at the time of purchase until the policy has been in effect for a minimum period of perhaps one year or so.

A third major category of complaints is the mail-order advertising of health policies directed toward the elderly. Insurance departments have determined that many mail-order policies were deceptive in that they did not deliver what was expected by their purchasers.

For example, one ad discussed what a policyholder could "collect" in the way of benefits. Yet, after a study by various state officials, it was deemed to be misleading because the holder would not actually be paid any money. Instead, the funds would go directly to the hospital to meet the co-insurance required by Medicare.

EYE ON ADVERTISING

Some states have even banned the use of certain words and phrases in advertising that tend to exaggerate benefits. Among them are "all," "full," "comprehensive," "unlimited," "as high as" and 'this policy will pay your hospital and surgical bills."

The Health Insurance Institute, the trade association of health insurance companies, says that the best major medical policies are those purchased before a person reaches his 64th birthday and which are guaranteed renewable for life. A number of these policies are available to persons over 65, it added, but are now being offered only by a limited number of companies.

HOW TO LIMIT STRATEGIC WEAPONS UNDER THE VLADIVOSTOK AGREEMENT

Mr. MONDALE. Mr. President, I request unanimous consent to have an article by the Senator from Massachusetts (Mr. KENNEDY), in the April 1975 issue of Center Report, printed in the RECORD.

The article, "How To Limit Strategic Weapons Under the Vladivostok Agreement," represents what I believe to be a very thorough analysis of the goals of the Vladivostok resolution, now pending before the Senate. This article is not only a statement of the challenges that face both superpowers in this very critical area, it is also a call for a unified policy on the part of both branches of Government that is required if we are to achieve a meaningful arms control agreement from the current negotiations in Geneva.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

HOW TO LIMIT STRATEGIC WEAPONS UNDER THE VLADIVOSTOK AGREEMENT

(By EDWARD M. KENNEDY)

(The Vladivostok Agreement as concluded by President Ford and Secretary Brezhnev in November of 1974 is clearly inadequate as a final expression of efforts to limit the development and production of strategic armaments, Senator Edward M. Kennedy contends in the following comments written in response to an inquiry by Center Report. He suggests a series of steps which need to be taken "if Vladivostok is not simply to permit a qualitative arms race that will make the agreed ceiling almost meaningless.")

With the growth of new economic issues in the world, it is tempting to ignore some older problems—including the continuing nuclear arms race. Yet we would do so at our peril. Despite controls placed on the arms race so far, there is still very real danger of nuclear war. There is a new qualitative arms race, that threatens the build-up of so many advanced warheads on both sides (MIRVs), that the side "striking first" could appear to gain a significant advantage. And there is a danger of a further spread of nuclear weapons. This problem will become far worse if the superpowers do not exercise real restraint in their own arms race.

Following my trip to the Soviet Union last April, and conversations with General Secretary Brezhnev and other Soviet leaders, I am convinced that we must move forward to seek further arms control agreements with the Soviet Union—and that there is a good chance of success.

The Vladivostok Agreement, concluded by President Ford and General Secretary Brezhnev last November, could be a step in the right direction. In providing for an upper limit of 2400 missiles and heavy bombers for each side (plus a sublimit of 1320 on missiles with MIRVs), Vladivostok does set an overall quantitative ceiling for the first time, and enshrines the principle of parity in numbers of launchers. But it is clearly inadequate as a final expression of efforts to limit the development and production of arms. Indeed, if arms control comes to an end with Vladivostok, the agreement could prove to be worse than nothing.

It is therefore critical that the Vladivostok Agreement be only the beginning of real arms control, not its end. Only by tying this agreement firmly to future efforts can it have real value, and begin the process of getting nuclear weapons under control once and for all.

Because of concerns like these, last December I joined with Senators Mathias and Mondale in introducing a Vladivostok Resolution in the Senate. In modified form, we reintroduced this resolution in the 94th Congress. It has received strong bipartisan Senate support, and the public backing of Secretary of State Kissinger. He indicated that "upon completion of the Vladivostok Accords, this resolution will serve as a guideline for further negotiations on arms control." He also indicated that: "This is an excellent example of how cooperation between the Congress and the executive branch can further the national interest without touching on each other's prerogatives."

The Vladivostok Resolution, as introduced this year, does express support for the agreement of November 24th. In this way, we believe we are contributing to the negotiations now in progress, leading to final accords tying down the Vladivostok numbers. We believe that the sensitive nature of détente—symbolized by Soviet abrogation of the 1972 Trade Agreement in January—requires some positive demonstration in favor of an arms control agreement that has already been reached between the two countries. We were also impressed with the argument that it would be difficult to try reducing the Vladivostok numbers in this brief period before the final accords were concluded.

Yet the Resolution makes a firm statement of what Vladivostok is not. It is not a license to build more missiles; it does not require either the United States or the Soviet Union to build anything. No one can be justified in citing Vladivostok as reason for increasing the size or potency of the U.S. strategic arsenal. If compelling reasons of national security later argue for building more missiles, or modernizing the ones we have, we should take appropriate action. But the existence of Vladivostok ceilings must in no way influence debate and decision in that direction. Here, it is regrettable that an early statement by the President gave the opposite impression.

In fact, it is our hope—and intention—that the existence of Vladivostok ceilings will be effective in gaining real restraints: a level for further control—not for acceleration—of new programs. Above all else the arms process must not go forward so fast that arms control, itself, is defeated.

The body of the Resolution relates the current negotiations on Vladivostok to the future in three ways. It calls on the President to make "every possible effort" to gain Soviet agreement in three areas:

First, it seeks positive action in the area that is most critical: mutual restraint on the character and pace of both development and deployment of strategic weapon systems. This is an indispensable step if Vladivostok is not simply to permit a qualitative arms race that will make the agreed ceilings almost meaningless.

Can it be done? There are encouraging signs. Indeed, both the U.S. and Soviet governments say they are for negotiating such restraints, to keep the arms race from going faster than further efforts to control it. The difference lies in what would be restrained, and how this would be achieved. But we believe that common ground can be found, provided that political leaders on both sides join the issue, and recognize the urgency of restraint.

Nor does this provision rule out unilateral restraints. In fact, there is a strong case for a freeze on new U.S. MIRV deployments (where we already have more than 800 missiles in place), while efforts go forward to get the Vladivostok numbers down. We would lose nothing in terms of our security; rather, we would enhance our security, by striving to remove the uncertainties that could appear when both sides get 1000 or 1200 MIRVed missiles—or the full complement of 1320.

Second, the Vladivostok Resolution calls upon the President to negotiate a commitment with the Russians to get the Vladivostok numbers down. Though perhaps less critical in the short-term than the exercise of mutual restraint, a further limitation on the numbers, themselves, would have a significant long-term benefit.

Finally, the Resolution calls for further negotiations in areas not now covered by the 1972 or 1974 strategic arms agreements. These areas include a Comprehensive Test Ban (for which the arguments are now overwhelming), limits on the flight-testing of weapons systems, limits on cruise missiles, and the like.

When should these negotiations begin? In the words of the Resolution, this should happen "as soon as possible." We argue that this means the Administration should begin introducing these subjects—and especially the urgency of mutual restraint—during the current negotiations. Certainly, the further efforts must begin no later than the ratification of the final Vladivostok Accords—and not "prior to 1980/81," as promised in the Vladivostok communiqué and the *aide-mémoire* of December 10, 1974.

Certainly, when the final Vladivostok Accords come to the Senate, we will question Administration spokesmen closely on what they have done pursuant to this Resolution. There is already considerable skepticism in the Congress about the value of Vladivostok; much of this skepticism can be dispelled by firm evidence that the Administration sees the Vladivostok process as intimately tied to further, immediate arms control efforts along the lines we have suggested.

This does not mean that Senate "advice and consent" for the Accords will be conditioned on the results of other, immediate efforts. But favorable consideration is more likely if a positive commitment is shown.

We are encouraged that Secretary of State Kissinger endorsed our Resolution. This positive response illustrates another central principle we are seeking to advance: the need for effective cooperation between Congress and the Administration in vital areas of foreign policy. Prior to Secretary Kissinger's January 24 speech in Los Angeles, in which he called for a new partnership between the legislative and executive branches, we worked closely with the State Department on the Vladivostok Resolution. In fact, it is couched as the "advice" of the Senate—the first time, we believe, that such an action has ever been taken. Rather than waiting for submission of a formal treaty before exercising the Senate's Constitutional responsibilities, we believe the Administration should have a clear indication of Congressional thinking while there is still time for the President and the Secretary to take this thinking into account. There is no suggestion of tying the Secretary's hands, or of interfering with the details of negotiations. But there is a strong suggestion that the whole process of making foreign policy would be aided by a timely expression of Senate views.

At the same time, we also took pains to inform the Soviet Union that our resolution was a firm declaration in support of *détente*—which at that point was being tarnished by the abrogation of the 1972 Trade Agreement. Soviet officials in Washington also expressed satisfaction with our intentions, and the role that the Resolution could play in developing relations between the two superpowers.

In sum, therefore, we believe that the Vladivostok Resolution is a useful contribution by the Senate of the United States to furthering a critical objective of our foreign policy; halting the nuclear arms race, once and for all. We hope that it will advance the day when the dangers of nuclear war will finally be put behind us, forever.

THE ROLE OF ETHICS IN OUR SOCIETY

Mr. MORGAN. Mr. President, I was recently sent a copy of a speech given by Mr. Ivan Hill to the management group of the Caterpillar Tractor Co. Upon reading the text, I felt compelled to share Mr. Hill's thoughts and insights with this body.

I am fully aware of the busy schedules of my distinguished colleagues, but I ask unanimous consent that this presentation be printed in the RECORD in the hopes that my friends here will take the opportunity to read what Mr. Hill has to say about the role of ethics in our society and its relationship to our economic and political system.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MORGAN. Mr. President, Mr. Hill is president of American Viewpoint, Inc., a 53 year old organization which is involved in a program seeking to "restigmatize dishonesty" and improve the ethics in all phases of American life.

Mr. Hill's speech is worth the reading, Mr. President, and I would hope that my colleagues have the time to take a look at what he has to say.

EXHIBIT 1

LET'S USE ETHICS FOR THE BIG JOB

(By Ivan Hill)

That was the subject of an informal talk I recently made at a luncheon meeting in Washington to a group of personnel executives representing some of the major multinational corporations. I believed that personnel executives would understand that a big job sould receive a first rate allocation. I wish to emphasize then, as I do here today, that when all the headline news is sifted, the bedrock fact that confronts us is that we must greatly strengthen the ethical underpinnings of our society if we can expect to maintain a reasonably free economic and political system.

Not so long ago ethics was a word that one seldom saw on the front pages of newspapers or as the heading of a news story. Long before Watergate, ethics started to creep into the main news. For several years. I have kept newspaper and magazine clippings of items referring to ethics. The change from the discussion of ethics in relation to many different problems to the discussion of ethics as *the* problem is rather significant. As a nation, we are beginning to wonder if we are on the main road in terms of values, in terms of the quality of life—a phrase that seems to be sharing the spotlight with ethics.

What is ethics? Of all the definitions I have heard or read, the one given by Dr. Albert Schweitzer is not only the briefest but also seems to embody the essence of all the others. "In a general sense, Dr. Schweitzer said. "ethics is the name we give to our concern for good behavior. We feel an obligation to consider not only our personal well-being, but also that of others and of human society as a whole." In his definition, Dr. Schweitzer has stated in another way the foundation principle of all ethical behavior—the Golden Rule, which is the common denominator of all major religions.

Recently a writer for a business magazine asked me: "What is the difference between ethics and plain, old-fashioned morality?" The terms ethics and morality have long been used more or less interchangeably. Both ethics and morality refer to rules or standards of conduct. We can distinguish between the two by stating that when the term morality is used in our society it is generally assumed that what is moral or immoral relates to religious guidelines. Ethical standards, although common to all major religions, need not be related to any transcendental or religious source. But we may find it much more difficult to be ethical than moral. A businessman may be considered very moral, be a leader in his church, sleep only with his own wife, and yet easily be less than ethical. When good conduct is solely dependent on religion, one can often do bad acts because he has been taught, and believes, that God is so compassionate that He will forgive him. One whose ethical standards are high, finds it more difficult to be forgiving and forgetful of his own misconduct. He cannot depend on the solace of Sunday for his sins of Saturday. Fortunate, indeed, is the person who has both ethical and moral guidance.

How does honesty relate to ethics? Honesty is the beginning point of all ethical behavior. You cannot be ethical without being honest. Honesty is a basic working social principle, not just a moral guideline. The predominance of honesty within a free society is essential to justice, to equity and to the effectiveness of law. Without an overwhelming pattern of honesty, a free society cannot function and will become unmanageable. Hypocrisy is an insidious form of dishonesty that tends to thrive in any large bureaucratic structure. Honesty does mean not lying and not stealing. But honesty must be affirmative. It is being forthright and truthful. The practice of honesty must begin with being honest with oneself. You cannot effectively communicate with others or with your own conscience without being honest. Honesty, as with ethics, is part of the earliest survival principle for mankind—the Golden Rule, the concept of communicating, cooperating and sharing in order to survive. Therefore, it is both wise and selfishly beneficial to be honest—in one's home life, business life and as a citizen in a free society.

Are we as honest today as we used to be? This question is almost an insult to our ancestors. The evidence indicates rather dramatically that we are not nearly so honest today as we were even a few decades ago. Acts of crimes against property reflect the changing mores of society. Taking one example, burglaries per 100,000 population have increased almost 400 per cent since 1940. Shoplifting is so rampant now that in some communities family discount stores cannot survive the high shrinkage of goods—from outside and inside thefts. No doubt, the easy opportunities have fostered dishonesty. Society's attitude toward rip-offs has moved from condemnation, to indifference, to condoning.

When you travel around America today, you see so many large and beautiful headquarters office buildings. But when you enter many of them, your admiration of such beauty in design and decor is interrupted by the security guard and the pinning on of the security button. Usually such procedure is required only to protect classified activity. Now, most managements require it because they simply don't want to lose their typewriters and other items not bolted to the floor. We do live in the age of the security button for the office and the triple-locked door for the home. What will the quality of life in America be like in five or 10 years? How has all this come about? There are many reasons and they may vary from place to place, but let's just briefly review the past 30 years.

It was August 6, 1945 when the first of a series of cataclysmic events occurred that have seriously dislocated all societies, especially life in America. When the atomic bomb fell on Hiroshima on that summer day, there began the spread of a concern over right and wrong, and a fog of fear that would hang over the world. It was in the mid 1940s here in America when an even greater event began to pour out its effect over all societies, especially ours—the development and rapid expansion of computers, with all its business, weaponry and government uses. We were not able to escape the full consequences of such social earthquakes because television came of age in the late '40s and '50s, and presented us a daily diet of violence—real and fictional horrors thrown right into our living rooms and onto the breakfast table. How simple the world was when President Truman's aide accepted only a food freezer for a gift.

Here in America, these sharp social shakes began to weaken the base of our traditional values. Along came Senator McCarthy, the Korean War, and the 1975 Supreme Court school integration decision. Before Eisenhower's presidency could lull us into a social nap, Sputnik burst out over the world and the technology bug really bit into our educational system. Sherman Adams, Eisenhower's assistant, took a vicuna coat. It was more stylish than a freezer.

The '60s arrived with the inspiring speeches of Kennedy to be followed by the Bay of Pigs and his assassination. The crucible of Vietnam began to boil over into our whole society. Then another Kennedy and a King were killed. The late dawning of civil rights caught us with long overdue obligations. Students rioted and were shot. Business and government got bigger. In 1968, Democrats fought Democrats in Chicago. President Johnson was forced not to run again. We landed on the moon and moved into the decade of the '70s hoping for a place and time to catch our breath but we got Watergate, inflation and recession.

During all these decades, our population kept growing and moving from place to place, having no time to form community ties and supports. Jet aircraft, satellites and rapidly increasing international interdependence reduced national economic freedom. That our society, our nation, has survived all these social earthquakes within so short a time span is a testimony to the vitality and viability that freedom gives to a people. But we have been seriously weakened.

In the 30 years since Hiroshima we have read or heard the phrase: "God is dead." Our churches have been somewhat covered with a dust of doubt, blown in on the winds of pornography and vulgarity. The sanction of the belief in a personal God has declined. Far too many of our church leaders failed to show the courage and forthrightness that an uncompromising faith should have given them. So many of their members, so many young people, have needed spiritual heroes during these past few decades. They have believed that the practice of religion is far more important than its form.

In this period of great social faulting, what did the schools, colleges and universities do to strengthen our lives, our values? Where were the teachers whose examples were ethical and moral guidelines? Some were overcome by the notion that the nuclear and space age was too demanding of their talents to permit them to be concerned with values. Rarely did an advanced degree graduate ever have any kind of course in ethics or values. Academic leaders, especially the social scientists, grabbed the spirit of the rockets and computers, waded into the midst of the new behavioral fields, and declaimed that it was wrong for educators to be teaching or talking about values. In a current book, one stated that, "Values like 'honesty,' 'religion' and 'patriotism' may be beautiful ideas, but they simply do not answer specific dilemmas in which people find themselves."

Since World War II our academic communities have been quite upset by the rapid social changes. They have retreated from a value-oriented concept of teaching. They have generally developed such a fear of stating what is or may be a given value that they have been careful to make no value commitments. Teachers have received very little help from textbook publishers in obtaining value teaching and value clarification materials. In the absence of being able to teach religious guidelines, they have failed to teach the ethical values that are basic not only to all major religions but also basic to a free society. Yet, it has never ceased to be the obligation of the educational system of a nation to be a transmitter of values.

An editor recently observed that a valueless education is apt to produce a valueless people. I wish to emphasize that a society that tries to function without a prime emphasis on ethical values cannot remain free. We have discussed why we must restigmatize dishonesty and improve our ethics. Let's discuss how we can do the big job of making

America more honest—honest enough to stay free.

The first question the skeptic may ask is, "How do you change people?" The quick answer is that we do not intend to try to change people. People have been the same for thousands of years and we are not stupid enough to try to change the basic nature of man. But we must try to understand man. As I have grown older, I have studied more, observed more and experienced ever deepening feelings. What bothers me, when I read what some men wrote hundreds of years ago, is to find that what they said then is so completely true and applicable today. I wonder how they knew hundreds of years ago what I am just finding out now. Then I ask why shouldn't this be so? Man has not changed. His environment has changed greatly. And most of the environmental changes he himself effected.

We have heard much in recent years about situational ethics and the need for new standards of ethics. It has been said that the "traditional practices, customs, and conventions which could be justified from the moral point of view in the past can no longer be sustained in the light of advances in human knowledge of nature, society and human nature." Does not our knowledge of the world make honesty as a prime value more essential than ever? Does not our knowledge of the world where there is no freedom inspire us to want to keep ours? Ask Solzhenitsyn. Read "The Gulag Archipelago." Is not our ability to survive today more dependent than ever on cooperation with our fellow humans?

The consequences of being ethical or unethical with one person to an acre are quite different from those with one thousand to an acre. We must recognize that in a highly interdependent, supertechnological society the tolerance for individual irresponsibility is very narrow. To be free, to live in an open society in our complex post-industrial age requires far more honesty and far deeper acceptance of ethical responsibilities than in the past. We face this demand now. The public senses the need.

It may seem paradoxical, considering the evidence, but I believe that the people of the United States are ready and eager for a better quality life, a more genuine life. I believe that the old as well as the young are sick of hypocrisy and irresponsibility. The vast majority of our citizens would like to be more honest. They know that being more honest and responsible would be better for them as well as for their neighbors. They feel the pressures of insecurity, of discord, of inequities. But they do not wish to be looked at by their peers and made to feel they are not quite bright because they don't cheat or steal. They do not wish to be taken advantage of, or to be treated unfairly. Of course, they want their fair share. Most people, I believe, would be happy to settle for only their fair share of rewards and responsibilities if they could feel "safe" in doing so—if others would do the same. That's why they are vulnerable to a move for more ethics and honesty or more government authority. Underneath the crust of our current alienation is a powerful yearning for a quality of life no nation has ever known.

How do we cause these seeds of hope to bloom? We must create for the public, through mass media, a consensual validation for their desire for more satisfying values. We must make it socially and culturally "safe" and "practical" for each individual to be honest and forthright. We must protect him from pockets of peer groups pressure that can make him feel like a sucker for believing he doesn't have to be adaptable in principle as well as in method. To do this, we need the proper use of mass media. And the social scientist who told me he rather hoped we couldn't succeed because he didn't wish to believe the public could be so influenced did not tell me why we shouldn't influence the public for honesty and the Golden Rule as well as for violence, thievery, pornography and statism.

We have already prepared, with the help of Leo Burnett Advertising Agency in Chicago, both radio and TV messages. The TV spots are in storyboard form and the radio spots will need to be recorded with the best voices and production. Our procedure now is to produce the radio and TV spots and adapt the TV messages in cartoon form for use in newspapers. Then we shall select test markets such as Syracuse, Columbus, Birmingham and San Diego, and set up certain criteria to assess effectiveness. We wish to measure the retail shrinkage factor from shoplifting and employee thefts, robberies, vandalism, and so on. We shall form a local working unit in each market with representatives from the local chamber of commerce, local schools, churches, law enforcement agencies, service clubs and media. The media time and space would be obtained locally on a public service basis. With local sponsors being directly involved, the media would likely give us better time and space than that for one of numerous national programs through the government and the Advertising Council. We urgently wish to get this mass media program under way.

It should be clear to everyone in America, even to the Department of Justice and to the Law Enforcement Assistance Administration, that we'll never stop the increases in crimes until the public, the individual citizens, quit thinking it's smart to condone crime and heroize the grafters. For example, the Law Enforcement Assistance Administration has spent between 3 and 4 billion dollars within the past six years to diminish crime, only to see it increase ever more rapidly. They will not and cannot succeed until a proper and effective approach has been made to achieve public sanction and support. Any good policeman on any beat in any city will tell you that. He must have public endorsement and public support. The bureaucrats are kidding themselves and the American taxpayers if they really believe that by spending billions more on law enforcement and technology we shall reduce crime.

So, we wish to test our program and measure its success by the simplest and most realistic standards. Are they stealing and killing and vandalizing less?

The cost of doing a top-flight professional job of producing the TV, radio and newspaper ads and carrying out the test campaign should be between 100 thousand and 150 thousand dollars. Once you have the basic campaign produced, tested and formatted, it could be extended nationally at a nominal additional cost. The national campaign should also be locally initiated throughout the country and merchandised in cooperation with local leaders. Compare this cost with billions of non-productive tax dollars now being spent, and wasted, in the task. Compare these modest costs with the 20 billion dollars a year lost in shoplifting, employee thefts, embezzlement and ordinary crimes. And who knows the costs of countless rip-offs and goof-offs that seem to engage so many people? But the ultimate and highest cost of dishonesty and crime is the loss of quality in human life and the final degrading cost—the loss of individual freedom.

Our second "right now" task that we wish to quickly get underway is to publish a very substantive book on American codes of ethics. We hope to get this book printed and in use this year. It will be in hardcover and contain about 400 to 500 pages. In recent weeks we have had so many requests from around the country for ethical codes and practice guidelines—from municipalities, states, universities, business schools, professional and trade associations, TV repair associations, and even a volunteer fire department, among others. Such a book could be of enormous value to the American economy and to American freedom. It could accelerate a strong desire and movement toward increased efficiency and better industry cooperation. It could make excessive government regulation not only unnecessary but obviously contrary to the concepts of our basic freedoms.

In this book we hope to develop new approaches that lead to ethical contracts or ethical accords. We hope to stimulate far better implementation of ethical standards and challenge any government agency to show cause why it should not be supporting such a movement for citizen self-discipline. We'll make this book authoritative to the extent we can. We shall have a coordinating editor of high professional experience and several participating editors for the different segments of business and professions. We need a minimum of 40 thousand dollars for research and writing. The per unit selling price of this book should be about $12.95. The prime market is the business and professional area but every library of any size should have a copy. Every sizeable chamber of commerce, trade association and professional organization should have at least one copy. Certainly some of the corporations will find increasing need for such a book. The universities and business schools should either buy copies or someone should make sure they get a copy. We are proceeding rapidly on the basis that now, surely, we can get funding for this urgently needed book. We plan to publish it ourselves because we prefer to hire the best business editors and present the material with an authoritative directness.

Now, do other people share our views as to what can be done—to whom our program should be directed, as to where rests the sanction for its success?

The chairman of the American Bar Association's Committee on Ethics stated: "Our land is particularly fadist. Fads may here be quickly changed. The time is short between long and short skirts and back again. The time span is equally short between overemphasis on production and overemphasis on ecology. Similarly, truth, openness, and respect for law can be made the fads as easily as sharp, secretive corner-cutting. The members of the bar—all of them, however and wherever they practice, as counsellors of all our people—could, if they would, be the means of changing the fad."

Jenkin Lloyd Jones, in his Washington-Star News column stated: "A people can be conditioned to save or to destroy their civilization. Mass communications simply speed and intensify the process. Who really thinks that young America is being conditioned for survival of a decent, orderly and just nation."

John Chamberlain, in The Wall Street Journal, said: "People move in droves, and if the momentum toward statism becomes too pronounced it must entail a cost that is beyond the government's taxing power to pay for the ever widening projects."

Donald Santarelli, who resigned as head of the Law Enforcement Assistance Administration, said that he believes, "We have overemphasized the capabilities of paid professionals—police, courts and correctional institutions—to form the civic, social and basic duty of establishing an orderly society. What we need is more citizen participation, rather than more and more paid professionals, in reducing the cause of crime."

Daniel Yankelóvich, researcher, believes that: "A large core of faith lies under the thin layer of cynicism, to the effect that the system can work and that honest leadership can be found to make it work if only a climate of moral integrity can be restored."

Those comments are representative of an increasing conviction in America that something must be done that hasn't been done to reduce dishonesty and crime and they point to the approach we have recommended. We must develop solutions other than those of a police state. Those solutions can come only from the sanction of the public, from the cooperation and participation of individual citizens. But individual citizens fear to go it alone. They need to know that others, all others, are willing to help. It is only through the use of mass media will every citizen be made aware that all other citizens are hearing the same call to honor, that he is not alone, that his peers share his concern about honesty and freedom. The public must come to realize that nothing less than our free market economy, our political freedom, and our individual liberties are being eroded by the ever rising flood of lying, stealing, cheating, embezzling, kickbacking, playing rip-off, vandalizing, raping and murdering. In addition to all these, the worst damage is developing from a lack of faith in business, in government and in our free and open society. From the top-most businessmen and educators, from minorities and the discontented middle majority, we are hearing comments about an alternative system. What alternative system? One that can deal with crime and disorder? Will it be force or freedom? Arnold Toynbee, the great historian, reminded us not long ago that, "Freedom is expendable; stability is indispensable."

Economists have been telling us about the post-industrial society, about our rapid movement from a hardware or manufacturing economy to a software or service economy. Unfortunately, economists have not mentioned the essentiality of honesty and good ethics to the workings of a free market economy. They should be warning us that as we move into a predominantly service economy, the need for a much higher ethical standard will be urgent indeed. Why our economic leaders have virtually ignored the historical relationship of honesty and trust to freedom and the accuracy of economic predictions, I do not know. Perhaps they do not think honesty is scientific? Yet, without honesty economics is certainly not scientific. Some business leaders, especially those who came up through the legal and MBA routes, are very shy when it comes to publicly discussing the paramount importance of ethical and moral values in the functioning of a free market economy. They seem to believe business ethics and personal ethics can be separated.

On CBS Television's "Sixty Minutes" program, I saw Mike Wallace interview Bob Haldeman. You'll remember Mr. Haldeman of the White House. One thing that Haldeman said should not go without being noted in every business in America. I was amazed that Haldeman seemed surprised that Mike Wallace would think that the morals and practices of the White House were carried over into his or Nixon's personal life. How can a man believe that when he leaves the ethics of his office, he can shed them at the door of his home before he enters to kiss his wife or pick up his child. When will we all learn that governments, corporations and institutions do not have ethics and morals. Only individuals have ethics and morals and they are his or hers alone, 24 hours a day. We cannot assign to the myth of any government or corporate institution our own responsibilities for our own conduct. No duress of team play can eradicate one's own conscience. How lucky, or how wise, one is who works for a company whose leadership morality is the highest. And how much easier it is for any institution or nation to maintain high internal morale when every employee or every citizen is proud of the character of the leadership.

There have been some favorably changing attitudes in the business community in the 15 months since American Viewpoint purchased a full page in The Wall Street Journal and outlined our program to extend economic and political freedom in America by improving our ethics. At first, some business leaders apparently thought our program was too idealistic. The leadership of the Chamber of Commerce of the United States passed our material down the line but it came back up and Mr. Arch Booth, the Chamber president, and his staff have been among our most ardent supporters. The same thing happened at the National Association of Manufacturers, but a few months later, acting on their own initiative, they ran my speech on Honesty and Freedom in the NAM Reports. Following the leadership of the Christian Science Monitor, the U.S. News and World Report, and the "Today" show, the press is beginning to understand the pragmatism of our approach. The timing is certainly right. Each day another headline tells us to hasten our efforts.

But some who have waved the banner of free enterprise have done more harm than good. They have failed to understand the service nature of profits. But far more important, we have all failed in helping the public to understand a simple and universal fact about world societies—where there is little or no profit, there is little or no freedom. And I wonder sometimes if business understands that when it gets in bed with government, the union often breeds a slave child of restrictions. However, I have noticed that many who condemn the institutions of a free society are far too often individuals who have been its beneficiaries without having made a corresponding contribution in innovative entrepreneurship or investment risk.

Not long ago the retiring chairman of General Motors was quoted in Time magazine as saying that "free enterprise is dead." He must have been thinking of the catalytic converter. But he hasn't been alone among business leaders who are saying that free enterprise has gone down the drain. These spokesmen know they are wrong, as of now. They just do not see how they can save it. They have been unwilling to face up to the singular fact that honesty, ethics and forthrightness are not Sunday school issues but are the core issues of keeping free enterprise alive. The business community has dramatically suffered from the same peer group pressure that the kid in school suffers when he fears if he doesn't cheat he won't get a passing grade. He feels that he must do as his competitors do or he won't pass. To the kid, his passing is his profit. Not all children cheat. They survive and learn and many make straight A's. Not all businessmen cheat. They survive and make good profits. They are the ones to whom we owe the continuance of not only our free enterprise system but also the continuance of our personal liberties. These men and women must rise up and fight that element in American business that is so committed to a certain target of sales or profits or personal glory that they will do anything to achieve it.

Those who cannot relate honesty, fairness and ethics to the conduct of a business enterprise must be openly condemned by their own peers. Attack the inside destroyers of free enterprise. Don't fraternize with the enemy of profits in perpetuity. They are the ones who are opening the doors to coercive collectivism. They care not for the freedom of those who follow them on that stage of business prominence too many have grabbed and not earned.

I have served multi-billion dollar corporations. I know that it takes courage and confidence for business leadership to be honest and forthright, in the face of competitors, the government and dissident shareholders. It takes even greater courage and personal faith in freedom for business leadership to eliminate from its inner circles those whose actions bring public condemnation and government regulations onto the entire business community. Without that determination to act, we'll soon be forced to agree with Mr. Gerstenberg; an element in the business community will have proved him prescient—free enterprise will be dead in America, for 200 years the lighthouse for freedom. Business has never been given fair credit for its role in building America, but I hope that fact will not keep business, yes, big business, from saving freedom, which is the essence of America.

We need no new religions. We need no new ethics. We do not need to go back for anything. We do need to go forward to fulfill America's destiny, to the greater achievements possible to an ethical free enterprise system, to an ethical capitalism. We need no new system. Marxism and America's worship of materialism for materialism's sake are 19th century concepts that are blooming to their death. If we are to achieve more of our human potential, an upward movement possible only in an open society, ethics must be our bridge to the 21st century. We must strive for the fullest realization of the inspiration inherent in the Declaration of Independence and build on the laws that have given lasting substance to the Constitution of the United States. To meet this challenge, we must, as they did in 1776, call on the people of America. Shall we be honest and free or dishonest and policed? I believe the citizens of this country will respond for freedom, as they did in 1776.

THE ROCK ISLAND CRISIS

Mr. HUMPHREY. Mr. President, yesterday the Senate passed S. 917, with amendments. I was pleased to join my distinguished colleague from Kansas, Mr. PEARSON, in sponsoring this bill, the Railroad Temporary Operating Authority Act.

The collapse of the Chicago, Rock Island, and Pacific Railroad, and similar prospects for other railroads in the Midwest, confirm what many of us have suspected for some time—that the problems facing the railroads of the Northeast are not limited to that region alone. However, while we work together to develop a solution to the pressing problems confronting our Nation's railroads, we must take care to insure the continuation of essential rail services to shippers and to provide for fair and equitable protection of the affected railroad employees.

Continuation of many of the services provided by the Rock Island is essential to the economy of the regions it serves. Not only is it the only carrier available to as many as 30 percent of the shippers in its service region, but the Federal Energy Administration has estimated that alternative motor carrier services would be costly and require many millions of extra gallons of diesel fuel. An excellent report just completed by the Countryside Council's Study of Commodity Transportation Problems in Southwestern Minnesota underscored this fact in its economic analysis of the rail service versus motor carrier service to grain elevators in that region.

There are several possible responses to the current crisis under provisions of existing law. S. 917 complements these and provides the Interstate Commerce Commission with a needed addition to the tools necessary to continue essential rail services in regions that are also served by other carriers, while an equitable and fair long-range solution to the problems confronting the Nation's railroads is achieved. This bill permits the Commission to authorize service to avoid the deterioration of essential rail properties which might occur during the interim between the expiration of emergency service and completion of a more permanent proceeding.

I understand the apprehension on the part of some rail carriers that this legislation may adversely affect competitive relationships in regions suffering a discontinuance of service. Bimonthly reports to Congress on the competitive effects of orders will be examined closely to determine whether this issue deserves further consideration.

I also want to state clearly my concern and expectation that every possible effort will be made to meet the needs and protect the rights of Rock Island employees while a long-range solution to meeting the Nation's rail requirements is developed. For this reason, I fully support appropriate proposed amendments relating to employee protections.

Several long-range solutions to the railroad problem which are national in scope, have been proposed. My recently introduced Railroad Rehabilitation and Recovery Act would provide for Government maintenance of tracks and roadbeds in a national network of rail lines for those companies which find themselves unable to meet high maintenance standards. Proposals to create a nonprofit corporation to which the rail lines may be conveyed have also been made.

In the interim, however, I believe we are obligated to maintain and protect the railroads' right-of-way including that of the Rock Island, while responding to the needs of businessmen using rail service, the employees of the various railroads, and the general public. The amendments to the Interstate Commerce Act set forth in S. 917 are intended to ensure that the ICC has adequate authority to continue essential rail services at the lowest possible cost and to provide the ICC with a full complement of tools to use not only for immediate crises, such as that presented by the Rock Island, but also to establish contingency plans for potential future service interruptions whenever and wherever they may occur.

REPUBLIC OF TOGO CELEBRATES NATIONAL DAY

Mr. HARTKE. Mr. President, very recently the Organization for the Development of Tourism in Africa, ODTA, transferred its headquarters from Paris to Lome, the capital of Togo. This significant step placed Togo as the capital of all tourism in Africa.

The Republic of Togo, a small West African country, has been independent of the colonial yoke since 1960 and maintained political stability under her able President, Maj. Gen. Etienne Eyadema, whose work fostering peace between Mali and Upper Volta was recently applauded by the world community.

When President Eyadema assumed control of the government, political parties were prohibited and all constitutional processes were suspended. With a mixed civilian and military cabinet, President Eydema embarked on an ambitious program to unify Togo. In 1969, party rule was restored and a formal election placed the incumbent into the Presidency.

The February 28 meeting in Togo between the nine ECC nations plus 46 developing nations of the Caribbean and Pacific areas formulated new economic plans to replace the old Yaounde Pact.

Togo is a member of the French Franc area and of the Union Monetaire del'Afrique de l'Ouest, in common with the Ivory Coast, Dattomey, Niger, Senegal, and Upper Volta. The Government of Togo has aspirations for a strong economic program between the West African States and an improved atmosphere for internal investment.

The economy of Togo is basically agriculture, but the mineral resources of this nation show a great deal of promise.

Mr. President, I take this opportunity to express the good will of the people of the United States to the Government, the President and the people of the Republic of Togo on her National Day, April 27.

CRANSTON EARTHQUAKE BILL WOULD HELP PREPARE FOR "BIG QUAKE"

Mr. CRANSTON. Mr. President, yesterday's edition of the Washington Post carried a story by Leroy F. Aarons, that newspaper's west coast correspondent, describing the unfortunate fact that Californians are generally unprepared for the inevitable "big quake."

Bruce A. Bolt, the distinguished professor of geology and director of the U.S. Seismographic Station at the University of California, Berkeley, is quoted by Aarons as saying:

> My rule of thumb is we must expect a large earthquake tonight, not at the end of the century.

Mr. President, using Dr. Bolt's wise rule of thumb, I want to call the attention of my colleagues once again to the urgency I attach to legislation now pending in the Senate Commerce Committee to expand and coordinate the Federal Government's support for earthquake-related research and preparedness programs.

It is important—vitally so—not only to Californians but to citizens everywhere.

That legislation, S. 1174, which I introduced on March 13 with 12 cosponsors, is a revision of similar bills I have introduced in the 92d and 93d Congresses. The Earthquake Disaster Mitigation Act of 1975 would authorize a 10-year, $50 million a year program, to be carried out principally by the U.S. Geological Survey and the National Science Foundation. Its general goals are to seek a better understanding of the causes of earthquakes, to develop from this understanding an operational system for predicting earthquakes and to issue appropriate warnings to the public, to advance earthquake engineering research and its application to hazardous structures, and to improve the human and community response to earthquakes and the threat of earthquakes.

It would, in short, Mr. President, provide a framework for the effective action we must take now to mitigate the destructive effect of future earthquakes. We cannot afford to wait for the kind of reminder we had in February of 1971 when a 6.5-magnitude earthquake shook the quiet communities north of Los Angeles, killing 64 people and costing more than $500 million in property damage. I hope that the Congress will have the foresight and the wisdom to enact this much needed legislation without having to be literally shaken out of our complaisance.

Mr. President, I ask unanimous consent that the text of the Washington Post article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

California Ill-Equipped for Big Quake

(By Leroy F. Aarons)

San Francisco.—"My rule of thumb is we must expect a large earthquake tonight, not at the end of the century," said Bruce A. Bolt, distinguished professor of geology and director of the U.S. Seismographic Station at the University of California at Berkeley.

Bolt lives on a hillside close to the Hayward Fault, a 100-mile branch of the 650-mile San Andreas Fault.

"Nearly all the professors in this department live very near the fault," Bolt said. "It's very pleasant, with a view of the Bay."

Millions of Californians take the same approach to the earthquake threat.

Nearly 70 years after the disastrous 1906 earthquake that destroyed San Francisco and more than four years after the ominous temblor of San Fernando in Los Angeles County that took 58 lives, California remains highly vulnerable to and unprepared for a cataclysmic quake that most scientists agree will come before the end of the century.

Many changes have been made, largely as a result of the scare factor that followed the San Fernando quake. But California has a penchant to opt for pleasant living over preparedness or for bowing to the economic pressure of the real estate industry.

The state is criss-crossed with thousands of faults, some active, some inactive, and many undetected.

What is known is that the state is ripe for a major eruption, which seems to occur every hundred years or so. The last big one in Southern California was in 1857 along the famous San Andreas Fault.

The main cause of earthquakes is rocks fracturing from the gradual accumulation of strain during geological changes. When strain exceeds the strength of the rocks, there is sudden fracture.

Quakes also occur along pre-existing fractures—such as the San Andreas fault or its offshoots—when enough tension builds up to overcome the friction between the rock faces of the fracture. Such tension is often relieved by slow, harmless slippage, but it can also occur suddenly with an explosive release of energy.

In northern California the largest earthquake of recent history occurred in 1906 in San Francisco. It registered more than 8 on the Richter scale, killed more than 500 people, and caused fires that leveled the city.

The Richter scale, devised by Dr. Charles Richter of California Institute of Technology, measures the energy released—and thus the potential for damage—by an earthquake. The scale is open-ended and logarithmic, meaning that each increase of one unit represents a 100-fold increase in the energy released.

A quake that registered 2 on the scale is imperceptible, while 2.5 can be felt near the point of origin and 3 can be felt over a fair-sized area. Slight damage can be caused at 4.5, a level of 5 is considered damaging, 7 is major, and 8 is a "great earthquake."

The issue, most geologists and seismic experts agree, is not whether another blockbuster quake will occur, but when. It could happen any time.

Should that earthquake occur "tomorrow," these experts believe, the following realities await Californians:

Tens of thousands of buildings built in the first half of the century, clearly hazardous under severe earthquake conditions, in use in San Francisco and Los Angeles, could topple, endangering thousands of lives (an estimated 200,000 in Los Angeles alone).

Other thousands of buildings built on or near faults face destruction from ground shaking and land fill.

High-rise buildings, built to more modern standards, may not topple, but face serious hazards of fire, disabled elevators and inadequate stairwell safety.

Earthquake disaster urgency plans are in the nascent stages throughout the state, hampered by apathy among public officials, lack of funds and infrequent exercises.

The public is ill-prepared to cope with earthquakes or their aftermaths. There is virtually no publicity about what to do during or after a major quake. Earthquake drills are rarely, if ever, held in communities or in public buildings (schools are an exception).

A recent federally sponsored study gives these estimates of death and injury should a temblor of more than 7 or 8 on the Richter scale occur in or near San Francisco or Los Angeles:

San Francisco—as many as 10,000 persons dead and 40,000 injured. (Should a major dam break, the death toll could rise to 60,000.) Another 56,000 could be left homeless (not including dam evacuees).

Los Angeles—as many as 20,000 deaths and up to 600,000 injured. Additional deaths possible due to major dam failure—up to 14,000. Homeless (not including dam evacuees), up to 180,000.

At the very best, Californians are fatalistic about earthquakes, accepting that they will come, and hoping they will be out of the affected area when it happens.

"You don't know when it is going to be or how it's going to be," said one West Los Angeles resident. "I should put money into making my house earthquake-proof when I could be in some skyscraper swaying when it happens? Who cares?"

In San Francisco, a college professor recently asked 125 residents in a random sampling what they would do if an earthquake comes. Sixty per cent said, in effect, "Start praying. What else is there to do?"

What can be done? In fact, quite a lot—and some of it is being accomplished in the areas of building code upgrading, land-use planning, emergency preparedness, earthquake prediction, and public education. But the effort of a few aggressive legislators, state and local officials, and private citizens is frustrated by the low level of priority generally assigned to earthquake protection.

The "kill ratio" of past California earthquakes is extremely low compared to, say, traffic accidents. About 900 persons have died as the results of quakes since the turn of the century compared to an average annual highway toll of 4,800. Thus there are those who argue against expenditures of time and effort on something as mercurial and unpredictable as an earthquake.

California's new governor, Edmund G. Brown, Jr., is said to be one of those. According to a recent news story, Brown suggested that money being allocated for safe buildings might be used to improve the quality of education, to rehabilitate housing for the poor, or to create construction jobs.

After the San Fernando quake, there was a flurry of studies, hearings, plans and legislation.

In Los Angeles, the building code requirements were toughened. Explained Bob Williams, general manager of Los Angeles' Department of Building and Safety: "We doubled the loading strength requirements and required standards twice as strong in reinforced concrete and reinforced masonry."

Los Angeles' building code is in some respect tougher than the Uniform Building Code to which most jurisdictions in the state adhere. One official, Long Beach building director Edward M. O'Connor, a leading proponent of better preparedness, contends that the Uniform Building Code falls short.

"It does not fulfill the purpose of the code: to preserve life, limb, property and the public welfare in the event of an earthquake," he said.

Changes in the uniform code come slowly. They are modeled after recommendations by the California Structural Engineers Association, composed of professional engineers who help design buildings.

The recommendations usually represent a balance of conservative and liberal strains within the association, and, according to some observers, are strongly influenced by economic considerations.

The drafters of the uniform code are still wrestling with one of the central lessons of the San Fernando earthquake—the fact that major buildings are being constructed with little knowledge or consideration of soil and geological conditions and how they might respond to ground shocks.

Geologists and seismic experts admit they know very little about what causes earthquakes or precisely how buildings are affected by local or even distant shocks. Now, for the first time, California is placing instruments that measure motion in key buildings around the state. But they must await another earthquake to produce usable data.

In the meantime, seismic considerations are working their way slowly—some say too slowly—into building requirements.

New laws ban construction directly over active faults, require satisfactory geologic studies before new hospitals are built, require that a "seismic safety element" be included in local planning, and require the correction of unsafe dam conditions.

This legislation added up to the most progressive package of earthquake measures in 40 years, but it was not accomplished without resistance. The restriction on building on or near faults, for example, inspired a storm of protest from real estate developers and individual lot owners that eventually forced a modification softening the restriction.

A hospital law passed in 1972 requires that detailed geological and soil reports for proposed hospital construction be reviewed by state geologists.

James Flosson, director of the state Department of Mines and Geology, promptly ran into problems.

"The reports the first few months were a disgrace to the profession," Flosson said. "We insisted that they be redone, and done again until they were right. I've had my head bloodied many times as a result. I've been threatened, told my career would be ruined—a few geologists tried to get me fired. But we stood by our guns and now the quality of the reports is excellent."

Another area of controversy is highrise safety. Berkeley architect Karl V. Steinbrugge believes the modern steelframe construction will withstand intense shocks. But Henry J. Degunkolb, a San Francisco structural engineer and frequent critic of safety standards, said:

"I would not find it unreasonable to expect . . . there will be 15 to 30 total collapses with another 50 to 100 severely damaged" in San Francisco.

While there is disagreement about high-rise collapse, there is a broad consensus that most existing high rises are vulnerable to extensive internal damage from unbolted equipment and, most significantly, from fire.

The dangers are serious enough to have prompted major changes recently in fire regulations for all future buildings.

All future high rises (above 75 feet) will be built with automatic governors that bring elevators instantly to ground level, and, most importantly, with sprinkler systems at every level.

All but a minuscule number of the nearly 2,000 high rises presently in Los Angeles and San Francisco lack sprinkler systems.

Requirements that they be installed were written into a state law last year, but efforts to draft regulations ran into fierce opposition from builders, the Chambers of Commerce and other businessmen.

The battle is still being fought.

San Francisco's disaster plan is advanced over those of other municipalities, but it suffers from lack of a central communications network, insufficient coordination among departments and inadequate practical exercises, according to a city planning department study.

"All it is is a paper organization," said Alfred Goldberg, head of the city's building department.

Goldberg's concerns are echoed by James Haigwood, state emergency services officer in charge of helping to create state-level disaster plan for Southern California.

Commented Haigwood: "I don't think most elected and appointed officials understand they have a real responsibility to have their jurisdictions prepared. They are only doing a barebones job."

RULES OF PROCEDURE FOR THE SELECT COMMITTEE TO STUDY GOVERNMENTAL OPERATIONS WITH RESPECT TO INTELLIGENCE ACTIVITIES

Mr. CHURCH. Mr. President, in accordance with the provisions of the Legislative Reorganization Act of 1970, I submit now for publication in the RECORD the rules of procedure for the Select Committee To Study Governmental Operations With Respect to Intelligence Activities. These rules were adopted by the members of the Select Committee on April 9, 1975. I ask unanimous consent that they be printed in the RECORD.

There being no objection, the rules were ordered to be printed in the RECORD, as follows:

RULES OF PROCEDURE FOR THE SELECT COMMITTEE TO STUDY GOVERNMENTAL OPERATIONS WITH RESPECT TO INTELLIGENCE ACTIVITIES, U.S. SENATE, ADOPTED APRIL 9, 1975

These Rules are issued pursuant to the 1st Section of Senate Resolution 21, 94th Congress, 1st Session, agreed to January 27, 1975, and printed in full in the appendix hereto.

RULE 1. CONVENING OF MEETINGS

1.1 The Committee may schedule a regular day and hour for the Committee to meet.

1.2 The Chairman shall have authority, upon proper notice, to call such additional meetings of the Committee as he may deem necessary and may delegate such authority to any other member of the Committee.

1.3 A special meeting of the Committee may be called at any time upon the written request of six or more members of the Committee filed with the Clerk of the Committee.

1.4 In the case of any meeting of the Committee, other than a regularly scheduled meeting, the Clerk of the Committee shall notify every member of the Committee of the time and place of the meeting and shall give reasonable notice which, except in extraordinary circumstances, shall be at least 24 hours in advance of any meeting held in Washington, D.C. and at least 48 hours in the case of any meeting held outside Washington, D.C.

1.5 If a majority of the members of the Committee have made a request in writing to the Chairman to call a meeting of the Committee and the Chairman fails to call such a meeting within seven calendar days thereafter, including the day on which the written notice is submitted, such majority may call a meeting by filing a written notice with the Clerk of the Committee who shall promptly notify each member of the Committee in writing of the date and time of the meeting.

RULE 2. MEETING PROCEDURES

2.1 Meetings of the Committee shall be open to the public except when otherwise directed by the Chairman or majority vote of members present.

2.2 It shall be the duty of the staff director to keep or cause to be kept a record of all Committee proceedings.

2.3 The Chairman of the Committee, or if the Chairman is not present the Vice Chairman, shall preside over all meetings of the Committee. In the absence of the Chairman and the Vice Chairman at any meeting majority member is present the ranking minority member present, shall preside.

2.4 Except as otherwise provided in these Rules, decisions of the Committee shall be by majority vote of the members present and voting. A quorum for the transaction of Committee business, including the conduct of Executive sessions, shall consist of six Committee members except, that for the purpose of hearing witnesses, taking sworn testimony, and receiving evidence under oath, a quorum may consist of one Senator.

2.5 A vote by any member of the Committee with respect to any measure or matter being considered by the Committee may be cast by proxy if the proxy authorization (1) is in writing to the Chairman or Vice Chairman; (2) designates the member of the Committee who is to exercise the proxy; and (3) is limited to a specific measure or matter and any amendments pertaining thereto. Proxies shall not be considered for the establishment of a quorum.

RULE 3. BROADCASTING, TELEVISION, AND PHOTOGRAPHY

Any Committee meeting which is open to the public may, subject to Rule 6.7, be covered, in whole or in part, by television, radio, still photography or other media coverage, if the Chairman authorizes such coverage. When coverage by any such media is authorized it must be conducted in an orderly and unobtrusive manner, and the Chairman may for good cause terminate such media coverage in whole or in part, or take such other action as the circumstances may warrant.

RULE 4. INVESTIGATIONS

No investigation shall be initiated by the Committee unless a majority of the members of the Committee has specifically authorized such investigation, but any member of the Committee shall be entitled to pursue any inquiry individually unless specifically prohibited by a majority vote of the members of the Committee. Authorized investigations or inquiries may be conducted by members of the Committee and/or by designated staff members.

RULE 5. SUBPOENAS

Subpoenas for attendance of witnesses or the production of memoranda, documents, records, or any other material may be issued by the Chairman, or any other member designated by him after consultation with the Vice Chairman, and may be served by any person designated by the Chairman or member. Each subpoena shall contain a copy of Senate Resolution 21, 94th Congress, 1st Session.

RULE 6. PROCEDURES RELATED TO THE TAKING OF TESTIMONY

6.1 *Notice.*—Witnesses required to appear before the Committee shall be given reasonable notice and all witnesses shall be furnished a copy of these Rules.

6.2 *Oath or Affirmation.*—Testimony of witnesses shall be given under oath or affirmation which may be administered by any member of the Committee.

6.3 *Interrogation.*—Committee interrogation shall be conducted by members of the Committee and such staff personnel as is authorized by the Chairman, the Vice Chairman, or the presiding member.

6.4 *Counsel for the Witness.*—(a) Any witness may be accompanied by counsel. A witness who is unable to obtain counsel may inform the Committee of such fact, and if consistent with the notice given under Section 6.1 hereof, at least 24 hours prior to his appearance before the Committee, the Committee shall then endeavor to obtain voluntary counsel for the witness, but failure to obtain such counsel will not excuse the witness from appearing and testifying.

(b) Counsel shall conduct themselves in an ethical and professional manner. Failure to do so shall, upon a finding to that effect by a majority of the members present, subject such counsel to disciplinary action which may include warning, censure, removal, or a recommendation of contempt proceedings.

(c) There shall be no direct or cross examination by counsel. However, counsel may submit in writing any questions he wishes propounded to his client or to any other witness and may, at the conclusion of his client's testimony suggest the presentation of other evidence or the calling of other witnesses. The Committee may use such questions and dispose of such suggestions as it may see fit.

6.5 *Statements by Witnesses.*—A witness may make a statement, which shall be brief and relevant, at the beginning and conclusion of his testimony. Such statements shall not exceed a reasonable period of time as determined by the Chairman, or other presiding member. Any witness desiring to make a prepared or written statement for the record of the proceedings shall file a copy with the Clerk of the Committee, and in so far as practicable and consistent with the notice given, shall do so at least 72 hours in advance of his appearance before the Committee.

6.6 *Objections and Rulings.*—Any objection raised by a witness or counsel shall be ruled upon by the Chairman or other presiding member, and such ruling shall be the ruling of the Committee unless a majority of the Committee present overrules the ruling. In the case of tie votes the rule of the chair will prevail.

6.7 *Lights and Broadcasting.*—(a) A witness may request, on grounds of distraction, harassment, or physical discomfort, that during his testimony, television, motion picture, and other cameras and lights shall not be directed at him, such requests to be ruled on in accordance with Rule 2.4.

(b) No witness subpenaed by the Committee shall be required against his will to be photographed at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any witness who does not wish to be subjected to radio, television, or still photography coverage, all lenses shall be covered and all microphones used for coverage turned off. So far as is practicable, a witness desiring to make such a request shall so inform the Chief Counsel of the Committee at least 24 hours prior to the time that witness is scheduled to testify.

6.8 *Inspection and Correction.*—All witnesses testifying before the Committee shall be given a reasonable opportunity to inspect, in the office of the Committee, the transcript of their testimony to determine whether such testimony was correctly transcribed. The witness may be accompanied by counsel. Any corrections the witness desires to make in the transcript shall be submited in writing to the Committee within five days of the availability of the transcript. Corrections shall be limited to grammar and minor editing, and may not be made to change the substance of the testimony. Any questions arising with respect to such corrections shall be decided by the Chairman. Upon request, those parts of testimony given by a witness in Executive session which are subsequently quoted or made part of a record shall be made available to that witness at his expense.

6.9 *Persons Affected by Testimony.*—A person who believes that testimony or other evidence presented at a public hearing, or any comment made by a Committee member or Committee counsel, may tend to affect adversely his reputation, may request to appear personally before the Committee to testify on his own behalf, or may file a sworn statement of facts relevant to the testimony, evidence, or comment, or may submit to the Chairman proposed questions in writing for the cross-examination of other witnesses. The Committee shall take such action as it deems appropriate.

6.10 *Contempt Procedures.*—No recommendations that a person be cited for contempt of Congress shall be forwarded to the Senate unless and until the Committee has, upon notice to all its members, met and considered the alleged contempt, afforded the person an opportunity to state in writing or in person why he should not be held in contempt, and agreed, by majority vote of the Committee to forward such recommendation to the Senate.

6.11 *Release of Name of Witness.*—Unless authorized by the Chairman, the name of any witness scheduled to be heard by the Committee shall not be released prior to his appearance before the Committee.

RULE 7. PROCEDURES FOR HANDLING CLASSIFIED OR SENSITIVE MATERIAL

7.1 Committee staff offices on the first floor of the Dirksen Office Building shall operate under strict security precautions. At least one security guard shall be on duty at all times by the entrance to control entry. All persons before entering the offices shall identify themselves. At least one additional security guard shall be posted at night for surveillance of the secure area where sensitive documents are kept.

7.2 Sensitive or classified documents and material shall be segregated in a secure storage area. They may be examined only at secure reading facilities. Copying, duplicating, or removal from the Committee staff offices of such documents and other materials is prohibited except as is necessary for use in, or preparation for, interviews or Committee meetings, including the taking of testimony, and in conformity with Section 9.2 hereof.

7.3 Each member of the Committee shall at all times have access to all papers and other material received from any source. The Staff Director shall be responsible for the maintenance, under appropriate security procedures, of a registry which will number and identify all papers and other materials in the possession of the Committee, and such registry shall be available to any member of the Committee.

7.4 Access to classified information supplied to the Committee shall be limited to the Staff Director, the Chief Counsel and the Council to the Minority, and those staff members with appropriate security clearances and a need-to-know.

7.5 No testimony taken including the names of witnesses testifying or material presented at an Executive Session, or classified papers, and other materials received by the staff or its consultants while in the employ of the Committee shall be made public, in whole or in part or by way of summary, or disclosed to any person outside the Committee unless authorized by a majority vote of the entire Committee, or after the termination of the Committee, in such manner as may be determined by the Senate.

7.6 Before the Committee is called upon to make any disposition with respect to the testimony, papers, or other materials presented to it, the Committee members shall have a reasonable opportunity to examine all pertinent testimony, papers and other materials that have been obtained by the Committee staff. No member shall release any such testimony, papers, or other materials, or any information contained in such testimony, papers, or other materials, to the public or any person outside the Committee unless authorized by a majority vote of the entire Committee, or after the termination of the Committee, in such manner as may be determined by the Senate.

RULE 8. PREPARATION FOR COMMITTEE MEETINGS

8.1 Under direction of the Chairman, the Staff Director, Chief Counsel, Counsel to the Minority, or other designated staff members shall brief members of the Committee at a time sufficiently prior to any Committee meeting in order to assist the Committee members in preparation for such meeting and to determine any matter which the Committee member might wish considered during the meeting. Such briefing shall include a list of all pertinent papers and other materials that have been obtained by the Committee that bear on matters to be considered at the meeting.

8.2 The Staff Director, the Chief Counsel, and the Counsel to the Minority shall recommend to the Chairman and the Vice Chairman the testimony, papers, and other materials to be presented to the Committee at any meeting. The determination whether such testimony, papers, and other materials shall be presented in open or Executive session shall be made pursuant to the rules of the Senate.

RULE 9. STAFF

9.1 The appointment of all staff members and consultants shall be confirmed by a majority vote of the Committee. After confirmation, the Chairman shall certify staff appointments to the Financial Clerk of the Senate in writing.

9.2 Except as otherwise provided by the Committee, the duties of staff and consultants shall be performed, and staff personnel affairs and day-to-day operations, including security and control of classified documents and material, shall be administered under the direct supervision and control of the Staff Director and the Chief Counsel. The Counsel for the Minority shall be kept fully informed regarding all matters and shall have access to all material in the files of the Committee.

9.3 The staff of the Committee shall not discuss either the substance or procedure of the work of the Committee with anyone other than a member of the Committee or other Committee personnel. Upon termination of employment by the Committee, each member of the staff, or consultant, shall surrender all classified and other material relating to the work of the Committee which came into his possession while in the employ of the Committee.

9.4 The employment of any member of the staff or consultant who fails to conform to any of these Rules shall be immediately terminated.

RULE 10. SERVICES, INFORMATION, FACILITIES, AND PERSONNEL OF THE GOVERNMENT; CONSULTANTS

The Chairman shall have the authority to utilize the services, information, facilities, and personnel of the departments and agencies of the government, and to procure the temporary or intermittent services of experts or consultants or organizations thereof to make studies or assist or advise the Committee with respect to any matter under investigation.

RULE 11. REPORTING OF MEASURES OR RECOMMENDATIONS

11.1 No measure or recommendations shall be reported from the Committee unless a majority of the Committee is actually present and a majority of those present concur.

11.2 In any case in which the Committee is unable to reach a unanimous decision, separate views or reports may be presented and printed by any member or members of the Committee.

11.3 A member of the Committee who gives notice of his intention to file supplemental, minority, or additional views at the time of final Committee approval of a measure or matter, shall be entitled to not less than three calendar days in which to file such views, in writing, with the Clerk of the Committee. Such views shall then be included in the Committee report and printed in the same volume, as a part thereof, and their inclusion shall be noted on the cover of the report.

RULE 12. CHANGES IN RULES

These Rules may be modified, amended, or repealed by the Committee, provided that a notice in writing of the proposed change has been given to each member at least 48 hours prior to the meeting at which action thereon is to be taken.

THE IMPORTANCE OF LATIN AMERICA

Mr. HUMPHREY. Mr. President, I wish to call to the attention of my colleagues an editorial which appeared in the Washington Post on April 26 entitled, "The Importance of Latin America." Frankly, it is a sorry thing we have to be reminded.

For too long, we have neglected what President Kennedy recognized as our "sister republics"—and when we have dealt with them, it has too often been on the basis of paternalism rather than equality. Yet the good neighbor policy and the alliance for progress remind us that our relations have been—and again can be—warm and constructive. They should occupy a central place in our foreign policy, and they should be conducted with the mutual respect they deserve.

Unfortunately, we have been distracted in recent years by hotter spots, such as Indochina and the Middle East, not to mention our traditional absorption in superpower politics. To be sure, it is some measure of our indifference that we have withheld trade preferences across-the-board, despite the fact that countries like Venezuela and Ecuador did not participate in the Arab oil embargo which provoked our action.

Beset by massive social and economic problems, South America continues in ferment. We should not wait to be confronted with revolution and crisis. Rather, we should anticipate and encourage progress and peaceful change. We might begin by supporting a new and fairer Panama Canal Treaty, by seriously reevaluating the present policy of sanctions on Cuba, and by forswearing interference in internal affairs, which has had such serious repercussions in Chile and Honduras.

Clearly, the mere visit of Secretary Kissinger cannot substitute for the substantive reassessment and improvement of our attitudes and policies. Latin America is coming of age; so should America. Perhaps for our bicentennial we shall establish a new corollary to the Monroe Doctrine, that Latin America be protected not only from European excesses, but from our own as well.

Mr. President, I ask unanimous consent that the excellent Post editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

The Importance of Latin America

It is regrettable but not disastrous that the Indochina crisis should have forced Secretary of State Kissinger to postpone yet again his long-scheduled trip to Argentina, Brazil and Venezuela. The trip would surely have enhanced the secretary's understanding of a region of far more critical and enduring importance to the United States than Indochina. And it would have given his hosts the opportunity to get what Latins perennially feel is a commodity in short supply—the high level attention of the U.S. government. Yet the visit of an American Secretary of State, even one who is a celebrity, is not something that would turn the heads of thoughtful Latins. They will wish to see what else of a serious nature in Latin-U.S. relations is going on.

The chief political task of American policy in the hemisphere is, plainly, to move beyond the arrogance and paranoia that led American officials to think it was not only appropriate but necessary to "destabilize" the elected governments of Chile in 1970–73. Since some of the same key officials, including Dr. Kissinger, are still in posts of responsibility, this is no small task. Optimists might hope that the newly heightened public and congressional vigilance over the CIA, and the agency's own announced reforms, are enough to forestall another "Chile." Pessimists will remain skeptical, at least until the test of the next Chile is met.

Meanwhile, the developing emphasis of U.S. policy on treating Latin countries individually, rather than as look-alike members of a hemispheric collective, is a healthy sign. This new emphasis fits the reality that Latins are different. It fits the current Latin inclination to take a step away from the old notion of a hemispheric "community." And if deepened, it should free American policymakers from the insidious idea that what happens in one corner of Latin America will also happen in other corners. It is precisely this idea that led Washington to fear that Cuba and Chile, in their respective times, would contaminate the rest of the region. Thus aroused, the United States moved against both countries.

In this regard, nothing could better show that Washington had matured than to move promptly to end the formal isolation of socialist Cuba. The issue of property claims alone assures that good relations between Washington and Havana are a long way off. But at least the United States can and should demonstrate, by removing political constraints on direct dealings with Cuba, that it is prepared to accept ideological diversity in the Americas.

The chief economic task is to try to keep up with the rapid global changes that have rendered many of the past patterns obsolete. Given the complexities, there is simply no way to assure "good" U.S.-Latin economic ties. Anyway, in both investment and trade, Latins are increasingly moving out into the world economy—a healthy trend all around.

But the U.S. must keep on searching with its Latin American friends for ways to ease the inevitable strains. When Washington belatedly did grant tariff preferences, for instance, the Congress foiled much of the political effect by excluding Venezuela and Ecuador, although neither had participated in the Arab oil embargo. Remedial legislation is obviously called for.

Although Latins are far from united among themselves on how they wish to deal economically with the U.S., Washington is not required to wait for a Latin consensus before taking certain measures desirable on their own grounds. For example, the State Department's recent performance in the United Brands scandal in Honduras was entirely refreshing. Rather than embrace or appear to defend an embattled American corporation in the old ITT style, the department at once put distance between itself and United Brands, which has admitted paying a $1.25 million bribe to obtain reduction of a banana tax. In a promising follow-up, American officials are now studying what other steps might be taken to preclude any more "banana" scandals.

But perhaps the single most notable advance now within reach is the successful negotiations, and then the ratification, of a new Panama Canal treaty. Teddy Roosevelt stuffed the current treaty down Panama's throat in an act that still symbolizes the worst excesses of 20th-century American imperialism. If normalization of ties with Cuba would mark the end of the Cold War in the hemisphere, then a new canal treaty would mark the end of an empire. With due respect to Dr. Kissinger, his Latin travel plans weigh very little compared to the potential in developments such as these.

TOWARD A BALANCED TRANSPORTATION SYSTEM

Mr. McGOVERN. Mr. President, in the midst of a seemingly endless parade of problems of both the State and National levels, there is one that I believe is central to our continuing effort to resolve the current recession and the energy shortage—and that is the improvement of our national rail system.

We have seen a continuing deterioration of railroad facilities and equipment. In South Dakota we have no passenger service and our freight trains are frequently forced to creep along at 10 miles per hour or less because of the condition of the track and roadbeds.

But we are now at a point where we cannot consider only the problems of the railroads—we must work to secure a balanced national transportation system that will maximize the fuel efficient use of all modes of transport including rail, air, and highway travel.

One South Dakota newspaper, the Watertown Public Opinion recently published a comment on my ideas for improving the transportation system. Mr. President, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Watertown (S. Dak.) Public Opinion, Apr. 22, 1975]

BALANCED SOUTH DAKOTA TRANSPORTATION SYSTEM CALLED GOAL

An incidental but interesting overview of South Dakota's transportation network was provided recently in a communication by U.S. Senator George McGovern calling attention chiefly to the need for stopping the continued deterioration of the state's railroad facilities. The senator disclosed he is proposing the creation of a national transportation board which would control the allocation of federal money for highways, airports and rail construction.

Coincidentally, he points out that "South Dakota must have a balanced transportation network that will provide the best type of transport we may need to meet a given requirement." In this connection, he cites this foundation:

On Dec. 31, 1972, there were 3,379 miles of railroad track in the state (but this has shrunk somewhat since then).

There were 114 general aviation airports, 72 of which were public and 43 of which were private. Scheduled airline service was provided by North Central, Western, Ozark and Frontier.

Of the 678.96 miles of interstate highway authorized in South Dakota, 567.77 miles is finished and open to traffic with 111.19 either under construction or in final design stages. (Most of this is I-29 from the State 28 intersection east of Estelline northward to the North Dakota line).

South Dakota's basic transportation method is, and will continue to be, the motor vehicle. According to 1973 figures, there were 323,061 automobiles, 1,945 buses and 161,053 trucks, figures which incidentally help to spotlight one important but often overlooked facet of the state's transportation network—the highway bus system bringing common carrier convenience and efficiency to many communities which otherwise would have no public transportation whatever.

Of all this, McGovern says, "The goal must be a balanced transportation system, not only in South Dakota but throughout the country. In urban areas the emphasis should be on mass transit. In essentially rural areas, motor vehicles will continue to provide the basic transportation needs into the foreseeable future and certainly until we can improve our rail network."

The senator adds, "The challenge ahead is a formidable one," a statement which will beget no argument. Revitalization of the railroads into a system even remotely approaching their one-time stature is challenge enough in itself. When the financially overwhelming chore of underwriting adequate highway maintenance and improvement is added, the job becomes even more important.

McGovern adds, "I continue to believe that we are equal to the task."

We hope so. Anything less could be real calamity.

LOCAL RAIL SERVICE IN THE MIDWEST

Mr. GRIFFIN. Mr. President, yesterday, the Rail Services Planning Office—RSPO—of the Interstate Commerce Commission released its report on the preliminary system plan prepared by the United States Railway Association—USRA—for the reorganization of the Penn Central and several other bankrupt railroads.

Echoing many of the objections voiced by hundreds of witnesses, including myself, at its recent hearings, the Rail Services Planning Office severely criticized the USRA plan—particularly the proposals calling for massive rail abandonments in the 17-State region served by the bankrupt lines.

Nowhere is the impact of the USRA plan felt more severely than in Michigan. My State would lose service on more than 1,100 miles of rail lines under that plan.

The RSPO critique highlights four principal reasons for the failure of the USRA plan to resolve the branch-line problem:

First, the Association approached its task with a wholly negative attitude, asking itself the question, "What services can be eliminated?" instead of "What services can be made to contribute to ConRail's profitability?" Second, it has followed a methodology which serves to obscure true costs and revenues. Third, it has relied on an inadequate data base, resulting in the introduction of numerous factual errors into its analysis. Finally, it arrived at its branch-line decisions in ivory-towered isolation instead of actually examining local operations on the scene.

In fact, the ICC's Planning Office concludes that the data collected for specific rail lines by USRA is so questionable that "no last minute patching-up of the computer program will make it possible to achieve informed and rational local-service line decisions."

To resolve this problem, RSPO recommends that service on all of the branch lines be continued for 2 years after the new ConRail system is put into effect, so that better cost-revenue data can be developed. The report notes that even with a 100-percent Federal subsidy the $180 million already authorized by law for local rail service subsidies is more than enough to cover the costs of continuing this service for a 2-year period.

A similar proposal was endorsed last week by the Upper Great Lakes Regional Commission, and I ask unanimous consent that a copy of its resolution on this matter and an ICC news release be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GRIFFIN. Mr. President, while Congress should consider this proposal as promptly as possible, it is extremely important for USRA to recognize that it cannot sit back and wait for Congress to take care of the problem.

Unfortunately, I am deeply concerned that USRA is relying too heavily on the subsidy program and congressional changes in that program as a justification for dropping thousands of miles of rail lines in the Midwest and Northeast. This attitude is reflected in a recent letter I received from Mr. Arthur Lewis, chairman of the board of USRA, which places great emphasis on the subsidy program. I ask unanimous consent that a copy of that letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES RAILWAY ASSOCIATION,
Washington, D.C., April 23, 1975.

Hon. ROBERT P. GRIFFIN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR GRIFFIN: Thank you very much for the comments contained in your letter of April 9th, and in the attached re-print of your remarks to the Senate, on February 26th, expressing your concern over the impact our Preliminary System Plan for restructuring the Northeast/Midwest rail system would have on Michigan.

I am keenly aware of the fact that Michigan would, under the Plan, face a disproportionate potential loss of railroad mileage when compared to other States in the planning Region. Let me assure you, however, that Michigan was not "singled out" for such treatment. Rather, the result stemmed from the fact that your State happened to have more railroad mileage than any other which failed to meet the standards we applied to all so-called "branch-lines" in an effort to determine, as we were called to do under the Regional Rail Reorganization Act of 1973, their economic justification.

This was an essential task, but not an easy one. It was essential if we were to propose a restructured private system that was to have a chance of economic viability. It was difficult because, under the Act, what we proposed in the way of that new system was not only to be "self-sufficient" but "adequate" in terms of service, as well.

This effort required a complex balancing of goals, and we believed we had accomplished this about as well as could be done by proposing a system that would handle 95.5 percent of all the freight carried by the seven bankrupt railroads in our charge. Unfortunately, however, the burden of reducing the system does not fall evenly on all States. It has been our assumption that Congress intended recourse to the "rail service continuation subsidy" provisions of the Act; and it further intended that the "discretionary" subsidy fund made available thereunder to the Secretary of Transportation would, in turn, be available to take care of whatever special problems arose in any State such as now is the case, in Michigan, where its maximum 10 percent share of the regular subsidy funds would appear to be insufficient.

It might be helpful, in this regard, for you to address an inquiry to the Secretary of Transportation relative to the availability, if needed, of assistance to your State from the "discretionary fund." Beyond that, Congress is well aware of the changed economic situation, as between 1973 and now, that makes it more difficult than had been anticipated for many States—especially one like Michigan with more severe economic problems—to make State funds available to match Federal subsidy dollars. This is a problem we feel certain Congress will wish to review—perhaps along the line of legislation as recently introduced by Senator Hartke, whereunder, during the first year of ConRail operations the Federal government would provide 100 percent of needed branch-line subsidies, with that percentage thereafter falling to 90/10 in the second year, to 80/20 in the third, and back to the intended 70/30 split in the fourth and subsequent years.

At the same time, we recognize the fact that both the methodology and the data we used in an effort to determine branch-line viabiltiy has come under some attack. This was to have been anticipated, since it is a complicated problem to accurately decide on valid branch-line "losses," and since the only data we had available was that mostly provided by the bankrupt carriers, themselves. As to the latter we have looked forward to corrections being provided through this latest round of RSPO hearings, in which there has been good and constructive participation on the part of both the public and the Congress. Particularly, through this forum, did we anticipate obtaining necessary information concerning the traffic-growth potential on certain branch-lines as well as information on certain special problems, such as the rail-car ferry service one applicable to Michigan. We are currently in the process of reviewing all this information and will re-evaluate the pertinent branch-line decisions affected thereby as soon as possible.

This is because, just as you point out, our original proposal was—as its very title indicates—a "preliminary" one and we know full well that, for it to be acceptable in the end to Congress, it must be the best and fairest plan we can possibly put together, by working together with people such as yourself.

Sincerely,

ARTHUR D. LEWIS,
Chairman of the Board.

Mr. GRIFFIN. Mr. President, as a member of the Commerce Committee which considered the Regional Rail Reorganization Act, I know that Congress certainly did not intend for the subsidy program to be a substitute for a careful balancing of the eight goals set forth in the act for reorganization of the bankrupt railroads.

Furthermore, Congress did not intend the subsidy program to be a substitute for faulty analysis of the economic viability of particular rail lines.

And Congress did not intend the subsidy program to be the only available means of providing rail service to large areas of the region that would otherwise be cut off from all rail service. As the RSPO report pointed out:

> The most obvious example of this situation is found in the northern half of the lower peninsula of Michigan.

In his letter to me, Chairman Lewis acknowledged that—

> Our original proposal was—as its very title indicates—a "preliminary" one and we know full well that, for it to be acceptable in the end to Congress, it must be the best and fairest plan we can possibly put together.

Clearly, the plan is unacceptable as it now stands. As far as Michigan is concerned, some substantial changes will be needed to make it the "best and fairest plan" possible.

Time is short, but the job can and must be done.

EXHIBIT 1

UPPER GREAT LAKES REGIONAL COMMISSION, RESOLUTION NUMBER 35

A resolution of the Upper Great Lakes Regional Commission on the U.S. Railway Association's Preliminary System Plan

Whereas the continuation of effective railroad service to and within the Upper Great Lakes Region to permit development of the resource base and industrial diversification is of the greatest importance; and

Whereas continued decline of rail activity and worsened service quality can only harm the Commission's economic growth efforts; and

Whereas the U.S. Railway Association (USRA) has published a Preliminary System Plan for proposed Conrail activities; and

Whereas that Plan may eliminate some 1,100 miles of rail line in the Upper Great Lakes Region and finds that car-ferry service on Lake Michigan should be excluded from the federal Conrail system "on the basis of economic factors"; and

Whereas the USRA's Plan does not adequately consider all goals of the Regional Rail Reorganization Act such as the use of modes consuming the smallest amount of scarce energy resources, the maintenance of energy standards, the alternatives of public ownership of rail rights-of-way, and most important the economic goal of minimization of job losses;

Be it therefore resolved that the Upper Great Lakes Regional Commission hereby rejects the U.S. Railway Association Preliminary System Plan as it affects the Upper Great Lakes Region and insists that the USRA reconsider the findings of the proposed Conrail plan to the end that Regional railroad trackage and ferry routes be retained in operation by Conrail, and be upgraded and supported to offer high-quality rail service necessary to the livelihood and growth of the Region.

Be it further resolved that the Upper Great Lakes Regional Commission unanimously request a two-year moratorium on the elimination of any rail service in the Region to allow adequate time to collect true and necessary data in which to base future decisions regarding branch lines.

RAIL SERVICES PLANNING OFFICE ISSUES EVALUATION OF U.S. RAILWAY ASSOCIATION'S PRELIMINARY SYSTEM PLAN

The Interstate Commerce Commission's Rail Services Planning Office (RSPO) today issued a report criticizing the United States Railway Association's Preliminary System Plan for reorganizing and restructuring the bankrupt railroads operating in the Northeastern quadrant of the United States. RSPO made more than 50 principal recommendations in its report entitled "Evaluation of the U.S. Railway Association's Preliminary System Plan."

Planning Office Director George M. Chandler characterized the Association's Plan as "a disappointing document, despite its size and the vast amount of work that obviously went into its production." He urged that the Association's Final System Plan, due to be issued in July, correct the deficiencies of the Preliminary Plan by making complete disclosure of all facts that might affect the potential success of ConRail, the new railroad company to be formed from the properties of the bankrupt eastern roads.

Noting that he considered the Preliminary Plan to be "more a commentary or a report than a plan," Chandler went on to quote from the Planning Office's report:

"A plan for anything as important and as complex as a new railroad system must be at once a blueprint, setting forth clearly what the new structure is to look like; a set of specifications, not only describing the means by which it is proposed to attain the end in view, but also explaining the planners' actions and revealing the factors that influenced their decisions; and a financial statement, disclosing the costs of the proposed project, the anticipated return on the investment, and the risks involved."

In making its evaluation, the Rail Services Planning Office considered evidence received at public hearings held by it in 27 cities within the Region drawing more than 1900 witnesses in 87 days of hearings. In addition, it reviewed more than 500 documents submitted to the Office in lieu of oral testimony.

Among the Office's recommendations, it asks that the Association's present process of evaluating light-density rail lines be stopped, and that the Congress amend the Regional Rail Reorganization Act to permit and to direct another attack on the light-density rail line problem. The report found that two successive attempts at computer-based local line analysis, first by the U.S. Department of Transportation and then by USRA, had failed accurately to measure the light-density line situation.

The RSPO report finds that the fundamental problem is with the data used in the branch line studies, and that this problem would not be solved by simply modifying the methodology USRA applied in the line analysis. From this it concluded that no last minute patching-up of a computer program would make it possible to achieve informed and rational local-service decisions.

The Office's proposal to Congress asks that all lines not recommended for inclusion in the restructured rail system be kept in service for two years by ConRail. ConRail would be reimbursed for any losses incurred during the period from the subsidy funds already available under the Act.

During the two-year period, the RSPO recommendation proposes that accurate data be assembled and further local-service line analysis performed. At the close of that period, individual line retention decisions would be made, with ConRail acquiring the properties to be retained as provided by the Act. The two-year Federal 70 percent matching grant subsidy program for which the Act now provides would go into effect then for the lines not acquired by ConRail.

In discussing the funding of railroad improvements, both for ConRail and other railroads as well, the Office concluded that if the public wants the railroads, including their rights of way and structures, to remain under private ownership and management, if it wants these properties rehabilitated and modernized, and if it wants to save itself the cost of condemning and paying for those properties, some portion of the over-all rehabilitation and modernization costs will have to be assumed by the taxpaying public without reimbursement by the railroads.

The report recommends that Congress consider establishment of a broad-based Federal grant-in-aid program to provide funding to rehabilitate the Nation's railroad properties. Chandler said, "We are suggesting a program by which matching fund grants would be made directly to rail carriers or to State transportation authorities for this purpose." To finance this program the Office suggests the assessment of a tax on the fuel used by certain surface transportation vehicles and vessels.

On the structure of ConRail, the Office's evaluation calls for the Association to give further consideration to the creation of a "Mid-Atlantic/EL System." The proposed system would be built around the lines of the Lehigh Valley, the Reading, the Central Railroad of New Jersey, the Lehigh and Hudson River and the eastern portion of the Erie Lackawanna. RSPO noted that such a system would serve as a means of meeting the essential transportation requirements to more areas of the Region while providing real and necessary competition for ConRail.

The report noted that the carriers to be included in a "Mid-Atlantic/EL System" would operate in areas where they are already established, and where, over the years they have developed a traffic base and a service relationship with the shippers. The restructuring process according to RSPO should strive to take advantage of this intangible asset.

The Planning Office found that the "Three-Carrier system" favored by USRA would be an acceptable operating plan for rail service in the Northeast and Midwest Region, assuming that it could be brought about. However, noting that its implementation depends upon the willingness of solvent railroads to extend their services and to make substantial investments, RSPO expressed fear that they might refuse to participate in carrying out USERA's plan.

In considering ConRail's financial prospects, RSPO criticized USRA's Plan for failing to provide convincing financial data. The evaluation noted that the pro forma financial projections of the Plan do not reflect results to be anticipated from the three-system structure the Association says it prefers for the Region, but relate instead to one of the Association's earlier choices, a merger of all bankrupt railroads, except the Erie Lackawanna, into a single system.

Chandler likened the Final System Plan scheduled for release July 26, to a prospectus. "The Final System Plan," he said, "will propose one of the largest reorganizations ever undertaken." Again quoting from the Office's report, he went on to say: "There can be no doubt in the mind of any reader of the Plan that the investment is going to have to be a great deal larger even than the Act contemplated. The investment opportunity involved is a new rail system for a large part of the United States, and the potential investors are the American people, acting through their elected representatives who will have to make the decision whether, and to what extent, public monies should be committed to this endeavor."

"Due to these circumstances," Chandler continued, "it is absolutely essential that USRA assure that the Final System Plan embody full and fair disclosure of all pertinent facts with such accuracy and clarity, and in enough detail, to facilitate independent analysis and to elicit confidence in the integrity of the pro forma financial statements."

Also included in the RSPO report are discussions of marketing strategies, intermodal transportation services, personnel policies, passenger service, and environmental considerations.

The Report also contains detailed summaries of the evidence received by the Office with respect to each light-density rail line which USRA proposed to exclude from ConRail and of all those coordination projects which had received USRA's tentative approval in the Preliminary Plan. Also included is an analysis of the adequacy of the rail service continuation subsidy program established by the Act.

The report, "Evaluation of the U.S. Railway Association's Preliminary System Plan" is available from either the Rail Services Planning Office, 1900 L Street, N.W., Washington, D.C. 20036 or the Public Information Office, Interstate Commerce Commission, Washington, D.C. 20423.

For further information call (202) 254-3294 or 254-3287.

REASSESSING FARM POLICY

Mr. HUMPHREY. Mr. President, the administration's farm policy is woefully inadequate. The administration urges all-out production, yet an adequate level of price supports for farmers is repeatedly criticized, presumably because the administration feels farm incomes are high enough. Yet, per capita farm income is estimated to be 30 percent below per capita nonfarm income this year; and net farm income is likely to be off an incredible 40 percent from the 1973 level of $32 billion.

The administration's policies on export management and commodity reserves are equally inconsistent. For example, the administration urges free and full exportation of commodities, yet pursues an on-and-then-off export policy, imposing emergency export controls and embargoes only to then remove them without warning. Similarly, President Ford in his Economic Report of February endorsed the creation of international commodity reserves as one vehicle capable of achieving greater world food security. Yet, we see no positive steps being taken now or in the foreseeable future to create significant commodity reserves to stabilize both farm and retail food prices.

I could go on and on. But, I believe it most useful and I ask unanimous consent to present excerpts of the testimony regarding administration policy, commodity reserves, and export controls presented April 11, 1975, before the Joint Economic Committee. I urge my colleagues to review the entire hearing record of that date.

There being no objection, the excerpts were ordered to be printed in the Record, as follows:

ADMINISTRATION POLICY

The Secretary of Agriculture is encouraging farmers to plant from fence row to fence row. They dare not do this without more protection against loss. Production costs are spiraling. Farmer's production costs were $12 billion more in 1973 than in 1972, and nearly $10 billion more in 1974 than in 1973. It is for this reason adequate protection must be provided with loan and target prices which reflect prevailing economic conditions.

Mr. Chairman, I was the principal speaker at an annual meeting of a MFA dairy cooperative just a few days ago. The one thought that I noted running through the entire group was to not go all out on production, to not use expensive fertilizer on pastures, and a feeling that since climatic conditions were somewhat adverse last year and a full crop was not produced, they will not need to apply fertilizer in the same proportions they had in the past. This meeting was held in Northeast Missouri, one of our better productive areas, and included members from all over North Missouri and Southern Iowa. I have a feeling that these plans may change materially if emergency farm legislation now being contemplated by both houses of Congress is passed and signed by the President.—Mr. L. C. Carpenter, Mid-Continent Farmers Association.

If there are good crops in 1975 and if the world continues in a depressed economic state, as it is now and which even threatens to worsen, then I think we can have a disastrous farm price crash in the U.S. that would wreck many highly efficient family farm operations. On the other hand, if we have weather as bad as 1974 or 1972, we can have a disastrous food shortage in the world, and it could impinge severely against American consumers . . . *I have never seen farmers coming to meetings more genuinely afraid of the future.*—Robert Lewis, National Farmers Union.

COMMODITY RESERVES

Second, given the average variability in world production of the past two decades of about 3 percent from trend, it is technically possible to even out supplies over time through the operation of a grain reserve stock program and stabilize prices within a reasonable range, say, plus or minus 15 percent of the present level of prices, with a high degree of probability. We have the technical capability to even out supplies and stabilize prices and income at a cost that is not exhorbitant.

In this connection, I wish to make abundantly clear that what I am talking about here is a program to even out supplies of grain over time and thereby stabilize prices to consumers and producers alike.—Dr. Willard Cochran, University of Minnesota.

I believe that there are three major purposes that can be met by reserves. One is to aid developing countries in meeting shortfalls in their production. A second is to assist in our bargining for a reduction in trade barriers in the current round of negotiations. The third is to meet unusual contingencies in commercial export trade. I feel that whatever we do to meet the second objective should be part of the current trade negotiations. Because of our use of controls on the exports of soybeans and wheat I believe that we will have to provide assurance to our trading partners that we are reliable suppliers. One of the ways of doing is to offer to hold stocks, either unilaterally or in cooperation with other exporters and with importers.

I would urge that if there is a substantial decline in U.S. grain prices during the early part of the 1975 crop year that a start be made toward creating such a reserve. If necessary, the start should be a unilateral one but hopefully cooperation could be obtained from Canada and Australia.

It may be that the most likely way of minimizing the effects of another major Soviet purchase of grain within the next decade would be to create a special reserve for commercial export contingencies. This reserve would be separate from the reserve for the developing country and any stocks acquired through price support operations.—Dr. D. Gale Johnson, University of Chicago.

Export Policies

I outlined the essential points of an explicit export policy in the National Planning Association essay *Feast or Famine*. The essential points are:

1. It (the U.S.) should announce to the world its domestic requirements, as well as the trade requirements of its regular foreign customers, and indicate that those supply requirements will be protected by whatever management devices are required.

2. It should periodically, possibly every three months, announce the drawdowns in supply that have occurred and indicate the extent to which domestic requirements and those of regular foreign customers can be met without the imposition of export management devices.

3. Food aid exports to LDC's on concessional terms should be adjusted to the situation, or guaranteed in light of the situation, to protect the requirements of the United States and the needs of LDCs.

4. Sales of grains and related commodities to state trading nations should be negotiated by the U.S. government with respect to the total volume of sales, range of prices and other economic considerations such as transport subsidies. Specific sales and the handling of grain would be conducted in the United States, as in the past, by private trading firms. But by this procedure, the volume of sales to state trading nations would be limited to and made consistent with the guaranteed requirements discussed in point 1.

5. If the worldwide shortage were of such magnitude and if free exports from the United States were so large as to cut into the requirements guaranteed under point 1, then the United States should impose export controls, after properly informing world traders as indicated under point 2. Exempt from these controls, of course, would be the already guaranteed exports to regular foreign purchasers. This would be the action of last resort, to protect and guarantee domestic requirements and the requirements of foreign purchasers regularly dependent on the United States for supplies.—Dr. Cochran, University of Minnesota.

STABILITY AND COMMODITY PRICES

Mr. HUMPHREY. Mr. President, I wish to call to the attention of this body a March 15 article in Farmland News entitled, "The Case for 'Instability' in Commodity Prices," by Mr. Clayton K. Yeutter, Assistant Secretary of Agriculture, and my response, "The Case for Stability in Commodity Prices," which was included in the April 15, 1975 issue of Farmland News.

The articles present sharply contrasting views of the desirability for stability in commodity prices and the cost of maintaining or discouraging stability in commodity prices.

The article, by Assistant Secretary Yeutter, speaks in terms of the marketplace in a very theoretical way as the forum where competing consumer demands are resolved. This article almost totally ignores the very critical role of governmental decisions in the international markets in making decisions concerning commodity purchases. In fact, there is almost a total lack of awareness of the context in which purchase decisions are made by governmentally owned or operated corporations.

Stability is looked on by Mr. Yeutter as meaning stagnation and low prices. In his view, instability is desirable, and it involves making adjustments which are in the best interests of both user and producer.

In spite of all the rhetoric to the contrary, we need to be aware of how large a role our Government plays in the commodity markets. We should recall the efforts of the USDA to have the European Economic Community nations cut down on imports of U.S. grains during the past fall in order to avoid drawing down our stocks to unbearably low levels. This was a form of "jawboning" designed to protect an outmoded notion of the "free market."

The article refuses to face the very sharp price gyrations which have beset our agricultural picture in the last few years. These have been more than minor adjustments, which is the implication of the Yeutter article.

In my article, I pointed out observations by the Department of Agriculture's own chief economist, Don Paarlberg, who indicated some of the vices connected with instability of commodities such as:

Prices of farm products gyrated wildly as the familiar supply-demand benchmarks were swept away;

Net farm income almost doubled and then plunged downward again;

New export markets suddenly developed and the overseas movement of grains increased dramatically;

Reserve stocks were drawn down and we scraped the bins;

Price relationships between feed and livestock first turned very favorable to livestock and then sharply unfavorable;

Land values increased 46 percent in 2 years. Some young men who went deeply into debt to buy land recently at these high prices got into difficulty.

Prices and production costs of wheat and corn rose above the loans and targets specified in the Agricultural Act of 1973 and left these producers virtually without a program; and

Public concern about the price of food escalated and became a major factor in agricultural policy.

What Mr. Yeutter paints as minor adjustments have been a boom and bust cycle, whereby one year the grain producers are hurt and the next year it is the livestock producers.

Our grain producers are this year very seriously concerned that bumper crops—and with a reduced livestock herd—would lead to drastically reduced prices which could drive many farmers out of production.

We have seen in the last 2 years that commodity prices can fluctuate very sharply when in a short supply situation. Rumors concerning purchases or changes in the weather can lead to price changes far beyond what is warranted from the supply situation.

It hardly is necessary to, each year, drive out of production a number of our best farmers in order to prove someone's outmoded economic theory.

Continuing present programs will simply mean perpetuating today's instability which does not benefit producer or user. Those with limited resources will not be able to stay in production, and we will have a further movement toward a corporate agriculture. Efficiency in production will not really be the determining factor as to who survives. And the end result will be higher food prices for consumers.

Unfortunately, the administration has not yet learned this lesson. Our farmers are expressing a great deal of concern because of the Department's unwillingness to face the threat of ruin if we have a bumper crop this year.

I hope that the Congress, after careful reflection, will see the value and indeed the need for increased stability in our commodity prices. We have paid too high a price in the last 3 years to allow a continuation of this yo-yo policy.

Mr. President, I ask unanimous consent that these two articles be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Farmland News, Apr. 15, 1975]

The Case for Stability in Commodity Prices

(By. Sen. Hubert H. Humphrey)

(Note.—The following is a response to remarks of Clayton K. Yeutter, Assistant Secretary of Agriculture, who was quoted as favoring commodity price instability in the March 15, 1976, issue of Farmland News.)

Instability versus stability—that is the farm policy question if we believe the words of the Department of Agriculture. But is it really? Isn't the issue disastrously low farm prices versus farm prices that provide farm families with a decent living? Isn't the issue sudden slumps in farm income that cause near-bankruptcy, compared to stable and rising farm income?

Or do we have to have farm prices that fluctuate up and down repeatedly just to prove the marketplace works?

Not everyone thinks so. Not even everyone in the Department of Agriculture. In fact, for the long list of "virtues" that Assistant Secretary Yeutter credits to price instability, the Department's chief economist, Don Paarlberg, recently cited a long list of vices. Looking back, he made this assessment of the past two years:

Prices of farm products gyrated wildly as the familiar supply-demand benchmarks were swept away;

Net farm income almost doubled and then plunged downward again;

New export markets suddenly developed and the overseas movement of grains increased dramatically;

Reserve stocks were drawn down and we scraped the bins;

Price relationships between feed and livestock first turned very favorably to livestock and then sharply unfavorable;

Land values increased 46% in two years. Some young men who went deeply into debt to buy land recently at these high prices got into difficulty;

Prices and production costs of wheat and corn rose above the loans and targets specified in the Agricultural Act of 1973 and left these producers virtually without a program; and

Public concern about the price of food escalated and became a major factor in agricultural policy.

This list of the end results of instability certainly contrasts with the claims for instability cited by Mr. Yeutter. And for good reason. Almost 80% of the "benefit" from fluctuating grain prices is paid for by our own livestock producers. They have paid a high price for the absolute freedom of market prices over the past two years. The ups and downs of feed prices have brought massive losses to dairymen, cattle feeders, poultrymen and pork producers.

Livestock losses are part of the "benefits" that "boom and bust" cycles bring to farm families. It is a feature that, far from recommending instability as a national policy for agriculture, condemns it. Further, it supports my belief that we must change the policies of the last two years.

We must change because current Federal farm programs are not ensuring farm families against economic deprivation. In the coming years, we must provide programs that will help farm families reach certain goals.

First, we must assure farm families that their lifetime investments will not be swept away by one bad year. One year of extremely high feed prices must not threaten livestock producers. One year of extremely low grain prices must not threaten grain producers.

Second, we must provide insurance for farm families against natural and economic disasters beyond their control like we provide working people through unemployment compensation and retired persons through social security.

Third, we must provide an opportunity for the new farmers who are capable of starting up a farming enterprise. And we must give them some assurance that unstable farm prices will not force them out before they can prove themselves.

Fourth, we must assure the nation's food consumers that food markets will have a steady supply of food every week when they go to the store, and not only if they go early or stand in long lines. These are symptoms of fluctuating food prices. Glutted markets one month and empty counters the next cannot be tolerated.

Finally, we must assure our foreign customers of stable grain and fiber supplies at prices that do not bounce wildly from year to year. When prices move sharply up and down, we end up with broken export contracts. Either the United States decides to protect its own supplies—as in the soybean export embargo—or a foreign country decides it must protect its own buyers—as in the recent cancellation of cotton contracts. These kinds of action are the result of instability—in commodity prices, and commodity supplies.

We should be clear about the causes—it is not too much stability that leads to these kinds of outcomes.

Clearly, we have first-hand experience with what extreme instability can bring. Look at the past two and a half years: food shortages for consumers in 1973, feed shortages for livestock producers in 1974, and fears of grain surpluses for crop growers in 1975. That kind of instability—from feast to famine and back again—brings back visions of the 1920s and 1930s when farm foreclosures struck fear into the hearts of rural Americans and brought about "farmer holidays" in the grain belt of the nation.

The livestock kills and consumer boycotts of the past two years differ in form but not in the intensity of people involved. As both farmers and food consumers rode the economic roller coaster in 1973 and 1974, there were outcries for government action to stop this madness. We are a civilized nation with our destiny in our hands—not a nation at the mercy of a free and unfettered market that brings hardship to our people.

Long ago, we learned the cruel lesson of price instability when the Great Depression bankrupted farm families. We do not have to return to those days to relearn those lessons. We can reread the history books if we need that kind of knowledge.

While others spend their time reacquainting themselves with that debacle, I will spend my time building programs that include economic stabilizers for the farmers of this great nation. Those stabilizers must be fashioned so that farmers will not bear the future burden of abundant food supplies, the burdens of providing food for school breakfast and lunch programs, or the burdens for large amounts of grain for food aid.

These are programs that rank high in our national set of priorities, but they are programs that require economic protection for food producers. Instability of commodity prices and supplies will not give this nation the stable food supplies to meet these programs. It might during a year of surpluses but not year after year. We must remember that our people must eat both in good years and bad, when weather is kind and when weather is hostile. It is too much to ask our poorest consumers to eat only in good years when favorable weather or economic cycles result in abundant food supplies.

A policy of instability in commodity prices forces us to accept variation in food supplies as a demonstration of the merits of the marketplace. A healthy market place is a valuable asset for agriculture but not so valuable that we must let half our farm families be put through an economic wringer every other year. It may be that the Department of Agriculture believes that "a few farmers going broke each year is a healthy thing." Mr. Yeutter, apparently does. I do not!

[From the Farmland News, Mar. 15, 1975]

THE CASE FOR "INSTABILITY" IN COMMODITY PRICES

(NOTE.—The following is excerpted from a recent speech by Clayton K. Yeutter, assistant secretary of Agriculture and the man considered by some as the most likely to succeed Earl Butz should he step down as Agriculture secretary.)

We are beginning to hear more and more discussion by consumer groups and even by some farm organization leaders on the "stability" problem (in regard to commodity prices).

Some economists are beginning to talk again about the high cost to society of instability. This is ironic, for many of those same economists were not long ago discussing the high cost of rigidity under farm programs. The whole stability discussion sounds like a replay of the 1920s and 1930s before the experiments in government stabilization were launched.

Instability does not happen for its own sake. It happens when the supply-demand balance changes or when production costs or consumer buying power shifts.

When supply and demand become unstable, it is imperative that prices vary. Under such circumstances price has a vital economic function to perform. Crop prices, for example, rose sharply (in the 1972–74 period) to help encourage more crop production. We could have done this through government price supports—but not nearly as well. And it would have taken much longer. The market is more responsive to change than any bureaucracy.

Price changes perform another vital function—guiding consumer buying decisions. When soybean supplies were short two years ago, the government used a soybean embargo to ration the scarcity. The embargo caused panic in the streets of Japan, which had come to depend on U.S. soybeans for its protein supply.

The government action came after domestic soybean prices had already reached their high point, and threw too much of the adjustment burden on our export customers. We cost ourselves important future sales without helping consumers here at all.

Contrast the sudden and unpredictable soybean embargo with the orderly adjustment in 1973-crop wheat. The government was urged to embargo wheat exports to prevent mass hunger and $1-a-loaf bread prices in the U.S. An embargo would have triggered severe hunger in other countries. But the government did not embargo wheat shipments, prices did not go to $1 a loaf and the market found enough wheat to meet the demand of purchasers.

This year, the shortfall was in feed grains. The entire world had been building its livestock industries in recent years and economists shuddered at the thought of slaughtering those flocks and herds for lack of feed. As it turned out, the market has done a remarkable job of rationing the supply to users who need it most.

Instability also plays an important role in encouraging efficiency throughout the economy. Economists agree that one of the significant factors in recent price inflation has been the long-time boom. Consumer demand has been so strong that companies—and farms—have felt less pressure to sharpen their management pencils.

"Stability" does not achieve such results. It delays them, discourages them, sometimes even precludes them. Price changes do not cause instability; they help correct it.

Instability has a cost; there is no denying that. Uncertainty involves risk, and someone has to be compensated for taking risks. The cost of uncertainty in agriculture is illustrated by the farmer who decides to take a lower yield rather than invest extra capital in more fertilizer. It also is represented by the consumer who buys more flour than she needs for fear the price will go up.

Too much uncertainty can make it hard for farmers to figure out what consumers really want or to borrow the capital they need from wary bankers. Consumers may become confused about what represents a good food buy. Certainly, at times, the market overreacts to actual supply and demand conditions.

Those who favor more government-imposed stability often argue that some price variability is acceptable, but why not put limits on it. The problem is that consumers want prices stabilized at low levels; producers want them stabilized at high levels.

And whatever the permissible price range, supply must be controlled if prices are to remain within that range. Corn, for example, used to vary from $1.05 to $1.20. At that range we got acreage allotments, some semblance of supply control, production inefficiency and lots of surpluses.

Perhaps the worst aspect of government-imposed stability was that it prevented U.S. farmers from competing for export markets. We were consistently undersold by competitors who always knew what the U.S. price would be. Only in the last few years, when overwhelming export demand pulled our old supply-management programs out from under us, did we finally start to use our comparative advantage in agriculture. We wasted our farming power for years, in the name of stability.

It is nonsensical to talk of "stability" in farm commodities today except in an international setting. And who is it that would have the authority or omniscience to impose stability worldwide? And would the shortcomings and costs of international stability be any less signficant than those incurred domestically? Of course not, for the same economic principles apply.

We can, however, use existing marketing tools to reduce instability, without placing market forces in a straitjacket. Long-term contracts and the increased use of futures markets and two such tools. I expect that both will receive much more attention in the future—both domestically and internationally.

The world market can be counted on to:

Encourage production when it is needed;

Signal a slowdown when it is not;

Conserve items that are scarce;

Stimulate efficiency; and

Rapidly shift commodities from where they are produced most economically to where they are wanted for consumption.

Perhaps our discussions for improving the world's food security should begin with ways to improve the world market (such as lowering trade barriers) instead of trying to displace it.

OUT OF THE CITIES, BACK TO THE COUNTRY

Mr. HUMPHREY. Mr. President, I call to the attention of the Senate an excellent report published by U.S. News & World Report describing the new development in rural America.

As the author of the Rural Development Act of 1972, I was particularly pleased to learn of the constructive changes that are taking place in our rural communities. For example, after many years of outmigration of rural people to the cities, the situation has now been reversed and people are returning to the rural countryside, the smaller cities, towns, and villages.

Mr. William Erwin, Assistant Secretary for Rural Development, Department of Agriculture, has noted:

> In the 1970–1973 period, rural areas grew more rapidly than metropolitan areas and the rate of new jobs created was about twice as high in rural America.
>
> While this movement was primarly created by local people in the private sector, the Federal Government has been a significant help. Since 1969, total funding for Rural Electrification Administration and Farmers Home Administration have quadrupled and many other USDA rural development programs have increased substantially. All funded sections of the Rural Development Act of 1972 have been implemented and all funds provided by Congress under the Act either have been or will shortly be used.

I ask unanimous consent that the article in the U.S. News & World Report entitled "Out of the Cities, Back to the Country—" be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Population Turnabout: Out of the Cities, Back to the Country—

A REPORT FROM SIX SMALL TOWNS

Almost unnoticed, America's small towns and rural areas are staging a comeback.

These regions now are making gains in population—at a faster rate, in fact, than the big cities and their sprawling suburbs.

It's quite a turnabout after decades during which people left smaller communities by the millions to make their way in the big city.

From 1970 to 1973, according to the latest Census Bureau findings, population of the nonmetropolitan areas of the U.S. grew by 4.3 per cent—at a time when large cities and their suburbs picked up only 2.8 per cent population.

What's more, nearly three times as many people moved into small towns and farm regions as into metropolitan areas during the same span.

Why the trend back to small towns? Among the reasons cited by authorities:

Farm population is stabilizing at about 9.5 million after declining steadily from 30.5 million in 1940—the result of growing world demand for American food.

Industry is leaving huge urban complexes for rural areas to improve efficiency and boost employe morale.

The rapid spread of community and junior colleges means life in a small town no longer has to be an educational or cultural exile.

Many young people today prefer a simpler life, and often older couples want to spend their retirement years in little communities similar to those in which they grew up.

More and more Americans are getting fed up with big cities—their high living costs, zooming crime rates, breakdown of services.

To pinpoint what lies behind the resurgence of small towns, staff members of U.S. News & World Report visited six communities with records of impressive population gains. What they found—

COMING HOME AGAIN

This little town in the red hills of southern Kentucky manages to grow by deliberately not trying to keep pace with a rapidly changing world.

Columbia boasts no major industry, no outstanding scenic attractions, and it's not easy to reach. The nearest city of any appreciable size is Bowling Green, 65 miles to the west.

Yet, Columbia's population has almost doubled to 4,500 in 20 years. The 14,700 residents in all of surrounding Adair County represent a gain of 13 per cent in five years.

The attractions: stability, a simplier life and just plain good neighbors.

"Here you have close family ties, and most people who lived here in days past still have family here, so they want to come back and retire," explains J. T. Coomer, who teaches rural sociology at Lindsey Wilson Junior College.

The churches are filled every Sunday. Crime is nothing more serious than a few arrests for public intoxication and an occasional bad check. It has been two years since there was an armed robbery. Even more important, neighborliness is practiced as a fine art.

Take George T. Wade, 53, a fertilizer salesman who moved here last July after living in Louisville for 19 years. He didn't have to buy any vegetables at all last summer. Neighbors provided them.

"You are closer together, and you help one another better in a small town than in a large one," says Mr. Wade.

Mayor W. R. Murphy notes that many of the people who have moved into Columbia in the last few years are former residents who had to leave during the 1930s depression in order to seek work.

George C. Harvey, 64, is one of them. Mr. Harvey left Adair County in 1934, worked in a Chicago factory and later moved to a farm in southern Indiana. But memories of Columbia, he recalls, "lay in the back of my mind most of the time." He returned last year and bought an 11-acre tract of land with a house.

Good fishing, too

Some new residents are retirees, attracted by the town's proximity to the giant Lake Cumberland recreation area 25 miles away. Other reservoirs that offer good fishing virtually surround the county.

Younger people, too, often find life in larger cities can't match what their old home town has to offer.

Robert R. Moss, 28, quit his job as a draftsman in Lexington, Ky., to return two years ago and join his family's oilwell-drilling firm. Oil was discovered here about five years ago, and Adair County now has about 100 working wells—most of them small producers.

Mr. Moss reports that a dentist and a lawyer from his 1965 high-school graduating class also have returned to Columbia after living in other parts of the country.

"Rules can bend"

Mr. and Mrs. J. W. Keltner simply couldn't take the big city. They moved here with their two teen-age daughters two years ago, although Mr. Keltner still commutes two hours to his truck-driving job in their former home town of Louisville.

"The teachers here take time and work with children," Mrs. Keltner explains. "In Louisville, they went by steadfast rules. In a small community, the rules can bend a little."

Despite its remote location, Columbia still manages to attract factories to its 110-acre industrial park. A jeans-and-overalls plant has been expanded and now employs 210 people. Another 60 work in a facility opened last year to make hydraulic pumps for elevators.

Still, there's not enough work for everyone. As in hundreds of other small towns, some young people leave to seek careers elsewhere. The difference with Columbia is that many of them will come back.

THE GOOD LIFE

Mild climate, plenty of room and a strategic location draw people to Kingman and surrounding Mohave County in Arizona's northwest.

The steady stream of newcomers—Kingman's population has jumped from 4,525 in 1960 to more than 7,000 today—gives the community a frontier air. Mohave County has tripled its population to more than 34,000 in the same period.

Outside Kingman itself, much of the growth has come along the Colorado River between Bullhead City and Lake Havasu City. The latter is a planned community of some 9,500 residents. It is the highly publicized site of London Bridge, brought from England and reassembled to span a man-made river.

Ringed by mountains that are laced with snow in winter, Kingman stays snow-free most of the time. Temperatures on some summer days reach the 90s, but evenings cool down rapidly because of the town's 3,000-foot elevation.

About 25 per cent of the residents are retired. Keith A. West, president of Mohave Community College, explained the attraction for older people:

"Many are choosing Kingman because it's on the high desert—not too cold and not too hot. It's close to California, Las Vegas, water, and there's plenty of hunting and fishing nearby."

Water is a key

Water is no problem for most Kingman residents, although wells must be dug to a depth of 1,000 feet. Authorities estimate they have enough water to last until about 1990 before they will have to build a pipeline to the Colorado River. Some rural residents have no water in their homes but haul in what they need.

Access to transportation is a key factor in Kingman's recent development. The city is a main stop on famous U.S. Route 66—also known these days as Interstate 40—which stretches between Chicago and Los Angeles. Another principal thoroughfare is U.S. Route

93, heavily traveled by motorists moving between Las Vegas and Phoenix.

"We're expecting some 80 million dollars in interstate-highway construction in the next five years or so," reports Joe Torres, Kingman's first native-born mayor. "Construction always does a lot to bring more things to a town."

"See the best shows"

Residents think nothing of driving the 107 miles to Las Vegas for entertainment or shopping. Says a local housewife:

"You can see the best shows in the world, you can buy anything and then be home in Kingman in two hours."

Shopping facilities in the city itself are improving. Twenty-two national and Statewide firms have opened or expanded retail facilities since 1971. The local radio station has added FM programing, and the *Kingman Daily Miner* shifted from weekly publication to five days a week last autumn.

Major employers include an open-pit copper and molybdenum mine, desert proving grounds for an automobile maker, a cable factory and a wax-paper plant.

Although nobody pretends that Kingman is paradise, the community quickly makes boosters of people who move in from other parts of the country.

Typical is the reaction of Mrs. Barbara Hill, whose husband operates a service station. They and their two sons moved here five years ago from Los Angeles. Says Mrs. Hill:

"Opportunities are unlimited for a person willing to work. We've found a good life here."

COLLEGE BOOM TOWN

A college where people learn to work is the major reason why an isolated town on Michigan's Lower Peninsula keeps growing and prospering.

Residents agree that the presence of Ferris State College makes all the difference to Big Rapids, a community whose population has doubled in the last 25 years and now exceeds 13,000.

Not all the school's 9,000 students live in town, but along with their families they still make up more than half of the Big Rapids population. Ferris also employs more than 1,200 persons, making it the largest industry.

"The people of Ferris are obviously a great resource to this community," says Mayor William Grigsby.

Aside from the sheer economic impact of the school, it contributes skills that aid in governing Big Rapids. A business professor and his students conducted a parking-facilities survey that saved the town an estimated $6,000. A former president of the college acts as a consultant on improving the local hospital—free of charge.

What draws students to Ferris in the first place is its policy—unique in Michigan—of emphasizing job skills over academic theory.

Less than a third of the students intend to earn bachelor degrees. Most are shooting for associate degrees or certificates that can be obtained in less than four years. School officials claim a high rate of success in job placements.

Among courses offered are classes in health professions, commercial art, auto repair, broadcast electronics, building construction, court reporting, computer programing, solid-waste management, offset printing and how to produce and direct plays.

Local employment

But Big Rapids, a community of pleasant brick and frame homes on the Muskegon River, 200 miles northwest of Detroit, does not rely totally on the college.

Nearly 800 persons work in two local shoe factories, and others are employed by a couple of small auto-supply firms. These industries, however, are not enough to provide work for everyone. Many Ferris graduates would prefer to stay here but are forced to go elsewhere to find jobs.

In a move to expand work opportunities, officials have built an industrial park. Half a dozen firms have started small plants in the last 18 months, and eight new retail shops have been opened.

Federal authorities bring in public officials from around the country to see Parkview Village, praised as a model public-housing project designed to serve low-income families and older residents.

Anticipating further expansion, the town is putting the finishing touches on a master growth plan. Recreational needs are being studied, and the hospital that serves all of Mecosta County is being modernized.

Most of all, however, the people of Big Rapids are counting on Ferris State College to keep providing the spark that makes their community flourish.

SMALL IS BETTER

An unlikely combination of State government and gambling has combined to turn this old silver-mining town into a rapidly expanding community.

Probably in no other city can people buttonhole the Governor for a chat on a street corner and a few minutes later be dropping coins into legal slot machines.

Although still the smallest State capital in the nation, Carson City has seen its population shoot up by more than two thirds to an estimated 26,000 in five years.

"The openness of Nevada attracts me," says Douglas Loberg, former State controller who moved here from Minnesota in 1951. "California cities are close enough to take advantage of, but you're glad to get back from the congestion and environmental problems."

Situated at an elevation of about 4,500 feet—and midway between Reno and South Lake Tahoe—Carson City is surrounded by mountains. Temperatures hit an average high of 89 degrees in July and an average low of 19 in January.

A U.S. mint that turned out silver dollars from ore dug in nearby mines operated here in the midnineteenth century.

But the town shriveled when the famed Comstock Lode ran out, and population fell to as low as 150 by 1881.

Government provides nearly half the jobs in Carson City. Most people know each other, and dealing with official agencies tends to be a casual thing instead of the irritating encounters so common in other capitals.

Close to politics

"You feel much closer to political parties and government," explains one resident. "I've never run into a closed door. There's always somebody to listen and try to help."

Gambling is important to Carson City, but it does not dominate the scene. Says Bob Gray, director of public services at the State library:

"The gaming is here, but it's not overwhelming, as it is in Las Vegas."

Divorce, once a major industry in this State, has given way to marriages. Carson City has seven chapels, and last year the town saw more than 8,000 weddings but only 375 divorces. Almost half the population is under age 20, and many of the youths stay only a brief time.

Several light industries have moved into the community in recent years. Among them are plants which produce automotive ignitions, engine parts, sports equipment and plastics.

Henry Etchemendy, city manager, explains that the town seeks only certain types of industries—primarily nonpolluting businesses that don't need much of the area's limited water supply.

Education and culture are important parts of life in Carson City. The local branch of Western Nevada Community College has about 1,300 students and expects 5,000 by 1990. The average student's age is 31, and most take courses relating to their work or special interests—not in pursuit of degrees.

In addition to visiting attractions in Reno, only 30 miles away, residents have access to a variety of outdoor sports in the mountains or at nearby Lake Tahoe.

"We hope to bring in new art forms," reports James Deere, executive director of the State art commission. "We already have a museum, theater groups and tours and dance groups.

"The musicians' union trust fund will help to open a small theater later this year," he added.

Bruce McCone, a telephone lineman who has lived here eight years, probably expressed the sentiments of many when he said of Carson City:

"I'm really happy here. I'd have come from Los Angeles sooner if I had known what it's like."

A placid farming village tucked away in foothills of the Catskill Mountains offers just what many refugees from crowded Easern cities are seeking.

It's one of the major reasons why Cobleskill—a three-hour drive from New York City and less than an hour from Albany—has grown 30 per cent in 15 years to some 4,500 persons.

Advantages offered retired persons a thriving college for the young add about the village's growing to the point where it loses its rustic charm.

"We get a lot of people from New York City and the New Jersey area," reports attorney Jacob L. Wildove. "They tell me they live in a neighborhood that's getting tough, and they just want to get out of the city."

What newcomers find is a town with a small business section of two and three-story buildings dating bach to the 1800s. Clustered around the perimeter are large, old single-family homes. Nearby are mountains for skiing in winter and lakes for swimming or fishing in summer. Rolling farmland stretches out in every direction.

Mayor Leon E. Wilson says most residents fall into one of three categories—those who prefer a rural life style but commute daily to jobs in Schenectady or Albany, persons nearing retirement and employes of Cobleskill Agricultural and Technical College.

The streets at night

Typical testimony comes from Albie Harris, director of facilities planning for the college:

"Where else are you going to find a place where people still talk to strangers on the street? The schools compare well with those in nearby cities, and my kids have no qualms about walking home at night."

Mrs. Sonja Pinkney, a college counselor, agrees, saying: "When I first moved here, I couldn't get over how friendly the people were and how willing they were to help. I thought perhaps it was because I was new, but I've been here a while now and the people are still the same."

Many residents move to Cobleskill to retire after spending summer vacations in the area, observes Walton A. Brown, the college president. One important factor for older citizens: proximity to the town's modern 73-bed hospital, which provides care for people throughout Schoharie County.

Cobleskill College, a two-year institution that is part of the State University of New York, plays a leading role in growth of the village. Enrollment has risen steadily since the school was founded in 1916 and now totals more than 2,500.

The college generates more than 10 per cent of the county's income, and real estate owned by the school's employes represents 10 per cent of the taxable property in the town.

Cobleskill College also offers plays, concerts and other activities. Students often conduct fund drives for community causes, and residents take advantage of adult-education courses.

But Cobleskill has its problems, too.

Jobs and crime

While the college remains a stable employer, jobs have dropped recently in area industries. A fabrics factory closed down, and workers have been laid off at a cement plant and a company that produces windows. Crime is on the increase. Authorities also are worried about plans for construction of a major interstate highway nearby.

"We'd like to get some light industry and have a balanced growth," says Mayor Wilson.

"We're concerned," he adds, "about becoming a bedroom community, because we're not in a position to finance the expansion of services that would be needed."

For many residents, Cobleskill already is big enough.

"This is the kind of life my wife and I enjoy," says Stuart D. Lamb, a college faculty member. "I would hate to see the community get any larger."

THE WIDE-OPEN SPACES

A solid economy based on rich farmland enables this community in southwestern Idaho to stay alive and growing.

Both Caldwell and surrounding Canyon County have grown about 15 per cent in population since 1970—Caldwell to more than 16,000 and the county to 70,000. Many of the newcomers are transplanted Californians.

The secret: The soil in this area, known as Treasure Valley, is rated by many as the best in the State. With the aid of irrigation, farmers harvest a broad variety of crops ranging from staples, such as sugar beets, to exotic produce that even includes wine grapes.

"We can grow almost anything that grows in California," exults one resident.

Founded in 1883 as a railroad-construction camp, Caldwell benefits from a climate that is surprisingly mild for the region's altitude of more than 2,000 feet and its northern latitude. One former Californian describes the weather as only "about 10 degrees cooler than Los Angeles."

Residents represent a wide spectrum of ethnic backgrounds. Included are descendants of old Mormon settlers, a sizable colony of people with German and Dutch backgrounds, Basques whose families originally came from Spain to herd sheep and some 2,500 Japanese-Americans who stayed after being interned in the area during World War II.

"Work for food"

Dairy and beef-cattle farmers these days are being pressed by low market prices, but others report doing quite well.

Good farmland sells for $2,000 an acre. As Mrs. Joseph Turner, a farm wife of nearby Meridian, puts it:

"Here you can eat or always work for your food, where in a city you'd starve."

Wages run a bit lower in Caldwell than in larger cities, but so do expenses.

Sears, Roebuck manager Walter Lewis reports that he lives in a three-bedroom house with a large garden for $70 a month less than he paid for a small apartment in Sacramento, Calif.

Even much of the industry is farm-oriented—meat packing, one of the nation's largest creameries, a seed-corn company and a big food-processing plant that hires 1,600 workers at peak periods.

Most residents don't think they miss anything by not living in a larger city.

If people can't find what they want in local stores, they drive to the State capital of Boise, only 26 miles east. They also watch television programs beamed from Boise or nearby Nampa. Caldwell itself has two radio stations.

Caldwell is the home of the State's oldest college, the privately operated College of Idaho. Although it has only about 700 students, the school enjoys a high academic ranking.

The college also sponsors frequent musical, artistic and scientific programs—often with participation by townspeople.

"The American dream"

Most residents would agree with William Cassell, the college's president, who says of life in Caldwell:

"This is the great American dream—fresh air and wide-open spaces."

SOVIET GRAIN PROSPECTS

Mr. HUMPHREY. Mr. President, over the years Soviet production has been the largest variable affecting world grain supplies. The lack of information on Soviet crop prospects and Soviet intentions has resulted in unexpected and massive purchases which have often disrupted U.S. and world cereal markets. Timely and complete information on Soviet crop prospects then is essential to the production planning and market stability of other nations around the world.

Radio Liberty, through its extensive and competent research facilities, has provided a summary of Soviet cereal prospects for 1975. This thoughtful essay by Dr. Keith Bush projects Soviet grain production in 1975 at 230 million metric tons. This is considerably above the projection of the U.S. Department of Agriculture which recently indicated that the Soviets would harvest 210 metric tons.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Radio Liberty Research, Apr. 11, 1975]

SOVIET GRAIN PROSPECTS FOR 1975

(By Keith Bush)

Summary. Some of the principal inputs and other factors affecting this year's grain harvest in the Soviet Union are listed. An outturn of around 230 million tons is forecast.

Although it is somewhat hazardous to try to forecast the final outturn of the Soviet grain harvest before the sowing of spring grains has even been completed, Western observers have felt obliged to do just that. Their motivation may be ascribed to two principal considerations. Firstly, despite bland assurances made in 1973 that they would provide meaningful data on crop prospects and import requirements, the Soviet authorities have maintained their obsessive secrecy in this area. Secondly, the massive Soviet purchases of grain on the world market in 1972–73 (39.4 million metric tons [1]) have spawned an understandable interest on the part of grain-exporting nations in future possible Soviet demand.

Having sought to justify our foolhardiness, we would now beg to differ from the first authoritative Western estimate of the Soviet grain harvest in 1975. The USDA has ventured a preliminary projection of 210 million tons (Soviet definition)[2]: this is roughly in line with the formal Soviet output target variously given as 215.7 million tons [3] and as 210–220 million tons.[4]

Footnotes at end of article.

On the basis of information received to this date, our preliminary projection is around 230 million tons, i.e., an all-time record, although much of the winter grain will be of lower quality than in recent years.

To simplify, almost ad absurdum, the rough parameters of the Soviet grain harvest in 1975 may be projected from the interaction of the following principal inputs and other less quantifiable factors. All other things being equal, the factors making for an increase in grain output over last year's total of 195.5 million tons are:

a) The additional quantities of mineral fertilizer to be applied to grain. In 1975, 33 million tons of fertilizer are to be applied to grain: this is five times more than in 1965 and twice as much as in 1970. The anticipated response from each ton of fertilizer is, on average, 1.2 tons of grain.[5]

b) The total area under grain has been increased by 2 percent to over 130 million hectares.[6]

c) The area of irrigated land under grain has grown gradually each year from 3.8 million hectares in 1965 to 6.2 million hectares scheduled for this year.[7] Yields of grain on irrigated land have typically been some 50 percent higher than the all-union average on all land.[8]

d) The application of growing quantities of pesticides and other agricultural chemicals. This is good for yields if distressing for the environment.

e) Higher yielding and more resistant strains have been developed and introduced.

f) A gradual increase in the quantity and quality of farm machinery and transport, enabling the more timely completion of agricultural operations.

An anticipated input which could, arguably, have both positive and negative influences is:

g) Yet another, the seventh consecutive annual harvest decree, which may be expected any week now.[9] This will probably offer even higher bonuses than its predecessors, a few "Zhigulis" to Stakhanovite mechanizers, medals to the meritorious, and so on. The operations of many other sectors of the economy will be disrupted to help out the farmers. Against these dubious benefits might be set the undoubted apathy induced among the toilers to agricultural administration by exhortation.

Factors working against higher yields and output are:

h) The exhaustion of marginal soils subjected to years of monoculture. Once again the prescribed norms for fallow and long-term rotation patterns have been ignored largely because this year, like most of the preceding years in recent memory, has been declared to be the decisive year.

i) The gradual decline, largely through wastage, of the agricultural workforce.

But of course all other things never are equal and the most important single factor, i.e., the weather, is largely unpredictable. Although various provisions of the March 1965 reform program have succeeded in reducing the fluctuations of output owing to climate, the annual swings are still large. The past three years, for example, have witnessed harvests of 168.2 million tons, 222.5 million tons and 195.5 million tons. However, after a severe initial setback in November, when winter grain areas in Southern Belorussia and in the Western Ukraine were flood,[10] the weather has been generally benevolent. Fears of massive winter-kill, after unusually mild temperatures in December and January had depleted the protective snow cover, proved unfounded. Spring snowing was delaying in late March in several regions by low temperatures and water-logged fields, but the temperature picked up well in early April and the latest long-range forecast is favorable for most major grain-growing regions.[11] Because of early maturation, much of the winter grain is expected to be of lower quality than usual.

The mechanics of arriving at an output forecast are far too complicated to spell out in detail here. In addition the factors listed above, the procedure involves a judicious mix of observations based upon satellite data, fresh entrails, tea leaves, crystal balls and a close examination of the boots of Western agricultural attachés. But, to turn a much-loved Soviet phrase, suffice to say that, in ten out of the past eleven years, our preliminary projections have been within 5 percent of the final declared outturn.[12]

What would be the implications of a harvest of 230 million tons, or of something approaching this figure? Domestically, a crop of this magnitude would replenish the grain reserves which were drawn down last year, it would provide a gratifying conclusion to the Ninth Five-Year Plan, it would insure the overfulfillment of the 9 FYP target of an annual average harvest of 195 million tons (even if the 9 FYP target increase in the gross agricultural product is out of reach) and it could strengthen the proponents of the present course of centralization, massive inputs but little meaningful reorganization or reform.[13] Its possible external consequences are less easy to predict. Even with a record harvest and with state purchases of over 90 million tons, the Soviet Union would still have commitments to fraternal customers in Eastern Europe, Cuba and North Korea. It is still more rational to import a million tons or so of capitalist grain for the Soviet Far East than to transport an equivalent amount of domestic grain by rail over thousands of kilometers. And even if much of the anticipated low quality food grain is used for fodder, present Soviet feeding norms are more than one fifth below the optimal. This would suggest a "feed gap" of over 20 million tons at the current levels of livestock inventories, while the USSR will need all the feed imports it can afford if the "scientific norms" or meat consumption are to be met in the 1980s. Substantial Soviet purchases on the world market during the foreseeable future cannot be excluded: all will depend upon substitution possibilities, availability and price.

FOOTNOTES

[1] *Vneshtorg 73*, p. 46.

[2] *Foreign Agriculture*, April 7, 1975, p. 11.

[3] *Ekonomika sel'skogo khozyaistva*, No. 2, 1975, p. 5.

[4] For instance, Moscow Television–1, 1330 GMT, March 19, 1975.

[5] See *Ekonomika sel'skogo khozyaistva*, No. 10, 1974, p. 62 & No. 2, 1975, p. 10; *Sel'skaya zhizn'*, March 23, 1975.

[6] Including one million hectares more in the Ukraine: see *Sel'skaya zhizn'*, January 25, 1975; *Ekonomika sel'skogo khozyaistva*, No. 2, 1975, p. 5, and *Pravda*, April 8, 1975.

[7] *Pravda*, March 6, 1975.

[8] Derived from *Zemledelie*, No. 6, 1969, p. 53; *Narkhoz 68*, p. 349; and *Pravda*, February 5, 1971.

[9] Previous joint decrees of this nature appeared in *Pravda*, June 15, 1969; June 25, 1970; May 29, 1971; May 19, 1972; May 4, 1973 and May 11, 1974.

[10] Detailed reports of the floods and of their aftermath were carried by Radio Moscow–1, 1900 GMT, November 15, 1974; Radio Moscow–2, 1330 GMT, December 4, 1974; *Sovetskaya Belorussiya*, February 15, 1975.

[11] *Sel'skaya zhizn'*, April 3, 1975.

[12] The exception was 1973, when our forecast was 10 percent down.

[13] A careful analysis of Kulakov's speech on the occasion of the tenth anniversary of the March 1965 plenum *Pravada*, March 25, 1975 suggested that he is critical of the current policy of massive and growing capital inputs (*The Christian Science Monitor*, April 9, 1975).

THE CONTINUING PUSH FOR HUMAN RIGHTS

Mr. ABOUREZK. Mr. President, perhaps no group in this country or anywhere else in the world has done more to secure the basic freedoms and rights of all people than has Amnesty International. Their tireless effort has affected both the political prisoners themselves and the governments holding them in a very significant way.

In numerous debates in which I have participated in recent years on the issue of human rights, it is Amnesty International which continues to be quoted as an authoritative source. In scores of instances throughout the world, this organization is responsible for the humane treatment and the occasional release of some of the thousands of political prisoners now being held in various countries.

Recently, Robert Karen wrote an excellent article entitled, "Fighting the Tide of Torture," on the work of Amnesty International. It describes the work in which Amnesty International has been involved and the tremendous impact which has resulted in many parts of the world.

Mr. President, I ask unanimous consent that the article by Mr. Karen, in addition to two letters to the editor by members of Group 34 of Amnesty International here in Washington, be printed in the RECORD.

There being no objection, the article and letters were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Feb. 8, 1975]

FIGHTING THE TIDE OF TORTURE

(By Robert Karen)

In the winter of 1945 in northern Italy, the Gestapo picked up a young Italian resistance worker and tortured her for 45 days. Convinced that giving them information of any kind would make her immediately dispensable, she never talked and in the end was made to type her own death sentence. However, on the day she was to be executed, two men in Gestapo uniforms took her away for some "final questioning." Inexplicably, they left her at a hospital and in two years she was fully recovered.

Today, almost 30 years later, Ginetta Sagan has become one of the major organizers for Amnesty International, the London-based group that "adopts" and fights for the release of political prisoners the world over. Founded in 1961 by a British lawyer, Peter Beneson, Amnesty has 38,000 members in 32 countries and claims responsibility for the release of more than 10,000 political prisoners.

Sagan became involved with Amnesty International in 1967, when the Greek junta took power; it was the first time since the war that repression and torture again touched her life. "I had a lot of friends who were in jail because so many of them had studied in France when I was there. My former professor there had just met Christos Sartzetakis, who is the judge portrayed in the movie Z. They were sending me file after file of prisoners and horrible, horrible stories of torture. I remember one in particular, the dean of a university who was 80 years old and given the *falanga*—tying a person to a table and beating the soles of his feet until they are swollen. So painful, dreadfully painful."

In 1971 Sagan prevailed upon Melina Mercouri and Joan Baez to come to Berkeley for a concert to benefit the Greek relief fund. A crowd of 10,000 attended and Sagan has since proved that direct action to salvage individual lives can generate the kind of personal commitment that seemed to have faded with the anti-war movement. In the three years since that first Berkeley concert, Amnesty's West Coast membership (concentrated in California and Texas) has shot up from 52 to almost 52,000.

Today the San Francisco office at 3618 Sacramento Street has four full-time staff members, including Sagan and Kit Bricca, formerly with the Farm Workers. The region now accounts for about half of Amnesty's 100 U.S. groups, and the leadership understandably believes that similar organizing elsewhere in the country would produce comparable results. Recently Amnesty hired Joel Carlson, a South African civil rights lawyer who was forced to leave his country in 1971, to be full-time national coordinator, an investment which it hopes will lead to the creation of regional offices in Chicago, Denver, Atlanta and some places in Texas.

All this activity for human rights would be a cause for celebration were it not for the historical events which have helped to generate it. In the short time since Ginetta Sagan began organizing for Amnesty, there has been a marked increase in political repression and a severe upswing in the use of torture. In the last few months, Amnesty papers on Chile and North Korea and a worldwide survey called "Report on Torture" have revealed that not only is freedom of speech and association endangered by state action but torture, remarkably similar to the kind the Gestapo practiced in Italy and throughout occupied Europe, seems to be spreading in epidemic proportions across the continents.

"When talking with the victims of torture today, I have a sense of *deja vu*," says Sagan. "The same thing—interrogation, beating, fear, insult, degradation. They really want to destroy you as a human being, to reduce you to the level of a groveling animal."

The data Amnesty has gathered over the past 10 years on the detention policies of some 62 nations indicate that torture is a perennial form of political oppression.

It would be impossible to enumerate all the methods now in use. Old standbys from near drowning and suffocation to pulling out the fingernails are still prominent. But "Report on Torture" also enumerates modern developments. The omnipresent electric shock is probably the key contribution of advanced technology. Psychological and manipulative techniques, such as sensory deprivation, isolation, exhaustion, degradation and threats (of permanent injury, disease, economic retaliation, or harm to one's family) are more widely and sometimes more cleverly applied. Sagan relates that in Brazil and the Soviet Union the secret police have been known to torture people while showing slides of members of their families, creating an association of family with pain.

Perhaps the most important new weapons available to modern torture are the scores of drugs which terrify and melt the will of their victims. None of these drugs can force anyone to reveal what he has the courage to withhold; most, if the victim survives, will have no lasting physiological effects, though the emotional damage is frequently severe and permanent; and virtually all have some legitimate medical use. But the fears of the victim, the threatening atmosphere and the extremely unpleasant physical sensations make these medicines a potent form of terror.

While a sadist is the most likely candidate for a career in interrogation, recent clinical tests seem to demonstrate that many people, normally indisposed to cruelty, will nonetheless administer pain if told to do so by someone in authority. That is a crucial point when one considers the scores of doctors and nurses—some of whom are presumably not sadists—who, in the ultimate perversion of their professional roles, show up at secret police villas to act as consultants and practitioners of the black mechanics of interrogation. "Torture could not take place without the cooperation of physicians," says Sagan. "It is the doctor who examines the prisoner before interrogation, it is the doctor who says how far they can go, it is the doctor who treats the victim of torture and who remains silent."

It must be understood that torture is a very *inefficient* means of gathering information and for the most part is not used for that purpose. That fact is reflected in the black humor of South Vietnamese interrogators, who have been heard to say, "If they're not guilty, torture them until they are!" Torture is a weapon, widely perceived as a proper response to domestic or colonial insurrection, and sometimes openly advocated by counter-insurgency strategists. All told, according to the Amnesty report, at least 30 nations use torture as an administrative routine and have given free rein to men and women who achieve personal gratification from the destruction of other human beings. These torture states share information, educate torture trainees from less developed police states, and have even produced films on the subject (one found in the secret police headquarters in Portugal was made in part to instruct prison doctors).

Unfortunately, many victims of torture, including Sagan, have been unwilling to discuss their ordeals. Torture victims are often deeply ashamed of what has been done to them and what they have been made to do. Many have lasting and often disastrous emotional disorders.

"I wasn't able to talk about it for many years because of the humiliation and the degradation that they forced on me," says Sagan. "That is why I feel strongly that the Amnesty project to help to care for the victims of torture and to rehabilitate them psychologically is an urgent and crucial one. I wouldn't want anyone to go through years without being able to share, to talk, and to be assured that we are human beings still. It is hard for any person to think himself still human after they strap you to a table, after they insult you, and after they force on you these unspeakable, *unspeakable*, unspeakable, unspeakable actions."

Sex, degradation and power form a special weave in the torturer's mentality. An obsession with excrement and urine and forcing prisoners to smear themselves is common. So is rape and demeaning sexual positions.

What Amnesty offers the political prisoner and the victim of torture is the promise that his case will not be forgotten. Its basic organizational unit, the "group" is responsible for three prisoners of conscience—one from the Eastern bloc, one from the West, and one from a nonaligned nation. This careful policy of neutrality has been a key to Amnesty's success, and with political oppression so widespread, the meticulous nonpartisanship is unfortunately easy to maintain.

Letters on behalf of adopted prisoners are sent to the United Nations and other international bodies, to the press, and to the responsible government. Amnesty International sends observers to trials of those accused of political crimes and, when possible, visits prisons and interviews prisoners and ex-prisoners.

Its success is a testament to the power of public opinion. And yet, within and without the responsible state, public opinion is a difficult weapon to mobilize. "I can understand the fear," says Sagan. "Anything that threatens the status quo or the fragility of our day-to-day existence is better pushed back into the unconscious. It is much more comfortable to go on with our daily lives without worrying about the man in Czechoslovakia who has been picked up, who has lost his job, who is being held some place incommunicado. But the only way to break the power of the secret police is if enough people speak up."

Can it happen here? Amnesty does have 30 prisoners of conscience in the United States, most of them members of ethnic minorities who were caught in situations where racial and/or political prejudice was evident in the arrest, conviction or sentencing. It has also described numerous instances of police and prison brutality. But regarding torture, it has concluded: "It would be incorrect to suggest that there is an administrative practice of torture by the law-enforcement authorities of the United States within their own domestic jurisdiction."

Still, there is reason to be concerned about the U.S. position. As a major supplier of funds and hardware for foreign military and secret police, the country bears a responsibility for how these resources are used. Our government has never officially condemned the practice of torture in Brazil, although there is no disputing its prevalence, and there is a persistent suspicion, bluntly portrayed in the movie "State of Seige," that the United States provides the training for many of Latin America's novice interrogators. To bring the issue even closer to home there have been widespread reports, abundantly documented by the confessions of repentant GIs, of direct involvement of American troops in the torture of Vietnamese.

The very personal quality of caring which Amnesty offers is evident in the title of a new quarterly magazine, Matchbox, which is being published by the West Coast office. The name derives from an incident during Sagan's imprisonment by the Gestapo. A few nights after she had been forced to watch a comrade tortured to death, one of her jailers began cursing her and then kicked open the door to her cell and threw in a loaf of bread. "I was hungry. I wanted to eat, but at the same time the thought crossed my mind that perhaps it was poisoned. But when I picked it up and started eating, I chewed on something hard. It was a little matchbox. There were matches inside and a piece of paper saying: '*Coraggio. Lavoriamo per te.*' Take courage, we are working for you."

[From the Washington Post, Feb. 21, 1975]

LETTERS TO THE EDITOR—POLITICAL PRISONERS

HYATTSVILLE.

In 1970 Mrs. Ina Anis, an Indonesian housewife, was arrested by the military police in Jakarta. Separated from her children, she was taken to the Bukit Duri Women's Prison, where for the last four years she has been held without charge or trial.

Mrs. Anis has seen neither a lawyer nor a judge. She will be detained indefinitely—for 10, 20, or maybe even 50 years. Her children have been portioned out among relatives. Her husband is also being held indefinitely for an alleged political offense.

Mrs. Anis is only one of 55,000 untried "political" prisoners in Indonesia. Although a few may, in fact, be threats to their country's military dictatorship, many, like Mrs. Anis, are only victims of circumstance, arrested by mistake or military inefficiency.

Like most political prisoners, Ina Anis thinks she has been abandoned by the world outside. What she does not know is that for the past year and a half, we in the Washington, D.C., group of Amnesty International have been writing letters on her behalf to high Indonesian officials and wearying the Indonesian Embassy with requests for her release. Over and over we explain to them that Indonesia's image abroad can only benefit from the humane and just treatment of a woman who is ill and of no threat to her countrymen.

I am moved to write of Mrs. Anis's case after having read Robert Karen's affecting article February 8 on the work Amnesty International is doing to aid victims of torture and political imprisonment around the world. Mr. Karen left the impression that in the United States Amnesty operates primarily on the West Coast. However, the fact is that there are over 100 Amnesty groups throughout the United States, each of which works for the release of three persons imprisoned for their political, religious, or other conscientiously-held beliefs or for their race, language, or ethnic origin.

Our own group is patiently working for the freedom of not only an Indonesian housewife but also an East German physicist and a rural Bolivian mayor.

LINDA HUF.

[From the Washington Post, Apr. 1, 1975]

LETTERS TO THE EDITOR—VLADIMIR BUKOVSKY

VIENNA.

On Saturday, March 2, The Washington Post published on the editorial page, an article by Colman McCarthy, describing the ordeals of Mihajo Mihajlov, the dissident Yugoslav writer.

In the course of the article, mention was made of other 20th century writers, that have been denied freedom of expression in their own countries.

One writer that McCarthy could have mentioned among those who "because they are not published abroad, disappear without a trace," is Vladimir K. Bukovsky, 32 year old Soviet, now being detained in Moscow's Vladimir Prison, for "anti-Soviet agitation and propaganda."

He has been spending the greatest part of the last 10 years in prisons, labor camps and mental hospitals, on account of his protests against violations of human rights.

In 1972 he was sentenced to 12 years, of which, two were to be spent in prison, five in a hard-labor camp, and five in exile. After two years in Moscow's Vladimir Prison, where he was almost starved to death, he was transferred to a camp for political prisoners. In 1974, however, as a punishment for going on a hunger strike to protest prisoners' conditions in the camp, he was returned to the Vladimir Prison in Moscow.

His health is very poor and steadily deteriorating. Already suffering from a rheumatic heart condition, he has now contracted a liver and gall-bladder ailment, peptic ulcers and has lost considerable weight. The food which he receives in prison (consisting mainly of herring) causes him great pain. Yet he is not undergoing medical treatment, nor has he been placed on a hospital diet.

The charges of "anti-Soviet agitation and propaganda," for which he was sentenced in 1972, were the result of publicly documenting the use of mental hospitals to silence dissenters in the Soviet Union. In several 1970 interviews, such as those with CBS ("Voices from Russian Underground," with Reasoner and Cole, who were thereafter expelled from the U.S.S.R.), Susan Jacoby ("Russian Unfinished Conversations") with Associated Press ("Interviews with Three Dissidents," with H. Jensen), he let the world catch a glimse of the horrors taking place within the walls of mental hospitals, where Soviet dissenters are being "treated." Injections with drugs that raise body temperatures to 104 degrees leaving the "patients" in a vegetative state for days and from which it takes months to recover, the wrapping of a person's whole body in wet canvas bandages that shrink when drying, the state of semi-unconsciousness in which prisoners are kept while constantly watched, are some of the practices he denounced.

He is also the author of articles for the Human Rights Movement and of Guidelines for Dissenters in Mental Hospitals.

As stated by his mother, he has made no scientific discoveries and has not written any great work of art, yet does not his name deserve to become well known too, for revealing the frightening potential of violence that unlimited power carries within itself?

SILVANA BOBBA,
Graduate Student,
The American University.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

CONGRESSIONAL BUDGET DETERMINATION

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of Senate Concurrent Resolution 32, which will be stated by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 32) relating to a determination of the Congressional Budget for the United States Government for the fiscal year beginning July 1, 1975.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the following members of the staff of the Committee on the Budget have the privilege of the floor during consideration of and votes on Senate Concurrent Resolution 32:

Douglas Bennet, John McEvoy, Arnold Packer, Sid Brown, Marc Lackritz, Steve Browning, Rodger Schlickeisen, Ira Tannenbaum, Dennis Sachs, Mike Joy.

Robert Boyd, Bruce Thompson, Franklin Jones, David Blackburn, William Stringer, Bert Carp, Hal Gross, Susan Kinsman, Bill Jackson, Nik Edes, Jon Steinberg.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MUSKIE. I yield myself such time as I may need.

Mr. President, today we test the new Budget Act for the first time.

The results will say a lot about Congress' ability to manage the Nation's future.

For the Budget and Impoundment Control Act of 1974 is not a bookkeeping tool. It is a policy instrument that gives us new control over the direction America takes.

It enables us to say indeed, it requires us to say—how America's resources will be used.

How much shall we spend? How much can we afford?

How much shall we tax? How big will the public sector be?

Will the transition from energy plenty to energy scarcity be smooth or rough?

How and where shall we invest today to meet the energy needs of tomorrow?

Who will bear the heaviest burden?

What challenges does the world hold for us after Vietnam? How much shall we invest in arms? How much in trade development? How much in intelligence? How much in diplomacy?

Where shall we encourage Americans to live; in cities or in suburbs, or in rural America?

How much for education?

How much for health; for research; or disease prevention; or hospitals; or doctor training; or clean water and clean air?

Shall we do all of these things, knowing that it will mean not doing something else?

How can we insure 200 million Americans a better life tomorrow, and next year, and for generations?

We will not address all of these issues this year.

We are taking only a first step; we will determine how much we mean to spend altogether, without voting on how we mean to divide the pie.

But we are launching a process which hopefully will serve us all in future years, when these issues are more starkly drawn and when the decisions will, therefore, be much harder.

Why start now?

The act would permit us to put off this concurrent resolution for another year, and this debate and the discipline it implies. But the state of the Nation will not.

If we did not have a means of matching total spending with economic need this year, we would want one.

If we did not have an instrument for making overall fiscal policy and monetary policy judgments; if we did not have a way to total up spending programs before we make commitments rather than after we make them, then we would be searching for one.

For Congress must now shape a recovery program that will help pull the United States out of the worst recession in a generation.

This year, the public looks to Congress for assurance on two counts. People want an end to the harsh cycles of recession and inflation that have dominated the economy for a decade. They want help for people who are suffering because the economy has faltered.

So writing the Federal budget this year is more than a dry exercise in cost accounting. The costs this year are counted not only in dollars, but in the fears and needs of millions of wage earners who leave their families in the morning on their way to unemployment lines, not to jobs.

The act requires the Budget Committee to spell out every year at this time the levels of revenue and levels of outlay for the next fiscal budget, and to describe the size of the surplus or deficit that those levels would produce. Even without the function-by-function allocations which the Budget Committee will report in future years, these overall totals will have enormous significance for America's fiscal policy.

The act requires the Senate to take action on those recommendations at least twice—once in May, to give standing committees a financial target toward which to work; and once in September, to confirm these levels of outlay, or adjust them in light of changed economic conditions. Resolutions to adjust the totals may be introduced at any time that changing national needs dictate changes in the budget, and the Budget Committee will certainly report again before September if conditions deteriorate beyond what we anticipate in our present resolution.

The committee believes that the revenues which will be produced by existing tax laws—including the tax reductions which Congress approved last month—are at an appropriate level: $297.8 billion.

We recommend outlays of $365 billion. It is the judgment of most members of the committee that the deficit which this budget calls for—$67.2 billion—is not only inevitable but necessary.

The deficit contemplated by the committee's proposal is not significantly different from that which would result from the administration budget. But there are major differences in emphasis. Some money which the administration would spend for defense, for example, can be moved into programs that will help families buy food and clothing. Some money which would have been sent abroad can be invested here at home to develop resources for the future. The committee's proposal allows for $4.5 billion in emergency antirecession programs including the Emergency Employment Appropriations Act passed last week.

The Budget Committee did not endorse that deficit easily. I think it is fair to say that the size of the deficit dominated the final markup sessions that led to this resolution.

But the deficit is a recession deficit, not a spending deficit. With full employment, this budget would product a modest surplus. But we do not have full employment, and the deficit is a direct consequence. The recession will take more than $200 billion out of the pockets of Americans in wages and profits in the next fiscal year alone. The Federal share of that loss is about $53 billion in taxes that will not be paid because people are not working and because plants are closed.

The rest of the deficit will result from payments for unemployment insurance and for food stamps and for other programs whose costs are up because of the recession.

This new budget process will pinch. It is supposed to pinch. It is supposed to remind all of us that some of our favorite programs must be funded at levels lower than we want. My colleagues will be reminded many times during this debate of things we cannot do with a $365 billion budget.

I would like to run through a partial list of the things we can do with $365 billion, which is after all, quite a lot of money.

We can provide some income through unemployment insurance and other assistance programs for millions of families in which the breadwinners have been laid off. It can help them ride out the recession.

We can pay the hospital and doctor bills of the elderly and of low-income families which cannot afford medical care.

We can increase the checks of social security pensioners to help offset the rising cost of living.

We can help thousands of youngsters start and finish college. We can hire unemployed workers to rehabilitate the Nation's railroads and repair veterans' hospitals.

We can support space programs, buy land which is needed for parks, and finance energy research.

And we can pay for a strong defense force that will protect the Nation's interests.

Could the Federal Government spend less, Mr. President? Not when the very economic stability of the Nation is at stake. The Budget Committee's near-unanimous judgment is that we cannot spend less and still help millions of unemployed workers and their families weather the worst recession in a generation. We cannot spend less and still meet our commitments in national defense, transportation, and other programs.

Why cannot the budget be balanced? The surest way to turn a serious recession into a real depression would be to cut spending drastically or increase taxes drastically. Either way, the amount of purchasing power in the economy would decline still further. As Charls W. Walker, former Deputy Secretary of the Treasury Department in the Nixon administration, told the committee during hearings, the Federal Government tried to balance its budget in 1931. As Mr. Walker put it:

> They raised the taxes and they further exacerbated the deflationary pressures and incomes dropped and profits dropped and it just did not work.

Is the spending target high enough, Mr. President? Nobody can answer that question with absolute certainty now. As I told the Committee on the Budget, I would have preferred a bigger investment in temporary recovery programs, such as emergency revenue sharing to help cities and States which are losing income because of the recession. I believed we could do more now to fight unemployment without risking renewed inflation, but the committee wanted to move one step at a time, and I support that decision. If unemployment continues to rise as sharply in the next few months as it has in recent months, the committee will consider another resolution to adjust the spending target to meet the changing needs.

Is the pattern of spending appropriate? In future years, spending targets for each function of Government will appear in the concurrent resolutions. This year we have put them in the report only, where they serve as benchmarks which should help the Senate stay within the overall spending totals we recommend.

The committee has moved about $4 billion from the President's budget for defense and international affairs to programs that will help people cope with the recession and inflation. It has added to that some $4.5 billion in temporary recovery outlays. It would not be possible to produce a pattern that would satisfy every Member of the Senate or even of the committee on the budget.

I am persuaded that this budget and its deficit represent the figures which the Budget Act requires the committee to recommend—the appropriate levels of income and outlay. It is not a perfect document. It does not fully reflect the views of every member of the committee. To do that, it would call simultaneously for higher and lower levels of spending on defense. It would leave room both for increases and decreases in existing programs. The deficit would at once be larger and smaller. But it is a budget on which a substantial majority of members of the committee could and did agree.

Is the deficit inflationary? Not when the Nation's economy is operating at a level so far below capacity. This proposed budget will provide between $50 and $75 billion in stimulus. The economy is more than $200 billion below par. Even with this budget, there will be slack in the economy.

I want to emphasize an important feature of this budget which should allay fears of more inflation in the future. A number of witnesses urged the committee to approach this resolution as though it were preparing two budgets. One budget would cover permanent programs which would be required regardless of economic conditions—education, health, defense, social security and transportation. The other would be a budget designed to support temporary recovery programs, such as public service jobs. Although the line between the two cannot always be clearly drawn, our total figure is the result of just such a two-budget approach.

The money which is allocated to basic programs has been increased over fiscal 1975 by just about enough to make up for the effect of inflation. The base budget is about $345 billion. The remainder of the budget is devoted to temporary spending programs that will disappear as unemployment drops and the economy is restored to a pattern of stable growth.

One reason, Mr. President, for the two-budget approach is to assure that outlays for permanent programs this year do not lock Congress into an unrealistic base for shaping the fiscal 1977 budget. Another reason is that it will be of some help to Congress in tracking the budget and other budgets to guard against spending more than the economy can absorb without creating new inflationary pressures.

I am not going to claim that the Budget Committee has solved that very difficult problem. The record as brought out in our hearings and seminars is clear that fiscal and monetray decisions over the past decade often came too late to be effective. In the past 2 years, the policy decisions have simply been wrong, based on a misreading of the real state of the economy. The Budget Committee had that history very much in mind when it drafted this resolution and report.

In my opinion, this budget will meet present needs as we perceive them at this time, and still take fully into account the need to avoid creating problems for the future. I would neither raise nor lower the ceiling the committee recommends. As I have said, if conditions change and a new resolution seems necessary, we will promptly report a new resolution.

Mr. President, the Senate Budget Committee has been gingerly feeling its way into a whole new field of congressional responsibility. I want to congratulate and thank every one of my colleagues for the patience and imagination they have displayed.

Each of us has had to watch cuts made in areas we hold dear. Each of us has agonized over the question of where true fiscal responsibility lies.

While our product may not be as complete as it will be in future years, I put it before the Senate with pride and confidence.

I want to thank every other committee for the cooperation they have given us in advising us of their needs and recommendations, and in understanding why we make the recommendations now before the Senate.

And finally I commend this new process to each of my colleagues. Some of it will seem complicated at first. The pinch of fiscal realism will frustrate them as it has the members of the Budget Committee.

But as our debate progresses, I believe each of us will find himself getting a handle on the real choices before this Nation.

I believe our debate will set a positive and useful precedent for future years.

I believe it will help restore public confidence in America's economic future.

And I believe it will show that our budget reform makes as much sense in practice as it does on paper.

I close finally, Mr. President, by expressing my appreciation to the staff of this committee. The staff is made up of a core staff of professionals who fully serve every member of the committee, regardless of party. I think their performance has been of the highest conceivable professional standard, under the pressure of inadequate time, in learning to live with each other and the committee, as well as to organize themselves and their ideas.

The other part of the staff is made up of the professional assistants which the Senate has provided for every member of the committee, and I must compliment them as well on fitting into what I suspect has been a frustrating role, the work of the committee as a whole. My impression of the staff, both the core staff and the aides of the Senators on both sides of the party line, has been that they regard themselves as members of a unit—the Senate Budget Committee—whose responsibility is to present this kind of report to the Senate as a whole.

I now yield, with full appreciation, to my good friend from Oklahoma, the ranking Republican member of the committee, with my personal thanks for his extensive cooperation.

Before I do that, I wish to make a unanimous-consent request, the necessity for which I find incredible. I ask unanimous consent to use hand calculators on the Senate floor.

The PRESIDING OFFICER (Mr. FORD). Without objection, it is so ordered.

Mr. MUSKIE. I understand that the rules are so ancient and esoteric that the ability to use these calculators except by unanimous consent seems to be in doubt. I asked whether or not I could use my fingers without unanimous consent—I assume that that is the original hand calculator—and there seems to be doubt on that score, too.

I yield to the Senator from Oklahoma.

Mr. DOLE. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. BELLMON. I yield.

Mr. DOLE. I ask unanimous consent that Jim Wells and Bob Downen of my staff have the privilege of the floor during the consideration of Senate Concurrent Resolution 32.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BELLMON. Mr. President, I would first like to congratulate our distinguished chairman, the Senator from Maine, on the excellent statement he has just made. This is entirely consistent with the extraordinary job he has done so far as chairman of the Budget Committee. During months of hearings and the lengthy deliberations on this resolution, the Senator has been incisive, thorough, tough, and fair, and has led the committee to the introduction of this resolution, which I hope the Senate will support overwhelmingly.

I would also like to join the Senator from Maine in complimenting the staff. The staff has had a difficult job in getting organized, under the pressure of time which the committee has faced, to get this resolution in shape for consideration. They have met these challenges, have had a high degree of expertise, and have been invaluable to the committee members as we considered this measure.

Mr. President, the Senate today is embarking upon a historic new procedure as we undertake to establish a more responsible method of managing the fiscal affairs of our Nation. If this venture succeeds—and it must succeed—it will usher in a new era of better informed decisionmaking by the Congress. It will mark the beginning of the careful weighing of the relative worth of various governmental activities so that a proper balancing of available resources with recognized need can be achieved. While today is the first time the attention of the full Senate has been directed toward the budgeting process, many months of work has already gone into this effort by the members and the staff of the Budget Committee. Both members and staff have worked tirelessly and constructively in the preparation of the First Concurrent Resolution on the budget which is now before us.

Mr. President, I would now like to address what I feel are the central issues as regards the overall implications of the Federal budget—the issues of inflation and unemployment.

This resolution contains the Budget Committee recommendations for an overall spending limit for fiscal 1976, our best estimate of Federal revenues and necessarily a recession induced deficit which the committee believes represents the maximum amount of stimulation our economy can tolerate without rekindling the recent destructive inflation. There are, of course, those on the committee and those in the Senate who believe we can and should do more to stimulate the economic recovery. Likewise, there are those on the committee and in the Senate, myself included, who, while recognizing the need to provide economic stimulation and to reduce unemployment, believe that spending priorities must be set and followed. Fiscal restraint must be used to avoid the mistakes of the past. We cannot afford another dangerous round of inflation with the inevitable and probably more severe recessionary correction which would follow.

Inflation is the result of excesses in our economy that ultimately are corrected by a recession. These excesses themselves are partly the result of past spending practices of the Federal Government. We are all familiar with the basics of Keynesian economics. Specifically, we have been quick to sponsor his ideas of deficit spending. We have, unfortunately, ignored the second portion of his rules which states that deficits incurred in recession years should be retired by budget surpluses in boom years. The budget is supposed to act as a brake on both sides of the cycle, thereby smoothing it. Our budget has been in deficit 14 out of the last 15 years. What we have done in the past is remove the brake on the upside of the cycle.

Admittedly, the expansion that results initially is quite pleasant for everyone. However, we are now paying the price for our excesses. The price is the most severe recession since the 1930's. Sadly, the vast majority of the blame for these excesses and the current recession must be attributed to our past fiscal irresponsibility. Congress has no one to blame but ourselves.

My concern, however, is not with allocating blame; it is with seeing that we do not repeat the same mistakes. We must realize that we have limited resources and that all our problems cannot be solved at once. We must set spending levels and priorities which reflect national needs and live with them. More importantly, these spending priorities must be set in light of budget revenues. We must say to the American people that, while we recognize the problems, we also recognize that we will create more and worse problems in the future if we do not begin to enforce discipline through the budgetary process. This is why the work of the Budget Committee and the Congress on establishing levels of spending is of such vital importance.

Our most crucial duty to the American people is to deal responsibly with our current problems and those problems that may arise in the foreseeable future. This requires that we concern ourselves not only with current problems, but also the longer term effects of our current solutions. It requires that we discard our short-term approach to problem solving and replace it with an approach that also emphasizes the future results. To do otherwise is to shirk our duty.

As our committee's hearings progressed, I asked virtually every witness to give me their view as to how our economy reached its present state. Dr. William J. Fellner of the American Enterprise Institute and former member of the Council of Economic Advisers stated the causes most succinctly:

> ". . . governments are strongly tempted to engage in inflationary policies that have a short term political payoff and for which later on a substantial price needs to be paid.
>
> "Also, there is a very strong temptation to embark on spending programs without making the burden explicit, and inflation is a method of not making the burden explicit but letting it develop in a fashion at first unnoticed . . .
>
> "Inflationary policies have resulted also from the desire to postpone the unfavorable phases of the business cycle, but postponement led to the situation where the unfavorable phase really comes upon us with vengeance now."

By way of putting these issues in perspective, I would point out that the net budget deficit for fiscal years 1965–74 was $102.9 billion and the net budget deficit now estimated for the 2 fiscal years of 1975–76—$45-$67—is $112 billion. I submit that this may be a difficult burden on our credit markets and on our society. This is a matter the Budget Committee considered carefully at arriving at our spending limit.

The unfortunate result of the prospects outlined above is that the unusually large deficits force the Federal Reserve to expand the money supply at high rate for a lengthy period of time. A slower rate of growth in the money supply would result in even higher interest rates which would tend to choke off the recovery. This combination of extreme fiscal and monetary stimulus significantly enhances the risk of renewing inflation. This would, of course, also choke off the recovery. The Budget Committee recommendation has taken into account these dangers. We have also attempted to set levels of stimulus needed to hasten recovery. This will lessen the low revenue impact caused by high unemployment and result in a lower deficit over the long run.

Dr. Fellner's position is that in reality and over a longer time span, there is no tradeoff between inflation and unemployment. That is, it is not axiomatic that if we are willing to accept a higher rate of inflation, we can have less unemployment. Recent events suggest that inflation causes unemployment; that inflation above a moderate rate increasingly exerts depressing effects on our economy. Fortune magazine, in its March 1975 edition, refers to those depressing effects:

> Inflation erodes consumer purchasing power and confidence. It causes interest rates to rise, thereby blighting the stock market, depressing the housing industry and expanding corporate borrowing costs. It creates illusory investory profits on which businesses have to pay nonillusory taxes. It undermines the financial position of companies, such as regulated utilities whose prices rise less rapidly than their costs, etc.

The probable result of inflationary stimulation is a short term reduction of unemployment, followed by a long term increase in unemployment and other unpleasant factors that accompany a severe economic correction.

The simple fact of the matter is that we still, after enduring the pain of severe inflation and while enduring the pain of historically high unemployment, are in danger of beginning a new process of governmental overspending, deficit financing, and overstimulation. I can only urge that we reexamine the recent events and take heed of the lesson that we absolutely must learn.

The Budget Committee has kept this danger in mind and attempted, successfully, I believe, to balance it against the dangers of deepening recession.

The impact of continued deficits is devastatingly inflationary for our economy. This is particularly the case when the monetary expansion required to finance the deficits is considered. This dual stimulation increases demand for goods at a rate faster than the capacity to produce these goods is increased. The result is upward pressure on the price level. This effect is bad enough, but probably the most unfortunate result is the undermining of the public confidence in Government's ability to cope with economic realities. The restoration of this confidence must be our primary objective. To accomplish this goal we must begin by exhibiting fiscal responsibility. Once this process has begun, people can begin again to plan with some degree of certainty and we will have begun the journey back to reasonable economic growth and much less inflation. I support the Budget Committee's resolution because I believe it can help reach their objective.

It is my earnest desire that the Committee on the Budget can work to provide this fiscal discipline by forcing us to make hard choices and forcing us to allocate resources in a manner which is designed to yield the maximum benefit. I am equally earnest in admonishing my colleagues on the committee and in the Senate to realize that we cannot continue to spend with little or no regard for revenues. We must consider both sides of the equation.

It is for these reasons that I favor the lowest level of deficit which is consistent with the Federal Government's responsibilities, to paraphrase the Preamble of the Constitution, to provide for the common defense, promote the general welfare, and endeavor to insure domestic tranquility. While the establishment of proper levels of spending to attain these goals is an imprecise science at best, the levels recommended represent the best judgment of the Budget Committee. These judgments were arrived at after many weeks of testimony from well-informed witnesses—witnesses representing a broad spectrum of economic thought and experience.

Mr. President, the apparent differences between the recommendations of the President and the Budget Committee are not large. If the same assumptions of income and levels of unemployment are used, the differences almost totally disappear. In candor I must say that the assumptions made by the Budget Committee appear to be more realistic at this time than those made by the President at an earlier date. Levels of unemployment have continued to rise, reducing prospects for Treasury income and increasing costs of unemployment and welfare programs. Also, the reduced vitality of the energy industry coupled with continued opposition to development of the Outer Continental Shelf reduces the prospects for income from lease sales. Also, there is little prospect for the energy program proposed by the administration ever becoming law.

The Budget Committee has realistically taken these facts into account. I am deeply disappointed that the administration has refused until now to do likewise. When they do, the line the President drew at $60 billion deficit will of necessity be raised to very close to the Budget Committee level of $67.2 billion.

Mr. President, I came into the Senate after serving as Governor of Oklahoma. Oklahoma's constitution wisely requires that our State government operate on a balanced budget. In my opinion the Federal Government should do the same over a period of years. My objective in supporting both the budget process and this resolution is to attain that objective.

The facts are that the present economic difficulty is the direct result of past indiscretions in the levels of Federal spending. Inflation, high interest, reduced consumer confidence, reduced production and high unemployment have resulted, causing the present imbalance between Federal income and outlays.

It would be impractical if not impossible to attain a balanced budget in fiscal year 1976. However, by achieving a realistic level of economic stimulation, which I feel the Budget Committee resolution does, we can produce a stronger economy and lower level of unemployment making possible a balanced budget within a relatively short time. Once we achieve that objective, the budget process will help Congress avoid repeating the mistakes of the past.

Mr. President, I feel it is significant that while no member of the Budget Committee is completely pleased with this resolution, it was reported out by a vote of 13 yeas and 2 nays. Also, separate views have been entered both by those who would spend more and those who would spend less. The inescapable conclusion must be that the levels recommended by the Budget Committee represent a reasonable and responsible attempt to reach a realistic level of Federal spending for fiscal year 1976.

I urge the adoption of the resolution.

Mr. MUSKIE. Mr. President, I would like to compliment my distinguished friend from Oklahoma for his excellent statement.

We did not work together to make our statements complementary, but I think that is the way it developed, and I am pleased with the points the Senator selected for emphasis.

At this point, I am delighted to yield to my colleague from the committee, my good friend from Utah, who has given the committee such dedicated, patient, committed attention and good work over the weeks of our labors.

I would like to take this opportunity to say thanks to him, too.

Mr. DOMENICI. Will the Senator yield for a unanimous-consent request?

Mr. MOSS. Yes, I yield for that purpose.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Franklin Jones of the committee staff be granted floor privilege for the remainder of the debate on this resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Utah.

Mr. MOSS. Mr. President, the Federal budget is the most important policy document which the Congress considers each year. Through its policy, fiscal, and monetary implications the budget can serve the purpose and causes of progress and enable achievement of national goals and objectives.

The budget is a comprehensive economic, political, and social statement that affects every American.

In considering the first concurrent resolution for fiscal year 1976 and the Budget Committee report, the first to be filed under the budget reform procedures enacted last year, we are pioneering in a new procedure and plowing new ground. I believe the process which the Congress adopted last year, under the Congressional Budget Act, is one of the most significant and positive changes in Government in decades. The Congress has new opportunities in Federal budget making and the policies and programs which flow from it.

As an instrument of the Senate, the Budget Committee has had a unique opportunity to examine and consider the Federal budget.

Testimony of witnesses representing the administration, labor, management, and other public and private sectors and information from a variety of sources were considered. We also received and carefully considered reports of the Appropriations and the several authorizing committees of the Senate in developing the end product.

Developing a budget under the demanding requirements of the Budget Act provides an enlightening and sobering experience. It manifests the foresight and wisdom of the Congress in enacting this budget process for control of the Federal budget. In considering the budget as a whole, to develop the concurrent resolution, the committee was given a mountaintop view—perspective—and I am pleased to have been a participant in the process as a member of the committee.

This was not an easy year for budget making. Rejecting a meat cleaver approach to budget cutting and avoiding inaccurate if politically useful revenue projections, the committee's initial effort proceeded well and resulted in the development of an effective and responsible product for the consideration of this body.

Included in its first concurrent resolution are recommendations on the following five items: First, total budget authority; second, total budget outlays; third, total Federal revenues; fourth, amount of Federal deficit; and fifth, changes in the public debt. These parts dovetail together and logically should be considered as integral parts of a total package if the end product is to be sound.

In future, the concurrent resolution will specify totals for each functional category of Government programs as well as the overall ceiling which appears in this year's resolution. Functional targets are not specified this year, partly to give all committees and Members more time to become familiar with the new budget process and partly to allow Congress flexibility in devising an economic program. I believe the report's discussion of programs by function is useful as a guide to what the Nation can afford this year and what it cannot.

Because of pressing domestic problems, there is now an urgent need for positive action to arrest the economic slide, to get people back to work and to provide for expanded economic recovery. The resolution and accompanying report by the committee outlines a strategy to address these problems, to reduce unemployment and to prevent a recurrence of last year's double digit inflation rate. In the view of the committee the budget for fiscal year 1976 should meet four important tests. It should:

First. Provide funds for national security, education, health care, pensions, and other established programs, which the people of the United States would need, regardless of the state of the economy.

Second. Provide funds over and above such basic needs to help pull the United States out of its most devastating economic decline since the 1930's.

Third. Be designed as a first step toward ending the increasingly harsh cycle of inflation and recession which has dominated our economy for nearly a decade.

Fourth. Provide direct help to those Americans whose incomes have been cut off or reduced by the recession.

In the judgment of the committee the level of spending that best meets all of these tests is a budget of $365 billion with revenues of $297.8 billion. At these levels the deficit of 1976 would be $67.2 billion. If, however, most provisions of the Tax Reduction Act of 1975 are extended into calendar year 1976 and if an energy tax is enacted, the revenues would then be $295.4 billion and the deficit would be $69.6 billion.

Assuming similar estimates of Federal revenues and program costs, the committee estimates a Federal deficit which is within $1.2 billion of President Ford's proposed deficit ceiling. However, it should be pointed out that the report calls for a different pattern of Federal spending than the administration proposed. The alternative strategy would give greater priority to programs aimed at reducing unemployment and providing relief for those affected by it. For example, the committee strategy includes: Full cost of living increases for recipients of Federal programs such as social security, medicare, and medicaid; $4.5 billion for temporary recovery programs such as unemployment compensation and food stamps; and a $4 billion shift from defense and foreign aid spending to programs which address human needs. The committee's proposal would also enable unemployment to be reduced faster and to a lower rate than the President's proposed budget.

The committee believes that such measures together with the $22.4 billion in tax relief already enacted by the Congress this year will help restore consumer confidence and purchasing power needed for economic recovery.

To the question about deficit, we already have one; it is a fact of economic life. Further, I believe it is significant that every witness who appeared before the committee agreed that a sizable deficit was inevitable in fiscal year 1976. The inevitability becomes necessity if the economy is to be turned around. Thus, the real question is not whether, but how much deficit. Regarding the size of the deficit—some say a deficit of $60 to $70 billion is too much, others will say it is too little. But after study and careful consideration, it is the committee's best judgment that the strategy recommended provides the right program to address our present economic needs and problems.

To those who advocate a greater deficit to provide more antirecession programs, let me point out that the committee's proposal already includes $4.5 billion in temporary recovery programs over and above some $15.2 billion built in relief programs such as unemployment compensation and food stamps. Additionally, we will monitor the economic picture between now and September, when action is to be completed on a second concurrent resolution. This will provide the opportunity to consider additional temporary recovery programs or make other adjustments based on the economy's actual performance.

I share the concern of those who advocate a smaller deficit. But official figures indicate 8.7 percent unemployed. Adding another million plus, to account for those who have become discouraged and stopped looking for work makes the real figure closer to 10 percent. In some groups, particularly among minorities, youth and in some cities, estimates of unemployment are in the range of 40 percent.

Only this last weekend we witnessed a great influx into this city of vast numbers of people complaining about being unemployed.

Over 2 million household heads are among the unemployed. Moreover, each percent of unemployment costs the Federal Government about $16 billion in reduced taxes and increased spending for unemployment compensation and related programs; costs State and local governments about $5 billion annually, and costs our economy over $48 billion in lost production. Our economy is now operating about $230 billion below potential. In other words, $230 billion of goods and services that could have been produced were not. We have idle machines and idle people. This is a waste of resources, and a waste of human resources which is the most cruel and costly of all.

These figures do not begin to quantify human costs or to tell the story of human suffering, fear, or broken lives. If social justice means anything at all, it means to prevent over 8 million people from being unemployed for 2 years, it means getting them back on the job and keeping their hopes and aspirations alive.

With this in mind, the committee's strategy is one which is aimed toward stopping the economic slide, turning the economy around, getting people back to work and reducing unemployment in a way which avoids a recurrence of last year's double digit inflation rates. These are national requirements which must be met. The concurrent resolution and the accompanying report proposes a strategy to meet these requirements and to bring the economy back to something closer to full employment. That is the only way to stop deficit spending in today's economic situation.

Mr. President, I think that the budget which has been fashioned, and the concurrent resolution which presents it, states the stark facts that we have before us with which we have to deal. It provides us with the guidelines of trying to get our economy moving again so that people are back to work and paying taxes, and that our deficit then can be brought down. If we do not do that, we will go along for a much, much longer period before we can expect to see the upturn of the economy that will take us out of the recession in which we find ourselves.

Mr. President, I compliment the chairman of the new Budget Committee. He has, in this very first year of our existence, brought us together to work diligently and long on the matters before us. It is a first effort, but it certainly is one to which every member of the committee has devoted his energy and his time. I believe the chairman, the ranking minority member, and, in fact, all members of the committee are to be commended. I have felt great pride in being able to sit with this group and to work on the problems that were before us.

I thank the chairman for yielding to me.

Mr. STENNIS. Mr. President, let me emphasize that I fully support this completely new legislative process under which the Congress will systematically deal with what the Federal Government receives and what the Federal Government spends each year. Nothing is more crucial to the Nation's well-being in these difficult times than the manner in which total Federal revenues and expenditures are determined.

I was on the original special committee to study the need for this legislation, although I never had the opportunity to serve during the year 1973 due to circumstances entirely beyond my control. Nevertheless, I have attempted to follow the new process in some detail, not only from the standpoint of the Senate, because of its relationship to the Committees on Armed Services and Appropriations. What is being attempted under this act is a most complex process which has not been fully tested as yet. At this point in time, however, I want to congratulate the chairman of the committee, Senator MUSKIE, and all the other members for the first steps they have taken on this most difficult task. While I may not always agree with the results of the committee's recommendations, insofar as the merits are concerned, the Budget Committee has my full support in attempting to carry out the letter and spirit of this law and to focus attention on the whole Federal budget.

While I recognize that this is a transition year and in some sense a dry run, I think it is essential that the Congress carry out the process required by the Congressional Budget Act to the fullest extent possible this year thereby assuring that both the country and the Congress can determine the overall revenue and spending targets for this year and provide a firm basis for the more specific requirements of next year.

Mr. President, I would be remiss in not pointing out what could be potential problems in the years ahead with respect to this new budget process. First of all, keeping in mind we are injecting a third committee process into the authorizing and appropriating activities, we must make sure that all of the affected committees observe their own jurisdiction and not duplicate the others' activities. I have no doubt that this will be done in the Congressional Budget Act for has prevailed thus far.

Also, it will probably be necessary to revise the schedule which is contained ing the Congressional Budget Act for deadlines of the various committees.

The law may well have to be revised to require that the Budget Resolution be debated and agreed to from 1 to 2 months earlier than the present law requires. As an example, the Armed Services Committee is beginning the markup for the annual authorization bill today, and should report to the Senate by May 15. The concurrent resolution being debated here today must, by law, be completed by May 15, and probably earlier. The authorizing committees, therefore, will not have the benefit of the final congressional resolution until it is too late. In order to overcome this problem, however, many timing adjustments will be necessary, including the submission by the executive branch of budget information far earlier than is presently the practice.

Mr. President, the pending resolution is a historical beginning for a new congressional process, and I look forward to the debate and consideration of this act.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that a statement on the pending budget resolution by the Senator from South Carolina (Mr. Hollings) be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

STATEMENT BY SENATOR HOLLINGS

I support the Budget Committee Concurrent Resolution and urge its adoption. The process that produced this Resolution and the accompanying report was a long and tedious one and represents considerable effort on the part of each member of the Committee. There were some who sought a higher level for the budget which of course would result in a higher deficit. Others, including myself, sought to reduce the deficit by cutting budget authority and outlays. As a result of this procedure we arrived at the numbers contained in the Resolution now before us. While the resolution represents the Committee's best collective judgment I should like to offer some thoughts of my own.

The concept of fiscal stimulus in time of economic recession is sound. Nevertheless, I feel that the Committee report pays insufficient heed to the stimulation already provided the economy through government action. The stimulus of the recently enacted tax bill, for example, is $22.8 billion. Additional stimuli have been provided through rejection of Executive Branch recissions and deferrals of approximately $1.7 billion. These financial incentives will have a direct impact in encouraging a revival of economic activity. From a more general standpoint, the high level of government spending in recent years has been anything but frugal.

In the determination of the federal budget, I believe the Committee's role is to balance the general need with available finances. Since we are spending so much more than we are receiving from revenues, the government's impact on the money market takes on great significance. Deficits of $45 billion for 1975, $69.6 billion for 1976, and a probable $35 billion for 1977 add up to $147 billion which the capital markets will be called upon to provide in the next 18 months. Government monopolization of the capital market can only have a debilitating effect upon the ability of the private sector to borrow and to generate the kind of soundly-based recovery we would all like to see.

This is what bothers me, and this is the one element which I believe the Committee accorded inadequate attention. Rather, we found ourselves too often attempting to discern a consensus of what we thought the Senate should or would do. This put us more in the role of Senate polling than of Senate budgeting. Apparently, the members felt that since this was our first effort, one of the objectives was to attain a degree of credibility with the authorizing and appropriating committees. The members had to appraise and predict Senate action on some 14 separate budgets. Too restrictive a budget in any one instance would have brought a rebuff before the Budget Committee established its own credibility. But in the final analysis, these legitimate considerations were carried too far, and the recommended level of deficit is simply too high.

To bring the budget back to manageable form, some belt-tightening and self-restraint is clearly in order. For this reason, I offered in Committee a proposal for a 1% across-the-board cut-back. My figure was admittedly, and purposively, abritrary. It is not addressed to the logic or the merits of the individual departmental budgets. The priority is to cut, and to keep the budget from destroying our capital markets. To do this, we must act—and act now. We are not here to legislate logic of philosophy or air-tight, ivory tower theories. The fact of the matter is that statehouses and localities are making these across-the-board cuts, they are exercising self-restraint, and all the while we go pell-mell in the opposite direction.

I am cognizant of the many obstacles the Budget Committee confronted in preparing its first-year report. We operated generally without guidelines and without the full-fledged staffing, data-gathering, and informational input which will be available in the future. I remain convinced that the newly-established budgetary procedures of the Congress can and will play a constructive role in the economy.

I pledge myself to work within this system to encourage the kind of budgetary policy which will generate a sound and long-lasting recovery based on the workings of the market system and urge the adoption of this resolution.

GETTING A GRIP ON THE FEDERAL BUDGET

Mr. MATHIAS. Mr. President, the concurrent resolution before us is the first concrete product of the Budget Reform Act of 1974. This resolution provides the first truly comprehensive look at the Federal budget in the history of the Congress.

By taking a comprehensive view, this resolution permits us to decide now: First, how much revenue we wish to collect; second, how much our Federal expenditures should be; and third, how large the resulting deficit for fiscal year 1976 should be.

These are fundamental questions. They represent the first step toward a rational division of expenditures among competing programs and causes. They permit us to take a realistic approach to tax reform. And they permit the financial community, and all taxpayers, to know what the Congress intends the deficit to be.

The most remarkable fact about this resolution, however, is that it is the first of its kind in the history of our Republic. No Congress prior to this has attempted, in acting on budget requests, to begin at the beginning by setting the goals on expenditures and revenues. The failure of previous Congresses to take this rational approach to the budget has helped to create unanticipated and unwanted deficits in the budget which have fueled the inflation of past years and helped to lead us into our current state of economic hardship.

It was for this reason that I urged for several years an overhaul of the way Congress dealt with the Federal budget. I introduced legislation, important parts of which were incorporated into the Budget Reform Act of last year, of which I was a cosponsor. When we consider that the resolution before us envisions expenditures during the next fiscal year of more than $1,800 for every American, we can appreciate the significance of our actions today.

As we debated this resolution, however, we must recognize that by itself it cannot impose economic wisdom or responsibility on the acts of the Congress. While this new process is a useful tool, the end product will be valuable only if we use this tool with patience and skill.

We now have the ability to know the consequences of our action. It remains for us to use this information wisely.

I ask unanimous consent that an editorial on this resolution which appears in the Baltimore Sun this morning be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Baltimore Sun, Apr. 29, 1975]

ACTING RESPONSIBLY ON THE BUDGET

The Senate today and the House of Representatives tomorrow begin consideration, for the first time ever, of budget resolutions. Until now Congress has never considered the federal budget as a whole. In recent years what happened was the President's budget officers would carefully put together a budget, with Cabinet officers and their representatives arguing over who got how much for what, each knowing that if you increased spending here you had to decrease it there or accept a deficit or change the tax structure. This budget went to Congress, where it was taken apart and each section approved by separate committees with little or no coordination. It was an irresponsible process.

This year a new law forced House and Senate Budget committees to review the presidential budget whole. Committee members could raise or lower spending in different categories, but it was a responsible vote. Members accepted the fact that to raise spending here without reducing it there was the same as a vote for an increased deficit or new taxes. The finished resolutions are what go before the House and Senate this week. Those bodies may raise or lower the resolutions, but there, as in the committees, a vote to spend more or less has to be tied to a willingness to change the contour of the entire budget. The resolutions are guides to the committees that then draft legislation authorizing and appropriating funds for specific purposes as before.

Both House and Senate committee budgets envision larger deficits than the President forecast. The President's figure was $60 billion, the House committee's $73 billion, the Senate committee's $67 billion. Many Democrats in the House, especially, want to go beyond even $73 billion. In their view great stimulation is needed to get the nation out of a slump.

Senator Edmund Muskie, chairman of the

Senate Budget Committee, was outvoted on a majority of the votes in committee aimed at changing spending levels for specific programs. He took the "liberal" position; that is, he wanted cuts in defense spending, increases in education, manpower and social services. But he has said he will fight for adoption of the resolution on the floor because he thinks it is important for the Senate to do its duty. In the House, Chairman Brock Adams is also pledged to fight for a resolution with which he does not totally agree. These are good examples for liberal lawmakers.

Conservatives in Congress have a different problem. They believe almost any deficit is lamentable and find it hard to vote for a resolution legitimizing one. They, too, can look to the Budget committees for guidance. In the House, such conservatives provided the votes necessary to send the resolution to the floor. In the Senate, even so unbending an ideologue as Senator James Buckley, one of two senators to oppose the resolution, expressed a willingness to support a deficit of $35 billion. If he's willing to go that far in order to see the new process work, we should imagine less rigid senators would be willing to go a lot, lot further.

MORE FISCAL STIMULUS NEEDED IN BUDGET RESOLUTION

Mr. HUMPHREY. Mr. President, this week the Senate is conducting a debate of considerable historic importance. For the first time, overall levels of spending, receipts, and the resulting surplus or deficit will be debated and voted upon in a systematic way. It is most fortunate that Congress has decided to observe this new procedure in this particular year. There have been few years in our history in which decisions of fiscal policy were of such crucial importance as they are at this moment.

The Budget Committee has done a splendid job. I know how difficult it has been to review the spending requests of all the Senate committees and reduce them to a manageable total. The difficulty has been compounded by the fact that the President's budget was not in all respects an honest and realistic document. The recommendations presented by the Budget Committee are honest, realistic, up to date, and, in most respects, make good provision for our public needs. A serious deficiency of these recommendations, however, is that they do not provide sufficient temporary fiscal stimulus to bring the economy out of the present recession as rapidly as we would all like to see.

In its report to the Budget Committees in March, the Joint Economic Committee recommended that economic policy be designed to achieve a growth of real output of at least 8 to 9 percent from the end of 1975 to the end of 1976. We judged that this would be sufficient to bring the unemployment rate down to 7 percent by the end of 1976 or early in 1977. The fiscal policies we recommended were designed to achieve that result.

Nothing in the economic developments of the past 2 months suggests that the amount of fiscal stimulus we recommended is no longer needed. Indeed, the economic outlook is, if anything, somewhat weaker than we thought 2 months ago. Not only did real output fall at an annual rate of 10 percent in the first quarter, as we had expected, but housing starts and building permits have continued to decline, the length of the average workweek has continued to fall, automobile sales have not picked up in the way manufacturers had hoped, and business fixed investment has fallen off sharply.

In light of this continued weakness of the economy, the recommendations of the Senate Budget Committee are not fully adequate with respect to the temporary fiscal stimulus required. Therefore, Senators MONDALE, JAVITS, WILLIAMS, SCHWEIKER, and I will offer an amendment to provide this stimulus. It would greatly improve our chances of achieving the output and employment targets recommended by the Joint Economic Committee last month. I do not think we should settle for targets any less ambitious than those. I am not satisfied with the Budget Committee estimate that unemployment will still be about 7½ percent at the end of next year. The Mondale amendment meets the test of sound fiscal management and fiscal responsibility.

It is the intent of the amendment that the funds would be used only if the unemployment rate continues to average above 8½ percent during the remaining months of fiscal year 1975. Funds would be used for temporary emergency economic recovery purchases. One purpose for which they could be used would be temporary antirecession grants to State and local governments which I feel are so badly needed. The funds would be used for projects which would expire automatically as unemployment declined. Nothing in the Mondale, Humphrey, Javits, Williams, Schweiker amendment would prevent our achieving a budget balance, and even a surplus, once full employment is restored.

I know my colleagues are concerned about the size of the budget deficit. Let me assure the Senate that no one wants to get rid of this deficit any more than I do. However, what we must remember is that this deficit is arising in its entirety from the high levels of unemployment. The only way we are going to get rid of this deficit is to restore the high levels of personal income and corporate profits which come with full employment.

I know my colleagues are concerned with the financial aspects of the large budget deficit. Can the credit markets handle the deficit? The Joint Economic Committee is investigating this question, and I plan to speak on it at greater length during debate on this amendment. One conclusion on which everyone we have consulted agrees is that, given a reasonable monetary policy, the credit markets can handle a deficit which stems from high unemployment. At a time of recession, private credit demands drop. The credit needed by the Government to finance the deficit simply fills the resulting vacuum.

Of course, at a time of full employment the situation is quite different. If we were at full employment, large Government borrowing would, indeed, "crowd out" private borrowing and interest rates would rise. That is why it is essential that we maintain a budget policy which provides for a balanced budget—or a surplus—at full employment.

I am pleased to cosponsor this amendment, which provides for the temporary fiscal stimulus we need without affecting the budget balance which we can expect to regain as the economy recovers.

The PRESIDING OFFICER. The Senator from Maryland has been on his feet several times. I realize the Senator from Maine is the manager of the bill.

Mr. MUSKIE. He is next on my list. I yield to my good friend, the distinguished Senator from Maryland, who has also been a dedicated member of the committee. I do not think he missed a session. For that I thank him.

Mr. BEALL. I thank the Senator from Maine for yielding.

Mr. President, I rise in support of Senate Concurrent Resolution 32, the first resolution reported to the Senate by the new Budget Committee established under the landmark Congressional Budget and Impoundment Control Act passed unanimously by the Senate last year.

This act is generally felt to be the most significant reform of our budgetary process in a half century. While the spending levels in Senate Concurrent Resolution 32 and the report's functional recommendations are not exactly what I, or any individual committee member would have urged, Senate Concurrent Resolution 32 merits the overwhelming endorsement of the full Senate and I so urge.

Before going further, I want to take this opportunity to commend the chairman of the Budget Committee (Mr. MUSKIE) and the ranking minority member (Mr. BELLMON) for their work, effort and leadership in making this initial run a success and for bringing to the floor a responsive and responsible budget resolution. I also applaud the committee staff who labored long and hard under the most demanding circumstances and tight timetables. They provided us with needed information and analysis without which we would have been unable to complete our work.

For me, participating in this inaugural effort has been an educational, encouraging and most rewarding experience. As one who introduced budget reform legislation in the last Congress, and strongly supported the enacted measure, my belief in the necessity and desirability of new budget structures and procedures for the Congress has been confirmed, indeed strengthened, as a result of my work on the committee.

The Congress under the Budget Reform Act has the opportunity to be a full partner with the executive branch in determining overall economic policy and in determining national priorities. We have the opportunity to reassert the important congressional "power of the purse;" but to do so we must take a comprehensive approach to the budget as a whole. In the past, we considered the various authorization and appropriations bills individually, often with little or no thought as to how each related to the other, and as to how total spending related to revenues and the appropriate size of the budget surplus or deficit.

The committee, as contemplated in the 1974 Budget Act, has made it possible to end our fragmented, piecemeal approach and to take the comprehensive, overall approach.

It could be argued that this is the worst possible time to implement our new budget procedures. Certainly, it would be simpler if we faced only one danger as we did last fall with inflation.

But, of course, since then, in a matter of months, we find ourselves in the worst economic downturn since the 1930's. At the same time inflation, although reduced, persists and remains a threat. Yet, if there ever was a time for a comprehensive and overall approach to the budget and national priorities, that time is now.

The recession is our No. 1 problem. The economy must be revitalized and jobs created. Americans must be returned to their jobs. But the dilemma confronting the Congress and the country is that the prescription economists prescribe for the recession, more stimulant, could, if applied in too large a dose, trigger the reoccurrence of double digit inflation. And we have come too far and with too much difficulty to allow that to happen.

Senate Concurrent Resolution 32, as reported to the Senate, we believe, strikes the delicate balance between doing too little and doing too much. In Senate Concurrent Resolution 32, we seek to:

First. Stimulate the economy without reigniting inflation and creating another inflation-recession cycle;

Second. Respond to the needs of the victims of recession, particularly those who have loss their jobs, and

Third. Support needed domestic programs and provide for the national defense.

The Budget Committee in Senate Concurrent Resolution 32 urges a spending level of $365 billion. Revenue is projected at $297.8 billion. This would result in a deficit for fiscal 1976 of $67.2 billion.

While this deficit is staggering, it needs to be emphasized that the deficit results from two factors, namely reduced revenue as the result of the recession—revenues are $53 billion less than they would have been if the economy was operating at full employment—and increased payments for unemployment compensation and other programs—between $12–$15 billion depending on if one elects to define full employment at 4 or 5 percent.

Thus, the recession with resulting reduced revenues and increased unemployment and other payments accounts for a deficit of some $68 billion. In addition, the committee added $4.5 billion for temporary recovery programs. Using the full employment budget concept, the committee's budget shows a slight surplus. It is critical that the temporary or self-destruct nature of these efforts be emphasized, for this means that, as the economy recovers, these programs will be ending or phasing out, and we will be moving in the direction of a balanced budget.

As high as the deficit is, it could and probably would have been much higher without the Budget Committee and our overall examination of the economy and our evaluation of what is being proposed and what we felt was prudent and affordable. For example, the Budget Committee had before it proposals totaling $419 billion. Most of these programs had merit. Individually, many could be adopted by the Senate. However, as the totals indicate, we cannot afford them.

As high as the deficit is, I must confess that I along with many witnesses, feared the deficit would be much higher. Indeed, most were predicting an $80–$100 billion deficit. So, the budget process has worked. It has reduced spending; it has reduced the deficit; it has altered priorities since approximately $4.6 billion has been shifted to domestic programs from defense and foreign aid.

Mr. President, the committee's deficit, which approaches $70 billion, for fiscal year 1976, will follow a deficit likely to exceed $45 billion for fiscal 1975.

This means that the combined deficits for the 2 years will exceed $100 billion. It means that the line on spending must be held as the committee recommends. While it is true that there has been a substantial decline in the economy and private credit demand is off, there is danger that if the deficit is too large when the economy turns around and recovers, Treasury borrowing will "crowd out" private borrrowers in the credit markets. Some believe that the Federal Reserve could accommodate the increased credit demands by increasing the supply of money and thus prevent interest rates from rising in response to increased demands. While I believe the Federal Reserve will help finance the deficit, the fear is that a double digit increase in the money supply, over any prolonged period, could bring back double digit inflation.

What your Budget Committee faced was the need for a delicate balancing act. A stimulant medicine was needed for a sick economy suffering from recession, but to provide too much medicine, too much stimulant, could produce a reoccurrence of the virus, inflation, which produced our current recession sickness.

We believe that we have recommended as much as is prudent.

As Dr. Greenspan stated:

> It is my evaluation that a budget deficit on the order of that proposed in the Budget or even one slightly larger probably does not pose serious risks for 1976. However, a deficit of this magnitude if continued into 1976 and beyond would add greatly to the risks of steep rises in interest rates and serious side effects upon housing and business investment.

And Dr. Greenspan clearly saw the danger on the "too much side," saying:

> I think the dangers are clearly on the side of providing far too much stimulus and far too large a budget deficit.
>
> I am concerned that we are just sort of losing sight that there is a turnaround out there and we may make what in retrospect, will, in my judgment, have been a bad mistake by providing too much stimulus.

We also need to keep in mind that our decision on Senate Resolution 32 is not irrevocable. The Budget Committee will continue to monitor the economy and the recovery. When we come back in September with our second resolution, we can provide more or less stimulant depending on the recovery.

In a response to a question by me, Dr. Burns counseled the "go slow" approach, as follows:

> Watch the course of events, particularly since this committee has a great responsibility. If you find that the pessimists or realists—call them as you will—are right, namely that long-term interest rates begin shooting up and that private borrowers are being crowded out, then I hope that your committee would act promptly to cut back on many of the programs that will have been legislated.

and,

> I don't think we need greater stimulus. The stimulus that we need is something that I would determine as we move along, as I have tried to indicate. Let's not go overboard now. Let's do what is reasonable now, rest for 2 or 3 months. I think we will thus build confidence in the process. Let's watch the course of events.

In the same vein, Budget Director Lynn urged the same saying:

> So, I think all of us have to look at this month by month. Put in tax stimulus now. Get that on the books. Get it working out there in the economy now. If more is needed later, by way of tax stimulus, or by way of other things that are identified by this committee and by the Congress as good ways to do it, let us do it then.

The Budget Committee's recommendations reflect our views that recession is our most immediate problem. Our budget for fiscal 1976 recognizes that we must not only attack the recession, but also, at the same time, continue our campaign against inflation.

We simply cannot afford to lose on either our antirecession or our anti-inflation fronts.

Our antirecession efforts include—

First. The $22.8 billion tax cut enacted into law; and

Second. $20 billion in recovery expenditures, including $15 billion for the unemployed and other programs.

Our anti-inflation campaign provides—

First. For a slight full employment budget surplus; and

Second. For the "self-destruct" or temporary programs which will end or phase out as the economy recovers.

Mr. President, I believe the wisdom of the 1974 Budget Reform Act is confirmed by the work of the Budget Committee. In future years, the Budget Committee will be providing binding recommendations in each of the functional categories. Our report, accompanying Senate Concurrent Resolution 32, provides only recommendations this time. In subsequent years, we will be examining closer Federal programs and trends. In the future, we will also examine tax expenditures.

Given the relatively short time since the Budget Committee was created, the process appears promising.

The Senate should be aware that in the past various procedures and mechanisms have been established by Congress to improve its budgetary process. However, in 1947 the Congress failed to adopt a spending ceiling proposed by the committee. In 1948 it adopted the budget ceiling, but failed to abide by it. In 1950, we experimented somewhat successfully with an omnibus appropriations bill, but this approach was subsequently abandoned. For the country's sake, and for the sake of a vigorous legislative body, Congress should not and must not fail this time.

Last year, the Senate unanimously approved the Budget Reform Act signaling our desire to subject ourselves to a disciplined, overall approach.

The Senate can give a boost to the new budget process and procedures and vote for a prudent, yet responsive, budget by supporting the committee.

A strong endorsement by the Senate would also decisively signal that we mean business with respect to both recession and inflation and help restore consumer confidence, a key to our ultimate recovery.

Mr. President, I sincerely hope the Senate will act with favor on Senate Concurrent Resolution 32.

Mr. CRANSTON. Mr. President, I rise as an advocate of the congressional budget reform process, in support of the amounts contained in Senate Concurrent Resolution 32, the first concurrent resolution on the budget.

In my view, the legislative budget process, as it becomes fully implemented, will have important and far-reaching consequences for the American people, and for our Nation's economy.

Those of us who serve on the Budget Committee, I believe, have a special responsibility to support, if we can, the conclusions it has reached in a spirit of consensus, even though those views may differ somewhat from our own. In the long run, it is the process of budget reform which will ultimately matter the most, not any single number we arrive at in a particular year. This is certainly the concept underlying the First Concurrent Resolution—the target setter. This is particularly true this year, when the first resolution does not contain functional totals.

Mr. President, I want especially to congratulate for their leadership throughout these inaugural budget proceedings the distinguished chairman (Mr. MUSKIE) and ranking minority member (Mr. BELLMON). They have done a truly fine job, most ably assisted by the fine budget committee staff. I want to thank, too, Hal Gross, Susan Kinsman, Bill Jackson, and Jon Steinberg for their excellent help to me in connection with this budget effort.

The budget reform process has two main thrusts:

First, to eliminate the long-standing, fiscally irresponsible, congressional practice of piecemeal budgeting—that is, appropriating funds for this perceived need, and then for that, without ever looking at the total on the bottom line, or the amount of revenues available to spend.

Second, to permit the Congress to reassert its congressional power of the purse in establishing national budget priorities.

It is clearly a congressional responsibility, not a Presidential one, to determine among various competing programs, the spending priorities of the Nation.

Both of these reforms magnify the responsibilities, as well as powers, of the Congress.

By next year, when the functional totals adopted by the Budget Committee will be part of the First Concurrent Resolution, Congress will have perceived, if it has not already, the great difficulty of living legislatively within budgetary limits.

This is a more responsible approach than we are used to—it may be more difficult and constraining than some are willing to accept. But, it is a critical necessity, if we are ever to move toward a balanced economy and avoid recurring deficits and continuing economic crises.

We have chosen to implement budget reform at a time when the Nation is facing its worst economic crisis since the end of the Great Depression.

The unemployment rate is at 8.7 percent, and rising. When "discouraged workers" are included in the totals, almost 10 million Americans are out of work, while millions more are working on curtailed hours.

Our economy is operating at two-thirds of its capacity, and slumping. In the first quarter of 1975, real GNP dropped 10.4 percent, the largest drop in a single quarter recorded since we started keeping track of this information.

The serious economic climate adds to the gravity of the decisions the Senate must make. It also means that great attention is focused on this budget exercise. It means that the American people are anxious to see Congress exercise responsible leadership in all areas affecting the economic environment. It, therefore, means that this exercise has important immediate as well as long-term consequences.

It might, as the Washington Post pointed out recently in a lead editorial, have been more comfortable to inaugurate this new system some other year.

But the very turbulence and uncertainty of the season makes it exactly the right time to take on the new responsibility, for, as the Post said:

> There is not likely to be another year for quite a long time when a thorough and informed debate in Congress on fiscal policy will serve as useful a purpose.

The Budget Committee worked long and hard in examining the entire Federal budget within constraints unique to the first year of the congressional budget process. It considered not only the contemplated expenditures, but the effect that these outlays would have on Federal revenues, and on the economic situation as a whole.

The functional totals that the committee arrived at, which are reflected only in its report, by no means all reflect precisely my own views—and I will make my points of difference very clear, as I have in my separate detail views on the committee report.

But, I believe that the totals that the committee reached in its resolution represent a reasonable current judgment as to the outlays we can now afford, and the size of the deficit we can finance responsibly without inflationary consequences.

We have, indeed, had a thorough and informed debate on fiscal policy within the Budget Committee.

After examining the March 15 reports of all authorizing committees to the Budget Committee, we have trimmed more than $31 billion from their requests.

To have failed to do so would have been to have failed to meet our responsibility to choose among competing priorities.

It would have been to expand the anticipated deficit beyond acceptable limits.

I believe that the committee adopted a responsible approach, not only in choosing among competing spending requests, but also in rejecting "meat-ax", across-the-board approaches to budget cutting.

The committee chose specific, intelligent analysis, and rejected "broad brush", unspecified cuts, which are far easier to propose than to apply.

I believe that, within our overall outlay amount, we have been too generous in approving defense spending, and that we have shortchanged the temporary recovery programs.

On the other hand, although I would like to see the budget in balance—when the economy is at full employment—I do not think that it is possible to decrease the deficit, by simply cutting Federal expenditures, without producing additional unemployment.

In California, the seasonally adjusted unemployment rate for March was 9.3 percent.

The Budget Committee has proposed a resolution designed to begin the process of reducing this rate.

To tolerate unemployment at this rate in unthinkable.

To knowingly adopt as Federal policy a program which would increase it is the height of folly.

Yet, there are those who propose to put before you budget-cutting amendments designed, they say, to cut the deficit by decreasing Federal expenditures by amounts ranging from $25 to $65 billion.

A $25 billion cut would throw another 1,250,000 people out of work and give us a double-digit unemployment rate of 10 percent. In addition to the cost in human misery, such a 1.25 percent increase in the unemployment rate would cost the Government $20 billion in reduced tax revenues and increased unemployment compensation.

A $65 billion cut would be an out-and-out national disaster. It would throw another 3,250,000 people out of work on top of the 9 million unemployed we have now.

Not only would such action represent the worst possible social policy—it would also fail to balance the budget.

Each 1 percent of unemployment—roughly 900,000 more out-of-work persons—costs the Government roughly $16 billion in reduced taxes and increased spending for unemployment compensation and related programs.

The committee heard from administration and other expert witnesses that attempts to eliminate the deficit not only would be futile but destructive, and could cause a major 1930's-style depression.

The last time an attempt was made to balance the budget during similar economic circumstances was during the Hoover administration. And it did not work then, either.

To adopt policies now which would drive up unemployment would be both heartless and senseless.

The committee's proposed deficit reflects a subtraction of $4 billion from the President's overstatement of Outer Continental Shelf oil lease revenues. Although the President's exaggerated estimate makes his budget deficit appear smaller, it is demonstrably inaccurate, and the committee quite properly rejected it. It is this kind of acceptance of responsibility that I believe is essential to the longrun success of the congressional budget process.

Among the duties of the Budget Committee is a weighing of the priorities in the President's budget.

I chaired a field hearing of the committee in California in February, when inflation was higher, and unemployment lower. The witnesses examined the Presidential priorities, and, for the most part, rejected them.

One economist observed:

> The President makes the point in the budget that if we extrapolate the trends of the last 20 years into the next 20 years, the expenditures will absorb about half of the GNP. This . . . is like arguing that if you gained five pounds last week, at that rate you will weigh two tons two years from now.
>
> We had a very significant increase in expenditures for social services in the last 20 or 25 years, because we had a lopsided economy . . . which was very rich in terms of the private sector, but very poor in the public sector, and for 20, 25 years we have attempted to redress that balance.
>
> I don't think the trend will continue, but whatever one's philosophical position, the notion that you take the worst recession years since the Great Depression to make this dramatic change in priorities is simply incredible. When unemployment is 8.2 and inflation is 12 percent, that's the time you take it out on the poor and the elderly and on schools and students? This is . . . appalling.

The President's budget imposes cuts on the elderly, the disadvantaged, the poor, the sick, and the unemployed, while requesting a "turn-around" real growth budget for the military.

These are priorities badly in need of reversal.

The committee believes that "the pattern of the President's spending recommendations is markedly different from the one the committee recommends."

In my view, we should have differed far more sharply in the area of national defense, and were the functional totals in the resolution before the Senate, I would be offering an amendment to those functional totals. I would also be offering an amendment to provide more antirecession jobs. Indeed, if the pace of economic recovery is slower than predicted, I will urge that the Budget Committee recommend, and the Senate authorize, larger-scale antirecession jobs programs.

The fact is that the functional targets of the committee are not mandates to spend, but upper guideposts. Without altering the amount of the deficit, I believe that substantial savings in defense outlays at least $4.2 billion—can be realized below the committee's recommended total. This $4.2 billion should be channeled into temporary recovery programs to speed our economic recovery.

Since the Senate will soon get an opportunity to pass on the defense budget, in both authorization and appropriations bills, I believe it worthwhile to share perceptions which the Budget Committee examination of the defense budget revealed, even though the present resolution does not contain functional totals.

The committee examined not only the numbers in the defense budget, but also the principal policy judgments, assumptions, and perceptions on which the huge real increase in the defense request, over and above compensation for inflation, is based.

It is readily apparent to me that this budget was built on a number of assumptions and judgments which Congress ought to specifically review; and that if Congress has differing assumptions from those of DOD about global strategy and the U.S. role in the world, substantial cuts can be made in the defense budget without injuring national security.

Secretary Schlesinger himself outlined in his posture statement the three choices he presumed were before the Congress with respect to the defense budget:

First, to make a percentage cut of about 5 percent in the request. Implying that this would give the United States the shadow rather than the substance of military power, the Secretary stated that were this our chosen course, it should be adopted explicitly, rather than "in a casual and impulsive fashion over a period of time." He thus rejected the nonspecific, lump-sum defense cut, unrelated to defense mission or objectives.

Second, the second choice offered by the Secretary was to recognize the connection "between the safety, interests, commitments, and foreign policy of the United States on the one hand, and the size, composition, and deployment of our Defense Establishment on the other." While the Secretary's statement of this position assumes that DOD correctly perceives its budgetary needs in carrying out any defined mission—an assumption that bears further examination—it does recognize the intimate relationship between mission and budget.

The defense budget request for fiscal year 1976 assumes that the United States needs to continue substantial military assistance to Vietnam, Cambodia, and a series of unnamed other nations. It assumes that we need "essential equivalence" in the strategic characteristics of our weapons posture. Despite the fact that the Secretary sees no threat to our deterrent "for the next several decades," Congress is asked to support characteristics of strategic weapons in which we may be behind—even though we have an offsetting capability. "Essential equivalence" is a radical, expensive, unnecessary, and, I believe, a misguided departure from the Nixon defense posture of "sufficiency."

There is a critical difference here which the Congress and the American people must understand. I question very seriously whether the United States should return to a military defense posture which is dictated by a discredited arms race philosophy. We must not allow ourselves to mistake the need for military strength and national security for a "me too" approach which threatens endless arms escalation, ever-increasing and ever more enormous expenditures, and heightened international tensions.

The Schlesinger budget assumes our total need for division strength has not been satisfied, and that, as a result, the potential manpower saving achieved by trimming unnecessary "tail"—service and support troops—must be immediately restored as "teeth"—combat troops—by creating 3 new divisions over our present 13. Neither the risks to which the United States was exposed without such additional "teeth," nor the increased threat which is deemed to justify the establishment of three new divisions, are adequately explained. In this context, Congress has recently made plain its view that the United States should limit military intervention to parts of the world where our national interest is at stake and, specifically, that it is not in the national interest to fight a land war in Southeast Asia.

The third choice perceived by the Secretary is the acceptance by Congress of not only the DOD's perception of global responsibilities as presented by the Secretary—seeming to suggest that the United States must keep on trying to be the world's policeman—but also DOD's perception of the manpower and weaponry necessary to carry out that responsibility. Calling this choice "more reasonable," the Secretary makes plain that "such a choice implies acceptance not only of the administration's budgetary request, but of the strategic concepts on which it is based."

However, to accept all or much of this defense budget this year without a detailed examination is to lock in place the Schlesinger strategy. We will have committed ourselves to the purchase of a camel after examining only the tip of the camel's nose that shows up in this year's outlay budget. The national defense budget is projected at $149.4 billion in budget authority, and $141.4 billion in outlays in 1980, according to the President's own budget figures. Based on past experience with the costs of weapons systems, this is bound to be an underestimate, unless Congress exercises its responsibility to restrict some of the projected budget authority now.

If we wait until next year to apply the missions approach to our examination of the defense budget, we may well find that we have permitted the authorization of the expenditure of billions of dollars presently and vitally needed for our economy. We may also have locked Congress into the purchase of weapons systems of arguable need which will be purchased over a period of years, depreciating our ability to deal with significant national priorities, and causing expenditures during periods of recovery which may in themselves be a factor in triggering inflation.

The Budget Committee approved the first national defense budget in the Nation's history having new obligational authority of over $100 billion.

Our national resources are too small, and our needs are too great, for me to accept this action with equanimity.

I firmly believe that each dollar spent on defense unnecessarily could be better used to support temporary recovery programs, underfunded by the committee, which would, unlike defense dollars, not commit us to expensive, long-run programs which will continue to burn up our financial resources long after the economy has recovered from its present malaise.

The information which the committee gathered reveals several debatable assumptions which I believe the Senate should bear in mind as it considers the authorization and appropriation requests that will come before it in the next several months.

I encourage Senators, in making spending decisions affecting the national defense function, to examine closely the assumptions and other judgments that are implicit within the defense budget.

Senators who, like me, disagree with one or more of the debatable assumptions can realize substantial savings in defense spending by eliminating the manpower or weaponry that result from these assumptions. Using this approach—and by disagreeing with some, but by no means necessarily all, of the assumptions—I believe it is easily possible to cut fiscal year 1976 national defense outlays to as low as $87 billion. By the same means, I believe new budget authority can be reduced to $96.7 billion. While the aforesaid figures represent a significant cut in the Schlesinger budget request, they would still leave defense expenditures in both outlays and budget authority higher than fiscal year 1975 totals.

The following debatable assumptions are found in the defense budget:

First. That the Vladivostok agreement means that both nations must race to reach its ceilings;

Second. That we must maintain "essential equivalence" in strategic weapons, despite our present possession of a secure deterrent for the foreseeable future;

Third. That development of sea and air launch cruise missiles, which would adversely affect arms control negotiations, should proceed, with a potential price tag of $16 billion;

Fourth. That we need a hard target capability for the Trident II SLBM;

Fifth. That current world conditions require further development and procurement of advanced ICBM's and SLBM's despite our current overkill capacity;

Sixth. That we need to procure an additional 50 Minuteman III missiles at a cost of $270 million for flight testing and possible future deployment, even though we already have the 1,000 Minuteman missiles originally desired;

Seventh. That we need to continue an ABM effort, to defend our ICBM's;

Eighth. That the present world situation requires the creation and equippage of three new Army divisions;

Ninth. That we need to maintain U.S. forces in Taiwan, Korea, Thailand, Japan, and the Philippines which leads to a total estimated cost for the Asian force posture of between $20 and $25 billion per year;

Tenth. That we need overall to maintain over 500,000 military personnel overseas in 33 countries;

Eleventh. That we need an airborne surveillance command and control system—AWACS—housed in a large airplane, at a cost of $111 million per unit, to provide battle management in tactical air warfare;

Twelfth. That we need to modify 747's and DC-10's to a convertible cargo/transport configuration at a cost of $6.8 billion;

Thirteenth. That we need to authorize $130 million in new budget authority for procurement of the SAM-D missile, even though its production has been delayed because its guidance system does not work;

Fourteenth. That we need to develop a new battle tank at a cost of $1.9 million each;

Fifteenth. That we need a new tanker/cargo aircraft to support general purpose forces;

Sixteenth. That we need to authorize $4.2 billion in new budget authority for shipbuilding of a variety of ships;

Seventeenth. That the possibility of nuclear air attack justifies spending $88 million on civil defense as a starter, with far vaster expenditures to follow, once we move in this direction; and

Eighteenth. That we need both an all-volunteer Army with a fully subscribed recruitment quota and a selective service system costing $47.9 million annually, for "the development of alternate contingency processing procedures designed to increase the system's capability to meet the DOD manpower requirements in a major military crisis should existing procedures prove inadequate."

In addition to these 18 points, I would point out that the House Budget Committee—in arriving at its lower defense outlay and authority figures—saw fit to recommend cutting several additional items in the defense budget. These included funds from prior years' budgets which have become "unprogramed" and can be transferred for use in fiscal year 1976, and the cash balance of defense stock funds. These funds are used to acquire inventories of consumable materials and supplies.

Still another possible reduction is the Inventory Replenishment Fund. This fund is used to buy weapons—with U.S. appropriated dollars—to sell to other countries.

These and other funds buried in DOD's budget deserve close scrutiny.

I do not believe we have exhausted our ability to make cuts in outdated or unwise Federal programs. Indeed, we have barely begun this process. I believe that certain parts of the LEAA program and new highway construction spending are places where budget cuts or reallocation of funds must be seriously considered. Other members of the committee have suggested ways to decrease costs and increase cost-effectiveness within functional areas which I think should be pursued.

To the extent that these savings are realized—and I strongly believe they should be realized—and that revenues are increased through reform in the tax expenditure budget—a task which also must be undertaken—some and perhaps all—depending on the total—of the resulting funds should be pumped into temporary recovery programs until we have emerged from the present recession.

It is quite possible that the amount allowed for temporary programs in the committee budget will not be enough—either to promote a rapid reduction in the rate of unemployment, or to bring about a prompt recovery from our deep recession. To some extent, I fear that the committee's quite proper concern for macroeconomic issues tends to mask the microeconomic realities occasioned by staggering numbers of unemployed workers, discouraged workers, and workers with depleted paychecks because of drastically cut workweeks. Nothing is more harsh or real than the human suffering and tragedies in as many as one of seven American families torn by the strife of mortgage foreclosures, bankrupt small businesses, wiped-out lifetime savings and investments, lost health insurance protection, and the debilitation, frustration, and insecurity of being out of work.

At the same time, it seems likely to me that, despite its arduous effort and careful consideration, the committee may have incorrectly projected some program costs, may have been overoptimistic in its revenue projections—whether from taxes or from OCS oil leases—and may have failed to take into account all the new spending ideas that the President may promote or Congress may conceive and fund as the fiscal year progresses, especially if the economy continues to deteriorate. These factors are virtually certain in my opinion, to increase the projected deficit, and keep me from voting to increase it at this time.

Given the present economic situation and the currently incomplete state of our knowledge, I do not believe it wise to project now a greater deficit than is projected in the committee resolution. I know that the committee will be watching the economy carefully during the period between the first and second concurrent resolutions on the budget. I certainly will do so.

Should economic recovery lag, we must consider necessary revisions in order to increase stimulation.

The committee's efforts this year represent a historic beginning. I believe the committee, operating under severe constraints, has taken a critical first step toward establishing an effective congressional budget process.

It is very clear, however, that our work has only begun.

Mr. MUSKIE. Mr. President, I express my appreciation to the distinguished Senator from California for his statement, and for his dedicated efforts in the work of the committee.

I think the Senator's description of his disagreements in the social area are appropriate as a part of the debate this afternoon, and really highlight the problems we will face a year from now when we have to work out those differences on the Senate floor.

Mr. CRANSTON. I thank the chairman very much, and I again applaud his leadership of the committee.

In behalf of the Senator from South Dakota (Mr. ABOUREZK), I ask unanimous consent that Alan Chvotkin of his staff be accorded the privilege of the floor during the consideration of the budget concurrent resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I yield to my good friend the Senator from New Mexico (Mr. DOMENICI), who has been such a valuable member of the committee.

Mr. DOMENICI. I thank the Senator.

First let me say, Mr. President, that I wish to congratulate our distinguished chairman, the ranking Republican member, and all the other members of the committee.

Two years ago, when I came to the Senate, the 13 freshmen Senators, after about 6 months of watching appropriation bills come to the floor that we could not understand, that had no relationship one to the other, nor to the spending total, authorized a letter to our bipartisan leadership. We said to the leadership, "We are disposed to stop voting on appropriation bills, or to vote 'No' on them all, because we just do not understand what it is all about. We would have to carry calculators around, because these spending bills do not relate to any priorities relative to one another, nor even to any time frame."

We requested a meeting with our leaders, and received assurances from them that they, too, were concerned, and would join with us in pushing for expeditious hearings before the Committee on Government Operations and others on budget reform.

I really did not think, Mr. President, that we would be here today, so soon after that, with a historic first: The beginning of budget reform, for the first time in some 5 decades, for the U.S. Senate and Congress.

I wish I could say that with this resolution, which we expect to pass tomorrow, which I support and am confident will pass, we will have completed the quest of those 13 freshman Senators, and will be able to say that budget reform is really a completed fact. I think our optimism here on the Senate floor should be tempered a little bit by the fact that we are just beginning. We have come to the Senate today with a concurrent resolution and some essential recommendations in regard to its components that I think are tremendous and make great sense. On the other hand, we could not have chosen a more difficult time to begin this budgetary process.

I think perhaps there are two ways to look at that. Perhaps the easiest way out would have been to say, "Let us wait until next year," for that is when we were given the mandate. We were only given the option to begin this year. But another way to look at it is that when we start something in difficult times, times more or less calculated to make it fail, if it does work then, it is probably here for a long time and will become a very meaningful part of the most important policymaking component of the U.S. Government, which is its budget.

We can talk about policy statements by those in positions of power, but American citizens, local governments, and people out in the field in American business recognize that the budget, the document which determines how we spend money, is the policy decided for America. Not who says what, but where we spend, determines the policies of this great Nation.

SUPPORT FOR THE BUDGET RESOLUTION

So, Mr. President, I support the Budget Committee's concurrent resolution despite my reluctance to see the Federal debt increased by the $67.2 billion deficit. I am convinced that revenues will run somewhere between $295 and $300 billion and that outlays cannot be kept significantly under the $365 billion contemplated by the resolution. Spending can be held to that figure only if we in the Congress have the courage to exercise the most careful fiscal discipline based on constantly updated budget information. We must be prepared to make hard choices among the many meritorious programs making demands on the same dollars.

MINIMAL SHORT-TERM CONTROL

During the several months of intensive work by the Senate Budget Committee, it has become clear that only minimal control can be exercised over outlays in a single budget. If the congressional budget process is to achieve any substantial portion of the benefits claimed for it by its supporters, the Budget Committees and, in turn, the Congress at large must base current actions on constantly corrected projections of long-term effects.

DEFICIT: THE RESULT OF PRIOR DECISIONS

The outlays for fiscal year 1976 are for the most part, the result of prior actions which are impossible to reverse in the short run. The deficit which has occurred in this fiscal year and the deficits which will occur in 1976 and in the next 2 fiscal years are clear signals. The Federal Government, if it is not to remain a prime cause of "boom-bust" cycles, must use the budget as the means for defining its areas of responsibility. Complete responsibility for, and control over, other actions must be left to the States, the cities, the counties and the people themselves.

We will need to abandon some programs, accept full responsibility for others and leave to the good judgment of the people and their local officials the establishment of priorities in the non-Federal areas. The Federal Government must attempt less but do that "less" very well.

"BOOM-BUST" CYCLES

In the years since World War II, this country has suffered five "boom-bust" cycles of varying intensity and duration. The present recession is the most intense and promises to be of the longest duration of any economic catastrophe since the Great Depression. The Budget Act process can be a significant tool in dampening the violence of the cyclical swings if technical competence is accompanied by political courage.

RESTRAINING STIMULATIVE SPENDING

While I disagree with many of the economic theories which have currency today, I am convinced that something like the full-employment budget concept is useful in establishing a ceiling for outlays not related to the recession. To the extent that expenditures in excess of the full-employment budget amount are adopted by Congress, good fiscal management dictates that such outlays end as economic recovery begins. The mechanisms for detecting and reacting to early indicators of changing economic conditions must be perfected and applied if we are to avoid action which is "too much, too late."

PRIVATE SECTOR IMPORTANCE

It is my belief that economic factors largely outside the control of the Federal Government are much more significant than many economists admit and that incautious acceptance of unverified economic theory can cause substantial fiscal and monetary policy errors. I am convinced that the private sector contains great internal strength when allowed to operate in an essentially free market environment.

This resolution is based upon a very moderate involvement of Government in management of the economy. Much room should be left for the operation of market mechanisms. If stimulative spending is carefully related to the state of the economy and is moderate in amount, the interference of Federal fiscal policy with the productivity of the private sector will be minimized, assuming that monetary policy is also moderate.

FINANCING THE DEFICIT

The financing of the additional Federal debt that will result from the massive deficits for 1975, 1976, 1977, and possibly 1978 will place severe strains on the capital markets. Careful and skillful management will be required to accomplish this financing without, on the one hand, aborting economic recovery by crowding the private sector out of the capital markets and without, on the other hand, so increasing the money supply as to create an inflationary push into a new "boom-bust" cycle. Sustained economic stability can only be achieved by an adequately financed private sector developing and utilizing productive capacity to satisfy, at stable prices, the needs of a work force which is nearly fully employed at good but stable wages. The task will require superior monetary judgment and painful fiscal restraint.

CONCLUSION

The Congress is now embarked on a difficult reexamination of the role of the Federal Government in our system. Having, in prior years, tested the outer limits of our capacity to solve perceived problems by disregarding the finite limits of the resources available, we made our system vulnerable to outside events such as the oil embargo and the worldwide food shortage. This must not happen again. We owe the people of this country the freedom to pursue their happiness without fear that well-intentioned but poorly conceived and clumsily executed government programs will wreck the economic framework of their lives.

We must discipline our spending actions in the future by constant reference to accurate and current information. There is no hope of staying within spending limits if the individual components are uncontrolled. "Business as usual" will cause us to fail our fiscal responsibilities.

Assessing blame for the situation which forces us to accept the presently inevitable, by way of deficits, will divert us from our task of solving the short-range problem in a way which is minimally destructive to our future.

While I might disagree with certain aspects of the budget presented in the resolution, I am unable to find acceptable options for reducing outlays in ways which would significantly diminish the total. I urge that we promptly approve the resolution and move on to the difficult task of so reordering the future of the Federal Government that the people of this great country are relieved of the cruel burdens imposed by an unstable economy; economic instability resulting, in large part, from our failure to look at the long-run effects of our present actions.

I thank my distinguished chairman for yielding.

Mr. MUSKIE. I thank my good friend from New Mexico for his excellent statement.

I think it might be useful for the record, Mr. President, to indicate some of the disabilities under which we have tried to make this process work this year compared to the circumstances which we expect for next year.

In the first place, in a normal year the committee and Congress would have the benefit in November of the preceding year of a current services budget submitted by the President of the United States.

That current services budget was not available this year, and thus our work, as a committee and as a Congress, on the President's budget could not really begin until his regular budget submission on February 3. That was a loss of more than 2 months in working time which we will not face a year from now.

Second, a year from this fall we will see the inauguration of the new fiscal year which will begin on October 1 of 1976 as compared with July 1 in this year of 1975.

Now those two dates, taken together, mean that next year we will have 11 months from the beginning of this process until its conclusion, whereas this year we have technically only from February 3 until July 1 if we were to operate within the constraints of the fiscal year. Those are very real limitations.

Then, finally, Mr. President, this year the Budget Committees were not created until August, and we began the process of organizing and staffing them in late August and September but did not really complete the formation of the core staff until about January or February of this year. That also was a limitation, and although the staff has responded in outstanding fashion to the constraints of this year, I am hopeful that next year they will be able to perform even better.

It also took some time to get the Congressional Budget Office off the ground. There was, of course, a long period of consideration and evaluation of candidates as Director of the Congressional Budget Office. Both the House and the Senate regarded that as a key appointment. There were several outstanding candidates available, and the process of accommodating the two Houses to a final selection was more time-consuming than we had expected.

It was not until Congress came back this year that we were finally in a position to agree on a Director in Dr. Alice Rivlin, who is proceeding with the organization of that office.

Unfortunately, that office has not been available to assist the two Budget Committees in connection with this budget. A year from now they will be in place, staffed and organized, and in a position to make a solid contribution to our work.

So for all of these reasons, I suppose we could find excuses for not undertaking to do what we are doing today. I am so pleased that with all of those shortcomings, we were in a position to move as effectively as I think we are moving today.

The fact that we are not able to get into a debate on the 16 functional categories deprives this debate of some of the priority issues that we will have to face next year, and that may be a loss. But, on the other hand, getting prepared for that kind of debate may well take the kind of flexibility that is built into this year's procedures.

I again would like to thank my good friend from Oklahoma for making it possible by his cooperation and his patience for us to come to the Senate as fully prepared as I think we are.

Mr. BELLMON. Mr. President, will the Senator yield

Mr. MUSKIE. Yes, I yield.

Mr. BELLMON. I thank the Senator for paying the Senator from Oklahoma a tribute he does not deserve.

I thank the Senator also for pointing out the constraints the Budget Committee worked under this year, but I also invite the chairman to bring the Senate up to date, if he will, on the Congressional Budget Office. This might serve other committees and other Members if we know how soon the Congressional Budget Office will begin to function and what services we might expect from it.

Mr. MUSKIE. We now have about 30 persons on board in the Congressional Budget Office. We have temporary space arranged, part on the House side and part on the Senate side of the Capitol. So the Congressional Budget Office is operating under very difficult circumstances.

I think both the Senator and I, as well as Representative BROCK ADAMS on the House side, assured Dr. Rivlin that she ought not to concern herself with the needs of this budget; that it was more important for her to gear up and prepare for next year, and that is her focus at the present time.

She is putting together a professional staff. She has available to her qualified people in the academic world and people who have had experience in the Federal budget practices, and so I think her staff is going to be outstanding.

Her function, as she sees it, and I concur with her fully, is the development of options for the Congress to consider—options to set against the President's options.

The essence of this budget process is the making of choices. I think it is clear from the debate we have had this afternoon, that we must learn to choose among our limited resources. We have to learn to say no, learn to discriminate between programs, learn to select those which are most clearly at the top of the list in terms of the country's interests.

So I think the first obligation is that of developing the options which the Congress ought to consider next year, in all of these functional areas from defense to education, environment, transportation, and energy.

Dr. Rivlin does not see the office as that of an advocate. I think we would agree with that. It is not the function of the office, the Director of the CBO, to impose the economic philosophy of the Director or of any staff member of the Congressional Budget Office, but it is their responsibility to present us with the options.

Second, it is their responsibility to keep us on track with respect to the costs of the options we adopt.

One of the important requirements, it seems to me, to make this process work is that from the moment Congress adopts a first concurrent resolution until we act finally in September to nail in place our budget decisions, we have got to stay on track in terms of the budgetary consequencies and implications of every decision we make in between. Every appropriations bill, every authorizations bill, every policy decision that we make has to be kept on the track which we will set in motion with this first concurrent resolution.

The Congressional Budget Office has a very important function in helping us to do that, so that every time a vote is taken on the Senate floor which has an impact upon the budget, upon the decisions we have made, each Member of the Senate will know what the consequences are in terms of the budget.

Now, going beyond that, of course, the Congressional Budget Office has long-term responsibilities of enormous consequence, but I think we can get into that at another time.

Mr. BELLMON. I thank my distinguished chairman and I believe that once the Congressional Budget Office is functioning, as it will be when we begin consideration of the 1977 fiscal year budget, it will be in a better position to deal with the problems than this year.

Mr. MUSKIE. May I make one other point, and then I will yield to my good friend from Delaware.

The Senate might be interested to know how we proceeded through the process of bringing these numbers to the Senate. We did so by taking up each of the 16 budget functions of the Government, which are reflected on the chart at the back of the Senate Chamber.

We debated each of these 16 functions, not in terms of particular programs, but in terms of the way the resources were needed by these various functions in our Government, from a priorities point of view.

When we got through that whole process, then, and only then, did we add up the numbers. Those numbers came to $365 billion.

Now, those numbers reflect a wide disagreement within the committee about how much should be spent in particular functional categories.

So each of us, as a member of the committee, had to decide whether it was more important to agree as a committee on an outlay ceiling and on a deficit, or more important to pursue our individual priorities.

We decided, as the vote of the committee will indicate, that it was more important that we come to the Senate in agreement about an outlay ceiling and a deficit ceiling than to come to the floor debating again our differences as to priorities.

We believe that this ceiling will accommodate the priorities, the essential priorities that are represented in the Senate as a whole.

Beyond that, it will have a disciplinary impact upon our disposition as individual Senators to vote for good programs as they come along, not simply because they are attractive.

This ceiling imposes some discipline, but it also provides an opportunity for rearranging priorities in accordance with the differences which are so well known to Senators individually.

At this point, I yield to the youngest member of the Budget Committee, who already has gone so far to establish the role of juniority in the Senate being a member of both the Foreign Relations Committee, which I had to leave in order to come to this Budget Committee, and the Budget Committee.

As always, the Senator is a very articulate, vocal and vigorous Member of the Senate. We are delighted to have him on the Budget Committee.

I yield to the Senator at this point for whatever time he may need.

Mr. BIDEN. Mr. President, I thank the distinguished chairman very much for those kind words and ask unanimous consent that Richard Andrews of the Budget Committee staff be granted privilege of the floor during consideration and votes on Senate Concurrent Resolution 32.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BIDEN. Mr. President, the Senate today begins consideration of its first budget resolution.

I believe that this marks the beginning of a new era of responsible fiscal policy for our country.

This is the day when Congress starts looking at the whole budget, not just the pieces.

This new process, which is built upon the strong foundations developed by the Appropriations and Finance Committees, is surely one of the most important things that has happened in American Government in many years.

I believe that the Senate Budget Committee has done a good job.

The members have worked together, disagreed together, and finally come up with a budget that most members felt was supportable and proper under our current economic circumstances.

I hope to see this responsible view of the process continued here on the floor of the Senate in the next day or so.

Trying to put together a budget this year was not an easy task, given the problems of organizing the committee and its staff, and embarking on a new venture.

However, it was important to start this year to provide as much fiscal guidance as possible in these difficult economic times.

The credit for the success that I believe we have had goes in large measure to the careful guidance provided by the committee's chairman, Senator MUSKIE.

Senator MUSKIE deserves the commendation of the entire Senate for his willingness to undertake the chairmanship of this new endeavor. In fact, to give up for this new process, particularly, the Foreign Relations Committee spot which is so sought after by many of us.

Ever since a group of Senators sat down around a table last summer to organize this new committee, he has carefully pointed it in the direction which has led to what I believe to be a remarkably good end product.

I would also commend all of the other committees of the Senate for the spirit in which they have entered into this new process.

They have given us careful and thoughtful reports about the budget as they saw it, which have really formed the base for our decisions.

In addition to the formal reports, the members and the staffs of the committees have been most helpful in providing information which we needed to do our job.

I believe that this cooperative effort is a good sign for the future in the Senate.

I think one other thing should be said about this new process, and that is that it is not quite as new as some Senators make it out to be.

There has been a myth around that the Congress never looks at financial matters, and is totally irresponsible in dealing with them.

The fact of the matter is that the Appropriations and Finance Committees in the Senate, and their counterparts in the House of Representatives, have been looking at our money problems for a long time.

These committees have many knowledgeable members, as well as staff, and their work forms the base on which this new process is built.

Getting now to the resolution, Mr. President, I would urge my colleagues to support the committee's efforts.

I realize that there is probably not a Senator here who could not find something to disagree with in the committee report or with the total figures in the resolution itself.

I do not subscribe to every word of the report myself.

I do believe, however, that the committee's recommended figures contained in the concurrent resolution are supportable at the present time.

By and large, the $365 billion outlay target represents a fairly tight spending level.

Some would wish that the figures were higher, and others that they were lower, which is one thing that makes me think that they may be just about right.

I believe that the committee has walked a fine line between a budget which would be ineffective in encouraging recovery from the recession, and one which, on the other hand, would be too stimulative and would lead to a resurgence of inflation.

No economist from whom we heard has said that there should not be a deficit. They all concurred that there was a need for a deficit.

The deficit is caused, in large part, by the economic conditions in which we find ourselves.

This is not a spending deficit, it is a recession deficit.

Present economic conditions tend to decrease tax revenues, and to increase such spending programs as unemployment compensation.

The result is an almost automatic deficit.

The deficit which the Budget Committee has presented is not caused by massive new spending programs.

These are totally absent from the considerations which led the committee to its recommendations.

I believe that in recommending the figures we did, we have reached the point where we would soon have to dig into programs that are essential to the national welfare if we were going to reduce the budget further under present economic conditions.

I would like to take a moment to examine the Budget Committee's role in the entire budget process and the purpose of the concurrent resolution before us now.

Our purpose here is to set budget totals that are consistent with the needs of an economy that is in deep recession, with unemployment now at 8.7 percent.

We are also looking at broad priorities for spending within available resources.

We are not looking at line items.

It would be a mistake were we to do it here.

The Appropriations Committee and the authorizing committees will do this.

If we disagree with their review, then we can take up individual items on the floor of the Senate.

I know there is waste that can be cut out and I intend to try to get it out.

But to do that would distract us from the first, big decision we must make about the spending of our Government and the areas of priority.

The Senate should keep in mind that this budget was developed on the basis of the best economic information available to us right now.

The course of the recession is not clear at this time.

There are some optimistic signs that the economy may be getting ready to turn up.

On the other hand, there are the very discouraging figures on unemployment, which continues to climb.

Whichever way the economy goes, I hope that the Members of this body will keep in mind that the figures they are being asked to approve are not set in concrete.

These figures are targets to guide us.

Even under the Congressional Budget Act, the life of the first concurrent resolution and its figures is only 120 days.

In September, it is supplanted by a more final and more permanent second concurrent resolution, which can alter the budget figures drastically if that is appropriate.

There is no need to change this resolution now to anticipate what may happen.

We need not try to foresee every development in the economy now.

It is the intention of the Budget Committee to carefully monitor the economy during the period between the first and the second concurrent resolutions when the Senate is considering various spending measures.

If it sees any significant changes in economic trends which would have a significant impact upon the budget, it will certainly announce that fact.

It is always appropriate to consider an interim concurrent resolution setting new totals more appropriate to changed conditions.

So I would urge my colleagues to support this resolution with the clear understanding that, if conditions warrant, the committee will reconsider its recommendations.

In addition, of course, any Senator has the right at any time to introduce a concurrent resolution to change the ceilings, and I am sure the Budget Committee would give careful consideration to it.

I am sure that the Senate will give careful, serious, and responsible consideration to this resolution.

To do otherwise would be to doom two of the most promising recent developments in American Government.

The first is the possibility that we may finally have a mechanism for setting a sound fiscal policy for our country.

The second is that Congress will be able to assert its responsibility in guiding the financial policies of our Government.

Mr. President, again I cannot emphasize too strongly how difficult it was to get this whole mechanism in order, and how much credit the chairman of the committee deserves. He has taken this on almost singlehandedly, pushed some of us, prodded some of us, cajoled the rest of us, and insisted that, in fact, we get about the business of getting that resolution in and doing it not in a piecemeal way but in a very thorough way. Sometimes I have been a little disturbed at some of the decisions that have been made in the committee. Sometimes I have disagreed. But by and large my opinion has been one that has done nothing but increase my respect for the mental prowess and leadership of the gentlemen of the committee. I also now know if someone is going to take a position in opposition to the chairman of that committee they had better have their facts together and know what they are talking about or they will have a very serious problem. I hope my colleagues, those few who might come in here with superfluous amendments, ones not particularly thought out, will keep that in mind. I can assure them that the chairman and the ranking minority member are very well prepared. They have very thoroughly gone through this and I suspect will be prepared to argue on its merits.

Again, I would like to compliment the ranking minority member and the chairman of the committee for the fine job they have done.

Mr. MUSKIE. Mr. President, I express my appreciation to my good friend from Delaware for his excellent statement and his overgenerous remarks. I hope the leadership of the committee is not too intimidated but just intimidated enough to get this job done.

It might be useful to members to know what is coming up this afternoon and tomorrow. I expect the first amendment to come up at about 2:45. It will be a Buckley amendment to lower the outlay ceiling and to lower the deficit number. In respect of tomorrow there will be an amendment to be offered by Senator MONDALE and some of his colleagues to raise the outlay ceiling and, in effect, to raise the deficit number.

There may be one or two variations of a cutting amendment that will come up tomorrow.

I hope that we can begin debate in about 45 minutes on the first amendment. I would be willing to entertain another one before then. That is the time that we sort of agreed that the Buckley amendment could be offered. We hope to get to a vote this afternoon.

May I make clear to the Members of the Senate that the budget-reform legislation provides for 50 hours of debate. Included in that 50 hours is all time on amendments. Amendments have a maximum of 2 hours to be equally divided for debate. So the Buckley amendment, unless we give additional time from the resolution, ought to be in shape for a vote late this afternoon.

That is the latest intelligence that I have. This is not like a normal piece of legislation where there would be a lot of amendments in the wings. There should not be, as I see it, more than four or five amendments, unless I am taken by surprise, between now and tomorrow.

At this point I am happy to yield to any Senator who may have comments.

Mr. BELLMON. Mr. President, the Senator from Nebraska has asked for some time. I yield 15 miutes to the Senator from Nebraska.

Mr. CURTIS. Mr. President, I believe this new budget law is serving a purpose. I believe in the requirement that sometime early in the session the Congress assemble a budget and take a look at where we are going as to receipts and expenditures.

I believe it is important that we retain this procedure and try to improve it. I do not believe that we should consider a cure-all. I doubt very much if we can regard it as a measure to hold down expenditures.

At any rate, I am convinced that there are a number of Members this year, and a number of staff members this year, who have taken a look at the overall budget in a way that they have not done in the years gone by.

We cannot, by a mere statute, control spending. I believe that the basic drive over the country that we have budgetary reform in the Congress was not for the purpose of just mere efficiency of operation. I think the underlying force of that was that we stop going into debt, that we end deficit financing, that we go on a pay-as-you-go basis. A statutory requirement that we do that is quite ineffective, because it is a mere statute; and Congress can, 15 minutes later, 15 days later, or a year later, by a legislative act, a mere appropriation or any other statute, supersede the statute. So there is no budgetary ceiling that has any force and effect when it comes down to that.

I stated that I thought one of the values of this law was that it focused attention upon our financial situation. I commend not only to Members of the Congress but to all other citizens as well this little book that is published each year, "The United States Budget in Brief."

This one is for fiscal 1976, which begins July 1. The most informative page is the first inside cover. It shows where the money comes from and where it goes. It is the saddest looking picture we have had in any year.

As to where the money will come from in the next fiscal year, 15 percent will be borrowed. Do people realize that we will borrow more money to run this Government than the corporations pay in income tax? Do people realize the amount borrowed will equal half of all the income taxes paid by individuals?

The chart shows that of every dollar coming into Washington, 15 cents is borrowed, 30 cents comes from individual income taxes, and only 14 cents comes from corporation taxes.

Millions and millions of people pay more social security tax than they do income tax, but the amount that is borrowed in their behalf exceeds that. The payroll social security tax on employees accounts for 13 cents for every dollar received, but we will be borrowing 15 cents. This is what that means: If you pay $1,000 in personal income tax, your Government is signing your name to a note for $500, not to solve some problem of refinancing, but to pay the current costs of Government.

If your income tax bill is $10,000, the Government is borrowing in your name—and you will have to pay it back—$5,000. If you are more fortunate and are paying $20,000 in income tax, the Government has to borrow $10,000 to put with it, in order for this Government to meet operating expenses.

There is another misapprehension about this budget, and it is shown on the inside page. This shows where the money goes.

It is easy to say we have high expenses and great debts because of Vietnam or Cambodia. It is not so at all. This year, 27 cents of every dollar of expenditure goes for national defense. Two years ago, it was 29 cents. Ten years ago, it was 40 cents. The amount of money going to the Defense Establishment is being reduced and reduced.

Where does the big money go? The big money goes for the welfare state. It is all in this chart. Thirty-nine cents of every dollar you send to Washington goes for direct payments to individuals. Another 16 cents goes for payments to States and localities. Of that 16 cents, they pass 5 cents on to individuals. Thirty-nine cents and 16 cents make 55 cents.

The interest on the national debt is another 7 cents. That is 62 cents. Twenty-seven cents goes for national defense. All other functions of Government take only 11 cents.

We are breaking the bank because of the millions and millions of checks that are sent out of Washington to individuals, to States and localities, some of which is passed on to individuals. The financial problems of this Government in paying for the cost of governing are rather modest. The big crunch comes with respect to providing.

Take the field of medical care. If we look at page 36, we find that 10 years ago, the Federal Government was spending about $3 billion for all health programs. In the next year, it is going to be close to $30 billion.

Mr. BUCKLEY. Mr. President, will the Senator yield?

Mr. CURTIS. I yield.

Mr. BUCKLEY. Mr. President, I ask for the yeas and nays on the amendment I will offer a little later.

The PRESIDING OFFICER (Mr. GARN). Is there objection to ordering the yeas and nays on an amendment which is not before the Senate? The Chair hears none, and it is in order .

Mr. BUCKLEY. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CURTIS. Mr. President, 10 years ago, we were spending $3 billion of Federal money for health. In the next year, it is going to be $30 billion; a 10-fold increase in 10 years.

It will take a change of some substantive law to reduce that.

We are engaged in a program whereby, through the payroll tax, we are taxing young people and middle aged people who are buying their own homes, paying their medical bills, educating their children, buying life insurance, and contributing to local churches and institutions. We are taxing them to pay the hospital and medical bills of everybody over 65, regardless of their income. Certainly, government has a responsibility to provide medical care for people who cannot provide it for themselves. Yet, we are putting a tax burden on the people to provide a service that many people are well able to provide for themselves. In order to carry out this multiplicity of programs, we not only have high taxes upon our people, but also, we are borrowing 15 percent of our outlays.

There is another very interesting chart in this booklet. It is the one on social services. Ten years ago, it was about a quarter of a billion dollars; now, it is more than $2½ billion.

As to the field of education, some of us were here when the whole concept of Federal aid to education was promoted. It was argued that there were States and localities that did not have the resources to provide good schools. Long speeches were made about this pocket of poverty and that pocket of poverty which did not have a tax base, and that caused many people to say, "We'll shift the burden of running schools from back home to Washington."

There were other people, some of them quite conservative minded, but they were disturbed about the high taxes locally, so they said, "We favor Federal aid to education," thinking it would lower their taxes. It has not.

What has happened in the meantime? A chart on page 32 shows that 10 years ago, we were spending for education a little less than $3 billion. This next year it will be a little more than $7 billion.

In other words, what I am trying to say is that the heavy cost of government comes not from governing but from providing; it comes from our adoption of a welfare state, which has been built, brick by brick, over the last four decades.

Sometimes we are rather thoughtless in our criticism. Somebody will say, "I do not like President Ford's budget." Well, the poor President did not have anything to do with this budget. It is sort of an adding machine process to see what these programs call for and then add it up and ask Congress for it.

In a conversation with the President a short while after he submitted his budget, I heard him say that he was $2 billion short. Only a few days had elapsed, and his budget was $2 billion less than it needed to be. Here was his explanation: More people went on unemployment compensation and increased the outgo. At the same time, it decreased the income. Then more people elected to retire under the Social Security Act. The average age of retirement is not 65 years, it is a little over 67; but when jobs become scarce, more people elect to retire. Those two acts alone increased the expenditures by $2 billion. Yet it is so easy for someone here who may have voted for every social program that has come along and placed the burden on the President to ask for money to execute the law to say, "I do not like President Ford's budget."

Here is another thing about the welfare state: It carries a long-term commitment. How on earth can we have a program that someone participates in as a payer for years and years and then, when he gets to a place to draw benefits, we say, "It is going to be discontinued or reduced." They are, in a sense, programs that run into perpetuity. And we have had so many of them that that is where our money goes. Fifty-five cents out of every dollar that is expended goes to support the welfare state.

There are other programs that we can control. We might get enthusiasm about a highway program for 2 or 3 or 5 or 19 years, but if we need to, we can slow it up for a short while. There are other programs that, by the nature of their operation, the cost goes down on. On page 28 of the budget booklet is a chart showing the expenditures for the Department of Agriculture. Back in about 1968, those expenditures were nearly $6 billion.

The PRESIDING OFFICER. The 15 minutes of the Senator from Nebraska have expired.

Mr. CURTIS. I yield myself 10 more minutes.

In 1968, those expenditures for Agriculture were near $6 billion. They are going to be down below $2 billion this next year. But not so with these benefits to individuals and to States. They run in perpetuity at an increasing rate. It is going to be most difficult to do anything about many of them, but there is one thing we can do: we can stop adding to the programs. We can stop expanding the welfare state.

Take the field of health. We have a program for the aged, medicare. It could stand a lot of improvement. We have a program for the poor, medicaid. It could stand a lot of improvement. But lo and behold, we are talking about national health insurance. What is the issue there? The issue is, Shall we have a medical program for people who are neither poor nor aged?

Imagine facing a $100 billion deficit and then we so depart from responsibility that we suggest a medical care program for people who are neither poor nor aged.

Mr. President, I said at the beginning that while this exercise in establishing the congressional budget had value, and it has, to focus attention on the problem, it is not a law with any teeth in it. It is a statute. An appropriation bill is a statute of equal power, and the last one prevails. So it does not hold down expenditures; it cannot. Regardless of what is done on this resolution today, it will be the subsequent acts of Congress that determine how much we spend.

There is one way we can do it. There is one way that we can go on a pay-as-you-go basis. That is by making it a constitutional requirement. The Constitution is the supreme law of the land. Anything we write into the Constitution prevails over every statute, and statutes must conform to it. It is not easy to amend the Constitution. It must pass both Houses of Congress by a two-thirds vote and be ratified by three-fourths of the States. I have spoken very critically of many social programs. I have voted the way I have spoken. But I have recognized that there are many people who believe in a lot more government than I do. I respect them in that view. But I say that we should be willing to pay for whatever government we vote for. To vote for Government programs and then not levy the taxes to pay for them is immoral and dishonest.

This year, we have to borrow 15 percent of the amount of our expenditures—and that says nothing about the bonds that will become due from past borrowings. Therefore, I have a constitutional amendment pending. It has a number of cosponsors. I hope that as time goes on, it will have more cosponsors. It would compel the Federal Government to go on a pay-as-you-go basis. If an individual Member believes that a program is good, he ought to believe it enough to vote to levy the taxes to carry it on, not just to add it on this heap of debt that could only bring chaos.

Here is how this proposed constitutional amendment, Senate Joint Resolution 55, would work:

It would require the President, in submitting his budget, to submit a balanced budget. If the President recommended more expenditures than estimated receipts, he would have to figure out how much surtax it would take to put his budget in balance. The surtax, of course, is a percentage tax increase on your regular tax. If it took a 10 percent surtax, 5 percent, 3 percent, or 12 percent, the President would have to declare it.

That would have a very wholesome effect throughout the country. People all over the United States, the next morning, would say to one another, "Did you hear what the President is going to do? He is going to raise our taxes 10 percent," or 12 percent, or 3 percent. And they would get busy right away and write their Representatives and Senators.

They would become interested in the budget of the United States.

I believe under our system the power over taxation and spending belongs to Congress. Under my proposal, it would still be there. Congress could do one of several things with the President's budget. First, they could lower expenditures, and the surtax would not be necessary. Or they could find some other source of revenue, and the surtax would not be necessary.

Sometimes, however, Congress increases the President's budget. This proposal provides that at periodic times, the Speaker of the House of Representatives shall calculate the amount of spending authorized and the estimated receipts, and determine how much surtax it would take to put the two in balance. If Congress does not do so, and neither provides other revenues nor reduces expenditures, the finding of the Speaker of the House of Representatives as to the amount of surtax needed to put it in balance would automatically go into effect, and the surtax would automatically go into effect.

Here is what that would do, Mr. President: It would force the President and Congress either to reduce expenditures or to collect the tax.

Some might well ask, "Why would a conservative from Nebraska like Carl Curtis be advocating a proposal that could lead to more taxes?"

There is a twofold answer. First, if we are going to have high expenditures, we have to have high taxes. No one can go into all the stores in town, make large purchases, and not have some high bills to pay at the end. If we are going to have high expenditures, we have to have high taxes. That is one part of the answer.

The other part of the answer is that if Congress and the President are forced to choose between controlling expenditures and decreasing taxes, we will establish a greater control over expenditures. We will establish some priorities. We will not be so quick to enlarge the Government. There will be some things that we can change. There will be other things that we can correct. If we had to levy the taxes this year, believe me, Congress would vote some reform in the food stamp program. When it started just a few years ago, its costs was a quarter-of-a-million dollars. Now it is over $4 billion. Seventeen million Americans got food stamps last December. If we do not change the law, 25 percent of the population is going to qualify for food stamps. That is nearly 55 million people.

There are individuals with incomes over $10,000 who are drawing food stamps. It was never intended that food stamps supplement one's income. It was intended as a nutrition program, to be confined to those people who just could not get enough to eat, and were undernourished, so that they should be able to improve their nourishment. Yet it has now been ushered in as an income-supplement program, to help a quarter of the population.

If we had to face the music in this Chamber, in the House of Representatives, and in the Office of the President——

The PRESIDING OFFICER. The Senator's additional 10 minutes have expired.

Mr. CURTIS. I yield myself 5 additional minutes. I do not have any to yield, but I am happy to do it.

If we had to choose between having some reform of the food stamp program or collecting enough taxes to pay for such a program, we would reform it.

That is the reason why I hope, Mr. President, that I shall live to see the day when we do have two-thirds of the votes of both Houses of Congress to submit a constitutional amendment to the States for their consideration that would compel the Government of the United States to live within its means. That would do more to spur our economy than anything else that I know of.

Our Secretary of State pointed out before the Committee on Finance that our recession is caused by the inflation, and I heard an economist say within the last week that this tax bill that we went overboard to vote for, a tax reduction at a time when we are borrowing money to operate on, was laying the foundation for a recession in the latter part of 1976.

It is the inflation that is causing the recession. It is the inflation that is causing people to be frightened. The savings and loan institutions here in the city of Washington attained their biggest month in their history last year, with people putting their money in there because they lacked the confidence that they should have to spend it.

If we want to guard against recessions, let us put our financial house in order. If the word would go out in Washington that we had put our financial house in order, men would enter into contracts, individuals would launch out on new ventures. They would take an idea, develop it, build a factory, and hire people. Individuals with money would choose to invest it in a worthwhile enterprise that would prod economic activity in the country, and jobs, if they felt that our house was in order. The nations of the world would take notice if we balanced the Federal budget and operated on a basis that we would always balance the budget.

Mr. President, it used to be said that there is nothing wrong with this country that an election would not cure. That is not true any longer. We could have an economy-minded Congress in here for 10 years, and they could hold down a lot of expenditures. Then we could have one election where the spenders sweep the country, and they could start a lot of programs that would multiply over and over the expenditures and obligations that we have now.

Mr. President, every generation is called upon to make a sacrifice to preserve this country. The frontiersmen went through it. The pioneers, the original settlers, those who won our independence, those who fought in the great war between the States—every generation is called upon to do something. I believe that the burden of this generation is one of putting our financial house in order, and that if we lose that fight, we will have damaged our country for a long, long time to come, and that we will have further accentuated the nosedive toward becoming a second, third, or fourth-rate power.

Mr. President, I yield the floor.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. CURTIS. It is totally immaterial to me.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BUCKLEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 374

Mr. BUCKLEY. Mr. President, I call up my amendment No. 374 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New York (Mr. BUCKLEY), for himself, Mr. McCLURE, Mr. THURMOND, and Mr. BROCK, proposes an amendment No. 374.

The amendment is as follows:

Strike out all after the resolving clause and insert the following:

That the Congress hereby determines, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on July 1, 1975—

(1) the appropriate level of total budget outlays is $340,000,000,000;

(2) the appropriate level of total new budget authority is $388,600,000,000;

(3) the amount of deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $34,700,000,000;

(4) the recommended level of Federal revenues is $305,300,000,000, and in order to achieve this level the amount by which the aggregate level of Federal revenues should be increased is $7,500,000,000; and

(5) the appropriate level of the public debt is $611,100,000,000.

SEC. 2. The Congress, in setting forth the amounts contained in the first section of this resolution, estimates that Federal receipts from the leasing of the Outer Continental Shelf for oil exploration purposes will be $4,000,000,000, rather than the $8,000,000,000 estimated in the budget submitted by the President. If the $8,000,000,000 estimated is realized, the appropriate deficit set forth in paragraph (3) of the first section is $30,700,000,000.

Mr. BUCKLEY. Mr. President, my amendment No. 374 to Senate Concurrent Resolution 32 is in the form of a substitute. It recommends a spending level of $340 billion, revenues of $305.3 billion, and a resulting deficit of $34.7 billion as opposed to the Senate Budget Committee's recommendation of $365 billion for outlays, $297.8 billion for revenues, and a deficit of $67.2 billion resulting therefrom.

Mr. President, I request that the Senator from Texas (Mr. TOWER), the Senator from Virginia (Mr. SCOTT), the Senator from Oregon (Mr. PACKWOOD), the Senator from Utah (Mr. GARN), the Senator from Nevada (Mr. LAXALT), the Senator from Arizona (Mr. FANNIN) and the Senator from Wyoming (Mr. HANSEN) be added as cosponsors of amendment No. 374, intended to be proposed to Senate Concurrent Resolution 32, relating to the determination of the Congressional Budget.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUCKLEY. I would like to say at the outset that, in questioning the Budget Committee's recommendations and the economic thinking that led to them, I do not wish to suggest anything but the highest enthusiasm for the new budget process itself. It represents an important step toward providing the Congress with the ability to determine national spending priorities in a comprehensive and responsible manner. It is a process that is long overdue; and I want to commend the chairman, Mr. MUSKIE, and the ranking minority member, Mr. BELLMON, for their work in bringing the machinery into operation in so short a period. By the same token, every member of the Senate Budget Committee recognizes the severe handicaps under which we have been forced to operate in this initial "dry run" of the procedures stipulated by statute.

What I believe to be of particular value about this initial attempt to commit the Congress to specified spending limitations and to assume responsibility for the resulting deficit, is that it provides us, really for the first time, the opportunity to examine the underlying assumptions on which the Congressional fiscal policy is based. In a sense, this is far more important than the actual figures that will be adopted by the Congress, as the final recommendations will reflect the Congress' underlying understanding of how the economy operates and of the impact fiscal policy has on its long-range health.

A challenge to the basic premises on which the majority of the committee has operated, then, its not a challenge to the new budgetary process itself. Rather, it is an attempt to make it work more effectively, and to make sure it more accurately reflects the economic thinking of the Congress as a whole, by raising questions as to the key premises.

Most specifically, I challenge the committee's single-minded emphasis on stimulation at the expense of long-term stabilization, in its attempt to address the problem of economic recovery. It seems to me that this offers nothing more than a larger dose of the economic snake oil which is largely responsible for our current economic difficulties. In rejecting that prescription, I will present data to support my contention that a spending deficit in the neighborhood of $70 billion is far in excess of the stimulus which the economy can safely accommodate without discouraging investment and reintroducing into the economy, by 1977, a new wave of inflation.

Before pursuing my analysis, I would like to make a comment or two on the procedures we have followed in arriving at our recommendations.

In the first instance, I would have preferred to see the authorizing committees provide the Budget Committee, not only with an estimate of the amount they wish spent during the subsequent fiscal year, but also with information as to what they consider to be the absolute minimum levels of spending that are feasible in their respective areas. Had this been done, it would have provided the Budget Committee with a better understanding of the options available to it. As it was, the Budget Committee had to work backwards from the authorizing committee requests in order to reach its spending recommendation of $365 billion. This has made the belt-tightening function of the budgetary process more difficult to achieve.

I also believe that greater attention might have been given to the revenue side of the budget equation; but I recognize the difficulties of doing so this year, especially in light of the substantial changes being made in the tax laws.

Finally, I believe that a greater effort should be made in the future to extend the committee's vision beyond the fiscal year immediately under consideration, both in terms of the development of fiscal policy and in estimating the long-range needs within the various functional areas.

My major criticism of the fiscal policy reflected in the committee's recommendations is that its vision does not extend beyond their immediate impact on unemployment statistics. It does not try to estimate the long-range effects of the huge fiscal 1976 deficit on inflation, on inflationary expectations, and on the rate of investment in the private sector. I also believe—as I pointed out in my supplemental views on the recommended reductions in levels of defense spending—that it was extremely difficult to determine appropriate levels of spending in any given fiscal year without an understanding of longer-term requirements. I am sure, however, that we will be developing this greater perspective as we move into the next fiscal cycle and have at our disposal the full facilities of the Congressional Budget Office.

There is no question that the present state of the economy is deeply disturbing; but in many ways, it is not nearly so disturbing as the response to it by the Senate Budget Committee. The American people want a stable emonomy; the committee offers them instead an inflationary budget. The people want a sound dollar; the committee offers them instead the sound of high-spending rhetoric. The people want prices to level off; the committee recommendations all but guarantee that prices will go up—and that more Americans will be driven out of productive jobs. The people want an end to the recession; the committee's actions threaten to cripple the recovery and plunge us back into another, deeper recession.

While inflation has abated over the last few months, the economy has undergone a recession at a rate which caught most economic observers by surprise. That recession follows inflation is—or should be—no surprise. Inflation induces business to build unsustainable inventories at the same time that it reduces real wages and purchasing power. Inevitably, spending and production cuts follow; and usually they are attenuated by the belated shifts of monetary policy to fiight inflation. The "inflation-recession" cycle is being accentuated. The committee's proposal will not put an end to that cycle. To the contrary, it would almost assuredly deepen it.

The current recession is the worst since the last days of the Great Depression. Unemployment stands at 8.7 percent for March 1975, and threatens to go higher. Some predict a 10 percent rate before a turnaround comes. Production has fallen for three straight economic quarters, and the decline is likely to continue for at least an additional quarter. Housing starts and construction, as a whole, slumped to what can only be called depression levels; and the automobile industry, after a virtual shutdown in November of last year, is only now beginning to call workers back as inventories of unsold new cars reach levels which justify new production. But car sales remain weak. They are still off by more than 25 percent from last year's figures. In a word, the American wage earner is being battered by the one-two punch of inflation-recession.

The response of the Budget Committee to the recession is to recommend for fiscal year 1976 a Federal deficit of almost $70 billion, and an increase in Government spending of $50 billion. This is a 16.25 percent increase over estimated spending for the current fiscal year. The committee urges upon the Senate the idea that these are not only sound recommendations, but that they are necessary to our recovery. I beg to differ. The committee's recommendations constitute a major threat to the economy's long-term ability to perform without recession-creating inflations. In addition, the figures the committee recommends will have an adverse impact upon the ability of American families and businesses to obtain needed credit. Because of the high level of Federal borrowing that would be required to finance the proposed deficit, as much as $40 billion in private demand for credit and capital will be crowded out by the committee's recommended fiscal policies.

There has been considerable attempt of late to discount this possibility, Mr. President. I submit, however, that those who say there will be no crowding out are relying upon unrealistically low projections of private demand for credit. In attempting to determine whether where would be crowding out in fiscal year 1976, I have studied the opinions of such authorities as Henry Kaufman of Solomon Bros., Dr. Norman Ture, several excellent editorials recently published in the Wall Street Journal, and a number of other sources, including Federal Reserve projections.

Mr. President, I ask unanimous consent that copies of these Wall Street Journal editorials be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BUCKLEY. I have concluded that a best estimate for total private demand for credit is $195 billion, although I am advised that such a figure might well understate private demand if the anticipated recovery is strong and interest rates kept low. The private demand figure could go to $225 billion.

State and local government can be expected to come into the credit market for another $20 to $24 billion.

The Federal Government's demands for credit, net of Federal Reserve borrowings, will be at least $55–$60 billion, resulting in a total demand for new credit in fiscal year 1976 of at least $290 billion.

There will be a credit shortfall if total savings does not meet total demand. Thus far, the highest figure I have seen quoted for total available resources is $260 billion, a figure which most consider highly optimistic. Realistically, a $240 to $250 figure should be used. A very substantial crowding out figure will, in fact, be caused by a $70 billion budget; and its effect will be nothing more nor less than to reduce private spending and investment. That reduction is exactly the opposite of what our economic doctors ought to be prescribing.

The Nation's economic policymakers, attempting to move too quickly to end the recession, will—unless they are stopped—deliver the Nation by 1977 into the hands of another and more virulent wave of inflation which could have us looking back with nostalgia to the rates we experienced in 1973 and 1974; and such an inflation will inevitably be replaced by another and more terrible recession.

In the concurrent resolution recommended to the Senate by its Budget Committee, the following is urged:

First. A Federal outlays level of $365 billion;

Second. A projected revenue level of $297.8 billion; and

Third. A recommended budget deficit of $67.2 billion. As the concurrent resolution points out, however, the actual deficit would probably be $69.6 billion because of anticipated net tax reductions.

Just as the administration has urged upon the Congress an outlays level of $355.6 billion, the Senate Budget Committee is recommending its $365 billion figure because it is believed that the greatly increased spending levels will aid the economic recovery, rather than injure it. My economic analysis suggests that both the President's and the Senate Budget Committee's spending recommendations are too large.

Spending is stimulative only to the extent that it adds to aggregate spending. If the Federal Government spends $365 billion in fiscal year 1976 and all of it comes from taxpayers in the form of either taxes or borrowing—which, if retained, would have been spent or loaned in the private sector—then the action by Government would constitute nothing more than a transfer of economic choice from private citizens to government. In other words, Government spending, unless it uses private funds which would not otherwise be spent or loaned, or unless it is supported by the creation of new money, will do nothing for the economy other than make Government larger relative to the whole of the Nation's economic activity. The consequences of such a relative shift are that American families and businesses will have less to spend and invest because the Government has chosen to spend more. **This means that fewer productive private jobs will be created because the Congress has used the money to create public-related jobs instead.**

The present condition of the economy, the need to break the destructive inflation-recession cycle that has afflicted our economy in recent years, and the part the budget will play in generating or delaying recovery, are the problems we should be facing today. I am disturbed that the committee failed to invest more of its time and effort analyzing these matters. The majority ignored the inflation-recession cycle and simply asserted as "truth" that its proposed budget deficit would bring recovery. It did not question whether such a recovery could long endure. It does not matter that there is no intent to create problems. The consequences arising out of the committee's recommendations are such that they should have been considered within the time-frame of at least the next 3 to 4 years. Rational policy is not possible if the policymakers are overly committed to short-term goals. There are more problems within our economy than just the recession in which we are now mired. We all desire recovery as soon as possible. But it makes no sense to try to end this recession through measures that will incur the grave risk of another round of still higher inflation followed by a still steeper recession.

On the understanding that fiscal reform cannot be achieved overnight, my cosponsors and I propose the following alternative recommendations for outlays and budget deficit:

First. A Federal outlays level of $340 billion.

Second. A projected revenue level of $305.3 billion.

This, Mr. President, reflects our recommended $7.5 billion in energy conservation taxes and a decision not to extend the 1975 tax reductions.

Third. A resulting budget deficit of $37.3 billion.

I want to make it very clear that the sponsors of this substitute resolution are not happy with either this level of Federal spending or the resulting size of the Federal deficit. We offer this economic plan because it is better, in our opinion, than the committee's venture in high-risk economics. We recommend a budget which represents an 8-percent increase over current spending. Is is not a stingy budget. We dare say it represents an increase in real spending which will be denied most Americans. But it is not a reckless budget. Our recommended levels can be achieved by cutting where the Nation can afford to cut: in foreign aid and subsidies to businesses, while holding pay increases for Government employees to 5 percent. It does not deny us a reasonable national security budget, and it provides for the full cost of living increase promised to social security recipients.

At this point, I ask unanimous consent to have printed in the RECORD my own suggested "limits" for each of the 16 functional categories:

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FUNCTIONAL BREAKDOWN

Function	Estimated fiscal year 1975 outlays	President's adjusted budget request (Mar. 12, 1975)	Suggested Buckley budget request
050—National defense	85.20	94.0	93.0
150—International affairs	4.85	6.4	4.0
250—General science, space, and technology	4.18	4.6	3.8
300—National resources, environment, and energy	9.41	10.1	9.5
350—Agriculture	1.77	1.8	1.3
400—Commerce and transportation	11.79	14.7	12.9
450—Community and regional development	4.88	5.9	4.7
500—Education, manpower, and social services	14.71	16.5	15.0
550—Health	26.48	28.1	27.8
600—Income security	106.70	119.4	121.9
700—Veterans benefits and services	15.46	15.6	15.6
750—Law enforcement and justice	3.02	3.3	3.1
800—General government	2.65	3.2	3.2
850—Revenue sharing and general purpose fiscal assistance	7.03	7.2	7.2
900—Interest	31.33	34.4	32.9
Allowances	.70	8.1	1.1
950—Undistributed offsetting receipts	−16.8	−20.2	−16.2
Total outlays	313.45	353.1	340.8

Mr. BUCKLEY. Mr. President, I should point out that these outlay figures represent only my own thinking, which is not necessarily shared by my cosponsors. They represent rough estimates of feasibility rather than the results of a line-by-line examination of the budget. The committee, of course, is charged with analyzing the macroeconomic effect of Federal expenditures and recommending the appropriate aggregate spending levels. By submitting a functional breakdown, I am indicating where I believe the line can be held on expenditures in order to meet those levels.

While I believe that my suggested levels are achievable without serious dislocation, I point out that a still larger reduction is in order if one is to assume a lower rate of inflation than anticipated by the committee and the administration. Because the executive assumed a 6-percent rate of inflation, they wrote in roughly an $18-billion increase in outlays just to stay even in terms of real spending. Inflation in fiscal 1976 is more likely to be 3 to 4 percent, which means a potential saving of as much as $9 billion, by merely writing down the spending level to match the actual impact of inflation. Unfortunately, if Congress anticipates an inflation in excess of the actual fact, we will have authorized spending in real terms in excess of those recommended by the committee. As I indicated, this saving alone could range in the area of $9 billion.

While my cosponsors may not share my views as far as each functional outlay is concerned, we all concur that our recommended outlay figure of $340 billion draws a line of demarcation between the old policies of unsound, reckless economics and our economic plan of growth without inflation. Almost all of the projected deficit can be accommodated by a noninflationary increase in the money supply that is geared to the long-term growth potential of the American economy, in accordance with the monetary

policy recently enacted by the Congress as Concurrent Resolution No. 133. The resulting $15 to $18 billion increase in the money stock means there would be approximately $15 billion of additional Federal borrowing in competition with the private sector.

Our proposal is not only far sounder economically, but it is also more just. We question the justice of the Government's taking an even larger portion of the economic pie. We question the justice of increasing Federal spending by more than 15 percent when Americans have been forced by inflation to settle for less or have been unemployed or underemployed because of the recession. The fact of the matter is that the Budget Committee recommendations take advantage of the recession to increase the role of the Federal Government relative to the whole of the American economy.

We feel that the economic plan we have recommended is the one in which the Nation can place confidence, one that will facilitate recovery with a prudent regard for future stability. Admittedly, it represents a compromise; but it is a compromise made necessary by the sheer impossibility of terminating or cutting back over night hundreds of programs on which others have come to depend. It represents, however, a major step in the direction of fiscal responsibility; and if the Congress will take it, this in itself will foster a degree of public confidence that will hasten us to our goal of sustained growth without inflation.

Mr. President, I reserve the remainder of my time.

EXHIBIT 1

[From the Wall Street Journal, Mar. 13, 1975]

CROWDING OUT

Understanding the economy in 1975, unfortunately for those of us with enough on our minds already, requires an understanding of an esoteric economic debate over something called "crowding out."

Treasury Secretary Simon sounded the first guns in this debate by warning that financial markets cannot finance both the huge federal deficit and the needs of private borrowers. Some economists have described his fear as "hysterical." In a letter to The New York Times, six prestigious liberal economists said the problem would be handled through an "accounting identity." But in recent weeks, independent analyses have been conducted by Norman B. Ture, a Washington-based consulting economist, and Alain H. Meltzer of Carnegie-Mellon University. Each reports that, until he got the numbers down, he could not believe things are as bad as they are.

The crux of the matter is that when the federal government borrows to cover its deficits, it competes with private borrowers who need funds to invest in plant construction and housing. Both government and private needs must be met from the savings pool, which consists of business savings (profits plus depreciation and other "capital consumption allowances"), personal savings and inflows of foreign funds. Allowing for special factors and statistical error, the two totals will always be the same; this is the "accounting identity."

The problem is that if you plug some reasonable 1975 projections into this equation, it is very hard to get the totals to come out equal. This suggests that as the heavy government borrowings come on stream in the second half, the economy may well be in for some type of severe shock now only dimly foreseen. A typical projection, with calendar year 1974 as a base, would look something like this:

Billion Dollars

1974

Invest. + Deficit Eq. Bus. Sav. + Per. Sav. + For. Inv.
208.9 + 5.9 Eq. 136.5 + 76.7 + 3.6
Total 214.8. Eq. total 216.8.

1975

205 + 70 Eq. 150 + 80 + 10
Total 275. Eq. 240.
Eq. means equals.

First, a word about the estimates. Private investment may fall off more rapidly, but so may corporate profits. Personal savings may be higher if the savings rate rises but will be lower if personal income falls. The net inflow of foreign funds may increase, but the above estimate already provides a tripling in a year's time. The estimate of a $35 billion gap is essentially a conservative one, and the question is, how will this gap be closed?

Part of the gap—and in a sense the whole debate is over how much—will be filled by the Federal Reserve System's purchases of federal debt by in effect printing up new money. Over the course of a normal year, the Fed will buy federal securities, thus injecting reserves into the banking system and making the money supply grow. It's easy enough to calculate roughly the relationship between the Fed's purchases and money growth. At a 6% growth in the narrowly defined money supply, the Fed would buy about $7 billion in new federal debt. If the Fed closes the gap by buying the whole $35 billion, the money supply would grow by about 30% over a year's time.

Before we go one sentence further, let everyone understand that money growth anything like the latter figure will not only rekindle inflation, but will make interest rates go up, not down. As soon as lenders and borrowers see that kind of money growth coming, they will start to crank higher inflation estimates into their calculations. Mr. Ture expects the Fed to monetize the bulk of the deficit, for example, and talks in terms of a prime rate of 20% by the end of 1975.

If the Fed pursues reasonably moderate money growth, the deficits will still make interest rates rise, though not so astronomically. The normal operations of the market would balance the equation through higher interest rates, discouraging borrowing and encouraging savings and foreign inflows. But with a $35 billion gap to close, this implies interest rates that still might be high enough to cause severe problems.

A drop in business investment below $205 billion implies a much deeper economic decline than so far predicted. Even the pessimistic predictions of the Council of Economic Advisers looked for a small increase, not decrease, in private investment.

Alternatively, the $80 billion in personal savings is based on a savings rate of 7.9% of a disposable income of $1,049 billion. Over the last 25 years, the savings rate has ranged from 4.9% to 8.2%. To generate an extra $35 billion it would have to leap to an implausible 11%.

Finally, the interest rates necessary to force savings up and investment down by such an amount might themselves be high enough to prevent a recovery. The effect on the housing sector, in particular, is entirely predictable.

The long and short of the analysis is that somewhere between a federal deficit of $50 billion and a federal deficit of $80 billion the string snaps. To maintain the "accounting identity," you are all but forced to assume the economy will unwind in one way or another. You can make the same kind of analysis not through the National Income Accounts as above, but through a different "flow of funds" methodology. Salomon Brothers did this earlier in the year, coming to this conclusion:

"The consequences of a U.S. budget deficit substantially greater than the nearly $50 billion estimated by us for calendar 1975 should be clearly recognized. Such a deficit could be reasonably financed only if the economic contraction this year is much greater than we expect. Otherwise the budget deficit would either lead to a vicious struggle for funds between private borrowers and the government, or the Federal Reserve would have to supply funds without regard to its long-range responsibilities. In any event, a larger than expected deficit would threaten economic recovery, despite the best intentions of government, by crowding out medium to lower rated borrowers, many of whom are already in peril, and mortgage borrowers as well, thus aborting recovery in housing activity."

Last week Walter W. Heller, a valued member of our Board of Contributors, cited the Salomon Brothers analysis as reason not to worry about crowding out. But by now the Salomon Brothers analysts are well aware the deficit for calendar 1975 will be far above $50 billion. The St. Louis Fed puts the calendar year deficit at $62 billion merely on the basis of administration proposals, which included (on a fiscal year basis), $16 billion in expenditure reductions and a tax cut of only $16 billion.

But suppose for a minute that Mr. Heller is right about 1975 and that the gap is filled by a happy combination of events. Suppose money growth is moderate, and the Fed takes up some debt. Falling inflation means lower interest rates, and suppose this effect is powerful enough that non-destructive rates can balance the supply and demand for funds. There still remain two problems.

One is simply that private borrowers will still be crowded out, that private investment will decline. In other words, because of the huge deficits, we have a lower rate of capital formation and thus slower economic growth in future years. Assuming that the deficits cannot be reduced, this is the smallest price we can possibly pay.

The final problem is 1976, or whenever recovery does get under way in earnest. At that point, the investment needs of business and housing will go up, not down. If the government is by then still running $70 billion deficits, this will call for an even more impossible-looking increase on the savings side of the ledger. At that point, high deficits will again threaten to abort the recovery. This destruction of capital formation, excessive monetization of debt and aborting of real growth is essentially what has already happened in Great Britain.

Yet Congress goes its happy way, adding to expenditures, increasing tax cuts, charting tax bills that discourage saving instead of encourage it, secure in the knowledge that there is a recession on, and in that case Dr. Keynes always assured them that budget deficits are a free lunch. Didn't he?

Our "crowding out" editorial, warning that the impending huge federal deficit would either crowd out private borrowers or induce the Federal Reserve to balloon the money supply, apparently was the subject of some discussion along Wall Street. There is an opposing school of analysis, summarized very aptly in today's letters columns by IBM economist Larry Chimerine.

The burden of our argument, to refresh the reader's memory, was that it is axiomatic that private investment plus government deficits must equal total saving—comprising personal savings, business savings and inflows of foreign funds. We argued that, given the huge federal deficit, it was hard to see how the economy would balance this equation without severe shock. We presented this illustrative table:

Billion Dollars

Investment	+	Deficit	eq.	Bus. Sav.	+	Per. Sav.	+	For. Inflow
				1974				
208.9	+	5.9	eq.	136.5	+	76.7	+	3.1
		214.8	eq.	216.8				6
				1975?				
205	+	70	eq.	150	+	80	+	10
		275	??	240				

To take a technical confusion first, it's misleading to think of this $35 billion gap as something to be directly closed by the expansion of monetary aggregates—either the monetary base as in our original editorial or the narrowly defined money supply picked by a number of other analysts. In expanding the base, the Fed at the same time directly purchases securities and provides money with which the banking system could purchase more. Yet an increase in M–1 would be dissipated in many uses not reflected in the savings-investment equation.

In any event, the above equation will balance in its own terms regardless of money growth. The only question is which of the numbers will bear the brunt of the adjustment. Yet the answer to this question depends chiefly on how fast the Fed expands bank reserves and the money supply .

Faced with a $70 billion deficit, the Fed's key decision is how much of it to buy, and how much can be financed by the public. If new Treasury bonds are bought by the public, the effect is to substitute public spending for private spending. If the bonds are bought by the Fed, it pays for them by crediting bank reserves. For every $1 of this high-powered money the Fed creates, M–1 will expand by roughly $2.50.

Between 1965 and 1974, the Treasury's cumulative deficit was roughly $100 billion, and the Fed's portfolio of government bonds grew about $40 billion. In other words, some 40% of the deficit was "monetized," or bought by the Fed with high powered money. Bluntly, 40% of the deficit was financed by feeding money growth, and, to the extent this exceeded real growth, inflation. To give some idea of the magnitudes now facing the Fed, and not as a prediction of what will happen in any one year, say that 40% of this year's $70 billion is monetized. This translates into Fed purchases of $28 billion, which would expand into a M–1 growth of $70 billion, or 25%.

Now, if the Fed pursues anything like that course, the adjustment in the savings-investment equation will come principally on the savings side. Nominal incomes will be greater, and therefore nominal savings. The market will perceive the eventual inflationary implications, and nominal interest rates will rise because of an increased inflationary premium. This will attract more savings, but have far less influence on investment, which responds not to nominal interest rates but to real ones. At some point, high nominal interest rates may themselves interfere with recovery.

Alternatively, if the Fed decides that the great bulk of the deficit must be financed by the public, the adjustment will come on the investment side. This time real interest rates will rise because of supply and demand for funds. So private investment will be "crowded out." For any one year, this is by far the preferable horn of the dilemma, but it does mean slower economic growth in future years.

We fail to see how the implications of this analysis are changed by arguments about any one year. Perhaps the numbers in the above table are off, because of special factors like inventory adjustments, tax rebates and whatnot. We are far from sure of that, with the auto assembly lines already starting up, the deficit itself growing daily and so on. Since our initial editorial, in fact, the bond markets have displayed every symptom of crowding out. But let the point pass, if the critics are right about 1975 it only pushes the problem to a somewhat later date.

Recovery will of course shrink the deficit. The problem would have been eased some if Congress directed its tax cutting in ways designed to produce maximum recovery rather than maximum income redistribution, but it has not done so. Nor do we as yet see a single reason to doubt the $100-billion deficit projections for fiscal 1976. What has Congress so far turned down? And the bulk of the spending programs will linger on even after recovery.

From 1965 to 1974, we observed the effects of a cumulative deficit of $100 billion, 40% monetized. We now face a new era. The deficit will surely be far above $100 billion in two years, perhaps one. Deficits in the $35 billion range seem likely to linger even after recovery. Either these deficits will be financed by monetization, or they will be financed by crowding out the private investment without which robust economic growth will be impossible.

The only way out of this dilemma is for Congress to recognize the simple lesson that there is no free lunch. If it persists in running the kind of deficits now on the table, either it will be unleashing a new round of inflation, or it will force the economy to start eating its seed corn.

The PRESIDING OFFICER. Who yields time?

Mr. BELLMON. I yield myself 5 minutes.

Mr. President, will the Senator from New York yield for a question?

Mr. BUCKLEY. I yield.

Mr. BELLMON. I have before me the functional breakdown which the Senator has submitted for the Record. I note that the estimated fiscal year 1975 outlays are $313,450,000,000. That is the figure I believe the President used in his budget submission in February. However, since that time there has been an increase in the outlays of the Defense Department of $1 billion. There has been an increase in the HEW outlays of $1 billion. There is a rebate to social security recipients of $1.9 billion. The food stamp program is up $600 million. The veterans' benefits are up $500 million.

The rescissions referrals that Congress has acted upon have increased the outlays by about $500 million. The receipts from the sale of Outer Continental Shelf leases are less than anticipated, which is going to have a net effect of increasing outlays by $2.5 billion.

That is a total increase of $8 billion. Does the Senator accept those changes, and would the figure of $313 billion then become, roughly, $322 billion?

Mr. BUCKLEY. I certainly accept the figures given to me by the distinguished Senator from Oklahoma, Mr. President, and I ask that the figures be modified accordingly.

What this means is that we are talking about not a $50 billion increase but only a $42 billion increase. I suggest that this is a matter of degree and is not substantively important.

Mr. BELLMON. The Senator from New York, in his minority views, has recommended that the President's budget outlays be increased, as I remember, by some 8 percent. So if we use the figure of $322 billion and increase it by 8 percent, as the Senator has recommended, this, then, puts the outlays up to about $347 billion. We are using the current level of outlays, increasing them by 8 percent. This raises the figure to $347 billion.

Mr. BUCKLEY. The Senator from New York is not recommending an 8-percent increase. He is just suggesting that this shows the range that we are talking about. There is substantially more spending under our recommendation than we are spending in the current fiscal year.

Mr. BELLMON. The Senator's recommendation, then, is not for an 8-percent increase?

Mr. BUCKLEY. No.

Mr. BELLMON. Also, I note in the suplemental views of the Senator from New York, in which he is joined by the Senator from Idaho, that there is a recommendation for an increase in the defense expenditures of $10 billion over the President's recommendation. I notice, in the functional breakdown, that is actually a $1 billion decrease, to $93 billion.

Mr. BUCKLEY. That is correct, Mr. President. As I stated in presenting the substitute amendment, it involves compromises. I know that I have a greater concern for defense needs than do many of our colleagues, so I was trying to come up with recommendations—and they, of course, are reflected in my own functional breakdown—that I believe could have a broad acceptance in this body.

Mr. BELLMON. I call the attention of the Senator to the language in the supplemental views on page 148.

Mr. BUCKLEY. Mr. President, will the Senator yield?

Mr. BELLMON. Yes.

Mr. BUCKLEY. Attention was called to the fact that I did not recommend in the supplemental views that $10 billion increase. I was merely citing a Democratic group that had made that recommendation. My recommendation was a 10-percent increase in research and development, which, of course, comes to a substantially lower figure. I was quoting the Coalition for a Democratic Majority, which, in a recent report, advocated an increase in defense expenditures of $10 billion.

Mr. BELLMON. Does the Senator support that recommendation for a $10 billion increase?

Mr. BUCKLEY. Mr. President, I have not examined that report in sufficient detail to see whether or not I would accept this recommendation. I do believe that we live in a far more dangerous world today than we did, say, a month ago, and that we will probably have to be moving into higher defense expenditures rather than lower.

I also certainly believe, based on the testimony by, I think, almost every witness, even those advocating dramatic reductions in expenditures, that we need an increase in research and development.

The PRESIDING OFFICER. The 5 minutes of the Senator from Oklahoma have expired.

Mr. BELLMON. I yield myself 5 more minutes.

I point out that the budget breakdown submitted by the Senator from New York suggests a $1 billion decrease in defense expenditures. It is a billion dollars less than the amount that the President has recommended.

Mr. BUCKLEY. There is a factor that I call to the attention of the Senator from Oklahoma. That is the fact that the President's budgetary request contemplated an inflationary 14 percent. As I remarked a little earlier, we are having a far lower rate of inflation than was anticipated when these budgetary requests were made. Although the overall assumption was 6 percent, military spending tends to be higher in its rate of increase than the others. So I believe we could achieve a billion-dollar reduction just by having our assumptions reflect more realistically what inflation will do to military procurements.

If the Senator will pardon me, I might say, of course, that neither I nor anyone else have the function—in fact, it is not the function of the Committee on the Budget—to go into a line-by-line examination of the budget, but, rather, to rough out large areas and to rely upon the authorizing committees to determine where, exactly, savings ought to be made.

Mr. BELLMON. The Senator is correct. At the same time, in order to get to a bottom-line figure as to how much Federal spending will be, we do need to know what is contemplated within the various categories.

I also ask an additional question: On page 148 of the supplemental views, the Senator from New York says this:

> * * * and it cuts where we feel the Nation can absorb cuts without undue dislocations: in foreign aid.

The cut in foreign aid in the functional breakdown that has just been submitted is $0.9 billion. So that would be a saving of roughly $1 billion.

"In subsidies to businesses"—what is the amount of saving in subsidies to business that is contemplated?

Mr. BUCKLEY. We have, Mr. President, substantial subsidies for agriculture, just approved by Congress, which I hope the President will veto; and I hope the veto will be sustained. Certain export subsidies, too, I believe, could be done away with.

Mr. BELLMON. What are the total amounts that have been reduced in subsidies to business?

Mr. BUCKLEY. Mr. President, we are dealing in categories. As I say, we have in the agriculture bill alone more than enough to make the adjustment we recommend.

Mr. BELLMON. The total in the agricultural bill, as I remember, for subsidies is about $1,200,000,000. This is all eliminated, which is very unlikely.

Mr. BUCKLEY. Mr. President, we are talking about less than a half billion dollars here.

Mr. BELLMON. I did not hear the Senator.

Mr. BUCKLEY. We are talking about a reduction of less than a half billion dollars.

Mr. BELLMON. Then it would be a reduction of about a billion dollars in foreign aid and a half billion dollars in subsidies to business. I believe that if the Senator will check, he will find that the committee already anticipates placing a 5-percent cap on automatic pay increases to Government employees. So the total savings the Senator is recommending here is $1.5 billion. That is hardly adequate to accommodate the very large reduction in outlays that the Senator is suggesting.

Mr. BUCKLEY. Mr. President, I thought that I had made it clear that we are not, except in a few categories here, recommending reductions in outlays but a reduction in the extraordinary rate at which outlays are growing. It seems to me self-evident that we cannot continue indefinitely having the cost of Government increase at two, three, or four times the rate of increase of the economy of the United States. A few years ago, the average American wage earner was able to keep $8 out of every $10 earned. Today he is able to keep $6 out of every $10 earned. At the rate we are going, with the kind of budgets the committee recommends, before the decade is over, we shall be working more than half the time for the Federal Government and other governments.

The PRESIDING OFFICER. The additional time of the Senator from Oklahoma has expired.

Mr. BELLMON. I yield myself an additional 5 minutes.

Mr. MUSKIE. Mr. President, I wish to make a few observations on the amendment of the distinguished Senator from New York, if I may. I wish to make the point at the outset that, until a few moments ago, there was very little evidence as to precisely where the distinguished Senator proposed to make his cut in outlays with respect to the 16 functional categories of the Federal budget. The only clue we had, until we received a one-page chart—which, presumably, is the Senator's proposal—is language in the additional views of the Senator on the committee report on page 148, where he said this:

> We recommend a budget with a maximum spending level of $340 billion, a figure which represents an 8.5 percent increase over the current fiscal year.

Actually, given the updated figures on the current fiscal year, the figure which the Senator has attributed to current spending is now at an annual rate of $322 billion. The $340 billion figure is only a 5.5 percent increase, and not an 8.5 percent increase.

The Senator goes on, in his individual views in the report:

> It is not a stingy budget. We dare say it represents an increase in real spending which will be denied most Americans. But it is not a reckless budget, and it cuts where we feel the Nation can absorb the cuts without undue dislocations: in foreign aid, subsidies to businesses, and placing a 5-percent cap on automatic pay increases to Government employees. It does not deny us a reasonable national security budget as some would do, and it provides for the full cost of living increase promised to social security recipients.

I would just like to add those two or three numbers together. If I am not in error, I think the Senator's mathematics are off.

We begin with the $322 billion in current spending which the Senator used as his basis. Interest paid by the Federal Government adds $4 billion more this year, which takes it to $326 billion. Increases in the income security function totaled $16.3 billion. That takes us to $340.3 billion. The President's proposed budget adds $8.8 billion above the current level of spending for defense. That makes the total $348.8 billion.

If my figures are correct, the Senator cannot get down to his $340 billion without cutting Federal obligations to pay interest, which is impossible, or cutting defense and social security, which the Senator says is not his intent.

Of course, I leave it to the Senator to respond to that in due course. But without knowing what his proposed functional cuts might be, those conclusions seem to be rather irresistible. As a matter of fact, Mr. President, a $340 billion spending ceiling is almost impossible to achieve, if one is concerned at all with what happens to programs. Cuts like the following would appear to be required, at the very least:

Ending economic assistance programs designed to foster peace in the Middle East.

Terminating the space shuttle.

No new starts in energy.

Cuts in environmental and conservation programs.

Deep cuts in agricultural research.

No funds for loans.

Reimpoundment of highway money.

Cutting community and regional development programs beyond current levels.

No increases in social services to cover inflation.

Greater burdens on State and local governments.

Increasing medicare and medicaid costs to recipients.

No inflation adjustment for veterans.

I am not suggesting that these are all the programs which the Senator would target on, but in trying to estimate in advance where the Senator could find $25 billion in cuts, in examining the issues that were discussed in the Budget Committee markups, it seemed to me that in talking about cuts of that magnitude, one must have those effects on some of these programs, if not all of them, and I think that we ought to have the benefit of that analysis.

Let me make another point with all respect to the Senator: in the Budget Committee, no one, at the outset of the markup, offered an outlay ceiling or a deficit figure. That was the last decision that the committee made. We began by going through these 16 functional categories, examining each of them, entertaining motions to increase or decrease the amounts to be spent under each, voting on them up or down, and then moving on to the next. In some cases the more conservative members prevailed; in some cases the less conservative members prevailed. But when we were through, we added up the total, and it came to $365 billion. I do not recall the Senator from New York, or any Senator in the markup sessions offering a program of $25 billion in cuts distributed through the 16 functional areas for the purpose of achieving the kind of cuts which the Senator is suggesting to the Senate today.

It is all well and good to say, "Well, somewhere we will find it," but I think the Senator will agree that we in the Budget Committee felt that our responsibility required that we be more precise in dealing with the expenditures of Government than utilizing across-the-board cuts.

It seems to me that if I had thought in advance that Government spending should be no more than $340 billion, I would have regarded it as my responsibility to put together 16 functional categories, with the numbers indicating where the cuts would come and what programs would be terminated. To do otherwise, I think, is to impose the possibility of unconscionable damage to programs or people dependent upon programs.

I suggested earlier that using the Senator's own figures—beginning with $322 billion and just adding defense, interest, and income security—requires a cut in those programs, in those functions, of something like $7 or $8 billion, notwithstanding the Senator's very clear expression of intention not to cut those areas. That may be an inadvertent result of the Senator's amendment. He apparently had not focused on the $322 billion figure before today, but was using a $313 billion figure as the level of current spending in the Federal Government.

This illustrates my point that just throwing an arbitrary number like $340 billion into a budget of this kind can do unintended damage to people who ought to be protected rather than hurt.

Now let me turn to another implication of the Senator's amendment. The Senator will recall, I think, that I asked several witnesses with respect to the President's original deficit of $52 billion:

> The President obviously does not like to present this kind of a deficit. Why do we have to have it? Why do we not eliminate it? I hear administration witnesses saying it is a horrible figure. If it is so horrible, then it cannot possibly be sound economic policy. Why do we not cut Federal spending to eliminate it or raise Federal taxes to pay for it?

I asked that question over and over again. On one particular morning we had two witnesses who gave us the classic answer that was never challenged by other witnesses, to the best of my recollection, in the budget hearings. We had as witnesses that morning Mr. Joseph Pechman, who is director of economics at the Brooking's Institution, and Mr. Charls Walker, who was Deputy Assistant Secretary of the Treasury in the Nixon administration.

One is regarded as a liberal economist; the other is regarded as a conservative.

When I put that question to Mr. Pechman he said:

> If we were to cut $52 billion from Federal spending, the result would be a further decline in gross national product, a further shrinkage in Federal revenues of up to $25 billion, so after you were cutting $52 billion there would be another $25 billion to go, and an unemployment rate in excess of 10 percent.

That was Mr. Pechman's answer.

I asked Mr. Walker if he agreed, and he said yes. He said:

> A deficit of this magnitude is unavoidable.

I asked Secretary of Treasury Simon whether he agreed with this judgment. He said:

> Of course I do. This kind of a deficit is unavoidable when you are trying to stimulate the economy.

So this is not just the judgment of a majority of the Budget Committee. This is the judgment of these estimable economists from liberal to conservative that was offered to us in our hearings.

Now, what the Senator proposes is to reduce the deficit to $34.7 billion, with a spending ceiling set at $340 billion and revenues at $305.3 billion. The Senator has suggested that the revenue target can be achieved by foregoing the extension of the recently legislated tax reductions into the second half of fiscal year 1976, and by imposing an energy conservation tax of $7.5 billion to be put into effect on July 1, 1975.

In my judgment, this cannot be accomplished because reducing outlays by $25 billion and increasing taxes will increase automatic spending for unemployment compensation, for food stamps, and for other costs related to rising unemployment, and would decrease revenues, as a result, by at least another $12 billion, thus requiring a further tax increase of about $15 billion.

Now the probable effect of this policy on the economy is as follows: The swing in the budget implied by those policy changes would represent a deflationary impact of about $52 billion, $25 billion in spending, and $27 billion in taxes. This would lower GNP within the fiscal year by at least $100 billion below the committee's forecast and would raise unemployment to 11 or 12 percent of the labor force.

That is not my judgment as an economist—I am not an economist—but it is a judgment based upon the testimony which this committee received.

I am interested in some of the charts which the Senator has mounted at the rear of the Senate Chamber. I am looking at the one entitled "U.S. Government Borrowing as a Percent of Total Funds Raised."

I must say that the Senator acts as if the number of houses sold, for example, depends only on the money that the banks have to lend. But my builder friends tell me that you need customers as well.

Over 2 million family heads are unemployed. These families are not in the market for new homes. More importantly, our report calls for fiscal and monetary policies that will support expansion and increased employment.

The Buckley-McClure amendment, in contrast, calls for tighter money, less spending, and more taxes. Their policy means less employment and less housing. This always means less investment and lower economic growth.

I rely on the recent data. In years of tight money but high employment investment goes forward. During recessions, investments fall. This year investments and interest rates are both falling, and I think those data run counter to the conclusion which the Senator would have us draw from his fifth chart.

With respect to the chart next to that, which undertakes to draw upon our experience in the thirties and our experience postwar, let me point out that the Senator ignores the years in between during which unemployment in this country dropped from 17 percent to 2 percent.

The Senator will point out that that was war spending. Well, the dollars did not know whether they were being spent for war or for other things. No one would advocate a war to drive us to the economic policies that will cure this recession, but the fact is, it was the expenditure of Government money in those years, for a purpose that I hope will not be repeated, that brought the unemployment rate down from 17 percent to 2 percent.

What we are proposing in this budget is that those kinds of Government expenditures shall be used for constructive, socially useful purposes, and that the results economically can be similar to what they were in that period which the Senator left off his chart.

Then, there is that interesting chart to the left on real spendable earnings or take-home pay. Now, real take-home pay increased between 1958 and 1965 by 14.4 percent as unemployment fell from 6.8 percent to 4.5 percent, and Government spending rose from $82.6 billion to $118.4 billion.

Last year's 5-percent reduction in real spendable earnings came while fiscal policy was restrictive, while interest rates were rising, and while national production was falling.

The Senator's evidence, I suggest, indicates conclusions contrary to those which he would ask the Senate to accept.

Mr. President, I yield the floor.

Mr. **BUCKLEY**. Mr. President, I would like to take up one or two little items.

No. 1, the continuation of the tax cuts into the next fiscal year would not involve $24 billion but $4.4 billion.

No. 2, when administration witnesses talked about the impossibility of reducing the debt below $52 billion or, later, $60 billion, whatever the figure is, they were talking about uncontrollables. The obligation of a President is to project the expenses of the Federal Government on the basis of the laws then in effect. It would seem to me that one of the challenges to which the Budget Committee is supposed to address itself is bringing uncontrollable expenditures back within control. Now this is something we must get on top of because we cannot plan intelligently as long as three-quarters of the budget remains beyond our control.

Now, I described our proposal as a compromise. I believe that it does represent targets, target levels of spending that can be accommodated within the time we have without the devastation suggested by the distinguished Senator from Maine.

He was correct, incidentally, in saying that our proposal would affect one of the uncontrollables; namely, debt service. Of course it would, because it would clearly not be inflationary. It would thereby reduce interest rates in the longer term; and because the Federal Government would not be competing to the tune of $40 billion with the private sector, there would be less competition to force up interest rates.

Therefore, I think that, whereas we reflect a $2 billion decrease, the actual figure would be substantially lower.

The distinguished Senator from Maine says that, if we reduce Government spending by $25 billion, we are not really reducing by $25 billion. Rather, we are failing to raise it by $50 billion.

There is a distinction there and it is not semantics.

Second, we are talking about a fiscal year in which we have already begun to turn the corner in the productive sector of our economy.

So, although we can dip into the capital markets today and borrow large sums of money without inhibiting investment, without affecting short-term interest rates too much, that is not true of what we will be expecting and anticipating next year.

At that point, if we are going to have recovery—and I am talking about a sustained recovery, not the kind that comes from hiring people to count dogs in a dog pound; I am talking about jobs in the productive private sector—the $25 billion that the distinguished Senator from Maine is talking about, money that would otherwise be spent in the private sector, is not going to cause a tremendous void.

As a matter of fact, if that $25 billion all went into housing, we would be solving our housing problems overnight.

The fact is, the strength of our economy is in the private sector. It comes when people can afford to borrow in order to build houses, in order to buy cars, to buy major appliances, or when a small businessman who wants to expand his capacity or modernize his plant is able to go out into the money market and borrow the funds with which to do so.

Increasingly, we are crowding the private investment factor out of our economy with the result that today we have a scandalously low rate of reinvestment in this country. We are near the bottom of the pile of industrial nations in carrying forward the vital work of expanding our productive base in order to maintain a growing standard of living.

The Senator from Maine complains that, in the charts we have presented, I have failed to reflect the war years.

Well, I have never heard it stated that one can analyze a wartime economic situation, in which much of the able manpower has been conscripted for military service, with the same sort of diagram that makes sense in terms of peacetime.

I am suggesting that, in these two periods of peace and war, the trends of employment and Government spending have been in directions in which they should not have moved.

I also remind the Senator from Maine, Mr. President, that over the past 5 years we have suffered deficits of $150 billion. And what has happened? We have had inflation, we have had high interest rates, we have had high unemployment.

It is now proposed that in order to stay on top of inflation, in order to bring down interest rates, in order to decrease unemployment, we spend still more money and incur still larger deficits, thereby placing still greater pressures on the money markets in competition with the private sector.

As I said at the outset, Mr. President, what is important about this debate is, I think, not the final figures we come up with. We in the Budget Committee are all conscious that, because of start-up staffing, the minority side did not really get its staff underway until well into the session, because we do not have the facilities of the Congressional Budget Office available to us.

This is a dry run. It is a dry run, but it is an important dry run, not so much because of the figures we use but because we can reexamine and debate an alternative understanding of how our economy works, how it best functions, how we can maintain the extraordinary productive capacity that has given us such a high standard of living.

Most importantly, we have the opportunity to discuss how we can restore stability to a system that has grown more and more erratic in recent years.

I suggest that it is precisely the kind of budget we are talking about now that has caused the erratic movement from inflation to recession. I predict, if this budget is adopted, we will see in 1977 a return to the kind of interest rates that crucify precisely the people for whom the Senator from Maine is concerned. We crucify the prudent, we crucify the American middle class, we crucify the people who have retired, who can no longer go back into the labor market and restore the depleted value of their savings.

I believe, Mr. President, that this argument is an extraordinarily important one. I only wish there were more of our colleagues here to participate in it because we are plowing new ground with this budgetary process, I believe. For the first time in my 4 years here, we have had a chance to debate the crucial issues now under discussion; and I value the opportunity to do so with my friend from Maine

Mr. MUSKIE. How much time does the Senator from New York want?

Mr. JAVITS. Just 10 minutes.

Mr. MUSKIE. I yield 10 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, I am a member of the Joint Economic Committee, and we went very deeply into the question of the so-called crowding-out theory, which is one of the bases for this amendment which I oppose. I would like to confine myself for the moment to that particular question.

On April 24, the Joint Economic Committee held a hearing on the subject of financing of the Federal deficit, and I believe that hearing is very instructive to those who think that private borrowers are going to be crowded out of our capital markets. Three witnesses testified before our hearing. One, Dr. Andrew Brimmer, is a recent member of the Board of Governors of the Federal Reserve. Another, Dr. James Tobin, is a distinguished professor of economics at Yale University and a former member of the President's Council of Economic Advisers. The third, Dr. Frank L. Modigliani, is an internationally renowned economist and a professor at the Massachusetts Institute of Technology—chairman of MIT economics department.

Senator HUMPHREY has caused to be distributed to every Member, excerpts from that testimony.

To a man, these witnesses stated or implied that the crowding-out theory is vastly overrated. For example, Dr. Brimmer pointed out that this theory "overlooks the fact that several of the strong demands for funds recorded last year"—to wit, 1974—will moderate significantly during 1975."

Being a lawyer, I might sum up the argument immediately, as follows:

One, they said no crowding out in view of the fact that American industry is operating at 70 percent of capacity and, therefore, capital demands are reduced.

Two, they assume, and I feel they have a right to assume, that an increase in the money supply commensurate with the situation which we face would be made by the Federal Reserve Board, and there is every indication that that is not a vain assumption.

Now, Dr. Brimmer said:

> The theory of crowding out overlooks the fact that several of the strong demands for funds recorded last year will moderate significantly during 1975.

Dr. Brimmer analyzed the likely demand for funds among corporations estimating a drop of $27 billion in net business claims on the capital market from the 1973 level. Household borrowings and the borrowings of Federal credit agencies are two other areas where there is expected to be a substantial fall-off in the rate of increase demand for borrowed funds. These fall-offs taken all together, in the opinion of these aspects, are likely to outweigh those sectors, such as residential mortgages, where the rate of increase in demand is expected to climb. Dr. Brimmer went on in his testimony to examine the sources of funds, which Senator BUCKLEY referred to a little while ago, and concluded that:

> One should expect the demand for money and capital market accommodation by borrowers other than the Federal Government to place little or no strain on the ability of these markets to perform.

Dr. Brimmer and the other witnesses, however, placed one important caveat on their conclusions: that the Federal Reserve must pursue an accommodative monetary policy. Their detailed examinations convinced me that such an accommodative policy, although inadvisable in the long run, is not only preferred but also essential in the short run. They have also convinced me that with our manufacturing plant operating at 70 percent of capacity and with considerable price slack in the wholesale market at the present time, such an accommodative monetary policy runs absolutely no risk of reigniting the fires of inflation.

Not only did the witnesses in question oppose any cutbacks in spending on economic recovery efforts; they specifically endorsed efforts to inject more Federal moneys into economic recovery with the only caveat that such funds be pinpointed toward direct employment effort such as public sector jobs.

These economists and academicians by no means stand alone.

Mr. President, because I think it is so illuminating as we are always thinking of bankers as being so hardheaded, I would like to refer to the Morgan Guaranty survey for February 1975, Morgan Guaranty being one of our largest banks. I would like to read from that survey.

I ask unanimous consent that the entire document be printed with my remarks.

There being no objection, the document was ordered to be printed in the RECORD, as follows:

[From the Morgan Guaranty Survey, February 1975]

CAN THE GOVERNMENT FINANCE THOSE BIG DEFICITS?

The economy's downward slide is continuing with no early end in sight. January's slump in industrial production was the steepest in 37 years. Unemployment, already the highest since 1941, is headed higher. And consumers, despite the enticement of rebates in auto and other lines, are hardly battering down the doors to get at the merchandise.

With alacrity, the White House and Congress now are moving to stem what clearly is the nation's worst post-war recession. The House Ways and Means Committee's tax-relief measure is indeed larger than the President had requested, and no one would be greatly surprised if the Senate sweetened it still more.

At the same time, Congress gives every sign of turning down most—if not all—of the President's program to tax oil and gas consumers $30 billion. Additionally, Congress apparently is going to ignore White House requests for a curb on certain spending programs. President Ford has advocated either rescinding or deferring $17 billion in spending that would otherwise take place in fiscal 1976. Most of such savings are not possible without Congressional approval. Some of the cuts, particularly those made possible by a 5% limit on Social Security increases for a year, probably will fail to generate Congressional support. The White House plan to increase the cost of food stamps was rejected by Congress. On the other hand, the 17% increase in budget authority requested for the Department of Defense for fiscal 1976 probably will be pared; the 10% increase in outlays for national defense forecast by the budget may thus be on the high side.

Despite the Administration's resolve to limit fiscal-1976 spending and its advocacy of a slowdown in the growth of government outlays thereafter, the budget figures presented to Congress earlier this month indicate that the Administration is far from averse to a significant near-term increase in spending. That disposition is clearly evident in official estimates of expenditures (on a national income accounts basis) for the first half of 1975—up 17% at an annual rate over the last half of 1974. And it was underscored by President Ford's post-budget announcement that the federal government is now prepared to free up some $2 billion in highway construction funds from the impoundment list.

With so many fiscal matters in flux, it is obvious that the Administration's budget estimates for the current fiscal year and for the year beginning July 1—estimates that in any year are subject to a wide margin of error—are especially vulnerable. Whatever the size of the tax-and-spending program Congress and the President settle on, however, huge deficits are a certainty. Borrowing needs of the government clearly can be expected to exceed post-World-War-II records for an eighteen-month period.

Such huge prospective deficits have raised a chorus of alarms from observers both in and out of government that the money and capital markets cannot handle such huge flows without serious disruption. According to this line of thinking, interest rates will rise, and private borrowers, especially those with lesser credit ratings, will be crowded off the credit queue. On a larger scale, it is said, the borrowing requirements of the federal government and the resulting higher interest rates will detour money from thrift institutions, prevent a rebound in housing, and abort a recovery.

While it is understandable that concern should exist in the face of deficits of the size in prospect, the seriousness of the problem has almost certainly been exaggerated. Indeed, an examination of the potential sources and uses of funds in 1975 indicates that government financing—under certain seemingly reasonable assumptions—can be accommodated without major disruptions of money and capital markets. This is particularly so because many traditional borrowers seem likely to be cutting back on their borrowing in response to a slumping economy.

Nonfinancial corporations, for example, are expected to cut back sharply on their bank borrowing from $27.5 billion in 1974 to less than $15 billion this year. This reflects a reduced need by businesses to finance inventories and an effort to restructure balance sheets and improve liquidity positions by extending the maturity of their liabilities. Thus, they will be tapping the long-term bond markets more heavily and paying down bank loans. This process is already under way: in the first five weeks of the year, business loans at large commercial banks have dropped more than $5 billion while the corporate bond calendar has been huge. The reduced demand for bank loans will encourage commercial bank purchases of government securities, while the bond calendar will be placed with typical buyers of corporate bonds (such as life insurance companies, pension funds, and state and local retirement funds) who traditionally show little or no interest in Treasury issues.

WHERE THE MONEY MIGHT COME FROM

[In billions of dollars]

	1971	1972	1973	1974	[1] 1975
Commercial banks	3.1	2.4	−8.8	−2.7	[1] 30.0
Federal Reserve banks	8.1	−.3	8.6	2.0	9.0
Nonbank financial institutions	−1.7	2.3	−1.1	3.0	6.0
Nonfinancial corporations	2.1	−3.2	−3.0	1.2	4.0
Government	−2.4	3.7	2.6	2.3	1.0
Foreign investors	26.3	8.4	.3	3.9	7.0
Individuals and other	−9.4	.7	9.2	3.4	−7.0
Net change in U.S. Government securities	26.0	13.9	7.7	13.1	50.0

[1] Projected.

Note: Data are for calendar years.

Consumers, cutting back on purchases of big-ticket durable goods and autos, will be borrowing much less than the $9.6 billion by which consumer credit increased in 1974 (which was itself far below the record $22.9-billion increase in 1973). This is a typical recession response. People are concerned about the state of their personal finances and want to get monthly payments down in fear of rising unemployment and lower personal income.

Meanwhile, renewed strength in savings flows, expected to continue for the rest of the year, should cut the borrowing of federal credit agencies to about $12 billion, more than 40% below 1974's volume. Finally, the use of funds by the mortgage market and state and local governments probably will be no larger than it was in 1974.

DOUBLE-BARRELED STIMULUS

Such a pattern of credit demands would free a sizable portion of commercial bank credit for investment in Treasury debt as the Federal Reserve continues in 1975 to push monetary ease. As with fiscal policy, expansionary monetary policy with lower interest rates is a traditional, and appropriate, anti-recession reaction: in the past when economic activity turned down, fiscal and monetary policy both turned stimulative. Thus, enlarged federal budget deficits have generally been associated with falling—not rising—interest rates (chart on page 3).

Federal Reserve Chairman Arthur F. Burns has indicated that monetary policy in 1975 would provide for moderate growth in the money supply to accommodate the Treasury's borrowing requirements without soaring interest rates. Acquisition by the Federal Reserve of something like $9 billion of Treasury securities in 1975 for its open-market account would be consistent with moderate monetary expansion. If this analysis is correct, the private capital markets would have to absorb about $41 billion of Treasury borrowing (box on page 2).

This would be a record peacetime amount but would not be unmanageable if slackened private credit demands materialize as is widely expected. Against that backdrop, commercial banks might take $30 billion of federal debt, which would be consistent with moderate bank credit expansion of about 10%. Corporations and nonbank financial institutions are also expected to step up their investment in government securities in their efforts to rebuild liquidity. Foreign investors, largely central banks and monetary authorities, are assumed to acquire, on balance, a modest volume of Treasury debt although that figure is almost impossible to project. As can be seen from the box on page 2, such foreign buying has ranged from as high as $26 billion in 1971 to practically zero in 1973. With rates of return sharply reduced, individual and miscellaneous investors are expected to be net sellers of government securities.

Even if the Treasury's money needs turn out to be $10 billion or so larger than the $50 billion assumed in this analysis, the impact on credit markets would not be significantly different. How things will ultimately work out is obviously uncertain. But it seems reasonable at this early juncture that the interplay of steep declines in economic activity and easing monetary policy affords latitude for an orderly matching of the supply and demand for credit during 1975. As this process unfolds, the near hysterical whoops in some quarters of an impending financial crunch should subside.

Mr. JAVITS. At page 2 is the following statement:

While it is understandable that concern should exist in the face of deficits of the size in prospect, the seriousness of the problem has almost certainly been exaggerated. Indeed, an examination of the potential sources and uses of funds in 1975 indicates that government financing—under certain seemingly reasonable assumptions—can be accommodated without major disruptions of money and capital markets.

That is from one of our largest and most conservative banks. I think that is entitled to a considerable amount of weight in this debate.

I would also like to refer my colleagues to a recent speech by the Treasury Department's own flow of funds expert, Dr. Sally S. Ronk, in which she anticipates that because of the decline in short-term credit demands this year, Treasury financing efforts can be absorbed with little difficulty. Dr. Ronk's analysis and that of the Morgan Guaranty generally compliment that of Dr. Brimmer, who made a sector-by-sector analysis.

I think it might be a good idea, I say to the manager of the bill, to print his testimony in the Record.

Mr. President, I also ask unanimous consent to insert the whole speech of Dr. Ronk made before the Washington Chapter of the National Association of Business Economists.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Flows of Funds in Recession and Recovery

(Remarks by Sally S. Ronk)

The big question on many minds, ever since the Budget and the Economic Report were unveiled three weeks ago, is how the prospective deficits are going to be financed without either (1) driving up interest rates or (2) reviving inflation. I have addressed myself to that question by preparing a flow of funds forecast based on the economic outlook projected in the Economic Report and on the Treasury and Federal agency financing contained in the Budget. The attached tables showing my flow of funds projections are on a fiscal year basis. This serves to pinpoint the magnitude of the problem over the coming period when the brunt of the recession-induced deficits will be felt.

The first observation one may make concerning the projections in the tables is that in the current fiscal year—fiscal 1975—private demands for funds are falling off sharply. Thus, even though Treasury demands are skyrocketing, total demands for funds are declining by an estimated 15 percent. The biggest reduction is, of course, in business loans from the commercial banks;

business loan demands slackened noticeably last fall and have sloughed off week by week so far this year. If the inventory liquidation in sight materializes, it may be anticipated that business loan demands will be dampened even further in the period ahead. Other types of business borrowings, except those from the U.S. Government, are also dropping back noticeably. At the same time, consumer credit is still being liquidated. According to my projections, total short-term credit demands will decline from $94.4 billion in fiscal 1974 to $35.2 billion in fiscal 1975.

Total government demands for credit are projected as rising from $40.2 billion in fiscal 1974 to $77.4 billion in fiscal 1975. This rise would be even greater if it were not for the fact that Federal agency borrowings, which include GNMA pass-throughs as well as Budget and sponsored agency issues, will probably be substantially smaller in fiscal 1975 than in fiscal 1974, as the Federal Home Loan banks retire debt during the current half year period. In all, during fiscal 1975 the increase in demands by government will fall short of the reduction in short-term demands by some $22 billion.

On top of that, long-term credit demands, in total, are estimated at some $12 billion less in fiscal 1975 than in fiscal 1974. True, corporate bond borrowings are surging, but mortgages—which still make up the larger part of demand in the long-term credit markets—have been registering smaller and smaller increases for the past two years. The mortgage market is now probably bottoming out at an annual rate of increase in mortgages outstanding of about $42½ billion, compared to the peak rate of increase of over $80 billion in the second quarter of 1973. However, any revival in the mortgage market is likely to proceed slowly, since the savings institutions are expected to utilize a large portion of their renewed savings inflows to pay off debt and rebuild liquidity.

Similarly, the disarray in the stock market has brought the net new issuance of stocks virtually to a halt; over the past half year, July–December 1974, net new issues amounted to only $1.2 billion, compared with peak annual rates of $13–14 billion three years ago. A much longer period of gain in the stock market than we have witnessed recently will probably be required before there is much strength in the new equity issues market.

This slackening in demands from the private sector during the 1975 fiscal year is currently being accompanied by improving savings inflows and a more expansive credit policy. The rate of expansion of bank credit was exceptionally low during the July–December 1974 period, and, even after the substantial step-up anticipated for the rate during the current half year, the rate for the entire fiscal year 1975 is estimated at a relatively low 7.5 percent compared with the 17 percent and 14 percent rates of the two previous fiscal years.

In sum, on the supply side of the equation, the major suppliers, i.e., savings institutions and commercial banks, have the funds available to absorb the amount of credit instruments demanded. Over the current half year, with demands for funds—except from the Treasury—still on the low side, the funds are available to finance the huge demands from the Treasury.

But one may ask, is not the current period one representing the depths of a recession? What about the situation in fiscal 1976 when private credit demands revive and Treasury borrowings are still mounting?

The economic assumptions in the Budget and Economic Report do not suggest a strong rebound in real growth, while at the same time, the rate of price increases is expected to be slackening (after the boost given prices by the oil import levy in calendar 1975). However, because of the depressed level of activity in calendar 1975, the growth of current dollar GNP in calendar 1976 is estimated at 12.6 percent. This represents the dimensions of the extra activity that will need to be financed in the credit markets.

For fiscal 1976, Treasury borrowings, which includes borrowings to finance the lending activities of the Federal Financing Bank, are estimated at $63.7 billion in the Budget, while Federal agency financing will subside further to $14.7 billion. Even under the assumption that state and local government borrowings will virtually level off from fiscal 1974 to fiscal 1976, borrowings by government at all levels in fiscal 1976 will reach a whopping total of $95.4 billion, up $18 billion from fiscal 1975's unprecedented total of $77.4 billion.

At the same time, mortgage and short-term credit demands—the laggards currently—will undoubtedly pick up. The question is how strongly? For the mortgage market, I am in the camp that believes that the large overhang of housing inventory will inhibit the spurt in housing starts that usually follows the resumption of savings inflows to, and shoring up of liquidity positions of, the thrift institutions. Consequently, my projection for starts calls for only about a 1.3–1.4 million annual rate in calendar 1975 and an average of 1.6–1.7 million during the first half of calendar 1976. This would bring the net new volume of mortgages issued only part way back to the fiscal 1974 total, which itself was considerably below the fiscal 1973 total.

Concurrently, in fiscal 1976, corporate bond offerings will probably begin to diminish, although the level will probably remain historically high. Even though their external requirements for funds for plant and equipment and inventories still remain relatively low, corporations will probably maintain a relatively high level of long-term borrowings in order to continue to increase their net working capital and liquidity positions. However, net new stock issues, which are currently almost nonexistent should begin to pick up. In all, long-term borrowings are projected as rising by nearly $12 billion, or 15 percent, in fiscal 1976.

The volume of short-term credit issued in fiscal 1976 should show an even stronger revival than long-term funds, if only because the fiscal 1975 level is so weakened. While business borrowings from the banks will probably strengthen from their current slack, a fairly substantial reversal will be required to bring the 1976 fiscal year's total above the level of fiscal 1975; this is because the current half year's flattening in bank loans to business was preceded by a period of moderate growth during the first part of fiscal 1975. With other types of business borrowings—open market paper, finance company loans and government and agency loans—still soft, total business borrowings will probably show a levelling off rather than an increase during fiscal 1976. Nevertheless, with consumer credit demands beginning to revive and security credit turning around, a strong—25 percent—increase in total short-term funds is projected for fiscal 1976. Thus, at the very time when Treasury demands are peaking, virtually all sectors of the credit markets will be under greater pressures from demands.

The crucial question is, will this confluence of stronger demands place the credit markets under undue strain so that rising interest rates will again be necessary in order for the demands to be financed?

The projections which I have made for the supply side foresee continued growth in savings flows in fiscal 1976, but not the very strong revival that we have witnessed in past post-disintermediation periods. Bank credit, on the other hand, should increase smartly as the Federal Reserve's easing process continues and takes hold. The projected expansion of $51 billion for commercial bank credit in fiscal 1975 will come only if there is a large increase during the current—January–June 1975—period since there was a virtual halt in the growth of bank credit during the latter half of calendar 1974. For fiscal 1976, I have projected an increase in bank credit of $75 billion, which is considerably below the $88 and $82 billion increases, respectively, in fiscal 1973 and 1974. Such an increase would represent a 10.2 percent rate of growth, which compares with 7.5 percent in fiscal 1975.

My assumptions also include fairly strong foreign investment in the United States—$16.8 billion in fiscal 1975 and $17.4 billion in fiscal 1976—but these would still be below the record levels of fiscal 1971 and 1972.

These projections suggest that the enhanced volume of funds to be raised in fiscal 1976 may be financed without much call on residual investors. In other words, the credit markets may be in position to absorb the financing without undue upward pressure on interest rates. Thus, there is reason to expect that interest rates will continue to decline through late this year and that thereafter there may be only moderate rises, unless the Federal deficit situation should worsen.

TOTAL FUNDS RAISED IN U.S. CREDIT MARKETS, FISCAL YEARS

[In billions of dollars]

	Actual— 1972	Actual— 1973	Actual— 1974	1975 (estimate)	1976 (projected)
FUNDS RAISED					
Long-term funds:					
Mortgages:					
Home	34.6	44.9	37.0	26.7	34.2
Multifamily	9.2	10.8	7.3	6.6	7.5
Commercial	12.7	16.7	16.6	7.3	8.0
Farm	2.5	3.4	4.4	5.1	5.2
Total	59.0	75.7	65.2	45.7	54.9
Corporate securities:[1]					
Bonds	21.7	15.4	17.4	28.6	26.9
Stocks	14.3	12.2	7.1	3.3	7.5
Total	36.0	27.6	24.5	31.9	34.4
Total, long-term funds	95.0	103.3	89.7	77.6	89.3
Government securities:					
U.S. Government	19.6	18.5	2.1	43.9	63.7
Federal agencies	8.7	14.4	21.3	17.6	14.7
State and local governments	15.6	12.6	16.8	15.9	17.0
Total, Government securities	43.9	45.5	40.2	77.4	95.4
Short-term funds[2]:					
Business credit:					
Open market paper	2.9	1.6	15.0	10.0	4.0
Bank loans	11.2	40.9	40.5	10.6	14.0
U.S. Government loans	.3	.9	1.1	6.2	3.6
Federal agency loans	−.7	6.3	8.1	3.8	−.7
Other[3]	5.1	3.6	4.9	−5.6	2.7
Total	18.8	53.3	69.6	25.0	23.6
Consumer credit	14.5	23.3	16.3	1.7	7.0
Security credit	9.0	−3.2	−3.3	−4.0	1.0

	Actual— 1972	1973	1974	1975 (estimate)	1976 (projected)
Banks	4.5	7.5	8.4	7.5	5.0
U.S. Government	1.1	2.1	2.1	1.6	2.9
Total	5.6	9.6	9.9	9.1	7.9
Other loans:					
Banks	2.3	1.7	−1.4	−1.8	.4
U.S. Government	.6	.6	.6	2.7	3.0
Policy loans	1.0	1.2	2.7	2.5	1.4
Total	3.9	3.5	1.9	3.4	4.8
Total, short-term funds	51.8	86.5	94.4	35.2	44.3
Total funds raised	190.7	235.3	224.3	190.2	229.0

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[1] Including foreign securities.

[2] Including bank term loans and long-term Federal credits.

[3] Finance Company loans to business and security RPs.

TOTAL FUNDS SUPPLIED IN U.S. CREDIT MARKETS, FISCAL YEARS

[In billions of dollars]

	Actual— 1972	1973	1974	1975 (estimate)	1976 (projected)
FUNDS SUPPLIED					
Savings institutions:					
Contractual-type:					
Life insurance companies	13.1	14.3	16.4	15.7	17.2
Private pension funds	6.4	6.9	7.0	9.4	10.0
State and local retirement funds	6.5	8.8	9.3	12.1	12.0
Fire and casualty insurance costs	6.5	6.2	4.7	4.4	5.0
Total	32.5	36.2	37.4	41.6	44.2
Deposit-type:					
Savings and loan associations	31.0	38.4	22.1	18.0	30.0
Mutual savings banks	10.3	8.6	3.7	3.0	7.0
Credit unions	3.0	3.0	2.4	2.7	2.5
Total	44.3	50.0	28.2	23.7	39.5
Other:					
Investment companies	−.2	−2.8	−1.3	1.9	2.0
Real estate investment trusts	3.9	4.8	3.0	−.2	
Total	3.7	2.0	1.7	1.7	2.0
Total savings institutions	80.5	88.2	67.3	67.0	85.7
Banking:					
Federal Reserve banks	7.0	4.0	7.4	7.8	9.0
Commercial banks	57.8	88.0	82.0	51.0	75.0
Total banking	64.8	92.0	89.4	58.8	84.0
Business:					
Nonfinancial corporations	7.2	6.6	8.5	2.2	4.0
Finance companies	5.8	12.2	6.8	1.1	2.0
Security brokers and dealers	3.7	−1.7	−1.3	−.7	2.0
Nonfarm noncorporation business	.6	1.2	1.0	1.4	1.1
Total business	17.3	18.3	15.0	4.0	9.1
Government:					
Federal Government	1.9	2.3	3.7	15.6	12.3
Federal agencies	7.5	12.1	21.2	19.1	15.8
State and local governments	1.7	.3	1.8	6.1	1.5
Total Government	11.1	14.7	26.7	40.8	29.6
Foreign	18.1	13.3	2.5	16.8	17.4
Households (residual)	−1.1	8.8	23.4	2.8	3.2
Total funds supplied	190.7	235.3	224.3	190.2	229.0

Mr. JAVITS. Mr. President, just by way of summation, one conference that I participated in at the White House not too long ago on the economy ended up by the President going around the table to get, as he generally does, a summary of the various views. I was among those who had the good fortune and honor to be present.

It is never good taste, though in this case it happens to be very illustrative, but I would like to quote myself because my summation was in two words. I said to the President, "Be bold."

That is really what this is all about. Be bold. We have a $1¼ trillion economy. We owe less public debt in relationship to that economy than in our history. The ratio of debt to GNP is better than it was before.

Any businessman knows that it is not what you owe that counts; it is what you have, your cash flow, what you are earning.

Therefore, at a time of difficulty when our cash flow has fallen off, we can retrench and pull back and cause more unemployment, more distress, more failed businesses, or we can be bold.

I can never forget, Mr. President, a lesson in life taught to me in foreign policy by Winston Churchill. In 1940, in Britain's darkest hour, when Hitler had his barges all set on the other side of the channel, Churchill had two armored divisions. He sent one to North Africa at that time.

Mr. President, that was probably as bold an act as any government leader is capable of performing. He did it.

It seems to me that that is really what we are facing in this budget debate. I agree with Senator BUCKLEY. It is very refreshing that at long last we should get down to the nuts and bolts of economics. Whether he is right or I am right only God will tell. But the idea of disclosing the fundamental thrust of policy and the premises upon which it is based in an open debate with a Senate vote is tremendously healthy. That is what we are doing now.

So I believe, Mr. President, that as when the President went for the tax cut and signed the bill which he did not agree with, because he wanted to say to the country, "Look, this is the way we have to go; I do not like this bill, but it is the way we have to go," it was the same spirit without being improvident which animated the Budget Committee.

I was on the Budget Committee but I had to get off because of the limitations on what premier committees one could belong to.

I am very proud that Senator MUSKIE and Senator BELLMON are in the Chamber at the moment. I believe they have really sailed through Scylla and Charybdis in a very admirable way.

Mr. President, I have given some of the evidence on which I base my representation, and, like Senator BUCKLEY, I do represent a State which has large financial institutions. I might say the sentiment in the street, if it is any use to Members, is there is no great fear that we will break the back of the capital market by the Federal debt which has to be incurred in this situation.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. JAVITS. Will the Senator yield 2 additional minutes?

Mr. MUSKIE. I yield 2 additional minutes.

Mr. JAVITS. What I have seen is the fact that we would not understand that when you get into a jam like this you have to invest and you have to take some risks.

I think the Budget Committee has given us the budget which takes minimal risks—which takes risks but minimal risks—but which should not be invalidated by the idea that we cannot raise the money or we will cause new inflation or a dearth of capital.

I said in my own statement that for the long run, no. For the long run, we would have to produce more capital than we have. But for the short run, I do not believe that this is a reason for knocking down the proposal brought to us by the Budget Committee.

Mr. BUCKLEY. Will the Senator yield for a question or two, Mr. President?

Mr. JAVITS. Of course.

Mr. BUCKLEY. My distinguished colleague refers to testimony given by Mr. Brimmer, stating that the capital demands were going down in 1975. Is that correct?

Mr. JAVITS. Yes.

Mr. BUCKLEY. Did he testify as to 1976?

Mr. JAVITS. No, he testified as to 1975, when the greater part of borrowing for fiscal year 1976 will take place. His testimony was that he estimated a drop of 27 million net business claims on the capital market from the 1973 market. That is what I said. By the way, the excerpts are here.

Mr. BROCK. I wonder if the Senator will again yield, if I may interject. The Senator is aware that Mr. Brimmer is one of the authors or supporters of a plan to allocate credit which implies a presumption on his part that credit will be short.

Mr. JAVITS. I do not think it implies that presumption. I was of that school at one time myself. What it does imply is the fact that what you want is to pinpoint massing at a given point, which is the military doctrine of great advantage, a massive capital for a particular breakthrough, in this case housing. I do not see that that invalidates the theory that we have been discussing.

Sure, he is an advocate of that theory, and I was, as I say, at a given time. But I do not think that that concedes that there is a dearth of capital for this purpose, that is, Government lending in order to meet this budget.

Mr. BUCKLEY. Mr. President, I believe we all agree that in this year we do not have the problem of overcrowding but we are talking about a budget for the following fiscal year.

Mr. JAVITS. I remind the Senator that fiscal year 1975 means half of this year and that the heavy Treasury borrowing will be this year.

Mr. BUCKLEY. Half of this year, at least.

Mr. JAVITS. It goes into half the year, exactly, for fiscal 1975, but the greater part of fiscal year 1976 borrowing will also be this year.

Mr. BUCKLEY. Does the Senator know Henry Kaufman of Salomon Brothers?

Mr. JAVITS. Yes. I have great respect for him.

Mr. BUCKLEY. Mr. President, Mr. Kaufman is one of those who share our concern over the crowding out factor. One of the problems of economists is that economy is not an exact art, as we all know.

Among those who have expressed precisely the same concerns expressed by my cosponsors and myself are Allen Meltzer, Chairman of the Shadow Open Market Commission; Karl Brunner, of the University of Rochester; Berglo Sprinkle, of the Harris Trust Co.; and Lief Olson, of the First National City Bank.

Notwithstanding the input we have received from my distinguished senior colleague, I believe that these concerns over the effect of this huge deficit are real.

The PRESIDING OFFICER. The Chair inquires whether this colloquy is on the time of the junior Senator from New York or the senior Senator from New York.

Mr. JAVITS. I had only 2 minutes. I could not spend any more.

The PRESIDING OFFICER. The Senator's 2 minutes had expired. That is why the Chair wonders whose time is being used at present.

Mr. JAVITS. I thank my colleague.

Mr. BUCKLEY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The junior Senator from New York has 26 minutes remaining.

Mr. BUCKLEY. Mr. President, I yield to the Senator from Tennessee such time as he requires.

Mr. BROCK. Mr. President, I ask for 5 minutes, just so that I have some measurement of how I am progressing.

First, I would like to express my gratitude to the committee for taking on this tough job, a job with which I can sympathize, having worked a long time to author, with the Senator from Maine, the proposed legislation. Also, I would like to express my appreciation in that they have put together a first approximation to this complex endeavor in a very short period of time. The need to staff it up and to come up with a bill of this magnitude and complexity is an enormous job, and they deserve our appreciation.

I have some problems with it, because, as the Senator from Maine pointed out, it is almost impossible to arrive at a total without adding up the component parts. I understand that.

The reason why I became interested in a rational budget process is that, in the past, Congress never has totaled component parts of the budget until the end of the year, when we had already spent all the component parts. What we are trying to do with this budget is to force the Membership of the House and Senate to debate the priorities at the outset, before we begin spending.

The first concurrent resolution was designed to afford us a device in which we could place all our resources, all our revenues, all our expenditures, and the net surplus or deficit in some economic context which would apply to the given fiscal situation in the economy.

The problem with that is I think we have chosen now to present to Congress, for its approval, an excessive response to that explicit economic situation. I understand how hard it is to cut programs, but I suggest that there is no need to cut any program. Some of them will deserve cuts, but there is no need to cut any program at all from the current levels. As a matter of fact, if we wish to do so, we can calculate very quickly the 1975 line item expenditures through the whole budget, at a 5-percent increment, which is greater than the rate of inflation in the past month, and we still come to less than we have in this $340 billion figure—less, not more. That is a 5-percent increase across the board in every line item of every piece in every part of the budget. So nobody has suggested a cut.

What this Senator is suggesting is that we are in a supermarket debate instead of an economic debate. The criticism that the Senator from Oklahoma leveled against the Senator from New York and his approach was on whether or not this figure was right or that figure was right. That is not the purpose of this first concurrent resolution. The purpose of this first concurrent resolution is for us to set objectives for Congress to try to live within as we go through the authorizing and appropriation process between now and September, at which point we reach a final determination and reconcile the figures in the context of the economy as it exists at that time. We can adjust those figures. Nothing in the world inhibits us from making those adjustments. But the point is that we are trying rationally to determine right now, as best we can, not only the quantity of Federal spending, the quantity of Federal revenues, but also the quality thereof and the effect thereof in sum total upon the deeply beseiged and beset 220 million American people.

Let me cite an example of what is happening to people in this country. We just passed a tax cut. It was a beautiful program. We are really going to take care of everybody in the United States. The average family of four receives $200.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. BUCKLEY. Mr. President, I yield the Senator such additional time as he requires.

Mr. BROCK. Three minutes.

There is a $200 tax cut to the average family. It sounds good. Boy, we are really doing something for them. Here is Congress, responding quickly, right to the point, stimulating the economy, putting money back into the hands of the American people. Nobody took the trouble to tell them what it was going to cost. I will relate what it is going to cost.

This year, if we meet the Budget Committee's deficit projection, if we create $69 billion in new debts, at today's money rate, the average family in this country is going to pay $120 next year, the following year, and the year after that, as long as they live in this country, to pay the interest on the new debt that is being created by this Congress in their name.

Talk about bankers ripping off the American people with a high interest rate, what do you think 60 percent is? That is exactly what the pro rata share is of the new debt that is being created in the name of the American people, in order to afford them all the blessings of this Government.

We can argue about displacement of capital. I have heard the testimony of the Joint Economic Committee before the Budget Committee, and I can accept some of the sophisticated economic arguments that say we can accommodate a pretty sizable deficit by a beautiful combination of borrowing from the American people to the extent that we can, without raising interest rates, and borrowing the rest from the Federal Reserve, but not enough to create an inflationary pressure. I would like very much to live in that perfect world, but I do not. I have to make an assumption, if I accept those statements, and that assumption is that the American people are not going to decide that the recession is over and start buying again; because the minute they do, they are going to find out that in order to get money to buy a refrigerator, much less a car or a house, they have to compete with their own Government. That is tough competition; because, when the Federal Government borrows money, it goes to the front of the line. People cannot buy a refrigerator or a house, because we have preempted that segment of the money market, because we assumed they were not going to buy. We want to stimulate, but we do not want the American people to buy. What are they going to say then?

What happened? What happened to our ability to work our way out of this recession we have? What happened to our ability to rebuild our inventories, to restock our shelves? What happened to our ability to start producing things again, to make investments in technology, machinery, equipment, plant? What happened?

At that time, Government can only respond, "Well, gee, we are sorry, but we decided it was better for the public sector to make investments than for the American people to have that privilege." That is the danger that we have in this kind of a deficit.

I am not suggesting—I cannot speak for any other Senator, but I am not suggesting that we cut anything out of any Federal programs. I can name some which I would like to. I am saying we can hold every Federal program at current levels, add 5 percent on top of it, at least, and where we have a commitment on the part of the Government to the American people, as we do in social security, for the cost-of-living increase that cumulates back over the last several months, meet that commitment, still hold his budget to $340 billion in gross spending. If the Senators do not believe me, I will show them the figures. They are right here.

If we do that, then we can offer the American people the opportunity to recover from being besieged by their own Government. I do not see that we have any choice other than to pass this alternative budget and make ourselves, for once, live with it like the American people are having to live with their family budget every day of every week of every month of the year.

Nobody around here seems to want to tighten up. They always tell the American people, "You tighten up." Well, it is about time we met some responsibility for a change. Until we do, I do not think we deserve the commendations of the American people for being concerned, because we have not met the responsibility that goes with the authority that has been handed to us by our constituents.

The PRESIDING OFFICER. Who yields time?

Mr. PACKWOOD. I am going to take it on the bill, if I may.

The PRESIDING OFFICER. Who yields time to the Senator from Oregon?

Mr. MUSKIE. Would the Senator like time on the bill?

Mr. PACKWOOD. If that is all right.

Mr. MUSKIE. How much time would the Senator like?

Mr. PACKWOOD. About 5 or 10 minutes.

Mr. MUSKIE. I am happy to yield 5 minutes.

Mr. PACKWOOD. Mr. President, I congratulate the Senator from Maine (Mr. MUSKIE) on the effort he has given to bringing forth this budget bill from the inception, and for his willingness to leave a very prestigious committee, the Committee on Foreign Relations, to take on the chairmanship of this committee. But I am constrained to disagree with him about the total budget and the total deficit that the Committee on the Budget has come forth with. I shall support the motion and the amendment of Senator McCLURE and Senator BUCKLEY. I shall tell the Senate why.

I sit on both the Committee on Banking and the Committee on Finance, and over the last 6 or 7 months, I have listened to different economists testify. They testified about total spending, testified about how much of a deficit we can float or absorb—use the word you choose. I have noticed that it has floated upward about $25 billion in the past 4 to 5 months. I find it has floated upward pretty much as the philosophical inclination of those who were testifying chose to finance pet projects of theirs.

Last October, last November, last December, it was generally conceded that we did not dare go beyond a $50 billion deficit for the next fiscal year. When the President came forth with his budget message projecting a $51.9 billion deficit for next year, it floated upwards in most other people's minds to $55 billion, to $60 billion. I now see consistent statements that we can absorb a $70 billion deficit next year.

I am afraid that when push comes to shove, this Congress will not have the nerve to vote "no" on a variety of specific items substantially in excess of the amounts suggested to be spent by the Budget Committee. I do not think the full fight and the meaningful fight is going to come over this resolution today, regardless of whether Senator BUCKLEY's and Senator McCLURE's amendment is adopted or the proposals as set forth by the committee are adopted, or whether the proposals by the Senator from Minnesota (Mr. MONDALE) are adopted. I think that next August or September, when somebody on this floor rises to add an additional $700 million or $800 million or $900 million or $1 billion or more to a specific appropriation, the Senate is likely to adopt it.

When I was in Oregon during the spring recess, every place I went—high schools, factories, service clubs—I consistently asked people to raise their hands and make a choice between the two: Which did they think was worse, both for them and for the country, what was the greatest fear they had—recession or inflation. By margins of anywhere from 30 to 1 to 50 to 1, the answer was inflation, and it did not matter to what group I was speaking.

Granted, I was not in the unemployment office. I was not talking to those who were unemployed. But I was talking to the 90 to 92 percent of the people who are still employed in this country.

It is understandable why those who are employed think that inflation is still the greatest problem that they face. So to attempt to corroborate the feelings I found when I was in Oregon personally, I mailed a questionnaire to several hundred thousand Oregon voters. I posed the question in somewhat the same fashion, but I gave them a third choice. What did they think was the worst problem facing them—unemployment, recession, or inflation? This went to all groups of voters, whether or not they were employed or unemployed. Inflation ranked substantially ahead of the other two items put together.

I shall tell the Senators what I think we are asking for, even under the relatively conservative estimates of Senator BUCKLEY. I think we are asking for unconscionable inflation in this country. I know there are economists who will testify otherwise. I think they honestly believe it. I have yet to find any two who agree. They can be from the same class, from the same university, having been taught by the same professor in graduate school. But I think we are looking forward, within a year to 18 months, to interest rates of 15 percent or inflation of 15 percent, or a combination of both. And really, the only variant will depend upon whether we choose to finance the deficit by borrowing in the private marketplace or simply by having the Federal Reserve Board print the money and buy the Treasury bonds.

To the extent that the Federal Reserve Board prints the money, we are going to have a rapid rate of inflation, perhaps with a slightly lower interest rate than 15 percent. To the extent that we choose to borrow in the private marketplace, the inflation may not be quite so bad. But the interest rates will be higher.

I wish to quote from several articles. The first is from Salomon Brothers in New York, well-known investment bankers, a publication entitled "Supply and Demand for Credit in 1975";

> The consquences of a U.S. budget deficit substantially greater than the nearly $50 billion estimated by us for calendar 1975 should be clearly recognized.

Let me add here, this was written late last year.

> Such a deficit could be reasonably financed only if the economic contraction this year is much greater than we expect. Otherwise, the budget deficit would either lead to a vicious struggle for funds between private borrowers and the Government, or the Federal Reserve would have to supply funds without regard to its long range responsibilities. In any event, a larger than expected deficit would threaten economic recovery, despite the best intentions of Government by crowding out medium to lower rated business borrowers, many of whom are already in peril, and mortgage borrowers as well, thus aborting recovery in housing activity.

Mr. President, I ask unanimous consent that a report published by Salomon Brothers, entitled "Supply and Demand for Credit in 1975," be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

TABLE 1.—SUMMARY OF SUPPLY AND DEMAND FOR CREDIT

[In billions of dollars]

	See table	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
		1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Net demand:									
Privately held mortgages	II	22.7	20.2	41.7	59.0	60.0	35.4	33.5	614.9
Corporate bonds	III	13.8	22.8	23.7	19.1	12.7	24.7	31.3	273.4
State and local securities	IV	7.1	14.7	21.3	12.5	14.5	15.5	15.0	208.3
Domestically held foreign bonds	V	1.0	.9	.9	1.0	1.0	2.2	3.1	18.8
Subtotal, long-term non-Federal		44.6	58.6	87.6	91.6	88.2	77.8	82.9	1,115.4
Business loans	IX	18.4	2.5	7.7	24.8	38.4	34.3	12.1	248.8
Consumer loans	IX	10.4	6.0	11.2	19.2	22.9	9.9	3.5	190.4
All other bank loans	IX	2.0	2.0	7.3	10.1	7.8	2.2	4.5	72.2
Open market paper	VIII	12.4	2.1	−.1	1.6	8.4	16.9	9.6	66.9
Subtotal, short-term private		43.2	12.6	26.1	55.7	77.5	63.3	29.7	578.3
Privately held treasury debt	VI	−5.8	5.7	18.9	15.1	−2.1	10.7	41.0	268.9
Privately held Federal agency debt	VII	8.1	9.0	2.8	9.2	21.5	20.0	9.7	101.8
Subtotal, Federal		2.3	14.7	21.7	24.3	19.4	30.7	50.7	370.7
Total, net demand for credit		90.1	85.9	135.4	171.6	185.1	171.8	163.3	2,064.4
Net supply: [1]									
Mutual savings banks	X	2.5	3.8	9.0	8.9	5.3	2.7	6.6	99.1
Savings and loan associations	X	10.1	11.9	30.5	37.4	29.3	23.3	26.5	285.6
Credit unions	X	1.5	1.5	2.6	3.1	2.9	3.2	3.5	26.4
Life insurance companies	X	4.4	4.7	7.2	8.8	9.6	10.9	12.5	194.9
Fire and casualty companies	X	1.6	3.8	3.7	3.8	3.5	3.7	2.9	44.9
Private noninsured pension funds	X	1.0	2.5	−1.8	−.5	2.1	5.4	5.0	43.0
State and local retirement funds	X	3.7	3.8	3.7	3.7	3.7	5.7	6.7	65.2
Open-end mutual funds	X	.9	.5	0	0	−.2	.9	−.2	7.9
Real estate investment trusts	X	.9	2.1	2.5	4.9	4.5	1.2	.2	16.2
Total, nonbank investing institutions		26.6	34.6	57.4	70.1	60.7	57.0	63.7	783.2
Commercial banks [2]	X	15.6	33.7	51.0	73.3	77.6	53.6	65.0	704.4
Finance companies	X	8.1	.7	4.2	10.7	10.2	4.9	1.4	89.8
Business corporations	XI	7.4	.8	5.2	1.3	5.4	8.0	5.7	76.6
State and local governments	XI	3.4	−.5	−1.5	4.1	4.5	2.4	−3.0	30.1
Foreigners	XI	−.9	10.3	26.4	9.1	2.0	7.0	10.5	71.7
Subtotal		60.2	79.6	142.7	168.6	160.4	132.9	143.3	1,755.8
Residual: Individuals and miscelleneous	XII	29.9	6.3	−7.3	3.0	24.7	38.9	20.0	308.6
Total, net supply of credit		90.1	85.9	135.4	171.6	185.1	171.8	163.3	2,064.4

[1] Excludes funds for equities, cash, and miscellaneous demands not tabulated above.

[2] Includes nonoperating holding and other bank related companies.

SUMMARY AND CONCLUSIONS

The summary table as well as the supporting tables present our current estimates for credit flows in 1975. The 1975 estimates do not show all of the *potential* transaction flows, but rather those we believe will be realized. They are, therefore, directly comparable with the realized flows shown for 1974 and earlier years. The following comments summarize our major conclusions and findings for both the 1974 and the prospective 1975 credit flows.

1974

Last year, an estimated $171.8 billion of net new credit demands were satisfied in the financial markets of the United States. The most burdensome rate of price inflation in decades simply overwhelmed a substantial real decline in economic activity, generating total credit needs equal to those of 1972 and not too far below those of 1973, a boom year. Indeed, total demands failed to exceed those of 1973 only because of a very restrictive stance on the part of the monetary authorities for the better part of the year.

The unprecedented nature of economic and financial conditions last year produced rather unusual and dramatic market phenomena, which are to a large extent reflected in the accompanying credit flow tables. The coupling of worsening domestic recession and unresponsive price trends against an international backdrop of oil aggravated payment deficits and business and institutional failures, produced uncertainty and caution among consumers, mounting problems for business and governmental borrowers and widespread re-appraisals of credit risk and investment strategy. Moreover, the persistence of a clearly unacceptable rate of inflation, left the burden of restraint with the Federal Reserve. Monetary restraint and huge short-term demands combined to produce record levels of interest rates and sharp reductions in new savings at thrift institutions.

Consumer uncertainty and caution, combined with the effects of disintermediation produced all and more of the decline in net satisfied demands from the record 1973 levels. Excluding direct Federal agency financing, net mortgage formation declined 41% or nearly $25 billion to $35.4 billion last year. And consumer lending plummeted 57% to a mere $9.9 billion net. Both mortgage and consumer loans were at their lowest levels since 1970. These two types of borrowing declined a total of $38 billion last year, more than offsetting big increases in business and governmental credit demands.

On the supply side, commercial bank credit expansion declined $24 billion from the 1973 record to $53.6 billion, accounting for more than all of the total decline in credit demands. Partly offsetting the bank credit slowdown was a record $38.9 billion of direct credit market investment by individuals and miscellaneous investors.

The external financing requirements of non-financial business corporations rose to a record $75.2 billion despite the economic slowdown (See Table IIIB). Physical investment requirements continued to rise: plant and equipment expenditures rose nearly 12% over 1973 levels, due mainly to price increases, and inventory accumulation approached 1973's steep rise. Moreover, net receivables rose in a most unusual contracyclical fashion, most probably reflecting the difficulties non-corporate customers experienced in meeting liabilities. Internal cash flow was virtually unchanged at $88.3 billion because the large aggregate increases in reported before tax profits reflected inventory valuation increases. Consequently, corporate cash needs to finance purely operational requirements rose $15.8 billion to a record $68.7 billion. Even though corporations added relatively little to financial assets, therefore, total external requirements rose above the 1973 record.

Because of the condition of the equity markets last year (See Table IIIC), corporations were unusually dependent upon debt markets. Net new stock financing declined to $3.2 billion, including preferreds, the lowest annual volume since 1968. Consequently, business corporations raised a record volume of short-term funds and issued record amounts of both taxable and tax-exempt (pollution control) bonds. The increase in corporate bank loans about matched 1973's record $31 billion, and issuance of open market paper rose dramatically to a record $4.8 billion. This unfortunately worsened the already unfavorable maturity structure of corporate debt. The ratio of bonds to short-term debt reached a record low of only a shade above 1 to 1 as the year ended. As Table IIIA shows, moreover, increasing emphasis on quality on the part of bond investors resulted in a dramatic increase last year in the volume of medium-term bond financing; there were months in which virtually no public utility offerings were long bonds.

The bond market financing of business corporations was supplemented by a large volume of commercial bank and bank holding company debentures. Moreover, as the summary table shows, foreign bond offerings, especially those of Canadian issuers, swelled to a record $2.2 billion net.

The record volume of paper financing of non-financial business corporations was similarly augmented by the very heavy use of paper financing on the part of both commercial banks and finance companies, although virtually all of the outstanding paper issued by real estate investment trusts was paid down last year (See Table VIII). Moreover, the volume of bankers' acceptances outstanding was doubled in a single year!

As noted above, Federal government market financing increased rapidly, especially towards year-end. Treasury debt financing, net of Federal Reserve System purchases, rose to $10.7 billion compared to a net retirement of $2.1 billion in 1973 (See Table VI). Virtually all of this financing was purchased directly by individual investors.

The precipitous decline in private mortgage financing last year compelled Federal housing agencies, moreover, to step up their support of this market. They acquired an estimated $14.9 billion of mortgages in the secondary market and Federal Home Loan Banks advanced almost $8 billion to savings and loan associations, financing an equivalent volume of their mortgage acquisitions. Despite this support and the now mammoth level of repayments on seasoned mortgages, housing starts plunged further last year to only 1.3 million units (See Table II).

The supply of market credit was decisively affected by two major developments last year. The first was the monetary authorities' determined return to restraint early in the year, with concomitant levels of disintermediation. The second was a wholesale revaluation of the credit worthiness and future prospects for American business enterprise.

Monetary restraint finally slowed credit growth last year. Bank credit expansion was actually negative at times, taking seasonals into account, and, for the year as a whole, was the smallest since 1971, despite a record increase in bank issuance of CDs and paper (See Table X, p. 23). Privately held demand deposits increased only $2.9 billion compared with $19.4 billion in 1972 and $14 billion in 1973 (when restraint was obviously less determined). With the notable exception of money center banks able to compete for short-term funds in the market place, monetary restraint cut much more deeply into loan accommodation than an already low level of security purchases.

The impact of monetary restraint was felt even more by thrift institutions than banks. Record open market rates throughout much of 1974 aggravated the shift away from these traditional venues of saving into more direct market activity. Mutual savings banks (See Table X), for example, recorded aggregate regular savings deposit gains of only $2.3 billion, less than half the amount of interest they credited to these accounts during the year, and even less than the savings gain in 1969. Savings and loan associations, moreover, did not do too much better on balance. Their savings inflows declined about 25% compared to 1973, but they compensated in part by obtaining massive advances from the Federal Home Loan Banks. Towards the end of the year, however, a major part of the fresh inflows of savings were applied to the replenishment of liquidity levels rather than new mortgage financing.

The widespread reappraisal of investment strategy by many hitherto equity oriented institutions produced sharp cutbacks in the volume of stock purchases in favor of fixed income investment (See table below). The most dramatic example of this kind of shift from stocks to bonds was that of private non-insured pension funds, who cut back their new net stock investment almost 60% and increased their net new bond investment over 200% last year. Moreover, market declines produced pension fund stock portfolio loses of nearly 25% in the aggregate. The changes in investment attitudes also forced real estate investment trusts into marked dependency upon commercial banks when open market sources of funds dried up.

NET ACQUISITIONS OF CORPORATE SECURITIES, BY TYPE, FOR VARIOUS KINDS OF INVESTOR GROUPS

[In billions of dollars]

	1969	1970	1971	1972	1973	[1]1974
Life insurance companies:						
Bonds	1.6	1.2	5.4	6.4	5.1	4.9
Stocks	1.7	2.0	3.7	3.7	3.5	2.0
Private pension funds:						
Bonds	.5	1.9	−.7	−.7	1.4	4.3
Stocks	4.5	4.6	8.9	7.3	5.3	2.2
State and local retirement funds:						
Bonds	3.2	3.7	3.9	4.3	3.5	5.5
Stocks	1.8	2.1	3.2	3.5	3.9	3.6

	1969	1970	1971	1972	1973	[1]1974
Other institutions and foreigners:						
Bonds	1.7	5.6	5.4	3.1	−1.9	2.5
Stocks	4.4	4.3	4.3	4.3	3.1	2.0
Individual (and miscellaneous) investors:						
Bonds	6.8	10.4	9.7	6.0	4.7	7.5
Stocks	−9.0	−5.3	−6.6	−5.8	−6.8	−6.6

[1] Estimated.

Continued gains in personal savings (despite the impact of inflation upon the cost of necessities) enabled individuals to acquire a substantial, but not record, amount of financial assets again last year. Even higher market rates of interest than in 1973 resulted in a further shift away from institutional forms of saving. Direct purchases of securities by our residual, "Individuals and Miscellaneous Investors" soared to a record $38.9 billion (See Table XII), with over half of this concentrated in new investments in Federal securities. Individuals also invested substantially in commercial paper and both the corporate and tax-exempt bond markets.

The unique character of credit flow developments last year can hardly be exaggerated. The high rate of short-term business borrowing, the slowdown in bank credit expansion and the substantial shift of individuals' funds from deposits into direct security purchases, for example, are typical of periods of booming business rather than one in which real economic activity declined 2%. They reflected the heavy burden of inflation upon market participants of all kinds, and deferred the urgent task of restoring the financial prerequisites of sustainable growth to 1975 and beyond.

1975

The forces generated by business contraction will profoundly shape credit flows this year. Nevertheless, as the events of 1974 demonstrated, it would be a serious error to envisage these forces as having merely cyclical dimensions or significance. While fiscal and monetary stimulation are typical responses to cyclical slowdowns, it is doubtful that the economy ever before entered the second year of recession with anything like the recent extraordinarily high rates of price inflation, or the degree of illiquidity evident in business concerns, commercial banks and a few other institutions. These unusual adverse factors will add severe and cyclically uncharacteristic burdens on financial markets. Moreover, there is no cyclical (or other) precedent to the international monetary instability and heavy payments drain imposed by the increased price of oil. Thus, a high degree of volatility and abnormal developments are likely to determine credit market flows this year.

Our credit flow estimates for 1975 are essential to finance the 5½ to 6% increase in GNP which we anticipate. That increase, reflecting an inflation rate of 8.5% or so and a further decline in real activity of about 2.5 to 3% (we foresee the recession lasting most of 1975, with perhaps a glimmer of recovery in the closing months), would bring the full year level to roughly $1,475 billion, in nominal dollars. Consumer uncertainty in the face of very high levels of unemployment, declining business spending and little hope of lifting housing activity above 1974 levels all cast a pall upon prospects for an immediate or vigorous recovery. Only Federal spending, among all the major economic factors, is likely to provide some upward thrust.

These developments will produce several unique credit flow features. First, while the magnitude of net new credit demands financed this year will slow from the previous year, it will still be enormous for a business recession, especially one this deep. Like last year, these demands will go well beyond cyclical proportion because of the high rate of inflation. We estimate a net increase in all credit market obligations of $163.3 billion or an 8% increase on top of the amount outstanding at the start of the year. Second, while better credit rated business corporations will gradually be able to improve their liability structure in contrast to 1974, by reducing short-term borrowings and stepping up long-term financing, lower rated firms will remain heavily dependent upon commercial banks because of very intense quality preferences in the open markets. Third, the huge budget deficit of the Federal Government will pose difficult challenges later on this year that could threaten the corporate balance sheet restructuring. Finally, while personal savings generation should improve this year due to the cautiousness of consumers, the threat of some disintermediation has not been entirely dissipated. Although they will save rather than spend a good portion of the early tax rebates or reductions, for example, part of these new savings will be invested directly in credit market obligations instead of being entirely channelled through intermediaries as was the case in most previous business recessions.

In the aggregate, the net credit demands of the private sector (consisting of long-term and short-term private demands, as shown in the summary table) will total an estimated $112.6 billion, down $28.5 billion from the previous year's total. At the same time however, the net market demands of the Federal government will rise to $50.7 billion, up $20 billion from 1974.

The most striking falloff in financing demands in the private sector should come from business firms. We estimate that the external financing demands of nonfinancial corporations will fall from $75.2 billion last year to $56.3 billion, largely because of reduced physical investment (See Table IIIB). As the following chart shows, purely operational needs will fall sharply, and a moderate increase in financial asset holdings will modify this decline very little as far as total financing needs are concerned.

Elements of corporate external financing needs

(Graph omitted.)

The decline in corporate demands will show up primarily in business loans, which will total $12.1 billion, down sharply from 1974 but still higher than in 1970 and 1971; this should help arrest, but not reverse, the deterioration in corporate liquidity profiled in the table below. There should also be a gradual slowing in the high rate of open market paper issuance. In contrast, the net issuance of corporate bonds is expected to total a record $31.3 billion, surpassing the 1974 record by $6.6 billion (See Table III). The drive to improve balance sheet positions will again be concentrated among manufacturers; commercial enterprises, however, will begin to fund short-term debt also. New public bond offerings will again dominate the corporate bond market despite some pickup in the volume of private placements. The increased investor requirements for safety of funds and the impact of reduced corporate profitability will produce an even larger issuance of medium-term bonds than last year's record. We also anticipate a moderate pickup in the net new issuance of common and preferred stocks to $4 billion this year from the depressed volume of $3.2 billion in 1974. While the need to issue equity is very great, these requirements will not be satisfied appreciably until there is some improvement in market conditions. In the meantime, the financial structure of some corporations may result in a number of bankruptcies and will, in time, accelerate cash mergers and acquisitions on terms very favorable to buyers.

The only other increase in long-term demands for credit this year will come from foreigners. Although still very small when compared with domestic debt issuance, their net issuance of bonds here should increase by nearly $1 billion to $3.1 billion, reflecting mainly the growing needs of Canadian issuers and, to a lesser extent, obligations of oil deficit nations acceptable to U.S. investors.

SOME MEASURES OF AGGREGATE CORPORATE LIQUIDITY IN THE POSTWAR PERIOD

[Cyclical year-end highs and lows, ratios of outstanding amounts]

	Bond debt to short-term debt		Liquid assets to short-term debt	
	High	Low	High	Low
1945–48	2.11	1.54	3.47	1.98
1949–53	2.09	1.63	2.41	1.85
1954–57	2.04	1.67	1.97	1.38
1958–60	1.93	1.70	1.45	1.19
1961–70	1.75	1.25	1.23	.63
1971–74	1.42	[1] 1.05	.69	[1] .56

[1] Estimated.

On the other hand, mortgage formation, while still the major factor in the long-term market, should again slow this year although not as precipitously as in 1974. Including reduced mortgage acquisitions by the Federal credit agencies, and $33.5 billion of net new mortgage formation by private investors, down $1.9 billion from 1974, the total will fall to $43.5 billion. The overall level of private housing starts is expected to fall just short of last year's depressed total, reflecting the large overhang of unsold homes, continued high real estate prices and buyer uncertainty stemming from very high levels of unemployment. Moreover, private institutions financing housing will probably prefer to improve their impaired liquidity before they seek to extend new mortgage commitments, and real estate investment trusts, a highly stimulative force in commercial construction financing just a few years ago, now have serious financial problems of their own.

The long-term bond issuance by state and local governments will also slow in 1975 but this will be nearly offset by a larger volume of short-term borrowings (See Table IV). As a consequence, total new state and local borrowings will vary little from last year. Among other factors affecting this market this year will be the continued investor preference for high quality, smaller purchases by fire and casualty companies and larger but still well below record purchases by commercial banks.

Fiscal stimulation means a huge increase in borrowings by the Federal government. We project a unified U.S. budget deficit approaching $50 billion in calendar 1975 as compared with a deficit of $10 billion last year. Our estimate includes the revenues generated by the just enacted new tariff on oil imports but no other energy tax, personal income tax rebates and tax reductions of $20 billion, a good increase in expenditures and shortfalls in revenues due to the economic contraction. As a result, the net market demands of the U.S. Treasury will total a postwar record of $41 billion, nearly $30 billion larger than last year and more than two times the financing absorbed by the market in 1971 when the Government also pushed to restimulate the economy. Partly alleviating this huge increase in Treasury debt will be an estimated $10.3 billion decline in the net offerings of Federal credit agencies, due in large measure to debt retirement by the Federal Home Loan Banks and smaller borrowing by the Federal National Mortgage Association.

Despite the fact that the slowing of private credit demands neatly offsets the enlarged borrowing requirements of the U.S. Treasury, the financing of the latter poses potential problems for the credit markets. For example, if, by chance, the inflation rate does not diminish significantly, private credit demands will remain high, intensifying the struggle for available funds. Moreover, a crucial element in our picture of how the deficit is to be financed with a minimum of friction is the over $20 billion of U.S. Governments we expect commercial banks to acquire (a postwar record and an estimated 30% increase in their holdings, as the chart below dramatically shows). This assumes a moderately large expansion in bank credit totaling $65 billion or 9%, of which only $30 billion will be allocated to finance loans compared to the $50 billion in 1974. Thus, the deficit financing would create problems if loan demand exceeds expectations.

Commercial bank security holdings, by type

(Graph omitted.)

We are also assuming that non-bank investing institutions will acquire a record $6.4 billion net of U.S. Governments. Nevertheless, even these generous assumptions leave a large volume of Governments to be absorbed by other investors, mainly individuals. In fact, even allowing for a substantial volume of reintermediation and an expansionary monetary policy, our overall residual, consisting of individuals and miscellaneous investors, still totals an estimated $20 billion. While this residual is only half as large as in 1974, it is nevertheless abnormally large for a business contraction (See the chart below). During the 1970 business recession, the residual financed only 7% of net credit market demands and in 1971, it was actually negative due to massive reintermediation.

Disposition of individuals' disposable financial savings

(Graph omitted.)

Considering the likely profile of economic and financial developments this year, the Federal Reserve will be faced with difficult problems of both a fundamental and tactical nature. It will have to supply a substantial volume of new reserves despite a still very high rate of inflation and strong inflationary expectations. To encourage the purchase of a substantial volume of Governments by the commercial banks, the authorities will have to keep the Federal funds rate very close to or below the bill rate to provide an arbitrage inducement. This should prove no problem as long as the economy is slowing down. As the economy levels out or picks up in the second half of the year, however, the resumption of private credit demands coupled with increased Treasury financing should pose some difficult choices for monetary policy. Keeping markets and especially the banks conducive to substantial Treasury financing may require more rapid injection of reserves than is consistent with the objective of longer run economic stability.

To some extent, these troubles could be minimized if foreigners sharply increased their purchases of American securities over the $10 billion estimated by us and if borrowing here by oil deficit nations subsides. The latter is unlikely unless oil prices decline or financing restrictions are imposed. The recycling problems are far from resolved and in fact have been substantially aggravated of late. For both political and market reasons, the oil producing nations receiving payments mainly in dollars have invested only a small part of their excess funds in American obligations. One of the consequences has been renewed dollar weaknesses, which poses an imponderable element in these credit flow estimates.

The consequences of a U.S. budget deficit substantially greater than the nearly $50 billion estimated by us for calendar 1975 should be clearly recognized. Such a deficit could be reasonably financed only if the economic contraction this year is much greater than we expect. Otherwise, the budget deficit would either lead to a vicious struggle for funds between private borrowers and the Government, or the Federal Reserve would have to supply funds without regard to its long range responsibilities. In any event, a larger than expected deficit would threaten economic recovery, despite the best intentions of Government, by crowding out medium to lower rated business borrowers, many of whom are already in peril, and mortgage borrowers as well, thus aborting recovery in housing activity.

Our credit flow projections suggest, by themselves, a few broad observations on interest rate prospects. The yield curve is likely to remain sharply positive for the near-term with short-term interest rates declining more than the highest rated long-term bonds. Some flattening of the yield curve is likely later on, as recovery begins. At that time, short-term interest rates could rise in response to increased economic demands, even though the Fed may not be actively slowing credit availability. In addition, considering that the weight of financing requirements will fall most heavily upon medium and lower rated borrowers, their illiquidity will persist for an unusually long period of time. The selectivity of investors, therefore, will maintain quality spreads in the bond market at relatively wide levels.

TECHNICAL NOTES ON TABLES

Table I summarizes all the chief factors of supply and demand for credit. The detailed supporting data for each of these chief factors, as well as other supplementary statistics, are shown in Tables II through XII on the following pages. In the summary (Table I), net credit demands are divided arbitrarily into three types: (1) long-term, which include privately held mortages, corporate bonds, municipal bonds and foreign bonds; (2) short-term private demands, and (3) privately held Treasury and Federal agency debt. The suppliers of these funds are broken down into: (1) non-bank investing institutions; (2) commercial banks; (3) finance companies, corporations, state and local governments as well as foreigners, and, finally

(4) the residual: "individuals and miscellaneous," which comprise all types of investors in these credit instruments that are not otherwise specified in these tables.

All of the summary figures are in terms of net demand or net supply, that is to say, the net annual increases in outstandings of the various types of debt, and the net annual increases in the holdings of the various investor groups. The much larger gross volumes of new financing are reported in some supporting tables, but not in the summary table.

In addition, on the extreme right-hand side of each table a boxed column shows estimates for amounts outstanding and holdings as of year-end 1974. These amounts are shown at book value except for corporate stock which is shown at market. Totals for various institutions holding stock are the sums of the market value of their stock holdings and the book value of all other assets.

The summary table excludes equities both on the supply side and the demand side. Table IIIC, however, carries supply and demand estimates for equities. Because net demand and supply data for corporate stock transactions provide an incomplete picture of stock activities and values, net transactions are reconciled with gross and with changes in market value for various kinds of investors at the bottom of this table.

The summary table also excludes such nonmarket credit items as business receivables. It further excludes, on both the demand and supply sides, private credit instruments bought and held by the Federal Government. Thus, for example, the mortgage estimate excludes net purchases of mortgages by Government agencies; these are reflected, however, in part of the increase in Federal agency debt. Similarly, the Treasury and Federal agency debt changes are net of purchases of Treasuries and agencies by the Federal Reserve, Federal trust funds and agencies.

Tables II through IX show each demand factor in detail with supporting data and the net purchases by each investor group of each specific form of credit. Tables X through XII, which analyze sources of funds, contain all of the ownership data from preceding tables rearranged according to investor groups, together with their other assets, so that the financial activities of each type of investor can be reviewed. Thus, these tables are intended to make sense primarily when seen as a whole.

We also want to express our appreciation to Jeffrey Cohn for his contributions to the preparation of these tables.

TABLE II.—REAL ESTATE MORTGAGES

[In billions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Outstanding:								
1–4 family nonfarm home mortgages	15.6	13.4	27.2	38.3	41.0	27.6	24.4	414.2
Multifamily mortgages	4.9	5.8	9.3	9.2	8.8	5.7	5.3	91.1
Commercial mortgages	5.4	5.5	10.0	15.3	16.2	12.8	8.8	136.7
Farm mortgages	1.9	1.7	1.6	2.6	3.9	4.2	5.0	43.5
Total	27.8	26.4	48.1	65.4	69.9	50.3	43.5	685.5
Less Federal agency holdings [1]	5.1	6.2	6.4	6.4	9.9	14.9	10.0	70.6
Privately held mortgages (see table I)	22.7	20.2	41.7	59.0	60.0	35.4	33.5	614.9
Private ownership:								
Mutual savings banks	2.5	2.0	4.1	5.5	5.7	2.3	3.3	75.1
Savings and loan associations	9.6	10.3	24.1	32.0	26.6	17.7	21.0	249.4
Credit unions	0	.1	0	.2	0	0	.1	1.0
Life insurance companies	2.1	2.3	1.1	1.5	4.2	4.9	3.0	86.1
Private noninsured pension funds	.1	.1	−.6	−.7	−.3	−.1	−.2	2.6
State and local retirement funds	.8	.7	.3	−.1	.7	.3	.1	8.2
Real estate investment trusts	.9	2.1	2.5	4.9	4.5	1.2	.2	16.2
Total, nonbank investing institutions	16.0	17.6	31.5	43.3	41.4	26.3	27.5	438.6
Commercial banks	5.0	2.6	9.2	16.8	19.8	11.2	10.2	130.3
Finance companies	.3	.1	1.1	4.1	1.4	−.1	−.2	12.4
Residual: Individuals and miscellaneous	1.4	−.1	−.1	−5.2	−2.6	−2.0	−4.0	33.6
Total, private ownership	22.7	20.2	41.7	59.0	60.0	35.4	33.5	614.9
Memo: Private housing starts (1,000 units):								
1–4 family	896	898	1,271	1,451	1,249	956	950	54,000
Multifamily	571	536	781	906	794	379	365	15,500
Total	1,467	1,434	2,052	2,357	2,043	1,334	1,315	[2] 69,500
Completions	1,399	1,418	1,706	1,972	2,014	1,685	1,525	

[1] Includes very small amount of State subsidies.

[2] Reflects substantial retirements of stock. Net additions to stock (excluding mobile homes) was probably on the order of 3,500,000 to 4,000,000 units in 1971–74.

TABLE IIA.—SUPPLY OF MORTGAGE FUNDS—BY TYPE OF MORTGAGE

[In billions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Ownership 1–4 family mortgages:								
Mutual savings banks	1.4	1.0	1.1	3.0	2.6	0.7	1.4	44.9
Savings and loan associations	7.7	7.3	17.6	24.7	21.0	14.5	17.5	202.6
Credit unions	0	.1	0	.2	0	0	.1	1.0
Life insurance companies	−1.1	−1.4	−2.0	−2.1	−.5	−1.0	−1.5	21.0
Private noninsured pension funds	0	0	0	0	0	0	0	0
State and local retirement funds	0	0	0	0	0	0	0	0
Real estate investment trusts	.1	.5	.7	1.4	1.3	.3	0	4.4
Total, nonbank investing institutions	8.1	7.5	17.4	27.2	24.4	14.5	17.5	273.9
Commercial banks	2.6	1.0	5.7	9.0	11.0	5.9	4.5	73.9
Finance companies	.3	.1	1.1	4.1	1.4	−.1	−.2	12.4
Individuals and miscellaneous	.7	.7	−2.3	−5.7	−1.1	−1.5	−2.9	9.7
Total, private ownership	11.7	9.3	21.9	34.6	35.7	18.8	18.9	369.9
Federal agencies [1]	3.9	4.1	5.3	3.7	5.3	8.8	5.5	44.3
Total outstanding	15.6	13.4	27.2	38.3	41.0	27.6	24.4	414.2

[1] Includes very small amount of State subsidies.

TABLE IIA.—SUPPLY OF MORTGAGE FUNDS—BY TYPE OF MORTGAGE—Continued

[In billions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Ownership other mortgages:								
Mutual savings banks	1.1	1.0	3.0	2.5	3.1	1.6	1.9	30.2
Savings and loan associations	1.9	3.0	6.5	7.3	5.6	3.2	3.5	46.8
Life insurance companies	3.2	3.7	3.1	3.6	4.7	5.9	4.5	65.1
Private noninsured pension funds	.1	.1	−.6	−.7	−.3	−.1	−.2	2.6
State and local retirement funds	.8	.7	.3	−.1	.7	.3	.1	8.2
Real estate investment trusts	.8	1.6	1.8	3.5	3.2	.9	.2	11.8
Total, nonbank investing institutions	7.9	10.1	14.1	16.1	17.0	11.8	10.0	164.7
Commercial banks	2.4	1.6	3.5	7.8	8.8	5.3	5.7	56.4
Individuals and miscellaneous	.7	.8	2.2	.5	−1.5	−.5	−1.1	23.9
Total, private ownership	11.0	10.9	19.8	24.4	24.3	16.6	14.6	245.0
Federal agencies	1.2	2.1	1.1	2.7	4.6	6.1	4.5	26.3
Total outstanding	12.2	13.0	20.9	27.1	28.9	22.7	19.1	271.3

TABLE III.—CORPORATE BONDS

[In billions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Gross new cash issues by industry:								
Public utilities	5.2	8.0	7.6	6.2	5.4	8.6	9.0	
Communication	1.9	5.0	4.2	3.7	3.5	3.7	3.6	
Railroads	.3	.7	.7	.6	.4	.6	.9	
Other transportation	1.6	1.3	1.3	1.9	1.6	1.3	1.1	
Manufacturing	4.2	9.2	9.3	4.4	3.9	9.3	14.8	
Mining	.3	.1	.2	.8	.2	.3	1.0	
Financial and real estate	2.6	3.5	6.5	7.9	5.0	5.6	6.5	
Commercial and miscellaneous	1.4	1.5	2.0	1.5	1.2	.9	3.0	
Total	17.5	29.3	31.8	27.0	21.2	30.3	39.9	
Less maturities and cash retirements	4.5	5.8	6.3	6.2	7.2	5.5	8.5	
Plus (merger) exchanges for stock	2.0	.2	.1	.1	.3	.1	0	
Less conversions into stock	1.2	.9	1.9	1.8	1.6	.2	.1	
Net issuance (see table I)	13.8	22.8	23.7	19.1	12.7	24.7	31.3	273.4
Ownership:								
Mutual savings banks	.3	1.2	2.9	2.1	−1.4	.8	2.2	13.9
Life insurance companies	1.6	1.2	5.4	6.4	5.1	4.9	7.2	88.4
Fire and casualty companies	.8	2.2	.3	−.7	−.1	.2	1.6	7.8
Private noninsured pension funds	.5	1.9	−.7	−.7	1.4	4.3	3.4	31.8
State and local retirement funds	3.2	3.7	3.9	4.3	3.5	5.5	5.7	48.8
Open-end mutual funds	.2	.7	.6	.2	−.9	−.5	−1.2	3.7
Total, nonbank investing institutions	6.6	10.9	12.4	11.6	7.6	15.2	18.9	194.4
Commercial banks	−.1	.8	1.3	1.4	.4	.6	1.5	6.4
Foreigners	.5	.7	.3	.1	.1	1.4	1.5	3.8
Residual: Individuals and miscellaneous	6.8	10.4	9.7	6.0	4.6	7.5	9.4	68.8
Total ownership	13.8	22.8	23.7	19.1	12.7	24.7	31.3	273.4
Memo: Sector analysis:								
Nonfinancial corporations (see table IIIB)	12.1	20.2	18.7	12.6	9.2	20.4	27.0	227.9
Real estate investment trusts	.1	.5	.4	.4	.6	.1	−.1	2.0
Nonbank financial corporations	1.8	2.0	3.7	5.0	2.9	3.1	3.0	38.3
Commercial banks	−.2	.1	.9	1.1	0	1.1	1.4	5.2
Total, net change outstanding	13.8	22.8	23.7	19.1	12.7	24.7	31.3	273.4

TABLE IIIA.—CORPORATE BONDS—BY TYPE OF ISSUE

[In millions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Straight public debt:								
Cash offerings:								
Public utilities	4.7	7.5	6.6	5.3	4.7	8.0	8.6	
Communication	1.7	4.8	4.0	2.8	3.2	3.4	3.3	
Railroads	.3	.6	.7	.5	.4	.6	.9	
Other transportation	.1	.4	.3	.3	.1	1.0	.8	
Manufacturing	1.7	6.7	5.6	1.9	1.1	6.5	11.0	
Mining	0	0	.1	.1	0	0	.4	
Financial and real estate	.9	2.1	3.6	4.6	2.4	4.6	4.6	
Commercial and miscellaneous	.1	1.0	.4	.2	.4	.3	1.5	
Total, cash offerings [1]	9.5	23.1	21.3	15.7	12.3	24.4	31.1	
Less cash retirements	1.4	2.0	2.4	2.4	1.6	2.4	4.4	

Footnotes at end of table.

TABLE IIIA.—CORPORATE BONDS—BY TYPE OF ISSUE—Continued

[In millions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Straight public debt—Continued								
Net issuance public straight debt	8.1	21.1	18.9	13.3	10.7	22.0	26.7	175.7
Straight private debt: [2]								
Cash offerings:								
Public utilities	.5	.4	.9	.9	.7	.6	.4	
Communicatton	.1	.1	.2	.8	.3	.3	.3	
Railroads	0	.1	0	0	0	0	0	
Other transportation	1.1	.7	1.0	1.5	1.5	.3	.3	
Manufacturing	.9	1.4	2.4	1.9	2.7	2.6	3.6	
Mining	.1	.1	.1	.4	.2	.3	.6	
Financial and real estate	.9	.7	1.5	2.5	2.2	1.0	1.8	
Commercial and miscellaneous	.4	0	.8	1.0	.8	.4	1.3	
Total, cash offerings	4.0	3.5	6.9	9.0	8.4	5.5	8.3	
Less cash retirements	3.1	3.6	3.8	3.7	5.6	3.0	4.0	
Net issuance private straight debt	.9	.1	3.1	5.3	2.8	2.5	4.3	71.8
Convertible bonds:								
Cash offerings (mostly public):								
Public utilities	0	.1	.1	0	0	0	0	
Communication	.1	.1	0	.1	0	0	0	
Railroads	0	0	0	.1	0	0	0	
Other transportation	.4	.2	0	.1	0	0	0	
Manufacturing	1.6	1.1	1.3	.6	.1	.2	.2	
Mining	.2	0	0	.3	0	0	0	
Financial and real estate	.8	.7	1.4	.8	.4	0	.1	
Commercial and miscellaneous	.9	.5	.8	.3	0	.2	.2	
Total cash offerings	4.0	2.7	3.6	2.3	.5	.4	.5	
Plus (merger) exchanges for stock	2.0	.2	.1	.1	.3	.1	0	
Less conversions into stock	1.2	.9	1.9	1.8	1.6	.2	.1	
Less calls and other retirements	0	.2	.1	.1	0	.1	.1	
Net, issuance convertible debt	4.8	1.8	1.7	.5	−.8	.2	.3	25.9
Net, issuance all corporate bonds	13.8	22.8	23.7	19.1	12.7	24.7	31.3	273.4

[1] Includes medium-term offerings as follows:

1969	1.4
1970	4.9
1971	3.1
1972	3.8
1973	1.0
1974	7.7
1975	12.5

[2] Many private placements have some kind of equity feature.

TABLE IIIB.—SOURCES AND USES OF CORPORATE FUNDS [1]

[In billions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Uses of funds:								
Plant and equipment	74.0	75.1	77.1	87.1	103.3	115.3	115.0	
Land [2]	7.7	7.8	8.2	9.3	10.9	11.9	10.0	
Direct foreign investment	2.2	3.6	3.8	1.5	3.6	5.0	2.8	
Residential construction	2.9	3.3	5.0	5.7	5.3	4.0	1.5	
Inventories, adjusted for valuation	6.7	5.7	5.1	9.7	12.9	11.8	−1.5	
Total, physical investment	93.5	95.5	99.2	113.3	136.0	148.0	127.8	
Net trade and consumer credit	2.1	1.6	[3] 6.3	[3] 8.9	[3] 4.0	[3] 9.0	2.5	69.2
Demand deposits and currency	2.6	.9	.5	−.1	−.3	−1.5	1.0	38.0
Time deposits	−2.4	1.7	3.6	3.1	1.4	7.0	3.0	28.5
U.S. Governments	−2.8	.4	2.1	−3.2	−3.0	1.5	2.8	2.6
Federal agencies	.5	.1	.1	.7	1.2	0	0	4.3
Open market paper	7.3	−.1	−.3	1.5	3.7	4.2	2.0	29.9
State and local securities	1.5	−.8	2.1	−.4	.2	.8	1.2	6.4
Repurchase agreements	1.4	−3.4	.8	1.6	2.6	1.6	2.0	6.9
Foreign currencies	−.4	−.4	1.4	1.8	2.6	−.4	−1.7	6.3
Other financial assets (net)	−6.7	.6	1.5	7.9	7.4	−6.7	.2	
Total uses	96.6	96.1	117.4	135.1	155.8	163.5	140.8	
Sources of funds:								
Internal cash generation	58.0	56.5	69.9	78.3	87.1	88.3	84.5	
Mortgage debt	4.6	5.2	11.4	15.6	16.1	11.3	3.7	131.5
Bank long-term loans	4.7	−.5	−.5	2.8	12.0	12.7	3.5	73.5
Bank short-term loans	7.1	6.1	4.9	10.7	18.6	18.1	11.2	108.0
Finance company loans	4.3	.4	1.9	2.8	2.0	2.7	2.0	23.1
U.S. Government loans	.1	.3	.2	.2	.3	.1	1.0	2.3
Net sales of open market paper	2.3	2.2	−.6	.7	1.3	4.8	2.4	14.9
Net new stock issues	3.4	5.7	11.4	10.9	7.4	3.1	3.5	[4] 528.0
Net new tax-exempt bond issues	0	0	.1	.5	1.8	2.0	2.0	4.4
Net new taxable bond issues	12.1	20.2	18.7	12.6	9.2	20.4	27.0	227.9
Total external sources	38.6	39.6	47.5	56.8	68.7	75.2	56.3	
Total sources	96.6	96.1	117.4	135.1	155.8	163.5	140.8	

Footnote at end of table.

TABLE IIIB.—SOURCES AND USES OF CORPORATE FUNDS [1]—Continued

[In billions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Memoranda:								
Profits before taxes and IVA	67.9	55.7	63.1	76.0	95.2	120.0	74.0	
Plus inventory valuation adj	−5.1	−4.8	−4.9	−7.0	−17.6	−43.0	−13.0	
Plus repatriated foreign profits	2.5	2.3	2.0	2.1	3.7	11.2	5.0	
Less Federal tax payments	36.4	30.3	27.8	33.7	38.1	41.8	34.0	
Less dividends	20.7	20.0	20.2	22.1	23.6	30.6	26.0	
Plus depreciation	49.8	53.6	57.7	63.0	67.5	72.5	78.5	
Internal cash generation	58.0	56.5	69.9	78.3	87.1	88.3	84.5	
Physical investment	93.5	95.5	99.2	113.3	136.0	148.0	127.8	
Plus net trade and consumer credit	2.1	1.6	[3]6.4	[3]8.9	[3]4.0	[3]9.0	2.5	
Less internal cash generation	58.0	56.5	69.9	78.3	87.1	88.3	84.5	
Equals operational requirements	37.6	40.6	35.7	43.9	52.9	68.7	45.8	
Plus requirements for financial assets	1.0	−1.0	11.8	12.9	15.8	6.5	10.5	
Equals extension of financial requirements	38.6	39.6	47.5	56.8	68.7	75.2	56.3	

[1] Excludes banks, other financial institutions, REIT's and farm corporations.

[2] Our estimate.

[3] FOF figures increased $4,000,000,000 and $1,000,000,000 for 1971 and 1972 to reflect assumed payment of current liabilities to foreigners, and decreased $1,000,000,000 and $2,500,000,000 for 1973 and 1974 to reflect gradual buildup of liabilities.

[4] At market.

TABLE IIIC.—CORPORATE STOCK ISSUES (COMMON AND PREFERRED)

[In billions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Gross new cash offerings:								
Public utilities	1.1	2.4	4.1	5.0	4.4	2.3	1.8	
Communications	.2	.1	1.6	1.1	1.3	.2	1.4	
Railroads	0	0	0	0	0	0	0	
Other transportation	.2	0	.4	.2	0	0	0	
Manufacturing	1.6	1.4	1.8	1.8	.6	.5	.3	
Mining	1.2	1.5	.9	1.3	.7	.6	.5	
Financial and real estate	1.4	1.4	2.0	2.1	1.0	.4	.3	
Commercial and miscellaneous	1.5	.8	1.2	1.6	.3	.1	.1	
Total cash offerings	7.2	7.6	12.0	13.1	8.3	4.1	4.4	
Plus stock options and all other sales	.9	.8	1.2	.4	2.1	.9	.3	
Less cash retirements	2.9	2.2	1.5	2.2	2.7	1.9	1.0	
Plus conversion of bonds	1.2	.8	1.9	1.8	1.6	.2	.1	
Less (merger) exchanges into bonds	2.1	.2	.1	.1	.3	.1	0	
Net issuance	4.3	6.8	13.5	13.0	9.0	3.2	3.8	636.0
Ownership:								
Mutual savings banks	.3	.3	.5	.6	.4	.2	.4	3.6
Life insurance companies	1.7	2.0	3.7	3.7	3.5	2.0	2.2	24.0
Fire and casualty companies	.8	1.2	2.6	3.2	2.2	1.2	1.5	16.0
Private noninsured pension funds	5.4	4.6	8.9	7.3	5.3	2.2	3.2	69.9
State and local retirement funds	1.8	2.1	3.2	3.5	3.9	3.6	3.6	17.3
Open-end mutual funds	1.7	1.2	.4	−1.8	−2.3	0	.5	28.1
Total nonbank investing institutions	11.7	11.4	19.3	16.5	13.0	9.2	11.4	158.9
Foreigners	1.6	.7	.8	2.3	2.8	.6	.8	18.7
Residual: individuals and miscellaneous	−9.0	−5.3	−6.6	−5.8	−6.8	−6.6	−8.4	458.4
Total ownership	4.3	6.8	13.5	13.0	9.0	3.2	3.8	636.0

	Changes in market value of holdings							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Institutions and foreigners:								
Market value at start of year	160.9	155.6	164.8	208.8	254.2	225.1	177.6	
Plus gross purchases	61.5	51.5	71.2	80.7	69.6	53.0	53.2	
Less gross sales	48.2	39.4	51.1	61.9	54.1	43.2	41.0	
Plus appreciation	−18.6	−2.9	23.9	26.6	−44.9	−57.3		
Equals market value at end of year	155.6	164.8	208.8	254.2	225.1	177.6		
Individuals:								
Market value at start of year	814.0	705.8	690.0	795.9	914.3	687.8	458.4	
Plus gross purchases	137.4	99.4	139.8	166.4	140.9	84.2	65.6	
Less gross sales	146.4	104.7	146.4	172.2	147.7	90.8	74.0	
Plus appreciation	−99.2	−10.5	112.5	124.2	−219.7	−222.8		
Equals market value at end of year	705.8	690.0	795.9	914.3	687.8	458.4		
All holders:								
Market value at start of year	974.9	861.4	854.8	1,004.7	1,168.5	912.9	636.0	
Plus gross purchases	198.9	150.9	211.0	247.1	210.8	137.2	118.8	
Less gross sales	194.6	144.1	197.5	234.1	201.8	134.0	115.0	
Plus appreciation	−117.8	−13.4	136.4	150.8	−264.6	−280.1		
Equals market value at end of year	861.4	854.8	1,004.7	1,168.5	912.9	636.0		

[1] At market.

TABLE IV.—STATE AND LOCAL SECURITIES

[In billions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Gross new bond issues	11.5	17.8	24.4	22.9	23.0	22.6	20.0	
Refundings	0	.1	[1].2	[1].3	[1].3	[1].2	.4	
Maturities (estimated)	6.7	7.1	8.0	8.6	8.8	9.1	9.4	
Net sinking fund purchases (estimated)	.2	.2	.2	.2	.2	.2	.2	
Net increase in bonds	4.6	10.4	16.0	13.8	13.7	13.1	10.0	188.1
Gross new note issues	11.8	17.9	26.3	25.2	24.7	28.8	35.0	
Maturities (estimated)	9.3	13.6	21.0	26.5	23.9	26.4	30.0	
Net increase in notes	2.5	4.3	5.3	−1.3	.8	2.4	5.0	20.2
Total net increase (see table I)	7.1	14.7	21.3	12.5	14.5	15.5	15.0	208.3
Ownership:								
Mutual savings banks	0	0	.2	.5	0	−.1	.2	.8
Life insurance companies	.1	.1	.1	0	.1	.2	.3	3.6
Fire and casualty companies	1.1	1.5	3.4	4.4	3.6	3.6	.8	31.8
State and local retirement funds	−.1	−.3	−.1	−.2	−.4	−.5	−.3	.8
Total nonbank investing institutions	1.1	1.3	3.6	4.7	3.3	3.2	1.0	37.0
Commercial banks	.2	10.5	12.8	7.1	3.9	4.0	7.5	99.1
Business corporations	1.5	−.8	2.1	−.4	.2	.8	1.2	6.4
Residual: Individuals and miscellaneous	4.3	3.7	2.8	1.1	7.1	7.5	5.3	65.8
Total ownership	7.1	14.7	21.3	12.5	14.5	15.5	15.0	208.3

[1] Omits $300,000,000, $1,100,000,000, $900,000,000, and $400,000,000 of advance refundings for 1971, 1972, 1973, and 1974, respectively.

TABLE V.—FOREIGN BONDS

[In billions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Domestically held	1.0	0.9	0.9	1.0	1.0	2.2	3.1	18.8
Ownership:								
Life insurance companies	.2	.3	.1	.6	.3	.6	.8	9.0
Fire and casualty companies	0	.1	0	0	0	0	.1	.3
Private noninsured pension funds	.1	.2	0	−.1	.2	.4	.4	2.7
State and local retirement funds	.2	.3	.3	.3	.3	.5	.6	3.7
Total nonbank investing institutions	.5	.9	.4	.8	.8	1.5	1.9	15.7
Residual: Individuals and miscellaneous	.5	0	.5	.2	.2	.7	1.2	3.1
Total ownership	1.0	.9	.9	1.0	1.0	2.2	3.1	18.8

TABLE VI.—U.S. TREASURY DEBT

[In billions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Outstanding:								
Treasury debt	10.2	20.8	35.0	[1] 20.7	20.6	[2] 23.4	[2] 62.0	493.4
Less Holdings of:								
U.S. trust funds	12.5	8.1	9.1	[1] 6.2	12.7	11.5	10.0	140.8
Federal agencies	−.7	2.0	−1.1	−.3	1.4	−3.1	1.0	.9
Federal Reserve banks	4.2	5.0	8.1	−.3	8.6	4.3	10.0	82.8
Privately held (see table I)	−5.8	5.7	18.9	15.1	−2.1	10.7	41.0	268.9
Ownership:								
Mutual savings banks	−.6	−.1	.1	.2	−.5	−.6	.4	2.4
Savings and loan associations	−1.0	−.4	1.4	.9	0	2.3	3.0	14.1
Credit unions	−.1	.3	.3	.4	.2	.1	.7	1.5
Life insurance companies	−.3	−.1	−.2	0	−.3	−.2	.4	3.3
Fire and casualty companies	−.4	−.1	.2	0	0	−.2	.3	4.4
Private noninsured pension funds	0	−.1	0	.9	.1	0	1.0	3.2
State and local retirement funds	−.8	−.6	−.2	−.5	−.8	−.5	.4	1.3
Open-end mutual funds	−.5	.2	−.3	.1	.5	−.2	.2	1.0
Total, nonbank investing institutions	−3.7	−.9	1.3	2.0	−.8	.7	6.4	31.2
Commercial banks	−9.8	7.0	3.2	2.1	−8.7	−3.9	20.6	54.4
Business corporations	−2.8	.4	2.1	−3.2	−3.0	1.5	2.8	2.6
State and local governments	2.6	0	−.1	2.8	1.8	.8	−.8	21.7
Foreigners	−1.8	9.1	26.3	8.4	.2	2.6	7.0	58.1
Residual: Individuals and miscellaneous	9.7	−9.9	−13.9	3.0	8.4	9.0	5.0	100.9
Total ownership	−5.8	5.7	18.9	15.1	−2.1	10.7	41.0	268.9

[1] In October 1972, gross Treasury debt outstanding and trust fund holdings were each increased $4,500,000,000 to reflect a nonrecurring accounting change. Accordingly we have reduced the net increases for 1972 in these two items by $4,500,000,000 each.

[2] Includes Federal Financing Bank issuance of $1,500,000,000 and an estimated $2,500,000,000 for 1974 and 1975, respectively.

TABLE VII.—FEDERAL AGENCY DEBT

[In billions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Outstanding:								
Federal land banks	0.6	0.5	0.7	1.0	1.9	2.6	3.0	12.7
Federal home loan banks	3.7	1.8	−3.0	−.2	8.4	6.5	−3.5	21.8
Federal intermediate credit banks	.6	.7	.7	.3	1.1	2.4	1.3	9.4
Banks for cooperatives	.1	.3	0	.1	.7	1.4	.9	4.1
FNMA	4.1	3.7	2.6	1.7	3.4	4.8	2.2	26.8
GNMA (including passthroughs)	0	1.8	2.9	3.2	3.7	4.4	3.3	15.9
Export-Import Bank	−.5	0	.3	1.3	.2	.4	.9	2.6
Farmers Home Administration	0	.9	.7	2.1	1.8	.2	.8	5.8
TVA	.2	.3	.4	.5	.4	0	.4	2.4
Postal Service	0	0	0	.3	0	0	0	.2
General Services Administration	0	0	0	.4	.2	.1	.3	.8
Washington Metropolitan Area Transit	0	0	0	.2	.4	.2	.2	.7
All other	0	0	0	0	.3	0	.3	.4
Subtotal	8.8	10.0	5.3	10.9	22.5	23.0	10.1	103.6
Certificates of participation [2]	−1.9	−1.4	−2.1	−1.2	−.6	−.3	−.1	4.5
Total	6.9	8.6	3.2	9.7	21.9	22.7	10.0	108.1
Less holdings of trust funds and Federal reserves	−1.2	−.4	.4	.5	.4	2.7	.3	6.3
Privately held (see table I)	8.1	9.0	2.8	9.2	21.5	20.0	9.7	101.8
Ownership:								
Mutual savings banks	.1	.4	1.4	.5	1.4	−.1	.2	4.2
Savings and loan associations	1.3	1.5	3.9	3.4	1.3	1.6	1.8	14.5
Credit unions	−.1	.1	.5	.4	0	.4	.3	1.6
Life insurance companies	0	.1	.1	.1	.1	.1	.1	1.0
Fire and casualty companies	.1	.1	−.2	.1	0	.1	.1	.6
Private noninsured pension funds	0	.3	−.3	.1	.5	.6	.3	1.8
State and local retirement funds	.1	0	−.2	−.1	.2	.1	.1	1.4
Total, nonbank investing institutions	1.5	2.5	5.2	4.5	3.5	2.8	2.9	25.1
Commercial banks	−.3	3.5	3.8	3.9	9.1	4.0	5.5	33.2
Business corporations	.5	.1	.1	.7	1.2	0	0	4.3
State and local governments	.4	−.1	−1.2	1.0	1.6	1.2	−1.7	6.3
Foreigners	−.6	0	0	.7	1.4	−.3	0	2.1
Residual: Individuals and miscellaneous	6.6	3.0	−5.1	−1.6	4.7	12.3	3.0	30.8
Total ownership	8.1	9.0	2.8	9.2	21.5	20.0	9.7	101.8

[1] Includes both "budgeted" and "sponsored" issuers.

[2] Includes obligations of GNMA, Export-Import Bank, and Commodity Credit Corporation.

TABLE VIII.—OPEN MARKET PAPER

[In billions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Outstanding:								
Dealer placed	4.6	0.9	−1.2	0.8	0.9	3.4	2.9	17.3
Directly placed	6.8	−.4	.3	1.8	5.5	4.6	1.2	31.8
Bankers acceptances	1.0	1.6	.8	−1.0	2.0	8.9	5.5	17.8
Total (see table I)	12.4	2.1	−.1	1.6	8.4	16.9	9.6	66.9
Ownership:								
Mutual savings banks	.1	.2	.2	−.2	−.1	.2	.2	.8
Savings and loan associations	0	.2	1.0	.9	1.2	1.5	.6	4.8
Life insurance companies	.7	.8	.6	.2	.1	.4	.7	3.5
Private noninsured pension funds	.3	.1	−.2	0	.2	.2	.1	.9
State and local retirement funds	.3	0	−.3	0	.2	.3	.1	1.0
Open-end mutual funds	1.2	−.4	−.3	−.3	.2	1.6	.8	3.2
Total nonbank investing institutions	2.6	.9	1.0	.6	1.8	4.2	2.5	14.2
Commercial banks	.5	2.0	.8	−.2	−.8	.9	3.5	7.4
Business corporations	7.3	−.1	−.3	1.5	3.7	4.2	2.0	29.9
State and local governments	.4	−.4	−.2	.3	1.1	.4	−.5	2.1
Foreigners	1.0	.5	−.2	−.1	.3	3.3	2.0	7.7
Residual: Individuals and miscellaneous	.6	−.8	−1.2	−.5	2.3	3.9	.1	5.6
Total ownership	12.4	2.1	−.1	1.6	8.4	16.9	9.6	66.9
Memo: Sector analysis of liabilities:								
Nonfinancial corporations	2.3	2.2	−.6	.7	1.3	4.8	2.4	14.9
Noncorporate business	.4	.4	.3	0	0	.5	−.3	2.2
Finance companies	5.2	.6	−.5	−1.3	2.0	3.5	1.0	27.3
Commercial banks	4.2	−1.9	−.4	.7	2.2	3.4	1.2	8.3
Real estate investment trusts	0	0	.8	2.5	.7	−3.3	−.5	.7
Foreigners	.3	.8	.3	−1.0	2.2	8.0	5.8	13.5
Total, net change	12.4	2.1	−.1	1.6	8.4	16.9	9.6	66.9

TABLE IX.—LOANS[1]

[In billions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Loans by type (see table I):								
Business loans	18.4	2.5	7.7	24.8	38.4	34.3	12.1	248.8
Consumer loans:								
Installment	9.4	4.9	9.2	16.1	20.1	9.4	3.7	156.9
Noninstallment	1.0	1.1	2.0	3.1	2.8	.5	−.2	33.5
Other bank loans	2.0	2.0	7.3	10.1	7.8	2.2	4.5	72.2
Total loans	30.8	10.5	26.2	54.1	69.1	46.4	20.1	511.4
Ownership:								
Mutual savings banks: Consumer loans	.1	.1	.1	.3	.2	.2	.1	1.9
Savings and loan associations: Consumer loans	.2	.3	.1	.2	.2	.2	.1	2.8
Credit unions: Consumer loans	1.7	1.0	1.8	2.1	2.7	2.7	2.4	22.3
Commercial banks:								
Business loans	13.4	2.4	5.9	22.0	35.5	31.1	10.7	216.6
Consumer loans	4.7	2.9	6.7	10.1	10.6	3.5	1.0	84.8
Other loans	2.0	2.0	7.3	10.1	7.8	2.2	4.5	72.2
Finance companies:								
Business loans	5.0	.1	1.8	2.8	2.9	3.2	1.4	32.2
Consumer loans	2.8	.5	1.3	3.8	5.9	1.8	.2	45.2
Business corporations: Consumer loans	.9	1.2	1.2	2.7	3.3	1.5	−.3	33.4
All lenders, total loans	30.8	10.5	26.2	54.1	69.1	46.4	20.1	511.4

[1] Excludes loans included elsewhere, such as mortgages and open market paper.

TABLE X.—INSTITUTIONAL SOURCES

[In billions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Mutual savings banks:								
U.S. governments	−0.6	−0.1	0.1	0.2	−0.5	−0.6	0.4	2.4
Federal agencies	.1	.4	1.4	.5	1.4	−.1	.2	4.2
Open market paper	.1	.2	.2	−.2	−.1	.2	.2	0.8
Corporate bonds	.3	1.2	2.9	2.1	−1.4	.8	2.2	13.9
Mortgages	2.5	2.0	4.1	5.5	5.7	2.3	3.3	75.1
State and local securities	0	0	.2	.5	0	−.1	.2	.8
Consumer loans	.1	.1	.1	.3	.2	.2	.1	1.9
Total credit (see table I)	2.5	3.8	9.0	8.9	5.3	2.7	6.6	99.1
Stocks	.3	.3	.5	.6	.4	.2	.4	[1] 3.6
Repurchase agreements	.2	.1	.2	.1	.7	.7	1.0	2.2
Cash and miscellaneous	.3	1.4	.9	1.3	−.4	−.9	0	3.8
Total assets	3.3	5.6	10.6	10.9	6.0	2.7	8.0	108.7
Regular savings deposits	2.5	4.5	9.6	10.1	4.7	2.3	7.2	97.6
Other liabilities and reserves	.8	1.1	1.0	.8	1.3	.4	.8	11.1
Savings and loan associations:								
U.S. governments	−1.0	−.4	1.4	.9	0	2.3	3.0	14.1
Federal agencies	1.3	1.5	3.9	3.4	1.3	1.6	1.8	14.5
Open market paper [3]	0	.2	1.0	.9	1.2	1.5	.6	4.8
Mortgages	9.6	10.3	24.1	32.0	26.6	17.7	21.0	249.4
Consumer loans	.2	.3	.1	.2	.2	.2	.1	2.8
Total credit (see table I)	10.1	11.9	30.5	37.4	29.3	23.3	26.5	285.6
Cash and miscellaneous	−.7	2.3	−.5	−.2	−.1	1.3	.5	10.9
Total assets	9.4	14.2	30.0	37.2	29.2	24.6	27.0	296.5
Savings accounts	4.1	11.0	28.0	32.7	20.2	15.3	26.0	242.2
Borrowings	4.0	1.2	−1.9	.8	7.4	8.3	−3.0	25.5
Loans in process	0	.6	2.0	1.2	−1.5	−1.4	1.2	3.2
Other liabilities and surplus	1.3	1.4	1.9	2.5	3.1	2.4	2.8	25.6
Credit unions:								
U.S. governments	−.1	.3	.3	.4	.2	.1	.7	1.5
Federal agencies	−.1	.1	.5	.4	0	.4	.3	1.6
Mortgage loans (1-4 family)	0	.1	0	.2	0	0	.1	1.0
Consumer loans	1.7	1.0	1.8	2.1	2.7	2.7	2.4	22.3
Total credit (see table I)	1.5	1.5	2.6	3.1	2.9	3.2	3.5	26.4
Cash and miscellaneous	−.1	.2	.3	.3	0	.1	.2	1.5
Total assets	1.4	1.7	2.9	3.4	2.9	3.3	3.7	27.9
Life insurance companies:								
U.S. governments	−.3	−.1	−.2	0	−.3	−.2	.4	3.3
Federal agencies	0	.1	.1	.1	.1	.1	.1	1.0
Open market paper	.7	.8	.6	.2	.1	.4	.7	3.5
Corporate bonds	1.6	1.2	5.4	6.4	5.1	4.9	7.2	88.4
Foreign bonds	.2	.3	.1	.6	.3	.6	.8	9.0
Mortgages	2.1	2.3	1.1	1.5	4.2	4.9	3.0	86.1
State and local securities	.1	.1	.1	0	.1	.2	.3	3.6
Total credit (see table I)	4.4	4.7	7.2	8.8	9.6	10.9	12.5	194.9
Stocks	1.7	2.0	3.7	3.7	3.5	2.0	2.2	[1] 24.0
Real estate	.3	.4	.6	.4	.5	.4	.6	8.2
Policy loans	2.5	2.2	1.0	.9	2.1	2.7	1.2	22.8
Cash	0	.1	0	.2	.3	.1	.3	2.4
Miscellaneous	−.4	.9	.9	1.1	.4	.9	1.2	12.7
Total assets	8.5	10.3	13.4	15.1	16.4	17.0	18.0	265.0

Footnotes at end of table.

TABLE X.—INSTITUTIONAL SOURCES—Continued

[In billions of dollars]

	Annual net increases in amounts outstanding								Amounts outstanding, Dec. 31, 1974 estimated
	See table	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Fire and casualty companies:									
U.S. governments	−0.4	−0.1	0.2	0		0	−0.2	0.3	4.4
Federal agencies	.1	.1	−.2	.1		0	.1	.1	.6
Foreign bonds	0	.1	0	0		0	0	.1	.3
Corporate bonds	.8	2.2	.3	−.7		−.1	.2	1.6	7.8
State and local securities	1.1	1.5	3.4	4.4		3.6	3.6	.8	31.8
Total credit (see table I)	1.6	3.8	3.7	3.8		3.5	3.7	2.9	44.9
Stocks	.8	1.2	2.6	3.2		2.2	1.2	1.5	[3] 16.0
Cash and miscellaneous	.5	.5	.3	.9		−.1	0	.1	8.0
Total assets	2.9	5.5	6.6	7.9		5.6	4.9	4.5	68.9
Private noninsured pension funds:									
U.S. governments	0	−.1	0	.9		.1	0	1.0	3.2
Federal agencies	0	.3	−.3	.1		.5	.6	.3	1.8
Open market paper	.3	.1	−.2	0		.2	.2	.1	.9
Foreign bonds	.1	.2	0	−.1		.2	.4	.4	2.7
Corporate bonds	.5	1.9	−.7	−.7		1.4	4.3	3.4	31.8
Mortgages	.1	.1	−.6	−.7		−.3	−.1	−.2	2.6
Total credit (see table I)	1.0	2.5	−1.8	−.5		2.1	5.4	5.0	43.0
Stocks	5.4	4.6	8.9	7.3		5.3	2.2	3.2	[3] 69.9
Cash and miscellaneous	−.2	.1	.1	0		.5	.6	.3	7.0
Total assets	6.3	7.2	7.2	6.8		7.9	8.2	8.5	119.9
State and local retirement funds:									
U.S. governments	−.8	−.6	−.2	−.5		−.8	−.5	.4	1.3
Federal agencies	.1	0	−.2	−.1		.2	.1	.1	1.4
Open market paper	.3	0	−.3	0		.2	.3	.1	1.0
Foreign bonds	.2	.3	.3	.3		.3	.5	.6	3.7
Corporate bonds	3.2	3.7	3.9	4.3		3.5	5.5	5.7	48.8
Mortgages	.8	.7	.3	−.1		.7	.3	.1	8.2
State and local securities	.1	−.3	−.1	−.2		−.4	−.5	−.3	.8
Total credit (see table I)	3.7	3.8	3.7	3.7		3.7	5.7	6.7	65.2
Stocks	1.8	2.1	3.2	3.5		3.9	3.6	3.6	[3] 17.3
Cash and miscellaneous	.2	−.1	.2	.9		.8	.7	.4	5.7
Total assets	5.7	5.8	7.1	8.1		8.4	10.0	10.7	88.2
Open-end mutual funds:									
U.S. governments	−.5	.2	−.3	.1		.5	−.2	.2	1.0
Open market paper	1.2	−.4	−.3	−.3		−.2	1.6	.8	3.2
Corporate bonds	.2	.7	.6	.2		−.9	−.5	−1.2	3.7
Total credit (see table I)	.9	.5	0	0		−.2	.9	−.2	7.9
Stocks	1.7	1.2	.4	−1.8		−2.3	0	.5	[3] 28.1
Cash and miscellaneous	−.1	0	.2	0		.3	.3	.2	1.5
Total assets	2.5	1.7	.6	−1.8		−2.2	1.2	.5	37.5
Real estate investment trusts:									
Mortgages and total credit (see table I)	.9	2.1	2.5	4.9		4.5	1.2	.2	16.2
Cash and miscellaneous	.1	.3	.1	.1		1.1	−.9	−.5	1.0
Total assets	1.0	2.4	2.6	5.0		5.6	.3	−.3	17.2
Net new bond issues	.1	.5	.4	.4		.6	.1	−.1	2.0
Net new stock issues	.8	1.4	.9	1.5		.7	0	−.2	[3] 1.5
Open market paper	0	0	.8	2.5		.7	−3.3	−.5	.7
Bank loans	.2	.6	.7	1.3		4.0	3.5	.5	10.5
Other liabilities	−.1	−.1	−.2	−.7		−.4	0	0	1.5
Commercial banks:									
Loans:									
Business, corporate, term	4.7	−.5	−.5	2.8		12.0	12.7	3.5	73.5
Business, corporate, short-term	7.1	6.1	4.9	10.7		18.6	18.1	11.2	108.0
Business, other and finance	1.6	−3.2	1.5	8.5		4.9	.3	−4.0	35.1
Open market paper	.5	2.0	.8	−.2		−.8	.9	3.5	7.4
Agricultural	.6	.8	1.3	1.8		3.0	3.3	3.0	20.6
Security	−1.0	.5	.8	4.7		−3.0	−4.1	2.0	10.5
Mortgage	5.0	2.6	9.2	16.8		19.8	11.2	10.2	130.3
Consumer	4.7	2.9	6.7	10.1		10.6	3.5	1.0	84.8
Other	2.4	.7	5.2	3.6		7.8	3.0	−.5	41.1
Total loans [4]	25.6	11.9	29.9	58.8		72.9	48.9	29.9	511.3
U.S. governments	−9.8	7.0	3.2	2.1		−8.7	−3.9	20.6	54.4
Federal agencies	−.3	3.5	3.8	3.9		9.1	4.0	5.5	33.2
Corporate bonds	−.1	.8	1.3	1.4		.4	.6	1.5	6.4
State and local securities	.2	10.5	12.8	7.1		3.9	4.0	7.5	99.1
Total credit (see table I)	15.6	33.7	51.0	73.3		77.6	53.6	65.0	704.4
Demand deposits (private nonbank)	4.6	1.7	10.7	19.4		14.0	2.9	10.0	221.8
Demand deposits (United States)	0	2.9	2.2	.7		−1.0	−4.6	0	5.3
Negotiable CDs	−12.5	15.2	8.7	9.8		20.0	27.3	18.0	91.8
Other time deposits	2.9	22.4	32.4	33.0		30.3	21.0	33.0	322.4
Commercial paper	4.2	−1.9	−.4	.7		2.2	3.4	1.2	8.3
Eurodollar borrowings	6.8	−7.2	−4.8	.5		.4	2.2	−1.5	4.4
Net new bond issues	−.2	.1	.9	1.1		0	1.1	1.4	5.2
Other liabilities	9.8	.5	1.3	8.1		11.7	.3	2.9	45.2
Total credit	15.6	33.7	51.0	73.3		77.6	53.6	65.0	704.4

Footnotes at end of table.

TABLE X.—INSTITUTIONAL SOURCES—Continued

[In billions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Finance companies:								
Loans:								
Business, corporate	4.3	0.4	1.9	2.8	2.0	2.7	2.0	23.1
Business, noncorporate	.7	–.3	–.1	0	.9	.5	–.6	9.1
Mortgage (1–4 family)	.3	.1	1.1	4.1	1.4	–.1	–.1	12.4
Consumer	2.8	.5	1.3	3.8	5.9	1.8	.2	45.2
Total credit (see table I)	8.1	.7	4.2	10.7	10.2	4.9	1.4	89.8
Cash and miscellaneous	.1	.2	.3	.3	.2	.1	.2	3.6
Total assets	8.2	.9	4.5	11.0	10.4	5.0	1.6	93.4

[1] At market.

[2] Restricted to State chartered institutions.

[3] At market. Real estate investment trust shares selling below book.

[4] Includes loans transferred by commercial banks to books of bank-related companies.

TABLE XI.—OTHER SOURCES

[In billions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Business corporations:								
U.S. Governments	–2.8	0.4	2.1	–3.2	–3.0	1.5	2.8	2.6
Federal agencies	.5	.1	.1	.7	1.2	0	0	4.3
Open market paper	7.3	–.1	–.3	1.5	3.7	4.2	2.0	29.9
State and local securities	1.5	–.8	2.1	–.4	.2	.8	1.2	6.4
Consumer loans	.9	1.2	1.2	2.7	3.3	1.5	–.3	33.4
Total credit (see table I)	7.4	.8	5.2	1.3	5.4	8.0	5.7	76.6
Repurchase agreements	1.4	–3.4	.8	1.6	2.6	1.6	2.0	6.9
Foreign currencies	–.4	–.4	1.4	1.8	2.6	–.4	–1.7	6.3
Demand deposits and currency	2.6	.9	.5	–.1	–.3	–1.5	1.0	38.0
Time deposits	–2.4	1.7	3.6	3.1	1.4	7.0	3.0	28.5
Net trade credit (receivables)	1.8	.9	[1]5.9	[1]7.3	[1]3.5	[1]10.0	4.0	56.0
Selected financial assets	10.4	.5	17.4	15.0	15.2	24.7	14.0	212.3
State and local governments:								
U.S. Governments	2.6	0	–.1	2.8	1.8	.8	–.8	21.7
Federal agencies	.4	–.1	–1.2	1.0	1.6	1.2	–1.7	6.3
Open market paper	.4	–.4	–.2	.3	1.1	.4	–.5	2.1
Total credit (see table I)	3.4	–.5	–1.5	4.1	4.5	2.4	–3.0	30.1
Demand deposits and currency	1.4	–2.9	1.0	1.5	–.3	–1.0	–2.0	13.7
Time deposits	–5.9	10.0	7.2	6.8	7.2	7.5	9.0	51.9
Net receivables	–1.2	–1.3	[2]1.9	–.1	[2]–.1	–2.5	–4.0	–7.7
Selected financial assets	–2.3	5.3	8.6	12.3	11.3	6.4	0	88.0
Foreigners:								
U.S. Governments	–1.8	9.1	26.3	8.4	.2	2.6	7.0	58.1
Federal agencies	–.6	0	0	.7	1.4	–.3	0	2.1
Open market paper	1.0	.5	–.2	–.1	.3	3.3	2.0	7.7
Corporate bonds	.5	.7	.3	.1	.1	1.4	1.5	3.8
Total credit (see table I)	–.9	10.3	26.4	9.1	2.0	7.0	10.5	7.17
Stocks	1.6	.7	.8	2.3	2.8	.6	.8	[3]18.7
Demand deposits and currency	.3	.2	.3	1.5	2.5	2.6	2.5	13.2
Time deposits	1.1	–1.7	.5	2.7	2.9	5.0	4.2	17.8
Total financial assets in the United States	2.1	9.5	28.0	15.6	10.2	15.2	18.0	121.4

[1] FOF figures increased $4,000,000,000 and $1,000,000,000 for 1971 and 1972 to reflect assumed payment of current liabilities to foreigners, and decreased $1,000,000,000 and $2,500,000,000 for 1973 and 1974 to reflect gradual buildup of liabilities.

[2] FOF figures increased $2,200,000,000 for 1971 to reflect payment of current liabilites, and decreased $500,000,000 and $1,000,000,000 to reflect 1973 and 1974 reversals.

[3] At market.

TABLE XII.—INDIVIDUALS AND MISCELLANEOUS INVESTORS

[In billions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Residual: Individuals and miscellaneous:								
U.S. Governments	9.7	–9.9	–13.9	3.0	8.4	9.0	5.0	100.9
Federal agencies	6.6	3.0	–5.1	–1.6	4.7	12.3	3.0	30.8
Open market paper	.6	–.8	–1.2	–.5	2.3	3.9	.1	5.6
Corporate bonds	6.8	10.4	9.7	6.0	4.6	7.5	9.4	68.8
Foreign bonds	.5	0	.5	.2	.2	.7	1.2	3.1
Mortgages	1.4	–.1	–.1	–5.2	–2.6	–2.0	–4.0	33.6
State and local securities	4.3	3.7	2.8	1.1	7.1	7.5	5.3	65.8
Total credit (see table I)	29.9	6.3	–7.3	3.0	24.7	38.9	20.0	308.6
Stocks	–9.0	–5.3	–6.6	–5.8	–6.8	–6.6	–8.4	458.4
Investment company shares	2.5	1.7	.6	–1.8	–2.2	1.2	.5	37.5
Savings accounts	6.0	44.4	70.3	75.4	67.7	52.0	71.9	687.6
Demand deposits and currency	1.5	11.2	11.0	11.8	13.1	.3	8.0	170.5
Selected financial assets	30.9	58.3	68.0	82.6	96.5	85.8	92.0	1,662.6

TABLE XII.—INDIVIDUALS AND MISCELLANEOUS INVESTORS—Continued

[In billions of dollars]

	Annual net increases in amounts outstanding							Amounts outstanding, Dec. 31, 1974 estimated
	1969	1970	1971	1972	1973	1974 estimated	1975 preliminary	
Personal income, NIA accounts	750.9	808.3	864.0	944.9	1,055.0	1,152.0	1,221.0	
Less taxes and consumption, NIA accounts	712.7	752.1	803.5	899.3	980.7	1,076.0	1,141.5	
Plus F/F adjustments to NIA accounts	110.7	111.7	125.0	149.9	155.3	158.8	168.5	
Equals gross savings	148.9	167.9	185.5	195.5	229.6	234.8	248.0	
Less physical investment	117.8	116.2	136.4	158.8	174.1	165.0	160.0	
Plus borrowings:								
Consumer credit	10.4	6.0	11.2	19.2	22.9	9.9	3.5	190.4
Mortgages	17.3	13.8	25.4	39.8	45.6	30.0	25.8	433.5
Other loans	4.9	4.4	3.9	5.3	5.3	2.7	2.0	66.7
Security credit	−1.6	−.9	2.1	4.5	−4.4	−1.1	1.0	7.2
Less life insurance and pension reserve	21.3	24.3	27.7	30.3	31.6	33.5	35.5	491.6
Equals net increase financial assets	40.8	50.7	64.0	75.2	93.3	77.8	84.8	
Plus statistical adjustment	−9.9	7.6	4.0	7.4	3.2	8.0	7.2	
Selected financial assets	30.9	58.3	68.0	82.6	96.5	85.8	92.0	

Mr. PACKWOOD. Mr. President, the following quotation is from The Bank Credit Analyst of December 18, 1974:

> If you assume a recession only as mild as 1969–70 you could expect the budget deficit to rise up to the area of $55 billion in the period ahead. If you expect the recession to be worse, as we do, you could probably add another $10 billion or so. If you think Congress will increase expenditure and cut taxes, as we do, then you could add a lot more to the deficit. Our guess is that you will see the Federal budget deficit running at an annual rate of between $70–$90 billion within the next 12–18 months. As the experience of 1970–73 showed, once you build a large deficit into the system, it is very hard to unwind. In fact, as the U.K. has shown, when you get to the very late stages of runaway inflation, the budget deficit just keeps ballooning. Thus, the fourth law of runaway inflation is that the budgetary position of governments deteriorates at an accelerating rate. There is little enthusiasm to attempt to restore fiscal balance out of fear of an economic collapse.

Mr. PACKWOOD. Lastly, I ask unanimous consent to have printed in the RECORD an article entitled, "The Bitter Taste of Recovery," written by George F. Will and published in the Washington Post last Friday, in which he in essence says the same thing and reaches the same conclusion as the two articles to which I referred.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE BITTER TASTE OF RECOVERY

(By George F. Will)

If you think the recession is noxious, brace yourself for the bitter taste of recovery. Quickening economic activity will unleash inflationary pressures and a scramble for scarce credit, which will produce a giant expansion of government control of the economy and our lives.

Of course, recovery is not an immediate threat. Housing starts are at an annual rate of 1 million, 60 per cent below the 1973 record of 2.5 million.

Detroit must sell about 9.5 million cars a year to cover costs. But after the $100 million rebate extravaganza, sales sagged to a 6.2 million annual rate. The primary effect of the rebates was to sell cars in February that would have been sold soon anyway.

Unemployment is 8.7 per cent and probably will go higher and stay high for a long time. The average American work week is down to 35.9 hours and overtime is scarce, so there must be a lot of recovery before people currently employed are fully employed and many new hands must be hired.

In the next three months, 4 million people will leave high schools and universities, and 500,000 will fail to find jobs. Unemployment is expected to pass 9 percent and Congress will pass legislation to spend $6 billion to put 900,000 more Americans on government payrolls.

(One in six Americans already works for the government. In the last 10 years, 4.4 million Americans—1,200 a day, 50 an hour—were added to public payrolls.)

Still, government is incorrigible but not infallible, so it won't be able to prevent some recovery, however slight and brief. Alas, the recovery—an ill-favored thing, but our own—will bang spang into the government's ravenous appetite for the nation's inadequate credit resources.

This will produce a ruinous political chemistry, and an accelerated slide into a statist economy.

The economy is suffering acute emaciation as a result of several decades of underinvestment, the predictable but nevertheless unforeseen result of public policies—primarily welfare and tax policies—that favor redistribution of society's resources from producers to nonproducers in order to promote consumption at the expense of savings and investment.

In the last dozen years there has been $1.5 trillion of capital investment in the private sector. In the next 10 years we need three times that—$4.5 trillion—to create jobs and increase productivity.

An inadequate fraction of this sum will come from the capital resources left after government finishes borrowing as much as it needs to finance its unprecedented deficits, and its lending and guaranteeing activities. The federal government (state and municipal governments add to the credit crisis) and its extended family of sponsored agencies are preempting half the total flow of credit, and this lion's share will increase.

Many economists—including Walter Heller, Arthur Okun and others who led us to our current bog—say: "Everything is going to be all right. Relax, the government can finance its deficits and other activities because there is no substantial competition for the credit it preempts."

The theory—surprise, it happens to rationalize the perpetual waxing of the liberal state—is that today's enormous government borrowing is harmless because private demand for credit is slack in this recession.

The argument seems to be: Huge deficits are good because they are stimulative, and they are harmless as long as the economy is slack. So government can finance its extravagance without suffocating recovery as long as there isn't much recovery.

Of course, the government can borrow less if it recklessly inflates the money supply. This will unleash raging inflation and a clamor for palliatives like wage and price controls. But heavy borrowing will do this, too, by sending interest rates soaring.

In any case, government borrowing over the next four years almost certainly will be large enough to make corporations desperate for credit, especially when there is a recovery struggling to be born. Corporations will come to the government as mendicants for credit.

Then the government may allocate scarce credit. And, having sopped up voluntary credit, the government may make tax dollars available as credit—with strings, of course.

The power to tax is indeed the power to destroy. When that power becomes the primary producer of investment capital, it destroys capitalism, and the open society that has flourished with capitalism.

Mr. PACKWOOD. Mr. President, it is not with any great enthusiasm that I support Senator BUCKLEY and Senator MCCLURE. I would like to spend more money. I would like to spend more money for housing. Oregon is dependent upon housing. The lumber industry is still the backbone of my State. When housing is down, lumber is down, and when lumber is down, Oregon is down.

I would like to spend more money for the National Institutes of Health. I would like to spend more money for education. But I think the greatest disservice we can render to the middle-income taxpayer in this country is to drive him or her farther and farther to the wall.

I think all of us as professional, practicing politicians should realize that the future of this Government and its support depend upon the good will and the tolerance of the middle-income taxpayers—not the wealthy, who can fend for themselves, and not the poor, who are dependent upon our largess, but the middle-income taxpayers. If these middle-income taxpayers lose their tolerance and lose their forgiveness of our fiscal insanity, they are going to strike both ways: They are going to strike at the rich—because they think that the rich are wealthy because of unjustified loopholes—and bring down free enterprise; and they are going to strike at the poor and cut them off, because they think they are undeserving.

I hope that does not happen, but I can feel the welling up of resentment and frustration, and I am afraid a budget deficit of the size proposed by the Budget Committee, let alone what I fear Congress will end up with by the time this year is out, will cause that middle-income taxpayer to turn against all of us.

Mr. President, I yield the floor.

Mr. HARRY F. BYRD, JR. and **Mr. MUSKIE** addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

Mr. MUSKIE. Mr. President, I yield myself 2 or 3 minutes to respond to some points that have been made by the distinguished Senator from Oregon.

He gave us the date of only one of those publications.

He described it as being published in the latter part of last year. In terms of the economics of the situation, the latter part of last year was very different from April and May of 1975.

The second point I would make to the Senator is this: Whether his apocalyptic view of the Budget Committee's economic policy is justified by events or whether my apocalyptic view of the consequences of the amendment of the Senator from New York is justified by events, we are going to be held accountable. Either course, with hindsight, could be perceived as the course of insanity. So it is not quite that simple.

The Senator refers to the fact that estimates of a safe deficit have floated upward in the hearings which he has attended. Let me suggest that those estimates have floated upward because economic activity has floated downward. As investment, housing, and inventories decrease, two things happen: Private borrowing needs also decrease, and the deficit increases. So we can invest in that downward slide by doing what the Senator suggests, and hope that somewhere we will bottom out and can begin to build an economy again; or we can invest in an upward climb, hoping that the time for building has come. With tighter money, a cutback in Federal programs, which is the effect of a $340 billion ceiling in real terms, can have one consequence: It is going to slow down the economy some more. We may quarrel as to how much more, but I do not think there is any doubt but that it will.

So if we adopt this policy, we will have more unemployment, not less. We will have less economic activity, not more. And the Senator is going to hear from his middle-income constituents, and so will I.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. HARRY F. BYRD, JR. Mr. President, I would like to get some time on the bill.

Mr. MUSKIE. How much time would the Senator like?

Mr. HARRY F. BYRD, JR. I do not expect to use it, but so I will not be rushed, I would like 30 minutes.

Mr. MUSKIE. I am happy to yield 30 minutes to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I realize the very difficult assignment that the new Budget Committee has had. I know how conscientious is the able chairman of that committee, the distinguished senior Senator from Maine.

I do not rise to express criticism of the budget proposal brought before the Senate. I do rise, however, to express a minority viewpoint as to the entire philosophy underlying the budget.

That philosophy was laid down insofar as this budget is concerned by the President of the United States, when he submitted to Congress a deliberately unbalanced budget, and stated to Congress that it is essential that we have a deficit of at least $52 billion, which he recommended.

That became the floor for the Federal deficit for the upcoming fiscal year. The Democratic Congress is building on that and increasing the deficit.

The Budget Committee, consisting of splendid individuals, conscientious in their desire to do what is best for the people of the United States, has proposed a budget deficit of $70 billion.

It has brought before Congress a budget calling for the expenditure of $1 billion every day during the fiscal year 1976.

My opposition is to the philosophy of spending our way to prosperity—the philosophy that more and more spending and more and more deficits will solve our problems.

I say that is fundamentally unsound. Federal deficit spending is a major reason that the Nation today is in a fundamentally unsound condition. We have tried deficit spending for years, and have utilized such a philosophy over a long period of time.

The budget resolution before us today proposes more of the same.

It is somewhat significant in my mind that today is the last day, apparently, that Americans will be involved in Vietnam.

Perhaps it is appropriate that this new budget proposal calling for the greatest deficit in the history of the United States should be debated on the floor of the Senate at the same time.

I will tell you why I feel this way.

Ten years ago the dominant question facing our Nation was Vietnam. Our President and our Congress made two fundamental errors of judgment.

The first error was becoming involved in a ground war in Asia. The second fundamental error was the way the experts, the way the President of the United States, the way the Secretary of Defense fought that war.

They embarked on a theory of a limited war, and around the corridors of the Capitol of the United States during 1965, 1966, 1967, and 1968 the sophisticated Members of Congress, who were in the majority, applauded that theory of a limited war. They said that is the way to fight the war. That was the party line.

I took the opposite view. I said it was fundamentally unsound. If we are going to be in a war, which I do not think we should be in, we should fight it to win.

So I think what culminated today in the debacle in Vietnam was inevitable, because Congress and the President made fundamental errors 10 years ago.

I tie that in with what we are doing today. The whole philosophy of what we are doing, although I admit the experts do not agree with me, I think what we are doing is fundamentally unsound. I fear we are going to end up in an economic debacle 5 years from now, or maybe 2 or 3 years from now, and pay a huge price, just as we have paid a huge price for misjudging the situation in Vietnam.

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. I would prefer to finish my comments and then I would be pleased to yield.

The whole philosophy underlying this budget—and the able Senator from Maine made it clear—is that because we have some recessionary problems, the way to solve those problems is to spend more money and run up huge deficits.

I might say that is not a partisan philosophy, because the President of the United States, a Republican, took the same view. It is a question of figures. The President did not go quite as high, but he recognized the same philosophy.

Just as President Johnson was wrong in 1965 in regard to Vietnam, and Congress was wrong then in regard to Vietnam, both Congress and President Ford, in my judgment, are wrong today in this whole basic philosophy.

It is the accumulation of these deficits—and the deficits have been accumulating over a long period of years—that will be so devastating to the people of the United States as the months and years go by.

Here is what we plan to do now if we pass this resolution—and it will pass. With the passage of this resolution we will have increased spending by at least 35 percent in 2 years.

Let me repeat, 35 percent in 2 years.

How are we going to hold inflation down that way? Well, we say inflation is not as high now as it was some months back, and that is correct. Inflation ebbs and flows and, at the moment, it is ebbing. But it will begin flowing, it will begin flowing not immediately, but in the next 12 to 18 months, because of the terrific deficits which this piece of legislation envisions—$125 billion in 2 years.

I think it is of some significance that the national debt—and I realize that not many of the Members of Congress have a particular interest in the national debt—at the end of the next fiscal year will exceed $600 billion.

Now, the significant and startling figure, so far as the Senator from Virginia is concerned, is that more than one-third of that entire national debt will have been accumulated in the short span of 6 years, namely, 1971 to 1976.

Yes, during those 6 fiscal years, one-third of our total debt will have been created.

To me that is highly dangerous.

Let us get to the effect a $365 billion budget will have on interest rates.

The Secretary of the Treasury has confirmed to me that during the fiscal year beginning July 1 of this year, fiscal 1976, the Federal Government will go into the money markets for 63 percent of all the lendable funds.

He also confirmed to me that during that period of time the Federal Government will borrow more money than the Federal Government, the State governments, the local governments, and the corporate entities have ever borrowed together in any previous fiscal year.

The senior Senator from New York (Mr. JAVITS) addressed himself to that matter, and he correctly pointed out that the Federal Reserve Board can have some effect on this by printing more money, by increasing the money supply. By so doing it can help hold down interest rates in the short run. It cannot, however, in the longer run.

Senator JAVITS' argument convinced me all the more that a $70 billion deficit is a blueprint for inflation, because the more dollars the Government printing presses roll out, the less valuable the dollar becomes, and the more inflation inevitably will follow.

I invite the attention of the Senate to the fact that what we are doing now in regard to deficit spending was tried—just several years ago—as a matter of fact, it has been tried every year, but it was tried with great emphasis in December of 1971. It was at that time that Congress passed the Tax Reduction Act of 1971. That act reduced taxes in the next 2 fiscal years by $21 billion; $11 billion 1 year, $10 billion the next year.

The interesting aspect of that is that page one of the Finance Committee report gives as reason for doing this these three major reasons:

First, put our present lagging economy on the high growth path.

Well, that is the purpose of the present deficit-spending legislation.

Second, increase the number of jobs and diminish the high unemployment rate.

That is the purpose of the present deficit-spending program.

Third, relieve the hardships imposed by inflation on those with moderate incomes.

It is claimed that that is another purpose of this legislation.

So we rolled up a big deficit in those succeeding years, and what happened?

Now, 3 years later, we have higher unemployment and we have had double the rate of inflation.

As I mentioned earlier, the experts do not agree with the viewpoint and the philosophy expressed by the Senator from Virginia, but the Senator from Virginia is accustomed to being in the minority.

Also, the Senator from Virginia, having been around Washington, D.C., a while has limited enthusiasm for so-called experts. I feel they have been wrong more often than they have been right.

I have great faith, however, in the collective judgment of the American people. I think the collective judgment of the American people is far sounder than the philosophy coming out of Washington, D.C.

I have not found too much to be optimistic about recently, but there was one incident that occurred that gave me a considerable amount of optimism and a considerable amount of hope.

There is a plant in Virginia, a General Electric plant at Portsmouth, Va., which employs 3,000 persons. The representatives of those employees, 8 or 10 of them, came to my office with a petition. That petition was signed by 2,588 workers in that industrial plant.

The petition was very simple. It said:

> We urge the President and the Congress to reduce taxes, to reduce interest rates, and to get excessive government spending under control.

I told those representatives of the workers of the General Electric plant that in my judgment their program is far sounder than any program that has been to date enunciated in the city of Washington.

They asked me if I would come to the plant and talk with the workers. So I went to Portsmouth one Sunday night and at 6 o'clock the next morning, the representatives of the workers came around to my motel and took me to the plant. By 8:30 that morning I had made six different speeches to six different groups in that plant. There was not an area to hold them all.

I told them that I felt that their philosophy was sound, because they tied in three key matters.

First, our taxes are too high and they should be reduced.

Second, our interest rates are too high and they should be reduced. But, I said, neither one of those can be accomplished unless we get excessive Federal spending under control. By getting excessive Federal spending under control, it will then make it possible to reduce taxes and to reduce interest rates.

I explained to them why I could not vote to cut taxes now when the Government is heavily in debt. To cut taxes but increase spending would, in my judgment be a phony and cruel hoax. I voted against the $22 billion tax cut and I told those working people why I was voting against it. The reaction I got was tremendously encouraging to me.

I think the people realize that we in Washington cannot give them something for nothing. Somebody has got to pay for the spending.

Now, Congress can reduce taxes, but unless spending it got under control it cannot be a true tax cut. If the people do not pay for it by direct taxation they are going to pay for it—and they realize that, I believe—through the insidious tax, the hidden tax and the cruel tax of inflation.

I am convinced that to increase Government spending as this concurrent resolution proposes to do, by 35 percent in 2 years—35 percent in 2 years, a $95 billion increase—is just bound to lead to more inflation.

Not now, not next month, maybe not even 6 months from now, but it is going to lead to a severe inflation somewhere between 12 and 18 months into the future. That will hit hardest those on fixed income, the elderly, and those in the lower- and middle-economic groups.

I think the Senator from Oregon (Mr. PACKWOOD) made an excellent point a few moments ago when he pointed out that this spending when it is paid for will be paid for mostly by those in the middle-economic brackets, and those people are getting to a point where they feel that they are carrying a very heavy burden, and I certainly agree with them.

I dislike to be in opposition to the first budget proposal that comes before the Congress under the new budget law. The new law is a step in the right direction. Something had to be done from the old process that the Congress had used.

But the trouble with the budget legislation, as I see it, and the reason I had not great enthusiasm for it from the beginning—and I want to see it succeed, I hope it will succeed—but there is nothing in there to give Congress any discipline. The legislation itself specifies that the Congress shall set the deficit.

That being the case, we, as the Congress, can make the deficit anything we want. In just a few months now, the deficit that started at $52 billion is $70 billion. I do not like to make predictions, but my guess is that when the fiscal year ends in 1976, the deficit will be $80 billion.

Be that as it may, it is not each exact figure in the budget that I am quarreling with. Indeed, I do not intend to be quarrelling, really.

But I do want to express my opposition to the philosophy of deficit spending which has been going on now for years and years and years. The only change is that it has accelerated.

I would like to suggest if anyone has the time to do it, to go back to those hearings of 1971 before the Senate Finance Committee and the House Ways and Means Committee, urging a reduction in taxes to stimulate the economy by deficit spending and thus reduce unemployment.

Yet now both unemployment and inflation are greater.

The same economists who advocated high deficit spending in 1971 came before the Congress in 1974 and advocated the same thing over again.

The way I look at it they are saying, "Since two pints of whisky did not sober up the patient, we will give him two quarts of whisky and that damn well ought to sober him up.

Mr. BROCK. Will the Senator yield?

Mr. HARRY F. BYRD, JR. I promised to yield to the Senator from California.

Mr. CRANSTON. Earlier in the Senator's remarks he commented on the impact of Vietnam on the deficit budget situation in which we find ourselves. This is an appropriate time to think of that, obviously, as the Senator noted, for in these very hours the last Americans are on their way out of Vietnam and our direct involvement in that tragedy comes to an end insofar as Americans being on the soil of Vietnam. Obviously, it was the cost of that war when we went in initially not dealt with by tax increases at the time that induced the inflation that caused the counterinflation programs of earlier years that led to our terrible economic plight when we have had both recession and high unemployment, business bankruptcies and inflation. I think it would be appropriate at this point to speak for one moment about what the total cost of that war has been.

A recent article in the Congressional Quarterly of April 26 states that it is impossible to ascertain the cost to the United States of the Vietnam war. The Defense Department has reported total outlays of $140.6 billion for the period 1966 to 1976. That does not take account of some expenditures in earlier years. There are no figures pulled together anywhere that I am aware of on exactly how much in military aid and economic assistance, and so forth, was poured into South Vietnam. Then when you take into account the cost of veterans benefits which will perhaps reach the level of $33 billion by 1980, and beyond that you cannot calculate them as you do not know how many veterans will take advantage of the various programs there will possibly be, the U.S. statistical abstract has managed to place a final figure on the cost of the Vietnam war at $352 billion to the American taxpayer.

There are many economists who double or triple that amount and estimate that the cost of the Vietnam war will finally exceed $1 trillion to the American people.

Plainly, beyond the military expenditures and veterans benefits are intangibles that defy analysis on a cost basis—lost human lives, disabled bodies, displaced persons, and devastated countrysides. The war cost at least 10 times more than support for all levels of education, and 50 times more than was spent for housing and community development during the period in which we have financed the war. The United States spent more money on Vietnam in 10 years than was spent during the Nation's entire history—the entire history of our Nation—for public higher education or for police protection.

It has also been calculated that the United States could have paid off the mortgage on every home in the Nation and had money left over had there been no Vietnam war.

Let me just say that while doing what we can now about the serious economic situation that we face, seeking to deal with a rational budget, a rational deficit, with rational expenditures, let us also, in the hope that we can prevent a situation like this from confronting us in the future, do what we can to avoid wars that would be so unwise as the American involvement in Vietnam.

Mr. President, I ask unanimous consent that I may have printed in the RECORD at this point the full text of the Congressional Quarterly article, including several tables.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

VIETNAM STATISTICS—WAR COSTS: COMPLETE PICTURE IMPOSSIBLE

The total cost of the Vietnam War is impossible to determine.

Although the Defense Department reported that the U.S. military share of the Southeast Asian conflict would total $140.6-billion for the period 1965–76, no figures are available on the exact amount of economic and military assistance channeled to Vietnam since 1950, when the United States agreed to give arms aid to the French-sponsored states of Indochina. Even if a grand total were available, it would only reflect a part of the true price of the war.

Veterans benefits, for example, were expected to reach a $33-billion level by 1980. But beyond that year there was uncertainty. Government estimates placed the eventual cost of benefits above the amount spent by the Pentagon in Vietnam. The ultimate figure would depend on how many veterans bought homes with VA mortgages, were hospitalized at government expense or took advantage of education grants.

And beyond the military expenditures and veterans benefits were the intangibles that defy cost analysis—lost human lives, disabled bodies, displaced persons and devastated countrysides.

"The impact of Vietnam is so gigantic and diffuse that no adequate calculation of all the political, sociological and economic costs can be made," said Dennis Mueller of Cornell University in 1970.

Barry Blechman, a senior fellow in foreign policy at the Brookings Institution, assessed the cost of the war this way

"The real cost, the most damaging costs are not quantifiable—they are the effects on attitudes here in this country, on our conceptions, and the effect these will have on our policies. We have a whole generation of [young] people who mistrust the government, who won't have anything to do with the government."

MILITARY COSTS

While the Pentagon estimated that actual military expenses for the Vietnam war between fiscal 1965 and 1974 amounted to $137.7-billion, the department noted that $29-billion of that sum would have been spent for training and practice ammunition even if there had been no war. The fiscal 1975 and 1976 budgets called for additional expenditures in Vietnam of $1.5-billion and $1.2-billion, respectively.

To make the Defense Department statistics comprehensible to the public, James L. Clayton of the University of Utah made several comparisons.

The war cost 10 times more than support for all levels of education and 50 times more than was spent for housing and community development during that same period, Clayton said. The United States spent more money on Vietnam in 10 years than it spent during the nation's entire history for public higher education or for police protection.

GOVERNMENT COSTS

In 1974, the Library of Congress reported that there had been no official study of the long-range cost of the Vietnam conflict. The U.S. Statistical Abstract, however, placed the final government cost at $352-billion, and private economists double or triple this amount. Taking the highest estimates, it has been calculated that the United States could have paid off the mortgage on every home in the nation and had money left over had there been no Vietnam War.

Surprisingly, Congress had not compiled figures on the total cost of the war as of April 1975. The House Defense Appropriations Subcommittee, for example, told a *Boston Globe* reporter that the figure was "hard to get a handle on" because of "sloppy bookkeeping" at the outset of the nation's involvement in Vietnam.

LOST EQUIPMENT

The Pentagon, however, has kept accurate records on one cost of the war—the number of U.S. aircraft lost between 1961 and 1973. A total of 3,699 fixed wing planes were lost in combat or accidents during the period, while 4,865 helicopters were written off by the Defense Department.

Secretary of Defense James R. Schlesinger in testimony before the Senate Foreign Relations Committee April 15 estimated the cost of U.S. equipment in South Vietnam through mid-April as $3-billion to $4-billion based on original cost figures, although he said much of the equipment was damaged.

He also estimated that equipment left behind by South Vietnamese forces during their withdrawal from some southern provinces had cost more than $800-million. Final accounting, he added, probably would push that figure above $1-billion.

WAR CASUALTIES

Estimates of lives lost in the Southeast Asian conflict reached more than 1.5 million by the end of 1974. U.S. military losses between 1960 and 1974 totaled 46,370, and the figure for U.S. wounded for that period was 303,656. South Vietnam battle deaths were set at 254,257. Enemy deaths were given as 1,027,085.

Figures on American casualties were compiled by the Defense Department. The South Vietnamese command provides its own and enemy casualty estimates.

The highest number of combat deaths in U.S. history were recorded in World War II, when 291,557 were said to have lost their lives. In other modern conflicts the death toll was recorded as 53,402 in World War I and 33,629 in the Korean conflict.

The war toll among civilians is much more difficult to estimate. Statistics are scarce.

The following table, a composite of estimates made by the Agency for International Development and the Senate Judiciary Subcommittee on Refugees and Escapees,[1] indicates some of the war's effect on the civilian population in South Vietnam.[2]

Year	AID estimated war casualty hospital admissions	Subcommittee casualty estimate including deaths	Subcommittee death estimates
1965	[2] 50,000	100,000	25,000
1966	[2] 50,000	150,000	50,000
1967	49,707	175,000	60,000
1968	86,993	300,000	100,000
1969	66,002	200,000	60,000
1970	59,663	125,000	30,000
1971	50,737	100,000	25,000
1972	53,901	200,000	65,000
1973	43,166	85,000	15,000
1974	43,090	(3)	(3)
Total	553,279	1,435,000	430,000

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[1] Report of Senate Judiciary Subcommittee on Refugees and Escapees, Humanitarian Problems in South Vietnam and Cambodia: Two Years After the Cease-Fire, Jan. 27, 1975.

[2] General Accounting Office estimate.

[3] Estimates not available.

VIETNAM WAR COSTS, 1965–76

Following are Defense Department estimates of the cost of the Vietnam war since fiscal year 1965, including the amount requested for fiscal 1976. President Johnson began a massive build-up of U.S. military strength in Vietnam in 1965, reaching a peak of 536,100 troops in 1968. American military involvement in Vietnam officially ended in March 1973 with the withdrawal of the last U.S. troops there. The total estimated cost of $140.6-billion includes $134.8-billion for the 1965–73 period of major U.S. involvement.

Fiscal year:	*Cost*
1965	$103,000,000
1966	5,812,000,000
1967	20,133,000,000
1968	26,547,000,000
1969	28,805,000,000
1970	23,052,000,000
1971	14,719,000,000
1972	9,353,000,000
1973	6,271,000,000
1974	3,110,000,000
1975 (estimated)	1,507,000,000
1976 (budget request)	1,232,000,000
Total	140,644,000,000

Source: Department of Defense.

U.S. PRISONERS/MISSING

In the following table, the total figure for prisoners of war (POWs) represents the number of prisoners repatriated under the Paris peace accords. The yearly listings show when the prisoners were captured.

Year	*POWs*	*MIAs*
1964	3	4
1965	74	54
1966	97	204
1967	179	226
1968	95	294
1969	13	176
1970	12	86
1971	11	79
1972	105	209
1973	2	2
Totals	591	1,334

The Defense Department listed only 904 men missing in action (MIAs) as of March 31, 1975. The discrepancy between this figure and the year-by-year total was attributed by the Pentagon to changes in status of persons originally listed as missing and later declared dead or returned from captivity.

Source: Department of Defense.

Mr. HARRY F. BYRD, JR. I thank the Senator from California.

I also ask unanimous consent to have printed in the RECORD a table showing that during the course of that war there were no such deficits as the Congress is contemplating today.

There being no objection, the table was ordered to be printed in the RECORD.

DEFICITS IN FEDERAL FUNDS AND INTEREST ON THE NATIONAL DEBT, 1957–76 INCLUSIVE

[In billions of dollars]

Year	Receipts	Outlays	Surplus (+) or deficit (−)	Debt interest
1957	68.8	67.1	+1.7	7.3
1958	66.6	69.7	−3.1	7.8
1959	65.8	77.0	−11.2	7.8
1960	75.7	74.9	+0.8	9.5
1961	75.2	79.3	−4.1	9.3
1962	79.7	86.6	−6.9	9.5
1963	83.6	90.1	−6.5	10.3
1964	87.2	95.8	−8.6	11.0
1965	90.9	94.8	−3.9	11.8
1966	101.4	106.5	−5.1	12.6
1967	111.8	126.8	−15.0	14.2
1968	114.7	143.1	−28.4	15.6
1969	143.3	148.8	−5.5	17.7
1970	143.2	156.3	−13.1	20.0
1971	133.7	163.7	−30.0	21.6
1972	148.8	178.0	−29.2	22.5
1973	161.4	186.4	−25.0	24.2
1974	181.2	198.7	−17.5	29.3
1975 [1]	186.0	229.0	−43.0	32.9
1976 [1]	199.3	254.2	−70.0	36.0
20-yr total	2,318.3	2,626.8	−308.5	330.9

[1] Estimated figures.

Note: Prepared by Senator Harry F. Byrd, Jr., of Virginia.

Source: Office of Management and Budget and Department of the Treasury.

Mr. HARRY F. BYRD, JR. Before yielding to the Senator from Tennessee, I will say that the point brought out by the Senator from California reinforces my original statement. Once you make a fundamental error—and that was the point of my original statement in regard to Vietnam—an error such as we made in regard to Vietnam getting involved in a ground war there, No. 1, and fighting a no-win war, a second fundamental error, then you are bound to end in a debacle.

I feel that we are making a fundamental error in a $70 billion deficit this year which is going to lead to an economic debacle in the future.

I yield to the Senator from Tennessee.

The PRESIDING OFFICER. The time of the Senator from Virginia has expired. Who yields time?

Mr. HARRY F. BYRD, JR. I would like to have another 15 minutes.

Mr. MUSKIE. I yield an additional 15 minutes.

Mr. HARRY F. BYRD, JR. I yield to the Senator from Tennessee.

Mr. BROCK. I thank the Senator for yielding. I would like to comment on the remarks of the Senator from California. We have been in disagreement, but we have no disagreements now. I believe we have learned clear lessons with regard to past mistakes of the Congress and the administration alike, particularly with regard to Vietnam. I do not know how to calculate the costs either. But there is no question but what we will be paying for a long, long time, heeding the Biblical injunction that the sins of the father will be visited upon the children for seven generations or so.

I think there is one lesson, however, that the Senator did not mention which I would like to draw from that experience. That is that in 1965 when the President of these United States proposed in a state of the Union message to the Congress that the American people could have guns and butter, the Congress very quickly grabbed that option and did so. We bought both guns and butter on credit during the course of the Vietnam war. Now we are paying that price.

I wonder what it is that offers my colleague some confidence that the Congress will act differently at this particular juncture.

We continue to think that we can have guns, butter, or anything else on credit and that there is no price.

I would ask the Senator from Virginia if he can tell me of any experience we have had in the 200 years—I do not want to draw the age of the Senator into the problem, but only his knowledge of the history of this society—if there is any experience which we have in which the Federal Government did not have to pay the interest on its indebtedness that it incurred on behalf of the American people. We have to pay that interest, do we not?

Mr. HARRY F. BYRD, JR. We have to pay that interest, I will say to the Senator from Tennessee. The budget which is now before the Senate has an interest charge on the debt of $36 billion, which is equal to the total cost of the Department of Health, Education, and Welfare, if you subtract the social security benefits.

Mr. BROCK. One of my colleagues, a very distinguished Senator from the State of Alabama, remarked to me just in passing a few moments ago that when he first came to the Congress the total Federal budget was $9 billion.

Now we propose a deficit of the Federal Government that is almost 8 times as much as the total Federal budget when he first came here.

I believe it would be important to the Senate to note that the interest on the new debt which would be created, were this resolution to become law and were we to implement it with authorization and appropriation, would be something on the magnitude of a minimum of $4 billion and perhaps as much as $6 billion per year. If that is divided by the number of people in this country who pay taxes, each one will have to pay $40 to $60 a year for the rest of his life.

Mr. HARRY F. BYRD, JR. That is an astonishing figure that the Senator from Tennessee has developed. It wipes out many times over the so-called tax cut that Congress claims it is giving the people.

Mr. BROCK. That is exactly the point I am making.

If this is prorated as to a family of four, the Senator will find that their payments for the rest of their lives, per year, as long as they live on the face of God's Earth, will be $120 a family, to pay the interest on the deficit that is created in their name in this one year.

Mr. HARRY F. BYRD, JR. If the people of the United States could realize that point, they would be marching on Washington in condemnation of what we are doing here now.

Mr. BROCK. The Senator is absolutely right. I appreciate his statements and his sense of integrity in this matter, and I support him fully.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. BROCK. I do not have the floor.

Mr. BELLMON. I yield myself 5 minutes on the bill, and I ask the Senator if he will yield for a question.

Mr. BROCK. Surely.

Mr. BELLMON. Will the Senator go through the arithmetic that led to the last conclusion, that this is going to cost the average family of four $120 per year in interest charges?

Mr. BROCK. That is right.

Mr. BELLMON. The figure has been used that if the deficit goes up to roughly $65 billion or $67 billion, this will increase the interest on the deficit to $4 billion a year.

Mr. BROCK. The Senator from Tennessee was using the latest issue on the Federal funds of 15-year debentures, priced at about 8.25 percent, if I recall correctly, which came out in February, I believe, and was enormously disruptive to the market. Applying that to the Senator's projection of $70 billion or $80 billion, I think we can come up with a different figure than $4 billion; but if we take $4 billion, we will prorate it down and see where we end up.

Mr. BELLMON. With a population of 200 million, a billion dollars would cost each man, woman, and child $5 a year. So if the interest is $4 billion, this would be $20 per person. For a family of four, it would be $80.

Mr. BROCK. It will be only $80 if we are lucky.

Mr. BELLMON. I thought we should keep the record straight.

Mr. BROCK. Fine. I do not accept the Senator's figures; but even if I do, it would be $80 a family each year, when they get a $200 tax rebate this year. We gripe about bankers charging people 8 to 10 percent interest.

Mr. BELLMON. The Senator makes a good point, and this has been considered by the Budget Committee. But the conclusion we had to reach, reluctantly, was that the budget deficit we are recommending is the lesser of all the various evils; because if we do follow the recommendations made here and cut back substantially on spending, we prolong the length of the recession and produce a net deficit that is larger than the one that is anticipated by following the course of action the Budget Committee has adopted.

Mr. BROCK. Will the Senator tell me how many jobs are involved in the foreign aid program?

Mr. BELLMON. The foreign aid program involves an uncertain number of jobs. Much of that money goes for the purchase of material made in this country. It does involve a certain number of jobs. I do not think anyone could give a precise figure.

Mr. BROCK. If that were logical, if it were an adequate return on the investment, we should buy everything that people produce in this country and resell it to them.

Mr. BELLMON. That is unrealistic.

Mr. BROCK. I think we have to look at our Federal expenditures on a line item basis and see those that are prudent and those that are not.

Mr. BELLMON. The purpose of foreign aid is not to stimulate the economy. This has been an ongoing program since World War II. It is on a lower level than in the past. No economic stimulation is intended in that appropriation.

Mr. BROCK. Show me some other areas where we have economic stimulation. Show me where the increase in Federal employment, instead of putting it into the private sector, is constructive.

Mr. BELLMON. The Budget Committee's recommendation maintains the cap on the increases in Federal employment at 5 percent, as the President recommended.

Mr. BROCK. The cap on pay raises?

Mr. BELLMON. That is right.

Mr. BROCK. But it does not put a cap on the number of employees, does it?

Mr. BELLMON. I do not believe the Budget Committee recommendation includes an increase in the number of Federal employees.

Mr. BROCK. If the Senator will look at the President's budget, on which the committee's budget is based, he will find that there are some rather sizable increases. I do not understand why we cannot cut Federal employment. No one need be fired. We have a turnover of 14 percent to 18 percent a year just because of resignation and retirement. Why must those jobs be filled? Does not the Senator think that we could reduce much taxpayer expenditure through that means? Wherein is the damage to the economy?

Mr. BELLMON. I am not able, from memory, to give the Senator the number of new jobs included in this budget. I do not recall that there are any. Perhaps the chairman of the committee would recall.

Are new Federal jobs contemplated in this budget?

Mr. MUSKIE. The civil service or the new recovery programs?

Mr. BELLMON. Just regular Federal employment. Are we increasing the number?

Mr. MUSKIE. I do not believe so.

According to the President's budget, the Federal civil payroll in 1950 was 2.5 million. The Federal civil payroll last year also was 2.5 million. It goes above that in times of war. It tends to level off at that figure otherwise. That table is in the President's budget. State and local payrolls have gone up from about $3 billion in 1950 to more than $11 billion today. So that Government payroll has gone up.

So far as I know, in this budget, outside of the so-called recovery program and the automatic increases attributable to unemployment compensation, and so forth, there are no new programs, except the energy programs in this budget.

Mr. BROCK. I appreciate that, and I will accept the figures.

However, I have been in Congress for 12 years, and in those 12 years I have watched downtown, from the White House and the Lincoln Memorial to the Capitol, just explode with the most beautiful, new, massive, marble buildings I have ever seen; $150 million was spent on the Rayburn House Office Building, and that is just a pittance compared to what they have spent downtown for the agencies. If all those people were on the payrolls before, where were they housed?

Mr. MUSKIE. In the temporary buildings on the mall. I saw the temporary World War I buildings come down in the last 2 years and the temporary World War II buildings come down in the last 5 years.

All I can tell the Senator is that this budget document for 1974 shows 2,479,000 permanent civilian employees in the executive branch. The 1976 estimate is 2,488,000. For 1950, it was roughly the same number. I did not put these figures together. This came in the budget document.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. MUSKIE. I yield.

Mr. BELLMON. I point out that the total cost of General Government, everything—legislative, executive, all the rest—for fiscal 1974 was $3.3 billion, and for fiscal 1976 it was still $3.3 billion. We have not changed it substantially at all. There is no place here for any substantial saving. Even if we wiped out all Federal employees and had no people working for the Federal Government, the saving would not be significant.

Mr. BROCK. I am tempted by the offer, but I do not think we can take advantage of it.

Mr. MUSKIE. The Senator from Virginia talked about a 35-percent increase in the Federal budget in 2 years. There was a 20-percent increase due to inflation.

Inflation does not add a single person to the payroll, not a single person.

Mr. BROCK. Wait a minute, Senator. It is true that an awful lot of our increase——

Mr. MUSKIE. It is true, there is a 20-percent increase attributable to inflation.

Mr. BROCK. And the increases in our Federal spending have been considerably in excess of the inflation, considerably. And the increases here——

Mr. MUSKIE. And I shall tell the Senator what some of the other increases are. There are $15 billion in unemployment compensation and similar recession-induced expenditures.

Mr. BROCK. Fine. I understand that.

Mr. MUSKIE. And that is included in the 35 percent.

The 35 percent is an accurate figure.

What I am trying to drive home to the Senator is its components. We cannot wish them away, any more than we can wish away the 35 percent. Twenty percent of that was inflation. There is another $15 billion in unemployment compensation and in the other costs attributable to people we have to feed when they are unemployed, and so on, food stamps, welfare costs. That is $15 billion. I do not know what that figures out to, percentagewise, but that is a pretty good figure.

Mr. BROCK. If we want to feed those who need feeding—and I think every Member of this body would like to do that—to help those who cannot help themselves, then why not deal with the need for welfare and food stamp reform where people are getting it who are not qualified or deserving? I can cite some specific examples.

Mr. MUSKIE. I am simply trying to explain the 35 percent number that the Senator from Virginia used.

Mr. BROCK. I understand the Senator's point.

Mr. MUSKIE. I should think the Senator from Tennessee would want to know what makes it up. It is not some arbitrary, thoughtless, irresponsible judgment of those Senators who disagree with us to increase Government spending. There is a reason for it. We ought to know the reason.

Senator BYRD will still disagree. He always has been consistent. So would the Senator from Tennessee. But, at least, let the RECORD reflect what these numbers represent.

Mr. BROCK. I am not arguing with the Senator at all. I understand his statement and I appreciate it. I hope he will give us the same credit for the same sincerity that he asks that we give him.

Mr. MUSKIE. I do not challenge the sincerity of the Senator whatever. I think he is wrong, but I give him credit for sincerity.

Mr. BROCK. I appreciate that.

Mr. BEALL. Will the Senator yield?

Mr. BROCK. I do not have the floor.

Mr. MUSKIE. I yield 5 minutes to the Senator from Maryland.

Mr. BEALL. I have heard the arguments of the Senator from Tennessee and the Senator from New York and the Senator from Oregon before, and the Senator from Virginia, and I must say I think there is an awful lot with which I agree. I am disturbed by the deficits and I am disturbed by the fact that the interest on the national debt is going to cost $36 billion next year. I do not think we can afford to create the kind of conditions in the capital market that are going to crowd out private borrowers, because I think this will have a very serious adverse effect on the state of our economy. And I am greatly concerned about the impact all of this has on the great bulk of the middle-income Americans, who pay a disproportionate share of the high cost of inflation and pay the greatest proportion of the taxes that are paid in this country. I think they are the kind of people about whom we should be concerned.

I think the Senator from Tennessee, particularly, was concerned about the idea that we should adopt a new concept of budget in Congress in order that we could carry out our important constitutional responsibility of appropriating money for the operation of the Federal Government. If we are really going to be successful in adopting this new budget process, I think we have to make it a process that is believable. To be believable, the process has to be realistic, and realistically, I do not see any way that we can come up with a Federal budget for fiscal year 1976 of $340 billion.

If we follow the mathematics suggested by the Senator from New York and we start at the point where the President now is in fiscal year 1975, we are at $322 billion. If we allow for a 5-percent increase to get up to the $340 billion, which only takes us up to $338.1 billion, so we have a little room to play there, what do we have?

Well, out of that 5 percent, we have to pay for additional unemployment compensation, which we cannot do anything about today. We have to pay it. We have to pay for the cost of food stamps, additional cost of food stamps. We cannot do anything about that today.

Something can be done about it, but we cannot do anything about it today, and we are recommending in the report of the Committee on the Budget that something be done about it, because we know that we can save $1 billion this year if we tighten up the eligibility requirements for food stamps. But we cannot do anything about it, we cannot propose a budget on what we want conditions to be. We have to propose a budget on the way conditions are today.

Mr. BROCK. Well, we have.

Mr. BEALL. To be realistic. I am suggesting that there is no way we can come up with $340 billion, because unemployment compensation, the additional cost of food stamps and the additional cost of social security, without removing the 5 percent cap—and I am sure this Congress is going to remove the 5 percent cap—are going to take us to more than $340 billion.

Mr. BUCKLEY. Will the Senator yield?

Mr. BEALL. In just a minute.

There is no way we can keep within that $340 billion. I think it is extremely important that, in order to preserve the credibility of this process, we report to our colleagues conditions as they are and come up with a budget figure which is a realistic budget figure, one that can be, that we can live within as we go through the next fiscal year.

Now I am happy to yield to the Senator from New York.

Mr. BUCKLEY. First of all, I wish to point out to my friend from Maryland that the projections on which we based our alternative proposal presuppose the full cost of living increase for social security.

I also point out that the items that he mentioned involve a total of $10 billion, whereas we are talking about an increase in the order of $45 to $50 billion.

Finally, if it is the function of the Committee on the Budget merely to recommend where we are already, a continuation of the status quo, I am not sure this is quite what Congress, or at least this Member of the Senate, had in mind when he voted in favor of the machinery.

It seems to me that if the Senator from Maryland agrees that we can cut $1 billion from the cost of food stamps without cutting anyone from it who is in need of help, this is precisely what we ought to be doing.

The PRESIDING OFFICER. The time of the Senator from Maryland has expired.

Mr. BELLMON. I yield an additional 5 minutes.

Mr. BEALL. I suggest to the Senator from New York that we cannot, in this budget resolution, change the food stamp requirements.

Mr. BROCK. If the Senator will yield——

Mr. BEALL. Let us talk about the figures of the Senator from New York for a minute. He said he approved the removal of the cap on social security and he approved the removal of the cap on a certain amount of unemployment compensation benefits, but I have not seen the Senator's charts, because they were handwritten, I understand, and given to the desk. I understand that they were predicated initially on a lower figure than the initial $322 billion the President now estimates he is going to spend in 1975. It was estimated at about $310 billion originally, or something of that sort, is that correct?

Mr. BUCKLEY. $313 billion, I think it was.

Mr. BEALL. It is now up to $322 billion. So I think the Senator will admit that he cannot stay within $340 billion.

Mr. BUCKLEY. That is why we need to hold the line.

Mr. BEALL. When we have done that, even accepting a 5-percent inflation rate, all for 1976—which I cannot, because I think the inflation rate is going to be higher than that—then we have not allowed for any increased cost in any other program of government because of inflation.

The Senator has expressed a great deal of concern, as have I, about the tremendous strains under which our Defense Department is being placed because of budgetary restrictions. Imagine what would be done to the Department of Defense if we adopt the $340 billion limit that the Senator is proposing here today. They would not only be not allowed to increase as the President has requested, they would be forced to take a cut additional to the one we have already given them, because they would not have anything built in for inflation anymore.

Mr. BUCKLEY. I believe, Mr. President, as I indicated earlier in the debate, before the Senator from Maryland was here, that we can accommodate the defense requests of the President, making only an adjustment to reflect the fact that we are talking not about the 15 percent inflation factor reflected in that budgetary request, but a much smaller one.

I believe, as I said earlier, Mr. President, that the purpose of the Committee on the Budget, as I understand it, anyway, is to try to come up with a prudent fiscal policy for Congress to adopt. I think that the Senator from Maryland admitted in his opening statement that what the committee proposes could be ruinous, could break the back of the middle class in this country, the people who pay most of the taxes. It could trigger another round of inflation.

Mr. BEALL. If the Senator will yield, I did not say that. I said I share those concerns, but I think the document we are bringing to the floor today protects the middle class, because I think our economy is in such a state, unfortunately, that it can accommodate a deficit of about $70 billion.

Mr. BUCKLEY. And crowd out how many billion——

Mr. BEALL. We crowd out nobody.

Mr. BUCKLEY. I am sorry the Senator from Maryland said that, because there are some people with deep familiarity with the money markets, such as the Secretary of the Treasury, and many others, who are deeply concerned that a deficit of $70 billion will do precisely that and inhibit investment in our economy.

Mr. BEALL. The Secretary of the Treasury did not so testify to our committee. He would not allow himself to be pinned down to a figure. He just said deficits were bad, and growing deficits were even worse. When I asked him about $70 billion, he would not answer the question because he did not know, but I think the testimony before our committee showed that it may be. The bankers who appeared indicated that we could accommodate a $70 billion deficit.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. BEALL. Yes. I am happy to yield the floor.

Mr. BROCK. No, I would just like to continue with that thought for a moment.

I think it is possible, if we are very fortunate, to be able to fund something on the order of $60 billion in deficits without displacing, but that presupposes no economic recovery; and I think what bothers me is, what would Congress do, I would ask my colleague from Maryland, for whom I have enormous respect——

Mr. BEALL. I thank the Senator.

Mr. BROCK. What would Congress do if we started recovering faster than anyone thought, as we have declined faster than any of these brilliant economists thought? Every one of them told us last fall, in October, that the problem was inflation, and not to worry about recession; and here they are, 180 degrees out of phase with their own remarks.

What if they continue to be wrong? They have obvious talent in that direction, on occasion. What if they continue to be wrong, and we bounce back too fast?

Will Congress, at that point, back off and cut down its deficit, so as not to stimulate the economy, or will it be too late? Or will we have already spent the money, and it will be impossible to push inflation back to 15 percent?

Mr. BEALL. I think we have already taken that into account in the committee. If Senators will read the committee report, they will find that there were proposals that we do more than we did in a way of recovery measures, and we resisted the temptation. We kept it down, because we knew we ought to play this month by month, because there is a possibility that the economy will recover faster than many people expect. It may be a V-type recovery. So we resisted the temptation to do it all now, and decided that we will have another resolution come through here in September, and we can look at the conditions that exist between now and September and decide whether at that time we need some additional medicine to be applied to a sick economy, or whether we ought to go about the business of ending temporary relief measures.

Most of the measures included here are temporary in nature, and would automatically cut off as the economy starts to recover.

I agree with the Senator; I think that is the only type of expenditure we ought to allow to take place at this time.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. HARRY F. BYRD, JR. Mr. President, I have several minutes remaining. I commend the able Senator from New York, Mr. BUCKLEY, the able Senator from Tennessee, Mr. BROCK, and the able Senator from Idaho, Mr. McCLURE, for the amendment which they have presented.

The pending concurrent resolution provides for a 35-percent increase in spending in a 2-year period. I think that is totally unjustified, and I support the proposal of the Senator from New York.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the vote on this amendment take place not later than 5:45 p.m.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Who yields time?

Mr. BUCKLEY. Mr. President, I yield 10 minutes to the Senator from Idaho.

Mr. McCLURE. Mr. President, I have listened to the debate with great interest, as I listened to the weeks and months of deliberations in the Budget Committee.

Let me start by saying publicly what I have said on several occasions before, that I have the highest regard for the Senator from Maine. He has conducted the deliberations in a very fair and even-handed manner. I think the dispassionate way in which the Budget Committee considered the very difficult questions is a tribute to the committee and to his leadership. Likewise, I would like to say that the admiration that I feel for the Senator from Oklahoma and his leadership on our side of the aisle brings great credit upon the Budget Committee and upon the Senate itself.

Whatever remarks I have or whatever reservations I have concerning the results of the deliberations are confined entirely to matter of judgment as to how we apply the factual matter which was presented to us. As has been noted here today, our disagreements are disagreements as to whether or not it is right, whether or not the conclusions are correct, and not with respect to the aims and the intentions of the members of the committee or Members of the Senate.

But it has also been noted here today, and I think should be noted again, that if our judgment was wrong as to the kind of budget deficit that we can have, the stimulation and the crowding out of the opportunities for investment by individuals and by corporations which would fill jobs, and by the individual citizens in our country who would consume the TV sets, the automobiles and the refrigerators, the education for their children, and the various things that individuals of our country spend their money for, if they are priced out of the opportunity to do those things by Government spending that deprives the capital markets of their opportunities, then we will not only have done them a disservice—not because we intended to, but because we were wrong—but we will have put off the economic recovery that we also devoutly professed to desire.

I know that any figure that we have is subject to some kind of disagreement. Any figure we use may be explained, or we may disagree with it. But the fundamental problem that has presented itself to some of us is that we do not believe the basic theory upon which this budget is premised: that somehow Government spending in excess of its revenues is good for the country.

The Senator from California (Mr. CRANSTON) took occasion earlier in the day to talk about the terrible results of the spending for the war in Vietnam, and that that excessive spending created the conditions which have caused both recession and inflation; and I agree that he was correct.

But if that spending caused that kind of result, why does not this spending cause that kind of result? Certainly the basic economy of our country is in a different posture today. I think the only thing we can really say is that at no two times are conditions exactly the same. So whatever we look to in the past to guide us today will be to some degree out of phase with present conditions.

But let us look for a moment at some of our history. I have some charts prepared at the back of the room that I would like to refer to.

Government spending is supposed to reduce inflation. It is supposed to reduce interest rates. And above all, it is supposed to cure unemployment. Refer to the chart over here for a moment, if you will, in regard to what happened to the unemployment rates during the Great Depression, with massive Federal spending and deficits in comparison to the gross national product at that time—much larger than now. The unemployment rates in 1939 were still 17 percent. If Government deficit spending was going to cure that problem, why did it not cure it then?

Let us take another look—and admittedly it is a different period of time, with different economic circumstances. Again on the same chart, immediately following World War II, Government spending went down precipitously. What happened to the unemployment rates in this country? They rose for a while, and then dropped off slightly. And they did that during a period of time that Federal Government spending went down, not up.

If the arguments of the majority are correct, why did we not have massive increases in unemployment in that period of time; and, as a matter of fact, if you will go back and read your history, there were a great many economists in our country who told us that is exactly what would happen.

As I recall some of the colloquy, President Truman at that time was advised by his learned counselors if he chopped off all of the Government defense spending at once we would have a massive depression. He said, "Chop them off." And they said, "But, Mr. President, you cannot do that, you will cause an economic crash." And he said, "Chop them off, cut them off today."

They canceled their contracts, they chopped off the Government spending, and President Truman, who was not so overly wise that he did not have some commonsense, recognized what would happen, and we did not have the increases in unemployment and we did not have the economic collapse that many of our learned people in this country had so gravely predicted.

I think we are seeing in this country today a recognition on the part of many working men and women that they are being cheated by Government policies by which, as Government spending goes up and their wages go up, their real disposable income remains somewhat constant. As a matter of fact, it has remained constant during most of the period from 1965 through 1970, as the chart on the left shows. It rose from 1970 through 1972, and it has been in a steady decline since 1972 primarily as a result of Government policies, where real Government spending went up and the workers' real spendable earnings remained constant, and then started going down. Those are facts. Those are just as immutable as any of the rest of the statistics we are talking about.

If you want to look at the other chart which shows now how many hours the average working man or woman worked for the Government, look at the pie-shaped chart up there that indicates that nearly half of the workers' time is spent in producing the income to pay their taxes to run the Government.

Well, it used to be that we celebrated the 4th of July as Independence Day, independence from the Crown of Great Britain. If we continue with this trend, it will not be long before we are celebrating Independence Day as being the day in the year when we finally get out from under the load of government taxation, and we will work the remainder of the year for ourselves, having worked all of the period from January 1 to the 4th of July to pay the cost of Government.

We need an Independence Day today, independence from our own Government's oppressiveness. Overstimulation can choke off our recovery just when, as the majority report indicates, we see many signs of that recovery commencing.

Instead we have—and we see now—short-term interest rates for a rather historic period of time lower than long-term interest rates, which is simply an indication that the market's evaluation of a long term would indicate that there will be continued inflation in spite of the assurances by many in our country that we can have $70 billion deficits without the continuation of inflation, so I think the market in itself is evaluating what we are doing here today, and their evaluation says the majority is wrong.

I was one of those who asked for the assignment to the Budget Committee because I think the budget process that it sets up may be the last best chance we have to get control of the budgetary processes.

I participated in government at every level of government. I started out 25 years ago working for the county and for the school district, and 22 years ago started working with city budgets, and about 15 years ago started in working at the State legislative level, and I know how budgets are developed, because all of those levels must work against one fixed point.

The **PRESIDING OFFICER** (Mr. CULVER). The Senator's time has expired.

Mr. **McCLURE**. I ask the Senator from Oklahoma if he might yield 5 minutes to me on the bill.

Mr. **BELLMON**. I yield 5 minutes to the Senator on the bill.

Mr. **McCLURE**. I thank the Senator.

The **PRESIDING OFFICER**. The Senator is recognized for 5 minutes.

Mr. **McCLURE**. All levels of government hammer out their budgets on the anvil of the necessity of achieving a balance, and I think many of us, who were looking at the budget bill and the procedure which we are building in the budget process, were hoping that that would bring some of the same sense of discipline to Congress, to congressional actions on the budget.

I fear now that I see something that I did not see clearly when that bill was before Congress, and that is our response, the thing that really made us look at the budget process was that we had for 14 out of the last 15 years piled up deficit upon deficit upon deficit, and we said that is bad. Those were unplanned deficits. They just happened because of the lack of discipline in the budgetary process, and we said that is bad; we said that we must change it.

So we adopted a bill that requires us to go through a budgetary process in which deficits no longer are unplanned and, therefore, bad. We have adopted the politically expedient way of saying, "This budget is planned for and, therefore, good."

Instead of having the unplanned deficits that cause inflation and high interest rates, recession and unemployment, we will now plan for good deficits which, by definition, then will do the opposite.

The American people are looking at what we are saying and doing, and they say, "baloney," because, as is usually the case, the American people are way ahead of the Congress of the United States and oftentimes react with much greater wisdom.

But I want to address myself for just a brief moment to what this amendment that the Senator and I have introduced does not do.

I understand that a great deal of the debate today was around the point that this was going to force cuts in spending. Actually it accommodates an increase in spending of at least $20 billion, perhaps $21 billion, and it may be that that is absorbed by inflation. It may be that those are for countercyclical or stimulative programs, and it may be that it is for built-in increases in this program or the other program. But the fact is under our resolution the total expenditure would be $20 billion greater than the total expenditure under the present fiscal year. That is an increase.

I think those people who tried to tell us that we have to spend our way out of the recession are playing a very dangerous game when we balance the budget in essence in this resolution by a $70 billion deficit and say, "That is good," because if their judgment is wrong and, as the Senator from Tennessee has pointed out, there could occur a rapid economic recovery for which we all hope, that there will be a crowding out in the private sector as the result of the deferred spending built into the Government budgets, and only a small portion of the stimulative spending in the proposed budget is so automatic that it reduces with economic recovery.

A large portion of it will be programed and actually spent at the latter portion of the fiscal year without regard to whether or not the economy needs the stimulus, without regard to whether or not there is available capital in the money markets, without regard to whether that Federal spending chokes off the economy recovery that is then under way if, indeed, we are successful in getting an economic recovery at those rates.

I think the debate has been useful. I again commend all of the members of the Budget Committee. I do not question any of them for their sincerity. I know I have worked with these men and under both the majority and minority staffs, and I know of their dedication and sincerity and the amount of hard work they put into it, and I just think the result is wrong.

In our trial run, the Senate Budget Committee demonstrated clearly that the Congress now has the means to exercise real control over Federal spending—but in proposing a nearly $70 billion Federal deficit, the committee also clearly demonstrated a failure to come to grips with a hard reality the average taxpayer already lives with—that our economy will not easily survive the ravages of that much Federal red ink. In essence, and in fact, we are placing the taxpayer in hock up to his ears. Ultimately, he must pay the bill, and he knows it only too well.

We have been told by various economists that this $70 billion deficit will bring prosperity, jobs, and an end to inflation.

That is utter nonsense, and the American taxpayer knows it. And he will ask one simple question—a question the economists cannot answer, even with all the impossible words at their command. The question: If, after all, deficits are good for the country, for the economy, why have the accumulated Federal deficits of the last dozen years failed to bring prosperity, provide high employment, and create stable currency?

All we have to do for the answer is look at the accumulation of those Federal deficits. They have brought on double-digit inflation, the worst recession in 30 years, and staggering unemployment. And if we look to the future with any commonsense, the addition of this $70 billion in deficit will bring much more of the same—and we just might not be able to survive that much more of the same.

We are now seeing real signs of a natural economic recovery. That natural recovery should be the cause of restraint and a very cautions action by the Congress and by the administration.

It can be argued that a certain amount of pump-priming now might help get the economy moving. But this $70 billion deficit goes far beyond any mere pump priming. It will inundate the economy. It will drown any natural recovery that is now beginning.

Quite simply, when the Federal Government goes into debt, the money has to come from somewhere. That somewhere is either from the private money markets, or from the Federal money machine—the printing press.

How can we have economic recovery when the money available for private borrowing is taken by the Federal Government to pay the interest on its deficit? How can we create lasting employment and job security when business and industry cannot borrow capital to expand? Those factors just do not work together. We cannot have that large a Federal deficit without smothering economic recovery. If we prevent the crowding out of private borrowing by speeding up the printing presses, the dollar is cheapened and the workingman is robbed once again by more inflation.

Clearly inflation feeds recession. We must have a response that does not just put off the day of reckoning with another round of inflation or another fall into depression. Clearly deficits got us where we are, and they will not get us out. We might not survive what looms on the horizon.

The American people want us to break out of this dangerous economic cycle of alternating periods of inflation and recession.

Our goal must be full and sustained economic recovery and not just another attempt to force a recovery—an attempt that can only hasten renewed inflation and another round of recession, or worse.

A prerequisite of a solid, stable economy is the exercise of fiscal responsibility by the Congress. To this end, we offer an alternative budget designed to hold Federal spending down to $340 billion—a budget that will hold the deficit to $34.7 billion. The harsh realities of this Congress and what it will do dictates there will be a deficit. I do not like it. But in this alternative budget, we are talking about a deficit we can live with, a deficit the economy can stand.

The PRESIDING OFFICER. The time of the Senator has expired.

Who yields time?

Mr. BELLMON. I yield myself 5 minutes.

Will the Senator from Idaho respond to a question?

Mr. McCLURE. Certainly.

Mr. BELLMON. I believe I understood the Senator from Idaho to say that the Budget Committee's anticipated level of spending was $20 billion higher than that anticipated by the President?

Mr. McCLURE. No, the Senator misunderstood.

I said the level of spending under the proposal which the Senator from New York and I have offered would be at least a $20 billion increase over the level of spending of this fiscal year.

Mr. BELLMON. I thank the Senator.

I yield back the remainder of my time.

Mr. MUSKIE. Does the distinguished Senator want some time?

Mr. DOLE. Just about 1 minute.

Mr. MUSKIE. All right, I yield a minute to the distinguished Senator from Kansas.

Mr. DOLE. Mr. President, I listened with interest throughout the afternoon and I certainly commend, as everyone else who has spoken, the chairman, the ranking Republican on the Budget Committee, and the staff of the committee.

I have studied the Buckley-McClure approach and while I am sympathetic and while it has a great deal of popular appeal, it is my opinion that a more realistic approach is possible.

The Senator from Kansas may propose an amendment that would reduce the deficit by about $2.4 billion, which I think is realistic. And that action would depend on whether or not the amendment to be offered by the distinguished Senator from Louisiana is adopted. If that is adopted, the net result might be the same, and we would have about a $67.2-billion deficit instead of $69.6 billion.

As a member of the Budget Committee, and having unfortunately missed the last day because of a rather painful back injury, I think there was consideration of other figures and there was the opportunity on that day to offer cuts of any proposals. As I read the record, they were not proposed.

As the Senator from Maine has indicated, sometimes the conservative members won, sometimes the liberal members won. The net result, by and large, I think, was a rather realistic proposal.

While no one likes to discuss a deficit of $10 billion or $69.6 billion, it seems to be much better to talk about one that has been reduced by $20 to $30 billion. It just seems in the opinion of this Senator, it is not the most appropriate cut at this time due to the need to pump up the economy and end the recession. It is my strong hope that the Senate can make a cut, but make one more in line with the needs of the economy.

Mr. DOMENICI. Will the Senator yield?

Mr. MUSKIE. Yes, I yield to the Senator from New Mexico.

Mr. DOMENICI. I thank the Senator.

I think my colleague from New York and my colleague from Idaho know that philosophically I agree with much of what they have said today.

It has been tough for me to listen to them, to listen to their concerns about the private sector, whether we are going to crowd them out, and their concern about whether we will be in the middle of a recovery and not be able to turn off some of that which was turned on by this budget.

But I went through 2 months of listening to this, to the details, and I do not trust economists any more than they do. In fact, I asked how much they knew about curing a recession and not curing inflation, and they just about admitted it.

But I think we are missing some very important points if we do not understand that this budget does not have a significant amount of new programs that are calculated by law to go on indefinitely.

In fact, I know of no new open-ended program that is funded here. The major expenditures under this budget are the reasons for the recession.

They are stabilizers that came in after the depression, that blessed us with not having 30-percent unemployment, in this kind of ripple effect recession we are having. If we did not have unemployment, did not have social security and some of those other programs helping people, perhaps we would be starting at a 32-percent unemployment and working up.

We are paying for those programs in this budget.

I admit unemployment recovery lags so that we may not recover as quickly in this budget when recession abates as we should.

But I would submit to those who are concerned about the fact that we may get into recovery and not be able to turn things off, we have not abandoned the portions of this act that would permit the President, 6 months into next year, to impound some highway funds and send them over to us, and impound water and sewer. Those are the kind of programs we put more money in than wanted and we think they are the kind that have a chance of abating the recession and do not continue on indefinitely.

Mr. TOWER. Mr. President, the Senate has a rare opportunity today. We can prove to ourselves and to the Nation that we have the will to impose self discipline and control massive Federal spending.

The first concurrent resolution in the budgeting process, which we are considering today, establishes the boundaries for Federal expenditures and the level of expected Federal receipts. Several proposals have been made; one calls for a spending ceiling of $365 billion while the other proposes a more modest $355 billion spending limit. I contend that these are not viable alternatives. They offer, respectively, $67 and $58 billion deficits.

I would like to call the attention of my colleagues to an article recently appearing in the Wall Street Journal which dramatizes the magnitude of total government—local, State, and Federal—spending. In 1929 U.S. Government spending was $10 billion or 10 percent of our gross national product. By 1960 this figure rose to $136 billion, or 27 percent of GNP. Since 1960 Federal expenditures have expanded more than threefold, so that in 1974 Government expenditures totaled 33 percent of GNP or $461 billion. This means that our Government has put substantial pressure on the real productive resources of our economy and has handicapped the private sector by taking one-third of our Nation's total output of goods and services. Combine this with the pressures of an expanding productive private sector and it is no wonder that our inflation rate jumped to the highest in decades last year.

The Senate Budget Committee's proposal would increase Federal spending by more than $50 billion, or 16 percent over the current fiscal year, and would result in a projected budget deficit of close to $70 billion. This will pose an inordinate strain on the real and capital resources of our economy and could reflate our economy in 6 to 8 months depending on the timing of our Nation's economic recovery.

Let us look at the present situation. The capital markets are already nervous over the proposed Federal deficits. This is reflected in the recent decline in bond prices and the upturn in long-term interest rates. The implications are that if a large Federal deficit becomes reality the monetary authorities will either have to accomodate the increase in Federal borrowing, thus fueling inflation down the road, or pursue a more moderate expansionary course resulting in higher interest rates. In either situation the American public is the big loser.

There is an alternative to the Senate Budget Committee's proposal and one which I strongly support. It is the current resolution introduced by Senators BUCKLEY and McCLURE which calls for a $340 billion spending ceiling and a deficit not to exceed $38 billion.

This proposal, though still 8 percent above 1975 spending, would impose the necessary discipline on Federal spending which our economy so desperately needs. If we in the Congress are not willing to hold the line and set an example for responsible fiscal management, who will?

This proposal would ease the difficult task of the Federal Reserve Board in monetary management. By making the critical spending choices ourselves we are passing the buck to the nonelected monetary authorities who all too often are forced to choose between high interest rates or potentially damaging inflation.

In addition, our proposal realistically addresses the long run needs of our economy rather than the short term demands. It recognizes that a high level of employment is only possible with stable prices. The notion that a large Federal deficit is necessary to insure a high level of employment is subject to serious question. Rapidly rising prices due to overly stimulative fiscal policies are not compatible with a low level of unemployment.

If we in the Congress choose to run a large Federal deficit in hopes of increasing the number of individuals employed we are fooling ourselves. Though some improvement may be seen in the short run, it is only an illusion, for around the corner high prices and high unemployment wait.

The Federal budget has expanded rapidly in almost every area save one which is the most vital to our Nation's security. That is in the area of national defense. Defense spending as a percentage of gross national product has fallen sharply, some think dangerously, in the last decade. It is now no exaggeration to describe our defense outlays as a bare-bones budget. Any further cuts could jeopardize our Nation's security, especially in this time of uncertain world conditions. Many of the cuts that have to be made will have to come from the area of Government that has exploded in recent years.

Our economy is in an extremely sensitive state. Anticipation of a large Federal deficit is high, while confidence in Congress to impose reasonable spending limits is low. The total deficit for 1975–76 is likely to be in excess of $120 billion. This compares to a cumulative budget deficit in the preceeding 10 years of only $100 billion or about a $10 billion deficit per year.

Most economists agree that there will be a contraction in available credit in 1976 as business loan demand picks up and the Federal Government continues its large borrowing. The problem is not in the short run; there is ample slack in the economy for noninflationary financing of a large deficit, at least for the next 6 months. But what happens after that time, when the economy picks up speed and the Federal Government continues to borrow and refinance its existing debt? Someone will be displaced from the capital market and it will not be the Federal Government, it will be private individual and business borrowers.

A Federal deficit in the $60 to $100 billion range is inconsistent with the goals to insure a high rate of employment and stable prices. The real answer to our economic problems is fiscal responsibility. Congress must hold the line on Federal spending.

Mr. President, to emphasize and clarify the growing impact of Government spending on our economy, I ask unanimous consent that the article which I mentioned earlier from the Wall Street Journal be printed in the RECORD.

There being no objection, the article was order to be printed in the RECORD, as follows:

THE OUTLOOK: REVIEW OF CURRENT TRENDS IN BUSINESS AND FINANCE

Government spending. It is big in the news these days. The government, they say, is doing more of it to boost the economy. So while we wait to see how effective the boosting is, and what inflationary side effects it may have, it may be well to take a long-term look at the historic pattern of such spending in this country. And to ponder the outlook ahead if the trend continues into the future. The impact upon what money you have left to spend upon personal consumption of your own selection may be bigger than you think.

Everybody knows, of course, that spending by government, money that represents taxes on the public's end of the deal, has grown greatly over the years. But, it may be said, everything has grown. The population has grown. And the GNP. We are in a trillion-dollar-plus economy now. So naturally government spending is a lot bigger.

But the story is not that simple. The government spending is getting bigger faster than most other things. Its total at all levels—local, state, federal—is a steadily swelling chunk of the entire economy.

The table below traces the record over nearly half a century. The first column is the whole economy, the gross national product. The second shows total government (local, state, federal) spending. The last gives the government spending as a percent of the whole. The first two columns represent billions of dollars.

GOVERNMENT SPENDING VERSUS GNP

Year	GNP	Government spending	Percent of GNP
1929	103	10	10
1940	99	18	18
1950	284	60	21
1960	503	136	27
1970	977	312	32
1974	1, 397	461	33

The U.S. is the greatest industrial power on earth. And the "big business' country, they say. Yet government spending of $461 billion in 1974 was more than five times the after-tax profits of all the corporations in the country. It is hard to escape the question: "Who's big?"

While spending from the public coffers increases as a percentage of the economy, that spent by consumers on things of their own individual choice declines—as a percentage of all spending. While the shrinkage is not as dramatic as the expansion in public spending, it is there. It is hard to spend on yourself the same dollar you give to the tax man.

The following table shows the relationship to the total economy (GNP) of all the money the citizens spend on all their personal consumption—for food, clothes, housing, services, cars, gasoline, TV sets, medicine, and so on. GNP and spending figures represent billions of dollars. Percentage figures in this table and the first one do not add to 100% because there are other types of spending, mainly by business.

CONSUMPTION SPENDING VERSUS GNP

Year	GNP	Personal consumption spending	Percent of GNP
1929	103	77	74
1940	99	70	70
1950	284	191	67
1960	503	325	64
1970	977	617	63
1974	1, 397	877	62

Government spending in 1974 was more than half as much money as was spent by the country's 212 million people on all personal consumption things—from food to footwear.

Closely linked with government spending, of course, has been the growth in government payrolls. As with the spending, the climb has not been just a matter of keeping up with the population climb, which it has vastly outpaced.

In the table below, the first column shows Labor Department figures covering all the nonfarm payrolls (000 omitted) in the country, including government workers. The second column shows those on local, state, and federal government payrolls. And the third column shows the government workers as a percentage of the total.

GROWING GOVERNMENT PAYROLLS

Year	All payrolls	Government payrolls	Government percent of all
1929	31, 339	3, 065	9.7
1940	32, 376	4, 202	12.9
1950	45, 222	6, 026	13.3
1960	54, 232	8, 353	15.4
1970	70, 920	12, 561	17.7
1974	78, 334	14, 284	18.2

The recession had reduced total payrolls by 2.5 million as of last month. But the government figure had actually risen. In March, public payrolls came to 19.3% of the total.

There are now more people working for government at all levels—local, state, federal—than there are men, women, and children in New York City, Chicago, and Los Angeles combined. Their number is greater than the entire population of Australia.

There are more public workers today than there are production workers in all the nation's factories. There are more than there are on all retail store payrolls. And there are four times as many as there are people at work on all the farms.

Is all this good or bad? Much of it is necessary. Much is required by urbanization of the nation. Scattered across the land on farms, people don't need big police forces. Nor large sanitation forces. But, packed in massive urban concentrations, they need both. Other complexities of the changing society call for bigger public payrolls, more public spending.

But how much more? The pros and cons aren't argued here. But one thing seems certain. If the trend goes on and on, less and less of the consumer's money will be spent as he chooses. More and more will be spent on government through taxes. Maybe that's what the public wants. But if so, it should not complain about a sharper bite on "take home pay" by the tax man. You can't eat the same piece of pie twice.—JOHN O'RILEY

Mr. FANNIN. Mr. President, I am pleased to cosponsor the substitute concurrent budget resolution introduced by Senators BUCKLEY, MCCLURE, and BROCK. In my opinion, their amendment provides a rational approach to Federal spending and congressional budgetary control which I consider more fiscally sound than the concurrent resolution recommended by the Senate Budget Committee.

The substitute resolution would limit the Federal Government's total budget outlay for fiscal year 1976 to $340 billion, or $25 billion less than the level recommended by the Budget Committee resolution. The substitute would also recommend the level of Federal revenues at $305.3 billion, or an increase of $7.5 billion over the revenues projected by the Budget Committee. And it would anticipate a budget deficit of $34.7 billion, or roughly half the deficit of $67.2 billion proposed by the Budget Committee.

Mr. President, there is the story that in the early 1960's former President Lyndon Johnson summoned to the Pedernales White House his closest advisers and members of the Cabinet to discuss what to do about a very hot political potato; namely, whether to propose to the Congress the first $100 billion budget in our Nation's history. Now, here we are a mere dozen years later, watching the level of Government spending rise above $350 billion a year—almost a billion dollars a day—and it is the deficit that is heading toward $100 billion.

During that dozen years I have been a Member of the U.S. Senate and I have observed, with increasing alarm, as the spending figures of our National Government have gone higher and higher while the deficit has grown bigger and bigger. And I wonder how far this spending and these deficits can go before the American taxpayers rise up in anger and the economy of the richest Nation on Earth collapses. Only once during my years in the Senate has there been a budget surplus, against 10 years of deficit. I have done all I could as a Senator from Arizona representing the wishes of the taxpaying citizens of Arizona, to resist higher spending, to fight against more Government programs, to cut waste and inefficiency in those Government programs that I do consider essential and to reduce the amount of our annual deficit.

As I look at the Budget Committee's report and concurrent resolution, I see that the majority is proposing not just red-ink figures of almost $70 billion, but a planned deficit of unparalleled proportions. At least during the past 11 years of deficit, the results were arrived at without conscientious effort and conscious planning.

Mr. President, I was privileged to serve as a member of the Joint Study Committee on Budget Control which recommended to the Congress the legislation which ultimately created the House and Senate Budget Committees. I favored then, and I strongly support now, the principle that there must be stronger and more effective congressional control over the Federal budgetary process.

I voted for the Congressional Budgetary and Impoundment Act of 1974 which established the procedures for implementing this congressional reform. But many of us who supported that measure warned then that, for the new process to work, the obligation must finally rest with the Congress. Without the self-restraint and self-discipline required of the Members themselves, budgetary reform would prove a myth, no matter how noble the principle or sound the procedures.

It appears that many of our worst fears may soon be realized. The new budgetmaking procedures are to become effective next year. Yet in the trial process which the Budget Committees are now pursuing we already see, in this first proposed concurrent resolution, the problems and difficulties that will intensify next year. Judging by the figures that the Senate Budget Committee proposes for fiscal year 1976, those problems and difficulties will be enormous and perhaps crippling to the congressional budgetary process. Where is the restraint that we who supported budgetary reform hoped for? We certainly do not find it in the new spending totals presented by the Senate Budget Committee.

Now, I do not intend to denigrate the hard work and long hours that obviously went into the Budget Committee's report. I am greatly impressed by that effort, but I do have serious reservations about the underlying assumptions and methods and the recommendations which the majority has presented us for consideration.

I am a fiscal conservative. I make no apologies for my fiscal conservatism. I am also an economic realist. I realize full well that in a period of recession, particularly when unemployment is high, the Government has an obligation to do what it can, reasonably and within certain fixed limits, to stimulate and expand the Nation's economy and to help foster jobs for the unemployed. But I also realize that the problems that we have found ourselves in lately, with high unemployment accompanied by high inflation, provide good evidence that the old spending formulas of the past have not been working. In fact, the fiscal and monetary policies followed by successive administrations and successive Congresses have led us to our recent economic troubles and may, if continued, lead us to future cycles of chronic unemployment and inflation and future recessions of even greater proportion and impact on our taxpayers.

Many of my colleagues in the Congress have long prided themselves on being full-fledged Keynesians, supporters of the principles of the late economist John Maynard Keynes. The problem is that they have followed only one-half of the Keynesian theory. In bad economic times these Members want the Federal Government to follow generous fiscal policies and spend the people's hard-earned tax moneys on programs designed to stimulate economic recovery. But when we enjoy good economic times, these same congressional Keynesians are reluctant to end those programs or cut back Federal spending to acceptable levels. Proposals for reducing the budget deficit or planning for a budgetary surplus are never even considered.

The result has been that we always find ourselves deeper in debt and beset by higher inflation. As a result of the unbroken process of huge Federal budgets and resulting deficits during the past decade, we find ourselves in an unusual and troubling situation.

Recent economic reports indicate inflation seems to have been brought substantially under control. Certain economic indicators and quite a lot of economists and bankers tell us the recession is beginning to bottom out. If this is, in fact, a correct analysis—and I believe it is—why must we continue on the path of profligate spending as the majority's resolution would have us do? Surely we should have learned by this time that for the Congress to appropriate the levels of funding recommended by the Budget Committee will only trigger another round of intense inflation followed or accompanied by recession.

While there is substantial money currently available for private lending, there will be a genuine credit crunch in coming months if Federal borrowing reaches the magnitude anticipated by ths majority resolution.

Let me reemphasize that while there are differences of opinion on this point, many economists and businessmen believe our economy will be on the upswing by the end of this year. Private credit demands will certainly rise as a matter of course, but the lack of borrowing capacity will have serious detrimental effects on economic recovery. This "crowding out" of private capital is a problem the Budget Committee resolution and report does not face squarely.

Many have expressed the attitude that a carefully directed monetary policy by the Federal Reserve System can avoid any such crowding out of credit resources. I cannot agree with this view. It is true that the Federal Reserve has been able to monetize a substantial portion of our previous deficits as they were incurred. The banking system, however, can manage only a certain portion of any sizable deficit. This leaves the Treasury no choice but to enter into the private money market and absorb virtually all available private funds. What money they cannot find there must be run off the Government printing presses. Funds borrowed by the Government are no longer available for the private sector. When industry cannot find capital to borrow, it cannot expand operations or modernize plants and equipment. When businessmen cannot expand or modernize, America's workers cannot find new jobs, in fact, they may lose their jobs, and the once dynamic American economy stagnates.

Mr. President, I shall not dwell any longer on economic theory or practice, but I would like to call the attention of my colleagues to the minority views of Senators BUCKLEY and McCLURE as set forth in the committee report. Their discussion of monetary policy is especially enlightening.

I also share the concerns expressed by Senators McCLURE and BUCKLEY that the Senate Budget Committee has not given full and appropriate consideration to the strategic needs of our Nation.

In light of our foreign policy commitments and the deteriorating political situation throughout the world, we must maintain the best possible national defense program. I do not feel the Budget Committee proposals accomplish this.

I commend the distinguished junior Senators from New York and Idaho for their excellent discussion of defense matters, with one additional reservation of my own. For years we have been providing a protective umbrella for most of the rest of the non-Communist world. We have spent millions of dollars trying to defend not only the nations of the Western World and the perimeter of small states along Soviet-Chinese borders. We have also been providing a defense shield for many of the rich, oil-producing countries which today have us, literally, over a barrel. I believe that it is about time we ask these countries of Western Europe and the Far East, particularly those members of OPEC, to assume their own defense obligations.

Mr. President, in summary, I believe that the Budget Committee's concurrent resolution is not realistic or responsible **but is a blueprint for economic disaster.**

The Buckley-McClure-Brock substitute places in proper perspective our national needs and priorities and our ability to meet these needs and priorities. Furthermore, it strikes a better balance between our domestic, economic, and defense requirements. For these reasons I urge you to join me in supporting the amendment.

The PRESIDING OFFICER. The Senator's time has expired.

The hour of 5:45 p.m. having arrived, the question is on agreeing to the amendment of the Senator from New York (Mr. Buckley). The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Bumpers), the Senator from Kentucky (Mr. Ford), the Senator from South Carolina (Mr. Hollings), the Senator from Kentucky (Mr. Huddleston), the Senator from Rhode Island (Mr. Pell), and the Senator from Missouri (Mr. Symington) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. Pell) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Delaware (Mr. Roth), the Senator from Virginia (Mr. Scott), and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

The result was announced—yeas 21, nays 69, as follows:

[Rollcall Vote No. 153 Leg.]

YEAS—21

Allen
Bartlett
Brock
Buckley
Byrd,
  Harry F., Jr.
Curtis
Fannin
Garn
Goldwater
Hansen
Hatfield
Helms
Hruska
Laxalt
McClure
Morgan
Nunn
Packwood
Talmadge
Thurmond
Tower

NAYS—69

Abourezk
Baker
Bayh
Beall
Bellmon
Bentsen
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Eagleton
Eastland
Fong
Glenn
Gravel
Griffin
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pearson
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Taft
Tunney
Williams
Young

NOT VOTING—9

Bumpers
Ford
Hollings
Huddleston
Pell
Roth
Scott,
  William L.
Symington
Weicker

So Mr. Buckley's amendment (No. 374) was rejected.

Mr. LONG. Mr. President, it is now almost exactly 2 years since the Joint Study Committee on Budget Control issued its final report calling for the creation of an entirely new process designed to permit Congress to look at the budget as a whole and to set priorities which would be reflected in its actions on individual legislative measures. I was pleased to serve as one of the vice chairmen of the Joint Study Committee and to strongly support its recommendation. Last year, the new congressional budget procedure was made a reality through the enactment of the Congressional Budget Act of 1974, and the first fruits of this new process are now before us in the form of the first concurrent resolution on the budget for fiscal year 1976.

I have examined the text of Senate Concurrent Resolution 32 and its accompanying report, and I want to congratulate the chairman and members of the Budget Committee for the thoughtful effort and hard work they put into it. Because this is a new procedure, the present resolution represents only a down-payment on the full congressional budget process which will be effective for future years.

As chairman of the Committee on Finance which has jurisdiction over virtually all Federal revenues and over programs involving more than one-third of all Federal expenditures, I am acutely aware of the limitations which exist on our ability to project income and outgo under existing law, let alone under various legislative proposals. To begin with, all projections are necessarily based on assumptions concerning the gross national product, inflation, unemployment rates, income levels, and so forth. Different economists have different expectations in these areas even when their estimates are given as of the same time; and, of course, the passage of time can quickly make estimates obsolete.

I am pleased that the Budget Committee recognized and stated explicitly in its report that revenue estimates and estimates of outlays for social security, unemployment compensation, and a number of other programs are only estimates, a set of figures which appear to be the most reasonable according to the information available. We have to recognize, however, that even slight changes in economic conditions can have a strong impact on our estimates. If levels of income and profits rise, we can expect increased revenues and smaller deficits. Similarly, if our estimates as to unemployment rates prove to be somewhat wide of the mark, we can certainly anticipate that the estimated expenditures for unemployment compensation will have to be adjusted.

The congressional budget process is intended to deal with the larger elements of the Federal budget—aggregate revenues and expenditures, deficits and debt levels, and not to be an attempt to substitute for or foreclose the detailed decisionmaking which the various committees and the Senate must undertake as the year progresses. Yet the Budget Committee report gives some indication of the assumptions on which their aggregate figures are based, and I suspect that throughout the years to come one of the most difficult parts of the congressional budget process will be maintaining a proper balance between an overly detailed approach and an overly abstract approach. In this respect, I think the current effort of the Budget Committee has set an admirable precedent.

In particular, I am pleased that the Budget Committee figures follow the advice of the Finance Committee, in assuming that the Congress will not enact the President's proposal to cut back the social security cost-of-living benefit increase and to cut back in the medicare, medicaid, and social services programs.

I note that according to the committee report, the Budget Committee figures are based on the assumption that no legislation will be enacted this year providing health insurance for unemployed persons. Perhaps the $1.8 billion recommended by the Committee on Finance to the Budget Committee is not the right figure, but I believe the Congress will be acting on this issue within a month and if we are serious about the new budget process, we should make allowance for actions we are likely to take.

I am also concerned that the Budget Committee, on page 83 of its report, states that:

> The Committee's recommended outlay level includes an estimate of $1.8 billion in savings that could be realized through administrative improvements in the food stamp program and through legislative improvements in AFDC, OASDI and Federal employee retirement programs.

I do not know what the Budget Committee had in mind but it seems to me that this is an unrealistically high estimate of savings in these programs through legislation.

Altogether, I feel that the Budget Committee's report and resolution represent a very great stride along the road of implementing a truly effective congressional budget process. Although in this first year we are dealing with an incomplete procedure, I think no one will make the mistake of thinking that this is simply a theoretical exercise. The Budget Committee is to be commended for a diligent and conscientious job.

Mr. President, I call up my amendments at the desk, and I ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments will be stated.

The legislative clerk read as follows:

> The Senator from Louisiana proposes amendments.

The amendments are as follows:

> On page 2, lines 2 and 3, delete ", and $69,600,000,000 if the revenue measures referred to in paragraph (4) are extended and enacted".
>
> On page 2, line 5, delete "and, if certain provisions of the Federal Tax Reduction Act of 1975 are extended to 1976 and additional taxes on energy are enacted, the level of Federal revenues will be $295,400,000,000".
>
> On page 2, lines 11 through 13, delete "and $620,000,000,000 if the revenue measures referred to in paragraph (4) are extended and enacted".
>
> On page 2, lines 21 through 23, delete "and $65,600,000,000 if the revenue measures referred to in paragraph (4) of such section are extended and enacted".

Mr. LONG. Mr. President, I ask unanimous consent that Michael Stern be permitted the privilege of the floor during the consideration of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABOUREZK. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that George Rucker, of the Budget Committee staff, be permitted the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHILES. Mr. President, I ask unanimous consent that a member of my staff have the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, I am concerned that the pending resolution makes some assumptions about the revenue effect of energy and other tax legislation the Senate will be considering later this year. I think it is too early for us to predict the revenue effect of this legislation. We will have a second budget resolution in the fall, and we will have an opportunity to consider the effect of further tax legislation in light of economic circumstances at that time.

My amendment would simply delete the language in the resolution referring to the possible revenue effect of upcoming legislation.

I have discussed this matter with the distinguished manager of the bill, and I believe he is willing to accept the amendment.

Mr. MUSKIE. Yes.

Mr. President, I have discussed this matter with the distinguished Senator from Oklahoma (Mr. BELLMON) and with members of the committee on both sides, and we are willing to accept this amendment. Before doing so, I should like to take a few moments to explain why that language was included.

In the first place, under the Budget Reform Act, it is our responsibility to estimate revenues and to recommend changes that may be consistent with what we believe to be the interests of the country.

In this case, we included this language for informational purposes. We understood that the tax cut approved by Congress this winter extended only through the first half of fiscal 1976 and that the probability was that it would be extended into the last half of fiscal 1976. We felt that we could not discharge our responsibility without reflecting that possibility in our resolution.

Second, it was clear that energy taxes of one kind or another were under consideration by the administration—indeed, the administration had imposed some. On the House side, the Ways and Means Committee was considering some energy taxes and we felt that we should indicate the possibility of some energy tax revenues accruing to the Treasury in the latter part of the fiscal year.

We wanted Members to understand that if tax actions of this order were enacted, the impact on the deficit would be to increase it by $2.4 billion.

However, our point having been made, and the information having been conveyed to the Senate with all Senators understanding that possibility, I see no reason to insist upon inclusion of the language in the resolution; and I am more than happy to support the amendment of the distinguished Senator from Louisiana, the chairman of the Committee on Finance.

Mr. BELLMON. Mr. President, I join the chairman in accepting the amendment.

I believe it is important to invite the attention of the Senate to the fact that the Budget Committee tried every way it knew to lay out the record so that the full Senate would know what is involved in this budgeting process. We tried very hard to be candid and straightforward, to the extent even of reducing the present anticipated revenues from the sale of Outer Continental Shelf leases by $4 billion. This would have made our deficit $4 billion less than it is. This is the reason why we have the figure that the Senator from Louisiana is now moving to remove.

I agree with the chairman that the point has been made and that the Members have been informed as to what the situation is, and I join in accepting the amendments.

Mr. MUSKIE. Mr. President, I think we are ready for a vote on the amendment of the Senator from Louisiana.

The PRESIDING OFFICER. Is all time yielded back?

Mr. LONG. I yield back the remainder of my time.

Mr. MUSKIE. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the Senator from Louisiana.

The amendments were agreed to.

Mr. ROBERT C. BYRD. Mr. President, I simply wish to state for the benefit of the Members that there will be no more rollcall votes today.

Mr. MUSKIE. Mr. President, I yield 15 minutes to the distinguished Senator from Illinois.

Mr. PERCY. Mr. President, while the acting majority leader is in the Chamber, together with the manager of the bill and the ranking minority member of the Budget Committee, is it possible to get some idea as to when we might have a vote on passage of the bill tomorrow? I presume that passage will occur tomorrow. It will be appreciated very much by the Senator from Illinois if it is possible to have the vote no later than 3:30 tomorrow afternoon.

Mr. MUSKIE. There are two possible amendments, one which is being considered by Senator DOLE, and another by Senator MONDALE. The Dole amendment may not materialize, but that is not finally resolved. I have asked Senator HUMPHREY, who is a cosponsor of the Mondale amendment, if they could begin discussion of their amendment at 11 o'clock. There are 2 hours allotted under the order to an amendment. We could, of course, grant some additional time under the bill.

I made the point to Senator HUMPHREY that we would like to have a final vote on that amendment substantially before 3 o'clock, if possible. I think that would accommodate the Senator from Illinois if it materializes.

Mr. PERCY. It would be very much appreciated indeed. I shall speak this evening for 10 or 15 minutes to accelerate the process tomorrow, then.

The PRESIDING OFFICER. Who yields time to the Senator from Illinois?

Mr. BELLMON. I yield the Senator 15 minutes on the bill.

Mr. PERCY. Mr. President, it is with a great deal of personal satisfaction and a sense of real accomplishment that I rise to participate in this opening day of debate on the first of what I hope will be a great many "first concurrent resolutions on the budget."

As the distinguished managers of the resolution well know, I devoted a great deal of personal effort to the passage of what I considered to be the most important reform of congressional procedures since the Civil War. I enjoyed very much working with my colleagues on both sides of the aisle on the Committee on Government Operations.

The very able Senator from Maine, the chairman of the Budget Committee (Mr. MUSKIE), and I worked very closely together on this legislation in the Government Operations Committee (Mr. ERVIN). I am proud of this result of our work. The first concurrent resolution is the keystone of the process we created.

Though we all recognize that this is the "trial run" of the new budget processes, which will not become fully effective until next year, I think the Budget Committee has set the correct course.

The authors of this reform intended these processes to bring order out of an increasingly apparent fiscal and budgetary chaos. Faced with apparently undisciplined spending, increasing debt, higher taxes, runaway inflation, and dwindling purchasing power, Americans had come to the perfectly logical conclusion that we were failing in our constitutional duty to manage the national budget. These criticisms were summed up by the respected Committee on Economic Development in a way which had a particularly strong impact on me.

This is a quotation that I have used constantly throughout the country over a period of many months in trying to convince the country, the U.S. Chamber of Commerce, the National Association of Manufacturers, the UAW, the AFL-CIO, the United Steel Workers and other organizations, of the necessity of having this budget process. The CED had this to say:

> The present congressional approach to fiscal affairs is indefensible. When budget decisions are extended long past the beginning of the fiscal year for which they are intended, when there is no congressional mechanism to tie revenues and appropriations into a coherent pattern, when no legislative procedure exists to initiate actions based on a comprehensive view of the economy, then national stability is endangered.

We answered these harsh judgments with the Congressional Budget and Impoundment Control Act. We are answering them again today in this debate.

I cannot commend too highly the managers of the bill, and all members of the Budget Committee. I think they have produced a remarkable document, a fiscally responsible document.

I regret that some administration spokesmen have characterized this as an excessively deficit budget. I disagree. When the perhaps unrealistic assumptions underlying the deficit projected by the President are taken into account, the deficit projected by this first concurrent resolution is extremely close to the administration's projection.

The deficit projected by this first concurrent resolution is extremely close to the administration's projections. I think that time will show that the Budget Committee's deliberations have been far more realistic than the OMB have been in the presentation of the President's program to Congress and to the American people. I will join my colleagues in refuting any insinuation that this is an irresponsible document.

On the contrary, it is a politically exceptional document. I have an acutely clear understanding of the intense, diverse, political pressures that were focused on the Budget Committee. The drafters of this legislation intended that. We also anticipated that the Budget Committee would act in a statesman like way, and it has.

There is one sense in which the budget document seems of particular value. The concurrent resolution, when passed, will be the formal expression of Congress on national fiscal issues. It, and the processes and institutions that back it up, now permit Congress to speak with one voice on fiscal policy. The concurrent resolution tells the American people and the executive branch what our judgments are about national fiscal needs. It is going to go a long way toward keeping everyone honest.

Of all of the comments that I made at the luncheon today at the U.S. Chamber of Commerce, the one that drew the strongest and most instantaneous and enthusiastic response was when I said they will always remember this day, the first day of debate on a concurrent resolution that the Senate of the United States has gotten on a bill that the Chamber, in its final deliberation on this bill and measure, strongly supported as being in the national interest and certainly, the first major attempt in many, many years to have Congress establish a spending goal and establish revenue and spending levels and a national debt level in perspective before it even considers the detail of the budget. We have some guidelines now and some guideposts. Certainly the vote on the first amendment offering, an historic amendment—I am sure we shall have more exicting votes than that in the future, but it was an indication that there was a strong vote on confidence for the judgment of this committee.

If I have one regret about this first concurrent resolution, it is that it does not contain the functional subtotals that are instead contained in the report at page 37. I think inclusion of the subtotals in the concurrent resolution would have permitted a more realistic debate. But I respect the judgment of the Budget Committee that in this trial run it is wiser to limit the debate to the aggregate figures.

As I went through the record of the hearings—I certainly commend to my colleagues for reading the views that are available, the condensations and summaries that are available in the Congressional Quarterly on it, I think they will get a sense of the drama and debate and exchange of ideas that went on in those hearings—I think that I wanted to be a member of the committee, I wanted to live through the experiences. I think my concurrence would have been the same after watching the flow of that debate, that this was the main goal that we should work on and that the next one that we present, next year, obviously, is the time to move in with those functional subtotals that will be difficult to arrive at—but again terribly good discipline for us to have, guideposts which we can go by.

I do not believe that any of us anticipated that the first, "trial" run for our new process would face such overwhelming difficulties. I ask the distinguished chairman: When we were drafting this bill did we anticipate that its first test would take place in an economic environment worse than any since the Great Depression?

This may be the worst of times for this test to take place, but in another sense it is also the best of times. If the trial run succeeds in this climate, as I anticipate that it will, I think we can expect that our new processes will work when fully in force next year.

I must say that, as the economic conditions unfold, I have felt a sense of disheartenment that this would be the first challenge of the Committee on the Budget. I had hoped that we could start the history of this new chapter in the fiscal life of Congress with a balanced budget—that goal that we always dream about, that we always talk about in our political campaigns and never seem to get hold of when we take the floor in the House of Representatives or in the Senate.

But, on the other hand, I have to bury my dream and recognize, what if we did not have the Budget Committee? Today we are faced with one of the greatest climactic experiences, economically, that we have had since the days of the so-called Great Depression. Never have we had an economic environment that has been any worse except in that particular period, nor more difficult to appraise or analyze. It has caused every economist in the country to wonder whether economics really is a science. Maybe it is more an art than a science.

But what if we did not have this whole budget process installed? It would be much worse. And rather than dealing in the best of times, with the possibility of a balanced budget, maybe from the standpoint of the learning process we are going to have to go through, it was just as well to have it in the worst of times; and certainly these are the worst of times.

A more personal observation: At the beginning of this Congress when the Republican Caucus adopted rules that effectively prevented the more senior members of the minority from taking seats on the Budget Committee I regretted that I could not participate directly in the implementation of the reforms we had conceived. However, I must say to the ranking minority member, my friend from Oklahoma, that I have great admiration for the job he and the other members of the minority have done.

Certainly when we look at the members of the minority, and we see the fact that seniority is low by experience in all levels of Government, yet from the standpoint of judgment and background, we certainly have a fine complement on the minority side in the Senator from Oklahoma (Mr. BELLMON) as ranking minority member, the Senator from Kansas (Mr. DOLE), the Senator from Maryland (Mr. BEALL), the Senator from New York (Mr. BUCKLEY), the Senator from Idaho (Mr. McCLURE), and the Senator from New Mexico (Mr. DOMENICI).

I do not think the chairman will mind my repeating in the confidence of this Chamber this evening, when there are few of us left, the comment that he made to the Senator from Illinois that he was extraordinarily proud of the work that has been done by all members of the Budget Committee, and was particularly pleased with the spirit of cooperation and the way that the minority has worked with the majority in this regard, and the seriousness with which they have taken their responsibilities.

I admire it tremendously myself, and I have to reluctantly conclude that the decision of the caucus was absolutely correct. The more junior Republican members have had the time to focus their attention on it, and have done very well indeed, and this early in their Senate careers to have assumed a position on an important committee such as the Budget Committee, with the enthusiasm and the effort they have put into it, will in the end offset the fact that there could be more senior Members, possibly, serving on the committee, but it is a lot better to have those Members there who have the time and the real interest, and who look upon this as a major committee assignment, rather than as a second or third committee, as it might have to be with the ranking members of other committees.

Mr. MUSKIE. Mr. President, will the Senator from Illinois yield?

Mr. PERCY. I am happy to yield.

Mr. MUSKIE. As the Senator knows, I had hoped that he might represent the minority on the Budget Committee. We had worked together for long months in writing the budget legislation, and I had come to greatly enjoy the association with the Senator from Illinois. But having said that, I must say how enormously impressed I have been by the contributions of all the members of the committee, and especially those on the Republican side.

I say "especially" because I suppose I would expect a certain ideological and partisan strain across the party lines, but I have not found that at all. I have found all the members of the committee on both sides to regard the matter as a challenge to be faced. We have all regarded this as an exciting and stimulating educational experience. I think it was more than just the responsibility that prompted the members to attend the committee sessions so religiously, but they did attend, and I think beyond that they enjoyed it.

Speaking personally, I have learned more about the overall perspectives that one must have in dealing with our Government than I ever knew before. So it has been a real personal pleasure for me to deal with such people as the distinguished Senator from Oklahoma, whom I happened to know well before and whom I now count not only as a valued colleague, but as a friend.

So, if I could not have the distinguished Senator from Illinois as the ranking minority member, I was most happy to have the distinguished Senator from Oklahoma.

Mr. PERCY. As among the three of us, we represent the West, the Midwest, and the East. I think that is a great spectrum, and I think that is the important point.

So I intend to support the concurrent resolution, and to vote against amendments which would alter it.

I believe it sets out a realistic and economically sound program for Federal budgetary policy as we begin fiscal 1976.

I do not believe the projected deficit should be raised from the level recommended by the committee. While I appreciate the motivation of those who believe a greater Federal effort should be made to counter the recession, a significant effort is already underway.

The first rebates from the $22.8 billion tax reduction bill will soon be received. Approximately $6 billion in emergency appropriations for additional public service jobs and accelerated public works projects will soon be available. Our unemployment compensation program has been extended and expanded, as have other programs to assist those out of work. We should allow the programs we have initiated to take hold and assess their impact before piling more programs and spending on top of them.

Certain counter-recessionary proposals—such as fiscal relief for State and local governments—may prove to be necessary and if so I will support them. However, I will attempt to support such programs within the outlay ceiling recommended by the Budget Committee. If additional counterrecessionary programs are needed, less essential spending should be postponed.

I will also work to include revenue raising measures in any tax reform bill adopted this year. If the Congress extends portions of the Tax Reduction Act on a permanent basis, it should pay for the tax cuts with permanent tax increases. Nonrecessionary revenue-raising measures could include an increase in the excise tax on alcohol and tobacco. Additional revenue could also be raised, and our energy posture improved, through a substantial tax on gasoline.

Certainly between now and the time of the second concurrent resolution, which would be in September, we will have a chance to appraise and assess, and I for one will be working earnestly, if the economy can absorb it, to find ways to close this gap just as promptly as we possibly can.

Certainly in an area where we have not increased the tax on gasoline for 23 years, where we have not increased the tax on alcohol for 23 years, and where we have not increased the tax on cigarettes for 23 years, relatively speaking, they are the lowest-priced products in the world. We literally, in a sense, subsidize them. I think there is no reason not to properly tax those products and try to bring the revenue more in line with our expenditure levels.

While it is tragic for any worker to be without a job, it will be even more tragic if in our efforts to reduce unemployment quickly we lay the base for a new round of inflation-caused recession several years hence.

In addition, I think it would set a bad precedent, and one contrary to the intent of the Budget Reform Act, to "trigger" different levels of spending and revenues on the basis of unemployment or other economic indicators. A number of factors, including unemployment, must be weighed in determining the correct level of outlays, revenues and deficit. I do not believe it can be done properly on the basis of a simple formula. It is the responsibility of the Budget Committee to continue to analyze budgetary and other economic data and to present additional recommendations to the full Senate in its second concurrent resolution. If we build a triggering formula into the first concurrent resolution, there is little point in the Budget Committee proceeding; indeed, there is very little point to the entire process.

I am also opposed to any significant reduction in the committee's recommended deficit level. The $67.2 billion deficit recommended is higher than the administration's figure of $60 billion only because of a more realistic assessment of economic assumptions and estimated program costs. In addition, the full amount of the deficit can be attributed to the economic downturn. If the economy were operating at full employment, outlays would be $15 billion lower and revenue would be $53 billion higher. To attempt a significant reduction in the recommended deficit level would be recessionary.

An outlay cut in the amount of $25 billion would, in my opinion, be impossible as a practical matter. On a constant dollar basis it would require a cut in program costs from their fiscal year 1975 level and thus a significant cut in personnel and services. In addition, the cut would have to come from the 28 percent of the Federal budget that is "controllable", further exacerbating its impact.

While I look forward to the day when we can enact a balanced Federal budget, economic realities make this impossible and unwise now at a time of deep recession.

In conclusion, I suggest the recommendations and the work of the Budget Committee. I urge my colleague to do so.

I commend most highly our distinguished chairman and our distinguished ranking minority member for the extraordinary work they and the members of their committee have done in the past few months to bring us up to this stage.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. PERCY. I am happy to yield.

Mr. BELLMON. I thank the distinguished senior Senator from Illinois for his kind comments. I know a little of the great contribution that the Senator made in the formation of the budget legislation which the Senate approved last year.

I regret that the Senator from Illinois is not on the Budget Committee. He could have made a great contribution to this committee. But, in all honesty, I must confess that I count it somewhat a fortuitous development that things worked out so that I could become the ranking member. It has truly been a great experience and, as Chairman MUSKIE has said, it has been a learning experience for all of us.

Senator PERCY has had wide experience in government, and before coming to the Senate he had an illustrious career in the private sector, and clearly could have made a great contribution to the deliberations of the Budget Committee. As I say, I am sorry he was not able to serve on the committee because of the other important committee assignments he has.

I would like to say to the Senator that, having served with the committee now since the first of January, I am convinced that the members of the Budget Committee are determined to live up to the high expectations that those who perfected the Budget Act had when the law was passed.

It seems we do have a group who, under the able chairmanship of Senator MUSKIE, are dedicated to this work. Their attendance at committee hearings has been exceptionally high, and their level of participation has been high, and I believe among all the committees on which I have served in Congress, the work of the Budget Committee is outstanding. So I think the group we have together is going to do a job as good as humanly possible.

I would again like to compliment our chairman, the Senator from Maine. I believe under his chairmanship we have real hope that a new day has dawned in the management of this country's fiscal affairs.

Again I would like to congratulate the distinguished senior Senator from Illinois for the role he had in perfecting this legislation.

Mr. PERCY. I thank my distinguished colleague.

Now that the budget process has been put together, the hard work really begins. It is going to take a lot of tenacity, a lot of determination. But I would like to say that since the Senator from Illinois has come to the Senate—and this is his 9th year—he has never introduced a piece of legislation that would cost money above the budget that he did not find another way to reduce another expenditure to pay for that additional money above the budget. He has never introduced an expenditure without an offsetting program to reduce an element of lesser priority.

I know that President Nixon said to me one time when I went there to discuss the process with him that we have been operating under in our office, that he had never heard of a Member of Congress who ever did that.

The Senator from Illinois has done it now for 9 years, and it works. I think we, as a whole, ought to adopt that process.

Once we set this ceiling, and we decide no matter what happens, an emergency comes along, and we need a new program, we have to have something we did not take into account, it was going to break the ceiling, then we have got to go through the whole process again, and I hope the first inclination will be to take out some other program of lesser priority and cut the spending.

The second inclination should be if you cannot cut anything else, then raise the revenue and vote the taxes that will do it and pay-as-we-go.

And third—and only third—is to raise the ceiling. That is the easy way out, but that will then bring about, I think, what we all feared and what we hope will never transpire; that elastic ceiling has to be just as fixed as we possibly can make it, and live within it. I could not imagine we could have finer committee members and leadership on the committee than to hold to those principles.

Mr. MUSKIE. At that point, we may be raising the roof. [Laughter.]

I would like to thank the distinguished Senator from Illinois for his support and his expression of approval. They are particularly meaningful to me because I know how closely he has followed the processes we followed as we worked out the law, so I have a deep appreciation for that spirit.

I think we are through for today, and I believe we will resume deliberations on the bill at about 11 in the morning.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER (Mr. GARN). The Chair, on behalf of the President pro tempore of the Senate, pursuant to Public Law 93-568, appoints the Senator from New York (Mr. JAVITS) to the Advisory Committee to the White House Conference on Library and Information Services.

PROMOTION OF FORESTRY RESEARCH AT PRIVATE UNIVERSITY FORESTRY SCHOOLS

Mr. HELMS. Mr. President, I ask unanimous consent that the Committee on Agriculture and Forestry be discharged from further consideration of S. 1529, a bill to amend the McIntire-Stennis Act of 1962 to promote forestry research at private university forestry schools.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. I ask unanimous consent that the Senate proceed to consider the bill.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1529) to amend the McIntire-Stennis Act of 1962 to promote forestry research at private university forestry schools.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. HELMS. Mr. President, S. 1529 is a simple bill intended to clarify any misunderstanding of the purpose and application of the provisions of S. 1307, which was passed by the Senate on March 24.

The bill authorizes the Secretary of Agriculture to make matching grants of funds to "private" colleges and universities which carried out a forestry research program prior to the date of enactment. Under existing law, the McIntire-Stennis Act is limited to State-certified institutions.

Additional funds—not a transfer of funds from presently qualified State institutions—would be authorized. Additional appropriations would, of course, be necessary in making the benefits of the act applicable to private colleges and universities.

Mr. President, I have cleared this legislation with the joint leadership and find no objection to its passage.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 1529

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the McIntire-Stennis Act (76 Stat. 806; 16 U.S.C. 582a to 582a-7) is amended by (1) inserting "(a)" after the section designation and (2) adding at the end thereof the following new subsection (b):

"(b) The Secretary is also authorized to cooperate with private colleges and universities which carried out a forestry research program prior to the date of enactment of this subsection for the purpose of encouraging and assisting them in carrying out their programs of forestry research. Assistance under this subsection shall be provided in a manner prescribed by the Secretary consistent, to the maximum extent practicable, with the provisions of sections 4 and 5 of this Act with regard to State-certified institutions. There are hereby authorized to be appropriated, in addition to the amounts authorized in section 3, such sums as the Congress may from time to time determine to be necessary to carry out the provisions of this subsection, including such amounts as may be required to pay administrative costs.".

SEC. 2. Section 3 of the McIntire-Stennis Act is amended by inserting in the first sentence thereof after the word "sums" the following: ", including such amounts as may be required to pay administrative costs,".

SEC. 3. Section 6 of the McIntire-Stennis Act is amended by inserting after the second sentence thereof the following new sentence: "The Secretary is also authorized to appoint to the advisory committee officials of private colleges and universities participating in the programs authorized by this Act.".

ORDER FOR SENATE TO CONVENE AT 10:15 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate convenes tomorrow, it convene at the hour of 10:15 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR McGOVERN TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow, after the two leaders or their designees have been recognized under the standing order, the Senator from South Dakota (Mr. McGOVERN) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR JAVITS TOMORROW AND DESIGNATING PERIOD FOR ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow after the distinguished Senator from South Dakota (Mr. McGOVERN) has been recognized under the order previously entered, Mr. JAVITS be recognized for not to exceed 15 minutes, and that at the conclusion of his remarks, there be a period for the transaction of routine morning business of not to exceed 15 minutes, with Senators permitted to speak not in excess of 5 minutes each during that period and that at the conclusion of routine morning business the Senate resume consideration of the pending business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION AT 12:30 P.M. TOMORROW OF SENATOR PASTORE, FOLLOWED BY SENATOR BAKER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the hour of 12:30 p.m. tomorrow, the distinguished Senator from Rhode Island (Mr. PASTORE) be recognized for not to exceed 10 minutes to speak out of order, without the time being charged against either side on the pending resolution, and that Mr. PASTORE be followed by Mr. BAKER for not to exceed 10 minutes, to speak out of order without the time being charged against either side on the pending resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at 10:15 a.m. following a recess. Mr. McGOVERN will be recognized for not to exceed 15 minutes, after which Mr. JAVITS will be recognized for not to exceed, 15 minutes, after which there will be a period for the transaction of routine morning business of not to exceed 15 minutes, with a limitation on speeches therein of 5 minutes each.

At the conclusion of routine morning business, the Senate will resume consideration of the pending resolution (S. Con. Res. 32), congressional budget determination. Rollcall votes will occur on amendments thereto. Hopefully, final passage will occur tomorrow, and a rollcall vote can be expected thereon.

RECESS UNTIL 10:15 A.M. TOMORROW

Mr. LEAHY. Mr. President, I move, in accordance with the previous order, that the Senate stand in recess until 10:15 a.m. tomorrow.

The motion was agreed to; and at 6:39 p.m., the Senate recessed until Wednesday, April 30, 1975, at 10:15 a.m.

NOMINATION

Executive nomination received by the Senate April 29, 1975:

DEPARTMENT OF JUSTICE

Daniel E. Wherry, of Nebraska, to be U.S. attorney for the district of Nebraska for the term of 4 years vice William K. Schaphorst, resigning.

EXTENSIONS OF REMARKS

DECLARATION OF INTERDEPENDENCE

HON. PAUL J. FANNIN

OF ARIZONA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 29, 1975

Mr. FANNIN. Mr. President, many patriotic citizens are giving thought to our National Bicentennial and what can be done to make it more meaningful.

One proposal comes from Harry P. Clausen of Prescott, Ariz. Mr. Clausen, who is blind, has composed a "Declaration of Interdependence" which he would like to have perfected and adopted at the time of our Nation's 200th birthday, July 4, 1976.

This declaration is a statement of our responsibilities to our country and to each other as we strive to meet the challenges of the times. As Mr. Clausen points out, he would supplement, not supplant, the Declaration of Independence.

Mr. President, I ask unanimous consent to have this printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TO THE DECLARATION OF INTERDEPENDENCE—JULY 4, 1976

When in the course of National Events it becomes necessary to check certain trends developing in our Country, then we, as loyal Americans, must prepare ourselves to Pull Together to check these trends and we must work as one to bring to these United States new honors, more brilliant achievements, and a place of respect among the Nations of the World.

In this modern age, we hold these truths to be vital and necessary to our complex way of life: That all men are created to work freely and equally, according to their several abilities, in their chosen fields of activity. That we have all been endowed by our Creator with the ability to live the good life, to have liberty only within the framework of our Society's needs and requirements and that our happiness is dependent upon "what measure ye mete," for as we give, so shall we receive.

We hold this paramount fact to be of crucial importance in our continuance as a Nation: That we are not all isolated islands unto ourselves but that we must here and now embrace the Doctrine of Interdependence. That we understand, Interdependence as Reciprocally Dependent. One for all and all for one, all pulling together. That we understand that "Reciprocally Dependent" is a two-way street, not a one-way! The late President, John F. Kennedy said, "Ask not what your country can do for you—ask what you can do for your Country." If we all desire to shun our responsibilities, to relinquish our citizenship by ceasing to do our part and to seek the welfare state, we then must eventually face the inevitable question, "Who'll pull the wagon when we all get on to ride." (Author unknown). We help most to establish a strong Nation when we help our citizens to help themselves.

We acknowledge and admit that if our citizens wish to shirk their moral and civic responsibility, if they wish not to give to the State, but have the State give to them, then this will surely lead to the erosion of individual character.

We acknowledge that the American home is the foundation stone—the anchor—of our democratic Society. That as we improve the standard of the home, we improve the standard of the Nation. Honesty, integrity, sincerity, fair play, and the Golden Rule in the home, means honesty, integrity, and fair play in Government. Without good in our homes the Government deteriorates. The thinking of the individual is the thinking of the Nation.

We acknowledge the vital need to establish strong moral and spiritual values if we wish to save our civilization.

We acknowledge and understand that in the true sense of the word, we are not born Americans, we grow into Americans. And we acknowledge that patriotism is one of the prime ingredients in that growth and that love of our Flag and love of our Country nourish the will to serve.

We acknowledge that we are a free people, free to worship as we choose. We are free to live as we desire, as long as we do not tread upon the rights of others.

We acknowledge that World Interdependence is as vital to us as Interdependence here at home. Without the Nations of the World working together and pulling together, for the common good, we will reap only chaos. First let us establish cooperation and good will at home and then we will be free to go out and help a confused World to learn what is meant by Interdependence!

Now, finally, for the preservation and dissemination of this valued Document—and with the help of Divine Providence—we mutually pledge to each other, in our efforts to work and to strive for the common good, our hearts, our minds, and our sacred trust.

Done in the City of Washington, this 4th day of July in the year of our Lord, One Thousand Nine Hundred and Seventy-six, and of the Independence of the United States of America, the Two Hundredth.

Footnote: The Declaration of Interdependence is not intended to supplant nor yet to infringe upon the Original Declaration of Independence of 1776 but rather to Commemorate and Honor it. When displayed with the Original, it must always be of smaller size and set definitely to one side, never in the center of the display.

Comment: This is youth's Pull Together Declaration—a declaration initiated today, to guide the citizens of tomorrow. If we are to ever have a better world it will be up to the teenagers and the young adults of this modern age to forge new and better concepts and a more rigorous way of conduct. Some of their elders seem unable, or possibly unwilling, to adjust to changing times. Youth must take the lead.

A MESSAGE TO THE LIBERAL MAJORITY IN THE CONGRESS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. McDONALD of Georgia. Mr. Speaker, a constituent of mine, who is somewhat less than pleased with the performance of this Congress and who feels the blame lies with the prevailing liberal majority in the Congress sends this message, which I feel is worth repeating for the benefit of my colleagues. The message follows:

The moving finger writes, and the message is—you have been weighed and found wanting. You have provided us butter borrowed from our children's future supply. Our friends and allies have held out their hand for weapons to defend themselves, and have been handed a backhand slap. You have encouraged and defended the enemies of the United States, and discouraged our friends. If you expect to be reelected to office, you should take steps to insure that constitutional government will survive.

MORE SUPPORT FOR THE RAILROAD RIGHT-OF-WAY IMPROVEMENT ACT OF 1975

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. HEINZ. Mr. Speaker, attached are more examples of the kind of support I have received for H.R. 4622, the Railroad Right-of-Way Improvement Act of 1975:

BUREAU OF NATIONAL AFFAIRS,
Washington, D.C., March 14, 1975.

BILLS OFFERED TO UNDERWRITE JOBS FOR REBUILDING NATION'S RAILROADS

Legislation to hire 50,000 persons and underwrite the rebuilding of thousands of miles of rail beds and track is drawing attention in Congress as bills to accomplish this have been introduced in both the House and Senate while the Department of Transportation reportedly is preparing a similar measure for the Ford Administration to offer possibly within a week.

H.R. 4622 has been introduced in the House by H. John Heinz, III (R-Pa) who has gotten as co-sponsors Representatives Joe Skubitz (R-Kan) and James Hastings (R-NY), the only two GOP members of the House Commerce Committee's Subcommittee on Transportation, which will handle the legislation. Heinz is not a member of either the full committee or the subcommittee; however, his fellow Pennsylvania Congressman, Democrat Fred Rooney is chairman of the subcommittee and has promised the three sponsors there will be early hearings held on their bill, probably after the Easter recess ends April 7.

On the Senate side, Senator James Buckley (C-NY), a member of the Commerce Committee and its Surface Transportation Subcommittee, has introduced S. 967. Subcommittee Chairman Vance Hartke (D-Ind) has promised early hearings on that measure also.

The Heinz bill would grant $2.5 billion over the next two-and-a-half year period to hire 50,000 persons for rebuilding the roadbeds and track of the nation's railroads. Buckley's measure would take $500 million from the Comprehensive Employment and Training Act's authorized funds of $2.5 billion, "redeploying" these funds, Buckley says, for use in rebuilding the railroads.

Heinz has received an endorsement of his legislation from the Association of American Railroads and the Brotherhood of Maintenance of Way Employes, while the United Transportation Union has expressed interest in it, promising to analyze the proposal to decide on whether to endorse it.

In introducing the measure, Heinz told the House that a healthy rail system is essential to nation's economy and quotes one analysis which says rail transportation "can move most goods in volume between the same points with less than one-third the fuel, one-third the air pollution, one-sixth the casualties, and one-tenth the land" required for competing transport systems.

He reported that 21,000 rail workers were laid off in January of this year, marking the largest monthly drop in employment during any nonstrike period of the past 15 years.

He urged the utilization of federal money being designated to stimulate the economy in this major two-and-a-half year program, calling it far superior to the usual public service jobs for "raking leaves, cleaning streets, or maintaining public buildings." Heinz would give priority for all of the created jobs to those former railroad employees who have been laid off, particularly any maintenance of way employees who have lost their jobs.

Buckley agreed on preference for railroad jobs over what he called "outdated public service programs that contribute little beyond the direct employment of those involved."

[From the UTU News, Mar. 22, 1975]

RAIL REBUILDING PLAN GAINS SUPPORT

Support is reportedly growing for legislation that calls for a two-and-a-half-year, 2.5 billion-dollar public works program designed to put more than 50,000 unemployed persons to work rebuilding the nation's railroad yards and rights-of-way.

Cong. H. John Heinz (R-Pa.) introduced the bill—H.R. 4622—on behalf of a bipartisan group of House members. Heinz is a member of the Commerce Committee.

Under the rail-rebuilding program, the Federal Government would spend 500 million dollars by June 30, plus one billion in each of the next two years, to pay for salaries and materials necessary to upgrade deteriorating railroad rights-of-way.

Under the program, unemployed rail maintenance workers would be first to be hired for the work, followed by other unemployed rail workers, then individuals registered on state unemployment rolls.

[From the Locomotive Engineer, Apr. 11, 1975]

HEINZ BILL DESERVES SUPPORT

(By B. N. Whitmire, President)

Legislation introduced in the House of Representatives by Congressman H. J. Heinz of Pennsylvania which would put thousands of unemployed to work rebuilding this country's rails and roadbeds deserves the support of everyone who cares about our industry.

Congressman Heinz's bill—H.R. 4622—calls for the appropriation of $2.5 billion over a two and one-half year period, which is a lot of money. But the investment would pay important dividends.

The legislation contemplates that rail maintenance workers who are presently unemployed would be the first to be called back to work. After that, other unemployed rail workers would be put to work, with jobless workers from other industries then given employment.

It is estimated that passage of this bill would result in putting almost 50,000 men to work almost at once. Obviously such a massive work force would stimulate other industries, and the repair and rebuilding of substandard mainline and yard trackage would bring about stepped-up production in the steel industry.

In my opinion, anything that can be done to improve the condition of the rails over which BLE members operate their trains will be a welcome step. It is no secret that the deplorable condition of so many miles of track results in derailments, which result in injuries and even death, as we have seen so many times.

There is a provision in the Heinz legislation to assure that anyone put to work would be paid in accordance with the terms of collective bargaining agreements between the brotherhoods and the carriers. This is an important provision and one which must be retained when the legislation is passed.

According to the Congressman, this legislation would go a long way toward solving two vexing problems: the rebuilding of the railroads and the reduction of unemployment. I agree.

I strongly urge every member of this Organization to write his Congressman, asking him to approve H.R. 4622.

[From the Labor Newspaper, Mar. 30, 1975]

UNIONS BACK $2.5 BILLION PLAN TO UPGRADE RAILS: LAID-OFF RAILMEN WOULD GET PRIORITY ON JOBS

Bills designed to upgrade deteriorating trackage on the nation's railroads have poured into Congress lately. Some would have a government acquire and improve rail rights of way and finance the cost by a tax on freight shipments and by "user charges" for carriers operating over them.

Others would provide federal funds for track rehabilitation, but without accompanying government ownership.

A major bill embodying the letter goal was introduced by Rep. H. John Heinz (R., Pa.) with the co-sponsorship of other House members from both parties. This one, known as the Railroad Right of Way Improvement Act of 1975, drew quick support from rail labor and management, as well as from other quarters, including the Federal Railroad Administration.

Under the Heinz bill, $2.5 billion would be appropriated for use in upgrading dilapidated rail rights of way—$500 million for this fiscal year ending June 30, and $1 billion in each of the next two fiscal years.

Moreover, laid-off maintenance of way workers would have first priority to jobs on such rehabilitation projects. Next in line would be other jobless railmen, and then the unemployed in other industries. Heinz estimated that 50,000 could be employed on this work.

Also, railroads chosen for the projects would be those in bankruptcy, those having high density freight lines and those with "serious safety hazards or substantial bottlenecks in lines and yards."

Further, the workers hired would be employed under the terms of labor agreements in effect between rail unions and the carriers on which the funds are to be expanded.

A key goal of his bill, Heinz said, is to provide rehabilitation rather than abandonment of rundown rail lines—and at the same time to reduce the toll of unemployment.

"The economic health of this country is dependent on rail service," he stressed.

Heinz also pointed out that the railroad industry has for many years "been forced to compete at a disadvantage with other forms of transportation which have been heavily subsidized by the government. . . The time has come for Congress to correct the inequities in distribution of government support."

He declared further that "rebuilding roadbeds to improve rail service makes much more sense than putting people to work raking leaves or cleaning streets" and constitutes "a better use of hard-earned taxpayer dollars."

President Harold C. Crotty of the Maintenance of Way Employes, the union most affected by the Heinz proposal, hailed it as a "meaningful approach that would contribute to the well-being, not only of the railroads, but of the nation as a whole."

He voiced opposition to other pending measures which call for a federal takeover of rail rights of way. "We are opposed to nationalization of the railroad lines," he said.

UNION, INDUSTRY SUPPORT

Statements in support of the goals of the Heinz bill were also made by J. Raymond McGlaughlin, national legislative representative of Crotty's union, and by J. R. Snyder, national legislative representative of the United Transportation Union.

Also, President Stephen Ailes of the Association of Railroads declared that "the railroad industry would welcome legislation of this kind." He called it "a constructive way to help ease the unemployment crisis," but added that "more importantly, the work to be performed is sorely needed in the public interest."

A measure somewhat similar to the Heinz bill was introduced by Sen. James Buckley (D., N.Y.), but it was narrower in scope.

MIKHAIL LEVIEV

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. LENT. Mr. Speaker, we are all aware of the persecution by the Soviet Government of its Jewish population, and especially of those Soviet Jews wishing to emigrate. My attention has been brought to the case of Mikhail Leviev, who was arrested 1 hour before he was scheduled to emigrate, detained for 2½ years, and sentenced to death for bribery. This crime normally carries a maximum penalty of 5 years imprisonment.

I have written to the Soviet Procurator General on behalf of Mikhail Leviev, and include the text of my letter in the RECORD. I would urge my colleagues who share my concern to make their feelings known to the appropriate Soviet officials.

The letter follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., April 28, 1975.

Honorable ROMAN RUDENKO,
Procurator General,
Kremlin, Moscow,
RSFSR, USSR.

YOUR EXCELLENCY: I am writing to express my deep concern for a Soviet citizen, Mikhail Leviev. I understand that Mr. Leviev has been sentenced to death for bribery, a crime which normally carries a five-year prison sentence. I further understand that Mr. Leviev was arrested one hour before emigrating to Israel and that he was detained for more than two years for investigation before sentence was passed.

I must in all honesty admit that I do not understand what productive purpose is served by the persecution of members of your society who, for whatever reasons, wish to leave your country. I cannot, of course, be a judge of Mikhail Leviev's guilt or innocence, but I do ask that you consider meting out punishment commensurate with the crime involved.

Despite the political and philosophical differences which nations have, all of us share the common trait of humanity. Your country recognized this fact by signing the Universal Declaration of Human Rights. I hope that the Soviet Union will live up to the high ideals of this Declaration by reconsidering the sentence placed upon Mikhail Leviev. Good will between our nations could only be enhanced through such an action.

Your consideration of this matter will be greatly appreciated.

Sincerely,

NORMAN F. LENT,
Member of Congress.

COMMENTS ON TAX BILL

HON. JOHN T. MYERS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. MYERS of Indiana. Mr. Speaker, I want to share with you and my colleagues the observations of a respected member of the Washington press corps, Mr. Ben Cole of the Indianapolis Star. His comments about the effect of the tax cut bill deserve the attention of this Congress as we consider the budget for the coming year.

The following is Mr. Cole's "Personally Speaking" column which appeared Sunday, April 20:

SIGNING TAX BILL A MISTAKE

President Ford should not have signed the tax-cut bill. If he had done as he is reported to have indicated privately, the Congress might well have upheld his veto. Minority Leader John J. Rhodes (R-Ariz.) who urged the veto, felt certain of this. By letting the bill become law, Mr. Ford canceled out a lot of sacrifice already made to restore the nation's fiscal stability and to right its economy.

Treasury Secretary William Simon said at the time there was reason to believe the recession was bottoming out and that there was prospect of steady if not fast recovery.

Other economists have seconded Secretary Simon's observation, and there was hard evidence: Orders for manufactured goods were increasing, the dollar was stabilizing, the rate of inflation was slowed, automobile sales were starting to rise, prices were beginning to attract purchasers, and there was money in the banks to meet homebuyers' mortgage requirements. The boom hadn't come back, but things were looking up.

And all this had been bought with sacrifice.

It was bought with the anxiety of jobless auto workers, with the disappointment of workers whose hopes for more pay dwindled, with the concern of businessmen who were having trouble showing a profit in a hard year. It was bought with long lines at gasoline stations during the Arab oil boycott, and with the losses suffered by investors, and by the diminished earnings on the securities held by persons whose old-age is provided for by savings.

Now, the tax-cut law is going to give all that away.

President Ford may have been told that Congress would give him a worse bill. Or he may have been convinced that to sign the bill could fortify his demands for cuts in Federal spending—an empty dream.

Some of us will get little tax rebates. A lot of people will have a $50 bill they wouldn't otherwise have had, and it will cost them many times over that amount in future inflation.

Americans have been told time and time again that they can't get something for nothing.

Those tax rebates, those $50 Social Security bonuses—they will cost the taxpayers not in taxes, but in a heavier burden. They will be paid for with another bite out of the value of the dollar—with diminished values in war bonds, with insurance benefits that won't be worth nearly what they cost, with higher prices at the grocery store, at the clothing store, at the gasoline pump—everywhere.

They will be paid for, as well, by future unemployment when once more the economy slows with buyers refusing to buy cars when bread takes all their pay.

But what is so sad is that just as things were looking up, and after we had paid all that in misery and worry, the President acceded to a Congress that was more concerned about another election than the good of the people.

It's kind of funny. President Kennedy asked the people to inquire what they could do for their country. In this instance, they gave a lot of sacrifice; and for their pains they'll get back another big dose of inflation.

LAW DAY

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mrs. HOLT. Mr. Speaker, most of us have been asked to participate in Law Day exercises, and I believe it is a time for sober reflection on how well the rule of law is working in these United States.

Some of us believe that this is an occasion to commend the law enforcement officers who are on the front line of our defenses against crime. It is a tribute that our policemen richly deserve.

The police, I believe, are performing with great courage and efficiency under extremely difficult circumstances to fulfill their mission of public safety. Unfortunately, other parts of the criminal justice system are not performing as well.

I am delighted that the National Church of God, a Washington congregation led by the Reverend John F. Warren, has scheduled a special service May 4 to commend our law enforcement officers.

While the courts and other agencies involved with criminal justice appear to falter and weave, the police continue to have a strong sense of mission and the determination to protect the public. However, the American system of criminal justice is failing the people. Something is wrong. No person is safe in his home, on the street, in his place of employment.

Serious crime in these United States increased by 30 percent from 1968 through 1973. The data for 1974 is even more depressing—a 17-percent increase in a single year. The public's fear of crime is entirely justified. The people know that the system of justice is not protecting them from the desperadoes that increasingly threaten their lives and property.

As a lawmaker who practiced law for many years and served as the clerk of circuit court for Anne Arundel County, I am very proud that our system is intended to pursue justice through law. However, we are in grave trouble. We are actually receding from this goal instead of advancing toward it.

The foremost responsibility of government is the protection of the lives, liberty, and property of its citizens. This responsibility includes not only the defense of the national sovereignty against foreign aggressors, but also the defense of individual sovereignty against domestic aggressors. Today, the American people have ample cause to doubt whether their government is capable of achieving either.

It is no secret that the National Government has allowed the strength of our military deterrent to erode to dangerous weakness in comparison with the might of those who would threaten our freedom. There are brutal, totalitarian powers where the people are never consulted as to priorities for spending public funds. If there is one outstanding lesson of history that we should have learned, it is that weakness invites aggression. In comparatively recent times, this principle was demonstrated by Chamberlain at Munich, by the American posture before Pearl Harbor, and by our disarmament before the Korean war.

The principle that weakness invites aggression is demonstrated on the domestic scene by the official abandonment of society's historic defenses against crime.

In bygone times in virtually all societies, it was practically certain that the perpetrator of a serious crime would not only be caught, but would thereafter be punished so severely that the assurance of it would have deterrent value.

In recent years, however, we have not only abandoned the hangman's noose, the whipping post and unspeakable dungeons, but also the very concept of punishing the wrongdoer, and this is where we have erred. In our advance toward more civilized means of dealing with criminals, our courts, our prison systems, our parole and probation departments have gone overboard in an effort to treat crime as a sociology problem to be solved by experimentation, even at grave risk to public safety. The criminal knows that the consequences of his acts are not likely to be severe.

The sociological approach to crime has maintained that society is somehow responsible for criminal acts, which is to say that no individual is responsible. Government cannot protect the large majority of its law-abiding citizens if it continues this trend. Instead, the bandit is run through a criminal justice system that tends to regard him as a patient instead of a predator, never recognizing that some individuals must be separated from society and securely confined to protect the rights and lives of the vast majority of citizens.

We have also witnessed in recent years the politicization of crime. We hear criminals describing crimes as political acts against repression, although one wonders how the national orgy of permissiveness can be described as repression.

Juvenile crime has become a national epidemic, primarily because juveniles understand that their age protects them from serious consequences of their acts.

The American public these days is thoroughly disillusioned with government that not only fails to protect the people, but appears to lack the will to protect them. The American goal may be justice through law, but the law is obviously failing to bring justice to the majority of law-abiding citizens whose lives, liberty, and property are daily threatened by criminals. However, I do not despair. I believe our country will recover the will to defend its citizens against predators both domestic and foreign.

Before he was appointed ambassador to India, former Attorney General William B. Saxbe outlined the course we must pursue to deal with the domestic crime problem. He recognized that we must make diligent efforts to treat first offenders, but he emphasized that we must protect society by locking up repeat offenders for long periods of time. Forceful deterrent action is our major need. We must also tighten our laws and procedures to speed the process of justice and eliminate the technical escape hatches that enable criminals to evade justice.

Homes, neighborhoods, schools, and the entire Nation must recover a sense of morality, based on the principle that every individual is responsible for his acts and must face the consequences.

Reducing the amount of violence shown on television would be a step in the right direction. Stronger discipline in the schools would help our young toward responsible citizenship. The adults in every community should be organizing programs for our youth.

The overwhelming majority of people of our country are demanding justice, and I retain my faith that the system will respond.

FRIENDS OF QUEENSBOROUGH COMMUNITY COLLEGE HONOR ELLA STREATOR

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. ADDABBO. Mr. Speaker, on May 4, the Friends of Queensborough Community College pay tribute to the Honorable Ella Streator for outstanding service to education in Queens, New York. Ella Streator has earned this recognition and appreciation through a dedicated career of active support for improvement of educational opportunities for the people of Queens and surrounding areas.

As a former teacher, Ella Streator not only learned the importance of a public education system designed to open new avenues of learning for millions but she personnally assumed a leadership role which made the founding of Queensborough Community College a reality.

Mr. Speaker, I join the Friends of Queensborough Community College and the many friends of Ella Streator in paying tribute to this fine person and outstanding educator. The following remarks about Ella Streator's career were prepared by the Friends of Queensborough Community College and included in the invitation to the reception in her honor on May 4 and I include them in the record at this point for the information of my colleagues in the House:

REMARKS ON ELLA STREATOR'S CAREER

It is entirely fitting that Ella Streator be honored by the Friends of Queensborough Community College since she played an important role in the founding of the College in 1959, and has served as honorary chairman of the Friends since its inception in 1974.

No one has done more for education in Queens than Ella Streator. She has been a leading force in education for students of all ages in the borough for 35 years. She was a member of the Board of Higher Education for 23 years where she served as a member and chairman of the committee on QCC. And she served as Education Assistant to the Borough President of Queens from 1958 to January of 1975.

A former teacher, she was active in PTA when her son and daughter were growing up in Queens, where she and her husband, the late Edward Streator, moved in 1929.

From 1942 to 1947 she was chairman of the old Local School Board 52 in northeast Queens. First named to the Board of Higher Education in 1947 by then Mayor William O'Dwyer. Mrs. Streator was reappointed to successive terms until her retirement from the Board in 1970.

Long dedicated to the concept of public higher education, she was active in the drive to establish Queens College in the 1930's. She often accompanied her husband to the Oakland Golf Club close to their home where he was a member. Her role in the establishment and development of the College on 37 acres of the former golf course was vital to QCC's growth.

We hope you will join us on May 4 to pay tribute to an outstanding educator and individual.

EPA BLUNDER COSTLY FOR CONSUMERS

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. ARCHER. Mr. Speaker, the American consumer is once again left holding the bag, thanks to the ill-conceived actions of a Federal agency.

I am speaking of the manner in which the Environmental Protection Agency has approached the question of controlling air pollutants resulting from automobile emissions.

Like other Americans, I am deeply concerned about the protection of our Nation's physical environment, but also like other Americans, I expect the agency charged with that task to carry out its duties more responsibly than the EPA has in this case.

The use of the catalytic converter on automobiles is apparently a stopgap device that automobile manufacturers were forced to turn to in an attempt to meet the EPA's arbitrary timetable for meeting pollution standards. Other alternatives, based upon technology that will be available in a very short time—perhaps less than 2 years—were not as fully explored as they should have been. Economic considerations seemed to have meant little.

Now we have new cars coming off the assembly line spewing sulfuric acid into the air, a problem that EPA failed to fully anticipate. Millions of dollars have been invested by small retailers and wholesalers in equipment needed to service these cars. All of this is expected to be obsolete in the near future.

Mr. Speaker, what we need is more testing and more consideration of the alternatives available to us as technology is developed, and if this testing requires additional time, extensions should be granted.

The economic impact of such arbitrary agency regulation cannot be ignored as it apparently was in the promulgation of regulations that gave us the costly catalytic converter. We can avoid such costly mistakes in the future by exercising greater control over ill-conceived arbitrary decisionmaking.

We owe that to the American consumer who is paying the bills for the Federal Government's mistakes.

SEVEN DAYS: NEW LEFT PUBLISHING VENTURE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. McDONALD of Georgia. Mr. Speaker, the first "preview" edition of the newsweekly Seven Days, has been distributed. Seven Days is published by the Institute for New Communications from 353 Lexington Avenue, New York, N.Y. 10016. Created as a "nonprofit" corporation in the summer of 1974, INC states that:

> By being comprehensive, reliable, and relevant, we hope to earn the trust, and even affection, of the large and growing number of Americans who want to remake our society.

The direction in which INC would like to "remake our society" is indicated by the radical Marxist backgrounds of many of its directors and staffers. The majority of INC's initial directors are present or former members of the Liberation magazine collective, headed for many years by David Dellinger.

Dellinger, a leader of the pro-North Vietnamese "antiwar" movement, has stated he is a Communist, "though not of the pro-Soviet variety." His record of service to the Vietcong tends to support that statement.

Liberation states in its March/April, 1975 issue that:

> It plays a critical and unique political role, both by speaking to people newly radicalized during the social crisis of the 70's and by providing a space to discuss the problems facing a thoughtful and independent American radical movement.

At the time of its incorporation, INC listed its directors as Stanley Aronowitz, Gwenda Linda Blair, Richard P. Goldensohn, Carol Lopate, Robert Lefcourt, David Dellinger, David Wyland, and Jon Steinberg. Aronowitz, Blair, Goldensohn, Dellinger, and Lopate remain on the Liberation masthead as "friends and associates."

INC's Seven Days does not hide its double goal of being both a unifying communications link for the spectrum of the American left and being a mass circulation magazine to attract more people to its point of view. In a fundraising letter circulated early in April 1975, the Seven Days staff wrote:

> Seven Days * * * will be an independent, nonrhetorical, opposition newsweekly. It will avoid in-group language and be geared to a mass audience. Its coverage will be comprehensive and its information scrupulously accurate, even when the news does not coincide with our wishes for what it might be. Seven Days will even have a sense of humor. But—we will edit and publish the news in ways that reflect the values, concerns, and curiosities of the wide range of people—by now millions—associated with the nonstatus-quo movements of the Sixties and early Seventies: from feminism, black, brown, yellow, and red liberation, anti-war and anti-exploitation to ecology, freedom of sexual preference, alternate life styles and, yes, human potential movements, to mention a few. (Our columnists will range from Ellen Frankfort, Richard Barnet, and Joyce Kolko to Julius Lester, Susan Sontag, and Ram Das.)

Since the time of INC's incorporation, Stanley Aronowitz, a Marxist writer recently associated with Arthur Kinoy's National Interin Committee for a Mass Party of the People; and Robert Lefcourt, brother of National Lawyers Guild activist Gerry Lefcourt, have been dropped from the board of directors.

New additions to the board include Elizabeth Hess, Jeff Holmgren, Marian McCue, and Lenny Nakamura. Others listed as assisting this New Left media venture are Peter Biskind, Martha Boesing, Minton Brooks, Deirdre English, Robert Friedman, James Gianninato, Marty Goldensohn, Clifford Mason, Kathy Shagass, Mike Shuster, Maddy Sunshine, and John Wolman.

The Institute for New Communications is offering a special preview series of 10 issues of Seven Days for $10. Presently a skinny 16-page magazine adhering to the Time/Newsweek/People format, the publishers promise to expand the magazine to 40 pages by the time it makes national newsstands.

The preview edition of Seven Days indicates a decided prorevolutionary stance in that three of its pages eulogize anti-imperialist movements in Africa while four pages, one quarter of the space, is devoted to attacks on the Federal Bureau of Investigation.

This, and the acknowledged assistance of other radical news media including Liberation News Service, People's Translation Service, Asia News Service, and the Pacifica Foundation's WBAI-FM strongly indicates that INC's not-for-profit incorporation statement that "nothing other than an insubstantial part of the activities of the corporation shall be carrying on propaganda" will be ignored.

THE LATE JUDGE THOMAS G. WEAVER

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. RANGEL. Mr. Speaker, on April 15 the people of New York City lost a distinguished judge of the criminal court, Thomas G. Weaver, and I lost a personal friend. Judge Weaver was first chairman of the board of trustees of the Neighborhood Youth Diversion program and president of the United Church of Christ's Board for Homeland Ministries. He brought his deep ethical and religious conscience to the criminal court where he quickly earned a reputation for dispensing justice without favoritism or discrimination. His community commitments included Grace Congregational Church, the Urban League Advisory Committee, the New York Branch of the NAACP, Big Brothers, Inc., and the Interalumni Council of the United Negro College Fund. A graduate of Talladega College and Brooklyn Law School, his belief in the importance of higher education served as an inspiration for the youth of Harlem. We in New York will miss him.

FOREIGN INDEBTEDNESS TO THE UNITED STATES

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. KEMP. Mr. Speaker, I believe that any foreign government that has outstanding debts owed the United States should be required to repay those debts promptly, on the mutually agreed-upon terms.

I also believe that any attempts by the executive branch to cancel, reschedule, renegotiate, or settle any foreign debt at less than the full value of that debt should require the approval of Congress.

These debts are, after all, owed the U.S. taxpayer—who extended the loans on the reasonable assumption that they would be honored, and fully repaid according to the agreed-upon terms.

I think the American taxpayer would be interested to know that as of June 30, 1974, the foreign debt owed them was $32 billion, exclusive of World War I debts. Furthermore, the executive branch has in recent years entered into agreements with several debtor nations which have resulted in the effective write-off of some $5 billion in outstanding debts.

I strongly doubt that, informed of these facts, the heavily taxed American worker would share our Government's generosity in cancelling some delinquent debts, and in failing to collect others.

To end this giveaway, Senator BYRD in the Senate, and I have recently introduced legislation which would require congressional approval for the settlement of any foreign debt at less than full value. I am pleased with the strong bipartisan support we have received for this legislation, and include for the RECORD a list of those who are joining today in reintroducing the bill:

Andrews, Mark.
Archer, Bill.
Beard, Robin.
Bevill, Tom.
Broomfield, Wm.
Burgener, Clair.
Daniel, Robert.
Derwinski, Ed.
Devine, Sam.
English, Glenn.
Eshleman, Edwin.
Gaydos, Jos.
Ichord, Richard.
Kasten, Robert.
Ketchum, William.
Lent, Norman.
Long, Clarence.
McDonald, Larry.
Miller, Clarence.
Mitchell, Don.
Regula, Ralph.
Roe, Robert.
Rousselot, John.
Runnels, Harold.
Spence, Floyd.
Thone, Chas.
Waggonner, Joe.
Weaver, James.
Whitehurst, Wm.
Winn, Larry.
Yatron, Gus.
Ford, Harold.
Pressler, Larry.
Bauman, Bob.
Moore, Henson.

SIGMUND HENRY UMINSKI

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. HELSTOSKI. Mr. Speaker, Sigmund Henry Uminski, a man who made many important intellectual and cultural contributions to the people of Bergen County and to Americans of Polish descent, died March 24 at the age of 56, and I would like to take this opportunty to pay tribute to him.

A resident of River Edge, N.J., Mr. Uminski was the author of many important studies and articles dealing with the history and cultural heritage of Poland and with the history of the community of River Edge. His many achievements include articles dealing with St. Stanislaus Kostka, a Polish saint and hero; and an outstanding history of River Edge.

Mr. Speaker, an article summarizing his achievements appeared March 26 in the Record, a Bergen County daily newspaper. In view of the fact that Mr. Uminski, through his intellectual curiosity and painstaking research left us an important legacy, I would like to take this opportunity to share this article with my colleagues. The article follows:

SIGMUND HENRY UMINSKI, ACCOUNTANT AND HISTORIAN

(By Gary Luggiero)

RIVER EDGE.—Sigmund Henry Uminski, who wrote scholarly studies of Poland and a history of his own community, died Monday in Holy Name Hospital, Teaneck.

Mr. Uminski, 56, lived at 295 Howland Ave. He wrote articles, essays, and books on Polish culture, including works on St. Stanislaus Kostka, the 16th-century Polish hero and saint.

His "Tales of Early Poland," published in 1968, is a collection of colorful tales of 9th and 10th Century Poland.

In January 1965, after two years of research and writing, he completed "The History of River Edge," which traces the story of the community from Indian days to the present.

Mr. Uminski used manuscripts owned by the Bergen County Historical Society, old copies of The Record and other newspapers, and privately published pamphlets to weave his tale of the borough.

BORN IN JERSEY CITY

Mr. Uminski's parents emigrated from Poland after World War I, and he was born in

Jersey City. The family moved to Buffalo, and he attended the public schools there, learning the Polish language in School.

He studied at St. John's University in Brooklyn and Columbia University. He was graduated as an accountant from Pace College and Southeastern University and received a master of arts degree in economics at the Polish University Abroad in London.

Mr. Uminski was active in several academic and civic committees and organizations.

In 1964 he was the New Jersey state chairman of the American-Polish Civil War Centennial Committee.

In 1965, he received a merit award from Dr. Edward C. Roznski of the Illinois Civil War Centennial Commission for stimulating a deeper understanding of the Civil War period.

He was completing a monograph on Gen. Joseph Karge, a New Jersey cavalry commander during the Civil War at the time of the award.

Mr. Uminski was founder and past president of the Friends of the Felician College Library in Lodi.

He was invested as chancellor of the Royal Order of Piast, a Polish chivalric organization, and was a former president of the Polish American Historical Association.

He was assistant editor of "Polish American Studies," a history journal.

Mr. Uminski held the honorary title of Grand Chancellor of Polish Nobility and the Order of St. John.

He is survived by a sister, Adele Skowronski.

A special blessing was pronounced in St. Peter the Apostle R.C. Church, River Edge.

AMENDMENT TO FIRST CONCURRENT RESOLUTION ON THE BUDGET

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. O'NEILL. Mr. Speaker, when the first concurrent resolution on the budget is considered for amendment, Thursday, I intend to offer an amendment in the nature of a substitute. My amendment changes the aggregate figures so as to reflect lifting all caps on pay as well as retirement. It recoups the resulting added expenditures by decreasing outlay estimates in six other areas to reflect developments since the Budget Committee reported its resolution, and by slightly increasing revenue estimates consistent with the lifting of the caps. I include the text of my amendment as well as a more detailed explanation below.

Amendment in the Nature of a Substitute to House Congressional Resolution 218, Offered by Mr. O'Neill

Strike out all after the resolving clause and insert in lieu thereof the following:

That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on July 1, 1975—

(1) the recommended level of Federal revenues is $295,181,000,000 and the amount by which the aggregate level of Federal revenues should be decreased is $4,400,000,000;

(2) the appropriate level of total new budget authority is $395,938,000,000;

(3) the appropriate level of total budget outlays is $368,213,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $73,032,000,000; and

(5) the appropriate level of the public debt is $622,900,000,000, and the amount by which the temporary statutory limit on such debt should accordingly be increased is $91,900,000,000.

AMENDMENT TO H. CON. RES. 218, OFFERED BY MR. O'NEILL

	H. Con. Res. 218	Effect of amendment	Amended resolution
Revenues	295,000	+181	295,181
Budget authority	395,600	+338	395,938
Outlays	368,200	+13	368,213
Deficit	73,200	−168	73,032
Public debt	624,000	−1,100	622,900

	Budget authority	Outlays
1. Remove entire budget committee cap	+1,858	+2,763
Function:		
050—National defense	(+1,448)	(1,409)
600—Income security	(0)	(944)
Allowances	(+410)	(410)
This amendment eliminates all caps from the budget resolution. The President proposed a $6,000,000,000 5 percent cap on all Federal pay, and retirement and welfare benefits indexed to cost-of-living increases. The Budget Committee rejected this approach. Instead, the committee put a 5 percent cap on pay, lifted the cap entirely from welfare benefits such as food stamps and the supplemental security income program and from benefits for the disabled, but put a 7 percent cap on retirement benefits such as social security—which otherwise would be increased by 8 percent. This amendment adds $2,763,000,000 in outlays to remove the 5 percent cap on pay and the 7 percent cap on social security and retirement, allowing pay and benefits to rise as they would under the operation of current law. The cost of this amendment is less than had been anticipated in committee markup. The new estimate reflects cost-of-living statistics for March 1975, which were released on Apr. 22.		
2. Eliminate overlap between Tax Act and budget resolution	−250	−250
Function: 400—Commerce and transportation	(−250)	(−250)
This amendment eliminates the overlap between the budget resolution and the Tax Act provision for a $2,000 credit on home purchases. The Budget Resolution includes $250,000,000 for a financing option aimed at reducing the 400,000 to 600,000 overhang of completed unsold houses. Since the $2,000 credit is aimed at the same goal, it is assumed that the financing option will not be implemented.		
3. Home-Heating Efficiency Act (H.R. 3573)	−500	−500
Function: 400—Commerce and transportation	(−500)	(−500)
H.R. 3573 was included in the budget resolution as recommended by the Committee on Banking, Currency and Housing at the level of $500,000,000 in outlays. H.R. 3573 was subsequently turned down by the Housing Subcommittee and the Chairman of the Committee on Banking, Currency and Housing has indicated provision for it would be deleted from the Budget Resolution.		
4. Highway spending	0	−600
Function: 400—Commerce and transportation	(0)	(−600)
This amendment reduces total estimated spending for highways in fiscal year 1976. It does not reduce available program authority. In his April 18 deferral message, the President provided a revised estimate of 1976 highway program outlays, including the effect of releasing all withheld highway funds. Total 1976 outlays are now estimated at $6,300,000,000—$600,000,000 below the House Budget Committee estimate of $6,900,000,000.		
5. Accelerated public works (Speaker's program)	0	−500
Function: 450—Community and regional development	(0)	(−500)
This amendment reduces estimated spending for the Speaker's program in fiscal year 1976. It does not reduce program authority. The budget resolution provides $3,000,000,000 in fiscal year 1976 spending for the Speaker's $5,000,000,000 "Emergency Local Public Works Capital Development and Investment Act." OMB Director Lynn on Apr. 22, stated that he would strongly recommend a Presidential veto of this bill. If the bill is vetoed, as Director Lynn suggests, and if the subsequent appropriation measure is also vetoed in turn, the lapse of time required for overturning these vetoes would result in a reduction of $500,000,000 in estimated fiscal year 1976 outlays.		
6. Southeast Asia military assistance	−700	−800
Function:		
050—National defense	(−700)	(−850)
150—International affairs	(0)	(+90)
This amendment reduces estimated fiscal year 1976 spending which was included in the resolution for Southeast Asia. The Budget Committee recommendation included budget authority of $522,000,000 in fiscal year 1975 and $700,000,000 in fiscal year 1976 for military assistance to South Vietnam. House Appropriations Committee action pending before the House consists of $165,000,000 for military aid and $165,000,000 for humanitarian aid. Including the pending appropriations for fiscal year 1975 and eliminating the fiscal year 1976 amount results in a reduction of $800,000,000 in fiscal year 1976. outlays.		
7. Elk Hills	−70	−100
Function: 050—National defense	(−70)	(−100)
H. Con. Res. 218 did not anticipate any revenues from sale of petroleum from the Naval Petroleum Reserves because new legislation was required. Currently, 2 bills have been reported out of committee (H.R. 49, Interior; H.R. 5919, Armed Services). Both would permit development, production, and sale of oil. Under both bills, there would be net receipts to the Treasury in fiscal year 1976. Without prejudging the final outcome of these legislative proposals, it is possible to make a conservative estimate that net receipts to the Treasury will be $100,000,000 in fiscal year 1976. Receipts of this type are counted as offsets to spending.		
Subtotal	+338	+13
REVENUES		
Feedback from cap removal	181	
As a result of removing the 5 percent cap from military and civilian pay, as well as the 7 percent cap off nondisabled retired military pay, revenues are expected to increase by $181,000,000 in fiscal year 1976. This revenue feedback results from Government taxation on these portions of the cap. No revenue increases result from removing the cap from social security which is nontaxable.		

LEE HAMILTON'S WASHINGTON REPORT OF APRIL 9, 1975, "AUTO EMISSION CONTROLS"

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. HAMILTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include my April 9, 1975, Washington Report, "Auto Emission Controls":

AUTO EMISSION CONTROLS

The Congress will soon be forced to come to grips with the complex and controversial problem of automobile pollution standards.

The major problem confronting the Congress will be to reconcile the equally worthy but conflicting needs to improve new car gasoline mileage and to reduce harmful exhaust emissions.

In 1970 the Congress set up a schedule of gradually tightening standards under the Clean Air Act which would sharply reduce permissible emissions in 1977–78. The present requirement is for an 83% reduction in hydrocarbon and carbon monoxide emissions and a 44% reduction in nitrogen oxide emissions as compared with automobiles without pollution control devices. The Ford Administration has asked for a five-year freeze at the present standards on grounds that better automobile gasoline mileage is more important than tighter emission restrictions while we strive for independence from foreign oil suppliers.

EPA Director Russell Train recently announced that the catalytic converter, the main component in most 1976 emission control systems, emits potentially dangerous sulphuric acid mist, and he granted a one-year postponement of the 1977 emission standards and will ask Congress for a further postponement until the 1980 model year in light of the sulphuric acid problem. Mr. Train says more time is needed to allow manufacturers to develop a substitute for the catalytic converter or to eliminate acid emissions by improving it.

Some environmentalists argue that the Ford Administration is simply giving in to the automobile companies which have always been opposed to tough emission control standards. On present evidence of the catalytic converter's acid emission and in view of the present energy problems, it would seem that the President's proposal for a freeze is reasonable. The issues are exceedingly complex, and no course is free from risks or costs.

Before the Congress makes its decision on this matter, it must consider such factors as the cost of pollution control devices (which takes on added importance in the face of the depressed auto markets) and their effect on gasoline mileage, the environmental cost of reduced emission control standards, and the part the catalytic converter will play in future emission control systems.

To meet the present 1977 emission standards would require installation of equipment estimated by the National Academy of Science to add $302 to the list price of the average automobile, and the total lifetime cost, including maintenance, would be more than $775. The annual cost to consumers (at an estimated production of eight million cars) would be $2.4 billion.

Added to these costs are fuel economy losses, an unavoidable result of emission control, at least at the present state of technology. The 1973–74 models suffered losses in gasoline mileage at the 5–15 per cent level below 1970 models. Use of the catalytic converter on many 1975 models apparently recouped most of that loss while allowing a further reduction in hydrocarbon emissions, but the data are somewhat contradictory.

Of course, the catalytic converter may prove unworkable if the sulphuric acid emissions cannot be eliminated and, without the converter, gasoline mileage could remain distressingly low for some years unless emission standards are relaxed. Since sulphur-free gasoline could eliminate the acid emissions, which are produced by the combining of oxygen and sulphur in the catalytic converter, some consideration is being given to attacking the problem from that direction.

Part of the sulphur in gasoline can be removed at the refinery, but the process is estimated to add two to three cents to the price per gallon. A possible less-expensive alternative is the use of gasoline refined from low-sulphur oil. By allocating the low-sulphur gasolines to cars equipped with the converter, a 50 per cent reduction in sulphuric acid emissions could be achieved for one or two years until an improved catalytic converter could be put into production.

Obviously, the factors involved are complex and our present knowledge is incompleted. House and Senate committees are attempting to compile the necessary information to allow the Congress to come to grips with the problem and should report on their efforts soon. Until then, no reliable prediction about the action of the Congress can be made. It appears, however, that Congress will be forced to accept either higher gasoline prices, a relaxation of auto emission standards with harmful health results, or potentially hazardous sulphuric acid emissions.

Setting environmental standards involves an intricate and complex balancing of large risks to public health and substantial costs, many of them unknown. It is important that we not create new problems by imposing tougher standards until the evidence is in, and it is equally as important that we continue to make cautious progress beyond existing achievements toward cleaning up our air and the environment.

SUPPORT FOR H.R. 4222

HON. ROBERT (BOB) KRUEGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. KRUEGER. Mr. Speaker, although a previous commitment in my congressional district prevented my aiding in its passage yesterday, I want to express my support for H.R. 4222 and, more importantly, for the good programs which it strengthens and expands. The benefits of the school lunch program are known to everyone, and I am glad to note that H.R. 4222 will extend free and reduced-price lunches to a greater number of students in the future. Children of families whose major breadwinner is unemployed will receive a full subsidy, and reduced-price lunches will now be available to more children than ever before, due to more realistic guidelines.

Also, the legislation extends school lunch program benefits to nonprofit child care institutions and residential summer camps. An amendment mandating participation in the free and reduced-price lunch programs by all those institutions which participate in the regular school lunch program will also expand coverage to a greater number of young Americans. H.R. 4222 also continues funding of the school breakfast program, and steps-up support for the supplemental feeding program for women, infants and children, which has been especially beneficial to Texans.

I personally disagree, however, with the 5-cent-per-child supplement approved by the House, and I asked to be paired against this provision. There is no reason why the Federal Government should make assistance payments to those in no need of such assistance. Middle-income taxpayers will not be fooled by legislation purporting to bestow a "benefit" upon them, when in fact the supposed "benefit" is culled from their own tax dollars. This provision will actually give more aid to the richest county in the United States, Montgomery County, Md., than it will provide to the entire city of Chicago. The wisdom of such a move seems highly questionable to me.

With the present budgetary situation and unsatisfactory rate of inflation, the supplement increases the likelihood that an otherwise meritorius bill will be vetoed by President Ford. Nevertheless, this single shortcoming of H.R. 4222 has not blinded me to its essentially beneficial and necessary nature. I would have supported the bill, had I been present at its passage, and I am glad that my colleagues in the House have so resoundingly joined me in this support.

APRIL 1975 NEWSLETTER

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. PATTEN. Mr. Speaker, during April 1975, I will mail my latest newsletter to some of my constituents.

One-half of it will be devoted to a bill I cosponsored and is urgently needed: The propsed Consumer Protection Act of 1975. The remaining half is devoted to my voting record of the first few months, and some of the bills I sponsored or cosponsored.

I hereby insert the text of the newsletter in the RECORD:

CONGRESSMAN EDWARD J. PATTEN'S WASHINGTON REPORT

AN URGENT NATIONAL NEED: A CONSUMER PROTECTION ACT

One of the major disappointments of the 93rd Congress (1973–74) was its failure to pass legislation that would establish an independent Consumer Protection Agency (CPA) in the executive branch of the government—a bill I helped sponsor.

The blame, however, should not be placed on the House, for on April 3rd, 1974, it approved a CPA measure by an overwhelming margin, 293–94. After such an impressive victory, chances looked bright for passage in the Senate, especially when the Government Operations Committee approved the CPA proposal by a 9–3 vote.

Once it reached the Senate Floor, though, it was slowly destroyed by the favorite weapon of the conservatives—the filibuster. The CPA bill was doomed on September 19th, when a fourth cloture vote (attempt to limit debate) failed by only two votes. Senate sponsors than withdrew the bill and placed their hopes in the next Congress—the 94th.

TO PROTECT AND PROMOTE CONSUMER INTERESTS

Despite the defeat suffered in the Senate last year, hope is strong in both the House and Senate that consumer protection legislation will be enacted this year, a goal that would have been reached years ago if it had not been for the formidable opposition of some business and industrial interests and conservatives in Congress.

Because I strongly believe that CPA legislation is necessary, I again have helped sponsor a measure to protect and promote consumer interests. The bill establishes the CPA in four principal roles:

Consumer Advocacy—To represent the interests of consumers in proceedings and activities of Federal agencies.

Complaint Handling—To receive, evaluate, and respond to consumer complaints and to transmit complaints to Federal and other entities for proper action.

Information Development—To gather, develop, and disseminate information involving consumer products, services, and problems, and to promote testing and research by others in the interest of improving consumer products and services.

Advising Congress and the President—To advise them on matters affecting the interests of consumers, and to recommend legislation needed to improve the operations of the U.S. government in the protection and promotion of the interests of consumers.

The legislation contains provisions that prohibit the disclosure of trade secrets and other information considered confidential, and also requires fair and equitable procedures in the execution of its objectives.

There is, of course, some opposition by certain business and industrial groups to creating an independent CPA that would represent consumer interests by participating in Federal agency and court actions. However, there is also vigorous support for a CPA by consumer groups, ranging from the Consumer Federation of America, to Giant Food stores, which supports the basic provisions of the bill. Virginia H. Knauer, Special Assistant to the President for Consumer Affairs, also advocates "a separate CPA that will assure adequate representation of the consumer . . ."

In the past, real consumer protection was merely a hope. With the expected passage of the Consumer Protection Act of 1975, that hope will become a reality; and consumers will finally get the protection they have always deserved, but have not always received.

IMPORTANT VOTES CAST IN EARLY MONTHS OF 94TH CONGRESS

In the first few months of any new Congress, there usually are not many key Floor votes. During that period, majority and minority leaders are chosen, subcommittees and committees are reorganized, and legislation is drafted and introduced. However, there were some Floor votes I cast that were important and therefore of interest to constituents. Some of them, would:

H.R. 25—Curb environmental abuses of strip mining. (Voted *yes*)

H. Con. Res. 133—Urge the Federal Reserve Board to exert its influence to lower long-term interest rates. This would stimulate construction of housing and public works. (Voted *yes*)

H.R. 1589—Stop the Administration's proposed increase in cost of food stamps used by the poor, elderly, and others who need them. (Over 17 million persons now use food stamps) (Voted *yes*)

H.R. 1767—Suspend for a 90-day period authority of the President to increase the tariff on imported oil by $3-a-barrel. Such an increase would raise the prices of all petroleum products. (Voted *yes*)

H.R. 2051—Increase financial aid available under the Rail Reorganization Act to keep several bankrupt eastern and mid-western railroads operating until they reorganize. (Voted *yes*)

H.R. 2166—Provide $8.1 billion in rebates on 1974 taxes, $8.1 billion in tax cuts on 1975 taxes, and about $5 billion in increased investment tax credit to business. (Voted *yes*)

Amendments to above tax reduction act

Repeal the 22% oil and gas depletion allowance worth $2.47 billion a year to the oil industry, effective January 1st, 1975. (Voted *yes*)

Retain the depletion allowance on the first 3,000 barrels of oil a day. (Voted *no*)

H.R. 4075—Cut or delay several programs involving Federal funds. Rescissions I rejected included such important areas as health research, education, veterans affairs, etc. (Voted *no*)

H.R. 4481—Appropriate more Federal funds for public service jobs to help the unemployed. (Voted *yes*)

PATTEN BILLS INTRODUCED

I'm confident that the 94th Congress (1975–76) will met the challenge it faces with responsibility and compassion, especially in helping to find jobs for the unemployed—our No. 1 priority. Middlesex County, alone, has over 32,000 persons looking for work—a real economic tragedy. With the support of the 75 new progressive Members, I believe that the American people will be proud of the legislative record established by the present Congress.

A few of the bills I sponsored or co-sponsored since Congress convened in mid-January, would:

Extend and expand the Nurse Training Act, which would help Rutgers and the Msx. Cty. College.

Develop and implement national standards for youth camp safety.

Prohibit an increase in food stamp costs.

Allow a tax credit or reduction relating to the energy-saving design of a person's home.

Provide more U.S. funds for public service jobs to help the nation's unemployed.

Extend the present 12-mile fishing limit to 200 miles and protect our fishing areas from foreign exploitation.

Require the Federal Power Commission (FPC) to advertise in area newspapers substantially in advance of building natural gas facilities.

Provide for Federal participation in strengthening the financial condition of the Social Security Program.

Regulate lobbying and related activities.

Require personal financial disclosure, and promote public confidence in the legislative, executive, and judicial branches of the U.S. Government.

H.R. 4222

HON. LLOYD MEEDS

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. MEEDS. Mr. Speaker, the legislation we passed yesterday, H.R. 4222, will vastly improve the day care feeding program, the summer feeding program, the supplemental food program for women, infants and children, and the school lunch and breakfast programs. The proposed legislation deserves our strongest support.

For the sake of brevity, I will focus my comments on the school breakfast program provisions in the bill. I believe that those provisions are very good and I would like to emphasize their importance.

The legislation that we drafted in committee establishes the breakfast program on a permanent basis. Also, we emphatically state that "it is the purpose and intent of the Congress that the school breakfast program be made available in all schools where it is needed to provide adequate nutrition for children in attendance." This policy is to be carried out through two specific directives.

First, the Agriculture Secretary must develop an informational program in conjunction with State educational agencies. This informational program should be designed and implemented in a manner that encourages maximum participation in the breakfast program. Publicity about the benefits of the breakfast program, and Outreach activities with school boards and other school officials, should be included in this informational program.

Second, the Agriculture Secretary is required to formulate plans and regulations for the mandatory expansion of the program. Within 90 days after the enactment of this legislation, the Secretary must report, to the committees of jurisdiction in the Congress, about his plans and regulations requiring program expansion.

We expect the Secretary, at the outset, to place special emphasis on schools located in needy areas. These are the schools that are eligible for assistance under title I of the Elementary and Secondary Education Act, and these schools are the ones that have 25 or more percent of their children eligible for free and reduced-price meals under the school lunch program.

We expect USDA to require the implementation of the breakfast program in these schools immediately. Thereafter, the Secretary may promulgate regulations about program expansion in schools located in less needy areas. By complying with our intentions in this manner, the Secretary will accomplish an orderly expansion of the breakfast program.

Current law, in this area, is inadequate. We now require the State educational agencies to draft plans of child feeding operations every January 1. These plans must detail how the breakfast program is to be expanded to needy children to the maximum extent practicable. In so doing, States must devise explicit plans to get the breakfast program implemented in specific schools within specified dates; these plans must then be followed.

To our regret, however, our current legislative scheme is not causing a substantial expansion of the breakfast program. Thus, this legislation, which mandates breakfast program expansion to all needy schools, is vitally necessary.

A COMMENTARY ON VIETNAM

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. HORTON. Mr. Speaker, Andrew Wolfe, editor and publisher of the Gennesee Valley Newspapers, is recognized as one of the most respected suburban journalists in the country. Mr. Wolfe's recent editorial, "Eighteen Steps to a National Failure: The Via Dolorosa of the United States-Vietnam Debacle," is an excellent commentary on our involvement in Vietnam and I commend it to the attention of my colleagues:

EIGHTEEN STEPS TO A NATIONAL FAILURE; THE VIA DOLOROSA OF THE UNITED STATES-VIETNAM DEBACLE

(By Andrew D. Wolfe)

"Not with a bang, but a whimper," in T. S. Eliot's famed phrase, is the U.S. venture in Vietnam heading toward what seems a final debacle.

As the snow sped past the office window in those blinding swirls Friday afternoon, a radio, between storm bulletins, told of the continuing tragedies in Vietnam.

The office was quiet. Everyone else had gone off to fight their way homeward through the drifts. And, for once, the telephone was still. The storm preoccupied people; they were not thinking of calling the newspaper office.

The occasional radio bulletins from Vietnam kept coming in. They made me think about that whole incredible trail of idealism and stupidity, courage and cowardice, selfishness and selflessness which Americans lump under the single word "Vietnam."

For a long time we've thought of listing the main points of recognition along that trail. Anyone can do this, and you don't need to be an expert on Southeast Asia to do so.

Let's start at the beginning:

1. The United States came out of World War 2 feeling a responsibility for maintaining world order, and convinced that it must blunt the aggressive efforts of totalitarian Communism.

2. Most Americans idealistically felt that peace could be preserved and collective security enforced through a democratic world organization—the United Nations.

3. Most Americans felt that failure of the Western democracies to unite against the dictators in the 1930's had led to World War 2, and its many tragedies.

4. The Cold War, the Marshall Plan, and similarly generous world relief efforts were undertaken partly to prevent much of mankind coming under Communist dictatorships.

5. Berlin Airlift, Greece, Turkey, Korea and other military or quasi-military actions seemed to stem the Red advance, while the beginnings of extraordinary economic growth strengthened much of the free world against internal subversion.

6. But by the late 1950's, the world situation was changing rapidly, while U.S. policy remained relatively rigid. These changes involved the end af Russia's control of world Communism, the fantastic economic growth in Japan and Western Europe, and the beginning of the emergence of the undeveloped or Third World countries.

7. Reassured by their own growing strength, and often annoyed by U.S. domination, the Western nations became increasingly disunited. The United Nations, slipping away from western leadership, lost much of its power.

8. In 1961 John Kennedy became president and launched his administration with a challenge to Americans to continue to help right the wrongs of the world. Though the pendulum later swung strongly in the opposite direction, the Kennedy challenge, with its echoes of Theodore Roosevelt and Woodrow Wilson, was the wrong challenge at the wrong time.

(Even today—after Vietnam—millions of Americans urge foreign action based on idealism, politics, or emotion rather than a sober appraisal of world realities).

9. Through the early 1960's, the world power situation changed with great rapidity, but U.S. policy did not. Ignoring the potential rift between China and Russia, not recognizing that Japan had become an industrial (hence possible military) force second only to the U.S. and Russia, and underestimating the strength of non-Communist forces in Indonesia, U.S. foreign policy under Kennedy and Johnson clung to the idea that the Red advance in Southeast Asia must be halted.

10. U.S. military theorists, making an awesome mistake, felt that South Vietnam, aided by U.S. guns and advisors, could defeat North Vietnam.

11. When that failed to work, Lyndon Johnson sent U.S. troops to help out, not realizing:

a. that changes in the world situation no longer required U.S. intervention.

b. that the Western Alliance had become virtually inoperative.

c. that the social and political complexities of Vietnam would make it impossible to galvanize South Vietnam into action as a democratic nation determined to halt what was thought by the West to be an arm of international communism.

12. With an outdated view of world power factors, but full of the idealism of World War 2, and much overimpressed with our military skill and strength, American leaders proceeded to violate Dwight Eisenhower's dictum that we should never become involved in a land war in Asia.

And the whole undertaking became greatly complicated by Lyndon Johnson's political decision that the war could be fought without fully involving the American people, or really telling them what was going on.

13. This helped create a situation in which the greatest problem of the war for the U.S. was not the actual conflict in Southeast Asia, but the explosive factor that the war became in social, political, and psychological convulsions within the United States.

With hindsight, it can now be seen that the mid-1960's were the worst possible period for the United States, virtually without allies, to become involved in a war which few wanted, which made less and less sense in terms of the changing world power situation, and in which the United States for fear of starting a world conflict, couldn't use its full strength. What made it so wrong a time?

a. Racial conflict and the restructuring it was forcing on American society.

b. The arrival at maturity of the huge Post-World War 2 "baby crop"—a generation including millions who had been brought up in a protected world of idealism and affluence and were suddenly told to fight a war they didn't understand or believe in.

c. A large mass of intellectual, educational, philosophical and religious leaders, long restive under the alliance with the "establishment" forced on them by World War 2, suddenly found that establishment at a moral and emotional disadvantage, and seemingly open to easy attack.

So headlong did this attack on the establishment become that North Vietnam became a demi-paradise and Ho Chi Minh a latter-day George Washington—and peace activists returned from Hanoi with glowing reports that sounded embarrassingly like the reports that came out of the Fascist dictatorships in the 1930's ("people are dedicated and working hard"—"There is no crime"—"the trains run on time").

And in the topsy-turvy world of the mid-1950's these leaders sanctioned street violence to end violence abroad, and in the name of "freedom" painted a tough and militant dictatorship in glowing democratic terms.

And, on the other side of the fence, those who had created the war laid near treason at the door of anyone who questioned the rationality of the war.

The antagonisms, spurred by the press, became personal, bitter, vengeful, and an obstacle to rational policymaking.

d. The political leadership mechanism which had appeared so strong from the 1930's through the 1950's seemed to collapse—and under the leadership of a not-trusted Lyndon Johnson led the nation into the confusions and duplicities of the "Great Society" at the same time that it tried to fight an undeclared war.

Out of all this came riots, draft opposition, sabotage, the 1968 Chicago Democratic convention, Kent State, and a flood of domestic disorder.

14. And that disorder, of course, created its own massive counterreactions which resulted in the election of Richard Nixon in 1968 and 1972.

15. With a constituency which, confusingly, was both lukewarm on the war and violently hostile to the radical peace movement, Nixon then moved to disengage without further badly damaging the declining U.S. leverage in world affairs.

This, of course, took four years. And while the U.S. involvement dropped sharply, the domestic furor was kept at a high level until 1971.

Nixon, to give him credit, was alert to the changing world power situation. He more or less unlocked the Vietnam mess by working to have the U.S. play a balance-of-power role in the continuing friction between China and Russia.

There may well come a time when the Nixon-Kissinger diplomacy may be acclaimed as brilliant. But the Vietnam mess was to have further incredibly ironic effects.

16. The radical peace movement, although it was to be decisively rejected in the voting of 1972, nevertheless created the fear psychology which largely led the Nixon administration to commit the colossal futility of Watergate.

Moreover, the anger of war opposition groups and politicians remained so strong and was so centered on Richard Nixon that it played a key role in the efforts to use Watergate to drive him from power.

17. The collapse of the Nixon administration obviously helped open the way for the collapse of South Vietnam in the Spring of 1975. The disappearance of Nixon was a body blow to South Vietnam and a tremendous moral lift for North Vietnam.

18. Finally, the Watergate-Nixon tragedy left President Ford in a position in which even logical, limited aid to an ally was undercut in Congress.

Today we see a U.S. foreign policy in disarray, with the basic structure of world peace probably more seriously threatened than at any time since 1939.

The real question is whether the American people and their leaders will have the courage and honesty to admit that very few people or groups within the nation did not contribute to this mess.

The national leadership was wrong. The military leadership's stupidity rivaled that of the Union in the first year of the Civil War. And much of the war opposition became more involved in engineering social revolution than with solving problems of war and peace.

Lessons?

1. The United States must learn to temper the messianic ferver that first helped get us into the war, and then created even greater problems in getting us out of the war. Idealism, yes, but it must be an idealism that recognizes that not everyone wants to live in an American-style democracy. And idealism that recognizes we are less than five percent of the world's population and we cannot espouse every appealing cause everywhere.

2. Without once again espousing the full rhetoric of John Kennedy's inaugural address, we surely must see the world as no candy cane affair with Utopia waiting just around the corner, but as a challenging, confusing planet, on which our survival will demand toughness, determination, and sacrifice.

3. To survive in a dangerous world in a nuclear age, our political system must be refined and restructured so that it can cre-

ate intelligent, realistic policy, both internal and foreign. In the 1960's, and early 1970's we seemed to oscillate between pressure politics and chaos.

The objective, of course, must be unified national policy. We must have leadership that carefully considers all segments of our people, and seeks common denominators in creating true national policy.

From somewhere must come the maturity that recognizes that foreign policy must have its reconciliations and its compromises—simply because we do not have all the wisdom in the world and we do not have the power to enforce our decisions whenever and wherever we like.

(Example: How can we convincingly bolster the position of Israel if at the same time we alienate our longtime ally, Turkey, unquestionably the strong nation militarily in the Near East? And all this came out of the Belfast-like mess on Cyprus precipitated by a junta we didn't like!)

If Vietnam shows anything, it shows the futility of one group or combination of groups trying to impose its policies on a divided nation. Both the military activists and the peace radicals proved that conclusively.

What all this amounts to, of course, is a major national failure—a failure which approaches, although it does not equal, the political failure that resulted in the Civil War.

Yet, instead of learning from Vietnam, the experience seems only to have sharpened the determination of many different groups to impose their special needs and priorities on the nation. The actions of Congress in the first three months of 1975 are chillingly irresponsible and unmindful of what we should have learned.

Unless this complicated and diverse nation can learn to develop true national policy—realistically, sympathetically, humanely without jealously and without bitterness—Vietnam may only have been the forerunner of a far greater disaster.

You may have had similar thoughts as you watched the snow swirl past that April afternoon.

And perhaps you may have thought, too, that the greatest tragedy of Vietnam for America was that it seemed to nurture and magnify the nation's defects.

The Washington who could never compromise his ideals, never descend to pettiness, the anguished Lincoln who could write after another bitter and controversial war "With malice toward none—"

Can we again generate such leaders?

REPORT OF THE COOK COUNTY ADVISORY COUNCIL ON RAPE

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. MIKVA. Mr. Speaker, in 1973 there were over 51,000 reported cases of forcible rape in the United States. Of these reported cases, only 4,600 resulted in prosecution and fewer than 2,000 resulted in a conviction—a conviction rate of only 4 percent.

To large extent, the low prosecution and conviction rate is due to the callous, unthinking treatment accorded the rape victim. A rape is a traumatic emotional and physical experience. Information vital to the prosecution of a rape charge frequently is lost due to the hostile, suspicious and unsensitive manner of the hospital authorities and law enforcement personnel, which causes the victim to forget important facts and creates an atmosphere of guilt.

With a view toward increasing the percentage of rape convictions, the Cook County Advisory Council on Rape conducted a detailed study of the manner in which a reported forcible rape was handled by all authorities involved. Their study resulted in an excellent report, proposing several needed changes in the method in which police and medical personnel treat rape victims.

Mr. Speaker, I would like to take this opportunity to share this report with my colleagues.

RECOMMENDATIONS AND SUMMARY OF REPORT OF THE COOK COUNTY CITIZENS ADVISORY COUNCIL ON RAPE

RECOMMENDATIONS TO THE OFFICE OF THE STATES ATTORNEY AND THE CRIMINAL COURTS

Recommendations concerning the victim and the court process

States attorneys should always treat the victim of rape or sexual assault with courtesy and respect, recognizing that the criminal proceedings can be very confusing and frightening to someone who has already been subjected to a traumatizing experience.

A. Rape cases should be prosecuted by competent, prepared and sympathetic states attorneys be they male or female. Since some attorneys feel uncomfortable handling rape cases, they should be exclused from those cases. Supervisors should be aware which attorneys handle rape cases well, and try to assign such cases to them. No special effort should be made to assign all rape cases to female prosecutors.

B. All states attorneys who deal with cases of rape or sexual assault, including those on the Felony Review Unit and those in boys court, juvenile court, and the felony courts, should periodically receive special training to sensitize them to the special needs and problems of the victims of sex crimes. Citizens groups which work with rape victims should be used as a resource for such training.

C. There should be a central phone number maintained by the States Attorney's Office where the victim can call to determine the status and progress of her case and where she can give notice of any change of her address.

D. The states attorney assigned to the case should give the victim a card where she can reach her/him.

E. 48 hours prior to the preliminary hearing, the victim should be contacted by phone or in person by the states attorney's office, and the hearing and grand jury procedures should be explained to her in lay terminology. In cases with foreign language speaking victims or witnesses, interpreters should be pre-arranged.

F. Whenever the states attorney knows that a case will be continued, the victim should be notified immediately that she does not need to be present in court.

G. The states attorney who will be handling the case should meet with the victim in a private setting to prepare her testimony, allowing adequate time to discuss her concerns.

H. In general, states attorneys should not seek continuances and should oppose continuances requested by the defendant.

I. Whenever the states attorney intends to accept a guilty plea, the victim should be consulted beforehand, and she should be invited to be present at the plea and sentencing.

J. Once a case has been assigned to a states attorney for trial, that states attorney should remain on the case through final disposition even if she/he is transferred to another courtroom or division.

K. The states attorney should inform the victim of what to do in case of harassment. The limits of police protection should also be made clear.

L. Victims should be reimbursed for all expenses incurred for prosecuting her case including transportation costs, both local and out-of-state, child care costs, lunches and loss of wages, or in the alternative, a set fee should be paid for each day spent in court similar to the fee paid to citizens called for jury duty.

Recommendations to the felony review unit

Crucial decisions as to how a crime will be charged are made at this early stage. Although the attorney's considered judgment as to the likelihood of successful prosecution of the charges is important, at a minimum the states attorney making that judgment should be guided by the following recommendations:

A. Because of the importance of a victim's testimony in rape and sexual assault cases, no case should be rejected unless the victim has first been interviewed in person by a states attorney. In every rape case which is rejected for prosecution or in which a lesser charge is brought, the states attorney should meet with or telephone the victim and discuss that decision with her.

B. The Felony Review Unit of the States Attorney's Office should have written guidelines of criteria used to evaluate rape and sexual assault cases for prosecution. The guidelines should be available to the public and to a victim upon request.

C. Because of fear due to threats and intimidation and because of cultural conditioning, victims commonly do not immediately report sex-related crimes. Rape and sexual assault cases should not be rejected for lack of "immediate outcry".

D. The Felony Review Unit should establish procedures for regular, ongoing re-examination. The Coordinator of the Rape Prosecution Task Force should review the case with authority to over-rule the decision of the Felony Review Unit.

E. The Felony Review attorneys should have access to interpreters whenever necessary in order to communicate with Spanish-speaking and other non-English speaking victims.

Recommendations regarding child victims

The crime of rape, sufficiently hideous in itself, becomes even more heinous when perpetrated against a child victim. Because of their vulnerability and helplessness, society has always viewed crimes of sexual aggression against children of either sex as extraordinarily serious. Yet, the criminal process which is discouraging enough to the adult victim who seeks to prosecute, represents an even greater barrier to the families of child victims. Although we do not in any way seek to infringe upon the constitutional due process rights of the defendant accused of a crime against a child, because of the peculiar problems involved in prosecuting cases of child rape and indecent liberties with a minor and because of society's need to encourage prosecution of such cases, we make the following recommendations:

A. In the case of child victims, one states attorney should be assigned the case at the earliest possible point in time, if possible at the station contact level. That states attorney should handle the case all the way through trial regardless of the court to which the case is assigned.

B. The special states attorneys chosen to handle child victim cases should be competent trial attorneys who have an interest in child victims and who have a demonstrated sympathetic ability to relate well to child victims and to work with the child's vocabulary.

C. Every effort should be made to expedite trials when the victim is a child so that the child is not forced to repeatedly review the traumatic events. The states attorneys should not seek continuances and should oppose continuances requested by the defendant.

D. Testimony of a child victim should be taken in chambers or in a courtroom from which the public has been excluded.

E. We recognize the problems involved in the prosecution of child victim cases are difficult and complex. The procedure designed to insure fairness to the defendant often present an insurmountable and unwarranted barrier to legitimate prosecutions of persons who victimize children. Particularly troublesome areas of concern include regarding the testimonial competency of children, certain rules of evidence and hearsay, and the difficult situations arising in incest rape cases. We recommend that the States Attorneys Office devote special attention and further study to these problems with a view to creation of special procedures and/or recommendations for legislation regarding child victim cases. Anti-rape and women's groups should be involved in this study.

Recommendations to the courts

Rape is a serious crime of violence. In an overburdened court system, rape and sexual assault must be given the priority reserved for the most serious crimes of violence.

A. All cases of rape and sexual assault, including those cases now prosecuted in boys court, should be handled in Branch 66 along with homicides.

B. Branch 66 should be assigned to a permanent courtroom and should convene in the morning so that it will be possible to take the case to the grand jury on the same day as the preliminary hearing. Thus it would reduce the number of times the victim would need to come to the court building.

C. The subpoenas should be printed in both Spanish and English with a phone number on the form for further information. If possible, the subpoena should be issued in sufficient time to insure the victim has one week's notice of any proceeding requiring her presence. A phone or police check should be made, when possible, to check with the victim the day before she is due in court.

RECOMMENDATIONS TO THE CHICAGO POLICE DEPARTMENT

The initial contact that the victim of rape or sexual assault has with the social institutions designed to respond to her crisis is usually with the police. The nature of this contact is crucial in determining whether the victim perceives a system responsive to her needs or a system which merely victimizes her further. The response of the police is also fundamentally important to the success of any subsequent prosecution. For these reasons we make the following recommendations:

1. Police should file all appropriate criminal charges that relate to the attack. Police should not reduce charges on the basis of their judgment of the possibility of successful prosecution of the rape charge.

2. More investigators and more patrol officers should be specially trained in the handling of rape cases. These specially trained officers should include as many women officers, both white and minority, as possible. There is also a pressing need for more Spanish speaking officers to deal with rape cases. Specially trained patrol officers should be assigned to every precinct in the city.

3. Special training for these investigators and selected patrol officers should emphasize:

(a) Formal input from the states attorneys in Branch 66 and in the felony trial courts, especially including members of the Rape Prosecution Task Force, regarding the evidence needed for prosecution;

(b) Sensitivity to the handling of child victims;

(c) Sensitivity to the unique impact of the rape trauma upon women of different cultural and ethnic backgrounds and the effect that the trauma may have on the ability of such women to relate the events and cooperate with male police officers;

(d) Thoroughness of sex crime investigations including the gathering of pre- and post-occurrence evidence and witness identification; and the gathering of clothing, hospital records, etc.

(e) The importance to subsequent prosecution of objective, factual, and professionally written police reports; and

(f) The analysis and dissemination of modus operandi information. Citizen groups concerned about rape and representing rape victims should be used as a resource by the police department in training officers to be sensitive to the victim's needs.

4. All of the above training areas should be integrated into the regular pre-service and in-service training for all police officers.

5. Standard procedures for all officers dealing with the victim of rape or sexual assault should include:

(a) The investigating officer should always leave with the victim her or his card with her or his name, district, working hours, and phone number. The officer should also give the victim the central phone number of the States Attorney's Office where she can call to determine the status of her case;

(b) If the investigating officer is assigned to night duty and can only be reached during late hours, an alternative contact should be given to the victim which identifies a person whom she can reach for information during regular working hours;

(c) The police officer should be sensitive to the psychological stress that the victim experiences and should take this into consideration in her or his dealings with the victim. An effort should be made to keep to an absolute minimum the number of times a victim must relate the events of the crime: and

(d) The police officer should always conduct herself or himself in a professional manner when dealing with the victim, avoiding unnecessary and improper questions concerning the crime of the victim's behavior and avoiding any appearance of prurient curiosity.

6. Because the identification procedures themselves can be traumatic and intimidating to the victim, she should be prepared ahead of time by the investigating officer for the procedures which will be used. Since there is no confrontation right involved in line-ups and since there is nothing to be gained by a face to face confrontation between victim and suspect at this stage of the investigation, whenever possible, line-ups should be conducted in such a way that the persons participating in the lineup cannot see the victim. If this is not possible, the victim should be informed that she will be in the same room with the suspect and that she will be asked to make an identification in his presence.

7. The victim should be accurately informed of her right to protection from harassment and intimidation by the suspect, how to report it, and the realistic limits of the protection which the police can provide.

8. Modus operandi information should be made available to the public and to citizen groups within the community where the rapist appears to be attacking women.

THE REPORT OF THE HOSPITAL SUBCOMMITTEE ON RAPE

1. The purpose of this report is to suggest guidelines for the establishment of approved rape treatment centers for the most effective treatment of rape victims in our health institutions by health care personnel. While we have been aware for some time of the problems encountered by rape victims with other institutions of the society, specifically the police and the courts, less attention has been paid to the vital role of the hospital in diminishing both the psychic and physical trauma and in contributing to the chain of evidence that will enable the rapist to be apprehended.

There should be a recognition by all personnel that some medical treatment may feel like another rape. The victim needs respect, validation and privacy. Suggestions for meeting these needs will be specified below. Certain praiseworthy programs such as the rape centers at Philadelphia General Hospital, Jackson Memorial Hospital and Boston City Hospital, and the rape victims advocacy program at Rush-Presbyterian St. Luke's in Chicago have been studied, and suggestions based on their experience have been included in this report. Based on these data we will suggest that three hospitals be designated as rape treatment centers for adults, and two or three for children. After examining the distributions of rapes in Cook County, we encourage a center serving the North side, the Near West side and the South, and encourage hospitals to present their programs to us so that we may decide which one will best meet the needs of the rape victims. While this suggestion seems to run counter to present policy, after careful thought and discussion we make this suggestion because:

(1) Such a program enables the concentration of highly skilled personnel, particularly sensitive to the unique problems of rape victims. These personnel include not only health care workers such as physicians, but rape victim advocates. Such hospitals will be designated as approved rape treatment centers. Police and the public will be informed that each rape victim will be offered by the police or on their own referral the choice of treatment at a Rape Treatment Center or any other licensed hospital of her choice. We think it unrealistic at this time to have such programs available at all hospitals, although we do recognize both the victim's right to go to a hospital of her choice, which should be respected, and the problem of rape in nonmetropolitan areas in which case the victim may first be treated at a local hospital if she so desires. In case of serious physical injuries requiring immediate treatment, we recommend that the victim first be taken to the nearest hospital for treatment of those injuries and then to the nearest special rape treatment center. It is the experience of Philadelphia General Hospital that such cases make up only a fraction of the total cases and that the overwhelming majority of women prefer being treated at a specialized rape treatment center. However, no hospital may refuse to treat a rape victim who, after being informed of the existence of a Rape Treatment Center, still prefers treatment at that hospital.

(2) Monitoring. It will be easier to make sure that the quality of services offered to rape victims will remain high if such treatment is localized in a few centers.

We have used the pronoun she, specified that the rape advocate be female, and specified that women do the training. After speaking with rape victims, it has become clear to us that after telling her story to a male police officer (usually) and a male physician (usually) she does not wish to have to tell it again to another male. In addition, many victims are angry with men, and few males are able to deal with this anger in a way useful to the victim. Moreover, it is easier for a woman to identify with the rape victime since she is well aware of her own vulnerablity.

The hospital treatment of a rape victim shall be prompt, supportive and private. Provision of a separate examining room shall be made so that the victim will not need to wait in the general waiting area. The victim will be allowed to have with her at all times whatever supportive individuals she may bring to the hospital with her or who come there to be with her. At no time should the victim be left alone unless she chooses. The rape victim advocate shall be called as soon as the woman arrives at the Emergency Room and a female nurse shall be available to wait with the victim until the advocate arrives if the woman so desires.

All hospital personnel dealing with rape victims need to do so with an acute awareness of the traumatic nature of the experience the victim has recently undergone. They must deal with the woman with respect for the ordeal she has experienced and particular appreciation of the overwhelming sense of powerlessness which may well have accompanied it. It is imperative that hospital staff avoid dealing with the patient in any way which may recreate the experience.

GUN CONTROL

HON. JOHN Y. McCOLLISTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. McCOLLISTER. Mr. Speaker, as a member of the Consumer Protection and Finance Subcommittee, I was pleased to hear the testimony of my distinguished colleague from Idaho, Mr. SYMMS, last week. Beginning with the introduction of H.R. 1087 on the opening day of the 94th Congress, Mr. SYMMS has led the way in challenging the jurisdiction of the Consumer Product Safety Commission to regulate handgun ammunition. As a cosponsor of the Symms legislation, I concur with my colleague in the belief that Congress never intended the CPSC to involve itself in gun control matters. The testimony of Mr. SYMMS sheds a great deal of light on this growing controversy and makes a compelling case for why this body must not permit the legislative process to be circumvented on the question of Federal firearms control. I encourage my colleagues to carefully consider the points raised in this excellent statement:

TESTIMONY OF CONGRESSMAN STEVEN D. SYMMS

Thank you, Mr. Chairman, for the opportunity to testify before your committee this morning. The matter I bring before you today is one which begs your earnest attention and prompt action.

On June 22, 1974, a small Chicago-based anti-gun lobby called the Committee for Handgun Control petitioned the Consumer Product Safety Commission for a rule to ban the sale, distribution and manufacture of handgun bullets as a hazardous substance. By September the Commissioners had decided overwhelmingly to deny the petition, but a subsequent ruling by the U.S. District Court for the District of Columbia reversed their decision and ordered the Commission to entertain the proposed ban. Suddenly the CPSC found itself thrust into a position which it very much wished to avoid—that of assuming responsibility over the vastly complex and controversial area of federal gun control. Following the court ruling, the Consumer Product Safety Commission published the proposed bullet ban in the Federal Register and solicited public opinion for sixty days. That comment period ended eight days ago, and they are still opening letters. The Commission informs me that over 100,000 letters on the bullet ban have already been read, of which about 200 expressed support for such action. In other words, less than two-tenths of one percent of those who wrote the Commission actually favored the proposed ban.

It would be easy to dismiss these figures as being the result of an organized letter writing campaign by pro-gun groups, and therefore not representative of the general populace. To do so, however, would be a gross injustice to the thousands of sincere Americans who took the time to write their government to express their views. My own experience with the constituent mail I have received on this issue, now well over 2,000 letters, is that it has represented a large cross section of people, young and old, male and female, shooters and non-shooters. Of these, the number favoring a bullet ban by the Commission can be counted on one hand. A great many of the letters I received are from people who do not even own guns, but who are nevertheless extremely concerned about what they consider to be a rear attack on a basic Constitutional right. Their most strenuous objection is to the manner in which this de facto gun control is being carried out, in absence of any deliberation by the nation's elected representatives. Here is where the crux of the issue lies.

My personal opinions on federal gun control, Mr. Chairman, are well known and need not be reiterated here. Moreover, this committee should not get bogged down in debate over the merits and demerits of gun control. Gun control per se is not the issue which confronts us here today. The questions to be answered are: 1) Did Congress ever intend for the Consumer Product Safety Commission to expand into the area of gun control, and 2) If not, should it have? To answer these questions, we should begin with a brief look at the bullet ban petition which precipitated this growing controversy.

The petition of the Committee for Handgun Control asserts in general that handgun bullets constitute a serious threat to human health and therefore qualify to be regulated as a hazardous substance under the 1960 Act. This Act defines a "hazardous substance" as "any substance or mixture of substances which . . . is flammable or combustible, or generates pressure through decomposition, heat, or other means, if such substance or mixture of substances may cause substantial personal injury or substantial illness during or as a proximate result of any customary or reasonably foreseeable handling or use, including reasonably foreseeable ingestion by children."

Mr. Chairman, I would submit to you that under no stretch of the imagination could handgun bullets meet these requirements as a "hazardous substance". A bullet is nothing more than a molded piece of lead which, by itself, is no more dangerous than this chair I am sitting in. It is significant, though, that the gun control zealots who proposed this bullet ban as a way to bring about federal control of handguns are apparently unfamiliar with even the most basic firearms nomenclature.

Let us give the petitioners the benefit of the doubt for the moment, and assume that what they meant in their ban proposal was handgun cartridges, of which bullets are but one of four major components. Here again their proposal runs in direct conflict to existing law. The Consumer Product Safety Act confers authority upon the CPSC to ban certain "hazardous consumer products", but also defines the term "consumer product" as excluding pistols, revolvers, firearms, shells and cartridges, which are items subject to tax under section 4181 of the Internal Revenue Code. It was clearly the intent of Congress when authorizing the creation of the Consumer Product Safety Commission, to deny it any jurisdiction over the sale, distribution and manufacture of firearms and ammunition.

The legislative history of the Consumer Product Safety Act from the committee hearings and floor debate puts the intent of Congress into sharp focus. Perhaps most significant is the fact that Mr. Bingham of New York offered an amendment on the House floor which would have placed firearms and ammunition under the Act. The House rejected the Bingham amendment on the grounds that Congress, rather than any regulatory agency, must assume full responsibility for the gun control issue. As Congressman Randall said at the time, "I am willing to face the issue of gun control squarely, either vote it up or down. But let us not do it this way, through the back door."

I for one believe that the common sense reasoning Congress showed in 1970 is as valid now as it was then. It is for this reason that I have introduced H.R. 1087 which prohibits the Consumer Product Safety Commission from regulating the sale, distribution and manufacture of firearms, ammunition and ammunition components. It thereby places the authority squarely in the lap of Congress where it rightfully belongs.

Mr. Chairman, the people of this country do not deserve to be saddled with gun control by Congressional default. The responsibility for a resolution of the federal gun control issue and the proper forum for its open debate is Congress. We must allow that responsibility to be pre-empted by either the courts or the bureaucratic community. The people's elected representatives are ultimately the ones who should decide on controversies of this magnitude and significance. To allow gun control to be "legislated" by a federal court is a betrayal of the people's trust and a sham on our republican form of government.

In the District Court's decision on the bullet petition, one remark was made with which I heartily agree. Judge Flannery suggested that the Commission approach Congress for a clarification of the rightful authority of the CPSC in the area of firearms control. H.R. 1087 provides that desperately needed clarification by reasserting the role of Congress in resolving the federal gun control issue. I urge the members of the Committee to act swiftly on this legislation before we and the American people lose that proper responsibility.

BROAD SUPPORT FOR H.R. 4622, THE RAILROAD RIGHT-OF-WAY IMPROVEMENT ACT

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. HEINZ. Mr. Speaker, my colleagues in the House may soon have an opportunity to vote on H.R. 4622, the Railroad Right-of-Way Improvement Act of 1975, a bill I introduced to put people to work rebuilding our Nation's railroad rights-of-way.

Because this bill has received widespread editorial endorsements, as well as support from labor and management in and outside the railroad industry, I would like to take this opportunity to share some samples of this support with my colleagues:

SOUTHERN RAILWAY SYSTEM,
Washington, D.C., March 17, 1975.

Hon. HENRY J. HEINZ, III
Cannon House Office Building,
Washington, D.C.
Attention: Mr. Gillespie.

DEAR CONGRESSMAN HEINZ: Southern Railway Company has reviewed your bill, H.R. 4622, the "Railroad Right-of-Way Improvement Act of 1975", and we feel it is a constructive approach to both the unemployment problem and the railroad right-of-way maintenance problem. We support the action of Stephen Ailes, President of AAR, in approving the concept contained in this bill.

We appreciate your efforts in addressing the problems of the economy and the railroad industry and are hopeful that the ideas contained in your bill will prevail.

Yours very truly,
JAMES L. GRANUM.

BROTHERHOOD OF
LOCOMOTIVE ENGINEERS,
March 18, 1975.

Hon. H. JOHN HEINZ, III,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. HEINZ: The idea behind your plan for a public works program to rebuild the Nation's deteriorating railroad track and roadbed system is sound, fresh and the kind of new approach to an old problem needed at this stage in our economy.

As an interested party to the House Interstate and Foreign Commerce Committee proceedings on railroad problems for the past several years, it is my conclusion that the National railroad transportation crisis of today resulted from the absence of a National Transportation Policy in yesteryears.

Common sense dictates that a government cannot invest several billion dollars a year in competing modes of transportation and realistically expect the railroad industry to prosper as a free enterprise system.

The Northeast railroad crisis and now a new Midwest railroad crisis is direct evidence that a new legislative approach is necessary to reclaim the thousands of miles of railroad track in the Northeast and Midwest. We must rehabilitate and streamline our rail system in these regions. Such a program should contribute significantly to the health of the Nation's economy.

Sincerely,

E. L. McCulloch,
Secretary and National Legislative Representative.

COMMENTS OF STEPHEN AILES, PRESIDENT OF THE ASSOCIATION OF AMERICAN RAILROADS, ON THE RAILROAD RIGHT-OF-WAY IMPROVEMENT ACT OF 1975—A PROPOSAL OF CONGRESSMAN H. JOHN HEINZ, III

The railroad industry would welcome legislation of this kind. It would attack in a meaningful and constructive way not just one, but two, problems of serious public concern. It would help ease the unemployment crisis by furnishing the means to provide work for furloughed and other unemployed railroad workers. And, importantly, the work to be performed is vital and sorely needed in the public interest.

Many railroads have been forced for financial reasons to defer maintenance and upkeep of their rights-of-way. Of course, the resulting deterioration in the quality of service the railroads are able to offer the public is a source of critical concern not only to the railroads and their customers but to the nation as a whole.

Mr. Heinz's bill is a constructive approach to both the unemployment problem and the right-of-way problem.

DEPARTMENT OF LABOR AND INDUSTRY,
Harrisburg, Pa., March 26, 1975.
Representative H. JOHN HEINZ III,
Cannon House Office Building,
Washington, D.C.

DEAR REPRESENTATIVE HEINZ: I have received a copy of your legislation as printed in the Congressional Record that would provide funds for hiring the unemployed to work on repairing railroad rights of way.

I think it is an excellent concept. Obviously, in Pennsylvania there are hundreds of miles of tracks which are in need of repair, as well as hundreds of thousands of Pennsylvanians who need jobs. I have asked members of the staff of the Bureau of Employment Security to review the bill and to provide me with estimates of the number of railway workers who are unemployed and the number of people who possibly could be employed through the enactment of this bill.

I will forward to you such information, which you may find helpful in the consideration of this bill.

Sincerely,

PAUL J. SMITH.

[From the Pittsburgh Press, Mar. 28, 1975]

LETTERS TO THE EDITOR: UNION DEFENDS RAIL-REBUILDING STAND

Your March 19 editorial, "Rebuilding The Rails," has been brought to my attention.

Perhaps you would be interested in the following:

I have been working closely with Pittsburgh's Rep. H. John Heinz III and U.S. Sen. Jacob K. Javits of New York in the preparation of the bills to rebuild the nation's railroads.

The average straight-time pay of railroad maintenance-of-way employees, including the recently negotiated settlement, is $5.50 per hour.

There is no featherbedding in the maintenance-of-way department of American railroads.

The work performed by maintenance-of-way employees is not only of a highly responsible nature but it is arduous and hazardous.

These workers must be prepared to work under all kinds of weather conditions. In fact, it is when weather conditions are the worst that these men are most likely to be called out to look after the safety of the right-of-way.

They are subject to call at any time of the day or night, to work at wrecks, slides, washouts or fires, or when any condition occurs to prevent the flow of railroad traffic. Frequently, they are required to work hours on end without adequate food and rest.

Maintenance-of-way crews constantly work under the hazards of traffic. Men in track, bridge, building, paint and steel crews must often work at dangerous heights in repairing and maintaining tracks, bridges, trestles, buildings and other structures.

To the uninitiated, maintenance-of-way work may appear to be a rather cut-and-dried proposition. In reality, it is both an art and a science.

HAROLD C. CROTTY.

DETROIT.

(The writer is president of the AFL-CIO Brotherhood of Maintenance of Way Employes.)

[From the Houston Post, Apr. 20, 1975]

MAKING TRACKS

Railroad tracks need repair and modernization. Unemployed Americans need jobs. Obviously the practical solution to unemployment is to hire those who need jobs to do work that desperately needs doing. This idea is so good that it should be acted upon immediately.

Congress is now considering several proposals for hiring thousands of workers to rebuild tracks. Fourteen senators support a plan to spend $300 million for 20,000 public works jobs in fiscal 1975. Rep. Henry John Heinz III, R-Penn., has a proposal before the House to hire 50,000 workers at a cost of $2.5 billion through fiscal 1977. And the Department of Transportation is planning legislation of its own. This would not be the first time that public works jobs have come to the rescue of transportation in general and railroad tracks in particular. During the 1930s public works employes rebuilt much of the Pennsylvania Railroad.

Both the railroad industry and the railroad unions approve the idea, though the union leaders insist that furloughed railroad workers be given priority in hiring. We must hope that the legislation will not suffer from too many cooks trying to add seasoning to the broth. And hope that the important purpose of the legislation—to improve railroad tracks and provide jobs—does not get lost among so many proponents.

The American railroads offer a practical solution to some of the greatest problems of our day. Massive transportation with a minimum use of fuel, a minimum of pollution and no addition whatsoever to the growing traffic congestion on the highways. But so long as the scheduled trains are plagued with derailment, lives are being risked, property is being damaged, trains thrown off schedule as well as off the track.

If public service jobs did no more than modernize the American railroad network, they would have been worthwhile. Congress might even consider giving the railroads first priority claim on public works jobs to be financed.

JONES & LAUGHLIN STEEL CORP.,
Pittsburgh, Pa., April 4, 1975.
Re: H.R. 4622.
Hon. H. JOHN HEINZ, III,
U.S. House of Representatives,
Cannon House Office Building,
Washington, D.C.

DEAR CONGRESSMAN HEINZ: I wish to commend you for introducing H.R. 4622 which would serve the double purpose of providing much needed maintenance of the railroad road beds and create additional jobs.

Almost all of our raw materials and a large portion of our finished products are shipped by rail. The rights-of-way are sorely in need of upgrading but with the present financial state of the nation's railroads, their maintenance has been too long neglected.

We enthusiastically support your bill.

With kindest personal regards,

Sincerely,

R. B. SOMOGYE.

UNITED STEELWORKERS OF AMERICA,
Washington, D.C., April 7, 1975.
Hon. H. JOHN HEINZ, 3d,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN HEINZ: As I indicated to you, your bill on railroad bed reconstruction meets two needs: job creation and rail service upgrading. President Abel has mentioned to me that he has also spoken to you about your bill.

The recent report from USRA, wherein 6,500 light density railroad lines may be taken out of service, highlights the need for this legislation. We do support your efforts to obtain its passage.

Sincerely,

JOHN J. SHEEHAN,
Legislative Director.

THE LIBRARY OF CONGRESS

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. HARRINGTON. Mr. Speaker, the Library of Congress is one of the most important institutions of the Federal Government. It provides both Members of Congress and their constituents with the services of one of the largest libraries in the world.

Therefore, in view of the Library's 175th birthday, I would like to take the opportunity to insert in the CONGRESSIONAL RECORD, for the information of my colleagues, an article written by Marjorie Hunter which appeared in the New York Times on April 25, 1975.

The text of the article follows:

LIBRARY OF CONGRESS: 75 MILLION BOOKS OLD

(By Marjorie Hunter)

WASHINGTON, April 24.—The Library of Congress, begun with just a few hundred books shipped from London, observed its 175th birthday today, its 320 miles of shelves groaning under the weight of 75 million books, photographs, musical scores, maps and microfilm.

Now one of the two largest libraries in the world—rivaled only by the Lenin State Library in Moscow—and no one is sure which is the largest—it houses items as diverse as Thomas Jefferson's famous "original rought draught" of the Declaration of Independence to dozens of one- and two-reel silent movies starring Mary Pickford.

The Congress of 1800 would have been astounded at what its appropriation of just $5,000 set in motion.

Originally housed in the new Capitol, the library's first offerings were about 900 books and maps, purchased in London and shipped in 11 trunks aboard a British cargo ship, the American.

Among the purchases were Adam Smith's "Wealth of Nations" and Postlewayte's "Dictionary of Commerce"—heavy reading for the fledging American Congress.

Then, Congress found itself nearly bookless again when the British burned the Capitol in the summer of 1814. Only the most valuable records and papers in the library were saved.

JEFFERSON'S LIBRARY

To replace the loss, former President, Thomas Jefferson offered his private library of about 6,500 volumes at cost—about $23,700.

"There is no subject to which a member of Congress may not have occasion to refer," Mr. Jefferson observed.

The Senate readily agreed to pay the price, but the appropriation bill encountered strong opposition in the House. Some called the move extravagant. Others protested what they viewed as the irreligious character of many of the Jefferson books.

Finally, after long and bitter debate, the House agreed to appropriate the money—but by a scant margin of 10 votes.

In 1851, the Library of Congress was ravaged again by fire, destroying two-thirds of the Jefferson collection, plus thousands of other volumes.

With another $100,000 appropriation from Congress, additional volumes were acquired and a new room, abounding in ornate cast iron to ward off further fires, was constructed in the Capitol.

By the end of the Civil War in 1865, the library could boast of more than 80,000 books and other manuscripts. And, a year later, the total soared over 100,000 with transfer of the Smithsonian Institution's 40,000 volumes to the library.

A CROWDED ROOM

With the acquisition of more and more material, the "iron room" in the Capitol was soon overflowing. Books were piled in the middle of the floor, members of Congress could scarcely find room for quiet research.

A separate library building, authorized in 1886, was completed in 1897, a massive structure of ornate Renaissance style topped with a squat copper dome. The building, just off the Capitol Plaza, is still in use today, along with an almost equally large annex. A third building is nearing completion.

No longer just a library for Congress, it administers a wide variety of services, including talking records for the blind, a legislative reference center, overseas exchange programs. It sponsors chamber music performances and literary programs. It stages exhibitions.

One exhibition on display now is of the 11 men who have served as Librarian of Congress from its beginning—such figures as Herbert Putman, Archibald Macleish and L. Quincy Mumford, who recently retired. Until Mr. Mumford's successor is named, John G. Lorenz is serving as Acting Librarian of Congress.

Today's birthday party was a quiet one, marked only by Vice President Rockefeller speaking at the opening of a new exhibition, "To Set a Country Free," depicting the nation's Revolutionary War era.

But tomorrow, things will be livelier. Joined by members of Congress, the library's 4,500 staff members will hold an outdoor "block party," including patriotic music, a "sing along" and which all due apologies to the Congress of 1800, a rock band.

A GREAT DAY IN AVIATION HISTORY

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. MINETA. Mr. Speaker, I speak out today in commemoration of a great event in our history, a great day in the story of our American ingenuity, and a great moment in the annals of aviation. On this day, 70 years ago, the ageless question of man's ability to fly was, for many people in this country and even some in foreign countries, finally answered in the affirmative. That answer came not in the form of an abstract proof from theoretical physics, but as a flight demonstration of the most dramatic and public nature.

I speak of April 29, 1905. The event was a college holiday at Santa Clara College—now the University of Santa Clara—in California. As part of the day's festivities, a 47-year-old professor from the college physics department offered a demonstration of nothing less than controlled human flight.

Only 70 years later it is difficult for us to imagine how such a proposition must have sounded to the average American of that time. Such a person would probably have been aware of the then recent attempts of one of America's foremost scientists, Samuel Langley, to achieve manned flight, and how those attempts had in the end produced only ridicule and derision of Langley. Such a person would probably also have known of balloon flight and of efforts to power and steer balloons, and he quite possibly might have seen a hot air balloon ascension as part of a fair or exhibition.

If he were well informed, he might have read of the prevailing opinion among physicists that heavier-than-air flight was not practicable, and that such pessimistic conclusions were firmly founded on the bedrock of Newtonian physics. If he were well informed, he might have read of some short-hop gliding experiments by Lilienthal, Pilcher, and Chanute, and of a power experiment by Maxim which, after enormous expenditure of money and power, lifted off its track a few inches. In short, he would have known that men had often talked of flying and, as far as he was concerned, had never done it.

He most certainly would not have known that a little over a year earlier the Wright brothers had made their first powered takeoff and had flown straight forward about 600 feet, just a few feet off the ground. He would not have known that they were still at work on their aeroplane, trying to enable it to turn more sharply and not in just the broad, shallow curves that were all they had yet achieved. It would be several months yet before the Wright brothers would complete their design and achieve full manuverability, but even then our average American would not hear of them or of their success, because they preferred secrecy as they sought to obtain contract sales for their design. Our average American would not hear of the Wright brothers for several more years, not, in fact, until 1908.

But back in the spring of 1905, this California professor offered a dramatic and public demonstration of his mastery of aerodynamics. At a time when no heavier-than-air experiments had ever been higher than about 30 feet, he proposed that the glider he had designed and built would, with his pilot, be hauled up by a hot air balloon to a height of 4,000 feet and then cut loose. Then his mastery of aerodynamics, of lift and balance and control and stability and structural soundness, would either be fully demonstrated, or the pilot would meet a tragic death. To this demonstration were invited the representatives of many northern California newspapers and national publications, as well as the members and friends of the college.

Lest we portray this professor as a reckless man, we should note that he was himself a trained physicist, that he had studied aerodynamics in relative isolation since the 1880's, and that he and his pilot had recently practiced this demonstration in several successful test flights along an isolated stretch of coast in a neighboring county.

But to those who witnessed the flight of April 29, 1905, and to those who read about it in the following days, there could not have been a more reckless attempt nor a more astounding achievement. As an example of the popular reaction of the time, I include excerpts from an article in the next day's San Francisco Examiner, written by reporter Thomas Nunan, an eyewitness to the flight:

> Man has learned to fly. Down at Santa Clara College yesterday, I beheld him use his wings. . . .
>
> Slowly and steadily the machine circled to one direction and then the other, repeating these maneuvers several times. Then it headed straight before the wind and took a sudden dive that was something like the thunderbolt fall described by Tennyson . . . Then, on the moment, the wings turned gracefully back to the horizontal position. The aeroplane glided down in a circle, and after heading back into the wind it mounted preceptibly. Twice the feat of sailing upward on the air was accomplished. Gradually we groping mortals who watched from the ground began to realize that the aeronaut was truly flying on wings, and seemingly with the utmost of ease. . . .
>
> He had complete command of the machine. He accomplished just what a bird accomplishes in flight without flapping its wings. He sailed on the air and rose and fell, and tacked one way or the other, just as the hawks and buzzards do.

And the following is excerpted from the Oakland Times account:

> The observers from the ground below saw the aeroplane begin to turn from side to side, after the manner of a bird tilting its wings in its flight. The downward motion was not rapid so far as appearance went, but the movement of the aeroplane in circles and in tacking backward and forward across its

> course was very evident almost equal to the speed of an express train....
>
> The exhibition of circling and soaring was continued for several minutes and finally the landing was made without a jar or a break in the apparently frail machine, and the aeronaut stepped from the cross-bar astride of which he had ridden.

Such stories appeared in newspapers across the United States and even in Britain and Germany, and in such national magazines as Scientific American and Motor magazine. The popular assessment of this event is evident in these press reports; for example, from another article in the Examiner:

> He has proved that wings can be constructed of such a form that man can fly with them, that the craft can be controlled and guided with precision among the air currents. . . . The biggest stride the world has yet known toward sailing the skies. . . .

And yet we have come to forget this popular perspective of the time, this first dawning of aviation consciousness among the American people. How many of you can tell me the name of this pioneer of aviation? The name is John J. Montgomery, a life-long resident of California. From his contemporaries Montgomery received considerable praise. From the account in the June 1905 Motor magazine:

> To John J. Montgomery, who is a professor at Santa Clara College, and who designed the remarkable craft, undoubtedly belongs the credit of constructing the first aeroplane that has proved itself capable of carrying a human operator, and possessed of perfect equilibrium, and susceptible of guidance at will, regardless of aerial conditions.

On reading of the flight in the press, the most famous American proponents of human flight responded with fulsome praise. Alexander Graham Bell said:

> All subsequent attempts in aviation must begin with the Montgomery flight.

And Octave Chanute described the flight as "the most daring feat ever attempted in gliding flight." Yet among us today, just 70 years later, Montgomery is unknown, his history neglected, his achievements lost to obscurity. We seem to have a very short memory.

There are perhaps many reasons for this unfortunate obscurity, but among them is the bitterness created in a long and hard-fought trial during the 1920's which pitted the Montgomery heirs against some of the proprietary claims of the Wright brothers. The ill will born of that long struggle has been passed on to successive generations of advocates, like some backwood family feud that over many generations has become an unthinking and automatic animosity. On this 70th anniversary of Montgomery's Santa Clara flight, I appeal to all scholars to set aside their assumptions on this subject and to each insist on reviewing the facts first-hand, not through intermediate generations of hatred. The debate over proprietary ownership of certain inventions may necessarily admit only of absolute determinations, but in the history of ideas we see more often than not that progress is wrought by the efforts and contributions of many people, and that in history there is room for them all.

Thank you.

LEFTIST CAMPAIGN DESTROYED HCIS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. McDONALD of Georgia. Mr. Speaker, knowing that exposure tended to cripple their plans and stratagems, the tacticians of the Soviet Union-dominated world Communist movement waged a protracted war against the House Internal Security Committee and its predecessors. The following article by Dr. Susan L. M. Huck on that long campaign I commend to the attention of my colleagues:

[From American Opinion, May 1975]

THE OPERATIONS TO DESTROY AMERICA'S INTERNAL SECURITY

(By Susan L. M. Huck)

Way back in 1960, the Communists in the United States set out to "get" the House Committee on Un-American Activities. Operation Abolition, it was called; "Abolish H.U.A.C.!" was the slogan. That was not the proper acronym for the Committee, but it was shoutable, whereas H.C.U.C. was not. The attacks were immediate, orchestrated, and carried on through propaganda, legalistic assaults, and, of course, violence. Fifteen years later, as of January 14, 1975, "H.U.A.C." was abolished. It had been beaten down over the years, its appropriations cut, and its reputation torn to shreds by false propaganda.

Midway in this Communist campaign, the target became known as the House Internal Security Committee (H.I.S.C., matching S.I.S.S. on the Senate side) when propaganda had somehow made laughable the concept that anything could be "un-American" The term had been coined before World War II, when Americans *felt* what un-American meant. It didn't have to be explained. Un-American referred to any of the alien totalitarian ideologies which targeted our country for destruction from within, without, or both. Usually both. Nobody carped about the term when, during World War II, the Committee took aim at Nazis and Fascists. But an equal concern about Communists—well, somehow that could not be permitted.

After the name change, as a body looking after 'internal security," the beleaguered Committee was still concerned with subversion. That term, too, was quickly subjected to attack. Frank Djnner, an alleged "constitutional lawyer" who had been identified repeatedly under oath as a Communist and whose contribution to the propaganda war was a 1961 book entitled *The Un-Americans*, claimed that "subversive" had no meaning either, and was simply an epithet. Well, let's see. They haven't completely purged the dictionaries yet, maybe we can still find a definition of that term.

Webster's International Dictionary (the huge one) says this:

> subvert [sub—under+verte—to turn] 1. to overthrow from the foundation, to ruin utterly. . . . 2. to pervent or corrupt (one) by undermining his morals, allegiance, or faith; to alienate. . . . 3, to destroy completely the existence, potency, or soundness of; to render futile, void, or inoperative.

We used to say "to undermine," and that is still a good term, since undermining is a good way to "overthrow from the foundation." Anyone who has a memory running back even ten years must realize, reading these definitions, that we have certainly been the victim of subversion. Have we ever known such alienation, such perversion, such corruption? Have we ever seen our society so unsound, patriotic efforts so seemingly futile? And what, after all, is the objective brayed forth, punctuated by terrorist bombs, if not the objective of utter ruin for "America"?

In short, we have never been more greatly menaced by subversion than today. And, not at all coincidentally, during the past two years alone, half a dozen supposed guardians against subversion have been eliminated or rendered nearly impotent. It is, of course, a campaign that has been going on for some time—the burning of files to protect the guilty began, at the State Department, over a decade ago. There were protests I recall of that sort of thing as early as the fall of 1964. What is important is, first, that the pace has picked up so greatly, and second that there are so few remaining barriers to total freedom of subversion!

An editorial in *The Review Of The News* for March 26, 1975, pointed out that, since March of 1973, the Subversive Activities Control Board has been eliminated, as well as the Internal Security Division of the Department of Justice, the Attorney General's List of subversive organizations, and the House Internal Security Committee. Let us look first at the destruction of the House Committee, for the campaign to eliminate it was a classic of persistence and Communist "united front" tactics. Without the cooperation of "Liberals" who are anxious to make the country safe for their Red friends, it could never have been accomplished.

Several "stars" of Operation Abolition are fifteen-year veterans of this single campaign. The executive secretary of the chief Front (the National Committee Against Repressive Legislation, one of the incarnations of the National Committee to Abolish H.U.A.C.) is Frank Wilkinson. He has been many times identified as a member of the Communist Party—even as a member of its elite security group. And on January 14, 1975, Congressman Robert Drinan (D-Massachusetts) publicly commended Wilkinson and the Comrades for their "uniquely valuable" work in helping to destroy the Committee.

Another of the "stars," who appeared as a member of a Communist anti-Committee mob in the documentary film *Operation Abolition*, can be found nearly fifteen years later as the third-ranking Democrat in the House of Representatives. He is Representative Phillip Burton (D.-California).

Hordes of Party hacks seeking to abolish the Committee also found common cause with Common Cause, a leading Council on Foreign Relations pressure group aimed at sandbagging Congress. What a spectacle—aristocratic John Gardner (C.F.R.) rolling in the political hay with aging Stalinoids. Talk about degenerate! Another pack of anti-Committee "Liberals," a rank or two lower than John Gardner's bully boys, pitched in as a special-action agency under the National Committee for an Effective Congress (exposed by Congressman Lawrence P. McDonald (D.-Georgia) in *The Review Of The News* for February 19, 1975). Both of these Establishment participants in the Red "united front" receive buckets of Rockefeller money. No doubt it's all part of *détente*—the Rockefellers and others are busy selling the Comrades rope with which to hang us.

The tactics were such that a decision on the fate of the House Committee was kept out of the hands of the full House of Representatives. It was all managed through the Common Cause and N.C.E.C. pawns in the Democratic Caucus, headed by the long-time pro-Communist Representative Phillip Burton.

Oh, and then there was the "inside man"—the aforementioned Representative Robert Drinan, a vice president of the National Lawyers Guild, officially cited as "the foremost legal bulwark of the Communist Party." Drinan had asked for and been given a Committee assignment—Internal Security—when he was first elected in 1971. The Committee had already cited him at least three times for his Red-lining activities. In fact, in April of 1967, Drinan had attended a Communist Party meeting at the Congress Hotel, with identified Communists Frank Wilkinson, Carl Braden, Jack Spiegel, Abe Feinglass, and Jesse Prosten, for the avowed purpose of finding ways to destroy the House and Senate internal security committees. As a member of the Committee he sought to destroy, Comrade Drinan did little overtly. (Observers believe he left his brain in charge of Yale Law Professor Thomas I. Emerson.) But it is always useful to have an inside man against whom to check your tactics and timing.

Mary McGrory, a "united front" type herself, writing in the *Washington Star-News*, laid it out:

The death of the House Internal Security Committee . . . was accomplished in the end by a cloak-and-dagger operation, which is probably the only way it could have been done.

The cloak was in the manner of voting. On Monday, in the blessed anonymity of a voice vote, the Democratic Caucus shouted acceptance of HISC Chairman Richard Ichord's extorted proposal that HISC's functions, its files, and some of its staff members be turned over to the House Judiciary Committee.

Tuesday, the entire membership of the Democratic Caucus, under cover of voting on a package of rules changes in which the elimination of HISC was included, gave the coup de grace *to the panel . . . .*

*The two daggers were a pair of determined Congressmen, Rep. Robert Drinan (D.-Mass.), who joined HISC in order to destroy it from within, and Rep. Phillip Burton (D.-Cal.) the fire-breathing new chairman of the Democratic Caucus, who has hated HUAC and HISC with a genuine passion since 1949, when he undertook the defense of several of its targets.**

Before this assault, half a dozen units of government were supposed to protect our society from subversion—very real, very dangerous, subversion; the sort which could well be the death of us. The now abolished Subversive Activities Control Board was supposed to decide whether organizations investigated were in fact subversive. If so, there might at least be a public statement to that effect. Like termites, these people and their groups cannot stand exposure. They scuttle for cover, but while scuttling they are not fulfilling their function of subversion, so exposure is inconvenient.

Unfortunately, despite the presence of some good members, the S.A.C.B. was emasculated years before it was eliminated. Without funds and with few cases sent over by the Attorney General, it accomplished little or nothing. This was used to justify abolition. The tactic is common to bureaucracies, even though the Board was not technically such. It was "a quasi-judicial" Board—given no cases to hear.

The now abolished Internal Security Division of the Justice Department was also supposed to concern itself with subversion. Again, however, for years before its abolition it too was emasculated. Some years ago, I had occasion to talk to the good folk at Internal Security in a journalistic capacity. Laws were being broken right and left, riots and bombings sweeping the nation, subversive organizations crowding each other out of the headlines, but the full-salaried government lawyers were telling me *then* that they hadn't tried any subversion cases for something like nine years, and that was because, even though the law is pretty clear, they didn't want all the bother of prosecuting a case and having the Supreme Court throw it out. The Supreme Court, as we know, is very good at that. Still, for what were those lawyers being paid?

According to the *Herald Of Freedom* for December 6, 1974, the F.B.I. had just informed the House Internal Security Committee of the following rather awful facts. During the period 1971–1973, there were 573 known incidents of violence attributed to terrorists. This included 114 fire-bombings and 127 other types of bombings, 114 shooting incidents *plus* 23 ambushes (usually of police officers), plus many other less lethal attacks. The results included 43 police and 22 civilian deaths, 152 police woundings and 53 civilian woundings. The Bureau estimates some fifteen thousand people are involved with the subversive underground.

Yet in the midst of this, in March of 1973, the Justice Department downgraded "internal security" to a section. Why? When we asked, we were told that "there was not enough work—enough demand—for a division," and "the Assistant Attorney General slot was needed elsewhere"! When we read the above figures to the information officer at Justice, he said, "Oh, but it used to be worse!" We asked how many of these people had been caught. He didn't know. There was Armstrong, in the University of Wisconsin case . . . . Oh, and then they are very good at bagging Klansmen and Minutemen, he said. *That* I believe—the feds can get away with anything in those cases, and the press and civil liberties people will never raise a peep about planted evidence, perjured testimony, paid informers, entrapment and so forth. The only folks who have even fewer civil rights than Klansmen and Minutemen are citizens in the clutches of the Internal Revenue Service.

It occurred to me that, when last I had talked to the Justice Department about internal security, bombing and burning of R.O.T.C. buildings was all the rage. There were hundreds of such incidents, coast to coast. Well, the spokesman granted, true, Justice hadn't done so well with that. But wait! There were those three fellows in St. Louis who had interfered with the firemen afterwards, and they were sent up, by golly! He was *sure* that the internal security folk were very much on the job, but the convictions "are of people you never heard of." Right. Small fry. Then, of course, they only prosecute cases "we think we can win." And talk about a bunch of defeatists! Anyway, the Justice Department and the Law Enforcement Assistance Administration are fighting crime! After more billions spent last year, the F.B.I. crime reports are out—crime up seventeen percent. All that money is evidently a dandy green mulch. Also, the staff reduction on the internal security front, we were told, was in order because . . . our experts on internal security "don't have to chase draft-dodgers any more."

So there we have their meat—draft-dodgers, Klansmen, and Minutemen whose crimes don't seem to have made the news, small-fry terrorists "you never heard of." Of course there was Karleton Armstrong (give 'em that), and those three dreadful fellows who interfered with the firemen at an R.O.T.C. bombing in St. Louis.

Former Attorney General William Saxbe had begun an inquiry as to why the Justice Department keeps losing "political" cases. Shortly thereafter, he was en route to India. The Deputy Attorney General who was in charge of the investigation is being replaced by former federal judge Harold Tyler, "so it will be a while" before anything comes of it.

Don't hold your breath!

We were assured by the spokesman at Justice that responsibility for this sorry record can be spread around among the judges, too; even juries are to blame. Then there's the Constitution. That's to blame, too. When we suggested that the nation had been under the Constitution all along, but only recently had it been interpreted to provide a license for revolutionary crime and terror, while any dirty trick could be pulled on a taxpayer, we learned from the man at Justice that the Constitution meant, after all, whatever "public opinion" said it meant. A protest that public opinion did not support these quaint interpretations of the Constitution brought the rejoinder that, after all, people vote for the officials who appoint the judges who interpret the Constitution, so there you have it. The conversation was obviously going down hill, so we quit. We both knew it was useless to discuss the tenuous connection, blanketed from start to finish in deception, by which votes are translated into appointed, untouchable federal judges. It is a tenuous connection the people of South Boston may or may not learn to recognize, even now.

Once upon a time there was an Attorney General's List of subversive organizations. It was very handy—for citizens who didn't want to be suckered by fine-sounding outfits like the Young Patriots (a Red Front aimed at poor rural Southern *whites* in the big cities, which supplied them with Confederate hats and flags), or the usual Committees for the Protection of the Downtrodden, for Peace, Democracy, Justice (but never quite Motherhood and Apple Pie). They always have letterheads full of Reverends and Professors and even Congressmen, so that without an Attorney General's List a person can really be forgiven for not believing that some such fine-sounding outfits take their orders, ultimately, from Moscow.

Where would the Party be without its Fronts—hundreds, even thousands of them, some durable, some evanescent, some chameleon-like, in their constant change of names? Yet the government is trying to ignore its duty to keep tabs on Communist Fronts; to notice which names appear over and over, and always on the Red letterheads; to collect their publications, read them, cross-reference them, to find out what they actually do, and from where their money comes. It's all very tedious, time-consuming, and results in bulky records, "raw files" which must be sifted and verified and given expert consideration. But it is essential to our national security.

Prospective federal employees used to be asked to read over the Attorney General's List and swear that they had never been members (or that they had been, or were still) of any of the Fronts identified by the Justice Department. It was easy enough to lie—but it happens that Communists don't like being subject to possible perjury charges. (Look what happened to Alger Hiss. They got *him* on perjury. And quite a few others.) Hence the big fight to end loyalty oaths, and then to get rid of the Attorney General's List. The Communists won those fights.

It should be in the government's interest to protect itself from subversion, since it is certainly a prime target of the subverties. It is also the duty of the government toward its citizens, who want and deserve that protection *and* some straight information, to act efficiently in exposing subversion. These interests and duties are being ignored.

One of the major public complaints the Communists and their allies made about both Congressional Internal Security bodies was that they "pilloried" people by holding Hearings on their Communist activities. Well, now if the Reds are so proud of what they are doing, why wouldn't they be delighted to have the world in general know about it?

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* One of them, of course, was identified Communist John Caughlan, one of the Party's army of lawyers.

There is that awkward difference between being pilloried and being *exposed.* The Communists, knowing that the American people just don't like Communists, realize that this could reduce their effectiveness to a very serious degree. Hence the determined campaign against being identified, "exposed," or "pilloried." Good citizens are not ashamed of their activities. I say, if the pillory fits, wear it!

Recalling days of young innocence, I remember once discovering a real live Communist among my colleagues at Hunter College. Being a cautious soul, only ninety-five percent sure, I innocently asked the local F.B.I. office about the gentleman. Ha! It surprised me at the time to discover that the F.B.I. was sworn to *secrecy.* I couldn't see why the identity of our Communists was a state secret. In this case, the gentleman was indeed a Communist, as was his wife; both were therefore employed illegally in a public educational institution, since those days there was a law (unenforced, I discovered) agaist handing over all those impressionable youngsters to Stalinists like the fellow in question.

Plagued even in those ancient days with a tendency to call 'em as I see 'em, your correspondent said just enough to get fired by the "Liberals" who always protect the Reds. I was lucky not to be sued, probably, because how could I have proven him a Communist, armed only with "every indication"? I could have been destroyed in a lawsuit, while my government, knowing full well the man was a Communist, sat deaf to all appeals for the truth. In actual consequence, the fellow stayed on, and got a couple hundred fresh brains to scrub every year, and eventually a fat government pension after a lifetime of faithful service to the Soviet Union.

Ah, but there *was* a way around such an impasse. The identification of Communist individuals and groups could become public record through the Hearings of a Congressional Committee. Even if *citizens* didn't have a right to know, Congressmen did. This became, in effect, the only way people could find out, because the mass media, then as now, were much too far to the Left to perform any such public service. More important, perhaps, than informing the citizenry in general (let's face it, few want to bother their heads about subversives, figuring it's the government's job), the Hearings of the House Committee were circulated to state and local police departments, so that they might have some idea of the "big picture."

By abolishing the House Internal Security Committee, the radicals in the Ninety-Fourth Congress have closed off one of the few means of access to information about subversion that we had. The Reds intend to close off *all* such means—and are taking further steps.

What more could happen? Well, for at least ten years now, there has been an Establishment-sponsored campaign to make home-front traitors and overseas mass-murders positively *respectable.* The Reds may then be able to come out of the closet, just like the perverts. The success of this campaign among young people who haven't seen much of the real world—or who have been twisted into sad pretzels by the no-win policies and unparalleled treason associated with Vietnam—is most discouraging. Let's not forget that *they* will be the ones condemned to spend the longest time under slavery if this campaign succeeds.

What else could happen is what is beginning to happen right now. We are to be taught, via the usual staged trauma, that it is illegal and immoral and even *unthinkable* that anyone, in government or out of it, should dare to keep tabs on the subversive and treacherous behavior of certain people living in the United States. We are to be sold the notion, for instance, that it makes no more difference who goes in and out of the Soviet Embassy than who goes in and out of a hamburger stand.

One of the more brazen performances—twin performances, actually—might be called Theater of the Absurd I and II. Picture it. Picture two of the most notorious Leftists in the public eye, Communist Frontiers for twenty or thirty years, with records that you have to wheel around on dollies, being *handed* the files on their traitorous activities by an apologetic government.

It really happened. First, at the end of February, we had Congressperson Robert Drinan wandering into the F.B.I.'s headquarters and just happening to pull open a file drawer on the way to the men's room, or whatever the tale was. Groveling, the Bureau hands him some of the material and allows him to carry it off, complaining loudly all the while.

The second performance, a week or so later, varied little from the first. Congressthing Bella Abzuz, on the way to whichever room she uses, happens to find *her* file (which must have been blocking the corridor at the C.I.A.). Same result—they give it to her, and C.I.A. Director Colby takes a dive on behalf of the Agency.

Who says that the Federal Bureau of Investigation and the Central Intelligence Agency must humble themselves at the feet of subversives? I wish I knew, but it is certainly coming from the stratospheric levels of the Council on Foreign Relations, because if they didn't want it to happen, it wouldn't happen. The Bureau and the Agency—the latter especially, having a record of fewer scruples—are more than capable of handling the Drinans and Abzugs, just as the U.S. Armed Forces are more than capable of handling North Vietnam and Cuba. But that is not allowed.

Small wonder that honest federal agents quit in despair or turn to drink, after watching subversive creeps they've been studying for years get elected to Congress and invited to the White House, while the government helps them keep their records secret from the public.

Now Bella wants to be a Senator. We will see whether New York will bear even that indignity. To show you where the Abzug's heart is, recall to mind the horrifying spectacle of millions of betrayed Vietnamese fleeing their "liberators" in wild terror. According to Bella Abzug, anti-Communist Vietnamese "deserve the punishment that awaits them." She understands these things. She has always gotten along just fine with the proprietors of the Gulag Archipelago and the torturers of our Prisoners of War. She brings to mind an equally charming female who was imposed upon Romania by Soviet bayonets after World War II. Her name was Ana Pauker, and she took real pleasure in murdering people. Consider these things, then take a long, hard look at Bella, and ask yourself what it would be like to be totally at her mercy. If it doesn't make your scalp crawl, you just have no imagination.

Ask a medical doctor to explain in non-technical terms what defenses the human body has against disease—the invasion of the body by harmful alien organisms which disrupt its vital processes. He will tell you that the body must have a system of knowing when it is endangered; then messages are sent which raise the white blood count, for instance, so that the harmful intruders can be attacked. Sometimes the defense is too little and/or too late—and death results. But there is a rare condition (with a wild technical name) in which the body has lost the ability even to detect when it is threatened. Then, the defenses are not alerted, and the result is a "fulminating" course of disease—swift devastation of the body which has not even sensed that it is diseased.

"Subversives" are people who are trying their best to play the role of a fatal societal disease. Not only have we failed to mobilize our defenses against them, but we are now in the process of being deprived of the very ability to perceive that we are under attack; Give these characters free rein, and they'll simply do us in. Yet our government says we must give them free rein—and not embarass them by publicizing their long records of Communist activities.

The Weather Underground boasts: "We are a guerrilla organization. We are Communist men and women, underground in the United States for more than four years. Our intention is . . . to attack from the inside . . . We are at an early stage, going from small to large . . ." These people have declared war on the rest of us. They punctuate with bombs. They commit and advocate any crime which will damage our society. They wish to join hands with thousands more, in order to become America's fatal disease. Unless they are exposed and prosecuted, even such microbes as these could succeed.

Ask the Portuguese if there isn't such a thing as subversion. Just a year after the C.I.A.'s stumblebum Kerensky, General Antonio de Sinpola, replaced the anti-Communist Portuguese Government, the entire country has been delievered into the hands of Moscow's underground team. At last report, thousands and thousands of anti-Communist members of the Portuguese Armed Forces had been marched off, disarmed, to some unkown fate, the specter of Katyn Forest looming large. Polls show that ninety percent of the people oppose the Communists—yet the Communists are in charge and Portugal is on its way to Darkness at Noon.

If we give our subversives a free ride . . . well, it can't be allowed to happen. Which is why Congressman John Ashbrook (R.-Ohio) has proposed House Resolution 67 to reestablish the House Internal Security Committee and return national security to sanity. The Comrades and their friends have already bottled up the bill in the House Rules Committee. To get it out on the floor for a vote—where John Ashbrook is certain it can be approved—will probably require a discharge petition. This means that Congressmen must be told by their constituents in no uncertain terms, that national security demands they support House Resolution 67 and support it now!

STATEMENT OF PERSONAL, FAMILY, OFFICIAL, AND CAMPAIGN FINANCES, 1974

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. HORTON. Mr. Speaker, increased public awareness of Government and its officials and increased public concern about the way in which the stewardship of public trust and of public funds is conducted led me 1 year ago to enter into the RECORD a complete statement of my personal, family, official, and campaign finances. I am pleased today to enter into the RECORD a similar disclosure statement covering the calendar year 1974.

I make this annual disclosure statement for two purposes. My first purpose is to go far beyond the minimal disclosure requirements of the House Committee on Standards of Official Conduct in making clear that I conduct my office with neither actual nor potential conflicts of interest. My second purpose is to provide sufficiently detailed information to my constituents to illustrate what is involved financially in the proper operation of a congressional office and in the conduct of a Congressman's job.

It is for these reasons that I submit the following summary of my personal, family, official, and campaign finances for 1974. The statement includes full disclosures of my personal and family tax payments, income and sources, personal assets and debts, my official expenditures and my use of Federal reimbursement accounts, funds returned to the U.S. Treasury, my campaign finances during 1974, my organizational affiliations and my handling of congressional papers and records:

STATEMENT OF PERSONAL, FAMILY, OFFICIAL, AND CAMPAIGN FINANCES, 1974

I. PERSONAL AND FAMILY FINANCES AND TAXES

A. Taxes

1. Federal income tax paid for 1974 (joint return filed by Frank and Marjorie Horton), $4,335.69.*

2. New York State income tax paid for 1974 (joint return), $1,691.08.*

3. Montgomery County, Maryland real estate tax on personal residence (jointly owned) paid for 1974, $1,285.10.

4. Herkimer County, New York real estate tax on cottage (jointly owned) paid for 1974, $406.23.

(*See II.B. regarding deductions of official expenses not reimbursed by the government.)

B. Sources of all income

1. Annual salary as U.S. Congressman, $42,500.00.

2. Total dividends received on common stock in 1974, $49.20 (received jointly).

3. Interest received on savings account and on notes outstanding, $1,424.36.

4. Income from rentals of Big Moose cottage, $1,800.00.

5. Other: I received no income from any services rendered, including none from honoraria for speeches or appearances. It is my policy not to accept honoraria or expenses from persons, groups or organizations for appearances within my Congressional District.

Total 1974 income: $45,773.56.

C. Summary of personal assets and liabilities

1. Family residence at 9607 Hillridge Drive, Kensington, Maryland: Approximate value, excluding furnishings, $70,000.00; jointly owned with Marjorie Horton; mortgage amount outstanding as of May 1975, $37,340.00

2. Cottage at Big Moose Lake (Herkimer County), New York: Approximate value, excluding furnishings, $35,000.00; jointly owned with Marjorie Horton; mortgage amount outstanding as of May 1975, $12,500.00.

(NOTE.—My residence in the 34th District is a rented apartment at 2123 East Avenue in the Town of Brigton, New York, in which I have no ownership interest.)

3. Common Stocks (all owned jointly with Marjorie Horton):

(a) 10 shares of Eastman Kodak Company stock, valued in April 1975 at $103.50 per share, total value, $1,035.00.

(b) 10 shares of Xerox Corporation stock, valued in April 1975 at $74.38 per share, total value $743.80.

(c) 10 shares of Rochester Community Baseball, Inc., stock, valued in April 1975 at $5 per share, total value $50.00.

4. Automobiles:

(a) 1973 Buick valued in April 1975 by a Washington area Buick dealer at $3,100.00.

(b) 1972 Buick valued in April 1975 by the same dealer at $2,550.00.

5. Other assets:

(a) I am owed $34,700.00 by the partnership of Johnson, Reif and Mullan law firm as the proceeds for my sale to (them) of shares of stock in Blackacre, Inc., a Rochester, New York real estate corporation which owns the building at 47 S. Fitzhugh Street in which the law firm of Johnson, Reif and Mullan has its offices. I ceased all active practice of law at the time of my election to the Congress in 1962, and I am no longer affiliated with this or any other law firm. I no longer hold any stock in Blackacre, Inc.

(b) Not included in this statement of assets are such miscellaneous items as clothing and household furnishings, and cash value of life insurance, which have not been appraised and all of which are within the normal range of expectation for a man of my age and income.

D. Personal debts

(NOTE.—Mortgage liabilities for home and cottage are disclosed under C.1., assets summary.)

1. I owe $5,000.00 on a loan account with the National Bank of Washington, Washington, D.C.

2. I owe $800.00 to Blackacre, Inc., as part of the purchase price of stock in Blackacre, Inc., which I have since sold.

Except for the assets shown as jointly owned by my wife and me, Mrs. Horton has no assets of her own and no independent sources of income.

II. OFFICIAL EXPENSES AND REIMBURSEMENTS CONNECTED WITH MY DUTIES AS A U.S. CONGRESSMAN

(NOTE.—With the single exception of the Stationery Allowance, any unused portion of which is taxable to a Congressman as income, none of the other accounts accrue any personal benefit to a Congressman or to members of his staff.)

A. Office accounts

1. In 1974, each Congressman was authorized a Stationary Allowance of $6,500.00 for office use. I expended the entire amount and deposited additional personal funds to make up the difference between this amount and the amount needed for the operations of my Washington, Rochester and Wayne County offices. At the end of 1974, this account showed a debit balance of $460.03, which was carried over to my 1975 Stationery Allowance.

2. Each Congressman was authorized a postage allowance of $1,140.00 in stamps for the year, of which I withdrew the full amount, some of which was carried over for use in 1975.

3. Each Congressman is permitted an actual transportation expense (auto mileage or air fare) reimbursement for 19 round trips to his home district per year. I claimed reimbursement for all of these trips, at a total reimbursement of $1,990.64. In addition to these 19 trips, I made 15 additional trips to the 34th District at my own personal expense. Transportation expenses for these additional trips, car rental for all air trips, plus meals and other expenses for all trips are not reimbursed by the government and amounted to personal travel expenses of $5,815.43 for me in 1974.

4. The staff of each Congressman is allowed a *total* of three government-reimbursed round trips to the home district per year. As in the case of the Congressman, the reimbursement is limited to actual transportation expense (auto mileage or air fare). Meals, lodging and other expenses are not reimbursed. Similarly, there is no reimbursement for mileage expenses of staff members or Congressmen who travel within the Congressional District on official business. In 1974, all three reimbursed trips were utilized by my Administrative Assistance, for a total reimbursement of $289.08. He made six additional trips to the District at his personal expense in 1974, and other members of my staff traveled to the Rochester area less frequently either at my expense or at personal expense. I believe that personal contacts with government officials and constituent groups in my District by professional staff members contribute a great deal to the quality of my service and representation. However, this practice has had to be carried out at considerable expense to myself and members of my staff.

5. Each Congressman was permitted 16 staff positions and a total annual staff salary allowance of $196,683.00 in 1974. The number is uneven because one change was made in this allotment during the calendar year. I utilized a total of $190,829.78 from this amount, with the balance of $5,853.22 reverting to the U.S. Treasury. I currently employ 12 full-time and two part-time staff members, with eight of the full-time people serving in Washington, and the remainder in my District Offices.

6. Each Congressman was authorized a telephone and telegraph allowance of 100,000 message units in 1974. Unused message units may be carried over from one year to the next. I used 72,352 telephone message units in 1974, and 1,552 telegraph units for a total of 73,904 units used. All units used were for official communication by myself or my staff and the bulk of them were consumed in communications to constituents in Monroe and Wayne Counties about federal matters affecting the 34th District.

7. Each Congressman was permitted reimbursement up to $4,200.00 in 1974 for the rental of space for District Offices. Since my Rochester office is in the Federal Building, and my Wayne County office is in the County Office Building, I did not claim any portion of this amount. Thus, $4,200.00 reverted to the U.S. Treasury.

8. Each Congressman was permitted reimbursement up to $2,000.00 for District Office Expenses in 1974. Since my District Office expenses exceeded this amount, I claimed the full $2,000.00.

9. Each Congressman was permitted reimbursement up to $2,400.00 for District Office telephone expenses in 1974. Although my actual District Office telephone expenses exceeded this annual figure, variations in these expenses from one quarter of the year to another enabled me to claim only $1,616.27 of this amount. All of these reimbursements are applied to the payment of monthly bills to my office from the U.S. General Services Administration, which operates the phone service in the Rochester Federal Building. There is no phone service in my Wayne County office. From this account, $783.73 reverted to the U.S. Treasury.

B. Official expenses met personally

Out of my personal income in 1974, I expended $8,682.01 for official expenses above and beyond the amounts of reimbursements I received from accounts listed above. These official expenses met with personal funds were properly deducted from my Federal and New York State taxable income.

Summary:

Total allowances (not including telephone units)	$215,202.72
Total expended	−204,365.77
Returned to U.S. Treasury	10,836.59
Official expenses met personally (not reimbursed)	8,682.01

III. POLITICAL AND CAMPAIGN FINANCES

A. It has been my practice neither to accept nor expend any monies personally for campaign purposes. All campaign contributions for my re-election campaigns have been received and expended by one of two campaign committees which have been organized for this purpose.

1. The Committee for the Re-Election of Congressman Frank Horton was reorganized in 1972 for the purpose of that year's Congressional election campaign. Its treasurer is David Lang, a Rochester CPA with Price,

Waterhouse. The Committee has submitted all required disclosure reports to the Clerk of the House of Representatives (Washington, D.C. 20515) and with the Secretary of State in Albany, New York, as required under Federal campaign finance disclosure laws. These reports are available for public inspection at these offices.

Summary of the committee's finances in 1974:

Cash on hand, January 1, 1974	$1,236.02
Total receipts	68,438.70
Total expenditures	68,207.04
Cash on hand, December 31, 1974	1,467.68

2. The Citizens Committee to Re-Elect Congressman Frank Horton was also reorganized in 1972, with Matthew Fairbanks, M.D. of Honeoye Falls, New York as its Treasurer. It has also filed all required reports with the two offices listed above, which are available for public inspection. This Committee was dissolved in June 1974 with its assets transferred to the Lang Committee (above).

(NOTE.—None of the funds in these committees are subject to my personal control.)

B. Each Republican Congressman was allowed $2,000.00 by the National Republican Congressional Committee for use to defray public information expenditures in 1974. I utilized the full amount for purposes such as the production of public service radio and television broadcasts, photographic services and other public information expenses related to my duties as a Member of Congress.

IV. AFFILIATIONS

I hold no directorships or partnerships in any professional or corporate profit-making entity, except I do serve as a director of Rochester Community Baseball, Inc., which I served as President prior to my election to Congress in 1962.

I also serve on the board of the Genessee Valley Arts Center, Inc. I receive no fees or expenses for membership or service from any of these organizations.

In addition, I serve on advisory boards of the Center for Migrant Studies at the SUNY College at Geneseo, of SOHI, a non-profit group which promotes investments in low and moderate income housing projects around the country, and of a group called Citizens for Decent Literature. These are relatively inactive, honorary positions in which I serve without fee. I am also a dues-paying member of a large number of Rochester area civic, masonic and community organizations, a list of which I would gladly provide upon request.

In my official capacity as a Member of Congress, I serve as Ranking Minority Member, House Committee on Government Operations, and Member, Joint Committee on Atomic Energy.

I made no trips aboard at government expense or otherwise in 1974.

V. CONGRESSIONAL PAPERS

In 1967, I selected the University of Rochester as the repository for all of the files and papers resulting from my service in the Congress. In that year, I executed a document making a gift to the University of my Congressional papers then in existence as well as those that would result from further years of service as a Congressman. A substantial portion of my papers, from my first 12 years in the House are already filed at the University. At the time of this gift, University officials brough to my attention the availability of a tax deduction for the appraisal of these papers. Because much of the paper itself as well as much of the staff work which created the files was properly paid for by the government, through stationery and staff allowances, I declined the opportunity to take any tax deduction for this gift. In fact, I declined to have the papers appraised.

Therefore, the gift of my Congressional papers to the University of Rochester did not result and will not result in any tax or financial benefit to me whatsoever.

(Prepared as of April 18, 1974).

ADDITIONAL SUPPORT FOR H.R. 4622, THE RAILROAD RIGHT-OF-WAY IMPROVEMENT ACT OF 1975

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1975

Mr. HEINZ. Mr. Speaker, for the benefit of my colleagues in the House, I am including for the RECORD some additional samples of the type of support H.R. 4622 has received since I introduced it on March 11, 1975:

[From the Washington Post, Mar. 12, 1975]

RAILROAD JOB PLAN IS URGED

(By William H. Jones)

A $2.5 billion public works program to help rebuild the nation's deteriorating railroad system was proposed yesterday on Capitol Hill.

Rep. H. John Heinz (R.-Pa.), who introduced the legislation on behalf of a bipartisan group of House members, said more than 50,000 persons could be put to work annually under the program.

The federal government would spend $500 million in the fiscal year ending June 30, plus $1 billion in each of the next two years, to pay for salaries and materials necessary to upgrade thousands of miles of dilapidated tracks and yards.

Sen. James L. Buckley (Cons.-N.Y.), meanwhile, introduced a somewhat different plan to accomplish the same goal. Buckley proposed drawing $500 million from existing public works plans to pay salaries of rail improvement workers. The money would be coupled with government guarantees for $2 billion of loans to railroad companies to buy materials.

A groundswell of support for some sort of track improvement is building in both the House and Senate. The two houses were unable to reach agreement on a $2 billion loan plan last year despite agreement in principle on the need for capital improvements.

Since then, the rail system has deteriorated further—with thousands of miles of track so unsafe that trains must operate at 10 miles an hour or less. During that time, the nation's unemployment rate has soared to a post-Depression high of 8.2 per cent.

A Ford administration official, acting Federal Railroad Administrator Asaph Hall, expressed support yesterday for the Heinz legislation, which was co-sponsored initially by Reps. James F. Hastings (R.-N.Y.) and Joe Skubitz (R-Kans.).

Spokesmen for organized labor and railroad management also endorsed the program, which was suggested first by a large rail shipper, James V. Springrose, vice president for transportation of Cargill, Inc., a Minneapolis-based firm.

"Government improvements in the rail system will come about anyway." Springrose said in a telephone interview yesterday. "Let's use these public works funds where they'll be most productive . . . from the standpoint of long-term efficiency for the American economy."

Of slightly more than 200,000 miles of railroad track in the U.S., an estimated 20-to-45 per cent is operated under some type of slow order, with the degree of deferred maintenance varying from railroad to railroad. The overall cost of needed track improvements is estimated at $3-to-$5 billion.

Heinz said yesterday the unemployment and railroad problems "are interrelated in ways that suggest to me it's time to set forth new priorities in Congress . . . In the Northeast we're looking at the probable abandonment of railroads. In the West we see deferred maintenance today that could lead to abandonment tomorrow."

Under the House legislation, furloughed rail workers—currently more than 25,000 are out of jobs because of recession cutbacks—would be put at work first, followed by people on state unemployment rolls.

RAILWAY LABOR
EXECUTIVES' ASSOCIATION,
Washington, D.C., April 4, 1975.
Hon. FRED B. ROONEY,
Chairman, Subcommittee on Transportation and Commerce, 2301 Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN ROONEY: There are several legislative measures designed to stimulate our distressed economy by providing jobs for the unemployed with the use of Federal funds. Among these are proposals to accomplish the dual objectives of providing productive employment while undertaking the essential task of rehabilitating the railroads' tracks and roadbeds.

While we are not committed to any specific bill, railway labor joins with the industry in wholehearted endorsement of this type program. Enclosed is copy of a joint memorandum reflecting our position.

Long before the current recession set in it became obvious that massive Federal assistance would be required if the railroad industry is to perform its role in providing the efficient, reliable transportation service for the American public which they must have in the years immediately ahead.

We respectfully urge that you schedule hearings on this matter at the earliest possible date so that we may take advantage of the good weather season during which the bulk of such work is normally performed. Since your schedule for hearings is set through May, we suggest that if you cannot arrange for hearings at an earlier date, railway labor would be willing to have this matter handled during the period now set for the Railroad Safety and Hazardous Material Acts.

Sincerely yours,
C. J. CHAMBERLAIN, *Chairman*.

BROTHERHOOD OF
MAINTENANCE OF WAY EMPLOYEES,
Detroit, Mich., April 11, 1975.
Hon. FRED B. ROONEY,
Chairman, Subcommittee on Transportation and Commerce, 2301 Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN ROONEY: As you know, President Stephen Ailes, of the Association of American Railroads, and I have been working closely with Congressman John Heinz in support of his Railroad Rights-of-Way Improvement Act of 1975, identified as H.R. 4622.

It has come to my attention that you, as Chairman of the Subcommittee on Transportation and Commerce, have indicated that you are willing to schedule hearings and mark-up on this emergency railroad legislation after May 16.

Congressman Heinz, in his letter of March 28, 1975, has set forth to you valid reasons why he feels these hearings should begin on April 15, if at all possible. He further states in discussing the matter with you that you felt it was possible to amend the schedule to begin these hearings at an early date, provided there was joint support from labor and management for these advance hearings.

I strongly concur with the reasons Congressman Heinz has set forth in his letter to you. Aside from the fact that it is imperative that work begin immediately on rehabilitating the roadbeds, this program must start at an early date to reach the effectiveness desired.

In view of all the above, I personally would appreciate your serious consideration in scheduling these hearings and mark-up on H.R. 4622 as close to April 15 as possible.

Sincerely yours,

H. C. CROTTY, *President.*

AMERICAN FEDERATION OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES,

Washington, D.C., April 16, 1975.

Hon. FRED ROONEY,
Chairman, Subcommittee on Transportation, Committee on Interstate and Foreign Commerce, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing to you on behalf of the American Federation of State, County, and Municipal Employees, AFL–CIO. I am writing to urge you to schedule hearings and Subcommittee action as soon as possible on legislation to upgrade the tracks of the nation's railroads.

In a time of economic recession, such as this, we believe that improvement of the country's mass transit system and the creation of jobs are critical and long overdue. The passage of this type of legislation would provide an alternative to the automobile, reduce our dependency on foreign oil, and provide work for many thousands of maintenance employees.

We urge your serious and prompt consideration of this legislation and we thank you in advance for your prompt attention to this matter.

If you have any questions regarding this matter, please feel free to contact me.

Sincerely,

MARTIN J. GLEASON,
Director of Legislation.

[From the Wall Street Journal, Apr. 15, 1975]

JOB SUBSIDIES TO REBUILD RAIL TRACKS DRAW UNION, CARRIER SUPPORT

Congress considers several proposals to hire thousands of jobless workers to rebuild tracks. Fourteen Senators back a plan to spend $300 million for 20,000 jobs in fiscal 1975. A broader measure sponsored by Rep. Heinz (R., Pa.) would hire 50,000 persons and cost $2.5 billion through fiscal 1977. The Transportation Department is drafting its own version of such a measure.

The idea draws broad industry backing. "We're very sympathetic," says the chairman of the Chicago, Milwaukee, St. Paul & Pacific. The president of the Chicago & North Western says such spending "would be as productive as any place we can think of." The key union involved—the Brotherhood of Maintenance of Way Employes—also endorses the plans, but insists that furloughed railroad workers get priority in filling the proposed jobs.

Industry historians note that public works spending helped rebuild much of the Pennsylvania Railroad in the 1930s.

HOUSE OF REPRESENTATIVES—*Wednesday, April 30, 1975*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

He hath showed thee, O man, what is good; and what doth the Lord require of thee, but to do justly, to love mercy, and to walk humbly with thy God.—Micah 6: 8.

Our Father, in this hallowed moment of prayer we bow before Thee and in all sincerity and truth lift our spirits unto Thee unto whom all hearts are open, all desires known and from whom no secrets are hid. Cleanse Thou the thoughts of our hearts by the inspiration of Thy Holy Spirit that we may more perfectly love Thee and more worthily walk in Thy ways among the people on our planet.

As we go forward in this decisive day we pray that Thy Spirit may heal our divisions, strengthen our unity and make us one in purpose that our strength may be used for good and for the good of all. May we be among those who do justly, love mercy and walk humbly with Thee.

In Thy holy name we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Heiting, one of his secretaries, who also informed the House that on April 24, 1975, the President approved and signed a joint resolution of the House of the following title:

H.J. Res. 375. Joint resolution making an additional appropriation for the fiscal year ending June 30, 1975, for the Veterans' Administration, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 2808. An act to amend the joint resolution of July 18, 1939 (53 Stat. 1062), to provide for the acceptance of additional lands for the Home of Franklin D. Roosevelt National Historic Site, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1529. An act to amend the McIntire-Stennis Act of 1962 to promote forestry research at private university forestry schools; and

S. 1542. An act to authorize appropriations for the fiscal year 1976 for certain maritime programs of the Department of Commerce, and for other purposes.

The message also announced that the President pro tempore, pursuant to Public Law 93–568, appointed Mr. JAVITS as a member, on the part of the Senate, of the Advisory Committee to the White House Conference on Library and Information Services.

EULOGIES TO THE LATE HON. JOHN C. KLUCZYNSKI, OF ILLINOIS, AND HON. JERRY L. PETTIS, OF CALIFORNIA

Mr. HAYS of Ohio. Mr. Speaker, this announcement is to advise the membership that the closing date for printing the eulogies and encomiums to the late Representative John C. Kluczynski, of Illinois, and Representative Jerry L. Pettis, of California, has been set for Friday, May 9, 1975. All copy for insertion must be submitted before this cutoff date so as to be included in the final publication of their compendiums of eulogies.

COMMUNICATION FROM THE MINORITY DOORKEEPER

The SPEAKER laid before the House the following communication from the Minority Doorkeeper:

Hon. CARL ALBERT,
The Speaker, U.S. House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: After twenty-nine years of service in the Congress of the United States, I have decided to leave the hallowed halls of our great Capitol for a life of leisure in retirement.

Please accept my resignation effective at the close of business on April 30, 1975.

It has been a great privilege and a high personal honor to have served the House of Representatives and you as one of the elected Minority officers of the House. One of the rewards of my position has been to know great, unusual, remarkable, and gifted men and women serving their country. I have had many rewards based on that standard and have enjoyed just being associated with such great statesmen and public servants.

The people I have known in the House of Representatives will forever hold a special place in my affections. I have benefited greatly by the wise counsel and friendship of the many Members I have known over these years. I am humbled by the thought of the greatness of such individuals. Thank you for affording me the opportunity to be a very small part of the government process for the United States of America.

Sincerely,

WILLIAM R. BONSELL,
Minority Doorkeeper.

FAREWELL TO MINORITY DOORKEEPER BILL BONSELL

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, I am sure my colleagues on both sides of the aisle will join me in wishing a fond farewell to our retiring minority doorkeeper, Bill Bonsell. There are many things that make service in the Congress pleasant and one of these is the outstanding officers of the House such as Bill Bonsell.

While my contact with Bill has not been as close as my Republican colleagues, I have enjoyed my association with him and always found Bill to be a man of immense capabilities and a profound sense of duty to the House of Representatives. His 29 years of service have always reflected credit on this body.

In between his gardening activities and extended fishing trips, I hope Bill will find time to visit with us often. He will always be welcome. Thank you, Bill, for a job well done and best wishes for a relaxing and enjoyable retirement.

Mr. McFALL. Mr. Speaker, I want to join with my colleagues on both sides of the aisle in expressing my appreciation for William R. Bonsell—our friend, Bill Bonsell—who concludes 29 years of devoted service to the Congress today.

He can be proud of his record of achievement here in the House which he has served as an elected Republican officer for the past 22 years. All Members, regardless of party, have been the beneficiaries of his service. Throughout his long and distinguished career, he has been one of those key staff members who have made it all work.

We have known Bill for the last 20 years as the minority Doorkeeper. He was, immediately preceding, the Sergeant at Arms of the House for the 83d Congress, and he earlier served as assistant bill clerk of the House and a staff member of the Senate Committee on Appropriations.

Bill is a native of the State of Pennsylvania, a combat veteran of World War II, and a devoted husband and father.

I want to wish Bill and Mrs. Bonsell and their four children all good wishes for the future—for the "life of leisure in retirement" that Bill looks forward to now and whatever else he may choose.

Mr. RHODES. Mr. Speaker, at its meeting on Tuesday, the House Republican Conference adopted a resolution of commendation recognizing the long and outstanding service of one of our floor assistants, William R. Bonsell, who is retiring today after more than two decades here in the House. This is a well-deserved and heartfelt tribute from our membership, which has benefited from the dedication Bill Bonsell put into performing his many and varied duties. The conference resolution reads:

Commendation

Whereas: William Richard Bonsell is retiring from Congressional Service on May 1, 1975, and

Whereas: We, the members of the House Republican Conference, wish to express our deep appreciation for the outstanding service he has given us during his twenty-one years as Floor Assistant and Minority nominee for Doorkeeper,

Now therefore: This assembly does hereby commend Bill Bonsell highly for the proficiency he has shown and for his dedication to the Republican Party and our Membership, and

We do hereby extend our very best wishes for a long, and happy retirement.

Dated this 29th Day of April, 1975.

Jack Edwards,
Secretary House Republican Conference.
John B. Anderson,
Chairman House Republican Conference.

It is with mixed feelings that we take this opportunity to commend Bill Bonsell, and to thank him for making service of the Congress his career. He has earned the respect and friendship of Members on both sides of the aisle through 21 years in the House. I know that my colleagues join me in expressing our appreciation, and extending our very best wishes in whatever endeavor he embarks on for the future.

GENERAL LEAVE

Mr. MITCHELL of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks and pay tribute to the service retirement of our esteemed minority staff assistant, William Bonsell.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

AMERICAN HEROES IN VIETNAM

(Mr. MAHON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAHON. Mr. Speaker, according to reports, two U.S. Marines lost their lives at the Saigon Airport on Monday, and yesterday two other Marines were killed in a helicopter crash in connection with the evacuation from Saigon to a Navy ship.

Mr. Speaker, these Marines are heroes in my book, and deserve the gratitude and appreciation of the American people. Moreover, Mr. Speaker, all Americans who gave their lives in Southeast Asia are heroes. They fought for their country, and they deserve the same honor that our heroes of the past have deserved. I wish to pay tribute to them.

This country must not forget those who sacrificed life or limb in serving their country in Southeast Asia. They are Americans who came when called and served their country well.

If there is blame for the handling of our problem in Southeast Asia—and there is blame—the blame cannot be placed upon those of whom I speak today.

PERMISSION FOR COMMITTEE ON JUDICIARY TO SIT DURING PROCEEDINGS UNDER 5-MINUTE RULE ON THURSDAY, MAY 1, 1975

Mr. EILBERG. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be permitted to sit while the House is reading for amendment under the 5-minute rule on Thursday, May 1, 1975.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

NUCLEAR POWER PROGRAM BRIEFINGS

(Mr. McCORMACK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCORMACK. Mr. Speaker, the Joint Committee's Subcommittee on Review of the National Breeder Reactor Program began a series of briefings on Tuesday of this week and heard from Dr. Gerry Tape on the historical background of the civilian nuclear power program and from Mr. E. R. Johnson on the characteristics of the uranium fuel cycle. I will include a summary of the presentations which were heard from those speakers in the Extensions of Remarks in today's Record.

Tomorrow, May 1, the subcommittee will convene at 2 p.m. for a second briefing session during which we will hear a description of the basic nuclear reactor types by Dr. E. Linn Draper and a description of the uranium enriching process and plutonium recycle by Mr. George Quinn.

I would like to publicly acknowledge the fine presentations given by Dr. Tape and Mr. Johnson. The material was excellent and subcommittee members in attendance had the opportunity to question the speakers on matters of special interest to them. I was particularly pleased that the following members of the subcommittee participated in yesterday's briefing session: Congressman Teno Roncalio, Congressman Frank Horton, Congressman Andrew Hinshaw, Senator Howard Baker, and Senator Clifford Case.

NO MORE VIETNAMS

(Ms. ABZUG asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Ms. ABZUG. Mr. Speaker, it is hard to believe that after so many years, the war in Vietnam is really ended. The President asks that there be no recrimination and indeed, recrimination is useless: It will not bring back lost lives or ill-spent billions. However, I believe it is essential to ask ourselves, how can we prevent such a war from ever happening again?

First, it is a good sign that the American people have become increasingly vocal about their opposition to intervention in the affairs of other nations. At every step, public opinion played a decisive role in the pull-out from Vietnam and Cambodia. Without such expression we might still be conducting secret bombings.

Exposure of CIA activities in attempting to overthrow other governments is receiving very careful scrutiny. Our people are overwhelmingly opposed to such tactics and are strongly expressing this opposition.

Second, the Congress is taking a firmer hand in restraining executive action. The seven legislative prohibitions against further military involvement in Indochina were hopeful signs—although we must note that a good many Members were ready to repeal these prohibitions, during the evacuation process. We must be prepared, next time, to keep a firm rein on the executive. The evacuation of Americans from both Vietnam and Cambodia shows that our citizens' lives can be protected without expanding Presidential powers.

Third, Americans have once more shown themselves to be compassionate people, desirous of aiding those in need. We are about to give generous humanitarian aid to the war's victims. Whether or not we agree with their governments, we must accept the fact that all are human beings, in need of food, shelter and medicine.

But I hope that next time we can combine that compassion with foresight, before we bolster unpopular governments. Perhaps we can act in time to prevent the horrors of war, rather than trying to bind the wounds of its victims.

These are my hopes for the post-Vietnam era, and I will try to turn them into realities.

HOUSE RESOLUTION 428, CONTINUATION OF PAY FOR COMMITTEE STAFFS

Mr. HAYS of Ohio. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 428 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 428

Resolved, That (a) there shall be paid out of the contingent fund of the House of Representatives for the period beginning May 1, 1975, and ending at the close of May 31, 1975, such additional sums as may be necessary for the continuance of the same necessary projects, activities, operations, and services by contract or otherwise (including payment of staff salaries for services performed), and the accomplishment of the same necessary purposes, undertaken by each standing or select committee, subcommittee, or force of the House in the calendar year 1974 on the same basis and at not to exceed the same rates utilized in 1974 which have not been previously provided funds for the First Session of the 94th Congress by a primary expense or other resolution of the House.

(b) Payments of salary for services performed in the period beginning May 1, 1975, and ending at the close of May 31, 1975, shall be made to each person—

(1) who, on January 2, 1975, was employed by a standing or select committee in the Ninety-third Congress and whose salary was paid under authority of a House resolution adopted in such Congress; or

(2) who was appointed after January 2, 1975, to fill a vacancy, existing on or occurring after such date, in a position created under authority of such House resolution, if any such person employed as described in paragraph (1) or appointed as described in paragraph (2) or is certified by the chairman of the committee involved as performing such services for such committee during such period.

(c) Salaries authorized to be paid under subsection (b) shall be paid to persons certified under subsection (b)—

(1) at a rate not to exceed the rate any such person was receiving on January 2, 1975;

(2) in the case of a person appointed after January 2, 1975, to fill a vacancy described in subsection (b)(2), at a rate not to exceed the rate applicable on January 2, 1975, to the vacant position; or

(3) in the case of a person appointed to fill a new position established by the amendments made by the Committee Reform Amendments of 1974 (H. Res. 988, Ninety-third Congress, adopted October 8, 1974), at a rate fixed by the chairman of the committee involved, which does not exceed the highest rate of basic pay, as in effect on the date of such appointment, of level V of Executive Schedule in section 5316 of title 5, United States Code.

Sec. 2. Regulations established by the Committee on House Administration under section 4 shall take into account any change in the jurisdiction or status of any standing committee of the House which was in existence as a standing committee during the Ninety-third Congress, or of any select committee of the House which was in existence as a select committee duing the Ninety-third Congress.

Sec. 3. There shall be paid out of the contingent fund of the House of Representatives for the period beginning May 1, 1975, and ending at the close of May 31, 1975, such sums as may be necessary for the operation during such period of any standing committee which was not in existence as a standing committee on the first day of the second session of the Ninety-third Congress, or of any select committee which was not in existence as a select committee on the first day of the second session of the Ninety-third Congress.

Sec. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with law.

Mr. HAYS of Ohio (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Ohio (Mr. Hays)?

There was no objection.

Mr. HAYS of Ohio. Mr. Speaker, this is a continuing resolution to provide contingent funds to continue the functions of the pension task force of the Committee on Education and Labor for the month of May.

The resolution was agreed to.

A motion to consider was laid on the table.

FIRST ANNUAL REPORT OF NATIONAL VOLUNTARY SERVICE ADVISORY COUNCIL—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Education and Labor and the Committee on International Relations:

To the Congress of the United States:

I herewith transmit the First Annual Report of the National Voluntary Service Advisory Council as required by section 405 of the Domestic Volunteer Service Act of 1973.

Gerald R. Ford.

The White House, *April 30, 1975.*

PROVIDING FUNDS FOR EXPENSES OF COMMITTEE ON HOUSE ADMINISTRATION

Mr. ROSE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 383 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 383

Resolved, That (a) the Committee on House Administration is authorized to incur such further expenses (not in excess of $3,700,000) as the committee considers advisable to provide for maintenance and improvement of ongoing computer services for the House of Representatives and for the investigation of additional computer services for the House of Representatives, including expenditures—

(1) for the employment of professional, technical, clerical, and other assistants,

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)), and for the procurement of equipment by contract or otherwise.

(3) for specialized training, pursuant to section 202(j) of such Act (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions.

Such expenses shall be paid out of the contingent fund of the House on vouchers authorized and approved by such committee, and signed by the chairman thereof.

(b) Not to exceed $450,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)), and not to exceed $15,000 of such total amount may be used to provide for specialized training, pursuant to section 202(j) of such Act (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

Sec. 2. No part of the funds authorized by this resolution shall be available for expenditures in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House.

Sec. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. ROSE (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with and that it be printed in the Record at this point.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. ROSE. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I wonder if the gentleman will give us some explanation as to what he is doing.

Mr. ROSE. If the gentleman will yield, I will be happy to say that this resolution provides for the funding of House Information Services for the year 1975.

Mr. Speaker, House Information Services is an organization within this Congress that provides computer services to Members, computer services to committees, and computer services to the administration of this House. The computer services that we now provide include the bill status system, the record voting system in this particular body, as well as numerous other services to committees and to Members individually.

We were confronted with requests of $4.8 million this year which, under the direction of our new Subcommitee on Computers, we cut to $3.7 million.

I can assure the gentleman from Maryland (Mr. Bauman) that we will be holding hearings all year to weed out unnecessary services from the House Information Services and to provide new ones that will be cost effective and meaningful to this body.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. SYMMS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 164]

Anderson, Ill.
Andrews, N.C.
Ashley
Barrett
Bergland
Biaggi
Boggs
Breckinridge
Brown, Calif.
Brown, Ohio
Burke, Calif.
Cederberg
Chappell
Chisholm
Cohen
Conable
Corman
Crane
Dellums
Devine
Diggs
Dodd
Edwards, Ala.
Eshleman
Flood
Foley
Ford, Tenn.
Forsythe
Fraser
Frey
Gonzalez
Hannaford
Hansen
Harsha
Hébert
Holtzman
Jeffords
Jones, Ala.
McKinney
Michel
Milford
Mills
Moakley
Mollohan
Mosher
Murphy, N.Y.
O'Hara
O'Neill
Quillen
Rhodes
Ruppe
Russo
Scheuer
Schneebeli
Shriver
Simon
Skubitz
Steiger, Ariz.
Sullivan
Teague
Treen
Udall
Vander Jagt
Vanik
Waxman
Young, Fla.

The SPEAKER. On this rollcall, 366 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1976

Mr. ADAMS. Mr. Speaker, pursuant to section 305(a), title 3, Public Law 93–344 of the Congressional Budget Act of 1974, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of House Concurrent Resolution 218, setting forth, on an aggregate basis only, the congressional budget for the U.S. Government for the fiscal year 1976.

GENERAL LEAVE

Mr. Speaker, pending that motion, I ask unanimous consent that all Members be allowed to revise and extend their remarks and include extraneous matter during the consideration of House Concurrent Resolution 218.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Washington.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 218) setting forth, on an aggregate basis only, the congressional budget for the U.S. Government for the fiscal year 1976, with Mr. BOLLING in the chair.

The Clerk read the title of the House concurrent resolution.

By unanimous consent, the first reading of the concurrent resolution was dispensed with.

The CHAIRMAN. Pursuant to section 305(a), title 3, Public Law 93–344, of the Congressional Budget Act of 1974, the gentleman from Washington (Mr. ADAMS) will be recognized for 5 hours and the gentleman from Ohio (Mr. LATTA) will be recognized for 5 hours.

The Chair recognizes the gentleman from Washington.

Mr. ADAMS. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, the Budget Committee has worked long and hard to produce this resolution in order to provide the House with an opportunity this year to make certain vital fiscal policy and priority determinations. I might state that the job has been anything but simple.

For various reasons, the committee was unable to organize until February. Immediately after the recess, the committee held hearings and proceeded immediately to mark up. All of this was accomplished even though the staff was not complete and the Congressional Budget Office was not yet in existence. Lacking the time and the analytical support necessary to dissect the budget on an item-by-item and program-by-program basis, the committee relied heavily on the House itself for the creation of this resolution.

The building blocks of our budget resolution were as follows:

A. The actions the House had already taken.

B. The March 15 report of authorizing committees and the Appropriations Commitee to the Budget Committee.

C. Directions that the House had received from the House leadership.

D. Finally, the committee's own judgment on programs and fiscal policy for the fiscal year, 1976.

Foreseeing the Nation's developing economic crisis, the Budget Committee attempted to produce a counter-recessionary plan by providing spending authority for nearly every stimulative program that had been passed by a House committee, passed by the House, or recommended by the House leadership.

In making these programs mesh, the committee found a certain degree of overlap and certain proposed stimulus that could not be translated into real stimulus in fiscal year 1976. These overlaps have been eliminated from the proposed target.

I want to say that I believe the House has performed very well. I think that our efforts will be successful in building a budget that is responsive to the Nation's needs.

I rise in strong support of House Concurrent Resolution 218, which is the first budget resolution for fiscal year 1976. Its adoption will mark an important milestone in Congress effort to regain control over spending.

Before discussing the importance of this resolution, I would like to commend all the members of the Budget Committee for their contributions to the resolution. I commend the staff for their untiring efforts in trying to be certain that we met the deadlines of the statute.

In addition, I would like to express my personal thanks to the ranking member of the committee, the gentleman from Ohio (Mr. LATTA) for his cooperation, not only with respect to the resolution, but with regard to organizing the committee and seeing to it that the committee functioned and met its deadlines.

I would like also to publicly acknowledge the efforts of the gentleman from Oregon (Mr. ULLMAN) and the distinguished minority leader, the gentleman from Arizona (Mr. RHODES), who worked so hard late last year to organize a staff so that we might be ready to meet the act's deadlines this year.

I would like to discuss three aspects of this resolution. First, the nature and purpose of the resolution and the role it plays in the congressional budget process; second, its economic objectives; and third, its overall importance to Congress efforts to regain control of the Federal spending policy.

I would like to state immediately and unequivocally to my friends on this side of the aisle, the minority side, that I understand that any type of resolution with any type of deficit is going to meet with objections from many Members on that side of the aisle. To my friends on this side, the majority side, I understand that any resolution that is presented, to many of them, is not going to be of sufficient size to cover the programs that we all want. So, we are between two very hard points. I understand that.

I plead with Members for this: That after we have considered this process and the amendments have been made to this resolution, I plead with Members to support this resolution as it is finally acted upon as the will of the House; because absent that, we will have failed after so many statements in the press and among ourselves that we want to control Federal spending and be involved in the process; we as an institution will have failed to accept our responsibility and we will be left in this position: we will have only the President's budget before us, and the various fragmentary indications from the committee chairmen as to what they believe the Congress will do.

The difference between these two positions, as originally stated, would be this: a $51.9 billion deficit under the President's proposal, and a $100 billion deficit as proposed by the various committees. The proposal that we have presented, I think, is a rational one. The Members will find, as the debate continues, that it is very close to the President's own budget, as revised by him.

The Members will find that it is about $30 billion below what has been indicated by the various committee chairmen as potential spending. So if the Members want a rational process, I urge them to vote these targets so that they will know, as Members of the House of Representatives, where they are with the budget this year and what kind of a deficit they will finally face this year.

I say this because, my colleagues, I can tell you this: At the end of this calendar year, after we have adopted programs for the year and the Congress has finally finished its work on appropriations and on authorizations, we cannot run away from the deficit figure that will exist. Far better that we control our own destiny and know what it is than to end up in March or April being told that we have created a deficit of enormous size, and with no Member knowing what that deficit would be until it is reported by the administration to us. So, I urge that at the end of this process, that we must pass a resolution.

As will appear in my colloquy at the end of these remarks, when I address a parliamentary inquiry to the Chair, this is a macroeconomic resolution; but we are asking those who offer amendments to explain, not as a part of their amendment but in their presentation, what they expect money to be spent for or not to be spent for.

The reason for that is so that, when we finish with this resolution, we will have a rational report that can be crosswalked back to the authorizing and appropriating committees; and we can then tell them what the House, generally, has proposed.

Next year we will have the 16 functional categories, which appear in the chart on my left, incorporated into the resolution, and they will be subject to amendment or change as individual items. We simply could not do that this year because we did not have the current services budget from the administration, which will come in on November 10 of this year. Nor did the authorizing committees and appropriating committees of the House have the time to fully report to us what they expect to spend in each of these categories.

The Budget Committee, immediately after the completion of action on this resolution, will be working on the structure of the functional categories. I urge Members who are interested in this to give us their views. It may be that some will not want to use the administration's functional categories, which is what we used this year. Members may want a different breakdown. We may have hearings on this subject so that we can know what type of proposal to bring to the House floor next year.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. ADAMS. I yield to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. I appreciate the gentleman's yielding.

Do the remarks of the gentleman mean, then, that the committee has decided that these present functional categories, which are listed in both the report and are shown here in the charts before us, is not necessarily the way they will be categorized eventually in 1977?

Mr. ADAMS. That is correct. But for fiscal year 1976 we will use this. For fiscal year 1977, in the budget resolution to be presented in the spring of next year, the committee will make a recommendation as to what functional categories should be used. It may be that these will be the ones decided upon. But that decision has not as yet been finally determined.

Mr. ROUSSELOT. Mr. Chairman, I thank the gentleman.

Mr. ADAMS. I will now go to the objectives of this resolution. I will be very brief because I know this will be brought out in detail during the debate.

We have suggested revenues of $295 billion. This is the figure that, basically, reflect the administration's estimate, plus the position of the Committee on Ways and Means, and what our staff and our committee developed as to what would actually happen. It does not include any additional gasoline tax. It assumes that the Tax Reduction Act of 1975 will be extended to the end of the fiscal year 1976. If that were not done, there would be $4.4 billion more in revenues in the committee's figure.

We have tried to make this an accurate figure. So far as I know, the figure is considered to be accurate. If the economic slump should continue, or become deeper, yes, the revenues will decrease. But this is our best estimate.

In budget authority, which is listed on this chart, the total of the 16 is at $395.6 billion. That is translated to an outlay figure of $368.2 billion in the resolution.

The outlay figure is very important. It is usually not considered by the House, since we usually deal with budget authority; but the outlay figure is simply what is expected to be spent from the amount that has been previously appropriated or is authorized as budget authority.

The CHAIRMAN. The time of the gentleman from Washington (Mr. ADAMS) has expired.

Mr. ADAMS. Mr. Chairman, I yield myself 5 additional minutes.

The outlay figure is $368.2 billion. That figure is necessary in this resolution because that figure, minus receipts, gives us the deficit figure, which is required by the statute.

The Committee recommendation is at $73.2 billion. That, in turn, is translated into a public debt figure. This is basically a mechanical translation, once we arrive at a deficit number. This includes, in our resolution, $624 billion as the necessary public debt figure to cover the deficit, off-budget financing, and the presently existing debt that is also required by statute. We believe that figure is accurate in line with the other figures we have presented.

As Members offer amendments, they will have the opportunity to amend these figures. The statute provides the opportunity, after the Committee of the Whole has completed its deliberations, and if the figures do not match, for the chairman of the Budget Committee to offer an amendment to achieve mathematical consistency, which is obvious. We cannot have revenues at one figure and outlays at another figure, and have a deficit figure that does not match. If this situation were to occur we would need to offer, after returning to the whole House, an amendment for mathematical consistency. It would simply match up the figures that have been decided on by the House in the amending process.

Finally, there will be a question as to whether this deficit can be financed. The Members will find in the committee report that we have gone to bankers scattered throughout the country, 13 of them in various areas, and asked them to comment on whether or not this would crowd out the private sector. Yesterday, I put in the CONGRESSIONAL RECORD—and the Members will find it in the beginning of the CONGRESSIONAL RECORD, at pages 12121 and 12122, the estimate of the total amount of savings that we based our projection on. Please notice that I have also placed in tables of what the total demand would be if the present resolution is adopted. The Members will notice that this assumes that the monetary policy of the United States expands only moderately. In other words, we are not monetizing the debt. The reason for this is that the bankers estimate that the slack in private demand will continue through calendar year 1975. They fear pressure on the long-term interest rate but this will not happen because the increase in public debt would basically be funded originally in the short-term market.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield on that point?

Mr. ADAMS. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman's yielding.

I have read the compilations of some 13 bank representatives who responded to the request from the committee for what would be the impact on the national economy, or the deficit.

Many of them say that they believe that that deficit can be handled. But when one goes on further to ask them what their preferences would be and/or what share of that debt they would be willing to take, they always preface it by saying, "Well, it depends on what the interest charge is," that is, what is the yield that they are able to get on Treasury bonds that are used to finance that debt. These bankers will then say further that they want to be sure that the debt instruments be of a high enough yield so that it will be competitive in their individual portfolios. The bankers will further say that at present interest rates, which are much lower, they will not take many of these instruments and they will wait until the yields are higher. In other words, they will wait until the Federal Treasury is willing to compete with the higher interest rate yield which, of course, accelerates the inflationary demand all over the country.

I ask this question: Did the gentleman's committee really pursue that problem?

Mr. ADAMS. We pursued it, not in the depth that the gentleman from California may have pursued it, but as I indicated the committee expects the debt would be financed in the short-term market.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. ADAMS. Mr. Chairman, I yield myself 5 additional minutes.

One of the bases for this, and it is very important that the entire House understand it, is that if upward pressure on interest rates begins to occur we should then have a monetary policy from the Federal Reserve that makes the necessary funds available to the private sector.

That is why we tried to get the debt down below the $75 billion deficit. That is why we are trying to say in this resolution that this, we hope, will bring the economy out. If the economy is brought out of the recession, under our resolution, we do not continue to stimulate. It is a very difficult business. And I am stating it to the gentleman from California as directly as I can why we are at the point we are, and what our projections are based on.

Mr. ROUSSELOT. I appreciate the gentleman's comments. The point I wish to establish at this point—and I am sure it will be established at other points in the debate—is just because a banker says it is a potentially acceptable level to him as to their participation in taking debt securities they also add that they will not contract to buy that debt in effect unless there are good interest rates so that they can justify it in their portfolio.

The problem comes through placing the Federal Government so totally in the marketplace that presence alone contributes to driving competitive interest rates upward just by financing that $73 billion add-on deficit and Congress has then created a tremendous inflationary impact.

Mr. ADAMS. It depends entirely upon the amount of slack in the private sector demand for capital, particularly in the lending market. So that has to be very carefully watched.

Mr. ROUSSELOT. And that is not an exact science?

Mr. ADAMS. It is not an exact science.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. ADAMS. I yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, I appreciate the gentleman yielding, and I also appreciate the concern the gentleman in the well has shown over this problem of financing the debt.

I have a real fear that, as our economy continues this process of liquidating inventories and then as the economy does turn around the demands in the private credit market for available capital by the private sector will increase as we move into late 1975 and 1976. It is at that point I think, that our worst fears will come true. At that point the public sector's demand on the private credit markets will outrun the available credit and necessitate a huge expansion of the money supply and unleash runaway inflation.

I would suggest to my colleagues that last month, as I understand the figures, the Federal Reserve increased the money supply at a rate on an annualized basis of 15 percent in order to help accommodate the bond market. We are moving into a time when long-term and short-term interest rates will not come down any further, and in fact will turn up thereby further impeding a recovery in durable and capital goods, housing, automobiles, et cetera, as well as small business people. At that point, the U.S. Government will be trying to finance the $73 billion deficit, and many billions of dollars of off-budget items.

Mr. ADAMS. This is a very dynamic business, it is not at a standstill. We will have a second resolution in September. At that point we may place a ceiling, and we may have to change the targeted amounts depending on what is happening.

The economic analysts within the United States are split in their opinion as to whether we are going to come out of the recession in the last two calendar quarters or not. I would suggest that we deal with the world as it is today, and then in September if we are having the problems that gentleman says, we may very well want to change our targeting process. In that event, we would want to have further testimony from the Committee on Banking, Currency and Housing, and from Arthur Burns of the Federal Reserve Board.

I think, as the gentleman from California said, this is not an exact science. If the Congress is going to be in the budget process, we have got to stay in it. This is just an opening round.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ADAMS. I yield myself 5 additional minutes.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. ADAMS. I yield to the gentleman from New York.

Mr. KEMP. I thank the gentleman for yielding.

I might say to the gentleman that I appreciate the fact that we will have another resolution in September and relook at this problem.

Mr. ADAMS. This is called for by the statute.

Mr. KEMP. What I am concerned about is we are setting into motion an inexorable flow of events beyond which we will not be able to recover. Without trying to preach doom, I think the real disaster will be this, a continuation of these inflation-recession cycles. We are telling the American people that we can finance $170 billion of Government borrowing over the next 18 months, in such a way as not to disrupt the private capital markets. I think we are misleading them, that there is not going to be a large expansion of the money supply and a resultant rise in inflation. We have had calls in this and the other body of the Congress for the Federal Reserve to expand at a rate of 8 percent to 10 percent. That is dangerously inflationary.

I think it has been about 4 percent for the past 4 or 5 months. Last month it went to 15 percent. We have many Members of Congress and in the Senate calling for an 8- to 10-percent growth rate irrespective of our productivity. That is going to unleash upon this Nation another round of disastrous inflation.

Mr. ADAMS. I will say to the gentleman that I hope his fears are not such that they will, one, panic people in the market now, and, two, I hope that they do not come true. I hope they do not, but, as I said, this is a dynamic business, the Congress is in it now as an institution, and I hope we do it well.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield for just one brief moment?

Mr. ADAMS. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate the gentleman's yielding.

I think it is important that the point that the gentleman made is that we have another look at this goal setting in September and that is part of the budget control law. Hopefully, our Budget Committee will again look at this in a hard-nosed fashion in September. But is it not true that by such action we take here today we outline a general principle of the way we think the course of our Federal budget should go? That is why the debate over the issue of how much of this debt we want the treasury to put into the market place becomes an important issue?

Mr. ADAMS. Yes. I have indicated to the gentleman I think it is an important issue, but I would like to make this point to all of the Members about the process itself. In the Legislative Reorganization Act of 1946 we provided for a legislative budget recommended by a joint committee. All members of the House and Senate Appropriations, Ways and Means, and Finance Committees were on the Joint Committee. Yet in 1947, the first time the process was tried, the Congress was unable to set a budget ceiling. They simply could not agree. In 1948, they did set a ceiling, but it was ignored in the later spending decisions. Finally in 1949, Congress threw up its hands and abandoned the whole process entirely.

In 1950, the Congress tried again. It enacted an Omnibus Appropriations Act containing all the regular appropriation bills in one measure. The next year that too was abandoned.

In the Congressional Budget Act of 1974 we have been given the tools to deal with the budget as a whole. The Budget Committee has attempted to come in and give its position as to how this should be done.

So we cannot say we do not have the ability to do it. I think the question becomes: Do we want to do it? When we come to the end of consideration of the resolution, I ask the Members to consider the history. If we do not adopt anything, and some may feel that is the way they have to go, then the budget process will go the way of the budget process in the Legislative Reorganization Act of 1946 and the omnibus appropriations process of 1950.

Mr. McFALL. Mr. Chairman, will the gentleman yield?

Mr. ADAMS. I yield to the gentleman from California.

Mr. McFALL. Mr. Chairman, the implication of the dialog between the gentleman and the gentlemen from California and from New York is they seemed to be saying there will be inflation as a result of the recommendations the committee of the gentleman has made. As I understand the gentleman, that is not correct, that the bankers will not be in a position to raise interest rates simply because they want to.

If what the gentleman says is correct, there is going to be a need for their lending money at a competitive rate in the marketplace, that there has been a dropoff in the demand for private capital, and there is this $75 billion span in which we can reasonably finance this debt.

If we want to take the other premise that the other gentleman from New York took, that down the road we have to watch out for this and if we do something now inevitably we are going to have inflation, it seems to me we would not do anything at all.

We have got to do something now that is reasonable and it seems to me what the gentleman is saying is that inflation is not inevitable.

Mr. ADAMS. That is correct. We have tried to run this budget process through all the various econometric models. The economy is so slack at the present time that we can find no inflationary impact from this size deficit. In fact we cannot get movement at all because the economy is projected to be flat through the rest of this year, hopefully with an upturn in the last two quarters. This is an inexact science but we are operating based on what we know today.

Mr. BURKE of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. ADAMS. I yield to the gentleman from Massachusetts.

Mr. BURKE of Massachusetts. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I firmly support the motion to eliminate from the pending resolution that will be offered later the limitation on the increase in Federal retirement benefits it contains. As I understand the Budget Committee's recommendation, there would be a 7-percent limitation, or cap, on benefit increases under all of the Federal retirement programs through June of 1976. There would be no limitation on welfare or disability benefits, however.

Clearly the largest number of people affected by the Budget Committee's recommendation are elderly social security beneficiaries for whom I have a particular responsibility as chairman of the Subcommittee on Social Security of the Committee on Ways and Means.

Mr. Chairman, I think it is totally unrealistic to even expect that the ceiling on the cost-of-living social security increases could be adopted at this time. For one thing, it is not a simple matter to raise the social security payments of all beneficiaries even by a uniform percentage increase. I have had some disagreement with the Social Security Administration in the past concerning the amount of time that is required to implement a social security benefit increase. However, the Social Security Administration states very clearly that a minimum period of about 2½ months is required in order to convert the checks of social security beneficiaries to reflect a uniform benefit increase. The Social Security Administration is presently engaged in effectuating the 8-percent cost-of-living increase that is to be paid out in the checks mailed early in July. If the 7-percent ceiling on retirement benefits as recommended by the Budget Committee were to be adopted, legislation would have to clear both the House and the Senate this week in order for the Social Security Administration to have a fighting chance of converting the social security payments to reflect it in the July checks. This is assuming that the limitation is feasible in itself, which I do not believe it is.

It makes no sense to me whatever to distinguish between benefits that are paid out of the social security retirement fund and those which are paid out of the social security disability trust fund, as the pending resolution does. I do not know why retirement beneficiaries are in any less need for the full amount of the cost-of-living increase than the disability beneficiaries are. Yet, the Budget Committee's resolution would limit the cost-of-living increase for retirement beneficiaries and their dependents to 7 percent, while permitting disability beneficiaries and their dependents to receive the full amount of the 8-percent cost-of-living increase provided for in the law.

Moreover, it makes absolutely no sense to me, Mr. Chairman, to reduce the amount of the cost-of-living benefit increase for retirement beneficiaries at a time when we have just so recently enacted the Tax Reduction Act of 1975, which provided a $22.8 billion stimulus to the national economy. In effect we are now being asked to reduce that economic stimulus by some $600 million in fiscal 1976 entirely at the cost of old-age beneficiaries.

The Budget Committee's resolution makes no more sense to me than did the recommendation of the President to provide a 5-percent limitation on the cost-of living increases for all social security beneficiaries. The President's recommendation was disapproved by the Social Security Subcommittee and the full Committee on Ways and Means, and would most assuredly have been disapproved by the full membership of this House, just as the limitation recommended by the Budget Committee is about to be disapproved.

Mr. Chairman, I urge that each and every one of my colleagues support the motion to provide that all of the social security beneficiaries will receive the full amount of the social security cost-of-living increase to which they are entitled under the law.

Mr. ALEXANDER. Mr. Chairman, will the gentleman yield?

Mr. ADAMS. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. Mr. Chairman, I rise in support of the resolution and I offer my hearty congratulations to the gentleman in the well as well as other members of the committee for the fine and diligent work they have performed in the time they have had to do so.

Mr. Chairman, I thank the gentleman from Washington (Mr. ADAMS) for yielding. When I first came to Congress in January 1969, I was shocked to come face to face with the stark reality that Congress—the legislative branch of our Government—had some years ago abdicated its constitutional responsibility of producing its own budget.

Thereafter, I joined with others interested in fiscal responsibility to enact what is now known as the Budget and Impoundment Act of 1974. The new congressional budget procedure is now taking hold. It is painful to Congress, even unsettling to those who are accustomed to the cozy old custom of blaming the deficit on the Administration which has been equally guilty by its pretended innocence and which always blamed the deficit on the Congress.

The gist of the Budget Act is to require Congress to acknowledge a responsibility for the budget as a whole, including the size and shape of the deficit, rather than simply passing a series of disjointed appropriations bills and leaving it up to the White House to add up the totals at the end of the year.

It is a self-imposed discipline, both the House and the Senate must adopt resolutions setting basic limits for spending, revenues and the resulting deficit, if any. In the past, of course, nothing remotely like this ever happened. We are all aware that traditionally the President would send his budget up to the Congress early each year after which it was broken down into separate pieces and parcelled out to the various committees in the House and the Senate. It was never put back together until a year and a half later, at the end of the fiscal year, when the President's Office of Management and Budget would reveal the final figures to those of us on Capitol Hill. The congressional committees then would take credit for the goodies that benefited their constituents. But no Member would accept the blame for the size of the deficit. Congress is now setting its own totals which is a giant leap forward.

This is indeed a great day for the Constitution, the Congress and the American people.

Again, I thank the gentleman for yielding.

Mr. ADAMS. I thank the gentleman for his support.

Mr. LEVITAS. Mr. Chairman, will the gentleman yield?

Mr. ADAMS. I yield to the gentleman from Georgia.

Mr. LEVITAS. Mr. Chairman, I commend the gentleman from Washington, the chairman of the Budget Committee and the members of the committee for the very hard and diligent work they have done, but I have one or two questions which perhaps the gentleman can clarify concerning the procedure which he has outlined.

Mr. ADAMS. If the gentleman will withhold his questions, I will yield to the gentleman later, I will proceed with a parliamentary question through which I hope the Chair will outline to us the process that will be followed.

Mr. LEVITAS. I would ask the chairman a question regarding the comment he made earlier about the amendments which would be offered to change the figures in the bill. As I understood the gentleman's remarks, we could not amend the amounts as to the specific categories or programs, the amendments will relate to the gross amounts only.

Mr. ADAMS. That is the opinion of the chairman and of the Committee on the Budget and I will address that question momentarily to the Chairman of the Committee of the Whole so we will have a ruling as to the manner in which we will proceed here.

Mr. LEVITAS. If that is the case, is it true contrary to what we have been told by some persons who are proponents for amendments, who say they are increasing the limits in order to remove the cap for social security benefits, that those caps could be removed without increasing spending limits in the budget resolution but letting it stay where it is, or lower, and simply making cuts in other programs and adjusting other priorities within these limits?

Mr. ADAMS. Mr. Chairman, that is exactly so, because the limit could be kept exactly where it is, or perhaps even reduced, and the various committees or the Congress itself can make sufficient adjustments in other programs so that the limits could be lived with as far as social security benefits are concerned.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. ADAMS. Mr. Chairman, I yield myself 5 additional minutes.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. ADAMS. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I have a question concerning the chart of the distinguished chairman of the committee, in order to clarify my understanding of the same. The chart shows the President's budget as adjusted as approximately $359 billion. The recommendation of the Budget Committee, which the gentleman shares, calls for a total budget outlay of $368 billion. The difference is because of the increase of approximately $11 billion in human resource programs, a decrease of aproximately $6 billion in the national security program and also an increase in the community resources and general government programs, as well as an increase in the—is it an increase in the physical resources program? I cannot see from here.

Mr. ADAMS. That is correct.

Mr. ICHORD. If the gentleman will yield further, my question is, as far as the difference is concerned, is the President's budget as adjusted a realistic figure now? That is, can we adjust it to take out the programs which Presidents always omit from their budgets to make it look better, knowing full well that the Congress will adopt the programs; is that so adjusted?

Mr. ADAMS. That includes adjustments of the nature the gentleman refers to, but it does not include two major adjustments which are still up in the air: First, the President says he will receive $8 billion in offshore oil; our estimates indicate that $4 billion is the most that will be received; and second, the President estimates his revenues will be higher because the Reduction Act will terminate on December 31; the committee expects it to continue to July 1. Furthermore, the President does not include additional spending for a deficit for the Post Office of about $700 million. The committee has put that amount into the resolution.

There is also about $1 billion in additional welfare costs, unemployment costs, and food stamp costs that are underestimated by the President. So if we take those figures, the President is at a deficit of approximately $70 billion.

Mr. ICHORD. For the last several years one of the items that has been traditionally omitted is impacted-area school funds. Is that reflected in that figure?

Mr. ADAMS. It is not in the President's budget; it is in our budget.

Mr. ICHORD. It is in the budget of the gentleman's?

Mr. ADAMS. Yes. Now, if I might address a parliamentary inquiry, then I will yield further time. I want to go to the other side so they have an opportunity; but those who wish to speak will be given time and I will certainly allow time; but I would like at this time to turn to the procedures to be followed.

PARLIAMENTARY INQUIRY

Mr. ADAMS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. ADAMS. Mr. Chairman, would the Chair state the procedures governing the consideration of this first budget resolution?

The CHAIRMAN. The Chair will be glad to comply with that request.

The procedures governing consideration of budget resolutions are set forth in section 305(a) of the Congressional Budget and Impoundment Control Act of 1974. They are as follows:

First, 10 hours are permitted for general debate, which is to be equally divided between the majority and minority parties. A motion to limit debate is not debatable.

Second, amendments are to be considered under the 5-minute rule in accordance with the applicable provisions of rule XXIII of the Rules of the House of Representatives.

Third, after the Committee of the Whole rises and reports the resolution back to the House, the previous question is considered to be ordered on the resolution and any amendments to the resolution to final passage without intervening motion, except that at any time prior to final passage, it is in order to adopt an amendment or series of amendments changing any figure or figures in the resolution to the extent necessary to achieve mathematical consistency.

Fourth, a motion to recommit the resolution or reconsider the vote by which the resolution is agreed to or disagreed to, is not in order.

Mr. ADAMS. Further, Mr. Chairman, since the Budget Act makes no special rules with respect to amendments to budget resolutions, is it correct to state that the usual House rules regarding amendments will apply?

The CHAIRMAN. The gentleman is correct. To be perfectly precise, the Chair would like to remind the Members that House Resolution 5, which was the adoption of the rules of this Congress, included therein the applicable provisions of the Budget Act, and that makes a part of the rules of the House those provisions of the Budget Act.

The gentleman's point is correct that in the amendment stage we will be following the rules of the House.

PARLIAMENTARY INQUIRY

Mr. LATTA. Mr. Chairman, will the gentleman yield so that I may make a parliamentary inquiry?

Mr. ADAMS. I yield to the gentleman from Ohio for his parliamentary inquiry.

Mr. LATTA. Mr. Chairman, am I correct in assuming, since the resolution contains only one section, that it will be open to amendment at any point?

The CHAIRMAN. The gentleman is correct.

Mr. LATTA. Mr. Chairman, at this point I would like to address a question to my colleague, the gentleman from Washington.

Is any special form required on amendments to the resolution?

Mr. ADAMS. Mr. Chairman, in answer to the gentleman's question, no special form is required. Amendments should simply strike out one figure, or figures, and insert another or others in their place. The explanation of the amendment should make clear the purpose of the changed figures, indicating the functional categories that would be affected. These categories are spelled out in the committee report this year. Next year, they will be contained in the resolution itself.

It should be noted that in nearly every case where expenditures are intended to be changed, the amendment will have to change not only the outlay figure of the resolution, but the budget authority, deficit and public debt figures as well. Furthermore, since the relationship between budget authority and outlays on one hand and deficit and public debt on the other must be determined specifically for each amendment, I urge Members to contact the Budget Committee staff for help for their amendments.

It should also be noted that it is not possible, through the amendment process, to shift a certain amount of funds, either budget authority or outlays, from one functional category to another with no change in figures in the resolution. At least one of the budget aggregate figures in the resolution must be changed.

Obviously, since the Committee on the Budget has not yet implemented that part of the Budget Act relating to the inclusion in the resolution of totals for major functional categories, amendments seeking to change these categories can, at this point, only be expressed through amendments to the aggregate levels with an explanation that the purpose of the amendment is to change the category level. The appropriate way to implement such changes is through the authorization and appropriation process. When functional categories are included in the resolution next year they may, of course be subject to amendment.

Finally, since this resolution is a macroeconomic resolution containing budget aggregates only, I want to state that it is my intention to raise a point of order against any amendments which attempt to earmark or limit funds for a particular program or functional category, or to exclude from the aggregate totals in the resolution funds for a particular program or functional category, or any other amendments which deviate from the fundamental purpose of the resolution.

In my opinion, such amendments would not be germane to a macroeconomic resolution. The legislative history is clear that these resolutions should be confined to the overall budget picture.

The act itself, in section 301(a)(1), provides that the resolution must contain such totals. Amendments which seek to exclude from the totals funds for a particular program or category in effect increase the level of total budget outlays. Such amendments would violate the provisions of the act and would not be within the fundamental purpose of the resolution and should, therefore, not be considered germane.

When the conference report on the Budget Act was presented, the gentleman from Missouri (Mr. BOLLING) who was involved with the act from its inception, stated that to allow the resolution to get into particular programs, agencies, appropriations, or projects would destroy its utility as an instrument for making national economic policy. Not only would such amendments not be germane because they deviate from the fundamental purpose of the resolution, they would also not be germane because they are not within the jurisdiction of the Committee on the Budget.

The appropriate committees to consider limitations on funds are those legislative committees which report authorization bills and the Appropriations Committee in the various appropriations bills.

I would like to ask the gentleman from Ohio if he agrees with me with respect to my statement on such amendments.

Mr. LATTA. I agree with the gentleman completely. Such amendments have no place in the resolution containing budget aggregates only and intended to deal with macroeconomic matters.

I would now like to direct another question to the Chair.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman from Washington yield?

Mr. ADAMS. I would request that the gentleman from Ohio (Mr. LATTA) be permitted to complete his colloquy.

Mr. LATTA. I only have one further question to address to the Chair.

Am I correct in assuming that once a figure in the resolution is amended, it is no longer subject to further amendment?

The CHAIRMAN. The gentleman from Ohio (Mr. LATTA) is correct. A further amendment merely changing that amended figure would not be in order.

Mr. ADAMS. I thank the Chair, and I yield to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. I appreciate the gentleman's yielding. I would like to ask two questions. I appreciate the inquiry that the gentleman has made to the Chair.

Mr. ADAMS. Mr. Chairman, if I could yield back for a parliamentary inquiry of the Chair, am I correct that this is under the parliamentary inquiry time and is not included within the debate time allotted to the majority party?

The CHAIRMAN. The time is included within the time of the gentleman from Washington.

Mr. ADAMS. Mr. Chairman, then I refuse to yield further.

Mr. LATTA. Mr. Chairman, I yield myself 15 minutes.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

The gentleman from Washington is saying in his inquiry as I understand it, we are addressing ourselves to the basic five elements that are called for in this current resolution under the Budget Control Act. It is not required that individuals justify by amendment language their differences with the Budget Committee over the functional classifications?

Mr. ADAMS. It is not required.

Mr. ROUSSELOT. We can certainly challenge the functional figures, but it is not required to amend the resolution in this goal-setting procedure to make our point?

Mr. ADAMS. Yes.

Mr. ROUSSELOT. Secondly, if I can quote from the act that is Public Law 93-344. Section 304 of the act states, and I quote:

> PERMISSIBLE REVISIONS OF CONCURRENT RESOLUTIONS OF THE BUDGET
>
> 31 U.S.C. 1325
>
> SEC. 304. At any time after the first concurrent resolution on the budget for a fiscal year has been agreed to pursuant to section 301, and before the end of such fiscal year, the two Houses may adopt a concurrent resolution on the budget which revises the concurrent resolution on the budget for such fiscal year most recently agreed to.

Can we, then, in amendments to this resolution not properly address ourselves to section 304?

Mr. ADAMS. I would state to the gentleman that I would raise a point of order if there was a specific direction that indicated that a resolution had to be brought out at any time different than that provided in the statute.

Mr. ROUSSELOT. What about reconsideration prior to September in order to keep ourselves current? If we ask the Committee on the Budget to report back on its findings prior to September in order to keep us up to date, what about that? I agree with the gentleman that it should be part of our permanent procedure.

Mr. ADAMS. I would raise a point of order against an instruction within the resolution, I will state to the gentleman.

Mr. ROUSSELOT. Even though the provision is in the law or is allowable under the law?

Mr. ADAMS. The law provides discretionary authority in the committee, and the committee may well do this; but I think an instruction would be not within the scope of the resolution.

Mr. ROUSSELOT. On what basis would the gentleman raise a point of order if it is contained within the law?

Mr. ADAMS. On the basis that this would be an amendment to the law.

Mr. ROUSSELOT. But is it not an appropriate amendment if the law allows it or actually provides for such an action as I propose.

Mr. ADAMS. I will state to the gentleman that there are three bases: Either that the gentleman's amendment is an amendment of the law, or it goes beyond the scope of the budget resolution, or that it is not germane to House Concurrent Resolution 218.

Mr. ROUSSELOT. As the gentleman knows, I have discussed my proposed section with the staff. The scope of my amendment does not go beyond the law. It is merely within the provisions of the law, and what I am trying to establish is an understanding of a trigger date for review. I probably will not offer it, but I would really like to know the basis for the point of order.

Mr. ADAMS. The gentleman wants me to state it, and the point of order would be this:

Section 2 of the amendment inserted in the RECORD by the gentleman from California (Mr. ROUSSELOT) goes beyond the scope of the budget resolution and is not germane to House Concurrent Resolution 218. Section 2 is a limitation on the jurisdiction of the Committee on the Budget provided under rule X, clause 1 (e) of the Rules of the House and the Congressional Budget Act which under House Resolution 5 was incorporated into the Rules of the House.

Section 2 revises the timetable for House actions on budget resolutions. It does not deal with the congressional budget, which is the subject matter of this resolution. Instead, it goes to congressional procedures, which should more properly be handled by a separate resolution or by amending House Rules or the Congressional Budget Act.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman's statement. I will read the gentleman's point of record in the RECORD tomorrow. I may wish to challenge the point of order.

Mr. LATTA. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania (Mr. SHUSTER).

Mr. SHUSTER. Mr. Chairman, I thank the gentleman for yielding.

I would like to direct some questions to the distinguished chairman of the committee, if I might.

I would refer to page 5 of the committee report, the general explanation of the resolution. Under "Unemployment" there is an extremely basic statement with regard to the impact of unemployment and the impact on tax revenues. It states that for every increase of one percent in unemployment in today's economy, there is a corresponding $14 billion loss in Federal tax revenues.

If the gentleman will bear with me, I would like to step through some calculations here. I must be wrong. Indeed, I hope I am wrong because if I am not, there is a fundamental flaw in the report.

First of all, in just round numbers, if we are talking about 1 percent in unemployment, if we have roughly 8 million unemployed, we are talking about a 1-million shift or roughly 1 million people going back to work. Would the gentleman agree with that?

Mr. ADAMS. Yes.

Mr. SHUSTER. In rough numbers?

Mr. ADAMS. In general terms.

Mr. SHUSTER. Therefore, there would be 1 million people back to work. If the average income of those 1 million is, let us say, $10,000 a year, then the average

Federal income tax paid on that $10,000-a-year income, let us say, is roughly $2,000. Would the gentleman agree with that crude approximation?

Mr. ADAMS. Yes.

Mr. SHUSTER. It is probably too high.

Mr. ADAMS. Probably too high; it is 14 percent.

Mr. SHUSTER. The figure is on the high side, $2,000. If we take $2,000 times the 1 million people who go back to work, at least in the Ninth Congressional District in Pennsylvania, $2,000 times 1 million equals $2 billion, not $14 billion. Now, I realize that there might be a ripple effect.

I certainly would like to know what that ripple effect is.

First of all, as to the arithmetic, does the gentleman agree?

Mr. ADAMS. The gentleman's problem is that he has not included, for example, the Social Security tax which is now 11.7 percent, which would be paid.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LATTA. Mr. Chairman, I yield one additional minute to the gentleman from Pennsylvania.

Mr. ADAMS. Page 46 of the President's own budget shows full employment receipts of $352 billion. The actual receipts are estimated at $297.5 billion on page 6. This gives us a loss of revenue due to the recession of $54.5 billion, divided by the four points of unemployment, in excess of 4 percent, yields an estimate of $13.6 billion per point.

Mr. SHUSTER. I do not question that those are the numbers in the President's budget. What I am trying to do is get behind the numbers, to the reasonableness of the numbers. I will go back again to my statement: If the 1 percent shift brings about 1 million people being employed, and if we say the average income is about $10,000, I can only get to $2 or $3 billion.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SHUSTER. Will the gentleman yield me 1 additional minute?

Mr. LATTA. I yield 1 additional minute to the gentleman from Pennsylvania.

Mr. SHUSTER. I thank the gentleman.

Mr. Chairman, I see an enormously fundamental flaw in this enormously important part of the basic assumption. I am waiting not to hear what the numbers in some report might be, but the reasonableness behind those numbers.

I do not see how we can get the $14 billion. In fact, I would make the guess, a sheer guess, that you can get to a $14 billion figure by applying the additional tax revenue not on a 1-percent reduction in unemployment, but an 8 percent—wiping out the unemployment. And that is why if you wipe out the 8 million unemployed, that is the way you can get to the $14 billion shift.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. LATTA. Mr. Chairman, I yield 1 minute to the gentleman from Maryland, Mr. BAUMAN.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Chairman, I would like to propound a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. BAUMAN. Mr. Chairman, my parliamentary inquiry is this: A few minutes ago the gentleman from Ohio (Mr. LATTA) asked some questions of the gentleman from Washington (Mr. ADAMS). In reply, I understood the distinguished chairman of the Committee on the Budget to say that in his opinion amendments would only be in order changing the aggregate sums contained in the resolution, and any functional category changes or spending policy changes which the propounder or amender wished to effect would have to be governed by the remarks made in debate, that no special limitations can be written into this resolution by amendments.

I would ask the Chair whether under the rules of the House any discussion or comment made in debate regarding an aggregate sum offered as an amendment would have any controlling effect on any policy or functional category spending? Would they not be limited to changes in the total sums, and not to any policy matter?

The CHAIRMAN (Mr. BOLLING). The Chair will answer the gentleman from Maryland by saying that those matters would only affect the legislative history on the action, and not the action on the resolution.

Mr. BAUMAN. So that ultimately the Congress would have to decide policy matters regarding specific parts of the budget, and any remarks made in debate would have no effect, no legislative effect, except as a recording of the intent of the Member who offered the amendment?

The CHAIRMAN. The Chair will state that the debate is part of the legislative history. That is all the Chair can say.

Mr. BAUMAN. But remarks made would have no controlling policy effect as to aggregate amount amendments which might be offered.

The CHAIRMAN. The Chair cannot agree to the word "control" because the legislative history under certain circumstances could control the final decision, but the gentleman's statement is essentially correct.

Mr. BAUMAN. I thank the Chairman.

Mr. LATTA. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Chairman, I have a question also for the distinguished gentleman from the State of Washington (Mr. ADAMS). It is not a parliamentary inquiry, but a question of intent and procedure. I am quite concerned about our process here.

The manner in which the report emerged from the committee, and the statements that I have heard from people who either think the deficit is too large or too small, lead me to believe that there is a distinct possibility that this report will be defeated on the floor. If so, I wonder what would be the intention of the gentleman as to the next step? I would like to get this ugly question right out on the table so that people will know where they stand and will understand the consequences of voting to defeat a report in whatever form it finally emerges from the Committee of the Whole here today.

Mr. ADAMS. The chairman does not really want to contemplate such a horrifying possibility. It would be the position of the chairman that if this fails, the committee would meet and decide what it would want to do at that point. I cannot predict what the committee might want to do at that point.

Mr. CONABLE. What I am asking is, Would it have the effect of the prohibited recommittal motion were we to vote down the report today or tomorrow, or whenever the vote comes? Would the committee then return and possibly try to bring out a different report?

Mr. ADAMS. I have no idea about that. It is like a little boy about to cross the stream. I am not going to roll up my pants until I get to the water. There is no way I can predict that. I would certainly call the committee back into session, but what the committee might do in its wisdom at that point I do not know.

Mr. CONABLE. There is no required procedure for us to go through if that point arrives? We are on our own? This year is our virgin year, and so we are in virgin territory if we find ourselves faced with rejection?

Mr. ADAMS. I think the gentleman might find himself faced with the situation of no resolution at all. I cannot predict what the committee would do, and I think it would be a great tragedy for the Congress to start out on this endeavor in that position.

Mr. CONABLE. It would not be the chairman's intention, however, simply to accept the rejection as final, were that to happen?

Mr. ADAMS. I do not think I, as chairman of the committee, am entitled to make that decision. I think that is the committee's decision.

Mr. CONABLE. Mr. Chairman, I thank the gentleman for his frank responses. I must say that the credibility of the Budget Commitee is bound to be tested in a very difficult year like this when we start out with a deficit of such incredible dimensions, and I think we are going to have to approach the subject with a great deal of judgment for this reason. I would like to see this committee succeed. I certainly will do what I can to be sure that it succeeds. The question of credibility, however, is affected by both the end product of our deliberations and by the honesty of our continuing efforts to find a close relation between Federal income and outgo.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LATTA. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, at the outset I would like to thank the gentleman from Washington for his cooperation with the minority and compliment him on the way he has handled his chairmanship. I do not believe I have, during the time I have been in the Congress, served on any committee where the chairman was fairer and harder working, and I wish to publicly commend the gentleman for his efforts, and likewise the other members of the committee. I think the members of the committee realized that they had a responsibility to fulfill, and they have responded accordingly.

Let me say further that the staff is probably one of the hardest working we have in the Congress. It was assembled very quickly. I might also say I do not believe any committee has ever had more applicants for positions on its staff than this committee. I think at last count the committee had something like 1,200 or 1,300 job applicants on file for work on the staff.

This is somewhat of a new experiment that has not been attempted since 1949, but I think it comes at the right time. I disagree with those who say that because we have an impending deficit of the magnitude we discuss here today that we should not carry forward on this resolution this year and we ought to wait until we have an easy task of it. I do not agree with that. I think when we have a tough task ahead of us we ought to meet it head on.

It would be disastrous for the economy and this Congress for us to defeat this resolution.

The chairman and I, and certainly other members of the committee, disagree over the figures, but we do not disagree over the fact that we have to have a budget resolution.

It is almost impossible for an outsider who does not know anything about the work of the Congress of the United States to comprehend the fact that we do not have any idea as to how much money we are going to spend in any fiscal year as we go down the road. We just keep spending and spending and spending and hoping that at the end of the road everything is going to end all right.

The fact that we are faced now with the prospect of a $624 billion or higher public debt indicates that things are not as we would have hoped. We need some procedure such as that which has been outlined in this new budget procedure.

Since this is a so-called dry run, we can improve on it and find the imperfections and do something about them.

But we are in place, we are working, we are ongoing. I might say it is facing us at a very difficult time in our history. We have here a budget resolution that is calling for $73.2 billion in deficit financing, and the Office of Management and Budget calls to our attention, and we call it to the attention of the Members on page 85 of the report in our minority views, there is the possibility of a $100 billion deficit for fiscal year 1976. It scares one no end. We will have acquired by fiscal year 1976 only—and I think I probably ought to strike the "only"—$600 plus billion in debt since the beginning of our history, but we are going to acquire one-sixth of that in one single year. That is scary. That is scary.

I think as Members of Congress we have to measure up to our responsibilities. Every place we go people are talking about Government spending. I suggest Members read their mail. They will see their constituents are talking about it. They are concerned. They are ahead of us.

Hopefully through this process we can do something about the problem. And in doing something about that, as these appropriation bills come forward for every conceivable project under the sun, we must realize we cannot say: "That is a really good project and we ought to appropriate more." We have to think about how much we are appropriating in total. But that is not what we have been doing, very frankly. Just a couple of weeks ago we had an education bill on the floor. Everybody is for education of our children. They are our most prized assets. We want to get an education for them. We want the best that money can buy. What did we do? We added $1 billion-plus with that one bill. Everybody is for school lunch programs, so we came along and added $1 billion to the school lunch program. And I could go on down a list as long as my arm as to what we have been doing in the past.

When it comes to spending, whatever it is, we are for it in greater proportions. I am for it, too, in greater proportions if we can pay for it, if the economy and the Nation can stand it. That is a key consideration.

It seems that we forget when we appropriate these funds and we pile up deficits that we are piling up interest indebtedness. We are paying for a dead horse in this budget of about $36 billion just for interest alone and we are passing this tremendous debt onto our children and their children. I think that is downright immoral. I have difficulty looking my two teenagers in the eyes and thinking, "Well, I have been spending you into debt. We have been living on a credit card that you are going to have to pay for." That is not fair.

Then we say to them, "Look what we are doing to you." We are not doing anything for them, other than putting them more into debt.

I know there are going to be propositions offered for a balanced budget. Well, I have always believed fully in balanced budgets. I am not one of those big-time spenders, as most of the Members know; but to have a balanced budget here is completely out of the question. We would put this economy in a tailspin from which we might not recover for years. In this budget we need something to spur on the economy that is flagging.

The question is going to arise as to how much stimulant we need. We ought to pay attention to the Secretary of the Treasury, to the blue patches that the Secretary of the Treasury and others have mentioned and whether or not we ought to let our great free enterprise system, that has given us the greatest standard of living of any nation on Earth, work its way more than we provide for in this resolution.

I think it is important that we consider these things as we go down this road.

I heard somebody remark the other day that we are trying to do so many things for so many people and adding to the cost that we are going to have so many people in the wagon that we are not going to have enough people to pull it.

Now, I think it is important that we consider that. Who is going to pull this wagon? Somebody is going to have to make these dollars that we are spending.

Everyone here is aware that this legislation comes before the House at a time when we are riding the crest of a Federal spending binge that has produced a deficit in 14 of the last 15 years and in 40 out of the last 50 years. Federal expenditures since the 1960's have moved upwards in startling proportions.

Furthermore, it is not just the size but also the type of spending programs enacted during those years that is cause for alarm. Far too often Congress has played the role of an irresponsible Santa Claus in spending the people's money. Much of the increased spending has been in the form of direct assistance to individuals known as transfer payments. In essence, what that means is money taken out of the pockets of some individuals and placed in the pockets of others.

To demonstrate how this has grown, while the national defense spending in current dollars was virtually level between 1969 and 1974 and there was a relatively small rise in nondefense operation expenditures, Federal spending on domestic assistance programs rose by $80 billion. As an indication of where all this could lead us, if the Federal, State, and local spending growth rate over the past two decades continues, by the end of this century governments would claim up to 60 percent of the Nation's entire output.

This frightening prospect must be stopped, and it must be stopped now. The Congressional Budget Act of 1974 was enacted for sound reasons. There was a deep concern about big Federal spending, about these deficits year after year and about the lack of adequate means to deal with the problem. There was concern about the need for an improvement in setting national priorities. Unfortunately, the resolution does not effectively deal with these problems in the minds of many.

The deficit figure of $73.2 billion in H. Con. Res. 218, in my humble judgment, is far too high. As was stressed in testimony before the Budget Committee, even though inflation is being eased somewhat, if we follow a path of excessive fiscal and monetary policy, there is a real danger that inflationary pressures will be set off all over again. Inflation, in turn, will bring up more recession if rising prices cause the people to stop buying.

A massive Federal deficit could have serious effects on the private credit market. This too would interfere with our efforts to promote economic health and overcome the recession. Under a deficit as contained in the resolution, the Treasury would have to borrow significantly more in the capital market this calendar year than has ever been borrowed before in any single year by both the private and public sectors. This could set in motion sharp competition between the Federal Government and private borrowers for capital funds. The result could be rising interest rates and overturning of the economic recovery and rising unemployment.

What makes the problem still more serious is the fact that deficit figures do not constitute nearly all the Federal debt that will be generated during the year. The activities of so-called off budget agencies and the federally sponsored and federally guaranteed borrowing that will take place must also be taken into account. These could amount to more than $20 billion in borrowing.

The resolution endorses excessive stimulative spending. It should have been learned from our experience during the 1930's that the Government cannot spend its way into prosperity. During that period, extremely high unemployment continued in spite of a variety of job creating programs. That lesson seems to have been completely forgotten.

I might say that during that period in our history, in 1931 we had an unemployment rate of 15.9 percent in the Nation; in 1932, 23.6 percent; in 1933, 24.9 percent; in 1934, 21.7; in 1935, 20.1 percent; in 1936, 16.9 percent; in 1937, 14.3 percent; in 1938, 19 percent; in 1939, 17.2 percent; in 1940, 14.6 percent; and the year that we entered World War II, 9.9 percent.

So, we ought to take a lesson from the past. We had all the alphabet programs one could think of trying to increase employment and bring down those unemployment figures, and the record shows that it just did not work.

Not only is the stimulative spending endorsed by the resolution excessive, it is also the wrong kind. The resolution proposes to add many billions of dollars to the budget for public works programs. In addition to being extremely costly, public works programs by their very nature are very slow starting, and most of their impact will come after the need to stimulate the economy no longer exists.

This means the public works program would have to have a limited effect in fiscal year 1976 in overcoming recession and would have a severe inflationary impact in fiscal years 1977 and 1978.

And so it goes for the stimulative effect of the public service jobs. These, too, have many drawbacks. Studies have shown that public service programs over a period of time add very little to the net amount of additional jobs. Instead, they tend to displace regular jobs by subsidized public jobs and substitute public spending in place of State and local spending. The proper approach is to allow our free enterprise to work more toward creating jobs and to minimize economic distortions such as have occurred in the past years due to Federal spending policies.

There is reason for concern as to what this resolution does to our defense program, and I might say that this should be a real concern to everyone.

The Secretary of Defense came before our committee with a series of charts, and I want to call them to the Members' attention. They are set forth in our hearings. I want to direct the attention of the Members to one chart, which appears on page 349 of the hearings, which shows the comparison of the production of various implements needed in case of war between the United States and the Soviet Union.

I was amazed to find that our production in only one category exceeded that of the Soviet Union, and that was on helicopters.

In armored personnel carriers, the United States in 1972–74 produced 860. The Soviet Union in the same period produced 4,400.

In tanks, the United States in that period produced 462. The Soviet Union produced 3,000.

In helicopters, the only one that we were ahead, we produced 920. The Soviet Union produced 710.

In the tactical fighter category, we produced 540. The Soviet Union produced 930. In bombers, we produced none. They produced 10.

In attack submarines, we produced three. They produced five.

In warships, we produced 11. They produced 39.

In strategic submarines, we did not produce any. They produced six.

How about the inventory? The inventory estimates are that in tanks the United States, which is supposed to be the most powerful nation on earth, has 9,000. The Soviet Union has 40,000.

Armored personnel carriers, we have 27,000. They have 40,000.

Artillery, we have 6,000. They have 20,000.

Helicopters, 9,000 for the United States, 2,000 for the Soviet Union.

Tactical fighters, 5,400 for the United States, 6,000 for the Soviet Union.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. LATTA. Mr. Chairman, I yield myself 5 additional minutes.

In bombers, we exceed in our inventory that of the Soviet Union. We have 498. They have 180.

Nuclear submarines, the Soviet Union has 64, the United States 80.

Warships, 189 for the United States, 220 for the Soviet Union.

Strategic submarines, the United States has 41, the U.S.S.R. 62.

General purpose submarines, 10 for the United States; 200 for the Soviet Union.

I wish that those who believe that we ought to cut the defense budget further would keep these figures in mind before offering their amendments.

For a number of years there has been a constant erosion of the U.S. defense effort while at the same time there has been a steady increase in defense spending by the Soviet Union. In recent years, outside of retirement pay, the Soviet Union has outspent the United States on defense by at least 25 percent.

The Congress simply cannot keep spending for practically every imaginable type of domestic assistance program and assume that we can shake down the defense budget for all or a part of the money. As a practical matter, that cannot continue.

Someone has calculated that if the erosion in our defense program continues at its present rate, in 10 years' time we will be down to the Secretary of Defense; no soldiers, sailors, airmen, or marines at all, just the Secretary of Defense, and he would be armed with a single rifle.

With the state of things in the world today, we cannot allow a continuation of this erosion of our forces. The resolution contains some arbitrary cuts in the proposed defense budget that could lead to significantly reduced readiness of our forces, and in my view, these reductions must be modified.

The items I have discussed represent some of the serious shortcomings of the resolution, as reported by our committee. The resolution also contains substantial increases above the budget in such areas as social services, community development, manpower, health and education, and these are in areas where reductions or adjustments must be made if we are to bring outlays and the deficit down to a tolerable level.

The major lesson that I believe we must learn today is that Congress must exercise strict fiscal discipline if we are truly interested in promoting responsible Government and a sound and healthy economy. That applies not only to what we do with this budget resolution. The acid test comes when Members are called on to vote on other legislation, on the appropriation bills and on the authorizing legislation.

Mr. Chairman, I have just been handed a statement by the President of the United States pertaining to this resolution, and I would like to read it. It is dated April 30, 1975.

It reads as follows:

> This week the Congress has an opportunity to show the American people where they stand on fiscal responsibility.
>
> Under a new procedure established by the Congress last year, Budget Committees have been established in both the House and the Senate. These Committees have been hard at work since the 94th Congress convened. Each Committee has now produced a resolution calling for a ceiling on Federal spending for fiscal year 1976 and these resolutions will come before the Members for a vote this week.
>
> As you know, when I signed the tax cut bill, I drew my line on the Federal deficit at $60 billion. I reaffirm my commitment to that $60 billion ceiling and urge in strongest possible terms its acceptance by Congress.
>
> Both the House and the Senate resolutions would raise my ceiling. The Senate resolution would approve a deficit of $67 billion; the House $73 billion. I strongly believe my limit is far preferable to either alternative.
>
> Until now, there has been no mechanism for instilling discipline in the total spending actions of the Congress. Instead, the legislative process has proceeded in a piecemeal fashion, each Committee acting on its own. As a result, no one in Congress was responsible for assuring that we could afford everything that was enacted.
>
> Our economic circumstances cannot tolerate such a haphazard approach. Therefore, I urge, in the strongest possible terms, that both Houses of Congress adopt a spending

ceiling resolution. The national interest requires that Congress draw a firm spending and deficit line.

Mr. ADAMS. Mr. Chairman, I yield 10 minutes to the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Chairman, serving on the Budget Committee this year has been an extremely enriching, educational experience for me. I am somewhat ashamed to confess that after some 20 years in the Congress there were many things I had never been able to fit together in their accurate perspective prior to having the opportunity to serve on this committee. I further think it would be a great experience for every Member of the House to have the privilege and responsibility of trying to sit down and put together in some composite form the budget expectations and probabilities of the Nation.

This budget resolution projects a total deficit for the coming fiscal year of $73.2 billion. As an abstract proposition, I suppose any one of us would say "no" to that kind of a deficit. If we were to ask any citizen if it were a good idea to have a $73.2 billion deficit simply for the sake of having such a deficit, I think his answer would have to be "no." Just as a person would have to say "no" if one were to ask him in the abstract whether it was a good idea for him or his family to borrow a lot of money. As a simple proposition, it is not a good idea to be in debt. Almost everyone would agree with that. But almost everyone also would have to agree that there are some circumstances in which it is both necessary and unavoidable.

I do believe that if we look at the historic movement of the Federal debt in connection with the historic movement in the gross national product over the past 30 years, we may see the estimated figure of a $73.2 deficit in a slightly less terrifying perspective.

In fiscal year 1945, 30 years ago, the gross national product—all the goods and services turned out by this entire Nation—amounted to $216.8 billion. In that year our Federal debt was $259.1 billion.

Ten years later, in fiscal year 1955, our gross national product had grown to $378.6 billion, and our Federal debt had grown to $274.4 billion.

Ten years ago, in fiscal year 1965, our gross national product had taken a tremendous jump to $654.2 billion, while our Federal debt had grown to $323.2 billion.

The estimate for fiscal year 1975 is that our gross national product will stand at $1,434,000,000,000, and that our Federal debt will come to about $538.5 billion.

Mr. Chairman, here is the point of my making this recitation. I think these figures have a relationship, one to the other. Just as the amount of money that a family might reasonably, healthily and manageably expect to borrow has a relationship to the net worth of that family and to that family's annual income, so does the amount of debt that the Government of the United States can sustain have a reasonable relationship to the amount of money that the economy is generating.

For example, Mr. Chairman, let us take the 1945 figures and hypothecate a situation roughly analogous to a family. If it were reasonable for a family making $21,000 that year to sustain a debt of $25,000 or $26,000, or if it were reasonable, assuming the 1965 figures, for a family earning $65,000 in a year to sustain a $32,000 debt, then perhaps it is not altogether unreasonable to expect a family making $143,000 a year to sustain a debt of $53,000. This would be comparable to the growth of our national debt as related to the growth of our national income.

Let us consider the percentage of the gross national product which the Federal debt represents. This next chart reflects these facts. In 1945, 30 years ago, the Federal debt was 119.4 percent of our gross national product. By 1955 it had shrunk to 72.5 percent. By 1965 our Federal debt was 49.4 percent, just almost exactly half of our gross national product. In fiscal 1975, even in spite of the fact that our gross national product has not been growing in the past few months, the debt is 37.6 percent of our gross national product.

What these figures indicate, it seems to me, is that over the past 30 years the Federal debt, measured as a percentage of our gross national product, rather than increasing, has steadily and consistently declined.

A great deal of concern has been expressed about the ability of the capital supply markets in the United States to finance a $73 billion deficit without triggering distortions in the interest rate, exerting upward pressures.

I must confess that I have been concerned about that, and yet I think the figures reflected on this next chart may set the gravest of these apprehensions at rest, at least to a considerable degree. These reflect the last 3 fiscal years and the total demand for loan funds in the United States.

In fiscal 1973 the private demand for loan funds stood at some $189.8 billion. Private capital sources were seeking that much money to finance economic activity in the private sector. State and local borrowings amounted to $12.6 billion, and the total Federal borrowing came to $32.9 billion. One can see that for fiscal 1973 the total demand for credit in the United States was $235.3 billion.

In fiscal 1974 private demand was $184.1 billion. State and local demand was $16.8 billion, and the Federal demand was $23.4 billion, for a total of $224.3 billion of total demand.

In fiscal 1975, the year which will end on June 30, it is estimated that the total private demand for borrowing will have come to only $112.8 billion. One can see the very substantial decline in private demand for capital funds. That is, of course, both a result and a contributing cause of the recession. Business is not optimistic about the future. Consumers are not optimistic about the future. They are not seeking to borrow money because they are so apprehensive about the future of the economy.

State and local governments will be borrowing this year $15.9 billion, less than they borrowed in the last fiscal year, and the total Federal requirement will have grown to $61.5 billion in the capital markets.

But the significant thing, it seems to me, is that in fiscal 1975 the total aggregate demand for borrowing comes to only some $190.2 billion, which is considerably less than that for fiscal 1974, which was $224.3 billion, and considerably less than it was in fiscal 1973, which was $235.2 billion.

The First National City Bank of New York in a recently published paper declares that for the first 3 months of calendar year 1975, January, February, and March, private demand had shrunk to the point that on an annual basis it would come to only about $100 billion. This is almost $90 billion less than the private sector was seeking in fiscal 1973.

If on top of that level of private credit demands we add Federal borrowing to the extent of $73.2 billion, the two would impact money markets only to the level of about $173 billion. What I am suggesting is that, as distasteful as this level of Federal debt is to me and I am sure to all of us, in this present situation we obviously need a stimulative budget. Most of the projected deficit is the direct result of the severe economic decline. We must do those things necessary to get us out of the depression and put Americans back to work and begin an upward climb. Until we do this, there will be no way to reduce the deficit.

We must be realistic, of course, and face the fact that to the degree we are successful in sparking economic revival, we will stimulate more private demand for investment capital. But I do believe these figures indicate that there is room, given an accommodating attitude on the part of the Federal Reserve, to accommodate this much Federal borrowing without increasing interest rates.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, there are a couple of points I would like to make and then end up with a question. What concerns me is that statistics of $110 billion of total private borrowing alluded to by the gentlemen. The fact that it is so low today certainly points out one of the basic problems in our economy, and that is that there is not enough private investment nor confidence enough in private investment in this country to stimulate a resurgence of our economy, the construction and housing and jobs and a better standard of living which we want for America.

Mr. WRIGHT. I quite agree.

Mr. KEMP. The question some of us are asking, I say to my friend, is: What role do we think the Federal Government should play in stimulating our economy? The gentleman says if there is an accommodating Federal Reserve expansion of money supply the gentleman thinks we might be able to accommodate the huge credit demands of Government borrowing. Could the gentleman tell us what he thinks an accommodating increase in the money supply would be?

Mr. WRIGHT. I think a normal growth of 4 to 6 percent in the money supply would accommodate this much additional Federal borrowing while at the same time allowing room for a stimulus to private borrowing. If we do not stimulate private activity, obviously we have not achieved the result we are seeking.

Mr. KEMP. I agree with you that a 4 to 5 percent growth rate is desirable, but is the gentleman suggesting more and more Government spending will stimulate private spending?

Mr. WRIGHT. As a matter of fact I think that may be quite correct. To the extent we put Americans back to work, to the extent the stimulative facets of the budget direct themselves to reducing unemployment rolls and putting people back to work and back in the business of earning money on which they base purchases, I believe that it does stimulate the private economy.

Mr. KEMP. Is it not a question how we put people back to work, not necessarily just putting them back to work in the public sector, where one out of every five Americans today is working? Is it not a question how we put them back to work so they are producing taxes instead of just consuming taxes?

Mr. WRIGHT. Obviously the most desirable thing of all would be to put Americans to work in private business turning out goods and services for sale. However, when we have about 9 percent of the work force unemployed at the present time and 24 or 25 percent of the work force in the construction trades unemployed, and a vast inventory of construction equipment lying idle, I think it is the role and responsibility of the Government to do those things necessary to get those people back to work. That in turn stimulates production and transportation of construction equipment and goods and that in turn puts more people to work in the private sector. In many communities it will create the infrastructure through public works which will attract additional private investment. I think we can demonstrate that each dollar spent, for example, on the interstate highway system has generated investments of at least $8 or $9 in the private sector in job-producing business enterprises.

Mr. KEMP. Could I make a point before the gentleman finishes

Mr. WRIGHT. I promised I would not take much more time. Perhaps later in the debate we can continue this colloquy.

Mr. Chairman, in closing let me say this one thing only, that whatever the Members of the House in their wisdom decide to do about this budget resolution, whether to raise or lower the projected deficit, I want to plead that we support the final product. When the majority of the House has worked its will, then let us vote for the resolution. If we should fail to adopt a budget resolution, we be refusing to adopt any kind of overall target. This, of course, would subject the Congress itself to the most severe and justifiable criticism.

So I plead that whatever amendments Members think reflect their philosophy of a good budget, get on record and vote for them; then when the majority has worked its will, in the interests of the institution itself, in the interest of the future, and in the interests of regaining congressional control of the budget, support the budget resolutions on final passage, so that we can have at least some yardstick.

Mr. LATTA. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. KEMP).

Mr. KEMP. Mr. Chairman, I would like to say to my friend the gentleman from Texas (Mr. WRIGHT) that I appreciate the hard work both the gentleman from Texas and my friend, the gentleman from Washington (Mr. ADAMS) have done on this Budget Committee. I could not agree more that the Budget Committee is absolutely mandatory if we are going to get a hold on this budget process, but I would also say to the gentleman it seems to me that the basic premise outlined in their approach is that Government spending is the best way to stimulate the economy.

I would like to say why I disagree.

When I came to this Congress, or when I was elected in 1970, unemployment was around 4.2 percent and the Federal budget was $193 billion. We are today debating a budget in fiscal year 1976 of upward of $390 billion while unemployment is hovering around 8.7 to 9 percent and higher in my area of western New York. If, in fact, Government spending were the answer to creating employment and stimulating the economy, why is it that as we have doubled the Federal budget, we have doubled the unemployment?

Mr. WRIGHT. Mr. Chairman, for one thing, we have more than tripled the gross national product. I am not an advocate nor an apostle of Government spending. I am certainly not an apostle of debt, per se; but in the present situation I would have to say to my friend, the gentleman from New York, that while the best possible world would be investment in the private sector, the Government has the responsibility to do some things to revive the economy and revive the hopes of the private sector, to the end that they will make those investments and capital expenditures and pull us out of this recession. These are the things we have to do.

Mr. KEMP. Mr. Chairman, I would agree with the gentleman that the Federal Government has a responsibility to support programs that will increase incentives for investment and savings in this country. This will create jobs, stimulate construction and finance a more stable recovery than all the deficits in the world.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. LATTA. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. KEMP. Mr. Chairman, I would say to my friend, the gentleman from Texas, that when the gentleman presents those charts showing the borrowing of the Federal, State, and local governments, and the percentage of the GNP, we also ought to show to our colleagues on the floor—and I am sorry more are not here—we ought to show them the percentage of private investment as a percentage of the gross national product. How much of the GNP are we investing in our private, productive sector? I would say in juxtaposition with every other economy in the world, our rate of investment is noncompetitive. We have only 10 percent of our GNP reinvested. Japan has 35 to 36 percent. West Germany over 30 percent. Even France is over 25 percent.

We are not investing enough capital in the private and productive sector to create jobs and stimulate housing and produce a higher standard of living in this country. That is what bothers me, that we are expanding the public sector to such a degree that the Government sector is interfering with the private sector's ability to create wealth.

Mr. LATTA. Mr. Chairman, I yield 10 minutes to the gentleman from California (Mr. ROUSSELOT).

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will be glad to yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I would want to ask about the information I have received that the deficit will not be $73 billion, but that there is an additional $30 billion. Where do those figures come from, and are they justified?

Mr. ROUSSELOT. Mr. Chairman, I will try to answer the question, and perhaps some member of the Budget Committee would care to respond.

It is my understanding that there have been additional projections by various people in the Treasury Department, the Federal Reserve Board and by others even in this Congress, including the chairman of the Appropriations Committee, that there may be additional add-on debt, even though we set the debt limit at $73 billion. The reason for even more add-on debt is because of so many add-on programs, and cost the Congress has tacked on to appropriations bills going through this House in the past few months. The add-on's to the high debt, by the time we get to the conclusion of fiscal year 1976, may well exceed even the $73 billion add-on deficit that is projected by the majority vote of this Budget Committee. The answer to the gentlewoman's question is that this Congreses, this House, constantly adds to appropriation bills, rolls over even our own Appropriation Committee and adds just as we did this week to the "free lunch" program a billion and a half dollars we have a bad habit of adding a billion and half here, and by the time we get to the end of fiscal 1976, it well could be as Chairman MAHON has said, $30 billion more, than even the liberal projection of the budget committee.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, may I just take a minute to answer the gentlewoman's question? The chairman of the Appropriations Committee, on which I am proud to serve, said several months ago when the budget was first prepared that the projected unified budget deficit, adding to that the borrowing from the States and adding the borrowing to finance off budget agencies and other financing, totalling them all up for the next 18 months, he predicted $166 billion or $170 billion of net borrowing by the Federal Government alone, not to say what State and local governments must do.

At that point, my concern is that we will be taking 4 out of every 5 dollars of private credit available in the country, which is going to be borrowed by Federal, State, or local governments. That is a frightening statistic to those of us who believe in free enterprise.

Mr. ROUSSELOT. Mr. Chairman, I think the gentlewoman has made an excellent point. I know the gentleman from New York identified an important source of the $30 billion add-on. Part of the problem has been—and what the Budget Committee is trying to resolve, although I do not think quite strongly enough, but at least it has made the attempt—is that unfortunately in the past, if an individual Member of Congress tends to justify an add-on item on here, an add-on item on there, that same Member then says, "Well, I voted against that appropriation, so I am really basically a fiscal conservative because I voted against the Defense Department appropriation. Therefore, I am a fiscal conservative even though I may choose, as an individual, to add on a lot of other places amendments that contribute to massive additions."

So, the gentlewoman makes an excellent point. I do not think anybody can accuse the chairman of our Appropriations Committee of being irresponsible. He has been willing to accept add-ons in appropriations. I think the point is well taken.

The problem is that constantly we justify to ourselves, as individual Members, certain additions to the appropriation process as we go along, and there is no attempt to put a cumulative ceiling some place. That, of course, is the purpose of the Budget Control Act and its constituent efforts as we go through the process.

Mr. Chairman, I will offer at the appropriate time an amendment to this resolution, with consistent figures, to call for a balanced budget at roughly a $300 billion expenditure level.

Mr. Chairman, I rise in opposition to House Concurrent Resolution 218 as reported by the House Budget Committee. In my estimation, the Federal spending and the deficit that would be called for in the committee's reported resolution for fiscal year 1976 would result in giving the economy another dose of inflation-recession—an action which I do not think the economy can tolerate, and an action which I do not believe the citizens of this Nation can tolerate.

It is for these reasons that I will offer an amendment in the nature of a substitute during consideration of House Concurrent Resolution 218. My substitute calls for a balanced budget in fiscal year 1976—the only solution to restoring long-term economic stability, and stimulating job-producing programs. The job-producing programs I am referring to are those which will be developed in the private sector as a result of easing the Government-caused inflation, and creating an atmosphere whereby industry can expand. The committee would have us continue the same economic philosophy that has gotten us into the situation we are in now. More Federal spending leads to more inflation which causes recession, and the spiral will continue if we in Congress continue to treat the symptoms by providing a larger dose of the cause. My alternative would shift the emphasis in the economy from the Federal sector to the private sector, and I believe it offers the Members of this body a clear choice between continuing inflation-recession, or moving the economy toward long-term stability.

At this point, I would like to direct a few questions to the chairman of the committee, Mr. ADAMS:

First, on page 16 of your report, you state that the $73.2 billion recommended deficit for fiscal year 1976 is "unavoidable and necessary." If the recession is caused by inflation, and we know that it is, and the inflation is primarily caused by the financing of the Federal deficit, and we know that this is also true, how can you believe that your proposals can do anything to help the economy pull out of the recession?

Second, it is obvious to me that the answer to finding jobs for our Nation's unemployed lies in creating an atmosphere whereby private industry can expand and production can be stimulated. Full production would lead to full employment—and employment without inflation. On page 17 of the committee report, you state that:

> (I)n 1973, 83% of manufacturing capacity was utilized. By the final quarter of 1974, capacity utilization was down to 75.9% (Federal Reserve Board index), and all indications are that utilization declined further during the first quarter of 1975.

Production cannot be stimulated if the Treasury is absorbing all the capital in the private money market, or the Federal Reserve increases the supply of money in the economy to finance the deficits—the only two ways to finance Federal deficits both of which are inflationary and neither of which can produce jobs. How can the committee recommendations start us on the road to expanding job-producing programs in the private sector when it continues the inflation-recession that has caused the unemployment in the first place?

Third, also on page 16, the committee report states that Treasury borrowing to finance the committee's recommended deficit will not displace borrowing in the private sector, and it gives as one of its reasons that, "private demand for loans has fallen rapidly during the current recession." However, the committee report goes on to state:

> If the stimulus to current economic activity provided by the Committee's budget recommendations revives lagging demand and production in 1976 as expected, this expansion will probably restimulate private demands for investment funds. Given that result, continued Federal borrowing at the fiscal year 1976 level could compete with revived private loan demand and drive interest rates beyond what many borrowers could afford. Under those circumstances, to avoid high interest rates would require a further expansion of the money supply in excess of productive capabilities. This excess supply of money could lead to higher rates of inflation, if the strength of private demand again rises strongly.

Would you please explain to me and several other confused colleagues, how this makes sense? Is what you are saying that the committee recognizes that the money will not be available in the private money markets for industry expansion and job-creating economic activity, and that we have no hope of moving toward economic recovery under the committee's proposals? If this is the case, it is a point on which we would agree, I might add.

Mr. Chairman, at the appropriate time, I will be offering my substitute and the following is a comparison between my alternative, the President's budget, and the committee's proposal, House Concurrent Resolution 218, as reported. I urge my colleagues to study this comparison carefully, and to join me in this effort to set aggregate budget totals balancing the budget for fiscal year 1976—the only levels that will insure that the economy will start on the road to long-term recovery, and job-producing economic activity.

I include the following:

COMPARISON OF THE ROUSSELOT SUBSTITUTE WITH THE PRESIDENT'S BUDGET AND THE BUDGET COMMITTEE'S RESOLUTION

[In billions of dollars]

	President's budget	House Budget Committee's resolution (H. Con. Res. 218)	Rousselot substitute (H. Con. Res. ——)
Estimated revenues for fiscal year 1976	$297.5	[1] $295	[2] $299.4
New budget authority	385.8	395.6	300
Budget outlays	349.4	368.2	[3] 299.4
Deficit for fiscal year 1976	51.9	73.2	0
Increase in the public debt limit (currently $531,000,000,000)	65.4	93	[4] 11.4

[1] After $4,400,000,000 was deducted in anticipation of the extension of the Tax Reduction Act of 1975 to 1976.

[2] Does not include extension of the Tax Reduction Act—if such estimate adjustments are required, they should be accomplished in an additional budget resolution as allowed under sec. 304 of the Congressional Budget Act.

[3] Balanced with anticipated revenues.

[4] Primarily composed of the outlays of the off-budget Federal agencies.

The committee suggested that the anticipated revenues for 1976 would be roughly $300 billion. Actually $299,400 million.

My belief is that if one were to talk to any major money manager in this country and said to them, "If you came to the Federal Government, do you think you could get along on $300 billion and manage a budget in that constraint?" the overwhelming majority would say, "Yes, that seems like a reasonable expenditure level. I think I can live within that constraint."

My belief is that we should set that target, to live within that anticipated revenue of $300 billion.

I know there are all kinds of justifications—and I am sure I might quote an exception here or there—but I wish to announce to this Congress today that I would be willing to suffer setbacks even in that area where I thought an appropriation might be increased here and there, say for fire protection in the Angeles National Forest, which is in my own district, if only this Congress would finally come to grips with the argument that we should be responsible, like any other level of government, any city council, any State government, the overwhelming number of which must live within the constraints of anticipated income. But we do not do it. We constantly say to ourselves, "Well, here there are exceptions. Here is another exception." And never once have we really lived up to that "claim" that we are great champions of a balanced budget.

I have looked in the records of every single Member of this Congress, and well over 70 percent of this Congress campaigned aggressively last election for a balanced budget and said so in their campaigns.

Do the Members believe that we will abide by that in this simple resolution, which is only a target resolution? It does not even commit us to a final course in 1976 because we come back here, as the chairman of our Budget Committee has said, in September and revise those estimates. I believe we should.

I believe we should send a major signal to this Nation and say, on the basic elements of this resolution, five basic points, that we intend to live within a cash flow of $300 billion and we intend to do it in fiscal 1976.

And so that is why I will offer that resolution at the point that I believe it is appropriate for that issue to be debated and considered. I wish to do so in order that this issue can be put before us, because we are only setting targets for 1976. We basically have 18 months to respond to that goal of trying to live within $300 billion. And I would be more than willing to leave the final decision to the total Congress and maybe even lose in some areas where I think the level of expenditure should be higher than some of my other colleagues. I believe the Members would send, by accepting that concurrent resolution that I am recommending, a message to the entire country that for once we intend to debate the issue of living within a very substantial projected revenue of $300 billion, and do it.

I realize that there will be some legislative requirements of change in present law in some slight ways coming out of various legislative committees, but I would be willing to have the response come from those legislative committees because I know of the problem, of the ongoing commitment to in place legislation.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. LATTA. Mr. Chairman, I yield 2 additional minutes to the gentleman from California (Mr. Rousselot).

Mr. ROUSSELOT. Mr. Chairman, I thank the gentleman for yielding.

Mr. SHUSTER. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Pennsylvania (Mr. Shuster).

Mr. SHUSTER. Mr. Chairman, I commend the gentleman from California (Mr. Rousselot) for his statement.

There has been much talk here today about percentage of debt going down in relation to the total gross national product, and much talk about the comparison of family debt to the Government debt.

Would the gentleman not agree with me that there is a vast difference between comparing Government debt and family debt, because when a family borrows money, it is the same family which pays back that debt eventually? However, when the Government borrows money, it is not the same people. Rather, it is one set of people which borrows the money, and it is the children and grandchildren of those people who must pay that money back.

Mr. ROUSSELOT. The gentleman is correct, especially when the Federal Government goes into the market place, it is an entirely different situation. That is deficit financing which presently is costing us roughly $33 billion a year in interest charges. Our problem here today, as the gentleman knows and has pointed out, is not just the add-on deficit of $73 billion that our budget committee is recommending, but also the refinancing of the tremendous, massive debt that is already on the books. Therefore, while my colleague from Texas talks about only $61 billion of loan demand for Federal debt instruments to finance this debt, there is also the rollover of current debt we already have. So if the goals of this resolution are actually realized, the treasury will have even greater interest charges with which to cope.

Mr. SHUSTER. Mr. Chairman, if the gentleman will yield further, will the gentleman not agree that while he talks about $33 billion in interest now, based on this add-on factor with respect to the national debt, it is not going to be $33 billion in interest; it is going to be close to $40 billion a year this year and every year of our lives and the lives of our children until we are told when and how this debt is going to be repaid?

Mr. ROUSSELOT. I thank my colleague, the gentleman from Pennsylvania, for his comments. I want to say that the interest charges could be even more.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. LATTA. Mr. Chairman, I yield 2 additional minutes to the gentleman from California (Mr. Rousselot).

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman's yielding.

It could be even more than $40 billion or $45 billion add-on cost in interest charges, if the Federal Government has to go out in the marketplace to finance this recommended debt and to pay at even higher interest rates, if we commit our Federal Government to that kind of $73 billion add-on debt.

Mr. D'AMOURS. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. Yes; I yield to the gentleman from New Hampshire.

Mr. D'AMOURS. Mr. Chairman, I appreciate the gentleman's remarks.

I mentioned balanced budgets in my campaign as an objective.

Mr. ROUSSELOT. Mr. Chairman, I hope the gentleman will agree with me and support my resolution.

Mr. D'AMOURS. Before I consider supporting the gentleman's proposed amendment, can the gentleman indicate to me how much of an effect that $300 billion budget will have on unemployment?

Mr. ROUSSELOT. Yes, I would be glad to estimate it, if I can. I am not sure the gentleman will accept my analysis of the projected situation. I sit on the Committee on Banking, Currency and Housing, the Joint Economic Committee, and other related subcommittees, so I have had a chance to look at those estimates or projections.

Part of the problem that we now face is that the Federal Government presence in the marketplace is so great that it nearly preempts available capital. For instance, last year the Federal Government took up 60 percent of the total amount of money that was available in the marketplace. The Federal Government, if we approve this budget recommendation, will not only have to refinance the old debt, but we will have to add on $73 billion of new borrowings. The estimates by the Treasury Department are that if we adopt the policies of this resolution it could take up anywhere from 80 to 85 percent of the total of the money available in the private market place to finance old debt. Added to that problem is the new commitment.

My answer to the gentleman is this, that the Federal Government cannot create one single job that it does not finance out of the hip pocket of the taxpayer, the working people of this country, the 85 million working people of this country or the alternative method of making by demands on our children and grandchildren through deficit financing.

So that the answer to the gentleman's question is that I believe that the private marketplace in the housing field, general construction, new tools for manufacturing, provide the real long-range employment, not an overabundance of Government-created jobs.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. ADAMS. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. Ashley).

Mr. ASHLEY. Mr. Chairman, I rise in support of House Concurrent Resolution 218. At the outset I want to commend the gentleman from Washington, the Chairman, Mr. Adams, and his counterpart, my good friend and colleague, the gentleman from Ohio (Mr. LATTA) for efforts which really deserve our respect, admiration, and congratulations.

The startup of this budget process was not meant to be an easy one. I think that the Chairman of the Committee of the Whole, the gentleman from Missouri (Mr. BOLLING) knows full well what I am saying. It has been a most difficult job. It has taken an enormous amount of not only hard work, but understanding and commitment on the part of both sides, on the part of all the Members, indeed, of the House Committee on the Budget.

Mr. Chairman, I think we all recognize that the new budget process is of enormous importance to the future of our Nation. I think we are aware of the responsible role Congress must play in the formulation of the fiscal policy of our Nation, if public confidence in our system of government is to be rebuilt and strengthened. We must accept this responsibility. We must make the new process work.

If I may say so, Mr. Chairman, I think that this was very much what President Ford was saying in a letter that was delivered to our ranking minority member, and read by him, the gentleman from Ohio (Mr. LATTA).

I rise in support of the resolution before us not because I think it is perfect—because I do not believe that at all—I support the resolution because it reflects at least a general concensus on the levels of Federal taxing and spending that should be approved during fiscal year 1976.

As I say, the task of the Committee on the Budget was not an easy one, because we were faced with widely divergent positions: On one hand, the administration's budget that, at least in the view of most, was not sufficiently stimulating to promote recovery and reduce unemployment substantially and, on the other hand, the spending plans of the various House committees, which, again in the opinion of most, would have resulted in a staggering deficit of nearly $100 billion.

I think the committee recommendation provides considerable stimulus to the economy. I think it does this without resulting in an unreasonably high or unmanageable Federal deficit. It was done, generally, by accepting only those new spending proposals that involve job-producing activities—housing, public service jobs, accelerated public works projects, and so forth, which can be quickly activated and which will not become part of the permanent program fabric which obviously burdens future budgets.

I think it is important to recognize that our deliberations today go beyond the fiscal 1976 budget, and this is what I think the gentleman from Ohio (Mr. LATTA) quite appropriately was talking to. We must understand that our national economy is not a giant spigot that can be turned on and off by the actions of the Federal Government. Total Government spending at all levels, State, local, and Federal, represents about 35 percent of the gross national product. The Federal Government itself accounts for about 21 percent of the gross national product. The remainder, that is to say, the other two-thirds of our total economic activity, is attributable to the private sector. It is here, Mr. Chairman, that we must look for most of the jobs that can return us to full employment.

But the private sector must be given the opportunity to respond. It is quite true, in my view, that unlimited congressional pump-priming denies this opportunity and works at direct cross-purposes to promoting recovery and jobs, because the credit necessary to fund ongoing Federal deficits becomes unavailable to business, which can function effectively only when it does have prompt access to the money market at interest rates which are reasonable.

Personally, Mr. Chairman, I suppose I might be more comfortable with a lower deficit than the $73.2 billion recommendation of the committee. I think this amount can be handled, however, during fiscal 1976 without the inflationary pressures and without crowding business out of the credit market. My reservations go to fiscal year 1977 when an economic upturn is all but certain, and upturn which can be short-circuited if in that year there is anything like the same level of deficit and Federal spending that can be justified in fiscal year 1976 for stimulative purposes.

What I am saying is that, in my judgment, on balance I consider the resolution to contain honest and responsible recommendations, and on this basis it has my support. But for the reasons that I have indicated, I will find it very difficult, nay, impossible, to support any amendments which add to the size of the budget and to the deficit as proposed by the committee.

As I have pointed out in my supplementary views, the reordering of national priorities is a laudable pursuit until it becomes my priority that is being reordered. Yet, if none of us is willing to yield on our priorities, then the price must and will be paid in certain inflation and certain joblessness. Because I believe the resolution addresses itself responsibly to the dual problem of recession and inflation, I urge its adoption.

Mr. LATTA. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. DEVINE).

Mr. DEVINE. Mr. Chairman, this is a real tragedy. Here we are, the U.S. House of Representatives, debating under a statutory rule of 10 hours one of the most important pieces of legislation that has come across this body. Less than 10 percent of the membership is on the floor of the House to listen to it. I do not know where all of those eager beavers are who were here yesterday waiting to vote on Vietnam. They have all disappeared. They must not be concerned about the budget and the state of the inflation of this Nation.

I was going to ask the Chairman if the Sergeant at Arms ought not go up and see if somebody has locked the doors to the press gallery. Two people were up there a while ago. I do not know how many are there now, but it looks like ghost town up there.

No one seems to be interested in this most important piece of legislation.

We properly created in the last Congress this Budget Committee. I understand they have hired 65 people on their staff already to do the job we have asked them to do. But nobody seems to be interested. Where is everybody, Mr. Chairman?

This budget situation is horrendous. Those of us who are here know at least this Congress generally has a bad reputation. Look at the polls. They downgrade the Congress more than anything else, and this may be an example why. On the other hand, we are criticized because we take too many recesses, although I think that perhaps might be in the best interest of the Nation that we do go back home and get the views of the people and find out what they think. Maybe we will change our ways.

Yes, we are talking about a budget deficit of $72 billion. A great deal of it has been swept under the rug. Probably it will be a great deal closer to $100 billion.

I will tell the Members why. Those who are responsible know who they are. It is a great thing to tell your constituents and it is the easy thing to do in Congress to vote "yes" on everything. They can go home and tell their people: "Look what I did for you." And who can afford to go home and say: "I voted against school lunches?" But we do not talk about the fact that we blew the budget by $1.3 billion to do that. We just say: "Look what I did for you." On the education budget we did a similar thing. And we cannot be against education or against teachers or against old folks. We say: "I voted aye. I voted aye."

But when it comes to raising revenues to pay for the excesses, then where are those who voted aye?

They must vote no and be "responsible." We all are tarred with the same brush back home no matter how we vote. We voted for the tax cut legislation and I am sure we made a serious mistake. The President should have vetoed it. We reduced revenues by $25 billion and yet Congress continues to spend at current and even greater rates.

What does this do? It puts us under an obligation to fund programs with money we do not have, so we have to go out in the private sector and borrow money. That dries up money from private sources and it runs up the rate of inflation and it hurts the little people we are trying to help.

Before our final vote there will be amendments to reduce this legislation from $72 to $70 billion, or maybe $65 or $50 billion, or maybe even balance the budget. Many big spenders will vote "aye" to reduce so they can go home and say: "I voted to cut the budget" and it will be their only conservative vote of the whole session. That is why I think Congress has such a bad reputation and why it is rated so low in the polls of this country.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. DEVINE. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I commend the gentleman for his speech and for the stance he has taken in the last 15 to 18 years in this body. I think what the gentleman is saying is the system we are operating on with the deficit spending really rewards the irresponsible and is the root of all our problems in the United States.

Mr. DEVINE. I thank the gentleman.

To say "I told you so" does not help. The thing we must do is to hit the cause and not the effect, and the cause is big spending. We do not produce a nickel's worth of things in Washington. We are really distributors. We have to take from the people back home before we can give it to them, but we take less from them than we can give back, and that is why we have inflation.

Mr. ADAMS. Mr. Chairman, I yield 7 minutes to the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Chairman, the first concurrent resolution on the budget comes before the House of Representatives at a time when we as a nation face bewildering and complex economic problems both at home and abroad.

At home, we have the unholy entanglement of inflation and recession. Thousands of workers are idle, millions of others are being burdened with the high cost of living. Our great industrial complex, from the huge River Rouge plants to the smallest manufacturers, are shut down or operating far below capacity. Internationally, the Vietnam ordeal has been long, arduous, and extremely costly in every way. An acute energy shortage results from our international dependence on oil and related raw materials. The integrity of the dollar is threatened in even the most remote corners of the globe.

In every respect, a new sense of urgency confronts us all. We in the Congress have been elected to provide leadership, no matter how difficult or seemingly impossible that task may be. We must not shirk our responsibility, for in the long run there will be no escape from that responsibility.

It is no secret that congressional leadership in basic budgetary decisions has been diluted over the past several decades. With almost unconscious abandon, we have allowed, through backdoor spending provisions, multiyear appropriations, and similar measures, approximately 73 percent of our Federal outlays to become virtually uncontrollable. Our public debt now well over $500 billion and estimated to exceed $600 billion in this resolution, is staggering. Yearly Federal deficits have reached such totals that our annual net interest payments, what the taxpayers pay, is in excess of $20 billion. I do not have to tell you the hardships this places on our elderly, our young, and our people with modest incomes.

Congress has not been particularly successful in the past in its attempts to establish an orderly procedure for determining national spending and revenue policies and priorities. In the Legislative Reorganization Act of 1946, Congress tried to assert new and meaningful control over the budget process through creation of a legislative budget. After three unsuccessful attempts to use this device, it was abandoned as an unqualified failure.

When the legislative budget failed, the omnibus appropriations bill of 1950 was put into effect to require the House Appropriations Committee to combine the numerous separate appropriations bills into one omnibus measure. After limited success in 1950, in January 1951 the committee voted to return to handling appropriations bills separately. When in 1953, the Senate proposed a return to the omnibus plan, the House did not respond.

Neither have other more recent attempts to manage logically national spending and revenues had enough force to provide real control. The idea of a Joint Committee on the Budget was approved seven times between 1952 and 1965 in the Senate without House consideration any of those seven times. Also the spending limits Congress attempted in the Johnson years did not give Congress the strength it needed either. When spending was held down, it was accomplished by selective executive impoundments after Congress had appropriated funds.

Certainly, a satisfactory approach to congressional control was not found in cutbacks on spending in the 1967 continuing resolution that required executive branch agencies to hold down obligations. Nor can much be said for the 1968 effort to cut Federal spending by $6 billion via the Revenue and Expenditure Control Act, or the 1969 and 1971 tries at establishing a ceiling on expenditures.

We have needed a rational procedure to manage the country's finances for a long time. Now we have it. Now we can no longer afford to ignore it in favor of piecemeal approaches at arriving at national priorities or at attempts to hack away at expenditures by across-the-board cuts that take away our budgetary discretion. If Congress is willing to discipline itself, we will have a budget based on reason and foresight and a means to turn around the country's economic situation.

The Congressional Budget and Impoundment Control Act gives the Congress a process for reason. It well affords us an opportunity to exert authority long needed by the Congress. Rather than simply reacting to the President's budget, we can now take a proactive stance with a legislative budget based on better and more complete analyses. This first resolution culminates an intense and reasoned beginning effort to arrive at totals which will serve as a gage of our future legislative actions. The members of the committee, although not in total agreement on every assumption, have been able to set aside their differences in the interests of creating reasonable aggregate figures and an important fiscal and economic mechanism.

I want to compliment Chairman ADAMS for the fine work he has done in directing this committee and in motivating us to work together to formulate the first resolution on the budget that promises a sound approach to Federal budgeting.

And so, Mr. Chairman, I support this legislation. This is an area where there is great disagreement; witness the fact that my good friend who preceded me in the well berated us in Congress for being all too often high spenders. I plead partial guilt to that, although I can say that I join with the gentleman in some areas such as the school lunch giveaway program last week where I tried to save some money.

That is not the issue before us. The issue is, what do we do about the state of our economy? We in this committee have two concerns, two basic concerns. One is unemployment. The other is inflation. They are both deadly, deadly diseases, in our body politic. We have got to find some answers to it.

The American people are looking to this institution. True, our rating in the polls is low; but who rates highly in the polls in the eyes of the American people? The executive branch does not rate highly. Our financial institutions do not rate highly. Our religious institutions do not rate highly. The American people are disillusioned with most of their institutions, including their Congress. But they are looking to Congress for solutions.

I think this is a good piece of legislation. I want to commend our chairman, the gentleman from Washington (Mr. ADAMS) for taking on a new job with a new committee, probably a first in American history, trying to get this body, this Congress, to discipline itself and come up with a budget. No easy task I say to you. I commend the chairman for a job well done. That is what we are trying to do here. We are trying to find solutions rationally.

I am encouraged because there is strong opposition to this budget resolution. I am encouraged because the opposition comes from either of two groups of extremists who say, "You are not spending enough" or "You are spending too much."

Some oppose this resolution because the $73 billion deficit is too high and others oppose it because the deficit is too low.

Here we are, as so often happens in the Congress. We have the coming together of two groups from the extreme left and the extreme right of the economic spectrum saying, "We both oppose your legislation for absolutely different reasons."

What does that say to me and to the rest of us who like to think we are rational and moderate? It says there must be something good about this resolution. We are trying to come up with a compromise figure insofar as the deficit is concerned. We speak of $73 billion as the correct amount. We are not that far wrong. The President himself starts out with $60 billion. So the differential is between $60 billion and $73 billion.

Now, none of us have the kind of insight which can say with absolute preciseness wherein between $73 billion and $60 billion the true figure rests. But reasonable men and women can get together and work that out.

This rate of spending will protect us against massive and increasing unemployment, hopefully, by stimulating our economy and it will also protect us, hopefully, against a tremendous inflation by rejecting greater deficits.

I think more important is the fact that we do establish a congressional budget for the first time. There are many who say that we are incapable of establishing this congressional budget. They say that Congress is too undisciplined a body to form a budget. This is our first attempt.

I submit we cannot and we must not fail. We have got to come forth proposing a budget with the necessary figures, as our committee has recommended, compromise them out as we hope to do tomorrow; but once that debate has taken place, for heaven's sake, let us pull together and vote yes to this budget resolution. It would be a most disastrous thing, not only for the country, but also for the Congress if we were to show the Nation that we were incapable of approving a congressional budget.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Texas.

Mr. MAHON. Mr. Chairman, does the gentleman from Connecticut take the position that, regardless of our fiscal philosophy, regardless whether we lean toward more spending or less spending, it is urgent that we must not abandon budget control legislation in order that we can pursue the objective of getting a better handle on Federal spending?

Mr. GIAIMO. Yes, I do.

Mr. MAHON. Does the gentleman advocate that those of us who are pretty conservative in our views and think the deficit proposed is too high, vote for this resolution? Conversely, does the gentleman advocate that those who feel that the budget deficit is too low, vote for the resolution? Does the gentleman think we all, as a practical matter, should vote for some sort of bill after the House has worked its will?

Mr. GIAIMO. I think we should express our disagreements and differences of opinion as to the magnitude of the budget deficit when we address it in the amendments process, but then after that has taken place, I urge the Members to abide by the committee resolution as amended and come forth with a budget.

Mr. MAHON. Mr. Chairman, I think all of us are concerned that our vote on this resolution will not be misinterpreted as to our political or fiscal philosophy, but I am inclined to agree with the gentleman that we must proceed to try to make this new procedure work successfully. How successful we may be at the beginning is, of course, uncertain, and what may happen thereafter is uncertain, but surely we need to move in this direction and demonstrate the will to get a better handle on Federal revenues and spending.

Mr. GIAIMO. I thank the gentleman.

Mr. LATTA. Mr. Chairman, I yield 10 minutes to the gentleman from New York (Mr. KEMP).

Mr. KEMP. Mr. Chairman, I rise as one of the cosponsors of the Budget Control Act and as someone who has been constantly concerned and interested in getting control over the runaway Federal budget process. I am glad to join my distinguished chairman of the Appropriations Committee on that committee and I look forward to working with him and serving under his leadership in the future of that great committee.

As I understood his question, should we vote for this particular resolution primarily because we have no alternative? Is that what my distinguished chairman's statement was?

Mr. MAHON. Mr. Chairman, if the gentleman will yield, I will say that I was just raising the issue, I might say to my friend from New York, as to what some of us should do who are very much troubled about this situation. I do not think we want to destroy this program, and we do not want to place ourselves in a false position. If we vote down the resolution, after we have tried to amend it and work our will, it would seem to me to be a step in the wrong direction. That is my general view. What could be done toward revising the legislation during House consideration remains to be seen.

Mr. KEMP. Mr. Chairman, I appreciate the gentleman's answering that for me, because again I say that I have such a great respect and regard for the effort he has made over the years to help control Federal spending and I am opposed to this resolution of deficit spending. It is a recipe for recession and inflation.

One of the interests I have had in this whole process, I say to my friends who are here, has been to try to get a handle on the Federal budget and the huge deficits so destructive to the American economy. The statement has been made that we are dealing today with both unemployment and inflation, and that should be quite obvious to all of us. Unfortunately it is more fun and better politics to fight recession than it is to fight inflation.

What we are dealing with is a resolution which has as its budget authority $395 billion for fiscal year 1976, $73 billion of deficit and submit the taxpayers of this country will reject it. I mentioned earlier in the debate that when I came to the Congress, or when I was elected in 1970, the Federal budget for fiscal year 1970, was around $195 billion, and unemployment was hovering around perhaps 4.5 percent.

Today we are talking about a budget authority of $395 billion, just a few years later, and unemployment is 9 percent; even higher in New York State. Government spending and out of controls deficits are strangling free enterprise. So there is a legitimate debate about what creates jobs and what creates prosperity, and what helps stimulate the economy of America.

I say, as one Member of this body on the minority side of the aisle, I welcome this debate. I think it has been too long in coming. I think all of us ought to welcome it in the spirit of the process in which we as legislators must decide what is the best source of economic stimulation in our country.

I might also add that in the last 5 years there has been $150 billion of deficits and who can deny the fact that unemployment is up and inflation is up? Deficits destroy jobs and only stimulate inflation rather than recovery.

This is an important debate, for the future of a free and prosperous America and I just say again, like my good friend from Ohio (Mr. DEVINE), I wish there were more Members here to participate and to be edified by this debate.

Mr. KREBS. Mr. Chairman, the gentleman in the well just mentioned the gentleman from Ohio (Mr. DEVINE), who stood here 15 minutes ago and lectured this Congress about the poor attendance; whereupon, the gentleman from Ohio (Mr. DEVINE) left the Chamber.

Mr. Chairman, I am making the point of order that a quorum is not present to give the gentleman from Ohio (Mr. DEVINE) an opportunity to participate in these discussions.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that he will vacate proceedings under the call when a quorum of the committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

CALL OF THE HOUSE

The CHAIRMAN. A quorum of the Committee of the Whole has not appeared.

The Chair announces that a regular quorum call will now commence.

Members who have not already responded under the noticed quorum call will have a minimum of 15 minutes to report their presence. The call will be taken by electronic device.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 165]

Andrews, N.C.
Barrett
Biaggi
Bingham
Boggs
Breaux
Broomfield
Brown, Calif.
Burton, John
Carr
Chisholm
Clausen, Don H.
Cohen
Coughlin
Crane
Delaney
Dellums
Derwinski
Downey
Drinan
Edwards, Calif.
Eshleman
Evins, Tenn.
Fascell
Foley
Ford, Tenn.
Fraser
Ginn
Gonzalez
Hansen
Harrington
Harsha
Hastings
Hawkins
Hébert
Horton
Jones, Ala.
Kastenmeier
Koch
LaFalce
Lott
McFall
McKinney
Mathis
Mikva
Mills
Mollohan
Mosher
Mottl
Murphy, N.Y.
Nedzi
O'Hara
O'Neill
Peyser
Price
Rees
Reuss
Rhodes
Riegle
Rodino
Roe

Rosenthal
Russo
St Germain
Satterfield
Scheuer
Shipley
Shriver
Slack
Stark
Steiger, Ariz.
Stokes
Sullivan
Teague
Thompson
Traxler
Vanik
Whitten
Wiggins
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Young, Fla.

Accordingly, the Committee rose; and the Speaker having resumed the chair (Mr. BOLLING) Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution, House Concurrent Resolution 218, and finding itself without a quorum, he had directed the Members to record their presence by electronic device, whereupon 349 Members recorded their presence, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. When the Committee rose, the gentleman from New York (Mr. KEMP) was recognized for 5 minutes.)

Mr. KEMP. Mr. Chairman, the premises that I was making before the quorum call were twofold: a) that those of us who supported budget control did so in the hope that it would lead to controlling this out of control Federal deficit, and b) a second premise is that we must enlarge that sector of the economy to which Government must rely for its resources. that is, the productive or private sector.

May I say to my colleagues today that the only way to create employment; the only way to create a better standard of living for the American people; the only way to reduce poverty in this country and to stimulate housing and construction; the only way to do the many socially desirable things that all of us want to do for the future of this country, is to increase the amount of capital investment per capita.

This budget resolution fails on both accounts and in fact will help strangle the capital market to accomplish the type of recovery we want.

I would suggest that this resolution today is a recipe for profligacy. I made the point earlier that in the last 5 years we have had $150 billion of deficit. We have had a growth of the Federal budget from $190 billion to $390 billion. Is there a man or woman in this Chamber today who can tell me that unemployment has been reduced? Of course not. Unemployment, as a result, has gone from 4.5 percent in 1970 to 8.7 percent today. In fact today I am informed Bethlehem Steel in Buffalo is laying off 2,000 more workers.

Unemployment is a result of unwise, out-of-control Government deficit spending. The same politicians who were on this floor a few weeks ago saying that there is not enough mortgage money to finance the recovery of housing are the same ones who have run this deficit into uncontrollable proportions, taking the money out of thrift institutions in order to finance the borrowing needs of the Federal Government and thus killing the housing market. As the chairman of the Appropriations Committee said several months ago:

> The budget calls for spending in fiscal year 1975 of $313.4 billion and $349.4 billion in fiscal year 1976. This is an increase from 1974 to 1975 of $45 billion and from 1975 to 1976 of $36 billion. This will cause a unified budget deficit of $4.7 billion in 1975 and $51.9 billion in 1976, but the total additional increase in debt will be $52.8 billion in 1975 and $67.8 billion in 1976—an increase of $120.4 billion over 2 years. If that will not shock the American people to the marrow of their bones then we as a nation are insensitive to the fiscal situation which confronts us.
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> The total increase in the amount of the debt which must concern us over the next 18 months is not the $87 billion increase in the Unified budget but the likelihood that we will go into the capital market for as much of $150 to $170 billion just on the matters proposed in this budget. That amount, alarming as it may be, does not reflect the liability associated with loans guaranteed by the Government.

The implications of the chairman's remarks are grave for all of us who are charged with the constitutional responsibility of exercising fiscal and monetary responsibility.

Let me put before this House, in chart form, what the chairman put before us several days ago:

PROJECTED FEDERAL DEBT INCREASES

[In billions of dollars]

	Fiscal year—		
	1975	1976	Total
Projected unified budget deficit	$34.7	$51.9	$86.6
Borrowing from the trust funds	+8.3	+3.1	+11.4
Borrowing to finance off-the-budget agencies	+13.7	+10.4	+24.1
Other financing	−4.1	+2.2	−1.9
Subtotal: projected real base deficit	52.8	67.6	120.4
Effects of congressional refusal to support President's proposed selected spending reductions	+5.9	+17.0	+22.9
Subtotal	58.7	84.6	143.3
Possible congressional action on proposed tax cuts offered by the President	+4.3	+19.0	+23.3
Total	63.0	103.6	166.6

The likelihood of the Federal Government borrowing nearly $170 billion or even $100 billion from the capital markets in this Nation over the next 18 months is staggering. Interest rates would soar to even new record highs; and there would be little, if any, money left for private borrowing by manufacturers, homebuilders, et cetera. Inflation would rise steadily as the Federal Reserve System pumped up the supply of new money—through extensions of credit to boost available funding for borrowing. A deeper recession and higher inflation could well set in. Thus, these measures—designed to get us out of recession—would actually put us further into it, all caused by trying to cure our problems with inflated dollars.

The basic issue, I think, is the role the Federal Government, the role of the public sector in the economic recovery of this Nation. I agree with those who said earlier that we do have a role. The same methods that were used in the 1930's as the gentleman from Ohio, the ranking minority Member on the committee, pointed out don't work, unemployment in 1938, after 6 years of these very same programs, was higher than it was in 1930 and 1931. It was 17 percent at the start of the depression, 1930–31 and in 1938 was 19 percent plus.

Look at what has happened to Great Britain.

Great Britain spends $128 billion, or 60 percent of their GNP. If we juxtapose the budget in Great Britain with that in the United States, it would mean that we would have an equivalent Federal budget in the United States of $900 billion; 60 percent of all spending in Great Britain is now consumed by the Federal Government and we are headed in the same direction.

At this point, we have about one-third of our GNP consumed by the public sector. Public spending, as a share of the gross national product, is around one-third, 33⅓ percent. Federal, State and local spending as a percentage of private income, business and personal income in this country, is 43 percent. Taxes and inflation are destroying jobs and asphyxiating free enterprise.

In the President's own budget figures, they show that for the year 1985—10 years henceforth the public sector of our economy—local, State and Federal Government—will consume 55 percent of all private income in this country. By the year 2000, it will be 66⅔ percent. That is without any new spending programs.

The point is that if we do not control this out of control Federal budget, if we do not exercise some restraint, if we do not match revenues with our expenditures, we are going to come to a point far before the year 2000 where we have done great damage both to incentive and to productivity not to say what damage will be done to freedom of choice in this Nation.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. LATTA. Mr. Chairman, I yield 9 additional minutes to the gentleman from New York.

Mr. KEMP. Mr. Chairman, it is evident by the fact that Government today dominates our way of life. It permeates it. Almost everything we do or want to do is circumscribed by regulating policies and bureaucratic dictates of Government. And, it is at great cost to the taxpayer—both in terms of the pocketbook and in terms of individual freedom.

These are but a few of the many indicators which reflect this growth of Government.

The public sector continues to absorb an increasing share of our gross national product, GNP, despite significant relative declines in defense spending. The share of GNP absorbed by the public sector rose from 26.5 percent in 1954 to 32.8 percent in 1974. It will rise even more in fiscal years 1975 and 1976.

Civilian domestic expenditures increased dramatically from 12.9 percent of GNP in 1954 to 25.4 percent in 1974, while at the same time the share of GNP absorbed by national defense was cut nearly in half from 13.7 percent of GNP to 7.4 percent, in 1976 it will be less than 6 percent. And, half of the growth of civilian domestic expenditures represents totally new governmental growth—requiring both increased taxes and more deficit spending.

In 1952, after 163 years since the inception of our Republic, Federal expenditures for domestic purposes totaled $12 billion. In the succeeding 20 years, those expenditures increased by $12 billion every 2 years—I repeat, every 2 years. And, the growth has been even steeper in the past 7 years. In the fiscal year 1969 budget Federal expenditures for domestic purposes totaled $72 billion. By contrast, for fiscal year 1976, they will total $273 billion.

All levels of government have grown at rates exceeding the general growth of the economy; the Federal growth has not been at the expense of State and local government growth.

In 1954 Federal domestic expenditures accounted for 5.5 percent of GNP. By 1974, it was 13.8 percent of GNP.

Federal aid, which accounted for 11.4 percent of State and local general revenue in 1954, expanded to 26.5 percent in 1974. And, State and local expenditures grew during this 20-year period from 7.4 percent of GNP to 11.6 percent.

The bureaucucracy which depends upon this growth—and the tax dollars to sustain it—grew too. Almost 15 percent of our Nation's employed labor force now works for Government—1 out of every 6—in civilian capacities. To that, we would also have to add all those in military capacities.

The bureaucracy which depends upon very well for itself too. The average annual earnings of Federal employees now exceed the average annual earnings in private industry by a staggering 46 percent and they have increased more rapidly than earnings in any other major sector. Similarly, the average annual earnings of State and local employees have increased almost as rapidly as earnings of Federal employees, now themselves exceeding earnings in private industry by 6 percent.

One can now make more money by working for any level of government than working—in a productive capacity—in the private sector. The implications of that should be apparent and distressing.

All of this is sustained by the taxes imposed on the people and our businesses, and we should never forget that the people pay all the taxes—either directly through income, sales, real estate, gasoline, and a myriad other tax devices or indirectly through higher prices paid for goods and services purchased from companies big and small.

The Federal Government alone will take $1,336 from every man, woman, and child to finance that part of next year's budget met through tax receipts. It will, of course, finance the rest of the budget through deficit financing, which places a greater public debt burden on all of us. What the Government does not take in one form—taxes, it will take in another tax, is the erosion of purchasing power through the inflation tax.

That $1,336 per person—or $5,344 for the "average" American family of four—compares to $899 per person during the first year of the Nixon administration, to $566 the first year of the Johnson administration, and to $497 the first year of the Kennedy administration. And, the increase in 1976 over 1975—in just 1 year—is almost 6 percent.

The "average" family in 1953 had an income of $5,000 and it paid 11.8 percent of that income in direct Federal, State, and local taxes. By 1974, that "average" family had an income of $13,000, but it was paying 23.4 percent of family income in such direct taxes—almost a dollar out of every four earned.

That tax burden means that if a man or woman works a 40-hour week, that all the income for the first 9½ hours is for Government. Looked at in calendar terms, one has to work from January 1 until about the last week in March for the Government's share of income. And, of course, this is only for direct taxation. Add to it the indirect costs of Government—such as higher prices which must be paid by the consumer because of taxes on corporations—and by some estimates it takes until mid-May each year to work off Government's share of your income—over 40 percent of private income. The most recenlty compiled statistics of the U.S. Bureau of the Census show that Government revenues—direct and indirect—equal 42.6 percent of the national income. We cannot long endure at such levels.

Yet the pace continues—and it is gathering momentum.

The Morgan Guaranty survey in February reported that official Department of the Treasury estimates confirmed that the Federal Government was spending in the first half of 1975 at an annual rate of 17-percent more than during the first half of 1974.

Writing in his book-length study, "The Growth of American Government: A Morphology of the Welfare State," Dr. Roger A. Freeman, a former adviser to several Presidents, now at Stanford University, depicts the logical consequence of such growth in this way:

> A straight projection of governmental trends of the 1952–1972 period would produce results by the year 2000 that seem absurd. There would then be one person working for government for every 1.75 persons in private employment—compared with a ratio of 1 to 4 at the present time—and governmental spending would equal 70 percent of the GNP.

Big government at these levels and the maintenance of freedom are inconsistent.

What all of this—Government's continued and growing interference in the economic lives of the people—adds up to is declining economic freedom. To the degree that economic choices are governed by the policies and actions of Government, rather than by oneself, freedom is diminished. Once that process starts, it too easily leads to the eventual loss of freedom.

Does one have genuine economic freedom when one gives up over one-third of his income to Government?

Or, when he involuntarily surrenders his purchasing power because of Government-created and Government-fostered inflation?

Or, when he cannot plan his future and that of his children—for school, for retirement, or for whatever—because Government's policies are so unpredictable and are so corrosive of his livelihood?

I think not.

The essence of economic freedom is freedom of individual choice in the marketplace.

Does one have that freedom when one cannot get a loan—for himself or his business—because the money is so tight and the interest rates so high?

Or, when his life savings can be wiped out in several years' time by double-digit inflation.

Or, when he cannot buy a product or pay a freely negotiated price for it because of Government-control created shortages on one hand or mandatory price regulation on the other?

I think not.

There are countless more examples which could be cited.

Which can best assure an enduring revitalization of our economy: Government through a stimulative budget and the deficits which necessarily arise from such a budget, or the private sector of the economy—private industry—through investment capital sufficient to bolster productivity and create more jobs?

I think it is clearly the latter, and its proof is in our recent experience.

We have had Federal deficits 16 out of the past 18 years—substantial and sustained Government stimulus for the economy. It ought to be obvious by the highest unemployment rate in decades and by the lowest productivity rate in 37 years—both of which we now have—that these budgets and deficits—this stimulus—have not assured our prosperity.

Quite to the contrary, they have brought us record-high prices, double-digit inflation, massive unemployment, substantial stockpiles of goods, and virtually total disillusionment with the problem-solving abilities of Government. That last point—but not the preceding dislocations—may be encouraging, if we learn from it.

The reasons why these disastrous consequences arose from such policies ought to have been obvious to everyone while they were occurring, not only after they occurred.

We should, therefore, be moving to eliminate deficits, not create additional ones. To create additional deficit is blatantly counterproductive, for it is this borrowing of money from the Nation's capital markets by the Federal Government which drives up interest rates and drives down available capital for private individuals and businesses, and it is the monetizing of the national debt which produces the additional increase in money stock which causes inflation.

When Government spends more than it takes in, it still must pay its bills. It pays those bills through borrowing funds from the same financial institutions that lend them out privately to businesses, to contractors, to prospective home purchasers, et cetera. The more capital Government takes out of the markets, the less remains.

Thus, competition for those dollars remaining allows those institutions to set higher rates of interest. This, in and of itself, reduces the amount of speculative capital, because those with speculative ventures cannot nearly as well afford to pay the higher rate of interest. But, the effect is higher interest rates, and when businesses, contractors, home purchasers, and so forth, cannot borrow, recession is the inevitable result, meaning the loss of productivity and jobs.

The Federal Government, unlike you or me, has another way to pay off its bills. The Government may pay off a portion of its new debt by monetizing it—a process by which the Federal Reserve System extends credit to its member banks, through "high-powered" money devices. If the money supply increases faster than production, higher prices are always the result. There has never been a dramatic increase in money supply in the last century which has not been followed by a dramatic increase in prices. As the rate of inflation goes up, so to does the rate of prices, following by a few months to a year.

The conclusion to be drawn from this is that deficit spending must be substantially reduced—with the eventual goal of balancing the budget.

The borrowing from private markets—required to finance a large share of the deficit—"crowds out" or preempts the private credit and capital so necessary to housing markets and construction in general.

When Government borrows from the capital markets, it crowds out the mortgage money. Capital is diverted away from mortgages for home, commercial, and industrial construction. The result is depressed construction and rising unemployment. That unemployment starts first among those actually engaged on the sites, then works its way backward through the manufacturers of materials used in construction—from electrical wire to nails.

Senator **William Proxmire** of Wisconsin, the chairman of the Senate Committee on Banking, Housing and Urban Affairs, pointed out last August 22 the effect of this "crowding out" phenomenon. For every $10 billion taken in Federal borrowing, approximately 500,000 new housing starts cannot begin for lack of mortgage funds. That results in the direct loss of over 1 million jobs and the indirect loss of over 2 million more.

By comparing those statistics to the bill considered yesterday—spending nearly $6 billion for public service jobs—we can see how much that $6 billion drain from the capital markets will hurt employment. It will prevent about 300,000 jobs starts from getting off the ground this spring, resulting in direct unemployment of about 600,000 and indirect unemployment of an additional 1.2 million—1.8 million altogether.

It simply does not make sense to jeopardize, then destroy, 1.8 million tax-generating productive jobs to create—at even the best, most optimistic estimate—900,000 tax-consuming, essentially unproductive jobs.

Yet, the concurrent resolution before us mandates that we continue these counterproductive policies—even in the face of a growing awareness that the stimulation provided through it could substantially overheat the economy—driving up both the rates of inflation and interest—in the months to come. That could set off another recessionary spiral—perhaps even worse than the present one.

My distinguished colleague, the gentleman from Connecticut (Mr. **Giaimo**), with whom I serve on the Committee on Appropriations, expressed this concern in his additional views accompanying the report of the Committee on the Budget to the House in this way:

> A policy that contributes to more inflation is a policy that contributes to increased discouragement on the part of the American people. We may have reached the point where people do not believe inflation will cease. Recent polls indicate that 75 percent of the American people see prices continuing to rise. If this is true, it is an easy step to understand why businesses will not drop prices and why labor unions demand sizeable cost-of-living increases in contracts.
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> I am troubled when our Government must be a "necessitous borrower" whose requirements must be satisfied even if it means indirectly penalizing individuals, corporations, and State and local government. I am also troubled when I see evidence of uncertainty and confusion for Americans when they can no longer plan for the education of their children, for their retirement years, or in some cases for the day-to-day well-being of their families. We must ask ourselves to what extent massive deficit spending, year after year, removes incentives and freedom of choice from private investors. We must realize that a large deficit is no "free lunch."

It could not be better expressed—especially when there are alternative policies available to us—policies which we could pursue as rapidly as those constituting the rationale underlying the concurrent resolution before us.

I speak, of course, of pursuing policies designed to assure adequate investment capital formation.

The adequacy of capital formation can be assured only through a consistent, coherent, coordinated economic policy—

To reduce the bias in our existing tax laws against capital formation, most notably our present corporate and small business income tax structure;

To ameliorate the harsh treatment of capital gains;

To end the individual taxation of dividends;

To provide greater incentive for increasing individual savings;

To establish more productive guidelines for depreciation allowances such as increasing the asset depreciation range from 20 percent to 40 percent;

To stabilize our fiscal and monetary policies and to reduce those regulations and controls that are stifling competition and forcing consumers to pay higher prices in transportation, energy, and other areas of our economy;

To reduce the cost of Government and reduce commensurately the tax burdens placed upon the people, leaving them with more funds to invest; and

To establish a limit on both Federal revenue and expenditures, assuring thereby that the growth of Government would be limited, insofar as its relation to the people's wealth is concerned and assuring that Government borrowing from the capital markets to finance deficits would be greatly reduced.

All of this is sorely needed.

A tabulation of growth rates by the Organization for Economic Cooperation and Development of 20 advanced economies for 1960–70 put the United States in 18th place—3d from the bottom.

We anticipate a capital shortfall of $1.5 trillion—that is 1,500 times $1 billion—over the next 10 years in what it will take to assure continued growth in our prosperity—even to stay at the standard of living at which we now find ourselves—to avoid sliding even further backward. This shortfall means we will be underinvesting $400 million each and every day for a full decade.

These startling figures are why I believe the highest priority of our economy should lie in the nurture and stimulation of capital formation—for corporations, for small businesses, for farmers—because everything the American people want and need grows out of that capital formation.

What could happen in this country if we do meet this challenge is so encouraging that every Member of Congress ought to be working every day to assure it. Assume that we meet this challenge and invest sufficient capital to sustain a 5.2 percent real growth rate.

America in 1985 would have:

First. A 50 percent decline in the number of people living in poverty—which means 12 million fewer poor people.

Second. A total of 20 million more jobs for Americans—the work force would grow from 86 million to 106 million people—up a full 25 percent

Third. An increase in median family income of 75 percent.

And, fourth, 35 million more housing units.

Mr. DEVINE. Mr. Chairman, will the gentleman yield?

Mr. KEMP. I yield to the gentleman from Ohio.

Mr. DEVINE. I want to compliment the gentleman. I know the gentleman took the floor, in a group of about 30 of us, 6 or 8 weeks ago. I know the gentleman personally gave this message to the President of the United States at a meeting this morning, where I was present, and I want to compliment the gentleman for his leadership and his enthusiasm to followthrough on this.

Mr. KEMP. I appreciate the gentleman's comments.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. KEMP. I yield to the gentleman from Texas.

Mr. WRIGHT. I thank the gentleman for yielding, and I would say that a number of things the gentleman is saying are things that most of us could embrace philosophically.

The gentleman talked about the need to stimulate investment in the private sector. Is the gentleman aware that a part of the reason we project this deficit is because we do provide a 10-percent investment tax credit that is going to have a $3.450 billion loss of revenue this year? We can stimulate more. We provide this 5-percent credit for housing investments in the private sector that is going to cost $563 million. There are a number of things.

We do that and we create this deficit,

but the purpose of it is to stimulate activity in the private sector.

Mr. KEMP. I appreciate the gentleman's comments, and I recognize that those are some of the more important ingredients of the tax cut measure. What I observed in the tax cut was that most of the cuts, the preponderance of the stimulation, was toward consumption and not enough toward production.

What I am suggesting to the gentleman—and I would appreciate the gentleman bearing with me—is that the quickest and most efficient and most effective way to create jobs in this economy and stimulate housing and put people back to work and to create tax revenues to the Federal Government is to cut the tremendous tax burden on the private and productive sector, the productive people, of this country.

Let me make a statement to the gentleman that I think was alluded to earlier by the gentleman from Ohio. I am not so doctrinaire as to believe that we need a balanced budget in any one fiscal year. I recognize the concept that over 1 or 2 years it may take a stimulus, but I would like to see the stimulus come in the productive sector as well as in the consumption sector. The tax cut bill does not do enough to create new productivity in durable and capitol goods, its mostly stimulating consumer goods spending. I would rather see a person get a job than a $100 rebate, especially when those who pay no taxes get up to $400 rebate.

I suggested earlier an accelerated jobs creation bill of mine that could reduce the tax loan on individuals and businesses and do more to stimulate recovery than all the emergency new deal type programs ever devised.

These are, I think, basic predicates upon which a healthy recovery will be based. The 1940 dollar is now worth 25 cents. The 1950 dollar is worth 50 cents. The 1970 dollar is worth 75 cents.

The record on which we embarked a number of years ago to suggest to the American people that the way out of economic stagnation is for the Federal Government to finance recovery and put everybody to work with a Federal rake and a Federal hoe is not the answer, as pointed out by the gentleman from Ohio. It did not work in the 1930's. It did not work in Great Britain. Sixty percent of England's total private industry is now nationalized and controlled by the central bureaucracy.

The problem in America today is that we are consuming more than we are producing. The total indebtedness of the United States of America is $2.6 trillion. There are $1.1 trillion of corporate debt, $600 billion of mortgage debt, $500 billion of Federal debt, $200 billion of State and local debt, and $200 billion of consumer credit card debt. That is compared to just a few years ago when it was only $400 billion, that is, 1956.

Mr. Chairman, the argument has been made that we can finance $170 billion of debt in the next 18 months without any trouble to the private credit markets of this country. I would agree that while we can, in the short run, do that, it is when the recovery does begin, that we are then going to have tremendous demands for private credit. The only way to finance it at that point will be if the Federal Reserve goes out and monetizes that debt at such a rate as to lead to an inflation that is now trivial compared to what it will be.

Let me tell the Members this: Last month the Federal Reserve expanded the money stock, that is, M-1, currency in circulation plus demand deposits, between 12 and 13 percent. And if you add on M-2, which is currently in circulation, plus demand deposits plus time deposits, you get a 15-percent increase in the money supply. If that continues unchecked, we will have a galloping inflation, and somewhere down the road it will destroy the integrity of the currency of the American people. People say, "Oh you conservatives, you fiscally conscious types, all you care about is money, and not about people."

All right, just let me ask them this question: Can you be concerned about the American people if you are not concerned about the integrity and purchasing power of the dollars? Can you be concerned about the senior citizens of our country who are forced to live on a fixed income and not be concerned about their retirement dollars, the dollars that they put away in the 1940s, and 50's, so that now they do not have enough money on which to live. Can you look labor in the face and tell them you care about their pay check and what it will buy, if you do not exercise fiscal responsibility?

Remember this: God did not create inflation. Inflation is created here in Washington, and that is where the answer and solution is. If we really care about people, jobs, housing and a better standard of living for all Americans, we will exercise restraint and responsibility. We'll come back with a plan to reduce these deficits and then adopt incentives to stimulate the greatest free enterprise system in mankinds history.

Mr. DEL CLAWSON. Mr. Chairman, will the gentleman yield?

Mr. KEMP. I yield to the gentleman from California.

Mr. DEL CLAWSON. Mr. Chairman, Alexander Pope could hardly have foreseen a U.S. national deficit of a predicted $100 billion when he wrote his often-quoted lines in "An Essay on Man":

Vice is a monster of so frightful mien
As to be hated needs but to be seen,
Yet seen too oft, familiar with her face,
We first endure, then pity, then embrace.

But the message is there for us in the Congress in 1975 if we only substitute the word "debt" for vice. And who can argue with the assumption that at some point in time habitual indebtedness becomes a vice?

Spending beyond our national means has progressed from a budget of $118.4 billion in 1965 to a total of $313.4 billion in 1975. The escalation has been rapid, and gaining in momentum. We appear to be increasingly deaf to our own individual "alarm systems". Ignoring the dire predictions of many experts and the rules of plain common sense, we have come to tolerate deficits that boggle the mind. We are willing, apparently, to put off until tomorrow tough decisions that only grow in dimension and complexity every hour they are deferred.

Each increase in the Federal deficit in the last decade must be counted as a failure to face up to the world of reality where money is money and not some mysterious government euphemism known as "funding." The money obviously must come from somewhere even if some erroneously suggest that we are only borrowing from ourselves. But each step into deeper national debt must also be recognized as another advance in a line of progression to a point where finally all restraint is abandoned and we embrace the "vice" of reckless government spending as a goal to be pursued in itself—a concept diametrically opposed to the concept underlying the Congressional Budget Act of 1974.

As we consider the first budget resolution under that act, I believe it is important that the House take a hard, jaundiced look at where we have been and where we are headed on the all-too-easy road to Federal fiscal suicide. The proposed budget deficit of $73.2 billion is not acceptable. The committee resolution fails short of merely holding the line. Worse, it contains authority to stimulate the economy beyond the point of no return so that we will surely embark on a new round of combined inflation and recession. Stepped up Federal borrowing can also be expected to raise interest rates as the Federal Government competes with the very private individuals we are supposed to be serving, the people who are already bearing the brunt of the accumulated excess which led us to undertake budget reform in the first place. The easy way cut is not an escape route; it leads only to the self-imposed destruction of our financial system and the private enterprise economy which, for all its supposed faults, has provided a standard of living and a measure of personal freedom for most Americans unparalleled in the rest of the world.

Mr. ADAMS. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I have had several inquiries as to what procedure the Committee hopes to follow in terms of time, and our discussion procedure. I wish to state that I am hopeful that we will complete general debate today, since we do not have that many more requests for time.

I have discussed this matter with the gentleman from Ohio (Mr. LATTA) on the other side of the aisle, and I have in addition discussed the matter with the leadership. They are going to request, when we go back into the House, that we come in tomorrow morning at 10 o'clock. We will then try to complete the resolution in the afternoon tomorrow, thus being able to give ample time to those who wish to proceed with amendments.

That is the intention of the Committee. We would start the amending process tomorrow morning at 10 o'clock, provided that is provided by the House.

Mr. Chairman, I now yield 5 minutes

to the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Chairman, preliminarily I would like to congratulate the Chairman of this Committee, the gentleman from Washington (Mr. ADAMS) for the very excellent job he has done in bringing our committee of age during extremely troubled times.

There has been much discussion here that we are moving in the wrong direction and are not doing the right thing; that we ought to be able to get a handle on the economy and that we ought to have a balanced budget, and such as that.

I think a lot of us on the Committee on the Budget have been elected to these positions in large part on the representation that we were going to work toward a balanced budget. Certainly I have paid a lot of lip service remarks to that effect on this floor. Unfortunately, we are in the situation where a previous administration has expanded our national debt, trying to live within the framework of a balanced economy, about 50 percent over a period of 6 years, and we are in this rather diabolical situation where our national debt is well in excess of $500 billion, and we are going to have to pay $35 billion interest on that debt in the next year, which is 12 percent of all of the amounts that we pay in taxes. I think this is unfair.

But Bill Simon came before our committee, and he said that if we continue operating the country the way we have been, which means the way the Government has been operating over the past 6 years, we will be operating at a deficit of some $45 billion this year, and $60 billion next year, and then $70 billion the year after that, and if we add this very quickly another $400 billion or $500 billion in just the short 1970 time frame before 1980 will occur, we have got to get a handle on what we are doing, and this effort today is an attempt to set in perspective what the Congress does. We have never taken a looksee at what we do.

I know there is a tremendous tendency to try to reorganize the Government in this bill, and I appreciate the zeal of the gentleman from New York (Mr. KEMP) who just occupied the well before me. that he would like to reorganize Government through the Budget Department.

Certainly I have my own priorities, and I would like to impress those priorities in this bill. We are not trying to change heaven and earth here today. What we are trying to do is to take the President's budget and figure out how much of that we are going to accept and how much of that the Congress, considering its polarizations, will reject, and to come up with a figure, rather than just blindly stacking programs. We are now in the position when we can now recognize in this bill that we in Congress are probably $15 to $20 billion out of phase with the President's budget—this means vetoes and attempts to override vetoes, and misapplications of priorities, and deferrals and rescissions and confusion and a hopeless economy unless we face up to this crisis. We are trying to figure out where we are going from here.

I will tell the Members, basically we have got a basket case economy. Any time we have got to plan a deficit of $70 billion, we are in a basket situation.

I recall some years ago when President Nixon submitted a planned deficit of some $30 billion, we indicated that things were bad because this was the first time that we had to say in advance that we were going to have a planned deficit of any magnitude. We had enjoyed deficits previously under other administrations, but they just came about; they were not planned.

Essentially our plan here in the country today is to stimulate the economy through the tax-refund program, through the other stimuli that we have generally agreed on the majority side, and to an extent on the minority side, to plug in maybe $40 billion to the economy and do it in such a way that we create gross national product, and we create tax revenue, and then we do not have so many people out of work, and so that later on we can borrow back out of the economy maybe $70 billion, or maybe $60 billion, if that is the will of the House and things will get going again, and we can do it. It is kind of a make-soup-from-a-nail kind of approach, but our economists indicate we can do it. I do not think that this bill is really worth everybody's getting exercised about. We have done a reasonably good job, I think, in the committee. We have tried to go over our figures as best we could in a few months' period of time. I at one time took the view that we should not bring this resolution here today, but considering the fact that our figures produce the realization that this House probably is at a minimum $10 billion out of phase with the President, and considering the fact that his priorities are not our priorities, and that his first $60 billion of deficit is not our first $60 billion deficit, and that we are probably $15 billion apart at a bare minimum as of today.

We are not going to get rid of the Federal income tax, and we are not going to have a zero balanced budget.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ADAMS. Mr. Chairman, I yield 5 additional minutes to the gentleman from California.

Mr. LEGGETT. Were we to attempt to take $95 billion out of this budget, as the motion from the minority side might indicate we should do in order to balance the budget, the net effect would be that we would reduce our income by another $35 billion, so that would necessitate not only taking $95 billion out but perhaps another $35 billion. But it would mean that we would be taking the money out of the controllable items, and if we look at the budget printed by our President, it indicates the controllable items are about $95 billion, of which $63 billion is national defense; so unless the motion would contemplate that we actually change the operative structural law in a great number of legislative areas, including social security and railroad retirement and military retirement and military pay, et cetera, what we will do in an attempt to balance this budget is just cause utter confusion, and I do not think we can do it.

I would say that regardless of whatever end figures we come up with, this resolution here today will not be ideal. I voted against the national debt limit before in the past because I have not agreed with the priorities of spending. I would have voted for the debt limit to pass the bill however. I think it is important that we differentiate between protesting the priorities that are set forth in this resolution and not passing the resolution, because I think if we do not pass this resolution, we are going to be in much the situation that we would be in if we did not pass the debt limit bill.

We need equally a debt limit bill and we also need a budget resolution—they are imperative.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, we have had many instances in this House where we have maybe done a great deal, but in some instances we have turned down a bill that has come out of a committee and that does not mean the end of the process. I believe in this budget process. But if this House would say within a few days we have had a disagreement with the Budget Committee and their perception of the five elements of this resolution, that would not mean the end of the process.

Mr. LEGGETT. No.

Mr. ROUSSELOT. It may mean the Budget Committee would have to go back to the drawing board and maybe come back with another five elements. So that does not mean the end of the process if we turn down this resolution.

Mr. LEGGETT. If this House wants to turn down this resolution and to have these numbers changed, that is the privilege of the House, but these are majority House numbers and this is kind of where we are. It is like the national debt. The national debt limit is going to fund health programs the gentleman perhaps may not have agreed to and such as that but a great many people will support the debt limits who do not support everything the debt limit supports and we will have to pay for it. We have to recognize when we vote for this resolution we are not ratifying the priorities that are here and particularly this year when it is only a target.

Mr. Chairman, the opportunity we have today for the House to exert its will to control the Federal Budget represents the culmination of years of intensive legislative effort. We now have a mechanism whereby we can assume responsibility for the budget as a whole, including the deficit, rather than merely passing a series of piecemeal provisions and adding the figures at the end. This procedure comes at a time when we need an effective means of influencing our economic policy to help the country out of this recession. The committee has, in formulating its resolution, received the recommendations of the authorizing and appropriating committees and has consolidated these views and estimates into aggregate totals, acceptance of which represents an opportunity for Congress to act with foresight, instead of hindsight.

Clearly, the assumptions on which these totals are built incorporate strategy to stimulate a national economy in trouble. Unemployment now looms over this nation at 8.7 percent and is expected to reach an incredible 9.3 percent by early summer. Inflation, although it shows signs of abating, still hovers at about 6 percent. For the first time in over a quarter of a century, real disposable income has declined for five successive quarters.

I know there are some Members who object to the size of the deficit figure contained in this resolution. No one advocates deficit financing unless it can be justified to help heal our economy. Let me assure my fellow Members that the size of this deficit figure, in my analysis, is very necessary at this time. Let me assure you that it is no higher than we had to recommend to start this country's economy moving again. It is the recession that must make the resolution's deficit figure so high, not irresponsible action on the part of the committee. Indeed the committee has carefully evaluated the impact of employment-related program increases that will not obligate us to long-term spending. I would strongly urge acceptance of the critically needed public works and public employment initiatives.

Obviously, the aggregate totals represent varying views among the members of the committee and will have to represent some differences of opinions among the 435 Members of the House. Notwithstanding the soundness of the approach that the Congressional Budget and Impoundment Control Act gives us, I would personally recommend that we act formally to modify some of the assumptions used to build aggregate figures, either by amendment to this resolution or by later congressional action reflecting cognizance of this resolution. I would not advocate the limitations on Federal salary increases and on social security benefit increases as part of a strategy to control unreasonable trends in inflation.

These "caps" will have, little effect on general inflationary trends in wages and prices and represent an inequitable control mechanism if some limitations are not placed on the private sector as well. What we need now is an increase in budget authority of $4 million and an outlay increase $0.5 million to permit the Council on Wage and Price Stability to maintain surveillance over price and wage changes in the economy. This surveillance must be accompanied by the authority to question the necessity of proposed wage and price, interest, and profit increases above 5 percent annually and to disallow them in specified instances. In our Macroeconomic figures we have suggested a reduction in national defense.

In the national defense category, the President submitted an authorization request for $107.7 billion, $16.4 billion above the fiscal year 1975 level, an increase of 18 percent. Corresponding outlays were $94 billion, $8.7 billion above the fiscal year 1975 level of $85.3 billion, an increase of 12 percent.

This request was carefully reviewed by the Budget Committee and it was determined that the primary objective of the proposed increase was to maintain the purchasing power of the Defense dollar and, in addition, to provide a substantial measure of real growth for Defense programs in the fiscal year 1976. There did not appear to be any justification for the proposed increase based on any change in the estimates of the threat and, indeed, the Secretary of Defense did not address any such revised threat estimates in his appearance before the committee. The committee then was faced with the question of whether, in the absence of any change in the threat and in view of an impending deficit in excess of $70 billion, we could justify this massive increase in Defense spending.

The answer was clearly that such an increase could not be justified and that the estimate should be reduced to a level which would provide adequately for Defense programs while allowing a balanced approach to the Nation's total economic and budget needs.

In order to accomplish these objectives the Budget Committee did a careful review of the details of the request and concluded that certain adjustments could be made which would take advantage of assets expected to become available to the Department of Defense in fiscal year 1976 without requiring new budget authority. These assets included estimates of funds which will become available from prior year balances and from the sale to foreign governments of surplus military equipment from Defense stocks. Such funds have, in fact, historically been used to finance Defense program and, in view of the growth in unexpended balances and foreign military sales over the recent past, it must be assumed that this source of financing will continue.

The committee also reviewed the requirements for cash balances in the various stock fund accounts. While the need for some increases in the cash-on-hand balances was recognized, and is included in the committee's estimate, it was determined that projected Defense increases in this area was excessive. With good management the stock funds should easily be able to continue and improve services to their customers in fiscal year 1976.

The committee did not include in its estimate the amounts requested for procurement of war reserves for allies and for advanced procurement of equipment which might later be sold to foreign countries. These programs would require legislation to change a proviso of the Foreign Assistance Act of 1974 which precludes such procurement. The committee had no reason to assume such legislation would be approved by the Congress.

In the related area of war reserves for the U.S. forces the committee did recognize a requirement and included funding in its estimate, although at a reduced level from that proposed in the Defense request.

The committee also reviewed in detail the Pentagon's method of calculating the impact of inflation on funding requirements. It compared the factors the Pentagon used with the latest economic data available and found that the rate of inflation is decreasing faster than had been projected in the Defense budget. By applying the latest projections to the appropriate Defense spending categories it was determined that funding requirements for the requested Defense programs would be reduced by almost $1.8 billion in fiscal year 1976 outlays.

Other economic issues, such as sale of oil from the Naval Petroleum Reserves and sale of goods from the strategic stockpile, which require new legislation, were also considered. The committee concluded that the receipts anticipated in the budget would not be forthcoming and, consequently, appropriate changes in the estimates were made.

After concluding the financial review described above, the committee turned its attention to the requested increase for real program growth. The Defense request identified this amount as $5 billion in fiscal year 1976 and indicated that it was meant to reverse the trend of continually declining Defense budgets over the last few years. The committee reviewed this proposal carefully. It took into consideration the fact that the Defense spending in constant dollars had indeed been declining since fiscal year 1968. However, it also noted that within those declining dollars the Department was able to finance an extensive modernization program in many areas, including development of new tactical aircraft, new tanks and helicopters, and the Trident strategic program. In view of these considerations the committee included an amount of $1 billion for real program growth in its estimate.

The effect on employment was another factor investigated. There are no military or civil service jobs affected by this reduction. The only job issue is in defense-related industry. In its budget presentation, the Department indicated that the Defense budget supported 1,494 million jobs as of the end of fiscal year 1975. At the end of fiscal year 1976, this number would decrease by 25,000 to 1,469 million jobs. This is in spite of an 18-percent increase in the request for new obligational authority. Obviously, the increase would not affect employment until fiscal year 1977 and later. Therefore, the Budget Committee recommendation should not affect employment in fiscal year 1976. However, potential increases in jobs which would be created in fiscal year 1977 and later years will not be forthcoming at the rate anticipated.

Another major issue considered, of course, was the request for military assistance to Southeast Asia. The committee eliminated all military support of Cambodia and reduced the request for South Vietnam to the approved fiscal year 1975 level to about $1 billion, but this item is now not needed.

In summary, the recommendations of

the Budget Committee as reflected in the resolution reflect a very significant reduction in the Defense budget as submitted. At the same time, allowances have been made for the effects of inflation and some funds are included for technological growth to insure that necessary programs are not adversely affected.

I emphasize that I am optimistic that the process this resolution represents will provide the basis for reasonable decisions. These totals in the resolution on which we will vote are not to be construed as irrevocable restraints. The resolution is a touchstone by which we can judge the fiscal soundness of congressional future actions.

Finally, I wish to thank our chairman for his concentrated effort and positive approach in helping the committee perform its task. I am appreciative of the hard work he has undertaken to launch this new budgetary process, a process that will have far-reaching impact on congressional action.

Mr. ADAMS. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Chairman, I voted to bring this resolution out for the full consideration of the House. I did so with a very strong feeling of concern because it seems to me that in this resolution as it is proposed there are some terribly inequitable and unjust propositions set forth. One such proposition is with reference to placing the caps on various categories of people, Federal employees and military employees and the disabled and those who are our senior citizens.

Mr. Chairman, we have achieved a remarkable degree of camaraderie, mutual respect, and good interpersonal relations in this House. The climate in which we work tends to obscure the fact that we have not eradicated prejudice, racism, and discrimination in America.

I want to discuss with you what that residue of racism, prejudice, and discrimination means with reference to the caps some seek to impose. I understand that Americans of all races and colors will be adversely affected if the caps are imposed, however, for today I want to focus in on black Americans.

Let us look at the military caps from this perspective.

Black citizens make up 22.4 percent of the new Volunteer Army. Many of them volunteered because there were simply no jobs for them in civilian life. The recession/depression hit black communities with great impact beginning in 1972, and these communities have had to live with chronic, endemic unemployment since the close of Worldd War II.

Black citizens in the Volunteer Army are concentrated in the lower echelon of the enlisted grades; 21 percent are E–1's, earning $4,129 in basic pay and $5,202 in take-home pay, 27.6 percent are E–2's, earning $4,601 in basic pay and $5,607 in take-home pay, 25.4 percent are at the E–3 grade, earning $4,781 in basic pay and $5,826 in take-home pay.

Please remember that many of these men must send substantial portions of their take-home pay to their families, mothers, fathers, brothers who are the victims of high unemployment rates which have been found in black communities for the last three decades.

Some may argue that basic pay is supplemented by fringe benefits, retirement benefits, for example. The real fact is that lower grade enlisted personnel never stay in the service long enough to get retirement benefits. Out of the last 47,000 retirees only 7 have been at grade E–1.

I think the unique circumstance of black servicemen becomes a strong part of the argument against the imposition of caps on military pay.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Chairman, in the resolution I have before me, House Concurrent Resolution 218, I do not see any priorities, any categories of caps. Is the gentleman referring to line 2, page 2, that the total outlay is $368,200 million?

Mr. MITCHELL of Maryland. In the language in the report accompanying the resolution, unless there was some dramatic shift, there was the attempt to impose caps of 5 percent on Federal pay and military pay and 7 percent caps in the social security area.

It is my further understanding that the majority leader during the course of the amending process tomorrow will introduce an amendment which will preclude the imposing of caps in those categories.

Mr. WYLIE. I do not think those are caps, if I understand the meaning of the term, the word the gentleman is using. Those were categorical estimates that were provided us for drafting in the reporting process, but really have no legislative meaning.

Mr. MITCHELL of Maryland. But they would have the effect, the meaning of imposing caps in those categories.

Let me finish my statement and we will discuss that a little further.

Mr. Chairman, let me examine the proposed caps or social security benefits from the same perspective.

It is well known that in the past prejudice against black citizens kept us locked into the lowest paying menial jobs. Please remember that title VII of the Civil Rights Act was not passed until 1964. Many of those who are now receiving OASI benefits worked in low paying jobs for many years before this Nation sought to end employment discrimination. Many are now the people who receive the minimum amount under disability or retirement and that minimum is $93.80 a month, and the maximum is $140 monthly if a family is involved.

While is is true that under disability or retirement benefits a maximum of $573 monthly can be garnered, I submit to you that most black beneficiaries, because of a past, sorry history of discrimination are concentrated in the minimum benefit range.

If we impose a cap on OASI or disability benefits we are, in effect, making black disabled persons, black senior citizens pay a double penalty. Stop for just a moment and think if you would want your family, or your senior citizen relatives to live on $140.80 a month?

Of course, you would not want this. Can you in all good conscience impose this fate on other families less fortunate than your family?

Even if we permitted a 15-percent increase in benefits—and I think it most unlikely that the Congress will do this—we would lift a widow and three children to the grand total of $161 a month—$1,932 annually, in effect leaving that family to live below the poverty level.

The imposition of a 7-percent cap on social security payments will hurt all Americans. However, I hope you will realize now the reasons why black citizens will be hurt in a unique fashion if the 7-percent cap is imposed.

I voted to bring the budget resolution to the floor, acting out my sincere belief that this House, in working its will, would not countenance the imposition of the 5- or 7-percent caps. When the O'Neill amendment is offered, I entreat you to give it full support because it is fair, it is just, and it is right.

Mr. Chairman, my colleagues, earlier I spoke to this body, explaining how the proposed budget resolution would hurt those who are already the worst off. Although fully recognizing that impoverished whites and upwardly mobile whites coming from impoverished backgrounds will be hurt if we pass the resolution in its present form, I focused in on the plight of black Americans.

Let me pursue this line of reasoning, applying it to the budget resolution that we as a nation must tolerate an unemployment rate of 7.4 percent for the next year. Let me, using the statistics on black unemployment try to show you how manifestly unfair, how manifestly cruel this proposition is.

Mr. BADILLO. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from New York.

Mr. BADILLO. Mr. Chairman, I want to associate myself with the statements of my friend and colleague in the well.

I want to say that I do not think that it is impossible to do something about reducing the level of unemployment. I think that it is possible to propose an amendment which will do just that, and that is what I intend to do, hopefully, tomorrow.

I am astonished that the committee points out that an increase of 1 percent in unemployment brings about a $16 billion increase in the Federal deficit, but does not carry through and recognize that providing for 1 million public service jobs would cost only $10 billion. Therefore, we are actually reducing the budget deficit by providing more for public service employment.

This is what I hope to bring out tomorrow, and I hope the Members will look at my statement as it appears in the Congressional Record so that they can see that the best way to reduce the deficit is by providing an increase in public service jobs.

Mr. MITCHELL of Maryland. Mr. Chairman, I thank the gentleman for his remarks. I certainly want to see his amendment, and if indeed it goes as he suggests, I would be proud and honored to support it in any fashion possible on this floor.

Mr. Chairman, the rate of unemployment in black communities is astronomically high—and has been so for years—that when you talk about an unemployment rate of 7.4 percent, you are really saying that black citizens who are unemployed will be expected to live with, to accept high rates of unemployment for another year.

This is unthinkable. We simply cannot do this.

At this point let me give you an analysis of the 7.4 percent rate of unemployment and black unemployment.

If in 1976, we achieve full employment—a misnomer for 4.9 percent unemployment—black citizens in the 16 to 19 age group would still have an unemployment rate of 23.2 percent. If we permit 7.4 permanent unemployment, the unemployment rate for that age category would be 35.7 percent.

If in 1976, we achieved full employment, black citizens in the age category 20 to 24 would have a 15.7 percent rate of unemployment. But if we permit unemployment to remain at 7.4 percent, the unemployment rate for that age category would be 25 percent.

Similarly, full employment in 1976 would yield 4.8 percent unemployment for the age category 25 to 29, but a recessional rate of unemployment—7.4 to 8 percent—would result in a 7.7 percent unemployment rate for that category.

The data I have just given you is for black males. Comparable data exists for nonwhite females who are unemployed.

What will be the consequences of this 7.4 percent unemployment goal? What are the prices we must pay?

We are now paying a terrible price in youth and young adult crime—violent crime and I assure you that if we permit 7.4 percent unemployment, the rate of youth and young adult crime will continue to rise.

If we permit this, we shall have encouraged a climate of discouragement. Every youth and young adult, who seeks employment earnestly and with persistence and who does not get employment may well become an unwitting agent discouraging others and thereby adding to the numbers of persons who simply drop out of the labor market—those who are not even counted in the unemployment statistics.

If we, this Congress, permits a 7.4-percent unemployment rate to remain as our goal, we then are establishing a destructive policy which will deteriorate and disrupt the family life of those who are worst off.

Mr. PEPPER. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I will be glad to yield to the gentleman from Florida.

Mr. PEPPER. Mr. Chairman, I want to say that the able gentleman in the well, in my opinion, is not only speaking this afternoon good sense and good public morality, but good economics, that too many people think we are not paying anything for idleness, for lack of productivity in this country. We are paying for it. It is just a question of whether we recognize the deficit or not.

Mr. Chairman, I want to commend the gentleman on his position, and I associate myself with it.

Mr. MITCHELL of Maryland. Mr. Chairman, I thank the gentleman for his remarks.

Mr. Chairman, we must establish a more realistic, a more humane unemployment goal.

Let me conclude by quoting from the spring 1975 report from the Urban Institute:

> The high levels of unemployment and work discouragement affecting these groups must be counted not only in terms of current income losses, but also in terms of their losing out on job skills and on seniority relative to other employees. Women and Blacks have made important gains in the job market in recent years. A long and deep recession can wipe out their hard-fought-for improvements, because they are still relatively disadvantaged. With jobs scarce, these groups will tend to be left out.

Mr. BADILLO. Mr. Chairman, I congratulate the House Budget Committee and its distinguished chairman, Mr. Adams, for the comprehensive work they have done in bringing this first concurrent budget resolution to the floor of the House. However, I have some strong reservations about House Concurrent Resolution 218 in its present form. Specifically, I reject the committee's projection of an unemployment rate of 7.4 percent by the end of fiscal year 1976 and believe that the resolution provides insufficient funding for temporary, recession-fighting programs which are necessary if we are to realize the speedy reduction of unemployment so essential to the restoration of our Nation's economic well-being.

The present 8.7 percent unemployment rate is shocking testimony on the current state of the Nation's economic condition. Nearly 8 million people are out of work and looking for jobs. However, these alarming statistics fail to illuminate the full dimensions of the unemployment picture. It is an acknowledged fact that among minorities—blacks, Puerto Ricans, Chicanos, American Indians—official unemployment has averaged at least twice that reported for the rest of the Nation. Nor do the statistics reflect the millions of persons who have simply dropped out of the labor force completely or who are underemployed or those who are working only part-time.

By every measure, we are in the midst of a lengthy, continuing unemployment crisis which seems likely to approach the frightening proportions of a massive depression. This state of affairs is clearly unacceptable.

President Ford has presented the Congress with an economic program and proposed budget for fiscal year 1976 which clearly fails to take account of the rapidly deteriorating economic situation or the gravity of the growing unemployment crisis. The administration's program offers the American people a steady diet of increased inflation, deepening recession, and expanding unemployment. It is characterized by severe inequities, especially among those persons least able to bear additional economic burdens.

In presenting House Concurrent Resolution 218, the House Budget Committee has sought to develop a budget framework for congressional action to reduce unemployment and the recent high levels of inflation, while keeping the budget deficit and Federal borrowing within reasonable limits. The committee has rightly called upon the Congress to direct our basic efforts at stimulating the economy through employment-generating programs.

The Budget Committee's proposal calls for an estimated expenditure of $13.6 billion in fiscal year 1976 for economic stimulus, forecasting a resulting 1,726,500 jobs—450,000 of which would be public service jobs—and a 1.3 percent reduction in the unemployment rate from the current 8.7 to 7.4 percent by the end of the fiscal year 1976. I do not believe the committee has gone far enough in this area, and I strongly suggest that the House consider a more aggressive policy.

According to Report No. 94–145 which accompanied House Concurrent Resolution 218, the Budget Committee estimates that—

> For every increase of 1% in unemployment in today's economy, there is a corresponding $14 billion loss in Federal tax revenues and a $2 billion expenditure for regular unemployment compensation. Thus, a 1% increase in unemployment leads to at least $16 billion increase in the Federal deficit.

In addition, the committee report clearly documents the negative economic impact of high unemployment on other major indicators of the Nation's economic health—for example, lagging consumer demand, declining GNP, and sharply decreased housing starts.

The committee report further notes that their projected deficit of $73.2 billion is caused by the recession itself and not excessive Federal spending.

I share with many of my colleagues their genuine concern about large budget deficits. However, the fact is that the deficit we face today is largely the result of high unemployment. The administration's own budget recognizes this fact. It indicates that if unemployment were at 4 percent, long held as the "full employment" rate, the fiscal year 1976 budget submitted by the President would have shown a surplus of $12 billion rather than a $51.9 billion deficit.

The Budget Committee's report properly states that—

> The budget deficit can best be reduced in the future by generating jobs, which will produce increased tax revenues and a reduction in the Federal expenditures for unemployment compensation and other forms of income assistance.

I endorse that policy and believe that the first concurrent budget resolution adopted by this Congress should more accurately reflect a commitment to achieve that goal during the coming fiscal year.

It is for this reason, Mr. Chairman, that at the appropriate time I will offer an amendment to House Concurrent Resolution 218 to reflect an increase in outlays for public service jobs in order to achieve a 4.4 percent unemployment rate by the end of fiscal year 1976 and, at the same time, a reduction in the Federal budget deficit.

My proposed amendment would accomplish that purpose by providing for an increase of $27.6 billion in temporary outlay authority for an additional 2,754,870 public service jobs. These figures are calculated on the basis of each public service job at cost of $10,000.

Based upon the Budget Committee's own estimates and forecasts, the additional temporary outlays for this purpose would be accompanied by a corresponding increase in Federal tax revenues of $42 billion and a reduction in outlays for unemployment compensation and other forms of income assistance of at least $6 billion. The resulting budget deficit would be $52.8 billion, only $9 million more than proposed by the President and $20.4 billion less than the committee's estimate.

The net effect of my proposed amendment on the comprehensive budget totals contained in House Concurrent Resolution 218 would be as follows:

Revenues—$337 billion as compared to $295 billion—an increase of $42 billion;

Budget authority—$415.6 billion as compared to $395.6 billion—an increase of $20 billion;

Outlays—$389.8 billion as compared to $368.2 billion—an increase of $21.6 billion;

Deficit—$52.8 billion as compared to $73.2 billion—a decrease of $20.4 billion; and

Public debt—$600 billion as compared to $624 billion—a decrease of $24 billion.

At this point, I include the text of my amendment and a comparison of the budget aggregates as proposed by the committee, my amendment, and the President in full in the RECORD.

AMENDMENT TO HOUSE CONCURRENT RESOLUTION 218 TO BE OFFERED BY MR. BADILLO

On page 1, line 6, strike "$295,000,000,000" and insert in lieu thereof "$337,000,000,000".

On page 1, line 11, strike "$395,600,000,000" and insert in lieu thereof "$415,600,000,000".

On page 2, line 2, strike "$368,200,000,000" and insert in lieu thereof "$389,800,000,000".

On page 2, line 5, strike "$73,200,000,000" and insert in lieu thereof "$52,800,000,000".

On page 2, line 7, strike "$624,000,000,000" and insert in lieu thereof "$600,000,000,000", and on line 9, strike "$93,000,000,000" and insert in lieu thereof "$69,000,000,000".

COMPARISON OF BUDGET AGGREGATES

[In billions of dollars]

	H. Con. Res. 658	Badillo amendment	President's
(5) Revenues	295.0	337.0	297.5
(6) Budget authority	395.6	415.6	385.8
(3) Outlays	368.2	389.9	349.4
(4) Deficit	−73.2	−52.8	−51.9
(5) Public debt	624.0	600.0	596.4

Mr. Chairman, the objective of achieving maximum employment is no longer simply a desirable philosophical goal, but a clear economic necessity. There are presently pending before the House Committee on Education and Labor a number of bills which would create a public service jobs program to accomplish the purpose of providing maximum gainful employment of the magnitude now required.

There is broad consensus among economists that public service employment is an effective tool for creating jobs with a minimal impact on inflation. The net cost of a public service employment program has proven to be substantially less than the expenditures made for it due to the large offsetting savings in income assistant programs—unemployment compensation, food stamps and welfare payments—and resulting increases in tax receipts. Furthermore, the experience under the Emergency Employment Act shows that a large scale public service program can be mounted quickly and provides both significant employment opportunities and needed public services.

I urge my colleagues to consider the modifications of House Concurrent Resolution 218 to provide for greater employment-generating expenditures. I believe the millions of unemployed American people deserve more deliberate and aggressive congressional action than is presently contained in this resolution now before us for consideration.

Mr. LATTA. Mr. Chairman, I yield 8 minutes to the gentleman from Ohio (Mr. WYLIE).

Mr. THONE. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman.

Mr. THONE. Mr. Chairman, let us examine a grizzly bear in wolf's clothing.

House Concurrent Resolution 218 proposes a Federal deficit for fiscal 1976 of $73.2 billion. If this were the true nature of the beast, it would be a wolf that would cause all prudent men to fear for the safety of our Nation.

The budget as submitted by the President provides for a deficit for fiscal 1976 of more than $67 billion. All of the minority members of the House Budget Committee have pointed out that "under the President's budget as submitted, it was estimated that the Treasury would be coming into capital markets during this calendar year for almost $70 billion of net new financing, of which $65 billion would be in marketable securities. Federally sponsored agencies would account for another $14 billion in borrowing. These are huge sums — more net funds, both in absolute terms and in relation to the size of the economy—than have ever been borrowed before in the capital markets in any single year by the public and private sectors combined."

The proposal before us purports to offer a deficit about $6 billion higher than the President's budget. If this were the nature of the animal, it would resemble the world's most dangerous wolf.

Mr. Chairman, let me give you briefly four reasons why this document is not what it appears — a most dangerous wolf—but is in reality the most terrifying of all beasts on earth—a grizzly bear.

Reason No. 1: The gentleman from Michigan (Mr. CEDERBERG) in his additional views published in the report of the Committee on the Budget points out that—

> It would be a service to the American public if the Committee report dealt more fully with Federal finances outside the official budget categories—off-budget agencies, Government-sponsored enterprises and Government guaranteed borrowing. Estimates in the budget documents place the deficit-like short-fall in these activities at $26 billion.

Reason No. 2: It is difficult for anyone to predict what the total income or outgo of the Federal Government will be for the fiscal year that ends 14 months from now. The majority members of the Committee on the Budget appear to have been overoptimistic. They may have greatly underestimated the cost of some Government-mandated expenditures and they may have overestimated Federal incomes. Again the gentleman from Michigan (Mr. CEDERBERG) points out that the potential errors and uncertainty in the budget estimates could result in a deficit that would be $30 billion greater than the $73.2 billion predicted.

Reason No. 3: Three members of the majority party on the Committee on the Budget, the gentleman from Texas (Mr. BURLESON), from Georgia (Mr. LANDRUM), and from New Mexico (Mr. RUNNELS), have warned against adopting this budget. They have said, "We are alarmed and dismayed by the budget figures presented in this resolution. In particular, we are strongly opposed to the $73.2 billion deficit presented. We feel this is an encouragement for the Congress to go far beyond this figure; perhaps as high as $90 billion." In other words, a majority in the House may vote for a $72.3 billion deficit in an attempt to show some bounds of fiscal restraint, and then subsequently vote for many billions more of Federal spending during the 1976 fiscal year.

Reason No. 4: Another member of the majority party on the Committee on the Budget, the gentleman from South Carolina (Mr. DERRICK) warns that adoption of this budget will mandate huge deficits in fiscal 1977. He stated that—

> The Committee has adopted a series of measures to stimulate employment through the construction of various types of public highways, water pollution facilities, and other local community facilities. In my opinion, none of these stimulus proposals can contribute sufficiently to reducing unemployment in fiscal year 1976. Yet by the Committee's own admission most of these programs will have a major impact on expenditures in fiscal 1977, when even those economists and members of the financial community who feel that a $70 to $80 billion deficit is acceptable in fiscal 1976 warn that it would be extremely dangerous to risk a comparable deficit in fiscal year 1977 when the economy is in the midst of recovery.

Mr. Chairman, I do want to commend those members of the Committee on the Budget who voted to bring this resolution to the floor. Some members were in favor of even greater deficits. All of the minority members opposed so large a deficit. Some members desired different priorities within the budget as submitted.

Since a majority opposed the resolution as it stands, there was a danger that the House might not be required to take a stand on a budget this year. I salute those who voted to give all Members of the House an opportunity to vote for or against fiscal responsibility. I commend the committee also for doing as much work on a budget document as it could. This year, the committee has not had the time, nor the staff, nor the facilities that it will have in future years.

How shall we reduce this budget?

First, we must eliminate programs that are described as aids to unemployment that either will not do much toward that end at all or that will provide jobs after our current recession is over.

Such a program is the proposed $5 billion accelerated public works program. The minority views in the committee report that in a similar 1972 program only 7 percent of the amount appropriated went for wage payments. The minority also pointed out that "22 months after approval of the act, only 121 of the 203 fiscal year 1972 projects had been completed."

The minority views also point out that legislation for public service jobs is a program that is not efficient in eradicating unemployment. The minority states:

> It is understood that evaluations of the Emergency Employment Act, the predecessor to the present Comprehensive Employment and Training Act (CETA), have consistently concluded that there is substantial displacement of regular jobs by subsidized public jobs, and of State and local spending by Federal spending.
>
> These studies agree that after 1 year of a temporary program only 5 out of 10 jobs funded are actually net additions to the stock of job opportunities, and that after several years of a temporary or permanent program, only 1 out of 10 jobs funded is a net addition. Thus, under the permanent CETA program 9 out of 10 jobs that were "created" probably would have existed anyway. Even with a modest overhead, the cost of a public service job slot is about $10,000 per year. This means that the cost of actually creating one net job is probably around $100,000.

In addition to eliminating measures that will not deliver on their promises to relieve unemployment efficiently and now, we must take more drastic action. The third ranking majority member of the Committee on the Budget, the highly esteemed gentleman from Texas (Mr. WRIGHT) has suggested such drastic action. In his supplemental views to the committee report, he states:

> It is a distressing fact that somewhat less than one-third of the total budget outlays are "controllable" through the congressional appropriations process. When we take out the "uncontrollables," such as interest on the national debt, social security commitments and other such irrevocable and irreducible expenditure requirements, there remains only some $106 billion which is amendable to direct and discretionary congressional action this year.
>
> Even so. I am convinced that further economies can be made in this $106 billion aggregate. Every function can stand some tightening. An across-the-board reduction of only 3 percent in these "controllable" expenditures would net a saving of some $3.2 billion. During the deliberations of the Committee, I offered an amendment to achieve ths degree of saving.

Mr. Chairman, I urge the whole House to support what the committee would not, a 3-percent cut in all appropriations.

As we consider the first congressional budget, let us be mindful of what caused the present recession. It was the irresponsible pattern of Federal deficits in 14 of the last 15 years and in 40 of the last 48 years. As the gentleman from Michigan (Mr. CEDERBERG) has told us, inflation "is a prime cause of severe economic disruption which destroys jobs, depresses productive activity, and injures human well-being on the widest scale."

Mr. Chairman, I urge members of the House to make substantial cuts in the budget as presented in the pending resolution. We must cut out whole proposed programs. We must make across-the-board cuts in every appropriation.

Unless we take such action, the fourth ranking majority member of the Committee on the Budget, the gentleman from Ohio (Mr. ASHLEY) has forecast what will happen. He has stated,

> My judgment is that an additional $73.2 billion—the committee's projected fiscal year 1976 deficit—will be too much for Treasury borrowing to handle without the unacceptable risk of bringing on a whole new round of inflationary pressures, to be followed—as day the night—by another round of recession.

Columnist George F. Will has warned us that we are going to reap the holocaust with these words:

> If you think the recession is noxious, brace yourself for the bitter taste of recovery. Quickening economic activity will unleash inflationary pressures and a scramble for scarce credit, which will produce a giant expansion of government control of the economy and our lives.

Finally, Mr. Chairman, former U.S. Senator Sam Ervin, who now certainly has no reason to speak but for the good of the Nation, has said:

> Deficit spending is dishonest in purpose and ruinous in the end. Too many politicians are more interested in getting elected than fighting our economic war.

Mr. Chairman, I hope the majority of Members will rise above politics in considering this resolution and will enlist in the war to return to economic sanity.

Mr. WYLIE. Mr. Chairman, I cannot in good conscience support this first concurrent resolution on the budget. It seems to me that we are digging the hole deeper and deeper as we debate this $73 billion deficit which is proposed in this concurrent resolution.

The gentleman from New York (Mr. BADILLO) expressed an interesting theory a little while ago that we can in effect reduce our deficit by going further in debt.

It seems to me that this is the philosophy of economics that this Congress has been practicing for the last 20 years, and it just has not worked. Inflation continues to go up and up. When the Congressional Budget Control and Impoundment Act of 1974 was being debated last year here on the floor of the House, I supported it with certain reservations, because I felt that the move toward creating a procedure whereby we could set responsible spending and revenue levels, moving toward creating a goal of a balanced budget was desirable.

By this approach we supposedly could abandon the practice which we have been using over the past several years whereby we would simply appropriate money through spending measures, and at the end of the fiscal year we would add them all up to ascertain the size of the national deficit.

This resolution before us approves a $73 billion deficit. That is rather unsettling to me, to say the least. It is unsettling to anyone who is on a fixed income or to anyone who has put a savings account in the bank for a rainy day, thinking that it will take care of his future.

This budget-control concept by Congress started 2 years ago when certain Members of this body criticized the President of the United States for impounding moneys appropriated by Congress. Congress said: "We will tell you, Mr. President, how much you can spend and when you can spend it." A part of the title of this resolution is, indeed, the Impoundment Act.

The hidden tax of inflation caused by deficit financing means that we must at some time in the future pick up the bill. This deficit belongs to an economic dreamworld. It seems to me that it is based on the premise that Congress can somehow provide ever-expanding spending programs without having to pay for them, ever.

The first thing that came to my mind as I read this resolution was that I would introduce an amendment calling for more fiscal responsibility, and my amendment simply would incorporate the provisions of the bill which I have introduced, H.R. 2800, which, simply stated, would stipulate that expenditures in any 1 fiscal year cannot exceed revenues except during a declared war or during a period of economic necessity declared in the budget resolution and approved by a two-thirds vote of the membership of each Chamber.

This language, as I say is in H.R. 2800, and the bill is now pending in the Committee on Government Operations, with no action scheduled at the present time. However, the Parliamentarian advised me that my amendment would not be germane, so I will not be offering it.

In any event, it seems to me that my balanced-budget proposal is the proper approach, and that, therefore, I must somehow figure out a way to try to amend the Congressional Budget Control Act of 1974.

The concurrent resolution before us today clearly indicates that the new budget procedure must have stronger policy direction if Congress is ever going to put the Nation's fiscal house in order. The Congress, it seems to me, must make budgetary provision to bring spending into line now or at some time in the immediate future. Maybe it is not realistic to bring spending in line with revenues this year, but at least an attempt should be made, maybe if not this year, the next fiscal year or at the outside the year following that.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I will be glad to yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman's yielding.

I wish to compliment the gentleman on his statement and the concept he has offered in the form of legislation. Additionally, I am pleased, as I know many Members are, for the suggestion that the amendment actually be submitted in the form of an amendment to the Budget Control Act.

The gentleman in the well has felt that this legislative vehicle that he recommends would be a very appropriate way to force to the floor a genuine discussion and realistic debate on whether Members of Congress are really going to back up their recommended increases by a two-thirds vote of the entire House. This provision will require Members who wish increased spending to increase taxes and revenues to support the increases that they are recommending. Therefore, I think that the gentleman from Ohio has recommended a worthly legislative device.

It was originally suggested in the Budget Control Act as a discussion item, but was not in the final bill that came to the floor last year.

I know that the gentleman from Ohio has been a strong advocate of this rational position. I think it would be an excellent device. I commend it, and recommend it to the whole House. Many of us are hopeful that the House will consider the gentleman's amendment favorably when it is finally offered.

Mr. WYLIE. Mr. Chairman, I thank the gentleman from California (Mr. ROUSSELOT) for the commendations he has made with reference to my statement and for the gentleman's support.

As the gentleman from California well knows, the gentleman and I cosponsored H.R. 144, which was introduced by the distinguished former member the gentleman from Iowa, Mr. Gross, for several years. I thought about that approach again this year. I just did not think it was quite realistic this year to say we were going to reduce income to expenditures, and at the same time reduce the Federal debt by some amount which was a part of original H.R. 144. So, as I thought it through, it seemed it was not realistic to say we can have a balanced budget this year, but if we are not going to have a balanced budget this year then Congress ought to go on record as saying this is a time of fiscal emergency by a two-thirds vote of the Members of each House and we ought to be willing to say that there is a state of economic emergency. We all ought to stand up and be counted on the issue of a budget deficit.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from New York.

Mr. KEMP. Mr. Chariman, I thank the gentleman from Ohio for yielding to me, and I agree with the gentleman from Ohio that if we enter into this type of spending, and if we want to go down this road, then we ought to do it with our eyes open, knowing full well what we will be getting into, and to look at it from the empirical evidence that is there in front of our eyes as to what has happened to other nations who have embarked on that course.

In reference to the statement that was made earlier that if we do not allow this deficit to occur, it means that that amount of money will not be spent. That is not the case at all. That is not true. The Federal Government is not the only spender of money. Every $10 billion of deficit that takes place, as the Senator from Wisconsin, Senator PROXMIRE, said, represents 500,000 housing starts that will not get started, 1 million primary jobs, and 2 million secondary and tertiary jobs, not to mention the money that is being siphoned off in the marketplace, and thus preventing recovery. For every $10 billion of national deficit that has to be financed, we are talking about an inflation rate of about 1.5 percent.

If one looks at all of the factors concerning the deficit over the last 20 years one can see a direct correlation between the amount of that deficit and the rate of inflation in our country.

So to those of us who are trying to reduce the amount of the deficit I do not think this should be labeled that we do not want to see that money spent to help private investment and to reduce inflation.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. LATTA. Mr. Chairman, I yield 2 additional minutes to the gentleman from Ohio.

Mr. WYLIE. I appreciate the gentleman from Ohio yielding me the additional time, and I also appreciate the remarks just made by the gentleman from New York (Mr. KEMP). The gentleman has stated exactly the thrust of my bill, H.R. 2800, which would in effect establish priorities on an emergency basis at this time, or what we think are items of economic necessity.

I also think the gentleman from New York (Mr. KEMP) made a very important point in his statement given earlier when he talked about restoring confidence in the private sector; that we must stimulate the private sector, and that we must stimulate private capital investment if we are ever to bring our economic problems under control.

As I see it, the balanced budget, a responsible fiscal policy, would stabilize purchasing power of the dollar in the private sector, and, in the long run, instill, restore and increase consumer confidence.

I think that an end to inflationary expectations would result in a reduction of both the short-term and long-term interest rates which are in themselves the result of inflation. At the same time this confidence would stimulate capital investment, industrial production, expand employment opportunities, and the dollar would again be stabilized and recognized the world over as a medium of exchange in international commerce upon which all can depend.

Mr. DEVINE. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I am happy to yield to my distinguished colleague, the gentleman from Ohio (Mr. DEVINE).

Mr. DEVINE. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I agree with the gentleman and commend the gentleman for the statement he has made.

I believe that we in the Congress must also face up to reality and accept the responsibility for the inflation that has occurred.

There have been some inferences here across the aisle that this administration and the immediately preceding administration are somehow responsible for these policies, but in our country only Congress can authorize and only the Congress can appropriate public funds. Regarding these debts that have been built up over year after year, as the gentleman from New York (Mr. KEMP) said, for the last 20 years, we have to keep in mind who was in charge of the Congress for the last 20 consecutive years and who has been in charge of the Congress for 40 of the last 44 years. Let us put the hat on the man who should wear it.

Mr. WYLIE. I thank the gentleman for his contribution, and for the compliment.

In conclusion, I would just like to say that I am very disappointed that this first concurrent resolution on the budget makes no effort, in my judgment, to curb the inordinate deficit which will surely unleash another round of inflation followed by further recession. We must somehow get off of this economic treadmill. I repeat, I cannot in good conscience vote for the resolution.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ADAMS. Mr. Chairman, I yield 15 minutes to the gentleman from Georgia (Mr. LANDRUM).

Mr. LANDRUM. Mr. Chairman, tomorrow I shall offer an amendment to reduce the deficit in this resolution by $10.98 billion.

The resolution asks the endorsement of the House of Representatives on an estimated budget deficit of $73.2 billion. If we could stop with positive assurance that the top of the deficit would be no more than $73.2, current economic conditions might well justify approval of a deficit in this amount. My fear, however, is that the actual deficit may prove to be much larger. One reason for this apprehension and fear stems from the fact that the actual expenditures in Government operations almost always outrun early estimates.

Another reason is the committee estimates the projected level of revenues to be $295 billion, but this estimate is based on what, I think, is an optimistic outlook for growth in personal income and in corporate profits. The $295 billion revenue estimate assumes a 43-percent rise in corporate profits during calendar year 1976 and it assumes a rise of 13 percent in personal income during the same period.

Let us look back a few years to the

1957–58 recession, much less damaging than our present one, and see what the recovery rate from that rather mild recession was. Corporate profits rose 26 per cent between 1958 and 1959, and personal incomes rose only 6 percent. All of us hope that recovery from our current recession or depression will be as vigorous and will result in the estimates developed by the committee but we must not be carried away by unwarranted optimism. While we are considering these estimates, the membership must also consider a substantial part of the profits and income estimated, are predicted to come from public expenditures which adds to the deficit without adding any permanent earning capacity or permanent resources to the economy. But I say that we are able, with restraints that we rarely demonstrate but often declare, to realize a deficit of only $73.2 billion. The volume of governmental borrowing that the financial markets would have to absorb would exceed this $73 billion deficit by a very substantial margin.

Allowing for projected outlays of the off-budget agencies, the Federal deficit rises immediately from $73 billion to $84 billion and if the net outlays of governmental sponsored enterprises are added the total deficit goes to about $90 billion. It requires no great power of discernment, therefore, to envision that borrowings of such magnitudes will disrupt the function of private credit markets and by this disruption weaken our chances for a strong economic recovery. Interest rates will inevitably rise rapidly, mortgage funds will disappear, and certainly the cost of long-term credit could discourage the expansion of industrial capacity that we need so badly to fight the twin evils of inflation and recession.

The committee has produced the views of 13 bankers from over the United States, saying that the $73 billion deficit will not bring too much strain on the money market. If you read the views of these 13 bankers carefully, you will see in each of their statements the "hedge" that their judgment is based on the deficit stabilizing at $73 billion and remaining there.

None of them say that additional governmental borrowings, local, State, or Federal, will not have an adverse influence on money available for lending, and none of them say that it will not generate high, perhaps double-digit, interest rates. When I saw this committee print of the views of the 13 various bankers, I telephoned prominent bankers and financial leaders in St. Louis, Mo., in Selma, Ala., in New York City, in Seattle, Wash., and in Atlanta, Ga., and discussed this question with executive officers of very large banks in these areas. The consensus of all of these was substantially what the views of the 13 bankers supported by the committee say but with the emphasis on added warning that danger lurks around the corner if we get beyond the $70 billion figure and in the remarks at the outset of this I believe it is shown without question that we stand on the precipice of this budget being more nearly $90 billion than $73 billion.

I include the following:

FIRST NATIONAL CITY BANK,
New York, N.Y., April 18, 1975.

Hon. PHILLIP M. LANDRUM,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN LANDRUM: I am writing you to express my deep concern over emerging trends in government spending and to urge that you and your colleagues utilize the machinery of the newly created Congressional budget Committees to constrain the rate of growth of future federal spending within prudent limits. I am firmly convinced that this is vital to the future well being of the U.S. economy.

My concern is not primarily centered on the size of the federal budget deficit in the near term. In a recession, the counterpart to heavier Treasury borrowing will be reduced demand by households and private businesses. Furthermore, the overall supply of credit can be expected to increase in the wake of Federal Reserve policy favoring more rapid growth in money and credit. In the short term, therefore, Treasury borrowing occasioned by the large deficit will probably be accommodated without undue strains.

The situation can be quite different in the longer run, however, if federal spending programs are enacted at the time of peak concern over unemployment which then come on stream long after the recovery in the economy has been under way. This has been unfortunately true in past recessions. Such ill-timed increases in federal expenditures would provide some of the major ingredients for another painful period of accelerating price inflation.

If spending programs perpetuate outsized deficits even after the economy has recovered along with rising tax receipts, the Federal Reserve, which has responsibility for the nation's money supply, will find itself forced into a dilemma. It will either have to print large increases in money in order to accommodate the growing Federal financing demands together with rising private requirements, or it will have to allow government borrowing to crowd out the credit needs of housing, business and consumers. Irresponsible government spending programs consequently hand the Federal Reserve a "no win" proposition. If the money supply is enlarged to meet current credit demands, this will, in due course, produce much more inflation with higher interest rates and the consequent damage to the housing market once again. If it follows a less accommodating policy, then government is likely to crowd out private demands. Eventually the persistence of large and growing deficits in our economy as employment grows and as we approach capacity levels will force a shift in financial and real resources from private to public use. If this happens early in the recovery, it will mean the private sector will be hampered in its ability to produce jobs. If it happens later in the recovery, it will hamper additional private capital formation which is essential to productivity gains and improvements in our standards of living.

In any event, failure to practice fiscal discipline by eliminating the deficit as the economy recovers from recessions would force on the private sector a government claim on financial resources which would be the same as if large tax increases were enacted in order to finance burgeoning federal government expenditures.

We face net borrowing by state and municipalities whose needs have grown significantly as a consequence of recent inflation. If we add to this persistent federal deficit financing together with the off-balance sheet financing by federal agencies, the capital markets are likely to squeeze out more and more marginal private borrowers—business, home buyers and consumers—in 1977–78.

From his highly regarded work on the sources of economic growth in the United States, Edward F. Denison has concluded that private business enterprise has accounted for far and away the largest share of total U.S. economic growth over the 40-year period from 1929 to 1969. Although government expanded mightily in this period, it accounted for only 13% of total growth while nonresidential business accounted for 80% of that growth.

Denison's results point up the vital role a healthy private business community plays in the U.S. economy. In the long run, the growth of employment and incomes will depend crucially on fostering the development of private business. Stable, accommodating credit markets free from the chaos of inflationary demands and free from the elephantine demands of government borrowing are essential to the achievement of this goal. Congress can identify its contribution to that achievement in its resistance to higher federal expenditures.

Yours sincerely,

WALTER B. WRISTON.

TRUST COMPANY OF GEORGIA,
April 16, 1975.

Hon. PHIL M. LANDRUM,
House of Representatives,
Rayburn House Office Building,
Washington, D.C.

DEAR PHIL: It was good to talk to you today and I am glad to give you my thoughts and reactions with respect to projected budget deficits.

As I understand it, the Budget Committee on which you serve is about to recommend a budget for fiscal year 1976, which would involve a $73 billion deficit. If the history of such things means anything to us, that $73 billion could well be $80 or $90 billion by the time June 30, 1976, rolls around.

It seems to me that unless we want to ignore the prospects of a ruinous inflation we must assume that there is a limited supply of money, and with Uncle Sam requiring something approaching $100 billion, I would just wonder how there would be enough left to finance an energy development program, meet the demands of utilities, private industry, and political subdivisions. The combination of all of these demands could at the same time run rates through the roof. It would seem to me that the Federal Reserve plays an important role here. They would either make available to banks such a large portion of the funds required as to lay the foundation for what might eventually be double-digit inflation, or the Fed keeps the lid on, in which case rates could go up sharply—and sooner. Under this last set of circumstances, the Federal Government could pre-empt the available supply of credit. In summary, I think a budget deficit, as contemplated, could cause serious disruption in the flow of funds to meet critical needs in this country and possibly start us on an inflation round, the likes of which we haven't seen yet.

Phil, I appreciate what you do for us and for the country in the House of Representatives. The Congress has a tough job and anyone would have to acknowledge that, but it is their job and they are going to have to make some critical choices and substantially pare the budget. I appreciate your giving me the opportunity to express myself on this subject.

Hope I'll see you soon.

Sincerely,

——— ———.

[Telegram]

FIRST NATIONAL BANK
OF ATLANTA,
April 16, 1975.

Re Federal Deficit Spending.

Hon. PHIL M. LANDRUM,
Rayburn House Office Building,
Washington, D.C.

The greatest danger to our economic system today is the possibility of excess deficit

> financing on behalf of the Federal Government. This can lead to abruptly increasing rates, a return to double-digit inflation, and negate all the efforts of 1973–75 to control inflation. This is a matter for the urgent and diligent attention of Congress. Under no circumstances should the fiscal 1976 deficit be allowed to exceed $60 billion, which figure in itself is startlingly high.
>
> EDWARD D. SMITH.

One does not like to be a pessimist. My inclination is always to look for the bright part, and a system of government such as ours requires an optimistic outlook, an aggressive, adventurous attitude on the part of our citizens and especially on the part of its public officials, but in times like we face today, with depression denying the jobs thousands of citizens want and inflation gnawing at the purchasing capacity of those who have jobs, and devouring the purchasing power of those who rely on savings and investments, we need to take a careful look at the fiscal movements we make in both our private and public capacities. We need to look, moreover, to the policies and practices of some of our traditional allies in commerce, and in the progress and development of cultures and international business prosperity. Let us look briefly at the oldest of these allies—Great Britain. Twenty years ago Great Britain's public expenditures, the contribution from public expenditures to the gross national product was less than 40 percent. Today Great Britain's gross national product contains more than 60 percent public or governmental expenditures. Twenty years ago our gross national product, the gross national product of the United States of America, contained about 25 percent public expenditures. Some economists say no more than 20 percent. Depending upon which economic philosophy you are listening to or interrogating, you will find that we now contribute from local, State, and Federal expenditures somewhere between 34 and 42 percent of our gross national product. If you are talking to the extreme liberal, we are probably contributing no more than 34 percent from public funds to our gross national product. If you are talking to the moderate conservatives of our economic philosophy, we are contributing more nearly 42 percent. So, depending on which philosophy one supports, we are today in these United States within 15 percent or within 8 percent of 50 percent of our population living off the other 50 percent. What happens when we reach that level of dependence on public expenditures? Listen to some quotes from a recent editorial in the Wall Street Journal:

GOOD-BYE, GREAT BRITAIN

> "Steady as She Sinks," proclaims the April 25 cover story of The Economist, the British weekly journal of news and opinion. It is the British economy, of course, that is sinking. But that's not news. What makes this issue of The Economist valuable—it should be bound in leather and made required reading in every U.S. school of economics—is that it so finely, albeit unwittingly, traces the ultimate consequences of the welfare-state-manic-Keynesian syndrome.
>
> Britain's current contribution to the world is to reveal the ultimate result of economic and social policies rapidly gaining ascendary in the United States. To wit, the state must fulfill all needs, especially medical care. Income must be redistributed, principally through taxes on the returns from capital. After all, transfer payments and redistribution stimulate the economy (don't they?). The inflationary results can be contained by various forms of price control (can't they?). And if problems arise, the solution lies in finding the magical proper balance between government spending and taxes.
>
> Thus we have Denis Healey, the Chancellor of the Exchequer, announcing his latest budget, widely praised as "brave" and "courageous" because in the midst of world recession he has imposed another $3 billion in taxes on an economy whose chief problem is that it already is strangling on taxes. By some mad twist of logic, known only to British politicians and economists, this mildly "deflationary" move is designed to run the unemployment rolls up to one million, punish the unions for pushing up wage rates so fast (32.6% annual rate in March), and position the economy so that it can take advantage of next year's forecast of a world trade boom.
>
> We learn that The Economist itself does not think it fair of Margaret Thatcher, the Conservative Party leader, to describe the budget as "typically Socialist." After all, Mr. Healey did not increase the 52% corporate tax rate. Nor did he increase the 83% marginal tax rate on earned incomes above $48,000 or the 98% marginal tax rate on "unearned income"—interest and dividends for example—above $48,000. And he does provide for government assistance to selected private industries in the amount of $240 million, especially those the government divines will be able to increase exports.
>
> There are other interesting statistics. Because of the effect Britain's 20% inflation has in moving workers up the progressive tax schedule, combined with Mr. Healey's two point tax increase, a Briton earning $24,000 this year will have to get a pay raise of $9,600 merely to maintain his purchasing power. A worker now getting $12,000 needs another $3,000 to stay in the same place.
>
> Public spending rises to $128 billion from $105 billion or to 60% of gross national product. In that the U.K.'s gross national product is about one-eighth the size of ours, this is the equivalent of a $900 billion federal budget. Mr. Healey boasts that the "social wage"—all the government goodies such as health, education and welfare—now amounts to $2,400 a year for every member of the working population. To get this in perspective, it has to be pointed out that Britain's per capita income last year was $3,085.
>
> Britain, it is regularly noted, always seems to somehow "muddle through" despite the best efforts of its government. One reason has been that, in their imperfect understanding of economics, the income redistributors have always overlooked a few opportunities to confiscate wealth. Through these tiny cracks in the tax laws, otherwise known as "loopholes," the private economy has always been able to spy enough incentive to keep producing. As a result of the current economic crisis, however, the Labor government made a determined search for these tiny cracks and has found most of them.
>
> Because most of what businesses pay their managers in increased wages is taken away by the government in taxes, there have been exotic schemes to permit managers to live off business perquisites. These are being closed up. A year from now, employes will be taxed on any private medical insurance cover they receive, the government having determined that private medical treatment is a great incentive to keep producing. Mr. Healey also promises to tighten up on capital gains taxation, and has already closed an accounting loophole whereby corporations could avoid some taxation by selling shares they owned and taking the loss, and buying them back the next day.
>
> The British government is now so clearly headed toward a policy of total confiscation that anyone who has any wealth left is discounting furiously at any chance to get it out of the country. Mr. Healey wisely halted the importing of gold coins, which would be rather easily smuggled out, and he's slapped a 25% value-added tax on jewelry, along with radios, televisions and electrical appliances. The result of all this is of course to bring investment to a screeching halt by drying up both available funds and potential returns. The price can only be still slower economic growth, and still lower living standards for all the British, rich and poor.
>
> Good-bye, Great Britain. It was nice knowing you. Since we're following down the same road, perhaps we'll meet again.

Now, let me go back to the early part of my statement when I was speaking in terms of what could be required for governmental borrowings for fiscal 1976 deficit. If we stand on this $73 billion deficit, total Federal borrowings during fiscal year 1976 will account for 68 percent of the new funds borrowed in the capital markets. Adding to that amount the anticipated borrowings by State and local governments, those governmental borrowings during the 1976 fiscal year will be 80 percent of the capital markets. Only 20 percent will be left to private industries in a financial market that has always been the foundation of the free enterprise system.

Now, therefore, I have prepared an amendment taking into account all of these potentials and possibilities which suggests a modest cut from the $73.2 billion to about $62 billion. Why? Besides all of the reasons advanced in this statement, let me say that I think it is imperative for us to endorse a budget that will keep us as far away from the 50 percent level of contribution to the gross national product as possible.

We should endorse a budget that will leave as much available money as possible to the free market, the very foundation, again I say, of the free enterprise system, and beyond that, give our constituencies, the taxpayers of this nation some reassurance, some basis to form a new confidence in our system and a new respect for the institution of Congress. This amendment does not ask too much from $73.2 billion to $62 billion. It is only about $10.98 billion and we distribute that prorata among all of the controllable functions so that every function will have in fiscal 1976 more money than it has had in fiscal 1975. Sure, some functions will be harder-pressed than desired, but this Nation is hard-pressed today, and again may I say with inflation, with depression gnawing the vitals of our Nation, we need to be careful.

Certainly, we would like to have all of the things that the committee wants to do. Certainly, we would like to respond to all of the needs of our people, but when we are unable to do this without going to an unconscionable, to an unmanageable level of debt, let us do the best we can and ask our constituencies, ask our taxpayers, to bear with us for a year or so while we pull back to the prosperous level that can support some of these demands.

I know that here today we state our praise, and justifiably so, we have spoken accolades, well deserved, about the able and distinguished chairman of our committee. We have engaged in some well-deserved mutual admirations about our combined efforts to produce, under difficult circumstances, this concurrent resolution. We are proud of ourselves. We are proud of the leadership responsible for this production, but let me ask you to think upon one other fact.

However much we admire ourselves, whatever the degree of respect we have for each other, for our combined and our separate efforts, however high and important in our own estimation we may be, we are held some in degree lower esteem by the taxpayers, by our constituencies, and one of the prime reasons for it is that we are becoming fiscally irresponsible. It is time to wake up, else we can be charged as an old proverb in history says, "we could be eating our own livers and congratulating ourselves on a good meal."

LANDRUM AMENDMENT TO BUDGET RESOLUTION

Mr. Chairman, tomorrow I shall offer an amendment to House Concurrent Resolution 218, the first concurrent resolution on the budget.

PRESIDENT'S ADJUSTED DEFICIT

President Ford recommended a deficit of $51.9 billion in his budget recommendation to Congress of February 3. Since that date, this deficit figure has been adjusted to account for various court actions, supplemental requests by the President, and updated estimates in revenues and spending figures as follows:

Adjustments to President's budget

[In millions of dollars]

	Outlays
President's budget as submitted on February 3	$349,392
Executive and court action:	
Supplemental foreign aid request of February 24, 1975	100
Supplemental public service employment request	1,838
Reestimates of food stamp costs	1,500
Reestimates of veterans benefits	600
Release of impounded highway funds	1,000
Release of impounded Hill-Burton funds	32
Release of impounded water pollution grant construction funds	50
Updated estimates in President's budget:	
Overestimates of royalties from leases on Outer Continental Shelf	4,000
Underestimates of payments to Postal Service	728
Rejection of proposed AFDC benefit changes	499
President's budget as adjusted	359,739

In effect, today, April 30, the House is concerned with a budget presented to Congress by the administration which, if accepted, would create a deficit for fiscal year 1976 of $60 billion.

UNEMPLOYMENT DEFICIT

The House Committee on the Budget devoted a major portion of its time and efforts to the problem of unemployment. Most economists, among those on the committee staff, those within the executive branch and those in the private sector who were contacted by the committee, agree that each percentage point of unemployment above a rate of 4 percent contributes $16 billion toward the deficit.

Using these figures, it is estimated that abnormal unemployment at a rate of about 8 percent in fiscal year 1976 will reduce Federal revenues by $56 billion and require $8 billion in Federal outlays, principally for unemployment compensation.

In effect, on April 30, the House will be concerned with a budget that will, in a sense, contain a $64 billion unemployment deficit. A further discussion of this matter appears in the President's budget message of February 3.

COMPROMISE DEFICIT

It is my intention in offering this amendment, to reach a compromise deficit recommendation in House Concurrent Resolution 218 between the President's adjusted deficit of $60 billion and the unemployment deficit of $64 billion. The $62.2 billion deficit which will result if my amendment is adopted would be a decrease of $10.974 billion below the $73.2 billion deficit recommended by the House Budget Committee.

The Budget Committee recommended a $54.8 billion increase in outlays for fiscal year 1976 over the estimated fiscal year 1975 outlay level.

My amendment would cut that $54.8 billion outlay increase by $10.974 billion. The cut is prorated among those functional categories where spending is subject to annual discretion. The following chart indicates the outlay increases over fiscal year 1975 recommended by the Budget Committee and the corresponding cuts in those increases which my amendment would make:

Identification No.	Function	Increases over fiscal year 1975 outlays (millions)	Landrum amendment outlay cuts
050	National defense	4,460	−981
150	International affairs	47	−10
250	General science, space, and technology.	416	−91
300	Natural resources, environment and energy.	2,134	−469
350	Agriculture	43	−9
400	Commerce and transportation	8,014	−1,763
450	Community and regional development.	4,611	−1,014
500	Education, manpower, and social services.	5,712	−1,256
550	Health	4,216	−927
600	Income security	17,213	−3,786
700	Veterans benefits and services	2,003	−440
750	Law enforcement and justice	337	−74
800	General government	704	−154
850	Revenue sharing and general purpose fiscal assistance.	216	0
900	Interest	3,669	0
	Allowances	350	0
950	Undistributed offsetting receipts.	646	0
	Total	54,791	−10,974

BUDGET AUTHORITY

The committee drafted House Concurrent Resolution 218 over a period of several weeks. In considering each functional category, it added or subtracted various programs, made adjustments where deemed appropriate, provided for actions taken by the House of Representatives and came up with a set of figures that can be explained and justified to the last dollar. Chairman ADAMS did a masterful job of guiding committee members through a labyrinth of executive recommendations, standing committee recommendations, and suggestions by committee members.

Congress works through budget authority figures. I do not presume to enter this area which rightfully belongs to each standing committee and the Budget Committee. Therefore, I have used the 3 percent figure which represents the reduction this amendment would make in total outlays and reduced the budget authority figure in House Concurrent Resolution 218 by an equal percentage.

Obviously, a reduction in a certain outlay figure will mean a concomitant reduction in a corresponding budget authority figure. Since I did not choose which programs should be reduced in each category, an accurate estimation of reductions in budget authority could not be made. To do otherwise would be to reject the economic policy decisions of the committee, something I have not done.

DEFENSE

The committee recommended increasing outlays for Defense by 5 percent above the fiscal year 1975 level, an increase of $4.5 billion. This amendment would cut that increase by $981 million. Such a reduction in outlays may very well be made in large part, as a result of recent events in Southeast Asia since the committee recommendation includes $700 million for support for South Vietnam next fiscal year. I am strongly opposed to efforts to cut defense spending below what is necessary for an adequate national defense posture. However, the cut this amendment would make does not represent a reduction which would weaken our Nation's defense. It amounts to less than 1.1 percent of the $89.7 billion in outlays recommended for this category.

INTERNATIONAL AFFAIRS

The committee recommended a relatively small increase in outlays for this category. In view of the $100 million increase in foreign economic assistance and other matters recommended by the committee, I do not feel that a $10 million cut within this category is beyond reason.

GENERAL SCIENCE, SPACE, AND TECHNOLOGY

This category includes funding for what remains of our space program, the National Science Foundation, and certain other programs administered by ERDA. It is my opinion that a reduction of $91 million in outlays could be absorbed through minor adjustments in several of these programs. The various research grant programs administered by the National Science Foundation which have come to be so popular in the Nation's press come readily to mind.

NATURAL RESOURCES, ENVIRONMENT, AND ENERGY

The increase in outlays for this category over the fiscal year 1975 level is over $2 billion. With $262 million worth of new programs included in this committee's outlay recommendations which are not even classified as stimulus programs, a cut in the $2 billion increase of only $469 million could be absorbed. Stimulation programs of $440 million to be administered by the Bureau of Reclamation and Corps of Engineers are included in the committee's recommendations. Also included is $190 million in increased funding over President Ford's budget recommendation for the National Parks System.

AGRICULTURE

The committee accepted President Ford's budget recommendation to increase outlays over the fiscal year 1975 level for this functional category by $43 million. The $9 million cut which this amendment proposes in this increase could be easily absorbed by minor reductions in the programs in this category which amount to over $1.8 billion.

COMMERCE AND TRANSPORTATION

The committee has recommended an $8 billion increase in outlays over the fiscal year 1975 level for this category. Included in the category is $6.9 billion in highway construction funding, $1.8 billion for new programs to stimulate the housing industry out of its slump, and even $122 million in additional funding for METRO construction. Locating areas in which a $1.7 billion cut could be made should not be difficult.

COMMUNITY AND REGIONAL DEVELOPMENT

The committee has recommended a $4.6 billion increase in outlays over the fiscal year 1975 level for this category. This increase is comprised primarily of funding for the proposed Emergency Local Public Works Capital Development and Investment Act of 1975, H.R. 5247, which is being considered by the House Public Works Committee. If decreasing outlays in this $9.4 billion category proves to be difficult, a reduction in funding for that $3 billion stimulation proposal might be in order. Other areas to consider would be proposed funding for the communuity development block grant program and funding for the emergency employment appropriations bill, H.R. 4481.

EDUCATION, MANPOWER, AND SOCIAL SERVICES

The committee recommended a $5.7 billion increase in this category over the fiscal year 1975 funding level. The $1.2 billion cut which this amendment proposes could be allocated among the various new stimulus programs in this category which would collectively spend over $3.7 billion. It should be noted that outlays in this category amount to over $20 billion as recommended by the committee.

HEALTH

The committee recommended a $4.2 billion increase in outlays for this category over the fiscal year 1975 funding level. Much of this increase was included in the President's budget as submitted to Congress on February 3. This category includes a good deal of Federal spending which is not easily changed by Congress. However, cutting $927 million out of $30.7 billion worth of programs does not appear to be beyond reason.

INCOME SECURITY

The committee recommended a $17.2 billion increase in outlays for this category over the fiscal year 1975 funding level. Included in this category is funding for the unemployment compensation program, the social security program, the civil service retirement program, the aid of dependent children program, the food stamp program, and many others.

This is a $123.9 billion category. The cut in this amendment proposed amounts to less than 3.1 percent of this staggering outlay figure. The standing committees of the House which have jurisdiction over funding for this functional category certainly ought to be able to provide for this modest decrease in what has come to be by far the largest category in our entire budget.

VETERANS' BENEFITS AND SERVICES

The committee has recommended a $2 billion increase in outlays for this category over the fiscal year 1975 level. Funding for many of the programs in this category is quite difficult to estimate. The committee found that the President's estimates in his February 3 recommendation to Congress appeared to be $500 million low. I recommend that the standing committees of the House having jurisdiction over funding for this category take this into account in making the relatively modest $440 million cut which this amendment proposes if it is adopted.

LAW ENFORCEMENT AND JUSTICE

The committee recommended a $337 million increase in outlays for this category over the fiscal year 1975 level. Most of this increase was included in the President's budget. The cut this amendment proposes, $74 million, is only 2.2 percent of the outlays for this category. Such a modest cut could be allocated among the Federal Government's expenditures for Department of Treasury construction projects, the Law Enforcement Assistance Administration grant program, and other programs. I might note that this category includes $11 million to be used to expand the Executive Protection Service.

GENERAL GOVERNMENT

The committee recommended a $704 million increase in outlays for this category over the fiscal year 1975 level. Most of this increase was included in the President's budget. This category includes funding for certain Federal building construction and it should be voted that $195 million in funding out of the Emergency Employment Appropriations Act, H.R. 4481, has been allocated to this category to fund construction, alteration, repair and real property operations.

The $154 million cut proposed in this amendment amounts to 4.6 percent, of the $3.3 billion outlay total for this category.

REVENUE SHARING AND GENERAL PURPOSE FISCAL ASSISTANCE

The amendment would make no changes in this category because its funding level is permanent to the extent that any changes would require major legislative amendments to existing statutes.

INTEREST

This amendment would make no changes in this category because its outlay level is dictated by the level of the public debt and interest rates.

ALLOWANCES

This amendment would make no changes in this segment of the budget because it is composed primarily of a large number of contingency programs and Federal employees salaries. I note that some of my colleagues would like to remove the 5-percent cap, pay ceiling, which the committee and the President have recommended for Federal employees. If that ceiling is removed, outlays in this category would be increased by $410 million.

At this point, it should be noted that this amendment does not recommend placing any new additional ceilings on any salaries or retirement benefits or compensation payments. It accepts the economic policy decision of the committee in this important area.

UNDISTRIBUTED OFFSETTING RECEIPTS

This amendment would make no changes in this category because its outlay level is almost completely automatic and independent of congressional action.

CONCLUSION

In summary, let me point out that this amendment which I propose would cut total outlays in the budget by less than 3 percent.

This amendment takes into account the extensive time and effort the Committee on the Budget has devoted to its unprecedented job. I have accepted the decisions of the committee to expand certain outlays where it has deemed expansion necessary and to make cuts where it has found them essential. My amendment would merely reduce the end result.

I have distributed my modest cut, on a pro rata basis among those functional categories which can be easily reduced, to a level which I think a majority of my colleagues can accept.

This would be a budget comparable to our President's budget where total outlays and the resultant deficit is concerned. This would be a budget based upon the sound economic policy decisions of the House Committee on the Budget. This would be a budget that the taxpayers of the Nation could accept during this unique economic situation in which our Nation finds itself.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. ADAMS. Mr. Chairman, I yield 7 additional minutes to the gentleman from Georgia (Mr. LANDRUM).

Mr. FLYNT. Mr. Chairman, will the gentleman yield?

Mr. LANDRUM. I yield to my colleague from Georgia.

Mr. FLYNT. Mr. Chairman, I want to associate myself with the remarks of my colleague from Georgia. I think that the proposal which he is making for approximately $11.3 billion is certainly deserving of the careful consideration of the House of Representatives.

With great respect for the majority of the House Committee on Budget Control which has brought in the report which is under consideration in the House today, it occurs to me that instead of taking the necessary actions to correct some of the ills which beset our economy, that this budget, if adopted as the product of the House, it is my opinion, Mr. Chairman, that unless the amendment which is proposed to be offered by my colleague from Georgia (Mr. LANDRUM) is adopted, that this will have the effect of returning to a double and, in a few isolated instances, triple digit inflation which we have recently experienced.

I know that everybody has his own idea of the causes of both inflation and of economic recession, but I still belong to the school of thought that believes that the prime cause of the inflation which straddles our economy is and has been the continually increasing and apparently uncontrolled deficit spending by the Federal Government of the United States.

Unless and until we in the Congress undertake to restore some semblance of sanity to the operation of the Budget of the United States, then I foresee a continued weakening of the economy.

We hear a great deal everywhere we turn today about the apparent loss of confidence in the United States by the governments of other countries in the world. It occurs to me, Mr. Chairman, that the remarks made by my colleague from Georgia (Mr. LANDRUM) would point directly to the fact that one reason for this loss of confidence by our friends and foes throughout the world, has been the manifestation that the Congress and the Government of the United States are no longer capable of putting our fiscal house in order.

Mr. Chairman, I congratulate my colleagues on his very learned exposition of his views on this subject. I wish to associate myself with them.

I certainly hope that the amendment offered by the gentleman from Georgia will be adopted.

Mr. LANDRUM. I thank the gentleman.

Mr. SARBANES. Mr. Chairman, will the gentleman from Georgia yield?

Mr. LANDRUM. I yield to the gentleman.

Mr. SARBANES. Mr. Chairman, in this proposed amendment that the gentleman intends to introduce which would lower the deficit which is projected, how much of it results from a drop in the revenues because of a diminishing of expenditures?

Mr. LANDRUM. None.

Mr. SARBANES. Do I understand that the gentleman in effect projects a cut of $11 billion?

Mr. LANDRUM. $10.98 billion, distributed pro rata among the functions.

Mr. SARBANES. I understand that.

Mr. LANDRUM. Yes.

Mr. SARBANES. And how much of a fall-off in revenue would result because of the drop of $10.9 billion in expenditures?

Mr. LANDRUM. Our estimate so far is that there is not anything that we could say would fall off except the prospect of some of that coming out of the income security provision, and that depends on whether or not the tap is put on or taken off.

Mr. SARBANES. I understand that. I guess the only question I am trying to ask of the gentleman is: If we are going to diminish expenditures, what will happen to revenues?

Mr. LANDRUM. I just told the gentleman as plainly as I know that we do not anticipate reducing the revenues by reducing this, for the plain reason that we are depending on the private sector for the revenue.

Mr. ADAMS. Mr. Chairman, I yield 5 minutes to the gentlewoman from Hawaii (Mrs. MINK).

Mrs. MINK. Mr. Chairman, the House Committee on the Budget today takes the second step along the path which the Congress laid out last year in the Congressional Budget and Impoundment Control Act of 1974. Today we begin consideration of House Concurrent Resolution 218, which sets out in aggregate figures the expenditure and revenue targets the committee feels are those which will provide economic stimulus in fiscal year 1976 with a budget that allows a sizeable, but manageable deficit for that year.

I think that it is abundantly clear that we are all concerned about the size of the deficit, and many of our discussions centered around this matter. I think that it must be pointed out to Members of this House, however, that the deficit figure which we include in our resolution is not totally the result of the expenditure targets which the committee has adopted. Our analysis indicates that even if the Congress did nothing at all, if we authorized Federal spending to continue at the same pace as in the current year, we would still be talking about a $60 billion deficit.

An examination of the condition of the economy indicates why this is so. The unemployment rate has risen from 4.6 percent in 1973 to 8.7 percent in March 1975, with an estimated 8 million people out of work and looking for jobs. We heard testimony that for every 1 percent increase in unemployment in today's economy, under these conditions, there is a corresponding $14 billion loss in Federal tax revenues and a $2 billion expenditure for regular unemployment compensation. Taken together, these figures mean that every time the unemployment figures go up by 1 percent, there is a corresponding increase in the Federal budget deficit of $16 billion.

Economic indicators such as the Consumer Price Index and the Wholesale Price Index offer a measure of the impact of inflation on the economy. The Consumer Price Index rose 11 percent during 1974, and increased at an annual rate of 8 percent in the early months of 1975. The Wholesale Price Index rose by 18.9 percent in 1974, and continues to decline at an average annual rate of 8 percent in early 1975.

The purchasing power of the average hour of work stood at nearly 3 percent below what it was a year ago in February as price increases have run far ahead of wages. Adjusting the impact for price increases, consumer purchases of goods and services decreased at an annual rate or 13.2 percent at the end of 1974, the sharpest such decline in 40 years.

The demand for durable consumer goods fell nearly 14 percent in the final quarter of 1974, or at an annual rate of more than 45 percent. Inventories of unsold goods remained high, and as a result, total output, the gross national product, fell at an annual rate of 10.3 percent between September and March. Total output in 1974 decreased by 2.1 percent. Business investment dropped at an annual rate of 15 percent in the last 6 months of 1974.

In the housing industry, unemployment was running at 18 percent in the last few weeks, while new housing starts in 1974 decreased from 2.4 million in the first quarter of 1973 to 1 million in the fourth quarter of 1974. That annual rate declined further to 977,000 by February of this year, all a result of lagging consumer demand and restrictive monetary policy.

In addition, high interest rates and restrictive monetary policy contributed to economic difficulties in 1974. The prime rate on commercial paper—paid by large, creditworthy borrowers—was up to 11.72 percent in July and remained above 11 percent through August. Since September, the prime rate and other short-term interest rates have dropped sharply to the point where at the end of March, the prime rate stood at 5.91 percent.

In much of fiscal 1975, we saw the administration trying to cure our economic maladies by fighting inflation. Nevertheless, the deficit increased markedly, primarily because the deficit increases that have occurred in 1975 and those which will occur in 1976 are not the result of Government spending, but are because of our rapidly deteriorating economy.

The President's budget indicates that at full employment—that is with a reduction of the current unemployment rate to about 4 percent—the fiscal 1976 budget as submitted by the administration would have shown a $12 billion surplus, rather than the President's projected $51.9 billion deficit. It is on this basis that the Committee on the Budget has moved with determination to recommend programs which will reduce unemployment as rapidly as possible to restore economic well-being.

House Concurrent Resolution 218 provides a vehicle for congressional action to reduce the two dominant problems in our Nation's economy—the serious and unacceptably high unemployment rate and the damaging, wage-eroding inflation level. I share the widespread concern that our current economic difficulties will worsen.

If Federal public policy does not respond rapidly and responsibly, the resolution contains $28.4 billion of critical, employment-related spending programs and tax reductions already enacted to move this economy out of the present recession.

This $28.4 billion includes the following:

Major housing legislation with estimated outlays of $1.9 billion to stimulate additional construction of 400,000 units and provide approximately 225,000 new jobs in the construction industry.

The sum of $3.6 billion in outlays for

public service jobs and manpower training under the emergency employment appropriations bill and the previously enacted public service jobs legislation to create a total of approximately 450,000 jobs in fiscal year 1976, along with funds for CETA title III and IV manpower training programs.

Public works programs aimed at providing more than 1 million jobs and accomplishing needed public works projects add an $8.1 billion sum to the committee's recommended fiscal stimulus package.

The total impact of the Tax Reduction Act of 1975 is estimated at $14.8 billion, on the assumption that the tax cuts in the act will be extended to the end of the fiscal year 1976.

It should be noted that the President's budget deficit of $51.9 proposed stringent expenditure reduction proposals, including in area of benefits payments to retirees and others. The President's budget cut of $17 billion from the budget in fiscal year 1976, $6 billion of which resulted from a 5-percent ceiling on increases in Federal civilian and military pay and retirement, social security, and other benefit programs where increases are tied to changes in the Consumer Price Index or to private wage scales. In addition, the President proposed a moratorium on new Federal spending programs other than energy programs, and a significant increase in program growth for national defense. The committee has restored funds to its proposed budget through disapproval of reductions through rescissions—$.7 billion; legislation—$5.3 billion; and administrative action—food stamps, $.6 billion; and increased outlays by $2.8 billion by revision of the President's proposed 5-percent limitations—$2.8 billion. Together, these total $9.4 billion.

While in basic agreement with the concern of my Budget Committee colleagues to keep the deficit within economically sound levels, I cannot support economies at the expense of specific groups of individuals, some of whom are the most economically hard-pressed in our Nation. I do not endorse the committee's position which includes a 7-percent ceiling on benefit increases for nondisabled social security retirees and Federal retirees, both civilian and military.

The committee's major areas of recommended decreases in funding levels are in the defense and international affairs areas. The reduction in assistance for Vietnam and Cambodia results in a $1 billion decrease in budget authority. The real program increase requested by the President for the Department of Defense amounts to about $5 billion, and the committee's estimates include a reduction of $4 billion in this area, with the result that on the basis of our estimates and budget assumptions, the defense budget would remain at approximately the fiscal year 1975 level of funding with allowances for inflation and some technological growth.

In the international affairs areas, which include funds for foreign economic and financial assistance, the conduct of foreign affairs, and foreign information and exchange activities, the committee has recommended decreases of nearly 8 billion in budget authority, including $950,000,000 in authority for Indochina postwar reconstruction and bilateral development assistance. Recent action by the Congress on the foreign assistance appropriation bill for the current fiscal year in which the Congress reduced money in these areas was taken into account. The sum of $7 billion in budget authority and $1 billion in outlays was eliminated from the international affairs functional category for the President's proposed special financing facility.

I cannot stress enough the importance of favorable action on this first budget resolution by the Congress. Through this resolution, we have the opportunity to take an overview of the Federal budget, to approach the expenditure and revenues processes in a more coordinated way, and to assure that the whole Congress is aware of the total budget effect of our legislative actions. We have the opportunity today to set a national legislative policy by adopting this resolution which endorses the imperative to put the unemployed back to work, to increase productivity, and to uplift our badly sagging economy. It is my view the committee has made a commendable start in implementing the Budget Act, the chairman in particular must be complimented for his sterling leadership. With the endorsement of the House of this first concurrent resolution, the process can proceed towards an even closer examination of program activities in succeeding fiscal years.

Mr. Chairman, I also would like to indicate my support of our distinguished colleague from Michigan, Representative JAMES G. O'HARA's views contained in the report of the Committee of the Budget accompanying House Concurrent Resolution 218. Members of the Budget Committee had a hectic 6 weeks in the preparation of this first concurrent resolution on the budget. The chairman of the Budget Committee deserves the highest praise for his tremendous leadership. In looking at the next step, it would be helpful to use codes or categories that cover activities and programs under the jurisdictional control of each of the standing committees. This would be helpful to the House. The Budget Committee should submit its report in a format that can more readily be understood by the House. The 16 functional codes of the executive branch are very confusing, and involve such gross numbers as to make it impossible to relate these figures to the specific program concerns of the committees of the House.

The Congress should not import an executive format and system into the Halls of Congress. Indeed, every committee has a significant role to play in this process.

For some months now, some of the authorizing committees have been assisted by the General Accounting Office to develop a budgetary information system which will provide budget information understandable to Members so that they can make more informed judgments on how well Federal programs are working and how much is being spent on specific program categories. Moreover, there is hope that such a system may be linked with the present appropriations process so that Members could make better and more informed decisions in that process. Indeed the Congressional Budget Act of 1974 intends that the Comptroller General shall conduct a continuing program to identify and specify the needs of committees and Members of Congress for fiscal, budgetary, and, I emphasize, program-related information.

Moreover, the act provides for review and evaluation by standing committees of Government programs and activities. Title VII of the Congressional Budget Act of 1974 requires the Comptroller General to assist committees in developing legislative goals and objectives and goals and methods for assessing and reporting actual program performance in relation to such legislative objectives and goals.

Authorizing committees will require strengthened date collection and information retrieval capabilities in order to participate fully in the new budgetary process. They need expeditious and reliable information in order to link basic legal authorities to program data and appropriated moneys. They need an ADP capability for retrieval of information relevant to their unique responsibility for program initiation and program control.

Mr. Chairman, I would call the Members' attention to what such a system would look like in the recently printed report of the Senate Committee on Labor and Public Welfare to the Senate Committee on the Budget. The committee compiled 87 separate statutory authorities with amendments, and began the laborious process of comparing authorizations with appropriated amounts, of identifying the effective levels of funding, and the application of appropriated funds. In this process of compiling information relating program-level funding with statutory areas, the committee had "the invaluable assistance of the staff of the General Accounting Office" and the committee expects "to expand and refine this program information system during the coming year in preparation for the fiscal year 1977 budget process with the continued assistance and cooperation of GAO."

We need an information system that will permit all Members to focus on the details on the budget so that they may exercise an informed judgment on what programs should be cut or increased.

At this stage of the process we are only voting on totals; and, therefore, the budget authority and outlay subtotals recommended by functional category are neither binding nor subject to amendment. But next year when under section 301(a)(2) of the act we will vote on budget authority and outlays for the 16 major functional categories. These comments are made with a hope that it will contribute to the strengthening of the budget review process.

I conclude these remarks by asking that this House endorse this resolution.

Mr. ADAMS. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. STOKES).

Mr. STOKES. Mr. Chairman, I join with my other colleagues who have commended the chairman of our committee, the distinguished gentleman from Washington (Mr. ADAMS) for the excellent leadership the gentleman has given to this House on the first Committee on the Budget.

Mr. Chairman, as a member of the House Budget Committee, I have witnessed the committee take testimony and debate important questions affecting both the economy and our priorities. While I commend the committee's efforts the result is disappointing in several ways.

One area which particularly concerns me, both because of its significance for the millions of citizens affected and because of what it exemplifies about the trend of decisions made by the committee is the recommended imposition of Federal payment ceilings. These "caps" limit the amount by which existing Federal payments, for retirement benefits, including social security, and Federal civilian and military salaries, can be adjusted, to prevent their erosion by continued economic inflation. Specifically, the committee proposes to impose a 7-percent ceiling on social security and other Federal retirement benefits, while imposing a 5-percent ceiling on all Federal civilian and military pay. This means that the 7-percent cap would effect 32.2 million people receiving social security benefits, plus an additional 3.3 mililon people receiving benefits under the railroad, civil service, or Armed Forces retirement programs.

While I commend the committee for rejecting a more severe 5-percent cap as proposed by the administration which would have covered 35.9 million additional citizens who rely on the supplemental security income, food stamp and school lunch programs, nevertheless, the committee's proposed 7-percent ceiling will still effect 35.5 million people who greatly rely on the marginal benefits they now receive, even without the cap. The committee followed the administration in proposing a 5-percent ceiling on nearly 5 million Federal civilian and military employees, including some 2.9 million civilian employees and 2.1 million members of the Armed Forces.

I want to stress that I find this cap proposal grossly ineffective, unnecessary, and unfair. With regard to the supposed purpose of such ceilings, I utterly reject the concept that efforts to maintain the true value of pay earned or retirement benefits promised is somehow promoting inflation. Inflation is an economic evil because it erodes effective purchasing power, especially for those on fixed incomes. The proposed caps will make more incomes fixed and will guarantee the erosion of the purchasing power of 40.5 million adult Americans. This is not stopping inflation. In a time of severe economic recession it is vital that we should instead pump money back into the economy in a way so as to increase the consumer purchasing power for those who need it and are likely to spend it.

Senior citizens already hold down excessive spending because their limited incomes hardly permit them to do otherwise. When the Congress provided automatic cost-of-living increases in retirement benefits, it recognized that our elderly Americans, on low, fixed incomes cannot absorb the costs of inflation.

We cannot reverse this policy now.

In our current economic situation, it is not possible to stand still without going backward. Over recent years, salaries and social security have only rarely caught up with increased costs of living. The administration request and its pressure on Congress concerning these ceilings once again demonstrates an all-too-eager willingness on its part to force the elderly, poor, disadvantaged and vulnerable to bear the brunt of our efforts to control inflation, and to bear the greatest economic suffering.

This Congress approves a ceiling, those on social security in their remaining years would have to further reduce an already intolerable standard of living, because many elderly Americans rely on their social security payments as their sole source of income. The impact would be devastating to those who have always had the weakest voice in Government, the poor and the working poor. I fervently believe that the Federal Government—if no other body—has a top priority and obligation to support, aid, help provide a point of recourse and to do whatever is necessary to ease the plight of the poor, working poor, elderly, and otherwise economically disadvantaged segments of our populace. These groups are most often overlooked in our braggings of national progress and most frequently called upon to sacrifice in our cries of national crisis.

With particular regard to the ceiling on Federal pay, it is an arbitrary, unfair, and inequitable attempt to require one portion of the Nation's workers to stand still as inflation outstrips their salaries. And in spite of popular rhetoric the Federal Government payroll is not primarily filled with overpaid bureaucrats and generals, even if there are too many of them. The lower ranks of the Federal Government have been accessible to many disadvantaged, even while the higher levels continue to be underrepresented. As a strong critic of excessive defense spending, let me use it as an example. In the various military services a total of 67 percent of all members have a basic pay of less than $7,000, and 83 percent have a basic pay which is below $10,000. It is these low-paid Federal employees upon whom the budget of a ceiling will fall the hardest. It is clear that the ceiling will impose a disproportionate burden upon the increasing percentage of minorities in the lower levels of the military. Currently, the percentage of enlisted minority personnel is 15.7 percent, but the percentage of blacks in the officer ranks is merely 2.8 percent.

The working poor and disadvantaged are thus the target sacrifices of this proposed ceiling. Many of these are the discriminated-against Americans who have chosen not to reject their Government but to enter public service and to try to serve from the inside. Why should those who have undertaken, voluntarily, positions of public trust and service now be required to sacrifice far above that asked of other citizens? While such a ceiling may mean a great deal to those affected, it amounts to less than 1 percent of the $368 billion budget under consideration.

To state it simply this ceiling proposal is an unwarranted, unfair, and irresponsible method of reducing Federal outlays which should not be reduced except when waste and clearly unnecessary expenditures can be eliminated.

As I stated in my supplemental comments in the report, my foremost concern is to chart a national policy direction which will immediately stimulate our beleagured economy. Unemployment must be decreased dramatically and production must be increased significantly. Excessive concern with the amount of deficit ignores the key fact that the single most important cause of the deficit is the recession itself, and not excessive Federal spending.

Every increase of 1 percent in unemployment in today's economy results in an approximately $16 billion increase in the Federal deficit—$14 billion due to loss of tax revenues and $2 billion due to increased spending for unemployment compensation. According to the President's budget, if the unemployment rate could be reduced to 4.2 percent during the coming fiscal year, the budget would be balanced.

In terms of people the refusal of the committee to commit itself to a full employment budget means, for example, that the black community will continue to experience joblessness rates of 15 to 40 percent, and that black youth between the ages of 16 and 19 will be unemployed for years to come.

Obviously, for both human and economic reasons, our overriding concern must be to reduce unemployment as quickly as possible.

The other major issue raised, or more accurately, not raised, is the need to reorder our priorities. As a result of the action of this committee, the defense budget remains virtually sacrosanct. It can and must be even more significantly reduced, though not artificially through pay ceilings. Such funds must then be rechanneled for constructive domestic purposes. Excessive research and development programs, such as the one proposed for the controversial B–1 bomber inevitably result in abnormally high cost overruns and must be terminated. The administration and we in the Congress have many many lessons to learn concerning the difference between supporting and funding a military establishment, and providing adequate national defense.

As recent events in Southeast Asia demonstrate overreliance on weapons and force is shortsighted and ineffective. Neither the $150 billion spent on Southeast Asia, nor the lives lost in combat, were effective because the needs and well-being of the South Vietnamese people were never the focus of our attention or that of the local government. Meeting the true needs of the people is the only way to gain their loyalty and faith, and we fool ourselves if we think our national security is anchored anywhere except in the hearts, minds, and hopes of people who respect and believe that their Government cares about them.

The committee has not fully recognized the kind of national reordering of priorities that is clearly called for. For example, how can we afford to spend over a billion dollars on a space Shuttle program and at the same time not be able to adequately finance urban and rural mass transportation projects? In spite of some increased awareness of this absurdity, the programing areas still facing the greatest peril at the hands of the administration and Congress are, for social security cost-of-living benefits, retirement benefits, veterans benefits, food stamps, medicare, child nutrition, and special impact to education.

Again, those with the least power, economically or otherwise, are the first to be called upon to bite bullets and tighten belts. I cannot support any spending diet, if one is necessary, which results in human starvation. Having been given the tools to finally get better control over our priorities it will be distressing and tragic to see the opportunity unused. As a nation, we have great unmet needs in health, housing, education, transportation, and many other areas. We also have millions unemployed. I only ask that we take this opportunity to help people who want to work and who can be used to solve our problems. Our course of action should be clear and we should cease following an administration using policies identical to those which have created our troubles.

The battles over our priorities will continue in appropriation bills, in new legislation, and in the fall budget resolution, but today one vital improvement toward creating a greater economic stimulus, promoting equity, and properly judging our priorities, can be made by the House if it adopts the amendment to remove the 5-percent and 7-percent ceilings. We have a long way to go to correct our economic policies and our priorities and I urge my colleagues to take this first important step.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ADAMS. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia (Mr. LEVITAS).

Mr. LEVITAS. Mr. Chairman, I sincerely hope that this House will be able to adopt a budget resolution and do it expeditiously. When I was campaigning for this seat in Congress, I advocated a process of this sort long before I knew that the Congress had adopted one, because I felt that it was unthinkable that the Congress of the United States could have gone for so many years, spending money and piling up deficits throughout the year, without having any idea how much was being spent and how large the deficit was going to be. For that reason I commend those who have participated in this progress.

Yet I have heard some things here today that really surprise me. I have heard speaker after speaker stand and say we must adopt a budget resolution regardless of whether it is a good one or a bad one. It makes absolutely no sense to me—indeed, I consider it an abandonment of the most minimum legislative responsibility—to vote for any resolution simply because it is there. It would be far better for us to reject bad legislation so that we will have an opportunity to vote for good legislation.

Under the rules established by the Budget Act, a motion to recommit is not permitted, but I certainly believe that if this House were to reject this resolution, if that unfortunately becomes necessary, the budget committee will understand what the message of this Congress is and bring back a budget resolution that is acceptable.

Mr. ADAMS. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I yield to the distinguished chairman.

Mr. ADAMS. I thank the gentleman.

One of the problems, and the reason I did not answer more directly the question which would be before the Budget Committee earlier—and I still have the same problem—is that the gentleman has listened to the debate today and will listen to what will follow tomorrow. The problem the committee will have is what to bring back. In other words, as the gentleman can see, there is a great division between those who wish the deficit figure to go down and those who wish the deficit figure to go up, and unless in some fashion magic strikes the committee as to what we have done wrong, I would have a very difficult time telling the committee what at that point was the appropriate manner in which to proceed.

I thank the gentleman for yielding to me.

Mr. LEVITAS. I thank the distinguished chairman for his comments, and I certainly understand the dilemma the committee finds itself in. In fact, the next comment I was going to make was to urge that this House, in the course of the vote tomorrow, or whenever it comes, to reach a consensus—to make a decision; but I deplore the suggestion that we would simply adopt a resolution because it is there.

Mr. Chairman, I have two remaining points. There will be amendments to this bill offered under the pretext of removing "caps" from certain programs. I would like to point out as emphatically as I can that there is no amendment that can be offered to this resolution that can remove a "cap" from any program. The law forbids any such amendment. We can only change gross amounts and figures. We cannot legislate about specific programs. We can keep a $73 billion limitation on a deficit and still permit the "caps" to be removed, because that is a matter that addresses itself to the various committees in the Congress.

It simply would require us in the Congress to have enough intestinal fortitude to make cuts in other programs in order to permit these "caps" to be removed; but I think we should not vote for an increase in the size of this budget deficit on the false and misleading pretext that it, in itself, will lead to a removal of the "caps" on social security and other programs. That simply is not true.

Finally, one last observation: We hear a lot that we cannot make cuts in this budget because there are uncontrollable expenditures and that there is only a small amount of the budget that is controllable. I suggest to the Members that every part of this budget is controllable if Congress simply had the courage to go back and write the laws in a way which will give us the opportunity to vote annually on whether the appropriation for any program should be made or not. That would place Congress back in control of the budget and bring us fiscal responsibility.

Mr. Chairman, I yield back the remainder of my time.

Mr. ADAMS. I yield 5 minutes to the gentleman from Illinois (Mr. SIMON).

Mr. SIMON. Mr. Chairman, I will be supporting the resolution.

I share the concerns about imbalances. The gentleman from New York (Mr. KEMP) spoke most eloquently about this problem. I happen to be cosponsoring a constitutional amendment with the gentleman from California (Mr. ROUSSELOT), a constitutional amendment sponsored chiefly by the gentleman from Louisiana (Mr. TREEN) which would say we are mandated to balance the budget unlesss there is a two-thirds vote of Congress to the contrary.

I think several things have been said of significance in support of the deficit in this current economic situation. I think the gentleman from Texas (Mr. WRIGHT) has shown us a graph here which would indicate that the money market for this current situation can afford this deficit. The difficulty is that today's emergency becomes tomorrow's habit.

But there is another area of opposition, coming from some of those on our side of the aisle who say that the $73 billion deficit is an unrealistic figure, that in reality it must be much higher than that. In going through the document prepared by the committee, Mr. Chairman, and I was impressed by the work of that committee, I was particularly intrigued by the difference in outlay between the President's estimate and the committee's estimate.

Having served for some years on a State budgetary commission I recall that one of the ways we estimated this difference in outlay was not only the precise dollar estimate but also by going on a percentage basis as to what had happened in the past. I suggest to those on either side of the aisle who believe that the figure is unrealistically low, that there is built-in flexibility here, and I cite these figures, and I hope that not only the colleagues here will listen but also that some Members and staff personnel will read this in the RECORD tomorrow.

The projection by the committee shows a 7-percent differential between outlay and budgetary authority. For fiscal year 1975 the actual difference will be approximately 26 percent. In 1974 the actual difference was 17 percent. In 1973 the actual difference was 12 percent. From 1963 through the estimate for 1976, the average was 13 percent.

If we project the budget on the basis of the average in the past, we end up with another $27 billion that could reduce that deficit appreciably. So I suggest there is a silver lining to the cloud that we are hearing very much about. There is a little more cause for hope in the fiscal picture than some of the figures might suggest.

I am pleased to support the resolution.

Mr. ADAMS. Mr. Chairman, I thank the gentleman for the comment he has made. I think it is a very important one.

The reason for that type of approach in this budget is that we have tried to go with programs that would produce immediate outlays and be an immediate stimulus to the economy. We would then move back out of that kind of outlay so that we would not have a stimulus when the economy returns to full action.

The gentleman is absolutely correct. If we wish to take the figures and apply the usual outlay to budget authority relationships, then our outlay figures would drop by a considerable amount. I can mention just one program, for example, the accelerated public works program. This projects $3 billion outlays on $5 billion in budget authority in the next fiscal year. As the gentleman knows, the standard outlay figure in public works is usually about one-third, and that would be high. So the gentleman is absolutely correct. I thank the gentleman for his comment.

Mr. SIMON. I thank the chairman for his comments and his leadership. I think what he has done is obviously to be conservative on the outlays. That is another reason for us to support the work of the committee.

Mr. ADAMS. Mr. Chairman, I yield 2 minutes to the gentleman from Arkansas (Mr. THORNTON).

Mr. THORNTON. Mr. Chairman, I am for this resolution.

It may be appropriate to list some of the problems that exist in the resolution. It is not a balanced budget. It is a larger deficit than I like. It is $24 billion larger because of the adoption of the tax rebate that I opposed. It does not set priorities exactly as I would have them set, but I think those comments can be made as we deal with specific amendments later on.

The point about this resolution is that it is necessary if the Congress is to establish ceilings and to fulfill its obligation to exercise the control of the purse strings which is required by the Constitution of the United States and by the voice of the people we represent.

This resolution is not an easy resolution to support. Perhaps that is a reason for supporting it. It makes us shoulder for the first time the responsibility of considering at the same time this Nation's revenues and expenditures. It is an honest resolution. It does not exaggerate figures or engage in self-deception.

Our financial house today is in disarray, but that is no reason for abdicating our responsibility to gain control of our Nation's purse strings. We should not vote for this resolution merely because it is there, but because it is needed.

Mr. Chairman, this in my view is a necessary and vital first step to gain control of the runaway economy which we are now experiencing and I urge support of the resolution.

Mr. ADAMS. Mr. Chairman, I yield 5 minutes to the gentlewoman from New York (Ms. HOLTZMAN).

Ms. HOLTZMAN. Mr. Chairman, as a member of the House Budget Committee, I know that the committee members and the chairman have labored diligently on a very difficult task in reaching a consensus on a budgetary resolution. I think it is very important that the Members of the House recognize that the Budget Committee has labored under very severe constraints. The main difficulty is that we were not able really to dig into the budgets of all the agencies and eliminate waste and unnecessary spending. I deeply regret that we were not in a position to do that.

I am troubled also by this substantial deficit of $73.2 billion. Interest payments on the national debt constitute the third highest item in our budget.

I have several reservations about this budgetary resolution.

First, I think it is an enormous injustice to try to economize at the expense of the senior citizens of this country. I would very much hope that an amendment would be passed to restore the full statutory amount of the social security increase to the budget resolution.

Second, I would also like to raise the matter of the enormous size of the defense budget.

One of the problems, in my estimation, is that almost one out of every two general tax revenue dollars has gone to support the defense budget as proposed by the President, and even as proposed by the Budget Committee. In fact, about 47.1 percent of our general revenues is going to support the defense budget.

It seems to me that in time of peace, that is an extraordinarily high amount to be devoting to the defense budget. It is also interesting to note that the proportion of the general revenues that goes to the defense budget has been increasing over the past few years. This increase is particularly disturbing: during the period of our military involvement in Vietnam—between 1965 and 1973—the proportion of our general revenues that went for the defense budget continued to escalate—up to 57.8 percent in 1973. Following the withdrawal of U.S. forces from Vietnam in 1974 the defense budget, as expected, dropped to 43.3 percent of the general tax revenues. But in 1975, in a peacetime economy, it is anticipated that it will escalate to 45.8 percent. And under the President's budget, it will even escalate further to 47.1 percent.

Even if we want to return only to the fiscal year 1975 proportion of military expenditures—which is a modest beginning in de-escalating our military economy—we will have to cut $2.3 billion out of the committee's resolution.

In time of peace, it seems to me that spending almost one out of every two general revenue tax dollars on defense is unwarranted. We have got to think seriously about curbing growing defense spending. I have worked up some figures which do not really deal with any of the strategic programs but which deal with some of the inefficiencies and waste in defense programs:

Item	Budget authority (millions)	Outlays (millions)	Justification for cut
1. Increased recruiting costs	63	60	Applicants for the Armed Forces far exceed our present needs. There is no reason for increased spending to attract more volunteers.
2. Increased depot maintenance and overhauls.	667	500	Increases could be deferred because the basic program appears to have adequately loaded maintenance facilities.
3. Increases in other procurement	1, 500	180	Significant increases in procurement of miscellaneous equipment for the general force. With no increase in force levels, there is no need for increased procurement.
4. Graduate education for military personnel.	100	95	This category involves non-military-related graduate training—a luxury at best.
5. Cut 40,000 support (noncombatant) personnel over 3 yr.	150	150	The Army recognizes that these personnel are unnecessary, but seeks to replace them with combat personnel. No justification has been given for 3 new combat divisions. It is pointless to fight one kind of waste by creating another.
6. Minute Man III test missiles	265	90	Only purpose of this expenditure is to keep production lines open.
7. Site defense (ABM and ICBM)	180	90	Since these R. & D. programs are designed to develop an ABM system despite the SALT treaty, they are unnecessary.
8. F-15 aircraft (keep present production level at 6, not 9 per month).	600	60	No need to speed up production of F-15 from 6 to 9 per month when production of F-16 has been speeded up.
9. Program growth	1, 000	200	Original committee mark deferred $4,000,000,000 out of the $5,000,000,000 in the requested level of defense program growth. In view of current financial situation, the entire growth request could be deferred.
10. Troops in Thailand	100	100	Thai Government has requested withdrawal of these troops.
11. AWACS	[1] 690 (620 FY 75)	400	Militarily questionable. Useless for original purpose to defend United States. Present purpose is for NATO use. If so, and if NATO wants it, let NATO pay.
12. Shipbuilding	3, 000	240	This represents new shipbuilding authority. Yet, $2,300,000,000 in cost overruns show Navy's program in serious trouble. We should not reward mismanagement. Also Navy needs lead time to comply with Congressional requirement that ships have nuclear capacity.
13. B-1 bomber	749	350	Need for new strategic bomber unproven. At present time United States has 500 bombers. Air Force has lengthened life and penetration capability of B-52's by extensive modification programs. Strategic use of bombers as deterrent doubtful at best.
14. Military support to South Vietnam	700	500	This item is self-explanatory.
Total savings	9, 764	3, 015	

[1] 620 in fiscal year 1975.

If we were to look at the item of increased recruiting costs—which in my judgment are unnecessary because recruiting is not a problem at this time—if we were to look at costs for depot maintenance and overhauls; at costs for graduate education for military personnel; costs for some support personnel in the Armed Forces; costs for increase in other procurement—all of these are listed at pages 112 and 113 of the committee report—we could cut almost $1 billion in budgetary outlays without affecting in any respect the question of military strength.

It is about time we begin to look at the defense budget from the point of view of waste. We can disagree about the B-1 bomber and disagree about some of the strategic programs. Some of us may support them, while others may oppose them. But none of us, it seems to me, can disagree on the proposition that waste and inefficiency even in the defense budget must be eliminated if we are to control future deficits and have the Federal funds needed for domestic programs.

Mr. ADAMS. Mr. Chairman, I have no further requests for time.

Mr. CONABLE. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, when I spoke earlier in this session to interrogate the distinguished chairman of the Budget Committee, who has labored earnestly and hard to perform these very difficult labors, I did not make my own position clear.

As a member of the Budget Committee, I have been distressed in this first year in which we are trying to determine the relationship between income and outgo in some orderly fashion, to find that the relationship is a very distant relationship indeed. As a matter of fact, up in western New York, we would not even call income and outgo shirttail relations if they are as far apart as they are here judging from the first report brought out by the Budget Committee.

Our failures of consanguinity, we can correct by affinity. I would like to see this report sent back to the Budget Committee by a resounding rejection on the floor of the House. The Budget Committee could then perform some sort of shotgun marriage and bring these two into a much closer relationship than they apparently have, judging from the figures that are before us.

I think this whole process will be viewed as incredible by the American people if we advocate a deficit of the dimension of $73.2 billion by our support and recommendation here on the floor of the House. This process is too important to let its credibility be damaged in that way.

I realize that our procedures do not permit a recommittal, but it appears it is within the power of the Budget Committee further to deliberate and further to recommend, particularly in this year in which we have a dry run, so-called. And so I hope, Mr. Chairman, that we will reject a deficit of this dimension and give the Budget Committee by that fact not the coup de grace but instead a mandate to go back and try to bring a closer relationship out of the two basic elements of our fiscal policy.

Mr. DEVINE. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Ohio.

Mr. DEVINE. I thank the gentleman for yielding.

Mr. Chairman, I was listening with interest to the remarks of the gentlewoman from New York (Ms. HOLTZMAN) in which she was apparently castigating the great amount that was targeted for defense.

I have in my hand the United States Budget in Brief for fiscal year 1976. Inside of the cover is the pie showing where it goes, and national defense is only indicated for 27 cents, and 39 cents is in direct benefits, payments to individuals, plus another 5 cents in grants to individuals. So I think the figures the gentlewoman quoted were in error.

The CHAIRMAN. The time of the gentleman from New York (Mr. CONABLE) has expired.

The Chair recognizes the gentleman from Ohio (Mr. LATTA).

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentlewoman from New York (Ms. HOLTZMAN).

Ms. HOLTZMAN. I thank the gentleman for yielding.

Mr. Chairman, I would like to answer the comment that was made, because it is a very important point. Perhaps I did not make myself clear. The defense budget occupies 47.1 percent of the general revenues. I was not talking about all of the revenues the Federal Government gets, but I was talking about what I would call the discretionary revenues. I am not talking about the revenues that go into the social security trust fund or the highway trust fund, because those revenues must be spent for the trust purposes. But if we eliminate the amounts that are raised for these special trust funds, and we talk about general revenues, then I think we see a clearer picture of where our tax dollars are going.

According to my arithmetic, under the President's budget, defense spending accounts for 47.1 percent of the general revenues, or general tax dollars.

The CHAIRMAN. The time of the gentlewoman from New York (Ms. HOLTZMAN) has expired.

Mr. LATTA. Mr. Chairman, I yield 1 additional minute to the gentlewoman from New York (Ms. HOLTZMAN).

Mr. DEVINE. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I yield to the gentleman.

Mr. DEVINE. Mr. Chairman, in that connection, I understand the gentlewoman from New York (Ms. HOLTZMAN) was on the Budget Committee. In the estimated deficit of 72 and some percent deficit, did that include the votes that were taken in the last week and on which, I believe, the gentlewoman from New York (Ms. HOLTZMAN) voted aye on the school lunch program, which did violence to the budget of about $1.3 billion, and the educational bill, which was about $1 billion over the budget? Were those included in the estimated deficit of 72 and some percent?

Ms. HOLTZMAN. I am advised that they are.

Mr. DEVINE. They are included?

Ms. HOLTZMAN. Yes, sir.

Mr. DEVINE. I thank the gentlewoman.

Mr. LATTA. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina (Mr. MARTIN).

Mr. MARTIN. Mr. Chairman, I would like to direct a couple of questions in colloquy to the distinguished chairman of the House Budget Committee.

In the report of the committee, there is no inflation impact statement reported, and as is generally required of other committee reports that we have received over the past year. I would say that those impact statements have been generally very disappointing, because it has been characteristically true that not a single committee, regardless of how large a spending program it estimated, proposed to take any responsibility for any inflationary impact. Regardless of how extravagant the spending was, all of them, so far as I can tell, universally reported and believed that there would be no inflationary impact on their program.

In the committee report and in the chairman's earlier remarks, the chairman does discuss his conclusions and his belief that if this budget is enacted and if this $73 billion deficit is the result of spending for the next fiscal year, that there would be no inflationary impact.

I believe the chairman said that all of those "models" to whom he had submitted this information had derived a projection that there would be no inflationary effect; is that correct?

Mr. ADAMS. That is correct. That is the position in which we find the present economy even with the stimulus that is assumed in this resolution. We could get no indication of any increase in the Consumer Price Index.

Mr. MARTIN. That is because of sagging employment and business activity; is that right?

Mr. ADAMS. If the gentleman will look in the CONGRESSIONAL RECORD, I placed in it yesterday a series of tables which indicate the President's budget, the Senate Budget Committee projections, and the House Budget Committee projections. In those tables, the gentleman will find the Consumer Price Index is falling and the model projection would indicate a continuing decline in 1976 with the stimulus programs in the committee budget.

Mr. MARTIN. The projection of these models is, then, that the stimulus of this kind of deficit budget leads to the end of reducing unemployment; is that correct? Does the gentleman project that unemployment will decline?

Mr. ADAMS. That is correct. We are moving into a slack economy. We would be putting people to work and using productive capacity that is presently not being used, and that is why we do not get an inflationary impact.

Mr. MARTIN. I thank the gentleman. I can understand that if we put people to work in public service jobs, that would reduce unemployment; but is it the gentleman's belief that productive employment in the private sector would also be stimulated and that unemployment would thereby be reduced?

Mr. ADAMS. Yes. The main stimulus in this resolution is in the housing bill which has passed the House, the public works program; and the public service jobs program, as well as the tax cut. Those four separate stimuli, three of which are directed toward stimulating the private sector, are included in this budget.

Mr. MARTIN. May I ask the gentleman if these projections were for fiscal 1976 only or would they go into 1977, or is that stretching the model too much?

Mr. ADAMS. We went to the end of calendar year 1976.

Mr. MARTIN. That would be into the first half of fiscal year 1977?

Mr. ADAMS. Yes. We will have a subcommittee, probably a task force actually, on long-range projections. Five-year projections are required by the Budget Act when all provisions are in effect. As the Congressional Budget Office computer services come on line we will project out 5 years. As part of our report this year, we were unable to get to that particular phase.

Mr. MARTIN. At these levels of spending, did these projections into the last half of calendar year 1976, that is, the first half of fiscal year 1977, lead the members of the committee to believe that there would be a substantial inflationary effect at that time?

Mr. ADAMS. No, it did not. We do not see the economy using up excess capacity until approximately calendar year 1978. With respect to the unemployment rate, that is one of the complaints we heard from other Members. We have not been successful in the programs that we have in here in moving it down below the 6-percent figure, we do not expect, for at least 2 years.

Mr. MARTIN. I am familiar with the speculation that if the recovery is relatively slow—and that is, of course, a very vague term—but if the recovery is slow, there would therefore be no problem in financing the debt because we would still have high unemployment and low levels of economic activity.

The CHAIRMAN. The time of the gentleman from North Carolina (Mr. MARTIN) has expired.

Mr. LATTA. Mr. Chairman, I yield 3 additional minutes to the gentleman from North Carolina.

Mr. MARTIN. However, if the recovery were faster, we would then have excess demand on the economy, and we would also have an excessive demand for borrowed money, which would have the effect of driving up both the inflation rate and the interest rates. I would ask the gentleman whether he could characterize the models which he has used in the committee work as projecting a slow rate of recovery or a fast rate.

Mr. ADAMS. They all project a slow rate of recovery. The committee in its deliberations was especially careful to avoid driving up the inflation rate.

As I indicated earlier to the gentleman from California and the gentleman from New York, it is a very dynamic world that we live in, and that can change.

We used the three econometric models, and they all came out with the same results insofar as rates of inflation were concerned.

Mr. MARTIN. If they all came to the conclusion that there would be a relatively slow rate of recovery then I would ask what the expectations of the gentleman from Washington would be if despite this, or perhaps because of the stimuli which are provided, we then began to realize a faster rate of recovery? If we do have a faster rate of recovery then the chairman's budget will have overstimulated the economy. Does the gentleman from Washington have in mind a procedure that we could use so as to turn down the fires under the economic boilers?

For example, in July, August or September we will have the Second Concurrent Resolution from his committee, and we will at that time already have the monthly indices of June, July and August which would show us whether there was an increase in automobile sales, or whether sales generally have increased, and if there was an indication of consumer confidence rising, and whether savings were being converted to spending which would indicate the economy was picking up. I am asking the gentleman whether he would then recommend slowing down the proposed stimuli which the committee has built into this First Concurrent Resolution?

Mr. ADAMS. We would certainly consider that. As I said this morning, this is what we are trying to do, to get out of the recession, and at the same time not go into another round of inflation. This is a very delicate and dynamic business, and we are trying to do this. We are trying to put programs in here, as the gentleman I am sure heard me say to the gentleman from Arkansas that are not long-time stimulus programs that would stretch out beyond the time the private sector picked up, for example.

Mr. MARTIN. Has the gentleman thought that he would then recommend we not extend the tax reduction act?

Mr. ADAMS. No; we have only said we would extend it to July 1 of 1976, in other words, a 6-month period.

Mr. MARTIN. But, as an example, if in the middle or late 1975 it appeared that the economy would recover rapidly, the gentleman from Washington would then recommend that the tax reduction act not be extended?

Mr. ADAMS. The gentleman can, but the administration has general rescission and deferral powers and can send its recommendation to the various authorizing and appropriating committees.

As I tried to make clear in my opening remarks, and I know the gentleman from Texas (Mr. BROOKS) will be making some remarks tomorrow, that the Committee on the Budget was aware of how things were working, and how things will work, but the individual authorizing and appropriating committees are the ones that need to consider the specific line items.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LATTA. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, I would like to direct a question to my good chairman of the Committee on the Budget. I suppose this was considered, but I will ask, has the Committee on the Budget ever asked for an input to the economic models that are used as to what would happen if we had a balanced budget?

Mr. ADAMS. I specifically asked our people to do that, having in mind that the gentleman from California was interested in such.

Mr. ROUSSELOT. The gentleman has used this in all three of the economic models?

Mr. ADAMS. That is correct.

Mr. ROUSSELOT. What were the results of that insofar as the levels of unemployment are concerned? Say, at the $300 billion level.

Mr. ADAMS. It comes out with an unemployment rate of 15 percent.

Mr. ROUSSELOT. What are the factors used in those economic models; can we have that so we can understand that?

Mr. ADAMS. Yes, the staff will be very pleased to sit down and detail it to the gentleman. As the gentleman from California knows, and also the gentleman from New York, I am sure, these are models of the United States economy, and we place in the various figures, set up the other various standards, and apply those budgetary factors.

Mr. ROUSSELOT. You would then have the standards for the $300 billion expense level, even though the presence of the Treasury in the marketplace would be reduced by $73 billion.

Mr. ADAMS. Oh, yes, the problem, as the gentleman knows, is what has been described as the problem of pushing on a string.

Mr. ROUSSELOT. I understand.

Mr. ADAMS. In other words, if the demand is not there from the private sector, the fact that the availability of credit is there does not mean that the private sector absorbs it or moves with it.

Mr. ROUSSELOT. The private sector has to take the $73 billion because we apparently do not have it in the Treasury.

Mr. ADAMS. Precisely. What I am saying to the gentleman is that funds are becoming available. Money is freeing up, but the private sector is not taking it because it does not have confidence at this moment that it wants to go into borrowing at a higher rate.

Mr. ROUSSELOT. That is right.

Mr. ADAMS. So we cannot push the string out.

Mr. ROUSSELOT. But, of course, the same economic models have obviously been imperfect in other observations that have been made.

Mr. ADAMS. I agree with the gentleman.

Mr. ROUSSELOT. But now we can be assured, at least as far as the economic models tell us, that if we go for this $73 billion deficit, unemployment by the year end of 1976 will be, according to the gentleman's committee report, 7.4 percent; is that correct? That is what the committee report says.

Mr. ADAMS. Seven percent by the end of the calendar year 1976; 7.4 percent, at the end of June 1976.

Mr. ROUSSELOT. I thank the gentleman.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LATTA. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I intend to offer an amendment tomorrow to reduce these figures, and they will be printed in the RECORD along with an explanation at this point.

(The statement of Mr. LATTA is as follows:)

Mr. LATTA. Mr. Chairman, the amendment I propose would make various important changes in the budget aggregate figures contained in House Concurrent Resolution 218. Perhaps of most significance, it would reduce the proposed deficit from $73.2 billion to $54.1 billion. In so doing it would eliminate excessive, badly planned and potentially wasteful public works spending that could aggravate inflation and recession rather than help overcome those problems. It proposes that Federal employees, including Defense Department personnel, help lead the way in returning fiscal responsibility to Government and a lowering of the rate of inflation in America by foregoing any increases in salaries in fiscal year 1976. This seems proper since they do benefit from having recession-proof job security generally not possessed by other individuals. It would cut back on unbudgeted items, reduce wasteful spending programs, and stretch out programs where that can be done without harm. It would allow the tax reduction act to expire at the end of this year. The amendment attempts to bring about the type of decisionmaking that we must encourage and accomplish if the new budget procedure is to be effective.

Under my amendment, the following target figures would be included in House Concurrent Resolution 218:

(In billions)

Revenues	$296.4
Budget Authority	371.9
Outlays	350.5
Deficit	54.1
Public Debt	603.4

Following are the various areas where reductions and cuts would be made and are reflected in the new target figures:

COMMUNITY AND REGIONAL DEVELOPMENT

Budget authority would be reduced by $5.6 billion and outlays by $3.5 billion. Most of this would be in a proposed new emergency public works program that is not budgeted, and it would also affect several proposed increases over the budget for community grants, community action and planning programs. Public works programs are expensive and ill-suited as programs to stimulate the economy in fiscal year 1976. These unbudgeted funds should be removed from the resolution.

EDUCATION, MANPOWER, AND SOCIAL SERVICES

Reductions would be made amounting to $4.9 billion budget authority and $3.5 billion in outlays. This represents proposed funding over the budget, with adjustments for rejection of proposed rescissions, for certain additional education programs, and large amounts not contemplated in the budget for public service and public works jobs and training programs. Here too, the proposed spending for stimulative purposes is clearly excessive and is not appropriate as the means to combat recession in fiscal year 1976.

HEALTH

Reductions here would amount to $2 billion in budget authority and $0.92 billion in outlays. This reflects acceptance of the President's proposal to reduce expenditures by requiring States to pay a larger portion of their medicaid costs, which would result in a reduction in outlays, and various other reductions that represent unbudgeted items.

NATURAL RESOURCES

Reductions in this area would be to remove from the resolution $1.8 billion in budget authority and $1.5 billion in outlays that are associated with a variety of unbudgeted items pertaining to public works, parks, land use planning, conservation and research. Attractive as some of these may seem, this is not the time to add increased spending in these areas at a time when we are facing massive deficits.

GENERAL SCIENCE, SPACE, AND TECHNOLOGY

Outlays in this category would be reduced by $200 million which would be intended to stretch out space activities. This would reduce the outlay total somewhat below the budget, but that appears appropriate at this time of mounting spending and deficits.

COMMERCE AND TRANSPORTATION

Reductions here would be $4 billion in budget authority and $4 billion in outlays. A significant portion of the cuts would be to remove funds for unbudgeted Federal-aid highway programs which it appears cannot be effectively utilized, unbudgeted housing proposals, and the D.C. metro system. Also included would be an unbudgeted $720 million payment to the Postal Service. Such costs should be assumed by those who use the Postal Service, and for whom the payment would be made, second and third class users.

VETERANS

Budget authority and outlays would each be reduced by $400 million. This would keep compensation and pensions in line with the 7-percent cap on retirement and take out new program initiatives that are over the budget.

INCOME SECURITY

Budget authority would be reduced by $0.7 billion and outlays by $1.3 billion. This would reflect elimination of the monthly retirement test which favors high-income retirees, adoption of a standard deduction for work expenses in the food stamp program to increase efficiency, improve the Social Security minimum benefit law which was intended originally as an administrative convenience but has been turned into a welfare device, and improve the management of the program of aid to families with dependent children.

DEFENSE

In the defense area there would be some net additions to both budget authority and outlays over the amounts embraced by the resolution. These represent a cutting back on reductions proposed in the resolution for several purposes, including reductions associated with funds available for transfer from prior years and nonreplacement of equipment that is sold, reductions in the defense stock funds cash balances, reductions in war reserves and inventory replenishment funds, and reduction adjustments made for inflation and for program growth. These increases, which would amount to $5 billion in budget authority and $3 billion in outlays, would be offset by reductions of $1.2 billion in budget authority and $1.2 billion in outlays which represent holding DOD civilian pay and military pay at its present level. In these days of financial stress and huge Federal deficits it seems appropriate to hold the line on Federal salaries. There are instances in the private sector, I understand, where labor and management have voluntarily agreed to maintain wages at present levels. This example should be followed by the Federal Government. The net addition in budget authority would therefore be $3.8 billion and $1.8 billion in outlays.

ALLOWANCES

In this category budget authority would be reduced by $575 million and outlays by $550 million to reflect savings that would result by retaining salaries for all other civilian employees also at the present levels.

REVENUES

It has been calculated that revenues would amount to $4.4 billion in excess of $295 billion, the revenue figure contained in House Concurrent Resolution 218, if the tax reduction act is not extended beyond calendar year 1975. The amendment proposes that the tax reduction not be extended, which would increase revenue. There would not be a net increase of the full $4.4 billion, however, because offsetting this in part would be the somewhat lower revenue intake that would result due to a lower level of Federal expenditures. The reduction in revenue has been set at $3 billion, placing the net revenue level at $296.4 billion.

I include a copy of my amendment:

AMENDMENT BY MR. LATTA

Amendment to be offered as a substitute by Mr. Latta of Ohio for the amendment in the nature of a substitute offered by Mr. O'Neill of Massachusetts: Strike out all after the resolving clause in House Concurrent Resolution 218 and insert in lieu thereof the following:

That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on July 1, 1975—

(1) the recommended level of Federal revenues is $296,400,000,000;

(2) the appropriate level of total new budget authority is $371,900,000,000;

(3) the appropriate level of total budget outlays is $350,500,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $54,100,000,000; and

(5) the appropriate level of the public debt is $603,400,000,000, and the amount by which the temporary statutory limit on such debt should accordingly be increased is $72,400,000,000.

Mr. CEDERBERG. Mr. Chairman, the first concurrent resolution on the budget, House Concurrent Resolution 218, is proposed by the House Budget Committee at a time in which our Nation's economy is experiencing a high level of unemployment and high inflation. There is wide public concern that unless public policy initiatives are taken which confront these problems effectively, our national economic situation may grow worse.

Under the new Budget Control Act, enacted last year, Congress is attempting to utilize a new framework for budgetary decisionmaking. This resolution represents a first step in that process. We are now called upon to act in a way which responds to the pressing circumstances of our economic situation.

Among the important reasons for enacting the Congressional Budget and Impoundment Control Act of 1974 was the need to meet the problems of mounting Federal expenditures and deficts, as well as their impacts on the national economy.

Federal expenditures have grown rapidly from the 1960's onward. A recent Office of Management and Budget study shows that if the growth in spending continues, governments would take from 55 to 60 percent of the Nation's entire output by the end of the century. This would mean government domination of our lives and our means of livelihood to a far greater extent than we now experience. It would diminish our ability to make meaningful personal choices far more than at present. In short, it would diminish our independence. Surely, we will not knowingly take that step on the eve of the 200th anniversary of our national independence.

Federal deficits have also grown rapidly from the sixties onward. The Office of Management and Budget has estimated that if spending proposals now before the Congress should be enacted, the Federal deficit could reach the neighborhood of $100 billion. Such a figure would exceed total Federal spending of some 14 years ago.

I include the following:

FEDERAL BUDGET RECEIPTS AND OUTLAYS AND DEBT (APRIL 1975 "ECONOMIC INDICATORS", P. 35)

[In billions of dollars]

Period	Receipts	Outlays	Surplus or deficit (—)	Federal debt (end of period)	
				Total [1]	Held by the public
Fiscal year:					
1965	116.8	118.4	—1.6	323.2	261.6
1966	130.9	134.7	—3.8	329.5	264.7
1967	149.6	158.3	—8.7	341.3	267.5
1968	153.7	178.8	—25.2	369.8	290.6
1969	187.8	184.5	3.2	367.1	279.5
1970	193.7	196.6	—2.8	382.6	284.9
1971	188.4	211.4	—23.0	409.6	304.3
1972	208.6	231.9	—23.2	437.3	323.8
1973	232.2	246.5	—14.3	468.4	343.0
1974	264.9	268.4	—3.5	486.2	346.1
1975 [2]	274.5	324.2	—49.7	553.8	405.7
1976 [2]	296.8	355.3	—58.5	627.9	476.7
Cumulative totals for 1st 8 mo.:					
Fiscal year 1974	168.0	175.1	—7.1	481.4	348.1
Fiscal year 1975	184.8	208.5	—23.7	510.7	369.0

[1] Excludes non-interest-bearing public debt securities held by IMF.

[2] Estimates as of Apr. 18, 1975. Receipts estimates reflect changes from February Budget for effect of Tax Reduction Act of 1975 only.

Sources: Department of the Treasury and Office of Management and Budget.

These mounting expenditures and deficits, which have gained greater momentum over that time period have also been accompanied by rising inflationary pressures. The strongest inflationary pressures occurred in 1973 and 1974. Consumer prices in general rose about 21 percent over the 2-year period. The largest general rise, a 12.2-percent increase, took place in 1974. However, food prices rose about 20 percent in 1973 alone, and over 12 percent further last year. Meanwhile, energy prices to consumers rose over 21 percent in 1974.

Such sharp rises in consumer necessities caused substantial cutbacks in customary and discretionary forms of spending. Sales of consumer durables for example, dropped 13 percent in the last 3 months of 1974 alone, reflecting almost a 45-percent decline in annual rate over that period. Consumer spending generally fell at about a 13-percent annual rate in the final quarter of 1974. I include a table:

CONSUMER PRICES (APRIL 1975 ECONOMIC INDICATORS, P. 26)

[1967=100]

Period	All items	Commodities					Services		
		All commodities	Food	Commodities less food			All services	Rent	Services less rent
				All	Durable	Nondurable			
1966	97.2	98.2	99.1	97.5	98.5	97.0	95.8	98.2	95.3
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	104.2	103.7	103.6	103.7	103.1	104.1	105.2	102.4	105.7
1969	109.8	108.4	108.9	108.1	107.0	108.8	112.5	105.7	113.8
1970	116.3	113.5	114.9	112 5	111.8	113.1	121.6	110.1	123.7
1971	121.3	117.4	118.4	116.8	116.5	117.0	128.4	115.2	130.8
1972	125.3	120.9	123.5	119.4	118.9	119.8	133.3	119.2	135.9
1973	133.1	129.9	141.4	123.5	121.9	124.8	139.1	124.3	141.8
1974	147.7	145.5	161.7	136.6	130.6	140.9	152.0	130.2	156.0
1974:									
February	141.5	139.3	157.6	129.2	123.4	133.5	145.8	128.0	149.1
March	143.1	141.0	159.1	131.1	124.3	136.1	147.0	128.4	150.4
April	143.9	141.8	158.6	132.6	125.6	137.7	147.9	128.8	151.4
May	145.5	143.4	159.7	134.5	127.5	139.5	149.4	129.3	153.1
June	146.9	144.8	160.3	136.2	129.7	141.0	150.9	129.8	154.7
July	148.0	145.6	160.5	137.5	131.5	141.8	152.5	130.3	156.6
August	149.9	147.6	162.8	139.3	133.2	143.7	154.2	130.9	158.4
September	151.7	149.4	165.0	140.9	134.8	145.3	155.9	131.4	160.3
October	153.0	150.7	166.1	142.2	136.8	146.1	157.3	132.2	161.9
November	154.3	152.0	167.8	143.3	138.0	147.2	158.6	132.8	163.3
December	155.4	153.0	169.7	143.9	138.8	147.7	160.0	133.5	164.8
1975:									
January	156.1	153.4	170.9	143.9	139.3	147.2	161.3	134.0	166.2
February	157.2	154.4	171.6	144.9	140.3	148.2	162.6	135.1	167.5
March	157.8	155.0	171.3	146.0	142.1	148.8	163.2	135.5	168.3

Source: Department of Labor, Bureau of Labor Statistics.

The sales decline led first to a rise in business inventories of unsold goods; then to a cutback in production. Thus, total output of the economy also fell about 10 percent from September 1974 to March 1975.

Unemployment has grown, in response to reduced productive activities, reaching an 8.7 percent annual rate and about 8 million people, according to recent figures. Meanwhile, overall employment has gone down about 1.4 million between last December and this March.

Our need now, as a nation, is to act in a way which assists economic recovery without rekindling the inflationary forces which have brought us to our present difficulties. This places a strong responsibility on the Congress to choose target budget figures which meet this need.

A vital part of this decisionmaking is the size and character of the $73.2 billion budget deficit contained in the Budget Committee's proposed budget resolution.

One problem in dealing with this deficit figure is that it does not really present the full impact that anticipated Federal borrowing will be considerably larger because there are off-budget and other Federal finance components to be added.

The simplest and most conservative version of these additions would combine the fiscal 1976 deficit of off-budget Federal agencies, about $10.6 billion, to the finance requirement of $7.7 billion for Government-sponsored enterprises, a combination resulting in $18.3 billion in borrowing requirements above that of the Federal unified budget deficit.

There are other federally assisted credit activities, whose proceeds go to non-Federal borrowers, amounting to a further $7.7 billion. The impact of these on financial markets differs from other Federal borrowing, partly because a large component of these funds goes to private individuals and corporations. But there is a residual liability, and these funds do not respond to market forces in the same way as other private market transactions.

Conservatively, these additions to Federal and federally assisted borrowing range from about $20 billion up to $26 billion above the unified budget deficit. I include the following:

TABLE C-2.—MEANS OF FINANCING THE FEDERAL DEFICIT [1]

[In millions of dollars]

Description	1974 actual	1975 estimate	1976 estimate
Budget surplus or deficit (—)	—3, 460	—34, 696	—51, 852
Surplus or deficit (—) of off-budget Federal agencies [2]	—2, 675	—13, 931	—10, 642
Total surplus or deficit (—)	—6, 135	—48, 627	—62, 494
Means of financing other than borrowing from the public:			
Decrease or increase (—) in cash and monetary assets	2, 519	3, 147	—367
Increase or decrease (—) in liabilities for:			
Checks outstanding, etc [3]	—913	1, 500	—1, 500
Deposit fund balances	—19	—133	189
Seigniorage on coins	321	613	672
Increment on gold	1, 219		
Total means of financing other than borrowing from the public	3, 127	5, 127	—1, 006
Total requirements for borrowing from the public	—3, 009	—43, 500	—63, 500
Change in debt held by the public	3, 009	43, 500	63, 500

[1] Taken from "Special Analyses—Budget of the U.S. Government Fiscal Year 1976." p. 42.

[2] The off-budget Federal agencies consist of the Rural Electrification and Telephone revolving fund. Rural Telephone Bank, Housing for the Elderly and Handicapped fund (as of Sept. 1, 1974). Pension Benefit Guaranty Corp. Environmental Financing Authority, Federal Financing Bank, Export-Import Bank, Postal Service, and U.S. Railway Association. Not all these agencies existed during the entire period.

[3] Besides checks outstanding, includes military payment certificates, accrued interest (less unamortized discount) payable on Treasury debt, and, as an offsetting change in assets, certain collections in transit.

TABLE C-9.—NET BORROWING FROM THE PUBLIC BY GOVERNMENT GOVERNMENT-SPONSORED ENTERPRISES, AND GOVERNMENT-GUARANTEED BORROWERS

[In billions of dollars]

Description	Borrowing or repayment (—)			Debt outstanding end 1976 estimate
	1974 actual	1975 estimate	1976 estimate	
Federal borrowing from the public [1]	3. 0	43. 5	63. 5	453. 1
Borrowing by Government-sponsored enterprises [2]	14. 9	14. 2	8. 1	88. 7
Less increase in holdings of Federal debt	(³)	. 4	(³)	1. 1
Less increase in Government-sponsored debt held by Federal agencies	. 1	. 2	. 3	. 6
Net Government-sponsored borrowing from public	14. 8	13. 6	7. 7	87. 0
Government-guaranteed borrowing [4]	1. 1	15. 4	16. 1	215. 5
Less increase in Government-guaranteed loans held by:				
Federal agencies:				
Federal Financing Bank	. 1	10. 6	5. 8	16. 5
Government National Mortgage Association	—. 3	—. 1	—. 4	3. 0
Environmental Financing Authority		. 1		
Government-sponsored enterprises:				
Student Loan Market Association	. 1	. 1	. 3	. 6
Federal National Mortgage Association	3. 7	3. 7	2. 4	31. 4
Federal Home Loan Mortgage Corporation	. 2	. 2	. 3	2. 4
Net Government-guaranteed borrowing from public	6. 2	. 8	7. 7	161. 7
Total Federal and federally assisted borrowing from the public	24. 1	57. 9	78. 9	701. 7

[1] See table C-1.

[2] See table C-8.

[3] Less than $50,000,000.

[4] The same as Government-guaranteed loans. See table E-7.

Their combined impact on private financial markets places larger total demand on those markets than ever before—a new record in credit demands. Can anyone believe that this level of financing will not have new inflationary consequences?

There have been recent signs this spring that the pace of inflation had been slowing down. Consumer prices rose more slowly and some interest rates were coming down. Very recently, however, both short- and long-term interest rates began to rise again. Major business firms have experienced difficulty in selling debt securities and some private borrowers are being "crowded out" of the market as investors anticipate the effects of large new Federal borrowing.

State and local governments will also face this "crowding" pressure. Recently, a Canadian Province joined other borrowers in going to the U.S. money market before the new market forces take greater effect.

We must not overlook these signals of a new inflationary danger in reaching our budget target decisions. Recently, home mortgage interest rates moved moderately downward, while housing starts improved. This private market improvement, like many others, will be choked off if inflation is renewed. Business borrowing has recently increased strongly. If it is not crowded out by large new Federal borrowing, it should contribute to business recovery and increased private employment.

Dr. Arthur Burns has warned that impending additions to Federal financing needs, including the off-budget items, can lead to a Federal borrowing figure above $100 billion, with corresponding enormous strains on money and capital markets, in which interest rates shoot up and many private borrowers are crowded out of markets.

A related problem involves the Budget Committee proposal that part of new Federal borrowing be financed by Federal Reserve purchases. Through the fractional reserve principle, this will create "high-powered money" to stimulate a multiple expansion of bank credit and thus to "monetize" this part of the additional debt. The inflationary effects of this process are well known.

In particular, the proposed stimulus involving public service jobs, speedup of public works and the like, faces familiar difficulties. Past experience suggests these programs work slowly, add new jobs slowly, shift about experienced workers into new programs, and provide belated stimulus just at the time when financial and other experts tell our Budget Committee we should be reducing the stimulus.

In short, they cost too much, do too little good when it is needed, and interfere with private business expansion at just the wrong time.

Essentially, our contemplated action indicated by the budget resolution and the reasoning indicated in the committee report call upon us to apply a familiar deficit medicine in larger doses to remedy the illness it has aggravated in the past.

Moreover, they tell us to rely on familiar and time-worn Government-sponsored job stimulus in place of the reliance on expansion of private business activities which our budgetary proposals will seriously hinder and may choke off.

In summary, at a time when the American public wants less government in their lives, less burdensome government in terms of taxing and spending, less dominance of government in their economy, the Budget Committee deficit proposal would have us go in the opposite direction.

If Congress adopts this resolution as it now stands, it will not meet national needs. It will not achieve the budgetary restraints hoped for and desired under the new budgetary process. I urge that this resolution be rejected and that we renew our efforts to seek effective budgetary control.

Mr. RHODES. Mr. Chairman, I speak today more in sorrow than in anger. It is always saddening when bright promise fades—and potential is unrealized.

The message from the Committee on the Budget—House Concurrent Resolution 218—requests that we approve another excursion into massive deficit financing. I know it comes as a disappointment to so many Americans who had hoped for a new era of fiscal responsibility in Congress.

From its inception, I have supported the idea of a budget committee strongly. I held high hopes that it would be effective. As a member of the Select Committee which drafted the budget-reform bill, I took part in the give-and-take that accompanied its being shaped into a workable adjunct to the Congress. I also served as ranking minority member on the House Budget Committee during its formative period.

The entire motivation behind creation of the budget-reform bill was to supply Congress—for the first time—with a mechanism through which we could make rational budgetary decisions. We now have that mechanism. We ought to use it in a more effective manner.

Those who expected restraint can hardly fail to be alarmed at the $395.6 billion recommendation by the committee. For our 214 million population, this represents a Federal expenditure of $1,850 for every man, woman and child in America. For a family of four it is $7,400. If the final budget is held to this figure, we will, during our Bicentennial year, spend more than our Nation spent from the founding of our Republic through the year 1943.

It took us into 1962 to reach the $100 billion spending mark. Then we doubled that in 9 years. In 4 years we went over the $300 billion mark, and now we are threatening in just 1 year to vault past the $400 billion level. The pace of spending is accelerating, and threatens to go into orbit.

This huge expenditure will race past revenues by $73 billion in deficits—according to committee calculations. I believe this is an unrealistic estimate. In the absence of any hard budgetary decisions, the deficit will undoubtedly be much higher. I greatly respect the chairman of the House Appropriations Committee—he is as informed and knowledgeable as anyone on budgetary matters, and is recognized for his ability and perception. Chairman MAHON has stated that, if present conditions continue, our budget deficit will exceed $100 billion.

As spending has spiraled upward, the rate of debt creation has soared. From 1929 through 1947 it was an average of 4 percent; from 1947 through 1965 it was 6 percent; and from 1965 through 1974 it was 9 percent. Now, despite our having set up the Budget Committee to corral Federal credit-card operations, we are asked to approve a level of debt that represents one-fifth of all the borrowing our Government did in 199 years. During this time we funded World War I, World War II, the Korean war, and the Vietnam war, plus a host of expansive and expensive social programs.

This tremendous Federal debt will adversely affect our national well-being. The tide of Federal spending must be reversed in order for the economy to have any hope of recovery. Congress must make this happen. I do not pretend for a moment that it is going to be easy. But the effects of inflation have not been especially pleasant for millions of Americans.

There have been encouraging signs of late that our economy is righting itself, that inflation and interest rates are leveling off. The contemplated deficit would require dangerous levels of Federal borrowing that would refuel inflation and stifle production efforts in the private sector. The impact of Uncle Sam's foray into the capital markets could be disastrous.

Despite the cavalier disregard by many in this body for the effects of inflation, it is still our most deadly fiscal foe, and if left unchecked, it could ruin us economically.

Congress has an obligation of responsibility for our monetary system. Federal spending is nearing one-fourth of our gross national product. Its effects on our economy are huge.

I believe that this 94th Congress has the duty to reevaluate all existing programs—even those considered uncontrollable, and cut even many that we all agree are in the main desirable programs.

The Budget Committee has labored, and brought forth a monster. That is why, in good conscience, I must vote against this proposal, and urge my colleagues to join me in striking a blow for fiscal sanity for America.

I want to emphasize that a "No" vote in this resolution should not be interpreted as an expression against the new budgetary process. It is a sound system, and one that can work. But, it takes people to make it work, and I hope that the members of the new Budget Committee will face up to their responsibility to hold the line on Federal spending. If this resolution is rejected, I would urge the Budget Committee to reconsider its proposal and bring a new resolution to the House floor as soon as possible.

Mr. REUSS. Mr. Chairman, I commend the House Budget Committee and its able chairman for the impressive job they have done. They have brought to the floor an historic piece of legislation—one for which no precedent existed—and they have not shirked the difficult choices involved in ordering Federal budget priorities. I am in accord with the general lines of their proposals.

I also strongly support the majority leader in his attempt to remove the cap on cost-of-living adjustments to retirement and Federal employment payments. It is clearly unfair to put so heavy a burden of sacrifice on the shoulders of the poorest groups in our society. I intend to vote for the O'Neill substitute.

However, Mr. Chairman, in the search to cut back unnecessary programs and eliminate waste, a sum equal to one-quarter of the budget has been put off limits. In fiscal 1976, tax expenditures will total close to $100 billion, more than 25 percent of the $368.2 billion estimated total outlays. Yet nowhere does the concurrent resolution suggest that even a few tax loopholes be closed.

"Tax expenditures" are defined by law as "those revenue losses attributable to provisions of the Federal tax laws which allow a special exclusion, exemption, or deduction from gross income or which provide a special credit, a preferential rate of tax, or a deferral of tax liability." To the laymen, these preferences are "loopholes." Some are good, some bad; some expensive, some modest; some blatantly skewed to higher income taxpayers, some more widely distributed. But all involve a loss of revenue to the Federal Treasury and all exist at the expense of some other use of the funds. They comprise a huge, if often disregarded, portion of the Federal budget.

It is not as though there were any doubt that the Budget Committee has the authority to examine tax loopholes. Indeed, it is the committee's duty to do so. Title I of the Congressional Budget and Impoundment Control Act of 1974 states:

> Such committee [the House Committee on the Budget] shall have the duty . . . to devise methods of coordinating tax expenditures, policies, and programs with direct budget outlays. . . .

Title III specifies that the concurrent budget resolution shall set forth—

> The recommended level of Federal revenues and the amount, if any, by which the aggregate level of Federal revenues should be increased or decreased by bills and resolutions to be reported by the appropriate committees.

Part of the task has been fulfilled. The resolution recommends that the recently-enacted tax cut be extended. The report sets forth existing tax expenditures. But this is far from enough. No doubt lack of time prevented the committee from doing its full job—recommending to the House which tax expenditures, as well as which direct expenditures, should be retained, expanded, cut back. Without such examination and such recommendations, any congressional budgetmaking decisions will be crippled by half-knowledge. In future years, I am sure that the committee will go the full mile.

But what of this year—fiscal 1976? Can we in all conscience cut back programs benefitting low- and moderate-income families, the elderly, minority groups, without demanding some measure of sacrifice from wealthy loophole-lovers? Can we deny health insurance benefits to the unemployed without getting rid of hobby farm tax shelters, for example, or Domestic International Sales Corporation—DISCs—or similar tax bonanzas?

Mr. Chairman, I will offer an amendment tomorrow to raise the aggregate Federal revenues target for fiscal 1976 by $3 billion—a very modest increase and well within the capacity of this Congress this session. The revenue gain, while not great, could stand us in good stead later this year—to finance additional public service jobs, a national health insurance system, to pay for cost overruns on contracts or unexpected increases in uncontrollable outlays—interest on the national debt, perhaps?—or simply to reduce the deficit if economic recovery gets underway faster than predicted.

Where could $3 billion worth of loopholes for immediate plugging be found? I could give a whole list of candidates—tax provisions which are not only expensive and unfair, but actually distort the economy at a moment when we can least afford it. Their yield adds up to more than double $3 billion. On my list are:

Domestic International Sales Corporation—DISC's; DISC's are allowed to defer U.S. taxes on half their export earnings. But when the goods exported is in short supply at home—as scrap metal, fertilizer, baling wire, feed grains were only last summer—the DISC tax break contributes to domestic inflation and bottlenecks. Repealing DISC would pick up $1.3 billion a year.

Minimum tax: This tax on loophole income, nominally 10 percent, is itself so full of loopholes that its effective rate is only 4 percent. Restoring the minimum tax to something like a 10 percent effective rate could pick up $500 million a year.

Gasoline taxes: Taxpayers who itemize deductions, normally in middle- and upper-income brackets, are permitted to deduct State taxes on gasoline used for nonbusiness driving. In these times of severe oil shortages, this provision encourages nonessential consumption of gasoline. Removing the deduction would raise $850 million a year.

Foreign-source income: The Ways and Means Committee tax bill last year would have repealed a handful of tax breaks for Western Hemisphere trade corporations, corporations in less developed countries, and certain U.S. citizens living and earning abroad. Insofar as these provisions do anything other than cost the Government money, they encourage the export of valuable U.S. capital and know-how. Persisting in this reform this year would gain $200 million for the Treasury.

State and local bonds: Holders of qualifying State and local bonds—mostly people in the 50 percent-and-up tax brackets, or financial institutions—accept lower-than-market interest rates in exchange for tax exemption on the interest. This loophole restricts the bond market to a few purchasers and produces an annual revenue loss for the Federal Government of almost $5 billion—far more than the interest saved by States and municipalities. Optional federally-subsidized taxable bonds would broaden the dangerously thin market, assist State and local governments, and save the Federal Government several hundred million dollars a year.

Phony farm losses: Farm accounting procedures are more liberal than nonfarm business accounting methods. These rules provide a cozy tax shelter for wealthy nonfarmers—doctors, lawyers, coupon clippers—who maintain a farm, or part ownership in one, to manufacture accounting losses used to offset nonfarm income. These "tax farms" help run up the cost of land for the family farmer who has to make a living at farming. Curtailing farm losses could save $100 million a year.

Housing tax breaks: The tax code properly encourages homeownership through the deduction of mortgage interest and property taxes—at an annual cost of $12 billion to the Government. But in the process it gives extravagant bonanzas, subsidizing not only family homes, but also luxurious villas by the sea, ski condominiums in the mountains, Newport mansions. One reason why so many real estate investment trusts—(REIT's)—and their affiliated banks are in trouble is that these tax provisions encourage speculation and overbuilding in luxury vacation housing. Limiting tax deductions to one principal residence per family could end much of this wasteful diversion of capital. This reform and setting a ceiling on the deductions, so as to limit the tax subsidies on the stately pleasures-domes of the rich, could raise several billion dollars without in any way affecting the vast majority of homeowners.

Asset depreciation range system—ADR: This system of rapid depreciation allows corporations to write off certain assets up to 20 percent faster than normal useful lives. Criticized by economists since its inception in 1971 as an imprecise investment incentive contributing to cyclical economic ups and downs, the ADR could surely be retired now that a 10-percent investment tax credit is in place. Repealing ADR entirely would pick up $1.6 billion for the Treasury; phasing it out for newly acquired equipment only would net $400 million.

The list could go on and on.

These loopholes do not contribute a thing to productive activity—they are wasters of money, purely and simply, not creators of jobs. Repealing them would benefit not only our impaired Federal revenues, but also the economy as a whole.

Some argue that it is too late for tax reform which could be effective in fiscal 1976. This just is not so. If DISC, for instance, were repealed as of July 1, 1976, the full revenue impact of $1.3 billion would be felt this year. Other tax reforms—tightening the minimum tax and phasing out tax-exempt State and local bonds, to name but two—have been serious legislative prospects for at least 2 years. It would hardly take any taxpayer by unfair surprise to enact them into law for calendar 1975. And foreign income provisions, part of last year's Ways and Means tax bill, are long overdue.

The Ways and Means Committee intends to devote its attention to tax reform this spring. I applaud their resolve, and hope that far-reaching changes will emerge from their deliberations. But the time for action on tax expenditures is now, while the concurrent resolution sets clearly before us our budget options. I urge my colleagues to act on the budget as a whole tax expenditures as well as direct expenditures, today and tomorrow, and to hasten the leisurely pace of tax reform by adopting my amendment.

Mr. FRASER. Mr. Chairman, the House Budget Committee's first budget resolution, which is before us today, represents a significant step by the Congress in asserting its influence on the economic policies of our Government. It is a responsibility we have shirked too long.

In the past, with little predetermined fiscal policy to use as a reference, Congress voted on appropriations bills and authorizing legislation with only a limited picture of how that legislation related to total Government spending. I am optimistic that the budgetary process established last year in the Budget and Impoundment Act will give Congress the invaluable overview and coordinated fiscal policy it needs.

However, my optimism has been dampened by the fiscal priorities set by the Budget Committee in House Concurrent Resolution 218. I am specifically referring to the committee's recommendation to place a 7-percent ceiling on social security retirement and other retirement cost-of-living benefit increases and a 5-percent ceiling on Federal civilian and military pay raises.

I believe that one of the principal reasons we established a congressional budgetary process was to insure that our country's human and social needs are assigned the highest priority. I am disappointed that this philosophy is not reflected in the committee's resolution.

Over the last few years, Congress has found itself in the midst of many battles with this administration, and the previous administration, over spending priorities. Earlier this year, it was necessary for Congress to block President Ford's attempt to increase food stamp prices and rescind fiscal year 1975 funds for certain programs affecting the young and the elderly. His new budget continues to emphasize defense rather than social needs. And now we find that our own Budget Committee recommends similar, though not as severe, cuts in benefits to aid senior citizens.

The Budget Committee justifies its recommendation by asserting that the ceilings—which I view as arbitrary limitations—would both reduce the current budget deficit by $3.2 billion and serve as a fair compromise between President Ford's proposed 5 percent limitation and the anticipated 8 percent cost-of-living increase, as estimated by the Bureau of Labor Statistics.

I find this compromise unacceptable.

The committee, other than arguing that this is a slight cut in the Federal budget, cannot justify why the cost-of-living escalator should not take effect.

Currently, more than 30 percent of all persons receiving social security benefits individually have incomes below the poverty line. More than 10 percent of all families receiving benefits fall in this category. In effect, the Budget Committee resolution asks those people and millions of other recipients with near-poverty level incomes to make additional financial sacrifices.

In the past, social security recipients have always been unsure if and when their benefits would be increased by Congress. The purpose of the cost-of-living escalator, originally approved by Congress in 1972 and later revised in 1973, was to help eliminate this uncertainty. The committee recommendations would reintroduce that unsureness into a procedure which took effect only last year.

I think it is important that we here reaffirm our commitment to this July's scheduled 8 percent increase in benefits. Contrary to the opinions of some economists that the Nation faces a taxpayer revolt because of rising social security taxes, a recent Harris poll found that 97 percent of the American people believed that social security payments should include automatic cost-of-living increases.

I urge the House to amend the Budget Committee's resolution accordingly.

Mr. McCLORY. Mr. Chairman, when Congress enacted the Budget Control and Impoundment Act of 1974, most Members, I believe, had two basic goals in mind: To try to regain from the executive branch greater control over the fiscal policy of this Nation, and to establish overall priorities in spending programs in an effort to hold down spending and weed out waste in Federal programs.

Today we are considering the first of the budget resolutions called for in the Budget Act, and I am afraid that we stand an excellent chance of failing our first test.

The resolution before us calls for a budget deficit for the coming fiscal year of $73.2 billion—a truly staggering figure. Not even in the midst of World War II did we encounter deficits of such enormity. This proposed deficit is greater than either the total receipts or the total expenditures in the Federal Government in any single year in our history up until fiscal year 1955. And this is being proposed in the name of budget control.

Mr. Chairman, even if we were to accept the unprecedented size of this projected deficit as being inevitable, we have no assurance that it will not ultimately be even higher. This resolution Mr. Chairman, is just the beginning—just the first of several that we will be called upon to consider for fiscal year 1976—and the others are intended to be revisions of this one. Does anyone seriously imagine that those revisions will be anywhere but upward?

Mr. Chairman, we not only are not controlling the budget in this resolution today, we are continuing to sanction spending at ever-increasing levels—and giving little or no thought to the consequences. In January of this year, President Ford submitted a budget that projected a deficit of under $52 billion—second highest budget deficit in the entire history of this Nation. It was exceeded only in 1943, when the war-swollen deficit hit the peak of $54.8 billion.

We immediately began to bust—not control—but to bust that budget with a tax reduction and rebate bill that was too much and probably too late to do the job it was intended to do. But it most certainly will add substantially to this record deficit.

Despite his misgivings, President Ford reluctantly signed the tax reduction bill—but served a warning that he would draw the line at a deficit of $60 billion, itself no miserly figure.

Mr. Chairman, we were all heartened to note last week that consumer prices for the month of March rose at an annual rate of only 3.6 percent—a far cry from the towering annual rate of 15.6 percent which we experienced last September. There is good reason to believe that although the recession has not yet "bottomed out," the economy is cooling off; that we may be in for a period of greater stability in consumer prices. But we are not out of the woods yet, and I think we must bear this in mind when considering the size of the Federal deficit that we are willing to accept for the next fiscal year.

Inflation is not a dead issue; nor is it something that we can turn on or off quickly, as we should certainly have learned over the past decade. The action we take here today in establishing spending and deficit limits will, if we are not careful, propel us right back into the inflationary spiral that we now appear to be coming out of.

Mr. Chairman, we are under a severe test here today; it is a test we cannot afford to fail—not just for ourselves, but for the people and the economy of this Nation. We said in passing the Budget Control and Impoundment Act last year that we were dissatisfied with a budget out of control. Today we have the opportunity to exercise some control.

I question that we are measuring up to our responsibilities if we acquiesce in a deficit of more than the President has proposed—based largely on a temporary need to stimulate our sagging economy.

Mr. Chairman, there are some who will brush aside our actions today on the ground that the exercise of our authority this year under the Budget Control and Impoundment Act is a dry run. I reject that argument. The House of Representatives is being tested today. What we do today will be interpreted as a clear indication of how responsible the Congress will be in the exercise of its legitimate and constitutional authority as keeper of the Nation's purse strings. The time to demonstrate that responsibility—and assume that authority—is now—today.

Mr. SCHNEEBELI. Mr. Chairman, this is an occasion of historic significance. We are faced with a decision on the first legislative result of the Congressional Budget and Impoundment Control Act of 1974.

The Committee on the Budget, which brought us to this milestone, has faced an extremely difficult task. I personally regret that circumstances, in the form of emergency legislation before the Committee on Ways and Means, have prevented me from playing a more active role in this committee's operation.

The Committee on the Budget has been fortunate, however, in its leadership. Its first two chairmen, the gentlemen from Oregon and Washington, have proved to be very capable, and have exercised good judgment in the selection of a competent staff. Despite the brief period of time which the committee and its staff have to develop House Concurrent Resolution 218, the professionalism behind it is apparent.

Whatever else may be said about it, the resolution before us has cast the budgetary die, clearly and unequivocally. Even though we are going through a trial run, this does mark the initial test of our will to make legislative budget control really effective.

And that, Mr. Chairman, underlies the reason for my opposition to the resolution. I have great respect for the work of the committee, but I cannot support its opening effort.

I think this is a potentially dangerous resolution, Mr. Chairman, because it threatens the basic aims of the legislation which provided for it.

The Congressional Budget and Impoundment Control Act was enacted with high hopes. It was hailed widely as the vehicle which could force the Congress, for the first time, to come to grips with fiscal reality. But if this concurrent resolution is a true indicator of things to come, those high hopes may be dashed on the rocks of excessive spending.

The resolution sets as a target for fiscal 1976 a deficit of $73.2 billion. This is more than the President feels is a responsible limit, it is even more than the other body has called for, and it is more of a blow than our economy should be expected to withstand.

It should be kept in mind that the majority report on the resolution quite correctly refers to the $73.2 billion deficit as a target. And our own history should tell us it is a target which may be shot full of holes before the end of the year.

The Office of Management and Budget has warned that we could be facing a deficit of $100 billion or more if various spending proposals already pending in the Congress should be enacted. If additional programs are proposed and approved, there is simply no telling how high the red ink will rise.

Our public debt subject to statutory limitation is now hovering around $515 billion. Interest payments on that indebtedness will reach an estimated $32.9 billion this year, and that breaks down to more than $90 million a day, nearly three-and-a-quarter million dollars an hour, and more than $1,040 per second.

Not only will a deficit of the size contemplated in this resolution add to that shocking rate of interest, it will have a pervasive, damaging impact on the economy, particularly in the areas of money and credit.

Our economic skies are showing signs of clearing, and many experts are predicting an upturn later in the year. But if we fail to exercise real restraint in Federal spending, that upturn may well be accompanied by another unwelcome wave of inflation.

Government spending as a percentage of gross national product has been rising over the years, while consumption spending—the money people pay out for food, clothing, shelter, and other personal items—has been declining. The Wall Street Journal reported recently that Government spending as a percentage of GNP rose from 21 percent in 1950 to 33 percent this past year, for a gain of 57 percent.

Over the same period, consumption spending as a percentage of GNP decreased from 67 percent to 62 percent, a drop of more than 7 percent. In terms of dollars, Government spending this past year rose to $461 billion, more than half the total expended by the American people for all personal consumption.

Frankly, Mr. Chairman, I do not know how long the taxpayers of this country are going to let that trend continue. We may be able to keep on kidding ourselves, but not the people who support this Government. The bucks begin here, and the bucks must stop here.

House Concurrent Resolution 218 proposes too much spending and, to some extent, the wrong kind of spending. It proposes greater outlays in social areas, substantial cuts in national defense, and ignores the crying need for an effective, comprehensive energy policy.

Although this is a trial run, Mr. Chairman, it has nevertheless put the Congress on trial.

The Congressional Budget and Impoundment Control Act held great promise, but House Concurrent Resolution 218 may well provide for an early demise of the Federal congressional budget process. I hope that this is not so, since we need for proper fiscal management an effective budget control procedure.

Mr. **GRASSLEY**. Mr. Chairman, the Nation and this Congress are at an economic crossroad today that may well determine if the United States will remain financially solvent. I have been a Member of Congress only 4 short months, but in that amount of time I have witnessed the evaporation of a $50 billion deficit ceiling, then $60 billion, and now we are told by the newly created House Budget Committee that fiscal restraint begins at a 1976 fiscal year deficit in excess of $72 billion.

This country is faced with complex economic problems which require urgent congressional action. While considering a solution to these problems, I urge my colleagues to never lose sight of the fact that the United States today has a public debt greater than that of the combined nations of the world. This is the peril with which we are faced at today's economic crossroads.

The Members of this legislative body have an opportunity to continue down the path of deficit spending where no end is in sight; or they may choose to restore fiscal responsibility to government spending by holding the line on any spending program that would further endanger our economic solvency. I trust the vast majority of the Members present here today will join me in changing the direction of Federal spending so that we may all enjoy the celebration of this young Republic's Bicentennial with the assurance of a strong and bright economic future.

Mr. Chairman, the report filed to accompany the concurrent resolution on the budget currently under discussion contains ample evidence that the $73.2 billion fiscal year 1976 debt limit is nothing more than a sleight-of-hand, soon to be scrapped for what some may believe will be a $100 billion deficit for the next fiscal year. Such a deficit would amount to more than the total Federal outlays of as recently as 14 years ago. I ask, can we ever retire this debt by orderly means?

The following listing of what has been happening in various programs and activities, essentially all domestic assistance programs, gives a good indication of why we find ourselves in the predicament we are in today:

In the area of public assistance and other income supplements, Federal spending has risen from $3.4 billion in fiscal year 1966, to $18.4 billion in fiscal year 1976, an 18 percent annual rate of growth.

Social security has risen from $20.2 billion in fiscal year 1966, to $73.3 billion in fiscal year 1976, a 14-percent annual rate of growth.

Over the same 10-year period, health care services, primarily medicare and medicaid, have risen from $1.2 billion to $24.1 billion, a 35-percent annual rate of growth.

Food stamp spending has risen from $100 million in fiscal year 1966, to $3.86 billion in fiscal year 1976, a 44-percent annual rate of growth.

Pollution control and abatement spending has risen from $200 million to $3 billion in the 10-year period from fiscal year 1966, to fiscal year 1976, a 31-percent annual rate of growth.

Federal employee retirement and disability spending has risen from $1.7 billion in fiscal year 1966 to $7.9 billion in fiscal year 1976, a 17-percent annual rate of growth.

Military retirement over the same period has grown from $1.6 billion to $6.9 billion, a 16-percent annual rate of growth.

Spending for veterans benefits and services grew from $5.9 billion in fiscal year 1966, to $15.59 billion in fiscal year 1976, a 10-percent annual rate of growth.

Federal spending for education grew from $2.74 billion in fiscal year 1966 to $7.38 billion in fiscal year 1976, a 10-percent annual rate of growth.

Federal spending for manpower and related social services rose from $1.36 billion in fiscal year 1966 to $7.28 billion in fiscal year 1976, an 18-percent rate of growth.

Spending for community development rose from $0.724 billion in fiscal year 1966 to $4.068 billion in fiscal year 1976, a 10-percent annual rate of growth.

Since 1970, Federal aid to State and local governments has had an annual increase of 15 percent and is expected to reach $56 billion in fiscal year 1976.

With that kind of growth in programs and spending, it is not difficult to understand why our Nation has come under the gun of inflationary pressures and resultant recession, even recognizing, of course, that Federal spending as such is but one of the major factors contributing to inflation. With such a growth pattern in spending—and many of them are mandatory because they are written into law—can there be any wonder why there is concern over the ability of Congress to control Federal spending effectively or why we need a new budget control process.

During a meeting at the White House this morning the President assured many Republican Congressmen that he will stand firm against any further congressional deviation from fiscal responsibility. I truly hope he will do so and that the overwhelming majority of the Congress will stand with him.

Mr. **BINGHAM**. Mr. Chairman, we have before us the first concurrent resolution on the budget, House Concurrent Resolution 218, which sets target levels for Federal spending, income and the deficit for fiscal year 1976. These targets are not binding but are meant to serve as guidelines for the Congress as it considers legislation affecting Federal spending for the coming fiscal year.

This is a new process, established by the Budget and Impoundment Control Act of 1974, and this resolution has been described as a trial run. The process is designed to allow the Congress to make decisions about Federal spending in a comprehensive rather than piecemeal way, thereby enabling the legislative branch to regain the power of the purse which recent executive actions had threatened to destroy.

The resolution before us today sets targets for outlays of $368.2 billion and revenues of $295.0 billion, leaving a deficit of $73.2 billion. This is $8.6 billion more spending than the administration recommended, resulting in a deficit apparently $11 billion larger than President Ford would like. I say "apparently" because I believe some of the administration's revenue estimates are unrealistic.

Such a large deficit is to my mind justifiable in the midst of the recession which is gripping this Nation, the worst in 30 years. The unemployment rate is now 8.7 percent nationally and in New York City it is 11.5 percent and rising. The GNP, total national output, fell by 10.3 per cent in the last 7 months. Business investment, housing starts, consumer demand, and real wages have all been declining at startling rates. These economic forces are in fact responsible for much of the deficit. It is estimated that for every increase of 1 percent in unemployment in today's economy, there is a corresponding $16 billion increase in the Federal deficit because of reduced tax revenues and increased unemployment compensation. If the economy were stronger and unemployment lower, the Federal deficit would automatically be smaller. Since the economy is weak and getting weaker, the stimulation of increased Federal spending is vitally necessary.

In fact, I am inclined to believe that even more stimulus is indicated by the condition of today's economy. The $73 billion deficit envisioned by the Budget Committee is not expected to reduce unemployment below 7.4 percent in fiscal year 1976, a far cry from the "full employment" level of 3 to 4 percent unemployed. The immense human tragedy of 8 million men and women unemployed surely calls for more dramatic and effective action by the Federal Government. Increased expenditures for public employment, public works and State and local governments are clearly required, and I will support legislation later in this session to begin such expenditure programs. If such programs cause the deficit to increase, despite companion programs to increase revenues by closing tax loopholes and to reduce military spending, the second budget resolution to be considered this fall can be adjusted accordingly.

There is at least one change in this budget resolution which must be made now, and that is contained in the amendment to be offered by the distinguished majority leader, Representative TIP O'NEILL. Representative O'NEILL's amendment will remove the 7 percent ceiling on automatic cost-of-living adjustments in social security and other retirement and welfare programs which the Budget Committee has recommended.

Such an arbitrary cap on cost-of-living adjustments would be unconscionable. These adjustments are the only means by which the elderly and handicapped can hope to be brought even with inflation in the costs of food, shelter and clothing. These adjustments already lag behind price increases, forcing the elderly to bear the burden of higher prices without relief for many months at a time. To deny them even delayed relief would be doubly unfair and an irresponsible method of reducing Federal expenditures. I urge my colleagues to support Representative O'NEILL's important amendment.

There are other defects in the budget resolution before us, but they are understandable and tolerable given the fact that this is the maiden effort of a new committee. Nevertheless I think they are worth mentioning, lest a vote in favor of the resolution—if it is suitably amended—be interpreted as a blanket endorsement for all the assumptions and recommendations underlying the five aggregate dollar figures involved. First, it should be noted that the Committee has not tackled some of the major questions confronting this Congress—how defense spending can be sharply reduced, how we can establish and finance national health insurance, how tax reform can be achieved.

All of these pressing issues have major budgetary implications. Many responsible analysts have concluded for example, that $10 to $20 billion can be cut from the defense budget without reducing national security. The Budget Committee recommended a cut of $4.3 billion in national defense expenditures from the President's request, which would merely hold defense expenditures at current levels. Deferring or cancelling the B-1 bomber alone could reduce the Federal deficit by almost $800 million in fiscal year 1976. Many more such reductions are not only possible but highly sensible as well, and adoption of this resolution must not be interpreted as eliminating such options.

Curiously, while the committee avoided these hard questions, it did take some drastic action in the field of foreign assistance. The budget resolution recommends a reduction of about half, or some $1.6 billion, in outlays for development assistance and foreign military aid programs. This reduction was made despite the fact that no estimates or recommendations as to reasonable expenditures could be made by the authorizing committees involved, a requirement of the new budget procedures. The committee merely endorsed a level of foreign assistance outlays which would match present spending levels. Unfortunately, this does not allow for the fact that important new expenditures for military and economic aid for Israel are pending and could well increase total outlays in the coming fiscal year.

Despite these shortcomings, I want to commend the committee and its hardworking chairman, our distinguished colleague from Washington (Mr. ADAMS) for a remarkably good set of recommendations for the fiscal year 1976 budget. They include some substantial reordering of national priorities in the direction of economic stimulus, human resource programs and energy research programs and energy research and development. If it is appropriately amended, the first budget resolution for fiscal year 1976 will deserve the support of the House.

Mr. CONYERS. Mr. Chairman, today the House of Representatives has begun what will likely be a historic debate over the first House concurrent budget resolution. By adopting or rejecting this resolution, which I know the distinguished chairman and members of the committee and their staff have worked long and hard to produce, the Members of the House will be establishing what our legislative priorities will be for the coming fiscal year. It is important that every Member realize, regardless of the particular programs that he or she favors or is opposed to, that by this resolution we will set the parameters within which the House will be expected to operate for the coming fiscal year.

Beyond any particular programs or legislation that any of us may personally favor, the overriding interests and needs of the people of this country should by our guiding light and our primary concern. Given the present state of the economy, Congress could set no higher goal for itself than to restore the economic health of our Nation; and the fastest, most practical, and most humane way to restore that economic health is to provide the greatest number of unemployed people with jobs as is humanly possible.

But the report of the Budget Committee does not foresee our doing this. I believe the committee has mistaken the concept of what a congressional budget should be for, namely that it should be used as an instrument to allocate the goods and services to people which cannot be provided by State and local governments or by private enterprise. If it does nothing else, a budget resolution should reflect a policy; its aggregate totals should be the result of computing the costs of necessary and desirable programs designed to meet human needs, with the considerations of available revenues and resources. But the present Budget Committee resolution and its accompanying report appear to be simply a pot pourri of figures collected from committee chairmen, spokesmen for the banking industry, and the same economists who are routinely consulted by the legislative branch.

In fact, the committee did not even consider a budget which could have been part of a full employment economy. No one bothered to consult to Dr. Leon Keyserling, one of the most eminent economists in the country, or any of his associates who have worked with him at the Conference on Economic Progress, or any of the other noted economists with other points of view; yet these distinguished economists and social planners would have been able to demonstrate for the members of the committee, and for the Congress, how a budget could have been created which would have sharply curtailed unemployment without adversely affecting other programs and without increasing the much-dreaded deficit; in fact, a budget could have been devised which would actually have decreased the deficit while still putting millions of people back to work.

Although I commend the committee for its hard work and for its personal assistance to me and my staff, and although I admire and respect the able chairman of the committee, still I feel I must vote against the resolution. The people of Detroit and of other hard-pressed areas need to know that their Representatives in Congress will not abandon them to a mythically insurmountable rate of unemployment such as that contemplated in the Budget Committee report. They need a budgetary policy from the two Houses of Congress which will genuinely meet their needs and reduce their hardships in this economically depressed time.

I plan to continue to work with all my strength to enact programs which will put people back to work, for these are the same programs that will restore economic health and confidence in the Congress. But for now I must decline to pass favorably on this resolution; I cannot in good conscience consign 7.4 percent of the labor force to unemployment through the next fiscal year. I hope that my colleagues will consider the grave implications of such a move and will move forward on some alternative that will give the unemployed and desperate people in this country some measure of hope. They have nowhere to turn but to the Congress.

May I call to the attention of my colleagues this fine elaboration of the point I have just made. It is a letter from the Full Employment Action Council which correctly states how a congressional budget and a monetary policy should impact on unemployment. It is extremely important, and I only hope that all Members of the House will have the benefit of reading it before they come to vote on the resolution:

FULL EMPLOYMENT ACTION COUNCIL,
Washington, D.C., April 28, 1975.

DEAR CONGRESSMAN: We are deeply disturbed by the April 14, 1975 Report of the Committee on the Budget of the House of Representatives, to accompany House Concurrent Resolution 218, relating to the Federal Budget for the fiscal year 1976.

This Report embodies, in our considered judgment, a fundamental wrong approach to the entire problem of the Federal Budget, and one that we think would be disasterous to the economy and to the well-being of the people if put in effect without substantial alteration.

It seems clear that the primary concern of national economic and social policy should be to restore full employment and full production as soon as feasible, with due attention to the great priorities of our neglected domestic public needs. The factors which really should condition how fast and how far we should move in these directions are our unused economic capabilities and the increases in them in the near future, our organizing skills, and our moral commitment. Our current unused capabilities are stupendous—8 million full-time officially recorded unemployed and 10.7 million under a full count, and an economy operating more than 200 billion dollars below reasonably full production. The true purpose of the Federal Budget is to facilitate in every practical way the attainment of economic and social restoration as soon as feasible. There are no natural limitations upon the Federal budget or the Federal deficit in the sense that there are natural limitations upon available labor supply, skills, plant and other real resources.

In vivid contrast, the Report issued by the House Budget Committee moves in the upsidedown fashion of starting with a fixed conceptual view of what the Federal budget and deficits should be, and then proceeds to announce or forecast how much unemployment and in consequence other idle resources we should continue to tolerate in consequence of a Budget thus improperly determined. The alarming nature of this procedure is that the Report itself forecasts that we should continue to tolerate 7.4 percent unemployment as officially measured (and perhaps 8.5–10.5 percent unemployment when fully measured) as late as the end of fiscal 1975. This approach implies intolerably high unemployment of labor force and other productive resources perhaps until 1980.

The second defect in the Report issued by the House Committee on the Budget is that it stops those imperative increases in federal spending which are essential to adequate economic recovery and our essential public needs. They include, among others, energy development, mass transportation, housing, health and educational facilities and services, improved social insurance and unemployment insurance, and a start toward meaningful income support for those in need who are not employed. The Report, therefore, imparts a further moratorium upon some of the most vital of our unmet economic and social needs, at the very time when the huge size of our unused resources affords us a unique opportunity to take care of these needs by transforming idleness into useful output.

The minimum competent estimates are that we need an annual rate of Federal spending or investment about 30–40 billion dollars above the President's fiscal 1976 Budget to move surely and rationally toward the economic and social improvements clearly within our short-range reach. The fiscal 1976 Federal outlays proposed in the Report are only 368.2 billion or less than 19 billion above the President's fiscal 1976 Budget.

We are not concerned because the course we recommend would temporarily increase the size of the Federal deficit. The condition of the Federal Budget is less important than the condition of the national economy and the well-being of the people. Moreover, the increased pace of economic restoration which an appropriate Federal Budget would promote would, through its impact on tax revenues, reduce the additional deficit caused by these proposed increases in the Federal Budget to about 10 billion dollars at most in the short-run. In the longer run, a sound Budget policy related directly to the needs of the economy would bring the Budget into balance or even into surplus upon restoration of reasonably full resource use. Most of the large deficit in the current and prospective Budget is due to the poor performance of the economy, and perpetration of this poor performance by an improperly devised Federal Budget would assuredly prevent anything approximating a balanced Budget for as far ahead as we can see.

Nor can we accept the unconscionable view that the evils imposed by unemployment upon scores of millions of people whose breadwinners are unemployed are acceptable in the name of restraining inflation. There are more decent ways of restraining inflation. Indeed, all experience, and especially that during the most recent years, demonstrates that a healthy economy is far less subject to inflation than a sick economy.

We, therefore, respectfully urge that you support all amendments which would expand the federal role in the areas essential to economic recovery and reduced unemployment. We further urge that the Budget Committee reconsider its method of computing the budget so as to present in the future a budget aimed at full employment. A budget which would result in 7.4 percent unemployment by the end of the fiscal year is not a satisfactory budget for the American people.

Sincerely,

CORETTA SCOTT KING,
MURRAY H. FINLEY,
Chairpersons.

Mr. OTTINGER. Mr. Chairman, I oppose the budget before us today. I simply cannot in good conscience support a program which contemplates continuation of an unemployment rate of 7.4 percent through fiscal year 1976, nor can I approve a budget which reflects the priorities of the past which I deeply feel are seriously out of kilter.

This is in no way a derogation of the outstanding and conscientious job done by my close friend, the gentleman from Washington (Mr. ADAMS), the chairman of the new Budget Committee or the other fine members and staff of that committee. Within the limited time and mandate given the committee, it did well what it was given to do. The gentleman from Washington did a truly incredible job of pulling together all the facts and figures on contemplated committee action, rationalizing them in the resolution before us and explaining the situation to the House. His performance and that of the excellent staff borders on the superhuman.

Nor do I quarrel with the budgetary process, though many of those who have spoken to this resolution have stated that a vote against the resolution is a vote against the process. This just cannot be so, that a Member of Congress has to vote for a budget which he cannot in good conscience support to demonstrate his affirmation of the process.

I think it is long past time that Congress address itself to the overall economic consequencies of its actions rather than proceeding in piecemeal fashion, committee by committee, just acting on small pieces of the budget within jurisdictional limits of committees. I have long advocated such a process and the opportunity for weighing priorities that it presents.

At the bottom line, however, I still confront a budget which I think is wrong for the country, so I must oppose it.

Perhaps the most distressing aspect of the budget is its projected failure to deal with the horrendous unemployment situation that we face and the attendant depression in business activity throughout the country. The 7.4 percent unemployment it projects through a year from this September is simply intolerable and my guess is that it is understated. As I understand it, the figure is projected starting from a basis of the President's unemployment projection of 8.7 percent under his budget and adjusting the President's figures according to the anticipated employment effects of program changes made by the committee. The difficulty is that the President has been consistently wrong in his projections and overstated estimated recovery of economic activity, thus overstating Government revenues. The likelihood is great that, under the President's budget, unemployment will climb close to 10 percent in the coming fiscal year, revenues will fall far short of his forecasts and his anticipated deficit figure will be greatly exceeded. If this is so, the Budget Committee's figures will be correspondingly in error, reflecting a real unemployment rate of up to 8.7 percent.

Whatever the correct Budget Committee figures, 7.4 or 8.7 percent unemployment, we would be ratifying it by adoption of this budget and stating that the Government is unequal to the challenge it presents. I am unwilling to do this.

To those who have said that the actions necessary to reduce the unemployment rate below 7.4 percent in the next fiscal year would require an unmanageable deficit, I reply with my strongly held opinion that the primary reason for the deficit is our high unemployment rate and catastrophic decline in economic activity. Indeed, this is clearly reflected in the President's budgetary statement, affirmed by the Budget Committee report, which asserts that a 4.2 percent unemployment rate would produce a balanced budget. This clearly indicates that reducing unemployment, stimulating the economy, will decrease the deficit, not increase it; and on the other side of the coin, failure to address soaring unemployment will result in continued momentum for our catastrophic economic decline and even larger deficits.

The other grave defect in the budget is that it does not address itself to the fundamental reordering of priorities so many of us have been advocating over the years. The budget is reflective, obtained by soliciting the various committee estimates of programs anticipated to be passed, rather than a prescription for what should be done to put the country on its feet again.

The budget presented made no provision for tax reform, and with the Reuss amendment which I supported, has only minimal provision for this vital subject. Yet, we all know that very substantial areas of our economy escape their fair share of bearing the tax burdens of the country. Former Assistant Secretary of the Treasury Stanley Surrey tells us that there are some $160 billion per year of "tax expenditures" and that a program designed to eliminate just the worst abuses could produce $40 billion a year in additional revenues. Those most concerned about reducing the deficit should jump at this opportunity, yet it is they who seem most reluctant to address meaningful tax reform.

On the expenditure side, reordering priorities means, in addition to providing for full employment, making provision for national health insurance, social reforms, welfare reforms and greater educational and mass transit funding, balanced by reductions in wasteful spending in such areas as defense, space, and nuclear development.

I want to make it clear that I do not believe it is the Budget Committee's duty in the first instance to pave the way for reordering priorities, thus not that committee's responsibility for failure to achieve it. The leadership, the Steering and Policy Committee and perhaps the caucus or a task force thereof should produce a comprehensive majority program reflecting reordered priorities. Then the Budget Committee would have a proper alternative to consider. It is very distressing that these leadership instruments have failed to produce such a program.

In summary, the budget presented is a ratification of a program which has failed, rather than a proposal for a program of promise. It is on this basis that I feel I must reject it.

Mr. ADAMS. Mr. Chairman, I have no further requests for time.

Mr. LATTA. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on July 1, 1975—

(1) the recommended level of Federal revenues is $295,000,000,000 and the amount by which the aggregate level of Federal revenues should be decreased is $4,400,000,000;

(2) the appropriate level of total new budget authority is $395,600,000,000;

(3) the appropriate level of total budget outlays is $368,200,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $73,200,000,000; and

(5) the appropriate level of the public debt is $624,000,000,000, and the amount by which the temporary statutory limit on such debt should accordingly be increased is $93,000,000,000.

Mr. ADAMS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (House Concurrent Resolution 218) setting forth, on an aggregate basis only, the congressional budget for the U.S. Government for the fiscal year 1976, had come to no resolution thereon.

RESOLUTION APPOINTING A MINORITY FLOOR ASSISTANT

Mr. RHODES. Mr. Speaker, I offer a privileged resolution (H. Res. 429) and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 429

Resolved, That effective May 1, 1975, until otherwise ordered by the House, Ronald W. Lasch shall be a Minority Floor Assistant pursuant to the Legislative Pay Act of 1929, as amended, at a gross compensation of $30,000.00 per annum.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ADJOURNMENT TO 10 O'CLOCK A.M. TOMORROW

Mr. McFALL. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON ENVIRONMENT AND THE ATMOSPHERE OF THE COMMITTEE ON SCIENCE AND TECHNOLOGY TO SIT DURING 5-MINUTE RULE ON THURSDAY, MAY 1, 1975

Mr. BROWN of California. Mr. Speaker, I ask unanimous consent that the Subcommittee on Environment and Atmosphere of the Committee on Science and Technology be allowed to sit during the 5-minute rule on tomorrow May 1.

The SPEAKER pro tempore (Mr. McFALL). Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON SCIENCE, RESEARCH, AND TECHNOLOGY OF THE COMMITTEE ON SCIENCE AND TECHNOLOGY TO SIT DURING 5-MINUTE RULE ON THURSDAY, MAY 1, 1975

Mr. SYMINGTON. Mr. Speaker, I ask unanimous consent that the Subcommittee on Science, Research, and Technology of the Committee on Science and Technology have permission to sit on the morning of Thursday, May 1, while the House is in session during the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

POLISH AMERICANS NEED NO DEFENSE AGAINST POLISH JOKES

(Mr. ROSTENKOWSKI asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. ROSTENKOWSKI. Mr. Speaker, I have never really appreciated the humor in the so-called "Polish joke." I do not say this because I am of Polish extraction, for in reality, I have always been offended by all forms of ethnic humor. I am very proud of my Polish heritage just like, I am sure, my friend TIP O'NEILL, is proud of his Irish heritage.

In Monday's edition of the Chicago Daily News, columnist Sydney J. Harris performed an excellent public service by explaining away some of the many myths that are often collectively associated with Polish America.

I have rarely spoken out publicly on this subject because I have always felt that Americans of Polish descent were not in need of a defense—least of all from DAN ROSTENKOWSKI.

Sydney Harris has written an excellent, well-thought out article. It has, in my opinion, a universal application and for this reason, I include the text at this point in the RECORD.

WHY POLES ARE THE BUTT OF JOKES

(By Sydney J. Harris)

At dinner the other night, one of my children wanted the explanation for the Polish jokes that have been making the rounds the last couple of years. "Why do they pick on the Polish?" he wanted to know.

As the professor would say, the reason is economic-cultural. Broken down into English, this means that Polish emigration to the United States has consisted mainly of the poor, the rural and the uneducated, who had the least to lose by leaving Poland and the most to gain here.

This is only one part of the answer. Another important part is that Poland remained largely a feudal country much later than the rest of Europe. That is, it had an upper class and a lower class, but not much of a middle class; and the immigrants were almost entirely from the latter. They were not representative of the whole country.

Actually, there is hardly anybody more cultivated or intelligent than a Pole who has had the benefits of breeding and education. Perhaps the most eminent example is Joseph Conrad, the writer. Polish was his first language, French his second, and English his third—yet he wrote an English that was superb, putting to shame most of his English-born contemporaries. And his sensibility was equal to his style.

I have been fortunate in knowing several persons of Polish origin who had had educational advantages, and they were as bright and talented as any people I have ever met. Actually, few Americans know that Copernicus, the great astronomer of the Renaissance was a Pole named Mikolaj Kopernik, who laid the whole foundation for modern astronomy.

(And the University of Cracow, which he attended, was founded as early as 1364—before most of the colleges at Oxford had been formed—and has since been a leading European center of learning.)

Americans have a necessarily distorted view of foreigners because, as in the case of Poland especially, a representative cross-section of the people did not emigrate to our shores. The early Irish who came here were mostly laborers; the early Germans mostly farmers; professional people tended to stay at home.

What we fail to recognize, also, is that our first settlers from England were also of the same class—virtually none of the passengers on the Mayflower was from a "good" family. Time has elevated them socially, but in their own period they were rag-tag and bob-tail Englishmen of no particular standing or substance. Not one of them had the academic qualifications to enroll at the University of Cracow.

POSTAL SERVICE

The SPEAKER pro tempore (Mr. McFALL). Under a previous order of the House, the gentleman from Illinois (Mr. DERWINSKI) is recognized for 5 minutes.

Mr. DERWINSKI. Mr. Speaker, cognizant as I am of the trendy set in Congress and its penchant for instant criticism of the U.S. Postal Service and other targets of opportunity, I will gladly invite invective when it involves taking the proper stance against the Soviet Union. A case in point is the action of our Postal Service in insisting that the Soviet Union comply with provisions of Universal Postal Union Regulations which govern the flow of international mail.

It is a matter of record that Soviet citizens of the Jewish faith have not been receiving personal letters sent to them by friends, relatives, and professional colleagues in the United States. I know I have received numerous complaints concerning the discriminatory mail delivery practices in the Soviet Union.

The Postal Service is to be commended for its insistence that the Soviet Union abide by pertinent Universal Postal Union regulations. At this point, Mr. Speaker, I would like to insert as part of my remarks a communication I received from the Postal Service concerning its latest action on this matter:

APRIL 29, 1975.

Hon. EDWARD J. DERWINSKI,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN DERWINSKI: Knowing very well of your long-time and continuing interest in respect to non-delivery of registered mail to addresses in the Union of Soviet Socialist Republics (USSR), I should like to make you aware of the most recent developments concerning this matter; attaching at the same time a brief resume of the past problems encountered and procedures the U.S. Postal Service has adopted to attempt to correct unsatisfactory situations.

Most recently, on April 14, I had an opportunity, in Moscow, to discuss the matter of non-delivery of registered items—and, in particular, such items addressed to Soviet citizens of the Jewish faith—with an appropriate official of the USSR Ministry of Posts and Telecommunications.

Briefly, I explained to him: that the U.S. Postal Service continued to be concerned over this matter; that we were under continuing pressure from both the Congress and the general public—in particular, organizations of U.S. citizens of Jewish faith—to improve the prevailing situation; and, that we would continue to insist upon strict compliance with the applicable provisions of Universal Postal Union regulations governing the exchange of international mail—pursuing individual cases as these were brought to our attention.

He said he fully understood the existing situation, our position and, also, our intent. He stated that many Soviet citizens were unwilling recipients of letters from "bulk" mailings from U.S. persons or groups unknown to them and had reported this to Soviet postal officials, wishing to avoid any possible difficulties with their governmental authorities. I pointed out to him what we had, on occasion, discouraged such mailings and that what we were primarily concerned with was the proper delivery of personal correspondence to relatives, friends, and professional colleagues by individual U.S. citizens.

I again emphasized our firm intent to insist on the application of pertinent Universal Postal Union regulations.

In summary, I make known our position to him; he indicated a full understanding of our position and made me aware of the Soviet views; and, he said he would bring my message to the attention of other proper Soviet officials.

This information has also been passed on to Senator Charles Percy (R-Ill.) who has expressed continued interest in mail to Soviet Jewry.

Sincerely,

H. EDGAR S. STOCK,
Director.

POST CARD VOTER REGISTRATION PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. SKUBITZ) is recognized for 5 minutes.

Mr. SKUBITZ. Mr. Speaker, I am presenting for insertion into the RECORD a resolution adopted by the executive board of the National Association of Secretaries of State.

Last May, the House of Representatives narrowly defeated the rule for the Voter Registration Act, a bill which would have established a post card voter registration program.

Many of us felt that although the goal of increased numbers of citizens registered to vote is meritorious, the added expense, heavy workload on local election officials, and the possibility of fraud outweighed the benefits.

Similar bills have again been introduced in both Houses of Congress. Recently, I received letters from Elwill M. Shanahan, the secretary of the State of Kansas, and copies of the resolution of the National Association of Secretaries of State. I call the attention of all our colleagues to these two documents as excellent testimony as to why this legislation should once again be rejected:

RESOLUTION

Whereas, the Congress of the United States is now considering two bills designed to create a national system of post card voter registration, S. 1177 and H.R. 1686, and

Whereas, these two bills are virtually the same as proposals considered by the Congress last year, which were defeated by the Congress after considerable concern was raised by the election administrators throughout the country, and

Whereas, the Executive Committee of the National Association of Secretaries of State, an organization concerned with the orderly administration of elections and the full participation in the elective process by all Americans, is meeting this day in regular session in Lexington, Kentucky, and

Whereas, the National Association of Secretaries of State has heretofore opposed bills substantially identical with these bills, and

Whereas, the Executive Committee now reaffirms its position and recognizing that these bills will, if adopted, create nationwide confusion among the electorate, interfere with the states' traditional operation or their election machinery, and impose a substantial cost on the American taxpayers at a time when their tax dollars are already stretched to the limit, and

Whereas, neither of these bills offers the promise of substantially increasing the number of registered voters in this country, which is the only conceivable purpose for such legislation, and

Whereas, any "post card" that may be required by both bills would be so complex and confusing that the average voter will not even attempt to complete it, and, since for that reason the states will not adopt the system in lieu of their present registration systems, nearly every state will be required to operate dual registration systems, and

Whereas, the experience in other countries demonstrates that there are alternative methods of registration which are more effective and less costly.

Now, therefore, be it *Resolved* that the National Association of Secretaies of State communicate through its officers and its Election Committee to the appropriate committees of the Congress its serious concern that the passage of a national post card voter registration bill will not achieve what its sponsors claim; will create an undue burden on the American taxpayer, who will pay the cost of dual registration systems; is an unconstitutional infringement on the rights of the various states to conduct elections; and will seriously confuse voters and may result in disenfranchising them for certain elections.

And be it further *Resolved* that NASS reaffirm its position against any such system, that it work closely with other groups interested in the conduct of elections to defeat these proposals, and that it conduct a comprehensive public awareness program designed to alert the voters, public officials, and the press of the dangers of this proposed legislation.

And be it further *Resolved* that NASS offer to work closely with others interested in improving the administration of elections to develop methods and programs not only to increase the registration of voters, but also to increase voter participation in elections throughout our country, to the end that full and knowledgeable participation may be made by all Americans.

OFFICE OF SECRETARY OF STATE,
Topeka, Kans., April 15, 1975.

Hon. JOE SKUBITZ,
House of Representatives,
Washington, D.C.

DEAR JOE: Enclosed is a copy of a resolution presented to the executive board by the Elections Section of the National Association of Secretaries of State. This resolution was adopted by the executive board at the meeting which I attended in Lexington, Kentucky, last week.

The federal postcard registration bills (H.R. 1686 and S. 1777) have been introduced in Congress again this year. It appears to me that the federal postcard registration will create administrative chaos at the level of local election authorities. Kansas passed a bill in regard to statewide registration in 1972. Prior to the general election in 1974 seventy-five percent of the eligible voters had registered.

My greatest concern is that the bills make no provision for permanent registration. Every two years the country will be flooded with postcards. Undoubtedly many people already registered in Kansas will send in cards. Local election workers, already pressed by tight budgets and late registrations, will be forced to hire additional clerks to sort out the duplications. A number of Kansas citizens do not have telephones or have unlisted numbers and it would be most difficult for local election officers to contact every person who sends in an incomplete or illegible card. In this type of registration I can foresee many problems arising in preparing adequate registration books for each precinct.

The passage of either bill by Congress would require Kansas election officers to set up a dual system of registration. Federal postcard registration permits an elector to vote only on federal elections. Kansas registration law permits a voter to vote in all elections.

Election officers throughout the state provide many outposts such as schools, nursing homes, churches, grocery stores, banks, etc. for the citizen to register. We in Kansas don't need to be flooded with postcards to cause confusion in our electoral process.

I urge you to vote against H.R. 1686 and S. 1177. I pledge my full support in working with Governor Bennett and the Kansas Legislature and the citizens of our great state to promote more effective means of voter registration and a greater turnout at the polls.

May you have a pleasant day.

Yours very sincerely,

ELWILL M. SHANAHAN,
Secretary of State.

RECORD STATEMENT ON AMENDMENTS TO H.R. 4622

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. HEINZ) is recognized for 10 minutes.

Mr. HEINZ. Mr. Speaker, as many of my colleagues know, on March 11, 1975, I introduced H.R. 4622, the Railroad Right-of-Way Improvement Act of 1975.

This legislation has demonstrated to many of my colleagues and the American people that there is a very logical and practical use of Federal funds earmarked for public employment programs. That use is creating meaningful employment opportunities by putting people to work rebuilding the railroad rights-of-way, additionally stimulating the many other segments of our economy supplying the railroad industry, and at the same time, improving the service of our most inexpensive and energy efficient mode of transportation.

Briefly, my bill would authorize the Secretary of Transportation to enter into agreements with railroads to put people to work rebuilding deteriorated rights-of-way provided that those railroads have sufficient materials to perform the necessary maintenance, that they will not substitute jobs under this program for existing jobs, that priority will be given to unemployed railroad workers, that the people hired under this act will be paid the same rates as those currently performing this type of work, and that the Secretary insure that the public interest is protected in the benefits accruing from the use and expenditure of such funds.

The legislation has received enormous support from the press as well as labor and management both in and outside the railroad industry. However, because this legislation is time sensitive—we are just now beginning the peak season for track improvement and maintenance—hearings should begin immediately so that we may resolve any technical or other problems that may exist with H.R. 4622 or similar legislation. While I am confident that H.R. 4622 embodies the necessary provisions basic to achieve our goal of putting to work and maintaining a viable rail network, I intend to work with the members of the Subcommittee on Transportation to include the following perfecting amendments in my legislation. I believe these amendments would further strengthen the legislation in two ways: First, by requiring the Secretary of Transportation to take specific additional steps to protect the public interest in any funds expended; and second, by authorizing the Secretary to take into consideration areas of high unemployment.

The first amendment would prevent the railroads or their creditors from achieving a financial gain by requiring the Secretary of Transportation to assure, as part of the grant agreement with any carrier, that in the event of sale, lease, or transfer or property to another entity, the full dollar amount of the grant would be returned to the Secretary as a condition of the sale, lease or transfer. This would provide desirable extra protection to the taxpayers' dollar—much more so in fact than the taxpayer protections currently provided for in other kinds of direct and indirect subsidies in such areas as aviation, trucking, and shipbuilding.

In the second amendment, the Secretary, in approving contracts may give preference to those railroads who put people to work in areas of high unemployment. The intent is to facilitate spending the money where the public's need is greatest.

For the benefit of my colleagues, I am including the text of my amendments:

AMENDMENTS TO H.R. 4622

Page 3, line 14, after the period insert the following new sentence: "Such conditions shall provide that in the event that rail property which is improved as a result of financial assistance under this section is sold, leased, or transferred to any entity, the railroad shall pay or assign to the Secretary that portion of the proceeds of such sale, lease, or transfer which reflects value attributable to the improvement provided pursuant to such assistance."

Page 6, line 13, strike out "and".

Page 6, line 16, strike out the period and insert in lieu thereof ", and".

Page 6, after line 16, insert the following new subparagraph:

"(C) to railroads performing maintenance or improving rights-of-way under this act in areas of severe unemployment."

HONORING MR. WILLIAM R. BONSELL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. McDade) is recognized for 20 minutes.

Mr. McDADE. Mr. Speaker, I want to add my deep appreciation for the contribution Bill Bonsell has made to the House of Representatives for almost three decades. We all, of course, feel that no institution in the world better reflects the country's pulse than does this House. For 29 years Bill Bonsell has been dedicated to making this revered institution even better.

As a fellow Pennsylvanian, I will especially miss Bill. He is one of the most capable, personable, and knowledgeable people intimately involved with the House of Representatives. He has assisted literally hundreds of Members throughout the years and the gratitude of all of us is substantial indeed. A short statement of Mark Twain's tells better than I can how Bill has served us in the House:

> Always do right, it will gratify some people and astonish the rest.

Bill Bonsell has served the House well and he will be greatly missed by the House of Representatives.

GENERAL LEAVE

Mr. MOORE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the subject of the special order taken today by the gentleman from Pennsylvania (Mr. McDade).

The SPEAKER pro tempore (Mr. McFall). Is there objection to the request of the gentleman from Louisiana?

There was no objection.

A TRIBUTE TO GEORGE MORTON LEVY

The SPEAKER pro tempore. Under a previous order of the House the gentleman from New York (Mr. Lent) is recognized for 20 minutes.

Mr. LENT. Mr. Speaker, at this time I wish to pay tribute to George Morton Levy, a dear friend and an outstanding sportsman, humanitarian, and personality, who resides in my Fourth Congressional District of New York.

Mr. Levy grew up in Freeport, N.Y., on the south shore of Long Island. After graduating in 1905 from Freeport High School, where he was star shortstop on the baseball team and captain and quarterback of football, he graduated from New York University Law School. He was admitted to the New York bar in 1912. He established a record as one of New York's outstanding trial lawyers, handling hundreds of civil and criminal cases. During his career he associated in law practice with Elvin Edwards and Martin W. Littleton who had both served as Nassau County District Attorney, and with Judge Townsend Scudder, who later graced the bench of the appellate division, second department.

Mr. Levy is best known for his accomplishments in the sport of harness racing. If this dynamic sportsman had not put his money, career and reputation into this experiment, the sport might have faded into oblivion. He continues to head the trotting track he founded on Long Island, Roosevelt Raceway.

Unpretentious and humble, Mr. Levy's many acts of charity and service to his fellow man have largely gone unpublicized. He has been honored literally hundreds of times by charitable and philanthropic groups for his efforts in their behalf. The prestigious list of awards that have come to him in a lifetime of achievement includes: Connie Mack, Babe Ruth, and Little Leagues of Westbury; Boy Scouts of America; several awards from the Boys' Towns of Italy and special recognition from Pope Pius XII in the form of 12 gold medals given to service to mankind.

Other representative awards include those from the Nassau Building and Construction Trades Council; a plaque from the National Conference of Christians and Jews; several awards from the State of Israel Bonds; a special tribute from the Long Island Cerebral Palsy Association; a bronze plaque from the United Cerebral Palsy Association of Suffolk County; several awards and many citations from the United Jewish Appeal of New York; and the Norman F. Lent, Sr. Memorial Award by the Criminal Courts Bar Association of Nassau County. He was honored as the first person to be placed in the Living Hall of Fame of the Trotter, and for being instrumental in bringing the first law school to Nassau County at Hofstra University.

His memberships include the Bar Association of Nassau County of which he is a past president; the Benevolent Protective Order of Elks, Freeport Lodge, P.E.R.; the Friar's Club; New York University Alumni Association; New York Lawyers Association; South Nassau Lawyers Association; and the Freeport Chamber of Commerce. In addition he is a director of United Cerebral Palsy Association of Nassau County, a director of Hope for Youth, Inc., and is on the Bishop's Committee for Education.

Even today—only a month from his 86th birthday—Mr. Levy is still best described as a fighter. Those who know him best say there are no lost causes to him. He puts his heart and energy into everything he does, whether it is business, law or golf.

At the age of 80 he did what no other lawyer in Nassau County would do—returned to the active practice of law to defend an unjustly accused friend. In spite of tremendous circumstantial evidence, he proved the innocence of his friend beyond any doubt. Of such stuff are great men like George Morton Levy made.

Mr. Speaker, only one quite undeserved blemish spots the exemplary record of the life of Mr. Levy and, because this distortion came at the hands of a committee of the Congress, I believe it fitting that we lay it to rest today, officially and finally.

In 1951, when the Special Senate Committee To Investigate Organized Crime in Interstate Commerce, chaired by Senator Estes Kefauver, was holding hearings around the country, Mr. Levy was invited to testify about possible bookmaking activities at the Roosevelt Raceway. Although emphatic in his testimony that he had continually fought to keep bookmaking away from the track, and steadfast in his denial of any wrongdoing, the committee presented a disputed transscript of a telephone conversation manually recorded 8 years before the hearing. The transcript was permitted to be read into the record before the television cameras.

Although undocumented hearsay and laced with errors, the transcript left the erroneous impression that some of Mr. Levy's associations, friendships and activities were sinister and tainted. After the hearings were concluded and the record completed and written, Senator Kefauver was persuaded to have two staff lawyers conduct a complete investigation and then report back to the committee on the questioned testimony. After a thorough investigation, their report to Senator Kefauver said:

> We conclude, therefore, that the additional testimony now made available is corrobative of Mr. Levy's testimony before the Committee. The injury suffered by Mr. Levy is most unfortunate, it is regrettable that this corrobative testimony was not available to the Committee before it prepared its report.

Subsequently, every Senator who was a member of the Senate Committee wrote to Senator Kefauver concurring without reservation with the exculpatory findings contained in the staff report. Later, Senator Kefauver wrote a letter in which he apologized to Mr. Levy for the injustice he suffered. Unfortunately, these retractions and apologies came after the committee had departed New York, the excitement had died down and the newspapers and television networks were no longer interested. As a result the Kefauver letter was not seen or heard by the television audience that had witnessed Mr. Levy's accusation and it never appeared in a newspaper. Because the committee's work was then concluded, the committee report was never officially amended by the inclusion of the staff report on the Levy incident.

Mr. Speaker, although the full story of George Morton Levy's unfortunate confrontation with the Kefauver committee appears in the book, "My Partner-in-Law," written by Martin W. Littleton—published 1957 by Farrar, Straus & Cudahy of New York—there never has been any official forum in which to correct and perfect the public record. I know Mr. Levy has been sorely troubled by this incident during the ensuing 24 years. Therefore, I am inserting the text of the following documents in the CONGRESSIONAL RECORD so that Mr. Levy's reputation for honesty and integrity will be completely restored and vindicated:

Memorandum report to Senator Estes Kefauver—Tennessee—dated April 22, 1952, made by David I. Shivitz and James D. Walsh;

Letter addressed to George Morton Levy by Senator Kefauver dated July 11, 1952;

Letter addressed to Senator Kefauver by Senator Lester C. Hunt—Wyoming—dated June 13, 1952;

Letter addressed to Senator Kefauver by Senator Herbert R. O'Conor—Maryland—dated July 3, 1952;

Letter addressed to Sentaor Kefauver by Senator Alexander Wiley—Wisconsin—dated July 4, 1952; and

Letter addressed to Senator Kefauver by Senator C. W. Tobey—New Hampshire—dated July 10, 1952.

MEMORANDUM IN RE GEORGE MORTON LEVY

To: Honorable Estes Kefauver.
From: James D. Walsh and David I. Shivitz.

Pursuant to your reqeust, we have examined and reviewed:

I. Material before the Special Committee to Investigate Organized Crime in Interstate Commerce, relating to George Morton Levy (to be found at pages 513, 514–15, 758*, 816–17, 820–21, 940–41–42–43–44–45, 948–49–50–51, 956–57, 1016–17–18–19–20–21, 1042–43*, 1375 and 1599, of Part VII of the transcript of the hearings before the Committee (*-Direct Testimony)).

II. The Committee's statements in its Third Interim Report, relating to Mr. Levy (pp. 113–115).

III. Papers which you turned over to us, as follows:

(a) Letter dated July 27, 1942, from Mr. Levy to his mother, Mrs. Annie Brandenburger, Sharon Springs, New York;

(b) Mortgage, made the 28th day of July, 1942, by David Levy and Florie Levy, his wife; Annie Brandenburger, formerly Annie Levy, widow of Adolph Levy, deceased, and Jeanette Miller, all residing at 246 South Ocean Avenue, in the Village of Freeport, Nassau County, New York, and Henry J. Schiller and George Morton Levy, as executors and trustees under the Last Will and Testament of Ambrose Schiller, deceased, recorded in the Clerk's Office of Nassau County, in Liber 2463 of Mortgages, at page 95, on August 7, 1942;

(c) Letters of:

Pinkerton National Detective Agency, Inc., dated July 27, 1943, together with report annexed thereto;

R. C. Larkin, president of Lexington Trots Breeders Association, dated December 7, 1951;

Elbridge T. Gerry, dated December 14, 1951;

Lawrence B. Sheppard, United States Trotting Association, dated December 10, 1951;

James J. Dunnigan, Buffalo Trotting Association, Inc., dated December 10, 1951:

(d) Copy of agreement, dated July 13, 1943, between the Empire City Racing Association Charities, Inc., with William Ellis Gilmore, et al;

(e) Affidavits of:

Felix DeMartini, sworn to March 27, 1951,

James E. Stiles, sworn to April 23, 1951,

F. Alden Gray, sworn to April 23, 1951,

Amanda D. Abrahams, sworn to April 20, 1951,

Harold Strohson, sworn to March 22, 1951,

Martin W. Littleton, sworn to July 12, 1950,

Rose Downing, sworn to June 13, 1950.

In addition to the foregoing, you delivered to us thirty-four (34) communications all bearing testimony to the good reputation enjoyed by George Morton Levy in his community. These letters were from leaders in the field of business, finance, labor, the Bench and Bar. It appears that the judges of the highest courts of original jurisdiction in Nassau County, State of New York, joined in these testimonials.

The only material matter on which the report attacks Mr. Levy's veracity is on the question, whether it would be to the advantage of the operators to have bookmakers present at the Yonkers Trotting Meeting in 1943.

In opposition to Mr. Levy's contrary testimony was that of Costello and the manually recorded telephone tap of the conversation between Costello and Levy in 1943, wherein Levy is said to have stated, "We can't jeopardize the bookmakers."

In support of Levy's contention that he had a substantial portion of his worldly goods invested in trotting, that his financial position was not too strong at that time and he could ill afford to endanger it, and that what he must have said was "We can't be jeopardized by the bookmakers," there is a volume of unusually high character references, together with documentation of his financial position at that time (a and b). Levy contended, and contends, that the presence of bookmakers at the tracks would be fatal to its successful operation. The unimpeachable evidence given by outstanding leaders and organizations in the field of trotting (c) support his position.

Some transactions brought to light by the Committee, relating to Mr. Levy, appear to be of a bizarre nature. However, it cannot be that the Committee intentionally sought to destroy any man's reputation, based on a disputed transcript of a telephone conversation manually recorded 8 years before the hearing.

Mr. Levy has acquired, beyond dispute, fair fame as a lawyer. We are reminded of the words of Judge CARDOZO, in *People ex rel Karlin* v. *Culkin*, 248 N.Y., 465, p. 478, who, in discussing the fair fame of a lawyer, said:

"Reputation in such a calling is a plant of tender growth, and its bloom, once lost, is not easily restored. The mere summons to appear at such a hearing and make report as to one's conduct, may become a slur and a reproach."

In the last sentence on page 114 of the Third Interim Report, it is clear that the derogatory conclusion complained of by Mr. Levy was bottomed solely upon the reading of the telephone interception. It will be recalled that the individual who intercepted the telephone conversation did not testify and that Mr. Levy disputed the transcription.

Mr. Levy contends, and it can readily be assumed, that the report as it presently stands has greatly damaged, if not destroyed his reputation. There can be no cavil with the contention that a transcript without the interceptor would be inadmissible in a court of law. It is hearsay. Furthermore, we believe that even with the testimony of the interceptor, eight years after the event Mr. Levy's explanation and contrary testimony would have to be given equal weight. As indicated above, this would apply to any citizen or witness. Especially is this so in the case of this witness, a member of the Bar, in whom his fellow lawyers had sufficient confidence to elect him President of their Bar Association, and in whom other leaders in various walks of life in his community readily voiced confidence even after his appearance before the Committee.

Levy stated that he had been constrained to hire Costello's services in order to keep bookmakers away from the Roosevelt Raceway. In this he is supported by the affidavit of the widow of the late Commissioner Benjamin Downing, and the affidavit of Martin

W. Littleton, former District Attorney of Nassau County.

The letters of R. C. Larkin, Elbridge T. Gerry, Lawrence B. Sheppard, and James J. Dunningan, further support Levy's testimony before the Committee as to the detrimental effect of bookmakers at a trotting track.

We conclude, therefore, that the additional testimony now made available is corroborative of Mr. Levy's testimony before the Committee. The injury suffered by Mr. Levy is most unfortunate. It is regrettable that this corroborative testimony was not available to the Committee before it prepared its report.

Respectfully submitted,
David I. Shivitz.
James D. Walsh.
Dated, New York, N.Y., April 22, 1952.

U.S. Senate,
Committee on the Judiciary,
July 11, 1952.

Mr. George Morton Levy,
Mineola, N.Y.

Dear Mr. Levy: As I advised you by letter dated June 12, 1952, I transmitted to the members of the Senate Committee to Investigate Organized Crime in Interstate Commerce, the copy of the memorandum and findings in the matter prepared by the former Assoicate Counsel members of our committee, Messrs. Walsh and Shivitz, which concluded:

"We conclude, therefore, that the additional testimony which was made available is corroborative of Mr. Levy's testimony before the Committee. The injury suffered by Mr. Levy is most unfortunate. It is regrettable that this corroborative testimony was not available to the committee before it prepared its report."

I have now heard from my colleagues on the committee and am pleased to advise you that they approve the findings and conclusions of the committee counsel without reservation. I certainly hope that this action by the committee will be of real help in straightening out the record.

It is apparent from reading the report of Messrs. Walsh and Shivitz, and also the many affidavits and records you have left with me, that you did a very inadequate job in presenting your side of the controversy to the committee when you appeared before us in New York. You assumed that many things were known that were not known. Some inferences and accusations were made which were unanswered. I am glad that we now have the benefit of fuller information and facts and that we can take this opportunity of remedying any injustice that you suffered.

I am sorry that some time has been taken in getting this matter straightened out since you presented the additional evidence, et cetera to us but I wanted to present the matter to all of the former members of our committee and also, as you know, I have been out of Washington a good deal.

With best wishes,
Sincerely,
Estes Kefauver.

U.S. Senate,
Committee on Armed Services,
June 13, 1952.

Hon. Estes Kefauver,
U.S. Senate,
Washington, D.C.

Dear Estes: Receipt is acknowledged of your letter of June 6th with the enclosures, and after a careful review of the report by Mr. Walsh and Mr. Shivitz on new evidence corroborating Mr. George Morton Levy's testimony, I am glad to approve their findings.

It is indeed regrettable that this unfortunate circumstance occurred.

With best personal regards, I am
Sincerely yours,
Lester C. Hunt,
U.S. Senator.

July 3, 1952.

Hon. Estes Kefauver,
U.S. Senate,
Washington, D.C.

Dear Senator Kefauver: I have reviewed the additional testimony submitted in connection with the appearance of George Morton Levy, Esq., before the Senate Crime Investigating Committee, and have also refreshed my recollection concerning his testimony in the New York hearings.

In my opinion, justice and fair play requires us to state that the evidence and data on the point of the telephone conversation of 1943, in support of Mr. Levy's contention, are entitled to proper weight and effect. I have no hesitancy in stating that, based upon the record, Mr. Levy was not proven to have any involvement in any wrong doing or reprehensible conduct.

I may add that I found Mr. Levy most cooperative and helpful during the sessions over which I presided as a member of the Committee.

With kindest regards, I remain,
Sincerely yours,
Herbert R. O'Conor.

U.S. Senate,
Committee on the Judiciary,
July 4, 1952.

Hon. Estes Kefauver,
Senate Office Building,
Washington, D.C.

My Dear Estes: I read with interest your letter to our former colleagues on the Crime Committee, including myself, with regard to Mr. George Morton Levy's deep concern over the effect of previous Crime Committee references to him. I also noted the memorandum prepared by Mr. Walsh and Mr. Shivitz with regard to the material corroborative of Mr. Levy's testimony.

I see no reason why I for one should doubt the judgment of these two able investigators.

In those instances where it was brought to our attention that an appearance before the Crime Committee may have done unfortunate damage to wholly innocent or comparatively innocent individuals, I have done my level best, as I know you have, to try to redress whatever wrong has been done. Not having attended the particular New York hearings at which Mr. Levy testified, I am not in a particularly expert position to come to a final appraisal of his position, but I should be happy to abide by the views of those of my colleagues who were present at that time and of the staff investigators who then or subsequently studied his testimony.

Please excuse the delay in responding to your message. Like yourself, I, and our other colleagues, have been completely swamped in these final days of the Session.

With best regards, I am,
Sincerely yours,
Alexander Wiley.

July 10, 1952.

Hon. Estes Kefauver,
Senate Office Building,
Washington, D.C.

Dear Estes: With reference to your letter of June 6th concerning George Morton Levy, upon examination of the Memorandum of Messrs. Shivitz and Walsh, I concur with their findings and will be glad to go along with the Committee in sending a joint letter to Mr. Levy to that effect.

Sincerely yours,
C. W. Tobey.

PERSONAL ANNOUNCEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Hampshire (Mr. Cleveland) is recognized for 5 minutes.

Mr. CLEVELAND. Mr. Speaker, as a participating member of the official U.S. delegation to the 16th meeting of the Canada-United States Interparliamentary Group held on April 24–27 in Quebec City, I was necessarily absent for the latter part of the legislative day on April 24.

I would like to point out for the record, therefore, how I would have voted on the two votes I missed on that date. I would have voted "aye" on the Moffett amendment to H.R. 4975, Amtrak Improvement Act, which sought to delete the section that provides for an increase in the salary of the president of Amtrak from $60,000 to $85,000. I would also have voted "aye" on final passage of H.R. 4975, the Amtrak Improvement Act.

BILL BONSELL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. Johnson) is recognized for 5 minutes.

Mr. JOHNSON of Pennsylvania. Mr. Speaker, the announcement which I received several weeks ago from Bill Bonsell that he had decided to retire on May 1, 1975 from his important position as the minority doorkeeper came as a great shock to me.

Over the years that I have been associated with Bill, I have come to depend upon him for many things—information of what is taking place on the floor, the Republican position with respect to a vote on the pending bill, and also information on amendments that have been or will be offered. Bill has always shown a remarkable ability to comprehend legislative procedure, and has been right up to the minute on what is going on.

Bill's long connection with Republican politics and that of minority Members has made him a source of political advice and counsel. He just seemed to be tailor-made for the job which he has been doing for all of us for so many years.

As the time comes to every man when he elects to retire, so that time has come for Bill Bonsell. As he leaves these halls of Congress to take life easier, I certainly want to wish him a long and happy life which will be full of good cheer and good health, so that he and his dear wife and young son may share the future together.

THE B-1 BOMBER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Ashbrook) is recognized for 15 minutes.

Mr. ASHBROOK. Mr. Speaker, the most recurring theme around the Congress these days is increase social programs and cut defense. This is a dangerous doctrine. While I fully subscribe to the theory that all expenditures, including defense, must be carefully scrutinized and unnecessary projects should be scuttled or delayed, we must not lose sight of the fact that national security is still the overriding responsibility of the Federal Government. It is far more important that we be secure than that we give food stamps to additional groups, needy or not. It is far more important that we maintain our free system against the Communist challenge than any other social issue. It will not matter if we clean up the environment, lick the problem of crime in our cities or successfully turn away from inflation and recession toward full employment if we are militarily weak and subject to Communist blackmail or conquest.

Anyone who thinks the Communists have changed has his head in the sand. They have moved ahead in many areas where we formerly had military superiority. I made a speech on February 1, 1972, entitled "How the U.S. Lost Military Superiority." I will be glad to send it to anyone who has doubts. I have not had to retract one statement.

Let me quote again something I said in 1972:

> The only viable national strategy is to regain and retain a clearly superior strategic capability. . . . The road to peace has never been through appeasement, unilateral disarmament or negotiation from weakness. The entire recorded history of mankind is precisely to the contrary. Among the great nations, only the strong survive.

Now we see one more area where many Americans want to cut military spending. I am referring to the B–1 bomber. Any new military project is fair game. Of course, it will cost a great amount of money. Of course, there are critical choices, chances of error and changing technology. The answer is very clear: if there are chances of error, it is in our national interest to have those chances of error on the side of being more powerful rather than being second rate.

If our country were ever attacked, the very people and groups who now attack our Military Establishment with such delight would be the first to charge that they had been criminally irresponsible in not providing for our security. The time to provide for security is now, when the cold war is not hot, rather than when we are on the brink of war. No one wants war but history proves we must be strong to maintain peace.

Hitler started World War II when he thought he could win quick easy victories because the West was disarmed under the influence of the Kellogg-Briand Pact and the London and Washington naval disarmament treaties. The umbrella-carrying officials of 1939 naively thought that we had moved from an age of confrontation to a new age of negotiation. The negotiations at Munich, however, only convinced Hitler that England and France were too weak to resist and whetted his appetite to devour other countries.

The manned bomber has not been shown by any test to be outmoded. Bombers of the B–1 category are and will continue to be for the forseeable future our most important strategic weapon. The present fleet of B–52's have been nothing short of fantastic but we cannot expect the Strategic Air Command to depend on them indefinitely. Many critics of the B–1 say we should merely upgrade them. This is a poor option.

Former SAC Commander Bruce K. Holloway has put the case the way I believe it to be:

> The bomber is the only strategic system which can be applied across the spectrum from show of force (as in the Cuban crisis), to jungle combat (as in Vietnam), to conventional conflict (as in Korea), to nuclear holocaust and post-attack conditions.

From every standpoint, I believe we must proceed with the B–1 bomber. As I pointed out in 1972, we should have placed the B–1 in production at that time. Inflation costs continue to be critical. Delay will make it that much worse. Overall defense expenditures on adjusted dollars have remained fairly constant in the last 15 years, even down some. The defense of our country is no place to cut.

On the keel of the nuclear aircraft carrier that bears the name of President Dwight Eisenhower are his great words:

> Until war is eliminated from international relations, unpreparedness for it is well nigh as criminal as war itself.

Mr. Speaker, at this point I would like to include two speeches and an article from a personal friend and great American, Lt. Gen. Ira C. Eaker, U.S. Air Force, retired. I believe he has stated the case excellently and commend his remarks to the attention of all who are interested in the survival of our Nation:

MARCH 9, 1975.

THE B–1 BOMBER DEBATE

(By Ira C. Eaker)

One of the critical weapon systems now being considered by the 94th Congress is the B–1 bomber. It is the major Air Force weapon development in the '76 defense budget.

Two questions put the current B–1 bomber debate in focus:

Is the bomber a necessary weapon in our defense forces for the future?

If so, why is a new bomber now necessary, in view of the proven effectiveness of the B–52 in Vietnam?

During the last two decades, our war-deterrent forces have been called the TRIAD, consisting of strategic bombers and land and sea launched missiles (ICBMs and SLBMs). All three continue to be necessary and each has unique advantages.

The bomber is the only member of the TRIAD which has seen war service. Naturally, a weapon which has been used successfully in warfare has a defense credibility over systems without combat experience.

The bomber provides 55% of our current nuclear delivery capability, in megatonnage. We know the Soviets respect and value the bomber for they are now deploying their Backfire, supersonic bomber. Two hundred of these will be in combat units this year and production rates are currently being doubled.

The Russians have spent more money to defend against bombers than against all other strategic weapons combined.

The B–1, which has been under development more than four years as a replacement for the B–52, is urgently required as soon as development and tests can be completed.

The B–52s will have been flying 30 years before the B–1 can be produced in quantity. In the intervening years antibomber defenses have become much more sophisticated and effective.

The B–1 has electronic devices, performance and productivity to serve effectively until well into the next century. It has a maximum speed nearly three times the B–52, carries more than twice the bomb load, and has much greater survivability in a modern defense environment.

The B–1 has a much shorter take off run than the B–52, making it possible to use more than 200 commercial fields for dispersion not now usable by B–52s. Its quicker take off and greater rate of climb make it less vulnerable to enemy SLBM attacks on bomber fields.

Since those charged with defense responsibilities, the President, Secretary of Defense, the Secretaries of the three armed services, and the Joint Chiefs of Staff, agree that development of the B–1 is essential, the congressional critics of the program have concentrated their opposition mainly on its "excessive" cost.

The B–1 will cost more than the original estimates projected four years ago. During that time, the wholesale price inflation (the civilian economy) is up by 59%. B–1 inflation is up but 31.3%. Without the inflation factor, B–1 increased costs have averaged but 2½% per year, less than for most weapons systems.

As a matter of fact, the cost factor may favor the B–1, after a careful analysis of its capability and survivability, when compared with other strategic weapons.

Dr. Malcolm Currier, Director of Research and Development, Department of Science, recently told a congressional committee, "A bomber force including the B–1 is considered to be the most cost-effective for meeting the anticipated Soviet threat beyond 1980. . . . Of the equal cost forces examined, those containing the B–1 out performed all other vehicles by a wide margin."

Continued development of the B–1 greatly improves the chances for SALT II agreements. With or without such agreements, it is vital to our future activity.

NOVEMBER 17, 1974.

THE CASE FOR THE B–1 BOMBER

(by Ira C. Eaker)

Ever since the extensive deployment of nuclear weapons by the great powers, the paramount mission of our defense forces has been to prevent war.

During the last decade, our war-deterrent forces have been called the TRIAD, consisting of strategic bombers, land and sea launched ICBMs.

All are necessary and each has unique advantages.

The advantages of the bomber include:

It is the only member of the TRIAD with war service. A weapon which has been used successfully in warfare naturally has a defense credibility over any system without combat experience.

It provides about 55% of our nuclear capacity, in megatons.

It is the only member of the TRIAD which can be re-used on successive missions; the only one which can be launched on warning, to be used if needed and if not needed, recalled.

It is the only member of the defense TRIAD which carries a crew. This gives it many collateral advantages. Decisions can be made in flight; targets can be changed in flight; damage assessment can be made immediately; and equipment malfunctions can be detected and repaired in flight.

It has equal or greater survivability, in comparison with the other members of the defense TRIAD.

It passes the "cost-effective test" with high marks.

The strategic bomber is the only member of the TRIAD with conventional, non-nuclear capability. The great importance of this was demonstrated in Vietnam.

We know that the Russians respect the bomber's deterrent value more than they do missiles. They have spent several times as much on bomber defenses than on missile defenses. Also, they are now engaged in extensive expansion of their bomber forces. They already have deployed the Backfire, a modern supersonic strategic bomber. One hundred, or more, will be in tactical units this year and they have recently tripled production. Equally significant, they recently tested a new tanker aircraft to give it the needed range.

All responsible defense leaders in the Executive Branch support the bomber and the TRIAD defense concept, including the President, successive Secretaries of Defense, the National Security Council, the Joint Chiefs of Staff, and the Secretaries of all three Armed Services.

Congress, after conducting the most thorough and exhaustive hearings ever given a modern weapon system, voted overwhelmingly to continue the development of the B–1. The House Amendment to terminate it was defeated 311–93.

Some commentators and defense critics have suggested that we continue to rely on the B–52 for the bomber share of the TRIAD. The latest B–52 will be 20 years old before the B–1's can be available in quantity. Clearly the bomber force for the future will require technological modernization. The B–1 is more than twice as fast, has three times the survivability and carries twice the nuclear load of the B–52. We could still be flying B–52's at the end of the century, but they would lose some credibility as an effective deterrent.

Secretary of Defense James R. Schlesinger recently stated, "We live in constant knowledge that the Soviet Union, at any time, could launch a nuclear attack, large or small, against the U.S.

"If we are to continue to maintain an effective strategic bomber force through the 1980s and beyond, as I am convinced we should, we must provide ourselves the option to replace the existing bomber force with a more capable aircraft. The B–1 is being developed for this purpose."

UNITED STATES FOLLOWING FATAL EXAMPLE OF CARTHAGE

(By Lt. Gen. Ira C. Eaker, USAF (Ret.))

Uneasy lies our land. A sense of fear and foreboding has seized the normal optimistic, fearless spirit of the American people. As usual the intuitive apprehension of the people is well founded. We face simultaneously grave dangers from within and without.

The danger from within is the combination of the economic inflation-recession, popular divisiveness and confused leadership engaged in disarming our country.

The danger from without flows from the fact that for the first time in our history there is a nation whose leaders now have the will and the power to destroy us.

The United States has been endangered from within before, as in the Civil War period. We have faced hazards from without, as in World War II. But this is the first time our country has faced grave danger from within and without simultaneously.

Twenty-two centuries ago on the North African shores of the Mediterranean, near Tunis, lived the Carthaginians, a prosperous, secure people, a million strong.

They were governed by a legislature of two houses. The members of the upper house inherited their seats, heirs of earlier tribal chiefs. In the lower house sat the merchant princes, selected for their economic status, ownership of land or commerce enterprises.

Carthage thrived and grew as her ships carried her products all over the Mediterranean to trade centers in Sicily, Sardinia, Greece and Rome. Her merchant ships were protected by armed galleons. The city's walls were manned by an adequate, dedicated army supported by a thriving economy.

The Roman legions were then engaged in the land conquest of Europe. Rome welcomed the commerce of Carthage for a time; but eventually, in order to aid her colonies in Sardinia and Sicily and to relieve her dependence on Carthaginian trade and commerce, she developed a fleet of her own and turned toward the sea.

At about this time the rulers of Carthage decided to do away with the galleons protecting their sea trade and the soldiers guarding the city. They reasoned that without this costly burden their profits from commerce would be greatly increased. They followed this policy of disarmament long after a Roman senator, Cato, was ending all his speeches with the inflammatory admonition, "Carthage must be destroyed."

As the time passed, Rome became more aggressive, seizing Carthaginian ships and even threatening Carthage with armed invasion.

In this extremity, the Carthaginian legislature conferred at length and decided it would be cheaper to pay tribute for security rather than to rebuild their army and navy and revive their dismantled weapons-making industry.

But the powerful, confident Romans callously increased the tribute price year by year. Eventually the burden became unbearable. Carthage hastily recalled her army generals, feverishly training recruits and revived her weapons industry. It was too late. The Romans had already crossed the sea unopposed and were beseiging the walls of the city. Carthage fell and was destroyed. Only a vast mound of grass-covered earth now marks the site of where a great city and vast civilization once flourished.

Today, the United States appears to be following the Carthaginian example. We have been engaged in unilateral disarmament for several years. Presently, we see the first offers of tribute—gifts of technology and favorable trade in return for detente. If long pursued, the ultimate result is inevitably tragic.

"ESSE ET VIDERE"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. MARTIN) is recognized for 15 minutes.

Mr. MARTIN. Mr. Speaker, what we are doing to our Nation and ourselves is not going unnoticed. Adjectives aside, ours is a free enterprise, or free market economy. Not a pure one, by any means, but substantially a free one. Whether one is an economic conservative or an economic liberal, a follower of Keynes and Galbraith or a follower of Hayek and Friedman, it must be recognized that our well-being depends on a high degree of confidence in the nationality of government and the stability of our system. Our progress and advancement depend on millions of people being willing to take risks, to invest, to try something new. Investment is a risk, so is trying something new. In fact, given what we are doing here these days, we may soon add saving to the list of risks.

It is as important to appear rational and stable as to be rational and stable. If all we do is right, but appears mad, we are no better off than if all we did was mad, but appeared stable and rational. "Esse et Videre!"

If we set full employment as our goal, reaching it will require a high degree of citizen confidence. That confidence is the prerequisite to anyone risking a million dollars to expand a factory or a hundred dollars in a savings bank. At this point, I would like to submit for the RECORD a copy of an investment firm's periodic letter. We may not all agree with the views of the writer, Mr. J. Leigh Skinner, but we should all agree that it evidences the presence of what we desperately need to avoid: a loss of confidence in government and, particularly, in our Branch thereof. Charts and graphs, unfortunately must be deleted because of printing **difficulties:**

IDIOT'S DELIGHT

(The Congressional Attempt To Break the Bank)

". . . Never blame a legislative body for NOT doing something. When they do nothing, that don't hurt anybody. When they DO something is when they become dangerous . . . Congress meets tomorrow morning. Let us all pray to the lord to give us strength to bear that which is about to be inflicted upon us . . ."—Will Rogers.

The wisdom of 45 years ago is uncomfortably appropriate today. Simply put, *the Congress of the United States appears to have lost its alleged mind!* We are amazed that a two year federal deficit of between $85 and $125 billion is even being discussed, much less *advocated*. The warnings of Treasury Secretary Simon (the Don Quixote of fiscal sanity) appear to generate little concern. He even attracts ridicule from some well-meaning (though poorly educated) types who believe government policy must be stimulative at all costs.

This paper has been prepared in order to focus investor attention on the proposed budget deficits, their financial and political consequences, and most importantly, the investment implications of these deficits. Our approach is unconventional. It attempts to peel away the fog surrounding the issue of budget deficits. We hope it will at least put a crack in the "conventional wisdom" that such deficits can be pulled off without causing unprecedented damage to our economic system! A secondary impact of this paper will be a slap at the influence of professional politicians on our governmental process. Our quarrel is with those politicians who continuously screw up our government and economic system. We believe they are one of the fundamental causes of the fiscal problem to be analyzed in this paper. We are not disposed toward hedging or "sugar coating the pill". The chips will fall where they may and if offense is taken . . . so be it.

THE ISSUE

The American people are being told that the government will save them from the recession. Congress is going to spend us all into prosperity once again. We are even being told by some of the discredited economic "experts" (but newsworthy press heroes) that the proposed stimulus is *not enough!* At the same time, these idiots are saying the system can easily accommodate their proposed deficits of up to $125 billion over the next 18 months. It seems they never learn.

We are concerned about two things:

1. The size of the deficits—*relative to the money supply*—is unprecedented in peace time.

2. The flexibility of the system (in accommodating such deficits) has deteriorated substantially over the past decade (as we discussed in detail in our "Tax Cuts" report of February 4, 1975).

In an effort to place deficit spending in the proper perspective, we tried to ignore all the superficial commentary on the subject ("you *need* deficits in a recession"; "its not really so big" . . . etc.) Common sense suggets that: ". . . he who spends what isn't his'n must pay the bill or go to prison . . . (to paraphrase the short seller's creed). Therefore, we reconstructed the post-war history of the government's efforts to spend us into prosperity. The first thing we noticed was the relationship between government deficits, government borrowing, and interest rates. Since 1946 the cumulative deficit of the federal government (through fiscal year 1974) amounted to about $125 billion. For the same period, the net increase in federal government debt held by the public amounted to about $124.5 billion (random coincidence?). Finally, during the same period, the average annual interest rate on 90 day Treasury Bills rose from less than 1% to almost 8%. Could it be that the government's need to finance deficit spending was progressively drying up the available supply of real, hard dollar capital faster than the private productive sector could provide it, thus driving up interest rates? ? ?

Any basic knowledge of the laws of supply and demand would suggest that indeed this has been the case. The private sector has its own financing requirements. If it is to grow, it needs to generate the investment capital to finance such growth. However, excessive demands for funds (relative to the available supply) inevitably will drive up the price of such funds (interest rates) as the system allocates scarce resources (investment capital) among the competing entities (government and business). One of the ultimate results of such competition for funds would be concentration of economic power within the various segments of the private sector. (Giants such as IMB, GM, etc., can compete with the U.S. government for funds, whereas the Padunk Mfg. Company cannot).

Carried one step further, "creation of money" at a *rate* which *exceeds* the REAL (deflated) growth rate in GNP should logically tend to be inflationary. This "excessive creation of money" for consumption (as opposed to investment) would only be required or implemented if one of two conditions were present:

1. Politicians had *direct* control of the money creation mechanism and consistently printed the stuff in order to buy their way back into office every election year. Or,

2. Politicians *forced* the "independent" central banker to print the stuff by spending money they did not have and then throwing the "default responsibility" at the central banker (by saying, in effect: "Here you go, boy! Don't let the checks bounce!")

The U.S. suffers from case number 2. Traditionally, central bankers are conservative and are not prone to mismanage the money stock. They *know* the consequences. However, the jerks who actually control the federal purse strings are not disciplined by meaningful spending ceilings of any kind. Thus, we have been blessed with deficit spending—inflation—economic instability—declining productivity—insufficient capital investment and incentives, and—a growing sense of unreality (as the hillbilly would say, ". . . it's mostly 'nuff to make a full-growed man cry.")

(Strange how the politicians blame the Arabs, or the weather, or the devil for inflation! The public is uninformed about the *true* causes of inflation and, therefore, they accept the politicians' explanations. If the voters only knew, they'd "throw the bums out!")

The next step was to examine the relationship between deficits and interest rates. Our reasoning went this way:

1. There is a lag between a June 30 *fiscal year* deficit and the government's need to finance that deficit. (Seasonal cash flows permit a lag of 6 to 18 months before financing strains begin to surface in financial markets.)

2. The government will always be able to finance *its* deficit if it bids up the cost of existing money high enough (or "prints" enough new money.)

3. The critical relationship to consider is the *size* of the broad based M_2 money supply and the *size* of the financing requirements. (This is simplistic, but illustrates the point more logically than comparing the deficit to GNP.)

NOTE.—*The course of interest rates follows very closely the variation in pressure* on the money supply caused by cumulative deficits and surpluses. The logic is simple—the government wades into the market, grabs its money, and leaves the private sector scrambling for a reduced supply of money at higher rates the next year. As government financing pressures subside, interest rates drop. An explanation for the one-year lag in interest rates could be the time between the government's *decision* to push a deficit and the actual *implementation* of the *financing* effort. By the time the politicians and bureaucrats swing into gear, their actions become *coincidental* with what's going on in the private sector, rather than countercyclical. This way, the government winds up intensifying the business cycle rather than smoothing it out. (The basic flaw in the theory—that politicians can "manage" the business cycle.)

The 1975 and 1976 estimates are very important because of variations in underlying assumptions. For the purpose of constructing the chart, we used the following 1975–76 assumptions:

1. T-Bill rates will average about 6% for 1975 responding to the slack in the private system and reduced government deficits in 1973 and 1974 ("only" $14.3 billion and $3.5 billion, respectively).

2. The budget deficit in 1975 will be between $35 billion and $50 billion. Therefore, the cumulative 1974–75 deficit will range between $38.5–$53.5 billion.

3. The 1976 deficit will be between $50 billion and $80 billion. Therefore, the cumulative 1975–76 deficit will range between $85–$130 billion.

4. M_3 money supply will grow at record annual rates of *at least* 12% in 1975 and 14% in 1976. (Highest previous rates were 11.24% in 1971 and 11.12% in 1972 as the Fed "accommodated" two back-to-back $23 billion deficits in 1971 and 1972).

The implications of the chart are obvious:

1. *Interest rates will rise sharply*—to record highs in 1976 and 1977 *despite unbelievable increases* in the money supply! (We don't think GM's treasurer is stupid—or the treasurers of all the other companies currently jamming up the bond markets!! They *know* what's coming and are going after their money now!)

2. Most economists expect no growth in real GNP for 1975, and perhaps 6% growth in 1976. Therefore, if M_2 *is* expanded at the rate of 12% to 14% in the next two years, inflation will accelerate well past the pain threshold of the American public.

At this point, we wander into an "Alice in Wonderland" scenario. If the government tries to pull off a cumulative deficit of up to $130 billion over the next 18 months, several things *could* happen:

1. Arthur Burns could get his back up and decide NOT to goose the money supply. This would force the Treasury to bid up the cost of money very early and draw out all the available capital in the system. There would be no business recovery. The private sector would experience a panic similar to 1907 when barrels of beer were used for currency. (This was the panic which led to creation of the Federal Reserve System in 1913.)

2. The Fed could decide to accommodate the Treasury financing by opening up the spigots full blast. This would promote a business boom unprecedented in our history. Inflation would rise to at least 25% and the stock market would rise sharply—at first. The boom would be followed by a total collapse—super bust—everything would go to zero!

3. Somehow the Fed, the Treasury, the banks, and an altruistic private sector could all get together, do a tightrope act together and pull it off—just maybe—this time. Or, finally,

4. The government could try to put together a massive set of controls—similar to World War II—whereby the system will be *forced* to accommodate the deficit (pegged interest rates, capital allocations, rationing of everything, vulgar expansion of the bureaucracy, etc.). Simply put, we would lose our economic freedom—hence, our personal freedom.

Of course, we may be over-reacting—overstating the problem. However, the history books *we* read tend to support the case pretty well.

INVESTMENT IMPLICATIONS

Someone will make an awful lot of money over the next two years—in spite of OR because of—the enormous pressure which will hit our economy. If runaway inflation becomes apparent, stock prices could enjoy a good run up simply because money will be exchanged rapidly for "things"—including equities. Of course, this has *not* been the case in recent years. As inflation accelerated, stocks went down. However, stocks went down because they were overvalued on a speculative basis *and* inflation did NOT get out of control and reach true "runaway" proportions.

Another great investment opportunity may lie ahead in short-term, high-grade debt instruments (Treasury Bills, commercial paper, etc.). If interest rates rise into the 15% to 20% are, short-term maturities (less than 30 days) would allow the investor to roll over quickly into higher and higher returns, thus allowing the portfolio to ride up with the yield curve. Cash could become the next scarce commodity—a "shortage play" with a sharply rising price tag.

In any event, we believe the next two years will offer some of the most exciting investment opportunities in history. The point of finesse lies in reading the signals correctly—which we intend to do. (Incidentally, our readings which gave a major buy signal on the stock market in December 1974 have now given a sell signal for the near term, with the Dow average at 786. We enjoyed the 210 point rise while it lasted.)

SUMMARY

In lines with our February 4th paper on the tax structure, we have assumed something of an advocate's position. We are convinced that our economic system is in serious danger and we do not intend to remain silent about this concern. Our economy is being progressively looted by a legislative structure which apparently is not equipped to deal with rational economic policy. The Congress is dominated by lawyers who, by training and mentality, are obviously in over their depth when it comes to basic economics. They spend, spend, spend—with no apparent regard to the long-term consequences. *Their proposed budget deficit over the next 18 months could equal the entire accumulated deficit since World War II.* Unless they cut back spending to a manageable level, and adopt some sort of spending limits in the future, there won't be any system left for them to loot!

We are reminded of the doctors who get trapped by prescribing a potent drug for a minor illness. They wind up killing the patient in an attempt to treat the side effects of the treatment for the side effects of the treatment for the basic illness—ad nauseum. You see computer programmers get so hung up with their "systems" that they completely lose sight of the original problem they set out to solve. And sometimes you see legislative bodies legislate to justify their existence and wind up chasing their tails trying to unwind bad law with worse law. Sound familiar?

Deficit spending is a bankrupt concept without counterbalancing mechanisms to produce surpluses. Cumulative deficits should be prohibited by law. If money is to be spent—do it with REAL money. Raise taxes—don't play with phantom concepts. If the public won't stand for the tax increases, don't spend the money. That's the name of the game. (STOP taxing us through the back door with inflation!)

If a businessman or private citizen tried to pull such a stunt, he would be waltzed off to jail with a "fraud" sign around his neck. Strange, how Congress gets away with it under the label "just politics"!

Well, we are damn tired of all this nonsense and we hope we can find some company!!

GOVERNMENT IS SUFFOCATING ECONOMIC GROWTH

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland (Mrs. HOLT) is recognized for 10 minutes.

Mrs. HOLT. Mr. Speaker, the growth of government is the greatest enemy of a prosperous economy. It is suffocating the economic growth that we need to produce jobs, goods and services for the American people.

Spending by all levels of government last year consumed 33 percent of the Gross National Product, the total value of all goods and services produced for sale in the market places of the world, and more than 40 percent of national income. These percentages will be even higher this year.

When we consider the monstrous growth of government spending, it is not surprising that tax increases were the largest factor in the double-digit inflation we experienced last year. The Congressional Joint Economic Committee reported that income taxes paid by the average middle-class family leaped by 26 percent last year. As family income climbed with inflation, the graduated tax structure not only took more of family income, but a higher percentage of it.

The voracious appetite of government for the hard-earned dollars of the people is not only reflected by taxation, however, but also by the borrowing of horrendous sums.

The Federal Government alone will borrow as much as $80 billion in the next fiscal year to cover its deficit spending. Add State and local bond issues to that figure and you have a truly staggering raid on the capital resources of the Nation.

This means there will be insufficient capital to serve the expansion needs of private industry. It means there will be fierce competition between government and private industry for the available capital.

Interest rates will surge upward again. Housing will be pushed out of the money market again. Industrial growth will be handicapped even more than it has been.

The Federal Reserve System will be under extreme pressure to increase the money supply, which would fire inflation to hyper levels.

If all this sounds familiar, it is because we have been there before. Soaring interest rates and consumer resistance to inflation have combined to cause recession. It is a recession caused by extravagant government that pretends it can do everything for everybody without imposing ruinous consequences on the people.

Federal deficit spending averaged something more than $20 billion a year in the 5-year period ending June 30, but the deficit for the 1976 fiscal year may reach an almost unbelievable $80 billion.

This means that all levels of government will be borrowing an estimated 80 percent of capital available in the Nation in the next fiscal year.

The current recession has brought some decline in interest rates because demand for credit in the private sector has slackened, but watch what happens when demand starts picking up in the next few months. Demand will very quickly be crashing against the limits of capital, forcing interest rates upward again next year.

The very worst part of this scenario is its impact on employment. Even before the recession, the economy was not producing jobs fast enough to keep pace with the growing labor force.

But the number of job seekers will be much higher throughout the next decade as the "baby boom" of the late 1950's and early 1960's reaches the labor market. We are already experiencing the phenomenon.

With unemployment already pushing toward 9 percent, some 4 million young people will be graduating from high schools and colleges this June.

It is quite obvious that the economic recovery predicted within the next year will be inadequate unless it is the beginning of a long period of sustained economic growth.

Capital investment in the next decade will need to be three or four times as great as capital investment in the last 10 years to provide the jobs needed by our swelling work force. It will not be available if Government continues to devour most of the capital in the Nation.

We must cut Government spending, and I am not talking about just shaving a couple of billion off the budget. We must be ruthless as we approach programs that are not absolutely essential to the survival of the Nation or its people. It is time to budget in terms of critical needs only. It is time to eliminate the things that are merely desirable.

But even this would not be sufficient to make capital available in the amounts we need because capital first must be formed by profits and savings.

Increasingly for 40 years, our tax structure has been directed toward taking more from the productive forces in society and transferring it to nonproductive uses. The effect of this has been to stimulate consumption and apply brakes to the growth of production.

The steady acceleration of this tax policy for decades has now reached the critical stage. In combination with massive government borrowing, it is choking our economic development.

Savings by individuals are critical to the capital needs of the housing industry, but the increasing tax burden and inflation have stripped legions of middle-income taxpayers of the ability to save. Even those who manage to put something away find that they are taxed on the interest earnings of their savings.

I have sponsored legislation to provide a tax exemption on the first $800 of interest earnings from savings each year. This would not only stimulate savings and provide mortgage fund for the desperately depressed housing industry, but would also provide some modest relief for taxpayers saving for their old age, family emergencies or business investment. I hope the Congress will enact this legislation.

But it is also time to consider reduction of the corporate income tax, which is imposed at a fantastic rate of 48 percent. At a time when capital formation must be our critical concern, it is insanity for the Federal Government to be taking nearly half of corporate profits for nonproductive uses.

It should be obvious that the consumers pay most of this tax in the form of higher prices. Every tax imposed by government is ultimately paid by the people.

However, another effect of the confiscatory corporate income tax is its disastrous impact against the formation of capital.

In the years immediately ahead, our country will have the greatest need for capital investment in its history, but Government policy is structured against capital.

If we fail to cut government spending dramatically, and if we fail to reduce the tax burden that is suffocating economic growth, we will continue to have high rates of unemployment.

The creation of more government jobs is not a remedy, but is a device that can only make matters worse.

Nearly 20 percent of the work force is already employed in Government, consuming the wealth created by the private sector and its production. The proliferation of government jobs is not an answer to the problem; it is a significant part of the problem.

Production of marketable goods and services is the only source of real wealth, and the growth of government is consuming the capital we need for investment in production.

I was hoping that Congress would recognize the problem and make the difficult decisions necessary to cope with them, but I must confess to considerable pessimism after watching some recent votes here.

Government cannot spend the country to prosperity, but is actually demolishing the hope for future prosperity.

THE GROWTH OF AMERICAN GOVERNMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP), is recognized for 10 minutes.

Mr. KEMP. Mr. Speaker, on February 5, 1975, I submitted to this House on behalf of myself and 29 other Members a "Statement on Alternative Economic Policies" in which we expressed our grave concern over the economic and fiscal policies of our Government. We were then faced with a budget for the fiscal year 1976 which, as submitted by the President, showed a red balance of $51.9 billion, a deficit of unprecedented size in United States peacetime history. We then proposed: Controlling the runaway growth of Government and the soaring increases in Federal expenditures and deficits, in an effort to better balance the budget.

But the Congress has since made several decisions which instead of reducing expenditures and the deficit raised them even further. The Budget Committee of the House has submitted a resolution with an estimated deficit of $73.2 billion which is $21.3 billion higher than the red balance in the President's budget and $3.6 billion over the amount recommended by the Budget Committee of the Senate.

But that is not all. Numerous proposals are pending before the Congress which would not only boost the deficit to well over $80 billion in the fiscal year 1976 but make deficits of astronomical size in future years a virtual certainty. Great pressures are being exerted for the enactment of huge new and expanded spending programs, largely in the field of social welfare which, if carried out, would push inflation to even higher levels, wreak tremendous and irreparable damage on our economy and ruin the country's financial structure.

It is ironical now to consider that only 2 years ago two of the country's most respected research establishments, the Brookings Institution and the American Enterprise Institute for Public Policy Research, published studies which envisaged a balanced budget for the fiscal years 1975 and 1976, and from then on.[1] Those forecasts were prepared on the assumption of full employment conditions. But it is largely our counterproductive and wasteful tax and expenditure policies that penalize capital formation and enterprise while rewarding dependence on governmental largesse which have aggravated inflation and raised unemployment to such intolerable levels. Yet there are attempts to administer more of the same "medicine."

When new or expanded spending proposals are submitted it is sometimes asserted that Federal expenditures have grown only in proportion to the Nation's economy and still fail to meet many urgent needs. Yet, we all know that governmental activities in the field of domestic services have been expanded at an exorbitant and unprecedented rate within the past decade or two.

A new study, just published by one of the Nation's most prestigious research centers, the Hoover Institution on War, Revolution, and Peace at Stanford University, clarifies this seeming contradiction and sets the record straight. Its author is one of the country's best known authorities on government finance, Roger A. Freeman, who for the past 25 years has held several high governmental posts, interspersed with academic research. Dr. Freeman has served as an assistant to Presidents Eisenhower and Nixon, previously to Governor Langlie of the State of Washington, has been called to testify on many occasions by committees of both Houses of Congress and held memberships or staff positions in several presidential commissions and on various national boards and committees. At this time, besides being a Senior Fellow at the Hoover Institution, he is Chairman of the Advisory Council on Financial Aid to Students and also Chairman of the Census Advisory Committee on Privacy and Confidentiality.

The new volume "The Growth of American Government: A Morphology of the Welfare State" is a truly authoritative handbook and one of the best documented research studies of governmental finances to appear in many years. This wide-ranging historical and economic analysis examines and reports developments in the past two decades, thereby updating and extending to the present time studies of the growth of government, sponsored and published more than 20 years ago by the National Bureau of Economic Research.[2]

Footnotes at end of article.

The author shows that Federal outlays for domestic services have virtually exploded within the past 20 years:

> It took 163 years, from 1789 to 1952, for federal expenditures for domestic purposes to reach a level of $13 billion. In the succeeding twenty years they multiplied *tenfold*, jumping from $13 billion to $134 billion. In other words, in the past two decades we increased federal spending for domestic services *every two years* by as much as the total growth in the preceding 163 years" (p. 39).

Trends of the past 6 years—between 1969 and 1975—are even more astounding:

> It took 180 years, from 1789 to 1969 for federal expenditures for domestic purposes to reach a level of $13 billion. In the succeeding 6 years that total more than doubled, jumping from $72 to $167 billion, an increase of 132 percent" (p. 113).

Dr. Freeman traces the results of the spectacular expansion of programs in the social welfare field and finds that most of them have not only fallen short of their sponsors' promises but that positive returns have often been absent and that many programs have been counterproductive. Though spending for public education multiplied 8 times over the past 20 years while enrollment less than doubled and staff in schools and colleges tripled, learning has, to all appearances not improved and seems to be declining:

> While expenditures per pupil were increasing every year and the number of pupils per class was shrinking, learning achievements in the schools were falling: mean scores on college board tests (S.A.T.'s) have been declining dramatically for over a decade, from 478 (verbal) and 502 (mathematical)—out of a possible 800—in 1962-63 to 444 and 480 respectively in 1973-74 (p. 16).
>
> The evidence is overwhelming that there is little if any cost-quality relationship in the schools (p. 15).
>
> In 1965 Congress was persuaded that a vast expansion of 'compensatory education' programs would reduce the lag of one or several years in basic skills of children from low-income backgrounds. Now, nine years and more than twelve billion dollars later, the record of thousands of programs, from 'Higher Horizons' and 'More Effective Schools' in New York to 'Bannecker' in St. Louis, from 'Madison' in Syracuse to the Berkeley schools, all of them begun with great enthusiasm, tells a story of consistent failure to produce the educational improvement among so-called deprived children that their sponsors had hoped for and promised (p. 16).

The author describes the spectacular expansion of welfare progams:

> The child population (under 18) went up 41 percent between 1952 and 1972, but the number of AFDC (Aid to Families with Dependent Children) recipients increased 456 percent . . . (p. 10). "The growth in AFDC can largely be traced to the fact that the number of 'absent fathers' quadrupled from 590,000 in 1961 to 2,482,000 in 1973. Six out of seven absent AFDC fathers paid no support whatsoever for their children and many of them—or possibly most—may have abandoned their families because the AFDC program had made it attractive and lucrative to do so" (p. 141).
>
> Spending under public income maintenance programs jumped from $7 billion in 1950 to $23 billion in 1960 and is now running at an annual clip of $150 billion. The number of families with a money income under $3,000 fell from 33.4 percent of all families in 1952 to 22.7 percent in 1959 and to 7.2 percent in 1972 (if counted in dollars of 1972 value, from 18.3 percent to 14.3 percent and to 7.2 percent respectively); the number of families classified "below the poverty level" fell from 18.5 percent in 1959 to 9.3 percent in 1972 (p. 25). But while social spending multiplied at an unprecedented rate, so did property crimes, delinquency, violence, social tensions and other forms of social ills. "According to FBI reports, the number of serious crimes leaped from 2 million in 1960 to 5.9 million in 1972. That averages out to a 9 percent increase each year—while population was growing approximately 1 percent per year" (pp. 24-25).

Dr. Freeman cites dozens of other examples of programs which were sold to Congress on the premise that they would improve social conditions and lessen social tensions but turned out to be counterproductive.

The author is also sharply critical of our tax system:

> No other industrial country has a tax system that is so heavily biased in favor of consumption and against capital formation, in a determined attempt to redistribute income. Most major countries use a consumption tax as the mainstay of their revenue system; the United States is the only country that does not use such a tax at all at the national level. Nor does any other country rely for its revenue as heavily on income taxes as does the United States (p. 33).

Yet, on an over-all basis, Dr. Freeman finds that the Federal Government—as measured by taxes, expenditures and payroll—grew more slowly in the past 20 years than it did in earlier decades. Moreover tax revenues and expenditures did not expand faster than the Gross National Product. This was possible because much of the exorbitant expansion of social welfare spending was financed by cutting outlays for national defense to less than half their former share of GNP or of the Federal Budget. Expenditures for national security fell from 14.3 percent of GNP in 1952 to 7.2 percent in 1972 and continued to decline:

> The United States is now devoting less than 6 percent of its GNP to national defense . . . while the USSR is probably exerting at least twice that effort, and also reported to be allocating twice as much to defense research and development as we are (p. 30).

The author concludes that:

> Under current trends the Soviets are headed for a decisive military superiority (p. 31).

Until about a decade ago Congress used to boost presidential recommendations for defense outlays every year. More recently, however, the President's proposals on defense appropriations have been reduced each year by several billions of dollars—p. 29—for the purpose of raising the funds for social welfare programs. To continue that policy could lead to national disaster.

Dr. Freeman concludes his study with projections to the year 2000. He feels that the final outcome and the fate of the American Commonwealth will depend on decisions by the Congress on three major issues:

> 1. Freedom vs. government: As governmental activity expands, aiming to deal with and resolve major social ills by appropriations of funds and intensification of service programs, the freedom of the individual to make his own decisions and to rise and fall by his own action gradually diminishes. Whether the positive value of the benefits that may at some time be derived from government will exceed the diminution of per-

sonal freedom and responsibility remains an open question.

2. Rewards by the free market vs. redistribution of income: Those who view the allocation of rewards by the market to be purely fortuitous, devoid of personal merit, and grossly unjust, push for a more effective redistribution of income—from those who earn it to those who yearn it. They may continue to succeed, as they have in recent decades. If so, government will play an increasingly powerful role in changing income distribution through tax, transfer, and social service programs.

3. Strengthening or cutbacks in national defense: An increasingly large number of Americans now believe that national defense is consuming too large a share of our national resources and that funds for the military can be cut further with impunity, because we already possess an "overkill" capacity and are not likely to be attacked by anyone, if we stay out of other countries' affairs. Others feel that this is an area where we cannot afford to incur risks because there would be no possibility of a "second chance" in case of a mistake and that existence of an adequate military preparedness and bility to inflict intolerable losses upon an aggressor—and awareness of this by a would-be aggressor—are the best and only guarantors of national security and preservation of peace. In a recent speech, Secretary of Defense James Schlesinger said that "democracies are suffering from their traditional problem that they need an overt manifest threat in order to bring about the appropriate allocation of resources within the society to maintain a defense establishment that continues militarily to deter rather than to rely upon the goodwill of potential opponents." [3]

It may well be that the ancient Roman proverb, *si vis pacem para bellum*, is as valid today as it ever was. (pp. 200-01).

I believe, Mr. Speaker, that this book should be "must reading" for every Member of Congress, for public officials at every level of government and for all Americans with an interest in public affairs throughout the Nation.

FOOTNOTES

[1] Edward R. Fried et al., *Setting National Priorities: The 1974 Budget* (Washington, D.C.: The Brookings Institution, 1973), p. 414.

David J. Ott et al., *Public Claims on U.S. Output: Federal Budget Options in the Last Half of the Seventies* (Washington, D.C.: American Enterprise Institute for Public Policy Research, 1973), p. 14.

[2] Solomon Fabricant, *The Trend of Government Activity in the United States Since 1900* (New York: National Bureau of Economic Research, 1952).

M. Slade Kendrick, *A Century and a Half of Federal Expenditures* (New York: National Bureau of Economic Research, 1955).

[3] Quoted in Leslie H. Gelb, "Schlesinger for Defense," *New York Times Magazine*, August 4, 1974.

FAMILY FARM ANTITRUST ACT OF 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER), is recognized for 5 minutes.

Mr. KASTENMEIER. Mr. Speaker, the family farm in the United States is steadily being plowed into oblivion. In the last 25 years, the number of farms in America has decreased from 5.4 million to 2.9 million; with some predictions indicating that another 1 million will cease production by 1980, unless the trend toward vertical integration of agriculture is slowed.

Concern over this trend is not founded in nostalgia, but in economic commonsense. A recent research study by the Economic Research Service of the U.S. Department of Agriculture, found that the fully mechanized one-man farm, the family farm, producing maximum acreage, is generally a technically efficient farm. What does "technically efficient" mean? Simply a production unit large enough to capture economies of size related to costs per unit of production. The chief incentive for farm enlargement beyond this optimum size is not to reduce costs of production but to achieve a larger business, more output, and more total income.

We have come to equate bigness with efficiency. Many people assume that large-scale undertakings are inherently more efficient than smaller ones. Yet, the USDA study determined that farms larger than "optimum" are essentially multiples of the optimum farm, and are technically no more efficient than the one-man farm. Although technically optimum one-man farms are larger and more capital intensive than many farms in the United States today, it is equally clear that many farms have greatly exceeded economies of scale, for various reasons. Indeed, the adverse impact of farms larger than necessary, can lead to debits in the social ledger.

One factor that can give large farms with corporate connections in the nonagricultural sector, an artificial advantage is the ability to purchase production inputs at a lower cost than other farmers. The advantage is considered "artificial" because it does not occur from efficiency or other competitive reasons but from ownership of several successive stages of the production process; vertical integration.

An example of vertical integration is a supermarket chain that owns manufacturing plants, produce packaging plants, bakeries, milk and ice cream plants, meat processing units, soft drink bottlers, coffee roasting plants, a soup factory, a peanut-butter factory, and a salad oil factory. The notion of vertical integration also applies to a livestock feeder who builds or buys a packaging plant to provide an outlet for his feed cattle. Vertical integration in short, is a situation where two or more stages in the production process that were formerly handled by separate firms, become merged into one firm. The Family Farm Antitrust Act of 1975 is specifically concerned with vertical integration between farm and nonfarm stages of production.

Former concern with antitrust matters was principally focused on "horizontal integration" of business activities. The classic examples were the so-called Standard Oil and United States Steel trusts. When these companies controlled substantially all of the production of oil and steel, respectively, it became evident that such market control gave these firms a great amount of price control. The response to that situation was to legislate against control of markets by virtue of monopoly.

We are now faced with a variation of the problems faced in former times. The trend toward vertical integration in the agricultural sector is every bit as undesirable as was horizontal integration. But vertical integration is less evident and therefore, less a matter of public concern and legislative attention. The effects of vertical integration must be recognized and the Family Farm Antitrust Act of 1975 must be passed to deal effectively with the increasing interdependence between stages in the production process that should remain separate.

Consumers will be adversely affected by allowing the trend toward vertical integration to continue. A study by the University of Missouri concluded that retail food prices would rise if nothing is done to alter the trend toward vertical integration. Merchandising and market costs would increase as integrated firms advertise and stress product differences on basic agricultural commodities. Aggressive unionization of agricultural and agribusiness workers will increase labor costs that the familly farm operator presently absorbs. Finally, lack of effective price competition would push up food prices. Considering the USDA study that found the one-man farm to achieve optimal economies of scale, one can only wonder why any rational person would want to continue policies that allow the one-man farm, known as family farms, to continue to be forced out of operation by anticompetitive market forces.

We cannot consider a decision to do nothing about this situation to be in any way, neutral. Rather, to allow the present situation to continue is a decision in favor of the trend toward continued vertical integration of agriculture. It is a decision to allow less efficient firms to replace more efficient firms. It is a decision to permit increasing market dominance by less efficient firms.

To allow the present trends to continue will result in greater centralization of economic power and decisionmaking resting in fewer hands and places, with a resultant loss of flexibility and diversity in our national economic life. Finally, to allow present trends to continue will result in a rural social structure dominated by a small number of "company farms" that will yield a deadening conformity and a restricted environment in which to develop the full potential of the quality of rural life. Schools and public recreational facilities suffer as more of the money generated in an area is spent outside the area, as is the case with absentee ownership of farms when vertical integration assumes dominance.

There is another possible outcome of the present trend toward vertical integration in agriculture—perhaps the least desirable situation of all. This possibility is the dominance of agriculture by corporations that are larger than family size and are absentee-owned, but not national in scope or scale of operation. It is quite possible to have farming corporations that are too small, just as it is possible to have individually owned and operated farms that are too small. It would be tragic to exchange a system of family farms for a system of corporate farms that prove to be too small by social tests. We can have the worst of both worlds if we emerge from this period of change with a system of medium-sized corporate farms, financially weak and socially unresponsive. Some of the recent growth in corporate growth points in this direction.

We must make a decision now, as to what structure will be allowed to prevail in U.S. agricultural production. Change is rapidly overtaking our system of agricultural production. Once the system has changed, it will be too late to reverse the trend. Our history of agricultural policies has been to encourage a system of family farms. Due to tax laws and other reasons, the system that we have carefully fashioned over the last 200 years, is being rapidly changed. We must act now to reverse the trend toward corporate domination of food production in this country. I am, for that reason, glad to be joined by 27 of my colleagues in introducing the Family Farm Act of 1975.

The Family Farm Antitrust Act would prohibit persons or businesses with in excess of $3 million in nonfarm assets from engaging in agricultural production. Further, businesses with close ties to farming, such as packinghouses, feed manufacturers, chemical and fertilizer manufacturers, and farm machinery suppliers with more than $1 million in assets, would be prohibited from engaging in agricultural production. Farm cooperatives would be exempted from this act, as would charitable, educational, and nonprofit institutions.

I include certain statistics in the RECORD:

Table 1.—7 Examples

Examples of 7 types of technically optimum 1-man farms are shown below

	Acres	Land value	Other capital
Montana: Wheat-barley	1,960	$245,000	$57,000
Kansas: Wheat-grain sorghum	1,950	200,000	55,000
Indiana: Corn-soybeans	800	480,000	130,000
Louisiana: Rice-soybeans	360	108,000	50,000
Delta: Cotton-soybeans	600	255,000	80,000
California: Irrigated cotton	400	320,000	64,000
California: Vegetables	200	400,000	85,000

Source: Economic Research Service, U.S. Department of Agriculture "The 1-Man Farm" (ERS-519) August 1973.

TABLE 2.—AVERAGE NUMBER OF FOOD SYSTEM FUNCTIONS PER LARGE MULTIESTABLISHMENT FIRM AND PERCENT OF FIRMS PERFORMING 3 OR MORE FUNCTIONS, 1969

Type of firm	Average functions per firm (number)	Percent of firms with 3 or more functions
Farm	2.20	30.9
Agricultural input	2.58	34.6
Agricultural processing	2.84	66.7
Agricultural distribution	2.54	39.1
Nonagricultural	1.62	18.2
Total	2.25	32.7

Source: Dunn & Bradstreet complex business file, 1970.

TABLE 3.—FARM FIRMS: FARMING ACTIVITIES OF LARGE MULTIESTABLISHMENT FIRMS, BY PRIMARY ACTIVITY AND TYPE OF FARM PRODUCTION, 1970

Type of farm production	Primary farm type of owning firm										
	Cotton	Cash grain	Other field crops	Fruit and tree nuts	Vegetable	Dairy	Broiler	Other poultry	Beef	General and other farms	Total
Number of firms:											
Cotton	6		1	2	1				1		11
Cash grain	3	2		1	1			1	1	2	11
Other field crops	3		7	1					2		13
Fruit and tree nuts	1			27	4				2	1	35
Vegetable	2			6	27				2	1	39
Dairy						17					17
Broiler							9	3			12
Other poultry			1					15		3	18
Beef cattle	1	1		1	3	1		2	26	2	37
General and other farms	3		1	1		2		1	3	13	24
Total firms	6	2	7	27	27	17	9	15	26	13	149
Percent of firms	4	1	5	18	18	11	6	10	17	9	100
Average number of farm enterprise types/firm	3.17	1.50	1.43	1.44	1.33	1.18	1.00	1.47	1.42	1.69	1.46

Source: Dun & Bradstreet complex business file, 1970.

TABLE 4.—ESTIMATED PERCENTAGE OF TOTAL FARM OUTPUT PRODUCED UNDER PRODUCTION CONTRACTS, VERTICAL INTEGRATION, AND BOTH COMBINED, 1960 AND 1970

Kind of coordination	1960	1970
Production contracts	15.1	17.2
Vertical integration	3.9	4.8
Both	19.0	22.0

[1] See tables 5 and 6 for individual crop and livestock items. Totals for production contracts and vertical integration in this table were obtained by combining the total estimates for crops and livestock after adjusting for double counting of farm-produced feed corps consumed by livestock. As in the ERS index of total farm output, crops represent about ⅔ of the final weight and livestock ⅓.

TABLE 5.—CROPS: ESTIMATED PERCENTAGE OF OUTPUT PRODUCED UNDER PRODUCTION CONTRACTS AND UNDER VERTICAL INTEGRATION, UNITED STATES, 1960 AND 1970

Crop	Production contracts		Vertical integration	
	1960	1970	1960	1970
Feed grains	0.1	0.1	0.4	0.5
Hay and forage	.3	.3		
Food grains	1.0	2.0	.3	.5
Vegetables for fresh market	20.0	21.0	25.0	30.0
Vegetables for processing	67.0	85.0	8.0	10.0
Dry beans and peas	35.0	1.0	1.0	1.0
Potatoes	40.0	45.0	30.0	25.0
Citrus fruits	60.0	55.0	20.0	30.0
Other fruits and nuts	20.0	20.0	15.0	20.0
Sugarbeets	98.0	98.0	2.0	2.0
Sugarcane	40.0	40.0	60.0	60.0
Other sugar crops	5.0	5.0	2.0	2.0
Cotton	5.0	11.0	3.0	1.0
Tobacco	2.0	2.0	2.0	2.0
Oil bearing crops	1.0	1.0	.4	.5
Seed crops	80.0	80.0	.3	.5
Miscellaneous crops	5.0	5.0	1.0	1.0
Total crops [1]	8.6	9.5	4.3	4.8

[1] The estimates for individual items are based on the informed judgments of a number of production and marketing specialists in the U.S. Department of Agriculture. The totals were obtained by weighting the individual items by the relative weights used in computing the ERS index of total arm output.

Source: U.S. Department of Agriculture, Economic Research Service, "Contract Production and Vertical Integration in Farming, 1960 and 1970." (ERS-479) April 1972.

TABLE 6.—LIVESTOCK AND LIVESTOCK PRODUCTS: ESTIMATED PERCENTAGE OF OUTPUT PRODUCED UNDER PRODUCTION CONTRACTS, AND UNDER VERTICAL INTEGRATION, UNITED STATES, 1960 and 1970

[In percent]

Crop	Production contracts		Vertical integration	
	1960	1970	1960	1970
Fed cattle	10.0	18.0	3.0	4.0
Sheep and lambs	2.0	7.0	2.0	3.0
Hogs	.7	1.0	.7	1.0
Fluid (grade milk)	95.0	95.0	3.0	3.0
Manufacturing (grade milk)	25.0	25.0	2.0	1.0
Eggs	93.0	90.0	5.0	7.0
Broilers	5.0	20.0	10.0	20.0
Turkeys	30.0	42.0	4.0	12.0
Miscellaneous	3.0	3.0	1.0	1.0
Total livestock items [1]	27.2	31.4	3.2	4.8

[1] See footnote 1, table 4.

"THE LESSONS OF VIETNAM FOR AMERICAN FOREIGN POLICY"—AN ADDRESS BY CONGRESSMAN JOHN BRADEMAS OF INDIANA

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. O'NEILL) is recognized for 10 minutes.

Mr. O'NEILL. Mr. Speaker, last Saturday, April 26, 1975, at the Rhein-Main Air Base, Germany, our distinguished colleague, Congressman JOHN BRADEMAS of Indiana, delivered the address at commencement exercises for students graduating in the education programs of a European branch of Ball State University, Muncie, Ind.

The subject of Congressman BRADEMAS' address was "The Lessons of Vietnam for American Foreign Policy."

I believe Members of the House will read with great interest our colleague's thoughtful analysis and I insert the text of his address at this point in the RECORD:

THE LESSONS OF VIETNAM FOR AMERICAN FOREIGN POLICY

(Address of Congressman JOHN BRADEMAS of Indiana)

I am for several reasons pleased to be here with you at Rhein-Main today.

As a fellow alumnus of Ball State University—although you earned your degrees and mine was honorary—and as a Representative in Congress from Ball State's home state, I feel at home with you.

And I am pleased, as I know you are, that John Pruis, my valued friend and the distinguished President of the University, should be here for this occasion.

I join President Pruis in congratulating all of you on your achievements and in wishing you well in whatever you now undertake to do.

I am also grateful for the chance to pay a visit, however brief, to the Federal Republic of Germany, a vital and vigorous democracy with a strong and prospering economy, a faithful friend and ally of the United States.

But there is a final reason that I accepted the invitation to come all the way from Washington to Wiesbaden for the weekend. It is the opportunity to speak to you, graduates of the European branch of an American university, about where we as Americans go from here in the aftermath of the tragedy of Vietnam.

LESSONS FROM VIETNAM

For the war in Vietnam has been a central fact of American life for well over a decade now and as the debate in Washington over how we can best extricate ourselves from Indochina moves to a climax, it is, in my view, imperative that we look ahead to the next ten years and ask what lessons we as a people can learn from our most divisive and searing national experience since our Civil War.

It will not be my central purpose here today to point the finger of blame with respect to what went wrong with American policy in Vietnam.

That both historians and, if there is to be any accountability in our democratic society, citizens, must make such judgments, I do not deny.

I prefer, however, now to ask a different question: Can we learn any lessons from Vietnam that can point us as a nation toward a more constructive, effective foreign policy in the years immediately ahead?

I here think of the New Testament passage—John I:46—in which, while Jesus was recruiting followers in Galilee, a skeptic, referring to what 2,000 years ago was regarded as a dull, dreary little Judean town, asked one of the disciples, "Can any good thing come out of Nazareth?"

So, too, after all the death and destruction that have come to Asians and Americans and others—if the tragedy in Indochina has any quality of redemption—we must ask what we can learn from experience and what we as Americans ought now to do.

Can any good thing come out of Vietnam?

I believe that the answer is yes, that there are lessons from Vietnam which, if heeded, can cause the American people and our national government to act more constructively and effectively in the world.

Let me here outline a few of these lessons as I, as only one Member of Congress, see them:

MORE ATTENTION TO WESTERN EUROPE

1. First of all, freed from our preoccupation with Vietnam, we can turn our attention to other areas of the world which we have been neglecting but where America's vital interests are clearly at stake.

The most obvious of these areas is Western Europe, where the NATO alliance has been enduring a variety of strains.

Portugal, where elections were held only yesterday, presents the threat of a burgeoning authoritarianism of the Left.

Tensions remain between our long-time NATO allies, Greece and Turkey, over Cyprus and Aegean oil.

The future of Italy, beset with serious troubles, both economic and political, has received far too little attention from the United States.

And there is a whole spectrum of issues arising out of the economic and energy relationships between and among the United Kingdom, the Common Market countries and the United States. There is, indeed, a kind of limbo now in Europe until the British referendum in June on Common Market membership.

It is in particular essential that we carefully review the defense structure of NATO and our own role in the alliance.

Let me here interject, as one who is strongly critical of United States policy in Southeast Asia and the Eastern Mediterranean, that I with equal fervor favor—as I believe the overwhelming majority of Democrats and Republicans in Congress do—a vigorous NATO and a continuing commitment by the United States to support it and work within it.

And I must add that I anticipate no serious effort, such as U.S. troop withdrawals from Europe, to reduce that commitment.

Now I list all these problems not to make bold to offer answers to them but rather to indicate that these are matters to which, in the post-Vietnam era, we must give far greater attention that we have been doing.

DEFENSE AND ARMS CONTROL POLICIES

2. Second, in the years just ahead, we must invest more of our thoughts and energies in two intimately related fields of policy: the shaping of a more rational military structure for the United States and the development of comprehensive arms control arrangements with the Soviet Union.

With a military budget now running at a $108 billion level, we need a much more careful effort than we have so far had to link the structure of our defense system both to the purposes of our foreign policy and the realities of our economy.

Members of Congress were not amused to read this week the report of a 1974 study showing that the Atlantic allies waste between $10 billion and $20 billion a year because of duplication and lack of standardization in military equipment.

At a time of economic recession and deepening concern about national budgets, the report declares that the military effectiveness of NATO's conventional forces "is far below the standard we and our European allies should expect from the more than $90 billion a year that together we spend on general purpose forces."

To put the point another way, it will no longer suffice for American Presidents simply to assert that we cannot cut defense spending or the nation's security will be endangered.

We need far more reasoned justifications than we have been getting—in terms of our military posture, our foreign policy, and our national economy—for a particular defense mix at a particular level of spending.

And I could make an identical observation with respect to our efforts to come to arms control agreements with the Soviet Union.

Let me here note that, without question, Congress will be insisting on a more substantial role in both these life and death areas of national policy.

THE DEVELOPING WORLD

3. We must also in the decade ahead give more attention to our policies toward the developing countries of Asia, Africa and Latin America.

A sense of justice coupled with our own national interest in reducing the causes of violence require that we, the world's richest country, share our resources with the world's poorest lands. For example, only last month in my own home community in Indiana, President Ford, speaking at the University of Notre Dame, called for more contributions of food from the United States to peoples struggling to survive.

But the President, rightly, asserted that the United States must provide such peoples with more than food. They need our technical assistance to build their own productive capacity and they require from us as well trade policies that do not strip them of their national resources for the further enrichment of the nations of the West.

BETTER JUDGING OUR VITAL INTERESTS

4. There is another lesson which Vietnam presses insistently upon the American people.

It is that we must be far more careful than we have been in assessing where our national interests really lie.

It is not being invidious to say that Presidents of the United States should stop suggesting that Cambodia is as vital to our national security as the Federal Republic of Germany.

Nor should Secretaries of State continue to assert that so inextricably linked to each other are America's global commitments that a failure in Vietnam means that all is lost everywhere, that no one will again believe America's word.

It is of such overblown and extravagant rhetoric, unrooted in realistic judgments about our genuine interests, that the seeds of future conflicts are sown.

As America leaves Vietnam, I detect no wave of fear sweeping across Western Europe but rather hear sighs of relief from our allies and expressions of hope that we can reinvigorate our ties to them.

I trust that what I have so far said, and will later say, suggests no rush of Congress, like the Gadarene swine, over the cliff into the abyss of isolationism.

Neither Senators nor Congressmen nor the American people who elected them are going isolationist.

The American people, however, and their Congress, are unwilling any longer to support a universalistic interventionism that sees our national interests equally at stake everywhere.

A thoughtful internationalism then, neither an impossible isolationism nor a mindless adventurism, ought to be our prescription for the future.

NON-MILITARY FACTORS

5. So, too, in the world after Vietnam, we must learn to give more heed, in the shaping of our policies, to factors that are not solely military—immensely important though that dimension is.

We must, in far more sophisticated and sensitive fashion than we have been doing, attend to the political, economic and cultural factors which can also profoundly influence the decisions of our friends and foes.

It will, for example, no longer be adequate, in a world in which the United States preaches detente with the two great bastions of Communism, the Soviet Union and China, to follow a primitivist policy of flooding repressive military dictatorships with American arms solely because these states are "anti-Communist."

One need cite only the seven years of U.S. support of military juntas in Greece and the calamitous consequences of that policy today to see the bankruptcy, militarily as well as politically, of such short-sightedness.

A GREATER ROLE FOR CONGRESS IN FOREIGN POLICY

6. I believe that one of the most significant of all lessons that Vietnam has taught the American people is that there must be a crucial role for Congress in the making of foreign policy.

The Constitution of the United States is neither a charter for authoritarian government, in which one man or a group of them makes all the crucial decisions, nor is it a prescription for parliamentary democracy, in which the legislative branch must, by definition, support the executive.

The American Constitution is different. It is based on separated institutions sharing powers, and checks and balances run throughout the system.

Yet over the last generation and, increasingly in recent years, Congress has been largely excluded from a significant role in the shaping of foreign policy and until a short time ago was relegated to the role of rubber stamp or cheerleader for the executive branch.

But as a consequence of Watergate and Vietnam, this relationship between Congress and the White House is no more.

Evidence for the validity of this assertion is the 1973 vote in Congress to end money for U.S. military involvement in Vietnam, passage that year of the War Powers Act, imposing restrictions on the power of a President unilaterally to plunge the nation into war, and the rejection by Congress only this week of President Ford's pleas for more military aid for Southeast Asia.

Because I am a Member of Congress—one who has served now with five Presidents—Eisenhower, Kennedy, Johnson, Nixon and Ford—and because I have argued that, in the period after Vietnam, Congress should play a much more important part in foreign policy, I want to linger on this point a little longer.

I believe that most objective observers would agree that, although the Constitution assigns to the President chief responsibility for the conduct of foreign policy, there are three major roles Congress should properly play in this field.

First, Congress can establish, through law or in other ways, or give sanction to, certain principles that govern the nation's foreign affairs. I here cite NATO, trade legislation and arms control treaties as but three examples.

Second, Congress can oversee the implementation of these principles by the executive branch. Clearly, Congress cannot—nor should it—conduct foreign policy on a day-to-day basis but Congress has the right, indeed, the obligation, to monitor the executive branch in its direction of foreign affairs.

Third, under the Constitution, it is Congress that has power to appropriate money, essential to the carrying out of policy abroad as well as at home.

I here recall my earlier observation about the nature of the American charter of government. Ours is a constitutional democracy where, as I once heard Carl Sandburg tell Congress, in describing Abraham Lincoln's view of our system, "where the people have the say-so".

I can put my point another way by quoting that American of long experience and much wisdom in foreign affairs, Averill Harriman: "No foreign policy will stick unless the American people are behind it. And unless Congress understands it, the American people aren't going to understand it."

And one of the lessons of Vietnam must surely be that Members of Congress, the elected representatives of the American people, will no longer tolerate so-called "commitments", moral or legal, to which they were not a party and of which they had no knowledge.

Secret covenants secretly arrived at may suit the convenience of those who make them; they are not—and this is especially clear after Indochina—appropriate to a system in which "the people have the say-so".

After Vietnam then, Congress will no longer stand before the President or the Secretary of State like, in the words of Robert Burns' famous poem, "To a Mouse", "wee, sleekit, cow'rin', tim'rous beastie."

Having said that, I hasten to add that, in line with President Ford's call at New Orleans this week for "reconciliation" among Americans in the era after Vietnam, I believe the time is here for some serious effort to improve the relationships between the Department of State and Capitol Hill.

My suggestions are modest. I am not utopian and I do not pretend that my proposals even run to some of the fundamental differences of which I have earlier spoken.

But it is from modest, piecemeal efforts that we may begin to establish some constructive dialogue between Congress and the Department of State that will outlast those who hold office today in both institutions.

It was many years ago as a very new Member of the House of Representatives that I wrote Secretary of State Dean Rusk to propose that he arrange mid-week coffee sessions on the Hill at which top State Department officials could brief Congressmen on major issues. For most of us not on the Foreign Affairs Committee had little opportunity for such contact with our foreign policy makers.

These sessions continue today as one of the few vehicles for direct interchange between House members and State Department officers.

I have now two other suggestions that may be worth considering.

Why not build into the career pattern of every Foreign Service officer a brief stint of work for a Congressman and a Senator, preferably one who does not sit on the foreign affairs committees?

Patterned after the American Political Science Association fellowships, under which young journalists and college teachers serve for four months on each side of the Capitol, such a program could have two benefits.

Foreign Service officers, who after all represent not only the Department of State but the American people, would have a clearer understanding of, and appreciation for, the nature of the American constitutional system, the role of Congress, the syle of elected politicians and the issues of domestic life. Such an experience could provide particularly helpful when the officers are assigned to represent our country abroad.

Members of Congress, on the other hand, most of whom rarely see members of the Foreign Service unless on a foreign trip, would, hopefully, develop a keener sensitivity to the capacities and the necessity of intelligent, well-prepared Foreign Service officers.

A second modest proposition is that the State Department organize a series of informal evening seminars at which several Members of Congress not on the foreign affairs committees would hear assistant secretaries, country desk officers and others discuss key problems in our foreign policy and invite comment and criticism. For example, the able and respected Assistant Secretary of State for Inter-American Affairs, William D. Rogers, and his top counsellors on Argentina, Brazil and Chile could sketch U.S. problems in those countries and hear the views of Congressmen.

The legislators would unquestionably learn about matters on which they may have to vote and I have little doubt that the Foggy Bottom types would benefit as well.

Although not a Senator, I have already talked too long and I am fully aware that there are other vital aspects of our foreign policy which I have scarcely touched—the Middle East, our relations with China, Japan and the Soviet Union, our international policies on trade and energy.

THE LINK BETWEEN OUR PRINCIPLES AT HOME AND OUR POLICIES ABROAD

Yet I must take time to offer just one other lesson of Vietnam for the United States in the decade before us.

I speak of the urgent need to reestablish a relationship between the principles we espouse as a free society and the nature of the policies we pursue in the conduct of our foreign policy.

One of the reasons Franklin D. Roosevelt was so extraordinarily respected and admired by other peoples of the world was that they perceived him as seeking for the citizens of his own land the justice and freedom which he contended was the birthright of all mankind.

Over twenty years ago George F. Kennan with characteristic eloquence articulated this connection between the quality of life in America and the strength of our posture in the world.

Said Kennan:

"Now this problem of the adjustment of man to his natural resources, and the problem of how such things as industrialization and urbanization can be accepted without destroying the traditional values of a civilization and corrupting the inner vitality of its life—these things are not only the problems of America; they are the problems of men everywhere. To the extent that we Americans become able to show that we are aware of these problems, and that we are approaching them with coherent and effective ideas of our own which we have the courage to put into effect in our own lives, to that extent a new dimension will come into our relations with the peoples beyond our borders, to that extent, in fact, the dreams of these earlier generations of Americans who saw us as leaders and helpers to the peoples of the world at large will begin to take on flesh and reality."

At a time when "linkage" has become a fashionable word in foreign policy, we have, I fear, lost this more fundamental sense of linkage between the purposes of a free society and the purposes of our policies in the world.

It is being neither romantic nor unrealistic to insist that a recovery of the awareness of this vital relationship is indispensable to America's role in the world after Vietnam.

I remind you here, in the heart of Germany, that the North Atlantic Treaty is not simply the charter of a military alliance but that NATO was founded for an overriding purpose, in the words of the signatories to the Treaty:

". . . to safeguard the freedom, common heritage and civilization of their peoples, founded on the principles of democracy, individual liberty and the rule of law."

There are at least two consequences of an insistence on the tie that binds the principles we espouse at home to the policies we press abroad.

The first is that in our dealings with other nations, we must be much more sensitive than we have been to their efforts to build the institutions of freedom and democracy for their own peoples.

The second is that we must renew and deepen our commitment to building a genuinely just and free society in our own country.

Here is where there is a role for you who graduate from Ball State University today, whether you go into public service or decide on a career in private life.

America needs, in the wake of Watergate and after Vietnam, educated men and women whose spirit is that of the greatest of leaders whom America has given to the world, Abraham Lincoln.

Wrote Lincoln: "What constitutes the bulwark of our own liberty and independence? It is not our frowning battlements or bristling seacoasts, our army and navy . . . Our defense is in the spirit which prized liberty as the heritage of all men in all lands everywhere."

DAR, 1975 CONTINENTAL CONGRESS: ADDRESS BY SECRETARY OF THE ARMY, HOWARD H. CALLAWAY, ON "TODAY'S VOLUNTEER ARMY"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD, Mr. Speaker, one of the great national patriotic organizations of the United States is the Daughters of the American Revolution of which Mrs. Wakelee Rawson Smith is president-general and Mrs. Lawrence R. Andrus is national chairman of the National Defense Committee. One of the highlights of its 1975 Continental Congress at Constitution Hall in Washington, D.C., was the national defense program on the evening of April 15 when Secretary of the Army, Hon. Howard H. Callaway, was the guest speaker.

Addressing the great gathering on the timely subject, "Today's Volunteer Army," he supplied interesting information on how the present Army of Volunteers compares with that under Selective Service.

One point of special significance was that in the draft Army of 1972 the enlisted force had 70 percent high school graduates whereas in today's volunteer Army there are 73 percent. Another was that the 1972 draft Army had 78 percent in three top mental categories but now the Army has 83 percent. He expressed the view that counter to many predictions the all-volunteer Army is making a better fighting force than the draft Army.

Because Secretary Callaway's address should be of wide interest, especially to Members of the Congress, I quote major portions of it as part of my remarks:

TODAY'S VOLUNTEER ARMY

It's truly a great experience to be here tonight—in this magnificent hall—to speak to the DAR. Your motto "home and country" is the very reason the Army exists. The national defense is not just guns, planes, and ships. It's measured in terms of national will and national resolve as well. Over the years the DAR has been a rallying point for the gathering of national will. In 1897, the DAR was asked to serve our fighting men by locating their unmarked graves, and you are continuing to serve our fighting men and their country in so many ways. And that's why it's so exciting to be here tonight . . . because we're just naturally partners in the same cause.

You asked me to speak on national defense—and I will. But national defense is a mighty large subject. So I think I'll break the current trend here in Washington—I'm going to talk about something I know about and stick to that.

And I'm going to break another long precedent. I'm not going to stand here and talk to you about the Army of 1776. Because you probably know more about the Army of 1776 than I do. I know—and you know—our Army has a grand and glorious past with a string of great victories and a perfect record in the won and lost columns of warfare. But I'd like to talk to you about the Army of today and tomorrow. I've been told that the DAR Constitution Hall stage just naturally brings out the poet and orator in speakers, but I think I'll save us both a lot of agony and tell you about the Army I know in the way I like to tell it.

I'm excited and anxious to tell you about today's Army . . . our successes and our failures. I'm going to talk about the contributions our young men and women in uniform are making in today's world and some of the exciting innovations which the Army is providing to challenge our soldiers—to train them—and to provide them with satisfying tours and careers.

It just goes without saying that we're living in a time that every part of the world is undergoing some kind of upheaval. You pick up the paper and the headlines jump out at you. A famine here—an overthrow there—alliances breaking up—old partners becoming enemies—old enemies becoming partners.

It's hard enough to make a reasonable estimate of the effect any one of these crises, disasters, or upheavals will have on the United States or world peace. It is harder yet to build an Army prepared for any one or a combination of the possible challenges—at any time—anywhere in the world.

Not only is the world in a state of restless agitation, but our own Nation here at home is undergoing a critical economic period. Quite often, the solutions required to resolve or improve internal problems seem contrary to the actions needed to meet our international obligations and defense challenges.

Our legislators are under great pressure to respond to the internal needs of the Nation—and rightly so. But we cannot allow the Nation to withdraw as a world power. First, because no modern industrial nation can prosper without access to world resources—and second—because, if we abrogate our responsibilities to world leadership we default to the Soviet Union. And that can't happen.

What's changed in the last few years? In just a few years? Well, we've moved from a period of confrontation, internationally, to a time of negotiation. We've moved from a wartime economy to a peacetime economy. As a result, we begin a reordering of priorities in our country—a reordering away from defense to other sectors of the economy.

Only four short years ago defense spending amounted to 10 percent of the gross national product. Today defense spending accounts for less than 6 percent of the gross national product. Twenty years ago, defense spending was twice that of all other Government spending combined. Today, that situation is exactly reversed—defense now receives less than half as much as the rest of the Government put together. Now that is a drastic change in just 20 years, and it's certainly a far cry from the accusations of our critics.

It's important that everyone recognize just how fast attitudes are changing in this country. The attitudes of the American people toward the Army have changed dramatically. You know the Army is very much like the policeman on our streets. The policeman doesn't make the law. He enforces it—under stringent control. Similarly, the Army doesn't make national policy. We execute it. Also under very stringent control. That's the American way. And that's the way it should be.

The Vietnam War was unpopular with many of our citizens. But popular or not, the Army has served with great pride. Our officers and men not only fought bravely, but they fought compassionately and with great restraint.

As a matter of fact, I can prove with some pride that the attitude of the American people toward the military is healthy.

Recently, the University of Michigan conducted a survey on how good a job they felt each, of a number of national institutions, was doing for the country. The United States military, as it turned out, was considered the most admired institution on how well we serve the country. Now that's quite an achievement. We're proud that the Nation realizes that we did not let it down.

The achievements of the all-volunteer Army is probably one of the most exciting success stories in the Army for the past 10 years. I don't mind telling you that the first orders to implement the all-volunteer Army were met with predictions of complete disaster inside and outside the Army. Most said it simply couldn't be done. Many felt that even if the all-volunteer force were achievable it would be an Army of rejects—or an Army of minorities—or any Army of urban misfits.

Well, they were all wrong. Not just partially wrong but totally wrong. Men with vision made the all-volunteer Army work. We are able to be a great deal more selective in our Army recruiting. Sure, the state of the economy has helped our recruitment but we are achieving our all-volunteer goals before our Nation was in serious economic difficulty. And I'm convinced that we'll continue to provide an all-volunteer Army even after the economy recovers.

The all-volunteer Army will survive in a strong economy because we can offer most of the opportunities of civilian life and we can also offer some opportunities unique to the service. The Army has a host of opportunities. The trend is away from young marriages, and many of our modern young men and women are taking time to explore life and mature before setting out on a specific path. How many of you know young men and women who don't know what they want? I mean even the super-youngsters—what I like to call the Jack Armstrongs of America . . . and the Jane Armstrongs too. Young men and women who have graduated at the top of their class—were the head cheerleader or captain of the football team—who could get into any college in the country.

These youngsters are bright. They don't feel rushed to check off the college diploma and the master's degree. We find that many of our finest recruits are taking a tour in the Army where they have a host of other great options available—just for the asking. They want to see and experience something different. They want to go somewhere . . . do different things with different people in a different environment.

They're finding out that the Army will treat them as individuals. They know from their friends that the volunteer Army requires a two-way contract. The incentive is simple . . . if the all-volunteer Army doesn't find rewarding work for a majority of young men and women, there won't be any more volunteer Army.

I know it's hard for most of you to picture a different Army. Many of you knew the old Army firsthand. Many of you supported your sons and husbands during their Army service. You know the stereotype.

In a draft Army just too many people took the position that the draftee was in the Army as a sacrifice to serve his country—and since he was there to sacrifice he might as well sacrifice to the maximum extent possible. And if he was used to warmer climates you sent him to Alaska. What better sacrifice could he make? If he liked cold climates, why then Panama was obviously the place where he could make a truly dramatic sacrifice. If he liked racing cars you made him a cook. If he liked to cook, what better place than the motor pool for a real sacrifice?

I know I'm exaggerating but some of that type thinking was carried into the 50's and 60's, however this time it was done scientifically. Through achievement testing. Now there was a great example of establishing job satisfaction. Under the scientific approach, we'd give each new soldier a battery of tests—somewhere between the time he got his GI haircut and the time he was issued the wrong-sized uniform.

We'd herd these soldiers into a huge room, rattle off some instructions, and let them decide then to tell their Army future by darkening lines on a machine graded paper.

You could be a master mechanic, but if you weren't good on machine testing, you'd be off to the infantry . . . while the guy who could take tests but hated the sight of oil went off to mechanic's school.

Well, I'm glad to say those days are over. A volunteer Army has to compete for talent with General Motors and IBM for talent and we're going to have to provide good training, satisfying jobs, and good living conditions.

As an organization of women, I'm sure you in the DAR would be interested in the role of the women in the Army. And I couldn't be happier to have an opportunity to tell you some of the exciting and rewarding opportunities we have for women in today's Army. I'm not talking tokenism—or whether it's appropriate to say Miss or Ms—although these are important. I'm talking about economic opportunity . . . leadership . . . challenge . . . and a competitive atmosphere—a place where talented women compete against men and other women for good paying jobs and leadership positions.

Here again we have to change an old perception and stereotype. Many people still retain the old and totally incorrect perception of the young WAC. She's homely—a runaway—a high school dropout—and the only reason she's joined the WAC's is to find a man.

Well, it wasn't true before and it's even less true now. First, I don't have to tell you there's been a dramatic change in the attitude of women over the past years. These modern gals want a share of the excitement in the world—some for a career—some for just a challenging "change-of-pace" before they settle down to homes and children.

Although times are changing rapidly, many educated young women go out into the job market, and the first question they normally get is "how many words a minute can you type?" In the Army, our clerical skills are usually asked for early, so we try to get our new women in the nontraditional female fields, such as communications, intelligence, surveying, mapping, interpreters. Only the combat fields are closed to women. She can't be a tanker, an infantryman, a combat engineer, or an artilleryman. But any other job in the Army is open.

Our young women—both officer and enlisted—are trained and placed in important jobs. If they have the rank and qualifications to be the boss—then they're the boss. All our young women are high school graduates. And in 1974, 92 percent more young women enlisted for Army service than had the year before. And I think that's just great. The women of our country have been an underused resource for a long time. And the Army is going to benefit by providing more opportunities for women.

We can and we must provide opportunities for our servicemen and women, but that doesn't mean that discipline is going out the window. It can't—and it won't. "Rag-tag" outfits dont fight well, and once more—no one wants to be part of a "rag-tag" outfit.

In the conversion from the draft Army to the volunteer Army, the entire relationship of the individual to the Army changed also. In the draft Army we'd capture a man for two years, pay him a small allowance—and get the most we could out of him for two years. In the all-volunteer Army—on the other hand—you have a contractural agreement. The Army agrees to do certain things and the soldier had better produce or we fire him.

If you think I'm fooling you, it might surprise you to know that we fired 10 percent of our new soldiers last year before they completed their initial training. Can you believe that? We told one out of every 10 young men and women during their training cycle, "I'm sorry, you don't meet our standards. Pack your bags and go home. No hard feelings, but you're just not what we want." We provide competitive wages and offer some tremendous opportunities, and we don't have to keep people who don't or can't give their country a fair return.

You know there's more to the Army than just the Active forces. The Army National Guard and the Army Reserve are a big portion of our Total Army and our total fighting strength. We're working hard to bring the Active Army closer to the Reserve Components.

There are many fine opportunities for extra money, training, and excitement in many of the National Guard and Army Reserve organizations.

If the American people are going to reap the full benefits of the all-volunteer Army improvements, our concerned citizens must change some of the old stereotyped perceptions of what the Army is all about. Reveille is gone. I assume you wives in the audience don't have to blast your husbands out of bed with a horn or a whistle and stand him on the front lawn to get him to work in the morning. Well, we don't either.

The volunteer force is working enormously well. It's a representative Army with all the good things in it we had in the draft Army. We can and are attracting good people. As a matter of fact, the all-volunteer Army is of better quality than the draft Army. Now that's hard to believe. But look at this evidence. In the draft Army of 1972 our enlisted force had 70 percent high school graduates . . . now we have over 73 percent. During the same period the percent of our enlisted force in the top three national mental categories climbed from 78 percent in the draft Army of June 1972 to where we now have over 83 percent. So you see, the all-volunteer Army is a reality . . . a working, fruitful reality . . . which is making a better fighting force for the American people.

I think the Army's role is to be ready—combat ready—well-disciplined, well-trained—to be prepared—so that our President can negotiate for peace while maintaining the necessary ground fighting options to enable him to negotiate from a position of strength.

You know it's the constitutional obligation of Congress to raise armies. The Congress represents the American people and the American people have the right and even the duty to make sure it has an Army that is strong, efficient, and productive. We can't just say the magic words "national security"—tell the Congress what we need and expect them to fund it. Congress would be letting you down if they didn't make sure that the Nation got the most defense and deterrence for every dollar you pay. Now the Army has to justify in detail virtually every kind of expenditure—not because the need is not valid—but sometimes because we simply were not believed. As you know, this is true of the other services and departments as well.

In my view the Army does not have the credibility with the Congress it deserves. To attain a healthy credibility with the Congress, there's only one course of action and that's to tell the truth—tell the whole story—tell it like it is—and get the bad news out just as fast you can. No cover-ups and no whitewashes. General Abrams, our late Army Chief of Staff, used to say, "In all my Army experience I've never known bad news to improve with age." And it doesn't.

As a matter of fact, we started a kind of catch phrase in our office a little while back to catch the spirit of the openness and honesty we must maintain with Congress and the American people. We call it the "Glad You Asked" attitude. Which means, quite simply, that the Army must conduct its business and activities in such a scrupulously honest and open way that if a reporter or a Congressman or anybody points a finger and says, "What are you doing with thus and so?", we can sincerely reply, "I'm glad you asked" because we're proud of the way we conducted ourselves or we recovered from a mistake.

We're going to make mistakes—some of them bad ones—but we're going to get those mistakes right out in the open. Tell the Congress—tell the people . . . "Hey, look here, we goofed, it was an expensive mistake, but this is what we plan to do about it." You'd just be amazed at the reception you'll get.

A short while back we were experimenting with a new helicopter and they briefed me on all the wonderful things this new helicopter would do. You know . . . all kinds of technical stuff I didn't understand.

But then they said the helicopter had to fit in the back of our big cargo planes. Well, I understood that. It had to fit in the box. That was clear. Well, several months later, the experts came back and told me everything was going great but there was one small problem. It was too big for the cargo planes. I thought "Oh, my gosh, all the money and it won't fit in the box." Well everyone wanted to keep the problem "hush-hush" but I said, "No, we're going to tell the Congress tomorrow." There was almost a great human cry. Tell the Congress. You can't do that. I said: "Tomorrow!" Well we told the Congress and you know what their attitude was? "How can we help?" Nobody accused us of stupidity—there were no recriminations. The attitude was simply what can we Congressmen do to help.

That's what honesty does for you. If you're open—you're honest 'til it hurts—if you act in good faith and make mistakes, but are open and honest. . . . America will have a better Army.

I'm truly glad you invited me here this evening. I hope that maybe I've changed some old opinions about what the modern Army is—and what it is not. This volunteer Army is a whole new ballgame. We've got to compete for our share of quality people. We are competing—we're offering opportunities for education and satisfying work. It's exciting to see what has been accomplished over just a few short years—to see the quality of young people the Army is attracting. Thank you for inviting me. I know that the Army has a strong supporter in the DAR, and speaking for our soldiers, we're just very grateful.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHLEY) is recognized for 5 minutes.

Mr. ASHLEY. Mr. Speaker, on February 4, I was not here because of illness when rollcall No. 11 was taken on passage of H.R. 1589, a bill to prohibit the administration's proposal to increase the price of food stamps to a flat 30 percent of the recipients' income. Had I been present, I would have voted in favor of the passage of H.R. 1589.

On March 14, because of a meeting with Federal Communication Commission officials, I was not here when rollcall No. 51 was taken on agreeing to the rule on H.R. 25, the proposed Surface Mining Control and Reclamation Act. Had I been present, I would have voted in favor of agreeing to the rule.

On April 9, when H.R. 4723, to authorize appropriations to the National Science Foundation for fiscal year 1976, was being considered, I had to temporarily leave the floor to attend the swearing-in of Otto Stoltz as Director of the New Communities Administration—an area of great interest to me as one of the authors of the Urban Growth and New Communities Development Act which set up the New Communities Administration, as contained in the Housing and Urban Development Act of 1970. Accordingly, I missed rollcall No. 108 which was on an amendment to require congressional approval of the promotion and marketing of curriculum programs by the National Science Foundation. Had I been present, I would have voted against this amendment.

On April 16 and 17, I was out of town attending the funeral of an old and dear friend. Had I been present for rollcall No. 121 on passage of House Resolution 46, to amend the Code of Official Conduct of the Rules of the House of Representatives, I would have voted for its passage.

With regard to H.R. 5901, to make fiscal year 1976 appropriations for education, on rollcall No. 122, I would have voted against the amendment to a previous amendment that sought to increase educational services funds by $137 million in lieu of $487.5 million; on rollcall No. 123, I would have voted for the amendment to increase educational services funds by $487.5 million; and, on rollcall No. 124, I would have voted for the amendment to prohibit HEW from issuing regulations to require integration by sex in physical education classes.

On April 17, the House took up H.R. 46, the proposed Youth Camp Safety Act. On rollcall No. 127, I would have voted against the amendment to narrow the definition of youth camps, and provide $22.5 million in grants to the States as incentive to initiate their own safety standards. On rollcall No. 128, I would have voted for the passage of H.R. 46.

On April 21, I was in Chicago to give a speech to the Urban Land Institute. Had I been present for rollcall No. 130, on the passage of H.R. 3787, to enable delayed highway construction projects in New York, Vermont, and Connecticut to proceed, I would have voted for the bill's passage. On rollcall No. 131, I would have also voted for the passage of H.R. 3130, to mend the National Environmental Policy Act of 1969 in order to clarify the procedures therein with respect to the preparation of environmental impact statements.

On April 22, I was undergoing a medical examination and missed rollcall No. 133 on the passage of H.R. 5541, a bill to provide relief to small businessmen by permitting the Government to terminate or modify fixed-price contracts if the small businessman, through no fault of his own, is experiencing significant unanticipated cost increases. Had I been present, I would have voted for H.R. 5541.

On April 23 I kept a longstanding appointment with two constituents and, as a result, missed 2 of the 16 votes taken on H.R. 6096, the bill to authorize funds for South Vietnam humanitarian aid and evacuation. On rollcall No. 143, I would have voted for the amendment to channel the funds authorized for humanitarian aid through the United Nations and private charities as far as that might be feasible. On rollcall No. 144, I would have voted against the motion that the Committee of the Whole rise.

TRUTH IN OCTANE ACT OF 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DINGELL) is recognized for 5 minutes.

Mr. DINGELL. Mr. Speaker, today I am introducing, on behalf of myself and the gentleman from Massachusetts (Mr. CONTE), a bill which would provide consumers with the means to compare gasolines of differing octane quality—without confusion. Presently gasoline consumers are either not provided octane ratings or are confronted by octane ratings which are misleading.

This bill, the Truth in Octane Act of 1975, is intended to end the consumer confusion which results in wasteful octane overbuying. Octane overbuying is the use of gasoline of a higher octane rating than the engine needs. Octane overbuying has been the cause of:

First, the waste of 1 million gallons of gasoline energy per day;

Second, economic waste of 3 million consumer dollars per day; and

Third, environmental damage due to the dangerous emission of nearly 400,000 pounds of excess lead per day in the form of air pollutants.

Consumers have sought disclosure of the octane quality of gasoline since the 1930's. In 1974 three Federal agencies, the Federal Trade Commission, the Cost of Living Council, and the Federal Energy Administration, rushed to rescue consumers from the frying pan of ignorance. Unfortunately, the actions of these agencies resulted in a regulation which dropped consumers into the fires of confusion.

Instead of using the familiar research octane rating system that had been used in owners' manuals, advertising, and consumer literature for decades, at the suggestion of Texaco these agencies issued regulations—but did not enforce them—which use a new octane rating system. Under the Texaco-sponsored system, the number to be posted on gasoline pumps is on the average 4 octane numbers less than the research octane ratings to which consumers have been exposed for nearly 40 years.

Visualize the plight of owners of 1971, 1972, 1973, and 1974 model year vehicles—nearly 40 million vehicles. Virtually all of these model year vehicles were designed to run on 91 research octane gasoline—91 RON—or economy grade. A typical owner tries to follow the directions on the owner's manual which directs the use of gasoline "of at least 91 RON." Driving into a typical three-pump station the motorist would find, under FEA's regulations, premium of 100 RON posted at 96 octane; regular of 94 RON posted at 90 octane; and economy of 91 RON posted at 87 octane. The motorist would be misled into purchasing premium rather than economy grade because premium is the only grade "of at least 91" octane.

The Truth in Octane Act of 1975 introduced today is designed to avoid confusion resulting from the discrepancies between the Texaco sponsored octane rating system which has been accepted by FEA and the traditional research octane numbers.

The Truth in Octane Act of 1975 would prospectively require compatability between rating systems used in owners' manuals and on gasoline pumps.

The Truth in Octane Act of 1975 would provide consumers with a reliable index to the octane quality of gasolines offered in the marketplace. This disclosure legislation is consistent with the principles of the free market. For the free enterprise system to work properly consumers must be able to know both the quality and the price of commodities.

For years consumers have known only the price of gasolines; now they also will know an important aspect of the quality of gasolines. Under this bill consumers would be permitted to make an informed choice in the purchase of gasoline. Without this legislation consumers will be condemned to choose in ignorance, wasting scarce energy resources and consumer dollars while adding unnecessarily to air pollution.

In 1969 and 1970 the Federal Trade Commission held extensive hearings on the subject of gasoline octane posting. I participated in those hearings through testimony and introduced H.R. 1649. At the conclusion of its proceedings the FTC found that:

> The failure to post minimum research octane ratings on gasoline dispensing pumps constitutes an unfair trade practice and an unfair method of competition.

The sad history of octane posting since that time is convincing evidence of the need for early and decisive congressional action at this time. First Texaco successfully suggested a change in the FTC regulation from posting of the research rating to posting of an average of the research and motor octane ratings.

Then, the National Petroleum Refiners Association—NPRA—successfully prevented implementation of the octane posting regulations through litigation which continues to this date.

Next, the Cost of Living Council repeated the experience of the Federal Trade Commission by adopting the Texaco formula. The Cost of Living Council did require postings on pumps for a few months at the end of 1973 but its regulatory responsibility for petroleum products was then transferred to FEA.

In February 1975 the FEA repromulgated the Texaco sponsored octane rating regulations inherited from the Cost of Living Council. However, according to an April 3, 1975, New York Times article, the NPRA will challenge FEA's regulation in the courts as well. I ask unanimous consent that the New York Times article be printed in the RECORD. Thus, the need is clear for congressional action to short circuit the dilatory maneuvers which have frustrated consumer demands for unambiguous and meaningful disclosure of gasoline octane quality for nearly 40 years.

Let us look at some conservative estimates of the effects of governmental failure to provide consumers with meaningful octane ratings in the 5 years since 1970.

Assuming the 5-year average to be one-half of the 1974 rate of octane overbuying, the following estimates result. Since 1970 the United States has wasted: 900 million gallons of gasoline energy or enough energy to provide the gasoline needs of 1 million families for 1 year; $2.7 billion, or enough money for consumers to purchase nearly 1 million new automobiles; and 365 million pounds of lead were emitted into the air, enough lead to produce 13 million new car batteries.

The significance of these estimates may be relatively minor compared to statistics we do not have. For example, what has been the impact of gasoline lead emission resulting from octane overbuying on the lead poisoning problem. The Environmental Protection Agency was so concerned about the impact of lead emissions on health that it promulgated a regulation calling for a 65-percent reduction in the use of gasoline lead additives by 1980. Yet octane overbuying has been estimated to contribute about 35 percent of all gasoline lead emissions. Without going into the merits of EPA's lead regulations, I think most would agree that any lead emissions that can be avoided, as would occur with the reduction of octane overbuying, would be most welcome.

While EPA scientists have not quantified the contribution of gasoline additives to the total lead poisoning problem, they believe it to be significant enough to have endorsed the octane posting principle and the formulation embodied in this bill. I ask unanimous consent that the letter from EPA to FEA to this effect be printed in the RECORD.

The following lead poisoning statistics from the Department of Health, Education, and Welfare show that lead poisoning is a national problem affecting the citizens of many of our urban areas. Detroit alone had 873 documented cases of children suffering from dangerously high blood lead levels—over 40 micrograms of lead per 100 millimeters of blood—in 1974. Here in Washington, D.C., the number was 2,410. A selection of 10 cities showed a total of over 12,000 cases:

NUMBER OF CHILDREN POISONED, FISCAL YEAR 1974

City:	
Philadelphia	1,106
Baltimore	811
Washington, D.C.	2,410
Savannah	466
Cleveland	1,460
Detroit	873
Chicago	3,192
Milwaukee	649
New Orleans	612
Norfolk	454
Total	12,033

It is my belief that this bill could put in the hands of motorists a tool by which they can save themselves money while conserving the Nation's natural and human resources at virtually no cost to the taxpayer. The Congress must require the disclosure of octane ratings in an unambiguous and meaningful manner.

I include the following:

ENERGY AGENCY CRITICIZED ON OCTANE-POSTING SYSTEM

(By Frances Cerra)

A Federal Energy Administration regulation requiring the posting of octane ratings on gasoline pumps is not being enforced, the Public Interest Campaign charged yesterday.

The campaign, an environmental group in Washington, also charged that even if the posting were enforced it would confuse consumers into buying gasoline with unnecessarily high octane. This would be true, according to Louis Lombardo, president of the campaign, because the Federal agency's rule specifies the use of an octane rating system that is different from the one long used in the manuals received by buyers of new cars.

Based on an analysis of gasoline consumption in the early part of 1974, the campaign maintains that the public is wasting $3-million a day buying gasoline with a higher octane rating than their cars require. This gasoline "overbuying," Mr. Lombardo charged, also contributes to pollution of the air with lead and to the waste of crude oil.

Mr. Lombardo is scheduled to meet with officials of the energy agency today to discuss a possible revision of the agency's octane posting regulations, which took effect on Feb. 5.

In supporting his charge that the posting regulation is not being enforced, Mr. Lombardo said in a phone interview that he had been present at a meeting where F.E.A. public affairs officials acknowledged that the agency's regional offices had been asking for guidelines on enforcement of the posting rule, but that none had been forthcoming.

Mr. Lombardo noted that the agency had not provided gas station proprietors with stickers on which to record the octane information, and that the regulation contained no penalty for nonposting.

"During the comment period prior to the final publishing of the rule, we proposed that there be a $50 fine for not posting," he said. "If there are no fines spelled out, how meaningful can the rule be?"

Repeated attempts to obtain comment on Mr. Lombardo's charge of non-enforcement from the agency's compliance division in Washington were unsuccessful yesterday. A spokesman for the agency's New York regional office commented, "Let's face it, if they [gas station proprietors] don't get a sticker from us, they'll wait for an inspector to come in before they put something up."

The octane rating of a gasoline is a measure of its anti-knock properties. Experts within the oil and auto industries and outside critics all agree that a car should be operated on the lowest octane gasoline that does not result in knocking, a rattling sound that pistons make when gasoline is being burned unevenly. Higher octane gasolines require additional refining and therefore are more expensive and consume more crude oil in production.

Under the octane rating system that was used for years by auto manufacturers in recommending the proper gasoline to new-car buyers, about 100 octane is premium gasoline, 94 is regular and 91 is subregular. These numbers are referred to as research octane numbers.

However, the F.E.A.'s posting rules specify an octane rating system that uses an average of the research octane number and the motor octane number, another type of measure. Under this system, premium gasoline is generally 96 octane, regular is 90 and subregular is 87.

If these numbers were posted as required, Mr. Lombardo said they would mislead the public because they are four digits lower than the research octane numbers. Thus, he explained, a motorist who had been told his car could run on 91 research octane would consult the posted average numbers and might conclude wrongly that the only gas with high enough octane would be the premium.

Mr. Lombardo says his organization believes that there is validity to using an average figure that takes into account the motor octane rating. But to make the average comparable to the better-known research rating, the group proposes adding four digits.

In explaining why the agency adopted the average rating system, Everward Marseglia, a staff attorney, said that the agency had "deferred to the expertise of the Federal Trade Commission," which in 1971 proposed an octane posting rule that would have employed the same system now embodied in the F.E.A. rule.

Donald O'Hara, president of the National Petroleum Refiners Association, which has opposed octane-posting proposals snice 1971, said he believed that adding four digits to the average would result in "a misrepresentation of the octane rating." Asked to comment on the charge that the public is overbuying gasoline, Mr. O'Hara said, "Gasoline is one of the few commodities you can buy and know in five minutes if it's good. If it's not, the car will knock."

The association is expected to file suit against the F.E.A.'s octane posting rule within a month.

The Public Interest Campaign's estimate that consumers are wasting $3-million a day on unnecessary high-octane gasoline is based on the fact that since 1971, almost all new cars have been designed to run on sub-regular 91 research octane gasoline. By early 1974, when an octane posting rule of the Cost of Living Council had been in effect for about two years, such cars should have accounted for about 45 per cent of those on the road, according to Mr. Lombardo. Yet sales of 91 research octane gasoline up to that time were only about five per cent of the total, he said.

In addition to being economically wasteful, overbuying results in the loss of an estimated total of 7,900 barrels of crude oil a day in the refining process, said Mr. Lombardo.

U.S. ENVIRONMENTAL PROTECTION AGENCY,
Washington, D.C., October 30, 1974.
Mr. ROBERT E. MONTGOMERY, Jr.,
Acting General Counsel, Federal Energy Administration, Washington, D.C.

DEAR MR. MONTGOMERY: First let me thank you for the Federal Energy Administration's participation in the September 27 meeting at which the Environmental Protection Agency, the Federal Energy Administration, the Federal Trade Commission and the Department of Defense met informally to discuss the status of gasoline octane designation systems and Federal octane posting regulations. As discussed at the meeting, the EPA wants to ensure that the consumer is given the information necessary to enable him to reduce octane overbuying. As you know, the consequences of overbuying include increased airborne lead emissions which can result in adverse health effects as well as an energy waste and a monetary loss for the consumer.

We support the intent of FEA to require that a designation of octane be posted on each gasoline pump. However, there is still some concern as to whether the posted octane value should be the antiknock index (AKI) which averages the Research Octane Number (RON) and the Motor Octane Number (MON) or some other formula. It is generally accepted that, compared to either RON or MON alone, the AKI is more technically correct over the current mix of cars and is, therefore, a more useful basis for an octane rating system. However, the posted AKI value may encourage octane overbuying since the AKI is typically four numbers less than the RON with which the consumer may be more familiar. For example, a consumer whose automobile operating manual states that a gasoline of at least 91 RON is required would typically see 87 AKI on the pump and, thus, may elect to purchase 96 AKI (100 RON) premium gasoline in order to supposedly comply with the manufacturer's recommendations. Since approximately one-half of the cars on the road contain owner manuals which recommend fuel octane in terms of RON, we feel that the posting of the AKI system may cause misunderstanding and lead to the purchase of gasoline characterized by unnecessarily high octane.

Several alternative octane designation systems are available. In addition to the historic use of RON and the recent use of AKI by FTC and FEA, other systems include: use of both RON and MON, use of a value equal to four numbers greater than the AKI (suggested by the Public Interest Campaign), and use of the symbol system developed jointly by the American Society for Testing Materials and the Society of Automotive Engineers. As we discussed in the September 27 meeting, each system has advantages and disadvantages. For example, the symbol system has the advantage of avoiding the confusion between RON and AKI which exists in the minds of some motorists as well as an inherent simplicity and understandability that can create a permanent octane awareness on the part of the public. However, only about 25 percent of the cars on the road contain a symbol fuel recommendation in their owner manuals, and so most owners do not have available a handy symbol reference to guide their selection of octane.

This limitation of the otherwise desirable symbol system can be overcome by a statement placed under the symbol declaring: "approximately equivalent to XX RON." This equivalency statement would be based upon the addition of four numbers to the minimum AKI value represented by the symbol. A symbol designation of 5 represents an AKI of 95; the addition of 4 numbers (AKI + 4) would result in an approximately equivalent RON of 99. Since the difference between RON and MON is usually 8 numbers, the addition of 4 numbers to the AKI provides a reasonably accurate estimate of RON.

By combining the symbol with this statement of RON equivalency, the public can be introduced to this simple and easily recognizable octane designation while at the same time be provided with RON octane information that may potentially be used by owners of approximately one-half of the vehicle population to avoid octane overbuying. When most cars containing owner manuals with the RON recommendation are phased out of the vehicle population mix, the RON declaration could be discarded, leaving a simple system fixed in the minds of many motorists. We feel that this combined system has the potential to maximize an immediate reduction in overbuying while providing the basis for a simple and effective octane designation system.

While we will not request an opportunity to make an oral presentation at the forthcoming public hearing to be held on the proposed amendment to the Octane and Price Posting Regulation, we would like this letter to serve as a written statement and be included in the record of the hearing.

If you have any questions, please do not hesitate to contact me.

Sincerely yours,
ALAN G. KIRK II,
Assistant Administrator for Enforcement and General Counsel.

Mr. CONTE. Mr. Speaker, my colleague, the gentleman from Michigan (Mr. DINGELL), has introduced a bill on our behalf with which I believe the rest of my colleagues will be able to agree. The Truth in Octane Act of 1975 would require the disclosure of the octane quality of gasoline purchased by consumers in plain and familiar terms.

Enactment of this bill would be a significant step toward the informed purchase of gasolines by the Nation's motorists. Studies have shown that, without meaningful and comprehensible information regarding the octane quality of the gasolines required by motor vehicles and dispensed through gasoline pumps, consumers are wasting money, energy, clean air, and the public's health and welfare.

I believe that Members from every State and both political parties, liberals and conservatives alike, can unite against waste.

The Truth in Octane Act of 1975 introduced today would enable consumers to match the octane requirement of their vehicle with the octane of the gasolines offered in the marketplace to achieve economy and efficiency. A motorist using gasoline with too low an octane rating risks damage to the vehicle's engine. A motorist using gasoline of too high an octane rating wastes money and energy and creates unnecessary air pollution.

The principles embodied in this bill have been endorsed by the President's Citizens' Advisory Committee on Environmental Quality. After 6 months of careful review the Advisory Committee described the proposal embodied in this bill in a letter to President Ford:

> It is one of those rare actions which cost nothing and will have immediate effect.

I ask consent that this letter to the President be printed in the RECORD.

I also ask unanimous consent that a farsighted editorial by WRC–TV which 1 year ago called for a resolution of the confusion over octane posting, be printed in the RECORD. This editorial indicates the need for legislative leadership in an area where the executive branch has been hamstrung.

The public is clamoring for effective leadership and government in the fields of economics and energy conservation. The Truth in Octane Act of 1975 could provide 100 million motorists with tangible evidence of effective government within months of congressional action. I urge that we place in the hands of motorists a tool by which they can begin to save as much as $1 each and every time they fill up with gasoline.

We are beginning to appreciate the fact that there is no panacea for the Nation's energy related economic problems. But there are building blocks which can be made into a coherent and effective national policy. The Truth in Octane Act of 1975 is such a building block. It appears to me that until those measures which can save consumers money and cut waste are enacted, the Congress will be hard pressed to defend policies which will be more burdensome to consumers no matter how necessary such policies may become in the future.

I include the following:

CITIZENS' ADVISORY COMMITTEE ON ENVIRONMENTAL QUALITY,
Washington, D.C., January 20, 1975.
The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: At its last meeting, the Committee discussed a subject that has a direct bearing upon your efforts to stimulate energy conservation. It is one of those rare actions which cost nothing and will have immediate effect.

Major savings of energy could be achieved through improvement of current procedures for posting of octane ratings on gasoline pumps at service stations. This has been the subject of extensive controversy and confusion for several years, primarily because there are several different systems of octane ratings in general use. The current regulation, issued by the Cost of Living Council in 1973 and very poorly enforced, calls for the posting of an octane rating that is four numbers lower than the figure which appears in nearly half of car owners' manuals.

This discrepancy contributes to the widespread purchase of a higher grade of gasoline than is necessary for proper automobile operation. This in turn causes a substantial waste of scarce energy, an increase in toxic lead emissions, and the unnecessary expenditure of consumer dollars.

The Federal Energy Administration has for some time been considering a revision in the octane posting regulation. The Committee recommends that the new regulations be issued as soon as possible and that it include the following provisions:

(1) The octane rating should be conspicuously posted on all service station pumps.

(2) The posted rating should correspond with that which appears in the largest possible percentage of owners' manuals for cars now on the road (the proposal made by the Public Interest Campaign of Bethesda, Maryland, to the Federal Energy Administration that the posted rating be the "average number plus 4" appears to meet this criterion).

(3) Car manufacturers should be required to include in all future owners' manuals the figure corresponding to the posted rating. In addition, the Federal Government should launch an extensive public education campaign to reduce buying of unnecessarily high octane fuel.

The Committee believes that the implementation of these recommendations would produce major public benefits in the form of energy conservation, reduced lead emissions, anti-inflationary reduction of consumer spending, and improvement in the Nation's balance of payments. It would appear that most of the recommended steps could be taken in a matter of weeks and start producing benefits immediately thereafter.

The Committee stands ready to assist in efforts to encourage citizens to conserve energy by purchasing gasoline with the proper octane rating.

A copy of this letter is being sent to the Secretary of the Interior, the Administrator of the Federal Energy Administration, the Chairman of the Council on Environmental Quality, and the Administrator of the Environmental Protection Agency.

Sincerely,

HENRY L. DIAMOND,
Chairman.

(WRC–TV Editorial)

OCTANE RATING

Federal rules and regulations require gasoline filling stations to display a sticker on each pump showing the octane rating of the fuel. Too many of them don't, or they are placed on only one side of the pump. Some stations have put up a paper sign that has faded or been washed away by rain.

Tougher regulations are needed with strict enforcement to protect the consumer.

But even with highly visible octane rating stickers—what you see is not necessarily what you get in terms of what your car needs to operate efficiently and economically.

The owners manual may recommend 91 octane, but another system called Motor Use Number says 84 will do. So the Federal Energy Office, in its wisdom, took the two figures, added them together, divided by two and came up with a rating of 87, and that's the one you see on the sticker, if you can find the sticker.

The motorist thinking he needs at least 91 octane, and not seeing it available buys the next highest quality, perhaps 94. He could have used 87, but he doesn't know that.

Millions of gallons of precious gasoline are thus wasted and hundreds of millions of dollars are thrown away in over-buying.

It is up to the Federal Energy Office to end this ridiculous confusion.

One further word. It won't make much difference if there are stickers or that the octane ratings are accurate if motorists don't continue their voluntary conservation of gasoline. Without that this area and the nation will be right back in long lines and restricted gasoline purchases within a very short time.

It is up to you—conserve or suffer.

GENERAL LEAVE

Mr. D'AMOURS. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks and include extraneous material on the subject of the special order today of the gentleman from Michigan (Mr. DINGELL).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

DEPRESSION IN THE FOREST PRODUCTS INDUSTRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. AUCOIN) is recognized for 5 minutes.

Mr. AUCOIN. Mr. Speaker, I would like to call the attention of my colleagues to the severely depressed economic condition of the forest products industry and to the implication this will have for our long term supply of wood products.

Residential construction accounts for nearly 50 percent of the softwood and 35 percent of all wood products in the United States. Unemployment in the wood products industry was 17.8 percent in January, and this industry ranked fourth among all industries in total number of workers unemployed. Some 291 Western lumber mills had curtailed production in early December, with 90 of them shut down completely.

I am concerned about what this means for the future of the wood products industry. The industry giants have capital reserves, extensive timber holdings and worldwide operations that offer them at least some protection against the periodic slumps in housing starts, but even for them, the future seems grim. For many small companies which lack these advantages, however, the end either has come or is approaching rapidly.

I find no intrinsic danger in largeness of firms, per se. But unless some answers are found, it is clear that we could face the same domination of wood product supplies that now exists for petroleum: Domination of the entire market by a few multinational giants. I do see danger in that development.

To emphasize the seriousness of the present situation, I enclose a profile of the current slump and its effects on western Oregon, much of which I represent in the Congress. The article, written by John W. Wilson, first appeared in the April 14 issue of Business Week magazine.

OREGON LUMBERMEN REALLY FEEL THE PINCH

(By John W. Wilson)

Tillamook, as anyone on the West Coast will tell you, is known for its cheese, a nippy cheddar made in the cooperative creamery set among the neat dairy farms just outside the city limits and sold by mail order all over the West. But this compact, rain-washed town of 4,000 has lately achieved a new notoriety: It and its surrounding county has had the highest unemployment in Oregon. One out of five is idle.

The reason is that cheese doesn't keep Tillamook going; wood does. And with a profound depression in the housing industry, the 42 sawmills, plywood plants, and logging operations on which Tillamook depends for its livelihood are in desperate straits. Wilson River Lumber and Oregon-Washington Plywood Co. have both closed down their mills. And Publishers Paper Co. has laid off about 100 men.

In a converted blimp hangar (the Navy once patrolled this coast during World War II) that Louisiana-Pacific Corp. uses as a plywood mill, the normal bustle of manufacturing continues. But manager Jack R. Harmon has already laid off half his 180-man crew, and it is a constant struggle to find the combination of customers, prices, and costs that will keep the mill going. "You can't just shut these things down and walk away from them," said Harmon, shouting over the hiss of the giant press that squeezes a foot-high stack of veneer into an inch-thick panel. "There are a lot of fixed costs that go on even if you're closed." The equation is simple. As long as Harmon can keep operating losses below those entailed by a shutdown, the mill will keep going.

Tillamook is admittedly something special: It has never managed to attract much industry outside the wood products business. Some of the larger lumbering towns such as Eugene, Grants Pass, and Albany, nestled in the inland river valleys, have managed to diversify enough over the years to cushion the housing downturns that periodically devastated the western part of the state. And Portland, which contains half of Oregon's work force, has developed enough machinery and electrical manufacturing so that unemployment is a relatively low 7%.

But the western part of Oregon, between the Cascades and the Pacific, produces about a fifth of the nation's lumber and plywood and thus is tied tightly to the housing cycle. Flying north from California to Portland, the whole region looks like one vast tree farm, an undulating green carpet of Douglas fir. Down in the south, the big Medford Corp., has sent home a third of its work force, while Fourply, a small veneer plant, shut down in November. Louisiana-Pacific converted its stud mill, which manufactures the basic structural members for house framing, to chip production for the pulp mills.

THE HOUSING SLUMP HURTS

Waves of layoffs and closures have hit the mountainous Douglas fir country around Roseburg and Eugene and have extended into the pine forests of eastern Oregon. At Oakridge, some 45 mi. into the Cascades from Eugene, Pope & Talbot, Inc., no sooner finished a $10-million sawmill than it had to cut production by 50%. About 300 jobs were eliminated—no small matter. The mill, a sophisticated "log-processing center" where incoming logs are scanned electronically and diverted to the sawmill, the veneer plant, or the chipper, is the only major plant in the area. As a P&T spokesman said, "We have the only piece of flat ground."

Sweating out a dip in the housing cycle is nothing new for Oregon's forest products industry. But this one has some wrinkles that make it seem to many operators the toughest since the 1930s. "I've been in this business for 27 years," says one hardbitten Tillamook mill boss, "and I've never seen anything that even resembles it in terms of depressed conditions." Ninety miles away in Portland, where most of the big forest products companies have their headquarters, executives complain that while lumber prices have dropped along with the housing market, costs have stayed high. "It's a double whammy," says Gene D. Knudson, president of Willamette Industries, Inc., which operates seven plywood plants and seven lumber mills in Oregon.

Energy costs have quadrupled in the last year for mills that burn fuel oil, and those that tried to switch to natural gas were hit with service interruptions. On top of that the mills are under orders from the state's tough Environmental Quality Dept. to either clean up the big conical metal burners used to incinerate wood wastes—or to get rid of them.

"And now the water quality people are looking at the runoff from our log decks," sighs Lee C. Simpson, vice-president in charge of Louisiana-Pacific's Western operations. The decks, the mills' raw materials inventory stacked in piles as high as 20 ft., are the source of tannic acid and other pollutants that rainwater leaches from the bark into streams and lakes.

The biggest cost of all, though, is in the prices lumbermen are paying for timber. Drawls Guy B. Pope, president of Pope & Talbot: "We go to sales and see prices triple and quadruple the already very generous price we had figured we could bid."

Although the price of Douglas fir two-by-fours never rose above $190 per 1,000 board feet even at the crest of the 1973 housing boom and is currently around $100 per 1,000 bd. ft., the cost of stumpage—the same 1,000 bd. ft. in the form of unfelled trees—is being bid up to $200 and more. In one recent U.S. Forest Service sale, a major source of timber in Oregon, Champion International won the right to harvest 3.3-million bd. ft. of timber in Mt. Hood National Forest at a price of $210 per 1,000. "We're never seen this before," marvels C. Glen Jorgensen, who directs timber management for the Forest Service's Pacific Northwest region from an office in Portland's Multnomah Hotel.

No one is quite sure why timber prices are so high, although naturally everyone in Portland has an opinion. "It's like any other commodity," says Louisiana-Pacific's Simpson. "The thing that moves the price is the amount offered." Maybe so. But Jorgensen points out that the national forests in his region auctioned 1-billion ft. more timber than was actually harvested in the last fiscal year. In other words, the timber has been bought and is being held, and some in the industry blame speculators who are counting on a housing market upturn.

HIGH-PRICED LOGS

Companies such as Weyerhaeuser Co. and Georgia-Pacific Corp., which own or control substantial stands of their own timber, are in relatively good shape because they can average the price of expensive market timber with that of their own low-cost logs and still make a profit. But companies such as Pope & Talbot have trouble. P&T counts on public lands to supply its Oakridge plant. Louisiana-Pacific, which was spun off from Georgia-Pacific two years ago—with relatively little timber of its own—has curtailed some 40% of its operations in the state.

The harsh economics of the forest products business are clearly at work at Louisiana-Pacific's pair of converted blimp hangars outside Tillamook. The company bought out the two small companies that ran the plants in 1973, pumped in $250,000 to modernize them, and ran them at capacity for a year. But the operation depends on open-market timber, normally purchased from state or federal forests and from the choicer logs cut by the big paper companies. As lumber and plywood prices began to fall last year, mill manager Gil Oldenkamp decided to build up his inventory of logs rather than cut them up at a loss. "Our biggest obstacle now," he says, "is that high-priced log deck. We have 12-million ft. of logs, about 8-million more than we should."

Despite the problems, Tillamook is hanging on, and things are even looking up. Midway Shakes, a shingle mill near the blimp hangars, recently started up after a long closure. And two hardwood mills are still operating. "This is not like Detroit," remarks Robert Almquist, the bearded young editor of the weekly *Headlight Herald*. "People here can often find work on a farm or a fishing boat." Most people, adds David Scheele, who runs the local employment office, "are hanging tough and waiting for spring."

TESTIMONY OF THE HONORABLE ROSCOE BOBO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DIGGS) is recognized for 5 minutes.

Mr. DIGGS. Mr. Speaker, on Wednesday, April 23, Commissioner Roscoe Bobo, chairman of the Wayne County Board of Commissioners in Michigan, testified before the House Public Works Committee concerning H.R. 5247, authorizing a local public works capital development and investment program.

Although Commissioner Bobo speaks specifically to the bill's application to Detroit and Wayne County, I believe his comments reflect the concern felt across the country in areas hard hit by the current economic conditions.

I believe that my colleagues in the House will find his comments most enlightening, and hereby insert them into the RECORD for the information and study of the House:

TESTIMONY OF CHAIRMAN ROSCOE BOBO, WAYNE COUNTY BOARD OF COMMISSIONERS

Mr. Chairman and Members of the Committee: I wish to speak to you of the imperative need for immediate assistance to relieve the perils and the poverty in the Detroit area.

We are in the grips of the worst economic crisis in our community since the Great Depression.

While there may be forecasts of hope for recovery by some, the agonizing facts of the matter are that recovery is months, perhaps years ahead of us.

We need assistance now.

I believe that the legislation pending before this committee offers hope for this assistance and I appear today to urge you to approve it as soon as possible.

Every day of delay by the Congress will add days of distress for thousands of our people.

First, let me give you a measure of perspective on the dimensions of the problem in the County of Wayne. Our county is the home of two million, six hundred thousand people, and it includes the City of Detroit, with about one million four hundred thousand residents.

The counties bordering the County of Wayne—Macomb, Oakland, Washtenaw and Monroe provide homes for another two million residents. The economic plight in these counties is very similar to that in the County of Wayne.

Thus, while I do not represent the entire region officially, what I have to say applies to our neighbors as well. And because we are neighbors, the pains and the pressures in the core of Detroit are transmitted to those in the surrounding area.

Only recently, we frequently referred to "pockets of poverty" in our cities. These so-called "pockets" now can be more appropriately called—"prairies of poverty."

In the City of Detroit as a whole, there presently are 136,800 employable persons out of jobs. This is 23.3 percent of the work force in the city. In some sections, more than 50 percent of those available to work and willing to work are not employed. The rate of unemployment in this area has been at this level through last winter and there is no prospect that things will be any better in the immediate months ahead.

In the County of Wayne as a whole, including, of course, the City of Detroit, 16.2 percent of the total work force is not employed.

In the surrounding counties, the unemployment rate is about the same, so that in the five-county area, some 313,600 persons are out of work. Usually, they are clustered in low income areas.

Thus, throughout the area, what once were "pockets" now can better be described as "prairies." The size varies only with the location.

The impact on revenues of the county naturally has forced a series of curtailments that is aggravating the problem.

In our county government, we have placed a hold on new hires and on promotions and we are facing layoffs and other curtailments that will deprive citizens of needed services.

Our operations for years have been pared to the bone and we are now at the point of having to knick chips in the bone.

For example, the office space we provide the Department of Social Welfare of the State of Michigan as required by state law, is miserably inadequate. With mounting caseloads, the facilities provided are potential breeding places for discontent. Long lines. Long waits. A series of call backs.

More manpower is, in truth, needed. But that is not sufficient. More space and more accommodations are also essential. How does a county government in economic distress provide such facilities at a point in time when the need is urgent yet its revenue base is shrinking?

I have previously written to the members of the Congress who represent our area. In this letter I have stressed, as I do again here today, that there is urgent need for expanded public works funding.

By urgent, I mean right now. I strongly support the concept that legislation be passed immediately to make available funds whereby county and local units of government can get started on the preliminary planning, the design, and the other needed advance work. This would provide jobs for many unemployed draftsmen, for architects, and for related craftsmen who must do the desk work that always precedes construction.

In Wayne County, we are already into some of that work in connection with one of our most urgent building needs—two new county jailhouses.

We have been plagued for years by a jail structure that is obsolete. We have spent three million dollars in three years to comply with court orders for improvements—but there is no way the building can be made to meet the standards of the State Penal Code of the Michigan Corrections Commission.

Were we to have assurances that federal funding would be available, we could begin within weeks to build two jails—one in downtown Detroit and one in the suburban area. Our last estimate was that about $35 million would be needed for these jail structures.

We need court facilities. The preliminary design of a proposed building for these activities was published only last week. Until the funds are made available, however, that building will remain an architect's sketch only.

We need proper facilities for our county medical examiner. Four years ago, we employed one of the outstanding authorities in the nation to modernize our methods in our morgue. But his success has been hampered because the facilities in which he functions are a half-century old.

These are only highlights of our construction needs.

I cite them as examples of projects we are ready to build, or need to design and build.

These are types of projects we in Wayne County could launch under terms of the proposed bill. The bill would achieve the objectives of providing both needed facilities to improve our community and employment to improve the economy.

Let me stress three major points.

1. Early action in the Congress is critically important.

2. The County of Wayne is ready to get into action—and I'm sure this is true for most local and county units of government.

3. The impact of improving our economy by providing employment would be immediate.

I clearly recognize that the proposals we are talking about today would not be a quick-cure for all of our economic ills. Nevertheless, the provisions would provide a measure of relief—both economic and psychological.

And believe me, ladies and gentlemen, we want to do everything and anything we can to relieve the distress, and the poverty, and the tension that are the unhappy by-products of a depression economy.

I believe the members of this committee and of the Congress share this desire with those of us at the county and local levels of government.

I urge you to act out of this desire and to provide people of our nation with this investment in our future. We need it now. Delay will only aggravate the problem.

In concluding, let me stress two vital factors.

First, by investing dollars in needed building construction, there are provided both facilities of lasting value and an immediate ripple effect on the economy. A substantial part of the dollars spent for such construction goes into the pocketbooks of a labor force which in turn passes this money on to retailers, to banks, to loan companies, and to others. This kind of stimulant is of great value to a depressed economy like that in and around Detroit.

Finally, it is essential that this legislation provide for the least possible degree of bureaucratic entanglement. I urge the least possible amount of bureaucratic entanglement. The need for an early flow of the economic energy dollars will furnish is great. Therefore, I urge you to place the clearly established rules whereby the funds can be quickly released.

We in Wayne County are committed to making the best possible use of these dollars. We will keep that commitment if the Congress will act soon.

SUPPORT OF ISRAEL IS DEEP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PHILLIP BURTON) is recognized for 10 minutes.

Mr. PHILLIP BURTON. Mr. Speaker, I wish to call to your attention and to the attention of all my colleagues the article authored by Louis Harris, the public opinion analyst, which appeared in the New York Times Magazine of April 6 and authoritatively refutes the myth that support for Israel has eroded in the United States.

Mr. Harris' survey, completed in January of this year, clearly indicates that support for Israel is deep and wide in the United States and that most Americans are unwilling to make Israel the victim of the "game of Arab oil blackmail."

The article follows:

Oil or Israel?

(By Louis Harris)

There is a deep and disturbing counterpoint to Henry Kissinger's flying diplomacy (now grounded) in the Middle East. It is the feeling here at home—and particularly among the Eastern Establishment—that the traditional American support of Israel is crumbling and that anti-Semitism may be on the rise. Put somewhat differently, in the prospective trade-off between the need to get along with the oil-rich Arabs and sympathy for the Jewish state, the Jews are going to be the losers.

The sentiment is expressed in many other ways. A prominent Eastern newspaper publisher, who is Jewish, remarked: "Most Americans are practical and pragmatic. They are not that principled. And when they become convinced that we must get oil from the Arabs, they'll say, 'The Jews be damned.' " A leading doctor, also Jewish, had a more apocalyptic vision: "I'm not even religious, nor have I been that enamored of Israel. But now I think that if Israel goes down the drain, it will be followed by pogroms against the Jews in every Western country, including this one."

This apprehension, this deep distrust of the world about them is characteristic of the way many Jews see the present situation. And it must be said that they can find reasons for their fears. During a recent conversation, a top executive of an oil company in New York City summed up his view of the current scene: "The balance of power in the world has passed into new hands. Israel is going to be lucky to survive. The old voting power of Jews in America is going to give way to a new realization that Arab oil power is a price America must both reckon with and ultimately compromise with, even if Israel has to go."

A highly publicized variant of this view was offered by Gen. George Brown, the chairman of the Joint Chiefs of Staff, during an informal talk at the Duke University Law School. He said that if Americans suffered enough because of the energy shortage "they might get tough minded enough to stop the Jewish influence in this country and break that lobby." And then, rather mindlessly, he went on to say that the "Jews own the banks and the newspapers in this country. Just look where the Jewish money is." General Brown was scolded by President Ford; he apologized and the matter was dropped. When Jewish organizations threatened to demand his removal, they were persuaded to hold back on the grounds that forcing the general out would be taken as proof of the power of "Jewish influence" at the highest levels.

Others have pointed out the obvious misconceptions behind General Brown's remarks. There also seemed to be a series of linked underlying assumptions: Israel's reputation in the United States was built on its military success. The life-line for Israel was American military assistance. The more the Soviet Union poured arms into Egypt and Syria, the bigger the United States build-up in Israel. As former Senator William Fulbright remarked several times, the pro-Israel Jewish influence in Washington was so great that it could command as many as 71 out of 100 members of the United States Senate. Thus, Jewish voting power, strategically located in pivotal states, such as New York, California, Illinois, Michigan and Pennsylvania, along with Jewish money in political campaigns, provided the political muscle to guarantee unlimited American backing for Israel.

But now, the argument goes, things are different. The myth of Israeli military invincibility has been shattered. Israel did not win the Yom Kippur War in 1973. With its traditional air-power supremacy blunted by Russian missiles in the hands of the Egyptian and Syrian Armies there was a stand-off. At the same time the Arab stereotype has changed. No longer could they be seen as backward sheiks garbed in white sheets and living in desert tents. They control a large part of the world's most precious raw material—oil. And the American people have to come to terms with this new power or find themselves in the deepest trouble for lack of energy. Finally, the relentless Jewish effort to keep in touch with the power centers in Washington is beginning to backfire.

Indeed, the failure of Kissinger's mission was underscored by President Ford's statement, made less than 24 hours after Kissinger's return, that if Israel "had been a bit more flexible . . . it would have been the best insurance for peace." The Administration stressed that the time had come to reassess American policy, though Kissinger was quick to point out that "punishment of a friend cannot be the purpose"; nor would he publicly affix blame on the Israelis or the Arabs for the collapse of the talks. Nevertheless, a sensible inference was that Ford, who needs a conspicuous success in the international field for his own political well-being, did blame the Israelis and was angry at them. It is also possible that he misjudged American public opinion on the matter.

Taken together, the cumulative effect of the events of the last year and a half seem to have produced three main conceptions in many American minds: (1) Jewish power could well be eroding in the United States, accordingly weakening the life-line to Israel; (2) traditional Israeli intransigence would no longer be tolerated; (3) with the decline of sympathy for Israel and the growth of Arab power, a spate of anti-Semitism could well break out in the Western world.

The trouble with almost all of this is that it simply doesn't square with prevailing public opinion in the United States. And the single group which most underestimates the pro-Israel sentiment in this country and most overestimates the possibility of the anti-Semitism is none other than the American Jewish community. Instead of slipping away, support for Israel is now at a record peak. A recent Harris survey indicates that 52 per cent of the public now sympathizes with Israel, up sharply from the 39 per cent who felt that way in 1973, right after the Yom Kippur War. By contrast, 7 per cent of the American people expressed sympathy with the Arab side in the Middle Eastern conflict. A national leadership group drawn from government and politics, business, labor, communications, education, religion, and voluntary organizations was 56 per cent in sympathy with Israel, while only 5 per cent supported the Arab cause.

Later this year, Congress must decide whether to give Israel $1.8-billion in military aid, a much higher sum than that country has ever asked for before. American public opinion has not always favored sending military assistance to Israel. Back in 1967, when Israel was rolling up its smashing victory of the Six Day War, a 39 per cent to 35 per cent plurality of the public opposed sending military aid. During the 1973 war, opinion shifted and a relatively narrow 46 to 34 per cent plurality supported aid.

But now, even as the myth of Israel's invincibility has lost its hold on the public, support for sending weapons to Israel has grown enormously. A rather lopsided 66 to 24 per cent majority favors sending Israel what it needs in the way of military hardware. (Some have suggested that the very size of this margin might tempt the Israelis to bypass the Administration and take their case, no doubt ill-advisedly, to the public and the Congress directly.) This is all the more remarkable in view of the decisive 65 to 22 per cent majority who oppose this country's giving military aid in general and the 74 to 17 per cent who oppose sending any more military assistance to Vietnam.

These findings about the attitudes of Americans towards the Arab-Israeli conflict and toward Jews in the United States came from a survey that was finished by the second week of January. Two major groups were interviewed: First the public, in the form of a representative national cross section of 3,377 adults, including a number of Jews; and, second, the leadership community, a total of 491 persons who are opinion leaders in such areas as business, government, religion, education, labor and communications.

The obvious conclusion to be drawn from the survey is that when Israel is seen as a tough, cocky Sparta, the top military power in the Middle East, most Americans feel little sense of urgency to send aid. But when Israel appears to be the underdog, alone and surrounded by hostile Arabs, then a better than 3 to 1 majority wants to send military aid. (In passing, I should point out that only 34 per cent of the public is confident that Israel would win another war.) Thus, Israeli leaders who think the world always wants to ride with a winner may be sorely underestimating the compassion of the American people for the underdog. Of course, there are other reasons for this overwhelming support for military aid for Israel (which rises to an even higher 75 to 13 per cent majority among the leaders). One is a persistent worry about the Russians and their arms. As a mechanic in Youngstown, Ohio, put it: "I hear the Russians have sent the Arabs all their latest planes and missiles. So we better do the same or Israel will be wiped out, and Russia will take over the whole area."

It must be said that only one out of four Americans would approve sending American troops to the Middle East even "if Israel were being defeated by the Arabs," and there are some who will find this a very distressing figure. But this is a very remote scenario and the Israelis have always insisted that they would never ask for troops. The reluctance to send troops should not be taken as a sign of an erosion of American support for more military aid for Israel. To the contrary, there is every sign that such backing is at a peak.

Despite all that has been said about it, neither the public nor the leadership group seems particularly disturbed about Israel's so-called intransigence in the Middle East peace negotiations. A solid majority of the public and 77 per cent of the leaders feel that the current Government of Israel is "reasonable in wanting to work for a peace settlement." It should be added that the Egypt regime is also felt to be "reasonable" by a 2 to 1 majority among the public and a 4 to 1 margin among the leadership group. In fact, there is little demand from American public opinion that Israel be persuaded to give back the territories it has occupied since the 1967 war. The heavily prevailing view at all levels is that "Israel has helped develop occupied Arab territories and will work out a fair way for the Arabs to rule themselves in their own territory." A 55 per cent majority of the public is opposed to America's pressuring Israel to hand back the occupied areas, and a wide 65 to 14 per cent majority is against Israel's "giving up occupied Palestinian Arab territory and letting P.L.O. leader Yasir Arafat rule it."

Indeed, neither Arafat nor the P.L.O. is held in high regard by the public. Arafat's appearance before the United Nations met with a negative response of 50 to 30 percent. Compared to last summer, the majorities that see him as "an extremist who conducts terrorist activities" and "responsible for the slaughter of innocent children" have grown in number. Yet Arafat is gaining ground as the recognized leader of the Palestinians (up from 19 per cent to 35 per cent in 6 months), and there is no strong feeling among either the public or the leaders that he should be barred from the Geneva peace talks if they ever take place.

The reasons people think Arafat ought to have a seat at Geneva are interesting and reflect an underlying cynicism about world politics. It is a cynicism so widespread that it is becoming hard to find majorities of Americans who are ready to condemn aggressors. The head of the P.L.O. is seen as being only a cut below many of the other figures who might be seated in Geneva. Moreover, Americans have become used to seeing Secretary of State Kissinger holding cordial negotiating sessions with all kinds of previously hostile leaders: Brezhnev, Mao, the North Vietnamese and every shade of Arab potentate. Why shouldn't Arafat sit in at Geneva, the reasoning goes, even if the P.L.O.'s acts of terrorism are despicable?

In the complex web of concerns that make up the Middle East problem, there is one that dominates all others in the mind of the American public. It can be summed up in a statement from our recent survey: "Arabs are getting rich on our dollars, and as a result we and the rest of the world are suffering bad inflation and economic hardship, which is wrong."

Since last fall, a massive backlash against foreign oil-producing countries has formed in the United States and it now colors nearly all other American views. When asked to name the leading cause of inflation, 76 per cent of the public singled out foreign oil-producing countries. When asked to account for the recession, 63 per cent pinpointed "Arab oil producers." Fully three out of four Americans blame last year's oil shortage on the Arab embargo, while two out of three blame the Arabs for the rise in the price of oil. With a kind of indiscriminate intensity, the American people attribute their energy troubles, as well as their general economic woes, to oil—and to most, oil means "the Arabs."

But even as they appreciate the spectacular increase in the wealth and power of the Arab world, the American people remain firm in their support of Israel and determined to maintain this position. A 68 to 20 per cent majority rejected the notion that "we need Arab oil for our gasoline shortage here at home, so we had better find ways to get along with the Arabs, even if that means supporting Israel less." The percentage that rejected this argument last summer was only 61 to 23.

The response to the pivotal question in the entire survey was profoundly illuminating. The question was this: "If it came down to it and the only way we could get Arab oil in enough quantity and at lower prices was to stop supporting Israel with military aid, would you favor or oppose such a move by this country?" A 64 to 18 per cent majority of the public, which contains only 3 per cent Jews, came down decisively against abandoning Israel to get enough oil. An even higher, almost unanimous 93 to 5 per cent majority of the leaders expressed the same view. Yet, when a special national cross section of 567 Jews was asked how non-Jews in America would feel, by 45 to 34 per cent, the Jews were quite sure that they would opt for oil, not Israel.

It is clear that most Americans are unwilling to make Israel the victim of what many feel is a "game of Arab oil blackmail," as one United States Senator put it. There is little doubt that the Arabs have badly miscalculated American public opinion in this country. This is not to say that the public favors the use of force to take over the Arab oil fields. A 58 to 25 per cent majority opposes this. But that is beside the point. With the exception of Egypt's President Sadat and Jordan's King Hussein, Arab leaders, including the murdered King Faisal of Saudi Arabia, are now viewed as foes of the United States and are highly unpopular. Sadat is a familiar figure to 55 per cent of the public, more than know most Democratic candidates for President, and 69 per cent have a favorable view of him. He is one of the few bridges the Arab world has to the American public.

Though opinion in this country has deep reservations about the Arab world, it does not accept Israel uncritically. Americans feel that the Israelis have taken American support for granted too easily. A majority of 62 per cent to 24 per cent and only a slightly smaller majority of 56 to 36 per cent of leaders believe that "Israel is friendly to the United States because it wants our military supplies." Even more damaging is the 48 to 33 per cent plurality of the public which holds that "Israel seems to feel the United States will back them up, no matter what they do." The leaders deny this, but the difference is only marginal.

If Israel projects the view that it takes American aid for granted, there is certain to be a serious erosion of votes in the Congress during the military aid debate in the coming months. An Israel which appears to shun all peace efforts and boasts of its military power could well be told to find its backing elsewhere. In sharp contrast, an Israel which appeared eminently reasonable about negotiations can easily make its case for continued military aid. At the moment, Israel is benefiting as much from anti-Arab sentiment over oil as from pro-Israeli feeling in its own right.

The extent and depth of support for Israel may come as a surprise to many, but the most surprised group of all will be American Jews, who now seem totally possessed of a doomsday vision of what will happen to Israel and what might happen to Jews in this country. A prominent Jewish lawyer in Chicago put it this way, "Senator Percy is known for having his ear to the ground. When he made all those friendly remarks about the Arabs, he could see the handwriting on the wall. Don't kid yourself, the fact that Arabs have oil power is changing everything. Combined with the recession, you'll see Jews not being hired and I wouldn't be surprised to see middle America blame the whole economic mess on the Jews before it is all over."

Let us return to the case of General Brown. By 45 per cent to 42 per cent, most Jews felt that non-Jews thought "it was proper and right" for the general to say what he did. Yet, when non-Jews were asked about the general's statements, by 61 to 19 per cent, a solid majority—and an even higher 78 to 15 per cent of the leadership—said Brown's comments were "improper and wrong."

But this discrepancy is only the beginning. Where American Jews really take off into flights of fantasy is on the subject of anti-Semitism itself.

It can be argued that people may say one thing and really believe another when it comes to such delicate matters as racial and religious prejudice, and anyone who looks closely at public opinion must take this into account. In the case of Jews and non-Jews, the Harris survey took steps to deal with the problem. An attempt was made to match Jewish interviewers with Jewish respondents and non-Jewish interviewers with their counterparts to reduce as much as possible any hesitation among non-Jews to express anti-Semitic attitudes or among Jews to express their perceptions of anti-Semitic attitudes.

There is evidence that the exercise was useful. Compare these Jewish estimates of non-Jewish attitudes with the facts of the matter: 62 per cent of all Jews hold the view that non-Jews think "Jews are irritating because they are too aggressive." Yet, no more than 31 per cent of the non-Jewish public believes this. Fifty-two per cent of all Jews think non-Jews feel that "when it comes to choosing between people and money, Jews will choose money." Only 32 per cent of the non-Jews actually feel that way. This same pattern could be repeated on a whole list of attitudes. For each, Jews vastly overestimate the hostile feelings of non-Jews.

If we total all the unfavorable stereotypes, it can be estimated that 31 per cent of the non-Jewish public in the United States hold attitudes about Jews which can be described as anti-Semitic. This is not a small number and it certainly confirms the fact that anti-Semitism is very much alive. Indeed, trend measures indicate that there has been a marginal rise in anti-Jewish feeling from 28 per cent last year. However, when Jews were asked to estimate anti-Semitism, a much higher 56 per cent estimated that non-Jews held prejudiced views about them.

The inescapable conclusion is that American Jews have somehow lost touch with the reality of where anti-Semitism really is. The dangers in this major miscalculation by the Jewish community are many. It could mean that American Jews may be consistently ignoring their natural allies in the fight against anti-Semitism. It could also mean that they are serving Israel poorly by automatically assuming hostility to Israel when rather powerful support actually exists. Most importantly, American Jews could well be giving an impression of such insecurity that they are inviting the hostility they fear.

All minorities tend to think things are worse for them than they are. It is part of the survival mechanism and is understandable in human terms. But in today's climate of opinion, American Jews have vastly overestimated their own problems as well as the precariousness of Israel's position. What we have found is that support for Israel is deep and wide among non-Jews, and anti-Semitism is holding at traditional levels. This may be no great consolation to the American-Jewish minority, but it is hardly a prelude to holocaust.

GENERAL REVENUE SHARING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. FOUNTAIN) is recognized for 5 minutes.

Mr. FOUNTAIN. Mr. Speaker, at the request of the administration and jointly with the gentlemen from New York (Mr. HORTON and Mr. WYDLER), I am today introducing legislation proposed by the President to extend and revise the State and Local Fiscal Assistance Act of 1972. The present act, which authorizes a program of general revenue sharing with our State and local governments, expires at the end of 1976; the President proposes extending it, with minor changes, for an additional 5¾ years at a total cost of $39.85 billion.

Mr. Speaker, the Intergovernmental Relations and Human Resources Subcommittee, which I chair, has been assigned the legislative responsibility for this measure which previously was exercised by the Ways and Means Committee. This responsibility, in my judgment, is a very heavy one, both because of the fiscal importance of revenue sharing to the States and their political subdivisions and the impact of this program on the Federal budget.

The subcommittee plans to make a careful, thorough, and objective review of the functioning of the present program when it studies the various changes proposed by the President and by those Members sponsoring other revenue sharing bills.

As a means of preparing for the consideration of these bills, the subcommittee will hold hearings within the next few months on the manner in which State and local governments are financed and the factors that contribute to their fiscal problems. While I personally favor the revenue sharing concept, I believe the subcommittee has an obligation to be well informed about the fiscal needs and resources of all levels of government if it is to formulate an effective and efficient program to assist local and State governments to meet their pressing problems.

I think it is widely accepted today that the maintenance of a strong and balanced federal system, a principle to which our Nation is committed, requires that each governmental level have available to it adequate resources to perform those functions for which it is responsible. Our task, then, in designing an optimum revenue sharing mechanism is to match resources with needs in a practical program that is equitable, efficient, and responsible. This is a difficult assignment, but one which I am sure the subcommittee and the Committee on Government Operations will work diligently to accomplish.

Mr. HORTON. Mr. Speaker, since the beginning of this Nation, our federal system has been a bulwark against one level of government obtaining a stranglehold on any other level. The people of this Nation have, on many occasions, demanded that government of the people must also be government by the people.

In 1972 the Congress made a giant step in guaranteeing that the proper balance between the Federal and State and local governments would be maintained when it enacted the State and Local Assistance Act of 1972, more commonly known as general revenue sharing.

It is a great pleasure and privilege for me today to join with the distinguished chairman of the House Intergovernmental Relations Subcommittee, Mr. FOUNTAIN, and the ranking minority member of that subcommittee, Mr. WYDLER, in introducing, by request of the administration, the State and Local Assistance Act of 1975, a reenactment proposal for general revenue sharing.

Since the original enactment of revenue sharing, State and local governments have shown their diversity and wisdom by their allocation of revenue sharing funds. The Office of Revenue Sharing reports on the use of the funds show that the money has been used for everything from capital spending projects to general operating expenses for the purpose of stabilizing property taxes.

Revenue sharing has its critics, and the use of some of the revenue sharing funds is the source of some of this criticism. But it appears that the basic concept of the program has gained wide acceptance.

For my view, revenue sharing represents the first major adjustment in the fiscal stability of our Federal system since the income tax was enacted.

During the reenactment hearings in both the House and Senate, there will undoubtedly be recommendations for altering the formula by which revenue sharing money is distributed. Some of these recommendations will have merit and should be considered. It will be up to the Government Operations and the other responsible committees of the Congress to balance these recommendations with the basic philosophy of the program so that the benefits which have been developed at the State and local level are not lost.

Mr. WYDLER. Mr. Speaker, each Congress inevitably brings with it a series of well-intentioned proposals which, if enacted, would concentrate more power in the central Government of the United States. Whether it be the creation of a new agency, or a new series of Federal rules, the end result of a substantial portion of legislation the Congress considers is a stronger domination by Washington of State and local automony.

Because of the history of much of our legislative activity, it is with particular pride and gratitude that I rise today as a chief sponsor of the State and Local Fiscal Assistance Act of 1975, a bill to reenact general revenue sharing.

On Friday of this past week, President Ford announced the administration's proposal for extension of the general revenue sharing program. The contents of that proposal are contained in the bill we are introducing today.

For the benefit of our colleagues in the House, I think it would be helpful to briefly outline the major provisions of that bill:

The basic revenue sharing formula is retained.

Funds will be authorized for 5¾ years. The effect of this provision is to conform the time period to the new Federal fiscal year.

The current method of funding with annual increases of $150 million will be retained to compensate, in part, for the impact of inflation. Over the 5¾ years, this level will produce a total distribution of Federal revenues of $39.85 billion. By the final year, the revenues shared will have increased by $937 million over the current level of payments.

To strengthen the civil rights provisions of the existing statute the proposed legislation would authorize the Secretary of the Treasury to invoke several remedies to enforce the nondiscrimination provisions of the act. This would be accomplished by stating explicitly that the Secretary has authority to withhold all or a portion of entitlement funds due a State or unit of local government, to terminate one or more payments of entitlement funds, and to require repayment of entitlement funds previously expended in a program or activity found to have been discriminatory.

This change will further enhance the Secretary's ability to insure that none of our citizens is denied, on grounds of race, color, sex, or national origin, the benefits of any program funded in whole or in part through revenue sharing.

To strengthen public participation in determining the use of shared revenues, the proposed legislation requires that recipient governments must provide a procedure for citizen participation in the allocation of revenue sharing moneys.

The administration proposal would also make reporting requirements more flexible to meet varying needs from community to community.

Mr. Speaker, our Federal system has withstood many challenges. Through times of international and domestic turmoil, there have been pressures to center more and more power in the Federal Establishment. The growth of the Federal Government has not brought with it the stability and certainty that some would have us believe.

It was my belief during the original debate on the general revenue sharing bill in the 92d Congress, and it remains my belief today, that the best way to improve the delivery of services to the American people is through a strengthening of State and local government's capacity to perform.

General revenue sharing is the strongest means by which to accomplish this.

As the ranking Republican on the House Intergovernmental Relations and Human Resources Subcommittee, I look forward to a close working relationship with our distinguished Chairman Fountain. I am confident that through our combined efforts we will provide a bill for the President to sign which will continue the great progress of the revenue sharing program.

GENERAL LEAVE

Mr. D'AMOURS. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks and include extraneous material on the subject of the special order today of the gentleman from North Carolina (Mr. Fountain).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

FMHA BASE MORTGAGE INTEREST RATE LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. McFall) is recognized for 5 minutes.

Mr. McFALL. Mr. Speaker, I am today introducing legislation to require the Secretary of the Treasury to establish a base interest rate for Farmers Home Administration mortgages every 60 days, instead of annually as presently required. The purpose of the bill is to insure maximum flexibility of FmHA mortgage interest rates so that the public may obtain these mortgages at rates that are applied to nearly all other types of Federal housing loans.

Currently, under the Housing Act of 1949, the Secretary of the Treasury annually determines a base interest rate below which FmHA mortgage may not be lent to the public. During the year, the Secretary of Agriculture, whose department administers FmHA mortgages, has the authority under this act to increase the mortgage rate below the base rate, but he may not lower the rate below the base.

In July 1974, Secretary Simon established the base FmHA interest rate at 8.125 percent. In the months since last July, Agriculture Secretary Butz has exercised his authority and raised FmHA interest rates to as high as 9.5 percent.

Currently, however, Secretary Butz has lowered them to the base of 8.125 percent. Whereas the legislation I am introducing today does not deal with Secretary Butz's authority to alter the interest rate upwards, the Secretary's actions of dramatically changing the interest rate in the last several months show that national economic conditions can change radically in a brief period of time. By allowing only an annual reevaluation of the base rate, FHA mortgage rates can be arbitrarily trapped above a base rate not reflective of current economic conditions.

As a rule the FmHA has used the interest rate of mortgage loans from the Department of Housing and Urban Development as a guide for establishing FmHA mortgage rates above the base. HUD mortgage loans are currently being lent at an 8.0 percent interest rate. Presumably, FmHA interest rates would lower to 8.0 percent also if the law allowed the base rate to be reexamined and established more often.

The legislation I am introducing would require the Secretary of the Treasury to establish a base rate every 60 days, thereby providing needed flexibility in the base rate, and ensuring that the public receives FmHA mortgages at an interest rate comparable with other federal mortgage loan rates.

FINANCIAL DISCLOSURE

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I am submitting my complete net worth statement for publication in the Congressional Record. I also have submitted this statement as part of my financial disclosure report filed with the House Committee on Standards of Official Conduct and have asked that the statement be made available in its entirety for inspection by the public. Since coming to Congress in 1969, I have filed a net worth statement with the House every year and made it public. I have done so because I believe constituents have a right to know about their Congressman's income, stockholdings, and liabilities.

I am also making public my 1974 income tax return. I have included the return in my financial disclosure statement submitted to the Committee on Standards of Official Conduct and have requested that it be made available to anyone wishing to see it.

I include the following:

Olshan & Olshan,
Washington, D.C., April 2, 1975.

Hon. Edward I. Koch,
U.S. House of Representatives,
Washington, D.C.

Dear Congressman Koch: Enclosed please find your 1974 federal, state and city individual income tax returns. Each return must be signed and dated and mailed by April 15, 1975.

The federal Form 1040 should be mailed to Internal Revenue Service, 1040 Waverly Avenue, Holtsville, New York 11799. You are due a refund of $6,238.00.

The New York State Form IT-201 should be mailed to the New York State Income Tax Bureau, The State Campus, Albany, New York 12227. Draw a check payable to the N.Y. State Income Tax Bureau in the amount of $209.00. Write your social security number on your check.

The New York City Form 201 should be mailed to The City of New York, Finance Administration, Department of Tax Collection, Box 3122, General Post Office, New York, New York 10001. You are due a refund of $30.00.

Yours truly,

Olshan & Olshan,
Certified Public Accountants.

Hon. Edward I. Koch, statement of net worth, Dec. 31, 1974

ASSETS	
Cash in checking and savings accounts:	
Sergeant at Arms—checking	$47.35
Seamen's Bank for savings	8,297.96
Seamen's Bank for savings	1,906.05
Total cash in checking and savings accounts	10,251.36
Due from brokerage account—Goldman, Sachs & Co	80.11
Salary due from House of Representatives (received Jan. 2, 1975)	3,541.66
Marketable securities—See attached schedule	20,091.27
Cash surrender value of life insurance policies:	
Mutual Benefit Life Insurance Co. (includes dividend accumulation)	3,445.64
Mutual Benefit Life Insurance Co. (includes dividend accumulation)	6,379.93
Veterans Administration	2,876.75
Total cash surrender value of life insurance policies	12,702.32
Pension account—New York City Employees Retirement System	1,924.08
1974 Federal and New York City income tax refunds receivable	6,268.00
Total assets	54,858.80
LIABILITIES AND NET WORTH	
1974 New York State income tax payable	209.00
Trade accounts payable	406.98
Hon. Edward I. Koch—net worth	54,242.82
Total liabilities and net worth	54,858.80

HONORABLE EDWARD I. KOCH SCHEDULE OF MARKETABLE SECURITIES DEC. 31, 1974

Number of shares and company	FMV per share Dec. 31, 1974	FMV Dec. 31, 1974
1,184.545—Dreyfus Liquid Assets Fund	$10.00	$11,845.45
600—Intercraft Industries Corporation	4.00	2,400.00
370—T. Rowe Price Growth Stock Fund	7.65	2,830.50
356—T. Rowe Price New Era Fund	8.47	3,015.32
Total marketable securities		20,091.27

LEGISLATION REGULATING NURSING HOMES

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, the newspapers of my State and those of many other Members have been filled in recent months with grim stories of human exploitation and brutality directed against the elderly in our nursing homes. Reports of corruption have mounted, many recently uncovered by the Senate Subcommittee on Long-Term Care, chaired by Senator Frank Moss.

My distinguished colleague, Representative Claude Pepper, of Florida, chairman of the new House Committee on Aging's Subcommittee on Health and Long-Term Care, and I yesterday introduced legislation, H.R. 6494, to strengthen and tighten the regulation of our Nation's nursing homes so that we finally end these abuses.

I am extremely pleased that Senator Moss is sponsoring my bill in the Senate.

The legislation seeks to overhaul the regulatory processes of the medicaid program under which the vast bulk of nursing home moneys are paid, to build in the necessary regulatory procedures and powers. Some procedures we recommend are now practiced at the Federal level in the medicare program but are absent in most States in the larger medicaid effort.

Here is how my bill would work.

When a nursing home seeks to open its doors, it applies to either the medicare or medicaid programs for reimbursement or to both. However, recently, medicaid, the State program, has been far less severe in its regulations than medicare. While each program nominally follows the same rules, the inspections, controls, and enforcement under the medicare program has proven far superior to that under medicaid. As a result, nursing home operators guilty of widespread abuse almost invariably choose to enroll only under medicaid and not under medicare. Since medicare does not pay a large share of the bill, there is no reason not to avoid medicare's strict regulation by not enrolling in the program. My bill would require all nursing homes to enroll under medicare to receive benefits under medicaid. Thus, the stronger Federal regulatory supervision will be brought into play.

But even this oversight is not adequate. The regulators of nursing homes are hampered by two limitations on their power which my bill would eliminate:

First. Currently, when a State medicaid agency chooses to cut off reimbursements to a nursing home which has violated its agreement to provide decent and safe care, the State agency may not cut off such payments until the process of judicial review is complete. My bill would vest State medicaid agency heads with the powers now enjoyed by Federal medicare officials to cut off payments pending court review.

Second. Currently, the State administrator has no choice but to close a home entirely or leave it open. My bill would allow him two other remedies: he could bar new patients, putting gradual financial pressure on a home, and he could order that certain services in which the home is especially lacking be performed by a hospital, not the nursing home itself, on a transfer basis.

But we must do more than see to it that nursing home programs are good and their facilities are sound. We must see to it that they actually use these capabilities to treat patients well.

Currently, we seek to assure high quality through medical reviews in which a medical team examines patients and collects back payments that were made for care they find was not adequately rendered or was not needed. But they can only collect on patients they actually examine. They obviously do not have the staff to examine all patients, and the small fraction that does so does not constitute a sufficient possible sum of money to pose a real threat to the poorly run home. It is cheaper to pay the back charges than to render good care. My bill would permit State administrators to collect back payments not merely on the patients examined, but on all patients in the home, based on the statistically valid sample they actually treated. This elevates the punishment to fit the crime and makes it possible to enforce care quality standards. This sampling technique is now permitted Federal medicare administrators; my bill would confer the power on medicaid as well.

Another part of my bill would deal with methods of payment. It is always inconceivable to me that men like Dr. Bernard Bergman actually overcharged when they could make so much money legally through the kind of uncontrolled reimbursement now in force.

Some States pay nursing homes on a flat rate per day. They leave themselves open to low quality care and usually set unreasonably low payment levels. Other States pay based on costs. They do not ask if the costs are reasonable, just that they were incurred. These States leave themselves open for massive overcharges.

My bill would base reimbursement on costs but delimited by what the State administrator and the Secretary of HEW decide a prudent buyer should spend for the service. We will now ask not merely what did it cost, but what should it have cost.

A related provision would require nursing home operators to post a bond. This is to avoid the increasingly common situation in which we audit a home and find it owes us, the taxpayers, money, but, when the Government tries to collect what it is due, the operator closes down and leaves us with an unpaid bill. By posting a bond, we could be sure to get our money back.

The legislation also would end sweetheart deals between those who sell goods to nursing homes and those who operate the homes. Now, we only bar people related to one another or owning a piece of one another's business from selling or buying from one another. My bill would provide that any transaction between two people engaged in any third business together, in whatever field, would be covered by this prohibition.

My bill would also provide for psychological and social, as well as medical, assessment of medicare and medicaid long-term care patients, so that patients can obtain the proper level and form of care—skilled nursing care, intermediate nursing care, home health care, and so forth—without being overclassified into a costly, unnecessary level.

A New York Times article of April 13, 1975, reported a study by New York City physicians showing that "medicaid is wasting $126 million a year by keeping patients in the wrong kind of nursing home." The national figures must be even more staggering.

Finally, my bill would:

Provide for disclosure of the identity of the owners of the land and building on which the nursing home is operating, not merely of the operators.

Provide for full reporting of the members of the operator corporation and for reportage of any changes in the corporate form; and

Provide for full itemization of budgets of homes found to render consistently poor or overly costly service.

The cosponsorship of this legislation by Representative PEPPER and Senator Moss, respective chairmen of the House and Senate subcommittee concerned with long-term care of the elderly, enhances the changes of passage in this session of Congress.

DR. MARTIN LUTHER KING, JR.: THE CASUALTIES OF THE WAR IN VIETNAM

(Mr. YOUNG of Georgia asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. YOUNG of Georgia. Mr. Speaker, as the American agony in Vietnam ends, it would be well for us to recall what Dr. Martin Luther King, Jr., was trying to teach us years ago.

One of his most prophetic and profound statements on the war in Vietnam came on February 25, 1967, when Dr. King addressed the Nation Institute in Los Angeles. The text of that speech follows:

THE CASUALTIES OF THE WAR IN VIETNAM

(By Dr. Martin Luther King, Jr.)

I need not pause to say how happy I am to have the privilege of being a participant in this significant symposium. In these days of emotional tension when the problems of the world are gigantic in extent and chaotic in detail, there is no greater need than for sober-thinking, healthy debate, creative dissent and enlightened discussion. This is why this symposium is so important.

I would like to speak to you candidly and forthrightly this afternoon about our present involvement in Viet Nam. I have chosen as a subject, "The Casualties of the War In Viet Nam." We are all aware of the nightmarish physical casualties. We see them in our living rooms in all of their tragic dimensions on television screens, and we read about them on our subway and bus rides in daily newspaper accounts. We see the rice fields of a small Asian country being trampled at will and burned at whim; we see grief-stricken mothers with crying babies clutched in their arms as they watch their little huts burst forth into flames; we see the fields and valleys of battle being painted with humankind's blood; we see the broken bodies left prostrate in countless fields; we see young men being sent home half-men—physically handicapped and mentally deranged.

Most tragic of all is the casualty list among children. Some one million Vietnamese children have been casualties of this brutal war. A war in which children are incinerated by napalm, in which American soldiers die in mounting numbers while other American soldiers, according to press accounts, in unrestrained hatred shoot the wounded enemy as they lie on the ground, is a war that mutilates the conscience. These casualties are enough to cause all men to rise up with righteous indignation and oppose the very nature of this war.

But the physical casualties of the war in Viet Nam are not alone the catastrophies. The casualties of principles and values are equally disastrous and injurious. Indeed, they are ultimately more harmful because they are self-perpetuating. If the casualties of principle are not healed, the physical casualties will continue to mount.

One of the first casualties of the war in Viet Nam was the Charter of the United Nations. In taking armed action against the Vietcong and North Viet Nam, the United States clearly violated the United Nations charter which provides, in Chapter I, Article II (4):

> All members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state or in any other manner inconsistent with the purposes of the United Nations.

and in Chapter VII, (39):

> The Security Council shall determine the existence of any threat to the peace, breach of the peace, or act of aggression, and shall make recommendations or shall decide what measures shall be taken . . . to maintain or restore international peace and security.

It is very obvious that our government blatantly violated its obligation under the charter of the United Nations to submit to the Security Council its charge of aggression against North Viet Nam. Instead we unilaterally launched an all-out war on Asian soil. In the process we have undermined the purpose of the United Nations and caused its effectiveness to atrophy. We have also placed our nation in the position of being morally and politically isolated. Even the long standing allies of our nation have adamantly refused to join our government in this ugly war. As Americans and lovers of Democracy we should carefully ponder the consequences of our nation's declining moral status in the world.

The second casualty of the war in Viet Nam is the principle of self-determination. By entering a war that is little more than a domestic civil war, America has ended up supporting a new forum of colonialism covered up by certain niceties of complexity. Whether we realize it or not our participation in the war in Viet Nam is an ominous expression of our lack of sympathy for the oppressed, our paranoid anti-Communism, our failure to feel the ache and anguish of the have nots. It reveals our willingness to continue participating in neo-colonialist adventures.

A brief look at the background and history of this war reveals with brutal clarity the ugliness of our policy. The Vietnamese people proclaimed their own independence in 1945 after a combined French and Japanese occupation, and before the Communist revolution in China. They were led by the now well-known Ho Chi Minh. Even though they quoted the American Declaration of Independence in their own document of freedom, we refused to recognize them. Instead, we decided to support France in its re-conquest of her former colony.

President Truman felt then that the Vietnamese people were not "ready" for independence, and we again fell victim to the deadly western arrogance that has poisoned the international atmosphere for so long. With that tragic decision we rejected a revolutionary government seeking self-determination, and a government that had been established not by China (for whom the Vietnamese have no great love) but by clearly indigenous forces that included some Communists.

For nine years following 1945 we denied the people of Viet Nam the right to independence. For nine years we vigorously supported the French in their abortive effort to re-colonize Viet Nam.

Before the end of the war we were meeting 80% of the French war costs. Even before the French were defeated at Dien Bien Phu, they began to despair of their reckless action, but we did not. We encouraged them with our huge financial and military supplies to continue the war even after they had lost the will.

During this period United States governmental officials began to brainwash the American public. John Foster Dulles assiduously sought to prove that Indo-China was essential to our security against the Chinese Communist peril. When a negotiated settlement of the war was reached in 1954, through the Geneva Accord, it was done against our will. After doing all that we could to sabotage the planning for the Geneva Accord, we finally refused to sign it.

Soon after this we helped install Ngo Dinh Diem. We supported him in his betrayal of the Geneva Accord and his refusal to have the promised 1956 election. We watched with approval as he engaged in ruthless bloody persecution of all opposition forces. When Diem's infamous actions finally led to the formation of The National Liberation Front, the American public was duped into believing that the civil rebellion was being waged by puppets from Hanoi. As Douglas Pike wrote: "In horror, Americans helplessly watched Diem tear apart the fabric of Vietnamese society more effectively than the Communists had ever been able to do it. It was the most efficient act of his entire career."

Since Diem's death we have actively supported another dozen military dictatorships all in the name of fighting for freedom. When it became evident that these regimes could not defeat the Vietcong, we began to steadily increase our forces, calling them "military advisers" rather than fighting soldiers.

Today we are fighting an all-out war—undeclared by Congress. We have well over 300,000 American servicemen fighting in that benighted and unhappy country. American planes are bombing the territory of another country, and we are committing atrocities equal to any perpetrated by the Vietcong. This is the third largest war in American history.

All of this reveals that we are in an untenable position morally and politically. We are left standing before the world glutted by our barbarity. We are engaged in a war that seeks to turn the clock of history back and perpetuate white colonialism. The greatest irony and tragedy of all is that our nation which initiated so much of the revolutionary spirit of the modern world, is now cast in the mold of being an arch anti-revolutionary.

A third casualty of the war in Viet Nam is the Great Society. This confused war has played havoc with our domestic destinies.

Despite feeble protestations to the contrary, the promises of the Great Society have been shot down on the battlefield of Viet Nam. The pursuit of this widened war has narrowed domestic welfare programs, making the poor, white and Negro, bear the heaviest burdens both at the front and at home.

While the anti-poverty program is cautiously initiated, zealously supervised and evaluated for immediate results, billions are liberally expended for this ill-considered war. The recently revealed mis-estimate of the war budget amounts to ten billions of dollars for a single year. This error alone is more than five times the amount committed to anti-poverty programs. The security we profess to seek in foreign adventures we will lose in our decaying cities. The bombs in Viet Nam explode at home: they destroy the hopes and possibilities for a decent America.

If we reversed investments and gave the armed forces the anti-poverty budget, the generals could be forgiven if they walked off the battlefield in disgust.

Poverty, urban problems and social progress generally are ignored when the guns of war become a national obsession. When it is not our security that is at stake, but questionable and vague commitments to reactionary regimes, values disintegrate into foolish and adolescent slogans.

It is estimated that we spend $322,000 for each enemy we kill, while we spend in the so-called war on poverty in America only about $53.00 for each person classified as "poor." And much of that 53 dollars goes for salaries of people who are not poor. We have escalated the war in Viet Nam and de-escalated the skirmish against poverty. It challenges the imagination to contemplate what lives we could transform if we were to cease killing.

At this moment in history it is irrefutable that our world prestige is pathetically frail. Our war policy excites pronounced contempt and aversion virtually everywhere. Even when some national governments, for reasons of economic and diplomatic interest do not condemn us, their people in surprising measure have made clear they do not share the official policy.

We are isolated in our false values in a world demanding social and economic justice. We must undergo a vigorous re-ordering of our national priorities.

A fourth casualty of the war in Viet Nam is the humility of our nation. Through rugged determination, scientific and technological progress and dazzling achievements, America has become the richest and most powerful nation in the world. We have built machines that think and instruments that peer into the unfathomable ranges of interstellar space. We have built gargantuan bridges to span the seas and gigantic buildings to kiss the skies. Through our airplanes and spaceships we have dwarfed distance and placed time in chains, and through our submarines we have penetrated oceanic depths. This year our national gross product will reach the astounding figure of 780 billion dollars. All of this is a staggering picture of our great power.

But honesty impels me to admit that our power has often made us arrogant. We feel that our money can do anything. We arrogantly feel that we have everything to teach other nations and nothing to learn from them. We often arrogantly feel that we have some divine, messianic mission to police the whole world. We are arrogant in not allowing young nations to go through the same growing pains, turbulence and revolution that characterized our history. We are arrogant in our contention that we have some sacred mission to protect people from totalitarian rule, while we make little use of our power to end the evils of South Africa and Rhodesia, and while we are in fact supporting dictatorships with guns and money under the guise of fighting Communism. We are arrogant in professing to be concerned about the freedom of foreign nations while not setting our own house in order.

Many of our Senators and Congressmen vote joyously to appropriate billions of dollars for war in Viet Nam, and these same Senators and Congressmen vote loudly against a Fair Housing Bill to make it possible for a Negro veteran of Viet Nam to purchase a decent home. We arm Negro soldiers to kill on foreign battlefields, but offer little protection for their relatives from beatings and killings in our own south. We are willing to make the Negro 100% of a citizen in warfare, but reduce him to 50% of a citizen on American soil. Of all the good things in life the Negro has approximately one half those of whites; of the bad he has twice that of whites.

Thus, half of all Negroes live in substandard housing and Negroes have half the income of whites. When we turn to the negative experiences of life, the Negro has a double share. There are twice as many unemployed. The infant mortality rate is double that of white. There are twice as many Negroes in combat in Viet Nam at the beginning of 1967 and twice as many died in action (20.6%) in proportion to their numbers in the population as whites.

All of this reveals that our nation has not yet used its vast resources of power to end the long night of poverty, racism and man's inhumanity to man. Enlarged power means enlarged peril if there is not concommitant growth of the soul. Genuine power is the right use of strength. If our nation's strength is not used responsibly and with restraint, it will be, following Action's dictum, power that tends to corrupt and absolute power that corrupts absolutely. Our arrogance can be our doom. It can bring the curtains down on our national drama. Ultimately a great nation is a compassionate nation. We are challenged in these turbulent days to use our power to speed up the day when "every valley shall be exalted, and every mountain and hill shall be made low: and the crooked shall be made straight, and the rough places plain."

A fifth casualty of the war in Viet Nam is the principle of dissent. An ugly repressive sentiment to silence peace-seekers depicts advocates of immediate negotiation under terms of the Geneva agreement and persons who call for a cessation of bombings in the north as quasi-traitors, fools or venal enemies of our soldiers and institutions. Free speech and the privilege of dissent and discussion are rights being shot down by bombers in Viet Nam. When those who stand for peace are so villified it is time to consider where we are going and whether free speech has not become one of the major casualties of the war.

Curtailment of free speech is rationalized on grounds that a more compelling American tradition forbids criticism of the government when the nation is at war. More than a century ago when we were in a declared state of war with Mexico, a first term congressman by the name of Abraham Lincoln stood in the halls of Congress and fearlessly denounced that war. Congressman Abraham Lincoln of Illinois had not heard of this tradition or he was not inclined to respect it. Nor had Thoreau and Emerson and many other philosophers who shaped our democratic principles. Nothing can be more destructive of our fundamental democratic traditions than the vicious effort to silence dissenters.

A sixth casualty of the war in Viet Nam is the prospects of mankind's survival. This war has created the climate for greater armament and further expansion of destructive nuclear power.

One of the most persistent ambiguities that we face is that everybody talks about peace as a goal. However, it does not take sharpest-eyed sophistication to discern that while everybody talks about peace, peace has become practically nobody's business among the power-wielders. Many men cry peace! peace! but they refuse to do the things that make for peace.

The large power blocs of the world talk passionately of pursuing peace while burgeoning defense budgets that already bulge, enlarging already awesome armies, and devising even more devasting weapons. Call the roll of those who sing the glad tidings of peace and one's ears will be surprised by the responding sounds. The heads of all of the nations issue clarion calls for peace yet these destiny determiners come accompanied by a band and a brigand of national choristers, each bearing unsheathed swords rather than olive branches.

The stages of history are replete with the chants and choruses of the conquerors of old who came killing in pursuit of peace. Alexander, Ghenghis Khan, Julius Caesar, Charlemagne, and Napoleon were akin in their seeking a peaceful world order, a world fashioned after their selfish conceptions of an ideal existence. Each sought a world at peace which would personify their egotistic dreams. Even within the life-span of most of us, another megalomaniac strode across the world stage. He sent his blitzkrieg-bent legions blazing across Europe, bringing havoc and halocaust in his wake. There is grave irony in the fact that Hitler could come forth, following the nakedly aggressive expansionist theories he revealed in *Mein Kampf*, and do it all in the name of peace.

So when I see in this day the leaders of nations similarly talking peace while preparing for war, I take frightful pause. When I see our country today intervening in what is basically a civil war, destroying hundreds of thousands of Vietnamese children with Napalm, leaving broken bodies in countless fields and sending home half-men, mutilated, mentally and physically; when I see the recalcitrant unwillingness of our government to create the atmosphere for a negotiated settlement of this awful conflict by halting bombings in the north and agreeing to talk with the Vietcong—and all this in the name of pursuing the goal of peace—I tremble for our world. I do so not only from dire recall of the nightmares wreaked in the wars of yesterday, but also from dreadful realization of today's possible nuclear destructiveness, and tomorrow's even more damnable prospects.

In the light of all this, I say that we must narrow the gaping chasm between our proclamations of peace and our lowly deeds which precipitate and perpetuate war. We are called upon to look up from the quagmire of military programs and defense commitments and read history's signposts and today's trends.

The past is prophetic in that it asserts loudly that wars are poor chisels for carving out peaceful tomorrows. One day we must come to see that peace is not merely a distant goal that we seek, but a means by which we arrive at that goal. We must pursue peaceful ends through peaceful means. How much longer must we play at deadly war games before we heed the plaintive pleas of the unnumbered dead and maimed of past wars? Why can't we at long last grow up, and take off our blindfolds, chart new courses, put our hands to the rudder and set sail for the distant destination, the port city of peace?

President John F. Kennedy said on one occasion, "Mankind must put an end to war or war will put an end to mankind." Wisdom born of experience should tell us that war is obsolete. There may have been a time when war served as a negative good by preventing the spread and growth of an evil force, but the destructive power of modern weapons eliminates even the possibility that war may serve as a negative good. If we assume that life is worth living and that man has a right to survive, then we must find an alternative to war. In a day when vehicles hurtle through outer space and guided ballistic missiles carve highways of death through the stratosphere, no nation can claim victory in war. A so-called limited war will leave little more than a calamitous legacy of human suffering, political turmoil, and spiritual disillusionment. A world war—God forbid!—will leave only smouldering ashes as a mute testimony of a human race whose folly led inexorably to ulitmate death. So if modern man continues to flirt unhesitatingly with war, he will transform his earthly habitat into an inferno such as even the mind of Dante could not imagine.

I do not wish to minimize the complexity of the problems that need to be faced in achieving disarmament and peace. But I think it is a fact that we shall not have the will, the courage and the insight to deal with such matters unless in this field we are prepared to undergo a mental and spiritual re-evaluation, a change of focus which will enable us to see that the things which seem most real and powerful are indeed now unreal and have come under the sentence of death. We need to make a supreme effort to generate the readiness, indeed the eagerness, to enter into the new world which is now possible.

We will not build a peaceful world by following a negative path. It is not enough to say "we must not wage war." It is necessary to love peace and sacrifice for it. We must concentrate not merely on the negative expulsion of war, but on the positive affirmation of peace. There is a fascinating little story that is preserved for us in Greek literature about Ulysses and the Sirens. The Sirens had the ability to sing so sweetly that sailors could not resist steering toward their island. Many ships were lured upon the rocks and the men forgot home, duty and honor as they flung themselves into the sea to be embraced by arms that drew them down to death. Ulysses, determined not to be lured by the Sirens, first decided to tie himself tightly to the mast of his boat and his crew stuffed their ears with wax. But finally he and his crew learned a better way to save themselves: they took on board the beautiful singer Orpheus whose melodies were sweeter than the music of the Sirens. When Orpheus sang, who bothered to listen to the Sirens? So we must fix our visions not merely on the negative expulsion of war. But upon the positive affirmation of peace. We must see that peace represents a sweeter music, a cosmic melody that is far superior to the discords of war. Somehow we must transform the dynamics of the world power struggle from the negative nuclear arms race which no one can win to a positive contest to harness man's creative genius for the purpose of making peace and prosperity a reality for all of the nations of the world. In short, we must shift the arms race into a "peace race." If we have the will and determination to mount such a peace offensive we will unlock hitherto tightly sealed doors of hope and bring new light into the dark chambers of pessimism.

Let me say finally that I oppose the war in Viet Nam because I love America. I speak out against it not in anger but with anxiety and sorrow in my heart, and above all with a passionate desire to see our beloved country stand as the moral example of the world. I speak out against this war because I am disappointed with America. There can be no great disappointment where there is no great love. I am disappointed with our failure to deal positively and forthrightly with the triple evils of racism, extreme materialism and militarism. We are presently moving down a dead-end road that can lead to national disaster.

Jesus once told a parable of a young man who left home and wandered into a far country where, in adventure after adventure and sensation after sensation, he sought life. But he never found it; he found only frustration and bewilderment. The farther he moved from his father's house, the closer he came to the house of despair. The more he did what he liked, the less he liked what he did. After the boy had wasted all, a famine developed in the land, and he ended up seeking food in a pig's trough. But the story does not end there. It goes on to say that in this state of disillusionment, blinding frustration and homesickness, the boy "came to himself" and said, "I will arise and go to my father, and will say to him, Father, I have sinned against heaven and before thee." The prodigal son was not himself when he left his father's house or when he dreamed that pleasure was the end of life. Only when he made up his mind to go home and be a son again did he really come to himself. The parable ends with the boy returning home to find a loving father waiting with outstretched arms and heart filled with unutterable job.

This is an analogy of what American confronts today. Like all human analogies, it is imperfect, but it does suggest some parallels worth considering. America has strayed to the far country of racism and militarism. The home that all too many Americans left was solidly structured idealistically. Its pillars were soundly grounded in the insights of our Judeo-Christian heritage—all men are made in the image of God; all men are brothers; all men are created equal; every man is heir to a legacy of dignity and worth; every man has rights that are neither conferred by nor derived from the state, they are God-given; out of one blood God made all men to dwell upon the face of the earth. What a marvelous foundation for any home! What a glorious and healthy place to inhabit! But America strayed away; and this unnatural excursion has brought only confusion and bewilderment. It has left hearts aching with guilt and minds distorted with irrationality. It has driven wisdom from her sacred throne. This long and callous sojourn in the far country of racism and militarism has brought a moral and spiritual famine to the nation.

It is time for all people of conscience to call upon America to return to her true home of brotherhood and peaceful pursuits. We cannot remain silent as our nation engages in one of history's most cruel and senseless wars. America must continue to have, during these days of human travail, a company of creative dissenters. We need them because the thunder of their fearless voices will be the only sound stronger than the blasts of bombs and the clamour of war hysteria.

Those of us who love peace must organize as effectively as the war hawks. As they spread the propaganda of war we must spread the propaganda of peace. We must combine the fervor of the civil rights movement with the peace movement. We must demonstrate, teach and preach, until the very foundations of our nation are shaken. We must work unceasingly to lift this nation that we love to a higher destiny, to a new plateau of compassion, to a more noble expression of humaneness.

I have tried to be honest today. To be honest is to confront the truth. To be honest is to realize that the ultimate measure of a man is not where he stands in moments of convenience and moments of comfort, but where he stands in moments of challenge and moments of controversy. However unpleasant and inconvenient the truth may be, I believe we must expose and face it if we are to achieve a better quality of American life.

Just the other day, the distinguished American historian, Henry Steele Commager, told a Senate Committee: "Justice Holmes used to say that the first lesson a judge had to learn was that he was not God . . . we do tend perhaps more than other nations, to transform our wars into crusades . . . our current involvement in Viet Nam is cast, increasingly, into a moral mold . . . It is my feeling that we do not have the resources, material, intellectual or moral, to be at once an American power, a European power and an Asian power."

I agree with Mr. Commager. And I would suggest that there is, however, another kind of power that America can and should be. It is a moral power, a power harnessed to the service of peace and human beings, not an inhumane power unleased against defenseless people. All the world knows that America is a great military power. We need not be diligent in seeking to prove it. We must now show the world our moral power.

There is an element of urgency in our redirecting American power. We are now faced with the fact that tomorrow is today. We are confronted with the fierce urgency of now. In this unfolding conundrum of life and history there is such a thing as being too late. Procrastination is still the thief of time. Life often leaves us standing bare, naked, and dejected with a lost opportunity. The "tide in the affairs of men" does not remain at flood: it ebbs. We may cry out desperately for time to pause in her passage, but time is adamant to every plea and rushes on. Over the bleached bones and jumbled residue of numerous civilizations are written the pathetic words: "Too late." There is an invisible book of life that faithfully records our vigilance or our neglect. "The moving finger writes, and having writ moves on . . ." We still have a choice today: nonviolent coexistence or violent co-annihilation. History will record the choice we made. It is still not too late to make the proper choice. If we decide to become a moral power we will be able to transform the jangling discords of this world into a beautiful symphony of brotherhood. If we make the wise decision we will be able to transform our pending cosmic elegy into a creative psalm of peace. This will be a glorious day. In reaching it we can fulfill the noblest of American dreams.

LONG-TERM CARE OF THE ELDERLY—PART II

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, I insert in the RECORD at this time the list of bills in the nursing home reform package which I described in my statement appearing in the CONGRESSIONAL RECORD for Tuesday, April 29, beginning at page 12165. The evidence which substantiates the need for early consideration of these proposals is documented in the U.S. Senate Special Committee on Aging's report entitled, "Nursing Home Care in the United States: Failure in Public Policy." I am honored to join Senator FRANK MOSS, chairman of the Subcommittee on Long-Term Care in the Senate Special Committee on Aging, in the introduction of this legislation, and my able and distinguished colleague in the House, Representative EDWARD I. KOCH. Representative KOCH introduced the first 12 of these bills on March 12 and he is the author of two in the package, H.R. 4772 and H.R. 6494.

The list follows:

H.R. 4772. A bill to amend part B of title XVIII of the Social Security Act to broaden the coverage of home health services under the supplementary medical insurance program and remove the 100-visit limitation presently applicable thereto, to amend part A of such title to liberalize the coverage of posthospital home health services thereunder, to amend title XIX of such act to require the inclusion of home health services in a State's medicaid program and to permit payments of housing costs under such a program for elderly persons who would otherwise require nursing home care, to require contributions by adult children toward their parents' nursing and home health care expenses under the medicaid program, to provide expanded Federal funding for congregate housing for the displaced and the elderly, and for other purposes; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 4774. A bill to amend part B of title XVIII of the Social Security Act to broaden the coverage of home health services under the supplementary medical insurance program and remove the 100-visit limitation presently applicable thereto, to amend part A of such title to liberalize the coverage of posthospital home health services thereunder, to amend title XIX of such act to require the inclusion of home health services in a State's medicaid program and to permit payments of housing costs under such a program for elderly persons who would otherwise require nursing home care, to provide expanded Federal funding for congregate housing for the displaced and the elderly, and for other purposes; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 4776. A bill to amend the Public Health Service Act to provide for inservice training of nursing home personnel; to the Committee on Interstate and Foreign Commerce.

H.R. 4777. A bill to amend title VII of the Public Health Service Act to provide for the making of grants to schools of medicine to assist them in the establishment and operation of departments of geriatrics; to the Committee on Interstate and Foreign Commerce.

H.R. 4778. A bill to amend title VII of the Public Health Service Act to provide for the making of grants to schools of medicine to assist them in the establishment and operation of continuing education programs in geriatrics for physicians; to the Committee on Interstate and Foreign Commerce.

H.R. 4779. A bill to amend title VII of the Public Health Service Act to provide for the making of grants to appropriate colleges and universities to assist them in the establishment and operation of programs for the training of nurse practitioners to provide primary health care in nursing homes; to the Committee on Interstate and Foreign Commerce.

H.R. 4780. A bill to amend title VII of the Public Health Service Act to train certain veterans, with appropriate experience as paramedical personnel, to serve as medical assistants in long-term health care facilities; to the Committee on Interstate and Foreign Commerce.

H.R. 4781. A bill to amend title VII of the Public Health Service Act to provide for the making of grants to appropriate colleges and universities to assist them in the establishment and operation of programs for the training of physicians' assistants; to the Committee on Interstate and Foreign Commerce.

H.R. 4782. A bill to authorize an experimental program to provide for care for elderly individuals in their own homes; to the Committee on Interstate and Foreign Commerce.

H.R. 4783. A bill to amend title XVIII of the Social Security Act to expand the definition of "provider of service" to include "day care center"; to the Committee on Ways and Means.

H.R. 4784. A bill to authorize the Secretary of Housing and Urban Development to encourage and assist in the development on a demonstration basis of several carefully planned projects to meet the special health-care and related needs of elderly persons in a campus-type setting; to the Committee on Interstate and Foreign Commerce.

H.R. 4785. A bill to amend title XIX of the Social Security Act to require any nursing home, which provides services under State plans approved under such title, fully to disclose to the State licensing agency the identity of each person who has any ownership interest in such home or is the owner (in whole or in part) of any mortgage, deed of trust, note, or other obligation secured (in whole or in part) by such home; to the Committee on Interstate and Foreign Commerce.

H. Res. 306. Resolution expressing the sense of the House of Representatives that the President should submit an action plan to correct abuses in nursing homes; to the Committee on Interstate and Foreign Commerce.

H.R. 6466. A bill to amend title XVIII of the Social Security Act to authorize the provision of intermediate care services under medicare, and for other purposes; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6467. A bill to amend section 213 of the Internal Revenue Code of 1954 with respect to certain nursing home expenses; to the Committee on Ways and Means.

H.R. 6468. A bill to provide for the modification of the medicare reimbursement formula to allow small hospitals in rural areas with low occupancy to provide long-term care but only in those areas where there are no appropriate nursing home beds available; to the Committee on Ways and Means.

H.R. 6469. A bill to allow the States to use supplementary security income payments plus a State supplement of not less than $100 per resident per month to provide care for residents in nonmedical shelter care facilities; to the Committee on Ways and Means.

H.R. 6470. A bill to require physician visits to patients in skilled nursing facilities at least once every 30 days; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6471. A bill to amend title 18 and 19 of the Social Security Act to required skilled nursing facilities to employ at least one registered professional nurse 24 hours per day, 7 days a week; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6472. A bill to amend titles 18 and 19 of the Social Security Act to require that only licensed personnel may set up or distribute medications in skilled nursing facilities; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6473. A bill to amend the Social Security Act to provide for placing responsibility for medical care provided by skilled nursing facilities under titles XVII and XIX in a medical director; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6474. A bill to amend titles 18 and 19 of the Social Security Act to require minimum ratios for nursing home personnel to patients and for supervisory nurses to total nurses; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6475. A bill to amend title 18 and title 19 of the Social Security Act to require skilled nursing facilities to provide medically related social services; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6476. A bill to require admissions contracts between nursing homes participating in Federal programs and the patients they serve; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6477. A bill to amend the Social Security Act to provide for the updating of safety provisions in skilled nursing facilities; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6478. A bill to amend title 18 and 19 of the Social Security Act to require nursing homes to post their current license, medicare/medicaid certification, a list of owners of the facility, the names of staff, a patient's bill of rights as well as a description of services offered by the facility and the facility's charges therefore; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6479. A bill to require the immediate reporting of epidemic diseases or accidents in nursing homes participating in Federal programs; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6480. A bill to require that State plan under title 19 are ratified by both the State's legislative and executive branch before being presented to the Secretary for his approval; to require that such plans be posted and available to the public; to require the Secretary to annually review a State's compliance with such plan and to publish performance ratings for the States and creating a course of action allowing title 19 recipients individually or as a class to bring suit against a State for specific performance when a State fails to comply with the provisions of its plan; to the Committee on Interstate and Foreign Commerce.

H.R. 6481. A bill to require HEW to establish a rating system for nursing homes participating in Federal programs as a guide to consumers; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6482. A bill to amend title 19 of the Social Security Act to require States to establish ombudsman programs to investigate nursing home complaints and represent consumer interests; to the Committee on Interstate and Foreign Commerce.

H.R. 6483. A bill to amend the Social Security Act to provide for the establishment of an Inspector General for health administration; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6484. A bill to amend title XVIII and XIX of the Social Security Act making unlawful the offer of receipt of consideration for the referral of patients, clients, or customers; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6485. A bill to amend title 18 and 19 of the Social Security Act to require strict controls for the handling of patients' accounts, personal expense moneys and valuables; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6486. A bill to make unlawful the solicitation or acceptance of any gift, money or consideration over and above the rates established by the States and to make unlawful the solicitation or acceptance of any gift, money or donation as a precondition of admitting a patient to a long-term care facility; to the Committee on Interstate and Foreign Commerce.

H.R. 6487. A bill to amend title 19 of the Social Security Act to make certain requirements with respect to long-term care facility personnel compensated with Federal funds who are responsible for determining whether such institutions comply with health and safety standards required under such act; to the Committee on Interstate and Foreign Commerce.

H.R. 6488. A bill to amend the Social Security Act to require that payment forms submitted from nursing homes contain warnings with regard to penalties imposed under sections 1877 and 1909; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6489. A bill to continue 100-percent Federal financing of the State costs in inspecting nursing homes and to assist the States new enforcement tools, such as a citation system and protective custodianship and other alternatives to license revocation; to the Committee on Interstate and Foreign Commerce.

H.R. 6490. A bill to provide 100-percent Federal funding of financial audits of facilities participating in medicare and medicaid conducted by State personnel; to the Committee on Interstate and Foreign Commerce.

H.R. 6491. A bill to amend the Social Security Act to provide for a system of inspections of State inspection and enforcement mechanisms with regard to facilities receiving payments under titles XVIII and XIX; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6492. A bill to authorize medicare or medicaid patients individually or as a class to bring suit for specific performance in Federal District Court against a long-term facility which is in violation of its provider agreement; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6493. A bill to authorize the States to incorporate financial incentives for good care within the context of their cost-related reimbursement formula effective July 1, 1976; to the Committee on Interstate and Foreign Commerce.

H.R. 6494. A bill to amend the Social Security Act to improve the survey and certification process, rate setting and fiscal audit methods, and general regulation of nursing homes and intermediate care facilities under the medicaid program, and to provide for medical, psychological, and social assessment of long-term care patients under both the medicare and medicaid programs; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

H.R. 6495. A bill to amend title VI of the Public Health Service Act to provide for the making of direct loans for the construction and rehabilitation of nursing homes owned and operated by churches and other nonprofit organizations; to the Committee on Interstate and Foreign Commerce.

H.R. 6496. A bill to authorize the Secretary of Health, Education, and Welfare to provide grants, for the planning, development, construction and rehabilitation of nursing homes in black and minority communities; to the Committee on Interstate and Foreign Commerce.

H.R. 6497. A bill to authorize interest subsidy payments to assist nursing homes in repair and renovation, in order to comply with Federal standards; jointly to the Committees on Banking, Currency and Housing, and Interstate and Foreign Commerce.

H.R. 6498. A bill to amend title VII of the Public Health Service Act to provide for the making of grants to appropriate colleges and universities to assist them in establishing graduate programs for nurses in geriatrics and gerontology; to the Committee on Interstate and Foreign Commerce.

H.R. 6499. A bill to amend the National Labor Relations Act to make it an unfair labor practice to discharge an employee because he testifies before any committee of the Congress, and for other purposes; to the Committee on Education and Labor.

H.J. Res. 420. Joint resolution to provide that it be the sense of Congress that a White House Conference on Long-Term Care be called by the President of the United States in 1976, to be planned and conducted by the Secretary of Health, Education, and Welfare; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

LEGISLATION TO RECONVEY THE MAR-A-LAGO RESIDENCE OF THE LATE MARJORIE M. POST

(Mr. ROGERS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ROGERS. Mr. Speaker, today I along with Mr. BAFALIS, am introducing legislation which would require the Secretary of the Interior to reconvey the Mar-A-Lago residence of the late Marjorie Merriweather Post to the Majorie Merriweather Post Foundation of the District of Columbia within 120 days after enactment into law. Under the provisions of the bill, the reconveyance of the property would not effect its designation as a national historic site. The bill also provides that the property be reconveyed to the Marjorie Merriweather Post Foundation of the District of Columbia as provided under the terms of the original deed of conveyance from Mrs. Post to the United States which she executed on December 18, 1972.

The Department of Interior has explored the possibility of using the property as a vacation retreat for the President of the United States and for use by visiting foreign dignitaries. The Secret Service, however, has indicated that the residence would be impossible to secure sufficiently to provide adequate protection for the President. Furthermore, the Department of the Interior has indicated that the trust fund established by Mrs. Post for the maintenance of the property, is insufficient to maintain the property at a proper standard.

It seems to be the wisest course available to return the property to the Post Foundation since it is not presently being used and, as a practical matter, I am informed cannot be used for the purpose Mrs. Post had contemplated at the time she made the gift, without supplemental expenditures of public funds.

Mr. Speaker, I would at this time like to insert in the RECORD, a resolution of the town of Palm Beach, Fla., requesting that the President of the United States and Congress of the United States convey and return Mar-A-Lago to the original donor:

RESOLUTION NO. 12–75

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF PALM BEACH, PALM BEACH COUNTY, FLORIDA, CONCERNING MAR-A-LAGO

Whereas, the Title to Mar-A-Lago, the former Palm beach home of the late Marjorie Merriweather Post, has vested in the Government of the United States of America as a part of the National Park System, and

Whereas, no governmental use has yet been made of Mar-A-Lago, and any governmental use will require funds to be appropriated at the expense of the taxpayers, and

Whereas, the County of Palm Beach and the Town of Palm Beach are being deprived of substantial tax revenues, and

Whereas, Mar-A-Lago has been limited in uses by the donor to a retreat for the President and certain other designated public figures, and which uses do not appear likely to occur, and

Whereas, the Town Council does hereby find and determine that it will be in the best interests of the Town of Palm Beach for Mar-A-Lago to be returned by the United States Government to the donor thereof; now, therefore, be it

Resolved by the Town Council of the Town of Palm Beach, as follows:

SECTION 1. That the Town Council does hereby respectfully petition and request the President of the United States and the Congress of the United States to convey and return Mar-A-Lago to the original donor.

SECTION 2. That a certified copy hereof be furnished to the President of the United States, members of the Florida Congressional Delegation, the National Park System, and such other persons or government agencies as may be deemed to be appropriate.

Passed and adopted in regular, adjourned session assembled this 17th day of March, 1975.

Mr. Speaker, it is my understanding that the Department of Interior is currently considering recommending to the Congress that the Mar-A-Lago residence be reconveyed from the United States to the donor. The legislation I am introducing, would accomplish this purpose. I am hopeful that my colleague, Congressman ROY TAYLOR, chairman of the Subcommittee on National Parks and Recreation of the House Interior and Insular Affairs Committee, will give consideration to holding hearings on this legislation early this session.

CONSUMER AFFAIRS SUBCOMMITTEE REPORTS EQUAL CREDIT OPPORTUNITY ACT AMENDMENTS

(Mr. ANNUNZIO asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ANNUNZIO. Mr. Speaker, on Monday the Consumer Affairs Subcommittee of the House Banking, Currency and Housing Committee voted unanimously to recommend to the full committee the Equal Credit Opportunity Act Amendments of 1975.

The subcommittee, by an 8-to-0 vote, endorsed the principles contained in H.R. 3386 but because of several amendments the subcommittee felt that a clean bill should be introduced.

Today, along with all of the other members of the subcommittee, Mrs. SULLIVAN, Mrs. SPELLMAN, Mr. BARRETT, Mr. GONZALEZ, Mr. FAUNTROY, Mr. NEAL, Mr. WYLIE, Mrs. FENWICK, and Mrs. GRASSLEY, I am introducing the Equal Credit Opportunity Act Amendments of 1975 as recommended by the subcommittee.

Basically this legislation prohibits creditors from discriminating against loan applicants on the basis of race, color, religion, national origin, or age, provided that in the age category the applicant has the capacity to contract. That language was necessary to make it clear that the bill does not force creditors to lend money to minors.

Mr. Speaker, I am extremely proud of the work done by the subcommittee. As the chairman of this subcommittee, I want to commend the members of the subcommittee for the effort that they put forth in dealing with this highly important bill.

It is my understand that the full committee will consider the bill in markup session next Tuesday and hopefully the bill will be on the floor shortly thereafter. The subcommittee has come up with a good bill and one that I can recommend to every Member of this body.

I am including as part of my remarks a copy of the clean bill as recommended by the subcommittee:

H.R. 6516

A bill to amend the Equal Credit Opportunity Act to include discrimination on the basis of race, color, religion, national origin, and age, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Equal Credit Opportunity Act Amendments of 1975".

SEC. 2. (a) Section 701(a) of the Equal Credit Opportunity Act (title V of Public Law 93–495) is amended by inserting "age provided the applicant has the capacity to contract, race, color, religion, national origin," immediately before "sex".

(b) Section 701(b) of the Equal Credit Opportunity Act is amended by inserting "or age" immediately after "marital status".

(c) Section 701 of the Equal Credit Opportunity Act is amended by adding at the end thereof the following new subsection:

"(c) The declination of credit on terms offered pursuant to—

"(1) any loan assistance program expressly authorized by law for an economically disadvantaged class of persons;

"(2) any loan assistance program administered by a nonprofit organization for its members or an economically disadvantaged class of persons; or

"(3) any special purpose loan program offered by a profitmaking organization to meet special social needs which meets standards prescribed in regulations by the Board;

shall not constitute a violation of this section.".

SEC. 3. (a) Section 703 of the Equal Credit Opportunity Act is amended by inserting "(a)" immediately prior to "The", and by adding at the end thereof the following new subsections:

"(b) The fact that a creditor's loans to any classification enumerated in section 701(a) are not equal to the population percentage of such classifications in the creditor's trade area, is not a violation of section 701. In addition, a creditor shall not be deemed to be in violation of section 701 if the creditor excludes the classifications in section 701(a) from its determination of the credit worthiness of an applicant or from any other aspect of a credit transaction.

"(c) The Board shall establish an advisory committee to advise and consult with it in the exercise of its functions under this Act. In appointing the members of the committee, the Board shall seek to achieve a fair representation of the interests of creditors and consumers. The committee shall meet from time to time at the call of the Board Members of the committee who are not regular full-time employees of the United States shall, while attending meetings of such committee, be entitled to receive compensation at a rate fixed by the Board, but not exceeding $100 per day, including traveltime. Such members may be allowed travel expenses, including transportation and subsistence, while away from their homes or regular place of business.".

SEC. 4. Section 705(e) of the Equal Credit Opportunity Act is amended by inserting "age provided the applicant has the capacity to contract, race, color, religions, national origin," immediately before "sex".

SEC. 5. Section 706 of the Equal Credit Opportunity Act is amended to read as follows:

"CIVIL LIABILITY

"SEC. 706. (a) Any creditor who violates section 701 or any regulation prescribed under section 703 shall be liable to the aggrieved applicant in an amount equal to the sum of any actual damages sustained by such applicant acting either in an individual capacity or as a member of a class.

"(b) Except with respect to any Government or governmental subdivision or agency, any creditor who willfully violates section 701 or any regulation prescribed under section 703 shall be liable to the aggrieved applicant for punitive damages in an amount not greater than $10,000, in addition to any actual damages provided in subsection (a), except in the case of a class action the total recovery shall not exceed the lesser of $100,000 or 1 per centum of the net worth of the creditor. In determining the amount of award in any class action, the court shall consider, among other relevant factors, the amount of any actual damages awarded, the frequency and persistence of failures of compliance by the creditor, the resources of the creditor, the number of persons adversely affected, and the extent to which the creditor's failure of compliance was intentional.

"(c) Upon application by an aggrieved applicant, the appropriate United States district court may grant such equitable and declaratory relief as is necessary to enforce section 701 or any regulation prescribed under section 703.

"(d) In the case of any successful action under subsection (a), (b), or (c), the costs of the action, together with a reasonable attorney's fee as determined by the court, shall be added to any damages awarded by the court under such subsection.

"(e) No provision of this title imposing liability shall apply to any act done or omitted in good faith in conformity with any official regulation or interpretation thereof by the Board or any other agency having rulewriting or enforcement responsibilities under the Act, notwithstanding that after such act or omission has occurred, such rule or interpretation is amended, rescinded, or determined by judicial or other authority to be invalid for any reason.

"(f) Any action under this section may be brought in the appropriate United States district court without regard to the amount in controversy. No such action shall be brought later than one year from the date of the occurrence of the violation, except—

"(1) whenever any agency having responsibility for administrative enforcement under section 704 commences its enforcement proceeding within one year from the date of the occurrence of the violation and obtains compliance with this title by a creditor who was in violation of such title, or

"(2) whenever the Attorney General commences a civil action within one year from the date of the occurrence of the violation in an appropriate United States district court under this section against a creditor who is found by the court to be in violation of this title, then any applicant who has been a victim of the discrimination with respect to the administration action under paragraph (1) or the judgment of the court under paragraph (2) may, within one year after the date of compliance with the administrative action or within one year after the date of the judgment of the court, as the case may be, bring an action under this section against such creditor.

"(g) The agencies having responsibility for administrative enforcement under section 704, if unable to obtain compliance with section 701, are authorized to refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted.

"(h) When a matter is referred to the Attorney General pursuant to subsection (g), or whenever he has reason to believe that one or more creditors are engaged in a pattern or practice in violation of this title, the Attorney General may bring a civil action in any appropriate United States district court for such relief as may be appropriate, including injunctive relief.

"(i) No person aggrieved by a violation of this title and by a violation of section 805 of the Civil Rights Act of 1968 shall recover under this title and section 812 of the Civil Rights Act of 1968, if each violation is based on the same transaction.".

Sec. 6. The Equal Credit Opportunity Act is amended by redesignating section 707 as section 708 and by inserting immediately after section 706 the following new section:

"ANNUAL REPORTS TO CONGRESS

"Sec. 707. Not later than February 1 of each year after 1976, the Board and the Attorney General shall, respectively, make reports to the Congress concerning the administration of their functions under this title, including such recommendations as the Board and the Attorney General, respectively, deem necessary or appropriate. In addition, each report of the Board shall include its assessment of the extent to which compliance with the requirements of this title is being achieved, and a summary of the enforcement actions taken by each of the agencies assigned administrative enforcement responsibilities under section 704.".

Sec. 7. Section 708 of the Equal Credit Opportunity Act, as redesignated by section 5 of this Act, is amended by inserting ", except that the amendments made by the Equal Credit Opportunity Act Amendments of 1975 shall take effect six months after the date of its enactment" immediately before the period at the end thereof.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Hansen (at the request of Mr. Michel) for such time this week as will permit him to respond to a subpena to appear as a government witness at a trial in Boise, Idaho.

Mr. Russo (at the request of Mr. O'Neill), from Monday, April 28, through Wednesday, April 30, on account of official business.

Mr. Young of Florida (at the request of Mr. Rhodes), for today, on account of illness in family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Moore) and to revise and extend their remarks and include extraneous matter:)

Mr. Derwinski, for 5 minutes, today.

Mr. Wydler, for 5 minutes, today.

Mr. Skubitz, for 5 minutes, today.

Mr. Heinz, for 10 minutes, today.

Mr. McDade, for 20 minutes, today.

Mr. Cleveland, for 5 minutes, today.

Mr. Johnson of Pennsylvania, for 5 minutes, today.

Mr. Don H. Clausen, for 5 minutes, today.

Mr. Buchanan, for 60 minutes, on May 20.

Mr. Martin, for 15 minutes, today.

Mr. Martin, for 15 minutes, tomorrow.

Mrs. Holt, for 10 minutes, today.

Mr. Kemp, for 10 minutes, today.

(The following Members (at the request of Mr. D'Amours) and to revise and extend their remarks and include extraneous matter.)

Mr. Gonzalez, for 5 minutes, today.

Mr. Kastenmeier, for 5 minutes, today.

Mr. O'Neill, for 10 minutes, today.

Mr. Flood, for 5 minutes, today.

Mr. Ashley, for 5 minutes, today.

Mr. Dingell, for 5 minutes, today.

Mr. AuCoin, for 5 minutes, today.

Mr. Reuss, for 5 minutes, today.

Mr. Diggs, for 5 minutes, today.

Mr. Phillip Burton, for 10 minutes, today.

Mr. Fountain, for 5 minutes, today.

Mr. McFall, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:*

Mr. Cederberg, to revise and extend his remarks, and include tables and extraneous matter, during general debate in the Committee of the Whole on House Concurrent Resolution 218, first concurrent resolution on the budget, fiscal year 1976.

Mr. Bennett.

Mr. Young of Georgia and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $765.

Mr. Rhodes, to extend his remarks in the body of the Record, and to revise and extend his remarks, immediately after the remarks of Mr. McFall on the retirement of William R. Bonsell.

Mr. Wright, to include certain charts and tables for printing in the Record during general debate today, April 30.

(The following Members (at the request of Mr. Moore) and to include extraneous matter:)

Mr. Sarasin.

Mr. Ashbrook.

Mr. Steiger of Wisconsin.

Mr. Carter.

Mr. Emery.

Mr. Wydler.

Mr. Jeffords.

Mr. Martin in two instances.

Mr. Archer in two instances.

Mr. Latta.

Mr. Ketchum.

Mr. Grassley.

Mr. Derwinski in two instances.

Mr. Lagomarsino.

Mr. Whalen.

Mr. Forsythe.

Mr. Anderson of Illinois.

Mr. Kemp in two instances.

(The following Members (at the request of Mr. D'Amours) and to include extraneous matter:)

Mr. Gonzalez in three instances.

Mr. Annunzio in six instances.

Mr. Anderson of California in three instances.

Mr. Evins of Tennessee.

Mr. Mazzoli.

Mr. Lloyd of California in two instances.

Mr. Jenrette in three instances.

Mr. Risenhoover.

Mr. Edgar.

Mr. Kastenmeier.

Mr. Richmond.

Mr. Murtha.

Mr. Fraser in two instances.

Mr. McDonald of Georgia in three instances.

Mr. Bolling in two instances.

Mr. AuCoin.

Mr. Carney.

Mr. Charles H. Wilson of California.

Mr. Karth in two instances.

Mr. Fisher in three instances.

Mr. Dingell in two instances.

Mr. RUSSO.
Mr. RANGEL.
Mr. BENNETT.
Mr. JAMES V. STANTON.
Mr. KOCH in five instances.
Mr. HARRIS.
Mr. DOMINICK V. DANIELS.
Mr. MINETA.
Mr. DOWNEY in two instances.
Mr. JONES of Tennessee.
Mr. CORNELL.
Mr. MCCORMACK.
Mrs. BURKE of California.
Mr. NOWAK.
Mr. BADILLO.
Mr. SYMINGTON.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1529. An act to amend the McIntire-Stennis Act of 1962 to promote forestry research at private university forestry schools; to the Committee on Agriculture.

ENROLLED BILL SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 2808. An act to amend the joint resolution of July 18, 1939 (53 Stat. 1062), to provide for the acceptance of additional lands for the Home of Franklin D. Roosevelt National Historic Site, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 2808. An act to amend the joint resolution of July 18, 1939 (53 Stat. 1062), to provide for the acceptance of additional lands for the Home of Franklin D. Roosevelt National Historic Site, and for other purposes.

ADJOURNMENT

Mr. D'AMOURS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 52 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, May 1, 1975, at 10 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

892. A letter from the Assistant Secretary of Defense (Manpower and Reserve Affairs), transmitting the Reserve manpower requirements report for fiscal year 1976, in response to a request in Senate Report No. 93-385; to the Committee on Armed Services.

893. A letter from the Deputy Assistant Secretary of Defense (**Installations and** Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken for the Army National Guard, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

894. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Act No. 1-9, "To amend the District of Columbia Rent Control Act of 1973 to eliminate the limitation on appropriations for the operation of the Commission and administration of the rent control program," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

895. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Act No. 1-10, "To amend the Housing Regulations of the District of Columbia Regarding Security Deposits for Rentals, pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

896. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Act No. 1-11, "To amend the Motor Vehicle Regulation of the District of Columbia to provide for the identification of organ donors," pursuant to section 602(c) of Public Law 93-198; to the Committee on the District of Columbia.

897. A letter from the Acting Director, D.C. Unemployment Compensation Board, transmitting the annual report of the Board for calendar year 1974, pursuant to section 313(c) of title 46, District of Columbia Code; to the Committee on the District of Columbia.

898. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Higher Education Act of 1965 to authorize the carryover of excess funds under the basic educational opportunity grant program; to the Committee on Education and Labor.

899. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report on recommendations and actions related thereto contained in the final report of the National Commission on Materials Policy entitled "Materials Needs and the Environment Today and Tomorrow," pursuant to section 6(b) of the Federal Advisory Committee Act (H. Doc. No. 94-121); to the Committee on Government Operations and ordered to be printed.

900. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed amendment to a concession contract providing for the continued operation of a motion picture, lecture, and photographic studio for the public on the south rim of Grand Canyon National Park, Ariz., for a term ending December 31, 1975, pursuant to 67 Stat. 271 and 70 Stat. 543; to the Committee on Interior and Insular Affairs.

901. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation providing for participation by the Government of the United States in the International Cotton Advisory Committee, the International Lead and Zinc Study Group, the International Rubber Study Group, and the International Seed Testing Association, and authorizing appropriations therefor; to the Committee on International Relations.

902. A letter from the Assistant Secretary of State for Congressional Relations, transmitting the country allocations of military grant assistance for fiscal year 1975, pursuant to section 653(a) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

903. A letter from the Administrator, Agency for International Development, Department of State, transmitting the country and international organization allocations for programs administered by the Agency for fiscal year 1975, pursuant to section 653(a) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

904. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements other than treaties entered into by the United States, pursuant to section 122(b) of Public Law 92-403; to the Committee on International Relations.

905. A letter from the Secretary of Transportation, transmitting the eighth annual report of activities under the High Speed Ground Transportation Act of 1965, covering the year ended September 30, 1974, pursuant to section 10 of Public Law 89-220 [49 U.S.C. 1640]; to the Committee on Interstate and Foreign Commerce.

906. A letter from the Vice President for Government and Public Affairs, National Railroad Passenger Corporation, transmitting the financial report of the Corporation for the month of January 1975, pursuant to section 308(a)(1) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

907. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a report on applications for orders authorizing or approving the interception of wire or oral communications, covering calendar year 1974, pursuant to 18 U.S.C. 2519; to the Committee on the Judiciary.

908. A letter from the Acting Secretary of Commerce, transmitting an evaluation of the final report of the National Commission on Fire Prevention and Control; to the Committee on Science and Technology.

RECEIVED FROM THE COMPTROLLER GENERAL

909. A letter from the Assistant Comptroller General of the United States, transmitting a report on the release of budget authority for the Railroad-Highway Crossings Demonstration projects, reported to Congress by the Comptroller General as a rescission not reported by the President (H. Doc. No. 94-72), and which was not approved by the Congress; to the Committee on Appropriations.

910. A letter from the Comptroller General of the United States, transmitting a report on opportunities for savings in interest cost through improved letter-of-credit financing methods; jointly to the Committees on Government Operations, and Banking, Currency and Housing.

911. A letter from the Comptroller General of the United States, transmitting a report that upward mobility programs in the Federal Government should be made more effective; jointly to the Committees on Government Operations, and Post Office and Civil Service.

912. A letter from the Comptroller General of the United States, transmitting a report on the liquid metal fast breeder reactor programs; jointly to the Committee on Government Operations, and the Joint Committee on Atomic Energy.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. EVINS of Tennessee: Committee on Small Business. Hearings on Selected Programs of the Small Business Administration (Rept. No. 94-181). Referred to the Committee of the Whole House on the State of the Union.

Mrs. SULLIVAN: Committee on Merchant Marine and Fisheries. H.R. 5405. A bill to amend the Merchant Marine Act, 1920, in **order to permit cargo vessels to carry** more than 16 passengers when emergency situations arise; with amendment (Rept. No. 94–182). Referred to the Committee of the Whole House on the State of the Union.

Mr. REUSS: Committee on Banking, Currency and Housing. H.R. 6209. A bill to prohibit the Federal Home Loan Bank Board from permitting Federal savings and loan associations to offer loans secured by one to four homes or dwellings with variable interest rates; with amendment (Rept. No. 94–183). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. AMBRO (for himself, Ms. Abzug, Mr. Badillo, Mrs. Chisholm, Mr. Downey, Mr. Edgar, Mr. Ford of Michigan, Mr. Gilman, Mr. LaFalce, Mr. Lent, Mr. Miller of California, Mr. Moffett, Mr. Ottinger, Mr. Pattison of New York, Mr. Peyser, Mr. Pike, Mr. Roe, Mrs. Schroeder, Mr. Solarz, Mr. Stratton, Mr. Studds, Mr. Wolff, Mr. Wydler, and Mr. Zeferetti):

H.R. 6513. A bill to amend the Housing and Community Development Act of 1974 with regard to the definition of the term "city" as it is used in that Act; to the Committee on Banking, Currency and Housing.

By Mr. ANDERSON of California (for himself, Mr. Harrington, Mr. Hannaford, Mr. Charles H. Wilson of California, Mrs. Burke of California, Mr. Lagomarsino, Mr. Rees, Mr. Hawkins, and Mr. Burgener):

H.R. 6514. A bill to amend the Migration and Refugee Assistance Act of 1962 to provide for assistance to refugees from Southeast Asia; to the Committee on the Judiciary.

By Mr. ARCHER:

H.R. 6515. A bill to amend the Internal Revenue Code of 1954 to provide a permanent increase to 12 percent in the rate of the investment credit; to the Committee on Ways and Means.

By Mr. ANNUNZIO (for himself, Mrs. Sullivan, Mrs. Spellman, Mr. Barrett, Mr. Gonzalez, Mr. Fauntroy, Mr. Neal, Mr. Wylie, Mrs. Fenwick, and Mr. Grassley):

H.R. 6516. A bill to amend the Equal Credit Opportunity Act to include discrimination on the basis of race, color, religion, national origin, and age, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. ARCHER (for himself and Mr. Corman):

H.R. 6517. A bill to amend the Tariff Schedules of the United States with respect to the rate of duty on strip of iron or steel, in coils, imported for use in the manufacture of cotton bale ties, and for other purposes; to the Committee on Ways and Means.

By Mr. BREAUX (for himself and Mr. Moss):

H.R. 6518. A bill to amend the Agricultural Adjustment Act of 1938 and the Agricultural Act of 1949 with regard to the rice programs established in those Acts; to the Committee on Agriculture.

By Mr. DON H. CLAUSEN:

H.R. 6519. A bill to amend the Small Business Act to include small business establishments primarily engaged in the production of cow's milk for purposes of obtaining loans to assist them in meeting the requirements established under the Federal Water Pollution Control Act; to the Committee on Small Business.

By Mr. DINGELL (for himself and Mr. Conte):

H.R. 6520. A bill to require that certain information about automotive gasoline octane be disclosed to consumers; to the Committee on Interstate and Foreign Commerce.

By Mr. DUNCAN of Tennessee:

H.R. 6521. A bill to amend the Internal Revenue Code of 1954 to exempt from the excise tax imposed on trailers any trailer designed to be used with a light-duty vehicle for farming purposes or for transporting horses or livestock; to the Committee on Ways and Means.

By Mr. FINDLEY (for himself and Mr. Esch):

H.R. 6522. A bill to prevent famine and establish freedom from hunger by increasing world food production through the development of land-grant type universities in agriculturally developing nations; to the Committee on International Relations.

By Mr. HELSTOSKI (for himself and Mr. Conte):

H.R. 6523. A bill to designate the John C. Kluczynski Federal Building; to the Committee on Public Works and Transportation.

By Mr. HOWARD (for himself and Mr. D'Amours):

H.R. 6524. A bill to provide compensation to U.S. commercial fishing vessel owners for damages incurred by them as a result of an action of a vessel operated by a foreign government or a citizen of a foreign government; to the Committee on Merchant Marine and Fisheries.

By Mr. HUTCHINSON:

H.R. 6525. A bill to amend the Federal Trade Commission Act (15 U.S.C. 45) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

By Mr. KASTENMEIER (for himself, Mr. Badillo, Mr. Baldus, Mr. Bedell, Mr. John L. Burton, Mr. Carr, Mr. Cornell, Mr. Downey, Mr. Edwards of California, Mr. Evans of Indiana, Mr. Fithian, Mr. Gude, Mr. Harkin, Mr. Harrington, Mr. Hechler of West Virginia, Mr. Hicks, and Mr. Hungate):

H.R. 6526. A bill to amend the Clayton Act to provide for additional regulation of certain anticompetitive developments in the agricultural industry; to the Committee on the Judiciary.

By Mr. KASTENMEIER (for himself, Mr. Mikva, Mr. Nix, Mr. Obey, Mr. Ottinger, Mr. Pattison of New York, Mr. Rosenthal, Mr. Seiberling, Mr. Simon, Mr. Solarz, Mr. Stark, and Mr. Thompson):

H.R. 6527. A bill to amend the Clayton Act to provide for additional regulation of certain anticompetitive developments in the agricultural industry; to the Committee on the Judiciary.

By Mr. KOCH (for himself, Mr. LaFalce, and Mr. Harrington):

H.R. 6528. A bill to provide for the payment by the United States of attorneys' fees and other costs of the accused in criminal cases where the ultimate disposition is other than a conviction; to the Committee on the Judiciary.

By Mr. LEGGETT:

H.R. 6529. A bill to amend the Internal Revenue Code of 1954 to provide that the discharge of disaster relief loans by the United States shall not constitute income to the taxpayer and shall not reduce the amount of any casualty loss deduction; to the Committee on Ways and Means.

By Mrs. LLOYD of Tennessee:

H.R. 6530. A bill to amend the Wild and Scenic Rivers Act by designating a segment of the Obed River and its tributaries, in Tennessee, as a component of the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. McCORMACK (for himself, Mr. Brown of California, Mr. Teague, Mr. Mosher, Mr. Goldwater, Mr. Andrews of North Dakota, and Mr. Solarz):

H.R. 6531. A bill to authorize in the Energy Research and Development Administration a Federal program of research, development, and demonstration designed to promote electric vehicle technologies and to demonstrate the commercial feasibility of electric vehicles; to the Committee on Science and Technology.

By Mr. McFALL:

H.R. 6532. A bill to amend section 521(a)(1) of the Housing Act of 1949 for the purpose of changing the time period when the Secretary of the Treasury adjusts the interest rate to a level below which the Secretary of Agriculture may not charge on loans made under such section; to the Committee on Banking, Currency and Housing.

By Mr. MATSUNAGA:

H.R. 6533. A bill to amend title 5, United States Code, to authorize the payment of increased annuities to secretaries of justices and judges of the United States; to the Committee on Post Office and Civil Service.

By Mr. MURTHA:

H.R. 6534. A bill to amend the Federal Meat Inspection Act to require that imported meat and meat food products made in whole or in part of imported meat be labeled "imported" at all stages of distribution until delivery to the ultimate consumer; to the Committee on Agriculture.

H.R. 6535. A bill to insure that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced, or entitlement thereto discontinued, because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. PEYSER:

H.R. 6536. A bill to amend the Small Business Act to include small business establishments primarily engaged in the production of cow's milk for purposes of obtaining loans to assist them in meeting the requirements established under the Federal Water Pollution Control Act; to the Committee on Small Business.

By Mr. RANGEL:

H.R. 6537. A bill to amend title 10 of the United States Code in order to count, for purposes of nonregular retirement pay, service before World War II in certain State militia units which were racially segregated; to the Committee on Armed Services.

By Mr. ROGERS (for himself and Mr. Bafalis):

H.R. 6538. A bill to provide for the transfer of the Mar-A-Lago National Historic Site from the United States to the Marjorie Merriweather Post Foundation of the District of Columbia; to the Committee on Interior and Insular Affairs.

By Mr. ROUSH (for himself, Mr. Meeds, and Mr. Pattison of New York):

H.R. 6539. A bill to amend the Federal Water Pollution Control Act to provide that Federal reimbursement may be made with respect to certain treatment works, construction of which was initiated before October 18, 1972; to the Committee on Public Works and Transportation.

By Mr. ROUSH (for himself, Mr. Baucus, Mr. Carney, Mr. Jeffords, Mr. McKinney, Mr. Murphy of New York, Mr. Pattison of New York, and Mr. Solarz):

H.R. 6540. A bill to amend part A of title XVIII of the Social Security Act to authorize payment for emergency inpatient hospital services furnished outside the United States, to a qualified individual whose principal residence is within the United States, without regard to where the emergency occurred; to the Committee on Ways and Means.

By Mr. ROUSSELOT:

H.R. 6541. A bill relating to collective bargaining representation of postal employees; to the Committee on Post Office and Civil Service.

By Mr. SIMON:

H.R. 6542. A bill to amend title 5, United States Code, to restore the survivor annuities of certain remarried spouses whose remarriages have terminated, and for other purposes; to the Committee on Post Office and Civil Service.

By Mrs. SPELLMAN:

H.R. 6543. A bill to require Federal agencies and contractors to assure that an adequate supply of housing for middle- and low-income employees will be available in any community in which a Government facility is to be located, and for other purposes; jointly to the Committees on Government Operations, Banking, Currency and Housing, and Education and Labor.

By Mr. STRATTON:

H.R. 6544. A bill to grant a Federal charter to the Pearl Harbor Survivors Association, Inc.; to the Committee on the Judiciary.

By Mr. STRATTON for himself, Ms. Abzug, Mr. Blanchard, Mr. Del Clawson, Mr. Gilman, Mr. Johnson of Pennsylvania, Mr. Morgan, Mr. Nichols, Mr. Price, Mr. Roe, Mr. Santini, Mr. Van Deerlin, Mr. Won Pat, and Mr. Wright):

H.R. 6545. A bill to prohibit any increase in the price of certain consumer commodities by any retailer once a price is placed on any such commodity by such retailer, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WEAVER:

H.R. 6546. A bill to amend the Commodity Credit Corporation Charter Act, as amended, to provide the highest possible prices in foreign markets for American agricultural producers and to assure a reliable supply of raw foodstuffs to foreign purchasers; to the Committee on Agriculture.

By Mr. BROOMFIELD:

H.R. 6547. A bill to delay the effective date of noise emission standards and procedures to enforce such standards which apply to certain motor vehicles; to the Committee on Interstate and Foreign Commerce.

H.R. 6548. A bill to delay the effective date of a standard applicable to hydraulic service brake systems and associated parking brake systems; to the Committee on Interstate and Foreign Commerce.

By Mr. CARTER (for himself, Mr. Brown of California, Mr. Conyers, Mr. Downey, Mr. Eilberg, Mr. Koch, Mr. Matsunaga, Mr. Preyer, Mr. Solarz, Mr. Symington, and Mr. Waxman):

H.R. 6549. A bill to provide for the establishment of the National Center for Health Education and Promotion and the Institution for Health Education and Promotion to advance the national health; to reduce preventable illness, disability and death; to moderate self-imposed risks; to promote progress and scholarship in consumer health education and preventive medicine; to the Committee on Interstate and Foreign Commerce.

By Mr. CLANCY:

H.R. 6550. A bill to amend the Federal Trade Commission Act (15 U.S.C. 41) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

H.R. 6551. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968, as amended, to provide benefits to survivors of police officers and firefighters killed in the line of duty; to the Committee on the Judiciary.

H.R. 6552. A bill to make it a Federal crime to kill or assault a fireman or law enforcement officer engaged in the performance of his duties when the offender travels in interstate commerce or uses any facility of interstate commerce for such purpose; to the Committee on the Judiciary.

H.R. 6553. A bill to amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); to the Committee on Ways and Means.

H.R. 6554. A bill to amend the Internal Revenue Code of 1954 to provide that pensions paid to retired policemen or firemen or their dependents, or to the widows or other survivors of deceased policemen or firemen, shall not be subject to the income tax; to the Committee on Ways and Means.

By Mr. DOMINICK V. DANIELS (for himself, Mr. Wolff, Mr. Weaver, Mr. Scheuer, and Mr. Mitchell of Maryland):

H.R. 6555. A bill to amend the Internal Revenue Code of 1954 to allow individuals a deduction for amounts paid or incurred for repairs or improvements of, or additions to, their principal residences; to the Committee on Ways and Means.

By Mr. DENT (for himself, and Mr. Levitas):

H.R. 6556. A bill to establish a Voter Registration Administration within the General Accounting Office for the purpose of administering a voter registration program through the Postal Service; to the Committee on House Administration.

By Mr. EILBERG:

H.R. 6557. A bill to amend the Federal Energy Administration Act of 1974 in order to provide for the prohibition of certain discriminatory practices in the pricing of fuels and other forms of energy, including electricity; to the Committee on Interstate and Foreign Commerce.

By Mr. FOUNTAIN (for himself, Mr. Horton, and Mr. Wydler):

H.R. 6558. A bill to extend and revise the State and Local Fiscal Assistance Act of 1972; to the Committee on Government Operations.

By Ms. HOLTZMAN (for herself, Mr. Rodino, Mr. Ashley, Mr. Conyers, Mr. Dominick V. Daniels, Mr. Eilberg, Mr. Fascell, Mr. Fish, Mr. Ford of Tennessee, Mr. Harrington, Mr. Hicks, Mr. Koch, Mr. Macdonald of Massachusetts, Mr. Maguire, Mr. Minish, Mr. Mitchell of Maryland, Mr. Nowak, Mr. Ottinger, Mr. Pattison of New York, Mr. Rinaldo, Mr. Rosenthal, Mr. Thompson, Mr. Waxman, and Mr. Zeferetti):

H.R. 6559. A bill to amend title 18 of the United States Code to prohibit certain forms of economic coercion based on religion, race, national origin, sex, or certain other factors; to the Committee on the Judiciary.

By Ms. HOLTZMAN (for herself, Mr. Rodino, Mr. Anderson of California, Mr. Badillo, Mr. Bingham, Mr. Blanchard, Mr. Burke of Massachusetts, Ms. Collins of Illinois, Mr. Edgar, Mr. Fauntroy, Mr. Forsythe, Mr. Fraser, Mr. Long of Maryland, Mr. Mikva, Mr. Moss, Mr. Murphy of New York, Mr. Obey, Mr. Richmond, Mr. St Germain, Mr. Sarbanes, Mrs. Schroeder, Mr. Simon, Mrs. Spellman, Mr. Stark, and Mr. Udall):

H.R. 6560. A bill to amend title 18 of the United States Code to prohibit certain forms of economic coercion based on religion, race, national origin, sex, or certain other factors; to the Committee on the Judiciary.

By Mr. HUNGATE (for himself, Mr. Randall, Mrs. Sullivan, Mr. Bolling, Mr. Litton, Mr. Clay, and Mr. Ichord):

H.R. 6561. A bill to amend title XVI of the Social Security Act to permit individuals who are residents in certain public institutions to receive supplementary security income benefits; to the Committee on Ways and Means.

By Mr. JONES of Alabama (for himself, Mr. Roe, Mr. Hannaford, Mr. Patterson of California, Mr. Maguire, Mr. Minish, Mrs. Meyner, Mr. Dominick V. Daniels, and Mr. Rinaldo):

H.R. 6562. A bill to authorize a local public works capital development and investment program; to the Committee on Public Works and Transportation.

By Mr. LITTON:

H.R. 6563. A bill to improve the reliability, safety, and energy efficiency of transportation by providing funds for repairing, rehabilitating, and improving railroad roadbeds and facilities; to the Committee on Interstate and Foreign Commerce.

By Mr. MATHIS:

H.R. 6564. A bill to authorize the lease and transfer of tobacco from marketing quotas to farms in contiguous counties within the same State; to the Committee on Agriculture.

H.R. 6565. A bill to amend the Federal Trade Commission Act (15 U.S.C. 45) to provide that under certain circumstances exclusive territorial arrangements shall not be deemed unlawful; to the Committee on Interstate and Foreign Commerce.

By Mr. MILLER of Ohio:

H.R. 6566. A bill to amend the Federal Salary Act of 1967, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. PATMAN (for himself, Mrs. Sullivan, Mr. Reuss, and Mr. Ashley):

H.R. 6567. A bill to amend the Defense Production Act of 1950, as amended; to the Committee on Banking, Currency and Housing.

By Mr. STAGGERS (for himself and Mr. Devine):

H.R. 6568. A bill to amend section 511(d) of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 881 (d)) to raise the monetary unit applicable to drug-related judicial forfeitures from $2,500 to $10,000; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS (for himself and Mr. Devine):

H.R. 6569. A bill to amend section 212 of the Federal Railroad Safety Act of 1970 to authorize additional appropriations; to the Committee on Interstate and Foreign Commerce.

By Mr. SYMMS:

H.R. 6570. A bill to amend the act of June 4, 1897, to increase the value limitation on the amount of forest products which the Secretary of Agriculture may sell without advertisement; to the Committee on Agriculture.

By Mr. STAGGERS (for himself and Mr. Devine):

H.R. 6571. A bill to repeal exemptions in the antitrust laws relating to fair trade laws; jointly to the Committees on the Judiciary and Interstate and Foreign Commerce.

By Mr. JEFFORDS (for himself, Mr. Carr, Mr. Sarbanes, Mrs. Burke of California, Mr. Adams, and Mr. Frenzel):

H.J. Res. 421. Joint resolution to amend the Emergency Petroleum Allocation Act of 1973 to prohibit the President from setting minimum prices for crude oil, residual fuel oil, or any refined petroleum product without congressional authority, to prohibit the President from using section 232(b) of the Trade Expansion Act of 1962 or any other provision of law to establish such minimum prices without congressional authority, and for other purposes; jointly to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. LENT:

H.J. Res. 422. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. ROYBAL (for himself and Mr. Nolan):

H.J. Res. 423. Joint resolution authorizing the President to proclaim September 8 of each year as "National Cancer Day"; to the Committee on Post Office and Civil Service.

By Mr. COLLINS of Texas (for himself, Mr. Kindness, Mr. Bevill, Mr. Ketchum, Mr. McDonald of Georgia, Mr. Devine, Mr. Sikes, Mr. Frenzel, Mr. Taylor of Missouri, Mr. Archer, Mr. Abdnor, Mr. Dickinson, Mr. Treen, Mr. Jenrette, Mrs. Holt, and Mr. Lent):

H. Con. Res. 258. Concurrent resolution recommending voluntary agreements between Government and industry for the development of passive restraint systems in automobiles until these systems have been proven effective; to the Committee on Interstate and Foreign Commerce.

By Mr. McDADE:

H. Con. Res. 259. Concurrent resolution expressing the sense of the Congress that Mother Teresa of Calcutta be recommended for nomination for the 1975 Nobel Peace Prize; to the Committee on International Relations.

By Mr. ROUSSELOT (for himself, Mr. Beard of Tennessee, Mr. Collins of Texas, Mr. Crane, Mr. Edwards of Alabama, Mr. Goldwater, Mr. Guyer, Mr. Hansen, Mr. Johnson of Pennsylvania, Mr. Ketchum, Mr. Martin, and Mr. Miller of Ohio):

H. Con. Res. 260. Concurrent resolution setting forth, on an aggregate basis only, the congressional budget for the U.S. Government for the fiscal year 1976; to the Committee on the Budget.

By Mr. ROUSSELOT (for himself, Mr Beard of Tennessee, Mr. Collins of Texas, Mr. Crane, Mr. Edwards of Alabama, Mr. Goldwater, Mr. Guyer, Mr. Hansen, Mr. Johnson of Pennsylvania, Mr. Ketchum, Mr. Martin, and Mr. Miller of Ohio):

H. Con. Res. 261. Concurrent resolution setting forth, on an aggregate basis only, the congressional budget for the U.S. Government for the fiscal year 1976; to the Committee on the Budget.

By Mr. CLANCY:

H. Res. 430. Resolution in support of continued undiluted U.S. sovereignty and jurisdiction over the U.S.-owned Canal Zone on the Isthmus of Panama; to the Committee on International Relations.

By Mr. DENT (for himself, Mr. Ottinger, Mr. Harrington, Mr. Ford of Michigan, Mr. Ketchum, Mr. du Pont, Mr. Addabbo, Mr. Vander Veen, Mr. Biaggi, Mr. Stark, Mr. Zeferetti, Mr. Carney, Mr. Riegle, Mr. Solarz, Mr. Gaydos, Mr. Dominick V. Daniels, Mr. Vanik, Mr. Carr, and Mr. Lagomarsino):

H. Res. 431. Resolution; impact of imports on unemployment investigation; to the Committee on Education and Labor.

By Mr. DOWNING (for himself, Mr. Whitehurst, and Mr. Harris):

H. Res. 432. Resolution creating a select committee to conduct an investigation and study of the circumstances surrounding the death of John F. Kennedy; to the Committee on Rules.

By Mr. LITTON (for himself, Mr. Mineta, and Mr. Scheuer):

H. Res. 433. Resolution expressing the sense of the House of Representatives concerning the need for immediate and substantial public investments in agricultural research and technology for the express purpose of increasing food production; to the Committee on Agriculture.

By Mr. MILLER of Ohio:

H. Res. 434. Resolution to require approval by thc House of Representatives with respect to the fixing or adjustment of certain allowances for Members of the House; to the Committee on House Administration.

By Mr. PRESSLER:

H. Res. 435. Resolution to provide that individuals attending or teaching at vocational schools shall be eligible to serve as congressional interns in the House of Representatives; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

118. By the SPEAKER: Memorial of the Senate of the State of New Jersey, relative to the Soviet Union's emigration policies; to the Committee on International Relations.

119. Also, memorial of the Legislature of the State of Oklahoma, relative to Vienamese and Cambodian orphans; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. ROONEY introduced a bill (H.R. 6572) to authorize the appointment of Alexander P. Butterfield to the retired list of the Regular Air Force, and for other purposes, which was referred to the Committee on Armed Services.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

114. By the SPEAKER: Petition of the Schuyler County Human Services Committee, Corning, N.Y., relative to child development legislation; to the Committee on Education and Labor.

115. Also, petition of the National Academy of Sciences, Washington, D.C., relative to the United Nations Educational, Scientific, and Cultural Organization; to the Committee on International Relations.

116. Also, petition of the school board of Palm Beach County, Fla., relative to designating the third Friday in May of each year as Teachers' Day; to the Committee on Post Office and Civil Service.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H. Con. Res. 218

By Mr. DINGELL:

Amendment to House Concurrent Resolution 218, or to any amendment in the nature of a substitute to House Concurrent Resolution 218 (to be considered en bloc):

On page 1, line 11, strike out $395,600,000,000" and insert in lieu thereof "395,615,000,000";

On page 2, line 2, strike out "$368,200,000,000" and insert in lieu thereof "368,215,000,000";

On page 2, line 5, strike out $73,200,000,000" and insert in lieu thereof $73,215,000,000";

On page 2, line 7, strike out "$624,000,000,000,000" and insert in lieu thereof "$624,015,000,000";

On page 2, line 9, strike out $93,000,000,000" and insert in lieu thereof "$93,015,000,000."

SENATE—*Wednesday, April 30, 1975*

(Legislative day of Monday, April 21, 1975)

The Senate met at 10:15 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. Eastland).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God of creation and Lord of all history, in the solemn silence of this moment make us sure of Thy presence, Thy power, and Thy providence in the affairs of men and nations. May deliverance from past burdens never become despair in the work of the present. Save us from censoriousness, from self-disdain, from condemnation of others. Mend our divisions, heal our wounds, unite our hearts and minds in common endeavor for that peace and justice which are the tokens of Thy kingdom. Fill our needs according to the abundance of Thy grace.

Hasten the end of suffering from war in other lands.

Quicken our love of America that beyond the shadows of today we may see the shining glory of the Republic both as heritage and trust. May we be steadfast in our love of life, our devotion to freedom, our intolerance of evil, and our abiding faith in the things of the spirit.

In the Redeemer's name we pray. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Tuesday, April 29, 1975, be approved.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider certain nominations on the calendar beginning with the Agency for International Development.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDENT pro tempore. The nominations will be stated.

AGENCY FOR INTERNATIONAL DEVELOPMENT

The legislative clerk proceeded to read nominations in the Agency for International Development.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that those nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

U.S. AIR FORCE

The legislative clerk read the nomination of Lt. Gen. Ernest C. Hardin, Jr. to be lieutenant general.

The PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

U.S. ARMY

The legislative clerk proceeded to read sundry nominations in the U.S. Army.

Mr. MANSFIELD. I ask unanimous consent that those nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

U.S. NAVY

The legislative clerk proceeded to read sundry nominations in the U.S. Navy.

Mr. MANSFIELD. I ask unanimous consent that those nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

The legislative clerk proceeded to read sundry nominations in the Air Force, Army, Navy, and Marine Corps.

Mr. MANSFIELD. I ask unanimous consent that the nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of these nominations.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(All nominations confirmed today are printed at the end of the Senate proceedings.)

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDENT pro tempore. Without objection, it is so ordered.

WHEN THE PRESIDENT AND CONGRESS COOPERATE

Mr. MANSFIELD. Mr. President, on yesterday, President Ford made the following statement:

> This action closes a chapter in the American experience. I ask all Americans to close ranks, to avoid recrimination about the past, to look ahead to the many goals we share and to work together on the great tasks that remain to be accomplished.—President Ford.

A tragic episode in our history has now come to a close in Vietnam. There will be time enough to probe the wreckage of the policy of involvement. There will be time enough to draw new perceptions from the experience for future guidance.

For now, however, before these last impressions fade, it seems to me very necessary to underline one aspect of the matter. That is, the immense difficulty even at the end to move the reluctant machinery of this Government to the point where the last Americans could be removed in relative safety by the Marines. Even then, the cost was four more American lives, not to speak of the death and anguish of countless Vietnamese. In the end, it took the cooperation of the President and the Congress to bring about a termination. It came, finally, because Congress was unwilling to give the executive branch a blank check in providing the closeout funds. Congress insisted not only on the withdrawal of American personnel but on a speedup of that withdrawal as a precondition of further appropriations. Working with the Congress, moreover, the President moved the executive branch to proceed on that basis. So, together, the President and the Congress achieved the result. To be sure, it was late. To be sure, weeks were lost after the great collapse in the highlands. To be sure, there were last minute human tragedies. But think what else might have been had the procrastination been allowed to continue until an attack on Saigon was underway. Think what might have been had a U.S. reinvolvement in the war taken place at that time.

So I wanted to take this moment to stress the importance of the closest collaboration between the President and the Congress. It was the decisive factor in this situation. He kept the Congress informed and consulted repeatedly. That is the only fashion in which this Government can deal effectively with a critical confrontation abroad. In moments of crises, at least, the President and the Congress cannot be adversaries; they must be allies who, together, must delineate the path to guide the Nation's massive machinery of government in a fashion which serves the interests of the people and is acceptable to the people.

ORDER OF BUSINESS

The PRESIDENT pro tempore. Does the Senator from North Carolina seek recognition in behalf of the minority?

Mr. HELMS. No.

The PRESIDENT pro tempore. Under the previous order, the Senator from South Dakota (Mr. McGOVERN) is authorized to proceed for not to exceed 15 minutes.

Mr. JAVITS. Mr. President, it is my understanding that the Senator from South Dakota has waived his time this morning, and I think I am next in order, if I may proceed. May I be recognized?

The PRESIDENT pro tempore. The Senator from New York is recognized.

ACTION ON THE VIETNAM HUMANITARIAN ASSISTANCE CONFERENCE REPORT MUST BE COMPLETED

Mr. JAVITS. It is interesting, Mr. President, that the majority leader, with his fresh approach to great public affairs matters, should have spoken as he has this morning. I had in mind calling the Senate's and the country's attention to a specific implementation of the general position which the majority leader has outlined, which requires action on the part of the other body at this particular moment, indeed, today.

For, Mr. President, in the collaboration between Congress and the President, which was admirable and which had an extremely constructive result, in that I do not believe that the movement for as early an evacuation, which has proved to be just in the nick of time, would have occurred had it not been for the strong view, especially, of the Committee on Foreign Relations and the Senate; and the basis for that collaboration was embodied in a bill called the Vietnam humanitarian and evacuation bill, which was passed by both Houses in different versions, compromised in conference, and the conference report agreed to by the Senate on last Friday.

This represents, as it were, the consummation of that collaboration which was praised, and quite rightly, by the majority leader, and it all stems back to the assertion of power by Congress in the war powers resolution, which was dealt with in this particular bill and in other measures which we have taken at long last to recapture one-half the authority over foreign policy, and especially the making of war, which we had yielded to the Executive over the decades, either by failing to use it or by actually passing the authority to the Chief Executive.

The conference report, very unfortunately, Mr. President, was not dealt with in the House of Representatives. It was supposed to be dealt with yesterday, and was passed over because of the fact that such portentous events were taking place; but they await action, and in my judgment action is essential and the conference report already agreed to by the Senate should be agreed to by the House and become law.

That conference report contained certain money authorizations respecting relief of the victims of the Vietnam war, and there certainly should be no question about the need for those authorizations, and I am sure they would be given whether in that law or not. But equally with the authorization, there should be no question about those sections of the bill which clarify the President's authority, and give him the additional authority he required under the war powers resolution and the Constitution. The President properly asked the Congress to clarify the question of his lawful authority and this has been done; it must be carried through to completion. The evacuation was materially accelerated and shaped in its nature through the insistence of the Senate Foreign Relations Committee and the Senate.

Mr. President, the keys to the authority of the President which is dealt with by this measure, and why we must pass it as a law, are twofold:

First, the extent of the President's authority under the Constitution—and he has such authority—to evacuate Americans from a war zone; and second, the authority to use the Armed Forces in the process. The extent of that, the size, time, duration, et cetera, is one of the subjects of the bill.

The critical subject in the bill is that it deals with the evacuation of the Vietnamese, because in my judgment, Mr. President, the President has no constitutional or legal authority to evacuate Vietnamese.

In using U.S. Armed Forces to evacuate Vietnamese, the President went beyond his constitutional authority. This is understandable and under the tragic circumstances probably inevitable, and I doubt that any of us as President would have done anything else, and in addition the President was buttressed by the fact that what he did was in substantial agreement with the views of both Houses, as expressed in their separate bills and in the conference report—if it becomes law.

In order, therefore, to serve as an effective and adequate precedent for the future, however, and to ratify the agreement already, in effect, worked out by the Congress and the Executive concerning the President's actions, the conference report must become law. It will serve, as well, as a model and precedent in this all important war responsibility in the future, to have these questions of the power of the President and the power of the Congress definitively settled by this law. Not to do so will abort a vital element in the determination of who makes war—and will be a disservice to our country.

As I said a moment ago, the President has the constitutional authority to rescue Americans from a war zone and to use armed forces in the process, but he does not have the constitutional authority to rescue Vietnamese and we gave him that authority specifically in this bill.

As I stated previously, the President's actions in bringing out the Vietnamese friends of the United States, with a conference report giving him this authority already passed by the Senate is not legal, but it is understandable and inevitable, I doubt very much that any of us as President would have done anything different. But to fail to ratify this action by making the bill law would be only a confirmation of the way Congress waived its authority for years on the war making power in favor of Presidents, and would be compromising the recapture of these powers according to the war powers resolution. The Congress must in dignity and self-respect, and in the interest of the country, stand fast, in my judgment.

Now, Mr. President, this is critically important because there is no way of suing the President of the United States to enforce this law. The only remedy against the President, if one were going to take an overt remedy, is impeachment, and no one is even talking about that seriously, or should. But the Congress can, Mr. President, by standing on its prerogatives, assert its rights and get them, and that is why it is absolutely vital that this conference report, now solely in the province of the other body, should become law.

Finally, Mr. President—and I apologize to Senator MANSFIELD if he has already said this—speaking as one Senator and as a Member of this body, I feel that the Senate has accredited itself extremely well in this situation, and its impact upon the administration has been felt, and very creditably and creatively. I also feel that the Armed Forces of our country, which performed so nobly in Phnom Penh in a much similar situation, have again performed remarkably well, notwithstanding the problems and the small failures and the difficulties about which we have read in the press. Our Armed Forces have performed remarkably well in this very, very tragic situation which we saw the other day.

Mr. President, I cannot emphasize too strongly the test which is now before Congress, and the need to meet that test, and that is that, recognizing the limits of a President's authority both as to Americans and as to Vietnamese, and especially as to the latter, it is essential that Congress show its own determination to stick to its new-found authority after so many years by acting on the Vietnam humanitarian and evacuation bill, finally asking the President to sign it into law, thereby the board which, I think, would be a colossal mistake and a grave disservice to the country.

Mr. President, I yield back the remainder of my time and suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements therein limited to 5 minutes.

TRAVEL EXPENSE AMENDMENTS ACT OF 1975

Mr. RIBICOFF. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 172.

The PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 172) to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of Government employees, and for other purposes, as follows:

Strike out all after the enacting clause, and insert: That this Act may be cited as the "Travel Expense Amendments Act of 1975".

SEC. 2. (a) Section 5701(2) of title 5, United States Code, is amended to read as follows:

"(2) 'employee' means an individual employed in or under an agency including an individual employed intermittently in the Government service as an expert or consultant and paid on a daily when-actually-employed basis and an individual serving without pay or at $1 a year";

(b) Section 5705 of such title 5 is amended by striking out "or individual" wherever it appears.

SEC. 3. Section 5702 of title 5, United States Code, is amended to read as follows:

"§ 5702. PER DIEM; EMPLOYEE TRAVELING ON OFFICIAL BUSINESS

"(a) Under regulations prescribed under section 5707 of this title, an employee while traveling on official business away from his designated post of duty, or in the case of an individual described under section 5703 of this title, his home or regular place of business, is entitled to (1) a per diem allowance for travel inside the continental United States at a rate not to exceed $35, and (2) a per diem allowance for travel outside the continental United States, that may not exceed the rate established by the President, or his designee, for each locality where travel is to be performed. For travel consuming less than a full day, such rate may be allocated proportionately.

"(b) Under regulations prescribed under section 5707 of this title, an employee who, while traveling on official business away from his designated post of duty or, in the case of an individual described under section 5703 of this title, his home or regular place of business, becomes incapacitated by illness or injury not due to his own misconduct, is entitled to the per diem allowance and appropriate transportation expenses to his designated post of duty, or home or regular place of business, as the case may be.

"(c) Under regulations prescribed under section 5707 of this title, the Administrator of General Services, or his designee, may prescribe conditions under which an employee may be reimbursed for the actual and necessary expenses of official travel when the maximum per diem allowance would be less than these expenses, except that such reimbursement shall not exceed $50 for each day in a travel status within the continental United States when the per diem otherwise allowable is determined to be inadequate (A) due to the unusual circumstances of the travel assignment, or (B) for travel to high rate geographical areas designated as such in regulations prescribed under section 5707 of this title.

"(d) Under regulations prescribed under section 5707 of this title, for travel outside the continental United States, the Administrator of General Services or his designee, may prescribe conditions under which an employee may be reimbursed for the actual and necessary expenses of official travel when the per diem allowance would be less than these expenses, except that such reimbursement shall not exceed $21 for each day in a travel status outside the continental United States plus the locality per diem rate prescribed for such travel.

"(e) This section does not apply to a justice or judge, except to the extent provided by section 456 of title 28.".

Sec. 4. Section 5703 of title 5, United States Code, is amended to read as follows:

"§ 5703. Per diem, travel, and transportation expenses; experts and consultants; individuals serving without pay

"An employee serving intermittently in the Government service as an expert or consultant and paid on a daily when-actually-employed basis, or serving without pay or at $1 a year, may be allowed travel or transportation expenses, under this subchapter, while away from his home or regular place of business and at the place of employment or service.".

Sec. 5. Section 5704 of title 5, United States Code, is amended to read as follows:

"§ 5704. Mileage and related allowances

"(a) Under regulations prescribed under section 5707 of this title, an employee who is engaged on official business for the Government is entitled to not in excess of—

"(1) 11 cents a mile for the use of a privately owned motorcycle;

"(2) 20 cents a mile for the use of a privately owned automobile; or

"(3) 24 cents a mile for the use of a privately owned airplane;

instead of actual expenses of transportation when that mode of transportation is authorized or approved as more advantageous to the Government. A determination of such advantage is not required when payment on a mileage basis is limited to the cost of travel by common carrier including per diem. Notwithstanding the preceding provisions of this subsection, in any case in which an employee who is engaged on official business for the Government chooses to use a privately owned vehicle in lieu of a Government vehicle, payment on a mileage basis is limited to the cost of travel by a Government vehicle.

"(b) In addition to the mileage allowance authorized under subsection (a) of this section, the employee may be reimbursed for—

"(1) parking fees;

"(2) ferry fees;

"(3) bridge, road, and tunnel costs; and

"(4) airplane landing and tie-down fees.".

Sec. 6. (a) Section 5707 of title 5, United States Code, is amended to read as follows:

"§ 5707. Regulations and reports.

"(a) The Administrator of General Services shall prescribe regulations necessary for the administration of this subchapter, except that the Director of the Administrative Office of the United States Courts shall prescribe such regulations with respect to official travel by employees of the judicial branch of the Government.

"(b)(1) The Administrator of General Services, in consultation with the Comptroller General of the United States, the Secretary of Transportation, the Secretary of Defense, and representatives of organizations, of employees of the Government, shall conduct periodic investigations of the cost of travel and the operation of privately owned vehicles to employees while engaged on official business, and shall report the results of such investigations to Congress at least once a year. In conducting the investigations, the Administrator shall review and analyze among other factors—

"(A) depreciation of original vehicle cost;

"(B) gasoline and oil (excluding taxes);

"(C) maintenance, accessories, parts, and tires;

"(D) insurance; and

"(E) State and Federal taxes.

"(2) The Administrator shall issue regulations under this section which shall prescribe mileage allowances which shall not exceed the amounts set forth in section 5704(a) of this title and which reflect the current costs, as determined by the Administrator, of operating privately owned motorcycles, automobiles, and airplanes. At least once each year after the issuance of the regulations described in the preceding sentence, the Administrator shall determine, based upon the results of his investigation, specific figures, each rounded to the nearest one-half cent, of the average, actual cost a mile during the period for the use of a privately owned motorcycle, automobile, and airplane. The Administrator shall report such figures to Congress not later than five working days after he makes his determination. Each such report shall be printed in the Federal Register. The mileage allowances contained in regulations prescribed under this section shall be adjusted within thirty days following the submission of that report to the figures so determined and reported by the Administrator.".

(b) The regulations required under the first sentence of section 5707(b)(2) of title 5, United States Code, as amended by subsection (a) of this section, shall be issued no later than thirty days after the effective date of this Act.

Sec. 7. Item 5707 contained in the analysis of subchapter I of chapter 57 of title 5, United States Code, is amended to read as follows:

"5707. Regulations and reports.".

Mr. RIBICOFF. Mr. President, the bill, S. 172, was passed by the Senate on March 20, 1975. On April 22, the House of Representatives, after passing its version of the measure, H.R. 4834, vacated passage and passed the Senate-passed version, S. 172, after amending it by substituting the language of the House-passed bill.

S. 172, as it passed the Senate, contained a provision which applied the new Government-wide per diem rates to Senators and committee and other Senate staff employees traveling on official Senate or committee business. The House amendment omits this provision.

I move that the Senate concur in the House amendment with an amendment which I send to the desk.

The PRESIDENT pro tempore. The clerk will state the amendment.

The legislative clerk read as follows:

On page 7, immediately below the matter appearing below line 15, insert the following new section:

Sec. 8. The seventh paragraph under the heading "Administrative provisions" in the Senate appropriation in the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 68b), is amended by striking out "$25" and "$40" and inserting in lieu thereof "$35" and "$50", respectively.

Mr. RIBICOFF. Mr. President, the amendment would restore to the bill the provisions referred to and I move its adoption.

The PRESIDENT pro tempore. The question is on agreeing to the motion.

Mr. HELMS. Mr. President, if the Senator would be willing to have a brief quorum call so that I can discuss one spect, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I move that the Senate concur in the House amendment with the amendment I have sent to the desk.

The motion was agreed to.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF THE NATIONAL VOLUNTARY SERVICE ADVISORY COUNCIL—MESSAGE FROM THE PRESIDENT

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States transmitting the annual report of the National Voluntary Service Advisory Council, which, with the accompanying report, was referred to the Committee on Labor and Public Welfare. The message is as follows:

To the Congress of the United States:

I herewith transmit the First Annual Report of the National Voluntary Service Advisory Council as required by section 405 of the Domestic Volunteer Service Act of 1973.

Gerald R. Ford.

The White House, *April 30, 1975.*

MESSAGES FROM THE HOUSE

At 10:17 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House disagrees to the amendments of the Senate to the bill (H.R. 4485) to provide for greater homeownership opportunities for middle-income families and to encourage more efficient use of land and energy resources; agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Reuss, Mr. Barrett, Mr. Ashley, Mr. Moorhead of Pennsylvania, Mr. St Germain, Mr. Mitchell of Maryland, Mr. AuCoin, Mr. Brown of Michigan, Mr. J. William Stanton, and Mr. Rousselot were appointed managers of the conference on the part of the House.

ENROLLED BILL SIGNED

At 12:24 p.m., a message from the House of Representatives delivered by Mr. Berry announced that the Speaker has signed the enrolled bill (H.R. 2808) to amend the joint resolution of July 18, 1939 (53 Stat. 1062), to provide for the acceptance of additional lands for the Home of Franklin D. Roosevelt National Historic Site, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

AMENDMENT TO SUPPLEMENTAL 1975 APPROPRIATIONS FOR THE LEGISLATIVE BRANCH—(S. Doc. 94-46)

A communication from the President of the United States submitting a proposed amendment in the amount of $531,530 to a request for supplemental 1975 appropriations for the Legislative Branch (with accompanying papers); to the Committee on Appropriations, and ordered to be printed.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore (Mr. EASTLAND):

A petition seeking a redress of grievances from the Statewide Committee Opposing Regional Plan Areas, Barstow, Calif.; to the Committee on the Government Operations.

A petition seeking a redress of grievances from the Statewide Committee Opposing Regional Plan Areas, Terre Haute, Ind.; to the Committee on Government Operations.

A petition seeking a redress of grievances from the Statewide Committee Opposing Regional Plan Areas, Winnetka, Ill.; to the Committee on Government Operations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HRUSKA, from the Committee on the Judiciary without amendment:

H.J. Res. 242. A joint resolution to authorize and request the President to issue a proclamation designating the calendar week beginning May 12, 1975, as "National Historic Preservation Week" (Rept. No. 94-100).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. SPARKMAN, from the Committee on Foreign Relations, with reservation:

Ex. M, 93rd Congress, 2d Session. International Agreement for the Creation at Paris of an International Office of Epizootics, done at Paris on January 25, 1924, with annexes (Exec. Rept. 94-4).

Mr. SPARKMAN. Mr. President, as in executive session, I report favorably from the Committee on Foreign Relations sundry nominations in the Foreign Service which have previously appeared in the CONGRESSIONAL RECORD and, to save the expense on the Executive Calendar, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. RIBICOFF (for himself, Mr. MCINTYRE, and Mr. WEICKER):

S. 1605. A bill exempting State lotteries from certain Federal prohibitions, and for other purposes. Referred to the Committee on Finance.

By Mr. CLARK:

S. 1606. A bill to make more chemical fertilizer available throughout the world for the production of food by substantially reducing the amount of such fertilizer used in the United States for nonfood growing purposes. Referred to the Committee on Agriculture and Forestry.

By Mr. RANDOLPH:

S. 1607. A bill to amend chapter 31 of title 5, United States Code, to authorize the employment of reading assistants for blind employees and interpreters for deaf employees. Referred to the Committee on Post Office and Civil Service.

By Mr. HATHAWAY (for himself, Mr. WILLIAMS, Mr. RANDOLPH, Mr. SCHWEIKER, and Mr. JAVITS):

S. 1608. A bill to amend the Drug Abuse Office and Treatment Act of 1972, and for other purposes. Referred to the Committee on Government Operations and the Committee on Labor and Public Welfare, jointly, by unanimous consent.

By Mr. BURDICK:

S. 1609. A bill designating the park established pursuant to the Act of April 25, 1947 (61 Stat. 52), as the "Theodore Roosevelt National Park." (Referred to the Committee on Interior and Insular Affairs.

By Mr. RIBICOFF:

S. 1610. A bill for the relief of Robert Lionel Reid and Nadia Alice Reid. Referred to the Committee on the Judiciary.

By Mr. ROTH:

S. 1611. A bill to amend title II of the Federal Water Pollution Control Act to provide for State certification. Referred to the Committee on Public Works.

By Mr. DOLE:

S.J. Res. 76. A joint resolution authorizing and requesting the President to issue a proclamation designating the 7 calendar days commencing on April 30 of each year as "National Beta Sigma Phi Week". Referred to the Committee on the Judiciary.

By Mr. MCINTYRE (for himself, Mr. KENNEDY, Mr. LEAHY, Mr. MUSKIE, Mr. PASTORE, Mr. RIBICOFF, and Mr. STAFFORD):

S.J. Res. 77. A joint resolution to amend the Act creating the American Revolution Bicentennial Advisory Council to permit the appointment of members from the New England States. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. RIBICOFF (for himself, Mr. MCINTYRE, and Mr. WEICKER):

S. 1605. A bill exempting State lotteries from certain Federal prohibitions, and for other purposes. Referred to the Committee on Finance.

Mr. RIBICOFF. Mr. President, today I am introducing legislation to exempt officially sanctioned State lotteries from the 2-percent excise tax on gross lottery revenues and to exempt sellers of State lottery tickets from the $500 occupational tax.

State governments throughout America face an economic crisis. The cost of government services is increasing but the ability of States to pay for these services through taxes is reaching its limits.

As a result, at least a dozen States, including Connecticut, have enacted a State lottery to help the States raise money.

The Connecticut lottery has already raised over $44 million for the State's general fund. It has been a success.

Now the Federal Government wants a piece of the action. This is completely unfair to Connecticut. Connecticut's taxpayers already pay their fair share of taxes to the Federal Government. I am simply not going to stand by while the Treasury Department scoops off an extra percentage.

Last year, the Senate passed a bill to exempt States from the 10-percent excise tax and the $50 occupational tax. But the bill was stalled in the House. Subsequently, over my objections, the House succeeded in getting a bill enacted which, while it lowered the excise tax from 10 to 2 percent, raised the occupational tax from $50 to $500.

I have been informed that these taxes will soon be imposed on States by the Bureau of Alcohol, Tobacco, and Firearms. At the present time the Treasury has taken no action to implement the tax.

But, if Treasury decides to impose the tax it is clear that it will drive the Connecticut lottery and other State lotteries out of business.

People who sell lottery tickets are not big corporations. They are drug stores, gas stations, newsstands, and other small shops and individuals. They do not make much money off lottery sales. It is more a convenience than anything else. In fact the 3,300 lottery sales agents in Connecticut who receive 5 percent of their gross revenues of ticket sales, would have to sell some 20,000 tickets just to break even if a $500 occupational head tax was enacted.

If the Treasury Department imposes its 2 percent excise tax on a retroactive basis, it would cost the Connecticut lottery $2,056,213. It is conceivable that Treasury may not only make it retroactive but also require payment of the earlier 10 percent excise tax which was never collected. This would cost Connecticut $9,506,084 just to pay back taxes.

The 3,300 ticket vendors would have to pay over $1.5 million in occupational taxes if a $500 occupational tax was enacted.

I strongly urge my colleagues to support repeal of these unfair taxes and to allow the people and government of Connecticut to keep the proceeds of the Connecticut lotteries. The concept of a lottery tax was originally to get at the illegal lottery operation. Even in its amended form the lottery tax has no place in the affairs of the official State lotteries.

By Mr. CLARK:

S. 1606. A bill to make more chemical fertilizer available throughout the world for the production of food by substantially reducing the amount of such fertilizer used in the United States for nonfood growing purposes. Referred to the Committee on Agriculture and Forestry.

FERTILIZER FOR FOOD

Mr. CLARK. Mr. President, the administration earlier this year announced an increase in the food for peace program. Two million more tons of food became available—an increase as welcome as it was needed by some of the underdeveloped nations. There is some concern that the additional wheat and rice commitment was announced too late to have the maximum effectiveness, but there can be no question that any effort to help ease the immediate world hunger will help.

Of course, food aid can only be a short-term solution. Food production is the long-term answer. Today, I am introducing legislation designed to help increase world food production by increasing the availability of fertilizer.

In the past 2 years, the world supply of fertilizer has not kept up with demand. There are many causes for this, including inadequate manufacturing capacity, and oil and gas shortages, but whatever the cause the results have been unmistakable. The price of fertilizer has skyrocket—up 400 percent or more in some instances—pricing many users out of the market, especially in less developed countries which have been forced by high oil prices to curtail drastically other imports. This has reduced yield throughout the world—with devastating reductions in some areas. The green revolution, which promised to bring agriculture self-sufficiency to many less developed countries, has been disrupted by the fertilizer shortage.

Some improvement is in sight. Many fertilizer producers are currently building new plants and expanding their capacity. However, it takes time to build these plants, and farmers will still be unable to obtain all the fertilizer they need in 1975. Once again, food production will suffer because of a lack of fertilizer.

One way to help alleviate this is to encourage the use of as much of the world's fertilizer as possible for agricultural production. This, in turn, means using as little as possible for ornamental and decorative growing purposes. Although estimates vary, it has been suggested that as much as 15 percent of the fertilizer used in the United States is for nonfarm purposes, the great bulk of this for ornamental use. If some of this fertilizer could be diverted to agriculture, it could result in a significant increase in world food production in the coming year.

This bill attempts to achieve that goal in three ways. First, it requires the Federal Government to reduce its use of fertilizer for ornamental and decorative purposes to not more than 10 percent of its average annual use for these purposes during the 3 preceding years. Second, it calls on the President to urge State and local governments, corporations, associations, foundations, and individuals to reduce the amount of fertilizer they use for ornamental and decorative purposes. Third, it directs the President to establish a commission to determine methods of increasing fertilizer production.

It is one concrete step that can be taken to help alleviate hunger.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1606

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress finds that—

(1) Shortfalls in food production over the past several years have resulted in malnutrition, suffering, and starvation for millions of people throughout the world.

(2) A significant factor in these shortfalls in food production has been the lack of availability of fertilizer supplies.

(3) Considerable potential exists for increasing fertilizer availability through conservation measures such as reducing nonfood producing uses of fertilizer supplies which could be directed into food production, and more efficient application of fertilizer supplies available for food production.

SEC. 2. In order to address the crucial shortfall of fertilizer for food production the President shall appoint a commission on fertilizer availability (1) to review and recommend specific conservation steps and other measures which would be taken to increase the short-term availability of fertilizer for food production and (2) to encourage increased production of fertilizer to meet the medium- and long-term fertilizer needs such as investment incentives, priority access to basic materials and machinery to increase production capacity, and necessary adjustments in the cost structure of fertilizer feed stocks.

SEC. 3. No department or agency of the Federal Government, including the United States Postal Service and Federal corporations, shall use chemical fertilizer during a period of a year following enactment of this bill for ornamental or decorative growing purposes in any amount greater than an amount equal to 10 per centum of the average annual amount of such fertilizer used by such departments and agencies for such purposes during the calendar years 1972, 1973, and 1974. The foregoing limitation shall not apply with respect to any ornamental or decorative growing purpose the primary purpose of which is to prevent soil erosion or serve some other necessary conservation purpose.

SEC. 4. It is the sense of the Congress that the President should issue a proclamation calling upon all States, and political subdivisions thereof, and upon all corporations, associations, foundations, and other entities, and on all private individuals of the United States to substantially reduce the amount of chemical fertilizer they purchase and use for ornamental or decorative growing purposes which could be redirected into food production during the calendar year 1975.

By Mr. RANDOLPH:

S. 1607. A bill to amend chapter 31 of title 5, United States Code, to authorize the employment of reading assistants for blind employees and interpreters for deaf employees. Referred to the Committee on Post Office and Civil Service.

Mr. RANDOLPH. Mr. President, today I introduce legislation to assist blind and deaf Government employees. I am sure there would not be a dissenting vote in this body, if a vote of confidence were to be taken on the performance by blind and deaf employees in the Federal Government. They have labored well under difficult circumstances.

Public Law 87–614 which I was privileged to cosponsor aided the placement of blind persons to some extent by authorizing the employment of reading assistants. That law authorizes the payment of reading assistants by the blind employee or a nonprofit organization. Agency funds, however, cannot be used for this purpose. Additionally, there is no authority comparable to Public Law 87–614 that makes provision for interpreters for the deaf. Under this law the employee is often required to use his own funds in order to carry out responsibilities of his job. No other Federal worker has such a responsibility placed on him.

We have made substantial progress in providing opportunity for handicapped persons. It is time for Government, however, to realistically assist Federal employees who are blind and deaf to have the same opportunities as other Americans. The bill provides that a certain percentage of positions available in all agencies be set aside for reading assistants for the blind and interpreters for the deaf. In a period of 3 years from enactment of this legislation the Federal Government work force would contain a minimum of 4 percent reading assistants and interpreters to provide the supportive services to deaf and blind employees.

Blind and deaf Americans have demonstrated that they can do the work and that there is no justification for requiring them to pay for their own assistants and interpreters. Mr. President, it is my hope that the members of the Post Office and Civil Service Committee will move promptly on this vital legislation which has the potential to assist the over 18 percent of Americans who are either blind or deaf.

By Mr. HATHAWAY (for himself, Mr. WILLIAMS, Mr. RANDOLPH, Mr. SCHWEIKER, and Mr. JAVITS):

S. 1608. A bill to amend the Drug Abuse Office and Treatment Act of 1972, and for other purposes. Referred to the Committee on Government Operations and the Committee on Labor and Public Welfare, jointly, by unanimous consent.

Mr. HATHAWAY. Mr. President, more than 3 years ago, the distinguished Senator from Arkansas (Mr. McClellan) made an important statement in this Chamber about the tragic problem of drug abuse in this country. Rising in support of the original Drug Abuse Office and Treatment Act, the Senator said:

> This (drug abuse) pestilence affects all Americans—rich or poor, black or white, residents of our inner cities, suburbs or rural communities. The ravages of drug abuse have already taken an irreparable toll and succumbed countless victims. We cannot afford to continue a lackadaisical or haphazard approach to this immense national problem.
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> The cost of flagrant drug abuse is devastating to our Nation. Beyond the physical pain and miseries—which exact an incalculable price being paid in dollars for the addict to cope with his insatiable appetite. The hard statistics of addiction are shocking, cruel, and pathetic. They sound their own clarion call for action and relief. They—more than any words of rhetorical utterances—speak for the cogent need to make (this Act) a part of America's arsenal against drug abuse.

A great deal has happened since those words were spoken, Mr. President—including the development of a coordinated national strategy to combat drug abuse as well as a commitment of substantial Federal funds to this end. Drug treatment capacity more than doubled as all the States and thousands of localities actively joined in the effort. Federal treatment and enforcement agencies worked together to diminish both the supply of drugs and the demand for them. Innovative primary prevention programs were developed while much needed research—on drug use as well as on drugs themselves—has taken place.

And for awhile, Mr. President, we saw some real progress. In many areas, particularly our great Eastern cities where the problem had been most severe, the drug abuse indicators were down. A combination of diminished supply of heroin from Turkey and significantly increased treatment capacity seemed to have a real impact on the problem. Indeed, it appeared for a moment that we had "turned the corner on drug abuse." Unfortunately, we now know that moment has passed.

During several days of hearings late in March, the Subcommittee on Alcoholism and Narcotics got an update on the present drug abuse situation from law enforcement officials, those in charge of the Federal effort in this field, State and local program coordinators and active drug abuse workers.

The news, I am sorry to report, was not good. The availability and purity of heroin on the street is up; overdose deaths and drug related hospital admissions are up; and applications for treatment are up, to the point that programs which had empty spaces as recently as last summer have now had to reinstitute waiting lists. And it became apparent that although much has been accomplished, we still have a great deal left to do. Mr. Jesse Pratt, one of our witnesses who is a program director in California, put it very clearly;

> 1. Drug abuse is continually, rapidly increasing in the nation.
>
> 2. Drug abuse continues to substantially increase crime.
>
> 3. Much has been learned about drug abuse in the last five years and one of the most significant things we have learned is that we still know too little about drug abuse, its causes, the ways to treat it, and the ways to prevent it.
>
> 4. Efforts by the state and local governments to control and treat drug abuse are still hampered due to the fact that many significant single state agencies are hardly more than one year in operation.
>
> 5. Though drug abuse programs, generally demonstrating success, have recognized that education, treatment, rehabilitation, prevention, research, training, and law enforcement efforts are interrelated, only the surface of broad, indepth coordination has been touched.

The inescapable conclusion from all of this, it seems to me, is that now is not the time to retrench or diminish our efforts in this area in any way. The problem has not gone away, and all the factors which generated the first Drug Abuse Office and Treatment Act are still present. It is in this context that I, along with my distinguished colleagues from the Alcoholism and Narcotics Subcommittee, Senators Williams, Randolph, Schweiker, and Javits, am introducing the Drug Abuse Office and Treatment Amendments of 1975.

I would ask unanimous consent, Mr. President, that this bill, along with a section-by-section analysis, be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATHAWAY. Because a section-by-section analysis is being made available, I will not describe the bill in detail. I would, however, like to describe its basic thrust as well as explain the thinking behind it.

The most important aspect of the bill is that it trims and refines the authority of the present Special Action Office on Drug Abuse Prevention in the White House and extends the life of that Office for another 3 years. In the original act, this Office was designed to terminate its entire existence on June 30 of this year. This unusual termination provision was established because the Special Action Office was to be an extraordinary administrative organization designed to meet what was viewed as a limited duration crisis, a crisis which could be dealt with within traditional bureaucratic channels after an initial period of organization and coordination. It was expected—as has, in fact, been the case—that the direct program functions of the Office—support of treatment facilities, research, training, or prevention programs—would gradually be turned over to the new National Institute on Drug Abuse—NIDA—in the Department of Health, Education, and Welfare. And, it was expected that the overall Federal planning, policy development, and coordination functions would diminish in importance once the general direction of the Federal effort was set. While the transfer of the program functions has worked out as expected, the anticipated decline in the need for overall planning and coordination has not.

Unique among health-related Federal programs, drug abuse prevention, control and treatment necessarily involves a strong law enforcement component. More than half the Federal funds expended in the drug abuse field are in the area of enforcement, and enforcement policy impacts on treatment and prevention at all levels—from the White House through the State and local agencies right down to the street. Because of the close relationship between drug abuse and crime, drug enforcement is a high priority at the Department of Justice, being placed in the Drug Enforcement Administration, just below the level of the Attorney General. As a health problem, however, drug abuse is one among many concerns at HEW and is therefore assigned a subordinate role in the bureaucratic structure.

It is the necessity for the continuing coordination of these two aspects of the problem—treatment and enforcement—that forms the basis of our decision to recommend the continuation of a White House level office. A secondary reason is the need for coordination among the many Federal agencies—such as the Department of Defense and the Veterans' Administration—which have their own independent drug abuse programs. Additionally, we have learned over the past 3 years that drug abuse is a fast-moving problem involving ever-changing patterns of drug use.

This phenomenon—which includes shifts in types of abuse as well as shifts in the geography of the problem—necessitates an unusually flexible Federal response, a kind of response more likely in an office situated at the highest level of the Federal organization.

Because we recommend continuation of a White House level office, however, does not mean we are insensitive to the developments of the past 3 years in this field nor to the dangers of duplication and administrative overlap. For this reason, we took great care in the bill to trim down and refine the size and area of responsibility of the new Office. To be called the Office of Drug Abuse Prevention Policy, this Office will have a limited mandate to provide planning, policy development, and coordination to the Federal effort and will be limited to a size appropriate to carry out that mandate.

With regard to the size of the Office, we are recommending the following changes:

Reduce the authority for assistant directors from six to two;

Reduce the number of supergrade positions from 10 to 4 and the number of consultant positions from 15 to 6; and

Limit authorized appropriations to $10 million a year—currently authorized at $82 million.

More importantly, we are recommending that the functions of the Office be strictly limited to policy and coordination—program, technical assistance and research functions are transferred to NIDA while the use of the Office's "special fund" is restricted to use through other public agencies. Retaining some funds to be used in this way is important, we think, in order to provide the Office with the leverage necessary to encourage action and cooperation by and among the various agencies and levels of government involved in the drug abuse field.

In this way, Mr. President, we have tried very carefully to limit the scope and authority of the new Office to those functions which cannot be transferred to another entity or allowed to lapse. Although negative in the sense of providing limits to existing authority, we think the thrust of the bill is positive in that it reaffirms a significant Federal commitment to the control of this most difficult problem, in terms of both organization and resources.

Mr. President, because of the June 30 deadline for action in this area—because of the termination of the present Special Action Office as well as the expiration of the NIDA authorities extended in the bill—the subcommittee will be moving rapidly on this matter.

Hearings have already been held which produced a rather thorough discussion of the principles contained in the bill; comments on the bill itself will be solicited shortly. I hope my colleagues will give close attention to this matter and provide us with their comments and suggestions as we continue to grapple with this most difficult and complex problem.

S. 1608

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 101 (21 U.S.C. 1101) of the Drug Abuse Office and Treatment Act of 1972 (hereinafter in this Act referred to as the "Act") is amended by adding at the end thereof the following new paragraph:

"(10) Although the three-year period subsequent to the original enactment of this Act saw a significant reduction in the rate of increase of drug abuse, and, during certain periods of time and in certain areas of the country, an apparent reduction in its incidence, the increase and spread of heroin consumption in 1974, as well as continuing problems with other drugs, make it clear that government policy must be predicated on a recognition that drug abuse must be dealt with on a continuing basis, rather than as a crisis which can be attacked and forgotten."

SEC. 2. Section 102 of the Act (21 U.S.C. 1102) is amended by changing "immediate objective of significantly reducing the incidence of drug abuse in the United States within the shortest possible period of time, and to develop" to read "objective of significantly reducing the incidence, as well as the social and personal costs of drug abuse in the United States, and to develop and assure the implementation of".

SEC. 3. (a) Section 104 of the Act (21 U.S.C. 1104) is repealed, and the table of sections at the beginning of title I of the Act is amended by striking the following item:

"104. Termination."

(b)(1) The first sentence of section 302 of the Act (21 U.S.C. 1162) is amended by striking "until the date specified in section 104 of this Act".

(2) The second sentence of such section is amended to read as follows: "The Director shall provide such services as are required to assure that the strategy is prepared.".

(c)(1) Sections 303(b) and 303(c) of Public Law 93–282 (21 U.S.C. 1175 note) are repealed.

(2) Section 303(d) of Public Law 93–282 is amended (1) by striking "prior to the date specified in section 104 of that Act (21 U.S.C. 1104)", and (2) by striking "or the Secretary of the Department of Health, Education, and Welfare, as the case may be".

SEC. 4. (a) The following provisions of law are each amended by striking "Special Action Office for Drug Abuse Prevention" and inserting "Office of Drug Abuse Prevention Policy" in lieu thereof:

(1) The heading of title II of the Act (21 U.S.C., chapter 16, subchapter II), and sections 201, 302, and 408(g) of the Act (21 U.S.C. 1111, 1162, and 1175(g)).

(2) Section 5313(21) of Title 5, United States Code.

(3) Section 303(d) of Public Law 93–282 (21 U.S.C. 1175 note).

(4) Section 454 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3750c).

(5) Section 206(a) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5616(a)(1)).

(b) The redesignation provided for in subsection (a) of this section shall not otherwise affect the regulations, grants, contracts, personnel, property, or unexpended balances of appropriations of the agency so redesignated.

SEC. 5. Section 202 of the Act (21 U.S.C. 1112) is amended by adding at the end thereof the following new sentence: "The Director shall not hold office in any other department or agency of the United States, whether on an acting basis or otherwise, except on such occasions as may be appropriate in connection with the performance of such duties as may be assigned to him pursuant to section 232.".

SEC. 6. (a) Section 204 of the Act (21 U.S.C. 1114) is amended by changing "six" to read "two".

(b) Section 5316(131) of Title 5, United States Code, is amended by changing "(6)" to read "(2)".

SEC. 7. Section 206(b) of the Act (21 U.S.C. 1116(b)) is amended (1) by changing "ten" in the first sentence thereof to read "four" and (2) by striking the second sentence thereof.

SEC. 8. The second sentence of section 207 of the Act (21 U.S.C. 1117) is amended by changing "fifteen" to read "six".

SEC. 9. Section 211 of the Act (21 U.S.C. 1121) is repealed, and the table of sections at the beginning of chapter 1 of title II of the Act is amended by striking the following item:

"211. Acting Director and Deputy Director.".

SEC. 10. (a) Section 214 of the Act (21 U.S.C. 1123) is amended (1) by striking subsection (b) thereof and (2) by changing "(a)(1)" to read "(1)".

(b) Paragraph (2) of such section is amended by inserting ".; and $7,000,000 for the fiscal year ending June 30, 1976; $1,750,000 for the period July 1, 1976 through September 30, 1976; and $7,000,000 for each of the fiscal years ending September 30, 1977, and September 30, 1978" immediately before the period at the end thereof.

(c) Such section is further amended by adding at the end thereof the following new paragraph:

"(4) For the purposes of carrying out the functions of the Director, other than transfers of funds under section 223, there are authorized to be appropriated $3,000,000 for the fiscal year ending June 30, 1976; $750,000 for the period July 1, 1976 through September 30, 1976; and $3,000,000 for each of the fiscal years ending September 30, 1977 and September 30, 1978."

SEC. 11. (a) Section 223(a) of the Act (21 U.S.C. 1133(a)) is amended (1) by inserting "and other public entities" immediately after "Federal departments and agencies", and (2) by striking ", and respond quickly and effectively to,".

(b) Section 223(b) of the Act is amended by changing "Except as provided in subsection (c) of this section, sums" to read "Sums".

(c) Section 223(c) of the Act is repealed.

SEC. 12. (a) Section 224 of the Act (21 U.S.C. 1134) is repealed, and the table of sections at the beginning of chapter 2 of title II of the Act is amended by striking the following item:

"224. Encouragement of certain research and development."

(b) The repeal made by subsection (a) of this section shall not affect the continuing validity of any grant or contract made thereunder prior to its repeal, and shall not affect the authority of the National Institute on Drug Abuse or any other agency to carry on research.

SEC. 13. Section 228 of the Act (21 U.S.C. 1138) is amended by changing "one of the Assistant Directors of the Office" to read "The Director".

SEC. 14. (a) Section 229 of the Act (21 U.S.C. 1139) is amended to read as follows:

"§ 229. Coordination with State and local agencies.

"(a) The Director shall coordinate or assure coordination of Federal drug abuse prevention functions with such functions of State and local governments.

"(b) In carrying out his functions under this section, the Director may provide for uniform criteria, procedures, and forms of grant or contract applications for drug abuse control and treatment proposals submitted by State and local governments and private organizations, institutions, and individuals."

(b)(1) The first sentence of section 501(a) of the Act is amended by changing "section" to read "title" both places it appears therein.

(2) Section 501(b)(1) of the Act (21 U.S.C. 1191(b)) is amended by inserting "(hereinafter in this title referred to as the 'Director')" immediately after "Director".

(c) Section 502 of the Act is amended to read as follows:

"§ 502. Technical assistance to State and local agencies.

"(a) The Director shall

"(1) coordinate or assure coordination of the functions of the Institute with corresponding functions of State and local governments; and

"(2) provide for a central clearinghouse for Federal, State, and local governments, public and private agencies, and individuals seeking drug abuse information and assistance from the Federal Government.

"(b) In carrying out his functions under this section, the Director may

"(1) provide technical assistance—including advice and consultation relating to local programs, technical and professional assistance, and, where deemed necessary, use of task forces of public officials or other persons assigned to work with State and local governments—to analyze and identify State and local drug abuse problems and assist in the developing of plans and programs to meet the problems so identified;

"(2) convene conferences of State, local, and Federal officials, and such other persons as the Director shall designate, to promote the purposes of this Act, and the Director is authorized to pay reasonable expenses of individuals incurred in connection with their participation in such conferences; and

"(3) draft and make available to State and local governments model legislation with respect to State and local drug abuse programs and activities."

(c) In implementation of his authority under subsection (b)(1), the Director may

"(1) take such action as may be necessary to request the assignment, with or without reimbursement, of any individual employed by any Federal department or agency and engaged in any Federal drug abuse prevention function or drug traffic prevention function to serve as a member of any such task force; except that no such person shall be so assigned during any one fiscal year for more than an aggregate of ninety days without the express approval of the head of the Federal department or agency with respect to which he was so employed prior to such assignment;

"(2) assign any person employed by the Institute to serve as a member of any such task force or to coordinate management of such task forces; and

"(3) enter into contracts or other agreements with any person or organization to serve on or work with such task forces.".

(d) The table of sections at the beginning of title V of the Act is amended by adding at the end thereof the following item: "502. Technical assistance to State and local agencies."

Sec. 715. (a) Section 252(b) of the Act (21 U.S.C. 1152(b)) is amended by striking the last two sentences thereof and inserting in lieu thereof the following: "The appointive members of the Council shall represent a broad range of interests, disciplines, and expertise in the drug area and shall be selected from outstanding professionals, paraprofessionals, and others in the fields of medicine, education, science, the social sciences and other related disciplines, who have been active in the areas of drug abuse prevention, treatment, rehabilitation, training, or research. Of the members so appointed, at least two shall be officials of State or local governments who are actively engaged in drug abuse prevention functions, and at least two shall be former drug addicts or drug abusers."

(b) Section 252 of the Act is amended by adding at the end thereof the following new subsection:

"(c) Each member of the Council shall be appointed for a term expiring on June 30 of one of the first three calendar years following the year in which he is appointed, as designated by the President at the time of appointment, subject to the limitation that not more than four members may have terms scheduled to expire within any one year. A member of the Council who has completed more than five consecutive years of service shall not be eligible for reappointment for a period of two years following his most recent period of five or more consecutive years of service. Any member of the Council may continue to serve as such after the expiration of the term for which he was appointed unless and until his successor has been appointed and has qualified."

(c) Notwithstanding the repeal of section 104 of the Act, the term of any member of the National Advisory Council for Drug Abuse Prevention appointed prior to December 31, 1972 shall expire on June 30, 1975.

(d) Section 255 of the Act (21 U.S.C. 1155) is amended by adding at the end thereof the following new subsection:

"(c) The Council shall advise, consult with, and make recommendations to, the Secretary of Health, Education and Welfare.

"(1) concerning matters relating to the activities and functions of the Secretary in the field of drug abuse, including, but not limited to, the development of new programs and priorities, the efficient administration of programs, and the supplying of needed scientific and statistical data and program information to professionals, paraprofessionals, and the general public; and

"(2) concerning policies and priorities respecting grants and contracts in the field of drug abuse."

(e) The table of sections at the beginning of title V of the Act is amended by striking the following item: "502. Establishment of National Advisory Council on Drug Abuse."

(f) Section 217(e) of the Public Health Service Act (42 U.S.C. 218(e)) is repealed.

(g) The last sentence of section 266 of Community Mental Health Centers Act (42 U.S.C. 2688t) is amended by changing "section 217(e) of the Public Health Service Act" to read "section 255(c) of the Drug Abuse Office and Treatment Act of 1972".

(h) The heading of title V of the Act is amended by striking "; National Advisory Council on Drug Abuse".

Sec. 16. Section 305 of the Act (21 U.S.C. 1165) is amended by striking "from time to time as the President deems appropriate, but not less often than once a year" and inserting in lieu thereof "prior to June 1 of each year."

Sec. 17. Section 407 of the Act (21 U.S.C. 1174) and the heading of such section are each amended by striking "emergency", and the table of sections at the beginning of title IV of the Act is amended correspondingly.

Sec. 18. The first sentence of section 409(a) of the Act (21 U.S.C. 1176(a)), is amended by changing "and $45,000,000 for the fiscal year ending June 30, 1975," to read "$45,000,000 for each of the fiscal years ending June 30, 1975, and June 30, 1976, $11,250,000 for the period July 1, 1976, through September 30, 1976, and $45,000,000 for each of the fiscal years ending September 30, 1977, and September 30, 1978,".

Sec. 19. Section 409(e)(5) of the Act (21 U.S.C. 1176 (e)(5)) is amended by inserting "in accordance with such needs" immediately before the semicolon at the end thereof.

Sec. 20. Section 409(f) (21 U.S.C. 1176(f)) is amended by inserting ", acting through the National Institute on Drug Abuse," between "Secretary" and "shall."

Sec. 21. Section 410(b) of the Act (21 U.S.C. 1177(b)) is amended by changing "and $160,000,000 for the fiscal year ending June 30, 1975," to read "$160,000,000 for each of the fiscal years ending June 30, 1975 and June 30, 1976; $40,000,000 for the period July 1, 1976, through September 30, 1976; and $160,000,000 for each of the fiscal years ending September 30, 1977, and September 30, 1978,".

Sec. 22. Section 410(c) of the Act (21 U.S.C. 1177(c)) is amended by adding at the end thereof the following new paragraph:

"(4) In the implementation of his authority under this section, the Secretary shall accord primary prevention a high priority. To the extent that appropriations authorized under this section are used to fund treatment services, the Secretary shall not limit such funding to treatment for opiate abuse, but shall also provide support for treatment for nonopiate drug abuse including polydrug abuse."

SUMMARY OF THE BILL

This bill provides urgently needed continuity for the Federal effort to combat drug abuse. It redesignates the Special Action Office for Drug Abuse Prevention as the Office of Drug Abuse Prevention Policy, redefines its role as strictly that of coordination and policy direction, and provides for its continued existence. The programmatic role of the National Institute on Drug Abuse is confirmed and clarified, and appropriations are authorized for its continued operation.

Under existing law, on June 30 of this year the policymaking and coordinative functions of the Special Action Office for Drug Abuse Prevention would be completely abolished along with the Office itself, with no provision for their assumption by any other agency of Government. Moreover, authority for appropriations to the National Institute on Drug Abuse lapses on the same date. Prompt action on the bill is therefore a necessity if a jarring and wasteful interruption of Federal effort is to be avoided.

SECTION-BY-SECTION ANALYSIS

The first section. Amendment of Congressional findings to show need for continuing effort.

The first section of the bill adds a new paragraph (10) to the Congressional findings set forth in section 101 of Public Law 92-255 (hereinafter referred to as the "Act"). This paragraph states that on the basis of the past three years' experience, which has seen some reductions in the growth and extent of drug abuse, but also some increases, it is clear that this problem must be dealt with on a continuing basis, "rather than as a crisis which can be attacked and forgotten."

Section 2. Declaration of national policy made consistent with long-range effort.

The declaration of national policy in section 102 of the Act is amended to define the objective of national policy with respect to drug abuse as including a reduction not only of its incidence, but also of its social and personal costs. To emphasize the necessity for continuing effort, the adjective "immediate", modifying the "objective" of national policy, has been stricken. Finally, the purpose of assuring the implementation, as well as the development, of Federal strategy to combat drug abuse, is made explicit.

Section 3. Repeal of termination provision.

Subsection (a) of this section repeals section 104 of the Act. As it now stands, section 104 totally abolishes the Special Action Office as of June 30, and although certain of its programmatic functions are transferred to the National Institute on Drug Abuse, there is no provision in the Act or elsewhere for any agency to assume its coordinating and policymaking role. The repeal of section 104, together with other amendments discussed below, would assure the continuity of that role under the aegis of the Office of Drug Abuse Prevention Policy, while at the same time prohibiting any resumption of programmatic functions. Periodic Congressional review would be assured by the necessity to renew the authorizations for appropriations (see section 11 below). Section 3(b) of the bill makes conforming amendments to title III of the Act (relating to the National Strategy on Drug Abuse) to reflect the repeal of section 104.

Section 303 of Public Law 93-282 conferred substantive rulemaking authority on the Director with respect to confidentiality of drug abuse patient records, and provided for the transfer of that authority to the Secretary of Health, Education, and Welfare on the termination of the Office. Section 3(c) of the bill repeals the provision for transfer.

Section 4. Redesignation of the Office as the Office of Drug Abuse Prevention Policy.

This section redesignates the Special Action Office for Drug Abuse Prevention as the Office of Drug Abuse Prevention Policy, and provides for the continuity of its existence under the new name.

Section 5. Prohibition on dual office holding by Director.

Section 5 amends section 202 of the Act to prohibit the Director from holding office "in any other department or agency of the United States, . . . except on such occasions as may be appropriate in connection with such duties as may be assigned to him pursuant to section 232." The exception pertains to designation of the Director to represent the United States in international negotiations relating to drug abuse and drug traffic prevention. When so designated, the exception would permit the Director to hold an office in the State Department for the duration of his assignment.

Section 6. Authorized number of Assistant Directors reduced from six to two.

Section 6(a) of the bill reduces from six to two the number of Assistant Directors provided for in section 204 of the Act. Section 6(b) makes a corresponding technical amendment to section 5316(131) of title 5 of the United States Code, which provides for the compensation of the Assistant Directors.

Section 7. Authorized number of supergrade positions reduced from ten to four.

Section 206(b) of the Act authorized the Office to fill up to ten positions in grades GS-16, 17, and 18, if both the positions and the incumbents were approved by the Civil Service Commission as meeting the standards for those grades, without requiring the Civil Service Commission to take such positions away from other agencies. Section 7 of the bill reduces the number of such positions to four.

Section 8. Authorized number of permanent expert/consultant positions reduced from fifteen to six.

Section 8 of the bill amends section 207 of the Act to reduce from fifteen to six the number of employees who may be retained indefinitely in an expert or consultant capacity.

Section 9. Technical amendment repealing executed provision for compensation of initial acting Director and Deputy Director.

Section 9 of the bill repeals section 211 of the Act, which has been fully executed and is now obsolete. It permitted the President to authorize the persons acting as Director and Deputy Director at the time of the original enactment of the Act, if already employed in the eexcutive branch of the Government, to be paid the full statutory compensation attached to those offices.

Section 10. Annual appropriations of $3,000,000 authorized for administrative expenses, and $7,000,000 for the Special Fund.

Section 10(a) of the bill repeals section 214 (b) of the Act, which authorized the appropriation of so-called two-year money, that is, funds which, if not obligated in the year for which appropriated, would remain available in the following fiscal year.

Section 10(b) of the bill amends paragraph (2) of section 214 of the Act to authorize appropriations of $7,000,000 for the fiscal year 1976, $1,750,000 for the July–September quarter of the calendar year 1976 (an authorization occasioned by the shift to a fiscal year ending September 30), and $7,000,000 for each of the fiscal years 1977 and 1978. These authorizations are for the Special Fund provided for in section 223 of the Act, which is discussed below in connection with section 11 of the bill. They compare with authorizations of $40,000,000 for each of the fiscal years 1973, 1974, and 1975.

Section 10(c) of the bill amends section 214 of the Act by adding a new paragraph (4) to authorize appropriations of $3,000,000 for the fiscal year 1976, $750,000 for the July–September quarter of the calendar year 1976, and $3,000,000 for each of the fiscal years 1977 and 1978. These authorizations are for all of the functions of the Director except transfers of funds under section 223, and compare with authorizations of $5,000,000, $10,000,000, $11,000,000, and $12,000,000 for the fiscal years 1972, 1973, 1974, and 1975 respectively.

Section 11. Special Fund use restricted to sums transferred to other agencies.

Section 223(a) of the Act set up a Special Fund "to provide additional incentives to Federal departments and agencies to develop more effective drug abuse prevention functions and to give the Director the flexibility to encourage, and respond quickly and effectively to, the development of promising programs and approaches." Section 223(b) requires such funds to be used "only for the purpose of (1) developing and demonstrating promising new concepts or methods in respect of drug abuse prevention functions; or (2) supplementing or expanding existing drug abuse prevention functions which the Director finds to be exceptionally effective or for which he finds there exists exceptional need." Under sections 223(b) and 223(c), not more than 10 per cent of the Special Fund could be expended by the Director, the balance being required to be transferred to other Federal departments and agencies.

Section 11 of the bill eliminates altogether the authority for direct programmatic expenditure, even on a demonstration basis. To emphasize the importance of State and local effort, the phrase "and other public entities" is added after "Federal departments and agencies" in section 223(a). Finally, the phrase "and respond quickly and effectively to," is deleted from section 223(a) as surplusage, not by way of suggesting that the Director should be limited to slow, ineffective responses.

Section 12. Repeal of authority for direct funding of certain pharmacological research and development.

Section 224 of the Act requires the Director to encourage and promote expanded research on nonaddictive synthetic analgesics, nonaddictive opiate blocking agents, and detoxification agents for easing heroin withdrawal. This authority is wholly redundant to the authority of the National Institute on Drug Abuse, and is repealed by section 12(a) of the bill. Section 12(b) of the bill makes clear that the repeal is in no way intended to discourage such research on the part of NIDA.

Section 13. Vesting of Director with function of liaison with drug traffic prevention.

Section 228 of the Act is anomalous in that it vests a significant function, that of maintaining communication and liaison with respect to drug traffic prevention functions, in an Assistant Director. Section 13 of the bill amends that section to vest this function in the Director.

Section 14. Transfer of programmatic technical assistance functions to NIDA.

Section 229 of the Act vests in the Director the responsibility and authority to coordinate Federal drug abuse prevention functions with those of State and local governments, and authorizes him to provide for uniform criteria, procedures, and forms of grant and contract applications. Section 229 also authorizes the Director to provide a variety of technical assistance to State and local governments. Section 14 of the bill transfers the latter authority to NIDA by amending sections 229, and 501, and 502 of the Act, leaving the Director with general policy authority, including authority to prescribe Federal funding criteria.

Section 15. Merger of the Advisory Councils provided for in title II and title V of the Act.

Chapter 3 of title II of the Act provides for a National Advisory Council for Drug Abuse Prevention. Its membership consists of the Secretary of Health, Education and Welfare, the Secretary of Defense, and the Administrator of Veterans' Affairs, or their respective designees, plus twelve members appointed by the President. Title V of the Act provides for a National Advisory Council on Drug Abuse with ex-officio representation from the same three Federal agencies, plus twelve members appointed by the Secretary of Health, Education, and Welfare.

Section 15 of the bill merges the latter Council into the former by adopting the qualifications for appointive members provided for in title V, and assigning to the title II Council the duty of advising the Secretary of Health, Education, and Welfare as well as the Director of the Office of Drug Abuse Prevention Policy. The requirement in existing law that four members of the Council be officials of State or local governments is changed to apply to not less than two members, and a new requirement is added that at least two members be former drug addicts or drug abusers. Existing law provides no limit on the term of members of either Council; section 16 of the bill adds a new section 252(c) to the Act to provide for three-year staggered terms, with a maximum of two consecutive terms. Technical and conforming amendments are made to reflect the merger of the title V Council into the title II Council.

Section 16. *Establishes date certain for submission of National Drug Abuse strategy.*

Section 305 presently requires promulgation of the national strategy "from time to time as the President deems appropriate." Section 16 of the bill sets a date certain (June 1) to ensure that the strategy will be available to guide policy formation in the ensuing year.

Section 17. Prohibition on discrimination against drug abusers in hospital admissions.

Section 407 of the Act prohibits Federally aided hospitals from refusing admission or treatment to drug abusers suffering from emergency medical conditions, solely because of their drug abuse or drug dependence. Section 17 of the bill amends this section by deleting "emergency", thus bringing it into line with the corresponding provision relating to alcohol abusers as set forth in the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act Amendments of 1974 (42 U.S.C. 4581).

Section 18. Authorization of appropriations for formula grants.

Section 18. of the bill amends section 409(a) of the Act by continuing the authorization for appropriations the next three years at its current annual rate of $45,000,000.

Section 19. Requirement that State plans provide for development and distribution of resources in accordance with need.

Section 409(e)(5) of the Act requires that the State plan include a plan for the development and distribution of health facilities to provide services for drug abuse and drug dependence, and section 19 of the bill amends this provision to require that such plan be in accordance with need. Such a requirement is arguably implicit in existing law, but making it explicit may serve to underline the Congressional intention that the States no less than the Federal government should give weight to need in the distribution of resources.

Section 20. Establishes responsibility of the National Institute on Drug Abuse to review and approve state plans.

Some question presently exists as to proper state plan approval mechanism. Section 20 of the bill makes clear the responsibility of N.I.D.A. in this process.

Section 21. Authorization of appropriations for special project grants and contracts.

Section 21 of the bill amends section 410 (b) of the Act by continuing the authorization for apropriations for the next three years at its current annual rate of $160,000,000.

Section 22. Primary prevention to be accorded high priority; funds to be made available for treatment of nonopiate as well as opiate abuse.

Section 22 amends section 410(c) of the Act to require that primary prevention be accorded a high priority in the distribution of funds appropriated for special project grants and contracts. The amendment also prohibits the Secretary from limiting treatment funds to treatment for opiate abuse.

Mr. HATHAWAY subsequently said: Mr. President, today I have introduced the Drug Abuse Office and Treatment Act amendments and I ask unanimous consent that the bill be referred jointly to the Committee on Government Operations and the Committee on Labor and Public Welfare.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, today I join with Senator HATHAWAY in a bill which provides urgently needed continuity for the Federal effort to combat drug abuse. The measure continues the existence of the White House Special Action Office for Drug Abuse Prevention—redesignated as the Office of Drug Abuse Prevention Policy in recognition of its redefined limited role of strict coordination and policy direction. The transfer in existing law of the program functions—drug abuse and formula project grants—to the National Institute on Drug Abuse is confirmed, and appropriations are authorized for such continued operation at their current levels of authorization.

The measure is essential if wasteful interruption of Federal effort is to be avoided. Under existing law, on June 30 of this year the policymaking and coordinative functions of the Special Action Office for Drug Abuse Prevention would be completely abolished along with the office itself, with no provision for their assumption by any other agency of Government. Moreover, authority for appropriations to the National Institute on Drug Abuse lapses on the same date.

The growth and extent of drug abuse over the past 3 years of experience had shown some decline until recently. It is clear that the drug abuse problem—which so tragically afflicts America's young people—must be dealt with on a continuing basis.

The evidence presented during recent 2 days of hearings by the Alcoholism and Narcotics Subcommittee of the Committee on Labor and Public Welfare, of which I am ranking minority member, documented and strongly supported the need for an ongoing White House drug policymaking body to continue to coordinate drug traffic law enforcement and health/education drug prevention activities.

At the same time the hearing record evidenced the tragic failure to implement the formula grants to assist States to deal with drug abuse as required by law.

The formula grant program provides for allotments among the States of the funds appropriated on the basis of relative population, financial need, and need for programs of education, training, treatment, and rehabilitation re drug abuse.

It is important to understand that in the Senate Report 92–509, it was specifically stated that:

> The Committee considers that each of these factors should be weighted equally and that the last factor—the need for the various programs—is no different from the first—population.

In disregard of this clear legislative history of congressional intent with respect to the equal weighting to the three criteria in the formula—population, capita income, and need—the need factor has not been considered at all in determining the State allocations.

Thus, although New York State has the distinct misfortune of the greatest need for combating drug abuse, that critical factor in determining a State's allotment under the formula has been disregarded.

In recognition that drug abuse is a national problem which does not recognize regional boundaries, I do not intend to propose a change in the criteria for the formula, targeted solely on need—New York having the greatest need. However, I do intend to press for White House assurance that the three factors in the formula are implemented as required by the law. Indeed, recourse through the courts for failure to enforce the law may become necessary.

Mr. SCHWEIKER. Mr. President, in 1972 Congress established a single office at the highest level of Government, the Special Action Office on Drug Abuse Prevention, responsible for coordinating the many Federal programs and approaches to the drug program, so that treatment, prevention and law enforcement efforts would be conducted in a proper balance under a comprehensive program. That law expires June 30, 1975 and the Special Action Office will cease to exist. Also, the authority for appropriations to the National Institute on Drug Abuse terminates on that date.

The bill we introduce today is a response to both of those circumstances. The bill provides the needed continuity for the ongoing attack on drug abuse. At the outset the bill states that on the basis of the past 3 years' experience, which has seen some reductions in the growth and extent of drug abuse, but also increases, it is clear that it must be dealt with on a continuing basis "rather than as a crisis that can be surmounted and be forgotten." During the hearings held by the Senate Subcommittee on Alcoholism and Narcotics the witnesses affirmed that the drug abuse problem in this Nation grows worse day by day. This bill continues the Special Action Office for Drug Abuse Prevention under a new name with a redefinition of its role as an entity responsible for coordination and policy direction.

In my judgment, the conditions which led to the creation of the Special Action Office remain with us. Thus, despite the administration's recommendation that we allow the authority for the office to expire, this bill, it is hoped, can help us meet the goals in combating drug abuse we set for ourselves several years ago.

Mr. President, this bill is the initial response of the subcommittee to the hearings on this question. One of the issues raised in the hearings, which is particularly troublesome, involves the administration of the Federal funds for the Nation's drug abuse program. A controversy persists regarding the funding of programs through a single State agency or providing direct grants to programs. The subcommittee recognizes the frustrations of State drug abuse program administrators who feel that it is difficult to coordinate the programs within their States if the Federal Government is not channeling all the funds through their office. On the other hand, city representatives as well as those persons directly involved in programs, asserted strongly their preference to reduce the levels of Government they must struggle through in order to get the support they need.

In addition, it became apparent that the administration has not complied with the provision of existing law dealing with the assessment of "need" in determining the funding allocations under the program. The administration contends that it is virtually impossible to arrive at a uniformly acceptable definition of need. In this connection, it may be useful to require the Secretary to establish a uniform methodology to assess and determine the incidence and prevalence of drug abuse which all States would be required to use in identifying their areas of need.

In addition to extending the existing authorities for appropriations without major change, the pending bill combines the advisory councils established under titles III and V of the present law.

Mr. President, prompt action is needed in order to avoid an interruption of the Federal effort against drug abuse and I look forward to the subcommittee's markup of the bill introduced today.

Mr. WILLIAMS. Mr. President, the chairman of the Subcommittee on Alcoholism and Narcotics (Mr. HATHAWAY) has made a clear and forceful statement as to the need for continued and renewed Federal efforts in the area of drug abuse treatment and prevention.

This bill provides urgently needed continuity for the Federal effort to combat drug abuse. It redesignates the Special Action Office for Drug Abuse Prevention as the Office of Drug Abuse Prevention Policy, redefines its role as strictly that of coordination and policy direction, and provides for its continued existence. The programmatic role of the National Institute on Drug Abuse is confirmed and clarified, and appropriations are authorized for its continued operation.

Under existnig law, on June 30 of this year the policymaking and coordinative functions of the Special Action Office for Drug Abuse Prevention would be completely abolished along with the office itself, with no provision for their assumption by any other agency of Government. Moreover, authority for appropriations to the National Institute on Drug Abuse lapses on the same date. Prompt action on the bill is therefore a necessity if a jarring and wasteful interruption of Federal effort is to be avoided.

As much as we would all like to see this problem go away, the hard truth is that drug abuse and its related social and economic consequences will be with us for some time to come. This does not mean however, that the effort expended thus far has been futile. On the contrary, we are closer than ever before to learning how to treat and, more importantly, how to prevent the terrible incidence of drug abuse. Promising breakthroughs in research, both pharmacological and social, promise more effective treatment and prevention programs in the future. But the deep-seated causes of drug abuse, almost certainly related to underlying social and economic deprivations, will probably continue to be a part of any modern society.

One of the witnesses at the recent hearings held by the Subcommittee on Alcoholism and Narcotics was Dr. Paul T. Jordan, M.D., the mayor of Jersey City, N.J. Dr. Jordan is uniquely qualified to speak on this subject because of his position as both a doctor with long experience in the drug abuse field and as a mayor of an urban area which contains almost one-fourth of the entire addict population of the State of New Jersey. In his statement before the committee, Dr. Jordan summed up the present situation succinctly and outlined the directions in which we must now move:

> The Federal government has progressed in coping with drug abuse through the passage and implementation of the Drug Abuse Office and Treatment Act of 1972. The creation of the Special Action Office for Drug Abuse Prevention which has made a major contribution to coordinating disparate factions as well as the establishment of NIDA and increased federal funding for drug abuse efforts at all levels of government represents significant accomplishments.
>
> However, much remains to be done. In some parts of the country, heroin addiction is increasing again. Polydrug use, which did not receive major emphasis because of the heroin epidemic, can no longer be considered a secondary drug problem. The dangerous abuse of barbiturates, amphetamines, and the inhalants such as glue, gasoline and paint, which are particularly abused by children, must be given equal focus in the Nation's response to drug abuse. Nonaddictive alternatives to methadone must be found. Evaluation of effectiveness of various modalities should increase. We must strive to maximize the use of health care systems and social services in cooperation with criminal justice systems.

Mayor Jordan and others at the hearings recommended the continuation of the Special Action Office, a provision which is a major focus of this bill. Mayor Jordan also made the important point that "prevention must be of primary emphasis if the chronic abuser population is to be contained." I am glad to note that a specific section urging a special priority for the development of prevention programs has been added to the bill which, hopefully, will generate the needed emphasis in this area by the National Institute on Drug Abuse.

A final aspect of the bill which I feel is of importance are changes made in the State planning process so as to assure that the needs of localities are considered in the development of State-level drug abuse planning and policy.

Just as the original Drug Abuse Office and Treatment Act was a landmark in the Federal response to this problem, so this bill is also, by providing for a recognition that the problem is a continuing one which will require a continuing commitment. As a complicated social, health, and law enforcement problem, the control of drug abuse will necessarily involve close coordination and serious effort by different agencies and different levels of government. It is my hope that this bill will provide us with the necessary tools to continue with this task. I pledge that it will receive most careful and, at the same time, expeditious treatment in the Committee on Labor and Public Welfare so that all those involved in this problem, from the top of the bureaucracy to the workers in the field, can get on with the job at hand.

By Mr. ROTH:

S. 1611. A bill to amend title II of the Federal Water Pollution Control Act to provide for State certification. Referred to the Committee on Public Works.

Mr. ROTH. Mr. President, today I am introducing legislation that would amend the Federal Water Pollution Control Act to cut out bureaucratic "redtape" which stifles timely initiation and construction of water treatment projects.

More specifically, my proposal would minimize the time involved in applying for wastewater treatment grants, give the States greater authority and responsibility over their water pollution programs, accelerate the timetable for meeting our water quality goals, and stimulate employment opportunities in the construction industry.

Congressman CLEVELAND of New Hampshire has introduced the same measure in the House. Today, I bring this timely legislation to the attention of the Senate.

Mr. President, last week newspapers across our Nation have carried alarming reports calling to our attention the dangerously poor status of America's water quality and the lack of responsive action being taken to improve the situation.

On April 18, EPA Administrator, Russell Train, released the findings of a survey which indicated that the quality of the drinking water of many major metropolitan areas was questionable because of the presence of organic chemicals. A more recent article in the Washton Post revealed that some $5 billion in EPA Federal grants are unclaimed by State and local governments at this time. Advice that I have received from water treatment officials in my home State of Delaware indicates that expenditures of large portions of these funds are delayed though unneeded and duplicative Federal and State feasibility reviews, technical reviews, and environmental assessment before projects can move forward from planning to construction. Adequate water treatment planning is essential but the system currently provided for in terms of Federal and State steps is replete with too much study and not enough action. Blueprints do not clean water. Waste water treatment plants do.

In 1972, Congress made a major commitment to reduce the pollutants in our waters by entering into a comprehensive water quality program. That law, Public Law 92–500, was an ambitious undertaking.

However, far more often than is desirable, I have heard criticisms from State officials that the program was being restrained by its own provisions. They were not complaining of impoundments or lack of commitment; they were complaining about the administrative processes, the reviews and approvals, and more reviews. Months of delay are being experienced due to the extensive and duplicative reviews done at both the State and Federal level.

The legislation I am introducing today would resolve most of the delay problems and accelerate implementation of Public Law 92–500. This, in turn, would benefit the taxpayer by reducing projects costs, and stimulate employment.

The legislation amends the act to give States the authority to do the technical reviews and make grant decisions. With the multistage application procedure as it is now structured, numerous delays are encountered between the stages in the process. The system proposed in this legislation would relieve the Federal Government, or the regions, of the review responsibility by recognizing those States that have been successful in the implementation program by qualifying them to certify water treatment projects at the State level.

Accelerating the application process and reducing paperwork will invariably have an effect on costs. Delaware officials estimate that the cost of a project increases 15 percent each year it is delayed. By reducing the application time, it will reduce the effects of inflation on a project's costs. Eliminating the duplicative review will reduce Federal costs and project costs.

Reducing the application period to a more reasonable length of time will accelerate the construction of water treatment plants. In addition to helping us meet our clean water goals sooner, it will provide countless construction jobs at a time when unemployment in the construction industry is 18 percent.

Although this is a new approach to the water treatment program, it is not an unprecedented one. The EPA has initiated a similar program already and has distributed some of its responsibilities to 21 "certified States" to administer the national pollution discharge elimination system with the expectation of granting this authority to 15 more by the end of the fiscal year. The certification concept has also applied to the highway program for some time.

In 1972 we set ambitious goals and undertook a massive commitment to improve the quality of this Nation's water. The action I propose today will bring us closer to those goals.

Mr. President, I request that a copy of the legislation be printed in the RECORD following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1611

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title II of the Federal Water Pollution Control Act (33 U.S.C. 1281 et seq.) is amended by adding at the end thereof the following new section:

"CERTIFICATION

"SEC. 213. (a) The Administrator may discharge any of his responsibilities for actions, determinations, or approvals under sections 201(g)(2) and (3), 203(a) and (d), 204(a), (b)(1), and (b)(3), and 212(2)(B) of this Act with respect to projects or proposed projects for treatment works by accepting a certification by the State water pollution control agency of its performance of such responsibilities.

"(b) The Administrator shall not accept any certification provided for in subsection (a) of this section unless the Administrator determines that the State water pollution control agency has the authority, responsibility, and capability to take all of the actions, determinations, or approvals for which certification is submitted under subsection (a) of this section.

"(c) If the Administrator determines after public hearings that a State water pollution control agency, with respect to any requirement, condition, or limitation for which he has accepted a certification under subsection (a), fails to meet the requirements of this Act, he may suspend his acceptance of certification as to such requirement, condition, or limitation with respect to any project, or with respect to all projects in such State, as he determines necessary, and during such suspension he shall be responsible for such requirement, condition, or limitation.

"(d)(1) The Administrator is authorized to conduct interim and final inspections and audits, and to require such information, data, and reports as he may determine necessary to carry out this section.

"(2) Nothing in this section shall affect or discharge any responsibility or obligation of the Administrator under any other Federal law, including the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

"(e)(1) The Administrator shall reserve an amount not to exceed 2 per centum of the allotment made to each State for each fiscal year under section 205, after the date of enactment of this section. Sums so reserved shall be available for making grants to such State under paragraph (2) of this subsection for the same period as sums are available from such allotment under subsection (b) of section 205 and any such grant shall be available for obligation only during such period. Any grant from sums reserved under this subsection which has not been obligated by the end of the period for which available shall be added to the amounts last allotted to such State under section 205 and shall be immediately available for obligation in the same manner and to the same extent as such last allotment.

"(2) The Administrator is authorized to grant to any State exercising, or proposing to exercise certification authority under this section, from amount reserved to such State under this subsection, the reasonable costs, as determined by the Administrator, of carrying out such authority.

"(f) The Administrator shall promulgate such rules and regulations as may be necessary to carry out this section. The initial rules and regulations necessary to carry out this section shall be promulgated not later than the ninetieth day after date of enactment of this section.".

By Mr. DOLE:

S.J. Res. 76. A joint resolution authorizing and requesting the President to issue a proclamation designating the 7 calendar days commencing on April 30 of each year as "National Beta Sigma Phi Week." Referred to the Committee on the Judiciary.

Mr. DOLE. Mr. President, Beta Sigma Phi—the world's largest international Greek-letter women's organization—was founded 44 years ago today in my State of Kansas at the historic town of Abilene.

From that first chapter of 7 members, it has grown to include more than 250,000 of the most socially respected women in the world. With 333 active chapters in Kansas alone, it boasts a total of nearly 11,000 now in 23 countries and territories worldwide.

When originally conceived by its founder, the late Walter W. Ross, Beta Sigma Phi was designed to be a social and cultural organization dedicated to the ideals of life, learning, and friendship. It has naturally followed, however, that perhaps the major influence of its thought and action has been in the area of service to others.

This pursuit manifested itself in 1947 with creation of the Beta Sigma Phi International Endowment Fund—a fund which now makes available tens of thousands of dollars annually for the support of numerous humanitarian projects. These include such worthwhile activities as cancer and cystic fibrosis research; university scholarships; day and vacation care for mentally retarded children; and homes and treatment centers for predelinquent boys and girls.

Applying their belief that the only right they have is the right to be useful, Beta Sigma Phi's regularly seek to promote the cultural enrichment of their communities. Arts and crafts shows, music festivals, libraries, the theater, antique shows, museums, and talent contests are a few of the many creative projects to which Beta Sigma Phi's enthusiastically contribute their time, money, and talent.

It is through these types of exemplary programs that Beta Sigma Phi has become such a powerful force for good in the world. It is from their mutual desire—expressed in every ritual—for friendship and dignity that they have unified to strive for a firm and forward design in the art of living.

Mr. President, in this International Women's Year, I think it is only fitting that we extend recognition to the leadership, inspiration, and guidance which Beta Sigma Phi has provided to women both within and without its membership. I am very pleased, therefore, to be introducing this resolution today and would hope that a proclamation calling for establishment of a "National Beta Sigma Phi Week" can be issued before we begin our Bicentennial year.

If that is accomplished, Beta Sigma Phi's will be able to celebrate the first such event in conjunction with the 45th anniversary of their founding next April 30, 1976. As an annual tradition, it would indeed be appropriate for this organization of Kansas heritage to be the focal point for a meaningful tribute to the advancement of all women everywhere.

I ask unanimous consent that the text of the joint resolution be printed at this point in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 76

Whereas 1975 has been designated International Women's Year, with the United Nations having asked all countries and all interested organizations to join in working to advance the status of women throughout the world;

Whereas Beta Sigma Phi Sorority, the world's largest international Greek-letter women's organization, with more than 250,000 members from 11,000 active chapters in 23 countries, has been pursuing that goal since its founding on April 30, 1931,

Whereas the Beta Sigma Phi International Endowment Fund promotes the additional aim of "service free from self and selfishness" through the support of such projects as cancer and cystic fibrosis research, educational scholarships, homes for exceptional children, and rehabilitation centers for pre-delinquent boys and girls; and

Whereas Beta Sigma Phi's social, cultural, and service programs have a significant impact on the lives of its members as well as their communities and local, State, and national governmental officials around the world: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue annually a proclamation designating the seven-day period commencing on April 30 of each year as "National Beta Sigma Phi Week", and calling upon the people of the United States and interested groups and organizations to observe that week with appropriate ceremonies and activities to recognize the National Beta Sigma Phi Sorority and its social, cultural, and service programs and the high ideals for which the Sorority stands.

By Mr. MCINTYRE (for himself, Mr. KENNEDY, Mr. LEAHY, Mr. MUSKIE, Mr. PASTORE, Mr. RIBICOFF, and Mr. STAFFORD):

S.J. Res. 77. A joint resolution to amend the act creating the American Revolution Bicentennial Advisory Council to permit the appointment of members from the New England States. Referred to the Committee on the Judiciary.

Mr. McINTYRE. Mr. President, I send to the desk for appropriate reference, a joint resolution to amend the act creating the American Revolution Bicentennial Advisory Council to permit the appointment of members from the New England States.

I am pleased to state that this resolution is cosponsored by six of my New England colleagues: Senators KENNEDY, LEAHY, MUSKIE, PASTORE, RIBICOFF, and STAFFORD. An identical resolution is being offered in the House today by my colleague from New Hampshire, Representative NORMAN E. D'AMOURS.

The Advisory Council will have a significant role in the planning for our Nation's Bicentennial. Yet when the 25 appointees were named by President Ford earlier this year, the list included not one representative of the New England States. Considering the crucial historical role of New England in the American Revolution, I find this oversight unacceptable.

When Congress enacted Public Law 93-179, which established the Council, it was understood, and the law so directs, that the members should "be chosen from private life, and shall be broadly representative of the Nation's people."

In the words of John Warner, the administrator of the American Revolution Bicentennial Administration:

> The Council will be playing an extremely important role in planning the Nation's Bicentennial.

How can the Council fulfill the intent of the legislation if no member is from the six New England States?

The joint resolution I introduce today would increase the size of the Advisory Council to 30 members. It further directs the President to consider the historic importance of the New England States and other States comprising the original 13 colonies when making the additional appointments to the Council. My purpose is not to cast aspersions on any of the 25 distinguished Americans already chosen for the Council. Nor is it to stress the importance or significance of one region of the country over the others. I merely want to insure that all regions of our Nation have proper representation in the planning of our Nation's 200th birthday.

Mr. President, I ask unanimous consent that the full text of the joint resolution and the text of a news release from the Bicentennial Administration, announcing the appointment of the Advisory Council members, be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SENATE JOINT RESOLUTION 77

Whereas the American Revolution Bicentennial Advisory Council as presently constituted has not one member from any of the New England States; and

Whereas it was those very states that the seeds of the Revolution were first sown; and

Whereas it was those states which produced many of the leaders of the Revolution, and in which many of that war's most memorable battles and events took place; and

Whereas it would not be in conformity with the language of the Act creating the council to fail to give the New England States representation on the Advisory Council: Now, therefore, be it

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That section 3 (a) of the Act of December 11, 1973, entitled "An Act to establish the American Revolution Bicentennial Administration, and for other purposes.", is amended—

(1) by striking out the words "twenty-five members" in the first sentence thereof and inserting in place thereof the words "thirty members", and

(2) by striking out the word "fifteen" in the first sentence thereof and inserting in place thereof the word "eighteen", and

(3) by inserting after the words "learned professions" in the fourth sentence thereof, the following new language, ", and to the historic importance of the New England States and the other states comprising the original thirteen colonies".

SEC. 2. The persons authorized to be appointed pursuant to the preceding section shall be appointed not later than 20 days after the date of enactment of this joint resolution.

BICENTENNIAL ADVISORY COUNCIL MEMBERS NAMED

WASHINGTON, D.C.—President Ford today named the 25 members of the American Revolution Bicentennial Advisory Council which will advise the Administrator of the American Revolution Bicentennial Administration (ARBA) on matters relating to the commemoration of the nation's 200th anniversary.

Serving on the Council advising John W. Warner, ARBA Administrator, will be:

Maya Angelou, of Sonoma, California, Writer, Poet, Gerrard Purcell Association of New York, New York.

William J. Baroody, Sr., of Alexandria, Virginia. President, American Enterprise Institute, Washington, D.C.

Laura Bergt, of Fairbanks, Alaska. Homemaker and Community Representative, Fairbanks, Alaska.

The Most Reverend Joseph L. Bernardin, of Cincinnati, Ohio. Archbishop of Cincinnati. Cincinnati, Ohio.

Anna Chennault, of the District of Columbia. Vice President, International Affairs, Flying Tiger Line, Washington, D.C.

Joan Ganz Cooney, of New York, New York. President, Children's Television Workshop, New York, New York.

Martin Diamond, of Geneva, Illinois, Professor of Political Science, Northern Illinois University at DeKalb. Currently Woodrow Wilson Fellow at International Center for Scholars, Smithsonian, Washington, D.C.

Janice E. Sutton, of Parrotsville, Tennessee. Student, College of Agriculture, University of Tennessee at Knoxville.

Richard Gambino, of Port Washington, New York, Associate Professor of Education Philosophy, Queens College, Flushing, New York.

David L. Hale, of Little Rock, Arkansas, President, United States Jaycees, Tulsa, Oklahoma.

Alex P. Haley, of San Francisco, California, Author, San Francisco, California.

Martin S. Hayden, of Grosse Pointe, Michigan, Vice President and Editor, The Detroit News, Detroit, Michigan.

Ann Hawkes Hutton, of Bristol, Pennsylvania. Author/Historian and Chairman of the Board, Washington Crossing Foundation, Washington Crossing, Pennsylvania.

Mrs. Lyndon B. Johnson, of Stonewall, Texas. Former First Lady; Member, Board of Regents, University of Texas; Honorary Chairman, LBJ Memorial Grove on the Potomac, Stonewall, Texas.

Hobart D. Lewis, of Bedford Hills, New York. Chairman of the Board and Editor-in-Chief, Reader's Digest, Pleasantville, New York.

F. David Mathews, of Tuscaloosa, Alabama. President, University of Alabama, Tuscaloosa, Alabama.

James A. Michener, of Pipersville, Pennsylvania, Writer, Pipersville, Pennsylvania.

Lyle M. Nelson, of Stanford, California. Professor and Chairman of the Department of Communications, Stanford University, Stanford, California.

L. Tom Perry, of Bountiful, Utah. Member of the Council of the Twelve Apostles, The Church of Jesus Christ of Latter-day Saints, Salt Lake City, Utah.

Jacinto J. Quirarte, of San Antonio, Texas, Dean, School of Fine and Applied Arts, University of Texas, San Antonio, Texas.

Betty Shabazz, of Mt. Vernon, New York, Ph. D., candidate student at the University of Massachusetts, Mt. Vernon, New York.

Frank Stanton, of New York, New York. Chairman, The American National Red Cross, New York, New York.

Harry Van Arsdale, Jr., of Flushing, New York, President, New York City Central Labor Council, New York, New York.

David L. Wolper, of Los Angeles, California, President, Wolper Organization, Los Angeles, California.

Anne Armstrong, of Armstrong, Texas, Former Counsellor to the President, Armstrong, Texas.

Public Law 93-179 established the Council whose members are to be appointed by the President, with no more than 15 being from the same political party. Under the law: "Members of the Council shall be chosen from private life and shall be broadly representative of the nation's people."

The law further states: ". . . the President shall give due consideration to the contributions, among others, of the nation's youth, women, elders, racial and ethnic minorities, artists and craftsmen, and learned professions."

The law requires the Council to meet at least once every two months and hold other meetings at the call of the Chairman, the Administrtaor of ARBA, or a majority of its members.

Council members will not receive any pay for their work.

Under the law, the Chairperson and Vice Chairperson and other appropriate officers of the Council shall be elected by and from members of the Council other than the Administrator, who is an ex officio member.

The Chairperson and Vice Chairperson of the Council will also serve on the American Revolution Bicentennial Board, an 11-member group which establishes policy for the ARBA.

Following the President's announcement, John W. Warner, Administrator of the ARBA said: "I am very pleased that these distinguished Americans have accepted the challenge and responsibility of serving on the Bicentennial Advisory Council.

"The Council will be playing an extremely important role in planning the nation's Bicentennial."

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 327

At the request of Mr. JACKSON, the Senator from Iowa (Mr. CLARK) was added as a cosponsor of S. 327, a bill to amend the Land and Water Conservation Fund Act of 1965, as amended, to establish the National Historic Preservation Fund, and for other purposes.

S. 624

At the request of Mr. THURMOND, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of S. 624, a bill to prohibit any change in the status of any member of the uniformed services who is in a missing status under chapter 10 of title 37, United States Code, until the provisions of the Paris Peace Accord of January 27, 1973, have been fully complied with, and for other purposes.

S. 1421

At the request of Mr. SCHWEIKER, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of S. 1421, a bill to amend the Federal Energy Administration Act of 1974 in order to provide for the prohibition of certain discriminatory practices in the pricing of fuels and other forms of energy, including electricity.

S. 1532

At the request of Mr. CLARK, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of S. 1532, the packer bonding bill.

SENATE RESOLUTION 131

At the request of Mr. STONE, the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of Senate Resolution 131, to oppose the lifting of sanctions against Cuba and to request the advice and consent of the Senate prior to any proposed change in our Cuba policy.

SENATE RESOLUTION 135

At the request of Mr. MONDALE, the Senator from South Dakota (Mr. McGOVERN) was added as a cosponsor of Senate Resolution 135, a resolution proposing the designation of Norwegian-American Day.

SENATE CONCURRENT RESOLUTION 29

At the request of Mr. CURTIS, the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of Senate Concurrent Resolution 29, expressing the sense of Congress regarding the annexation of the Baltic Nations.

SENATE JOINT RESOLUTION 69

At the request of Mr. DOMENICI, the Senator from Georgia (Mr. TALMADGE) was added as a cosponsor to Senate Joint Resolution 69, relating to obtaining a full and accurate accounting for members of the U.S. Armed Forces missing in action in Southeast Asia and U.S. contribution to the United Nations.

SENATE RESOLUTION 144—SUBMISSION OF A RESOLUTION REGARDING THE AMATEUR STATUS OF THE LATE JIM THORPE

(Referred to the Committee on Foreign Relations.)

Mr. BURDICK submitted the following resolution:

S. RES. 144

Resolved, That it is the sense of the Senate that the Amateur Athletic Union restore to the late Jim Thorpe the status of amateur athlete.

SEC. 2. Further, it is the sense of the Senate that the International Olympic Committee officially recognize the achievements of said Jim Thorpe during the 1912 Olympic Games.

AMENDMENTS SUBMITTED FOR PRINTING

COUNCIL ON WAGE AND PRICE STABILITY EXTENSION ACT—S. 409

AMENDMENT NO. 392

(Ordered to be printed and to lie on the table.)

Mr. CHURCH (for himself, Mr. KENNEDY, Mr. WILLIAMS, and Mr. MONDALE) submitted an amendment intended to be proposed by them jointly to the bill (S. 409) to amend the Council on Wage and Price Stability Act to confer additional authority on the Council with respect to the prices of commodities and services, and for other purposes.

NOTICE OF CHANGE IN TIME FOR BANKRUPTCY HEARING ON APRIL 30, 1975

Mr. BURDICK. Mr. President, the time of the hearing previously noticed to be held on April 30, 1975, in room 2228, Dirksen Senate Office Building, for consideration of S. 235 and S. 236, two acts to revise the bankruptcy laws of the United States, has been changed from 10:00 a.m. to 11:00 a.m.

NOTICE OF HEARINGS ON A NOMINATION

Mr. JACKSON. Mr. President, I wish to advise my colleagues and the public that because of the continuing interest and the number of witnesses who wish to testify on the nomination of Gov. Stanley K. Hathaway to be Secretary of the Interior, I have scheduled additional hearings to be held on May 5, at 2 p.m. in room 3110, Dirksen Senate Office Building and on May 6 at 9:30 a.m. in room 3110, Dirksen Senate Office Building. In view of these additional hearings on the Hathaway nomination, the hearing scheduled by the Minerals, Materials and Fuels Subcommittee on May 6 at 10 a.m. regarding S. 391, a bill to amend the Federal Coal Leasing Act of 1920, and the hearing scheduled by the full committee at 2 p.m. on May 6, to consider the nomination of Philip White to be Assistant Administrator of ERDA, have been canceled until further notice.

NOTICE OF VETERANS DISABILITY COMPENSATION HEARINGS

Mr. HARTKE. Mr. President, as chairman of the Committee on Veterans' Affairs, I would like to announce that the Subcommittee on Compensation and Pension, chaired by Mr. TALMADGE, will hold hearings on cost-of-living increases for veterans receiving disability compensation for service-connected injuries and for survivors of veterans who died of service-connected causes in receipt of dependency and indemnity compensation. These hearings will be held on May 8 in room 154, Russell Senate Office Building at 10 a.m. The following bills will be the subject of the hearing: S. 1597, the Veterans Disability Compensation and Survivors Benefits Act of 1975, introduced by committee members today, together with S. 110, S. 770, and S. 1432. Those wishing to appear before the subcommittee or submit testimony should notify Guy H. McMichael III, general counsel to the committee on extension 224-9126.

ADDITIONAL STATEMENTS

DELIVERANCE

Mr. HUGH SCOTT. Mr. President, in the final days of our presence in Vietnam, the United States acted with compassion and integrity to evacuate not only all of our own citizens, but tens of thousands of Vietnamese as well.

Now that the role of the American military in Vietnam has passed, we must look to the future in a spirit of unity, hope and brotherhood.

As the Washington Post pointed out this morning—

> Not just the absence of recrimination, but also the presence of insight and honesty is required to bind up the nation's wounds. . . . For the moment, it is perhaps enough to say the country will fare better if it regards what has happened in Vietnam as bearing, for Americans, the potential for deliverance as well as disaster. Such a perception is the best foundation on which the future can be built.

Mr. President, I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Apr. 30, 1975]

DELIVERANCE

The last stage of an era-long American involvement in Vietnam was distinctive, not only because it brought a particular agony to an end but also because during that brief stage the United States acted with notable responsibility and care. All Americans, save the few inadvertently lost, were removed safely and in a way which deterred any larger accident and which provided time and an atmosphere in which tens of thousands of Vietnamese who chose to leave could do so. The effort made to assist those Vietnamese was an admirable demonstration of loyalty to a group of human beings otherwise bereft of hope. It may not have nullified so many other excesses committed during long years of war, but it had this virtue: it was the right thing to do. The United States also, in the last days, made what seems to us an entirely genuine and selfless attempt to facilitate a negotiated solution that would cut short further Vietnamese suffering. That the attempt did not forestall the unconditional surrender forced out of President Minh last night is no reflection on the motives of those who made it.

Americans, in other words, can include a positive judgment of their government's final acts in Vietnam in their larger judgment of the war as a whole. And they should. For if much of the actual conduct of Vietnam policy over the years was wrong and misguided—even tragic—it cannot be denied that some part of the purpose of that policy was right and defensible. Specifically, it was right to hope that the people of South Vietnam would be able to decide on their own form of government and social order. The American public is entitled, indeed obligated, to explore how good impulses came to be transmuted into bad policy, but we cannot afford to cast out all remembrance of that earlier impulse. For the fundamental "lesson" of Vietnam surely is not that we as a people are intrinsically bad, but rather that we are capable of error—and on a gigantic scale. That is the spirit in which the postmortems on Vietnam ought now to go forward. Not just the absence of recrimination, but also the presence of insight and honesty is required to bind up the nation's wounds.

Dr. Kissinger was wise, in his news conference last evening, not to make stark predictions one way or the other about how the foreign policy of the United States would henceforth unfold. That is not just because there are so many obvious uncertainties. It is also because foreign policy proceeds a great deal more from the character and outlook of a people than from the specific manipulations of public men. Vietnam—by which we mean the whole play through the years—has made Americans extremely sensitive to limitations on American power, but it has provided so far no clear guide to or consensus on how that power should be used. The large sprawling domestic debate on foreign policy that has gone on in recent years will not end now. It will intensify. Fortunately, the United States still has the great power, measured in conventional military and economic terms, to afford the luxury of a debate. For the moment, it is perhaps enough to say the country will fare better if it regards what has finally happened in Vietnam as bearing, for Americans, the potential for deliverance as well as disaster. Such a perception is the best foundation on which the future can be built.

AFTER VIETNAM

Mr. TUNNEY. Mr. President, America's bloodiest blunder, the involvement in Vietnam, now is over, but not its consequences.

For if the 56,000 Americans sacrificed there are not to have died in vain, our Nation must seek new means to fulfill her destiny as a world power than bombast at home and bombs abroad.

This should be a quiet time of reassessment, free of recrimination and blame.

If there is a lesson to be learned from Vietnam it is that the scars that may be inflicted in battlefields overseas can infect our own land with dissent and division, and it is time to heal those wounds.

Now that Communist tanks have rolled in triumph into Saigon, we should take specific steps to assure a more stable world.

First. We should reevaluate our policies in Asia to assure that our alliance with Japan remains strong.

Second. We should continue the careful diplomatic development of relations with the People's Republic of China.

Third. We should assist other countries in Asia in feeding their hungry and in helping them develop their agriculture and industry without meddling in their internal politics.

Fourth. We should continue to solidify our ties with Europe and with Latin America.

Fifth. We should keep our defenses strong, but never suppose that we can impose our will on others by military might alone.

Vietnam clearly taught that napalm and helicopter gunships and whole brigades of fighting men cannot turn the tide of nationalism and determination.

Yet we would forsake those Americans who gave their lives in Vietnam if we should forsake our leadership in world affairs.

We remain the world's bastion of democracy. We continue to be an enormous power, and we can apply that power constructively to limit arms, to forge détente and, with perseverance, to open diplomatic channels that hopefully will avert war in the Middle East.

The loss in Vietnam has not reduced the United States from the first rank of world power, but it has—or, at least, should have—removed any delusions that we can exercise our national will through gunboat diplomacy.

The heritage of the war is burned in the minds of most of us—the little girl running, mouth agape, seared by napalm; Marines dragging their wounded buddies through the bush; the bombers dropping their deadly cargo; the dusty graves row on row; and, here at home, the Kent State student lying dead, a bullet through his head.

And the aftereffects of our futile and foolish involvement are felt in our daily lives—inflation that continues to soar because we did not match our escalating commitment in Vietnam with necessary taxes, and now are paying the bill; the lingering plight of the young men disabled in the war, now in the pale limbo of our veterans' hospitals; the disenchantment of many young people with our political processes, now adding to a shocking majority that is not voting in our elections.

Now, too, we have the 50,000 or so Vietnamese refugees in tent camps in our island bases in the Pacific and in three camps in this country.

Humanity compelled that we not leave them to the vengeance of the Communist conquerers, yet now the Government must develop detailed plans for assisting them to relocate and become productive citizens in this country.

Many are the wives and children of Americans, others are employees of American firms, and they should be assimilated easily into our society.

Others will need the helping hand of church, service, community, business, and labor organizations, and I have been assured that they will find homes throughout the United States in rough proportion to the population of each State, which means that California will absorb 5,000 or so, which should be within its capacity.

Back in the 1960's, as our military effort intensified in Vietnam, many saw our involvement as simply one more Berlin wall at which the spread of communism would be contained.

There were those of us, who in individual visits to Vietnam, after seeing the villages and talking with the people, came to the realization that the war was not some monolithic Communist onslaught, but had its origins deep within the history of that troubled land and was, essentially, a civil war in which we had no right to intervene.

That opposition to the war, developing in the second half of the 1960's, burgeoned into a commanding effort that engulfed the Nation and, finally, led Congress to recapture its warmaking powers and limit the President from arbitrarily dispatching our troops into combat.

Congress removed the imperial eagles that the Constitution never intended for the Presidency, and, I would hope, reasserted a constitutional balance that never again will permit the White House to become secretive with and isolated from the American people.

Now, it should be time for reconstruction, where we begin to commit to rebuilding our economy some of the resources we have been pouring into the House of Thieu we so long tried to prop up only to see it collapse in disarray.

Now, there should be no distraction from the imperatives of our own lagging economy, and from our essential responsibility for reconstituting a sense of unity from which this Nation should find special meaning and strength for its Bicentennial.

MUSICIANS SUPPORT PERFORMANCE ROYALTY BILL, S. 1111

Mr. BAKER. Mr. President, I ask unanimous consent that an article by Hal C. Davis in the latest issue of International Musician be printed in the RECORD. It endorses the performance royalty bill, S. 1111, introduced by the senior Senator from Pennsylvania (Mr. HUGH SCOTT) and cosponsored by me.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EXTRA MONEY IN YOUR POCKET: SENATOR SCOTT'S NEW ROYALTY LEGISLATION WOULD PROVIDE ADDED INCOME FOR MUSICIANS

(By Hal C. Davis)

Only a few years ago, radio stations and the radio networks were a good source of employment for musicians. Networks had their own orchestras. Live music was necessary.

Today the networks and the stations use recorded music instead of live musicians. On the average, 75 per cent of radio time is devoted to recorded music.

Every time a recording is played over the air, the composer and the publisher of the music get paid through a performance royalty. This stems from U.S. copyright law.

MUSICIANS LEFT OUT

Unfortunately, the musicians and the artists who bring the composer's music to life get no such royalty. Nor does the recording company which creates the recording and produces it.

There is now new legislation in the U.S. Senate to correct this unfair situation. Senator Hugh Scott has introduced Senate Bill 1111 to provide a performance royalty for the musicians, artists and recording companies. Six other members of the Senate are co-sponsoring the legislation: Howard Baker of Tennessee, Alan Cranston and John Tunney of California, Birch Bayh and Vance Hartke of Indiana, and Harrison Williams of New Jersey.

More co-sponsors are needed. Strong support from other members of Congress is needed.

Similar legislation has been introduced in the House of Representatives.

Senator Scott has said: "The real issue to me is whether or not a person who uses his creative talents to produce music should be entitled to compensation from someone who takes the music and makes a profit from it. My answer is 'yes.'"

Certainly all musicians and performers agree.

It is unfair for the law to reward only the composer and his publisher and not reward the musicians, artists and recording companies who actually create the recording. Each recording is unique. For example, take the old favorite, "White Christmas." Many versions of this song have been recorded but it was the version by Bing Crosby that made "White Christmas" a big hit. Without Crosby's rendition, it might have been just another song.

Or consider the various renditions of "Hello Dolly." This song was recorded by Carol Channing, Louis Armstrong, Pearl Bailey, the Ray Charles Singers, Ray Conniff, Duke Ellington, and Judy Garland with Liza Minnelli, to mention a few. Each had a different approach. The song was played again and again on the radio yet only the composer and the publisher received performance royalties.

Senator Scott's legislation will update the law and benefit the creators of the recording. And it is not designed just for the big names. For each Crosby or Armstrong, there are hundreds of lesser-known artists and thousands of backup musicians who create modern recordings, working with the record producer. For this reason, surely all the creators should be rewarded—not just the composer and the publisher.

WHY NOT U.S.?

Forty other nations provide some kind of performance royalty for recordings. The U.S. is one of the few Western nations which does not. Why not? When the copyright law was passed in 1909, it provided a copyright royalty for composers and music publishers. Who knew then that recordings would become so popular? Unquestionably, things have changed a lot since 1909 and the law needs changing.

BROADCASTERS OPPOSED

Key opposition to performance royalty legislation comes from broadcasters. They want the right to use recordings for their own profit, without compensating the musician, the artists and the recording company for their creativity.

Ironically, the broadcasters are being totally inconsistent. While opposing Senator Scott on this, they are pushing for other legislation that means money in their pockets and the issue is exactly the same. They want cable television stations to pay broadcasters when the cable stations pick up copyrighted broadcast programming and use it for profit. It's exactly the same principle: The creator should be rewarded. Obviously, the broadcasters must pay for other major parts of their program material—news, drama, weather, talk shows, etc.

ROYALTY FEES MODEST

Under Senator Scott's bill, radio stations would pay an annual fee ranging from $250 for small stations to 1 per cent of net receipts from advertisers for the big stations. Stations with annual income of less than $25,000 would pay no royalty. Television stations, background music services and others who use music for profit would be required to pay modest fees. The fee for jukebox operators would be $1 a year per box.

Can broadcasters and others afford to pay these modest fees? No doubt about it! Radio advertising income grew 46 per cent from 1967 to 1972. Pretax profit for all radio stations grew 66 per cent during those years. Income and profits for TV stations have gone up much the same.

How will the money be allocated? Half the royalty fees would go to the musicians and artists, half would go to recording companies. Distribution methods would be worked out by organizations representing these groups, including the American Federation of Musicians, the American Federation of Television and Radio Artists, and the appropriate performers' unions.

Last year, a Copyright Revision Bill considered in the Senate included performance royalties for sound recordings. This provision was eliminated because of oppostion from broadcasters. Senator Scott's new bill can change that if enough of our members speak out. This can mean extra money for many musicians.

WHAT YOU CAN DO

1. Write to your Senator. Urge him to co-sponsor and support Senate Bill 1111.

2. Write to your Representative in the House of Representatives. Ask him or her to sponsor Bill No. 5345 or to support its passage.

Every action that each one of us takes today will help all of us in the future.

JOINT RESOLUTION OF THE MAINE LEGISLATURE MEMORIALIZING CONGRESS TO EXTEND VOTING RIGHTS ACT OF 1965 FOR 10 ADDITIONAL YEARS

Mr. MUSKIE. Mr. President, the 107th Maine Legislature has adopted a joint resolution memorializing Congress to extend for 10 years the Voting Rights Act of 1965, which will expire on August 6 of this year.

On behalf of myself and Mr. HATHAWAY, I ask unanimous consent that this joint resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Joint Resolution Memorializing the United States Congress to Extend the Voting Rights Act of 1965 for 10 Additional Years

We, your Memorialists, the House of Representatives and Senate of the State of Maine of the One Hundred and Seventh Legislative Session assembled, most respectfully present and petition the United States Congress, as follows:

Whereas, the 1965 Voting Rights Act is one of the most significant pieces of civil rights legislation ever enacted; and

Whereas, the Voting Rights Act is a complex piece of legislation that was developed in response to the failure of earlier legislation to remedy discrimination in voting, and is designed to enable minority citizens to gain access to the political process and to gain the influence that participation brings; and

Whereas, its passage and enforcement have been responsible for substantial increases in the number of blacks registered, voting and elected to office in the seven southern states covered by the Act; and

Whereas, the Voting Rights Act Amendment of 1970 continues the special coverage provisions which reach into every corner of the United States; and

Whereas, the United States Commission on Civil Rights, in its January, 1975 evaluation of the current status on minority rights in jurisdictions covered under the Voting Rights Act of 1965 as amended in 1970, concluded that there is still hostility and resistance to the free and effective political participation of blacks, native Americans, Puerto Ricans and Mexican-Americans; and

Whereas, a democratic system depends on the full participation of all its citizens; and

Whereas, the Voting Rights Act of 1965 will expire on August 6, 1975 of this year unless it is further extended by Congress; now, therefore, be it

Resolved: That we, your Memorialists, do hereby respectfully urge that Congress, prior to August 6, 1975, extend the Voting Rights Act of 1965 for an additional 10 years; and be it further

Resolved: That a copy of this resolution, duly authenticated by the Secretary of State, be transmitted by the Secretary of State to the President of the Senate and the Speaker of the House of Representatives of the United States Congress and to each Member of the Maine Congressional Delegation.

FEDERAL RULES OF EVIDENCE

Mr. HRUSKA. Mr. President, I am pleased to join with the distinguished senior Senator from Michigan (Mr. HART) as cosponsor of S. 1549, a bill to amend the Federal Rules of Evidence, and for other purposes. The proposed legislation would insure the admissibility in court of a valuable and reliable kind of evidence. The evidence I speak of is evidence that an eyewitness, testifying at the trial, made an earlier identification of the criminal perpetrator, at a time closer to the crime than is the trial. The amendment would make this evidence admissible if all constitutional safeguards have been complied with and there are no special facts and circumstances impugning reliability. The amendment would not override the constitutional requirement of presence of counsel and nonsuggestive circumstances at an identification occurring at a lineup or the like, as set forth in the Wade, Gilbert, and Stovall cases in the Supreme Court. Additionally, as in the case of all evidence of whatever kind, rule 403 would still apply to exclude the evidence if some fact impugning reliability were present in a particular case.

In the absence of special circumstances, like those just noted, there is little reason to exclude the evidence. The witness is present for confrontation and cross-examination. His prior statement, nearer in time to the occurrence than his present statement, is likely to be at least as valuable if not more so, than his later statement. The evidence can be used for or against the accused.

Turning to the exact language, the proposed amendment would add to rule 801(d)(1) a new subsection (C). This new subsection would add to the list of statements which are expressly exempted from the hearsay rule. The new provision, put in context of the rule, would read:

> A statement is not hearsay if . . . the declarant testifies at the trial or hearing and is subject to cross examination concerning the statement, and the statement is . . . one of identification of a person made after perceiving him.

This provision was included in the draft of the Federal Rules of Evidence submitted to Congress by the Supreme Court, and all drafts preceding it. The provision was also found in the Federal Rules of Evidence as they passed the House. The Senate deleted the provision, although some members of the Judiciary Committee had reservations. The House, in the spirit of compromise, acquiesced to gain agreement on the bill as a whole.

Upon further consideration, it appears that the amendment is desirable. The position reflected in the amendment has considerable support amongst the decisions, statutes, and commentators. The authorities are collected in Rothstein, Understanding the New Federal Rules of Evidence, pages 385–86—1975 supplement.

The Advisory Committee on the Federal Rules of Evidence said in support of the position reflected in this amendment:

> The admission of evidence of identification finds substantial support. . . . The basis is the generally unsatisfactory and inconclusive nature of courtroom identifications as compared with those made at an earlier time under less suggestive conditions.

The Attorney General's Advisory Committee of U.S. Attorneys has supported the amendment, stating:

> . . . (N) on-suggestive lineups or other pretrial identifications made reasonably soon after the offense are more reliable than in-court identifications. . . . (T) he Federal Rules of Evidence (should) make clear that non-suggestive lineup, photographic, and other pre-trial identifications, made in compliance with the United States Constitution are admissible in evidence. . . .

The Supreme Court, in *Gilbert* v. *California,* 388 U.S. 263, 272, remarked as follows on the admissibility of these identifications:

> The recent trend . . . is to admit the prior identification under the exception (to the hearsay rule) that admits as substantive evidence a prior communication by a witness who is available for cross examination at the trial.

For these reasons, I urge that the Senate act promptly to approve this amendment before the effective date of the Federal Rules of Evidence, July 1, 1975.

THE UNSTABLE CONDITION OF THE NUCLEAR BALANCE

Mr. CRANSTON. Mr. President, in remarks prepared for delivery at the U.S. Naval Academy on April 23, Dr. Fred C. Iklé, Director of the U.S. Arms Control and Disarmament Agency—ACDA—outlined problems of "the second nuclear era," now beginning, in which more and more nations will acquire the materials for making nuclear bombs. He said:

> We will no longer be able to prevent the use of the nuclear bomb solely by deterring one or two potential adversaries. Further, we will no longer be able to curb nuclear arms competition through bilateral agreements alone.

Dr. Iklé projected a long-term U.S. arms control program, which would encourage the evolution of an "international guardianship of dangerous nuclear materials—to coordinate, or manage directly, the flow of nuclear materials among a steadily growing number of countries." He said:

> A decade hence, the performance of this international guardianship will vitally engage the attention of governments throughout the world. It will affect the most elementary interests of the general public and political leaders alike—their welfare and their physical survival.

I was struck by the skepticism and humaneness of Dr. Iklé's remarks. He is not fooled by the easy assurances offered by strategic planners. At one point, he warns:

> Today, nuclear strategists of all countries analyze a shadow world of abstract calculations. We are not moved by compassion or revulsion, and the corrective mechanism of learning from experience cannot work.

The Director of ACDA goes on to remind us of the fragility of the mechanism we have constructed:

> A great deal more needs to be done to make deterrence safer. We must search for improvements with a distrust of anyone who pretends all is well. Year in, year out, the avoidance of nuclear war now depends on the proper working of farflung armaments, on the safety of alert missile forces halfway around the globe, on the integrity of military command chains stretched thousands of miles. We have to rely on the absolute control of these engines of destruction, all in a state of readiness day and night, month after month, all managed by people, large communities of people, with the usual admixture of heroes and villains, wise men and fools.
>
> It would be an insult to the ingenuity of our strategic experts and our engineers to argue that, for decades to come, such an unbelievably explosive contraption is the best we can build.

Mr. President, I ask unanimous consent to have Dr. Iklé's speech printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

The Second Nuclear Era

Mankind's first nuclear era began thirty years ago. Three-fifths of the people alive today had not yet been born.

For those who remember that beginning, it offers mixed memories. People were stunned by the destructiveness of this new power. At the same time, they looked upon the bomb as bringing an end to a war that threatened to grow bloodier and go on for endless days.

And there was a widespread feeling that the world now had a singular opportunity to rebuild itself in a better way. Almost everyone recognized the world could never be the same—atomic power had revolutionized the nature of peace and war.

Americans were confident that their country would show the way. Our self-confidence found concrete expression in a proposal to the United Nations—a proposal that combined our hopefulness of that time with acceptance of our responsibility as sole possessor of the atom bomb. This proposal—known as the Baruch Plan—envisaged placing all nuclear resources throughout the world under the ownership and control of an independent international authority. Its purpose was to assure that this new force served only peaceful ends.

Some debate has arisen about the realism of the Baruch Plan, and even about the sincerity with which it was offered. Let me lay a myth to rest.

Was it realistic? No, because its optimism demanded too great a change in the politics of power. Yes, because its boldness matched the magnitude of the problem.

Was it sincere? While preparing and pressing this proposal, did we exploit our nuclear monopoly to the hilt or did we exercise self-restraint?

What we did was this: First, the United States diminished its nuclear research and development from $940-million in 1944 to $280-million in 1946. Second, in 1946 and early 1947, the United States exploited its nuclear monopoly by having on hand a total stockpile of battle-ready weapons that numbered—I will give you the exact figure—zero. As late as April 1947, President Truman noted that we still had only few components of bombs and that our bombs were not assembled. Evidently, Harry Truman—that alleged cold warrior—had not ordered a crash program.

These facts are available to any historian. Yet they have been conveniently overlooked in recent attempts to rewrite the history of how the Cold War began. We do not have to assert that we were without flaw during that period. But we should not forget the truth: the self-restraint and generosity in American foreign policy during that period, a period when the United States had a world monopoly on power without parallel in history.

The United States, during the critical years of 1946 and 1947, continued to press for an effective international system of control and ownership of the atom. It did not launch a massive research and development program to assure that its nuclear superiority would remain unchallengeable. It did not rush to amass a stockpile of nuclear weapons. Thus, it did not exploit its monopoly to impose its own interpretation of the World War II settlements. But at the end of 1947 it seemed clear that the Baruch Plan—or any comparable, effective constraint on nuclear arms—would not be accepted. In 1949, the Soviet Union exploded its first nuclear bomb. Over the next fifteen years, the nuclear arsenals grew competitively on both sides to incomprehensible levels of destructiveness.

The United States maintained its lead in this deadly competition. Nevertheless, in the mid-1960's, it took the initiative of restraining the expansion of its strategic offensive and defensive forces, seeking stability by a renewed effort for agreed controls. This American self-restraint found formal expression in the 1969 decision to discard "strategic superiority" as official U.S. policy. The Soviet Union would thus be allowed to achieve equality where the United States had held an advantage for 25 years. This decision was based on recognition that a stable world order cannot be achieved if either superpower engages in the futile and dangerous pursuit of unilateral advantages. We have pursued this principle of equality and mutual self-restraint through six years of difficult strategic arms talks, and we continue to pursue it in other East-West arms control negotiations.

Given the historic development of the American and Soviet positions in the world, parity between our strategic forces is a relationship that can add to stability. And strategic parity is to be anchored even more securely in the agreement on offensive arms based on the accord reached at Vladivostok. The agreement will complement the Anti-Ballistic Missile Treaty of 1972 and its 1974 Protocol. By that ground-breaking set of agreements, we and the Russians effectively renounced major potential weaponry in the interests of world stability.

Now these are substantial achievements. The world's two most powerful nations, to enhance their own security, have begun to rely on controlling their armaments. It might thus seem as if the road ahead was clear. Successive limitations and reductions, to be negotiated between the United States and the Soviet Union, might seem all that is needed to avoid nuclear war.

But something more is needed.

For we are now moving into a new era that will differ fundamentally from the world to which we have, in part, adjusted. The revolutionary agent is the inexorable diffusion of nuclear technology throughout the world. We can slow down the spread of the means to make the bomb; but we—the United States—cannot stop it. As if to saddle mankind with a double curse, the nuclear technology now of greatest interest throughout the world—reactors to produce energy—is also a technology that yields the material necessary to build nuclear bombs. From a powerful mixture of economic and nationalistic motives, nation after nation will want this technology. The most dangerous material man has ever fashioned will gradually spread all over the world.

In the coming era, we will no longer be able to prevent use of the nuclear bomb solely by deterring one or two potential adversaries. Further, we will no longer be able to curb nuclear arms competition through *bilateral* agreements alone.

Realism forces us to recognize that most nations which acquire nuclear arms will insist on retaining sovereign control over them, for decades to come. For this and other reasons, "general and complete disarmament" is not a guideline for policies to shape the foreseeable future. Yet, realism also forces us to recognize that the continuing spread of nuclear materials cannot coexist, for decades, with the present structure of nuclear deterrence, on the one hand, and the present fragile controls over nuclear explosive technology, on the other.

Political philosophers, to be sure, may wish to explore the possibility of a world in which nations-states—as we now know them—will have disappeared in a dispensation of general and complete disarmament. Similarly, military strategists may wish to speculate on how nuclear deterrence, as we now understand it, could survive in a world with several dozens of nuclear powers, and where even criminal groups might obtain nuclear bombs. But I believe neither of these worlds is realistic. Something will have to give.

The coming era calls for realism and for vision, for an effort that will mobilize the support of other nations and draw on our own vast intellectual, scientific, and moral strength. The second nuclear age calls for a United States arms control program that reaches far enough ahead so that we can shape our future.

As I see such a program taking shape, three important tasks stand out:

First, for many non-nuclear powers, protection against nuclear threat or attack rests on American commitments. America's self-interest dictates that we sustain our alliances. If we withdrew our protection—or if confidence in it were shaken—strong internal pressures would arise in many countries to acquire nuclear armaments for their self protection. Then, their neighbors would feel threatened and follow suit.

To the degree that we appear to turn inward, we encourage non-nuclear nations—from Asia to Europe and the Middle East—to create their own nuclear forces. We will thus make the future less manageable and eventually bring arms control efforts to a dead end. How could arms control and disarmament make progress in a world where nations increasingly depend for security on a tangled web of nuclear threats and counterthreats among dozens of nuclear-armed countries? Our alliances help protect both other nations and ourselves from the dangers of nuclear proliferation.

A second task is to make safer our reliance on nuclear deterrence—to be very clear about its shortcomings and to find ways to correct them.

Never in man's history has the technology of warfare changed so sweepingly and so rapidly, and never without being tested in real battles. We can only be thankful, of course, that the generation which has grown up since the second World War has never been witness to the cruel impact of nuclear destruction. But to be spared such experience has also insulated this generation from the grim reality of nuclear arsenals. Today, nuclear strategists of all countries analyze a shadow world of abstract calculations. We are not moved by compassion or revulsion, and the corrective mechanism of learning from experience cannot work.

In past centuries, every advance in technology, was eventually used for war. Then, however, the scope and suddenness of destruction were never so immense. Weaponry was never rigged in such a way that one single failure could mean the last chance had passed. But we have made mutual deterrence hinge on cataclysmic speed. There would be no time for learning, no time for human compassion and mercy to call a halt, no pause in the battle long enough for governments to reflect and gain a sense of proportion. Over the long term, this emphasis on speed imposes a risk that is intolerable—and unnecessary.

Major changes in deterrence will be needed in the second nuclear era, when the danger of nuclear war from deliberate attack may be overshadowed by the chances of war from accident or miscalculation.

We have already taken promising steps, both unilaterally and through agreement, to escape from the interlock of hair-triggered nuclear armaments where one tragic episode could lead to mutual genocide. We have reached agreements with the Soviet Union on measures against the risk of accidents and on improvements in the Washington-Moscow hot line. We must take further steps along this important road. Unilaterally, we continue to improve the controls and safety of our nuclear armaments.

We are also adjusting our strategic doctrine to changing conditions. Here we must carefully strike a balance. On the one hand, we must not stake our survival on one single gamble, the gamble that deterrence will never be seriously tested and that we will never require room for choice—after some nuclear weapons have been used—to avoid mutual genocide. On the other hand, we must not slide back into errors of the past, by permitting nuclear weapons to be regarded as a substitute for conventional defenses. We must not mistake nuclear war, or the threat of it, for an acceptable instrument of foreign policy.

A great deal more needs to be done to make deterrence safer. We must search for improvements with a distrust of anyone who pretends all is well. Year in, year out, the avoidance of nuclear war now depends on the proper working of farflung armaments, on the safety of alert missile forces halfway around the globe, on the integrity of military command chains stretched thousands of miles. We have to rely on the absolute control of these engines of destruction, all in a state of readiness day and night, month after month, all managed by people, large communities of people, with the usual admixture of heroes and villains, wise men and fools.

It would be an insult to the ingenuity of our strategic experts and our engineers to argue that, for decades to come, such an unbelievably explosive contraption is the best we can build.

A third task is to create an international guardianship of peaceful nuclear technology.

To keep nuclear technology peaceful was a need manifest from the very beginning; but it will be far more compelling in the second nuclear era. Its urgency will increase as technology spreads and nuclear materials increasingly supply the world's energy needs. Hence, the effort to assure that these resources serve only peaceful ends must expand and intensify year by year.

Inevitably, the international guardianship of dangerous nuclear materials will become steadily more important. Its work will involve an increasing number of people and a broadening array of tools, to coordinate, or manage directly, the flow of nuclear materials among a steadily growing number of countries. The timely supply of these fuels will be crucial to the economy of many people; their perpetual and total safety will be crucial to the safety of all people.

The activities of this guardianship will be a matter of daily concern rather than a matter of sporadic intervention in emergencies. It will have to deal chiefly with persistent problems, such as the growing worldwide need for nuclear waste disposal and the ever-present danger of theft of nuclear materials. Unlike mutual deterrence and the strategic analysis that supports it, it will not be condemned to live in a world of theory and abstraction. Its workings will be tested every day. Hence, it can learn from trial and error; because failures will not inevitably be fatal, experience can teach.

Again unlike deterrence, the guardianship of the world's peaceful nuclear resources does not fix nations in a posture of deadly antagonism. The dangers which must be controlled—some man-made, some essentially natural forces—are the by-products of peaceful activities, not the result of a hostile arms competition.

Can the nations of the world ever reach the kind of agreement that produces an effective and reliable guardianship? Over the last 20 years—when the risks were not yet so compelling—over 100 countries have learned to work harmoniously together in the International Atomic Energy Agency in Vienna. The fruitfulness of that collective effort—based on an American initiative—should give solid encouragement.

I do not mean to project some instant Utopia. There will be pitfalls of many kinds. The effort to build an international guardianship might become entangled in the short-term politics of the struggle for resources. Or it could fail because of ideological schisms. There may be break-away or outcast nations, whose obsolete view of the world blinds them to the realities of their own interests. But we have the promise of the International Atomic Energy Agency. And over eighty nations support the Non-Proliferation Treaty. These examples point the way to the political consensus we must create.

A decade hence, the performance of this international guardianship will vitally engage the attention of governments throughout the world. It will affect the most elementary interests of the general public and political leaders alike—their welfare and their physical survival. By the nature of its task and the way it must work, it can forge a common bond among nations that may prove more fruitful and sturdy than any we have tried to create, and teach a more meaningful collaboration than any we have known. Given America's position as the leader in nuclear technology and our skill in designing international institutions, we can play a particularly creative role.

America has lately suffered sorrows and disappointments. But you, the younger people, reject pessimism and passive doubt. You will want a part in shaping your future, and I am certain you will support a constructive foreign policy and arms control program. You will indeed have important things to do.

PRIVACY AND THE INSURANCE INDUSTRY

Mr. PERCY. Mr. President, in the course of my work on the Federal Privacy Act of 1974 in the Government Operations Committee, I have come across several interesting and rather remarkable speeches by Benjamin Lipson, of Boston, Massachusetts. The topic of these speeches is the personal abuse and suffering that results from the misuse and misinterpretation of individual psychiatric records by life insurance companies and other organizations.

The remarkable fact is that Mr. Lipson is himself a life insurance underwriter. He is waging a solitary and courageous campaign to awaken others in his industry to the need for reforms in the collection and use of sensitive psychiatric information. Such information is routinely used by insurance underwriters, who usually are not trained in psychiatry and who do not subscribe to a universal and fair set of criteria for evaluating psychiatric comments and diagnoses. As a result of inconsistent and unjustified interpretations of such information, according to Mr. Lipson, millions of Americans are unfairly deprived of life insurance each year.

Mr. President, the problems addressed by Mr. Lipson are directly related to the purpose of the Federal Privacy Act. Namely, it is fundamentally important that we ensure the right of individuals in this country to limit access and use by others to their personal information. No information is more personal, or should be more privileged than psychiatric records. This is an essential part of establishing and safeguarding a universally recognized right of privacy for our citizenry.

The earliest version of S. 3418, the Senate version of the Federal Privacy Act, extended its Code of Fair Information Practices to data banks in the private sector as well as in the Federal Government. For a variety of reasons, such broad coverage of so many diverse institutions in one piece of legislation was not deemed feasible by the Government Operations Committee. Thus the need for privacy protection with regard to private data banks still remains.

Mr. Lipson addresses himself to the personal data handling practices of an industry that could voluntarily adopt a code of fair information practices. This would indeed be a desirable outcome. In fact, such an action by this vital industry might set an example that would encourage other parts of the private sector to follow suit.

Mr. President, I feel that Mr. Lipson is to be congratulated for his fine efforts to promote a greater respect for personal data within the insurance industry. I would like to share with my colleagues two speeches by Mr. Lipson. I ask unanimous consent for them to be printed in the RECORD.

There being no objection, the speeches were ordered to be printed in the RECORD, as follows:

PSYCHIATRY AND UNDERWRITING: ARE WE DISCRIMINATING?

(Address by Benjamin Lipson)

I approach this occasion with the fervent hope that even though we represent differing points of view, that together we can reason so that the benefits of our expertise will accrue principally to the insured.

At the outset, it should be made clear that I come here as an independent life insurance broker. A general insurance man for the first 10 years of my insurance career that started in 1953, I am a product of the American agency system, and my loyalty lies with the customer; I represent the customer first. On the other hand, we all understand that your first responsibility, as underwriters, is to the company you represent. Nevertheless, we must work together, be cooperative, responsible, honest, fair and understanding of each other's responsibilities and obligations.

The very fact that I am here today would indicate that we all recognize that for too long we have neglected the concern of those individuals who have had contact with a psychiatrist and who have had difficulty getting life insurance. These difficulties may have been both real and imaginery—real in the sense that in some areas there has been callous indifference and widespread misinterpretation of the psychiatric risk at the underwriting desk, imaginary in the sense that many people with a psychiatric medical history are usually afraid to even apply for insurance coverage.

Part of this problem had its origin with the health insurance industry in that in many instances a form of duress exists when an insured has no choice but to authorize the release of an entire file in order to be reimbursed for medical expenses he has already paid out of pocket, or when diagnoses are distorted so as to conform with specific policy provisions. The resultant abuses of this information, much of which is not required, inhibits the individual from any further contact with the insurance industry.

Gun-shy is one way to describe the psychiatric patient who pays for benefits normally covered by his health insurance, because he is frightened of a breach of confidentiality. A Maryland psychiatrist reported recently, for instance, that in the six years from 1968 through 1973, patients of his having Federal Employees Health Benefits Insurance with Blue Cross paid amounts ranging from $11,950 in one year to $13,050 in another year for psychiatric care that otherwise would be covered or defrayed by their insurance. In 1974, during only the first ten months, the figure for this one psychiatrist's patients came to $18,400. The doctor estimated that in the past ten years, his patients paid at least $150,000 out of their own pockets needlessly. And these are not isolated cases.

In commencing a discussion of this nature, I believe it timely to quote from the recently-released first interim report of the Masachusetts Special Legislative Commission on Privacy. "As America prepares to celebrate its 200th year of independence, the erosion of its citizens' rights of privacy has become an issue of national concern. Privacy, we are told, is a fundamental part of our spiritual heritage of freedom. The framers of the Bill of Rights were reported sensitive to the privacy issue, implicitly including it in the guaranteed rights of the First, Third, Fourth, Fifth and Ninth Amendments. This was done, according to Justice Brandeis, because 'the makers of our Constitution sought to protect Americans in their beliefs, their thoughts, their emotions and their sensations.'

"In order to receive the apparent benefits of society we passively, voluntarily and sometimes under pressure consent to what are essentially intrusions of our right to privacy."

Ladies and Gentlemen, this is the forfeiture that you are demanding from the insuring public under your guidelines and sincere belief that you have an obligation and responsibility to make a profit. Rather than give up this priceless right, many individuals forego benefits rightfully entitled to them under health insurance and refrain from applying for life insurance.

In obtaining life insurance, the applicant for insurance is faced with an early decision—whether to sign the consent form that allows the insurance company complete access to all of his medical files, not just those reasonably pertinent to his insurability as might be expected, but to all of his files, erroneous or not, pertinent or not, including his psychiatric file.

Most applicants sign the form passively or voluntarily, to use the Privacy Commission's words. Some, forced by circumstances that require insurance but fearful of what complete disclosure could mean, sign the form under a subtle yet real form of pressure, to use the Commission's word again. But passively, voluntarily or under pressure, the applicant is still agreeing to an intrusion to his right of privacy.

Consider for a moment the problems faced by the psychiatric patient who is applying for life insurance. Although we have come a long way toward understanding of emotional illnesses and toward acceptance of the fact that often a psychiatrist must be consulted, there exists even in 1975 an enormous pool of skepticism, mistrust and misunderstanding when it comes to psychiatry and diseases of the psyche. The psychiatric patient knows this all too well, and is therefore naturally reluctant to divulge his psychiatric treatment. Right at this point, at the moment of application for life insurance, the psychiatric patient has a difficult choice. He may forgo altogether the application for insurance, fearful of the consequences of divulging his true medical and psychiatric background. He may compromise in his mind and complete the application form without mentioning thereon his psychiatric history. Or, he may come clean and honestly fill out the form, knowing again the dangers should his psychiatric history become known to his employer, business associates or others who shouldn't have this information.

At some point, however, the insurance underwriter learns of the applicant's history and sends to the psychiatrist a form requesting information about the applicant.

Now the psychiatrist is faced with a difficult decision. The traditional stance of the psychiatrist has been to proclaim total confidentiality as the principle and then to make exception. In current society there is a question as to whether or not this traditional stance can survive.

The constitutional right to be secure in home and person is basic to the general right to privacy to which all citizens are entitled. In medicine this extends to the right of the patient to be secure in the privacy of his communications with his physician. In psychiatry where the very essence of the profession is to deal with the most private corners of the patient's personal life, security from abuses of privacy form a provision without which it would be difficult to practice psychiatry and psychotherapy.

Still another element enters into the psychiatrist's decision on whether to divulge his patient's record. A component part of the therapist's treatment of a patient is the confidentiality involved in their relationship. If we were to interrupt this confidentiality, the therapist could not adequately treat his patient. It would be akin to interrupting a surgeon in the course of surgery.

The average psychiatrist answers the insurance company's form—or doesn't answer it—based on a belief that the company will breach the confidentiality of the patient/doctor relationship. If you doubt this, consider the results of a survey I conducted to which nearly a thousand psychiatrists nationwide responded. It should be pointed out here that victims of psychiatric underwriting discrimination will complain to their therapist rather than to their agent or broker, the insurance company or to the State Insurance Commissioner, all of which would require further dissemination of confidential information.

77 percent of the doctors fear a breach of

confidentiality upon release to the insurance company of medical records.

50 percent of the therapists say they are certain that insurance companies breach confidentiality.

Of even more significance to the underwriting fraternity is the fact that 75% of the psychiatrists responding to the survey find the forms supplied to them by insurance companies to be inappropriate for relating psychiatric data to an insurance risk.

From the personal comments that doctors sent me with their survey answers, it is clear that the psychiatrists know of the many forms of discrimination against insurance applicants with a history of psychiatric care.

The psychiatrists know, for instance, that few underwriters have clinical psychiatric training. Yet, these laymen are passing judgment on the insurability of persons with psychiatric history.

The psychiatrist knows that the consuming public has never had an input on matters of underwriting policies and is therefore at the mercy of the companies' vastly different methods of judging insurance applicants.

Yes, the psychiatrist knows that his patients' confidential records often lie around home office desks for anyone to see them, or pass from clerk to clerk and from secretary to secretary.

Yet, the psychiatrist knows, as does the patient, that unless a full disclosure is made of these confidential records, the applicant's insurance may not be approved, or he may be rated unfairly high.

So the psychiatrist is damned if he does and damned if he doesn't. A Masschusetts psychiatrist put it well when he said: "I tell the truth and my patients suffer the consequences."

What a system we have built! A system that perpetuates lies and inhibits the truth—it is, ladies and gentlemen, however little we like to hear it, a corrupt system, whether we intended it to be or not. Corrupt it is because of a society that looks askance at the person who is a psychiatric patient, corrupt because that patient's confidential files are necessary, regardless of whether they are pertinent, and corrupt because the confidentiality of those files is not kept secure. We know all too well what can happen to a corrupt system.

Most of you say the psychiatric risk is no great problem. Less than 1% of the applicants admit to psychiatric history, yet it is a fact that at the present time 2% of the population is in some form of psychiatric treatment and an even greater percentage has a past psychiatric history.

If any one of you had contacted with a psychiatrist, would you want those with whom you work to know about it?

If either the pressure of your job, domestic difficulties, problems with your children or other emotional problems cause you to seek psychiatric help, would you want your fellow employees and those who have the ability to promote you to know this?

How much information would you want disclosed to your insurance company?

Would you want this type of personal information involving an emotional history to pass through many hands?

Would you want the files left unguarded at lunch time?

Would you want to limit access to this data?

How much of this data would you want put into the computers?

If your psychiatrist wrote to the insurance company and advised the company that you were being treated for depression, your underwriter quite properly would want to know what caused the depression, how it was being treated and what the future outlook is.

How would you feel if the psychiatrist wrote and said the cause of your depression was your inability to cope with the pressure in the corporate jungle, or would you like him to write that your depression was due to the fact that your spouse was having an affair. Would you want that information spelled out?

Of course not. But these are the types of traumas to which you are subjecting many Americans.

Recently the American Psychiatric Association held a four-day conference on the subject of confidentiality. One of its committees, of which I was a member, was organized to work on a problem of confidentiality with regard to third party payers. You may be interested to learn of some of that committee's recommendations.

The Committee recommended a wider use of coding procedures to depict the nature of psychiatric diagnosis, the degree of impairment and the probable extent to duration of therapy.

Also, the Committee recommended the review and correction of patient consent forms so as to remedy potentially harmful uses.

It also called for the tightening of procedures where patient records are used or stored so as to avoid casual viewing, require appropriate credentials, and generally limit the release of information to that for which there is specific purpose and specific authority.

The Committee wanted a limit to the amount of sensitive information entered into computers and others such storage and retrieval devices and a limit to the exchange of such information for secondary purposes.

An important recommendation to your group was the committee's call for third parties, insurance companies especially, to make full use of appropriate medical specialties to guide their practice in developing queries for medical information and to assist them in the interpretation of information received. The Committee added, and I quote: "It is especially appropriate to utilize psychiatrists as such consultants when dealing with mental health, due to the distinctive and sensitive nature of this field as compared to others."

May I ask each of you assembled here today, how many of your companies employ a psychiatrist as well as a medical director to assist in the judgment of all cases exhibiting psychiatric histories?

Finally, the Committee noted, "There are cases where applicants may be denied access to life insurance due to the inability of the carrier to secure a response from a physician." Does that sound familiar to any of you underwriters? The Committee continued, "As a result, patients suffer needless injury."

The Committee recommended that all providers answer all such correspondence in a timely manner, even though the reply indicates a refusal to supply information for any reason.

To these recommendations I would add a call for a meaningful dialogue in the area of psychiatry as it relates to insurance underwriting, a meaningful dialogue with all parties concerned—without name calling or shouting. We need an ongoing, continuing dialogue so that all parties will get to better know each other, so that there will be a dissipation of the mutual distrust that exists between underwriter and therapist. We can and should create a climate where the public will not be afraid to disclose certain vital information about their medical and psychiatric history and have the full confidence that when they are asked to disclose such information, that it is handled with the utmost confidentiality and that the decisions made as to an applicant's insurability are made by those individuals who have a sensitivity and a grasp of mental illness.

We continually hear about the outstanding achievements our product has been responsible for. The perpetuity of business and family life in America. Annually hundreds of insurance company conventions honor the winners. But what about the losers. Those insureds who lose out at the underwriting table. Don't you think the time has come for an even greater effort to find the ways to make our product available to an even greater number of people?

Has not the time come for the consumer to have representation in matters of underwriting policies. For too long, he has been left out in matters most seriously affecting him. When was the last time a consumer had the opportunity to state his case directly to the underwriter? How many of you have been face to face with a family when we have to tell them that the cost of insurance is highly disproportionate to their income or that insurance is unavailable to them at any price?

Unfortunately there is discrimination practiced in the underwriting of the psychiatric risk. Certainly this does not happen at all times, in all situations and by all underwriters.

What is even more disturbing is that when this happens, I do not believe that in many cases the underwriter realizes what his actions have caused and the individual because he does not know of the competitive forces at work in the market place (i.e. different standards for medically examined group insurance vs ordinary or the fact the underwriting problems can differ from company to company) does not realize other avenues are open to him.

It is incumbent upon you who have the ability and you who through your courageous decisions have brought peace of mind to many thousands, it is incumbent upon you to find a solution to this problem of discrimination within the life insurance industry against those with a psychiatric history.

Certainly, you as men and women of mature judgment and a willingness to be of service to fellow man, can find a way to restore to those individuals who may have had contact with a psychiatrist the dignity they lose or they are afraid of losing when they consider acquisition of the life insurance product which today is more vital to them, their families and their businesses than ever before.

Our industry, with its more than 900,000 people has a moral responsibility to act now, before solutions are imposed upon us. For as never before, an aroused public is claiming what is rightfully its own—privacy in its person and its property.

Let's stop the shouting matches, the bitter debates, the indifference. Let us all reason together so that the companies will quite properly fulfill their legal and moral obligation to their policy holders and stockholders and regulatory agencies, and at the same time will protect and preserve the privacy and dignity of all individuals with whom they come into contact.

Let us remember, as was graphically illustrated by the many psychiatrists who responded to my previously-mentioned survey, that quite often those who have undergone psychiatric treatment are better risks than those who have not had such treatment.

And let us also consider that, in our complex 1975 society, men and women consult psychiatrists for problems that years ago would have been brought to the family doctor or the family clergyman.

I call on you who control the destiny of many thousands of Americans to find a solution to this perplexing problem now. I call on you to find solutions to the problem of insurability some of which you have manufactured, some of which all segments and members of society have contributed to and others over which none of us have any control. Let us remember that today is not yesterday, and as Shakespeare mentioned in King Lear, "Men are as the time is."

In these changing times I do not call for breaking of the rules, I call instead for the reform of these rules. The financial resources of our industry serve as a source of funds necessary to build homes, commercial buildings and urban developments. Billions of dollars have been invested. Cannot we invest in people—Are they not just as important as property, if not more valuable? Surely there must be a way; surely there has to be a way; surely you can find the way.

SEARCH WARRANTS WITHOUT DUE PROCESS

(Remarks by Benjamin Lipson)

In my home state of Massachusetts a few days ago a national celebration began. Thousands of Americans joined the townspeople of Concord and Lexington to commemorate the actions of a group of rebels, men—and women—who, 200 years ago, cared enough about their liberty to risk their lives in its defense.

Our founding fathers drafted a Constitution that provided an individual the right to privacy. Yet, as we all celebrate America's 200th year of independence, the erosion of citizen's rights of privacy has become the cause of public issue and hundreds of meetings such as this one, scores of commissions comprised of business and government leaders, state legislatures and even Congress itself have heard thousands and even millions of words on the subject of privacy.

But what it all boils down to is simply this—how can an individual in 1975 maintain the privacy promised him in 1775? How can the individual in a complex society protest himself against the prying eyes and listening ears of his neighbor, his protector, his business associate, his government, his insurer and his employer? How, indeed!

In order to receive the apparent benefit of society, as in the case of insurance, we passively, voluntary and sometimes under pressure consent to what are essentially intrusions to our right to privacy.

Ladies and Gentlemen, this is the forfeiture demanded from the insurance industry under its guidelines and sincere belief that it has an obligation and responsibility to make a profit. Rather than give up this priceless right, many individuals forego benefits rightfully entitled to them under health insurance and refrain from applying for life insurance.

The promise of privacy is in grave danger in this country. Each day, we pick up the newspaper to read of another encroachment on this sacred right. The government is prying; private enterprise is prying; the police are prying. Everybody wants to know something about somebody, something that shouldn't be disclosed publicly, something that is simply private.

We are all aware, I am sure, of the endangered status of privacy, whether it concerns us or not. But, if we were to go out on a busy city street to conduct a poll of the citizenry as to why privacy is endangered, I'm not sure we would get the right answer.

Most people, I believe, would blame computers, pointing to the almost incredible amounts of information that can be stored—and retrieved—from the almost innumerable computer banks available to most large U.S. companies and to the government. But blaming the computers for breach of privacy is akin to Paul blaming his horse after the British captured them both.

The incontestable fact is that we control the computers, not vice-versa—not yet, anyway. If we want to use the computer to pry, our job will be that much easier, thanks to the sophistication of our electronics. But we first must make the decision to pry; we must first have the will to make use of the way. And that is not a computer problem; it's a matter of ethics.

I'm in the life insurance business, a business unfairly thought to be devoid of ethics, a business thought generally to be, at best, a necessary evil.

In the insurance industry, as you know, reliance on computers is essential. But this reliance, combined with the public's requirements for confidentiality in insurance underwriting, often places my business in the spotlight on the privacy debate stage.

Confidentiality, or the measure of privacy, is the process of balancing a public "need to know" with an individual "right to privacy." The public, of which I speak, is the insurance company, which has the need to know certain facts about the individual before it can assign that individual correct and proper premium rates. The insurance company representative, whether speaking for the policyholders in a mutual insurance company, or for the stockholders in a stock company, has an obligation to be careful with the company's money. He cannot afford to insure everybody at the same rate; he cannot give away the company treasure in an industry that is already heavily regulated. On the other hand, he does not have the right to hurt people, to deny them coverage. The underwriter must know some basic facts about the insurability of the individual before a policy can be issued to that individual and before the company can set a premium that is both fair and equitable, not only to the policyholder, but to the company as well. For the most part, the most cogent information relating to an individual's insurability is that individual's medical history.

We have all seen the standard insurance application form. At the bottom of the form, a printed statement to which you affix your signature, certifies that the information you have provided is truthful, and it gives the insurance company the right to check into your personal and medical records.

This two-part statement is a certification and an authorization. The certification is definite and specific enough. It merely affirms that the information you have provided is the truth.

The authorization is different, though, and few prospective policyholders, and importantly, few medical practitioners realize that this authorization is a blanket authorization, relating not only to the information provided on the form by the prospective policyholder, but also to any other fact that may be uncovered in an investigation of that individual's medical history. What this authorization is, in point of fact, is a search warrant issued without due process.

Most authorization statements as they are currently written contain the wording "I hereby authorize any licensed physician, medical practitioner, hospital, clinic or other medical or medically related facility, insurance company the Medical Information Bureau, or other organization, institution or person, having any records or knowledge of me or my health, to give to the insurance company any such information. A photocopy of this signed Authorization shall be as valid as the orginal."

Right here, at this point, is the source of most of the abuses that the computer industry is blamed for. The insurance industry either through the mail, or by the use of credit reporting company employees, traffics immorally with these photostatic blanket forms.

Credit company representatives show up at hospital record rooms and doctor's offices with what the practitioner believes to be informed consent forms on the part of the insured when in reality they are not.

John Q. Public has no comprehension as to what happens to these forms after he signs them. Sacred confidential information which in many cases is not pertinent to either the underwriting of his insurance or the settling of an insurance claim is extracted from its source and placed in the hands of the computer.

This information can effect one's economic security and physical and mental well-being.

Individuals armed with these search warrants, oftentimes not experienced in medical terminology nor sensitive to the importance of confidentiality, are engaged in a fishing expedition at the expense of the individual's right of privacy.

Once the insurance application is made, insurance companies have entered into an arrangement by which they can pry almost without limits and can report everything of a derrogatory nature they have learned about an individual to a central data bank, to which every other insurance company also subscribes. This data bank, with its computer located in my city, Boston, is called the Medical Information Bureau, and although chances are pretty good that you've never heard of it, it probably has heard of you.

In fact, the MIB may have a detailed dossier on you containing information on your medical history, social habits and profession.

Insurance companies that belong to the MIB—those who write most of the life insurance in the United States—can receive your secret MIB file in less than 30 minutes at a cost averaging about 20 cents per inquiry. But, no matter how much you wish to pay, and no matter how long you wait, no guarantee exists that you can see your file. You can't be sure that the information on you is correct; nor can you be sure that any wrong information on you can be corrected.

The MIB has in its computer information on about 12 million Americans. Except for those maintained by the U.S. Social Security Administration for programs such as Medicare, the MIB data-processing system probably qualifies as the largest in the medical field.

Unless you agree to allow the insurance company to exchange information with the MIB, your application for insurance won't be processed by most companies.

Despite MIB claims to the contrary, the American Civil Liberties Union Foundation recently reported, "There is no guarantee that the information traded back and forth between the Bureau and its members is even remotely correct. Enough stories," the ACLU continued, "have surfaced of applications denied or rated high risk on the basis of nonexistent heart diseases, cancer, or diabetes, for example, to suggest that the incidence of mistakes may be high."

And, the ACLU pointed out, "MIB does not come under the Fair Credit Reporting Act, hence people do not have an FCRA right to inspect and correct their files."

The situation is even further compounded when you consider the possibilities inherent in a system that has each individual insurance company with its own computer capable of storing all of the MIB data, correct or not, and trading that information, plus its own information on applicants, with the MIB again, which in turn can supply that information to any of hundreds of other insurance companies who all have their own computers and data banks.

As a broker who is concerned about my industry, I recently conducted two surveys, one in Massachusetts and one nationally. The people polled are psychiatrists in both cases. I was trying to find out from these doctors, men and women engaged in the most sensitive areas of confidential medical treatment, whether they believe that discrimination based on erroneous reporting and interpretation of information exists in the insurance industry. And, I wanted to determine what doctors, especially psychiatrists, do when they receive queries from insurance companies about their patients, queries accompanied by those authorization forms—or at least photostatic copies of the forms.

I found widespread fears that discrimination does occur frequently, that insurance companies, in the psychiatrists' opinion, cannot properly judge the insurability of those who have had occasion to consult with a psychiatrist, and I found a majority of psychiatrists actually believing that confidentiality of their patient's records is breached repeatedly by insurance companies, and that their patients didn't realize what they did when they signed the blanket consent form.

Recently the American Psychiatric Association held a four-day conference on the subject of confidentiality. One of its committees, of which I was a member, was organized to work on a problem of confidentiality with regard to third party payers. You may be interested to learn of some of that committee's recommendations.

The Committee recommended a wider use of coding procedures to depict the nature of psychiatric diagnosis, the degree of impairment and the probable extent to duration of therapy.

Also, the Committee recommended the review and correction of patient consent forms so as to remedy potentially harmful uses.

It also called for the tightening of procedures where patient records are used or stored so as to avoid casual viewing, require appropriate credentials, and generally limit the release of information to that for which there is specific purpose and specific authority.

The Committee wanted a limit to the amount of sensitive information entered into computers and other such storage and retrieval devices and a limit to the exchange of such information for secondary purposes.

To even divulge psychiatric history is asking a lot of a doctor, especially if the patient is still in treatment and the real threat of such information being fed to the computer. It is like interrupting a surgeon while he is operating. It is absolutely counter-productive to the effective treatment, the psychiatrists themselves report.

Patients under psychiatric care cannot complain to government agencies or to the insurance companies without further endangering their own privacy and employment. They can only complain to their psychiatrist, if they believe they are being discriminated against because of their psychiatric history.

This session is on the new Federal Privacy Act, and what the impact of that law will be on data communications. Unfortunately, that new law, as wide-ranging as it is at the present time does not go beyond regulating federal agencies. It does not guarantee anyone an extension of their right of privacy when dealing with the private sector, the insurance industry, for instance.

I, for one, am optimistic and believe the insurance industry is capable of correcting many privacy abuses and breaches of confidentiality. No one wants further infringements by the government on our right to do business in a fair and equitable manner. But, there are those of us who value privacy above all else and if it means greater government control of business to insure the right of privacy, then so be it.

There is a great need for those involved in data processing, whether it be insurance companies or whoever, to have a sensitivity to the interest of the individuals whose confidential data they have been entrusted with.

We must educate all segments of society on the importance of restricting the indiscriminate use of photostatic copies of blanket insurance authorization forms that trigger many of the problems we are discussing here today.

Confidentiality is trust, and trust is essential if we are to have privacy. And privacy is essential if we are to survive as a nation of individuals and celebrate our next two hundred years with the same fervor as in this bicentennial year.

ONE MAN'S CAMPAIGN AGAINST HUNGER

Mr. HUMPHREY. Mr. President, I wish to point out an informative article in the April 27, 1975, New York Times Magazine entitled, "The Green Revolution Lives." This is to story of Norman Borlaug's efforts to increase the world's supply of food.

Dr. Borlaug has been hard at work now for over 30 years in trying to increase the world's supply of wheat and corn. In fact, one can hardly find anyone throughout the world who has devoted his efforts with such dedication and determination in the food area.

While there has been much discussion and misunderstanding regarding the "Green Revolution," it is clear that this effort has already brought rather significant results. And, the surface has really only been scratched in terms of the benefits which can be derived from the new seed varieties.

In recent years, Dr. Borlaug has not only been hard at work at the research effort, located in Mexico, but he has also spent a great deal of time traveling around the world to alert national leaders to the food crisis and also learn more about growing conditions and world crop prospects.

We can learn a great deal from the example of this dedicated citizen of the world. His Nobel peace prize in 1970 could not have been awarded to a more deserving individual. At the same time, he would be the first to concede that there is still a long way to go in the wider dissemination of these new seed varieties. We also must develop ways of assuring that the new seeds are made more readily available to the small farmers in the developing world.

Much more remains to be done, but at least one dedicated man, Dr. Norman Borlaug, has made a major contribution in the world's struggle to produce enough food.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE GREEN REVOLUTION LIVES

(By Alan Anderson, Jr.)

One morning in late February, Dr. Norman E. Borlaug, the Iowa farmer and plant pathologist who won the 1970 Nobel Peace Prize, arose at 6 in the Costa de Oro Motel in Ciudad Obregón, in northwestern Mexico, pulled on his khaki trousers and work boots and walked to the motel coffee shop. There he swapped gossip with the local farmers who gather there each morning, and downed his customary breakfast of *huevos rancheros*. Finished, he put on his baseball cap (Borlaug introduced Little League baseball to Mexico, and proudly sports the cap of the Mexico City Aztecas, the last all-star team he coached), and walked to his Chevrolet in the shortened, splay-footed gait he has acquired from a lifetime of navigating the U-shaped furrows of plowed fields.

Borlaug's dedication to agriculture has always been intense to the point of fanaticism; his involvement with baseball was urged upon him years ago by a colleague who perceived that Borlaug was suffering from overwork and exhaustion. Almost single-handed, Borlaug has been responsible for quadrupling the production of wheat in Mexico since 1950, for more than doubling wheat output in both India and Pakistan between 1968 and 1972, and for working out techniques of breeding, fertilization and irrigation that have since been applied to rice and other crops in a broad but now controversial movement known as the Green Revolution.

The Green Revolution refers to the effort that began about a decade ago to stimulate agriculture in developing nations through the use of high-yielding varieties of grains—especially wheat and rice. The varieties usually have short, stiff stalks, respond quickly to fertilizer and resist common plant diseases. Their proper cultivation usually requires insecticides, pesticides and irrigation, in addition to fertilizer and good farming practices. The earliest successes of the grains came in Mexico, a nation that moved from large-scale wheat importing to self-sufficiency to modest exporting in less than 15 years. The most dramatic leap forward came in India and Pakistan, where the Green Revolution produced its first headlines. Before the advent of Green Revolution wheat in India, most farmers would expect to harvest about one metric ton of wheat and 1.5 tons of rice per year per hectare. With the new grains, fertilizer and good farm management, the same farmer saw his harvest soar to five tons of wheat and seven tons of rice per hectare. Lesser, but increasing gains in wheat yields were under way in Iran, Turkey, Jordan, Syria, Egypt, Libya, Tunisia, mainland China and dozens of other developing countries. New rice varieties were pushing up yields in the Philippines, Thailand, Bangladesh, India and elsewhere in Asia.

In 1972, however, the movement was staggered by a succession of blows. The Ukrainian wheat crop failed, and crafty Russian traders subsequently pulled off the biggest Chicago grain purchase in history, leading to the sudden disappearance of grain reserves in North America. A worldwide fertilizer shortage developed, as consumption began to outpace production, and the situation was aggravated by the Arab oil embargo (nitrogen fertilizer is made from petroleum products). Worldwide inflation did not help, nor did an epidemic of bad weather that continued through 1973 and 1974. In a period of two years, wheat prices rose 250 per cent, rice prices 300 per cent and fertilizer prices as much as 700 per cent. It became painfully clear during those years, too, that whatever the successes of the Green Revolution, they were not enough to prevent starvation in areas of drought or continued population explosion, and predictions of dire food shortages grew common.

In the meantime, Borlaug and his work had become the focus of controversy as well as acclaim. Though Borlaug had made an immense contribution to alleviating the food-population crises, the world could not simply accept it for what it was. Borlaug and his revolution, critics charged, raised the false hope that technology could continue indefinitely to increase crop yields as fast as humans are producing more humans. They also argued that the Green Resolution was moving the world toward dependence on a few highly specialized varieties, thereby in creasing the risk of catastrophic crop failures because of disease, and that these specialized varieties were forcing the world's farmers to become too dependent on fertilizer. And some faulted Borlaug for developing a farming approach that seemed best suited to wealthy owners of large farms rather than poor peasants. The central, urgent question of how to provide enough food for the hungry seemed to grow obscure behind a welter of social and political issues.

"It's so damned hard to comprehend," Borlaug said over his breakfast. "Sometimes I feel that we're running a losing battle all the way along the line, because the emptier the stomachs get, the more political the questions get. But let's go out to the station and perhaps I can explain some of it."

As we drove, it was difficult to believe that critics were calling the Green Revolution a flop. Obregón itself was a scene of new cars, large stores and other signs of prosperity won with Green Revolution wheat. We left the city on Calle Norman E. Borlaug, a street named in his honor several years ago, and rode through a thick carpet of green that covered most of the great Yaqui Valley, a region that used to support only creosote bush, mesquite, cactus and other tough vegetation of the Sonora desert (and, if we are to believe Carlos Castaneda, the elusive presence of Don Juan). As Borlaug drove, his eye roamed ceaselessly over the fields, searching for color changes in the wheat that reveal to the expert an invasion of rust fungus, a shortage of water, a lack of fertilizer. "We're in this shape now because of bad planning, not lack of food," he said in a tone of frustration. "The grain surpluses we had in the sixties would have made it possible to export food cheaply during this crisis, but we couldn't decide who should finance our grain surplus, so we got rid of it. People prevented subsidies because they would have gone to a minority group—farmers. Seen in hindsight, with world stability at stake, it might just have been worth it. . . .

"Now governments are regulating the price of grain, but not of fertilizers, and the poor countries can't afford it. At the World Food Conference in Rome, they never even got down to dealing with fertilizer prices. They should have locked all the delegates up without food for 10 days. Then they would have made some hard decisions about food."

Borlaug turned into the driveway of the 500-acre research station known as CIANO, or the Northwest Agricultural Research Center. The station is owned by the Mexican Government, and cooperates with CIMMYT (pronounced SIM-it), the Centro Internacional de Mejoramiento de Maiz y Trigo, or the International Maize and Wheat Improvement Center. Headquartered in El Batán, 30 miles from Mexico City, CIMMYT is financed by U.S.A.I.D., the United Nations Development Program, the International Bank for Reconstruction and Development, the Ford and Rockefeller Foundations and other groups. Both CIMMYT and CIANO grew out of the work of Borlaug and his colleagues, and have formed the model for a network of eight international centers, including the International Rice Research Institute in the Philippines and others in South America, Africa and Asia.

Inside CIANO, it is plain that no matter what outsiders think, the Green Revolution is proceeding apace, and at the center of the action is Borlaug himself. The man is at once a *jefe* and a *campesino*, an agricultural superstar and a down-home sodbuster. He waves a greeting to everyone, from visiting scientists to groundskeepers: *"Qué tal, Carlos? Como estas?"* There is always a word of encouragement, a phrase to bolster the troops. He passes an assistant engaged in the tedious chore of crossing one strain of wheat with another: "How's the matchmaker today?" Borlaug tramps through both fields and offices in shirtsleeves and dusty boots, a uniform faithfully copied by his assistants. Determinedly apolitical, his candor and charisma allow him to globetrot and armtwist anywhere in the world, dealing simultaneously with Pakistanis and Indians, with Israelis and Egyptians. In his office in El Batán, his Nobel Prize hangs near a citation from the National Association of Wheat Growers, a Sons of Norway Award and the little red book of Quotations from Chairman Mao Tse-Tung. (Borlaug feels that China has reined in its population growth in a way not possible in other countries.)

"He is some guy, that Borlaug," says an admiring Mexican colleague at CIMMYT. "He isn't part of the U.S., and he isn't part of Mexico—he is part of the whole world. He stands up on a mountaintop and looks and says, 'Let's take something from here and put it there.' "

As we got out of the car, Borlaug grinned. "This is a sweat, dust and mud operation." We walked toward a knot of trainees bent over wheat plants in the hot Sonoran sun. He said that when he first went to Mexico with the Rockefeller Foundation, part of his goal was to train agronomists. When they showed up for work in suits and shiny shoes, he took them straight into the muddy fields until they got the message or went back to an office job. "We don't do much indoor work here," said Dr. Matthew McMahon, an Irishman who has worked with Borlaug for several years. "We get some criticism for this—not enough laboratory genetics, not writing enough scientific papers and so on. But we believe in judging a plant by how it grows in the field, not in the lab." McMahon, like other CIMMYT staffers, speaks in admiring tones of Borlaug's "feel for wheat. "The guy's amazing in the field. He's a very visual person. He can spot a good plant on the far side of the valley."

Borlaug was sent to Mexico as an unusual form of foreign aid. Just before World War II, the Mexican Government sent the United States an official plea for economic help. The Rockefeller Foundation was asked to respond to the agricultural segment of the plea, and Borlaug was part of that response. Soon after his arrival in 1944, he was charged with boosting wheat production, which was in a piteous state. The average national yield was only 750 kilograms per hectare, or 11 bushels per acre; wheat fields in the United States today commonly yield 10 times as much. Virtually no research was being done on wheat breeding, fertilization, disease resistance or irrigation. Popular demand for bread was growing, forcing the nation to import 55 per cent of its wheat at an annual cost of $21-million. The foreign exchange currency was desperately needed for farm machinery and fertilizer. In Mexico, as in most tropical regions, population was beginning the slow explosion that continues today; almost without exception, however, governments were totally neglecting agricultural research in favor of industrial expansion. The Rockefeller team quickly saw that food production must be stimulated fairly quickly, and that was with the cereals.

Cereals, or grains, as they are commonly called, are the fruits of cultivated grasses—enlarged and pampered versions of what a suburbanite would see if his lawn were allowed to go to see. Grains are the single most important component of the world's food supply, and the most widely grown types in the world are wheat, rice, maize, barley, millet, oats and rye.

Wheat is by far the most important of the world's grains. It is nourishing, adaptable, and easy to grow. Its taste is mild, and it can be stored for many years or shipped easily around the world. The protein of wheat, gluten, has an elastic quality unique among grains. Because of this elasticity, wheat dough is able to hold the tiny gas bubbles emitted by yeast during fermentation, so that light, fluffy bread can be produced from wheat flour.

Borlaug realized that three major obstacles stood between Mexican farmers and good wheat crops: First, during moist periods, the plants were helpless against rust fungus; second, no single variety of wheat could grow in Mexico's diverse climatic regions and, third, although the wheats yielded poorly, fertilizer caused them to grow top-heavy and "lodge," or fall over, before harvest time. He reasoned that solutions lay in selective breeding—the development of varieties with favorable genes, such as those for high yield, disease-resistance and the ability to flourish in a wide range of environments. Such breeding amounts to a process of trial and error, repeated over and over.

Borlaug stopped the car. We hopped over an irrigation ditch and walked into the wheat field where two men wearing straw hats sat at an aluminum table. One man riffled through a pile of notebooks and talked rapidly into a walkie-talkie. "This is the crossing table," Borlaug explained, "where we do our match-making. These notebooks have records of every mating we've done between two wheat plants. This fellow is talking to that fellow [he gestured at a figure several hundred yards away] who is looking for a good 'bull,' and to that other fellow [another figure stooped over a wheat plot in the opposite direction] who is finding a 'cow' to mate with 'him.' We make about 10,000 of these crosses each year just in the bread wheats—and they all have to be done by hand."

Wheat, like nearly all grains except corn, is by nature a self-pollinating plant: Every head of wheat bears 60 or more flowers, each complete with both male and female parts, and without interference, each plan bears offspring that are faithful copies of the parent. Interference, however, is the name of the breeding game, a wearying and muscle cramping operation central to the entire CIMMYT program. Seated motionless on a three-legged stool, the breeder must carefully remove the pollen-producing anther from each flower of each plant that is to be a female. This "emasculation" prevents self-fertilization, creating a "cow" which must be carefully covered with a paper envelope to prevent accidental pollination by another plant. For each cow, a bull is selected on the basis of some desirable trait, such as disease resistance, straw strength, or good milling and baking qualities. When both bull and cow are ripe, the head is severed from the bull, brought to the cow, and twirled quickly inside the protecting envelope. This scatters pollen over the 60 or more ovaries.

Borlaug stopped to finger a head of wheat. "I used to be a pretty fast emasculator myself. Now it seems that I never have time for that any more. Anyway, after a cross, the offspring of the first generation look like one or the other parent—nothing new. By the third and fourth generation, new characteristics are showing up—some good, some bad. Here's one that's obviously no damned good, so we'll just throw it out. You have to be ruthless in this business. About 60 percent of all our crosses are eliminated in each generation. A new line that looks good is allowed to self-pollinate for about five generations, and after each generation, we make up about 150 packets of seeds and send them to governments, universities and others who want to test them. If we get good feedback, we select the best of the best and send them out again, to 125 locations all over the world. If a new variety is resistant and yields well in all those environments, we may release it as a new variety. Other countries can then multiply the seed and plant it commercially. I doubt if there's a wheat-growing country in the world that hasn't been influenced by the traits of Mexican wheats."

Borlaug's own special trait is impatience, and it was this impatience, combined with intuition, that produced two key breakthroughs early in the breeding program. At first, progress was slow because he and his colleagues were producing only one crop a year—and thus only one new set of crossings. Wheat is ready for harvest about 140 days after planting, so that half the year was "wasted," to Borlaug's way of thinking, and he decided to try raising a second crop during this time with the seed from the first. Both the local farmers and his own superiors told him that the same crop couldn't be grown twice in one year—according to farming lore, seeds had to rest for part of the year. But he stubbornly went ahead, found that a rest period was unnecessary, and cut in half the time required to develop a new variety. Today, double- and even triple-cropping are common throughout the world with rice and other plants in addition to wheat.

The second breakthrough was the breeding of varieties that can be planted at any time of year. Borlaug was baffled by the failure of Canadian wheats to grow in Mexico. After much testing, colleagues discovered that the problem lay in photosensitivity: The plants were genetically sensitized to the long daylight of northern summers. The researchers began shuttling wheats north and south between Obregón and Mexico City, 10 degrees apart in latitude. By selecting plants that thrived in both places, they developed varieties without genes for photosensitivity. These photosensitive wheats were capable of growing at any latitude. In addition, the shuttle achieved an extra goal: Any varieties that succeeded in both the hot fields of Obregón near sea level and in the cooler southern fields at an altitude of 8,500 feet showed themselves to be hardy enough to flourish in widely different environments.

We came to a dense stand of large-headed wheat, and Borlaug pointed a blunt finger. "Here's the star of our show—number 8156 itself. This variety is being used by so many countries that it has over 30 different names. It's a very high-yielding variety—as much as seven tons of grain or more per hectare. We are trying to cross its genes for high yield into other varieties. This is tricky to do without losing other desirable genes. That's the heck of it. It's a little like collecting a cageful of butterflies. You find one you like, and as you put it into the cage, some of the others fly out."

Through the late nineteen-forties and early fifties, Borlaug spent all his time crossing wheats. Improvements came quickly, but the tradition-bound farmers were skeptical, and refused to try the new seeds. When he was able to point to rich demonstration fields, however, and talk to the farmers in terms of pesos and centavos, they began to listen. By the mid-fifties, the new wheats were catching on, and by 1956 Mexico was self-sufficient in wheat, as she has been ever since. Even greater yield increases came with the introduction of dwarf wheats, developed in the state of Washington in the nineteen-fifties by Dr. Orville Vogel—short, stiff-stalked plants that could be fertilized heavily without lodging. By 1962, Mexico was releasing its own tropical dwarfs, and yields leaped from four and a half tons per hectare to six, seven and even eight tons per hectare. Demand for the dwarf seed was so brisk that black markets flourished for years; the same thing happened later in India and Pakistan.

While CIMMYT licked the problem of low yield early on, it is still locked in battle with a dizzying range of wheat diseases. Worst among them is wheat rust, a general term for a reddish-brown fungus that mutates into new races almost as fast as breeders can develop new varieties of wheat. "There are three kinds of wheat rust," said Borlaug as he maneuvered along a furrow, toes pointed outward for balance. "Stem rust, stripe rust and leaf rust. The most serious kind is stem rust. The last time I checked, about 10 years ago, there were over 300 different kinds of stem rust. I gave up counting after that; it was too discouraging."

He introduced me to Dr. Santiago Fuentes, his chief wheat pathologist. "Our job is to keep one step ahead of the fungus," said Dr. Fuentes. "One variety of wheat may survive about four to five years before the fungus mutates into a new virulent strain. Every year we collect all the rust we can find in Mexico. We can tell when a new rust is emerging, and we know then that it is time to switch to a new wheat. Other scientists are doing the same thing in other countries. This process will never end, but at least we think we can keep ahead of the rust. A new mutant doesn't cause an epidemic right away; its numbers are too small. It must spread and multiply before it can cause much trouble. By that time, after several years, we are ready with a new wheat. These new wheats are sent all over the world where they are tested for resistance to other rusts."

Indeed, one of the secrets of CIMMYT's success is its network of international nurseries in nearly 100 cooperating countries. "The most important information we can get about a variety is how well it grows on the other side of the world," I was told later by Dr. Maximino Alcala, director of the nurseries program. "Some of the places our seeds are grown are Alaska, South Africa, Bangladesh, Nigeria, Kenya, Norway and New Zealand. They grow at altitudes of 10,200 feet in Ecuador, below sea level in the Netherlands, in the desert in Libya and southern Egypt and near the Arctic Circle in Scandinavia. Each of the nurseries sends us a report on how well each variety yields and how well it resists diseases. If a variety does well in all of those places, we are pretty confident it is adaptable enough for worldwide use."

Just as CIMMYT furnishes other countries with a constant flow of new varieties (about 30 have been released so far), so they extend their expertise through an international trainee program. The director of the training program, Dr. John Lindt, is a Californian who has previously worked with the rice institute in the Philippines. "We've trained 316 people from other countries," said Dr. Lindt, "mostly in the last five years. They spend six to eight months with us, both here and in El Batan. Some of them have gone on to become ministers of agriculture. This year we have trainees from Algeria, Bangladesh, Mexico, Saudi Arabia, Nigeria, Ecuador, Turkey, Iran, Egypt, Kenya, Peru, France, Jordan, Pakistan, India, Tunisia and Nepal. The program has three goals. First, techniques in everything from plowing and pollinating to preparing seed and testing for rust resistance, as this group is doing now. Second, principles of agricultural development. We try to show them how conditions vary from here, where they are nearly the best in the world, to the jungle where you poke a hole in the ground with a sharp stick and drop in your kernel of corn. Third, and most important, we try to develop team spirit and good work habits. They must be able to work with people from other countries. I am trying to give them some of the enthusiasm Borlaug has for this business. If they take some of that back home, they may have a fighting chance to change some of the bureaucratic bottlenecks that hold back agricultural change more than anything else."

Despite the obvious achievements of the Green Revolution, Bourlaug and his colleagues are well aware of the bad press that has been stirred up by the setbacks of the last few years. That evening, back at the motel, I asked his about an article in Fortune, which charged that "the price that has been paid for the high productivity may be a lack of adaptability," He grunted, and took a sip of a margarita. "You'll see a lot of nonsense that we are becoming susceptible to disease because we are just growing a few varieties. But those few varieties are the result of so many crosses made within our program and in affiliated countries that there is tremendous built-in resistance. More genetic variability is being put into grains now then ever before in the history of the world."

Well, I went on, what about the charge that Green Revolution grains are "addicted" to large diets of fertilizer, without which they are even less productive than native varieties? Again, his answer was blunt. "People are always asking us to develop a kind of grain that doesn't need fertilizer. All right, I say, I'll have that grain for you six months or a year after you develop a man or woman who doesn't need to eat. Once you've established the principle, I can apply it to grains."

Dr. Keith Finlay, deputy director of CIMMYT, shook his head when I mentioned fertilizer addiction to him later in El Batán. "In general, the new varieties are more productive over the full range, from no fertilizer or water to the ideal conditions we have at CIMMYT. The reason is that a dwarf plant is more efficient: It puts more of its energy and total plant matter into grain than a taller plant does. Many countries can and do grow these new varieties without fertilizer, and they still get yields as good as or better than their native varieties. But there's no way you can increase production much without fertilizer and good farming practices, such as weed control, proper depth of planting and soil preparation."

While at El Batán, I also relayed the charge that the Green Revolution is helping only large farmers. "Our goal," said Elmer Johnson, who is trying to do for corn what has been done for wheat and rice, "is to produce something that will grow in poor countries and will reach the small farmers. But this isn't easy where there are no national programs to communicate with the farmer. We can't give him seed if he doesn't know about it. We can't give him fertilizer unless someone can pay for it. We can't give him a tractor if his land isn't big enough to turn a tractor around on. In some countries, the agricultural engineers don't even know what the small farmers are growing." So far, the corn breeders at CIMMYT have reduced the height of native corn by about a meter, and are patiently trying to introduce a gene for high-quality protein into popular varieties.

Back in Obregón, Borlaug heatedly rebutted the same charge. "I get so damned much criticism about making the rich richer and the poor poorer. Well, our primary concern has to be to produce food. We're not a land-reform agency; we can't decide to split up land into small pieces, because we can't say that this would produce more food. Sociologists and some economists say that some way must be found to give these people a better life. But someone with one or two hectares of land is usually not irrigated, and in many regions there isn't water for irrigation. He probably can't even pay back loans to buy fertilizer. Governments are just going to have to find some way to give these people seed and fertilizer and water—outright."

A recently released U.S. Government report, "The World Food Situation and Prospects to 1985" (Economic Research Service, U.S. Department of Agriculture), argues that the full effects of the Green Revolution cannot yet be judged: The impact of the new wheat and rice grains has yet to be felt in most parts of the world. The Green Revolution has been highly concentrated in Asia, and within Asia, India and Pakistan have planted 81 per cent of the new wheats sown so far, while India, the Philippines, Indonesia and Bangladesh together have planted 83 per cent of the new rices. "The Green Revolution has not been a solution to the food-deficit problem in the tropics," according to the report, "nor has it failed because shortages have reemerged. Only a few years have elapsed since the HYV's (high-yielding varieties) were first disseminated in Asia, and just as it took from one to two decades for hybrid corn in the United States and HYV wheat in Mexico to achieve full adoption and high sustained yields, it will take time in Asia."

At the same time CIMMYT scientists are pressing for full adoption of the new grains in Asia and elsewhere, they are plunging ahead with new projects in the confidence that the Green Revolution can and must continue. The most promising "crossing" scheme at the moment is not genetic at all but mechanical: The idea is to stir together seeds from 750 varieties of 8156 that look, taste and feel the same but that contain slightly different genes for rust resistance. Because a single race of rust can attack only a single variety of wheat, a field of such a mixture would possess a tough defense against diseases. An individual race of rust would be confronted by such complex host diversity that rapid spread would be impossible.

The next day, Borlaug showed me the most exciting triumph of the CIMMYT breeding program: triticale, the world's first man-made cereal. Triticale (tri-ti-KAY-lee), a cross between wheat (*Triticum*) and rye (*Secale*), combines the high yield of wheat with the extreme hardiness and disease resistance of rye. In the beginning, the chief obstacle was lack of fertility: By natural laws, crosses between different species are usually sterile, like a mule. But by genetic accident ("natural, promiscuous, unplanned, probably in the dark of night at CIANO," guessed Borlaug), a triticale "mule" managed to cross with a dwarf of wheat. Triticale goes into semicommercial production this year in the central highlands of Mexico. In Texas and California, there are already more than a dozen Triticale products on the market including Tritiflakes, Triticakes and Tritipizza.

Triticale, novelty though it is, may prove to be genetic child's play compared with some of the "wide crosses" being attempted today—both sexual and asexual crossings of such distant relatives as oats, barley, wheat, wild grasses and even legumes such as soybeans, common beans and peanuts. Such crossings will not occur without elaborate technological trickery. Botanists have recently learned how to grow entire plants from single cells in a test tube; they can also create new species from the nuclear material of body cells as well as sex cells, a process that makes possible the crossing of plants to genetically different to mate in conventional fashion.

The most exciting goal at the moment is a long-dreamed-of "super cereal" combining the high yielding ability of a cereal with the legume. Soybeans and other legumes grow in symbiosis with colonies of bacteria that possess the priceless ability to "fix" nitrogen, or convert it from the free, gaseous state into solid nitrogen compounds that can be used by plants to build proteins and other essential chemicals. A cereal that could fix its own nitrogen would manufacture much of its own fertilizer, skirt the energy crisis and save farmers hundreds of thousands of dollars a year.

Last summer's sad scenes of starvation in parts of Africa, coupled with current food shortages and price inflation, have propagated a wave of pessimism perhaps unequaled since Thomas Malthus wrote his influential essay in 1798. California biologist Garrett Hardin says it is time for a new system of "life-boat ethics." The Environmental Fund, a Washington-based group, declares that "we have reached, or nearly reached, the limit of the world's ability to feed even our present numbers adequately." In their book "By Bread Alone," Lester R. Brown and Erik P. Eckholm predict ". . . a period of more or less chronic scarcity and higher [food] prices." Some critics of the Green Revolution say that its very goal is inappropriate: Greater food production will increase the number of people who must eventually starve.

Borlaug, who spent nine and a half months last year traveling and lecturing outside Mexico, is also worried by what he has seen and heard. "It's not just physically I'm beat to a pulp," he admitted that evening back at his motel lobby. "It's all the political demagoguery that's doing me in. I've dealt with demagogues in Socialist countries and Communist countries and capitalist countries, and after all the dust has settled they all have the same problem—they all have to eat. There is no free flow of information among nations—the Russians didn't tell us about their grain failure in 1972 until it was too late. The only way to absorb those shortfalls is to know about them in advance. Then we have to have an international granary to supply emergency grain, but countries can't agree on how to set one up. The U.N. is the only body we've got to organize this, but it's so damned ineffective. You'd think they'd shape up a little and develop a sense of urgency.

"What we need more than anything," said Borlaug, banging his fist on the table, "is the will and commitment of governments to support dedicated agricultural scientists as leaders. And these leaders have got to go out into the field with the farmers. If we can't get the Green Revolution to the little guy, there is no revolution."

These days, he went on, population is at least as much on his mind as food. "I've calculated that in 1971, the year of the record harvests, the world produced enough grain to lay a highway all the way around the equator, 55½ feet wide and 6 feet deep. Each year another 78 million people are born, and to feed them we have to grow enough grain to extend that highway 625 miles. Unless we want those 78 million people to starve, we have to grow that extra grain."

Borlaug stood up to go off to bed, then paused. "I guess I shouldn't be too depressed about all this. I lectured in 1967 across Canada on fertility and the food problem, and touched a lot of sensitive nerves. I was a little ahead of my time. But Glenn Anderson, the associate director of the wheat staff, went back last year on the same tour with the same message and found very receptive audiences everywhere. I've been finding the same thing. It's not considered poor taste any more to mention food and population in the same breath." He smiled and stretched out his hand. "Well, let's call it a night. There's a lot to do tomorrow."

THE ADMINISTRATION'S GENERAL REVENUE SHARING BILL

Mr. BROCK. Mr. President, this past Friday, the administration transmitted to Congress their proposed legislation to extend and revise the State and Local Fiscal Assistance Act of 1972. This act, more popularly called general revenue sharing, expires on December 31, 1976.

I am pleased that the administration has finally introduced their proposal because now the legislative process to renew this vitally important act can begin. I am also particularly pleased that the President stressed the crucial need to pass this act this session of Congress since State and local governments will begin planning the 1977 budgets after this summer.

While pleased with these actions, I am afraid that I am gravely disappointed in the administration's bill from several perspectives—some major, some minor. I would like to take a minute here, Mr. President, to list what I consider major shortcomings of the bill.

Major shortcomings:

I see two very serious shortcomings to the administration's bill, first, they did not even try to make the program permanent, despite its great success, and second, the program makes no attempt to keep revenue sharing inflation-proof.

First. Permanency question—The administration's bill only extends the act for another 5 years. Actual extension is 5¾ years with the three-fourths year required to adjust to the new fiscal year of October 1. In my opinion, the program should be made permanent. I have always felt that general revenue sharing should be permanent, but I was willing to support the 5-year period in 1972 because I also support the concept of pilot testing any new major program. However, that pilot testing is now over and I strongly believe the general revenue sharing should be made permanent as in my S. 11 bill.

Second. Inflation proof question—In this age of double-digit inflation, I am astounded that the administration continued the $150 million annual increase which works out to about a 2-percent increase per year. And, since it is a constant figure, real income will actually diminish over the years. Another interesting point is that, although this program is properly referred to as "revenue sharing," there is in fact no "sharing" with a constant figure increase. To obtain the sharing concept, the funding level should be tied into the income tax base as recommended by the Advisory Committee on Intergovenmental Relations, a concept which is incorporated in my bill. This not only makes revenue sharing inflation-proof, it gives State and local governments a real stake in the health of our economy.

Mr. President, I hope that the tone of this speech is not "negative," because that is not the intent. Rather, the intent is one of "disappointment" that the administration has not substantially strengthened the revenue sharing concept. Indeed, by not making it permanent and inflation-proof, I think that they have diminished that concept.

In short, what the administration has introduced is, in my estimation, the absolute "minimum" that I would want in any new bill and I certainly hate to start with a "minimum" position when I know that the fight for renewing general revenue sharing is going to be hard and long. I, for one, shall stick by my S. 11 which makes revenue sharing permanent and inflation-proof.

CONFERENCE ON NPT AND WORLD SECURITY

Mr. CLARK. Mr. President, on January 31 and February 1 of this year it was my privilege to participate in the Conference on the NPT and World Security, sponsored by the Stanley Foundation. Attended by U.S. Government officials, Members of Congress, foreign diplomats, academicians, and concerned private citizens, the conference provided an excellent opportunity to exchange views on the critically important question of nuclear proliferation.

Mr. President, I ask unanimous consent that the report on the conference be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

CONFERENCE ON THE NPT AND WORLD SECURITY

[Airlie House, Warrenton, Va., January 31–February 1, 1975]

(Global Issues Conference 2, Sponsored by The Stanley Foundation, Muscatine, Iowa 52761, U.S.A.)

PREFACE

The Conference on the NPT and World Security, sponsored by The Stanley Foundation, was held January 31–February 1, 1975, at Airlie House, near Warrenton, Virginia. This was the second in an annual series of educational Global Issues Conferences designed principally for national and international officials involved with vital problems confronting the world community.

The report of the rapporteur has not been reviewed by those attending the conference and therefore does not necessarily represent the views of all participants. Moreover, participants supporting various parts of the report do not necessarily endorse them in their entirety or specific language. Government officials taking part in the conference are in no way committed to any reported position or finding of the discussion groups.

The views expressed in this report are not necessarily the views of The Stanley Foundation.

CHAIRMAN'S REMARKS

C. Maxwell Stanley

In 1974 The Stanley Foundation, in cooperation with a committee of the Members of Congress for Peace through Law, held a conference on Ocean Management at Airlie House. Again we gather here to deal with another important global issue, the NPT and World Security. We trust that this new Global Issues conference series, primarily involving governmental officials, will be educational and informative. Our topic represents a continuation of The Stanley Foundation's longstanding interest in non-proliferation of nuclear weapons as an important part of the world's quest for secure peace with justice and freedom.

Our first related conference, "Proliferation Unlimited," was held in March of 1966. Annual Strategy for Peace Conferences dealing with U.S. foreign policy have repeatedly included discussion groups regarding arms control and disarmament. The 13th Strategy for Peace Conference in 1972 dealt with the topic "Non-Proliferation: What Progress?" under the chairmanship of Herbert Scoville who is with us this evening. Last year our 15th Strategy for Peace Conference discussed "Non-Proliferation Treaty Review Conference'" James Leonard, who is also participating, chaired that group.

Our major series of international conferences, the Conferences on the United Nations of the Next Decade, has also dealt with non-proliferation as an element of disarmament and arms control.

The Treaty on the Non-Proliferation of Nuclear Weapons (NPT) entered into force on March 5, 1970. The ceremonies were presided over by former President Nixon in Washington, Premier Kosygin in Moscow, and Prime Minister Wilson in London. The United States and the Soviet Union concurrently deposited their instruments of ratification bringing the total of ratifying nations, at that time, to 47, including three nuclear weapon states—the United States, the Soviet Union, and Great Britain. Both President Nixon and Premier Kosygin related the NPT to further arms limitation and to SALT. President Nixon described the treaty as "One of the first and major steps in the process in which the nations of the world move from a period of confrontation to a period of negotiation and a period of lasting peace." Premier Kosygin said that all powers should "do their utmost to end the nuclear armaments race and to achieve progress in the field of general and complete disarmament."

No doubt, many assumed that non-proliferation of nuclear weapons could henceforth be taken for granted. That optimism has not been warranted; support for the NPT has been marginal from the beginning. The Political Committee of the U.N. General Assembly endorsed the NPT in June, 1968, with 92 in favor, 4 against and 22 abstentions. The then 124-member General Assembly took similar action also in June, 1968, with 95 favorable votes, 4 negative votes and 21 abstentions. By September, 1974, 84 nations were full parties to the treaty and 22 others had signed but not ratified. As of June, 1974, only 44 nations had signed the required safeguard agreements with the International Atomic Energy Agency (IAEA) and 31 of these were in full force. Non-ratifying nations include two nuclear weapon states, the People's Republic of China and France, the newest member of the nuclear club—India, and near-nuclear weapon states such as Argentina, Brazil, Egypt, Federal Republic of Germany, Israel, Italy, Japan, Pakistan and South Africa.

To date, the NPT falls far short of the definition often accorded a treaty—an after-the-fact repository for a previously reached agreement. It remains an expression of hope and opportunity rather than an operating vehicle reasonably certain to curtail proliferation.

The NPT is one of the series of treaties developed under the wing of the United Nations to restrict the nuclear arms races. Others include the Antarctica Treaty of 1959, the Limited Test Ban Treaty of 1963, the Outer-Space Treaty of 1967, and the Seabed Arms Control Treaty of 1971. The Treaty for the Prohibition of Nuclear Weapons in Latin America of 1967 has also enjoyed considerable support in the United Nations but was negotiated in an independent forum. While none of these treaties directly confronts the nuclear arms race, each seeks to limit its geographical scope or to make the development of nuclear weapons more difficult.

The purpose of the NPT is simple—to halt the spread of nuclear weapons to more countries. This objective makes sense to those who view the spread of nuclear weapons as a destabilizing factor affecting the bilateral deterrent systems of the two superpowers. It seems logical to deprive non-nuclear weapon states of something they do not have and thus forestall the spreading of nuclear arms. Until the nuclear arms race is defused and reversed, serious progress toward either nuclear disarmament, general and complete disarmament, or the development of a security system more adequate than the present nation state system is unlikely. The curtailment of nuclear weapons development would avoid increasing opportunities for nuclear blackmail or releasing nuclear weapons through inadvertence, accident, escalation, or miscalculation.

The initiators of the NPT, the Soviet Union and the United States, forcefully advocated such logic. But several potential nuclear weapon states and other nations have been reluctant to accept the NPT. Some call it discriminatory and it most certainly is; the haves keep their nuclear weapons but the have-nots are prohibited from developing or acquiring them. The have-nots are subjected to IAEA inspection but the haves, according to the treaty, are not. Many non-nuclear weapon states are concerned about the availability of nuclear technology for peaceful purposes. All are concerned about security and the *quid pro quo* from the nuclear powers.

After the initial treaty proposals were made, objections arose from the non-nuclear weapon states, both in the Eighteen Nation Disarmament Committee and the U.N. General Assembly. The nuclear powers were compelled to add certain treaty objectives to those originally proposed. As a result, the adopted treaty has four major elements: (1) commitments against the spread of nuclear weapons; (2) a safeguard system to police commitments; (3) an assurance of the availability of nuclear technology to signatories; and (4) a commitment that nuclear powers will undertake negotiations on disarmament and an end to the nuclear arms race. A related Tripartite Resolution of the U.N. Security Council sought to appease the security concerns of non-nuclear weapon states with some rather ambiguous language intended to serve as guarantees.

Appraisal of the NPT is appropriate on the eve of the treaty-stipulated Review Conference. What has been accomplished? Certainly growth of the nuclear weapon club has not been squelched. India is country *n* plus 1 and others are not far behind. Nor have many key non-nuclear weapon states ratified the treaty. However, some benefits from the NPT are apparent and the potential for further benefits is substantial. I refer to four of the realized benefits.

First, the NPT has established a standard for the world regarding dispersal of nuclear weapons. Its criteria for limitation, fewer buttons available to fewer fingers, is in the common interest of all.

Second, the NPT has forced many non-nuclear weapon states to examine their posture toward nuclear weapons and to do so in considerable detail, weighing national priorities and costs against benefits. Such examination is bound to be sobering and often deters decisions to go nuclear.

Third, the IAEA and its member nations are gaining valuable experience in the preparation and adoption of inspection and verification procedures called for by the safeguard requirements of the NPT. Such experience is essential to future action to control armaments and to achieve general and complete disarmament.

Fourth, the NPT has undoubtedly stimulated U.S.-Soviet arms control negotiations. These nations worked jointly to propose and to promote the NPT even during severe tensions over Vietnam and the Middle East at that time.

Such benefits from the NPT are but the tip of an iceberg. If a fully effective treaty with fulfilled objectives were in force, proliferation would halt, the safeguard system would function with confidence, and peaceful nuclear explosives would be available to non-nuclear weapon states without discrimination. Perhaps most importantly, the nuclear weapon states would deliberate and act, according to Article 6, in good faith on nuclear and other arms limitation and disarmament.

Such a desirable state of affairs is well worth sustained and determined effort to gain broad adherence to the treaty and to assure reasonable durability. But what are the chances?

What changes, if any, need to be made? Can the treaty be an ongoing effective element in controlling nuclear arms? At the moment the outlook appears bleak. The highly touted NPT is well on its way to becoming another scrap of paper, the common end of too many treaties. Should this occur, primary blame will probably accrue to the original sponsors and promoters of the treaty—the United States and the Soviet Union.

Though several factors contribute to poor reception of the NPT, a major one is uncertainty about U.S.–Soviet willingness to halt and reverse their own spiraling arms race. This is a clear commitment of the treaty in Article 6. Another concern of the non-nuclear weapon states centers upon NPT Articles 4 and 5 regarding availability of nuclear technology for peaceful uses. Here again, there is deep suspicion of the intent of the United States and the Soviet Union. How will the two major nuclear weapon states overcome uncertainties and suspicion?

The non-nuclear weapon states are not blameless either. They, too, have a responsibility for international peace and security. They, too, must recognize the need to curtail and control nuclear weapons. What alternatives or initiatives do they propose? These are some of the questions before our conference.

This conference is structured to include participants from Congress, both the Senate and the House; key advisors to members of Congress; U.S. government officials from the Department of State, the Department of Defense, and the Atomic Energy Commission; and international representatives from the Soviet Union and several other nations, both parties and non-parties of the NPT. Additionally, several experts and resource people who have been deeply involved in study of the NPT are with us.

Our off-the-record discussions will deal with four questions: vertical disarmament, security guarantees, peaceful nuclear explosives, and responsibilities of non-nuclear weapon states. We hope our brief time together will produce a very fruitful exchange of ideas.

REPORT OF THE RAPPORTEUR

Introduction

The Conference on the NPT and World Security was designed to consider the current and future status of the Non-Proliferation Treaty of 1968. Particular emphasis was focused upon issues likely to arise at the NPT Review Conference scheduled for May, 1975. Discussion focused upon four principal items: Vertical Disarmament; Security Guarantees; Peaceful Nuclear Explosives (PNEs); and Responsibility of Non-Nuclear Weapon States.

I. Vertical Disarmament.—*What specific arms control and disarmament agreements by nuclear weapon states are considered essential for progress in halting the further spread of nuclear weapons?*

There are two principal areas of the NPT relevant to this item: a preambular section in which the parties declare "their intention to achieve at the earliest possible date the cessation of the nuclear arms race and to undertake creative measures in the direction of nuclear disarmament." Also, Article 6 of the Treaty which states "Each of the parties to the Treaty undertakes to pursue negotiations in good faith on effective measures relating to cessation of a nuclear arms race at an early date and to nuclear disarmament, and on a treaty on general and complete disarmament under strict and effective international control."

The majority of the participants were of the opinion that there is a clear and direct linkage between nuclear disarmament by the superpowers and the prevention of the further proliferation of nuclear weapons to current non-nuclear weapon states. Many participants believed the linkage to be in the nature of a contractual bargain between nuclear and non-nuclear weapon states. From this point of view, the nuclear weapon states have not lived up to their side of the bargain by failing to achieve meaningful progress in bilateral disarmament measures. Other participants, while questioning whether there was an actual bargain, stated that nonetheless, the important point is that non-nuclear weapon states *believe* there was such a bargain and are basing policy decisions on this belief. A third point of view attacked the linkage between vertical and horizontal disarmament as a convenient instrument utilized by threshold countries to justify the eventual development of nuclear weapons. This view stressed that global realities confronting nuclear weapon states have changed from 1968 (when the NPT was signed) to today. Nonetheless, it was argued that both at the time of its initiation and today, the NPT embodies a recognition of mutual vulnerability and global interdependence and that additional nuclear weapon states will increase the possibility of insecurity and conflict.

Two principal points of view were advanced regarding the disarmament progress of nuclear weapon states and its relationship to the NPT. One view commended the several bilateral steps of progress including the ABM treaty of 1972 in the defensive area and the more recent Vladivostok agreement in 1974 which for the first time set upper limits on offensive missiles. (In particular, it was argued the Vladivostok agreement could set an important framework for continued negotiations. However, some concern was expressed by supporters of the agreement regarding the possibility of a bilateral race to the agreed upper limits.) Such partial agreements, it was stated, represent starting or reference points for long and difficult negotiations. If progress has not been as rapid as initially hoped, it is because the problems are complex and central to the security of each nation. The important point, however, is that serious good faith negotiations are underway between the two superpowers as required under Article 6 of the NPT.

The other view was highly critical of "token" progress by the two superpowers. The bilateral agreements of the last several years were described as cosmetic devices which have not produced meaningful reductions in the vast destructive weaponry of the superpowers. Particular criticism was directed toward the Vladivostok agreement which, rather than capping the arms race, was portrayed as stimulating it to new heights. Only if the nuclear weapon states make rapid and meaningful progress toward general and complete disarmament will a world atmosphere be created which will permit non-nuclear weapon states to feel secure, thus removing impetus for nuclear weapon development.

Among the possible disarmament initiatives discussed in relation to furthering the objectives of the NPT were the following:

1. The principles for quantitative reduction embraced in the Vladivostok agreement must be translated into firm treaty commitments, and rapid progress must be achieved by the two superpowers concerning new qualitative reductions in weapon stocks.

2. Some participants considered it imperative that China be brought into ongoing disarmament negotiations. Others cautioned that to term China's participation crucial at this point could prevent further disarmament progress for many years. The forces of the Soviet Union and the United States are so extensive, it was maintained, that considerable bilateral reductions can be undertaken without fear of a Chinese strategic threat.

3. A new effort for a comprehensive test ban (CTB) on all weapons' tests was considered essential by most participants in order to gain support by non-nuclear weapon states for the NPT. Other participants, while welcoming a CTB, questioned the wisdom of linking it to the success of the NPT. It was feared that success in reaching a CTB might lull some into a relaxation of efforts regarding development of an effective safeguard system considered essential to the effectiveness of the NPT.

4. Nuclear weapon states should advance a specific pledge of non-use or threat of use of nuclear weapons to all non-nuclear weapon states that sign and ratify the NPT.

5. The International Atomic Energy Agency (IAEA) with the full support of the nuclear weapon states should develop procedures for initiating an international service for peaceful nuclear explosives.

6. The superpowers (and all nuclear weapon states) should refrain from acquiring new foreign military bases—particularly those in which nuclear weapons may be stored.

7. Nuclear weapon states should give full support to new disarmament initiatives, such as the World Disarmament Conference and nuclear weapon free zones, which may be advanced in the U.N. General Assembly and other international forums.

II. Security Guarantees.—What meaningful assurance or guarantee of security can be offered to states asked to yield their option to possess nuclear weapons under the NPT?

In Resolution 255 of July, 1968, the U.N. Security Council affirmed that aggression or threat of aggression with nuclear weapons against non-nuclear weapon states "would create a situation in which the Security Council and above all its nuclear weapon states would have to act immediately in accordance with their obligations under the U.N. Charter." The resolution also welcomed the "intention expressed by certain states that they will provide or support immediate assistance" to states under such threat.

Most participants believed security guarantees to be an important element greatly affecting the degree of support by non-nuclear weapon states for the NPT. Those nations not possessing nuclear weapons have a genuine suspicion of the motives of certain nuclear weapon states, and genuine fears for their own national security in a world of nuclear powers. The point was strongly articulated by some that a basic imbalance in the NPT is that it provides no mechanism to protect the world's "second class" nuclear citizens. It was also pointed out that ironically détente has had the affect of breaking down alliance patterns which, at the time of the NPT signing, provided an assurance of security to many nations. Other participants noted that the privileged class of nations are those non-nuclear weapon states which do not have thousands of nuclear weapons aimed at their national territory. The vast and expensive nuclear weapon stocks of the nuclear weapon states have not brought these nations security, and proliferation to further nations will not contribute to a more peaceful and secure world, it was argued. Recognition of this fact lead the superpowers to initiate the NPT and prompted these powers to make continued progress in détente. Bilateral superpowers arms control limitations, it was stressed, has significantly reduced the rationale for linkage between security guarantees and the NPT.

It was recognized that the majority of the non-nuclear weapons states do not believe the existing guarantee (Security Council Resolution 255) is adequate. It was noted in this regard that India, for whom the guarantee was particularly fashioned, has found it completely unsatisfactory. Some participants believed however that security guarantees should be extended to all states including those possessing peaceful nuclear explosives. Others strongly disagreed, arguing that a "PNE state" is a nuclear weapon state and security guarantees against nuclear threat for such states are superfluous.

It was agreed that security is a state of mind, dependent to a great extent on good faith among nations, and that it cannot be total in the current world climate. Some nations may have particular difficulty in declaring what type of international guarantees would provide real national security. Nor is it realistic (or necessarily desirable) at this point to expect the two superpowers to provide iron clad guarantees.

Some possibilities, mentioned above with respect to item one, were envisioned as helpful (but not in themselves fully adequate) in providing a guarantee of security. These include declarations of non-use or threat of use by nuclear weapon states and support by nuclear weapon states for new disarmament initiatives. Other possibilities include creation of nuclear weapon free zones in other areas, the development of new regional security systems, particularly in such areas as the Middle East, Southern Asia, and Southeast Asia, and universal adherence to the NPT by all nuclear and non-nuclear weapon states.

The ultimate answer to security guarantees, it was unanimously agreed, is the creation of a global climate of confidence and in particular strengthening the effectiveness of the United Nations. For non-nuclear weapon states to have confidence in Security Council guarantees on the NPT, evidence must be presented of Security Council willingness to implement its own resolutions in other areas affecting world peace such as Cyprus and the Middle East.

III. Peaceful Nuclear Explosives (PNEs).—What cooperative measures can be suggested to assure complete availability of any beneficial results of PNEs while eliminating the technology's clear and present danger to further nuclear weapons proliferation?

Article 5 of the NPT states in part that "potential benefits from any peaceful applications of nuclear explosions will be made available to non-nuclear weapon states Party to the Treaty on a non-discriminatory basis . . ." Further, "non-nuclear weapons States Party to the Treaty shall be able to obtain such benefits . . . through an appropriate international body with adequate representation of non-nuclear weapons states. Negotiations on this subject shall commence as soon as possible after the Treaty enters into force."

The question of so-called "peaceful" nuclear explosive devices provoked sharp disagreement among participants. The principal criticism was based upon the perceived complicating effects that independent development of PNEs would have on further arms limitation measures. PNEs, it was argued, cannot be distinguished from nuclear weapons. The only meaningful difference is the "intent" of the user. Despite intensive efforts in both the United States and the Soviet Union, PNE technology has yet to demonstrate its commercial feasibility. Major problems include safety for surrounding population, possible environmental damage (which in the case of venting beyond national borders would be in violation of the Limited Test Ban Treaty of 1963) and the availability of non-nuclear methods for resource extraction requiring far less sophisticated technology. Critics noted that PNE technology can be divided into two general categories: underground extraction (deep mining) and surface excavation. The former has been the subject of serious study in the United States with respect to oil stimulation experiments (Rulison, Gas Buggy, Rio Blanco) but has not produced satisfactory results. Development of deep mining technology, it was argued, requires a sophisticated nuclear energy program and technology which even the two superpowers have not developed. Excavation efforts on the other hand require massive thermonuclear explosions and are considered viable only in vast unpopulated expanses. More importantly the technology is properly considered an add-on to a pre-existing nuclear weapons program. It was argued that this fact coupled with the tremendous costs involved limit the technology to existing large nuclear weapon states (United States, Soviet Union) who have pledged to share it with others through appropriate international channels. Only in the Soviet Union are serious (but thus far inconclusive) investigatory efforts still under way in this area. The important factor, according to this view, was the need for creation of international consensus concerning arms limitation goals and then an evaluation as to whether PNEs are commensurable with these goals.

Other participants defended current efforts within less developed countries to develop and exploit PNE technology and strongly denied assertions that PNE states should be considered nuclear weapon states. More PNE states, it was argued, need not produce global insecurity if adequate international controls are developed. It was also noted that the dramatic rise in oil prices has served to make underground mining (gas stimulation, mineral extraction) more competitive. Considerable interest was expressed in the Soviet excavation program designed to create canals for irrigation purposes. Those supporting this view, while admitting that the worth of PNE technology is not yet proven, nonetheless strongly defended the desirability of continued national research and development.

The following points were advanced in discussions regarding PNEs:

1. Reference was made to the study recently ordered by the U.N. General Assembly on the question of PNEs (to be reported to the 30th General Assembly). While all participants welcomed such studies some were of the belief that there is an explicit need for an extremely high level study which would focus specifically on the political problems (arms control implications, etc.) surrounding the PNE question. All nuclear weapon states and non-nuclear weapon states with an interest in PNE technology should support and participate in such a study, it was recommended.

2. Several participants noted the failure of the superpowers to fulfill an implicit obligation of the NPT to cooperate in making available PNE technology to non-nuclear weapon states at the earliest possible date. It was suggested that the United States and the Soviet Union should immediately initiate measures of cooperation similar to ongoing cooperative efforts in the space program. Some participants, however, feared that a high level U.S.-Soviet effort in this area would simply arouse suspicions of a duopoly and further stimulate national programs.

3. Several participants condemned the slow progress toward the creation of an international service for PNEs as envisioned in the NPT. In this regard it was noted that the U.N. General Assembly has recommended that the IAEA is the appropriate organ to exercise the functions of an international PNE service when and if one is established. The IAEA has continued to make progress regarding guidelines for international observation of detonations and has established procedures for the agency to use in responding to requests for PNE services. However, it was noted that progress, toward this goal has been unimpressive in part due to the fact that nuclear weapon states have failed to provide much support in developing draft guideline proposals for an international service. Finally it was observed that PNEs will be a major topic of discussion at the forthcoming NPT Review Conference. Some suggested there should be a major revision of the NPT on this question. Among the discussed possible revisions were: permitting PNEs under the NPT; immediately establishing an international program for PNE services; and prohibiting all nuclear detonations (i.e., a universal comprehensive test ban).

IV. Responsibility of Non-Nuclear Weapon States.—*What actions can be undertaken by non-nuclear weapon states to assure future world peace and security?*

All participants believed non-nuclear weapon states can exercise an important role in assuring world peace and security, but that the critical element continues to be the actions of the nuclear weapon states. It was reiterated that the most important action non-nuclear weapon sates can take is to assist in constructing a world climate of confidence, and then to appeal for the cooperation of the nuclear weapon states. Non-nuclear weapon states, it was emphasized, must continue to pressure nuclear weapon states in order to prod them into a positive direction regarding arms limitation and disarmament efforts.

Included in discussion concerning possible actions to be undertaken by non-nuclear weapon states were the following points:

1. Non-nuclear weapon states should continue to foster détente between the two superpowers. In addition non-nuclear weapon states should work to expand the spirit of détente by seeking to involve all nuclear weapon states in current and future arms limitation and disarmament forums.

2. All non-nuclear weapon states should sign, and move quickly to ratify, the Non-Proliferation Treaty.

3. Non-nuclear weapon states should fully support the IAEA and cooperate in strengthening the Agency's safeguards system. In this regard it was suggested that non-nuclear weapon states seeking to purchase nuclear power plants on the international market should not "shop around" for the arrangement offering the least safeguards.

4. Non-nuclear weapon states with significant nuclear programs should take particular care not to disseminate nuclear technology which could contribute to the proliferation of nuclear weapons. Support was expressed for an international agreement, generalized in its application, which would delineate the type and scope of information that should not be shared. It was suggested that this could be an important topic of discussion for the NPT Review Conference.

5. Non-nuclear weapon states should take special precautions to reduce the danger of theft of fissionable material or terrorist attack on nuclear installations.

6. Non-nuclear weapon states should continue to advance and support new arms limitation and disarmament measures such as nuclear weapon free zones and the World Disarmament Conference (WDC). Nuclear weapon free zones were cited as an extremely promising method of controlling the vulnerable stages of the nuclear fuel cycle, and support was urged for enhancement of existing zones and the creation of new zones. Strong support was voiced for continued progress toward convening a WDC, envisioned as potentially an important new disarmament forum. The majority of the participants, however, emphasized that full and creative support by all nuclear weapon states was a prerequisite for success of the WDC.

CONCLUSION

All participants were of the opinion that the creation of new nuclear weapon states would breed more global insecurity and potential conflict, and consequently should be discouraged. An important factor in assuring that fissionable material is not diverted to weapons purposes is the IAEA safeguard system, and all participants believed it warranted broad international support. However, a second approach to halting further proliferation was the suggestion that, in the future, critical elements of the nuclear fuel cycle should not be under exclusive national control of individual states. Thus it was suggested by several individuals that national acquisition of nuclear technology under regional or international control was a desirable objective. Nuclear facilities could be co-located and subject to either regional or international control mechanisms. It was pointed out that the economics of the fuel cycle (particularly uranium enrichment and plutonium separation facilities) argue for a multilateral approach in order to take advantage of economies of scale. It was noted that certain regions such as Latin America, with an existing nuclear weapon free zone arrangement and its own control mechanism, might be particularly amenable to such a program in the future. Advantages to this approach, in addition to reducing the possibilities for nuclear weapons proliferation, are a considerable savings in investment cost, reduced possibilities for nuclear theft and dissident attack, and assured national access to the benefits of peaceful nuclear technology. In conclusion the development of regional or international mechanisms for shared control of nuclear technology could be a beneficial topic of discussion when representatives meet to review the Non-Proliferation Treaty.

EXCERPTS FROM AN ADDRESS

(By Mason Willrich, Professor of Law, the University of Virginia)

This conference offers an important opportunity to generally probe our thoughts about where we are headed with respect to the problem of nuclear weapon proliferation and its international security ramifications. In looking forward to the Non-Proliferation Treaty (NPT) Review Conference in May, 1975, it is worth noting that the treaty is being reviewed after three decades of experience in the nuclear age.

It was shortly after the first explosion of a nuclear device in 1945, that the effort to halt the spread of nuclear weapons began. At that point the United States, United Kingdom and Canada realized that their monopoly on nuclear weapons would be transitory and nuclear disarmament was the only alternative to nuclear proliferation. Unfortunately the Baruch Plan presented by the U.S. government to the United Nations in 1946—a plan which provided for development of nuclear energy for peaceful purposes under a limited form of world government, and also for complete nuclear disarmament—was not accepted by the Soviet Union.

The next major point of reference is Eisenhower's "Atoms for Peace" address in 1953 in which he called for international cooperation in the peaceful development of nuclear power under safeguards, but unlinked from nuclear disarmament, and proposed the establishment of an International Atomic Energy Agency (IAEA). Yet another important benchmark is the 1963 Nuclear Test Ban Treaty which had three important effects: as a political breakthrough towards a climate in which detente between the United States and the Soviet Union might gradually emerge; as an international environmental treaty reducing radioactive fallout in the atmosphere; and as an initial restraint on the proliferation of nuclear weapons.

In 1968 the NPT was opened for signature and I think it is important to bear in mind that the treaty has always suffered from its authorship by the two superpowers. It was prepared with the German problem in mind, and U.S. proposals for a multilateral nuclear force within NATO were a major stumbling block to agreement. This factor and others delayed agreement on the treaty beyond the takeoff point for nuclear power. It is important to note, however, that the success of the NPT was conceived by the superpowers as depending on policies and decisions made by non-nuclear weapon states. Thus the treaty presented a framework for nuclear arms control that depended on non-nuclear weapon states ultimately perceiving there is more security *for them* in a general restraint on further proliferation.

With respect to nuclear power development, it is now possible to see the picture all the way out to 1980 quite clearly because all of the nuclear power plants and major facilities that will be in operation by that time are now under construction. Furthermore, the oil crisis has reinforced the trend toward nuclear power throughout the world. By 1980 there will be power reactors operable in some thirty countries with plutonium production rates ranging from, for example, several thousand kilograms annually in the Federal Republic of Germany and Japan to several hundred kilograms in Taiwan and Argentina. One other relevant figure: about five to ten kilograms of plutonium is enough for the kind of device that India exploded in May of 1974.

Among the issues that will affect the future of the Non-Proliferation Treaty, the U.S.-Soviet SALT negotiations are of the utmost importance. Further, it is important that non-nuclear weapon states perceive that international controls on nuclear power development are in their interests quite independently of the interests of the superpowers. Thus, I would argue that it is important that there be rapid agreement on reductions from the high strategic arms ceilings agreed at the Vladivostok summit meeting. It also seems important that non-nuclear weapon states recognize that, thanks to superpower détente the link between the horizontal proliferation and vertical proliferation by the two superpowers may be less important.

The IAEA and its NPT safeguards system provide a useful mechanism for accountability which nations can reassure one another. But the system is limited in its scope and effect. It is not an enforcement device or even a particularly effective inspection device.

Finally, from the standpoint of both nuclear weapon and non-nuclear weapon states, it will be a safer world, if nuclear power can be developed on the basis of interdependence. This argues very strongly for co-location of key facilities in the nuclear power fuel cycle (i.e., fuel fabrication and plutonium separation plants) and multinational ownership of such facilities, perhaps on a regional basis. Progress in this area will also have considerable implications in another area of growing threat: that of nuclear theft and terrorism. By creating situations of interdependence and by co-location of facilities the most vulnerable links in the nuclear fuel cycle, from the viewpoint of nuclear theft, would be eliminated.

In summary, the NPT and the IAEA safeguards system can provide a framework for controlling nuclear weapons proliferation. Indeed, it is the only basis we have to work from.

PARTICIPANTS

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Mason, Willrich, Professor of Law, The University of Virginia.

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COMMENDABLE TESTIMONY OF COOS BAY, OREG., CITIZENS

Mr. HATFIELD. Mr. President, each year about this time the members of the Appropriations Subcommittee on Public Works receive testimony from hundreds of people at hearing sessions that occur morning and afternoon, day after day, for 2 weeks. These men and women come from all parts of the country, from all walks of life, and represent interests as diverse as you can imagine. Some have been to Washington many times to present testimony; others have never before seen the inside of a hearing room. Naturally, the quality of the presentations we members of the subcommittee hear varies considerably, and we genuinely appreciate a witness who can encapsule and convey effectively the nature of the issues involved with a particular project in the very short time allotted to him or her.

I suppose it is commonplace for a Senator to say what a fine job his own constituents did before his subcommittee, but I want to say today that the presiding member of the House Appropriations Subcommittee on Public Works, a gentleman from Alabama, commended the witnesses from Coos Bay, Oreg., as having made the finest presentation of the week, and accorded special praise to Mrs. Anita Hale, spokesman for the broad-based Coos Bay citizens organization.

The Coos Bay delegation to Washington consisted of representatives of industry, labor, the financial community, and the port cities. Prior to their leaving for Washington, their coordinator, Mr. David Sant, had organized a campaign to inform the people of the area of their stake in the future of the Port of Coos Bay. The response was tremendous. Some 3,000 original letters arrived in the offices of the Senate and House Appropriations Committees along with petitions bearing more than 5,000 signatures.

I am told by the committee staffs there is not a project in the country that has more support from citizen communication than does the Coos Bay deep-draft channel this year.

I am proud of their effort, and I would like to share with my colleagues in the Senate today the testimony we received from this group. It is my hope, Mr. President, that the Senate will soon be voting on an appropriation bill that contains funds for this project. I ask unanimous consent to have the testimony I mentioned printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

Statement of J. Larry Qualman, President, Port of Coos Bay, Oregon

Mr. Chairman: My name is Larry Qualman. I am President of the Port of Coos Bay, Oregon.

Before asking you and your Committee for any further assistance for Coos Bay, I want to thank you and the Committee for the assistance you have given us in the past.

The failure of the Administration to recommend an appropriation to continue the funding program for the Coos Bay channel deepening project caused one of the greatest letter writing compaigns we have seen in the Coos Bay and Southwestern Oregon area in some time.

I am told that some of those letters might have inferred that Congress has not supported the Coos Bay project since it was authorized in 1970. Some of our supporters have apparently mistaken the 1968 date of the Corps of Engineers' recommendation for the channel deepening with the 1970 date of authorization of the improvements by Congress.

I want to apologize to you, Mr. Chairman, and to your Committee, for any misunderstanding of the facts that were made in behalf of the Coos Bay channel deepening project.

Congress has been the principal supporter of the Coos Bay channel deepening project. We are grateful for the $150,000 that Congress added to the Fiscal 1974 budget, and for the $139,000 appropriated in the Fiscal 1975 budget.

We ask that you consider adding the 5.5 million dollars that the Corps of Engineers state it can use in Fiscal 1976 and the transition quarter to begin construction of the deeper channel system for Coos Bay.

The Coos Bay project is scheduled for a 3-year funding program. If there is no budget addition this year, the completion date will be delayed another full year.

The cost of this project has already escalated by 58%, from the estimated cost of 9.1 million dollars in 1968 when it was recommended by the Corps of Engineers, to the present estimated cost of 14.4 million dollars.

A number of the larger ships are by-passing the Port of Coos Bay due to insufficient depths in the navigation channels.

Many of the larger ships that now call at Coos Bay are limited to taking only partial loads. These ships then move to deeper ports in the Northwest and Canada to load to capacity.

Some Coos Bay shippers are required to pay the extra expense of moving their forest products by rail, truck or barge to other ports for loading. This cargo is often loaded in the very same ship that was restricted to a partial loading at Coos Bay.

A substantial amount of export lumber is being barged from Coos Bay to Canadian ports to be loaded into deeper draft ships that by-pass or are restricted to partial loading at Coos Bay.

We have already lost approximately 22.5% of our direct waterfront jobs and a half as many more indirect jobs in 1975, with an estimated payroll loss of 1.8 million dollars, as a result of inadequate channels. In addition, there are numerous indirect losses to the community which spin off each water-related job and the vessels calling at the Port.

Coos Bay is the largest forest products shipping port in the world. We have had a spectacular increase in our export tonnages in the past few years.

In 1974 the total waterborne tonnage moved over the Coos Bay deep draft channel system was 6.1 million tons, compared to the 4.8 million tons per year the Corps of Engineers projected would move over the deeper channels in the year 2020—45 years from now.

The Corps of Engineers newly revised benefit/cost ratio for the Coos Bay channel deepening project is 4.4 to 1, compared to the 1.6 to 1 reported a year ago.

We urge your favorable consideration of a budget addition to continue Coos Bay channel improvements without further delay. Thank you.

Statement of Allen E. Woods, Secretary, Coos Bay Pilots Association

Mr. Chairman:

My name is Allen E. Woods. I am a Master Mariner and Bar and Harbor Pilot, associated with the Coos Bay Pilots Association. I have been piloting vessels calling at Coos Bay for the past ten years.

During this time the class and size of the larger vessels has progressed from those less than 500 feet in length and loaded drafts of 28½ feet, of the standard 15,000 dead weight ton C-4 type cargo vessel, to the vessels now serving Coos Bay that are of the 45,000 dead weight class, 675 feet in length, with beams up to 100 feet. During 1974, approximately 280 of these vessels exceeded deep drafts of 28½ feet.

As pilots we are obligated under both State and Federal Licenses to provide a safe and prudent pilotage to the vessels aboard which we are required to serve. With the existing navigation system at Coos Bay, we cannot provide efficient, economical and reliable pilotage in a safe and prudent manner to the larger and deeper draft vessels now calling at the Port.

The existing limited navigation system restricts the movement of the larger and deeper draft vessels to periods of the most favorable conditions which fall during daylight hours and on the higher tides.

A comprehensive vessel delay log was maintained for the year 1973 which indicated a total of 4,663 hours of delay time involving all vessels. Most of the delay time was awaiting high tides and favorable conditions to sail, due to the deep loaded draft of the vessels and the insufficient depth of the channel.

Chevron Shipping and Hendy International, the two shipping companies now providing tanker deliveries of petroleum products to Coos Bay, are presently engaged in the phasing out of the T-2 class tankers utilized in this service and replacing them with larger tankers of approximately 35,000 dead weight tons. Discussions held with representatives of these companies indicate the existing navigation channel to be inadequate for the larger size tankers. Because of the recognized ecological importance of the Coos Bay Estuary and the condition of the existing navigation channel, the risks of a potential pollution disaster from a possible grounding of these larger tankers would prevent them from providing direct tanker deliveries until such a time as the present Harbor Improvement Project has been completed.

There is more than vessel safety and potential estuarine damage involved here.

Maneuvering the larger vessels in the confines of a narrow channel where vessels are moored to adjacent berths creates a hazard to both the moored vessel and the longshoremen and other personnel working alongside. These large ships cause a suction as they approach another vessel and then a drag in passing, causing damage to berths, ship ladders and mooring lines.

The restricted size of the upper turning basin requires the turning of vessels 600 feet and over at an alternate turning basin and backing astern 2½ miles to the loading berth.

We have been advised that the new bulk carriers to serve Coos Bay will be in the 700-foot range with loaded drafts up to 36 feet, too large to turn in any of the existing turning basins.

The larger ships now serving Coos Bay and the still larger ones coming make it imperative the authorized new channel dimensions be constructed as soon as possible. Thank you.

Statement of Anita B. Hale, Assistant Coordinator for Coos Bay Citizens' Communication Campaign

Mr. Chairman and Honorable Members of the Subcommittee:

My name is Anita Hale. I am one of the owners of a retail establishment in Coos Bay, Oregon. I am also the assistant coordinator for the Citizens' Communication Campaign organized to facilitiate our citizens' expression of support, both local and statewide, for the Coos Bay, Oregon, Deep Channel Navigation Project. Our intention as a citizens' delegation is to keep the project moving through the construction phase.

Our entire Oregon Congressional delegation supports the Coos Bay Deep Channel Navigation project, and the Oregon State Legislature is submitting a memorial in support of our project to Congress and President Ford. Our citizens are appealing for funding for this project with their 5,000 signatures on petitions and through their more than 2,000 letters to Congressmen. Among these citizens is my husband, Robert Hale, the Mayor of Coos Bay.

Forest products and shipping are basic to the economy of Coos Bay and Southwestern Oregon. 80% of our employment in this area is directly or indirectly dependent upon the forest products industry and the related activity of our port.

Coos Bay is a large port which handles more dry cargo than San Francisco. Most of the dry cargo shipped from Coos Bay is export. 5.5 million tons of the 6.1 million tons of cargo handled at Coos Bay in 1974 were export, contributing 11% to easing the United States balance of payments deficit.

In 1974 the U.S. Army Corps of Engineers estimated on our Coos Bay improvement project a benefit/cost ratio of 4.4 to 1, a beneficial ratio of dynamic proportion.

Our Port of Coos Bay is losing business and jobs. Our unemployed labor force of 17.9% in District 7 of Southwestern Oregon was 99% higher in January, 1975, than the national rate. Our citizens are alarmed about the inevitable stagnation of our port unless our project is funded. The critical time for improvement of our Coos Bay channel is pressing upon us. Gentlemen, we desperately need Congressional funding NOW.

I am leaving with the committee copies of petitions bearing 5,000 signatures of supporters of this project in Southwestern Oregon and copies of some of the many letters written to Congressmen in behalf of this project.

I thank you for this opportunity to express the alarmed concern of thousands of citizens who are vitally interested in and dependent upon the improvement of our Coos Bay channel.

SCHOOL LUNCH AND CHILD NUTRITION PROGRAMS

Mr. TALMADGE. Mr. President, the Subcommittee on Agricultural Research and General Legislation, of the Committee on Agriculture and Forestry, last week held 2 days of hearings on our school lunch and child nutrition programs.

Serious concern has been expressed throughout the Nation with the administration's announced proposal to consolidate our child feeding programs into a single program of bloc grant assistance at a level some $700 million below the present level of the programs combined.

I have a strong interest in these programs, both as chairman of the Committee on Agriculture and Forestry and as principal author of legislation in 1970 which increased funding for existing school lunch programs and extended the program to those areas previously not served.

It is not my intention to stand aside and see these programs, which have contributed so substantially to the health and well-being of millions of American children, be cut back and made less effective.

Two of the outstanding witnesses at last week's hearings were from my State of Georgia.

Miss Josephine Martin, who is administrator of the school food service program of the Georgia Department of Education and chairman of the Legislative Committee of the American School Food Service Association, is one of the most highly respected leaders of this program. Her testimony is eloquent explanation of the need and importance of the school lunch program.

A moving, fact-filled presentation by Mrs. Charlotte Wilen, member of the Council on Maternal and Infant Health of the State of Georgia, describes the success of the special supplemental food program for women, infants, and children.

I commend these statements to my colleagues in the Senate, and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF JOSEPHINE MARTIN, ADMINISTRATOR, SCHOOL FOOD SERVICE PROGRAM, GEORGIA DEPARTMENT OF EDUCATION AND CHAIRMAN, LEGISLATIVE COMMITTEE AMERICAN SCHOOL FOOD SERVICE ASSOCIATION, BEFORE THE SUBCOMMITTEE ON AGRICULTURAL RESEARCH AND GENERAL LEGISLATIVE, SENATE AGRICULTURE AND FORESTRY COMMITTEE, APRIL 22, 1975

Mr. Chairman and Members of the Subcommittee: I am Josephine Martin, Administrator of the School Food Service Program in the Georgia Department of Education. I also serve as chairman of the Legislative Committee of the American School Food Service Association. The American School Food Service Association is a professional organization of 50,000 school food service personnel concerned with the nutritional needs of all children.

May I take a moment to express appreciation for the leadership of the Committee on Agriculture and Forestry for the continuing interest in and support of child nutrition programs. Through the initiative and leadership of the Committee and especially of this subcommittee, tremendous gains have been made which have strengthened and expanded child nutrition programs.

On the eve of the Thirtieth birthday of the National School Lunch Act, it is especially important to pay tribute to this Committee, because it was in the Senate Committee on Agriculture and Forestry that the concept of a national school lunch program for all children was born.

Since its inception the National School Lunch Program has had as its single purpose the improvement of the nutritional status of all children in school. To help achieve this purpose Congress has provided assistance in the form of cash grants and donated foods. State and local governments have contributed to the program to keep the sale prices low and to keep the program available to all children. As a result, all children in participating schools, regardless of family income, are able to secure a lunch at school, and for those not qualifying for a free lunch, at well below the costs of producing the meal.

A key element in the program is the national standard for the nutritional quality of the lunches served. When the Act was passed, nutritional standards were required to assure that children would be served a balanced meal.

Each lunch must contain milk, meat or meat alternate (such as cheese, peanut butter, etc.), fruits and vegetables, bread and butter. Schools have complete flexibility in combining or offering wide choices of food items to meet this standard. This lunch, called "Type A" provides 1/3 of the child's daily food needs.

From this early concept, a nutrition program for the general welfare of the nation, has evolved a sound nutrition program for all children and one which has operated extremely well for the past thirty years.

ASFSA is grateful for the privilege of appearing before you today. Specifically, I wish to address my remarks to:

(1) The President's Proposal to repeal all child nutrition legislation and substitute a block grant which would reach only the neediest children.

(2) The President's Proposal to place a 5% ceiling on increases in reimbursements.

(3) S-850 (and HR 4222—pending in the U.S. House of Representatives). The National School Lunch Act and the Child Nutrition Acts Amendments of 1975.

ASFSA opposes the Administration's Proposal to repeal all Child Nutrition Program legislation. The administration's block grant proposal turns its back on the work of this Committee and the Congress in the establishment of a Child Nutrition program for all children; it turns its back on 60% of the children who are now receiving lunches each day at school; it weakens the nutritional standards for all children. In addition to the adverse effects of the proposal on paying children, the abolishment of the present legislation would have adverse affects on poor children, the food industry, the labor market.[1] With 60% of the students paying for their lunches, many schools would simply not be able to continue a lunch program if federal assistance were withdrawn. It would not be economically feasible. So the poor children would lose, nutritionally and educationally. The proposal would eliminate the breakfast program, the special food program, the WIC program, the opportunities for development projects, and most important the nutritional standards.

Mr. Chairman, and members of this subcommittee, there is an issue that causes me great concern. Each time the Administration discusses the "block grant" approach, an attempt is made to justify the approach in terms of the rapidly increasing costs of the Child Nutrition Programs.[2] It seems that their proposal to cut spending is to eliminate the program as a nutrition program for all children, and to substitute a skeleton program for poor children (which could only be classified as a social welfare program).

There has been a sizable increase in federal expenditures required to support the school lunch and child nutrition programs but the increased cost of the past 5 years did not occur because of the "traditional school lunch program".

In 1970 Congress mandated the service of free lunches to all needy children. The ASFSA supported this legislation and has supported successive Acts of Congress since 1970 to carry out this mandate. We are very proud that there are now nearly ten million children receiving free or reduced price lunches at school.

However, let us look at what this progress has done to the cost picture for the Child Nutrition Programs. According to USDA figures the school lunch and breakfast programs will cost $1.7 billion this year in federal expenditures. Seventy percent of this total amount or $1.2 billion will be spent to finance lunches and breakfasts for the ten million needy children. In contrast, a little over $500 million is being spent on the fifteen million children who pay the regular price for lunch in schools. On a per child basis $118 is being spent for each needy child in comparison with about $33 for the paying child.

And let us look at other Child Nutrition programs authorized under the National School Lunch Act but not operated in schools:

First, there is the Special Food Service Program which includes year-round pre-School programs and the summer feeding programs for children. Together these two operations will cost $115 million in FY 1975; some 90% of this expenditure will be for needy children.

Second, there is the Special Program for Women, Infants, and Children which will cost $126 million this year. This program is limited to the needy.

We support these programs totally. We should not lose sight of the fact, however, that the National School Lunch Program is the major vehicle for improving the nutritional status of all the children in the nation. In this prolonged period of inflation and higher costs of operation, additional funds are needed to keep this nutrition program on a viable basis.

Attachment 3 describes the division of federal expenditures under the National School Lunch Program between needy and non-needy children for FY 1975. The chart shows that the greatly increased costs of these programs have come about because of the increased commitment to providing nutrition for the economically needy children of America. Therefore, the Administration's claim that the food programs absorb 2/3 of the USDA budget, and the proposals to cut-back in this important area should be perceived as measures of saving money rather than as measures to improve the nutritional well-being of America's people. Their complaint reflects program success.

The basic school lunch legislation is sound. It has provided school nutrition programs that have helped all young people who take part to have balanced meals and to have the classroom learnings about food and health habits reinforced through the eating experience. We urge you to reject the President's proposals to repeal the legislation which has 30 years of success for an unknown program which would offer fewer opportunities to fewer children.

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[1] See Attachment 1—ASFSA's Position Statement.

[2] See Attachment 2—Comparison of provisions of Block Grant with present legislation.

We are opposed to the proposal to place a five percent ceiling on the increases in assistance for the Child Nutrition Programs. We are grateful to the Congress for providing the escalator provisions in the funding patterns for the lunch, breakfast, and donated foods programs. These increases, particularly the provisions for the free and reduced meals, have made it possible to continue serving quality meals during this highly inflationary period.

The costs of producing a school meal has escalated more rapidly than the escalator provisions, as these provisions are limited to reimbursement and not costs.

Although there has been an increase since 1973 in rates for paid lunches from 8c to 11.75c and for free lunches from 40c to 52.5c per meal, the total costs of producing a meal increased in this same period by approximately 20c. The schools are faced with increased food costs, increased labor costs and now exorbitant increases in fuel costs. Mrs. Agnes Poindexter, Tuscaloosa County Schools, reports that the electric bill in one school in her county was 10c per lunch. Georgia schools will need 7c to 10c more to provide the same lunch in 1975–76 than was required in 1974–75. Our General Assembly has provided an additional 2c. But this still leaves a need for 5c to 8c increase just to stand still.

Studies document that for each 10% increase in sale price, there is a 6% decrease in participation. Decrease in participation results in higher operating costs; for each 10% decrease, the labor costs are increased 2% per lunch.

We therefore, urge that you reject the Proposal to place a ceiling on the escalator provisions contained in the laws; we would rather urge you to provide additional funds to help keep the paying children in the program. We would ask that you consider some provision to apply the Section 11 escalator to the Section 4 payments.

It is good to turn from the negative proposals and to look at some positive proposals for Child Nutrition. *We support S–850 as it contains some important provisions necessary to the continuation and expansion of the Child Nutrition Programs.*

First, it extends the appropriations authorities, which would otherwise expire on June 30, 1975, for two important child nutrition programs—The Breakfast Program and the Special Food Program for Children.

Second, it clarifies and simplifies federal and state administration in certain aspects.

Third, it improves the program's potential for responding to the middle American by expanding the reduced price program provisions.

Fourth, it gives school food service administrators assurance of direction regarding donated foods.

The breakfast program has proven to be very successful as a means of helping children to maximize their educational opportunities. This program was originally authorized in the Child Nutrition Act of 1966 and has since been extended on at least two occasions. School administrators need to know in May if there will be a breakfast program in September.

The effectiveness and acceptance of school breakfast by parents and school administrators lead us to recommend that it be extended on a permanent basis and that efforts be made to expand the program's availability to more children.

Section 4 of S-850 is *very* important to states that have a high percentage of economically needy children. It removes the three to one matching requirement from Section 4 funds paid for free and reduced lunches. This amendment will not reduce the amount of money which is required to be provided by the state from state revenues.

The amendment, however, would affect the overall three to one matching requirement set forth in Section 7 of the National School Lunch Act. This matching requirement was established in the original National School Lunch Act of 1946. Although the history indicates that Congress never intended for children's payments to count as matching, the USDA has allowed such payments to count for matching purposes.

School lunch participation has changed drastically since 1970 and PL 91–248. In 1946–47 only 10% of the lunches served were provided at no cost to poor children. Today nearly 40% of all lunches are served free. Accordingly, the percentage of total income from children's payments has declined sharply to the point where they will be unable to maintain the three to one matching contribution from all sources within the states. The law only requires matching of Section 4 or general cash for food assistance funds.

The problem is aggravated by the USDA's directive that states must pay the same level of Section 4 funds for free as for paid meals.

By imposing this requirement, the USDA is saying in essence that for each free meal served, the state must get 34¢ from sources within side the state. This could mean for a state with 50% free lunches, that each paying child would have to pay 68¢. The present law and the present interpretation both need revising. Otherwise, states with high percentages of economically needy children will not be able to meet these matching requirements and consequently in those cases federal Section 4 funds will be reduced in those states.

The three to one matching requirement of the National School Lunch Act became outmoded with the passage of PL 91–248 which provided for free or reduced price lunches as a right for economically needy children.

Section 5 of S–850 would liberalize the present eligibility standards for reduced price lunches. Under this amendment, children from families with incomes up to 100 percent above the poverty guideline would be eligible for a reduced price lunch—an increase from 75% in the existing law. Since the inflation spiral began two years ago, which caused school lunch prices to increase, more than 750,000 paying (middle income) children have stopped buying school lunches. Our participation has decreased from 85% to 83%; the decrease is related to sale price.

An April 8, 1975 release from the Labor Department indicates that an urban family of four now requires an income of $14,300 annually to maintain even a moderate standard of living.[2] The amendment to increase the eligibility level for reduced price meals would not touch that family, but it would help a group far below that level. This amendment would provide that children from a family of four earning $8,640 per year would be eligible for reduced price meals.

Families who fall into this income bracket are young families; often headed by only one parent, and these are the families suffering the most from our present economy. They are having to make choices which affect the health of their children.

If the light bill doubles, they must pay the bill or have the lights turned off. If the school lunch cost is too high they make a substitute which may impair their children's health and education. The impairment to the child's health is not as visible as having the lights turned off.

Although the provision of eligibility for reduced price meals would create a tremendous opportunity for young families, it is not anticipated from past experience that large numbers of eligibles would take advantage of this opportunity. Principals report that many families who would qualify do not apply because of pride; in many schools the reduced price option is not made available to children. It would seem logical to require schools to offer reduced price meals just as they are required to offer free meals. An amendment was approved on the floor of the House of Representatives which would make this provision mandatory.

There have been some very costly estimates to this amendment. In our opinion, the estimates are exaggerated based on performance in states which offer reduced price meals. In Alabama where the reduced price meal is offered in all schools, only 2.5% of the total meals are reduced price; in Massachusetts, where 75% of the schools offer reduced price meals, less than nine thousand children took advantage of the reduced price; in New York, 1939 schools offer reduced price lunches, and about 5% of the total participation is in reduced price lunches. In Georgia, 173 of Georgia's 188 school systems offer reduced price lunches, and this amounts to 2.8% of the total lunches served. And in Montgomery County, Maryland, reduced price lunches have been offered in all schools for the past three years. All possible outreach efforts have been made to encourage parents to apply. Still only one thousand children are receiving the reduced price lunch. Total participation for the entire county is forty thousand; 5,300 of these are free and one thousand reduced.

This is an important amendment to the program and would make lunches available to more children and we would urge that it be accepted.

However, the past record of performance does not indicate that it would by any means have appeal to all families in this income bracket. This is one of the many reasons we appeal for additional help for the lunches for the paying child. Those prices must be stabilized.

Section 8 extends the special authority for the Commodity Distribution Program for schools for three years and provides for the distribution of cereals and oils to the School Lunch Program.

Cereals and oils were not available to the lunch program during this fiscal year; although, in prior years they had been made available by USDA on an unrestricted basis. The bill provides that these foods would be made available in addition to other foods or cash grants made available under Section 6(e) of the School Lunch Act. We urge you to consider approving this amendment.

Section 9 provides that 75% of the funds appropriated for commodities would be used by the department to purchase foods for school distribution. This would help school administrators know how to plan and budget for school food service. It is essential that a level of distribution be established. Commodity foods are highly respected and effectively used by most schools. Knowing what is expected helps to plan storage and transportation within the system.

Section 12, 13, 14 and 15 of S–850 deal with the Summer Food Program and the Special Food Program for Children. Legislation for both these programs expires June 30. Both programs have proven their value in meeting a specific nutrition need for poor children. We urge you to extend these programs. Everyone agrees that the existing legislation has some flaws, and the levels of payment are not inadequate. This legislation attempts to correct the deficiencies of the existing legislation.

Mr. Chairman, S–850 contains many important provisions for the Child Nutrition Programs. We sincerely hope that you will favorably report this bill. There are however, two additional areas on which I wish to comment as a result of the action of the Education and Labor Committee of the House and of discussions in that committee and on the floor of the House of Representatives when HR 4222 was being considered.

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[2] See Attachment 5—Plight of Paying Child.

First, Section 9 of the National School Lunch Act provides for nutritional standards for meals served. Schools have maximum flexibility in planning meals and varying portion sizes to meet the needs of all children. I am of the impression that this was not understood in the House and some changes were proposed which would not only destroy the nutritional soundness of the program for all children, but would encourage fiscal irresponsibility. The proposal could actually lead to federal reimbursement being paid for a meal served to a child which consisted only of one item. If children are allowed to take only those foods they know and like, the program objective of helping children learn to eat a variety of foods will be negated. Children in the Northwest have learned to eat peanut butter and children in the South have learned to eat purple plums.

On April 15, 1975, the National Advisory Council on Child Nutrition Programs recommended to the Secretary of Agriculture that no changes be made in Section 9 of the National School Lunch Act. The Council did recommend, however, that "as a means of increasing the acceptability of school meals, decreasing plate waste, and making more efficient use of funds, that provisions be made for the USDA and the state school food service directors to develop administrative procedures for use by local systems that will maximize the techniques to (1) increase the offerings available, (2) vary the portion sizes on an individual basis, (3) involve students in planning the food service in secondary schools, and (4) provide realistic schedules for the lunch period with respect to timing and duration that would encourage participation and otherwise minimize food waste."

We solicit your gift of another chance to respond to the criticisms in a positive way rather than by destroying the nutritional aspects of the program by changing Section 9 of the Act.

Now to the final point. There has been much debate regarding the need for increasing the support for the paying child. The middle income family, the hardest hit of all income groups with the present inflation-recession, is being priced out of the school lunch program. Although the number of children participating in the lunch program in the past five years has increased there has been a marked decline in the number of children paying for their lunches. The total number of lunches has increased to 25.7 million in February, 1975; the number of free lunches has increased from 7.4 in 1970 to 9.9 million. The number of paying children has declined from 18 million to 15.3 million, a drop of 2.7 million children. From January of 1974 to January, 1975 alone, the decline was one million children. This overall decline of 2.7 million children has occurred despite the fact that nearly four thousand additional schools have entered the program since 1970. These four thousand schools have an enrollment of 2.3 million children.

The cost of producing nutritionally balanced lunches has risen because of higher food and labor costs as well as costs of other items such as utilities, transportation and supplies used in preparing and serving lunches. Since 1967, the cost of producing lunches has increased by nearly 70%, as measured by the Bureau of Labor Statistics index of the cost of food away from home. In the past year, the increase has been over 12%, and at the same time the increase in the reimbursement payment increased only 1¼ cents.

To meet this situation, the schools have been forced to increase their sale prices, with the result that more and more parents simply are not able to stretch the family food budget so that their children can eat lunches at school. A chart is attached as Appendix which shows what has happened to participation of paying children in five Georgia school systems in the past two years.

I am aware, Mr. Chairman, of the serious budget deficit problems facing the Congress. I would ask however, that consideration be given to increasing the assistance for lunches to paying children, at least to the point that schools will not have to increase the sale price again in September. The children of this country provide our hope for tomorrow. If they are equipped with malnourished bodies and minds through lack of proper nutrition and education, our hope becomes dimmed. Many states have begun to provide funds for helping to keep the lunch price low, and local systems are contributing very heavily both in direct and in indirect ways. We ask that this committee come to the rescue of the schools. Even the application of the Section 11 escalator provision to the Section 4 payment would be a great help. (Extra payment should be excluded from matching requirements.)

Mr. Chairman and Members of the Subcommittee: I wish to thank you for this privilege of testifying before your committee. I will be pleased to answer questions now or after other members of the panel have presented their statements. The American School Food Service Association looks to you for continuing to initiate and enact legislation that will move us toward our goal of "safeguarding the health and well-being of all children through nutritionally adequate meals." It is our belief that S-850 is one more positive step in that direction.

ATTACHMENT 1

POSITION OF THE AMERICAN SCHOOL FOOD SERVICE ASSOCIATION ON THE PROPOSED REPEAL OF EXISTING CHILD NUTRITION LEGISLATION

STATEMENT OF THE PROPOSAL

President Gerald Ford proposes legislation that would repeal and supersede all existing child nutrition legislation and substitute a single consolidated block grant program. The proposal would provide subsidies only for poverty children, eliminating financial assistance to all other children including those now eligible for reduced price meals. The proposal specifically eliminates the National School Lunch Program as operated since 1946, the Breakfast Program, the Special Milk Program, the Special Food Service Program for Children and the Nutrition Program for Women, Infants and Children (WIC).

Even the program for poverty children would be cut back. The nutritional standards currently specify that ¼ of the child's Recommended Dietary Allowance (RDA) will be met by the breakfast program and ⅓ of the child's Recommended Dietary Allowance will be supplied by the school lunch. The new legislation will provide a maximum of ⅓ of the poverty child's Recommended Dietary Allowance. Minimum nutritional standards will be eliminated and states will be free to set their own standards if any.

ASFSA POSITION

It is the position of the American School Food Service Association that there are strong and compelling reasons for total and complete opposition to the President's proposal (to be known as "The Child Food Assistance Act of 1975"). We cite the following specific reasons why these child nutrition programs now in effect should not be repealed nor curtailed:

1. The President's proposal eliminates the present assistance for the paying child, those guarantees of nutritional integrity and adequate federal support to assure program continuation.

All children need one or more nutritionally adequate meals at school. The meals must be physically and financially within the reach of every child.

In a vast majority of schools, the poverty program alone would not support a viable school food service operation. With meal prices soaring to eighty cents and higher, pupil participation in these programs would be forced down dramatically.

The unit cost of production would rise as the volume of meals decline. Consequently, many school food service programs would be closed completely, depriving even the poverty child of school meals.

The Administration's proposal runs counter to its own findings reported in *The Comprehensive Study of Child Nutrition Programs*, July 1974, page 56. The study states:

"Given the assumed strong relationship between price for the paying child and participation, any program alternative must first start by advantageously affecting the price paid. This aspect is further affected by the need to maintain a participation ratio—no matter what the percentage of total enrollment represented—closely parallel to the social makeup of the school."

Our nation must be made aware that the President's proposal would transform our present approach of child nutrition programs for all children into a new approach of poverty programs for some children. This poverty program would not even guarantee adequate nutrition for that poverty child.

ASFSA finds it tragic that just at the time of the nation's dawning comprehension of the relationship between nutrition and health, just at the time of documented proof of the relationship between nutrition and learning, just at the time of growing public acceptance of food and nutrition as a contributing factor to the quality of life, this Administration proposes to turn its back on 30 years of progress in child nutrition! The psychology of the soup kitchen has returned.

2. The President's proposal imposes additional hardship on middle income America. It makes the poverty child more aware of his poverty, and deprives many another child of his birthright—enough to eat.

Middle income America needs help. At a time when the average American taxpayer is struggling to pay his own bills, to grapple with inflation and recession and to help pay the bill for less fortunate Americans, this modest assistance with school meals is taken away. At a time when the President proposes a tax rebate to help middle income America, it is ironic that he recommends what is in effect a head tax of $54.00 per child per year (school lunch cash assistance: 12^{c} + commodities of 11^{c} + inflation for food and labor at 7^{c}=30^{c}×180 days). At a time when it has been demanded of the schools to avoid overt identification of the nonpaying child, a plan is now proposed that makes such identification inevitable. Moreover, it is not unlikely many situations will occur under the proposal in which the nonpaying child would be the only one who could "afford" a full nutritious meal eaten in the presence of paying children whose daily funds would only permit meager fare—discrimination in reverse.

3. The President's proposal further depresses an already depressed economy.

The National School Lunch Program represents a four-billion meal per year market that is widely supported by and supportive of agriculture and industry. The President's proposal, in drastically cutting back these child nutrition programs, will also diminish its meaning as a market. If, by the United States Department of Agriculture's own estimate, seven million children per day drop out of the programs under this proposal, in one year's time there would be a loss of 1.26 billion meals. As just one example of the market potential, four billion half-pints of milk are purchased for use in the Special Milk and National School Lunch Program each year. Three billion half-pints would be eliminated by the President's proposal.

The $28 million equipment appropriation would be eliminated as would be most of the incentive to purchase the half-billion dollars worth of equipment customarily ordered by the market. Billions of dollars worth of equipment and facilities already purchased by program funds and taxpayers' money would be closed down while children go hungry.

Of the 350,000 persons presently gainfully employed in school food service the vast majority of whom are in an income bracket that scarcely lifts each of them above the poverty level, 120,000 would become jobless. Increased unemployment compensation would go far to offset whatever savings the President might hope to realize with his proposed program cuts. Economic ramifications might cut even more deeply into the family budget; millions of women who are gainfully employed away from home would face the grim choice of either giving up their employment or sending their children home alone at noon to fend for themselves.

The President's proposal would require redirection of family income. Either a child's nutritional intake will be seriously diminished or a sharply increased amount of each family's budget will be absorbed by food costs. Such a major shift in family buying patterns would even further decrease the average American's purchasing power in all other market areas.

In the first instance the food industry loses. In the second instance the balance of our economy loses. In either instance the child loses.

CONCLUSION

Legislation upon which today's child nutrition programs are built reflects the concern of Congress for the nation's youth over the past 30 years. Showing their support of the leadership of Congress, boards of education and school administrators have painstakingly initiated and nurtured school nutrition programs. These programs are living tributes to the awareness that health, nutrition and learning are inseparable. Indeed, organization of school plants and schedules are facilitated by the presence of on-campus food programs. Such programs have made the concept of the consolidated school feasible. To now withdraw the federal support that has made this possible is unthinkable.

President Ford's proposal would undermine three decades of progress in child nutrition, would place the stamp of pauper indelibly only upon the child who eats at school at public expense, and would set back by a generation concern for and practice of good nutrition.

These proposals of the President are so extreme and far reaching that any one of them could have a devastating effect:

1. Meal prices for 60 percent of this nation's youth would soar—in some cases by four times the present price.

2. Three decades of experience in the program dictates that such price increases means that 7 to 10 million children will leave the program.

3. Decimated programs will experience prohibitive per unit increases in operating costs. We can predict that many school districts will be forced to get out of the school food service program altogether.

4. When any type of food service survives, the poverty child will be humiliated and the paying child will often be left hungry by his inability to pay the price.

5. By stripping away nutritional guarantees and eliminating some assistance for all children, the original concept of school food service as a nutrition program for all children will be lost, possibly for all time.

6. Middle-income American families will be hurt the most by the President's proposal, but it should also be remembered that provisions for poor children will be cut as well.

7. The impact of these proposals would further depress our economy—depress unemployment, agriculture, industry and each family's budget.

Collectively the Administration's proposals are a calamity! How mixed up our nation's priorities appear to be when a proposed national budget calls for expenditures of one billion dollars per day and denies 60 percent of our children a few pennies a day for food—an essential part of an equal opportunity for education!

ASFSA reiterates its position that it is not the concept of child nutrition that should be repealed and superseded, but rather the concept of economic segregation in the lunchroom. What better time than now to reaffirm our nation's position of school food service for all children? What better time than now to establish a Universal School Food Service Program?

It is time to add stimulation to the economy.

It is time to add jobs to the economy.

It is time to be concerned with the needs of our people.

It is time to help middle American families regain their economic footing.

It is time to be sensitive to the feeling and needs of the poor child.

It is time the nation once and for all accepted responsibility for the nutritional well-being of our children while they are at school.

America has an opportunity to meet—with compassion and vision—the needs of children, lending each a helping hand while at the same time we strengthen our faltering economy.

ATTACHMENT 2

A COMPARISON OF THE PROVISIONS OF THE BLOCK GRANT WITH PROVISIONS OF EXISTING LEGISLATION

Meals provided	Block grant children reached				Existing ch'.dren reached			
	All	Needy	Reduced	None	All	Needy	Reduced	None
Lunch		×			×	×	×	
Breakfast					×	×	×	
Milk					×	×	×	
SPFC						×	×	
WIC						×		
Funds available (cents):								
Lunch					11.75	52.5	42.5	
Breakfast					9.25	32.5	26.75	
Milk					5.0	Cost	5.0	
Donated foods					10.0	10.0	10.0	
Total available per day, 90 cents (for needy children to be used for all programs)					36.0	95.0	84.25	

NOTES

Projects in nutrition and training, $1,000,000; State administrative expense funds, $6,700,000.

Nutritional standards, a maximum of (⅓ of the child's daily food needs to be met by all programs) lunch ⅓ of the child's RDA; breakfast, ¼ of the child's RDA; total, 58/100 of the child's RDA.

[1] This analysis is based on the information released by the USDA in early February.

ATTACHMENT 3

DIVISION OF FEDERAL EXPENDITURES UNDER THE NATIONAL SCHOOL LUNCH PROGRAMS BETWEEN NEEDY AND NONNEEDY CHILDREN, FISCAL YEAR 1975

[Dollar amounts in millions]

	Nonneedy	Needy	Total	Percent to needy
Section 4	$266.6	$177.8	$444.4	40.0
Section 11		751.1	751.1	100.0
Breakfast	9.5	63.8	73.3	87.0
Nonfood		28.0	28.0	100.0
Commodities	246.0	164.0	410.0	40.0
Subtotal	522.1	1,184.7	1,706.8	69.4
Special milk program	102.0	18.0	120.0	15.0
Nonschool food program	11.5	103.1	114.6	90.0
Women, infants and children program		126.1	126.1	100.0
Grand total	635.6	1,431.9	2,067.5	69.3

ATTACHMENT 5

PLIGHT OF THE PAYING CHILD

APRIL 9, 1975

Not since the passage of the National School Lunch Act of 1946 has there been as much doubt and confusion about child nutrition programs nor has their fate hung so clearly in the balance as at the present time. Proposals range from the repeal of all child nutrition programs at one end of the spectrum to an absolute limit of 25c for the price of a school lunch at the other end.

The House of Representatives, through the vehicle of H.R. 4222, will return to floor debate on these issues the week of April 21. The Senate, through the vehicle of S. 850, will address itself to the same subject in hearings before the Committee on Agriculture and Forestry, April 22.

When all the smoke clears, we suggest two basic issues are at stake:

1. The very life of several vital child nutrition programs. Unless new legislation is passed, the following programs will expire June 30, 1975:

Breakfast Program, Special Food Service Program, Special Milk Program, Summer Food Service Program, WIC (Women, Infants and Children) Program

The legislation pending before both House and Senate would provide for the extension and improvement of all of these programs. Furthermore, the House Bill would mandate a reduced-price lunch for children from families up to 200 percent of the income poverty guideline. The legislation would also make children immediately eligible for free lunches if the head of the household is unemployed.

2. The plight of the paying child.

If the Breakfast Program is renewed and the free and reduced-price program expanded, the child from the low income family is well provided for. The child from the middle-income, tax-paying family is being increasingly victimized by rising prices in the lunchroom. This is the very same family hurt most by the ravages of inflation. On April 8, 1975 the Labor Department released figures indicating than an urban American family of four now requires an income of $14,300 annually to maintain even a moderate standard of living. This is an increase of $1,733.00 or 13½ percent in one year, the biggest increase in any year since the Labor Department began publishing such figures.

In describing recent tax cut legislation President Ford describes the problem of the middle-class family very well. He said:

"Low income people should indeed be helped. But not to the exclusion of the rest of the population . . . Half of the families in this country today are in between $10,000 and $25,000 per year. One-third have earnings in excess of $15,000 per year."

It is a fiction not supported by economic fact that any family not included in the benefits of the poverty-stricken is affluent. Such is simply not the case.

Income in thousand dollars:	Families
Less than $1	628,000
$1 to $2	965,000
$2 to $3	1,755,000
$3 to $4	2,244,000
$4 to $5	2,491,000
$5 to $6	2,555,000
$6 to $7	2,640,000
$7 to $8	2,709,000
$8 to $9	2,800,000
$9 to $10	2,715,000
$10 to $11	3,118,000
$11 to $12	2,770,000
$12 to $13	3,100,000
$13 to $14	2,539,000
$14 to $15	2,513,000
$15 to $20	9,438,000
$20 to $25	4,564,000
$25 to $50	4,564,000
$50 and up	548,000
Total number of families	55,053,000

It is not only ridiculous but it is economic segregation of the worst kind to deny further assistance to the great majority of our school children simply because, in one instance out of 10, we might possibly provide some modest assistance to a well-to-do family. It might be well in passing to note the contribution through taxes such well-to-do families are making to the provision of free and reduced-price meals to the economically needy. If we applied such things to other phases of government subsidies in this country, our interstate highways would be muddy trails, our public carriers would be pack animals and our postal system would be still by pony express. We are rapidly approaching the point where several million nonpoor children a day cannot afford to buy the same lunch at school provided free-of-charge to their less well-to-do classmates.

Statistics collected by one Midwestern state mirror clearly the relationship between meal cost and participation:

Charge to child:	Participation percentage
None	96
15 cents	94
25 cents	82
35 cents	68
45 cents	44
55 cents	22

School meal prices must be brought back down within the reach of all children. To discriminate against the children of young struggling parents endeavoring to pay their own is certainly not the American way.

The problem of the paying child is not his alone but becomes the pervasive problem of all child nutrition programs. From a logistical standpoint, if we lose the paying child many school districts will no longer be able to afford the burden of providing foodservice for the low-income child.

Because of school busing, low-income children are now widely distributed throughout the school district. In middle income neighborhoods, where the percentage of free and reduced-price meals is still relatively low, maintenance of a foodservice program is not economically feasible without the support of the paying child.

Moreover, the impending transition of child nutrition programs into welfare programs does not bode well for their political base. Programs designed to meet the needs of all school foodservice activities have won the approval and support of all segments of our society, from the voter in the polling booth to the voter in the Halls of Congress. It is only human nature to lose interest in that which does not concern us. Programs designed to benefit only one segment of our society are likely to be supported only by that segment.

The House of Representatives has deemed our economic crisis to be such that we cannot afford either a 25c or 35c lunch for our school children. Surely our national pride and priorities will not tolerate children being turned away from their own school lunchrooms because they cannot afford the food inside. The poor children of our nation need our help but so do the millions of middle income children whose families compose the vast majority of the population of this country.

TESTIMONY OF GEORGIA'S MATERNAL AND INFANT HEALTH COUNCIL ON S. 850—WIC, PRESENTED TO THE SENATE AGRICULTURAL COMMITTEE, APRIL 24, 1975

(By Mrs. Charlotte Wilen)

Georgia needs WIC, the Special Supplemental Food Program for low-income pregnant and nursing women, infants and young children.

Nutrition is now universally recognized as a vital environmental factor affecting human mental and physical development and health.

The nutritional status for the population of Georgia remains for the most part unknown; however, low-income status, teenage pregnancy, premature births and failure to thrive in infancy imply the existence of nutrition deprivation and malnutrition.

Approximately one-third of Georgia families have an income below poverty level and one-third of the expectant mothers are classified as "low-income".

The American Public Health Association has determined that low-income mothers show the greatest nutritional depletion after pregnancy. Low-income women also show a higher incidence of maternal morbidity and mortality and produce more infants who die or have handicapping conditions.

One in 11 Georgia children is born prematurely with low-birth weight (5½ pounds or less). Such children are more likely to be under-developed either physically or mentally.

According to the most recently published (1971) vital and morbidity statistics for the State of Georgia, 16.5% of the mothers giving birth were 18 years of age and under, where the health risk factors including nutrition to mother and child is the greatest.

Approximately 25%, or 24,000 births, of all Georgia babies born in 1971 were "high-risk", both to the health of the mother and the normalcy of the child.

Georgia's infant death rate is 9.9% higher than that of the rest of the nation.

Georgia ranks among the bottom 10 states in the nation in the results of surveys on maternal and infant care. For example, in comparison to other states, Georgia ranks 30th in neonatal deaths, 42nd in infant deaths, 46th in maternal deaths, 45th in fetal deaths, and 45th in low-weight births.

We anticipated that 1 out of 10 expectant mothers in Georgia today will have babies born with an obvious mental or physical handicap or who will develop an impairment later in life.

Because of these statistics and the knowledge that: (1) nutritional deprivation during periods critical for growth and development of the central nervous system may cause irreversible damage to subsequent mental development; (2) the effect of malnutrition on the development and functioning of the central nervous system depends on when the deprivation occurs, how long it lasts, and how severe it is (The human brain is more susceptible to damage during the latter part of fetal life and early infancy), Georgia applied for WIC grants which cover the prenatal and preschool periods, the crucial years for preventing physiological and neurological deficits in the population.

Georgia's WIC Program presently is a $3 million dollar project serving approximately 19,132, of a possible caseload of approximately 168,555, living in 60 to 159 counties. This program is an important step toward decreasing the number of birth defects due to malnutrition and the number of low birth weight babies and malnourished infants and children. Georgia seeks WIC Statewide. Moreover, we believe Congress should make WIC a permanent national program. We support Senate Bill 850 which would do this at a funding level of $300 million dollars each year, as well as, expand eligibility to women up to six months post-partum and to children through the age of four, increase the administrative allowance of 10% to 25% of projected program funds, add nutrition education and outreach components to the program, establish an advance payment procedure, and include a provision which allows for flexibility in the contents of the food package based on medical necessity and cultural eating habits.

Exhilaration at the prospect of 25% of projected funds versus 10% of food cost for administrative costs and at the recognition by legislators of the need for nutrition education has been tempered by the realization that the 25% figure is to conclude costs for outreach, referral, operation, monitoring, nutrition education, general administration, start-up, clinic, and administration of the State WIC Office.

Presently, administrative costs for local programs approximate 19% of food costs. This percentage does reflect the fact that entire or partial salaries paid to several program staff come from other sources. So the amount of money available for hiring staff to build a nutrition education component of WIC will be very limited.

In Georgia, only one county of a total of 159 counties, supports a nutritionist on its own. Three districts, representing 30 counties, each support a nutritionist; and thanks to a twelve month grant from the National Foundation—March of Dimes there is a nutritionist serving WIC participants in another district made up of 10 counties. The remainder of the State must look to the Department of Human Resources for consultation and assistance. The presence of a nutritionist building a nutrition education component for WIC has strengthened the program as anticipated. Therefore, WIC funds for the establishment of nutritionist positions will help meet an urgent need.

The WIC population is unfamiliar with eating nutritious foods. Simply providing the foods to people is often not sufficient guarantee that the food will have the effect Congress intended. People who are unfamiliar with a food and don't like it, will not eat it or insure that their children eat it, unless they are shown why it is important. Program administrators cite nutrition education as a vital factor in making WIC effective.

Major responsibilities of WIC nutritionists will be to obtain detailed diet histories, evaluate the patients' dietary and nutritional needs, develop nutritional care plans in consultation with clinical staff, provide direct dietary counseling to patients and their families in the selection and preparation of food in relation to nutritional needs, family income, cultural food pattern, and home facilities, maintain adequate nutrition records for patients and conduct group educational programs for patients.

It is believed that every member of the health team, including home health aides or outreach workers, should be taught the basic principles of a sound diet so they can reinforce the nutritionists' efforts. The goal is to provide WIC participants with the knowledge and skills needed in selecting nutritious food, so that upon discharge from the WIC Program, they will be more knowledgeable consumers.

WIC's termination would be detrimental to the health of thousands of Georgia citizens. Block grants to the States, as proposed by the Administration, are not satisfactory either. Women over 17 would no longer be eligible for WIC and the eligibility of infants would be left to the discretion of each state. We support Senate Bill 850 for several reasons:

(1) While school lunch and breakfast programs have for years provided nutritious meals for school children, no food assistance program was available for the periods of life when the most important growth and development take place: gestation and infancy. The WIC Program is designed for all these periods to provide nutritious foods at the times of greatest need.

(2) Nutrition counseling and education during pregnancy and lactation can only be effective if the patients can afford the food they are instructed to eat. The WIC Program provides the opportunity to give meaningful nutrition advice which can be followed because WIC provides the means of obtaining nutritious foods.

(3) Dr. James W. Alley, Director of Physical Health Division for the Department of Human Resources, State of Georgia, states "The economic impact of an early intervention program like WIC merits serious consideration, because neglect of the nutritional needs of mothers, infants and children can result in later high treatment costs and possible lifetime care for the mentally retarded. When one looks at the cost of institutional care and training for a mentally retarded individual, which is now averaging about $30 a day in Georgia, supplemental food can only be viewed as a tremendous health bargain."

(4) In those health department clinics with a WIC Program there has been an increase in overall clinic participation due to its drawing power. This one feature makes WIC different from other food programs because they are not associated with health departments.

In conclusion, I would like to quote a portion of the paper "Economic Benefits for the Elimination of Hunger in America", prepared by Barry M. Pokin of the Institute of Research on Poverty at the University of Wisconsin for the Senate Select Committee on Nutrition and Human needs:

"Improved nutrition improves learning, prevents an interruption of cognitive development and increases the ability to concentrate and work. Also better educated parents lead to better educated children.

"Improved nutrition increases the capability for prolonged physical work, raises the productivity of workers, and increases the motivation to work.

"Improved nutrition results in higher resistance to disease and lowers the severity of disease.

"Improved nutrition decreases fetal, infant, child and certain types of maternal mortality.

"Improved nutrition makes healthy mothers who have healthy children."

The Council on Maternal and Infant Health, which I represent, sees WIC as a means of reaching its goal of providing every Georgian with a good state in life.

We are pleased that B'nai B'rith Women join us in this advocacy in as much as since 1966 they have maintained an active volunteer educational—motivational prenatal care program for expectant mothers in need of public health care throughout the country.

GUN CONTROL

Mr. PERCY. Mr. President, the need to provide effective gun control measures is growing more evident each day. As the number of people senselessly gunned down by handguns increases, and as our cities take on the appearance of armed camps, the people have become more vocal in their demands that something be done—now.

Whereas in the past every Member of Congress could count on the organized write-in effort of the National Rifle Association, easily identifiable by the similarity of the letters and the stridency of their content, we are now seeing more and more letters which are not the result of organized efforts, but which instead reflect the concern of the overwhelming majority of Americans that handguns must be strictly controlled.

Public opinion polls consistently show that, though unorganized, the American people are tired of the NRA frustrating their efforts to be heard. This groundswell has been reflected in editorials from across the Nation in large and small newspapers alike, on radio and on television. All of these are efforts to put the Congress and the administration on notice that we must act in this critical field.

In order to demonstrate the growing concern in this area, I ask unanimous consent that a cross-section of editorials and articles urging the adoption of effective gun control laws be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Editorials From the Washington Star-News, Jan. 5, 1975]

HANDGUNS—A MADNESS

Instead of Lorenzo Henry Wooden, 21, D.C. homicide No. 294, and South Trimble Jr., 78, D.C. homicide No. 295 for last year, the victim could as easily have been you. Don't delude yourself for a second about that. Both men, one black and one white, one young and one elderly, were blasted by pistols in the hands of thugs. Both men died by the senselessness of sheer chance that, with brutal certainty, will violently end the lives of thousands of Americans, here and across the nation, during this unfolding year.

Wooden was gratuitously gunned down during a robbery in The Star-News building in Southeast Washington on the last day of 1974. A few hours later, a holdup man's bullet slammed into Trimble's neck as he was parking his car in the garage of his apartment building in Northwest after New Year's Eve church services. Wooden's killing set a homicide record for the District; Trimble's slaying extended that vicious mark just three hours before the advent of 1975.

"Those whom the gods wish to destroy, they first make mad," wrote Euripides. The horrible toll of death by firearms—and in particular by handguns—is a national madness, as deadly in its implications as any we face.

Of the city's 295 homicides in 1974, 161 of them—well over half—were by handguns; in Baltimore, with 293 slayings, 178 were by pistols. In 1973, according to the FBI, 53 percent of the 19,510 homicides in America were caused by handguns. If the moral of those cold numbers cannot be grasped, we shall deserve the anarchy that awaits us as surely as winter follows fall.

Those who bleat their silly and specious slogans—such as, "Guns Don't Kill People; People Kill People"—yap that gun control will lead irrevocably to the end of civil liberties, will put us in bondage to some malignant tyranny. That is rot, an affront to our presumed collective intelligence.

Gun control legislation—most of which, enacted at the federal and state level, has been anemic or emasculated—in recent years has provided clear protection for sportsmen, for target shooters and the like. Legislation has been aimed at handguns and particularly at the cheap weapons still being made with imported parts. Lord knows it has been a modest assault.

How much blood must be spilled before we confront the handgun issue as the pestilence that it is? "If it were bubonic plague then they (citizens) would think it would affect them," says Dr. James L. Luke, the D.C. medical examiner whose grisly duty it is to rule on these deaths. And contributing to the indifference of many of us is the inescapable fact that the victims of much of this random death from firearms are residents of what euphemistically is called the inner city.

It is a bleak prognosis. Captain Robert Boyd, commander of the D.C. homicide squad, put it bluntly after the Wooden and Trimble killings: "There is no deterrence." As in the case of the last two victims of 1974, Boyd said many of these death come during robberies. "Why not kill them (the victims)? It cuts down on your chances of being caught and if you get caught, so what?"

So make certain, by mandatory statute, that every felony involving a handgun carries a stiff penalty for use of the weapon, a sentence that cannot be suspended and that must run consecutively with any other penalty. That is not draconian given the pervasiveness of this insanity.

At the same time, let the courts view the illegal possession of a handgun for what it is—a probable precursor of a more serious crime. These are not solutions. But if the laws which exist are enforced with the consistent severity the situation demands, it could help stanch the flow of blood. Plea bargaining on weapons charges must be drastically curtailed by prosecutors; judges must not permit the relatively few people convicted on gun charges from quickly returning to the streets with suspended sentences.

And eventually, and soon for all our sakes, we must confront the broader solutions: A solid prohibition on importation of foreign-made parts for the cheap handguns that have but one purpose—to kill; a national registration requirement for those civilians able to make convincing cases for possession of pistols; finally, a flat ban on possession of handguns by anyone other than law enforcement personnel.

The frontier has long vanished. If we remain as callous and as contrary to this deadly phenomenon as we now appear to be, a jungle shall succeed it, a jungle that will allow insulation for no one. For the families of Lorenzo Wooden and South Trimble, Jr., that jungle already has overtaken.

[From the Chicago Daily News—Jan. 6, 1975]

THE RISING TIDE OF VIOLENCE

A lot of unenviable records were set in 1974, but none was more dismal than Chicago's high mark for homicides—968 persons murdered in the course of a single year. The number was higher by 104 than the previous record of 864 set in 1973.

Police officials see little hope that 1975 will be better, and indeed the new year got off to a particularly bloody start with 15 killings in the first 48 hours. If that rate continued, the toll would climb past 2,500 before the start of 1976.

Daily police reports have long been replete with horror stories: family squabbles settled with blazing guns, youngsters not yet in their teens casually robbing and then killing their victims, random shootings that claim lives "accidentally" just as surely as if the intent were clear.

On the first day of January a fireman on his way to help extinguish a fire lost an eye when he was hit by a shotgun blast, blamed on a sniper. Firemen report frequent attacks on them, usually by flying bottles or other objects but occasionally by gunfire, as they battle blazes in certain sections of the city. It has become increasingly dangerous to deliver goods or even the U.S. mail.

The search for causes of the rising tide of violence leads in many directions, ranging from poverty and overcrowding to a steady diet of violence in the movies and on television. But tracing cause and effect is difficult at best, and which theories are valid and which are mere excuses hasn't been determined. Far worse poverty and overcrowding exist elsewhere in the world without provoking the incidence of murder that we have here.

Whatever the reasons, a society that presumes to call itself "peaceful" and "civilized" cannot tolerate the loss of values and the cheapening of human life that the trend indicates. And if it remains a puzzle as to what can be done to isolate and eliminate the root causes of the problem, there is still one step—long overdue—that would go far toward saving lives now heedlessly cast away.

Easy access to guns is responsible for an overwhelming number of homicides. Even if violent behavior persists, without handguns the toll would be much reduced. Outlawing handguns, with as few exceptions as possible, is one logical move to curb the homicide rate. The grisly record of 1974 ought to be clinching evidence—even to the gun lobby—that the day of the handgun in the United States must end.

[From the Washington Post, Jan. 17, 1975]

CONTROLLING HANDGUNS—AND VIOLENCE

(By Jerry V. Wilson)

A succession of public opinion polls since 1938 has shown that a majority of Americans favor gun control. A 1972 poll showed 71 per cent of all persons and 61 per cent of gun owners in favor of some form of gun control. But their sentiments go unshown in either the ballot boxes or in mail response to the issue. A variety of political figures have lost elections after campaigning for handgun control. The lingering suspicion is that advocacy of handgun control is more likely to lose than to gain votes. This hazard deters many political leaders from pressing for effective legislation.

And constituent mail has a lot to do with how politicians act on hot subjects. Lobbyists against gun control reportedly can generate one-half million letters to the Congress.

After I wrote a column last month calling for stringent handgun control, the few letters I received were all opposed to the notion. I think it worthwhile to share some of them with you:

From Nevada: "Jerry V. Wilson . . . made me nauseous. To this imbecile . . . murder lies in the gun and not the man . . . ."

From Wisconsin: "(Gun manufacturers) could sell 10 times the number of handguns than they do . . . if they were the money hungry capitalists that you suggest. . . . What about the trapper who needs a pistol to make his living? What about the rancher out mending fence in snake country? . . . (What) about the competitive target shooter like myself? . . . (Register) the owner and not the weapon . . ."

From Idaho: "Do you realize how many (criminals) have been stopped because they are afraid of getting shot? . . ."

From Maryland: "I have been a hunter and collector of fine handguns since 1946 . . . and have a fine collection . . . valued at $50,000 . . . (their) value and authenticity would be distroyed if . . . made inoperable . . . (less) than ½ of 1 per cent of handgun owners are ever involved in any form of crime or of violence involving the use of a gun . . ."

Several of the issues mentioned above deserve response.

First, my own observation of handgun advertisements and displays indicates no holding back on production by manufacturers. Second, firearms obviously are needed in some instances, particularly in rural areas, for self defense against criminals, for protection against wild animals or snakes, and by hunters and trappers. But self protection and hunting needs can adequately be filled by rifles and shotguns, which are seldom used either in murders arising out of domestic or other quarrels or as weapons in other crimes.

The pleasures of handgun collectors and target shooters are another matter. Their need for handguns is harder to justify. But the National Council to Control Handguns does propose some accommodation of their desires with licensing ownership of handguns to be kept in secure places reasonably inaccessible during moments of passion or by burglars and thieves.

"Control the owner, not the weapon" arguments derive from the notion that the deaths are caused by people, not guns. Unfortunately, that is only half true. Each year in America about 9,000 people are murdered and about 10,000 people commit suicide by use of handguns. True, in each case some person pulled a trigger and in many cases an alternative weapon might have been used if no handgun were available. But experience demonstrates that other weapons are less likely to inflict fatal wounds. Indeed, the *handguns* did not kill those people, but the availability of *handguns* did. Limiting handgun availability to "respectable" people is not going to save those lives, unless the limitations are extraordinarily stringent.

As one correspondent noted, the approximately one-quarter million murders, robberies, assaults, and suicides involving handguns each year involve less than one per cent of the 30,000,000 handguns in America. But what do all those handguns contribute to our society to justify the deaths and crimes of which they are instruments? For example, by sharply reducing the availability of handguns, America can almost certainly match the life saving of the 55 mph speed limit.

Nothing is likely to happen, however, so long as handgun lovers write to their legislators, while handgun control advocates answer pollster's inquiries and otherwise are silent.

[From the Chicago Tribune, Jan. 18, 1975]

JAIL FOR GUN VIOLATORS

Mayor Daley wants the city's gun laws tightened to provide a minimum jail term of 10 days for possessing an unregistered firearm. Under the amendment to the city code he proposed Wednesday, penalties would range up to six months and would apply to first offenders.

That would be far stronger than the present law, under which violators of the gun registration ordinance may not be jailed—only fined up to $500—for the first two offenses. Stiffer penalties are not the only thing needed to control Chicago's horrifying murder rate, which is already running 64 per cent ahead of last year's. But they would help, and we hope the amendment is allowed to become law.

There will naturally be a violent outcry against this proposal, as there is against every effort to make the tools of murder less easily obtainable. The standard, all-purpose argument against gun control laws, however, does not apply very convincingly here. It is that such restrictions are observed only by law-abiding citizens—criminals ignore them so the effect is to give the criminals an advantage.

The argument makes no sense in this case, if it ever does. The purpose of this amendment is to make a clear distinction between lawful and illegal ownership of guns and to penalize the latter. Since the law-abiding gun lover presumably is as interested as the rest of us in discouraging murder and armed robbery, he should be willing to help accomplish that purpose. [Unless he wishes to argue that the inconvenience of registering is too great a sacrifice to ask of gun lovers, however civicminded.]

We do not think local or state laws, however stringent, will ever dry up the lethal traffic in handguns. The ultimate answer appears to be uniform, nationwide federal laws restricting not only sales but manufacture of weapons useful almost solely for homicide.

Meantime, though, Chicago is facing a wave of homicides which crested this week with 6 fatal shooting in 4½ hours. The city will have to do what it can. Making illegal gun ownership riskier than it is certainly is worth doing.

GUNS AND THE RULE OF LAW

Every year, the owners of about 100 million motor vehicles in the United States go to one of the hundreds of motor vehicles bureaus in each of the 50 states and register their vehicles or renew their permits to operate those vehicles. No one finds anything extraordinary about that; it is done as a matter of course and with virtually no protest. No congressman feels compelled to inveigh against the automobile registration laws, no senator considers it essential to his political survival to oppose them. We all take it as a matter of course that we must regulate the widespread use of machinery as potentially dangerous as the automobile, and that we must have a way of keeping track of those who use them in the event of their misuse.

By coincidence, Americans are estimated to own about as many firearms as they do automobiles—100 million or close to two for each household. And unlike the automobile, whose essential purpose is transportation, guns are an essentially single-purpose commodity: they kill. Yet, we can regulate automobiles with relative ease, while regulating the gun is one of the most enduring political difficulties in our society. In part, the reason is that the gun is enshrined in our historical mystique. It is also the subject of an intense lobbying campaign based on a misguided interpretation of the Constitution. Whatever the reason, effective gun control has eluded our society while the tragedies proceeding from the proliferation of guns, especially in urban America, mount daily:

Dennis Banks, a good Samaritan, goes to the aid of a bus driver in Washington and is shot in the chest and dies; a public-spirited New Yorker goes to the assistance of an embattled police officer and loses his life, leaving six children orphans. Each day's news brings another grim reminder that the gun, especially the handgun, has no place in a crowded urban society. Whatever its value may have been in winning the West, the handgun's usefulness has long since passed.

On the contrary, its role today generally (and cruelly) turns out to be the opposite of that for which it was intended. People buy guns to protect themselves, but for every robber stopped by a gun, many times that number of people are injured in accidents, quarrels or other circumstances that have nothing to do with home protection.

For these reasons, 71 per cent of the American public favors some sort of gun control legislation, and increasingly the Congress is getting that message. This legislative season has thus the best prospect for action of any congress since the mid 60's, when the "Saturday Night Special" stole the show and diverted the argument from the real problem of gun proliferation.

We think that this year, Congres has an obligation to do something it has never done properly—sort out the facts about guns and the gun market very carefully before seeking to legislate. Before long, there will be dozens of pieces of legislation in the hopper. Some will call for the outright confiscation of every privately owned handgun in the land. Others will merely require stricter registration of guns, and some will seek to regulate ammunition. The great danger is that if extreme care is not taken, we may legislate against the wrong thing, or at least place the legislative emphasis on the wrong problem.

As with illegal drugs, there is a tendency in the gun control debate to focus on the streets, where the worst of what guns can do is plainly seen. Thus, several cities have tried to buy guns from citizens, and without much effect on crime. The problem then is compounded because frustrated citizens see their tax dollars going to buy guns and yet they see no reduction in crime.

The weakness in the street approach is that as fast as the police in a city buy guns, more guns are poured into the market from various illegal channels. That is why this approach is as inadequate as trying to stop the drug traffic by picking up petty dealers and users.

If this Congress wishes to make the first serious dent in the gun market, it must begin with a careful study of the structure of that market. It must seek through hearings to discover where the great bulk of illegal guns comes from, how the guns reach the streets and who profits at each stage of that process. Several years ago, New York City, which has the oldest and strictest gun control law in the country, did a study of the origin of those guns which were involved in several serious crimes. The study concluded that there is a network of underworld gun running, frequently originating in the South, that was responsible for pouring thousands of guns onto New York's streets. Congress must find out how that system works, and how those illegal guns get into that network. Very little is known, for example, about the percentages of guns "lost" in the process of manufacture by reputable firms. Here again we find shades of the drug problem where, for example, amphetamines are legally manufactured and then "lost" in Mexico, only to reappear illegally on the streets and campuses.

About 70 Americans a day die by gunfire. The figure has been climbing since 1963. That is an epidemic which requires action. But such action should be measured and thoughtful so that its result will be sure. The gun lobby is prepared, as always, to argue that "guns don't kill people; people kill people." The reasoning is transparently specious. While homicide by all other means has risen 10 per cent in the last 12 years, homicide by guns in the same period has risen 48 per cent.

If anything else were responsible for that kind of increase in deaths, we would have found some way to prevent those deaths. To the extent that gunshot deaths are produced by accident or in the heat of anger, they may be prevented or diminished by the removal of guns from people's hands. We will hear again that the Second Amendment forbids the government to abridge the right of citizens to bear arms. That argument is made without any reference to the decisive Supreme Court ruling on the subject (*U. S. v. Miller*) in 1939. The Court said the Second Amendment was intended to protect the right of states to maintain a militia, what we now call the National Guard. The Second Amendment was not intended to provide that every citizen could tote lethal weapons. Since no such constitutional right exists, that canard should be eliminated from the debate. The only issue is whether any citizen has a legitimate right to own a handgun, and how such ownership will be controlled. We control the ownership of cars, we can do it with guns—and we must.

[From the Chicago Daily News, Feb. 22, 1975]

DRY UP HANDGUN ARSENAL

"Guns enable people to kill people easily, thoughtlessly, comfortable and on the spur of the moment, and increased guns mean increased violence."

With these words, Rep. Dan Rostenkowski (D–Ill.) introduced in the U.S. House on behalf of himself and Rep. Abner J. Mikva (D-Ill.) a bill that would begin to dry up the ever-increasing pool of handguns in the United States. The measure would ban the manufacture, sale and trafficking in such weapons. Exceptions are made for law enforcement personnel, members of pistol clubs and collectors.

Legislation along these lines at the federal level is the only hope of saving an increasing number of men, women and children who lose their lives at the simple squeeze of a handgun trigger. In 1973, there were an estimated 13,040 such persons, 10,340 of whom were murdered.

As the recent Daily News series on "Guns that Kill" pointed out, Chicago's virtual ban on handgun purchases by private citizens counts for little since a customer needs only to step across the city line to so arm himself. A state ban would run into the same obstacle. The remedy lies with Congress. (And to respond to an analogy that is a favorite of the gun lobby—a shipment of gun metal is a lot easier to detect at U.S. borders than is a shipment of the powdery stuff narcotics are made of.)

Handgun owners also maintain that with crime rampant, law-abiding citizens need guns to protect themselves. But according to Chicago police, handguns bought by law-abiding citizens and subsequently stolen are a major source of handguns used in the commission of crime.

Enforce existing laws and lock up the gun-law violators, say handgun owners. Of course that should be done. But it's not a simple question of will, as the gun lobby implies. It will take money to use the gun-purchase information available to track down criminals. And it will take even more money to beef up the forces of prosecutor, judge and public defender, which is the necessary condition for reducing the plea-bargaining that sees the length of prison terms dwindle.

But stricter enforcement and stiffer sentencing can go only so far. The best way to separate the wife whose husband has gone into a rage is to keep that easily fired handgun out of this hand. And provisions for swift and lengthy imprisonment are unlikely to deter a young punk bent on mugging from using the weapon that will make his potentially deadly business easier. He simply doesn't expect to be caught.

With few exceptions, for which provisions can be made, handguns are designed to kill people. So in the last analysis, the controversy is over an individual's right to go on living and the so-called right to use a handgun at one's convenience. The two cannot be compared. Handguns must go.

[From the New York Times, Feb. 24, 1975]

GUNS VERSUS PEOPLE

At the conclusion of the latest hearings on legislation to control the proliferation and abuse of guns, Chairman Conyers of the House Judiciary subcommittee said "The public is literally screaming for something to be done." This judgment, based on a Detroit Congressman's sense of the public mood, is a significant rejoinder to the well-financed and highly organized gun lobby's claim that Americans continue jealously to guard the "right to bear arms"—a distortion of the Second Amendment's intent to authorize the maintenance of a citizen's militia.

The appalling statistics of gun-inflicted homicide—over two-thirds of the approximately 20,000 murders committed annually—clearly justify the view, expressed at the hearings by Representative Bingham of New York, that "we are literally out of our minds to allow 2.5 million new weapons to be manufactured every year for the sole purpose of killing people."

The flow of illegal handguns into New York, largely from the Southern states, proves that strict local gun control laws simply cannot stem the tide in the absence of Federal legislation designed to control the manufacture, importation and sale of guns from coast to coast. Mayor Beame estimates that there are currently 1 million handguns in this city are 8 million men, women and children. Yet, New York is not even a particularly flagrant example of gun-abuse; other cities, among them Atlanta, Detroit and Cleveland, suffer from even greater violence-by-gunfire.

Nationwide, 123 police officers were killed by handguns last year. Patrick V. Murphy, the city's former Police Commissioner, who now heads the Police Foundation, is clearly right in insisting that "the solution is to disarm the citizens." Those who oppose such a policy because they consider guns an essential means of self-protection ignore the high and rising rate of deaths and injuries resulting from accidental or impulsive use of guns within the homes they are supposed to protect.

The United States is virtually alone among major nations today in allowing firearms to pose a routine threat to public safety. The experience of civilized men and the expertise of modern law-making should be adequate to the task of putting an end to this growing menace.

[From the Nation, Mar. 1, 1975]

GUN CRAZY

For the first time in several years there appears to be a real possibility that the Congress will enact comprehensive gun control legislation. Rep. John Conyers, Jr. (D., Mich.), chairman of the House Judiciary Subcommittee on crime, has opened hearings on the subject. "I represent a constituency that is fed up with killing and needless tragedy," he said earlier. "By now, no one can legitimately argue that there is any justification for allowing the slaughter on our city streets to continue."

Congress has let that slaughter continue—despite polls showing that more than 70 per cent of the American people favor gun control—primarily because of the power of the National Rifle Association to generate perhaps 500,000 letters on signal. But there are signs that the NRA's ability to veto gun control legislation is eroding. Murder rates rose to an estimated one in 10,000 in 1974. The year before, the last for which there are definitive figures, two-thirds of those murdered were killed with firearms, more than half with handguns. As Conyers has pointed out, the American homicide rate is the highest in the world.

Since the passage in 1968 of the fatally inadequate Gun Control Act, patterns of murder have taken a horrifying turn. What Prof. Franklin Zimring of the University of Chicago calls "recreational murders" have been occurring with increasing frequency. Says Joe DiLeonardi, head of the Chicago police homicide section: "Our greatest concern is the young person killing on the street for a thrill. Killing for the fun of it." Senseless murders, too, are becoming more widespread. According to the *Los Angeles Times*, one Chicagoan recently killed his brother, complaining, "He didn't say happy birthday to me." That is but one example of many. The nation's capital was recently struck by the murder of a 22-year-old man, Dennis Banks, who was shot after trying to stop a gang holdup of a city bus driver. Like more than half of the American murder victims in 1973, Banks was black. Eleven days after the slaying, D.C. Delegate Walter Fauntroy introduced legislation to ban handguns.

The consensus for gun control legislation is growing. Big city mayors, members or Congress and police chiefs have spoken out. Writing last month in *The Washington Post*, former Chief Jerry V. Wilson, considered a staunch member of the law'n order camp, asked ". . . what do all those handguns contribute to our society to justify the deaths and crimes of which they are instruments?" According to Zimring's estimates, assault with a gun is five times as likely to kill the victim as assault with a knife. The case for comprehensive gun control was documented years ago and has never been substantially challenged.

The new Congress, missing several of the traditional gun lobby agents, should and can make control of handguns a top priority. The newly formed National Council to Control Handguns should be aided in its efforts to organize heretofore quiet and isolated advocates of gun control. Women's groups, whose members too often have to bear the consequences of sometimes fatal male *machismo*, should actively participate in forging any new legislation. According to ***The Christian Science Monitor***, a crime is committed with a gun in America every two minutes. That is something television can constructively show.

Despite a seemingly more favorable atmosphere on Capitol Hill, an extraordinary effort still will be required to push through adequate gun control legislation: "Nothing is likely to happen," Wilson says, "so long as handgun lovers write to their legislators, while handgun control advocates answer pollsters' inquiries and are otherwise silent."

If Congress is not to strike out once again it must aim at legislation which imposes a ban against ownership and possession of handguns, with a few narrowly defined exceptions), provides for a period within which these guns can be surrendered in exchange for a stipulated schedule of payments (thereafter illegal possession of a handgun would constitute a criminal offense), and regulates the sale of ammunition for such guns. Even with legislation that meets these specifications, it will take a long time to reduce substantially the number of handguns.

[From the Chicago Daily News, Mar. 12, 1975]

HANDGUN FOES GATHER FORCES

A new lobby is coalescing to bend the ears of U.S. senators and representatives. It is the antihandgun lobby.

Law enforcement officials have been in the forefront of the movement. Chicago Police Supt. James M. Rochford recently traveled to Washington to tell a House Judiciary subcommittee that there is a clear correlation between the availability of handguns and violent crime. A police report released Monday shows that 490 of last year's 970 murder victims in Chicago were slain with handguns.

But more important, ordinary citizens are adding their voices to the chorus. The Committee for Handgun Control, which won the landmark court decision that handgun ammunition is a hazardous substance subject to control by the federal Consumer Products Safety Commission, was launched by four North Shore homemakers.

Cabdrivers and owners of dry cleaning and tailor shops are circulating petitions calling for stringent controls. Officials of the Checker and Yellow cab companies and the Chicago Retail Cleaners and Tailors Assn. participated in the campaign kickoff this week.

Many prominent individuals have summed up the case against the private ownership of the deadly little weapons. But it will take more than well-reasoned arguments to overcome the persistent and powerful lobbying of the pro-gun forces. It will take a massive show of support to win legislation to begin drying up the huge pool of handguns in the United States—a pool that numbers 40 million, is increasing at a rate of 2 million a year, and amounts to a billion-dollar-a-year business. The counterattack has begun, and it provides a forum for the millions of Americans who are fearful of the increasing handgun menace.

[From the Chicago Sun-Times, Mar. 12, 1975]

BAN THE HANDGUN

In the dry but appallingly eloquent language of statistics, the Chicago Police Department has demonstrated anew the need for strong federal legislation to curb the availability of handguns.

In 1974, 970 men, women and children were murdered here. Never before in the city's history had so many so died. Of the 970, the police reported Monday, 669 were killed by firearms, and in 490 of those cases a handgun was the murder weapon.

The department's report also indicates that, following a nationwide pattern, the murders were crimes of passion that might never have occurred if a weapon had not been immediately available. The report noted that 396 of the murder victims were killed by friends, neighbors or acquaintances.

The failure of Congress to respond to these facts with a strong handgun law is a disgrace. Law-enforcement officials, including Police Supt. James M. Rochford, want such a law. So do big-city mayors, including Mayor Daley. And so do ordinary citizens, who have a basic right to walk the streets of their own neighborhood without the fear of winding up on a slab or in a hospital bed.

No law can eliminate murder or the fear of murder. But a good handgun law can reduce both. Such a law has been proposed by Rep. Abner J. Mikva (D-Ill.) It would bar the sale, manufacture and distribution of handguns, exempting military personnel, law-enforcement officers and members of bona fide gun clubs. Unless Congress wishes to evade its responsibility for more needless fear, death, injury and suffering, it will pass the Mikva bill without delay.

[From the Chicago Tribune, Mar. 13, 1975]

MAKING GUN CRIMES RISKIER

The City Council has passed an unusual kind of gun ordinance—one that can be supported by both the strongest advocates and the bitterest of gun-control legislation. This one provides mandatory jail sentences of 10 days to six months for any unauthorized person caught carrying an unregistered handgun.

The theory, which we find hard to challenge, is that anyone who illegally carries a hidden gun intends to use it either to shoot or threaten to shoot somebody. Even the most ardent gunlover will agree that crimes involving guns are bad and should be made as risky as possible for the would-be criminal.

Disagreement will show up, tho, on whether legislation like this will make further gun-control legislation unnecessary. [We do not think it will.] There is also some concern that mandatory penalties like this have bad results; that they will either overcrowd the jails, or impel judges to acquit defendants rather than sentence them.

In our view, these worries have a great deal less substance than facts like this:

The number of unregistered pistols in New York City has increased steeply over the last year, in spite of stepped-up efforts by federal and city law enforcement agents to block them. Special Agent Michael J. LaPerch of the Treasury Department said he believes there are now close to two million illegal handguns in that city—500,000 more than the highest previous estimate [only about 28,000 handguns are registered]. Capt. John J. O'Sullivan, commander of the New York police department's gun squad, told the New York Times that handguns are being peddled openly, "in unprecedented numbers," thruout the city—and the heaviest concentration now is in middle-class sections, not in poorer areas, as it formerly was.

The traffic in illegal handguns is clearly uncontrollable by present means, and is self-accelerating. The ready availability of guns brings on a rise in crime; the rise impels citizens to obtain guns "for their own protection"; and the result is a wide-open gun market from which criminals are the only beneficiaries.

The only rational solution, we believe, is twofold. It includes a uniform federal law more effective than the present 1968 one to curb the manufacture and sale of handguns [state or municipal laws are virtually useless, since they can be evaded by buying from the nearest locality where gun sales are legal]. It also includes stiff penalties for carrying unauthorized weapons.

These are the two blades of a scissors; either one is unlikely to be of much use by itself. The City Council has provided one blade, and it's up to the federal government to furnish the other.

[From the Los Angeles Times, Mar. 30, 1975]

MAJORITY FAVORS TIGHTER GUN CONTROLS, POLL FINDS

(By Mervin D. Field)

While the sale and possession of guns by private citizens continues to rise, large majorities of the public favor tighter legal restrictions on the purchase and ownership of guns.

The California Poll in its most recent survey found an increasingly large proportion of people favoring a law which would require registration of guns with law enforcement agencies. The percentage favoring this has risen from 69% found in 1969 to 82% today.

Additionally, a growing majority of the public says that a license to own handguns should be given to people only if they can show a definite need for them. This percentage has risen from 64% to 68% in the last six years. What is significant about these findings is that even gun owners favor these restrictive measures by substantial majorities.

Despite rising concern about gun control, however, the California Poll found a decreasing majority of people (65%) who would prohibit the sale of guns through the mails. In 1969, this proportion was 80%.

The number of families owning guns in California has been estimated at higher than 50% and the estimate of the number of guns of all types in private hands is more than 20 million.

The following questions were asked of the 504 adults—326 non-gun owners and 178 gun owners—interviewed in the survey conducted during the latter half of February:

"Would you approve or disapprove of a law which would require every citizen who owns or buys a gun to register the gun with law enforcement agencies?"

[In percent]

	Approve	Disapprove	No opinion
1975	82	16	2
1969	69	27	4
Nongun owners:			
1975	88	10	2
1969	79	17	4
Gun owners:			
1975	73	24	3
1969	55	40	5

"Would you approve or disapprove of a law which would license people to have handguns, such as pistols or revolvers, only if they can show a definite need for them?"

[In percent

	Approve	Disapprove	No opinion
1975	68	26	6
1969	64	30	6
Nongun owners			
1975	74	23	3
1969	72	22	6
Gun owners			
1975	57	35	8
1969	53	41	6

"Would you approve or disapprove of a law which would prohibit the sale of all guns through the mails?"

[In percent]

	Approve	Disapprove	No opinion
1975	65	34	1
1969	80	16	4
Nongun owners			
1975	63	36	1
1969	83	13	4
Gun owners			
1975	68	31	1
1969	75	21	4

[From the Sun-Times, Jan. 24, 1975]

BAN THE BULLET

The Committee for Handgun Control Inc., an Illinois organization of suburban women, has taken the stand that if you can't get guns banned, then you try to ban bullets. What the committee hopes is that the Consumer Product Safety Commission will see fit to outlaw bullets as a hazardous substance.

The committee's energetic efforts may just pay off. As the result of a suit brought by the committee, the U.S. District Court in the District of Columbia has ruled the CPS must consider within 60 days a ban on the sale of ammunition for handguns.

The committee's reasoning makes sense: With some 125,000 Americans killed or wounded each year by gunfire, bullets are indeed "hazardous to health." In Chicago, a record number of persons were murdered last year, many of them with handguns.

Banning ammunition is certainly not a complete answer. A strong federal handgun law is still necessary. But the committee's approach remains an ingenious way to carry on the fight for gun control. We wish it luck.

[From the Los Angeles Times, Mar. 30, 1975]

THE HANDGUN ISSUE

Of all the "lost causes" that refuse to become permanently lost, gun control may be near the top of the list.

Heads of law enforcement agencies, once almost solidly against gun control, are joining a growing consensus either for strict control of handguns or favoring legislation to ban their possession entirely. Numbered among them are officials like Sheriff Peter J. Pitchess of Los Angeles County and Jerry V. Wilson, former chief of police of Washington, D.C.

Robert J. di Grazia, police commissioner of Boston, said recently: "In my view, private ownership of handguns must be banished from this country."

And now the California Poll in its most recent survey reports that an increasing proportion of people in the state favor a law that would require registration of guns with law enforcement agencies. Significantly, the percentage supporting gun registration rose from 69% in 1969 to 82% today. And of equal significance, or more, the poll discovered that a growing majority of the public believes that a license to own handguns should be limited to persons who can show a definite need for them. Nationally, it is reported that 71% of the public favors some kind of gun control legislation.

The impetus behind this concern is the steadily rising murder rate in the United States, the highest in the world. Murder victims in 1973 numbered 20,518, an increase of 880 over the previous year, and the 1974 toll is expected to be higher. In 1973—the latest year in which figures are available—handguns were used in 53% of homicides, shotguns in 8% and rifles in 6%. Of the 134 law enforcement officers killed last year, 95 were killed with handguns and all but four of the remaining 39 died from other firearms. Franklin Zimring, of the University of Chicago law school, reports that homicides by handgun increased more than three times as much in the past six years than murder by other means. And he notes an ominous new development in the murder pattern—"recreational murders", the random killing on the street for the thrill of it.

A more favorable climate for new gun control legislation is reported in Congress. It may be possible that Congress will require the registration of the estimated 35 million handguns privately owned. Such action would be encouraging as an indication that Congress will do what it ultimately must do to reduce the dreadful carnage. Long arms must be registered, and a ban must be imposed against private possession or ownership of handguns, with the exception of guns used solely for sporting purposes. The longer we delay the longer will thousands of victims pay with their lives for our neglect.

[Editorial from WBBM-TV, Chicago, Ill.]

GUNS—PART I

(By Gary Cummings)

Next Monday and Tuesday, a committee of Congress will hold hearings in Chicago on a series of proposals for stronger handgun laws. One measure, proposed by Congress Abner Mikva of Chicago's North Shore, would ban the manufacture, the sale and the importation of handguns, except for use by police and by pistol clubs.

WBBM-TV supports tougher gun control in general and this bill in particular. Mikva's bill proposes removal from the streets of most of the 40,000,000 handguns now in private possession. Yet it will allow sportsmen to own and use handguns for target shooting and recreation through gun clubs.

The Congressional hearings represent the first time that a committee considering gun legislation has come to the people to find out what they want. Previously, Congress defeated gun control after listening mainly to the strident, well financed lobbying by the National Rifle Association. Congress ignored the fact polls show 85% of the population wants tougher gun laws.

You can be sure pro-gun groups will be arguing loud and long at next week's hearings. But for the first time there is an effective way for the majority which opposes guns to be heard. It is through the recently organized Committee for Handgun Control. The committee will be at the hearings too, arguing against the gun lobby, for the majority.

This is your chance to be heard directly on gun control. Write your support for tough gun laws to the Handgun Control Committee. They will personally deliver your letters to the congressmen next week. Write to the Committee for Handgun Control, 111 East Wacker Drive, Chicago, Illinois 60601.

There is a good chance that significant gun control legislation will result from these hearings, especially now with the support for gun control voiced by Attorney General Edward Levi. But the laws will come only if the majority is heard and listened to.

An outpouring of letters from those who favor gun control can make a difference, can neutralize the N.R.A. and can result in more effective gun laws.

That is the opinion of the management of WBBM-TV.

[Editorial from WBBM-TV, Chicago, Ill.]

GUNS—PART II

There is an election of sorts in the Chicago area this week, an election possibly more important than any political balloting. It is an election that might save hundreds of lives a year. It is an election of gun control. The proposition is whether handguns should be banned. The polling place is your local drug store.

Most of the 1,200 drug stores in metropolitan Chicago are displaying petitions like this one on their prescription counters. The petition asks if you favor banning handguns, with police and pistol clubs excerpted. If you do, check the "yes" box. If not, the "no" box.

In the truest sense of democracy, this is a direct election. The results of the balloting will be tabulated and will be presented to members of Congress. The Congressman will be in Chicago Monday and Tuesday conducting hearings on tightening federal gun laws. One bill they are considering deals with the specific question on the petition. That bill would ban handguns except for police and club use.

Repeatedly, in the past, Congress has rejected significant gun control, caving in to pressure from the National Rifle Association. The NRA has exerted pressure far in excess of its membership or consistency.

Polls show that 85% of the population wants tougher gun laws. Yet Congress has ignored the majority.

Now is the time for the majority to be heard. It can be done simply and effectively by voting at the drug store. It is time for the message of the people, not the gun groups, to be transmitted to Congress. And it is time for Congress to listen.

Vote this week as if your life depended on it. It might.

That is the opinion of the management of WBBM-TV.

[Editorial Reply from WBBM-TV, Chicago, Ill.]

REPLY TO A CHANNEL 2 EDITORIAL SUPPORTING STRONGER GUN CONTROL LEGISLATION, BY LES FIELD, LEGISLATIVE REPRESENTATIVE OF THE ILLINOIS GUN COLLECTORS ASSOCIATION

Channel 2's recent editorial told of the Congressional Subcommittee on Crime's televised hearings over WTTW-TV Channel 11, on Monday, April 14th, and Tuesday, April 15th. The rest of this editorial was simply another CBS attempt to convince you to give up your right to own guns, starting with handguns, and especially to give up your right to keep a gun to defend your life, your family and your home.

Every citizen knows that CBS and Channel 2 have backed so-called Gun Control laws that have never controlled criminals of crimes. In 1968, Channel 2 backed the passage of National, and State-wide gun laws, and a City of Chicago Gun Registration Law.

While passing those laws, Channel 2 and the politicians told us that a "first step" had been taken, presumably, to reduce crime and shootings. But the number of murders has risen from 395 to 970 in Chicago from 1965 to 1973, while in the rest of Illinois, without registration laws, the rise has only been from 156 to 186. The "Successes" of "strict gun control" are such that official Illinois statistics reveal that "core cities" (meaning principally Chicago) now account for Ninety per cent of the armed robberies and 85% of the homicides in Illinois.

We suggest that you ignore Channel 2's urging to support any gun control bill or any gun control committee. Don't allow yourself to be manipulated by CBS.

What Illinois and the United States as a whole badly need are laws that would assure swift trials and appropriate sentences, actually imposed by conscientious judges, and actually served by violent criminals. We don't need the futile waste of new ineffective gun control laws.

[Editorial reply from WBBM-TV, Chicago, Ill.]

REPLY TO A CHANNEL 2 EDITORIAL SUPPORTING STRONGER GUN CONTROL LEGISLATION, BY GEORGE NOVOTNY, SPEAKING AS A PRIVATE CITIZEN

A Channel 2 Editorial recently asked you to sign a petition at your local drug store for a federal handgun law. I contend that we don't need more laws. Do you know that 99.98% of gun owners do not commit murder? I've been told that of all the robbers, housebreakers, murderers, and rapists killed while committing these crimes, 30 to 40% were killed by private citizens, not by police. What would have happened if these citizens had not had guns? Think about it!

We do need laws to punish illegal gun users, but laws recently proposed seem motivated by hysteria rather than common sense.

Laws that render citizens helpless encourage crime rather than prevent it. This has happened in New York City, where fear is a way of life.

Will our legislators be as eager to relinquish their body guards and police escorts as they are to disarm honest citizens, at a time when violence is rampant?

A government that can disarm a populace can also censor the news media and abolish free elections, as in Hungary and Nazi Germany. TV stations who allow police programs to constantly depict all private gun owners as raving maniacs, should be held responsible at FCC license hearings for biased programming.

If you want the truth, contact your local gun club and judge for yourself. Don't let politicians and editors tell you what to think. If you are silent now, you may not get another chance. Remember, when guns are outlawed, only outlaws will have guns.

[From the Chicago Sun-Times, Apr. 8, 1975]

NEAR-MISS ON HANDGUNS

In what can be described as a near-miss, Atty. Gen. Edward H. Levi has sketched out measures aimed at stopping the slaughter in big cities by handguns. There is no other term for it but slaughter, as Chicagoans well realize looking at statistics that show 490 out of 970 murders last year were committed with pistols.

One of Levi's suggested remedies is simply taxing that shabby but lethal "Saturday night special" beyond easy availability. Preferably, explained Levi, the federal government would prohibit the possession of all handguns outside of the home or place of business, if the local rate of violent crimes rose above a certain level.

Levi proposed pegging the ban to metropolitan areas where such crimes rose either 20 per cent higher than the national average or 10 per cent higher plus a 5 per cent increase over the previous year. Under these criteria, some 62 metropolitan areas, including Chicago, would meet these grim requirements.

Levi correctly approaches the evils of handgun violence from their roots in urban poverty, crowding and despair. Big city mayors, including Richard J. Daley, who know the social problems best are virtually unanimous about handgun control.

What the attorney general has proposed is reasonable, temperate enough to merit congressional action this term. But he has missed the bull's-eye represented by the bill offered by Rep. Abner J. Mikva (D.-Ill.) which would ban the sale, manufacture and distribution of handguns nationwide, exempting only the military, police and legitimate gun clubs. Is another year of sickening statistics required to make the nation bite that bullet?

[From the Chicago Tribune, Apr. 8, 1975]

MR. LEVI'S GUN COMPROMISE

Atty. Gen. Edward H. Levi has offered an imaginative plan for a compromise gun-control law. It would forbid possession of handguns except those kept inside homes and businesses, and would ban outright the sale or transport of guns in areas where violent crime reaches a rate 20 per cent above the national average. In areas where crime is already 5 per cent above the average, a further 10 per cent rise would activate the ban.

If this were a reasonable problem, Mr. Levi's proposal might be a reasonable answer. One might think it would satisfy the gun buffs by allowing them to keep their treasures close by, meanwhile concentrating the force of law on urban areas where the handgun traffic is demonstrably a danger to life.

Both sides moreover, might see this compromise as a smart tactical move. Those [including us] who think the manufacture and sale of handguns for and to the general public needs to be stopped might look at Mr. Levi's plan as a promising step toward that goal. Gun lovers, on the other hand, might well hope that this relatively weak measure would permanently take the steam out of efforts toward real gun control.

Unhappily, normal lawmaking logic does not apply here. Gun lobbyists seem to react with impartial fury against any proposal for gun-control legislation. A bill like this would merely give them a highly vulnerable target.

If enacted, moreover, it would leave untouched one of the great contributors to the United States' horrifying homicide rate: the easy availability of weapons in the home that makes many domestic quarrels lethal.

Whatever gun control bill is advanced in Congress is practically certain to be watered down before passage. If a reasonably effective law is to be passed, therefore, it should start out strong enough to survive compromises.

It is unfortunate that this country must compromise between some people's right to live and other people's right to a hobby. Since that evidently is the case, however, we'd better start the law-writing process with a less toothless proposal than Atty. Gen. Levi's compromise suggestion.

[From the Rockfield (Ill.) Register-Republic, Apr. 10, 1975]

LEVI HANDGUN CONTROL PLAN SENSIBLE

(By Marion Wilke)

The mention of handgun legislation brings the fearful out in droves, wailing with cries for their self-protection and their right to bear arms.

When the national Young Women's Christian Association approved a resolution at its convention several years ago which mildly suggested handguns be registered, some diehards even went to far as to withhold their contributions from local United Ways.

Chicago has talked about handgun control. It should. Just the other night there were four deaths from handguns within a 12-hour period.

I'm not suggesting that Rockford has any serious problems in those proportions, but let's face it—there are frequent reports of threats, accidents, and misuse of handguns in our own city.

"We confiscate a number of weapons, a couple or three each week," says Police Chief Delbert Peterson. "Armed robberies have been going up . . . there's not much question that handguns play a prominent role in crime in Rockford."

One of the most sensible proposals to come out in a long time is that of the energetic aggressive U.S. Atty. Gen. Edward H. Levi.

For purposes of discussion, he has outlined a plan whereby a federal ban would outlaw the possession of handguns except for those kept in businesses and homes in cities where violent crime reaches high levels.

This means that the rural areas where population is scant would be exempt from the ban.

That may be an ideal solution.

For instance, consider the resort owner in Missouri's southwestern section, with whom I talked last week. He's fearful of any national ban on guns, mainly because of his isolation. Roads leading to and from his establishment in the Ozarks are winding, steep, and difficult to maneuver, and the nearest police protection in surrounding communities of any size is at least 20 miles away.

So he figures he really needs a gun, for his own and his family's protection.

According to the Levi proposal, controls would be instituted in cities where violent street crime is rampant.

Could that mean Rockford?

Certainly not in the context of a Chicago or a New York or a Washington, but perhaps in the context of the possible formula Levi has devised. Chief Peterson agrees the formula might be applicable to Rockford.

One criteria would be based on the Census Bureau's standard metropolitan statistical areas, those with a population of 50,000 or more in the central cities plus the suburbs.

Rockford proper has a population almost triple, although its central city doesn't.

But on the basis of crime statistics the proposed ban could well apply to Rockford.

The Levi plan calls for the ban to be established in each area where violent crime rose 20 per cent above the national average or if it rose 10 per cent in areas where it already was 5 per cent above the national average.

In 1974 Rockford's serious crime rate rose 21.9 per cent above the 1973 figures. It was also well above the national figures and the averages for cities the same size.

Whether or not Rockford falls in the category outlined by Levi, control of handguns in the city would not be all bad.

Nationwide, crime and violence from handguns is a growing problem. There are now estimated to be 40 million in the United States, a number which grows by 2.5 million annually.

Why shouldn't they all be registered, so that the owners are known to police and other law enforcement agencies?

People with a legitimate reason for owning a gun shouldn't have any qualms at all about putting their John Henry on the dotted line.

People who don't have a reason for owning a gun aren't likely to conform to a registration law, but that's no reason for refusing to begin any type of intelligent, restrictive program.

The unfortunate part of the Levi program—and any others short of absolute confiscation of all handguns—is that there is no protection against the careless parent who doesn't take pains to keep the gun out of reach of his children.

Truly one of the saddest stories ever written is that the child who discovers a gun and plays with it, inflicting death or permanent injury to another or himself.

It's time to put away the guns and learn to live in a society based on something more than brutality.

[From the Chicago Daily News, Apr. 12–13, 1975]

A TIMELY LOOK AT GUN CONTROL

Citizens concerned about their lives, their property and their constitutional rights should find time well spent Monday and Tuesday viewing Channel 11 (WTTW–TV).

The subject: gun control, one of intense interest to Chicagoans. In 1974 970 people were murdered in this city, 490 of them with handguns. In addition there were hundreds of fatal firearm accidents in and around the home, and more than 40 per cent of these victims of carelessness were children.

The forum: hearings by the subcommittee on crime of the U.S. House Judiciary Committee. During 11 scheduled hours of televised testimony over the two days, the subcommittee will hear and question private citizens and public figures, some advocates of strict gun control, others advocates of wide access to private ownership of weapons.

Channel 11 has scheduled telecasts each day for 10:30 a.m. to 12:30 p.m., and 1:30 to 4:30 p.m. Each evening from 7 to 8 o'clock the Public News Center will recap the day's important testimony.

In scheduling these hearings, Channel 11 is performing a valuable public service.

[From the Chicago Tribune, Mar. 13, 1975]

MAKING GUN CRIMES RISKIER

The City Council has passed an unusual kind of gun ordinance—one that can be supported by both the strongest advocates and the bitterest enemies of gun-control legislation. This one provides mandatory jail sentences of 10 days to six months for any unauthorized person caught carrying an unregistered handgun.

The theory, which we find hard to challenge, is that anyone who illegally carries a hidden gun intends to use it either to shoot or threaten to shoot somebody. Even the most ardent gun-lover will agree that crimes involving guns are bad and should be made as risky as possible for the would-be criminal.

Disagreement will show up, tho, on whether legislation like this will make further gun-control legislation unnecessary. [We do not think it will.] There is also some concern that mandatory penalties like this have bad results; that they will either overcrowd the jails, or impel judges to acquit defendants rather than sentence them.

In our view, these worries have a great deal less substance than facts like this:

The number of unregistered pistols in New York City has increased steeply over the last year, in spite of stepped-up efforts by federal and city law-enforcement agents to block them. Special Agent Michael J. LaPerch of the Treasury Department said he believes there are now close to two million illegal handguns in that city—500,000 more than the highest previous estimate [only about 28,000 handguns are registered]. Capt. John J. O'Sullivan, commander of the New York police department's gun squad, told the New York Times that handguns are being peddled openly, "in unprecedented numbers," thruout the city—and the heaviest concentration now is in middle-class sections, not in poorer areas, as it formerly was.

The traffic in illegal handguns is clearly uncontrollable by present means, and is self-accelerating. The ready availability of guns brings on a rise in crime; the rise impels citizens to obtain guns "for their own protection"; and the result is a wide-open gun market from which criminals are the only beneficiaries.

The only rational solution, we believe, is twofold. It includes a uniform federal law more effective than the present 1968 one to curb the manufacture and sale of handguns [state or municipal laws are virtually useless, since they can be evaded by buying from the nearest locality where gun sales are legal.] It also includes stiff penalties for carrying unauthorized weapons.

These are the two blades of a scissors; either one is unlikely to be of much use by itself. The City Council has provided one blade, and it's up to the federal government to furnish the other.

[From the Chicago Daily News, Apr. 17, 1975]

Handgun Ban the Best Answer

To watch the two days of gun control hearings just concluded in Chicago by a congressional subcommittee was to watch urban society go through public agony of fear.

The fears are real.

It isn't imagination that prompts the owner of a small store, often robbed at gunpoint, to keep a loaded handgun under the counter.

Nor is there imagined fear on the part of the father and mother whose two teen-aged daughters were gunned down only yards from their front door in a shooting that was apparently the work of a deranged man with easy access to a gun.

Reconciling at once the stands of such people—the storekeeper supports private gun ownership, the anguished family does not—is an impossible task. Congress must decide where the greater danger to society lies, and what course offers the best hope of minimizing the handgun as a threat to human life.

The testimony at the two days of televised hearings was persuasive that handguns left in private hands pose a greater danger to life than does an armed criminal. The store owner attempting to repel an armed robber stands a greater chance of being shot than he does of stopping robbery attempts. Reams of expert testimony prove that a handgun kept in the home is a greater menace to the family than it is a deterrent to would-be invaders.

To begin an effective assault on this fear of gun-related crime, Congress has one effective course: to remove the handgun, to the extent possible, by making its private ownership unlawful, and to remove criminals who use guns, by imposing severe sentences for the possession or use of a gun in connection with a felony.

Any other course would only compromise the urgent need to protect the public from itself as well as the gun-wielding criminal. Until the handgun is banned for all but law-enforcement personnel (and possibly target-club use), deaths by shooting will continue to mount, especially in areas like Chicago.

[From the Chicago Tribune, Apr. 20, 1975]

"The Purpose of Handguns Is To Kill"

(By Richard J. Daley)

(*Note.—Following are excerpts from Mayor Daley's statement submitted last Monday to the House Judiciary Subcommittee on Crime, which held two days of hearings at WTTW-TV on gun control.*)

In Chicago, as in most urban communities throughout America, there is a serious crime problem. A major portion of the crimes are committed with handguns.

The handgun is an unusual instrument in that the prime purpose for its existence is to shoot human beings.

It was not invented as an object for collectors or a device to be used in a hobby. It was invented, unlike other readily available items, for the purpose of injuring and killing people.

In the cities of America, citizens are threatened by bodily harm from handguns. The fact that there are other dangers to public safety does not lessen the need for government to do everything possible to end this danger from being shot by a handgun.

The people of America's cities want an end to this threat. We have a long way to go to accomplish this objective, but it is not impossible.

There have been other threats to the public health and safety which, only a few years ago, seemed insurmountable. In a few short years, however, the people of this country have almost universally become aware, for example, of the dangers to health from cigaret smoking. In a few short years we also have gained widespread recognition of the dangers to health from air and water pollution.

The same can happen regarding the terrible danger to human life from handguns.

The educational campaign against handguns has been slow, but it is moving. The most serious impediment toward its success, however, is the failure of the American television industry to cooperate.

It is indeed ironic that our greatest potential for educating people of all ages—the television industry—not only fails to communicate the desirability of banning handguns, but, over and over again, every night, emphasizes and often glorifies violence and the use of handguns

Because efforts to protect our citizens from the dangers of handguns require both an educational campaign and legislative controls, I recommend that the three national television corporations examine their failure on this subject and attempt to serve the public which allows them the use of public air waves to make their profits.

Chicago has enacted an ordinance which imposes a mandatory jail term for failure to register firearms. But we cannot tackle the main problem, which is the availability of handguns. We need the help of Congress . . .

First of all, legislation which would prohibit the manufacture, sale and possession of Saturday night specials will save lives.

Sometime ago, a man came into my office and showed me two of these so-called Saturday night specials. They had been manufactured in another state and were shipped through the mails to two teen-age boys in Chicago; one, 15, and the other, 13.

The Saturday night specials should be absolutely prohibited.

Secondly, Congress should eliminate the loopholes which exist in the Gun Control Act of 1968. We must not permit the importation of parts of guns which are later assembled in this country.

Thirdly, a federal law requiring the registration of all handguns would contribute to the public safety. Just as automobiles are registered, handguns should be registered. Owners of handguns, just like owners of automobiles, must accept the responsibilities of ownership.

Last year in Chicago, there were 970 murders. The victims in 794 of these cases, or about 81 per cent, were blacks and Latinos.

Most of the murders in Chicago were committed with handguns, and four out of every five murder victims were black or Latino. Any step which could be taken to save one of these lives should be taken.

CHEAP SOLAR ENERGY

Mr. McINTYRE. Mr. President, recently I received a sample copy of the Federal Energy Administration's "Energy Reporter," a newsletter for citizens produced by the FEA.

While I do not disparage the FEA's efforts to communicate with the citizens of this country, I should like to point out one story, called "Solar Energy in the Home" which scarcely informs the public of what it can do to install solar heating and cooling equipment in houses.

The FEA story states:

> The Most Expensive Route: It could cost that family an initial investment of up to $120,000 for photovoltaic cells to provide their home with . . . electricity.

Clearly this story does not tell the average citizen that he can go out and buy a solar home heating unit that will cut his home heating costs by a substantial amount and cost him under $5,000. No place in the story, for instance, is the current ability of solar home heating equipment manufactures mentioned.

Mr. President, the hearings that the Select Committee on Small Business has announced for the month of May are designed to end this type of blindness on the part of Federal agencies and the general public. If the agencies themselves refuse to even discuss small businesses who can provide solar home heating now, no wonder we have statements that solar energy is way down the road, toward the year 2000. It appears to me, in this story at least, that the Federal Energy Administration has decided to obfuscate solar energy rather than push it.

HISTORIC BREAKTHROUGH IN FISHERIES JURISDICTION ENFORCEMENT

Mr. STEVENS. Mr. President, a significant action in the ongoing war of the United States against foreign vessels which would violate our territorial waters just took place in Alaska. The Japanese fishing vessel ***Eikyu Maru No. 33,*** over 230 gross metric tons, was observed fishing in the territorial waters of the United States by Coast Guard aircraft on fisheries patrol. Through the outstanding action of the Coast Guard, both in the air and on the sea, this vessel was stopped as it was heading out to the open sea.

Through the efforts of G. Kent Edwards, Alaska's U.S. Attorney, an out of court settlement was reached, whereby the vessel and its entire catch was forfeited for this violation. I believe that Mr. Edwards is to be commended for his firm approach in this matter which, in fact, marks the first time that the United States obtained through an out-of-court settlement ownership of a foreign vessel and its catch upon its detainment for illegal fishing. I would like to commend the cooperation of all the Federal and State agencies involved, and I ask unanimous consent that the press release from the U.S. Attorney's office in Alaska be printed in the Record.

There being no objection, the press release was ordered to be printed in the Record, as follows:

HISTORIC BREAKTHROUGH IN FISHERIES JURISDICTION ENFORCEMENT

G. Kent Edwards, Alaska's U.S. Attorney, today obtained a written agreement from two Japanese companies allowing forfeiture of the Japanese Fishing Vessel Eikyu Maru No. 33 and its entire catch to the United States for violation of U.S. fishery laws.

The historic agreement marks the first time that the United States obtained, through out-of-court settlement, ownership of a foreign vessel upon its arrest for illegal fishing.

Edwards stated that he had been authorized to seek $350,000 in settlement of the cases against both the ship and its master, but that the defendants were not willing to pay more than $100,000. "Since we were told you can have either $100,000 or the vessel, we naturally chose the vessel", Edwards said.

Edwards stated that he had been in personal contact with Governor Jay Hammond and his Executive Assistant Bob Palmer since the vessel's apprehension in territorial waters and shared their sentiments as to the way cases of this type should be handled in order to act as a deterrent to others. "It is apparent that our office can look forward to a very good working relationship with Governor Hammond and his administration on matters of mutual concern. The Governor is extremely knowledgeable on the problems of Alaska's fishery and is very dedicated to finding solutions. I share his concern and have been working quite hard during my term of office as U.S. Attorney to make it as unattractive as possible for foreign fishery fleets to operate in the waters of the United States," Edwards emphasized.

Estimates as to the value of the vessel have varied from as low as $400,000 to as high as one and a quarter million dollars. "The ship is 230 gross metric tons, approximately 138 feet long and is six years old. It appears to have been badly abused," stated Edwards.

Arrangements have been under way since the 18th to dispose of the cargo of fish aboard pursuant to an order of the Court authorizing the United States Marshal to make an interim sale and hold the proceeds until the final outcome of the case. As a result of the settlement negotiated by Edwards, those proceeds will now go to the United States along with title to the fishing vessel.

Marshal Robert D. Olson, Sr. stated that the high bid for the fish was submitted by New England Fish Company in the amount of $12,001.00 in place on the vessel, which means that New England Fish Company will have to arrange for, and bear the costs of, unloading the fish and transporting them to their processing facility.

Shortly after the signing of the written agreement concerning forfeiture of the vessel, the parties went to court where the master changed his plea to that of nolo contendere and was personally fined $8,000.00 for his role in the violation.

The Japanese vessel was first spotted within territorial waters by LCdr Billy Cunningham, who was piloting a Coast Guard aircraft on fisheries patrol. Two pink-orange buoy markers were observed in the vicinity of the vessel. Shortly thereafter another group of pink and orange buoy fishing gear markers were observed attached to a radio transmitter with a whip antenna. The navigator of the aircraft, D. Dussault, fixed the position of the gear markers at 1.7 miles offshore of Great Sitkin Island in position 52° 07' North latitude and 176° 12.5' West longitude. The aircraft gave the vessel the international signal for stop in Morse Code by flashing its landing lights at the ship from all directions as the plane made several low passes overhead. However, the vessel continued under steam, so approximately 15 minutes later the aircraft dropped six smoke flares across its path, again indicating that the vessel should stop. Instead, the vessel turned toward open sea and continued underway for approximately 6½ hours while LCdr Cunningham's plane kept it in visual and radar coverage. Just before being relieved by a second Coast Guard aircraft, piloted by LCdr Dennis Morrissey, Cunningham had his crew drop in the sea near the vessel a set of message blocks containing the following statement in Japanese: "You must stop your vessel instantly. You are in violation of the territorial waters of the United States. Wait here for a United States government vessel to arrive." The Japanesee vessel retrieved the blocks from the ocean and shortly thereafter stopped its engines and waited for the Coast Guard Cutter Mellon's arrival.

The Mellon retrieved the fishing gear markers and approximately 12 miles of longline. A comparison by the federal boarding party of the markers and radio beacon frequency with the gear aboard the Japanese vessel confirmed they belonged to that vessel. The Japanese master and his crew were reported to be extremely cooperative and readily admitted ownership of the fishing gear. It was estimated that only two miles of the longline was located within the prohibited fishing zone. The rest had been strung in the contiguous fishery zone (3–12) miles off shore) where the Japanese were allowed to fish at the time under the terms of a recently renewed fishing treaty.

"It took the joint effort of numerous agencies to bring about the successful conclusion of this case. Eight federal agencies and the Governor's Office all worked in close coordination and each should be commended for their fine efforts", Edwards said. The federal agencies involved were the National Marine Fisheries Service, the U.S. Marshal's Office, Immigration, Customs, Food and Drug, State Department, Coast Guard and the Criminal Division of the Department of Justice.

Yet to be answered are the questions where should the vessel be taken and what should be done with it now that it belongs to the United States.

FEDERAL ASSETS AND LIABILITIES

Mr. HUMPHREY. Mr. President, on the suggestion of one of my constituents, I have had a brief study done which puts current discussions of the Federal deficit in what I think is a very informative and uncommon light.

The question that was posed to me was this: What is the net worth of the Federal Government?

My constituent, Mr. C. J. Erikson of Princeton, Minn., suggested that we undertake a massive inventory of all the Government's assets—of Government buildings and equipment, our museum collections and archives, the mineral and other natural resources owned by the Government, and all the rest—and compare the combined value of these assets to the size of our liabilities, our national debt, in order to get an answer to this question.

My study has located approximate figures on the value of Government assets as of June 30, 1972, the latest data available. At that time, the Federal Government owned or controlled real and personal property valued in excess of $454 billion. This compares to a national debt for that year of $427 billion, which means that our assets exceeded our liabilities by $27 billion or about $130 for every person in this Nation.

What is the importance of these figures? To me they provide one sort of measure of the fiscal health of the Federal Government. In addition to the huge debts incurred by the Government for so many urgent needs and important projects, it has accumulated a huge body of valuable assets. That it is presently spending more than it is taking in, must be seen in relation to this great wealth.

But perhaps more important is the spirit in which the suggestion for this inquiry was made, and the great need which it points out for fresh and creative thinking about the economy and our budget process.

The economic problems which we face today are of a fundamentally different nature than in previous times. The economy itself has undergone tremendous changes in recent decades. The economic landscape in 1975 would be virtually unrecognizable to the people who pioneered in the development of our present tools of fiscal and monetary policy in the 1930's and 1940's. While these macroeconomic tools form a necessary part of our ability to direct the economy, they alone are clearly insufficient. If experience of the last 10 years has taught us anything, it is that we must be concerned about many things in addition to the traditional macroeconomic considerations.

In discussions of the Federal deficit, for instance, we have economists at the highest level of Government issuing statements which at bottom derive from a philosophical belief in the overriding necessity of a balanced Federal budget.

But what, realistically, are the costs and benefits of the Federal deficit? Part of our difficulties arise from outmoded conceptions of questions such as this. I am not saying that this idea should be thrown out the window; I am merely saying that it has not borne enough serious examination in the light of present economic realities. I have directed the staff of the Joint Economic Committee to reexamine the significance of the Federal deficit, and I expect to be able to report back to this body soon.

Above all, we need positive, creative approaches in the area of economic policy. The people of this Nation demand that we make an effective response to the challenges presented by our growing and changing economy.

There are so many obstacles that face us in this endeavor that we must accept and indeed seek out as much help as we can. In this the input from the public is a central element. Mr. Erikson's suggestions are a good example of the sort of concerned and informed public involvement which we need.

Mr. President, I ask unanimous consent that Mr. Erikson's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PRINCETON STATE BANK,
Princeton, Minn., January 27, 1975.

GERALD R. FORD,
President of the United States,
White House,
Washington, D.C.
Hon. HUBERT H. HUMPHREY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HUMPHREY: After a great deal of thought I have decided to present my humble opinion on a subject I have contemplated for the past several years. I am writing to the two of you because I consider both of you on the top of my list as the statesmen of our times. I am confident you will give consideration to the contents of this letter.

We are nearing the 200th Birthday of our nation. Pessimism is our greatest enemy. It is so discouraging to read and hear daily the statement, "Every man, woman and child owes so much of our government debt." Why not tell our people the truth. Let's tell them what this great nation has accomplished in the last 200 years.

I have been in the banking industry for 37 years. Over these years I have viewed, reviewed and prepared thousands of financial statements. I have always considered the value of the end result, namely net worth. In short, total assets less liabilities.

I have never opposed a public works program if our nation receives value for the dollars spent. We are now in need of such a program. Let's inventory our government assets and subtract our liabilities and on our 200th Birthday tell our people, young and old, what we have accomplished in 200 years. Our net worth will astonish most of us.

Let's review what some of our assets are: public buildings including furniture and fixtures, federal highways, mineral resources, national parks, national forests, federal dams, military equipment and bases, national museums and art galleries and contents, congressional records, harbors, currency, gold and silver plus so many other assets such as all the knowledge of our people which is a result of our educational system. Last, but not least, our accounts receivable which means all money due the United States Treasury and government agencies.

This total of assets would be astronomical. Subtract our debt, divide by our population and the per capita amount would be unbelievable. A print-out containing this information should be made available to every citizen and I believe we would change our thoughts from pessimistic to optimistic. It would create a pride among all our people. We would then try to preserve our properties rather than destroy them. I believe it would reverse our entire outlook on life. Most of us would say, "How great we are. How much we have."

This would indeed be a large task to accomplish, but I feel that with the assistance of our tremendous computer equipment we could do it. We would employ thousands of computer personnel, appraisers, mathematicians, scientists, fieldmen, secretarys and others. Perhaps we would have to divide the nation into congressional districts or smaller to accomplish this great task. But I feel confident the results would be inspiring. We have a great country. Why not let us and future generations know this.

I would be extremely pleased to hear your reactions to my idea.

Thank you very kindly.

Sincerely yours,

C. J. ERICKSON,
President, Princeton State Bank.

P.S. At a future date, our States and political sub-divisions should do likewise to enable us to have a complete picture.

FAILURE TO RATIFY GENOCIDE CONVENTION UNDERMINES U.S. WORLD LEADERSHIP ROLE

Mr. PROXMIRE. Mr. President, one of the sad consequences of the Senate's inaction on the Genocide Convention is the undermining of our position at the United Nations. The United States, once a leader in espousing human rights at the U.N., has now become a laggard.

U.S. leadership in human rights was epitomized by the fact that in 1947 it was Mrs. Franklin D. Roosevelt who was chairman of the committee which drafted the Universal Declaration of Human Rights.

But what was once leadership has now, too often, turned into embarrassment. What is happening is all too clear. When the United States tries to take the initiative on human rights at the United Nations, our delegates are reminded of the failure of the United States to ratify the Genocide Convention.

The question is clear: Shall we give lip service to the U.N.'s struggle for human rights, or shall we give real support to the U.N. and our delegates by ratifying the Genocide Convention?

I urge the Senate to ratify the United Nations Genocide Convention. In this way we can reestablish U.S. leadership in the field of human rights.

BENTSEN QUESTIONS FED MONEY POLICY

Mr. BENTSEN. Mr. President, I am astounded by reports that the Federal Reserve Board, within the last month, appears to be returning to a tight monetary policy. There can be no growth in the economy, particularly in the hard-pressed housing industry, without growth in the Nation's money supply.

The stubborn refusal of the Federal Reserve to loosen the money supply last year helped bring on the recession that is today keeping 8 million Americans out of work. It is unbelievable that they have returned to this same, tight monetary policy. The latest available figures indicate that since March 12 there has been no growth in the Nation's money supply. As a result interest rates have started to increase.

If this reflects a shift in policy for the Federal Reserve, this policy will spell disaster for our economy. The economy cannot even begin the very modest recovery predicted by the administration unless there is a sharp upturn in the housing industry, and there can be no growth in housing unless long-term interest rates fall substantially.

I am pleased that Federal Reserve Chairman Arthur Burns, under action taken recently by Congress, will appear before the Senate Banking Committee later this week to explain Federal Reserve monetary policy. I will await the results of Chairman Burns' testimony with a great deal of interest.

FORTIETH ANNIVERSARY OF THE SOIL CONSERVATION SERVICE

Mr. TALMADGE. Mr. President, I rise today to call attention to the 40th anniversary of the Soil Conservation Service, which, with the Farmers Home Administration and the Rural Electrification Administration, served to pull rural America out of the Great Depression, and have gone on recording achievement after achievement for our Nation's benefit.

SCS marked its anniversary on April 26.

Congress created the agency following the great dust storms of 1935. But SCS has done more than work to prevent a repetition of the Dust Bowl. Since the inception of the agency, more than 2 million farmers and ranchers have cooperated in programs to prevent soil erosion and improve water management.

Three thousand local soil conservation districts have been established, and I am proud to be a member of one of them.

Mr. Kenneth Grant, the Director of the agency, says that because of SCS, what was barren in the 1930's is green again. But this should not lead anyone to imply that the work of SCS is over. It is just beginning.

The growing population of this Nation and the entire world is placing growing demands on our renewable but fragile resources of soil and water—particularly upon the layer of topsoil on which we depend for most of our food production.

Heeding the Government's call for all-out crop production, farmers have taken millions of acres of land out of fallow or conserving crops. At the same time that additional strains are being placed on our land resources, the role of the Soil Conservation Service has been downgraded.

It seems to be the general feeling within the administration that the job of SCS is over, without any reasonable consideration of what all-out production will mean in terms of soil and water degradation now and in the future.

While we must rely on private individuals to underwrite a great many of the necessary conservation steps, the Government should be in a position to provide the technical expertise and planning assistance that farmers and other landowners need to conserve their soil and water resources.

Further, we must use SCS as a tool to help us find out more about the quality and nature of our land abuse.

In the Rural Development Act of 1972, a provision was included which provided that SCS should engage in national land inventory and monitoring. This provision of the act has never been implemented.

Yet at a recent national conference on water held by the Water Resources Council, there were repeated calls for the establishemnt of national renewable resources policy, so that water and related land resources can be used and reused in the most efficient manner for energy, transportation, agriculture, recreation, and many other things.

However, I cannot see how such a policy can be established unless we know in considerably more detail how the land and water bases are being used, or what their potential uses are.

Mr. President, in Iowa today there are areas that are losing more than 50 tons of topsoil per acre per year. The potential in the Great Plains for yet another Dust Bowl is not all that remote. The demand of agriculture for more and more water to grow the crops to meet growing world food needs is going to escalate sharply.

Therefore, on this 40th anniversary of the Soil Conservation Service, we must rededicate ourselves to strengthening the purpose and function of the agency.

DELAWARE MUSEUM SHOW

Mr. BIDEN. Mr. President, today, I would like to recognize the research of Dr. William I. Homer, of the University of Delaware, and his small corps of graduate students on an innovative exhibit at the Delaware Art Museum. The "Avant-Garde Painting and Sculpture in America, 1910–25" presentation compliments the works of abstract impressionist painters of that era.

As Hilton Kramer pointed out in the New York Times:

> The point of the exhibition is to enlarge our sense of the scope of this early avant-garde effort, and toward this end the work of nearly 60 artists is represented by some 130 works — paintings, sculpture, college, drawings, and constructions, some of really breath-taking originality, some of merely historical interest.

Mr. President, I ask unanimous consent that Mr. Kramer's article of April 23, 1975, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Delaware Museum Show

(By Hilton Kramer)

Wilmington, Del.—The immense international influence wielded by the American abstract expressionist painters of the nineteen-forties and fifties and by the pop artists and color-field abstractionists who succeeded them in the sixties, tended for many years to obscure the achievements of an earlier generation of American modernists — the painters and sculptors who, in the period immediately before and after World War I, were the first to respond to the revelations of the European-avant-garde.

Now that abstract expression and even pop art are beginning to recede into the mists of history and legend, proper subjects for university seminars and museum retrospectives, attention is being turned once again to the first-generation modernists who struggled to establish a viable avant-garde movement in a country far more hostile to radical esthetic ideas than America has since become. Theirs, too, is an exciting and sometimes tragic story, and it is at last beginning to be told with the kind of comprehensive scholarly attention usually reserved for the art of Europe.

In this endeavor, the department of art history at the University of Delaware, under the chairmanship of William I. Homer, working in close cooperation with the Delaware Art Museum, has shown remarkable initiative. During the last year, Professor Homer and his small corps of industrious graduate students have been carrying on some intensive and illuminating research into the achievements of these early acolytes of the modern movement in this country—precisely the kind of research that will ultimately alter the way the history of the period will be written years hence.

Their efforts have now resulted in an important exhibition, "Avant-Garde Painting and Sculpture in America, 1910–1925," at the Delaware Art Museum (through May 18), which will be a revelation even to those who think they know this period pretty well. And as accompaniments to this exhibition, they have produced a first-rate catalogue, full of historical material never before published, and also organized, with the help of the National Collection of Fine Arts in Washington, a day-long scholarly symposium on the university campus at nearby Newark. The symposium took place last Friday, and was well-attended by art historians, museum curators, collectors and dealers—another measure of the importance the subject is now assuming for the art world at large.

The point of the exhibition is to enlarge our sense of the scope of this early avant-garde effort, and toward this end the work of nearly 60 artists is represented by some 130 works—paintings, sculpture, collage, drawings, and constructions, some of really breaktaking originality, some of merely historical interest. One need not be captivated by every single object on view to feel that one is seeing the achievements of the period in a new way for the first time. And there is no shortage of work that does captivate the imagination with a power that the passage of time has only enhanced.

The paintings by Marsden Hartley and Georgia O'Keeffe, for example, have never looked better than here. The abstract sculpture of John Storrs and that remarkable object by Morton L. Schamberg called "God," constructed around 1916 of some pipe fittings and a miter box, have never looked more original and prophetic. The early color abstractions of Abraham Walkowitz and of the ex-patriot synchromist group—Morgan Russell, Stanton Macdonald-Wright, et al—loom larger than ever for a generation that has learned to appreciate the expressive attributes of pure color.

But it is not only among these well-known figures that the exhibition abounds in fresh insights. Professor Homer and his students have turned up a great many artists whose work has been lost from view for many decades—Konrad Cramer, Mell Daniel, Manierre Dawson, Marius de Zayas, George Of, and Alice Morgan Wright, among many others—and some of these are certain to have a place in future histories, and in future exhibitions. The catalogue contains a biographical entry for every artist, making it a valuable work of reference even for those who do not come to Wilmington for the show. (It is available from the Delaware Art Museum, 2301 Kentware Parkway, Wilmington, Del. 1906, at $7.50 postpaid.)

The symposium contributed some important insights, too. The Armory Show of 1913, for example, was placed in a new perspective by Roberta K. Tarbell, a former student at the University of Delaware now working at the National Collection. It has long been widely assumed that the Armory Show was the decisive event in converting American artists to modernism in the era before World War I. But Miss Tarbell persuasively demonstrated that one important aspect of the modernist movement—the work of the sculptors—was completely untouched by this event.

Her paper left the history of the period significantly revised, and this is what the entire "Avant-Garde" exhibition achieves too: an altered perspective on the era that saw the very beginnings of the modern movement in America.

PROPOSED ARMS SALE

Mr. SPARKMAN. Mr. President, section 36(b) of the Foreign Military Sales Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million. Upon such notification, the Congress has 20 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relation Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask unanimous consent to have printed in the Record the notification I have just received.

There being no objection, the notification was ordered to be printed in the Record, as follows:

Washington, D.C.,
April 25, 1975.

Hon. John J. Sparkman,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: Pursuant to the reporting requirements of Section 36(b) of the Foreign Military Sales Act, as amended, we are forwarding herewith Transmittal No. 75–25, concerning the Department of the Air Force's proposed Letter of Offer to Tunisia for F–5E and F–5F aircraft and support equipment estimated to cost $53.6 million. A similiar case for A–4 aircraft under Transmittal No. 75–5 is hereby declassified. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

H. M. Fish,
Lieutenant General, USAF, Director, Defense Security Assistance Agency and Deputy Assistant Secretary—ISA—Security Assistance.

Transmittal No. 75–25—Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Foreign Military Sales Act, as Amended

(a) Prospective Purchaser: Tunisia.

(b) Total Estimated Value: $53.6 million.

(c) Description of Articles or Services Offered: 10 F–5E and 2 F–5F aircraft and support equipment.

(d) Military Department: Air Force.

(e) Date Report Delivered to Congress: April 25, 1975.

(Note.—Discussions have been under way for sometime with the Government of Tunisia, which wishes to replace its aging squadron of F–86 aircraft with either A–4 or F–5E aircraft. The Government of Tunisia has requested Letters of Offer for both. This transmittal concerns a proposed Letter of Offer to Tunisia for one squadron of F–5E aircraft. Our Transmittal No. 75–5 provided notification of the A–4 aircraft Letter of Offer.)

AMERICAN FIELD SERVICE

Mr. HARTKE. Mr. President, during World War 1 a group of Americans desiring to serve organized an Ambulance Corps which became the American Field Service.

In later years, the American Field Service became a scholarship program in order to broaden their scope of operation to humanity.

Today, Mr. President, we are honored by the presence of many of these students who have visited with us in our offices and participated in a breakfast program in the caucus room with some of our distinguished colleagues on what has become known to thousands of AFS students as Washington Day.

The American Field Service is the most widely recognized secondary school scholarship program in the world. It is active in over 60 nations and annually provides opportunities for 5,000 families, students, and communities to learn more about one another.

Today, 200 of these AFS participants are in Washington, D.C., to observe, listen, and contribute to the activities of the Federal Government. AFS scholars in the Capitol represent over 50 of the 60 participating AFS nations. They come from all corners of the globe and are providing new perspectives about many national and international issues.

Students are selected for participation in the American Field Service, because of their ability to convey information about their own culture while achieving an understanding of another way of life. These qualities, combined with their potential as leaders in various social, political, and professional fields, make them important international figures—even though they are only 16 to 18 years old.

AFS offers the United States a unique forum through which the world can gain insights about this country. Americans have the same opportunity to learn about another land by participating in AFS activities that provide over 2,200 scholarships each year. As we approach the 200th anniversary of the United States, nothing would seem more imperative than to have this kind of interchange of learning continue.

VIETNAM AND THE FUTURE

Mr. STEVENSON. Mr. President, any obligation the United States ever had to the succession of tottering, unpopular regimes in South Vietnam was fulfilled a thousand times over. Never has a nation given so much to such a hopeless cause. United States honor was not tested in Indochina. Its wisdom was tested.

Now the United States has a chance to regain its rightful authority by formulating a sane and sensible policy in the world.

Commitments under bilateral and multilateral arrangements should be reexamined and brought in line, if necessary, with our interests and our power. It is disturbing to note evidence of an administration intention to arrest operation of the domino theory by affirming commitments in Asia without first reexamining them. Such affirmations, especially in Asia, will be unconvincing in the present circumstances and could be aimed at reinforcing some governments no more capable of governing than those which failed in South Vietnam.

The domino theory is valid. But the United States gave it validity by creating the dominoes in Cambodia and South Vietnam. It is time to stop creating dominoes. For 30 years our policy has been defensive; it has compulsively resisted a form of government called communism. To resist one form of repression in North Vietnam, it supported another in South Vietnam. It created a domino. And then, inconsistently, it subsidized détente with the supercommunist power in Moscow while subsidizing war against communism in Indochina.

It is not our staying power but such implausibilities that undermine U.S. authority in the world. We ought to recognize the inherent neutrality of any form of government. Communism is not inherently expansionist in small states. Imperialism is quite beyond the capability or interest of Rumania and Yugoslavia. The efforts to contain by force communism in outlying regions failed not because of any mass adherence to the doctrines of Lenin and Marx, but because of nationalism. The United States did not lose to Communists in Vietnam. It could not win with 500,000 American troops, because it was fighting nationalists. It was fighting history and forces that are irreversible. They were irreversible in China, before Indochina. These forces of humanity seeking bread and freedom have been irreversible since 1776. The Soviets and Red Chinese discretely alined themselves with such forces in Indochina; the United States against.

Now, after the fall of Saigon and before the American Bicentennial we could realine ourselves with humanity and our own best and most successful principles. If we do, not all will have been lost in Vietnam.

In all the world outside East and Southeast Asia, the collapse of Saigon is perceived as relieving the United States of an intolerable political and economic burden and a role quite out of keeping with our norms of civilized and sensible world behavior. The consequences, especially if preceded by some evidence of regained wisdom, will be beneficial for the United States.

The consequences in East and Southeast Asia will not be adverse unless the administration repeats past mistakes by indiscriminately, or secretly, reaffirming murky commitments or by making unreal commitments real. We ought first to reexamine the politics of these regions and our own interests. Neutral states, not client states, whatever their ideological tinge, best conform to the interests of the Asians and the Americans. To give neutralism and nationalism favorable conditions in most regions, it would be unwise to impulsively make or reaffirm commitments to existing regimes. To do so in Asia risks polarizing Asian politics again. Force is met by counterforce, and as recent experience makes plain, we are disadvantaged in contests of force in Asia. We are not so disadvantaged in contests of ideals and ideas.

It is not certain, by any means, that the Communist Chinese will be interested in maintaining momentum toward the creation of more Communist states in Southeast Asia. These nations in the main now contain large numbers of wealthy and influential Chinese who are of value to Peking with things as they are. The creation of Communist states would mean creation of Soviet parties in a region where Chinese interests now predominate. The intentions on the other side are not clear at this point, and we should not harden them by imprudently and impulsively acting from a habit which dictates indiscriminate commitments to the defense of non-Communist regimes.

Impulsive and personalized diplomacy, and old habits, are at the heart of our adversity and Communist success. South Vietnam is larger than itself. It is the most vivid expression of a U.S. failure which stretches from Portugal to the Eastern Mediterranean to South Asia and throughout the third world. Not since the 1940's has the United States shaped events in the world. Since then it has reacted compulsively to events and with a lack of success now painfully apparent in Indochina.

The United States is, by any measurement but one, the strongest Nation in the world. And, unlike the 1950's, when the erring ways began, the public is stripped of complacency. The public is ready to unite behind a new and more hopeful American world role. The public is ready to be exalted to high purposes by leaders who will lead and not deceive. But that is the measurement by which we fall short. The leaders have not led. They have deceived. They have been proved wrong. And now they have no new ideas, and we are adrift upon a troubled sea.

I do not expect America to engage in recriminations or to seek to get off the planet. I hope it will engage in a serious reformation of foreign policy. We have no foreign policy now, nothing for the Congress and the public to unite behind.

To begin the consideration of a right policy, we would do well to remember what the United States did when it was right—and most conspicuously after World War II. Even then, when the United States was the one preeminent power in the world, it recognized that power was collective. America inspired, financed, and led a new world order founded upon the collective strength of industrialized democracies. Now that underpinning of collective prosperity and security is undermined by neglect and bilateral maneuverings of the United States in other places. We cannot serve as policeman of the world, and we cannot alone maintain an East-West balance of power. We ought, I suggest, to make our first order of business the recreation of a new alliance of Europe, North America, and Japan. Such an alliance could once again become the collective basis for security, prosperity, and also for action upon such large questions as nuclear proliferation and access to commodities at reasonable prices. It could be the first step toward creation of international institutions to govern trade and investment in an interdependent but fractured world. Such a high endeavor will be led by the United States or not at all.

From this ordeal, the United States can emerge again the preeminent power in the world—and not, as Mr. Nixon feared and made possible, a pitiful, helpless giant. That is the choice and the hope, the opportunity which should be underscored as we put Vietnam behind us and face up to a murky but promising future.

DICK CLARK

Mr. BIDEN. Mr. President, our colleague from Iowa (Mr. CLARK) was the subject of a recent, lengthy article in the Washington Star by correspondent Martha Angle.

The article was written in the aftermath of the Senate debate last week on a bill to send further aid to Vietnam, in which Senator CLARK was the leader of those of us who opposed the legislation.

Our position failed, when the votes were counted. But I am glad to note Ms. Angle's point that despite the loss, Senator CLARK "is emerging as a force to be reckoned with in the U.S. Senate."

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From The Washington Star, Apr. 24, 1975]

YOUNG SENATOR LOSES BATTLE, GAINS RESPECT

(By Martha Angle)

Sen. Dick Clark of Iowa took a drubbing, but he took it gracefully. And that's one reason the sophomore Democrat is emerging as a force to be reckoned with in the U.S. Senate.

Clark, a soft-spoken liberal who picks his shots carefully, took aim yesterday at a $100 million evacuation contingency fund the Senate was authorizing for President Ford's use in Vietnam and urged an amendment barring use of the money to provide military aid to the tottering Saigon government.

He lost—and lost big. Determined to leave Ford some maneuvering room in case a dollop of military aid proves necessary to insure safe evacuation of the remaining Americans in Vietnam, the Senate rejected Clark's amendment 61–32.

"I honestly felt it would do better," Clark said after the vote. "There's no question it strengthens the President's hand to have this vote on the record now."

Nonetheless, Clark said, he had no regrets about offering the amendment. "In the final analysis it was an issue the members deserved a chance to debate and vote on," he said.

Clark has given the Senate a number of issues to weigh during this week's debate on a $250 million package of humanitarian aid and evacuation support that includes authorization for President Ford to use U.S. troops if necessary to withdraw Americans and some endangered South Vietnamese from Indochina.

A new member of the Foreign Relations Committee, the Iowa Democrat took the lead in urging the panel—and the Senate as a whole—to move slowly on the bill until the administration stepped up its withdrawal of U.S. citizens and their dependents from Vietnam.

"There was a good deal of sympathy for the position he took, because it was essentially a reasonable one that most members agreed with," said Sen. Frank Church, D-Idaho, a senior and influential member of Foreign Relations.

Largely at Clark's urging, the panel hung onto the bill for a full week before sending it to the floor as members repeatedly pressed administration officials to speed the evacuation.

And yesterday, Clark won Senate approval for one amendment requiring daily progress reports on the American withdrawal and another requiring Ford to submit within 48 hours of the bill's enactment a report describing his general plan for evacuating the last U.S. citizens and whatever Vietnamese the administration hopes to rescue.

"He's a very good man. This was the first time he put his teeth into something in the committee and he handled himself really well," said Church.

"Clark is extremely hard-working," said Sen. Clifford Case, R-N.J., ranking GOP member of the committee. "Some of the younger members around here are kind of dilettantish, but he's not. He takes the job very seriously, and he has a lot of tenacity."

It is no accident Clark wins praise from Republicans as well as Democrats, conservatives as well as liberals. He makes a conscious effort to find common ground with colleagues of widely varying political ideology.

Yesterday, for example, Clark's office announced he was cosponsoring a farm-related bill with Sen. Carl T. Curtis, R-Neb., one of the Senate's most conservative Republicans and a member who seldom sees eye-to-eye with Clark on other issues.

"It doesn't benefit you at all to be antagonistic to people around here," Clark said.

The 45-year-old senator won his seat in 1972 in one of the biggest upsets of the congressional elections that year.

At the time, Clark was completing a seven-year stint as administrative assistant to then-Rep. John C. Culver, D-Iowa, who was planning his own bid for the Senate.

But Culver decided that incumbent Republican Sen. Jack Miller looked unbeatable, so he pulled back from the challenge and sought reelection to the House instead.

Clark, who had already done all the spadework for a Culver sensatorial race, stepped in and became the Democratic candidate himself.

In a 1,000-mile walk across Iowa which brought him invaluable free press coverage, Clark sneaked up on a complacent Miller. When the election was over, he had captured Miller's seat and his former boss, Culver, was back in the House.

Slowly and carefully, Clark has carved out a reputation as a senator to watch. He picks his fights sparingly, conscious of the dangers in trying to take on every issue.

"I think there's a great danger in being identified with everything that comes down the pike," he said. "Pretty soon people just don't listen to you."

Last year he succeeded in persuading the Senate to amend the historic campaign reform legislation to reduce from $3,000 to $1,000 the amount any individual may contribute to a political campaign. And he also staved off a GOP effort to exempt congressional campaign committees from the $5,000 limit on contributions by groups.

In addition, as a freshman member of the Agriculture Committee, Clark authored a bill which became the first significant reform of government regulation of commodity trading since 1936.

At the start of the current session, Clark scored another significant victory when he persuaded the Senate Democratic Caucus to require secret ballot votes on the selection of committee chairmen beginning with the next Congress.

Clark professes to be slightly embarrassed by the stir he created over the past two weeks in connection with the Vietnam bill.

"I'm a little concerned. I didn't want to be too forward," he said. "I tried to defer to more senior members in committee and on the floor, but in the final analysis it became a question of whether anybody was going to raise some of the issues I felt needed debate."

A UNIQUE ART EXCHANGE

Mr. McGEE. Mr. President, exciting arrangements are being made with the Soviet Union.

In urging my colleagues to read an article recently published in the Washington Star regarding a unique art exchange between the United States and the Soviet Union, I would like to add some information about Wyoming's contribution to this cultural exchange.

The Buffalo Bill Museum in Cody, Wyo., the home of the famous Buffalo Bill Cody, in conjunction with efforts of the Whitney Gallery of Art, informs me that 15 paintings by six extremely well known artists will be included in the Russian exchange. This display of western, "Cowboy Art" features the work of such artists as Charles Russel, Frederick Remington, and Alfred Jacob Miller—the brushes of whom have thrilled many a lover of realism. Also included will be works of Rosa Bover who painted Buffalo Bill Wild West Show scenes in Paris.

The Wyoming contribution to the across-the-seas cultural art exchange is worth over $1½ million.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star, Apr. 3, 1975]

30 HERMITAGE MASTERPIECES SELECTED FOR VISIT HERE

(By Benjamin Forgey)

National Gallery Director J. Carter Brown yesterday confirmed from Moscow that the Soviet Union will send 30 famed paintings from Leningrad's Hermitage Museum to the United States this summer in a deal negotiated by oil tycoon Armand Hammer.

Hammer, the 76-year-old Russian-speaking chairman of the Occidental Petroleum Corp., announced the gist of his latest personalized cultural exchange agreements in February and Brown flew to Moscow Sunday with an official of the Knoedler Gallery, a prestigious New York firm owned by Hammer, to make the final selections and arrangements.

Hammer signed the final agreement yesterday, as did a high Soviet official of the Ministry of Culture. The signing was witnessed by U.S. Ambassador Walter J. Stoessel, Jr., according to Brown.

The show will open at the National Gallery "on or about July 15" according to Brown's cable. In the fall it will travel to Knoedler's, and from there to museums in Detroit, Houston and Los Angeles.

The Hermitage was founded in 1764 by Catherine the Great to house the imperial art collections, and it contains numerous masterpieces of Western art never shown in the United States. Brown said the exhibit will contain "some of the Hermitage's greatest masterpieces."

Among artists whose works will be in the coming exhibit are the great Spaniards Zurbaran, Velasquez, Murillo and Picasso; Flemish painters Rubens and Van Dyck; Dutch painters Rembrandt, Hals, Terborch and Ruisdael; Cranach, the 16th-century German; Italians from three centuries including Veronese, Caravaggio, Tiepolo and Guardi; and French painters from the 17th through 20th centuries, including Poussin, Chardin, Fragonard, Boucher, Cezanne, Gauguin and Matisse.

Also included in the exhibit will be a selection of ten 19th-century Russian paintings, a field very little known in this country. The best-known of the Russian artists, because his grand historical scenes have occasionally been used in history textbooks, is Ilya Yefimovich Repin, who will be represented in the traveling show by portraits of Tolstoy and Anton Rubinstein.

Hammer is becoming an old hand at negotiating art exchanges with the Soviet Union, as well as far-reaching business deals for his giant company. In 1972 his own art collection of European paintings was exhibited at the Hermitage and at the Pushkin Museum in Moscow. Shortly thereafter, in the spring of 1973, the Soviet government sent a choice selection of post-Impressionist paintings from the two museums to the National Gallery and then on to Knoedler's.

Hammer's contact with the Soviets goes back to the immediate post-revolutionary period when he was operating a field hospital in Russia and helping to make a long list of export-import deals between Western firms and the hard-pressed Soviet government. In 1972, under the aegis of detente, he began to negotiate again, this time for Occidental Petroleum.

In his cable, Brown said the participating American museums, Knoedler's, and Hammer himself will reciprocate by selecting 30 paintings from their collections to visit the museums of Leningrad, Moscow, Kiev and Minsk. Also, as a counterpart to the 19th-century Russian paintings, the American group, with the assistance of the Buffalo Bill Museum in Cody, Wyo., will send a selection of 10 19th-century American paintings with Western themes.

NETHERLANDS NATIONAL DAY

Mr. HARTKE. Mr. President, historically the people of the Netherlands have been known for their valiant stand against the sea. It is often said that God created the world, except for Holland because the Dutch made Holland. Equally true is the statement that the country which the Dutch created also determined their character; these people living on, near, and from the water, deriving their strength and ultimately their wealth from the water.

Today, April 30, marks the birthday of Queen Julianna who ascended to the crown in 1948. A wise and highly respected ruler, she has led her nation into unprecedented prosperity.

Holland has a population of 13.25 million, or less than 0.4 percent of the world population. Dutch imports and exports, however, amount to $27 billion, or more than 4 percent of world trade—excluding Comecon countries and the People's Republic of China. As a trade partner, therefore, Holland is 10 times as important as one might suppose on the grounds of her population. The high import and export figure per capita is due to the fact that Holland not only has to import raw materials, semi-manufactured and finished products for her own requirements, but also for the production of goods for export.

The Netherlands, which lies on the North Sea, has common frontiers with West Germany and Belgium and covers an area of 34,000 square miles. Within the confines of the country is The Hague, home of the International Court of Justice. Since 1848, the Dutch have been a constitutional monarchy. The government consists of two chambers. The Lower House is elected by direct vote and the Upper House is elected by states.

Within a few weeks, on May 14, Prime Minister den Vyl will visit the United States for talks with the Secretary of State.

I now take this opportunity to wish the Queen, the government, and the people of the Netherlands continued success on the Queen's birthday, designated as Netherlands National Day.

SOUTH VIETNAM: HOW DID IT HAPPEN?

Mr. BIDEN. Mr. President, Malcolm Browne, veteran Vietnam correspondent for the New York Times, wrote in his April 24, 1975, article,

> The war has reached this point, despite the virtual equality in numbers of men under arms on the two sides over the years; despite the incalculable greater aid in firepower and technology that the Saigon side received from abroad, and despite nearly seven years of direct participation by American troops, aircraft and warships. How did Saigon get into the situation it is in?

Now is not the time to debate who is at fault for the present situation in Indochina; I believe history will judge accordingly. Nevertheless, America will learn from its experience there and analyze its involvement.

Browne gives a rounded assessment of the situation in Southeast Asia and proposes to answer the question "How did it happen?"

Mr. President, I ask unanimous consent that Mr. Browne's article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times, Apr. 24, 1975]

(By Malcolm W. Browne)

Saigon, South Vietnam, April 23.—The Communists, in the words of the Pentagon, now have "unlimited military options," and, as the Army Chief of Staff, Gen. Frederick C. Weyand, has testified, they "have the capability to overwhelm South Vietnam if they want to."

The war has reached this point, despite the virtual equality in numbers of men under arms on the two sides over the years; despite the incalculably greater aid in firepower and technology that the Saigon side received from abroad, and despite nearly seven years of direct participation by American troops, aircraft and warships.

How did Saigon get into the situation it is in? What were the factors that brought that situation about?

Many Vietnamese, including former President Nguyen Van Thieu, ascribe the primary blame to the United States, which, Mr. Thieu asserts, failed to continue military aid at a time when the Russians and Chinese poured materiel and supplies into North Vietnam.

Others maintain that morale was rotted away by corruption and by the mistakes of poor officers.

THE ACHILLES HEEL

Neither factor fully explains the collapse of Saigon's military apparatus in two months or the Communists' sweep over two-thirds of the country, in which they routed and disarmed a large proportion of the defenders and reached the gates of the capital.

In view of many Vietnamese the Achilles heel of Saigon's army was and is a fondness for military luxury—an appetite for which the United States must bear special responsibility.

Since South Vietnam came into being as a result of the Geneva agreement that followed the Communist victory over France in 1954, that army has never lacked for arms, transport, accommodations and even physical comforts that were denied the Vietcong and their North Vietnamese allies.

Thirteen years ago this correspondent was accompanying a Government battalion in a raid on a suspected Vietcong stronghold in the southernmost part of the country. It stumbled on a Communist arms depot and factory.

The factory, concealed in huts in a banana grove along a canal, was producing grenade casings from scrap aluminum, shotgun cartridges made of brass tubing and of French coins with holes in the centers accommodating percussion caps, and serviceable 60-mm. mortars designed to fire captured ammunition.

FULL SUPPLY OF EQUIPMENT

With such crude weapons the Vietcong were already making life difficult for Government troops, which, even then, were equipped with up-to-date American rifles and carbines, howitzers, landing craft and communications equipment and had cover from fighter-bombers.

North Vietnam's now-ailing Defense Minister, Gen. Vo Nguyen Giap, writing after his victory at Dien Bien Phu, said of the early stages of the war:

"The sole source of supply could only be the battlefront—to take the materiel from the enemy and turn it against him."

North Vietnam and the Vietcong have received major foreign arms and economic aid, including the Soviet-built missiles that defended Hanoi against American bombers, and most of the tanks, heavy artillery pieces and small arms with which they invaded the South.

Even at this hour Saigon's forces are being hammered by captured American-made howitzers and machine guns and other weapons. The Communists recently captured more than 600 tanks and personnel carriers in Central Vietnam alone—enough to supply a good-sized army.

More important than arms is attitude.

"You give an army the means to get around in helicopters or on roads, you accustom them to unlimited artillery and air support for long enough, you get them used to sleeping in bed at night, and what happens?" a South Vietnamese officer asked in conversation with an American.

NO LONGER WILLING TO WALK

"I will tell you what happens. At a certain point neither the troops nor the officers are willing any longer to walk to battle, hacking their way through jungles if necessary. So they stay in their helicopters and get shot down or cut off from American rescue, or they drive along the road, where they get shelled or ambushed, and cut to pieces.

"Every officer knows this, but our army has become flabby and lazy over the years, and we owe some of that to the kind of luxury aid you gave us."

In contrast the Communist formula, today as it was in the final stage of the French Indochina war, is to operate even large units as if they were guerrillas, which in many ways they are.

The secret of the Communists' defense against whatever weapon or force has always been to try to avoid offering a big target and to disperse men and weapons.

Tran Hung Dao, the medieval Vietnamese general who brought guerrilla warfare to a high art against the occupying Chinese, taught his army to assemble only at the point and time of battle, and then in greater numbers than the enemy had. After the fight his troops would disperse again to avoid inevitable enemy reinforcements.

OLD IDEAS IGNORED

The Communist acknowledge that they borrowed many of their tricks from Tran Hung Dao, but the Saigon side ignored his ideas.

Tran Hung Dao and his tactical disciple, General Giap, also relied enormously on the skillful use of camouflage. As Saigon's dwindling air force makes its last sorties it is still failing to find most of the big 130-mm. guns shelling outposts around the city, though they cannot be far away.

There has always been general agreement that the Communist forces are better disciplined than those of Saigon; this is even applauded in some quarters as demonstrating the relatively more democratic quality of life in the South.

It is said that Communist tank drivers have occasionally been found chained to their vehicles, but Communist discipline, stronger than mere chains, was developed not just for tank drivers but for an entire people.

Discussing this total national involvement in a single cause, General Giap, in his most famous theoretical work, "People's War, People's Army," wrote:

"The application of the strategy of long-term resistance requires a whole system of education, a whole ideological struggle among the people and party members, a gigantic effort of organization in both military and economic fields, extraordinary sacrifices from the army as well as from the people, at the front as well as at the rear. Each inhabitant is a soldier, each village a fortress, each party cell and each administrative committee a staff."

DIEM EMULATED GIAP

Successive Saigon governments and, to some extent, their American allies accepted the theoretical wisdom of this aspect of the Giap doctrine all along, and attempts were made to emulate it. The late President Ngo Dinh Diem, for example, strongly believed that much of the Communist system should be adapted by his side.

Hundreds of thousands of his civil servants were put into blue uniforms, organized into his Personalist political organization and even compelled to attend "self-criticism" meetings—the equivalent of party cells.

Mr. Diem also devised the short-lived system of "strategic hamlets"—political, economic and military units supposedly capable of survival on their own according to General Giap's dictum "each inhabitant a soldier."

The imitations of Communism died with Mr. Diem in 1963. His party had no momentum of its own and, in any case, the glaring gulf between South Vietnam's rich and poor was reflected even in his political system, enormously weakening whatever broad appeal it might have had.

Apart from rigid discipline Vietnamese Communism has also been held together by real loathing for foreign domination, actual or imaginary. Communist exploitation of "the class war" has also fallen on receptive ears. This was particularly true among the great masses of farmers and urban slum dwellers exposed to the graft, bribery and gross injustice that characterized successive Saigon administrations at the grass-roots level.

WON HEARTS AND MINDS

The Communists, with all their patent brutality in dealing with opponents, succeeded fairly well in what Americans used to refer to as "winning hearts and minds." Though much of the Communist propaganda was based on lies and half-truths and much on trickery, it was skillful, motivated, patient. As a result, when Saigon's army collapsed in Central Vietnam last month many of the victims of rampaging troops were from among the hated rich.

The typical Communist leader is the son of a Communist and has dedicated his life to a cause, the desertion of which would be a major psychological wrench. Furthermore, the tradition has been fed by the hatred engendered by a long war in which friends and relatives fighting have been killed; an element of vengeance has always played a big role on both sides.

"You know what I believe?" a well-known Saigon journalist asked after the resignation of President Thieu. "If a free election was held today—and I mean really free—the Communists would win it easily. They would not have my vote or those of any of my friends. We know them as totalitarians under whom the human brain must force itself to atrophy or die. But in a sense we are the foreigners and the Communists are the real Vietnamese, God help us."

It is the fashion in Saigon now to blame the Americans for everything that has gone wrong, though enormous numbers of Americans have fought and worked over the years with dedication, courage and insight, to a degree most Americans at home will never fully realize. Despite their perceptions, shared with and largely learned from Vietnamese colleagues the war was lost.

"Some of us knew what was wrong," a Vietnamese veteran said to an American, "Some of you knew what was wrong. But on the whole both our people remained blind, and even now we seem to have learned nothing. Well, it no longer matters."

MIKE'S HIKE FOR THE HANDICAPPED

Mr. RANDOLPH. Mr. President, some time this Saturday, a young hiker will approach the Harper's Ferry area along that section of the 2,018-mile long Appalachian Trail that slices through my native West Virginia. He is one of hundreds of Americans, young and old, who seek to walk the entire length of the rugged trail in a spirit of adventure and challenge to endurance. But this hiker, 21-year-old Mike Karinshak of Arlington, Va., has a special mission.

Four years ago Mike's mother, Mrs. Mary Karinshak, lost her sight and, beginning 2 years ago, she received rehabilitation training at the Guild for the Blind rehabilitation center at Bridgeville, near Pittsburgh, Pa.

Mike, a construction worker, had long dreamed of hiking the entire length of the Appalachian Trail—from Georgia to Maine. He was so impressed by the training his mother had received that he resolved to hike the trail and raise funds for the Bridgeville rehabilitation center.

Dr. L. Leon Reid, director of the Greater Pittsburgh Guild for the Blind, and a native of Martinsburg, W. Va., noted recently that there are a number of volunteers who walk to raise money for various causes. Dr. Reid commented:

> But I believe, and my research confirms, that this is the longest walk any individual has taken for a handicapped condition.

Mike is a husky youngster, one of eight children, who is devoted to his mother. Mrs. Karinshak, not so incidentally, became the only blind person in the Commonwealth of Pennsylvania who is a licensed baker, as a result of her rehabilitation training at Bridgeville. Mike's father is a disabled coal miner, and receives black lung benefits.

It was Mrs. Karinshak's readjustment to normal living, including operating her own bakery, that so inspired young Mike to assist the program for other handicapped people that he conceived the 2,000-mile hike as a fundraiser.

His 13-State trek started on March 16 at Springer Mountain, Ga., and he expects to reach the end of the trail, at Mount Katahdin, Maine, on about July 3. Dr. Reid reports that "Mike's Hike" was expected to raise a modest amount for the center's rehabilitation work, and that the fund already has passed the $2,500 mark before Mike reaches the mountainous terrain around scenic and historic Harpers Ferry.

The young man reports he has encountered much adverse weather, but he is pleased with the sights he has seen. I am certain that as he approaches Jefferson's Rock in Harpers Ferry, he will indicate—as Thomas Jefferson did—that the sight is beautiful to behold.

Mr. Chairman, I ask unanimous consent that a news clipping from the Guild Approach, published by the Greater Pittsburgh Guild for the Blind, detailing Mike's hike for the handicapped, with an article from the March 19 issue of the Pittsburgh Press, be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Bridgeville (Pa.) Guild Approach, March 1975]

THE 2,000-MILE HIKE TO RAISE FUNDS PLANNED BY GRADUATE'S SON

When Mary Karinshak was in training at the GPGB, her son, Michael, often came to the rehabilitation agency to take his mother back to Uniontown for the weekend. Little did either of them know that two years later Mike would be taking off on a 2000 mile journey to help other women and men who would be seeking adjustment to their blindness as his mother had.

The decision to hike the Appalachian Trail, something he has wanted to do for some time, was made when Mike observed his mother at home not only carrying out her household chores, but reaching a further point of independence by opening her own business.

Mary Karinshak is the only blind person in Pennsylvania who owns and operates a licensed bakery. The "Mary K Shoppe" was set up in the Karinshak kitchen with equipment provided by Larry Pikovsky, Rehabilitation Supervisor and Joseph Sopata, Rehabilitation Counselor, with the Pennsylvania Bureau of the Visually Handicapped.

So the young lover of the out-of-doors planned to satisfy his desire to hike the Appalachian Trail with an additional worthwhile purpose, to raise money for The Greater Pittsburgh Guild for the Blind, which had helped his mother. "I'll enjoy the trip, there's no doubt about that but now maybe I can also help the men and women who will come to the Guild for training. I wish they could enjoy the sights that I will see," he said.

Mike, 21, now a construction worker in Arlington, Virginia, is looking for sponsors of his trip at a penny a mile. Anyone wishing to sponsor the 2000 mile journey can send a contribution of $20 or more to Michael Karinshak, c/o The Greater Pittsburgh Guild for the Blind, 311 Station Street, Bridgeville, Pa. 15017.

Mike's trip through 13 states over terrain that is 90% mountainous, will begin at Springer Mountain, Georgia on March 16 and end in Mt. Katahdin, Maine about July 3.

Having the common cares a mother does, Mrs. Karinshak questioned her son, "Where will you take a bath and how will you carry enough food," a subject close to her heart and Mike's stomach, evidenced by his strong, stocky frame.

The youngest of the eight Karinshak children assured his concerned mother, "I plan to keep clean. There are shelters and rest facilities in the state parks along the way. And I'll have two changes of clothes, too."

Instant cereals, dehydrated fruit juices, soups and candy bars will get him through. Mrs. Karinshak will no doubt be a good source for the fruit cake which he said, "is about the most nutritious food I can take along." He'll carry enough food in his 35 pound back pack to provide for the first five to ten days and re-fuel along the way. His canteen will provide for two to three days of water. Supplies will also include four pairs of socks, rain parka, nylon tent, sleeping bag, first-aid kit and snake bite kit, "which I don't plan on using" said Mike, smiling behind his thick mustache.

"The Appalachian Trial Conference provides some good books on facilities along the trail" he said, "but I'd like to write some pamphlets about the types of animals and plant life I'll see in each of the states I hike through." He'll keep a log book for this purpose and hopes to write a book about the Trail within the next five years.

It'll be tough going for Mike but his large family is rooting for him and thinks he'll make it as long as his mother's fruit cake holds out.

[From the Pittsburgh Press, March 19, 1975]

HE HIKES TO REPAY HELP GIVEN HIS MOM

Michael Karinshak, 21, is hiking 2,000 miles along the Appalachian Trail to raise money for the Greater Pittsburgh Guild for the Blind.

Karinshak began his trek Sunday in Georgia and hopes to collect a penny a mile.

His hike was conceived in gratitude to the rehabilitation agency in Bridgeville, for training given his mother, Mary who lost her sight two years ago.

She now is Pennsylvania's only licensed blind baker and operates a small shop in her home here.

Youngest of eight children, Mike, who now lives in Virginia, expects to end his hike from Georgia to Maine on July 3.

The trail runs through 13 eastern states and 90 per cent of it covers mountainous terrain.

Those wishing to support Mike's walk can send contributions to Mike's Hike, Guild for the Blind, 311 Station Street, Bridgeville 15017.

CONCLUSION OF MORNING BUSINESS

The PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

CONGRESSIONAL BUDGET DETERMINATION

The PRESIDENT pro tempore. Under the previous order, the Senate will now move to the consideration of Senate Concurrent Resolution 32, which the clerk will state by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 32) relating to a determination of the Congressional Budget for the U.S. Government for the fiscal year beginning July 1, 1975.

The Senate continued with the consideration of the concurrent resolution.

RECESS UNTIL 11 A.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess until 11 a.m. and at that time either the distinguished manager of the bill, the Senator from Maine (Mr. MUSKIE), or the distinguished ranking Republican member of the committee (Mr. BELLMON) be recognized.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The Senate, at 10:46 a.m., recessed until 11 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. MONDALE).

CONGRESSIONAL BUDGET DETERMINATION

The Senate continued with the consideration of the concurrent resolution (S. Con. Res. 32) relating to a determination of the Congressional Budget for the U.S. Government for the fiscal year beginning July 1, 1975.

Mr. MUSKIE. Mr. President, the distinguished Senator from Kansas is about to offer an amendment. Before he does, I should like to suggest the inclusion in the RECORD of some material that appears in the committee report.

As I told the Senate yesterday, in this year's concurrent resolution we did not include the subceilings on the 16 functional categories of the budget for a number of reasons. Nevertheless, our conclusions, as a committee, on the overall spending and deficit numbers were related to our evaluation of the 16 functional categories and related to a series of decisions and votes that members of the committee cast in order to indicate their priorities and their assumptions with respect to spending in these 16 categories.

After the Senate and the House have acted finally on this first concurrent resolution, it will be the responsibility of the Budget Committees to track all legislation that moves through Congress in connection with those assumptions on functional categories. I think it would be helpful if we included in the RECORD at this point, Mr. President, chapter 8 of the committee report, which is an analysis of the 16 functional categories and the assumptions of the Budget Committee with respect to each of them. So I ask unanimous consent that chapter 8 be printed in the RECORD, as a guide to Members, as we proceed through the weeks and months ahead to deal with the decisions we take today.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CHAPTER VIII. BUDGET PROGRAMS BY FUNCTION

This section of the report discusses, by major budget function, the various program proposals that were considered by the Budget Committee, as well as the Budget Committee's recommendation in each case.

The following points should be noted in using this material:

1. PRESIDENT'S ADJUSTED BUDGET REQUEST (MARCH 12)

Changes in the budget estimates occur more or less continuously as actions and events unfold. On March 12, 1975, the Director of the Office of Management and Budget testified before the Senate Budget Committee and updated the estimates in the original budget of February 3. These updated estimates are reflected in the various tables in this section in entries entitled "President's adjusted budget request (March 12)."

The Budget Director testified before a subcommittee of the Joint Economic Committee on April 4, 1975. In that testimony, he provided later updates of the budget estimates. While these later changes are included in the various tables in this chapter, they are not carried as part of the President's adjusted budget request. For information, the President's 1976 budget estimates as of April 4, 1975, are shown in table IV on page 39.

2. TOTAL POTENTIAL

This term is used in the tables throughout this section. It refers to the total of all recommendations made to the Budget Committee by the Senate authorizing committees pursuant to Section 301(c) of the Congressional Budget Act, as well as additional suggestions and possibilities arising from other sources. This is the total list of possibilities considered by the Budget Committee in arriving at its recommendations.

It should be noted that in many cases the suggestions of the Senate authorizing committees are tentative and subject to further refinement as the work of the committees proceeds. In addition, some dollar estimates were not included in the committee reports; in these cases, estimates were made by Budget Committee staff based on the information contained in the reports.

3. APPROPRIATIONS COMMITTEE SUGGESTIONS

The tables in this section include the Senate Appropriations Committee suggestions for budget authority and outlays for each major budget function. It should be noted that as a general rule, the Senate Appropriations Committee did not consider the effect of possible new legislation in arriving at its suggestions for budget authority and outlays.

4. FISCAL YEARS

All years referred to in this chapter are fiscal years, unless otherwise noted.

TABLE I.—1976 BUDGET AUTHORITY BY FUNCTION

[In billions of dollars]

	President's adjusted budget request (Mar. 12)	Total potential	Appropriations Committee suggestion	Budget Committee recommendation
050—National defense	107.7	114.5	102.5	101.0
150—International affairs	12.6	12.2	12.6	6.0
250—General science, space, and technology	4.7	4.7	4.7	4.7
300—Natural resources, environment, and energy	12.2	29.0	13.1	13.4
350—Agriculture	4.3	4 4	4.3	4.3
400—Commerce and transportation	6.6	13.8	6.7	9.5
450—Community and regional development	5.2	11.6	5.4	6.0
500—Education, manpower, and social services	13.7	31.6	15.4	20.7
550 Health	31.0	36.9	32.3	32.6
600—Income security	136.0	147.4	140.5	138.5
700—Veterans benefits and services	16.2	18.3	16.2	17.6
750—Law enforcement and justice	3.2	3.5	3.4	3.3
800 General government	3 3	4.6	3.3	3.3
850—Revenue sharing and general purpose fiscal assistance	7.3	12.3	7.3	7.3
900—Interest	34.4	35.3	34.4	35.3
Allowances	8.3	1.7	8.3	1.3
950—Undistributed offsetting receipts	−20.2	−16.2	−20.2	−16.2
Total	386.5	465.6	390.2	388.6

TABLE II.—1976 OUTLAYS BY FUNCTION

[In billions of dollars]

	President's adjusted budget request (Mar. 12)	Total potential	Appropriations Committee suggestion	Budget Committee recommendation
050—National defense	94.0	97.4	91.9	91.2
150—International affairs	6.4	6.2	6.3	4.9
250—General science, space, and technology	4.6	4.7	4.6	4.6
300—Natural resources, environment, and energy	10.1	17.3	10.6	11.7
350—Agriculture	1.8	2.4	1.8	2.0
400—Commerce and transportation	14.7	21.0	15.0	16.6
450—Community and regional development	5.9	10.0	6.3	6.6
500—Education, manpower, and social services	16.5	31.3	15.4	19.4
550—Health	28.1	34.3	28.6	31.0
600—Income security	119.4	136.9	123.5	126.1
700—Veterans benefits and services	15.6	17.6	15.6	16.9
750—Law enforcement and justice	3.3	3.5	3.5	3.4
800—General government	3.2	3.9	3.2	3.2
850—Revenue sharing and general purpose fiscal assistance	7.2	12.2	7.2	7.2
900—Interest	34.4	35.3	34.4	35.3
Allowances	8.1	1.5	8.1	1.1
950—Undistributed offsetting receipts	−20.2	−16.2	−20.2	−16,2
Total	353.1	419.3	355.8	365.0

TABLE III.—BUDGET COMMITTEE RECOMMENDATION FOR REGULAR PROGRAMS AND TEMPORARY RECOVERY PROGRAMS

[In billions of dollars]

Function	1976 outlays: Regular budget programs	1976 outlays: Temporary recovery programs	1976 outlays: Total
050—National defense	91.2		91.2
150—International affairs	4.9		4.9
250—General science, space, and technology	4.6		4.6
300—Natural resources, environment, and energy	11.5	0.2	11.7
350—Agriculture	2.0		2.0
400—Commerce and transportation	15.6	1.0	16.6
450—Community and regional development	6.3	.3	6.6
500—Education, manpower, and social services	16.5	2.9	19.4
550—Health	31.0		31.0
600—Income security	126.1		126.1
700—Veterans benefits and services	16.8	.1	16.9
750—Law enforcement and justice	3.4		3.4
800—General government	3.2		3.2
850—Revenue sharing and general purpose fiscal assistance	7.2		7.2
900—Interest	35.3		35.3
Allowances	1.1		1.1
950—Undistributed offsetting receipts	−16.2		−16.2
Total	360.5	4.5	365.0

TABLE IV.—PRESIDENT'S ADJUSTED BUDGET REQUEST AS OF APR. 4, 1975

[In billions of dollars]

Function	1976: Budget authority	1976: Outlays
050—National defense	107.7	93.9
150—International affairs	12.6	6.3
250—General science, space, and technology	4.7	4.6
300—Natural resources, environment, and energy	12.2	10.2
350—Agriculture	4.3	1.8
400—Commerce and transportation	6.6	14.7
450—Community and regional development	5.2	6.0
500—Education, manpower, and social services	13.7	16.6
550—Health	31.0	28.4
600—Income security	137.5	120.9
700—Veterans benefits and services	16.8	16.2
750—Law enforcement and justice	3.2	3.3
800—General government	3.3	3.2
850—Revenue sharing and general purpose fiscal assistance	7.3	7.2
900—Interest	34.4	34.4
Allowances	8.3	8.1
950—Undistributed offsetting receipts	−20.2	−20.2
Total	388.6	355.6

(050) NATIONAL DEFENSE

National Defense includes the military programs of the Department of Defense, military assistance, atomic energy defense programs, and other defense-related activities. The authorizing Committees with jurisdiction over the national defense function include Armed Services, Interior and Insular Affairs (development of Naval Petroleum Reserves), and Foreign Relations (military assistance). The Joint Committee on Atomic Energy has jurisdiction over atomic energy defense activities.

President's budget request

The President proposes $107.7 billion in budget authority and estimates outlays of $94.0 billion or 27 percent of all Federal spending. The major features of his request are:

Military programs.—These represent about 95 percent of the national defense function, including $101.7 billion in budget authority (up 18.5 percent from 1975) and $89.8 billion in outlays (an increase of 8.2 percent). Major initiatives include:

Continued modernization of strategic nuclear forces.

An increase in ground combat units within existing manpower ceilings, and increased procurement and development of ground forces combat weapons, support equipment and munitions.

Additional production and development of weapons systems and munitions for the tactical air forces.

Continued modernization of naval forces, including procurement of new ships, submarines and weapons.

Improvements in strategic airlift capabilities, plus increases in war reserve stocks, in modification and overhaul of ships and aircraft and in training and equipment for the Reserve and National Guard forces.

Increased emphasis on exploratory research and technology in military-related fields.

Large increases in military construction for health facilities, troop housing and strategic nuclear forces.

The President's budget places a high priority on increases in defense purchases, for which budget authority rises $13.5 billion, or 31 percent, above 1975. This increase includes $2.3 billion to cover underestimated costs of Navy shipbuilding programs approved in prior years, about $5.0 billion for inflation, and over $5.0 billion in real growth in procurement, operations and maintenance, research and development, and military construction.

The large increase in purchases represents the first stage in a 5-year plan of continued increases in defense operations and modernization programs at the rate of 4 percent a year in constant dollars.

In current dollars, the national defense function is projected to grow from $91.3 billion in 1975 to $149.4 billion in 1980. A number of significant long-range programs with relatively small start-up costs that rise sharply in future years (so-called "wedges"), are implicit in the 1976 request and the 5-year projection. These include:

Building a fleet of B–1 bombers, with annual production costs rising above $3.0 billion by 1980. (1976 outlays $0.6 billion.)

Procurement of seven Trident submarines at a cost of over $1.0 billion each. (1976 outlays $1.5 billion.)

Equipping and operating three new Army divisions, three new Air Force wings and additional Navy units, at a cost exceeding $4.0 billion a year. (1976 outlays $0.8 billion.)

Meeting civilian and military payrolls and financing military retirement, with total costs increasing at a rate of nearly $4.0 billion a year through 1980.

In contrast to the proposed large increase in budget authority, 1976 purchase outlays are estimated to rise by only $5.8 billion, or 14.9 percent. The major portion of the large increase in budget authority would be expended in later years. The budget projects defense outlays for military programs in 1977 of $102.0 billion.

The President's budget also recommends legislation to hold civilian, military, and military retired pay increases to 5 percent, and to permit the sale of petroleum from naval reserves as a first step toward creation of a national strategic petroleum reserve.

Military assistance

These programs include grants and credit sales to other nations. They are administered by the Department of Defense. The President asked for $4.8 billion in new budget authority (offset by $0.2 billion in receipts) plus a $0.2 billion appropriation to reimburse military departments for emergency delivery of defense stocks to Cambodia in 1974. Of the total, $1.3 billion was requested for South Vietnam. An additional $2.1 billion in budget authority results from net increases in foreign military sales orders in the Foreign Military Sales Trust Fund. Outlays for these programs are estimated to be $2.8 billion, plus $0.2 billion from the FMS Trust Fund—a $1.2 billion increase (66 percent) over estimated 1975 outlays.

Atomic energy

Defense programs include underground testing, nuclear weapons development and production, and naval propulsion systems. Budget authority increases by $0.1 billion to $1.9 billion. Outlays increase by $0.2 billion.

Defense related activities

The major change in these programs is a reduction of $0.6 billion in receipts from the sale of excess strategic commodities from piles managed by the General Services Administration, reflecting lower demand and the exhaustion of disposal authority for certain commodities. Of the remaining $0.6 billion in estimated receipts, $0.5 billion depends upon enactment by Congress of new stockpile disposal legislation.

Suggestions of the authorizing committees

The Armed Services Committee advised the Budget Committee to use the President's recommended totals for this category, but stated that reductions might be recommended later.

Estimates from other authorizing committees implied increases in national defense budget authority of $1.8 billion and increases in outlays of $2.0 billion above the President's budget. The Post Office and Civil Service Committee proposed removing the President's 5 percent cap on Federal pay increases which would trigger increases in civilian and military retired pay in the defense category of $1.8 billion. The Interior and Insular Affairs Committee does not foresee passage of legislation to permit sales of Naval petroleum reserves, which would reduce the President's anticipated receipts by $0.4 billion. Finally, the Foreign Relations Committee proposed to reduce military assistance funds by $0.2 billion.

Suggestions of the Appropriations Committee

In its report to the Budget Committee, the Senate Appropriations Committee suggests a target reduction of $5.2 billion in budget authority for the national defense function, resulting in an outlay reduction of $2.1 billion. These cuts all were allocated to the military programs of the Department of Defense (which include military assistance for South Vietnam).

Additional budget issues

Three issues which may affect 1976 outlays are not addressed in the President's budget or the Committee letters:

A request for additional military assistance to Israel could increase the budget by as much as $2.5 billion in authority and $1.0 billion in 1976 outlays.

Funds may be required for emergency military action in Southeast Asia to rescue American citizens, with outlays of $0.1 billion.

An amendment may be introduced to increase the defense budget by an additional $5.0 billion in budget authority and $1.5 billion in outlays to further accelerate investment in major weapons systems.

Budget Committee Recommendation

The Committee recommends $101.0 billion in budget authority and $91.2 billion in outlays for 1976.

The Committee is not persuaded by the arguments in the President's budget that 1976, a year of extraordinary fiscal strain, must be the year of major initiatives to expand or recoup foregone defense investment.

The Committee's recommended budget levels generally reflect the assessment submitted by the Appropriations Committee, combined with the Committee's own judgments. The recommendations also reflect an adjustment for a more realistic 10 percent rate of inflation from 1975 to 1976 on defense purchases than the 15 percent rate which was used by the Administration.

The Committee recognizes that the recommended funding levels will allow only the most modest increases for high-priority force modernization.

The Committee did not examine all of the major policy issues raised by the programs in this functional area in order to arrive at recommended outlay and budget authority limits. Recognizing that the Armed Services and Appropriations Committees have jurisdiction over line-items, the Committee intends to focus on overall trends and broad policy issues.

The Committee considered using a mission approach to assess the content of the defense budget. Such an approach would allow the total resources devoted to each major defense mission to be considered in light of foreign policy requirement and defense strategy. It is the Committee's view that such a mission approach should be pursued next year to provide a framework for considering levels of outlays and budget authority. The Committee looks forward to working with the Armed Services and Appropriations Committees in developing such a mission framework.

The Committee also is aware that the spread between budget authority and outlay levels will affect the mix of spending and determine the degree to which new investments for the future can be initiated. This means the longer range, 5-year projections as well as next year's budget levels, must be an integral part of the Committees deliberations.

FUNCTION 050—NATIONAL DEFENSE

[In billions of dollars]

	1976	
	Budget authority	Outlays
President's adjusted budget request (Mar 12)	107.7	94.0
Major authorizing committee suggestions:		
Remove 5-percent cap on military retired pay increases	+.6	+.6
Remove 5-percent cap on DOD civilian and military pay increases	+1.2	+1.2
Failure to enact legislation to increase Elk Hills receipts	+.4	+.4
Cut President's request for military assistance funds	−.4	−.2
Other possibilities:		
Increase DOD programs for weapons procurement, operation and maintenance, and research and development	+5.0	+1.5
Other*	(1)	−.1
Total potential	114.5	97.4
Appropriations Committee suggestion	102.5	91.9
Budget Committee recommendation	101.0	91.2

*NATIONAL DEFENSE—OTHER

[In millions of dollars]

Increased operating expenses for Elk Hills	55	15
Decrease due to lower level of 1975 military assistance appropriations than estimated in President's budget		−159
Overturn impoundments		23
Total	15	−121

[1] Less than $50,000,000.

(150) INTERNATIONAL AFFAIRS

International Affairs includes the conduct of foreign affairs, foreign information and exchange activities, the Peace Corps, Food for Peace, and foreign assistance (except military). Committees of jurisdiction are Foreign Relations and Agriculture and Forestry.

President's budget request

For 1976 the President requests $12.6 billion in budget authority, an increase of $9.1 billion, or 270 percent above the amended 1975 budget. Estimated outlays in the President's budget rise 26 percent from $5.1 billion to $6.4 billion. The major spending programs are:

Budget authority of $7.0 billion and outlays of $1.0 billion are proposed for the U.S. share of a $25.0 billion multinational *"special financing facility"* for industrialized nations suffering oil-induced balance-of-payments difficulties.

Security supporting assistance (largely in the Middle East) accounts for $0.6 billion in budget authority and $1.2 billion in outlays (about two-thirds for *Israel*), while *Indochina* reconstruction is allocated $0.9 billion in new budget authority (up $0.3 billion from 1975), resulting in $0.8 billion in estimated outlays.

Food for Peace budget authority rises 72 percent to $1.3 billion while outlays decline from $1.3 billion to $1.0 billion.

State Department outlays increase 14 percent to $0.7 billion, while foreign information and exchange outlays (mainly the United States Information Agency) rise 18 percent to $0.4 billion.

Net outlays for the *Export-Import Bank*, an off-budget agency until October 1, 1976, will rise 9 percent to $1.8 billion.

Suggestions of the authorizing committees

Budget estimates received from the authorizing committees would decrease international affairs budget authority and outlays. The changes:

Reduce Indochina postwar reconstruction by $0.4 billion in budget authority and by $0.1 billion in outlays.

Remove the proposed 5 percent cap on foreign service retirement to add $5 million.

Suggestions of the Appropriations Committee

In its report to the Budget Committee, the Appropriations Committee said:

The fiscal year 1975 Foreign Assistance and Related Programs Appropriation Act is presently before the Committee.

For this reason we are unable to develop comprehensive target estimates for new budget authority or outlays in fiscal year 1976.

The uncertain nature of the situation in Southeastern Asia makes projections in this area extremely hazardous. However, we anticipate ultimately reporting a fiscal year 1976 bill well below the proposals contained in the President's fiscal year 1976 budget. When this situation is clarified, the Subcommittee will furnish these target projections to the Full Committee.

Additional budget issues

Two activities which may affect 1976 outlays are not addressed directly in the President's budget or in the Committee letters:

—Additional economic assistance to Israel.

—Emergency refugee relief and economic assistance in Southeast Asia.

No official estimates of outlays are available at this time for either program. Unofficial estimates of additional economic aid to Israel range from $0.1 billion to $0.2 billion in budget authority and outlays, and for emergency assistance to Southeast Asia from $0.3 to $0.7 billion in budget authority and outlays. (Additional military assistance for Israel amounting by unofficial estimates to as much as $2.5 billion in authority would come under the national defense function.)

Budget Committee recommendation

The Committee recommends $6.0 billion in budget authority and $4.9 billion in outlays for 1976.

The Committee reduced the President's budget for *foreign economic and financial assistance* by $0.6 billion in budget authority and $0.5 billion in outlays. The reduction primarily involves funds for Indochina in line with the general thrust of recommendations by the Foreign Relations Committee. The Committee recommends that any necessary humanitarian and refugee aid be taken from the funds budgeted for Indochina reconstruction.

The Committee reduced the proposed *"special financing facility"* by $6.0 billion in budget authority and $1.0 billion in outlays. The outlay reduction is based on the Committee's understanding that the facility is likely to involve guarantees rather than direct loans. The reduction in budget authority takes into account uncertainty about the final form of the proposal and is not a judgment about the merits of the facility. The Committee agreed that if the remaining $1.0 billion in budget authority for the facility is not needed, it should not be used for any other purpose.

FUNCTION 150: INTERNATIONAL AFFAIRS

[In billions of dollars]

	1976	
	Budget authority	Outlays
President's adjusted budget request (Mar. 12)	12.6	6.4
Major authorizing committee suggestions:		
Cut President's request for Indochina postwar reconstruction economic assistance funds	—.4	—.1
Other possibilities*		—.1
Total potential	12.2	6.2
Appropriations Committee suggestion	12.6	6.3
Budget Committee recommendation	6.0	4.9

*INTERNATIONAL AFFAIRS—OTHER POSSIBILITIES

[In millions of dollars]

Remove 5-percent cap on foreign service retirement benefit increase	5
Decrease due to lower level of 1975 foreign economic assistance appropriations than estimated in President's budget	—107
Overturn impoundments	4
Total	—98

(250) GENERAL SCIENCE, SPACE, AND TECHNOLOGY

General Science, Space, and Technology covers the civilian space program administered by NASA, the basic research programs of the National Science Foundation and the Energy Research and Development Administration, and an earth sciences program largely administered by the U.S. Geological Survey.

The category does not cover a $2.9 billion space program conducted by the Defense Department or an estimated $15.7 billion in research and development which is carried out by Federal agencies as part of their regular missions.

Senate committees of jurisdiction are Aeronautical and Space Sciences (NASA), Labor and Public Welfare (NSF), the Joint Committee on Atomic Energy (ERDA nuclear programs), and Interior and Insular Affairs (ERDA's non-nuclear programs and Geological Survey).

President's Budget Request

For 1976 the President proposed $4.7 billion in budget authority and $4.6 billion in outlays, an increase from 1975 of $0.4 billion in each category. The outlay proposals include $3.2 billion for the civilian space program, $0.7 billion for NSF, $0.4 billion for ERDA's basic research activity, and $0.3 billion for the Geological Survey.

The President's program continues a trend of diminishing space activity. No major new projects are proposed and NASA's budget in 1966 dollars would be $1.9 billion—about one-third of the peak NASA budget. To have maintained a $3.4 billion "constant level budget" as agreed to in 1972 by NASA, Congress and the Office of Management and Budget, space outlays would have to be $4.0 billion in 1976. The President's budget includes $1.2 billion for the space shuttle and funds for other projects including an earth resources satellite (LANDSAT–C).

The President's budget provides $0.8 billion in new budget authority for the National Science Foundation, an increase of $78 million.

Suggestions of the authorizing committees

Budget estimates of authorizing committees would increase general science, space, and technology outlays by $83 million and budget authority by $47 million. Most of the increases were suggested by the Committee on Labor and Public Welfare to expand NSF programs in science education. No changes in the civilian space program were suggested by the Committee on Aeronautical and Space Sciences.

The Interior and Insular Affairs Committee suggests a $0.5 billion increase for ERDA non-nuclear programs. Some of this spending could appear in the basic research subcategory of general science, space, and technology.

Suggestions of the Appropriations Committee

The Senate Appropriations Committee offered no suggestions for change in either budget authority or outlays as proposed by the President.

Budget Committee recommendations

The Committee recommends $4.7 billion in budget authority and $4.6 billion in outlays for 1976, which is in line with the recommendation of the authorizing committee and the President's proposal.

The Committee explored the possibility of a reduction in the space shuttle program but decided that it should be continued at current levels.

FUNCTION 250: GENERAL SCIENCE, SPACE, AND TECHNOLOGY

[In billions of dollars]

	1976	
	Budget authority	Outlays
President's adjusted budget request (Mar. 12)	4.7	4.6
Major authorizing committee suggestions: None		
Other possibilities*	(1)	+.1
Total potential	4.7	4.7
Appropriations Committee suggestion	4.7	4.6
Budget Committee recommendation	4.7	4.6

*GENERAL SCIENCE, SPACE, AND TECHNOLOGY—OTHER POSSIBILITIES

[In millions of dollars]

General increase in National Science Foundation	44	80
More funds for Geological Survey	3	3
Total	47	83

[1] Less than $50,000,000.

(300) NATURAL RESOURCES, ENVIRONMENT, AND ENERGY

Natural Resources, Environment, and Energy activities include:

Water resources programs of the Soil Conservation Service, the Corps of Engineers, the Bureau of Reclamation, and the Tennessee Valley Authority;

Power programs of the Department of the Interior;

Conservation and land management programs of the Bureau of Land Management, the Soil Conservation Service, and the Forest Service;

Coastal zone programs of the National Oceanic and Atmospheric Administration;

Recreational programs of the National Park Service, the Bureau of Outdoor Recreation, and the Fish and Wildlife Service;

Pollution control programs of the Environmental Protection Agency; and

Energy programs of the Energy Research and Development Administration, the Nuclear Regulatory Commission, and the Federal Power Commission.

Committees with jurisdiction over these programs are Agriculture and Forestry (soil conservation and forestry); Commerce (coastal zones and energy); Interior and Insular Affairs (energy, land management, recreation, and reclamation); Public Works (pollution control and water resources); and the Joint Committee on Atomic Energy (nuclear energy).

Programs within natural resources, environment, and energy produce significant amounts of revenue. The Bureau of Land Management estimates receipts for 1976 at $0.5 billion, exclusive of the Outer Continental Shelf mineral leasing revenues. The Forest Service's estimated receipts are $0.5 billion. The Energy Research and Development Administration's estimated receipts are $0.7 billion.

President's budget request

The President proposes $12.2 billion in budget authority and $10.1 billion in outlays for natural resources, environment, and energy. Of the outlay total, $3.3 billion is for water resources/power; $0.9 billion is for conservation/land management; $0.9 billion is for recreation; $3.0 billion is for pollution control; $2.2 billion is for energy; and $0.6 billion is for other natural resource programs; less $0.9 billion offsetting receipts.

The $10.1 billion in outlays is $0.7 billion more than the $9.4 billion in 1975 outlays, an increase of 7 percent, the bulk of which is for energy programs.

For many natural resource programs (soils, forests, parks, land management, fish and wildlife), the President's proposed outlays are below levels needed to keep up with inflation. This lack of real dollar increases is aggravated by severe personnel ceilings placed upon the natural resource agencies.

The President's budget anticipates outlays of $2.4 billion for wastewater treatment facilities, an estimate that may be high given the record of previous estimates. The figure is far below the level of outlays envisioned by Congress in 1972 water quality legislation. Administration and court-ordered decisions to release some $9.0 billion in impounded water quality funds will increase 1976 outlays by only $50 million.

The President proposed to spend $2.2 billion on energy programs in this category, of which $1.6 billion is to be administered by ERDA. Total energy outlays increase by $0.8 billion over 1975, of which $0.6 billion is administered by ERDA.

Within the $1.6 billion in ERDA's energy outlays, $0.3 billion is budgeted for fossil energy development, an increase of $116 million over 1975 outlays. The largest component—and the largest increase—is for coal research. The largest percentage increase among ERDA energy programs is in solar energy programs where 1976 outlays are budgeted at $57 million, an increase of 551 percent over the 1975 level of $8.8 million.

ERDA's outlays for fusion power R&D are budgeted at $120 million, an increase of nearly 10 percent over 1975. Funds proposed for fission power R&D are $0.4 billion, an increase of $59 million or 16 percent over 1975. The main project within the fission area continues to be the liquid metal fast breeder reactor (LMFBR) where outlays for 1976 are expected tc be nearly $0.3 billion.

Suggestions of the authorizing committees

Budget estimates of authorizing committees would increase 1976 outlays by $7.7 billion above the President's adjusted budget.

The Agriculture and Forestry Committee recommends increases in outlays for soil conservation and forestry. The Interior and Insular Affairs Committee recommends additional outlays primarily for non-nuclear energy research and parklands. The Public Works Committee recommends increased outlays for EPA's operating budget and wastewater construction grant program. The Commerce Committee recommends creation of a Department of Environment and Oceans and outlays for development of energy-efficient automobiles. Both the Commerce and Interior and Insular Affairs Committees recommend outlays for a National Energy Production Board and assistance to coastal States which would be affected by offshore oil production.

The dollar amounts of the proposals are:

Committee:	*In billions of dollars*
Agriculture and Forestry	0.3
Interior and Insular Affairs	2.2
Commerce	2.8
Interior and Insular Affairs/ Commerce	1.4
Public Works	1.0
Total	7.7

Suggestions of the Appropriations Committee

The Committee would raise the President's 1976 outlays as follows:

[*In millions of dollars*]

Energy R. & D.	372
Water resources/power	160
Total	532

Additional Budget Issues

Four other budgetary items could affect natural resources, environment, and energy outlays and budget authority. The first is H.R. 4481, the Emergency Employment Appropriations Act now in the Senate Appropriations Committee, which, if enacted, could add approximately $0.2 billion to outlays. The second is a possible authorization for EPA construction grants (the program expired in 1975) that could add $5.0–9.0 billion in budget authority for 1976. The third item is a revised 1976 ERDA budget expected from the Administration in a few months that will likely increase the energy budget authority and outlays by $0.1–0.2 billion. Effort will probably be made to increase ERDA spending for environmental and safety research above the President's $0.2 billion estimate. The fourth item is a possible acceleration of Corps of Engineers and Bureau of Reclamation projects that could increase outlays by $0.7 billion.

Budget Committee Recommendation

The Committee recommends $13.4 billion in budget authority and $11.7 billion outlays for 1976, an increase of $1.6 billion in outlays over the President's adjusted proposal.

The Committee's recommendation for this function represents endorsement of both the authorizing committee's and the Administration's conviction that energy independence and diversification of energy sources are important national goals requiring significant commitment of new resources this year. The Committee's recommendation also reflects the views of the authorizing committees that modest increases for natural resources and environmental protection are warranted.

The Committee did not recommend new budget authority for the Environmental Protection Agency's wastewater treatment construction program because adequate budget authority, having recently been released by court action, remains available from previous years. The funds are adequate to meet EPA requirements in 1976.

FUNCTION 300.—NATURAL RESOURCES, ENVIRONMENT, AND ENERGY

[In billions of dollars]

	1976	
	Budget authority	Outlays
President's adjusted budget request (Mar. 12)	12.2	10.1
Major authorizing committee suggestions:		
Natural Resources:		
Increases for USDA programs: Soil Conservation Service (to reduce backlogs); Agriculture Stabilization and Conservation Service (restore water bank/ACP; full fund forestry incentives program); Forest Service (general increase)	+.6	+.3
Fund Land Resource Planning Assistance Act (S. 984)	+.1	+.1
Increase Land and Water Conservation Fund	+.7	+.7
National Park Service: Create National Historic Preservation Fund (title II, S. 327); increase operation and construction programs	+.2	+.2
Environment:		
Create a Department of Environment and Oceans	[1] (2.4)	[1] (2.0)
Additional funding for Coastal Zone Management Act activities	+.1	+.1
Additional operating funds for EPA	+.5	+.4
Accelerate EPA wastewater treatment construction grant program		+.7
Energy:		
Increase ERDA nonnuclear research and development program, including provision for accelerating commercial development of coal liquefaction processes	+.5	+.5
Create a National Energy Production Board (S. 740)	+2.0	+1.2
Enact standby energy authorities (S. 622)	+.5	+.5
Grants in aid to coastal States for Outer Continental Shelf planning	+.2	+.2
Establish program of mandatory fuel economy standards for autos and provide rebates for efficient autos	+.6	+.6
Other possibilities:		
Accelerate Corps of Engineers and Bureau of Reclamation projects	+1.0	+.7
Possible authorization of 1976 budget authority for EPA wastewater treatment construction grant program	+9.0	
Revised 1976 ERDA budget to be submitted within the next few months	+.2	+.2
Emergency Employment Appropriations Act, 1975—Funds for Interior, Agriculture, Corps of Engineers, EPA		+.2
Other*	+.6	+.6
Total potential	29.0	17.3
Appropriations Committee suggestion	13.1	10.6
Budget Committee recommendation	13.4	11.7

*NATURAL RESOURCES, ENVIRONMENT, AND ENERGY—OTHER

[In millions of dollars]

Fund Surface Mining Control and Reclamation Act (S. 7)	68	38
Establish coal conversion program to assure new industrial users and electric utilities can burn coal	50	40
Create Federal agency to disseminate energy information	60	20
Intensify research and development for more efficient use of energy by industry	20	20
Increase ERDA power system development program	30	21
Establish program for control of toxic substances	11	11
Establish system to collect, analyze, and disseminate information on the availability of natural resources	15	10
Establish research and development program for materials and products to conserve energy and promote efficiency	40	20
Establish research and development program to produce a more efficient auto	60	50
Create program to promote energy and resource recovery from waste	1	1
Establish program to encourage reuse of containers	1	1
Establish 200-mile fishery management zone	50	20
Provide funds to implement Sikes Act (habitats for fish and wildlife)	7	5
Construct strategic storage facilities for oil	18	9
National Resource Lands Management Act (S. 507)—increase BLM	14	14
Increase BLM range rehabilitation program	31	31
Studies of eastern wilderness areas	1	1
Increases in existing programs:		
BLM	15	15
BuRec	69	35
OWRT	6	6
BOR	3	3
WRC	5	5
CEQ	1	1
Forest Service	1	1
Overturn impoundments		202
Total	577	580

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[1] Represents program consolidation; not additive to other amounts shown.

(350) AGRICULTURE

Agriculture covers all price support and loan operations for farmers, plus all Agriculture Department research activities. Major agricultural programs under other functions include food stamps (Income Security, $3.6 billion) and Food for Peace (International Affairs, $1.3 billion). Agriculture and Forestry is the only committee of jurisdiction.

President's budget request

Agriculture outlays are expected to be $1.8 billion in 1976, and budget authority $4.3 billion.

Farm income stabilization outlays are expected to decrease by about 1 percent. This decrease is a result of the Administration's proposal for a "free flow" in the commodities market through the elimination of income and price stabilization mechanisms. Specifically, the Administration has removed Federal restrictions on planted acreage and is proposing legislation to reduce Federal controls over the production of rice, peanuts, and extra-long staple cotton.

The estimate of agricultural research and services outlays for 1976 is $0.9 billion, which represents an increase of $49 million over 1975.

Suggestions of the authorizing committee

The budget estimates received from the Agriculture and Forestry Committee would increase outlays by slightly less than $0.6 billion above the President's budget. Approximately $0.5 billion results from the USDA-Farm Bill (cotton and milk price supports). The remainder represents an increase in agricultural research.

Suggestions of the Appropriations Committee

The Appropriations Committee proposes to adopt the President's recommendation of $1.8 billion in outlays and $4.3 billion in budget authority.

Additional budget issues

None.

Budget committee recommendation

The Committee recommends $4.3 billion in budget authority and $2.0 billion in outlays for 1976.

The Committee increased outlays by $0.2 billion over the President's budget request to cover the costs of contemplated legislative action, consistent with increased efficiencies in programs included in this function.

Outlay levels will be affected by the final terms of the pending farm bill and by commodity prices.

FUNCTION 350: AGRICULTURE

[In billions of dollars]

	1976	
	Budget authority	Outlays
President's adjusted budget request (Mar. 12)	4.3	1.8
Major authorizing committee suggestions:		
Farm bill—increased price supports for various commodities		+.5
Increased funds for agricultural research	+.1	+.1
Other possibilities:		
None		
Total potential	4.4	2.4
Appropriations Committee suggestion	4.3	1.8
Budget Committee recommendation	4.3	2.0

(400) COMMERCE AND TRANSPORTATION

Commerce and Transportation covers most Federal support for transportation, plus a miscellaneous assortment of programs benefiting commerce. Authorizing jurisdiction is shared among the Banking, Housing, and Urban Affairs; Post Office and Civil Service; Commerce; Public Works; District of Columbia; and Aeronautical and Space Sciences Committees.

President's budget request

The President's budget spoke of reordering transportation priorities and proposed to reduce slightly the relative share for highways. Subsequently, the President released $2.0 billion of impounded highway funds. This will delay the President's plan to reorder priorities.

[Dollars in billions]

	Estimated 1975		Requested 1976		Adjusted 1976	
	Outlays	Percent	Out'ays	Percent	Outlays	Percent
Highways	$4.8	46.2	$5.1	45.0	$6.1	49.5
Railroads	.5	5.1	.5	4.3	.5	4.0
Mass transit	1.0	9.4	1.3	11.0	1.3	10.1
Air transportation	2.5	23.6	2.7	23.4	2.7	21.6
Water transportation	1.5	14.5	1.7	15.0	1.7	13.8
Other transportation	.1	1.2	.1	1.2	.1	1.1
Total transportation	10.4	100.0	11.4	100.0	12.4	100.0

In the adjusted budget, the share of Federal transportation money for railroads, many of which are bankrupt or near collapse, would be lower in 1976 than in 1975.

The President's budget also proposed to consolidate numerous Federal-aid highway programs; utilize the highway trust fund exclusively for the Interstate Highway System; redistribute a portion of the Federal gasoline tax to the general fund and to the States; and make certain maintenance costs of the air traffic control system eligible for financing with airport and airway trust funds.

The President also signaled his intention to lower the accumulation of impounded highway trust funds by requesting only minimal new authority for 1976 and by eliminating the advance feature of contract authority.

The budget proposed a 1976 subsidy to the Postal Service of $1.5 billion, down $0.3 billion from 1975. The reduction was achieved by refusing certain requested subsidies for third-class and other reduced rate mail.

The Budget contains no Administration proposals to provide assistance to the depressed housing industry. The President said he would rely on improved mortgage markets to provide new supplies of housing funds.

Release of impounded highway funds would increase outlays in this category to $14.7 billion which seems to imply an increase of nearly $3.0 billion over 1975 outlays of $11.8 billion. However, $1.3 billion of this increase is accounted for by financing alterations in the Farmers Home Administration, not by expanded programs. Another $1.3 billion benefits only the Federal-aid highway program. The remaining $0.4 billion is not enough to make up for inflation in other programs, many of which finance construction projects where costs are estimated to have increased 15.4 percent in the past year.

Suggestions of the authorizing committees

Senate authorizing committees are considering proposals that could add as much as $4.6 billion to commerce and transportation outlays in 1976. Approximately $2.7 billion of this would support transportation.

The Public Works Committee suggests that the highway program be funded at its maximum possible level of obligations, estimated at $7.2 billion, to combat the recession. This is $2 billion above the President's request, and would add about $0.3 billion to 1976 outlays.

The Commerce Committee is considering major aid to the rail transportation system. The proposals—to rehabilitate rail lines nationally, accelerate development of the high-speed northeast corridor project, provide for upgraded Amtrak capital facilities, subsidize unprofitable branch lines, and refurbish railroad stations—could add $2.2 billion to outlays.

Finally, the District of Columbia Committee indicates additional assistance may be necessary to complete the Washington (D.C.) Metro system. Inflation has increased the estimated Federal cost by $1.2 billion, of which about $0.2 billion may be required in 1976.

The Post Office and Civil Service Committee is considering an increase of up to $1.7 billion in the Postal Service subsidy. A proposal to set the public service cost subsidy at a maximum of 20 percent of the preceding year's budget would account for $1.5 billion. The remainder would subsidize reduced-rate mail.

New consumer legislation could account for another $49 million increase in 1976 outlays. The Commerce Committee is studying legislation to provide no-fault auto insurance ($4 million), to improve methods of consumer-merchant dispute settlement ($5 million), and to expand the antitrust enforcement activities of the FTC ($25 million). The Government Operations Committee has before it a bill to establish an Agency for Consumer Advocacy ($15 million).

The Commerce Committee also is considering legislation to provide for monitoring foreign investment in the United States ($8 million), to promote further export expansion ($25 million), and to establish a Metric Conversion Board ($3 million).

The Committee on Banking, Housing, and Urban Affairs is reviewing numerous bills to stimulate the sale of houses, provide for subsidies to homeowners threatened with foreclosure, and increase home thermal efficiency. The Committee advises that it expects to approve legislation in each of these areas. While this could increase 1976 budget authority by up to $1.4 billion, the Committee estimated that outlays would increase only by about $0.2 billion.

Suggestions of the Appropriations Committee

The Appropriations Committee suggests an outlay ceiling of $15.0 billion, $0.3 billion above the President's adjusted request. The ceiling is based on an expected increase in the budget of the Small Business Administration direct-loan program. The Appropriations Committee estimate does not include any of the $4.6 billion in proposals listed here from authorizing committees.

Additional budget issues

The House-passed Emergency Employment Appropriations Act includes additional 1975 budget authority for the SBA and for the Postal Service. The SBA appropriation would increase help to small businesses, which are especially vulnerable in a recession. The Postal Service appropriation would accelerate construction and procurement activities. Additional outlays in 1976 would be $0.2 billion for the SBA and $0.3 billion for the Postal Service.

The House Appropriations Committee may propose full funding of the Postal Service's 1976 budget request, which was $0.7 billion higher than recommended in the President's budget, and $0.5 billion higher than proposed by the Senate Post Office and Civil Service Committee.

The House is expected to approve three pieces of housing legislation—the Emergency Middle Income Housing Act of 1965, the Emergency Homeowners' Relief Act, and the Home Heating Efficiency Act of 1975. These bills are similar to those under consideration in the Senate Banking, Housing, and Urban Affairs Committee, but there is a difference of $1.7 billion in 1976 cost estimates. In its mark-up, the House Budget Committee estimated the three House bills would increase 1976 outlays by $1.9 billion. Senate Banking's figure is $0.2 billion due primarily to the assumption that GNMA would resell the mortgage paper it purchased, thereby reducing net outlays.

Budget Committee Recommendation

The Budget Committee recommends total budget authority of $9.5 billion and outlays of $16.6 billion for 1976, which is $1.9 billion in outlays higher than the President's adjusted request.

Of that increase, $1.4 billion would go to non-highway transportation programs, the bulk of that to be used to start restoring the Nation's railroad system and the remainder to be used for the Washington, D.C., Metro system. The railroad funds not only would support many improvement programs proposed by the Commerce Committee (see above) but would provide new job opportunities.

The Committee suggests that half of the $1.2 billion designated for railroads be used to finance a temporary public service employment program for railroad rehabilitation projects.

The recommendation for outlays includes increases of about $0.5 billion for programs in commerce, including funds to bolster the depressed housing industry and provide an extra measure of assistance to small business. The outlay target would permit an increase of $0.2 billion in housing-related outlays over the President's budget.

The Committee does not support a proposal under the Emergency Employment Appropriations Act of 1975 to provide $0.3 billion to accelerate Postal Service procurement and construction projects.

FUNCTION 400.—COMMERCE AND TRANSPORTATION

[In billions of dollars]

	1976	
	Budget authority	Outlays
President's adjusted budget request (Mar. 12)	6.6	14.7
Major authorizing committee suggestions:		
Northeast corridor project—Rehabilitate rail facilities Boston/Washington	+.5	+.5
Federal effort to rehabilitate rail roadbeds and facilities throughout the United States	+1.2	+1.2
Amtrak capital grants—Purchase and upgrade rail passenger facilities	+.5	+.4
Federal Highway Administration—Further increase in program level		+.3
Emergency housing—Authorize HUD to purchase mortgages and assist middle income homebuyers through quarterly interest payments	+.3	+.1
Home retention—Authorize GNMA to purchase and resell mortgages subject to foreclosure action	+.3	
Enact program of energy assistance for the economically disadvantaged (improve home thermal efficiency)	+.2	+.1
Increased payment to the Postal Service for public service costs	+1.5	+1.5

	1976	
	Budget authority	Outlays
Other possibilities:		
Funds for WMATA for D.C. Metro cost increases	+1.2	+.2
Emergency Employment Appropriations Act, 1975:		
Postal Service capital investments		+.3
Increase SBA direct loan program		+.2
Further increase in SBA direct loan program (bill pending in House)	+.5	+.5
Fund payment to the Postal Service at its full 1976 budget request (bill pending in House)	+.5	+.5
Other *	+.5	+.5
Total potential	13.8	21.0
Appropriations Committee suggestion	6.7	15.0
Budget Committee recommendation	9.5	16.6

*COMMERCE, TRANSPORTATION—OTHER

[In millions of dollars]

Local Rail Services Act (S. 863)—subsidize branch lines proposed to be abandoned	100	80
Payment to the Postal Service to extend subsidy to certain classes of mail	93	93
Payment to the Postal Service for revenue foregone for regular rate third class mail	130	130
Create a Metric Conversion Board	3	3
Establish nationwide system of no-fault insurance	5	4
Establish better procedures to settle consumer/merchant disputes	5	5
Increase FTC antitrust enforcement funds	25	25
Establish mechanism to monitor foreign investment in the United States	8	8
Improve Federal export promotion efforts	25	25
Move Union Station intermodal transportation facility to construction stage	30	30
Preserve and utilize historic railroad stations	50	30
Create an Agency for Consumer Advocacy (S. 200)	15	15
Emergency assistance to bankrupt railroads (enacted in February)		87
Total	489	535

(450) COMMUNITY AND REGIONAL DEVELOPMENT

Community and Regional Development covers bloc grants and loans to local government and individuals for development; for rural, economic, and Indian development projects; and for disaster insurance and relief.

Programs under the jurisdiction of the Banking, Housing, and Urban Affairs Committee account for more than half of this function's outlays. Other committees with jurisdiction are Agriculture and Forestry; District of Columbia; Interior and Insular Affairs; Labor and Public Welfare; and Public Works.

President's budget request

Except for rural water and sewer grants, the President recommends holding program levels in community and regional development at current levels or cutting them. Outlays for the function would rise from $4.9 billion in 1975 to $5.9 billion in 1976 but most of the rise stems from 1975 obligations, not new program increases. Nearly 75 percent of all outlays for community and regional development take the form of grants to State and local government and these would be held at current levels.

Suggestions of the authorizing committees

Legislative committees suggest additions to the President's budget levels of about $1.0 billion in budget authority and $0.6 billion in outlays. These would allow for increased (but not full) funding of community development bloc grants, continuation of the comprehensive planning and housing rehabilitation loan programs, full funding of various Economic Development Administration programs, and some increase in the funding of the new Community Services Administration (formerly the Office of Economic Opportunity).

Suggestions of the appropriations committee

The Appropriations Committee suggests a modest increase in funding levels for community and regional development: $0.3 billion in budget authority and $0.4 billion in outlays. Reflected in this suggestion are some increases in funding for community development bloc grants and for Economic Development Administration programs, and continuation of the comprehensive planning grants to State and local government. The Committee also makes allowance for outlays in 1976 stemming from 1975 authority proposed in the Emergency Employment Appropriations Act.

Additional Budget Issues

House legislative committees recommended full funding for community development bloc grants and increases in the funding available for the Economic Development Administration and the Appalachian Regional Commission. These would further increase budget authority for community and regional development by $0.5 billion and outlays by $0.2 billion. The proposed Local Public Works and Capital Development and Investment Act of 1975, tentatively endorsed by the House Leadership, the House Public Works Committee, and the House Budget Committee, would authorize $5.0 billion in new funding for accelerated public works (of which some $3.0 billion would represent 1976 outlays). The House-passed Emergency Employment Appropriations Act would add $0.3 billion in 1975 budget authority for community and regional development resulting in 1976 outlay increases of $0.3 billion.

Acceptance of these programs would raise budget authority to $11.6 billion and outlays to $10.0 billion.

Budget Committee Recommendation

The Committee recommends $6.0 billion in budget authority and $6.6 billion in outlays for 1976, an increase of $0.7 billion in outlays over the President's proposal.

The Committee recommendation includes $0.3 billion in outlays for temporary public works projects and $0.3 billion for increases in community development bloc grants and economic development programs.

The Committee repeats its caution that public works projects for economic recovery should be designed to begin and end as quickly as possible. The Committee, therefore, did not endorse the approach to public works projects envisioned by the Local Public Works and Capital Development and Investment Act of 1975.

FUNCTION 450: COMMUNITY AND REGIONAL DEVELOPMENT

[In billions of dollars]

	1976	
	Budget authority	Outlays
President's adjusted budget request (Mar. 12)	5.2	5.9
Major authorizing committee suggestions:		
Community development—increase to meet the need for increased discretionary funding for smaller metropolitan communities	+.2	+.1
EDA—full fund authorizations for titles I, II, III, IV, and IX of Public Works and Economic Development Act	+.3	+.2
Other possibilities:		
Local Public Works and Capital Development and Investment Act of 1975—EDA grants to State and local governments for local public works	+5.0	+3.0
Emergency Employment Appropriations Act, 1975—Farmers Home Administraton and Bureau of Indian Affairs construction projects		+.3
Full funding for community development bloc grants	+.2	+.1
Further increases in titles I–IX of Public Works and Economic Development Act	+.3	+.1
Other*	+.4	+.3
Total potential	11.6	10.0
Appropriations Committee suggestion	5.4	6.3
Budget Committee recommendation	6.0	6.6

*COMMUNITY AND REGIONAL DEVELOPMENT—OTHER

[In millions of dollars]

	1976	
	Budget authority	Outlays
Comprehensive planning—increase in light of overturn of deferral	100	75
Revitalize section 312 housing rehabilitation program	70	35
Increases for Community Services Administration	137	100
USDA—increase rural development grants and Farmers Home Administration operating expenses	42	42
Increases for Bureau of Indian Affairs:		
Indian services	7	7
Tribal resources development	6	6
Trust responsibilities	1	1
Increase in funding for Appalachian Regional Commission programs	30	11
Additional impoundment overturn		2
Total	393	279

(500) EDUCATION, MANPOWER, AND SOCIAL SERVICES

Education, Manpower, and Social Services includes six program areas: (1) elementary, secondary, vocational, and adult education; (2) higher education; (3) research and general education aids; (4) manpower training; (5) other manpower services; and (6) social services.

Well over half the funds in this function go directly to State and local government. The principal beneficiaries are poor, disabled, or disadvantaged individuals.

The Committee on Labor and Public Welfare exercises jurisdiction over most of these programs. Exceptions are the Interior and Insular Affairs Committee's jurisdiction over Indian education programs administered by the Bureau of Indian Affairs and the Public Works Committee's jurisdiction over the job opportunities programs administered by the Department of Commerce.

President's budget request

The President's budget recommends 1976 outlays as follows:

	In billions of dollars
Elementary, secondary, and vocational education	4.2
Higher education	2.3
Research and general education aids	.8
Manpower training	6.1
Other manpower services	.3
Socal services	2.7
Total	*16.5

*Does not add due to rounding.

The outlays recommended in the President's budget would not provide levels of service equal to levels of 1975. Preliminary estimates are that services might be reduced by 12 percent because of inflation.

Elementary, Secondary, Vocational, and Adult Education

Generally, the President's budget calls for a continuation of 1975 funding levels, with the exception of reductions in impact aid ($0.4 billion) and emergency school aid ($161 million). Outlays for all programs are expected to remain at $4.2 billion, while budget authority would drop from $4.5 to $4.3 billion. No new programs are proposed.

Higher Education

The President's budget recommends a $0.2 billion increase in outlays from $2.1 billion in 1975 to $2.3 billion in 1976. Budget authority decreases slightly when one excludes about $0.7 billion in budget authority for college housing construction that was rescinded in 1975.

In 1975, Congress approved three student assistance programs with combined budget authority of $1.2 billion (Supplemental Opportunity Grants, Direct Student Loans, and

Basic Opportunities Grants). For 1976, the President proposed to eliminate two of the programs and retain only the Basic Opportunities Grant program with budget authority of $1.1 billion. Under his program, the Basic Opportunities Grant program also would be expanded to cover classes of students not now included. The net result of the proposals is a reduction of $0.2 billion in funds available for student assistance.

Manpower

The President's budget originally called for a reduction in budget authority for manpower from $4.5 billion in 1975 to $3.6 billion in 1976. In early March the President said he would seek $1.9 billion in additional appropriations for public service employment and summer youth employment programs. This amount is included in his adjusted budget request figure on the accompanying table.

Manpower outlays would increase in 1976, although outlays for existing manpower programs would drop from $3.8 to $3.6 billion. Spending for emergency job programs would increase.

Social services

The President's budget calls for reductions in both budget authority and outlays from $3.1 billion in 1975 to $2.7 billion in 1976.

Suggestions of the authorizing committees

Authorizing committee estimates would increase 1976 outlays by nearly $10.2 billion (or 61.6 percent) over the adjusted 1975 outlays recommended by the President. These increases would be made as follows:

(1) Restore cuts recommended by the President ($0.9 billion in social services and education impact aid);

(2) Adjust 1975 outlays for inflation to achieve current service levels in 1976 ($1.3 billion in HEW and Labor Departments);

(3) Provide additional public service jobs to counter unemployment ($6.2 billion);

(4) Expand service levels in existing programs ($1.8 billion for programs for handicapped, bilingual, preschool, disadvantaged and Indian students; for college students eligible for financial assistance; for impacted school districts; and for selected social service programs); and

(5) Enact new Social Service Programs ($50 million for child and family services).

Suggestions of the Appropriations Committee

The Appropriations Committee would raise budget authority by $1.7 billion over the President's budget but would reduce outlays by $1.1 billion. The Committee called for $1.1 billion additional budget authority for education, $0.5 billion for accelerated public works (Title X of EDA), and $44 million for the work incentive program (WIN).

The Committee report does not include $1.8 billion in additional outlays that would be generated by the President's March 3, 1975, request for additional funding of public service jobs and summer youth programs.

Additional budget issues

In addition to Committee proposals, additional funds may be suggested for such items as a permanent public service jobs program (up to $5.0 billion) and an expanded grants program for social services (up to $1.5 billion).

Budget committee recommendation

The Committee recommends $20.7 billion in budget authority and $19.4 billion in outlays for 1976, an increase in outlays of $2.9 billion over the President's request.

It is the Committee's understanding that $2.4 billion of the outlay increase will permit education and social service programs to continue at existing levels of service and provide adequate funding to meet legislative requirements for impact aid and for Title I of the Elementary and Secondary Education Act, Emergency School Aid and other programs which were endorsed by the authorizing and appropriations committees.

The Committee endorses the recommendation of the President and the authorizing committee for temporary public service jobs to counter unemployment. The Committee recommendation provides $2.9 billion in outlays for this purpose, a figure which includes the President's request of $2.4 billion.

The Committee recommendation for budget authority includes a provision for $4.0 billion to fund additional public service employment beyond calendar year 1975 if economic conditions warrant a decision by Congress to extend them. The Committee did not endorse or reject an indefinite extension of public employment programs.

FUNCTION 500: EDUCATION, MANPOWER, AND SOCIAL SERVICES

[In billions of dollars]

	1976	
	Budget authority	Outlays
President's adjusted budget request (Mar. 12)	13.7	16.5
Major authorizing committee suggestions:		
HEW education programs:		
12 percent adjustment in 1975 base to cover inflation	+.8	+.6
Increase in education programs for handicapped children	+.5	+.4
Increase in bilingual education programs	+.5	+.2
Increase in student assistance (basic opportunity grant) programs	+.6	+.2
Increase in programs for the education of disadvantaged children	+.4	+.3
Restore and expand impacted school aid program	+.6	+.5
Labor Department:		
Renew summer youth programs	+.7	+.9
Renew emergency public service jobs program	+5.0	+5.0
EDA—full fund title X of Public Works and Economic Development Act (job opportunities program) (1975 budget authority of $500,000,000)		+.4
Increase Labor Department 1975 programs in this functional area by 15 percent to cover inflation	+.5	+.6
Social services:		
Increase for public assistance social service matching grants and State/local training	+.2	+.2
Assume President's legislative proposals to reduce Federal matching rate and restrict types of training subject to Federal matching will not be enacted	+.5	+.5
Other possibilities:		
Enact a public service employment program for railroad maintenance	+.3	+.3
Raise State ceilings for grants to States for social services program	+1.5	+1.0
Create a permanent public service jobs program	+5.0	+3.0
Other*	+.8	+.7
Total potential	31.6	31.3
Appropriations Committee suggestion	15.4	15.4
Budget Committee recommendation	20.7	19.4

*EDUCATION, MANPOWER, AND SOCIAL SERVICES—OTHER

[In millions of dollars]

HEW and Interior—increase Indian education programs	111	111
General increase for National Foundation on the Arts and Humanities	110	110
Increase in Head Start program	116	64
Enact new programs for child and family services and foster care	150	100
Increase in State grants and other programs for the developmentally disabled	85	55
Manpower training:		
Increase in work incentives program	40	40
Trade Act requirements	36	36
Increase for Gallaudet College	1	1
NLRB—increases to cover inflation and to fund amendments for agricultural workers	7	6
Establish new programs for public employee collective bargaining	3	3
Increase funding for titles I–V of Older Americans Act	41	15
Children and youth—expand existing programs for child abuse and sudden infant death	9	9
Overturn impoundments	50	176
Total	759	726

(550) HEALTH

Health includes outlays for health care services (84 percent), research and education (10 percent), prevention and control (4 percent), and planning and construction (2 percent).

Two entitlement programs under the jurisdiction of the Finance Committee—Medicare and Medicaid—account for 77 percent of health outlays. Maternal and child health programs also fall under the jurisdiction of the Finance Committee. All other programs administered by HEW agencies account for 21 percent of outlays and are under the jurisdiction of the Labor and Public Welfare Committee. The remaining 2 percent of health outlays fall under the jurisdiction of the Commerce, Agriculture and Forestry, or Labor and Public Welfare Committees.

President's budget request

The President proposed a moratorium on new programs and cutbacks in existing programs that would limit increases in outlays to about $2.7 billion below presently authorized levels. Outlays would be reduced an estimated $2.0 billion for Medicare and Medicaid by:

Transferring payment responsibility to beneficiaries in the form of higher insurance deductibles and copayments;

Administrative program tightening of Medicare;

Transferring more responsibility to States for Medicaid payments; and

Eliminating dental services for adults.

Outlays would be cut by $0.7 billion for HEW agencies by reducing budget authority $1.0 billion through rescissions.

Suggestions of the authorizing committees

Authorizing committees are studying proposals that would increase 1976 outlays by $4.6 billion and budget authority by $4.4 billion over the President's request.

The Commerce Committee suggests $9 million more than the President proposes in budget authority and estimated outlays for the Consumer Product Safety Commission.

The Finance Committee proposes additional budget authority of $2.6 billion with estimated outlays of nearly $4.0 billion for the following programs:

[In billions of dollars]

	Budget authority	Outlays
Reject proposed changes medicare and medicaid	0.6	2.0
Increase maternal and child health programs (Health Services Administration)	.1	.1
Emergency health insurance coverage for the unemployed	1.8	1.8
Planning for national health insurance	.1	.1

The Labor and Public Welfare Committee recommends increasing budget authority by $1.8 billion with estimated outlays of $0.6 billion for the following activities. (Appropriations suggestions summarized in the last column):

[In millions of dollars]

	Labor and Public Welfare		Appropriations	
	Budget authority	Outlays	Budget authority	Outlays
Health services			345	233
Mental health programs (Alcohol, Drug Abuse, and Mental Health Administration)	253	35	225	64
Prevention and control (Center for Disease Control)	54	38	36	22
Research (National Institutes of Health)	618	215	627	225
Planning and construction (including manpower pro-				

	Labor and Public Welfare		Appropriations	
	Budget authority	Outlays	Budget authority	Outlays
grams and cost control research—Health Resources Administration)	[1] 853	300	85	73
Interior	20	20	20	20
Labor	23	23	23	23
Occupational safety	15	15	15	15

[1] Largely for pending legislation to increase health manpower, plan health services, and construct health facilities. Similar legislation has failed previously in conference, but may be successfully reported this year. Appropriations foresees a supplemental if required.

Suggestions of the Appropriations Committee

Budget authority exceeding that of the President's proposal by $1.3 billion is suggested; outlays would be higher by $0.5 billion.[1] Distribution is shown in the table above. There is a proposed reduction in budget authority of $2 million from the President's budget for the Office of the Assistant Secretary for Health.

Additional budget issues

Budget Committee staff anticipates higher enrollment in medicaid due to unemployment, adding $0.2 billion to outlays.

Restoration of Presidential cuts in health agency programs to 1975 appropriated levels (*not* adjusted for inflation) would add $0.5 billion in outlays.

Budget Committee recommendation

The Committee recommends $32.6 billion in budget authority and $31.0 billion in outlays for 1976.

The Committee increased outlays by $2.9 billion over the President's estimates on the assumption, suggested by the authorizing committee, that the President's legislative proposals to reduce Federal medicare and medicaid costs will not be approved. The Committee recommendations also include assistance above the amounts proposed by the President for health agency programs and provides some amounts for additional requirements.

FUNCTION 550.—HEALTH

[In billions of dollars]

	1976	
	Budget authority	Outlays
President's adjusted budget request (Mar. 12)	31.0	28.1
Major authorizing committee suggestions:		
Medicare/medicaid—Reject President's legislative proposals to increase beneficiary cost sharing, reduce Federal matching, and eliminate Federal support for adult dental care	+.6	+2.0
Enact program of health insurance for the unemployed	+1.8	+1.8
Allow for start-up costs for national health insurance in the event Congress enacts such a program	+.1	+.1
National Institutes of Health—Increase to cover higher costs of operation over fiscal year 1975	+.6	+.2
HEW—Health Resources Administration: Provide full funding of new legislation, expansion of health teaching facility construction programs, and costs of inflation	+.9	+.3
Other possibilities:		
Higher estimate of medicaid requirements than in President's budget	+.2	+.2
Restore Presidential cuts in health agencies	+.9	+.7
Cover inflation in health agencies nonpersonnel items	+.3	+.4
Other*	+.5	+.5
Total potential	36.9	34.3
Appropriations Committee suggestion	3293	28.6
Budget Committee recommendation	32.6	31.0

*HEALTH—OTHER

[In millions of dollars]

Increase funds for maternal and child health	83	83
HEW—General mental health: Increases to cover inflation in research and development programs, and to continue and expand community health centers	253	35
HEW—preventive health services: Increases for disease control project grants, laboratory improvement, health education, and disease surveillance	54	38
Increase for Mine Enforcement Safety Administration	20	20
Increase for Labor Department occupational safety and health enforcement activities	23	23
Increases for the National Institute for Occupational Safety and Health, and the Center for Disease Control	15	15
Increase for the Consumer Product Safety Commission	9	9
Emergency Employment Appropriations Act, 1975—Indian reservation construction		11
Overturn impoundments		285
Total	457	519

(600) INCOME SECURITY

Income security includes social security and unemployment insurance, covering more than 90 percent of the work force; retirement systems for Federal and railroad employees; and assistance programs for the needy such as food stamps, public housing, supplemental security income (SSI), and aid to families with dependent children (AFDC). Income security outlays account for 34 percent of all Federal spending.

The Finance Committee has jurisdiction over 81 percent of outlays. The Post Office and Civil Service; Agriculture and Forestry; Labor and Public Welfare; and Banking, Housing, and Urban Affairs Committees also have jurisdiction over major income security programs.

President's budget request

Without changes in existing law, outlays would rise 16 percent from $106.9 billion in 1975 to $124.2 billion in 1976. The President's budget assumes action by Congress to limit growth in outlays to 11 percent. It proposes outlays of $119.4 billion, allowing for rejection by Congress of proposed increases in food stamp prices.

Social security and other retirement and disability programs account for 69 percent of income security outlays and $7.7 billion of the $12.0 billion in growth under the President's budget. Unemployment compensation would rise by $3.5 billion. Programs for the needy would increase by $1.0 billion. After adjusting for inflation, the real growth in benefits would be $1.9 billion rather than $12.0 billion; programs for the needy would decline by $0.7 billion in terms of purchasing power.

Most income security programs are open-ended matching grants to States or entitlement programs under which qualified citizens have a legal right to benefits. Changes in spending levels would require action by Congress, and the President has asked Congress to hold spending to $5.5 billion below normal growth by:

Limiting to 5 percent the normal cost-of-living increases in social security, railroad retirement, Federal employee retirement, coal miners' benefits, supplemental security income (SSI), food stamps, and child nutrition. This ceiling would cut outlays by $3.8 billion;

Converting child nutrition grant programs into bloc grants to States for a saving of $0.5 billion;

Making two changes in social security benefit formulas for a saving of $0.6 billion; and

Making various changes in aid to families with dependent children (AFDC) administration and Federal matching formulas for a saving of $0.5 billion.

The 5 percent ceiling on cost-of-living increases would affect more than 40 million persons and reduce a retired worker's future social security benefit by an average $90 a year. The other proposals would mean less income for recipients than the law now calls for.

Suggestions of the authorizing committees

Budget estimates of authorizing committees would increase 1976 outlays by $8.1 billion over the President's adjusted budget to a total of $127.5 billion.

Nearly half of the increase ($3.8 billion) is based on Committee assumptions that Congress will reject the proposed 5 percent limit on cost-of-living increases.

Authorizing committees would approve only $0.4 billion of the $1.7 billion in reductions in the other three Presidential proposals.

Most of the rest of the increase results from reestimates by Committees of outlays under other income security programs, as follows:

Unemployment compensation up $0.9 billion due to higher rates of unemployment than those forecast in the President's budget;

Trade adjustment assistance up $0.3 billion under provisions of the Trade Act of 1974 which were not taken into account by the President;

Food stamps up $1.4 billion due to a rapid increase in use of the program which was not factored into the President's budget; and

Section 235 housing subsidies up $0.2 billion as a result of action by Congress to overturn a Presidential impoundment.

Suggestions from the Appropriations Committee

The Appropriations Committee report would raise the President's adjusted 1976 budget figure by $4.2 billion to $123.6 billion. The Committee figure leaves in the savings from the President's legislative proposals but makes the following additions to 1976 outlays:

Food stamps up $1.4 billion for program underestimates;

Other food programs up $0.2 billion mostly to continue the special milk program;

Low-income housing up $99 million; and

Unemployment compensation up $2.5 billion to cover higher unemployment and a further extension of temporary emergency benefits.

Additional budget issues

Several issues not addressed by other committees will affect 1976 outlays. Three programs appear to be underestimated by a total of $0.6 billion, as follows:

AFDC up $0.4 billion, mainly due to effects of the recession on caseloads;

SSI up $0.1 billion resulting from States' contesting liability for supplemental payments made for them by the Federal Government; and

Social security up $20 million, reflecting a Supreme Court decision on benefit entitlements for widowers.

Income security outlays will be reduced by two actions by Congress. Additional funds for public service jobs will reduce AFDC, food stamp, and unemployment benefits costs in 1976. The earned income tax credit in the Tax Reduction Act of 1975 will reduce AFDC and food stamp costs by $75 million in 1976.

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[1] As cited in the Appropriations Committee report; table reflects later detail and adds to $0.7 billion.

The rate of inflation probably will be lower than assumed in the President's budget. This would mean smaller automatic cost-of-living increases than those assumed in the authorizing committee reports by as much as $0.8 billion.

A child nutrition bill pending in the House (H.R. 4222) could raise 1976 outlays by $0.6 billion above the Agriculture Committee's March 15 estimates. Other proposals for new initiatives discussed at the staff level are not likely to be enacted in time to affect 1976 budget authority and outlays.

Budget Committee Recommendation

The Committee recommends $138.5 billion in budget authority and $126.1 billion in outlays for 1976.

The committee increased outlays by $6.7 billion over the President's estimate, of which some $3.0 billion is required to cover additional costs resulting from higher rates of unemployment than those projected by the Administration and from underestimates of the costs of those existing programs which are affected by rising unemployment.

The remaining $3.7 billion in additional outlays would provide sufficient funds for full cost-of-living increases as required by existing law in social security and other entitlement programs and as recommended by the authorizing committees.

The Committee also urges authorizing committees to consider legislative improvements which could save large amounts of money without imposing an inequitable burden upon beneficiaries. The Committee's recommended outlay level includes an estimate of $1.8 billion in savings that could be realized through administrative improvements in the food stamp program and through legislative improvements in AFDC, OASDI and Federal employee retirement programs.

The Committee total reflects the costs of programs as they would be with unemployment at 7.5 percent at the end of calendar 1976.

FUNCTION 600.—INCOME SECURITY

[In billions of dollars]

	1976	
	Budget authority	Outlays
President's adjusted budget request (Mar. 12)	136.0	119.4
Major authorizing committee suggestions:		
Remove 5-percent caps on benefit increases	(+.4)	(+3.8)
Social security	−.1	+2.5
Supplemental security income and coal miner benefits	+.1	+.1
Food stamps	+.2	+92
Federal employee retirement	+.1	+.8
Railroad retirement		+.1
Child nutrition	+.1	+.1
Overturn of other Presidential legislation	(+.9)	(+1.4)
Social security benefit computation changes	([1])	+.3
AFDC administrative rules changes	+.4	+.4
Child nutrition	+.5	+.5
Sec. 235 housing impoundment		+.2
Reestimates of amounts in President's budget	(+3.4)	(+2.0)
Social security revenues	+.7	
Unemployed benefits (higher level		+.9
of unemployment)		+.9
Unemployment insurance revenues	+.6	
Food stamps (more recipients)	+1.8	+1.4
Increase in trade adjustment assistance due to Trade Act of 1974	+.3	+.3
Other possibilities:		
Staff reestimates	(+.2)	(−1.1)
Higher estimate of AFDC caseload due to the recession	+.4	+.4
Reduction in AFDC, food stamp, and unemployment benefit requirements as a result of more public service jobs	−.1	−.4
Lower estimate of cost-of-living increases in indexed programs on the assumption that inflation will be less than anticipated in authorizing committee reports that recommended removal of 5 percent caps	−.1	−.8
Lower estimate of unemployment benefit and other income security programs as a result of greater economic stimulus in the possible congressional budget program	−.1	−.4
Reduction in AFDC, food stamp, and unemployment benefit requirements as a result of the earned income tax credit in the Tax Reduction Act	−.1	−.1
Increase in SSI due to State actions, and increase in Social Security based on Supreme Court decisions	+.2	+.2
Additional initiatives	(+6.3)	(+10.5)
Further increases in subsidies for child nutrition programs in pending House bill	+.6	+.6
Extend supplemental security income coverage to dependents of recipients	+.5	+.5
Set a minimum floor on State AFDC payments ($200 per month for a family of 4)	+.3	+.3
Require coverage of families with unemployed fathers in all State AFDC programs	+.1	+.1
Make permanent the recent liberalizations in unemployment insurance coverage, set benefit duration at 52 weeks without regard to the unemployment rate, and establish minimum standards for benefit levels	+5.0	+5.0
Eliminate completely the Social Security retirement test	−.2	+4.0
Other*	+.2	+.3
Total potential	147.4	136.9
Appropriations Committee suggestion	140.5	123.5
Budget Committee recommendation	138.5	126.1

*INCOME SECURITY—OTHER

[In millions of dollars]

Increased funds for collection of child support from absent fathers with families on AFDC	40	37
Increase low-rent housing assistance		50
Establish uniform Federal standards for workers compensation	45	45
Extend eligibility to certain miners and dependents under the coal miners benefit program	100	100
Increase USDA commodity distribution programs	22	22
Overturn impoundment		6
Total	207	260

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[1] Less than $50,000,000.

(700) VETERANS BENEFITS AND SERVICE

Veterans Benefits and Services consists largely of a two-part income security program (compensation and pensions), GI bill education benefits, hospital and medical care, and other veterans benefits and services. The Veterans Affairs Committee has jurisdiction over these veterans programs.

President's budget request

Veterans benefits and services outlays in the President's budget are $15.6 billion, up $0.1 billion over 1975. This budget reflects no real growth, although some programs would grow because of shifts in spending priorities within the overall total.

The two-part veterans income-security program accounts for $7.7 billion, almost half of total outlays. The budget recommends $3.9 billion in outlays for hospital and medical care, an increase of $0.3 billion over 1975, and GI bill education outlays of $3.6 billion, a decrease of $0.4 billion from 1975.

Suggestions of the authorizing committee

A variety of proposals from the Veterans Affairs Committee could increase veterans outlays by $2.0 billion over the President's budget.

The President's estimate of a $0.4 billion drop in GI bill education outlays does not take into account recent caseload increases which could lead to a net increase in outlays of $0.1 billion rather than a reduction.

Other revisions in caseload data could lead to increases in outlays for pensions of $0.2 billion.

The President's budget assumes that Congress will repeal a 2-year extension of the period during which veterans may apply for readjustment benefits which would lead to a saving of $0.7 billion. Congress may not agree to the repeal.

The Veterans Affairs Committee may undertake a review of the compensation benefits this year instead of waiting the customary 2 years, which would result in additional outlays of $0.3 billion.

A proposal to allow an additional 9 months of GI education benefits for graduate education could result in additional outlays of $77 million. An omnibus medical bill could add $95 million. The Veterans Administration already has testified that a proposed staff reduction which was submitted in February already has been turned into an increase totalling $19 million, because of increasing workloads. This is not reflected in the budget.

Suggestions of the Appropriations Committee

The Committee suggests total outlays of $15.6 billion in line with the President's request. However, the Committee did not consider any possible new program initiatives.

Additional budget issues

None.

Budget Committee recommendation

The Committee recommends budget authority of $17.6 billion and outlays of $16.9 billion, an increase of $1.3 billion over the President's outlay proposal.

Several factors account for the increases suggested by the authorizing committee, including reestimates of pension and medical care caseloads and of enrollments under the GI bill; allowance for an adjustment to compensation benefits in calendar 1975; a projected enactment of an Omnibus Veterans Medical bill, assuming an effective date of January 1, 1976; and pending legislation to permit 9 extra months of education assistance for students doing graduate work.

Allowance was also made for additional funds provided for in the Emergency Employment Appropriations Act of 1975 for general work programs to improve Veterans Administration facilities, including hospitals.

FUNCTION 700: VETERANS BENEFITS AND SERVICES

[In billions of dollars]

	1976	
	Budget authority	Outlays
President's adjusted budget request (Mar. 12)	16.2	15.6
Major authorizing committee suggestions:		
Adjust compensation benefits this year instead of waiting the normal 2 years	+.5	+.3
Higher estimate of pension caseload than in President's budget	+.2	+.2

	1976	
	Budget authority	Outlays
Do not enact President's legislative proposals to repeal the 2-year extension of the delimiting period for readjustment benefits, and to effect reimbursement to VA by private medical insurers	+.7	+.7
Higher estimate of GI bill enrollment than in President's budget	+.5	+.5
Other possibilities*	+.2	+.3
Total potential	18.3	17.6
Appropriations Committee suggestion	16.2	15.6
Budget Committee recommendation	17.6	16.9

*VETERANS BENEFITS AND SERVICES—OTHER POSSIBILITIES

[In millions of dollars]

Readjustment benefits—remove restriction limiting extra 9 months of benefits to undergraduate education only	77	77
Enact omnibus veterans medical bill providing for numerous improvements in medical care	95	55
Higher estimate of medical outpatient care visits and contract hospitalization requirements than in President's budget	56	56
Increase VA general operating expenses due to higher workload than estimated in President's budget	19	19
Emergency Employment Appropriations Act, 1975—general work programs to upgrade VA facilities		70
Total	247	277

(750) LAW ENFORCEMENT AND JUSTICE

Law Enforcement and Justice includes outlays for the Federal judiciary; law enforcement and prosecution activities of the Justice and Treasury Departments; Federal correctional and rehabilitative programs; certain civil rights programs; and law enforcement assistance to State and local governments.

The Judiciary Committee has legislative jurisdiction over most programs. The Commerce; Labor and Public Welfare; and Post Office and Civil Service Committees also have legislative jurisdiction over some programs.

President's budget request

The President requests outlays of $3.3 billion, an increase of $0.3 billion over outlays for 1975.

The President's budget seeks a $0.1 billion reduction in budget authority for the Law Enforcement Assistance Administration. The major impact of this reduction would come in 1977 outlays, but it also would reduce LEAA outlays by an estimated $26 million in 1976.

Suggestions of the authorizing committees

Budget estimates of the authorizing committees would increase 1976 outlays by $0.1 billion above the President's budget. The Committees recommended:

A national voter registration system ($50 million) to help States register eligible citizens under a nationwide postcard registration system.

Increased investigation and prosecution of antitrust law violations ($25 million) to provide for a vigorous and effective enforcement of such laws.

Increased jury fees and expenses, District Court and Circuit Court judgeships, and the Bilingual Courts Act ($11 million) to provide additional court services.

Full funding of the Legal Services Corporation ($26 million) at authorized level of $100 million for fiscal 1976.

Suggestions of the Appropriations Committee

Reports of Appropriations Subcommittees indicate an overall increase of about $130 million in the President's adjusted budget for 1976. The State, Justice, Commerce, the Judiciary, and Related Agencies Subcommittee suggests a $150 million increase with no amounts specified for any particular program. The Treasury, Post Office, and General Government Subcommittee suggests a $14.3 million reduction in budget authority by reason of the withdrawal of the request for the construction of the new Federal Law Enforcement Training Center. This item accounts for $20 million in outlays in 1976 in the President's budget.

Additional budget issues

Approval of first year funding in 1976 for the Juvenile Justice and Delinquency Prevention Program would add $10 million in outlays and $50 million in budget authority. Another likely proposal is legislation to provide benefits to survivors and widows of law enforcement officers. This would create new outlays of $5 million and budget authority of $61 million for fiscal 1976.

Budget committee recommendation

The Committee recommends $3.3 billion in budget authority and $3.4 billion in outlays for 1976.

The slight increase in outlays over the President's estimate is in anticipation of temporary antirecession programs and other suggestions by the authorizing committees.

FUNCTION 750.—LAW ENFORCEMENT AND JUSTICE

[In billions of dollars]

	1976	
	Budget authority	Outlays
President's adjusted budget request (Mar. 12)	3.2	3.3
Major Authorizing Committee suggestions: None		
Other possibilities	+.3	+.2
Total potential	3.5	3.5
Appropriations Committee suggestion	3.4	3.5
Budget Committee recommendation	3.3	3.4

*LAW ENFORCEMENT AND JUSTICE—OTHER POSSIBILITIES

[In millions of dollars]

Restore LEAA to 1975 operating level	110	26
First year funding for Juvenile Justice and Delinquency Prevention Act of 1974	50	10
Benefits for widows and other survivors of law enforcement officers (bills pending)	61	5
Establish a national voter registration system (S. 1177)	56	50
Increase Department of Justice antitrust enforcement funds	25	25
Increase Legal Services Corporation to full authorized level	29	26
Increased jury fees and expenses (S. 539), district court judgeships (S. 287), circuit court judgeships (S. 286), interpreters for non-English-speaking defendants (S. 565)	11	11
Emergency Employment Appropriations Act, 1975—Treasury Department construction projects		46
Total	342	199

(800) GENERAL GOVERNMENT

General Government covers the basic operations of the legislative and executive branches of the Federal Government. This includes the Congress, the Executive Office of the President, the Treasury Department's operational activities, the General Services Administration, the Civil Service Commission, and all activities not included in other functions. Legislative jurisdiction over these programs is shared by the Government Operations; Public Works; Post Office and Civil Service; and Interior and Insular Affairs Committees.

President's budget request

The President requests $3.2 billion in outlays for 1976, an increase of $0.5 billion over 1975. Most of this increase, more than $0.3 billion, is due to a net reduction in offsetting receipts. The remaining $0.2 billion is largely for increased salaries for 2,952 requested new positions.

The President's increases are primarily in three areas:

An increase in Internal Revenue Service personnel to strengthen tax compliance and to certify employee pension plans;

Improvement in the operation of the Federal Buildings Fund; and

Automation of the General Services Administration's commercial supply system.

The President proposes no new programs and general government outlays are relatively static.

Suggestions of the authorizing committees

The budget estimates received from the authorizing committees would increase 1976 outlays by $43 million above the President's budget. These recommendations are as follows:

Creation of a Presidential Council of Science Advisers ($15 million);

Creation of the National Center on Productivity and Quality of Work ($20 million); and

Additional payments to the Civil Service Retirement Fund ($19 million) to finance an unfunded pension liability for certain employees of the Departments of Interior; Health, Education, and Welfare; and Justice.

Suggestions of the Appropriations Committee

Target reductions by the Appropriations Committee total $44 million in 1976 outlays for general government.

Additional budget issues

The General Services Administration has identified 67 potential new construction projects at a projected cost of $1.8 billion which could be initiated within the next 12 to 18 months. Nearly $1.2 billion of that amount would finance projects of a priority nature which could be undertaken by the Public Buildings Service. This construction would be in addition to projects proposed by the Emergency Employment Appropriations Act, 1975.

Budget Committee recommendation

The Committee recommends $3.3 billion in budget authority and $3.2 billion in outlays for 1976—the same levels as proposed by the President.

The Committee did not endorse those provisions of the Emergency Employment Appropriations Act relating to the purchase of additional replacement vehicles for the Federal government and Federal facility construction and renovation.

FUNCTION 800.—GENERAL GOVERNMENT

[In billions of dollars]

	1976	
	Budget authority	Outlays
President's adjusted budget request (Mar. 12)	3.3	3.2
Major authorizing committee suggestions: None		
Other possibilities:		
Emergency Employment Appropriation Act, 1975—Purchase of additional Government vehicles and more funds for construction, renovation and maintenance of Federal facilities		+.4
Appropriation to the Federal Buildings Fund for major repairs and improvements to Federal facilities	+1.2	+.2
Other*	+.1	+.1
Total potential	4.6	3.9
Appropriations Committee suggestion	3.3	3.2
Budget Committee recommendation	3.3	3.2

*GENERAL GOVERNMENT—OTHER

[In millions of dollars]

	1976	
	Budget authority	Outlays
Establish a National Center on Productivity and Quality of Work (S. 765, S. 937)	20	20
Additional payment to civil service retirement fund to revise benefits for certain employees (S. 509) and to extend hazardous duty benefits to additional employees	19	19
Create a Council of Science Advisers	15	15
Total	54	54

(850) REVENUE SHARING AND GENERAL PURPOSE FISCAL ASSISTANCE

The programs in this category are general revenue sharing, and general purpose fiscal assistance which includes the Federal payment to the District of Columbia, and shared revenues which are distributed to the States, Puerto Rico, and certain territories. The Finance, Government Operations, and District of Columbia Committees have legislative jurisdiction over these programs.

President's budget request

The President estimates revenue sharing outlays at $7.2 billion. Revenue sharing outlays under current law would rise by $0.2 billion. The President makes no request for program changes for 1976.

The principal increase in outlays results from just over $0.1 billion for general revenue sharing payments to State and local governments. The remaining portion of the increase includes $24 million in additional Federal payment to the District of Columbia, $35 million in additional payments from Federal land management activities of the Department of the Interior, and $7 million in distributions derived from tax collections to Puerto Rico and the Virgin Islands. Other transactions account for $22 million.

The President's budget also contains a recommendation for extension of general revenue sharing through 1982. The State and Local Assistance Act of 1972 expires on December 31, 1976, and the President requests a 6-year extension of the program with new budget authority and outlays of $39.4 billion.

Suggestions of the authorizing committees

Authorizing committees would increase 1976 outlays by $5.0 billion above the President's budget.

The Government Operations Committee proposes new legislation to provide temporary emergency financial assistance for State and local governments, separate and apart from that established by the State and Local Assistance Act of 1972. The program would provide targeted emergency assistance to hard-pressed State and local governments. The level of funding would fluctuate with the national rate of employment. At 6 percent unemployment, the maximum outlays would be $2.0 billion; and $1.0 billion would be added for each percentage point beyond 6 percent. Outlays for 1976 would be $5.0 billion.

Suggestions of the Appropriations Committee

The Appropriations Committee makes no change from the President's budget request.

Additional budget issues

None.

Budget Committee recommendation

The Committee recommends $7.3 billion in budget authority and $7.2 billion in outlays for 1976—the levels proposed by the President.

The Committee considered the possibility of emergency financial assistance to State and local governments, as recommended by the authorizing committee. The Committee endorsed the concept in principle. No funds were specificaly allocated to its implementation at this time.

FUNCTION 850.—REVENUE SHARING AND GENERAL PURPOSE FISCAL ASSISTANCE

[In billions of dollars]

	1976	
	Budget authority	Outlays
President's adjusted budget request (Mar. 12)	7.3	7.2
Major authorizing committee suggestions: Emergency financial assistance to State and local governments	+5.0	+5.0
Other possibilities: None		
Total potential	12.3	12.2
Appropriations Committee suggestion	7.3	7.2
Budget Committee recommendation	7.3	7.2

(900) INTEREST

Interest covers sums paid by the Government on the public debt and the net of interest received or paid by Government agencies in connection with program activities. The Finance Committee has primary jurisdiction over this function.

Interest on the public debt depends upon the interest rate the Government has to pay to borrow and the size of the debt. These outlays have little economic impact, however.

President's budget request

The President has requested $34.4 billion for 1976.

Suggestions of the authorizing committee

The Finance Committee suggests increasing the President's estimate by $0.9 billion to a total of $35.3 billion as they project a higher deficit than that in the President's budget.

Suggestions of the appropriations committee

The Appropriations Committee suggests no change from the President's budget request.

Additional budget issues

None.

Budget committee recommendation

The Committee recommends $35.3 billion in budget authority and $35.3 billion in outlays for 1976.

The President's estimate of interest payments on the public debt was based on anticipation of higher revenues and lower levels of spending than now seem likely. Uncertainties now exist with respect to interest rates. In accordance with the recommendations of the Finance Committee, the Committee has adjusted the budget for interest payments upward by $0.9 billion above the President's estimate.

FUNCTION 900.—INTEREST

[In billions of dollars]

	1976	
	Budget authority	Outlays
President's adjusted budget request (Mar. 12)	34.4	34.4
Major authorizing committee suggestions: Increased interest on the public debt due to higher deficits than estimated in President's budget	+.9	+.9
Other possibilities: None		
Total potential	35.3	35.3
Appropriations Committee suggestion	34.4	34.4
Budget Committee recommendation	35.3	35.3

ALLOWANCES

Allowances includes energy tax equalization payments, civilian agency pay raises, and contingencies. The authorizing committees for this function are the Interior and Insular Affairs Committee and the Post Office and Civil Service Committee.

President's budget request

The President has requested $8.3 billion in budget authority and $8.1 billion in outlays for 1976.

Suggestions of the authorizing committees

The Interior and Insular Affairs Committee suggests eliminating the energy tax equalization payments. This would reduce both outlays and budget authority by $7.0 billion. The Post Office and Civil Service Committee suggests removing the 5-percent cap on pay raises for employees of civilian agencies recommended by the President. Such action would increase both outlays and budget authority by $0.4 billion. Following the suggestions of both Committees would result in $1.7 billion for budget authority and $1.5 billion for outlays.

Suggestions of the Appropriations Committee

The Appropriations Committee suggests no change from the President's budget request.

Additional budget issues

None.

Budget Committee recommendation

The Committee recommends $1.3 billion in budget authority and $1.1 billion in outlays for 1976.

The President's budget made provision for budget authority and outlays of $7.0 billion to equalize the impact of his original energy tax proposals on citizens, State and local governments, and the Federal Government. The Committee assumes that the President's program will not be approved by Congress and has deducted this amount.

FUNCTION.—ALLOWANCES

[In billions of dollars]

	1976	
	Budget authority	Outlays
President's adjusted budget request (Mar. 12)	8.3	8.1
Major authorizing committee suggestions:		
Eliminate energy tax equalization payments	−7.0	−7.0
Remove 5-percent cap on pay increases for employees of civilian agencies	+.4	+.4
Other possibilities: None		
Total potential	1.7	1.5
Appropriations Committee suggestion	8.3	8.1
Budget Committee recommendation	1.3	1.1

(950) UNDISTRIBUTED OFFSETTING RECEIPTS

Undistributed Offsetting Receipts is a category created solely for accounting purposes which does not lend itself to the kinds of program analysis which are possible with other functional areas.

Funds carried in this category include Federal Government contributions to the employee retirement fund, interest earned on trust funds and revenue from leases of mineral rights on the Outer Continental Shelf.

Some Federal revenues—such as income to ERDA from uranium enrichment operations—are "distributed receipts" and reduce the budgets of the agencies to which they are credited.

President's budget request

The President listed $20.2 billion in the undistributed offsetting receipts category. The funds are divided as follows:

	In billions
Federal share, employee retirement	$3.9
Interest from trust funds	8.3
OCS leases	8.0

Suggestions of the authorizing and the Appropriations Committees

Neither the major authorizing committees nor the Appropriations Committee has proposed any changes in the President's estimates. Both endorse the $20.2 billion figure.

Additional budget issues

None.

Budget Committee recommendation

The Committee recommends that $16.2 billion in undistributed offsetting receipts be deducted from the budget authority and outlay totals in 1976.

The President's budget offsets expenditures by $20.2 billion by assuming receipts of $8.0 billion during 1976 from sale of leases for offshore oil drilling. The Committee believes this estimate is high and has reduced the total to $4.0 billion. The income conceivably could be as low as $1.0 billion.

FUNCTION 950.—UNDISTRIBUTED OFFSETTING RECEIPTS

[In billions of dollars]

	1976	
	Budget authority	Outlays
President's adjusted budget request (Mar. 12)	−20.2	−20.2
Major authorizing committee suggestions: None		
Other possibilities: Lower receipts from Outer Continental Shelf leasing than estimated in President's budget	+4.0	+4.0
Total potential	−16.2	−16.2
Appropriations Committee suggestion	−20.2	−20.2
Budget Committee recommendation	−16.2	−16.2

Mr. **MUSKIE**. Mr. President, I yield to the distinguished Senator from Minnesota.

Mr. **MONDALE**. Mr. President, I ask unanimous consent that James Verdier and John Farmer be granted the privilege of the floor until such time as the amendment I will propose has been disposed of.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **MUSKIE**. Mr. President, I ask unanimous consent that James Storey, a member of the staff of the Budget Committee, have the privilege of the floor during the consideration of the concurrent resolution.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **HELMS**. Mr. President, I ask unanimous consent that a member of my staff, Mr. Ron Parker, be accorded the privilege of the floor during the consideration of the pending business.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **DOLE**. Mr. President, I send to the desk an amendment proposed by myself and the Senator from Oregon (Mr. PACKWOOD) and ask for its immediate consideration.

The **PRESIDING OFFICER**. The amendment will be stated

The assistant legislative clerk proceeded to read the amendment.

Mr. **DOLE**. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The amendment is as follows:

On page—, line —, insert the following:

On page 1, line 6, delete "$365,000,000,000" and insert in lieu thereof "$361,800,000,000"

On page 2, line 1, delete "$67,200,000,000" and insert in lieu thereof "$65,000,000,000"

On page 2, line 5, delete "$297,800,000,000" and insert in lieu thereof "$296,800,000,000"

On page 2, line 11, delete "$617,600,000,000" and insert in lieu thereof "$615,400,000,000"

On page 2, line 21, delete "$63,200,000,000" and insert in lieu thereof "$61,000,000,000"

Mr. **DOLE**. Mr. President, first, I shall explain, in capsule form, what this amendment would do if it were adopted by the Senate.

The amendment would reduce the level of outlays by $3.2 billion, from $365 billion to $361.8 billion. This would result in a reduction in the projected deficit by $2.2 billion, from $67.2 billion to $65 billion.

The $3.2 billion reduction requires a decrease of about 0.9 of 1 percent in overall level of expenditures, recognizing that certain areas cannot be touched, such as interest on the debt and things of that sort; but the overall decrease would be about 0.9 of 1 percent. It is, of course, designed to reduce the overall level of expenditures below the level recommended by the administration.

It seems to me that it is not enough to follow the administration. It is not enough to suggest that Congress is almost, for all practical purposes, in line with the recommendations of President Ford. Rather, this is an area where Congress should take leadership.

Also, as a practical matter, the resolution adopted by the House would provide a deficit of $73.2 billion. I do not see any realistic probability that that may be changed on the floor of the House. I hope that when we go to conference, there might be some leveling off between the House-passed version and the Senate-passed version. If we go to conference in the same position we came out of committee, there is no question that the final deficit adopted by the conference committee will be in excess of $67.2 billion, probably in the neighborhood of $70 billion.

It appears to the Senator from Kansas that as a matter of strategy, if nothing else, we should go to conference at a reduced figure, knowing that the House deficit is about $6 billion above the figure now before the Senate.

Mr. President, we are in the process of testing the resolve of the full Senate to formulate an equitable, responsive, and adequately funded Federal budget for 1976. It must be equitable in the sense that it addresses itself fairly to the problems and needs of every segment of our economy. It must be responsive to the reality of a recession which has resulted in millions of Americans losing their jobs. And it should be adequately funded to avoid an excessive deficit which can only serve to refuel the fires of inflation, delay recovery, and lead us to an even more severe economic decline.

Of related and equal importance is the need to establish the integrity of the new congressional budget process. Thus, I believe we should give great weight to the well-considered recommendations of the Senate budget committee. If not, we will find ourselves reverting to the old system of uncoordinated piecemeal appropriations and revenue legislation—a budget process which is really no process at all. If we are ever to get a handle on the Federal budget—and thus reform an unworkable system which has produced budget deficits in 14 of the last 15 years—we must begin analyzing revenues and outlays concurrently. This is the essence of the new congressional budget process.

Mr. President, the Senate Budget Committee has proposed a $365 billion budget at an estimated deficit of about $67.2 billion. Interest on the Federal debt alone accounts for almost $35 billion in outlays. Certainly no member of the committee is pleased with such figures. While many of us prefer a lower deficit, or ideally, a balanced budget, we all know that it is not possible in an economy which is suffering from its worst economic decline since the 1930's.

THE PROPOSED DEFICITS

As I understand it, the administration's proposed deficit is now estimated by the Office of Management and Budget at $59.6 billion. The Budget Committee has recommended a deficit of $67.2 billion. That is an apparent difference of $7.6 billion. However, I am informed by the Office of Management and Budget and the Budget Committee staff that this apparent $7.6 billion difference is accountable to different economic assumptions and reestimated costs. Specifically, the Budget Committee has estimated receipts from Outer Continental Shelf oil leases at $4 billion less than the administration, I think with good reason and justification. The committee has estimated expenditures for unemployment compensation at $1.9 billion higher than the administration—again, I think with good reason and justification. Food stamps and other welfare expenditures are estimated by the committee at $0.6 billion higher than the administration. The remaining $1.1 billion is accounted for by the committee's higher estimates of the cost of interest on the national debt and extra expenditures attributed to a projected increase in medicare caseload.

Thus, taking into account this $7.6 billion difference in reestimated costs and assumptions, there is practically no difference between the administration's revised deficit estimate and the deficit recommended by the committee.

By employing the same budgetary assumptions to both the administration and Budget Committee estimates, the Congress and the Budget Committee are not in disagreement on the overall level of the deficit.

CONGRESSIONAL LEADERSHIP

Mr. President, I believe we in Congress have the opportunity to assert leadership the deficit proposed by the Budget Committee and the administration. The by making a further modest reduction in amendment I have at the desk and am offering would reduce the overall level of Federal expenditures by $3.2 billion—about a 0.9 percent cut. This reduction would lead to a diminution of the deficit by approximately $2.2 billion—allowing for an estimated $1 billion loss in revenues accountable to the reduction in outlays. The amendment would reduce the level of Government expenditures to $361.8. The budget deficit—using Budget Committee estimates—would be reduced to $65 billion. Using administration economic assumptions, the deficit would be reduced from $59.6 billion to $57.4 billion—or, as I indicated earlier, $2.2 billion less than the administration forecast.

BUDGET PROJECTIONS

We have arrived at a position where we are proposing a spending program for next year which, if we were to use the President's revenue projection and economic assumptions or if he were to use ours, would result in the same deficit for the coming year. I believe this, in itself, is a tremendous accomplishment. Although we disagree with the President on spending priorities within the budget ceiling, we are at least in agreement with the President on the point that we must place a lid on Federal spending. In addition, we agree that that lid must be at a level which would result in approximately a $60 billion deficit using his calculations or a $67 billion deficit using ours.

But this is not enough. I feel this resolution presents an excellent opportunity for Congress to take the initiative in the area of fiscal responsibility. Rather than following directions from the White House, we can step forward and take the leadership role in the effort to return fiscal responsibility to the Federal Government. This amendment calls for, in effect, a spending reduction that would place us below the line drawn by the President in terms of the acceptable deficit level. It does this without turning our backs on the needs of the elderly, the unemployed, the handicapped, or the disabled. It does it without scrapping the programs needed this year to assure economic recovery next year. This amendment merely calls for an all-out effort on the part of Congress to reduce waste and inefficiency in the necessary Federal programs in the coming year. It permits us to set our own priorities for spending but still be responsible to the American taxpayer.

Mr. President, the amendment I am proposing represents an effort on the part of Congress to take the leadership role on the issue of fiscal responsibility. It presumes that there is waste in nearly every functional area of the Federal Government, including Congress. It reaffirms Congress responsibility to control not only the levels of Government spending but also the areas of such spending. It also asserts a strong responsibility on the part of Congress to assure every American taxpayer that his tax dollars are being used wisely.

The amendment also represents a basic premise which became obvious during budget hearings on the present resolution—that it is going to take the full time effort of every congressional committee to assure fiscal responsibility is an active policy and not just a promise. We must all work together if we are to develop wise fiscal policy and we must start now.

PLAN FOR NEXT YEAR

We must now begin planning for fiscal year 1977, for unless we are able to reduce drastically the amount of the budget deficit in 1977, we will be faced with net budget deficits for fiscal years 1975 through 1977 approaching $175 billion. Not only would such a result assure renewed double-digit inflation, it would almost certainly lead to crowding out in the capital markets and continued high unemployment.

Therefore, in addition to support for the Budget Committee resolution, I intend to offer a resolution, separate and apart from the amendments, which will require each authorizing committee to hold oversight hearings before the end of calendar year 1975. Under this resolution, each committee would be required to publish a committee report on the effectiveness of existing spending programs in meeting priority needs and problems.

Further, the report would review the effectiveness of administrative implementation of existing programs, recommend most cost-effective methods of meeting existing needs, and identify local, State, and Federal spending duplications and recommend streamlined. most cost-effective means of program delivery. Indeed, where a program has lost its effectiveness or no longer meets priority needs, we must be prepared to take a hard look at continued funding.

Mr. President, I believe we can maintain current program levels with less money if we eliminate duplicative spending and terminate programs which address nonpriority needs. Only a long-overdue, thorough review of all spending programs by the respective authorizing committees can effectively gage the efficacy of current Federal programs. Unless and until the authorizing committees undertake this close scrutinty, the ability of the Committee on the Budget to make effecitve priority recommendations will be limited. For presently the vast majority of all spending is dictated by entitlement programs and fixed expenditures which are largely immune to the annual budget and appropriations process. Only changes in authorizing legislation can lead to more efficient budgeting of priority programs which are truly responsive to current needs of the Nation.

Every functional category of the Federal Government should be examined—from Defense Department programs to food stamps, from independent regulatory agencies to farm subsidies, and foreign aid to our very own congressional operations. No program should be considered immune from close examination. Only a thorough review of all Federal programs—and the consequent revision of priorities—will enable the budget process to function properly. It must function properly if we are to avoid the calamity of further budget deficits as large as the $67 billion which seems so unavoidable this year.

AN EQUITABLE, RESPONSIVE BUDGET

Mr. President, the budget proposed by my amendment is an equitable, responsive, and responsibly-funded Federal budget. I urge those who would attempt to cut the deficit beyond the modest amount I have proposed, to realize that any further substantial reductions in expenditures will almost certainly lead to a diminution of Government efforts to help the millions of Americans thrown out of work by recession. As fiscal conservatives, we must not allow philosophical abhorrence of a $65 billion or $57 billion deficit to lead to blind attacks on meritorious programs designed to soften the blow of recession. To be sure, numbers like $65 billion and $57 billion in deficit are deplorable. But so too are numbers like 8 million unemployed.

And to those who would add more billions of dollars to the deficit, I would urge restraint. The budget I propose does respond in an meaningful way to the human problems created by the recession. It includes ample amounts of stimulative spending needed by the economy. Any increase in the deficit in the name of economic recovery may well lead to higher inflation, more recession, and a delay in the ultimate restoration of a fully productive American economy.

Mr. President, I urge the adoption of the resolution as amended by my proposal—not only because it represents a responsible, compassionate response to the recession, but also because it is basically the well-conceived product of the new budget process. This budget, coupled with the long overdue scrutinization of all Government programs mandated by the resolution I will offer, will signify a strong congressional determination to formulate workable and responsive budgets this year and beyond.

Mr. President, I emphasize again that the House committee recommendation called for a deficit of $73.2 billion, and the Senate committee recommendation, as modified by the adoption of the Long amendment last evening, calls for a deficit of $67.2 billion.

Simply stated, the amendment offered by the junior Senator from Kansas would reduce this to $65 billion, based on the assumptions and estimates of the Budget Committee. If we use the assumptions and estimates of OMB, the White House, and the President, it would call for a budget deficit of $57.4 billion.

As a practical matter, as I have indicated earlier, I have no idea what may happen in the House of Representatives, but I would suggest or guess that the $73.2 billion figure will not be reduced. It may be increased. So it would seem, in an effort to comply with the efforts of the distinguished Senator from Maine and the distinguished Senator from Oklahoma, that if we want to end up after a conference with the House of Representatives with about a $67.2 billion deficit, we cannot go to conference with that amount to start with. It would seem to the Senator from Kansas that we are talking about ending up with a deficit, based on the House figures and the Senate figures, of somewhere in the neighborhood of $70 billion.

Let me reemphasize the need for positive congressional leadership. This is an effort to cut the deficit below the recommendation of the President. He said recently, in signing a tax bill, "This is the bottom line"; and he has reemphasized that as recently as 2 or 3 days ago, that $60 billion is the bottom line.

I suggest that $60 billion may be the bottom line unless Congress decides that it should be $57.4 billion. I believe that about 0.9 percent of overall decrease in the level of expenditures would be in the interest of the country, would indicate a firm congressional handle on the budget process, and would mean we would come out of conference somewhere in the $67 billion ball park the Budget Committee is recommending.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BELLMON. Mr. President, I yield myself 5 minutes.

I commend the distinguished Senator from Kansas for his concern about the size of the deficit and for the interest he has shown, both as a very hard working member of the committee and in preparing this amendment to hold the deficit in line.

Much as I would like to see us have a lower deficit, I cannot, in good conscience, support the amendment of the Senator from Kansas, because, having sat through the literally months of deliberations of the Budget Committee in trying to understand the responsibilities of our Government in these difficult times and in looking at the functional breakdown of the budget figure we have recommended, I cannot agree that making an additional reduction across the board is defensible.

And while I understand the Senator's desire to help our position in conference, I doubt that his amendment would help us in that way, because any position we take in conference will of necessity put us in the posture of defending that position, and I cannot see how we can in conscience defend the position the Senator from Kansas is now recommending.

It seems to me that this is a ball park figure that can quickly be taken apart, unless the Senator from Kansas can show us where the reductions would come from in the various functional activities of the Government. I do not believe we can defend it in conference, as we can the Budget Committee's recommendation.

If the Senator from Kansas will yield, I would like to ask him a couple of questions. He presumes, on page 6 of his statement, that there is waste in nearly every functional area of the Government.

First, I assume the Senator from Kansas will agree that we cannot cut back in the functional area of interest.

Mr. DOLE. No. I believe I made that statement.

Mr. BELLMON. Would the Senator agree that we can probably not cut back in the veterans' programs?

Mr. DOLE. That is right. And probably not in such areas as social security.

Mr. BELLMON. So there are a large number of areas we probably cannot cut back.

Mr. DOLE. But there are other areas. I think we can cut back on the $375,000 study of frisbees by the Pentagon, or the $120,000 for studying why people say "ain't."

Mr. BELLMON. There are no funds in this program, as far as I know, for the study of frisbees.

Mr. DOLE. I understand; it is not a line item, and it would be impossible for the Budget Committee to single out.

Mr. BELLMON. We have already decreased some of the figures set forth by the Budget Committee, and also the House Committee figure of $73.2 billion. So I cannot see how we could make the Senator's proposal stick.

Mr. DOLE. As one example where a reduction is possible, in the Budget Committee we added, I think, $250 million based on the assumption that there would be a new farm bill. I think it is now certain that the President will veto the farm bill, and that would reduce the outlays in that area by about $221 million.

In the Budget Committee we did add less than the amount recommended by the Committee on Agriculture and Forestry. We added, I think, $200 million. That is just one area, and that represents almost 10 percent of my amendment.

Mr. BELLMON. But until the Senator can point out precisely where this cut would come from, which functional area, and give us a total that would show us where we can effectively cut the budget by that amount, there is no way I can support his amendment, and I would urge the Senate to reject it.

Mr. DOLE. In further response to the Senator from Oklahoma, I am suggesting what I think is a very responsible effort. I said yesterday during the debate on the Buckley-McClure amendment that I thought that was unrealistic.

But this is not a line item committee. It is not a program budget; it is a functional budget, and I could go on and recite a number of ridiculous examples that might not mean anything.

Mr. BELLMON. The committee worked on this for months, and that was not brought to its attention.

Mr. DOLE. $2 million for Yugoslavia's Mashal Tito for the purchase of a yacht. I think there are a number of areas where we can cut nine-tenths of 1 percent. We can do it in agriculture, for example. We were not discussing and considering individual budget areas at that time.

Mr. BELLMON. The Budget Committee would have been very happy to have had the Senator's recommendation as to where to cut.

Mr. DOLE. I just got this. But I would like to put that in the RECORD.

We spent $6,000 to study Polish bisexual frogs; and $20,000 to study the blood groups of Polish Zlotnika pigs.

Mr. BELLMON. In our report, starting on page 37 and going clear through to 132, there is a breakdown by functional areas. Can the Senator show me a page where the Polish frog appropriation occurs here?

Mr. DOLE. These are only illustrations where we can knock out——

Mr. BELLMON. They are bad examples. There is nothing here in this budget.

Mr. DOLE. I agree with the Senator from Maine that we spent a great deal of time the last 2 and 3 days in the committee and sometimes the conservative members won and sometimes the liberal members won, trying to determine where we should wind up in one functional category. We went up and down the hill two or three times.

I am not trying to destroy the program. I voted against the effort yesterday to trim it by a great deal more, but it does seem to the junior Senator from Kansas that if we really believe—and it is hard to believe in it, but if we really believe—in a $67.2 billion budget, we are not going to come out with it unless we go in with a reduced figure.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. DOLE. I do not have the floor. The Senator from Oklahoma has the floor.

Mr. BELLMON. I yield.

I say to the Senator from Kansas that I share his desire; I share the desire with him, to present to the conference the best arguments we can. But the way to lose our case and lose in conference is to come in with a ballpark figure that does not have any significance as to where the money would go by the various functional breakdowns. I realize the functional breakdowns are not part of the resolution, but they certainly will be part of the arguments and the debate that go on in conference.

It seems to me that we have a position we can defend, and this amendment does not help, but it very seriously damages our case, and it would assure that we would lose to the House in conference and wind up with a higher figure, not a lower figure, than the one the Budget Committee has proposed. For that reason, among others, I cannot support the amendment.

I yield the floor.

Mr. HELMS. Mr. President, will the Senator yield?

Mr. DOLE. Mr. President, I yield to the Senator from North Carolina.

Mr. HELMS. Is that not just the problem—so implicit in the discussion between the Senator from Oklahoma and the Senator from Kansas—that this Congress really does not know where the taxpayers' money is going, hence the proliferation of all of these foolish expenditures by the Federal Government?

I do not want anybody to try to tell me that this budget cannot be cut. If this Senate begins with the belief that it cannot be cut, of course it will not be cut.

But if we ever make up our minds, and

have the guts to be fiscally prudent and to stop inflation and to let the free enterprise system work, would not the Senator from Kansas say we could do it?

Mr. DOLE. The Senator from Kansas believes we can do it.

Mr. HELMS. That is the purpose of the Senator's amendment?

Mr. DOLE. I am a member of the Budget Committee, and I think we have had outstanding leadership in the committee. I am not here in any effort to scuttle the committee, but I am realistic enough to know there has got to be nine-tenths of 1 percent that the appropriating and authorizing committees could reduce. And I cite these ridiculous illustrations to point up that we do not know when we might find $71,000 to compile the history of comic books. In any event, we could find areas to cut.

Mr. HELMS. Would the Senator from Kansas agree that there is something quite remarkable about the state of fiscal affairs in the United States when the proposed deficit—this so-called prudent document about which I have heard so many exchanges of senatorial compliments about in the last couple of days in this Chamber—involves a deficit equivalent to two-thirds of what the entire Federal budget was just 10 years ago? Now, this tells something about the track record of the Congress of the United States. Does the Senator agree?

Mr. DOLE. The Senator from Kansas totally agrees.

As a fiscal conservative, I find it very difficult, if I vote for final passage of any resolution to advocate any deficit and to try to defend a $60 billion of $58 billion deficit. But, on the other hand, I think realistically we are going to have it.

I think the point is, as the Senator from North Carolina makes it very well, that Congress is going to have to come to grips with it. We are either going to be leaders or followers, and I think we have the capability and potential for leadership in our Budget Committee and in the Senate and in the House.

I do not quarrel with the administration. I just do not believe we have to accept and say we are in the ballpark of the administration and, therefore, we should be satisfied and they should be satisfied.

Mr. HELMS. I fully agree with the Senator on that. My objection to the Senator's amendment is that it does not cut enough. I say again to the Senator that unless and until Congress makes up its mind to make good on what we tell the people when we go back home there is a very real question as to whether we do not border on being charlatans. I dare say there is not a Senator in this body or a Member of the House of Representatives who does not go home and say, "I am for a balanced budget. We have got to cut Federal spending," and all the rest of the doubletalk that comes from political platforms. Then we get back up here and what happens? How do we vote? We argue about which is better, a $100 billion deficit or a $67 billion deficit!

I submit, Mr. President, that they are both bad, they are both dangerous, and that this sort of economic irresponsibility is stifling the economy of this country, and any hope of stability in the United States.

I thank the Senator for yielding.

Mr. DOLE. I thank the distinguished Senator from North Carolina.

I ask unanimous consent to have printed in the RECORD an article entitled "Congressional Appropriations Distressing," which appeared in the Dodge City Globe on March 10 of this year; and in addition, a story which appeared in this week's U.S. News and World Report entitled "Why The Lid On Welfare Is Blowing Off Again."

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

CONGRESSIONAL APPROPRIATIONS DISTRESSING

(By Paul Harvey)

Bill McDonald of the Columbia (S.C.) State newspaper is distressed to discover in the Congressional Record that Congress has appropriated:

$375,000 for the Pentagon to study the frisbee.

$121,000 to find out why people say "ain't."

$37,314 for a potato chip machine for the Moroccans.

$117,250 in wages for the Board of Tea Tasters.

$68,000 for the Queen of England for not planting cotton on her plantation in Mississippi.

$14,000 for Ford Motor Co. for not planting wheat.

$2 million for Yugoslavia's Marshal Tito for purchase of a yacht.

$31,650 for Speaker of the House Carl Albert's new carpet; $21,000 for his new draperies; $44,000 for his chandeliers; $65,000 for other furnishings.

$80,000 for a zero-gravity toilet for the space program.

$23,000 for environmental testing of the same.

$6,000 to study Polish bisexual frogs.

$85,000 to learn about the "cultural, economic and social impact of rural road construction in Poland."

$20,000 to study the blood groups of Polish Zlotnika pigs.

$5,000 to learn about Yugoslavian intertidal hermit crabs.

$5,000 to tabulate the difference between native American and Indian whistling ducks.

$20,000 to investigate the German cockroach.

$71,000 to compile the history of comic books.

$5,000 for the analysis of violin varnish.

$15,000 to find out how fishing boat crewmen cause conflicts in Yugoslavian peasant towns.

$5,500 for the genius who wrote the poem "lighght." (That is not the title of the poem, it is the whole poem.) The whole thing comes to seven letters worth $785.71 each.

$19,300 for the Health, Education and Welfare Department to find out why children fall off tricycles.

$2,458 to train 18 Good Humor peddlers.

$70,000 to study the smell of the perspiration given off by Australian aborigines.

$28,361 for odor-measuring machine for above project.

$17,000 for a djellabas of the Bedouins.

WHY THE LID ON WELFARE IS BLOWING OFF AGAIN

The rules are tighter, and yet spending keeps rising. What else when even middle-class victims of hard times line up for public aid?

Efforts to pare the nation's welfare rolls—held out as a promise for 1975—are getting sidetracked by the recession.

People once again are flooding public-assistance offices around the country—reversing a year of progress in reducing welfare ranks.

The price tag for welfare to the various levels of government has already risen to nearly 35 billion dollars a year, and threatens to go still higher.

Food-stamp programs almost everywhere are enrolling record numbers. Those who never before accepted any form of public help are applying.

State and local governments are straining their resources to the breaking point to give people temporary assistance for food, shelter and medicine.

And while major permanent programs—such as medicaid and Aid to Families With Dependent Children—have risen less rapidly, there's growing fear that demand for such assistance will break loose as more people lose their jobs and unemployment compensation dries up.

Many State and city officials are calling for more federal aid, especially public-service jobs, to counter the slump that has left 8 million people jobless.

Few people are talking about welfare reform these days.

President Ford has shelved a plan to give every family a minimum guaranteed income—fearing that a changeover now would be too costly. The strategy is to tighten up existing welfare programs and penalize States through reduced federal money for failure to curb waste and weed out ineligibles. Some examples appear on page 26.

For a detailed look—

LOCAL RELIEF PLANS: MORE RED INK FOR BUDGETS

Bailing out the victims of a sagging economy has caught local-government resources short in most areas—

In San Diego, the county-funded general-relief program is running 50 per cent over budget, with at least another 5 million dollars needed by July.

Hennepin County, Minn., which includes Minneapolis, is already $148,000 in the red on its emergency-assistance program. There, more than 12 per cent of the population is on some form of welfare.

In the Miami area, the Dade County welfare budget of $850,000 will soon be used up. Deficits could run as high as a million dollars.

Everywhere, officials are noting that more middle-class people are seeking some form of emergency help.

Sidney Dozier, Dade County welfare department's social-services administrator, says: "What we're able to give a family of five is $174—not even enough for their mortgage payment. These people never fail to let us know that they were the ones who funded the programs in the past."

Joseph Yeldell, Washington, D.C., human-resources director, also points to the large numbers seeking temporary help, but concedes that "we don't have the kind of program that can help enough of them."

Mr. Yeldell adds that the United Way, Red Cross and other agencies are getting "bombarded" with requests from people who can't be served by the local welfare department.

FOOD STAMPS: DEMAND IS SWELLED BY THE MIDDLE CLASS

People are applying in droves for food stamps. More than 18 million are now receiving them, compared with 13.5 million last June. Costs, borne chiefly by the Federal Government, are far out-stripping the 4 billion dollars budgeted.

In San Francisco, more than 97,000 residents—nearly 1 in 7—are getting stamps, with an average of 3,000 new applicants each month.

High unemployment has sent food-stamps rolls soaring in the Detroit area, where Wayne County officials report almost a 60 per cent increase in applicants in the last six months.

It's the same story in most metropolitan areas around the country.

Here, too, welfare officials say that more middle-class people are applying, because of inflation and unemployment.

In affluent Fairfax County, Va., near Washington, D.C., families with annual incomes of more than $20,000 are seeking stamps. One administrator said that many of these people have no savings and are now in a bind. She says that they spent their money "keeping up with the Joneses."

FEDERAL WELFARE FOR FAMILIES: SUDDEN RISE IN STORE?

The number of people getting Aid to Families With Dependent Children (AFDC)—primarily families without fathers—has been edging up steadily since last fall. Their numbers now threaten to match the record 11.1 million established in March, 1973.

This new climb follows more than a year of steady decreases.

Experts fear that demand for AFDC benefits, jointly funded by federal, State and local governments, is going to skyrocket, unless more federal money is provided for jobs and unemployment pay.

"We're sitting on a time bomb," notes R. B. Shelton, the social-services director for Wayne County, Mich. His concern: the depletion of the supplemental unemployment benefits paid to many laidoff auto workers.

For the nation as a whole, about 2 million people are expected to run out of their unemployment compensation this year, unless Congress votes to extend benefits. Many will have to turn to welfare.

With prospects for more middle-class people joining the public-assistance ranks, New York City welfare chief James R. Dumpson believes that this new type of client is not going to tolerate the "rigidities and indignities" of the system.

He cites pressures to raise the basic AFDC grant for a family of four in New York City from the present limit of $280 a month to $385.

But New York City's welfare outlays have already hit 1.1 billion dollars, and the budget for the next fiscal year calls for a boost of more than 260 million. Even this amount may not be enough, given predictions that the city's welfare rolls will return to the former record peak of 1.2 million next year.

MEDICAL ASSISTANCE: SOARING TO $13 BILLION

The swelling ranks of the unemployed could suffer even more grief, because of loss of health insurance. As a result, measures are now before Congress that would provide stop-gap coverage for unemployed workers whose insurance benefits ended with their jobs.

The Government's regular health care program for the poor, medicaid, is growing right along with the AFDG numbers, since these families automatically qualify for medical benefits. Costs to the federal and State governments may run as high as 13 billion dollars this year.

Along with medicare—the program for the disabled and the elderly—medicaid has developed so fast that major abuses are costing taxpayers 3 billion dollars a year, according to the General Accounting Office.

Fraudulent practices range from ineligible recipients to inflated bills from physicians.

Under medicaid, hospitals and doctors are reimbursed directly for services through State agencies.

The Department of Health, Education and Welfare is launching a new effort to detect and eliminate fraud—its latest step in an over-all campaign to slash waste in welfare programs.

TIGHTER RULES: A THREAT OF FEWER FEDERAL DOLLARS

Of all the welfare programs now under way, the Government is most concerned about AFDC, a program that is costing HEW nearly 5 billion dollars a year.

A drive to cut AFDC spending began last July, when HEW gave the States a year to reduce AFDC errors to a maximum rate of 3 per cent ineligible and 5 per cent overpaid or underpaid.

An earlier study indicated that there was a combined 41 per cent error rate for the program.

If States fail to meet the tight standards, they're to lose a portion of federal matching funds.

To prod the States toward this goal, HEW is withholding about 270 million dollars of AFDC funds this fiscal year. However, the recession's impact on cities has caused the Government to relent a bit, so that as much as 60 per cent of this money may be credited back to the States.

Although some States are opposed to the new standards and are suing, others have already started campaigns against welfare fraud and have few complaints. Says one Texas official:

"The Federal Government isn't taking any money away from us. We're just asking for less."

Harris County, Tex., which includes Houston, is one of the few metropolitan areas where AFDC ranks are thinning. The number of families receiving payments declined from 19,030 in September to 18,029 in February.

Although Houston has not been hit as hard by the recession as other areas, Texas welfare administrators attribute the drop to tighter screening. The low level of the basic AFDC grants—$115 per average family in Harris County—also induces people to find work, they point out.

NUTRITION PROGRAMS: DEBATE OVER RISING COSTS

Washington is also tightening the screws on the food-stamp program—blaming State inefficiency for much of the rising costs involved.

Agriculture Secretary Earl Butz complains that he now runs a welfare department, with 64 per cent of his budget going to such aid.

Earlier in the year, the Ford Administration unsuccessfully tried to raise the price of food stamps, and now wants to cut 600 million dollars from nutrition programs for low-income schoolchildren and expectant mothers.

The Agriculture Department also proposes to hold back part of its share of administrative funds for food stamps from States, arguing that State errors and deceptive practices are costing 740 million dollars yearly.

Congressmen and consumer leaders have vowed to fight such action and insist that the real problem is that the Government is not helping enough hungry people.

The Select Senate Committee on Nutrition and Human Needs estimates that only 38 per cent of those eligible for stamps are getting them.

Consumer groups have launched drives in many cities to inform the public about the stamps and to help local welfare offices streamline the lengthy certification process that has discouraged many applicants.

THE WIN PROGRAM: FINDING JOBS FOR WELFARE PEOPLE

There's debate, too, over the effectiveness of Government efforts to move welfare recipients back into the work force.

Able-bodied people, including mothers who don't have children under 6 years old, are required to search for jobs as a condition to receiving aid. States can even require people to work in unpaid public-service jobs, if they can't find private employment.

But the major Government employment effort is the Work Incentive (WIN) program, a plan that is geared to helping local welfare agencies place people in jobs. The level of federal funds depends on how successful the States are in making placements.

Some welfare officials are reporting moderate success with the program but criticize Washington for shifting away from WIN's original training focus. Says Beth Carroll, WIN director in Fulton County, Ga.:

"It does very little good to place people in jobs that will be wiped out in a minute.

"People don't aspire to be garbage men and maids."

Others point out that with so many skilled workers without jobs, welfare people stand little chance for finding employment.

Federal funds for the program have also been cut—causing many States to lose interest.

WELFARE REFORM: MASSIVE REVAMPING POSTPONED

The new federal policies to cut welfare spending can be expected to trigger hot debate in the months ahead. State officials, citing mounting paper work and strained budgets, are insisting that the Federal Government take over welfare entirely.

Washington moved partly in this direction last year by making a major change in the Supplemental Security Income program. The Government shifted 4.5 million aged, blind and disabled people from local welfare rolls, funded jointly by HEW and the States, to direct federal payments administered by the Social Security system.

Many welfare administrators also favor the negative-income-tax or cash-guarantee idea. Under this concept, a family with no earned income would receive an outright grant from the Government. Such programs as food stamps and AFDC would be scrapped.

A one-time payment to poor families—up to $400—is included in the new tax law. But few in Congress push this approach as a substitute for the present welfare program. And President Ford labels it too costly.

Richard Nathan, an economist at Brookings Institution, Washington, D.C., points out that there is still great political opposition to giving cash to people who don't work. To win over such critics, he adds, compromises would have to be made that would result in grants too small for families to live on.

For now, Mr. Nathan and many others believe that the best approach is to inprove welfare programs now on the books.

The Administration seems content to follow this route, chipping away at spending wherever possible—despite protests from States and Congress.

COMPUTERS AND LEG WORK: WEAPONS AGAINST WELFARE FRAUD

Under pressure from Washington, many States are trying to tighten up on welfare rules that have made fraud easy.

Computers are being used in many places to ferret out people who have substantial amounts of unreported income but are nevertheless claiming—and getting—Government support.

DEMANDING DOCUMENTS

People applying for Aid for Families With Dependent Children must now submit to a touch certification process, instead of merely declaring eligibility. Birth certificates, income statements and other similar records must be shown at welfare offices.

"We've gone back to conventional investigating and are pushing hard to prosecute fraud cases," says Alvis Roberts, a Louisiana welfare official.

One fraud ring in New Orleans was recently detected in which a small group had set up 35 bogus families and filed claims on 133 nonexistent children. The cost: $204,536 in food stamps and AFDC payments.

An equally flagrant case was uncovered by State investigators in Chicago, where a woman was indicted on 27 counts of grand theft involving fraudulent welfare checks. Authorities say that the woman may have accumulated as much as $154,000 over the last five years, operating in a dozen States and using 80 different names, 31 addresses and three Social Security numbers. As many as eight "deceased" husbands and 24 children were cited.

Illinois officials are hoping that a new "foolproof" computer system, soon to be put in operation, will prevent such fraud and reduce welfare costs in that State by 250 million dollars a year.

TRACKING FATHERS

But it takes leg work—not technology—to detect another kind of welfare cheater: fathers who desert their families. The Department of Health, Education and Welfare estimates that 1.3 million men have abandoned their families, leaving their support to welfare agencies. Yet, studies show that half of these men have incomes of $8,544 a year and up.

Most cities, aided by a new federal law that allows HEW to pay half the costs of search efforts, have set up special teams to track down these fathers.

Mr. DOLE. I could only suggest to the Senator from Oklahoma and others that I recognize the difficulty in bringing about quick cuts in any program. We did discuss and did direct certain areas of inquiry into the food stamp program in the Budget Committee. But in medical assistance alone the GAO found recently that the program for the disabled and elderly, medicaid, has developed so fast that major abuses—I am talking about abuses, not about the program—are costing taxpayers $3 billion a year. Now, $3 billion a year can do a lot for those under medicaid if we had proper administration of the program.

Under the food stamp programs, the Agriculture Department proposes to hold back part of its share of the administrative expense of the food stamps to States, and they do it not to scuttle the food stamp program but because, they argue, that State errors and deceptive practices by States are costing the taxpayers $740 million.

I do not believe, as I look over the Budget Committee report, that we got into specific programs. But I would say that if we get into AFDC programs, an early study conducted by HEW says that there was a combined 41 percent error rate in the program. Now they are trying to put a lid on it; they are trying to reduce that error rate on ineligible, underpaid and overpaid from 3 to 5 percent.

So, it seems to me, it would not take very much digging to reduce that deficit by $2.2 billion. Whether it is training of reservists, simulated flight training, flight pay, or base closures in the defense budget, or employee travel, construction, new office space, there are, I think, literally hundreds of examples where through a stretch-out or reduction in programs we could realize the necessary saving.

I recognize that the amendment does not go far enough to many, and to others it may cut too deeply. But I would again underscore I am talking about .9 of 1 percent. I understand that the Brookings report on where some future budget cuts might be made to hold down the growth budget such as grants programs, certainly could reduce costs.

A review of pay comparability of civilians and the military, the need to have one salary system where the benefits are somewhat balanced in different categories are other examples of potential cuts.

So without being more specific, I think the Senator from Kansas has tried, without undercutting the efforts of the Budget Committee, to be responsible in suggesting that we can provide the leadership.

We have the potential in the Congress and the power in the Senate and the Senator from Kansas hopes the amendment will be adopted.

Mr. MUSKIE. Mr. President, I yield myself 10 minutes.

Mr. President, I was struck by an observation made by the distinguished Senator from North Carolina, who appears to have left the Chamber, suggesting that the prospective deficit in the committee budget is some major percentage of what the total Federal budget was 10 years ago.

These kinds of comparisons, Mr. President, are extremely deceptive and I do not think they are particularly useful.

As a matter of fact, if I recall the numbers correctly, the gross national product in this country in 1932 was around $50 billion, so that the deficit we are talking about is 50 percent larger than the total goss national product in 1932, if that is a useful comparison for anybody to make.

In that same year, it is noteworthy that we suffered an unemployment rate of about 22 percent. Almost 20 million Americans were without work. I do not think we would want to transfer those conditions to date in order to get the Federal deficit down to that proportion of the gross national product in 1932.

I think another point has to be made. There is so much talk about the Federal debt that I think we ought to put it in the context of total debt in this country.

In the special analyses section of this year's budget, there is a chart on page 45 which shows the percentage distribution of net indebtedness in this country. It is interesting that chart the Federal debt is little more than 15 percent of total debt in this country.

Private debt is by far the largest share. By private I mean consumed debt and corporate debt, and it is the fastest growing debt in this country.

So if one wanted to pick out horrendous figures to startle the imaginations and to strike fear into the fiscal hearts of average American citizens, one could point out that they themselves are borrowing horrendous amounts of money at a faster clip than ever before in American history.

One could make the same point with respect to corporate debt. Even State and local debt, despite the constitutional limitations on that kind of debt, has been growing faster in these last 20 years than Federal debt.

Of the three categories of debt, consumer debt, corporate debt, State and local debt, Federal debt has been the slowest growing since World War II.

So as we inquire as to the justification of a debt-oriented economy, we ought to look at the total picture and not simply the Federal debt.

I commend the attention of my colleagues to that chart on page 45 and I ask unanimous consent that the paragraph immediately under the chart be included at this point in my remarks.

There being no objection, the paragraph was ordered to be printed in the RECORD, as follows:

Since 1945, however, private debt has increased as a proportion of total debt in every year, and in every year the Federal debt held by the public (including the Federal Reserve System) has decreased as a proportion of the total. State and local government debt has risen in amount every year and has risen in proportion to total debt for the period as a whole. From the end of calendar year 1953 to the end of 1973, Federal debt held by the public rose 54%, State and local government debt rose 510%, and private debt rose 515%. By the end of calendar year 1973, Federal debt held by the public was only 14% of total debt. As a result of these trends, Federal debt and borrowing, although still significant, have become relatively much smaller influences in the financial markets.

Mr. MUSKIE. Now, if I may direct my attention more specifically to the Dole amendment, the Senator makes a very tempting argument that surely in a $365 billion budget, it should be possible to cut another 1 percent.

Well, it is so tempting that if we adopt it and we reduce the outlay figure to $361.8 billion, then why not make the argument again and say that surely with a budget of $361.8 billion, it is possible to cut 1 percent. That would then take us down, presumably, to about $357 or $358 billion.

Then let us make the argument again that surely in a budget of that size it is possible to save an additional 1 percent.

By taking that step-by-step approach, we could get this budget down to half of what it is, by only cutting 1 percent at a time. Surely somebody would be able to find somewhere in a program for comic books, or all the other programs on the list the Senator from Kansas had, another 1 percent that we could cut.

But the trouble with the argument is, may I say to the Senator, that the Budget Committee went through all of the 16 functions at considerable length trying to identify places where we could squeeze out fat. We did not get down to the comic books, I concede. Ours is not a program-oriented committee. Ours is a function-oriented committee.

Nevertheless, in examining the totals to be spent in any function, we went into considerable detail and no member was inhibited or restrained form injecting into his argument any program which he felt ought to be eliminated or cut and which would justify a reduction in the function.

[Disturbance in the visitor's gallery.]

The PRESIDING OFFICER. The Senator will please suspend until the Sergeant at Arms can restore order in the gallery.

The Senator will resume.

Mr. MUSKIE. As I say, no member was restrained from using any program, or any ridiculous example of Federal spending, or any accumulation of it, to justify a cut in the functional total for any of the 16 functions.

So I do not buy this argument that we did not pay attention to the details.

Now, may I say that after the committee had gone through all of the 16 functions trying to put together as tight a budget as it could, we then addressed ourselves to several proposals to cut spending across the board.

The first cut was the Hollings amendment to cut outlays across the board by 1 percent—the same figure that the Senator is talking about, a mere $3.5 billion. It was rejected by a vote of 11 to 3 for the very reasons I have been trying to spell out and that the distinguished Senator from Oklahoma spelled out.

Then we had the Nunn amendment to cut all of the temporary recovery programs included in the budget, $4.5 billion. That resulted in a tie vote, 7 to 7, and lost. There was also the Chiles motion to cut $2 billion from the bottom line to be distributed in function 500, which was the education, manpower and social services function, health, law enforcement and justice, and general government, and that lost by a tie vote of 7 to 7.

So the committee addressed itself to these kinds of cuts.

Now, I understand the temptation to buy the argument that 1 percent could not be all that difficult. It does not appear difficult, but let me make two points.

One, it was too difficult for any Senator to apply such a principle in committee. No Senator who offered an across-the-board cut was able or willing to specify which functions ought to be cut. No Senator.

Second, if we reduce outlays by this amount, we are going to have to find that $3.2 billion somewhere. Just this past week I received a letter from the chairman of the Committee on Agriculture and Forestry. This chairman in the record voted for that $25 billion cut yesterday. What was the thrust of his letter to me? I will read it, since the Senator from Kansas is ranking Republican on that committee.

> DEAR MR. CHAIRMAN: I have enclosed for the consideration of the Committee on the Budget a request by committee members for an additional $3 million for foreign market development for fiscal year 1976. As the letter indicates, the threatened loss of $7 billion in U.S. exports is an emergency that deserves immediate consideration. Therefore, the members of the committee feel that an immediate increase of $3 million in Federal funds for overseas market development is imperative.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. MUSKIE. Mr. President, I yield myself another 5 minutes.

This request from the chairman is a most worthy objective, in this Senator's judgment. But that is an additional spending.

If the Senate adopts the budget ceiling suggested by the Senator from Kansas, it is then my responsibility to say no to things like this, and it is the Senator's responsibility to say no to things like this.

This issue is going to crop up in every authorization bill and every appropriation bill that comes to the Senate from now until September. We are going to have to learn to say no to some of these things.

There is not some magic pot that contains $3.5 billion unrelated to the real service needs and existing programs. We have to cut these if we are to go any lower.

I think as a budget committee one of our first responsibilities, clearly, is to make it possible for the Senate to get away from across-the-board cutting. One of our responsibilities is to make it possible for the Senate to make informed, precise cuts so that when we cut $3.5 billion we know what we are cutting. We should not give Members the excuse later to say, "Well, I voted for that cut, but I did not mean that $3 million for agricultural research," or "I did not mean to cut social security," or "I did not mean" this, that, or the other.

This process is supposed to impose discipline. The meat-axe cut is a temptation to indulge in our own priorities, and we have been doing it for too long.

We said, "I am going to vote for this new program of $5 billion because somewhere down the line I will find that $5 billion to my satisfaction." Or, "I will cut $3 billion from this program because somewhere down the line some unforeseen, fortuitous circumstance will arise that will not confront me with the consequences of that vote."

I can understand Senators whose economic philosophy dictates a more prudent budget course than that suggested by the Budget Committee. I do not quarrel with that. All I ask them to do—because I impose the same discipline on myself—is to tell me where they are going to cut and not leave it to chance that somehow the cuts will skirt the programs they are interested in and avoid damage to the agricultural program, avoid damage to the educational program, or avoid damage to the health program.

That is not budget responsibility.

May I say, that is not in any way a denigration of the distinguished Senator from Kansas. He gave us valued support yesterday, and I believe he is committed to this process. I am simply answering the argument because I think it needs to be answered here in the Chamber.

The argument of the Senator from North Carolina is an appropriate and legitimate argument. The fact that I do not agree with it does not make it irrelevant.

Now let me get to the specific numbers of the Dole amendment. It is my understanding that the Dole changes are designed to reconcile the estimates of the President and the committee by eliminating the real differences after adjusting the estimates so that they reflect the same assumptions. Presumably, this means that the Dole amendment totals reflect his estimate of where the President's budget actually comes out.

I shall give the Senate my own analysis of that point. On outlays, we believe that the real difference between the committee's estimate and the President's estimate is only $1.8 billion, not $3.2 billion as Senator DOLE suggests. The elements are as follows:

The President's April 4 estimate was $355.6 billion. The adjustments by the committee are as follows: We reduced Outer Continental Shelf leasing receipts by $4 billion because we had no evidence at all to suggest that the President's $8 billion figure would be realized. Indeed, all of the evidence we had indicated that even the $4 billion was overgenerous. But we compromised at $4 billion.

The second item: Unemployment compensation is going to cost us $1.9 billion more than the President's budget suggests. This is a hard estimate by the Budget Committee staff.

Food stamp and other assistance programs that grow with growing unemployment are going to add $600 million.

The medicaid program, which also grows in response to unemployment, adds another $200 million.

And then interest on the public debt, which is unavoidable and which is simply a product of numbers, adds another $900 million.

All of these additions should be included in the President's outlay figure, if that outlay figure reflected a candid and up-to-date analysis of the implications.

That gives us a total adjustment figure of $7.6 billion, which is $363.2 billion. So the relative difference is not $3.2 billion but $1.8 billion. If we are correct in that assumption, then what the Senator proposes is to go below the President's figure which is, of course, his prerogative. But I believe that point should be made clear.

We now get to what a $3.2 billion cut could conceivably mean. The total outlay figure of $365 billion voted by the committee came after exhaustive consideration of detailed recommendations made to it by all the committees in the Senate. I call the Senate's attention to the fifth chart. There will be seen a potential outlay total of close to $420 billion. That is not a figure that the Budget Committee picked out of the air. That does not reflect ideas generated by the Budget Committee. Those are ideas that came out of the authorizing committees that are constantly working in their fields, plus other ideas that had clearly developed steam and momentum in the Congress. So there is $420 billion of ideas that we had to consider and dispose of one way or another in getting down to $365 billion. That difference is close to $55 billion of ideas and spending proposals, that the Budget Committee rejected. We did not include comic books in that list, but we included a lot of ideas with considerable merit which, in a less stringent environment, might well get the support, and the deserved support, of the Congress of the United States.

But we said "no" to that $55 billion shopping list in order to get down to $365 billion. Now the Senator from Kansas says,

> Well, it ought to be possible to cut another one percent and then another one percent and then another one percent.

I have not figured out how many 1 percents that $55 billion represents. One percent of $420 billion is $4.2 billion; so, roughly calculated, we have done the Senator's exercise 13 or 14 times in order to get down to $365 billion. If we do it another 14 times, we can get much below the Senator's figure.

It is hard to argue that $1.8 billion to $3.2 billion cannot be cut from a $365 billion total. I can only say to the Senate that the committee recommendation is already very tight, and a cut of even this small amount could be significant.

I get back to the point I made earlier, that once we adopt a figure, the Budget Committees of both Houses, if this budget process is going to mean anything have to say, "No, no, no, no" to many proposals, just as the Budget Committee said, "No, no, no" to $55 billion of worthwhile spending proposals.

What are the likely possibilities for a cut of $3.2 billion? The Senator from Kansas has told us about comic books, but let me get to what the real possibilities are likely to be. The most likely possibility would have to be the few new programs for program increases in the committee budget. This cut cannot be made in a way to skirt this entire list of programs. Something on this list will have to be cut: real growth in defense procurement; needed increases in energy programs; assistance to hard-hit railroads; amounts needed to offset costs of inflation in education and social services programs; cost-of-living increases for social security and other entitlement programs; increases to maintain the real level of veterans compensation and pension; increases to prevent additional burdens on medicare and medicaid recipients.

A $3.2 billion cut cannot be made with a small change, if I understand the effective work that the committee did in tightening up the functional total. $3.2 billion in cuts will have to come from programs such as those. I recite them only to put the Senate on notice that those are the kinds of decisions we are going to face if we adopt that kind of ceiling; and I am going to be on the floor of the Senate, and Senator BELLMON is going to be on the floor of the Senate, pointing out those consequences of such a cut, as those consequences emerge in the course of our consideration of appropriations measures from now on.

I have made my case at greater length than, perhaps, I intended; but I wanted to make some points in response to some of the debate yesterday as well.

I again express my appreciation to the distinguished Senator from Kansas for his support yesterday. I understand, I think, what is in his mind in connection with this amendment. But I think it is extremely important that this record be made as I have tried to make it.

Mr. DOLE. Mr. President, I appreciate the statements by the Senator from Maine.

The Senator from Kansas might say, in defense, that had the Senator from Kansas been present on the last day the Budget Committee met, the result might have been different. I point out that vote No. 24, which would have cut $4.5 billion from temporary recovery programs, was rejected on a 7-to-7 tie.

On Chiles motion to cut $2 billion from the bottom line, there was a 7-to-7 tie.

Unfortunately, the day prior to that, the Senator from Kansas had taken a rather severe fall when trying to appear for a vote. Thus, the Senator from Kansas was unable to be at the committee for the final series of votes.

I suggest to the Senator from Maine—not as a defense—that had the Senator from Kansas been there, the total budget figure might have been $5 billion less.

I am splitting the difference with the Senator from Maine. I am suggesting now a $3.2 billion cut.

With respect to the argument that we cannot cut across the board, we did it in the committee on a function-by-function basis with the Mondale amendment to cut out functions of national defense to $90 billion. That was one example. There are hundreds of programs in the Defense Department. When we started offering motions in the committee to cut $500 million from this functional area or that functional area, we were in essence cutting across the board. We did not specify where within that function the spending cut should be made or the spending addition should be made.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. MUSKIE. The Senator's argument that the committee's function in deciding functional totals is an across-the-board process, I think, is an argument that we should change the nature of the Budget Committee. We deal only with functional totals and make assumptions which I think most of us try to express in committees about where reductions or increases are to come.

I think that every proposal I presented to the committee detailed the assumptions I was making as to where cuts could be made or increases should be provided, not that such assumption committed the Budget Committee or the Senate to the particular programs that I took into account. But that is something different, I submit to the Senator, than the kind of across-all-functions cut the Senator is proposing today.

Mr. DOLE. I thank the Senator from Maine.

In addition to the comic books to which I made reference, a GAO report has indicated that abuses in the medicaid program are costing the taxpayers $3 billion a year. That is a rather substantial amount. In the food stamp program, because of deceptive practices and faulty reporting, about $740 million is not going to recipients but is being misused by the various States.

I submit that if we go down the list of votes taken in the committee the last 2 or 3 days, they were offered on a function-by-function basis.

The third vote was on an amendment by the distinguished Senator from Delaware (Mr. BIDEN) to cut out function 050, which is national defense. He wanted to cut it to $87 billion. I cannot recall that Senator or any other Senator giving us an item-by-item accounting of how that would come down from $94 to $87 billion. He said it was too large, and he made some general statements.

The Senator from Kansas believes that that is a precedent. All the Senator from Kansas suggests is that instead of doing it by function, we do it across the board.

Mr. MUSKIE. I think that one of the reasons why the Biden amendment was defeated was that he did not detail the places where the cut was to be made, and that is precisely the reason why the Senator's amendment should be defeated.

Mr. DOLE. The Chiles amendment, which is No. 5, to cut national defense to $91.9 billion, was accepted by a vote of 11 to 4, and I suggest that the same argument was made to raise the amount by $5 billion.

The Senator from Kansas only points out that in an effort to satisfy what I knew would be an objection—and that is that it is an across-the-board, meat-ax approach—I pointed out some general areas where this Senator felt cuts could be made, whether it be transportation, maritime, agriculture, or whatever.

Essentially, I share the view expressed by the Senator from Maine: If we cut 1 percent today, why can we not cut 1 percent tomorrow?

The answer is that we, hopefully, may not be here tomorrow on this particular legislation. Maybe another amendment will be offered, if this one is adopted, to cut it 1 more percent.

It occurs to me that we can do that. The Senator from North Carolina has an amendment that will cut it a great deal more than nine-tenths of 1 percent. But insofar as across the board is concerned, I think we have well established that precedent within the committee. The Senator from Kansas says again that had the Senator been there on the final day—unfortunately he was not, because of no fault of the Senator from Kansas—the budget would have been less. The outlays and the deficit would have been reduced by about $6.5 billion. I think perhaps that amount would have been accepted by the committee and we would be here today arguing, instead of about $365 billion, maybe about somewhere around $358 or $359 billion, and the Senator from Kansas would not be offering an amendment at this time.

Mr. McCLURE. Will the Senator from Kansas yield?

Mr. DOLE. I yield to the Senator from Idaho.

Mr. McCLURE. I thank the Senator for yielding.

I noted earlier, in the response of the Senator from Maine, that he made some comment about the table that shows all kinds of debt in the United States has increased and private debt has increased more than public debt; therefore, the increase in public debt should not frighten us. It is a little like the argument that my wife might try to use on me if, indeed, our family budget is out of balance and all of a sudden, she points to my spending as the cause of it and ignores her part of the spending. I can reply only that, well, since you have spent a great deal, if I spend a great deal, that will make it all right.

I am not sure that I can follow the argument that because private debt has increased, that justifies an increase in public debt.

Mr. MUSKIE. Will the Senator yield?

Mr. DOLE. I am happy to yield to the Senator from Maine.

Mr. MUSKIE. That is not my argument. I just hear these horrendous numbers thrown around so that it seems to me that they ought to be put into perspective from time to time. It is not my purpose to frighten anyone into doing anything about their own spending or Government spending. My point is that we should try to make these expenditures responsibly and rationally, taking into account the consequences and perspectives. But the argument on deficit spending that I have heard here for the last 2 days goes on as though nobody else in this whole economy ever invests by creating debt, or ever meets temporary emergencies by creating debt.

Yesterday, Chrysler announced another rebate program. That is deficit spending, as I understand their financial condition. They are engaging in it. I have not heard any outcries against deficit spending by the private sector.

All I am trying to do is put this into some perspective. That is the whole purpose of the chart in the book. I do not think I was trying to frighten anybody.

Mr. McCLURE. Will the Senator yield further?

Mr. DOLE. Yes.

How much time does the Senator from Kansas have remaining?

The PRESIDING OFFICER. The Senator from Kansas has 21 minutes.

Mr. DOLE. I am happy to yield to the Senator from Idaho.

Mr. McCLURE. I thank the Senator.

We went through the budget for weeks, literally weeks or months. We had seminars, we had panel discussions, we reviewed the budget by functional area, and we decided that we could not cut it by functional area. Then it is argue that we cannot cut it across the board. As I recall the general tenor of the discussions in the Committee on the Budget, they were along the line that we will not cut any of the programs from their existing level; we will allow all of the programs to grow by the amount of inflation and we will allow them the increases which are justified, because of economic downturn.

The Senator from Maine is exactly correct when he refers to the fifth chart over there, with $416 billion in desired spending, that shopping list that was presented to our committee by the authorizing committees. But every time something was reduced from that list to get to the spending level that is in the committee's resolution, it was a reduction in a request for new spending authority and was not a reduction in existing spending authority. So, while the people of this country are being asked to accept a recession which disciplines them, which causes them some reduction, while every worker in this country who is employed has a reduction in his standard of living, because the worker's real spendable earnings are down, we are saying that every Government spending program must be guaranteed its cost-of-living increase.

Mr. MUSKIE. Will the Senator yield?

Mr. McCLURE. In just a moment, I will.

As a matter of fact, there was some discussion about whether or not we should agree with or disagree with the President's suggestion for a 5-percent cap on the cost-of-living increases for certain categories of pay and entitlements. The record is not precise on this point as to what the Committee on the Budget did in this area. It is precise on the point that there would be no cap on military reitrement pay, there would be no cap on social security pay, there might or might not be a cap on military pay, there might or might not be a 5-percent cap on civilian employment by the Federal Government. But in virtually every instance, we were talking about the size of increase that was to be granted under this very tight budget—not whether or not there were going to have to be decreases, because Government income is down, because we are in a recession, because we have less income than we had last year. The report of the Committee on the Budget says that this is not a spending deficit, it is a recession deficit, which is simply another way of saying we did not spend ourselves into this, it is because the economy went bad that we have it. But it is implicit in that, that if income goes down, we do not cut our expenditures to match that decrease in income, we simply expand debt.

Reference was made yesterday afternoon to the fact that the bankers say we can finance that debt. Yet I think every one of us—I know I did and several others did—got a telegram from the president of the American Bankers Association saying we should not gauge the size of the debt by whether or not it can be financed, because we can finance any size debt we want to come up with if we simply expand the size of the debt and turn on the printing presses. He points out in his telegram, as I have tried to point out, that that has inevitable inflationary consequences.

As the Senator from Oregon yesterday pointed out, inflation is still the primary concern of the majority of the American people—certainly not those who are unemployed, but the majority who are still employed are more concerned about the ravages of inflation than they are about the effects of recession, and we, in this resolution, are not paying adequate attention to that concern of the American people. Nor do I believe we are adequately or accurately reflecting the consequences of our actions in this kind of budget deficit so far as the inflationary pressures will be concerned, say, 15 or 18 months from now.

I thank the Senator from Kansas for yielding this time.

Mr. DOLE. I assume we have no time problems.

Mr. MUSKIE. I shall be happy to yield any time the Senator wishes.

Mr. DOLE. I yield to the Senator from Maine to respond to the Senator from Idaho.

Mr. MUSKIE. I want to make this point: The Senator from Idaho said the committee's deliberations were concerned only with whether or not we were going to add to the inflation; that it cannot be cut. The Senator discusses this as if he were not a member of the committee.

Mr. McCLURE. Will the Senator yield on that point, because I do not think he accurately repeated what I said? I was not referring to the President's budget when I was talking about increases or cuts, I was talking about last year's, the current fiscal year's, spending levels.

Mr. MUSKIE. Well, I will take that. My point is still the same. The Senator talks as though he were not a member of the committee. The Senator was present, and he was in the position and had the prerogative of offering any cut in any function that would result in a reduction of current spending levels for any program, and he did not do so, to the best of my knowledge. He did not.

Mr. McCLURE. Will the Senator yield further?

Mr. MUSKIE. The Senator did offer an across-the-board cut, after we had finished the functional discussion, but he offered no amendments as to the functions. There was one amendment to cut a function below current services. That was defense, and the Senator from Idaho opposed that.

Mr. McCLURE. Will the Senator yield?

Mr. DOLE. I yield to the Senator from Idaho.

Mr. McCLURE. I thank the Senator for yielding.

I think the Senator from Maine will recall that during the course of the deliberations and the several motions that were made on various functional cuts, I was present and voted, and I did vote for many of those cuts, some of which were adopted, many of which were not. When he made the list of motions that were made in the committee in attempts to reduce the size of the budget, not included in either the report or the Senator's recitation was the motion I made to cut by 8 percent across the board, which was decided by a voice vote, because after the Hollings amendment for a 1-percent cut failed, I thought there was no point in asking for a rollcall vote when it was obvious it was going to fail.

I did offer that cut because it was apparent that we had been unable, as we went through the functional categories of the budget, to reduce the size of the deficit, because of the overwhelming desire on the part of the committee to continue all of the programs at existing or higher levels.

Mr. MUSKIE. My point is still valid. The Senator offered an across-the-board cut of $29 billion when we were through with the functions. He did not offer amendments in the markup on the functions. So far as I could detect in the initiative he took, it was a program for function-by-function cuts that would add up to the $29 billion.

The Senator has described the function of the Budget Committee as one to protect existing programs. No one said that. Everyone, including the Senator from Idaho, had the prerogative to cut more. For example, there were motions to cut function 050, which was defense, by $20 billion, or $10 billion, or $5 billion, in order to get current programs cut. That was done. There were two votes that would have had the effect of cutting the defense budget below current services, and the Senator opposed both of those. There were no other cuts proposed in an existing function by the Senator or any other member of the committee.

Certainly that was the Senator's prerogative. He might have thought that was a fruitless thing to do, but he did not test it. So I object to the characterization of the Budget Committee's deliberations as designed to protect current spending levels.

Any member of the committee, including the Senator from Idaho, had the prerogative of suggesting such cuts. To the best of my knowledge, the only cuts proposed were those in the defense function. The Senator from Delaware, I think, offered one; the Senator from South Dakota (Mr. ABOUREZK) offered one; and the Senator from Minnesota (Mr. MONDALE) offered one. Those were all opposed by the distinguished Senator from Idaho.

Mr. McCLURE. Mr. President, will the Senator yield further?

Mr. DOLE. I yield.

Mr. McCLURE. I do not mean to take all the Senator's time.

I did not intend to convey that the budget procedures were designed to protect against categorical cuts. I never made that statement. I certainly did not intend to convey that the procedures were designed for that result.

All I am saying is that that was the result, that the deliberations of the committee were as to how large the increases should be, based upon increased costs, based upon increased inflation, based upon the necessary expansion of programs which were implicitly assumed to be so-called uncontrollable items.

The Senator is not correct when he says there were no suggestions made to cut any functions. The committee report itself shows that.

The Senator is correct in stating that I voted against the motions which were offered to cut the defense budget outlays. Those specific motions I specifically opposed. I supported all the others.

I thank the Senator from Kansas for yielding.

Mr. MUSKIE. I repeat my point that to the best of my knowledge, beyond the defense function, amendments designed to cut programs below current services were not made. There was disagreement about how much might be needed above current services. To the extent that those represented something smaller than someone else suggested, there were absolutely none.

Let me say to the Senator from Kansas that it has been suggested that we try to program the vote for 10 minutes to 1. There is going to be some nongermane discussion going on from 12:30 until that time, which would leave us with only about 4 minutes left.

Mr. DOLE. The Senator from Kansas needs about 1 minute. The Senator from New Mexico has some questions to propound to the Senator from Maine.

Mr. MUSKIE. I wanted to use the remainder of my time. Might I suggest that the votes come at the end of the nongermane discussions?

Mr. DOMENICI. Mr. President, reserving the right to object, are we already scheduled to get off this and onto some other matter at 12:30?

Mr. MUSKIE. Yes. Would a vote at 1 o'clock be better?

Mr. DOLE. A vote at 1 o'clock might be better.

Mr. DOMENICI. I would prefer to have 10 minutes. If the chairman is going to be on the floor, I wanted to exchange some views with him.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the vote on the Dole amendment take place not later than 1 o'clock p.m.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOLE. I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, a 0.9 percent cut will merely establish the budget goal which the Appropriations Committee will attempt to meet. It may be that a $3.2 billion cut cannot be made without cutting into important recession-fighting programs. If that is the case at the time of the second resolution in September, the budget figures can be adjusted accordingly.

Nevertheless, if we accept my amendment, the Senate will be on record in favor of an attempt to find the fat in the budget. We may find more than $3.2 billion. It may be that we can safely reduce expenditures, if not by more, by less. Perhaps by one-half of 1 percent. Even that would be an accomplishment.

Finally, I would restate my confidence in the budget process, in the committee, in its deliberations, and in the Senate of the United States. It seems to this Senator that we should not be bound by what the administration suggests might be the deficit. We ought to make our own determination, and insofar as across-the-board cuts are concerned, there is great precedent; they have been made within the defense functional category. So I do not believe that the amendment violates that principle at all.

I would reduce outlays by $3.2 billion, which would decrease the deficit by about $2.2 billion, and would reduce the deficit forecast by the administration from $59.6 billion to $57.4 billion.

Mr. President, I reserve the remainder of my time.

Mr. MUSKIE. Let me take just 30 seconds to make a point, because I may have been inaccurate in something I said to the distinguished Senator from Idaho, and I would like to make this clarification for the RECORD, and also address myself to the merits of the amendment.

In the budget, we did cut $1.8 billion from uncontrollable income security outlays. It was the thought of those who sponsored that cut that those savings could be achieved out of administrative savings.

The Senator from Louisiana (Mr. LONG) yesterday suggested that such a cut would be very difficult to realize in fiscal year 1976, and said that on an annual basis that amounted to about $3.6 billion, and he thought that was really out of the ballpark.

That was a cut in current services in that sense, and I wanted to make the RECORD clear. I think the Senator from Idaho supported that.

Mr. McCLURE. I would say that is correct.

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order, the hour of 12:30 having arrived, the Senator from Rhode Island (Mr. PASTORE) is recognized for not to exceed 10 minutes.

SECURITY REVIEW OF CERTAIN NATO INSTALLATIONS

Mr. PASTORE. Mr. President, on September 25, 1974, I reported to the Senate on the continuing efforts being made by the Joint Committee on Atomic Energy to upgrade the protection of U.S. nuclear weapons in Europe in order to meet the emerging threat of terrorism. I noted that these efforts had been proceeding without publicity, because of the sensitivity of the situation. The matter, however, had been discussed on national television and I felt obliged to assure the Senate that the committee was fully aware of the problems in this area, and advise the Members of this body that appropriate action was being taken. The constraints imposed by security classification and political considerations prevented a more detailed presentation at that time. You will recall that the distinguished Senator from Tennessee expressed similar views and joined me in describing our concern with the possible consequences of the inadequacies he and I had observed when we personally reviewed the nuclear weapon storage arrangements in Europe in the spring of 1973.

I am pleased to inform the Senate that the report of our 1973 visit, which had been highly secret, has been reviewed at my request by the Defense Department and, with the elimination of certain information, has now been declassified. I am, therefore, releasing the unclassified version today. I am also releasing my letter to the Defense Department dated April 8, 1975, and their response dated April 24, 1975.

Two years have passed since Senator BAKER and I visited NATO installations to examine the vulnerability of our nuclear weapons overseas to terrorist attack. I am very pleased to note that, based on our report, the Defense Department has taken steps to improve the security and protection of nuclear weapons in NATO. It was to give the Defense Department time to take appropriate action to strengthen our defenses against terrorists that we delayed releasing this report. In other words, we did not want to plant any evil ideas in the mind of anyone, and that is the reason why we did not report it at that time.

While considerable improvements have been made, much more needs to be done and I call on the Department of Defense to continue to reduce the number of bases where nuclear weapons are located and, further, I am calling for a reduction in the number of nuclear weapons in NATO countries, particularly in areas where their usefulness in the event of war is highly questionable.

Today I am bringing this extremely sensitive and important matter to the attention of the Senate, the Congress, and the Nation to demonstrate that continued congressional vigilance is necessary to assure that the nuclear weapons in the custody of the Department of Defense are afforded the utmost protection at all times.

I want to say at this juncture that only the other day I read in the newspaper where millions upon millions of dollars are being wasted, because the weapons we have in NATO are being neglected. The equipment we have there is costing the American taxpayers millions and millions of dollars a year in wastage, and I think the Defense Department ought to look into it and ought to do something about it.

The joint committee plans to continue to monitor the security of nuclear weapons and, of course, nuclear materials, both abroad and in the United States, to assure that the highest standards of protection are maintained.

In this connection, I would like to compliment the Secretary of Defense for recognizing the scope and magnitude of the vulnerability of nuclear weapons abroad and reacting immediately to correct the most outstanding deficiencies.

I want to say again at this juncture, without getting into it because this is highly sensitive, we are now presented with a situation where Athens has already announced that we cannot use certain bases in Greece any more. We had the situation in Turkey with reference to Cyprus, and I am telling the Senate it is about time we turned a new page and began to look a little bit more deeply into these commitments we have made in order to make sure we are not squandering the taxpayers' money, this idea that you spend billions and billions of dollars to establish a base in a foreign country, and then because they get teed off or get piqued at something we do, they just tell us it is all over, and what do we do then?

So I say, Mr. President, that this report may shock some people. It shows—without going into the numbers of weapons, the yields of the weapons, or the specific locations of the weapons—that nuclear weapons sites appeared to be vulnerable to terrorist attacks; that certain nuclear weapons sites appeared to be particularly vulnerable to surprise attack by Communist forces; and that certain nuclear weapons might not be usable in the event of war.

These matters have been presented to the Secretary of Defense and to the President of the United States.

Mr. HOWARD BAKER and I went down there and had a talk with President Ford with reference to this very secret subject and other related matters.

I believe that it is necessary that these facts be brought before the American people. The joint committee will continue its vigilance and I will report to the Senate in the future on this vitally important subject—a subject that goes to the very survival of our Nation and the free world.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. SYMINGTON. I congratulate the able senior Senator from Rhode Island, who is also the chairman of the Joint Atomic Energy Committee, on which I have the privilege to serve.

I think the fact that he and the distinguished senior Senator from Tennessee are interested in the subject, the latter also being a member of the committee, is mighty important.

In my opinion, I think the Senator is talking about what could be the most important problem that the world faces today.

Mr. PASTORE. Well, it surely is. I tell the Senator very frankly we visited a lot of these sites, and we find that in some instances the depositories that were being used are the same depositories that were being used in and during World War II just before we had this atomic capability, and it just does not do.

Certain of these sites were outside of the base compound, and you had the question of transportation of some of these weapons.

Then, in order to guarantee the security, what do we do? We have got these tremendous spotlights. Very frankly, we do not tell people what is there, but a man would have to be a fool not to know what is there, and there you are.

We were told that in many of these places even a small group could actually invade one of these compounds and cause us a lot of trouble.

I repeat, some improvements have been made, but I am not satisfied that we have done enough, and I hope that this report, that we are asking to be printed in the RECORD today, will inspire the administration—we have already consulted the administration—will encourage them to do more about these vitally important matters.

I say this: Unless we can protect these bombs—and there are about 7,000 nuclear weapons in Europe—we ought to take them out, and on that note I will cease.

Mr. President, I ask unanimous consent that the letters together with the report be printed in the RECORD.

There being no objection, the letters and report were ordered to be printed in the RECORD, as follows:

OFFICE OF THE SECRETARY OF DEFENSE,
Washington, D.C., Apr. 24, 1975.
Hon. JOHN O. PASTORE,
Chairman, Joint Committee on Atomic Energy, Congress of the United States, Washington, D.C.

DEAR MR. CHAIRMAN: In response to your request of 8 April 1975 to the Secretary of Defense, the declassified version of your report of your and Senator Baker's trip to Europe during March 1973 is forwarded.

Your report has had a very beneficial effect on the Department of Defense. It has assisted us in identifying deficiencies in a critical area of our defense posture. I believe that you will be interested to learn that for each deficiency cited we have subsequently taken corrective action that has had general application across our full deployment of nuclear weapons. The review of nuclear weapon sites, their possible closure or consolidation and upgrading of security has resulted in a reduction in the number of nuclear storage sites by about 20 percent since 1973 and our studies indicate we can reduce another 10 or 15 percent next year.

On behalf of the Secretary of Defense I want to express appreciation for the effective relations that have existed between the Joint Committee on Atomic Energy and the Department of Defense. The way this report was treated illustrates the importance of being able to take corrective action on extremely sensitive matters that, if handled differently, could have been prejudicial to the best interests of national security. This has been in the best tradition of cooperation between the Joint Committee and the Department of Defense and we look forward to our continued excellent relationship.

Sincerely,
D. R. COTTER,
Assistant to the Secretary of Defense (Atomic Energy).
Attachment.

JOINT COMMITTEE ON ATOMIC ENERGY,
Washington,, D.C., April 8, 1975.
Hon. JAMES R. SCHLESINGER,
Secretary of Defense,
Department of Defense,
Washington, D.C.

DEAR MR. SECRETARY: During March 1973, Senator Baker and I visited certain NATO installations to review the security practices and procedures for the protection of nuclear weapons abroad. Following this visit, we wrote a "secret" report which was sent to you on June 29, 1973. It would be appreciated if you would have that report reviewed by your security and classification experts for the purpose of removing the specific classified material from it. At an appropriate time, the Committee would then release the unclassified report to the public.

With best wishes.

Sincerely yours,
JOHN O. PASTORE,
Chairman.

JOINT COMMITTEE ON ATOMIC ENERGY,
Washington, D.C., June 29, 1973.
Hon. JAMES R. SCHLESINGER,
Secretary of Defense,
Washington, D.C.

DEAR MR. SECRETARY: I am enclosing a copy of a report of a visit to certain NATO installations that Senator Baker and I make in March of this year.

I discussed certain aspects of this report earlier today during a meeting of the Subcommittee on Military Applications of the Joint Committee. The report reflects various concerns of both Senator Baker and myself in regard to nuclear weapons in NATO.

On April 16, 1973, Senator Baker met with Secretary Richardson and discussed the preliminary findings which have now been put into the report I am sending you.

I know you will find the report of interest.

With best wishes.

Sincerely yours,
JOHN O. PASTORE,
U.S. Senator.

Enclosure.

SECURITY REVIEW OF CERTAIN NATO INSTALLATIONS BY SENATOR JOHN O. PASTORE AND SENATOR HOWARD H. BAKER, JR.

INTRODUCTION

As Chairman of the Joint Committee on Atomic Energy, last November I directed

George Murphy, Deputy Director of the Committee staff, to review security practices and procedures at certain NATO installations. His report to the Committee on this matter pointed out weaknesses in the security arrangements to protect nuclear weapons in peacetime as well as raised questions on the vulnerability and usefulness of these weapons in the event of a surprise attack.

To verify these disturbing findings, Senator Baker and I visited a significant sampling of nuclear installations during a week beginning March 19, 1973. We not only verified the findings of last November but we are even more disturbed now about the situation.

While it is clear that at the sites we visited improvements had been made since the November visit, nonetheless, the basic vulnerability to terrorist attack remains.

Subsequent to the visit to NATO, Senator Baker met with Secretary of Defense Richardson on this matter. A memorandum of conversation concerning this meeting is enclosed (Attachment A). Also enclosed is information requested by Senator Baker on the effect of the destruction of a nuclear weapons site igloo by high explosives (Attachment B).

COMMENT

It appears to us that NATO strategy seems geared to the needs and concepts of the 1950's rather than to 1973. The threat of a possible Soviet strike is still present but circumstances in the past two decades have changed. Today the emphasis by our partners in NATO seems to be geared more to détente and economic progress from their point of view, while the United States provides the vast majority of the strategic deterrence against a Soviet bloc attack.

In the past we designed the protection of our nuclear bases primarily to prevent a Soviet overrun or covert penetration for the purpose of obtaining classified information or material. We also installed PAL devices to keep an irrational pilot or missile crewman from launching an unauthorized nuclear strike. Today a new threat has emerged. In recent years terrorism has become a means to achieve political ends. In this connection the attacks at Munich and Khartoum give us pause for deep concern.

To meet this emerging terrorist threat, we recommend that consideration be given to reviewing the need for the large numbers of Army tactical weapons, particularly those dispersed throughout. The range of a significant number of these weapons allow them to land only on allied territory. We believe consideration should be given to locating nuclear weapons in NATO where they can be defended in depth, preferably by United States troops. The number, types, and location of these weapons should, of course, be decided by the Joint Chiefs of Staff and the Secretary of Defense.

The following nine points represent major discrepancies noted during our visit.

1. *Nuclear weapons sites appear to be vulnerable to terrorist attack.*

The officer responsible for the security at each of the six nuclear facilities we visited was asked if a terrorist attack could succeed at his installation. *In each case the security officer said that* [deleted].

The Joint Committee Group observed that numerous checks were made of the credentials of individuals being granted access to areas where nuclear weapons are located. In this connection there seems to be little doubt that an impostor would be detected. However, *such meticulous checking would have little impact on denying entry to a terrorist group.*

2. *Certain nuclear weapons sites appear to be particularly vulnerable to surprise attack by Communist forces.*

At least one SAS site is located about [deleted] miles from the border. We were told this site contains 8-inch and 155-inch nuclear artillery with a range of about 8 to 10 miles. We were also advised that it takes about [deleted] to fire a nuclear artillery weapon from the time the initial message is received in Division Headquarters. Also Atomic Demolition Munitions (ADM) are located at this forward base despite the fact that there appears to be political constraints against using them in [deleted] (see item 6). Certain other U.S. Army nuclear weapons sites are about [deleted] miles from the border. Therefore, it would seem that the nuclear weapons are not only vulnerable [deleted.]

The location of tactical nuclear weapons in forward areas places a cruel and unreasonable burden on the President. This is because in the event of hostilities he may be forced to make a choice to use or not use nuclear weapons in a matter of minutes or hours based on reports from a remote battlefield. The impact of such a decision could well catapult us into a nuclear holocaust.

3. *Nuclear weapons are stored at a barracks with minimum protection.*

There are [deleted] nuclear warheads stored at [deleted].

They are located in the basement of a building which contains administrative offices. There is no double outer perimeter fence as in the case of regular SAS sites. [Deleted] workers are repairing this building.

During our visit we elicited the fact that the guard posted at the entrance ramp to the basement site was posted for the first time, the day the Joint Committee visited the building. The emergency destruction demolitions are located about 25 miles (round trip) from the barracks.

It should be noted that during the November 1972 visit the steel door to the basement was observed open. It appears that terrorists could probably at least reach the basement door area without detection.

4. *The storage of nuclear depth bombs at [deleted] raises the question of their possible usefulness vs. their apparent vulnerability.*

[Deleted.] There are only [deleted] U.S. personnel located within the SAS site at all times. There are [deleted] guards also located around the perimeter of the site.

According to [deleted] Commanding Officer at [deleted] the U.S. Navy aircraft which will use the nuclear weapons stored at this base are located at [deleted].

When Admiral Colbert, Commander-in-Chief, Allied Forces, Southern Europe, was asked about this matter he indicated that it might be practical for the U.S. Navy aircraft in [deleted] to fly their own weapons with them to [deleted] rather than having them stored at [deleted]. In broader sense, it is difficult to conceive of a wartime scenario whereby the Russians in wartime would allow slow propeller driven U.S. Navy aircraft to search out their submarines in the water between [deleted].

5. *There have been sightings of unauthorized personnel approaching SAS sites.*

We were advised that individuals have been fired on by guards at two SAS sites. The incident at [deleted] resulted in the assignment of a Marine unit to guard the area. The other incident described to us occurred at the [deleted].

We have asked for a list of all such occurrences at U.S. nuclear facilities in NATO. Inasmuch as in both cases the individuals did not stop after being fired on, it, at least suggests the possibility of a hostile "casing" of the facility.

6. *Atomic Demolition Munitions (ADM).*

There are almost [deleted] ADM's in [deleted] may not be useable in a wartime situation because of political [deleted]. This inhibition is presumably related to the Special Political Gudelines For The Possible Use Of Atomic Demolition Munitions developed in December 1970. These guidelines state in part:

For these reasons, the [deleted] authorities have indicated that extensive constraints would have to be placed on the use of ADM's [deleted].

It is also understood that no authority has been given to dig holes for ADM's (so-called pre-chambering). Such pre-chambering is necessary in order to preclude unacceptable levels of fallout [deleted].

If such constraints make the use of ADM's unlikely, we are unable to understand why so many are located in [deleted] and we fail to see why some are located about [deleted].

In our discussion with Admiral Corbert, he mentioned that the best place to use ADM's is in [deleted] where there are several passes through the mountains which could be closed by the use of ADM's.

However, he said here are no ADM's in [deleted]. Thus it appears we have pieced large numbers of ADM's in [deleted] where the terrain is not suitable and where large numbers of allied people would be affected. Yet we have not placed ADM's in the sparsely populated areas of [deleted] ideally suited for their use.

7. *SAS site location based on the availability of land and buildings.*

During our visit it appeared that the key factor in many instances for locating a SAS site was the availability of an existing military barracks or land rather than the best and most secure area to protect the nuclear weapons.

For example, at [deleted] the SAS site is located outside the base because it is adjacent to 2 conventional weapons storage sites of the [deleted]. Under this arrangement, nuclear weapons must travel on a public road for 300 yards before they reach the site on which the QRA aircraft are located.

8. *Nuclear storage sites are easily identifiable.*

The SAS sites are lighted from dusk to dawn and stand out in the countryside. Also various articles have listed certain sites. For example, we were told that the local paper has indicated that the Army storage site at [deleted] has nuclear weapons, and that a Communist magazine has listed several other sites including a picture of the [deleted] site in one of its articles. We have requested a copy of this story.

9. *Drugs and the Human Reliability Program.*

We were shown statistics which indicate that in a one-year period, 213 Army enlisted men on nuclear weapons duty had been removed from the program for drug abuse.

CHRONOLOGY

U.S. Air Force Base [deleted]

On Tuesday, March 20, 1973, the Joint Committee Group received a briefing at [deleted].

According to [deleted] has 72 [deleted] aircraft with [deleted] on QRA.

In regard to security, [deleted] said there have been a number of changes since November 1972 when George Murphy last visited (see JCAE Report No. 11174). He gave the following as examples:

1. Nuclear weapons are down loaded from the aircraft at the QRA site.
2. Additional ammunition has been issued to each airman on guard.
3. Increased defense positions have been established near the QRA area.
4. Additional barbed wire has been placed around QRA's, storage sites and fences.
5. Nuclear weapons are no longer "convoyed" at night.
6. Grenade launches have been ordered for the security force.
7. Eleven new positions have been added to the security force.

A number of questions were asked by Senator Pastore and Senator Baker which applied to NATO policy. They were answered by Col. John Jeff, the EUCOM escort officer. In regard to the possible use of ADM's in the NATO area, Col. Jeff said that the [deleted] have not accepted joint use of ADM's. He indicated that there were political issues to be resolved in regard this problem and he understood that they were being reviewed at the Nuclear Planning Group level.

Col. Jeff was also asked to provide the Joint Committee with a comparison of security measures in effect in November 1972 and March 1973. He was asked to compile a list of improvements made NATO-wide, as well as a specific list of improvements made at sites being visited by Senators Pastore and Baker.

Col. Jeff gave as an example of old security measures a case where a Commanding Officer of an Army SAS site gave his guards only one clip of ammo and kept the rest locked up. Col. Jeff said this situation had been rectified and the guards at SAS sites have been given increased amounts of ammunition.

Col. Jeff said that there had been a recent report that Arab terrorists planned to seize a nuclear weapon. He said his command was looking into this matter. Col. Jeff was asked to provide a report to the Joint Committee on this.

Senator Baker asked the Security Officer how he would take over the SAS site if he were a terrorist. The Security Officer said he thought the best way [deleted] the terrorists would be surrounded quickly and be unable to leave.

Following lunch, the Joint Committee Group visited an [deleted] ORA site, and both members talked to the pilots on the practices and procedures involved in launching an [deleted] mission.

SAS site [deleted]

The Group departed for [deleted] in the early afternoon. The [deleted] base at [deleted] is located on an isolated and sparsely populated peninsula about 12 miles off the coast of [deleted]. It has [deleted] nuclear depth bombs [deleted] with [deleted] yields each.

At the base the Group was shown through a [deleted] aircraft which could be equipped with two nuclear depth bombs. (It was subsequently learned that the presence of this [deleted] aircraft at that time was at least partly set up because of the visit of the JCAE Group visit.)

The Group then reviewed the SAS site and the protective measures. The U.S. Navy Commanding Officer [deleted] said that four U.S. Navy EM's are on duty at all times at the site. The outer perimeter of the site is guarded by [deleted] guards and dogs. In response to a question from Senator Baker [deleted] the Security Officer, said he believed [deleted].

It should be noted that security appears to have been tightened somewhat since the November 1972 visit. At that time the only arms available to U.S. Navy personnel were .45 caliber pistols and a few carbines. During the March 20 visit, it was noted that the site was equipped with M-16 rifles, shotguns and increased amounts of ammunition.

The visit lasted about two hours and the Group departed for Brussels, landing at Melsbrock Air Base about 7:45 p.m.

Visit with U.S. Ambassador to NATO, Brussels

At dinner at Ambassador Rumsfeld's residence, Senator Pastore and Senator Baker had extensive discussions with NATO Secretary General Joseph Luns, Ambassador de-Rose of France, and Ambassador Dirk Spierenburg of the Netherlands. A broad range of economic, political, and military matters relating to the U.S. role in NATO were covered.

Senator Pastore stressed the changing circumstances that have occurred over the past two decades. He noted the strengthening of the deutsche mark, the increased West Germany/Soviet trade and the advent of an enlarged European community. He pointed out to Secretary General Luns how difficult it was for the U.S. Congress to continue appropriating large sums of money to support NATO while our world-wide economic situation and the American dollar value seemed to be deteriorating. Secretary General Luns was adamant in expressing the importance of the U.S. maintaining its military strength in NATO. Senator Pastore countered by asking why the NATO nations could not contribute more manpower and money to their own defense, particularly in light of the fact that prosperity in Europe was so apparent. Again, Secretary General Luns stressed the strength of the Soviet bloc forces facing NATO.

Senator Pastore pointed out that the European concern seemed to have a certain ambivalence about it. On one hand they apparently fear the Russians and want the U.S. to continue to provide massive nuclear support, on the other hand, some of our major NATO allies are taking as many steps as possible to increase trade with the Soviet Union. Remarkably enough, Senator Pastore said on a long-term basis.

Senator Pastore said that he understood the need for both defense and detente, however, he believed that NATO with its rising economic strength could underwrite more of the cost of the defense of Western Europe.

Following this lively discussion, Senators Pastore and Baker and Mr. George Murphy had a brief private discussion with Ambassador Rumsfeld. The following morning the Group had breakfast with Ambassador Rumsfeld at his residence before leaving for [deleted].

Special ammunition storage site—[deleted]

On Wednesday, March 21, 1973, the Group departed for [deleted] to visit the [deleted] SAS site where a briefing was held by [deleted] had [deleted] nuclear weapons, mostly nuclear artillery shells and ADM's.

[Deleted] said that it was necessary to have nuclear artillery weapons because the Soviet artillery outnumbered the U.S. artillery by more than four to one.

Senator Pastore asked if the Soviets had nuclear artillery comparable to that employed by the United States Army located on their side of the East-West border. [Deleted] said it was his understanding that the Soviets have FROG nuclear missiles about 90 kilometers away from the border, but he did not know of any nuclear artillery.

In response to a question, [deleted] said that the reaction time from the moment Division Headquarters got the approval to use nuclear weapons to the time the first nuclear round could be fired by his unit was about [deleted].

Senator Baker asked the Security Officer for his estimate of how many men would be needed to successfully penetrate the SAS site at [deleted] in order to get into an igloo. He was told [deleted].

Senator Pastore said that he believed that the policy of locating nuclear storage sites close to the border [deleted] should be reviewed. He indicated that it seemed reasonable to locate such sensitive sites near or in military installations in order to reduce vulnerability to a possible terrorist attack.

After the briefing, the Group visited the SAS site. [Deleted] pointed out various improvements that occurred since the November 1972 visit. For example, there is now a plowed strip around the site to insure that guards have a better field of fire in the event an intrusion is attempted.

Mention was also made of studies and "casings" made by U.S. Army Rangers on the best way to penetrate the installation. It is understood that the Rangers try to devise the best method of breaking into the installation and then advise the Commanding Officer of their findings and also suggest how to prevent or repel such an attack. [Deleted] also mentioned an incident where a U.S. sentry challenged an individual seen in the area. When the individual did not stop he was fired on but not apprehended. The JCAE Group asked Col. Jeff, EUCOM representative, for a full report on all such incidents in the European Command.

The Group had lunch with [deleted] and departed by helicopter for [deleted] arriving at the [deleted] about 3:00 p.m.

Vault site [deleted]

The Group then visited the vault in the basement containing the nuclear weapons. The Group was met at the head of the ramp leading to the basement vault by an armed guard in combat gear. He challenged each of the Group. It took about five minutes for the Group to pass this check point. At the bottom of the ramp the same procedure was repeated before the steel door (with a peep hole) was opened. The rooms inside were freshly painted. The Group was shown the guards' quarters and training room, and then was escorted to the room where the nuclear weapons were located. Before entering this room, the Group went through another identification review.*

After a review of the vault area the Group met in a briefing room above the basement. During a question and answer period, Mr. Murphy asked when the soldier in combat gear was first assigned to guard the ramp [deleted]. Special Weapons Officer, who was briefing the Group said the guard had been assigned for the first time earlier that day—the same day of the JCAE inspection. [Deleted] was asked where the demolitions were kept for emergency destruction of nuclear weapons. He stated that they were located at another military installation about [deleted] miles (round trip) from [deleted]. [Deleted] in response to Senator Baker's question, said that if he were attacking the vault [deleted].

[Deleted] defended the base as being secure despite the fact that it did not have double fences, perimeter lighting, etc. He explained that the explosives could not be kept at the [deleted] because it was located in a highly populated area. After his spirited defense of the installation he was asked if there were plans to continue keeping nuclear weapons at [deleted]. [Deleted] said that there were plans under consideration "at higher Headquarters" to close down the nuclear storage vault at [deleted].

The Group departed from [deleted] about 5:30 p.m.

Visit to [deleted]

On Thursday, March 22, 1973, the Group flew to [deleted] to visit and [deleted] airfield near [deleted] and an Army SAS site at [deleted]. There were [deleted] nuclear weapons at [deleted].

At [deleted] the Group was briefed by [deleted]. He said that there were [deleted] at [deleted]. There were [deleted] nuclear weapons all with PAL's for these aircraft. [Deleted] Security Officer at the base, commands [deleted] security personnel. [Deleted] said that it is about [deleted] miles from the SAS site to the QRA area. Approximately 300 yards of this distance is outside the air base. [Deleted] said that they move about two nuclear weapons over this route about every two months. Senator Pastore said it appeared that the SAS site outside the airfield was selected because it was part of an [deleted] conventional storage complex which was in existence at the time it was decided to place nuclear weapons at [deleted]. According to Senator Pastore, because of the possibility of a terrorist attack, it seemed reasonable for the Air Force to reassess the location of SAS sites not only at [deleted] but throughout NATO to try to locate them on military fields in such a way that they could receive maximum protection.

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*For a description of the circumstances where the steel door was observed open, see November 1972 Report, JCAE No. 11174.

Senator Pastore indicated concern that weapons traveling on public roads, no matter where, were particularly vulnerable to surprise attack.

Senator Baker asked for an analysis of what would happen if one of the igloos at [deleted] were blown up by terrorists. He selected as an example an igloo, which we were told by our U.S. Air Force escort officer, contained [deleted] nuclear weapons.

During the trip the Group had expressed interest in the Human Reliability Program. During the visit to [deleted] the subject came up again and Col. Jeff provided the Group with a paper (Attachment A) citing statistics on those individuals who were in the program but had been disqualified to access of nuclear weapons for various reasons.

The Group visited the QRA site at [deleted] and was briefed by [deleted] pilot from the [deleted] Air Force, who was on QRA status at the time of the visit. He described the procedures that he had to go through if he were authorized to fly a nuclear mission.

[Deleted] was asked by Senator Baker how he would penetrate the security of the base to get temporary custody of a nuclear weapon. He said [deleted].

[Deleted] was asked the same question. He said that if he were planning a terrorist attack he would [deleted].

After lunch at [deleted], the Group flew by helicopter to [deleted]. After landing, the Group went by car to the [deleted] Ordnance Company site located on a hill outside [deleted]. According to the Commanding Officer, the table of organization consists of 8 officers, 7 warrant officers, and 137 enlisted men. [Deleted] said in response to Senator Baker's question that with [deleted].

The Group was taken on tour of the facility and inspected an igloo which contained MADM's. According to the Lieutenant in charge, approximately [deleted] pounds of high explosives were located in this igloo. During the briefing it was also mentioned that the local newspapers periodically referred to [deleted] as a nuclear weapons storage base. One of the security officers mentioned that a Communist-owned magazine printed in [deleted] had published an article on the nuclear base at [deleted] (see Attachment B for intelligence report on this). The Group asked for all articles published in newspapers throughout NATO where nuclear bases had been identified. Col. Jeff said that the intelligence people kept such reports and that he would see that they were provided to the Group when they returned to Washington. They were [deleted] nuclear weapons at [deleted].

Visit with Commander-in-Chief, Allied Forces Southern Europe, Naples

On Friday, March 23, 1973, the Group flew to Naples to meet with Admiral Richard Colbert, Commander-in-Chief, Allied Forces Southern Europe. During this meeting there was an exchange of views on the need to strengthen nuclear weapons sites against terrorist attack. Adm. Colbert mentioned an incident at [deleted], where sentries had fired on but not hit apparent intruders or observers. Adm. Colbert said that he was particularly disturbed at this incident because it appeared that the site was under some sort of surveillance. Because no one had been apprehended this was difficult to prove, however, he said that a U.S. Marine unit had just been assigned guard duty at the site and he believed that this would increase its security.

In regard to the question of the use of ADM's, Adm. Colbert said he thought that the best place for them to be used was in [deleted]. There are no ADM's in [deleted] now for political command and control reasons, however, the Admiral said that he understood this matter was up for review in NATO.

The Group left NATO Friday night en route to Washington, via London. The Group landed in Washington at about 3:00 p.m., Saturday, March 24, 1973.

MEMORANDUM

To: Files.

From: George F. Murphy, Jr., Deputy Director.

Subject: Meeting with the Secretary of Defense.

On April 16, 1973, Senator Baker and George F. Murphy, Jr., met with Mr. Elliot Richardson, Secretary of Defense and his staff to discuss findings that were noted during a visit to certain NATO installations by Senator John O. Pastore, Chairman of the Joint Committee's Subcommittee on Security; Senator Howard H. Baker, Jr., a member of the Subcommittee; and the undersigned during the period March 19–24, 1973.

Senator Baker opened the meeting by stating that he had promised Secretary Richardson, before the visit to NATO, to report to him what Senator Pastore and he had found. He said that he very much regretted that Senator Pastore was unable to attend the meeting but that he believed that his views and Senator Pastor's were essentially the same on the matters that he was about to elaborate on.

Senator Baker said since joining the Joint Committee, he had taken an active interest in learning as much as possible about nuclear weapons. He said that following a briefing earlier this year on the results of a visit to NATO by the undersigned, he and Senator Pastore became increasingly concerned about security arrangements in NATO, particularly in light of the terrorist development. In this connection, Senator Baker said that he and Senator Pastore decided to see for themselves the security practices and procedures in existence at a select number of nuclear weapons bases. He also indicated that they wanted to review the rationale behind the location of various weapons systems in NATO. Although he was quick to point out that he realized that this was getting into the area of military planning, nonetheless, he believed that the Committee had a "watchdog" responsibility to insure that these weapons, so vital to our national security, were adequately protected. He said that it would take only one incident to raise a public cry to remove all our nuclear weapons for Europe and this would have a significant impact on our national security. He added that in the event a terrorist group took control of a weapon, no one would be able to convince the public that they could not in some fashion explode it.

Senator Baker said that at each of the six nuclear facilities visited, he asked the security officer to be the "Devil's Advocate" and answer the question, "Is it possible to penetrate this installation," and furthermore, to describe how he—the security officer at the site—would do it. Senator Baker told Mr. Richardson.

Senator Baker raised a question as to why nuclear weapons should be located as close as [deleted] miles from the [deleted] border. He said he was particularly concerned that the nuclear weapons which were located at site very close to a border from which an invasion could be launched, apparently could not be ready in time to meet any conceivable surprise thrust.

According to Senator Baker, he was at a loss to understand why we had almost [deleted] ADM's in [deleted], when he was told that there were political constraints against using them on [deleted]. Senator Baker said that he and Senator Pastore were told during the trip of these political constraints, and he also referred specifically to the "Special Political Guidelines for the Possible Use of Atomic Demolition Munitions," approved by the NATA Defense Planning Committee on December 2, 1970.

Senator Baker said that he believed that nuclear weapons should have better protection and should be located in areas where there was large U.S. troop concentrations. As an example of minimum security protection of weapons, he cited the case of nuclear weapons located in the basement of a barracks in [deleted].

At this point, Secretary Richardson who was making notes of various comments by Senator Baker said that he did not quite understand why nuclear weapons were stored under these circumstances.

Senator Baker also pointed out that in the case of the airfield in [deleted] that the Group visited at [deleted] he noted that the SAS site was outside the airfield and that the convoy of nuclear weapons had to cross approximately 300 yards of public roads. He also added that the "QRA" site was visible from the road which was traveled by nonmilitary personnel who could observe weapons [deleted]. He said he personally walked to the fence and observed the people bicycling by.

In discussing the Group's visit to [deleted], Senator Baker said he did not understand why it was necessary to keep nuclear weapons at [deleted] in a desolate area, about 3000 yards from the [deleted] particularly when the U.S. Navy aircraft which will use the weapons are located at [deleted]. He said he believed that it might be more reasonable to have the Navy aircraft fly their own nuclear weapons with them from somewhere in the United States.

Senator Baker said that he had been told at various bases that individuals had been seen by guards apparently "casing" the nuclear storage sites. In at least two incidents these individuals had been fired on but not apprehended. He said we asked for a report listing all such incidents in NATO.

Senator Baker indicated his and Senator Pastore's concern that increased security at nuclear weapons installations was absolutely essential. He said that he could not stress enough the importance of this matter. He told Mr. Richardson that he had discussed this with the President and he hoped that Mr. Richardson would make mention of their discussion when he next met with the President. He mentioned this because he did not want to put himself in a position of discussing this matter with the President without the Secretary of Defense having an opportunity to have mentioned the matter.

At the conclusion of the meeting, Senator Baker again stressed the importance of increasing the security protection of our nuclear weapons and the need to consider consolidating some storage site in areas where they could be better protected.

The meeting concluded amiably after about 30 minutes.

OFFICE OF THE SECRETARY OF DEFENSE,
Washington, D.C., May 4, 1973.

MR. GEORGE F. MURPHY, JR.,
Deputy Director, Joint Committee on Atomic Energy, Congress of the United States, Washington, D.C.

DEAR GEORGE: The attached material is provided in response to Senator Baker's informal request for information concerning the effects of destruction of a nuclear weapons site igloo by high explosive. We have used the scenario and assumptions that you provided. I hope that the Senator finds it clear and self-explanatory.

Sincerely,
JAMES R. BRICKEL,
Brigadier General, USAF,
Deputy Assistant to the Secretary of Defense (Atomic Energy).

Attachments.

Effects of High Explosive Detonation of Stored Nuclear Weapons

To provide a concise and understandable example of the effects of high explosive detonation of stored nuclear weapons, it is assumed that a hostile group has overpowered the security guards and penetrated a storage igloo at the [deleted] airfield near [deleted]. This igloo contains [deleted] nuclear weapons [deleted]. The group has brought with them [deleted] pounds of high explosive which they have packed around the weapons. The sandbag partitions have been moved and used to build defensive positions at the igloo door. The weapons have been dragged together to ease the problems of detonating the explosive. In the ensuing firefight with the security reaction team, the terrorist group detonates the explosive.

An outline of the igloo floor plan is shown at Tab A. Moving the weapons on their trailers is reasonably easy, but stacking the [deleted] pound, [deleted] and [deleted] pound [deleted] is not. With or without stacking of the weapons, with reasonable charge placement the detonation of [deleted] pounds of high explosive is more than adequate to detonate the H.E. of the weapons and, together with that explosive, to totally destroy the igloo. Photographs of an igloo after [deleted] pounds of high explosive were detonated in a test in 1965 as shown at Tabs B and C.

The blast would not damage adjacent storage igloos. The possible radiation hazard from the plutonium from the weapons to the populace can be divided into two phases, the acute phase during which personnel are exposed directly to the airborne plutonium oxide and the chronic phase resulting from terrain contamination. In both phases the potential hazard is the deposition of plutonium oxide in a person's lungs, thus causing radiation damage to the lungs. The amount of damage is dependent on the concentration of the plutonium oxide. The concentration, in turn, is dependent on the prevailing winds which distribute the material.

Assuming a profile of the average winds in the [deleted] area (3 to 13 miles per hour up to the height of the cloud) contours of contamination of 1000 and 100 micrograms of plutonium per square meter of ground would extend 3 and 10 kilometers downwind. A map of the [deleted] area is shown at Tab D with the storage area location marked. Plastic overlays of the contamination contours to the same scale as the map, marked by a color code for the two levels of contamination, are shown at Tab E. By orienting these contours to the wind direction selected, the predicted area of contamination can be outlined. The area of concern for evacuation of the inhabitants is marked in red. The area marked in black is a rough outline of what cleanup might be required, depending upon the terrain, density of population and other factors.

During April, the period when this report was prepared, the winds blow from the southeast. If the wind were to blow toward [deleted] this assumes a northwest wind), the inhabitants of the town would be exposed to an inhalation dose of approximately ½ REM during the acute phase. For comparison, an accidental or emergency lifetime radiation dose of 25 REM is permitted by the AEC for workers in radiation areas. Exposure during the chronic phase would be minimized by first evacuating the population and then cleaning up the contaminated area.

In the event of such an incident, the security and reaction forces would recapture the igloo, kill or capture any survivors of the hostile group, and prevent other damage to the storage site insofar as is possible. All possible resources would be mobilized to assist the on-scene commander in repairing any damage to the security system, in protecting the remaining weapons, and in cleaning up the contaminated area. Using the Joint Nuclear Accident Coordinating Center, established by AEC–DoD agreement, current data is available on capabilities to prepare for this cleanup.

Talking Paper on Disqualification of Nuclear Weapons Personnel Under Service Department Human Reliability Programs

Human Reliability Programs are administered by Service Departments—

Army: AR 611–15.

Air Force: AFM 35–99.

Navy: OPNAV 5510.83.

Data below obtained from component command headquarters.

USAREUR—

Approximately 14,010 people in program (2,450 officers, 11,520 enlisted man, and 38 U.S. civilians).

Disqualifications (all enlisted man, April 1972–March 1973)

Reason:	
Drug abuse	83
Alcohol abuse	18
Undesirable duty performance	52
Disciplinary problems	26
Mental disorders	12
Character traits	22
Total	213

Disposition of disqualified personnel not reported.

USAFE—

Approximately 9,140 people in program (1,470 officers and 7,670 airmen).

Disqualifications during period 1 Jul 72–31 Dec 72:

One officer and 134 airmen.

28 of the 134 airmen disqualified for drug abuse.

Reason for other disqualifications vary widely.—Majority were for medical/psychiatric reasons.

Disposition of disqualified personnel:

One officer and 75 airmen reassigned to duties not requiring HRP certification.

61 airmen separated from USAF.

USNAVEUR—

HRP program administered by Bureau of Naval Personnel.

NAVEUR not in chain.

However, check of three CINCLANT sites and one CINCEUR site operated under NAVEUR supervision indicates 4 enlisted men disqualified during CY 1972:

2 for personal beliefs.

1 for drug abuse.

1 for disciplinary reasons.

Two enlisted men suspended for six months for disciplinary reasons.

Note.—Attachments D and E, a map and overlays, and Attachment F, a technical report on the Establishment of Safety Design Criteria for Use in Engineering of Explosive Facilities and Operations (93 pages), are on file in the classified vault of the Joint Committee.

DEFENSE PLANNING COMMITTEE

Document DPC/D(70)60: "Special Political Guidelines for the Possible Use of Atomic Demolition Munitions."

(On file in the office of the Joint Committee on Atomic Energy.)

The PRESIDING OFFICER. Under the previous order, the Senator from Tennessee (Mr. Baker) is now recognized for not to exceed 10 minutes.

Mr. BAKER. Mr. President, I begin by paying my respects to Senator Pastore for his distinguished leadership in the Joint Committee on Atomic Energy and for his keen insight and interest in this matter which is, I believe, of extraordinary national importance.

I believe, Mr. President, that there are few matters more important to our national security than the protection of U.S. nuclear weapons.

When I first received reports from the joint committee staff that nuclear weapons in NATO were vulnerable to terrorist attack and that some of these weapons were located in areas where they were susceptible to being overrun in the event of surprise attack, I decided to investigate the situation firsthand in the company of our distinguished chairman, Senator Pastore.

Senator Pastore and I visited weapons installations in NATO in March, 1973, as he observed. We questioned the security men at the actual sites where nuclear weapons were located. We discussed their procedures, including command and control procedures. We reviewed the political constraints imposed on these American installations and these weapons in the hands of our allies. We met with officers and men in the field and with the most senior officials in NATO, including Secretary General Luns and then Ambassador to NATO Donald Rumsfeld—and we wrote a report which Senator Pastore and I sent to the then Secretary of Defense.

In the documentation that Senator Pastore has released today are letters and memorandum dealing with our communications to Secretary Richardson, Secretary Schlesinger, and, as Senator Pastore points out, our conversations with the President of the United States.

At that time, because of the constraints of security and secrecy, I believe Senator Pastore and I shared the belief that this report presented to the highest ranking military officials; that is, the Secretaries of Defense and to the President of the United States, was all we could do at that point because, as he correctly pointed out, to do otherwise would be to set the example, to suggest the possibility, or even to describe, the scenario in which the danger of the loss of effective control of nuclear weapons might be exacerbated.

So we did not, until now, when this Department of Defense has sanitized this report and permitted us to release it for publication. I commend the Secretary of Defense and the defense establishment for undertaking that effort.

The sanitizing of any secret report is never without danger, but I think the danger is worth taking in order to focus public attention on the fundamental question of how we position ourselves with respect to the deployment of nuclear weapons.

Mr. President, the recommendations contained in the Pastore report were kept classified so that the improvements could be made at the same time that we were debating the issue involved and without providing a blueprint for those who might seek to exploit our weaknesses. Since that time, many improvements have been made, as Senator Pastore pointed out, and, as he also pointed out, there are other improvements yet to be made.

I support Senator Pastore in calling for further reduction of nuclear weapon storage facilities abroad and I strongly urge the Secretary of Defense to continue his excellent efforts to improve security arrangements at the remaining sites.

I can assure my colleagues that the Joint Committee will continue to watch carefully over this most important facet of our national security, and I know the Joint Committee will continue to report to the Congress on this crucial issue.

Mr. President, it is not an exaggeration or an overstatement of the importance of the issue to say that the two most important fundamental considerations that we have before us at this point in our national existence are our attempts to reconcile the potential for devastation in this nuclear age with our ambitions and aspirations for self-determination in a free democracy, on the other hand.

How well can democracy survive against the peril of nuclear explosions? I believe it can exist very well, indeed.

I believe that this is proof positive that the democratic system and its institutions can hear and understand peril of the most extraordinary and exquisite degree and maintain the secrecy and security necessary for us to consider it in the councils of legislative action.

I believe such security is in keeping with the long tradition of reliability that has been the hallmark of the Joint Committee, a committee which has never had a leak of classified information in its entire history.

The most singular challenge of today is, I believe, survival; learning to survive in the shadow of our undoubted ability to incinerate ourselves.

I am an optimist. I believe we have come this far without disaster in the nuclear era; we learned in the process. I believe the Pastore report helps us along in the learning process. I believe we have improved and enhanced our chances of survival.

My commendations go to the Joint Committee on Atomic Energy, to the President of the United States, and to the Secretary of Defense and their predecessors for taking account of this problem, and for hearing and understanding the scope and magnitude of the threat.

Mr. PASTORE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONGRESSIONAL BUDGET DETERMINATION

The Senate continued with the consideration of the concurrent resolution (S. Con. Res. 32) relating to a determination of the congressional budget for the U.S. Government for the fiscal year beginning July 1, 1975.

Mr. MUSKIE. Mr. President, I am happy to yield 5 minutes to the Senator from New Mexico.

Mr. DOMENICI. I thank my distinguished chairman.

Mr. President, I was listening when our distinguished chairman indicated quite forcibly that he and the distinguished Senator from Oklahoma, the ranking member of the Budget Committee, would be here throughout the year as appropriation matters came before the Senate. That is, as outlay bills came to the Senate, to call to the attention of the Senators and the people, obviously, the real facts about the relevancy of the ongoing budgetary process and our ceiling.

I would say to our distinguished chairman and ranking member that, of course, they started last year on this process, and to look into this year obviously required tremendous courage to even undertake the optional chore for this year. for we did not have to do anything.

Not by way of complaint but just by way of looking at it, I think hindsightedly I wish we had been even more bold and had gone ahead and accepted the challenge that is ours by mandate for next year and set the functional guidelines and limits as part of the resolution.

I know that for a period last year, we looked into this year as an almost impossible chore. But, as a matter of fact, we did a pretty good job of analyzing those functional categories and setting their ceilings as we saw fit. When we added them up, that was our outlay figure.

I was pleased to hear the Senator say that he would be here to talk about the abuses that might occur which might bring the U.S. Congress unwittingly at the end of the budgetary process, say as late as November, with an outlay figure of $10, $12, or $14 billion in excess of this.

I might say to my distinguished chairman and ranking member I have grave concern as to how the chairman and Senator BELLMON, and others on the Budget Committee—and I join you in saying "I will do that"—will do it very effectively. I think we ought to talk about that a little bit today.

We know our functional limitations are not binding on anyone. But it appears to me that it is our responsibility, and I hope that our Appropriations Committee will consider it their responsibility, to have a running total during the year, comparing the appropriation bills to some benchmark figures. I hope the benchmark figures they choose are those that we set in our functional areas. Even if they choose to say, "They are not binding on us this year," it appears to me that there should be some mechanical means of relating the budget bill and the appropriations bills which come to us. Few of them are limited to one functional area, as the chairman well knows, and most of them cover two, three, and some four functional areas. I hope we will find a way, and that the Appropriations Committee will join us in relating mechanically what is in those appropriation bills to this as a benchmark. I hope that is what our distinguished chairman had in mind when he said that he would be here to remind the Senate and to remind the people if we are indeed going to reach no more of an outlay than that which we agree upon, whether it is agreed upon now or in the second concurrent resolution.

I have been here only a few years, Mr. President, but it seems to me that if we do not do that, then what we will be doing is what we have done all these years. I can see in a short 2 years and 3 months where we have had a distinguished Senator come to the floor with a resolution saying, "It is the sense of the Senate that we not spend more than"—and we put a figure in. I remember one at $295 billion. Then we all join in saying we are for that. We send out to America that the Senate has voted a sense-of-the-Senate resolution that we will not spend more than $295 billion.

But that was the one and only time that a majority of the Senators voted for that kind of limitation. On all other appropriation matters they are free to pick and choose, and they are free to not relate one to another. When the year ends and it is $20 billion more than that, they are free to play games with America and with their constituents by saying "I voted against one and for another" and "It was not my fault that it came out $20 billion over for I supported the $295 billion resolution."

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DOMENICI. Will the Senator yield another 3 or 4 minutes?

Mr. MUSKIE. I yield another 4 minutes.

Mr. DOMENICI. I thank the Senator.

I do hope, Mr. President, that those who read the RECORD of our proceedings, those who read the chairman's answer to Senator DOLE's proposal that we cut, clearly understand that neither our figure nor his figure, if it were adopted, nor a figure with $3 billion more or $4 billion more for outlays is going to be effective unless we use some kind of system to relate the various appropriation bills that are going to come before us to benchmark figures and have a running total. We know the Budget Reform Act will give that to us next year and, indeed, it will mandate the CBO to do it for us. If we do not, then I do not think it is very relevant whether we adopt the cut of the Senator from Kansas today, or whether we adopt our $365 billion. I believe our distinguished chairman will agree with me that in difficult times like these everyone has a proposed solution to the problem, a proposed solution which costs money.

There are pending in authorizing committees innumerable approaches to solving the problem of housing; the problem of more public works, and, as the distinguished chairman knows, the countercyclical needs of our counties or States. The list can go on and on and on. Many of those will get out of the Appropriations Committee and will appear before this body without any relevance to what we have considered. I just hope that this year's first effort does not turn out to be a charade because the process has great promise for the future.

I am extremely concerned that, after all of this effort, if we go $10 billion or $15 billion over the outlays by the time we finally send everything to the President, even if it be after the second concurrent resolution, we will have diminished the capacity which is so inherent in this committee, the capacity for some real prioritizing, some real macroeconomics and some real feeling by Congress of what it is doing, not only 1 year at a time but over a 3- or 4-year period.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. DOMENICI. I am delighted to yield.

Mr. MUSKIE. Clearly, as the Senator has suggested, discipline in this process only begins now. Whether it will work depends on what happens down the road.

In a sense, an amendment such as the Dole amendment, if adopted, could well undercut the possibilities of imposing this discipline. If what we require here as the result of our votes is an outlay ceiling that is unrealistically low and has the effect of cutting into what a majority of the Senate might subsequently feel is cutting into muscle and not just fat, then the disposition to brush aside the totals we adopt will be greater.

What we undertook to do was take a realistic view of what the requirements are in the light of current services, current spending, the pressures of the economy upon individual citizens, and so forth, in order to come up with a realistic figure.

The argument for the Dole amendment with respect to cutting $3 billion out of $365 billion is that surely there is some way to find that money. But that represents a part of the flexibility that made it possible for Senators to oppose different cuts in defense or to oppose deeper cuts in income security programs, and so forth. It is that kind of discipline that I think the Senator has in mind when he says that we have to monitor this. We do have that responsibility. Many of these costs are not within our control. Unemployment climbs. The cost of unemployment compensation programs is going to rise without the Budget Committee of Congress doing a thing about it, and that will have the effect of pushing the spending ceiling up. Or, if interest costs rise, the cost to the Federal Government will go up.

We have to bear those matters constantly in mind as we consider the controllable outlay figures associated with a particular program.

Mr. DOMENICI. I ask the chairman, Is it not going to be impossible to monitor unless we use our functional totals at least as benchmarks from which to draw conclusions and to discuss it publicly in terms of the current relationship of the process to something? Will we not have to use them as basic benchmarks?

Mr. MUSKIE. I think so; certainly not in the mandated sense that they will be next year, but in the sense of calling attention to the consequences of not following these benchmarks.

I think we have to try to force the Senate to be consistent. When it increases a functional total above the numbers that we use, then that should be offset by a decrease somewhere or a deliberate decision to increase spending.

Mr. DOMENICI. I thank the Senator.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. DOMENICI. I yield.

Mr. BELLMON. Mr. President, I commend the Senator for raising this point.

As a member of the Appropriations Committee as well as a member of the Senate Budget Committee, it is my intention to help our chairman monitor the progress of appropriations bills through the Senate, and particularly to be in position, on the Appropriations Committee, to call attention to the functional levels of spending that the Budget Committee has contemplated in our present resolution.

I believe I can say that based upon the observations I have made of the actions of the Appropriations Committee since our Budget Committee started to function, we are going to have a high level of cooperation from the Appropriations Committee, which I think will be very helpful and beneficial to this whole process.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. BELLMON. I yield the floor.

Mr. DOLE. Mr. President, I stress again that I believe strongly in the committee and the process, and I hope I have said nothing that would indicate otherwise.

Adoption of the amendment simply would reduce the deficit from $67.2 billion to $65 billion—if we use the Budget Committee figures, which I think are fairly realistic. It would reduce the administration's forecast deficit from $59.6 billion to $57.4 billion. In essence, that is what the amendment would do.

I repeat that we have had across-the-board cuts and additions on a function-by-function basis. This is not across the board. I recognize that we cannot cut the amount of interest paid on the national debt and certain other programs. But I believe that it would get us back from conference with about the same figure the Budget Committee has now, $67.2 billion.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. BELLMON. In the interest of preserving the process, would the Senator be interested in withdrawing his amendment?

Mr. DOLE. No. I want to strengthen the process, I say to the Senator from Oklahoma. We can preserve it by defeating my amendment. We can strengthen it by adopting my amendment.

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to vote on the amendment of the Senator from Kansas. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Bumpers), the Senator from Michigan (Mr. Hart), and the Senator from South Carolina (Mr. Hollings), are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Virginia (Mr. Scott), is necessarily absent.

The result was announced—yeas 33, nays 62, as follows:

[Rollcall Vote No. 154 Leg.]

YEAS—33

Allen
Baker
Bartlett
Brock
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Chiles
Curtis
Dole
Fannin
Garn
Goldwater
Griffin
Hansen
Hatfield
Helms
Hruska
Laxalt
McClellan
McClure
Morgan
Nunn
Packwood
Pearson
Proxmire
Roth
Scott, Hugh
Stone
Talmadge
Thurmond
Tower
Young

NAYS—62

Abourezk
Bayh
Beall
Bellmon
Bentsen
Biden
Brooke
Burdick
Cannon
Case
Church
Clark
Cranston
Culver
Domenici
Eagleton
Eastland
Fong
Ford
Glenn
Gravel
Hart, Gary W.
Hartke
Haskell
Hathaway
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pell
Percy
Randolph
Ribicoff
Schweiker
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Tunney
Weicker
Williams

NOT VOTING—4

Bumpers
Hart, Philip A.
Hollings
Scott, William L.

So Mr. Dole's amendment was rejected.

AMENDMENT NO. 387 (AS MODIFIED)

The PRESIDING OFFICER. The Chair now recognizes the Senator from Minnesota (Mr. Mondale).

Mr. MONDALE. Mr. President, on behalf of myself and Senators Humphrey, Javits, Williams, and Schweiker, I call up my amendment No. 387, I modify it to conform to the language of the amendment which I now send to the desk, and I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. Mondale's amendment No. 387 (as modified) is as follows:

AMENDMENT TO BUDGET AUTHORITY

On page 1, line 8 strike out "$388,600,000,000" and insert in lieu thereof "$397,600,000,000."

AMENDMENT TO REVENUES

On page 2, line 1 strike out "$67,200,000,000" and insert in lieu thereof "$64,700,000,000"; on page 2, line 5 strike out "$297,800,000,000" and insert in lieu thereof "$300,300,000,000"; on page 2, line 11 strike out "$617,600,000,000" and insert in lieu thereof "$615,100,000,000"; and on page 2, line 21 strike out "$63,200,000,000" and insert in lieu thereof "$60,700,000,000."

TEMPORARY PROGRAMS

On page 2, between lines 13 and 14, insert the following now section 2, and renumber successive sections accordingly:

"Sec. 2. The Congress hereby determines that, in the event of continued high levels of unemployment, additional authority for outlays for temporary programs will be necessary. Therefore:

(a) (1) In the event that the rate of national unemployment as measured by the

Bureau of Labor Statistics of the Department of Labor shall have averaged 8½ percent or more for the three months prior to the beginning of the fiscal year, the appropriate level of total budget outlays provided in clause (1) of Section 1 shall be increased by $7,500,000,000; the amount of deficit appropriate in the light of economic conditions and all other relevant factors under clause (3) of Section 1 and the appropriate level of the federal debt under clause (5) of Section 1 shall be increased by $6,000,000,000, and the recommended level of Federal revenues under clause (4) of Section 1 shall be increased by $1,500,000,000.

(2) In the event that the provisions of the preceding subparagraph are not invoked and, at any time subsequent to the beginning of the fiscal year, the rate of national unemployment as measured by the Bureau of Labor Statistics shall have averaged 8½ percent or more for three consecutive months, then the provisions of subparagraph (A) shall apply as if such rates of unemployment had occurred prior to the beginning of the fiscal year, except that the increases in total budget outlays, deficit, debt and revenues shall each be reduced by the same proportion as the number of months in the fiscal year which have elapsed bears to the number of months in the fiscal year.

(b) In the event that the national rate of unemployment as measured by the Bureau of Labor Statistics shall average 6% or less for any two consecutive months during the fiscal year, then no further outlays shall be appropriate under the provisions of this section.

Mr. MOSS. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. MONDALE. I yield to the Senator from Utah.

Mr. MOSS. Mr. President, I ask unanimous consent that Louis Ashley, of the staff, be granted the privilege of the floor during the remainder of the debate and voting on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONDALE. Mr. President, the purpose of my modifications, which are presented in the amendment as modified, is to make adjustments for the Long amendment which was agreed to late yesterday.

Mr. President, I am deeply encouraged by the progress of the new budget procedure, and grateful for the opportunity to serve on the Senate Budget Committee under the very able leadership of the senior Senator from Maine (Mr. MUSKIE). Through weeks of long and tedious work, he and the distinguished Senator from Oklahoma (Mr. BELLMON), have demonstrated both their leadership and their dedication to the new budget process. With respect to permanent programs in the basic budget, although I differed with respect to particular judgments, I believe our committee has done well.

But I am deeply disappointed that, with respect to temporary programs designed to help this country out of the deep trough of the present recession, our committee has fallen short—short of the recommendations of the Congressional Joint Economic Committee, short of the recommendations of leading economists, short of the recommendations of the Budget Committee in the House of Representatives—and short of the kind of program for recovery that this country deserves.

The budget resolution before the Senate allocates only $4.5 billion for temporary recession-fighting programs.

Mr. President, if Senators will look at the first page of the report of the Senate Budget Committee, it lists four purposes that our budget should meet. It should:

> Provide funds for national security, education, health care, pensions and other established programs which the people of the United States would need regardless of the state of the economy;
>
> Provide funds over and above such basic needs to help pull the United States out of its most devastating economic decline since the 1930's;
>
> Be designed as a first step toward ending the increasingly harsh cycles of inflation and recession which have dominated the U.S. economy for nearly a decade; and
>
> Provide direct help to those Americans whose incomes have been cut off or reduced by the recession.

Three of the four basic reasons or purposes highlighted in the Budget Committee's recommendations are directed toward trying to bring this country out of its deep recession, and to provide help for those in the American society who are suffering the most as the result of that recession.

Yet, despite the fact of those key objectives as described by the committee, only $4.5 billion is set aside out of a total budget of $365 billion to bring special help to the millions of Americans who are suffering, through underemployment, unemployment, and in other ways, as a result of the worst economic recession since the 1930's.

In fact, the allotment permitted under the Senate bill for so-called countercyclical measures has already been used up by actions of the Senate and, we have exceeded the ceiling by $300 million.

This means that under the present budget resolution there will be no emergency revenue sharing for State and local governments, which have lost over $20 billion in revenues this year due to the recession.

Mr. President, that $20 billion figure is the estimate of the Joint Economic Committee of the revenues which State and local governments do not have, because of the recession we are already in. State and local finances are pressed to the wall; State and local indebtedness has multiplied 12 times since World War II. In 1946 State and local indebtedness was only 5.4 percent of the Federal debt. By 1973 it had risen to 41 percent of the Federal debt.

A survey conducted by the National League of Cities of 67 American cities found that two-thirds expected to raise taxes or cut services during 1975, and nearly half reported postponement of planned capital improvements.

The distinguished chairman of our committee, the Senator from Maine (Mr. MUSKIE), led the fight for a unique and creative proposal of countercyclical revenue sharing to bring relief to State and local governments that are literally forced to the wall of bankruptcy by lost revenues and in which, unless helped, will have to return to what are basically regressive forms of revenue, the sales tax and the property tax.

However, and unfortunately under this budget proposal, not a single penny can be appropriated for those purposes to bring relief to those governments. Not a single penny of additional public service employment money can be made available to the 9 million unemployed in America.

The other day the Senator from West Virginia (Mr. RANDOLPH) put figures in the RECORD about unemployment in some of the major cities of this country. I wish my colleagues would look at them. It is shocking—30 and 40 percent, in some cases, of the workers of some of our major cities are unemployed, unable to find work.

Right now it is the position of Congress if this budget resolution is adopted that we will provide public service employment to only 400,000 of the over 9 million unemployed.

I would remind the Senate that in the depth of the depression of the thirties when we were poverty-stricken in this Nation, we had over 9 million public service jobs, work for people who were unemployed, who did not have to suffer the shame of welfare, but who could go out and find jobs and do things for communities, and have the work they needed for their families and the pride that went with it.

In my State of Minnesota, and every State of the Union, we still have the product of that effort put forth by Americans who were given jobs, by a Nation that was much poorer, but realized the importance of providing employment for people who wanted to work.

Mr. RANDOLPH. Mr. President, will my able colleague yield?

Mr. MONDALE. I yield to the Senator from West Virginia.

Mr. RANDOLPH. Mr. President, it is not my desire to step back into the depression or to discuss the first 100 days of the Franklin Roosevelt administration except to say that there are only two Members in Congress today who were Members of Congress at that time. Those are WRIGHT PATMAN of Texas and the Senator from West Virginia who now has the opportunity to briefly comment.

At that time we realized many programs had to be instituted; there had to be leadership, initiative, and resourcefulness, and there had to be compassion. We needed high purpose to move forward, not timidly but boldly over a broad front. That was done.

In connection with the comment of the Senator from Minnesota, it is often said in an offhand fashion by those who were not there, and have no knowledge of the programs that—

> We must not go back to WPA because it was a leaf-raking project.

That was not true, and what Senator MONDALE has been saying indicates that he has knowledge of what WPA was as it was carried into action.

Everyone under WPA was doing something useful, making a contribution. Some persons who could not do manual labor who had talents for writing wrote the first authentic histories of the counties throughout the United States of America, and the towns in which people lived, labored, and loved. This was a tremendous contribution and meaningful use of those talents. Those who were artists painted the scenes of that day upon their canvases. Those scenes were often historic and many of them were breathtaking in beauty, because of the areas they were covering.

These persons of the arts had an opportunity to help and through this program received useful employment.

The projects of the WPA provided lasting benefit for example, in the town of Sutton, the seat of Braxton County, W. Va., 90 percent of the streets and roads were actually constructed in the thirties under WPA.

In Morgantown, W. Va., Richard Avenue was constructed in rough, mountainous terrain, under WPA. There are bridges, roads, buildings, schools still in use which are a testimonial to the effectiveness of programs that placed people in gainful employment.

It is necessary for Members of the Senate to realize, as we consider the amendment offered by the able Senator, that there is no effort to balloon a budget. That is not the purpose. We come to take care of the priorities for people in the United States of America.

I will ask the Senator to clarify his amendment because of certain questions that I think might help other Senators as they consider the essence, the substance, of the amendment my friend presents.

Mr. MONDALE. I thank the Senator from West Virginia. The examples he gives us of the product of the workers and artists who would otherwise have been unemployed, and whose efforts would have been wasted, but because we had public service employment during that depression, their talents and their energies were used, and there is not a community or a State in this country that is not the richer today for the effort of those people.

In Minnesota we have parks, we have playgrounds, we have timber stands, we have libraries, we have city halls, we have a whole range of facilities and resources which have been used today, which were built by men and women who would have otherwise been unemployed during the depression.

That is not the whole story.

Mr. RANDOLPH. Mr. President, I have a second request.

Mr. MONDALE. I am happy to yield further.

Mr. RANDOLPH. We are attempting to cope with a pressing problem. The gentleman does not overstate the situation when he indicates the ragged edge of depression on which we find ourselves at the present time. He does not use that language, but I use it because that is exactly the situation in which the country finds itself.

We have spread ourselves too thinly throughout the world so that now we find, oftimes, that we wonder about our ability to spend money here at home to take care of the needs of the American people and to strengthen and stabilize our own Nation.

Mr. President, I have these questions because I think they go to the substance of the amendment as it affects other actions that must be a part of our consideration of this resolution amendment. I seek clarification for Members of the Senate, including myself.

The Senator from Minnesota is a member of the Budget Committee and has worked closely with the diligent Senator from Maine and others. The Senator understands these issues, in a sense beyond our understanding, because we have not actually had them under our consideration in the committee.

The pending resolution makes provision for funding some programs which will be enacted during the next several months. I use as an example the railroad right-of-way and employment assistance legislation.

That legislation, as the Senator knows, is currently under consideration by the Committees on Commerce and Labor and Public Welfare.

Mr. MONDALE. Yes.

Mr. RANDOLPH. Acting upon legislation which I have introduced in the Senate and for which there has already been an appropriation of $700 million, approved by the Senate, $600 million of which will be for the payment of wages for workers, and $100 million to be used for materials.

Is it included in the pending resolution in that amount as provided in the emergency employment bill passed last week.

What I am seeking is clarification. If this resolution is adopted is there provision for additional antirecession legislation? Would the pending resolution act as a roadblock to consideration by committees such as Public Works of necessary programs or for substantial supplements to existing programs?

I am sure that the Senator from Minnesota can clarify the situation.

Are we not, to a degree, limiting our options for meeting the current recession if we fail to adopt the proposal which the Senator has presented? This is the first question.

The second question:

Is the purpose of the Senator's amendment to provide necessary flexibility in the budget to enable us to meet the difficult problems that face us in reference to unemployment of the unemployed?

Mr. MONDALE. The answer is "yes" to both questions.

The Budget Committee is not in a position to make specific decisions about specific programs; that is, how much should be spent or how wise they are.

That is for the committee, such as the Committee on Public Works, the Appropriations Committee, the Labor Committee, and the rest, as they try to work out specific counterrecessionary proposals that make sense within a ceiling for all of the programs designed to help bring relief from the current recession.

The Senate Budget Committee's pending recommendation provides $4.5 billion for these recovery programs.

Let me explain to the Senator what those are; $2.9 billion for State and local public service jobs. That money has already been appropriated. So if we wanted more than 400,000 jobs, which is all this provides, for a pool of over 9 million unemployed Americans, we could not do so.

It provides $600 million for railroad bed improvements.

It provides Federal public works for $600 million.

Now, I would ask the Senator from West Virginia how much can be done nationally with public works—the Senator from West Virginia being the Senate's expert on public works and chairman of that committee—for $600 million?

Mr. RANDOLPH. Well, I would not give the Senator the exact figure, but I would say that we could only skim the surface, of course.

Frankly, when we expend $1 billion in the construction of highways, we create approximately 125,000 to 150,000 jobs.

I give that as an illustration of the amount of money to do a very necessary work where people are employed.

Mr. MONDALE. What I am trying to say and implied by my question, $600 million for a national program of quick public works programs to provide jobs in the area of highest unemployment—I think the figures will show the building construction trades are most severely struck with unemployment——

Mr. RANDOLPH. Twenty-four percent of all construction workers are unemployed, but specific localities it is far worse.

These figures, however, are only an average. In Rochester, for example, unemployment is 61 percent. In Miami, it is 49 percent; Phoenix, Ariz., it is 40 percent; Cincinnati, 32 percent; Milwaukee, 23 percent; and Philadelphia, 20 percent. The rate in Newark is 32 percent; and St. Louis is 24 percent while St. Paul, Minn. is 37 percent.

Even worse, unemployment is a lengthening problem. The number of workers idled for 20 weeks or more is over 225,000.

Mr. MONDALE. That is right.

Small business loans of $200 million; emergency housing for the Nation, $200 million. That comes out to $4.5 billion.

Now, if that is all we are willing to provide for so-called countercyclical programs, it means there will be no emergency revenue sharing for State and local governments, and the Senator must have heard from mayors and county boards about all they are going through.

There will not be one additional public service job over the 400,000 that now exist, and no additional public works.

There are millions of Americans who want to work, who were working and who lost their jobs through no fault of their own. Their families are out there; their health insurance is gone; they cannot afford to make the payments on their health insurance; and there are millions of families who ought to have some kind of relief to protect them from major illness and health costs who, if the present Senate budget restrictions are maintained, will have not a penny for health insurance coverage.

Mr. RANDOLPH. Mr. President, so

that I may supplement what the Senator is saying, will the Senator yield?

Mr. MONDALE. I am happy to yield to the Senator.

Mr. RANDOLPH. I do not wish to interrupt the continuity of the Senator's comments.

How is a person to make a payment on a house that he is purchasing for himself, his wife, and his family if he does not have a job?

Mr. MONDALE. There is no way of doing it, which is why home mortgage foreclosures are beginning to soar, just like the depression of the 1930's when we had to establish the Homeowner's Loan Corporation.

Mr. RANDOLPH. No money was lost to the Federal Government, I can remind my colleagues, in the program that the Senator just mentioned.

Mr. MONDALE. We saved 1 million homes and made $17 million during that program.

Mr. RANDOLPH. I know it very well.

Mr. President, the clarification on the two questions, especially the last question I asked, the explanation given by the Senator from Minnesota, was the predicate upon which I wish to request, if the answer was given as he has so stated to be included as a cosponsor of the amendment.

Mr. MONDALE. I would be honored.

I ask unanimous consent that the Senator from West Virginia be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONDALE. The other day the Senator from West Virginia may recall, because it had his support, we passed my amendment which created a program very similar to the Homeowners Loan Corporation. It is estimated that it will cost about $315 million to save 300,000 to 400,000 homeowners from the loss of their homes. The money will be used and it must be repaid. We need it now to save those homes from foreclosure, from driving out people who were working, who were keeping up payments, but who lost their jobs and have no way to continue their home payments. We must keep them in their homes and see that they are not forced out of their homes.

The $300 million that we authorized is not in this budget. If we sustain the ceiling in this budget, we will be unable to appropriate the money to save the homes of 300,000 or 400,000 Americans.

Mr. RANDOLPH. Mr. President, what the Senator says is true. I have no desire to be facetious in the telling of this story, but sometimes small boys are given to boasting about their fathers. One boy said, "My father is going to build a big house and it is going to have a flagpole on top of it." The second boy said, "My father is going to build a big house and he is going to place a tower on top of it." The third boy thought he had the answer for both other boys, of course, and he said, "My father is really going to have a big house and he is going to have a mortgage on it."

I tell you, that is what is happening in millions of cases in this country. It is a big mortgage and it is a big obligation that we have to do something about these problems, these priorities, these urgencies which are near at home. I do not want to go into foreign aid again as it is unnecessary, but I repeat that the billions and billions of dollars not spent in the conflict in Southeast Asia, but the billions and billions of dollars spent in country after country, in area after area of the world do bring us up short to our responsiblility to provide here at home.

Mr. MONDALE. I agree completely with the Senator from West Virginia. I am pleased by his contribution.

Mr. MUSKIE. Will the Senator yield at that point?

Mr. MONDALE. I am pleased to yield to the Senator from Maine.

Mr. MUSKIE. I do not intend to interrupt the presentation, but I do want to make the point that the Senator from Minnesota and the Senator from West Virginia speak as though if and when we approve an outlay ceiling of $365 billion, as recommended in the Budget Committee's resolution, that everything under it is frozen in concrete.

That is not so at all. I would be amazed if the Senator from Minnesota supports appropriations for defense at the figure assumed in the Budget Committee's resolution, $91.2 billion. The Senator voted for a $90 billion ceiling for defense in the Budget Committee.

When the Senator says that there will not be a penny to do this, that, or the other, I can only suggest to him, and to other Senators, that depending upon how they feel bound by the functional totals assumed in the committee report, there is room for differences of opinion as to how those dollars are going to be spent.

Let us take the comments of the Senator from West Virginia, that he would like to take $200 or $300 million for this emergency housing program out of foreign aid.

Well, there is $200 to $300 million in the Budget Committee's resolution assumed for continuing assistance to Southeast Asia, because the resolution was completed before the events of yesterday. That money is still there under the total of $365 billion. The Senator from West Virginia presumably, given his argument this afternoon, would spend it for that purpose.

One of the purposes of this ceiling is to impose restraint on the overall spending so that Members will be forced to consider their own priorities and undertake to squeeze out of programs which have a low priority, from their point of view, the resources necessary to support programs which they feel have a high priority.

There is no way for any committee, the Budget Committee or any other committee, to reflect in a $365 billion outlay ceiling, or a $374 billion outlay ceiling, the priorities of every Member of this Senate. The best that we can do is to come up with a total that accommodates the reasonable priorities of a consensus of the Senate.

Not only can Members find additional resources by raising the ceiling, but they can find resources by reordering the priorities. Every Member is going to vote his priorities on these appropriations bills.

I simply do not buy the argument we are beginning to hear that there will not be a penny for this or there will not be a penny for that.

There is one other argument I will make later and not now, because it will take some time, in response to the argument of the Senator from Minnesota that there is only $4.5 billion that relates to the country's needs to deal with the recession. There is substantially more. I will go into that in greater detail later.

Mr. RANDOLPH. Will the Senator yield?

Mr. MONDALE. I yield.

Mr. RANDOLPH. Mr. President, the able chairman of the Budget Committee is well-reasoned, as always, when he speaks. I think, however, he inadvertently has implied that I said there would not be the money available. I never said that the money would be available for this and that program. I only made a statement about what I believed to be the philosophy which at least the Senator from West Virginia must express, and express it vigorously as I have expressed it, for a priority in meeting the problems here at home.

That is exactly how I feel about it.

I believe each Member, of course, will have the responsibility with being charged with being a spender, as that often comes. But I have never felt that when we spend money on projects and programs that employ people and provide lasting benefits, that those can be in the category of just expenditures. I think, Mr. President, they are investments. They return not only the original 100 cents expended in whatever job and whatever program is involved; they return dividends—dividends to the people of this country.

A nation that is at work will largely be able to take care of its problems. But a nation that is not at work will not be able to take care of these problems. The deterioration which has set in will continue as it did in the 1930's. Had we not acted then, as I have said, with a broad frontal attack on these problems, we would not have been the nation that we were during the intervening years.

I still believe, Mr. President, that, by and large, the people of this country are working people. They want to work; and, given the opportunity, they will do so. Work is not only the earning of wages. It is an essential part of the emotional and physical well-being of people. A job is a way of life for most people: without it they are lost. While unemployment compensation provides the bare necessities of life, a productive job provides the worker with a sense of purpose and fulfillment as an individual. The thousands who rallied in this city on Sunday and the representatives of the 1,017,000 unemployed construction workers who appeared before the Public Works Committee and other committees on April 22, did not ask for handouts. They expressed their desire to participate in building a better America.

Mr. MONDALE. Mr. President, I agree completely with the Senator from West Virginia.

There is an item in here that we are spending, I say to the Senator from West

Virginia, that is not listed in the budget. It is the biggest single item of all. It carries a price tag of $68 billion. What is that? That is the cost of unemployment. That is the cost to the Federal Government of letting 9 million people be forced from their work, unable to find jobs, unable to pay taxes, and depending on unemployment insurance, welfare, food stamps, and the rest.

The biggest single new item in the 1975–76 budget is a budget-cracking $68 billion, because we are tolerating unemployment, and tolerating an industrial productivity level that is only 68 percent of the Nation's potential. Each 1 percent of unemployment costs $16 billion to $17 billion directly to the Federal Treasury, another $5 billion to State and local government, and billions more than that in lost personal income.

When people ask, "Can you spend your way back into prosperity?" the answer clearly is, "No." But that is not what I am proposing; that is not what the Senator from West Virginia is proposing. We are proposing that we work our way back into prosperity and put people back to work, which they have a right to, under the Full Employment Act of 1946.

The other strategy is to ask the average American who is unemployed to suffer, to be unable to work, to forgo the fruits of his effort, and to think that somehow we are going to sleep our way out of a recession. It has never worked, it will not work, and that is why we are proposing these countercyclical measures.

I say to the Senator from Maine that it is true that this resolution is not binding in terms of subcategories. From the standpoint of legal imperatives and commands, it simply will establish an overall spending figure. But no Member of the Senate doubts that if any of us wish to exceed the recommended spending ceilings contained in the budget report, we will be greeted with howls and screams of being budget busters.

That is why the Senate committee, with the support of the Senator from Maine, proposed a special category in this budget called "Temporary Recovery Programs." If Senators will look at page 39, they will find that these are broken down specially. What are they? For category 300, $200 million; $1 billion for commerce and transportation; $300 million for community and regional development; $2.9 billion for public service jobs; $100 mililon for veterans benefits and services. That totals $4.5 billion.

So there is no doubt in my mind that if we come out with a program and an appropriation to protect homeowners from foreclosure, we are going to be greeted on the Senate floor as spenders, as breaking the agreement we made together when we adopted the budget ceilings, and that even though it is not binding on us, we are undermining the credibility and the effectiveness of the Senate budget proceedings.

The Senator from Maine said the money can be taken from something else. But these are different programs. We cannot take money away from children's education for temporary jobs, and we should not. We have decided to go forward on these permanent programs on a permanent basis because the country needs them.

An entirely different philosophy underlies the countercyclical expenditures. Temporary work and assistance, needed because we are in a recession, taper off and end as we move out of the recession. We are comparing apples and oranges.

I say to the Senator from Maine that when we voted on this issue in the committee, the Senator from Maine voted to add $7.5 billion to the countercyclical spending levels in this resolution. I thought he was right then; and I am still praying that if he thinks cautiously and carefully about the future of this country, he may vote on my amendment as he voted in the committee, in favor of jobs and employment for the American people.

Mr. President, as I said before, to put this ceiling, as the committee has, on countercyclical spending means that there will be no revenue sharing to help State and local governments on a countercyclical basis; no additional public service jobs, even though we have 9 million unemployed and there are provisions for only 400,000 jobs today; no additional program for accelerated public works. We could afford it in the early 1960's. We afforded it in the 1930's. But we are going to say that we can afford none of it in 1975.

There will not be a penny for health insurance for the unemployed. I do not want to go to a meeting where there are hundreds of people who want work but who have lost their jobs and who have lost their ability to maintain their health premiums. How do they explain that to their families? What do they think when they get sick?

Is it not simple justice, during these times, to move forward with some kind of health insurance program, temporary in nature, as the Senate Labor Committee and the House Labor Committee and the Committees on Finance and Ways and Means are now considering at this very moment? There is no additional housing aid. There is less than 50 percent of the funding for the legislation that has now been adopted by the Senate. There are wholly unacceptable rates of projected unemployment and economic recovery.

If additional temporary recovery programs beyond those allowed under this legislation are not adopted, then the committee report indicates that we must accept unemployment averaging 9 percent or more for the remainder of the year. I do not want to accept 9 percent unemployment. I do not want to agree to a budget that condemns one out of 10 Americans to unemployment. Under this budget, we would not return to full levels of employment and production for the rest of this decade. I do not want to subscribe to that kind of policy, either.

I am afraid that we in Washington may fail to appreciate fully the seriousness of the economic crisis found in our great industrial centers and spreading throughout this country.

Last month, 8.7 percent of the American labor force was unemployed—8 million people. Another 1.1 million were too discouraged to look for jobs. They are not even counted any more. Another 4 million who wanted to work full time had to take part-time jobs. That is more than 13 million people who have been hurt in the most direct way possible by our economic crisis. It means that of every seven American workers, one is unemployed or underemployed against his will.

The costs of unemployment are immeasurable. Each 1 percent costs the Federal Government $16 billion in reduced taxes and in recession-related costs. Each 1 percent costs State and local governments $5 billion. Each 1 percent costs our economy a million man-years and more than $48 billion in lost production. The human costs are even greater.

A recent study of the Library of Congress shows that unemployment rates can account for almost all the variations in the rate of Federal and State prison admissions. Similarly, rates of suicide, alcoholism, and mental illness have been shown to be sensitive to the unemployment rate.

I say to the Senator from West Virginia that my father was a minister in the depression, and I recall him telling me that the real cost of the depression never showed up in the statistics. He said you had to be a minister and work with families which were once full of the pride which comes with working and employment, where the head of the household lost his chance to work and could not find any and could no longer be the wage earner and could not come home with the prestige and the authority that comes with being the head of the family and being able to care for it.

The psychological damage and destructiveness of unemployment in this society, in which we honor work—and thank God we do—is a cost that no budget can calculate. It is the worst thing you can do to a self-respecting American, and we have done it to 9 million Americans.

I think the time has come for the Senate to take a look at this budget and see if we cannot squeeze some more money out to put people to work. That is what this amendment is all about.

We cannot act here today without considering the effects of extended recession on our society. When unemployment was 8.7 percent in March, blue collar workers were unemployed at the rate of 12.5 percent; minority groups at the rate of 14.2 percent and minority teenagers at the rate of 41.6 percent.

Ours is a strong and resilient economy. We will rebound from this recession, as we have before. But the recession we face today is blighting the lives of millions of decent American families. It will leave its mark on a generation of American children.

We must not accept a 5- or 6-year plan for recovery if the job can be done more quickly.

It is significant that the joint leadership of the Joint Economic Committee, its distinguished chairman, my colleague from Minnesota (Mr. HUMPHREY), and its ranking Republican member, the Senator from New York (Mr. JAVITS), have joined in this amendment. Their committee has, after detailed study, established as a reasonable minimum goal the achievement of 7 percent unemployment by the close of next year, and a reduction of at least a full percentage point in unemployment each year thereafter. Even this rate of recovery would involve extended hardship for too many working Americans, and we should improve on it if we possibly can. Yet the pending budget resolution would settle for far less.

I think this country deserves better than 8 percent average unemployment in its Bicentennial year—I think we deserve a strong recovery well underway. And a strong recovery can be achieved.

THE AMENDMENT

Our amendment would provide Congress with the kind of flexibility we need to design a program for recovery in the coming months.

First, the amendment would add an additional $9 billion to budget authority for temporary recovery programs—such as additional public service employment, emergency fiscal aid to State and local government, quick-impact public works, health insurance for the unemployed, housing aid, and others—which are designed to phase out as the economy improves.

Second, our amendment would provide that this budget authority would "trigger" into outlay or spending authority when unemployment has been at 8½ percent for 3 consecutive months. I am firmly convinced on the basis of overwhelming evidence that this will be the case by July 1 when the fiscal year begins. If, however, recovery is "just around the corner" as some have said—very few are saying it, but some have—and the unemployment rate drops from its present high of 8.7 percent—then this additional spending authority would not go into effect.

Third, the amendment provides that the $9 billion in outlay authority would expire should there be 2 successive months in fiscal year 1976 of unemployment at the rate of 6 percent or less. This should provide a strong guarantee that Federal credit demands will not overburden the credit market once recovery is well underway.

Fourth, our amendment provides for $2.5 billion in added revenues through tax reform—less than 1 percent of Federal revenue collections. This amount can easily be raised from unjustifiable tax expenditures where the additional revenue gained would have little, if any, adverse economic effect.

Mr. President, one of the great hopes for this committee is to look at the Federal spending picture from a global, overall view: Look at appropriations, look at back door spending, and, for the first time, look at expenditures we make through tax loopholes. There is a study I saw just before this debate began which appears in the National Journal of April 26, entitled, "Export Policy Disputed." It tells the story of an interagency executive task force which studied various policies to encourage exports, one of which is the so-called DISC tax proposal, which is law, which will cost Americans this year $1.6 billion in lost revenue. This interagency task force concludes that the subsidy is virtually worthless. We get nothing for it, for all practical purpose. What we get for it is worth far less than what we pay for it. It was a program established at a time when the dollar was grossly overvalued overseas and we had to give a tax subsidy to encourage exports. But today, when the dollar is valued on the open market, there is no need, any longer, for this $1.6 billion. This is a report from our own Government, from a Republican administration.

Now, what makes more sense—to tell unemployed Americans that we do not have $1.6 billion additional money to put them back to work, or to repeal the law that grants a tax preference, that is almost totally wasted, of $1.6 billion? That is why I say, let us look for some parts of our law that grant preferences, that spend public treasury money through tax preferences, close those loopholes and, with the money we pick up, put people back to work doing things that need to be done. There is not a penny of tax expenditure preference proposed to be closed in the Senate budget recommendation.

Our amendment proposes that the Committee on Ways and Means and the Committee on Finance immediately move to close some of the least defensible loopholes and take that money and bring it to bear on unemployment in our countercyclical need.

There are some dandy preferences to look at. There is a little thing called the Western Hemisphere corporate tax preference rate. I wonder how many people know about that? It is a dandy. Much of it, I believe, goes to oil companies that own refineries and pipelines in the Caribbean. It gives them a rate which makes it more attractive to go overseas than to produce those facilities here in the United States and apply them to unemployment here. Why do we not close that, pick up the money we can save, and help put people back to work?

What about the minimum tax? The minimum tax is supposed to apply to Americans with respect to income that they earn now that is not subject to the tax laws at all. It is called preferential income. Unlike income that one earns when one works for a living, as most people do, this income escapes the tax net entirely. That income is taxed at a rate of about 4 percent. The maid who sweeps up here at night pays 14 percent. Why do we not tighten up the minimum tax and pick up $5, $6, or $7 hundred million, and use that money to put people to work?

If this budget, as the Senator from Maine says, is for the purpose of establishing priorities, and I believe it, let us throw those tax expenditures into the pot and take a look at them. That is what this amendment, in part, proposes to do. I think that in this and many other ways, we could quickly pick up the revenue that will help pay for increased employment.

Fifth, our amendment directs that outlays under its provisions should terminate entirely should unemployment fall to 6 percent for 2 successive months during the fiscal year. This requirement should provide the strongest possible assurance that Federal demands will not overburden the credit market as private demands increase.

The highest levels of economic activity under our amendment would return $3 billion to the Treasury in the form of higher tax revenues under present law, and lower payments for unemployment compensation and other programs. With the added $2.5 billion from closing tax expenditures, the net increase in deficit need be no more than $3.5 billion. This would leave the deficit figures in the Senate resolution below those proposed by the House committee.

The committee voted that a $69.6 billion deficit could be financed—the committee itself voted that such a deficit could be financed without over-straining the free market. In view of the Long amendment, adopted yesterday, our amendment would yield a deficit of only $70.7 billion, only $1 billion and 1 percent more than the committee voted to support.

DESIGNING A RECOVERY PROGRAM

A number of temporary programs are now before the Congress. Many are still in the process of development. Hearings on most are not yet complete, and in many cases the legislation will undoubtedly be changed substantially before enactment. Some may not be enacted at all.

I believe that specific decisions with respect to the composition of a temporary recovery program are well within the competence of the authorizing and appropriations committees and of the Congress as a whole as it acts on their recommendations.

It is the role of the budget process, I believe, to provide a framework and guidance for the committees and the Congress in making those decisions. And so I would strongly suggest three principal criteria by which to judge among temporary programs:

First, the need for programs which begin to operate as quickly as possible.

Second, the need for programs with the maximum impact on employment.

And third, the need for programs which clearly phase out as the economy recovers. Our amendment would emphasize this last crucial point by providing no further outlay authority should unemployment reach 6 percent during the course of the next year.

Just as the appropriate committees and the full legislative process would make final decisions with respect to priorities among temporary recovery programs, it would be the responsibility of the tax committees and then the Congress to meet the revenue targets with changes in tax policies which would not have an adverse economic impact.

Urgent action is required, and I believe needed revenues can be obtained through closing tax expenditures which have already been studied at length.

BENEFITS OF RECOVERY PROGRAM

The recovery funding we have proposed could—while adding only $3.5 billion to the deficit—increase overall production—GNP—by $25 billion. This would be reflected in a half million or more additional jobs, fuller work weeks, higher wages, higher profits—and a much stronger base on which to build toward full recovery.

Most important, this addition to the budget will be sufficient to achieve the goals established by the JEC—and the real hope for full employment before the end of the decade.

THE CREDIT CRUNCH

The amendment which we offer today will not harm the credit market. With our economy operating at $230 billion below its potential and unemployment rising, private demand for credit is weak.

Dr. Walter Heller testified at a recent hearing of the Senate Budget Committee in Minneapolis, Minn., that a budget deficit of $75 billion—billions larger than we are proposing—could be financed without great difficulty. Dr. Heller said:

> You find that most of the deficit is the result of the recession itself plus a bare-bones anti-recession program . . . We are incurring those deficits . . . as part of the attempt to have a prompt and bold recovery program . . . I stick with my bet that the result of the big deficit now will be smaller deficits later and smaller deficits for the '70s than you otherwise would have had because you will get back a decent rate of operation more quickly.

As Dr. Heller points out, a strong recovery program now can actually reduce the total Federal deficit for the next 5 years.

Bruce MacLaury, President of the Minneapolis Federal Reserve Bank, also agreed that a deficit in the $75 billion range—larger than we are proposing today—could be financed, so long as the deficit recedes as the economy recovers and private credit demands increase. And the April newsletter of the First City Bank of New York states:

> The implication is that the total supply of credit will be sufficiently large to accommodate the total demand, including $70–$90 billion of Treasury securities, without undue strain.

The fact is that the private credit market is slack, and will remain slack until real economic recovery is well underway. Only permanent spending, which would continue undiluted as the economy recovers, would run the risk of creating a "credit crunch."

The temporary additional authority we have provided would not affect the permanent budget, which would retain a surplus at full employment.

And these additions, together with the $4.5 billion in temporary programs included by the committee and the $15 billion in extra unemployment compensation and other automatic stabilizers already in law, would disappear as the economy recovers.

If recovery is faster than we predict, revenues will be higher, expenditures will be less, the deficit lower, and public demands on the credit market less. Thus, as the economy recovers, there will automatically be added room in the credit market for private borrowing. And at full employment there would be no deficit financing at all.

Mr. President, what I believe is missing in this debate is a full understanding of the depth of the economic trouble we face. Over 9 million Americans who want to work cannot find jobs. If nothing is done, this tragic waste will get worse before it gets better.

The question is not whether there are "patches of blue" which indicate there will be a recovery. Ours is a strong economy, and it will begin to rebound. I hope and pray that there will be a recovery beginning later this year.

The real question is how best to accelerate our recovery from the bleakest point in our economic history since the Great Depression. I fear the consequence for our society of 6 or 7 or 8 years of abnormal unemployment. I cannot justify to myself the human effects of that kind of extended recession.

I feel very strongly that we need to heed the warning issued by Dr. Walter Heller:

> You're going to hear more and more lately that economic recovery is just around the bend and therefore (a) you can relax on any economic stimulus except the tax cut and (b) that further stimulus will touch off new inflation.
>
> This is nonsense. I believe we will see a bottoming out earlier than we had previously anticipated . . . but we dare not forget how deep the economic hole is that we have to get out of. We are running $200 billion below par . . . if we want a sustained and a strong recovery, the tax cut will have to be backed by vigorous budget action.

The fundamental choice before the Senate today is clear. The question is whether we are prepared to put this country back to work in order to achieve a sustained recovery. As the distinguished chairman and ranking minority member of the Budget Committee have explained, unemployment and lost production are responsible for 100 percent of the budget deficit we face today.

Only when we regain normal levels of economic activity will we achieve balanced budgets. And the deficit which concerns me most is not the budget deficit but the unemployment deficit which produced the budget deficit.

Mr. President (Mr. Tower in the Chair), there are probably no unemployed in the gallery today. They could not afford to come. The unemployed cannot come down here and plead for employment, or plead for some help to save their homes, or plead for some funds so that they might have health insurance while they are unemployed. There is none of that.

Indeed, we live in a company town, for most of the citizens of this town, including those who make up this body, have secure public jobs. I think we are strangely isolated from the troubles, the difficulties, the tragedy, and heartache of unemployment. Once in a while some rude voice breaks through our comfort, as last Saturday, when thousands and thousands of workers packed the Kennedy Memorial Stadium, pleading for employment, and, in their tension and their concern, became so unruly that the speakers could not even be heard.

It is hard to be temperate when you do not have a job. It is hard to express the loss of pride, the loss of dignity, the loss of everything that counts, when you want to work and cannot. Those voices are not here, but we had better listen if we are the kind of Nation that we claim we are.

In past recessions, we have succeeded in achieving recovery through budget policies. But we have done so with permanent deficits which led to inflation once recovery had been reached. The pending budget resolution and report are wise in combining restraint in the permanent budget with the addition of temporary programs. It would be tragic if having learned the wisdom of temporary programs, we fail to use that lesson boldly enough to deal with the massive nature of the current recession, and put this country back to work.

We are told that we should wait awhile, test the application of the pending resolution, and then return with additional recommendations to the Congress. The problem with this approach is that it ignores some very basic facts of legislative life. Next September, 3 months into the fiscal year, is 5 months away. The legislative year will be almost over. It may well be too late then to enact new programs to aid our State and local governments, to create additional public service jobs, to provide health insurance for the unemployed, and the rest. Developing a temporary recovery program of the kind which we have sketched would require a massive and full-hearted effort by the Congress. It will not be easy if we begin now. It will be impossible, I fear, if we wait.

We are learning that the process of budgeting can force us to make hard decisions. But it can be just as wrong to do too little as to do too much. And the tragic rates of unemployment facing the American people over the rest of this decade represent, I believe, the gravest current threat to our national security.

I would urge the Senate to act in the spirit of Franklin Roosevelt 37 years ago. When the so-called "business recession" of 1938 threatened to return the country to the dark days of the deep depression, President Roosevelt sent the Congress a message asking for the kinds of programs which we are discussing here today. And in a fireside chat discussing that message, he said this to the American people:

> I try not to forget that what really counts at the bottom of it all, is that the men and women willing to work can have a decent job to take care of themselves and their homes and their children adequately . . . not today nor tomorrow alone, but as far ahead as they can see.

That spirit is still in America, and the organizations which most speak for working Americans, the AFL–CIO, the Auto Workers, the Leadership Conference on Civil Rights, the Communications Workers, the American Federation of Teachers, the National Education Association, the American Federation of States, County and Municipal Employees, the National League of Cities, the U.S. Conference of Mayors, the National Congress of Hispanic-American Citizens, and the Americans for Democratic Action have all urged the adoption of this pending amendment to care for their needs.

Mr. President, I ask unanimous consent that certain messages and documents be printed in the Record at this point in my remarks.

There being no objection, the articles and letters were ordered to be printed in the Record, as follows:

After the Turn—As Recovery Comes It Will Not Mean Jobs for Many Unemployed; Depth of Recession Cited; Analysts Fear Political, Social, Economic Effects; "A Pig and a Boa Constrictor"

(By James P. Gannon)

The nation's economists are nearly unanimous in predicting that the recession will "bottom out" soon and a recovery will get started this summer or fall.

Their reasons: Federal tax rebates and withholding cuts will start pumping billions of dollars into the economy next month; inflation is cooling, which means less erosion of consumer purchasing power; businesses are rapidly selling excess inventories, so factory production will increase; the stock market's rise and an improvement in consumer confidence also point toward a recovery.

But what the economists mean by a recovery may be of little immediate benefit to the laid-off construction worker, the housewife unable to find a part-time job, or the June college graduate with no prospect of employment. For many such people, the end of the recession may be a long way off.

"There is a tendency to think that the recovery means a prompt return to full employment, and that is wrong," says Leif H. Olsen, senior vice president and economist at First National City Bank in New York. "What I stress is that the turnaround economists talk about is a statistical phenomenon. For the country as a whole, we will be operating at low rates of capacity and high unemployment for some time," Mr. Olsen predicts.

HERE'S THE RUB

Consider a fairly typical recovery forecast as an illustration. Otto Eckstein, a former White House economic adviser who heads the economic research firm of Data Resources Inc., predicts that "some kind of an early turnaround is virtually inevitable" because tax cuts will spur consumer spending. His forecast—more optimistic than some—shows the economy resuming a 2% annual growth rate this quarter after falling at a record 10.4% in the first quarter. Then the recovery will produce healthy growth rates of 7.4% in the third quarter and 5.9% in the fourth period, he predicts.

That's a pleasing-looking "statistical phenomenon," all right, but what does it mean for unemployment: That's the rub. The Data Resources computers calculate that, after peaking at 9.3% this summer, the jobless rate will drift down so slowly that it will still be 7.9% at the end of 1976 and will average 7.5% for 1977.

The problem is that the current recession is so deep that even a healthy recovery wouldn't restore economic activity to the pre-slump level until late 1976. Meantime, the working-age population keeps growing. Economists figure that it takes growth rates of around 4% a year just to absorb normal labor-force expansion, so actually whittling down the jobless rate—now at a post-Depression high of 8.7% of the work force—requires rapid and sustained economic expansion.

THE ECONOMISTS' DOUBTS

Many economists and businessmen doubt the U.S. economy will grow fast enough to drop unemployment back to a more normal 4% to 5% range in the foreseeable future. "I don't think we will have either the capital or the energy resources to propel the economic growth" needed to achieve that, says R. Heath Larry, vice chairman of U.S. Steel Corp. "I think we will have a continuing high level of unemployment" for the next decade, he adds.

Economist Michael Evans, president of Chase Econometric Associates Inc., predicts that for the rest of the decade, at least, 6% will become a new jobless-rate plateau for the U.S.

This means the U.S. probably faces the longest spell of high unemployment since before World War II. Even in the 1957–58 recession, the worst in postwar years until now, unemployment was at 7% or higher only for eight months. Many economists now see another two years of 7%-plus joblessness, and the Ford administration's January budget projections had unemployment holding that high until mid-1978.

UNSETTLING EFFECTS

A long-term drought, economists and other analysts say, would have deeply unsettling effects:

In terms of job scarcity, women, blacks and young people will be hardest hit; they will form a huge pool of "discouraged" workforce dropouts not measured by unemployment rates.

Competition for promotion will intensify, especially in the swelling ranks of well-educated workers aged 25 to 34, the postwar baby-boom generation.

A glut of college graduates will have harder job hunting in the next few years, and many may have to accept unchallenging or boring jobs for which they are overqualified.

Conflicts between black and white, male and female, and young and old workers over jobs and promotions may increase.

Even harder to predict than the economic implications are the social and political consequences of years of high unemployment. "I think we could be in for some serious social and political trouble before we are through with this," worries Gardner Ackley, a former White House economist now teaching at the University of Michigan. "The situation presents opportunity for populist politicians to really make inroads against the moderate leadership of both parties by playing upon people's dissatisfactions," he figures, mentioning Alabama's Gov. George Wallace and former California Gov. Ronald Reagan by name.

Black leaders are concerned that high joblessness will stall black economic progress. "I'm not predicting riots in the streets," stresses Andrew Brimmer, a former Federal Reserve Board governor, "but I am talking about economic stagnation." Mr. Brimmer, currently an economics professor at Harvard University, contends that the slow recovery path projected by administration officials implies a 10% to 11% black jobless rate in 1980 and says that "this means absolutely no improvement in the job status of blacks over the rest of the decade."

The Urban Institute, a Washington-based research outfit, recently completed a study of the recession's likely impact on job-market conditions for various worker groups. The institute's economists concluded that "virtually every major demographic group (will) suffer job losses, with the groups already worst off in the labor market being hit hardest."

The study compares prospective employment conditions in 1976—using the Ford administration's projected average jobless rate of 7.9%—with employment conditions at a "normal" 4.9% rate. A leading conclusion is that much of the recession's impact won't show up in the unemployment figures because many discouraged job seekers will drop out of the labor market and thus won't be counted as unemployed.

This phenomenon already is evident. The Labor Department has been collecting data since 1967 on the number of "discouraged workers" who have given up looking for jobs. Up until this year, the total fluctuated between 550,000 and 850,000. But in the first quarter of this year, as the recession deepened, the discouraged-worker total jumped to a record 1.1 million, 73% higher than in the third quarter of 1974.

The Urban Institute economists count 4.3 million "recession victims" in 1976, including 2.8 million more unemployed then a normal jobless rate would produce, and 1.5 million discouraged workers. The uneven impact of the recession on various groups is illustrated in the following figures, comparing recession-level unemployment with normal unemployment, including the discouraged-worker effect:

For white males in the prime working ages of 25 to 59 years, the jobless rate rises to 4.6% from a normal 2.1%, but there is only a small dropout of 55,000 discouraged workers.

For white women aged 25 to 59, a category that includes millions of wives who want to work, the recession jobless rate rises even less—to 5.2% from 3.8%. But there is a massive dropout of 1.2 million discouraged women who give up the job search.

For black teen-age males, the jobless rate jumps to nearly 36% from a normal 23%; that is more than double the white-teen-age-male rate of 17%, which rises much less. The discouragement effect also is much higher among black teenagers.

"Women and blacks have made important gains in the job market in recent years," the study says, but "a long and deep recession can wipe out their hard-fought-for improvements. . . . Where jobs are scarce, these groups will tend to be left out."

There is another threatening aspect to the buildup of a vast pool of 1.5 million or more discouraged workers. When an economic recovery begins and they hear that chances of finding a job are improving. Most of these "hidden unemployed" will start looking again. Their reentry into the work force then will tend to retard the decline in unemployment figures, economists say.

Other underlying trends that might have created difficulties even without a recession may lead to real trouble because of high joblessness. Key among these is the enormous bulge of young workers trying to begin and develop careers in a difficult economic environment.

Between 1970 and 1980, according to Labor Department figures, the number of people aged 25 to 34 in the work force will swell 51%, to 26.8 million from 17.7 million. These are the postwar babies, who will make up one-fourth of all U.S. workers by the end of this decade.

Arnold R. Weber, formerly assistant secretary of labor for manpower and now provost of Carnegie-Mellon University in Pittsburgh, says these workers face "ferocious competition on the career ladder" because of their sheer numbers. In typically colorful imagery, Mr. Weber says this bulge of ambitious, well-trained young people will move through the labor force "like a pig through a boa constrictor." The task of "digesting" this bulge, he believes, will be made more difficult by the demands of blacks, women and other minorities for good white-collar jobs. The typical would-be junior executive—the college-educated white male—will find not only 10 others just like himself competing for a promotion but also a couple of blacks, a couple of women and perhaps a Chicano or an Indian, Mr. Weber says.

He speculates that the consequences of this competition could include a "blacklash" against programs to hire and promote more minorities and women, and a "pressure to push older workers out" of jobs by mandatory early retirement.

A related problem is posed by the millions of college graduates who will enter the labor market during the next few years. The recession and the prospects for slow recovery worsen their job chances.

"The late 1970s could very well bring a glut of college graduates with advanced degrees," reports Morgan Guaranty Trust Co.'s monthly survey. "What seems to be building up," adds the New York City bank's publication, "is a broad surfeit of trained individuals similar to the situation currently faced by elementary-school teachers and by engineers a few years back. Job dissatisfaction resulting from workers having to take jobs which they regard as below their potential and level of training thus looms as a possibility."

The anxiety and disillusionment already are setting in, says Mr. Weber of Carnegie-Mellon. Today's college students "are far more anxious" about their futures than students of earlier years. "It is a switch from the psychology of abundance and opportunity to the psychology of scarcity," he concludes. "There is a gearing-down of expectations, a feeling that the student just might not get what he wants."

Time To Change Direction in the Struggle Against Unemployment

(By Albert Shanker)

In the long-drawn battle that went on in recent months between Congress and the White House on the question of the tax cut, two basic issues were debated: how big a tax cut, and how would the tax cut be distributed?

Unfortunately, with that battle over—and with this week's announcement that the rise in the consumer price index for last month was the lowest since 1973—there is great danger the the major economic problems still facing the nation will be neglected by both Congress and the President.

The central problem of massive unemployment is still with us. If we were to take into account those who do not appear in the unemployment statistics, either because they are underemployed or because they have ceased looking for jobs, there are over 10 million unemployed. And the number is growing.

Even worse, according to a New York Times report by Soma Golden in its issue of April 21, is that this condition of high joblessness is expected to persist in the United States throughout the decade. "President Ford and his strategists," says the Times, "seem convinced that the race can be won despite a high jobless rate . . ." While the labor movement carries on its struggle against unemployment, "most officials, economists and political observers interviewed in recent weeks by The New York Times seem to expect these forces to prevail": (a) widespread willingness to accept a sizeable rate of unemployment in order to restore a rising living standard for those employed, (b) the belief by most Americans that unemployment is not as serious as it once was because of jobless benefits, and (c) general acceptance of the notion that many of the unemployed do not really need jobs because they are women and teenagers. This willingness to accept a high rate of unemployment for the rest of the decade has become a major part of the problem we all face.

Another widely-reported development illustrates how unemployment feeds on itself. This week New York's Mayor Abraham Beame announced his projected budget for 1975–76. This budget, which is dependent upon the receipt of over $600 million in additional funds from state and federal sources, proposes reductions in city services that are nothing short of disastrous. It calls for job cuts affecting over 4,000 police, 550 firemen, 1,000 sanitation workers, 4,900 teachers, and many others. Schools, libraries and hospitals will close. Almost 23,000 positions will be eliminated.

Note the vicious cycle: The city is short of funds because it is collecting less in taxes. Its tax collections are down because of vast unemployment. Because of vast unemployment it is paying out more in benefits. It now proposes to balance its budget by creating still more unemployment. This will result in further increases in unemployment payments and a further lowering of tax receipts. New York City's dilemma—its entrapment in a vicious cycle—is by no means exceptional. It is, in fact, typical of what is happening in cities and towns throughout the country. In communities everywhere joblessness is indeed feeding on itself.

Next week there will come before the Senate the overall budget projection for the next fiscal year. The budget in times of economic crisis should be a tool for providing services and stimulating employment and production. But the budget advocated by the Senate Budget Committee does not do enough in any of the above categories to help the country through the current crisis. There are, however, proposals for what has become known as "emergency urban revenue sharing" and "countercyclical aid"—actions designed to increase employment and to compensate for the increased costs of unemployment benefits and reduced revenue receipts. The proposals are embodied in an amendment submitted by Senators Mondale, Humphrey, Javits, Williams and Schweiker, to the first resolution on the Budget for Fiscal year 1976. The amendment calls for measures which would produce a million jobs, with "ripples" through the economy that would increase overall production by billions of dollars, increase wages and profits, increase tax collections and normalize work weeks,

It is all-important that the Senate adopt the Mondale amendment becuase the budget proposed by the Budget Committee reflects no serious effort by the Congress to reduce unemployment. The Budget Committee's first resolution does not contemplate an emergency revenue sharing program to help financially strapped states and cities avert local tax increases and layoffs of public employees. The budget projects no acceleration of the public works program. It has no provision for health insurance coverage for the unemployed. It neglects to provide funds for the expansion of the public service employment program.

Opposition to the Mondale amendment will focus mainly on the size of the budget deficit, because few Senators actively oppose the programs contained in the amendment. But those decrying the costs of these programs should be reminded of the cost of keeping over 10 million unemployed. As Sens. Mondale and Abourezk observe, "Each 1 percent of unemployment costs the Federal Government roughly $16 billion in reduced taxes and increased spending for unemployment compensation and related programs. Each 1 percent [of unemployment] costs State and local governments in the neighborhood of $5 billion. And each 1 percent costs our economy a million man-years and over $48 billion in lost production."

To these financial costs must be added the human costs—the feeling of aimlessness suffered by the idle, the social cost of growing unrest among the unemployed, and the growing resentment of the taxpayers who are forced to support them.

This is the time for a change in national direction. We now pay approximately $8,000 in unemployment compensation, welfare food stamps and medical aid to each person unemployed. Why not spend this money to keep people working? Why not put these 10 million people to work providing health care, decent educational services and protection against fire and crime? Why not make them productive—and thus make life better for all? Why not enable these 10 million once again to earn salaries, pay taxes and gain in dignity, instead of being on the dole?

The Senate has the opportunity next week to amend the budget resolution and to begin doing something to end our massive joblessness. If it fails to do, it will share with the Nixon and Ford administration the blame for rampant misery, lost productivity and social unrest.

April 28, 1975.

Dear Senator: The UAW agreed with the economist who described the recently enacted tax rebate-reduction legislation as "just what the doctor ordered". But the tax cut alone will not bring about economic recovery and put America's unemployed back to work.

The tax bill is a good and solid foundation upon which the Congress should now be building with other needed actions to stimulate our economic recovery. An opportunity for one such action will come in the Senate when the budget resolution (S. Con. Res. 32) is taken up.

Senators Mondale, Humphrey, Williams, Javits and Schweiker will offer an amendment to the resolution to provide an additional $9 billion in outlay and budget authority for temporary stimulative programs to combat the deep recession in which our nation now is mired—programs such as increased public service employment, emergency fiscal aid for state and local governments, public works and other activities designed to stimulate the economy and help put people back to work.

The UAW urges most strongly that you support this recession-fighting amendment. The budget resolution reported by the Committee on the Budget provides $4.5 billion for temporary, employment-producing programs in the next fiscal year. But that resolution anticipates 9 percent unemployment for the rest of this year and an average of about 8 percent in the next year. The UAW believes most emphatically that this is unacceptable. We hope you do too. The Congress as the representatives of the people, should not tolerate unemployment levels of such magnitude.

In some of the discussion of the deficit, there has been a noticeable lack of appreciation of the fact that it is largely caused by the recession. As the committee report accompanying S. Con. Res. 32 points out, it is a recession deficit, not a spending deficit. For every 1 percent of unemployment in excess of 4 percent, it has been estimated that there is a corresponding annual loss of $16 billion in revenues and increased transfer payments. In fiscal 1976, revenues are expected to be $53 billion below what they would be if our country were enjoying full employment and people were paying taxes and not drawing unemployment insurance and other jobless benefits.

Far from being too large, the deficit proposed in S. Con. Res. 32 is, in our judgment, too small. Responsible economists in the business, banking, labor and academic communities have been in substantial agreement that a deficit considerably larger than the Budget Committee has recommended—in the range of $80 to $90 billion—can safely be adopted without creating inflationary pressures. Some have argued for an ever higher deficit.

The near-depression gripping our nation calls for bold actions to stimulate the economy. The UAW believes adoption of the amendment sponsored by Senators Mondale, Humphrey, Williams, Javits, and Schweiker would be another essential step in bringing our country out of the economic doldrums.

Sincerely,

Jack Beidler,
Legislative Director.

Washington, D.C.,
April 28, 1975.

Hon. Walter Mondale,
U.S. Senate,
Washington, D.C.

My Dear Senator Mondale: The Communications Workers of America, which represents more than 600,000 workingpeople in collective bargaining, is disturbed that the new Senate Budget Committee in its first concurrent resolution has recommended only $4.5 billion for temporary employment programs in fiscal year 1976 at a time when unemployment is at its highest level in 34 years.

S. Con. Res. 32 would provide funding for only 350,000 jobs at a time when 8.2 million Americans are unemployed and an additional 5 million former wage earners have either given up the search for work in despair or are compelled to work part-time because full-time employment is not available.

The solution to the problem of stimulating the nation's sagging economy is through the creation of jobs for its sidelined workingpeople. Indeed, for every one percent reduction in unemployment, the federal government will pick up $15 billion in revenues through taxes and reduced social costs. Thus, a four per cent reduction would add a whopping $60 billion to the federal treasury.

As the Senate prepares to consider S. Con. Res. 32 this week, CWA urges you to support passage of an amendment to be offered to that legislation by Senators Mondale, Humphrey, Javits, Williams and Schweiker.

The Mondale amendment would provide an additional $9 billion in outlay and budget authority for temporary, recession-fighting programs such as additional public service jobs, emergency fiscal aid for state and local governments, quick-impact public works, health insurance for the unemployed and others at the option of the authorizing and appropriations committees and the Senate and the House as a whole later this year.

Under the Mondale amendment, the additional $9 billion budget authority would "trigger" in outlays when unemployment has averaged 8.5 per cent for three months.

Unemployment is not a statistical problem or a "political" problem. Sidelined workers are not cold gray government statistics. They are walking, breathing American tragedies.

Jobs now are the key to national economic recovery. We urge you to vote for the Mondale amendment that could help create one million jobs, stimulate the economy and put America's unemployed wage earners back to work.

Sincerely yours,

Glenn E. Watts,
President.

April 24, 1975.

To all Members of the Senate.

Dear Senator: The American Federation of Teachers, AFL–CIO, strongly urges your support for the Mondale-Javits-Humphrey amendment to S. Con. Res. 32, the first resolution on the budget for Fiscal Year 1976.

The budget proposed by the Budget Committee and its consequences for the American people are unacceptable to us and we hope to you. Adoption of this program without the amendment will result in no significant improvement in the unemployment rate over the next 18 months (the Committee estimates 7.5% unemployment in December of 1976) and a budget ceiling without the flexibility to enact programs that can provide direct aid to the unemployed and real stimulus to the economy.

The budget projects no serious effort by the Congress to reduce unemployment. The so-called emergency revenue sharing program that has been urged by many economists and would provide direct aid to financially strapped states and cities in order to prevent local tax increases or even further layoffs of public employees is not contemplated in the budget resolution. The budget projects no acceleration of the public works program. Such an acceleration in the past has resulted in beneficial effects to the economy that went beyond direct construction and stimulated the support and supply industries which go into decline when housing and other construction declines.

The Committee proposal does not include any provision for health insurance coverage for the unemployed. This program is an absolute necessity for workers already victimized by our planned depression. For most workers, losing a job means a desperate attempt to keep up payments on houses, cars and educations. Without provision for health insurance, many families could face losing their homes and other possessions simply to pay unexpected medical bills. The resolution also neglects to provide funds for expansion of the public service employment program. The current program of public service jobs funds approximately 350,000 slots. This program needs expansion to serve the ever-increasing number of unemployed. The resolution also fails to do anything for the housing industry.

The Mondale amendment would provide another $9 billion to fund these programs as the Congress decides they are necessary. While inclusion in the resolution does not guarantee that these badly needed programs will be enacted, it is our opinion that failure to include them guarantees that these programs cannot be implemented during the next fiscal year. Adoption of the $9 billion also would provide a budget designed to provide more stimulus and a greater reduction in unemployment. If improvement in the economy occurs, the amendment is designed to terminate the so-called counter-cyclical programs in order to prevent competition between the government and private enterprise in the credit market.

We urge your support for the Mondale amendment as an attempt to provide minimum aid to the unemployed and stimulus to the economy. The alternative is sentencing at least 10% of our workforce to continued misery and idleness. We do not believe Congress has that right.

Sincerely,

Albert Shanker,
President.

The PRESIDING OFFICER. All of the time of the Senator has expired.

The Senator from Maine has 55 minutes.

Mr. MUSKIE. Mr. President, I was interested in the Senator's historical reference to 1938 and the programs which President Roosevelt sent up that dealt with the budget.

The outlay total for fiscal year 1938 was $6,076 billion, about one-sixtieth of the outlay figure that the Budget Committee brings to the floor, and the deficit was $1,177 billion, or roughly one-sixtieth of the deficit that the Budget Committee has brought to the floor. This is a very interesting historical comparison.

As I look through this table, which is found in the budget document on page 367, I would like to read the deficit totals for 3 years of World War II: 1942, $20 billion plus; 1943, $54 billion plus; 1944, $47 billion plus. Those three war-year deficits are roughly the equivalent of the 1975 deficit added to the deficit figure which the Budget Committee brings to the floor. The deficit figure we project for 1976 is the highest peacetime or wartime deficit in the history of the country.

I am not one to read too much in those figures, but I think, nevertheless, they set a perspective which we should take into account.

Now, Mr. President, I was interested a few moments ago when Senator Randolph expressed the thought that he was going to do what he believed was right, whether or not he was called a spender for doing so. Well, for 2 days Senator Bellmon and I have listened to speakers on this floor call us spenders. The rhetoric got a little bit bloody at times but, in any case, we have been rather strongly criticized for bringing to the floor the recommendations found in the budget resolution.

Well, now the criticism is coming from another direction. We are being criticized for not spending enough.

Let me restate my view, Mr. President, of this budget process. Senator Mondale has referred to some of my votes in committee and some of the positions that I took. He challenges me to be consistent with those positions here in the vote on his amendment. I feel compelled to make my position clear.

I have this perception of the budget process. The committee is made up of 16 members. For months and weeks we worked toward the committee objective of reaching a consensus as to how much we should spend, what our deficit should be and, at least, a tentative decision as to what the budget priorities ought to be.

I hope we have the feeling that during that process each of us won some and lost some. But what we finally arrived at was an overall target number, not for the 16 functional categories, but for the budget as a whole: $365 billion.

At that point all the votes were in. The committee had voted to send the resolution to the floor. Each member of the Budget Committee then faced this challenge: "Do I go to the floor in support of the new budget process and its discipline or do I go pursuing my own individual priorities."

I felt fairly certain that whatever lead I set the committee members would follow; that if I came to the floor pursuing my priorities every member of the Budget Committee would come to the floor pursuing his priorities, and we would, therefore, not have a joint committee consensus. We would simply have some numbers put together by 16 Senators who would then blend into the 100 Senators who are Members of this body, all fighting all over again as though there were no budget process to influence the final results.

I say to my colleagues—Senator Mondale on that side of the aisle and Senator Dole and my good friend from Idaho on the other side—that at some point, at some level, we must agree to adopt a discipline that will give each of us a crack at influencing the total result. This discipline must—when it is completed—bear some rational relationship to the resources available, and to the priorities we ought to be pursuing. Specifically, it must relate to the needs of our people and the ability of our economic system, both fiscal and monetary, to carry the load. We are going to disagree when we get those final results as to whether we were wise, but at least that ought to be the product.

Senator Mondale says we ought to spend more, just as Senator McClure and Senator Buckley said yesterday we ought to spend less, and just as Senator Dole this afternoon said we ought to spend less.

Senator Mondale has referred to what I think is an accurate description of the objectives of the Budget Committee, and I will repeat them. On page 3 of our committee report on the concurrent resolution, we state:

> That the Federal budget for fiscal 1976 should meet four important tests.
>
> First, it should "provide funds for national security, education, health care, pensions, and other established programs which the people of the United States would need regardless of the state of the economy.

We have served that objective by making adjustments which would reflect the inflationary erosion of the funding of those programs.

Now, there are some in this body, and their votes the last 2 days indicate their convictions, who feel that even that is too much if it results in a deficit of the magnitude that the Budget Committee has recommended.

The second objective is that the budget should "provide funds over and above such basic needs to help pull the United States out of its most devastating economic decline since the 1930's." This was the most important priority to which the Budget Committee was committed. Its labors and its result reflect as strong a concern about the problems of the unemployed and their families as that expressed by the distinguished sponsor of the amendment before us.

The third objective is that the budget should "be designed as a first step toward ending the increasingly harsh cycles of inflation and recession which have dominated the U.S. economy for nearly a decade and provide direct help to those Americans whose incomes have been cut off or reduced by the recession."

I submit, Mr. President, those last three objectives out of the four were directed toward the recession and the devastation that it has wrought in the lives of too many American people.

We have undertaken to meet those objectives. These are not just words.

As I said yesterday in opening the debate, $365 billion is a lot of money. The stimulative programs are not just the $4.5 billion that have been described as temporary recovery programs. Surely, no one believes that of the $365 billion in this budget only $4.5 billion has stimulative expansionary effect upon the economy.

I cannot believe any Senator draws that kind of conclusion.

But let me be more selective than the $365 billion. Let me go through this budget to pick out those items in it which are related to the need for jobs and economic stimulation.

With respect to temporary recovery programs we have already referred to the $4.5 billion in outlays which was approved by the Senate last Friday, and last Friday that program was described by its sponsors as providing 1 million jobs.

It was not my program. It originated in the House, endorsed by the Appropriations Committee, and the description of it was that it provided 1 million jobs. It is included in this budget.

Now, the sponsor of the pending amendment suggests that because it has already been done it should not be counted and that we must do something more, because that was done last week. Not a penny of that has been spent as of this moment, not a penny.

Second, there are other stimulation programs in our committee mark over and above the President's budget: first, $1 billion additional highway funds, which were released from the impoundment imposed by President Nixon 2 years ago; in released Hill-Burton funds; second, $100 million; third, $100 million in released clean water funds—a program in which I have a special interest—over and above the level of spending which we had already achieved; fourth, $600 million in EPA, coastal management and other programs in the natural resources, environment and energy function; and fifth, $200 million in District of Columbia Metro.

These five additional stimulate programs would provide $2 billion in addition to the $4.5 billion which provide jobs. Thus, in total, the committee mark includes $6.5 billion in additional job stimulating programs.

The distinguished Senator, chairman of the Public Works Committee, has given the formula, the number of jobs available for these kinds of money.

Let me turn next to the automatic stabilizers, unemployment compensation, food stamps, and so on. That is $15.2 billion. It was enacted after the great depression as an automatic stimulant to the economy to establish automatically a floor below which the economy will not fall. Unless that program was erroneously conceived originally, I assume it still serves an antirecessionary objective; $15 billion which is pumped automatically into the economy to provide the unemployed with income.

It is a legitimate addition to anybody's list of what this budget does for those who are hurt by unemployment and recession.

Then, there is the tax reduction act, or do we not count that because that was done in March? The benefits of that action have not begun to flow out into the economy yet. No taxpayer, no citizen has gotten a penny of it. The checks begin going out tomorrow. We do not know what the effect will be. Many of us have high hopes that it will help turn the economy around, but the thing has not started.

That is $10.1 billion.

And with the possible extension into the last half of the fiscal year of 4.4, which seems likely, the total of the items I have listed already to $36.2 billion.

Then when we add to that the impact of the tax cuts and the social security rebates, we have $1.9 billion for the social security rebates, the checks for which have not yet gone out, and the fiscal year 1975 impact of the tax reduction act, and those checks have not yet gone out, that is $10.8 billion.

So the total potential stimulus of these items on the budget which I have listed is $48.9 billion. In the year of the "great spender", Franklin Roosevelt, in the 1930's—I can remember the newspaper headlines of those years—the highest outlay figures were $8.4 billion in 1936, $8.8 billion in 1939, and $9.5 in 1940 when spending had begun for the war.

Multiply the stimulus of those years by 60 and the stimulus we are providing is not so far off the mark from one of the big spenders or, at least, one of the historically big spenders.

Mr. President, I have no God-given wisdom as to what is too much and what is too little stimulus for this economy. I have not met an economist in the months since I have been chairman of this committee, or in the years I have been consulting with them, whose judgment as to what is going to happen 6 months ahead is worth very much or is often borne out by events.

That is not to say I do not value their judgment and their advice, but they are not seers.

There is no economist this committee heard last fall—and that was 6 months ago—who predicted a depression of this intensity and extent and duration, not one.

Mr. MONDALE. Oh, yes.

Mr. MUSKIE. I will check it, but I heard no predicting an unemployment rate of 8.7 percent, effectively 10 percent by April 1975.

Mr. MONDALE. Will the Senator yield?

Would the Senator review my colloquy with Mr. Ash?

Mr. MUSKIE. Then I would make an exception. But with that lone, lonely exception, I do not recall any economist predicting an 8.7 percent unemployment rate at this point, or a reduction in gross national product in December of 9 percent at an annual rate, or a reduction in GNP for the first 3 months of this year on the order of 10.5 percent at an annual rate.

Nor did anyone tell me at that time we would have to suffer 5, 6, 7 percent unemployment for the next 4 years. That picture was not painted.

They were good men, good economists, who said that our problem was recession and not inflation and our policies ought to be turned around.

I agreed with them, but not because I saw such a grim picture ahead. That our economy would decline so significantly was certainly not the consensus of those who testified before the committee.

What I am saying, Mr. President, is this: Just as no one had the vision 6 months ago to tell us what the economic situation today would be, no one has the vision today to tell us what it is going to be 5 months from now in September when the Budget Committee is required by law to send another concurrent resolution to the Senate.

Senator MONDALE's amendment proceeds on the assumption that it is possible to anticipate the effect of the stimulative action already provided for in the budget, and to conclude that it is not enough. It is the assumption of Senator MONDALE's amendment that we can look at what the budget provides and judge that it will not be inflationary in September, whatever happens in between.

My view is this: That this budget process is not something that begins and ends with one piece of paper. It is not something that begins and ends with this budget resolution. It is a process which, when it is in full operation, will begin in November and continue until the following October. It is magic and its justification, in my judgment, is that it provides the Congress with the flexibility to adjust to developments as they occur.

You do not have to have a crystal ball. All you need is a mechanism that enables you to respond.

So I say to the Senate that what we have in this program to deal with the recession is responsible, it is responsive to the unemployment problem, which is the central problem—we all agree on that—and it provides us the mechanism to do more if we wish.

The extension of the tax cuts into the last half of fiscal 1976, $4.4 billion, an action that everybody predicts will take place, is something we can do.

With respect to counter cyclical revenue sharing, we were not able to get the votes in the Budget Committee for that concept, which I think has great merit. I doubt that we would have the votes at this moment. An educational job has to be done. The authorizing committee is going forward with hearings on that proposal, which the Budget Committee endorsed in principle, to fashion another counter cyclical tool, that will be available to us to put in place if the developments in the economy justify it and require it.

Even Senator MONDALE's amendment undertakes to rest upon the development of unanticipatable events. Either that or the language is meaningless.

He says if unemployment is 8.5 percent for 3 months prior to the fiscal year certain things with respect to spending will happen.

He must be in some doubt as to whether or not that will happen or he would not have the condition in his amendment.

Then he says if it does not happen before the beginning of the next fiscal year but happens afterwards, another formula would be used. That, too, clearly must be an uncertainty or the language is meaningless.

How those kinds of spending flows are to be triggered by the Treasury or the administration is not described. A budget resolution is not a piece of legislation in the sense that you can fashion the mechanism and the bureaucracy to implement policy. But if those are uncertainties, and I have to assume they are, even in the mind of Senator MONDALE, then I say to the good Senator the place to deal with them is in the Budget Committee.

I have already asked the new Director of the Congressional Budget Office to help us monitor the economy in the interim so that we can move and move quickly. It is just possible that the medicine the Senator's amendment would provide in the event these unanticipatable contingencies occur would not be the right medicine then.

I would like to touch just one other point raised by Senator MONDALE. That is the question of the tax reform revenues that he undertakes to anticipate.

I share with Senator MONDALE the concern that the Congress, sooner or later, get into the tax reform business. It was one of the issues in the 1972 Presidential primaries. I confronted it everywhere I went. Every candidate ended up that campaign with a tax reform program, none of which has seen the light of day yet and no parts of which have been enacted by the Congress. Suddenly, to rest our revenue assumptions for 1976 upon the enactment of some of these tax reform proposals that have not been able to generate majority support in the Congress in the 3 or 4 years since 1972 primaries is extremely unrealistic. I think tax reform is something that should be considered in connection with the extension of the tax cuts of $4.4 billion into the last half of fiscal 1976. I assume that that is one of the reasons that that decision is still pending, so that the two can be tied together. I am all for proceeding with that.

What may be a tax reform to me may be a legitimate tax expenditure to the distinguished Presiding Officer. One man's tax loophole is another man's tax protection.

There is over $100 billion in tax expenditures, a great many of which, I believe, would be reestablished by the Congress after examination. A good many others will probably be modified, changed, or eliminated upon comprehensive examination.

But what we are talking about is what can we count on for revenues for the fiscal year beginning July 1. To oppose the enactment of a tax reform package of any consequence that would provide substantial revenues for that period to offset an additional expenditure of $9 billion is, I believe, unrealistic.

I ask unanimous consent to have printed in the RECORD, Mr. President, a memorandum prepared for me by the staff to indicate the difficulty of generating revenues quickly from tax reform. This is a paper that makes some assumptions because at that point we did not have Senator MONDALE's list of proposed tax reforms. It is purely for the purpose of indicating the difficulty of generating revenues quickly out of tax reform.

The memorandum lists seven tax loopholes, the total annual cost of which is almost $10.5 billion. If we were to assume that those could be eliminated totally, the elimination to be effective for some provisions as of October 1 of this year, and effective for others beginning January 1, 1976, the staff's best guess is that the elimination of that $10.5 billion in tax loopholes would not generate more than $1.55 billion in revenues in fiscal year 1976. And that is a generous estimate.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

ESTIMATED FISCAL YEAR 1967 REVENUE GAINS FROM SELECTED PROPOSED TAX REFORMS

The reduced effects of tax reforms on FY 76 revenues compared to the annual revenue costs currently attributed to the existing preferential rules are illustrated by the examples summarized below. The assumptions used to develop the FY 76 impact of these reforms are as follows:

(A) Unless specifically stated otherwise, as appropriate, amendments will apply prospectively only, either to transactions occurring *after* the tentative decision by the first tax-writing committee to report out the reform has been made public, or with respect to taxable years beginning *after* December 31 of the year in which the reform is enacted. (October 1 has been selected as the tax committee announcement date in the first and third examples below. An earlier announcement date obviously would increase FY 76 revenues; conversely, a later date would decrease FY 76 revenues.)

(B) Based upon recent experience, if a reform increasing corporate taxes is made effective for taxable years beginning after December 31 of the year the reform is enacted, roughly 33 percent of the resulting additional annual corporate tax liabilities would be collected during the first six months of the next calendar year, i.e., the remaining six months of the current fiscal year.

(C) If additional taxes would be collected from individuals through the elimination of a deduction or the inclusion of currently non-withholdable income as taxable income, the increase in payments would not be obtained until the returns were due on April 15 of the year after the calendar year in which the reform would be effective.

Fiscal year 1976 gain in millions

Elimination of DISC—$1,300 million annual cost/elimination effective for exports made after 10/1/75, the assumed tax committee decision date	$845
Eliminate bad debt reserve for financial institutions in excess of actual experience—$980 million annual cost/effective for taxable years beginning after 12/31/75	327
Eliminate deduction for non-business state gasoline taxes—$850 million annual cost/effective for taxes paid after 10/1/75, the assumed tax committee decision date	213
Eliminate ADR—a rough estimate is that $500 million is lost for assets depreciated under ADR in each annual classic/effective for property placed in service after 12/31/75	167
Tax capital gains at death—$5400 million annual cost. Phase-ins which have proposed in various reform proposals: (a) (minimal) Corman bill treatment, no tax at death, but rather eliminate stepped up basis (b) 1963 President Kennedy proposal: after a three year grace period, tax all gains—(c) (minimal) Treasury proposal: tax appreciation with respect to transfers occuring after of enactment, but only to the extent of appreciation occuring after that date.	(a) (b) 0 (c)
Require withholding at source for dividend and interest income—Failure to do so currently estimated to have $1,000 million annual revenue cost/reform would require new widespread collection procedures probably too difficult to implement for FY 76 collections and therefore an effective date postponed into at least calendar year 78 (probably)	0
Eliminate $100 dividend exclusion—$360 million annual cost/effective for taxable years beginning after enactment sometime in 1975 (individuals are virtually all calendar years taxpayers)	0

Mr. MUSKIE. May I say, finally, that if and when we are able to generate such revenues through tax reforms, the benefits would accrue to the committee's budget as well as to the Senator's amendment. They would accrue to the Congress as a whole, either for the purposes of cutting other taxes, extending the $4.4 billion in taxes already pending, or funding additional programs to meet the recession if unfolding events in the economy justify that course. So the tax reform route is one way of adding flexibility for dealing with changing economic conditions. I am all for that. I am simply saying that the difficulty of enacting tax reform is documented by the failures of the last 3 years, and, secondly, getting quick revenue out of it is a very "iffy" proposition. Members ought not to vote for the Mondale amendment on the assumption that $2.5 billion of additional revenues from tax reform is likely to be realized in fiscal year 1976.

With that, Mr. President, I have tried to cover the principal points.

Mr. MONDALE. Will the Senator yield?

Mr. MUSKIE. I would be happy to yield.

Mr. MONDALE. There are several sponsors of my amendment, Senator Humphrey, of the Joint Economic Committee; Senator Javits, the ranking member of that committee, and Senator Bentsen, who would like to speak on this amendment. I understand we are out of time.

Mr. MUSKIE. May I say to the Senator that this time is no problem, so far as I am concerned, if we could just have some indication of how much time is needed.

I have no desire to be inflexible.

Mr. MONDALE. My colleague would like 30 minutes; Senator Bentsen would like 5 minutes. Let us say 20 minutes for the Senator from New York. I would like 5 minutes. May we have an hour?

Mr. BENTSEN. Let me have 10 minutes.

Mr. MUSKIE. I will be happy to yield an hour to the distinguished Senator from Minnesota.

Mr. MONDALE. Could we have an hour and a half?

Mr. MUSKIE. I would like to finish this bill today, if possible. I understand that another amendment is in the wings.

Mr. HUMPHREY. We can amend the amendment, otherwise. On the basis of amending the amendment, we start anew. I do not want to do that, but there is a need for some of us to express ourselves.

Mr. MUSKIE. I can stay here the remainder of the week, if that is the desire, but I would like to give a clear signal to the other Members of the Senate. If the Senator would like to give them a clear signal that we are not going to vote today, I will join him.

Mr. MONDALE. I would like to vote today. If we can agree on a time, I am willing to do so. We think at the outset that we need an hour and a half. We may need less than that.

Mr. MUSKIE. Mr. President, I yield the Senator an hour and a half on the bill. How much time do I have on the amendment?

The PRESIDING OFFICER. Twenty-five minutes.

Mr. MUSKIE. I yield the Senator from Minnesota 25 minutes on the amendment, in order to use up that time.

I have no desire to use any more of that time myself.

I yield the Senator another hour and 5 minutes on the bill.

Mr. MONDALE. Mr. President, I wish to respond briefly to the Senator from Maine.

The PRESIDING OFFICER. On whose time?

Mr. MONDALE. I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator is not speaking on the Senator from Maine's time?

Mr. MONDALE. I think the Senator from Maine yielded me an hour and a half to control.

Mr. MUSKIE. Yes; 25 minutes on the amendment and 1 hour and 5 minutes on the bill.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. MUSKIE. Mr. President, I ask the Senator whether we can agree on 5 o'clock as a time to vote on the amendment—not later than 5.

Mr. MONDALE. That is fine.

Mr. MUSKIE. That would give us a half hour on this side.

Mr. President, I ask unanimous consent that the vote on this amendment take place not later than 5 o'clock this afternoon.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MONDALE. Mr. President, I do not wish to be misunderstood. I think the basic work of this committee is superb. The process we have commenced is one of the most exciting, hopeful things I have seen in the 10 years I have been in the U.S. Senate. I believe that the priorities we have established in the basic budget are basically sound. I think we are spending a little more than we should on the Defense budget and are spending a little less than we should on some of the human services.

I voted to report this resolution because I think it is basically sound. I am pleased to be a member of the committee, and I commend its membership and the chairman for the work it has done.

It is true that other items in this budget provide employment in the basic programs, but it is also true that, even given the jobs which ongoing, basic programs provide, we are in the deepest recession since the Great Depression; virtually every economist predicts that unemployment will become worse, not better. There is very little disagreement among the economists, so far as I know, about the bleak picture for unemployment in the next several years.

The President's own budget predicts unbelievably high unemployment through the end of this decade. Data Resources and some of the other computer analysis organizations say that unemployment will rise to more than 9 percent. Of course, the official statistics grossly underestimate the unemployment, because discouraged workers are not counted—there are more than a million of them—because the underemployed are not calculated in that regard. I think that the number of true unemployed is perhaps well in excess of 10 percent today, and everyone I know of in the field of economics predicts that it is going to go higher.

So that so far as we can responsibly predict, even with the budget spending that provides employment, to which the Senator from Maine refers, we are in a bleak, tragic, persistent, and long-term period of recession and unemployment.

That is what the countercyclical budget is intended to deal with—to provide jobs during the period we are in this trough, and under the terms that the program tapers off and expires as we move toward full employment.

By the terms of this amendment, the aid provided for employment expires after we have had two consecutive months of unemployment below 6 percent. This is a very cautious amendment. Many others have urged far more stimulation than is recommended here.

The other argument is, "Let us wait and see what happens." That does not provide jobs. That does not help us pull our way out of the recession. By the time we get to the September reconciliation period, this legislative session, for all practical purposes will be over. That is why I believe that in terms of sheer justice, this countercyclical job-producing authority is needed at this time.

Mr. President, in yesterday's Wall Street Journal—a journal not known for its left-wing, anarchistic point of view—was an article entitled, "As Recovery Comes, It Won't Mean Jobs For Many Unemployed." In a thorough, indepth evaluation, it points out the serious, continuing nature of our unemployment problem. I ask unanimous consent to have the article printed in the Record.

There being no objection, the article was ordered to be printed in the Record. as follows:

[From the Wall Street Journal, Apr. 29, 1975]

After the Turn: As Recovery Comes It Won't Mean Jobs for Many Unemployed—Depth of Recession Cited; Analysts Fear Political Social, Economic Effects; "A Pig & Boa Constrictor"

(By James P. Gannon)

(Note.—The U.S. economy is suffering the worst recession since the Depression of the 1930s. What caused such a severe slump? What are the prospects for recovery? What will a recovery mean for unemployment and inflation? How can economic stability be restored? This is the second in a series of articles examining these questions.)

The nation's economists are nearly unanimous in predicting that the recession will "bottom out" soon and a recovery will get started this summer or fall.

Their reasons: Federal tax rebates and withholding cuts will start pumping billions of dollars into the economy next month; inflation is cooling, which means less erosion of consumer purchasing power; businesses are rapidly selling excess inventories, so factory production will increase; the stock market's rise and an improvement in consumer confidence also point toward a recovery.

But what the economists mean by a recovery may be of little immediate benefit to the laid-off construction worker, the housewife unable to find a part-time job, or the June college graduate with no prospect of employment. For many such people, the end of the recession may be a long way off.

"There is a tendency to think that the recovery means a prompt return to full employment, and that is wrong," says Leif H. Olsen, senior vice president and economist at First National City Bank in New York. "What I stress is that the turnaround economists talk about is a statistical phenomenon. For the country as a whole, we will be operating at low rates of capacity and high unemployment for some time," Mr. Olsen predicts.

HERE'S THE RUB

Consider a fairly typical recovery forecast as an illustration. Otto Eckstein, a former White House economic adviser who heads the economic research firm of Data Resources Inc., predicts that "some kind of an early turnaround is virtually inevitable" because tax cuts will spur consumer spending. His forecast—more optimistic than some—shows the economy resuming a 2% annual growth rate this quarter after falling at a record 10.4% in the first quarter. Then the recovery will produce healthy growth rates of 7.4% in the third quarter and 5.9% in the fourth period, he predicts.

That's a pleasing-looking "statistical phenomenon," all right, but what does it mean for unemployment: That's the rub. The Data Resources computers calculate that, after peaking at 9.3% this summer, the jobless rate will drift down so slowly that it will still be 7.9% at the end of 1976 and will average 7.5% for 1977.

The problem is that the current recession is so deep that even a healthy recovery wouldn't restore economic activity to the pre-slump level until late 1976. Meantime, the working-age population keeps growing. Economists figure that it takes growth rates of around 4% a year just to absorb normal labor-force expansion, so actually whittling down the jobless rate—now at a post-Depression high of 8.7% of the work force-requires rapid and sustained economic expansion.

THE ECONOMISTS' DOUBT

Many economists and businessmen doubt the U.S. economy will grow fast enough to drop unemployment back to a more normal 4% to 5% range in the foreseeable future. "I don't think we will have either the capital or the energy resources to propel the economic growth" needed to achieve that, says R. Heath Larry, vice chairman of U.S. Steel Corp. "I think we will have a continuing high level of unemployment" for the next decade, he adds.

Economist Michael Evans, president of Chase Econometric Associates Inc., predicts that for the rest of the decade, at least, 6% will become a new jobless-rate plateau for the U.S.

This means the U.S. probably faces the longest spell of high unemployment since before World War II. Even in the 1957–58 recession, the worst in postwar years until now, unemployment was at 7% or higher only for eight months. Many economists now see another two years at 7%-plus joblessness, and the Ford administration's January budget projections had unemployment holding that high until mid-1978.

UNSETTLING EFFECTS

A long-term drought, economists and other analysts say, would have deeply unsettling effects:

In terms of job scarcity, women, blacks and young people will be hardest hit; they will form a huge pool of "discouraged" work-force dropouts not measured by unemployment rates.

Competition for promotion will intensify, especially in the swelling ranks of well-educated workers aged 25 to 34, the postwar baby-boom generation.

A glut of college graduates will have harder job hunting in the next few years, and many may have to accept unchallenging or boring jobs for which they are overqualified.

Conflicts between black and white, male and female, and young and old workers over jobs and promotions may increase.

Even harder to predict than the economic implications are the social and political consequencies of years of high unemployment. "I think we could be in for some serious social and political trouble before we are through with this," worries Gardner Ackley, a former White House economist now teaching at the University of Michigan. "The situation presents opportunity for populist politicians to really make inroads against the moderate leadership of both parties by playing upon people's dissatisfactions," he figures, mentioning Alabama's Gov. George Wallace and former California Gov. Ronald Reagan by name.

Black leaders are concerned that high joblessness will stall black economic progress. "I'm not predicting riots in the streets," stresses Andrew Brimmer, a former Federal Reserve Board governor, "but I am talking about economic stagnation." Mr. Brimmer, currently an economics professor at Harvard University, contends that the slow recovery path projected by administration officials implies a 10% to 11% black jobless rate in 1980 and says that "this means absolutely no improvement in the job status of blacks over the rest of the decade."

The Urban Institute, a Washington-based research outfit, recently completed a study of the recession's likely impact on job-market conditions for various worker groups. The institute's economists concluded that "virtually every major demographic group (will) suffer job losses, with the groups already worst off in the labor market being hit hardest."

The study compares prospective employment conditions in 1976—using the Ford administration's projected average jobless rate of 7.9%—with employment conditions at a "normal" 4.9% rate. A leading conclusion is that much of the recession's impact won't show up in the unemployment figures because many discouraged job seekers will drop out of the labor market and thus won't be counted as unemployed.

This phenomenon already is evident. The Labor Department has been collecting data since 1967 on the number of "discouraged workers" who have given up looking for jobs. Up until this year, the total fluctuated between 550,000 and 850,000. But in the first quarter of this year, as the recession deepened, the discouraged-worker total jumped to a record 1.1 million, 73% higher than in the third quarter of 1974.

The Urban Institute economists count 4.3 million "recession victims" in 1976, including 2.8 million more unemployed than a normal jobless rate would produce, and 1.5 million discouraged workers. The uneven impact of the recession on various groups is illustrated in the following figures, comparing recession-level unemployment with normal unemployment, including the discouraged-worker effect:

For white males in the prime working ages of 25 to 59 years, the jobless rate rises to 4.6% from a normal 2.1%, but there is only a small dropout of 55,000 discouraged workers.

For white women aged 25 to 59, a category that includes millions of wives who want to work, the recession jobless rate rises even less—to 5.2% from 3.8%. But there is a massive dropout of 1.2 million discouraged women who give up the job search.

For black teen-age males, the jobless rate jumps to nearly 36% from a normal 23%; that is more than double the white teen-age male rate of 17%, which rises much less. The discouragement effect also is much higher among black teenagers.

"Women and blacks have made important gains in the job market in recent years," the study says, but "a long and deep recession can wipe out their hard-fought-for improvements. . . . Where jobs are scarce, these groups will tend to be left out."

There is another threatening aspect to the buildup of a vast pool of 1.5 million or more discouraged workers. When an economic recovery begins and they hear that chances of finding a job are improving. Most of these "hidden unemployed" will start looking again. Their reentry into the work force then will tend to retard the decline in unemployment figures, economists say.

Other underlying trends that might have created difficulties even without a recession may lead to real trouble because of high joblessness. Key among these is the enormous bulge of young workers trying to begin and develop careers in a difficult economic environment.

Between 1970 and 1980, according to Labor Department figures, the number of people aged 25 to 34 in the work force will swell 51%, to 26.8 million from 17.7 million. These are the postwar babies, who will make up one-fourth of all U.S. workers by the end of this decade.

Arnold R. Weber, formerly assistant secretary of labor for manpower and now provost of Carnegie-Mellon University in Pittsburgh, says these workers face "ferocious competition on the career ladder" because of their sheer numbers. In typically colorful imagery, Mr. Weber says this bulge of ambitious, well-trained young people will move through the labor force "like a pig through a boa constrictor." The task of "digesting" this bulge, he believes, will be made more difficult by the demands of blacks, women and other minorities for good white-collar jobs. The typical would-be junior executive—the college-educated white male—will find not only 10 others just like himself competing for a promotion but also a couple of blacks, a couple of women and perhaps a Chicano or an Indian, Mr. Weber says.

He speculates that the consequences of this competition could include a "backlash" against programs to hire and promote more minorities and women, and a "pressure to push older workers out" of jobs by mandatory early retirement.

A related problem is posed by the millions of college graduates who will enter the labor market during the next few years. The recession and the prospects for slow recovery worsen their job chances.

"The late 1970 could very well bring a glut of college graduates with advanced degrees," reports Morgan Guaranty Trust Co.'s monthly survey. "What seems to be building up," adds the New York City bank's publication, "is a broad surfeit or trained individuals similar to the situation currently faced by elementary-school teachers and by engineers a few years back. Job dissatisfaction resulting from workers having to take jobs which they regard as below their potential and level of training thus looms as a possibility."

The anxiety and disillusionment already are setting in, says Mr. Weber of Carnegie-Mellon. Today's college students "are far more anxious" about their future than students of earlier years. "It is a switch from the psychology of abundance and opportunity to the psychology of scarcity," he concludes. "There is a gearing-down of expectation, a feeling that the student just might not get what he wants."

Mr. MONDALE. Mr. President, on the matter of taxes, I believe that the Senator from Maine is correct historically about tax reform, but I do not think he is right about this time. After 25 years of talking about repealing the oil depletion allowance, we repealed most of it. There is a different House and a different Senate, partly because the Senator from Maine went around the country and helped elect it. There is a Congress that now believes in tax reform. One of the most hopeful expectations of the whole budget process is that we will throw tax expenditures in alongside other expenditures in the overall calculation of our priority process.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. MONDALE. I yield.

Mr. MUSKIE. I agree with the Senator that the climate has improved. I think we may have lost some of the muscle by including the oil depletion allowance in the tax cut bill, which has already passed, because that was a powerful force with respect to climbing oil profits and the energy crisis. I share the Senator's belief that perhaps the time is ripe, and I certainly hope so. He knows that I will join him in those efforts.

Mr. MONDALE. I agree completely. We have discussed often—it is a matter of record—our hope that at long last Congress will follow through on this. I offered the DISC proposal.

For example, Senator HUMPHREY has introduced a bill that would raise $5.7 billion through tax reform. Senator BIDEN has a bill that would raise $3.5 billion. Senator BENTSEN has a bill that would raise $3.1 billion. Senator HASKELL has a bill that would raise $20 billion. There are many proposals for quick change, and most of them are issues we have debated time and time again. With a different mood in Congress and, incidentally, with the change in our rules on making filibusters more difficult, I think the time has come to tell those of us in the Finance Committee and the Ways and Means Committee, "Let's get moving."

It is better to repeal the Western Hemispheric corporate preference rate and change such things as the disgraceful treatment of minimum tax and use that money to hire the unemployed than go to a meeting of unemployed people who are unable to care for their families and say, "We're sorry; we didn't have time to pick up that revenue, even though those preferences are justified."

For all of these reasons, I think the Senator from Maine was right when he voted with me in the committee.

Mr. EAGLETON. Mr. President.

Mr. HUMPHREY. Mr. President.

The PRESIDING OFFICER (Mr. HELMS). The Senator from Minnesota is recognized.

Mr. MUSKIE. I am happy to yield 5 minutes.

Mr. HUMPHREY. I shall withhold, Mr. President, if I may have the right to reclaim the floor after the Senator from Missouri has finished.

Mr. EAGLETON. I thank my colleague from Minnesota. I appreciate it. I shall be brief.

I wish to ask a series of short questions of the Senator from Maine with respect to the pending amendment. As a prelude to those questions, I make this brief statement.

I think the Senator from Maine would agree that there is still great uncertainty over the future direction of our economy. Some of the signs are favorable. Consumer prices, which were rising at a 17-percent rate just 6 months ago, are now down to about 4 percent. The prime interest rate has dropped from its high of 12 percent to about 7½. And some revival of consumer confidence has been reflected in the stock market, which has gone up 30 percent since December.

But, on the other hand, some signs are pointing to a deeper slump. The leading indicators are still falling, and the expected resurgence in automobiles and housing has not materialized, and unemployment continues to climb.

As I understand it, the Budget Committee made the best estimates it could, and devised a set of targets appropriate to those estimates. But things could turn out to be either better or worse than the committee estimated; such is the nature of our economic situation.

Thus my first question:

Does the Committee on the Budget intend to monitor the progress of the economy, with a view toward reporting a new set of recommendations to the Senate should events invalidate the committee proposals before us now?

Mr. MUSKIE. Yes, the committee does, indeed.

May I make the point that we are not limited to a second concurrent resolution in September to change our estimates of the economy. We could report out a new concurrent resolution next week or next month, or at any time that a monitoring of the economy indicates the need to do so.

I have written today to Dr. Rivlin, the director of the new Congressional Budget Office, to solicit her assistance in monitoring the economy and in developing programs that will be more precisely geared to the economy and the need for stimulation, but that might die out later. I think that the monitoring function is a very, very important part of our responsibility.

Mr. EAGLETON. I think the Senator is eminently correct, because between now and September, should conditions change, the Committee on the Budget could then come forward with a new set of budget recommendations.

My next question is, would it also be possible to accommodate some of the additional antirecession programs within the committee's current ceilings—cutting or postponing some of the base-level permanent programs—should a reordering of the priorities prove to be wise?

Mr. MUSKIE. That is clearly an option. As I pointed out earlier, the distinguished sponsor of the pending amendment, Senator MONDALE, voted for a $90 billion ceiling on defense. The committee as a whole adopted a $91.2 billion ceiling. There is $1.2 billion that I am sure Senator MONDALE would divert to a countercyclical recovery program. These kinds of priority judgments will be made by Senators from now on.

It is my hope that they will make balancing decisions. That is, if they want to spend more for recovery programs, they will accept the discipline of cutting somewhere else. Within that framework, there is ample opportunity, I say to the Senator.

Mr. EAGLETON. Moreover, it would seem to me that the various legislative committees should continue to propose the programs suggested in connection with the amendment before us. We then would have the option of incorporating them into the second concurrent resolution in the fall should they be necessary. So defeat of this amendment would not mean that we are prevented from passing the programs suggested, only that we must reconcile what we do over the summer come next fall. Is that not correct?

Mr. MUSKIE. The Senator has expressed the philosophy of the act right on all fours. May I say that one of the primary candidates for a program that might be applied quickly in a countercyclical way is countercyclical fiscal assistance to State and local governments. That is a project that is well underway. Senator HUMPHREY has joined with me and Senator BROCK in sponsoring it. It has been referred to committee. We have held some hearings in the Intergovernmental Relations Subcommittee already, and so it is beginning to build some steam. That program is something that can be put into action quickly. The Committee on the Budget has endorsed it in principle. That fits the philosophy the Senator has expressed.

Mr. EAGLETON. In other words, a vote against the Mondale amendment is not necessarily a vote against the programs which the Senator from Minnesota associates with his amendment.

Mr. MUSKIE. The Senator is absolutely correct.

Mr. EAGLETON. I thank my colleague from Maine. I thank my colleague from Minnesota.

Mr. MONDALE. If the Senator will yield for a minute, that is true, because all we are doing in the contemplation of the law here is putting on an overall spending ceiling. But if the Senator will look at what we propose by way of countercyclical revenue sharing in the $4.5 billion figure, he will find that we specifically voted to knock out all money for countercyclical spending for aid to State and local governments. We voted in a way to exclude all money for health insurance for the unemployed. We voted to knock out all additional money for public service employment and public works.

Mr. MUSKIE. Will the Senator yield?

Mr. MONDALE. In just a moment.

When we come out on the floor and ask for more than is recommended in the countercyclical items set forth on page 39 under the separate category of temporary recovery programs, I have no doubt that we are going to be greeted by howls and catcalls as great spenders. It is true that we might be able to get it anyway, but we are going to have the additional burden of arguing that we are breaking faith with the ceilings contained in here.

Also, the only way we can do it is to take money from regular ongoing programs. Where are we going to get it? If we are going to take it out of the Defense budget, I would like to help, but we know we are not going to get it.

Would we like to take it away from food stamps or education or health, or put a cap on social security? We went through all of that. It is not easy to move any money out of those regular programs that are already in place.

So I think for all of those reasons, while the Senator from Maine is theoretically correct, in fact, the answer is no; there is not a dime in here. The Senator from Maine fought for money for countercyclical measures in this budget. I fought along with him. I think he is right. And we were defeated. But do not think we did not think about it.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MUSKIE. I am happy to yield on my own time.

Mr. MONDALE. I yield on my time.

Mr. MUSKIE. No. 1, I do not notice the two Senators from Minnesota being very inhibited by the howls of anguish to which the Senator has referred. We have come here with a target outlays proposal and a deficit proposal. They are seeking to change it, which is their right. I do not know that they are inhibited particularly from doing so.

So this argument that, well, if the Budget Committee puts it in that blue book, somehow, that deprives them of their options is a little unrealistic.

Second, with respect to countercyclical revenue sharing, I asked that we not charge that $4 billion for that program against the $4.5 billion of recovery programs. There was no vote that it should not come from somewhere else. That is a decision that is left to Congress. We did not, as a committee, say it should come from nowhere else. I simply volunteered to take it away from the $4.5 billion, because that number was so small that it did not seem to serve any useful purpose to try to cover that, too. But that option is still available.

As I say, it is certainly available if we need additional countercyclical assistance.

One final point, because I do not want the RECORD to be misleading: We did not, to the best of my recollection, vote on health insurance for the unemployed. The only reference to that was included in a letter from Senator MAGNUSON to the committee, in which he urged a $31 billion outlay figure for that function. In his letter, he included health insurance for the unemployed in his list of new initiatives which he wanted to be considered. I do not believe the committee voted on it.

Mr. BELLMON. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Minnesota has the floor.

Mr. HUMPHREY. Mr. President, may I accommodate the Senator from Oklahoma?

Mr. BELLMON. I shall ask for the time later.

Mr. HUMPHREY. I thank the Senator.

Mr. President, I suppose the Senate has been going through an exercise here that can really be said to be of some historic importance. It is, without a doubt, the first time that there has been such an indepth, prolonged, and, I think, solidly constructive debate over the overall fiscal policy of the Government, and it surely represents, in my mind, an approach that we should take.

The only regrettable thing about it is that we do not know what the monetary policy of the Government will be. And let me say very quickly and very definitely that all of the best-laid plans of the best of men will go down the drain unless there is an accommodating monetary policy to this budget policy. So let us just start out by knowing that what we are talking about here is two-thirds of the equation. We are talking about outlays on the one hand and revenues on the other. We are not talking about, nor has there been any full discussion of, nor does there seem to be any way that we can do much about, as of yet, the credit, the interest, and the money supply policy.

If there is one lesson that this Senator has learned this year, after intensive work as chairman of the Joint Economic Committee, it is that no matter how well we plan and design in Congress or in the executive branch to combat inflation and recession, to provide jobs, to add stimulus to the economy, all of it will be for naught, all of it will go down the drain, unless there is a coordinated policy or a complementary policy on the part of the Federal Reserve System.

Let this not be forgotten. We are here arguing only about a part of the total economic policies of this country. We are arguing about the differences between the two Houses of Congress on the one hand, and on the other hand, the difference between the President's proposal and the Senate proposal, and we have no way of knowing at all what the Federal Reserve System is going to do in terms of credit, money supply, or interest rates.

The PRESIDING OFFICER. The Senate will be in order.

Mr. HUMPHREY. Until we know that, there will be very little assurance as to the results of what we seek to do.

This is yet to be properly understood by Members of Congress, the public, and regrettably, may I say, some of those whom we look to educate the public, the members of the media.

The Federal Reserve System sits out there like a holy sanctuary, to be untouched, while we work down here in the pits of reality.

I want to repeat what I have said before: It is imperative that the Federal Reserve System join the team—the team of the executive and the legislative, the team of budget policy and tax policy, or there is not going to be any recovery. Or, if there is a temporary recovery, it can be scuttled overnight, as it has been on three different occasions, by the action of the Federal Reserve Board. I shall come back to repeat this message next year, unless that Board cooperates, and I shall be right.

Mr. President, I have heard it said here today that some of us did not have any prediction as to what is going to come. That is partly true and partly not. When the Joint Economic Committee issued its report in December predicting 7.5 percent unemployment, and some of us felt it would be much higher—the report, by the way, was unanimous, by all the House Members and the Senate Members, Democrats and Republicans—that report was accused, condemned, and repressed as being doomsaying, extravagant, exaggerated, and a host of other descriptive adjectives.

I have heard it said that we did not propose a tax reduction. I proposed a $10 billion tax reduction bill in Congress in June of 1974. We proposed a tax reduction bill in Congress in September of $20 billion.

Why? I served as a member of the Planning Committee for the President's Economic Summit Conference, and in the moments that I had for summation in that conference, I said that we needed a tax reduction bill then to combat recession. I took a position contrary to many of the administration officials at that time that the problem facing America was simply inflation, which I expected to subside, as it has, but mounting unemployment and growing recession.

My distinguished colleague from Minnesota, in December of 1974, in his discussion with Roy Ash, the then Director of the Office of Management and Budget, said that unemployment would most likely reach 8 percent or more. He claims no gifts of prophecy, but he does have good sense.

Mr. President, the big issue before us is whether or not the budget that we have here, insofar as Congress can do anything about the economy, will have sufficient stimulative effect to be able to get the country out of the recession slump and moving up on to the high road of growth, employment, and expanded productivity. That is what it is all about.

We have had before the Budget Committee, as the distinguished Senator from Maine has indicated, many witnesses. Many of those same witnesses have been before other committees of Congress, including the Committee on Banking, Housing and Urban Affairs and the Joint Economic Committee. And most of those who come before us, Mr. President, warn us that unless we do enough we are going to have a slump that will continue, and one that will continue to drag down this economy at unbelievable cost.

Let me raise my voice here in warning that if we do not do enough, there will be people who will say, "You see, deficit spending does not work."

They remind me of the person who has to take an antibiotic, and the doctor says, "Take two, four times a day, for 10 days."

The patient says, "Oh, those antibiotics are expensive, and these druggists are having an economic ripoff. I am not going to take two, four times a day. The doctor and the druggist are in cahoots,"—as we call it back home—"so what I will do is take two in the morning, skip the one at noon, take two later in the evening, and one at night."

In other words, instead of taking two four times a day, which is eight, he takes six, and he says, "I saved, because each pill cost a dollar; therefore, I saved $2 a day," only to find out that he continues to have his infection, on and on and on.

Mr. President, regrettably that happens in medicine, and regrettably that is what can happen in the economy. It is better that we do enough, even on the safe side of doing too much, than that we do too little. I think it is important at this stage that we remember what the distinguished late President Franklin D. Roosevelt said was the duty of Government. He said that the duty of Government is not to see that those who already have too much shall have more, but rather that those who have too little shall have enough.

He also said that we should try, and if it does not succeed, we should try again. That is what we are attempting to do here, in a most difficult situation.

We have a unique situation. For the first time in the history of this country, we have both inflation and recession at the same time.

It is as if the person had appendicitis and the appendix has burst, the patient may very well suffer peritonitis or gangrene but, at the same time, the patient has high blood pressure and fever, and the doctors are arguing, "Should we bring down the fever first, get the blood pressure down," and that is what one doctor says, and the other one says, "No, what we have got to do is operate now." The other doctor says, "If you do so, the patient will die."

We cannot afford to have this economic patient die. We cannot afford to have this Republic in more trouble. We have to do both things at once—help combat inflation by cutting unnecessary expenditures, while applying our fiscal resources to reverse a major recession and high unemployment.

The Budget Committee has done an excellent job of attacking this problem, and I am not here to condemn them at all, but to praise them.

Its report provides an honest, up-to-date, realistic assessment of the fiscal situation.

In most respects, the recommendations of the Budget Committee make reasonably good provision for our public needs while, I must say, at the same time eliminating some spending proposals which are either wasteful or of lower priority, and that is what this committee is designed to do.

There is, however, one important respect in which I think the budget resolution can and ought to be improved. We need more temporary fiscal stimulus in fiscal 1976. We need it because the economy is still very weak. We will not get the strong recovery which we must have unless we adopt a fiscal policy which does more to strengthen the economy.

Let me assure my colleagues who are worried about the budget deficit that our chances of getting rid of this large deficit are much better if we adopt an adequately stimulated budget. The deficit we face stems primarily from high unemployment and a lag in production. When we get rid of unemployment, when we stimulate production, when we get personal incomes and corporate profit back up to where they ought to be, we will have the tax receipts which will balance the budget.

Mr. President, the noted Nobel Prize winner, the distinguished Dr. Paul A. Samuelson, in Newsweek of May 5, 1975, has a question and answer series in which certain questions were posed to him and to which he responded. The question was:

> **Well, is our deficit too large? You are telling me how I can go about answering this question. I want you, with your expert judgment, to answer it for me.**

Dr. Samuelson:

> **All things considered, I think the calendar year 1975 needs a deficit larger than we have ever had in peacetime. A deficit of 6 percent of GNP would be about $84 billion—frightening to the layman but still 6 percent.**
>
> The price level in 1980 will be a bit higher with such a deficit than otherwise. But singlemindedly seeking to minimize that price level would logically lead to your favoring continuation of the recession, and even a wish to let it slide into a depression.
>
> A prudent target for annual real GNP growth in the recovery would be at least 6 percent for some time. The rewards justify the risks. A reasoned look at the feasible patterns of experience will show that there is no satisfactory course of action that is without real risks.

I ask unanimous consent that the entire article be printed at this point in the RECORD.

There being no objection, the questions and answers were ordered to be printed in the RECORD, as follows:

QUESTIONS AND ANSWERS

(By Paul A. Samuelson)

Here are my best answers to the questions economists are most often being asked these days.

Q. Is inflation cured?

A. Evidence suggests that now, and by the year's end, the annual inflation rate will have abated from 1974's two-digit rate to around the 4-to-7 per cent annual rate. If luck holds out on world harvests, Mideast peacefulness, and normal productivity trends, next year at this time the inflation rate can hold in this range.

There is no cogent evidence that we are on our way back to steady price levels. And no guarantee that inflation will never reaccelerate.

Q. How stands the recession?

A. The first-quarter GNP numbers are so bad that the experts are more confident than ever that the bottom is near at hand. At even odds, you should bet with the consensus forecasters: Drs. Eckstein of Harvard and DRI; Evans of Chase Econometrics; Klein of the Wharton model. A swing in six months from $18 billion inventory accumulation to that much decumulation gives hope that inventories are nearing a satisfactory level. This attained, total spending and production should tend upward.

Slower inflation also helps. Final insurance is provided by the tax cuts that are soon on their way.

It is no sure thing that recovery will come before midyear, or be at a satisfactory pace. Housing and autos may not rebound smartly in response to credit ease and fiscal stimulus. Also, historically unemployment rates lag, continuing to rise until real GNP grows at the 4 per cent trend rate. Even if we were now at the recession's trough, unemployment would probably peak out at more than 9 per cent.

Q. Economists no longer disagree?

A. A silly question. Now that we have our tax-cut bill, we naturally divide over whether it's *too much* of a good thing.

Q. Is the deficit too big? Will it induce an unhealthy, over-rapid expansion? Crowd out investment?

A. One question at a time. And please realize that value judgments as well as objective economic science must be involved in policy decisions. Rep. Shirley Chisholm, who has a minority constituency in New York City, will properly give different optimal responses than a Florida congressman representing a constituency of retired people on fixed pensions. Their respective tolerances for inflation and unemployment risks will differ. And even where they happen to agree on probabilities, they'd disagree on the proper compromise to be selected in the trade-off between more jobs soon and less future inflation.

Here are some key conclusions.

1. The deficit is not "unmanageable"; far from it. The bonds will sell.

2. Each dollar of deficit will not eat up one dollar out of a fixed pool available for private investment. So whatever a "crowding-out effect" means, it does not mean that each extra $10 billion of deficit displaces $10 billion of equipment, construction, and inventory capital formation that would otherwise take place.

3. A deficit is "too large" when it leads to too rapid a rate of production and employment recovery. When it leads to intensification of "demand-pull" price and wage inflation. When the financing of it leads to such a bidding up of interest rates that an inordinate number of capital-formation activities can no longer afford to acquire the credit they require. And the deficit is too large if it forces the Federal Reserve to create more money than is good for the economy in its recovery period.

Q. Well, is our deficit too large? You are telling me how I can go about answering this question. I want you, with your expert judgment, to answer it for me.

A. All things considered, I think the calendar year 1975 needs a deficit larger than we have ever had in peacetime. A deficit of 6 per cent of GNP would be about $84 billion—frightening to the layman but still 6 per cent.

The price level in 1980 will be a bit higher with such a deficit than otherwise. But singlemindedly seeking to minimize that price level would logically lead to your favoring continuation of the recession, and even a wish to let it slide into a depression.

A prudent target for annual real GNP growth in the recovery would be at least 6 per cent for some time. The rewards justify the risks. A reasoned look at the feasible patterns of experience will show that there is no satisfactory course of action that is without real risks.

Mr. HUMPHREY. Mr. President, this afternoon I thought I would just discuss some of the current economic situation and the outlook as I see it for this year and next. I am also going to present some information which we have just received on behalf of the Joint Economic Committee in its efforts to investigate the financial aspects of the budget deficit.

When the Joint Economic Committee reported to the Budget Committee early in March, we warned that the output would fall at least as rapidly in the first quarter of this year as it did the fourth quarter of last. Unfortunately, we were correct.

We further warned that output would likely continue to decline in the second quarter, and again we were correct.

We warned that the unemployment rate was likely to rise somewhere between 9 and 10 percent in the second half of 1975, and remain about 9 percent in the early months of 1976. Unfortunately, this still appears to be the outlook. In fact, administration spokesmen have now said that they, too, expect unemployment to rise above 9 percent.

The same thing is indicated in the typical private forecasts.

Moreover, recent indicators, such as housing starts, building permits, automobile sales, surveys of consumer buying plans indicate that the economy is still weak, and a strong recovery is by no means assured.

The tax cut, which Congress has now enacted, will help. In fact, it is at least in part because we have enacted this tax cut that we can expect output to rise rather than fall in the latter half of this year.

If major components of the tax cut are extended, as is anticipated, we can also expect that the output will be rising rather than falling in 1976.

But the question is, will it be rising fast enough?

Remember that output has to grow about 4 percent per year just to keep pace with the labor force increase and productivity growth—that is, just to keep the unemployment from rising further. Obviously, it is not enough just to keep unemployment from rising. We have to get it down.

The Joint Economic Committee recommended last March that we must follow policies designated to make real output grow, not at 4 percent, but at least 8 and 9 percent from late 1975 to the end of 1976 and, Mr. President, I have yet to find anybody who has testified before us who does not say that is essential.

When are we going to start to listen to the facts?

If we want to get unemployment down to 7 percent by the end of next year or early 1977, this is the kind of output growth that is required, and 7 percent unemployment is still a national disgrace.

After careful analysis, I have reluctantly concluded that the fiscal policy recommended currently by the Senate Budget Committee would not give us the output growth which is needed this year and next. The Budget Committee does not think so either because in its report it states that the policy recommended would bring unemployment down to 7.5 percent by the end of next year, and we think this is just not good enough.

Therefore, if we adopt the Mondale-Humphrey amendment, our chances of achieving a real vigorous growth of output during next year will be greatly improved. We can realistically hope to get unemployment down to 7 percent by the end of next year. I wish, of course, that it could even be better than that. By conservative estimates the Mondale-Humphrey amendment would increase employment by more than half a million jobs by the end of next year, and that is a lot of jobs, and we need every one of them.

I hope and pray, Mr. President, that the people can look to this Congress to give them back their jobs, and to do it now. We represent the people. We are the only hope of effective governmental action. Therefore, how can we afford to be timid when they are experiencing great personal tragedy?

Now, there is nothing fiscally irresponsible about the Mondale-Humphrey amendment. Our intent is that all the additional funds provided would be spent for emergency job-creating programs. The outlays would not become available unless unemployment remained above 8½ percent over the next 3 months.

Mr. President, how can we justify sitting back here and letting unemployment remain over 8½ percent? That is gross fiscal irresponsibility. That is draining the life blood out of this country.

The outlays would automatically cease under the Mondale-Humphrey amendment as unemployment diminishes. There is nothing in this amendment that would prevent our balancing the budget—indeed, running a surplus once full employment is regained. Indeed, it does not commit us to a long-term drain on the Treasury. It only functions when unemployment is at a disastrous level, and it helps put money in the Treasury.

Our program could be funded, and it would provide, for example, antirecession grants to State and local governments. State and local governments cannot run budget deficits. They must cut back on their services or raise their taxes, and either of these is a disastrous policy in a recession.

This is not a theoretical problem, as we all know; it is not a potential future problem. These things are happening right now in the cities. Cleveland has been forced to lay off 1,100 workers; Detroit, 1,500; Wilmington, Del. has had to reduce its fire department by 11 percent; other city departments have personnel cuts up to 40 percent. One-third of 67 small- and medium-sized cities surveyed by the National League of Cities, have had to cut their payrolls; over half have postponed essential capital expenditures; two-thirds found their revenues falling short of anticipated levels; almost half are expecting to enact some form of tax increases in 1975.

This is why Senator MUSKIE, I, and others are sponsoring legislation which, if passed, would provide emergency aid to State and local governments. The aid would be tied to the unemployment rate.

This program has been strongly supported by the economic experts who have testified before the Joint Economic Committee. The Joint Economic Committee recommended this type of program in the 1970–71 recession, and had we had this program in place at the beginning of the present recession, it would have provided an additional automatic stabilizer which would have kept the recession from becoming so deep.

If this amendment meets the test of need—and it does—and if this amendment meets the test of fiscal responsibility, which it does, why should there be opposition to it?

Well, let us face it, I think some of the opposition springs from fear, fear of the reaction that we will get from our constituents if we support a larger budget deficit.

The only way to overcome fear is by understanding and education. First we need to educate ourselves; second, we must educate the public.

Let me lay out some facts about the budget deficit. The Mondale-Humphrey amendment would add an estimated $3.5 billion to the budget deficit. We propose $2.5 billion of tax reforms.

It has been said that is difficult. I do not think the reforms we propose, such as elimination of DISC, such as a minimum tax, which is required, and one or two others, would be that difficult.

In addition, it is estimated $3 billion would be raised through additional tax receipts, which will come from a higher level of economic activity.

Thus, the $9 billion in proposed additional outlays would add only $3.5 billion to the budget deficit.

Now, Mr. President, the President's deficit, in realistic terms, is about $66 billion, the Senate proposed deficit is $67.2 billion, and our deficit figure would be $70.7 billion.

Mr. President, there have been no economists that have appeared before the Joint Economic Committee, nor has there been any businessman that appeared before the committee, that thought that was an unmanageable deficit.

The only people before that committee who were horrified by that deficit were administration officials.

Might I say, the deficit grows regardless of what Congress does simply because of rising unemployment which, in turn, saps the economic strength of this country and diminishes revenues.

With the Mondale-Humphrey amendment included, the budget deficit in the Senate resolution would be $70.7 billion. This is about $3 billion less than what the House Budget Committee has already recommended.

This entire budget deficit comes from high unemployment.

Mr. President, I ask unanimous consent to have printed in the RECORD a table prepared by the Joint Economic Committee showing a full employment budget, assuming House Budget Committee recommendations.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

FULL EMPLOYMENT BUDGET

(Assumes House Budget Committee recommendations)

[Billions of dollars, seasonally adjusted annual rate]

	1974:3	1974:4	1975:1	1975:2	1975:3	1975:4	1976:1	1976:2
Receipts	314.8	328.3	340.4	310.1	348.4	357.1	368.1	377.5
Expenditures	300.6	313.1	324.9	330.7	335.9	349.1	365.3	374.6
Surplus (+) or Deficit (−)	14.2	15.2	15.5	−20.6	12.5	8.0	2.8	2.9
Surplus (+) or deficit (−) by half years	14.7		−2.6		10.3		2.9	

ECONOMIC IMPACT OF HOUSE BUDGET COMMITTEE RECOMMENDATIONS (FULL EMPLOYMENT BUDGET ADJUSTED TO INCLUDE RECENTLY ENACTED AND PROPOSED EMPLOYMENT-RELATED EXPENDITURES) [1]

	Fiscal year 1975		Fiscal year 1976	
	1st half	2d half	1st half	2d half
Surplus/deficit	14.7	−11.4	0	−2.3
Stimulus/restraint (change in budget surplus)		−26.1	+11.4	−2.3

[1] These programs are excluded from the full employment budget because they would phase out at full employment. However, they are included in this calculation of economic impact because they are discretionary expenditures adopted or proposed for dealing with unemployment.

Source: Joint Economic Committee

Mr. MUSKIE. Will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. MUSKIE. I am a little puzzled, the Senator minimizes the difference between the committee's deficit, said it is only $2 or $3 billion, but then states that this difference that is going to create millions of jobs, according to the Senator's argument this afternoon.

The implication——

Mr. HUMPHREY. No.

Mr. MUSKIE. The impact on unemployment is going to be enormous, but the difference in deficit——

Mr. HUMPHREY. No, Senator, I said about half a million jobs, to be specific.

Mr. MUSKIE. Under the Mondale or under ours?

Mr. HUMPHREY. No, under the Mondale-Humphrey amendment. Under the Budget Committee's proposal, unemployment at the end of 1976 is going to be over 7 percent.

Mr. MUSKIE. Is going to be 7 percent higher?

Mr. HUMPHREY. We predict it would be above 7 percent.

Mr. MUSKIE. And those predictions are as good as the predictions of last fall which said unemployment would peak at a lower rate than has subsequently developed.

Mr. HUMPHREY. May I say most respectfully to my colleague, in my own judgment I think it would stand a pretty good test. As I said earlier this year, we could expect high rates of unemployment long before Mr. Meany ever said 10 percent on "Face the Nation." The Senator from Minnesota said it in the Joint Economic Committee.

I understand the variables here. All I say is when we put the figures into what we call the models, like Chase Econometrics or Horton, we come back with figures. At best, these are estimates. There is room for mistakes.

The only point is, there is a slight difference between what the Senator's Budget Committee recommends and what we recommend. Part of the reason that our estimated budget deficit increase is limited to $3.5 billion is that we believe consequent developments will generate more revenue.

Mr. MUSKIE. But that is the point I addressed earlier to which the Senator has not responded, this business of generating additional revenue out of tax reform.

Mr. HUMPHREY. I am talking about just increased economic activity which generates revenue.

Mr. MUSKIE. If the outlays are in the right direction.

Mr. HUMPHREY. Correct.

Mr. MUSKIE. I mean, if, for instance, a significant portion of the outlays are in health insurance for the unemployed, that will not generate those kind of revenues, and the Mondale amendment does not spell out the differences. It recommends health insurance for the unemployed, public service employment, countercyclical revenue sharing, and so on.

The additional revenues that would generate, not applied to health insurance for the unemployed would be $1.5 billion, according to the best advice available to us.

Mr. HUMPHREY. We have problems with our economic advisers.

Mr. MUSKIE. Which is my point.

Mr. HUMPHREY. I do not deny, Senator, there is an uncertainty here.

Mr. MUSKIE. But what gets me is this, I listened all afternoon——

Mr. HUMPHREY. I only say——

The PRESIDING OFFICER. All time of the Senator from Minnesota has expired.

Mr. HUMPHREY. It cannot possibly be.

Will the Senator yield?

Mr. MUSKIE. My time has expired.

Mr. HUMPHREY. The Senator will yield me some time.

Mr. MUSKIE. Mine has expired, I do not have any.

Mr. HUMPHREY. I will take some more from my colleague, another 10 minutes. I am a joint sponsor of the amendment.

Mr. MUSKIE. Can I share some of that time?

Mr. HUMPHREY. Not much.

[Laughter.]

The PRESIDING OFFICER. The Senate will be in order.

Mr. HUMPHREY. I would hold my distinguished friend to the line.

Mr. MUSKIE. Then the Senator should finish what he has to say, and then I will come in.

Mr. HUMPHREY. All right.

We had added outlays in the amendment of $9 billion. We feel there will be savings from higher revenues and reduced unemployment compensation of approximately $3 billion.

The questionable figure in this, and the only one, is the further estimate of additional revenues of $2.5 billion through tax reform, and that, I understand, is something that is subject to real debate.

So the net deficit increase, if we could include tax reform, would be $3.5 billion.

So we would generate new revenues, giving us a total budget deficit of $70.7 billion. But that is due to one thing, primarily, the fact that this economy today is producing at 68 percent capacity, the fact that today there are over 8 million people unemployed, 3½ million partly employed, and a million who have dropped out of the labor market.

In fact, the work week is the lowest it has been since the great depression, slightly over 35 hours.

It all adds up to the fact that America is not at work, and when America is not at work the revenues do not come in.

I ask unanimous consent to have printed in the RECORD at this point, Mr. President, a number of letters that we have received from emminent people in the American economic community—bankers, businessmen, industrialists, economists, people who work in the field of debt management. These people have responded to us and given us answers to questions as to what would happen if we had a budget deficit, let us say, of $75 billion. Would we be able to handle it? Would the Federal Government be able to finance that deficit and to do so without crowding out of the money market the demands for private capital; to do so without raising the interest rates; to do so without precipitating further inflation?

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

AMERICAN ENTERPRISE INSTITUTE,
FOR PUBLIC POLICY RESEARCH,
Washington, D.C., April 22, 1975.

Hon. HUBERT H. HUMPHREY,
Chairman, The Joint Economic Committee of Congress, Russell Senate Office Building, Washington, D.C.

DEAR SENATOR HUMPHREY: Thank you for your letter of April 16. It was always a pleasure to appear before the Joint Economic Committee at the time when I served on the Council of Economic Advisers, and I am glad to get an opportunity to express my views on various problems with which my present work continues to be connected.

(1) In my appraisal a deficit of $45 to $50 billion in fiscal '75 and one of $70 to $75 billion in fiscal '76 would be unlikely to cause any serious difficulties *in the calendar year '75*, if it could be taken for granted that the fear of difficulties for calendar '76 will not be foreshadowed in calendar '75 through anticipatory actions in the market. Thus we should focus on calendar '76 and what comes afterwards. It all depends on what is in the offing for that period.

(2) Assuming a tendency toward a healthy recovery in the latter part of calendar '75 and in '76, the conclusion suggests itself that this tendency would be weakened or conceivably suppressed by a fiscal policy that proves incompatible with a significant reduction of the deficit in calendar '76. In other words, the process of *reducing* the deficit—a process which will have *started* by the first half of

calendar '76 if your figures prove realistic—must be allowed to *continue* thereafter. This in turn implies not only that in the near future fiscal outlays should be kept consistent with deficits no larger than assumed above but *also* that the deficit-reducing effect of the revenue-increase during the recovery should not become largely offset by an increase in outlays during fiscal '77. To me this seems to be the essence of the matter, as concerns the deficits.

(3) By my way of thinking I would not find it possible to answer the question on Federal Reserve policy precisely in the form in which it is posed in your letter, namely, whether the policy is adequately accommodating in view of the prospective deficits. I think the Fed should not try to accommodate deficits but should in the coming period aim for feasible economic expansion at greatly reduced inflation rates. Given such a monetary policy, it is the deficits that should "accommodate" the requirements of economic health, by which I mean that given such a Federal Reserve policy the deficits should be of a size that causes no trouble. If the deficits were to become larger than that, and the Fed should try to accommodate them, then with a brief lag, we would be in even greater difficulties than those which we are now trying to overcome. However, should we prove able to follow the fiscal-policy course discussed in my paragraph (2), above, there is reason to believe that the dangers of the deficit will not grow large; in these circumstances a monetary policy making room for about 10 to 11 percent increase of the money GNP in the first year of the expansion could well lead to a 6 percent or *slightly* higher rate of "real" expansion along with a sharp reduction of the inflation rate. The recent results of monetary policy *do* seem to me consistent with this conception.

(4) I feel quite unconvinced by the argument that the Treasury, when borrowing, should restrict itself to the short end of the market. Such a policy would, of course, ease present credit conditions for private borrowers wishing to float longer term securities but, on the other hand, the policy would lead to very frequent reappearance of the government as a borrower at the short end, and this during the recovery phase when it will be even more important to watch the crowding-out problem.

I remain, Senator Humphrey,

Very sincerely yours,

WILLIAM J. FELLNER,
American Enterprise Institute, Yale University Emeritus.

THE BROOKINGS INSTITUTION,
Washington, D.C., April 22, 1975.
Hon. HUBERT H. HUMPHREY,
The U.S. Senate,
Washington, D.C.

DEAR SENATOR HUMPHREY: Your letter of April 16, 1975 asks for my views on a series of questions dealing with the appropriate monetary and debt management policy over the next year.

1. *Question. Can the financial markets handle federal deficit of $45 to $50 billion in fiscal 1975 and approximately $75 billion in fiscal 1976 without seriously interfering with private demands for credit or forcing interest rates to levels which will prevent an economic recovery?*

Answer: Federal deficits of these magnitudes need in no way interfere with the availability of funds at reasonable interest rates for private borrowing, *if* the Federal Reserve pursues a monetary policy consistent with rapid economic recovery.

For the purpose of this analysis, let us start with the assumption that the recently enacted tax cut, the 1976 federal expenditures contemplated in the pending House and Senate concurrent resolutions, and natural economic forces will combine to produce a significant economic recovery, beginning sometime after mid-year. A healthy recovery in real GNP—on the order of 7 to 9 percent in the first year—would inevitably be accompanied by a substantial rise in the demand for cash, as business firms and households expand their cash requirements. If the Federal Reserve accommodates that expanded demand for cash, by a sizeable increase in the money supply, there will be no "crowding out" or displacement of private borrowing by federal borrowing.

On the other hand, if the Board of Governors of the Federal Reserve refuses to accommodate a 7 to 9 percent growth in real GNP, and seeks to hold growth to a lower rate by permitting only a modest increase in the money supply, there will be an insufficient supply of loanable funds to accommodate both federal and private borrowers. Interest rates will rise; some private borrowing will be "crowded out"; residential, state and local and private investments will be curtailed. The GNP will grow at a slower rate, and recovery will be less than the 7 to 9 percent suggested earlier.

If one does not believe that a rapid recovery rate in the next year is inflationary, then he cannot believe that providing the monetary policy necessary to make it come true is inflationary. The debate about "crowding out" therefore, conceals a hidden agenda. The debate really revolves about the appropriate rate of economic recovery in the next year. The Congress has, through its fiscal policy, clearly opted for a rapid economic recovery. If a very cautious monetary policy is used to frustrate that goal, its consequences will indeed show up as a rise in interest rates and some crowding out of private borrowing.

Ironically, an attempt to hold the rate of economic growth substantially below the targets implied in Congressional fiscal policy may lead, in the long run, to an increase in inflationary pressures. Holding down the rate of growth in the money supply, and letting interest rates rise, will *not* significantly reduce government spending or private consumption. Its principal effect will be to restrain private investment. As a consequence, the growth of industrial capacity and of the housing stock will be slowed. In turn, two or three years from now, bottlenecks in supply and large rent increases could begin to appear, well before the economy recovers to prosperity levels. Even if it had earlier wished the Congress to adopt less ambitious recovery targets, once the Congress has chosen the Federal Reserve should, on economic grounds alone, accept the Congressional decision. An attempt by the Federal Reserve to enforce its own preferred growth targets through very cautious monetary policy would curtail those very supply-creating investments which help alleviate long run inflationary pressures. Indeed, now is precisely the time to encourage—through low interest rates—the maximum sustainable rate of private investment. There are ample unused resources, so large increases in the production of investment goods will not add to immediate inflationary pressures. And once in place, the additional capacity will help moderate potential inflation in the future.

2. *Question: Faced with the inevitability of very large deficits in the current quarter and for the next several quarters, what is the most appropriate monetary policy for the Federal Reserve to pursue? Is present policy adequately accommodative?*

Answer: The Federal Reserve should pursue a policy which prevents the particularly large federal borrowings that will occur during the next several quarters from driving up interest rates. Indeed, the interest rate increases of the past several weeks should be reversed!

Over the *next year* the Federal Reserve should aim at providing an increase in the money supply sufficient to match, or slightly more than match, the increase in the demand for money that would accompany a rapid economic recovery. In the *next several quarters*, however, the demand for cash balances may well increase by an abnormally large amount. Because of the tax rebate, paid out in a lump sum, federal borrowings will be particularly heavy. Recipients of the rebates will gradually spend a large fraction of them, but for awhile a significant part of the rebates will be added to household cash balances. As a consequence, the need for cash in the economy will temporarily rise even above the growth path associated with rapid economic recovery. Unless the Federal Reserve recognizes this fact, and supplies an unusually large increment to the money supply during this period, short-term interest rates will be pushed up. In turn, at least for a time, funds may be diverted from savings institutions and long term rates may be adversely affected.

In other words, even a sizable rate of growth in the money supply, appropriate over the next year to accommodate rapid economic recovery, may not be enough in the next several quarters to reverse the recent rise in short-term interest rates. A special allowance should be made by the Federal Reserve during this period to take account of the abnormally large increase in the nation's cash requirements occasioned by the tax rebate.

3. *Question: Do you feel that the Treasury should restrict itself to short-term borrowing during this period in which business demand for credit is so heavily concentrated in the bond market and the interest rate spread between long- and short-term rates is so large?*

Answer: During the near term future the Treasury should restrict itself to the short-term market. Corporations are now attempting to lengthen the maturity structure of their debt, and are heavily into the bond market for this purpose. It is vastly more important for the future soundness of the nation's financial structure that corporations lengthen their debt structure than that the Treasury lengthen its. Hence the Treasury should not do anything to "crowd out" corporations from the longer term market during the near term future. Moreover, some of the corporate bond issues are for purposes not of refinancing but of making new investments in plant and equipment. Treasury competition in the long term market may crowd out some of these issues as well, and thus hinder recovery. For both of these reasons—to allow a healthy restructuring of corporate debt and to avoid reducing new investment—the Treasury over the near term future should refrain from meeting its borrowing requirements through coupon issues.

I hope these brief comments on the points raised in your letter will be helpful.

Cordially,

CHARLES L. SCHULTZE,
Senior Fellow.

BOSTON, MASS.,
April 23, 1975.
Senator HUBERT H. HUMPHREY,
Chairman, Joint Economic Committee, U.S. Senate, Washington, D.C.

DEAR SENATOR HUMPHREY: I am pleased to respond to your letter of April 16 requesting comments on the federal deficit and credit markets. The John Hancock Insurance Company has no formal position on this matter. My personal opinion is that, at this stage of the business cycle, the projected deficit can be financed without undue strain on financial markets and interest rates, given a continued easy policy stance by the Federal Reserve Board. This accommodation of the large volume of federal financing is possible only because of the recession, which has sharply reduced the credit demands of the private sector. (See the accompanying flow of funds projections for calendar 1975.) When the economy begins to recover and business and consumer demands for credit increase, continued large federal deficits augur a renewed round of high interest rates and severe inflation in calendar 1976 and beyond.

Given these projected 1975 credit and assuming that the Federal Reserve Board continues its policies of the recent past, short-term interest rates should remain fairly stable for several months, then rise late in the year with the pickup in the economy and short-term private credit demands. Bond rates should moderate gradually during the year as inflation rates decline further and the volume of new corporate bond offerings diminishes somewhat. Interest rates in 1975 should not reach levels high enough to prevent the economic recovery.

The prospects for calendar 1976 credit markets are less encouraging. Private credit demands will rebound strongly with the economic recovery, significantly limiting the size of the deficit which could be financed without straining credit markets. With a large deficit, both long- and short-term interest rates are likely to rise significantly unless monetary policy is unduly expansive, which in turn would lead to rapid growth of the real economy, renewed capacity pressures and another bout of high inflation rates within a few years.

The liquidity of consumers, corporations and financial institutions has been severely eroded by inflation and recession. Either high interest rates or inflation rates would further strain the financial system. The optimal policy course would be to promote moderate growth of the economy in calendar 1976 to avoid the boom-bust cycles which have characterized the past several years. This could best be achieved by reducing the size of the federal deficit, thus allowing both fiscal and monetary policy to follow a balanced course of moderate stimulus.

The current financing requirements of the Treasury are so heavy that almost every maturity of U.S. government obligation will have to be issued at some point. The Treasury should—and no doubt will—note the major sources of funds to the market (households via savings institutions, the commercial banks, and the foreign sector) and tailor maturity structures to be most appealing to these sources.

Sincerely yours,

JUDITH MARKLAND, *Economist*.

SOURCES AND USES OF CREDIT

[In billions of dollars]

	1972	1973	1974	1975[1]
Net uses:				
Mortgages	68.8	71.9	53.6	47
Corporate bonds	20.2	12.5	23.3	36
Corporate stock	12.9	8.0	6.1	6
Total private long-term	101.9	92.4	83.0	89
Consumer credit	19.2	22.9	9.6	5
Business credit	32.0	65.2	61.7	30
Other credit	16.1	7.6	5.8	5
Total private short-term	67.3	95.6	77.1	40
U.S. Government	17.4	9.8	13.0	85
Sponsored Federal agencies	6.2	19.6	20.9	7
State and local governments	14.4	13.7	17.0	15
Total government	38.0	43.1	50.9	107
Total net uses	207.2	231.2	211.0	236
Net sources:				
Nonbank finance	102.6	81.1	70.7	110
Commercial banks	75.4	83.3	58.2	70
Federal reserve	.3	9.2	6.2	12
Nonfinancial business	3.7	9.1	6.3	8
Government	13.3	23.7	33.8	12
Foreign	10.7	3.5	13.1	20
Households		21.3	22.7	4
Total net sources	207.2	231.2	211.0	236

[1] Projected.

Source: Federal Reserve, flow of funds.

INTERNATIONAL BUSINESS
MACHINES CORP.,
Armonk, N.Y., April 22, 1975.

Hon. HUBERT H. HUMPHREY,
Chairman, Joint Economic Committee,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR HUMPHREY: In your letter of April 16, 1975, you asked for my views on three questions concerning the financing of the large Federal deficits expected during the period ahead. My views on these questions are as follows:

1. In my judgment, the deficit expected during *calendar year* 1975 can be financed without causing substantial upward pressure on interest rates and without crowding out private borrowers. Furthermore, the increase in the money supply needed to permit financing of this deficit without these adverse effects is not exceptionally large, nor would it be inflationary in the current environment, because of the extremely depressed level of private credit demands due to the severe recession. Even with a strong rebound in economic activity during the second half of the year, the economy will still be operating substantially below capacity, and even sharply below the level of activity in 1973. As a result, private credit demands will remain well below the levels of recent years throughout 1975 and early 1976. The following examples illustrate how the weakness in the economy is reducing the need for credit from the private sector:

(a) Inventories are in the process of being reduced in most industries; since stocks relative to sales are extremely high, such decumulation is likely to continue throughout 1975. My estimate is that for the year as a whole, inventory decumulation will be about $10 billion, a swing of $24 billion from the $14 billion *accumulation* in 1974. This will sharply reduce business needs for credit to finance inventories, reversing the pattern of the last several years.

(b) The economic contraction has caused very sharp declines in operating rates for U.S. industry—the Federal Reserve estimates that, for all manufacturing, only 68% of capacity was being utilized in the first quarter. This has led to sharp declines in new orders for capital goods and in contracts for new business construction. These reductions in capital spending are also lessening corporate demands for external funds, even after taking into account current weakness in profits.

(c) Housing construction is still on a sharp downward trend. Even with some improvement later in the year, residential construction expenditures will total only $38 billion this year, down from $46 billion in 1974 and over $57 billion in 1973, producing comparable reductions in the demand for mortgage credit.

(d) The decline in consumer purchases of autos and other durables has dramatically changed the consumer credit picture—whereas consumer loans rose by nearly $23 billion in 1973 and $10 billion last year (net), net consumer borrowing has actually been negative in recent months. For 1975 as a whole, net demand for consumer credit will be about zero.

In addition to these factors on the demand side, I expect a substantial increase in consumer savings this year ($21 billion) because the lower inflation rate will take some pressure off consumer budgets and because not all of the tax rebates will be spent immediately—these funds will flow into credit markets and help finance the Federal deficit. Rising incomes during the recovery will also generate more personal savings.

At this time, I have not as yet analyzed in depth the impact that the Federal deficit will have on credit markets in 1976. I do expect a continuation of the economic recovery in 1976 (real GNP will rise by about 6% for the year), causing some increase in credit demands from the private sector. In addition, the Federal deficit will remain very large all during the year. Thus, greater pressure on interest rates in 1976, especially in the second half of the year, is clearly a likely possibility. However, rising interest rates are associated with all economic recoveries and need not choke off the recovery.

(2) The most appropriate Federal Reserve policy during the next several quarters is to supply sufficient reserves to the banking system to insure that an economic recovery does begin in the months ahead and continues into 1976, and that the recovery be fairly brisk. This may involve allowing the money supply to grow at a rate somewhat above the "long term desired rate" during the rest of this year; however, this is necessary to offset the rather small increases in the monetary aggregates during the last year. Even with the expected turnaround in economic activity later this year, unemployment will reach about 9½% by summer, and remain above 8% through the end of next year. Under these conditions, promoting the recovery and reducing unemployment must be the top priority. Furthermore, there is very little risk of reigniting inflation, at least until mid-1977, for the following reasons:

(a) The economy will continue to possess substantial excess capacity even with a rapid recovery. Even the basic materials industries, which were characterized by severe shortages a year ago, are now operating at only 70% of capacity on average—it will take a long and sharp recovery to "eat up" this excess capacity.

(b) Reflecting the recession and improved supply conditions, both farm prices and raw material prices have dropped sharply in recent months. These declines will be reflected in finished goods prices over the next year.

(c) A repeat of the international aspects of the recent inflation, caused by the two devaluations of the dollar and the quadrupling of oil prices, are extremely unlikely. These factors caused a substantial part of the 1973–74 inflation.

(d) High unemployment is already slowing wage increases; moderate wage behavior is likely to continue given the unemployment outlook.

(e) Productivity, which has fallen for the last two years, will rise sharply as the economy recovers. This will also help moderate unit labor costs and substantially reduce cost-push pressures on prices. In fact, inflation rates during the first two years of prior economic recovery periods have generally not exceeded, and in most cases were below, the rates experienced during the preceding recession—the growth in productivity has been primarily responsible for this pattern.

Thus, with continued high unemployment and little risk of re-escalating inflation, an expansionary monetary policy at least for the remainder of this year is the appropriate course. In recent months, policy has not been as expansionary as is necessary. However, in part this reflects the differentials in interest rates here versus abroad—this differential has led to outflows of funds from the U.S., offsetting some of the increases in reserves that the Federal Reserve has supplied. These interest rate differentials are narrowing, and since the commercial banks have also repaid virtually all of their debt to the Fed, there will be ample latitude to pursue more rapid growth in the monetary aggregates in the months ahead. The Federal Reserve should take all steps necessary to insure that this occurs.

(3) The main objective of the Treasury should be to finance this year's deficit (and refinance old debts that mature) in such a way as to promote as strong a recovery in economic activity as possible, with minimal disruptions to credit markets, regardless of the implications for the maturity structure of the debt. Thus, at the present time, when many corporations are borrowing long to repay short-term debt incurred last year, the Treasury should concentrate on short-term borrowing. If conditions reverse later in the year, as may occur, a switch to longer term debt may be appropriate by the Treasury. In addition, the Treasury should time its issuance of debt so as not to coincide with large corporate offerings that have been scheduled.

If you require any additional information, please do not hesitate to contact me.

Sincerely,

Larry Chimerine,
Manager, U.S. Economic Forecasting.

The Brookings Institution,
Washington, D.C., April 22, 1975.

Hon. Hubert H. Humphrey,
U.S. Senate,
Washington, D.C.

Dear Senator Humphrey: I am pleased to respond to your request for my views on the effect of the impending federal deficits on financial markets.

I have little doubt that the financial markets will be able to handle federal deficits of $45–50 billion in fiscal year 1975 and $70–80 billion in fiscal year 1976. The allegation that such deficits will seriously interfere with private credit demands and force interest rates to high levels disregards the fact that, during periods of recession, private investment needs decline. As a matter of fact, because of the built-in flexibility of the federal tax system, the rising deficit corresponds fairly well to the decline in private investment demand. There is no evidence in the historical record that recession-induced deficits have been difficult to finance in the past or have had significant effects on interest rates.

Obviously, the deficit can be financed only with an accommodating monetary policy, which requires cooperation from the Federal Reserve Board. In the last six months, the Federal Reserve has been concerned that interest rates will decline too sharply and thus has been hesitant to ease up sufficiently on monetary policy. So long as business activity continues to decline, the Federal Reserve should provide the banking system with enough reserves so that interest rates will continue to decline and should continue an easy money policy until recovery is assured.

During periods of business contraction, it is urgent that long-term interest rates be allowed to decline. Any financing in the long-term market by the Treasury is in conflict with this objective at the present time. The Treasury should not be seeking bargain rates for the debt, but should be concerned to maintain easy and attractive credit conditions in financial markets.

I believe that the deficits that are now anticipated will promote economic recovery, provided the Treasury Department and the Federal Reserve cooperate to prevent premature increases in interest rates and to avoid tightness in financial markets.

With best wishes,

Sincerely,

Joseph A. Pechman,
Director of Economic Studies.

Mr. HUMPHREY. Mr. President, I am happy to report to the Senate on an interim basis, and we will have a full report later on, that the economists, whether from the John Hancock Insurance Company, the U.S. Economic Forecasting, International Business Machines Corp., the Brookings Institution, or whether former members of the Council of Economic Advisers, all report, "I have little doubt that the financial markets will be able to handle Federal deficits of $45 billion to $50 billion in fiscal 1975, and $70 billion to $80 billion in fiscal 1976."

Dr. Paul Samuelson, Nobel prize winner, said it ought to be higher and it can be readily handled.

So what we are really talking about ultimately here is whether or not what we are doing is enough. I repeat, Mr. President, what I said in the beginning of my discussion in the limited time that we have.

My point is if we are going to try the method of using deficit financing as a stimulant for the economy, then we must try it in sufficient amount so that we get results. The only question we have to ask ourselves is: Can we handle that deficit in terms of Government financing? Can we do it in the money markets without pushing up the interest rates and without crowding out, as they put it, the needs of private capital?

I do not claim to have this knowledge myself. I am not an expert in this. But, Mr. President, we have tapped the sources of knowledge across the length and breadth of this country. We have gone to the Brookings Institution. We have gone to the International Business Machines Co. We have gone to the biggest companies that we have in the private capital market. We have gone to the best economists of every single persuasion. We have gone to a man like Dr. Modigliani, who is the president of the American Economics Association. We have gone to a gentleman like Dr. James Tobin, of Yale. We have gone to Mr. Brimmer, the former member of the Federal Reserve System. We have gone to people in the Treasury Department. Every one of them say that that deficit can be properly managed if the Government will schedule its debt financing under proper terms; that it can be done without crowding out private capital needs, and without raising the interest rates on either long-term or short-term money.

Mr. President, it is because of that that I think the Mondale-Humphrey amendment has merit. I do not propose it as any cure-all, not at all. All it does is to give this budget resolution a little more flexibility.

I will say in all candor to the distinguished Senator from Maine, who is to be commended and thanked for his monumental effort here, that as the Budget Committee reviews and monitors the economy, of course, he can come back with a new budget resolution. There are those of us who believe, however, that it would be stimulative to the economy right now to give it some reassurance. What this economy needs more than anything else at this time is some reassurance. What it is getting from the Secretary of the Treasury, regrettably, is a warning that the deficit is so large that there will be no money left for anybody else.

I want to say that there are no facts to support that. I believe it is time that the Secretary of the Treasury took a much more positive attitude.

Finally, Mr. President, while we are deeply concerned about deficits, I wish to quickly say that the budget deficit is one thing, and we ought to be concerned about it. But I am concerned about the employment deficit. Since last October, the number of people with jobs has dropped 2.5 million. What about them? What about their income? I am concerned about the income deficit. Let me use the word "horrified," because that is what Secretary Simon said about the President's budget deficit when it was estimated at only $52 billion. During the last 2 years real average weekly earnings have fallen 8 percent. I am concerned about the output deficit, the housing deficit, and I am concerned about the health care deficit.

Mr. President, I have additional remarks in my prepared documentation. I ask unanimous consent to have those printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL REMARKS BY SENATOR HUMPHREY

Estimates showing a $6½ billion surplus in the Full Employment budget in Fiscal 1976 are based on the assumption that the recommendations made by the House Budget Committee are enacted. The Senate resolution, which provides for lower outlays, would create a larger surplus in the full employment budget. Let me point out two things about these Full Employment budget estimates.

First, in the second half of the current fiscal year, the budget is stimulating the economy. However, in the first half of fiscal 1976, the budget will be moving in the restrictive direction. In the last half of the fiscal year, the budget would move again slowly in the stimulative direction. However, for fiscal year 1976 as a whole, the budget recommended by the House Committee would be mildly restrictive. I repeat, the Senate Budget Committee recommendation is even more restrictive.

The other point is that if the economy were functioning at four percent unemployment rates we would have a deficit only in the last quarter of fiscal 1975. This deficit is due to the tax rebates included in the Tax

Reduction Act of 1975, which are all paid out in the last quarter of the current fiscal year. In fiscal 1976 the budget would be in surplus by about $6½ billion if the economy were operating at a four percent unemployment rate.

I remind you that these figures are related to the House Budget Committee proposal. If the House proposals for fiscal year 1976 are mildly restraining or neutral, then the Senate proposals which recommend a smaller level of deficit must be more restraining. The Mondale-Humphrey amendment would only move the Senate budget deficit to approximately the same size as that proposal by the House Budget Committee. Therefore, it falls well within the range of responsible fiscal activity. Indeed, it is needed to keep the recovery going in 1976.

A deficit which springs entirely from high unemployment will not cause "crowding out" in the credit markets. Private demand for credit falls in a recession. The government deficit which is created by the recession simply fills the resulting vacuum in the credit markets. The Joint Economic Committee has contacted a number of economist and financial experts. Of those from whom we have received replies to date, not one has disputed the proposition that the credit markets can accommodate a deficit which springs from high unemployment. They have stressed that as the economy recovers and private demands for credit pick up, the government deficit should diminish in order to avoid "crowding out" and high interest rates.

The only way to get rid of a deficit is to get back toward full employment. The faster we recover from the recession, the faster the deficit will go away. If we have a vigorous recovery the deficit will be steadily diminishing during the course of fiscal 1976. In fiscal 1977, the deficit will be much smaller. The large deficit during the next few quarters is inevitable. Let us at least have sense enough and courage enough to adopt a policy which will reduce the deficit rapidly in future years.

Because there is so much interest in this question of the deficit I want to read some excerpts from a letter I have received and from testimony at the Joint Economic Committee hearing last Thursday on this precise issue.

This is what Dr. William Fellner a distinguished economist who recently retired as a member of the President's Council of Economic Advisers has written to me:

"In my appraisal, a deficit of $45 to $50 billion in fiscal '75 and one of $70 to $75 billion in fiscal '76 would be unlikely to cause serious difficulties *in the calendar year 75,* if it could be taken for granted that the fear of difficulties for calendar '76 will not be foreshadowed in calendar '75 through anticipatory actions in the market. Thus, we should focus on calendar '76 and what comes afterward. . . . In other words, the process of *reducing* the deficit—a process which will have *started* by the first half of calendar '76 if your figures prove realistic—must be allowed *to continue* thereafter . . . the deficit-reducing effect of the revenue-increase during the recovery should not become largely offset by an increase in outlays during fiscal '77."

Mr. Fellner is making the same point which I tried to make earlier. Our concern must be to reduce the deficit as the recovery proceeds. We will do this if we have a vigorous recovery in which unemployment falls rapidly.

Of course, along with the right kind of fiscal policy, we must have an accommodative monetary policy. This too has been stressed by the experts the Joint Economic Committee has consulted. Let me present a few brief examples of what the experts say:

Dr. Charles Schultze, Brookings Institution—"Federal deficits of this magnitude ($45 to $50 billion in fiscal 1975 and approximately $75 billion in fiscal 1976) need in no way interfere with the availability of funds at reasonable interest rates for private borrowing *if* the Federal Reserve pursues a monetary policy consistent with rapid economic recovery."

Judith Markland, Economist with John Hancock Insurance Company—"At this stage of the business cycle, the projected deficit can be financed without undue strain on financial markets and interest rates, given a continued easy policy stand by the Federal Reserve Board. This accommodation of the large volume of Federal financing is possible only because of the recession, which has sharply reduced the credit demand of the private sector."

Larry Chimerine, Manager US Economic Forecasting, International Business Machines Corporation—"In my judgment, the deficit expected during *calendar year* 1975 can be financed without causing substantial upward pressure on interest rates and without "crowding out" private borrowers. . . . Greater pressure on interest rates in 1976, especially in the second half of the year, is clearly a likely possibility. However, rising interest rates are associated with all economic recoveries and need not choke off the recovery. The most appropriate Federal Reserve policy during the next several quarters is to supply sufficient reserves to the banking system to insure that an economic recovery does begin in the months ahead and continues into 1976, and that the recovery be fairly brisk." Dr. Chimerine stressed the greater demand for private credit in the second half of 1976. Remember that the second half of 1976 falls in fiscal year 1977. We need economic recovery now so that the Federal deficit will be smaller in fiscal 1977.

Dr. Joseph Pechman, Brookings Institution—"I have little doubt that the financial markets will be able to handle Federal deficits of $45 to $50 billion in fiscal year 1975 and $70 to $80 billion in fiscal year 1976. Allegations that such deficits will seriously interfere with private credit demand and force interest rates to high levels disregards the fact that, during periods of recession, private investment needs decline. . . . Obviously, the deficit can be financed only with an accommodating monetary policy, which requires cooperation from the Federal Reserve Board."

Let me turn now to some of the testimony which we had before the Joint Economic Committee last Thursday. This is a little story which Dr. James Tobin of Yale University told the Committee:

"All this business about "crowding out" has reminded me that in the 1930's, in the Great Depression, there was a famous hearing before Parliament, before the McMillian Committee, at which the Treasury of the British Government testified that nothing could be done in the way of fiscal policy, government spending or tax reduction to alleviate the problem of unemployment in Britain at that time because everyone knew as a principle of economics that such measures would "crowd out" private expenditures and private investment."

We all know now that failure to adopt more stimulative policies at the beginning of the Great Depression of the 1930's was a tragic mistake. I hope we can apply that lesson to today's situation. We are not in a depression, and we are not going to be, but we are in a very serious recession. To fail to adopt all the policies we need to get out of it quickly would be a tragic mistake.

This is what Dr. Tobin says about "crowding out:" "I will state one general principle which is clear; there is never any significant financial problem of 'crowding out' unless there is a significant resource problem of 'crowding out.' "

By that Dr. Tobin means just what I have been trying to explain; we do not need to worry about crowing out so long as the deficit is stemming from high unemployment. As long as there are unemployed individuals seeking work and idle machines ready to be put back to work we do not need to worry about excessive demands for credit.

Finally, let me quote Dr. Andrew Brimmer, who served as a member of the Board of Governors of the Federal Reserve from 1966 until last August. Dr. Brimmer says: "The inordinate amount of concern that has been generated over the uncertain impact of prospective Federal Government borrowing on the capital markets in 1975 and 1976 is unwarranted. . . . This concern about "crowding out" other borrowers should be given far less weight than it is apparently getting. It overlooks the fact that several of the strong demands for funds recorded last year will moderate significantly during 1975."

Fiscal policy is not our only responsibility. We must also have the right kind of accompanying monetary policy. Congress must insist on this. The question we are discussing this afternoon, however, is fiscal policy. This is a precedent-setting debate. This is the first time the Senate has systematically debated fiscal policy in this way. Let us be sure we set the right precedents. Let us be sure we get our priorities striaght. Let us be sure we are "horrified" about the right deficits.

Certainly we should be concerned about the budget deficit. But, there are some other deficits that "horrify" me.

The employment deficit. Since last October the number of people with jobs has fallen by 2½ million. We have 8 million people "officially" unemployed—10.5 million or 11.7 percent really unemployed. In order to cut the unemployment rate even to 7 percent by the end of next year, we must add four million new jobs. This job deficit "horrifies" me.

The incomes deficit. During the last two years real average weekly earnings have fallen 8 percent. The purchasing power of the average worker's paycheck is way back to 1964 level. At the same time the work week has shrunk to an average 35.9 hours—the lowest level since the Depression.

The profits deficit. The final figures on corporate profits in the first quarter are not yet available. However, the figures that are available indicate that profits in the first quarter are not yet available. However, the figures that are available indicate that profits in the first quarter were about 12 percent below the same period last year.

The output deficit. In the first quarter of this year the economy was operating 14 percent below its potential. This is the largest output deficit of the entire postwar period. If the Administration's growth forecast is right, we will lose $1.5 trillion in goods and services in the next 5 years because we could not operate our economy at even a 4% rate of unemployment.

The housing deficit. We have a national goal in this country of building 2.6 million new housing units a year, enough to supply housing to newly formed families and to replace units that become unlivable each year. In March, the annual rate of housing starts was less than 1 million units, not even 40 percent of our national needs.

And, we must take full account of the Health Care deficit, the Educational opportunity deficit, and the quality of life deficit.

These are the deficits that plague the people of this country, and these are the deficits that should "horrify" all of us.

We face a large federal deficit in this country this year and next, not because we tried too hard to provide our citizens with a better life, not because we put too many of our citizens to work, and not because we over-reached in terms of what our economy could produce.

No, Mr. President, we face large deficits today because we have failed to follow a course of action that would keep our nation at work. When you are unemployed, you don't pay taxes. When production is down, the tax revenues go down, too. When job losses go up, so do unemployment payments and food stamps. And, that is why we will have large deficits for the next two years.

Unemployment and recession produce deficits, and the only way to balance the budget is to put America back to work—Its people and its productive capacity. This must be the central goal of all our nation's economic policies today.

I know very well the dangers of too large a deficit and of double-digit inflation.

But it is unfair, unjust and unthinkable that 10.5 million Americans should be asked to bear the brunt of the burden of fighting inflation for our society by losing their jobs.

The depths of the current recession and the seriousness of the present economic crisis, require bold and creative initiatives by Congress. Sure there are risks involved, but there are from any course of action that we choose. And, I believe it is far better to err on the side of trying to do a little too much for our people than to be convinced by the faint of heart to do too little.

The American people can once again have faith and confidence in a Congress that is bold in its willingness to come to their aid in this time of trouble. They can only have disdain for a government that is frozen into frigid inaction by the fear it might do too much.

Mr. President, if we have the wisdom and the courage to adopt the fiscal and monetary policies which will eliminate the deficits in employment, incomes, profits, and production, the Federal budget deficit will also disappear. If we are too timid to vote for the policies which are needed to initiate and sustain a vigorous economic recovery, the cost of our timidity will be borne by the individuals and families whom we are elected to represent.

I hope we will set the right kind of precedent for future budget debates by voting to adopt a budget policy which provides for the economic and human needs of the citizens of this country.

Mr. President, I urge all of my colleagues to join me in voting to meet the needs of our people—in voting for the Mondale-Humphrey Amendment.

Mr. MONDALE. Mr. President, how much time have I remaining?

Mr. PRESIDING OFICER. The Senator has 40 minutes remaining.

Mr. MONDALE. I yield 10 minutes to the Senator from New York.

Mr. JAVITS. Mr. President, I am a cosponsor of this amendment, and I rise to speak in its favor.

Mr. President, I shall, of course, not go over the same ground which my colleagues have so admirably and ably covered. But it seems to me that the key question about this amendment, taking into consideration all of the arguments which have been made about coming back with a new budget resolution and so forth, is found in a table at page 9 of the committee's own report which is headed "Table 3, Deterioration of the Economic Outlook." It compares the forecasts which have been made for August 1974, for the fourth quarter of 1974, with what actually occurred.

The declines which are demonstrated there are so precipitous as to dictate the prudence of this amendment. It seems to me that this is the single most solid argument that can be made in its favor.

We must note, for example, that instead of the rate of 2.6 percent improvement in the gross national product, we had a 9 percent decline.

In place of a change of industrial production affirmatively of 2 percent, we had a 12.3 percent decline.

The unemployment rate, instead of being at 5.7 was almost a full percentage point higher, which is an important matter of approximately 1 million additional unemployed, being estimated at 5.7 and actually being at 6.6.

In short, Mr. President, this amendment—because it does not pledge any money, it does not spend any money, it does not authorize money—but simply gives you a ceiling which is higher than the one which you have within which to operate, is an insurance amendment in a situation where heavy casualties have already been taken because of the lack of providing in advance for what has been a far more precipitous decline than anybody anticipated. Notwithstanding a rising stock market, which we have, and the general optimism that, "Well, things will be better about the middle of the year," et cetera, the Chairman of the President's Council of Economic Advisers predicts in effect that, "you have not seen the worst yet." And the same economists who were so mistaken about the last quarter of 1974 have still, in the last month, had to write their forecasts of 1975 unemployment upward, and 1975 production downward.

The reason I emphasize that, Mr. President, is because so large an amount of the additional ceiling which would be authorized goes into unemployment and everything related to unemployment. Even the Committee went up to $19,800,000,000 in respect of unemployment compensation. Incidentally, these figures have been constantly revised upward, constantly upwards. Even the administration has had to move up its own figures for food stamps because of the precipitate drop in employment.

Now I turn to the other significant figure to which I wish to call the Senate's attention. The committee, at page 22 of its report, is estimating an unemployment rate of 7.5 percent at the end of calendar 1976.

Mind that expression—at the end of calendar 1976. Nonetheless, the general estimates which have been made by everybody, including the administration, take us through 1975, at 8.1 percent. Again, that little detail means almost 7 million unemployed workers. When we couple that with law which is not yet on the books, but which I have every confidence will be on the books, which will look after 400,000 workers a month, or a total of 2 million, from June 30 to December 31, 1975, who will run out of their unemployment benefits—and that is, unhappily for us, a pretty certain figure—we really get a very, very depressing and very deplorable situation.

Many of the figures I have mentioned justify the degree of insurance which is represented by the effort to increase this ceiling for those particular programs—to wit, transitional public service employment, accelerated public works, housing assistance, and health insurance for the unemployed. I and others here have been very active in that regard.

In addition, this program is protected if there should be a sudden upswing—just insofar we have such sudden and drastic and dramatic downswings—by the triggers which are in this amendment, so no profligacy is involved.

Mr. President, as I indicated, even the 7.5-percent national unemployment figure, upon which the committee based its estimates, means 7 million unemployed Americans. Even if these various contingencies which I describe do not happen, would not we, as Americans, rather cut that 7 million unemployed to 6 million unemployed, rather than leave the 7 million unemployed, with the resultant drag on the economy and the continued tremendous gap in the utilization of production between what it is today, roughly 70 percent and closer to 90 or 92 or 93 percent, which it ought to be in order to give us a viable economic situation? I certainly would answer that question very determinedly in the affirmative.

Finally, Mr. President, the Budget Committee urges us, in effect, to wait until September; and the Budget Committee says that it will review the state of the economy before the September concurrent resolution, to judge whether the budget remains sufficiently stimulative at that time. This, in my judgment, is inimical to the purpose of the budget resolution process, which is to provide, at an early date, an overall framework in which authorizing and appropriating committees can take desirable action in their particular areas.

The Budget Committee says, in effect, "We would not decide now; we will wait to see the facts." Indeed, those are the exact words of Senator MUSKIE. However, for example, in my own committee, where I am the ranking member, before September, the Committee on Labor and Public Welfare will have to decide whether or not to extend the authorization of appropriations for the public service jobs program into fiscal 1976. The Committee on Government Operations, of which I am a senior member should decide what action, if any, it intends to take in terms of assistance to the States and localities which are in a terrible fiscal crunch.

The mayor of the city of New York deeply feels that about the most important thing we have to do here is with respect to emergency fiscal aid to State and local governments, many of which are really on the brink, and a disaster such as that really would be a disaster of the first magnitude.

Similarly, the Committee on Public Works and the Committee on Banking, Housing and Urban Affairs will wish to make decisions regarding accelerated public works and housing, respectively.

Mr. President, it seems infinitely better to me now to establish the budget framework, being alert to the economic writing on the wall as I have described it, rather than to make it contingent upon future investigations and ideas. Indeed, we turned down the drastic cut in the overall budget figure presented by my colleague from New York, Senator BUCKLEY, precisely upon that point.

Just by way of buttressing it, on page 19 of the committee report, the Budget Committee stated:

> Another reason the committee hesitated to expand temporary recovery programs further at this time is the considerable skepticism that programs that are designed to be temporary will in fact prove to be temporary. A temporary public employment program can become so popular that efforts to make it permanent will attract overwhelming support.

Mr. President, they do attract overwhelming support, but for that very reason we have built into this amendment the triggering mechanism, on and off, in order to certify that we mean what we say when we call this a temporary program.

Mr. President, in the minute or two I have remaining, I shall speak of the crowding-out argument and of the argument that we cannot support larger deficits. I would like to support very strongly, as I am the ranking Senate member of the Joint Economic Committee, what Senator HUMPHREY has said on that score, and I think it stood up very well after the debate of yesterday.

The administration has recommended a limit of $60 billion for the deficit. $60 billion is a big number—but it should not frighten us. On a full employment basis, the $60 billion deficit for fiscal year 1976 translates into approximately $10 billion surplus; in other words, the administration's proposed pattern of spending would bring the budget into surplus as the economy neared full employment.

But the same can be said of the Senate Budget Committee's proposed resolution which implies a deficit of $69.6 billion. The Budget Committee report states that all full employment, expenditures would still fall $2.7 billion below receipts; in other words, the Federal Government would not run the danger of permanent deficits under this proposal.

Our amendment does not change that picture at all. Because the $3.5 billion net cost of our amendment automatically phases out as the economy approaches full employment, the full employment budget surplus is unchanged from the Budget Committee resolution.

Another argument by the opponents of larger deficits is that increased demands on the credit by the Treasury will crowd out deserving private borrowers. This "crowding out" theory has many supporters and is strengthened by instances where long-term corporate borrowings have had to compete with substantial Treasury issues. But again we must separate fact from unfounded fears. Let me put it simply: coming from New York, I have very close contact with leaders in the financial community; and not one has expressed doubt about our ability to finance deficits of the magnitude implied by our amendment. The most conservative figures I have heard indicate that a $75 billion deficit would bring us close to the limit of what the markets could absorb, and our amendment would keep the deficit below that figure. The vast majority of persons I have spoken to directly, however, have complete confidence in our ability to take on substantially larger deficits than that.

The technical reason for this confidence lies in the dynamics of the credit markets, and in the conclusions to be drawn from projecting levels of private borrowing against the probable sources of funds. Every such flow of funds study I have read comes to the same conclusion: that the sharp reduction in private demand for funds will open the way for vastly increased Treasury borrowing. This reduction is the result of the recession and also of the fact that firms will require far less money to finance their reduced inventories. I might add that the studies on flows of funds in the credit markets include testimony before the Joint Economic Committee by a recent Governor of the Federal Reserve, and a recent speech by the Treasury's own flow of funds specialist, Dr. Sally Ronk.

Recent, publicized news stories about credit market difficulties do not change my conclusions one bit. The conditions in those markets are perfectly consistent with an orderly financing of large deficits, providing that the Treasury debt management contains an equitable division of long- and short-term borrowing. Money market managers generally agree that recent credit market difficulties are the result of an overloading of long term markets at a time when shorter term borrowing could have been accomplished more easily.

Finally, I want to answer the argument that budget deficits of this magnitude run the risk of reigniting the fires of inflation. The inflation argument usually looks to the fact that money supply growth rates which would be required to finance the deficit would add too much fire to inflationary forces.

I think it is going to be very hard to reignite inflationary forces which are already sodden with cold water. A close look at our price statistics indicates that virtually every sector of the economy is experiencing considerable price weakness, and when we consider the discounts are not included in the official price statistics, we must conclude that inflationary pressures are even damper than the figures show.

The money supply growth rate associated with the Budget Committee resolution is approximately 10 percent, and because of the magnitude of the overall budget, the net $3.5 billion in spending in our amendment does not change this figure. When you consider that the money supply has been growing at less than 4 percent for the past year—February to February—a 10-percent growth rate simply pulls the average up to a reasonable longer term path. I would be more concerned if the Federal Reserve failed to follow this path and instead hewed to a lower money supply growth rate, consistent with such lower levels of government spending. With inflation rates of 7 to 8 percent projected this year, a conservative Federal Reserve policy would leave us with virtually no real money supply growth at all, and would ensure that the country remained stuck in the recession for years to come.

Mr. President, if there is enough economic stimulation so that private demand materially increases and then public demand will naturally recede.

But to fail to do what is needed in order to produce that stimulation of private demand because of an illusion that that private demand is already stimulated in 1975 would only cripple us in our efforts and be a great mistake.

In short, we are phasing into a better situation. But, in the meantime, people have to eat, and the unemployed have to be maintained, and some public service jobs have to be provided, and cities and States cannot be permitted to go broke.

Mr. President, those who oppose this amendment basically wish to draw a line in terms of deficit. The sponsors of this amendment, while adding only a modest increase to the deficit, and one which the country can clearly withstand, seek to draw the line on unemployment, in the interest of reaching at least a great part of those who are victim to the current recession.

For all those reasons, Mr. President, I strongly support the amendment offered by Senator MONDALE.

Mr. BELLMON. Mr. President, I yield 3 minutes to the Senator from Idaho.

Mr. McCLURE. Mr. President, I thank the Senator for yielding this time. As the Senator from Minnesota noted earlier, it is too bad that on a matter such as this we have limited time. Three minutes certainly is limited time.

I want to mention my opposition to this bill and to make a couple of responses to the arguments for the amendment. One is that the proponents of the amendment suggest that there is a triggering device tied to unemployment indexes that will prompt the Federal spending in these areas. This is a matter to which the Senator from New Mexico (Mr. DOMENICI) and I have made reference in the processes within the Budget Committee, because unemployment statistics are a lagging indicator. At the time you need the stimulus, it is prior to the time the unemployment rates have increased, and you stop the stimulus before the response in the marketplace has reduced unemployment. Otherwise, the stimulus will extend beyond the time when it has the optimum results within the economy.

So I think that the triggering point in the amendment is wrong in itself. It will guarantee that overlap and that crowding out which is a matter of so much concern to so many people.

I wish to make reference to the testimony of Secretary Simon when he was before our committee, because it bears on the question of how we go about the stimulation and the proposal that is a portion of this amendment, that we get into accelerated public works.

A study of the Brookings Institution, which is a matter of record—if anybody wants to refer to it, it appears on page 1028 of the committee hearings—refers to the lag in the time in which the spending under an accelerated public works project usually takes place. That analysis was of the 1962 act, which indicated that the major spending did not occur in 1962 or even in 1963, but that the major expenditures occurred in 1964 and 1965.

If a similar experience were followed in this case, anything we do in 1975 would not reach an expenditure stage for stimulating the economy until 1977 and 1978. I hope that all of us are optimistic enough to believe that that is too late to have a good effect upon the recovery which we want so badly to see.

I think, also, that because of that kind of time lag, it is difficult to cut back on Federal expenditures that are built into Federal spending programs. That is what we are doing here. That is what this amendment would do, increase Federal program expenditures which do not occur at this time, but will occur later on in the fiscal process, probably at a time when economic recovery is saying to us that public spending should be cut back.

The PRESIDING OFFICER (Mr. BAKER). The Senator's time has expired.

Who yields time?

Mr. BELLMON. I yield 3 minutes to the Senator from New Mexico.

Mr. DOMENICI. I thank the Senator from Oklahoma. I wish to make just two or three observations.

First, Mr. President, although I do not think we want to approve this amendment, and I shall state my reasons shortly, I wish to say that I do agree with the distinguished Senator from Minnesota when he spoke of better coordination between the Federal Reserve Board and the Congress of the United States on fiscal decisions. I think it becomes imperative, if we are going to have the kind of Budget Committee in Congress that is going to set long-term economic policy and the impact of expenditures on that, I think it is inevitable that, either through better cooperation or some change in the relationship, there be better timing between what we do and what the Federal Reserve Board does. Just as a general statement, I agree with that.

On the other hand, I hope that no one is misled with reference to the additional money being spent here. There are two things inherently dangerous about that. First of all, they would lead us to believe that it is not adding as much to the outlays as it really states, because they are assuming we are going to collect some taxes that we are really not going to collect. I think we ought to look at the actual taxes they are talking about and not consider that figure to be $2 or $3 billion less. I do not think that can be relied upon, and I do not think we ought to be preparing a budget based on that kind of assumption.

Second, while I commend the distinguished senior Senator from Minnesota for wanting to include in the plan stimulators that will turn off and on depending upon economic conditions, as a matter of fact, there is no way within the Budget Reform Act that we can qualify this expenditure in this particular resolution in the manner they have done it. They are saying that we are adding $9 billion; if these things happen, let us use it. That would be a matter for substantive legislation, as I understand it, not a matter for qualifying an add-on on to the potential outlets.

I further believe that it is extremely dangerous, when we have already added significant numbers of billions of dollars to the budget that are going to produce jobs and stimulate both the private sector and the public sector as it relates to jobs, to come along and try to qualify further the injection of an additional $9 billion.

I think if there were some kind of authorizing legislation that put this sort of reserve out there, sort of as a cupboard of resources to be used by a stabilizing board under very precise conditions, then I think it would have far more merit and be far more advantageous in these dangerous times than to add it to the budget ceiling. But, on the other breast, they say, we are not adding it onto the budget ceiling; we are saying it will only go into effect, and then the "if" is if there is a set of facts that are sure to be here.

So instead of saying it is only a qualifying addition, it appears to me it is as certainly a $9 billion addition as it would be if we put it in. There is nothing in the law that permits it and the triggering mechanisms that are referred to are the same kind of triggering mechanisms that are on the other poverty programs and job programs in place, and we will, indeed, be permitted to spend the entire $9 billion.

I thank the Senator from Oklahoma for the 3 minutes.

Mr. MONDALE. I yield 10 minutes to the Senator from Texas.

Mr. BENTSEN. I thank the distinguished Senator.

Mr. President, I wish to lend my support to the amendment by the Senator from Minnesota. The issue before the Senate is not just the cold question of expected revenues and projected outlays. The issue before the Senate is jobs. When we vote on this amendment, we will not be voting for or against deficits nearly so much as we will be voting for or against jobs.

The best way to balance the budget is to turn this economy around and get it moving again. The principal cause of the current budget deficit is a major loss of tax revenues because people are off payrolls.

Even with the fiscal program recommended by the Budget Committee, unemployment is expected to average about 8 percent in fiscal 1976. This means that we will be losing around $60 billion in tax receipts due to lower personal incomes and corporate profits. It also means extra expenditures of $15 billion on unemployment compensation and other programs. If the unemployment rate could be brought down to 4 percent for fiscal 1976, the budget deficit would disappear.

Unfortunately, our economy is now in such a state of decline it will not be possible to bring unemployment to 4 percent over this next year.

But just because we cannot reduce it to 4 percent, I see no reason to accept projections by the administration of joblessness continuing for years at totally unacceptable levels.

This is the same administration that delayed efforts to come to grips with our economic problems for 5 crucial months last year—refusing to recommend an economic stimulus and proposing, instead, a tax increase—denying we were in a recession—denying that unemployment would go as high as 7 percent.

Well, unemployment today has risen to 8.7 percent and it will probably go higher. It is adding $75 billion to our budget deficit and we cannot afford anything less than an all-out war against it.

Unemployment in New York City is higher than it has been in three decades. The increase in unemployment has cost more than 100,000 citizens in my State their jobs over the past year. In some areas of my State, unemployment is as high as 15 percent.

But, Mr. President, these are numbers and, sometimes, we become so involved in the percentages and statistics of unemployment that we lose sight of what it means in human terms—in terms of the pride of a father who goes out day after day looking for work and returning to his family with nothing—in terms of the family with sickness and no income to pay the hospital bills—in terms of the unemployed woman who is the head of a household but whose presence in the work force is too often used by this administration as an excuse for high unemployment rates—in terms of the high school and now college graduates who are out looking for their first jobs and being told they are not needed.

Mr. President, I believe we must give particular consideration to the problems of our youth. Even college graduates who have traditionally found it the easiest to obtain employment have bleak prospects today.

Without a responsible fiscal stimulus, millions of college graduates, many with advanced degrees, will enter the labor market during the next few years and be unable to locate a job or be forced to accept unchallenging work for which they are overqualified. We simply cannot neglect the economic needs of these young persons. With prospects for slow recovery from the recession, the late 1970's could bring a situation for all college graduates similar to the situation currently faced by elementary school teachers and by engineers a few years back. This bleak prospect can be avoided with sound economic management.

Without a responsible fiscal stimulus, women, blacks and young persons will continue to be particularly hard hit by recession. They will form a large pool of discouraged work-force dropouts who are not measured by unemployment rates.

Mr. President, we hear a great deal about expenditures for welfare and the unwillingness of some Americans to work. Well, today there are millions of Americans who want to work and are being told that this country has nothing useful for them to do. I do not believe there is anything sadder than a man or woman being told that society does not need what they have to contribute. Nor is there any more persuasive evidence of the failure of an economic policy.

Mr. President, Congress must act to reverse this failure.

I do not believe White House assurances that we are doing everything that can be done to end this recession any more than I believed the President's assurance last November that his WIN program was a "good, sound economic game plan."

The additional public service jobs, emergency fiscal aid for State and local government and quick-impact public works projects which could be funded under this amendment would put people back to work, restore their purchasing power, and provide a market for our Nation's production.

This additional authority could fund as many as 1 million jobs and it would bring the budget resolution in line with the Joint Economic Committee's recommendation on budget strategy. That strategy calls for reducing the unemployment rate to no higher than 7 percent by the end of 1976—which is still too high.

Mr. President, no one takes pleasure in voting for a deficit of any size, but when Congress adopted the Budget Reform Act, we accepted this burden of voting on the appropriate level of surplus or deficit. I offered an amendment to the original budget bill to require that we make this determination early in Congress, when it could be done on the basis of what was sound economic policy. This requirement was ultimately adopted. At the same time, none of us expected that administration policies would produce a recession which would require us to vote on a deficit of this size. It will not be a politically popular vote but that vote should still be based on economic conditions—not political considerations.

Economic conditions require a substantial deficit this year so that we can bring about the economic growth and higher employment levels necessary to balance the budget in future years. The deficit will be narrowing by $15 billion or more for each percentage point unemployment is reduced. If we want to see the deficit go down, then the 1976 budget must provide for the antirecession programs which will support the economy and initiate a vigorous recovery. Bringing unemployment down slowly is no way to bring about a long term budget balance. It just delays the day when it will be in balance.

And, Mr. President, we can provide this extra stimulus without rekindling inflation or crowding private borrowing out of the credit markets.

There is considerable slack in the economy now. Plant utilization fell to 68 percent in the first quarter of 1975 from 75 percent in the fourth quarter of 1974. This was the sixth straight quarterly decline. Additional economic stimulus will be reflected in higher output, increased jobs, greater productivity, not higher prices.

We have not even turned the corner on this recession. The Commerce Department's index of "leading indicators" declined 0.5 percent from February to March. This was the seventh decline in the last 8 months. An administration spokesman conceded that the decline of the index was "consistent with other evidence that the economy did continue to ease downward and probably will continue to ease downward until about mid-year.

The financial markets are not being overwhelmed by demand for credit. A survey of 13 bankers indicates that a $70 to $80 billion deficit can be adequately financed with little or no injury to private borrowers. Consumer and business credit demand is down sharply. Crowding out of private borrowing by Treasury borrowing would only be a possibility if the Federal Reserve adopts an overly restrictive monetary policy.

Mr. President, I am not unmindful of the damages of inflation. While we must have a national commitment to full employment, it must be a commitment to noninflationary full employment. I believe we can have noninflationary full employment if we use this period to undertake some of the reforms in government and the private sector necessary to make our economy more efficient. But the first step in fighting both inflation and unemployment is to make fuller use of our resources. The adoption of this amendment would allow fuller utilization of our resources. I urge its passage.

Mr. MONDALE. I thank the Senator from Texas for a most effective statement. I think particularly his insights on the reactions of the business community are valuable. After having had a long and successful career in business as well as public life, he knows how business leaders think, how they determine upon investments, and he knows the role the Government has in matters of fiscal and monetary policy in stimulating the economy, because investors who invest do so in the expectation of a market.

That is very central to this whole effort to develop an effective program to work our way out of this recession.

Mr. BENTSEN. I thank the distinguished Senator. I was concerned at first whether we could finance a $70 billion or $75 billion deficit, but a group of 13 bankers assured us we could manage it, because business borrowing is substantially down, and will continue to remain down while businessmen wait out the recession to see what is going to happen.

Mr. JAVITS. Mr. President, will the Senator yield? I would like to have the attention of the Senator from Texas.

The PRESIDING OFFICER. The time of the Senator from Texas has expired.

Mr. MONDALE. I yield the Senator from New York such time as he may require.

Mr. JAVITS. I thank the Senator. It occurred to me that if the Senator from Texas was speaking with his own business experience in mind, it is not too farfetched, in that the experience of any company that is losing money, in that year to charge off everything it can and really get itself ready to go. That happens time and again in business.

Is that not really what the Senator from Texas is arguing in business terms here?

Mr. BENTSEN. I think that is a good summation of some of the comments I have made in that regard.

Mr. JAVITS. I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. MONDALE. Mr. President, the Senator from Arkansas has asked for 10 minutes. I will be happy to yield him that time.

The PRESIDING OFFICER. The Chair would advise the Senator from Minnesota that he has 7 minutes remaining. How much time does the Senator yield?

Mr. MONDALE. I yield all I have.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for the 7 minutes remaining to the Senator from Minnesota.

Mr. MONDALE. Perhaps the floor manager can yield some more.

Mr. McCLELLAN. Seven minutes? All right, Mr. President, I will take whatever time I can get.

I have been occupied in the Appropriations Committee, and have not had an opportunity to be on the floor, to hear and participate in the debate that has been in progress on this bill, but I do want to make a brief statement, at least, for the RECORD.

Yesterday I voted against the amendment of the distinguished Senator from New York, whose amendment would have reduced the ceiling recommended by the Budget Committee by some $34 billion. I regarded that as unreasonable, impractical, and unattainable; therefore, I opposed it.

I voted for the amendment of the distinguished Senator from Kansas (Mr. DOLE) because I thought that goal was attainable, and I felt that we should undertake to hold this ceiling down, because, Mr. President, the very concept of budget control by Congress was to reduce expenditures, not to increase them. That was the prime objective and the motivating reason, I think, for the enactment of the Budget Control Act.

I realize we have a difficult situation. And this is not a complaint I am making at this time, because this is actually a trial run of the Budget Committee, so to speak. We are undertaking, as I understand it, to get experience with this committee and how it will function.

But, Mr. President, I think if we are to attain the purpose of this law, to get the budget under control, we shall have to make a greater effort in establishing a lower ceiling and holding down expenditures than we are making today. So I shall vote against the amendment of the distinguished Senator from Minnesota. The ceiling the Budget Committee has recommended certainly should not be raised to a higher level.

Mr. President, as most of my colleagues are aware, I was not an overenthusiastic supporter of the new Budget Control Act, although voting for its passage, and while I voted for its passage I expressed my reservations about it. I still doubt whether many of the cumbersome mechanisms in the act will be able to achieve the results that were contemplated by the enactment of the law.

Nevertheless, the resolution and its accompanying report by the Senator from Maine does have some positive features which move in the right direction.

First, the attempt to analyze the budget in reference to the Nation's macroeconomic setting is very useful. For too long, the Congress, and I must include the Committees on Appropriations, has been passing on the budget one piece at a time. By looking at the budget in macroterms as a whole and then relating it to economic indicators of employment, inflation, and gross national product, it may be possible for the Congress to work closer toward a budget which best meets the existing economic situation in a given year. This, the first report of the Budget Committee provides some of the information necessary to move in that direction.

I was also pleased that the text of Senate Concurrent Resolution 32 did not attempt to break down spending by function this first year of its operation. This was a wise decision given the newness of the Budget Committee and the deadlines it is required to meet.

Finally, I would like to give my support to Budget Committee report language citing the difficult choices now pending before the Congress. Page 6 of the report states:

> The politically easy decisions which Congress must make this year are behind it. The tax cuts, which had virtually unanimous support from citizens, economists and policymakers, have been made. The difficult work remains—the job of sorting through programs, one by one, choosing those that are essential in this recession year and putting aside those that can wait, no matter how popular they may be.

As chairman of the Defense Subcommittee of the Committee on Appropriations, I am, of course, particularly interested in the Budget Committee's recommendation for the national defense function.

The fiscal year 1976 budget request which the Defense Subcommittee will consider for fiscal year 1976 is $97.8 billion in new budget authority. After careful consideration of all the factors involved in the required March 15 report to the Budget Committee, the subcommittee recommended a target ceiling of $92.8 billion in budget authority, a reduction of $5 billion below the budget request. It was the judgment of the subcommittee that this reduction was the absolute maximum that could be made in defense spending consistent with present national security requirements and the prevailing atmosphere of international tensions. Some subcommittee members were convinced that this reduction was too great. Those members may prove to be right. Anyway, no member thought it could be further reduced.

Nevertheless, in its report, the Budget Committee has further reduced national defense budget authority by $1.5 billion over the amount of the cut recommended by the subcommittee.

This further reduction in defense spending may well be hazardous and could prove to be adverse to our national security. The burden of reordered priorities and reduced spending should be borne more equitably by all sectors of the budget and not by national defense alone.

It should be noted that in recent years, the defense appropriations requests and expenditures have been the subject of criticism and attack. But, quite contrary to the charges made, the Defense budget is not consuming an ever-increasing proportion of Government spending to the detriment or neglect of human resources programs. The truth is defense spending has borne a disproportionate share of reductions made by Congress in total appropriations over the past 3 fiscal years.

The truth is, budget outlays for national defense functions have shrunk from 41.5 percent of the total Federal budget outlays in fiscal year 1966 to only 26.9 percent requested in the budget for fiscal year 1976. Since fiscal year 1966, the cost of the Federal Government has gone up $214.7 billion—from $134.7 billion to $349.4 billion estimated for fiscal year 1976 in the President's budget. Of that total increase, only $38.2 billion—or 17.8 percent of that $214.7 billion increase is attributable to national defense spending. The remaining 82.2 percent, or $176.5 billion, is attributable to nonmilitary functions and services, such as human resources and general government.

During the last 3 years, the Congress has cut the administration's budgets by a total of $17.6 billion in regular appropriations bills. Through the continued reassessment of the nature and scope of our overseas commitments, $13.7 billion or 78.1 percent of this amount, from the Defense budget, while only $3.9 billion or 21.9 percent of the total was cut from regular appropriations bills for other Government agencies and departments.

Mr. President, there is only one other agency that took a cut during that time, and that was in the foreign spending appropriation bill. It took a cut of $5 billion, but increases for other agencies absorbed some of that.

Therefore, Mr. President, our reductions in the past 3 years of Federal spending, all of it, has come from the Defense Department and foreign spending.

Mr. President, we never are going to balance the budget unless we cut in some other areas as well as in Defense.

Another thing, Mr. President, with conditions as they are in the world today, we can make a tragic, a fatal mistake if we do not continue to maintain a military posture that will serve in some measure at least as a deterrent. Our prestige in the world today is already impaired, it is charged—and I agree that it is to some extent—by reason of the stupendous blunders and mistakes we have made in the recent past.

May I say, Mr. President, that if we do not keep America equal in military power to any other nation in the world, we may very well make a mistake that will be tragic and irreversible.

The PRESIDING OFFICER. Who yields time?

Mr. BELLMON. Mr. President, I yield myself 5 minutes.

Mr. President, I join our distinguished chairman, Senator MUSKIE, in opposition to the Mondale amendment. While I salute the Senator from Minnesota's intention and while I appreciate his genuine concern about the current high rate of unemployment, I feel that he is taking the wrong road in trying to bring about permanent improvement.

Every Member of the Senate also shares this concern, for I doubt that any thinking person desires for any able-bodied American to be out of work when he really wants a job.

I would like to remind the Senator from Minnesota how these millions of Americans became unemployed. Only 1 year ago our economy in this country was overheated. There were shortages of many different types of materials, prices soared, interest rates climbed, consumers began to turn their backs and refuse to buy new automobiles, new houses, new appliances, inventories built up, workers began to be laid off, plants closed and the result of it is we now have unemployment pushing at the 9-percent level.

This was the result of the inflation-recession cycle which has plagued our economy for many, many years.

So the problem the Budget Committee dealt with was how to bring about an economic recovery without rekindling runaway inflation, only 12 months ago, that is basically responsible for the recession causing unemployment today.

Now, it may be true that by adding the extra billions of spending that Senator MONDALE recommends we could restimulate the economy more rapidly. If we doubled the Senator's recommendations, perhaps more jobs could be provided and the economy improved more quickly. But the action of the Budget Committee which was taken after many months of consideration is a result of weeks of deliberations and represents the level considered to bring about an early end to the recession without reestablishing the boom-bust cycle that is causing our present difficulties.

I could cite, as Senator MONDALE has done, many different economists who agree with my position, but I am going to refrain from quoting any of these out of respect to the economists.

I have become convinced over the last several months that an economist can be found to support virtually any preconceived position that a politician may wish to take.

I am also convinced many politicians use economists the same way drunks use lampposts, more for support than illumination. We take our position and then we go find an economist that agrees with us and I am not sure any of these experts have any real hard facts to back up the position they take.

I would like to cite for the benefit of the Senate an editorial published on the 25th of April in the Wall Street Journal. I will put the entire editorial in the RECORD, but I would like to read just two paragraphs:

> There must be a political consensus to not repeat the mistakes of 1972, when overstimulation during recovery—masked at that time by price controls—led to double-digit inflation and severe economic dislocation.

That is the danger now that we bring today, overstimulation, and get right back in the inflationary spiral we were in a year ago.

Also the recommendation is:

> And it will steer the nation towards a slower, more sustainable rate of real economic growth and away from the boom-bust cycles that have become so disruptive

of orderly planning by government and industry.

Mr. President, I ask unanimous consent that the editorial be printed at this point in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[Editorial From the Wall Street Journal, Apr. 25, 1975]

Thinking About Recovery

Since inflation has been central to the nation's economic problems, the slowed rise in the Consumer Price Index in March is excellent news. But only a cockeyed optimist would argue that conditions have yet been established for a return to steady economic growth at relatively stable prices.

Reaching that vital objective will become more difficult when business inventories have been worked down and a recovery in production begins. Business credit demand, which has been flat, will perk up at the same time the federal government will still be borrowing heavily to finance its deficit. There will be the danger of what some of us have chosen to call "crowding out," meaning that government borrowing will pre-empt funds needed by business.

Because of the prospective difficulties it is necessary for policy makers in Congress, the administration and the Federal Reserve to agree now on some priorities. And the specific goal that should have the highest priority of all is to avoid another outbreak of inflation, which, next time, may be thoroughly ruinous to the economy.

That goal sounds simple, but in political terms it is not. The only way to avoid another inflation outbreak is for the Fed to exercise as much restraint as possible in expansion of the money supply. There must be a political consensus to not repeat the mistakes of 1972, when overstimulation during recovery—masked at that time by price controls—led to double-digit inflation and severe economic dislocation.

We do not underrate the uncertainties ahead. It is difficult to foretell the economic impact of the tax cuts that finally emerged from the congressional sausage grinder. To a large degree they turned out to be another welfare plan rather than an incentive to production. It also is hard to forecast the likely impact of enormous federal borrowing except to guess that it will raise serious dangers.

But since there will be risk under any circumstances, the lesser risk will be a slowing of recovery rather than allowing another inflation outbreak. There are many signs that even in as steep a drop as we have recently experienced, our social programs do in fact cushion the hardships of unemployment. Total personal income, for example, has crept up somewhat despite a fall in wages and salaries paid. Now that an upturn seems to be starting, we can well afford to rely on these cushions a while longer in order to curb the opposite menace of inflation.

By the time full capacity employment is reached, it is too late to start fighting inflation. In recent months critics of Federal Reserve policy have seized on the slow growth of M–1, checking account deposits and currency in the hands of the public. But this slowness has resulted almost wholly from a drop in velocity, the rate at which the public turns over the funds the Fed supplies.

The monetary base, the measure of how much high-powered money the Fed is in fact supplying, is on the same 7.8% growth path it has followed since January of 1972. This means that once recovery starts and public confidence revives, a rise in velocity can cause inflation even if the Fed shut down its open market desk and supplied no further funds.

These observations suggest only one policy. The nation must deny itself the dubious luxury of another all-out boom of the type that occurred in 1972. It must strive for a political consensus on holding down the federal deficit, so as to reduce the pressure for excessive money creation.

Monetary restraint will not only suppress inflation but will also have other positive effects. It will strengthen the dollar, which has been slipping badly in international markets. This will reduce the real cost of imports and attract foreign investment to ease the nation's credit problems. And it will steer the nation towards a slower, more sustainable rate of real economic growth and away from the boom-bust cycles that have become so disruptive of orderly planning by government and industry.

Restraint is not popular with politicians, particularly the kind who inhabit Congress these days. But very popular indeed with 212 million Americans is a government that can protect them against the depredations of inflation. You can't have the latter without the former. Whether that simple rule is observed will determine whether the coming recovery is a wholesome one or a prelude to a new disaster.

Mr. BELLMON. Also there is another issue of the Wall Street Journal, the 28th of April. There is a story entitled "Rush of Offerings Before Treasury Sale Is Termed Credit Panic by One Dealer."

This story deals with the problem of crowding-out which has been dealt with by many who spoke here today, including the distinguished Senator from Minnesota (Mr. Humphrey).

This is what the story has to say:

"The credit panic is on!"

Thus did one bond dealer in New York attempt to explain a sudden flood of private borrowing proposals immediately before the Treasury is to begin raising up to about $6.3 billion. Nine corporations and a Canadian province announced plans Friday to offer new debt obligations totaling more than $1 billion.

Government issues are highly competitive with these bonds.

Down further in the story it says:

Some companies and other private borrowers already have experienced difficulty competing for investment dollars against the Treasury, which has raised a staggering $25 billion so far this year. More undoubtedly are concerned about being "crowded out" in the future as the department continues to seek an estimated $40 billion or so every six months through 1976.

Further down, the story says:

The Treasury's enormous cash demand pushing these nervous private borrowers into the market the rebounding economy also is frighening them for fear that renewed inflation will make interest rates go even higher in the future."

Mr. President, I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Wall Street Journal, Apr. 28, 1975]

Rush of Offerings Before Treasury Sale Is Termed "Credit Panic" by One Dealer

"The credit panic is on!"

Thus did one bond dealer in New York attempt to explain a sudden flood of private borrowing proposals immediately before the Treasury is to begin raising up to about $6.3 billion. Nine corporations and a Canadian province announced plans Friday to offer new debt obligations totaling more than $1 billion.

Most of the 10 prospective offerings are scheduled for next month. Among the major sales listed are $250 million by Shell Oil Co., $200 million by Caterpillar Tractor Co. and $150 million each by Aluminum Corp. of America and NCR Corp.

That wave of private financings was unexpected because of the Treasury's pending sale designed to refund about $3.8 billion of old notes maturing May 15 and to raise up to about $2.5 billion of new cash. The department is expected to set the terms of its new replacement issues later this week.

Public investors hold about $1.6 billion of 5⅞% notes and about $2.2 billion of 6% notes, the two series expiring in May. They can elect either to turn in their notes for cash or to swap them for the new replacement issues.

Uppermost in the minds of many investors is whether new long-term bonds will be included in the pending offer. Lengthy government issues are highly competitive with bonds.

"My own guess is that the Treasury will sell long bonds, paying interest at perhaps 8⅝% or even 8¾%," one dealer remarked. "I believe that up to about $500 million could be absorbed rather comfortably, but more than that would have a damaging effect on prices in the corporate market."

Some companies and other private borrowers already have experienced difficulty competing for investment dollars against the Treasury, which has raised a staggering $25 billion so far this year. More undoubtedly are concerned about being "crowded out" in the future as the department continues to seek an estimated $40 billion or so every six months through 1976.

Moreover, recent signs of a business recovery suggest that the borrowing struggle soon may become even more intense.

"The rash of financing announcements probably marked the beginning of a heavy buildup in corporate bond volume in the months ahead," one Wall Street economist predicted. "Not only is the Treasury's enormous cash demand pushing these nervous private borrowers into the market, but the rebounding economy also is frightening them into stockpiling funds for fear that renewed inflation will make interest rates go even higher in the future."

Mr. BELLMON. Mr. President, there obviously can be different opinions here, but these people who deal in bonds are obviously much more familiar with what is happening in the market than those of us in the Senate.

When they say that crowding out has already begun to happen, I believe there is legitimate concern, as the Budget Committee felt, that if we run up a deficit that is so high there is no money available for the private sector, that we begin to defeat our purpose.

That is the reason I oppose the Mondale amendment; as worthy as his objectives are, I believe that the way he is going about to achieve them will produce a negative result that will cause more problems than the more moderate approach taken by the Budget Committee.

Mr. President, yesterday I made the point along with several of my colleagues that we must begin to set priorities and allocate our limited resources. I would reiterate that point today. We cannot continue, as Senator Mondale would have us do, to spend with little or no regard for revenues. The Budget Committee resolution incorporates a tremendous amount of information provided the committee regarding a proper spending level.

In reaching our recommended spending level we gave due consideration to both the needs of our economy and the ability of the capital markets to supply the required funds. Senator MONDALE now argues that we should increase spending beyond this level in an effort to further stimulate the economy. The Budget Committee's resolution provides substantial stimulus to the economy already. To increase this is to significantly increase the risk of reigniting inflation and of thereby choking off the recovery.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BELLMON. I yield an additional 2 minutes.

It is virtually a consensus opinion of economists that this recession was caused by inflation. If we were to accept the amendment now before us, we would signal to the American people that we have learned nothing from our most recent bout with inflation and unemployment; that we are determined to spend beyond the demonstrated capacity of our capital markets to absorb these deficits; and that we are willing to risk the consequences of either higher interest rates with resulting recession or much greater money supply expansion with resulting inflation, either of which would be damaging.

The budget as recommended by the Budget Committee contains almost $22 billion of direct stimulus to the economy in the form of automatic stabilizers and programs designed to hasten the recovery. This does not include the stimulus from the recently enacted tax cut, which is also monumental. It is the considered judgment of the Budget Committee that this is what we can responsibly recommend and that to do more would be excessive.

We are seeing some signs that the economy is beginning to turn around, and inflation is continuing to recede. If we must run a risk over the next few months, it would be much wiser to risk a slightly slower but more sound recovery than to run the risk of touching off another wild inflation. If that happens Congress will soon again face the problems that escalating cost of living increases cause for the poor and the elderly.

We must use restraint in solving our economic problems. We have seen that excessive spending solves nothing—rather it creates more and worse problems. Senator MONDALE's proposal is excessive and must be rejected for that reason.

I have before me a list of the temporary programs that are in this Budget Committee recommendation and I ask unanimous consent it be included in the RECORD at this point.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Economic stimulus in Senate Budget Committee recommendations

[Fiscal year 1976 outlays in billion]

1. Temporary recovery programs:	
Emergency Employment Appropriation Act	$3.7
Temporary public service jobs	0.6
Housing recovery assistance	0.2
Subtotal	4.5
2. Released highway funds	1.0
3. Released Hill-Burton funds	0.1
4. Released clean water funds	0.1
5. Natural resources, environment and energy (EPA, coastal zone, etc.)	0.6
6. D.C. Metro	0.2
Subtotal	6.5
7. Automatic stabilizers (unemployment compensation, food stamps, etc.)	15.2
8. Tax Reduction Act:	
July–December 1975	10.1
Possible extension: January–June 1976	4.4
Total potential stimulus (fiscal year 1976)	36.2
April to July 1975 impact:	
Social security rebates	1.9
Tax Reduction Act, fiscal year 1975 impact	10.8
Total potential stimulus (April 1975–June 1976)	$48.9

Mr. BELLMON. The total is $48.9 billion.

The PRESIDING OFFICER. The Senator's additional 2 minutes have expired.

Mr. BELLMON. Mr. President, I now yield 3 minutes to Senator Tunney.

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. BELLMON. I yield 2 minutes to Senator TUNNEY.

The PRESIDING OFFICER. The Chair recognizes the Senator from California.

Mr. TUNNEY. Mr. President, I want to thank my distinguished colleague for yielding time to me.

Mr. President, I oppose the amendment to Senate Concurrent Resolution 32 offered by the Senator from Minnesota (Mr. MONDALE). As we shape the economic future of this country, we must recognize no higher priority than avoiding the boom-and-bust cycles, which produce huge deficits, followed by rigid wage and price controls, followed by excessive fiscal austerity, followed by huge deficits.

It seems to me there is no better way to point up the free enterprise system in this country than by just that, and with the economies of the entire industrial world acting in parallel, as they have in the past 3 or 4 years, where we had inflation in the last 1960's and early 1970's, then we had the Government applying restrictive fiscal and monetary policies and the country's economies went into a recession, and then began going expansionist, such as we have, we could have a very great danger of seeing another major inflation, which would then of course produce additional fiscal constraints, monetary constraints, which may very well lead to the Federal Government in this country taking over the entire economy.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MUSKIE. Mr. President, I yield 1 minute to the Senator.

Mr. TUNNEY. Mr. President, we must identify and support a fiscal strategy which will permanently return both full employment and price stability. We must find and implement a policy mix which will produce a high but sustainable rate of economic growth for the years ahead. I believe that the Senate Budget Committee has pointed the way toward these goals.

This new but very diligent committee has labored many months on a thorough examination of fiscal policy and priorities. It offers today a 1976 fiscal year budget recommendation providing for total outlays of $365 billion and for a deficit of $67.2 billion. The deficit is not the result of profligate Government spending programs. It does not grow out of new social initiatives. To the contrary, every penny of the suggested deficit is the result of the massive recession which descended on this Nation in the last three quarters. In fact, if the economy were operating at a full employment level of production, the Federal budget would actually show a small but significant surplus.

Mr. President, I yield to no one in my concern for the more than 8 million Americans who cannot find jobs. I support the Senate Budget Committee's resolution precisely because it recognizes the urgency of economic stimulation and the imperative of direct job creation for the unemployed. The budget presented by the committee provides economic stimulation totaling $17 billion more than the amount suggested by President Ford when he presented his budget on February 3, 1975. The committee budget provides more than six times the amount of funds recommended by the President for direct job creation. Thus, the committee budget is carefully sculpted to stimulate substantial progress toward both increasing employment opportunity and price stability for many years ahead.

Unfortunately, the amendment of the Senator from Minnesota (Mr. MONDALE) would add several billions to the deficit proposed by the Budget Committee. While this amendment calls for $2.5 billion in additional revenues from tax reform, the sad history of the tax reform movement suggests that such revenues are unlikely to be forthcoming in the very near future. Furthermore, the additional savings in the form of increased tax revenues and reduced unemployment compensation suggested by the Senator from Minnesota may well be partially delayed beyond the period covered by the 1976 fiscal year budget. Thus, there is considerable danger that the Senator's amendment could add more than $6 billion to the $67.2 billion deficit proposed by the committee. Even if the outlay ceiling were increased by the $9 billion proposed in the amendment, there is no assurance that the additional monies would be used to stimulate new job creation. We have just as much reason to hope and work for a reduction in unnecessary military expenditures as for an increase in total outlays as a means of providing opportunities. I for one intend to work toward precisely this conclusion.

Mr. President, no one can foresee the future with perfect certainty. The budget reform procedure enacted in the last Congress recognizes this and requires Congress to take a second look at the budget later this year. At that time we may find that economic conditions have changed. The stimulus thus far provided may be too great or it may be insufficient. In either case, we will have ample opportunity for a midcourse correction, if any is needed, later this year.

Mr. President, when we enacted the Congressional Budget and Impoundment Control Act of 1974 we told the American people that Congress had the resolve to put the fiscal affairs of this Nation in order. Today we have the first opportunity to show we are indeed serious about meeting this heavy responsibility. I am very pleased to have the opportunity to stand with my distinguished colleague, the senior Senator from California, and the other very conscientious members of the Budget Committee in support of Senate Concurrent Resolution 32.

I think the Budget Committee has done an outstanding job with its hearings identifying the problems, working as best it can with the facts that are available to establish a budget ceiling for this Congress within which we can live, and which is going to provide jobs and not produce runaway inflation. This is the first time that the Budget Committee has had the opportunity to work and I do not want to see us destroy our child before it has really had a chance to develop and mature.

Mr. MUSKIE. I thank the distinguished Senator from California for those words of support. I yield 3 minutes to the distinguished Senator from Kentucky.

Mr. FORD. I thank the distinguished Senator from Maine.

Mr. President, as an ex-Governor who has felt the trauma and frustration incumbent upon anyone who must prepare a budget, I think I understand the deep feelings of the members of the Budget Committee—those in the majority and those in the minority.

First let me say that I do not quarrel with the basic program elements outlined in Senator MONDALE's amendment, but I do have reservations that I think are of utmost importance, not only to the success or failure of the Senate's new budget process, but also to the economic climate of our Nation.

It is extremely important to the Nation, not only this year, but more importantly, in the future, that the Budget Reform Act of 1975 become a working reality not just in terms of specific, but in terms of developing a viable working institution that can, in the years to come, reflect the will of the people through their elected representatives in Congress.

It would seem that at a time of great national trauma over economic problems and at a time when there are grave doubts about our political system being capable of handling our serious domestic problems, this act must be given a chance to succeed.

There are several points we must consider relative to the Mondale amendment.

First, as I said before, I agree with the principle of the program elements, but have reservations about the timing because of the psychological effect of the deficit increase embodied in the amendment, especially on the financial community of this Nation.

I believe that since this May resolution is not binding, and since we cannot adequately forecast what will be needed by September when the binding resolution will be considered, it is unnecessary to pass the Mondale resolution at this particular time.

Second, I think that the individual elements in the amendment—for example the tax reform—should be worked out in advance of the expenditure levels in the program.

This timing would seem to be only a logical, realistic, fiscal policy to follow if we are to assume our role in a responsible manner in the Congress.

Third, I think the expenditure levels of many of the program elements contained in the Mondale amendment need close, further consideration.

As so eloquently articulated by Senator MUSKIE, this first budget resolution resulting from the Budget Reform Act of 1975 cannot be expected to be, nor is it, perfect, but rather a beginning and in my opinion, a monumental beginning of our equal involvement with the executive branch in setting fiscal policy for our Nation.

I commend all the members of the Budget Committee, including those in the majority and the minority for this important first step that has been taken.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MONDALE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MUSKIE. I yield 3 minutes to my distinguished colleague on the committee, the Senator from Florida (Mr. CHILES).

Mr. CHILES. I rise to support the distinguished chairman of the Budget Committee and the Budget Committee in opposition to the Mondale amendment. I think in this opposition no one on the Budget Committee takes the stand that countercyclical revenue sharing is wrong, or that we should not perhaps have some. There was a great discussion in the Budget Committee in that regard. In fact, a discussion about that is in the report. But really what we are talking about is what the figure is going to be for the deficit. While this is a figure where there is no exact science about it and none of us knows whether $70 or $78 billion is the magic number, or something lower than that, I think what is important is that the American people have the strongest feeling that we have been irresponsible in the past. They know that we have not had any discipline concerning spending and how we are going to control spending. For the first time we have in the Budget Act the holding out of hope to the American people that we are going to try to get a handle on the Federal spending; that we are going to try to exercise some form of discipline.

I think it is very important when you really consider the recession that we are in now, that most people realize that if tomorrow the American public decided for some reason to have confidence in our economy, decided to go buy a new car, to go buy a new refrigerator, to start the new house, this recession would end very quickly.

On the other hand, if they are afraid of what we are doing in Government, or of anything that is happening, if it is going to jeopardize the economy, and they decide that they are not going to buy or they are going to hoard or they are going to save, then the tax rebate that we made will fail because they will take that money and put it in a sock.

So one of the most important things that we are doing now is the signal that we are giving to the American people of whether we are exercising control or not.

I think it is so important that we not break the budget as presented by the Budget Committee and in doing this first exercise that we not allow the ceiling to be broken. I think we should signal to the American people that we will exercise this restraint. For that reason, I support the committee.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MUSKIE. Mr. President, I yield the remainder of the time to myself.

I would like to use this remaining time to discuss the remarks of Senator MONDALE.

The statement was that last fall no one predicted the present unemployment rate or anything like it. On December 12, 1974, in a hearing before the Budget Committee, Mr. Ash, who was then Budget Director, testified. He and Senator MONDALE engaged in some slight disagreement over economic policy.

Senator MONDALE said:

> What I am saying is that you are pursuing a policy which almost guarantees 8 percent unemployment, even though at this point most of the economists we have talked to have said through reflation we could put many back to work without significantly affecting inflation.

I offer that correction for the RECORD.

May I say with respect to the programs that Senator MONDALE's amendment encompasses, a vote against his amendment at this time is not a vote against these programs. Rather, it would be a judgment that the Budget Committee ought to monitor the progress of the economy in the weeks and months ahead and then use the authority which is clearly given to it under the budget reform legislation to report other concurrent resolutions for the purpose of changing economic policy.

That is clearly not only our prerogative, but it is our responsibility.

What we are saying to the Senate today is that the budget we recommend includes some $48 billion in stimulative spending directly related to the objective of dealing with the recession. Most of this spending is not in place yet. The tax cut checks begin going out tomorrow. The emergency employment program covering 1 million jobs that we approved last Saturday has not begun spending money.

What we are saying is let us see the effect of those things that have already been put in motion. If the progress of the economy requires that we do more, the Budget Committee has the responsibility and the authority to recommend it. Those recommendations could well include countercyclical assistance to State and local governments, could well include additional public works, and could well include additional public service employment. All of these options are open to us. They are not closed off to us by a vote against the Mondale amendment.

Mr. MONDALE. Mr. President, will the Senator yield?

Mr. MUSKIE. I yield.

The PRESIDING OFFICER. All time has expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator may have 2 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MONDALE. I thank the majority leader.

Mr. President, I think the issue here is jobs. Even with the stimulative steps we have taken with the tax cut, with some of the job-producing elements that are in the basic part of the budget, virtually every economist we have heard from predicts that unemployment will stay at historic highs perhaps for a decade; and for the next 2 years, at least, we will have unemployment levels that will be in excess of 9 percent, hover at 9 percent and 8.5 percent, for another 2 years. Eight or 9 million Americans wanting jobs cannot get them today, and the situation is going to get worse.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. MONDALE. I yield.

Mr. PASTORE. Is it not a fact that if we should meet the miracle of an upturn in the economy, whch would put people back to work, then, even despite the Senator's amendment, we do not have to achieve that ceiling, anyway? This is a guarantee that if things do not improve as might be anticipated or expected or hoped for, the fact still remains that we have a level within which to operate in order to create jobs.

Mr. MONDALE. That is correct.

By the terms of this amendment, if and when we reach 6-percent unemployment for 2 months, my countercyclical spending stops. So if it is going to be as good as some predict, it stops.

Mr. President, nothing worse can be done to a decent American who wants a job than to deny him one. Present economic policies have denied 9 million people the work they need. That is why we have a deficit.

It is economic lunacy and atrocious social policy not to have the best program we can shape to put people back to work, and that is what we have sought to do in this amendment.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to proceed for not to exceed 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, it is my understanding that there will be one more amendment after the Mondale amendment is disposed of, and that will be by the distinguished Senator from North Carolina (Mr. HELMS). I ask unanimous consent that on that amendment there be a time limitation of not to exceed 40 minutes—30 minutes to be allocated to the Senator from North Carolina and 10 minutes to the manager of the bill and the ranking Republican member of the committee.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. And that the vote on final passage occur at 12 o'clock tomorrow. I know of no other amendments.

The PRESIDING OFFICER. The Chair advises the distinguished majority leader that, according to the list at the desk, the Senator from California (Mr. CRANSTON) has an amendment.

Mr. CRANSTON. Mr. President, I was planning to offer an amendment, but I do not now plan to offer it. I do want to speak when I can get the floor.

Mr. CASE. Mr. President, reserving the right to object, will this be the last vote? Will there be a record vote on the amendment of Senator HELMS?

Mr. MANSFIELD. I have an idea that there will be.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BAYH. Mr. President, the consideration of the first concurrent resolution on the budget marks a milestone in the American legislative process. Congress has established a new system of managing the great questions of fiscal policy which confront our country each year, and today's debate marks the first test of that new process.

I wish to compliment the chairman of the Senate Budget Committee, Senator MUSKIE, the committee members, and the committee staff for the fine work they have done in organizing and analyzing the vast number of complex issues involved in a consideration of the Federal budget. I, like all of my colleagues, am very grateful for their efforts.

The task before us in setting guidelines for spending and projecting revenues is extremely important. The impact of our action will affect the state of our economy and thus the day to day life of millions of Americans during the next fiscal year and thereafter.

Mr. President, many reasonable and learned men differ in their opinions of the proper spending level and the proper size of the fiscal 1976 deficit. The arguments involved are technical and complex. It falls upon us to analyze those arguments and make an individual determination as to what the proper budget levels should be to have the optiumum effect upon the economy.

My analysis leads to me to believe, Mr. President, that the state of today's economy calls for a more expansive budget than that recommended by the committee. For that reason I will support the amendment proposed by Senator MONDALE, which would permit spending for emrgency recovery programs.

Last month there were 8 million people in our country who could not find jobs. We have learned that our gross national product declined at a staggering rate of 10.4 percent over the first quarter of the year. Industrial production continues to slide and the index of leading economic indicators declined again in March. The recession clearly has not yet bottomed out.

There are those who seize upon every favorable statistic and attempt to prove that the worst is over and that a healthy economy is just around the corner. Unfortunately, Mr. President, these people are indulging in wishful thinking of a most dangerous kind. It is noteworthy that yesterday's Wall Street Journal reported that the February increase in the economic indicators, which was widely cited as proof of recovery, was revised downward by the Commerce Department upon the receipt of additional information. The fact is, Mr. President, that despite the tendency of many to view our economy through rose-colored glasses, the road to recovery will be long and painful. It is our responsibility to take action which will shorten it as much as possible.

The resolution reported by the committee makes no provision for spending for health insurance for the unemployed, adequate public service jobs programs, short-term, labor intensive public works, or emergency fiscal aid to State and local government. If it were enacted and adhered to it would not have a significant impact upon unemployment. In fact, the fiscal policy it espouses would most likely result in an unemployment rate of 9 percent for the remainder of this year and 8 percent at the end of 1976. Such a prospect is totally unacceptable. We must have a more expansive policy and aim for a maximum of 7 percent unemployment by December 1976, and an annual reduction thereafter of at least 1 percent.

Mr. President, the amendment now before us is consistent with these desirable goals. It would provide an additional $9 billion in budget authority for temporary recovery programs as Congress deemed appropriate. These additional funds would serve not only as an economic stimulus, but also as a means to ease the immediate burdens on those who are the victims of recession. Since it would be triggered only if there are 3 successive months of unemployment averaging 8.5 percent or more, and since it would phase out as the economy recovers, it would not place excessive Federal demands on credit markets at a time when private demand is increasing.

The increased spending called for by the amendment would produce $3 billion in savings from higher tax revenues and reduced unemployment compensation as hundreds of thousands of Americans found jobs. In addition, there would be new revenues produced by $2.5 billion in new tax reforms. The net effect of this amendment would increase the size of the deficit by $3.5 billion. While this is a considerable sum, it is a small price to pay for the benefits this measure would bring.

Mr. President, large budget deficits are as distasteful to me as any Member of the Senate. On several occasions, I have introduced or supported legislation which has cut billions of dollars from the Federal budget. Fiscal policy must be shaped, however, to the particular needs of the economy, and today we are faced with a disastrous recession. Our fiscal policy must be expansive if we wish to see recovery in the reasonably near future, and this means that there must be a large deficit.

Though the numbers we project for next year's deficit appear large, we must keep in mind that this deficit results not from increased spending, but from loss of revenues due to unemployent and sagging profits. If there were 4 percent unemployment, there would, in fact, be a budget surplus. By taking decisive action now, we are speeding the day when revenues will again rise to normal levels and thus eliminate future deficits.

Mr. President, I am hopeful that the amendment will be approved and that the resolution will pass as amended. If this occurs, the Senate will have borne its responsibilities well, and we will have set an important precedent in establishing our voice in the budget process.

Mr. WILLIAMS. Mr. President, the Senate has before it today Senate Concurrent Resolution 32, the first such concurrent resolution on the budget of the United States. The preparation of this concurrent resolution is mandated by the Congressional Budget Act of 1974 and represents the first exercise under that act of the greatly increased congressional responsibility in the development and formation of the budget of the United States.

When the Budget Act was adopted, I was pleased that the Congress would now assume a higher level of responsibility for the planning and evaluation of budget priorities, in addition to the actual appropriation of funds. I have always believed that the Congress must play a role in both functions in order to be fully effective in the planning and policy decisions affecting the Nation's priorities. While this body has always formulated the substance of many new programs which represent, in the aggregate, the national direction, the priorities to be accorded these various programs, through the budgeting of funds for their implementation, has not received the same systematic and thorough congressional attention.

While the Congress has traditionally controlled the appropriations process, the initial development of these funding levels has been left almost entirely to the executive branch. Because of this control over the submission of appropriations requests by the executive branch, Congress role was never fully carried out.

The appropriations process on the other hand, which has always been a legislative prerogative, is designed to evaluate the line-item appropriations requests for the various programs involved. It is not an effective method for evaluating the macroeconomic effects of the budget. Those decisions must be made prior to the appropriations process.

It is precisely these decisions on national priorities that we are making here today as we consider Senate Concurrent Resolution 32.

I have carefully reviewed the report accompanying Senate Concurrent Resolution 32, and I would like to commend Senator MUSKIE, chairman of the Budget Committee, and the other members of the committee. It is never easy to plow new ground, and this was the first opportunity for the Senate Budget Committee, as established by the Congressional Budget Act, to evaluate the budget priorities of the national budget for the coming year. The committee has obviously taken its task to heart, and the results of their work are evident in the thoughtful and thorough analysis reflected in the committee's report.

But it is not only the Budget Committee which has new and significant responsibilities under the new Budget Act. Each standing committee of the Senate and the House of Representatives must similarly examine the various programs for which it has responsibility. This examination must include an evaluation of all existing and anticipated programs under each committee's jurisdiction, and an evaluation of the necessary funding levels to be assigned to each. These recommendations are then submitted to the Budget Committee as that committee's determination of the necessary funding levels to continue these various programs.

Last fall, after an initial consultation with the members of the Budget Committee to elicit their views on what they felt would be needed from each committee, I instructed the staff of the Labor and Public Welfare Committee to begin an immediate evaluation and analysis of existing programs within the committee's jurisdiction with the view toward developing a comprehensive financial and budgetary picture of our multifarious programs. I felt the need to begin this process early, because the Labor and Public Welfare Committee has responsibility for the largest number of domestic programs, all of which represent items of major national significance.

The results of our detailed study contains both an analysis of the current levels of existing programs in the Departments of HEW and Labor, and an examination of anticipated new programs and their recommended funding levels needed to produce minimum results in these various areas. In this regard, Mr. President, I carefully pointed out to the Budget Committee that many of the anticipated programs were vital to stimulate the current stagnant economy and to provide for a countercyclical force to the current recession.

With respect to these counter-cyclical programs, Mr. President, I regret that I am disappointed with Senate Concurrent Resolution 32. The Budget Committee resolution provides only $4.5 billion for temporary, emergency, job-development programs. I feel that this is woefully short of the amount that my examination and study has shown will be needed to develop counter-cyclical employment programs. I simply cannot reconcile the committee's figure of $4.5 billion in this area of the national priorities with the current state of the economy.

We are currently facing 8.7 percent unemployment. That means close to 8 million persons on the unemployment rolls, plus an additional number, certainly more than 1 million more, who are not technically on the rolls because they have become so discouraged with the state of their lives that they have stopped looking for work. The leading economists throughout the country are predicting that by summer, this unemployment rate will go even higher—to over 9 percent. The real significance of these figures, however, is the tragedy in human lives which these conditions produce.

The eroding effects of prolonged unemployment are only partially understood. But we can certainly understand that when persons are out of work, not only is their survival jeopardized, but their view of society is similarly affected. It is self-evident, Mr. President, that a construction worker, or an auto worker, or any other worker in the Nation, who has grown up believing in our ethic of hard work as necessary for national growth and development, as well as the key for personal recognition and success, is going to become quickly disillusioned as this current crisis continues. The effects on national morale as large numbers of workers are forced to live on unemployment insurance, part-time work, or welfare is devastating.

It is in this regard, Mr. President, that I am most concerned in the failure of the Budget Committee to provide adequate funding levels for antirecessionary employment programs. I feel that the elimination of the current recession is our highest national goal right now, and that Congress must provide whatever funds are needed to achieve this end. I am therefore in agreement with the separate views to the Budget Committees' report submitted by Senators MONDALE and ABOUREZK. My concern is well stated in the following passage from their statement:

> If additional temporary recovery programs—beyond those allowed under this resolution—are not adopted, then we must expect unemployment averaging 9 per cent or more for the remainder of this year, and we cannot expect a return to normal levels of employment and production before the end of this decade.

Accordingly, Mr. President, I have joined with Senators MONDALE, HUM-

PHREY, JAVITS, and SCHWEIKER, to propose a necessary amendment to Senate Concurrent Resolution 32. Our amendment would provide for $9 billion in outlays and budget authority for temporary, emergency, recession-fighting programs such as additional public-service jobs, emergency fiscal aid to States and local governments, quick-impact public works, health insurance for the unemployed, and other programs deemed necessary by the authorizing and appropriations committees, and the Congress as a whole.

This additional authority could fund at least 1 million jobs. Its adoption would also bring the budget resolution in line with the Joint Economic Committee's recommendation that budget strategy be targeted to produce an unemployment rate no higher than 7 percent at the end of 1976. Without this added authority, I am skeptical that such a goal could be achieved, and I am fearful that we may slide deeper into the grips of this economic downturn.

While our amendment would add $9 billion in outlay and budget authority, $3 billion would be returned to the Treasury in the form of higher tax receipts and reduced unemployment compensation payments, due to the increased level of economic activity and productivity. In addition, the amendment also provides for $2.5 billion in revenues from tax reforms in areas which do not have an adverse economic impact.

The additional, temporary outlays contemplated by the amendment would, given the "ripple effect" that they would have on the economy, increase overall production by at least $25 billion, as reflected not only in higher employment, but in more normal work weeks, higher wages, and higher profits.

The amendment which we offer contains a triggering mechanism which would insure that its effects only remain in force only while they are in fact needed. The authority provided by the amendment would "trigger-on" only if unemployment averages 8.5 percent for 3 consecutive months prior to the new fiscal year or for 3 consecutive months after the new fiscal year. It would "trigger-off" if unemployment averages 5 percent or less for 2 consecutive months during the fiscal year. The amounts made available by the Budget Committee could still be available if warranted by the circumstances.

Mr. President, I would urge a speedy adoption of this amendment so that we may then move on to the entire budget resolution which I have already indicated my support for. I would like to stress however, that without this amendment the resolution is not adequate to meet our current crisis, and that without this addition, the budget levels will not be sufficient to achieve the goals established by the Joint Economic Committee—normal employment levels at 5 percent unemployment and the prospect of a balanced budget by the end of 1978, and the real hope for full employment by the end of the decade.

I would also like to state that yesterday I received a letter from the President of the AFL–CIO, Mr. George Meany, who has expressed his support for the proposed amendment. I ask unanimous consent that his letter be printed in the RECORD, so that my colleagues may have the benefit of the well-reasoned conclusions developed by Mr. Meany.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN FEDERATION OF LABOR AND
CONGRESS OF INDUSTRIAL ORGANIZATION,
Washington, D.C., April 25, 1975.
Hon. HARRISON A. WILLIAMS, JR.,
U.S. Senate,
Washington, D.C.

DEAR SENATOR WILLIAMS: The Senate will be considering S. Con. Res. 32—its first resolution on the budget—at a time when eight million Americans are unemployed, an additional 1.1 million have given up the search for work in despair, and another 3.9 million are forced to work part-time because full-time employment is unavailable.

One out of every seven workers in the Nation is suffering a severe job and income problem.

Friday, May 2, the Labor Department will release its April unemployment statistics. Economists differ only on how much higher the jobless rate will go. Unemployment already is at the highest level since the Depression of the 1930's. The economy must be turned around. America must be put back to work.

Jobs are the key to our economy. Massive unemployment is the cause of the present budget crisis. If unemployment was at the same level today that it was when Richard Nixon took office, there would be a budget surplus right now. For every one percent drop in unemployment, the treasury gains $16 billion in tax revenues and reduced social costs.

Unfortunately, S. Con. Res. 32, as reported by the Budget Committee, fails to provide the stimulus needed to attack this problem. The committee's own projections call for a 7.5 percent jobless rate by December 1976—20 months from now. This is a totally unacceptable goal, considerably higher than the rate sought by the Joint Economic Committee.

Senators Mondale, Humphrey, Javits, Williams, and Schweiker are the major sponsors of an amendment aimed at providing an additional $9 billion for temporary economic recovery programs. Adoption of this amendment would bring the budget resolution in line with the Joint Economic Committee recommendations.

The AFL–CIO strongly supports the Mondale, Humphrey, Javits, Williams, and Schweiker amendment. Its passage is of critical importance if the economy is to be turned around. A vote against the amendment is a vote against millions of Americans desperately seeking work.

While the AFL–CIO does not believe this amendment goes far enough, it does provide additional funds—omitted from the Budget Committee report—for programs such as accelerated public works, public service employment, aid for local governments, housing, and health insurance for the unemployed. This $9 billion "pot" will permit the authorizing and appropriations committees to determine the proper program "mix" necessary for quick and effective job creation.

Even when implemented, the amendment would only add $3.5 billion to the total deficit. Of the $9 billion, $3 billion will be recaptured through increased tax revenue and reduced social costs while another $2.5 billion can be raised by prompt enactment of long overdue tax reforms.

When President Ford reluctantly signed the tax cut into law, he pointed to a chart and said: "This is as far as we can go." He was pointing to the projected budget deficit.

The AFL–CIE believes that the President was looking at the wrong statistics. It is up to the Congress to reorder our national priorities—the real purpose of the Budget Act—by pointing to the unemployment chart and declaring: "This is as far as we will let it go. We must turn the economy around."

Restorting health to the national economy by putting America back to work must be the major goal of the 94th Congress. The AFL–CIO considers adoption of the Mondale, Humphrey, Javits, Williams, and Schweiker amendment to S. Con Res. 32 to be of critical importance.

Sincerely,

GEORGE MEANY,
President.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from South Carolina (Mr. HOLLINGS), the Senator from Alaska (Mr. GRAVEL), and the Senator from South Dakota (Mr. MCGOVERN) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BROCK), the Senator from Illinois (Mr. PERCY), and the Senator from Virginia (Mr. WILLIAM L. SCOTT) are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Mr. PERCY) would vote "nay."

The result was announced—yeas 29, nays 64, as follows:

[Rollcall Vote No. 155 Leg.]

YEAS—29

Abourezk
Bayh
Bentsen
Brooke
Case
Clark
Culver
Hart, Gary W.
Hart, Philip A.
Hartke
Hathaway
Humphrey
Inouye
Jackson
Javits
Kennedy
Long
Magnuson
Mathias
McGee
Metcalf
Mondale
Pastore
Pell
Randolph
Schweiker
Stafford
Weicker
Williams

NAYS—64

Allen
Baker
Bartlett
Beall
Bellmon
Biden
Buckley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
Church
Cranston
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Fong
Ford
Garn
Glenn
Goldwater
Griffin
Hansen
Haskell
Hatfield
Helms
Hruska
Huddleston
Johnston
Laxalt
Leahy
Mansfield
McClellan
McClure
McIntyre
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pearson
Proxmire
Ribicoff
Roth
Scott, Hugh
Sparkman
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Young

NOT VOTING—6

Brock
Gravel
Hollings
McGovern
Percy
Scott, William L.

So Mr. MONDALE's amendment was rejected.

Mr. CRANSTON obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CRANSTON. I yield to the majority leader.

The PRESIDING OFFICER. The Senate will be in order.

ORDER FOR RECESS UNTIL 10:45 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10:45 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I yield to the assistant majority leader to make some unanimous-consent requests.

ORDER FOR RECOGNITION OF SENATORS NELSON, BARTLETT, AND HARRY F. BYRD, JR., AND FOR RESUMPTION OF THE CONSIDERATION OF THE PENDING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order tomorrow, the Senator from Wisconsin (Mr. NELSON) be recognized for not to exceed 15 minutes, that he be followed by the Senator from Oklahoma (Mr. BARTLETT) for not to exceed 15 minutes, that the Senate then resume the consideration of the pending measure; and that the Senator from Virginia (Mr. HARRY F. BYRD, JR.) then be recognized for not to exceed 15 minutes on the pending measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. This would allow time for a vote to occur at 12 o'clock.

CONGRESSIONAL BUDGET DETERMINATION

The Senate continued with the consideration of the concurrent resolution (S. Con. Res. 32) relating to a determination of the congressional budget for the U.S. Government for the fiscal year beginning July 1, 1975.

Mr. CRANSTON. I yield to the Senator from Minnesota.

The PRESIDING OFFICER. The Senate will be in order. The Senator from Minnesota may proceed.

Mr. MONDALE. Mr. President, through error I inadvertently omitted to request that the name of the Senator from Washington (Mr. JACKSON) be added as a cosponsor of the amendment on which the Senate just voted. I now make that unanimous-consent request.

The PRESIDING OFFICER. Without objection, it is so ordered. Who yields time?

Mr. CRANSTON. Mr. President, may I have some time on the bill? Five minutes?

Mr. MUSKIE. Mr. President, I yield the Senator from California 5 minutes on the bill.

Mr. CRANSTON. Mr. President, as the Senator from Maine knows, I had intended to offer an amendment if the Mondale amendment were defeated. I talked with the Senator from Maine about it yesterday. He is the only Senator I have talked to, because I did not wish in any way to appear to be undercutting his amendment with anything relating to the same subject until he had a full opportunity to present it and have it voted up or down. I share all the concerns that prompted the Senator from Minnesota to offer his amendment.

My amendment, which I had planned to offer were his defeated, related to the social and economic conditions that caused him to introduce his amendment, but it would have dealt with them in a different way.

Mr. MUSKIE. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. The Senator will please suspend until order is restored. Senators will please remove their conversations to the cloakrooms.

The Senator may proceed.

Mr. CRANSTON. I voted against the amendment of the Senator from Minnesota because, like a majority of the Senate, I oppose increasing the prospective deficit at this time. I hope we will never find it necessary to do so. I share his belief that the amount indicated in the report for jobs programs and economy stimulating programs is inadequate. I hope we will find it possible to get the funding for those programs as we work on authorizations and appropriations bills by taking money away from other programs without increasing the size of the deficit or the amount we will spend.

That may or may not prove possible. The assumption in the current resolution reported by the Budget Committee are based upon present economic conditions. We do not know what those conditions will be after a while; we hope they will be better. They may be worse, and we may find it advisable to increase the spending on temporary jobs programs, even if that will temporarily increase the deficit.

I was, therefore, going to suggest that we adopt an amendment that would require that the Congressional Office of the Budget give us periodic reports—and they have that capacity—on the state of the economy, on unemployment, and on where we stand, so that if we find it necessary to make more funding available for jobs programs we will know what the conditions are that make that advisable.

The Senator from Maine has written a letter to Alice Rivlin, Director of the Congressional Budget Office, dated today, requesting roughly this exact type of information, and so I see no necessity for my amendment. I am delighted that the Senator has taken that step. That will give us the information we need in the weeks and months ahead to act intelligently on the budget in relationship particularly to the need for jobs funds and programs.

I thank the Senator for taking that step; I applaud it, and I look forward to working with him and the other members of the committee and the Senate to see that we observe those reports, study them carefully, and take whatever steps may be necessary in the future to help turn the economy around and to provide jobs for those Americans who cannot find them now, or who may, unhappily, be losing them in the weeks and months ahead.

Mr. MUSKIE. Let me say, Mr. President, that I appreciate the point the distinguished Senator from California is making. I believe it behooves the Budget Committee to monitor the behavior of the economy closely, and respond to that behavior as conditions dictate.

I ask unanimous consent to have printed in the RECORD at this point my letter to Dr. Rivlin, the text of which is as Senator CRANSTON has described it.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
April 30, 1975.

Dr. ALICE M. RIVLIN,
Director, Congressional Budget Office, Congress of the United States, Washington, D.C.

DEAR ALICE: As you know, the central concern of the Budget Committee in formulating its first Concurrent Resolution on the Budget has been to provide adequate economic stimulus to return the country to full employment at the most rapid practical pace. Opinions differ on both the appropriate amount of Federal spending and the design of programs to achieve this objective.

We expect the Senate to complete action today on its Concurrent Resolution. We expect the First Concurrent Resolution to be adopted by both Houses by May 15.

Adoption of the Resolution, however, is only the beginning. We plan a second resolution in the fall and, as you know, the law requires additional resolutions after the first at any point when conditions require it. It will be most helpful to the Budget Committee in fulfilling its responsibilities if you will monitor the economic and general fiscal conditions in light of the Budget Resolution. We will appreciate a report on your evaluation of economic conditions and their relationship to current fiscal policy by June 30, 1975. Particular emphasis should be placed in that report on the extent to which Congress has adhered to the Resolution and on the inter-relationship between Congressional action taken and foreseen by that time upon economic recovery. We will appreciate a subsequent report on the same matter on August 15.

A major issue in this year's First Concurrent Resolution has been the design of programs which have a temporary stimulative effect on employment, but which disappear as lower levels of unemployment are achieved. A substantial difference of view exists as to whether such programs can in fact be designed and effectively implemented.

We will appreciate your undertaking a study of the experiences of our country and other nations in the design and implementation of such programs. We would appreciate a thorough examination of the design and economic implication of selected examples of actual and potential programs of this kind. We are very interested in whether such temporary programs can in fact be created and produce a useful effect and, at the same time, remain truly temporary. If such programs can be designed, what are the "triggers" which would actuate them and how can they be designed to "trigger out" effectively when their intended result has been achieved?

We look forward to the results of both these studies. They will be useful to the Committee and Congress in dealing with the severe economic problems we confront.

With best wishes, I am,
Sincerely,
EDMUND S. MUSKIE.

Mr. MUSKIE. I read just this one paragraph, which responds to the Senator's point:

> Adoption of the Resolution, however, is only the beginning. We plan a second resolution in the fall and, as you know, the law requires additional resolutions after the first at any point when conditions require it. It will be most helpful to the Budget Committee in fulfilling its responsibilities if you will monitor the economic and general fiscal conditions in light of the Budget Resolution. We will appreciate a report on your evaluation of economic conditions and their relationship to current fiscal policy by June 30, 1975. Particular emphasis should be placed in that report on the extent to which Congress has adhered to the Resolution and on the inter-relationship between Congressional action taken and foreseen by that time upon economic recovery.

I think the Senator will agree that the thrust of that letter is on all fours with his own concern.

Mr. CRANSTON. It most certainly is, and will provide us with some badly needed information. I thank the Senator.

Mr. RANDOLPH. Mr. President, I wish to comment on the remarks of the able Senator from California. I noted that he began in certainly what I considered an apologetic manner, saying that he did not vote for the amendment which was defeated. He said that he realized we were going to face up to the inadequacy of what the Senate and Congress needed to do to produce jobs for people in the United States who need work.

I know of his concern for the employment of people. It is my prediction—and I am not one to make predictions—that we will be back here, I say to the Senator from California, at a later date, probably sooner than later, attempting to do what we failed to do this afternoon.

Mr. CRANSTON. I thank the Senator for his remarks.

Let me say that I voted against the amendment of the Senator from Minnesota only because I do not believe at this time we should concede that we have to have more spending and a larger deficit. I hope that within the present spending limits we can find more money for jobs and less money for some other programs which might be cut back from the figures that are suggested in the report of the Budget Committee.

However, we have now set up a procedure through the letter of the chairman to Alice Rivlin that will give us current information on the state of employment and the economy generally, and if we find that the situation is worsening, that we need more money to stimulate the economy, more money for jobs, we will have the information at our fingertips, and we can then proceed to do at that time by other methods what we did not feel, the Senate as a whole did not feel, was wise to do today.

The PRESIDING OFFICER. The Senator from North Carolina has been on his feet and seeking recognition.

Mr. HELMS. Mr. President, I will be happy to delay and yield to the Senator from West Virginia.

Mr. MUSKIE. Might I suggest that the Senator from North Carolina be recognized first? He has indicated a willingness to yield. I think that may save us some time.

AMENDMENT NO. 391

Mr. HELMS. Mr. President, I call up an amendment which I have at the desk, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from North Carolina (Mr. HELMS) proposes an amendment in the nature of a substitute numbered 391.

Mr. HELMS' amendment (No. 391) is as follows:

> Strike out all after the resolving clause and insert the following:
>
> That the Congress hereby determines, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on July 1, 1975—
>
> (1) the appropriate level of total budget outlays is $297,800,000,000;
>
> (2) the appropriate level of total new budget authority is $388,600,000,000;
>
> (3) the amount of deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is zero;
>
> (4) the recommended level of Federal revenues of $297,800,000,000; and
>
> (5) the appropriate level of the public debt is $531,000,000,000.

Mr. ROBERT C. BYRD. Mr. President, before the Senator yields to my distinguished senior colleague, may I ask the Senator from North Carolina, does he want the yeas and nays on his amendment?

Mr. HELMS. Yes. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Now, Mr. President, so that Senators may know when we will vote, is it agreeable that we vote at 6 o'clock on this amendment? I understand there is a 40-minute time limitation. This will cut it to 30 minutes.

Mr. HELMS. It is agreeable to me. However, I have agreed to yield some time to the distinguished Senator from Nebraska.

Mr. CURTIS. Ten minutes will be enough for me.

Mr. HELMS. In that case, Mr. President, 6 o'clock will be fine.

Mr. ROBERT C. BYRD. With 20 minutes to the Senator from North Carolina, from which he will yield 10 minutes to the Senator from Nebraska, and 10 minutes to the Senator from Maine.

Mr. HELMS. Very well.

The PRESIDING OFFICER. Without objection, it is so ordered. Who yields time?

Mr. HELMS. Mr. President, Senate Concurrent Resolution 32 purports to reflect the will of Congress. It seeks to put us on record as favoring a gargantuan budget deficit for fiscal year 1976. According to the resolution, the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $67.2 billion. In my view, this amount is preposterous; and I wish to go on record as unalterably opposed to this kind of fiscal irresponsibility.

What are these so-called "economic conditions and other relevant factors" justifying this resolution? The answer is: There are none, none at all. We are told that this vast deficit is necessary to stimulate the economy, an argument that I find incomprehensible in light of the fact our present economic situation is a product of successive deficit budgets. Instead of stimulating the economy, the new budget will, in all likelihood, run it further into the ground.

Certainly I need not remind my colleagues of the ever-increasing price of just about every commodity one can possibly imagine, including the necessities of life such as food, shelter, and clothing. Who is so blind as to ignore the obvious truth that this spiraling inflation is the offspring of deficit Federal spending during the past four decades?

For many years now—longer than I care to remember—we have been living on tomorrow's income. According to figures released on February 3, 1975, the Federal budget for fiscal year 1975 exceeds $313 billion, with a deficit of more than $35 billion. Then the Federal budget for fiscal year 1976 was estimated to exceed $349 billion, with a deficit of over $51 billion. Senate Concurrent Resolution 32 proposes that the budget outlays for fiscal 1976 should be $356 billion, with a deficit of $67.2 billion.

As I have noted on previous occasions, the interest alone on the Federal debt exceeds $30 billion a year. In fact, for fiscal 1975, the interest is estimated at $32.9 billion. This works out to $62,595 a minute in interest. This is $1,043.25 every second of the day.

And here are more disturbing figures. On December 31, 1972, the national debt was $449.3 billion. A year later it was up $20.6 billion to the sum of $469.9 billion. On December 31, 1974, the debt was up again—to $492.7 billion, an increase of $22.8 billion over the previous 12 months and an increase of a whopping $43.4 billion in a 2-year period.

Where does it end? The answer is obvious. If action is not taken in this Chamber to stop deficit spending, and emancipate our fiscal policies from the economic theories of John Keynes, we are headed for economic disaster. The American people know this, if the polls be any guide. Their faith in the American economy has already been shaken to the point that they fear a real depression, and here we are singing hosannah to the gods of big spending.

In the interest of candor and honesty, let us level with the American people for a change and admit that it is Congress which has created our current economic collapse and only Congress can do something about it. It is not pleasant to contemplate one's own folly, but I for one believe that it is time for Congress to say to the American people: "Yes, we caused this economic mess—we and our predecessors, who led the Government of the United States into the swamps of deficit spending and, what is worse, led the American people to believe that the swamps were a good place to be."

Before we become more deeply mired, let us turn to common sense and simple arithmetic for an honest solution to our economic problems. Any real solution must address itself to the real cause of the problem, and not just the symptoms. Any budget that falls short of the balanced budget falls short of our goal of economic prosperity, for even a little deficit spending and a little inflation hurts everyone.

I, therefore, propose an amendment in the nature of a substitute to Senate Concurrent Resolution 32. My substitute provides a balanced Federal budget—a zero deficit. It works this way: The Budget Committee estimated that Federal revenues under existing law would be $297.8 billion. Accepting this figure for income, and applying the concept of a balanced budget, I propose that the appropriate level of total budget outlays is $297.8 billion. The Treasury Department has projected the amount of the national debt at the conclusion of the current fiscal year to be $531 billion. Since the Government should operate on a balanced budget for the next fiscal year, including the expenditures for interest payments on the debt, no increase in the debt level is necessary. The appropriate level for the deficit, of course, is zero.

One final figure remains in my substitute. That is the appropriate level of total new budget authority. I have simply accepted the Budget Committee figure of $388.6 billion for budget authority. I, frankly, doubt that we should go on increasing spending authority. The ultimate result will be that the Government eventually controls every sector of our economy, with a consequent diminishing of freedom and justice. But I recognize that this Congress will probably not turn away from the siren call of initiating new programs.

Yet, in the long run, we must recognize that simply because the authority is granted, it need not be fully exercised. This authority should be exercised only in a manner consistent with the concept of a balanced budget—not only for fiscal year 1976, but also for succeeding fiscal years.

A final question remains. Where should the necessary reductions in expenditures be made in order to achieve a zero deficit? As my colleagues are aware, there are many competing points of view in response to this question. I am aware that there are some who would substantially reduce defense spending, but I favor a strong national defense with appropriate expenditures to accomplish that important goal.

There are some who feel that appropriations for social welfare programs are not large enough at present, but I feel there is a great deal of wasteful spending in this area. Considering all of the diverse views, I propose that Federal spending be cut across the board, on a pro-rata basis, with the single exception of interest payments on the national debt, in order to achieve a zero deficit. The interest payments on the debt should be paid as they accrue. As a basis for determining the pro-rata reductions, the budget message of the President relative to the Federal budget for fiscal year 1976 together with supporting material should be used.

While this approach is not fully responsive to all of my concerns regarding wasteful Federal programs, it is perhaps the most realistic proposal in the light of the realities of life that confront us. I make this proposal of across-the-board reductions, frankly, as a concession to opposing philosophies, but I do so because I believe so firmly that the future of my grandchildren is at stake, together with the future of every American who hopes that his lineage may face the future with a reasonable expectation of prosperity and freedom. I say this because there is no real freedom without economic freedom. And, there is no economic freedom in the midst of spiraling inflation, and confiscatory taxation, and there certainly is no real prosperity.

Mr. President, it is not the intention of the Senator from North Carolina to consume a great deal of time. The hour is late, and I do not wish to detain Senators. Moreover, I am not laboring under illusion about the number of votes my amendment will attract.

On yesterday I expressed as clearly and forthrightly as possible my concern about this legislation, which will pave the way for a deficit of $67.2 billion.

Mr. President, when I contemplate the fact that this legislation involves a planned deficit of $67,200,000,000, it occurs to me that the Senate of the United States is bordering on being pyromaniacal in terms of fanning the fires of inflation.

Apparently Congress simply does not intend to learn from its mistakes of the past, and in fact intends to compound them with even more serious mistakes.

Let us make no mistake about it, Mr. President, with the adoption of a $67.2 billion deficit, there will be a horrendous increase in inflation. We ought not to kid ourselves about it, or try to deceive the American people.

Commerce will be stultified because the Federal Government will be drawing off capital so badly needed by the people of America; particularly the small businesses. Therefore, unemployment will continue to rise because the private sector will be denied the funds needed to create jobs and provide the goods and services necessary to revitalize and stabilize our ailing economy.

Mr. President, I spent the weekend in Brazil and Argentina. I visited the latter country at the invitation of my old friend, Bob Hill, who is the distinguished U.S. Ambassador to Argentina. During that visit—which, incidentally was not made at the taxpayers' expense—I met with prominent South American citizens from business, from agriculture, one or two from government.

One of the gentleman during a luncheon period demonstrated a surprising knowledge of what is going on in the Senate of the United States. He said, "I understand that the U.S. Congress is proposing a planned deficit of between $60 billion and $70 billion." I said, "That is correct." And he said, "Well, the United States is traveling the dismal road that Argentina traveled—and we are now bankrupt." He said the inflation rate in Argentina for the first 3 months of 1975, projected on an annual basis, is 108 percent. Then he said, "Now, I am not trying to tell you how to run your country, but if the United States makes that mistake you may as well plan to suffer a terrible economic upheaval within the next year or so."

Now, Mr. President, a few facts ought to be borne in mind, then I am going to yield to my distinguished friend from Nebraska, Mr. CURTIS.

The interest on the Federal debt for fiscal 1975 is estimated to be $32.9 billion. How do you put in perspective such an enormous sum of money as that? Well, if you use a calculator, Mr. President, you learn that this amounts to $62,595 per minute, in interest alone. Or if you want to break it down further it amounts to $1,043.25 every time the clock ticks, over $1,000 a second, every minute of every hour of every day of the year.

In 1973, the Federal debt increased $20.6 billion. In 1974, the debt increased another $22.8 billion, for a total increase during the 2-year period, Mr. President, of $43.4 billion. At that point, Mr. President, the Federal debt stood at $492.7 billion.

Of course, as all Senators know, the Federal debt is now in the neighborhood of a half-trillion dollars, which is a pretty expensive neighborhood when you consider what it is costing the taxpayers and what it is draining away from the economy.

For a generation we have been playing this game of deficit financing, going into debt year after year. And look where it has led us. Is it not time, Mr. President, to try the route of commonsense?

Mr. President, I yield 10 minutes to the distinguished Senator from Nebraska.

Mr. CURTIS. I thank the distinguished Senator from North Carolina.

Mr. President, the Budget Committee has worked faithfully on this matter. They have taken into account what the various programs called for, and that requires for more spending than there will be income, and on the basis of that approach we would have a resolution providing for a deficit of $67.2 billion.

I cannot bring myself to vote for a zero deficit or a balanced budget without stating how I would bring it about. I think this situation is so serious that we should change existing law. I think we should cut certain existing programs and, to that extent and in that manner, I would go beyond the consideration that went into the pending resolution. Others might come in with a different shopping list, but I am willing to vote for the reductions that I am about to recite, and if anybody has any doubt about it, let them just offer such amendments and I will vote for them.

How in the world are you going to eliminate $67.2 billion in spending or eliminate that much deficit? Well, here is my shopping list.

Mr. President, I would repeal the recent tax reduction bill. That would reduce the deficit by $23 billion. That act was pure nonsense. I heard a distinguished economist say within the last 3 or 4 days that that bill was planting the seeds of a recession late in 1976.

Our distinguished Secretary of the Treasury stated that our recessions are caused by the inflation.

There is $23 billion. I voted against the tax reduction bill before. I am anxious to vote to repeal it before it goes into effect.

I am ready to vote to abolish revenue sharing. Why, of course, it is nice to send checks to States and subdivisions. It has some merit, but not enough merit for us to borrow the money to do it.

Fifteen percent of all the spending next year is going to be with borrowed money. Fifteen cents out of every dollar. Only 30 cents comes from individual income taxes. So when one pays his income tax, keep in mind they will be borrowing half that much to keep going.

That is $6.3 billion.

We could not stop foreign economic assistance entirely. It is something over $4 billion. It ought to be cut by about $3 billion, and the billion left to phase out foreign aid. When we are nearing a $100 billion deficit, what business have we scattering money around the world? I am ready to vote to cut it by $3 billion.

I served for a long time on the Space Committee. I was ranking minority member. The space program is one of those programs that has been greatly reduced, it should have been, because they bought a lot of hardware and other things that were a one-time purchase.

So the space program has been reduced by several billion dollars, but in spite of the fact that I think it is a great educational program to advance science, I would cut it by half a billion dollars.

Now, mass transit is costing us a lot of money. Are we developing new systems of transportation? No.

We are underwriting failing transportation systems. Why, think of it, here the United States is broke, approaching $100 billion deficit, and we pass a law that says that anybody, almost, can run a busline or a streetcar line or some mass transit system and we will pick up the deficit. Even if we had money, that invites the worst practices. I would cut that by a billion dollars.

We have got a lot of programs in community development that did not exist 10 years ago. These things are well set out in a book entitled "The Budget in Brief."

Now, many of these programs to develop communities are worthwhile, but when we are facing such a crucial thing I am ready to go back to the 1974 expeditures for community development and that would cause us to vote for a billion-dollar reduction in that program.

Now, on education, 10 years ago we were spending about $3 billion. It is over $7 billion now. Due to the circumstances we are facing, I am ready to go back to the 1974 figure on that. That would save $2 billion.

Manpower and social service. Social service started in the Finance Committee. It was supposed to cost a couple of hundred million dollars. The first thing we knew, it was headed for $5 billion. We cut it back about half of that, but I am ready to vote a $1.2 billion cut for social services and manpower.

Do you know what we were spending for Federal programs for health 10 years ago? $3 billion. Today it is $30 billion.

We have taken about 28,000 doctors from treating patients and put them on the Government payroll. Pushing papers does not make patients well. Think if it, tenfold increase from $3 billion to $30 billion.

A modest cut would be $5 billion and we would have a more manageable program, we would get better research, we would do a better job.

Now, here is a good one. Instead of freezing retirement increases and Government wages at 5 percent, I would freeze them at zero.

What business does a Government employee, who has the security of a Government job, when we are approaching a $100 billion deficit to protest if we say that there will not be increases this year; what is wrong with that? Do you know how much it would save? A total of $12.9 billion would be saved if we postponed for 1 year all raises in Government wages and retirement programs.

Law enforcement is largely a local obligation, but we are in that in a big way. Ten years ago we were spending for law enforcement about a half a billion dollars. Now it is $3.5 billion. A sevenfold increase. It has not resulted in any measurable crime reduction. I would cut that by a billion dollars.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CURTIS. May I have a few minutes more?

Mr. HELMS. I will yield 1 more minute to the Senator.

Mr. CURTIS. All right.

A food stamp reduction, $2 million. Welfare reform, $2 billion. I would enact the administration's recommended windfall petroleum tax, which would pick up $3 billion. We talk a lot about tax reform but a modest $1 billion in tax reform can be achieved.

If we operated on a zero deficit, a balanced budget, we would save $2 billion on interest next year.

Mr. Chairman, that adds up to $67,700,000,000, and if we would do that, we would cure the recession. It would so encourage the country, it would so encourage investors, it would so encourage all in our economy so that we would move forward.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HELMS. I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Maine has 10 minutes.

Mr. MUSKIE. Mr. President, I think Senator MORGAN wanted some time and I am delighted to yield 3 minutes.

Mr. MORGAN. Four minutes?

Mr. MUSKIE. Four minutes.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. MORGAN. Mr. President, I want to join with my colleague from North Carolina and vote for the amendment which would call for a balanced budget for the United States.

I must say, though, in all candor, that I realize that it is not realistic to hope that we can balance the budget this year. I said so last year as I debated the issue back and forth across North Carolina. But, Mr. President, the people of North Carolina believe in a balanced budget. For more than 45 years, we have operated the State of North Carolina with a balanced budget.

We believe also, Mr. President, in doing for the people those things that they cannot very well do for themselves, and I take a back seat to no one, personally or for my State, for the things we have done for the people.

During 10 years in the Senate of North Carolina I voted for most, if not all, of the bills to improve mental health in our State, public health in our State, public education, public welfare. I fought many battles for higher education. We support 16 universities in North Carolina, 50-some community colleges.

We provide for the people of the State of North Carolina, but we are willing to pay the price.

I was in a New England State the other day that is complaining of being almost bankrupt. Mr. President, I paid 7 percent sales tax in that State, but it had no income tax.

In my State, we have an income tax, and we have had one for years. And we have a sales tax. In other words, we are willing to pay the price.

I will vote in this Senate through the years that I am here for a lot of bills to do a lot of things for the people of this country. But I am also willing to vote for taxes to pay for those programs. I do not think we ought to vote programs we are not willing to pay for.

So I am going to vote for the amendment offered by my colleague as an indication or an expression of the feeling of the people of North Carolina that the Government of the United States ought to operate with a balanced budget.

The PRESIDING OFFICER. Who yields time?

Mr. MUSKIE. Mr. President, I will take 2 or 3 minutes simply to respond to the amendment so the record may be complete.

Mr. President, as I understand the Helms amendment, it would reduce outlays under the budget resolution by $67.2 billion, to a level of $297,800,000,000, that being the same number as the revenue estimate contained in the budget resolution. So there would be no change in taxes.

According to the best advice that economists and our staff can provide us, the effect of this amendment would mean a reduction in gross national product of some $110 million below our forecast. This would raise the GNP gap to about $350 billion and boost the unemployment rate to 12 or 13 percent. Meanwhile, the reduction in GNP would cause revenues to fall. It would also increase expenditures on unemployment compensation. The combined effect would be to leave a deficit of about $40 billion after the Senator's cut of $67.2 billion has been made.

Senator HELMS would then have to introduce new legislation to remove this deficit. Either taxes might be raised or expenditures might be lowered, or some of both might be undertaken.

An unemployment rate of 20 percent can probably not be achieved within the fiscal year, but 15 percent is well within reach.

As I contemplate this approach to our economic problem, I am reminded of a story told us by Charls Walker, who was Deputy Secretary of the Treasury in the Nixon administration, and is a conservative economist. I read from a footnote on page 25 of the report of the Budget Committee:

In testimony on February 5, former Deputy Secretary of the Treasury Charls E. Walker gave the Committee an impromptu lecture on the results of an attempt in the early 1930's to balance the budget during a recession:

> [Balancing the budget] did not sound crazy in 1931 and 1932. That is precisely what they tried to do. It was a bipartisan effort. President Hoover and Mr. Garner and the whole crowd wanted to balance the budget. That was the fiscal orthodoxy of the day. So they sent a message to the Treasury and the Treasury raised practically every tax it could get its hands on. I believe the deficit was running in the general horrifying range of a billion dollars and they tried to raise taxes about a billion, maybe around $800 million. And they did not get anything back. They raised the taxes and they further exacerbated the deflationary pressures and incomes dropped and profits dropped and it just did not work.

We saw on the charts yesterday the story of 17 to 22 percent unemployment which resulted from those wrong economic policies of that time. I know that this business of balanced budgets is a mysterious business to laymen and it is to me. But I am persuaded from the insights that we have gained on the Budget Committee that the amendment of the Senator from North Carolina is simply very much the wrong medicine and that the result would be to send us in the wrong direction. It would be a disaster for the country's economy.

The PRESIDING OFFICER.. Who yields time?

Mr. MUSKIE. I am happy to yield the remainder of my time. I think the Senator from North Carolina would like some more time.

Mr. HELMS. Mr. President, with all due respect to my good friend from Maine, I perceive that the distinguished Senator is using the same line that has been used for the past 30 or 35 years in this country, that we cannot balance the budget now.

As they say in North Carolina, "can't never will."

The question is whether we have the guts to do it. If we do not, we ought to admit to the American people that we are playing politics with the Treasury of the United States and with the pocketbooks of the taxpayers of the United States. I can jolly well tell the distinguished Senator from Maine and everybody else within earshot that the people of this country are far ahead of the Congress in this matter of fiscal responsibility of the Federal Government. They know what is going on—and they are sick of it.

I have no illusions about how many votes this amendment will bring. I have submitted it for the purpose of putting Senators on record so that the people of this country will know who is in favor of fiscal responsibility and who is not.

We can cut this budget. We can cut the bureaucracy in the U.S. Senate and in the House of Representatives. We can do away with forty-eleven expensive subcommittees that the Senate operates, costing millions of dollars a year—and for what? Most Senators will acknowledge privately that the purpose of a remarkable part of the millions spent to operate this legislative bureaucracy is purely and simply for the aggrandizement of Senators. We can cut operating expenses here in the Senate. We can cut them in the House of Representatives. We can cut them downtown, and throughout this sprawling Federal Government. We can serve notice. We can do it. But not if we say, "Not this year." Do we have the guts to do it, Mr. President? The vote on my amendment will tell.

I can assure the Senate, Mr. President, that if this money is drained out of the private economy, we can forget our hope of stopping the inflationary spiral. Free enterprise must be allowed to work, or this country will not function. It is just as simple as that. We can play games up here. We can talk about what we are "doing for the people." But what we are doing is raiding their pocketbooks.

This is the time for us to put up or shut up. This Senator is willing to put up. Thank you, Mr. President.

I yield back the remainder of my time.

Mr. MUSKIE. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Colorado (Mr. HART), the Senator from South Dakota (Mr. McGOVERN), the Senator from Delaware (Mr. BIDEN), the Senator from Nevada (Mr. CANNON), the Senator from Ohio (Mr. GLENN), the Senator from Hawaii (Mr. INOUYE), and the Senator from Rhode Island (Mr. PASTORE) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PASTORE) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BROCK), the Senator from New York (Mr. BUCKLEY), the Senator from Arizona (Mr. GOLDWATER), the Senator from Idaho (Mr McCLURE), the Senator from Illinois (Mr. PERCY), and the Senator from Virginia (Mr. SCOTT) are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Mr. PERCY) would vote "nay."

The result was announced—yeas 9, nays 75, as follows:

[Rollcall Vote No. 156 Leg.]

YEAS—9

Allen
Byrd,
  Harry F., Jr.
Curtis
Fannin
Helms
Laxalt
Morgan
Thurmond
Tower

NAYS—75

Abourezk
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Brooke
Bumpers
Burdick
Byrd, Robert C.
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Eagleton
Eastland
Fong
Ford
Garn
Griffin
Hansen
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hruska
Huddleston
Humphrey
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pearson
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Tunney
Weicker
Williams
Young

NOT VOTING—15

Biden
Brock
Buckley
Cannon
Glenn
Goldwater
Gravel
Hart, Gary W.
Hollings
Inouye
McClure
McGovern
Pastore
Percy
Scott,
  William L.

So Mr. HELMS' amendment was rejected.

Mr. BAYH. Mr. President, I wish to compliment the Senator from Maine on the fine job he and members of the committee have done in preparing the resolution and report which are before us today. I would like to take a moment, if I may, to ask the Senator a few questions in regard to the committee's treatment of spending for law enforcement and justice.

I understand that the committee has recommended budget authority and outlays in this area in addition to what the administration requested. Is that correct?

Mr. MUSKIE. Yes, the Senator is correct. The committee recommends $3.3 billion in budget authority and $3.4 billion in outlays for law enforcement and justice compared to administration requests of $3.2 and $3.3 billion.

Mr. BAYH. Does the committee have any recommendation as to how those funds should be spent?

Mr. MUSKIE. No. It will be up to the various authorizing and appropriating committees and the whole Senate to determine how the funds shall be spent.

Mr. BAYH. Am I correct in saying, then, that nothing in the report or resolution would prohibit funding of the juvenile delinquency prevention program which was enacted last year and which I believe is so critical in our fight against crime?

Mr. MUSKIE. The Senator from Indiana is absolutely correct.

Mr. BAYH. I thank the Senator.

Mr. HATFIELD. Mr. President, I am pleased that Congress is undertaking the difficult task of setting target ceilings for Federal outlays. While the process is in reality only a "dress rehearsal" for the more complete consideration of the budget next year, the process gives us the opportunity to discuss the direction of Federal spending for the coming year.

Our consideration of Senate Concurrent Resolution 32 does not include a commitment to the functional components of the budget. Nevertheless, those who advocate increases or decreases in the committee figures certainly have in mind the general areas of the budget in need of adjustment. It is important to note in this connection, that $63 billion of the total $92 billion of "controllable" items in the fiscal year 1976 budget are in the defense areas. Some including myself have recognized this and are prepared to make very substantial cuts in defense, but others have been unwilling to examine this section of the budget.

Let us not oversimplify the issue. We

are not choosing between jobs and deficits. Once the target amounts are established and further reviewed in September, we have the utmost flexibility in allocating the funds within the ceilings. I am sympathetic with those who wish to set the target figures at a level which allows responding to the problem of joblessness. I think this can be done by trading some defense spending for more urgent job-producing programs such as accelerating public works projects.

I am voting for the amendments to the budget resolutions which will make reasonable reductions in the ceiling on outlays, for I am convinced that the strength of the economy requires a more sensible limit on our annual deficit. Certainly, we can find economists who argue that we can spend our way out of a recession. But we are still left with the staggering cost of servicing our national debt. We still must deal with our people who see their taxes going up, their consumer prices rising and little hope of improvement. It is too much to hope that we can balance the budget for 1 year, for the bulk of the public debt has accumulated during three decades of military adventures. But we can say "no" to those who would expand our budget indefinitely without dealing with the excessively large defense budget.

VETERANS AND THE BUDGET—A CORRECTION

Mr. CRANSTON. Mr. President, during debate in the Budget Committee I offered a motion to establish the functional category total for function 700, veterans benefits and services. The amount I proposed and which the committee adopted was $16.9 billion for outlays and $17.6 billion for budget authority. The amounts agreed to were based upon specific recommendations submitted by the Committee on Veterans' Affairs, on which I am privileged to serve under the leadership of the Senator from Indiana (Mr. HARTKE), in its March 15, 1975, report to the Budget Committee pursuant to the Congressional Budget Act.

During the discussion in the Budget Committee, I pointed out that certain assumptions which had been made by the Budget Committee in the other body as to amounts included in the President's adjusted budget request of March 12, 1975, seemed to be erroneous in light of the amounts specifically requested to be appropriated for each VA budget item as set forth in the appendix to the budget of the United States submitted by the President in justification of his fiscal year 1976 budget.

Unfortunately, this led me to conclude that the total amounts requested by the administration in function 700, as shown on page 144 of the President's budget—$15.6 billion in outlays and $16.2 billion in budget authority—did not assume the enactment of certain legislation which the President had indicated his intention to propose.

Specifically, it was my assumption, which the committee in its deliberations adopted, that these amounts did not include a subtraction of $600 million which would result from repeal of the 2-year extension of the delimiting period for readjustment benefits under the GI bill—an extension voted almost unanimously by the Congress less than a year ago—or a subtraction of $122 million which would be occasioned by the enactment of legislation requiring reimbursement to the VA by private medical insurers for care provided to insured veterans by the VA—a proposal made unsuccessfully by the administration each year since 1970.

My misapprehension in this regard rose in part from two footnotes on pages 16 and 17 of the "Budget in Brief" published by the Veterans' Administration which specifically show that the budget authority included in the appropriation justification "excludes" the proposed readjustment benefits and medical care legislation I have just described.

Thus, Mr. President, on my recommendation in making my motion for the outlay and budget authority amounts for function 700, the Budget Committee specifically did not add to the President's adjusted budget request figures—March 12, 1975—this $700 million connected with the enactment of these two legislative proposals. I see now that this was an error, and I point this out, Mr. President, so that when we go to conference with the House Budget Committee, it will be clear that such a misunderstanding occurred and that the actual outlay and budget authority figures which the Senate committee agreed to for function 700 were in fact understated by $700 million in each case.

Mr. President, I have requested a letter from the Deputy Director of the Office of Management and Budget, Mr. Paul O'Neill, to state specifically that these amounts were indeed subtracted in arriving at the figures which were used for purposes of reaching total budget authority, outlays, and deficit figures for the President's budget.

I should also note, at this point, Mr. President, that the discussion on pages 87 and 88 of the Senate committee report—No. 94–77—on the function 700 category does correctly state that the President's budget assumes enactment of this legislation. That report is correct in that regard, but in fact does not accurately reflect the understanding of the committee at the time of its agreeing to the specific numbers and justification I proposed for function 700.

Finally, Mr. President, I think that in the future the Budget Committee must give serious consideration to using as a base figure the total of the amounts which the President has actually requested to be appropriated in a particular functional category—which in the case of function 700 is some $722 million greater than the outlay and budget authority amounts shown in the President's budget on page 144—rather than some highly conjectural and fictitious amount which assumes enactment of legislation and, therefore, does not reflect government obligations under existing statutory provisions and programs.

Mr. ABOUREZK. Mr. President, a good deal has already been said about the significance of the resolution before us, and I certainly want to endorse those sentiments. Enactment last year of the Congressional Budget Act was a reform of tremendous potential importance to the Congress and the country.

Recognizing that we began the year with a committee only partially staffed, and with no Congressional Budget Office at all; that we are working out, as we go along, the nuts and bolts of a whole new process; that we faced—as we will every year—an extremely tight mandatory schedule; and that the Nation's economy was, and is, in its most critical condition in decades; it is certainly an achievement that we are here at all, much less still within the time frame that the act calls for.

But, if it is true, as has been said, that we have managed to get farther in this first year's implementation of the new budget process than any of us had a right to expect, the obverse to that is that we still have a very long way to go if we are to fulfill the real potential which is implicit in the Congressional Budget Act.

It is no secret that many of us on the committee voted to report this resolution despite some reservations about the numbers it contains, and the shape of the budget recommendations which are a part of the report. I do not want to exaggerate those reservations. No budget can please all of us, or completely satisfy even a majority of us—any more than is the case with other pieces of legislation. But I think it is important to express some of those reservations—particularly where they are linked with the limitations that operated on the process this year. I think it is important that we keep the accomplishment in bringing this resolution to the floor in some kind of perspective.

The most important limitation on what we are able to accomplish this year is the fact that the resolution before us deals only with the final totals, and not—as it will in future years—with the functional components which make up that total. While I understand the reasons for the more limited approach in this first year of implementation, I also feel that we should recognize that this deprives the full Senate of one of its most fundamental responsibilities and opportunities under the Congressional Budget Act.

If there is one phrase which is the most used in connection with the new congressional budget process, I suppose that phrase would be "a debate on priorities." Indeed, the whole point of the process, it seems to me, is to foster that kind of debate, and to allow the Congress to make its authorizing and appropriating decisions within the framework of a prior decision on priorities.

The fact that we are here, dealing with a resolution confined to so-called macrototals, means that the Senate is effectively barred from debating priorities this year. We can only agree or disagree with the "bottom line"—with the overall fiscal policy that seems to be reflected there—and I want to return to that aspect of the matter a little later. It is true that within the committee we made decisions on spending targets for the individual functions of the budget. But there seems to be no way in which the full Senate can evaluate those individual decisions and either ratify or modify them. And that is a shortcoming of this year's implementation that I think we need to keep in mind.

Even in the committee, I feel that we

missed the opportunity to move more decisively on a reordering of national priorities. As is eloquently set forth in the separate views expressed by the Senator from California and with which I concurred, this failure is most glaring in the field of national defense, where it seems to me that the committee continues a policy of trimming the Pentagon's request just enough to salve our consciences, without facing the basic issues underlying that request.

If the tragedy of Vietnam has taught us anything, it should have taught us that the attempt at Pax Americana is an exercise in arrogance—that the writ of the United States need not and should not run in every corner of the globe where there happens to be a dictator who wants our support for his brand of anticommunism. I believe that the American people recognize that. But our defense budget does not. And the modest cuts which our report recommends serve only to defer the issue because we failed to make any real priority decision on the Pentagon's insatiable desire for new weapons systems—like B-1, SAM-D, AWACS, and the rest.

Deferring a decision on reordering the national security budget priorities only increases the odds against that reordering next year and the year after. The research and development of the major new weapons systems that symbolize our old priorities have a momentum all their own—as the Defense Department and its contractors are only too well aware. That momentum is certainly in no danger from the paltry 3-percent cut in defense spending requests that our committee voted for. In fact, there is only a cut in requests, not in this year's level of spending.

Given the fact that the size of the prospective deficit dominated the discussion and the decisions in our committee, our unwillingness to consider major reductions in defense spending left us—in my view—very little room for reordering any other priorities. In terms of domestic programs, the President's proposed budget would have meant spending levels in virtually every functional category below our best estimate of the current services level—present program levels adjusted for inflation. The recommendations of our committee in its report are certainly superior to that. But we were able to assume increases—in real terms—in only four functional categories and in two of those most of the increase is acccounted for by programs aimed at economic recovery—primarily public service job programs.

In short, the job of reordering priorities has to be done as a whole, and we made only a minimal beginning on that job in this year's committee actions. More importantly, the limitations under which we are operating mean that the full Senate cannot register its opinion on even that minimal beginning.

I want to also express some concern about the basic fiscal policy represented by our resolution—a concern which I have expressed earlier in joint separate views with the Senator from Minnesota.

The American economy is in its worst slide since the days of the Great Depression. Unemployment is at its highest levels in more than three decades and the peak is still to come. It is impossible to be sanguine about the prospects for an early recovery, much less a strong one. The present situation means hardship for millions of people. It means a tremendous loss in potential goods and services for the economy as a whole. And it means that the Federal budget faces a deficit of a size proportionate to the severity of the economic decline.

Now, every economist who came before our committee—including administration spokesmen from whom the chairman had to pull the admission as if he were pulling an impacted molar—conceded that there are limits to what can be done about reducing the deficit in the current economic situation. They conceded that too restrictive a budget could have adverse economic effects and that those adverse effects could mean a continuation of the recession, if not worse. Continued recession means continued deficits. That means more red ink in the long run. A budget that serves to turn the economy around can mean a bigger deficit in the short-run but less deficit over all.

Only a minority of the committee explicitly rejected this general analysis, but the fiscal policy implications of the total spending target which the majority determined can only be described as a rather restrictive one. Our $388 billion in new budget authority is below the President's request when the two figures are put on a comparable basis by using the same estimates for offsetting receipts from oil leases. Our $365 billion in projected outlays is below present program levels adjusted for inflation.

Indeed, the deficit we are anticipating is only a little larger than that being projected by the President—again, after putting the figures on as comparable a basis as possible. More to the point, both "his" deficit and "ours" are almost totally the unavoidable cost of the economic downturn. On a "full employment" basis, we could expect $53 billion more in Federal revenues than are anticipated in this first concurrent resolution and we would have roughly $15 billion less in unemployment compensation and related recession costs to pay. In other words, the budget we are recommending is nearly a balanced one on a full employment basis, and the President's would be slightly in surplus.

It seems to me that there is real question as to whether the stimulus in such a budget will be enough to turn the economy around. If it is not, the deficits the Federal Government faces in the future will far exceed that which the majority of our committee is trying to avoid now. More importantly, the deficits the economy will continue to suffer—in people and resources idled, and in gross national product lost forever, will dwarf the government's deficits both now and then.

Having expressed these concerns about the budget process this year and about the resolution which it has produced, I would like to end on a positive note. Our experience this year gives us a basis to build on. The less restrictive situation next year will permit us to do so. When the administration sends up the required "Current Services Budget for Fiscal Year 1977" less than 7 months from now, the congressional budget process can begin its first year of full operation. That submission will give us a "baseline" budget to work from. It is my hope that we will use that baseline to begin the development of our own budget priorities without waiting for the President to indicate his. If we do that, it seems to me that we will be in a position to give the priorities debate the attention it must have if this new process is to reflect basic reform.

Mr. TAFT. Mr. President, I support a budget resolution allowing for a deficit at the approximate level of the Budget Committee proposal of $67,200,000,000.

While a deficit in that range is alarming, and I hoped it could be lower, I feel it is the most realistic possibility in view of the need to combat the worst recession in four decades. The attempts to balance the budget with increased taxes in the early 1930's should serve as a reminder to us all. Incomes dropped, profits dropped, the depression worsened and the budget remained out of balance.

Rather than an "excess spending" deficit primarily resulting from increased programs, over $50 billion of the projected fiscal 1976 deficit will result from taxes not collected due to reduced economic activity. The economy presently is operating more than $200 billion below capacity level. In this situation, the proposed level of spending seems needed to sustain economic activity and support those impacted. The Government's failure to do so may lead to even greater future deficits through reduced tax collections. Moreover, in initiating the Budget Committee procedure it is important to be realistic, and to shun the temptation to take an attractive political stance with a far lower figure that cannot and will not be achieved.

Most economists seem to agree that reduced private borrowing due to the recession will leave room for that large a deficit to be financed without undue credit market strains. The decreasing interest rates and rate of inflation appear to back that conclusion. Thus, the real threat of inflation comes not from the present budget deficit level, but from the possibility of deficits remaining too large once the economic recovery gains steam and private spending and borrowing rises. If that happens, private borrowers could be "crowded out" by the Government, pressures to greatly increase money supply would be heavy, interest rates could rise and inflation could be rekindled. I believe that situation can be avoided, but only if Congress supports recovery programs designed to be temporary and exercises restraint on any permanent expansions of Government. When the turnaround is accomplished, it will be vital for the Congress to act swiftly and courageously to assure the budget restraint and level of revenues needed to achieve a balanced budget.

TOP ECONOMISTS TELL JEC FEDERAL DEFICIT WOULD "CROWD OUT" PRIVATE CAPITAL REQUIREMENTS

Mr. HUMPHREY. Mr. President, there has been a great deal of controversy in recent weeks over the effect of a large Federal budget deficit on the private credit market. Questions have been raised as to whether or not the Government's need to borrow large amounts of money will use up so much of the available money that there will not be enough left to meet the borrowing needs of the private sector.

The issue we face is the grave fear expressed by Treasury Secretary William Simon and Federal Reserve Chairman Arthur Burns that big budget deficits will impede recovery by "crowding out" private borrowers and raising interest rates.

As the Senate considers the congressional budget resolution, the answers to the crowding out questions are crucial to wise decisions. Therefore, last week the Joint Economic Committee which I chair explored the budget deficit question in depth with three of the Nation's leading experts on this matter.

These three prominent economists, Andrew Brimmer of Harvard University, formerly a member of the Federal Reserve Board, Franco Modigliani of the Massachusetts Institute of Technology, and President of the American Economic Association, and James Tobin of Yale University, all agreed in their testimony that the administration's concern about the impact of such large deficits on financial markets is unwarranted and far out of proportion to the magnitude of the potential problem.

Citing the decline in private borrowing which normally accompanies a recession, they said they do not expect Federal credit demands to "crowd out" private borrowers or lead to rising interest rates.

They also agree that the pronouncements of the Federal Reserve and the Treasury exaggerate the risk of inflation and that their policies threaten to smother the economy's recovery from recession.

Treasury Secretary Simon has stated that financial markets cannot finance the Federal deficit and at the same time meet the needs of private borrowers. He has said that large Federal deficits will result in "crowding out" and rising interest rates.

Dr. James Tobin told the JEC that:

> There is no significant financial problem of crowding out, unless there is a problem of shortage of labor and capacity to produce goods and services. We are not in that situation now.

Dr. Tobin went on to indicate that:

> Applying the principles that are appropriate for full employment or full capacity situations to a situation of immense slack in excess capacity and unemployment that we have now is really a disastrous misunderstanding of the situation.

Dr. Brimmer told the committee that:

> This concern about "crowding out" other borrowers should be given far less weight than it is apparently getting. It overlooks the fact that several of the strong demands for funds recorded last year will moderate significantly in 1975.

Dr. Modigliani told the committee that:

> I would say there will be no "crowding out", unless the Federal Reserve adopts a policy which makes the recovery impossible. Provided the Federal Reserve accommodates the economy, there will be no "crowding out".

Mr. President, I am very concerned about the way in which the Fed and Treasury are using the words "crowding out." They have created a fear and foreboding much greater than warranted, according to most of the experts that I have been able to question on the subject. I fear that the present exaggerations of the seriousness of the demands on our money markets is becoming a self-fulfilling prophecy.

We must all understand that the deficit is arising not from some tremendous expansion in Government spending, but from the fall-off in receipts caused by the recession. Federal borrowing is simply filling the vacuum created by the sharp drop in private credit demands. This is an essential role, if we are to restore economic growth and create jobs. As recovery gets underway, private credit demands will pick up. But, Federal borrowing needs will, at the same time, fall off.

Mr. President, because of the seriousness of the problem of financing the Federal deficit, and the urgency of providing informed expert testimony on this issue to all Members of the Senate at this moment, I ask unanimous consent that the testimony of Dr. Andrew F. Brimmer, on April 24, 1975 before the Joint Economic Committee be printed at this point in the RECORD. When available, I will also provide a transcript of the oral testimonies of Drs. Tobin and Modigliani.

I also ask unanimous consent that an excellent article from the April 24th, 1975 issue of the Wall Street Journal entitled, "A Global View of 'Crowding Out' " and written by William C. Cates be printed at this point in the RECORD. Mr. Cates points out that one aspect of the "crowding out" problem that apparently is not being taken into account by either the Fed or the Treasury is the likelihood that funds will flow from overseas to help fill our Nation's capital requirements.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MONETARY POLICY AND DEBT FINANCING

(By Andrew F. Brimmer)

I. INTRODUCTION

I am delighted to respond to this Committee's invitation to give my views on "Financing the Deficit." Specifically, I was asked to address myself to the following questions:

1. Can the financial markets handle Federal deficits of $45 to $50 billion in fiscal 1975 and approximately $75 billion in fiscal 1976 without seriously interfering with private demands for credit or forcing interest rates to levels which will prevent an economic recovery?

2. Faced with the inevitability of very large deficits in the current quarter and for the next several quarters, what is the most appropriate monetary policy for the Federal Reserve to pursue? Is present policy adequately accommodative?

3. Do [I] feel that the Treasury should restrict itself to short-term borrowing during this period in which business demand for credit is so heavily concentrated in the bond market and the interest rate spread between long- and short-term rates is so large?

I will respond to each of these questions. In Section II of this statement, prospective competition for funds in the capital market is assessed. In Section III, I examine the role of the Federal Reserve in Federal Government debt financing during the last two decades. The Treasury's approach to debt management in recent months is commented on in Section IV. In Section V, the recent trend of Federal Reserve monetary policy is appraised. Finally, in Section VI, I give my views on the appropriate course for monetary policy during the remainder of this year.

II. PROSPECTIVE COMPETITION FOR FUNDS

As noted above, the inordinate amount of concern that has been generated over the uncertain impact of prospective Federal Government borrowing on the capital markets in 1975 and 1976 is unwarranted. A number of observers have tried to place the greatly enlarged borrowing in proper perspective, but evidently they have had little success.

Official estimates of the Federal Government's budget deficit during fiscal year 1975 (ending next June 30) are still undergoing revision, but they cluster in the neighborhood of $45 billion. The deficit for fiscal year 1976 (beginning next July 1) may be as high as $80 billion.[1] It should be noted that these estimates do not take into account the impact of the President's energy program—which is still being debated in Congress. Nor do they allow for the fact that Congress is likely to make permanent some of the one-year tax reductions included in the tax bill signed by the President last month.

The factors underlying the ballooning deficit are widely recognized—and, hopefully, understood. At this juncture, the Federal Government is expecting to spend about $324 billion in FY 1975, and receipts are anticipated at $279 billion—yielding the estimated deficit of $45 billion. In FY 1976, spending is expected to climb to $372 billion while receipts may advance to $297 billion—yielding a deficit of $75 billion. The explanation of the widening gap between Federal Government receipts and outlays is straightforward: the rapidly deteriorating economy has necessitated a sharp rise in spending to cushion the effects of growing unemployment while declining economic activity is a drag on Government revenues. The $22.8 billion tax cut (which Congress wisely enacted as a stimulus to economic activity) will add to the deficit in the first round.

To finance these deficits, the U.S. Treasury may have to tap the capital market for as much as $125 billion in FY 1975 and 1976. The specific timing of this borrowing (as well as the specific amount) remains uncertain, but it is clear that the Treasury will have to borrow almost continuously. It should be recalled that in FY 1974, the Treasury had net borrowings of $3½ billion. In the first half of the current fiscal year (last half of calendar 1974), net borrowing totaled about $11 billion. As of now it appears that the Treasury will have to raise approximately $33 billion net of refundings during the first six months of calendar year 1975. Net borrowing requirements for the last six months of this calendar year may approach $40 billion.

The prospect of greatly enlarged borrowing by the Treasury has given rise to a fear that private borrowers and State and local governments will be "crowded out" of the capital market. In the process, it is argued, the down trend in interest rates will be halted; savings institutions will have difficulty competing for funds, and the revival of housing starts (which now look uncertain in any case) will be aborted.

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[1] These estimates were stated publicly by Secretary of the Treasury William Simon on March 17, 1975.

This concern about "crowding out" other borrowers should be given far less weight than it is apparently getting. It overlooks the fact that several of the strong demands for funds recorded last year will moderate significantly during 1975. A number of imponderables (including Federal Government borrowing) make it difficult to construct a detailed forecast of sources and uses of funds for the current year. However, the efforts which have been made suggest that one should expect the demand for money and capital market accommodation by borrowers other than the Federal Government to place little or no strain on the ability of these markets to perform. For example, one forecast prepared early in February,[2] estimates that total funds to be raised in 1975 may amount to about $163 billion, a decrease of $9 billion from the year earlier total. Last year, the total declined by $13 billion compared with the 1973 volume.

(If this forecast were being made today, it would undoubtedly be revised. However, the main reason for the revision would be the greatly enlarged volume of Federal Government borrowing. The private demands for funds (aside from corporate bond financing) probably would have to be changed very little.)

Among the major borrowers, the *business sector* is expected to shave appreciably its demands for external financing. Business net claims on the capital market may amount to $72 billion this year—a drop of $27 billion from the 1973 level. In particular, the need to finance a large overhang of unwanted inventories will be greatly lessened, and many businesses will be able to economize on cash requirements as output and sales fall off. Reflecting these developments, the net increase in business loans in 1975 may come to roughly $12 billion compared with a rise of $34 billion last year. Viewed in terms of the impact of such borrowing in the money market, this represents a $22 billion lessening in business demand for funds. (In passing, it should be noted that the contra-seasonal decline of about $5.6 billion in business loans at the nation's commercial banks in January-March period suggests that the moderation in demand is already well underway.) Moreover, the volume of commercial paper outstanding may rise by about $10 billion in 1975—in contrast to a gain of $17 billion last year.

On the other hand, corporations will undoubtedly attempt to raise a larger volume of funds in 1975 through the sale of bonds in the capital market than they were able to obtain last year. In the Salomon estimate, flotations may amount to $31 billion this year vs. $25 billion in 1974. However, in light of the heavy corporate bond flotations thus far (a record $4.6 billion was issued in March alone), the total may amount to as much as $36 billion in 1975—a gain of $11 billion; or roughly the same as the $12 billion increase registered in 1974. Business-type real estate mortgages may rise by $19 billion in 1975—thus registering another year of decline in their share of total credit flows.

The continued pressure on corporations to raise external funds during 1975 can be traced in part to an expected sharp reversal in corporate profits. Before allowing for taxes and inventory valuation adjustment (IVA), corporate profits might total $79 billion in 1975 vs. $110 billion in 1974. However, after adjusting for IVA, and adding repatriated foreign profits and depreciation—and after subtracting Federal tax payments and dividends—corporate cash flow from internal sources may amount to $88.8 billion in 1975 vs. $81.4 billion in 1974. But with total corporate sources projected to decline to $140.8 billion in 1975 from $163.5 billion in 1974, internal sources may represent 60 per cent of the total this year compared with 54 percent a year ago. Even so, the proportion of total funds raised internally would barely be restored to the 1969 ratio. Thus, the need to help reserve the deterioration in corporate liquidity that has been underway for the last five years is another reason why a liberal monetary policy is desirable for the rest of this year.

The *household sector* may raise about $32 billion in 1975—a decrease of $10 billion from the 1973 level—which also saw a sharp decline in the net amount raised. The rise in consumer credit in 1974 (partly a reflection of the sharp decline in automobile sales but also partly a reflection of sluggishness in consumer spending generally) amounted to only $10 billion; this was less than half of the $23 billion rise posted a year earlier. In the current year, the increase may amount to $4 billion. Residential mortgages may climb by $26 billion in 1975. However, this amount would be $4 billion less than that recorded in 1974—which in turn was $15 billion below that for 1973. State and local governments may raise about $15 billion, virtually the same as the $16 billion raised in 1974. In addition, Federal Government credit agencies (particularly those devoted to the raising of funds to be rechanneled into home financing) may have net borrowings of $10 billion this year vs. $20 billion recorded a year earlier. Finally, the volume of *foreign bonds* outstanding in the United States may expand by $3 billion in 1975 vs. $2 billion in 1974.

With respect to sources of funds, the crucial factor for 1975 is the outlook for nonbank investing institutions. In 1974, these institutions as a group supplied 57 per cent of the total funds raised—vs. 61 per cent in 1973. Specifically, in 1974, savings and loan associations (S & L's) supplied about $23 billion to the market—virtually all of which went to home buyers. This was roughly $6 billion less than they supplied in 1973. For mutual savings banks, the figures were $2.7 billion vs. $5.3 billion. For 1975, it appears that S & L's may advance net about $27 billion and mutual savings banks about $6.6 billion.

In the case of commercial banks, net lending in 1975 may approximate $65 million vs. $54 billion recorded last year. If this volume materializes, it would represent a gain of $11 billion—in contrast to a shrinkage of $24 billion in net credit extension in 1974 compared to the 1973 level (which amounted to $78 billion). *Life insurance companies* and *noninsured corporate pension* funds may also have slightly more funds available in 1975 than was the case last year. On the other hand, *State and local government retirement* funds may expand their net lending to a lesser degree than they did in 1974. Federal lending agencies (partly reflecting the improved position of S & L's) will probably advance a much smaller volume of funds in 1975 than they did a year earlier. Nonfinancial corporations may also cut back appreciably the amount of credit extended (perhaps to $3 billion vs. $9 billion) as the backlog of receivables is worked down.

Real estate investment trusts (REITS) may continue to provide a declining volume of net financing of properties as they continue to struggle with their own liquidity problems. *Mutual funds* and *fire and casualty companies* may also expand slightly the volume of funds supplied to the market on a net basis. *Foreign investors* (especially the owners of petroleum revenues) may lift their net supply of funds to the United States capital market by $3.5 billion, raising the level to $10.5 billion in 1975 vs. $7.0 billion last year. In 1973, the figure was only $2 billion. Finally, *individual investors* may cut back significantly on the net volume of funds supplied to the money and capital markets directly. As market yields decline, they will most likely find more attractive the interest rates (along with greater liquidity and in some cases safety as well) offered by savings institutions. Reflecting this expected behavior, individuals may supply about $20 billion to the money and capital markets in 1975 vs. $39 billion supplied in 1974. In 1973, the figure came to $25 billion.

But, in the projected flow of funds, the most dramatic change is the greatly stepped-up borrowing by the Federal Government during the current year. In the projection outlined above, it was estimated that the Federal Government (excluding Federal credit agencies) would raise net about $41 billion in calendar year 1975. This represents an increase of $30 billion from the 1974 level. In 1973, Federal net borrowing declined by $2 billion. These projections were made after the drastic upward revision of official estimates of the Federal budget deficit. Yet, given the uncertain outlook with respect to spending, net Federal Government borrowing might be raised appreciably to the neighborhood of $70 billion in calendar 1975.

III. THE FEDERAL RESERVE AND DEBT FINANCING: THE RECORD

Given the very large increase in the Federal Government deficit over the next two years, it is clear that the Federal Reserve System will have to acquire a fairly large proportion of the net increase in the public debt in the secondary market. The record of Federal Reserve behavior in previous years during which Federal Government borrowing rose appreciably should lead both Congress and the public to expect the System to do just that. For the purpose of these hearings, I have drawn together selected statistics on Federal Government borrowing, changes in Federal Reserve ownership of Government securities, the money stock, and short-term interest rates.

Several points stand out in these data: On the average, during each of the last three post-World War II recessions, the Federal Reserve has absorbed roughly one-fifth to two-fifths of the increase in Federal Government net borrowing from the public.[3] For example, in 1958, the Federal Reserve's share in net borrowings was 27 per cent; in 1961 and 1962, the proportions were 22 per cent and 30 percent, respectively. Although 1967 was not a full-blown recession year, the economic slowdown during the first quarter of that year, did produce a substantially enlarged Federal budget deficit and much higher Government borrowing from the public. In that year, the Federal Reserve absorbed about three-fifths of the net rise in the national debt. In 1970 and 1971, the Federal budget registered extremely large deficits, and the Federal Reserve's share of net borrowing by the Treasury was two-fifths and one-third, respectively.

These data also suggest that the Federal Reserve plays a vital intermediary role between the Federal Government and private credit markets. By definition, the larger the proportion of an increase in the debt which the Federal Reserve absorbs the smaller is the share which must be raised in private credit markets. When the debt has grown substantially—and as the Treasury has been forced to compete with private borrowers—interest rates have risen noticeably, and the growth rate of the money supply has slackened. This tendency is clear whether one traces the relationship by reference to the narrowly defined money stock (M_1) or the more broadly based measure (M_2). It also holds for both the Federal funds rate and the yields on three-month Treasury bills.

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[2] Salomon Brothers, "Supply and Demand for Credit in 1975," February 10, 1975.

[3] Since these data are on a calendar year basis, they do not coincide precisely with the reference dates for recession and recovery as defined by the National Bureau of Economic Research.

Let me repeat, these figures are suggestive rather than definitive. A much more detailed and systematic analysis would need to be undertaken before the relationship among Federal Government borrowing, Federal Reserve support, and money and interest rates can be established with greater certainty. However, the general outline sketched here does lead to a clear task for the Federal Reserve: Unless the System is prepared to absorb a sizable share of the net rise in the Federal debt in 1975 (not necessarily as large a proportion as in 1970 and 1971—when the fraction averaged just under 40 per cent), an unduly large percentage of the borrowing by the Government will have to come out of household savings. Such a course would assure that the recession—despite the stimulus of the tax cut enacted by the Congress earlier this year—would drag on through most of this year—with a concomitant waste of the nation's human and material resources.

IV. THE U.S. TREASURY AND DEBT MANAGEMENT

Given the size of Federal borrowing that must be undertaken, it is clear that the Treasury must finance the vast bulk of the debt in the short-term money market. It is clearly doing this—for the most part. Yet, on one or two occasions (and above all in light of what Treasury officials are saying), the Treasury's venture into the long-term capital market has exerted unnecessary and disruptive pressure in the securities markets. The outstanding example occurred late last month. On the same day that an industrial firm floated $600 million of long-term corporate bonds (a record for a nonpublic utility issue), the Treasury offered $1.25 billion of 15-year bonds. The Treasury issue attracted bids of $2.9 billion. The adverse impact of the Treasury flotation was felt in all sectors of the securities markets. Since the Treasury knew well in advance that the Corporate Calendar would be extremely crowded, it could have tailored its own more expertly.

I am not unfamiliar with the Treasury's desire to moderate the persistent tendency for the debt to become shorter. For example, over the last decade, the average length of the debt has shrunk steadily—from five years and four months in 1965 to only three years in 1974. As a matter of fact, in December last year, the average was down to two years and eleven months. Thus, the Treasury does feel pressed to check further attrition in the debt's average maturity.

But I would give less weight to this objective than Treasury officials give it. Unlike some of them (at least according to press reports), I do see a reason why the Treasury should limit its access to the long-term bond market. The reason is to lessen pressure on long-term interest rates and thus enhance the opportunity for the corporate sector to restore its badly depleted liquidity.

I know that the Treasury keeps in close touch with investment bankers as well as with commercial banks, so it is fully abreast of conditions in the money and capital market. The Federal Reserve Banks (which act as the Treasury's fiscal agents) are in even closer touch with the market. This is especially true of the Federal Reserve Bank of New York. Nevertheless, I believe that more systematic consultation by the Treasury (or by the Federal Reserve on Treasury's behalf) with market participants about the prospective flow of corporate and municipal securities onto the market would ease the task of timing new issues for everyone.

V. TREND OF FEDERAL RESERVE MONETARY POLICY

Since last October, the Federal Reserve has sought to encourage a more rapid growth of the monetary aggregates. That objective was spelled out in the Policy Record of the FOMC's October 1975 meeting and reiterated in subsequent public statements. The evidence suggests, however, that the System only recently has been making progress toward this goal.

Even a cursory review of the data leads to a significant conclusion: during the last two months, the Federal Reserve made some headway in its efforts to accelerate the growth of money and credit—while it had lost ground during the preceding four months as the economy slipped more deeply into recession. This fact stands out no matter which reserve, monetary, or credit aggregate is used to trace the trend of monetary policy.

For example, during the four weeks ending April 16, 1975, the average volume of reserves available to support private deposits (RPD's) rose at a seasonally adjusted annual rate (SAAR) of 3.6 percent. The same measure shrank at a 16 percent SAAR over the last 16 weeks, and it had been shrinking for nearly a full year. Nonborrowed reserves (i.e., reserves supplied at the initiative of the Federal Reserve) grew by 8 percent over the last month. But here, also, in the last three months, such reserves declined at a SAAR of 18 percent. In the last six months, the next expansion was only 2.3 percent (SAAR). Federal Reserve credit (perhaps the best summary measure of the System's net impact on the money and capital markets) rose at a SAAR of nearly 14 percent in the eight weeks ending April 16. Here, too, the pace of expansion had lagged noticeably over the preceding four months—compared with publicly stated Federal Reserve general objectives.

In the case of the monetary aggregates, a similar pattern can be traced. The narrowly defined money stock (M_1—demand deposits and currency in the hands of the public) rose 9 percent (SAAR) in the four weeks ending April 9, 1975. An increase of 11 percent occurred during the eight-week period; and over the thirteen-week period, there was a net increase of 6 percent (SAAR). Until the last two months, M_1 had been actually shrinking. The more broadly based money stock (M_2—which includes M_1 plus commerical bank time and savings deposits other than large-denomination CD's) and commercial bank credit (as measured by the adjusted bank credit proxy) registered positive gains over the entire period under review.

Short-term interest rates have fallen significantly since last fall. The decrease was led by the Federal funds rate—which dropped by over 8⅛ percentage points since September (from 10.78 percent to about 5⅜ percent on April 21). The Federal Reserve discount rate has been reduced in three steps: from 8.0 percent to 6.25 percent. Other short-term rates show the same profile. The most widely quoted prime rate (which commercial banks charge their best customers) is in the neighborhood of 7½ percent at most banks. Since the cost of money to the banks (measured roughly by the rates they offer on large denomination certificates of deposit (CD's)) is approximately 6¼ percent, they are enjoying a rate spread of about 1¼ percent. (Last winter, the spread had been as much as 2½ percent—the widest on record).

Long-term rates have fallen also, but the decline has been proportionately far less. The more modest declines in the long end of the capital market partly reflect a continuing strong demand for funds by corporations and State and local governments—as well as some borrowing by the Federal Government in this segment of the market.

Actually, short-term and intermediate-term interest rates have been backing up in recent weeks. Again, the reason seems to be renewed hesitation on the part of the Federal Reserve with respect to the proper course of monetary policy. While Federal Reserve officials *say* they are committed to the use of monetary policy to assure economic recovery, their *actions* give the impression of being more tentative. For example, the Federal Reserve discount rate was lowered at roughly four-week intervals beginning in early December (when it was reduced to 7.75 percent from the 8.00 set last July) through early March when the rate was set at 6.25 percent. Now it appears to have come to rest (at least for the time being) at that level. Moreover, the Federal funds rate seems to have gotten stuck in the neighborhood of 5⅜ percent—where it is has been for several weeks. So, while the Federal Reserve continues to enter the market regularly to supply (or absorb) reserves, many market participants are getting the impression that the Federal Reserve has about come to the end of its credit-easing actions as far as the present recession-recovery phase is concerned.

VI. CONCLUDING OBSERVATIONS

From the foregoing discussion, I reach the following conclusion: Unless the Federal Reserve System acts to prevent it, the competition for funds in the nation's capital market in 1975 might produce a level and structure of interest rates that could delay the timing and dampen the vigor of the recovery which national economic policy is designed to achieve. The assessment of the outlook presented here assumes that (in addition to a stimulated fiscal policy and the absence of wage and price controls) the course of monetary policy during 1975 will be accommodative. Specifically, it is assumed that, in carrying out this policy, the Federal Reserve will supply bank reserves in a generous fashion and that open market operations would be employed aggressively (i.e., to make large net purchases of outstanding Federal Government securities). The basic question, however, is whether the Federal Reserve will be vigorous enough in its efforts to expand the availability—and reduce the costs—of credit in a still depressed economy.

Given the supply and demand for funds outlined above—along with some improvement in investor expectations in the face of moderation in the rate of inflation—the monetary policy followed by the Federal Reserve so far may lead to the following pattern of interest rates. Short-term rates may move down somewhat further through mid-1975, but the decline may be very slight compared with levels currently prevailing. The heavy borrowing by the Federal Government in the short-term market (along with continued sizable needs of the business sector) may well limit the magnitude of the reduction in short-term rates. In the latter part of the year, as the expected economic recovery gets under way—and particularly after the liquidation of unwanted inventories has been completed and stocks are being accumulated again—business loan demand is expected to become stronger. Under those circumstances, renewed upward pressure on short-term rates should be anticipated.

In the long-term capital market, interest rates may decline moderately below present levels. These modest reductions will reflect the expected record level of corporate bond flotations and near-record borrowing by State and local governments. Moreover, interest rates on bonds issued by firms with less than the highest credit ratings may show little or no decline. Because of the strong inflow of funds to savings intermediaries—in face of sluggish demand for houses—interest rates on home mortgages may decline somewhat further as the year unfolds. Corporate bond yields may start climbing again in the closing months of 1975—depending on the timing and strength of the recovery. Finally, toward the end of this year, some long-term investors (especially if they fail to note the large backlog of excess capacity in American industry) may begin to worry again about the prospect of renewed inflation in 1976, and this change in expectations could also give a boost to long-term rates.

Thus, a fundamental conclusion should be re-emphasized: the Federal Reserve System will have to expand the volume of bank reserves at a fairly high rate through most of 1975—if the credit needs of the economy are to be met. If the System fails to do this, the greatly enlarged Federal budget deficits will have to be financed out of private savings, and private borrowers will be "crowded out" of the market place. The consequences of such a development must not be underestimated: interest rates would back up; savings intermediaries would mobilize a smaller volume of funds; the revival of housing starts would be anaemic well into next year; corporate liquidity will remain strained, and the overall pace of economic recovery in 1975 would be less sure and more feeble.

Given this prospect, I am personally convinced that the Federal Reserve will sustain the growth of money and credit at rates close to those currently prevailing. Moreover, it will have to sustain the higher rates of expansion through most of the current year. However, the impact would be registered—at least during virtually all of 1975—as a stimulus to increased output, and very little would show up in the form of higher prices. As the year wore on, the increment in prices relative to the increment in production would become somewhat larger. Yet, because of the large backlog of excess capacity and the high—and rising—rate of unemployment, there is little likelihood that the provision of a greater volume of bank reserves by the Federal Reserve System would rekindle underlying inflationary forces during the current year.

A Global View of 'Crowding Out'

(By William C. Cates)

Too many economists, pundits and politicians hold their strong views on American economic problems as if these were national in scope and treatment, with but an apprehensive backward glace at the "balance of payments."

This parochial outlook has led us to mistakes of forecasting that have been embarrassing to say the least. Take the 1973 failure to anticipate the domestic inflation that would be caused by a devalued dollar. Or the 1974 failure to appreciate the impact on world—and therefore American—interest rates from massive British, French and other national borrowings in the Eurodollar market to finance oil imports.

If these forecasting fiascos were embarrassing, the narrow domestic calculations which now appear to underlie our policymaking for 1975 will lead us to nothing short of tragic disaster. For this year's big national issue is "crowding out," a slogan for the question: Will the burgeoning demands of the federal government to finance a $60 billion to $100 billion deficit preempt private industry's credit needs in the capital markets?

Those who say it will include The Wall Street Journal, in an editorial on March 13, and Treasury Secretary Simon, the only certified bond expert in the administration, who confidently predicts that long-term interest rates will not fall below 8½%. Others maintain either that the economy will recover and stimulate tax revenues to close the predicted deficit or, minus a recovery, that private savings will rise and private credit demands fall. Whatever the merits of this debate, it is strictly local and it fails to include what has been happening and is likely to happen around the globe.

Imagine for a moment that the finance ministers of the industrial nations, horrified at the inflation of 1973, had gathered together at the close of that year to do something about it. Imagine further that they decided to run a collective budget surplus of $170 billion by imposing an excise tax on all petroleum products. Imagine still further that they agreed upon an international collection agency to levy the tax and invest the proceeds at its own discretion in the bonds and bills of their various governments and in short-term bank deposits.

However much this may strain the imagination, it is what happened, minus the folderol of a finance minister's meeting. Of course, it was the OPEC oil producers who decided upon the "tax" and who have since served as a collection and investment agency. On a world scale their cartel ripoff has had the same fiscal effect as a collective budget surplus of the oil consuming nations in the same amount. According to the Keynesian textbook, it was bound to produce a world-wide depression, as it is doing.

NEAT, BUT . . .

Viewing our problems as usual in purely domestic terms, we tell ourselves that last calendar year we had a modest budget deficit and that this year we will have a massive one. Neat but incomplete. Actually, 1974 saw an immense global budget surplus, with the Arabs as a Super-Treasury Department, and any calculations regarding the impact of this year's U.S. government deficit must as well be made globally.

Current thinking on the money supply is, once again, purely in domestic terms. Solons Reuss and Proxmire are demanding that Fed Chairman Burns keep M-1 marching to a congressional beat, reporting not only his results but his intentions. But this M-1 is a domestic figure, whereas the demand for credit that skewed up interest rates last year started abroad. Probably the supply of money that will make the difference this year will also come from overseas.

Fears in the financial community, hypoed by the breakfast interviews of Secretary Simon, are that government plus private borrowing will create such credit demands that the Federal Reserve Board will be obliged to increase the money suppy at a wildly inflationary pace to ensure that all needs are met. By this logic one can envision the scene as 1975 comes to a close: Government borrowing is at unprecedented levels; business is picking up and needs credit. Worst of all, mortgage money is insufficient for voters to buy houses. M–1, domestically measured, has been climbing at too modest a rate, and the heat is on Chairman Burns to get it up. A scenario for inflationary disaster.

Of course, there is one remedy that an omniscient and beneficient Congress can provide for such woes: credit controls. With the government preempting most of the credit available, it is only right that the remainder should be reserved for suitably worthy and vote-getting purposes such as housing and small business. Speculators, whoever they may be and whatever their speculations, must be denied access to the remnants of available credit!

Such ideas already have been broached, but, however worthy, they will flounder on one rock: You can borrow abroad. The speculator who has been denied access to his friendly local bank need only pick up the telephone to London to get his loan on about the same terms. The cost of imposing credit controls in the United States is the total disruption of international financial flows, and we would pay it at our peril.

The good old days, when we dictated the world's money supply, ended Aug. 15, 1971. Our thinking has yet to adjust. With floating rates we have become just one other nation, however important, and our economic future lies in tandem with the rest of the world. Specifically this means that instead of simply forecasting federal and local government plus domestic private financing, we must look at the potential credit demands of foreign official agencies and overseas corporations.

Many foreign governments no longer have access to the credit markets, and, with the deepening world depression, overseas corporate demand for credit should abate. On the supply side one must reckon not only with domestic savings but with capital accumulation abroad, including the still-massive Arab hoards of petrodollars. Any strictly domestic estimates of the demand for and supply of credit—even with an arbitrary assumption that so and so many billions of dollars will flow in from abroad—is bound to fall wide of the mark.

THE WORLD MONEY SUPPLY

Even more important, particularly when it comes to the make-or-break policies of the Federal Reserve Board, we must start thinking about the world money supply, for it is the world money supply that has been impelling and will henceforth impel or inhibit world inflation. The world money supply consists, for practical purposes, of the money supplies of the U.S., Britain, Japan and those European countries whose currencies are generally acceptable for trade payments.

A vitally important part of this money pool is the Eurocurrency system, wherein offshore banks are creating unmonitored money. The only worthwhile survey of Eurocurrency creation is conducted annually by the Bank for International Settlements in Basel. If policymakers in the U.S. or in any other nation are to know what they are doing, they must, urgently, get weekly statistics on the cash and deposit liabilities of offshore Eurocurrency banks. When Chairman Burns reports to Congress on the money supply, his report should include not just M–1 or M–2, but Eurodollar growth.

This is not a plan for regulation of international capital markets. Those who have labored in the stony vineyards of the Capital Markets Committee of the OECD are aware that such regulation is next to impossible and probably undesirable. Getting information on the other hand, is feasible and urgently necessary. For the reality is that the dollar supply includes Euro—and Hong Kong—dollars, which are just as green and just as rubbery and most of the time we don't know how many of these there are.

At some point this year the increase in government demand for credit will exceed the decrease in private demand. At least this is the thesis of "crowding out." Then the Federal Reserve Board, under congressional observation based on statistics of purely domestic money supply, will be pushed to print money to facilitate all comers. The U.S. money supply will soar. Foreign investors will shy away. The dollar will fall. And interest rates will rise to levels sufficient to compensate domestic lenders for impending inflation and foreign lenders for their currency risk—a la Brazil.

There is one alternative: An informed Congress could leave an informed Fed chairman alone. Calculations of M–1 (domestic) could already have been combined with a competent and current survey of the Eurodollar money supply. With the Fed unpanicked, increasing demand for credit in the United States would entice funds from abroad, causing the dollar to rise on the exchange markets and simultaneously filling the gap between savings and borrowing needs.

Which is it to be? The record of the past suggests inflationary chaos. Yet we need not always be lemmings. All that is required is a little better information, understanding and communication, plus a little willpower.

ORDER FOR CONSIDERATION OF S. 621 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, upon the disposition of the now pending measure, the Senate proceed to the consideration of S. 621.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at the hour of 10:45 a.m. After the two leaders or their designees have been recognized under the standing order, Mr. Nelson will be recognized for not to exceed 15 minutes; after which Mr. Bartlett will be recognized for not to exceed 15 minutes; after which the Senate will resume consideration of Senate Concurrent Resolution 32, the congressional budget for the U.S. Government.

Upon the resumption of consideration of Senate Concurrent Resolution 32, Mr. Harry F. Byrd, Jr. will be recognized for not to exceed 15 minutes, after which there will be 30 minutes for further debate on the measure, with a rollcall vote occurring at the hour of 12 o'clock noon on final passage.

Upon the disposition of Senate Concurrent Resolution 32, the Senate will resume consideration of S. 621. It is my understanding that there is a time agreement on that measure. I ask, Mr. President, if I am correct?

The PRESIDING OFFICER (Mr. Stone). There is an agreement for 6 hours on the bill, 1 hour per amendment, 30 minutes on amendments of the second degree.

Mr. ROBERT C. BYRD. I thank the Chair.

Rollcall votes may occur on amendments thereto, therefore, tomorrow. On Friday, action will be resumed on that measure, if it is not acted upon finally tomorrow, which I doubt that it will be.

RECESS UNTIL 10:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, there being no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 10:45 a.m. tomorrow.

The motion was agreed to; and at 6:19 p.m., the Senate recessed until Thursday, May 1, 1975, at 10:45 a.m.

NOMINATIONS

Executive nominations received by the Senate April 30, 1975:

In the Marine Corps

Lt. Gen. Louis H. Wilson, Jr., U.S. Marine Corps, to be Commandant of the Marine Corps with the rank of general for a period of 4 years pursuant to title 10, United States Code, section 5201.

In the Air Force

The following officer to be placed on the retired list in the grade indicated under the provisions of section 8962, title 10 of the United States Code:

To be general

Gen. Lucius D. Clay, Jr. [redacted] FR (major general, Regular Air Force), U.S. Air Force.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 30, 1975:

Agency for International Development

Charles A. Mann, of North Carolina, to be an Assistant Administrator of the Agency for International Development.

Curtis Farrar, of Maryland, to be an Assistant Administrator of the Agency for International Development.

(The above nominations were approved subject to the nominatees' commitment to respond to requests to appear and testify before a duly constituted committee of the Senate.)

In the Air Force

The following officer to be placed on the retired list in the grade indicated under the provisions of section 8962, title 10 of the United States Code:

To be lieutenant general

Lt. Gen. Ernest C. Hardin, Jr., [redacted] FR (major general, Regular Air Force), U.S. Air Force.

In the Army

The following-named officers under the provisions of title 10, United States Code, section 3066, to be assigned to positions of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be general

Lt. Gen. George Samuel Blanchard, [redacted] Army of the United States (major general, U.S. Army).

To be lieutenant general

Maj. Gen. Frederick James Kroesen, Jr., [redacted], U.S. Army.

The following-named officer for appointment as Chief, Army Reserve and for appointment as major general, Army of the United States, and major general, U.S. Army Reserve, under the provisions of title 10, United States Code, sections 3019, 3442 and 3447:

To be major general

Brig. Gen. Henry Mohr, [redacted], U.S. Army Reserve.

Chaplain (Colonel) Orris Eugene Kelly, [redacted] Army of the United States (lieutenant colonel, U.S. Army) for appointment as Chief of Chaplains, U.S. Army, as major general in the Regular Army of the United States and as major general in the Army of the United States, under the provisions of title 10, United States Code, sections 3036, 3442, and 3447.

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Richard Joe Seitz [redacted], Army of the United States (major general, U.S. Army).

The following-named officer to be assigned to a position of importance and responsibility designated by the President under the provisions of title 10, United States Code, section 3066(a) in grade as follows:

To be lieutenant general

Maj. Gen. Henry Everett Emerson, [redacted] Army of the United States (brigadier general, U.S. Army).

In the Navy

Vice Adm. Walter D. Gaddis, U.S. Navy, for appointment to the grade of vice admiral on the retired list, pursuant to the provisions of title 10, United States Code, section 5233.

Vice Adm. Frank H. Price, Jr., U.S. Navy, for appointment to the grade of vice admiral on the retired list, pursuant to the provisions of title 10, United States Code, section 5233.

Vice Adm. William P. Mack, U.S. Navy, for appointment to the grade of vice admiral on the retired list, pursuant to the provisions of title 10, United States Code, section 5233.

Rear Adm. Parker B. Armstrong, U.S. Navy, having been designated for commands and other duties of great importance and responsibility commensurate with the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

In the Air Force

Air Force nominations beginning Howard H. Sherman, to be major, and ending Shirley A. Strachan, to be lieutenant colonel, which nominations were received by the Senate and appeared in the Congressional Record on April 7, 1975.

In the Army

Army nominations beginning James K. Abcouwer, to be second lieutenant, and ending Scott W. Baxter, to be second lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on April 7, 1975.

The nomination of Grace E. Squires to be captain in the Army, which nomination was received by the Senate and appeared in the Congressional Record on April 9, 1975.

Army nominations beginning Frederick B. Hull, to be colonel, and ending Jamis C. Townsend, to be captain, which nominations were received by the Senate and appeared in the Congressional Record on April 17, 1975.

In the Navy

Navy nominations beginning William C. Absher, to be ensign, and ending James L. Bales, to be a lieutenant (j.g.) and a permanent chief warrant officer, which nominations were received by the Senate and appeared in the Congressional Record on April 7, 1975.

Navy nominations being Billie Doe Adams, to be captain, and ending Kathryn Elizabeth Zabel, to be captain, which nominations were received by the Senate and appeared in the Congressional Record on April 7, 1975.

Navy nominations beginning Rufus Addison, to be ensign, and ending Harry C. Benson, to be commander, which nominations were received by the Senate and appeared in the Congressional Record on April 9, 1975.

Navy nominations beginning Allan J. Adeeb, to be captain, and ending Neal F. Current, to be commander, which nominations were received by the Senate and appeared in the Congressional Record on April 14, 1975.

In the Marine Corps

Marine Corps nominations beginning Claire V. Wells, to be captain, and ending Terry M. Symens, to be second lieutenant, which nominations were received by the Senate and appeared in the Congressional Record on April 7, 1975.

The nominations of Michael Tierney and Steven M. Palmer, for appointments in the grade of second lieutenant in the Marine Corps, which nominations were received by the Senate and appeared in the Congressional Record on April 9, 1975.

Marine Corps nominations beginning Garland G. Aaron, to be first lieutenant, and ending William D. Harris, to be major, which nominations were received by the Senate and appeared in the Congressional Record on April 9, 1975.

EXTENSIONS OF REMARKS

JOHN SHARP WILLIAMS, OF MISSISSIPPI

HON. JAMES O. EASTLAND

OF MISSISSIPPI

IN THE SENATE OF THE UNITED STATES

Wednesday, April 30, 1975

Mr. EASTLAND. Mr. President, for some 30 years, the late John Sharp Williams represented the people of Mississippi ably and well, first as a member of the House of Representatives and later as a Senator of the United States.

An account of his distinguished career of public service appears in the April 17, 1975, edition of the Yazoo City Herald, Yazoo City, Miss. This article, written by Mr. Gordon Cotton of the Vicksburg Evening Post, very cogently captures the essence of this planter-statesman of an earlier generation.

Senator Williams brought to Congress a natural talent for the legislative process. While he was learned in the law and masterful in parliamentary debate, he had great human qualities and a great sense of humor, which endeared him to his colleagues and to his home people.

It is a pleasure to share with my colleagues this brief tribute to a true gentleman from Mississippi, John Sharp Williams. I ask unanimous consent that the article from the Yazoo City Herald be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JOHN SHARP WILLIAMS—THE GENTLEMAN FROM MISSISSIPPI

He had walked and talked with Presidents and had been their friend, but in the last nine years of his life, John Sharp Williams came home to Cedar Grove Plantation at Benton, Mississippi and to his Mississippians, the people he loved the most.

And the people went by the thousands to visit the Sage of the Senate, who sat in a rocking chair on the shaded lawn, enjoying an occasional toddy and his pipe, relaxing with his books and grandchildren and dogs.

For 30 years, John Sharp Williams represented his people in Washington, first as a member of the House of Representatives, then as United States Senator.

Williams was a small man, wiry, alert, and quick-stepping. Soon after he entered the 53rd Congress in 1893, he delivered his first address in the House. Less than a dozen members were on hand, but soon the word filtered out to the cloakrooms and offices, and the congressmen came in to hear the new member. The next day his ability was praised in the New York papers; and never again did he begin any address to an almost empty hall, for not only was he eloquent and knowledgeable, but he was also entertaining.

Williams was a man of fierce, intense loyalties. He was consistently a "blamefool Mississippi Democrat", and his scathing remarks and biting sarcasm regaled the galleries and cowered his opponents. A favorite trick of the Old Guard was to sic a young maverick on him and sit back and watch the fun.

John Sharp Williams was a leader. He didn't follow the crowds; he persuaded the crowd to follow him. He was defeated in his first bid for Congress because he opposed a popular but foolish measure. Two years later the people changed their way of thinking and followed him. And in 1903 his colleagues in the House chose him to be the Minority Leader.

In 1909 he voluntarily retired from the House to prepare himself for a seat in the United States Senate. And when he entered that august body where the bloody shirt was still being waved by Northern men, he proudly announced that he had come to occupy the seat held by Jefferson Davis.

William's integrity was respected by fellow senators and by the presidents under whom he served. He once delivered the keynote address at a national Democrat convention, and he was talked of as a possible vice presidential candidate. He was confidant, advisor and close personal friend of Woodrow Wilson, and he worked untiringly for Wilson's programs.

Though he was a Mississippian, John Sharp Williams overcame sectionalism. It was he who accepted the birthplace of Abraham Lincoln at Hodgenville, Ky., for the United States government; and it was Williams who gave the stiring dedicatory address when the statue of President Jefferson Davis was unveiled at Vicksburg.

There were times when Williams grew exasperated with his colleagues. He once compared the Senate to a mule which one of his field hands plowed on Cedar Grove Plantation: "Boss, dat am sho'ly a powerful fine mule, but he suttinly motions and travels futher 'thout gittin' no place en any mule I ever seed."

His campaigns in Mississippi were enlivened with such wit. He had few faults and no shams, once stating that he sometimes took a few toddies too many, but the people always forgave him for that.

The story is still told of a Williams opponent circulating the story that Senator was drunk in Hermanville. At his next speech, someone in the audience yelled out, "Were you drunk in Hermanville?" and John Sharp Williams retorted, "Hell no, I was drunk in Canton."

The people loved his honesty. And he respected the people's wishes. Though opposed to prohibition, he voted for the measure because he was a representative of the people of Mississippi, and that was what they wanted.

Williams announced that he would retire from the Senate in March, 1923, and nothing could change his mind. "I had rather be a dog and bay the moon from my Mississippi plantation than remain in the United States Senate," he said.

And he was serious. He refused to write his memoirs, calling autobiographies nothing but "pleasant lies". And he declined to deliver a farewell address, for such talks were for men like Washington and Davis. For Williams, "a farewell address . . . would be a manifestation of megalomania."

Tributes were heaped upon him, and he good-naturedly replied to one colleague's talk, "I not only appreciate what you say about me, I simply love it. For a long time . . . I was afraid that the American Republic might not be able to totter along (without Williams) and sink down like an old imbecile. . ."

The Christian Science Monitor ranked him with the greatest statesmen of the past and wondered "how much of prejudice and partisanship, and even of sectionalism, must be forgotten before that place shall be generally accorded to him."

Back to Cedar Grove he went leaving Washington and politics behind. Someone wanted to send him the Congressional Record, but he replied that he didn't care a damn thing about reading it."

Williams enjoyed the tranquility of Cedar Grove. To friends, he pointed at the grass, the corn, the sheep, the cattle, the birds singing—they did not know there was an election and did not care.

He continued his voluminous correspondence, and once suggested that to assist prohibition, "John Barleycorn, the dear, old disappointing wretch and encourager of illusions" be limited to Cedar Grove Plantation with the "religious, sober, and retired Statesman who lives there" appointed curator and custodian!

Williams loved that plantation, the fields that Grandfather Sharp had cleared in frontier days, the comfortable old home he had constructed from 1830–1834.

He recalled his days as a lad when he was brought there in 1862 from Memphis to live with his grandparents. His mother had died when he was five and his father was killed at Shiloh. Soon after he arrived at Cedar Grove, Grandpa Sharp died, and the little eight-year-old lad's step-grandmother reared him.

He grew up in the traditional atmosphere of an Old South plantation having his own servant boy, learning to work and play and enjoy people. He was steeped in family lore: how Great-grandfather Williams fought at the Battle of Horseshoe Bend, that Grandfather Williams had served as a Whig in Congress, that Grandfather Sharp had served as a colonel under Jefferson Davis in Mexican War.

There was the time when someone came to the house, to talk to Grandmother Sharp, to urge her to accept a pension for widows of Mexican War veterans. But she refused: "I understand, sir, that Col. Sharp did not fight for money."

It was the same type patriotism that swelled in John Sharp Williams' breast. In the House and Senate he was a watchdog of the people's money (Mississippians got a lot for the small salary they paid that senator!), and he worked tirelessly for peace after World War I.

John Sharp Williams was educated at Kentucky Military Institute, the University of the South, the University of Virginia, and Heidelberg University in Germany. But degrees never impressed him; the only title he wore was "Colonel" which was offered by the Confederate Veterans.

He never was impressed with personalities or celebrities or formalities. Once, attending a society church in Washington, he unknowingly sat in a pew reserved for a prominent family. Finally the head of the family handed him a note telling Sen. Williams that they paid a thousand dollars a year for that pew. The Senator scrawled a note on the back, "that's too damn much," and passed it back to the man.

John Sharp Williams, sitting in his rocking chair sipping on a mint julep and puffing on his pipe, could entertain people for hours with conversation laced with native wit and embellishments from the classics. He has been described as one "of the intellectual aristocracy and the homespun democracy of the soil."

Senator Williams died Sept. 17, 1932, in his 77th year, and in simple Episcopal ceremonies his body was borne from the home down the lane to the little family plot to rest among his kinsmen.

Modern machinery farms the land where the Senator's field hands once plowed, but otherwise Cedar Grove is much as John Sharp Williams enjoyed it.

Flowers bloom in profusion, birds sing from the trees, laughter and happiness of children sound across the land and down the cross halls of the house.

It's a pleasing scene, one that hasn't changed in the six generations that the Sharps and Williams have owned Cedar Grove.

TAX CREDITS AND ALLOWANCES ACT OF 1975

HON. ROBERT J. CORNELL

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. CORNELL. Mr. Speaker, last Monday, April 28, 1975, I introduced the Tax Credits and Allowances Act of 1975. This measure would bring about a badly needed reform of the Nation's welfare system while at the same time providing permanent tax relief for our lower- and middle-income groups.

Designed to implement recommendation of a 3-year study of public welfare conducted by the Joint Economic Subcommittee on Fiscal Policy, the bill would abolish two major current welfare programs, aid to families with dependent children—AFDC, and food stamps. Their replacement would be a two-part program of cash supplements for all families and poor persons not covered by the supplemental security income program. The program would consist of: First, tax credits for all Americans, $225 per person, to be subtracted from the annual bill of taxpayers, but rebated in cash to those with too little income to owe taxes; and second, basic allowances for living expenses—ABLE—to be paid monthy. Both the credits and ABLE grants would be administered by the Internal Revenue Service and paid with Federal funds.

The measure would treat persons in similar circumstances equally, no matter where they lived, would end detailed scrutiny of family budgets by welfare caseworkers, and would minimize chances for erroneous payments. Three factors would determine the size of ABLE grants—family size, family composition, and countable income. For example, a mother and father with two children and no countable income would receive a maximum of $4,300 annually—$900 in rebatable tax credits and $3,400 in ABLE grants. Another penniless family of four, but with only a single parent, would receive a maximum of $3,775—$900 in tax credits and $2,875 in ABLE grants. For a married couple, the maximum combined Federal benefits would total $3,100; for a single adult, $1,100. Because most of the poor have some earnings, their ABLE grants would be smaller than these amounts; but, to encourage work, $1 in wages would cause only a 47 percent cut in ABLE.

The $225 rebatable tax credit per person would replace the present $750 personal exemption that taxpayers subtract from taxable income. The tax credit would give the same $225 to all Americans, in contrast to the exemption, which is worth zero to the poorest, but $52.50 to the richest. This change would reduce the taxes of most workers, including families of four with annual earnings up to $25,000. Because this tax reform produces an income base upon which to build the ABLE system, it reduces the number of persons who otherwise would need ABLE. Also, because its tax credits decrease the tax burden of the middle class, the Tax Credits and Allowances Act is able simultaneously to rationalize existing welfare programs and to aid workers whose real incomes have been cut by inflation.

FOUNDING FATHERS DECREED PREEMINENCE FOR HOUSE OF REPRESENTATIVES

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. EVINS of Tennessee. Mr. Speaker, the current issue of the Federal Bar News carries an article written by Richard S. Greene, an attorney in the Federal Energy Administration, that explains how the Constitution created the three coequal branches of Government, but at the same time made sure that the supreme power would rest in the Congress—and especially in the House of Representatives.

Because of the interest of my colleagues and the American people in this subject, I place the article by Mr. Greene in the RECORD herewith.

The article follows:

THE BALANCE OF POWER, THE IMPEACHMENT POWERS, AND THE SUPREME POWER OF CONGRESS

(By Richard S. Greene)

Americans commonly conceive of their system of government as one in a mighty state of "balance." It is a commonplace that we have a national government of three "coequal" branches, with the power of each branch sufficiently strong to check encroachments by the other two and to prevent any undue imbalance in the divided scales of power. The existence of a similar system of weight and counterweight as between the national government and the states is also widely accepted.

* * * * *

For Americans, the assumption that a government divided into three parts is a government divided into three roughly *equal* parts comes easy. With all we have been taught about "co-equality" of the three branches the admirable system of "checks and balances," and the dangers of excessive concentration of power, it takes little effort to conclude that an intra-governmental "balance" of power or equipollency is what the Constitution provides and requires.

It is not easy to shake this comfortably symmetrical and egalitarian approach. Nevertheless, it is a mistake to assume that the three coordinate branches of the national government do or should enjoy an equality of power or that a co-equality of power is essential to the system of institutional checks and balances. The truth of these observations can be illustrated in several ways.

The "co-equality" of the three branches means, in legal terms, merely that the power of each (whether that power is great or small) derives from the same high source, the Constitution. Each branch was independently created by that "higher law" and each is bound to act in accordance with that law. In other words, no one branch is dependent upon another branch as the source of its power. Congress cannot, for example, abolish the Supreme Court or diminish powers which devolve upon it from the Constitution. The Court can resist, and in fact is constitutionally bound to resist, an enactment of Congress which impinges upon the responsibilities, powers, and duties imposed on the Court by the Constitution. Under the British system of government, in contrast, the Parliament may pass any law it wishes affecting the British courts. No "higher law" insulates the courts from the sovereign power of Parliament.

To explain the matter another way, a reference to the "co-equality" of the three branches of the national government is properly a reference to the fact that each of the three branches possesses power of the same *quality*, not that their powers are equal in *quantity*. If we were to suppose that the judicial branch had been made part of the executive branch under the Constitution, the quantity of power vested in the President would have been substantially augmented but the quality of the President's power would have been the same. That is, it would have remained *constitutionally sovereign* power (independent power granted by the people under the Constitution itself), regardless of the total quantum of power granted.

The point can be further illustrated by comparing the inter-relationship of power between the three branches of the national government with the inter-relationship of power between the nation and the states. It is assumed by some that the system of government called federalism provides and requires a "balance of power" between the states and the national government in order to assure the survival of the states. However, when we take into account Congress' powers with respect to foreign policy and the military, its powers over commerce and the economy, and its powers to tax and spend for the general welfare of the United States, not to mention the power of the federal courts to review all state actions for conformity with the Constitution, it would seem fanciful in the extreme to suggest that a "balance" of power exists between the national government and the states. But equality or parity of power is not an essential element of federalism. The essential factor which bars abolition of the state governments by Congress is not a "balance of power" but the existence of independent state power as such.

The key to a federal system such as ours, in contrast, is that independent or sovereign power is vested by the Constitution in each of the component parts of the system—power, that is, which is not subject to control by another authority within the system. Furthermore, as a matter of definition, federalism only requires that *some measure* of such power be vested in the component parts of the system.

Under the American federal union, there are many powers which can be exercised only by the national government and many powers which, because they are vested concurrently in the nation and the states, are subject to overriding national control to the extent exercised by the national government. On the other hand, there is no doubt that there are certain other powers which can be exercised only by the states. Whether these other powers are thought to be substantial in quantity or relatively small, they can truly be said to be of the same *quality* as the powers vested exclusively in the national government in the sense that they are independent powers which cannot be exercised or taken away by another authority within the federal union. . . .

If we accept, then, that the "co-equality" of the three branches of the national government is properly a reference to the quality of power which each possesses and not to the quantum of power of each, the next question is whether, assuming the absence of an intragovernmental "balance of power" or an intra-governmental equipollency, one branch possesses power of a character and extent which affords it a clear intra-governmental supremacy, and if so, whether that branch is Congress. Since the answers to these two questions are interwoven, we may proceed by examining the proposition that Congress possesses intra-governmental supremacy under the Constitution.

Considering this proposal first on a superficial level, Congress clearly seems to hold a pre-eminent position in the national government. Congress is the oldest of the three branches, having first met as the Continental Congress 200 years ago last year—two years before the Declaration of Independence (which was a product of its deliberations) and fourteen years before the adoption of the Constitution which gave birth to the presidency and the Supreme Court. Moreover, in the Constitution itself first priority is given under Article I to the establishment of the present Congress, its powers and procedures, while the provisions setting up the exectuive and judicial branches follow in Articles II and III. As further ostensible evidence of the primacy of Congress, the City of Washington was laid out in the 1790's with the Capitol at the focal point of the main axis of the municipal plan. The "President's House" was made the terminus of the cross-or secondary axis, while "Judiciary Square" was relegated to a position of decidedly subordinate importance.

On a more substantive level, the primacy of Congress appears to be indicated by the nature of its chief constitutional function compared with that of the other two branches. In general, the foremost task of any legislature is to enact the laws by which society is governed. In the main, the executive sees to it that the laws are put into effect and obeyed (the word "executive" derives from the verb "to execute"—the President is duty-bound under the Constitution to "take Care that the Laws be faithfully executed"). The judicial branch also enforces the laws by resolving disputes which arise under them. In this general sense, legislative power may be said to be supreme power. If the legislature did not perform its law-making function, there would be little for the executive and the judiciary to do.

In response to the foregoing assertion, it might be argued that the reverse is also true—that all the powers of Congress to make the laws amount to little without the executive and judicial departments to enforce them and make them effective. . . .

Moreover, the law-making power does not extend merely to general substantive laws affecting the welfare of the nation. It also includes the power to prescribe specific rules governing the exercise of executive and judicial power. For example, in the Federal Civil Procedure Act and the Federal Criminal Procedure Act, Congress provided the procedural rules which must be followed in cases in the federal courts. It is also a legislative function to amend when necessary the "rules of decision" of the courts—that is, the substantive laws (as opposed to procedural laws) which govern the traditional fields of law such as contract rights, inheritance, divorce, criminal matters, commerce, and the like. In these matters Congress shares jurisdiction with the state legislatures. With respect to the power of Congress over the operations of the executive branch, each department and agency is headed by officials whose selection is subject to approval by the Senate. Each department and agency maintains a legal office whose duties include making sure that the department or agency concerned conducts its operations in accordance with applicable statutes enacted by Congress. . . .

The law-making power of Congress extends, in addition, to fundamentally important constitutional functions pertaining to the structure of the other two branches and to the structure of the Union as well. Consider, for example, the wide discretion given by the Constitution to Congress with respect to creation and management of the national courts. It is true that the Constitution establishes the independence of the Supreme Court by vesting the judicial power of the United States in the national courts and by specifying those cases in which the Supreme Court has absolute jurisdiction. In addition, the justices of the Supreme Court are constitutionally protected against diminution of their salaries while in office and cannot be removed from office while they remain in "good Behaviour." However, the Constitution cheerfully places the Supreme Court at the mercy of Congress by granting the latter a general discretionary power with respect to the management of the national judiciary—that is, the power to pass laws with respect to such matters as the number of justices on the Supreme Court, the salaries of its members, the extent to which the Supreme Court shall have appellate jurisdiction, and the creation of the whole system of lower national courts.

The framers of the Constitution would not have left so much to the discretion of Congress if they had intended the Court to be co-equally powerful with Congress. It would appear that the framers intended by the Constitution to assure independence with respect to that quantum of power that was given the Court to exercise, rather than to guarantee any particular quantum of power, other than with respect to the original jurisdiction specified in certain special cases for reasons other than those affecting any intra-governmental "balance" of power.

The law-making power of Congress also extends, it should be noted, to the structure or organization of the executive branch. For example, none of the executive departments or agencies were established by the Constitution. All of them, therefore, have been established by action of Congress. As further examples, the Constitution specifically grants Congress the power to "provide for the Case of Removal, Death, Resignation or Inability, both of the President and Vice President, declaring what Officer shall then act as President," and to "vest the Appointment of . . . inferior [executive] Officers . . . in the President alone, in the Courts of Law, or in the Heads of Departments."

In addition, the Constitution vests in Congress certain law-making powers with respect to the federal union, such as regards relations between the states, admission of new states, and amendment to the Constitution. It therefore can be said, in summary, that the law-making power of Congress extends even to certain high *constitutional* law-making functions, i.e., power to "constitute," through the law-making process, the federal court system, the executive branch and the Union itself, in matters with respect to which it was not necessary, desirable or possible to deal by substantive provision in the Constitution.

The foregoing discussion suggests the reasons why, during the period 1774–1788, prior to the adoption of the Constitution, the American government consisted of the legislative branch only and why the Congress and its agents during that period also exercised as auxiliary functions the national executive and judicial powers.

The Constitution did not, it is true, go so far as to guarantee the right to vote to any particular citizens. It left the question of the rights of suffrage to the states, subject to certain supervisory powers in the hands of Congress with respect to congressional elections, and subject to a provision which required Congress to take such steps which might be necessary and proper to guarantee to the people in each state a republican form of state government.

Nevertheless, the momentous principle of sovereignty in the people was firmly established, however "the people" might from time to time be defined by the rules of suffrage.

In addition, the people were given an indispensable role, or, if you will, a veto power, with respect to the workings of the national government. This ultimate deference to the voice of the people was reflected not in the person of the President (whose veto power can be overriden by a two-thirds vote of Congress) but by the creation of the House of Representatives which was to be elected specifically "by the People" and without whose approval no laws could be enacted.

In this consists further evidence that the framers of the Constitution placed supreme governmental authority in the hands of Congress. . . . The House was made the one organ of "the people"—it was to be composed of their representatives who would be subject to direct election by them at frequent intervals. It was given what was known as "the power of the purse" and no laws could be passed without its consent. . . .

Originally, the Constitution provided four different modes of "appointment" of national officials—one for each house of Congress, one for the President and one for the justices of the Supreme Court. The latter were to be selected by the most indirect method of all. They were to be (and still are) nominated by the President and later appointed by him should the Senate concur in the proposed appointments. This method was the most indirect because the appointing agents—that is, the President and the members of the Senate—were themselves indirectly selected. This meant that the members of the Supreme Court were selected by a process at least twice removed—and in some respects three times removed—from direct election by the people.

The Constitution provided, and still provides, that the President is to be elected by the next most indirect method. First, the representatives of the people in the state legislatures are free to "appoint," in any manner they see fit, a number of "Electors" equal to the total number of U.S. representatives and senators to which the state was entitled. Then, these electors (known today as comprising the "electoral college") cast votes for President. . . .

Today, because of the universal advance of the suffrage, each state's electors are chosen by popular election and the electors almost always vote for the President as the majority of the people in the state voted. However, the indirect mode of election chosen by the framers of the Constitution with respect to the presidency clearly demonstrates that the framers had no intent whatever to set up the President as the agent of the people in the constitutional scheme.

Until the 17th Amendment was ratified in 1913, providing for direct election of the Senate by the people, senators were chosen by the state legislatures, as originally provided in the Constitution. . . .

The principle that the Congress, and particularly the House of Representatives, is the constitutional organ of the people rather than the presidency recently received unexpectedly strong confirmation from the new President himself. President Ford, speaking before a joint session of Congress in the House of Representatives, where he had served for many years, declared that it was "good to be back in the people's House." He had "no need," he said, "to learn how Congress speaks for the people." Referring to the fact that he had not been elected to executive office but had been appointed Vice President under the 25th Amendment with the approval of Congress and had been made President through the exercise by Congress of its impeachment powers, he asserted that "I am the people's man, for you acted in their name."

Despite all the evidence of the natural-ness and appropriateness of congressional supremacy under the Constitution, the dominance of one branch might be thought to be inconsistent with the system of checks and balances which the Constitution instituted and which is perhaps its most famous feature. . . .

In the last analysis the system of checks and balances may be said actually to confirm the supremacy of Congress, for the ultimate governmental "check," or "checkmate"—the power to remove all federal officials from office by impeachment—is vested exclusively in Congress. The possession by one branch of the power to remove from office the highest officials of the other two branches ought to be itself sufficient proof that the three branches cannot truly be said to hold roughly equal shares of equipollent power. The impeachment powers are by definition *supreme* intra-governmental powers precisely because they place in one branch ultimate supervisory power over the other two branches—not merely over the constitutional actions of the other branches, be it noted, but over the branches themselves.

The importance of the impeachment powers is sometimes discounted on the ground that these powers are reserved for extraordinary occasions and are therefore rarely used. It can hardly be maintained, however (as recent events have shown), that the provision of the Constitution which grants Congress the impeachment powers is so rarely invoked as to be considered a dead letter. Moreover, if we accept the potency of these powers and the potentiality of their use, it will be seen that the importance of the impeachment powers may be said to lie not in the frequency of their use but in their possession by one branch over and against the others. For surely these exceptional powers were meant to curb abuses in the executive and judicial branches; and, just as surely, where strong power is made available in order to enforce law and good government the mere possession of such power acts as a deterrent to abuse. As a political scientist might state it: the existence of the impeachment powers, quite apart from their use, is a good example of an "institutional check" operating by its own force under the Constitution to help achieve the purposes for which the Constitution was established.

The importance of the impeachment powers is sometimes discounted on the further ground that in order to bring the impeachment process to a full and successful conclusion it is necessary to obtain conviction by a vote of two-thirds of the Senate. It is not easy to obtain a majority of this size. Although a handful of lesser federal officials have actually been impeached and convicted, in the one case in which a justice of the Supreme Court was impeached and tried in the Senate, and in the one case in which a President was brought before the Senate in an impeachment proceeding it was not possible to obtain the votes necessary to convict.

The term "impeachment powers," in the plural rather than the singular sense, is used in this article in order to emphasize the fact that the impeachment process involves several distinct steps and that each step requires the exercise of a different power. First, there are the investigatory and the recommendatory powers which are exercised by the appropriate impeachment committee of the House of Representatives (the House Judiciary Committee, in the most recent impeachment proceedings). Next there is the power of the House to debate the question and to impeach. Finally, there is the power of the Senate to try, and the power to convict the party impeached.

These impeachment powers are often referred to collectively as though they were a single power. This may be misleading, because a reference to the exercise of "the" impeachment power would appear to be a reference only to actual conviction by the Senate or perhaps to actual impeachment by the House, whereas steps taken short of actual impeachment or conviction ought properly to be viewed as instances in which impeachment powers were exercised. As was demonstrated in the case of the resignation of President Nixon, it is not always necessary to complete the entire impeachment process, or to exercise all of the impeachment powers, in order to achieve the "removal from Office" prescribed in the Constitution as penalty upon conviction in such cases.

It is true that President Nixon did not resign until it appeared that a two-thirds vote for conviction in the Senate was likely. However, it probably appeared very likely to President Andrew Johnson, after he was impeached, that he would be convicted by the Senate, yet he persevered, presented an able defense at his trial, and was ultimately acquitted by a narrow margin. To the extent that conclusions are possible on the basis of these two presidential impeachment cases, it can be said that in a case of clear culpability the exercise of the powers associated with the preliminary or intermediate stages in the impeachment process will tend to bring about a collapse of resistance and the resignation of the party concerned before the full impeachment process is completed; whereas, when the impeachment process is initiated largely on the basis of political differences or personal animosities, it will be necessary to pursue the impeachment process through to the vote on conviction or acquittal in order to dispose of the matter. In any event, our limited experience shows that impeachment proceedings can and will be initiated regardless of whether the votes necessary to convict appear present in a given case and that removal from office can be effected in appropriate cases by the use of impeachment powers short of those available to the Senate.

From the foregoing discussion it can be seen that there are several reasons why it is not accurate to view the impeachment powers as moribund, innocuous or archaic. On the contrary, these powers form an essential, active link in the checks and balances provided under the Constitution and cap the claim of the intra-governmental supremacy of Congress. We may turn, then, to a consideration of why these powers were given to Congress and why it was appropriate that they should have been vested in that branch.

It was noted above that the impeachment powers of Congress were intended to curb abuses of individuals in the executive and judicial branches. It might be assumed from this that there is a corollary power in the executive or judiciary to check abuses of individuals in the legislative branch. The Constitution does provide what is the equivalent of impeachment powers to obtain removal from office of members of Congress in appropriate cases. These powers are not vested in the executive or judicial branch, however. We find that, as befits the supreme organ of government, *Congress supervises itself* in this matter. The Constitution provides that "Each House may determine the Rules of its Proceedings, punish its Members for disorderly Behaviour, and, with the Concurrence of two thirds, expel a Member."

The multitudinous character of both houses of Congress arises, of course, from the fact that the House and the Senate are composed of representatives of all the people and all the fifty states. This brings us to the rest of the explanation for the possession by Congress of a complete monopoly over the impeachment and expulsion powers. As the members of Congress are the constitutional representatives of the people, it is entirely natural that these exceptional and supreme powers should, on this ground alone, be lodged in Congress. It certainly would be a strange system of government which would permit the constitutional representatives of the people to be removed from office merely by appointed judges, or by the head of that branch whose chief function is to see to it that the laws enacted by Congress are carried into execution and enforced.

Aside from the protection afforded by placing the powers concerned in the hands of a multitudinous body, and by placing those powers in a body which is, moreover, composed of the representatives of the people of the United States, it should be noted that the system of congressional control over impeachment brings with it, quite naturally, the benefit of the primary "check" or "balance" internal to the legislative process: the requirement that the matter be subject to debate in and approval by both houses of Congress.

In the closing days of the Nixon Administration the warning was heard that the United States was moving toward a "congressional dictatorship." This was not a reference to the exercise of impeachment powers at that time by the House Judiciary Committee, but to the increasing prospects that the 1974 congressional elections would bring an opposing majority of sufficiently increased proportions to be able to override presidential vetoes. The complaint of a possible "congressional dictatorship" raises certain issues which are pertinent here and which can be dealt with briefly in bringing this article to a conclusion.

There is, of course, nothing unconstitutional or even anticonstitutional in the passage of laws over the presidential veto. On the contrary, the Constitution clearly and indifferently provides two alternative methods by which a law can be made by the national government: one in which the law is passed by both houses of Congress and approved by the President, and one in which a vetoed enactment is repassed by two-thirds of both houses. There is nothing in the Constitution which suggests that the latter method is any less desirable or less democratic than the former. To view the latter method with anxiety or distrust is to be unwilling to accept a fundamental and well-established constitutional process.

The implication of the "congressional dictatorship" concept is that those who hold to such a view are unaware, or have forgotten, certain basic facts as reviewed in this article concerning the function of Congress as the constitutional representative of the people and the intra-governmental supremacy which inevitably and properly falls to Congress on the account. Fear of congressional authority is, constitutionally speaking, fear of the people. Fear of that authority is also unwillingness to abide by the checks and balances built into the legislative and constitutional processes which are intended to restrain any popular excesses.

Fear of congressional authority indicates, furthermore, failure to understand that the election of a President means, constitutionally speaking, approval of the elected person for the purpose of performing the executive functions under the Constitution and does not constitute approval to interfere with or to decry the exercise of the legislative powers by the representatives of the people who the people have independently elected for that different and sovereign purpose. Finally, it indicates failure to realize that the practical and political conditions of the times which tend to obscure certain basic constitutional principles should be viewed not as providing occasion for opportunism but as requiring increased attentiveness to those principles.

SANTEE WATEREE EXPO

HON. JOHN W. JENRETTE, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. JENRETTE. Mr. Speaker, I would like to take this opportunity to mark the observance of an event held in Manning, S.C. during the weekend past that I hope will become an annual event, the Santee Wateree Expo sponsored by the Manning Chapter of the NAACP. This 2-day meeting, the theme of which was education, entertainment and information, was put together and coordinated by Billy Fleming of Manning, a commuunity leader known throughout the sixth district for his selfless devotion to the black community.

Guest speakers included Mr. George Hamilton, a former director of the South Carolina Human Affairs Commission, who addressed a banquet Friday night. On Saturday, the Expo featured an Army band from Ft. Jackson in Columbia, live radio and television coverage, tents provided by the National Guard, an appearance by Navy Admiral Samuel Gravely, a helicopter and several soul and rock and roll bands.

Hundreds of people attended this event and also heard Ms. C. Delores Tucker, secretary of State in Pennsylvania on Sunday. Other guests included Brantley Harvey, lieutenant governor for South Carolina, and Don Fowler, chairman of the State Democratic Party of South Carolina. A central theme of the event was an effort to help make the young people in the community more job and achievement oriented.

I commend the committee for its fine work.

AMERICAN RED CROSS HONORS GILBERT L. GRILL

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. CHARLES H. WILSON of California. Mr. Speaker, it is very gratifying to learn that one of my constituents, Mr. Gilbert L. Grill, of Paramount, Calif., has been named to receive the Red Cross Certificate of Merit which is the highest award given by the Red Cross to an individual who saves or sustains a life by skills learned in a Red Cross volunteer training program.

Mr. Grill, trained in Red Cross first aid, was at work on last September 9 when a fellow employee suddenly became rigid and collapsed. Upon determining that the man had stopped breathing, Mr. Grill immediately removed an obstruction in the breathing passage and began artificial respiration. Several minutes later the victim started to breathe, but when he suffered a relapse, Mr. Grill, readministered mouth-to-mouth rescusitation.

Because of Gilbert Grill's calm and courageous response to this emergency, the stricken man was able to be transported to the hospital where he successfully recovered from his heart attack. There is no question but that Mr. Grill's valiant action saved this man's life.

In this time when we read so often of persons who are taking life, it is reaffirming to learn about someone like Gilbert Grill with a reverence for human life.

BEEF IMPORTS

Hon. Theodore M. (Ted) Risenhoover

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. RISENHOOVER. Mr. Speaker, the U.S. Department of Agriculture has played a new dirty trick on the American farmer which I denounce and oppose.

While this Congress is working desperately to save our food producers from bankruptcy—the USDA has decided to increase the import quota for foreign beef.

During this year, I am informed that the United States will be allowed 1,180 million pounds of red meat to be imported—well over 90 percent being beef. This is an increase of more than 100 million pounds over 1974.

Mr. Speaker, the cattleman is in deep trouble. The value of our national inventory of cattle was cut in half last year even while our numbers of cattle were growing.

The mood of cattlemen and of Representatives from agriculture States is to curtail all imports until the domestic market glut is ended. That makes sense. Why should this country import products that are in oversupply domestically?

Secretary Butz seems to think that the American farmer—who is faced with every conceivable problem from rising costs, fuel shortages, and a jacking up of food prices by middlemen—needs increased competition from abroad. Butz is wrong. Agriculture needs a Secretary who cares.

Cheap foreign beef may sound tempting to a housewife. But, I warn, this meat is raised and processed in questionable conditions of cleanliness and wholesome production. Foreign cattlemen and processors are not subjected to the rigorous inspections, labor costs, and standards which American businessmen face. This is one of the reasons foreign beef is cheap.

Oklahoma cattlemen and farmers—and the bankers who loaned money to finance those operations—are troubled.

Leo Winters, Oklahoma's State treasurer and a leading feeder, asked me to portray the situation of the cattlemen in America. Their losses are high—often as much as $120 on a fat cow. Many ranchers are teetering on bankruptcy—and the first to fail will be the family operations. The larger operations have other resources to rely on, but the family ranch and farm needs help now.

Mr. Winters believes that a vital part of saving the farms and ranches rests with an increased consumption of American beef.

Senator John Dahl, a cattleman who is chairman of the Oklahoma Senate Agriculture Committee, says:

> There are three ways out of the problems facing the farmers, ranchers and feeders: First is emergency financing. Most of the cattlemen have, during the past year, lost more than they have accumulated during the past 10 years. If they don't get help before October 1, they will have no collateral to refinance for the winter.
>
> Second would be to reduce imports. We have a glut on the American market, yet we still are buying foreign beef.
>
> Third, consumers must eat our way out of the problem.
>
> In the Osage country, cows that were selling for $465 last year now bring $140. Ranchers are losing $65 to $75 on each calf they sell.

Mr. Speaker, I have talked with cattlemen and they tell me that on January 1, 1974, the national inventory of cattle was 127.6 million head—worth $41 billion.

A year later, that inventory had grown to 131.8 million head—but the value had dropped to $21 billion.

People who are the backbone of the free enterprise system—the farmer, rancher, and feeder—have absorbed that loss. They are the people who pay the ad valorem taxes which support our schools—and I venture that many of them will be defaulting on those taxes.

Mr. Speaker, in light of the domestic situation, I believe the national administration must be condemned for increasing meat import quotas. Our Nation—if it is to be forceful in the world—must have its own strong economic base. Increasing import quotas cuts away at that strength and should be turned around.

COMMUNIST ACTIVITIES AND MR. CHARLES O. PORTER AGAIN

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. McDONALD of Georgia. Mr. Speaker, further to my Extension of Remarks of April 15, 1975, pages 10337–10339 on Communist Activities and Mr. Charles O. Porter. Mr. Porter continues to stress, with increasing vehemence, that he has never been involved with the Communist Party, U.S.A.

In fairness to a former Member, I ask that his letter be printed now, with my comments to follow:

> APRIL 25, 1975.
>
> Hon. LARRY McDONALD,
> *House of Representatives,*
> *Washington, D.C.*
>
> DEAR MR. McDONALD: Thank you for your letter of April 16, 1975 and its enclosures. Thank you also for placing the text of my letter to you in the Congressional Record for April 16, 1975, on page E1763.
>
> However, you did not answer my question as to your false statement with respect to my "known involvement with the Communist Party, U.S.A." You did not get the record straight.
>
> If you have the courage of your convictions and dare to move out from behind the shield of immunity offered by the Congressional Record, we can turn to the judicial system to determine which of us is a brazen liar.
>
> I doubt that your well-heeled friends in the American Security Council, who probably prepared these materials for you, would want you to take the considerable risk that would extend not only to your pocketbook and reputation whatever they may be at this time, but also to the reliability of the "research" done by the ASC.
>
> Let me repeat that my interest is not concerned with what the likes of you can do to

my reputation by inserting such hysterical non-sequiturs in the Congressional Record but rather with respect to what you do to the institution of the Congress by poisoning a debate that needs to take place.

I have great respect for the Congress as an institution and for most of its members. I shall have more respect for you if you agree to repeat your statements where you will not have the immunity now provided you by that institution for remarks in the Congressional Record.

Very truly yours,

CHARLES O. PORTER.

Mr. Porter must now be aware that the National Committee Against Repressive Legislation—NCARL—of which he is an officer, is a creation of the Communist Party. The documentation of its CPUSA origins and control were provided in my previous statements and copies of the documentation were sent to Mr. Porter.

I also demonstrated to Mr. Porter that another organization with which he worked was dominated by persons active in support of the Soviet Union's world Communist movement.

Obviously, Mr. Porter believes, as I do, that involvement with the Communists is personally damaging.

May I again express the hope that Mr. Porter will repudiate these associations.

In the absence of new information on this matter, I must consider the issue closed.

REPUBLICAN CONFERENCE OPENS DOORS TO PUBLIC

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. ANDERSON of Illinois. Mr. Speaker, I am pleased to announce as chairman of the House Republican Conference that the conference voted 59 to 17 yesterday to open its meetings to the press and public for the remainder of this session. I wish to commend the gentleman from Minnesota (Mr. FRENZEL) the author of the resolution and chairman of our Reform Task Force on his initiative and success. Under the new conference rule, all our future conference meetings will be open unless closed by a majority vote in open session with a quorum present—essentially the same rule which now applies to House committees.

Mr. Speaker, just as House Republicans have previously taken the lead on important House reform issues such as the democratic selection and election of ranking and other committee members, we have once again blazed the trail in opening our party conferences to the public. I now challenge our Democratic colleagues to follow our example and throw open the doors of the Democratic Caucus to the public. It is even more essential that the caucus be open because of its majority status in the House and its ability to dictate policy to committees and their members through binding votes. Our own conference does not have such a binding vote procedure. Even when the caucus does not pass binding resolutions, it has now gained sufficient clout to intimidate Democratic committee chairmen and members to follow its positions for fear of reprisals—even if that position is only held by a majority of a quorum, or as few as one-fourth of the total Democratic membership. This tends to have a chilling and subversive effect on the entire legislative process. The American people are at least entitled to know what transpires in these important policy-dictating sessions and whether the House is operating under the democratic rule of the majority or the Democratic reign of a king caucus minority.

GOLD IS HONEST MONEY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. McDONALD of Georgia. Mr. Speaker, the Government's control of the money supply through the Federal Reserve System allows it to "monetize" the debt—in effect, to simply print more paper money to cover debts incurred by deficit spending. The deficit spending is, in turn, necessitated by the reluctance of politicians to raise taxes to cover the huge increases in Federal spending on social programs.

The Federal expenses must be paid for, however. The excess spent over revenue raised is made up by inflation. Thus the value of the people's money is eroded, generally without their knowledge. Whereas direct taxation is open and honest, inflation is indirect and hidden and thus a form of dishonest taxation.

If, however, money was based on an objective standard—such as gold—the Government could not arbitrarily expand the money supply. This would prevent "monetization of the debt and force the politicians to engage in the painful task of honestly and openly taxing the people to provide the funds they so freely spend."

While a gold standard would not in itself prevent the rapid increases in spending on social-welfare programs, it would force the Government officials to finance these programs honestly.

This is the thesis of an excellent essay by Prof. Hans Sennholz. Titled "Gold Is Honest Money," it appeared in the February 1975 issue of The Freeman.

GOLD IS HONEST MONEY

(By Hans F. Sennholz)

(NOTE.—Dr. Sennholz heads the Department of Economics at Grove City College and is a noted writer and lecturer on monetary and economic affairs. This article is published by permission from an address before a November 1974 meeting of the Committee for Monetary Research and Education.)

With the applause of most Americans, President Ford declared inflation to be Public Enemy Number One. At the present rate of inflation our real incomes will be significantly reduced in this decade, retirement incomes will erode substantially, savings will vanish, fortunes melt away, and the economy stammer and falter in a violent fever of hyper-inflation. In fact, the present rates of inflation carry with them the most ominous implications for democratic institutions and peaceful social cooperation.

But this public condemnation of inflation sounds like a public confession of sins in church on Sunday morning. The preacher intones the confession, the congregation accompanies him in loud voices, and then returns home to sin again. The President denounces inflation on Monday and signs another multi-billion-dollar appropriation bill on Tuesday. Politicians who are the noisiest inflation fighters on Wednesday submit more costly bills for economic welfare and distribution on Thursday. The news commentators publicly enlist in the war on inflation on Friday and bravely endorse another costly program for political improvement on Saturday. The following week the ritual is chanted all over again.

The federal government is now declaring war on the inflation it initiated and promoted and which it continues to press forward with ever greater force. The same politicians who now sound like militant inflation fighters pushed hard in the past for every dollar of deficit spending. In just ten years, from fiscal year 1965 to 1975, the federal government boosted its spending from $118.4 billion to an estimated $304 billion. Expenditures on "human resources," i.e., income redistribution, alone rose from $35.4 billion to an estimated $151.4 billion. (Education and manpower from $2.3 billion to $11.5 billion; health care from $1.7 billion to $26.5 billion; income security, i.e., retirement and disability, unemployment insurance, public assistance, social services, from $25.7 billion to $100.1 billion; veterans benefits and services from $5.7 billion to $13.6 billion.)[1]

Such a rapid growth of government, however achieved, would have strained the American economy as economic resources were withdrawn from business and individual taxpayers. But this process of redistribution was carried out through the most insidious of all possible methods: deficit spending and money creation. In those ten years the total federal government deficit amounted to an estimated $113.5 billion—since 1970 alone to $77.5 billion.[2] Simultaneously, the quantity of Federal Reserve credit was inflated from $39.9 billion on January 1, 1965 to $90.8 billion at the present. The total money stock, consisting of demand deposits in commercial banks and currency in circulation, rose from $160 billion to $282 billion.

THE COSTS OF INFLATION

This has been the worst monetization of Federal debt since World War II. In fact, the 1960's and 1970's have been the longest period of deficit spending and currency inflation since the Continental Dollar debacle during the American Revolution. And the end is nowhere in sight. If the Federal deficit spending merely were to exact economic resources in the amount of the deficit, let us say $20 billion, the economic loss to money holders would be very small indeed, only $20 billion. But the given deficit and its monetization causes goods prices to rise and the purchasing power of the monetary unit to fall, which alters the creditor-debtor relationship of nearly $3 trillion of long-term debt. If the dollar should fall at the modest rate of 10 per cent, the creditors will lose $300 billion and debtors will gain this very amount. At a more realistic depreciation rate of 15 per cent, American creditors are losing $450 billion annually, which is reaped by the debtors.

As the U.S. government is the largest single debtor with an estimated 1975 debt of $508 billion, it is gaining $76.2 billion annually through debt depreciation. But many millions of American creditors are losing a total of $450 billion. This is why inflation is not only a Federal tax on money holders but also a terrible instrument for the redistribution of wealth and income. In fact, the magnitude of this redistribution through Federal inflation, in addition to that through social policy, probably exceeds one-half of American disposable income, and as such as the most massive juggling of economic well-being in the history of man.

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[1] Cf. *The Budget of the United States Government*, Fiscal Year 1975, p. 52.

[2] *Ibid.*, p. 331.

A free society that willfully embarks upon such a road is suffering a terminal case of redistribution cancer. It is bound to suffer ever more symptoms of social conflict, poverty and tyranny. A democratic society that has thus been led astray by its political leaders may not expect to get off the inflation road until it elects to return to integrity and honesty. Future national elections will reveal whether the American people chose self-destruction willfully or were just misguided temporarily.

To stabilize the U.S. dollar, the U.S. government must be made to relinquish its monopolistic power over money and banking. As inflation is a Federal policy, the following restrictions on government are needed if inflation is to be halted:

1. The Federal budget must be balanced each year.

2. The engine of inflation, the Federal Reserve System, must be inactivated, or better yet, abolished.

3. The Federal Reserve money now in circulation must be made fully redeemable in gold.

BALANCE THE BUDGET

Balancing the Federal budget does not necessarily spell the end of economic and social policy by the federal government. But it would mean open redistribution from taxpayers to beneficiaries. Every new expenditure would have to be met with new tax revenue. Both the U.S. Congress and the Administration would have to regain the lost virtues of fiscal discipline and honesty. They would have to cut programs and allocations now in order to avoid large deficits next year.

A balanced budget would greatly reduce the pressures for debt monetization and currency inflation. But it would not guarantee dollar stabilization. The Federal Reserve System as it is now constituted has independent powers of currency inflation and credit expansion. These powers must be revoked either through inactivating the System or abolishing it altogether. Only when the engine of inflation is thus stilled can monetary stability be assured.

INACTIVATE FEDERAL RESERVE

Under the influence of the "new economics," which the Full Employment Act of 1946 elevated to a government mandate, the Federal Reserve System is conducting monetary policies of full employment and economic growth. In periods of recession it is expected to stimulate the economy with injections of easy money and credit until satisfactory levels of employment are restored. In periods of inflation the System is expected to stabilize the situation through credit stringency or even contraction. In short, its very *raison d'être* is the manipulation of the American economy according to the recipes of the new economics.

Experience alone would dictate an immediate inactivization of this central command post over the economic lives of the American people. In the sixty years of its existence the Federal Reserve System has presided over unprecedented economic instability—over two depressions of which one was the longest and most severe in American history, over seven booms and recessions, and an inflation that reduced the American dollar to less than one-fifth of its pre-Federal-Reserve value. This is indeed a long record of money mismanagement.

Even if the System had been managed by the greatest financial minds of the century its very premise of central management of money and credit is alien to economic freedom and contrary to stability. The very existence of a money monopoly that endows its fiat issues with legal tender force is antithetic to individual choice and freedom. And by its very nature as a central bank, it must seek to place its currency in the loan markets, or withdraw it, in order to manage and manipulate those markets. Since neither the expansion nor the contraction of fiat money imparts any social utility, we must conclude that Federal Reserve policies necessarily are disruptive to monetary stability. In particular, its frequent bursts of currency expansion, so popular with government officials, politicians and their beneficiaries, have given our age the characteristics of unprecedented monetary instability.

NOTES REMAIN IN CIRCULATION

To inactivate the engine of inflation does not mean withdrawal of all its money and credit. For lack of other money, Federal Reserve notes now in the people's cashholdings and member bank reserves now held by the System, should remain in circulation. After all, deflation, i.e., reduction of the money stock, would necessitate corresponding price and wage reductions, for which neither business nor labor are prepared.

When man is free he chooses natural money that is free from all strictures of government and politics. Gold is world money that unites all countries in one monetary system and facilitates peaceful exchange and division of labor. For more than two thousand years its natural qualities made it man's universal medium of exchange. In contrast to political money, it is honest money that survived the ages and will live on long after the political fiats of today have gone the way of all paper.

Redemption of the U.S. dollar in gold would be a simple undertaking that needs no central bank, no Federal plan or policy, merely payments in gold. At a given market exchange ratio between the paper and gold, the federal government merely resumes payment of the gold it forcibly seized from the American people in 1933 for the paper it issued since then. People thus would be free again to choose between the paper notes, the quantity of which is rigidly limited, and the gold now hoarded in Fort Knox. Every ounce of gold that is withdrawn would reduce the quantity of paper, which would become a mere substitute for gold, the money proper. Thus, once again, the people of the United States would have hard and honest money, the golden cornerstone of a truly great society.

POLITICAL VS. NATURAL MONEY

The gold standard functions with the force and inevitability of natural law, for it is the money of freedom and honesty. Society may temporarily depart from it in the vain hope of replacing it with political money that is managed and manipulated for political ends—used and abused as an instrument of public plunder. So the people must choose between political money, of which they may try another issue or series, and natural money. In the end, a society that prefers social peace over conflict, individual freedom over government coercion, wealth over poverty, has no alternative but to use honest money, which is gold.

Returning to the gold standard, it is true, would precipitate a serious economic readjustment, commonly called a recession. But this is not the fault of gold. The political paper leaves behind a vast array of maladjustments and malinvestments that need to be corrected. In fact, they would be corrected in any case, sooner or later, when the creation of paper comes to an end.

The economic recession need not be long and severe, provided the federal government does not stand in the way of the necessary readjustment. After so many years of false stimulation through easy money and credit, many mistakes need to be corrected; some projects should be abandoned and others initiated. The whole economy needs to readjust to the wishes and commands of the millions of sovereign consumers of a free economy.

REDUCE THE OBSTRUCTION

It is important that the federal government does not intentionally or inadvertently obstruct the return to hard money. When the readjustment recession sets in, the federal government must not be allowed to resume deficit spending. Like anyone else, it must reduce its spending when its revenue declines. In particular, it must not be allowed to impose new tax burdens at this critical moment of recession and readjustment. It must not repeat the supreme folly of the Hoover Administration which, in 1932, doubled income taxation. Also, the federal government must not be permitted to operate with deficits that are financed with the people's savings. The U.S. Treasury entering the loan market at that critical moment of painful readjustment would deprive business of urgently needed funds and greatly raise business costs through soaring interest rates, which again would aggravate the recession and generate more unemployment. And what would be blamed for the dilemma? The fiat inflation that caused the maladjustments, the deficit spending that is aggravating it, or the gold standard? The deficit spenders would doubtless try to lay the blame on the doorsteps of gold.

An administration that welcomes monetary stability would balance its budget even though its revenue declines. It would avoid placing new burdens on business during the readjustment period. It might even strive to lighten the tax load in order to hasten the recovery. But such a reduction of tax costs must not be negated by new deficits that burden the capital markets and raise interest costs. To reduce the costs of government and facilitate speedy recovery means to reduce government consumption of economic resources, not merely a change of finance techniques from taxation to borrowing.

RELAXATION OF CONTROLS

A significant reduction of Federal spending not only would save funds and resources but would also enhance productive employment. For currency stability, it does not matter which particular expenditures are reduced as long as the budget is balanced. Of course, it would be beneficial to productivity and quick adjustment if Federal controls were substantially reduced and bureaucratic regulation relaxed or abolished. Many industries can be revived through all kinds of deregulation. With distressing monotony, Federal regulation has produced sick and anemic industries. The ICC's strangulation of the American transportation industry, for instance, has done incalculable harm that exceeds by far the budget expenditures of the controllers. The boost to productivity from a liberation of business energy could not come at a better time.

An administration that welcomes monetary stability would want to facilitate a speedy readjustment through significant cuts of business taxes. A roll-back of corporate income taxes, for instance, would make corporations more profitable, which would boost capital investments, create new jobs, raise output and wage rates, and otherwise smooth the readjustment process.

The time clearly has come for a public commitment to the preservation of the U.S. dollar. The ultimate destination of the present road of political fiat is hyperinflation with all its ominous economic, social and political consequences. On this road no Federal plan or program, incomes policy, control or nationalization, no threat, fine, or prison can prevent the continuous erosion and ultimate destruction of the U.S. dollar. The only alternative is to abandon this road of political fiat and return on the proven path of our forebears to honest money, which is gold.

ABUSES OF LAND AND LAW

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. LAGOMARSINO. Mr. Speaker, I am pleased to recommend for the Members' consideration the following editorial from the Ventura County, Calif., Star-Free Press, which deals with the complex issue of local versus State and Federal land-use controls:

[From the Ventura County, Calif., Star-Free Press, Apr. 27, 1975]

ABUSES OF LAND AND LAW

Land use plans are environmental essentials to some and property wrongs—as opposed to property rights—to others. Either way, they have become a source of both inspiration and worry to local government officials.

That odd-couple combination—inspiration and worry was well-expressed by Ventura County Supervisor Ted Grandsen, as a prelude to the county's refusal to permit urban development of the Rincon coast: "If we don't continue to be responsible (in regulating development), I'm afraid that local land use will be taken away from us entirely."

Most county and city officials not only here in Ventura County, but up and down the state and across the nation, seem to share that concern—with several solid reasons:

California is in the process of developing a plan to succeed the Prop. 20 controls on the state coastline.

There are also proposals for extending Prop. 20-type controls to the inland parts of the state.

Congress is currently considering a federal land use plan for all 50 states.

The county's Rincon vote is a timely example of an action inspired by non-local control, tinged with worry over the usurpation of local authority to regulate land use. The supervisors' vote was unanimous, meaning that even those supervisors who had opposed Prop. 20 were inspired by it to exert greater care in preserving the coast.

Local officials point to actions such as this—and the Open Space Plan adopted by the City of Ventura—as evidence that counties and cities are doing a good job of riding herd on land use, which they believe shows there's no need for state or federal intervention. But it was largely state intervention—or the prospect of it—that inspired such actions as the Rincon vote and the Open Space Plan.

Ventura's city coastline—with oil tanks, a park, condominiums, a hotel and a four-story parking lot, all side-by-side in one quarter-mile stretch of beach—still stands as an incongruous example of the kind of local noncontrol that inspired Prop. 20. Now that Prop. 20 is inspiring more thoughtful regulation of the coast, it's not quite accurate to credit local officials with having invented a religion to which they've become such recent converts.

But some of the moves to spread the faith simply go too far. It's not easy to see the need to preserve California's deserts with Prop. 20-type controls or state land use plans. The pressures for development simply don't exist in the desert like they do on the coast, and there's precious little agricultural land to be preserved in the Mojave, compared to the farmland in the coastal zone.

The federal land use bill seems even less necessary, and more redundant—in California, at least. The federal bureaucracy should do only those things that state and local government won't or can't do for themselves, and California is both willing and capable, when it comes to land use.

If the citizens of Mississippi or Alaska want to destroy their own environment with thoughtless development, that should be their decision to make. And the states like California, that are already doing a good job in land use, don't need millions of dollars worth of federal red tape to "help" out.

There's the usual tendency to view land use regulation in either/or terms: It's either all good or all bad. But there's a distinction here that's important to draw:

Local government in California asked for—and needed—Prop. 20, because local government simply wasn't doing the job of protecting the coast. But California doesn't need a federal land use plan, because the state is doing that job already—as Prop. 20 attests.

There are vast areas of federal land in California, and some destructive proposals for some of it. U.S. Gypsum's continuing desire to strip-mine in Los Padres National Forest is one timely, Ventura County example. But we believe such thoughtless projects can be shot down on an individual basis, without imposing a whole new federal bureaucracy of land use.

If local officials exert their influence on the coastal plan now being written by the state and if that plan is monitored by local government—with the state only an appeals agency—we believe a large measure of control will remain at the local level. But we remain unconvinced of the need for a statewide land use plan. We already have a state tax system that's designed to preserve agriculture, and if our good neighbors in other parts of the state want to create hopscotch jungles of gas stations and pizza parlors—well, the state can't save every community from every provincial foolishness.

The most encouraging aspect of the whole land use issue is the recent enlightment of local government. County and city officials now point to their achievements with pride, intead of dismissing their failures with arrogance. The abuses of land inspired the controls we have now, but this new official awareness should temper the pressures for abuse of regulation.

ARTHUR B. KRIM RECEIVES THE JEAN HERSHOLT HUMANITARIAN AWARD

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. WHALEN. Mr. Speaker, after the academy award ceremonies, media attention understandably is focused on the movie of the year and such Oscar recipients as actor, actress, and director of the year. Usually reserved for the inside page, if it appears at all, is the name of the Jean Hersholt Humanitarian Award designee.

During the presentations earlier this month the Motion Picture Academy of Arts and Sciences bestowed this signal honor upon Arthur B. Krim, chairman of the board of the United Artists Corp. I took particular pleasure in this award because of my personal knowledge of Mr. Krim's role—along with that of his equally distinguished wife, Dr. Mathilde Galland Krim—in promoting better United States-African relations, a commitment which I share. But Mr. Krim's activities extend far beyond Africa and the motion picture industry. In presenting Mr. Krim with the Jean Hersholt Humanitarian Award, Frank Sinatra recounted these many endeavors. I am inserting Mr. Sinatra's comments here in the RECORD.

I salute the academy for honoring this distinguished American.

JEAN HERSHOLT AWARD TO ARTHUR KRIM

(Remarks By Frank Sinatra)

Tonight, another illustrious name joins that impressive roster—even though this gentleman has never appeared in front of a camera. Most of us view the motion picture executive as a tycoon interested only in profit and loss. Let's jolt that stereotype a bit. The man we honor tonight is a motion picture executive . . . certainly . . . with a Phi Beta Kappa key on his watch chain and the rosette of the Legion of Honor in his lapel. Chairman of the Board of United Artists Corporation . . . lawyer . . . Director of Transamerica Corporation . . . yes . . but simultaneously consultant to two presidents of the United States in the fields of science, health, education, human rights and public affairs. Lieutenant-colonel in the United States Army . . . trustee of Columbia University, governor of the Weizman Institute of Science . . . leader for many years in our country's relationships with the developing nations of Africa and active in support of the Urban League, civil rights legal defense funds, The Catholic Charities of New York, the Will Rogers Hospital. For all this and more . . . much more . . . the Board of Governors of the Academy herewith presents him with the Jean Hersholt Humanitarian Award. I can think of no man in our industry who has sought it less or deserves it more than Arthur B. Krim.

RICHARD SEVERO—A POLK AWARD FOR OUTSTANDING JOURNALISTIC ACHIEVEMENT

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. KOCH. Mr. Speaker, apparently corruption is endemic in our society and pervades both Government and the private sector as well. That is not to say that Government or private enterprise are corrupt but rather that there are individuals and corporations who engage in corruption. More often than not it is the press and individual reporters rather than law enforcement officials who are ultimately responsible for pinpointing the corruption and following through to make certain that the law enforcement arm of government brings the corruptors to justice.

One such instance is that of the work of Richard Severo, a reporter for the New York Times who is one of our most outstanding investigatory reporters and who has been singularly honored for his outstanding investigation of the corruption of the Dairylea Corporative of New Work and its adulteration of milk: a conspiracy which extended over a 5-year period. His investigatory reporting brought the matter to public attention and focused on the fact that New York State's law enforcement authorities were lax in pursuing the matter criminally. As a result of his articles in the New York Times and the pressures generated by them, the office of the Attorney General of the State of New York pursued the matter in a far more vigorous fashion than had been the situation prior to Richard Severo's investigation and his articles that followed.

Accordingly, a committee of journalism faculty at the Long Island University—Brooklyn Center has awarded Mr. Severo the prestigious 27th annual George Polk award for outstanding journalistic achievement. This award recognizes what is already common knowledge: that Richard Severo, the reporter and the man, has done great service to both the profession of investigative journalism as well as to the people of New York State.

VIETNAMESE REFUGEES

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mrs. MINK. Mr. Speaker, there has been a growing concern about the several thousands of Vietnamese refugees evacuated from the war zone over the past several days, and especially about what is to become of these new wards of the United States for whose welfare we have suddenly become responsible.

Whatever our own views might have been about the merits of the evacuation of those refugees who fall into the category D of our bill H.R. 6096—that is those who are not immediate relatives of U.S. citizens or permanent residents or who have no immigration preference category—the evacuation is now an accomplished fact. In view of this, we must now move forward with all due haste to resettle these people who have been taken from their homelands, and with a total commitment to their well-being.

I expressed this concern and this view in a telegram to the President and other administration officials which sought answers to some of the questions surrounding the evacuees and their futures in this country, and some assurances that our State and local governments would not be required to foot the bill for these refugees. A State such as my own, with limited resources at hand to accommodate the housing, health and educational needs of any significant additional number of people on an emergency or a continuing basis, simply cannot allocate funds for these purposes without seriously endangering other State programs operated for the welfare of Hawaii's own citizens.

I have received a somewhat limited reply to some of the points I raised in my telegram, Mr. Speaker, and I would like to share the information with my colleagues. Chief among the points made by the administration is that appropriate agencies of the Government are seeking authority for 100 percent Federal support for refugee assistance in this country, including child care, health services and screening, and bilingual education funds. The telegram reply which I received this week said that any financial impact on the States would be "minimal."

Another aspect of the problem has to do with the impact of large numbers of people settling in certain areas of the country—those areas which have become true "gateway cities," and which already find themselves somewhat disproportionately burdened with large numbers of immigrants. The reply to this stated concern was that efforts are being made to "internationalize" the resettlement program through organizations such as the United Nations High Commission for Refugees, the Intergovernmental Committee for European Migration, and with direct approaches to foreign governments.

Furthermore, as has now been announced elsewhere, several reception centers are to be established throughout the United States for the care of these refugees while sponsors are sought for them, and the administration says, the refugees will be equitably distributed around the country.

I would say, Mr. Speaker, that the time for action by the Congress on this matter is relatively short. While we are told that HEW is seeking funds under authority of the Humanitarian Assistance Act, I feel that other avenues of assistance ought to be explored at this time. To this end, I am pleased to have added my name as a cosponsor to the bill which our colleague from California has introduced to amend the Migration and Refugee Assistance Act of 1962 to include among beneficiaries of the Act those who come to this country from Southeast Asia. Federal relief for these refugees must be forthcoming, Mr. Speaker. Our responsibility is clear, now that the Government has acted to remove these people from their homeland and bring them to ours.

I would further urge my colleagues to give careful consideration to legal requirements that would assure a relatively even distribution of these refugees throughout the country so that no one area will be unduly burdened by this program. It is all very well to speak purely in terms of finances and logistics, but there is also the matter of the social and psychological impact the sudden arrival of these totally foreign refugees will have on the people of this country who have been torn apart by a decade of debate over the merits of our even having become involved in the war itself. For many of these people who have so vociferously taken part in that great national debate, the war has been a distant thing, far from our shores, remote, and perhaps even somewhat intangible. Now, many thousands of Vietnamese are to be here, on our shores, among us, and the war and its aftermath will likely present a new perspective on Asia and Asians to many Americans. How much more so if heavy concentrations of these refugees are allowed to live in only a few areas of the country, those areas traditionally attractive to immigrant populations over the last 200 years.

Mr. Speaker, I urge this House to act expeditiously and with understanding and compassion as we take on this new responsibility, and to provide assistance as necessary by passage of H.R. 6428.

I would also ask, Mr. Speaker, that my inquiry to the administration and the reply I received be inserted in the RECORD at this point:

APRIL 26, 1975.

Hon. GERALD R. FORD,
President of the United States, The White House, Washington, D.C.

The United States has now taken on the enormous responsibility of providing for the well being of several thousands of refugees from Vietnam. This country cannot afford to pursue that responsibility with anything less than a total effort. The Congress has received verbal assurances from the Administration that this responsibility will be carried out, that these refugees will be cared for, and that the Federal government will assure that no State or local government units will have to bear an undue burden as a result of the commitments made by Washington.

Please provide me immediately written information to outline the Government's plans for assisting in this resettlement program. This information should include, but should not be limited to, plans for temporary housing and permanent relocation destinations, programs for adequate health screening and treatment of these refugees as necessary, methods and amounts of financing available to the States for the additional burdens which will be placed on their services and facilities, (especially those programs for children, including their education), and all other materials related to the Vietnam refugee evacuation program which have been developed to meet our commitments.

We cannot allow our new immigrants to exist in conditions less than the standards of living to which citizens of the United States are entitled. Our plans for these refugees should be made a matter of public record immediately to assure the American people that the government commitment to this program is a total one.

Furthermore, no mass entries of political refugees (category d of HR 6096) should be paroled into any State without approval of the Governor obtained in advance, in order that the State may be adequately prepared to meet this responsibility.

Your urgent and immediate reply is requested, and failing that I respectfully request an audience.

PATSY T. MINK,
Member of Congress.

Congresswoman PATSY T. MINK,
House of Representatives,
Washington, D.C.:

1. The Secretary has asked me as head of the President's task force on Vietnamese evacuations and refugee affairs to reply to your telegram inquiring about our policies toward the resettlement of Vietnamese in the United States.

2. First let me express my appreciation for your positive approach to this tremendous task. I want to assure you that all Federal agencies in my group share your determination that this responsibility be carried out in a manner that will reflect the humanitarian spirit that has traditionally characterized our country while ensuring that no locality or group has to bear an undue share of the burdens of this generosity.

3. In this connection I might point out that we have had an outstanding response for offers of assistance from a wide variety of church charitable and other voluntary agencies. We are also making vigorous efforts to "internationalize" the resettlement effort through organizations such as the U.N. high commissioner for refugees, the intergovernmental committee for European migration as well as direct approaches to foreign governments.

4. Turning to your specific questions you will appreciate that some of these replies are of necessity general as we are still working out the details with interested committees of Congress, the Federal agencies involved, voluntary agencies, etc.

(a) Temporary housing and permanent relocation.

Evacuees from Vietnam are being given initial care and screening at staging areas at Clark Field, Guam and Wake Island. The Defense Department (assisted by experts from a number of Government and private agencies) is providing logistic support, while teams of public health, immigration and consular officers are screening and processing the evacuees for parole into the United States. As a large portion of the first group of evacuees were the dependents of American citizens, they are moving to their home communities throughout the United States as soon as they are cleared.

It is obvious that we will have to establish a few reception centers around the U.S. where parolees will be cared for while volunteer agencies identify sponsors for them and arrange their permanent resettlement.

(b) Health care and screening.

Your concern about the medical screening and health care of these Vietnamese evacuees is shared by the Department of Health, Education, and Welfare, which is making extraordinary efforts to mobilize public health officers, military personnel, and local facilities to protect the health of both the evacuees and the communities into which they are financing to the States.

The Department of Health, Education, and Welfare is seeking one hundred percent Federal financing of all health and social services (including child care and bilingual education for these Vietnamese under the authority of the Humanitarian Assistance Act. If this is approved by the Congress, there will be minimal financial impact on the States.

Finally I can assure you that there will be no mass entries of "political refugees" (category D of H.R. 6096) on parole. This category covers predominately trusted Vietnamese employees of the U.S. Government, and other Vietnamese employees whose lives could be endangered by their past close association with the United States. These Vietnamese, like others referred to above, will be equitably distributed around the country. In this effort the voluntary agencies will play a vital role.

4. I hope that this information will be helpful to you and once again let me thank you for your constructive interest in the work of my task force.

With best wishes,

L. DEAN BROWN,
Director, Interagency Task Force.

JACK GEORGE METROPOL—A LANDMARK

HON. JOHN W. JENRETTE, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. JENRETTE. Mr. Speaker, I want to take this occasion to observe the passing of Jack George Metropol, a man who had become a living landmark in Manning, S.C. He was beloved by all of those in Manning. He died last week at the age of 86. To show how well loved and respected was this man, the city of Manning closed down at the hour of his burial in a display of affectionate deference.

Jack was born Zaxarias Yiorgos Mitropoulos in Skoura, Greece, a small village near Sparta. His father was a farmer. He left home for the United States at the age of 10 and never saw his parents again. Zaxarias became Jack George Metropol. He first lived in Lowell, Mass., and later in San Francisco. He eventually joined a brother, Harry, as a wholesale fruit and produce dealer in Sumter.

In 1909, 20-year-old Jack opened a restaurant in Manning, the Dixie Cafe, facing the courthouse. He later moved it to another block and called it the Central Coffee Shop, as it remains to this day. He worked in the cafe practically alone for many years. At sunrise or earlier, he hauled his own water from a well near the courthouse. His oldest customers would remember that he often met them at the door, taking orders for meals and shouting to an imaginary cook to get busy and prepare them. Then he would make the meals himself.

In 1916 Jack went to New York at the urging of friends to meet a beautiful young Greek girl from his own village, Jennie Vaka. Having borrowed the money to make the trip, he did not want to be disappointed. He was not. They were married for 36 years until her death in 1952.

The Metropols raised four fine children, Helen, now Mrs. John Katsos of Manning; George of Manning; Harry, a physician in Columbia; and James of Manning.

Jack was the kind of man overflowing with humanity and good will toward his fellow man. There are hundreds of stories that illustrate this but here is just one: He once took in an itinerant painter who painted landscapes for the family restaurant in exchange for room and board.

The city of Manning and the State of South Carolina grieve over his loss.

LAW DAY

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. MAZZOLI. Mr. Speaker, May 1 will be observed as Law Day in the United States for the 18th time.

The theme of this year's Law Day is "America's Goal: Justice Through Law."

Law Day is for all citizens, not just lawyers. This is a day to commemorate a system of laws which is, on the whole, just and equitable. At the same time, this is a good opportunity to realize that deficiencies in our system of laws persist.

An independent court system and a representative legislative system insure that an unfair law will eventually be nullified, and an unpopular law eventually repealed.

The concept that the law is a living entity, evolving toward absolute standards of equality and justice, is not a new one. Aeschylus, the Greek dramatist, noted that—

> The laws of a state change with the changing times.

Arnold J. Toynbee, the prominent historian of the modern era, argued that—

> Life and law must be kept closely in touch, and as you can't adjust life to law, you must adjust law to life.

As a lawyer and a member of the Committee on the Judiciary of the House, I am acutely aware of the need for greater public participation in this evolutionary process. The necessary first step to public contribution is an appreciation of the strengths of our system of laws, and an awareness of its weaknesses.

For me, Law Day is an occasion to rededicate myself to making our system of laws more equitable, more consistent with the public interest, and more efficient.

I believe, as Justice Louis Brandeis did, that if we want respect for the law, we must first make the law respectable.

And for that task, we need the cooperation and informed interest of every voter and every citizen who comes in contact with the legal system.

FOR EMPTY STOMACHS, A SATELLITE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. DERWINSKI. Mr. Speaker, one of the great tragic contradictions of our times is the total disregard by the Government of India for the needs of its impoverished populace.

This point is very well presented in the Chicago Tribune's editorial section of the Monday, April 28 edition. I believe this article merits our attention:

FOR EMPTY STOMACHS, A SATELLITE

Prime Minister Indira Gandhi's impoverished country needs a space satellite about as much as a drowning man needs lead boots—but, inexplicably, it has one.

The gadget, which cost $6 million and the time of 40 Indian scientists to develop, may not fill any empty Indian stomachs, but it pleases Mrs. Gandhi. The satellite, launched by a Russian rocket somewhere in the Soviet Union, obviously will be great for domestic pride and international prestige. Pride and prestige may not produce much badly needed grain, but they're important to Mrs. Gandhi.

In fact, she plans to press ahead with a $233 million space program which calls for India to launch its own satellites, beginning in 1978. That figure conveys some idea of the importance she attaches to prestige.

Of course, space research brings a nation some familiarity with rocketry; India will eventually need rockets to boost her satellites into the sky. Not so incidentally, rockets are also the most modern method of delivering nuclear warheads, as Mrs. Gandhi knows. India became the world's sixth nuclear power a year ago when it set off an atomic device.

Mrs. Gandhi talks quite a lot about peace (a condition which she recommends for other nations but not always for India). And U.S. armament to Pakistan is warlike, whereas Soviet armament to India is peaceful.

Her immediate predecessor, Prime Minister Lal Bahadur Shastri, appeared shocked in 1964 at the thought of India developing atomic weapons. He said that "talk of making bombs has no place in the deliberations of the Congress Party, with pictures of Gandhi and Nehru, apostles of peace, looking down on us."

Mrs. Gandhi evidently believes that the children of India are made of stern enough stuff to toil on indefinitely, 80 per cent of them with insufficient food and nourished largely by the patriotic thought of Indian satellites circling unseen in the wild blue yonder.

1,500 NEW JOBS FOR CLEVELAND, OHIO, AREA

HON. JAMES V. STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. JAMES V. STANTON. Mr. Speaker, on a matter of vital importance to business and labor in the Cleveland, Ohio, area—which has been hard-hit by the recession—I appeared this morning before the House Public Works Appropriations Committee. I would like to share the information I presented there with the rest of my colleagues in this Chamber, because the project in question concerns not just Cleveland but the economy of the Nation as a whole—particularly the steel industry and all the people it employs, both directly and indirectly.

Specifically, I asked the subcommittee to insert in the appropriation bill it is drafting a sum of money that will permit the U.S. Corps of Engineers to construct a new diked disposal site in Lake Erie. This is absolutely necessary to contain dredgings from the Cuyahoga River. The dredging, as you know, deepens the waters and makes it possible for iron ore boats to continue to navigate the river and reach the large steel mills upstream.

The facility is to be located at so-called site 14, offshore from Gordon Park, east of the river mouth. We do have funds to complete the design of this project by September of this year. I regret to say, however—and the business and labor people in Cleveland, of course, sorely regret it, too—that President Ford did not see fit to include any construction money in the budget he has submitted to Congress. Therefore, with the backing of all those concerned both in Cleveland and elsewhere around the country where the steel industry has a direct impact, I respectfully request this Congress, Mr. Speaker, to provide $1 million in construction funds for fiscal year 1976, plus an additional $3.5 million for the transition quarter which will follow—that is to say, a total of $4.5 million for the 15-month period that is to commence July 1.

I am advised by the Corps of Engineers that this money could be spent very effectively if it is appropriated. The $1 million would allow the Corps to advertise for bids and then to begin construction, probably no sooner than next May. But, with the advent of the transition quarter, construction will have been proceeding at full pace for some 2 months, and the $3.5 million would allow that pace to continue for 3 more months. For the next full fiscal year, some $10.5 million will be needed. In all, the estimated cost of the project is $26.5 million.

We expect that it would be completed in June of 1978. This, literally would be in the nick of time. For by then, the existing diked disposal facility in the Cleveland harbor will have been filled to capacity, and dredging would have to halt because there would be no place to dump the dredgings. This would bring much of the activity along one of the Nation's main industrial arteries to a standstill. As you know, the Environmental Protection Agency has forbidden any dumping in the open lake. And for good reason. We cannot tolerate still more pollution.

The $4.5 million that Cleveland is requesting, Mr. Speaker, is not a large sum when we consider the fact that, in the Cleveland area alone, 100,000 jobs are traceable to the steel industry. This estimate is based on four support jobs for each steel employee. In addition, the dike construction itself will generate, directly, some 300 new jobs, based on a Corps of Engineers estimate of 60 jobs per $1 million of construction money. And the employment ripple effect from this, as we know, is, conservatively speaking, describable in terms of a multiplier factor of five—which would mean 1,500 new jobs in an area of the Nation that is sorely in need of a boost of this sort.

I must add, Mr. Speaker, that our not providing this sum for a construction start would also tend to hurt the entire country in the battle against inflation. Dredging is already behind schedule, in large part because the Lake Erie water level is declining. Already, ore boats are having a difficult time getting up the river, and many are being forced to make the trip with less than full loads. This has the effect of increasing the cost of iron ore, and consequently, the price of finished steel products.

Mr. Speaker, I do not address this Chamber as a special pleader for my congressional district. Quite the contrary. I would like to call to your attention the testimony of Brig. Gen. Walter O. Bachus of the Corps of Engineers who said, in his appearance last month before the same subcommittee:

> We have no projects more important than our diked disposal work.

I have been in correspondence with the General, whose geographic area of responsibility might be said to be larger than my own, and I would like to impart to our colleagues here, for their consideration, some excerpts from a letter that the General wrote to me last March 28. He asserted:

> Recent reports from the Lake Survey Center indicate a continuing trend of declining water levels which started last year. The accumulation of shoaling will become critical and could limit vessel movements to uneconomical drafts or in severe cases halt the movements of deep draft vessels. This would serve to cause a serious economic impact on those communities and industries which are dependent upon water borne commerce. In many cases the cost of alternate transportation is prohibitive. In all cases the added cost of alternate transportation would be absorbed by the ultimate consumer. . . .
>
> Because of the additional built-in delay to the dredging program due to the period needed to construct diked disposal facilities, time is of the essence. If disposal facilities are to be built before the water levels recede to the point where continued navigation would become a hazard, we need to move on the program now. . . .
>
> It is imperative that construction of the second disposal facility (at Cleveland harbor) be completed on a timely basis so that the maintenance dredging of this vital harbor can continue without interruption. The Cuyahoga River annually shoals up to a point where the available depth is only about 15 feet. This compares with the authorized depth of 23 feet for this section. The four steel mills located in the upper reaches of the Cuyahoga River depend upon early spring removal of the shoal so that the iron ore shipments can resume after their winter suspension. Interruption of this vital industry would have nation-wide ramifications . . .
>
> We believe that for the economic well-being of the Great Lakes Region, there is no program more important than the construction of the diked areas.

Mr. Speaker, this completes my statement. I would be happy to answer any questions that our colleagues might have, either orally at this time or, if some prefer, in writing, should they see fit to direct any queries to my office. I am hoping, of course, that the project I am recommending to you will receive favorable consideration from this Congress.

A CENTURY OF SERVICE

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. RICHMOND. Mr. Speaker, this month marks the 100th anniversary of the Sisters of the Holy Family of Nazareth.

In the Greenpoint community of Brooklyn, the good work of this dedicated congregation of sisters continues to provide spiritual and educational guidance despite the surrounding turmoil and confusion which is so common these days.

The following is a brief history of this dedicated congregation taken from the program for opening of the centenary celebration held at Our Lady of Czestochowa Church, Brooklyn, N.Y., December 29, 1974:

> A CENTURY OF SERVICE
>
> One hundred years ago, Mother Mary of Jesus the Good Shepherd had founded the Congregation of the Sisters of the Holy Family of Nazareth.
>
> The venerable Foundress was born at Roszkowa Wola in Poland on November 22, 1842 and died in Rome on November 21, 1902. Heaven endowed her with a fine mind, a great heart and a special grace for attracting souls eager to give themselves entirely to God. These remarkable gifts were destined by divine Providence for founding a religious Institute. And it was at Rome that this new Congregation of the Holy Family of Nazareth began with the blessing of Pius IX in 1873 and had officially received its first members in 1875.
>
> The range of activities which the Institute encompassed were catechetics, retreats, primary, secondary and higher education in parochial and private schools, hospitals and clinics, orphanages, homes for the aging and working girls and student residences.
>
> The Congregation today numbers approximately 2100 members serving the Church in Australia, England, France, Ireland, Italy, Peru, Poland, Puerto Rico and the United

> States. In their vision of life and service the Sisters seek to bring light, hope and courage to all whom they serve, reaching out to all levels of humanity.

NEED FOR A PERMANENT 12-PERCENT INVESTMENT TAX CREDIT

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. ARCHER. Mr. Speaker, our present economic situation illustrates the need to increase and encourage business investment in order to provide for more economic growth and create thousands of additional jobs. I am introducing legislation which will provide a permanent increase in the investment tax credit to 12 percent.

The 1975 Tax Reduction Act—Public Law 94–12—took a step in the right direction by increasing the investment tax credit to 10 percent. Yet, this is only a temporary measure. The investment tax credit has become an integral part of the cost recovery system in the Internal Revenue Code but an off-again, on-again approach limits the usefulness of this change. Business in the United States hesitates to make long-range investment decisions based on a questionable availability of the credit in whole or in part.

The past history of the investment tax credit should give us a guide to the future use of this important instrument of tax policy. During the past decade, we witnessed a suspension of the credit 1966–1967, a repeal of the credit in 1969, and 1971 reinstatement of the credit and enactment of asset depreciation range—ADR. Loss of the credit has been followed historically by slackening economic activity and also by lower corporate tax revenues. Renewed availability of the credit has resulted in an increased pace of industrial production and larger corporate tax revenues.

Attempts in the past to fine tune the economy by varying the availability of the investment credit probably have been de-stabilizing on balance—that is, they have produced wider swings in net new investment than otherwise would have occurred with a stable policy. The most unfortunate example was its repeal in 1969 just as we were moving into a recession. This undoubtedly deepened the impact of that recession. Congress needs to enact a permanent increase in the credit to at least 12 percent across the board—including public utilities—at the earliest reasonable opportunity this year so that business can be assured of its continuity and not be forced to second guess the Congress as the provisions of the 1975 Tax Reduction Act expire. Such a permanent change enacted would avoid such problems as order bunching which will likely attend a step-down in the credit in 1977.

We may be standing at the crossroads of a major economic policy change. Our country is becoming more and more aware of the critical need for massive amounts of capital for the modernization of industry, for energy needs and environmental protection, and especially for the expansion of employment opportunities. It has been estimated that business will need at least $2.6 trillion in new capital between now and 1985. This change of a permanent 12 percent investment tax credit would make a significant contribution to the overall capital needs of the economy by increasing the availability of internal corporate funds for capital investment. It is critical that the climate for capital formation be improved.

I strongly urge that rather than create so-called public service jobs which would be temporary and would add to our already growing deficit, it would be far better to provide the necessary climate for capital investment to create new and permanent jobs in the private sector. It will be these jobs in the private sector which will provide permanent and lasting employment for the unemployed, increased revenues for the government as these workers pay their taxes, increased corporate revenues resulting in additional tax revenues, and bring a real spur to the entire economy from growing industrial production.

A permanent increase in the rate of the investment tax credit to 12 percent would be a step in the right direction toward lasting economic recovery.

THE ENDING OF THE WAR IN VIETNAM

HON. ALLAN T. HOWE

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. HOWE. Mr. Speaker, the war in Vietnam has finally ended for the United States, signaling a finish to 15 tragic years of involvement in the affairs of the Vietnamese people.

It is the task of the President, the Congress and the American people to determine where we go from here. Time should not be spent berating ourselves with notions of guilt, but rather we should feel a profound sense of relief that this country recognized the futility of its efforts and left Vietnam to handle its own affairs.

Lessons are to be learned from our experience and wisdom gained from our errors. As we reflect back, an interesting aspect surfaces in our continued belief that we could eventually win the war—"the light at the end of the tunnel." Obviously, there was no "light" and author Clyde Edwin Pettit has impressively pointed out in his book, "The Experts," that many high-ranking officials in Government had believed there was and continually rationalized U.S. involvement and deluded the American people with statements like, "The Vietcong will just peter out."—U.S. Gen. Maxwell D. Taylor, October 27, 1965.

It is apparent that General Taylor's prediction was not forthcoming, and 30 years of persistence and a basic sense of purpose accomplished what 56,737 American lives and 160 billion American dollars could not—victory in Vietnam.

It is unfair, however, to fix blame on any one person or any group and I believe we entered Vietnam with the best of intentions, accompanied with a high sense of purpose that what we were doing was right.

But, opinions changed and what had started out as a minor commitment, progressed into full scale military involvement, dividing this country as no other war in recent history has ever done.

We never believed the war would last as long as it did and "the experts" kept telling us that the end was in sight. But months dragged on into years and the war went on and on, changing proponents into opponents and a vast majority of people in this country, particularly young people, no longer accepted Government explanations. They reacted with protests and demonstrations, indicating that the war had gone on long enough. If what then Secretary of Defense Robert S. McNamara said in 1963 was true, that—

> The South Vietnamese armed forces have now attained the experience, training and necessary equipment required for victory . . . Victory is in sight.

Then why were we escalating our efforts in 1968?

Our "glorious" purpose to make South Vietnam a democracy became a crisis of confidence in our own country—a continual erosion of trust in Government policies and statements.

It is this loss of faith that is probably the most tragic aspect of our long commitment in Vietnam. The people of this country have a right to be fully informed, not lied to and I disagree with statements like that of former Assistant Secretary of Defense Arthur D. Sylvester, when he stated:

> It's the inherent right of the government to lie to save itself. (Dec. 6, 1962.)

It is this kind of attitude that led to our deception that we could win in Vietnam. We could not and events point out the error in our reasoning.

With the ability of hindsight, we can and must avoid situations like Vietnam in the future. Now, it is time for us to look ahead and develop a rational policy based on honesty and mutual trust. Only then can this country effectively reaffirm its commitments both here at home and abroad.

Mr. Pettit's book confirms this belief and places America's position in its proper perspective. Mr. Art Buchwald, in the Sunday, April 27 edition of the Washington Post, devoted an entire article, something Mr. Buchwald has never done before, to Mr. Pettit's book. His article follows:

GONNA MAKE OLD HO CRY UNCLE

(By Art Buchwald)

> There will probably be a lot of finger-pointing about the debacle in Vietnam. It's hard to fix the blame on any one person so, to satisfy everyone's political persuasion, here is a small choice to pick from. A larger choice can be found in a book titled "The Experts" by Clyde Edwin Pettit from which I lifted most of these quotes.
>
> French Gen. Jean Leclerc: "I didn't come back to Indochina to give Indochina back to the Indochinese." (Sept. 31, 1945)
>
> U.S. Gen. Mark Clark: "I am also impressed by the French military plans, by the ap-

parent Vietnamese determination to fight. I could not make any better plans than those already in existence here." (Feb. 24, 1953)

Sherman Adams, assistant to President Eisenhower: "At a Sunday night meeting in the upstairs study at the White House, Eisenhower had agreed with Dulles and Radford on a plan to send American forces to Indochina under strict conditions." (April 4, 1954)

French Brig. Gen. Christian de Castries: "I'm going to kick Gen. Giap's teeth in, one by one." (April 20, 1954)

Sen. Mike Mansfield (D-Mont.): "Ngo Dinh Diem's government stands for decency and honesty while those conspiring to bring him down represent corruption." (April 30, 1955)

U.S. Gen. Earle K. Wheeler: "It is fashionable in some quarters to say that the problems in Southeast Asia are primarily political and economic. I do not agree. The essence of the problem in Vietnam is military." (November, 1962)

Assistant Secretary of Defense Arthur D. Sylvester: "It's the inherent right of the government to lie to save itself." (Dec. 6, 1962)

Secretary of Defense Robert S. McNamara: "The South Vietnamese armed forces have now attained the experience, training and necessary equipment required for victory . . . Victory is in sight." (Feb. 19, 1963)

U.S. Gen. Paul D. Harkins: "By Christmas it will be all over." (April, 1963)

President John F. Kennedy: "I can't do it (withdraw from Vietnam) until 1965—after I'm relected." (Spring, 1963)

Secretary of State Dean Rusk: "Part of the problem (of creating a broad political base in the south) has been that those who have collaborated in the war days and immediate postwar days with Ho Chi Minh were pretty much ruled out of consideration in Vietnam and properly so." (1963)

Secretary of State Dean Rusk: "The Laotians are very interesting people. They don't like to kill each other." (Sept. 15, 1963)

President Lyndon B. Johnson: "We are not about to send boys nine or ten thousand miles away from home to do what Asian boys ought to be doing for themselves." (Oct. 21, 1964)

Sen. J. William Fulbright (D-Ark): "Presently the military operations appear to be going better. There have been reports from a military point of view in recent weeks . . . We have also insisted on continuing the bombing as we did in the spring. The President made some very impressive speeches in that direction." (Oct. 24, 1965)

U.S. Gen. Maxwell D. Taylor: "The Viet Cong will just peter out." (Oct. 27, 1965)

Undersecretary of State Eugene V. Rostow: "I view Vietnam as a problem of order." (Oct. 4, 1966)

Henry Cabot Lodge, U.S. Ambassador to Saigon: "By the end of 1967, there might be light at the end of the tunnel and everybody will get the feeling that things are much better. . . ." (Dec. 6, 1966)

Vice President Hubert H. Humphrey: "Vietnam is our greatest adventure, and a wonderful adventure it is!" (Nov. 1, 1967)

U.S. Gen. William C. Westmoreland: "I have never been more encouraged in my four years in Vietnam." (Nov. 15, 1967)

President Richard M. Nixon: "I will say confidently that looking ahead just three years the war will be over . . . It will be over on a lasting basis that will promote lasting peace in the Pacific." (Oct. 12, 1969)

Dr. Henry Kissinger: "Peace is at hand. . . ." (Oct. 26, 1972)

Joseph Alsop, columnist: "Hanoi has accepted near-total defeat . . . Anyone with practical common sense should be able to see . . . Hanoi's acceptance of near-total defeat . . . The numerous American politicians and thinkers who endlessly said . . . we could never get an honorable settlement . . . look pretty silly." (Nov. 1, 1972)

President Gerald Ford: "I am absolutely convinced if Congress made available $722 million in military assistance by the time I asked—or sometime shortly thereafter—the South Vietnamese could stabilize the military situation in Vietnam today." (April 16, 1975)

ON THE REIMBURSEMENT OF ATTORNEYS' FEES TO ACQUITTED DEFENDANTS

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. KOCH. Mr. Speaker, there have been a great number of requests for my bill, H.R. 6296, to provide for the payment by the United States of attorneys' fees and other costs of the accused in criminal cases where the ultimate disposition is other than a conviction. For those interested in commenting on my attorneys' fees bill, I am placing it in the RECORD for their information. H.R. 6296 has been cosponsored to date by Mr. RICHMOND, Mr HELSTOSKI, Mr. CARR, Mr. DRINAN, Mr. SOLARZ, Mr. BADILLO, Mr. LAFALCE, Mr. HARRINGTON, Mr. SIMON, and Mr. Moss.

H.R. 6296 follows:

H.R. 6296

A bill to provide for the payment by the United States of attorneys' fees and other costs of the accused in criminal cases where the ultimate disposition is other than a conviction

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 201 of title 18 of the United States Code is amended by adding at the end thereof the following:

"§ 3013. Fees and costs for certain criminal defendants

"(a) Except as provided in subsection (b), with respect to any Federal criminal charge of which the ultimate disposition is other than the conviction of the defendant, the defendant shall be entitled to receive, and the United States shall pay, a reasonable attorney's fee and for any other reasonable costs to the defendant of his defense against that charge.

"(b) The court may determine that the payment of a fee and other costs under subsection (a) is not in the interests of justice, in which case the defendant shall not be entitled to receive, and the United States shall not have the duty to pay, that fee and other costs.

"(c) The court may determine that the payment of a reasonable attorney's fee and other reasonable costs to the defendant is in the interest of justice with respect to a criminal charge of which the defendant is convicted. If the court so determines, the defendant shall be entitled to receive, and the United States shall pay, a reasonable attorney's fee and any other reasonable costs to the defendant in his defense against that charge.

"(d) The appropriate United States attorney is authorized to make, in connection with any proceeding relating to the award of fees or other costs under this section, such reports and motions to the court as that attorney deems appropriate, and shall be entitled to adequate notice from the court before the entry of any final order awarding such fees and other costs.

"(e) In any proceeding relating to a determination under subsection (b) or (c)—

"(1) a record of the proceeding, which record shall be available to each of the parties during the proceeding, shall be maintained by the court, and that record shall include the motions and other materials presented by the parties and associated with the determination;

"(2) the court shall consider the following factors in making the determination:

"(A) the cost of the litigation for the defendant;

"(B) the strength of the Government's case;

"(C) whether either party was guilty of dilatory tactics;

"(D) whether either party was guilty of conduct that unnecessarily increased the cost of the litigation to the other party;

"(E) whether the Government was justified in seeking an indictment, taking into account the evidence it was able to produce at trial;

"(F) whether the acquittal or dismissal was the result of a determination on the merits or of a technical rule of law; and

"(G) any other factor the court determines is relevant;

"(3) the court shall state on the record the reasons for its determination; and

"(4) the determination of the court shall be subject to review in the same manner as other judgments of the court.".

SEC. 2. The table of contents of chapter 201 of title 18 of the United States Code is amended by adding at the end the following new item:

"3013. Fees and costs for certain criminal defendants.".

U.S. DEFENSES ABROAD

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. BOLLING. Mr. Speaker, Robert Kleiman's article which appeared in today's New York Times presents a balanced approach to the problem the Congress faces in dealing with President Ford's Defense Department budget. Mr. Kleiman's article follows:

U.S. DEFENSES ABROAD

(By Robert Kleiman)

BRUSSELS.—The annual defense budget debate now under way in Congressional committees in Washington is being watched at NATO headquarters here as a crucial indicator of American foreign policy in the post-Vietnam era.

The North Atlantic Treaty Organization allies feel reasonably sure that the United States will not turn its back on Europe; but they are not as sure as they were a few months ago. Indochina, they believe, was a special case; still, they fear a more generalized American reluctance now to employ military power abroad and even, perhaps, to maintain the East-West military balance upon which West Europe's security depends.

The maintenance of that balance was Secretary James Schlesinger's stated objective in the defense budget put before Congress in February and, especially, the world's *perception* of that balance, not region-by-region or weapon-by-weapon, but over-all.

At that time, détente with Moscow seemed assured. Since then, the world suddenly has become a chillier place in which to live. And NATO analysts note that Soviet arms, Soviet diplomacy or Soviet-oriented Communist parties—while nowhere the only factor—have contributed to the change from Indochina through the Mediterranean to the Middle East. Thus, military equilibrium now is seen as even more imperative, both for America's allies and for the Soviet Union, where adventurist tendencies otherwise might be further encouraged in the Brezhnev succession struggle—to the further detriment of détente.

What is less clear is the precise military program in the United States required for this purpose. For example, as long as a chance remains in the strategic arms limitation talks (SALT) to head off a Soviet first-strike capability against American silo-based intercontinental ballistic missiles, American self-denial of a similar capability is essential. Such a capability, deployed on both sides, would be the ultimate horror, putting a "hair trigger" on nuclear war.

An Armed Services subcommittee headed by Senator McIntyre of New Hampshire last week rightly voted down funds for a half-dozen projects to develop more accurate silo-busting warheads for American long-range missiles. It also voted down funds to speed up development and production programs for the B–1 strategic bomber—at $86 million per plane. Other, less expensive replacements for the obsolescent B–52, while opposed by the Air Force, have support in the Pentagon and among defense scientists.

This kind of item-by-item review of the defense budget is a vital Congressional function. In strategic weapons programs particularly, the Pentagon's new budget requires serious challenge and debate. But, otherwise, Mr. Schlesinger's energetic reforms, unequaled since the early days of the Robert McNamara era, and the main thrust of his program are surely right.

The priority given to conventional forces, particularly those committed to NATO, focuses on the country's most vital interest abroad as well as the decreased credibility of nuclear retaliation in an era of strategic parity. The drives to increase the "teeth-to-tail" ratio in the Army, to procure less sophisticated fighter planes and ships and to improve the reserve forces provide imaginative answers to the problems of high pay and reduced manpower that have accompanied the shift to a volunteer army.

The Congress is unlikely to suggest any further reductions in military manpower. With 2.1 million men under arms, 600,000 below the pre-Vietnam levels of 1964, the American forces now are only half as large as those of the Soviet Union, which have increased from three-million to four-million men since the early 1960's. Nor are significant naval cutbacks likely; with less than 500 ships in the active fleet, the U.S. Navy is down to half its pre-Vietnam strength and smaller than at any time since 1939.

Some cuts undoubtedly will be made in the over-all $104.7 billion in obligational authority requested for the 1976 fiscal year—primarily to modernize the conventional forces—with expenditures during the year to reach $94 billion. The Senate Budget Committee already has proposed a spending ceiling of $90.4 billion, the House committee $89.7 billion. Cuts in this range are traditional and the Congress is unlikely to be dissuaded from them by President Ford's current appeals.

But in constant dollars, discounted for inflation—including increased pay and petroleum costs—the fact is that American defense spending has been declining over the past two years. If restored to the 1973–74 level, as the Administration proposes, it would still be below 6 per cent of G.N.P., as compared to 8.3 per cent of G.N.P. in pre-Vietnam 1964. Soviet defense spending, on the other hand, has been increasing in real terms by 3 to 5 per cent a year and now exceeds America's.

In these circumstances, what clearly is required is a normal Congressional review of the defense budget, rather than the meat-ax cuts some younger Congressmen are suggesting.

SENIOR CITIZENS AND THE ECONOMY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. DOWNEY. Mr. Speaker, on March 3 I held a day-long public hearing in my district on senior citizens and the economy. I heard testimony from more than 2 dozen witnesses, including heads of senior citizens organizations, agency directors, and some very outspoken individuals representing themselves. The hearing room was filled with interested older Americans anxious to be heard by their Congresman as well as by the various public officials who were also in attendance.

Mr. Charles Hervich was one of the witnesses. He is a senior citizen who is living on his social security and pension checks, and who very eloquently tells us what it is like to grow old in America. I think my colleagues would do well to read Mr. Hervich's testimony which follows:

TESTIMONY OF MR. CHARLES HERVICH

Mr. HERVICH. Yes.

Honorable Congressman, Thomas J. Downey, ladies and gentlemen:

From your opening statement, sir, you have indicated a big knowledge of the difficulties which are confronting the senior citizens of the whole country and not only in Islip, but I am here to speak for Mrs. Elsie De Fretus who is now deceased.

If Mrs. De Fretus were alive, I am sure that she would not have attended this type of hearing nor given voice to her plight and despair.

She was a gentle lady of dignity and a pride that would not permit her to ask for more than was allotted to her by her government, her state and a small pension.

But, if this hearing on the economic problems of senior citizens is to be complete and meaningful, the economic problems of Mrs. De Fretus must be told as written by Mr. James Wooten of the New York Times.

"When Mrs. Elsie De Fretus could no longer afford the cost of living, she died. She was nearly eighty years old, and she survived somehow for a long, long time on her meager widow's pension of $186.50 a month, frugally measuring it against the rising prices, scrimping and scraping and skipping meals, making do with less and less each day, until finally, on a recent morning at an ancient hotel in this city, she crumpled quietly to the floor of her dark and tiny apartment. She weighed seventy-six pounds. An autopsy found no trace of food in her shrunken stomach. "Malnutrition" the coroner concluded. "Surrender" sighed an elderly friend. "She just stopped believing tomorrow would be better."

This is the epitaph of senior citizen Mrs. Elsie De Fretus.

Her economic problem was that her pension of $6.20 a day was not adequate to sustain her life of independence.

It is ironic that if she had entered a nursing home in Connecticut, the government would have paid twenty-three dollars a day for her care, or $690 a month.

In New York, the nursing homes are paid thirty dollars a day, or $900 a month.

President Ford proposes to hold the Social Security cost-of-living increase to five per cent. Mrs. De Fretus would have received thirty-one cents more each day.

These are some other economic problems for senior citizens between the ages of sixty-two and sixty-five which seem to be unjust discrimination: 1. At age sixty-two, a person is eligible for Social Security, and, if of necessity, they apply for payments, they will suffer a reduced monthly payment for the rest of their lives.

2. In addition to this penalty they are not eligible for Medicare. Premiums for Blue Cross coverage are approximately forty dollars a month.

3. They are not eligible for reduced tax benefits although their incomes may be far below the $6,500 per year. This exclusion is coldly indifferent to actual need and circumstances.

Senior citizens of age sixty-five are not eligible for town tax exemption if their total income including Social Security payments exceed $6,500.

Neither the state nor federal governments consider Social Security payments as taxable income. Social Security payments should remain exempt from any inclusion as income for tax benefit plans.

If a national health plan is considered, would senior citizens be covered until they reach the age of sixty-five when they would be eligible for Medicare?

We sincerely hope that if such legislation is passed, it would be controlled by the Social Security Department and not private business empires.

The vast personal data of each citizen within its files and data banks could be used readily for processing payments with a minimum hazard of the organized costs of a private enterprise.

Thank you.

The CHAIRMAN. Let me ask you as a representative senior citizen and articulate spokesman, what do you see for yourself as a future? Do you have enough to live on? Does the government provide you with enough?

Mr. HERVICH. I am one of the fortunate persons. I retired at sixty-two. I applied for Social Security benefits. I have a comfortable retirement income from the company for which I worked for thirty-two years, and I contributed to the retirement plan. I am not in any financal distress, but I am distressed about the plight of many of my friends and senior citizens.

The CHAIRMAN. In your contact with government personnel, how have you been treated?

Mr. HERVICH. Very well. Social Security seems to be extremely solicitous of my problems—especially Patchoque—that might confront me personnally. We are welcomed and treated well and expeditiously.

The CHAIRMAN. Do many of the senior citizens in Suffolk County own their own homes?

Mr. HERVICH. I would like to tell you about this woman who owned her own home. She was one of those persons between sixty-two and sixty-five. But, she said, "I hope I can last until December. Then, I will be able to qualify for the reduced tax payments on my home."

Those were her statements.

The CHAIRMAN. Let me see by a show of hands, how many of you here today own your own homes.

(Whereupon, hands were raised.)

The CHAIRMAN. A significant proportion.

One of the proposals that one of my colleagues has made is to increase the amount of federal revenue sharing sent back to the state and local governments so that they might be able to further reduce your property taxes as a result of the increase in federal revenue sharing. I think it's a pretty good idea, and it might be one of the things we are co-sponsoring in the new year.

Mr. HERVICH. One of the avenues of aid to senior citizens seems to be bypassing a direct route. That is from the government to the person, to the recipient, to the person on Social Security, the senior citizen. There seems to be diffuse routes being established and set by agencies in different departments of the government which dilute and diffuse funds into different departments where only a limited number of citizens will be eligible and benefit by these plans, but, if the payment was made directly to the senior citizens—for instance, Mrs. De Fretus would have been able to maintain an independent life of her own and not starve to death.

There are other people who adjust their lives in their homes so they can keep their homes until they qualify for reduction.

The CHAIRMAN. Of your frame of reference and those you come in contact with, are the programs and agencies that the federal government have established meeting the needs of the senior citizens? Do you feel they are? Again, on a scale of one to ten.

Mr. HERVICH. I will not qualify myself as being able to answer that.

The CHAIRMAN. What kind of services do you think are missing from the community?

Mr. HERVICH. The only one I can think of is what I have just stated. More payments directly to senior citizens and not other diffuse means.

The CHAIRMAN. One of the problems the government has in terms of trying to provide adequate income levels is the establishment of some sort of criteria for payment levels, and, as was mentioned before, this is one of the problems that senior citizens have to go through, inadequate income reevaluation, which is difficult.

Mr. HERVICH. It's difficult if you don't have a car. In Long Island, if you don't have a car, you are essentially stuck in your home unless you can find a bus, and, if you can, let me know.

The CHAIRMAN. Do you think that the income test is sound? I happen to think it's an unnecessary procedure. I think it can be improved so that the senior citizen can mail in an affidavit. I think the government needs to check at least once a year to find out if the income is adequate or if it's not adequate, and, also, if the person is being fair in asking for what they are asking. Do you think that is too much to ask?

Mr. HERVICH. I was wondering if this was necessary. The government has established a minimum wage for all workers of this country. How about a minimum Social Security payment for senior citizens which we would be realistically capable of surviving on?

The CHAIRMAN. Again, there are a number of bills that have been offered in Congress to provide minimum income floors for senior citizens. Without question, they will be coming up for approval or disapproval in this coming year.

For your enlightenment, one of these is the amount dedicated for programs to senior citizens, the Older Americans Act, not including Social Security, is $500,000,000 which in itself seems like a lot, but, when you consider you have some 12,000,000, 13,000,000 senior citizens, in terms of programs we require for them, it's really not that much.

Later on in the afternoon, I'd like to go through a laundry list of things that the Senate Committee on the Aging has prepared where the President feels—and I disagree with him—there should be cuts. There are any number of programs like the Older Persons Act, Social Security and Medicare.

As I said in my opening statement, I think this is a mistake. I think this is the last avenue we should cut.

HORRY COUNTY TOBACCO QUEEN

HON. JOHN W. JENRETTE, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. JENRETTE. Mr. Speaker, it was my privilege yesterday to welcome to our Nation's Capital the reigning Tobacco Queen of Horry County, Miss Robyn Hughes, a gracious and lovely young lady from Loris.

Miss Hughes won the title during the 1974 Horry County Tobacco Festival, sponsored by the Conway Area Chamber of Commerce. Miss Hughes is a rising senior at Coker College and is the daughter of Mr. and Mrs. Henry C. Hughes. She is a marketing major at Coker and plans a career in fashion merchandising and marketing. She exemplifies all that is fine and good in the young women of South Carolina's Sixth Congressional District.

She is secretary of the rising senior class at Coker as well as a commissioner, Coker College representative, and senator in the Student Government Association. She has served in the college dance troupe, as chairman of the May Day activities and as an attendant in the May Court. She also has been named to the Senior Who's Who.

We are proud of her and her fine family—a family I know well and for whom I feel a great deal of affection and respect.

THE RISE AND FALL OF POLITICAL IDEALS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. DERWINSKI. Mr. Speaker, since there has been a great deal of debate over the subject of the War Powers Act and its interpretation as it relates to the end of the Vietnam war, it might be practical if we would look into the matter objectively, recognizing that conditions do change and Members often find themselves reversing previously held positions.

This point is very effectively made by Jon Margolis, a member of the Tribune's Washington bureau, in his column which appeared in the Wednesday, April 23 edition of the Tribune:

WHOSE OX?—THE RISE AND FALL OF POLITICAL IDEALS

(By Jon Margolis)

It is 1985 and the right-wing dictatorship in Paraguay has been overthrown by a popular uprising led by populists dedicated to democratic government.

Shocked, the oligarchy led by an air force general, regroups in neighboring Bolivia, and with the help of the rightwing military government there begins a counterrevolution.

The people back the new government, but the forces of the dictator control the skies. The new government needs time to organize itself, and finally, in desperation, the provisional president calls on the United States for help in defending his country against saturation bombing.

President Edmund G. Brown, Jr. wants to help. So American fighters go in and quickly sweep the counterrevolutionaries from the skies. But three U.S. planes are shot down and their pilots killed. At the end of 30 days, a Congress more conservative than the President invokes the provision of the War Powers Act.

The American planes leave, the Paraguayan counterrevolutionaries return to the offensive and democracy in Paraguay is snuffed out.

In the U.S., liberals call for amending the War Powers Act which they passed over the veto of a conservative President more than a decade earlier. Conservatives say the law is just fine as is.

Well, that's all a fantasy of course, and nothing precisely like that is likely to happen. But something substantially like it could very well happen since the only certainty is that nothing is certain.

At any rate, the fantasy serves to illustrate what hundreds of historic examples also prove—that a procedural change which benefits one side today can benefit their opponents 10 years from now.

It also underscores the reality that politicians are not always talking about what they seem to be talking about.

The War Powers Act, for instance, was conceived and passed by the political heirs of those who favored lend-lease and other foreign interventions in the 1930s. It was opposed by politicians who fought those earlier measures fiercely, never tiring of quoting George Washington's warning against "entangling alliances."

The oldest argument in American history is the one between federal power and states' rights.

In modern times, liberals under Woodrow Wilson and the two Presidents Roosevelt expanded the power and the spending of the federal government while conservatives like Barry Goldwater opposed it.

But the ideologies may not be as inconsistent as they seem. In each case, the conservatives were supporting the wealthier class and the liberals championing the poor, workers, and small farmers.

What changed was the situation. In the early 19th century, a strong government spent money on public projects benefiting the commercial interests more than the yeomanry. By the 1930s it passed labor laws and collected Social Security taxes benefiting workers more than industrialists.

All along the argument wasn't about political philosophy. It was about money.

Twenty years ago, it was Southern segregationists who raised the banner of states' rights. Some may really have felt deeply about it, but there is little doubt that what they wanted to preserve was racial segregation, not a constitutional principle.

Now who calls for states' rights? Liberal environmentalists concerned about a national administration which wants to mine more coal and build more nuclear power plants, while many governors and majors do not.

Then there is politics, where a "boss" is a leader you don't like and a leader is a boss you do like. It is also where one side's parliamentary ploy to block passabe of a bill is a "brilliant maneuver," while the same tactic used by the opposition is "dirty pool" if not downright illegal.

Last month a group of Democratic women tried to get their party to refuse to hold its 1976 convention in a state which had not ratified the Equal Rights Amendment to the federal constitution.

The women acknowledged that they were trying "to use some political muscle" to get Mayor Daley to order "his" legislators in Springfield to switch their votes on the amendment.

These same women are in the "reform" wing of the party, and such "reformers" earnestly, believe that political bossism is bad, and that the lawmakers should be guided only by their consciences or the wishes of their constituents.

Unless the constituents and consciences disagree with the reformers. In this case, the liberal women had no qualms about using the alleged powers of "Boss" Daley.

All of which proves that when public figures begin espousing broad principles of government, law, economics, or politics, take a look at just whose horn is goring whose ox.

THE SOCIAL SECURITY DEBATE

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. MURTHA. Mr. Speaker, there are very few issues that will face this Congress that will have greater long-range importance than the debate concerning social security.

I would like to present for the RECORD the following article featuring an interview with Robert M. Ball, former Commissioner of Social Security. I believe it adds to the debate on this most important subject.

The article follows:

BALL ON TAX FOR SOCIAL SECURITY AID

Robert M. Ball has been involved with the Social Security Administration since he went to work in 1939 as a petty official in the Newark district office. He served as commissioner of the system from 1962 to 1973, and is now scholar-in-residence at the Institute of Medicine of the National Academy of Sciences. Ball was interviewed by Washington Star Staff Writer Ned Scharff.

Q. *Many observers of the Social Security system are saying that it's in trouble financially. Do you think Social Security can continue to function as it does now?*

BALL. Well, the system does need more financing. I think the best way to look at this is in two parts. There is a short-range financing problem which grows out of the present economic situation. And then in the next century there is the possibility of a problem in Social Security financing which grows out of an expected change in the age composition of the population. I have no doubt that the promises of Social Security will be met by the U.S. government, but, as I say, some additional financing will undoubtedly be needed.

Q. *Where do you think that should come from?*

A. Well, it would not be good economics to raise Social Security contributions, taxes or premiums, at this time, but obviously you can't let the deficits go on. It is very important that the income to the program be raised so that it is in excess of the benefit payments that have to be made just as soon as an economic turnaround. I would not do it until the economy is on the upbeat. But when that happens, I would propose that the maximum amount on which people pay and the maximum which is credited to their benefits be raised to $24,000 a year.

Q. *That is you would advocate an increase in the tax base rather than in the tax rate itself?*

A. The tax rate which falls on everybody under Social Security is now 5.85% and that is a fairly sizable rate if that applies to workers of all levels. If you increase the base it applies only to 15% of workers under the system who have the highest earnings. In other words, 85% of workers today have all their earnings counted toward those security benefits and they pay on those earnings. The 15% at the upper end do not.

Q. *Would you agree that it makes it a regressive tax that falls hardest on low income earners?*

A. I don't think really it's correct to look at Social Security finance primarily as a tax. It's the purchase of retirement insurance, disability insurance and of life insurance. People are paying for a protection and what they pay is marked for the purpose of Social Security. Now if you look at it as a complete system, then it is not regressive because the benefit amounts that people get are weighted in favor of the lower wages. If you look at both of what you pay in and what you take out the lower paid wage earner has a break as compared to the high-paid wage earner.

Q. *But generally, a man or a woman retiring now on nothing other than Social Security benefits would find it pretty difficult to lead a decent life?*

A. No, I don't think so. I think the way to judge a retirement system like Social Security or Federal Civil Service or private pension is the relationship of the payment made to the recent earnings that the individual has been getting. And for people retiring today under Social Security, the worker who has been earning the federal minimum wage, he and his wife together if he retires at 65, would be getting benefits at about 80 percent of what he had been earning in the years just before retiring. The worker earning the amount that the average male worker would get, he and his wife together would be getting about two-thirds of what they had been earning just before retiring.

Q. *When the system was introduced in 1935, it was designed not only to provide a minimal income for the elderly but at the same time to get elderly people out of the job market to help clear the way for younger people. Is that fair or wise?*

A. I feel very strongly that there should be increased opportunities for older people to work. I think that it ought to be up to the individual whether 65 is the right age for him to stop paid employment and start something else, volunteer work and other activities or whether he wants to continue in a regular or part-time job. However, I do not believe that a retirement system should be paying people who aren't retired any more than a disability insurance system should be paying people who aren't disabled. And I think it would be a great mistake to turn the Social Security system into what the insurance people call an "annuity program," which just gives you the benefit because you reached age 65, say. Up till now the philosophy has been that it's retirement insurance designed to partly make up for the income you lose when you retire. So you need some sort of a test of when a person is retired and the present provision in Social Security seems to me reasonably satisfactory.

Q. *But as far as retirement itself goes, do you think the government is proper in making this a basic humanitarian goal?*

A. I think at age 65 what I'd like to see is the opportunity for people to choose. I'm against forced retirement. I think the trend toward compulsory retirement in industry is undesirable, particularly if we take note of the problem of a high ratio of older people to 20 to 64-year-olds in the next century. The more older people who have the opportunity to work, the less economic burden therefore they would be. At the same time, I think if individuals are willing to accept a somewhat lower level of living as they do under well-designed retirement systems, then I think that's acceptable. I think what we want to do is enlarge choices.

Q. *The present Social Security Advisory Council suggests that part of the burden in the next few years be paid out of the general treasury. How do you feel about that?*

A. I'm very much against the specific proposal made by the advisory council. What they suggested was that the Medicare program, the health insurance program providing hospitalization for older people and disabled people, be supported 100 percent out of general revenue, not be a contributory system at all. The reason I'm opposed to that is that I believe that if Medicare was supported entirely out of general revenues there would be a good possibility that in the future that an income test might be introduced. People might say, in effect, well if this is all being paid for from general revenues why should the protection be given to people who could take care of it on their own. You'd soon find I think that instead of an insurance program, like Medicare now is, you'd have turned it into a relief program. Now on the larger question of general revenues for the Social Security program as a whole I am not opposed to that if it's kept to a subordinate part of the financing for the long run. I see no need to introduce general revenues at this point. I'd be for raising the maximum earnings base to $24,000 which I think helps on the benefits side as well as on the financing, and that would carry the program for many many years into the future. If in the next century we find that the commitments of the present program still need additional financing at that time, I would be personally in favor of the gradual introduction of some general revenue financing, both on the cash program and on the health insurance. Not putting it all one way or the other.

Q. *One of the most difficult questions about the future of the system is that as we become an aging society with fewer workers proportionate to the number of retirees in our society, the current level of benefits may well be impossible to keep up some years from now without severely damaging the economy. How do you feel about this?*

A. I don't agree with that at all. It seems to me that we are now into the question of the long range financing of Social Security and I think the problem your raising really applies to an estimated or projected situation that begins about 2010. Assuming an accumulation of low fertility rates, by about 2010 the people of working age, those between 20 and 65, in absolute numbers will come to a halt and the numbers of people above 65 greatly increases for a period there between 2010 and 2030. Now that just taken in itself would create an additional economic burden on the people of working age, and this is aside from Social Security. This would be true if you were to support an entire elderly population entirely out of private pension plans or if you were going to do it out of relief or assistance or if you were going to do it all from the wages of their children. That kind of a shift in the larger number of retired people vs. people of working age would apply to any matter. But the point I want to emphasize is that exactly the same in birth rate that has brought what we have just described also results in a lot fewer children and so that the people of working age, the 20–64 group, we have no more dependents to support in an economic sense than they do today. As a matter of fact, they have less. There are fewer combined dependents, that is those under 20 plus the group over 65 as a ratio to those of 20–64 than is true right now today.

Q. *So it would certainly be easier for them to prepare for retirement?*

A. Yes. Maybe the long-range problem could be described as: how do we translate the reduced burden of caring for and raising children on the willingness of people of working age to pay higher rates for retirement benefits.

CONGRESSMAN DAVE OBEY VIEWS LESSONS OF VIETNAM INVOLVEMENT

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. KASTENMEIER. Mr. Speaker, our colleague, DAVE OBEY of Wisconsin, at an April 12 address before a ROTC dinner at the University of Wisconsin-Stevens Point, gave a perceptive analysis of the tragic American involvement in the Indochina conflict and cited the lessons that we, as a people and as a nation, should learn from this horrendous experience.

Mr. Speaker, I highly recommend to our colleagues a careful study of this outstanding and important speech:

SPEECH OF REPRESENTATIVE DAVID R. OBEY

At the time I accepted your invitation to speak, none of us had any idea this dinner would take place at a time of such turbulence and tragedy in Southeast Asia.

Vietnam and Cambodia are slowly but inexorably crumbling. And if we are honest with ourselves and with the American people, we will face frankly, the fact that there is very little we can do to prevent it.

We can try to provide humanitarian aid, hopefully through international arrangements and organizations, but we cannot change the inevitability of history.

These next few months and years will be a testing time for us. What will be tested is not our will—as some have suggested—but rather our wisdom and our perception.

Some will say—they are already saying—that the "loss", and I put that word in quotation marks—the "loss" of Vietnam and Cambodia is symptomatic of our national retreat from the world.

They will point to congressional resistance to the President's defense budget as evidence that Congress is unwilling to meet our responsibilities in the world. Those who believe—or say that—are just plain wrong.

Congressional resistance to this year's defense budget is not rooted in its desire to retreat from world responsibility—not yet, anyway.

Rather, it is rooted in our unwillingness to cut $278 M. from health research on cancer, heart disease, and all of the other real and present everyday medical dangers faced by Americans, as the President has requested.

It is rooted in an unwillingness to cut $12 M. from job assistance programs we provide for older workers.

Or to transfer $1.9 billion in food stamps and medicare costs from the government to the most needy among us—especially the elderly on fixed incomes as the President has requested.

It is rooted in an unwillingness to delay passage of a national health insurace program and an urgently needed welfare reform program, while giving the Pentagon $15 billion in new spending authority as the President has asked us to do.

No doubt you've heard the President say that Congress should pass no new programs in this fiscal year. If you believe that's right, then you should oppose the President's new Defense Budget because while it contains no new programs in a technical sense, in reality that Defense Budget is laced through with new initiatives.

Let me just quote a few sections of a Library of Congress study of the Defense Department prepared at the request of my committee—the House Committee on Appropriations:

In page 4, the report states: "The administration has chosen FY '76 as year to expand, modernize, or make-up previous year underfunding in a wide variety of general purpose forces. As a result of major increases in this budget category, real growth in baseline forces spending is greater than in any year since 1967."

For tactical air forces, that study says this: "Modernization of tactical air arms of each service continues at an accelerated pace."

For operation & maintenance: "While a substantial portion of the increases required for operation & maintenance relates to pay increases & general inflation, there is real program growth of $652 million."

On arms limitation, the report says the following: "SALT II guidelines authorize the U.S. & Soviet Union 2400 strategic nuclear delivery systems each year.

President Ford has expressed an 'obligation' to reach that ceiling. Since each Trident costs $1 billion & each B-1 $86 million, substantial savings could result if the U.S. could provide for its defense with strategic weapons even slightly below that ceiling."

On production support for foreign military sales, C.R.S. reports the following: "This $300 million item constitutes a new program."

On the relation of the fiscal year '76 budget to national security, C.R.S. reports the following: "FY '75 was a year for new strategic weapons initiatives. FY '76 is the year budgeted for expansion, refurbishment, modernization, and readying general purpose forces."

You might say, well—maybe Obey's right about the defense budget, but if Congress had just given $300 million more to Vietnam, and $75, $80, or $150 million more to Cambodia, things would be different.

That, ladies and gentlemen, is an illusion. The United States gave $110 billion, 55,000 lives, and endured 12 years of social and economic disruption at home. We tore our own country apart.

We can now indulge in a period of long and bitter recrimination, name-calling, and witch-hunting which will weaken us both at home and abroad, or we can try to learn some lessons from this experience and find the grace and wisdom to move on as a stronger, wiser and eventually more united people.

To do the latter we must face some hard facts: Our involvement in Vietnam was the most tragic American action in at least a generation.

That involvement was a direct and tragic result of the warped perspective from which our policymakers—and the American people themselves—viewed our role in the post World War II world. And that warped perception is a direct result of the bitter and wrong-headed "who lost China" debate which followed the fall of Chiang Kai-shek to Mao Tse Tung in 1949. In 1949 we did not heed Winston Churchill's warning to the House of Commons in 1940 when he said: "If we open a quarrel between the past and the present, we shall find that we have lost the future."

In the aftermath of Vietnam and Cambodia we are in danger of repeating that pointless and destructive parody, and again losing our future because too few Americans ever learned the one lesson that could have been learned from the fall of China.

And what is that lesson?

That lesson is simply that in some areas, international political developments are beyond our control because of local considerations such as resurgent nationalism, government ineptitude, corruption, indigenous social and cultural realities and the like.

There were a few—and only a few—public voices who tried to teach us that lesson in the 40's and 50's.

But for their efforts, General Vinegar Joe Stillwell, John Patten Davies, and other State department experts on China were drummed out of government because they had dared to predict that Chiang Kai Shek's army was so ineffective and his regime so corrupt that he had little popular support and could not survive.

General George Marshall was smeared by men like Joe McCarthy and the other primatives in Congress because he had been unable to save a decaying regime from itself. America went through a 10-year search for scapegoats which gained us little but bitterness and obscured our understanding of one of the most important revolutions in modern history. Out of it was born an entire generation of attitudes and myths about the nature of American power and the nature of our security.

And so, for 20 years discussion of foreign policy at the public level degenerated into a "we hate communism more than you do" debate between political factions in this country.

A whole generation of politicians came to power in that kind of atmosphere. Not only did they view virtually every local power struggle in the world as a contest between Marxism and capitalism, they also lived in constant political fear of being charged by each other with potential blame if one square inch of territory was added anywhere in the world to Communist rule. And few were more active in leveling those charges than a young California Congressman named Richard Nixon.

And so, because of the political dialogue of the times, a substantial number of Americans swallowed the domino theory and came to believe that it was our duty to directly confront communism and defeat it in every region of the world no mater how distant, and no matter how confusing the local political situation, and no matter what the cost to America.

And that's how we came to Vietnam. And it wasn't just a presidents' war although obviously several presidents led us into it. When we first got in and for some time thereafter, the polls showed that the majority of people in the country were angry with President Johnson, not because he had gotten us more deeply involved in Vietnam, but rather because he wasn't fighting the war hard enough and escalating it fast enough. Even the New York Times was busy denouncing neutralism.

The Washington Post was denouncing Wayne Morse as a dangerous dissident for his speeches against the war. Most demands in those days weren't for less air power and less bombing, they were for more—on the theory that we could save American boys by increasing the number of planes and the size of bombs and the number of targets. And so we did; and so we did.

After three more years of war, one President was brought down, and Richard Nixon came to power with the promise to end the war. But this basic policy was still to fight a delaying action until that long-awaited day when the South Vietnamese could make it on their own.

You remember the phrase—"Vietnamization"? Within the last weeks, the best-equipped, most modernized, best trained units of the South Vietnamese army lay down their American-supplied weapons and fled from the northern provinces without even making a stand, pushing their own civilians—women, children, old men, orphans, aside, in their panic.

If these events have taught us anything, it is that we cannot determine the outcome of political fights in tiny countries such as Vietnam and Cambodia.

We can diplomatically try to affect events, but we cannot control them, no matter how much money we spend, no matter how many lives we spend, because we are fighting in a country that is not ours, it is someone else's.

Their cultures are different.

Their desires and values are different.

Their political structures are different, and it is beyond our capability to have much direct affect on political and social developments in that part of the world.

If we don't have the common sense to face that unpleasant reality, our efforts may produce results which are less in our national interest than events which would have unfolded without our efforts. The fact is we blew it in Vietnam twenty years ago, not last month, or last week. But twenty years ago.

Johnson administration sources told members of Congress ten years ago that if we had allowed elections in 1954, Ho Chi Minh would have won, because he was Vietnam's George Washington. But the U.S. determined that while we had our George Washington, Vietnam wasn't going to have theirs.

Whether we would have liked it at the time or not, Ho would have been elected in 1954, and would have established a Tito-type government in Indochina which would have been independent, and it would have been a lot better for us than the kind of government we are facing now.

Henry Kissinger's statement that Thieu is partially right when he suggests that people in Congress who vote against further aid to Vietnam are traitors is an absolute absurdity.

President Ford's announcements almost daily that if Vietnam and Cambodia go down the drain, U.S. credibility is going to be shot down in the world, are a colossal blunder.

The real danger is that it will become a self-fulfilling prophecy. Not because the Congress may believe him—they won't—, but because the more the President suggests a definite connection between Vietnam and Cambodia and our commitments to the rest of the world, the more the rest of the world is likely to begin thinking along those lines.

We are going to have to face the fact that Cambodia and South Vietnam are going down the drain and the Communists are going to control them.

There are ways that we can use our influence and our resources to make that process more orderly and less painful and bloody in human terms.

But aside from that, the only thing we can help influence in some small way now is whether those regimes are going to react to us in future years in a somewhat independent way, similar to Tito, or not.

We need to understand we have not "lost" Vietnam and Cambodia—because they were never ours to win or lose to begin with—any-more than China was "ours" to win or lose. No amount of money, and no amount of men can impose from the outside a solution which isn't in keeping with the traditions and history and social pressures within countries like Vietnam and Cambodia. And Vietnamese society is of such resilience that our solutions cannot forge their societies and government structures, and that is the lesson we are learning now.

Just as no amount of education can make an idiot a genius, no amount of outside help can make an essentially incompetent or narrowly supported regime a victor.

The most dangerous and serious consequence of Vietnam is not that it represents an American unwillingness to keep its commitments. The real danger is that it is leading to an inability to differentiate between commitments which are essential to our national interest and commitments which are not.

And it is that inability to differentiate between essential and non-essential commitments that can lead—and is, I am afraid rapidly leading—this country to a return to the "nobody but us" philosophy that America followed in the 20's and 30's—which contributed to the inevitability of World War II. When I see a study showing that there is only one country that the majority of American people would be willing to send troops to defend:—Canada (not even Western Europe, but just Canada), that scares me. It ought to begin to scare all of us, because we do live in a real world.

In that world there are several countries which are not especially friendly and I do believe that we do have a direct national interest in the freedom and independence of Europe, the Middle East, Japan and several other areas of the world.

But there will be a natural, and in my view, irresistable reluctance on the part of the American people to recognize that fact of life unless they are convinced that American policymakers will differentiate between commitments that are necessary and commitments that are stupid.

There is another dangerous consequence of Vietnam fall-out which concerns me. That is the tendency of too many people—in and out of government—to blame the past 10 years on the military. Well, I think there is a lot wrong and "Mickey Mouse" about the military, but there is also a lot wrong and "Mickey Mouse" about the U.S. Congress. I frankly believe that in the last 10 years the generals more often looked like members of an optimists' club than hard-headed policy planners with their advice to the White House on Vietnam and other areas.

But we are simply being unfair and inaccurate if we do not recognize that it was in the end a political decision made by civilian leaders which committed us to that war which accelerated it, and finally prolonged our withdrawal from it.

We will not get better military advice in the future if we allow our frustration with past bad military advice to turn us against the military as an institution. That will only guarantee that the choice young potential military minds in the country will stay away from military service as a career and that would not just be bad for the military, it would be catastrophic for the country.

Both of those consequences can be avoided if we accept with maturity the truth that there are limits even to the powers of a mighty nation like the United States.

The British learned in the 18th century that the cost of defeating a 13-colony guerrilla force operating many thousands of miles away was just too high, and we are learning virtually the same lesson. How we talk to each other in the next year will determine whether we really can learn to define our national interest in a more limited, and realistic and more promising fashion.

The fundamental lesson we must now understand is that the world is neither our private possession, nor our personal responsibility. While we should be aware of other lands and other peoples and care about them, we do not own them, and we cannot manage their affairs to our own liking.

That doesn't mean we should withdraw from the world. There is simply no way we can afford to. But, there are sound, practical limits to what the United States can and should do to influence events in all parts of the globe.

In the case of Vietnam, while I think there are grounds for questioning the wisdom of our involvement in this civil war, I do not believe our performance there raises doubts about our national honor and fortitude.

It raises questions about our wisdom and judgment but I personally can think of no other nation which would have sacrificed as much as we did in blood and treasure for as long as we did for such a hopeless and uncertain cause.

I think we have done all that is humanly possible and morally demanded for the people of South Vietnam. If they are losing now it is not for a lack of American support. Their arsenals are well stocked with the best in modern weaponry and there is still a backlog of previously appropriated military and economic assistance available to them. However, they apparently lack some things which we cannot furnish them: Strong national leadership, and cohesiveness and the will to win.

This is unfortunate, but it is not the fault of our government, the Congress, or the American people.

Our great task now is to define our real and necessary role in the world and to do so without mutual recrimination and artificial divisions of patriotic thought and feeling.

It will not be easy. Our experience in southeast Asia has been one of too much pain and loss and grief for a decade, for ourselves and others, to permit any easy forgetting of that tragic era.

"Even in our sleep", as the poet aeschylus wrote, "Pain which cannot forget falls drop by drop upon the heart until in our own despair against our will, comes wisdom through the awful grace of God."

I pray we find that wisdom, and with it a sense of national unity and purpose for the future in defining America's real role and interests in the world, in a way that will prove to have made the pain and sacrifice of the last decade at least in part worthwhile.

AGING BLACK WOMEN AND THE NAACP

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. CLAY. Mr. Speaker, little is said and even less done about the plight of the elderly in our country The reasons for this have never been clear to me. Clearly there can be no other category of people whose lives touch each of ours more directly. And if fortune favors, most of us will experience the problem firsthand.

In a recent speech given before the Third Annual Conference of the National Caucus on the Black Aged, Inc., Mrs. Margaret Bush Wilson, chairwoman of the board of directors for the National Association for the Advancement of Colored People, provided fresh perspectives on a change of course. I commend this speech to my colleagues' attention and am inserting it in the RECORD at this point:

AGING BLACK WOMEN AND THE NAACP

In 1970, in this country of the committee and the caucus, there was founded yet another organization calling itself the Gray Panthers. The similarity of name to a certain militant black group is not just coincidence. The avowed purpose of the Gray Panthers is to challenge and eliminate arbitrary discrimination against someone or some group on the basis of age—any age.

What is particularly interesting about the Gray Panthers is that it is a coalition of the young and the old—because both groups suffer discrimination on the basis of age alone. In the words of one of its founders, Maggie Kuhn, "We would like to see the energy, time, experience and accumulated skills of older Americans released and put to work for social change and social justice".

For the first time in over forty years, older citizens are organizing. We also know that the fastest growing segment in this nation is the older population. Today some twenty million elderly make up ten per cent of America's total population. At the present rate of increase, approximately half of the population will be over fifty years of age by the year 2000!

What then can we expect? What will life in this country be like twenty-five years from now? This requires some speculation, but there are trends and unmistakable signs and signals.

One of the most disturbing is that the over 65 community is the only group in which the number of poor is rising.

Alvin Toffler warns in Future Shock that we may be overwhelmed by the pace and rate of change. He complains that, despite extraordinary achievements, the United States is a nation in which tens of thousands of young people flee reality by opting for drug-induced lassitude; a nation in which millions of their parents retreat into video-induced stupor or alcoholic haze; a nation in which legions of elderly folk vegetate and die in loneliness; in which the flight from family and occupational responsibility has become an exodus. . .

This country of ours is a youth-oriented culture—in great part this is the result of its big immigrant population. The devastating purveyor of the youth cult is commercial television and its calculated indifference to the old. The reasoning is cynically pragmatic. Older people represent a limited market. They are interested, if at all, in only a restricted way in purchasing automobiles, appliances, furniture or any of those other things that are sold so successfully by television. We in America rely on the marketplace for broadcast income as well as other sales. Madison Avenue clearly believes that market includes the unmarrieds, the young marrieds, and the middle-aged who still think young. The key is to reach the largest number of people at any given time—it has to do with advertising rates. So it is inevitable that the economic base of commercial broadcasting tends to eliminate most programming designed for a minority audience—like the elderly.

The paradox is painful—the media can be the most effective and best way of mass communication and consciousness raising for the elderly—but the economic necessities of commercial television insist that it is not feasible because it is not profitable.

If not commercial television, then what other means to provide information about services, to bring to the attention of the public the plight and needs of the elderly and to promote the programming that will fill those long days and evenings which so often are filled with loneliness and isolation.

There are two resources—neither at the moment adequate or remotely fulfilling its potential—the one is public broadcasting, the other is Cable TV. Both could be tremendously effective in promoting variety in programming to serve the interests of groups like the elederly. This then is one of the challenges for the National Caucus on the Black Aged, black women and the NAACP.

And it is urgent that we not minimize or place low priority on mass communication and public information strategies. Indeed, I suggest to you that the civil rights movement of the sixties was victim of a skillful and cynical strategy to de-emphasize and de-legitimatize the consensus for civil and human rights that had been forged by one of most impressive civil rights coalitions that America has yet seen.

This de-emphasis and de-legitimatizing was done with a kind of public relations blitz that is still in motion today. "We Shall Overcome" and "hand in hand together" were suddenly replaced with other popularized phrases—"benign neglect", "southern strategy", "forced bussing", "reverse discrimination"—and most disconcerting of all—leaders in government coining and encouraging the use of this language and in the process, confusing some, disturbing others and effective undermining the thrust of the civil rights movement.

In 1975, the strategy has moved to the public school—and we are now being confronted with the astounding premise that this bulwark of our democratic society is perhaps no longer needed. So-called experts are publishing studies and reports claiming that massive data reveals that our public schools are not really very relevant.

I would remind all of you—and particularly black Americans—of the historical fact that the foundations for more democratic living in this country were forged during what I call the "Remarkable Reconstruction". Black Men and Women just out of slavery understood the value of public education. In all the constitutional conventions called during that period and in the State Constitutions which were drafted in 1867 and 1868, free public education was an essential cornerstone. Between 1865 and 1870, some 247,333 pupils found their way into 4,329 schools in the South. Our ancestors understood then what it ill behooves us to forget in today's society.

It is a harsh but certain fact that people who are unskilled and uneducated, of whatever color, are unneeded in our present and future society. Our concern must be with capability and competence, not color and complexion.

This becomes then the second challenge for the National Caucus on the Black Aged, black women and the NAACP. Learning ability does not decline significantly with age. The ability to learn at ages 50 and 60 is about equal to that at age 16! Tests show with stimulus the brain can potentially perform to a maximum through age 90.

Senility is not an inevitable result of human growth. Studies show that senility is a conditioned response, especially prevalent in a society such as ours which is preoccupied with youth. We must stop ignoring the needs of older Americans in educational planning.

Specifically, the National Caucus on the Black Aged, the NAACP and black women, particularly young and old, must raise some questions with our urban universities. And by urban universities I mean those universities located in the heart of or on the edge of urban areas. The opportunities of the plain fact of physical location require a new set of demands upon such universities.

These universities cannot afford to be isolated. We must make demands upon them to meet the intellectual, cultural, social, recreational and occupational needs of older Americans. These universities have served everyone else who has come along and asked for help—for example, the farmer, the science-based institutions, our industries, the defense requirements of the country and the business corporations. Now it is time for them to serve the city and those with special needs in the urban community where so many minority group elderly are concentrated.

Nor is it enough to rely on just those members of the university community who happen to be on the Continuing Education or Extension payroll or the public service functions of the urban university. All members of the academic faculty must be involved, *should* be involved, in the service functions of the university. We must ask these universities what and where are your special courses and your special programs and your special efforts to recruit, select and educate students—young and not so young—from the inner cities and prepare them for the positions of responsibility and leadership. Does this effort have any priority on your campus, in your university, and if not, why not?

To the trend toward an older population, the potential, in the future, of using mass communication and the idea of a learning society throughout life, must be added one more unmistakable sign of the future. Stated briefly, it is the crucial role that energy will play in our future destiny here in America and in the entire world.

You will note that I have used the word "role" not "crisis" in relating to this matter of energy, for it seems to me that whatever energy crisis we purportedly have is man-made and can be unmade by men of wisdom commited to the public good.

There are those who insist we are at the crossroads on the whole subject of energy, and that it truly relates to survival on this planet. We need to ask ourselves what this postwar transformation of agriculture, industry and transportation really means. Why did we switch from soap to detergent—from railroads to trucks—from cotton, wool and wood to sythetic plastics. The answer is easy to discern. It paid. If survival is at stake, the time may have come to insist for the future that decisions about crucial subjects like energy be made first in terms of what is for and in the interest of the public good.

Let me turn now to the basic problems of the elderly, and particularly elderly women from the black community. Many of you in this audience are quite knowledgeable on this subject. You are aware that most older black people in America over 60 live in metropolitan areas. That the pressing and oppressive problems are poverty, inadequate health care, indecent housing and restricted recreation and transportation services all intertwined with the pervasive uncertainty that hovers over our urban communities because of rising crime.

What becomes immediately apparent is that these pressing and oppressive problems—poverty, inadequate health care, crime, indecent housing and the like are also a part of the continuing agenda of the N.A.A.C.P. And, in the sixties, these were in the forefront of the thrust that accompanied the unprecedented display of unity in the civil rights movement of that decade.

The result was a consensus on civil rights in America that propelled this country forward in unprecedented fashion. But what was even more significant is that this movement was led by, or had the backing of, our people in the upper and middle classes while at the same time, it was supported by the great masses of our people from all walks of life.

What seems to have escaped many is that this broad-based kind of movement is rare and uncommon in American life. It is in my judgment, however, the key to lasting social progress.

But the sixties also released diverse forces, some good, some bad some easily understood, some most perplexing.

Some of these forces, such as a tilt toward violence—that is, answering violence with violence—have played themselves out. Others, such as an awakened sense of pride, are now taken for granted. It was not too long ago that a major sect of black people renounced hatred of whites as a cornerstone in its philosophy. In Mississippi, and throughout the rest of the old South, where there was bitter racial hatred, there is now peace.

We have matured considerably—white people as well as black people. But we are only 200 years old—America, that is—still a young country with growing pains.

But, with growth comes emotional pain—and uncertainty. This, too, is a stage which we now face as a nation.

Today, this great nation of ours appears to be adrift. Caught up in a period of rapid change, both internally and externally, many have succumbed to the temptations of easy solutions.

What happened—what slowed the momentum—what turned America aside from the exciting quest, just when it seemed that we were on the verge of a lasting victory for human dignity and equal opportunity under law?

I call the culprits—the three "V"s—Vietnam, Violence and Venom.

Vietnam is so painfully obvious now. Fifty thousand lost American lives and two hundred fifty billion dollars of our substance later, we are watching the appalling disintegration of a myth that we Americans were led to believe was a reality. Let us learn the lesson well and pass it on as wisdom for all generations to come. Not even in America, with all its wealth, can we have guns and butter. Let us never again permit our leaders to propel us into a war—declared or undeclared—without insisting that we pay for it as we go. All of us are now enduring and experiencing the economic disruptions and hardships of inflation, unemployment, erratic prices and tight money that without question stem from the misguided policies adopted to carry the cost of Vietnam on credit.

And then there's violence. Somewhere in some of our colleges and universities I hope we are teaching and training the minds and spirits of people who will someday sift through the history of these times in search of the real truth. Mine is not an idle wish, for intuitively I sense that in the words of the venacular—we in the civil rights movement were "sandbagged".

The exciting and devastating impact of our protest in the sixties was on the hearts and minds of all Americans because of a tactic that bewildered some, puzzled others and disarmed our opposition. It was the strategy of non-violence.

And then if you recall, at the height of our successes—something inexplicable happened. Suddenly, we were confronted with a crop of "instant leaders" with strident voices preaching hate, separation, violence and what is even more significant mounting a studied campaign to discredit the Martin Luther Kings, the Roy Wilkins, the Whitney Youngs and the A. Philip Randolphs. Almost overnight, the NAACP, which all these years in the minds of so many whites, was one step above the subversive, became a conservative organization out of step with the times. By whose pronouncement? Recall it carefully—it was a substantial part of the press and communications media which also produced and promoted our instant leaders. It was an effective ploy and the most gullible were our hostages for the future. Our children—many of whom were led away by these pied pipers and are now bewildered or disenchanted—because there was no lasting substance there and they find nothing left on which to hold.

I say to all of them and to all of you learn well the lesson and, in these times, look to those organizations and institutions which, in spite of it all, have endured—with their credibility and integrity intact. The NAACP is most certainly one of these and merits not just your support but continued loyalty.

Then finally there is Venom—except it is carefully concealed and contrived and pervades this nation under false colors. But we must recognize the labels and be on guard—benign neglect, southern strategy, bussing for racial balance, reverse discrimination and perhaps most disconcerting of all leaders with tunnel vision who tell us, as they did in the 1968, that we don't have a choice. Is there anyone now who seriously believes and dares to say, we had no choice between a Richard Nixon and a Hubert Humphrey in 1968?

We must now move to retrieve and revitalize the coalitions of the sixties. We must recognize that problems of rebuilding the cities, devising new forms of transportation, meeting the challenge of the energy crisis, developing a universal health care program and a sound economic base for society are not exclusive problems of the elderly, black Americans or black women.

The challenge is to forge again a broad based movement supported by the great masses of our people. Although for some Americans of African descent, the status may still be elusive. The fact is that for the first time in the history of the world, we live in a country of abundance. There are today enough goods and services available in these United States so that every American could have a decent standard of living.

The crime and violence in our streets are desperate and defiant acts of people living in such an affluent society, who feel left out and unneeded, but who refuse to forfeit the "things" that they believe make the good life. At the risk of startling some and leaving others aghast—I say rather firmly that just as lowering the speed limit on our highways reduced the death rate, putting a floor under the incomes of Americans will reduce the crime rate. There is no need in an affluent society for anyone to live in poverty.

Some insist that the great question today is whether the masses of blacks will become a permanent underclass in America. I say there must not be an underclass, and it most certainly must not be black. This is the real challenge today for the NAACP, for the civil rights movement and for the National Caucus on the Black Aged, The Congressional Black Caucus and all the other caucuses that have emerged in the various disciplines.

And because the NAACP has the structure and network through its more than seventeen hundred branches to reach the grass roots of our communities—and because it is a membership organization with its financial base centered in that membership—and perhaps most significant of all because the Association continues, despite the times and events, to be among those few institutions and organizations in our society with its integrity and its credibility still in tact—it merits broad-based support by all Americans.

My friends, the race that is set before us in these times is compelling and urgent. Someone has said, and I believe rightly, that civilizations fall not because of some mystical force, but because political and intellectual leaders fail to meet the challenge of change: It is this challenge we face now.

If America can rebuild a war-torn Europe, America can rebuild her great cities. If Americans can make possible a rendezvous in space between a Russian and American astronaut, we can remold a transportation system in this country to help us reach each other. If, in the past, we have been able to set our creative minds to the solution of current problems and conceive and carry out stabilizers like a social security system, federal deposit insurance protection for our bank accounts and a rural electrification program to light our farms, we can turn our minds to the creative solution of today's problems.

The need is for courageous leadership, moral strength, spiritual values, abiding commitment to this nation's true ideals and belief in the nobility of the human spirit.

As one of our former presidents of the United States has said:

"The test of our society is not whether we give more to those who already have enough, but whether we give enough to those who have too little".

The National Caucus on the Black Aged, since it was formed in November of 1970, has been committed to one group in our society who have had too little. You have understood the special problems of elderly black Americans who bring to their older years a life time of social and economic indignities.

My call to you now is to join your special advocacy of the black elderly with that of other groups who seek similar goals in health care, income security, housing stability and the essential need to place emphasis now on the public interest rather than private gain.

The time has come as President Stephen Horn of California State University has said, to revise our concept of "old" to "long living" and to accent not the declining powers of aging but the rising knowledge and experience which results from a long life.

This ought to be a special activity of black women who have rightly earned the accolade of being enduring and indestructible.

STATEMENT BY NORMAN Y. MINETA, MEMBER OF CONGRESS, REGARDING THE SURRENDER OF SOUTH VIETNAM

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. MINETA. Mr. Speaker, the announcement late last night that the Government of South Vietnam has unconditionally surrendered to the Vietcong and North Vietnamese must strike all Americans as the final chapter in a sad and tragic epic.

For nearly 30 years, the United States has been involved in a war we could never win, because it was not our war, not our Nation, not our cause. When the American Government first decided to subsidize the French in their fight against the Viet Minh, and then when we decided to take up the fight after the rout of France at Dien Bien Phu, the United States set upon a course which could lead only to military failure, economic displacement, domestic upheaval, and a loss of national purpose, not to mention incalculable deaths and sorrow.

All Americans, no matter what their partisan persuasion or their past utterances relative to the Vietnam war, today must be saddened by the suffering and bloodshed inflicted upon millions of human beings, be they American, Vietnamese, Cambodian or others, over the period since the mid-1940's when we first got involved in Indochina.

But, America must also look to the future. We cannot allow ourselves to forget the lessons of Vietnam, yet national self-flagellation will serve no purpose. We must commit ourselves to world peace through brotherhood and understanding, not through bullets and bombs.

Tomorrow, the next day, next week, and in the weeks and months ahead, we face an important challenge and a unique opportunity to take steps toward the renewal of the historic concern our Nation has shown toward people in need.

I am referring to the plight of thousands of Vietnamese refugees who have arrived, or will be arriving, on our shores. We cannot shirk our responsibility to care for those who have suffered from forces beyond their control.

I realize that a great many citizens, including some in the 13th Congressional District in California, oppose the arrival of refugees in our country. Some of the opposition stems from fear for health, for economic stability, for jobs. Sadly, others have voiced objections which stir simmering recollections of racial discrimination and hatred.

As an elected official, I will work to minimize adverse effects on our communities. As an American of Asian ancestry, I will seek to maximize human understanding and to fight ugly manifestations of racism. But, most importantly, as a resident of "Planet Earth," I will strive to insure that our Nation does whatever it can to be just, to be humane, to be in a position to ease human suffering.

Our Nation must adopt as its creed for the future honesty with itself and with others, compassion for all, no matter what their color, their geographic origin or their politics. To ignore the lessons learned from the pain of Vietnam would be to compound a tragedy already too great, and to deepen a sadness already universal.

HAILE'S GUITARS ARE TRUE STARS

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. CARTER. Mr. Speaker, all of my life I have been acquainted with Hascal Haile, who is perhaps the most talented guitar maker in the United States. His family has always been musically inclined. I remember, years ago, hearing his brother and him as one played the violin and the other the guitar and both sang. For years he was an expert cabinet and furniture maker. His cabinets and furniture were made from hardwoods such as cherry and walnut. He was one of the few men in the country who could construct spiral bedposts, all four matching perfectly. He took great care in staining and varnishing his cabinets and furniture so that the substances used seemed to be part of the wood. Later, he began the manufacture of guitars. The same artistic talent and devotion to detail went into the construction of these fine instruments which are used now by leading guitarists, both classical guitarists and by country music stars.

I include for the RECORD the story of this wonderfully gifted craftsman:

[From the Louisville (Ky.) Courier Journal, Apr. 28, 1975]

HAILE'S GUITARS ARE TRUE STARS

(By Billy Reed)

TOMPKINSVILLE, KY.—If you go to the free Bobby Goldsboro Kentucky Derby Festival show tomorrow night in Louisville's Freedom Hall, take a moment to check out the country singing star's fancy 12-string guitar—the one inlaid with abalone around the edge, with the Tree of Life on the finger board.

The guitar was made exclusively for Goldsboro by Tompkinsville's Hascal Haile—one of the most gfited guitar craftsmen in the United States. He spent more than a week putting Goldsboro's guitar together, for the relatively bargain price of $2,000. Says Haile, proudly, "Bobby said it was the prettiest piece of work he had ever seen."

Haile's guitar "factory" is located in the basement of one of his two neighboring houses just outside this little southern Kentucky town near the Tennessee border. One house serves Haile and his wife as living quarters, the other as a combination guest house and workshop.

To an outsider, Haile's basement is a nightmare of clutter and confusion, full of dust and stacks of wood and mysterious machines. To Haile, however, it is home. He knows where every piece of wood is, what every tool does.

Wearing his old baseball cap, with a black band around his head to hold his glasses in place, Haile works exclusively at night. One reason is that he concentrates better after midnight. Another is to avoid the constant interruptions, visits and phone calls from the musicians from nearby Nashville, and lots of other places, who want to talk to Haile about his guitars.

On the average, Haile turns out one guitar a week for clients ranging from college students to country-music stars such as Hank Snow, Dolly Parton and Porter Waggoner. By far his most important client—and the one by which his talent is most easily measured—is Mr. Guitar, Chet Atkins, thought by many to be the finest picker in the world.

Atkins first tried one of Haile's guitars in December 1971. Since then, he has been ordering four or five a year. In fact, Chet and Haile have gotten to be such fast friends that often Atkins slips away from the hurly-burly of Nashville to visit Haile in Tompkinsville, where they sit up to all hours working and talking about guitars.

"Chet says that a couple of my guitars are the best he's ever seen," says Haile. "But if he doesn't like one, we'll talk about it and then I'll make another one. He can do anything in the world with a guitar. Does a lot of his own repair work. As you might expect, he's really good with his hands."

Haile, 68, didn't get into the guitar business in a big way until late in life. The son of a man who ran a saw mill and country store on the banks of the Cumberland River, Haile and his family had to make almost everything they used—including guitars and banjos—because they were so remote.

"Everything we got, we got by steamboat," recalled Haile. "You couldn't get a guitar down there. We didn't even have a highway to Glasgow. The first banjo we ever made, we stole one of Mother's cake pans and made a neck for it. Then we robbed a hen's nest and sold the eggs to get some cheap string and we played up a storm."

Haile's brother Tom made banjos using groundhog skins. Once, said Haile, Tom ran out of groundhogs, so, instead, he caught their mother's tomcat and skinned it.

"Mamma loved that old cat," said Haile. "Every night she'd feed him biscuits and gravy. Well, she was heartbroken when the cat disappeared. Went out and called it every night. She never learned it was in the house, on a banjo head."

Down by the riverside, Haile learned to make furniture, and he subsequently ran a furniture store in Tompkinsville from 1936 until his "retirement" in 1960. Only then did he begin to develop his hobby—making guitars—into a lucrative, enjoyable business.

Making a fine guitar is not something to be learned overnight. The old Spanish masters used to spend more than 200 hours on a single guitar, Haile says. Although he deplores the way mass production has all but stamped out his craft, Haile uses machines to cut down on production time—but without losing whatever it is that makes his guitars special.

Asked his secrets, Haile says only that "nobody strings a guitar quite like I do." He also says it's important to match the right kind of woods with the purposes of a particular guitar. He can expound at length on, say, why a classical guitar should be made of white silver spruce on top and Brazilian rosewood on the back and sides. Each wood, or combination of woods, produces a different sound.

Although the price of wood has skyrocketed, Haile tries to suit the price of his products to the pocketbook of the buyer. He insists he makes guitars mainly for the fun and satisfaction of it.

"Bobby Goldsboro told me I was just giving guitars away at the prices I charge," he says, "but, you see, I wouldn't give two cents to be a millionaire. I sell 'em cheaper because of the appreciation the musicians show. Musicians are artists, and when I make guitars for them, they give me their appreciation—and their friendship."

BOUQUET FOR A BUREAUCRAT

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. STEIGER of Wisconsin. Mr. Speaker, Washington is often described as a transitory city. People flow in and out of the Nation's political center.

Many individuals offer their knowledge and expertise in public service with the Federal departments and agencies. Most go unrecognized for their contributions.

Recently, one of these "bureaucrats" left the Department of Labor to return to private industry. His contribution to a difficult job has been notable. He will be missed. Rarely do journalists praise bureaucrats, but a recent writer for the Wall Street Journal has done just that. His comments are directed to Dick Schubert who was the Under Secretary of Labor. I would like to share this editorial with my colleagues, and take this opportunity to thank Dick for his guidance and assistance:

HERE'S A BOUQUET FOR A BUREAUCRAT

(By James C. Hyatt)

WASHINGTON.—Dick Schubert left the Labor Department last week, a fact which won't generate many headlines.

Whatever party is in power, there are always dozens of persons around town who fit his general description: high-level bureaucrats who operate the controls of government for a time before returning to a law practice, an academic chair or a corporate job.

Moreover, Mr. Schubert has been only No. 2 at the Labor Department for the past two years, a deliberately invisible Under Secretary to his boss, Secretary Peter Brennan, who just returned to his old job as head of the New York Building Trades.

But at a time when government's prestige is low, when corruption and conflicts of interest have toppled many public figures, and when Washington often seems unable to keep up with events, it is reassuring to consider the contributions of Dick Schubert.

As George Meany said on television the other day, "to be practical about it, Dick Schubert is running the department." To some extent, that's true of all Under Secretaries. They're generally the key staff officials who oversee a department's day-to-day operations.

But under Mr. Brennan, the job became much more than that. The Secretary never claimed to be an economic heavy-hitter in White House policy circles; with his blunt-spoken ways, he preferred to focus on what he called "the problems of the little people," the ordinary workers he encountered in his travels around the country. And he had the added burden of a constant cold shoulder from George Meany.

"Brennan was relatively unsophisticated politically," suggests one Washington labor lawyer who worked with both men. "He didn't know how to do the infighting, not only in Congress, but within the Executive Branch as well. To Brennan's credit, that was the role Dick Schubert took over. It takes a lot of sense to know he ought to leave those things to Schubert as a pro."

The Dick Schubert fan club stretches all around the city. A congressional view: "He was a good peacemaker," says a committee staff member. "He stood out as a guy of rational behavior and good temperament."

A White House view: "He is typical of the group of people who keep the government running," says Paul O'Neill, deputy director of the White House Office of Management and Budget. "Dick Schubert has brought real improvements in the way the department attempts to manage its business," he says.

Now 38, Mr. Schubert has spent the last five years in key Labor Department posts. He left a labor relations job at Bethlehem Steel Corp. in 1970 to become executive assistant to James D. Hodgson, who then was Labor Under Secretary. He remained his assistant when Mr. Hodgson become Secretary of Labor, and in late 1971 was named the Labor Department's solicitor, its top lawyer. Mr. Schubert returned to Bethlehem Steel for three months early in 1973, but was called back to Washington as Mr. Brennan's Under Secretary.

He leaves his $40,000-a-year post in government, to return to Bethlehem Steel, with few visible enemies. Among other things, he's given credit for setting a high standard of personal conduct. For example, he got a chauffeur's license so he could drive his government car to and from work, to avoid the expense of paying overtime to a government driver due to his 12-hour days and weekend work.

Associates note that he is a deeply religious man "without being overbearing or self-righteous about it." As Under Secretary, he regularly conducted a prayer breakfast at the department. And his beliefs carried over into the legislative arena. "He tended to assume the best in people all the time, and that's the way he personally treated people as well," says an acquaintance.

Much of Mr. Schubert's work at the department was on legislation. For a solid year, he held daily meetings to coordinate the department's views on the long-pending pension reform bill, which Congress passed last year.

He was particularly instrumental in helping negotiate the two major job-discrimination settlements the administration has signed with AT&T and the steel industry. The settlements for the first time commit the government's civil-rights enforcement apparatus to a set of conditions for employers to meet, a pattern which may become common in the future.

A colleague recalls that Mr. Schubert finished work on the steel agreement around 5 o'clock one morning, went home and changed clothes, took his son to a father-son breakfast at school, and returned to the office for more meetings.

To some, Mr. Schubert was considered the proper choice to succeed Mr. Brennan in the department's top job. "But maybe he was too self-effacing," suggests an admirer. Certainly he never campaigned for the assignment.

Indeed, in recent months, like many young top-level federal managers these days, Mr. Schubert was becoming more attracted to work outside the government. Many are leaving because pay for top-level federal employes has been frozen for five years.

Bethlehem Steel approached him with an appealing offer which he felt wouldn't be available for long. And by returning to his former employer, he'll have a chance to qualify for a pension tied to his previous service there. Finally, he'll be able to move into the house he bought in Bethlehem, Pa., in 1973 but has never occupied, and has been unable to sell in the current housing crunch. And he'll be able to resume something approaching normal working hours.

Still, it is no surprise that when John T. Dunlop was named to head the Labor Department recently, the immediate question among department employes, unions, business groups and congressional watchers was: "Can he find another Dick Schubert?"

UNEMPLOYMENT RATE MUST COME DOWN

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. DOMINICK V. DANIELS. Mr. Speaker, in the 1960's, it became common for economists and public officials to call "acceptable" an unemployment rate of 4 to 4.5 percent. A rate of 5 percent or more indicated that some form of action to spur the economy was required.

The times have certainly changed. Today economists are speaking of unemployment figures that may hover in the 7-percent range for the next 2 years, finally level off at approximately 6 percent in 1978 and remain there for as long as a decade.

Is this now to be an "acceptable" level of unemployment? The answer must clearly be "no." This society cannot sustain unemployed persons numbering between 5 and 7 million without enduring tragic consequences. I am convinced that such high jobless figures over a long period will cause untold suffering, frustration and resentment that no free society can endure.

Surely, Americans in all walks of life are entitled to employment opportunities, to be able to work in a meaningful job and to participate in the abundance of American life. Is the promise of America only to apply to some and not to others? Are women and blacks and Spanish-speaking citizens going to be left out of the mainstream of American life because they are hardest hit by unemployment? Are elderly workers going to be forced to retire early to make jobs available to younger workers?

I believe it is incumbent upon this Congress to start looking at these long-range questions and begin to formulate a national policy to alleviate joblessness. An article from a recent Wall Street Journal on the subject of long-term unemployment is particularly illuminating, and I include the full text at this point:

[From the Wall Street Journal, Apr. 29, 1975]

AFTER THE TURN: AS RECOVERY COMES IT WON'T MEAN JOBS FOR MANY UNEMPLOYED

(By James P. Gannon)

The nation's economists are nearly unanimous in predicting that the recession will "bottom out" soon and a recovery will get started this summer or fall.

Their reasons: Federal tax rebates and withholding cuts will start pumping billions of dollars into the economy next month; inflation is cooling, which means less erosion of consumer purchasing power; businesses are rapidly selling excess inventories, so factory production will increase; the stock market's rise and an improvement in consumer confidence also point toward a recovery.

But what the economists mean by a recovery may be of little immediate benefit to the laid-off construction worker, the housewife unable to find a part-time job, or the June college graduate with no prospect of employment. For many such people, the end of the recession may be a long way off.

"There is a tendency to think that the recovery means a prompt return to full employment, and that is wrong," says Leif H. Olsen, senior vice president and economist at First National City Bank in New York. "What I stress is that the turnaround economists talk about is a statistical phenomenon. For the country as a whole, we will be operating at low rates of capacity and high unemployment for some time," Mr. Olsen predicts.

HERE'S THE RUB

Consider a fairly typical recovery forecast as an illustration. Otto Eckstein, a former White House economic adviser who heads the economic research firm of Data Resources Inc., predicts that "some kind of an early turnaround is virtually inevitable" because tax cuts will spur consumer spending. His forecast—more optimistic than some—shows the economy resuming a 2% annual growth rate this quarter after falling at a record 10.4% in the first quarter. Then the recovery will produce healthy growth rates of 7.4% in the third quarter and 5.9% in the fourth period, he predicts.

That's a pleasing-looking "statistical phenomenon," all right, but what does it mean for unemployment: That's the rub. The Data Resources computers calculate that, after peaking at 9.3% this summer, the jobless rate will drift down so slowly that it will still be 7.9% at the end of 1976 and will average 7.5% for 1977.

The problem is that the current recession is so deep that even a healthy recovery wouldn't restore economic activity to the pre-slump level until late 1976. Meantime, the working-age population keeps growing. Economists figure that it takes growth rates of around 4% a year just to absorb normal labor-force expansion, so actually whittling down the jobless rate—now at a post-Depression high of 8.7% of the work force—requires rapid and sustained economic expansion.

THE ECONOMISTS' DOUBTS

Many economists and businessmen doubt the U.S. economy will grow fast enough to drop unemployment back to a more normal 4% to 5% range in the foreseeable future. "I don't think we will have either the capital or the energy resources to propel the economic growth" needed to achieve that, says R. Heath Larry, vice chairman of U.S. Steel Corp. "I think we will have a continuing high level of unemployment" for the next decade, he adds.

Economist Michael Evans, president of Chase Econometric Associates Inc., predicts that for the rest of the decade, at least, 6%

will become a new jobless-rate plateau for the U.S.

This means the U.S. probably faces the longest spell of high unemployment since before World War II. Even in the 1957–58 recession, the worst in postwar years until now, unemployment was at 7% or higher only for eight months. Many economists now see another two years of 7%-plus joblessness, and the Ford administration's January budget projections had unemployment holding that high until mid-1978.

UNSETTLING EFFECTS

A long-term drought, economists and other analysts say, would have deeply unsettling effects:

In terms of job scarcity, women, blacks and young people will be hardest hit; they will form a huge pool of "discouraged" work-force dropouts not measured by unemployment rates.

Competition for promotion will intensify, especially in the swelling ranks of well-educated workers aged 25 to 34, the postwar baby-boom generation.

A glut of college graduates will have harder job hunting in the next few years, and many may have to accept unchallenging or boring jobs for which they are over-qualified.

Conflicts between black and white, male and female, and young and old workers over jobs and promotions may increase.

Even harder to predict than the economic implications are the social and political consequences of years of high unemployment. "I think we could be in for some serious social and political trouble before we are through with this," worries Gardner Ackley, a former White House economist now teaching at the University of Michigan. "The situation presents opportunity for populist politicians to really make inroads against the moderate leadership of both parties by playing upon people's dissatisfactions," he figures, mentioning Alabama's Gov. George Wallace and former California Gov. Ronald Reagan by name.

Black leaders are concerned that high joblessness will stall black economic progress. "I'm not predicting riots in the streets," stresses Andrew Brimmer, a former Federal Reserve Board governor, "but I am talking about economic stagnation." Mr. Brimmer, currently an economics professor at Harvard University, contends that the slow recovery path projected by administration officials implies a 10% to 11% black jobless rate in 1980 and says that "this means absolutely no improvement in the job status of blacks over the rest of the decade."

The Urban Institute, a Washington-based research outfit, recently completed a study of the recession's likely impact on job-market conditions for various worker groups. The institute's economists concluded that "virtually every major demographic group (will) suffer job losses, with the groups already worst off in the labor market being hit hardest."

The study compares prospective employment conditions in 1976—using the Ford administration's projected average jobless rate of 7.9%—with employment conditions at a "normal" 4.9% rate. A leading conclusion is that much of the recession's impact won't show up in the unemployment figures because many discouraged job seekers will drop out of the labor market and thus won't be counted as unemployed.

This phenomenon already is evident. The Labor Department has been collecting data since 1967 on the number of "discouraged workers" who have given up looking for jobs. Up until this year, the total fluctuated between 550,000 and 850,000. But in the first quarter of this year, as the recession deepened, the discouraged-worker total jumped to a record 1.1 million, 73% higher than in the third quarter of 1974.

The Urban Institute economists count 4.3 million "recession victims" in 1976, including 2.8 million more unemployed than a normal jobless rate would produce, and 1.5 million discouraged workers. The uneven impact of the recession on various groups is illustrated in the following figures, comparing recession-level unemployment with normal unemployment, including the discouraged-worker effect:

For white males in the prime working ages of 25 to 59 years, the jobless rate rises to 4.6% from a normal 2.1%, but there is only a small dropout of 55,000 discouraged workers.

For white women aged 25 to 59, a category that includes millions of wives who want to work, the recession jobless rate rises even less—to 5.2% from 3.8%. But there is a massive dropout of 1.2 million discouraged women who give up the job search.

For black teen-aged males, the jobless rate jumps to nearly 36% from a normal 28%; that is more than double the white-teen-age-male rate of 17%, which rises much less. The discouragement effect also is much higher among black teenagers.

"Women and blacks have made important gains in the job market in recent years," the study says, but "a long and deep recession can wipe out their hard-fought-for improvements. . . . Where jobs are scarce, these groups will tend to be left out."

There is another threatening aspect to the buildup of a vast pool of 1.5 million or more discouraged workers. When an economic recovery begins and they hear that chances of finding a job are improving. Most of these "hidden unemployed" will start looking again. Their reentry into the work force then will tend to retard the decline in unemployment figures, economists say.

Other underlying trends that might have created difficulties even without a recession may lead to real trouble because of high joblessness. Key among these is the enormous bulge of young workers trying to begin and develop careers in a difficult economic environment.

Between 1970 and 1980, according to Labor Department figures, the number of people aged 25 to 34 in the work force will swell 51%, to 26.8 million from 17.7 million. These are the postwar babies, who will make up one-fourth of all U.S. workers by the end of this decade.

Arnold R. Weber, formerly assistant secretary of labor for manpower and now provost of Carnegie-Mellon University in Pittsburgh, says these workers face "ferocious competition on the career ladder" because of their sheer numbers. In typically colorful imagery, Mr. Weber says this bulge of ambitious, well-trained young people will move through the labor force "like a pig through a boa constrictor." The task of "digesting" this bulge, he believes, will be made more difficult by the demands of blacks, women and other minorities for good white-collar jobs. The typical would-be junior executive—the college-educated white male—will find not only 10 others just like himself competing for a promotion but also a couple of blacks, a couple of women and perhaps a Chicano or an Indian, Mr. Weber says.

He speculates that the consequences of this competition could include a "backlash" against programs to hire and promote more minorities and women, and a "pressure to push older workers out" of jobs by mandatory early retirement.

A related problem is posed by the millions of college graduates who will enter the labor market during the next few years. The recession and the prospects for slow recovery worsen their job chances.

"The late 1970s could very well bring a glut of college graduates with advanced degrees," reports Morgan Guaranty Trust Co.'s monthly survey. "What seems to be building up," adds the New York City bank's publication, "is a broad surfeit of trained individuals similar to the situation currently faced by elementary-school teachers and by engineers a few years back. Job dissatisfaction resulting from workers having to take jobs which they regard as below their potential and level of training thus looms as a possibility."

The anxiety and disillusionment already are setting in, says Mr. Weber of Carnegie-Mellon. Today's college students "are far more anxious about their futures than students of earlier years. "It is a switch from the psychology of abundance and opportunity to the psychology of scarcity," he concludes. "There is a gearing-down of expectations, a feeling that the student just might not get what he wants."

SCHOOL LUNCH ACT

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. SARASIN. Mr. Speaker, the School Lunch Act and Child Nutrition Act Amendments of 1975 were considered on the floor of the House on April 28. As an original cosponsor of this legislation, I was obviously supportive of the vast majority of provisions embodied in the measure and of the general philosophical intent.

Two areas of the measure which were passed troubled me greatly, however. One involves the amendment to provide a 5-cent payment for each paid school lunch. One must ask the question, "Who does this benefit?" The answer, unfortunately, is the district of school which has the highest percentage of paying children. Generally, this description does not fit the urban area, where the greatest percentage of poverty children falls. In some areas within my district, those which are operating at the greatest deficits, the proportion of free or reduced price lunches served.

Because of this ratio, our formula simply does not address the basic intent of the legislation—to provide nutritious meals for those children who are at the greatest nutritional disadvantage. It does not help those areas operating at deficits lessen those deficits. Consequently, it does not provide stability to those programs which are most essential to the children of this country.

Finally, by limiting this payment to 1 year, fiscal year 1976, this amendment produces a tenuous situation. There are no assurances that this level, or a greater one, will be provided for fiscal year 1977. Long-term financial planning and budgetary processes on the State and local level are rendered different at best, and we are placing these programs in the same status as those operating under continuing resolutions, a situation which sends chills up the spines of program planners.

Before we expand the base of programs, we must insure that their foundations are secure, that adequate financial assistance is available through the various units of government. Otherwise, we will seriously jeopardize the health of those most in need.

The second area of concern is the

amendment to the women's, infants', and children's program—WIC—an excellent program which is charged with assisting those who are nutritionally high risk. The necessity of the program cannot be disputed. There is a causal chain between low incomes, poverty, low birthweight, inadequate diet, and mental retardation and physical deformities. Any investment we make in this program is more than physical deformities. Any investment we make in this program is more than balanced off against the money we save in terms of cures, rehabilitation, and custodial costs. Even more important is the genuine human anguish and suffering we can prevent.

However, the amendment introduced to the effect that WIC programs "immediately shall be provided with the necessary funds to carry out the program for all eligible persons that such an applicant agency can demonstrate to the satisfaction of the Health Department or comparable agency of each State; Indian tribe, band or group recognized by the Department of the Interior; or the Indian Health Service of the Department of Health, Education, and Welfare that it is capable of serving under the program," does not fulfill the goals of the program.

The amendment amounts to nothing more than an openended promise with no substance. During the floor debate, two questions to the supporters of this measure were raised and were repeatedly circumvented. The first is, "What if one of the agencies should request the funds and demonstrate that it is capable of serving under the program, and we have not appropriated the money? What does the Secretary of Agriculture do then?" By mandating an immediate expenditure to all who qualify under State auspices, we risk two dangerous situations. The money could well be inadequate to meet the needs, particularly since the appropriation has not been considered yet, and qualified agencies could well be left out in the cold, relegating disbursement of the funds to a first-come, first-served basis. This amendment literally hamstrings the Secretary from insuring a widespread program on the national level.

Second, there is no way in which we can mandate the Department of Agriculture to "immediately" expend money that has not been appropriated, unless the Department delays action on applications until the appropriations process has been finalized. This artificially induced delay in the bureaucracy could throw the entire program out of kilter, jeopardizing those which are already in existence.

The next question involves Federal standards of excellence. Since the amendment clearly states that those programs declared eligible by State agencies must be funded, the Secretary has no control over those programs which might meet State requirements but do not meet Federal standards of medical excellence. Thus, we run the risk of having to expend funds for programs which are only politically acceptable, in terms of States' competition for Federal moneys. We cannot jeopardize the health of our American citizens, including those yet to be born.

At one time, the argument that the Secretary was literally hostile to this program, and refused to expend the appropriated moneys, would have had merit. Since the enactment of the Budget and Impoundment Control Act and the court decision which mandated the Department of Agriculture to spend the money, this argument is rendered moot. The money we appropriate must be spent; the money which is merely authorized means little in terms of the actual funds which will be available.

WIC has widespread support in the Congress, and I was an outspoken proponent of the increase in the authorization level of $250 million. This program deserves our financial support to the utmost extent of our financial capabilities. It also deserves logical and feasible procedural guidelines through which we can effectively disseminate as much money as we appropriate. Again, the Congress has failed to give the program the sound basis it deserves.

The health of our children is far too important to relegate to a political football, to an apple pie issue that is without substance and logical direction. I sincerely regret that some have resorted to political rhetoric on such a critical issue.

THREE CARROLL COUNTY CITIZENS HONORED

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. JONES of Tennessee. Mr. Speaker, in these trying times of our country, it is always a pleasure to pay tribute to those who sacrifice their time and energy without remuneration in order that their communities may be a better place to live.

Recently, the Carroll County quarterly court of Tennessee's Seventh Congressional District honored three residents of that county who have devoted a great deal to their communities: Jerome Crawford, Mrs. Juanita Holley, and Mr. Landis McMackins were all chosen to be mentioned publicly for their service to Carroll County.

Mr. McMackins was further presented the county's 1974 Outstanding Service Award, a presentation that was certainly deserved. Mr. McMackins, a banker by profession, has long been involved in civic activities including soil conservation, the Cancer Society, the Lions Club, just to name a few.

His accomplishments can be better proclaimed by a recent article in the local newspaper, the Carroll County News, which I would like to enter into the RECORD:

THREE CARROLL COUNTY CITIZENS HONORED

Immediately upon opening the April session of the Carroll County Quarterly Court, County Judge Pat Williams presented the 1974 Carroll County Outstanding Service Award to Bruceton banker Landis K. McMackins.

Before making the presentation Judge Williams addressed the Court and guests in the courtroom.

"Since 1972 a silver medallion has been awarded by the Carroll County Court in its April session to the individual whose personal actions or activities during the previous year are determined to have been of greatest benefit to the citizens of Carroll County."

"At this time I want to thank the Nominating Committee members which consisted of Mrs. Byrda Bennett of Huntingdon, Mrs. Angie Lancaster of Bruceton and Mr. J. R. McDonald of McKenzie and also the secret selection committee which they in turn chose to make the final decision."

"Out of this year's nominations, three people were chosen to be mentioned publicly for their service to Carroll County. They are Mr. Jerome T. Crawford of McKenzie, Mrs. Juanita Holley of Bruceton, and Mr. Landis K. McMackins of Bruceton. Out of these three, one has been chosen to receive the Outstanding Service Award. At this time I will cover some of the accomplishments of these three people."

"Landis K. McMackins is serving as vice president of the Bank of Huntingdon, Bruceton Branch.

McMackins was appointed by the Tennessee State Soil Conservation Committee in 1956 to serve as a supervisor of the Carroll County Soil Conservation District. He has served with distinction as chairman of the district since that time. In addition, McMackins has served as director of the Tennessee Association of Conservation Districts and of these activities he has given freely of his time and means to promote the conservation and wise use of our soil and water resources.

"He is a charter member of the Lions Club of Bruceton, a member of the Carroll County Farm Bureau and has served untiringly as treasurer of the Carroll County Library Board since the Board's beginning on September 9, 1950."

"When the Carroll County unit of the American Cancer Society was reorganized in 1957, McMackins was a dedicated volunteer trying to save lives from cancer. He was reelected treasurer and has served in this position since that time. He helped reorganize the unit in Carroll County and his influence has been beneficial in making the slogan of the American Cancer Society, 'We Want To Wipe Out Cancer In Your Lifetime,' become a reality."

"Mr. Mack, as he is usually called by his many friends, has performed many other thankless jobs. He has a deep and warm compassion for people. He has always had time to listen to people's problems and if there was anyway he could help, and there usually was, he would do so."

"Jerome T. Crawford's many hours of work have benefited McKenzie and Carroll County in the form of the McKenzie Memorial Hospital and the McKenzie Industrial Park."

"During 1974, Crawford continued his activities as a member of the McKenzie Volunteer Fire Department and as an officer of the West Tennessee Association of Public Accountants. A junior partner of H. T. Crawford and Company, Public Accountants, Crawford received his treasury card to practice before the Federal Tax Court. It was announced last year that he would be included in the list of 1973's Outstanding Young Men of America."

"Crawford is a member of the McKenzie Chamber of Commerce, secretary of the McKenzie Industrial Board and secretary of the Board of Trustees of McKenzie Memorial Hospital."

"Crawford has served faithfully when called upon to make his community a better place in which to live."

"Mrs. Juanita Holley is employed by the Bank of Huntingdon as assistant cashier working out of the Bruceton Branch."

"Mrs. Holley is co-chairman for the Bruceton-Hollow Rock area of Carroll County for the Carroll County Regional Blood Program. She has served in this position for the past 10 years and has been active for the past 12 years, while serving in numerous capacities. She gives her time as a volunteer and has 800 volunteer hours to her credit."

"She is at present the president of the Cooper-Addition Home Demonstration Club, a board member of the Carroll County Library Board and an active member of the Woman's Club of Bruceton."

"Mrs. Holley is also a very active member of the Church of Christ of Bruceton. She is a member of a church group which sings for funerals and special occasions. She visits the sick and elderly. At her own expense and time, she often picks up and delivers deposits for elderly people. Sister, as Mrs. Holley is affectionately called by numerous friends, is exactly that: 'Sister' To Her Fellow Man."

OPPOSITION TO GASOLINE TAX

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. ASHBROOK. Mr. Speaker, with the House Committee on Ways and Means preparing to recommend a gasoline tax increase, I think it is important that we do not confuse the issues. While conservation in the use of energy must be encouraged, the main priority is increasing supplies. Our Nation needs new and large supplies of energy if it is to grow and prosper. The goal of governmental policy must be the development of new energy resources.

Increasing taxes on gasoline does not do this nor does the creation of Government-owned energy corporations. What must be done is the encouragement of private companies to do more drilling and exploration for oil and to engage in more research.

Recently two editorials appeared discussing some of the energy problems our Nation faces. I think these editorials deserve attention and commend them to the attention of my colleagues. Their full texts follow:

[From the Mansfield (Ohio) News Journal, Apr. 25, 1975]

GOING ABOUT IT THE WRONG WAY

At first glance, the raising of federal taxes to increase the price of gasoline looks like a simple and effective way to force conserving of fuel.

The House Ways and Means Committee is talking about a new three-cents-a-gallon tax Jan. 1 and as much as 20 cents more later on.

But a closer look exposes this as a pretty silly idea.

For, the heart of the problem is the high price of imported oil. And the solution is to produce more oil domestically because as our demand for foreign oil decreases the price will drop. There is a glut of oil in the world and its owners want to sell it.

When the price of gasoline is forced up by additional taxation, the oil companies get no benefit from the boost. In fact their income is reduced by a drop in sales. Yet it is the oil companies which must provide most of the money for discovery of new oil sources and the development of a practical process for extracting oil from shale.

The House Ways and Means Committee wants the oil companies to do the job, then takes away the funds needed to do it.

While the oil companies may have brought this dilemma on themselves with their big profits in the wake of the phony oil shortage (and a repetition of this scheme now in the oil-related gas industry), it makes no sense for the government to hit its partner with another tax club.

And, like it or not, the oil industry and the government have to be partners in this fight against dependence on over-priced foreign oil.

But that's not all.

Who really gets clobbered by a tax-boosted gasoline price? Why, people who have to drive to their jobs—which is just about everybody these days. School districts that operate buses. The vast majority of American citizens, that's who gets hit.

Yet those are the people the government is supposed to be trying to help.

One gets an oblique suspicion that Congress and the Administration, unable to curb growing deficit spending, may be as much interested in using the oil situation to slip through another tax boost as in correcting the oil problem.

When you analyze it, what other reason could there be for the Ways and Means Committee to pursue a method that is so patently wrong.

[Editorial From the Coshocton (Ohio) Tribune, Apr. 24, 1975]

NOT GOVERNMENT'S JOB

There seems to be some confusion in Washington over the difference between a national energy policy and nationalizing our energy industries.

Sen. Ernest F. Hollings, the South Carolina Democrat, is proposing that the government itself conduct exploratory drilling for oil and gas in areas of the outer continental shelf scheduled to be opened for new production. House Democrats want to set up a new federal agency to make all the purchases of oil imported into the United States of America. The Senate is not content with empowering the President just to ration gasoline. Its energy bill would authorize him to set the hours that service stations can be open, and to dictate how bright the lights should be in department stores.

Even the White House is not immune. President Ford, according to one of his aides, is considering whether the government should take complete control of research in new fuels and energy sources, on the theory that the job is too big for private companies to handle effectively.

A federal energy policy can define the country's needs and set specific goals for filling them. Through tax incentives, and the powers of regulatory agencies already in existence, it can encourage the myriad companies in the energy field to move in a coherent direction toward those goals. It is such a policy we are waiting for from Washington—not new programs to put Uncle Sam in the energy business.

THE DOMINOES ARE IN FACT FALLING

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. BOLLING. Mr. Speaker, Kenneth Crawford's article in today's Washington Post expresses a view that is shared by many of us who are neither knee-jerk supporters of the American Defense Department nor "true believers" in the good intentions of old or new totalitarians of either the so-called right or the so-called left. Mr. Crawford's article follows:

[From the Washington Post, Apr. 30, 1975]

THE DOMINOES ARE IN FACT FALLING

(By Kenneth Crawford)

The domino theory, we have long been assured, is nonsense—merely a subterfuge for adventuring in Indochina. If that is so, what is happening in Thailand, the Philippines and Laos must be illusory. For those three countries already seem to be tumbling out of the free-world orbit into the authoritarian socialist orbit.

Unless President Marcos of the Philippines doesn't mean what he is saying, his country is leaning hard to the left out of the perceived necessity of getting on with China and its friends. In Laos, the Communist Pathet Lao controls three quarters of the country and is about to take over the other quarter. And the Thais, always sensitive to the political wind and given to bending with it, are preparing to adjust to the reality of gusts from Hanoi and Peking. Less overt stirrings are detectable in other Asian countries.

On the other side of the world, in Portugal, there is no direct evidence as yet that the debacle in Vietnam and Cambodia has had any effect. But if the United States is deprived of its base in the Azores and the Soviet navy moves into Portuguese ports, it will not be because the Portuguese have overlooked events in the Far East.

There can be no doubt that American prestige is taking a beating around the world—and at a time when interdependence of nations is more than ever a fact of life for all the earth's inhabitants.

It may not make much difference to us that our defeat is contributing to the entertainment of our French allies. Vietnam has proved to them that the Yanks, for all their pretensions, are no more gallant than anybody else, notably the French, when it comes to the crunch. India, judging from the comments of some of its officials, also is pleased by America's discomfiture. We haven't done anything much for the Indians lately.

Up to now Soviet officials have been more restrained than the rest of the world in their talk, or lack of it, about Vietnam. Russia has not celebrated its share in the victory, presumably out of deference for detente. But it has approached Israel with a proposition: if Israel will withdraw to its old frontiers its security will be guaranteed by the U.S.S.R. The implication is that America has proved itself unreliable and that Israel should look to a reliable nation for security.

We are hearing much these days from those who knew all along that we were playing a losing hand in Vietnam and Cambodia. They told us so. They did indeed. Some of the same people are less talkative about their certainty that the other dominoes would be unaffected. The dominoes are in fact falling and the end is not yet in sight. The clatter is no illusion.

Nobody can now foresee the ultimate consequences of America's humiliation. President Ford can admonish the country and the world to forget Vietnam and look to the future. Others can join him, as they already are. It will be futile. Public memory is short but it is not that short. Losing a war is never less than a traumatic experience. And we have no de Gaulle to restore national pride by glorious posturing. It wouldn't work here anyway.

For the moment the American public seems to feel nothing but relief at getting Vietnam off its back. More than 80 per cent, according to the pollsters, opposed even the use of marines to evacuate this country's close Vietnamese friends from Saigon. It is difficult to believe that such indifference will last. It won't if a wholesale purge of friends left behind takes place and if news of it leaks out. We are not that callous.

That there will be a spate of executions seems inevitable. When Hue fell in the offensive previous to the last one, some 3,000 bodies of local officials, teachers, intellectuals and others who had sided with Saigon were found in mass graves, bound and shot. It was estimated that a total of 5,000 or more had been dealt with in that way. An invader that does this in relatively neutral Hue is not likely to control himself when he reaches the enemy citadel of Saigon. With Western reporters out of the country, however, the outside world may never know Saigon's true fate.

This country's present complacency is encouraged by many in the media. We are told, though the returns are not yet in, that North Vietnam will now establish a regime of Titoist independence from its Communist benefactors. By playing off China against the Soviet Union it perhaps can achieve this status. But with China on its northern frontier, this is highly problematical.

We are asked to believe by a journalistic commentator doing a television stint that the Indochina misadventure proves the folly of war any time anywhere. War, he says never in the history of the world accomplished anything. Not even the war against Hitlerism? Well, maybe. But in that war a lot of unnecessary battles were fought. So they may have been. But it takes an arm-chair amateur 30 years later to muster the gall to redo that history.

Then there is the expert on Vietnam, credentials in good order, who writes in a national news magazine: "Our Vietnam was dying, a corrupt, feudal society; theirs, like it or not, was a new, modern society born of the colonial war with the French." So Communist dictatorship represents "modern society." It is reminiscent of the Lindberghian thesis that, like it or not, Naziism was "the wave of the future."

Not many Americans chose to ride that wave. Dictatorial communism has more appeal, especially as the answer for backward countries trying to modernize. Moreover, many Americans can tell themselves that they never approved of the war in Vietnam or, if they did, were tricked into it along with ex-Sen. William Fullbright. They accept no responsibility for the outcome. But the world sees only what the United States did and didn't do; it makes no distinction between approvers and disapprovers within this country.

A minority of Americans, growing in assertiveness and perhaps also in numbers, proudly professes sympathy with Hanoi and the Vietcong. One of its self-appointed spokesmen interrupts the Oscar awards to state his partisanship for the Vietcong to the applause of a Hollywood audience. Both he and his audience are, of course, free to embrace this kind of modern copperheadism. It is an attitude not unknown even in Congress.

It is becoming apparent that on the far left there are those who hope that the United States itself will be the ultimate domino.

A TRIBUTE TO CPL. DARWIN L. JUDGE

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. GRASSLEY. Mr. Speaker, Lance Cpl. Darwin L. Judge, a young Marine from Marshalltown, Iowa, has been called the elite of the elite by his fellow Marines. Corporal Judge, at only 19 years of age, has received special marine training at the guard school in Arlington, Va., and was assigned to guard the U.S. embassy in Saigon 1 month ago. He was one of the last Americans to die in South Vietnam, killed during a rocket attack on Tan Son Nhut Airport outside of the capital city during the waning hours of American involvement in South Vietnam.

A Marine Corps spokesman called Corporal Judge "among the best of what we have." Indeed, he was. A 1974 graduate of Marshalltown High School, Judge was an Eagle Scout and was described by Marshall High School vice principal, Robert McCormack, as a conscientious student who did a good job. Corporal Judge had volunteered for the Marines after high school graduation, and also had requested duty with the Security Guard Detachment, the unit that guards 117 U.S. embassies and consulates abroad. Corporal Judge served on this unit with great dedication and died a patriot in the tradition of the Sullivan brothers, five young Iowans who lost their lives in World War II.

I extend my deepest sympathy to Corporal Judge's parents, Henry and Ida, and to his brother, who is serving with the Air Force in Colorado. We must not allow this courageous young Marine to be forgotten as the American involvement in Indochina becomes a page in our history books.

HATCH ACT REVISION SUPPORTED

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. HARRIS. Mr. Speaker, I would like to share with my colleagues a statement of one of my constituents, Chuck Caputo, which he presented at the April 14 hearings in Annandale, Va., on H.R. 3000, the bill which revises the Hatch Act. His remarks, I believe, are particularly helpful as we continue our deliberations because he is a Federal employee who has worked in the community under the act's provisions.

The remarks follow:

REMARKS OF MR. CHUCK CAPUTO

The purpose of this statement is to wholeheartedly endorse the proposed changes to the Hatch Act and to encourage the passage of H.R. 3000. It is my intention to emphasize the need to adopt that portion of the bill which would restore to Federal civilian employees their rights to participate, as private citizens, in the political life of the nation.

As an employee of the Federal Government, I can attest to the frustrations of complying with the Hatch Act, specifically in the area of constraints on taking an active part in political management or in political campaigns as a private citizen. A good deal of my leisure time is devoted to activities related to local government in Fairfax County, Virginia. Often in the capacity of representing my community through its civic association, I testify at public hearings and participate on citizen committees orientated towards preserving and improving the general welfare of Fairfax county and its residents.

However, as an employee of the Federal government, I can only go so far in achieving those objectives. I cannot take an active part in assisting the best person, in my opinion, in running for public office if he or she is a partisan candidate. No matter how strongly I might believe in the principles of one political party I can't be that party's candidate for political office.

The strange side of this tale of woe is that my wife, who is not a Federal civilian employee, can do as much as she wants in the way of political activities. If she were to achieve some prominent partisan party role or be elected to the Congress, would she not be in a natural position to, perhaps, inadvertently influence my thinking and possibly my approach to my Federal job? For where else is there more potential for communications and influence between two people than is found between spouses? This one simple application demonstrates to me the inappropriateness of the Hatch Act's restriction on the extent of my political activity as a form of protecting me from political pressures.

Sure, there must be some adequate protection of Federal civilian employees from improper political pressure or coercion. H.R. 3000 provides for this condition and, simultaneously, restores the rights of these citizens to participate more actively in the politics of their country.

As one who has been constrained by the Hatch Act from participating in the democratic process by achieving active involvement in partisan politics, I urge the speedy passage of H.R. 3000.

THE 19TH OHIO DISTRICT NEWSLETTER AND QUESTIONNAIRE

HON. CHARLES J. CARNEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. CARNEY. Mr. Speaker, I would like to take this opportunity to share with my colleagues the newsletter and questionnaire I will be sending out this week to my constituents. In it I have pointed out the extent of the present economic slump and the legislation that Congress has passed to counteract the twin evils of spiraling inflation and deepening recession. The results of my questionnaire will be placed in the RECORD for the consideration and information of my colleagues.

CONGRESSMAN CHARLES J. CARNEY REPORTS FROM WASHINGTON

APRIL, 1975.

DEAR FRIEND: I would like to take this opportunity to report on the work done during the first 3 months of the 94th Congress, and to ask your opinion on some of the crucial issues now facing Congress.

The state of the economy is uppermost in the minds of everyone. Despite optimistic Administration forecasts for economic recovery, there is increasing evidence that we are caught in a severe recession. In the 1974 election, the American voters gave the new 94th Congress a clear mandate to tackle the economic crisis. Congress has been hard at work. During the first 3 months of this year, the House of Representatives has been in session more hours, taken more recorded votes, and passed more major legislation than the first 3 months of any Congress in the past 30 years. In addition to the economic crisis, the new 94th Congress has been dealing with problems as wide-ranging as aid to Southeast Asia, emergency farm legislation, and social security, to name but a few.

THE ECONOMY

Department of Labor statistics for March put the number of unemployed at 7,980,000 or 8.7% of the nation's work force. For the

19th District, 26,200 people, or 11.1% of the work force, are now unemployed. However, these figures do not include an estimated 1,100,000 unemployed nationwide who do not qualify for unemployment compensation.

This situation is compounded by the fact that the cost of living is going up at more than 12% a year, business investment is falling off, and unemployment in the construction industry is a staggering 24%.

To counteract the twin evils of spiraling inflation and deepening recession, the House of Representatives has initiated five key economic recovery measures—the Tax Reduction Act, the Emergency Employment Appropriations Act, the Emergency Middle Income Housing Act, the Emergency Homeowners' Relief Act, and a Resolution to Lower Interest Rates.

Tax Reduction Act.—On March 29, the President signed into law a bill to provide $22.8 Billion in tax relief, of which $18.1 Billion would go to individuals and $4.7 Billion to businesses. Individuals will receive a 10% rebate on their 1974 federal income taxes, and increases in the standard deductions on 1975 income taxes. Business will receive increases in the investment credit and corporate surtax exemption. The oil depletion allowance is repealed for the major oil companies and greatly reduced for independents. The bill also provides for (1) a one-time $50 bonus to each Social Security, S.S.I., and Railroad Retirement recipient; (2) a 13-week extension of unemployment benefits (up to a maximum of 65 weeks) in high unemployment states; (3) special payments to the working poor; (4) a 5% (up to a maximum $2,000) tax credit on the purchase of a home built or under construction before March 26, 1975; and (5) an extension of the re-investment period for proceeds from the sale of a principal residence.

Emergency Employment Appropriations.—A $5.9 Billion employment appropriations bill passed the House on March 12, and the Senate on April 25. This bill accelerates the appropriation of funds for public service jobs programs, and is expected to create 1.5 million jobs. (Awaiting final action)

Middle Income Housing.—A bill to stimulate the housing industry and help 400,000 middle-income families buy homes passed the House on March 21, and the Senate on April 24. The bill would provide a government subsidy of interest rates at a temporary six-percent level or a permanent seven-percent level. (Awaiting final action)

Emergency Homeowners' Relief Act.—A bill to make repayable mortgage relief payments to homeowners who are unable to make their mortgages payments passed the House on April 14, and the Senate on April 24. It would provide up to $250 a month, for up to 24 months, to homeowners who are either unemployed or underemployed because of the economic slump. (Awaiting final action)

Lower Interest Rates.—The House and Senate passed a resolution calling on the Federal Reserve Board to increase the money supply and to lower long-term interest rates.

I am proud to say that I voted for all five of these measures, and will continue to support legislation designed to halt inflation and to put the unemployed back to work.

FEDERAL SPENDING PRIORITIES

The Ford Administration has consistently asked for additional military aid for Southeast Asia, while at the same time urging cutbacks in domestic programs which directly benefit the American people. In two separate requests, the President has asked that Congress cancel $1.5 Billion earmarked for such programs as homeownership assistance, hospital construction, cancer research, child health care, drug abuse programs, education for the handicapped, and community service employment for the aged. In addition, the Administration tried to raise the cost of food stamps from the present average cost of 23% to a mandatory 30% of a household's monthly income. I am pleased to report that I voted with the majority when the House and Senate passed legislation preventing the Ford Administration from carrying out these proposals.

Members of the House Committee on Ways and Means have shown no interest in approving the President's proposal to limit increases in Social Security payments to 5% this year. With the cost-of-living rising at around 12% a year, I believe it is unfair for the President to place the heaviest burden of fighting inflation on those who have already been hurt the most by the economic crisis.

To help our senior citizens, I have sponsored legislation in Congress to increase Social Security and S.S.I. benefits; to lower the Social Security retirement age to 60, with reduced benefits at age 57; and to establish a program of food allowances for older Americans. In addition, I have co-sponsored legislation to reform the Social Security payroll tax, and to provide for Federal contributions to the cost of the Social Security program so as to assure its continuation.

OTHER MAJOR LEGISLATIVE ACCOMPLISHMENTS

Strip Mining Control and Reclamation Act.—was passed in differing forms by the House and Senate and is now in conference. The House bill requires reclamation of mined lands, details environmental protection controls, and establishes a program for the reclamation of existing abandoned mines.

Railroad Assistance Act.—New laws provide $347 Million in emergency aid to save midwestern and northeastern railroads from bankruptcy and prevent further damage to our troubled economy.

Farm Bill.—an emergency food production act raising target prices and loan levels for certain crops was passed by both Houses and is awaiting the President's signature. The bill is intended to expand food production and to avert the threat of a food shortage.

Older Americans Act.—was passed by the House on March 8th, and is now in the Senate. This bill would extend and strengthen programs providing transportation, community services, high protein meals, and part-time jobs for Senior citizens. The bill would also create a new Special Service program aimed at providing an alternative to institutional care and helping Senior Citizens lead a more independent life.

SERVICE TO CONSTITUENTS

We now have two full-time district offices for handling constituent problems. One is located at 1008 Wick Building in Youngstown (tel. no. 746-8071, ext. 3345) to serve the residents of Mahoning County. The other office is located in room 17 of the Post Office Building on 201 High Street, N.E., in Warren (tel. no. 399-5725) to serve the residents of Trumbull County. In addition, a part-time sub-district office has been opened in the basement of the Post Office Building, 43 W. Park Avenue, in Niles (tel. no. 652-9079), for the residents in that area. The Niles office is open Monday, Wednesday, and Friday from 1:00 P.M. to 4:00 P.M. If you have a problem involving the Federal Government, please contact one of these offices, or write to me at my Washington office, 1714 Longworth Building, Washington, D.C. 20515.

AMERICAN FLAGS

A number of people have expressed an interest in purchasing an American flag which has flown over the United States Capitol Building. These flags can be purchased through my Washington office. The flags come in two sizes: 3 ft. by 5 ft., which now cost $4.42 each, and 5 ft. by 8 ft., which now cost $9.72 each. These prices are the cost to me. If you would like to purchase a flag, please send a check or money order, payable to Charles J. Carney Office Supply Account, at my Washington address. A flag will be forwarded to you as quickly as possible.

QUESTIONNAIRE

As your Congressman, I would like to have your opinions on some of the major issues facing the 19th District and the nation. Your response to this questionnaire will help me to represent you in Congress. Please fill out the questionnaire, fold along the dotted line, attach a stamp (no envelope is needed) and return it to me at your earliest convenience. The results will be made available to you as soon as they have been compiled. Thank you for participating in this survey.

(NOTE.—Spaces provided for His and Her answers.)

1. Do you think the federal government should require no-fault insurance for motor vehicles?

(a) yes.

(b) no.

2. Which statement best describes your views on national health insurance?

(a) create a national health insurance program covering the entire range of health care services.

(b) create a national health insurance program covering only catastrophic (major) illness.

(c) provide Federal income tax credits to cover the premium cost of qualified private health insurance policies.

(d) no national health insurance of any kind.

3. Do you favor the creation of an independent consumer protection agency to act as spokesman for the consumer before other Federal agencies and the courts?

(a) yes.

(b) no.

4. The Ford Administration has requested $94 billion for defense in FY 1976—a $9 billion increase over FY 1975. What is your opinion of military spending?

(a) it should be increased.

(b) it is about right.

(c) it should remain at last year's level.

(d) it should be cut substantially.

5. Which of the following actions do you think should be taken to improve the energy situation? (*check only 3*)

(a) ration gasoline.

(b) a gasoline tax with rebates to low and middle-income people.

(c) a tax on high gas consumption cars.

(d) mandatory recycling of newspapers, bottles, etc.

(e) increased aid to mass transit.

(f) restrict imports of foreign oil.

(g) delay clean air standards for automobiles.

(h) accelerate nuclear power plant licensing and site selection.

(i) allow free market forces to operate.

(j) nationalize the oil industry.

6. Do you feel that large numbers of South Vietnamese refugees should be allowed to enter the United States?

(a) yes.

(b) no.

7. What do you think Congress' three highest priorities should be? (Please mark only 3 items, and list your first choice as "1", second choice as "2", and third choice as "3".)

Aid senior citizens.
Control crime.
Combat drug abuse.
Control prices.
Stimulate housing.
Assist unemployed workers.
Improve mass transit.
Reform the Federal income tax.
Create a national health insurance program.
Reduce Federal spending.
Control pollution.
Increase support for education.

8. Please feel free to attach a separate

note with your questionnaire to explain any of your answers or to make additional comments on matters which concern you.

THE ATMOSPHERIC OZONE LAYER

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. EDGAR. Mr. Speaker, we have recognized the ozone layer of the stratosphere as a protective umbrella shielding life below from hazardous, and possibly fatal doses of ultraviolet radiation. Scientists have related how a depletion of this layer could significantly accelerate the rate of skin cancer, as well as have indirect effects which would have a vital impact upon our quality of life. It is with ever-increasing importance, I feel, that the scientific community maintain its vigilance on products of our technology which threaten the equilibrium of this ocean of air 30 miles above us.

The influence of fluorocarbon interaction in the stratosphere has created very much controversy in recent months. Some experts have discounted the importance of direct and immediate action to limit the magnitude of propellents and refrigerants which participate in depleting ozone in the stratosphere. Others have decried that the amounts of today's fluorocarbon emissions will be causing irreparable damage a decade hence, and that these emissions must be terminated by emergency legislation.

I am far from an expert on this issue. But I recognize that any decision which will restrict the manufacture and utilization would be made by Members of Congress. An overwhelming majority of us are not fluent with the scientific literature. The danger, I feel, is that our decision may be based upon political considerations and not upon an objective and rational evaluation of the data which is available.

Mr. Speaker, keeping in mind the problems we in the Congress have on issues of such a technical nature, I have cosponsored H.R. 4328. This legislation would commission 1-year studies by the independent National Academy of Sciences, and the National Aeronautics and Space Administration. If needed, standards for fluorocarbon discharges would be recommended 15 months after the enactment of H.R. 4328. I would anticipate that these reports would give the Congress a broad base of data so that any decisions would not be made blindly.

Dr. James H. S. Bradley is a faculty member in Drexel University's Department of physics and atmospheric science. He is a resident of my congressional district, and he has been very active in Common Cause. Dr. Bradley has prepared for me a summary of information on the ozone layer, and has pointed out many of the issues related to the science of the stratosphere. I wish, Mr. Speaker, to share this report by inserting it in the RECORD at this point:

THE ATMOSPHERIC OZONE LAYER

Dr. James H. S. Bradley

For the information of Rept. Robert E. Edgar

INTRODUCTION

This summary, basically written 4/8/75, is based on the Hearings of the House Subcommittee on Public Health and Environment, December 11 and 12, 1974; on the Hearings of the Senate Committee on Aeronautical and Space Sciences on January 29, 1975; and on the Transcript of Proceedings of the Interagency Task Force on Inadvertent Modifications of the Stratosphere on February 27, 1975. These documents reproduce almost all the most directly relevant literature on the chemistry, but little relevant data on atmospheric circulations. The author has also used information from government employees, scientists engaged in advisory activities requiring confidentiality, employees of involved corporations, and others who do not wish to have their names used. The author has used data from the Handbook of Fundamentals of the American Society of Heating, Refrigeration and Air Conditioning Engineers to test undocumented industry claims in the cited testimony. Minor changes arising at the American Chemical Society meeting on 4/9/75 and from the National Academy of Sciences report "Environmental Impact of Stratospheric Flight" have been incorporated.

OZONE LOCATION AND GENESIS

The relevant atmospheric layers are the troposphere, which extends from the surface of the earth to roughly 10 or 15 km, and the stratosphere, which extends from the top of the troposphere (the tropopause being the dividing level) to about 50 km. In the troposphere temperature decreases with height on the average; pollutants are mixed vertically in a few months and between the northern and southern hemispheres in a couple of years. The troposphere rotates eastward relative to the earth once in 20 or 30 days.

In the stratosphere temperature increases slowly with height, which inhibits vertical mixing. The lower stratosphere also rotates eastward relative to the earth at comparable rates.

The ozone layer resides in the middle and upper stratosphere, between about 20 and 50 km. It is formed, mainly in the tropics, by the interaction of solar ultraviolet light with molecular oxygen. It is transported downwards and polewards by atmospheric motions. The dynamic equilibrium of the ozone layer is maintained by a destructive interaction with nitrogen oxides formed mainly by the interaction of solar ultraviolet light with air. Natural fluctuations in time and space, including oscillations of about 2% with a period near two years and of perhaps 8% with the 11-year sunspot cycle, allow the 9 existing measurement stations to detect changes of 2% per decade with 95% confidence (Senate Hearings, p. 15); 0.5% per decade with 95% confidence would require 81 stations around the globe. Consequently the supposed 1 or 2% depletion caused by past releases of fluorocarbons is as yet undetectable, and even the recovery from atmospheric nuclear explosions 1945–63 is not completely certain.

OZONE AND ECOLOGY

The stratospheric ozone largely absorbs and harmlessly dissipates solar ultraviolet light (UV–B, 290 to 320 nm) which is believed to be a major cause of skin cancer in homo sapiens. The incidence of skin cancer is 165 new cases per 100,000 per year, with a death rate of 40% (House Hearings, p. 408).

The best estimates are that a 1% reduction in ozone will cause an eventual 2% increase in skin cancer, with a lag of around 15 years (House Hearings, pp. 408–9). Vitamin D intoxication is another possible but unlikely effect (House Hearings, pp. 406–7). Accelerated aging of the skin is likely.

The effects on other life forms are little known. Oceanic plankton, which are the start of the sea life cycle and a major source of oxygen, pose special dangers. Few other life forms have the capacity of homo sapiens to mitigate acute and chronic exposures to solar ultraviolet.

ATMOSPHERIC TRANSPORTS

It is clear from observations that fluorocarbons released at the earth's surface spread throughout the middle altitudes of the northern hemisphere troposphere in a few months and are mixed into the southern hemisphere in a couple of years (IMOS, p. 53). Transports in and out of the stratosphere are observed to be slower.

Significant improvements upon present crude one-dimensional diffusion models are unlikely in the available time. The so-called eddy diffusivities of Crutzen, McElroy, etc. are mere fudge factors to make the models yield results resembling the observations; yet, whether or not such assumptions represent the true physical mechanisms, they have empirical utility.

Three-dimensional time dependent General Circulation models such as those at the Geophysical Fluid Dynamics Laboratory in Princeton and the National Center for Atmospheric Research in Boulder may eventually yield more reliable transport rates. The claims that these models yield realistic transport rates of water vapor in the troposphere are no indication that they are near the truth for transports in the stratosphere or across the tropopause! The so-called eddy diffusivities in these models are not normally based on observations and are indeed often several orders of magnitude greater than "observed" values. They are mere fudge factors chosen to make gross features of these General Circulation models most resemble observations which are themselves very sparse except over land north of 30° N, i.e., about ⅛ of the earth's surface area. Hence they should not be used to make subtle inferences.

The probable transport mechanisms require a knowledge of secondary flows caused by boundary layers in rotating fluid systems. Very few Ph.D.'s in atmospheric computational modelling have the mathematical background to read even such textbooks as Greenspan's "Theory of Rotating Fluids" (Cambridge University Press, 1968); realistic atmospheric cases present formidable difficulties. The concept of group velocity is ittle known among meteorologists, with some notable exceptions at MIT, Harvard, GFDL and NCAR, although it is familiar to physicists, aeronomers and oceanographers. A grasp of the transport of momentum and energy by the group velocity is necessary in order to understand the secondary flows which transport substances.

The various proposed observational programs do not really depend upon particular assumptions about transport mechanisms at this time. (Senate Hearings, pp. 142, 155–163, and scattered throughout the testimony.)

THE SST

The relevant testimony of Dr. T. M. Donahue to the Senate Committee is on pages 29–30, 35 and 144–6. His figures for the incidence of skin cancer are twice those of Dr. F. Urbach of Temple University on page 408 of the House Hearings.

The Concorde and the Tupolev 144 SST's fly in the lower stratosphere (17 km) and therefore pose a smaller threat than the proposed U.S. SST (20 km), but the burden of skin cancer is too high a price for the privileged few to be able to cut an hour or two off eight or ten hour journeys.

The sudden reduction in the flying hours of each SST and in its postulated pollutant emissions per hour between the draft and final versions of the Dept. of Transportation

Climatic Impact Assessment Project (CIAP) reports require explanation. The widespread and uncorrected misleading press statements smell strongly of politics. The Secretary of Transportation should be called to testify on and disclose all lobbying activities.

Any damage done to ozone by SST's and the space shuttle (a waste of money and military boondoggle, as well as a hazard to ozone) is expected to be self-repairing within a few years after flights are stopped. Space shuttle flights may have to be held to about four per year.

HALOCARBON DIFFUSION AND CHEMISTRY

Halogenated hydrocarbons having neither carbon-hydrogen nor double bonds in the molecule do not participate in any known chemical reaction in the troposphere to an appreciable extent, despite extensive researches on their toxicity and conceivable reactions in smog. The status of carbon tetrachloride (CCl_4) is unclear; the refrigerants and propellants 11 (trichlorofluoromethane CCl_3F) and 12 (dichlorodifluoromethane CCl_2F_2) are present in the troposphere in amounts indistinguishable from global production to date. Carbon-hydrogen or double bonds provide tropospheric oxidation mechanisms which greatly reduce the migration of alternative refrigerants and propellants (e.g. halocarbons 21, 22 and 31, which are dichlorofluoromethane $CHCl_2F$, chlorodifluoromethane $CHClF_2$ and chlorofluoromethane CH_2ClF, respectively) to the stratosphere. These compounds, and others containing no chlorine, bromine or iodine (e.g. halocarbon 23, trifluoromethane CHF_3) are attractive interim substitutes for halocarbons 11 (trichlofluoromethane CCl_3F) and 12 (dichlorodifluoromethane CCl_2F_2).

Short wave ultraviolet light in the upper stratosphere photolyzes almost any molecule; from chlorocarbons (and correspondingly from bromine and iodine compounds) it liberates atomic chlorine which then enters into a net of catalytic reactions destroying ozone. This sequence is rehearsed ad nauseam in the various papers and hearings. The only plausibly postulated mechanism to end the catalytic cycle is diffusion into the troposphere for washout by rain and snow. Rowland (IMOS, pp. 39–51, and ACS 4/9/75) has demolished all the few concrete alternatives proposed by the industry. Evidence from natural radioactive chlorine (Rowland, ACS 4/9/75) supports the occurrence of the chlorine-chlorine oxide cycle in the stratosphere as early as 1970.

The slow transport into, through and out of the stratosphere mean that once the ozone depletion becomes detectable a much larger depletion is going to occur a few years later, even if all releases are terminated, and will persist for decades or perhaps centuries (Senate Hearings, p. 139; IMOS, pp. 220 and 78–9).

BROMINE AND IODINE COMPOUNDS

McElroy (IMOS, pp. 85–90) discovered widespread uses of bromine compounds which are potential hazards of unknown magnitude.

Although no volatile iodine compounds have been reported in widespread use, they would pose a similar hazard. Our knowledge of the environmental chemistry of brominated hydrocarbons is about a year behind that of chlorocarbons (Wofsy, ACS 4/9/75).

OTHER CHLORINE SOURCES

The chlorination of water for water systems and to prevent algae appears to be a significant source of unacceptable chlorocarbons. The french ozonation process seems a preferable alternative, at least for domestic water.

The carbon tetrachloride ($CC1_4$) found in the atmosphere seems to be accounted for by known industrial production (IMOS, p. 185), although the transcript is garbled). Requirements for its substantial recovery in industrial uses should be feasible. McCarthy of Dupont (ACS 4/9/75) challenges this contention that $CC1_4$ is mainly industrial.

ALTERNATIVE REFRIGERANTS

Rowland (IMOS, pp. 39–51) remarks or the lack of industry suggestions concerning alternative refrigerants for new design and for the recharging of existing leaky systems. Refrigerants are now about 35% of U.S. halocarbon consumption. The industry contends that halocarbon 22 (chlorodifluoromethane $CHC1F_2$) is a high pressure refrigerant requiring modifications in some existing systems. This is true, but the ASHRAE tables suggest that halocarbon 21 (dichlorofluoromethane $CHC1_2F$) is intermediate in properties between 11 (trichlorofluoromethane CCl_3F) and 12 dichlorodifluoromethane $CC1_2F_2$). ASHRAE Table 15 (Handbook of Fundamentals, p. 220) bears out Rowland's contention that, contrary to industry vagueness, there is very little to choose between refrigerants in energy economy.

Thus it appears that 22 is suitable for new interim design and 21 or some mixture with something else for recharging many existing systems for a few years until scientific questions are resolved. Halocarbon 23 (trifluoromethane CHF_3) is an analog of chloroform and therefore possibly toxic.

Because many leaks are alleged to be in rotating seals, it seems feasible to require the retrofitting of compressors using bellows or magnetic or induction couplings, in order to reduce the number of leaky rotating seals. The author's Chrysler automobile air conditioner has not leaked in eight years; comparative data by model would therefore be interesting.

ALTERNATIVE PRESSURE CAN PROPELLANTS

Light hydrocarbons such as isobutane are used in pressure cans where flammability and taste are unimportant (e.g. shaving cream and some paints). Carbon dioxide or nitrogen are used in foods and perhaps other products, but cause a pressure drop towards the end of the can. Halocarbons 21 or 22 or 115 (chloropentafluoroethane $CC1F_2CF_3$) or some azeotropic mixture may be useful alternatives in the few cases where pressure cans offer significant advantages, almost all of which are industrial uses which could be licensed.

ALTERNATIVE FOAM BLOWING AGENTS

The author was amazed to hear of substantial uses of chlorocarbons as foam blowing agents, having been accustomed to pentane for polystyrene foams and other hydrocarbons or inorganic gases for other foams. There are no apparent grounds to continue the use of chlorocarbons as foam expansion agents.

SISTER CITY PROGRAM

HON. JIM LLOYD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. LLOYD of California. Mr. Speaker, community pride is a most precious commodity, and one that I am proud to say exists most abundantly in my 35th District in southern California. One of the finest examples of this pride is the city of Chino.

This feeling is such that it extends beyond the city boundaries. In fact, it reaches all the way to San Juan del Rio, Queretaro, Mexico.

Six years ago, the mayor of Chino and members of the city's Sister City Committee visited San Juan del Rio and presented its mayor with a resolution from the Chino City Council inviting San Juan del Rio to be Chino's sister city. Since that time, a warm rapport has existed and yearly visitation between the two cities has served to strengthen the bond of friendship.

The general purpose of the sister city program is to establish greater friendship between the peoples of the United States and other nations by means of direct personal contact, to create a greater understanding of the cultural and sociological differences and to promote social welfare around the world.

Between the city of Chino and the city of San Juan del Rio, the endeavor has been to plan and conduct projects which will foster mutual understanding, friendship, and good will. In September 1969, the two cities began a student exchange program which has proven beneficial to everyone involved. This is an ongoing program and it is enthusiastically supported by both communities.

It is all to easy to dwell on one's own situation and ignore others. The city of Chino, however, in conjunction with its sister city, have chosen to work together in the spirit of mutual friendship and understanding to bridge an international border. It is because of community pride that the city of Chino is a fine community in which to live, work, and play.

And, in this sixth anniversary year of sister cityhood with San Juan del Rio, I salute the residents of Chino, Calif.

SHORTCUT TO THE INEVITABLE

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. JEFFORDS. Mr. Speaker, on several occasions I have brought to the attention of this Chamber my reasons for introducing legislation which would ban throwaway beverage containers.

The benefits of enacting this type of legislation on a national scale are numerous. There would be huge savings of energy and raw materials, valuable space in sanitary landfills would be conserved, and roadside litter would be substantially reduced.

An additional argument favoring congressional action is raised by a Vermont newspaper, the Barre-Montpelier Times Argus, in an April 23 editorial.

Mr. Speaker, so that the other Members may share the wisdom expressed by this editorial, I include it to be reprinted in the RECORD:

SHORTCUT TO THE INEVITABLE

The Congress can avoid a lot of repetitious and costly agony in state legislatures across the country if it will now approve legislation designed to ban throwaway beverage containers in the nation.

With more and more states taking up the legislation that was pioneered first by Oregon and then Vermont, the same old lobbying battles are being waged, the same old innuendos and half-truths are being applied, and a staggering amount of money is surely being wasted every day in postponing the inevitable.

The success of existing beverage container laws, coupled with the appealing energy-saving features of the legislation, make it more difficult to defeat with every passing legislative session, whether the debate involves legislation now in Congress or in other state legislatures. Yet the legislation's oppents show no signs of dropping their apparent intention to fight it in every state house where it appears.

Connecticut is now the latest state to face assault and battery in the legislative hallways over the issue and has become embroiled in a peripheral controversy over loopholes in the state's lobbying laws to boot. For Vermont lawmakers, who hopefully put the controversy behind them last week with passage of this state's final installment of the ban, the Connecticut legislative blitz by the bill's opponents must have seemed like an old bad dream returned.

How much easier it would be if the Congress read the handwriting on the wall and put the brakes on the throw-away craze throughout the country right now.

BUFFALO SADDENED BY DEATH OF CHESTER C. GORSKI

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. NOWAK. Mr. Speaker, our city of Buffalo was saddened last week by the news of the death of a dedicated public servant, Chester C. Gorski.

His public service career covered four decades, and some of the Members of this body will remember him from the term he served in 1949–50 as Representative of the 42d Congressional District of New York.

He began his career in politics in 1928, when he was a Democratic district committee man; subsequently he won 12 general elections, serving on the Erie County Board of Supervisors and the Buffalo Common Council. His experience in government was broadened by his positions on the New York State Building Code Commission, his early years in the Buffalo Streets Division, in the Buffalo office of the National Production Authority, and as a delegate to the Democratic National Convention in 1968.

In our area Chester Gorski will probably be best remembered for his years as president of the Common Council. Ill health forced his retirement early last year, but his keen interest in revitalization of the city and his longtime goal of formulating a metropolitan government in the county never flagged.

Although confined primarily to his home and medical treatment centers, he was able to attend ceremonies unveiling his portrait in the council president's office last September, and he had a warm personal reception.

Mr. Gorski's activities were not limited to his job; he was involved in many community activities as well—the Professional and Businessmen's Association; Knights of Columbus; Greater Buffalo Advertising Club; Holy Name Societies; Fillmore-Peckham Taxpayers' Association; and, as the son of Polish immigrants, was active in ethnic groups, presiding over the 26th Quadrennial Convention of the Polish Union of America in 1966, and receiving the 1963 Citizenship Award of the Polish-American Democratic Clubs of Downstate New York.

Chester Gorski leaves his wife of 40 years, the former Helen Pieprzny of Buffalo; his sons, State Assemblyman Dennis T. Gorski and attorney Jerome C. Gorski; and three grandchildren.

He leaves, as well, a legacy of a life spent in pursuit of good government and civic improvement. Our deepest sympathy is extended to his family. We thank them for sharing his life with our city, as he shared so generously of his talents and dedication.

AMENDMENT TO HOUSE CONCURRENT RESOLUTION 218

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. BENNETT. Mr. Speaker, I plan to offer the following amendment tomorrow:

AMENDMENT TO HOUSE CONCURRENT RESOLUTION 218 OFFERED BY MR. BENNETT

On page 1, line 11, strike "$395,600,000,000" and insert in lieu thereof "$394,666,000,000";

On page 2, line 7, strike "$624,000,000,000" and insert in lieu thereof "$622,400,000,000", and the amount by which the temporary statutory limit on such debt should accordingly be increased is "$91,400,000,000".

Mr. Speaker, the following explanation has been worked up by the staff. The purpose of the amendment is to reject the ceiling limitation in social security and Federal retirement; and to get the money from foreign aid expenditures.

EXPLANATION

The intent of this resolution is to reduce the proper amount of budget authority in House Concurrent Resolution 218 to reflect a rejection of a 7-percent ceiling on increases in social security and Federal retirement benefits, which would increase outlays by $1,162 million, and an offsetting rejection of an equivalent amount of outlays in the International Affairs functional category.

The amendment would decrease the amount of budget authority by $934 million from $395,600 million to $394,666 million.

This is achieved by an increase in budget authority of $582 million from $395,600 million to $396,182 million resulting from rejection of the 7-percent benefit ceiling, to be subtracted from budget authority of $1,516 million reflected in reduction of international affairs by an outlay amount equivalent to rejection of the benefit cap.

The net decrease in budget authority necessary to balance outlays in the two categories is a result of the fact that part of the amounts included in the 7-percent benefits are already in trust fund accounts.

The deficit figure does not change because the outlay addition in one area balances the outlay subtraction in the other. This amendment further reflects the necessary mathematical changes in the public debt. The public debt level must subsequently be $622,400 million.

The amount by which the temporary statutory limit on such debt should accordingly be increased is $91,400 million.

The changes in budget authority would be attributed to the following functional categories: Function 600: Income Security should be increased by $582 million for social security, railroad retirement, and Federal employee retirement programs. Function 150: International Affairs should be decreased by $1,516 million to be decided by the Appropriations Committee.

CONGRESSIONAL BLACK CAUCUS RELEASES ITS POSITION ON EXTENSION AND EXPANSION OF THE VOTING RIGHTS ACT

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. BADILLO. Mr. Speaker, I would like to insert a press release issued by the Congressional Black Caucus on April 29, 1975, regarding their support for the expansion of the Voting Rights Act to language minorities. As a member of the Civil and Constitutional Rights Subcommittee of the Judiciary Committee, which developed H.R. 6219, I would like to thank them for their important support.

The press release follows:

CONGRESSIONAL BLACK CAUCUS SUPPORTS BILL TO EXTEND AND EXPAND VOTING RIGHTS ACT

The Congressional Black Caucus today announced its unanimous support for a bill which would extend the Voting Rights Act for an additional 10 years and expand its coverage to include many Spanish-speaking and other minority persons. The bill, H.R. 6219, was reported out of the House Civil and Constitutional Rights Subcommittee of the Judiciary Committee. The full House Judiciary Committee began deliberations on the bill today and will resume tomorrow morning.

Representative Barbara Jordan (D-Tex.), a sponsor along with Congressmen Herman Badillo (D-N.Y.) and Edward Roybal (D-Calif.) of an early proposal to extend the Act and expand it to cover other minorities, called the subcommittee's bill a "sound and necessary measure to protect the most fundamental of our democratic rights for all Americans." "We feel," she said, "that this bill is carefully drawn to protect black voting rights while bringing under its umbrella other minority groups who face similar voting problems."

In its Legislative Agenda made public earlier this year, the Congressional Black Caucus called for the ten-year extension of the Voting Rights Act and supported the principle of expanding the Act to "Spanish-speaking and other minorities who face severe problems of disenfranchisement." While few of the districts represented by Congressional Black Caucus Members are covered by the Voting Rights Act, Caucus members have felt a special obligation to assist minorities throughout the country to become involved in the political process.

The Caucus called on all Members of Congress to support this extension of the Voting Rights Act. "I think we will find," Representative Jordan said, "that many Members who previously had doubts about the Act, will respond to their new constituencies which are themselves testimony to the effectiveness of the Act."

ST. PAUL IDEA SHOULD BE COPIED BY CHICAGO, TRIBUNE RECOMMENDS

HON. JOSEPH E. KARTH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. KARTH. Mr. Speaker, once again, as so often in the past, St. Paul, Minn., is proving to be a pioneer city.

Today it is providing a model for hundreds of communities from coast to coast on how to preserve a city's historic landmarks by converting them into priceless cultural and educational institutions.

We of St. Paul are doing exactly that with our famous Union Depot, turning this impressive example of our city's and the Midwest's architectural heritage into a wonderworld of a children's museum and a center for young people and adults alike for portrayal of St. Paul history.

The story of St. Paul's foresight and sensitivity both to its past and its future has been eloquently reported in the Chicago Tribune on April 28 by columnist Ed Wiedrich. I would like to submit that column for inclusion in the RECORD.

Undoubtedly it should be emphasized that it is high praise, indeed, for the Chicago Tribune, which traditionally insists that Chicago is first and foremost in nearly everything, to concede that Chicago is lagging behind St. Paul, and should emulate our city in the conversion of historic railroad depots into cultural centers.

The people of St. Paul, members of the Minnesota Children's Museum Board, city officials, and everyone associated with this splendid project can be proud of the undertaking and the national attention it is receiving. I am proud, personally, to have been associated with this cultural and historic enterprise from the promising beginnings that now seem to be on their way to rich fruition.

[From the Chicago Tribune, Apr. 28, 1975]

DEPOT IS ON TRACK WITH IMAGINATION

(By Bob Wiedrich)

ST. PAUL.—Fancy Chicago's La Salle or Dearborn Street railroad stations turned into an educational mecca for the enrichment of children instead of being torn down to make way for still another high-rise office building.

That's what this half of Minnesota's Twin Cities has in mind for its now empty Union Depot. And it is a plan that sings with civic satisfaction—a wonderland of agriculture and commerce and industry and working things that youngsters can enjoy like a creamery that churns real cream or a meat packing plant that grinds out tasty sausage.

That's imagination. And that's a different twist on utilizing valuable downtown real estate like the Union Depot here that ceased to be useful to its railroad owners when the passenger train went into a decline.

In other words, keep a classic building like the 52-year-old Union Depot alive. Don't raze it for another towering hotel or condominium complex or whatever.

Preserve a bit of what American railroad station architecture was in its finest hour and, at the same time, create something imaginative for the intellectual stimulation of today's urban child.

That is the philosophy behind the plan of a band of St. Paul citizens, who want to preserve a piece of their heritage so that a century after the first train rumbled into the depot here in 1923, the building will still be performing a vital service instead of having been reduced to dust.

Not a bad idea, when you think of it. They don't really build staunch structures like this one anymore or Chicago's downtown terminals, for that matter. So why tear them down?

At the moment, the giant concourse and train shed stand empty. They have since 1971, when Amtrak took over the nation's rail passenger operations and shifted its Twin Cities terminal to Minneapolis.

But now, a group of residents who want to save Union Depot from the wrecker's sledgehammer have formed the Minnesota Children's Museum Board to purchase the station from its five owner railroads and convert it to something of enduring value to their community.

Here is what they have in mind:

A museum that emphasizes Minnesota's productive history and the hard work and technology that contributed to building a thriving state of nearly 4 million.

A place where inquisitive children can taste and feel and see and experience the things that make up their state's environment and life around them—like handling lumber in a miniature lumber mill or a furniture factory display, examining taconite and iron ore pellets in a processing plant, or sorting grain and helping to mill flour while nibbling on a piece of real cheese from a cheese factory.

These are among the elements that have gone into developing their state. And these are the things that the museum planners hope to translate into dramatic, educational, and entertaining displays so that future generations will gain a better appreciation of their surroundings within the architectural grandeur of their city's past.

If all goes well and sufficient funds are raised for what could eventually become a $5 million project [$1.5 million for the depot alone], Twin Cities youngsters would be offered the following vista of the world around them:

On entering the depot, visitors would purchase a ticket for a ride to adventure aboard a rubber-tired Rainbow Train that would wind its way from display to display. Each "station" stop would offer something new to experience or smell or touch.

In addition to operating displays, the museum would offer an outdoor-indoor restaurant, a Children's Theater, and a chance to get involved in running the St. Paul Model Railway Club's tremendous electric train layout, which already occupies a home in Union Depot.

Most of all, the plan would maintain for new generations a glimpse of a nostalgic chapter of St. Paul life, when opulent passenger trains departed and arrived from all points of the compass and the Union Depot bustled with the comings and goings of an America geared to rail travel.

For today, too few children know only the stench of burned kerosene jet fuel and the screech of high flying aircraft. They have no concept or appreciation of a more leisurely era in their country's history.

Chicago missed just such an opportunity to enhance its children's educations when it permitted the wrecker's ball to demolish the traditional facade and train shed of the old Grand Central Station on Polk Street and the Illinois Central Railroad's historic 1893 terminal on South Michigan Avenue.

There is still time, tho, for the Windy City to follow St. Paul's imaginative lead and preserve at least one of the railroad stations remaining in the Loop. What do you say, Mayor Daley? How about a helping hand?

AMENDMENT TO HOUSE CONCURRENT RESOLUTION 218

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. DINGELL. Mr. Speaker, during House consideration of the first concurrent resolution on the fiscal year 1976 budget, House Concurrent Resolution 218, I intend to offer an amendment which will increase by $15 million the total recommended budget authority, outlay, deficit, and public debt. Specifically, $10 million of this amount is to assure adequate funding for the accelerated wetland acquisition program, and $5 million is additional to the U.S. Fish and Wildlife Service budget for maintenance and operation of the system.

In 1961, Congress enacted the Wetland Loan Act, which authorized a $105 million loan fund to be used in combination with duck stamp receipts to accelerate Federal efforts to prevent and offset serious loss of waterfowl production habitat. It set as a goal acquisition of 2.5 million acres of high quality breeding and other waterfowl habitat.

Despite the fact that there remains $19.1 million in loan authorization now available for appropriation in 1976, there is no request made against this authority in the President's budget. Yet, a shortfall exists of some 599,000 acres to complete the program. Cost alone, estimated in 1974 values, is $200 million. But, assuredly, this cost will double in the next 10 years if land value escalation does not abate.

Loss of $10 million in funding for this program now, not only will further postpone the initial objective set by Congress under the Wetland Loan Act, but, I fear, pit future land acquisitions against pressures of spiraling land prices and intense land-use competition. The effect will be to greatly increase the cost of preserving the habitat necessary to maintain our wildlife heritage.

At the same time, it is equally important that as we acquire these areas adequate funding be appropriated so that they may become operational, and that those areas already in the system be maintained. For this purpose, an additional $5 million to the U.S. Fish and Wildlife budget is necessary.

It is to be noted that there is an $83 million maintenance backlog in the existing refuges. To make matters worse, no funds were included in the budget for six new refuges scheduled for staffing in 1976. Personnel and staff must be diverted from existing refuges to manage these areas. In addition, inflation has had a dramatic impact on the ability of the U.S. Fish and Wildlife Service to operate the system. Between 75 and 90 percent of the available funds for each refuge are expended for personnel compensation. This situation cannot be tolerated.

Mr. Speaker, the current economic recession has presented an unusual opportunity to acquire land from owners and developers who are financially hard pressed. I would hope that my amendment will be accepted to hold down costs to future generations and to assure continued support of vital conservation and environmental policy.

The text of my amendment follows:

AMENDMENT TO HOUSE CONCURRENT RESOLUTION 218 BY MR. DINGELL

Amendment to House Concurrent Resolution 218, or to any amendment in the nature of a substitute to House Concurrent Resolution 218 (to be considered en bloc):

On page 1, line 11, strike out "$395,600,000,000" and insert in lieu thereof "$395,615,000,000";

On page 2, line 2, strike out "$368,200,000,000" and insert in lieu thereof "$368,215,000,000";

On page 2, line 5, strike out "$73,200,000,000" and insert in lieu thereof "$73,215,000,000";

On page 2, line 7, strike out "$624,000,000,000" and insert in lieu thereof "$624,015,000,000";

On page 2, line 9, strike out "$93,000,000,000" and insert in lieu thereof "$93,015,000,000".

THE DOLLAR QUOTA SYSTEM

HON. DAVID F. EMERY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. EMERY. Mr. Speaker, on the 23d day of April, I introduced H.R. 6310, "A Bill to Provide a Comprehensive Energy Program, to Reduce Oil Prices, and Conserve Energy."

I believe that this legislation is a responsible compromise between the two oil conservation approaches that we have had before Congress this year—the import tariff proposal of the Ford administration and the increased gasoline tax proposal that is now before the Ways and Means Committee.

It is my hope that this legislation may attract the interest and support of all Members of Congress. The following is a factual summary of its contents that I hope you will find helpful:

THE DOLLAR QUOTA SYSTEM: AN ALTERNATIVE PLAN FOR LIMITING OIL IMPORTS

Everyone now agrees that something must be done to conserve the energy and to reduce our dependence on foreign oil.

The President's program to reduce oil use by raising the price through a graduated import tariff, however, would drastically increase the cost of oil and thus would contribute to both inflation and unemployment. While the President should be commended for his strong, resolute stands on energy, I feel that we can offer a better solution to this problem. Clearly, the so-called Ullman bill is not much of an alternative because it would especially hit the low-income consumers. The country, however, deserves an equitable energy policy and into this vacuum, I have proposed an alternative, to be known as H.R. 6310.

Under my plan, the Federal Energy Administration would institute a flexible dollar quota on all oil imports. There would be no limitation on the quantity of oil coming to this country. Instead, oil imports would be limited to a total dollar value—$5,625,000,000 in 1975 and $5,500,000,000 in 1976. In simple terms, this system would encourage domestic importers to "shop around" for the cheapest foreign oil available so that they could import the most oil possible with their money. A dollar quota system has many immediate benefits:

First, the balance of trade deficit, which has been estimated at $4.5 billion in 1974, would be gradually eliminated. In 1974, our oil imports totalled approximately $24 billion. The reductions recommended in my proposal would bring imports and exports into balance in just over two years. This process of reducing oil imports has already begun, as the first quarter 1975 trade surplus would indicate. Although this drop is generally attributed to the recession (which reduces industral demand for petroleum products), our program would continue this process by forcing reductions with an emphasis on reducing prices rather than quantity.

Second, by setting our quota on a dollar basis, we would not discriminate between petroleum products to be manufactured. Our free market system would make the selections as to use of our imports—whether for fuel oil, lubricants, or synthetic fabrics.

Third, a dollar quota would promote competition among refiners and importers at home to produce lower-priced petroleum products, as well as among the OPEC (Organization of Petroleum Exporting Countries), effectively reducing or weakening OPEC's present rigid stand on price. To those who fear a loss of supply, I point out that the United States gets a substantial part of its oil imports from the less radical OPEC members, or from those badly in need of dollars.

Fourth, a dollar system is workable, in place, and can be set in motion in 24 hours. The Oil Import Office of the Federal Energy Administration now issues import licenses and requires all importers to register price, quantity and origin of all oil imported. The current status of oil imports could be reviewed on a quarterly basis, with adjustments made accordingly, although targeted to the annual goal.

To spur oil imports at lower prices, a bonus of exemption would be offered in the form of non-quota oil to those importers and refiners who are able to purchase oil at lower than average prices. This unique feature of my proposal would work as follows: Each three months, the F.E.A. would designate an average import price for that period. Any imported oil brought into the country at savings greater than 5% of this three-month average during the following three months would not be counted against his annual dollar quota. A successful program of exemptions would continually lower the base price, and ultimately, the cost. For example, assume that the previous three-month average price was $12.00 per barrel. Under such a system, an importer could purchase oil at $11.40 per barrel or less without a quota restriction—but all purchases at a price greater than $11.40 (95% of the $12.00 average price) would be restricted by the dollar quota limitation.

This system would encourage our importers to assign less expensive oil to the United States. Since most of our importers have vast distribution and marketing networks, it would be to their advantage to keep their systems operating at top efficiency by keeping up imports, but at a lower price. Once in motion, the bonus-exemption would encourage competition, cheap prices and reduce our over-dependence on foreign oil.

Necessary for a successful program of dollar quotas is the continuance of the present domestic allocation program currently in place under the Federal Energy Administration. Under this plan, fuel suppliers are forced to supply all areas with adequate oil, regardless of geographic location.

Under the present allocation program there are three categories of priorities—those receiving 100% of needs; those receiving less than 100%, based on the remaining fuel available after the first category is filled; and a third category based on 100% of 1972 usage.

Examples of Category One are defense and agricultural producers; Category Two includes emergency services, sanitation vehicles, telecommunications, passenger carriers, mail vehicles, and aviation support vehicles. The third category includes industrial needs, and commercial and social service requirements.

An amendment to this allocation system is included to assure an equal "mix" of higher-priced foreign oil and lower-priced domestic oil for distribution to all parts of the country. This provision would preclude any one geographic region from bearing an unfair economic burden from over-dependence on foreign oil.

The present allocation system is due to expire in August of this year. Therefore, under my program, I would propose an extension for an additional year with adjustments to meet changing conditions.

Additional important components of my energy program include a windfall profits tax on domestic crude oil, equalization of residual fuel oil prices, and a system for Congressional review of the Presidential authority to mandate price controls of domestic "old" oil.

Although it seems doubtful that oil companies would be subject to windfall profits tax in the immediate future, an excess profits tax on domestic crude oil is a necessary part of any sensible plan. My proposal is similar to that recommended by President Ford, altered only to allow for a greater than expected rate of inflation and subsequent increased product costs. In a period of economic crisis, we must not allow any one segment of industry to extract high profits at the expense of others.

The tax is graduated from 15% to 90%. The initial "adjusted base price" will be the producer's ceiling price per barrel on December 1, 1973, plus $1.25 to adjust for subsequent increased costs and higher price levels generally.

My program also calls for Congressional review of any proposed changes in the prices paid for controlled oil. This system would basically require the President to give Congress a thirty-day warning of his intention to raise or lower oil prices and state his reasons for authorizing the price change. The Congress would, in turn, have the right to prohibit the President from instituting price changes if the conditions for such changes were not compatible with their feelings.

This system would not seriously limit the President's ability to adjust oil prices in keeping with long run supplies and promotion of investment in petroleum exploration. Rather, it would simply give the Congress a passive control over the pricing system.

The last section of my program calls for the imposition of an excise tax on the sale of fuel-inefficient automobiles, as well as a system of tax credits for more economic cars. Minimum fuel economy standards for model years 1977 through 1981 have been delineated as a basis for the tax credit schedules.

This program will not only encourage the automobile industry to produce more efficient cars, but it will also provide incentives for the consumer to purchase such automobiles. Unlike many of the other automobile efficiency proposals, my system does not attempt to legislate taste by outlawing inefficient cars. Rather, it employs free market forces to encourage a similar result. My fuel-efficiency proposal is also not as harsh as others; it takes a moderate position in trying to satisfy not only the priorities for conserving energy, but also the realities of our present economic crisis and the need to make these changes on a gradual basis.

A temporary moratorium on the E.P.A. emission standards is also imposed as a reasonable and desirable interim concession to achieve better fuel economy. Since the enactment of the Clean Air Act of 1970, toxic emissions have decreased by as much as 80%; as more older cars are scrapped and newer cars are produced, the effects of the emissions improvements will continue to be felt even though the standards themselves do not change.

In short, my program of credits and taxes on automobiles is a sensible, straightforward and decisive solution to a very serious problem.

SHORT AND LONG TERM EFFECTS OF MY ENERGY PACKAGE

How does this energy program affect the country? Mostly for the good when compared to other proposals. Although my energy reduction plan has its drawbacks, it has elements that make good sense for everyone:

(1) The cost of oil would not rise as much as it would under the Foreign Oil Tariff proposals.

(2) Each state would receive the same percent of available oil and the same mix of foreign and domestic oil as all other states and regions, based on consumption requirements and equalization of residual fuel oil prices.

(3) Our dependence on expensive, foreign oil will be slowed and later reversed.

(4) The sale and manufacture of more economic automobiles is encouraged.

(5) Allocation will put oil where it is most needed.

(6) It does not impose arbitrary taxes on one sector of the economy, but allows the free market system to operate to attain the same goals.

(7) My plan will be less inflationary than either the Ullman or Administration proposals. It holds Federal spending more closely in line with revenues, and does not call for tax increases.

(8) My program is also fair to all regions of our country. The dollar limit, when combined with the allocation formula, will more effectively insure that all states receive their fair share of reasonably priced oil.

(9) The dollar limit oil import package is not difficult to administer and will not require a massive increase in the Federal bureaucracy.

(10) My program is not overly concerned with one problem to the complete exclusion of others. Recognizing that our present economic situation cannot be solved through "pump priming" alone, our plan attempts to improve our global as well as domestic situation, since the two are closely interrelated.

(11) My proposal does not call for rationing in any form. Rationing cannot work in our society on a long-term basis. It is bureaucratic and expensive and should not be considered as a desirable alternative for those seeking to allocate oil consumption.

In summary, I suggest to the Congress a comprehensive energy program to reduce oil imports.

The key elements are a dollar limit on oil imports with exemptions for lower priced products, an extension of the present allocation program, equalization of oil prices nationwide, windfall profits tax on domestic crude oil, a system for allowing Congressional review of oil price controls, and a plan for encouraging more efficient automobiles.

Now begins the job of selling my plan at F.E.A., the White House and here in Congress. It will be refined and improved in the process, and, hopefully, accepted.

SLIPPING ON OIL

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. FORSYTHE. Mr. Speaker, in recent months the people of the United States appear to have fallen into their old habits of fuel consumption, perhaps believing that the fuel crisis is simply a long gas line from the past.

The facts, unfortunately, are that the United States is still heavily dependent upon foreign oil—a supply that could be cut off any time without warning. Yet we continue to produce study upon study calling for a comprehensive and coordinated energy program. So far all that has been accomplished is the filling up of bookshelves with reports. What we need is action, and action now; not after the next report has filtered through Government bureaucracy. I call to the attention of my colleagues the following article from the U.S. News and World Report of May 5, 1975, which makes a point that is all too true:

SLIPPING ON OIL

(By Howard Flieger)

You can't see it or feel it, but you'd better believe it: The energy crisis is still with us, explosive as ever.

And nobody is really doing much of anything to make it go away.

A multination conference in Paris, called to consider petroleum needs, production and prices, ended where it started—nowhere.

In Congress there are almost as many ideas about energy legislation as there are members. A half dozen or so plans have been worked up by one committee or another, but agreement on an over-all, realistic policy is no closer now than it was in January, when this session was called to order.

President Ford knows what he wants, but he is not getting it, and isn't likely to. The public attitude seems to be "So what?"

The odd thing about the present "fill'er up" euphoria is that the fuel situation is no nearer solution now than it was that winter when so many filling stations ran out of gas. As a matter of fact, it is worse, if you look ahead.

Even with slightly reduced consumption, the U.S. remains dependent on Middle East oil—and the Arabs can cut it off at the well or price it sky high any time they choose.

So—what's next?

If Washington's time-honored tradition were followed, the scenario would go this way:

1. A special commission is created to study the problem and its portents. That gets the thing out of everybody's in-box.

2. The commission makes a long and genuinely valuable examination of the outlook.

3. Everybody praises the study as a significant blueprint for action—which most of them really are. The report prompts a few days of scare headlines and thoughtful editorials about a clear and present danger.

4. The document—usually several volumes—is sent to Congress.

5. That's the last of it.

There are no indications President Ford has any thought of going the route outlined here. But it has been suggested, and there are precedents galore. Through the years, Washington has had a penchant for compiling scholarly studies—and forgetting them.

Does anybody remember the Paley Report? That was the popular name of the time—the summer of 1952—that was given to a five-volume report made by a Materials Policy Commission appointed by President Truman. It was named for its chairman, William S. Paley of the Columbia Broadcasting System.

Using 1950 as a starting point, the Commission undertook a thorough analysis of the world's resources and material needs for the next 25 years.

It was instructed to examine existing and potential supplies and requirements. It was to make recommendations for ways to see that we got all the fuel and vital materials we would need in the foreseeable future.

The Commission did just that. Almost a quarter of a century ago it warned: "Domestic crude production is still far from the end of the road, but even under fairly optimistic assumptions it cannot keep pace with rising domestic needs up to 1975."

The study recommended that the U.S. start immediately on a program, encouraged by Government, to increase oil exploration and production, and get moving on developing petroleum substitutes and synthetics, coal and other energy sources.

Otherwise, it said, we would be dangerously dependent on foreign oil by 1975.

So here it is—1975—and we are now importing two of every five barrels of oil used in this country.

If you're curious why we're in this situation, and what thoughtful men said should have been done to prevent it, you'll find it all in the Paley Report of 1952—if you can locate a copy under all the dust.

LEE HAMILTON'S WASHINGTON REPORT, "AS WE LEAVE VIETNAM"

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. HAMILTON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include my Washingon Report, "As We Leave Vietnam":

AS WE LEAVE VIETNAM

The American involvement in Southeast Asia is at long last about over, and all of us feel a variety of emotions: sadness as we see the collapse of a country we have supported for over a decade; relief that the end has finally come; sympathy for the human suffering; and depression that the United States ever got involved in Vietnam and that we spent so much in men and money. Most of us are drained from the Vietnam experience, and we want most of all to forget about Indochina. A few observations may be appropriate as we close a tragic chapter in American history.

The events in Indochina give us an opportunity to reconsider what really are the national interests of this country and to evolve policies which support them. We should emerge from the tragedy of Vietnam with a clearer understanding of this nation's world role and a healthier realism about the limits of American power. Surely the end has come to the era of American omnipresence and the idea that we can control events everywhere. Among other things, this means we should not make massive commitments of American prestige and power in situations where the national interest of the United States is not vital, and it means we should focus our efforts instead on the mainlines of American interest in Europe, the Middle East, and Japan. It also means a role something less than the world's policeman, something less than bearing every burden and fighting every foe in defense of freedom, but something more than a retreat into fortress America and the isolationism of the past. Our task is to avoid excessive commitments without swinging toward a dangerous withdrawal from our responsibilities in the world. The United States must of course remain militarily strong, but it should rely less on its military strength and more on the attraction of a free, open, and prosperous country that is strong enough and confident enough not to impose its will upon others and to allow diversity in the world's political and economic systems.

There just is no reason for Americans to feel a sense of defeatism because of the defeats in Indochina. Although some commentators think that the United States is in danger of collapsing as a world power, the world prestige and stature of the United States is not entwined in the fate of Cambodia and Vietnam. The collapse of Cambodia and South Vietnam may be a defeat for our allies, but it was not a defeat for the United States. We did all any friend could reasonably be expected to do in support of an ally. In the final analysis, we could not save Vietnam for the South Vietnamese. Only they could do that. Although battered, our political system emerges from Vietnam intact, and our national priorities, long distorted by the war, can be re-established. Our overall power continues without challenge, and we remain the only military superpower in the non-communist world. The bulk of U.S. diplomatic relationships continue on a normal course, and there are no immediately threatening crises. Neither the Soviet Union nor China has been tempted to exploit the deterioration of American authority. Our economic power is awesome and will be enhanced as we end the drain of resources to Indochina. Likewise, our cultural power has established an influence in the world of the arts, threater, and publishing that is as pervasive as it is underrated. In short, Americans have no reason to lose confidence.

So I disagree with those who contend that the failure in Indochina is a sweeping setback for American foreign policy. The United States does not really have any vital interest in Southeast Asia, and other nations will not conclude that because we are refusing to continue resistance there we will not resist in other areas of the world where we do have vital interests.

This is not the time to search for scapegoats or to engage in a fruitless debate on who lost Indochina. Frankly, I have been disappointed by statements of President Ford and Vice President Rockefeller encouraging that kind of discussion. The Vice President has suggested that Indochina will be a political issue in 1976, and the President has consistently suggested that the Congress has frustrated efforts to meet our commitments. The impact of these words is to politicize the failure in Indochina and to downgrade confidence in America's dependability and strength. My view is that the Congress in recent years has understood the American national interest better, and certainly more realistically, than recent Presidents. The Congress has also better understood that no foreign policy will work unless the American people understand and support it.

How we leave Vietnam is important. We should acknowledge our responsibilities and our mistakes—in the initial involvement in Indochina, in the continuation of the war in the face of staggering human and material costs, and even in the events since the Paris accords. We can claim that we did the best for an ally that we could. We should do all we can to bind up the wounds of war. Hopefully, we will be willing to learn from our errors, shake off any sense of defeatism, put Vietnam behind us, and move on with even greater striving toward the ideals of the nation which have made us both a strong and compassionate people.

Now is the time to begin to restore perspective on the real American national interests and to revive confidence in American ability and will.

A SPEECH BY MR. REYNOLD C. MacDONALD

HON. MARTIN A. RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. RUSSO. Mr. Speaker, recently I had the privilege of attending the meeting of Interlake, Inc.'s executive personnel in Washington, D.C. This major steel corporation, with headquarters in Riverdale, Ill., in my district, has 13,500 employees around the world and operates 23 major production facilities in eight States. I mention this because I think it makes it particularly significant that their chairman of the board, Mr. Reynold C. MacDonald was not born with the proverbial silver spoon in his mouth, far from it. He is truly a self-made man and an example of what can be achieved in this country with the opportunities that exist.

I found Mr. MacDonald's remarks at the meeting most interesting and informative. Because I know how many of us are concerned, as Mr. MacDonald is, about communication gaps between elected officials and the business communication, I want to share his remarks with my colleagues:

REMARKS OF REYNOLD C. MACDONALD

Good evening.

Congressman Ashley, Congressman Hall, Congressman Milford, Congressman Miller, Congressman Natcher, Congressman Russo, Congressman Snyder, Sam Sherwin, Jack Roche and special guests at the speakers' table and friends.

I find it most gratifying to be with you this evening. I am particularly pleased with the attendance of our Congressmen and their assistants who represent the plants where we have major operations and thousands of employees.

Sitting together here this evening—our elected officials and Interlake executives—is a unique experience for all of us. For years, we've heard and read reports . . . and experienced . . . the communications gap between our elected representatives and businessmen . . . tonight we're trying to close that gap.

I am quite aware of the tremendous problems facing you . . . our Representatives in Congress. I am also aware of the challenges faced by the business community. And, unless we work together . . . unless we help each other . . . and until we put aside partisan politics and work for the good of all Americans . . . nothing will be accomplished.

Certainly, we're going to disagree on some issues. All we in business ask is a fair hearing and a fair shake. In turn, we'll do our best to help you and understand your position.

I mentioned earlier that this meeting is unique. It is unique in that we've pulled together a lot of loose ends today and tonight. As a corporation, we've had a planned public affairs program in effect for several years. We are relatively newcomers to the scene. But we're fast learners and we're reaching out. During the last three years we have had some negative experiences with some federal bureaus, particularly in reference to the Environmental Protection Agency.

At Interlake, we've been sincerely working on our problems and we're succeeding. We have spent in excess of $40 million in this area. We have good, dedicated people solving our environmental control problems, and yet we find we're faced with the federal Environmental Protection Agency, the State of Illinois Environmental Protection Agency, the Metropolitan Sanitary District of Chicago, Cook County Department of Environmental Control, City of Chicago Department of Environmental Control and the United States Coast Guard . . . all telling us how to run our business. If you can tell me how to run a business with so many government agencies telling you how to do it, I'd welcome your answer because we have not been successful.

We've been very unhappy with the lack of cost benefits relationship and government concern in this area especially concerning fugitive dust emissions. For example: fugitive dust emissions are fine particles of dust that are generated in our plants. We have documentary evidence that we're wasting more energy and creating more valid pollution (that is, approved by law) to clean up this type of emissions than the fugitive emissions themselves. Now, if that doesn't sound ridiculous, I don't know what is! Just this week, the American Iron and Steel Institute testified at hearings on the Clean Air Bill and stressed this particular point. We feel very strongly that overall, government is infringing on our ability to manage our company.

We intend to preach and practice involvement in government and community relations not only at our supervisory levels, but at our grass root level as well. To best accomplish this, we've asked our key plant managers and their assistants to join us here in Washington for a "Federal/State Legislative Briefing Conference" of which this dinner meeting is but one phase.

I would like now to comment on what has become a most significant dimension of our business.

That dimension is government. Interlake, like most American corporations, is a growing target for legislation and regulatory agencies . . . and particularly the bigger ones in the metals industry.

Interlake is a growing company. We're getting bigger each year as our profits, sales and participation in international markets continue to grow.

Interlake has about 13,500 employees around the world. About 9,000 of these are in the United States, where we operate 23 major production facilities in eight states. We have small operations or offices in 31 other states. Though Interlake's 25,000 shareholders live in every state, they're concentrated in Illinois, New York, California, Ohio, Florida, Pennsylvania, New Jersey and Michigan. And we serve about 100,000 customers in the U.S.

If you consider the total number of employees and the 25,000 shareholders, and multiply this out on a factor of three persons per family, this comes to approximately 100,000 people each of whom depends upon Interlake for all or part of their livelihood and their income either through wages, salaries or dividends. Understanding this, I think you have some feeling for the responsibility I personally have to protect the vital interests of these people.

As a corporation, we're visible; we're relatively big; we're in businesses that use natural resources; we have plants whose processes create visible wastes; and I could go on.

To give you a little further dimension of why we've become more involved in government relations, last year 61,750 bills were introduced at the federal and state levels . . . and only in the eight states which we are particularly interested. Over 75% of these bills, in one way or another, affect—or could have affected—Interlake.

On top of all the proposed legislation that affects us, the government's shadow looms larger each day through a multitude of bureaucratic agencies. You've heard the names. And you hear them more and more each day!

Environmental Protection Agency.

Occupational Health and Safety Administration.

Environmental Health Service.

Equal Employment Opportunities.

And so on.

Again I mention the Environmental Protection Agency because of another dimension that we are just beginning to get into which is the non-degradation of air quality. Many persons haven't heard about this yet, but it amounts to a new kind of zoning authority based on air cleanliness throughout the U.S. Based on the present laws, this new zoning authority could prevent all future expansion in the steel industry in this country. We are very concerned about this, and you should be too.

Don't think I am just crying wolf. We want to cooperate and we understand some of the benefits that are derived from these programs, but we have also had the sad experience of tunnel vision used by some regulatory agencies and people who really do not understand the problem, what is being accomplished and the great strides already made.

I am very concerned when I think about the thousands of man hours our employees spend dealing with so many agencies. Our experience has not been good. And I also am concerned when I think of Interlake's enormous tax bill each year. There never seems to be an end to the tax bite. For example, not only are our dividend payments taxed when earned, but they are taxed again when received by our shareholders.

Last year, Interlake paid $43.2 million in federal and state taxes. About $31.2 million was paid in eight states where we have major facilities. The rest was paid in 31 other states where we have sales offices, distribution centers, warehouses, inventories, real estate holdings, etc.

The federal government's share of the total was $25 million. The states' share was $18 million.

Our $43 million tax bill was paid to 153 separate taxing bodies. That's right: 153!

Another reason why we've been more involved: Our plants and employees are represented by 91 elected officials at the federal and state levels. Last year, the 93rd Congress looked like this: The Senate had 58 Democrats and 42 Republicans. The House had 242 Democrats and 187 Republicans.

The new Congress has 61 Democrats in the Senate and 39 Republicans. There are 291 Democrats and 144 Republicans in the House.

What about the eight states where Interlake has investments of capital and employees? Who's in charge?

I think every man in this room sincerely believes that America should and must retain a strong two party system if we are to maintain proper checks and balances.

Let me expand on my premise a little further. Another more fundamental and vital reason why we've become more involved in public affairs has to do with a tragic attitude that there'se something wrong with profits. Profits are not government handouts.

Traditionally, Interlake has had three responsibilities:

Supply a good product to our customers;

Make a profit for our shareholders; and

Pay a fair wage to our employees.

But now we have a forth responsibility and this is: To assure the survival of the private enterprise system within the framework of our American Republic.

We have instituted both internal and external action programs designed to place us in our proper role as a responsible corporate citizen. We plan to help create a climate that will enable Interlake and other businesses in the free competitive system to function effectively and profitably in the best interest of all Americans.

With this self-imposed responsibility, we created a Public Affairs Department whose function is to foster a better understanding among the general public and employees of *how* business and the free enterprise system operates and by *encouraging* all citizens to influence those political, economic and social issues that are important to maintaining our freedom and democratic process.

I won't take time to discuss all the specific things we're doing, but let me mention just a few ways we're trying to interpret the advantages of the free enterprise system and the free market.

Last year we opened a Washington office, which handles both governmental relations and government marketing. We've also organized a 19 member Public Affairs Action Team representing each major plant. This team helps share the job of monitoring legislations and informing our elected officials at the state and federal levels concerning bills which directly affect our business and our powers to manage. Team members work closely with the plant manager, the corporate office and our Washington office.

Here are some areas and issues where this team took an active role:

Importation of chrome ore. From our industry's standpoint, it just seems ridiculous to us that we should consider banning the importation of chrome ore from Rhodesia which essentially makes us dependent upon the Soviet Union for this strategic material. When you look at what is happening around the world today, it would be a very serious mistake to handicap our own country. We need to inform all of our Congressmen of the gravity of this situation. To continue—

Trade Reform Act.

Duty rates on cotton baling ties.

Export Administration amendments.

Pricing and export of ferrous scrap.

Energy research.

Surface mining.

Clean Air Act.

Solid waste disposal.

And, the Surface Transportation Act.

This year team members and especially our Washington office will keep close tabs on the United States Congress which will be considering such issues as—

Tax reform.

National Energy Policy.

Oil import reductions.

Foreign trade.

Workmen's Compensation.

Public financing of election compaigns.

Private pensions.

National Health Insurance.

Consumer affairs.

No-Growth Zoning.

Budget control and spending.

And, Minimum Wage.

And we expect many bills to be introduced concerning social issues.

Last year, just prior to the election, we coordinated our second corporate-wide "Good Government" program. We put together a list of 448 supervisory personnel at all plant locations and distributed many materials on various subjects.

Today we completed the first day of a two-day "Federal/State Legislative Briefing Conference" for our Division executives, plant managers, their assistants and our labor relations personnel. This is just another indication of how serious we're taking the challenge of growing government involvement in our business.

Well, I won't belabor my point.

Politics is everybody's business. We live in a democracy and that democracy can only survive if we participate as individuals.

The advice of President Eisenhower that "Politics ought to be the part-time profession of every citizen" seemed unnecessary . . . until now. We're encouraging our shareholders, employees and neighbors to—

Know what's going on and know the men and women who represent them.

Communicate with their representatives.

Explore their role as individuals and as businessmen in using their talents in politics or community affairs.

Encourage their staff and others to involve themselves.

Contribute financially to the party or candidate of their choice.

Support good men to run for office in either party.

Our democratic society is really still on trial. It has worked well during time of abundance. But we need to work much harder now, in this new age of shortages.

I hope you understand now why we're making such an effort to encourage involvement. We aren't ashamed to say we believe in the very existence of our free society and our way of life. The comic strip character Pogo, said "We have met the enemy . . . and he is us."

To say this another way, we've discovered who's running the country . . . it is us. And, frankly, we know America could do a lot better.

As representatives of the industrial community and as representatives of our country's economic way of life . . . And you elected officials who represent us and our employees, we need each other as never before. We need to work together for the attainment of mutual goals.

We need you to help lead the way.

For despite the real or imagined political, economic and social faults of our system, we still have the best form of government in the world. The few hours of our personal time devoted to involving ourselves is a small price to pay for the political, economic and personal freedoms we enjoy.

Together we can make a difference. I encourage your support.

NATIONAL MEDICAL LABORATORY WEEK

HON. JAMES W. SYMINGTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. SYMINGTON. Mr. Speaker, on March 12, 1975, I cosponsored House Joint Resolution 312, to authorize and request the President to proclaim the second week in April of each year as National Medical Laboratory Week.

The purpose of the resolution is to recognize the instrumental service of the men and women in the medical laboratory field who perform vital diagnostic tests required for the identification and treatment of diseases. Currently, more than 150,000 highly trained specialists are involved in medical laboratory careers.

Although the Congress has not yet acted on this resolution I would like to inform my colleagues that earlier this month Governor Bond signed an official proclamation to declare the week of April 13–19 as Medical Laboratory Week in Missouri. Governor Bond stated during the signing ceremony:

> The purpose of the proclamation is to call attention to the men and women whose service and dedication assist and support the Nation's physicians, researchers, and scientists.

I hope the Congress will soon act affirmatively on House Joint Resolution 312 so Medical Laboratory Week will be observed on a national basis next year.

THE NEED FOR BILINGUAL EDUCATION

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. RANGEL. Mr. Speaker, I would like to take this opportunity to emphasize the need for bilingual education. There are currently over 1 million individuals of Spanish heritage living in the United States. Under our constitution, the rights of all individuals are guaranteed. The rights of Spanish-speaking citizens cannot be ignored.

In keeping with this sentiment, I have supported legislation for bilingual ballots and court proceedings. The next step would logically by a comprehensive bilingual educational system.

I submit to my colleagues the following article which appeared in the New York Times of April 9. It goes far to illustrate the need for bilingual education in New York City and in all of our school systems.

NEED OF BILINGUAL STUDY ESTA DRAMATIZADA AQUI

(By Peter Kihss)

It was a conscious effort to make the audience nervous.

Herman LaFontaine, a Board of Education official, was addressing a conference of social workers, teachers and others yesterday, but he started to speak in Spanish. Then, in English, he explained that he had wanted those present to understand the frustrations—and potential alienation—a child feels in a classroom when he goes through days and weeks without understanding the language spoken in his school.

The occasion was part of the city's first Puerto Rican Family Week, proclaimed by Mayor Beame, and bilingual education was portrayed by speakers at the conference as a way to help keep children and their newcomer parents together—and to offer "cultural pluralism" to families whose first language is English as well as to those who are Hispanic.

Mr. LaFontaine, executive administrator of bilingual education for the Board of Education, said at the conference at Fordham University, Lincoln Center, that 35,000 to 40,000 children were in bilingual classes here, not only in Spanish but also in French (for Haitians), Chinese, Greek and Italian.

Court-ordered expansion may require a staff of 1,300 or more teachers fluent in both Spanish and English next fall, he said in an interview. The school system now has 800 such teachers, he said, but 250 are in community relations instead of classrooms.

Nevertheless, Mr. LaFontaine said, 3,000 candidates last month took a test, which is still being processed, for teaching in the two languages. Also, he said, budget cuts in financially pressed Puerto Rico are terminating the jobs of 6,000 to 7,000 teachers there.

"All children should be bilingual, to share the culture they have with each other," Evelyna Antonetty, president of United Bronx Parents, told the audience. "New York has lost its Jewish heritage. New York has lost its Irish heritage. We Puerto Ricans are not going to let this happen to us."

10 WORKED WAY UP

The city's first Puerto Rican school superintendent, Carmen Rodriguez of South Bronx District 7, said her district had 185 bilingual teachers, with more than 5,000 pupils in their classes of the district's 24,000. Ten such teachers, she said, originally started as paraprofessional classroom aides four and five years ago.

Miss Rodriguez said the District 7 board resolved last year to provide a class in every grade to help non-English-speaking children. This was before last August's Federal Court consent decree calling for citywide programs this fall to offer mathematics, social studies and science in Spanish together with intensive instruction in English.

"Objective" tests are to be given this spring to decide how many are eligible. Based on past teachers' judgments, Mr. LaFontaine said 150,000 children were considered to be having difficulty in English.

These included 120,000 Spanish-speaking youngsters (the school system has 260,000 Puerto Ricans)—90,000 with moderate and 30,000 with severe difficulties, he said.

Puerto Rican Family Week is sponsored by the Puerto Rican Family Institute of 116 West 14th Street.

THE NEED FOR LEGISLATION TO CREATE A 200-MILE LIMIT

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. DOWNEY. Mr. Speaker, we have an urgent need for legislation creating a 200-mile limit on foreign fishing activities. The reason is absolutely clear: foreign fishing fleets of this Nation's coasts are threatening the extinction of many of our indigenous species of fish by their unlawful and careless fishing activities.

Our commercial and recreational fishing industries are far too important for this Nation to allow these actions to continue. On Long Island alone these industries have a reported worth of $16 million and it has been estimated that the true value of these industries is far greater. Moreover, the industry is the second largest single employer on Long Island.

These domestic fishing activities are absolutely dependent upon continued stocks of salt water fish off our island's coast. It is well known that Russian trawlers have been threatening our stocks of whiting, ling, herring, and squid. All of these species are fished commercially by Long Island's fishing fleet.

Moreover, New England and the Middle Atlantic are now faced with such a drastic decrease in the population of such species as the yellow tail flounder that the catches of these fish may well have to be reduced in order to insure their continued existence. Similarly, the press reports have indicated that our coastal fishermen are having to venture further from our shores than ever before to find the species they once fished in abundance.

I have recently met with many of my constituents who are extremely concerned about this problem. The report which they have given me has left me similarly disturbed. After talking with them I am completely convinced of the need for prompt action by the Congress.

Foreign fishing fleets are larger, better equipped, and able to travel longer distances than our own coastal fishermen who generally operate on a very small basis. As such, it is inequitable for these highly subsidized fleets to move in on this country's resources and drain them dry so that people in Moscow can eat the most desirable species of fish life indigenous to our own shores.

Furthermore, it must be noted that with the pressing demands of the world's hungry it has become patently clear that if this country does not act a major source of the world's protein could be lost. The devastation of fish life cannot continue.

We, as a Nation, must take affirmative action to require Russia, Japan, and other nations to observe the proper conservation measures of international law in their fishing activities, and we must place a limit on their trawling activities near our coasts. Through the strong leadership of this country we may be able to stop this destruction in time.

But we have already waited too long, the time to act is now, I urge my colleagues to consider these points carefully and press for speedy legislative action.

RULES AD ABSURDUM

HON. DELBERT L. LATTA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. LATTA. Mr. Speaker, Cass Cullis, editor of the Bryan, Ohio, Times in my congressional district, has come up with another prize-winner of an editorial—this one involving the ridiculous state to which we are being driven by Government rules and regulations. I am pleased to insert it in the CONGRESSIONAL RECORD:

RULES AD ABSURDUM

Back in the olden days when people were literate, the phrase reductio ad absurdum was well understood. No longer in popular use, the phrase applies more and more to government regulations as the complexities of new rules leads to unexpected and unwanted conclusions.

Safety for employes, non-discrimination, concern for the environment, fair taxation, truth in lending, the right to a fair trial, need for good working conditions, anti-pornography laws, and equal rights, are all noble enough causes.

Rules and regulations are made, new rules follow to clarify the original rules, more rules are made to cover the loopholes in the clarifications, exceptions to the rules to cover the loopholes are instituted, ad absurdum.

A few cases in point:

Employers should not discriminate against Negroes. Non-discrimination is insufficient, and affirmative action follows. Eventually a court decision is reached that even those who did not apply are eligible for back pay, because they did not apply for work because they expected discrimination.

Mothers should not receive welfare if there is a "man in the house," so fathers must desert their families so the family is eligible for aid.

Foods must contain minimum daily requirements of certain ingredients to be advertised as "nutritious", therefore, meat and potatoes cannot be advertised as nutritious.

Car makers must make safe cars, so buyers pay $150 for seat belt interlocks, and another $15 to have them disconnected. Then the law is repealed.

Cars must not pollute so the catalytic

converter removes the carbon monoxide, but turns out sulfuric acid instead.

Criminals must be apprised of their rights, and if this is not done properly must be freed regardless of their guilt.

A company that loses money can carry forward the tax loss to a profitable year. So a profitable company can buy a company which failed, and deduct the losses from their own income taxes.

Occupational Safety and Health inspections are unannounced, so employes cannot ask for an inspection without asking for the likelihood of a fine at the same time.

Laws are passed against nudity and pornography and could be interpreted to close most of the museums of art in the United States.

Enforcement of the income tax laws requires cross checking, to the extent that supposedly private files are handed freely from one agency of the government to the other.

The list can go on and on, with the final absurdity the likelihood that attempts to correct the absurdities can do little but lead to bigger and better absurdities.

A STRATEGY OF MISERY

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. FRASER. Mr. Speaker, as high unemployment squeezes double-digit inflation from the economy, we are hearing higher and higher definitions of full-employment. While other countries consider 5-percent unemployment a national crisis which can topple governments, our officials are willing to accept a 5- or 6-percent jobless rate as a target. We are told that the composition of the labor force has changed and that makes the unemployment rate rise. These officials ask us to focus on the lower unemployment rates of adult married men or white men in their prime working years. We must infer from this that those groups with high unemployment rates—women, teenagers, minorities—matter less to our economy.

Such an argument condemns many individuals to unemployment or underemployment, poverty, and despair. It also condones the waste of $125 billion in lost production this year. Our country is not rich enough to throw away almost 10 percent of our GNP.

Helen Ginsburg of the Center for Studies in Income Maintenance Policy of New York University's School of Social Work has analyzed our policy of fighting inflation with high unemployment. I am happy to share her excellent analysis, "A Strategy of Misery," with my colleagues:

[From ADA World, February–March 1975, reprinted from "The Nation"]

A STRATEGY OF MISERY

(By Helen Ginsburg)

Gerald Ford may not agree, but unemployment is already at a disaster level. In December 1974, it shot up to 7.1 per cent. That means 6.5 million human beings are *officially* without work (unofficially, there are many more). In just three months, 1.2 million people have become jobless, and layoffs are still spreading. All kinds of workers are being cut, even the "safe" civil servants. The list grows daily, along with fear and insecurity, as the employed wonder when the pink slip will come and young people worry about the future.

Yet for all the publicity, the true nature of this unemployment crisis is scarcely recognized; it is an acute, dramatic peak rising from a continuing, long-term, quiet and usually ignored state of misery. The immediate catastrophe makes the headlines—it is now almost certain that 1975 will bring a 7.5 or 8 per cent rate—but the chronic failure of the American economy to provide enough decent jobs for all who want to work is ignored. And the absence of a firm national commitment to full employment insures the perpetuation of both situations. Short-term crises are increasingly frequent and stop-gap strategies to cope with them are woefully inadequate. Meanwhile, there is no long-term plan to eliminate the high unemployment that persists in so-called "good times." Even worse, permanent high rates of unemployment are now widely accepted and those in power use fiscal and monetary policy to create rather than to prevent recessions.

How did the country get into this mess? Unemployment is nothing new, but the national position toward it has changed. Back in the 1940s, full employment was a major political issue. It had, after all, taken World War II to end the Great Depression and bring about full employment. There was, accordingly, a pervasive fear of a postwar depression. In labor and liberal circles it was strongly felt that unemployment should never again be tolerated; that a nation capable of total mobilization for war should be able to guarantee jobs for all in peacetime and not have to rely on war to solve its unemployment problem.

In this spirit, the Full Employment Bill of 1945 was introduced in Congress. It declared that "all Americans able to work and seeking work have the right to useful, remunerative, regular and full-time employment." The federal government was mandated to "assure the existence at all times of sufficient employment opportunities." But the liberal-labor coalition was too weak to withstand the attack of big business on full employment and guaranteed jobs. Despite overwhelming Senate approval, the bill was defeated by conservatives in the House. A weaker compromise, the Employment Act of 1946, acknowledged federal responsibility to create conditions that afford "useful opportunities . . . for those willing and seeking to work." However, the changes were more than semantic. The concrete assertion of the right to a job had been replaced by the vaguer goal of "maximum employment" consistent with "other essential considerations of national policy". . . .

There is a feeling these days that the economy may be heading into a 1930s nose-dive, but at least until now, the act's mission of staving off mass depression had been accomplished. And this very success has diverted attention from the long-term problem. When unemployment was a mass affliction, it could not be ignored; with less joblessness it can be. However, since the act's passage, not only has unemployment been substantial and persistent, it has also been drifting upward. From 1946 to 1973, it averaged about 4.5 percent. But it climbed from 4.2 percent in the first half of this era to 4.9 percent in the last half. "Good times" have been rare. This is the sixth postwar recession. Yet who remembers that for 88 months, from November 1957 to February 1965, unemployment rarely fell below 5 percent? Or that in 1958, and again in 1961, the annual rate was nearly 7 percent? Or that since 1948, it has never dipped below 4 percent, except during the wars in Korea and Vietnam?

Even by comparison with other countries, the picture looks grim. True, unemployment has been rising in most industrialized capitalist nations, but it is still much higher here than in most of the others, and it has been for years. From 1960 to 1970, for example, joblessness averaged 4.7 per cent in the United States but only 0.6 per cent in Germany, 1.3 per cent in Japan, 1.5 per cent in Sweden, 2 per cent in France and 3 per cent in Great Britain. (Foreign data are adjusted to American measurement methods.) . . .

In Sweden, a jobless rate of about 3 per cent nearly cost the Social Democratic Party—in power for forty-one years—the 1973 election. But, as Sen. Alan Cranston noted in testimony on behalf of the ill-fated Public Service Employment Bill of 1972, "In this country the rate hovers at 6 per cent and nobody seems to care."

It's not merely that nobody cares. Big business has always preferred some unemployment because it gives more control over workers, weakens unions, and holds down wages. Contemporary economic theory now helps them justify higher and higher unemployment, all in the name of fighting inflation. In the 1960s, many economists popularized the concept of the Phillips curve—the alleged trade-off between unemployment and inflation. According to this reasoning, the lower the unemployment, the more the inflation, and conversely. This implied, in the most conservative interpretation, that full employment was too inflationary and, thus, unattainable or even undesirable. (Each country was said to have its own unemployment-inflation trade-off. How else could you explain that Germany had both the lowest unemployment and inflation rates?)

In a social and political climate with little broad concern over unemployment and with practically no commitment to the concept of genuine full employment, a different meaning of "full employment" took root. At one time the concept of full employment had focused on human beings. It meant that those who wanted work could find it. But then the focus shifted from people to prices. In many circles, full employment came to mean the unemployment rate assumed to be consistent with the degree of price stability desired by policy makers. Over the years, the "full employment" unemployment rate was revised upward from 3 to 4 per cent, to 5 per cent and even higher. (Will it eventually mean 10 percent unemployed?)

In this atmosphere, it is not surprising that the trade-off analysis tempted conservative American policy makers who faced inflation. Strategies deliberately designed to increase unemployment were openly pursued during Nixon's administration. In October 1968, with prices rising and unemployment at 3.6 per cent, the Business Council, an influential federal advisory group of top corporate executives, urged the next President to force unemployment up to 5.5 per cent. If that was the price for putting an end to inflation, a spokesman said, "it must be paid." (*The New York Times*, October 21, 1968.) And paid it was. Soon afterward, the Nixon regime successfully engineered a recession that drove up unemployment from 3.5 per cent in 1969 to 5.9 per cent in 1971. Not much was said about the additional 2 million jobless workers.

Despite periodic denials, the Nixon Administration unofficially abandoned the 4 per cent "full employment" figure adopted by the Kennedy Administration. . . . Yet even if unemployment had been only 4 per cent in 1973, 3.6 million workers would have been officially jobless. It is absurd to call that "full employment," and in a work force of 92 million people, each percentage-point rise in joblessness tosses another 920,000 onto the scrap heap. Current policies would either prevent unemployment from accidentally falling below the target or raise unemployment that is "too low." Since 1969, the game has been to keep unemployment from falling too low, not to lower unemployment—except when Nixon was up for re-election.

By the time of the summit conferences, the Ford Administration's target had obviously risen to at least 6 per cent. Why, then, should anyone have expected the same Administration to hurry to reduce unemployment—unless mounting political opposition forced the issue?

Inflation is a complex affair. The Phillips curve oversimplifies matters, to say the least. It spotlights attention on just two factors, assumes that one causes the other, and is then used as a smoke screen to obscure other roots of inflation—for example, the war in Vietnam, the growing power of monopolies, and the "peacetime" military budget.

The Johnson Administration's decision in 1965 to pour troops into Vietnam set off the first round of the present inflation. Taxes could not be raised without arousing further anti-war protest, so the war was sold as a bargain. Some bargain! By 1968, direct costs had reached $30 billion a year. But the war, said the President's 1963 Economic Report, "is a burden a wealthy people can bear." In a time-honored manner, inflation financed the war. Nixon inherited that inflation and, in a desperate attempt to cool it while maintaining the war, threw millions out of work. Yet prices kept rising until "stagflation" became a household word.

That wasn't supposed to happen, but ever since then inflation and recession have shared the same bed. This inflation cannot be attributed to wage-push. The real spendable earnings of workers have declined, while after-tax corporate profits have soared, even allowing for price changes. One reason why prices do not fall is because corporate power is growing. It's not just oil or wheat. For instance, between 1947 and 1968, the 200 largest manufacturing corporations raised their share of manufacturing assets from 47 to 60 per cent. And conglomerates now control much of our food supply. The result, as the detailed studies of John Blair, former chief economist of the Senate Antitrust Committee, show, is that when demand falls, firms in highly concentrated industries tend to raise prices, not to cut them. Witness the auto industry. The corporate hand, not the invisible hand, sets so many prices that even planned recessions that create unemployment and reduce demand don't cure inflation. In fact, they feed it. Of course, a deep and long-lasting recession would doubtless "cure" inflation.

Another factor that adds to inflation is the bloated "peacetime" military budget. As the 1974 Report of the Joint Economic Committee put it mildly, "Defense spending tends to be inflationary." Resources used by the military, the committee pointed out, can contribute to civilian shortages. Expenditures flow into the economy, but they do not produce goods and services to satisfy consumer needs. You can't eat missiles. Is that why the Council of Economic Advisers refused to conduct studies of this aspect of inflation, as requested by the committee?

Planned recessions are a neat way to take income away from the poor and middle classes and give it to the rich by eliminating jobs, charging higher prices, and increasing profits. And having created unemployment, the official attitude has been to wish it away. In the last recession, lingering unemployment was falsely attributed to the entrance of women and teen-agers into the labor force; that line is still popular. Powerless groups are simply written off as not quite legitimate members of the work force. Treasury Secretary John Connally's 1972 testimony to the Joint Economic Committee stated this quite explicitly:

"It is significant that compared to the 5.9 per cent rate for total unemployment, about 17 per cent was the rate for young people and about 9 per cent was the rate for blacks. . . . If you take the unemployment rate for males, heads of families, you get down to an unemployment figure of 3 per cent. So we can't be carried away by an unemployment figure of say, 6 per cent. . . ."

Apparently, only adult males matter. Preferably white.

The average unemployment rate does mask a lot, but that doesn't mean what Connally implied. It means that, while there is prosperity for one group, other groups are hit with recession and depression.

At all times, most of those out of work are white. And that's important in terms of building coalitions to fight unemployment. At present, eight out of ten—5.2 million—of the jobless are white. Unemployment is not just being faced by blacks, or by the unskilled, or by the uneducated, or by any one group. A bachelor's degree no longer guarantees a job. Nor a Ph. D. But it is true that the weakest are hardest hit: minorities, the young, women, the poor and the unskilled.

For two decades now, the unemployment rate of blacks has been double that of whites. In December, the figures were 12.8 per cent and 6.4 per cent. Nearly everyone except Gerald Ford admits that a 6 per cent jobless rate is a full-fledged recession. But from 1954 on, annual unemployment for blacks has never gone as low as 6 per cent and for whites has only twice reached that high. For blacks, this has meant a continuous recession interspersed with depression and frequent double-digit unemployment. And what term can describe the 37.8 per cent jobless rate of black teen-agers, most of whom are out of school? Is it any wonder that inner-city crime persists? As for adult women, relatively more of them are unemployed than adult men—7.2 per cent compared to 5.1 per cent—and the gap has been widening. Yet only the earnings of married women enable many working-class families to make ends meet. And for working women who head families, unemployment may lead to welfare.

Bad as they are, official unemployment figures are just the tip of the iceberg. They exclude, for instance, 3.4 million part-time workers who want full-time jobs but can't find them, and about 700,000 persons officially listed (1973) as too discouraged to look for work. (Unofficial estimates of discouraged workers are millions higher.) Just adding these two groups to the official roster of 6.5 million shows that, at the very least, 10.7 million people are either fully or partly unemployed. Nor is even that the whole picture. Millions of fully employed Americans earn too little to live in minimal decency. All of these problems are now exacerbated by the recession, but a Bureau of Labor Statistics survey has demonstrated that, even in good times, urban slums are cesspools of open and disguised unemployment and inadequate earnings. Thus, in November 1966, when national unemployment was 3.7 per cent, from 24 to 47 per cent of workers in ten large urban slums were either officially or unofficially jobless, working part time involuntarily or full time for less than the poverty level of $60 a week.

For part of the work force—especially but not exclusively minorities, women, the poor, the young and the unskilled—even good times can be bad times. And bad times are an utter disaster. Why, then, has there been so little political response? Fear of inflation? Misunderstanding of its real cause and ignorance of its extent? Unemployment insurance, which cushions the blow? (Yet in 1973, no more than two out of five of the jobless drew benefits that averaged only $59 a week.)

While each of these may explain the apathy in part, there are still other reasons. Response is weak precisely because so many of the unemployed have little status, suffer the most discrimination, have the least political power, are often outside unions or underrepresented at leadership levels within them. More of the jobless are from these groups today than in the past. Perhaps that is why ever higher unemployment has become tolerated or ignored— and not just by conservatives. Some don't know and some don't care. Increasingly, we live in different worlds, isolated from those unlike ourselves. . . .

Since 1970, poverty and income inequality have been increasing, black economic progress has halted and is even reversing. Cities have been deteriorating rapidly. Crime is more rampant than ever. Right now, in the job market it's young against old, white against black, men against women—all pitted against one another for scarce jobs. In New York, college graduates are vying with welfare mothers for a dwindling number of jobs; older civil servants may be forced into premature retirement to save younger workers' jobs. The recession has further split an already divided work force. As it deepens, divisiveness may worsen. But the situation also presents an opportunity. Can the massive assault on jobs and real earnings which now threatens so many stiffen resistance and become a unifying force?

So far, Congress has reacted weakly to the recession. Emergency unemployment benefits will be temporarily extended to many previously uncovered workers; and $2.5 billion has been authorized for public service jobs. But only $875 million has actually been appropriated for jobs. That's about 100,000 jobs—barely enough to help one out of 65 of the unemployed. The effect is to disguise how little is being done. The new, more liberal Congress should be more responsive, especially as pressure builds. But even if the acute crisis eventually abates, what then? Do we go back to the quiet misery?

The goal should be guaranteed jobs for all at decent wages. But can genuine full employment actually become a potent political issue? Women are organizing—even within labor and political parties. The National Urban League has made full employment a priority issue. And the nation's mayors are calling for federal action to create jobs. Most promising is the formation last June of the National Committee for Full Employment, co-chaired by Coretta Scott King and Murray Finley, president of the Amalgamated Clothing Workers. With representation from organized labor, civil rights, black, women's religious, ethnic and other groups, the committee correctly asserts that "the guarantee of a job is a fundamental right," and that "unemployment at any rate is unacceptable . . . full employment means no involuntary unemployment. . . ."

Can the many solidarity gaps that divide people be bridged? Could a mass movement for full employment gain the momentum that the civil rights and anti-war movements once had? Can anything less make full employment a major political demand?

In a major new development on Capitol Hill, Reps. Augustus Hawkins and Henry Reuss and 61 co-sponsors have introduced the "Equal Opportunity and Full Employment Act of 1975," and Hubert Humphrey has introduced a companion bill in the Senate. The House bill would establish a national policy and create the necessary machinery to guarantee adequately paying jobs for all. It's a long-term approach, but stopgap measures don't solve long-term problems. Last March, Hawkins said that by 1976, "the platform committees of the two major parties will face a major challenge. Will they content themselves with the flatulent rhetoric of the past? Or will they commit themselves to a genuine jobs-for-all guarantee?" The question is even more pertinent today.

PUBLIC SECTOR/PRIVATE SECTOR

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. ASHBROOK. Mr. Speaker, one of the bills currently before the Labor Subcommittee on which I serve is H.R. —— which would open the door for compulsory union membership in Federal, State, municipal and local public employee groups, as well as teachers. The bill has broad implications and will be studied very carefully by this committee on which I serve as the ranking minority member.

Public employees seek what they call equality with the employees in the private sector despite the fact that their base of employment, their function and their situation is much different. Teachers, for example, have a contract with their school board on an individual basis in most cases, something entirely different from the private sector, Most polls indicate the public to be opposed to this extension of compulsory unionism and checkoff of dues.

David B. Martin, executive vice president of the Ohio School Boards Association wrote an excellent article in the April 1975 OSBA Journal on this subject which I include with these remarks and urge my colleagues to read in detail:

PUBLIC/PRIVATE SECTOR

(By David B. Martin)

Pressure is at an all-time high on both the Ohio General Assembly and the United States Congress to enact collective bargaining legislation for public employees. The year 1975 could be a significant turning point for public sector unionism.

To date, the primary thrust has been at the state level. It seems apparent that the 111th General Assembly is giving collective bargaining legislation a high priority. Also, major public sector unions are mounting a massive campaign to get Congress to enact a federal public sector negotiations law which would, for all intents and purposes, preempt state legislation.

As we move closer to universal collective bargaining legislation for all public employes, it is incumbent on school board members to convince their legislators that significant differences exist between the private and public sectors. It is true that most of the slogans, much of the rationale and many of the techniques used by public sector employes were borrowed from the private sector. It is not true, however, that private sector experiences have an automatic application in public sector bargaining.

Let us examine some fundamental differences between the public and private sectors . . . differences which should disprove the assumption made by employe organizations that public sector bargaining should be conducted by private sector practices:

Political subdivisions cannot go bankrupt, go out of business or be sold. Since schools, for example, must stay open, boards of education do not have the same choices available to private sector employers.

Public sector employers do not have the option of moving their services to another location in order to take advantage of a better labor market . . . so again the imbalance of bargaining power rests with the employes.

Boards of education are elected by and accountable to the public. Further, they cannot legally surrender their mandated responsibility. Chief corporate officers have a similar relationship to their stockholders. A significant difference exists, however, in that teacher groups in particular want to bargain everything including public policy. This is not a problem in private sector bargaining.

There is no "profit and loss" incentive in the public sector. School board members, unlike directors of private companies, do not have a personal economic interest in the outcome of bargaining. Since there is no equality of personal incentive in public sector bargaining, the imbalance rests with the side whose economic interests are at stake.

The price of the product cannot be raised and then passed on directly to the consumer as in private industry. This places public employers at a distinct disadvantage in seeking a settlement.

In most labor disputes, the consumer is an innocent third party. In school labor disputes, however, the child is the victim. This is a dimension not usually found in private sector bargaining.

The labor-management division, particularly with middle management, is not as clearly delineated in public employment as it is in private industry.

Most public employes enjoy both state mandated protection and the benefits of collective bargaining. For example, teachers enjoy the double protection of a personal contract and their association or union contract. Additionally, they have a state minimum salary schedule and a locally negotiated salary schedule.

Boards of education can rarely control the high cost of labor by changing their methods or operation. Automation, dropping courses and similar practices are not usually appropriate in the public sector. Though school management must always strive to be more efficient, economies will, after a certain point, begin to affect the quality of the instructional program.

It is illegal for school districts to engage in deficit financing. Business and industry can obtain long term financing to get them through a difficult period. This obviously has major implications in public sector bargaining.

Public sector management has the unique problem of the increasing ability of public sector unions to, in effect, sit on both sides of the bargaining table through the election of public officials. Obviously, union-dominated management could make the collective bargaining process a farce.

It is obvious that many significant differences exist between the public and private sectors . . . differences that vitally affect labor relations particularly in the area of collective bargaining.

The charge that public employes without the right to strike or without binding arbitrations are "second class citizens without the same rights as other citizens" is totally unfounded. As a matter of fact, many public employe salaries and fringe benefits compare very favorably with those in private employment. Certainly civil servants enjoy considerably more job security than their private sector counterparts.

If certain of the collective bargaining proposals now before Congress or the Ohio General Assembly are enacted, public employes will not be second class citizens . . . but rather they will enjoy a special citizenship status not available to others.

A TRIBUTE TO LOUIS JORDAN

Hon. Yvonne Brathwaite Burke

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mrs. BURKE of California. Mr. Speaker in these troubled times, it is often refreshing to remember those who brightened our lives through the gift of self. Louis Jordan of "Tympany Five" fame was such a giver and made many outstanding contributions to the national spirit through his work as an entertainer. This Sunday, April 27, 1975, many of those friends who joyed in Louis Jordan's life and his gifts of music, humor, love, and wit will honor his memory with a "Tribute" in Los Angeles.

Moving to Los Angeles in the 1960's, Louis Jordan brought his special blend of musical magic to our community and expanded his giving. Already noted in many quarters as the "father" of the story-to-music art form in the jazz idiom, Louis went on to become one of our foremost musical ambassadors. In this capacity, he traveled extensively throughout Europe and Asia performing for foreign dignitaries and American military forces.

We lost Louis Jordan last February in his 66th year, but his musical imprint, his life impact, remains to delight our ear and excite warm feelings of nostalgia. The years he gave America were nationally important ones. The music he composed and played is regularly heard and will continue to bring pleasure to all of us.

I urge my colleagues to pause a moment and reflect with me on the wealth of this man's gifts and the joys he brought the world.

UNITED STATES MUST TURN TO ALTERNATIVE FORMS OF ENERGY

Hon. Theodore M. (Ted) Risenhoover

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. RISENHOOVER. Mr. Speaker, our Nation is spending about $24 billion a year buying oil. It is weakening our economy and forcing this Republic into a compromising position among the nations of the world.

We must find new domestic oil besides turning to alternative forms of energy—particularly nuclear energy.

America has always had a pioneer spirit. In this time of energy crisis, we must move without fear into important arenas of fuels for our people.

In my own district, an innovative and important energy park is being considered at Camp Gruber by the Federal Energy Administration.

The concept is to locate on a single site a complex which would include various mixes of electric generating plants, fuel processing plants, and perhaps industrial facilities utilizing process and waste heat. The facilities could be both nuclear and nonnuclear, for although the original proposals for energy parks evolved from the realization of the obvious advantages to be obtained from the standpoints of safety and safeguards in the nuclear power fuel cycle activities, it was soon concluded in some preliminary studies that significant advantages might also be obtained by the colocation of nonnuclear energy production and ancillary facilities.

I strongly endorse this concept and

urge the national administration to move fearlessly toward making the Camp Gruber complex a working reality for our Nation's people.

In a speech April 21, at Kansas City before the Southern Interstate Nuclear Board, our distinguished colleague, Chairman Mike McCormack of Washington of the Subcommittee on Energy Research Development and Demonstration of the House Committee on Science and Technology, made an impressive speech which I wish, in part, to print in the Record:

> As responsible citizens sort out the facts in the energy picture, it becomes more and more obvious that one of the greatest strokes of good fortune this nation has experienced is to have our nuclear industry as well advanced as we find it today, ready now to provide much of the energy this nation will need during the next fifty years. Nuclear energy is the cleanest, cheapest source of energy available with the least environmental impact of any significant option. If we did not have nuclear energy available to use for the coming decades, the future of this country would indeed be black—in more ways than one . . .
>
> Much "to-do" has been made by some members of the press about nuclear energy, and a number of false or flagrantly distorted stories have been written and TV programs broadcast about nuclear safety and the hazards to the public associated with nuclear energy. Certainly a rational analysis of this subject is in order. I only wish that the same high standards for safety and health that have always been imposed by the Atomic Energy Commission were observed by nonnuclear industries. I wish that our sensation-seeking newsmen would pursue real hazards in the nonnuclear world with the same enthusiasm as they do non-existent dangers they have imagined in the nuclear world . . .

In context with Chairman McCormack's remarks, I wish to point out part of a report on Oklahoma's Camp Gruber project by Battelle Pacific Northwest Laboratory which says:

> The significant disadvantages of Camp Gruber for construction of energy facilities are as follows:
>
> Ample Low-Cost Land: Camp Gruber has available 70,000 acres of unoccupied land which has favorable topographic, geologic, seismic characteristics. It has good foundation conditions, a low probability of major earthquake damage, good drainage, and ample elevation above flood levels. The topography is favorable for construction of buildings and transportation facilities.
>
> Large Markets for Energy Products: The forecast increased demand in Oklahoma and the U.S. for electricity, natural gas, petroleum products, and other products of energy industries should provide ample markets for the products of a Camp Gruber energy center.
>
> Ample Water Supply: The adjacent Arkansas River system contains ample water for a large energy center. Enough water appears to be available to permit operation of thermal power plants of at least 12,000 MWe capacity during the worst expected conditions of low river flow rate and high water temperatures.
>
> Generally Favorable Public Attitude Toward an Energy Center: A recent survey of the surrounding population revealed that a large majority favored construction of an energy center at Camp Gruber if there is an insignificant change in the environment.
>
> Low Construction Costs: An ample supply of labor is available for the largest construction projects. The construction cost index is among the lowest in the nation and averages only 88% of the national average.
>
> Minimum Environmental Impact: The large uninhabited area, favorable population distribution and good meteorological conditions should result in minimal environmental impact due to chemical, sound, heat, or radio-nuclide releases. Construction at the camp would cause no displacement of residents. The camp is not a major habitat for rare and endangered species. There are no identified historical or archaeological sites on Camp Gruber. Recreational hunting could be affected by energy facilities, but proper game and grazing management should minimize the impact. A significant degradation of social conditions is not expected as a result of either construction or operation of energy facilities. Nearby cities appear to have most of the facilities and services needed for a large (6,000 person) construction force.
>
> Excellent Transportation Facilities: Railroad, interstate truck transport, multi-1000 ton barge service, and jet air service is available.
>
> Ample Fuel Supplies: Oklahoma has an extensive pipeline system for both petroleum and natural gas. Coal is available from both Oklahoma and other western states.
>
> Available Utilities: Camp Gruber has an existing state highway, main line railroad, and electrical transmission facilities.
>
> Ample Supply of Operating Labor: An ample supply of operating labor is available. The average manufacturing labor cost in Oklahoma is only 92% of the national average and the work stoppage rate is only one-third of the national average.
>
> Favorable Meteorology: The mild climate offers many of the opportunities for outdoor living and recreation found throughout the middle southlands. Good atmospheric dispersion characteristics should result in a low probability of inversions and accumulation of waste gases.
>
> Attractive Cultural Assets: Camp Gruber is only fifty miles from Tulsa which provides the broad spectrum of metropolitan cultural advantages. A large diversity of outdoor recreation opportunities exists because of the adjacent Arkansas River system and the Ozark Mountains.
>
> Numerous Support Industries Available: The nearby Tulsa region can provide numerous support services, such as analytical services, architect-engineering, computer technology, consulting engineering, equipment fabrication, medical services, research and development, and wholesale services.

Mr. Speaker, this Nation must solve its energy problems. The Camp Gruber project deserves swift action—and the country will be enriched by the dispatch.

CRIMINALS AND HANDGUN BANS

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. KETCHUM. Mr. Speaker, I have long held fast to the premise that Federal regulation and control of firearms will only succeed in removing a constitutional right from our law-abiding citizens. Those determined to commit violent crimes will do so, with or without firearms. Indeed, such crimes were committed before firearms existed at all. We hear many brutal news reports of fatal stabbings or beatings, yet there is no movement afoot to ban knives, or bludgeoning instruments. It is people who do the killing, not things.

I would like to share with my colleagues an editorial on this subject which appeared in the Bakersfield Californian in my district. I hope that at least some of us are still rational enough to realize the truth of its message:

Criminals and Handgun Bans

> Bakersfield Police Chief Robert Price, commenting on a proposal to ban handgun and ammunition sales in selected U.S. communities, talks sense when he says: "I don't feel you can keep guns from criminals."
>
> The offender who premeditates a crime of violence will secure a weapon, whether he has to steal it or manufacture it himself.
>
> Regulations in other areas, notably New York's Sullivan Law, have failed to curb handgun-related crimes. It's doubtful the recent gun control proposal of U.S. Attorney General Edward H. Levi is any more workable.
>
> Levi seeks to ban possession of handguns outside homes or businesses in high crime communities, including Bakersfield. He says the prohibition would be lifted when crime declines.
>
> We question whether Levi's plan is constitutional. That is for the courts to determine in event the legislative branch actually sanctions Levi's proposal.
>
> It seems obvious to us such a law would do little, if anything, to slow down commission of the offenses which caused Bakersfield's crime rate to increase 23 per cent in a single year.
>
> Few armed robbers, rapists, muggers and killers-for-hire visit the local sport shop, choose a weapon and submit to the statutory waiting period before going about their misdeeds. Their weapons are obtained illegally, stolen or purchased from one who deals in firearms which can't be traced.
>
> The law-abiding citizen who keeps a handgun in his home for protection or has a target shooting weapon isn't going about holding up liquor stores or assaulting his neighors.
>
> By allowing possession of handguns in homes, the Levi proposal does nothing to combat homicides committed in the heat of passion. We suspect those who take a life in rage will find the means to do so, with or without handgun availability.
>
> It seems reasonable to suggest offenders will use deadly weapons in crime until such time as the price of getting caught becomes too great for the criminal to bear.
>
> Handgun related crimes, we believe, will diminish when laws are enacted—and sternly enforced—mandating stiff prison sentences for offenders who use a firearm. Those terms should be imposed in addition to, not concurrent with, punishment for whatever other offense was committed.
>
> "The courts," says Price, "(should) recognize these crimes that are perpetrated by means of having a gun and then giving appropriate sentences."
>
> Strict enforcement of existing laws dealing with illegal possession of firearms, particularly by ex-felons, probationers, parolees and suspects out on bail, also will reduce serious crime.
>
> We think the public should give more than cursory attention to the Levi proposal and its ramifications. Laws enacted, even if temporary, have a way of gaining permanent status. In our thinking, Levi's anti-crime measure represents a giant step toward eroding the law-abiding American's constitutional right to bear arms.

REMOVAL OF CEILINGS ON FEDERAL PAY, AND ON SOCIAL SECURITY AND RETIREMENT BENEFITS

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. FISHER. Mr. Speaker, I am pleased to join with other Members of Congress from the Washington metropolitan area in bipartisan support of Mr. O'Neill's amendment to House Concurrent Resolution 218. We register our support of the amendment that Mr. O'Neill intends to introduce on Thursday, May 1, to eliminate all ceilings from the budget resolution, including the 5 percent cap on Federal pay and the 7 percent on social security and retirement benefits.

On April 28, at my invitation, Members of Congress from the Washington metropolitan area and members of their staffs met with me and my staff to discuss the implications of imposing ceilings or caps on both Federal pay and on retirement benefits for both Federal and private-sector retirees. Those present at that meeting reported that their Federal-employee constituents recently had expressed a high degree of concern over the possibility of capping salary increases that have been adjusted up to now according to changes in the cost of living.

Their greatest concern was that imposing caps on Federal pay would destroy the concept of comparability with the private sector and that once comparability was eliminated, it would be exceedingly difficult, if not impossible, to restore it. They opposed also any caps on social security and other retirement income. That limitation would strike one of the most vulnerable groups in our population—the aged living on fixed incomes—for whom Congress had already enacted laws committing the Federal Government to cost-of-living adjustments.

When the final details of Mr. O'Neill's proposed amendment were released to my staff on April 29, Congressman Herbert E. Harris of Virginia, Congressman Gilbert Gude and Congresswoman Gladys Noon Spellman of Maryland, and Delegate Walter E. Fauntroy of the District of Columbia readily agreed to cosign the following letter to Mr. O'Neill to indicate our support of his amendment. Mr. Speaker, I would like to enter that letter of support in the Record:

Washington, D.C., *April 30, 1975.*

Hon. Thomas P. O'Neill, Jr.,
Rayburn House Office Building,
Washington, D.C.

Dear Mr. O'Neill: We understand that you plan to introduce shortly an amendment to H. Con. Res. 218 that will eliminate all ceilings from the Budget Resolution, including the 5% cap on Federal pay and the 7% cap on Social Security and retirement benefits.

As bipartisan Congressional representatives from the Washington metropolitan area, we are pleased to support your amendment, which will allow pay and benefits to rise as they normally would under the operation of current law. We voice our support not only because this is a matter of great interest to the many federal employees in our respective districts, but to many Americans everywhere, including large numbers of retirees on fixed incomes.

We are especially gratified to note that, in removing the caps, your amendment still stresses fiscal responsibility by recouping the cost of these removals in other areas of the budget. We recognize that these ceilings in themselves would not realize significant savings in terms of the total outlays recommended by the President or, more recently, by the Budget committees of both Houses of Congress. We further recognize that, by removing the cap from military and civilian pay, and that from non-disabled retired military pay, revenues are expected to increase in fiscal year 1976.

We not only register our support for your amendment but will strongly urge our Congressional colleagues to vote for it on the floor of the House.

Sincerely,

Joseph L. Fisher,
Herbert F. Harris III,
Walter F. Fauntroy,
Gilbert Gude,
Gladys Noon Spellman,
Members of Congress.

FIRST COMMITTEE REVIEW OF THE LIQUID METAL FAST BREEDER REACTOR PROGRAM

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. McCORMACK. Mr. Speaker, the Joint Committee's Subcommittee on Review of the National Breeder Reactor Program began a series of briefings on Tuesday of this week and heard from Dr. Gerry Tape on the historical background of the civilian nuclear power program and from Mr. E. R. Johnson on the characteristics of the uranium fuel cycle. I ask to be included in the Record at the conclusion of my remarks a summary of the presentations which were heard from these speakers.

Tomorrow, May 1, the subcommittee will convene at 2 p.m. for a second briefing session during which we will hear a description of the basic nuclear reactor types by Dr. E. Linn Draper and a description of the enriching process and plutonium recycle by Mr. George Quinn.

I would like to publicly acknowledge the fine presentations given by Dr. Tape and Mr. Johnson. The material was excellent and subcommittee members in attendance had the opportunity to question the speakers on matters of special interest to them. I was particularly pleased that the following members of the ad hoc subcommittee participated in yesterday's briefing session: Senator Howard Baker, Senator Clifford Case, Congressman Teno Roncalio, Congressman Frank Horton, and Congressman Andrew Hinshaw.

Summary of Tuesday, April 29, 2 p.m. briefing session follows:

Dr. Gerald F. Tape, presently serving as U.S. Ambassador to the International Atomic Energy Agency—IAEA—briefed the Ad Hoc Subcommittee on the Breeder Reactor Program on the subject of the historical development of the U.S. civilian nuclear power program. The briefing summarized activities of the Manhattan project period, which included the first successful sustained nuclear chain reaction in December of 1942 and the construction of a variety of research and plutonium production reactors. The establishment of the Atomic Energy Commission in 1946 led in the late forties and early fifties to an expansion of uranium ore procurement and enrichment activities, and to reactor development activities especially for production and military applications. This period included the first experimental breeder reactor—EBR–I, pressurized water reactors for submarine propulsion and materials testing reactors.

The Atomic Energy Act of 1954 included specific provisions for the purpose of enhancing industrial participation by permitting access to technical data and private ownership of nuclear reactors, and by establishing a framework for licensing and regulatory activities. It also made possible programs for international cooperation. In 1955, a power reactor demonstration program was begun to strengthen utility and equipment manufacturers' involvement in developing a broad spectrum of plant types and sizes. Several methods of Government assistance were provided to enhance commercial participation. These activities led in the late fifties to defining economic targets and to the establishment of longer range goals in economics and resource conservation.

In 1962, a report to the President on civilian nuclear power was prepared by the Atomic Energy Commission. It was concluded that the nuclear power program should continue on an expeditious basis. Commission support was to be continued with added emphasis on stimulating industrial participation, including: First, early construction of plants utilizing competitive nuclear reactor types; second, development, construction and demonstration of advanced converter reactors to improve the economics and the use of nuclear fuels; and third, intensive deevlopment and, later, demonstration of breeder reactors to fill the long-range needs of utilizing fertile as well as fissile fuels.

Further objectives for the future nuclear power program were established to foster and support the growing use of nuclear energy and, importantly, to guide the program in such directions as to make possible the exploitation of the vast energy resources latent in the fertile materials, uranium-238 and thorium. Specifically, these included the further construction of demonstration reactors, the early establishment of a self-sufficient nuclear power industry, and the development of improved converter and, later, breeder reactors.

Continued development of the nuclear power industry in the mid-sixties to early seventies saw a major role taken by private industry, Government research and development emphasis on safety, Government regulatory emphasis on engineered safeguards and quality assurance, and the emergence of several issues such as operational reliability, et cetera. In addition, further emphasis was directed toward breeder reactors, with an AEC commitment in 1968 to a strong research and development program, and with a Presidential energy message in 1971 establishing the operation of a demonstration liquid metal fast breeder reactor as a national goal by 1980. A cooperative demonstration program for the construction of an LMFBR on a utility grid was established in 1972, and work on that project—Clinch River Breeder Reactor—continues today.

Contributions to LMFBR technology have been made by a number of experimental plants operated in the United States as well as others in foreign nations. In particular it was noted that the United Kingdom, France, and the U.S.S.R. are currently operating liquid metal breeder reactor demonstration powerplants considerably ahead of the U.S. schedule for its first demonstration plant. It was noted at this juncture that the ad hoc subcommittee was developing plans for visits to these facilities.

BRIEFING ON THE URANIUM FUEL CYCLE—PRESENTED BY E. R. JOHNSON

Mr. E. R. Johnson, president of E. R. Johnson Associates, presented a thorough and informative review of the processing steps of the nuclear fuel cycle. The review covered a description of the cycle from the initial mining process through plans for disposition of wastes. Key points noted as listed below.

From the initial ore that is mined, U_3O_8, or yellow cake, is produced which contains both U-238 and a small fraction of U-235, the fissionable isotope. The yellow cake in turn is converted into a gaseous form which is the form needed in order to increase the fraction of U-235 in the uranium at the gaseous diffusion plants. The enriched uranium is then converted to an oxide powder which is used to make reactor fuel elements. The initial oxide powder is approximately 60 percent dense; through a sintering process the oxide is brought close to 100 percent of theoretical density. The pellets are then stacked into zirconium tubes and sealed. These tubes or fuel pins become the basic fuel for the reactor. Approximately 45,000 fuel pins are needed to fuel a large sized reactor.

After a reactor has operated for a specified period of time products from the fission process have increased to the point where it becomes necessary to refuel the reactor. For typical plants, this occurs approximately once a year. After fuel is removed from the reactor, reprocessing of the fuel is necessary such that the uranium that has not been used up can be returned to the fuel cycle for making new fuel while the radioactive waste products can be prepared for storage.

Mr. Johnson described the extensive care taken in transporting the nuclear materials at each step of the process. The gaseous form of the uranium is shipped in specially designed casks similar to chlorine shipping containers. After fuel has been irradiated in the reactor, the fuel shipping casks require massive shielded containers—typically lead or depleted uranium. These containers are designed to very strict standards. The cask must not leak radioactive material even after the following tests:

First, a 30-foot drop onto an unyielding surface;

Second, a puncture test which is a drop of the cask from four feet onto a spike;

Third, survival in a fire of greater than 1,400°F. for 30 minutes; and

Fourth, submersion in water for 8 hours.

Potential methods of waste disposal were discussed. Presently, high level radioactive wastes are being held in specially designed tanks. It was observed that while there have been leaks of radioactive material from the tanks used to store wastes generated in the military program, there have been no leaks from the tanks used to store wastes generated by commercial power reactors.

Mr. Johnson explained how special storage cylinders are to be used to store wastes in retrievable surface storage until a method of permanent disposal is decided upon.

It was necessary to adjourn before Mr. Johnson finished his presentation. He will present the remainder of his material at a later date.

POSTCARD REGISTRATION OPPOSED BY LOCAL BOARDS OF ELECTION

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. ASHBROOK. Mr. Speaker, one of the most persistent complaints I hear about legislation and regulations at the Washington level is that they so often fail to take into consideration the situation at the local level back home or are unrealistic in the requirements imposed on local people, local groups, local business, or local government. No better case in point could be made than the proposal for postcard registration. Aside from the obvious invitation to fraud, this proposal would be counterproductive to the good people who have worked so hard to make our election process honest, responsive to the needs of people, accessible and reasonable.

You never can do enough for some people. Right now in the Judiciary Committee on which I serve, the Voting Rights Act is being amended to include a requirement to print ballots in additional languages besides English in certain areas. I hear questions raised as to where balloting places are located—think of that, here in Washington questioning where local precincts in Texas have their voting places—whether municipalities can annex outlying territory if the racial balance would be disturbed, and so forth. Absolutely ridiculous. What right do Members of Congress have in tinkering with the voting procedures of sovereign States.

Ohio voting laws are very adequate. I know in my own county the board of election periodically goes out to the people so they can register without driving to the county seat. Every effort is made to provide any eligible citizen the constitutional opportunity to cast his ballot. Some would spoon feed everybody. I suppose the next proposal if postcard registration passes will be to deliver the ballot to the door.

Our system places some responsibilities on the shoulders of those who would have the right of citizenship. Most people do not consider this a burden. For those who do, their complaints on our system should be muted by their failure to avail themselves of the right to register, vote and influence their government.

Mr. Speaker, I would like to include with these remarks two letters from boards of election in my congressional district. These boards are composed of both Democrat and Republican members. This is not a partisan issue. They oppose postcard regulations as strongly as I do. I would also include a letter from our distinguished Secretary of State, Ted Brown, a letter to the editor from our former esteemed colleague Gordon Sherer who is now a member of the Hamilton County Board of Elections and an editorial from the Cincinnati Enquirer:

LICKING COUNTY BOARD OF ELECTIONS,
Newark, Ohio, April 17, 1975.

Hon. JOHN M. ASHBROOK,
Cannon Office Building,
Washington, D.C.

DEAR SIR: The members of the Licking County Board of Elections would like to view their objections and reasons for opposing "Postcard Registration Bills" (H.R. 1686 and S. 1177).

While the Board feels it is their responsibility to facilitate registration, we feel this is being done as provided by state law, so the voter is eligible to vote at all elections, not just Federal Elections. The post card registration bill would certainly confuse the voters, while costing the money in increase taxes to pay for the expense of at least two sets of files and additional personnel in this office.

We are also concerned that such a bill could increase the potential for election fraud. The Board therefore unanimously opposed Post Card Registration.

Very truly yours,
MARCELLA S. O'HARE,
Director.
JOSEPH F. SINSABAUGH,
Chairman.
DWIGHT S. JEWETT,
FREDERICK C. MOSSMAN,
RONALD G. VAN ATTA,
Licking County Board of Elections.

COUNTY OF ASHLAND,
Ashland, Ohio, April 21, 1975.

Rep. JOHN ASHBROOK,
Cannon House Office Building
Washington, D.C.

DEAR SIR: It has been brought to our attention that House Bill 1686, a postcard registration bill, has been re-introduced into Congress. Passage of this bill would necessitate the maintenance of at least two sets of voter registration records—one for state and local elections and another for Federal elections. This would increase the number of registration personnel and thereby increase the expense to taxpayers.

We would like to urge you to consider County budgets before voting on laws of this type that would require us to spend more

County money, unless necessary Federal or State funding would be approved for same.

We would appreciate your consideration in this matter.

Very truly yours,
HOWARD E. HASTINGS,
TED L. BECK,
DON E. WORKMAN,
Board of County Commissioners.

COLUMBUS, OHIO,
April 11, 1975.

BOARDS OF ELECTIONS.
Attention Directors.

GENTLEMEN: A postcard registration bill, H.R. 1686, has been re-introduced into Congress by Representative Wayne Hays of Ohio. A similar bill has been reintroduced into the Senate by Senator Dale McGee, of Wyoming, and that bill is numbered S. 1177. The Senate Bill has 52 co-sponsors. Hearings are scheduled on the House Bill next week and on the Senate Bill next month.

Last year election officials in Ohio and throughout the nation were able to convince Congress that the national postcard registration bill contained serious flaws and, therefore, should not be passed. Because of the outcry from election officials, Congress sidetracked the bill. Our margin of success in this effort was very slim.

It may be helpful to again review our objections to the national postcard voter registration bill. We are concerned that the bill may increase the potential for election fraud, but there are also more immediate reasons for opposition to the bill. These reasons are as follows:

1. It would necessitate the maintenance of at least two sets of voter registration records—one for state and local elections and another for Federal elections. This would increase the number of registration personnel and thereby increase the expense to the taxpayers.

2. It could result in the loss to many states of millions of dollars they have invested in their present registration systems.

3. It could annoy and confuse millions of voters who are presently properly registered.

4. Historically, elections have been administered by the various states. I firmly believe that the Federal government should not intrude into this area of state responsibility unless the states misuse their power or fail to discharge their responsibilities.

I am convinced that these bills are such an intrusion, and that it is unwarranted and unnecessary. I have actively supported, and the General Assembly has passed, legislation in Ohio to facilitate registration, making it more convenient for persons to gain access to this state's voter registration rolls. My conversations with other Secretaries of State convince me that most other states in the Union also recognize their responsibility in this area.

Whether you oppose or favor Federal legislation of this kind, I suggest that as an election official you have the responsibility to make your views known to your Congressmen and Senators. If you have any questions or comments concerning these bills, I would be pleased to hear from you.

Very truly yours,
TED W. BROWN,
Secretary of State.

[From the Cincinnati Enquirer, Mar. 28, 1975]

READERS' VIEWS—MISSPENT EFFORTS

TO THE EDITOR: I read with considerable interest your lead editorial (March 17) entitled "The Persistent Electoral Enigma." From my experience as a member of the Board of Elections for the past seven years, I can testify that your editorial is exactly correct.

The board has gone out of its way to "wet-nurse" people in an effort to get them to register. It is unfair to taxpayers, and particularly to the voters who maintain their registration, to spend unwarranted sums in an effort to almost force some people to register and vote. Most of those who do finally register as the result of the registration drives do not vote on Election Day.

The cost of voter registration by door-to-door solicitation would be unbelievably high. Those who do eventually vote would be mostly a controlled vote—this is one of the reasons proponents of door-to-door registration are advocating it.

On September 21, 1974, L. D. Warren drew a cartoon showing the uninformed and indifferent nonvoter as Mortimer Snerd on the board's knee. This cartoon tells the story just about as accurately as your editorial insofar as the average person is concerned.

Needless to say, Earl Barnes and I, as members of the Board of Elections, appreciate your editorial. It says what we have been saying from time to time about the futile and excessive registration campaigns.

GORDON H. SCHERER.

[From the Cincinnati Enquirer, Mar. 17, 1975]

THE PERSISTENT ELECTORAL ENIGMA

The question that arose out of the Hamilton County Board of Elections' recent voter-registration effort is where the voter's responsibility for maintaining an active place on the county rosters ends and the board's begins. In fact, one may wonder whether registration drives ultimately have a significant impact on voter turnout at all.

The recent effort, in the form of a direct mailing to inform previously registered voters that they were in danger of being dropped from the rolls by virtue of having failed to vote in the last two elections, resulted in one of 10 responding that they desired to be kept on the rosters. Elections officials were candidly disappointed with this outcome.

But the most recent registration drive did not produce any real surprises in the way of results. Prior to the 1974 gubernatorial election, an intensive effort was mounted to make it more convenient than ever for potential Hamilton County voters to enroll. In addition to an expanded registration schedule at local high schools, colleges and a League of Women Voters' campaign on Fountain Square, the Board of Elections opened the county's 941 precincts for one day to accommodate registrants. The highly publicized one-day additional push resulted in only 5090 registrations.

Registrations are only half the story. Obviously, citizens who have to be enticed into registration cannot be counted on for making the trip to the polling places on Election Day. Thus, in November, 1974, after considerable extra effort to attract greater participation, about 65% of the registered voters turned out. There were 434,000 registered; elections officials predicted a vote count of 320,000 and, in the end, 281,000 ballots were cast.

This picture is fairly reflective of the trend in recent years, despite extra, imaginative and expensive registration campaigns. The figures demonstrate as conclusively as possible that other proposals, such as door-to-door registrations, and criticisms, such as in regard to the size of the precincts, would be of highly questionable value. The problem is clearly one of interest rather than convenience.

The voter who has habitually absented himself from the polls will have to be reconvinced that the fundamental truths of participatory democracy are no less true today than in the past. The single vote can and does make a difference. Its potential is indicated in the fact that pluralities, rather than majorities, have become the measure of more electoral victories than not in recent years.

Voter disenchantment with the conduct of government certainly has much to do with the wholesale disenfranchisement. But while this may be understandable on an emotional scale, it is rationally contradictory to the spirit and purpose of the vote. There is not legitimate excuse, after all, for disclaiming the results of an election, or the programs that grow out of such results, if the critic did not participate personally and urge others to do the same.

The elections board is caught in a clearly indistinct problem. It is seeking to: compensate for waning involvement by procedural convenience. And while we would agree that the electoral process should not constitute an undue hardship, we also feel that extreme answers of this kind actually beg the question while doing nothing to produce greater numbers of informed voters.

The only true answer lies in an enhanced individual appreciation of the value of a vote. Efforts of the elections board notwithstanding, this will only be accomplished by a renewed commitment on the part of government, business, the media and the citizenry to encourage by example and information a broader sharing in the electoral franchise.

SENATE—*Thursday, May 1, 1975*

(Legislative day of Monday, April 21, 1975)

The Senate met at 10:45 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. EASTLAND).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, in whom we live and move and have our being, in this reverent moment we beseech Thee to take this day's life into Thy keeping. With the hymnwriter we pray, "I do not ask to see the distant scene—one step enough for me."

Direct our energies. Control our thoughts, our feelings, and our speech. Guide our judgments. Make this a day of obedience to Thy will, a day of spiritual joy and peace and growth in the spirit of Him who went about doing good.

In His name we pray. Amen.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Wednesday, April 30, 1975, be approved.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar Nos. 89 and 90.

The PRESIDENT pro tempore. Without objection, it is so ordered.

APPROPRIATION AUTHORIZATION RELATING TO THE VOLUNTEERS IN THE PARKS PROGRAM

The Senate proceeded to consider the bill (S. 896) to increase the appropriation authorization relating to the volunteers in the parks program, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs, with an amendment in line 5, following the numerals "472;" insert the numerals "16" so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to increase the appropriation authorization relating to the volunteers in the parks program, section 4 of the act of July 29, 1970 (84 Stat. 472; 16 U.S.C. 18j), is amended by deleting the figure "100,000" appearing therein and inserting the figure "250,000" in its place.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

NATIONAL HISTORIC PRESERVATION WEEK

The joint resolution (H.J. Res. 242) to authorize and request the President to issue a proclamation designating the calendar week beginning May 12, 1975, as "National Historic Preservation Week" was considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

THE PRESIDENT'S ENERGY INDEPENDENCE PROGRAM

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a copy of a letter from the President of the United States, addressed originally to the Vice President, the President of the Senate (Mr. ROCKEFELLER), be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 30, 1975.

Hon. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Three and one-half months have passed since I presented the Nation and the Congress with a comprehensive program to achieve energy independence by 1985. Although the policy I put forth was not an easy solution, it was and remains today, the only comprehensive and workable national energy program. Because of the seriousness of the problem, I also moved to cut energy demand and increase supply to the maximum extent within my administrative discretion by announcing a three step increase in the fees on imported petroleum starting last February 1 and complete decontrol of old oil prices by April 1.

After imposition of the first dollar of the additional import fees, the majority leadership in the Congress requested that I delay further actions to provide time to evaluate my proposals to formulate an alternative comprehensive energy plan and to enact legislation. I granted a 60 day delay in the spirit of compromise in spite of the fact that we had already waited much too long to make the hard decisions our country needs.

In the 60 days that followed, a number of Congressional energy programs were introduced and considered. Little progress has been made though. Thus, I am forced to again make a difficult administrative decision.

Since my State of the Union Message last January, there has been no improvement in the situation in the Middle East. The only existing tensions heighten my belief that we must do everything possible to avoid increasing our dependence on imported oil in the months ahead.

The recession is coming to an end. But the pending upturn will result in greater demand for imported oil. At the same time, however, it will put us in a better position to absorb the adjustments that greater energy conservation will require.

There are some encouraging signs in the Congress. Chairmen Ullman and Dingell and ranking minority members Schneebeli and Brown have been working diligently in their respective committees to formulate a comprehensive energy program. After extensive hearings and discussions, their efforts to date embody some elements of the energy proposals which I sent to the Congress as well as several which could be potentially disastrous.

The Senate has also conducted many hearings. Yet the only legislation which has passed is a bill that would impose mandatory restrictions within 60 days on recreational and leisure travel, hours of business operation, and commercial lighting. This bill is ineffective and unrealistic. It would result in unwarranted government control of personal freedoms, and would cause unforeseen economic consequences.

I am hopeful that the weeks ahead can result in agreement between the Congress and the Administration. I believe it can if we are willing to work diligently, honestly, and more rapidly. But I am concerned about the possibility of the Congress passing politically popular legislation which will not only fail to meet our energy needs but which could create serious economic problems for the Nation. From my many years in the Congress, I know how easy it is to become embroiled in endless debate over tough decisions. I also know how easy it is for the Congress to enact legislation full of rhetoric and high sounding purpose, but short of substance. That must not happen in this case.

Neither the House nor the Senate has passed one significant energy measure acceptable to the Administration in these past few months. Hence, I must be a realist—since the time before final legislation will be on my desk is very long. I understand that in many ways the timing and substance is beyond the control of the individual committee chairmen. Yet, postponement of action on my part is not the answer. I am, therefore, taking these administration actions at this time:

First, I have directed the Federal Energy Administrator to implement a program to steadily phase out price controls on old oil over two years, starting June 1, 1975. *This program will not proceed until public hearings are completed and a plan is submitted for Congressional review,* as required by statute. While I intend to work with the Congress, and have compromised on my original decision to proceed with immediate decontrol, the nation cannot afford to wait indefinitely for this much needed action. I intend to accompany this action with a redoubling of my efforts to achieve an appropriate windfall profits tax on crude oil production with strong incentives to encourage maximum domestic exploration and production.

Second, I will again defer the second dollar import fee on crude oil and the $.60 per barrel fee on imported petroleum products in order to continue the spirit of compromise with the Congress. However, I will be forced to impose the higher fees in 30 days, or sooner, if the House and Senate fail to move rapidly on the type of comprehensive legislation which is necessary to resolve our critical energy situation. Such legislation must not embody punitive tax measures, or mandated, artificial shortages, which could have significant economic impact and be an unwarranted intrusion on individual freedom of choice.

The administrative action that I have set in motion will help achieve energy self-sufficiency by 1985, stem increasing vulnerability during the next few critical years, and accomplish this without significant economic impact. Nevertheless, my actions alone are not enough. The Congress must move rapidly on a more comprehensive energy program which includes broader energy conservation and actions to expand supply. Action now is essential to develop domestic supplies and protect American jobs. It is my utmost desire in announcing these executive initiatives to balance our overwhelming need to move ahead with an equally important need not to force outright confrontation between the Administration and the Congress.

I pledge to work with the Congress in this endeavor. To the extent comprehensive and effective legislation is passed by the Congress, I stand ready to approve it. What I cannot do is stand by as more time passes and our import vulnerability grows. If this happens, I will not hesitate to impose the higher import fees. Meantime, my administrative actions must fill the gap in this endeavor. The country can afford no less.

Sincerely,

GERALD R. FORD.

ORDER OF BUSINESS

The PRESIDENT pro tempore. Under the previous order, the Senator from Wisconsin (Mr. NELSON) is recognized for not to exceed 15 minutes.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum and ask unanimous consent that it be charged to the time allocated to the minority leader.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NELSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HASKELL). Without objection, it is so ordered.

Under the previous order, the Senator from Wisconsin (Mr. NELSON) is recognized for not to exceed 15 minutes.

INDIVIDUAL PRIVACY AND TELEPHONE RECORDS

Mr. NELSON. Mr. President, I send to the desk a bill in behalf of myself and the Senator from California (Mr. TUNNEY) to establish judicial practices and procedures to protect constitutional rights and liberties involved in the disclosure of records of private communications, and for other purposes, and ask that it be appropriately referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, approximately 185 years ago, Thomas Jefferson warned that "the natural progress of things is for liberty to yield and Government to gain ground." The need to heed this warning today has been underscored by revelations that telephone companies throughout the country have secretly provided various governmental agencies and officials with the telephone records of thousands of individuals. With rare exceptions, the individuals involved never learn that a governmental agency or official has obtained records of their telephone calls.

These secret disclosures constitute a fundamental threat to individual privacy and free speech. Individual freedom—the cornerstone of democratic self-government—is seriously endangered when the Government can secretly determine whom a citizen speaks to in the privacy of his home or office.

Senator TUNNEY and I are, therefore, proposing legislation to prevent these abuses. In essence, the bill would require the Government to obtain court approval for any request for telephone records. And in order to secure that approval, the Government would have to explain why it wants the records and what it intends to do with them.

I introduced comparable legislation last year. However, no action was taken on it.

The need for this legislation can be appreciated by reference to a few examples of abuse:

Recently released FBI documents show that in 1969 the Bureau obtained the telephone records of a civil rights activist as part of the agency's effort to discourage the individual from continuing his work.

In February of this year the Justice Department confirmed that shortly before the 1968 election, the FBI invoked the guise of "national security" to obtain the telephone records of members of the staff of Spiro Agnew, then the Republican Vice Presidential nominee; the evidence suggests that the records were obtained by the Johnson administration only for partisan political purposes.

In January 1974, the Internal Revenue Service used three grand jury subpenas and one administrative subpena to obtain records of telephone calls made by reporters in the New York Times Washington bureaus. The purported basis of the subpenas was not to investigate unlawful activity by those reporters but to determine whether an official in the IRS had been passing certain information to the press. Neither the Government nor the telephone company informed the newspapermen involved that records of their private telephone conversations had been disclosed.

The Wisconsin Telephone Co. revealed that in 1973 it responded to 624 requests by governmental agencies for records of private telephone calls. One-third of these requests made pursuant to a court or administrative subpena. The remainder were simply requests made on the stationery of a Federal, State, or local governmental agency. In none of these cases did the telephone company or the Government inform the individuals that records of their private telephone calls had been disclosed. The telephone company said that the number of requests for 1973 was only a slight increase over the number of requests made in 1972.

An official with the U.S. attorney's office in southern California reported that in the month of December 1973 alone the telephone company there responded to 241 requests for telephone records by Federal, State, and local governmental agencies. The official said that the number of requests was not unusual—thus indicating that almost 3,000 requests for telephone records are being made annually in southern California.

The Justice Department recently acknowledged that in 1971 it subpenaed the records of telephone calls of certain reporters for the St. Louis Post-Dispatch and the Knight newspapers. None of the individuals involved was notified of the disclosure until 2 years later.

These experiences strongly suggest that every year the telephone records of thousands of individuals throughout the country are secretly disclosed to a governmental agency or official. This widespread practice is a grave threat to individual freedom and should be curtailed.

The danger here derives from three basic deficiencies in the operative law.

First, the law provides that the telephone company must give the Government private telephone records whenever the phone company is served with a court subpena or with a "demand of other lawful authority." There is no specification as to who or what constitutes "other lawful authority." Recent newspaper reports indicated that the Wisconsin Telephone Co. interprets this provision to require it to honor requests by the FBI, district attorneys, and police officers with the rank of captain or above. A.T. & T. advised my office that the policy is actually more restrictive than that. Telephone companies may interpret the provision narrowly or broadly. But the problem is clear: There is no precise definition of the officials who may request telephone records or the standards they must satisfy in order to have the request honored.

Second, the law does not require either the Government or the telephone company to inform the individual involved that his records have been subpenaed or requested. The telephone company has, as a matter of policy, recently decided to inform its customers; but any right of disclosure will not exist as a matter of legal right but at the sufferance of the telephone company. The telephone company can easily make a decision to inform the individuals involved; the telephone company can just as easily reverse that decision.

Third, the law does not require the telephone company to delay its response to any subpena or request to enable the individual to assert any legal defense against disclosure. As a result, records can be and have been disclosed before the individual involved can show that the disclosure would be unlawful or unjustified.

These three deficiencies pose a clear danger to free speech, individual privacy, and other constitutional liberties. For the law now enables a single governmental official—acting without justifiable cause—to rummage through records of a law-abiding citizen's telephone calls and use them for any purpose.

This danger to constitutional liberties should not be tolerated. Free speech, individual privacy, and other individual freedoms guaranteed in the Bill of Rights are central to our concept of democratic self-government. They are a bulwark against a government eager to exercise untrammeled power over the individual. We should jealously guard these constitutional rights and liberties against arbitrary intrusion by the Government.

The bill would protect those rights and liberties by making three basic changes in the law.

First, the proposed bill would prohibit all disclosures of telephone records except through service of a court subpena meeting specified criteria. If a governmental agency wants access to those private records, then it should satisfy a court that the records are needed for legitimate purposes and that they will be used only for legitimate purposes.

Second, in all cases except where the telephone subscriber is a foreign power, the proposed bill would require the party subpenaing the records to notify the subscriber simultaneously that records of his telephone conversations are being subpenaed. This change would insure that each subscriber would be informed of any and all attempts by others to inspect records of his private telephone conversations. The notification could be postponed, however, if the Government satisfies the court that notification would impede an ongoing criminal investigation or would hamper the Government's ability to protect carefully defined national security interests.

Third, the proposed bill would prohibit the telephone company from responding to the subpena for at least 10 days. This provision would enable the individual involved to raise any legal objections to the disclosure of records of his private telephone conversations.

Collectively, these provisions would help protect an individual's speech and privacy from any unwarranted interference. The importance of this legislative proposal should not be underestimated. For without the constitutional liberties of free speech and individual privacy, the whole foundation of our political system is endangered.

I. THE SCOPE OF THE FIRST AMENDMENT'S PROTECTION OF FREE SPEECH

To recognize the danger of unwarranted disclosure of private telephone records, it is first necessary to understand the importance of the first amendment's protection of free speech. That amendment provides, in pertinent part, that—

> Congress shall make no law . . . abridging the freedom of speech, or of the press; . . .

This amendment, like the other amendments in the Bill of Rights, was borne from the American colonies' bitter experiences under British rule. The English King's officers wielded a free—and often unscrupulous—hand in suppressing speech in the colonies. Usually, the intent of this suppression was to deprive the public of information and opinions critical of the colonial governments.

In drafting a Constitution to govern their newly independent Nation, the American citizens realized the necessity to prevent Government suppression of speech. The Founding Fathers understood that a people denied the right to speech could not insure a Government responsive to their needs and liberties. As James Madison observed:

> A popular government without popular information or the means of acquiring it is but a prologue to a farce or tragedy or perhaps both.

Madison's view has been endorsed repeatedly by the Supreme Court. In *Garrison* v. *Louisiana*, 379 U.S. 64, 74–75 (1964), for example, the Court declared that—

> Speech concerning public affairs is more than self-expression; it is the essence of self-government.

The press has always played a critical role in reaping the benefits from self-expression. The press' privilege and responsibility here, however, have not been confined to the dissemination of the opinions of the people. Of equal, and perhaps greater importance, is the press' ability and duty to investigate and report the conduct of the Government. Through such investigations and reports, the people can better assess the Government's performance in honoring the public's trust. James Madison was one who appreciated this invaluable contribution of a free press:

> The responsibility of officers of government cannot be secured without a free [press] investigation of their conduct and motives.

Madison, "The Virginia Report of 1799–1800," 187 (1850 ed.).

Again, Madison's conclusion has been repeatedly supported by Supreme Court decisions. Thus, in *Grosjean* v. *American Press Co.*, 297 U.S. 233, 250 (1936), the Court stated that a free press—

> Stands as one of the great interpreters between the government and the people. Since informed public opinion is the most potent of all restraints upon misgovernment, the suppression or abridgement of the publicity afforded by a free press cannot be regarded otherwise than with grave concern.

The strength of this declaration has been confirmed by recent events. The tireless investigative efforts of the Washington Post and other periodicals provided the initial wedge in exposing the Watergate scandals and other misdeeds by the Government. Without those efforts, the public might never have learned of the corruption which had infested the highest levels of our Federal Government.

In this context, the IRS secret subpenas of newsmen's private telephone records can be seen as a dangerous threat to free speech generally and to investigative reporting in particular. The IRS was not investigating any violation of the tax laws by the newsmen. Rather, the agency was trying to determine who among its employees had been passing information to the press.

Aside from the questionable validity of these subpenas, they expose the abuses permitted by existing laws. In seeking disclosure of private telephone records, the IRS—like other administrative agencies and government units—can exercise an unreviewed discretion. The law does not require a court or other neutral party to determine whether the requests for information are lawful or reasonable.

Nor does the law require the IRS to notify the individuals involved that records of their private calls have been subpenaed or requested. As a result, the individuals involved may never have an opportunity to protest that the subpenas or requests were unlawful or should not be complied with for some other legal reason.

In this most recent situation, for example, neither the New York Times nor its reporters were informed that records of their private calls had been subpenaed and disclosed by the telephone company. Consequently, neither had a timely opportunity to assert a protest concerning the legality of the action. Likewise, neither the St. Louis Post-Dispatch nor the Knight newspapers were informed in 1971 that the Justice Department had secretly subpenaed—and received—records of their private calls. They, too, were deprived of all opportunity to protest the legality or justification of the actions taken.

In Wisconsin, reporters and editors have rightly been disturbed by the prospect of secret disclosures of private telephone records. As early as December 1973, Wisconsin newspapermen raised the matter with the Wisconsin telephone company. According to an article in the Madison Capital Times on December 31, 1973, the company informed the journalists that "it is honoring the controversial requests by Government agencies to disclose records of news reporters' telephone calls." The company stated further that it will respond to all requests by police officers with the rank of captain, prosecutors, sheriffs, and administrative agencies. The Wisconsin reporters' concerns were no doubt aggravated when the Wisconsin telephone company revealed that in 1973 it had responded to 624 requests from governmental agencies and officials to disclose records of private telephone calls.

Available information does not reveal the complete extent to which private telephone records have been secretly disclosed in other parts of the country. But the available facts demonstrate clearly that the risk of abuse is real and a dangerous threat to constitutionally protected speech everywhere.

Reporters must now fear whether the Government—in the spirit of the Orwellian "Big Brother"—will be screening their telephone calls, examining their private activities, and harassing lawful sources of information about Government misdeeds. The net effect of this fear will be to "chill" the scope of investigative reporting. No doubt this may have grave consequences for all periodicals. But, in the end, the real victims will be the American people. Their constitutional right to know will be seriously impaired.

II. THE SCOPE OF THE FOURTH AMENDMENT'S PROTECTIONS

Secret disclosures of telephone records not only undermine rights of free speech; they also present a serious threat to the right of individual privacy as guaranteed by the fourth amendment. This amendment provides that—

> The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrents shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.

This amendment, too, found its genesis in the British rule of the American colonies. The King's officers—armed with nothing more than a general warrant and a desire to suppress dissent—frequently conducted indiscriminate searches of the colonials' homes. The right to individual privacy was no more than mere rhetoric.

The Founding Fathers were anxious to avoid a resurrection of these indiscriminate searches by the Government. The fourth amendment was therefore adopted to protect individual privacy from unreasonable intrusion by the Government.

The importance of the fourth amendment in our political system was articulated eloquently by Supreme Court Justice Louis Brandeis in his dissenting opinion in the 1928 case of Olmstead versus the United States:

> The makers of our Constitution undertook to secure conditions favorable to the pursuit of happiness. They recognized the significance of man's spiritual nature, of his feelings and of his intellect. They knew that only a part of the pain, pleasure and satisfactions of life are to be found in material things. They sought to protect Americans in their beliefs, their thoughts, their emotions and their sensations. They conferred, as against the Government, the right to be let alone—the most comprehensive of rights and the right most valued by civilized men. To protect that right, every justifiable intrusion by the Government

> upon the privacy of the individual, whatever the means employed must be deemed a violation of the Fourth Amendment.

The fourth amendment's protection is thus essential to our concept of democratic self-government. That protection enables each individual to think, speak, and write freely without fear of Government suppression.

Without the guarantees of the fourth amendment, the ability of the people to participate in and guide their Government is undermined. Supreme Court Justice Robert Jackson aptly summarized this point in his dissent in the 1949 case of Brinegar against the United States:

> Among deprivations of rights, none is so effective in cowing a population, crushing the spirit of the individual and putting terror in every heart. Uncontrolled search and seizure is one of the first and most effective weapons in the arsenal of every arbitrary government. And one need only briefly to have dwelt and worked among a people possessed of many admirable qualities but deprived of these rights to know that the human personality deteriorates and dignity and self-reliance disappear where homes, persons, and possessions are subject at any hour to unheralded search and seizure by the police.

The Founding Fathers, of course, did not contemplate the advent of telephones. Consequently, the fourth amendment does not expressly include wiretaps or telephone records within the ambit of its protection. But there can be no question that the protection extends to the use of the telephone. As the Supreme Court stated in the 1967 case of *Katz* v. *the United States* (389 U.S. 347):

> The fourth amendment protects people, not places.

In the Katz case and in the 1967 case of *Berger* v. *New York* (388 U.S. 41), the Court therefore held that telephone wiretaps must adhere to the limits and guidelines delineated by the fourth amendment. The Court has affirmed this position repeatedly since 1967. (See, for example, *Alderman* v. *United States*, 394 U.S. 165 (1969).)

Court decisions on Government wiretaps also make clear that telephone records enjoy some protection under the fourth amendment. It would surely be ironic—and illogical—if the fourth amendment protected against wiretaps of telephone conversations, but did not provide any protection for records of those conversations. In other words, the fourth amendment's protection is tied to private speech—not the physical process of dialing the telephone. This conclusion is supported by the Court's declaration in United States v. U.S. District Court (407 U.S. 297 (19 2)):

> Though physical entry of the home is the chief evil against which the wording of the Fourth Amendment is directed, its broader spirit now shields private speech from unreasonable surveillance.

The history and language of the fourth amendment, as well as interpretive decisions by the Supreme Court, underscore the danger—and unconstitutionality—of current law governing the disclosure of telephone records. For those laws sanction unreasonable surveillances of private speech by the Government.

The law allows the telephone company to disclose private telephone records in response to a court subpena or "on demand of other lawful authority." Thus, any governmental unit seeking access to private telephone records can simply make a demand for them—no questions asked.

The Government's demand can be reasonable or unreasonable. There is no court or other neutral party to assess the legal validity and justification of the demand. Nor is there any limitation on how the Government may use the information received. The Government may use it to further a criminal investigation or for illicit purposes.

The law, moreover, does not require the party making the demand to notify the individual involved. Nor does the law require the telephone company to delay its response to enable the individual involved to protest the legality or justification of disclosing his records.

In short, the deficiencies of the law not only threaten the constitutional rights of newsmen; those deficiencies pose a serious danger to the constitutional freedoms of every citizen, regardless of his or her station in life. The telephone company may secretly disclose the private records of anyone's telephone calls to a governmental agency or law enforcement unit acting without a court subpena. As in the cases concerning the New York Times, the St. Louis Post-Dispatch, and the Knight newspapers, the individual may not learn of the disclosure until after his opportuntiy to complain is lost. Indeed, the chances are that the individual will never learn of the secret disclosure.

This situation is and should be of concern to all American citizens. The right to privacy, like the right to speech, is a privilege crucial to the sustenance of our democratic system. Without those rights, the individual's private affairs become a matter of public record for intrusive eyes to scrutinize. Law-abiding citizens may then cower in the dark, never knowing the private information possessed by the Government—or how it will be used.

III. THE NEED FOR JUDICIAL PROTECTION

From the date of its proposal, the Bill of Rights has been understood to limit the power of the Government. (See 1 Annals of Cong. 438 (June 1789) (remarks of James Madison).) But it has also been understood since that time that the Bill of Rights is not self-enforcing. Its implementation demands not only a Government sensitive to the limitations of its powers; it also demands an opportunity for the courts to protect those rights when the Government's sensitivity proves insufficient. In proposing adoption of the Bill of Rights, James Madison discussed this critical role to be played by the courts in defending constitutional rights:

> Independent tribunals of justice will consider themselves in a peculiar manner the guardians of those rights; they will be an impenetrable bulwark against every assumption of power in the Legislative or Executive; they will be naturally led to resist every encroachment upon rights expressly stipulated for in the Constitution by the declaration of rights. 1 Annals of Cong. 440 (June, 1789).

This opportunity to invoke the court's protection derives from the fundamental notion of fairness which underlies our Constitution. It is an opportunity whose importance was recognized not only by our Founding Fathers but also by the courts who interpret the work of the Founding Fathers. This recognition was evident, for example, in *Democratic National Committee* v. *McCord*, 356 F. Supp. 1384 (D.D.C. 1973), a recent case concerning enforcement of court subpenas for the work files of newsmen investigating the Watergate scandals. In rejecting the subpenas, because of first amendment rights, the Federal District Court in Washington, D.C., made clear that a prerequisite to protection of constitutional rights was a judicial inquiry and decision:

> The Court notes that the First Amendment entitles the public to more than a right to know. It also requires that any incursions into the areas protected by the Bill of Rights will be given a prompt judicial inquiry and hopefully one that will not only be sound but which the public will also understand and accept.
>
> 356 F. Supp. at 1398.

The need for this "prompt judicial inquiry" was evident in that case concerning free speech. A prompt judicial inquiry is no less important where rights of individual privacy are at stake. The legislation offered today would guarantee to every citizen the same prompt judicial inquiry when disclosure of private telephone records is involved.

IV. CONCLUSION

The bill offered today is not necessarily a perfect one. Additional information should be collected and reviewed to determine, among other things, the precise number of requests for disclosure of records of private telephone calls, the identities of the governmental units and other parties who generally make these requests, the purposes for which these requests are made, and whether revisions might be necessary to minimize the administrative and financial costs imposed on our courts. Hopefully, this bill—and perhaps others—will result in extensive hearings by appropriate congressional committees to explore and answer these questions.

But there should be no question that this bill addresses issues of paramount importance. For it focuses Congress' attention on practices which run afoul of precious rights and liberties guaranteed to every citizen by our Constitution. To appreciate the historical and fundamental importance of these rights and liberties, one need only recall Justice Brandeis' statement in Whitney versus California, a case concerning freedom of speech:

> Those who won our independence believed that the final end of the State was to make men free to develop their faculties; and that in its government the deliberative forces should prevail over the arbitrary. They valued liberty both as an end and as a means. They believed liberty to be the secret of happiness and courage to be the secret of liberty. They believed that freedom to think as you

> will and to speak as you think are means indispensable to the discovery and spread of political truth; that without free speech and assembly discussion would be futile; that with them, discussion affords ordinarily adequate protection against the dissemination of noxious doctrine; that the greatest menace to freedom is an inert people; that public discussion is a political duty; and that this should be a fundamental principle of the American government.
>
> 274 U.S. 357, 375 (1927) (concurring opinion).

As the representatives of the people, Congress should not stand idle when the practical effect of a law threatens the individual's rights to free speech and privacy. Congress should therefore undertake an immediate and full consideration of the bill offered today.

Mr. President, I ask unanimous consent to insert in the RECORD the text of the bill introduced today.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1612

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Communications Privacy Act of 1975".

SEC. 2. Section 605 of the Communications Act of 1934, as amended (47 U.S.C. 605), is amended by striking out "(5) in response to a subpena issued by a court of competent jurisdiction, or (6) on demand of other lawful authority." and inserting in lieu thereof "or (5) in response to a subpena issued by a court of competent jurisdiction in accordance with section 605A.".

SEC. 3. The Communications Act of 1934 is amended by adding after section 605 the following new section:

"§ 605A. Disclosure of communications and records

"(a) In issuing, or in determining whether to issue, any subpena for purposes of clause (5) of section 605, the court shall—

"(1) require that the party seeking issuance of the subpena (hereinafter 'applicant') shall, on the same day on which such subpena is issued, serve the party whose communications or records thereof are sought (hereinafter 'subscriber') in person with, or mail to such subscriber by certified mail with return receipt requested, a true and accurate copy of such subpena;

"(2) require that such subpena identifies with as much particularity as is possible and practicable the communication, or record thereof, sought in terms of the parties thereto, the date thereof, and the location at which or from which the communication transpired;

"(3) require that the subpena identify the purposes for which it is sought;

"(4) provide that only the communication or record thereof identified pursuant to clause (2) shall be furnished and that the communication or record thereof shall be used only for the purposes identified pursuant to clause (3);

"(5) give to such subscriber, as well as to any other individual who is a party to a communication described in clause (2) or who commonly uses the facilities from which or at which such communication transpired, the standing to assert any and all legal rights and defenses which would be available if the subscriber or other individual were in possession of such communication or record and the subpena had been directed to such subscriber or other individual; and

"(6) provide for compliance in not less than ten days after service, except in any case where the court determines in an ex parte proceeding that immediate disclosure is required to protect an individual against an immediate danger of bodily harm, to protect the Nation against actual or potential attack or other hostile acts of a foreign power, to obtain foreign intelligence information essential to the military security of the United States, or to prevent the disclosure of information essential to the military security of the United States: *Provided,* That immediate notice of such disclosure shall be made by the applicant to the subscriber either in person or by certified mail with return receipt requested. In making that determination, the court shall require sworn testimony or an affidavit setting forth sufficient facts to support a reasonable belief that disclosure of the information sought will help enable the applicant department or agency to provide the necessary protection, obtain the information, or prevent the disclosure.

If a subscriber or any other party files a motion to quash the subpena, the court shall prohibit disclosure of any information sought by the subpena unless and until such motion is denied.

"(b) Any subpena for purposes of clause (5) of section 605 of the Communications Act sought by a Federal, State, or local governmental department or agency shall be issued only at the request of the chief legal officer or a specially designated assistant legal officer of the applicant department or agency only if it has lawful authority to seek issuance of a court subpena and only if the court determines that the information sought is necessary for enforcement of laws under the jurisdiction of the applicant department or agency.

"(c) The court may delay service of the subpena issued pursuant to clause (5) of section 605 on the subscriber for thirty days if the court finds that—

"(1) there is probable cause to believe that a particular crime has been, is being, or will be committed, and service of the subpena on the subscriber would result in the suspected individual escaping prosecution for that particular crime, would result in the destruction or unavailability of evidence relating to the commission of that particular crime, or would result in bodily harm to an individual, or

"(2) there is sufficient evidence to demonstrate that the information sought is necessary to help protect the Nation against actual or potential attack or other hostile acts of a foreign power, to obtain foreign intelligence information essential to the military security of the United States, or to prevent the disclosure of information essential to the military security of the United States, and service of the subpena will substantially impair the ability of the applicant department or agency to provide such protection, obtain such information, or prevent such disclosure.

"The court may grant thirty-day extensions of the delay of service for the subpena if, after the initial thirty days, the court finds that one of the aforementioned conditions justifying delay still exists.

* * * * *

"(d) The contents of any communication or record thereof obtained under this section, or evidence derived therefrom, shall not be received in evidence or otherwise disclosed in any trial, hearing, or other proceeding in a Federal or State court unless each party, not less than ten days before the trial, hearing, or proceeding, has been furnished a copy of the court subpena obtained under this section and copies of any communication or record thereof disclosed in response to such subpena.

"(e)(1) Any aggrieved person in any trial, hearing, or proceeding in or before any court, department, officer, agency, regulatory body, or other authority of the United States, a State, or political subdivision thereof, may move to suppress the contents of any communication or record thereof obtained under this section, or any evidence derived therefrom, on grounds that—

"(A) the communication or record thereof was unlawfully disclosed;

"(B) the subpena under which it was obtained is insufficient on its face; or

"(C) the disclosure was not made in conformity with the subpena.

"Such motion shall be made before the trial, hearing or proceeding unless there was no opportunity to make such motion or the person was not aware of the grounds of the motion. If the motion is granted, the communication of record thereof, or any evidence derived therefrom, shall be treated as having been obtained in violation of this section.

"(2) In addition to any other right to appeal, the United States shall have the right to appeal from an order granting a motion to suppress made under paragraph (1) of this subsection, or the denial of an application for the issuance of a subpena, if the United States attorney shall certify to the judge or other official granting such motion or denying such application that the appeal is not taken for purposes of delay. Such appeal shall be taken within thirty days after the date the order was entered and shall be prosecuted diligently.

"(f) None of the rights of notification to the subscriber under subsections (a)(1) and (a)(6) shall apply if the subscriber is a foreign principal as defined by subsection (b)(1) of the first section of the Foreign Agents Registration Act of 1938."

SEC. 4. Section 2511 of title 18, United States Code, is amended by striking out "or" at the end of subsection (c) and by adding at the end of subsection (d) the following: "or (e) willfully uses or endeavors to use, or willfully discloses or endeavors to disclose information obtained in violation of section 605A of the Communications Act of 1934, knowing or having reason to know that the information was obtained in violation of that section;".

Mr. TUNNEY. Mr. President, I am pleased to cosponsor with Senator NELSON a bill to prohibit uncontrolled Government access to records of private telephone conversations.

As chairman of the Subcommittee on Constitutional Rights, I am deeply interested in this legislation to help preserve the first amendment rights of privacy and a free press. This bill deals with a particular area of individual rights which is a vital component of the overall subject of protection of privacy. One's telephone billing record relates one's personal associations and transactions and should remain private and confidential as any other record of one's personal affairs.

Without this legislation any Federal, State, or local governmental agency can easily obtain upon request from any telephone company records of private telephone conversations. The Government agencies are not restricted or bound to establish a specific objective in their request for this information, nor is there any requirement as to how the information is used once it is obtained. Serious allegations have been raised that law enforcement officials routinely check the telephone billing records of journalists for information on the journalists' sources. Such a practice, if true, compromises first amendment guarantees of a free press.

I am sensitive to the need to strike a proper balance between the interests of law enforcement and the rights of the individual. This legislation attempts to do so.

Though this legislation was originally prompted by the need to prevent law enforcement officials from checking on journalists' telephone billing records without a subpena, as a means of seeking information regarding sources of information, it has been expanded to protect the privacy of all Americans.

No doubt legislative hearings can contribute to perfecting the legislation. I am, however, in support of its basic framework and would be most happy to have it referred to the Subcommmttee on Constitutional Rights for further study and debate.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum with the time to be charged to the time yielded back.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BARTLETT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. BARTLETT. I yield.

UNANIMOUS-CONSENT AGREEMENT —SENATE CONCURRENT RESOLUTION 32, CONGRESSIONAL BUDGET DETERMINATION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that at the conclusion of the remarks of the distinguished Senator from Oklahoma, pursuant to the order entered on yesterday, the unfinished business—Senate Concurrent Resolution 32, congressional budget determination— be laid before the Senate and made the pending business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, it is my understanding that at any time after that, the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.) will be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. The Senator is correct.

Mr. MANSFIELD. Therefore, Mr. President, I ask unanimous consent that any other time between now and 12 o'clock, after the unfinished business is laid down, and not allocated, be divided equally between the manager of the bill, the distinguished Senator from Maine (Mr. MUSKIE), and the ranking Republican member of the committee, the Senator from Oklahoma (Mr. BELLMON).

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the Senator from Oklahoma (Mr. BARTLETT) is recognized for not to exceed 15 minutes.

A 1.3 BILLION BARREL STRATEGIC RESERVES PROGRAM — IS IT REALLY NEEDED?

Mr. BARTLETT. Mr. President, during the last several years we in this Nation learned a very unpalatable lesson: We are not able to supply from domestic sources enough of our energy needs. Because of this, other foreign nations can adversely influence our economic and political destinies. Unfortunately, this situation could have been averted had it not been for the inept, shortsighted and negative energy decisions of Congress and several administrations. As recently as 1971, there was an excess of producing capacity for both crude oil and natural gas. This could have been sustained; but because of policies which favored energy consumption at the expense of production, the surplus oil and gas reserves position deteriorated so badly that there are now critical domestic shortages for all sources of energy.

Thus, Mr. President, it took major and traumatic events to wake us up. An embargo, which we could not stop, and high imported crude oil prices, which we can not reduce, have proven how vulnerable this Nation really is.

There is currently a worldwide surplus of energy, specifically crude oil. Our domestic shortage is partly camouflaged because, at the present time, we can import sufficient crude to meet all of our requirements. The exorbitant cost we have to pay for this imported oil is reflected in an unfavorable balance of trade, a weakening of the dollar, and additional inflation. These problems are bad enough and must be remedied, but they will seem insignificant to the economic and political disruptions which would result if our imports are cut off, as in the embargo of 1973.

One of the popular methods now being considered for protecting this Nation from the threat of future embargoes is a strategic reserves program. The administration and the Senate Interior Committee have essentially similar strategic reserves legislative proposals. Both involve the establishment of a 1.3 billion barrel reserve which would be available for civilian and military purposes.

I believe it is fair to say that if this Nation would have had a strategic reserves program in operation at the time of the 1973 embargo, the embargo would have been much less disruptive. Similarly, because imports of crude oil and products are now even greater than prior to the embargo, a strategic reserves stockpile, if we had one, would provide good insurance indeed.

We should not be misled, however, to believe that a strategic reserves program is a magical and instantaneous cure to our energy vulnerability problem. It is not even remotely possible to implement within the next several years a strategic reserves program of sufficient size to have a mitigating influence on a future embargo, without incurring tremendous capital and resource costs. Even then, physical constraints will limit how fast the storage can be built and the oil supplied to it.

Just as a long leadtime is required for the achievement of significant energy conservation and increased energy supplies, a long leadtime is necessary to create a sufficient strategic energy reserve.

Let us now consider some of the practical aspects of a strategic reserves program.

The proposal to use the Federal Government's share of production from Naval Petroleum Reserve No. 1, the Elk Hills field, as the source of crude oil for the strategic reserves program has merit because it involves minimum resource costs. In other words, if Elk Hills' oil is used it will not be necessary to purchase high cost crude from abroad, thus averting upward pressures on the world oil price and a worsening of our balance of trade problems.

The advantages of using Elk Hills' oil seem obvious. But there are negative aspects. It is estimated that Elk Hills could be produced at a sustained maximum efficient rate of 250,000 barrels a day. The Government's share of this production would be approximately 200,000 barrels a day. If this oil is not diverted to the strategic reserves program, it could be used to fuel the domestic economy. Hence, imports could be reduced by 200,000 barrels per day, thus improving our balance of payments by $800 to $900 million a year. Furthermore, if Elk Hills is considered the only visible source of crude for the strategic storage program it would take approximately 20 years to fill the entire 1.3 billion barrel program contemplated by the administration and the Interior Committee. This amount of time would be required because Elk Hills is not yet capable of producing at a rate of 250,000 barrels a day and will not be able to produce at that rate for several years. Furthermore, as the reserve is depleted, the actual producing rate would decline below the 250,000 barrel per day level.

Therefore, it is very obvious that if a 1.3 billion barrel strategic reserve is to be established more quickly than in 20 years, some additional source of crude must be made available for the storage program.

A possible source is royalty oil from Federal OCS lands. In my opinion, this oil is not an acceptable alternate. First, all of this oil is committed to the domestic economy in one way or another; and much of it to the small independent refiner. I am confident that the demands of the independent refiner for greater volumes of Federal royalty oil, even from an expanded production on the OCS, will continue unabated. Considering the long lead times associated with Outer Continental Shelf development of new oil fields, Federal royalty oil is not a reasonable alternate—either politically or practically.

The other great hope is the Naval Petroleum Reserve No. 4 on the North Slope. But I emphasize that this is only a hope. Even though there are estimates of tremendous potential reserves, 10 to 33 billion barrels, virtually none of this tremendous potential has been proved by drilling. In fact, the Navy's exploration program is in the very preliminary stages. I estimate, as a practical matter, it will take a minimum of 10 years before oil from the Naval Petroleum Reserve No. 4 could reach the U.S. consumer or a strategic energy reserve.

The Navy currently envisions an exploration program encompassing the next 7 years. But development of Petroleum Reserve No. 4 can obviously not begin until a discovery is made. Even then, the chances of finding another Prudhoe Bay Field are slim. Thus, the reserves in the Naval Petroleum Reserve No. 4 might be located in a number of smaller fields. If this occurs, the time necessary for exploration and development and to construct a pipeline would be extended further.

The only other source of crude oil for the strategic reserve is to purchase it from foreign sources. In this way it might be possible to acquire the oil more quickly provided sufficient physical storage is available. It is widely recognized, however, that this will have several undesirable effects and is basically inconsistent with the intent of our overall national energy policy. The United States is experiencing unprecedented high balance of payments deficits because of the cost of importing crude oil. It makes no sense to further up the deficits by buying a commodity which is not essential to our economy.

At a time when our Nation is trying to reduce the world oil price, purchasing this additional crude would tend to maintain or increase that price. At a time when energy conservation is supposed to become a way of life so that crude imports can be reduced, filling the strategic reserve with imported oil would negate the benefits the conservation program is supposed to provide. Finally, purchasing foreign crude for the strategic reserve would unnecessarily divert billions of dollars in Federal funds from projects which would more directly and immediately benefit our society.

Let us now consider the situation in perspective. In order to avoid permanent high resource costs, worsen the balance-of-payments problems and not force upward the world price of crude oil, we should use the naval petroleum reserves as source oil for this strategic reserves program. However, we cannot reasonably expect any production from NPR No. 4 for 10 or more years and it will take approximately 20 years to fill a reserve of the size presently contemplated by using Elk Hills.

There is then the matter of building the storage facilities. It appears to be possible to construct saltdome storage at the rate of about 100 million barrels per year. Thus, storage for 500 million barrels of crude could be developed within 5 or 6 years and if we accelerated the construction process for the remainder of the 1.3 billion barrel program, it could encompass another 3 to 5 years. Building a storage program for 1.3 billion barrels would therefore have to encompass a total of 8 to 10 years. However, to physically fill the reserve in that time would most likely require supplementing naval petroleum reserve production with purchases of foreign crude. If the many adverse aspects of purchasing foreign crude are to be avoided and assuming prolific reserves are discovered in NPR No. 4, it would take 12 to 15 years to fill a reserve of 1.3 billion barrels using production from both NPR No. 1 and NPR No. 4.

During that 12- to 15-year period energy sufficiency should become a reality. Both Congress and the administration have proposed energy programs by which the objective of reasonable energy sufficiency will be achieved in 10 to 15 years.

It is paradoxical, then, that by the time we have a strategic reserves storage program in operation which would insure this Nation against the threat of an embargo, our supply position should be improved to the extent that our vulnerability would be minimal anyway.

What is the cost of what we would have done to provide the United States with an energy insurance policy which would be in place at about the time we no longer need all this protection? Minimum estimates of the cost to prepare saltdome storage and to transport oil to that storage are about $2 per barrel. Tank storage for products is higher—$4 to $7 per barrel. For 1.3 billion barrels of crude storage, this amounts to $2.6 billion. By denying the economy 1.3 billion barrels of oil from domestic sources, we would have had to import 1.3 billion barrels of oil, worth about $16.9 billion at today's prices. We have used rigs, equipment, and steel which could have been used in more productive endeavors like increasing the domestic supplies of oil and gas.

Clearly, a program which would effectively cost our economy approximately $20 billion and which would provide questionable benefits is unacceptable. This brings me to the crux of the issue. The only real way to assure ourselves of invulnerability to a future embargo is to improve our own supply position. Maximizing the domestic production of oil, gas, and all other energy sources is critical. This will be more difficult if we waste our financial and physical resources building a strategic reserves storage program that would be of little value by the time it could reasonably and practically be available for full operation.

Increasing the domestic supply of oil and gas and other minerals is the only way to properly combat the OPEC cartel. The only way to send messages that we are serious about accomplishing our objectives, as I have said many times before, is to further those policies which maximize private economic forces toward increased supply and reduced demand. The uncontrolled market for all energy is such a policy.

The price of domestic crude oil must be decontrolled and the price of new interstate natural gas deregulated. It is interesting that decontrol of all domestic crude production would increase the average price of a gallon of petroleum product by about 5 cents. This is a small price for a consumer to pay for a maximum effort to increase supplies. Along with decontrol, it is important to assure the consumer that the increased price he pays for petroleum is really being used by industry to find and develop new supplies. Although I do not support the concept of a windfall profits tax because the industry has been reinvesting all domestic profits plus additional borrowed funds, I recognize that the politics of this critical issue might require such a windfall tax. Provided it is properly designed and contains a good plowback provision, it should neither unduly burden the prudent oil producer nor limit internal capital availability. The real question is whether there is sufficient capital and incentive for investment in oil and gas exploration and development and not whether too much profit is being made by industry. A surplus of energy and surplus profits are easy to handle. We do not now have such surpluses. If we did, we would not have to waste our badly needed financial and physical resources on the construction of a strategic energy reserve.

If my colleagues cannot accept my thesis that the strategic reserves program of 1.3 billion barrels is impractical insurance against the threat of an embargo because energy sufficiency may not be achieved during the next 10 to 15 year period, I suggest they reevaluate their own energy policy positions so that the goal will be met. There is no other choice.

Mr. President, it is not my purpose here to completely condemn a strategic reserves program, because obviously some amount of strategic storage would provide effective insurance. However, I believe the size of the program should be much smaller than the current proposal of 1.3 billion barrels.

I favor a strategic reserve of approximately 300 million barrels. A reserve of this size can be placed in operation within the next 3 to 5 years provided Congress immediately enacts the needed legislation to get on with the job. As our domestic abilities to produce energy increase with time, and additional increment in the reserve size will have decreasing utility. If on the other hand, additional domestic energy reserves would not be developed as needed, the size of our reserve could be increased.

It should be remembered, however, a strategic energy reserve, like conservation, is no cure for this Nation's energy problems. Increased supplies are the only way out. We should stop fooling around with our country's future by failure to increase supplies of domestic energy.

This country needs an uncontrolled market for all energy now.

Mr. President, I thank again the distinguished Senator from Virginia and the majority leader.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

CONGRESSIONAL BUDGET DETERMINATION

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the pending business, Senate Concurrent Resolution 32, the vote to occur thereon at noon. The clerk will state the bill by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 32) relating to a determination of the congressional budget for the United States Govern-

ment for the fiscal year beginning July 1, 1975.

The Senate resumed the consideration of the concurrent resolution.

The PRESIDING OFFICER. Under the previous order, the Senator from Virginia (Mr. HARRY F. BYRD, JR.) is now recognized for not to exceed 15 minutes.

Mr. HARRY F. BYRD, JR. Mr. President, I yield myself 8 minutes, and then I shall reserve the remainder of my time.

First, I wish to recognize again, as I did Tuesday, the hard, conscientious work of the Budget Committee, its staff, and its able chairman, the distinguished senior Senator from Maine, Senator MUSKIE.

My opposition to the concurrent resolution now pending before the Senate is one of philosophy.

This resolution represents the viewpoint of the liberal economists, which viewpoint has been embraced by both the Republican President and the Democratic Congress.

This resolution says in effect that our Nation can buy its way out of our economic difficulties by more and more Government spending and higher and higher Government deficits.

I am convinced that time will prove such a theory to be as wrong as was the prevailing view of 10 years ago: That the way to handle the Nation's problems in Southeast Asia was to fight a no-win war.

That theory, which I consistently opposed, ended this week in a complete debacle—because it was fundamentally unsound.

I fear that the underlying philosophy of the pending concurrent resolution will result 5 years from now—or maybe in 2 or 3 years—in a financial debacle in the form of unprecedented inflation of the wage earner's dollar because it, too—namely this resolution—is basically unsound.

I cite a few facts:

This resolution would establish Federal spending at the rate of $1 billion a day.

This resolution proposes to spend for fiscal year 1976, $365 billion—an increase of 35 percent over last year, 1974.

To me, a 35-percent increase in Government spending in a 2-year period is reckless and dangerous.

This resolution provides for increased spending of $96 billion over 1974.

The $96 billion increase would be greater than the total Federal funds budget for the fiscal year 1965.

This spending resolution envisions a deficit of approximately $70 billion. That deficit—just the deficit—is greater than the total cost of Government in 1958.

This spending resolution would bring the national debt to more than $600 billion. More than one-third of our total national debt will have been created during the 6-year period fiscal 1971–76.

This resolution, calling for a $70 billion deficit on the heels of a $50 billion deficit for the current year, will force the Government into the money markets for unprecedented borrowing.

Secretary of the Treasury Simon has confirmed to me that during the fiscal year beginning July 1, the Federal Government will go into the money markets for 65 percent of all lendable funds.

Secretary Simon has stated also that during the upcoming fiscal year the Federal Government will borrow more money than the Federal Government, the State governments, the local governments and the corporate entities together have ever borrowed in any previous year.

It is not difficult to visualize the upward pressure on interest rates; it is not difficult to visualize how disadvantaged will be the individual citizen in seeking to borrow funds and how disadvantaged will be the corporations and public utilities which need to borrow tremendous amounts of capital for job-creating expansion.

Those who favor the tremendous spending envisioned by the pending resolution and the huge deficits inherent in the pending resolution say, as did the senior Senator from New York, Mr. JAVITS, on Tuesday, that this can be taken care of by the Federal Reserve Board "by pursuing an accommodative monetary policy."

In other words, those who advocate more and more Government spending and more and more Government deficits, likewise want more and more printing-press money.

Just as our problems will not be solved by excessive Government spending, neither will they be solved by excessive use of the printing press.

The pending resolution is, in my judgment, a blueprint for inffation.

Inflation ebbs and flows, and it is now ebbing. But the tremendous increase in Government spending and the huge deficits implicit in this resolution, lay the foundation for an unprecedented inflation 18 months from now.

Mr. President, our Nation is on an unsound basis. It has been for a long time. Our Government is overextended. Too many banks are overextended. Too many individuals are overextended. We are, I think, in the position of one who drinks too much whisky one night and awakes the next morning with a hangover. He can do one of two things: he can accept the discomfort of the hangover, or he can begin to drink again, and by repeating that process of drinking again to get away from the discomfort of a hangover, he eventually becomes an alcoholic.

The Government of the United States, in my opinion, has become a "spend-a-holic."

Not for a moment do I question the motives of those who advocate more and more Government spending and more deficits.

But I do question their judgment.

I do believe it most unwise to increase Government spending by 35 percent in 2 years.

I do believe it dangerous and irresponsible to propose a deficit approximating $70 billion.

I shall vote against the spending resolution, convinced in my own mind that as popular as increased Government spending may be, the proposed spending levels will seriously disadvantage the working people of our Nation.

It is they who must pay for Federal spending either by direct taxation or by the hidden and cruel tax of inflation.

I am convinced we will not get the cost of living under control until we get the cost of government under control.

The prevailing view in Washington, D.C,. is that we can sharply increase spending and simultaneously reduce taxes, another way of saying that no one need pay for the spending.

Th PRESIDING OFFICER. The Senator's 8 minutes have expired.

Mr. HARRY F. BYRD, JR. I feel the Congress should receive the Edna St. Vincent Millay Economics Award. Recall her words:

> My candle burns at both ends;
>   It will not last the night;
> But ah, my foes, and oh, my friends—
>   It gives a lovely light!

Mr. President, I reserve the remainder of my time.

Mr. MUSKIE. Mr. President, I yield myself 5 minutes.

Mr. President, I regret that I was not here when the distinguished Senator from Virginia began his remarks, and I rise not so much to challenge a point of view and a conviction which the distinguished Senator has held for all the years that I have known him, as to put the present budget resolution in the context in which I see it.

I am not going to be able to persuade the distinguished Senator from Virginia that his economic philosophy does not fit the times. His convictions are too solidly fixed for me to presume to do that. But I think it is important to put the budget resolution and the numbers that it contains in the context of our present economic difficulties.

We can still disagree as to what the numbers ought to be but I suspect that we agree that we face some serious economic difficulties.

The first issue has to do with the question of a deficit. The deficit number contained in the resolution in its present form is $67.2 billion. I emphasize that this is not a number that we carefully contrived and manufactured as a committee to present to the Congress of the United States or to the Senate. This number is the result of the economic circumstances in which we find ourselves. It was made up of two principal elements: One, the shrinkage in Federal revenues which are directly related to the reduction in gross national product. That reduction, according to the committee report, is $200 billion, and the result of that has been to deprive the Federal Government of revenues on the order of $53 billion.

Now the Budget Committee did not create that condition. That condition was created by the economy.

Second, the growing unemployment rate, from last year's 5.5 percent to last month's 8.7 percent, is a tax on the Federal budget and on State and local budgets. With respect to the Federal budget, that cost is now on the order of $15 to $20 billion. Now those two elements, taken together, are roughly the total of the budget deficit that is contained in the budget resolution.

So the deficit was created by conditions beyond the control of the Budget Committee or beyond the control of the Senate or the Congress.

Now what, if anything, can we do about it? Well, we have had considerable discussion in this debate on whether or not a deficit created in that way is avoidable. Well, let me read for the Senate the judgments of witnesses who appeared before us. Every witness who appeared before the committee agreed that a sizeable deficit was inevitable in fiscal 1976. The Secretary of the Treasury, the Chairman of the Council of Economic Advisers, and the Director of the Office of Management and Budget testified before the committee that a deficit of $53 billion could not be avoided. President Ford later adjusted his deficit ceiling to $60 billion and, in response to a question put by me, Secretary Simon said this on March 17:

> Mr. Chairman, budget deficits this year are unavoidable. We must take care of the unemployed in this country. We have to get the economy moving again through tax stimulus. That creates a deficit.

I submit that Secretary Simon is not exactly a flaming liberal when it comes to economic philosophy.

Many witnesses also testified that both the fiscal 1975 and the anticipated fiscal 1976 deficits will be entirely the product of the recession.

Now, if we consider the elimination of the deficit, what are the courses open to us? Well, one is to raise taxes instead of cutting them. Simply eliminating the tax cut already enacted by the Congress would not be sufficient. We would have to add additional billions of dollars in taxes as a burden on the economy, on the taxpayers and the American people. The question that arises is: Is that a politically viable option? Is it an economically sensible one?

There is no testimony before the committee to suggest that it is an economically sensible one. Indeed, the testimony suggests that it would be an economically disastrous course of action for us to take, forgetting the impact upon the lives of those people, of our people, who would be forced to pay additional taxes of that magnitude.

So the other alternative is to cut ongoing Federal programs and ongoing services. What would we cut? The biggest single chunk of the Federal budget is income security, including social security, unemployment compensation, and food stamps. Should we bite into them by $67 billion? What would happen to old people already struggling on inadequate incomes to get by in the face of the ravages of inflation and the erosion of jobs? What would we do as people are laid off? Tell them that the unemployment compensation program is ended because the Federal Government faces a deficit? Are we then to ask them not only to give up their jobs but to give up the income necessary to provide their families with the very essentials of life? Because when you are talking about cutting $67 billion out of the Federal Budget you are not talking about savings you can get from small change.

Where do you get that kind of cut in the Federal budget unless you bite and bite deeply into the very incomes of the people who are hurt the hardest and have the least to respond with as the result of recession and inflation? Or would you cut $67 billion from defense spending?

We have already cut, and there are those in the committee who would have cut more. There are those in the Senate who will probably vote to cut more. But no one proposes cutting anything like $67 billion, or a major portion of it or a substantial portion of it, from the defense budget.

Do you cut it from the interest we pay on the debt? Is that a real choice? That is about $38 million. So you go through the big chunks in the budget that you would have to get at to eliminate $67 billion of spending. The notion that there is an alternative to a budget deficit is very unreal.

Now, I understand the concern of the Senator from Virginia that over time we have been too undisciplined with respect to the budget, and I respect and honor that concern. Indeed that is one of the reasons why I supported the budget reform legislation last year, one of the reasons I sought the responsibility of the chairmanship of this committee, and one of the reasons that, with Senator BELLMON, my distinguished colleague on the other side of the aisle, I have undertaken to assume some responsibility for making this discipline work and giving it some bite.

But that is not to say that we regard a balanced budget—that is what the Senator from Virginia is urging—in this year, in these times, as realistic. I can understand his argument when he says, "Well, year after year there is always an argument for a deficit and some year we have got to call a halt."

Well, this year is not that year. I recognize the argument, but this year is not that year. If we could somehow persuade the majority of both houses to cut $67 from this budget in order to achieve what the Senator from Virginia seeks, not only would we impose indescribable hardship on millions of American citizens, but we would make a tragic economic mistake.

Now, that is what the committee believes and that is why the committee proposes this.

The **PRESIDING OFFICER**. The Senator has 2 minutes remaining.

Mr. **MUSKIE**. We do not propose a $67.2 billion deficit because we think it is a good thing. We would like to avoid it if we saw a way to do it, but we did so for the reasons I have tried to describe.

Mr. President, how much time is remaining?

The **PRESIDING OFFICER**. The Senator from Maine has 1 minute, the Senator from Oklahoma has 12 minutes, and the Senator from Virginia has 5 minutes.

Mr. **MUSKIE**. I reserve the minute I have remaining.

May I have another 3 minutes?

Mr. **BELLMON**. Mr. President, I yield the Senator 5 minutes.

Mr. **MUSKIE**. Five minutes, because I do want to address myself to another subject.

I hold in my hand, Mr. President, a press release from the White House with a statement by the President in which he reaffirms a commitment to a $60 billion budget deficit.

I regret very much that he issued this statement because, frankly, his $60 billion number on the deficit is not an honest number, and his experts in OMB know that, and he must know that. So I can only assume that he asserts this in order to gain some political advantage over the Congress at a time when the Congress is laboring to establish budgetary discipline and is entitled to the full cooperation and understanding of the executive branch.

I do not think I need to belabor the problems with the President's $60 billion figure. We have gone over them, but let me go over them again.

The President's April 4 estimate on outlays was $355.6 billion. The first adjustment we made in that was the estimated receipts from the sale of oil leases on the Outer Continental Shelf.

No testimony has been offered before the committee by the administration to justify the administration's estimate of $8 billion. Indeed, the evidence indicates that it probably will not be more than $1 billion, and OMB and the administration have stubbornly refused to adjust that figure. We did by $4 billion. The President gives us no credit for candor in doing so.

So if the $4 billion is more nearly accurate than the President's, the President's April 4 estimate ought to be increased by $4 billion to accord with ours.

The cost of unemployment compensation is an uncontrollable number. It is dictated by unemployment, which is rising. Our people worked on these numbers, and to understand them they say we should add $1.9 billion to the President's April 4 figure because unemployment has grown and the larger figure is clearly indicated by the facts.

So if that $1.9 billion affects our total, it affects the President's total. If we eliminate it from the President's total, we eliminate it from ours. It is as simple as that.

The same thing is true with respect to food stamps and other assistance programs. We added $600 million, not because we want to spend $600 million more, but because this is the inevitable impact of the recession on the program. If it does not impact on the President's numbers, it does not impact on ours.

The same thing is true with medicaid; the same thing is true with interest on the public debt.

Now these numbers when added together total $7.6 billion, and if the President chooses not to add them to his deficit, then we have the right to subtract them from ours. If we subtract them from ours, we are under $60 billion, which is his number.

So I repeat, Mr. President, I am sorry the President chose to issue that statement. It is gratuitous, adds nothing to this process, does nothing to eliminate the potential for confrontation between the Executive and the Congress in this important area, and is a sad political mistake on the part of the President.

I thought the Record ought to be made clear at this point on the differences between the President's budget and ours.

Now, under the ceilings, there are other differences between the President's budget and our budget which we have gone into to some degree in this debate, and those differences will continue, but we ought to at least start with honest numbers.

We could have put that $8 billion in on receipts from sale of oil leases on the Outer Continental Shelf, reduced our deficit number and looked better, but that would not have been an honest number, and I emphasize that point.

I thank my good friend from Oklahoma for yielding to me out of his time and I now yield back whatever I did not use of that time to Senator BELLMON with my thanks.

Mr. BELLMON. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 7 minutes.

Mr. BELLMON. Mr. President, I yield myself 5 minutes.

Mr. President, I would like to begin by expressing my great respect for the distinguished senior Senator from Maine and for the outstanding job he has done in not only leading the committee to the adoption of the resolution, but also the job he has done in explaining and defending the committee's position here on the floor.

Without his leadership, I doubt that the Senate would now be approaching final passage of this resolution.

I realize full well, having sat in the committee hearings with him, that he is not in total personal agreement with everything in the resolution. But he realizes, as I do, that it is only by acting in concert that we are ever going to get this budget process to work.

That, really, is the basic objective that every member of the committee has. None of us got everything we wanted, but we realize that we have to work together to get anything at all, that is, I think, the major contribution that the chairman has made.

I would like to say that I agree with the chairman of the committee that the $60 billion figure that was sent to this Senate yesterday and made public by the White House is phony. As a member of the President's party, I genuinely regret this lack of candor on the part of the Office of Management and Budget and the President.

The element that is most needed right now in this country's Government is honesty and straightforwardness. I believe the American people expect and deserve to have reliable and truthful information from the highest office in the land.

I feel that our committee was correct in being forthright and by using figures that can be understood and explained and defended. The President has made a serious error in trying to hide or cloud these facts because ultimately they will be known and at that time I am afraid that the standing of the President's Office is going to be hurt rather badly because he is using figures that will not be borne out by events.

Mr. President, as has been said, a sizable deficit is inevitable for fiscal year 1976. The problem the Budget Committee had was how to go about stimulating the economy and ending or reducing unemployment without rekindling inflation which would return the Nation to the same boom and bust cycle we have suffered through during the past couple of years.

Also, the committee was concerned with getting our economy in a sufficiently healthy state that we could return to a position of living within our income and providing the services that people of this Nation have a right to expect.

The conclusion reached by the Budget Committee in Senate Concurrent Resolution 32 was made after considering both higher and lower figures. It has been a source of a great deal of satisfaction to me during the last 2 days while we have debated and voted on figures higher and lower, that the majority of the Senate has agreed with the position that the committee took.

It is interesting that there are just about as many Members of the Senate who seem to feel we are too high as there are those who feel we are to low. Apparently the work of the committee is being sustained by the Senate since they have agreed, by those votes, that we have come out with figures which seem to meet the desires of most of the Members.

The amounts recommended represent a consensus of the committee based upon the very best available information that we could get in an area that we admit and know is not precise. There are certainly many places where judgments have to be relied upon.

We have ahead of us, obviously, the opportunities to adjust these figures, if economic conditions dictate. I will be one of those ready to make new appraisals continuously and to accept and to recommend changes if those changes seem to be necessary.

Mr. President, the Senate by debating and passing this concurrent resolution has during the past 3 days implemented a new and what I believe has been and will continue to be an extremely constructive method of evaluating and managing the fiscal affairs of the Federal Government. This process of evaluation is one that cannot help but significantly improve our budgetary process.

In implementing this method we have been forced to take a hard look at aggregate Federal spending and revenues and we have debated thoroughly the stimulative and potentially inflationary aspects of the historically large budget deficit with which we are now faced. This has been good because for the first time we can no longer rely on the piecemeal approach to the budget as a reason for disclaiming knowledge and responsibility for the seemingly endless string of budget deficits in the last two decades.

Further, we have had to look beyond the budget itself in attempting to assess its macroeconomic impact. We have examined the probability of and the extent to which "crowding out" will occur in our capital markets, and we have carefully debated the growth in the money supply that will be required to finance this deficit. As a corollary to these problems we have reviewed the effects on interest rates and the rate of unemployment and of inflation that will in all likelihood ensue if we go overboard in trying to stimulate the economy and end the recession.

Literally countless man-hours were spent in arriving at the Budget Committee's recommendation. We on the committee went through an even more in depth analysis of the various proposals for the budget than did the Senate as a whole.

The result was the recommendation which includes a deficit that many Members were at first unable to accept but, as they went on, as the educational process showed the necessity for this policy, they were able to justify it because they were not able to see any other solution to our problem.

On the other hand, several members of the committee and of the Senate would prefer that the deficit were larger. However, I think the votes cast by the Senate on the various amendments both to lower and to raise the deficit indicate that the committee's recommendation contained a deficit large enough to please those Members of the Senate who believe our economy needs more stimulus, and it contained deficit that was as low as those Members of the Senate, myself included, who are more concerned with the risk of reigniting inflation could have reasonably expected.

Mr. President, as I mentioned in my opening remarks on this concurrent resolution, I think the most important phase of this entire process is the discipline it has and will continue to enforce on management of this Nation's fiscal affairs.

We now have in the budget process the mechanism to engage in reasonable and more long-range review and worked out more long-range policies to keep us out of the kind of economic crisis we are now facing.

This is a tremendously important step and it cannot help but to greatly improve the quality of Government that we have in this country, and improve the ability of the Congress to cope with situations before they become crises.

I strongly urge the Senate to adopt the resolution. I believe sincerely that in doing so we will have set a historic precedent that in time will prove to be one of the finest developments that has ever taken place in our Government.

Mr. CURTIS. Will the Senator yield?

Mr. MUSKIE. May I take 30 seconds?

Mr. BELLMON. I yield 30 seconds to the chairman.

Mr. MUSKIE. I just want to take a moment to express my appreciation to Senator BELLMON and the staff of the committee. I know I did it once before, but at this point when the result of our work is in the process of being supported and justified by the Senate, I wanted to make the point that all of the staff are new at this new job. They have worked very long hours over the months, facing the frustration of trying to make a new process work. They have helped educate the members of the committee, a very important function. There has been close and outstanding cooperation among the majority and minority staffs and the core and task force staffs. As a result, what we present we think reflects the high order of accomplishment of the staff, not only the report but the successful inauguration of a new institution. I wanted to pay my tribute.

The PRESIDING OFFICER. The Senator from Virginia has 4 minutes.

Mr. HARRY F. BYRD, JR. I believe the Senator from Virginia has 5 minutes, or so I understood a few moments ago.

The PRESIDING OFFICER. The Senator is correct.

Mr. HARRY F. BYRD, JR. Mr. President, I will end my remarks as I began, by saying again I recognize the hard, conscientious work of the Budget Committee and its able chairman.

Mr. President, it is not often in matters as serious as the Senate is discussing today, the matter of a $365 billion budget, that one can get much amusement.

But this morning the Senator from Virginia was amused. The Senator from Maine read a letter by the President of the United States attacking the Congress for the proposed huge deficit. Then the Democratic Senator from Maine and the Republican Senator from Oklahoma attacked the President for his letter.

I do not propose to get in the middle of that fight. I think both are right.

President Ford, in my judgment, played into the hands of the liberal theorists when he embraced in January the principle of smashing Federal deficits. It was President Ford himself who recommended to the Congress a $52 billion deficit.

I say he played into the hands of those who favor more and more deficit spending. That $52 billion became a floor on which the Congress then built and increased the deficit.

Mr. President, the resolution now pending before the Senate calls for the expenditure of $1 billion a day every day of the fiscal year 1976.

That $365 billion budget, which the Senate will vote on in a few minutes, represents a 35-percent increase in Government spending in a 2-year period.

I want to say that again. The budget proposal before the Senate today represents a 35-percent increase in Government spending for fiscal year 1976 over fiscal year 1974, a period of only 2 years.

In dollars, the proposed budget represents an increase of $96 billion over 1974. That $96 billion increase in the 2-year period is greater than the total cost of Government in 1965.

Such a huge increase in spending is unrealistic and highly dangerous. I shall vote in the negative.

Mr. MAGNUSON. Mr. President, I am in favor of the first concurrent resolution reported by the Committee on the Budget. I believe it represents a very reasonable first attempt to improve the process by which the Congress determines an appropriate level of total spending, total revenues, and the resulting surplus or deficit.

By now we all understand the price the current recession is exacting. Federal tax receipts have been significantly reduced by lower levels of employment and reduced business profits, and by our own efforts to stimulate recovery through an emergency tax cut. We cannot do anything about the revenue losses due to unemployment and lower profits—they are unavoidable. While there are increased revenues that could be obtained from tax reform, it is unlikely we will be able to move quickly enough to get significant benefit from this in fiscal 1976. And we certainly should not reverse our recent decision to cut taxes—the tax cut is one of the surest ways of stimulating the recovery necessary to get us out of this situation.

So the outlook is clear—revenues will not be adequate to support all of the desirable spending programs now being proposed. In this situation, it is critical that we take a look at the big picture and select responsible fiscal targets before we enact further spending and revenue legislation.

I believe that in view of current economic conditions, the spending, revenue, and deficit levels proposed by the first concurrent resolution before the Senate are very responsible. But it is important to emphasize that these amounts are targets, and, therefore, to be considered as tentative. It is not possible for us to foresee emergencies which may arise, or to predict with certainty the direction that the economy will take in the coming months.

We have all had a recent lesson on the fallibility of economic forecasting and we must, therefore, retain the flexibility to alter our fiscal prescriptions if conditions change unexpectedly. For this reason it is fortunate that the Congressional Budget and Impoundment Control Act provides for a second concurrent resolution to be considered in September. By then the summer appropriations process will be behind us, and we will have a more accurate picture of the kind of stimulus the economy needs during fiscal year 1976. Thus, if conditions change in the coming months, or if our appropriations deliberations reveal the desirability of currently unforeseen budget cuts or the necessity of unforeseen budget increases, then we will have an opportunity to reconsider what we have specified in this first concurrent resolution.

I realize there are some Senators who feel the $365 billion overall spending target may be too low, and a few who think it is too high. I would be inclined to share the concerns of those who fear it may not provide sufficient stimulation to get us out of the strangle hold of the current recession. We must assure that we do not find ourselves faced with this exact budget situation again next year. But the Budget Committee has rendered its collective judgment, and I for one am prepared to give my tentative acceptance of that judgment. However, I will be watching during the summer months, and if noticeable improvement in the economy is not obvious, then I believe some adjustments may be necessary in September.

Finally, let me say that I have long felt that some reform in the way the Congress considers the Federal budget is necessary. I do not honestly know whether this new procedure we are embarking upon provides the best possible solution, but I think it is incumbent upon all of us to do the best we can to make it work. There is nothing yet that convinces me it cannot work. From my perspective as a member of both the Commerce and the Appropriations Committees, I believe the other committees of the Senate can work with the Budget Committee to improve the manner in which we decide upon a Federal budget.

In order both to assist our flagging economy and to support responsible reform of the budgetary process, I urge the Senate to vote in favor of the first concurrent resolution as reported.

Mr. STENNIS. Mr. President, I want to commend the hard work and leadership that Senator MUSKIE, chairman of the Budget Committee, as well as each of all the other committee members.

I realize the enormous efforts involved in this new act in attempting to reconcile all of the spending priorities of the Federal Government, in terms of the funds we take in and the funds that will be spent.

I shall vote in favor of this resolution. My support, however, is not to be interpreted as approving the deficit being recommended, which amounts to $67.5 billion for fiscal year 1976. I realize, however, in view of the condition of the country and the realities of the times, that there is little hope of reducing this huge sum.

I would also emphasize that, in supporting the resolution, I am not committing myself to any of the amounts set forth in the report regarding the various budget categories. These are not dealt with specifically in the concurrent resolution, although, as we all know, they will be treated separately next year. I am referring now not only to Defense but to the other 16 budget categories.

Again I wish to compliment the entire committee membership and its staff for the effort represented by this resolution.

Mr. ROTH. Mr. President, I am deeply concerned about the state of the economy and, particularly, the plight of unemployed workers and their families. And although I am fundamentally opposed to Federal budget deficits, during times of economic hardships I have supported a limited degree of deficit spending to get the economy moving again and to put people back to work.

The President has proposed a budget with a deficit of nearly $60 billion. Approximately $40 billion of this deficit is due to the amount of tax revenue lost from a drop in corporate earnings and smaller tax receipts from unemployed workers. And nearly $20 billion more is caused by increased spending on unemployment compensation and public service jobs programs for the people who have lost their jobs through no fault of their own.

While this deficit may be necessary, there is no justification today for a higher budget deficit. The Senate budget resolution calls for $365 billon of Federal spending, or spending at the rate of $1 billion a day. This means that the Federal Government will be spending

$42 million an hour, 24 hours a day, every day of the year.

I believe that we must make every possible effort to reduce the waste in the Federal bureaucracy, hold the line on spending programs, and exert more discipline over our spending decisions.

Supporters of more and more Federal spending claim that a larger budget deficit is necessary to create more jobs and provide more Government services.

But I believe that this type of economic thinking has been primarily responsible for the economic problems and high unemployment we are experiencing today.

The key to this Nation's health and prosperity is the productivity of our system. For years, the United States was the most productive Nation in the world, with a standard of living that was the envy of every other country on Earth.

But over the past 15 years, the increased Government spending and borrowing has eroded private industry's ability to attract funds for the capital investment needed to create jobs and increase production.

In order to create real and meaningful jobs, not make-work jobs paid for by taxpayers, this country needs massive amounts of private capital investments. But after the Government gets done borrowing enough funds to finance the deficits, there is very little money available for private industry to build factories, expand production, and create new jobs.

The result of years of these budget deficits, with the Government controlling more and more of the available money, is lower economic growth and fewer jobs.

Over the past 15 years, the Congress has responded to virtually every national problem by enacting well-intentioned, politically appealing, costly programs.

I believe that the taxpayers of this country have had enough of wasteful spending programs.

The growing disenchantment with the Federal Government and our entire political structure is in a large part due to the almost unanimous belief among taxpayers that the Government is wasting their money.

The taxpayers know that we can no longer afford to throw more and more money at every problem in the hopes that it will go away, and it is about time that the Congress realized this.

Mr. DOLE. Mr. President, when I offered my amendment yesterday to reduce the overall level of Federal expenditures by nine-tenths of 1 percent, I hoped Congress would take the leadership role on the issue of fiscal responsibility. At this point, the administration and the Budget Committee are generally in agreement on the overall amount of the Federal deficit. For the apparent gap of $7.6 billion between the administration's $59.6 billion deficit projection and the Budget Committee's $67.2 billion deficit estimate is accounted for by different economic assumptions and cost estimates.

I believe we should have demonstrated to the American people that we were spending their money only for meritorious, prudent programs. We could have done this by reducing expenditures by the $3.2 billion I proposed—thus, eliminating the "fat" which undoubtedly exists in almost every Government program.

Depending on which figures you use, a vote for the Budget Committee resolution will yield a budget deficit of $59.6 billion or $67.2 billion. Mr. President, I cannot support such a high deficit. Thus, I cannot support the resolution.

SUPPORT BUDGET PROCESS

My vote is not a vote against the new congressional budget process. I commend the Budget Committee. For without its efforts, a budget deficit of $80, $90, or $100 billion could have resulted. Indeed by the time we look back on fiscal year 1976, a deficit of such magnitude may yet emerge. But we must keep in mind that we are engaged in the new congressional budget process, not simply the new congressional Budget Committee process.

Mr. President, I recognize the unavoidability of a large Federal deficit in 1976. For that reason, I did not support attempts to substantially reduce budget outlays. At a time when over 8 million Americans are unemployed and the rate of unemployment is still climbing, Government—which is largely responsible for the recession—must respond in a meaningful way. And that costs money—lots of it. My proposal for a modest reduction in expenditures was grounded on the belief that there is certainly enough "fat" in various spending programs to reduce expenditures by less than 1 percent. It was not designed to gut needed antirecession programs.

On more practical terms, I fear that when we go to conference with the House—which is proposing a $73.2 billion deficit—the $67.2 billion deficit projected by the Senate Budget Committee will be increased by $2 or $3 billion. Thus, within a couple of weeks, we will be asked to endorse a resolution calling for a deficit in the range of $70 billion.

OPPOSE RESOLUTION

Mr. President, I shall, therefore, vote against the resolution. I do so because I am confident that there can and should be reductions in almost every Government program. I believe that at a time of personal financial belt-tightening, the hard-pressed American taxpayer has the right to be assured that his Government is behaving in a fiscally responsible manner. In my opinion, the budget proposed by the committee and the administration does not meet this test.

Mr. HANSEN. Mr. President, the Senate, in working its will on the issue of trying to control expenditures through a legislative budget process, is to be commended for its effort.

I want to pay my respects to dedicated Members on both sides who worked with dedication and conviction in trying to achieve, as nearly as they possibly could, a balanced budget.

The tough job of balancing priorities between controlling inflation and promoting employment has seldom been brought into sharper focus.

I compliment the hard working members of the Budget Committee. Because I believe the effort to economize is of greater long-range importance than endorsement of additional spending, I am especially grateful to those members who espoused the case for trying to hold down the spending.

In voting against this bill, as I will be doing, I am not rejecting the concept of planning a limit on spending by the legislative branch but rather wish to express my regret that those who worked so hard were unable to persuade our colleagues that a budget more nearly in balance would better serve America.

FIRST CONCURRENT RESOLUTION MARKS REAL PROGRESS TOWARD BUDGET REFORM

Mr. HRUSKA. Mr. President, today I must honor a longstanding commitment to participate in the dedication of the new Law Center of the University of Nebraska College of Law in Lincoln. This will necessitate my absence during the vote on final passage of Senate Concurrent Resolution 32, which will determine the congressional budget for fiscal year 1976.

If I were present and voting, my vote would be cast for the resolution.

This does not mean that I welcome a proposed deficit on the order of $67 billion to $69 billion and the spending and revenue levels associated with a deficit of that size.

My vote was cast on April 29 for the Buckley-McClure amendment which was a responsible call for a deficit of $34 billion. I believe that the Nation could forgo the Federal spending necessary to get down to that deficit level, and that our economic and social health would be the better for it. Unfortunately, a substantial majority of the Senate did not agree.

I also voted for the Dole amendment which would have reduced fiscal year 1976 outlays by $3.2 billion. This also failed to gain majority support. Although the amount of the proposed reduction was relatively small, it would have strengthened the hand of the Senate conferees in efforts to hold down the congressional budget in negotiations with the House.

The amending efforts did reveal substantial support for the recommendations of the Budget Committee. Its figures are below those proposed by its House counterpart. While they exceed the levels set by President Ford, they are much less in excess than I had anticipated.

Mr. President, I am well aware of the hard struggles in the Senate Budget Committee to arrive at the compromises reflected in the recommended resolution. Both sides made real concessions. Efforts on the floor to push the figures up and down have failed. The committee has both gauged and reflected the majority will of the Senate.

Let us now proceed in the months ahead to legislate within the limits we are setting. I hope that wherever possible we will seize opportunities to reduce spending. That will certainly be my aim in the Appropriations and Judiciary Committees as we approach the day of reckoning in September when we must act on the second concurrent resolution. Then, we will be able to measure how well we will have responded to the challenge set today.

Mr. President, the distinguished chairman of the Senate Budget Committee, Mr. MUSKIE, the distinguished ranking minority member, Mr. BELLMON, and all the other distinguished committee members can take great pride in the passage of this first concurrent resolution. It marks the first full test of the main thrust of the Budget Reform Act of 1974.

The committee's report, the performance of the managers, and the general character of debate give distinction to the Senate at a time when we must strengthen public confidence in our constitutional system.

As a member of the Joint Study Committee on Budget Control and a founding member of the Senate Budget Committee, I take special satisfaction in the fine performance of my distinguished colleagues who now serve on the Budget Committee.

Mr. President, this is an historic occasion for the Congress and the Senate. While few of us may be fully satisfied with the figures in the resolution, we can all applaud the successful completion of the process of formulating, debating, and passing this first concurrent resolution. It marks real progress toward the goal of congressional budget reform.

Mr. CURTIS. Mr. President, yesterday there was a great argument put up in favor of deficit financing. In that connection a gentleman was quoted in reference to the tax increase in 1930 and 1931. This man was described as a conservative economist.

I am not here to classify people, but I am inclined to think that he must have had his hat on that he wears when he lobbies, if he said what was reported to have been said here.

It is alleged that Mr. Charls Walker stated that the tax increase to balance the budget in the closing days of Herbert Hoover's administration turned out to be a mistake, and it was implied that it caused our economy to worsen. It was mentioned that they did not get in quite as much money as they planned and that the implication, at least, was that it made the recession worse, stating that Speaker Garner and the President collaborated in an attempt to raise taxes. They had the election in 1932, and that was changed.

President Roosevelt was brought in. The idea of balancing the budget was dispensed with. It was spend, deficit financing, increasing the debt.

It is interesting to note the results. In 1931, unemployment was almost 16 percent—15.9 percent. In 1932, it jumped to 23.6 percent. Then came 1933, with all the spending—WPA, PWA, all sorts of programs—and the unemployment rate was almost 25 percent; it was 24.9 percent. In 1934, it did not change. It dropped a little, but it was 21.7 percent. In 1935, it was 20.1 percent. In 1936, we had 16.9 percent of our people unemployed. In 1937, it did drop to 14.3 percent.

In 1938, after these long years of pump priming, spending, and deficit financing, the unemployment rose again to 19 percent, and in 1939 the unemployment was 17.2 percent. It was not until 1940 that it came down, not to the percentage that we have now, but to 14.6 percent unemployment.

Mr. President, what does that show? It shows that they made the depression permanent; that all the spending, the pump priming, and the deficit financing did not solve our economic ills. They subsidized the depression, and it went on.

The unemployment never ended until World War II came along. The war started in Europe in 1939. The next year our unemployment dropped from 17.2 percent, in 1939, to 14.6 percent in 1940. By that time, we had quite an armament program going on. In the last part of 1941, we were involved, ourselves. But the unemployment for 1941 was still 9.9 percent.

In other words, what is being advocated now—to use deficit spending to cure recession—was tried and totally failed. Unemployment did not get any better. It never ended until this country got into war.

Mr. President, I wish that somebody would come forth with some new ideas or turn to ideas that have been tried and have worked, rather than those that have failed. I believe that this economy would spurt ahead if we had balanced budgets, because people would have confidence. They would make contracts. They would undertake ventures. They would make investments. They would do the other things that would cause our economy to hum.

The PRESIDING OFFICER. The hour of 12 o'clock having arrived, the question is on agreeing to the concurrent resolution.

Mr. MUSKIE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the resolution. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD (after having voted in the affirmative). Mr. President, on this vote I have a pair with the Senator from Utah (Mr. MOSS). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." Therefore, I withdraw my vote.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Alaska (Mr. GRAVEL), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from Utah (Mr. MOSS), and the Senator from Missouri (Mr. SYMINGTON) are necessarily absent.

I further announce that, if present and voting, the Senator from Indiana (Mr. BAYH), the Senator from Missouri (Mr. SYMINGTON), and the Senator from Alaska (Mr. GRAVEL) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Nebraska (Mr. HRUSKA) is necessarily absent.

I further announce that, if present and voting, the Senator from Nebraska (Mr. HRUSKA) would vote "yea."

The result was announced—yeas 69, nays 22, as follows:

[Rollcall Vote No. 157 Leg.]

YEAS—69

Abourezk
Baker
Beall
Bellmon
Bentsen
Biden
Brooke
Bumpers
Burdick
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Domenici
Eagleton
Eastland
Fong
Ford
Glenn
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Huddleston
Humphrey
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Morgan
Muskie
Nelson
Nunn
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Taft
Tunney
Weicker
Williams
Young

NAYS—22

Allen
Bartlett
Brock
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Curtis
Dole
Fannin
Garn
Goldwater
Griffin
Hansen
Helms
Laxalt
McClure
Packwood
Roth
Scott, William L.
Talmadge
Thurmond
Tower

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Mansfield, against

NOT VOTING—7

Bayh
Gravel
Hollings
Hruska
Inouye
Moss
Symington

So the concurrent resolution (S. Con. Res. 32) was agreed to.

Mr. MUSKIE. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BELLMON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PETROLEUM PRICE INCREASE LIMITATION ACT OF 1975

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 621, which the clerk will state by title.

The legislative clerk read as follows:

A bill (S. 621) to prohibit for a period of 90 days the lifting of all price controls on domestic oil, and to thereafter require the submission to, and the right of review and disapproval of the Congress of such action within thirty days.

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. Time for debate on this bill is limited to 6 hours to be equally divided and controlled by the majority leader and the minority leader or their designees, with 1 hour on any amendment, and 30 minutes on any amendments of the second degree, debatable motions or appeals.

ORDER OF BUSINESS TODAY, TOMORROW, AND NEXT WEEK

Mr. JACKSON. Mr. President, I yield 2 minutes to the majority leader.

Mr. GRIFFIN. Mr. President, before all Senators get away, if I may have their attention——

The PRESIDING OFFICER. Let us have order in the Senate.

Mr. GRIFFIN. I think it would be most appropriate to inquire of the distinguished majority leader if he could give us information concerning the program for the rest of the day and tomorrow.

Mr. MANSFIELD. I would be delighted to do so.

In line with what the Presiding Officer just said, there is a 6-hour limitation on the bill, 1 hour on amendments thereto, and a shorter period of time for amendments to amendments.

It is anticipated—and I would like to have the attention of the manager of the bill—it is quite possible the pending business will take 2 or 3 days; is that correct?

Mr. JACKSON. The Senator is correct.

Mr. MANSFIELD. Following the disposal of that bill, which will be next week, the Senate can anticipate the conference report on the strip mining bill coming up on Monday.

Following the disposition of the pending business, it is the intention of the leadership, subject to change if circumstances arise which we do not anticipate at this time, the Senate will take up calendar No. 80, S. 409, a bill to amend the Council on Wage and Price Stability Act, and so forth, and so on; to be followed very likely sometime next week or the week after, by calendar No. 59, S. 200, a bill to establish an independent consumer agency, which also will take some time.

Conference reports will be privileged. For the information of the Senate there will likely be votes today; there will almost surely be votes tomorrow, and I would urge the Senate to keep that factor in mind, other factors notwithstanding.

Mr. GRIFFIN. I thank the majority leader.

I would join him in the cautionary remarks to Senators that there will likely be votes tomorrow. I hope, if we are coming in on Friday, that we will be doing business.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Later in today's proceedings the foregoing order was vacated.)

THE NEED FOR FULL DISCLOSURE OF VIETNAM DOCUMENTS

Mr. JACKSON. Mr. President, before turning to the bill, I would like to address myself very briefly to the disclosure of certain letters by the former President of the United States to the head of the government in South Vietnam.

The PRESIDING OFFICER. May we have order in the Chamber please?

Mr. JACKSON. Mr. President, it is a grotesque and dangerous situation when the Congress and the people of the United States have to rely on foreign officials to reveal in their own time and for their own purposes vital communications which involve the commitment of U.S. power or U.S. funds. Nor should we be cavalierly referred back to administration statements that were calculated and angled to give one impression at the time only to be told that they actually meant something quite different. There is a fateful difference between the administration's publicly expressing a desire to retain certain options in the event of North Vietnamese violations of the Paris accords and the President's secretly committing the United States to exercise one or more of these options.

Here we have a former South Vietnamese official releasing in our own Capital the texts of letters in which President Nixon privately and secretly assured President Thieu that "we will respond with full force should the settlement be violated by North Vietnam." By failing to disclose the precise nature and texts of secret understandings reached with South Vietnam, the administration misled a foreign government and the Congress as to the nature and extent of the U.S. commitment to that government.

This obsessive secrecy obscures our intentions, generates confusion, and ultimately destroys the credibility of American foreign policy. Beyond the question of credibility is the equally important question of the vulnerability of a U.S. administration which is a party to secret understandings or signs secret IOU's which can be sprung at will—like rabbits out of a hat—by a foreign government. This is a dangerous way to do the Nation's business.

The Congress must be informed of the details of significant promises made by any President to foreign governments, especially when those promises can involve substantial U.S. military assistance or even the use of American power. For and administration to give such a commitment in secret—especially when it does so because it doubts that the commitment could gain the consent of the Congress—is to court a foreign policy disaster.

The administration has been accusing Congress of violating commitments and obligations to South Vietnam the Congress never heard of, let alone endorsed. Even as the administration was formally refusing to provide to Congress the documents embodying or reflecting the secret commitments, Ambassador Martin's parting shot, on leaving Vietnam, was that America did not live up to those commitments. What commitments? This is what we are trying to find out.

In his letter of April 16, 1975, Senator STENNIS, chairman of the Armed Services Committee, formally requested the administration to provide to the committee all documentation which has not been formally presented to the Congress and bears on the nature and extent of the U.S. commitment to South Vietnam. I shall ask Senator STENNIS to follow up on this request and hold the appropriate hearings in the interest of full disclosure.

Mr. MANSFIELD. Will the Senator yield?

Mr. JACKSON. I am happy to yield to the Senator.

Mr. MANSFIELD. Mr. President, in the course of the Senator's remarks, I noticed that he states:

> By failing to disclose the precise nature and texts of secret understandings reached with South Vietnam, the Administration misled a foreign government and the Congress as to the nature and extent of the U.S. commitment to that government.

I think we ought to differentiate between the Ford administration and the previous administration because the present President, Mr. Ford, has inherited a hornets nest in the area of economy, in the area of Vietnam and Southeast Asia, generally speaking, and also in the matter of these communications which, as the distinguished Senator has said, have been publicized, at least in part, although not entirely, I understand, by a former secretary to the former President Thieu.

It is interesting to note that on the ticker this morning, Adm. Elmo L. Zumwalt, former Chief of Naval Operations, speaking, I believe, in Richmond, Va., made the observation that he and the Joint Chiefs of Staff knew about these commitments but that the Congress did not and he felt that the Congress should know.

So it looks like the jacks are coming out of the box and I think the sooner this thing is cleared up the better off we will all be.

I want to emphasize that this is just something which the present President inherited and is not personally responsible for, to the best of my knowledge, and I think that is a true statement.

Mr. JACKSON. May I just comment by saying that I agree with the majority leader's statement about President Ford not having been involved in this during the period of the Paris accords, but I am sure my good friend from Montana would also agree that inasmuch as these documents and the information we requested is in the possession of President Ford, he could help clarify this situation by making it available to the Congress so that this whole matter can be disposed of instead of being dragged out day after day.

I warned about this. I was told I did not know what I was talking about. I was told by the Vice President of the United States that there were no such private and secret understandings, and he later in that same day had to retract the statement when the White House conceded that they existed.

Now, what we are down to is this: The administration is saying what is in the letters was all said in public.

Well, what was released yesterday has never been said in public by the administration, and the newsmen and commentators have pointed that out, and very clearly, for example in their reference to President Nixon's direct assurance to President Thieu that "we will respond with full force should the settlement be violated by North Vietnam." That commitment has all sorts of implications.

Mr. President, I believe we are entitled to have the information. I agree that President Ford was not involved in these particular transactions, but he is in a beautiful position to make a full and complete disclosure. I think we have reached a sorry state in American foreign policy when it is a foreign government that gives us the information.

Apparently, Mr. President, it is accurate information. The White House does not deny the authenticity of these letters and if this is the way our foreign policy is going to be conducted, I think it does not bode well for what I feel very deeply about and have always supported, a strong bipartisan policy.

I think we start from the simple premise that we need to have all the facts. If we do not, this is going to drag on and on, and I think that can hurt America's standing in the world as a great power for good.

I would hope that President Ford will decide—and I am sure the majority leader will join me in saying this—that this is the time—now—to make available, in light of this last disclosure, all relevant data bearing on these commitments.

This morning I hear Ambassador Martin over the air saying that we did not live up to our commitments. I ask, what commitments? Are we not entitled to know? Ambassador Martin ought to be summoned as one of the witnesses to find out what commitments have been made including those which have now come to light.

So, Mr. President, the sooner this matter is responded to by President Ford with a full disclosure, I think the sooner we can bring about a better understanding between the executive branch and the legislative branch.

I would not have raised this issue except that it came to my attention. And I remind my colleagues that the Secretary of State clearly stated at the time the Paris accords were signed, that there were no secret understandings.

Now, if these are not secret understandings, I do not know the meaning of those terms. Because the documents have been kept so secret that even the administration would not make them available, though Mr. Nessen kept referring to them and saying he had read them. Finally, we got part of the documents from a foreign government.

Surely, there is a better way to conduct American foreign policy, by receiving responses to our requests from the White House, rather than ending up getting part of the information from a source other than our Government; namely, in this case the fallen Government of South Vietnam.

Mr. FORD. Will the Senator yield me about 3 minutes to make a statement that I think follows along that line?

Mr. JACKSON. I am very pleased to yield 3 minutes.

Mr. FORD. I thank my distinguished colleague from Washington.

Mr. President, on April 25, I spoke briefly here about the administration's evacuation policy in South Vietnam. I mentioned that a letter had been delivered to the President of the United States, asking for an immediate explanation of his policy which:

First. Allowed first priority of South Vietnamese over Americans.

Second. Provided free transportation for South Vietnamese while Americans were paying for evacuation flights.

My sources were both from the press reports and from relevant offices in the State Department and in the Immigration and Naturalization Service.

This body was informed that, hopefully, the President's response would be available without delay, for our information.

Today, I have received a letter from the White House. It says:

> This is to acknowledge and thank you you for your April 25 letter to the President regarding press reports (we will note it failed to mention my qualification of information gained from Federal agencies) about the evacuation of American and South Vietnamese from Saigon.
>
> Please be assured that your letter is being passed along for the early attention of the President and his appropriate advisors.

Of course this was not signed by the President, but rather by a deputy assistant.

We are all aware that the evacuation has been completed. We still do not have knowledge of the rationale behind the methods of selection. It is now after-the-fact, but it does illustrate the true situation of an administration and Congress having barriers between them, despite the public expressions by the administration that a closer relationship is the President's desire and intention.

It all boils down to the point of asking for information and not getting it—asking, in order to be better prepared to carry out our responsibilities and obligations.

Mr. President, I submit a copy of the letter from the White House and I ask unanimous consent that it be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, D.C., April 26, 1975.

Hon. WENDELL H. FORD
U.S. Senate,
Washington, D.C.

DEAR SENATOR: This is to acknowledge and thank you for your April 25 letter to the President regarding press reports about the evacuation of Americans and South Vietnamese from Saigon.

Please be assured that your letter is being passed along for the early attention of the President and his appropriate advisors.

With kind regards,
Sincerely,

WILLIAM T. KENDALL,
Deputy Assistant to the President.

Mr. JACKSON. I thank the Senator from Kentucky for his statement.

PETROLEUM PRICE INCREASE LIMITATION ACT OF 1975

The Senate continued with the consideration of the bill (S. 621) to prohibit for a period of 90 days the lifting of all price controls on domestic oil, and to thereafter require the submission to, and the right of review and disapproval of the Congress of such action within 30 days.

Mr. JACKSON. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time not be taken out of the time of either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JACKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, I ask unanimous consent that in connection with the consideration of S. 621 the following members of the Committee on Interior and Insular Affairs staff be granted the privileges of the floor: William Van Ness, Ben Cooper, Tom Platt, Grenville Garside, Jim Beirne, Jacqueline Lovelace, Patty Ladner, and Marjorie Gordner.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FANNIN. Mr. President, I ask unanimous consent that the following staff members be accorded the privileges of the floor during the consideration and voting on S. 621: David Stang, Harry Loesch, Fred Craft, Roma Skeen, Mary Adele Shute, Margaret Lane, Nolan McKean, Mike Hathaway, Steve Hickok, and Tom Bieri.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JACKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, Congress and the administration have conducted extensive negotiations in recent weeks in an effort to develop bipartisan solutions to the country's pressing energy problems. Although progress has been made in many areas, Congress is again confronted with unilateral administration action on the single most important issue: the pricing of energy. Such action demands a swift congressional response. Consideration of S. 621, the Petroleum Price Increase Limitation Act of 1975, which was delayed pending negotiations with the administration, is now necessary and appropriate.

With the President's decision to decontrol the price of old domestic oil, this administration has conclusively demonstrated its ideological commitment to rationing energy by prohibitive pricing. This unbending commitment to prohibitive energy pricing is a simplistic and dangerous approach for which the American consumer will heavily pay. And the American consumer will pay soon, Mr. President, if Congress does not act promptly on the legislation before it, S. 621—the Petroleum Price Increase Limitation Act of 1975. Consumers will not only pay higher prices at the gas pump, but for all goods and services they purchase. They will also pay the burdensome economic and intolerable social costs imposed by increased unemployment.

S. 621 offers the Congress a chance to arrest the administration's headlong rush toward higher energy prices which would jeopardize any prospect of an early economic recovery. If adopted, the bill will guarantee the Congress what it now lacks—an opportunity for participating in oil pricing decisions, with right to examine and disapprove of any proposal by the President.

Specifically, S. 621 establishes the right of the Congress to review, through carefully prescribed procedures, any Presidential proposal to:

Release any category of crude oil from price controls or raise the price of presently controlled production; and

Use tariffs, import fees, quotas, or other measures to control oil imports to create or maintain a floor price for domestically produced energy.

In addition, S. 621 requires the President, in line with the recent decision of the Temporary Emergency Court of Appeals, to set maximum prices for all domestic crude oil which is not now under price controls. The TECA decision found the FEA in violation of the Emergency Petroleum Allocation Act of 1973, in that FEA has permitted "new" oil prices to float freely. S. 621 requires that new, released, and stripper oil prices be set by FEA at levels no greater than the levels which prevailed prior to the $1 per barrel tariff on imported crude oil instituted by the President on February 1, 1975. Thus, the effect of this provision of S. 621 would be to roll back presently uncontrolled oil prices to the pretariff level, and cancel the approximately $1 per barrel windfall which domestic producers of new oil have been collecting since the implementation of the Presidents' tariff.

Mr. President, oil is the most important primary energy source for the U.S. economy, supplying 45.8 percent of U.S. energy needs in 1974. The price of oil determines the price in new contracts for coal and unregulated natural gas.

Removing domestic crude oil from price controls will effectively transfer the power to set U.S. energy prices from the American people to the Organization of Petroleum Exporting Countries cartel. This cartel now sets world oil prices at levels which no one anywhere dares maintain are in any way related to the cost of producing oil. The decision to completely remove the insulation between the U.S. economy and these totally unreasonable world oil prices would, in combination with the President's oil tariff proposals, drive the price of a barrel of domestic oil to over $14. The effect of this price for domestic oil alone would extract $19 billion from U.S. consumers on an annual basis. This increase would be greater than the increase in the cost of imported oil imposed on the U.S. economy by the OPEC cartel during all of 1974.

Even within the full $3 per barrel tarriff—based on the current price of new oil of over $12 per barrel—the President's decontrol proposal will add over $14 billion to the Nation's energy bill. Spread over all petroleum products this amounts to over 5 cents per gallon. If these added costs, based on the current new oil price, were tilted entirely toward gasoline pump prices would rise by nearly 15 cents per gallon.

With the full $3 tariff the impact is even greater. Added oil costs of $19 billion translate into 7 cents per gallon for all refined products and nearly 10 cents per gallon if the cost is absorbed entirely by purchasers of gasoline. None of these costs reflect the additional and substantial impetus which oil decontrol would give to the prices of competing fuels, coal and unregulated natural gas.

S. 621 would require that any plan to set higher prices for domestic oil or which would have the effect of establishing or maintaining a floor for domestic oil prices must first be submitted to the Congress for review with right of disapproval by either House, within 30 days. The decontrol plan must be accompanied by a finding and report outlining in detail:

The need for the proposed action;

The prices for domestic fuels which are expected to result;

The effect of the plan on domestic consumption and production of energy; and

The impact of the prices on living costs, employment and economic activity in various regions and sectors of the economy.

The President persists in relying upon the discipline of the market, rather than the self-discipline of the American people, to solve the Nation's energy problems. This betrays a surprising lack of confidence in Americans, especially from one who recognizes that our country is great "not because of what the Federal Government has done but what American individuals have accomplished." There would be no place for prohibitive energy pricing proposals if the President had taken the lead in developing national energy conservation and production programs which tap the cooperation and will, instead of the pocketbooks, of individual Americans. Congress has enacted these kinds of programs—including the mandatory energy conservation programs in S. 622—and is working on many others.

The administration's continued reliance on the price mechanism to restructure U.S. energy production and consumption is inexplicable given the following facts:

The energy market is not now, and has not been for many years, a "free market";

If oil is decontrolled, U. S. energy prices would beset in response to OPEC, rather than U. S. policy requirements, and would be unrelated to the cost of producing existing U. S. energy resources. Moreover, the proposed prices have never been related in any quantitative way to the cost of producing new resources;

High energy costs, on the basis of nearly unanimous testimony from the economic profession, will institutionalize double-digit inflation, threaten to bring on double-digit unemployment, and estimate any prospect for an early economic recovery.

President Ford's decision to decontrol oil prices gives additional momentum to an energy program that is both socially regressive and economically dangerous. By overwhelming votes, 64 to 28 in the Senate and 309 to 114 in the House, Congress rejected the first step of this program, an escalating tariff on imported oil. I am confident Congress will reject the second step of this program: removal of price controls from old domestic crude oil. It is a hazardous course the President has charted for Americans. The costs—increased inflation and unemployment—are all too clear, while the purported benefit—reducing dependence on imported oil—rests on questionable assumptions concerning the elasticity of demand for petroleum and the incentives necessary to bring forth new domestic supplies. In addition, the administration energy program gives no assurance that the sacrifices involved in resolving our energy problems will be evenly distributed. Indeed, they will not, for the American consumer is asked to shoulder the entire burden.

The President's decision to decontrol the price of old domestic crude oil will cost the average American family about $250 per year. And yet, the administration disposes of this critically important issue in a mere footnote. On page 2–33 of the "Draft Environmental Impact Statement for the Energy Independence Act of 1975 and Related Tax Proposals," the administration offers the following:

> The complete economic analysis of the President's energy program is still in preparation and has not been released publicly by FEA.

Given this administration's track record on the economy, no news may well be good news.

In the meantime it is essential that S. 621 receive priority consideration. If we do not act to prevent a drastic rise in energy prices, the economic gains to be derived from tax reductions and employment programs will surely elude us. Congress cannot permit—and passage of S. 621 will prevent—such an unacceptable result. A House companion bill, H.R. 4035, has been reported by both the House Committee on Interstate and Foreign Commerce and the Committee on Rules. The stage is set for expeditious action by the House and Senate alike on the policy issue of congressional participation in this critical energy price decision.

Mr. President, I ask unanimous consent that the text of S. 621 and the summary, purpose, background, and needs section of the Interior Committee's report on S. 621 be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 621

That this Act may be cited as the "Petroleum Price Increase Limitation Act of 1975".

SEC. 101. FINDINGS AND PURPOSES.—(a) The Congress hereby finds that—

(1) the President's state of the Union message announced his intention to lift all price controls on domestic oil under the authority of existing law;

(2) the removal of petroleum price controls would increase the price of crude oil and all petroleum products, including gasoline, home heating oil, and residual fuel oils, substantially, thereby creating major inflationary pressures throughout the economy.

(b) The purpose of this Act is to permit the Congress an opportunity to review and the right to disapprove and, if desirable, the time to develop fair and equitable alternatives to any proposal to remove existing price ceilings or to raise the price of domestic oil.

SEC. 102. LIMITATIONS ON PETROLEUM PRICE INCREASES.—The Emergency Petroleum Allocation Act of 1973 (87 Stat. 627), as amended, is further amended by adding a new section 8, as follows:

"SEC. 8. MAXIMUM PRICE FOR DOMESTIC CRUDE OIL.—(a) Not later than thirty days after the date of enactment of this section, the President shall promulgate and implement an amendment or amendments to the regulation established pursuant to section 4(a) of this Act which shall establish a price or prices (or the manner of determining a price or prices) for all crude oil (including that crude oil otherwise subject to section 4 (e)(2) of this Act) not classified as 'old' oil under regulations in effect on January 31, 1975. The price or prices established by the President pursuant to this section shall be no greater than the price generally prevailing as of January 31, 1975, for the crude oil subject to such amendment or amendments. Such price or prices shall be effective immediately upon their inclusion (or the inclusion of the method for determining such price or prices) in such regulation.

"(b) No exemption of any classification of petroleum, or increase in the price permitted for (1) oil classified as 'old' oil under regulations promulgated pursuant to section 4 of this Act and in effect on January 1, 1975, or (2) any other crude oil subject to the amendment or amendments required by subsection (a) of this section may be established except in accordance with the procedures established in section 104 of the Petroleum Price Increase Limitation Act of 1975.".

SEC. 103. PRICE FLOORS FOR DOMESTIC FUELS.—No tariff, import fee, quota, or other measure that restricts or controls imports of petroleum shall be established or employed for the purpose, or with the effect, of establishing or maintaining a minimum price for any domestically produced fuel or form of energy, except as provided in section 104 of this Act.

SEC. 104. REVIEW BY CONGRESS.—(a) No action covered by the provisions of section 8(b) of the Emergency Petroleum Allocation Act of 1973, as amended by this Act, or section 103 of this Act may be undertaken unless—

(1) such action is specifically authorized by law enacted after the date of enactment of this Act, or

(2) the specific action proposed to be taken is submitted to both Houses of the Congress. Each House then shall have the opportunity to disapprove of such action within thirty days of the receipt of the proposal pursuant to the procedures provided for in sections 906(a), (b), and (c), 908, 909, 910, 911, 912, and 913 of title 5, United States Code, except that for the purposes of this Act:

(A) the period of congressional review and opportunity for disapproval shall be thirty calendar days rather than sixty calendar days;

(B) any reference in such sections to "reorganization plan" shall be deemed to be a reference to (i) "petroleum pricing action," which for the purposes of this Act shall mean all actions referred to in section 8(b) of the Emergency Petroleum Allocation Act of 1973, as amended by this Act; or (ii) "action to establish a petroleum price floor," which for the purposes of this Act shall mean any action referred to in section 103 of this Act; and

(C) such thirty-day review period shall begin when such action is submitted to the Congress.

(b) If any action covered by the provisions of section 8(b) of the Emergency Petroleum Allocation Act of 1973, as amended by this Act, or of section 103 of this Act is disapproved by either House within the thirty-day review period, no officer or agency of the Federal Government shall have the authority to take any action inconsistent with the provisions of subsection (a) of this section.

(c) Any action required to be submitted to both Houses of the Congress pursuant to this section shall be accompanied by a finding and report, which shall contain the following:

(1) the need for the proposed action;

(2) the prices of imported and domestic petroleum and other fuels and forms of energy that are in fact anticipated to result from the proposed action;

(3) the impact of the proposed action upon domestic production and consumption of petroleum and other fuels and forms of energy;

(4) the impact of the proposed action and of the resulting prices of petroleum and other fuels and forms of energy upon living costs, employment and unemployment, and real incomes; and differential economic impacts among regions, socioeconomic groups, and industrial sectors of the United States; and

(5) the anticipated effects, with respect to the considerations in (3) and (4) of this subsection, of reasonable alternatives to the proposed action.

SEC. 105. EFFECT ON PRESIDENTIAL AUTHORITY.—Nothing in this Act shall be deemed to establish any new authority or to enlarge any existing authority of the President to impose or amend any tariff, fee, or quota on imported petroleum.

I. SUMMARY

S. 621, "The Petroleum Price Increase Limitation Act of 1975", addresses the significant issues of public policy presented by the President's announced intention to remove all price controls on domestic oil under the authority of existing law, and his further endorsement and approval of a "floor" for domestic energy prices.

In recognition of the important implications of such proposals for the domestic economy, energy policy and national security, S. 621 gives Congress the opportunity to review, and the right to disapprove, any Presidential action under existing authority intended to increase domestic energy prices by:

(1) releasing any category of crude oil from price controls or raising the prices on presently controlled crude oil;

(2) using tariffs, import fees, quotas or other measures to create or maintain a "floor" under domestic energy prices; and

(3) establishing a maximum price ceiling for all crude oil not classified as "old" oil, as required by this Act, such maximum price not to exceed the price prevailing for such oil—so-called "new," "released" and "stripper" oil—as of January 31, 1975.

From 1973 to 1974 the country's oil costs rose by $28 million; a $17 billion increase in the cost of imported oil and an $11 billion increase in the cost of domestic oil. Devastating economic effects—double-digit inflation, recession and unprecedented unemployment—accompanied these petroleum price increases. The President has proposed, and has begun to implement, unilateral administrative actions to impose a tariff on imported oil and to decontrol the price of domestic crude oil. These actions would increase the cost of imported oil by $5.4 billion annually and the cost of domestic oil by $22.3 billion: $19 billion from decontrol of "old" oil and $3.3 billion from the increase in "new" oil prices which the tariff would induce. The total impact on oil costs is $27.7 billion, almost identical to the 1974 oil cost increase.

Limitations on petroleum price increases

The proposal to decontrol domestic oil prices is one of the most potentially damaging features of the President's energy tariff, tax and pricing proposals. The procedures for congressional review and right of disapproval provided by S. 621 are essential if Congress is to perform its Constitutional role in decision-making having substantial effects on the domestic economy.

Maximum price for domestic crude oil

S. 621 directs the President to establish a maximum price for domestic crude oil not now classified as "old" oil, which must not exceed the price prevailing for such oil as of January 31, 1975. By placing a ceiling on the price of this domestic oil, and by providing for congressional review of such price ceiling, S. 621 prevents continued control by the OPEC cartel over one-third of domestically produced petroleum, and assures Administration adherence to the February 18, 1975, decision of the Temporary Emergency Court of Appeals which requires price ceilings.

Price floors for domestic fuels

In view of the President's endorsement and approval of the concept, S. 621 also requires congressional review and right of disapproval of any Presidential action which would create or maintain a "floor" under domestic energy prices. The rationale for and impact of such a price "floor", with it enormous attendant costs for American consumers, has not been adequately examined. S. 621 requires that any proposal to establish an energy price "floor" first be fully justified and analyzed by the Administration and then reviewed by Congress before it is implemented.

II. PURPOSE

In his state of the Union message the President announced his intention through Executive order, by April, 1975, to increase the fees on imported crude oil by $3 per barrel, to increase the fees on imported refined petroleum products by $1.80 per barrel and to remove all domestically produced crude oil from price controls. On March 5 the President announced that implementation of these actions would be delayed until May 1, 1975.

The purpose of S. 621, the "Petroleum Price Increase Limitation Act" is to give Congress an opportunity to review and disapprove the decontrol of the price of domestic oil planned for May 1, 1975 and any other future Presidential action under existing authority intended to increase domestic energy prices by: (1) releasing any category of crude oil from price control or raising the prices on presently controlled crude oil; or (2) using tariffs or quotas on imported oil to create or maintain a "floor" under domestic energy prices. S. 621 also requires the President to establish a maximum price ceiling for all crude oil not classified as "old" oil, such maximum price not to exceed the prevailing price for such oil on January 31, 1975.

The legislation requires any action in any of these three categories to be submitted to both Houses of Congress, and provides an expedited procedure for consideration of such actions. An adverse majority vote of either House would constitute disapproval of the proposed action.

III. BACKGROUND

A. Decontrol or increases in domestic crude oil prices

At present the only Federal authority for the control of crude oil prices is the Emergency Petroleum Allocation Act of 1973 (87 Stat. 627), which requires the President to promulgate "a regulation providing for the mandatory allocation of crude oil . . . at prices specified in (or determined in a manner prescribed by) such regulation." Except as provided in section 4(e), which exempts production from stripper wells from price controls, the regulation was to "apply to *all* crude oil, residual fuel oil, and refined petroleum products imported into the United States." (emphasis added)

The price regulations previously promulgated by the Cost of Living Council under authority of the Economic Stabilization Act were brought under the authority of the new allocation law. These regulations provided (and still provide) for classification of crude oil into "old" and "new" oil.

Old oil is that quantity of production from any property (lease) that did not exceed production during a 1972 base period; new oil is any production from a property (including a newly producing property) in excess of the base period production. The price of old oil generally has been controlled in the regulations (since December 31, 1973) at a price of $1.35 per barrel higher than the price that prevailed on May 15, 1973. This formula results in a national average price for such oil of about $5.25 per barrel.

Prices on new oil and oil in a third category, "released oil"—old oil produced from a given property in a volume equivalent to each producer's production of new oil from that property—have been allowed to float at a price which reflects the price of imported OPEC oil. Together with oil from stripper wells (those on leases whose wells produce, on the average, less than 10 barrels per day), which were freed from controls both in the Allocation Act and in the Alaska Pipeline Act, these categories of uncontrolled crude oil account for about one-third of domestic production (12 percent for stripper oil and 22 percent for new and released oil). The present average price for such uncontrolled domestic crude oil is in excess of $11 per barrel.

On February 2, 1974, the Chairman of the Committee wrote to William Simon, then Administrator of the Federal Energy Office, pointing out that the exemption from price controls of the so-called "new" and "released oil" violated the pricing requirements of Section 4 of the Allocation Act which required the President to promulgate a regulation providing for mandatory allocation of "*all*" crude oil "at prices specified in (or determined in a manner prescribed by) such regulation." (The text of the letter is printed at the end of this section.)

In the President's state of the Union message on January 15, 1975, he announced his intention of releasing all domestic oil production from price controls under the Allocation Act by April 1, 1975. This move would, by itself, add $12.5 billion per year to consumer prices, or well over $200 per family. Coupled with the President's tariff on imported oil, it would cost $33.5 billion, or over $600 per family, because all domestic oil prices would float upward to equilibrate with the cost of imported oil plus the tariff, and in addition, unregulated natural gas prices and coal prices would tend to increase by a corresponding amount as contracts expired or were renegotiated.

On February 18, the Temporary Emergency Court of Appeals of the United States, in a decision re *Consumers Union* v. *Sawhill*, confirmed the reading of the Mandatory Petroleum Allocation Act set out in the Chairman's February 2, 1974 letter, holding—

"* * * that the President, through the FEA, by permitting the price of new crude oil to float at free market levels, has not struck any balance and, as a result, has failed to satisfy the requirement that prices be set at an equitable level * * *"

B. The problem

Notwithstanding the decision of TECA and the opposition of a majority in the Congress, the Administration apparently plans to go ahead with the decontrol of old oil. The President has announced his intention to delay implementing decontrol until May 1, rather than April 1, 1975, as part of a "compromise" with Congress, but has in no way retreated from a commitment to use increased prices resulting from tariffs and decontrol as the major policy instrument, both to force energy conservation and to stimulate domestic production. Whether or not these actions would produce the benefits claimed for them by the Administration, their consequences will be profound both for the rate of inflation and for the hope of recovery from the current recession.

Section 4(g) (2) of the Allocation Act requires the President to submit for Congressional review any amendment to the regulations exempting any category of petroleum from regulation under the Act, and permits either House of the Congress to disapprove the proposed amendment by resolution.

The procedure mandated by section 4(g) (2) is not adequate, however, to result in effective Congressional review and to permit either House of the Congress to in fact have an opportunity to disapprove an exemption. The Committee notes that:

(A) Section 4(g) (2) allows only five days for Congressional consideration, and does not provide an expedited procedure to assure that a resolution of disapproval could in fact be voted upon in either House within this period; and

(B) Section 4(g) (2) deals only with "exemptions" from the price controls or allocations and does not require that upward changes in the price ceiling (which can have the same effect as exemptions) be subject to Congressional review and right of disapproval.

The purpose of S. 621 with respect to the implementation of any decontrol plans, or other increases in the price of old oil, is to insure for the Congress an opportunity for a meaningful review of the President's proposals and alternative programs regarding both oil prices and other aspects of energy policy. S. 621 requires that any such price increase be submitted to both Houses of Congress under an expedited procedure similar to that required for a reorganization plan, in which a majority vote of either House may disapprove the proposed action.

The President has announced postponement for 60 days of the second and third dollar of his proposed three dollar per barrel tariff. The first dollar increase did, however, go into effect February 1. So long as one third of domestic crude oil production is not subject to price controls, prices for that portion of domestic supply will move upward with the price of imported oil *plus* the tariff.

In order to prevent a rise in the price of domestic new oil, released oil, and oil from stripper wells of an additional dollar now (from about $11.40 per barrel to about $12.40) and a total of three dollars (to about $14.40) if the President's full tariff increase is implemented, S. 621 directs the President to establish prices for *all* categories of domestic crude oil other than old oil, *no higher* than those prices that prevailed before the first dollar increase in the tariff went into effect.

S. 621 requires that decontrol of any new category of petroleum, for example old crude oil, or any increase in the pre-tariff (pre-February) price of oil other than old oil be submitted for Congressional review under the Congressional review procedure spelled out in the Act.

C. Establishment of a price "floor"

The President and the Secretary of State have declared that it is the policy of the Executive Branch to establish, domestically and worldwide, a "floor" under energy prices to protect investment in new non-OPEC energy sources. The Secretary of State has already begun negotiations attempting to persuade other OECD nations to agree on such a floor.

Establishing and maintaining minimum prices for domestic energy supplies is a major and profound policy decision the necessity for which has not yet been clearly demonstrated nor, for that matter, adequately examined, except with respect to certain advanced technology energy sources. In these instances authority for investment guarantees for the purposes of stimulating research and development is provided in the Non-nuclear Energy Research and Development Act of 1974.

The only other existing authority which could plausibly be used to establish such a "floor" is the President's authority to impose import fees and/or quotas on petroleum under the Trade Expansion Act of 1962. S. 621 provides that any exercise of this or other import regulation authority in order to set, or with the effect of setting or maintaining, minimum prices for domestic energy would be submitted for congressional review under the expedited procedures provided in the Act.

IV. NEEDS

The decontrol of all domestically produced crude oil as proposed by the Administration will eliminate entirely the insulation between the petroleum prices paid by U.S. consumers and the arbitrary petroleum prices set by the Organization of Petroleum Exporting Countries cartel. At the present time two thirds of the crude oil produced in the United States is under price controls at $5.25 per barrel. New contracts for the portion of domestic oil production which is not under price controls—new, released and stripper oil—now provides for prices of over $11.00 per barrel. The landed price of imported crude oil is nearly $12.50 per barrel.

The impact of oil price increases on the U.S. economy during the past year has been enormous. The costs of all energy have increased in response to oil price increases. According to the Bureau of Mines, fossil energy increased in cost by $33 billion in 1974. The results of these increases for consumers are:

Increased electricity costs of 33% nationally and by as much as 60% in some regions;

A rise in coal costs of 75% on a national basis, while spot price increases have substantially exceeded 100%;

An increase in average natural gas prices of nearly 40% at the wellhead;

A doubling of home heating oil costs, while gasoline prices have increased by nearly 15¢ per gallon.

Petroleum supplies 47% of the energy consumed in the United States; the fossil fuels—coal, oil and natural gas—account for over 95% of U.S. energy consumption. The impact of increased fossil energy costs on U.S. consumers is profound and substantially exceeds the impact of increased costs of the fuels and electricity they purchase directly. Thus the energy price increases of 1973–74 have played a major role in the 12% inflation rate experienced during that period, which affected nearly all sectors of the economy. Even ignoring the current precarious position of the domestic economy, it is clear that a second round of price increases equivalent in total economic impact to the increases of 1973–74 must be avoided.

Yet the proposals which President Ford announced in his state of the Union Message would produce almost exactly this impact. Assuming the fees for imported oil increase to $3 per barrel and domestic oil is released from price controls—actions which can now be taken administratively without additional Congressional authority—the result will be energy cost increases for the U.S. economy of at least $33 billion on an annual basis. From 1973 to 1974 U.S. oil costs rose by $28 billion: a $17 billion increase in the cost of imported oil and an $11 billion increase in the cost of domestic oil. The President's administrative actions would increase the cost of imported oil by $5.4 billion annually and the cost of domestic oil by $22.3 billion: $19 billion from decontrol of "old" oil and $3.3 billion from the increase in "new" oil prices which the tariff would induce. The total impact on oil costs is $27.7 billion, almost identical to the 1974 oil cost increase. In 1974 the costs of coal and natural gas increased by approximately $5 billion. The administrative actions of the President would induce similar increases in 1975.

Of the measures which the Administration plans to implement through executive order, the decontrol of domestic oil carries the price of over $14 per barrel—driven beyond heaviest impact. Assuming a decontroled the OPEC set new oil price of $11 per barrel by the Administration's $3 per barrel tariff—the increased cost resulting from the removal of all domestic production from price controls would be an enormous $19 billion per year. This action would not only increase the cost of all petroleum products but it would cancel finally any attempt to protect the U.S. economy from OPEC pricing policies. The U.S. will have, in effect, joined the cartel, and the decision will have been implemented without the participation of Congress.

The dangers implicit in the administration's energy tariff, tax and price decontrol proposals have been underlined in Congressional testimony by a distinguished group of economists. In this group are the current chairman of the Federal Reserve Board, economists who have served both Democratic and Republican Administrations in the past, and a number of distinguished academic and business economists.

Arthur Burns, Chairman of the Federal Reserve Board, in testimony before the Joint Economic Committee on February 7, 1975, said "* * * I find the President's (energy) program extremely complicated. There are some parts of it I think are hazardous at a time like this * * * I, for one, would want to phase in that kind of a program, and not concentrate it in the manner that the President has suggested."

In response to a query from Representative Brown, Dr. Burns said of the energy program: "It is so complicated, so intricate, and so inherently controversial a measure, I think the Congress should take its time about that program. I think you should hold very extensive hearings."

Arthur Okun, Former Chairman of the Council of Economic Advisors in testimony before the House Ways and Means Committee on January 28, 1975, said:

"* * * one aspect of energy policy looms as a dire and imminent threat to our economy. If the President levies the indicated tariff on imported oil and all oil prices are decontrolled before any offsets to these measures are enacted, the President would be draining real income away from the American consumer at the enormous annual rate of nearly $30 billion. I cannot believe that the President intends to risk a depression in order to hasten Congressional action on his energy proposals. Yet his own recent words point in that direction. The Congress must ensure against any such ruinous action—if possible, by appealing to the President's good judgment; but, if necessary, by restricting his statutory powers over tariffs and mandating the extension of price ceilings."

Dr. Eric Herr of Data Resources Incorporated, a firm whose analyses the administration often quotes in support of its programs, testified before the Senate Interior Committee on February 12, 1975:

"It is true that the goal of energy independence will impose macro-economic costs on the U.S. economy whenever it is applied. However, the energy tax and price package is simply too big a bite for the economy to swallow in a year of deep recession and high inflation. Given our other inflationary problems, *the enactment of the President's energy program would likely make 1975 another year of double-digit inflation.* We have already seen that the economy cannot prosper under that condition, that consumer confidence is destroyed, and that ultimately, business suffers acutely. The Federal Reserve is not likely to accommodate double-digit inflation, and consequently, will not provide the financial conditions that make recovery possible. *In other words, the extra inflation that a quick implementation of the President's energy package would imply, could well deepen the recession and keep the economy on the road to depression.*" (emphasis added)

That the President's program is broadly inflationary seems beyond dispute. Paul A. Volcker, Senior Fellow at Princeton University's Woodrow Wilson School of Public and International Affairs, in testimony before the House Ways and Means Committee, January 27, 1975, said (the President's energy program) "could be another drag on business activity * * *" He added, "Much clearer is the upward impact on the price indices, which I suspect the official 2% estimate understates significantly in seemingly accounting only for the direct price effects on oil and from the new taxes."

In addition a substantial body of opinion emphasizes *both* the inflationary and depressive effects of the administration's soil pricing proposals.

George L. Perry, Senior Fellow at the Brookings Institution, testified before the Joint Economic Committee on January 29, 1975 that "* * * a substantial rise in the price of oil will add a huge new burden depressing the economy and will undo most of the expected improvement in the inflation rate. It is doubtful that policies could be implemented to offset either the depressing effect or the inflationary effect of the price increases that would come from the Administration's energy proposals."

In testimony before the House Ways and Means Committee on January 27, 1975, Joseph A. Pechman, the Director of Economic Studies at the Brookings Institution stated: "The proposed taxes on petroleum are, unfortunately, an ill-advised approach to the energy problem. These taxes will be counter-productive in two respects: first, they will raise prices substantially—certainly more than the direct 2% effect to be felt initially—as the effect of the petroleum tax increase is pyramided through the economy; second, on balance, they will depress demand, because $6.5 billion of the $30 billion tax increase will be used to reduce the corporate tax rate, reduction that will have little effect on corporate spending at least in the short run. Thus, the energy program will be inflationary and deflationary at the same time."

If the dangers to the domestic economy posed by the President's energy pricing proposals are real and well-documented, the benefits which will flow from the sacrifice these proposals entail are subject to considerable uncertainty. The Administration maintains that its plan to substantially increase by administrative action the prices of the full range of petroleum products will result in the saving of the energy equivalent of a million barrels per day of oil by the end of 1975. In the Administration view these savings will result from the price elasticity of the demand for petroleum—the reduction in the consumption of petroleum induced by higher prices.

Testimony presented to the Committee has raised considerable doubt concerning the likelihood that the elasticity of petroleum demand is sufficiently great to produce the reduction in consumption which the Administration claims will be achieved. The irony of the U.S. petroleum situation is that the massive economic impact of the Administration's energy pricing policies will not increase the price of specific refined petroleum products—gasoline, home heating oil or residual fuel—to an extent which will induce any substantial reduction in demand. Faced with the increased costs of fuels and electricity which result from the Administration's energy program, individual consumers have no choice but to pay. These increased payments and the higher rate of inflation which higher energy prices produce all conspire to reduce the chances that consumers will be able to reduce their energy consumption by purchasing for example the insulation, the storm windows or the automobile with improved fuel economy to help reduce their energy consumption.

Charles R. Owens, former Deputy Assistant Administrator for Policy Planning and Regulation of the Federal Energy Administration, testified before the Senate Interior Committee on February 6, 1975, concerning the historical and recent evidence for the degree of price elasticity of gasoline consumption:

Any attempt to show a simple systematic correlation between gasoline demand and gasoline price for the period from 1946 to 1973 is doomed to failure. The data simply do not support it. The evidence in fact is slightly against a negative correlation between price and demand. Using deviations from trend growth rates, the correlation was more often positive than negative. When price went up demand went up, and when price went down demand went down in 16 of the last 28 years. In the other 12 years, the reverse was true; when price went up, demand went down and *vice versa*. This clearly shows there has been so significant demand elasticity with respect to U.S. gasoline prices in recent times.

The structural reasons for this interaction of disparate supply/demand relationships as determinants of price—rather than the mistaken assumption that price largely determines demand—are quite straightforward. Gasoline use is essentially derived. That is, Americans buy gasoline as a minor input to the service of transportation. Since there are few substitutes for transportation, and practically no substitutes for gasoline, we should expect little causal relationship between price changes and demand.

Since the Administration has put special emphasis on an overall tax on oil, we should note that higher prices generally may inhibit oil demand overall more than in gasoline. This judgment is based on two considerations. One is that demand in the non-automotive sectors is more easily associated directly with price. Homeowners can dial down thermostats and wear sweaters. Industrial users will tighten controls on energy use and install energy-saving equipment. The second is that BTU-equivalent incentives to shift to other fuels are increased for those consumers with existing or potential dual-fired capability.

The sum of these two factors should yield a higher demand elasticity for total oil than for gasoline alone. But since gasoline currently represents some 35 percent of U.S. oil product demand, this seriously inhibits the capability of the Administration to cut overall oil consumption by a tax on oil. It is difficult to expect the relatively modest price increases proposed by President Ford to have a perceptible effect on U.S. oil demand. Short-term, without rapidly deepening recession, the results may appear to be promising. But after adjustment for changing economic activity, *it seems highly unlikely that the Administration's conservation goal, i.e., a million barrel per day reduction in imports by year-end, can be achieved by the methods the President has proposed.* (Emphasis added.)

Fundamentally, we believe the President's program is based on several highly dubious assumptions. These include the assumption:

That a viable recession recovery program can be financed by regressive oil and natural gas taxes.

That demand elasticity for energy is significantly negative despite the contrary evidence over the entire post-World War II period. Even the past eighteen months, while admittedly exceptional, indicate almost zero elasticity.

That U.S. domestic oil production can be quickly turned around, even though under the two-tier price system U.S. output still declined by 10 percent or 900 thousand barrels per day from December 1973 to December 1974.

That exploration incentives would still be positive with the recommended excise taxes on oil, plus the excess profits tax.

That the cake is really worth the candle. A makeshift tax package—both on the input side and on the rebate side—has been constructed to show OPEC that we mean business, to put economic pressure on foreign oil producers, despite the fact that the amounts involved are only a minor fraction of producing capacity, and to prove to our European and Japanese allies that we are willing to make sacrifices. We strongly suggest that the potential strategic benefits of these "bargaining chips" ought to be balanced against a rigorous assessment of their costs.

If the prospects for reducing domestic petroleum demand over the short run are dim, the foreign policy gains in terms of protection against Arab blackmail from such a reduction, should it be achieved, are also open to question. Dr. John C. Sawhill, former Administrator of the Federal Energy Administration, testifying before the Senate Interior Committee on February 12, 1975, said, in connection with the national security question:

> * * * the question is not whether we reduce our vulnerability to foreign sources—almost everyone would agree that we should do so—but how quickly. Today, we are importing about 6.5 million barrels of crude oil and petroleum products per day. A 1-million barrel per day reduction would still leave us importing more than 30 percent of our petroleum requirements. Thus, even if we achieve the President's goal, we would remain extremely vulnerable to a cutoff, and the differences between our vulnerability with imports at 5.5 million barrels per day and imports of 6.2 million barrels per day—the result of a more gradual import reduction goal—is marginal.

The fact is that imports in 1975 will be substantially below early expectations even without the proposed program of tariff and price increases to the lower level of economic activity. Thus, rather than setting an unrealistically large goal and enacting measures which would jeopardize economic recovery, the Congress should legislate a broad program of actions to increase energy supplies (along the lines previously indicated) and gradually reduce demand growth so that—over a period of time—we become less dependent on foreign sources.

The Committee finds that the benefits and advantages which have been claimed for the Administration's energy tariff, tax and pricing proposals have not been clearly or convincingly demonstrated. On the other hand, the opinion of the economic community is virtually unanimous concerning the dangers posed for the domestic economy by these proposals.

The Committee therefore believes that Congress must accept the responsibility to arrest the Administration's rush towards a major economic disaster. The proposal to decontrol domestic oil prices is one of the most potentially damaging features of this plan. With the domestically produced crude oil would continue. However, the procedure embodied in S. 621 would provide for Congressional review and a right of disapproval of each proposed action. These procedures would also require that the justification and need for each action be explicity stated, and that the impact of the action on the prices of fuels and other forms of energy, on domestic energy consumption and production, on the cost of living, and on the economic well-being on employment or regions, socio-economic groups and industrial sectors be fully analyzed. The Committee believes that these procedures are necessary if the Congress is to play its Constitutional role in the decisions that have substantial effects on the domestic economy.

The decontrol of domestic crude oil production which the President originally planned to implement on April 1, and which now is purportedly postponed until May 1, would be deterred pending the Congressional review mandated by this Act. In addition, Section 103 of the Act specifically requires that the Congressional review procedure described in the Act shall apply to any proposal employed for the purpose or with the effect of establishing or maintaining a minimum price for any domestically produced fuel or other form of energy. Institutionalizing cartel-set energy prices by setting a price "floor" has been declared national policy by the President and the Secretary of State. In response to a question at a press conference on February 25, 1975, Secretary of State Henry A. Kissinger said:

> First, the speech that I delivered—on I believe it was February 3d [before the National Press Club]—was done at the request of the President. It was approved in all its particulars by the President. It was gone over by the White House officials that are responsible for economic policy. It was gone over by the Assistant Secretary of the Treasury—the Secretary of the Treasury being out of the country, in England, on that particular weekend. The speech on February 3d reflected the views of the President and reflected the views of the Administration.
>
> Since then—and I have had occasion to review this whole matter with the President again this morning—there is no question that the United States supports a guaranteed price for alternative sources of energy.
>
> Whether this price is achieved by subsidy or by tariff, or by some other method, is a matter for negotiation and is, indeed, a matter which we would leave to the decision of each country. And as far as the Department of State is concerned, we have no particular interest in how this guaranteed price is achieved—as long as it is achieved.

The Committee believes that the development of alternative energy sources must proceed at an expeditious pace. The Non-Nuclear Energy Research and Development Act of 1974 which originated in this Committee provides a comprehensive framework for this effort, including authority for price guarantees to facilitate research and development of alternative energy sources. The Committee does not believe that the case has, however, in any sense been made that the establishment of a price floor for *all* energy consumed in the United States, with its enormous attendant costs to consumers, is a policy the United States ought or need follow in order to achieve the development of these new energy options. Section 103 of the Act would require that any proposal to establish an energy price floor would first have to be fully justified and analyzed by the Administration and then reviewed by the Congress before it was implemented.

Mr. **FANNIN.** Mr. President, I commend the President of the United States for the action he has just taken in decontrolling oil over a long period of time, over a 24-month period, at 4 percent a month. This was a courageous stand for him to take.

Also, the President is to be commended for delaying the imposition of the additional $1 a barrel import fee, in order to give Congress an opportunity to act. In one way, he is challenging Congress to take the necessary action to assist in the energy program of this Nation.

Mr. President, S. 621 is clearly another politically motivated attempt to prevent the President from taking action to step up the level of domestic petroleum production and thereby lessen U.S. dependence on imported OPEC oil.

On April 24, the distinguished minority leader and I wrote to our colleagues to express our concern about this ill-conceived legislation.

We stated in part:

> S. 621, the Petroleum Price Increase Limitation Act, would have the effect of substantially reducing the level of domestic energy production and thereby force greater U.S. dependence upon imported oil from the OPEC cartel. If enacted, it would prevent any petroleum price increases from taking place for at least 120 days and would prevent the President from taking other actions to cut back on the increasing levels of oil imports.
>
> Although its sponsors argue that S. 621 is necessary to prevent U.S. oil prices from reaching OPEC cartel levels, such a result will not in fact occur upon enactment of windfall profits tax legislation, now progressing through the markup stage.
>
> Ninety days ago the President proposed a comprehensive national energy program. None of his proposed legislation has been enacted. On March 4th, at the request of the Democratic leadership, the President postponed taking actions that S. 621 is intended to prevent in order for his Administration spokesmen to meet with the Democrats to discuss an alternative energy strategy.

Mr. **LONG.** Mr. President, will the Senator yield?

Mr. **FANNIN.** I am pleased to yield to the distinguished Senator from Louisiana.

Mr. **LONG.** Mr. President, the thing that bothers me about all this is that there are many things in the President's recommendations that a majority on both sides of the aisle agree should be done. I just cannot understand why, rather than just continuing to send big packages of energy legislation down, whereby Senators proceed to load down admittedly good provisions on which Congress can agree with the President—and the President warned that that would make the situation worse rather than better and he would veto the bill—we do not send him perhaps six energy bills and let the President veto the ones he thinks he cannot sign and sign the ones that he believes are in the national interest. Then we can get on with the business, rather than insisting on sending him packages loaded down with things that he has vowed to veto.

Mr. FANNIN. Mr. President, I am totally in agreement with what the distinguished Senator has stated. He perhaps has had more experience in this field than any other Senator. He understands the energy field and is very familiar with the petroleum industry. He is highly qualified so far as legislation is concerned.

I have observed the expertise of the Senator from Louisiana in handling tax legislation. We could use that expertise in handling the language of the measure now before the Senate.

I think the distinguished Senator from Louisiana realizes that some of the stipulations in this bill were also in a bill that we just passed, S. 622.

It was supposed to be a standby emergency bill and it contained conservation provisions and every other type of restriction that could be put on the President's actions and further control of the oil industry. I think that we must look at it from the standpoint of what will provide greater amount of domestically produced energy at a lower price. Even if we look at it from the standpoint of an increased price—and when I say a lower price, I mean a lower price than what is charged on oil coming in from foreign countries. But we are not giving our own industry the chance to progress, to go forward. We removed some of the incentives they had.

The Senator from Louisiana fought hard and tried to keep some of the Senate provisions in the tax rebate bill that was passed not too long ago. But unfortunately, it could not be done. We did not have the votes. I voted with the distinguished Senator, but when we do not have the votes, we just cannot win.

Now we are considering other legislation, and I agree that we are loading it with provisions that would strangle the energy industry—the public utilities and the oil companies. This is not the way to solve the problems we have in this country today.

I feel if we could do as the Senator suggests, arrive at a conclusion and write a bill that would cover what is needed in our Nation to accomplish the objectives we all have—that is, to supply the needs of this Nation without having to import $25 million of oil a year from other countries—then we would make progress. But the way we are going now is in reverse.

Mr. LONG. I thank the Senator.

Mr. FANNIN. I appreciate very much the comments of the distinguished Senator. I know that he is well-qualified to speak on this subject. I know he will have more to say in that regard.

Mr. President, to continue with the letter that the distinguished minority leader and the Senator from Arizona sent to our colleagues,

The Democrats promised that within sixty days they would evolve an acceptable alternative energy strategy.

Mr. President, this has been done. The talks are still going forward, but unfortunately—

To date, all that has developed is an unfulfilled promise.

Instead of biting the bullet, the Democrats with words, not legislation, have proposed a conceptually platitudinous and programmatically "bandaid" approach to solving our national energy problems.

The Congress cannot credibly continue to respond with charades and blocking actions instead of affirmative programs. S. 621 is another attempt to block progress that the President is seeking diligently to make.

Mr. President, that is part of the message that was sent to my colleagues in the Senate, and I think it is a well-reasoned statement regarding this particular legislation.

A thoughtful and well-reasoned analysis of S. 621 was communicated to the chairman of the Senate Interior Committee and to me in the form of a letter from Mr. Frank Zarb, the Administrator of the Federal Energy Administration.

I would like to read the letter at this time because it expresses so well why S. 621 is unacceptable.

Hon. Paul J. Fannin
U.S. Senate,
Washington, D.C.

Dear Senator Fannin: I am writing to express the Administration's deep concern over S. 621, the Petroleum Price Increase Limitation Act of 1975, as it was reported by the Committee on Interior and Insular Affairs on March 7, 1975.

This bill would, in effect, mandate a three-tier price system for petroleum consumed in the United States by legislating a ceiling price for crude oil classified as "new," "released" and "stripper," under the regulations implementing the Emergency Petroleum Allocation Act of 1973. It would also subject any regulatory action increasing the price—however slightly—of any petroleum product or crude oil to an unprecedented 30-day Congressional review, during which either House could disapprove the proposed action. Moreover, this bill would condition the President's exercise of his existing statutory authority to adjust tariffs or import fees on imported petroleum to the same elaborate Congressional review procedure, where such action might "have the effect" of establishing minimum prices for domestic production.

Enactment of this legislation would be highly inappropriate for several reasons. First, it does nothing constructive to deal with the basic substantive problems addressed in the President's energy program. It would be a major disappointment if the Senate could produce nothing more than this negative reaction to the Administration's program fully 90 days after it was submitted to the Congress.

Second, the creation of a third pricing tier would create innumerable administrative complications for both the FHA and the industry in administering and complying with a price control program and would deprive the Administration of necessary flexibility to respond quickly to changing market conditions. Closely related to these problems is the fact that the cumbersome price control system created by this bill, coupled with the action Congress has already taken on the depletion allowance, might well create unacceptable disincentives to increased domestic crude oil exploration and production.

Third, the text of the Committee report suggests that this legislation was intended to forestall precipitous executive action that would, it is feared, produce adverse economic consequences. I regret that the Committee, in analyzing those consequences, appears to have completely ignored the proposed progressive restructuring of the tax system to return to the economy the full amount of the higher energy costs, so that the necessary conservation objectives of the President's program would not result in any loss in consumer purchasing power.

In addition, the Committee report makes it clear that one purpose of the crude oil ceiling price provisions is to obtain compliance by the Executive with a recent decision by a panel of the Temporary Emergency Court of Appeals in the recent case of *Consumers Union* v. *Sawhill*. As you know, the government has petitioned the entire court for a rehearing *en banc*, which petition was granted by the Court on March 19, 1975. The court has set the case down for reargument on May 1. We believe it is premature to propose legislation on the premise that it is necessary to carry out existing law when the courts have yet to decide authoritatively what the existing law requires.

Finally, this legislation would place serious and unwarranted restrictions on the President's authority under existing laws to adjust tariffs and import fees. It is wholly inaccurate to suggest, as the report accompanying this legislation does, that the higher fees proposed by the President are intended to carry out any price floor proposal. Rather, as Administration witnesses have repeatedly emphasized, the fees imposed pursuant to the Trade Expansion Act are designed to induce more prudent use of petroleum and to reduce our undue reliance on imports in the near term. By subjecting any such action to veto by one House of Congress, S. 621 would severely impair the President's flexibility to act positively and expeditiously in the interest of national security.

For the reasons stated above, I wish to reemphasize that the Administration vigorously opposes S. 621 as reported by the Committee on Interior and Insular Affairs.

Sincerely,

Frank G. Zarb,
Administrator.

Yesterday President Ford in a letter to the President of the Senate and to the Speaker of the House outlined the new steps he was taking to step up domestic energy production. Here is what he said:

Dear Mr. Speaker: (Dear Mr. President:)

Three and one-half months have passed since I presented the Nation and the Congress with a comprehensive program to achieve energy independence by 1985. Although the policy I put forth was not an easy solution, it was and remains today, the only comprehensive and workable national energy program. Because of the seriousness of the problem, I also moved to cut energy demand and increase supply to the maximum extent within my administrative discretion by announcing a three step increase in the fees on imported petroleum starting last

February 1 and complete decontrol of old oil prices by April 1.

After the imposition of the first dollar of the additional import fees, the majority leadership in the Congress requested that I delay further actions to provide time to evaluate my proposals, to formulate an alternative comprehensive energy plan and to enact legislation. I granted a 60 day delay in the spirit of compromise, in spite of the fact that we had already waited too long to make the hard decisions our country needs.

In the 60 days that followed, a number of Congressional energy programs were introduced and considered. Little progress has been made though. Thus, I am forced to again make a difficult administrative decision.

Since my State of the Union Message last January, there has been no improvement in the situation in the Middle East. The existing tensions only heighten my belief that we must do everything possible to avoid increasing our dependence on imported oil in the months ahead.

The recession is coming to an end. But the pending upturn will result in greater demand for imported oil. At the same time, however, it will put us in a better position to absorb the adjustments that greater energy conservation will require.

There are some encouraging signs in the Congress. Chairmen Ullman and Dingell and ranking minority members Schneebeli and Brown have been working diligently in their respective committees to formulate a comprehensive energy program. After extensive hearings and discussions, their efforts to date embody some elements of the energy proposals which I sent to the Congress as well as several which could be potentially disastrous.

The Senate has also conducted many hearings. Yet the only legislation which has passed is a bill that would impose mandatory restrictions within 60 days on recreational and leisure travel, hours of business operation, and commercial lighting. It would result in unwarranted government control of personal freedoms, and would cause unforeseen economic consequences.

I am hopeful that the weeks ahead can result in agreement between the Congress and the Administration. I believe it can if we are willing to work diligently, honestly, and more rapidly. But I am concerned about the possibility of Congress passing politically popular legislation which will not only fail to meet our energy needs but which could create serious economic problems for the Nation. From my many years in the Congress, I know how easy it is to become embroiled in endless debate over tough decisions. I also know how easy it is for the Congress to enact legislation full of rhetoric and high sounding purpose, but short of substance. That must *not* happen in this case.

Neither the House nor the Senate has passed one significant energy measure acceptable to the Administration in these past few months. Hence, I must be a realist—since the time before final legislation will be on my desk is very long. I understand that in many ways the timing and substance is beyond the control of the individual committee chairmen. Yet, postponement of action on my part is not the answer. I am, therefore, taking these administrative actions at this time:

First, I have directed the Federal Energy Administrator to implement a program to steadily phase out price controls on old oil over two years, starting June 1, 1975. This program will not proceed until public hearings are completed and a plan is submitted for Congressional review, as required by statute. While I intend to work with the Congress, and have compromised on my original decision to proceed with immediate decontrol, the nation cannot afford to wait indefinitely for this much needed action. I intend to accompany this action with a redoubling of my efforts to achieve an appropriate windfall profits tax on crude oil production with strong incentives to encourage maximum domestic exploration and production.

Second, I will again defer the second dollar import fee on crude oil and the $.60 per barrel fee on imported petroleum products in order to continue the spirit of compromise with the Congress. However, I will be forced to impose the higher fees in 30 days, or sooner, if the House and Senate fail to move rapidly on the type of comprehensive legislation which is necessary to resolve our critical energy situation. Such legislation must not embody punitive tax measures or mandated, artificial shortages, which could have significant economic impact and be an unwarranted intrusion on individual freedom of choice.

The administrative action that I have set in motion will help achieve energy self-sufficiency by 1985, stem increasing vulnerability during the next few critical years, and accomplish this without significant economic impact. Nevertheless, my actions alone are not enough. The Congress must move rapidly on a more comprehensive energy program which includes broader energy conservation and actions to expand supply. Action now is essential to develop domestic supplies and protect American jobs. It is my utmost desire in announcing these executive initiatives to balance our overwhelming need to move ahead with an equally important need not to force outright confrontation between the Administration and the Congress.

I pledge to work with the Congress in this endeavor. To the extent comprehensive and effective legislation is passed by the Congress, I stand ready to approve it. What I cannot do is stand by as more time passes and our import vulnerability grows. If this happens, I will not hestitate to impose the higher import fees. Meantime, my administrative actions must fill the gap in this endeavor. The country can afford no less.

Sincerely,

GERALD R. FORD.

Mr. President, I commend the President of the United States for taking this action. He has waited and waited for Congress to act, and we have not acted. He has patiently worked with the Members and the leadership of Congress, both in the House of Representatives and the Senate, has devoted a great deal of time and effort to meetings, and has had discussions with many Members of this body and of the House of Representatives.

But S. 621 is designed to frustrate the President's efforts to make America strong in terms of its own domestic energy supply. So we are not passing legislation in cooperation with the President.

Let us stop for a moment to analyze what the Congress has done this year to help stimulate additional domestic energy supplies. Let us just look at what has been done.

The Tax Reduction Act of 1975 created an estimated additional tax burden this year for the U.S. petroleum industry of $1.63 billion. The added tax burden to the industry next year is estimated to be $2.04 billion—increasing steadily to $2.95 billion in 1979. Its impact on new costs per barrel of oil produced is 50 cents or 9.5 percent of the selling price of old crude oil. S. 621 was drafted with a view to discouraging pass-throughs to consumers of increased costs of producing oil.

The philosophy underlying S. 621 is that the consumer should not be required to pay more money for more oil. Its philosophy appears to be based on the view that the consumer is better off without oil if increased oil supplies are dependent upon improved company profits. This demagogic approach to solving energy problems is beginning to wear thin.

During the past 5 years American oil industry profits amounted to an aggregate of $18.9 billion while industry expenditures aggregated $34.1 billion or nearly twice its earnings. Put another way, not only did the industry reinvest essentially every dollar of profits, but for every dollar of profit reinvested, it went out and raised or borrowed nearly an additional dollar which it plowed into supplying more oil.

The Federal Energy Administration has estimated that in order to accelerate domestic supply in proportion of the anticipated increase demand in order to achieve energy self-sufficiency, $561 billion—in 1973 dollars—must be expended between now and 1985.

The President announced a 2-year 4 percent per month upward adjustment of old oil prices to bring old oil up to market levels, as I explained before.

The two tier pricing system has caused great inequities and has frustrated the attainment of increased domestic production.

Ninety days ago the President proposed a comprehensive national energy program. None of his proposed legislation has been enacted. On March 4, at the request of the Democratic leadership, the President postponed taking actions that S. 621 is intended to prevent in order for his administration spokesmen to meet with the Democrats to discuss an alternative energy strategy. The Democrats promised that within 60 days they would evolve an acceptable alternative energy strategy. To date all that has developed is an unfulfilled promise. Instead of biting the bullet, the Democrats with words, not legislation, have proposed a conceptually platitudinous and programmatically "bandaid" approach to solving our national energy problems.

In May, 1971, the Senate established a national fuels and energy study to recommend a National Energy Policy. S. Res. 45 required a report. It has been renewed every year or so with the requirement that a report with recommendations be filed. To date no recommendation has been made. I tire of arguments that the President does not give the Congress time to act. The Senate has had 4 years to decide, but has decided nothing. The national fuels and energy study has been a total failure.

The Democrats have responded with platitudes. This recognizably "political" approach, however, fails when put to the test of projected results in terms of substantially increasing domestic energy supplies and substantially reducing energy demands, including demand for imported petroleum.

These major goals cannot be accomplished by promising America something for nothing. Energy is a precious commodity and its domestic development will cost dearly. Launching the Federal Government into the energy production business will neither expedite energy development nor lower its costs. Creating mandatory allocation or conservation programs in order to reduce energy demand means that the Federal Government will be placed in the "Godfather" role of dictating to American consumers how much energy they will be entitled to and what they can use it for. I do not believe that the Federal Government is smart enough to play such a dictatorial role nor does this administration want to dictate to American consumers choices they are capable of making and would prefer to make themselves in the marketplace. Insisting upon environmental safeguards that have the effect of deterring development of substantially increased domestic energy supplies cannot help but place this Nation more perilously in the grip of repeated international oil blackmail.

We all want to protect the environment, but we must have a balance.

We must consider just what can be done as far as meeting the tremendous obligation that this country has to its people.

The political response of Congress has been we are too cowardly to bite the bullet to increase energy supplies so let's instead take action to cut demand. S. 622 which passed the Senate recently was an attempt at conservation.

Here is what Washington Post columnist David Broder had to say about the last bill reported out of the Senate Interior Committee and acted upon by the Senate.

> Despite what you have been hearing during this week's debate about gasoline taxes, it is not true that Congress has done absolutely nothing about the energy crisis. Just two weeks ago, while public attention was distracted by events in Indochina, the Senate passed a marvelous bill called the Standby Energy Authorities Act of 1975.
>
> It was approved on the same afternoon that the senators, in a remarkable burst of legislative creativity, also passed a resolution posthumously restoring the full rights of citizenship to Gen. Robert E. Lee.
>
> It would be hard to judge which action will do more to help with today's problems. But the bet here is that Lee's ghost has more substance than any lawyer can find in the Standby Energy Authorities Act of 1975.
>
> The reason Congress had to vote Gen. Lee his amnesty, at this late date, is that his own application for restoration of his citizenship rights, and his pledge of loyalty to the Union, submitted shortly after cessation of hostilities in October 1865 was unaccountably misplaced by the bureaucrats of his time and was not rediscovered until 1970.
>
> Despite this demonstration of the perils of government paperwork, the senators came up with a supposed energy program that will, if rediscovered 100 years from now, make the historians of that age wonder about the competency of 20th-century Americans.
>
> That bill is a hodgepodge. Part of it gives the President certain emergency powers, which he might use in case of another oil embargo, unless blocked by Congress. But to this marginally useful grant of authority, the Senate Democrats attached a complex provision, full of high-sounding aspirations and short of policy directions. It commands the federal government and all 50 states to devise energy conservation programs (again subject to congressional veto) that will supposedly cut energy use the equivalent of 800,000 barrels of oil a day without hurting anyone.
>
> It is as near-perfect an example of buck passing as Washington has ever seen. The man who would have to administer the act, energy chief Frank Zarb, pleaded with the Senate not to establish such "far-reaching but ill-defined mandatory energy conservation programs."
>
> None of the 60 senators who voted for the bill seemed to care. And the suspicion among those Republicans who opposed it is that Zarb and his boss, the President, are being set up as the fall guys when the program inevitably fails.
>
> What the Senate did was put the administration in the position of making the politically disagreeable choices, while reserving to Congress a guaranteed right to second-guess.
>
> While ruling out rationing or taxes, the Senate commanded Zarb to promulgate, within 90 days, precise standards of energy conservation covering everything from decorative lighting to car-pooling and mass transit use. The bill does not say what those standards should be. But it says that if Zarb guesses wrong, Congress can veto any of his guidelines, with suitable rhetoric, within the following 30 days.
>
> That is only the beginning. The mandated regulations then would go to each state, which would be required within 180 days to formulate its own conservation plan designed to meet Zarb's standards. Here, the Senate has created a two-edged sword for later use against the administration.
>
> On the one hand, it has commanded that the state conservation plans should be approved by Zarb only if they "minimize adverse economic or employment impact" and "meet unique local economic, climatological, geographic and other conditions." On the other hand, the Senate has decreed that the net effect of these varied plans must reduce total domestic energy consumption by 4 per cent within a year of the bill becoming law.
>
> So, if the regulations pinch in any state, Zarb will have violated one Senate command; and if energy use is not reduced nationally he will have violated another.
>
> That leaves him in the interesting position of reducing the size of the energy pie without cutting anyone's slice. It is a no-win proposition—and the Republicans were probably right in saying it was that way by Democratic design, and not by happenstance.
>
> By the most charitable interpretation, the senators abdicated their own responsibility for hard decisions and left the country with what can only be called a false-front facade of an energy policy.
>
> That's the kind of performance that already has brought the federal government into disrepute with its citizens. Some friendly medium ought to ask Gen. Lee if he really wants his citizenship back.

Let us return to S. 621. What will S. 621 do to domestic energy production? I have received scores and scores of communications from the little man in the energy business, the independent operator, and the hard-working entrepreneur who invests his capital in the high risk business of trying to find oil and gas. These people are not what some of our friends refer to as the multibillion dollar oil giants. These are the little people, low-income people, that S. 621 will either put out of business or will deny the opportunity to find more oil.

Mr. President, it would take me all day to read each of these leters that have come to me. I would like to refer to them so that this body will have an idea as to just what has been involved. I will not take time, but I do ask unanimous consent to place the contents of these telegrams in the RECORD at this point.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

APRIL 28, 1975.

Senator PAUL FANNIN:

Senate bill 621 should not be passed as it will prohibit the President of the United States to deregulate oil prices and thus increase the energy crisis by not giving the independent producer the necessary incentive to keep this nation non-dependent on foreign sources

R. P. HERRMANN.

APRIL 28, 1975.

Senator PAUL FANNIN:

Passage of Senate bill S621 can only impede the efforts of domestic oil and gas producers to increase our nations petroleum and natural gas reserves. We have responded to long overdue crude oil price increases by extensive wildcat drilling and reworking of producing wells. We can continue to do so if we receive a fair price for this commodity. The risk is high and we must have an adequate return to warrant further wildcat exploration. I hope we have not forgotten the devastating effects that price ceilings had on the cattle industry.

W. J. FELLERS

Hon. PAUL J. FANNIN,
U.S Senate,
Dirksen Senate Office Building,
Washington, D.C.

The following is a copy of a Mailgram sent to the Honorable Henry M. Jackson April 25, 1975:

"Please vote against S. 621. This bill will only further complicate the present cost price situation in the oil industry. It prevents cost pass-through and would be counter productive to our effort to expand exploration and production."

HARRY ROBERTS.

TULSA, OKLA.
April 25, 1975.

Senator PAUL J. FANNIN,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR FANNIN: On behalf of the Oklahoma Independent Petroleum Association representing more than 900 independent members of the petroleum industry in Oklahoma and members in other States with interests in Oklahoma, we sincerely urge you vote against Senate Bill 621. If this Bill passes we believe that exploration for needed reserves will be slowed down.

Sincerely,

HAL T. GIBSON,
Executive Manager.

APRIL 26, 1975.

Senator Paul Fannin:

We oppose S. 8621 because it will cause more shortages of oil and gas for the American consumer.

Sherman E. Smith.

APRIL 26, 1975.

Senator Paul Fannin:

Rolling back and freezing the price of new crude oil by legislation as provided for in S–621 will hurt our efforts to develop crude oil reserve. We believe nations fuel needs require free market approach if we are to be self-sufficient.

H. and L. Operating Co.

APRIL 26, 1975.

Senator Paul J. Fannin,
Washington, D.C.:

The following is a copy of a wire sent to Senator Henry Jackson:

"Passage of S. 621 will seriously curtail expansion of domestic oil production by independents thereby hurting the consumer and the energy position of the entire country. In a time of increasing costs S. 621 will prevent any pass through and will intensify drop in cash flow that comes with tax reduction bill. If we are to lessen our energy dependence on foreign sources every effort must be made to expand domestic production not to cut it."

H. A. True, Jr.,
Partner, True Oil Co.

APRIL 26, 1975.

Senator Paul J. Fannin,
U.S. Senate,
Washington, D.C.:

S. 621 is wrong approach to energy solution. Reduced prices will result in premature plugging of existing wells, and importing more higher priced oil. Urge defeat of same.

Jack M. Allen.

APRIL 26, 1975.

Senator Paul J. Fannin,
Senate Office Building,
Washington, D.C.:

I urge defeat of S. 621. Any effort to reduce prices on oil or gas on top of depletion cuts already in effect cannot help but reduce number of wells drilled and increase our dependence on undependable and expensive imported oil.

Warren A. Morton.

APRIL 26, 1975.

Senator Paul J. Fannin,
Dirksen Office Building,
Washington, D.C.:

Senate bill 621, "Petroleum Price Increase Limitation Act", if passed as proposed, will have extremely adverse effects on domestic oil exploration. Recent depletion cut reduced this company's proposed drilling and exploration budget from 7 million dollars to $4,500,000. Continuation of old oil price freeze is unwarranted because of finding costs to replace old oil being sold at $5.25 exceeds that price. The 6 percent limitation on use of depletion has already eliminated considerable incentive to find oil. A freeze on new, released and stripper oil as proposed will further erode funds necessary for drilling. This will further hamper this industry's effort to halt the decline in domestic production, add to unemployment, greatly reduce demand for pipe, equipment and services, and reduce demand for steel. It is time this industry be allowed to do its job without further punitive legislation. The Congress should be spending its time on positive solutions for a change. The consumer's interest will be better served. Continued harassment of domestic oil companies by bills such as Senate bill 621 can only lead to fewer reserves and higher prices in the long run. Please consider these effects carefully when it comes time to vote.

Harry A. Trueblood, Jr.,
Chairman and President, Consolidated Oil and Gas, Inc.

APRIL 26, 1975.

Senator Paul J. Fannin,
Washington, D.C.:

Would urge that S. 621 not be passed. As a matter of principle oil should not be singled out for price controls and as a practical matter a reduction in oil company gross receipts can only have the effect of reducing drilling and capital investments as well as shrinking producible reserves. If you don't agree with the above we still suggest delay in passage of S. 621. There are signs of a drastic drop in drilling activity here in North Texas since elimination of depletion allowance. If statistics prove this to be the case voting a bill out which even further reduces oil companies ability to serve the national good would be a most serious error.

D. A. Kimbell,
President, Burk Royalty Co.

APRIL 26, 1975.

Senator Paul J. Fannin,
Dirksen Office Building,
Washington, D.C.:

Respectfully urge you oppose S. 621, which is a multiple roadblock to energy self-independence. Let's work together on affirmative legislation, not strictly negative such as S. 621.

Douglas E. Bean,
Executive Director, Idaho Petroleum Council.

APRIL 26, 1975.

Senator Paul J. Fannin,
Senate Office Building,
Washington, D.C.:

Drilling for new oil and gas reserves in the Appalachian area is slowing down dramatically as a result of the recently enacted depletion repeal legislation. Drilling permits in Ohio are down approximately 33 percent from the end of last year. We drilled 12 wells in 1974 compared to 4 in 1973 and had planned a larger program this year. These plans are now on hold pending analysis of enacted and proposed anti oil and gas industries legislation. If S621 is passed with its discriminatory price control provision, it is my opinion that drilling will come to a screeching halt. Industry can in no way finance the search for and development of desperately needed new oil and gas reserves with legislation on the books such as that proposed in S621.

I urge you to cast your vote against this ill advised bill as the effect of its passage would be detrimental to the citizens and to the security of our nation.

R. L. Vockel.

APRIL 26, 1975.

Senator Paul J. Fannin,
Dirksen Senate Office Building,
Washington, D.C.:

Re: S. 621 sincerely believe that price controls on any product extremely dangerous for medium and long term results would consider this type legislation short term day to day policy realize you are sincere whatever way you go and wish you the best.

W. T. Blackburn.

APRIL 26, 1975.

Senator Paul J. Fannin,
Senate Office Building,
Washington, D.C.:

I urge you to oppose S621 because it keeps price controls on underpriced old oil which does not reflect the present costs of exploration, development and production. Extension of price controls together with the recent depletion cut is a further disincentive to the development of our domestic reserves.

Jerome J. O'Brien.

APRIL 26, 1975.

Senator Paul J. Fannin,
Dirksen Senate Office Building,
Capitol Hill, D.C.:

Urgently request you vote against S–621 "Petroleum Price Increase Limitation Act." Price controls on new oil and stripper well oil in addition to recent depletion cut will reduce our drilling expenditures by 20% this year. At a time when we need to create incentives to develop energy in this Nation, S–621 will have a counter-productive effect.

E. S. Morris.

APRIL 26, 1975.

Senator Paul J. Fannin,
Capitol Hill, D.C.:

My attention has been directed toward S621, "The Petroleum Price Increase Limitation Act". My interpretation of the act is that it would be counter productive to encouraging oil and gas development, which we desperately need. I urge you to support a position that permits the free market to operate in what I would like to believe is a free enterprise system.

Sincerely,

Tom B. Medders, Jr.

APRIL 26, 1975.

Senator Paul J. Fannin,
Capitol Hill, D.C.:

Panhandle Producers and Royalty Owners Association opposes the passage of S–621 which continues price controls and establishes crude price ceilings and a price roll back for new crude oil. Price incentives increased exploration for oil reserves 12 percent in 1974 from that of 1973 and enabled the 10,700 stripper wells to continue to produce in the Texas Panhandle. A price roll back and price ceiling would surely shorten the life of these 10,700 wells. Due to the continuing rise in the cost of well operations with the recent action on the depletion allowance along with counter productive legislation such as S621 much needed outside investment capital will abandon our industry and dangerously decrease the exploration for added oil reserves.

Danny H. Conklin,
President.

APRIL 26, 1975.

Senator Paul J. Fannin,
Capitol Hill, D.C.:

Understand the Senate is considering a roll back in the price of crude oil and want to express our strenuous opposition. We are small operators and such action will cut our exploration budget in half. This will mean a net reduction of 5 wells our country needs to increase domestic reserves as quickly as possible. This proposal would do the reverse.

John J. Redfern,
President.

APRIL 26, 1975.

Senator Paul J. Fannin,
Capitol Hill, D.C.:

S. 621 as proposed will mean an additional setback for U.S. energy self sufficiency. The recent loss of depletion coupled with the price roll-back and control of new release of stripper oil will take large amounts of exploration dollars away from our industry. Exploration for oil and gas will be curtailed in our own instance by approximately 30 per cent. It is completely unjustified to continue price control and allocation on a single industry. We are constantly exposed to accelerated costs from every other sector and yet we are controlled. We urge the defeat of SB–621.

Your leadership to prevent this action is greatly appreciated.

MILLER BROS. DRILLING CONTRACTORS
AND PRODUCERS.

APRIL 26, 1975.

Senator PAUL FANNIN,
Washington, D.C.

Drilling costs have doubled last two years. Extension price controls will create a greater imbalance in foreign trade deficits. Will restrict cash flow for further exploration.

GLEN C. FERGUSON,
President.

APRIL 26, 1975.

PAUL J. FANNIN,
Dirksen New Senate Office Building,
Capitol Hill, D.C.:

Extension of price controls to new, released and stripper well oil provided in Senate bill 621 would curtail our exploration and drilling activities involving annual program of 60 wells and drilling and completion expenditures in excess of 2 million dollars by our company and participating investors. This bill would further compound our energy shortage.

PICKRELL DRILLING CO.

APRIL 28, 1975.

Senator PAUL FANNIN,
Capitol Hill, One D.C.:

Recent crude oil price increases have stimulated exploration and development of our domestic oil and gas reserves. Without these increases our company would have plugged and abandoned fifty percent of our producing stripper wells. Instead we have embarked on a wildcat exploration program and spent considerable sums reworking wells that under former prices had reached their economic limit. It seems to me that crude oil price ceilings as outlined in Senate bill S621 is a negative approach to the overall problem of making our country self sufficient in oil and natural gas reserves.

DONALD C. WATSON,
President.

Mr. FANNIN. Mr. President, let us face it, E. 621 is a very bad bill and if we continue to adopt legislation that is going to decrease exploration in this country, we will also decrease the development and production of energy in this country.

We have taken some backward steps recently. I do not refer to this particular legislation, but to the mining bill that was just approved by the conference. This is a step backwards, a big step backwards when we realize just what is happening to the ability of our industries to develop coal that can be utilized to generate power in this country.

I could refer to other pieces of legislation that have been almost as bad, although I would not say as disastrous.

Mr. President, it is certainly deplorable that we will even consider a bill such as S. 621 at this time when we know what is facing this Nation. We have just been through a disastrous situation in Southeast Asia and we have in other parts of the world where there is now turmoil a threat to our supply of petroleum products.

Mr. President, if we are going to meet the obligations of those people that have elected us to office and expect us to act in their best interests, then we should defeat legislation such as S. 621. I trust that will happen and that we will then be able to consider more needed legislation to assist industry and to foster the development of our natural resources, rather than curtail and cut back on the production of energy.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. FANNIN. Mr. President, I ask unanimous consent that the time be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FANNIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FANNIN. Mr. President, how much time does the Senator from Arizona have remaining?

The PRESIDING OFFICER. The Senator from Arizona has 135 minutes remaining.

Mr. FANNIN. Mr. President, I yield to the distinguished Senator from Texas as much time as he requires.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. I thank my colleague from Arizona.

Mr. President, as I review S. 621, the so-called Petroleum Price Increase Limitation Act of 1975, I scarcely know where to begin describing what is wrong with such misguided legislation. It is so completely erroneous in design, so antithetical to what our Nation should be doing, that every provision is suitable for attack. Indeed, if a hostile foreign power wished to cripple our efforts to attain energy independence, it would be hard pressed to design a more efficient vehicle toward that end than is the pending bill.

Let us begin with the most obvious flaw in the bill, its misguided attempt to aid the energy consumer. The intent of this bill, its sponsors say, is to insure that poor and middle-income families are not injured by rising energy prices. This is a noble end, and one which we would all support. But it is an end which the President's energy program has already taken into consideration. The President's energy program provides for tax rebates which would actually improve the relative economic position of the middle- and lower-income citizens and at the same time encourage all segments of the American society to practice energy conservation.

S. 621, by contrast, would prove the most arrant kind of false friend to the consumer. By artificially depressing the price of domestic fuel supplies, it will undercut our efforts to encourage energy conservation while simultaneously restricting our domestic production of oil.

The consumer may find this plan appealing at first. Nothing will have changed on the surface. Energy will seem to be comparatively cheap. But what of the future? The combination of low prices for energy and unbridled energy consumption is what initially led us into our current crisis situation.

Our present shortage of natural gas makes it abundantly obvious where governmental imposition of artificial price controls will lead. Over the years, price ceilings on natural gas have caused rampant increases in consumer demand for this, our cleanest burning fuel. At the same time, domestic production has been stymied. Without an assurance of fair and equitable return on capital, exploration and development of our natural gas reserves during the past 20 years has greatly diminished.

And, today, even in the midst of an energy crisis, Congress continues to abdicate its responsibility to the American public by failing to allow the free market system to rectify these serious distortions between supply and demand of natural gas.

What will the consumer say when he is once again waiting in line for hours at a time to get his ration of gasoline? Not because of an embargo, but rather because domestic production has come to a standstill.

What will he say when the Federal inspectors come to his house to check that his thermostat is turned down to the proper level?

What will he say when he loses his job because business and industry no longer are able to acquire requisite energy resources?

What will he say when foreign investors buy up control of his company with money drained from the U.S. economy?

Will he then look back with gratitude to this Congress, this "world's greatest deliberative body," who did so much for "consumer interests" in 1975? I think not.

The fact is that in the real world, as opposed to the world of fantasy, the price of producing energy has increased and hence energy should cost more. We, as a nation must accept a new energy ethic. Our values relative to energy uses must change. Rising prices would enhance conservation and at the same time rapidly increase our domestic supply of energy.

Yet this bill's sponsors, like a collective King Canute, apparently believe that they can make the economic tide retreat with a wave of their hands.

Well, Mr. President, it is time we realized that the laws of economics are not subject to the Senate's advice and consent. It is true that we can artifically restrict the price of energy in this country. Indeed, if we pass this bill we will have done just that. But the iron laws of economics say that if capital is not invested, resources will not be developed.

For example, right now, in my home State of Texas, oil rigs are standing idle. Last year at this time those rigs were probing the earth, seeking out new sources of domestic oil. Yet today, when the need for oil is even greater than a year ago, they are not being utilized. Why is this?

The answer lies in the fact that the Congress, in its "great wisdom," did away with the oil depletion allowance for integrated oil companies, and is phasing it out for the independent producer as well. Financial uncertainty is now so great and potential return so small that one can no longer afford to take on such high risk investments. The necessary expectations for dollar return on investment is simply not there. Therefore, the amount of capital for expansion of drilling activities is much smaller, and the amount of oil which will be produced domestically will be much less.

But now, I hasten to point out that the effect on the oil industry of ending the depletion allowance will be no worse than passage of S. 621. For the heart of the bill, the key to its weakness, is the limit it seeks to impose on petroleum prices.

Up until now, we have had a two-tier pricing system for domestic petroleum. While the price of so-called old oil has been held at an artificial level, the price of new oil has been allowed to rise to the prevailing world market level. Our experience has shown that this two-tier system introduces distortions into the oil market and prevents full development of our oil resources. In fact, such a system has given us the inequitable entitlement program, whereby we in the Southwest, subsidize the Northeast in their purchases of petroleum products.

At present, better than 40 percent of our domestic oil supply is produced by means of secondary and tertiary recovery. Of this amount, 63 percent is subject to Federal price controls. If price controls were lifted, the amount of capital available to develop secondary and tertiary recovery wells would soar, attracted by the new higher rate of return.

A recent Federal study indicated that decontrol would increase our ultimate domestic oil recovery by 10 billion barrels per year. There would be an increase in domestically supplied oil of 350,000 barrels a day.

Mr. President, that is 350,000 domestically produced barrels, each one of which would replace an imported barrel of oil, and which would actually come under the OPEC price.

Mr. President, this would in turn reduce the amount the United States would pay out to foreign oil suppliers by $8.5 billion per annum. I point out, Mr. President, that this $8.5 billion stays in this country and that means additional American jobs and hopefully a thriving economy.

I simply cannot understand why some people here would prefer to pay foreign sources an inordinate profit for a barrel of oil rather than pay somebody in a producing State for it in this country, and perhaps at a slightly lower price and certainly a far lower profit margin. It defies my imagination and understanding.

So it is obvious that if we are serious about moving toward decreased dependence on foreign oil suppliers, we should be working to decontrol the price of oil. Instead, we find the supporters of this bill urging us to move in exactly the opposite direction, to bring new oil, which until now has escaped regulation, into the same price straitjacket which has already restricted recovery of old oil.

Now it follows logically that if controls on the price of old oil limit old oil production, then controls on new oil will limit production of new oil. It requires no great expertise in economics for one to see the relationship. But it does require a certain ability to face the economic facts which, I am afraid, is sorely lacking in certain circles today.

There are some in our society who would say that there are no difficult economic situations which the Government cannot magically overcome with a wave of its bureaucratic wand. Perhaps that is the reason they want to replace the current two-tier price system with a three-tier system, for that will be the real effect of limiting the price of new oil to the level paid on January 31, 1975.

At first there may only be a slight difference between the price of new domestic crude oil and the price of foreign crude, but over time, the differential will widen, and a third tier will be created. Then we will see more market distortion, greater inequities, more maneuvering to find loopholes in the laws, more complex regulations, and more bureaucracy needed to administer the regulations.

Mr. President, I come from a State where the American free market system is still held in high regard. Texans have seen in their own State just what free enterprise can do. During the lifetimes of many Texans today, our State has developed into one of the most important industrial areas of this country. We have seen towns like Dallas and Houston become world metropolises. We like what capitalism has done for us.

But for a great number of people, capitalism is a dirty word. They think that all businessmen are out to steal the consumer blind, that only the Government can protect the common man from exploitation.

With all due respect, I have more regard for the American businessman than they do, and I have more regard for the intelligence of the average consumer as well.

I think that we can overcome our energy problems if we remain true to the economic principles which made this country the most productive and wealthiest in the world. I do not think increased bureaucracy is the solution to any problem, least of all this one.

Let me review briefly now just what this bill will not do. S. 621 would not solve our energy crisis, it would not increase our domestic energy supply. It would not promote energy conservation. It would not allow the President to use powers which we have granted him, it would not eliminate bureaucracy in Government, and it would not help the consumer in the short or long term.

It contains provisions for review by both Houses of Congress, with a 30-day right of disapproval of any action which would result in higher domestic petroleum prices.

It contains provisions insuring that any energy proposals will have to be accompanied by a plethora of socioeconomic impact analyses whose drawing up will, of course, take still more time.

Mr. President, the energy crisis which began years ago became blatantly apparent in the fall of 1973. Congress has had a full year to draw up its own legislative proposals for dealing with it. Yet in that time it has done absolutely nothing.

Realizing the shortcoming of Congress and the urgency for the resolve of our energy problems, President Ford has placed before the Congress and the American public a comprehensive energy program which provides the most effective, least disruptive, and most equitable means of attaining energy independence and economic well-being. His proposals are based on an exhaustive study of our national energy situation. They are designed to reduce the rate of domestic energy consumption at the same time that they increase our domestically produced energy supply, and I might add that they are completely absent of politics.

Therefore, I urge my colleagues, in the interest of our national security and economic well-being, to oppose the passage of this bill.

Mr. President, as I have noted, we already have slowed our move toward greater self-sufficiency by our action on the depletion allowance. It also had an effect that perhaps some of us did not realize it would have. It has slowed the completion of the Alaska pipeline; because by making it retroactive, many people who had taken it into their fiscal considerations, in their operations, now have to recoup what they have lost by it. That means people will be laid off, and work on the Alaskan pipeline, already 2 months behind, is going to slide another 2 months behind, just because of our action here on the depletion allowance.

Drilling activity in Texas slackened off dramatically immediately when we did this. I know of 30 sitings in 1 gas field that are not being drilled because we put the lid on the depletion allowance.

If we want to punish the oil industry, let us make it plain that that is what we want to do; but let us not mistake this punitive effort against the oil industry as something designed to protect consumers or to affect conservation or to expand the production of oil or gas in this country. We should let the people know what we are doing.

Apparently, there is a fear that somebody is going to make a profit. I say again that profit is the cost of capital. If an oilman makes a profit, so be it, because it is that profit that is going to produce more energy, find more energy, and transmit and distribute more energy.

I fervently hope that we will not further push the decline in drilling activity in this country by enacting this measure. The cumulative effect of this on top of depletion allowance action by Congress is going to force drilling activity downward still further in this country. Mr. President, that has an adverse economic impact on the entire Nation, not just

Texas, Louisiana, and Oklahoma, the producing States. When those rigs are idle, whoever builds rigs—much of the steel and machinery are produced in the North and Northeast—those people are going to be laid off, because drilling activity in the South and Southwest has slowed down and dribbled off. So what we do today impacts on the national economy, the national well-being.

I cannot understand why we adopt proscriptive legislation such as this, which is designed to inhibit our mood toward self-sufficiency.

I thank the Senator from Arizona for yielding to me.

Mr. MANSFIELD. Mr. President, will the Senator from Ohio yield me 2 minutes?

Mr. GLENN. I yield.

VISIT TO THE SENATE BY HON. ROGER MOATE, MEMBER OF PARLIAMENT

Mr. MANSFIELD. Mr. President, it is my privilege at this time to introduce a most distinguished visitor to the Senate. I refer to the Honorable Roger Moate, Member of Parliament and Secretary of the British-American Parliamentary Group.

We are delighted that he has seen fit to visit us in this Chamber.

[Applause, Senators rising.]

RECESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate stand in recess for not to exceed 2 minutes, for the purpose of extending our greetings personally to our distinguished visitor.

There being no objection, the Senate, at 2:05 p.m., recessed until 2:07 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. LEAHY).

PETROLEUM PRICE INCREASE LIMITATION ACT OF 1975

The Senate continued with the consideration of the bill (S. 621) to prohibit for a period of 90 days the lifting of all price controls on domestic oil, and to thereafter require the submission to, and the right of review and disapproval of the Congress of such action within 30 days.

Mr. JOHNSTON. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add a new section 107 to read as follows:

Sec. 107. (a) ENTITLEMENTS.—Section 4 of the Emergency Petroleum Allocation Act of 1973, as amended (87 Stat. 627), is amended by adding at the end thereof the following new subsection:

"(h) Insofar as any regulation promulgated and made effective under subsection (a) of this section shall require the purchase of entitlements, or the payment of money through any other similar cash transfer arrangement aimed at equalizing the cost of crude oil to domestic refiners, such regulation shall exempt the first 50,000 barrels per day of those refiners whose total refining capacity (including the refining capacity of any person who controls, is controlled by, or is under common control with such refiner) did not exceed on January 1, 1975, one hundred thousand barrels per day from said requirement: *Provided,* That nothing herein shall be taken to restrict the right of any small refiner as defined in section 3(4) of this Act to receive payments for entitlements or through any other such cash transfer arrangement.

(b) The amendment made by subsection (a) of this section shall be effective for payments due, pursuant to any regulation referred to in such section, with respect to crude oil receipts and runs to stills occurring on or after February 1, 1975.

Mr. JOHNSTON. Mr. President, this amendment is the same as one which was offered and agreed to, without objection, on S. 622. 2 or 3 weeks ago. It is offered with the blessing and support of Senator EAGLETON, with whom we had the colloquy and hammered out the provisions of it previously.

This amendment would exempt the first 50,000 barrels of oil from the duty of purchasing entitlements for any small refiner who produces 100,000 barrels a day or less.

Hearings have been held on this subject by the Committee on Interior and Insular Affairs. The testimony has been very clear that refiners of this size are so economically marginal that the duty to purchase entitlements, which can run to millions of dollars—and do, in some cases—will in effect make their operations not economically feasible and will result either in a curtailment of their operations or, in some cases, a total cessation of their operations.

This amendment would exempt that 50,000 barrels a day. It also would spread the obligation among all other refiners—that is, among the entire pool of nonexempt oil—which in our judgment would be more equitable.

Mr. President, I know of no opposition to the amendment, and I trust that it can be accepted.

Mr. GLENN. Mr. President, we have not had time yet to go over this proposal in detail. I would like to check with the chairman of the committee on this before further comment on it. The Senator from Louisiana does not object to that.

Mr. TOWER. Mr. President, will the Senator from Ohio yield?

Mr. GLENN. I yield.

Mr. TOWER. Mr. President, speaking for the minority, I am prepared to say that the amendment is acceptable on this side.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the amendment be laid aside temporarily, until the temporary floor manager has the opportunity to speak to the committee chairman.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. (Mr. STEVENS). Without objection, it is so ordered.

The amendment is as follows:

On page 5, delete the language appearing on line 11 and insert the following:

"Except as provided in section 106 of the Petroleum Price Increase Limitation Act of 1975, no exemption of any classification of petroleum, or"

At the end of the bill, add a new section 106 to read as follows:

"SEC. 106. ENCOURAGEMENT OF ENHANCED OIL RECOVERY.—Section 4(e) of the Emergency Petroleum Allocation Act of 1973, as amended (87 Stat. 627), is amended by adding a new paragraph 4(e)(3), to read as follows:

"(3) (A) In the event that the price regulation promulgated under subsection (a) of this section provides for more than one price (or manner of determining a price) for a given grade and quality of crude oil produced in a given producing area, the regulation shall provide that the price applicable to "enhanced recovery oil", as defined in subparagraph (B) of this paragraph, shall be the highest price applicable to the given grade and quality of crude oil produced in the given producing area.

"(B) For the purposes of this paragraph "enhanced recovery oil" refers to any crude oil produced from any property in any calendar month, in excess of a percentage, specified in the regulation, for each subsequent calendar year, of the volume of crude oil produced from that property in the corresponding calendar month of 1972.

"(C) The percentage specified for each calendar year pursuant to subparagraph (B) of this paragraph shall reflect and take into account the rate of decline in production normally expected from individual oil reservoirs in the absence of enhanced recovery techniques, such as measures to increase the permeability of the reservoir, including acidizing and fracturing, measures to restore reservoir pressure by injection of water, steam, or gas, and measures to reduce oil viscosity or capillarity by the introduction of injected substances or heat.

Mr. JOHNSTON. Mr. President, this is an amendment which we originally took up on S. 622. The effect of it is to exempt from price regulation secondary and tertiary oil. The Senate will recall that on S. 622, I brought the amendment up. It originally failed. Then, through a series of votes, it was to be eligible for reconsideration. A majority of the Senate voted for that reconsideration. Later, the distinguished Senator from Washington (Mr. JACKSON) offered an amendment in the second degree to put a cap on those prices at $7.50. That amendment then passed, and after the amendment of the Senator from Washington passed, putting the cap at $7.50, we passed the amendment without objection.

I now offer the amendment, Mr. President, at the full deregulated price. The reason that $7.50 will not help, that in fact, it will probably do some harm, is that under the present law, any secondary and tertiary recovery that produces more oil than the 1972 base period is entitled to the full deregulated price.

The only way that the $7.50 amendment would help would be in that case where the amount of oil produced is less than the 1972 base price.

Mr. President, hearings have been held on secondary and tertiary oil recovery. It has been established that some 59 billion barrels of oil are possible to be recovered through the use of secondary and tertiary recovery. That is more than 100 percent of what we presently have as proven reserves in this country. It is so clear, Mr. President, that we have to do something to produce more energy; it is so clear that secondary and tertiary recovery require additional capital, require additional incentives, that it is quite beyond me how this amendment could be opposed.

I understand the consumer sentiment in this country that says no increased prices for anything. I share that. I wish we had no inflation; I wish we had no increased prices. But, Mr. President, we have to face the fact that we have to do something to produce more energy, rather than repealing, in part, the depletion allowance, rather than reducing the prices to be paid for energy, because it just does not work that way, Mr. President.

I hope that this small step toward producing additional supplies of energy will be taken by the Senate. I hope that this amendment will be adopted.

Mr. HANSEN. Mr. President, will the Senator from Louisiana yield?

Mr. JOHNSTON. I yield to the distinguished Senator from Wyoming.

Mr. HANSEN. Mr. President, I voice my support for this amendment and for the logic which prompts the Senator from Louisiana to present it. This amendment makes extremely good sense, for a number of reasons. As has been pointed out, in the first place, it is a positive step in the direction away from a further imbalance in our balance of payments. As we encourage, through this mechanism, the development of our own domestic oil and gas reserves in the United States, we decrease by that same amount our dependence upon foreign supplies and our need for those foreign supplies.

Representative Mike McCormack, of the State of Washington, in testifying before the Committee on the Interior a week or more ago, pointed out that if we were to have to cut back to the level of energy consumption in 1973 or 1974, the year that we actually used less energy than we had the year before, if we were to have to go to a no-growth energy policy, in the judgment of Representative McCormack of the State of Washington, he said, that would be a greater calamity for the United States than would have resulted, in his opinion, if we had lost World War II.

He went on to point out that jobs, as we know, in this country are dependent upon energy.

Mr. JOHNSTON. Will the Senator yield for a unanimous-consent request?

Mr. HANSEN. I am happy to yield.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that Walter Clawson, of my staff, and Larry Meyers, of the staff of the Committee on Public Works, have the privilege of the floor during debate and during votes on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HANSEN. Mr. President, I ask unanimous consent that a member of my staff, Nolan McKean, may be on the floor during this debate and votes, also.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HANSEN. Mr. President, the fact is that we do have to have energy to make jobs in this country. Agriculture in the United States consumes 1.2 gallons of fuel for every man-hour of work that is performed in producing the food and fiber upon which not only this Nation depends, but other people around the world, as well. The good sense in this amendment is that by encouraging further effort to produce more of the oil already discovered it is moving us in the right direction.

It is true that as the price of oil rises, we can expect the price of products to rise with it. But the predictions that were being made a few years ago, or within the last year or two, about what would happen to this country if the price of gasoline went up a little bit largely went unfulfilled. Those predictions went unfulfilled because it just did not work out that way. I know of no worker in the United States who, given the choice between having a job and having to spend a little bit more money getting back and forth from his home to that job, would not opt to pay the additional few cents that would result from higher priced petroleum products rather than to have no job at all. That is the worst possible thing that could happen.

Mr. JOHNSTON. Will the Senator yield at that point?

Mr. HANSEN. I am happy to.

Mr. JOHNSTON. I even question that there would be any increase, because this amendment only applies to that oil which we do not have right now and which we are not going to get unless we pass this amendment. So it is not a question of paying additional amounts, it is just a question of whether we produce the oil at all.

It is sort of like the story that my colleague, the senior Senator from Louisiana, tells about the fellow who went to purchase some apples. He said, "What do those apples cost?"

He was told they cost 40 cents a dozen.

He said, "How come you charge that? The fellow down the street is only charging 25 cents."

The answer was, "Yes, but he doesn't have any apples."

Mr. President, that is the situation we have here: We do not have these apples. We do not have this oil, and we are not going to get it unless we are willing to pay the producers what it costs to get it out of the ground. It is as simple as that.

Mr. HANSEN. Mr. President, the Senator from Louisiana is absolutely right. I point out further, in support of the point he just made, that this is effort to recover oil by secondary and tertiary methods already known to be in place—oil that has been quantified. What many people are not aware of in the United States is that we, by our present technology, raise or recover only a small percentage of the oil that is actually in the ground or in the sands, in the rock. At these deeper horizons, it is found in the rocks, in the little spaces between the particles and grains of sand that constitute the sediments that underlie the surfaces of the earth down from 5,000 to 15,000 or 20,000 feet, or even more.

So the point that has just been made by the Senator from Louisiana is exactly right.

This oil is there, and instead of its costing the Americans more because the price would be decontrolled if these secondary and tertiary recovery efforts were put into practice, it does not follow at all that the overall price of the product would go up. As a matter of fact, I think it can be successfully submitted that that oil that we could produce by those methods here in this country would cost us less, certainly not more but in all likelihood less, than any oil we could get anywhere else. It certainly would cost less than the high-priced imported oil with which we have to make up our present domestic deficiency today.

So I would hope that Senators would support this amendment, because everything about it works in the best interests of all Americans. It lessens our dependency upon uncertain, unstable, and undependable foreign sources of supply. It puts our balance of payments back on the credit side of the ledger. We are not putting out money to become part of the buildup of petrodollars in other parts of the world. We are making that investment, and it will go into the banks of the United States of America. It will go into the hands of people in this country. It will produce new jobs because the effort that will be required to perform the functions contemplated as this amendment becomes effective will provide jobs for Americans. It will give the extra punch to our economy that we so desperately need today.

Last, it will make certain that the whims and the caprices of foreign countries, of dictators or whoever they may be, shall not hold a sword of Damocles over the United States of America. Rather, by having dependable domestic supplies of oil, as this amendment helps insure, we can be certain that the kind of decisions that will best serve America, not those which may necessarily be pleasing to a foreign country but those decisions which will best serve America, can be made in the full, secure, and firm knowledge that come what may, if we happen to incur the displeasure of a foreign country, that country will not be able to shut off a vital supply of petroleum to the United States.

I support this amendment. It makes great sense. I hope the Senate and the manager of the bill will see fit to take it and follow through in conference in order to make certain that it becomes a part of the law if and when this particular bill should become law for the United States.

I thank the Senator from Louisiana.

Mr. GLENN. Mr. President, I would like to ask, so we will have it on the record here, several questions of the Senator from Louisiana as a part of the legislative history for this proposed amendment and, once again, on this bill. Rather than bringing it to a final decision as to the floor management of the bill at this point, I would prefer that the committee chairman be here when some of those decisions are made. But I would like to ask: Is there an estimate on the amount of oil that is potentially available in the country by secondary and tertiary recovery methods, and how that compares as a percentage with our overall supply in the country?

Mr. JOHNSTON. There are various estimates made. Secondary recovery is frequently used; tertiary recovery has not been used that frequently for many reasons. First, the technology is fairly new and, secondly, the cost is extremely high.

There have been various estimates made. One estimate is that we have some 40 billion barrels of proven reserves and there are 59 billion barrels that can be recovered given enough cost.

Mr. GLENN. What was that second figure?

MR. JOHNSTON. Fifty-nine billion barrels. Frankly, I do not expect we are going to recover that much oil at any time very quickly.

I think the Interstate Oil Compact made a study which indicated that secondary and tertiary recovery can yield some 25 billion barrels of oil in the next 20 years. If that is the correct estimate, the estimate made by the Interstate Oil Compact, that would increase by some 60 percent, I believe it would be, the present reserves. And that is a recently completed study by the Interstate Oil Compact.

The fact of the matter is we do not know precisely how much oil could be produced because, as I say, the technology is relatively new, and we have never had the price incentive to go in and make it feasible to produce oil by secondary and tertiary methods.

I might point out one thing that I think, as far as the legislative strategy on this bill is concerned, we all ought to face, and that is that in its present form, I am informed, the President would veto this bill and would decontrol all oil, and I am informed that the votes are probable there to sustain a veto.

Now, the choice is not, I think, between S. 621 in its present shape and this proposal, but the choice is between S. 621 and total decontrol; and I am just hoping that we can put the bill in the kind of shape where we can say it does something for the production of additional energy rather than just result in a confrontation with the President which the President would probably win.

Mr. GLENN. Would the distinguished Senator from Louisiana have information on the cost per barrel of oil produced by secondary and tertiary recovery methods? There really are no big-scale tertiary recovery methods as yet; but in the secondary recovery experience to date, is this more expensive oil per barrel to get out or is it less expensive, in general, compared to normal production, or does the Senator have figures along those lines?

Mr. JOHNSTON. It depends on the particular formation. There have been studies done on that. In some instances, you can have some kinds of secondary recovery that are as low as $2 a barrel to get that first barrel of oil. In many instances, the water flooded or the oil flooded or whatever the kind of recovery undertaken simply does not work at all. So in some respects it is like a wildcat operation: You may hit it and you may not.

Tertiary recovery is so unusual that we really do not have any reliable price figures. The fact of the matter is, we cannot say what degree of recovery we are going to get. We do know this: that from the time this bill was initially enacted back in 1973, and we took the base period of 1972, producers have been able to get the new oil price for any production that exceeded the 1972 base period. So there was every incentive for them to go in at that point and undertake the secondary and tertiary recovery; and the chances are that all of the easy secondary and tertiary recovery that could be accomplished has already been accomplished, and what is left down there is that which is more chancy and more expensive.

I might point out, by the way, that we had some very interesting testimony on April 28 before the Committee on Interior and Insular Affairs by Robert R. Nathan, one of the foremost economists in the country, who pointed out that the price of finding and producing a new barrel of oil today averages $12.73 a barrel, and both the credentials of the economist and the methodology used in producing the report would suggest, I believe, that it ought to be made a part of the record. So I ask unanimous consent, Mr. President, that Mr. Nathan's report, together with the figures backing it up, be printed in the Record.

There being no objection, the report was ordered to be printed in the Record, as follows:

Testimony of Robert R. Nathan on Petroleum Pricing

THE COST OF FINDING, DEVELOPING, AND PRODUCING CRUDE OIL IN THE UNITED STATES

Much attention has been given to the substantial increases in the price of crude oil since the embargo some 18 months ago. The focus has been on prices of both imported supplies and domestic supplies. Strong concern has been manifested about the impact of oil prices on consumers and also the inflationary aspects of the sharply higher prices. Much less attention has been focused on supply considerations.

For a few years the price of oil in the United States was held down by prospects of low cost imports. Data clearly indicate that petroleum could be imported at far less than new production costs in the United States. This resulted in increased dependence on imports and less reliance on new resources explored and exploited in the U.S. The marked decline over the years in exploratory drilling appears clearly to have been the result of low prices that did not cover economic costs. The low prices were attributable to costs of imported petroleum and the price control threat inherent in the Oil Import Program.

In order to shed light on the price problem for new domestic oil, we have undertaken an analysis of the true economic costs involved in all aspects of new production of crude oil in this country. The results are both significant and provocative. It is quite clear that for some time oil prices in the United States have been at levels well below actual costs and this has had a discouraging impact on finding and developing new sources of oil supplies. These findings may not be good news for us, but it is essential that the facts be developed and aired in order to arrive at policies which will be compatible with moving toward the fulfillment of our national objectives of reducing our dependence on insecure sources for energy and reducing the unfavorable balance of payments resulting from heavy imports of crude oil and petroleum products. Simultaneously, we must take into account the longer run needs of consumers and the problems of general inflation.

The following observations relate specifically to the cost and price problems of new oil development in the United States and should help to shed light on a complex and sensitive subject. It should be noted that these problems are quite distinct from two other issues that must be addressed by overall energy policy; the problem of conservation by constraining demand; and the problem of preventing or offsetting unintended enrichment of producers of old oil or impoverishment of consumers. Here we are dealing only with incentives and means to add to domestic supplies.

Unless oil can be sold by producers at prices sufficient to cover costs plus a return on the operators' capital investment sufficient to sustain exploration, then surely wildcat drilling in the United States will decline. It is the rate of return on capital investment that provides the drilling force to sustain the level of exploratory activity. This, in turn, determines the level of our oil discoveries and production volume.

It is in this context that we must take note of the huge cost increases that have been experienced in finding, developing, and producing crude petroleum.

The attached table, Exhibit I, provides data on the *economic cost* of finding, developing and producing crude oil in the United States for each year during the period 1959 through 1974. The oil (and related gas) reserves found each year represent the total quantity of usable reserves that are available for production attributable to all new wells drilled within that year. The total level of capital investment in drillings each year in the United States (excluding Prudhoe Bay) is also shown. Revenues from the sale of each year's discovered reserves of oil and their attendant costs were projected year by year over the calculated life of the reserve. The price at which each year's discovered oil was assumed to be sold over the life of the reserve was then determined to be at that level which would yield a discounted cash flow rate of return to the producer of 15 percent after payment of all costs, including income taxes. This is referred to as the "economic price," in that it represents the price necessary to induce wildcat producers to take the risks and incur the costs attendant on finding and developing new sources of crude oil.

In the calculations, all costs incurred in the drilling of dry wells as well as new discoveries have been taken into account. All tax incentives, such as intangible drilling costs and percentage depletion, as they actually existed in each year have been added to cash flow in arriving at the price needed to yield the 15 percent rate of return. The 1974 calculated price does not, therefore, reflect the increased costs and reduced capital accumulation which will result from the changes in percentage depletion rates and the 65 percent taxable income ceiling enacted in 1975. It does not take into account the 10 percent minimum preference tax on percentage depletion or the higher than 50 percent income tax bracket of many individual entrepreneurs.

An enterprise engaged in oil exploration is distinctly unique from most other kinds of business. It utilizes depleting capital as income and then expends the larger part of this income in ventures, many of which result in a negative return. Four out of five exploratory wells drilled are dry. A 15 percent return on invested capital must be regarded as an extremely conservative base for calculating the economic price in an industry that is so speculative and risk-laden.

The year by year economic price and the actual price received for oil discovered over the 1959-74 period are shown graphically in Exhibit II. As is evident, only in 1959 did the price actually received equal or exceed the economic price for new crude oil. The consequences of this price situation should have been anticipated. During this 1959–74 period the number of barrels per exploratory well drilled dropped by almost 50 percent. The level of drilling activity fell by 56 percent. The number of independent oil producers declined from an estimated 20,000 to 10,000. The price chart largely explains these declines. Reasonable returns from exploratory drilling involved real costs that far exceeded the prices at which oil was being bought abroad.

Despite the recent price increases in crude oil, the economic cost of new oil remained above the price actually received through 1974. If new oil prices were rolled back or if ceilings on new oil were set at levels below the economic cost, taking into account the cost effects of the changes already made in percentage depletion, we could well again experience the situation that resulted in the precipitous decline in the discovery of oil reserves over the past 20 years. Oil is more difficult to find than in the earlier years of the industry, but scientific techniques are increasingly sophisticated and costly. If the decline in domestic discoveries is to be reversed for any extended period of time, the existence of appropriate economic incentives—absent for so many years—is a necessary prerequisite for more exploration.

To the degree that exploration for new oil in the United States is discouraged, additions to reserves and domestic production will be at lower levels. This will leave the nation with the unpleasant choice of importing more oil from the Mideast and African OPEC countries or greatly reducing consumption. Reducing consumption should be pursued but it will entail sharply increased prices, sharply increased taxes, or rationing—or some combination of these. Despite the higher costs to obtain new domestic oil, the implicit price compares favorably with the price of imported oil and yields a large bonus in the form of national security.

Approximately two-thirds of domestic crude oil is sold at the controlled price of $5.25 per barrel; the remaining one-third is not subject to price ceilings. Production of crude oil at uncontrolled prices comes to about 2.9 million barrels a day, accounting for some 17 percent of the total supply, including imports from abroad, needed to meet United States demand for petroleum products. The effect on consumer prices for all petroleum products that would result from lowering prices on the 17 percent share of the market accounted for by oil presently sold at market prices is clearly very limited.

The thrust of the foregoing analysis is clear. It costs a great deal more to find, develop, and produce oil today than ever in the past. If this nation is serious about reducing dependence on oil imported from insecure sources, it will have to pay sufficient prices to cover the true economic costs of exploration, discovery, development, and production.

EXHIBIT I

COST OF NEW OIL, TOTAL UNITED STATES, YEARS 1959 THROUGH 1974

[Dollar amounts in millions]

Year	Gross oil reserves (millions of barrels) (1)	Gross gas reserves (billions of cubic feet) (2)	Gross oil and gas sales (3)	Royalty expense (4)	Ad valorem and State taxes (5)	Operating expenses (6)	Adjusted gross income (7)	Total invested capital (8)	Intangible drilling cost (9)	Depletion allowance (10)	Depreciation (11)	Taxable income (12)	Investment tax credit (13)	Federal income taxes (14)	After tax net income (15)	Net cash flow (16)	Net cash flow discounted 15 percent (17)	Gross oil price (dollars per barrel) (18)	Gas price (dollars per thousand cubic feet (19
1959	3,793	4,594	$11,740	$1,467	$680	$1,893	$7,700	$3,630	$2,341	$2,362	$857	$2,139	0	$1,070	$6,630	$3,000	0	2.86	0.190
1960	2,785	3,373	10,179	1,272	594	1,505	6,807	3,159	2,042	2,087	706	1,972	0	986	5,821	2,671	0	3.40	.21
1961	2,773	3,358	10,025	1,253	567	1,531	6,674	3,120	2,048	2,052	701	1,873	0	936	5,738	2,618	0	3.34	.227
1962	2,511	3,041	10,174	1,272	570	1,550	6,783	3,202	2,078	2,100	704	1,900	49	901	5,882	2,680	0	3.77	.233
1963	2,133	2,583	9,721	1,215	538	1,565	6,403	3,095	2,074	2,004	718	1,607	50	753	5,650	2,555	0	4.27	.237
1964	3,118	3,775	11,223	1,403	641	1,670	7,508	3,475	2,155	2,307	769	2,277	54	1,085	6,424	2,949	0	3.32	.231
1965	2,234	2,705	9,098	1,137	522	1,498	5,940	2,917	1,981	1,852	693	1,414	48	659	5,282	2,365	0	3.79	.234
1966	1,986	2,560	9,998	1,250	562	1,477	6,709	3,135	2,009	2,085	758	1,857	41	887	5,822	2,687	0	4.73	.236
1967	1,874	1,908	9,808	1,226	569	1,426	6,587	3,132	2,088	2,042	753	1,704	43	809	5,778	2,646	0	4.99	.240
1968	2,003	2,258	10,833	1,354	634	1,478	7,367	3,446	2,268	2,273	781	2,045	55	968	6,399	2,953	0	5.13	.246
1969	1,522	1,901	11,146	1,393	640	1,493	7,620	3,406	2,112	2,358	757	2,393	37	1,159	6,461	3,055	0	7.01	.251
1970	1,766	2,138	13,352	1,669	770	1,667	9,247	3,590	1,891	2,323	692	4,340	0	2,170	7,077	3,487	0	7.25	.257
1971	1,267	1,488	10,818	1,352	605	1,546	7,315	3,032	1,751	1,864	606	3,093	42	1,504	5,811	2,779	0	8.22	.273
1972	1,303	1,764	10,105	1,263	561	1,499	6,781	2,986	1,893	1,726	696	2,467	49	1,185	5,597	2,611	0	7.36	.293
1973	1,049	1,450	9,458	1,182	448	1,451	6,377	2,846	1,855	1,628	669	2,225	47	1,066	5,311	2,465	0	8.63	.279
1974	1,206	1,677	16,099	2,012	762	2,137	11,187	4,632	2,739	2,813	987	4,648	69	2,255	8,932	4,300	0	12.73	.449

Note: Figures are for total United States except Prudhoe Bay field in Alaska. All financial data expressed in constant dollars for year of initial projection. Columns may not add precisely because of computer rounding.

EXPLANATORY NOTES OF COLUMNS

(1) Oil reserves added by drilling plus expected upward revisions.
(2) Gas reserves associated with oil.
(3) Col. (1) times col. (18) plus col. (2) times col. (19).
(4) 12.5 percent of col. (3).
(5) Variable tax rate times (col. (3) minus col. (4)). Tax rate is approximately 6 percent.
(6) Direct operating costs including field labor and supplies, maintenance, general and administrative overhead.
(7) Col. (3) minus col. (4) minus col. (5) minus col. (6).
(8) Total capital investment attributable to oil reserves added in year including leasehold costs.
(9) Portion of total capital attributable to intangible drilling costs.
(10) Includes cost and percentage depletion based on law at time of 1st yr projected.
(11) Cumulative depreciation of tangible drilling costs and leasehold equipment.
(12) Col. (7) minus col. (9) minus col. (10) minus col. (11).
(13) Investment tax credit is variable for each year depending on law at start of year. Zero some years.
(14) Col. (12) times 50 percent minus col. (13).
(15) Col. (7) minus col. (14) or alternatively col. (12) minus col. (14) plus col. (10) plus col. (9) plus col. (11).
(16) Col. (15) minus col. (8).
(17) Col. (16) discounted at 15 percent per annum compounded annually. Must total zero.
(18) Gross oil price at wellhead required for 15-percent discounted rate of return after Federal income taxes.
(19) Gross gas price for the purpose of calculating co-product credits.

EXHIBIT III A.—ECONOMIC PRICE OF NEW OIL AND PRICE RECEIVED FOR OIL

[In dollars per barrel]

Year	Economic price for new oil [1]	Price received for oil [2]	Difference
1959	2.86	3.25	−0.39
1960	3.40	3.25	.15
1961	3.34	3.20	.14
1962	3.77	3.10	.67
1963	4.27	3.10	1.17
1964	3.32	3.10	.22
1965	3.79	3.10	.69
1966	4.73	3.11	1.62
1967	4.99	3.11	1.88
1968	5.13	3.16	1.97
1969	7.01	3.32	3.69
1970	7.25	3.40	3.85
1971	8.22	3.60	4.62
1972	7.36	3.60	3.76
1973	8.63	[3] 4.20	4.43
1974	12.73	[3] 10.50	2.23

[1] Col. 18, exhibit I.

[2] Price received for oil during year (east Texas field).

[3] New oil.

EXHIBIT IV A.—DOMESTIC PRODUCTION OF CRUDE OIL AND NATURAL GAS LIQUIDS AND IMPORTS OF CRUDE OIL AND REFINED PETROLEUM PRODUCTS, UNITED STATES, 1959–74

[In thousand barrels per day]

Year	U.S. production	Imports into United States	U.S. consumption
1959	7,969	1,780	9,749
1960	8,194	1,815	10,009
1961	8,242	1,917	10,159
1962	8,496	2,082	10,578
1963	8,838	2,123	10,961
1964	8,976	2,258	11,234
1965	9,242	2,468	11,710
1966	9,720	2,573	12,293
1967	10,339	2,537	12,876
1968	10,796	2,839	13,635
1969	11,215	3,166	14,381
1970	11,549	3,419	14,968
1971	11,523	3,926	15,449
1972	11,861	4,741	16,602
1973	11,296	6,256	17,552
1974	10,781	6,083	16,864

Mr. GLENN. Let me ask one more question, here, and then I will turn this back to our distinguished committee chairman.

I am sure the Senator from Louisiana would agree with me that in breaking down our energy problems into their appropriate time periods, the time to get new energy sources, the time it actually takes from a decision to get any appreciable amount of new energy is a very important factor in that, if we had an embargo today, we would be into a period of very extreme competition, of necessity, to get us by a bad situation. We need the maximum and beyond that, say, for a 5- to 6-year period; whatever else we do, we are going to be, probably, pretty heavily dependent on a petroleum economy, so we will want maximum drilling and recovery, both secondary and tertiary, and whatever else we can get, to take us through that time period.

Beyond that time we can begin to see probably some of the new energy sources that ERDA is now working on and will probably be available beginning somewhere around the 7- or 8-year time period.

So the time that the Senator's bill might have an effect here or his amendment might have an effect to me is a very important factor in it.

From the time, say, from the word "go" for secondary recovery in a field, is oil available out of that process 1 month, 2 months, 2 years, 5 years? I have no knowledge of what the time period average would be. Is it readily available oil or does it take a very extensive period to become available once the decision is made to go?

Mr. JOHNSTON. It depends on the process, but it is a fairly quick process. Usually for the typical water flood, for example, you must drill some additional holes. Sometimes you can use the same holes out of which you are producing to get the additional water flood pressure, so that you cannot say that secondary recovery or water flood or steam flood or acidizing or whatever the process, takes any specific length of time.

In general reply to the Senator's question, however, it is very rapid. You do not have to go out and wildcat and find your field; you already know where it is. All you have to do is in some cases inject whatever your process is into your well or in other cases drill some additional holes, but on a known reservoir. So compared to all the other methods of getting additional energy, this is probably the fastest there is.

Mr. GLENN. I appreciate the comments of the Senator from Louisiana.

Mr. President, I ask unanimous consent that staff member Len Bickwit be granted the privileges of the floor during the debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, I suggest the absence of a quorum, and that it be taken out of the time on both sides equally.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. If the distinguished Senator from Washington, the manager of the bill, will yield to me, I would like to make a unanimous-consent request.

Mr. JACKSON. I so yield.

Mr. MANSFIELD. Mr. President, it is my understanding that there are three amendments remaining, two which have already been offered by the distinguished Senator from Louisiana (Mr. JOHNSTON), and one which will be offered by the distinguished Senator from Pennsylvania (Mr. SCHWEIKER).

As the Senate knows, there is a limitation of time on the bill and a limitation of 1 hour on amendments.

I ask unanimous consent, Mr. President, with the approval of the major parties concerned and the joint leadership, that the vote on final passage of the pending business occur not later than 5:30 this afternoon.

The PRESIDING OFFICER. Is the Senator also asking that rule XII be waived?

Mr. MANSFIELD. Yes.

The PRESIDING OFFICER. Is there objection to the majority leader's request? The Chair hears none, and it is so ordered.

Who yields time?

MR. JACKSON. Mr. President, I yield 15 minutes on the bill, whatever time that is, to the distinguished Senator from Minnesota (Mr. HUMPHREY) to speak out of order.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. HUMPHREY. Mr. President, first of all, I want the distinguished chairman of the committee to know that I am in full support of his bill, S. 621. I think this legislation is needed, and it is going to be mighty helpful to us in our overall energy program.

AGRICULTURAL PRICE SUPPORTS—H.R. 4296

Mr. HUMPHREY. Mr. President, I rise now for another purpose. It is my understanding that today the President of the United States has vetoed the farm bill, the one that was adopted overwhelmingly in this body and adopted in the House of Representatives with a very large vote.

I regret that the President has done this, because he has again displayed his lack of understanding regarding agriculture in the American economy. He has allowed the Alice-in-Wonderland economics——

The PRESIDING OFFICER. Will the Senator from Minnesota withhold for just a moment? The Senator is entitled to quiet in the Senate.

The Senator may proceed.

Mr. HUMPHREY. He has allowed the Alice-in-Wonderland economics of Secretary Butz to prevail in rejecting this modest 1-year stopgap measure which is desperately needed by the producers of food and fiber.

The issues involved in the bill was whether anything could be done to bring some degree of stability to the farm community and the economy in 1975.

The response of Congress was to tailor the measure which was both responsible and responsive to today's needs.

While I concede that this bill left many issues unresolved, it was a helpful and needed contribution, and it was a minimum contribution to agricultural stability.

Contrary to misleading administration polemics, the bill was not expensive. The distinguished chairman of the Committee on Agriculture and Forestry, Mr. TALMADGE, has made it clear time and again that this bill was a very modest bill in terms of any cost.

Let me read from Senator TALMADGE's press release of today. He said:

> This bill would have done a great deal to restore confidence in a badly shaken world economy. Instead the veto makes farmers and ranchers more uneasy, and another dark cloud remains over our economy and this bill would not have been unduly costly either to the consumers or to the taxpayers.
>
> I suspect strongly that one of the factors leading up to this veto was the strong public opposition based on the Secretary of Agriculture's first set of exaggerated cost estimates, figures some ten times higher than the real costs of this bill.

Senator TALMADGE goes on to say:

I believe that the President has made a mistake to listen to Secretary Butz and not to the American farmer.

Now, Mr. President, while I have the opportunity, let me say that the media of this country have repeatedly recited the cost figures that Secretary Butz has put out that are in no way documented. They are merely figures pulled out of thin air or, should I say, out of the polluted air of the Department of Agriculture, and they have been spread wholesale across this country day after day.

What do I hear on radio and television, and what do I read in the press? I read the figures that Secretary Butz puts out, and then I read a little paragraph that says "but these figures are disputed by the Committee on Agriculture and Forestry.

Well, Mr. President, let me say that the Committee on Agriculture and Forestry, through its economists, made an analysis of this legislation and the maximum cost. The maximum cost would have been $400 million, and the probable cost would have been $200 million, and the Department of Agriculture has been talking about a cost of over $1.5 billion.

They lie. They tell the people falsehoods.

Is it any wonder that people are disturbed when they hear that we are trying to assure the producers of food and fiber some degree of stability?

How do we expect to get food in this country unless people can produce it, at least at the cost of production, and hopefully, with a little margin of profit?

Well, Mr. President, in the last 3 years food prices have increased over $47 billion for the American consumer.

Mr. President, while that was happening in these 3 years, the income of farmers went down from $32 billion to $20 billion. So it was not the farmer that was getting the economic ripoff.

Let me repeat that: The income of farmers went down from $32 to $20 billion.

Yet we have a Department of Agriculture that is supposed to be interested in farmers and their well-being, telling the American people that, if we do anything to help the American farmer, the consumer will pay and pay and pay.

Well, Mr. and Mrs. Consumer, farmers lost one-third of their income in these last 3 years and prices in the supermarket have gone up and up and the Secretary of Agriculture predicted only last week before the Joint Economic Committee that food prices would go up another 9 percent in 1975.

Mr. President, the cost of child nutrition programs, food stamp programs, has gone up over another $5 billion, but this administration would prefer to have our people continue to pay this price, this high price, rather than support a modest bill, such as this one which both Houses passed by substantial margins.

Clearly, this administration does not realize the value of having some stability in the price of our farm commodities. Price instability helps only one class of people in this country, the speculators—the speculators.

Price instability hurts the farmer, harms the economy, and performs an economic ripoff on the consumer.

Once those farm prices got up there on the speculative market, the supermarket prices were set right there.

When the farm prices dropped, the price of Post Toasties did not come down, bread did not come down, canned fruits and vegetables did not come down, but the American farmer came down.

The President has demonstrated, regrettably, a lack of judgment in acknowledging the USDA's misleading data.

The nearly unanimous conclusion of witnesses during recent hearings was that the sharply increased costs of production necessitated broad action to give greater protection to the farm producers.

We cannot expect our farmers to continue to produce and at the same time risk substantial losses if we have bumper crops.

Now, Mr. President, we had land grant colleges from one end of this country to the other, the finest objective, highly independent, educational institutions we have, examine into costs of production, and the target prices that we set in the new farm bill were below the cost of production.

Nobody was being guaranteed a free ride. The farmer was merely being given some little safety net below which he would not fall.

Yet this same administration wants to give a safety net to every country in the world on the price of oil. This same administration comes in and says that we ought to put up our share of $25 billion for a safety net so that people in Europe and Latin America, and elsewhere, will not have trouble paying for oil.

But when it comes to our own farm producers, to that part of the economy which is more valuable to this country than any other part, this administration says that they can get along with what they got along on 3 years ago.

The question which the administration has refused to face is what is the cost of doing nothing?

We cannot expect our farmers to continue to produce and at the same time risk substantial losses if we have bumper crops.

How many more bankruptcies in rural America do we need before the Government wakes up? How many more do we need to convince the Department that a roller coaster agricultural situation is not in the interests of our farmers or our consumers?

Last year over 3,000 Minnesota dairy farmers were forced out of production, 5,000 in the neighboring State of Wisconsin.

Does the Department want another such year for our dairy farmers?

Secretary Butz, at our Joint Economic Committee hearings, conceded that our farmers in the last year have seen their prices go down by 10 percent while their production costs increased by 15 percent. This amounts to a 25-percent reduction in revenue for our farmers.

When we have a reduction in income for anybody else in this economy, the whole Government gets excited, but if it is people that live out on the land and work day and night, husband and wife, son and daughter, they say that this is the way it has always been, that they do not need any help.

Our farmers need an increased level of protection, since the Government has called upon them to go all out in producing. At the same time, our consumers are hoping that we will have abundant supplies of food for this coming year. Farmers are rightly concerned, and in many cases they are considering cutting back their production if the Government refuses to act constructively and responsibly.

We should not be deceived by the USDA that this bill will encourage production of crops for Government warehouses. This is bunk, nonsense.

The object of this legislation is a rather simple one. It is to provide an improved safety net or floor so that our farm prices will not go to disastrously low levels in case we have the weather which produces their bumper crops.

We also all know that should this happen, and if more of our farmers are driven out of production, our consumers will not be the beneficiaries.

In most cases where farm prices drop, and even sharply, consumer prices drop, if any, very little.

The Department of Agriculture has not been willing to discuss the facts of this bill candidly and openly. Our urban citizens should not be deceived by the television broadcasts. Any time any of these TV stations want to put on a good debate, I am ready.

Instead of that, what do they do? They put on Earl Butz and he tells them what he wants to tell them and then at the end of the program they say that there are people that disagree with that.

They can bet we disagree, Mr. President.

I would like to know what would happen to the television industry if 3,000 of their people were laid off, people driven out. They would be down here like Penn Central saying, "Where is the money?"

But if we run a railroad and go broke and come into Washington and say, "Another little billion dollars to help us out," nobody gets very excited about that. They write another editorial saying the railroads need more money. But if the farmers go broke and we try to help them, they say, "subsidy."

Well, the people that get the biggest subsidy in this country are the people that get postal subsidies.

It costs more money to send your mother a letter than it does to send Newsweek or Time through the mails. One can send eight copies of the magazine for what it costs to send grandma a letter.

Well, Mr. President, I should ask, Who has followed the responsible course in all this?

I had hoped that the President would see fit to draw on other outside advice in reaching his final decision on this bill.

But this administration, which shows such a deep reverence for Adam Smith, has demonstrated almost a total ignorance of the American farmer. Adam Smith is dead and if they keep it up, some of our farmers are going to become economically dead, too.

The Congress offered a program, but the President rejected it. The Congress did everything possible to accommodate the Republican administration. Republicans and Democrats went to the White House and urged the President to sign this legislation. It was not partisan. It was unanimous in the Committee on Agriculture and Forestry. It is the President who will have to respond, however, to the American farmer and consumer.

The poor fellow has been poorly advised.

It is the farmer who will clearly recognize an absence of governmental agricultural policy that leaves him bearing all the risk of unstable food supplies and prices.

Mr. President, I ask unanimous consent that a cogent editorial on this critically important national issue which appeared, believe it or not, in the Washington Post of April 30, entitled, "Farmers, Consumers, and Nonpolicy," be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FARMERS, CONSUMERS AND NONPOLICY

Since the President intends to veto the farm bill, the next question is what he proposes to do to reassure farmers. Most farm prices have fallen sharply since last autumn, while farmers' costs of production have been rising. My Ford relayed a suggestion last week, through Secretary of Agriculture Earl Butz, that after the veto he would raise the loan prices. Part of the reason is to help the farmers; the other part is to make it less likely that Congress might override the veto. Amidst this rather routine jousting between the White House and Congress, it is important for consumers to perceive the large and dangerous questions that, so far, neither has seriously addressed.

An altogether new period in American agriculture began with the massive Russian wheat purchases almost three years ago. In retrospect, those purchases clearly emerge as the signal that rising worldwide demand for foodstuffs was beginning to dominate our domestic markets. At first, when the exports to Russia and everywhere else soared, American farmers rejoiced. Then the livestock industry began to realize that it was heading into serious losses because of the unprecedented prices of grain for its animals. Since last November, even the grain farmers have learned that the present severe instability is not a one-way ride, and wheat prices can drop as unexpectedly as they can go up. The more uncertain and speculative farming becomes, the harder it will become to achieve the maximum production that the country now urgently needs, for both consumers here and those large populations abroad that now depend upon us.

The test for any national farm policy is the way it distributes risk. Agriculture is inherently risky. Production depends on weather, and prices depend not only on production, but among other things on the decisions of foreign governments. In this country, before 1972, most of the risk was borne by the federal government. Farmers grumbled about the size of the government-owned stocks, which tended to keep prices from rising very far. Consumers complained about the costs, which were large. But the country ate well, agricultural productivity steadily rose, and the idea of actual shortages never crossed anyone's mind.

Currently, in contrast, very little actual risk is being borne by the government. Part of the present risk is borne by the consumer, who gets hit with another round of inflation at the grocery store whenever farm prices go up. When world demand falls off and prices drop, it is the farmer who is at risk. Grain prices will not have to drop nearly as far as the present loan levels before they begin to inflict devastating economic damage on many thousands of efficient and highly competent farmers.

The United States does not at present have a farm policy. It has an absence of policy that the Secretary of Agriculture celebrates as the free market system. But permitting the world's great state trading corporations, led by the Soviets and the Chinese, to dominate American commodity exchanges is not everybody's idea of free enterprise.

To get through the next year without compounding our recent mistakes, the right approach for Mr. Ford is to use his present authority to raise loan prices for grain high enough to cover average production costs. But that is a mere stopgap. Rather than wasting time with polemics over the veto, Congress might more usefully get to work at once on a comprehensive bill to protect American farmers while they undertake the costly and demanding task of expanding production for both this country and our customers abroad. An adequate farm policy will require substantial price supports to insure producers against the effects of occasional over-production, and reserves to insure the rest of us against shortage. The interests of farmers and their customers are not incompatible. There is a bill to be written offering mutual protection against economic dangers that are better understood now, on both sides, than three years ago.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HUMPHREY. May I have 3 minutes?

Mr. JACKSON. Mr. President, I yield 3 minutes on the bill.

Mr. HUMPHREY. Mr President, I have the leading publication of agribusiness, called Feedstuffs, of April 28. Feedgrain stocks down 26 percent. Corn stocks off 23 percent.

Mr. President, it also tells that pork supplies during 1975 will be the lowest they have been since 1935. It tells that cattle placements are now down 41 percent from a year ago, which means prices for choice and prime cuts of beef can be expected to move upward in the very near future. Poultry supplies, broilers, and eggs are down 10 percent from a year ago. Milk production, despite an increase in population, is just about the same, and the farmers are going broke by the hundreds and thousands.

If Chrysler lays off 500 workers, we have people in this body who say we have to do something right away. There are not many in the administration who say it, but people here in this body.

Listen to this: Corn stocks, stocks of corn in all positions, on April 1 down 23 percent from last year. Soybeans, April 1 stocks of soybeans down 11 percent from last year. Grain sorghums, stocks in all positions April 1 down 45 percent from last year. Oats down 25 percent from last year. Barley down 48 percent from last year. Wheat, the lowest it has been since 1952. Flaxseed stocks are down 32 percent below a year ago.

I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FEED GRAIN STOCKS DOWN 26%; CORN STOCKS OFF 23%, DISAPPEARANCE DOWN 13%

WASHINGTON.—Stocks of the four feed grains totaled 69.1 million metric tons as of April 1, 26% below the 93.4 million metric tons on hand a year earlier. Decreases from April 1, 1974, for individual feed grains ranged from 23% for corn to 45% for sorghum, according to the U.S. Department of Agriculture Grain Stocks in All Positions Report.

World production of grain is expected to exceed worldwide consumption and allow at least a moderate recovery of grain stock levels for the first time since 1971–72, according to USDA.

Soybean stocks, at 659 million bushels on April 1, were down 11% from a year earlier. Stocks of all wheat were 17% above a year ago at 17.4 million metric tons.

CORN

Stocks of corn in all positions on April 1 totaled 2,209 million bushels, down 23% from the 2,861 million bushels a year earlier, and 34% below April 1, 1973. This is the lowest April 1 stocks in all positions since 1955, USDA said. Farm stocks, at 1,504 million bushels, were the lowest for April 1 since 1956, and are 25% below a year ago. Off-farm stocks, at 705 million bushels, are down 17% from a year ago.

Disappearance of corn from all storage positions during January-March was indicated at 1,405 million bushels, 13% below the 1,612 million bushels used during the same quarter a year ago.

SOYBEANS

April 1 stocks of soybeans totaled 659 million bushels, down 11% from a year ago. Farm stocks, at 336 million bushels, were 1% higher than last year, while off-farm stocks, at 323 million bushels, were 20% less than April 1, 1974.

Stocks on April 1 indicate a September-March disappearance of 745 million bushels of soybeans from the beginning supply of 1,404 million bushels (carryover of 171 plus 1974 production of 1,233 million bushels). Disappearance for the same period last year totaled 869 million bushels. During the past seven months. approximatelv 296 million bushels have been exported and 415 million bushels processed for oil, USDA said.

SORGHUM

Stocks in all positions April 1 totaled 209 million bushels, down 45% from the year-earlier level of 381 million bushels and 42% below the same date in 1973. Farm stocks, at 64 million bushels, were down 44% from a year ago and off-farm holdings, at 145 million bushels, were 46% below last April. Disappearance from all storage positions during January-March of 172 million during the same quarter last year.

OATS

Stocks in all positions totaled 327 million bushels, 25% less than April 1, 1974 stocks of 436 million bushels. Farm stocks of 239 million bushels compare with 289 million bushels a year ago. The 88 million bushels held in off-farm positions are 59 million bushels below last April 1. USDA reported January-March disappearance at 184 million bushels, compared with 200 million bushels for the same quarter in 1974.

BARLEY

April 1 stocks of barely totaled 134 million bushels, down 38% from a year earlier and 48% below April 1, 1973. Farm holdings, at 62 million bushels, declined 49% from a year earlier, while off-farm stocks, at 72 million bushels, declined 23%. Disappearance from all storage positions during the January-March quarter was 96 million bushels, the lowest for the quarter since 1970, and compares with 106 million bushels during the same quarter last year.

WHEAT

All wheat in storage April 1 totaled 638 million bushels. Except for last year, this is the smallest April 1 holdings since 1952, USDA said. Stocks were 17% above a year earlier, but 31% below April 1, 1973. Farm stocks totaled 250 million bushels, 38% above a year ago while off-farm stocks, at 388 million bushels, were up 6%. Disappearance from all storage position from January-March was indicated at 463 million bushels, compared with 380 million a year earlier.

FLAXSEED

Stocks on April 1 totaled 4.7 million bushels, 32% below a year ago and the smallest April 1 stocks since the beginning of quartely flaxseed estimates in 1948, USDA said. Farm stocks accounted for 2.8 million bushels, compared with 2.6 million bushels a year ago. Off-farm holdings, at 1.9 million bushels, were down sharply from the 4.4 million bushels a year ago.

Indicated disappearance during January–March is 3.2 million bushels, compared with 3.4 million bushels a year earlier. April stocks indicate a nine-month disappearance of 11.2 million bushels from a total supply of 15.9 million bushels. Reported disappearance during this nine-month period includes and 10.8 million bushels crushed compared with 12.9 million during the same period a year earlier.

Mr. HUMPHREY. Mr. President, recently in what we call Farmland News, an important Midwestern publication on agriculture, the Assistant Secretary of Agriculture, Mr. Clayton K. Yeutter, wrote an article entitled "The Case For Instability in Commodity Prices."

I asked the opportunity to write an article for the case for stability in commodity prices. I ask unanimous consent that both of these articles be printed in the RECORD. I will leave it up to the people to judge as to which one of these positions serves the public interest.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

THE CASE FOR "INSTABILITY" IN COMMODITY PRICES

(The following is excerpted from a recent speech by Clayton K. Yeutter, assistant secretary of Agriculture and the man considered by some as the most likely to succeed Earl Butz should he step down as Agriculture secretary.)

We are beginning to hear more and more discussion by consumer groups and even by some farm organization leaders on the "stability" problem (in regard to commodity prices).

Some economists are beginning to talk again about the high cost to society of instability. This is ironic, for many of those same economists were not long ago discussing the high cost of rigidity under farm programs. The whole stability discussion sounds like a replay of the 1920s and 1930s before the experiments in government stabilization were launched.

Instability does not happen for its own sake. It happens when the supply-demand balance changes or when production costs or consumer buying power shifts.

When supply and demand become unstable, it is imperative that prices vary. Under such circumstances price has a vital economic function to perform. Crop prices, for example, rose sharply (in the 1972–74 period) to help encourage more crop production. We could have done this through government price supports—but not nearly as well. And it would have taken much longer. The market is more responsive to change than any bureaucracy.

Price changes perform another vital function—guiding consumer buying decisions. When soybean supplies were short two years ago, the government used a soybean embargo to ration the scarcity. The embargo caused panic in the streets of Japan, which had come to depend on U.S. soybeans for its protein supply.

The government action came after domestic soybean prices had already reached their high point, and threw too much of the adjustment burden on our export customers. We cost ourselves important future sales without helping consumers here at all.

Contrast the sudden and unpredictable soybean embargo with the orderly adjustment in 1973-crop wheat. The government was urged to embargo wheat exports to prevent mass hunger and $1-a-loaf bread prices in the U.S. An embargo would have triggered severe hunger in other countries. But the government did not embargo wheat shipments, prices did not go to $1 a loaf and the market found enough wheat to meet the demand of purchasers.

This year, the shortfall was in feed grains. The entire world had been building its livestock industries in recent years and economists shuddered at the thought of slaughtering those flocks and herds for lack of feed. As it turned out, the market has done a remarkable job of rationing the supply to users who need it most.

Instability also plays an important role in encouraging efficiency throughout the economy. Economists agree that one of the significant factors in recent price inflation has been the long-time boom. Consumer demand has been so strong that companies—and farms—have felt less pressure to sharpen their management pencils.

"Stability" does not achieve such results. It delays them, discourages them, sometimes even precludes them. Price changes do not cause instability; they help correct it.

Instability has a cost; there is no denying that. Uncertainty involves risk, and someone has to be compensated for taking risks. The cost of uncertainty in agriculture is illustrated by the farmer who decides to take a lower yield rather than invest extra capital in more fertilizer. It also is represented by the consumer who buys more flour than she needs for fear the price will go up.

Too much uncertainty can make it hard for farmers to figure out what consumers really want or to borrow the capital they need from wary bankers. Consumers may become confused about what represents a good food buy. Certainly, at times, the market over-reacts to actual supply and demand conditions.

Those who favor more government-imposed stability often argue that some price variability is acceptable, but why not put limits on it. The problem is that consumers want prices stabilized at low levels; producers want them stabilized at high levels. And whatever the permissible price range, supply must be controlled if prices are to remain within that range. Corn, for example, used to vary from $1.05 to $1.20. At that range we got acreage allotments, some semblance of supply control, production inefficiency and lots of surpluses.

Perhaps the worst aspect of government-imposed stability was that it prevented U.S. farmers from competing for export markets. We were consistently undersold by competitors who always knew what the U.S. price would be. Only in the last few years, when overwhelming export demand pulled our old supply-management programs out from under us, did we finally start to use our comparative advantage in agriculture. We wasted our farming power for years, in the name of stability.

It is nonsensical to talk of "stability" in farm commodities today except in an international setting. And who is it that would have the authority or omniscience to impose be any less significant than those incurred stability world wide? And would the shortcomings and costs of international stability domestically? Of course not, for the same economic principles apply.

We can, however, use existing marketing tools to reduce instability, without placing market forces in a straitjacket. Long-term contracts and the increased use of futures markets are two such tools. I expect that both will receive much more attention in the future—both domestically and internationally.

The world market can be counted on to:

encourage production when it is needed,
signal a slowdown when it is not,
conserve items that are scarce,
stimulate efficiency,
rapidly shift commodities from where they are produced most economically to where they are wanted for consumption.

Perhaps our discussions for improving the world's food security should begin with ways to improve the world market (such as lowering trade barriers) instead of trying to displace it.

THE CASE FOR STABILITY IN COMMODITY PRICES

(By Senator HUBERT H. HUMPHREY)

(The following is a response to remarks of Clayton K. Yeutter, Assistant Secretary of Agriculture, who was quoted as favoring commodity price instability in the March 15, 1975, issue of Farmland News.)

Instability versus stability—that is the farm policy question if we believe the words of the Department of Agriculture. But is it really? Isn't the issue disastrously low farm prices versus farm prices that provide farm families with a decent living? Isn't the issue sudden slumps in farm income that cause near-bankruptcy, compared to stable and rising farm incomes?

Or do we have to have farm prices that fluctuate up and down repeatedly just to prove the marketplace works?

Not everyone thinks so. Not even everyone in the Department of Agriculture. In fact, for the long list of "virtues" that Assistant Secretary Yeutter credits to price instability, the Department's chief economist, Don Paarlberg, recently cited a long list of vices. Looking back, he made this assessment of the past two years:

Prices of farm products gyrated wildly as the familiar supply-demand benchmarks were swept away.

Net farm income almost doubled and then plunged downward again.

New export markets suddenly developed and the overseas movement of grains increased dramatically.

Reserve stocks were drawn down and we scraped the bins.

Price relationships between feed and livestock first turned very favorable to livestock and then sharply unfavorable.

Land values increased 46% in two years. Some young men who went deeply into debt to buy land recently at these high prices got into difficulty.

Prices and production costs of wheat and corn rose above the loans and targets specified in the Agricultural Act of 1973 and left these producers virtually without a program.

Public concern about the price of food escalated and became a major factor in agricultural policy.

This list of the end results of instability certainly contrasts with the claims for instability cited by Mr. Yeutter. And for good reason. Almost 80% of the "benefits" from fluctuating grain prices is paid for by our own livestock producers. They have paid a high price for the absolute freedom of market prices over the past two years. The ups and downs of feed prices have brought massive losses to dairymen, cattle feeders, poultrymen and pork producers.

Livestock losses are part of the "benefits" that "boom and bust" cycles bring to farm families. It is a feature that, far from recommending instability as a national policy for agriculture, condemns it. Further, it supports my belief that we must change the policies of the last two years.

We must change because current Federal farm programs are not ensuring farm families against economic deprivation. In the coming years, we must provide programs that will help farm families reach certain goals.

First, we must assure farm families that their lifetime investments will not be swept away by one bad year. One year of extremely high feed prices must not threaten livestock producers. One year of extremely low grain prices must not threaten grain producers.

Second, we must provide insurance for farm families against natural and economic disasters beyond their control like we provide working people through unemployment compensation and retired persons through social security.

Third, we must provide an opportunity for the new farmers who are capable of starting up a farming enterprise. And we must give them some assurance that unstable farm prices will not force them out before they can prove themselves.

Fourth, we must assure the nation's food consumers that food markets will have a steady supply of food every week when they go to the store, and not only if they go early or stand in long lines. These are symptoms of fluctuating food prices. Glutted markets one month and empty counters the next cannot be tolerated.

Finally, we must assure our foreign customers of stable grain and fiber supplies at prices that do not bounce wildly from year to year. When prices move sharply up and down, we end up with broken export contracts. Either the United States decides to protect its own supplies—as in the soybean export embargo—or a foreign country decides it must protect its own buyers—as in the recent cancellation of cotton contracts. These kinds of action are the result of instability—in commodity prices, and commodity supplies.

We should be clear about the causes—it is not too much stability that leads to these kinds of outcomes.

Clearly, we have first-hand experience with what extreme instability can bring. Look at the past two and a half years: food shortages for consumers in 1973, feed shortages for livestock producers in 1974, and fears of grain surpluses for crop growers in 1975. That kind of instability—from feast to famine and back again—brings back visions of the 1920s and 1930s when farm foreclosures struck fear into the hearts of rural Americans and brought about "farmer holidays" in the grain belt of the nation.

The livestock kills and consumer boycotts of the past two years differ in form but not in the intensity of people involved. As both farmers and food consumers rode the economic roller coaster in 1973 and 1974, there were outcries for government action to stop this madness. We are a civilized nation with our destiny in our hands—not a nation at the mercy of a free and unfettered market that brings hardship to our people.

Long ago, we learned the cruel lesson of price instability when the Great Depression bankrupted farm families. We do not have to return to those days to relearn those lessons. We can reread the history books if we need that kind of knowledge.

While others spend their time reacquainting themselves with that debacle, I will spend my time building programs that include economic stabilizers for the farmers of this great nation. Those stabilizers must be fashioned so that farmers will not bear the future burden of abundant food supplies, the burdens of providing food for school breakfast and lunch programs, or the burdens for large amounts of grain for food aid.

These are programs that rank high in our national set of priorities, but they are programs that require economic protection for food producers. Instability of commodity prices and supplies will not give this nation the stable food supplies to meet these programs. It might during a year of surpluses but not year after year. We must remember that our people must eat both in good years and bad, when weather is kind and when weather is hostile. It is too much to ask our poorest consumers to eat only in good years when favorable weather or economic cycles result in abundant food supplies.

A policy of instability in commodity prices forces us to accept variation in food supplies as a demonstration of the merits of the marketplace. A healthy marketplace is a valuable asset for agriculture but not so valuable that we must let half our farm families be put through an economic wringer every other year. It may be that the Department of Agriculture believes that "a few farmers going broke each year is a healthy thing." Mr. Yeutter, apparently does. I do not!

Mr. HUMPHREY. I regret, Mr. President, that we have once again seen fit at the highest levels of government to deal the American farmer a body blow—a body blow. The farmers of America are the one hope we have in this country for any kind of favorable balance of trade. The farmers of America are one of the sources of our national strength.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HUMPHREY. Well, the farmers of America need another minute.

I am fed up to the ears——

The PRESIDING OFFICER. Who yields time?

Mr. JACKSON. Mr. President, I yield 1 minute.

Mr. HUMPHREY. I am fed up to the ears beyond that, Mr. President, with the kind of sheer administrative neglect of the valid interests of our farm people, who today are paying high interest rates, having trouble getting credit, seeing their prices going down and down, and seeing themselves facing an uncertain future. I deeply regret that the President has seen fit to veto this. I thought that a man from Michigan would understand us. I thought that a man who came from the heart of the Midwest would understand us. But I guess they make more furniture in Grand Rapids than agricultural commodities.

The PRESIDING OFFICER The Senator's time has expired.

Mr. JOHNSTON. Mr. President, I would like to associate myself with the remarks of the distinguished Senator from from Minnesota and point out that the farmers who are really getting it in the neck by this veto are the cotton farmers.

Mr. HUMPHREY. How right the Senator is.

Mr. JOHNSTON. All of these other farmers will be helped in part by regulation, but the cotton farmer cannot be helped at all by law. So the cotton farmer, who is in the position now of being able to sell his product at less cost than it actually costs to raise it, is asked to bear that burden year after year.

Mr. President, it looks to me like this administration is intent on intentionally destroying a very important segment of our farm population, to wit, the cotton farmer. I think it is the most unwise act this administration has taken among a host of unwise acts.

Mr. HUMPHREY. Will the Senator yield?

Mr. JOHNSTON. Yes.

Mr. HUMPHREY. I want to say that the evidence before the committee relating to the cotton farmer is a story of tragedy and bankruptcy for those farmers. How this administration can sit by and let the cotton farmers of this country be liquidated as they will be, and as they are being, is beyond me, and then to say that you want to have economic recovery.

I salute the Senator from Louisiana for getting up once again with his good commonsense and reminding us of what is going on.

Mr. JOHNSTON. I thank the Senator from Minnesota.

Mr. JACKSON. I commend the distinguished Senator from Minnesota, Mr. President, for what I think is a very fair and sensible statement. I think it is a tragedy that the most efficient part of our economy, namely, America's agriculture, is to be penalized. No nation on the face of the earth has as fine a food program as the United States. Here we are with only 5 percent of the world's population and we are able to feed not only our people but we are feeding half of the world. In the Soviet Union 45 percent of the people are involved in agriculture and they cannot even feed their own people.

I think this is one area of the economy where the Government of the United States should do everything in its power to encourage the incentives to the American farmer to further increase their productive capability. It goes to the very heart and strength of America at a time when we face the threat of commodity action against us in the industrialized world, such as we have witnessed in the oil cartel. It comes at a time when food can be a critical factor in providing the necessary leverage to bring some sense and order to the pricing of commodities. I want to commend the Senator from Minnesota for a very fine statement.

Mr. President, I shall defer my final remarks.

PETROLEUM PRICE INCREASE LIMITATION ACT OF 1975

The Senate continued with the consideration of the bill (S. 621) to prohibit for a period of 90 days the lifting of all price controls on domestic oil, and to thereafter require the submission to, and the right of review and disapproval of the Congress of such action within thirty days.

Mr. JOHNSTON. Will the Senator yield for a unanimous consent request?

Mr. FANNIN. Yes.

Mr. JOHNSTON. Mr. President, inadvertently the name of Senator Stone was left off of this amendment as a cosponsor. I ask unanimous consent that he be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that Senator Randolph be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the amendment previously laid aside temporarily be made the pending business.

The PRESIDING OFFICER (Mr. Javits). Without objection, it is so ordered.

Mr. JOHNSTON. Mr. President, I ask that the entitlements amendment be agreed to.

Mr. JACKSON. Mr. President, I think the amendment offered by the Senator from Louisiana is a fair amendment. It helps to remove a hardship in an area that involves the small refinery operations. It helps to further competition. I support the amendment.

Mr. President, I should like to place in the Record a statement by the distinguished Senator from Hawaii (Mr. Inouye), who is unable to be here today, in which he refers to a special problem that exists in Hawaii pertaining to independent refiners. He had proposed an amendment; but in view of the fact that we have not had a hearing on this matter, I state that the committee will be pleased to have a hearing and that there will be an opportunity to go over the problems presented by the distinguished Senator from Hawaii in connection with his own constituency, and we will be glad to hold those hearings.

Mr. President, I ask unanimous consent to have the statement by the Senator from Hawaii (Mr. Inouye) printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

Statement by Mr. Inouye

1. The Johnston amendment assumes that all small independent refiners are buyers of entitlements; however, due to special geographical or market circumstances a limited number of small independent refiners are sellers of entitlements. These small independent refiners are entitled to equal treatment under this law.

2. Since the entitlement program is a balanced ticket system for equalizing the cost of crude oils under the two tier pricing system, forgiveness from purchasing an entitlement implies that a seller of entitlements must forgo the opportunity to sell entitlements and thereby lower his crude oil costs on a barrel for barrel basis. The Johnston form of the enactment results in some of the small independent refiners subsidizing the operations of other small independent refiners. Under the price control program and assuming that the market works imperfectly enough to permit a two tier pricing of petroleum products, the Johnston amendment would result in the consumers in the areas that do not have large quantities of old oil directly subsidizing the consumers in areas with access to old oil. If the market system works to equalize the prices then the small independent refiners who are sellers of entitlements would be directly subsidizing the refiners who are buyers.

The language of an amendment should eliminate the problem of legislating a benefit for some of the small refiners and handing a portion of the bill for that benefit to other small refiners. The amendment would treat all of the small refiners equally, the small refiner entitlement buyers to receive the same benefit proposed by Senator Johnston and the small refiner entitlement seller should receive an equal benefit schedule.

Mr. JACKSON. Mr. President, I yield back the remainder of my time.

Mr. JOHNSTON. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana.

The amendment was agreed to.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the Senate resume consideration of the secondary and tertiary recovery amendment.

The PRESIDING OFFICER. That amendment is automatically before the Senate at this time.

Who yields time?

Mr. JACKSON. Mr. President, I shall speak very briefly.

The PRESIDING OFFICER. How much time does the Senator yield himself?

Mr. JACKSON. Such time as I may require.

Mr. President, I must oppose this amendment, as I did previously when it was offered by the distinguished Senator from Louisiana.

I am in accord with what he is trying to do. As I explained in connection with the presentation of the amendment on the previous bill, I do not go along on this piecemeal approach to the whole question of pricing of crude oil.

I point out, as I announced at the time, that we have started hearings on the Mandatory Allocations Act, with special reference to the pricing authority of that act. One hearing was held on April 28. We will hold further hearings on this subject, because it does represent a most critical problem so far as the economy is concerned.

If we do not handle the pricing problem properly, we are going to have a situation in which the inflationary forces will be aided and abetted further. I point out that, in connection with the President's proposal, we are going to have inflation on the installment plan.

The President's proposal would increase the price of 4 percent of old oil each month for a 2-year period. The price of this old oil will go from $5.25 a barrel, assuming now a $1 a barrel tariff, to $12.40 a barrel.

I point out that the President's proposal may, in fact, offer an incentive not to produce more oil. Under this proposal, the longer oil is held in the ground, the greater its value becomes. Every day that production is delayed, Mr. President, tends to increase future profits. Yet the argument is made that the 4 percent a month deregulation is for the purpose of increasing production when, in truth and in fact, it could decrease production, because of an incentive to delay the output of the oil in order to increase the profits later.

President Ford's proposal to decontrol old oil in 4 percent monthly increments is a businessman's dream. It is also a perverse incentive which may cause less, not more, oil to be produced.

Under the Ford program a prudent businessman would:

First. Borrow money on his oil-producing properties to finance his cash flow needs. The lender would be most willing to do so since he is practically guaranteed that the collateral will double in value.

Second. Shut in all capacity except the 4 percent each month that becomes released. The proceeds derived from the released oil could be used to retire a portion of the debt with the excess used to finance operations.

In effect, it is like a home mortgage. You finance the property and each month you make a payment on the debt. But the businessman can accept practically any interest rate because he is guaranteed a huge increase in price for his oil. This huge appreciation far exceeds any interest charges, half of which are deductible in any event. The only necessity: shut in oil until it reaches its maturity date.

This is a formula for disaster, as the following example illustrates:

A producer with 100 barrels of production has the following rather attractive option. Four barrels will be freed from controls by the administration's proposal to be sold at over $12 per barrel. The remaining 96 barrels are guaranteed to increase in value to $12 per barrel within 2 years. The producer therefore goes to the bank and offers as collateral his 96 barrels of oil. If this producer receives a loan for only 50 percent of his collateral he gets $6 for each barrel, more than could be earned by selling the oil at the controlled price of $5.25.

The producer's cash flow position is better if he borrows on the barrel of oil than if he produces it. Cash flow is maintained and the deferred production can be later sold for the full, uncontrolled price.

Mr. President, we shall have to act shortly on the President's proposal. This bill itself deals directly with that kind of deregulation. I hope that in looking at all of these proposals, including the proposal of the Senator from Louisiana, which I think does have a lot of merit from the standpoint of trying to get at high-cost energy production problems, we consider them in their entirety and not on a piecemeal basis.

I sponsored the original provision relating to the small producers, the bill that makes it possible for the stripper well operator to get the necessary incentive, where they produce 10 barrels a day or less. Mr. President, I hope that we do not, in the midst of a recession and inflation, come in now with a proposal which will bring the price of oil up to $12.40 from $5.25, and which, in my judgment, will do further violence to the whole pricing structure.

Every Member of the Senate should be cognizant of what we are doing here in adding to the cost of petroleum products. I think we need to look at the entire pricing structure if we are going to make a sensible decision. Over in the House, they are talking about adding on taxes to gasoline. When we add on those taxes, we add on the deregulation. No wonder a top executive of General Motors spoke out yesterday and said that there price increases are inviting more unemployment in the automobile industry and more and more financial trouble for that already troubled industry, let alone what it is going to do to the utility industry. No one would have thought a couple of years ago that a number of our major utilities, especially in the East, would be on the verge of bankruptcy, but that is the case today.

I hope that Senators fully understand what they may be doing if they vote for the Johnston amendment. I hope and trust that the amendment will be rejected and that we will have proper time to review the whole pricing structure as it pertains to the production of crude oil.

I am prepared to yield back my time.

Mr. JOHNSTON. Mr. President, I shall take only a minute or two.

The frustrating thing about this amendment, Mr. President, is that everyone says good things about the amendment; the only question is when is a proper time to consider it.

Everyone recognizes that this is a high-cost endeavor, to get secondary and tertiary recovery oil. It is plain, Mr. President, that we are not getting that oil now. It will not result in one penny of increased price to the consumer, because we are not getting that oil now. Right now, that oil is coming from the Middle East, coming in at the increased free market price plus the tariff put on by the President. The fact of the matter is that if we can get additional oil by this method, it ought to result in a reduction of price to the consumer, at least in the amount of the tariff imposed by the President.

Mr. President, I think we had better do something in this bill now, today, to bring forth additional supplies. All we have in this bill thus far, Mr. President, are measures to reduce the price of oil. If anyone can tell me how reducing the price of oil is going to bring new supplies onstream, I shall be very surprised.

Mr. President, we have debated this proposal previously, when S. 622 was being debated. The Senate expressed its will at that time, I think, in favor of this proposition. The only thing that has come up new since then is the clear indication that a $7.50 oil price would not help, because the new oil price is now available to those who can exceed the 1972 rate of production. The full new oil price is needed to bring forth these new supplies of oil, and I hope the Senate will vote for this bill.

I am prepared to yield back my time.

Mr. McCLURE. Will the Senator from Louisiana yield for a question?

Mr. JOHNSTON. Certainly.

Mr. McCLURE. Is it not correct that a provision substantially similar to this was adopted in S. 622 when it passed, voted on by the Senate?

Mr. JOHNSTON. It was identical, except that a cap of $7.50 was put on.

Mr. McCLURE. It was put on after the amendment was made?

Mr. JOHNSTON. Actually, the amendment itself did not pass. This amendment originally failed. On two votes, a majority of Senators voted to reconsider, in effect, on two occasions on this identical amendment. After that, by a margin of some four votes, as I recall, the $7.50 cap was put on. So I think a majority of the Senate expressed its sentiment in favor of this amendment. The Senate by a small margin went for a $7.50 cap.

Mr. JACKSON. I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JACKSON. Mr. President, I shall just take 1 minute.

I think all the Senators should understand that in the pending amendment, there is no limitation on price. The Johnston amendment which was adopted had the $7.50 limitation. This amendment means that the price will go to at least $12.40 a barrel, because with the oil tariff of $1 a barrel, it brings the price to that figure. Of course, it will go higher if further increases in the import tariff are implemented. I think all of our colleagues should understand that there is no limitation on the price under this amendment. It is total deregulation.

I am prepared to yield back the remainder of my time.

Mr. HANSEN. Mr. President, before the Senator from Louisiana yields back the remainder of his time, may I have just 1 minute?

Mr. JOHNSTON. Certainly, if I may first reply to that. Then I shall be glad to yield to the Senator from Wyoming.

That is a correct statement. The price, under the Johnston amendment, would go to what the free market price is, indeed, as it is right now, for Saudi Arabian crude or any crude that comes in from the Middle East. That is where we are getting that crude now. So the only difference is that, rather than pay it to the Middle Eastern sheiks, we shall be paying it to American producers to get oil that is too expensive to produce right now.

As a matter of fact, the only difference would be that the consumer would probably pay about $1 less or $2 less, whatever that tariff is and whatever the Senate and Congress do on that tariff. That is going to be the only difference, that we will pay, probably, less under this amendment, but pay it to Americans rather than to the sheiks.

I yield.

Mr. HANSEN. Mr. President, I associate myself with the remarks just made by the Senator from Louisiana and add that I think there are a couple of other facets that ought not to be overlooked.

First, it is going to put more Americans to work doing the job in American oilfields, where oil is known now to exist. That is important. We are concerned about having Americans go to work. Let us not forget that this is not going to mean that there will be more people employed in the Middle East or someplace else. They will be American men, working in American fields.

Second, it addresses the very important balance-of-payments problem. As the Senator from Louisiana pointed out, these dollars will not be flowing abroad. They will not give any particular cartel extra clout and extra leverage on American foreign policy, or deprive us of more of our currency to pay the bill over there. This money will stay in the United States. We shall increase our measure of national security and we shall free up, at the same time, the ability to make whatever decisions best will serve America's long-range goals and not subject us to the kind of blackmail that is inevitable as our dependence upon foreign sources of supply increases.

The PRESIDING OFFICER. Who yields time?

Mr. JOHNSTON. Mr. President, I am prepared to yield back the remainder of my time.

Mr. JACKSON. One comment, Mr. President.

I hope we can get away from this syndrome of having to follow the pricing policies of the sheiks of the Middle East. Why should we be following their pricing policies? That is one of the biggest problems with our economy today: The largest single contribution to inflation has been the astronomical increase in the price of oil.

The PRESIDING OFFICER. The Chair informs the Senator that all time on the amendment has expired. The yeas and nays have been ordered.

Mr. HANSEN. Mr. President, I yield myself 3 minutes on the bill.

The PRESIDING OFFICER. Does the Senator from Washington wish to retain the floor, or does he yield?

Mr. JACKSON. No; I yield at this point.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. HANSEN. Mr. President, let me respond to my good friend the distinguished chairman of the Committee on Interior and Insular Affairs by saying that we will follow the dictates of foreign cartels on pricing matters until we develop our own energy reserves, and that is precisely the thrust of the Johnston amendment. If we adopt it, we will have taken a very important first step in making certain that we do not need to have to look with dismay and frustration upon a continuing policy of having oil prices and energy prices in this country dictated by foreigners.

If we take this step now, and reduce our dependency upon those foreign supplies, we will have made a very important effort in the right direction.

Mr. JACKSON. Mr. President, I yield myself 30 seconds on the bill.

I hope my fellow Senators who are talking about foreign sources will join in that effort when we try to deter them from moving abroad as the richer international oil companies in this country have been doing over the past many years, with the tax benefits they receive and the right to get all of the equipment that they need at the expense of American drillers.

Until something is done to discourage the movement of capital and resources abroad for oil-drilling purposes, the problem that has been discussed here is not going to be resolved. Every move to do something about that has been frustrated in this body. I hope my colleagues will understand that the worst thing we can do now is to go on piecemeal decontrolling this oil, which is going to have such an adverse effect.

The PRESIDING OFFICER (Mr.

Javits). All time has expired. The question is on agreeing to the amendment of the Senator from Louisiana (Mr. Johnston). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Idaho (Mr. Church), the Senator from Alaska (Mr. Gravel), the Senator from Indiana (Mr. Hartke), the Senator from South Carolina (Mr. Hollings), the Senator from Hawaii (Mr. Inouye), the Senator from Vermont (Mr. Leahy), the Senator from North Carolina (Mr. Morgan), the Senator from Utah (Mr. Moss), the Senator from Mississippi (Mr. Stennis), and the Senator from Missouri (Mr. Symington) are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska (Mr. Gravel) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Nebraska (Mr. Hruska), and the Senator from Ohio (Mr. Taft) are necessarily absent.

I further announce that, if present and voting, the Senator from Ohio (Mr. Taft) would vote "yea."

The result was announced—yeas 49, nays 37, as follows:

[Rollcall Vote No. 158 Leg.]

YEAS—49

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Brock
Buckley
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Curtis
Dole
Domenici
Eastland
Fannin
Fong
Ford
Garn
Goldwater
Griffin
Hansen
Hatfield
Helms
Johnston
Laxalt
Long
Mansfield
Mathias
McClellan
McClure
McGee
Metcalf
Montoya
Nunn
Packwood
Pearson
Percy
Randolph
Roth
Scott,
  William L.
Sparkman
Stevens
Stone
Thurmond
Tower
Tunney
Weicker
Young

NAYS—37

Abourezk
Biden
Brooke
Bumpers
Cannon
Case
Chiles
Clark
Cranston
Culver
Eagleton
Glenn
Hart, Gary W.
Hart, Philip A.
Haskell
Hathaway
Huddleston
Humphrey
Jackson
Javits
Kennedy
Magnuson
McGovern
McIntyre
Mondale
Muskie
Nelson
Pastore
Pell
Proxmire
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevenson
Talmadge
Williams

NOT VOTING—13

Bayh
Church
Gravel
Hartke
Hollings
Hruska
Inouye
Leahy
Morgan
Moss
Stennis
Symington
Taft

So Mr. Johnston's amendment was agreed to.

AMENDMENT NO. 351

Mr. SCHWEIKER. Mr. President, I call up my amendment, No. 351.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Pennsylvania (Mr. Schweiker) proposes an amendment (No. 351).

The amendment is as follows:

> At the end of the bill insert the following:
>
> Sec. 106. Prohibition of Discriminatory Pricing Practices.—Section 5 of the Federal Energy Administration Act of 1974 is amended by inserting at the end thereof the following:
>
> "(c) In order to more effectively carry out the purposes of subsection (b)(6) of this section the Administrator shall, not later than ninety days after the effective date of this subsection, prescribe such regulations as are necessary to prohibit any pricing practices in the furnishing of any fuel or other form of energy (including electricity) to the ultimate consumer which are regulated by a Federal or State agency and which allow per unit rates to vary inversely with total consumption.".

Mr. MANSFIELD. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order. Senators will take their seats. The Senator will please refrain until we get the Senators seated.

The Senate will be in order. Senators will please take their seats.

The Senator from Pennsylvania.

Mr. SCHWEIKER. Mr. President, my amendment is cosponsored by my distinguished colleague from Pennsylvania (Mr. Hugh Scott) and my distinguished colleague from Minnesota (Mr. Humphrey).

Incredible as it seems, we are still rewarding energy wasters, and penalizing energy savers.

When the oil embargo hit, Americans were told to turn down their thermostats. One of my Pennsylvania constituents turned her thermostat down to 68 degrees—and the cost of her propane fuel jumped up 7 cents per gallon. When she complained to the Federal Energy Administration, she was told:

> There is no simple solution to the energy problem. Until a solution is achieved, there will be some inequities which some people such as you, must live with. But please keep in mind, that while you, and people like you, are paying more for your fuel, your conservation efforts are helping to provide an adequate fuel supply for the future.

Mr. PEARSON. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate is not in order. Senators will please take their seats.

Mr. SCHWEIKER. Mr. President, if that kind of bureaucratic insensitivity reflects the policy of this Government, I think it is high time Congress acts to change Government policy. If we want individual Americans to save energy they have got to believe we have a meaningful policy. Let us eliminate the economic penalties for those who do. If we want industrial users to conserve, let us cut out the economic incentives, in the form of sharply reduced rates, for those who waste.

Everyone agrees we face a critical short-run energy problem, and a probable long-run energy crisis. Yet the continued existence of declining block rate pricing practices—which is simply, charge more per unit of electricity for using less—insures that energy conservation will never have any real impact; nobody will ever take conservation seriously: We are still penalizing energy savers and rewarding energy wasters.

The impact of declining block rate pricing practices—charge more for using less—is enormous. My distinguished colleague from Montana (Mr. Metcalf) has included in the Record a study indicating that in the San Francisco Bay Area, electricity users pay roughly 4 cents each for the first 50 kilowatt-hours, 2 cents each for kilowatt-hours in excess of 100, and 1½ cents each for every kilowatt-hour over 1,000. The average inner city family uses 200 to 250 kilowatt-hours per month, while many more affluent users consume in excess of 1,200 kilowatt-hours per month. In short, according to this study, average per unit electricity costs for low-income inner city families are roughly 3.3 cents per kilowatt-hour, while affluent users pay barely 2 cents per kilowatt-hour.

My amendment is very simple. It will require FEA to prohibit by regulation, pricing practices of regulated energy products which permit per unit price to vary inversely with total consumption. My amendment will not involve the Federal Government in specific ratemaking determinations. It will not mandate a flat across-the-board rate, and it will not prohibit different rate structures for different classes of users or different rates for peak and offpeak hour usage, and will permit a minimum charge.

What my amendment will do is eliminate—as to electricity, natural gas, propane, and any other energy source subject to State or Federal regulation—the discriminatory pricing structure which now undermines our entire national energy conservation effort.

We are never going to convince the lady from Warren, Pa., to save electricity if her bill goes up 7 cents per unit because she turned her thermostat down and her neighbor did not, and the neighbor pays 7 cents less because she was the waster and my constituent from Warren was a saver.

Mr. JOHNSTON. Mr. President, will the Senator yield for a question?

Mr. SCHWEIKER. I am glad to yield to the Senator.

Mr. JOHNSTON. Do I understand that this amendment does not prohibit price discrimination as between different classes; for example, an industrial user could be charged a lower price than residential under the Senator's amendment, is that correct?

Mr. SCHWEIKER. That is correct. The regulatory agencies are completely left on their own to set what an industrial usage rate is versus a consuming homeowner's rate, off-peak or on-peak usages.

Mr. JOHNSTON. Off the peak and peak are at a different rate?

Mr. SCHWEIKER. That is correct.

Mr. JOHNSTON. It could also be a minimum charge. For example, all users of electricity would have a minimum charge of $5 per month, no matter how little they use? That is permitted under the amendment?

Mr. SCHWEIKER. That is absolutely correct.

Mr. JOHNSTON. What would the amendment do in the case of coal, where you have to build a facility to transport that coal, a railroad line or a pipeline?

Would all industrial users of coal have to receive the same price regardless of the amount consumed?

Mr. SCHWEIKER. First of all, this amendment would only apply to energy sources that are regulated by utility commissions. Since coal has not been subject to regulation, it would not be included. But the pricing on coal is per ton now and it does not vary. So this policy, as far as coal, would not be applicable because coal is so much per ton, whether they use 1 ton or 20 tons.

Mr. JOHNSTON. Would this amendment apply to natural gas which is now exempt from the Federal Power Commission, intrastate gas, for example?

Mr. SCHWEIKER. If it is subject to State regulation, yes. In other words, if it is subject to State regulation now, it would apply, yes.

Mr. JOHNSTON. Suppose it is regulated by a State agency, intrastate, but not regulated as to price, just to other aspects of it? Would that regulation be subject to this amendment?

Mr. SCHWEIKER. Only if the price structure is being regulated now. It would not apply if the price structure is not being regulated now.

Mr. JOHNSTON. Only if the price structure is regulated per unit and not by contract? Let us say a State regulatory agency must approve a contract for the use of natural gas now but does not regulate it on a rate structure. Would this amendment then apply?

Mr. SCHWEIKER. Yes, that is correct.

Mr. JOHNSTON. The amendment would apply?

Mr. SCHWEIKER. No, it would not apply.

Mr. JOHNSTON. It would not apply unless it is on a rate structure?

Mr. SCHWEIKER. That is right.

Mr. JOHNSTON. I thank the Senator.

Mr. SPARKMAN. Will the Senator yield 30 seconds?

Mr. SCHWEIKER. I yield 30 seconds, without losing the floor, to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. I ask unanimous consent that John I. Brooks, of my staff, be given the privilege of the floor during the consideration of the legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCHWEIKER. Mr. President, here is an insertion in the record that shows the San Francisco Bay area electricity charge. There is a customary charge of 50 cents, equivalent to a minimum charge, but for the first 50 kilowatts it is 4.3 cents per hour; the next 50 is 3.3 cents per kilowatt hour; the next 100 is 2.1 cents; the next 100 is 1.9 cents; the next 700 is 1.8 cents, and over 1,000 it is 1.6 cents per kilowatt hour. It simply encourages wastage.

We have grown up with energy that was abundant, which was ever-present. Now we see we all have to change our policy. You will never change your policy or have people accept the fact you mean business unless you can reward them economically for turning down the thermostat.

To show how ridiculous that would be, here we are with the gasoline problem. If we used this same pricing structure in gasoline, it would be saying when you drove up to the gas station the first 5 gallons would cost 70 cents, the next 5 gallons 55 cents, and over 20 gallons would cost only 30 cents a gallon. That is exactly the kind of wastage that we now have because people are encouraged to keep the thermostats high and not turn them down. Industrial users are encouraged to burn up the electricity, the natural gas or energy, and not cut back because the rates go up.

Mr. BUMPERS. Will the Senator yield for a couple of questions?

Mr. SCHWEIKER. Yes.

Mr. BUMPERS. Will the Senator tell us what effect this is likely to have on the price of consumer goods? Let me preface that with this premise: Industry, by far and away the biggest user of energy in this country, is the one that gets the best price for that quantity consumption. Is that correct?

Mr. SCHWEIKER. Under my amendment we just address ourselves to the prohibition of charging more per unit of electricity if you use less. It would not interfere with the local regulatory agency's right to set different rates for different classes of users. It would not interfere with off-peak hours or any kind of charges other than this. Those would still be left. We do not intend to get into the whole public utility commission, State utility commission, regulatory situation. It is very complex and very complicated. To do that with an amendment we feel would not be practical. We just addressed ourselves to saying that no regulatory agency that sets rates for energy can charge people more for using less. It is that simple.

Mr. BUMPERS. That goes to my question. Let me rephrase it. Maybe I misunderstood the answer.

Right now in most States those people who consume the most get the lowest rate. In other words, the rate goes down according to their consumption. The greater the quantity the smaller the rate. This amendment, if agreed to, would change that so that the rate could not be so structured, is that correct?

Mr. SCHWEIKER. That is absolutely correct. That is what it is intended to do. As the Senator pointed out, that rate structure encourages people to waste electricity or gas instead of conserving it.

Mr. BUMPERS. I agree. My question is if we can agree on the premise that industry is a big consumer and probably pays less, for example, per kilowatt hour than the domestic user or the homeowner, would this mean that in the future industry would have to pay actually more per kilowatt hour than the homeowner would because they are the big user? Would that be correct?

Mr. SCHWEIKER. This would be up to the local regulatory commission.. This amendment does not attempt to control regulatory agencies except on the one principle that you cannot charge more for selling less. So the local regulatory agency or the State would still have the prerogative to set what an industrial rate would be and what a homeowner rate would be. We do not interfere or intervene in that process as much as that may need some study. It is a pretty complex thing to do. We are saying they cannot use this pricing policy anymore. I believe it will accrue to the benefit of the homeowner who wants to save and the industrial user who wants to save.

Mr. BUMPERS. Let me say to the Senator from Pennsylvania I agree totally with his concept. My own State had an FEA grant of almost $210,000 the day before yesterday to experiment on a nationwide basis with this very pricing structure that the Senator is attempting to get at. I think it is a step in the right direction. I think it will work and I hope it will. My fear right now, of course, is that if we plunge into this with perhaps not adequate consideration, we may be penalizing the middle income people, the homeowner, the very people the Senator is attempting to help with this amendment. If industrial rates go up, obviously they are going to pass this on to the consumer. The Senator is saying that he is leaving this to the discretion of the public service commissions of the various States. It occurs to me that the almost certain result is that the cost of energy to industry in this country is going to go up very significantly and that cost is going to be passed on to the consumer.

Mr. SCHWEIKER. We are trying to give the consumer every remedy he has now, but we are giving one more. We are giving him the right to say that if he consumes less, he will be charged less. We are adding one more lever in giving them a fair chance.

The Senator has touched on some other problems. They should be dealt with, but it takes a complex study and it takes hearings. It takes a complete look at the problem. But I think this, without interfering locally, will go a long way toward assuring the average American that we mean business.

I cannot understand why people would want to save electricity if they know that if they turn the thermostat down, their bills are going to go up. We are not credible. We do not believe ourselves because of it. Nobody believes there is an energy crisis. This is the philosophy of my amendment—it is one fundamental change.

We cannot do everything, but the Senator is right in that it attempts to go to the problem with which he is concerned.

Mr. BUMPERS. Conceptually, I could not agree more with the Senator. I am ambivalent about this amendment because of the gnawing feeling I have that we may be plunging off on something to which we have not given consideration, and ultimately, as so often is the case when we act a little impulsively here, we may do the consumers of this country a great disservice.

Mr. SCHWEIKER. Under my amendment, consumers will still have every right to use the regular procedures through the regulatory agencies, and they have one more weapon. That is, we do not give great, big quantity discounts to people who burn energy as though it is going out of style. Our energy system was based upon the fact that we had plenty to spare. We saw newspaper advertisements urging people to have an electric home, to get air conditioning, and "We'll give you cheap electricity and give you a lower rate for doing it."

That is what they did. Now we want to change the direction and go the other way 180 degrees. We have changed everything but the most important thing, the rate structure, the philosophy which says that if you conserve energy, you are going to pay less. But who is going to believe us if we charge them more for turning down the thermostat? Every electric utility in the country is doing that today.

So our energy policy has become a laugh. There is an understandable reason—because we do not believe ourselves. How many people are going to turn down their thermostats so they can pay more money for their electricity?

Mr. STONE. Mr. President, will the Senator yield for a question?

Mr. SCHWEIKER. I yield.

Mr. STONE. Is the Senator's amendment permissive or regulatory?

Mr. SCHWEIKER. It is mandatory, in that the FEA must promulgate in 90 days a program for doing this. So they are mandated to do it in a certain period of time by regulation.

Mr. STONE. Does the amendment contemplate that the regulation that the FEA or the Federal authorities will issue will be permissive or mandatory?

Mr. SCHWEIKER. Mandatory.

Mr. STONE. Then, how does the Senator take the position, as he has been taking it, that another consumer right is just being created, another option? There is nothing optional about a mandatory situation, is there?

Mr. SCHWEIKER. We are giving the homeowner more help up the ladder; because instead of complaining when they turn the thermostat down and save energy, they will have a rate structure that says that they will pay less money if they save. That is what I meant by the other help.

Mr. STONE. The Senator from Florida feels, as does the Senator from Arizona, that there is a good concept in the amendment of the Senator from Pennsylvania; but at this stage of the consideration of an energy policy, without having thoroughly studied the impact of it, it could lead to the loss of jobs, for example, by reversing the discounted cost of electricity in the job-producing sector. It could lead to higher consumer product prices at a time when we are trying to get inflationary price increases down.

In other words, the concept and the idea are good, but would not the Senator do better to offer this as an optional type of amendment, more of a suggestion; or, if the form of the Senator's amendment were mandatory as to the Federal authority, that the program mandated be optional in its nature? Would not that be a better service, in putting another weapon in the arsenal of reducing energy?

Mr. SCHWEIKER. I appreciate the Senator's statement.

However, we have had how many years to opt this program? The basic structure is geared the other way, to all-out usage, all-out spending, all-out wastage.

The interesting thing is that here we are, 2 years in on an energy crisis, and no one has addressed himself to the most fundamental part of all. People should know that we mean business and are on their side, instead of saying to the FEA, "I turned up my thermostat, and my bill goes up 7 cents a unit," and they are thanked for being good Americans.

The crisis started 2 years ago, and the best we have come up with is a tax to slap on everybody, which I think has very little relevance to the realities. My amendment is a realistic approach to reversing a policy that is now wrong, obsolete, archaic, and old-fashioned.

Mr. STONE. Mr. President, will the Senator yield for a question,

Mr. SCHWEIKER. I yield.

Mr. STONE. Would the Senator consider altering his amendment so that it describes this type of reverse rate situation as to residential but does not require that we start immediately with industrial reverse rates as well? If a householder turns his thermostat on and pays more, that presumably can be controlled, and an inducement can be given to such a person without interfering with the recovery of jobs, without interfering with large-scale production. But when we require that it apply to industrial production, are we not, at this stage of our business cycle, hurting what we are trying to help in all the other legislation passing through the Senate?

Mr. SCHWEIKER. First, there is nothing in my amendment that would prohibit a State agency from saying, "This company is using x thousand units of electricity, and their total bill is so and so." They simply say, "For that we will charge, instead of a graduated scale, going the wrong way, a uniform rate," and they still pay the same amount. So that company can end up paying the same amount. They pay the same bill, nobody is affected, and there is the same end result, because they have the local option to do it.

The only thing is that if in the future they want to use more, it will cost them more; or, if they save, they will save more. The company gets a bill for the same amount; but if they go up or down as to their usage, they have to pay a straight line situation.

I do not see that it would be fair to tell the homeowners, in essence, "We will do this for you, but we will let the industrial users still go on wasting electricity." I do not think that is fair. We can be fair to the industrial users by having them pay the same rate as now, but put it on a straight line method, so that when they show 5 percent of their energy, the bill will be 5 percent less. If they go over 5 percent, they will pay 5 percent more.

This is such a basic, fundamental argument that I have a little trouble understanding why we are opposing it, except that we have been a nation of wasters and cannot get that concept out of our minds.

If we want an energy-saving program, we have to change the rate structure, and the only way to do it is that you cannot charge more for using less. It is simple and fundamental, and nobody will believe it unless we do something like this.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. SCHWEIKER. I will be glad to yield the floor at this point.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. CURTIS). The Senator from Ohio is recognized.

Mr. GLENN. Mr. President, I think we would all agree in principle with the distinguished Senator from Pennsylvania. We are all trying to get more efficient use of energy, obviously. An inverted rate structure does not do that. We all agree with that.

Certainly, we would like to see this situation corrected. But it is a very complex situation. We have very complex rate structures; and the potential of making changes of this nature, it seems to me, are rather tremendous.

Mr. STONE. Mr. President, will the Senator yield for a question?

Mr. GLENN. I will yield in a moment, as soon as I finish my statement.

We would be mandating the FEA in this regard, if this amendment were adopted, to make some rather tremendous decisions for all of us which I am not prepared to see turned over to them and to see them take over some of the functions of public utility commissions in various States.

At the present time, in the Committee on Government Operations, we have just completed some hearings—and we will have more—considering rate structure legislation. The Committee on Commerce has before it proposed legislation in this regard.

A few moments ago, the distinguished Senator from Arkansas referred to a demonstration program or an experimental program in his State that was granted on Tuesday of this week, as was one in my home State of Ohio, to investigate peak load pricing and block pricing, and how we should change some of these practices in order to use energy more efficiently and to price it more realistically.

We have concentrated some of our discussion here today, I believe, with the Senator from Pennsylvania, on home use and used some examples. I should like to know, before I vote for this amendment, much more about industrial use.

For instance, in the State of Pennsylvania, a steel State, they do much of the steel smelting in that area with electrode smelting processes. I assume that something of this major price change nature would very, very materially alter the price of steel, for instance. Maybe it would not. I do not know.

What I am pointing out is, I should like to know the cost of various industries, whether there would be changes, what effect this might have, whether it is in the steel industry, the automobile industry, or the steel industry in Ohio, across the border from Pennsylvania.

Mr. STONE. Will the Senator yield?

Mr. GLENN. In just one moment.

I think that with all of these other things being considered and with everyone concerned about block pricing and peak price structures and all the other legislation being proposed, this has such magnitude that, much as I agree with the principle the Senator from Pennsylvania is driving toward, I should like to see hearings proceed. I hope that we can have very, very early consideration of this in committees and bring this back to the floor, after hearings about what the total effect would be. I hope that the Senator from Pennsylvania will see fit not to attach this onto the bill being considered now, but will withdraw this in the expectation that we shall have early committee consideration of these matters and bring them back, after full discussion in the full area.

I yield to the Senator from Florida.

Mr. STONE. Does the Senator from Ohio feel that this amendment handles the problem of peak hours, where the real problem to electric utilities is not so much the quantity of electricity being used as the quantity being used during peak hours? Does this handle that problem?

Mr. GLENN. As I understand the amendment by the distinguished Senator from Pennsylvania, this would not approach that problem, I do not believe. That is one of the problems being looked into now that the distinguished Senator from Arkansas spoke about a few minutes ago. They are looking into that on a grant just made by the FEA for an experimental program, on Tuesday of this week. Ohio has the same thing, three other States have a similar grant. They are looking into the whole area of peak load pricing and block pricing, also; so we expect to get information back from this.

Mr. STONE. Is it not true that if we want to get a measure of price control on energy charges, we need to look not only at just the raw quantity being used, but these other problems as well. So it is not just a question of the more that is used, the less ought to be paid and the less used, the less ought to be paid.

Mr. GLENN. It is my impression that the Senator from Florida is absolutely correct. I repeat what I said as I started out speaking to this: I hope that the distinguished Senator from Pennsylvania understands that I am in complete agreement with the principle. I think this is such a far-reaching amendment that I should like to see it considered very, very carefully before we institute this. I certainly hope we can have early committee consideration and bring it back as a separate bill.

Mr. JACKSON. Will the Senator yield.

Mr. GLENN. I yield.

Mr. JACKSON. Mr. President, I wish to associate myself with the remarks of the able Senator from Ohio. I have the highest regard for the Senator from Pennsylvania. I think the problem that we face, that really bothers me, relates to the employment situation. What concerns me is that we do not have a set of standards, Mr. President, that would apply to an industry that is making more efficient use of this energy and would be rewarded accordingly in the rate structure. What, I suppose, is the most serious part of the problem is that a given industry that is following, let us say, efficient engineering standards and practices will start expanding their output and find that the costs will go up at a scale that is absolutely the converse of what we are trying to do, which is to encourage expansion of the operation to provide more employment.

I think the delicate and difficult problem is the establishment of proper standards of practice and usage to avoid wasting of energy.

I hope, and I assure my colleague, as chairman of the Committee on the Interior, that I would support hearings going into this matter in such a way as to deal directly with the issue of conservation. In fact, the bill that we passed a couple of weeks ago on the subject of conservation addressed that very question of saving energy in the industrial area. I hope we can come up with plans on the part of the President and the administration to achieve those goals which will, indeed, save energy. I think this is what the Senator has in mind.

Mr. TOWER. Will the Senator yield?

Mr. JACKSON. Senator GLENN has the floor.

Mr. GLENN. I yield 3 minutes to the Senator from Wyoming.

Mr. HANSEN. I thank the distinguished acting floor manager of the bill, the Senator from Ohio, for yielding.

Mr. President, I think we should keep in mind a few basic facts: First, why is it that industry, in all of its many ramifications, developed a policy of decreasing the unit price as consumption increased? It was for a very obvious and simple reason. That is that it costs less to produce more units of something than it does one or two.

I am in complete accord with the objective expressed by our distinguished colleague from Pennsylvania, but I must agree with my distinguished friend from Ohio that we need to know what we are doing before we do this.

As I read the amendment here, and I may be entirely wrong, there is no latitude for that kind of situation; it is mandatory.

What we want to get at, Mr. President, is the inefficient use of energy by the homeowner and by the industrial user or whatever entity may be using the energy. But it does not follow that because they are expanding their consumption, they are following bad practices because, as they start up—let us take aluminum in my State—an extra pot line, they immediately increase the amount of energy that is required. They also increase the number of people that are to be employed.

The way this is drafted, as I see it—and I have, as I say, the highest regard for the Senator from Pennsylvania and what he is trying to do, and I concur in that objective—the net effect of it is to penalize some expanding industry that would, in turn, put more people to work. It does not follow that because they are using more energy as they go up the ladder in the use of energy, it is, ipso facto, an inefficient operation and therefore, their rate structure should be such as to cause a penalty to be imposed.

The distinguished Senator from Ohio spoke about the steel industry. In my State of Wyoming, U.S. Steel has a low-grade taconite ore mine on the south end of the Wind River Mountain Range at an elevation in excess of 8,500 feet. It is high country, cold country. Their whole operation there, every bit of it, is accomplished through electric power generated east of Casper, Wyo., and transmitted by high line across that part of Wyoming to help in the production of that ore and in its partial refinement into taconite pellets, from where it is shipped down to Provo, Utah, where it goes into the manufacture of steel in an old plant that was built back in World War II days. I want to know, to be certain, before I support this amendment, that the application of it would not actually shut down and put out of business this operation. I am certain that the same concern prompts the Senator from Ohio to express his interest in what might be done in that regard.

I think that we need to know more about this amendment than we now know. The point of peaking has been made, and it is a very valid point.

The biggest cost that electrical suppliers have today is to have enough generating capacity to take care of peak loads. Industry, the kind of industry I have been talking about, uses a uniform rate of electricity over a 24-hour span of time, and it would seem to me, as I read this amendment, that it would militate against people on jobs because it could be the straw that broke the camel's back.

This is an expensive operation. At the old mill, the production in Provo is at a minimum point, and I do not think we can afford to take the risk.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. GLENN. I yield 1 minute to the Senator from Texas.

Mr. TOWER. I thank the Senator from Ohio.

The Senator from Ohio, I think, has properly put his finger on the problem of this amendment. He mentioned the steel industry, with which he is familiar, in his State. He is probably also familiar with the petrochemical industry in my State, where he used to live. The petrochemical industry, of course, is vitally important to the production of artificial fibers and synthetic fiber materials, to production of plastics used in all sorts of manufacture, and also to the production of fertilizer which impacts on the farm community.

I have done a quick check back in my State with the petrochemical industry and find that these factors will substantially raise their cost of production, and that in turn raises the cost of fertilizer, the cost of plastics, and the cost of synthetic fibers for garments. So this would impact adversely, as I see it, on both inflation and recession.

Mr. FANNIN. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

Mr. FANNIN. I commend the Senator from Pennsylvania for his goal, but unfortunately, I just feel that this would cause so much of a problem that he does not realize what would take effect. For instance, we have interruptible services in many industries. This would be a problem to handle. They have a certain rate, based upon their services, that may peak out at a time when the power is not available, so they can interrupt that service.

On natural gas down in my State, the service is interruptible and they must go to other fuels, so this is just one matter. But I know that the Senator was serious in his illustration and the letter that he used, but I think this indicates just how impractical it is, when the Senator refers to a letter and the particular writer refers to propane gas and the complaint about the rate on propane gas. It would be very impractical to try to utilize propane gas on the basis which his amendment provides. Propane gas is usually delivered and charged for on the basis of the size of the delivery. The cost to fill a 20-gallon tank would be one price. To fill a thousand-gallon tank would be another. The same user may utilize several 20-gallon tanks or one 1,000-gallon tank.

So the cost of service varies so greatly that it would be highly impractical to utilize the formula that he has provided in this particular amendment. But this is just one of many, many difficulties.

I can see it adversely affecting some industry in my own State. The aluminum industry was mentioned. This would create a great problem in that regard, and if it were adhered to, it would mean that the particular operation would go out of business. So I hope that the distinguished Senator from Pennsylvania will take greater consideration of what is involved, and that this does deserve hearings. There is a way in which I think some of his goals could be handled. But I say it is impractical to try to do so on the basis of this particular amendment.

Mr. GLENN. Mr. President, I think this matter has been adequately aired. I would like only to add one thing.

Does the distinguished Senator from Pennsylvania have any information on how this would impact, particularly, say, the steel industry, which is major in my State of Ohio and his State of Pennsylvania, with electroheating which is very common, with tremendous amounts of electricity involved? I do not have any idea how this would impact on that particularly industry; and I would be hard-pressed to vote against that. This would be a very major consideration in my regard and, of course, it would have a major impact in the State of Pennsylvania also.

I am very much for the Senator's objective here, and I guarantee him absolute support in whatever efforts we have to get this thing through committee if possible, and get it out here on the floor so we can vote on it, because I would like to see this considered.

I think he has really put his finger on a very, very important area of potential saving of energy and our unfair utility price structure. But some of the other legislation now being considered and some of the block pricing mechanisms that are under evaluation now by the four or five programs that were allotted this week to the different States by FEA seems to me would help give us a lot of information to make it very certain that we do not do something that is going to upset our economy or cause particular problems for high usage industries that we do not see right now without adequate hearings.

Mr. SCHWEIKER. In response to the Senator's question, the remedy is twofold. The remedy is first through the FEA and their regulatory promulgation process, and second the State Utility Commission will continue to have the full powers they have today.

I hear a lot of questions being raised and a lot of questions asked, but the questions now are answered by the local utility commission, and that is the way it would be answered here.

If the company was buying $10,000 worth of electricity under the present system, the local utility commission could simply still end up with a bill for $10,000 to that company, but they would be paying for a uniform unit of usage as opposed to the descending cost method, so that the bill would not have to be changed. Nobody would be thrown out of work. There is not going to be an interrupted petrochemical industry. The companies will not stop tonight. The sky will not fall in.

What will happen is they will end up getting the same bill but basically it will be based on a unit charge that does not increase when their usage goes down. It is just that simple.

So I do not know the reason for all the dire predictions and warnings. It could not be simpler.

We are not trying to dictate a Federal pricing policy. We are leaving it to the local utility commissions to do the very thing that the Senator is questioning about.

The Pennsylvania Public Utility Commission would determine a fair way of doing it. But they could take that same $10,000 charge with which they are doing it now and say they are still going to be charged $10,000 for the same amount of electricity, but if they go up or down, it will vary on basically a straight line method. If usage is going down, prices will go down. If usage goes up, prices go up.

So it is no great horrendous thing. That is why we leave it with the local utility commission to work it out and to solve the problems. They have complete latitude, I say in response to our other distinguished colleague, to have an off-peak charge. There is no interference with an off-peak charge. They would still have interruptible service. There is no interference with that.

That is the simplicity of it. We are not interfering with any of that. We are simply saying that the rate structure cannot charge more per unit for using less. All the other conditions are go. Nothing else has changed.

I think the real fundamental point is, do we really want an energy conservation program? Nobody believes we have one now. Nobody followed it. Nobody believes the Government is credible. We are all laughing at it, and I can understand why, because if you turn your thermostat down you pay higher prices. Who is going to turn the thermostat down and take it? We are serious about it. It is that simple.

Here it is 2 years into the crisis, and we have not addressed the most fundamental thing. All we have to do is change the structure at least in this one instance, and we would tell people we mean business and we are going to help them; otherwise, we tell the lady, "Go ahead and turn your thermostat up because you are going to spend less money if you do."

Mr. President, I think it is a fundamental point. I think it is a basic energy policy.

I would like to see a rollcall vote on it, and I ask at this time for the yeas and nays.

The PRESIDING OFFICER (Mr. CURTIS). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. PACKWOOD. Mr. President, although I favor the elimination of the use of decreasing rates for increased consumption—the so-called declining block rate energy pricing practices—I do not believe that a hasty and ambiguous amendment solves the problem. I want inequitable pricing practices removed, but until we have had the benefits of thorough hearings on the subject, I must oppose the Schweiker amendment.

I will support all efforts to hold prompt hearings in the Interior Committee on the subject of block-rate pricing practices. Senator SCHWEIKER has introduced legislation, S. 1421, which would eliminate these pricing inequities. But for the moment, I must oppose such unclear wording and unknown overall effect of the Schweiker amendment.

Mr. HATFIELD. Mr. President, I am in complete accord with the intent of the distinguished Senator from Pennsylvania, but I feel I cannot support his amendment today, because I cannot ascertain its scope nor predict its impact. I have looked into this matter of high end block rate structures from a legislative angle, myself, and have discovered many complexities that may make our work difficult in this area. However, I believe that the appropriate committee, perhaps my own Interior Committee, could sit down, with the benefit of hearings, and draft some sound legislation that will end low end block pricing with some certainty as to the impact of its implementation. It is my hope that early hearings can be held on the proposal of the Senator from Pennsylvania. I will certainly support his efforts.

Mr. GLENN. Mr. President, I yield back the remainder of my time.

Mr. SCHWEIKER. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of Mr. SCHWEIKER. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senate will be in order and the Senators will please take their seats so that the rollcall may proceed. The Senate will be in order. The clerk will not proceed until Senators take their seats and the Senate is in order.

The clerk will resume.

The legislative clerk resumed and concluded the call of the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Idaho (Mr. Church), the Senator from Alaska (Mr. Gravel), the Senator from Indiana (Mr. Hartke), the Senator from South Carolina (Mr. Hollings), the Senator from Hawaii (Mr. Inouye), the Senator from Vermont (Mr. Leahy), the Senator from Utah (Mr. Moss), the Senator from Mississippi (Mr. Stennis), and the Senator from Massachusetts (Mr. Kennedy) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Nebraska (Mr. Hruska), the Senator from Maryland (Mr. Mathias), the Senator from Alaska (Mr. Stevens), and the Senator from Ohio (Mr. Taft) are necessarily absent.

I further announce that, if present and voting, the Senator from Ohio (Mr. Taft) would vote "nay."

The result was announced—yeas 25, nays 60, as follows:

[Rollcall Vote No. 159 Leg.]

YEAS—25

Abourezk
Bentsen
Brooke
Cannon
Chiles
Culver
Hart, Gary W.
Haskell
Humphrey
Mansfield
McGee
McGovern
McIntyre
Mondale
Nelson
Nunn
Pastore
Pell
Percy
Proxmire
Ribicoff
Schweiker
Scott, Hugh
Stafford
Talmadge

NAYS—60

Allen
Baker
Bartlett
Beall
Bellmon
Biden
Brock
Buckley
Bumpers
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Case
Clark
Cranston
Curtis
Dole
Domenici
Eagleton
Eastland
Fannin
Fong
Ford
Garn
Glenn
Goldwater
Griffin
Hansen
Hart, Philip A.
Hatfield
Hathaway
Helms
Huddleston
Jackson
Javits
Johnston
Laxalt
Long
Magnuson
McClellan
McClure
Metcalf
Montoya
Morgan
Muskie
Packwood
Pearson
Randolph
Roth
Scott,
William L.
Sparkman
Stevenson
Stone
Symington
Thurmond
Tower
Tunney
Weicker
Williams
Young

NOT VOTING—14

Bayh
Church
Gravel
Hartke
Hollings
Hruska
Inouye
Kennedy
Leahy
Mathias
Moss
Stennis
Stevens
Taft

So Mr. Schweiker's amendment (No. 351) was rejected.

Mr. JACKSON. Mr. President, I call up my amendment, which is at the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk proceeded to read the amendment.

Mr. JACKSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add a new section as follows:

"Sec. . The Emergency Petroleum Allocation Act of 1973, as amended, is amended by adding a new section to read as follows:

"Sec. 8. The price applicable to any crude oil produced from any property in any calendar month, whose price would be increased solely by the operation of Section 4(e)(3) of this Act, and which does not exceed the volume of crude oil produced from that property in the corresponding month of 1972, shall not exceed $7.50 per barrel.".

Mr. JACKSON. Mr. President, this is a very simple amendment. It simply provides that in connection with the——

The PRESIDING OFFICER. Will the Senator withhold? Senators will take their places and the Senate shall be in order.

The Senator from Washington.

Mr. JACKSON. Mr. President, this amendment provides a $7.50 per barrel limit on the price for oil covered by the decontrol amendment of the Senator from Louisiana.

We imposed this amendment about 2 weeks ago in connection with a similar amendment on secondary and tertiary recovery.

I think it is obvious that we need some kind of a lid on the price of oil in this category and I hope that the Senate will follow the action taken previously so that we can provide a reasonable limit on the price of oil for secondary and tertiary recovery.

I will defer further time on my bill pending the location of the Senator from Louisiana. I think he should be here.

Mr. HANSEN. Mr. President, I hope that the Senator from Louisiana may be located shortly so that he can respond, as I am certain he would like to were he here.

I think it should be observed that the logic behind the Johnston amendment, as was adopted by this body, reflects the fact that the kind of oil that can be made available to the people of the United States will require an expensive commitment of cash. It is costly when you get into secondary and tertiary recovery efforts.

If we are going to recover the 59 billion extra barrels of oil over and above the 40 billion we now have in place, and which can be recovered under present technology, with present prices, and present costs being what they are, if we want to get that extra 59 billion barrels—in other words, Mr. President, if we want to increase the 40 billion barrels of oil to a total of 99 billion barrels of oil by making available the possible production from secondary and tertiary recovery—we have to have the incentive that would come from the exemption of price controls on that oil. It is just that simple.

The oil is in place. We know it is there. All it takes to bring it out is money. The trouble with the amendment proposed by the distinguished Senator from Washington results from the fact that, by putting a price cap of $7.50 per barrel on that oil, we would deny the industry the investment necessary to make this a profitable recovery. I would hope that the amendment proposed by my good friend from Washington might be rejected.

Mr. JOHNSTON. Will the Senator yield some time to me?

Mr. HANSEN. I was speaking presuming the Senator had yielded to me. The Senator has the floor.

Mr. JOHNSTON. Mr. President, I could not oppose this amendment any more strongly. This amendment would convert my amendment from an incentive amendment to precisely the opposite. Let me make completely clear why that is so. Under the existing rules, any secondary or tertiary oil that is made available from the lease that exceeds the 1972 base is entitled to the new oil price.

What this amendment would do is to say that instead of being able to get the new oil price which they can get today, all they can get is $7.50. Instead of giving an incentive, it is going to actually reduce it for those instances in which secondary and tertiary recovery can exceed the 1972 base. In those instances where it will not exceed the 1972 base, which are a very small amount of instances, then the $7.50 price differential is simply not enough to do any good.

In effect, what this amounts to, Mr. President, even though it may be authorized under the rules, is really just a reconsideration of my amendment. I would rather not have any amendment at all with secondary tertiary recovery, the independent oil operators would rather not have any amendment at all with secondary and tertiary recovery, if this kind of cap is put on it.

If you want to do away with any incentive for secondary and tertiary recovery, then put this amendment in, because it really reduces the incentive rather than increases it.

Mr. President, I cannot think of anything that would be more counterproductive than to put in this $7.50 amendment. I could not oppose it more strongly.

Mr. JACKSON. I yield back the remainder of my time.

The PRESIDING OFFICER. Is all time yielded back?

Mr. FANNIN. Mr. President, I yield back the remainder of my time.

Mr. JACKSON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time has been yielded back. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Idaho (Mr. Church), the Senator from Alaska (Mr. Gravel), the Senator from Indiana (Mr. Hartke), the Senator from South Carolina (Mr. Hollings), the Senator from Hawaii (Mr. Inouye), the Senator from Vermont (Mr. Leahy), the Senator from Utah (Mr. Moss), the Senator from Mississippi (Mr. Stennis), the Senator from Virginia (Mr. Harry F. Byrd, Jr.), and the Senator from Massachusetts (Mr. Kennedy) are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska (Mr. Gravel) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Nebraska (Mr. Hruska), the Senator from Maryland (Mr. Mathias), the Senator from Alaska (Mr. Stevens), and the Senator from Ohio (Mr. Taft) are necessarily absent.

I further announce that, if present and voting, the Senator from Ohio (Mr. Taft) would vote "nay."

The result was announced—yeas 38, nays 46, as follows:

[Rollcall Vote No. 160 Leg.]

YEAS—38

Abourezk
Biden
Brooke
Bumpers
Case
Chiles
Clark
Cranston
Culver
Eagleton
Glenn
Hart, Gary W.
Hart, Philip A.
Haskell
Hathaway
Humphrey
Jackson
Javits
Magnuson
McClellan
McGovern
McIntyre
Metcalf
Mondale
Muskie
Nelson
Pastore
Pell
Proxmire
Ribicoff
Schweiker
Scott, Hugh
Stafford
Stevenson
Symington
Talmadge
Tunney
Williams

NAYS—46

Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Brock
Buckley
Burdick
Byrd, Robert C.
Cannon
Curtis
Dole
Domenici
Eastland
Fannin
Fong
Ford
Garn
Goldwater
Griffin
Hansen
Hatfield
Helms
Huddleston
Johnston
Laxalt
Long
Mansfield
McClure
McGee
Montoya
Morgan
Nunn
Packwood
Pearson
Percy
Randolph
Roth
Scott, William L.
Sparkman
Stone
Thurmond
Tower
Weicker
Young

NOT VOTING—15

Bayh
Byrd, Harry F., Jr.
Church
Gravel
Hartke
Hollings
Hruska
Inouye
Kennedy
Leahy
Mathias
Moss
Stennis
Stevens
Taft

So Mr. Jackson's amendment was rejected.

Mr. JOHNSTON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FANNIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I am voting against S. 621, the Petroleum Price Increase Limitation Act of 1975. This bill is self-defeating, because it does nothing constructive to deal with the basic substantive problems we face in developing our energy posture. If this measure is enacted it will prevent any petroleum price increases from taking place for at least 120 days. It will prevent the President from taking any actions to cut back on the increasing levels of oil imports.

Over 3 months ago the President proposed a comprehensive national energy program. None of his proposed legislation has been enacted. On March 4, at the request of the Democratic leadership, the President postponed taking actions that S. 621 is intended to prevent in order for his administration spokesmen to meet with the Democrats to discuss an alternative energy strategy. There was to be an alternative energy strategy within 60 days. This has not developed.

S. 621 prohibits the imposition of any tariff, import fee, quota, or price floor on petroleum without prior submission to the Congress of such a proposed regulation. Either House of the Congress would then have an opportunity to veto the proposed tariff, import fee, quota, or price floor under the provisions of this measure. This bill, if enacted, will severely impair the President's flexibility to act positively and expeditiously in the interest of national security.

The bill would prevent any pass through of increased costs of petroleum production in this country, including the increased tax burden due to the modification of the depletion allowance. Instead of passing the increased costs through to the consumer, the industry would be forced to take moneys committed to its exploration and development program and pay them to the Treasury as part of its increased tax bill.

Mr. President, it is difficult for me to see how this bill would do anything to encourage domestic production of our energy resources. It appears to me to be a measure which will further discourage domestic development and will increase our need for additional importation of petroleum from unstable foreign sources.

For these, and many other reasons which have been brought to the Senate's attention during this debate, I cannot support S. 621.

Mr. McGEE. Mr. President, it is nothing new to say that our country is in the midst of a dangerously growing energy shortage. It is nothing new to say that petroleum is the life blood of the country's energy resources. What disturbs me is the old, and now accomplished move to punish the petroleum companies.

In opposing repeal of the oil depletion allowance recently, I said that legislation was punitive—that it cut a throat to stop a nosebleed. The depletion allowance was removed for the most part as a so-called tax loophole. Proponents of this adverse tax action failed to see that it created a now larger "energy loophole." Now we consider S. 621, the Petroleum Price Increase Limitation Act of 1975, more punitive legislation. I cannot support this legislation in light of what it would do to the overall energy and employment situation, not only in Wyoming where it surely will hurt, but across the Nation where we struggle for more energy and jobs.

Basically, S. 621 cannot help but reduce the number of wells drilled and increase our dependence on undependable and expensive imported oil. This bill will only further complicate the present cost-price situation in the oil industry. It prevents cost passthrough and would be counterproductive to the effort to expand exploration and production. The bill removes what may be a small trace of lingering incentive. If we lessen cash flow, we hurt the consumer.

Ten thousand independent producers cannot be wrong. The Independent Petrolem Association of America, members of which are the ones we rely on for future exploration and recovery, say passage of this bill will be a vote to decrease the future supply of domestic crude oil. The result is nonsensical—the exact opposite of what this country's modern energy policy must be. Imposition of arbitrary price ceilings on all domestic crude oil only creates replacement of those barrels that are lost at home with higher priced foreign oil. Thus, again, the result of higher prices to consumers, dependence on foreign oil, and a slowdown of American oil exploration and the loss of jobs, a tragedy to say the least.

A sudden slowdown in oil drilling activity in Wyoming has thrown many rig hands out of work. The uncertainty of the political environment has caused oil firms to postpone any questionable wildcat wells.

The bill would roll back the prices for oil produced by secondary recovery methods which is a major share of Wyoming oil production. I am informed that oil well drilling in Wyoming alone has decreased by 16 percent in the last 30 days. Think what it might be in States which produce much more oil than Wyoming and what it might be in terms of oil recovery and jobs if we pass this legislation. The doctor might say we cannot save the patient because we have no donors.

What we do have here is a possible Achilles heel.

Mr. President, I am in general agreement with opposition voiced by my colleagues regarding S. 621. The bill could create distortions in price relative to foreign crude and inequities in rewarding those producers who had rapidly raised prices and contributed to inflation while penalizing those who were restrained and public minded. There would be fine line definition problems which could lead to new oil being classified as old oil and in reverse, old oil as new. Administration of the proposed three- or four-tier system would be difficult due to a myriad of complexities in base price adjustments and possible loopholes.

I ask my colleagues to take note of a portion of a statement by Frank Zarb, Administrator of the Federal Energy Administration. Mr. Zarb notes that S. 621 would severely "impair" the President's flexibility to do what he is charged with in acting positively and quickly in the energy scene regarding national security.

We are tardy—very tardy—in enacting a national energy program which must initially consider workability for the oil companies. Inaction is causing a lack of ambition—a fatal blow to the Nation's economic structure.

But in our actions toward the goal of solving the energy and economic problems of today in this country, I find S. 621 not suitable, moreover a roadblock, toward that goal.

Mr. President, in closing, I call on my colleagues to listen to the people, the consumers, all those persons who are concerned about what the Congress is doing on these problems, and all those who are bewildered. The people's voice is well conveyed in an editorial which appeared in the Casper Star Tribune of Casper, Wyo., on April 27, entitled "Congress Must Act." We must, including the defeat of S. 621.

I ask unanimous consent the editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

CONGRESS MUST ACT

Congress should have the guts to enact a strong national energy policy under which oil companies can operate.

The endless dawdling and political uncertainty in Washington have finally made an adverse impact on the employment situation in Wyoming.

Oil rigs are being "stacked" throughout the Rockies and young men, seeking employment, are being turned away.

It all goes back to the inaction of Congress, plus talk of more punitive legislation to come.

Several major companies which had ambitious plans for exploration and drilling programs have laid these projects back on the shelf until the political jockeying is over in Congress. Meanwhile, they're not hiring any more help domestically. The emphasis is swinging to overseas exploration, where at least foreign governments have some guidelines.

Congress ended the depletion allowance for all but the smallest independents, which was bad enough. It deprived the oil industry of an estimated $1.7 billion to plow back into the costly search for petroleum reserves.

But the uncertainty doesn't end here. Legislation is being considered to remove the tax exemption for intangible drilling costs. Another bill would "reclassify" old oil and new oil, dropping the price for new oil produced by expensive secondary recovery methods in old fields. This would represent a strong blow at the economy of Wyoming, so dependent on oil and gas property and severance taxes. It could crimp the record high state biennial budget.

It all came to a head this April, with several major companies passing the word that they're "sitting tight" until Congress makes up its mind. Meanwhile, the momentum of the oil search, which reached a peak in late 1974, will be lost.

Recently there was an ad in this newspaper offering to interview skilled oil rig workers (toolpushers) for jobs overseas at salaries ranging from $25,000 to $30,000 a year.

Unless Congress makes up its mind, and quickly, we'll continue the long slide into dependence on the foreign oil cartel, or other foreign oil sources. Our balance of payments will suffer. Our standard of living could decline.

It's as though Congress, by passing punitive legislation against private enterprise, is setting the stage for a government takeover of the oil and gas industry. The old FOGCO idea (Federal Oil & Gas Co.) is being revived.

But we're not ready for this brand of socialism just yet. Who wants a big sprawling bureaucracy to produce and refine petroleum and serve us at the gas pumps, like the Postal Service in mail distribution?

Congress must get down to brass tacks. Give industry a firm energy policy and end the present political confusion.

OPPOSITION TO S. 621

Mr. DOLE. Mr. President, I oppose passage of S. 621, the Petroleum Price Increase Limitation Act of 1975. I do not oppose it because I favor higher petroleum prices. Nor do I oppose it simply because it creates a cumbersome scheme of congressional second-guessing of administration policy. Rather, I oppose this legislation because it totally fails to respond in a meaningful way to the energy crisis.

Every member of this body and every citizen of this Nation has been affected by the recent quadrupling of oil prices. Our electric bills, gasoline for our automobiles and trucks, plastic products—almost everything we use in daily life has increased in price as a result of the cartel-imposed price increases. Certainly, no Member of the Congress would oppose a bill which would assure a stabilization or reduction in petroleum prices, and opposition to S. 621 is most assuredly consistent with that premise.

This legislation would effectively establish a three-tier price system for petroleum—one price for so-called old domestic oil, another for "new" or "stripper" oil, and another for oil imported from the oil cartel. Not surprisingly, the Federal Energy Administration has indicated that such a system would create innumerable administrative complications for both the FEA and the petroleum industry—not to mention the Congress which purports to be able to maintain special "second guessing oversight" of the entire process.

Moreover, under the provisions of the Emergency Petroleum Allocation Act of 1973, the Congress already has ample authority to review presidential actions with respect to oil prices. Thus, there is no need to enact any new legislation to assure that Congress has the right to disapprove administration oil price decisions.

But, more importantly, this legislation will simply not achieve what it is designed to achieve. By establishing a ceiling on the price of all domestic petroleum, we run the risk of creating further disincentives to domestic exploration for new oil. Already we are beginning to witness a cutback in domestic oil exploration as a result of recent congressional action restricting availability of the depletion allowance for independent producers and eliminating it entirely for majors.

More fundamentally, this ill-conceived stop-gap legislation further postpones action on comprehensive energy conservation legislation. It does not address itself to the need for more domestic energy supplies. It does nothing to provide incentives for more efficient use of current energy sources and the development of new energy sources. It serves only to delude us into thinking we have done something constructive in response to the energy crisis when, in fact, we have done nothing. It is, at best, a token effort to deal with present high energy prices and, at worst, another attempt by Congress to pawn off the unpleasant and politically difficult decisions while reserving the unequal privilege of after-the-fact criticism.

To those who support this bill because they favor lower oil prices, I would urge a more long-range analysis. For the indisputable fact remains that we will not have domestic price stability until we substantially curtail or eliminate our reliance on imported oil. And it is an elementary proposition that we will not reduce reliance on foreign oil until we increase domestic production. I submit that this legislation leads us in precisely the opposite direction by discouraging the search for new oil here at home.

Mr. President, S. 621 merely represents another example of congressional delay in enactment of meaningful energy conservation legislation. The times demand leadership, not political maneuvering. The bill should be rejected.

Mr. GLENN. Mr. President, there being no further amendments, I request third reading on the bill.

The PRESIDING OFFICER (Mr. STONE). The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. JACKSON. I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. All time has been yielded back. The yeas and nays have been asked for. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from Idaho (Mr. CHURCH), the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. HARTKE), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Hawaii (Mr. INOUYE), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Vermont (Mr. LEAHY), the Senator from Utah (Mr. MOSS), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

I further announce that, if present and voting, the Senator from Vermont (Mr. LEAHY) would vote "yea."

I also announce if present and voting, the Senator from Alaska (Mr. GRAVEL) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY), the Senator from Nebraska (Mr. HRUSKA), the Senator from Maryland (Mr. MATHIAS), the Senator from Alaska (Mr. STEVENS), and the Senator from Ohio (Mr. TAFT) are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska (Mr. STEVENS), and the Senator from Ohio (Mr. TAFT) would each vote "nay."

The result was announced—yeas 47, nays 36, as follows:

[Rollcall Vote No. 161 Leg.]

YEAS—47

Biden
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Clark
Cranston
Culver
Eagleton
Ford
Glenn
Hart, Gary W.
Hart, Philip A.
Haskell
Hathaway
Huddleston
Humphrey
Jackson
Javits
Magnuson
Mansfield
McClellan
McGovern
McIntyre
Metcalf
Mondale
Morgan
Muskie
Nelson
Pastore
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Sparkman
Stafford
Stevenson
Stone
Symington
Talmadge
Tunney
Williams

NAYS—36

Abourezk
Allen
Baker
Bartlett
Beall
Bellmon
Bentsen
Brock
Curtis
Dole
Domenici
Eastland
Fannin
Fong
Garn
Goldwater
Griffin
Hansen
Hatfield
Helms
Johnston
Laxalt
Long
McClure
McGee
Montoya
Nunn
Packwood
Pearson
Percy
Scott, Hugh
Scott, William L.
Thurmond
Tower
Weicker
Young

NOT VOTING—16

Bayh
Buckley
Byrd, Harry F., Jr.
Church
Gravel
Hartke
Hollings
Hruska
Inouye
Kennedy
Leahy
Mathias
Moss
Stennis
• Stevens
Taft

So the bill (S. 621) was passed, as follows:

S. 621

An act to provide congressional review and an opprotunity to disapprove of any exemption or increases in petroleum prices and of actions to establish a petroleum price floor

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That this Act may be cited as the "Petroleum Price Increase Limitation Act of 1975".

SEC. 2. FINDINGS AND PURPOSE.—(a) The Congress hereby finds that—

(1) the President's state of the Union message announced his intention to lift all price controls on domestic oil under the authority of existing law;

(2) the removal of petroleum price controls would increase the price of crude oil and all petroleum products, including gasoline, home heating oil, and residual fuel oils, substantially, thereby creating major inflationary pressures throughout the economy.

(b) The purpose of this Act is to permit the Congress an opportunity to review and the right to disapprove and, if desirable, the time to develop fair and equitable alternatives to any proposal to remove existing price ceilings or to raise the price of domestic oil.

SEC. 3. LIMITATIONS ON PETROLEUM PRICE INCREASES.—The Emergency Petroleum Allocation Act of 1973 (87 Stat. 627), as amended, is further amended by adding a new section 8, as follows:

"SEC. 8. MAXIMUM PRICE FOR DOMESTIC CRUDE OIL.—(a) Not later than thirty days after the date of enactment of this section, the President shall promulgate and implement an amendment or amendments to the regulation established pursuant to section 4(a) of this Act which shall establish a price or prices (or the manner of determining a price or prices) for all crude oil (including that crude oil otherwise subject to section 4(e)(2) of this Act) not classified as 'old' oil under regulations in effect on January 31, 1975. The price or prices established by the President pursuant to this section shall be no greater that the price generally prevailing as of January 31, 1975, for the crude oil subject to such amendment or amendments. Such price or prices shall be effective immediately upon their inclusion (or the inclusion of the method for determining such price or prices) in such regulation.

"(b) Except as provided in section 7 of the Petroleum Price Increase Limitation Act of 1975, no exemption of any classification of petroleum, or increase in the price permitted for (1) oil classified as 'old' oil under regulations promulgated pursuant to section 4 of this Act and in effect on January 1, 1975, or (2) any other crude oil subject to the amendment or amendments required by subsection (a) of this section may be established except in accordance with the procedures established in section 5 of the Petroleum Price Increase Limitation Act of 1975.".

SEC. 4. PRICE FLOORS FOR DOMESTIC FUELS.—No tariff, import fee, quota, or other measure that restricts or controls imports of petroleum shall be established or employed for the purpose, or with the effect, of establishing or maintaining a minimum price for any domestically produced fuel or form of energy, except as provided in section 5 of this Act.

SEC. 5. REVIEW BY CONGRESS.—(a) No action covered by the provisions of section 8(b) of the Emergency Petroleum Allocation Act of 1973, as amended by this Act, or section 4 of this Act may be undertaken unless—

(1) such action is specifically authorized by law enacted after the date of enactment of this Act, or

(2) the specific action proposed to be taken is submitted to both Houses of the Congress. Each House then shall have the opportunity to disapprove of such action within thirty days of the receipt of the proposal pursuant to the procedures provided for in section 906(a), (b), and (c), 908, 909, 910, 911, 912, and 913 of title 5, United States Code, except that for the purposes of this Act:

(A) the period of congressional review and opportunity for disapproval shall be thirty calendar days rather than sixty calendar days;

(B) any reference in such sections to "reorganization plan" shall be deemed to be a reference to (i) "petroleum pricing action," which for the purposes of this Act shall mean all actions referred to in section 8(b) of the Emergency Petroleum Allocation Act of 1973, as amended by this Act; or (ii) "action to establish a petroleum price floor," which for the purposes of this Áct shall mean any action referred to in section 4 of this Act; and

(C) such thirty-day review period shall begin when such action is submitted to the Congress.

(b) If any action covered by the provisions of section 8(b) of the Emergency Petroleum Allocation Act of 1973, as amended by this Act, or of section 4 of this Act is disapproved by either House within the thirty-day review period, no officer or agency of the Federal Government shall have the authority to take any action inconsistent with the provisions of subsection (a) of this section.

(c) Any action required to be submitted to both Houses of the Congress pursuant to this section shall be accompanied by a finding and report, which shall contain the following:

(1) the need for the proposed action;

(2) the prices of imported and domestic petroleum and other fuels and forms of energy that are in fact anticipated to result from the proposed action;

(3) the impact of the proposed action upon domestic production and consumption of petroleum and other fuels and forms of energy;

(4) the impact of the proposed action and of the resulting prices of petroleum and other fuels and forms of energy upon living costs, employment and unemployment, and real incomes; and differential economic impacts among regions, socioeconomic groups, and industrial sectors of the United States; and

(5) the anticipated effects, with respect to the considerations in (3) and (4) of this subsection, of reasonable alternatives to the proposed action.

SEC. 6. EFFECT ON PRESIDENTIAL AUTHORITY.—Nothing in this Act shall be deemed to establish any new authority or to enlarge any existing authority of the President to impose or amend any tariff, fee, or quota on imported petroleum.

SEC. 7. ENCOURAGEMENT OF ENHANCED OIL RECOVERY.—Section 4(e) of the Emergency Petroleum Allocation Act of 1973, as amended (87 Stat. 627), is amended by adding a new paragraph 4(e)(3), to read as follows:

"(3)(A) In the event that the price regulation promulgated under subsection (a) of this section provides for more than one price (or manner of determining a price) for a given grade and quality of crude oil produced in a given producing area, the regulation shall provide that the price applicable to 'enhanced recovery oil', as defined in subparagraph (B) of this paragraph, shall be the highest price applicable to the given grade and quality of crude oil produced in the given producing area.

"(B) For the purposes of this paragraph endar year, of the volume of crude oil produced from any property in any calendar month, in excess of a percentage, specified in the regulation, for each subsequent calendar year, of the volume of crude oil produced from that property in the corresponding calendar month of 1972.

"(C) The percentage specified for each calendar year pursuant to subparagraph (B) of this paragraph shall reflect and take into account the rate of decline in production normally expected from individual oil reservoirs in the absence of enhanced recovery techniques, such as measures to increase the permeability of the reservoir, including acidizing and fracturing, measures to restore reservoir pressure by injection of water, steam, or gas, and measures to reduce oil viscosity or capillarity by the introduction of injected substances or heat.".

SEC. ENTITLEMENTS.—(a) Section 4 of the Emergency Petroleum Allocation Act of 1973, as amended (87 Stat. 627), is amended by adding at the end thereof the following new subsection:

"(h) Insofar as any regulation promulgated and made effective under subsection (a) of this section shall require the purchase of entitlements, or the payment of money through any other similar cash transfer arrangement aimed at equalizing the cost of crude oil to domestic refiners, such regulation shall exempt the first fifty thousand barrels per day of those refiners whose total refining capacity (including the refining capacity of any person who controls, is controlled by, or is under common control with such refiner) did not exceed on January 1, 1975, one hundred thousand barrels per day from said requirement: *Provided*, That nothing herein shall be taken to restrict the right of any small refiner as defined in section 3(4) of this Act to receive payments for entitlements or through any other such cash transfer arrangement.

(b) The amendment made by subsection (a) of this section shall be effective for payments due, pursuant to any regulation referred to in such section, with respect to crude oil receipts and runs to stills occuring on or after February 1, 1975.

The title was amended so as to read:

A bill to provide congressional review and an opportunity to disapprove of any exemption or increases in petroleum prices and of actions to establish a petroleum price floor.

Mr. NUNN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. GLENN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION—AGREEMENT FOR THE CREATION OF AN INTERNATIONAL OFFICE OF EPIZOOTICS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session for the purpose of calling up the agreement for the creation of an International Office of Epizootics, Executive M, 93d Congress, second session.

The **PRESIDING OFFICER.** Is there objection?

There being no objection, the Senate, as in committee of the whole, proceeded to consider Executive M, 93d Congress, second session, the agreement for the consideration of an International Office of Epizootics, which with its annex was read the second time, as follows:

(Translation by the Department of State)

INTERNATIONAL AGREEMENT FOR THE CREATION AT PARIS OF AN INTERNATIONAL OFFICE FOR EPIZOOTICS

(Paris, January 25, 1924)

The Governments of the Argentine Republic, Belgium, Brazil, Bulgaria, Denmark, Egypt, Spain, Finland, Great Britain, Greece, Guatemala, Hungary, Italy, Luxembourg, Morocco, Mexico, Principality of Monaco, New Zealand, Netherlands, Persia, Peru, Poland, Portugal, Roumania, Siam, Sweden, Switzerland, Czechoslovakia and of Tunisia, having considered that it would be advantageous to organize the International Office of Epizootics as referred to in the resolution adopted by the International Conference for the Study of Epizootics on the 27th May, 1921, have decided to conclude an agreement to this effect and have agreed as follows:

ARTICLE 1

The High Contracting Parties undertake to found and maintain an International Office for Epizootics with its seal at Paris.

ARTICLE 2

The office shall work under the authority and control of a committee formed by delegates of the contracting Governments. The composition and duties of this committee, as well as the organization and powers of the said office, are laid down in the organic statutes which are annexed to the present agreement and which are considered as forming an integral part thereof.

ARTICLE 3

The cost of the preliminary outlay, as well as the annual expenditure for the working and upkeep of the office, shall be covered by the contributions of the contracting States as laid down in the conditions provided for in the organic statutes to which reference has been made in article 2.

ARTICLE 4

The sums representing the contribution of each of the contracting States shall be paid by the latter at the commencement of each year through the intermediary of the French Ministry for Foreign Affairs to the "Caisse des Depot et Consignations" at Paris, whence they will be withdrawn, as and when necessitated, on the order of the director of the office.

ARTICLE 5

The High Contracting Parties reserve to themselves the right, if all are in agreement, to make any modifications of the present agreement which experience may show to be useful

ARTICLE 6

Governments which have not signed the present agreement may accede to it on their request. Such accession shall be notified through the diplomatic channel to the French Government and by the latter to the other contracting Governments; it will involve the undertaking to participate by means of a contribution to the expenses of the office under the conditions laid down in article 3.

ARTICLE 7

The present agreement shall be ratified under the following conditions:

Each Power will communicate its ratification with as little delay as possible to the French Government, who will notify the other signatory countries.

The ratifications shall be deposited in the archives of the French Government.

The present convention will enter into force for each signatory country on the day on which its ratification is deposited.

ARTICLE 8

The present agreement is concluded for a period of seven years. On the expiry of this period it will continue to remain in force for further periods of seven years between the States which have not notified one year before the end of each period their intention no longer to give effect to its provisions in so far as it concerns them.

In faith whereof the undersigned, duly authorised for this purpose, have signed the present agreement in a single copy, to which they have attached their seals; this copy will remain deposited in the archives of the French Government, and certified copies will be sent through the diplomatic channel to the contracting Parties.

The said copy is open for signature until the 30th April, 1924, inclusive.

DONE at Paris, the 25th January, 1924.

ANNEX—ORGANIC STATUTES OF THE INTERNATIONAL OFFICE FOR EPIZOOTICS

ARTICLE 1

There is set up at Paris an International Office for Epizootics composed of the States who agree to take part in its working.

ARTICLE 2

The office may not interfere in any way with the administration of the different States.

It is independent of the authorities of the country in which it is situated.

It shall correspond directly with the superior authorities or with the departments in different countries concerned with veterinary police measures.

ARTICLE 3

On the request of the international committee provided for in article 6, the French Government shall take the necessary steps to have the office recognized as an institution of public utility.

ARTICLE 4

The principal objects of the office are as follows:

(*a*) To institute and to co-ordinate all research or investigation concerning the pathology or prophylaxis of contagious diseases of animals which call for international collaboration.

(*b*) To collect and to notify to the Governments and their sanitary services the facts and documents of general interest concerning the progress of contagious diseases of animals and the means employed for fighting them.

(*c*) To study the drafts of international agreements concerning veterinary police measures and to put at the disposal of the Powers signatory to these agreements the means of controlling the execution of such agreements.

ARTICLE 5

The Governments shall send to the office—

(1) Telegraphically, notification of the first cases of cattle plague or foot-and-mouth disease occurring in a country or a district which has hitherto been free;

(2) At regular intervals, reports based on a model adopted by the committee, giving information as to the presence and extension of diseases comprised in the following list:

Rinderpest.
Foot-and-mouth disease.
Contagious bovine pleuropneumonia.
Anthrax.
Sheep pox.
Rabies.
Glanders.
Dourine.
Swine fever.

The list of diseases to which apply the one or the other of the preceding arrangements may be revised by the committee, provided that the Governments approve.

The Governments shall communicate to the office the measures they are taking for fighting animal diseases, especially those which they are taking on their frontiers to protect their territory against arrivals from contaminated countries. They will reply as far as possible to requests for information addressed to them by the office.

ARTICLE 6

The office shall be placed under the authority and control of an international committee, which shall be composed of technical representatives appointed by the participating States on the basis of one representative for each State.

ARTICLE 7

The committee of the office shall meet periodically and at least once a year; the length of its sessions is not limited.

The members of the committee shall elect by secret ballot a president, whose term of office shall last for three years.

ARTICLE 8

The working of the office shall be assured by a paid staff comprising—

A director;
Technical officials;
Personnel necessary for working the office.

The director shall be appointed by the committee.

The director shall be present at the meetings of the committee but shall not have the right to vote.

The appointment and dismissal of employees of every category shall be the duty of the director, who will report to the committee.

ARTICLE 9

The information collected by the office shall be brought to the notice of the contracting States by means of a report or by special communications addressed to them either as a matter of course or at their request.

The notifications concerning first cases of rinderpest or foot-and-mouth disease shall be sent telegraphically, as soon as they are received, to the Government and sanitary services.

Further, the office shall disseminate periodically the results of its activities in the official reports which are communicated to the participating Governments.

ARTICLE 10

The "Bulletin," which appears at least once a month, shall comprise in particular—

1. The laws and general or local regulations promulgated in the different countries concerning contagious animal diseases;
2. Information concerning the progress of contagious diseases of animals;
3. Statistics concerning the disease position among domestic animals throughout the world;
4. Bibliographical notices.

The official language of the office and of the "Bulletin" is French. The committee may decide that parts of the "Bulletin" shall be published in other languages.

ARTICLE 11

The money required for the working of the office shall be provided by the States signatory to the agreement and by those who shall adhere in due course, whose contribution shall be fixed according to the following categories:

1st category, at the rate of 25 units;
2nd category, at the rate of 20 units;
3rd category, at the rate of 15 units;
4th category, at the rate of 10 units;
5th category, at the rate of 5 units;

6th category, at the rate of 3 units; on the basis of 500 francs per unit.

Each State is at liberty to choose the category into which it wishes to be enrolled. It will always be permitted to transfer at a later date into a higher category.

ARTICLE 12

A sum to provide for a reserve fund shall be deducted from the annual receipts. The total of this reserve, which may not exceed the amount of the yearly budget, shall be invested in first class State securities.

ARTICLE 13

The members of the committee shall receive from the funds set aside for the working of the office an allowance for traveling expenses. Further, they shall receive an attendance fee for each of the sittings which they attend.

ARTICLE 14

The committee shall fix the sum which is to be taken yearly from its budget in order to contribute towards the provision for pensions on retirement for the personnel of the office.

ARTICLE 15

The committee shall fix its annual budget and approve the statement of expenditure. It shall settle the statutory regulations for the personnel, as well as all the arrangements necessary for the working of the office.

These regulations as well as the arrangements shall be communicated by the committee to the participating States, and cannot be modified without their assent.

ARTICLE 16

A statement of the management of the office's funds shall be sent annually to the participating States at the end of the fiscal year.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that excerpts from the report of the Committee on Foreign Relations on this agreement be printed at this point in the RECORD.

There being no objection, the excerpts from the committee report (Executive 94-4) were ordered to be printed in the RECORD, as follows:

PURPOSE

The primary purpose of this agreement is to provide an international information office to report on the outbreak of animal diseases. As a collateral function, the office performs a clearinghouse service for the exchange of technical information on the control of animal diseases. It also provides uniform sanitary codes for the movement of livestock and other animals in international trade.

BACKGROUND

The International Office of Epizootics has been in existence for more than fifty years. It is supported by 90 countries, including all of the developed countries except the United States.

As justification for United States membership at this time, President Ford's letter of transmittal to the Senate states: "In these times of increased concern about food availability at home and abroad, the United States is obliged to help protect that supply. The cost of participation in OIE is small when weighed against its potential benefits. Also the United States can make its scientific and managerial experience in disease control available through OIE in an effective way to underline our international interest in food supply."

According to the transmittal documents, both the Department of Agriculture and the Senate Committee on Agriculture and Forestry are on record as endorsing United States participation in this agreement. Various private organizations, including the United States Animal Health Association, have issued similar endorsements.

United States contributions to the OIE for 1975 are calculated at $16,625. In 1976, this amount will increase to $30,076 per year and will remain at this level through 1978.

COMMITTEE ACTION

The Committee held a public hearing on this Agreement on April 24, 1975. At that time, Dr. F. J. Mulhern, Administrator, Animal and Plant Health Inspection Service, U.S. Department of Agriculture, testified in favor of the Agreement. On the same day, the Committee considered this Agreement in executive session and by a voice vote ordered the Agreement reported favorably to the Senate for advice and consent to ratification. The Committee is not aware of any opposition to this Agreement.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the treaty be considered as having passed through its various parliamentary stages up to and including the presentation of the resolution of ratification.

The PRESIDING OFFICER. Without objection, the treaty will be considered as having passed through its various parliamentary stages up to and including the presentation of the resolution of ratification which the clerk will state.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the International Agreement for the Creation at Paris of an International Office of Epizootics, done at Paris on January 25, 1924, with annexes (Ex. M, 93-2).

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote on this agreement take place at 4:00 p.m. on Monday, May 5, 1975.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER VACATING THE TIME FOR THE CONVENING OF THE SENATE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the convening of the Senate for tomorrow be vacated.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 11 A.M. ON MONDAY, MAY 5, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent when the Senate completes its business today it stand in recess until the hour of 11 a.m. on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Later in today's proceedings the time for the Senate to convene on Monday was changed to 12 o'clock noon.)

ORDER TO CALL UP CONFERENCE REPORT ON SURFACE MINING ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of routine morning business on Monday it be in order for Mr. METCALF to call up the conference report on surface mining.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO PROCEED TO THE CONSIDERATION OF S. 409 ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the surface mining conference report the Senate proceed to the consideration of S. 409, a bill to amend the Council on Wage and Price Stability Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO PROCEED TO THE CONSIDERATION OF S. 200 ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on the disposition of S. 409 the Senate proceed to the consideration of S. 200.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR NO ROLLCALL VOTES PRIOR TO 4 P.M. ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no rollcall votes be had on Monday prior to the hour of 4 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the President pro tempore laid before the Senate a message from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON THE TRADE AGREEMENTS PROGRAM—MESSAGE FROM THE PRESIDENT

The President pro tempore laid before the Senate a message from the President of the United States transmitting the Nineteenth Annual Report of the President of the United States on the Trade Agreements Program, which, with the accompanying report, was referred to the Committee on Finance. The message is as follows:

To the Congress of the United States:

I am pleased to transmit herewith to the Congress the Nineteenth Annual Report of the President of the United States on the Trade Agreements Program. This report covers calendar year 1974.

The world economy in 1974 was characterized by deepening stresses and strains caused by persistent inflation, a downturn in economic activity, structural dislocations in the wake of the oil crisis, high rates of unemployment, and widespread uncertainty as to the future. In such circumstances, most governments faced strong pressures to adopt unilateral restrictions on imports, to promote their export earnings and to secure access to essential supplies.

Fortunately, most governments have not forgotten the costly lessons of the nationalistic, go-it-alone policies and ensuing trade wars of the 1930s. With economic wisdom and political courage, the world's industrialized countries have in large part held the line against the proponents of short-sighted solutions involving unilateral measures restricting and distorting trade and competitive currency devaluations. Moreover, recognizing the need for positive, cooperative approaches, most of the world's trading nations joined in technical preparatory work for far-reaching multilateral negotiations to reduce trade barriers, as had been agreed to by over 100 countries in September 1973. By the end of 1974, this preparatory groundwork was largely completed.

Passage of the Trade Act of 1974 last December opened the way for the multilateral trade talks to move into the negotiating stage in February 1975. Countries accounting for most of the world's trade are participating in negotiations which will include all types of tariff and nontariff barriers that affect agricultural as well as industrial trade. Both developed and developing countries expect major benefits from the results.

When these negotiations were launched in 1973 at a Ministerial-level meeting in Tokyo, the objective was to achieve the "expansion and even greater liberalization of world trade and improvement in the standard of living and welfare of the people of the world." This commitment has been reaffirmed in recent meetings of the Trade Negotiations Committee in Geneva. The spirit of cooperation offers hope for broad and significant results.

The mandate given the President in the new trade legislation will enable the United States to play a leading role in these multilateral negotiations. Our position will be strengthened, moreover, by the close working arrangements which have been established between the executive branch and the Congress. Under these arrangements, representatives of the Congress have an important voice in U.S. policies and are participating fully in the negotiating sessions.

U.S. negotiators will also have the benefit of far more extensive advice from the public sector than in the past. Public hearings by the International Trade Commission are in progress. Hearings by the executive branch will open soon. Advisory committees, made up of a cross-section of the public interest and agriculture, industry, labor and consumer groups involved, will provide input for the U.S. negotiating effort at both the policy and technical levels.

The Trade Act, like the earlier Declaration of Tokyo, recognizes the importance of providing fair and reasonable market access to products exported by developing countries. As one step toward this objective, the act provides for the granting of temporary generalized tariff preferences to such countries. The mandatory procedural steps for establishing the preference system have been initiated. When the system is in operation later this year, it will offer substantial benefits to many developing countries.

I am hopeful, that as implementation moves forward, the Congress will provide the necessary authority to include other developing countries through waiver of those restrictions of the Trade Act that are incompatible with our national interest and to which a number of countries have voiced strong objections.

At the same time, in signing the Trade Act on January 3, 1975, I expressed reservations about the wisdom of one of its provisions relating to restrictions on trade with the Soviet Union which led the U.S.S.R. to repudiate its 1972 trade agreement with the United States. This action by the Soviet Union constitutes an unfortunate setback to normalization of our economic relations with that country. In a spirit of cooperation with the Congress, I am hopeful that a solution to this problem can be found.

In light of the serious economic problems in the United States and elsewhere in the world today, efforts to preserve and build upon past gains in the trade field are now more urgent and imperative than ever. A more open, fair, and nondiscriminatory system, providing access to both markets and supplies, can give a vital stimulus to economic recovery, increased employment, and sound growth both in the United States and in the world economy. Congress has provided the mandate for the United States to move forward toward these objectives in cooperation with other nations. It is my intention to carry out this mandate fully and expeditiously, in the interests of the health of the American economy and the strengthening of harmonious and mutually beneficial economic relations among all countries of the world.

Gerald R. Ford.

The White House, *May 1, 1975.*

REPORT OF THE NATIONAL VOLUNTARY SERVICE ADVISORY COUNCIL—ADDITIONAL REFERENCE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a message from the President, transmitting the annual report of the National Voluntary Service Advisory Council, which was referred yesterday to the Committee on Labor and Public Welfare, also be referred to the Committee on Foreign Relations.

The PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

At 1:21 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House failed to agree to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6096) to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions on the availability of funds for the use of U.S. Armed Forces in Indochina, and for other purposes.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The President pro tempore laid before the Senate the following letters, which were referred as indicated:

Proposed Supplemental Appropriation for the Department of State—(S. Doc. 94–47)

A communication from the President of the United States transmitting a proposed supplemental appropriation for the fiscal year 1975 in the amount of $7 million for the Department of State (with accompanying papers); to the Committee on Appropriations, and ordered to be printed.

Report on the Situation in South Vietnam

A communication from the President of the United States reporting, pursuant to law, on the situation in South Vietnam; to the Committee on Foreign Relations, and ordered to be printed.

Release of Impounded Budget Authority

A letter from the Assistant Comptroller General reporting, pursuant to law, on the release of $11.4 million of impounded budget authority for railroad-highway crossings demonstration projects; to the Committee on Appropriations, the Committee on the Budget, the Committee on Public Works, jointly, pursuant to the order of January 30, 1975, and ordered to be printed.

Release of Impounded Budget Authority

A letter from the Assistant Comptroller General reporting, pursuant to law, on the release of $9.1 billion in impounded budget authority for the Federal-aid highway program; to the Committee on Appropriations, the Committee on the Budget, the Committee on Public Works, jointly, pursuant to the order of January 30, 1975, and ordered to be printed.

Decontrol of Price of Domestic Crude Oil

A communication from the President of the United States relating to proposals regarding the national energy program; to the Committee on Finance, the Committee on Interior and Insular Affairs, and the Committee on Banking, Housing and Urban Affairs, jointly, by unanimous consent.

Mr. ROBERT C. BYRD subsequently said: Mr. President, I ask unanimous consent that a communication from the President of the United States, relative to energy matters, be referred jointly to the committees on Finance, Interior and Insular Affairs, and Banking, Housing and Urban Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROPOSED LEGISLATION BY THE PRESIDENT

A communication from the President of the United States transmitting a draft of proposed legislation to amend the Emergency Unemployment Compensation Act of 1974 and the Emergency Jobs and Unemployment Assistance Act of 1974 (with accompanying papers); to the Committee on Finance and the Committee on Labor and Public Welfare, jointly, by unanimous consent.

Mr. ROBERT C. BYRD subsequently said: Mr. President, I ask unanimous consent that a communication from the Department of Labor, transmitting a draft bill "To amend the Emergency Unemployment Compensation Act of 1974 and the Emergency Jobs and Unemployment Assistance Act of 1974" be referred jointly to the committees on Finance and Labor and Public Welfare.

The PRESIDING OFFICER. Without objection, it is so ordered.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the **PRESIDENT** pro tempore:

House Concurrent Resolution 40 agreed to by the General Assembly of the State of Arkansas; to the Committee on Finance:

"HOUSE CONCURRENT RESOLUTION URGING THE UNITED STATES CONGRESS AND THE PRESIDENT TO DEFER ANY ACTION RELATING TO THE ELIMINATION AND/OR REDUCTION OF THE DEPLETION ALLOWANCE UNTIL THERE HAS BEEN A SUBSTANTIAL INCREASE IN DOMESTIC RESERVES

"Whereas, the President and the United States Congress are currently considering elimination and/or reduction of the depletion allowance on oil and gas; and,

"Whereas, an elimination and/or reduction of the depletion allowance on oil and gas, if approved by Congress, will necessarily discourage and retard exploration for new reserves of oil and gas in the United States; and,

"Whereas, recent increases in the price of crude oil and natural gas, when coupled with the depletion allowance now in effect, has resulted in a great increase in exploration for new reserves of such natural resources, since such exploration has been made economically feasible by the recent increase in said prices; and,

"Whereas, new exploration prior to the recent increase in value of crude oil and natural gas, even with the depletion allowance, was not economically feasible because of the tremendous risk involved when compared to the estimated pay out and return on investment; and,

"Whereas, recent statistics indicate that approximately 75% of drilling and production activities nationwide is undertaken by independent operators who would, if the depletion allowance is reduced or eliminated, suffer great personal hardships being indirectly deprived of the livelihood resulting in a tremendous reduction in the exploration and production of oil and gas; and,

"Whereas, in the period from 1965 to 1974, comparing the effects of the reduction of the depletion allowance from 27½% to 22%, total permits issued to drill for oil and gas in the State of Arkansas have declined from a high of 491 permits issued in 1966 to a low of 307 permits issued in 1973; development permits issued have declined from a high of 373 in 1966 to a low of 234 in 1973; wildcat permits issued have declined from a high of 118 in 1966 to a low of 73 in 1973; oil production has declined from a high of 25,930,081 barrels per year to a low of 16,554,219 barrels per year in 1974; natural gas production has declined from a high of 184,652,991 MCF's per year to a low of 126,337,248 MCF's per year; oil reserves declining from a high of 337,879,000 barrels in 1965 to a low of 326,448,000 barrels in 1970; and natural gas reserves have declined from a high of 2,977,205,000 MCF's in 1968 to 1,944,996,052 MCF's in 1973.

"Now therefore, be it resolved by the House of Representatives of the 70th General Assembly, the Senate concurring therein: That the House of Representatives and the Senate of the 70th General Assembly hereby respectfully urges and requests the United States Congress and the President of the United States to defer further action on the subject of the depletion allowance, as the same affects crude oil and natural gas, until such time as this country has had ample opportunity to drill, explore, and produce sufficient amounts of crude oil and natural gas as to adequately meet the needs of the citizens of these United States and has stored reserves of such highly valuable resources sufficient to meet the needs of the citizens of this country in weathering the present energy crisis and any similar national crisis in the future.

"Be it further resolved that upon passage of this Resolution, a copy of same be transmitted forthwith by the Chief Clerk of the House of Representatives to the President of the United States, the Speaker of the United States House of Representatives, the President Pro Tem of the United States Senate, the Chairman of the House Ways and Means Committee, and the Arkansas Congressional Delegation."

Senate Resolution No. 50 of the Senate of the State of Maryland; to the Committee on Finance:

"SENATE RESOLUTION NO. 50

"A Senate resolution concerning the asphalt cement industry for the purposes of requesting the United States Congress, the Federal Energy Office, and the President of the United States, to exempt asphalt cement from all levies, taxes, or fees that are a part of the recently announced energy-conservation program.

"Whereas, Asphalt cement is a raw material for construction and not an energy product; and

"Whereas, Asphalt cement as a raw material represents a permanent investment when used in construction and maintenance of Maryland's roads, streets, highways, parking lots, and airports; and

"Whereas, The proposed Federal tax portends a ⅓ increase in the price of asphalt cement, an oil product which increased in price in Maryland by over 100 percent in 1974; and

"Whereas, The effect of such an import tax will create an undue hardship on the hot-mix asphalt industry and it will be inflationary. First, it will add unrecoverable costs to work under contract; the industry in Maryland, in 1974, absorbed in excess of $5 million of unrecoverable costs due to the increased cost of asphalt cement. This tax will be inflationary in that the industry will be compelled to pass this increased cost on in future contracts; and

"Whereas, The imposition of a tax will create an undue economic hardship on the hot-mix asphalt industry and on the markets, including public works, which it serves. Creation of such undue hardship is not an intent of this program, according to President Ford's initial announcement of January 13, 1975; now, therefore, be it

"Resolved by the Senate of Maryland, That the United States Congress, the Federal Energy Office, and the President of the United States be requested that asphalt cement be exempt from all levies, taxes, or fees that are a part of the recently announced energy-conservation program and that asphalt cement is a non-energy, permanent investment in the construction and maintenance of a balanced transportation system and, as such, not be taxed as a part of an energy-conservation program that is designed to reduce United States dependence on foreign fuel; and be it further

"Resolved, That the Secretary of the Senate is directed to send copies of this Resolution to the presiding officer of each House of the Congress of the United States, the Federal Energy Office, the President of the United States, and each member of the Maryland Delegation in the Congress of the United States."

Senate Concurrent Resolution No. 20 adopted by the Legislature of the State of Oklahoma; to the Committee on the Judiciary.

ENROLLED SENATE CONCURRENT RESOLUTION No. 20

"Concurrent resolution memorializing Congress to curb the powers of the Supreme Court by invoking article 3, section 2, of the United States Constitution and thereby removing the question of abortion from the jurisdiction of the Supreme Court and return it to the States; and directing distribution

"Whereas, state laws concerning abortion were declared unconstitutional by the Supreme Court decision of January 22, 1973; and

"Whereas, the states should have the right and power to protect the lives of its unborn children; and

"Whereas, it is within the constitutional authority of the United States Congress to remove the question of abortion from the jurisdiction of the Supreme Court and return it to the states

"Now, therefore, be it resolved by the Senate of the 1st session of the 35th Oklahoma Legislature, the House of Representatives concurring therein:

"That as regards abortion, the United States Congress be memorialized to invoke Article 3, Section 2, of the United States Constitution which reads, in part, "In all the other cases before mentioned, the Supreme Court shall have appellate jurisdiction, both as to law and fact, with such exceptions, and under such regulations as the Congress shall make.

"That duly authenticated copies of this resolution shall be forwarded to each member of the Oklahoma Congressional Delegation, Speaker of the United States House of Representatives, and the President Pro Tempore of the United States Senate."

Senate Concurrent Resolution No. 8 adopted by the Legislature of the State of Hawaii; to the Committee on Labor and Public Welfare and the Committee on the Judiciary jointly, by unanimous consent:

"SENATE CONCURRENT RESOLUTION REQUESTING THE UNITED STATES CONGRESS AND THE DIRECTORS OF FEDERAL AGENCIES TO PROVIDE ADEQUATELY FOR THE CONTROL AND TREATMENT OF COMMUNICABLE DISEASES AMONG IMMIGRANTS TO HAWAII

"Whereas, the number of foreign immigrants to Hawaii has increased substantially since the enactment of liberalized immigration laws by the United States Congress during the 1960's; and

"Whereas, various studies have shown a markedly higher incidence of certain communicable diseases, notably tuberculosis and leprosy, among such immigrants; and

"Whereas, state health officials have in the past estimated that as much as 70 percent of all new cases of tuberculosis and 85 percent of new cases of leprosy occur among immigrants; and

"Whereas, the rate of incidence of such diseases among foreign-born immigrants appears to be consistent, relative to the number of such immigrants; and

"Whereas, detection and treatment of such diseases constitute a significant health services cost to the State of Hawaii; and

"Whereas, it is essential that communicable diseases be detected early and treated to prevent their spread among the resident population; now, therefore,

"Be it resolved by the Senate of the Eighth Legislature of the State of Hawaii, Regular Session of 1975, the House of Representatives concurring, that the United States Immigration and Naturalization Service is requested to prevent the entry to Hawaii of aliens suffering from communicable diseases; and

"Be it further resolved that the United States Public Health Service is requested to amend their regulations to require health examinations and tuberculin tests for aliens entering the country on non-immigrant visas; and

"Be it further resolved that the United States Public Health Service is requested to support programs to detect and treat communicable diseases among foreign-born immigrants; and

"Be it further resolved that the United States Public Health Service is requested to reconsider the 1975 amendment to Section 34.2(b), Part 34, Title 42, Code of Federal Regulations to make the amendment more comparable to the amendment introduced in 1970; and

"Be it further resolved that the Congress of the United States be requested to enact legislation for an immigration impact aid program such as provided for in S. 124 entitled 'The New American Health Services Act of 1975' introduced by Senator Daniel Inouye and H.R. 9895, 'The New American Education and Employment Assistance Act' introduced by Representative Patsy T. Mink and H.R. 1901 introduced by Representative Spark M. Matsunaga; and

"Be it further resolved that certified copies of this Concurrent Resolution be transmitted to the Director of the United States Public Health Service, the Director of the United States Immigration and Naturalization Service, the presiding officers of the United States Congress, and the members of the Hawaii congressional delegation."

Mr. ROBERT C. BYRD subsequently said: Mr. President, I ask unanimous consent that a concurrent resolution, No. 8, transmitted by the Senate of the State of Hawaii, be referred jointly to the committees on Labor and Public Welfare, and Judiciary.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF TIME FOR COMMITTEE ON INTERIOR AND INSULAR AFFAIRS TO FILE ITS REPORT ON H.R. 25

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Committee on Interior and Insular Affairs have until 12 o'clock midnight, Friday, May 2, to file the report on the conference committee action on H.R. 25, the strip mining control bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

Mr. PEARSON. Mr. President, as in executive session, I report favorably from the Committee on Commerce sundry nominations in the Coast Guard which have previously appeared in the Congressional Record, and to save the expense of printing them on the Executive Calendar, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the Record of March 21 and March 26, 1975, at the end of the Senate proceedings.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. NELSON (for himself and Mr. Tunney):

S. 1612. A bill to establish judicial practices and procedures to protect constitutional rights and liberties involved in the disclosure of records of private communications, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. YOUNG:

S. 1613. A bill to amend section 501(c)(12) of the Internal Revenue Code of 1954 (relating to the taxation of telephone cooperatives). Referred to the Committee on Finance.

By Mr. HUMPHREY (for himself, Mr. McGee, and Mr. Case):

S. 1614. A bill to require federally related health care facilities to test infants for certain diseases. Referred to the Committee on Labor and Public Welfare.

By Mr. HARTKE:

S. 1615. A bill to permit officers and employees of the Federal Government to elect coverage under the old-age, survivors, and disability insurance system. Referred to the Committee on Finance.

By Mr. TOWER:

S. 1616. A bill to prohibit any change in the status of any member of the uniformed services who is in a missing status under chapter 10 of title 37, United States Code.

By Mr. BENTSEN:

S. 1617. A bill to clarify the authority of the Secretary of Agriculture to control and eradicate plant pests. Referred to the Committee on Agriculture and Forestry.

By Mr. ABOUREZK (for himself, Mr. Hugh Scott, Mr. Hatfield, Mr. McGee, Mr. Williams, Mr. McGovern, Mr. Stafford, Mr. Philip A. Hart, Mr. Hartke, Mr. Kennedy, Mr. Huddleston, Mr. Goldwater, Mr. Moss, Mr. Bellmon, Mr. Montoya, Mr. Stevens, Mr. Domenici, Mr. Baker, Mr. Stevenson, Mr. Johnston, Mr. McIntyre, Mr. Randolph, Mr. Packwood, Mr. Eastland, Mr. Sparkman, Mr. Hathaway, Mr. Fong, Mr. Nelson, Mr. Inouye, Mr. Burdick, Mr. Metcalf, Mr. Gravel, Mr. Clark, Mr. Ribicoff, Mr. Helms, Mr. William L. Scott, Mr. Tower, Mr. Thurmond, Mr. Brock, Mr. Case, Mr. Tunney, Mr. Bentsen, Mr. Church, Mr. Leahy, Mr. Javits, Mr. Mondale, Mr. Ford, Mr. Glenn, and Mr. Muskie):

S. 1618. A bill to provide for the establishment of an American Folklife Center in the Library of Congress, and for other purposes. Referred to the Committee on Rules and Administration.

By Mr. KENNEDY (for himself, Mr. Tunney, Mr. Bayh, Mr. Brooke, Mr. Case, Mr. Chiles, Mr. Clark, Mr. Cranston, Mr. Glenn, Mr. Gravel, Mr. Philip A. Hart, Mr. Hartke, Mr. Hollings, Mr. Humphrey, Mr. Inouye, Mr. Jackson, Mr. Johnston, Mr. McGee, Mr. McGovern, Mr. Ribicoff, Mr. Schweiker, Mr. Stafford, Mr. Taft, Mr. Thurmond, Mr. Percy, and Mr. Stone):

S. 1619. A bill to extend and revise programs for Sickle-Cell Anemia. Referred to the Committee on Labor and Public Welfare.

By Mr. KENNEDY:

S. 1620. A bill to extend part B of title XI of the Public Health Service Act. Referred to the Committee on Labor and Public Welfare.

By Mr. TUNNEY (for himself and Mr. Cranston):

S. 1621. A bill to amend section 44 of the Internal Revenue Code of 1954 (relating to credit for purchase of new principal residence) to provide that the lowest offering price requirement be limited to offers after December 31, 1974, and to expedite the prescribing of final regulations relating to such section 44. Referred to the Committee on Finance.

By Mr. MAGNUSON (for himself and Mr. Pearson) (by request):

S. 1622. A bill to authorize an additional Assistant Secretary of Commerce. Referred to the Committee on Commerce.

By Mr. NELSON (for himself, Mr. Javits, Mr. Mondale, and Mr. Laxalt):

S. 1623. A bill to direct the Secretary of Labor to change the name of the Wholesale Price Index to the Basic Price Index. Referred to the Committee on Post Office and Civil Service.

By Mr. TUNNEY (for himself, Mr. Cranston, Mr. Javits, and Mr. Buckley):

S. 1624. A bill to promote the free flow of commerce among the several States, and for other purposes. Referred to the Committee on Commerce.

By Mr. HATHAWAY (for himself, Mr. Long, Mr. Packwood, Mr. Bartlett, Mr. Beall, Mr. Dole, Mr. Ford, Mr. Garn, Mr. Laxalt, Mr. McClure, Mr. McGee, Mr. Roth, Mr. Hugh Scott, Mr. Tower, Mr. Thurmond, Mr. Sparkman, Mr. Huddleston, and Mr. Domenici):

S. 1625. A bill to extend and revise the State and Local Fiscal Assistance Act of 1972. Referred to the Committee on Finance.

By Mr. FANNIN:

S.J. Res. 78. A joint resolution to designate the week commencing with the third Monday in February of each year as "National Patriotism Week." Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. NELSON (for himself and Mr. Tunney):

S. 1612. A bill to establish judicial practices and procedures to protect constitutional rights and liberties involved in the disclosure of records of private communications, and for other purposes. Referred to the Committee on the Judiciary.

(The remarks of Mr. Nelson and Mr. Tunney on the introduction of the above bill are printed earlier in the Record.)

By Mr. HUMPHREY (for himself, Mr. McGee, and Mr. Case):

S. 1614. A bill to require federally related health care facilities to test infants for certain diseases. Referred to the Committee on Labor and Public Welfare.

LEGISLATION NEEDED TO SCREEN INFANT METABOLIC DISORDERS

Mr. HUMPHREY. Mr. President, I am today introducing legislation to provide that federally assisted hospitals would routinely perform certain tests on newborn infants in order to detect metabolic disorders that could retard brain development.

The tests to be administered to the infants are for phenylketonuria, homozygous sickle cell disease, branched-chain ketonuria, galactosemia, homocystinuria, adenosine deaminase deficiency, and histidinemia.

We have been learning more and more about these rare diseases in recent years. Fortunately, some of the States have already begun programs to detect their existence.

Most of these diseases are related to an inability to use amino acids and are treatable, if not curable. Phenylketonuria, which can lead to retardation, is definitely preventable as is galactosemia—an inability to digest lactose—which untreated can cause blindness and cataracts.

These metabolic diseases affect a significant number of children. We must do what we can to see that the disease, where it exists, is identified promptly and treated. Many of these children can be helped and at little cost.

We should implement this program in order to save these children and parents from anguish which can be prevented. Early detection is of critical importance in dealing with these diseases. Newborn testing and identification of existing conditions is an incalculable investment in the future of our children.

Recently, the president of the National Association of Retarded Citizens, Marion P. Smith, in an address to that organization's 25th annual convention, said that it is possible to prevent 50 percent of the cases of mental retardation by prenatal and postnatal infant care, proper diet, and testing for metabolic disorders.

I also would like to point out an article in the November/December issue of Nutrition Today, entitled "Infant Screening for Inborn Errors of Metabolism."

This article points out some of the work which has been going on in this area. Of particular interest to pediatricians is the fact that a "hot line" system has been established which can provide information on diagnosis, diet, and patient care.

The article also provides information listing these diseases, or disorders, and their frequency. A listing of the Canadian "Food Bank" Network is included. This information is available in the United States through the AAP–FDA "Hot Line" list.

Companion legislation has been introduced in the House by Representative KOCH and is cosponsored by 19 other Members.

Mr. President, I ask unanimous consent that the text of the bill be included at this point in the RECORD and also the informative article from Nutrition Today.

There being no objection, the bill and article were ordered to be printed in the RECORD, as follows:

S. 1614

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Health, Education, and Welfare shall, by regulation, direct each federally related health care facility to conduct a medical testing program for infants born in the facility or brought to it for health care, as follows:

(1) Except as provided in paragraph (3), each infant born in the facility or brought to it for health care shall be given such tests as the Secretary may specify for phenylketonuria, homozygous sickle cell disease, branched-chain ketonuria, galactosemia, homocystinuria, adenosine deaminase deficiency, histidinemia, and such other diseases and medical conditions as the Secretary may designate.

(2) Such testing shall be conducted by the facility—

(A) in the case of an infant born in the facility, at the earliest practicable time after birth, and

(B) in the case of an infant brought to the facility for health care, as soon as practicable after being brought to the facility.

(3) Such testing shall not be required to be conducted by the facility on an infant if—

(A) a parent of the infant files with the facility written objection to such testing, or

(B) in the case of an infant brought to the facility for health care, the facility determines that the infant has been satisfactorily tested for each disease and medical condition listed in or designated under paragraph (1).

SEC. 2. As used in the first section, the term "federally related health care facility" means any hospital or other medical or health care facility which—

(1) is owned or operated by the Federal Government; or

(2) after the date of enactment of this Act, receives—

(A) reimbursement for its costs in providing health services to persons who are entitled to insurance benefits under title XVIII of the Social Security Act or who are entitled to medical assistance under a State plan approved under title XIX of such Act;

(B) any payment from a State government or a unit of local government if any part of such payments were made from funds made available under the State and Local Fiscal Assistance Act of 1972;

(C) any financial assistance from the Federal Government—

(i) for constructing, modernizing, equipping, operating, or maintaining such facility;

(ii) for the costs of providing health care;

(iii) for training any person who is on the staff of such facility or who uses such facility to provide health care; or

(iv) for conducting medical research in such facility;

including any assistance in the form of grants, loans, loan guarantees, interest subsidies, contracts, or payments, regardless of whether such assistance was received from the Federal Government directly or through an agency of State or local government; or

(D) such other form of Federal financial assistance as the Secretary of Health, Education, and Welfare may designate.

[From Nutrition Today Magazine, November-December 1974]

INFANT SCREENING FOR INBORN ERRORS OF METABOLISM

Mass genetic screening of newborn infant populations has become standard practice in many countries of the world, and the new knowledge uncoverd is having a profound effect on the way physicians handle cases involving metabolic disorders, especially those known to be hereditary.

Since 1962, when Robert Guthrie, M.D., microbiologist of the State University of New York in Buffalo, developed a simple reliable test for the detection of phenylketonuria (PKU), screening of newborn infants for hereditary metabolic disease has been instituted in 47 of the United States and all provinces of Canada, and encompasses 90 to 95 percent of the newborn population. All screening programs test for PKU, the most frequently occurring of these rare diseases, which when untreated almost invariably results in severe brain damage. Of the several states and provinces with multiple screening for more than one disease, the most comprehensive program is in Massachusetts where 24 diseases or their variations are being monitored. In the majority of testing programs, however, PKU is the only disease for which screening is required by state law.

SIMPLE TEST

Screening newborn infants is done at the place of birth, and for most tests it is simple to administer. Blood and urine samples are taken on filter paper and dried. These samples are then sent for analysis to the nearest genetic center, usually located in a large hospital, where a special unit has been organized for the detection and treatment of hereditary diseases. Here the samples are evaluated and the results returned to the care institution. When positive indication of metabolic disease is revealed, the attending physician is notified immediately. Records of each patient with a genetic disease are kept at the center and the information is used for further research in both the known diseases and those suspected of being hereditary.

The presently known inherited metabolic diseases—the "Inborn Errors of Metabolism" first described by the English physician Sir Archibald Garrod at the beginning of this century—now number in the hundreds. A good many of them are benign or clinically unimportant. But a few, such as PKU, galactosemia, tyrosinemia and maple syrup urine disease (branded-chain ketoaciduria) require immediate postnatal detection and dietary or other therapy before irreversible damage occurs or the infant dies. For this reason it is important for physicians, especially pediatricians who may encounter no more than a few cases in a lifetime of practice, to know where to turn for assistance in handling these rarely occurring but serious cases. This help may be obtained from the established genetic centers throughout the United States and Canada.

In both countries, information and assistance is available from the genetic centers through a "hot line" telephone service for physicians, providing detailed information on immediate patient management, diagnostic or monitoring laboratory tests, supply of the special diet until the physician can obtain his own, or admission to a center if early management is required.

Exact figures on the number of children now being screened in the United States are not available, but a survey conducted by the Department of Health, Education and Welfare for the year 1967 shows that, of 3,533,000 live births recorded, 3,138,000 or a little over 90 percent were screened for PKU and 222 infants with the disease were detected. With adjustment for the few states not requiring screening, the incidence of PKU was one in every 14,000 live registered births.

In Canada, genetic centers screened 440,000 live births in a recent 12-month period and detected 120 inborn errors of metabolism: PKU, 40 cases; histidinemia, 40; homocystinuria, 8; galactosemia, 4; maple syrup urine disease (classical and variant), 4; tyrosinemia, 3; miscellaneous, including infants not screened but later identified clinically, 20.

Up-to-date statistics are also lacking on the number and scope of U.S. multiple screening programs, but at present Massachusetts, New York, North Carolina, Oregon, Los Angeles, California and Dade County (Miami area) in Florida have such programs underway, and Ohio and Georgia are planning similar ones.

With knowledge and treatment of genetic metabolic disease more widespread, food and drug manufacturers in the United States, England, and Europe now supply a number of "genetic foods" specially formulated to omit substances which are harmful to the patient. Typical of these and most widely used is Lofenalac, a casein derivative low in phenylalanine for children with PKU. For early detection of PKU to be effective this food or its equivalent must be immediately available. Supplies of this and other genetic foods are held in readiness in centers throughout Canada and the United States and may be obtained through the genetic center nearest the patient's home.

Within the last few years both Canadian and U.S. Food and Drug authorities have revised the classification of these foods from "drugs" to "special dietary foods." The revision has helped to facilitate dispensing of some items and hac stimulated manufacturers to develop more of the special preparations.

Disorder	Screened	Found	Frequency
Phenylketonuria [1]	1, 095, 519	78	1:14, 000
"Atypical" PKU [2]	1, 095, 519	64	1:17, 000
Maternal PKU [1]	232, 227	8	1:30, 000
Galactosemia [1]	690, 000	7	1:100, 000
Maple syrup urine disease [1]	956, 162	3	1:300, 000
MSUD (intermediate) [1]	956, 162	2	1:450, 000
MSUD (intermittent) [2]	956, 162	1	----------
Homocystinuria [1]	563, 773	3	1:190, 000
Tyrosinosis [1]	498, 313	0	----------
Argininosuccinic acidemia [1]	414, 329	6	1:70, 000
Histidinemia	414, 329	22	1:20, 000
Histidinemia (atypical)	414, 329	2	1:200, 000
Hartnup "disease"	414, 329	23	1:18, 000
Cystinuria [1]	414, 329	27	1:15, 000
Iminoglycinuria	414, 329	40(?)	1:10, 000(?)
Hyperglycinemia (nonketotic)	414, 329	3	1:140, 000
Cystathioninuria (B6-response)	414, 329	4	1:100, 000
Cystathioninuria (B6-resist)	414, 329	1	----------
Methylmalonic acidemia [2]	414, 329	2	1, 200, 000
Hyperprolinemia	414, 329	2	1:200, 000
Propionic acidemia [1]	414, 329	1	----------
Rickets (Vitamin D dependent) [1]	414, 329	1	----------
Hyperlysinemia	414, 329	1	----------
Fanconi Syndrome [1]	414, 329	1	----------

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[1] Clinically significant diesases: treatment is available for each one.

[2] "Missed" by routine neonatal screening but later identified on the basis of clinical disease.

UNIQUE PROGRAM

In the United States the genetic centers operate under a mandate of state law which is administered by the state health commissioner. In Canada, however, there exists a unique program of treatment for genetic metabolic disease and delivery of therapeutic foods which demonstrates how business, science, and government can cooperate to bring help to even the remotest parts of a country second in land mass only to Russia—the Provincial Network of Genetic Medicine and the National Food Distribution Center for Management of Patients with Hereditary Metabolic Disease, known as the "Food Bank," briefly described in a previous issue of this magazine (Scrivner, Charles R. "Inborn Errors of Metabolism," *N.T.* Sept./Oct. '74).

The concept of a national Food Bank to supply special foods for patients with hereditary metabolic disease through specially staffed genetic centers was first developed in 1969, through discussion between Charles R. Scrivner, M.D., Carol Clow and Huguette Ishmael of the Medical Research Council Genetics Group, Montreal Children's Hospital, Keith Murray, Director, Bureau of Nutritional Services, Food and Drug Directorate, and Henriette Campeau, Douglas Long and H. Arnold Steinberg, Steinberg's Ltd., the Montreal-based food wholesaler and distributor. As a subsequent report states, they recognized the need ". . . to develop a central facility to improve the importation of food items, to offer a wide range of items to most treatment centers, to share new product information and to consolidate a treatment network for purposes of sharing a pool of necessarily limited information."

This brief statement of purposes contains two important points. First, Canada does not manufacture any of the special foods, they are imported from the United States, England, and Europe. This fact emphasizes the importance of centralized purchasing and close liaison with the Health Protection Branch of the Food and Drug Directorate to obtain approval of each item. Immediate availability of items also averts the kind of emergency which arose before the Food Bank became operative, when food for a Quebec child with maple syrup urine disease had to be ordered by cable and delivered within 24 hours from London, England to New York City by commercial airliner and by automobile to the patient

The directors of the Food Bank also feel that control of distribution insures the delivery of the foods into the hands of qualified personnel at the designated Provincial centers, since their misuse can lead to serious error. In PKU, for example, phenylalanine levels of the patient must be kept low enough so that brain damage does not occur, yet there should be a sufficient quantity of this important amino acid in the diet to allow normal growth. Quick response to the patient's changing condition is possible only at a designated genetic center. This policy of centralized treatment is also in line with the 1972 recommendation of the World Health Organization (WHO Technical Report Series #497, *Genetic Disorders: Prevention, Treatment, Rehabilitation*. Geneva, 1972.)

CENTRAL REGISTRY

In January 1973, with a cash grant of $5,000 from the Ministry of Health and Welfare, a matching gift from Steinberg's and donated facilities in that company's building, the Food Bank has been able to build an initial inventory of special foods and to meet beginning overhead costs. It operates under the management of a Supervisory Committee, currently consisting of Mrs. Jean Armstrong, Ottawa, Committee for the Improvement of Hereditary Disease Management (CIHDM), Dr. Margaret Cheney, Ottawa, Health Protection Branch of the Department of National Health and Welfare (HPB), Mrs. Carol Clow, Montreal, CIHDM Dr. James Haworth, Winnipeg, Canadian Pediatric Society (CPS), Dr. Keith Murray, Ottawa, HPB, Dr. Charles Scriver, Montreal, CIHDM, and Mr. Charles Sheppard, Ottawa, Department of Consumer and Corporate Affairs (CCA).

In addition to ordering and importing foods, the Bank serves as an information exchange between the Provincial genetic centers, whose representatives will meet at least once a year to exchange experiences and recommendations. Immediate advisory and technical assistance is provided by Charles Scriver, M.D. and Mrs. Carol Clow of the Montreal Children's Hospital, and there is an emergency telephone service for filling and delivering orders, many of them especially formulated, within 24 hours after the request is received from one of the centers. All foods are billed at cost plus a small handling fee. Patients receive them free in most provinces, but in a few cases a charge is made according to ability to pay.

Although it has been in operation for only one year, the benefits of the Food Bank program are alrcady apparent: it identifies where and how many the patients are, ensures that they are given the proper foods and are cared for by competent people. In the end, Canada will obtain an invaluable central registry of youngsters with inborn errors of metabolism to be added to the world's knowledge of these newly discovered diseases.

When this information is fully collected and assessed, it may one day be possible to move early diagnosis of hereditary metabolic disease from the genetic center to the physician's office. For the immediate future, however, the task remains at the center, where the physician can get the help he needs for management of these nutritionally vulnerable children.

NETWORK FOR NATIONAL "FOOD BANK" FOR PATIENTS WITH GENETIC DISEASES

Region	Personnel at centres	Address of centre	Telephone of centre	Appropriate Government office of agency for distribution
Newfoundland	Dr. Albert Davis	Janeway Child Health Centre, Department of Pediatrics, Pleasantville, St. John's, Nfld.	(709)722-5100	Mr. Neil Curtis or Miss M. McGinnis, Central Pharmacy, Department of Health, Government of Nfld., Pleasantville, St. John's, Nfld. (709)722-0711.
Maritime region:				
Nova Scotia	Mrs. Pamela Lynch, Dr. Margaret DeWolfe (for PKU/Lofenalac), Dr. Eli Rees.	c/o Versa Foods, I. W. Killam Children's Hospital, 5850 University Ave., Halifax, N.S.	(902)424-6111	Mrs. Pamela Lychn, Central Pharmacy, Department of Health, Government of Nfld., Pleasantville, St. John's, Nfld. (709)722-0711.
New Brunswick	do	do	(902)424-6111	Do.
Prince Edward Island	do	do	(902)424-6111	Do.
Quebec:				
Quebec City and region	Dr. Claude Laberge	Centre Hospitalier, Universitaire Laval.	(418)656-8256	Mr. J. E. E. Ouellette, Service de l'Approvisionnement, Direction des Services Auxiliaires, Ministere des Affaires Sociales, Quebec, Quebec (418)643-7160.
Montreal	Mrs. Carol Clow, Dr. Charles Scriver.	Montreal Children's Hospital	(514)937-8511	Do.
	Dr. Louis Dallaire, Dr. Jacques Letarte.	Ste-Justine Hospital	(514)731-4931	Do.
Sherbrooke and region	Dr. Bernard Lemieux	Centre Hospitalier, Universitaire de Sherbrooke.	(819)563-5555	Do.

NETWORK FOR NATIONAL "FOOD BANK" FOR PATIENTS WITH GENETIC DISEASES—Continued

Region	Personnel at centres	Address of centre	Telephone of centre	Appropriate Government office of agency for distribution
Ontario:				
Toronto region	Dr. Andrew Sass-Kortsak, Dr. Bill Hanley (for PKU/Lofenalac in province).	Hospital for Sick Children	(416)366-7242	Dr. Roch Khazen, Health Promotion, Department of Health, 5th. Floor, 15 Overlea Blvd., Toronto, Ontario M4H 1A9, (416)965-5055.
Hamilton region	Dr. Donald Whelan	McMaster University Medical Centre.	(416)525-9140	Do.
London region	Dr. M. R. F. Jenner	University Hospital, Windermer Rd.	(519)576-6500	Do.
Kingston/Ottawa region	Dr. Michael Partington	Kingston General Hospital	(613)542-2988	Do.
Prairie Provinces:				
Manitoba	Dr. Jim Haworth	Winnipeg Children's Hospital	(204) 775-8311	Mrs. Pagtakhan & Mrs. Banfield, c/o Dr. Jim Haworth (ordering), Winnipeg Children's Centre, The Health Science Centre, 700 William Street (shipping), Winnipeg, Manitoba. Purchasing department, The Health Science Centre, 791 Notre Dame St. (billing), Winnipeg, Manitoba (204) 774-6511, ext. 7868.
Saskatchewan	Dr. Witold Zaleski	Alvin Buckwold Centre, University Hospital, Department of Pediatrics, Saskatoon, Sask.	(306) 343-5177	Hugh Grocott (Lofenalac & Others), Department of Public Health, Government of Saskatchewan, 3211 Albert St., Regina, Saskatchewan (306) 523-0611.
Alberta	Dr. William A. Cochrane, Deputy Minister.	Department of Health & Social Development, 102 Administration Bldg., 10,820, 98 Ave., Edmonton, Alta. T5K 0C8.		Dr. C. S. Dafoe (Lofenalac), Division of Medical Services, Department of Health & Social Development, Administration Bldg., 109 St. and 98 Ave., Edmonton, Alberta T5K 0C8.
British Columbia:				
	Dr. Bluma Tischler (for PKU/Lofenalac).	Woodlands School, New Westminster.	(604) 521-2611	Dr. Bluma Tischler through Mr. Woolcock, Head Pharmacist, Mental Health Services, Woodlands School, New Westminster, B.C.
	Dr. George Davidson, Dr. Patrick MacLeod.	University of BC., Department of Pediatrics.	(604) 327-1101	Dr. Bluma Tischler through Mr. Woolcock and through B.C. Purchasing Commission, 501 W. 12th Ave., Vancouver, B.C.

Source: Courtesy of Office for Maternal and Child Health Service, U.S. Department of Health, Education, and Welfare.

AAP-FDA "HOT LINE" LIST

Michigan

Dr. Richard Allen, Pediatric Neurology Unit, University of Michigan, Ann Arbor, Michigan 48104, (313) 763-4101.

Wisconsin

Dr. Stanley W. Berlow, Mental Retardation Center, University of Wisconsin, Madison, Wisconsin 53706, (608) 263-1656.

Ohio

Dr. Betty Sutherland, Children's Hospital Medical Center, Cincinnati, Ohio 45229, (513) 559-4451.

California

Dr. George Donnell, Children's Hospital, Los Angeles, California 90027, (213) 663-3341.

Georgia

Dr. Louis J. Elsas, Medical Genetics Section, Emory University, Atlanta, Georgia 30322, (404) 377-2411.

Colorado

Dr. Donough O'Brien, Department of Pediatrics, University of Colorado Medical Center, Denver, Colorado 80220, (303) 394-7430.

Maryland

Dr. Neil Holtzman, Division of Human Genetics, Johns Hopkins University, Baltimore, Maryland 21205, (301) 955-3054.

Massachusetts

Dr. Harvey Levy, Massachusetts Metabolic Disorders Screening Program, Forest Hills, Boston, Massachusetts 02430, (617) 522-3702.

New York

Dr. Selma Snyderman, Department of Pediatrics, New York University School of Medicine, Bellevue Hospital, New York City, New York 10016, (212) 679-3200.

Illinois

Dr. Paul Wong, Department of Pediatrics, Abraham Lincoln School of Medicine, University of Illinois, Chicago, Illinois 60680, (312) 996-6714.

By Mr. HARTKE:

S. 1615. A bill to permit officers and employees of the Federal Government to elect coverage under the old-age, survivors, and disability insurance system. Referred to the Committee on Finance.

SOCIAL SECURITY FOR FEDERAL EMPLOYEES

Mr. HARTKE. Mr. President, the social security system was originally conceived to provide working men and women with a supplemental income at retirement time. Since the intent of the program was not to provide full retirement benefits, an individual's participation in a private pension plan has never made him ineligible for social security. In the case of Federal employees, however, this seems to be the case. The Federal employee is being discriminated against in a manner that requires legislative redress, and the legislation I am introducing today provides that remedy.

The Federal employee would be allowed to make the choice whether he wishes to be covered by social security in addition to his civil service retirement. The effect of this measure will be to put the Federal employee on par with private employees who are now able to supplement social security retirement with private pension plans.

New Federal employees would have 2 years from the date of their employment within which to file a certificate indicating their desire for such coverage. Existing employees likewise have 2 years to make such election. This election generally can be retroactive for a 1-year period if the employee so chooses and if he pays the tax due.

In addition, in order that employees might have a further opportunity because of changed family or financial conditions or for other good reason to elect coverage, at the end of a 5-year period each employee should have one further chance to elect coverage—there would be 6 months to elect coverage at that point.

The employee should continue to pay the employee tax but there would be no employer's share to be paid. This follows the precedent established in 1965 when coverage was extended to 1½ million individuals who receive earnings in the form of tips and gratuities. At that time, the Chief Actuary of the Social Security Administration testified that extension of social security coverage of these 1½ million individuals was an actuarially sound solution to that coverage problem. This would be equally true of extension of coverage to Federal employees because they are, as a group, generally conceded to be superior risks in terms of insurance actuarial considerations.

This proposal is supported by the National Association of Letter Carriers, the National Association of Internal Revenue Employees, the National Federation of Federal Employees, and the American Federation of Government Employees. Its cost has been estimated at 0.025 percent of payroll or about $155 million for 1974.

This proposal is actuarially sound. It is in the interest of the employees because it permits them to make the election in their own interest and it is in the interest of the Federal Government, not only from a budgetary point of view, but also because it closes the final large gap of coverage which remains under the social security system.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1615

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 210 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"ELECTIVE COVERAGE OF SERVICE PERFORMED BY FEDERAL OFFICERS AND EMPLOYEES

"(p) The term 'employment' shall, notwithstanding the provisions of subsection (a), include service otherwise excluded from such term by paragraph (5) or (6) of such subsection which is performed during the period for which a certificate, filed pursuant to section 3121(s) of the Internal Revenue Code of 1954, is in effect with respect to such service."

SEC. 2. Section 3121 of the Internal Revenue Code of 1954 (definitions relating to tax under Federal Insurance Contributions Act) is amended by adding at the end thereof the following new subsection:

"(s) ELECTIVE COVERAGE OF SERVICE PERFORMED BY FEDERAL OFFICERS AND EMPLOYEES.—

"(1) WAIVER OF EXCLUSION.—Any individual performing service which (without regard to this subsection) is excluded from 'employment' by paragraph (5) or (6) of subsection (b) may file a certificate (in such manner and form and with such official as may be prescribed by regulations made under this chapter) certifying that he elects to have the insurance system established by title II of the Social Security Act extended to service described in paragraphs (5) and (6) of subsection (b) performed by him. For purposes of this chapter other than for purposes of the taxes imposed by section 3111, the term 'employment' shall, notwithstanding the provision of subsection (b), include service otherwise excluded from such term by paragraph (5) or (6) of such subsection which is performed by him during the period for which such certificate is in effect.

"(2) TIME FOR FILING CERTIFICATE.—

"(A) INITIAL FILING PERIOD.—Any individual who desires to file a certificate pursuant to paragraph (1) must, except as provided in subparagraph (B) of this paragraph, file such certificate before the close of the second calendar year ending after the date of the enactment of this subsection during one or more calendar quarters of which he was paid remuneration of $50 or more for service described in paragraph (5) or (6) of subsection (b) which (without regard to this subsection) is excluded from 'employment'.

"(B) ADDITIONAL FILING PERIOD.—An individual who could have filed a certificate pursuant to paragraph (1) during the initial filing period provided by subparagraph (A) of this paragraph but did not do so may file such certificate any time during the six-month period beginning five years after the close of such period.

"(C) NOTICE TO EMPLOYER.—An individual filing a certificate pursuant to paragraph (1) shall give such notice thereof to the head of the Federal agency or instrumentality in or by which he is employed, at or before the time of filing such certificate, as may be prescribed in regulations made under this chapter.

"(3) EFFECTIVE PERIOD OF CERTIFICATE.—A certificate filed by an individual pursuant to this subsection shall be effective with respect to all calendar quarters beginning with the calendar quarter in which it is filed; except that such certificate may be effective beginning with any of the 4 calendar quarters immediately preceding the calendar quarter in which it is filed if (A) the individual so requests in the certificate (specifying one of such 4 calendar quarters) and (B) the certificate is accompanied by an amount equal to the taxes which would have been payable under section 3101 with respect to all service described in paragraphs (5) and (6) of subsection (b) which was performed by him during the quarter so specified and all subsequent calendar quarters ending before the calendar quarter in which the certificate is filed if such service had not been excluded from 'employment' at the time it was performed. An election made pursuant to this subsection shall be irrevocable."

SEC. 3. (a) Section 205(p)(1) of the Social Security Act is amended (1) by striking out "and including service" and insering in lieu thereof "including service", and (2) by inserting after "to which the provisions of section 210(o) are applicable," the following: "and including any service to which the provisions of section 210(p) (relating to elective coverage) are applicable,".

(b) Section 3122 of the Internal Revenue Code of 1954 (relating to Federal service) is amended—

(1) by striking out "and including service" and inserting in lieu thereof "including service" in the first sentence;

(2) by inserting after "to which the provisions of section 3121(p) are applicable," in the first sentence the following: "and including any service to which the provisions of section 3121(s) (relating to elective coverage) are applicable,"; and

(3) by adding at the end thereof the following new sentence: "The Secretary or his delegate shall prescribe such regulations and establish such procedures as may be appropriate to insure that the heads of the various Federal agencies and instrumentalities know at all times which of their employees are performing service to which the provisions of section 3121(s) are applicable; and, notwithstanding the first sentence of this section, such regulations and procedures may permit the Secretary or his delegate to make the determinations described in such sentence and provide for the collection of the tax imposed by section 3101, with respect to an employee performing such service, in a case where it is not feasible for the head of the Federal agency or instrumentality involved to do so."

SEC. 4. The amendments made by this Act shall apply only in the case of service with respect to which certificates are filed (pursuant to section 3121(s) of the Internal Revenue Code of 1954, as added by section 2 of this Act) in calendar quarters beginning more than 20 days after the date of the enactment of this Act.

By Mr. TOWER:

S. 1616. A bill to prohibit any change in the status of any member of the uniformed services who is in a missing status under chapter 10 of title 37, United States Code.

Mr. TOWER. Mr. President, I am introducing today legislation that would prohibit further changes in the status of our mising in action in Southeast Asia. The resurgence of fighting in Indochina over the last several weeks reminded the American public that the war in Vietnam was not over yet. The fact of the matter is that a small portion of Americans have known this all along—the families and friends of our missing in Indochina.

In a very real sense, the war will not be over for them until we have resolved the fate of their loved ones. I recognize that if the North Vietnamese refuse to cooperate in the matter, there is little that we can realistically do to them.

I had shared the hope that the North Vietnamese might live up to at least those sections of the Paris Peace Accords dealing with the return of prisoners and an accounting of the missing in action. But as the long months have dragged on, it has become clear to me that they are insensitive to any of the more civilized rules that govern warfare.

In the meantime, it would seem as though many people would like to "write off" our missing in action entirely. Public apathy toward the problem has grown as the theme of forgetting the past and looking to the future is constantly repeated. I even fear that some hoped rapid reclassification would "solve" the problem of the MIA's.

But that would be no real solution. I have rarely agreed with critics of the Vietnam war; but with one thing I am in complete agreement—we must learn from our mistakes. We must never again involve ourselves halfheartedly or gradually in a war. We must always be clear about our purpose in fighting. And more to the point as far as our MIA's are concerned, we must have a new code for dealing with that problem.

Sections 555 and 556 of title 37, United States Code, are clearly inadequate to the task of properly preserving the rights of both the missing and their kin during the reclassification procedure. What the appropriate structure should be, I would not want to prejudge. But it is obvious that there must be a new way.

It is with these two things in mind—the failure of the North Vietnamese to live up to the Paris Accords, and the failure of our current laws dealing with reclassification of MIA's—that I introduce this bill. In short, it would prohibit further reclassification until two things happen.

First, the President must certify to Congress in writing that all reasonable actions have been taken to account for our missing in action. It is, after all, ultimately the President's responsibility as Commander in Chief to protect the interests and lives of our servicemen.

Second, this legislation would require that before the reclassifications could continue, the Senate Armed Services Committee would have to conduct a study of sections 555 and 556, to determine whether they should be amended or repealed and report the results of that study to the Senate. It is Congress ultimate responsibility as, in effect, employee of our servicemen to be certain that any change in the status of that "employment" is done fairly and with due consideration of the serviceman's rights.

It is my hope that we may yet find a final, just solution to the MIA problem. This bill will not resolve the status of these men; only the Communists can do that. But at least we can protect the interests o our servicemen and their kin while that hope goes on.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1616

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding the provisions of sections 555 and 556 of title 37, United States Code, no change in the status of any member of the uniform services who, on the date of enactment of this Act, is in a missing status as a result of his performance of service in Southeast Asia may be made by the Secretary concerned until—

(1) the President of the United States (A) has determined that all reasonable actions have been taken to account for such members, and (B) has reported such determination to the Congress in writing.

(2) the Committee on Armed Services of the Senate has conducted a study of sections 555 and 556 of title 37, United States Code, with a view of determining whether such sections should be amended or repealed and reported the results of that study to the Senate.

(b) As used in subsection (a), the terms "uniformed services", "missing status", and "Secretary concerned" shall have the same meaning ascribed to such terms in chapter 10 of title 37, United States Code.

By Mr. ABOUREZK (for himself, Mr. HUGH SCOTT, Mr. HATFIELD, Mr. MCGEE, Mr. WILLIAMS, Mr. MCGOVERN, Mr. STAFFORD, Mr. MATHIAS, Mr. TALMADGE, Mr. PERCY, Mr. BAYH, Mr. HUMPHREY, Mr. PHILIP A. HART, Mr. HARTKE, Mr. KENNEDY, Mr. HUDDLESTON, Mr. GOLDWATER, Mr. MOSS, Mr. BELLMON, Mr. MONTOYA, Mr. STEVENS, Mr. DOMENICI, Mr. BAKER, Mr. STEVENSON, Mr. JOHNSTON, Mr. MCINTYRE, Mr. RANDOLPH, Mr. PACKWOOD, Mr. EASTLAND, Mr. SPARKMAN, Mr. HATHAWAY, Mr. FONG, Mr. NELSON, Mr. INOUYE, Mr. BURDICK, Mr. METCALF, Mr. GRAVEL, Mr. CLARK, Mr. RIBICOFF, Mr. HELMS, Mr. WILLIAM L. SCOTT, Mr. TOWER, Mr. THURMOND, Mr. BROCK, Mr. CASE, Mr. TUNNEY, Mr. BENTSEN, Mr. CHURCH, Mr. LEAHY, Mr. JAVITS, Mr. MONDALE, Mr. FORD, Mr. GLENN, and Mr. MUSKIE):

S. 1618. A bill to provide for the establishment of an American Folklife Center in the Library of Congress, and for other purposes. Referred to the Committee on Rules and Administration.

Mr. ABOUREZK. Mr. President, today I am introducing a bill whose purpose it is to establish an American Folklife Center in the Library of Congress.

I am pleased that so many of my colleagues have chosen to join in this effort.

This country is rooted in its folklife. Its history is that of its people, and the history of the people is expressed through folklore. No one can deny the intrinsic value of folk culture. Even so, this Nation has neglected initiating a concentrated effort to defend this folklore against erosion in today's mass-exposure society. Folklore is a true expression of values of people, and should therefore be viewed with pride.

It is cultural differences that distinguish people, and these differences and achievements should be a source of pride—whether they be Appalachian quilts, Pennsylvania Dutch cooking, legends of the Mormon saints, New England story-telling, bluegrass or cajun string band music, coal miners' memories of disasters, railroad nicknames, downhome blues and ballads, gospel songs and spirituals, Indian sand painting, Ozark "windies," Chicano corridos, or the country square dance. These are the expressions of individuals: they are neither meaningless common-denominators lowered by the exigency of the mass market, nor products of mass culture created by technology. These are the creations of a living spirit, which can be defined as the very soul of the American people.

Several other countries have formed folklife centers: Finland formed one in 1831, Ireland formed one in 1935, and Japan even provides a modest stipend to individual artists and craftsmen who are outstanding carriers of the culture of that country. Folklife is an important means of conveying one's pride and dignity, and for this reason, should be of particular interest as this Nation approaches its 200th birthday.

Despite the value of our folklife, we are losing large portions of it, and stand to lose much more. This results from several factors. Because of its very nature, folklife is generally passed from generation to generation by word of mouth. Because of this oral method, much is lost in passing. In addition, the few people left with first-hand knowledge often die without finding anyone willing and able to listen, remember, and continue their legacy. Our folklife faces a second, and possibly more severe danger—that of being lost by the ravages of a mass-oriented society. There are people extremely dedicated to preserving this valuable part of our heritage. However, because of the lack of an organized effort to retain folklife, they are unable adequately to pursue their interests, whether because of a lack of funds, or inability to find the necessary techniques.

Yet, our Government has done little to help preserve America's valuable folklife. We have established two magnificent endowments, the National Endowment for the Arts, and the National Endowment for the Humanities, and have funded each most liberally. Together, they have done a great deal for the arts and humanities in this country. However, virtually none of their millions has been spent on folk culture. Nor has any other agency sufficiently funded any such program. In all honesty, I must admit that some such ventures have been initiated, but none of these has been able to succeed, because of a lack of coordination and failure to seek the advice of those most knowledgeable in the field.

This bill would coordinate these varied programs, not compete with them. It would create a center around which other programs could revolve, and through which material can be made available. In addition, it would be a community of scholars who are motivated, interested, and knowledgeable.

This will not be a giant, multimillion dollar endowment. Rather, it will be a center to preserve our valuable folklife, enhance our national dignity, and make our history available to our children, and all generations to come. It is an investment in the common man, in our own past, and a pledge to our future.

We can do all these things best through the establishment of this American Folklife Center.

I ask unanimous consent that the bill be printed in the RECORD, after the statement from the distinguished minority leader, Mr. SCOTT, the senior Senator from Pennsylvania.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUGH SCOTT. Mr. President, I am pleased to join as a sponsor of a bill to establish an American Folklife Center within the Library of Congress. The Library of Congress, which endorses this bill, notes that—

> The Center will serve the twin purpose of helping the nation as a whole to understand and value its many constituent cultural strains, and helping members of each constitutent cultural group to understand and value their own particular heritage.

My Commonwealth of Pennsylvania is richly endowed with such "cultural strains" and the proposed Center would enable other sections of the country to appreciate them. As the ranking Republican member of the Senate Rules and Administration Library Subcommittee, I intend to urge prompt and favorable action on this bill.

During the past year, I have been privileged to work with a distinguished Pennsylvanian who is in the forefront of this cultural recognition effort. Mr. Kenneth Goldstein, chairman of the folklore and folklife department of the Univsity of Pennsylvania and newly elected president of the American Folklore Society, is to be congratulated for his fine work. Mr. Goldstein, incidentally, is a professor of folklore at the University of Pennsylvania, one of our Nation's finest schools. The folklore program there is extremely well-developed and is aimed at educating young people to the values of their own particular heritage.

Mr. President, the American Folklife Preservation Act is, in fact, a preservation bill. It is intended to preserve the "American Culture"—a culture as rich as it is diverse. To be sure, the rick folklore of America is a treasure for the whole Nation. Yet folklore is passed on from generation to generation largely by word of mouth and, thus, we are constantly losing and changing this heritage. With the Bicentennial upon us, the preservation and distribution of folk arts have never seemed more urgent or relevant. Folklore and folklife constitute a rich human resource and serve as a reliable index of the country's spirit as expressed in its folk tales and legends, in its beliefs and its customs, in its songs and its ballads, in its games and its dances, and in the range and variety of its material culture and folk arts.

It is in the public interest that a national clearing house be established to foster and preserve the physical and spiritual heirlooms of early America and at the same time to serve as a center where ongoing American folk traditions can be preserved and studied. Like the Library of Congress the American Folklife Center will be easily available to all Americans in our Nation's Capital. I urge my colleagues from all constituencies—blue collar, intellectual, country—to join in this effort to bring about a better understanding and appreciation of our cultural diversity.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1618

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "American Folklife Preservation Act".

DECLARATION OF FINDINGS AND PURPOSE

SEC. 2. (a) The Congress hereby finds and

(1) that the diversity inherent in American folklife has contributed greatly to the cultural richness of the Nation and has fostered a sense of individuality and identity among the American people;

(2) that the history of the United States effectively demonstrates that building a strong nation does not require the sacrifice of cultural differences;

(3) that American folklife has a fundamental influence on the desires, beliefs, and values of the American people;

(4) that it is appropriate and necessary for the Federal Government to support research and scholarship in American folklife in order to contribute to an understanding of the basic desires, beliefs, and values of the American people in both rural and urban areas;

(5) that the encouragement and support of American folklife, while primarily a matter for private and local initiative, is also an appropriate matter of concern to the Federal Government; and

(6) that it is in the interest of the general welfare of the Nation to maintain, revitalize, and disseminate American folklife traditions and arts.

(b) It is therefore the purpose of this Act to establish in the Library of Congress an American Folklife Center to preserve and present American folklife.

DEFINITIONS

SEC. 3. As used in this Act—

(1) the term "American folklife" means the traditional expressive culture shared within the various groups in the United States: familial, ethnic, occupational, religious, regional; expressive culture includes a wide range of creative and symbolic forms such as custom, belief, technical skill, language, literature, art, architecture, music, play, dances, drama, ritual, pageantry, handicraft; these expressions are mainly learned orally, by imitation, or in performance and are generally maintained without benefit of formal instruction or institutional direction.

(2) the term "Board" means the Board of Trustees of the Center;

(3) the term "Center" means the American Folklife Center established under this Act;

(4) the term "group" includes any State or public agency or institution and any nonprofit society, institution, organization, association, or establishment in the United States;

(5) the term "Librarian" means the Librarian of Congress;

(6) the term "State" includes, in addition to the several States of the Union, the Commonwealth of Puerto, the District of Columbia, Guam, American Samoa, and the Virgin Islands; and

(7) the term "workshop" means an activity the primary purpose of which is to encourage the development of skills, appreciation, or enjoyment of American folklife among amateur, student, or nonprofessional participants, or to promote scholarship or teaching among the participants.

ESTABLISHMENT OF CENTER

SEC. 4. (a) There is hereby established in the Library of Congress an American Folklife Center.

(b) The Center shall be under the direction of a Board of Trustees. The Board shall be composed as follows—

(1) four members appointed by the President from among individuals who are officials of Federal departments and agencies concerned with some aspect of American folklife traditions and arts;

(2) seven members appointed by the Librarian of Congress from among individuals from private life who are widely recognized by virtue of their scholarship, experience, creativity, or interest in American folklife traditions and arts;

In making appointments from private life under clause 2, the Librarian shall give due consideration to the appointment of individuals who collectively will provide appropriate regional balance on the Board.

(c) The term of office of each appointed member of the Board shall be six years; except that (1) (A) the members first appointed under clause (1) of subsection (b) shall serve as designated by the President, two for a term of two years, one for a term of four years, and one for a term of six years, and (B) the members first appointed under clause (2) of subsection (b) shall serve as designated by the Librarian, two for terms of two years, three for terms of four years, and two for terms of six years; and (2) any member appointed to fill a vacancy occurring prior to the expiration of the term to which his predecessor was appointed shall be appointed for the remainder of such terms.

(d) Members of the Board who are not regular full-time employees of the United States shall be entitled, while serving on business of the Center, to receive compensation at rates fixed by the Librarian, but not exceeding $100 per diem, including traveltime; and while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

(e) (1) The Librarian shall call the first meeting of the Board, at which the first order of business shall be the election of a Chairman and a Vice Chairman, who shall serve for a term of one year. Thereafter each Chairman and Vice Chairman shall be elected for a term of two years. The Vice Chairman shall perform the duties of the Chairman in his absence. In case of a vacancy occurring in the chairmanship or vice-chairmanship, the Board shall elect a member to fill the vacancy for the remainder of the unexpired term.

(2) A majority of the members of the Board shall constitute a quorum.

(f) After consultation with the Board, the Librarian shall appoint the Director of the Center. The basic pay of the Director shall be at a per year rate not to exceed GS–18 of the General Schedule under section 5332 of title 5, United States Code. The Librarian upon the recommendation of the Director shall appoint a Deputy Director of the Center. The basic pay of the Deputy Director shall be fixed at a rate not to exceed GS–16 of the General Schedule under section 5332 of such title.

(g) (1) The Director shall be the chief executive officer of the Center. He shall carry out the programs of the Center subject to the supervision and direction of the Board, and shall carry out such functions as the Board may delegate to him consistent with the provisions of this Act.

(2) The Deputy Director shall perform such functions as the Director, with the approval of the Librarian, may prescribe, and shall serve as Acting Director during the absence or disability of the Director or in the event of a vacancy in the office of the Director.

FUNCTIONS OF THE CENTER

SEC. 5. The Center and its Director are authorized to—

(1) enter into, without regard to Federal procurement statutes and regulations, contracts with, make grants and loans to, and award scholarships to individuals and groups for programs for the—

(A) initiation, encouragement, support, organization, and promotion of research, scholarship, and training in American folklife;

(B) initiation, promotion, support, organization, and production of live performances, festivals, exhibits, and workshops related to American folklife;

(C) initiation, development, arrangement, purchase, and support of the production of exhibitions, displays, publications, and presentations (including those by still and motion picture films, and audio and visual magnetic tape recordings) and other materials which represent or illustrate some aspect of American folklife;

(2) establish and maintain in conjunction with any Federal department, agency, or institution a national archive and center for American folklife;

(3) procure, receive, purchase, and collect for preservation or retention in an appropriate archive creative works, exhibitions, presentations, objects, artifacts, manuscripts, publications, audio and visual records, and other materials which represent or illustrate some aspect of American folklife;

(4) loan, or otherwise make available, through Library of Congress procedures, any item in the archive established under this Act to any individual or group;

(5) present, display, exhibit, disseminate, communicate, and broadcast to local, regional, State, or National audiences any exhibition, display, or presentation referred to in clause (3) of this section or any item in the archive established pursuant to clause (2) of this section, by making appropriate arrangements, including contracts, loans, and grants with public, nonprofit, and private radio and television broadcasters, museums, libraries, educational institutions, and such other individuals and organizations, including corporations, as the Board deems appropriate;

(6) loan, lease, or otherwise make available to public, private, and nonprofit educational institutions such exhibitions, programs, presentations, and material developed pursuant to clause (1) (D) of this subsection as the Board deems appropriate; and

(7) develop and implement other appropriate programs to preserve, present, support, revitalize, and disseminate American folklife.

LIMITATIONS ON GRANTS

SEC. 6. (a) No payment shall be made pursuant to this Act to carry out any research or training over a period in excess of two years, except that with the concurrence of at least two-thirds of the members of the Board of the Center such research or training may be carried out over a period of not to exceed five years.

(b) Assistance pursuant to this Act shall not cover the cost of land acquisition, construction, building acquisitions, or acquisition of major equipment.

(c) No individual formerly in the employment of the Federal Government shall be eligible to receive any grant or other assistance pursuant to this Act, or to serve as a trustee of the Center in the two-year period following the termination of such employment.

ADMINISTRATIVE PROVISIONS

SEC. 7. (a) In addition to any authority vested in it by other provisions of this Act, the Librarian of Congress, in carrying out the Center's functions, is authorized to—

(1) prescribe such regulations as he deems necessary;

(2) receive money and other property donated, bequeathed, or devised, without condition or restriction other than that it be for the purposes of the Center and to use, sell, or otherwise dispose of such property for the purpose of carrying out its functions, without reference to Federal property disposal statutes;

(3) in the discretion of the Board of Trustees, receive (and use sell, or otherwise dispose of, in accordance with clause (2)) money and other property donated, bequeathed, or devised to the Center with a condition or restriction, including a condition that the Center use other funds of the Center for the purpose of the gift;

(4) appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of the Act in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule

pay rates, except that the Librarian of Congress may appoint and fix the compensation of a reasonable number of personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification and General Schedule pay rates, but no individual so appointed shall receive compensation in excess of the rate received by the Deputy Director of the Center;

(5) obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code, at rates for individuals not to exceed $100 per diem;

(6) accept and utilize the services of voluntary and noncompensated personnel and reimburse them for travel expenses, including per diem, as authorized by section 5703 of title 5, United States Code;

(7) enter into contracts, grants, or other arrangements, or modifications thereof, to carry out the provisions of the Act, and such contracts or modifications thereof may, with the concurrence of two-thirds of the members of the Board, be entered into without performance or other bonds and without regard to section 3709 of the Revised Statutes, as amended (41 U.S.C. 5); and

(8) make advances, progress, and other payments which the Board deems necessary under this Act without regard to the provisions of section 3648 of the Revised Statutes, as amended (31 U.S.C. 529).

(b) The Center and its Director shall submit to the Librarian for inclusion in the annual report of the Library of Congress to the Congress an annual report of its operations under this Act, which shall include a detailed statement of all private and public funds received and expended by it, and such recommendations as the Center deems appropriate.

AUTHORIZATION

Sec. 8. There are authorized to be appropriated to the Center to carry out the provisions of this Act $167,750 for the fiscal year ending September 30, 1976; $710,000 for the fiscal year ending September 30, 1977; and $1,716,000 for the fiscal year ending September 30, 1978.

By Mr. KENNEDY (for himself, Mr. Tunney, Mr. Bayh, Mr. Brooke, Mr. Case, Mr. Chiles, Mr. Clark, Mr. Cranston, Mr. Glenn, Mr. Gravel, Mr. Philip A. Hart, Mr. Hartke, Mr. Hollings, Mr. Humphrey, Mr. Inouye, Mr. Jackson, Mr. Johnston, Mr. McGee, Mr. McGovern, Mr. Ribicoff, Mr. Schweiker, Mr. Stafford, Mr. Taft, Mr. Thurmond, Mr. Percy, and Mr. Stone):

S. 1619. A bill to extend and revise programs for Sickle-Cell Anemia. Referred to the Committee on Labor and Public Welfare.

Mr. KENNEDY. Mr. President, I am pleased to have the support of 27 Senators, both Democrats and Republicans, in introducing an amendment to the National Sickle Cell Anemia Control Act (Public Law 92–294) to establish continued authorization for the act. With the enactment of this measure, provisions for the authorization of $150 million over a period of 3 years will be available to continue attacking the problems of sickle cell anemia.

This legislation assures that funds will be available to support health programs; provide guidelines and standards for an overall framework for comprehensive service programs; authorize existing agencies to provide necessary new services; establish new programs as required; insure consistent action to meet the needs of patients and their families; and develop programs for research in the treatment, and control of sickle cell anemia, supplemented with well developed public education awareness projects.

Sickle cell anemia, first described in this country in 1910 by Dr. James B. Herrick, is a hereditary blood disorder characterized by the presence of a chronic anemia, jaundice, recurrent bouts of pain called "crises," frequent growth retardation, an increased susceptibility to certain infections, a decreased physical capability, and frequently a shortened lifespan. This blood disorder occurs as a result of the presence of genes for sickle hemoglobin inherited from both parents. Sickle cell anemia is found predominately, but not exclusively in blacks in the United States.

The sickle cell trait is estimated to be carried by 1 in every 10 black Americans and numbers about 2 million people. These carriers have a gene for both sickle hemoglobin and normal hemoglobin, but they do not suffer from the critical symptoms of the disease. Approximately 50,000 people are believed to suffer from the actual debilitating effects of this crippling disorder. They are the victims of periodic, unpredictable crises whose life is made miserable and difficult because of these severe bouts of pain.

The first sign of a crises may be loss of appetite followed by weakness. Then, severe pain in the abdomen, legs and arms may be accompanied by some swelling of the joints and a yellow discoloration of the eyes. Patients require hospitalization, medication, and constant attention to overcome these painful crises.

Despite the many contributions to the understanding of the abnormal hemoglobin in sickle cell anemia and the hereditary nature of the disorder, the exact mechanism of the sickling process is still not clearly understood and the explanation of the many complications associated with the disorder remains obscure. To date, there is no cure for sickle cell anemia. The genetic abnormality in the red blood cells cannot be reversed. Treatment is—for the most part—designed to relieve pain and to enable the patient to conduct as nearly normal life as possible.

Sickle cell disease centers, administered by the Sickle Cell Disease Branch—SCDB—National Heart and Lung Institute, combine basic and clinical research, clinical trials, clinical application and training and community service projects. The service projects include education, screening and counseling. These centers focus resources and manpower in a coordinated approach to the problems of sickle cell disease. They bridge the gap between research and service, and bring findings in one area into practical use in another.

There are compelling reasons to focus greater attention on the health needs of victims of sickle cell disease at local and national levels. Because of the mortality rate associated with this disease more children and adolescents than older individuals will be found as sickle cell sufferers.

Sickle cell anemia as a health problem also has significant social implications. With the debilitating effects caused by sickling, treatment of the patient required a broad spectrum of services.

The sickle cell anemic child is regarded differently by his peers than other children. He often finds himself excluded from activities where most children learn to compete and develop physical skills. His small size, his lack of strength and endurance, his erratic periods of illness and hospitalization, and complications caused by the illness, set the young victim apart from children around him.

For some victims under age 6, medical authorities know that these youngsters may require hospitalization up to 10 times a year. Sickle cell anemia crises are so painful that its victims are rendered helpless and totally dependent upon professional medical care. And, the burden of pain and agony for the victim's family is compounded by the costs of hospitalization, treatment and medication.

For much too long, sickle cell anemia was virtually ignored as an important disease among a major segment of this Nation's population. The victims were maligned and used in many instances as only a "good source of interesting research material."

Before 1971, Federal support of sickle cell programs and for sickle cell related research amounted to less than $1 million. The greater part of these funds supported grants offered by the National Institute of Health. Funds for research and service from public and private donations amounted to even less. These deficiencies and lack of support led to the development of the national sickle cell disease program in 1971.

Significant research progress into the basic hematologic, biochemical, genetic nature and therapeutic aspects of this disease process has clearly underlined the urgent need for expansion and acceleration of sickle cell anemia programs. Attention should be directed toward increasing basic science and clinical research efforts.

In order to provide the Nation with the stimulus needed to enhance interest and effectiveness in the area of training and research in sickle cell disease and services we must expand the care and delivery services designed to treat sickle cell victims.

For example, in Massachusetts, 1,186 people were identified as carriers of the sickle cell trait, from a total of 15,080 screened by the federally supported program in 1974. And based on the total population of Boston, there is a possibility that 18,000 individuals may bear the sickling gene.

In Boston, screening is done by electrophoresis which in addition to determining whether or not an individual has any effects of sickle cell anemia also reveals other hemoglobin disorders.

Doctors have told me that more information is needed about sickle cell anemia, not only for use by patients, but also to enable more physicians to adequately diagnose this malady. The Federal sickle cell anemia programs, therefore, include public awareness and education elements, as well as direct medical and treatment projects.

In many sections of the country with sizable black populations, very little medical care is available. In these and other areas virtually nothing is known about the true incidence of sickle cell disease or its morbidity or mortality. Funds must continue to be provided to support the development of such studies and to provide care, education, and counseling of victims.

With more information and data, physicians, and other medical authorities will be better prepared to serve the needs of those who suffer from this disease.

Since the enactment of the Federal sickle cell anemia program in 1971, our Nation has begun to show the black Americans properly deserve the care and attention that can be rendered by Federal resources to deal with their specific health problems.

During these years, I have been encouraged by the thrusts of the Federal sickle cell anemia program and I am offering this legislation so that Federal health resources may be expanded to address the full problem of sickle cell anemia. That is why this amendment to the National Sickle Cell Anemia Control Act authorizes $45 million for grants for sickle cell screening and counseling programs and $105 million for demonstration grants for a 3 year period.

My colleagues and I are offering this amendment to assure continued Federal support for this vital health problem. We look forward to timely action on this measure so that the Department of HEW may plan effectively for the continued operation of these programs beyond the current fiscal year. For that reason, the Senate Health Subcommittee will conduct hearings on this measure as soon as possible.

I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1619

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That (a) section 1101(b) of the Public Health Service Act (42 U.S.C. 300b) is amended by inserting "$10,000,000 for the fiscal year ending June 30, 1976, $15,000,000 for the fiscal year ending June 30, 1977, and $20,000,000 for the fiscal year ending June 30, 1978."

(b) Section 1102(b) of such Act (42 U.S.C. 300b-1) is amended by inserting "$25,000,000 for the fiscal year ending June 30, 1976, $35,000,000 for the fiscal year ending June 30, 1977, and $45,000,000 for the fiscal year ending June 30, 1978."

SEC. 2. Section 1104(a)(4) of the Public Health Service Act (42 U.S.C. 300b-3) is amended by striking "entering their child-producing years, and secondly to children under the age of 7" and inserting in lieu thereof "in their child-producing years, and secondly to persons entering child-producing years."

By Mr. KENNEDY:

S. 1620. A bill to extend part B of title XI of the Public Health Service Act. Referred to the Committee on Labor and Public Welfare.

Mr. KENNEDY. Mr. President, I am introducing an amendment to the National Cooley's Anemia Control Act—Public Law 92-414—to establish continued authorization for the act. The enactment of this measure, provisions for the authorization of $7 million over a period of 3 years, will be available to continue attacking the problems of Cooley's anemia.

Cooley's anemia is an inherited blood disease characterized by a diminished production of hemoglobin, the substance in red blood cells which enables them to carry oxygen to the tissues of the body. The result of this inadequate production of hemoglobin is a particular form of anemia. Dr. Thomas B. Cooley, an American physician, discovered, and labeled this disease around 1925.

Cooley's anemia, also known as Mediterranean anemia or thalassemia major, is found in children whose ancestors were natives to the countries surrounding the Mediterranean Sea. In America, these children are of predominately Greek and Italian origin, although because of widespread intermarriage the disorder is also found in children of Irish, Scandinavian, Jewish, Oriental, and Turkish descent.

There are two forms of Cooley's anemia: The severe form, called thalassemia major; and the carrier of trait form, thalassemia minor. The difference between these forms depends on whether the individual has inherited half or all of the genetic code or defective hemoglobin synthesis from his parents. Following Mendelian laws, two carriers of the trait who marry may have the possibility of producing the trait in 50 percent of their offspring, and the disease, Cooley's anemia, in 25 percent of their offspring.

Individuals with the carrier form of thalassemia minor are not handicapped with any physical defects; in fact the only physical sign or symptom of the trait may be a change in the size and shape of the red blood cells. Individuals with the carrier form of the disorder normal health. The trait—thalassemia minor—never increases in severity or becomes to the severe form of the disease. At present the chief methods of detecting the carrier form involve a number of hematologic tests including electrophoresis.

Thalassemia major is usually detectable during the first year of life; its early signs include pallor, listlessness, loss of appetite, and irritability. An examination of the victim's blood will show changes in the size, shape, and numbers of red blood cells, and a variety of abnormal characteristics in special properties of the blood cells, in addition to severe anemia. Individuals with thalassemia major rarely live beyond the age of 20, and from their first year of life may have to undergo blood transfusions almost daily in order to maintain a blood count sufficient for survival.

The anemia itself is basically caused by a reduction in the rate at which red blood cells are formed in the bone marrow and released to the blood stream. In Cooley's anemia, these defective red blood cells do not survive more than one-third to one-half of the life span of normal red blood cells. There is often an enlargement of the spleen which causes further complications in the rate of blood cell production. The anemia created from this low rate of production leads to severe handicaps in its young victims.

Children suffering from this disease tend to be small for their age because bone growth is poor. In addition, they suffer malformed bone development leading to brittle, easily broken bones. The child afflicted with Cooley's anemia cannot usually engage in strenuous physical activities since the anemia causes fatigue.

There is no known cure for Cooley's anemia. At present the only effective treatment is supportive therapy such as the administration of blood transfusions to alleviate the constantly recurring anemia. Some children require transfusions several times a week; some very rarely.

There are no statistics available on the exact number of cases of Cooley's anemia in the United States. It is estimated though that there are approximately 200,000 individuals in this country who are carriers of the trait.

It is estimated that there are more than 1 million persons in the United States suffering from or debilitated from all inherited blood disorders.

The prevalence of Cooley's anemia is not known, but the best estimate is that 200,000—persons in the United States—carry to trait.

In a recent physician survey, it was estimated that 2,400 patients with Cooley's anemia are maintained medically on chronic transfusions.

The treatment for thalassamia is thus time-consuming and expensive, both in materials and in the use of skilled manpower. It is available without direct cost of only the tiny minority of patients who happen to be living in a community which provides specialized medical treatment. Most thalassamia patients live in areas distant from transfusion services and hospital staff skilled in the transfusion of small children; in other places where the service is available, the cost is prohibitive for all except the wealthy. And when all the effort has been made, most patients will still die in adolescence and few will live beyond the age of 21 years.

There are two Institutes within the National Institutes of Health who carry the responsibility for Federal research on Cooley's anemia: The National Institute of Arthritis, Metabolism, and Digestive Diseases—NIAMDD—and the National Heart and Lung Institute—NRLI. Although NHLI is responsible for carrying out the provisions of the National Cooley's Anemia Control Act, and receives the appropriations under the act, it is the NIAMDD that has been designated by the Secretary of the Department of Health, Education, and Welfare as the lead agency for the Cooley's anemia program.

I am offering this amendment to assure continued Federal support for this vital health problem.

Timely action on this measure is needed so that the National Institutes of Health under the auspices of HEW may plan effectively for the continued operation of these programs before the current fiscal year.

For that reason, the Senate Health

Subcommittee will conduct hearings on this measure in the near future.

By Mr. TUNNEY (for himself and Mr. Cranston):

S. 1621. A bill to amend section 44 of the Internal Revenue Code of 1954—relating to credit for purchase of new principal residence—to provide that the lowest offering price requirement be limited to offers after December 31, 1974, and to expedite the prescribing of final regulations relating to such section 44. Referred to the Committee on Finance.

HOME PURCHASE TAX REBATE AMENDMENTS

Mr. TUNNEY. Mr. President, it has been more than a month since the Congress acted to lift this country out of its present economic slump by passing the Tax Reduction Act of 1975. It is still too early to say just how successful the tax reduction bill will be. But it is not too early to evaluate the value of one of the provisions of that bill—the 5-percent rebate for purchasers of new homes.

As evidence becomes available, it appears that the provision is not encouraging the purchase of new homes to the extent we had hoped. Accordingly today I am introducing the Home Purchase Tax Rebate Amendments of 1975, designed to make the rebate program work more quickly and more effectively to get our hard-hit housing industry back on its feet.

The problems with the rebate program can be traced to two specific sources. First, builders and developers are uncertain about the administrative interpretation of the act. Second, the "lowest price ever" provisions of that program are forcing many builders to withhold their housing stock from eligibility for the rebates. This legislation would attempt to remedy both of those problems.

The bill will require the Secretary of Treasury to promulgate final regulations for the rebate program within 75 days of the effective date of this bill. I have confidence that these regulations will be published far in advance of any such date, but the inclusion of these provisions will emphasize congressional determination that this program be clarified as quickly as possible.

The requirement that homes qualifying for the rebate be sold at their "lowest price ever" was inserted to prevent the possibility of "price-gouging" by sellers raising prices to take advantage of the tax rebate. However, it now appears that many homes built some time ago cannot, because of the inflationary spiral and accumulated costs, be sold profitably for their original selling price. The National Association of Home Builders estimates that of the 600,000 homes in inventory and eligible for the rebate program, about 500,000 have had their prices raised because of inflation, and taxes, carrying charges, and maintenance costs.

My legislation proposes a simple remedy—the imposition of a cutoff date of December 31, 1974, for the "lowest cost" requirement. The impact of this change would be to allow sellers to qualify homes for the rebate program as long as the price charged was the lowest at which the house had been offered during 1975. In other words, builders who had been forced to raise costs to cover increased costs during years prior to 1975 could sell houses for increased prices without liability.

The cutoff date commends itself for at least three reasons. First, for those thousands of builders who use the calendar year as their accounting and tax year, it vastly simplifies the calculation of what the lowest qualifying price would be. Second, the date is late enough in the inflationary cycle and close enough to the date of passage of the bill to insure that most increased costs could have been calculated previously and prices raised accordingly. Finally, and most important, such a date would preserve the original impact of the "lowest cost" provision. The date specified is early enough that there was little consideration being given to such a rebate program at such a time. Consequently, no builder or developer without a crystal ball could have foreseen the creation of such a program and raised prices to take prospective advantage of the rebate. A December 31 cutoff would still insure that no windfall profits accrued to housing developers as a result of anticipation of the rebate.

This legislation is not intended to eliminate the possibility of lowered prices for housing. It is a response to the evidence we have now, which suggests that builders are not lowering prices to qualify for the rebate program, but are selling on the basis of conditional contracts or simply are not selling under the rebate program at all. As things presently stand, too many buyers are getting higher prices and no rebate. My legislation is designed to make the rebate program more workable, both for the housing industry and for the consumer.

It is clear that the tax rebate program by itself will not end the woes of the American construction and housing sector, nor will this program alone make the dream of a home of their own a reality for millions of average Americans. We need Federal subsidies to bring interest rates down to the level where more Americans can afford their own homes. The Senate has acted in recent days on such a measure and it has my full support as an indispensable part of any realistic program to restore vigor to the housing market.

We also need further revitalization of existing Government mortgage and interest insurance programs. I support those programs, and I will work for increasing their effectiveness and making them available to more Americans.

However, the need for a quick, short-term stimulus such as the rebate remains paramount, and I believe my bill will accomplish that purpose. Having created that program, we must now proceed to make it work.

Mr. President, I ask unanimous consent that a recent article from the Los Angeles Times be printed at this point in the Record, and that the full text of this legislation be printed in the Record immediately following the Times article.

There being no objection, the article and bill were ordered to be printed in the Record as follows:

New Home Tax Credit Fails To Stimulate Sales

(By Barbara Gius)

The federal government's $600-million tax credit program for new home buyers isn't working—yet—as the quick-sale stimulus for which it was intended.

A remedy brewed in urgency, it came out of Congress and was signed by President Ford March 30 but, a sampling of Southern California builders shows, the plan is so clouded that builders are hesitant to get involved.

They said they are reluctant to use the $2,000 tax credit on new home purchases as a sales incentive until the government provides definitive regulations for its implementation. About 28,000 unsold homes represent the Southland inventory which would qualify for the bonus plan.

Thus, according to one industry spokesman, the impact of the tax cut incentive is yet unknown.

"We're waiting for some legal interpretations from the National Assn. of Home Builders, which is waiting on HUD, which is waiting on the Secretary of the Treasury, which is waiting on the IRS," he said. "The program is no good to us until we know what homes qualify and what homes don't."

The Tax Reduction Act allows buyers of single-family homes, condominiums, townhomes, mobile homes, cooperative apartments and houseboats as principal residences, a 1975 tax deduction amounting to 5% of the purchase price, up to a maximum of $2,000.

The bill indicates that in order to qualify, homes must have been started before March 26, must not have been occupied prior to purchase, and must be acquired between March 13 and Dec. 31, 1975.

In addition, the bill stipulates that the homes be offered at "the lowest price on which the residence was ever offered for sale," a clause that has caused some confusion among builders.

"What is the 'lowest price'? What does that mean?" asked Ron Hagerthy, vice president in charge of marketing, Barclay Hollander Corp.

A consensus of builders surveyed agree with Hagerthy. "The language used to determine the qualifications for the program leaves a lot of loose ends.

PRICES INCREASING

"If Congress had done its homework, it would know that industry prices are continually increasing and that there needs to be a clear-cut way of determining 'the lowest price,'" Hagerthy continued.

"Once builders know what the lowest price is they can decide whether or not they can afford to offer their inventory at that price and participate in the program."

Many builders reported increases in home-shopper traffic over the past two weekends and said salesmen were "besieged" with inquiries about rebate eligibility. However, because the law imposes civil and criminal penalties on builders who falsely certify the selling price as "the lowest," many have remained mum on the subject.

Hagerthy continued, "The tax incentive could be a fantastic assistance to builders, but instead, it puts us on the spot for not having the answers."

While builders are waiting for clarifications from the IRS, the agency is currently embroiled in its annual task of income tax collection, and this past week's deadline may further stall the incentive program.

Although some builders fear they may lose potential customers in the delay, Hagerty said "nobody wants to stick their neck out until they know they're operating within the law. They want to be able to certify the selling price with some degree of certainty and safety."

In the meantime, offered Jim Hunter, president of Fredericks Development Corp., builders are questioning whether or not homes repeated in construction phases will qualify under the law—and at what price: the one offered in 1973 for Phase I models or the price on 1974–75 increments.

Hunter queries, "Does the law mean that the selling price must be less the retail value of upgrade items? What happens to the house priced on a premium lot? Is it disqualified?

"The way the law was written, it isn't much help to builders or buyers," he said. "It certainly hasn't affected our traffic. As far as we're concerned, the government's Fannie Mae and Freddie Mac (subsidized) programs did more to stimulate sales than anything."

SALES ACTIVITY INCREASES

Most builders have reported marked increases in sales activity since lower interest rates were made available weeks ago. Few have attributed recent sales to the rebate incentive.

Leo Carelli, president of Oakmont Construction Co., a subsidiary of Mutual Savings & Loan, said his firm has begun advertising the program in connection with a Friendly Valley older adult condominium project, which has experienced a resurgence in sales over the past two weekends.

"We think it's an excellent program for us. Most of our buyers are pretty sophisticated. They remember lower interest rates and lower taxes and because most of them are living on a fixed income, they're eager for any savings they can get," Carelli said.

Another Southland builder, the Grant Co., reported three home sales last weekend as a result of the rebate plan. According to company spokesman Charles Dryer, prices have been lowered at all but two of Grant's subdivisions in order to qualify under the price clause.

"We were able to adjust our prices by a maximum of $1,500 in order to meet the requirements," Dryer said. "We feel the program is a tremendous opportunity for buyers. If I were in the market for a new house, this would certainly push me over the edge."

Dryer said a total of 52 homes were being offered "at their lowest price" at Walnut Hills and at townhome projects in San Clemente and La Verne.

PRICE FLUCTUATIONS

He added that his "only reservation" about the legislation was that some builders who could not afford to lower prices would not be able to take advantage of the tax incentive.

"Although the intent of the law is to sell everything that's left over, its authors were apparently unaware of price fluctuations in the industry," he said.

Another developer, Raznick & Sons of Encino, said there has been record traffic at its Harborwalk development in Oxnard, where the firm's own $2,000 cash rebate program continues through the month of April. Five sales were reported last week at the 25-unit project.

The homes could also qualify for the government's rebate if purchased as a primary residence, a company spokesman said.

OWNERS TO HEAR ROBBINS

State Sen. Alan Robbins (D-North Hollywood) will address Foothill Apartment Assn. members Friday at a dinner meeting beginning at 6:30 p.m. at the Brookside Clubhouse in Pasadena. Robbins will offer, "Will the California Legislature Eliminate the Apartment Industry?" Reservations can be made through the association's office, 696 E. Colorado Blvd., Pasadena.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Home Purchase Tax Rebate Amendments of 1975.

Sec. 2. (a) Section 208 (e) (4) of the Tax Reduction Act of 1975 (26 U.S.C. 44) (relating to certification required for qualification for credit for purchase of new principal residence) is amended by striking out "lowest price at which the residence was ever offered for sale" and inserting in lieu thereof "lowest price at which the residence was offered for sale after December 31, 1974."

(b) Section 208(b) of the Tax Reduction Act of 1975 (26 U.S.C. 44 (b)) is amended by striking out "was ever offered for sale" each place it appears and inserting in lieu thereof "was offered for sale after December 31, 1974."

Sec. 3. The amendments made by the second section of this Act shall apply to principally residences (within the meaning of section 1034 of the Internal Revenue Code of 1954) sold or exchanged after December 31, 1974, in taxable years ending after such date.

Sec. 3. The Secretary of the Treasury or his delegate—

(1) not later than the 15th day after the date of enactment of this Act, shall publish proposed regulations relating to section 44 of the Internal Revenue Code of 1954 (Section 208 of the Tax Reduction Act of 1975);

(2) during the 30-day period beginning on the 16th day after such date of enactment, shall afford an opportunity for public hearings and comments on such proposed regulations; and

(3) not later than the 75th day after such date of enactment, shall prescribe and publish final regulations relating to such section 44.

By Mr. MAGNUSON (for himself and Mr. Pearson) (by request):

S. 1622. A bill to authorize an additional Assistant Secretary of Commerce. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce, by request, for myself and Senator Pearson, a bill to authorize an additional Assistant Secretary of Commerce, and ask that it be appropriately referred.

I ask unanimous consent that the text of the bill and a statement of the purpose and need for the bill, prepared by the Department of Commerce, be inserted in the Record.

There being no objection, the bill and statement were ordered to be printed in the Record, as follows:

S. 1622

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled: That,

(a) There shall be in the Department of Commerce, in addition to the Assistant Secretaries now provided by law, one additional Assistant Secretary of Commerce who shall be appointed by the President by and with the advice and consent of the Senate, shall receive compensation at the rate prescribed by law for Assistant Secretaries of Commerce, and shall perform such duties as the Secretary of Commerce shall prescribe.

(b) Title 5, United States Code, section 5315, is amended by striking item (12) and inserting in lieu thereof: "Assistant Secretaries of Commerce (8)".

Statement of Purpose and Need

The attached draft bill authorizes an additional Assistant Secretary of Commerce.

This position is required in order to establish the position of Assistant Secretary for Congressional Affairs. The Assistant Secretary would be the principal advisor to the Secretary of congressional relations matters and would head the Departmental Office of Congressional Affairs, a major staff office in the Office of the Secretary.

The Office of Congressional Affairs has recently been reorganized and its program revised as a result of a thorough review of the Department's congressional relations and activities by a Department committee headed by the Under Secretary.

The proposed Assistant Secretary will have responsibility for developing and maintaining an effective relationship with Members of Congress and congressional committees and for advising the Secretary on matters relating to the Congress. He will also be the Department of Commerce contact in matters involving the White House Office of Congressional Affairs. He will be responsible for insuring that all elements of the Department of Commerce are responsive to the needs and requests of the Congress and its committees, in a complete and timely manner.

Performance of these functions requires a top official who has the confidence of the Secretary and the Administration, and who has been appointed by the President by and with the advice and consent of the Senate. A further indication of this is the fact that of the ten other Cabinet Departments eight currently have an Assistant Secretary for Congressional Affairs or equivalent official.

Subsection (b) of the draft bill which amends 5 USC 5315 (12) to place eight Assistant Secretaries at Level IV takes into account the existing anomaly in 5 USC 5315 (12) which specifies six Assistant Secretaries although the Department is in fact authorized seven at present.

By Mr. NELSON (for himself, Mr. Javits, Mr. Mondale, and Mr. Laxalt):

S. 1623. A bill to direct the Secretary of Labor to change the name of the Wholesale Price Index to the Basic Price Index. Referred to the Committee on Post Office and Civil Service.

FAIRNESS TO WHOLESALERS AND DISTRIBUTORS

Mr. NELSON. Mr. President, for myself, the Senator from New York (Mr. Javits), the Senator from Minnesota (Mr. Mondale), and the Senator from Nevada (Mr. Laxalt), I introduce for appropriate reference a bill to direct the Secretary of Labor to change the name of the Wholesale Price Index to the Basic Price Index.

We present this proposal for the consideration of the Congress at the suggestion and request of the National Association of Wholesaler-Distributors.

The Wholesale Price Index—WPI—is one of the most important of the statistical services of the U.S. Government. It has had the same name for 75 years and by that name is used throughout the business and economic community as a measure of—and I quote now from the Bureau of Labor Statistics' published description of the WPI—

> Average changes in prices of commodities sold in primary markets in the United States. "Wholesale," as used in the title of the index, refers to sales in large quantities by producers, not to prices received by wholesalers, jobbers, or distributors.

The point is, Mr. President, that television newscasters, newspaper reporters and others who cite the Wholesale Price Index do not cite this published description. As a result, in the opinion of the National Association of Wholesaler-Distributors, every time the Wholesale Price Index goes up, members of the public are led to believe that wholesalers and distributors, rather than basic or primary producers, are responsible.

The Bureau of Labor Statistics is aware of this complaint, has seriously considered alternative names, including the name proposed in this bill, "Basic

Price Index," and has concluded that "the confusion created by a change could far outweigh the benefits to the wholesale trade industry." Nevertheless, in the opinion of my cosponsors and myself, all of whom are members of the Senate Small Business Committee, the NAWD's proposal deserves consideration in the appropriate legislative forum, the Committee on Post Office and Civil Service. Perhaps the name "basic" will not be the ultimate choice, but we do not believe the Bureau's position that the name "wholesale" must be forever enshrined and left unexamined. Hearings in the committee will afford an opportunity for all points of view to be expressed.

A letter to me from William C. McCamant of the NAWD sets forth the Association's position.

I ask unanimous consent that Mr. McCamant's letter, dated March 24, 1975, and an article from the Wall Street Journal, dated January 14, 1975, be included in the Record, along with the text of the bill.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 1623

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Labor is authorized and directed to change the name of the statistical data now known as the Wholesale Price Index to the Basic Price Index.

Sec. 2. After the date of the enactment of this Act, statistical data of prices published by the Department of Labor may use the word "Wholesale" only if such data is based on prices received by wholesalers, jobbers, and distributors.

National Association of
Wholesaler-Distributors,
Washington, D.C., March 24, 1975.

Hon. Gaylord Nelson,
U.S. Senate,
221 Old Senate Office Building,
Washington, D.C.

Dear Senator Nelson: The National Association of Wholesaler-Distributors, a federation of 91 commodity-line associations representing over 30,000 firms engaged in wholesale distribution, is concerned that the mislabelled "Wholesale Price Index" results in an unfair representation of our industry.

According to the Bureau of Labor Statistics, which collects data for the WPI, "Wholesale as used in the title of the Index refers to sales in large quantities, not prices received by wholesalers, jobbers, or distributors." The WPI is an indication of prices charged by the producer. Yet, because of the word "wholesale" in the title, the public is erroneously misled into believing that the Index reflects prices charged by wholesalers.

The misnomer leads to media interpretations (one such example is enclosed) which charge the "middleman" responsible for increasing prices. Headlines which read "Wholesale prices zoom again" and "Wholesale prices rise only slightly" are common. We maintain that the term "WPI" is misleading and must be changed.

Draft language for a bill to remedy this situation, simply by changing the name of the Index to the "Basic Price Index", is enclosed. We ask that you have a member of your staff review the draft, as well as the background material enclosed, and feel you will agree that a change in identification is warranted.

Thank you for your interest.

Sincerely yours,

William C. McCamant.

Wholesalers Think Name of Price Index Sullies Their Own—Data Labeled Wholesale Isn't, Group Says, and It Wants U.S. To Rename the Index

New Orleans.—"Everytime the wholesale price index goes up, wholesalers get a black eye," says John M. Waltersdorf.

Mr. Waltersdorf is president of the National Association of Wholesaler-Distributors. And, like many wholesalers, he's upset because he thinks the public blames wholesalers for the 23% jump over the past 12 months in the widely distributed price index.

So Mr. Waltersdorf and the association are going to kick off a campaign at their annual meeting here tomorrow called "say goodbye to the WPI." They plan a massive effort of calling on and writing to Senators, Representatives and other government officials to get the name of the index, which has been put out since 1902, changed.

Their effort isn't as self-serving as it might seem at first glance. That's because the wholesale price index doesn't reflect increases in what are commonly thought of as wholesale prices, or the prices wholesalers charge to retailers. Instead, "it's more like what wholesalers pay," concedes Mrs. Margaret S. Stotz, chief of the Division of Industrial Prices and Price Indexes at the Labor Department's Bureau of Labor Statistics, which puts out the monthly index.

The index is based on the prices of about 2,000 items, including raw materials, farm products and a wide variety of manufactured goods, at the time the producer or manufacturer sells the goods. For that reason, wholesalers want to be let off the hook. Mr. Waltersdorf, for one, thinks "producers price index" would sound about right.

Mrs. Stotz says the department hasn't explored what changing the name of the index would involve, but she sees it as "a problem." In any case, partly because of complaints from wholesalers, she says, the bureau began in November to insert into its press releases announcing changes in the index paragraph explaining how it is derived.

By Mr. TUNNEY (for himself, Mr. Cranston, Mr. Javits, and Mr. Buckley):

S. 1624. A bill to promote the free flow of commerce among the several States, and for other purposes. Referred to the Committee on Commerce.

Mr. TUNNEY. Mr. President, I am today introducing legislation to abolish discriminatory laws, license fees, and other burdens imposed by the States on wines produced outside of that State or from materials produced outside of the State. This legislation would require that each State treat any such wine as favorably as any other wine of the same class sold in the State. If any State prohibits the production, distribution, and sale of wine within its borders, this legislation would not interfere in any way with that prohibition.

I am most pleased that I am joined in this legislation by Senators Cranston, Javits, and Buckley. I ask unanimous consent that the text of this bill and a section-by-section analysis be printed in the Record at this point.

There being no objection, the bill and analysis were ordered to be printed in the Record, as follows:

S. 1624

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. (a) Congress finds that the free flow of commerce in wine among the several States is materially restrained, impaired, and obstructed by the imposition by one State of taxes, regulations, prohibitions, and requirements which discriminate against wine produced outside the State.

(b) Congress declares that, in the exercise of the power to regulate commerce among the several States granted to it by article I, section 8, clause 3 of the United States Constitution, its purpose and intent in enacting this Act is to eliminate the obstruction to the free flow of commerce in wine among the several States resulting from acts of the States which impose discriminatory and unreasonable burdens upon such commerce.

Sec. 2. (a) Wherever the law of any State permits the transportation or importation of wine into that State, such State may not impose with respect to any wine produced outside the State, or from materials originating outside the State, any tax, regulation, prohibition, or requirement which is not equally applicable with respect to wine of the same class (1) produced in, or from materials originating in, the State imposing such tax regulation, prohibition, or requirement, or (2) produced outside the State, or produced from products produced outside the State.

(b) A State which permits the sale of wine within the State shall permit the transportation or importation of wine of the same class produced outside the State, or from materials originating outside the State, into such State for sale therein upon terms and conditions equally applicable to all wine of the same class sold in the State.

Sec. 3. (a) Notwithstanding the provisions of section 2 of this Act, each State retains the right—

(1) to engage in the purchase, sale, or distribution of wine; and

(2) to exercise discretion in the selection and listing of wine to be purchased or sold by each such State.

(b) No State which exercises the rights set forth in subsection (a) may impose with respect to wine of any class, any tax, regulations, license fee, prohibition, or markup, which discriminates against wine of such class produced outside such State.

Sec. 4. Whenever any interested person has reason to believe that any State has violated any of the provisions of section 2 or 3(b) of this Act, such person may file in a district court of the United States of competent jurisdiction a civil action to enjoin the enforcement thereof. Such court shall have jurisdiction to hear and determine such action, and to enter therein such preliminary and permanent orders, decrees, and judgments as it shall determine to be required to prevent any violation of section 2 or 3(b).

Sec. 5. As used in this Act—

(1) the term "State" means any State of the United States, any political subdivision of any such State, any department, agency, or instrumentality of one or more such States or political subdivisions, and the Commonwealth of Puerto Rico; and

(2) the term "person" means any individual and any corporation, partnership, association, or other business entity organized and existing under the law of the United States or any State.

Section-by-Section Analysis

SECTION 1

Subsection (a) of this section sets forth the findings of Congress that commerce among the States is materially restrained, impaired and obstructed by the imposition by a State of discriminatory taxes, regulations, prohibitions, and requirements on wine produced outside of such State.

Subsection (b) of this section sets forth the declaration of Congress that its purpose and intent in enacting this Act, as an exercise of its power to regulate commerce among the several States, is to eliminate the obstructions to the free flow of commerce in wine among the several States resulting from the acts of the States which impose discriminatory and unreasonable burdens upon such commerce.

SECTION 2

Subsection (a) of this section provides that wherever a State permits the transportation or importation of wine into the State, such State may not impose with respect to wine of the same class any tax regulation, prohibition, or requirement which is not equally applicable to all wine of such class, whether produced in (or from materials originating in) such State, or produced outside (or from materials originating outside) such State.

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Subsection (b) of this section provides that a State which permits the sale of wine within the State shall permit the transportation or importation of wine into the State for sale therein upon terms and conditions which are equally applicable to all wine of the same class sold in such State.

SECTION 3

Subsection (a) of this section reserves for each State the right—

(1) to engage in the purchase, sale or distribution of wine; and

(2) to exercise discretion in the selection and listing of wine to be purchased or sold by each such State.

Subsection (b) of this section provides that no State which exercises the rights reserved by subsection (a) may impose with respect to wine of the same class, any tax, regulation, license fee, prohibition, or markup which discriminates against wine produced outside such State.

SECTION 4

This section allows any interested person who has reason to believe that any State has violated any of the provisions of section 2 or 3(b), to file in any United States district court of competent jurisdiction, a civil action to enjoin the enforcement of the action of the State which violates those provisions. Such court shall have jurisdiction to hear and determine such action, and to take such action as it determines necessary to prevent any violation of section 2 or 3(b).

SECTION 5

This section contains definitions of certain terms used in the bill.

(1) The term "State" means any State of the United States, any political subdivision of any such State, any department, agency, or instrumentality of one or more such States or political subdivisions, and the Commonwealth of Puerto Rico.

(2) The term "person" means any individual and any corporation, partnership, association, or other business entity organized and existing under the law of the United States or of any State.

Mr. CRANSTON. Mr. President, I am pleased to cosponsor with Senator TUNNEY legislation to end the present discriminatory taxes some States levy against wine coming into their local markets from out of State.

The bill does not limit the power of a State to regulate the sale of alcoholic beverages or to prohibit the sale of alcoholic beverages. It only requires that a State act in an even-handed manner when it taxes, controls, or regulates the sale of wine within its borders.

The American Wine Industry now ranks as a major producer of high quality wines. During the years following repeal of prohibition, when American wine growers were reestablishing their vineyards, discriminatory State taxation in favor of locally-produced wines may have had some limited value in fostering redevelopment of the wine industry. Today, however, the local shelters built through discriminatory taxation of out-of-State wines serve no constructive purpose—if, indeed, they ever did. I should point out that the two leading wineproducing States—California and New York—did not shelter their domestic wine industries with protective taxes.

Instead, discriminatory imposts on wines have obstructed the movement of a valuable commodity in interstate commerce in a manner reminiscent of the trade barriers that existed among the States in the days of the Articles of Confederation.

Some may argue that the twenty-first amendment inhibits Congress from legislating to prohibit discriminatory State taxation of wine produced outside the taxing authority. I believe, however, that the original purpose of the amendment was to permit dry States to protect themselves from the importation of liquor rather than to permit liquor-producing States to erect trade barriers against out-of-State products.

Clearly, Congress has the power under the Commerce Clause to prohibit a State from setting up a trade barrier in the form of taxes and regulations against wines produced outside the State or from materials produced outside the State. I believe that the strong constitutional policy in support of free commerce among the States requires that Congress act to prohibit such barriers. The legislation I am cosponsoring is intended to accomplish that purpose.

By Mr. HATHAWAY (for himself, Mr. LONG, Mr. PACKWOOD, Mr. BARTLETT, Mr. BEALL, Mr. DOLE, Mr. FORD, Mr. GARN, Mr. LAXALT, Mr. MCCLURE, Mr. MCGEE, Mr. ROTH, Mr. HUGH SCOTT, Mr. TOWER, Mr. THURMOND, Mr. SPARKMAN, Mr. HUDDLESTON, and Mr. DOMENICI):

S. 1625. A bill to extend and revise the State and Local Fiscal Assistance Act of 1972. Referred to the Committee on Finance.

Mr. HATHAWAY. Mr. President, on behalf of the chairman of the Finance Committee, Senator LONG, and at the request of the administration, I am today introducing a bill entitled, State and Local Fiscal Assistance Act Amendments of 1975.

I am happy to introduce this bill to extend revenue sharing, but I want to say that I do so in my capacity as chairman of the Finance Committee's Subcommittee on Revenue Sharing. I do not do so out of any wholehearted endorsement of this particular bill, any of the details herein, or even the concept of revenue sharing itself.

I feel that it is too early to draw a final conclusion about the advisability of renewing this program, or about what form that renewal should take. Although in the eyes of most local officials, the program appears to be a success, the hearings we have already held before the Finance Committee's Subcommittee on Revenue Sharing have shown that many of those outside of local government circles were somewhat less than effusive in their praise of revenue sharing. I feel we need more hearings from a somewhat broader spectrum of witnesses before we can decide what should be done with this program.

Some of the areas of particular concern to me which were raised in our original hearings are civil rights, the allocation formula among the States, the allocation formula within the States, and the method of funding the program itself, as well as the size of that program.

Mr. President, I ask unanimous consent that the text of the bill, the comparative type, and an analysis be printed in the RECORD at this time.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1625

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 102 of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. Supp. 1221) is amended by adding a final sentence to read as follows: "The Secretary may reserve such percentage of the total entitlement payment for any entitlement period as he deems necessary to ensure that there will be sufficient funds available to pay adjustments due after the final allocation of funds among the State governments and units of local government."

SEC. 2. Section 105 of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. Supp. 1224) is amended by—

(1) striking the word "and" at the end of subsection (b)(1)(F), striking subparagraph (G) and adding to subsection (b) subparagraphs (G) through (M) to read as follows:

"(G) for the period beginning July 1, 1976, and ending September 30, 1976, $1,625,000,000;

(H) for the fiscal year beginning October 1, 1976, $6,537,500,000;

(I) for the fiscal year beginning October 1, 1977, $6,687,500,000;

(J) for the fiscal year beginning October 1, 1978, $6,837,500,000;

(K) for the fiscal year beginning October 1, 1979, $6,987,500,000;

(L) for the fiscal year beginning October 1, 1980, $7,137,500,000; and

(M) for the fiscal year beginning October 1, 1981, $7,287,500,000." "

(2) striking the word "and" at the end of subsection (b) (2) (D) and by striking subparagraph (E) and adding to subsection (b) (2) subparagraphs (E) and (F) to read as follows:

(E) for the period beginning July 1, 1976 and ending September 30, 1976, $1,195,000;

(F) for each of the fiscal years beginning October 1, 1976, October 1, 1977, October 1, 1978, October 1, 1979, October 1, 1980, and October 1, 1981, $4,780,000."; and

(3) adding subsections (d) and (e) to read as follows:

(d) NEW SPENDING AUTHORITY EXEMPTION.—Funds appropriated pursuant to subsection (b) (1) and (2) are exempt from the provisions of sections 401 (a) and (b) of the Congressional Budget Act of 1974."

"(e) SECRETARY'S REPORT ON EXTENSION.—No later than September 30, 1980, the Secretary shall submit a report with appropriate recommendations concerning the extension of this title to the Congress.

SEC. 3. Section 107(b) of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. Supp. 1226(b)) is amended by striking paragraph (5) and redesignating paragraphs (6) and (7) and (5) and (6) respectively.

SEC. 4(a). Section 108(b)(4) of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. Supp. 1227(b)(4)) is amended by revising the last sentence thereof to read as follows: "If the entitlement of any such tribe or village is waived for any entitlement period by the governing body of that tribe or village, then the amount of such entitlement shall (in lieu of being paid to such unit) be added to, and shall become a part of, the entitlement of the county government of the county area in which such unit is located."

(b) Section 108(b)(6)(B) of the Act (31 U.S.C. Supp. 1227(b)(6)(B)) is amended by adding a new sentence to the end thereof to read as follows: "Beginning with the entitlement period that begins July 1, 1976, the maximum constraint shall increase at a rate of 6 percentage points per entitlement period until it reaches 175 percent."

(c) Section 108(c)(1) of the Act (31 U.S.C. Supp. 1227(c)(1)) is amended by striking "December 31, 1976" from subparagraph (C) and inserting in lieu thereof "September 30, 1982."

SEC. 5. Section 109(c)(2)(B) of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. Supp. 1228(c)(2)(B)) is amended to read as follows:

"(B) MOST RECENT REPORTING YEAR.—The most recent reporting year with respect to any entitlement period consists of the years taken into account by the Bureau of the Census in its most recent general determination of State and local taxes made before the beginning of such period."

SEC. 6(a). Section 121(a) of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. Supp. 1241(a)) is amended by revising the first sentence to read as follows: "Each State government and unit of local government which receives funds under subtitle A shall, after the close of each entitlement period, submit a report to the Secretary on the use of the funds received during such period."

(b) Section 121(b) of the Act (31 U.S.C. Supp. 1241(b)) is amended by revising the first sentence to read as follows: "Each State government and unit of local government which expects to receive funds under subtitle A for any entitlement period beginning on or after January 1, 1973, shall submit a report to the Secretary on how it plans to use the funds it expects to receive during such period."

(c) Section 121(c) of the Act (31 U.S.C. Supp. 1241(c)) is amended by inserting a new sentence after the first sentence to read as follows: "Where the newspaper publication cost of such report is excessive in relation to the amount of the entitlement of a unit of local government or where other means of publicizing the reports are more appropriate, then such reports shall be publicized pursuant to regulations prescribed by the Secretary."

SEC. 7 Section 122(b)(2) of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. Supp. 1242(b)(2)) is amended to read as follows:

"(2) to exercise the powers and functions provided by title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), and to withhold all or a portion of the entitlement funds due such State government or unit of local government, to terminate the eligibility of such State government or unit of local government to receive one or more payments under subtitle A, and to require repayment by such State government or unit of local government of the entitlement funds expended in a program or activity found to be in violation of subsection (a);".

SEC. 8. Section 123 of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. Supp. 1243) is amended by—

(1) striking the word "and" at the end of subsection (a)(5)(B), by striking the semicolon at the end of subsection (a)(5)(C), and inserting in lieu of the latter a comma and the word "and", and by adding a new subsection (a)(5)(D) to read as follows:

"(D) notwithstanding paragraph 4, provide notice and opportunity to the residents so that they may give recommendations and views on the proposed expenditures of all funds made available under subtitle A in a public hearing or in such other manner as the Secretary may prescribe by regulation;";

(2) striking paragraph (8) of subsection (a).

SEC. 9. Section 141(b) of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. Supp. 1261) is amended by striking paragraph (5) and substituting in lieu thereof the following:

"(5) The period beginning July 1, 1976, and ending September 30, 1977.

(6) The one-year periods beginning on October 1 of 1977, 1978, 1979, 1980, and 1981."

COMPARATIVE TYPE SHOWING CHANGES IN EXISTING LAW MADE BY PROPOSED BILL

Changes in existing law made by the proposed bill are shown as follows (existing law proposed to be omitted is enclosed in brackets; new matter is printed in italic):

Sections 102, 105, 107, 108, 109, 121, 122, 123, and 141 of the State and Local Fiscal Assistance Act of 1972 (31 U.S.C. Supp. 1221, 1224, 1226, 1227, 1228, 1241, 1242, 1243, 1261)

SEC. 102. PAYMENT TO STATE AND LOCAL GOVERNMENTS

* * * * *

Except as otherwise provided in this title, the Secretary shall, for each entitlement period, pay out of the Trust Fund to—

(1) each State government a total amount equal to the entitlement of such State government determined under section 107 for such period, and

(2) each unit of local government a total amount equal to the entitlement of such unit determined under section 108 for such period.

In the case of entitlement periods ending after the date of the enactment of this Act, such payments shall be made in installments, but not less often than once for each quarter, and, in the case of quarters ending after September 30, 1972, shall be paid not later than five days after the close of each quarter. Such payments for any entitlement period may be initially made on the basis of estimates. Proper adjustment shall be made in the amount of any payment to a State government or a unit of local government to the extent that the payments previously made to such government under this subtitle were in excess of or less than the amounts required to be paid. *The Secretary may reserve such percentage of the total entitlement payment for any entitlement period as he deems necessary to ensure that there will be sufficient funds available to pay adjustments due after the final allocation of funds among State governments and units of local government.*

SEC. 105 CREATION OF TRUST FUNDS APPROPRIATIONS

* * * * *

(b) APPROPRIATIONS.—

(1) IN GENERAL.—There is appropriated to the Trust Fund, out of amounts in the general fund of the Treasury attributable to the collections of the Federal individual income taxes not otherwise appropriated—

(A) for the period beginning January 1, 1972, and ending June 30, 1972, $2,650,000,000;

(B) for the period beginning July 1, 1972, and ending December 31, 1972, $2,650,000,000;

(C) for the period beginning January 1, 1973, and ending June 30, 1973, $2,987,500,000;

(D) for the fiscal year beginning July 1, 1973, $6,050,000,000;

(E) for the fiscal year beginning July 1, 1974, $6,200,000,000;

(F) for the fiscal year beginning July 1, 1975, $6,350,000,000; [and]

[(G) for the period beginning July 1, 1976, and ending December 31, 1976, $3,325,000,000.]

"(G) for the period beginning July 1, 1976, and ending September 30, 1976, $1,625,000,000;

"(H) for the fiscal year beginning October 1, 1976, $6,537,500,000;

"(I) for the fiscal year beginning October 1, 1977, $6,687,500,000;

"(J) for the fiscal year beginning October 1, 1978, $6,837,500,000;

"(K) for the fiscal year beginning October 1, 1979, $6,987,500,000;

"(L) for the fiscal year beginning October 1, 1980, $7,137,500,000; and

"(M) for the fiscal year beginning October 1, 1981, $7,287,500,000."

(2) NONCONTIGUOUS STATES ADJUSTMENT AMOUNTS.—There is appropriated to the Trust Fund, out of amounts in the general funds of the Treasury attributable to the collections of the Federal individual income taxes not otherwise appropriated—

(A) for the period beginning January 1, 1972, and ending June 30, 1972, $2,390,000;

(B) for the period beginning July 1, 1972, and ending December 31, 1972, $2,390,000;

(C) for the period beginning January 1, 1973, and ending June 30, 1973, $2,390,000;

(D) for each of the fiscal years beginning July 1, 1973, July 1, 1974, and July 1, 1975, $4,780,000; [and]

[(E) for the period beginning July 1, 1976, and ending December 31, 1976, $2,390,000;]

(E) for the period beginning July 1, 1976, and ending September 30, 1976, $1,195,000;

(F) for each of the fiscal years beginning October 1, 1976, October 1, 1977, October 1, 1978, October 1, 1979, October 1, 1980, and October 1, 1981, $4,780,000.

(3) DEPOSITS.—Amounts appropriated by paragraph (1) or (2) for any fiscal year or other period shall be deposited in the Trust Fund on the later of (A) the first day of such year or period, or

(B) the day after the date of enactment of this Act.

(c) TRANSFERS FROM TRUST FUND TO GENERAL FUND.—The Secretary shall from time to time transfer from the Trust Fund to the general fund of the Treasury any moneys in the Trust Fund which he determines will not be needed to make payments to State governments and units of local government under this subtitle.

(d) NEW SPENDING AUTHORITY EXEMPTION.—Funds appropriated pursuant to subsection (b) (1) and (2) are exempt from the provisions of sections 401 (a) and (b) of the Congressional Budget Act of 1974.

(e) SECRETARY'S REPORT ON EXTENSION.—No later than September 30, 1980, the Secretary shall submit a report with appropriate recommendations concerning the extension of this title to the Congress.

SEC. 107. ENTITLEMENTS OF STATE GOVERNMENTS.

* * * * *

(b) State must maintain transfers to local governments.

* * * * *

[(5) SPECIAL RULE FOR PERIOD BEGINNING JULY 1, 1976.—In the case of the entitlement period beginning July 1, 1976, and ending December 31, 1976, the aggregate amount taken into account under paragraph (1)(A) for the preceding entitlement period and the aggregate amount taken into account under paragraph (1)(B) shall be one-half of the amounts which (but for this paragraph) would be taken into account.]

[6](5) REDUCTION IN ENTITLEMENT.—If the Secretary has reason to believe that paragraph (1) requires a reduction in the entitlement of any State government for any entitlement period, he shall give reasonable notice and opportunity for hearing to the State. If, thereafter, he determines that paragraph (1) requires the reduction of such entitlement, he shall also determine the amount of such reduction and shall notify the Governor of such State of such determinations and shall withhold from subsequent payments to such State government under this subtitle an amount equal to such reduction.

[7](6) TRANSFER TO GENERAL FUND.—An amount equal to the reduction in the entitlement of any State government which results from the application of this subsec-

tion (after any judicial review under section 143) shall be transferred from the Trust Fund to the general fund of the Treasury on the day on which such reduction becomes final.

Sec. 108. Entitlements of Local Governments.

* * * * *

(b) Allocation to County Governments, Municipalities, Townships, Etc.—

* * * * *

(4) Indian tribes and Alaskan native villages.—If within a county area there is an Indian tribe or Alaskan native village which has a recognized governing body which performs substantial governmental functions, then before applying paragraph (1) there shall be allocated to such tribe or village a portion of the amount allocated to the county area for the entitlement period which bears the same ratio to such amount as the population of that tribe or village within that county area bears to the population of that county area. If this paragraph applies with respect to any county area for any entitlement period, the amount to be allocated under paragraph (1) shall be appropriately reduced to reflect the amount allocated under the preceding sentence. If the entitlement of any such tribe or village is waived for any entitlement period by the governing body of that tribe or village, then the [provisions of this paragraph shall not apply with respect to the amount of such entitlement for such period] amount of such entitlement shall (in lieu of being paid to such unit) be added to, and shall become a part of, the entitlement of the county government of the county area in which such unit is located.

* * * * *

(6) Entitlement.—

(A) In General.—Except as otherwise provided in this paragraph, the entitlement of any unit of local government for any entitlement period shall be the amount allocated to such unit under this subsection (after taking into account any applicable modification under subsection (c)).

(B) Maximum and Minimum Per Capita Entitlement.—Subject to the provisions of subparagraphs (C) and (D), the per capita amount allocated to any county area or any unit of local government (other than a county government) within a State under this section for any entitlement period shall not be less than 20 percent, nor more than 145 percent, of two-thirds of the amount allocated to the State under section 106, divided by the population of that State. Beginning with the entitlement period that begins July 1, 1976, the maximum constraint shall increase at a rate of 6 percentage points per entitlement period until it reaches 175 percent.

(c) Special Allocation Rules.—

* * * * *

(1) Optional formula

* * * * *

(C) apply during the period beginning on the first day of the first entitlement period to which it applies and ending on [December 31, 1976.] September 30, 1982.

Sec. 109. Definitions and Special Rules for Application of Allocation Formulas.

* * * * *

(c) General Tax Effort of States.—

* * * * *

(2) State and Local Taxes.—

(B) Most Recent Reporting Year.—The most recent reporting year with respect to any entitlement period consists of the years taken into account by the Bureau of the Census in its most recent general determination of State and local taxes made before the [close] beginning of such period.

Sec. 121. Reports on Use of Funds; Publication.

(a) Reports on Use of Funds.—Each State government and unit of local government which receives funds under subtitle A shall, after the close of each entitlement period, submit a report to the Secretary [setting forth the amounts and purposes for which funds received during such period have been spent or obligated] on the use of the funds received during such period. Such reports shall be in such form and detail and shall be submitted at such time as the Secretary may prescribe.

(b) Reports on Planned Use of Funds.—Each State government and unit of local government which expects to receive funds under subtitle A for any entitlement period beginning on or after January 1, 1973, shall submit a report to the Secretary [setting forth the amounts and purpose for which it plans to spend or obligate the funds which it expects to receive during such period] on how it plans to use the funds it expects to receive during such period. Such reports shall be in such form and detail as the Secretary may prescribe and shall be submitted at such time before the beginning of the entitlement period as the Secretary may prescribe.

(c) Publication and Publicity of Reports.—Each State government and unit of local government shall have a copy of each report submitted by it under subsection (a) or (b) published in a newspaper which is published within the State and has general circulation within the geographic area of that government. Where the newspaper publication cost of such report is excessive in relation to the amount of the entitlement of a unit of local government or where other means of publicizing the reports are more appropriate, then such reports shall be publicized pursuant to regulations prescribed by the Secretary. Each State government and unit of local government shall advise the news media of the publication of its reports pursuant to this subsection.

Sec. 122. Nondiscrimination Provision.

* * * * *

(b) Authority of Secretary.—Whenever the Secretary determines that a State government or unit of local government has failed to comply with subsection (a) or an applicable regulation, he shall notify the Governor of the State (or, in the case of a unit of local government, the Governor of the State in which such unit is located) of the noncompliance and shall request the Governor to secure compliance. If within a reasonable period of time the Governor fails or refuses to secure compliance, the Secretary is authorized (1) to refer the matter to the Attroney General with a recommendation that an appropriate civil action be instituted; (2) to exercise the powers and functions provided by title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) [;], and to withhold all or a portion of the entitlement funds due such State government or unit of local government, to terminate the eligibility of such State government or unit of local government to receive one or more payments under subtitle A, and to require repayment by such State government or unit of local government of the entitlement funds expended in a program or activity found to be in violation of subsection (a);

(3) to take such other action as may be provided by law.

Sec. 123. Miscellaneous Provisions.

(a) Assurances to the Secretary

* * *

(5) it will—

(A) use fiscal, accounting, and audit procedures which conform to guidelines established therefor by the Secretary (after consultation with the Comptroller General of the United States),

(B) provide to the Secretary (and to the Comptroller General of the United States), on reasonable notice, access to, and the right to examine, such books, documents, papers, or records as the Secretary may reasonably require for purposes of reviewing compliance with this title (or, in the case of the Comptroller General, as the Comptroller General may reasonably require for purposes of reviewing compliance and operations under subsection (c) (2)), [and]

(C) make such annual and interim reports (other than reports required by section 121) to the Secretary as he may reasonably require[;], and

(D) notwithstanding paragraph (4), provide notice and opportunity to the residents so that they may give recommendations and views on the proposed expenditures of all funds made available under subtitle A in a public hearing or in such other manner as the Secretary may prescribe by regulation;

* * *

[(8) in the case of a unit of local government as defined in the second sentence of section 108(d) (1) (relating to governments of Indian tribes and Alaskan native villages), it will expend funds received by it under subtitle A for the benefit of members of the tribe or village residing in the county area from the allocation of which funds are allocated to it under section 108(b) (4).]

Sec. 141. Definitions and Special Rules.

(b) Entitlement Period.—For purposes of this title, the term "entitlement period" means—

(1) The period beginning January 1, 1972, and ending June 30, 1972.

(2) The period beginning July 1, 1972, and ending December 31, 1972.

(3) The period beginning January 1, 1973, and ending June 30, 1973.

(4) The one-year periods beginning on July 1, of 1973, 1974, and 1975.

[(5) The period beginning July 1, 1976, and ending December 31, 1976.]

(5) The period beginning July 1, 1976, and ending September 30, 1977.

(6) The one-year periods beginning on October 1 of 1977, 1978, 1979, 1980, and 1981.

Analysis: State and Local Fiscal Assistance Act Amendments of 1975

SECTION 1

The amount of a recipient government's revenue sharing allocation is determined by the data factors of that government relative to the data factors of all other competing governments. In the process of improving the data, it is sometimes necessary to make data corrections after the final allocation of funds, and after the period during which the vast majority of data corrections have been processed. Each data correction of this type, absent a special procedure, would result in retroactive changes to the allocations and payments of many governments which had expended the funds or had come to rely on those allocations and payments for budgetary purposes.

To mitigate the inequity arising from this unfortunate but inevitable circumstances, 31 CFR 51.25(a) has been promulgated. It establishes an Obligated Adjustment Reserve that is funded by administratively holding in reserve a small percentage (.005) of the revenue sharing funds appropriated for each entitlement period from which adjustments can be made to alleviate hardships caused by prior misallocations. The amount of revenue sharing funds held in reserve and the decision to make adjustment payments is determined at the discretion of the Secretary, as the equity of the situation requires.

The creation of the Reserve Fund has proved necessary for the orderly administration of the General Revenue Sharing program due to the complexity of the allocation process. The proposed amendment to section 102 of the Act is recommended in the first section of the bill to clarify the authority of the Secretary to make adjustments in this manner.

SECTION 2

Section 105(b) (1) of the present Act provides for the periodic appropriation of funds from the general fund of the Treasury to the State and Local Government Fiscal Assistance Trust Fund. Funding under this section is provided through December 31, 1976, with an increase of $150 million each full fiscal year with the exception of early periods and the last period of six months. The six-month period also provides for a step increase of $150 million.

Clause (1) of section 2 of the bill provides for a continuation of the General Revenue Sharing program for 5¾ additional years, concluding with the fiscal year beginning October 1, 1981. This recommendation strikes a reasonable balance between the need of recipient governments for fiscal stability and the legitimate desire of the Federal Executive and the Congress to review the law in the light of future national economic concerns. Thus, the total amount to be distributed under the 5¾-year renewal program is $39.85 billion, which includes $75 million moved forward from the final six months of the current program. The original Act provided for a $150 million increase for the six-month entitlement period which was to end the GRS program. Since the program is to be extended, the legislation seeks to continue linear $150 million annual stairstep increases in funding level.

The amendment also creates a three-month appropriation period beginning July 1, 1976, and ending September 30, 1976, to provide for the transition to the new October 1 Federal fiscal year. The entitlement period beginning July 1, 1976, combines this quarter with the following fiscal year so that the entitlement period would end on September 30, 1977.

When the revenue sharing allocation of Alaska or Hawaii is determined by the three-factor allocation formula, it becomes eligible for the noncontiguous State adjustment. Pursuant to section 106(c) of the Act, an adjustment may be made to the basic allocation for these States in which civilian employees of the U.S. Government receive an allowance under 5 U.S.C. section 5941. Section 105(b)(2) appropriates the funds used to make this adjustment.

Clause (2) of section 2 of the bill would amend section 105(b)(2) by extending this appropriation at the existing rate of $4,780,000 per year. Further, this amendment, like that of clause (1) of section 2 above, would result in two appropriation periods being combined under the new fifteen-month entitlement period proposed for section 141(b). This will allow for the transition to the new Federal fiscal year and at the same time identify all the appropriations being proposed for this section, including the transition quarter.

Clause (3) of section 2 of the bill would amend section 105 of the Act to add subsections (d) and (e). The new subsection (d) provides that the funds appropriated for the extension of the General Revenue Sharing program are exempt from the appropriation procedures of section 401(a) and (b) of the Congressional Budget Act of 1974 (P.L. 93-344). This Act specifically provides that any extension of the General Revenue Sharing program is eligible for this exemption.

The appropriation of funds at the outset for the extension of the General Revenue Sharing program is vitally important to recipient governments to assist them in planning for their service programs, capital improvement programs, and financial policies without being subject to the inherent delays and uncertainties of the annual appropriation process.

The new subsection (e) provides that the Secretary of the Treasury shall submit a report, with recommendations concerning the extension of the Act, to the Congress two years before the expiration of funding under this bill. A requirement to review the renewal of the General Revenue Sharing program two years in advance of its expiration would remove much of the uncertainty for State and local governments regarding availability of future funds and would provide the Congress adequate time to review the program.

SECTION 3

Section 107(b)(5) of the Act provides a special rule to measure State assistance to local governments during the six-month-long entitlement period (July 1, 1976-December 31, 1976). This provision is no longer needed in view of the fact that this legislation would replace the six-month entitlement period with a new longer entitlement period. Accordingly, it is proposed that section 107(b) be amended to delete paragraph (5). In situations in which either the recipient government's fiscal year does not coincide with an entitlement period or where an entitlement period is greater than or less than a full year, the Office of Revenue Sharing has provided by regulation (31 CFR 51.26) that the point of reference for measuring a State's assistance to local governments will be that State's fiscal year.

SECTION 4

Section 4(a) amends section 108(b)(4) of the Act to treat an entitlement waiver by an Indian tribe or Alaskan native village in the same way as waivers by other eligible governments.

Section 108(b)(4) of the present Act provides that if the governing body of an Indian tribe or Alaskan native village waives its entitlement, then the amount of the entitlement shall be distributed according to the rules relating to distribution within county areas. The waiver by an Indian tribe or Alaskan native village is therefore handled differently than a waiver by a unit of local government pursuant to section 108(b)(6)(D). In the case of a waiver by a unit of local government, the entitlement waived becomes a part of the entitlement of the county government of the county area in which the waiving unit is located. In the case of Indian tribes and Alaskan native villages, section 108(b)(4) requires the amount of the entitlement waived by those units to pass to all of the other local units of government in the applicable county area.

The requirement treatment of waived entitlements by Indian tribes causes a significant burden of recomputation, the net effect of which is to increase the entitlement of numerous units of local government by relatively insignificant amounts. In many instances, the cost to the Office of Revenue Sharing of making the required adjustment to entitlements initiated by waiver by an Indian tribe exceeds the amount of the entitlement waived. We believe that entitlements waived by an Indian tribe or Alaskan native village should be treated the same as a waiver by any other unit of local government, and the amount waived should be added to the county government entitlement. Section 4(a) of the bill would accomplish that purpose.

Section 4(b) of the bill provides that beginning with the entitlement period that begins on July 1, 1976, the present maximum limitation on the amount of revenue sharing entitlements be raised. In order to insure that some communities would not receive extremely high or low allocations, the maximum and minimum limitations on the revenue sharing allocations to county areas and units of local government were imposed upon the revenue sharing formula. Under the current law, the maximum limitation for any county area or local government in a State is 145 percent of the per capita allocation to all local governments in the State.

The effect of this 145 percent maximum is as follows: after the entitlements of local governments within a State are computed according to the formula, any jurisdiction which is entitled to receive more than 145 percent of the average per capita allocation to all local governments in that State has its allocation reduced to the 145 percent level. The funds taken from these jurisdictions, which are generally characterized by low-income population and high levels of tax effort, are then redistributed according to the formula to the remaining jurisdictions within the State which are not so constrained and which would otherwise receive smaller amounts.

To reduce the impact on local governments which have been receiving additional funds that are redistributed because of the operation of the 145 percent constraint upon other jurisdictions within their State, the maximum allocation constraint would be raised gradually, in five steps, by an increase of 6 percentage points per entitlement period until a new maximum constraint level of 175 percent is reached. The purpose of raising the maximum per capita allocation constraint to 175 percent is to allow low personal income and high tax effort to be more fully reflected in the operation of the basic formula.

Due to the responsiveness of the revenue sharing formulas to changes in data—the allocation of revenue sharing funds is based on annually changing data elements such as adjusted taxes, and on periodically updated data elements such as per capita income and population—the effect of this proposed change will vary in any entitlement period and from State to State. As a result of the gradual phase-in, and as a result of the stairstep increases in the total amount being distributed each entitlement period, however, the potential losses to almost all jurisdictions in any given year should be fully offset so that they will not suffer an actual decrease in their revenue sharing payments as a consequence of this change.

Increasing the maximum constraint as proposed will, as a general rule, cause increased revenue sharing funds to be received by the 4,000 places that have been constrained in the past. These places include both major cities and smaller jurisdictions. Approximately 23,000 places would no longer receive additional redistributed funds from the constrained places, but the amount involved for any given place is relatively small. Had the 175 percent constraint limitation been *fully* implemented in FY 1974, these 23,000 places would have received an average of $3,000 less than they were actually paid in FY 1974, which is an average 2.2 percent less than they actually received.

Section 108(c) of the Act enables State governments, by enactment of a State law, to adopt an alternative formula for the distribution of revenue sharing allocations among the county areas and among the municipalities located therein. Section 4(c) of the bill amends section 108(c)(1)(C) for the sole purpose of reflecting the extension of the General Revenue Sharing appropriations until September 30, 1982.

SECTION 5

Section 109(a)(5) of the preesnt Act states that, except as provided in the regulations, the determination of allocations and entitlements for any entitlement period shall be made as of the first day of the third month immediately preceding the beginning of each period. Further, section 109(a)(7) provides for uniformity of data and states the general rule that the data shall be the most recently available data. These provisions are effective and permit the orderly computation of entitlements before the beginning of each period so that States and local governments may be advised, for planning purposes and for purposes of informing their citizens, well before payments are made. In section 109(c)(2)(B) the definition of the general tax effort for States defines the most recent reporting year as the one taken into account by the Bureau of the Census prior to the close of that entitlement period. This definition appears to conflict with the definition for all other data items and appears to conflict with the earlier section providing for uniformity of data and for computation of entitlements three months before the beginning of an entitlement period.

Were this non-conforming definition to

be given precedence, it would necessitate substitution of these data during an entitlement period while payments were being made, and would result in changing the entitlements for all 38,000 recipient governments during the middle of the payment year.

Section 5 of the bill would eliminate this non-conforming language by amending section 109(c)(2)(B) by deleteing the word "close" in the phrase "made before the close of each period", and inserting in lieu thereof the word "beginning". Thus, the phrase would read, "made before the beginning of such period". In this way, data from which the general tax effort factor is computed, and which is published by the Department of Commerce by October of each year, would be used for the computation of the entitlement period beginning in the following year, and no tax effort adjustments to the general universe of recipients would be necessary.

SECTION 6

Section 121(a) of the Act requires States and units of local governments to submit a report to the Secretary of the Treasury at the close of each entitlement period setting forth the amounts and purposes for which funds received during such period have been spent or obligated. The purpose of this section is to keep the Secretary and the public abreast of how recipient governments are spending their General Revenue Sharing funds.

Attempts to measure the various effects General Revenue Sharing funds have had on recipient governments from the Actual Use Reports submitted to date have met with only limited success. Section 6(a) of the bill is intended to give the Secretary more discretion to determine the form and content of the reports submitted under section 121(a) of the Act. This additional authority to regulate the substantive content of the Actual Use Reports will be used to require recipient governments to report financial and use information in a fashion that is more meaningful to the general public, to the Congress, and to the Executive Branch.

Section 121(b) of the Act requires States and units of local government expecting to receive revenue sharing funds for any entitlement period to submit a report to the Secretary of the Treasury setting forth the amounts and purposes for which they plan to spend or obligate the funds during such period. The so-called Planned Use Report is intended to be used to inform the Secretary and the public as to how recipient governments plan to expend their General Revenue Sharing funds.

Section 6(b) of the bill is intended to serve the same function for the Planned Use Reports as section 6(a) serves for the Actual Use Reports. In each case, we believe the effectiveness of the reports could be significantly enhanced if the Secretary were allowed more administrative discretion to determine their content. The present requirement that the Planned Use Report set forth the amounts and purposes for which the recipient government plans to spend or obligate the funds does provide beneficial information. However, section 6(b) would make it possible for the reports to provide data that is more useful to local citizens and the Federal Government.

Section 121(c) of the Act requires each recipient government to publish a copy of each report which it submits to the Office of Revenue Sharing in a newspaper which is published within the State and has general circulation within the geographical area of that government. Based on our administrative experience, this section should be modified. The Office of Revenue Sharing has received a large number of complaints, particularly from small units of government, regarding the relatively high cost of publication. Some small governments receiving less than $1,000 have had to spend $100 or more for publication due to a variety of local circumstances. In other instances, the unavailability of a newspaper circulating generally within the geographical area of a county has been called to our attention. In still other cases, we have been advised that there are more effective ways to get the information contained in the report to the citizens of the community.

Section 6(c) of the bill would amend section 121(c) to authorize the Secretary to establish alternative procedures where it is determined that the requirement of publication in a newspaper is unreasonably expensive in relation to the amount of revenue sharing funds involved, or, where the Secretary finds that in terms of public understanding, there are better methods to get the information before the residents of the community.

SECTION 7

Section 122(a) of the Act provides that no person in the United States shall on the ground of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with revenue sharing funds. The statutory authority of the Secretary of the Treasury to enforce the above nondiscrimination provision is set forth in section 122(b) of the Act. It presently states that upon a determination by the Secretary that a recipient has failed to comply with subsection 122(a), and after notification to the Governor of the State (or, in the case of a unit of local government, the Governor of the State in which such unit is located) and after failure to secure voluntary compliance within a reasonable period of time, the Secretary may either: refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted; exercise the powers and functions provided by Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d); or take such other action as may be provided by law.

Title VI of the Civil Rights Act of 1964 prohibits discrimination in the use of Federal financial assistance by way of grant, loan, or contract, (42 U.S.C. 2000d-1). In order to receive such assistance, generally the State or local government must file an application satisfying the requirements of the particular program. Revenue sharing payments are based on a statutory entitlement for which States and units of local government are automatically eligible pursuant to section 102 of the Act. The Secretary has no discretion to approve or disapprove in advance payments to any participating recipient government after certain minimal statutory requirements are met.

Recognizing the unique aspects of revenue sharing entitlements, section 7 of the bill is intended to express clearly in the Act certain authority of the Secretary in applying the nondiscrimination provisions of section 122. This is accomplished by stating explicitly that the Secretary has authority to withhold all or a portion of entitlement funds due a State or unit of local government, to terminate one or more payments of entitlement funds, and to require repayment of entitlement funds previously expended in a program or activity found to have been in violation of subsection (a). The changes in section 122 will further enhance the Secretary's ability to ensure that entitlement funds are not utilized in a discriminatory manner.

SECTION 8

Broad public participation in State and local decisionmaking as to how revenue sharing funds are to be expended is an essential ingredient of General Revenue Sharing. For this reason, section 121(c) requires that the news media be notified when the Planned Use and Actual Use Reports are published in a local newspaper.

By regulation, recipient governments must also make these reports available to the general public. Additionally, to encourage citizen involvement, section 123(a)(4) of the Act requires recipient governments to provide for the expenditure of revenue sharing funds only in accordance with the laws and appropriation procedures which are applicable to the expenditure of their own revenues.

Clause (1) of section 8 of the bill would further strengthen the general public's role in the General Revenue Sharing process. It amends section 123(a)(5) of the Act to the extent that in order to qualify for revenue sharing funds, a State or unit of local government must establish to the satisfaction of the Secretary of the Treasury that it will provide the residents under its jurisdiction with an opportunity to give their recommendations and views on how the revenue sharing funds should be spent. This opportunity for public involvement may be provided either in a public hearing or, where appropriate, by other means prescribed in regulations to be issued by the Secretary of the Treasury. This amendment would serve to ensure that all recipient governments, regardless of whether they have State or local public participation requirements, will include the public in the decision-making process on the expenditure of revenue sharing funds.

Section 123(a)(8) of the Act provides that Indian tribes and Alaskan native villages must spend their revenue sharing funds for the benefit of members of the tribe or village residing in the county area from which its revenue sharing entitlement originates. This provision affects Indian reservations which are located in more than one county, thus resulting in the tribe receiving separate revenue sharing allocations from each county area.

Clause (2) of section 8 proposes to eliminate this provision for two reasons. First, it is very difficult for the Indian government to administer since it demands that an analysis be made of each proposed revenue sharing expendtiure to ensure that the proper percentage of residents in the applicable counties will benefit in proportion to the percentage of revenue sharing funds generated from each country. Second, this requirement frustrates reservation-wide planning by limiting the capacity of the tribal government to concentrate its revenue sharing expenditures in areas which have the highest priority.

SECTION 9

Section 141 of the Act defines the entitlement periods which govern the distribution of funds to recipient governments. Section 9 of the bill would revise the last entitlement period (July 1, 1976, to December 31, 1976) by extending it to September 30, 1977. This fifteen-month entitlement period would provide for the transition to the new Federal fiscal year and would combine the appropriations of subparagraph (G) and proposed subparagraph (H) of section 105(b)(1). Also, section 141 would be amended to extend the General Revenue Sharing program until September 30, 1982.

Mr. PACKWOOD. Mr. President, today I am pleased to join the chairman of the Finance Committee (Mr. LONG) and the chairman of the Revenue Sharing Subcommittee (Mr. HATHAWAY) in introducing President Ford's proposal to extend the State and Local Fiscal Assistance Act of 1972.

In my experience, revenue sharing has proven to be one of the most effective Federal programs. The program has been largely successful in meeting its original goals. Early renewal of the program is desirable to allow State and local governments to make sound plans for their revenue sharing payments.

As of January 6, 1975, more than $17 billion had been distributed through the general revenue sharing program. I request unanimous consent to have two tables taken from the Second Annual Report of the Office of Revenue Sharing inserted in the RECORD as a part of these remarks. The tables show the cumulative disbursements of revenue sharing funds as of January 6, 1975, and the use of revenue sharing funds reported by State and local governments. Table 1 shows that revenue sharing has provided assistance to nearly 39,000 general purpose governments. Table 2 shows that recipient governments have used the funds to provide important public services and public facilities of benefit to all Americans, including public safety, education, transportation, environmental quality, health, recreation, and social services for the poor and aged.

The formula for distribution of revenue sharing funds results in greater distributions to areas of greatest need. Mississippi has the lowest per capita income and Connecticut has the highest. Under the revenue sharing formula, Mississippi receives three times as much revenue sharing as Connecticut, per $1,000 of personal income. Further, central cities receive more per person than the wealthiest of their suburbs.

For example, Los Angeles receives three times the per person revenue sharing distribution to Beverly Hills; Chicago receives five times the per person revenue sharing distribution to Winnetka; and Cleveland receives six times the per person revenue sharing distribution to Shaker Heights.

General revenue sharing has slowed the centralization of power in Washington. Revenue sharing lets people attack local problems through the governments closest to them, instead of looking to an all powerful central bureaucracy. Excessive central control can lead to complex, counter productive, and encrusted programs, with massive regulations and forms.

Revenue sharing allows elected officials to use the funds as desired by the people in a community. Let me illustrate this point. A public opinion survey conducted by a group of researchers at the University of California at Los Angeles showed that the public's top priorities for revenue sharing were public safety and education. The record now shows that these two areas in fact received the most revenue sharing funds.

These goals have been accomplished with very low administrative costs. Only 85 Federal employees are required to administer the 5-year, $30 billion State and Local Fiscal Assistance Act of 1972. Administrative costs are only 0.12 percent of total revenue sharing funds. In addition, fewer employees are needed by State and local governments in administration of revenue sharing than categorical grants, because of elimination of complex application and monitoring procedures.

Categorical programs can lead to wasted money. Every member of the panel of Mayors testifying before the Revenue Sharing Subcommittee of the Finance Committee on April 16, 1975, stated that his government had applied for categorical funds "just because they were there," even though the use of the funds may have been restricted to one of their city's lower priority problems. Washington, D.C.'s Mayor testified that categorical restrictions on Federal funds had interferred with a unified attack on certain urban problems. These inefficiencies are avoided with revenue sharing.

Early renewal of revenue sharing is important. The present program expires December 31, 1976. During the fall of 1975 and early in 1976 many State and local governments will be planning their fiscal year 1977 budgets. Advanced knowledge of availability of revenue sharing will insure wise planning. Therefore, we hope for favorable action this first session of the 94th Congress.

The proposed renewal legislation generally would continue general revenue sharing as now exists, with several improvements. Funds would be authorized for 5¾ additional years. This extends the expiration date from December 31, 1976, to September 30, 1982. The use of the fractional year conforms the time period to the new fiscal year.

The renewal legislation would authorize $39.85 billion, for the period from January 1, 1977, to September 30, 1982. The initial State and Local Fiscal Assistance Act of 1972 had authorized $30.2 billion for the first 5 years of the program. The increased appropriation is a continuation of the $150 million annual increase now followed in the program. This rate of annual increase was less than the inflation rate for the first 3 years of revenue sharing, resulting in an actual decrease in revenue sharing purchasing power. Similarly, the appropriation for noncontiguous States would be increased from $23.9 million to $27.5 million.

The basic revenue sharing formula would be retained. It causes substantial and equitable revenue to nearly 39,000 State and general-purpose local governments.

The per capita restraint on the basic formula would be raised. This would allow more funds to go principally to hard-pressed jurisdictions. Under the present limitation, a local government is not entitled to more than 145 percent of the average per capital distribution to other local governments in the State. The President's proposal would raise this to 175 percent, at a rate of 6 percent per year, to minimize the impact of the change.

The civil rights enforcement provisions would be strengthened. The State and Local Fiscal Assistance Act would be changed to state specifically that the Secretary has authority to withhold or terminate all or a portion of a recipient government's entitlement, and to require repayment of funds expended in a program found to have been discriminatory.

To strengthen public participation in determining the use of revenue sharing funds, the recipient government would be required to provide a procedure for citizen participation such as a public hearing.

The proposal would also make reporting and publication requirements more flexible, according to procedures determined by the Secretary. Under present law the cost of meeting the publication requirement can be excessive compared to the amount of entitlement.

To provide Congress with an opportunity to thoroughly review revenue sharing, the proposal would require the Secretary to submit a report with appropriate recmmendations concerning extension of general revenue sharing 2 years before expiration of the program.

This renewal legislation would continue and improve a program that is important to our citizens in every American community. I urge the Senate to act favorably on the proposal.

Mr. TOWER. Mr. President, I have long endorsed the concept of general revenue sharing and I am again pleased to add my name to the growing number of those in the Senate who are cosponsoring an extension and modification of the State and Local Fiscal Assistance Act of 1972.

This measure would basically extend revenue sharing for another 5¾ years and would provide the necessary appropriations, within the bounds of fiscal propriety, to finance it for this period.

The 5-year general revenue sharing program instituted by historic legislation in January 1972 is scheduled to expire on June 30, 1976. Up to the present time—through April 1975—nearly $19 billion of the $30.2 billion authorized by this legislation has been disbursed to nearly 39,000 State and local governing bodies.

I believe most of us have, by this time, seen the importance of this landmark legislation in revitalizing State and local governing units, and will agree that this program should be continued.

Organizations representing State, county, and city governments have consistently supported enactment of the general revenue sharing legislation and now urge early approval of an extension of this program beyond its 1976 termination date. It is imperative that we in the Senate act expeditiously on this measure in order to secure adequate leadtime for State and local governments to properly plan their budgets.

Support from the general public has been increasing as the beneficial results of this program becomes apparent. In a poll conducted by the Advisory Commission on Intergovernmental Relations in April 1974 it was found that 65 percent of the U.S. public were in favor of general revenue sharing. This percentage contrasted with 56 percent reported in May 1973.

The extension of general revenue sharing provided in this measure will give State and local governing bodies a dependable and a continuing source of revenue with which to finance their growing requirements. The 5¾-year extension of this program also will facilitate longer range budgetary planning by State and local officials. Furthermore, the program will continue to be funded by permanent appropriations, which become available automatically each year, and thus are not subject to the unpredictable annual budgetary process.

I am well aware that there is room for improvement and that modification of particular aspects of the program are necessary, but I believe the basic structure of the revenue-sharing program is sound. The present revenue-sharing program contains several Federal regulations, but it has eliminated much delay, redtape, inefficiency, and duplication so often attributed to the disbursement of many of our Federal categorical aid programs. Since this program is monitored by the Office of Revenue Sharing and the General Accounting Office, protection from abuses by any governing unit is kept to a minimum. Furthermore, there is ample machinery for investigation and withholding of allotments from any government which is found to be in violation of specific provisions of this act.

Extension of this vital legislation is imperative. It returns money, power, and decisionmaking to State and local governing units.

I urge my colleagues in the Congress to give careful consideration and prompt approval of this measure.

By Mr. FANNIN:

S.J. Res. 78. A joint resolution to designate the week commencing with the third Monday in February of each year as "National Patriotism Week." Referred to the Committee on the Judiciary.

Mr. FANNIN. Mr. President, recently I had reprinted in the RECORD an article detailing the extraordinary work being done by Miss Lori Cox of Scottsdale, Ariz.

One of the projects of this energetic and talented teenager has been the establishment of a National Patriotism Week.

Mr. President, Congressman JOHN RHODES, the distinguished minority leader in the House of Representatives, has sponsored to establish a National Patriotism Week. Today I would like to introduce this joint resolution in the Senate, and I ask unanimous consent to have it printed in the RECORD at this time.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 78

Whereas the freedom known in this country was won through great sacrifice and long tribulation; and

Whereas similar sacrifices have been made by the citizenry of the United States to extend liberty and well-being to other nations of the world; and

Whereas it is altogether fitting and proper to recognize such great freedoms, and to honor so great a nation: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week commencing with the third Monday in February of each year is hereby designated as "National Patriotism Week".

SEC. 2. The President is authorized and requested to issue annually a proclamation—

(1) calling upon the people of the United States to commemorate National Patriotism Week with appropriate celebrations and observances;

(2) encouraging primary and secondary schools to adopt an appropriate curriculum for that week including such elements as the study of the Pledge of Allegiance and the National Anthem, national symbols, seals, and mottos, and national monuments, heroes, and accomplishments; and

(3) requesting each Federal agency to recognize such week by taking such action as it may deem appropriate.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 308

At the request of Mr. DOMENICI, the Senator from Colorado (Mr. HASKELL) was added as a consponsor of S. 308, a bill to provide one free physical examination per year for medicare recipients.

S. 465

At the request of Mr. KENNEDY, the Senator from Indiana (Mr. BAYH), the Senator from California (Mr. CRANSTON), the Senator from Michigan (Mr. PHILIP A. HART), and the Senator from New York (Mr. JAVITS) were added as cosponsors of S. 465, a bill to provide for the application of the generalized system of preferences to Western Hemisphere countries.

S. 792

At the request of Mr. TUNNEY, the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 792, a bill to provide increased part-time working opportunities in the Federal Government (the Part-Time Career Opportunity Act).

S. 985

At the request of Mr. PELL, the Senator from Idaho (Mr. MCCLURE) was added as a cosponsor of S. 985, the Social Security Recipients Fairness Act.

S. 1268

At the request of Mr. METCALF, the Senator from Wisconsin (Mr. NELSON) was added as a cosponsor of S. 1268, a bill to establish congressional policy direction for the administration and management of the National Wildlife Refuge System; to establish the "National Wildlife Refuge Service"; to provide authority for study, review, and establishment of additional units of the National Wildlife Refuge System; and for other purposes.

S. 1293

At the request of Mr. METCALF, the Senator from Wisconsin (Mr. NELSON) was added as a cosponsor of S. 1293, a bill to establish the Charles M. Russell National Wildlife Range, the Charles Sheldon National Wildlife Range, and the Kofa National Wildlife Range as part of the National Wildlife Refuge System; and for other purposes.

SENATE RESOLUTION 139

At the request of Mr. TUNNEY, the Senator from California (Mr. CRANSTON), the Senator from Indiana (Mr. BAYH), and the Senator from New Jersey (Mr. WILLIAMS) were added as cosponsors of Senate Resolution 139, expressing the sense of the Senate that the President should issue a proclamation designating April 30 as "Armenian Day."

SENATE CONCURRENT RESOLUTION 28

At the request of Mr. MONDALE, the Senator from Missouri (Mr. EAGLETON) was added as a cosponsor of Senate Concurrent Resolution 28, to provide for the commissioning of a statue or bust of Dr. Martin Luther King, Jr.

SENATE RESOLUTION 145—SUBMISSION OF A RESOLUTION EXPRESSING DISAPPROVAL OF THE PRESIDENT'S PROPOSAL TO DECONTROL THE PRICE OF DOMESTIC CRUDE OIL

(Referred to the Committee on Interior and Insular Affairs.)

Mr. JACKSON. Mr. President, I am today introducing a resolution that would express the disapproval and disagreement of the Senate with the administration's proposal to decontrol the price of domestic crude oil, or to be more accurate, to transfer the authority for the pricing of domestic crude oil from the Federal Energy Administration to the OPEC cartel.

As my colleagues know, the fact that decontrol would take place over a period of 2 years cannot begin to compensate for the catastrophic impact of this action on the economy and the consumer and for that reason the Senate on April 10 defeated by a vote of 62 to 23 an amendment to S. 622 that would also have provided for decontrol over a 2-year period. In point of fact, Mr. President, decontrol over a 2-year period may in some respects be worse than immediate total decontrol in that while it is so gradual as to preclude any significant reduction in energy consumption, the economy as a whole and the American consumer would be adversely affected by its economic impact almost at once. The net practical effect of the proposal to decontrol would be simply to transfer vast sums of money from other sectors of the economy to energy. Unable to adjust, the average American would not be offered the option of conserving energy but would, instead, be compelled to pay more for that with which he cannot do without. In short, the administration seeks to employ prohibitive pricing to alter the American life style in 2 years. What it would succeed in doing would be to delay or impede the economic recovery of the Nation from its current depressed state.

Mr. President, I ask unanimous consent that the resolution and a fact sheet describing the President's price decontrol and its impact be inserted in the RECORD following my remarks.

There being no objection, the resolution and fact sheet were ordered to be printed in the RECORD, as follows:

S. RES. 145

Resolved, that the Senate of the United States, acting pursuant to the authority contained in section 4(g)(2) of the Emergency Petroleum Allocation Act of 1973, hereby states its disagreement with and disapproval of the amendment proposed by the President to the regulations promulgated under section 4(a) of the Emergency Petroleum Allocation Act to remove price controls from domestic crude oil, residual fuel oil, propane, and refined petroleum products.

FACT SHEET: DECONTROL OF DOMESTIC CRUDE OIL

(Prepared by the staff of the Senate Interior and Insular Affairs Committee at the request of Senator HENRY M. JACKSON)

On April 30th the Federal Energy Administration announced that the President intends to propose an amendment to the oil price control regulations under the Emergency Petroleum Allocation Act of 1973. The President's proposal would decontrol the price of domestic oil production at the rate of four percent each month over a period of twenty-four months or two years. Because domestic production is declining it is assumed that this proposal will lead to total decontrol of the price of domestic oil production within two years. Thereafter domestic oil prices would be determined by the world oil price which is currently established by the unilateral and arbitrary pricing decisions of the OPEC oil producing cartel.

Some essential facts concerning the President's price decontrol program and its impact are set forth below:

1. Under the authority of the Emergency Petroleum Allocation Act of 1973 "old" oil is subject to price controls which are currently established at $5.25 per barrel. Domestic oil not subject to price controls is currently selling at slightly more than $12.00 per barrel.

2. Domestic oil prices are not established by the cost of production. Instead, they are established by the price of oil on the world market. This price is arbitrarily determined by the OPEC oil producers cartel.

3. Domestic oil production in 1975 has been 8.4 to 8.5 million barrels per day, 3.1 billion barrels per year or 250–255 million barrels per month.

4. Two-thirds of this production is "old" oil: 5.6 to 5.7 million barrels per day, 2.0 billion barrels per year or 170 million barrels per month.

5. Decontrol of 4% of domestic "old" oil production each month would affect 6.8 million barrels per month or 227,000 barrels per day.

6. The price of a barrel of this "old" oil would, under the President's program, increase by approximately $7—from $5.25 to over $12 if the import tariff is not further increased. If the President's proposal to increase the tariff an additional $2 per barrel is implemented the price of domestic oil will increase by approximately $9 to over $14 per barrel. Each month the cost of domestic oil would rise by approximately $47 million ($61 million if the additional tariff increases are implemented).

7. The total cost of the President's oil decontrol program, assuming the current new oil price of over $12 per barrel is maintained, would be $14.5 billion ($19 billion of the oil import tariff is increased). The Administration proposal accomplishes this in two years at an annual cost of $7.3 billion ($9.5 billion with the tariff).

8. The ultimate impact of the Administration's proposal spread over the approximately 6.3 billion barrels of petroleum products used annually in the U.S. would be 5.5¢ per gallon. If this cost is absorbed by gasoline users only, as the Administration has proposed, the cost of gasoline would rise by 14¢ to 15¢ per gallon after two years. (This cost does not include the increased gasoline tax under consideration in the House of Representatives).

9. If prices of domestic production are decontrolled, all U.S. crude oil prices, as well as the price of coal, intrastate natural gas and other energy forms, will relate to the price of imported oil. Therefore each extra dollar of imported oil tariff would raise the total cost of the decontrol of domestic oil by approximately $2 billion.

NOTICE OF HEARINGS

Mr. METCALF. Mr. President, the Subcommittee on Minerals, Materials and Fuels of the Senate Committee on Interior and Insular Affairs has scheduled a meeting on June 4.

We plan to hear Ambassador John R. Stevenson, Special Representative of the President for the Law of the Sea Conference. He will have recently returned from the current session of the United Nations Law of the Sea Conference in Geneva.

Members of the subcommittee, and of other committees invited to attend, will be interested in his report on specific progress toward international agreement; the probability by the end of this implement a treaty or to permit the United States can live, and recommendations for domestic legislation either to implement a treaty or to permit the United States to exercise at least some measure of control over our nationals as they head seaward for resources vital to our economy pending international agreement in this complex area.

I have called this hearing to the attention of the chairman of the Senate Committees on Armed Services, Commerce and Foreign Relations. We will welcome their participation and that of their staffs.

The hearing will begin at 10 a.m. in room 3110, Dirksen Senate Office Building.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary:

Daniel E. Wherry, of Nebraska, to be U.S. attorney for the district of Nebraska for the term of 4 years, vice William K. Schaphorst, resigning.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Wednesday, May 7, 1975, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

ADDITIONAL STATEMENTS

A TRIBUTE TO VIETNAM WAR CORRESPONDENTS

Mr. JAVITS. Mr. President, several of our most dedicated news correspondents chose to remain in Saigon during the last hours of the Vietnam war.

Unfortunately, many of us have thought little about the difficult role of America's journalists in reporting South Vietnam's recent tragedy to the American people. Without them, however, the vast majority of our citizens would not have been able to understand the circumstances which led to our withdrawal and Saigon's subsequent surrender.

I also take this opportunity to pay tribute to the 56 American and foreign reporters who have died or are still "missing" in this struggle for the people's right to know.

I ask unanimous consent that James Reston's column entitled "The End of the Tunnel," published in the New York Times of April 30, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Apr. 30, 1975]

THE END OF THE TUNNEL

(By James Reston)

WASHINGTON, April 29.—In happier Vietnamese days, some cartoonist joked: "Will the last man through the tunnel please turn out the light?" But it is an interesting sidelight on the tragedy that the last Americans remaining almost a generation ago to go there—the reporters who stayed behind.

All other Americans have left: the Ambassador, the Foreign Service officers, the military, the businessmen, with all their families and their Vietnamese colleagues. Meanwhile some reporters have stuck it out, even against orders to leave. They are at the end of the tunnel, but they're not turning out the light.

Wes Gallagher, that tough old trooper of The Associated Press, who risked his own life in the last World War, still has his guys in Saigon: Peter Arnett, one of the great reporters of the last generation, George Esper and Matt Franjola.

United Press International has Alan Dawson, Leon Daniel, and two full-time "stringers" Cad Huntley and Paul Vogle, NBC says it has three Americans left, but it won't divulge the names for "security reasons." All the other American correspondents have been ordered out by their employers, though in some cases confirmation of their departure has not been received.

Wherever they are, the American reporters have obviously played an important role in this war. It was the first American war reported on television: Tune in Cronkite, Chancellor or Howard Smith, and see Johnny killed! It was the first American war without censorship, and the reporters were blamed for doing their job—reporting the facts.

Compared to the millions of G.I.'s who fought there, and the 55,000 Americans who died in Vietnam, the reporters weren't much, but 56 American and foreign reporters were killed, or are still "missing." Robert Capa and Larry Burrows of Life magazine, Charles Ebbleston of UPI, Oliver Noonan and Bernard Kollenberg of AP, Wells Hangen of NBC, George Syvertson and George Miller of CBS, and several superb non-American independents like Bernard Fall, lost their lives in the struggle.

Not to be too sentimental about these human tragedies, there were reporters who not only put down the facts of the war but predicted the failure of American and South Vietnamese policy.

It is not possible to be fair in calling the roll, but some reporters, who were villified for telling the truth as they saw it, should not be forgotten in the end:

Neil Sheehan, David Halberstam, Charlie Mohr, Mal Browne, Sy Hersh and John Apple of The New York Times; Gene Roberts, now of The Philadelphia Inquirer, Homer Bigart, Ward Just, Lawrence Stern and Don Oberdorfer of The Washington Post—all these and many others lived in the Continental and the Caravelle in Saigon, and rode in the planes and helicopters into the Vietnamese battlefields.

Maybe the radio and television reporters with their cameras had more influence than anybody else, but it is not possible to record the history of the war of Southeast Asia without mentioning the role of what is called the media, for good or bad.

The reporters began by defending the policy of American intervention, but reported facts that suggested it wouldn't work. Presidents Johnson and Nixon villified them for challenging the official line that all was going well, and refusing to "get on the team," but in the end, the reporters came nearer to the truth in Vietnam than the officials.

There may be an important point here: It is no longer possible for a free country to fight even a limited war in a world of modern communications, with reporters and television cameras on the battlefield, against the feelings and wishes of the people. And beyond that, whether, after Vietnam and Watergate, even the power of the American Presidency can be imposed successfully. Mr. Nixon relied on "executive privilege" and "national security" to work his will, but the reporters, the Congress, and the courts brought him down.

Maybe the historians will agree that the reporters and the cameras were decisive in the end. They brought the issue of the war to the people, before the Congress or the courts, and forced the withdrawal of American power from Vietnam.

One result is that the reporters of the press and radio and television are now being blamed for the defeat of American policy and power in Indochina, which is another way of challenging the whole idea of democracy. For in the long tragic history of the war, the reporters have been more honest with the American people than the officials, and with all their shortcomings, their contributions should not be despised or forgotten.

THE FISCAL 1976 FEDERAL DEFICIT

Mr. TALMADGE. Mr. President, there has come to my attention a report on the economy and the projected Federal deficit which was presented to the board of directors of the Federal Reserve Bank in Atlanta.

In this report, Mr. William N. Cox, assistant vice president and chief financial economist, issues a very strong warning on the potential effect of the fiscal year 1976 deficit, estimated to be $80 billion.

I bring this report to the attention of the Senate and ask unanimous consent that it be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

THE FISCAL 1976 FEDERAL DEFICIT

(By William N. Cox)

Mr. Chairman, members of the Board, Governor Bucher, and gentlemen, my topic today is perhaps the topic, the Federal deficit for fiscal year 1976—the year beginning this July and running the next four quarters. Thank you for the privilege of reporting to you, first, on the dimensions of this deficit, and, second, on the implications it suggests for me for interest rates and for inflation.*

Turning first to the dimensions of the fiscal 1976 budget, we estimate it will run $80 billion. This is on a unified basis, as are the other estimates we've been reading in the newspapers. These estimates range from $60 billion, which is the level at which President Ford has been saying he will hold the line, to $100 billion, which the Administration claims would be the total if all the legislation in the Congressional hoppers were to be enacted. My own $80-billion estimate incorporates some allowance for additional Federal expenditures in reaction to high unemployment rates this summer. Almost all the disagreement among the various estimates is on the expenditures side.

An $80-billion deficit would be the largest dollar deficit ever and, in fact, almost twice the size of the previous record deficits marked during World War II. It is more meaningful, however, to look at the deficit in relationship to the size of the economy within which the deficit is run. By this measure we can see, first, that an $80-billion deficit amounts to about 5.4 percent of the current gross national product, which is the largest percentage ever in peacetime. We can also see that this prospective deficit is nowhere near as large as the proportion of GNP, as viewed by the World War II deficits. I am not suggesting, let me emphasize, that this 5.4 percent indicates a small deficit. Any deficit which runs more than 5 percent of our gross national product is enormous and this one will be the largest in our peacetime history.

The next obvious question is how much money the Treasury will have to borrow to finance this deficit. Treasury will need to borrow $20, $25, $30, and $15 billion during consecutive quarters. If you add these numbers, you find they total $90 billion, $10 billion more than my estimated deficit. We estimate that the Treasury will have to borrow this additional $10 billion by selling its own securities to finance the so-called off-budget agencies. The biggest item in this difference is the new Federal Financing Bank, and we have an example of its activities right here in the state of Georgia. The Electric Membership Cooperatives borrow funds for capital investment from the Federal financing bank, and these funds are derived from the sale of additional Treasury securities.

This $90 billion, then, represents the amount of *new* debt the Treasury will have to sell during fiscal year 1976, over and above the refunding of the debt it will already have outstanding on June 30. The Treasury will be able to sell some of its additional debt obligations to the Federal Reserve and to the various trust accounts of the Federal government: The social security trust fund, the highway trust fund, and other such accounts typically invest their cash flow and their reserves in government securities. We think that these two kinds of purchases will amount to about $5 billion in each quarter, leaving a $70-billion total that the Treasury will have to sell to the public.

To put this in perspective, let me cite a fact that very few people realize. Between the end of 1968 and the end of 1974, the Treasury sold no additional debt to the American domestic public. At the end of 1968, the domestic public—banks and other financial institutions, nonfinancial corporations, institutional and individual investors, and state and local governments—held $214 billion in U.S. Treasury obligations. At the end of 1974, they held $213 billion. There was an expansion of the Treasury debt outstanding during this period, of course, but it was not financed by the domestic public. Some of it was bought by the Federal Reserve and the trust accounts I just mentioned, but most of it—$45 billion worth—was brought by the foreign central banks.

It is always possible that foreign central banks will be adding to their holdings of Treasury debt this year, thereby helping to finance the large deficit we are talking about; but this is not a sure thing. Without allowing for foreign central bank purchases, the American domestic public will be shifting from zero purchases of additional Treasury debt during the years 1969 to 1974 to those shown in the shaded bars, about $70 billion, during fiscal year 1976. This, to say the least, is a massive turnaround in the Treasury's demand on the domestic public for finance.

Up to this point, Mr. Chairman, we have been in the realm of fairly objective questions with fairly objective answers. Now we leave that realm to discuss the implications of this deficit and this borrowing, first, for interest rates and, second, for inflation. With regard to interest rates, the questions are still fairly simple but the answers are less clear. The Treasury will fill its needs for new financing. What happens to interest rates will depend on how much credit will be left over after the Treasury fills its needs and on how much private demand there will be for what is left over. How much credit there will be depends heavily on the Federal Reserve and on the extent to which it will monetize the new Treasury debt by supplying additional bank reserves. How much the private demand will be for the portion left by the Treasury will depend on the timing and the strength of the economic rebound.

My own opinion, turning first to short-term interest rates, is based on two assumptions. If the Federal Reserve realizes the intention suggested repeatedly by Chairman Burns in his testimony on Capitol Hill to hold monetary aggregates to moderate rates of growth during the upcoming fiscal year, and if the economic rebound embodies a recovery to about 5 percent growth in GNP (which is what most forecasters are now predicting), then it seems to me that there will not be enough credit to go around in the short-term markets and, accordingly, that short-term rates will go up. They are now in the 5- to 6-percent range; they may well push up around 8 percent during fiscal year 1976.

From what we know now, the most severe upward pressure should come between October and March, when, as the chart shows, the Treasury will be doing its heaviest borrowing. This is also when most of us expect to see responses to the fiscal stimulation and inventory unwinding now in progress. In my opinion, most private credit demands generated by this rebound will be short-term as inventories are again accumulated and demands for working capital increase. I'm not forecasting, however, a return of short-term interest rates to the 12 and 13 percent we saw last year. The key difference this time is that we have been making significant gains against inflation, gains which have already begun to reduce the inflationary premium incorporated in these rates. Still, an 8- or 9-percent short-term rate with 5-percent inflation is higher, in real terms, than a 12-percent short-term rate with 10-percent inflation. Also, if my expectations of 8- or 9-percent short-term rates toward the end of the year are realized, this will again crimp the financing of residential housing.

In the longer-term markets, I am more optimistic, mainly because of the progress we are making against inflation. Corporations are borrowing heavily in the bond markets, which have just gone through a very rough three weeks with an upward adjustment of a half percent or more. In my opinion, however, this is an overreaction to the pressure that will come from the Federal deficit in the long-term area. It is normal for corporations to try to restructure their debt from short- to long-term at this stage of the business cycle; many corporations are apparently anxious to do this and to do it quickly before the Treasury starts to borrow heavily in the long-term markets. Even so, I expect longer-term rates to begin to adjust to the drop in price indices which have apparently not yet been cranked into the expectations of the bond markets. Therefore, I do not expect to see long-term rates any higher this winter than they are now. Let me admit in all honesty that mine is a minority view in this.

Finally, Mr. Chairman, let me turn to the implications of the deficit inflation. There's a widespread presumption that the deficit will lead to another burst of inflation. Our opinion is that this will happen only if the deficit leads to heavy monetization of the new debt by the Federal Reserve. In that case, the inflationary action will be monetary, not fiscal. Accordingly, my answer to you would be that the deficit is not necessarily inflationary.

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*The forecasts expressed in this presentation, especially those pertaining to interest rates, are personal rather than official. They do not necessarily represent the position of the Research Department or the Federal Reserve Bank of Atlanta.

Let me offer to you not as proof, but as evidence, the experience of the two periods in the post-war era when we had the kind of economic turnaround we expect to have later this year. The first case was in 1953–54, when real gross national product turned around by about 9 percent. At the same time, the inflation rate actually dropped by 1 percent, just as it is dropping this year; and in the following year the inflation rate only rose by 2 percent. The experience was repeated in 1958, when real gross national product turned around by about 7½ percent. In that case, inflation dropped by 2 percent in the same year and rose only by 1 percent in the following year. In neither of these cases was a sharp economic rebound accompanied by a burst of inflation. The underlying reason is the excess capacity present then and now in the economy. In those cases there was room for non-inflationary expansion. I offer them as evidence that we may have similar room this time. There are no contrary cases, I might add, during the same post-war era.

So, in looking at the implications of the deficit for inflation, I would say that the deficit is not necessarily inflationary, although it is virtually certain to be if the new debt is heavily monetized by the Federal Reserve. With an eye to inflation, I would further suggest that inflation would come not from the fiscal 1976 deficit but from anything like it in the budget for fiscal year 1977.

Let me conclude, Mr. Chairman, by recapping the points I have tried to make. First, the prospective deficit of $80 billion in fiscal 1976 will be the largest dollar deficit ever and the largest peacetime deficit ever in relation to the size of the economy. Second, this deficit suggests that the Treasury will need to borrow about $90 billion during the four quarters beginning July 1 and that they will need to borrow about $70 billion of this from the domestic public. Third, my assumptions of economic rebound and of moderate growth in the monetary aggregates point toward upward movements in short-term interest rates, although not to the levels experienced last year, or not necessarily to upward movements in longer-term interest rates because of our progress in fighting inflation. Fourth and finally, I have suggested that the fiscal 1976 budget is not necessarily inflationary unless it is heavily monetized by the Federal Reserve because of the excess capacity the economy now has, and that the real difficulty may come with the fiscal 1977 budget.

STATEMENT BY ARLIN M. ADAMS TO THE COMMISSION ON REVISION OF THE FEDERAL COURT APPELLATE SYSTEM

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent to have printed in the RECORD the very perceptive and cogent remarks of Judge Arlin Adams to the Commission on Revision of the Federal Court Appellate System.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT TO THE COMMISSION ON REVISION OF THE FEDERAL COURT APPELLATE SYSTEM, APRIL 28, 1975

(By Judge Arlin Adams)

The opportunity to appear before this Commission is very much appreciated. I begin by commending the Commission and its excellent staff for the constructive and important work that has been done on this critical subject, and specifically for the outstanding preliminary report that was distributed earlier this month.

It is important to make clear that I appear before you as an individual judge; I do not speak for the Court of Appeals for the Third Circuit, of which I am a member. I believe some other members of my Court have appeared before you and have expressed views on a number of the subjects referred to in the Report.

I share the view that it is unfortunate that the Commission, because of its limited mandate, was unable to deal with the problems created by the expanding jurisdiction of the federal courts. Because of a number of far reaching statutes as well as judicial interpretations, the federal courts are doing today far more than their resources allow. And I am inclined to believe that much that the federal courts are doing can be handled by other forums or agencies.

Thus I have considerable doubt that the number of prison cases we are reviewing, those arising from federal as well as state prisons, can be handled most efficiently and appropriately by the district courts and courts of appeals. Also, I believe that a better system to review certain administrative decisions—such as in the social security and medicare areas—would be helpful. I think, too, that much more thought must be given to placing review in patent and tax cases into special tribunals. I am sure that much material and information has already been submitted to you regarding the advisability of eliminating or at least substantially reducing diversity jurisdiction[1] and three-judge court matters.[2]

On the supposition that each of the areas enumerated has already been thoroughly explored, I shall pass the subject of limiting the general jurisdiction of the federal courts, although I emphasize again its great importance. Rather, I shall confine my remarks to the proposal to create a national court of appeals.

Although I have some reservations about the creation of a new court, after careful consideration and an overall evaluation, I support the concept.

The United States Supreme Court is the only court with the power of handing down judgments which constitute binding precedents in all state and federal courts. It is charged with maintaining a harmonious body of national law through its power to review judgments in cases brought by way of appeal or certiorari.

As the number of cases brought before the Supreme Court for review has increased, the number disposed of on the merits after argument has remained relatively constant. The variable has been the number of cases not accorded plenary review. The figures reflecting this are set forth quite dramatically in your report.

Because of the demands on the Supreme Court, an increasing proportion of the Court's decisions have involved constitutional issues. Thus the Supreme Court has handed down as few as 55 cases in any one year in areas of federal non-constitutional law. I share the concern that this is not a sufficient number to meet the country's need for an authoritative approach to recurring issues of national law.

Former Solicitor General Griswold has expressed the view that there are at least 20 government cases alone, every year which are worthy of review by an appellate court with national jurisdiction, and that the government and the legal system suffer from the lack of authoritative decisions which would come from such a review and would serve as a guide to government agencies and the lower courts. Apparently Mr. Griswold was thinking of cases in the environmental, civil rights and consumer protection fields, for example, where several conflicting decisions outstanding in various circuits make it almost impossible for the government or national corporations to know how to handle problems in these areas or to understand what conduct is expected of them.

It now seems clear that at some point the percentage of cases accorded review will drop below the minimum necessary for the effective monitoring of the nation's courts on issues of federal statutory and constitutional law. As your report shows, there are four consequences of the failure of the federal judicial system to provide adequate capacity for the declaration of national law:

1. Unresolved inter-circuit conflicts.
2. Delays in resolving the conflicts and the uncertainty and confusion which such delays may cause.
3. The burden on the Supreme Court, which is often forced to hear cases that represent conflicts but which are not otherwise worthy of its limited resources.
4. Lack of capacity for a definitive declaration of the national law, causing uncertainty even though actual conflicts have not yet developed.

Your report contains examples of these four shortcomings and, therefore, I shall not dwell further on them.

That there is a need for a procedure to meet these deficiencies does not seem to be a matter of great debate, although there are some apparently who believe that the disparity that flows from these conditions is not all bad.

What does seem to have stirred considerable disquietude are the potential disadvantages of the proposed new tribunal:

1. A fear that a new national court would down-grade the present courts of appeals.
2. A belief that the problems set forth might be met by another alternative route which would be a less abrasive mechanism.
3. A belief that inter-circuit conflicts are a problem, but one that is not sufficiently important to form the basis of a major change.
4. The financial cost for establishing and maintaining a completely new tribunal.

As to the down-grading of the present courts of appeals, I believe that that fear is a sincere one, but one that is unjustified. In the Commonwealth of Pennsylvania, where I am located, there was created an intermediate appellate court at the turn of the century, and another intermediate appellate court approximately five years ago. Without expressing any comment as to the mediate courts, there is no evidence that these particular intermediate tribunals down-graded the trial courts, known in Pennsylvania as the common pleas courts. The reputation and standing of our common pleas courts turns on their performance. In areas where these courts do a good job, their standing is high. In areas where they do not do a good job, their standing quite frankly is not high. To the extent that the common pleas courts do not perform well or are unable to resolve disputes fairly and expeditiously, the public becomes dissatisfied and impatient with them, and the standing of these courts does go down correspondingly.

As to the alternative approaches in solving the problems already recited, the proposals that have previously been advanced do not appear to represent viable solutions. Thus the suggestion that would permit the Supreme Court to designate specific circuit courts to resolve specific matters which represent conflicts has received very little support throughout the country since such an approach would not be a national solution.

Finally, as to financial costs, although all of us are concerned about imposing additional expenses on government, no one would doubt that the judicial manpower that would be created by a new tribunal is needed because of the additional caseload that has occurred and will undoubtedly continue to occur.

Indeed, by reducing the multiplicity of en banc proceedings, or perhaps eliminating en bancs completely, which are the most expensive proceedings engaged in by the various courts of appeals, the economy achieved would be substantial. During the court term of 1974 there were at least 70 en banc cases in the courts of appeals. And every indication is that the number of en bancs represent an increasing statistic. Under the proposal for a national court of appeals, most, if not all, of these matters could be transferred from the individual courts of appeal. This, alone, would remove a very substantial burden that is now imposed on the courts of appeals.

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[1] If diversity jurisdiction is to be retained, perhaps the amount should be raised.

[2] If three-judge courts are to be continued, in view of the historical background of these tribunals, perhaps they should only be available when requested by the state government or perhaps the requirement that one of the three judges be from a court of appeals should be deleted.

It is true that a new facility would be required to house a new national court. But such a facility would represent a one-time capital expenditure, and in the totality of budgetary matters would not appear to be a major consideration. One courtroom would be sufficient, and with one group of judges all stationed in one location, large expenses for traveling and duplicate libraries would be kept to an absolute minimum.

The question has been properly asked whether it is better at this point in time to create a completely new national court or to satisfy the need by utilizing the resources now present in the various courts of appeals. On this question, I am open-minded and flexible.

Perhaps it would be better, at least at first, to recruit the members of the new tribunal from the present court of appeals, and bring them to Washington or another centrally-located city for limited terms—of say 3 or 5 years. The salaries of these judges could be kept on a parity with their brethren who remain on the regularly constituted courts of appeals. Annual stipends could be provided to cover the additional costs that would be incurred by living in Washington or wherever the court may sit. Such a stipend arrangement would enable the selected court of appeals judges to maintain their homes in their respective circuits. Then, based on the experience of the new tribunal and how the Supreme Court utilizes its resources, a definitive decision might be delayed for say 5 years. If the program were successful, the tribunal could then perhaps be made a permanent one and appointments to it made on a life-time basis, or the rotating arrangement could be continued.

It is perhaps characteristic of our times to want immediate solutions to our most vexing problems. But I doubt if there is an immediate solution to the intractable problem confronting our federal appellate courts. Instead, we must utilize a number of approaches. Certainly a national appellate tribunal represents one such approach.

The facts before us seem to require some action. Men and women of good will have labored hard to come up with a workable solution. I do not suggest that the proposals thus far are perfect. They are not. But I do believe they are pointing in the right direction, and should be pursued constructively, imaginatively, and vigorously.

FHA–VA INTEREST RATES GOING BACK UP

Mr. HUMPHREY. Mr. President, I rise today to express my displeasure with the Secretary of Housing and Urban Development's recent decision to raise the maximum allowable rate on FHA and VA mortgages to 8½ percent from 8 percent. This action signals a total inability on the part of the Federal Government to take the lead in increasing the supply of available home financing at reasonable interest rates.

I fully recognize that we cannot expect mortgage lenders to utilize the FHA and VA programs when these programs provide yields that are significantly below those prevailing in the market. Mortgage lenders are entitled to a fair return on their investments and the FHA–VA rate was probably a little out of line with the market interest rate. This meant that the FHA–VA programs were either being under utilized or that lenders were charging home sellers up to eight discount points for the FHA–VA loans. This cost, of course, is largely passed on to the buyer in the form of higher cost housing.

However, this does not mean that FHA–VA rate should not attempt to lead mortgage rates down to more reasonable levels. Perhaps the rate was temporarily a bit low, but a half percent leap in the maximum rate sends out very bad signals to the whole housing community. If anything, it puts upward pressure on interest rates when the Government should be lending rates lower. I only hope it does not signal the end of our attempts to reduce mortgage interest rates to reasonable levels.

More than anything else the recent action by the Secretary of Housing and Urban Development is indicative of the total ineffectiveness of existing Federal Government housing programs in meeting our national housing needs at interest rates that are affordable to the majority of American families. Housing starts have plunged to an annual rate of less than one million units, a figure that is less than 40 percent of our national goal. Interest rates have recently drifted downward, but have seemingly leveled off at 8½ to 9 percent, a figure which is much too high to finance the amount of housing construction that is necessary to meet our national housing needs. In sum, the increase in the maximum FHA–VA rate is but another example of the bankrupt housing policies that this administration is pursuing.

I believe very strongly that we must begin to examine creative new approaches and innovative strategies for preserving the strength of our housing industry and for providing a decent home and suitable living environment for every family in the Nation. One approach, which I believe would greatly improve our ability to provide decent housing for all is embodied in the Federal Housing Bank Act which I introduced on March 10. This bill would establish a Federal Housing Bank to finance, at interest rates no higher than 6 percent, the housing needs of low- and middle-income Americans. One function of the Bank would be to provide much needed financing for housing construction particularly in periods when interest rates are so high.

Mr. President, I recommend that my colleagues carefully consider my proposal for a Federal Housing Bank and propose innovative strategies of their own to get housing back on its feet. I ask unanimous consent to have printed in the RECORD an article from the Wall Street Journal describing the recent increase in FHA–VA interest rates.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FHA-VA RATE ON HOME LOANS ALLOWED TO RISE

WASHINGTON.—With her first major policy decision since becoming Secretary of Housing and Urban Development last month, Carla Hills has stirred up a hornet's nest.

She announced an increase in the maximum allowable interest rate on government-backed home mortgages, to 8½% from 8%, effective today. The increase, the first since last August, cancels a reduction of one-half percentage point made in March in the ceiling rate on home loans insured by HUD's Federal Housing Administration or guaranteed by the Veterans Administration.

Mrs. Hills said the increase was needed to keep the FHA-VA rate in line with actual mortgage-market conditions. But her action quickly drew the wrath of the National Association of Home Builders.

"We are dismayed" by the boost in the FHA-VA rate "at a time when the mortgage lending institutions are bulging with savings and loanable funds," J. S. Norman, president of the home builders, said. "We have been looking for a lowering of interest rates and had hoped the government would function to lead the market rate down," he added.

LARGE S&L INFLOWS

Savings and loan associations have had large inflows of savings this year, including a record $3.69 billion net inflow in March. This usually means increased mortgage lending and lower interest rates. But S&Ls have been slow to resume extensive mortgage lending, although interest rates on conventional home loans, which aren't backed by any federal agency, have eased to the 8½% to 9% area.

HUD officials said the previous FHA–VA rate was too far below loan yields in the conventional and secondary, or resale, mortgage markets. To make up the difference, lenders have been charging home sellers up to eight discount points of prepaid interest on FHA–VA loans, they said. A point is 1% of the face amount of a mortgage. On a $30,000 loan, eight points translates to a charge of $2,400. The cost often is passed on to the home buyer in the form of a higher selling price.

One result of a large number of points is to discourage the use of FHA–VA loans. The increased rate should help keep funds for such loans from drying up, Secretary Hills said.

BANKERS URGE BOOST

A boost in the FHA–VA rate had been urged by the Mortgage Bankers Association. Mortgage bankers are major sellers of government-backed home loans at auctions of the Federal National Mortgage Association. Yields on Fannie Mae commitments to buy such mortgages have been rising lately. Housing analysts say this reflects concern by lenders that interest rates could turn up later this year if the federal government has to borrow heavily to finance a large budget deficit.

The home builders contend the Fannie Mae market has become highly speculative and that the yields don't reflect the actual market, it's like Reno," said Michael Sumichrast, the group's chief economist. But HUD officials said Mrs. Hill's decision to raise the rate was based on more than the Fannie Mae yields.

"We don't like to see the rate go up anymore than any one else," said David DeWilde, acting FHA commissioner. "But we have to set the rate to reflect the market, and there wasn't any question that the rate was lower than the market." He added, however, that he is "still optimistic that over the long run mortgage interest rates are going to go down."

CURRENT U.S. POPULATION

Mr. PACKWOOD. Mr. President, I wish to report that, according to current U.S. Census Bureau approximations, the total population of the United States as of May 1, 1975, is 213,715,275. In spite of widely publicized reductions in our fertility levels, this represents an increase of 1,657,277 since May 1 of last year. It also represents an increase of 103,113 since April 1 of this year, that is, in just the last month.

Over the year, therefore, we have added enough additional people to fill more than two cities the size of Dallas, Tex. And in just 1 short month, we have added more than the equivalent of Scranton, Pa.

SENIOR RECOGNITION MONTH

Mr. BENTSEN. Mr. President, today marks the beginning of Senior Recognition Month, the annual commemoration of the contributions older Americans make in our society. It is also a time for recommitting ourselves to ensuring that all older Americans enjoy a dignity and quality of life sufficient to make their years of retirement rewarding and meaningful.

A number of States have planned special observances to mark this month. In my home state of Texas, Governor Briscoe has by official proclamation designated May as "Older Texans Month," and a wide variety of festivities are planned across the State.

I am today sending my best wishes to Mr. Robert Pugh, president of the Texas Senior Citizens Association. Under Mr. Pugh's able leadership, the TSCA is an energetic organization effectively representing the interests of the State's senior citizens.

The observance of Senior Recognition Month provides us with the opportunity to salute the continuing contributions of so many of our senior citizens. All across our country, retired Americans are freely giving of their time to serve as part-time foster parents, counselors to struggling small businesses, and providers of a wide range of services to the least fortunate of our society. Retirement for these Americans is nothing more than a new opportunity, and I salute them for making the most of it.

Unfortunately, the past year has provided little assurance that retirement can be a truly rewarding experience. Most of our senior citizens must live on fixed incomes, and double-digit inflation for many has caused a real threat to their very existence. Inflation has hit with special vengeance at food, utilities, and heating expenses, the key items in the budgets of most older Americans.

Truly demeaning choices have had to be made so that a monthly social security check might be stretched to its maximum. The hardship which many have had to endure must strike at the very conscience of this Nation.

The news from Washington has often been equally disturbing for our senior citizens. Earlier this year, they were informed of administration attempts to limit the automatic cost-of-living increase in social security benefits to 5 percent, to raise the medicare patient's share of medical expenses, and to up the cost of food stamps. None of our Federal programs are sacrosanct, but to propose such limitations following a year of such hardship was particularly insensitive.

During the past decade, this Nation has made progress in providing for some of the special needs of senior citizens. Much, however, remains to be done, and I urge the Congress to take action on three major items before us.

Earlier this year, I called for a thorough investigation of the year-old supplemental security income program. SSI promised to provide an income supplement for the blind, disabled, and elderly, but for too many of those Americans, it has caused nothing but greater financial insecurity and human suffering.

The Senate Finance Committee has already begun its investigation of the program. I am hopeful that before too long, we can act upon the committee's findings and at last bring relief to many of America's most vulnerable citizens.

The Senate will soon have before it a series of amendments to the Older Americans Act of 1965. I have introduced several which, I believe, will greatly improve it.

One would establish a special service program to provide senior citizens with homemaker, home health, shopping assistance, and transportation services.

I believe this new program will reassure senior citizens that they will not be forced into institutions when remaining in their own homes is better for them and their communities.

A second amendment would expand the anti-age discrimination legislation Congress approved last year. It would prohibit discrimination on the basis of age in any program or activity receiving Federal financial assistance, and it would authorize the Attorney General to bring civil action against persons in violation of it.

A final important item on our legislative agenda is S. 1603, the Middle Age and Older Workers Job Assistance Act, which I introduced earlier this week.

As of last month, 2.2 million Americans over age 40 were unemployed. That represents 26.7 percent of the total unemployed in this country and reflects an astonishing 86.9 percent increase in unemployment among this age group since March 1974.

Our manpower programs tend to ignore the needs of these older workers. Currently, older workers comprise only 6.4 percent of those enrolled in job training programs and only 15 percent of those in public service jobs. And yet they typically are Americans whose financial obligations are the greatest with car payments to meet, mortgages to pay, and college tuitions to finance.

The 94th Congress has many pressing matters before it. I am confident, however, that the Congress will not overlook the needs of our senior citizens. I am hopeful that by the next time we commemorate the beginning of Senior Recognition Month, we will be able to observe another year of achievement in helping to ensure a dignity and quality of life for all of our senior citizens.

UNEMPLOYMENT—HEALTH CARE

Mr. BROCK. Mr. President, while the unemployment rate continues to grow, we are seeing numerous proposals and suggestions to stem that increase. Certainly, hard decisions, need to be made. However, there are some measures before us which deal with a different aspect of unemployment—health care. I find some very great difficulties with the most prominent approaches. Recently, there have been two articles in this regard, one an editorial from the St. Louis Globe Democrat and the other from the Washington Post. Mr. President, I ask unanimous consent that these articles be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the St. Louis Globe Democrat, Mar. 22, 1975]

Editorial Scores Plans To Give Jobless Benefits

There apparently is no limit to the extremes that liberal Democrats will go to redistribute the incomes of Americans under the banner of "helping the needy." The latest scheme, to finance health benefits of the unemployed, could cost each worker 3 to 8 per cent in increased premiums while doing little for the problem of the unemployed—which is, simply, unemployment.

Four congressional committees have held hearings on bills to provide the unemployed with health insurance benefits paid by taxpayers directly or indirectly. The leading bill, Kennedy-Fraser, would have the Labor Department pay private insurers to continue whatever health benefits workers drawing unemployment had received on the job.

The other leading bill, Bentsen-Corman, would provide hospitalization benefits under Medicare for the unemployed, and may be broadened to include other benefits as well. Each bill would cost taxpayers at least $1.5 billion, based on 8 per cent unemployment and certain exclusions in coverage, the Department of Health, Education and Welfare estimates.

Everyone now employed who has a health insurance plan would be required to pay 3 to 8 per cent more, insurance experts say, under a third plan being pushed by the new House Ways and Means Health Subcommittee. This would result because of a 1 per cent tax to be added to health insurance premiums paid by health insurers and passed on to consumers. Another feature would require employers to rewrite health policies to include continued coverage for workers who lose their jobs. This would be a huge new expense. On top of everything else, it is another intrusion into labor-management affairs.

The Ford Administration is opposed to any of the plans, and for good reason. All are inequitable, impossible to administer, and too costly, as testimony in all the hearings revealed.

Under Kennedy-Fraser, the federal government would pay higher benefits for some unemployed workers than for others, and pay no benefits for jobless workers who had no health insurance coverage on the job.

Under Bentsen-Corman, the federal government would pay for higher benefits than some workers would have received had they kept their jobs. Under both, the tax dollars of employed workers who did not receive insurance benefits on the job would subsidize coverage for the unemployed.

The unemployed would be eligible for immediate coverage in the Medicare program under Bentsen-Corman, while disabled persons who qualify for regular Medicare coverage have a two-year waiting period before they can join the program. The unemployment program would cover dependents, while regular Medicare does not. Bentsen-Corman would nearly double the size of the Medicare rolls almost overnight, and the bureaucrats simply couldn't handle the load and be able to avoid abuses.

As Under Secretary for Labor testified that as many as 50 million separate administrative transactions would be involved in determining eligibility for the program and making arrangements to pay premiums to continue coverage. It would be a bureaucrat's delight. And it would be a delight to those unemployed workers who decided to undertake elective surgery, to drop coverage under a spouse's health plan, to engage in costly overuse of medical services or to engage in other abuses.

Congress is spending tens of billions on direct payments and job training for the unemployed, and states and businesses are spending billions more. As President Ford asks, where does it end? "What about utility bills and car payments?" he wonders. "How far do we go in providing new 'in kind' benefit programs?"

Asks HEW Secretary Caspar W. Weinberger: Would it be fair to the working taxpayers of this country, millions of whom have little or no health coverage, to use their taxes to continue paying premiums for the unemployed?

The answer is obvious.

Yet Congress seems determined to drag down the 92 per cent of the work force that is working to provide new benefits to those who aren't, even though the non-workers would qualify for health programs under Medicaid if their need was great enough, and even though they could still receive care at most hospitals if they couldn't afford the cost.

The plans are wrong in general concept as well as unfair and inequitable in specifics. But what's another few billion from taxpayers for a Congress that is spending $52 billion more than income in the coming budget as of February, $60 billion more as of March, and perhaps $100 billion more by the time all the goodies are added up?

[From the Washington Post, April 6, 1975]

HEALTH INSURANCE FOR THE JOBLESS

(By Mal Schechter)

When the Social Security system was assembled in 1935, national health insurance just missed the boat. Forty years later, the issue is being pushed by another deep economic upset—surging unemployment. Although for budgetary reasons President Ford wants to keep the NHI issue on ice until next year, hard times among the nation's 90 million workers—specifically among the 8 per cent now unemployed—just won't let the issue be.

Millions of American breadwinners have been put in double jeopardy: They have lost their jobs and the health insurance based on those jobs. If they and their dependents lost quality coverage, they add to the 60 million Americans the Ford administration estimates as having no or inadequate coverage.

Since Social Security reached the statute books, this country has not so much forgotten NHI as it has become stymied over alternative approaches to assuring coverage for all. Between the Depression of the 1930's and the recession of the 1970's, a huge private insurance industry has matured to cover most of the work force, albeit with packages of varying protection against sickness costs. Employers and workers pay an estimated $25 billion a year in premiums. This mammoth insurance operation now is being challenged by unemployment. The situation dramatizes the inherent limits of the job-related approach to protecting a population against health-care expenses.

Movement toward comprehensive NHI also has come along governmental avenues. These might be thought of as additional pieces of a missing national plan.

There is NHI for the aged and disabled, costing $11.3 billion a year; that's Medicare and it's available as a matter of right, without relation to income or job. There is NHI for some of the poor, costing $11.2 billion a year; that's Medicaid, and it's available on the basis of tests of income and other resources to people who fit into certain categories of need, such as Aid to Families with Dependent Children. There is NHI through the Veterans Administration at $2.8 billion a year. And there are NHIs for special groups, including American Indians. (The government also is involved in job-related insurance programs through the Defense Department and federal employee health benefits.)

To this aggregate of programs approaching $30 billion, Congress is considering what might be called "unemployment NHI" at a first-year cost between $1.5 and $2.5 billion, assuming no rise in the 8 per cent unemployment rate. The congressional stage has been set for deliberation on two bills by Sen. Edward M. Kennedy (D-Mass.) and by Rep. Daniel Rostenkowski (D-Ill.). They share the goal of continuing the worker's health insurance while he is out of work and receiving unemployment insurance.

Both proposals have been framed as temporary expedients for a year, possibly longer, until the enactment of comprehensive NHI. But the duration is as uncertain as that of the recession, and of Congress' ability to resolve the political conflicts around NHI. Members of Congress seem uneasy in dealing with temporary legislation that may have the potential of biasing, blunting or delaying a comprehensive plan. Indeed, some prefer to do nothing short of dealing with the larger issue.

Nonetheless, the Kennedy bill has been approved by the Senate Labor and Public Welfare Committee. The Rostenkowski bill awaits action by the full House Ways and Means Committee after having won approval of the health subcommittee Rostenkowski chairs.

UNBEATABLE ISSUE

Unemployment NHI—as admitted even by its sponsors—is marred by inequities. Not all the unemployed would benefit. Those who might benefit are likely to be the better-off unemployed. No congressman likes to explain why he chose to benefit one group of unemployed and not another. There could be repercussions at the polls.

Yet, "aid to the unemployed" probably would be an unbeatable issue when and if it reaches the floor of Congress. Some observers give the issue a 50–50 chance of reaching the floor but a 100–0 chance of winning approval in one form or another once it arrives there. And, if subordinates correctly portray the White House, Congress at that point may have set President Ford up for a veto and the stigma of the man who left the unemployed out in the uninsured cold.

The deep inequities in the Kennedy and Rostenkowski proposals spring in good measure from the insurance systems on which they base assistance. Many workers have no job-based health insurance. And many lack eligibility for unemployment insurance.

The idea of simply financing the extension of health insurance for the worker getting unemployment insurance leaves out one-third of the unemployed. Of 7.5 million workers unemployed early this year, 1.5 million were not eligible for unemployment insurance. Of the remaining 6 million, 900,000 had no health insurance. Among the remaining 5.1 million, the quality and cost of the insurance protection is quite variable.

The uneven effect of the unemployment NHI bills can be seen in the normal pattern of job-based coverage. One of the best recent views is in a 1972 federal study. Of 89 million persons then in the work force, 77 million were full- or part-time workers, 7 million were self-employed and 5 million were unemployed.

Among the 77 million, 54 million had hospital expense protection, almost as many had in-hospital doctor coverage and 26 million had major medical benefits covering visits and gaps in other protection. For hospital expense protection, the most widespread, the degree to which the worker paid out of pocket—through deductibles and coinsurance and for uncovered services—varied from little or nothing to considerable.

The unemployment NHI bills would not change this. They would spare the unemployed worker from any contributions toward premiums or from having to pay for converting from group to individual coverage, at a large increase in premium.

UNEVEN COVERAGE

Not only is there unevenness among benefits and costs but there also is unevenness among the kinds of workers who typically have coverage. In general, the people less likely to have health insurance on the job are women, nonwhites, young people, managers, agricultural workers, persons in small firms, persons with earnings under $8,000 a year and workers in the construction, retail trade and service industries.

Some job-based plans begin to cover a new worker after a waiting period of one to several months. Some plans may carry the laid-off worker for similar periods. But for about 70 per cent of today's jobless, benefits end with a pink slip or soon thereafter. In the hard-hit auto industry, which boasts some of the best coverage, three in five workers lose coverage in the same month they are laid off.

The resources available to a laid-off worker include unemployment insurance through the federal-state system for up to 52 weeks. But one in five workers are ineligible—chiefly newcomers to the labor force—because they have not worked long enough to qualify or for other reasons.

Depending on the state, the top weekly payment may be between $60 and $70. Some workers receive industry or union supplements. At best, these add enough to unemployment insurance to approach 95 per cent of take-home earnings, depending on seniority. The worker who exhausts these resources and depletes any savings and assets may qualify for one or another of the public assistance programs designed for the poor.

The unemployed worker—precisely because he is receiving unemployment insurance—is barred from receiving Medicaid and cash assistance, even though he has depleted his resources to a level below the tight standards of state programs. Federal law enacted in 1968 prohibits federally aided state welfare programs from assisting families with able-bodied breadwinner husbands until their unemployment insurance is exhausted.

Even when the unemployment insurance is less than the welfare payment, the husband has no choice. The U.S. Supreme Court this year is to consider Weinberger v. Glodgett in which a Vermonter contests the preclusion. Federal sources point out that 29 states pay more under Aid to Families with Dependent Children than they do under unemployment insurance, where the weekly average is $62. This holds true in states with the greatest unemployment.

The cost of eliminating the exclusion is an estimated $50 million annually in order to cover families at the welfare level who receive or are eligible for unemployment insurance. As one federal official commented, the recession is revealing "how rickety the country's social welfare patchwork really is."

CRISIS AT HAND

Exactly how many workers have lost coverage due to unemployment is not known. The statistics are being gathered. The assumption is virtually uncontested that a crisis of enormous size is at hand for workers and the providers of health care.

Already some municipal hospitals are reporting a jobless clientele that previously had used private facilities. A fear of demands for care by insurance-deprived workers has been expressed by hospitals. The American Hospital Association says community hospitals only rarely are able to provide any large amount of charity care because key insurers, like Blue Cross and Medicare, do not share in hospital bad debts and charity expenses.

Hospitals and doctors, for years complaining that Medicaid payments are substandard, see income threats in the unemployment situation. It may be no surprise, therefore, that organized labor, insurers, organized medicine and hospitals are cooperating for unemployment NHI, despite ideological differences over how full-fledged NHI should go.

The major plans before Congress seek to move massively and quickly to cope with the perceived emergency. But there are impediments of a procedural nature, reflecting some of the same stumbling blocks before comprehensive NHI.

There is the "jurisdictional game." Congress has no single set of committees to deal with all the complexities of NHI. Any approach based on tax-supported trust funds or changes in the tax law falls to the House Ways and Means Committee under Rep. Al Ullman (D-Ore.) and the Senate Finance Committee under Russell B. Long (D-La.).

If the approach revises Medicaid, involving general revenues, the pertinent committees are Senate Finance and House Commerce under Rep. Harley Staggers (D-W. Va.), and especially its health subcommittee under Rep. Paul Rogers (D-Fla.). If federal regulations of health insurance is to be pioneered, other committees and other personalities are involved.

For Sen. Kennedy to deal with unemployment NHI through his health subcommittee of the Labor and Public Welfare Committee, his bill had to be shaped to avoid jurisdiction of the Finance Committee. Specifically, it had to avoid entanglement with tax laws, trust funds and Medicaid. For Rep. Rostenkowski, chairman of the Ways and Means health subcommittee, to attempt to shape a bill, it had to be in the form of a tax measure.

"A BIG FOG"

The jurisdictional game has bedeviled the House leadership. Conceivably, Speaker Carl Albert (D-Okla.) may be called on to authorize an ad hoc committee to deal with NHI problems. As to unemployment NHI, nobody is sure how the House will deal with bills emerging from both Commerce and Ways and Means, an increasingly likely prospect. "It's all in a big fog," comments a lobbyist.

A second stumbling block is the "budget game." A solution that can be framed to avoid additions to federal spending is considered far more likely to attract conservatives in Congress and at the White House than a solution affecting the budget, even if the overall economic impact on the country of a budget proposal might be less.

President Nixon's NHI proposal, Comprehensive Health Insurance Plan (CHIP), was absorbed by President Ford. By using the job-related approach—by requiring employers to offer a standard benefit package to employees—CHIP keeps a considerable portion of NHI costs out of the federal budget.

Sen. Kennedy's comprehensive plan, Health Security backed by a tax-supported trust fund as is Social Security, has been attacked as an intolerable addition to federal spending and power, although its partisans insist the overall costs to the consumer/taxpayer/employee would be smaller and its public accountability greater.

Anyone ignoring the jurisdictional game and expecting Sen. Kennedy to rely on the trust fund approach to unemployment NHI is mistaken. His bill, S. 625, calls for general revenue spending. This would pay the premiums of health insurance for the worker on unemployment insurance, provided a spouse or parent had no insurance covering the worker secondarily, and provided the worker's job-based plan did not cover him during the layoff. The Kennedy bill, administered through the Labor Department as an ancillary to unemployment insurance, would reach an estimated 3.2 million workers and families (perhaps 9–10 million people at any one time). The estimated cost for the one-year program is $1.5 billion at present unemployment rates.

LABOR SUPPORT

Organized labor, which backs health security, has joined with the insurance industry, American Medical Association and American Hospital Association—each of which has its own job-based approach—in supporting S. 625. Labor witnesses insist the bill's virtue is that it does absolutely nothing to change the inequitable, inflationary and profiteering health-insurance system they perceive and wish to obliterate. The bill provides for federal recoupment if premium rates turn out too high. (Conservative Sen. Bill Brock (R-Tenn.) sees the Kennedy bill as an extravagant bail-out for the insurance industry.)

Testifying on H.R. 4004, Rep. Rogers' counterpart to the Kennedy bill, a United Auto Workers spokesman acknowledged the limitations. "It will continue the costly, unregulated private insurance administration of health care benefits," said Mel Glasser. "It will also do nothing to improve the inadequate insurance coverages which were available to lower-paid workers, now unemployed and uninsured. But H.R. 4004 would act as an emergency stopgap measure for millions of unemployed Americans in the next few months, if they fall ill and require care they cannot possibly finance," he declared.

To those who might argue that the proper answer to the emergency is full-fledged NHI, Glasser and others argue simply that there isn't enough time.

When Congress returns this week, the Rogers bill will be back in the midst of a subcommittee markup and a race with the Rostenkowski bill. Rogers and colleagues have been concerned that the Rostenkowski bill had "permanent" features lacking the fixed deadline in the Rogers-Kennedy approach. Moreover, they worried about the fairness of leaving some of the unemployed out of the emergency program.

Where the Kennedy approach requires an unemployed worker to fall back on another family member's coverage, even if inferior, the Rostenkowski approach does not. It also would cover the self-employed. Thus, the emergency Health Insurance Extension Act, H.R. 5000, reaches 30 per cent more people—an estimated 4.6 million without counting family members. But it would cost 40 per cent more than the Kennedy plan.

AN INGENIOUS GAMBIT

H.R. 5000 is an ingenious gambit through the budget and jurisdictional games. Its two parts work through the Internal Revenue Code. Under Part I, to keep certain tax deductions, employers and insurers would have to extend coverage to laid-off workers receiving unemployment compensation. As health fringes come up for renegotiation over the 14 months after the program starts, the extensions would be added at an increase in premium. (Where fringes are not bargained for, extensions would be provided within three months.) Part 1 would stay in force until NHI is enacted.

According to Ways and Means sources, as much as 8 per cent would be added to annual premiums, assuming an 8 per cent unemployment rate. On an estimated premium base of $30 billion for both employed and self-employed persons, Part 1 would cost as much as $2.5 billion a year.

Where the $1.5 billion Kennedy approach would be paid by federal taxpayers and add to the federal deficit, the cost of H.R. 5000 would fall outside the federal budget—on consumers (if businesses raise prices), employees (if they forego profits by not raising prices) and employed workers (if they forego higher wages or fringes).

The cost of either approach could be more than stated. Estimates are an actuary's nightmare. Nobody is sure, for example, whether the unemployed as a group would tend to use more health services (such as elective surgery) than the employed.

Also, if insurers insist on a large cushion of financial reserves, premiums overall would be higher. The premium for a specific employer would depend partly on the insurer's estimate of risk of unemployment. This factor might upset marketplace economics, especially for smaller employers. To moderate this kind of variation and to protect against insurer losses, the Rostenkowski bill calls for pooling among insurers to share the risks of long-term unemployment. In the Kennedy approach, Uncle Sam pays the higher rates.

Part 2 of H.R. 5000 sets up a federal trust fund for the period before Part 1 becomes wholly effective. The fund would borrow perhaps $750 million from the Treasury in fiscal 1976. It would pay for expenses workers incur rather than for premiums. This feature seeks to hold down overall cost, eliminate risk to insurers and cut out profit. The fund would be amortized, with interest, over several years by a 1 per cent federal tax on premiums. When the loan is repaid, the fund and tax disappear. Any impact on the federal budget would be ephemeral.

LOBBYISTS COOL

"Rostenkowski wants a bill the President can sign, not an issue that will delay getting help out to the people who need it," a House aide explained.

But the bill generates little enthusiasm among lobbyists. Fearing that Part 1 might set a precedent for full-fledged NHI based on private insurance, organized labor wants to substitute a one-year, trust-fund-only bill as a possible alternative to the Kennedy approach.

The Health Insurance Association of America accepts both Kennedy and Rostenkowski approaches, with a preference for the latter. But insurers are wary of federal intrusion and what might happen to their place in the NHI derby if politicians saddled them with blame for increased insurance costs and administrative imbroglios that could accompany a crash effort. The doctors don't like the looks of a trust fund as a possible NHI precedent.

Says Rostenkowski: "Any program we may develop for meeting the immediate needs of the unemployed will not be able to address the problems needing resolution under NHI. We cannot deal here with problems in the health care delivery system—with unequal distribution of health services, with wrong incentives, with inefficient reimbursement systems, with spiraling inflation. We cannot deal here with the severe problems in rural and big city areas. Nor will we likely be able to help those unemployed who have never had a job, or those who have jobs but no health insurance. The solutions to those problems must await our consideration of NHI."

WEINBERGER OPPOSITION

Rejecting an unemployment NHI approach, the administration sees trouble in terms of the federal budget, the economy, equity and administrative feasibility. In arguing against the Kennedy plan (and by implication against Rostenkowski's), Secretary of Health, Education, and Welfare Caspar Weinberger pointed to the inequity of using federal resources to extend high-grade and low-grade benefits. He feels it is unfair to discriminate among those getting unemployment insurance on the basis of prior health insurance coverage. He also saw insurmountable administrative problems in coordinating state-run unemployment insurance programs and insurance companies. He foresaw disincentives to the unemployed who might delay getting a new job because the insurance offered was inferior to that of the last job. He foresaw a cheapening of job-based coverage and the possibility that management and labor might be tempted to shift the costs of laid-off workers to Uncle Sam.

The best thing to do for the unemployed, he told the Finance Committee, is to get workers back to work and to hold down on federal spending and its contribution to inflation.

The criticism that no unemployment NHI approach covers the unemployed who had no job-based coverage has embarrassed sponsors of the legislation. It's better to do something for somebody than to do nothing for everyone, they contend. Labor was stung to suggest a Kennedy bill amendment to cover automatically under Medicaid some 900,000 workers (plus dependents) receiving unemployment insurance who had no prior health plan. HEW estimates the cost at $800 million a year. Hearing the proposal made at a House Commerce meeting recently, an expert in health-care delivery guffawed: "I never thought I'd see the day when labor would endorse covering workers through a program with a means-test stigma."

When a reporter asked an HEW officer what the cost would be for covering the unemployed not on unemployment insurance, the response was, "Whoa! If you did that, anyone could qualify for Medicaid and you'd have NHI through the back door."

"PERMANENT" STOPGAP

As Rostenkowski and Kennedy partisans present the issues, Congress is being asked to adopt administratively feasible programs that do not establish new bureaucracies, do not permit profiteering by insurers and do not cement them into a future program. But they admit to serious shortcomings that cannot be solved except through a comprehensive approach.

The unemployment issues may propel Congress into a debate over full-fledged NHI sooner than expected. Rep. Rostenkowski announced his intention to have an NHI bill out of committee by the end of summer. But he noted it would take time to pass and implement, and that's why his stopgap is called "permanent until NHI."

For an NHI debate, difficulties in covering the unemployed may dramatize limitations in the job-related approach to the disadvantage of the Administration's CHIP and similar proposals. Dividing a population by job, income or other status is confusing to beneficiaries and tends to drive up administrative costs; workers have to be tracked in and out of employment or other status in order to establish eligibility. The administrative problems Secretary Weinberger sees in unemployment NHI may inhere in CHIP.

From labor's viewpoint, the plight of the jobless is another indication of the need for decent health insurance independent of job status—as a matter of right. Much of the ring of Depression era debates over Social Security and public versus private sector responsibilities, dangers and equities pervades the arena in which NHI is being considered.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the history of our Nation has been a saga of heritage of struggle against and success the fight for human rights.

Americans can be very proud of our over domestic racial, religious, and economic discrimination. But these remarkable successes in the area of human rights should not be simply the source of smug self-satisfaction. We cannot permit ourselves the luxury of gazing contentedly at our own national image.

America's distinguished tradition in human rights heightens rather than diminishes our international responsibilities to the cause of human rights.

It is incumbent upon us as a people to prove that the great American experiment in human dignity can and does work. Our duty must not be one merely of cooperation, but rather of active leadership in the international struggle for human rights.

What better way exists for the United States to demonstrate its national resolve to meet that responsibility than by immediately ratifying the United Nations Genocide Convention?

President Woodrow Wilson summed up the American hope and mission when he said:

> We ask nothing for ourselves that we do not also ask for all humanity.

This must be our national course—one of deep concern and real commitment.

The Senate has waited too long to ratify the Genocide Convention. An overwhelming majority of nations throughout the world has already done so. I urge ratification of the Genocide Convention at the earliest possible date.

ABOLISHING "REFORM"

Mr. BROCK. Mr. President, James Q. Wilson is the Henry Lee Shattuck Professor of Government at Harvard University. Some time ago, he wrote an article which appeared in the Alternative and was later reprinted in the Washington Post. It is entitled "Abolishing 'Reform.'" Professor Wilson's thoughts have merit and are certainly thought-provoking. I ask unanimous consent that Professor Wilson's comments be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ABOLISHING "REFORM"

On learning of Samuel Johnson's remark that patriotism is the last refuge of the scoundrel, Roscoe Conkling, a New York politician widely acquainted with scoundrels, remarked that Dr. Johnson had overlooked the possibilities in the word "reform."

Some good things and many bad things have been done in the name of reform, but the worst thing of all has been to cloak any proposal for change in the seductive disguise of that ill-used word.

My object here is not to attack those proposals labeled "reforms" but to criticize the labeling of all proposals as reforms. The villain of the piece is not the reformer, but the reporter.

"To reform" means to improve by alteration, to abolish abuse or malpractice; "a reform" is a change for the better, an improvement in social, moral, or political conditions. We all understand and follow this usage in everyday conversation, as when we speak of the reformed drunk. I admit there are some exceptions: when we refer to "Reform Jews," we do not mean Jews who are better than the Orthodox variety; in fact, because Reform Jews are less observant of the traditional customs, the Orthodox might well think of them as worse Jews. Nor do we mean, by "Reformed Church" necessarily a more—or less devout—one, but only one that follows the teachings of Calvin. But these are the rare exceptions, clearly described as such by the dictionary.

Journalists and politicians understand none of this, however. To them, any change that is broadly liberal or participatory in intent, and some changes that are libertarian in intent, are "reforms." Now such presumption is understandable in politicians whose vocation requires them to be propagandists, but is unforgivable in journalists, whose craft enjoins them to be fair. But the word "reform" has become so ingrained in journalistic usage that many newspapermen and broadcasters would be surprised to be told that anyone could object to the word.

Well, I object. The mood of the citizens and voters is remarkably sensitive to what the media tells them is important, and though there is not much evidence on this, it is probably also sensitive to what the media suggest all "right-thinking" people should regard as desirable. As a result, many people believe the wrong things.

Newspapers for some time have been writing of "campaign reform." Who could be against it? Few are, and those politicians that have expressed some doubts have been castigated. There is, as it turns out, a great deal wrong with those campaign finance plans that have been labeled "reforms." For one thing, the new federal statute is probably an unconstitutional infringement of free speech because it tells citizens they can spend no more than $1000 on any candidate however much they may wish to endorse, by advertisement, his cause. Would journalists who label this a "reform" also so label a proposal that anybody could make any public speech he wanted as long as he did not spend more than $1000 to rent a hall? Would they label as a "reform" a law that restricted to $1000 the amount that could be spent on an ad in the New York Times that attacked General Thieu, supported school busing, or denounced oil company profits?"

Or take "party reform." Whatever was proposed by the supporters of George McGovern at Kansas City midterm convention of the Democratic Party was called a "reform" while whatever was proposed by the followers of George Meany was called "resistance to reform." The subject of party rules is a complicated one; I intend to make here no judgment on the plans of the two Georges. And that is precisely the point. To call one set of proposals "reforms" in headlines and "straight" news stories is to prejudge the issue.

Finally, consider the candidacy of anybody who challenges Mayor Daley in the Democratic primary in Chicago. Odds are he will be called the "reform candidate," which is to say he is the good guy and the mayor is the bad guy. If the voters prefer Daley to his opponent—as they have, by increasing majorities, for the last 20 years—the press will of course conclude that the voters of Chicago have rejected "reform," which is to say they have rejected "good government." Then the papers, with the aid of columns by Mike Royko, will speculate as to the process whereby the integrity and good sense of the electorate could have been so foully corrupted.

My criticisms would be beside the point if "reform" had become a synonym for "change." But all changes are not called "reforms." The press has made it quite clear that reducing the special tax treatment of capital gains is a "reform"; eliminating the special tax treatment of gifts to schools and churches is not a "reform." Yet both are "tax loopholes." Increasing the control that members of congressional committees have over the chairmen of those committees is called "congressional reform"; increasing the powers of the congressional leadership to formulate and enact a party program would probably not be called a reform.

Some journalists may make the bold defense that they are aware of the value implications of the word "reform" and, far from employing it by accident, or because of an unconscious preference for a political cause, they use it deliberately and correctly. Some proposals are good; reporters can tell which they are; and reporters have the "right" (no doubt even the duty) to tell their readers, even in news stories, what is true, beautiful and just.

I ask them only to remember that most practices they now denounce were once considered to be reforms. Were it not for the "reforms" of the past, the advocacy journalists of today would be unemployed. Prisons were originally heralded as reforms; so were the juvenile court system, aid to families with dependent children, urban renewal, the Federal Reserve System, the state police, the Ferderal Bureau of Investigation, the Interstate Commerce Commission, the Civil Aeronautical Board, the civil service system, prohibition, and building trades unions. Given what many reporters now think of these institutions, all praised by the best and brightest reporters of the past, can they be so confident of their ability to tell a "reform" from a nonform, unform, or antiform?

Why not just get rid of the word, or use it only in inverted commas or when it can be attributed to a spokesman who is directly quoted? It would cost the preess not a single reader, it would not prevent them from saying editorially whatever they liked, it would not take away a single byline.

Instead of "campaign reform," they can write of "campaign spending laws"; instead of "party reform," they can refer to "party rules changes"; instead of "reform candidates," "opposition candidates." It is all so simple and reasonable. Naturally, journalists will follow my advice.

Naturally, the sun will stop rising.

THE LAST TO DIE IN VIETNAM

Mr. CLARK. Mr. President, it is with a great sense of relief that this country leaves the war in Southeast Asia.

It was a long and costly engagement—and hardly anyone in this country was not touched by it in some way.

During that long war, 816 Iowans lost their lives—and those deaths will grieve us for many years to come.

But even though combat troops left the area 2 years ago, the war did not really end for Iowa until last Monday. On that day—one of the last for evacuating American citizens from Saigon—two U.S. marines were killed, Cpl. Charles McMahon of Woburn, Mass., and Lance Cpl. Darwin L. Judge of Marshalltown, Iowa.

William Claiborne in the Washington Post today has written a moving profile of Corporal Judge, and in it we see a young man deeply dedicated to his country and ready to serve it whenever needed. It is a story we have seen repeated many times in the past. Here was a young man recognized in his community as a good citizen—an Eagle Scout, a hard worker, and a willing recruit for the Marine Corps. He volunteered for assignment to Vietnam.

I extend my deepest sympathies to Corporal Judge's parents, Mr. and Mrs. Henry Judge, and to his brother, Staff Sgt. Loren Judge. I hope they will be comforted in the knowledge that their son and brother died for a cause in which he strongly believed, and in the knowledge that America is finally free from this war.

I ask unanimous consent that Mr. Claiborne's article in today's Washington Post be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AT THE END, TWO MORE DEATHS

(By William Claiborne)

MARSHALLTOWN, IOWA, April 30.—Marine Lance Cpl. Darwin L. Judge believed in God and country and the American Legion honored him with an award for those beliefs.

He believed in honest work, and Clifton's Supermarket rewarded that belief by holding a carryout boy's job open for several weeks until Judge turned 16 on Feb. 16, 1972, and obtained his working papers.

He believed in the Boy Scouts, and in a court of honor held here in January, 1972, Troop 310 gave him the highest Scout emblem, the Eagle badge.

Most of all, according to his family, Judge believed in defending his country's democracy, and so he enlisted in the Marine Corps as soon as he was graduated from Marshalltown High School last June and asked for duty in South Vietnam.

Monday, at 19, Darwin Judge died during an artillery and rocket attack on Tansonhut airport.

Judge and Marine Cpl. Charles McMahon, 22, of Woburn, Mass., were the last two American servicemen killed by hostile fire in South Vietnam.

Since Army Spec. 4 James Davis of Livingston, Tenn., was killed Dec. 22, 1961, 56,659 Americans have died in that bitter struggle.

Sitting in the living room of their modest frame ranchhouse today, Judge's mother and father concluded that because their son believed, his death wasn't a waste.

"He felt like the American soldiers had to go over there and fight Communism so that it wouldn't come here. He was only 19, but he had a good, clean mind, and he was a real dedicated American," said Judge's mother, Ida.

"I can't feel bitter. He gave his life for all of us here," she added.

Mrs. Judge and her husband, Henry, are simple people and they make no attempt to mask their patriotism. She is an American Legion auxiliary worker at the Iowa Soldiers Home near here, and her husband, a postal letter carrier, was a B-17 tailgunner who was shot down and rescued in the North Sea during World War II.

If the United States' struggle in distant South Vietnam was supported anywhere, it was supported here in the heartland, where only infrequently a small town like Marshalltown and occasionally a remote grainery or farm silo disturbs the horizon of central Iowa's gently rolling prairie and the livestock loll comfortably in the first warmth of spring.

Marshalltown's 26,000 people support themselves mostly from farming and from several light industrial plants on the outskirts of town, and many of its residents have moved to new subdivisions of prefabricated one-story homes that have sprung up in the cornfields.

Each June about 50 or more of the 400 graduating seniors join the military, many of them out of deeply ingrained patriotism.

"We had a flagpole at our other house, and our son sure was proud of that," recalled Judge's father.

The surviving son, Loren, 26, is a staff sergeant in the Air Force who served two years in the Navy in South Vietnam and then enlisted in the Air Force.

Sgt. Judge, home on leave, expressed bitterness about the withdrawal from Vietnam.

"It's kind of stupid to spend 10 years and then drop it. I figure we spent a lot of money and a lot of lives in 10 years," he said.

Asked if he plans to make a career of the military, Judge said, "I don't know. I have not decided," but his mother interjected, "I hope he does."

Mrs. Judge recalled that Darwin had decided on a Marine Corps career halfway through his senior year and, after basic training in San Diego and security guard training later, he requested assignment to guard duty at the Saigon embassy. He was killed while on assignment to the Defense Attache's Office at the Saigon airbase, helping to maintain order in the loading of refugee planes.

Mrs. Judge said that when a Marine Corps official came to her door Tuesday morning, she knew her son was dead. "Mothers know that feeling," she said.

In fact, she said, when she heard the news broadcast that two unidentified Marines had been killed, she instinctively knew her son was one. "It hurts. It hurts. But we're real proud of our son," she said.

Atop a console color television set in the living room are two framed photographs of Lance Cpl. Judge in uniform, one in which he is helmeted and wearing full combat gear and clutching an M-16 automatic rifle to his chest.

On April 8, Judge wrote his last letter home, a simple, boyish note in which he described South Vietnam as "real beautiful," the Vietnamese as "real nice" and Saigon's flower gardens as "real pretty."

"Don't worry about all the junk in the newspapers. I'm fine," he wrote.

Inside the envelope flap he had scrawled the afterthought. "Don't worry."

"He was a tremendous kid . . . He went to a special school in Arlington, Va., for training as an embassy guard, and he was real proud of it," said Marshalltown policeman Greg DeSaulniers, who is married to Judge's sister, Lorraine.

At Marshalltown High, assistant principal Robert McCormack said, "He was a typical Midwest high school kid, clean-cut and with all the ingredients of a good citizen. It's very saddening to see such a good kid die."

McCormack described Judge as a average student, but said he excelled in woodworking and had he not chosen the Marine Corps as a career he probably would have become a carpenter.

Mrs. Judge, reflecting on the meaning of her son's death, said, "I hope it has done some good. So many boys lost their lives in the war. If we don't honor them at home, then their giving their lives will have done no good."

THE ENDURING PARTNERSHIP—UNITED STATES-ISRAEL

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD an address I made before the Annual Policy Conference of the American Israel Public Affairs Committee, here in Washington, on April 14, 1975.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE ENDURING PARTNERSHIP—UNITED STATES-ISRAEL

(Address of Senator JACOB J. JAVITS, before the Annual Policy Conference of the American Israel Public Affairs Committee)

The reassessment of U.S. policy is not a crisis in relations with Israel. It does not mean any basic shift in U.S. policy or support of Israel. The mountain of the moment is really only a molehill when viewed from the perspective of the fundamental identity of interests which have bound the United States and Israel together for the last twenty-seven years—and which continue to bind the two nations together in an enduring partnership. In my judgment, it is a disservice to the cause of peace to allow differences over negotiating tactics—or the vicissitudes of negotiations—to be represented as some kind of potential Rubicon in U.S.-Israel relations, or in the millenial history of the Mideast itself. And, for interested Americans to act on these assumptions is an even greater mistake.

In my judgment, support for Israel among the American people and within the United States Congress remains what it always has been. And, concern for Israel's security, and the determination to maintain that security as a reality, continues to be among the very highest foreign policy priorities of the United States and of the President. For, the moral commitment of the United States to the security and integrity of the State of Israel is linked inextricably with the fundamental beliefs and moral values of the United States itself.

If that is all that is really happening within the State Department and the National Security Council, it seems to me that it is a rather routine development, and it is against this background that current developments are best assessed, in my judgment. We all know that there is a highly publicized "reassessment" of United States Mideast policy being conducted by the Secretary of State. It is not clear just what is being "reassessed"—and by whom. Indeed, I am not aware of a "reassessment" being conducted in the Congress which has an important, even decisive, say in these matters or by the Congress with the Executive.

I have been given to understand that the "reassessment" is tactical rather than strategic and that its primary focus is upon the next steps to be taken into continuation of the U.S. policy initiative to promote negotiations between the parties to the Arab-Israel conflict.

Hence, I deplore the exaggerated publicity which is being given to reassessment. The very nature and prominence of the publicity suggests that it is itself a diplomatic tactic of potentially dangerous and unintended consequences. This is clearly no time to be sending misleading signals to the Arab capitols and to the Kremlin.

Nor, in a deeper sense, is there anything to be feared from a reassessment of U.S. Mideast policy, if such a stock taking is devoted to an examination of U.S. policy interests in the Mideast, and the vital role played by Israel which benefits so importantly the U.S. national interest.

I have not given up on step by step diplomacy. I believe it important that these efforts should be continued because they are in the best interests of all of the parties concerned. If the Geneva Conference should be convened, I hope that Israel and Egypt will do their best to align their policies in order to achieve a settlement. The differences between them have already been significantly narrowed, and the mutuality of interest in a settlement must continue to be emphasized to the greatest possible degree in whatever forum they negotiate.

The virtual oil monopoly which nature has bestowed in the Arab States, expressed through the organized OPEC commercial monopoly, has created a new dimension to U.S. policy interests in the Mideast. People contended that may cause a divergence between US and Israeli interests. I thoroughly disagree.

On the contrary, I think the oil crisis has heightened the identity of interest between the U.S. and Israel. The reason is that we must also now negotiate with the Arabs, as Israel must, and we are rapidly learning just what that process involves.

The first thing we have learned—and the oil embargo taught us this—is that we must negotiate with the Arabs from a position of strength. The second thing we have learned is that the huge accumulation of petrodollars has given these Arab States a capability of causing a critical financial dislocation to our civilian economy. This has taught us to be vigilant on all fronts—a wisdom Israel has earned literally with its blood.

Within the Arab camp differing voices are contending for control. One faction is the PLO, led by the intransigent Mr. Arafat. His prescription for dealing with Israel is very simple—destroy it. He talks softly in private to reassure some Americans, but his method is terror and his purpose implacable. Israel is obviously not about to accommodate Mr. Arafat and his terrorist commandoes who recognize no rules among nations.

In my judgment, the United States has a vital interest in seeing that Mr. Arafat's approach to relations with Israel is decisively rebuffed. And the U.S. interest in this regard goes beyond its moral and emotional commitment to Israel's security and integrity.

For, Mr. Arafat also has a prescription as to how the Arabs should deal with the United States and the western world in general. His guerrilla forces have demonstrated that approach in the terrorist atrocities that they have staged at the Munich Olympics and at airports throughout the world. Mr. Arafat has given a further personal demonstration of his attitude toward peace or negotiations mounting the speaker's rostrum of the United Nations General Assembly with his pistol strapped conspicuously to his girth and giving the world an ultimatum.

Thus, if the Arab States come to believe that the Arafat approach to relations with Israel can succeed, the temptation could be strong for them to try the Arafat approach to relations with the west in general, in a big way.

To put the matter in its simplest terms, the United States has a very real and direct interest in seeing that the Arab states come to recognize that their relations with Israel must be based on a genuine acceptance of Israel's national integrity and vital national interests too. Only if this is recognized can the United States expect to achieve an acceptable relationship with the Arab States on the vital questions of oil and petrodollars—a relationship which must be grounded in an acceptance by them of the vital national interests of the United States and its allies among the industrial democracies as well. This is the big and current foreign policy challenge for the United States. But, the so-called "reassessment" which is currently being undertaken by the State Department of U.S. Mideast policy is being conducted against the backdrop of severe reversals for Administration policy of the past decade in Indochina. Some have sought to draw a lesson for Israel amongst the ashes of Vietnam and Cambodia.

I must state, respectfully but unequivocally, that in this respect those who made this insidious comparison are dead wrong. In my judgment, precisely the opposite conclusions should be drawn from the failure of U.S. policy in Indochina, as it may bear on U.S. Mideast policy. Indeed, what is really instructive about the Indochina situation are the distinctions which should be drawn.

For, the regimes in Saigon and Phnom Penh are in deep trouble precisely because they lack those qualities which make Israel, Israel. Israel is a tough, independent and highly resourceful ally—with so much heart and fighting spirit that it can bring tears to your eyes. Israel wants and needs assistance from the United States—assistance that is earned every inch of the way through performance.

Israel will not become a client state, relinquishing responsibility for its own security even to its great friend the United States. Israel insists upon keeping unto itself the responsibility for the security of Israel. How such an admirable principle could be the source of disagreement or annoyance astonishes me.

The United States must take a global approach to diplomacy, as the world's most powerful industrial nuclear superpower. Israel must take an approach to diplomacy which fits its situation—and the reality of Israel's situation is that every inch of territory must be weighed and measured in the scales of its life and blood as a nation.

Since the Paris Peace Accords failed, President Thieu's army has not shown itself willing and able to fight. If Mideast Peace Accords fall by the wayside, as they have in the past, the armed forces of Israel will and are capable of fighting. And, Israel cannot accept the substitution of Mideast Peace Accords for the capacity to fight successfully if the accords cannot maintain the peace.

In conclusion, I wish to state my belief that we are passing through a dark moment which seems much darker than it should. I am convinced that the U.S. commitment to Israel, based on vital U.S. interests, will emerge stronger from any genuine reassessment of U.S. policy. And, I believe that the agonizing twilight of the tragic U.S. misadventure in Indochina—so improvidently undertaken and so quixotically pursued—will leave America purified. There will be a clearer vision of the U.S. role in the world, the nature of U.S. interests and of the importance of allies which know how to fight for what they believe in and are committed to.

This will result in a drawing closer to the traditional and natural allies of the United States. And in this atmosphere I am confident that there will be a new renaissance in U.S.-Israel relationships nurtured by our shared values and our shared vital national interests.

Working together, I am optimistic that a reliable basis for peace in the Mideast can be found. It will take infinite patience persistence and steel-like nerves. But then, who ever thought it would be easy.

ANATOMY OF A DEBACLE

Mr. HUMPHREY. Mr. President, there appeared in the St. Paul Pioneer Press of April 27 an article by Mr. Robert S. Elegant, correspondent for the Los Angeles Times, entitled "Anatomy of a Debacle." It reveals and documents the collapse of South Vietnam in recent weeks and months. As Mr. Elegant put it,

> South Vietnam's collapse was swift after military inaction, panic and treachery by the elite. The message was clear: "Save yourself—if you can."

Every member of Congress and, indeed, hopefully every concerned citizen should read Mr. Elegant's article. It portrays what happened in South Vietnam in these past months and weeks. It reveals a shocking lack of political leadership and the subsequent disarray of the political and military structure of South Vietnam. I ask unanimous consent that this revealing article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the St. Paul Pioneer Press, Apr. 27, 1975]

ANATOMY OF A DEBACLE

(By Robert S. Elevant)

HONG KONG.—This is the anatomy of a debacle, the disastrous collapse of South Vietnamese resistance within weeks amid almost incredible scenes of treachery, greed and brutality, as related by high-level intelligence sources.

The story cannot, at this moment, be told from Saigon. It covers the total breakdown of military and civilian authority in the Republic of Vietnam, running battles among fleeing soldiers and with civilians, an absolute paralysis of will on the part of then-President Nguyen Van Thieu, the large-scale treachery of the ruling Vietnamese elite, and the presumed fate of 7.4 tons of gold worth approximately $30 million, as well as additional millions in hard-currency reserves.

Above all, the debacle was precipitated by military desertions—not soldiers deserting their units, but officers deserting their soldiers.

The information comes not from American, but other sources, primarily an officer high in Vietnamese councils. Some details are blurred by the fog of war. The officer's knowledge and integrity are virtually unchallengeable, although he is, naturally, presenting his own view of the catastrophe.

Three main causes brought about the spectacular Communist victory:

A major shortfall of promised U.S. supplies left the defenders of the two northern sectors of South Vienam, Military Regions I and II, in an untenable position against opponents whose numbers and arms were swelling rapidly.

Then President Thieu was paralyzed by the danger and could not make up his own mind to act or allow anyone else to act—except to safeguard his own wealth and person.

Despite almost 20 years of American involvement, the caste-stratified Vietnamese social structure, civilian and military, had hardly altered, so that the society remained deeply divided, and a small group of the urban elite wanted to continue using the rural peasantry to protect their own privileges.

The immediate background was the desperate logistical situation as the Communists, obviously certain the United States would not attack North Vietnam itself, committed almost all their regular armed forces to the conquest of the south. Their massed, conventional units were lavishly equipped by the Soviet Union.

Saigon's forces had, for at least a year, been expending about one-ninth the aerial bombs previously used by the Americans in South Vietnam and no more than one-quarter the ground-fired ammunition, from heavy artillery to small arms. As authorized by the Paris agreement of 1973, the United States had originally promised to replenish those items on a "one-for-one basis." Every bomb, shell, tank, truck, or other piece of equipment expended or worn out was to be replaced. The rate of replenishment actually ran at roughly a one-for-three ratio, and the South Vietnamese armed forces were rapidly approaching the end of their physical resources.

Against that background, perhaps the clearest way to tell the tale is in chronological order, beginning on Jan. 15 of this year.

At that time, Thieu was urgently advised by a group of senior generals and intelligence officers that he had no option but to order evacuation of the two northernmost military regions, covering almost half of South Vietnam's territory. Because of the acute and intensifying shortage of military supplies, the area could not be held, in the view of Thieu's advisers.

Thieu was told that a massive strategic withdrawal must begin no later than Feb. 15 if there was to be any realistic hope of saving the southernmost military regions, III and IV, where well over half the country's population lives. If he reduced his territory and concentrated his forces, Thieu was advised, he would almost certainly possess sufficient manpower to defend those regions for a long time. Besides, American supplies would be just adequate to enable those units to fight effectively.

In addition, major oil companies had proved offshore petroleum reserves in remarkably large quantities. Excellent prospects of exploiting those reserves promised a flow of dollars that would, within a reasonable period, provide the financial resources Thieu's almost bankrupt government needed and would enable him to buy both military and civilian supplies on the world market.

But Thieu, already caching away a good part of his "personal" fortune in Switzerland, could not make up his mind. It can, most charitably, be said that he was so appalled by the disastrous effects of a mass evacuation on civilian and military morale that his own will was paralyzed. However, he was already so isolated within a small band of cronies that no one not a member of that group can assess his motivations accurately.

The Feb. 15 deadline passed with no action whatsoever taken. The commanders of Military Regions I and II had contributed their assessments to the overall recommendation presented to Thieu, since they, above all, knew the situation on the ground. But they waited in vain for orders.

At the end of February, Thieu finally bestirred himself. Accompanied by his then-Prime Minister Tran Thien Khiem, and his chief of staff, Gen. Cao Van Vien, he made a "secret" reconnaissance in depth of the situation in the north." Actually, that reconnaissance consisted of no more than a brief flight and a brief stay on the ground at Cam Ram Bay, 185 miles from Saigon, but 300 miles from Da Nang, the headquarters of northermost Military Region I.

Thieu, already virtually isolated in Independence Palace in Saigon, still could not make up his mind.

Finally, about March 10, with the Communist attack on Ban Me Thuot in the Central Highlands, Thieu ordered the withdrawal from the two northern military regions. The order came almost a month after the generals' deadline.

It was, however, already far too late to execute that most difficult of all military maneuvers—a major, orderly retreat in force that would lift out entire units and their equipment in fighting trim. In any event, the officer corps of the Vietnamese armed forces took the order to mean: "Save yourself—if you can."

The gulf between those officers and the rural peasants, who were the privates and sergeants, was already great. The officers were the educated, privileged urban bourgeoisie—those, that is, who had not evaded military service.

(In the midst of a war of survival, university-level students from that social class remained a large untapped manpower pool. With an annual need for 300 lawyers, South Vietnam's law schools still had an enrollment of tens of thousands—half, admittedly, women.)

Moreover, a war of small units meant that most—though, of course, not all—officers occupied safe billets at a reasonably secure distance from the enemy. Sergeants, rather than lieutenants, commanded platoons, the chief units actually in contact. With exceptions, even company commanders did not often come within range of enemy fire.

The alienated officer corps began a mass flight upon receiving Thieu's order. Generals and others with access to helicopters piled themselves, their families and their favorites into those short-range machines. According to one source. Quang Nai province, south of Da Nang, "is now littered with the wreckage of helicopters that ran out of fuel in their mad, unthinking southward flight."

When the senior officers had deserted their units, it was the turn of the colonels, majors and captains—indeed anyone who had access to any form of road transportation. Jeeps possessed "cross-country capability," while the ambulances' red crosses were, initially, respected by the common soldiers and civilians—if not necessarily by the enemy. But the enemy was the officers' last concern by then.

Many military vehicles also were abandoned when they broke down or ran out of fuel. All civilian vehicles, even the uniquitous Honda motorcycles, became fair game as panic spread among the leaderless troops, who abandoned equipment worth at least $800 million.

Soldiers armed with M16s stood by the roadside and sprayed the riders of passing motorcycles. Kicking aside the bodies, they mounted the Hondas—often meeting the same fate after a few miles.

"There were, after all, more M16s than motorcycles in the area," said one officer sourly.

Although many did not make it, the survors of the spontaneous rout jammed into Da Nang, which possessed an excellent harbor and airport. Da Nang became a jungle, with every person fighting for his own survival, the armed soldiers naturally holding the advantage. All authority and order broke down in the rush to save oneself.

However, a certain vestigial respect for the red crosses on the ambulances remained. Initially, frantic soldiers and civilians waiting at the airport parted to allow patients to be ferried to airplanes.

But that respect vanished when those spectators saw the occupants of the ambulances rise up and fight each other for scarce space on the planes.

They were the wealthy families and favorites of those officers who had access to ambulances.

Thereafter, not even remotely civilized order remained. Each man was determined to save himself—and his family if he could, soldiers gunned down rivals for space on planes or ships.

The various services turned against each other. The most grotesquely macabre incident occurred when the Vietnamese air force, anxious to save its own, sent three C130 transports to Da Nang from its main base at Bien Hoa.

Hundreds of airmen and their families piled onto those desperately overloaded planes, which began taxiing with their big rear cargo ramps open. Armed soldiers threatened the unarmed airmen and piled onto the ramps, overloading the planes still more.

The first two C130s barely waddled into the air—and crashed in flames a few hundred yards from the end of the runway. The pilot of the last, learning from his comrades' fate, frantically appealed through the public address system for his passengers to lighten the ship.

Everything portable went out the hatches. Men and women even tossed off clothing and wrist watches, while the infantrymen threw away their weapons. The air force men, massed in the front of the plane, then rushed the soldiers and hurled almost a hundred off the rear cargo ramp at an altitude of about 4,000 feet. That plane reached Bien Hoa safely.

Although the fleeing units were disorganized, demoralized and largely unarmed, the South Vietnamese still had a significant military preponderance in the two southernmost military regions. Even at that point, South Vietnam might have saved its heartland, although it had dissipated almost half its military assets.

But almost all combat-worthy troops were gathered into a static perimeter defense around Saigon itself.

Thieu did not use the arriving units to mount spoiling attacks against the encroaching enemy, who often simply walked into major provincial capitals. He did not even use the new arrivals to replace other units for such attacks, which were the only possible hope of halting the Communist juggernault.

Instead, he deployed the entire South Vietnamese army as if it were an immense bodyguard intended to protect himself and his clique—and to ensure that they could escape with as much of their wealth as possible.

Mme. Thieu had already left the country when Thieu announced his resignation last Monday. Otherwise, 7.4 tons of gold bars, treated as if they were private property, were the clique's chief concern, as were a few millions in foreign-currency reserves.

Some informed estimates, incidentally, are vastly larger, ranging up to 10 times as much gold. However, those magnitudes appear most improbable not necessarily because much greater sums were not diverted, but because it would have been imprudent to retain them in Vietnam. However, the true figures are, at this point, impossible to establish.

After failing to induce air carriers to move the gold, the clique reportedly shipped three tons on a freighter bound for Europe. The ship's name and its exact destination are not known to the informants.

An additional ton of gold was, according to some informed reports, moved by Air Vietnam, the national airline, during the last two weeks. Again, the exact destination is unknown, although it is almost certainly in Europe and probably in Switzerland, where Thieu is likely to settle.

By last week, the South Vietnamese forces were totally demoralized. Even those honest, patriotic officers who had neither fled nor looted saw no possible future in resistance. One-star generals complained openly that they had no idea what was happening and that they were receiving no orders from their superiors.

The Vietnamese navy was concentrated in the approaches to Saigon. There could be only one conceivable purpose, and it was not tactical. Those ships were to serve as a backup evacuation force for Thieu and his loot.

Ironically, the high-ranking officer-defectors did not appreciate that, when the time came, the naval crews would probably save themselves and their families. Large bribes may, possibly, buy passage for the senior officials. But, some informants predict, the angrily resentful crews could well repudiate any agreements they make.

Demoralization has been intensified by the rapid, visible American evacuation, U.S. Ambassador Graham Martin resisted the move for that reason. He may have waited too long to save tens of thousands of Vietnamese whom Washington considers particularly worthy or imperiled.

In that atmosphere, Thieu was finally forced to step down. He was succeeded, in violation of the strict provisions of the Vietnamese constitution, by 71-year-old former Premier Tran Van Huong. The presidency should have gone to Speaker of the Assembly Tran Van Lam, but he wanted no part of it.

A small group of senior Vietnamese officers and officials, anticipating Thieu's forced resignation, began several months ago to press Huong, an honest, capable patroit, despite his years, to assume the responsibility. That group promised Huong its full support and counsel.

Even optimists, who predict that Saigon could still hold out for a few more weeks as a result of the political shifts, now fear civil disorder more than they do the immediate impact of the Communist takeover, Saigon, they predict could become a Da Nang on a much greater scale—with revenge-inspired, loot-seeking mobs rampaging through the streets, killing their countrymen and foreigners indiscriminately.

The millions of Vietnamese crowded into the Saigon enclave have no place to go, unlike the Chinese Nationalists in Shanghai, who had Taiwan.

As a result, even diehard anti-Communists now hope chiefly for an orderly transfer of power to avoid a final orgy of slaughter and destruction.

LAW DAY 1975

Mr. MATHIAS. Mr. President, Sir William Blackstone has said that the law is the most perfect expression of the ethic of a nation. It is vital that time should be set aside to reflect on what it is that the state of the law says about the Nation and its ideals. Law Day gives us this opportunity.

Americans should be proud of the past and confident of the future as they contemplate the whole structure of American law. If our goals and ideals are accurately stated in organic documents such as the Declaration of Independence, the Constitution and the Bill of Rights, then I think we have progressed nearer the achievements that our forefathers envisioned for us.

That is not, of course, to claim that utopia is a present fact. Far from it. But what is fact is that we are constantly striving to do better in our entire legal system, and that is the critical element that distinguishes a vital society from one that is sluggish and obsolete.

For the sake of getting a fix on our condition today, look back just 25 years to an America that was segregated, that tolerated less economic security for senior citizens and greater differences in delivery of health care and educational services. The legislatures, both State and National, were not proportionately representative. The role of women was distinctly inferior.

Today every one of these conditions has changed for the better, and in every one of the changes the law has played a role. Although legislative action has ultimately played a part in perfecting some of the changes, the courts have been the indispensable agent in insisting that every citizen has rights and in the enforcement of those rights.

The law has thus proved the vital quality and character of the protection it affords every American. It is not simply an inert mass of legal literature, but is the standard of fair play and common sense by which Americans can measure whether they are, in fact, fully participating citizens of a great Republic.

Law Day is important, because the law is important to every American. It is worthwhile to take time to acknowledge the fact.

FREEDOM OF IDEAS: DR. KEMENY AND THE PRIVATE COLLEGE CRISIS TODAY

Mr. McINTYRE. Mr. President, private colleges and universities throughout the country are becoming victims of the economic and social changes the United States is undergoing today. The number of people of college age will soon begin to decline, and more and more of these young people are discovering that a college degree does not guarantee security in their careers. Many young people who would like a liberal arts or sciences education find themselves forced to choose a vocational institution in order to make a living for themselves and their families.

The financial crisis of private colleges threatens the very fabric of intellectual freedom in the United States today. Dartmouth College President, Dr. John G. Kemeny, in an interview with the Washington Star, stated that "significantly fewer" college institutions will exist in the 1990's, the result of a 30 percent drop in the number of students. He predicts that half of today's private institutions will go out of business if the present forces against them continue. Private institutions, he believes, have been:

> Responsible for a major portion of innovation in the United States and also they are one of the best safeguards against thought control by the state.

I share Dr. Kemeny's concern for the future of private academic institutions, and I too fear the consequences of their dissolution. The United States became a great Nation not through might or money, but through the strength of its ideas. Our forefathers founded this country on ideas bred and nourished by America's intellectual freedom. In this era of competitive technologies and ideologies, innovative ideas are our best resource and our greatest weapon against the oppressive forces pervading the world today. If we let our private academic institutions die, we will be opening our doors to this oppression.

I have known Dr. Kemeny for several years and I consider him to be one of those "free-thinkers" who have made America great. He pioneered computer method as coauthor of the computing language BASIC. The most recent of his books: "Man and the Computer: A New Symiosis," tells us that we can use computers in our everyday life, not as oppressive monsters, but as helpful tools. Following this philosophy, he has brought the practical use of computers to Dartmouth students. At Dartmouth, he codeveloped the "Dartmouth Time Sharing System" which 90 percent of the undergraduates use as an integral part of their studies.

As a teacher, he has kept close contact with students and is responsive to their problems and needs. As an administrator of one of the country's finest private institutions and as an excellent example of the innovative people which private institutions produce, I consider his views on the crisis in private colleges crucial to our understanding of the matter. Therefore, Mr. President, I ask unanimous consent that the interview with Dr. Kemeny entitled "Dr. Kemeny Sees Gloom for Colleges," in the Washington Star, April 24, 1975, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Dr. Kemeny Sees Gloom for Colleges

(Note.—John G. Kemeny, president of Dartmouth College, was interviewed by Washington Star Staff Writer John Mathews).

Question. Do you think private colleges and universities are going to survive into the 21st century or are they really in their death throes right now?

Kemeny. I think the institution of private colleges and universities will survive but I'm afraid that I don't believe that all the present examples of those institutions will survive. I have predicted if present terms continue about half of them are going to go out of business. One way or another they will no longer be private colleges in the sense in which they exist now.

Q. Is there any particular category of institution that is likely to die?

A. In some sense all the private institutions are threatened by the present forces. But, those most likely to go out of business are institutions that have poor endowments, have difficulty attracting students and are threatened by nearby state institutions. You have to remember that the number of 18-year-olds will be much lower in the decade of the 80s than it was in the decade of the 70s and that's when the real test comes. If my memory is right, by 1990 there will be 30 percent fewer college-age kids and I don't think the answer will be that each institution will have 30 percent fewer students. I suspect the answer will be that there will be significantly fewer institutions around.

Q. Will higher education suffer because of the loss of some colleges or should survival of the fittest be the rule?

A. I guess I have a mixed answer to that. I'm sure there are marginal institutions whose disappearance is not going to be a major blow to higher education, both marginal private and marginal state-supported institutions. On the other hand, if a significant faction of private institutions went out of business I would worry a great deal. I think private institutions have written a quite strong record of being responsible for a major portion of innovation in the United States and also they are one of the best safeguards against thought control by the state.

Q. Certainly, a leading institution like Dartmouth, with a good endowment and a great number of applicants for a limited number of spaces, can't be threatened by forces confronting a lot of private colleges now.

A. No, I am not at all worried about Dartmouth going out of business. The threat is that financial problems can become severe enough that we have to compromise the quality of the institutions and I think that's a suicide course. If there's one thing an institution like Dartmouth should provide it is a really superb undergraduate education. If you start compromising the quality of it you may still exist but the purpose for existence would disappear.

Q. Have you had to make compromises lately because of the costs?

A. Not yet, but this year we have made very major cutbacks. We cut three-quarters of a million off our budget costs and it was a very painful process. But we have managed to be able to do it with administrative costs, cut back on some athletic costs and cut back in all the non-salary costs as much as we could. One thing we are a bit proud of is that, unlike most of our sister institutions, not one faculty member has been let go. We have a fairly tight faculty-student ratio and our faculty works very hard. When you start cutting back on faculty, that's when you really start compromising the quality of the institution. I'm afraid that many of the really first-rate private institutions have had to cut back on the size of their faculty significantly.

Q. The cost of going to a private college now is fantastic. Have we reached the point where the only people who can afford private institutions are either the very rich or the very poor who are eligible for government scholarships?

A. No. At any institution like Dartmouth we have a disproportionately large number of children from well-to-do families. On the other hand, it's still true that middle-class families are proportionately better represented than the poor, although poor families are now much better represented than they were 10 years ago. So it's not that its a sort of a bi-hump distribution. Look, unless half our students could afford to pay the full cost of Dartmouth we could not make ends meet. So we have a very large number of children from well-to-do families, but we still do very well by middle class families. The thing that is generally not known is that it is not necessarily more expensive for a middle-class family to send their child to an expensive private school rather than to an inexpensive one, because we are also the ones that have the best financial aid.

Q. How do you stand on direct federal help to institutions, instead of help to students so that they can pay the bills?

A. I come out against that. It's easy to say yes, but one worries greatly these days about federal interference with educational institutions. Therefore, as much as I'd love to get millions of dollars from the federal government, I'd much rather see the money go directly to the student, and let the students choose their institutions, because it's much less subject to federal regulations, some of which have become a disaster area for us.

Q. Do you feel that the standard of education at colleges is as stringent today as it was 10 or 20 years ago?

A. That's very hard to answer because two opposite trends have come. On the one hand, our student body has gotten significantly better in the last 20 years, they're better prepared and they're brighter. Therefore, there has been a significant raising of standards in the sense that each course covers more and more difficult material than it would have 20 years ago. On the other hand, there is a trend that students resist regimentation. Students are given a great deal more freedom, which is very good unless it gets to the point that you don't enforce the standards that you have set up. I think that at all institutions there are some faculty members who are less willing to enforce standards than they were 20 years ago. So, in a sense more is expected of the students, but probably it is not as strictly enforced as it was 20 years ago.

Q. How do you assess the mood on college campuses these days?

A. I think it would be a mistake to feel that this generation is apathetic about national issues. They do care deeply if you talk with them and listen to them carefully. I think students are just as concerned with national issues today as they were at the height of the student turmoil. They just no longer believe that huge protestations achieve their goal. They're also very much influenced by being worried about jobs, and even before that, by being worried, at a school like Dartmouth, about getting into professional schools.

Q. For law and medicine degrees?

A. It has a sort of snowballing effect: As jobs are harder to get, more students want to go on to graduate school and professional schools. We used to have a very large proportion of our students go on to an M. A. or Ph.D., but the job market for college teachers is so horrible that fewer and fewer of them go on, which means that everybody wants to be a doctor or a lawyer. Medical schools and law schools are absolutely swamped, and that means that our students panic. The pre-med student who gets a B-plus instead of an A-minus goes in to see his professor and says "You're ruining my life forever"; and that's not what college should be about.

Q. That sounds like a return to the 50s in a way?

A. Yes, it is a return to the 50s in some way, but there's an additional aspect. At least in the 50s, even if they may have been very worried about jobs, if their record at a good school was good, they were assured of getting into a good professional school, but this is not true any more.

Q. Can colleges now guarantee that a student is likely to get a better paying job because of having a bachelor's degree?

A. No, I don't think any college can guarantee that, though, at least historically, an institution like Dartmouth has an extremely good record in terms of its graduates. And even in this very tight job market, it looks to me that most of our students do extremely well in the job market.

Q. Looking back to the tumultous 60s and the early 70s, what do you see as the positive long-term results and what are some of the negative results?

A. Well, of course, the most important negative result was that President Nixon got elected twice to be president of the United States, and I think he was enormously helped by the political advantage of student protest. But, on the positive side, many of the values that that student generation was advocating the rest of us have accepted. That may actually be the single factor why there is much less protest now than there used to be. The values that were so controversial in the late 60s are now sort of the typical values of the average American. I think that if you will compare some of the things they were fighting for—I don't even mean the Vietnam war, I hope we can forget that—some of the concerns of our minorities, about the environment, about poverty, worrying about things in addition to making a profit, I now see advocated by people you would consider average Americans, instead of radical college students. One very important issue is the concern about the quality of education. It is easy to forget, but the first Berkeley riots were not about political issues, but about the quality of undergraduate education.

Q. During the Nixon administration, there was much tension and antagonism between the higher education community and the White House. Have things really changed with the Ford administration?

A. I think it's too early for me to judge that. Certainly the open antagonism does not exist yet. I think we haven't seen enough yet what the Ford administration will do, particularly for education, to be able to judge that. But certainly I do not feel at all the personal antagonism that existed some time ago. And certainly I have no evidence of personal kind of reprisal and "enemies list" that existed between the previous White House and colleges and universities.

WHATEVER HAPPENED TO DÉTENTE?

Mr. HELMS. Mr. President, while Vietnam languishes in the final stage of détente, and country after country begins the agonizing reappraisal of whether or not friendship with the United States is a betrayal of their best interests, we should stop to consider whether our policies have led. It is time now to begin a major debate about our past mistakes, and to consider again whether we are on the road to peace or to final disintegration.

Yesterday's Wall Street Journal made a notable and well-timed contribution to this debate with a major editorial entitled "Whatever Happened to Détente?" along with an impressive supporting document by A. I. Sobolev, of the Institute of Marxism-Leninism in Moscow. The document by Sobolev presents the Communist view of détente and the advantages that accrue to Communism as a result of the successful execution of that policy.

Naturally, the perspective of Sobolev is more optimistic than the facts may warrant. But it is in the nature of Communist rhetoric to claim as an accomplished fact that which is only in the making. So we ought to read it as a warning of the direction in which we are heading. Unless we wake up and rededicate ourselves to the goal of freedom, then we ourselves may well lose that freedom.

Mr. President, I ask unanimous consent that the aforementioned articles be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

A Soviet View of Détente

(By A. I. Sobolev)

(The following is a condensed version of an article from the Moscow periodical, Rabochity Klass I Sovremennyy Mir (Working Class and Contemporary World). Mr. Sobolev is chief of the Department of History of the International Communist Movement at the Institute of Marxism-Leninism. His article was translated by the Foreign Broadcast Information Service of the U.S. Department of Commerce and edited by this newspaper. An editorial on the subject appears today.)

The tremendous social, political and ideological changes taking place in the world are setting the revolutionary vanguard of the working class in capitalist countries many complex new problems requiring theoretical substantiation and a political solution.

The intensity of social contradictions, the mass nature of the strike movement, the bitterness and scope of the struggle against the monopolies—all this shows that the working class is entering a new stage of the class struggle, which is developing in a situation of the further deepening of the general crisis of capitalism, the aggravation of all its contradictions, and fundamentally important changes in the international arena.

The general crisis has embraced all aspects of life of capitalist society—basis and superstructure, economy and policy, ideology and culture—and is exerting a constantly growing influence on the struggle of the classes.

What, then, are the chief characteristic features of the modern stage of the general crisis of capitalism?

First, the world system of socialism, which is developing in the ascendant and which is a decisive factor in world development, has taken shape and strengthened. World capitalism has suffered defeat in the great historical confrontation. Imperialism wanted to hold back the development of world socialism, weaken its economy, undermine the world Socialist system, disunite the Socialist countries, restore capitalist usages in them and overthrow socialism in Cuba, in Korea and in Vietnam. But imperialism was unable to overpower world socialism, to oust it or to weaken it. The world system of socialism has emerged strengthened from this confrontation, but the world system of capitalism—weakened.

Capitalism has lost the historical initiative, which has firmly passed to the world system of socialism. This is a very important feature of the general crisis of capitalism.

COLONIALISM'S COLLAPSE

Second, under the influence of the change in the alignment of forces in the world arena and under the blows of national liberation revolutions, the colonial system of imperialism has collapsed and dozens of new young states have been formed, many of which have embarked on the road of democratic development and become an active anti-imperialist force. The achievement of political independence by the peoples of Guinea-Bissau, Angola and Mozambique signifies the collapse of the last colonial empire.

Third, despite fierce resistance from monopoly capital, narrowing—in the final analysis steady, although uneven—of capitalism's sphere of domination and sphere of influence is taking place.

Fourth, all of the contradictions inherent in the capitalist mode of production have intensified, and new ones have appeared as the result of the increasing antagonism between the scientific and technical revolution and conservative-anarchic forms of capitalist relations, the development of state monopoly capitalism and the rapid spread of international monopolies, which imparts to them an increasingly antipopular, cosmopolitan nature.

Fifth, the crisis of capitalism's economic system is developing in ever increasing depth, and this crisis has very different forms of manifestation: economic instability, the slowing down of the rate of development, production slumps, currency and financial upheavals, the energy crisis and intensively developing inflation.

Sixth, the crisis of the political system of capitalist society has developed and intensified, which manifests itself in the growth of political instability, in the crisis of bourgeois democratism and in the monopolies' inability to manage with old methods.

The uniqueness of present-day political life lies in the fact that the monopolists cannot always—by no means always—implement their reactionary fascist designs. There is now a different level of class activeness and class struggle of the people's masses. Reaction is afraid that the hasty use of fascist methods may lead to the defeat of its political mechanism. The popular democratic revolution in Portugal, the new victory of democracy in Greece, the successes of the left-wing forces in France and Italy, and the growth of the activeness of the working class in Japan and other countries are all an indicator of the intensification of the democratic, revolutionary trend.

The masses' struggle for the democratization of society is the main obstacle on the path of the reactionary circles of the capitalist countries. It is indicative that the democratic trend is developing not with the aim of preserving bourgeois democratism, but is proceeding along the lines of becoming real people's power.

Seventh, an ecological crisis has emerged and is gaining increasing force as an expression of the growing conflict between the monopolies' desire to utilize the achievements of the scientific-technical revolution for the purposes of obtaining maximum profits and the predatory utilization of natural resources and the geographical environment.

Eighth, a crisis of bourgeois ideology has emerged, which has several aspects. Capitalism is incapable of putting forward any concept of social progress whatsoever. Even the ideologists of capitalism cannot defend modern capitalism in a sufficiently well-argued manner.

Ninth, a crisis of the moral-ethical foundations of the capitalist society has emerged and is increasingly developing, which is expressed in even greater alienation of people and the growth of crime and violence.

On the whole, the present stage of the general crisis of capitalism is characterized by the further deepening of the chief contradiction of the epoch—that between socialism and capitalism—and the intensification of the world historic antagonism and rivalry between them. The capitalist system is increasingly becoming a threat to peace, democracy, freedom and social progress of mankind.

A relaxation of international tension is taking place, which the Soviet Union and the other Socialist countries are striving to make irreversible. The broad dissemination and recognition of the Leninist principle of peaceful coexistence between the states with opposite social systems is a major historical achievement for the CPSU, all the fraternal communist parties, the international working class and all revolutionary forces and opens up new, immeasurably more favorable prospects for the further struggle of the working class and all working people for peace and democracy, for national independence, fundamental revolutionary transformations and socialism.

Essentially the broad dissemination and forced recognition by the capitalist countries of the principle of peaceful coexistence is a new stage in the development of the world antagonism between socialism and capitalism and in the development of world revolutionary progress. A historic comparison is taking place within the framework of peaceful coexistence, that is, the advantages of socialism are being manifested increasingly fully, the economic competition between the Socialist and the capitalist countries is intensifying, more active use is being made of political methods to protect the interests of social progress, and an offensive ideological struggle is developing between the international working class, armed with Marxism-Leninism, and the monopoly bourgeois with its unscientific views.

INTERNATIONAL RELATIONS

On the one hand, peaceful coexistence is a specific but essentially basic form of the class struggle on the world arena between ascendant socialism and a capitalism which is going through a period of acute crisis, a leading form of solving the chief contradiction of the epoch. On the other hand, peaceful coexistence is an international legal norm of relations between states which presupposes the observance of such norms as the renunciation of interference in other countries' internal affairs, recognition of territorial inviolability and national sovereignty, and so forth.

The concept of peaceful coexistence under certain conditions has also become acceptable to that section of the dominant bourgeois which soberly appraises the historical realities which have taken shape: the change in the correlation of forces in the international arena in favor of world socialism and the growth of the economic potential and defense capability of the Socialist countries. Under the pressure of these historical circumstances, certain circles in the leading capitalist countries have been forced to accept the principles of peaceful coexistence as an international legal norm. Of course, the bourgeois has its own understanding of this principle and would like to extract certain advantages from it.

In certain press organs the policy of peaceful coexistence is reduced only to the struggle for peace and is given a purely pacifist coloration. Certain circles are also spreading the thesis that peaceful coexistence is helping the imperialists to solve their own contradictions, and that it is primarily the imperialist circles which are interested in it.

It is essential to stress once more that the policy of peaceful coexistence is a specific and highly effective form of the class antagonism and historic rivalry between world socialism and world capitalism. This policy is an important integral part of the world revolutionary process.

It becomes increasingly difficult in the course of peaceful coexistence for capitalism to use various extraordinary measures (intensifying authoritarian power, speculating on the threat of war, slanderous arguments about the aggressive intentions of the Socialist countries and so forth) to solve their contradictions. That is why peaceful coexistence does not lead to the weakening of the contradictions of capitalism, but in the long run, if one can put it this way, locks capitalism's socioeconomic relations within the framework of its natural laws, on which soil its contradictions develop most fully.

NEW OPPORTUNITIES

Peaceful coexistence creates very favorable conditions for the development of the class struggle and for the rallying of the democratic forces and their offensive on the positions of the monopolies. Peaceful coexistence, proceeding from Lenin's position of denial of the export of revolution, at the same time creates ever greater difficulties for the export of armed counterrevolution, which opens up new opportunities for the development of the revolutionary struggle. The Communist parties of many countries are of the opinion that under the conditions of the Cold War, it was difficult to imagine the overthrow of the fascist regimes in Portugal and Greece, the rallying of the leftwing forces in a number of countries, the shift to the left of the axis of political life in France and Italy and so forth.

Under the conditions of peaceful coexistence the Socialist countries can render considerably greater aid to all peoples who are embarking on the path of revolutionary transformations, particularly the peoples of the developing countries. The expansion of aid to the peoples embarking on the path of social progress leads to the further alternation of the correlation of forces in the international arena in favor of the revolutionary classes.

All this attests that from the world-historic viewpoint, the policy of peaceful coexistence firmly and consistently pursued by the CPSU and the other fraternal parties is a component part of the world strategy aimed at the consolidation of the forces of world socialism and at raising its prestige and revolutionary-transforming role.

WHATEVER HAPPENED TO DÉTENTE?

The North Vietnamese are using Soviet-supplied tanks and artillery to consolidate their grip on the South; and the Portuguese Communist Party, having polled 12% in elections there, is warning the non-Communist majority not to get the idea it should run the country. It would seem the moment to ask, whatever happened to détente?

If indeed the better question is not whatever was détente in the first place? The word has a vaguely comforting ring, but what is its meaning? Is it anything beyond atmospherics, the comforting word and the comforting exchange of heads of state?

Does détente mean military disarmament? Surely not on the Soviet side. They have proceeded with four new classes of intercontinental missiles, the building of a major navy, and increases in military manpower. Their total military spending has rapidly increased, while ours has failed even to keep pace with inflation and is steadily falling behind Soviet totals.

Does détente mean that in exchange for American trade and technology, the Soviets will pursue a less adventurist foreign policy? This, we take it, has been the sophisticated understanding of détente from the American side, certainly one subscribed to by businessmen promoting Soviet-American trade. But in the light of Vietnam and Portugal, any such bargain would seem to apply only to the long run—in which, as Lord Keynes said, we will all be dead.

What, for that matter does détente mean to the Soviets? This is at least somewhat clearer, as the accompanying A. I. Sobolev article attests. While Mr. Sobolev represents the hard-line Institute of Marxism-Leninism, Kremlinologists consider this article a soft-line one. But it makes abundantly clear that "peaceful coexistence" is in the end a tactic of class warfare.

The essence of Mr. Sobolev's argument is that since the capitalist world is so obviously collapsing, the smart thing for the Soviets to do is to let events take their course and pick up the pieces. The Soviets have found that a direct confrontation merely alerts the West to danger. Better for them to relax tensions, and work behind the scenes. As Mr. Sobolev says, "Under the conditions of peaceful coexistence the Socialist countries can render considerably greater aid to all peoples who are embarking on the path of revolutionary transformations."

What this means is clearly evident in Vietnam, where the Soviets poured in weapons used in gross violation of the Paris accords. It was the movement of Soviet-supplied tanks, artillery and anti-aircraft weapons into the Central Highlands that made the South Vietnamese position there militarily untenable, precipitating the withdrawal and subsequent psychological collapse. Lest anyone think Indochina is a special case, the Soviets have been similarly extravagant in supplying arms to Syria, and as they have in the past, will surely do so again for Egypt if President Sadat grows ready to dance to their tune.

Portugal is a more complicated case. We may never know the full explanation for the remarkable leftwing penetration of the military. When asked how the Communists finance their elaborate organization, Party Chief Alvaro Cunhal talks of buying ball-point pens for 20 cents and selling them for 40 cents. Perhaps the electoral showing there may yet guide Portugal to what Communist thinkers call "bourgeois democracy," the kind in which elections decide who rules. But the nationalization of banks and Communist control of printing unions and much of the press might also yet lead to "people's democracy," the kind known in, say, East Germany.

Both events in Portugal and the Sobolev analysis underline the warnings issued a few weeks ago by The Economist: "The danger to the democracies of Europe no longer comes mainly from the risk of a direct Soviet invasion, although that risk could become a serious one again if the armies in Western Europe grow much weaker. It comes from the possibility that the Communist parties in a number of European countries may be able to climb to power, and then be undislodgeable from it, by breaking the rules of the democratic system."

So this is détente. Even this kind of détente, so long as we do not mislead ourselves about its meaning, is preferable to bristling hostility. But if on the Soviet side the relaxation of tension is merely tactical, obviously direct confrontation could quickly return if, when and where the Soviets find it convenient. Its convenience will be measured in terms of the "correlation of forces." If the U.S. is to live with this kind of détente, the first prerequisite is maintaining the military balance of power. Here the question ought to be not whether the administration's military budget is too much, but whether it is enough.

Beyond that, the U.S. needs to prepare for the kind of competition it faces. It should put aside squeamishness and stand ready to offer finances if doing so will promote democracy, though whether such financing will help or hurt is a decision to be made by indigenous leaders on the scene in Portugal or elsewhere. But the U.S. ought at least to voice rhetorical concern over threats to democracy; no U.S. President ought in present circumstances to give a state of the world address, as President Ford has just done, without mentioning Portugal. We should of course use what influence we have in places like Spain to promote orderly democratic development as an alternative to a leftwing coup. But we should also make clear to the Soviets that atmospherics and trade cannot go on oblivious to world events.

Mr. Sobolev's scenario is nowhere near as inevitable as Marxism-Leninism teaches him. The developing nations have in fact shown little tendency to develop into Communist states. The decline of the Western democracies is not irreversible; their long history includes many resurgences from sloughs of despond like the current one. But neither are such resurgences inevitable; it depends on a reawakening of courage and will in the West, on a determination to make the best of whatever opportunities for peace present themselves, but not to allow comforting slogans to obscure an actual world in which the dangers are very real.

THE OPPORTUNITIES AND DIFFICULT TASKS AHEAD

Mr. TUNNEY. Mr. President, on April 11 my colleague, Senator KENNEDY, addressed the Charter Day ceremonies commemorating the 107th anniversary of the University of California at Berkeley. In his speech Senator KENNEDY spoke not only of the trials of America's involvement in the Vietnam war, but also of the challenges facing this Nation in the years to come. Having hopefully learned the lesson of our tragic involvement in Southeast Asia, the Nation must now strive to decelerate the strategic arms race, rebuild the shattered lives of millions of needy refugees, restore faith in our security commitments abroad, reassess our international economic policies, and reassert the dedication of this Nation to human rights around the world.

Because I think Senator KENNEDY has done a great service in reminding us of both the opportunities and the difficult tasks remaining ahead in the post-Vietnam era, I ask unanimous consent that his statement be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR EDWARD M. KENNEDY AT THE CHARTER DAY CEREMONIES OF THE UNIVERSITY OF CALIFORNIA, BERKELEY, CALIFORNIA, APRIL 11, 1975

It is a great honor for me to join with you in commemorating the 107th Anniversary of this great University. The tradition, the accomplishments, and the graduates of the University of California have made this occasion one of the most prestigious forums in America.

This University, with its nine campuses and its world acclaimed faculty, has more than fulfilled the vision of President Lincoln when he signed the Morrill Act to establish the land grant college system.

The University of California has set a standard of public service that has placed this state in the vanguard of modern social change. It has set a standard of excellence that has seen its graduates rise to the highest offices of this land, in Democratic and Republican Administrations alike. When President Kennedy spoke here 13 years ago, two officers of his Cabinet were graduates of this University.

And the University of California has pioneered in opening opportunities of higher education to all its citizens—extending its reach across the vast length of this state on the basis of academic achievement alone.

Daniel Webster said, "On the diffusion of education among people rests the preservation and perpetration of free institutions." That has been the hallmark of this University, with its unparalleled program of continuing education that helps bring it ever closer to the ideal of a "City of Intellect".

At Harvard University in 1963, former University of California President Clark Kerr said:

"The 'City of Intellect' of the modern university also must look outward and to reality; it cannot be a company apart. This conflict between internal and external dynamics has always been a difficult one for universities, but never so intense as at present when the imperatives of change press so unmercifully against the necessities of internal harmony."

Events on this campus, more than a decade ago, reflected that dynamic tension. And those events led, I believe, to a greater recognition of the limits of confrontation—and yet an understanding, as well, of the need to open the internal processes of higher education . . . to offer more choices to students . . . and to relate ever more closely the life of the university to the life of society. Meanwhile, the University still has its traditional role of relating current events and social change to the broad history of human endeavors . . . to our ideals . . . and to our dreams.

In our generation, we must again answer basic questions about the ability of government, university, and other institutions to meet America's needs. But as we do so, we must seek a longer view—to discover where and who we are, and where we are headed.

That vision—that perspective—is critically needed as we meet here, today.

For during the past few weeks, America's attention has been focused on a series of events abroad—rivalling even our domestic economic crisis. The nightly news is filled with the continuing tragedy of Indochina, as new suffering is imposed on millions of people who have already borne too much. We read of failure to move towards peace in the Middle East; of unresolved conflict and more human tragedy in Cyprus; and of deepening concern for the future of Portugal.

Rarely in our history, we are told, have we passed through such a difficult time in relating to the outside world. We are told that the basic fabric of our post-war policies is in tatters; that the United States is a helpless Gulliver, bound by a thousand cords; and that the American people have lost the will to act in our own self-interest.

I reject that view. I reject that verdict. It is a distorted perception drawn from the emotions of the day's headlines, and from a failure to see what is truly important to us as a nation.

Instead of seeing clearly what is demanded of us in a changing world . . . instead of understanding and learning from the past . . . instead of charting a new course for tomorrow . . . too many Americans prefer to quarrel with the past and to deny the realities of the world, today. They risk losing both the future and the great opportunities that lie before us as a nation.

This must not continue. We must step back from the issues that fill the daily press, and take a clear hard look at the truly great challenges that now face us as a nation. We must understand both the potential and the limits of our power, and develop a coherent national policy based on the rediscovery of our fundamental interests as a nation . . . the strengths and character of the American people. This is where we must regain our perspective—and sort out the dramatic, transitory, concerns of the moment from the basic, enduring demands of the future. This is where leadership is most lacking in our nation, but is most urgently needed.

Last night, President Ford spoke to the nation. He spoke about America's overall policies toward the rest of the world. But the burden of his speech—the focus of his concern—was with the continuing tragedy of Southeast Asia.

We in the Congress are prepared to join with the President in meeting the situation in Southeast Asia, today. But let us not lose our critical perspective. Let us not lose sight of the place that Southeast Asia truly occupies in our national interest.

In our policy toward Southeast Asia, there is room for debate and difference. But there is one thing on which we should agree: that the era of our involvement in that troubled part of the world is rapidly coming to an end—and that America's basic interests lie elsewhere. We should now be concerned only about the *way* in which we end this preoccupation with the past; the *way* in which we focus our attention on the critical issues elsewhere in the world that will truly move and shape our destiny—and the future of the world, itself.

I have three serious reservations about the President's policy in Indochina.

First, I disagree profoundly with his proposal for massive new American military aid for South Vietnam.

Throughout the long and bloody war in Indochina, we have followed a military strategy. We have sought a military solution, when the situation has cried out for a humanitarian and political settlement.

Now at last, Congress realizes—and the American people realize—that our military policy was wrong. Part of the measure of a great power is its ability to learn from the past, to admit mistakes, to bind up the wounds of the past and let them heal.

This is such a moment in our history. The time has come for America to end its long and tragic pursuit of the phantom of military victory in Vietnam. The tens of billions of dollars we gave in the past could not do the job. Even since the Paris Accords in January 1973, Congress has voted more than $2 billion in military aid for South Vietnam. Three quarters of a billion more today can only prolong the bloodshed and the agony of the innocent victims of war.

What the South Vietnamese have not been able to do for themselves, the United States could not do for them. But we did our best. We were all too true to our commitment—ill-conceived though it was. More than 55,000 brave Americans gave their lives, and the American nation gave its energies, its resources, and more than 150 billion dollars. Those Americans who died deserve our honor and respect for their sacrifice. And those Vietnam veterans who have returned deserve our full support and assistance in building new lives.

Second, I welcome the President's recognition of the need to provide substantial humanitarian aid. But I believe his approach is seriously flawed. It does not recognize the importance and the possibility of focusing a major part of the relief effort through the United Nations and international humanitarian groups.

We must do all that we can to assist in rebuilding shattered lives in all areas of South Vietnam and Cambodia where there is needed. The United Nations—along with the International Red Cross and the private voluntary agencies—stand ready to help.

As Chairman of the Subcommittee on Refugees—with more than a decade of responsibility in this area—I believe we should give our full support to these efforts of the international community.

One of our most important remaining obligations in Indochina is to the people—to the millions of refugees and orphans and war victims who cry out for help.

We would fail in our responsibilities if we ignored the immense resources of the United Nations, the International Red Cross, and voluntary agencies, to meet this cry for help.

So I call upon the President to support, without delay, the internationalizing of humanitarian assistance throughout Indochina.

Third, all Americans share the President's concern for the safety of the Americans in South Vietnam. But I have deep reservations that his emphasis on possible new American military involvement in South Vietnam may make our intervention inevitable. If in the end, it is necessary for us to act to safeguard the withdrawal of Americans, Congress will certainly grant authority for that specific purpose.

Let no one doubt the outcome of a military evacuation. If substantial portions of that evacuation are carried out through American firepower, there will be heavy casualties on all sides, American and Vietnamese alike.

And so I call upon the President to seek immediately a negotiated settlement that includes a peaceful withdrawal from Vietnam.

The Paris Agreements have been broken by both sides, but the political goals of these agreements must not be pushed aside.

We should immediately pursue diplomatic agreements and understandings to end the fighting, and to help secure the free movement and protection of civilians. Such agreements and understandings followed the first Indochina War in 1954. They have followed other wars and conflicts in recent years, including the tragic wars in Algeria, Nigeria and Biafra, and Bangladesh. And they can be achieved in Indochina now.

Let us ensure that our long and tragic involvement in Vietnam does not end in the fresh blood and lives of American civilians and soldiers.

Let us plan for the future rather than for military action.

Let us understand that the tragedy of Indochina is not worth the loss of one more American life.

We must finally accept, and understand, that virtually nothing that could happen in Indochina would threaten the basic interests of the United States. The danger lies in how we regard our own future in the world.

If we argue that our will as a nation is now being tested, some leaders abroad may believe it is so. If we say that failing to intervene in Indochina again will lead to crises elsewhere in the world, some nations may make that basic mistake.

Friends and Allies that are truly vital to us will not judge our reliability by what we do now in Indochina. They will judge us by our ability to show we understand what is important to us—and what is not—and by our ability to act on that knowledge.

Now we can regain confidence in our ability and will to act where necessary, by wisely ending our involvement in the Indochina wars, and ending it once and for all.

Now we can turn our minds toward the truly great needs and opportunities of America's future.

Today, there are five principal areas of U.S. interests and challenges in the outside world.

First, we must continue recognizing the inescapable need to prevent a cataclysmic nuclear war—a war that in a final holocaust would destroy our future. For three decades, under a succession of presidents and through a host of crises, we have met that challenge. Despite Korea, Berlin, the Cuban Missile Crisis, and Vietnam, we have so far succeeded in keeping the world from taking the final, fatal step over the brink of nuclear war.

Today, we have high confidence in stable nuclear deterrence. We have achieved a major reduction of tensions with the Soviet Union—and also with China. And we have joined with Moscow in unprecedented efforts to begin bringing the atom firmly under control. The Cold War is over. Along with the blind, unthinking confrontation between ourselves and China, it is now a relic of the past.

This is not failure; this is a concrete achievement in the face of the gravest threat to human existence that mankind has ever known. The dangers have not passed; we must maintain our vigilance and defenses that are fully adequate to deter a nuclear war; we must build on the possibilities of detente in a wide range of areas; and we must redouble our efforts to end once and for all the tyranny of nuclear weapons. Arms control must not remain a peripheral interest of our government. It must become an ever more fundamental interest to be pursued.

From my own travels to Europe—to the Soviet Union to meet with General Secretary Brezhnev—I believe that there is real promise in detente, and that we can build upon what has already been done in creating a safer world.

Second we must continue to maintain major security commitments where our interests are truly at stake and where—as with Europe, Japan, and Israel—they both have and deserve the backing of the American people. Here, too, for more than a quarter century, we have been faithful to our trust. From the Marshall Plan, to NATO, to the maintenance of U.S. military power, we have helped critically important nations rise from the ashes of history's most destructive war, to new economic strength and prosperity. And guided by our knowledge of vital interests—supported by the American people—we will continue to help provide security for those nations, unimpaired by events elsewhere.

We must also join with the industrial nations of Europe and Japan in meeting our common problems, in seeking our common interests. For our future is bound up with theirs. Whether in periods of calm or crisis, the fortunes of the West are indivisible.

But the ways of the past will no longer suffice. The growth of European and Japanese economic power now requires us to pay greater attention to our closest Allies, instead of relegating them to second place behind relations with our adversaries. These industrial nations of the West are now our rivals in commerce, but they are partners in security, and must be our equals in reviving the world's economic strength and vitality.

Third, we continue to have a critical interest in helping to resolve local conflicts that otherwise might draw in the United States or other great powers.

But our role must be different from the intervention of the past. Sending Marines to the Dominican Republic, or the CIA to Chile, did not advance our cause or the cause of security and freedom. We cannot assume the burden—or the right—of trying to control the process of change in a complex and difficult world.

Instead, we must soberly decide where local conflicts pose direct dangers to us and our principal allies—such as in the Middle East. We must help reduce the likelihood of regional arms races—as in the Persian Gulf; and we should lend our diplomatic support to reduce conflict and build constructive relations—as in the Indian Subcontinent. It is time to discard the role as arms merchants of war, and take up the banner as spokesmen for peace.

Fourth, our vital interests are now involved in a new set of challenges—and opportunities. For as the world economy has grown—as the threat of war involving great powers has receded—we have a host of new problems.

From food, to fuel, to fertilizer, the world economy is increasingly bound together. Whether in the oceans, the environment, or the control of raw materials, "interdependence" has become the watchword—from wealthy industrial countries to states with new-found wealth and power. Yet at the same time, a growing number of people—a billion and more—are increasingly left out, in a new "fourth world" of the poor, the hungry, the destitute.

In the world economy, the United States is no longer as pre-eminent as it was only a few short years ago . . . or sole master of its own economic life. We can no longer control inflation or recession without tackling problems abroad, as well. We must now act in common with other nations more than ever before to secure our economic interests.

This task must go beyond a sterile reciting of formulas for cooperation. There must be new ways to work with other industrial powers. Together, we must build new institutions . . . in energy, in trade, in food, in the world monetary system, in the law of the seas . . . to meet our future needs and not merely those of the past that is gone.

At the same time, the American economy of nearly a trillion and a half dollars a year is still the strongest in the world—despite inflation, despite recession, despite our problems of energy. This fact imposes new demands of leadership upon us in rebuilding the world economy—in reshaping it to meet new tasks. For if the United States does not lead, while urging others to do their share, there will be no leadership at all. If the United States does not respond to the needs of the poor wherever they are found—in Africa, Asia, Latin America, or here at home—then the crisis of poverty will deepen beyond repair.

Here, too we do not foresee an easy future. For the new economic challenges do not come gently—but with the insistence of people long deprived. Yet to fulfill our vital interest in the health of the global economy, we must not respond with confrontation. Instead, we must seek the widest possible basis for working together with others, both rich and poor. We and other wealthy states will not always get our way. But the alternative to compromise—in a vigorous give and take—will be a world of greater divisions, increasing conflict, and reduced prosperity for all.

Fifth and finally, we must reassert as a vital interest of this nation our historic support for human rights and humanitarian concerns. Founded as a nation of liberty, we must now reaffirm our heritage as a people of compassion.

When we have lost this vision—in Vietnam, in Chile, in Cyprus—our nation has gone astray. But when we have been true to it, we have justified our republic's promise of two centuries ago.

Securing our strategic interest, promoting economic welfare, balancing contending forces—even these are not enough for a nation of purpose and ideals. These are not enough to gain the commitment and support of the American people . . . not enough to meet our responsibilities to the community of mankind.

Despite mounting reports of repression around the world—despite violation of the most basic rights of life and liberty by governments of both right and left—we must reassert the support of our people for the basic principles of the Universal declaration of human rights.

The anguish of a wife awaiting word from the secret police of the Chilean junta, on whether her husband is dead or alive; the endless letters pleading for the release of a once-young son from a Cuban prison; the sad exodus from Iraq of Kurdish families with their possessions on their backs; the endless wait of a Soviet Jewish family wanting to emigrate freely—these are realities we cannot ignore, just as we cannot ignore injustice in our own country. Nor can we ignore the terrible human suffering of war and conflict—wherever it takes place, whoever is involved.

As a nation, we have opened our hearts to people—struggling for the right to live—from the immigrants who helped build this nation . . . to peoples of Western Europe crushed by the Second World War, but revived by the Marshall Plan . . . to refugees from oppression in Hitler's Germany, in Hungary and Czechoslovakia . . . to the victims of countless wars—to the orphans of Vietnam. As we grapple with the future, we must continue to value this precious, human dimension: the acts of a compassionate people.

To speak out for humanity, to seek the advancement of human rights, to support the casualties of war, to stand for the free expression of the human spirit—that is where our interest lies.

Concern for human rights and human well-being has never stopped at our shores, and it must not today. It must be a basic element in our foreign policy interests.

The late Chief Justice Earl Warren said: "The efforts to build a more peaceful, more productive world will succeed only if they are fueled with passionate convictions about the worth and the capabilities of the human spirit."

I believe that these five vital interests of the United States can form the basis for a new and vigorous foreign policy.

I believe they can help us gain new perspective about ourselves and the world . . . to see the demands of the future, despite the drama and distraction of daily events.

And I believe they can help us set new priorities—and gain a real coherence in our foreign policy . . . moving beyond the attitudes and ideas and outmoded policies of the past quarter century . . . preparing for the future . . . learning to focus our efforts on what is truly important.

We are not the first great nation in history to find its ability to act reduced by changes taking place in the world. We are not the first to question its future role. But few great nations have had to adjust so quickly—and none has faced a world where there is no other nation or institution that can assume the major burdens that remain.

Will we continue to help bear those burdens? I am confident we can—and we will. We will do so when we understand the nature of new tasks. We face a world where the need for security will continue . . . where we must work with other nations to rebuild the global economy . . . a world where we must heed the demands of the developing world for a real voice in shaping the future . . . a world in which isolation is impossible, for Americans and others alike . . . a world in which "interdependence" is a necessity of life.

Provided we set clear priorities, this future is not to be feared, but to be welcomed. And American ideas . . . efforts . . . and leadership can help promote the well-being of all mankind.

As a great American once said about our country, we can also say about our new challenge in the world:

"Let us develop the resources of our land, call forth its powers, build up its institutions, promote all its great interests, and see whether we may also, in our day and generation, perform something worthy to be remembered."

CHARLES L. MARBURG

Mr. MATHIAS. Mr. President, we note with sorrow the passing of a Marylander whose many and varied contributions to his own State, the Nation and to the cause of international understanding have for decades brought honor to him and his State. Charles L. Marburg was a vigorous and effective citizen, not only in his own community but on a worldwide scale. Those of us who have known him have been proud of our association. Many more who never met Charles Marburg have been the beneficiaries of his efforts. He has brought further luster to the reputation of a family already renowned for its philanthropies. In a brief summary of his activities, the Baltimore Evening Sun of Monday, April 28, indicated the wide range of his interests and accomplishments. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MARBURG RITES TOMORROW—LEADER IN INTERNATIONAL AFFAIRS

A memorial service for Charles L. Marburg, 69, a Marylander whose leadership in international activities extended from the League of Nations and the United Nations to the English Speaking Union, will be held at 2 P.M. tomorrow at the Church of the Good Shepherd in Ruxton where he served as a vestryman.

Mr. Marburg died early yesterday at the Hunt Ball following an apparent heart attack.

Mr. Marburg collapsed in the arms of his daughter Christine while dancing at the ball at the Hunt Valley Inn in Cockeysville, which followed the Saturday afternoon festivities of the Hunt Cup Race.

He lived at his estate, Torch Hill, in Lutherville.

Beginning in 1925, he was a member of most of the American delegations to the plenary assemblies of the World Federation of the League of Nations Societies until 1938. He headed the delegation five times.

He also was a founder, in 1946, of the World Federation of United Nations Associations, in which he held several offices.

MARYLAND UNIT PRESIDENT

He had been president and chairman of the board of the United Nations Association of Maryland.

At the start of World War II, Mr. Marburg was executive vice chairman of the Maryland Committee to Defend America by Aiding the Allies, state chairman of Fighting Funds for Freedom and state chairman of the British War Relief Society.

Decorated with the order of the White Rose of Finland, he also was president of the English Speaking Union of Maryland from 1938 until 1942 and chairman of the its board since 1946. At his death. he was vice president of the English Speaking Union of the United States.

EDUCATED IN BELGIUM

A native of Baltimore and a member of a family associated with philanthropy here, he was the son of Mr. and Mrs. Theodore Marburg. He received his early education in Belgium, where his father was the American minister, and at the Calvert School.

After attending the Gilman School and the Lawrenceville School, he studied at Oxford University, the University of Geneva and the Graduate Institute of International Studies.

A COLONEL

During World War II, he served in the Army Air Corps in the Pacific and Mediterranean, reached the rank of colonel and received several decorations.

A member of the board of the Maryland Historical Society and a trustee emeritus of Goucher College, Mr. Marburg also was a trustee of the Council on Religion and International Affairs, formerly the Church Peace Union, of which he also had been president.

He also had been a consultant to the Economic and Social Council of the United Nations.

ENTHUSIASTIC SPORTSMAN

An enthusiastic sportsman, who was interested in fishing, shooting, riding and golf, he was a member of the Maryland Club, the Bachelors Cotillon, the Elkridge Club, the Green Spring Valley Hunt Club, the Hamilton Street Club, the Brook Club of New York, the Metropolitan Club of Washington, the Adirondack League Club and the Anglers Club.

He was a life member of the American Society of International Law, past president of the St. Hubert Society of Maryland and national director and chairman of the Maryland Committee for the Eisenhower Presidential Library.

His first marriage, to Florence de la Foret Divonne, ended in divorce.

He is survived by his wife, the former Nancy Iselin; a son, Charles L. Marburg Jr., of Lutherville; two daughters, Christine and Barbara Marburg, both of Lutherville; three stepdaughters, Mrs. Dorothy W. Smith, of Baltimore, Mrs. Anne M. Wiedenmayer, of Morristown, N.J., and Mrs. Elizabeth M. Pack, of Columbus, N.C.; a sister, Mrs. A. W. L. Tjarda van Starkenborgh, of The Hague, and a brother, F. Grainger Marburg, of Lutherville.

T. O. KRAABEL

Mr. BURDICK. Mr. President, it was with a great deal of sadness that I learned of the death of T. O. Kraabel, a former director of rehabilitation for the American Legion and Administrator at the Veterans Administration. As a native North Dakotan, he was a man for whom all North Dakotans could be proud. Mr. Kraabel served as Veterans Service Commissioner for my State until he came to Washington in 1937 to begin work for the American Legion. In 1958 he was associated with the Veterans Administration as an administrator until his retirement in 1962. His integrity, dedication and service were deeply admired and appreciated by all our veterans. I join my colleagues in expressing my sincere condolences to his wife, Charlotte, and the rest of his family.

JAMES WALKER CARTY AND THE CITY OF FREDERICK, MD.

Mr. MATHIAS. Mr. President, the city of Frederick, Md., suffered a deep loss upon the passing on April 7 of one of its most distinguished residents, James Walker Carty. It can truly be said that he and Frederick were as one. In a lifetime of 67 years in the city, Mr. Carty contributed a style and grace that help make Frederick what it is today. As a community leader in every sense of the word, Mr. Carty left a legacy of accomplishment and spirit that inspire those of us who knew him so well and now miss his presence among us. I know that my colleagues join with me in this recognition of an outstanding individual. Mr. President, the Frederick Post, in its April 9 edition, published an editorial tribute to James Walker Carty along with an accompanying article. I ask unanimous consent that they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Editorial from the Frederick (Md.) Post, Apr. 9, 1975]

JAMES WALKER CARTY

Mr. James Walker Carty exemplified in his lifetime in Frederick the kind of leadership a community must have if it is to grow and prosper, if it is to radiate the dignity and integrity that sets it apart as a town with class and character, a town worth living in.

Mr. Carty died unexpectedly early Monday evening at Frederick Memorial Hospital. He was 67. The great segment of Frederick City and County residents who knew this business, social and cultural leader were stunned by his death and the loss to the community.

He belonged to one of Frederick's oldest business families and as president of the C. C. Carty Furniture Store insisted on a special quality of service and merchandise, a degree of exclusivity that made his company singularly popular throughout the entire area.

Mr. Carty was also president of the Frederick Brick Works and a director of the Frederick County Bank.

A warm, friendly man other businessmen look toward for leadership, J. Walker Carty moved in the top echelon of Old Frederick society and served in many civic endeavors.

He was one of the organizers of the Frederick Community Concert Association, and much of the success this organization has enjoyed in bringing cultural events to Frederick the past 38 years can be attributed to Mr. Carty.

His efforts on behalf of the association were recognized several years ago when Community Concerts conferred upon him and his dear friend, Circuit Judge Robert E. Clapp Jr., honorary life board memberships.

Mr. Carty was a past president of the Rotary Club of Frederick and had spearheaded many of its efforts in service to the Frederick community. He also served on the Board of Associates of Hood College and worked hard to promote the college as one of Frederick's major assets.

The Frederick Cotillion and the Gibson Island Club also benefited by his membership. He was a graduate of Mercersburg Academy and had attended Princeton University. He belonged to the Evangelical Lutheran Church.

Walker Carty took great pride in the personal support and encouragement that came from his loving wife "Jan"—Janice Archer Carty—and was devoted to their two children, Dr. James Walker Carty Jr. (of Norfolk) and Mrs. Anne Carty Rogers (of Glastonbury, Conn.) and their four grandchildren, William Kingsburg Rogers Jr., James Hallowell Rogers, Laura Singleton Carty and James Walker Carter III.

Mr. Carty was the son of the late Charles Clarendon and Hallie Walker Carty, and was the last of his immediate family.

Funeral services were scheduled for 2 p.m. today (no viewing or visiting) at Smith, Fadeley, Keeney and Basford Funeral Home, with the Rev. Francis Reinberger officiating. Interment in Mt. Olivet Cemetery. Memorials may be sent to the Frederick County Heart Fund.

Historic Frederick was Walker Carty's town, and he loved it. And now Frederick joins in expressing its deepest sympathy to the family of this outstanding man, grateful for the lifetime of leadership he gave to make Frederick a better place in which to live.

And may his soul, through the Mercy of God, rest in peace . . . "in that house not made with hands, eternal in the heavens."

[From the Frederick (Md.) Post, Apr. 8, 1975]

WELL-KNOWN BUSINESSMAN, JAMES WALKER CARTY, DIES

James Walker Carty, well-known Frederick businessman who resided at 217 Rockwell Terrace, died early Monday morning at Frederick Memorial Hospital. He was the husband of Mrs. Janice Archer Carty.

He was born in Frederick, March 31, 1908, a son of the late Charles Clarendon and Hallie Walker Carty and was the last of his immediate family.

Mr. Carty was president and treasurer of C. C. Carty Furniture Store and president of Frederick Brick Works. He was an alumnus of Mercersburg Academy and had attended Princeton University.

He was a member of the Evangelical Lutheran Church, director of the Frederick County National Bank, Board of Associates of Hood College, past president of the Rotary, Cotillion and Gibson Islands clubs, and was one of the organizers of the Federick Community Concert Assn., and was named an honorary director in 1963 for faithful services to the association since its founding in 1937.

Surviving, in addition to his widow, are two children, Dr. James Walker Carty Jr., Norfolk, Va., and Mrs. Anne Carty Rogers, Glastonbury, Conn.; four grandchildren, William Kingsbury Rogers Jr., James Hallowell Rogers, James Walker Carty III and Laura Singleton Carty.

Funeral services will be at 2 p.m. Wednesday, April 9, from the Smith, Fadeley, Keeney & Basford Funeral Home (formerly Etchison's), 106 E. Church St., Frederick. The Rev. Francis Reinberger, pastor of the Evangelical Lutheran Church, will officiate. There will be no viewing or visiting hours at the funeral home. Interment will be in Mt. Olivet Cemetery.

The family will receive friends at the family residence. In lieu of flowers, it is requested memorial contributions be made to the Frederick County Chapter of the American Heart Assn., 116 E. Patrick St., Frederick.

UNITED STATES HELPS MAKE SOVIET NAVY LOOK GOOD

Mr. PROXMIRE. Mr. President, the Washington Post article by Victor Zorza on the "Looming Naval Arms Race" points out a certain irony in our weapons justification process.

Each year at budget decision time, weapons advocates point out what our potential adversaries are up to. This is a prudent and proper role. But the unseen hand behind many pronouncements of the growing threat is the desire to influence U.S. decisions for more weapons. Thus it even happens that we serve the purposes of a foreign power by doing the publicity for them.

Do the Soviets want the rest of the world to think they have the best navy? I am sure they do. And our military spokesmen go to great lengths to assist the Soviets in their unfounded claims. Our Pentagon serves as a sounding board for every Soviet achievement in the military sciences by granting to them powers or intentions out of step with the facts.

Mr. President, I submit that this continually crying of "wolf" will have its diplomatic impact. Other nations will begin to believe the false statements which are made only for the internal U.S. budgetary process.

Mr. President, I ask unanimous consent that the Victor Zorza article published in today's Washington Post be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Thursday, May 1, 1975]

THE LOOMING NAVAL ARMS RACE

(By Victor Zorza)

President Ford has been stung by the latest Soviet naval exercises into saying that "the Russians built up their navy while we permitted ours to shrink," and that Soviet ships "now freely roam the world's seas." Now that the 220 ships which took part in an exercise that covered the whole globe are on their way back, the Pentagon is beginning a detailed study of the huge volume of electronic and other intelligence it amassed while watching the Soviet movements.

A thorough analysis of all this material will take some time, but Mr. Ford's remarks show already that the main object of the Soviet exercise has been achieved. A political analysis of Soviet objectives suggests that Moscow wants to impress the world as the equal of the United States, and administration spokesmen are doing their best to help it. For Secretary of the Navy, J. William Middendorf, the exercise shows that the Soviet navy can operate effectively "in all the oceans of the world." He finds it "disturbing" that the Soviet navy has twice as many major surface combatants and submarines as the U.S. navy.

These figures do not quite square with those given to the Senate by Admiral Rickover, who in April compared the U.S. navy's 181 major combatants with the Soviet navy's 223. Nor do the figures mean much by themselves, any more than adding up the number of apples, oranges, and plums to produce a grand total means much. The "shrinking" of the U.S. navy in recent years was a matter of deliberate policy, designed to retire old ships while new ships were being built to take advantage of all the benefits of new technology. The new program has been slowed down by inflation, but this is being rapidly made up.

The Soviet Union too is modernizing its navy. A new study from the Brookings Institution estimates that by 1980 the number of Soviet combatant ships will decline by about 10 per cent, but the new units will be larger and better equipped. In the U.S. navy, not only will the quality of surface warships improve, but the numbers will rise by 13 per cent.

The Brookings study, "The Control of Naval Armaments," by Barry M. Blechman, which does not deal with strategic forces, expresses a good deal of pessimism about the prospects for naval arms limitation. At the same time the study provides the best examination of arms limitation possibilities to appear since the present lap of the naval arms race began. The paper considers the ways in which the United States and the Soviet Union might agree to limit their naval deployments in the Indian Ocean and in the Mediterranean, and freeze the naval build-up now proceeding in both countries at the level which it will reach in 1980.

At that time the United States will have a considerable advantage in aircraft carriers, while the Soviet Union will have an equally impressive advantage in submarines. The other categories of major combatant ships on both sides will reach a rough level of parity. Blechman proposes a naval limitation agreement which would recognize, with some small changes, the facts of life as they exist in 1980, so far as numbers of ships are concerned, but he would permit continuing modernization of both navies.

Within this framework he is prepared to concede the appearance of naval parity to the Soviet Union and to keep it there—a concept that is firmly rejected by most of those associated with naval matters in the United States. It may be assumed that it would be rejected just as firmly by the Soviet naval lobby. But when the politicians on both sides examine the prospects of the naval arms race as it stretches beyond 1980, they may find it necessary to begin looking for ways to contain it.

The repeated delays in beginning the SALT negotiations, first caused by Moscow and then by Washington, are now recognized as the main reason why the levels of strategic arms have reached their present heights. Similar delays in naval arms negotiations are certain to have similar results. In Washington it is argued that two sets of arms limitation negotiations—SALT, and the talks on East-West force reductions in Europe—are quite enough to go on with.

But U.S. spending on the navy is increasing at a higher rate than the spending on other forces—at 6.2 per cent a year between now and 1980, compared with 5.6 per cent on the strategic forces, and 3.3 per cent on the ground forces. The strategic forces also include a large naval component—the submarines and their missiles. If this is added to the navy's general purpose forces, the navy's annual rate climbs to 7 per cent, which will amount by 1980 to more than $30 billion, compared with just over $16 billion for other strategic arms.

But the strategic arms, both sea and land-based, are being taken care of in SALT. The arms race has been transferred to the navy, which will be used increasingly by the major powers to assert their role around the world—or, as others might see it, to throw their weight around the world.

For all the talk of the Soviet navy catching up with the U.S. navy, the Russians still have a long way to go. But they are certainly not standing still—and what they lack in real naval power with which to impress the world is made up for them by the naval lobbies in the West, which do their best to make the Soviet navy look bigger and better than it is.

LAW DAY—U.S.A.

Mr. KENNEDY. Mr. President, May 1 has been set aside by the Massachusetts Chiefs of Police as Law Day, U.S.A.

As Massachusetts commemorates Law Day today, I urge all citizens to recognize the professionals in our criminal justice system—a system that has undergone its share of criticism, but one that is striving to make itself more effective in dealing with the public and with the crime problem that continues to plague our country.

Throughout the Nation, America's 40,000 separate police agencies on State and local levels are preparing for the security and safety of millions of Bicentennial visitors, whose trip will be made all the more meaningful by efforts on the part of local policemen. Here in the Capital of our Nation alone, we can expect over 15 million visitors in 1975, and as Bicentennial celebration approaches, Washington, D.C., will see from 25 to 50 million visitors in 1976, and the Commonwealth of Massachusetts may see as many as 25 million tourists.

Mr. President, as part of our recognition of law Day, U.S.A., I request unanimous consent to have printed in the RECORD a proclamation of Law Day by the Massachusetts Chiefs of Police Association.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

PROCLAMATION—LAW DAY—U—S—DAY

The Massachusetts Chiefs of Police Association has set aside the first day of May as law day. U—S—A

This year will mark the Nation's eighteenth annual observance of Law Day—a special day for reaffirming our loyalty to the United States and rededicating ourselves to the rule of Law.

The benefits that have come to each of us as individuals and to all of us as Chiefs of Police through the adherence to the rule of Law are endless. It is through the process of law that our Commonwealth has achieved its amazing growth and development in every sphere of human endeavor.

The law does not rule by itself. Citizens administer it; and each citizen must abide by its constraints and accept its responsibilities if the rights, freedom, opportunities, and protections of all citizens are guarded.

Now, therefore, I, Henry J. McNamara, Jr., President of the Massachusetts Chiefs of Police Association, do hereby urge the people of the Commonwealth of Massachusetts to observe Thursday, May 1st., 1975 as Law Day in this great State of Massachusetts. Especially the members of this Association urge the Courts to take the lead in sponsoring and participating in appropriate observances throughout the Commonwealth.

And, as requested by the membership of the Massachusetts Chiefs of Police Association urge and request His Excellency Michael S. Dukakis, to direct the appropriate State officials to display the flag of the United States on all public buildings.

INVOLVEMENT IN VIETNAM

Mr. BIDEN. Mr. President, this week appears to have seen the end of American military involvement in Vietnam—South as well as North.

Criticism of our involvement has come stricted to the campuses or to street row- from many quarters. It has not been re- dies or to any particular brand of political practitioners—left, right, or center. I do want to call to the attention of my colleagues, a characterization of our Vietnam involvement made by a distinguished business leader who is also a distinguished citizen of Delaware. He is Irving S. Shapiro, chairman of the duPont Co. His comments appeared among a roundup of reactions published by the Washington, D.C. Evening Star on April 30, 1975. Mr. Shapiro's comments themselves appeared on page 1 of the newspaper.

I ask unanimous consent to have his comments printed in the RECORD.

There being no objection, the comments were ordered to be printed in the RECORD, as follows:

INVOLVEMENT IN VIETNAM

Our involvement in Vietnam was a tragic mistake which exacted a terrible toll in human life and suffering and physical destruction. I know the United States will act in humanitarian ways to help ease the agony of the South Vietnamese people.

The war seriously divided this nation, heightened distress of our public and private institutions, and diverted resources which could have been better used to help solve pressing economic and social problems. Our resources should now be focused on such concerns as combatting inflation, reducing the ranks of the unemployed, hammering out of a national energy policy and developing better health care. Strength at home will sustain our strength in foreign affairs.

EXEMPLARY PROGRAMS—NATIONAL INSTITUTE OF LAW ENFORCEMENT AND CRIMINAL JUSTICE

Mr. MATHIAS. Mr. President, today is Law Day, a day which has been set aside for consideration and reflection on those principles and rules by which we govern our society. It is fitting that this consideration should take place on a day which is in many parts of the world devoted to the recognition of power, not law. Here, in the United States, we have insisted that power be restrained, that it be legitimized, and that it be at the service and by the consent of the governed. In the past year, there has been a new affirmation of these principles.

Law Day 1975 should be a day when we look to the future and to the resolution of our national problems. Regrettably, although the supremacy of the law over public officials has been recently reestablished, the state of the law in other respects is not good. Some feel that we are a lawless society. So it would appear from the statistics which show that crime continues to outstrip our efforts to deal with it. The expenditure of great sums of money through LEAA and other agencies and the efforts to develop programs which will have a real impact seem fruitless in the face of a deteriorating situation. The war against crime, like the war in Vietnam, is not going well. We will soon be called upon to reexamine our policies in this regard.

Today, I would like to strike a positive note and to use this occasion to call attention to a program which does, in my view, have merit. This is one administered by the National Institute of Law Enforcement and Criminal Justice where NILECJ identifies exemplary programs throughout the country and seeks to publicize and promote them. Thus, what is working in one part of the country can be made available to those who would use them in other places.

This is federalism at its best. I am reminded of Justice Brandeis' famous statement:

> It is one of the happy incidents of the Federal system that a single, courageous State may, if its citizens choose, serve as a laboratory; and try novel social and economic experiments without risk to the rest of the country.

And, I would add, where these experiments are a success, to share them with those in other States and localities. This is a kind of demonstration project program.

I am mindful that in many communities there are people who are on the lookout for ways to become involved in public affairs and who are highly motivated to address themselves to community problems. In my State, in Montgomery County, it is just such energies that have resulted in a high degree of improvement in juvenile justice and the juvenile court system. When sound, workable, and tested programs are made known, such people will see to their spread and adaptation to new communities and new situations. And recognition of exemplary programs will provide continued incentive in a field where recognition is due.

Mr. President, I ask unanimous consent that material relating to the National Institute's exemplary programs be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXEMPLARY PROJECTS

I. GENERAL PROGRAM DESCRIPTION

The Exemplary Projects Program of the National Institute of Law Enforcement and Criminal Justice is designed to focus national attention on outstanding criminal justice programs across the country which are worthy of imitation by other communities. The program responds to the need frequently expressed by both the State Criminal Justice Planning Agencies and LEAA for systematic methods of sharing information and experience on successful projects among the States. The goal is to insure that more effective criminal justice programs find their way into general practice.

Approximately ten to twelve programs each year are designated exemplary, following rigorous multi-level screening and formal validation. Each is documented and widely publicized. The documentation, which is described in Section IV below, includes descriptive brochures, detailed handbooks and audio visuals.

The criteria for an exemplary designation are detailed in Section II below. The primary criterion is significant achievement in the reduction of crime or measurable improvement in the operations and quality of the criminal justice system. Additional criteria involve cost effectiveness, suitability for replication in other jurisdictions, and willingness of the project staff to provide information to other communities.

Exemplary Projects may be programs operating at the State or local level and need not involve LEAA funding to be considered. Projects may be proposed for consideration by LEAA Regional Offices, State and Regional Planning Agencies, local units of government, operating criminal justice agencies, or other persons with an interest in criminal justice. LEAA funded programs must have a letter of endorsement from both the State Planning Agency and LEAA Regional Office at the time they are submitted to the National Institute.

II. SCREENING CRITERIA

The criteria detailed below have been developed to identify potential exemplary projects. Each criterion is followed by questions which apply the criterion in a practical fashion to projects under consideration:

A. *Goal Achievement*. The project must demonstrate overall effectiveness in the achievement of significant criminal justice objectives.

1. Has the project contributed significantly to the reduction of a specific crime or crimes, or produced measurable improvement in the operations and quality of the criminal justice system?

2. Has the project been generally more successful than other projects which address the same problem?

B. *Replicability*. The project must be applicable and adaptable to jurisdictions other than the one in which it is operating.

3. Does the project address a problem of reasonably common concern?

4. Does adequate documentation exist to permit a general understanding of the project's methodology and operations?

5. Are there special features that appear principally responsible for the project's success, e.g. concept, methodology, administrative expertise, staff commitment? If superior administration and commitment are factors, to what extent is the program likely to be replicable without these factors?

6. What are the restrictions, if any, on size and type of community (e.g. urban vs. rural) for which the program would be appropriate?

C. *Measurability*. The achievements of the project must be capable of being objectively measured.

7. Does the program have a built-in evaluation component, and if so, how comprehensive is it?

8. If there is no formal evaluation procedure, is there objective evidence that the program's goals and objectives are being achieved? If so, what is the evidence?

9. Is the project still in operation and has it been operating continuously for a long enough time to test its utility (typically one year)?

D. *Efficiency*. The costs of the project must be reasonable.

10. Is there evidence that the project has been cost beneficial, i.e. did the benefits derived from the project justify the expenditures of time, money, and manpower that went into it?

11. Were other, cheaper, more expensive projects considered as ways of addressing the problem?

E. *Accessibility*. An outside group of validators must be able to examine the project in detail. Furthermore, if the project is designated as exemplary, law enforcement and criminal justice personnel from other locales who may be interested in undertaking similar programs must be able to visit the project and to consult with those responsible.

12. Is the agency agreeable to having the project submitted to the EXP program for evaluation, publicity, and visitation?

13. Is it reasonably certain that the project will continue to exist so that evaluators may collect data; the project can be written up; and the project can be visited by those who learn of it through the EXP program?

III. VALIDATION

The Institute's Office of Technology Transfer reviews the materials submitted on potential exemplary projects and submits the most promising programs to a contractor for a brief on-site validation. The validation process is an objective outside observer's analysis of the project's achievements. Particular attention is given to an examination of the costs of the project (monetary and nonmonetary) in comparison to the benefits derived from it. Attention is also focused on the set of circumstances under which the project was effective, with a view to identifying the conditions necessary for its replication. In performing his study, the validator relies heavily upon data which have already been collected in the course of the project. He may also initiate the collection of a limited amount of additional data to answer specific questions.

The validator's report on the project is submitted to an Exemplary Projects Advisory Board, which makes the final determination on the program's exemplary status. The Board is made up of representatives of the State Planning Agencies, LEAA Regional Offices, and Central LEAA (Institute, Office of Planning and Management, Office of National Priority Programs, and National Criminal Justice Information and Statistics Service.) Data on those projects which are not selected is submitted to the National Criminal Justice Reference Service. The usefulness of further dissemination of information on such projects is determined on a case by case basis.

IV. DOCUMENTATION

At least two documents are prepared for each project that receives the exemplary designation—a short brochure and a detailed manual or handbook. The brochure is written in highly readable journalistic style. Major features of the program are highlighted in a fashion intended to arouse the interest of the reader to obtain a more detailed description.

The manual or handbook provides the criminal justice administrator with guidelines for establishing, operating, and evaluating a similar program. It includes considerable detail on such matters as costs, staffing, training requirements, potential problem areas, and evaluation methodology. The aim is to present the experience of a particular community in a manner that provides helpful guidance without ruling out flexibility and experimentation by a potential imitator.

To facilitate replication, those aspects of a project which appear to be basic to its success in any locale are distinguished from those characteristics which are peculiar to the milieu in which it is currently operating. The conditions under which establishment of a particular program is appropriate are also pointed out.

Both the brochures and handbooks receive widespread distribution through direct mailings and through announcements by the National Criminal Justice Reference Service. In addition, where appropriate, audio visuals are prepared and made available to the LEAA Regional Offices and State Planning Agencies for use in conferences and training sessions.

V. PROJECT RECOMMENDATIONS

All project recommendations should be sent to the Office of Technology Transfer of the National Institute for Law Enforcement and Criminal Justice. The enclosed "Format for Submission of Exemplary Project Recommendations" must be used.

Exemplary Programs

PROJECTS DESIGNATED THUS FAR

1. Prosecutor Management Information System (PROMIS), District of Columbia—PROMIS is an automated management information system in the U.S. Attorney's Office, Superior Court of the District. It enables the prosecutor's office to allocate resources effectively by assigning priorities to pending cases. Cases are ranked on a daily basis according to four factors: (1) seriousness of offense; (2) defendant's criminal record; (3) strength of evidence; and (4) age of case or number of continuances. In the first 19 months of operation, the system helped to achieve a 25 percent increase in convictions of serious misdemeanor cases.

2. (*) Community-Based Corrections Program, Polk County (Des Moines) Iowa—This program offers qualified offenders four alternatives to imprisonment: release on own recognized, pre-trial supervised release, probation, and staying at a residential center which offers work and educational release. The uniqueness of the Polk County Project lies in the high degree of coordination between the several involved elements of the criminal justice system, and the range of dispositional alternatives offered.

3. (*) Citizen Dispute Settlement Program ("Night Prosecutor"), Columbus, Ohio—This Project offers an out-of-court method for resolving citizen disputes—family fights, disputes between neighbors and similar minor cases—with the local prosecutor's office screening cases for referral to specially-trained hearing officers who meet with the parties in the evening or on the weekend to mediate the dispute. In only 2 percent of the cases heard were criminal affidavits filed. Average cost per case: $27.

4. (*) 601 Juvenile Diversion Project, Sacramento, California—The 601 Project of the Sacramento Probation Department (number derived from the relevant section of the California Penal Code) provides short-term family crisis counseling in lieu of juvenile court processing. Initially, the juveniles might have been runaways, truants, or simply beyond control of their parents. Based on the effectiveness of the program in these types of cases, it was expanded in 1972 to include cases of criminal conduct, including petty theft; disorderly conduct; possession of drugs; receiving stolen goods; and auto theft not involving damage to the car.

5. Providence Educational Center, St. Louis, Missouri—This LEAA-funded Impact City program provides intensive remedial education and counseling to adjudicated delinquents, as an alternative to training school incarceration. Professionally trained counselors, educators, and social workers perform as a team to develop and implement an individualized program for each child, which enables him to improve his educational and social adjustment skills. PEC can accommodate 75 boys—most of whom remain in their own homes and stay in the program for approximately 9 months. Students "graduate" when they have achieved the 5th grade reading level requred for high school admission in St. Louis and/or they have demonstrated adequate functioning in terms of attitudes and interpersonal behavior. The program's effectiveness has been demonstrated by reduced costs and lower recidivism rates.

6. Neighborhood Youth Resources Center, Philadelphia, Pennsylvania—The Neighborhood Youth Resources Center in Philadelphia (NYRC) combines the best features of youth service bureaus and service delivery systems under one comprehensive roof. It performs sophisticated intake and evaluations, makes careful referrals, offers direct services using its own staff when appropriate, and operates a large cultural enrichment program for both clients and non-clients alike. NYRC emphasizes the use of neighborhood paraprofessional staff members, supplemented by purchase-of-service agreements with area professionals and agencies. The program has had a signficant impact in reducing crime among juveniles in the target area.

7. The Public Defender Service (PDS) of the District of Columbia—PDS has successfully overcome the traditional barriers faced by public defender services—high caseloads and poorly paid, often inadequately trained attorneys. One of the Service's unique features is an intensive 6-week training program for new attorneys. The training curriculum was developed with LEAA funds and will be disseminated as part of the Exemplary Projects documentation effort. The American Bar Association has also cited the D.C. Public Defender Service as a model, noting that the Service is insulated from political and judicial interference because it is not directly answerable either to the judicial or executive branches of the Washington, D.C., or Federal governments.

INFORMATION AVAILABLE

Documentation on the Polk County Community Based Corrections Program, the Columbus Ohio Citizen Dispute Settlement Program, and the D.C. Public Defender Service is currently available from the U.S. Department of Justice, Law Enforcement Assistance Administration, National Criminal Justice Reference Service, Washington, D.C. 20530. Telephone (202) 963-5244. Manuals on the remaining programs will be announced through the Selective Notification of Information System of NCJRS as they become available.

Information on the PROMIS system is currently available from the Institute for Law and Social Research, 1125 15th St., N.W. Washington, D.C. 20005. Telephone (202) 872-9380.

New Exemplary Projects

1. NEW YORK CITY POLICE STREET CRIME UNIT

The Street Crime Unit (SCU), organized in November 1971, continues the initial efforts of the N.Y.P.D. to fill the gap between normal, visible police patrols and post-crime investigations. Its efforts have focused on street crimes—robbery, grand larceny from the person, and assault. Its primary anti-crime strategy is known as the blending and decoy tactic. The decoy, disguised as a potential crime victim, is placed in an area in which he or she is likely to be victimized. A back-up team dressed to blend into the area is stationed nearby, ready to come to the decoy's aid and effect an arrest. While decoy tactics are used in response to particular crime/victim patterns, blending techniques are used regularly.

During 1973, the SCU effected 3,551 arrests, 85 percent of which were felony arrests. Of the robbery arrests, 76 percent resulted in convictions, and of the grand larceny arrests, 95 percent resulted in convictions. In addition, the SCU has averaged 8.2 man-days per arrest as compared to the departmental average of 167 man-days per arrest. (This average is based on all uniformed officers including those on traffic duty etc.) This has been accomplished at a nominal incremental cost per arrest and conviction and with virtually no increased danger to police or citizens. This success reflects three important factors: 1) Careful screening of unit applicants; 2) Extensive training prior to field placement; and 3) Close and continuous liaison with precinct commanders.

Project Director: Captain Patrick McGovern, Street Crime Unit, New York City Police Dept., Randall Island, New York, N.Y.

2. CENTRAL POLICE DISPATCH, MUSKEGON COUNTY, MICH.

Muskegon County, Michigan, has 12 independent law enforceemnt agencies, nine of which provide police services to virtually all of the county's population and land area. Prior to the establishment of Central Police Dispatch, eight of the nine departments operated independently on a single radio frequency, and only four of the nine operated round-the-clock dispatch services seven days a week. Because each operated independently, almost 10 percent of the combined personnel in the departments were assigned to dispatch operations. To eliminate the inefficiency, duplication and confusion generated by multiple dispatch operations in a single county, the jurisdictions involved pooled their resources to establish a centralized dispatch service. The result: all nine agencies now have 24-hour dispatch services and the number of dispatch personnel required has been reduced. Added to the reduction of personnel, further savings have been derived by using civilians as dispatchers. Centralized services also have made implementation of the 911 emergency system feasible in sparsely populated areas.

Central Police Dispatch has implemented most of the applicable police standards recommended for 1975, as set forth by the National Advisory Commission on Criminal Justice Standards and Goals. In fact, the program has impleemnted many of the standards suggested for 1980.

Project Director: Michael Gaunt, Central Operations for Police Services, 980 Jefferson Street, Muskegon, Michigan 49440.

3. KING COUNTY (SEATTLE) PROSECUTOR'S OFFICE, FRAUD DIVISION

4. SAN DIEGO DISTRICT ATTORNEY'S OFFICE, FRAUD DIVISION

Both of these prosecutor's offices have taken the lead in addressing an area where effective prosecution is often lacking—economic crimes and consumer frauds. Each Division has combined in one program the expertise, commitment and integrity required to enforce the laws against these ubiquitous and costly crimes. In addition to effective processing and prosecution of cases, the Divisions also function as highly visible symbols of the government's dedication and ability to apply the law with equality and justice.

The major difference between the two is that King County focuses primarily on major economic crimes, referring other cases—including consumer complaints—to appropriate agencies. San Diego County's program has a broader scope dealing with all citizen complaints. Its larger staff enables it to handle a greater volume of cases.

The King County effort has chosen to use the investigative expertise of other agencies whenever possible, thus promoting cooperation, understanding, action and improved performance among many agencies. This approach has resulted in a major impact of law enforcement. In the first two and one-half years of operation, the Fraud Division has successfully prosecuted 95.5 percent of its cases. The economic loss in these cases totalled $2,111,859.

During 1974, the San Diego Fraud Division handled a total of 15,251 citizen complaints. A vast number of cases in which citizens filed formal requests for assistance were resolved outside the courts, either through the efforts of large in-house investigative teams or small claims courts. Over the period January 1970 to June 1973, the Division's Consumer fraud investigations returned almost $250,000 to citizen complaints.

Project directors

3. Gene S. Anderson, Chief, Deputy Office of Prosecuting Attorney, King County Court House, Seattle, Washington 98104.

4. James Lorenz, Deputy District Attorney, Fraud Division, 220 W. Broadway, San Diego, California 92101.

5. NEW YORK STATE DEPARTMENT OF MOTOR VEHICLES, ADMINISTRATIVE ADJUDICATION BUREAU

The Administrative Adjudication Bureau (AAB) has succeeded in significantly reducing the criminal court case backlog and in establishing an efficient and judicious system of traffic offense adjudication. It has achieved these goals through the use of highly trained, impartial adjudicators, a sophisticated computerized information system, and the merger of the licensing agency and the traffic offense adjudication agency. By removing most traffic offenses from the criminal courts, the time elapsing between the issuance of a summons to the disposition of the case has been shortened dramatically. The result is prompt restriction of driving privileges for demonstrably unsafe drivers. Direct benefits to the criminal justice system have been increased availability of criminal courts for handling more serious offenses and reduction in the time police must spend at traffic hearings. More uniform and equitable dispensation of justice has been attained through the use of standard sanctions and the number of scofflaws has been reduced. In addition to streamlining the traffic and criminal adjudication process, the AAB returns all revenues in excess of its operating costs to the treasuries of the appropriate jurisdictions. In the last fiscal year, returned revenues totaled $4,138,000.

Project Director: Donald L. Bardell, Deputy Commissioner, State of New York, Department of Motor Vehicles, Empire State Plaza, Albany, New York, 12228.

6. VOLUNTEER PROBATION COUNSELOR PROGRAM, LINCOLN, NEBR.

The Volunteer Probation Counselor Program began in 1969 in the Lincoln/Lancaster County Municipal Court. Its main premise is that high-risk misdemeanants between ages 16 and 25 can be successfully supervised and assisted while on probation by lay persons from the community.

The program has a number of outstanding features: Unlike many volunteer efforts which match volunteers with first offenders, the Lincoln program focuses on misdemeanants with an established history of involvement with the criminal justice system—an average of 7.3 previous arrests and convictions in a study sample. A one year comparative analysis of 84 misdemeanants randomly assigned to the experimental volunteer program and to a control regular probation program showed a marked reduction in frequency and seriousness of offenses by the volunteer group over the regular group. Thus, while 63.7% of the regulars had new non-traffic offenses, only 15% of the volunteer group recidivated. Similarly, while 52.5% of the regulars had multiple new offenses only 10% of the volunteer group had multiple new offenses. The data also show that the reduction in offenses among the volunteer probation group was widespread throughout the group and not due to dramatic changes in just a few members. When these recidivism figures are coupled with the increase in probation caseload made possible by the use of volunteers, the program must be considered extremely cost beneficial.

The success of the Volunteer Probation Counselor Program is attributed to the careful screening process which selects only those volunteers with the appropriate motivations and resources; the extensive training program which emphasizes both general counseling skills and crisis intervention techniques; and the matching process which emphasizes the psychological needs and personal interests of the probationer and selects a volunteer who can respond to these needs and interests.

Project Director: Dr. Richard Moore, Court Psychologist, Municipal Court, Probation Office, Old City Hall, 92 "O" Street, Lincoln, Nebraska 67408.

EXEMPLARY PROJECT RECOMMENDATION FORM

Exemplary Project recommendations may originate with the LEAA Regional Offices, State Criminal Justice Planning Agencies, local units of government or operating criminal justice agencies. Information on candidate projects should be submitted to the Model Program Development Division, Office of Technology Transfer, National Institute of Law Enforcement and Criminal Justice, LEAA, U.S. Department of Justice, Washington, D.C. 20530. A standard format is attached. LEAA funded programs should have a letter of endorsement from the appropriate State Planning Agency and LEAA Regional Office.

FORMAT FOR SUBMISSION OF EXEMPLARY PROJECT RECOMMENDATIONS

I. Project Description:

1. Name of the Program.

2. Type of Program (ROR, burglary prevention, etc.).

3. Area or community served.

4. Approximate population of area or community served.

5. Administering Agency (give full title and address).

6. Project Director (name and phone number; address only if different from 5 above).

7. Funding agency(s) and grant number (agency name and address, staff contact and phone number).

8. Project Duration (give date project began rather than the data that LEAA funding, if any, began).

9. Project Operating Costs (Do not include costs of formal evaluation if one has been performed. See Item 10).

Breakdown of Total Operating Costs, specify time period:

Federal:
State:
Local:
Private:
Total:

Of the above total, indicate how much is—

(a) Start-up; one time expenditures:

(b) Annual operating costs: $.

(A complete budget breakdown should be included with the attachments to this form.)

10. Evaluation costs (Indicate cost of formal evaluation if one has been performed).

11. Continuation. Has the project been institutionalized or is it still regarded as experimental in nature? Does its continuation appear reasonably certain with local funding?

II. Attachments—Please attach the following:

Attachment A—Program review memorandum

This memorandum should contain the following elements:

(1) *Project Summary*—brief statement of the project's goals, objectives and method of operation.

(2) *Criteria Achievement*—explanation of the degree to which the project meets each of the Exemplary Project criteria—goal achievement, replicability, measurability, efficiency and accessibility. Cite specific measures of effectivenes, e.g. crime reduction, cost savings, etc.

(3) *Outstanding Features*—indication of the most impressive feature(s) of the project.

(4) *Weaknesses*—frank statement of those areas of project operation that could be improved. (It is assumed that a project will not be recommended if there are critical program weaknesses).

(5) *Degree of Support*—indication of the degree of local support, e.g. criminal justice officials, citizen groups, the news media.

Attachment B—Endorsements

Each project should have a written endorsement from the appropriate SPA and LEAA Regional Office. Endorsements from other sources may be attached if available.

Attachment C

For LEAA funded projects, attach a copy of the grant application(s), all annual progress reports, and the most recent quarterly reports. If a formal evaluation has been undertaken, this report should also be attached.

For non-LEAA funded projects attach a complete budget breakdown and such progress and evaluation reports as may be available.

THE THIRD ANNUAL REPORTS OF FEDERAL ADVISORY COMMITTEES

Mr. **METCALF.** Mr. President, the third annual report of Federal advisory committees, covering calendar year 1974, was prepared by the General Services Administration and transmitted by the President to the Congress on March 31 as prescribed by law—the first year it has been on time.

Here are the highlights:

First. As of December 31, 1974, there were 1,242 advisory committees, a decrease of 8 from the total a year earlier. During the year 239 new committees were formed while 299 committees were merged or abolished or expired, which should have produced a net decrease of 60 committees. However, special factors discussed below—including the discovery of 69 previously unreported committees—had the net effect of adding back 52 advisory committees, so that the adjusted total was 1,242, rather than 1,190.

Second. Federal costs to operate and support advisory committees totaled $42,380,636, up from the $31,110,810 reported by the individual agencies for calendar year 1973. For calendar 1975, the Office of Management and Budget recommends $39.4 million as necessary for the expenses of advisory committees—an amount incorporated in appropriations requests in the President's budget recommendations to the Congress.

Third. Advisory committees held 3,626 meetings during the year—counting a meeting held on two or more consecutive days as one meeting—of which 1,994—or 55 percent—were open to the public, 719—20 percent—were closed, and 913—25 percent—were partially closed.

Mr. President, this is the third yearly report to the Congress as required by the Federal Advisory Committee Act—Public Law 92–463—"on the activities, status, and changes in the composition of advisory committees in existence during the preceding calendar year." The report must contain the name of every advisory committee, the date of and authority for its creation, its termination date or the date it is to make a report, its functions, a reference to the reports it has submitted, a statement of whether it is an ad hoc or continuing body, the dates of its meetings, the names and occupations of its current members, and the total estimated annual cost to the United States to fund, service, supply, and maintain such committee.

As chairman of the Subcommittee on Reports, Accounting and Management, which oversees the act, I have studied the report and offer my analysis of it to the Senate at this time.

THE FORMAT OF THE REPORT

Because so much information is involved, I should explain that when I refer in this statement to the third annual report I mean a bluejacketed, 150-page publication comprising a 2-page written report, 5 pages of summary data and footnotes, an alphabetical list of advisory committees in existence at the end of 1974, a list of those same committees grouped according to the agency or department responsible for them, a roster of agency committee management officers, and a 4-part appendix which includes the text of the act and relevant Presidential and agency documents.

Unlike its predecessors, the third annual report is also available on microfilm, along with the thousands of pages of supporting documents—for example, the names, addresses, and occupations of the more than 20,000 current advisory committee members—which make up the bulk of the information required to be submitted. When the supporting documents for the first annual report were printed for the use of the Senate Committee on Government Operations, it proved a large undertaking, covering 4 volumes and more than 5,700 pages, for which the total domestic postpaid purchase price from the Government Printing Office was $52. Microfilming the supporting documents this time makes them available to the Congress much sooner and cuts their price for public sale by more than half. I will give details later on how to obtain the film.

Mr. President, this annual report shows some improvements over prior ones. As I have noted, it was timely. The table of summary data has been expanded from previous years to provide additional information, including the type of committees and the number of meetings. Also, GSA wrote instructions and devised forms for annual reporting by the agencies which I think elicit the needed information in a clear and convenient way.

At the same time, errors and omissions in the report raise the possibility that there may be others yet to be detected, and there is an unannounced change in the use of a number on the bottom line of the summary table that is bound to confuse those who read it.

In the table, advisory committee activity for the year is summarized by agency. Figures are given for the number of new committees created, the number in existence at the end of 1974, and the number merged, abolished or terminated during the year. Another column shows the net gain or loss in committees over the course of the year, so that an agency creating seven committees while terminating five would show a plus 2 in that column. Where an agency has discovered advisory committees it did not know it had or is acknowledging them as such for the first time, the figure for these previously unreported existing committees is given in brackets beneath the number of new committees. The bracketed number also is added to the number in the net gain or loss column and the result is shown in brackets beneath it.

If the agency in the example above has three previously unreported committees, it shows a (3) beneath its number of new committees and a (5) in its net gain or loss column, beneath the plus 2.

This technique is used everywhere in the table except the bottom line. Since 239 new committees were created while 299 committees were terminated, the net gain or loss column reads minus 60. Since there were 69 previously unreported committees, one would expect the bracketed number on the bottom line of the net gain or loss column to read (plus 9). It does not. It reads (plus 52).

What GSA did on the bottom line without announcing it was fold into that number all the special factors covered in the footnotes which serve to explain why the actual total of advisory committees is 1,242 instead of the indicated total of 1,259—the total of 1,250 in existence at the end of 1973 plus the net gain of nine in 1974. To GSA, the (plus 52) represents the adjusted difference between the actual (1,242) and the total one would expect had there been no previously unreported committees or other special factors (1,250 minus 60, or 1,190).

Had GSA used its numbers consistently, it could then have explained in a sentence or two why there are 1,242 advisory committees instead of the indicated total of 1,259. The main reason is that 13 Labor Department subcommittees that were counted separately in 1973 were not chartered separately from their parent advisory committee in 1974 and are therefore not included in the third annual report. The rest of the difference results from accounting factors and changed reporting requirements.

ERRORS AND OMISSIONS

In the summary table, some numbers are wrong or transposed. The advisory committee of the Special Action Office for Drug Abuse Prevention is listed as not having met in 1974, when actually it met at least twice. The Selective Service System is left out of the report entirely. GSA is shown as having terminated 11 advisory committees in 1974, although they apparently did not terminate until January 5, 1975. One or more other agencies evidently made the same mistake in reporting terminations.

Mr. President, these errors and omissions in the annual inventory of advisory committees must weaken our confidence in it. Taking a thorough and accurate inventory for 1974 was especially important so that we could assess the impact of section 14(a) of the Federal Advisory Committee Act, which provided that each advisory committee in existence on the effective date of the act—January 5, 1973—would terminate in 2 years unless it was renewed by the President or agency which established it or enjoyed a longer duration provided for by law. Unless we know for certain where we stood at the end of December 1974, we cannot know how we stood as of January 5, 1975.

The Senate will recall that in January, at my request, the OMB Committee Management Secretariat provided a preliminary listing of advisory committees which expired or were terminated during 1974—including the month of December 1973—or expired automatically on January 5, 1975, as prescribed by section 14(a). The listing showed 353 panels expired or terminated. On the other side of the ledger, OMB's preliminary count of new committees chartered last year was 221, implying a net reduction of 132 panels. Thus it appeared that the advisory committee population had been reduced from 1,250 as of December 31, 1973, to an estimated 1,118 in 1975—granting that OMB's listing and the second annual report both covered the month of December 1973.

I realize that OMB's listing was separate and preliminary, that it covered a longer reporting period than the third annual report, and that GSA's total includes 69 previously unreported committees. Unfortunately, knowing how the disparity between the OMB and GSA tabulations may have come about cannot dispel confusion about which numbers are the right ones, and I have written OMB Director James T. Lynn to find out to what extent the tabulations have been, or can be, reconciled.

Taking an accurate census of advisory committees is a function of good management. If the panel names and numbers used by the OMB Committee Management Secretariat on a daily basis cannot be reconciled with those in the annual report, then no one can say with confidence just how many advisory committees exist. And if that is our situation, then most of the effort and attention devoted to the Federal Advisory Committee Act by the legislative and executive branches will have been for naught.

TOO MANY CLOSED MEETINGS

According to the third annual report, 55 percent of the 3,626 advisory committee meetings held last year were open to the public, while the other 45 percent were either wholly or partially closed. That is a poor performance.

A fair number of agencies large and small, whose advisory committees held from as few as one to as many as 110 meetings, claimed 100 percent records for openness, including the Small Business Administration—110 open meetings and none closed—Department of Transportation, 92 to 0; Federal Communications Commission, 92 to 0; Labor Department, 92 to 0; Environmental Protection Agency, 53 to 0; and the Federal Power Commission, 49 to 0. These and the other agencies to whom the Third Annual Report ascribes perfect batting averages are to be commended, although it should be noted that the announcements of its advisory committee meetings which the SBA published in the Federal Register last year did not make clear these were public meetings—they do now.

Mr. President, the Federal Advisory Committee Act declares, "Each advisory committee meeting shall be open to the public." The legislative history of the act shows the intent of Congress was that advisory committee meetings should be open to the public except under exemptions justified by law. Section 10(d) of the act and OMB circular No. A–63 promulgate strict procedures for closing advisory committee meetings, tied to an official determination that a meeting will be "concerned with matters" which the Freedom of Information Act exempts from mandatory public disclosure. Former OMB Deputy Director Fred Malek also issued a memorandum, dated April 10, 1974, to the heads of all agencies stating OMB's open-meeting philosophy.

The Federal Advisory Committee Act adopted the Freedom of Information Act and converted it into an open-meeting law, which means the percentage of meetings closed in whole or in part last year is too high. I include all cases in which an agency failed to adhere to the strict procedures set forth in the law and in OMB guidelines for closing meetings, and many cases in which the agency was technically correct in the procedure it followed. While the law provides that meetings may be closed under certain conditions, the express intent of the Congress in drafting the law was that its standard of openness be liberally construed.

It is especially galling that so many meetings were closed in whole or in part during a year in which the Congress was strengthening the Freedom of Information Act, even overriding a veto in the process. Because agency heads have the responsibility under the Federal Advisory Committee Act of making determinations to close meetings, I wrote them all at the end of March to point out that the figures from 1974 "are discouraging and indicate to me that agency heads are not taking this responsibility seriously." I added:

> From now on, I hope that you will take a closer look at all closed meetings requested or scheduled by your agency's advisory committees. My staff and I fully intend to monitor your performance in this area in the current year and expect you to show progress in reducing the number of closed meetings held by your agency's advisory committees.

In the letter, I also asked them to advise me of the steps they have taken to promote awareness of the act's requirement that advisory committee membership be fairly balanced in terms of points of view represented and the functions to be performed, keeping in mind the memorandum sent them in January by former OMB Director Roy Ash directing that the interests of minorities and women be fully considered when members are selected for new and existing advisory committees. I will keep the Senate informed of agency progress in both areas.

ADVISORY COMMITTEE ACT AMENDMENTS

Mr. President, I do plan to hold hearings of the Subcommittee on Reports, Accounting, and Management in the near future to review our progress under the Federal Advisory Committee Act and consider proposed amendments to strengthen the act. In the meantime, copies of the third annual report are available from the subcommittee.

Enough prints of the microfilmed third annual report and supporting documents have been supplied by GSA to the Library of Congress and the subcommittee to make them readily accessible to Members and staff. The two rolls of 16-millimeter film can be viewed and copied at library stations by means of microfilm reader-printers.

To order postpaid prints, write the National Archives and Records Services—NEPS—Washington, D.C. 20408, requesting microcopy No. A–1199 and enclosing a check for $24 for the two-roll set—the cost is $12 a roll—made out to the National Archives. A positive print will be sent unless the order specifies a negative print.

In a few uncorrected instances on the microfilm, dog-eared or overlapping documents were photographed and some information was lost. GSA intends to supply errata sheets with the prints, as well as an index to the supporting documents by agency to facilitate use of the microfilm.

CHILE'S EXPERIMENT WITH MARXISM

Mr. LONG. Mr. President, an economic expert in Latin American affairs has done a penetrating analysis of the history of the Chilean "road to socialism" and that country's reversal of that course. Dr. Alberto M. Piedra received his doctorate from Georgetown and is a distinguished scholar on Latin American affairs. I believe that my colleagues would benefit from reading Dr. Piedra's study on the Chilean experiment with socialism.

The elections in Portugal show that only 12.5 percent of the people of that country voted for the Communist Party even though the military junta appears determined to convert that country into a Communist state and put tremendous pressure on the electorate not to vote for the moderate parties.

Dr. Piedra's study has bearing not only on the Chilean issue and the Portgual situation but, indirectly, on the issue of Cuba as well. In spite of all the propaganda regarding Cuba's experiment with communism, the fact is that the Cuban people have suffered tremendously from 15 years of communism. Their freedoms have been cut off; their economy crippled, and they depend upon their masters in the Kremlin for their survival.

Mr. President, I raise the issue of Cuba because as chairman of the Finance Committee I am going to be very concerned about any legislation which would bestow trade benefits on the Castro regime.

If it is not careful, this Government may end up treating its friends worse than its avowed enemies and bestowing undue benefits on those countries whose systems of government deny the individual his basic human rights.

In my judgment the commercial considerations of mutual trade benefits would never justify betraying the civil liberties of persons who must be subjected to a totalitarian regime.

It seems to me that any move on our part to "make up" with the likes of Castro should be well calculated to extract a dear price from him—namely, a guaranteed movement toward the return of essential civil liberties to the Cuban people.

Similarly, our policy toward Chile should also be hinged on a demand for the continued return of basic freedoms to the Chilean people. I feel that that is indeed happening in Chile and should be required to happen in Cuba if we are to recognize and engage in commerce with Castro's regime.

For reasons I cannot fully comprehend, the press in this country and certain leaders in Latin America have portrayed the former Allende government as a bastion of democracy and freedom which has been replaced by a repressive regime. Mr. President, I don't believe that to be the case. Had the Allende government remained in office many months longer, the Chilean people would have suffered the loss of all their freedoms and many would likely have been exterminated by a Communist regime. Dr. Piedra concluded his article by stating:

> The action of the armed forces in the military intervention of September 11, 1973 saved Chile from a communist takeover. It is now the duty of the armed forces to prove to the world that their intentions were simply to carry out a mandate of the people and restore the democratic process to Chile . . . The chaotic economic situation inherited from the Allende era will not be easily solved, but it is the author's opinion that the Chilean people will rally around the military government and work for the betterment of their country until one day—hopefully soon—the damages of the Allende interlude is repaired and the situation is once again ripe for the restoration of the democratic process.

Let us give the Chilean people an opportunity to recover. We should end this silly condemnation of the new government and the unfounded praise for the repressive Allende regime, and the rush to recognize the Communist government in Cuba. When the United States moves toward recognizing the Castro government, other governments in Latin America feel they must take the lead in that disastrous course. Rather than creating a new dialog with Latin America, we encourage the subversive forces who wish to initiate the disastrous Cuban experiment with communism.

Mr. President, Dr. Piedra's study is, in my judgment, a dispassionate, factual, documented history of what happened in Chile, and I ask unanimous consent to have it printed in the RECORD.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

CHILE

(By Alberto M. Piedra)

IN BRIEF

Salvador Allende Gossens was elected President of the Republic of Chile in 1970 by vote of the National Assembly, as provided by the Constitution when no candidate received a majority of the popular vote. Dr. Allende had received 36% of the popular vote. In his Popular Unity coalition of Marxist and Communist Parties, President Allende set a goal of establishing a democratic "road to socialism." But the coalition harbored forces which believed socialism could be achieved only by violent overthrow of the bourgeois structures. The Allende government ravaged the economy, violated the laws, fostered paramilitary units in certain industries and prepared for violence, with the tacit or active approval of the President. The Chamber of Deputies, the Supreme Court and the Comptroller all criticized the unconstituional actions of the President before the armed forces on September 11, 1973 intervened to establish a military government. The decline of the economy and of public order had reached catastrophic dimensions. The military junta reported that it had forestalled a coup planned to establish a Marxist dictatorship. As a caretaker of the Constitution, the military junta is obligated to restore popular government when reasonable order has been restored.

Chile became the center of interest for social scientists, political observers and activists of both the right and left with the advent of Salvador Allende Gossens to the presidency of that country in 1970. The rise to power of the Popular Unity government excited a wave of rising expectations on the part of democratic socialists all over the world who hoped that Chile's experiment with Marxism would serve as a model for other countries to follow in their "road to socialism".

The "experiment" ended in catastrophic failure. The armed forces of Chile overthrew Allende's Marxist regime. What developments led the military leaders of the country to unseat a freely elected president, whose rise to power had raised such hopes among intellectuals the world over?

The question is of special importance in a country where the armed forces have always played a secondary role in the political affairs of the nation. It had been a generally accepted principle in Chile that the military establishment did not constitute a threat to the country's traditional democratic process. Since 1853 the armed forces of Chile had only intervened and taken control of the government for brief intervals during the period 1924–1932. Thus, for all practical purposes, the military establishment in Chile was regarded as a stabilizing factor in the country's political process, lacking desire to take over the government but deserving respect as guarantor of public order and of the nation's constitutional framework.

The Allende election

In the general elections of September 4, 1970, Salvador Allende Gossens received 36.3 per cent of the popular vote; and on November 3 of that same year he was officially proclaimed President of Chile. Allende was backed by the Popular Unity coalition of Marxist and left of center parties and received a total of 1,070,334 votes. Jorge Alessandri, the candidate of the National Party, received 1,031,151 votes or 34.98 per cent of the total popular vote, and Rodomiro Tomic of the Christian Democrats trailed behind with 821,000 votes or 27.8 per cent of the total popular vote.

It is not true, as has been stated repeatedly, that Chile voted in favor of Marxism. A careful analysis of Chile's political situation in 1970 clearly shows that Allende won the election because of the lack of unity among the forces opposed to Marxism. For example, in 1958 the political groups which later backed the Popular Unity alliance acquired almost 44 per cent of the total popular vote; and in 1964 they gained slightly over 38 per cent. But in 1970, the number of voters who backed the Marxist-socialist alliance had decreased to 36 per cent.

One of the factors which contributed to the lack of unity among the forces opposing Allende was the leftward drift of the Christian Democrats under President Eduardo Frei and the personal attitude of Rodomiro Tomic, the Christian Democrats' presidential candidate. Tomic repeatedly stressed his extreme leftist tendencies, which in many instances were even more pronounced than those of Allende. Nevertheless he became Eduardo Frei's choice for the presidency and the official candidate of the Christian Democratic Party. The extreme attitude of Tomic made it impossible for the National Party to back his candidacy, as the conservatives had done in 1964 when they supported Frei and contributed to his landslide victory over Allende.

Later it was learned that in the electoral campaign Tomic had reached a secret understanding with Allende in which it was agreed that if either of the two acquired a majority of 30,000 votes or more over his nearest opponent, the other would recognize his victory. Although this agreement was never officially acknowledged by Tomic, it seems clear that the Christian Democrats had committed themselves to vote for Allende in Congress if he acquired a plurality in the electoral process. According to Chilean law, Congress must decide between the two leading candidates if none of the candidates has a majority of the popular vote.

In Congress Allende counted 80 votes, the Christian Democrats 75 votes and the backers of the National Party 45 votes. A favorable vote on the part of the Christian Democrats was expected by Allende, especially after Tomic paid him a congratulatory visit soon after the election. To avoid such an outcome, a plan was presented whereby Alessandri would be elected and would then resign and submit the country to a new electoral process. The National Party would then support the election of Eduardo Frei. However, this suggestion was rejected.

After a favorable vote of approximately two-thirds of the National Committee of the Christian Democratic Party, the Christian Democrats were instructed to vote for Allende in Congress only if the so-called Statute of Guarantees was jointly approved by the Popular Unity and the Christian Democrats. The Statute was supposed to guarantee such basic principles of Chilean democracy as freedom of the press, the right of workers to unionize, freedom of education and the independence of the executive, legislative and judicial branches of government and of the armed forces. Allende accepted these guarantees wholeheartedly. In fact, on October 22, 1970 he emphatically stressed:

"I have come to say that these dispositions must be understood not only as basic principles consecrated in the Fundamental Law but also as the moral law of a commitment toward our own conscience and toward history."

Ironically, a few months later, he told Regis Debray, the French newspaperman and author, that these guarantees were only a necessary tactic because what was really important was the acquisition of power.

The opening gambit

The Chilean road to socialism was to have taken place within the so-called bourgeois institutional framework. However, it was soon discovered that the legal means and constitutional procedure left open to the government were not sufficient "to enable it to carry through the vast programs of economic, social and political transformation" which were necessary to bring about the total socialization of the country.

Within the government coalition, the communists relied on the ability of the proletariat to gain control of the legislative branch of government, a necessary step if drastic institutional changes were to be introduced. For this purpose it was necessary to rely on the help of other popular classes, especially those within the framework of the Christian Democratic Party. The hope existed in the minds of some government officials that a legislative alliance could be reached between the Christian Democratic Party and the Popular Unity. At the same time the communists insisted on the need to increase their control of the country by taking over the economy.

In the initial stage of his revolutionary government, Allende seemed to favor a peaceful road to socialism although his was a Marxist—not democratic—concept of the system. He never ceased to proclaim the principle of class struggle and the need to change the system drastically. He realized full well that he had to acquire power in order to carry out the revolutionary transformation of Chile, that "the destruction of the machinery of the bourgeois state and the replacement of it by another" was a necessary condition for the establishment of a Marxist state. To do this Allende had to destroy the power of the legislative and judicial branches of government as well as the whole apparatus of police power. Thus, he tried "to take advantage of whatever openings there were in the present Constitution to open the way for a new constitution, the people's constitution." He proposed that there should no longer be two houses in Congress but a Popular Assembly. In order to do this he hoped to submit the issue to referendum.

Once firmly entrenched in the Presidency, in order to reach the above mentioned objectives, Allende initiated a campaign to render ineffective the legislative and judicial branches of government, which he considered remnants of a decadent bourgeois democracy, all the while maintaining a propaganda of legitimacy. Fidel Castro of Cuba maintained the facade when he stated, referring to Chile's revolutionary process: "It is unique in the history of contemporary societies. It is unique in the history of Humanity, trying to carry out a revolutionary process by legal and constitutional methods, using the very laws established by the society or by the reactionary system, the very mechanism, the very forms that the exploiters created to maintain their class domination."

Within the leftist coalition of the government there were those who "advocated and practiced direct action in order to provoke a confrontation with the opponents of socialism" intending eventually to bring about a communist takeover by force of arms. The Marxist, Glauris Fernandez, expressed this revolutionary purpose very well when he said: "Today in Latin America, to be a communist is to form a vanguard in order to prepare and organize the masses militarily and politically for the revolutionary conquest of power by the people and the victory of socialism. This is what defines a communist. Not a Party membership card." That is why the formation of revolutionary military cadres within the industries that were gradually taken over by the government was a necessary step on the road to socialism. These procedures, which obviously went far beyond bourgeois legality, provided the stocking of large quantities of arms and ammunition later discovered in many of the industrial plants taken over by the State.

The fact that Allende's government made no serious efforts to suppress these activities made people aware that although Allende was outwardly proclaiming a peaceful road to socialism, he was condoning or encouraging resort to such illegal operations, especially by the MIR (*Movimiento de Izquierda Revolucionario*) and its followers.

Economic policy

When the Popular Unity government came to power in 1970, the rate of the gross domestic product (GDP) had fallen to 3.4 per cent, that is to say, a net gain of about 1 per cent on the population increase. The unemployment rate had reached 8.3 per cent. The reasons for such a poor performance were blamed by the Allende government on the incapacity of the existing capitalistic structure to solve Chile's economic ills. As Pedro Vuskovic, Chile's first Minister of Economic Affairs under Allende, expressed it, Chile's slow rate of economic growth was a function of "an increasing subordination of the Chilean economy to foreign interests; an increasing concentration in the ownership of the means of production and, accordingly, increasing concentration of control of the basic sectors of the Chilean economy by foreign interests or powerful national monopolistic interests, and an increasing concentration of national income.

We can contrast the Popular Unity's stated goals in economic matters with the results obtained during their three-year rule. The immediate economic goals set by the Popular Unity government are summarized as follows: (1) an increase in the rate of economic growth through a better utilization of existing resources, (2) a redistribution of national income in favor of the less fortunate groups of Chilean society and (3) a slowdown of the rate of inflation.

However, the fundamental approach to economic policy was "the replacement of the present economic structure with another one, which will allow the realization of a socialist and pluralistic society." To attain this end the government would develop three major areas of ownership: state, mixed and private; the state area being the prevailing one. "The purpose of this restructuring of the economy is to transfer the strategic economic activities from private monopolistic or foreign control to the control by society as a whole."

As Robert Moss noted: "These ideas, obviously, were far from being original. They formed part of the 'structuralist' approach to economic development which had been popularized by such organizations as the Economic Commission for Latin America (ECLA) of the United Nations. It is significant that the greater part of the members of the new class of Marxist technocrats of Chile—headed by Pedro Vuskovic, the first Minister of Economics of Allende; Jacques Chonchol, his first Minister of Agriculture; Alfonso Inostroza, who became President of the Central Bank of Gonzalo Martner who was in charge of the Planning Agency (ODEPLAN)—had all worked for given periods of time with the Food and Agricultural Organization (FAO) of the United Nations or for one of the other technical agencies of the United Nations. Their common approach to economic planning directly reflects a common experience."

In the very short-run the Allende government placed major emphasis on income redistribution. Every other aspect of economic development was left in the background. It was believed that a redistributive income policy would bring about an increase in consumption which in its turn would reactivate the economy and increase output as a result of a better utilization of existing resources. A major factor contributing to this phenomenon was to be the nationalization and conversion of the privately owned means of production into state ownership.

A substantial increase in purchasing power of the common laborer would stimulate production and thus bring about an increase in the living standard of Chile's working population. Thus, through income distribution and with the help of monetary and fiscal policy it was believed that output would increase. The existence of large stocks of raw materials, unused industrial capacity and heavy unemployment seemed to argue in favor of such a policy. Furthermore, it was expected that the profit margin realized by the private entrepreneurs would be able to absorb whatever cost adjustments would have to be made without the need to rely on price increases. The fact that in October 1970 Chile had foreign currency reserves equal to $449 million gave further ground to the belief that the supply of food and services could meet the increments in demand even if it were necessary to rely on the importation of increased amounts of food.

To increase the real purchasing power of the workers the government deemed it necessary to establish price controls so that the wage adjustments would be made without price increases. Such a policy obviously placed a heavy burden on the Chilean entrepreneur who was expected to accept it by simply seeing his profits dwindle.

Toward the end of 1971 it seemed as if the policy of the government had met with success: the GDP increased by 8.5 percent, the number of employed persons rose by almost 200,000 and personal consumption experienced an increment of 12.9 percent. It was also estimated that the shares of wage earners in national income increased from 53.7 percent in 1970 to 59.0 percent in 1971. Industrial output also increased by approximately 12 percent and the rate of inflation reduced to 22 percent.

Thus the first year of the Allende regime was one of euphoria among some non-Marxist circles. It was psychologically not the most appropriate moment to oppose the newly introduced measures of the Allende regime which supposedly were going to favor the working class.

The so-called area of state ownership expanded its control from forty-three firms on September 4, 1970 to ninety-eight in 1971. Another thirty-three firms fell under what was called transitory public control. According to Allende, toward the end of 1971 about 25 percent of total output was under state ownership.

The entire mining industry was under state ownership by the end of 1971 and the state could control over 80 percent of all bank credit due to its controlling situation in the ownership of both national and foreign banks. It also controlled over 85 percent of all export trade and about 45 percent of all imports.

In the area of agrarian reform, Solon Barraclough, the International Director of the Institute for Training and Research in Agrarian Reform (ICIRA) in Santiago, claimed that "the change in velocity of expropriation had been so great that one can speak of a qualitative change. During the period from November 1970 until March 1972, there have been 2,300 expropriations comprising about 210,000 hectares of irrigated land and nearly 3,000,000 of dry land." Jacques Chonchol, the Minister of Agriculture under Allende, claimed that "in 1971, 30 per cent of agricultural land was within the reformed sector, and this year (1972), with the land that is now expropriated, the figure is 50 per cent."

However, what was not stated in government circles was the impact that these expropriations and government controls had on production. Under Chonchol, the expropriations were carried out oftentimes indiscriminately and to the detriment of many well-run, privately owned farms. Statistics presented by the Office of Agricultural Planning (ODEPA) indicated that in 1971, production in almost all agricultural items had fallen in relation to 1970, and imports had increased by almost 30 per cent

Economic collapse

The apparent success of Allende's economic policies in 1971 was shortlived. Soon it became apparent that the new measures introduced by the Popular Unity government were leading the country toward economic collapse.

In 1972, the economic situation began to deteriorate rapidly. The increased demand of the working class, not sufficiently compensated by the growth of output, began to be felt in the price structure. Price controls could no longer keep the price level from increasing in a rapidly developing black market. A policy of income distribution and monetary expansion not accompanied by incentives to investment and increased output could only terminate in rampant inflation. The large inflationary pressures accumulated during 1971 and later in 1972 and 1973 as a result of government fiscal and monetary policies were conducive to the crisis that finally occurred in 1973. The government's expectations that public investment would at least compensate for the decline in private investment did not materialize, in spite of the heavy subsidies granted by the government to state-owned industries.

By the summer of 1973 the situation became chaotic. The GDP increased by only 1.6 per cent in 1972 in relation to 1971 and fell by 5.5 per cent in 1973. Industrial output fell in 1973 in relation to 1972 in almost all branches of industry with the exception of copper where production increased from 540,000 tons in 1970 to an estimated 609,000 in 1973. This rise in output fell far short of available capacity which had been augmented significantly during the years immediately preceding the Allende regime. The government had estimated copper production would increase to over 800,000 tons.

Food output also fell substantially in all items, especially in the production of wheat, where production dropped from 1.4 million tons in 1970–71 to an estimated 0.7 million tons in 1972–73. On a per capita basis the results were even more disastrous. On the other hand the level of agricultural imports increased substantially, from $168 million in 1970 to an estimated $500 million in 1973. This policy put an even greater strain on the deteriorating balance of payments situation. Domestic meat output also decreased substantially during the period 1970–73, especially during the first two years as a result of the slaughter of animals resulting from farmers' fears of imminent expropriation. Obviously the lack of confidence in the system and the fear of continuous expropriation, whether legal or illegal, contributed in no small way to the fall in agricultural output. The continuous protests of the farmers against price regulations which forced them to sell their products at ridiculously low prices when the price of that same product was sold in the black market at much higher prices were met with deaf ears by government officials. Furthermore the state controlled approximately 60 per cent of the distribution of foodstuffs, placing a further burden on both producers and consumers.

The monetary expansion of the Allende regime reached preposterous proportions. It is estimated that the budget deficit during the first nine months of 1973 amounted to approximately 174,000 million escudos. This is equivalent to 53 per cent of the total budget. However, if to this amount is added the losses suffered by the state-owned firms, the overall deficit is much greater. It was estimated that sixteen state-owned firms had a deficit of approximately 24,000 million escudos in 1973.

The total supply of money increased from 12,114 million escudos in 1970 to an estimated 406,715 million in 1973, (66 per cent in 1970, 113 per cent in 1971, 152 per cent in 1972 and approximately 469 per cent in 1973). Credit to the public sector increased from 1,459 million escudos in 1970 to 302,814 million escudos in 1973. Such an expansionary monetary policy could no longer avoid hyper-inflation with all its disastrous consequences. The consumer price index which in 1970 increased by 22.1 per cent further rose by more than 600 per cent in 1973. As a result it was estimated that real wages and salaries decreased by 28.5 per cent in October 1973 in relation to the same month in the previous year.

According to government estimates the balance of payments situation was in chaotic condition. The balance of trade for 1973 showed a deficit of $463 million and the balance of payments a deficit of $260 million. According to the Central Bank, the net international reserve position of the banking system fell from net credits of $343 million in 1970 to net liabilities of approximately $600 million in 1973. The foreign debt of Chile had increased by 31 per cent in 1973 with respect to 1970 and reached the incredible sum of $3,455 million at the end of 1973.

Although new authorizations of external resources coming from the World Bank, the Inter-American Development Bank (IDB) and other multilateral agencies almost came to a standstill during the three-year period 1971–1973, the gross flow of external financing received by Chile during that same period amounted to approximately $907.8 million; $479.6 million from public sources and $428.2 million from private sources. The reason for this is that although authorizations no longer took place, the sums already approved and allocated for given projects continued to arrive in Chile. In fact, Chile received during this period $238.7 million from multilateral agencies and $36.4 million from the United States, $10.9 million from the Export-Import Bank and over $5 million from the United States Agency for International Development (AID).

The data given clearly shows that the results observed in Chile's economy are a far cry from the economic goals set by the Allende regime when it came to power in 1970. Socialist apologists blame external forces and the power of the bourgeois, capitalistic elites which did not abandon Chile for the debacle; but the fact remains that the collapse derived entirely from the disastrous economic policies of the Popular Unity government which impoverished Chile and, by creating chaos, led the way to the overthrow of the Allende regime by the armed forces with the backing of Congress, the judicial system and the great majority of the Chilean people.

The doubt that still remains in some people's minds is whether the chaotic economic situation which prevailed in Chile in 1973 was the result of a well-organized plan to justify a communist takeover and the elimination of whatever remained of the democratic system or whether it was simply the result of inefficient and totally ineffective economic policies on the part of left-leaning bureaucrats at the service of the Popular Unity government. The results in either case were disastrous for the people of Chile.

Subverting the constitution

The *Movimiento de Izquierda Revolucionario* (MIR) constituted the vanguard of the guerrilla movement in Chile. The members of this movement firmly believed that the Marxist revolution could only succeed by way of armed revolt. That is why their main objective consisted of general strikes and popular militia uprisings. For many years they had been preparing the Chilean workers for such an eventuality and for this purpose they tried to coordinate the guerrilla movements in the cities with those in the countryside. The taking of private businesses, farms and even individual dwellings was a goal of the MIR movement. As Roberto Pinto stressed: "In the new conditions created in Chile, it is very easy to carry out seizures. It is not difficult to mobilize small groups of workers to take a factory, a large rural estate, or some dwelling. But what is genuinely revolutionary is helping the government achieve its program and mobilize masses in pursuit of this accomplishment. But it must be the masses and not small groups, the organized masses, the masses with social consciousness, the masses with a clear understanding of the final objectives of their struggle." That is why MIR has repeatedly recommended that the masses must unite in their struggle against the establishment. This is the only way they will be successful in "the battle for the conquest of power for the workers."

The MIR was conscious of the fact that sooner or later Allende would have to break with the constitutional framework and for this reason they were feverishly preparing for the armed revolution and the takeover of the country by force. The acquisition of arms, military training and continuous infiltration in government spheres, not excluding the armed forces whenever possible, were top priorities among the MIR leadership. According to Robert Moss, the MIR was trying to proselytize within the armed forces, especially within certain elite regiments such as the "black berets", a group of special forces in Chile. Moss goes on to say that toward the end of 1970, the Chilean High Command was forced to retire a number of junior officers in that special unit for political reasons.

Later on, when Allende became President, the MIR limited its activities to creating divisions between officers and the rank and file. The MIR also kept close contact with

Catholic groups of the left and a series of common public meetings took place between both factions in Santiago and Concepcion. According to Moss, the MIR and the so-called Christian left were organizing jointly a coordinating committee which undoubtedly would have served to increase the close contacts that already existed between the MIR, Altamirano, the Secretary General of the Socialist Party, and the left wing sector of the Christian Democratic movement.

Meanwhile Allende proceeded with his policy of communization of the country while at the same time pretending to work within the Constitution and the laws of the country. Under cover of old legislation which was no longer in use, he proceeded to decree the expropriation of many industries. The formula used by Allende had served the goals of communists elsewhere in their road toward socialism: to create labor-management conflicts or to create the image of inefficient or insufficient production in order to justify intervention and, at a later stage, expropriation of industrial firms. Other tactics used by the government were the use of legal ambiguities in order to buy shares of a given industry and thus acquire the ownership of said industry. An example was the banking industry. Under the threat of expropriation, many stockholders sold their rights to the government and as a result Allende was able to announce toward the end of 1971 that the state owned 57 per cent of the shares of the private banking system. Three major private banks not owned by the government were intervened.

The campaign against the Judiciary increased in intensity as the months went by. Attacks were centered in a very special way on the Supreme Court. The government used every means available to undermine the highest Court of the land and advocated the creation of neighborhood tribunals for the further purpose of surveying and re-educating the population. However, such measures always met with resistance on the part of the legislative branch and thus never received congressional approval.

Toward the latter part of 1971, the Christian Democrats presented to the Congress a Constitutional Amendment which would have forced the government to define the three areas of ownership—state, mixed and private—and establish limitations in the area of state ownership. In addition, the opposition requested that the government should return to its rightful owners all the industries that had been unlawfully expropriated since October 14 of that year. Although the Amendment was approved by Congress it was never accepted by Allende. Allende's refusal to listen to a Committee named by the Chamber of Deputies to investigate the whole system of government interventions in industry was another instance of the Chief Magistrate's disregard for Congress.

The government tried to suppress the press—but in a legal way. The first step was to nationalize the paper industry and thus acquire the control of a product which is vital to the newspaper business. The government Corporation for Development (CORFO) announced as early as 1971 that it would buy the shares of the Paper and Cardboard Manufacturing Company. A campaign was launched simultaneously against the firm in order to create panic and force the shareholders to sell their holdings to the company. Opposition to the government's initiative came mainly from the employees of the company who saw quite clearly the government-instigated maneuver to take over the entire paper industry; but government attacks against the company and consequently against the press continued by many subtle means.

By the end of 1972, the political intentions of the government seemed quite evident in spite of the divergence of opinions between the socialists, the communists and other groups of the Popular Unity coalition. The policy of a peaceful road to socialism had met with failure because the people through their representatives in Congress were not willing to approve Allende's economic policies leading to greater collectivization and the final establishment of a communist regime. This gave ground for the more leftist groups within the government, with the tacit approval of Allende, to accelerate their plans for a violent takeover.

The most outspoken group in favor of violence was the MIR. Their main strategy centered around the so-called "industrial belt" surrounding the city of Santiago where the nationalized and state industries were mainly located. Together with the revolutionary camps organized by the MIR and the socialists, the industrial belt constituted the center of operations from which an attack against the very heart of Santiago could be launched. In this area were concentrated the key industries. Once they were controlled it was relatively easy to paralyze the economic and political life of the country.

Well-organized military groups were operating in such state-owned industries as "gas (ENADI), electricity (ENDESA and CHILECTRA), communications (the Telephone, Telegraph and Postal Services) and the public supply to water." It can be concluded that the new class of state administrators was more preoccupied with the art of waging war than with increasing output and improving the standard of living of the Chileans.

Military intelligence was well aware that the area around Santiago was full of foreign instructors—Cubans, Czechs and East Germans—and that arms of all types were flowing abundantly into the region from foreign sources. A Central Committee of Rural Commandos was even created which set its own economic and political goals. The revolution had to be carried out, no matter what the consequences. It was the Commandos' role, when the time was propitious, and with the help of the popular masses, to challenge the military establishment in an armed conflict. The Rural Commandos were to become the Soviets of the new Chile.

The sophistication of the methods used by MIR, especially in the training of militia and in guerrilla warfare, indicate that the organization was well advised by foreign experts. The Cubans played an important role in the development of MIR strategy.

Toward the middle of 1973, when the political and economic situation had become unstable, the possibility of a self-imposed coup became a reality. It was the only road of survival for the regime. Realizing quite well he had placed himself outside the legality of the system by disregarding all legislation presented to him by the legislative branches of government, Allende had no other alternative but to resign or to follow the advice of the extreme left within the Popular Unity coalition. The inevitable occurred on May 26, 1973 when the Supreme Court of Justice officially declared that President Allende had violated the basic precepts of Chile's Constitution. On June 25, the Supreme Court repeated its finding. This was followed by a similar statement by the Comptroller on July 2 and finally by the Chamber of Deputies on August 22. The Resolution passed by the Chamber of Deputies stated that the military should not participate in the Allende government and back policies of a biased minority. On the contrary, they should re-establish the reign of the Constitution in order to guarantee the stability of the institutions and to insure civil peace and the security of the nation.

According to the Chilean Constitution, Congress can dictate that the President is unable to exercise his mandate because of violations of the Constitution. Therefore, Congress can force him to resign. Although the opposition had the votes to carry such action in the Chamber of Deputies, it lacked the necessary two-thirds vote in the Senate, so a stalemate ensued.

The decision of Congress to condemn the illegal acts of the government gave legal ground to the military takeover which occurred a month later. In addition, the fear of a leftist blood bath which would have done away with whatever remained of constitutional rights seems to have been confirmed by the amount of munitions and weapons found by the military government after the events of September 11, 1973. According to information revealed by the armed forces, the Popular Unity movement planned to liquidate all the high ranking officers of the armed forces, all major political leaders of the opposition and the labor leaders opposed to the government. The coup was prepared for September, 1973—a week after the armed forces decided to move in and save Chile from a violent communist takeover.

Military intervention

Up to the middle of 1972, it seemed improbable that the armed forces of Chile would participate in a military venture to the overthrow of the Allende government. The possibility of an intervention by the military seemed very remote indeed, "unless the country were to reach a situation of open violation of the constitutional guarantees and the laws of the country." However, the situation in Chile thereafter deteriorated to such a degree and the polarization of forces reached such proportions that violence became inevitable.

The Popular Unity coalition had attempted, especially in 1972 and again in 1973, to neutralize the power of the military by inviting military leaders to participate in the government. After the October strike of 1972, Allende accepted the resignation of all his Cabinet and appointed military men to the ministries of Interior, Mining and Public Works. However, to neutralize the influence of the armed forces he also appointed Luis Figueroa, President of the Central Unica de Trabajadores (CUT) as Minister of Labor, and Rolando Calderon, socialist of the radical left, as Minister of Agriculture.

The "integration" of the armed forces into the Popular Unity program was an objective of the Allende government. Up to the very end of his regime, involvement of the military in the economic and social life of the country increased considerably.

The Marxist-socialist alliance always feared that the Chilean armed forces favored the bourgeois type of democracy; that in fact they constituted "the main support of formal democracy and will always act in its defense." According to this Marxist analysis, the military are the referees who determine in the last analysis whether the rules of the game (bourgeois democracy) have been infringed. Thus, "in the face of this armed bourgeois referee, the proletariat has no other alternative than to oppose its own armed force, in order to be able to impose the rules of the proletarian game."

After the congressional elections of March 1973, the military resigned from their government posts, partially from disillusionment and partly because they saw no need for their remaining in office once the elections had been held. The military were becoming increasingly preoccupied with the situation as it was developing in the country. They were concerned about Allende's unwillingness to listen to their petitions concerning (a) the need to establish legislation defining clearly the public and private sector of the Chilean economy, (b) the advantage of establishing a dialogue with the opposition parties, (c) the curbing of the armed paramilitary groups and (d) the attainment of an understanding with the United States.

The situation continued to deteriorate as the months went by. As violence and violation of the constitutional rights of the citizens increased, it became more and more obvious that the military would have to take a stand, unless they were willing to wait idly while the whole country was being communized and a "popular legality" established in lieu of the Constitution and law.

The tactics tried by Allende to change the political and economic structure of the country had failed. The legislative and the judicial branches of government and the great majority of the people of Chile were not willing to follow the so-called road to socialism.

Realization of this failure gave more ammunition to the extreme left, which wanted to complete the revolution through armed violence and the suppression of Congress. As a result, an increasing number of leaders of the Popular Unity coalition adopted the more aggressive line of thinking and relied increasingly on violence as the only remaining alternative if the revolutionary process were to reach its ultimate conclusion. Allende had never heen totally against such an alternative. He always saw it as a last resort and considered it useful "when it becomes apparent that one cannot win through educating the people."

Attacks against the opposition and rumors of possible military coups were widespread in Santiago and all over the country. Much has been said by some intellectuals about the violence of the ultra right. However, as Robert Moss has stated, "the pranks of the extreme right were trivial when compared with the sinister uprising of the armed brigade of the workers." The new spirit that was rapidly developing within the armed forces as a result of the disastrous policies of Allende helped to unify the armed forces and prepare the ground for what occurred in September 1973.

The two major problems directly affecting the Chilean armed forces were: a continuous process of infiltration to which they were submitted, especially during the last year of Allende's mandate, and the ever-increasing number of paramilitary armed forces which were being organized by the MIR, with at least the tacit consent of the President.

The Chilean military were well aware that Lenin had said no revolution could succeed without the disorganization of the existing armed forces. For this reason the Popular Unity coalition considered it imperative that the armed forces be either neutralized or else infiltrated and finally destroyed so that it would no longer be the guardian of the Constitution.

According to Marxist-Leninist principles, the armed forces and the intelligence services—together with the executive, legislative and judicial branches of government—constitute part of the power structure of the bourgeoise society. Thus, it is necessary to destroy, along with the bourgeoise type of democracy, the entire military establishment. Otherwise a real Marxist revolution cannot succeed.

The existing military establishment cannot serve the new class which rises to power with the Marxist revolution. That is the main reason why it must be destroyed.

Luis Corvalan, the leader of the Chilean Communist Party, said a few days after Allende's rise to the presidency that "the people have conquered the government, which constitutes one part of the political power. It must strengthen this conquest and advance even more; it must see to it that the entire political power, the entire state apparatus pass into its hands." Two years later in 1973 he was saying: "The reactionaries accuse us of trying to acquire power in its entirety. Yes, gentlemen, we want every power to be at the service of the people. . . ."

Sergio Ramos, a leading member of the Technical Commission of the Chilean Communist Party and special advisor to Allende, said in 1972 that "the conquest of political power has to go necessarily through the destruction of the army and the police force."

The main tool in the hands of the government for the destruction of the armed forces was the so-called "power of the masses." Such an objective would be obtained either gradually—the peaceful way—or in a more drastic way by violent methods. The power of the masses, or popular power as it was often called, resided—according to the communist leader Figueroa—in (a) the government, and (b) the political parties constituted in the Popular Unity Coalition, the CUT and various organizations of the masses. Apparently the remaining sections of Chile's population—the great majority—were kept out of the power structure.

As far back as 1972 the Communist Party—not necessarily the ultra left (MIR)—was already talking about the possibility of destroying the armed forces by means of the "popular power." A year later in 1973, Ramos himself stated that "the development of an alternative to power means the development of conditions that permit—if this were the case—the defeat of the repressive apparatus of the state: the permanent army and the police."

The methods used by the Popular Unity coalition to carry out the gradual destruction of the armed forces can be summarized as follows: (1) infiltration, (2) division, (3) gradual elimination of army leaders, and (4) neutralization of the armed forces.

The old tactic of winning over the soldiers and creating division between progressive and reactionary elements within the military was widely applied in Chile, though with little success. The communists tried to foster the revolutionary process by attempting to win over to the side of the "people" what they called "the patriotic and democratic sectors of the army." The government also tried to get rid of the more "reactionary" elements within the armed forces by early retirements and by whatever other means they had at their disposal.

The destruction of the armed forces could also be obtained—apart from the peaceful means mentioned above—by the use of direct violence. Leaders of the Popular Unity government were firm believers in the class struggle. Once the conclusion was reached that armed conflict was a necessary condition for the survival of the Marxist revolution, the Allende government could not but follow the policy recommended by Lenin many years ago: "Whoever admits the class struggle cannot but admit civil wars. . . . The oppressed class that does not desire to learn the use of arms, to have arms, only deserves to be treated as a class of slaves. Because, if we do not want to become bourgeois pacifists or opportunists, we cannot forget that we live in a society of classes, from which there is no other way out but by way of the class struggle. . . . Our aim should be: arm the proletariat to defeat, expropriate and disarm the bourgeoisie."

Thus, it became necessary to follow the basic rules of armed insurrection as established by the Academy of Social Sciences of the Soviet Union. The most important rule, especially in the case of Chile, was the one related to surprise: "Make every effort to surprise the enemy and take advantage of the moment in which its forces are divided." It is of utmost importance to physically eliminate the leadership and with the element of surprise perform the assault against the chief of the army, police, navy. It is our duty, said Lenin, to exterminate the civil and military chiefs.

Corvalan, the leader of the Communist Party in Chile, expressed the aims of his party when he said at the beginning of 1973:

"It would be too much of a simplification if we claimed that the attainment of our revolutionary objectives is simply a question of votes. No. We have never considered that Chile's revolutionary way is exclusively an electoral way. It is a road of continuous clashes, of an acute class struggle in which the most important thing is the mobilization, the aggressiveness of the masses and the growth of their revolutionary conscience."

The discovery by Chilean Naval Intelligence of an armed rebellion which was being prepared by the sailors of the cruiser Latorre in Valparaiso and by certain units in the base of Talcapuano added crisis to the chaotic economic and political situation which prevailed in the country. With the backing of the legislative and judicial branches of government and large sections of the Chilean population, the military led by General Pinochet were ready to take action. There was evidence that the government was planning an armed revolt backed by its paramilitary organizations and by the armed workers in the nationalized industries—a plan which was later confirmed by the military government. If the military had not taken the initiative, the government would have launched a wave of revolutionary violence that would have wiped out the armed forces as "defenders of the bourgeoisie" and destroyed all opposition, whether coming from the Christian Democrats, the National Party or any other sector of the country. Communism would have been firmly established.

Conclusions

For many years people will talk about Allende's experiment with Marxism. His peaceful road to socialism will be applauded by some and criticized by others. Within the communist camp there will be many who will blame Allende for not having taken a more "realistic" attitude and chosen at an earlier stage a more violent means to attain his professed aims.

Can Marxism be attained by peaceful means through the electoral process, as Allende seemed to believe when he was elected President? The Chilean experience seems to belie such an alternative. Fortunately, people tend to react against the antidemocratic forms of a Marxist experiment and refuse to let their freedoms expire at least without a struggle. Chile is the best example of such an attitude. Most of the common people were not convinced by such slogans as "the people's democracy", "the rule of the masses", etc. They carefully analyzed the evolutionary process in the road to socialism and were keenly disappointed with the experiment.

The economic and political chaos which plagued the country during the Allende era will not soon be forgotten. An economy in total ruin and the political system practically at a stand-still can hardly be an example for emulation. It is easy to blame the outside world for actions which are mainly taken at home. Any impartial observer will have to conclude that the economic chaos which resulted in Chile was either the result of an inefficient and ineffective government or the aim of a well-organized plan which through expropriation, inflation, rationing and economic chaos would justify an eventual dictatorship.

To make matters even worse, the government sponsored, or at least tacitly approved, paramilitary organizations which were being actively prepared for armed conflict. Such a policy together with the arming of the workers in state-owned firms created a constant threat to the stability of the nation and to the armed forces in particular. The continuous disregard for the Constitution and even open violation of it and of the laws of the land could not be tolerated indefinitely.

When the judicial branch of government and the Chamber of Deputies requested the resignation of the President, their petitions were totally ignored by Allende. The only remaining force capable of restoring order and normality to the country was the armed forces, and it is to them that the people of Chile turned in their hour of danger. If the military had not taken the initiative, the armed rebellion which was being prepared by the Popular Unity coalition would have put an end to democracy in Chile and established a dictatorship of the proletariat.

In the author's opinion, the action of the armed forces in the military intervention of September 11, 1973 saved Chile from a communist takeover. It is now the duty of the armed forces to prove to the world that their intentions were simply to carry out a mandate of the people and restore the democratic process to Chile. The road ahead is not going to be easy, because the forces of communism will not stop in their endeavors to create trouble for Chile both on the international and on the national level. In addition, the chaotic economic situation inherited from the Allende era will not be easily solved, but it is the author's opinion that the Chilean people will rally around the military government and work for the betterment of their country until one day—hopefully soon—the damage of the Allende interlude is repaired and the situation is once again ripe for the restoration of the democratic process.

LAW DAY

Mr. FANNIN. Mr. President, today is Law Day. It is a time for us to pause to reflect on the fact that ours is a nation of rule by law, not rule by men. The Casa Grande Dispatch carried an editorial earlier this week pointing up the importance of our legal system and the significance of Law Day. I ask unanimous consent to have this editorial printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

STRENGTH OF OUR LAWS

Like other good things in life, we tend to take the law for granted—until we no longer have it. When our legal system breaks down—for even a short time—anarchy results.

In our nation, we are fortunate to have witnessed relatively infrequent, isolated examples of chaos. Others living under less stable governments are less lucky. Today, in many parts of the world, the "law" is made by the leaders who have the power, the arms, and the money at any given moment.

Ours, by comparison, is a government of laws, not men. Our Republic has been tested often and has proved strong enough to withstand wars, depressions, and official misconduct.

There can be no guarantee the United States will last forever, even though we now have the longest lasting government with a written constitution. The one way to help assure that next year's Bicentennial will be the forerunner of many similar celebrations to come is to educate our children in the meaning and spirit of American justice.

The American Bar Association and its nationwide affiliates again this year have designated May 1 as "Law Day." All of us would do well to join the celebration. Make a date with justice on May first—Law Day 1975!

TESTIMONY BEFORE CONGRESSIONAL COMMITTEES

Mr. SPARKMAN. Mr. President, on April 25, Ambassador Dean Brown, the coordinator of the Vietnam refugee program, failed to appear before the Senate Refugee Subcommittee. The Washington Star quoted John Hushen, assistant White House press secretary, as explaining:

> It is traditional that presidential appointees not confirmed by the Senate not be called to testify before Congress.

Mr. Hushen is mistaken, and I would not want his statement to stand unchallenged. Among the Presidential appointees not confirmed by the Senate who have testified before congressional committees are Peter Flanigan, Richard Goodwin, Sherman Adams, Robert Cutler, Robert E. Merriam, Gerald D. Morgan, Lawrence F. O'Brien, General E. R. Quesada, Roger L. Stevens, Dr. Stafford L. Warren, and Dr. Jerome Wiesner.

CPL. CHARLES McMAHON, JR.

Mr. BROOKE. Mr. President, our tragic involvement in Vietnam has finally and thankfully come to an end. But the end did not come without personal tragedy for a family in Woburn, Mass., and indeed for the Nation.

That tragedy occurred on Monday, April 28, during the final stages of the American evacuation from Saigon, when an enemy rocket attack took the life of Marine Cpl. Charles McMahon, Jr. Corporal McMahon had been assigned to protect American and Vietnamese evacuees at the Tansonnhut airport near Saigon. He was only 21 years old and had been in Vietnam just 2 weeks.

Corporal McMahon's life was typically and solidly American: He was by all accounts a model citizen. This was best exemplified by his long and devoted affiliation with Woburn's Boys Club, where he was always pitching in and lending a helping hand. In recognition of this great community contribution, the Boys Club named him Boy of the Year in 1971.

As a Marine, Corporal McMahon attended the Marine Embassy School here in Washington, D.C. He graduated at the top of his class and became one of the 120 Marines to be given the very sensitive and very difficult assignment of protecting the U.S. Embassy in Saigon throughout the last agonizing hours of the war. His courage, skill, and professionalism helped make our last-minute exodus as safe and orderly as possible. For this our country is in his debt.

Mr. President, it is always a deep, personal tragedy when a child predeceases his mother and father. War, by its ugly nature, provides too many opportunities for such tragedy. And this, perhaps more than anything else, underscores its true cost.

For Corporal McMahon's mother and father, Edna and Charles, for his older sister, Susan, for his younger brothers, Scott and Michael, no words can possibly relieve the burden of grief they now bear. But I do want to extend my deepest sympathy to each of them and offer my most heartfelt prayers that God see them through these difficult days.

VIETNAM

Mr. FANNIN. Mr. President, our country's military involvement in Vietnam has come to a close. Our Armed Forces and our officials have been withdrawn. President Ford has observed that we have come to the end of an era in our efforts in Southeast Asia.

Yet we cannot close the books on our interest in Southeast Asia. We still do not know what happened to 1,363 American servicemen who were listed as prisoners of war or missing in action. We know that many of these men were alive after capture, but they were not accounted for as required in the Paris Peace Agreement of January 27, 1973. It is my understanding that the remains of only 23 of over 1,100 Americans known dead on Communist soil have been returned to the United States.

The Hanoi government blatantly disregarded the Paris agreement in its drive to defeat South Vietnam militarily, and the Communists likewise refused to provide the promised help in accounting for U.S. POW's and MIA's.

Mr. President, North Vietnam had a legal and moral obligation to abide by the agreement that government made at Paris. The United States had a legal and moral obligation to see that North Vietnam abided by the agreement. We all know that North Vietnam did not live up to the agreement.

The United States is not omnipotent nor omnipresent. Other free world nations—including nations we unselfishly helped save from Fascist enslavement in World War II—chose to ignore Southeast Asia and declined to give any support to our position in regard to the Paris agreement.

Mr. President, the families and friends of those Americans still missing and unaccounted for in Southeast Asia continue to suffer greatly. The missing men fought valiantly for their country and for the freedom of a people half way around the world. We cannot abandon them or their families because of the events of the past several weeks.

Perhaps it is too early to say exactly what future course should be pursued in our efforts to complete the task of accounting for all of our servicemen, but we must renew our pledge to get this accomplished at the earliest time possible.

One would hope that the Communists, having achieved their military objectives, would want to demonstrate to the world that they do have some humanitarian instincts. It would appear to be to their advantage to clear the books, to help account for our MIA's and POW's.

Mr. President, if the Hanoi government will not do this voluntarily, we must find a new means of putting pressure on the Communists. We must make them keenly aware of the fact that these 1,363 missing Americans are extremely important to us, and that it will be in their interest to help account for them—

to release any prisoners they may still hold; to locate and return the remains of those who died; and to document what happened to each and every one of these Americans.

THE NATIONAL CANCER PROGRAM

Mr. JAVITS. Mr. President, the national cancer program has come under some criticism on biomedical research and it is essential that the response by knowledgeable experts to such criticism have our attention.

Uniquely qualified to respond to such criticism is Benno C. Schmidt, the distinguished Chairman of the President's Cancer Panel. I commend to the attention of my colleagues his remarks at the recent Comprehensive Cancer Centers Conference conducted at Duke University Medical Center and ask unanimous consent that it be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JAVITS. Mr. President, as an author of the National Cancer Act I share the concerns expressed by the scientific community. However, it is important to recognize that the Office of Management and Budget—OMB—has frustrated explicit congressional intent—that increased funding for cancer research was to serve as an appropriations flagship and stimulate across-the-board increased funding for all biomedical research.

At the same time it is important—as Mr. Schmidt points out—that the public and the scientific community realize the amount of major biomedical research that is being funded under the cancer program, over $300 million last year.

I share the concern expressed by Mr. Schmidt that the other Institutes which have traditionally supported basic biomedical research—General Medical Sciences, Allergy and Infectious Diseases, Arthritis and Metabolic Diseases, and Neurological Diseases—have not had their budgets increased at anything approaching the rate of increase for the cancer budget. However, the scientific community should come to realize the extent of the support by the Cancer Institute of basic, fundamental research.

Although not solely related to the war on cancer, I would also focus my colleagues' attention on Mr. Schmidt's additional comments respecting research training, with which I am in complete agreement, to wit:

> The most serious mistake we have made in the support of our biomedical research during the short period that I have been actively associated with this enterprise was the discontinuance by OMB of the biomedical fellowship and training programs. It is absolutely essential to our success in the Cancer Program and in biomedical research generally that we bring a portion of our brightest young people into these programs, and fellowships and training grants have proved to be the most effective and most economical ways of doing that. These are among the best dollars we spend in terms of value received.

Certainly Mr. Schmidt's thoughtful rebuttal to the arguments made against the training grant and fellowship program, in which he concludes such arguments do not stand up under examination, merits our earnest consideration.

EXHIBIT 1

REMARKS OF BENNO C. SCHMIDT, CHAIRMAN, PRESIDENT'S CANCER PANEL

These are very interesting days for those of us responsible for the National Cancer Program. The criticisms are coming in from all quarters and they need careful listening to, and even more careful sorting out. There are some hard things being said, and we need to think our way through the answers.

This morning I would like to deal with several of the fundamental questions which have arisen and then conclude my remarks by returning to the issue of training, which is my assigned topic on your agenda.

In 1970, when the Senate Cancer Panel was appointed, biomedical research in general and cancer research in particular were on the back burner. The National Cancer Institute's budget for that year was $180 million. In 1971, as a result of the discussions then taking place in the Congress, the budget was increased to $228 milion. In 1972, the first year after the passage of the Act, the budget was $378 million. In 1973, it was $432 million; in 1974, $589 million; and the 1975 budget is $691 million. As a result of these increases, we have been able to give this country programs in basic biomedical research and clinically-oriented research that are unprecedented, both in their scope and in their excellence.

While the other Institutes of the National Institutes of Health have not had increases comparable to cancer, the total NIH budget for biomedical research is $2,090,000,000 in 1975 compared with $1 billion, 143 million in 1970. Notwithstanding these facts, we find that the National Cancer Program and the NIH programs generally are facing greater criticism today than ever before in history.

Underlying this criticism is a perception in the scientific community which is picked up in the press that these funds that are being provided by the Congress are not being well spent. Specifically, it is said that there is not a sufficient recognition of the importance of basic fundamental research; that those in charge of the programs are under the mistaken impression that the techniques of business management can be used to unravel the profound mysteries of biology; that an attempt is being made to target research which cannot be targeted; that we have become shackled by our own efforts at planning in areas where planning is impossible; that our insistence on targeting has resulted in an enhanced use of contracts at the expense of grants, and that contracts mean less effective research; that our preoccupation with centers is causing us to fund second-rate research at places called centers while first-rate research applications go begging in our traditionally excellent educational institutions; that control, demonstration and service expenditures are siphoning off the funds which should be used for research; that we do not appreciate the necessity for training the manpower that is needed to provide for centers is causing us to fund second-rate research demands; that we do not spend enough on clinically-oriented research; and that the instability in the application of the funding goes a long way to defeat the gains in amounts. These are the most frequently voiced complaints that I hear as I visit among the academic and research communities, and which we all see in both the professional and nonprofessional press.

In the few minutes available to me, I would like to deal briefly with each of these problems and see if we can, to some extent at least, separate myth from reality.

First, with respect to basic research, the actual expenditures of grant funds for good basic science programs subjected to peer-review and given high ratings have actually increased remarkably during the past three years. I do not think either the public or the scientific community has any perception of the amount of good basic biomedical research that is being funded under the Cancer Program (over $300 million last year). Moreover, most of this is investigator-initiated, peer-reviewed and grant-supported and meets all the criteria of the scientific community for assuring excellence. I think this criticism has arisen partly because of the failure of the scientific community to realize the extent of the support by the Cancer Institute of basic, fundamental research, and partly because the other Institutes which have traditionally supported basic biomedical research—General Medical Sciences, Allergy and Infectious Diseases, Arthritis and Metabolic Diseases, and Neurological Diseases—have not had their budgets increased at anything approaching the rate of the increase of the cancer budget. Naturally then, scientists normally supported by those Institutes have been discouraged and critical.

However, those of us responsible for the Cancer Program have always recognized the absolute necessity for strong fundamental science and for the increased funding of noncategorical basic research, both by the Cancer Institute and the other Institutes of NIH; and the fact is that the Federal government is funding more excellent basic research today than at any time in the past. Much more in the Cancer Institute, and we are making some progress in the other Institutes. For example, the budget for General Medical Sciences is $187 million in 1975 compared with $164 million in 1970. I realize that this increase does not even cover inflation, but it is better than it would have been without our help and we are fighting hard to get these budgets increased.

As for targeting, I wish that I could make clear once and for all the facts that those who manage the national cancer effort are not obsessed with the idea of targeting. There is some research that can and should be targeted and in those cases, with the advice of the best scientists available, a targeted effort is made. However, we are as aware as anyone anywhere of the limitations of targeted research, and we are not attempting to target the basic research that will give us the understanding of the origins and nature of cancer. Similarly, with respect to the issue of contracts vs. grants, we have been substantially diminishing the percentage of contract support and increasing grant support in the area of basic science, and we intend to continue to do so. One of the problems has been that our budgets often lump all contracts together, and this figure is taken by the scientific community to represent contract research. In fact, about half of it represents contracts for necessary supplies and services which could only be obtained through the contract mechanism. In any case, the contract device was in use prior to the commencement of the present National Cancer Program, and in spite of the fact that many basic scientists have told me that they have no trouble with supervision or interference under contracts, the present management of the NCI has been deemphasizing the contract mechanism in those areas where numerical preponderance of the best scientific advice casts doubt on its efficacy.

This brings me to the National Cancer Plan which has been the subject of so much criticism from so many scientists. When Dr. James Watson was reported recently as having said at M.I.T. that the National Cancer Program was a "sham," he was, in fact, talking about the National Cancer Plan. He made this somewhat clearer in a letter of apology than he did in his speech, but there is no question that he was talking about the Plan and not the Program. I suspect that if we took a vote, most scientists would be happier if there were no Cancer Plan—if there had never been a Plan. It seems to imply to a lot of people that somebody in a position of authority thinks that the problems of cancer can be dealt with in the same manner as the problems of building an atom bomb or landing a space craft on the moon. I assure you this is not true. The Plan is not designed for the purpose of telling us how to run the Program. The Plan was an attempt by the scientific community, by those responsible for doing the science, to indicate those areas which, at the present time, seem to offer the greatest promise. Like most plans, its principal value may well be in the communications which take place during the planning process.

However, it does not put the Program in any sort of straitjacket nor does it put blinders on those who are administering the Program. The Program is, in fact, what goes on at several hundred educational and research institutions, plus the intramural work at the NCI. This is determined for the most part by peer-review, largely on a random or ad hoc basis. So, in the last analysis, peer-review, not the Plan, determines the Cancer Program.

Those of you who are engaged in this work at your own universities know that the Plan is not determining what science you do or how you do it. I have never felt that worries about the Plan were particularly well-founded. Of course there is a large element of unplanned, untargeted, undirected, investigator-initiated science required in this undertaking, but no one thinks differently and there is nothing in the Plan to cause them to think differently. The Program is designed to provide an open system with fair and even peer-review and an environment optimal for discovery. We need brilliance, hard work, serendipity, and a large measure of good luck. I hope we are doing nothing to block ourselves off from any of these.

Another frequently heard charge, and one also recently repeated by Dr. Watson at M.I.T. is that our centers' support represents the support of inferior research and thus deprives institutions of greater excellence of that support. This allegation does not withstand examination. In supporting the 17 comprehensive centers that have thus far been recognized, we are not only helping to bring better clinical care to a greater number of our citizens, but we are also supporting some of the best research institutions that exist in this country. I think no one would question that the fundamental research done at this great University where we are gathered today, at Wisconsin, Sloan-Kettering, University of Chicago, Yale, the Institute for Cancer Research, Roswell Park, M. D. Anderson, Johns Hopkins, the Farber Institute, the Fred Hutchinson Cancer Research Center in Seattle, the University of Alabama, Mayo, Southern California, Colorado, and Miami compares favorably with the best biomedical research anywhere. Moreover, by historic happenstance, we support under our Centers' Program research not only at the great institutions which I have mentioned as recognized comprehensive cancer centers, but also at many other institutions including Stanford, the University of California, Indiana, Harvard, M.I.T., the University of Minnesota, Albert Einstein, Mount Sinai, and some fifty other fine institutions too numerous to mention, but including, ironically, Cold Spring Harbor Laboratory, where Dr. Watson's support has gone from $435,000 in 1970 to $1,685,000 in 1974 under the NCI Centers' Program which he condemns. So I say to Dr. Watson and those like him who question the excellence of the research supported under the Centers' Program that peer-review is alive and well in the Centers' Program just as it is in other programs of the National Cancer Institute. Perhaps we should change our terminology to avoid confusion, but there is nothing substandard about the substance of the Centers' Program.

We do support substantial quantities of clinically-oriented research under the Cancer Program and we must continue to do so.

Even as we seek more fundamental knowledge about the origins and nature of cancer, we must do everything within our power to prevent, diagnose, and treat cancer in accordance with the best technologies which today's knowledge makes possible. This is, in part, the meaning of the Centers' Program, it is the meaning of the Control Program, and it is the basis of the support by the NCI of a great deal of other activity in clinically-oriented areas. This type of research has brought us very gratifying advances in dealing with acute lymphocytic leukemia, Hodgkin's Disease and a number of rapidly growing childhood tumors, and it now appears to be bringing us marked advances in osteosarcoma and breast cancer. We also do extremely well in the treatment of a number of other cancers such as cervical and colon cancer where diagnosis precedes metastasis. We must and, of course, we will continue this work in prevention, diagnosis and cure, even though we are today in the area which scientists are fond of describing as "halfway" technology.

The most serious mistake we have made in the support of our biomedical research during the short period that I have been actively associated with this enterprise was the discontinuance by OMB of the biomedical fellowship and training programs. It is absolutely essential to our success in the Cancer Program and in biomedical research generally that we bring a portion of our brightest young people into these programs, and fellowships and training grants have proved to be the most effective and most economical ways of doing that. These are among the best dollars we spend in terms of value received.

Most of the arguments which have been made for discontinuing the training grant and fellowship programs do not stand up under examination. First, it was said that these programs were not based on need. This loses sight of the fact that the real objective of these programs is to get the help of the brightest young scientists and bring them into research, not simply to help pay for their education. This is not a case of the recipients needing our help, this is a case of our needing their help. Traditionally, a number of our notable discoveries are made by young investigators holding predoctoral or postdoctoral fellowships, and they are indispensable in the working laboratories.

Second, it is argued that we have sufficient biomedical scientists as evidenced by the fact that we are unable to fund a large portion of the approved grants. However, we cannot afford to neglect to infuse biomedical science continuously with the best young brains. Such a failure is costly now and will be even more serious later on. This argument is comparable to suggesting that the National Football League should have no draft as long as there are old players who want the jobs.

Third, it is suggested that these people can be brought into the program as technicians or scientific assistants. However, experience has proved that this is not the case. The prestige and independence which the fellowships and grants have traditionally provided is the attraction. The stipends are incidental and, in most all cases, less than the recipient could earn elsewhere.

Fourth, it is suggested that these programs have not been proved to be an important factor in determining career choices. However, the data proves the opposite. A very high percentage of our best and most productive scientists and our best teachers today held fellowships and training grants at the inception of their careers.

The Weinberger Program of fellowship grants enabled the NCI and other Institutes to restore a portion of the fellowships and the NCI has not fared too badly in restoring its programs because its expenditures have traditionally been principally for postdoctoral fellowships. In 1974, for example, we supported 405 Weinberger fellowships in the amount of $6 million, and our old training grants programs carried forward in the amount of $10 million, so that these, together with the research career awards, the career development awards, and the clinical training grants meant that the NCI spent in support of training activities in 1974 about $25 million. This year we will be continuing to phase out some of these older programs, but new grants will be made under the National Research Training Act so that expenditures for training in 1975 will be at the level of about $26 million. In addition, a clinical education program has been added to supplant the old clinical cancer training grants, and that program will be underway to a substantial degree this year. Therefore, we are once more supporting training in a very substantial way, even though the programs are not as clear and straightforward as we would like them to be.

The new National Research Training Act has been criticized on several grounds: (1) that it puts too much emphasis on individual fellowship awards and too little on institutional grants, (2) that it fragments the programs by introducing the concept of "areas of need," (3) that it requires repayment to people who have already earned their stipends, and (4) that it may have a tendency to keep the worst people in the research and teaching establishment by making it expensive for them to get out. I also have the concern that there is not enough training money support for the predoctoral programs for the Institute of General Medical Sciences which are, in my opinion, so essential to directing the brightest young people into this effort at the critical point in their careers.

The worst aspect of the training picture during the past few years has been the on again-off again uncertainty that comes with defining new programs, producing new regulations, not having funds in certain periods, having funds in other periods, and putting the whole research establishment in the hurry-up-and-wait, now-you-have-it, now-you-don't posture. However, we are supporting training substantially, and I hope we are in the process of getting a uniform understanding and a uniform program that can go on year after year without the turbulence that has characterized the past several years. This has been very distressing, I know, from the standpoint of the institutions, and it has made for less efficient expenditure of the Federal dollars in this field.

Before concluding, I would like to say a few words about the biomedical research budget, because there is no question that the combined problems of inflation and recession and the economic difficulties which confront us have created great pressure for the reduction of Federal expenditures on biomedical research. This is one of the few areas that can be reduced and therefore it is a prime target. However, it is my opinion, and has been my advice to the President and to the Congress that it would be a serious mistake to cut these programs in such a way as to lose the momentum that has been established. I think we must continue our Federal support.

Unfortunately, in a free enterprise system, basic biomedical research cannot be carried forward on the scale that is required without Federal support. Profit incentives are not there to support adequate basic research in this area, and philanthropic institutions, while providing the bulk of the facilities and personnel needed for this enterprise, must have government help in order to stimulate their activities and to sustain them at the level which the public interest requires. It is this mix of public support and private sector initiative that has made our biomedical research establishment the envy of the world.

I feel that we must maintain this support at a satisfactory level for several reasons:

(1) This is not an enterprise that can be turned on and off on the basis of fiscal expediency. The facilities and the highly trained and skilled manpower required for this job will not be there in the future if we allow our support to lag now. We must not dissipate this intellectual and organizational establishment. It is a national asset of incalculable value which it would take years to replace, and the lost time and lost progress would never be replaced.

(2) The cost of medical care is such an enormous and increasing expense for our people and, therefore, for the government, that we cannot afford to starve the research efforts which will provide us the knowledge we need to avoid the crushing burdens of medical care. This wholly practical consideration is entirely apart from the human consideration is entirely apart from the human considerations involved in the effort to get better answers to cancer, heart disease, arthritis, diabetes, multiple sclerosis, and the other diseases that agonize our people and fill our hospitals.

If any well-run business were spending $100 billion per year on medical care, it would be spending at least 5% of that amount on research to reduce those costs. While we cannot go to that level under today's circumstances, sound business judgment requires that we not cut back on the present effort.

(3) Biomedical research is now at a point where our research dollars are likely to be very rewarding.

We are not groping in the dark today for answers. We are now able to ask good questions, and molecular biology, cell biology, and other aspects of biomedical science have advanced sufficiently in recent years that good answers will be forthcoming. Therefore, we can use the money well, even if measured solely in terms of practical results; and, as you know, it is a mistake to apply "foreseeable practical results" as the sole measurement of whether basic science is worthwhile. Often it is the unforeseen and unforeseeable results that provide the biggest payoff.

(4) Taken in their total context, these expenditures are not inflationary. Their discontinuance may well be inflationary. Except for the results of past biomedical research, we would still be saddled today with the horrendous costs and burdens of tuberculosis, polio, and all of the infectious diseases which through research have been virtually eliminated from our medical picture. We must continue our research until cancer, heart disease, stroke, arthritis, multiple sclerosis, diabetes, and other reachable afflictions have been added, or largely added, to that list.

(5) The Federal expenditures in biomedical research are leverage dollars. Hundreds of millions of dollars of institutional facilities built by our universities and other philanthropic institutions, and thousands of people whose salaries are paid by these institutions, are mobilized in the cause of biomedical research by the relatively few Federal dollars that are spent in stimulating this activity. However, stop the flow of Federal dollars under today's circumstances, and these essential activities will grind virtually to a standstill. This we must not do.

In addition, at a time when we are engaged in a certain amount of pump priming to aid depressed segments of our economy, what assistance is more deserving and more important than the assistance which these research and training dollars give to the nation's finest educational institutions? In 1974, 106 institutions received support from the National Cancer Institute in excess of $1 million. Those institutions need that support more than ever in these times of severe economic recession and, in my opinion, there is no segment of our society which it is more important for us to protect.

In conclusion, all of you in the scientific and medical community, and all of us connected with the program must continue to explain at every opportunity to the American people and to the Congress that the Cancer Program is a vast undertaking which will require long-term support and great patience. We are still far away from being able to put either a date or a price tag on the ultimate conquest of cancer. We are making progress in our understanding of this disease and such discoveries as reverse transcriptase, the understanding of the kenetics of malignant cell division which enables us to target our treatment chemicals more effectively, and the recent isolation of what appears to be a human cancer virus are discoveries of enormous importance, and there are many others, and there is no question that the benefits of our research will be increasingly available to the American people in the form of better treatment as time goes by. But it is a long road that will require patience and constancy on the part of the Congress, the Administration, and the public.

Thank you for the opportunity of meeting with you this morning, and my thanks to all of you for the important work which you are doing.

ORDER FOR RECESS UNTIL MONDAY, MAY 5, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 12 o'clock noon on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR THE SECRETARY OF THE SENATE, THE VICE PRESIDENT, THE PRESIDENT PRO TEMPORE, OR THE ACTING PRESIDENT PRO TEMPORE TO TAKE CERTAIN ACTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to receive messages from the House of Representatives and from the President of the United States during the recess of the Senate over to 12 o'clock noon on Monday; and that the Vice President of the United States, the President pro tempore and the Acting President pro tempore be authorized to sign all duly enrolled bills and joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order on Monday there be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL MONDAY, MAY 5, 1975

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 12 o'clock noon on Monday next.

The motion was agreed to; and at 5:35 p.m., the Senate recessed until Monday, May 5, 1975, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate May 1 (legislative day of April 21), 1975:

IN THE AIR FORCE

The following officers for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title 10, United States Code, with dates of rank to be determined by the Secretary of the Air Force:

To be first lieutenant

Anderson, Donald C., [redacted].
Andrews, Charles R., III, [redacted].
Arce, Martin F., [redacted].
Atkinson, Rhett W., [redacted].
Babiak, Nicholas J., [redacted].
Behrens, Carl R., [redacted].
Benedict, Wallis M., Jr., [redacted].
Berlin, Rodney J., [redacted].
Beverstock, John V., [redacted].
Blankenship, Pierce, [redacted].
Boutin, Donald R., [redacted].
Boyer, Charles A., [redacted].
Boylan, Gary D., [redacted].
Brazie, Tommy L., [redacted].
Breidenbach, Mark A., [redacted].
Carter, Linda D., [redacted].
Church, John R., [redacted].
Craddock, William R., [redacted].
Crowe, Lowell R., [redacted].
Dansro, Daniel A., [redacted].
Deblock, Magdalena, [redacted].
Dennis, David T., [redacted].
Dixon, Joe C., [redacted].
Dodge, Frank S., [redacted].
Drake, Michael F., [redacted].
Drenkhan, Donald F., Jr., [redacted].
Drzal, Lawrence T., [redacted].
Eaton, Charles E., [redacted].
Eberhardt, Lawrence, Jr., [redacted].
Eichenberger, Joel D., [redacted].
Engel, Michael R., [redacted].
Engelbrecht, Joseph A., Jr., [redacted].
England, George E., [redacted].
Fannin, Richard L., [redacted].
Farrington, Richard E., [redacted].
Fau, Wayne B., [redacted].
Fauss, Gary E., [redacted].
Fritz, Richard, [redacted].
Gallop, Marshall A., Jr., [redacted].
Garl, Stephen E., [redacted].
Garland, Robert E., [redacted].
Gilloth, Vaden R., [redacted].
Gladden, Michael L., [redacted].
Golenski, Richard J., [redacted].
Greer, Wilbert L., [redacted].
Grimes, Marcia L., [redacted].
Guenette, Gerald R., Jr., [redacted].
Haley, John E., Jr., [redacted].
Harada, Peter A., [redacted].
Hatchett, John R., [redacted].
Hooper, Robert A., [redacted].
Horne, William B., II, [redacted].
Houlihan, David A., [redacted].
Howard, James R., [redacted].
Jamieson, Richard L., [redacted].
Janosko, Ronald E., [redacted].
Johnson, Lawrence A., Jr., [redacted].
Johnson, Melvin D., [redacted].
Johnson, Ray L., [redacted].
Jones, Daniel R., [redacted].
Kelly, Lawrence W., [redacted].
Kinonen, Richard E., [redacted].

Klinkhammer, Wayne, [redacted].
Knight, Charles J., [redacted].
Lamartine, Bruce C., [redacted].
Lee, Blaine N., [redacted].
Lersch, Jeffrey A., [redacted].
Loach, Robert E., [redacted].
Loughrey, John J., [redacted].
MacIntyre, Karen R., [redacted].
Mahon, Frank K., [redacted].
Marshall, Arthur R., [redacted].
Matthews, Marvin G., [redacted].
Maybeck, Peter S., [redacted].
Mikula, Ned M., [redacted].
Mooney, Michael J., [redacted].
Moore, James M., [redacted].
Mowry, Carol E., [redacted].
Mullins, Donald G., [redacted].
Nailen, John T., [redacted].
Oakley, Robert A., [redacted].
O'Connor, Kevin J., [redacted].
Olivier, Louis F., [redacted].
Olson, Keith G., [redacted].
Phillips, Robert J., [redacted].
Polito, Joseph F., Jr., [redacted].
Pryor, Bertram H., Jr., [redacted].
Rawlings, John B., II, [redacted].
Ross, Jerry L., [redacted].
Santee, Earl L., Jr., [redacted].
Schumacher, Jeanne C., [redacted].
Seamans, Gary F., [redacted].
Sheehan, John P., [redacted].
Shields, Luther W., [redacted].
Sieg, Stanley A., [redacted].
Smith, Carl T., [redacted].
Smith, David E., [redacted].
Smith, Richard B., [redacted].
Smith, William E., [redacted].
Snow, Terry C., [redacted].
Sommers, James E., [redacted].
Staley, Jo A., [redacted].
Sullivan, Charles R., II, [redacted].
Sullivan, John P., [redacted].
Thorsen, Daniel E., [redacted].
Toth, James A., [redacted].
Valentino, George J., [redacted].
Vogel, John E., [redacted].
Watkins, Herbert L., [redacted].
Weber, Elena J., [redacted].
Wolfson, Sheri L., [redacted].
Wright, Edward N., [redacted].
Yanke, Michael A., [redacted].
Yates, Harvey, [redacted].

To be second lieutenant

Adams, John R., [redacted].
Albani, Louis R., [redacted].
Allen, Craig E., [redacted].
Allen, David H., [redacted].
Allen, Joseph C., III, [redacted].
Ambrose, Dean H., [redacted].
Anderson, Gary L., [redacted].
Anderson, John P., [redacted].
Andrew, Thomas L., [redacted].
Ashdown, Robert J., [redacted].
Aslett, Linda S., [redacted].
Audley, David R., [redacted].
Ayers, Freddie A., [redacted].
Ayers, Louis M., Jr., [redacted].
Babb, John E., [redacted].
Bailey, Jack L., Jr., [redacted].
Bailey, James D., [redacted].
Bailey, Wade H., Jr., [redacted].
Baker, Jerry L., [redacted].
Baker, Richard J., [redacted].
Banghart, George R., [redacted].
Bankey, Daniel E., [redacted].
Barber, Brian R., [redacted].
Barger, Phillip O., [redacted].
Barrier, Richard D., [redacted].
Barry, James, [redacted].
Barsalou, Joseph N. A., [redacted].
Baugh, David E., [redacted].
Beechel, William R., [redacted].
Bell, Gary M., [redacted].
Berardino, Joseph J., [redacted].
Blackmer, Douglas A., [redacted].
Bone, James R., [redacted].
Bonewitz, Joel D., [redacted].
Bossen, Dennis A., [redacted].
Bowen, Charles A., [redacted].
Boyd, Anne W., [redacted].
Boyle, Gary S., [redacted].
Bradford, Stuart W., Jr., [redacted].
Brechtel, Donald L., [redacted].
Briggs, Gerald R., [redacted].
Brockner, Charles R., [redacted].
Broderick, Michael D., [redacted].
Brooks, Douglas J., [redacted].
Brooks, Peggy F., [redacted].
Brown, David J., [redacted].
Brown, Gregory H., [redacted].
Brown, Jimmy C., [redacted].
Brown, Kathryn A., [redacted].
Brown, Kenneth S., [redacted].
Brumlow, Ronald L., [redacted].
Buchanan, Rickey L., [redacted].
Bugg, Catherine N., [redacted].
Bullock, Martin, [redacted].
Bunner, Randle K., [redacted].
Burgar, John D., [redacted].
Byrne, William A., [redacted].
Carlisle, Michael D., [redacted].
Carrato, Anthony L., [redacted].
Carroll, James M., [redacted].
Carroll, Stephen W., [redacted].
Cauley, Charles M., [redacted].
Cavin, Glynn W., Jr., [redacted].
Champaigne, Joseph S., [redacted].
Chaplin, James F., [redacted].
Chisholm, Meighan K., [redacted].
Cholet, Stephen A., [redacted].
Cizan, Clifford L., Jr., [redacted].
Clark, Horace P., [redacted].
Clements, Howard L., III, [redacted].
Clifford, Jerome R., [redacted].
Cochrane, Marvin A., [redacted].
Cole, Timonthy P., [redacted].
Coleman, Sidney C., [redacted].
Conkle, Larry G., [redacted].
Cook, Robert W., [redacted].
Cook, Sharla Ja., [redacted].
Cooper, James R., [redacted].
Correll, Basil H., Jr., [redacted].
Corsette, Marion K., [redacted].
Cox, Roger I., [redacted].
Crackel, Michael L., [redacted].
Craik, Gary C., [redacted].
Crawford, Arth C., Jr., [redacted].
Crawford, William L., [redacted].
Cripe, Richard A., Jr., [redacted].
Croston, John C., [redacted].
Crowley, James M., [redacted].
Crumrine, Jack R., [redacted].
Damiani, Roy D., [redacted].
Daniel, Clifton D., [redacted].
Davis, James A., [redacted].
Davis, Joseph L., [redacted].
Davis, Karen S., [redacted].
Davis, Richard H., [redacted].
DeCapua, Michael L., [redacted].
Decker, Allen B., [redacted].
Defeo, Robert G., [redacted].
Deloney, Richard E., Jr., [redacted].
Deloughry, James P., [redacted].
Denig, William W., [redacted].
Dickson, Charles L., [redacted].
Dipiazza, Anthony J., [redacted].
Donaldson, Linda S., [redacted].
Donnell, Douglass W., [redacted].
Doonan, Philip S., [redacted].
Doroff, Dennis F., [redacted].
Doyal, Curtis D., [redacted].
Draayer, Robert K., [redacted].
Drew, Samuel N., [redacted].
Duvall, Thomas J., [redacted].
Edeburn, Jan D., [redacted].
Elizondo, Camilo G., [redacted].
Enzweiler, Ronald J., [redacted].
Ernst, Darrell E., [redacted].
Estes, John H., IV, [redacted].
Evans, Michael M., [redacted].
Farrar, William T., III, [redacted].
Farris, John S., [redacted].
Fennell, Alice A., [redacted].
Ferry, Dennis J., [redacted].
Flanagan, Edward T., Jr., [redacted].
Foard, David A., [redacted].
Fogleman, Dean G., [redacted].
Foley, Robert J., [redacted].
Foster, Patricia W., [redacted].
Frank, Larry L., [redacted].
Fritz, James J., [redacted].
Fulkerson, Gregory A., [redacted].
Furr, Joseph P., [redacted].
Gaffney, Robert L., [redacted].
Garner, David D., [redacted].
Gauch, Tracey L., [redacted].
George, William L., [redacted].
Gibeau, John P., [redacted].
Gibson, Earl O., [redacted].
Gillis, Matthew P., III, [redacted].
Gimbal, Eric A., [redacted].
Goff, Robert M., [redacted].
Good, David M., [redacted].
Greider, Betty L., [redacted].
Gutridge, Milford A., [redacted].
Hafner, Steven C., [redacted].
Hagemeier, Hal E., [redacted].
Hale, Richard A., [redacted].
Hamby, David A., [redacted].
Hamlyn, Raymond T., [redacted].
Haraway, Claude F., [redacted].
Harber, James R., [redacted].
Harbert, Donald Z., [redacted].
Harley, John R., [redacted].
Harris, Jackie A., [redacted].
Harrison, Michael G., [redacted].
Harry, Billy R., [redacted].
Hartman, Larry J., [redacted].
Harts, John F., [redacted].
Haupt, Richard J., [redacted].
Heale, Daniel T., [redacted].
Hegna, Harwood A., [redacted].
Hennigan, John R., [redacted].
Herrburger, Ellen M., [redacted].
Hicks, Alfred F., [redacted].
Hill, Charles H., [redacted].
Hill, Thomas J., II, [redacted].
Hilleke, Jeffery B., [redacted].
Hilton, William B., [redacted].
Hofeling, David H., [redacted].
Hofer, Leon D., [redacted].
Hollatz, Lawrence C., [redacted].
Holmans, Jimmie D., [redacted].
Holmes, Daniel R., [redacted].
Horn, Roderick L., [redacted].
Hoster, Kathleen L., [redacted].
Houk, Linda D., [redacted].
Householder, Rich F., [redacted].
Hurst, Gary R., [redacted].
Ibarra, Guillermo, [redacted].
Idell, James B., [redacted].
Imler, Thomas A., [redacted].
Irvine, Edward B., [redacted].
Jackson, Bobby, [redacted].
Jackson, Daniel T., [redacted].
Jarrell, James W., [redacted].
Jarrell, William E., [redacted].
Jeroslow, Steven L., [redacted].
Joganic, Margaret M., [redacted].
Johnson, Johnny P., [redacted].
Johnson, Jont G., [redacted].
Johnson, Philip S., [redacted].
Jones, Carol R., [redacted].
Jones, Ronald L., [redacted].
Kalas, Lawrence V., [redacted].
Karger, Paul A., [redacted].
Keating, Raymond J., [redacted].
Kenna, Thomas M., [redacted].
Kennedy, Frederick C., [redacted].
Kimble, John M., [redacted].
King, Ralph H., [redacted].
Kirkpatrick, William L., [redacted].
Klein, George E. O., [redacted].
Klein, Leslie R., [redacted].
Knight, Donna K., [redacted].
Knutson, Paul B., [redacted].
Kostelny, John M., [redacted].
Kramer, Kenneth J., [redacted].
Lacour, Robert W., [redacted].
Lander, Stephen W., Jr., [redacted].
Landis, William E., [redacted].
Larson, Mark E., [redacted].
Lasauce, Kathy, [redacted].
Lattimer, Charles J., [redacted].
Lee, David B., [redacted].
Leighninger, David E., [redacted].
Leming, Lenna K., [redacted].
Lemp, Richard W., [redacted].
Lennon, Michael W., [redacted].
Lewis, Fred P., [redacted].
Liles, Edward A., II, [redacted].

Linzy, Nancy A., [redacted].
Lisenby, William F., [redacted].
Lively, James E., [redacted].
Lloyd, Richard M., [redacted].
Loebl, Thomas M., [redacted].
Long, John F., [redacted].
Long, Mary J., [redacted].
Long, Norman D., Jr., [redacted].
Long, Sandra J., [redacted].
Loos, Mark F., [redacted].
Loose, Thomas A., [redacted].
Lowman, Levi D., Jr., [redacted].
Lupo, James A., [redacted].
Magee, Edward C., [redacted].
Marcus, Alvin J., Jr., [redacted].
Martinez, James R., [redacted].
Marvin, Kenneth L., [redacted].
Mason, Randall S., [redacted].
Mathews, John M., [redacted].
Maxey, Richard P., [redacted].
Mayer, Mary J., [redacted].
McClary, William, Jr., [redacted].
McCleary, George C., Jr., [redacted].
McCullough, James E., [redacted].
McDonald, Michael B., [redacted].
McGlothlan, Josephine A., [redacted].
McKnight, Walter L., [redacted].
McNair, Gerald E., [redacted].
McNair, Kim I., [redacted].
Megeath, Thomas A., [redacted].
Mercer, Joseph G., [redacted].
Merrill, Guy L., Jr., [redacted].
Meyer, James A., [redacted].
Meyrick, George B., [redacted].
Michael, Kathy T., [redacted].
Miller, Gary E., [redacted].
Miller, Robert C., [redacted].
Miller, Roy E., [redacted].
Minear, Alan M., [redacted].
Mistretta, Victor J., [redacted].
Moe, Karl O., [redacted].
Monaghan, Timothy J., [redacted].
Morgan, Richard L., [redacted].
Morrison, Darrel L., [redacted].
Morriss, Edward T., [redacted].
Morse, Kenneth O., [redacted].
Mulanax, Richard B., [redacted].
Mussari, Charles A., [redacted].
Myers, Harold D., II, [redacted].
Nance, Gregory L., [redacted].
Nemcek, Walter F., [redacted].
Nemitz, Paul F., [redacted].
Nilsen, Douglas N., [redacted].
O'Connell, Marjorie A., [redacted].
Odgers, Everett G., [redacted].
Oldenburg, Willia J., [redacted].
Orndoff, Carla M., [redacted].
Outlaw, Glen R., [redacted].
Pace, Roger A., [redacted].
Paholski, Larry A., [redacted].
Parkin, Bond L., [redacted].
Parsons, Theod W., Jr., [redacted].
Patten, Donna I., [redacted].
Pekny, Robert J., [redacted].
Peller, Richard F., [redacted].
Peter, Russell N., [redacted].
Peterson, Robert M., [redacted].
Pflepsen, Gary N., [redacted].
Phelps, Henry P., III, [redacted].
Phelps, Robert F., [redacted].
Pooler, Marcia J., [redacted].
Postlewait, Stephen R., [redacted].
Poucher, David V., [redacted].
Price, Anton J., [redacted].
Prince, John F., [redacted].
Proper, Louis W., Jr., [redacted].
Putnam, James D., [redacted].
Race, Kenneth R., [redacted].
Ramsey, Gordon P., [redacted].
Raney, Terry L., [redacted].
Redfield, Gary L., [redacted].
Reimers, Henry W., III, [redacted].
Reusche, Michael A., [redacted].
Rhodes, Kathleen I., [redacted].
Richards, Floyd D., [redacted].
Richards, Michael D., [redacted].
Riggs, Thomas M., [redacted].
Riley, James H., [redacted].
Robards, Charles M., [redacted].
Robbins, Jack B., Jr., [redacted].
Rogers, Larry W., [redacted].
Roit, Robert B., [redacted].
Rollins, Leon, [redacted].
Roth, Alfred H., [redacted].
Runnels, Hampton E., [redacted].
Rustan, Pedro L., Jr., [redacted].
Ruttenberg, Franklyn E., [redacted].
Sanders, Elgin T., [redacted].
Sandgren, John H., [redacted].
Sandsmark, Michael S., [redacted].
Schaub, Willia R., Jr., [redacted].
Schnell, Charan J., [redacted].
Schwartz, Robert J., [redacted].
Sealy, Jeffrey J., [redacted].
Seinkner, Jan F., [redacted].
Shackelford, John C., [redacted].
Shackelford, Scott A., [redacted].
Shade, Barry L., [redacted].
Shafer, John A., [redacted].
Sharpe, James R., [redacted].
Siegel, Gregory A., [redacted].
Simpson, William G., [redacted].
Singer, Patrick L., [redacted].
Skorenki, John, [redacted].
Sloan, Robert G., [redacted].
Smith, Charles L., [redacted].
Smith, Wayne E., [redacted].
Smith, William H., [redacted].
Solley, Duane E., [redacted].
Souders, John C., [redacted].
Springer, Robert W., [redacted].
Steenberge, Michael J., [redacted].
Stellato, Joseph S., [redacted].
Stephenson, Billy J., Jr. [redacted].
Stickle, Charles E., [redacted].
Stone, Charles W., [redacted].
Stringer, Patrick L., [redacted].
Sukanek, Peter C., [redacted].
Sullivan, Robert M., [redacted].
Sweeney, John S., [redacted].
Swenson, Hilmer W. S., Jr., [redacted].
Szydel, Ellen M., [redacted].
Tackett, Homer L., [redacted].
Tascione, Thomas F., [redacted].
Taylor, Edward G., [redacted].
Taylor, George E., [redacted].
Taylor, Joseph J., Jr., [redacted].
Taylor, Roderick A., [redacted].
Teague, Charles B., Jr. [redacted].
Teter, John F., [redacted].
Thomas, Frederick W., [redacted].
Thompson, James G., [redacted].
Thurston, Keith L., [redacted].
Tinney, Sandra K., [redacted].
Toda, Frank K., [redacted].
Toland, Val C., [redacted].
Tompkins, Edwin S., [redacted].
Topp, Susan K., [redacted].
Townsend, Ronald D., [redacted].
Trchka, Dennis J., [redacted].
Twardowski, Thomas J., [redacted].
Tyler, Dorothy B., [redacted].
Vanorman, Brian L., [redacted].
Viernes, Glenn P., [redacted].
Violet, William J., [redacted].
Vitkus, Raymond A., [redacted].
Walker, Thomas N., [redacted].
Wallace, Lewis S., Jr., [redacted].
Walsh, Mary E., [redacted].
Washabaugh, Walter M., [redacted].
Weber, Wayd R., [redacted].
Wegiel, Stanley W., Jr., [redacted].
Wenzel, Vaughan A., [redacted].
White, Roger C., [redacted].
Wieting, Kenneth W., [redacted].
Wigginton, John L., [redacted].
Wiliams, Cecil, [redacted].
Williams, Erwin L., [redacted].
Williams, Joe E., Jr., [redacted].
Wilson, David L., [redacted].
Wingfield, Michael A., [redacted].
Wood, Garey T., [redacted].
Woodham, Bruce, [redacted].
Woon, Eden Y., [redacted].
Wypiszynski, Steven, [redacted].
Yablonski, Robert, [redacted].
Young, James E., [redacted].
Zbylut, James J., [redacted].

HOUSE OF REPRESENTATIVES—*Thursday, May 1, 1975*

The House met at 10 o'clock a.m.

Rabbi Israel E. Kanarek, dean, Ohr Hameir Theological Seminary, New Rochelle, N.Y., offered the following prayer:

We beseech Thee, Almighty Lord, to bestow blessings and guidance upon the Government of this Nation. Thou hast created man in Thy image; endowed him with the nobility and greatness of mind to create a world of peace and harmony. Thou hast taught us that human dignity is of divine nature and that protection and preservation of human rights is a fulfillment of Thy sacred will.

Grant the representatives of this people, a nation founded upon the fundamental truth of the dignity of man, the wisdom to effectively walk in Thy ways. May all of mankind be inspired by the example of this noble House, and may peace and good will prevail upon Thy Earth. Amen.

THE JOURNAL

The **SPEAKER**. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

The question is, Shall the House agree to the Journal as read?

The question was taken, and the Speaker announced that the noes appeared to have it.

Mr. **PHILLIP BURTON**. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The **SPEAKER**. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 356, nays 10, answered "present" 2, not voting 64, as follows:

[Roll No. 166]

YEAS—356

Abdnor
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Armstrong
Ashbrook
Ashley
Aspin
Badillo
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conlan
Conyers
Corman
Cornell
Cotter
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski

Devine
Dickinson
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Eilberg
Emery
English
Erlenborn
Evans, Ind.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Mich.
Forsythe
Fountain
Fraser
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Hastings
Hawkins
Hechler, W. Va.
Hefner
Helstoski
Henderson
Hicks
Hightower
Hillis
Hinshaw
Holland
Holt
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Krebs
Krueger
Lagomarsino
Landrum
Latta
Leggett
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Lott
Lujan
McClory
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Madden
Madigan
Maguire
Mahon
Mann
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Michel
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mink
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Patman
Patten
Patterson, Calif.
Pepper
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Pritchard
Quie
Quillen
Railsback
Randall
Rees
Regula
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rostenkowski
Roush
Rousselot
Runnels
Russo
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schulze
Sebelius
Seiberling
Sharp
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—10

Abzug
AuCoin
Burton, John
Conte
Edwards, Calif.
Holtzman
Mezvinsky
Riegle
Rosenthal
Schroeder

ANSWERED "PRESENT"—2

Harrington
Mitchell, Md.

NOT VOTING—64

Ambro
Andrews, N.C.
Archer
Biaggi
Biester
Brooks
Brown, Calif.
Burke, Calif.
Chisholm
Clancy
Clausen, Don H.
Conable
Coughlin
Crane
Danielson
Diggs
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Ford, Tenn.
Frenzel
Gonzalez
Hansen
Harris
Harsha
Hayes, Ind.
Hays, Ohio
Hébert
Heckler, Mass.
Heinz
Koch
LaFalce
Lehman
Long, Md.
McCloskey
McDonald
Macdonald
Martin
Mathis
Mills
Mollohan
Murphy, N.Y.
Oberstar
Passman
Pattison, N.Y.
Perkins
Price
Rangel
Risenhoover
Roybal
Ruppe
Ryan
Schneebeli
Shipley
Shriver
Stanton, James V.
Teague
Vanik
Whitten
Wiggins
Wilson, Bob
Young, Alaska
Young, Fla.

So, the Journal as read, was agreed to.

The SPEAKER. Without objection, the Journal stands approved.

There was no objection.

WELCOME RABBI KANAREK

(Mr. OTTINGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OTTINGER. Mr. Speaker, today I have the pleasure of introducing Rabbi Israel E. Kanarek, dean of Ohr Hameir Theological Seminary in New Rochelle, N.Y., the only yeshiva and Jewish institution of higher learning in Westchester County, N.Y.

Rabbi Kanarek delivered a truly inspiring opening prayer.

Rabbi Kanarek was born in Leipzig, Germany, in 1917. After completing secular studies at the Higher Real Schule in Leipzig, he went to pre-war Lithuanian great Torah Centers of higher learning, where he was ordained.

Arriving in the United States in 1941, he was one of the first founders of the Institute of Advanced Studies in Lakewood, N.J., under the great luminary Rabbi Aaron Kotler. Rabbi Kanarek did post-graduate work, as well as original research while in Lakewood. In 1962, he founded the Ohr Hameir Theological Seminary and the Institute of Higher Learning. A resident high school was added in 1969. In 1972, Rabbi Kanarek published a book on philosophy of Hebrew ethics which is widely used as a text book in Hebrew seminaries.

I welcome Rabbi Kanarek on this auspicious occasion. We are honored by his presence.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the amendment of the House with an amendment to a bill of the Senate of the following title:

S. 172. An act to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of Government employees, and for other purposes.

LETTER FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following letter from the President of the United States:

THE WHITE HOUSE,
Washington, April 30, 1975.

The Honorable CARL ALBERT,
Speaker of the House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: In view of the urgent need for funds to pay for humanitarian assistance and transportation of refugees from South Vietnam, I request that the House of Representatives act quickly to approve the Conference Report on H.R. 6096, the Vietnam Humanitarian Assistance and Evacuation Act of 1975. In making this request, I am aware that sections 4 through 9 of H.R. 6096 have been overtaken by events and have no further utility. Nevertheless, the enactment of the bill as recommended by the Conference Report is the most expeditious method of obtaining funds which are now desperately needed for the care and transportation of homeless refugees.

As I stated yesterday, the evacuation has been completed. The Congress may be assured that I do not intend to send the armed forces of the United States back into Vietnamese territory.

Approximately 70,000 evacuees are now located on various safe haven islands, on U.S. Navy vessels and on civilian vessels. These individuals are being cared for by agencies of the United States Government while being processed through a system established to relocate them in the United States and in other countries.

Although the specific cost of activities related to the evacuation cannot be fixed at this point, it is estimated that direct U.S. expenditures to care for and process these evacuees, and contributions to international organizations and private voluntary agencies to assist in this effort, will exceed $400,000,000. Available funds already appropriated to provide aid to Vietnam will be reprogrammed and utilized to the maximum extent possible. But the additional authority of $327,000,000 will be required to fully meet immediate needs.

The authority of this legislation, followed by appropriations as soon as possible, is necessary to continue this operation, to integrate the evacuees into the United States and other countries and to permit consideration of further humanitarian assistance which may be consistent with the provisions of H.R. 6096 and American policy objectives.

I urge the immediate enactment of H.R. 6096.

Sincerely,

GERALD R. FORD.

CONFERENCE REPORT ON H.R. 6096, VIETNAM HUMANITARIAN ASSISTANCE AND EVACUATION ACT OF 1975

Mr. MORGAN. Mr. Speaker, I call up the conference report on the bill (H.R. 6096) to authorize funds for humanitarian assistance and evacuation programs in Vietnam and to clarify restrictions on the availability of funds for the use of U.S. Armed Forces in Indochina, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

POINT OF ORDER

Ms. HOLTZMAN. Mr. Speaker, I would like to make a point of order against the conference report.

The SPEAKER. The gentlewoman will state it.

Ms. HOLTZMAN. Mr. Speaker, section 7 of the conference report in the last sentence refers to evacuation programs authorized by this act. It permits a waiver of a series of laws for the purpose of allowing those evacuation programs to take place.

In the House bill (H.R. 6096), section 3 dealt with evacuation programs referred to in section 2 of the bill and waived the same series of laws with respect thereto. In order for section 3 to be considered, it required a rule from the Rules Committee. And a rule was granted waiving points of order against section 3 of the bill. But section 7 of the conference report, in speaking of evacuation programs authorized by the entire act and not just by one section, exceeds the scope of section 3 of the bill and exceeds the waiver that was permitted under the rule. It therefore violates rule XXI, clause 5, and violates rule XX, clause 2, which prohibits House conferees from accepting a Senate amendment providing for an appropriation on a nonappropriation bill in excess of the rules of the House.

Mr. Speaker, last week the Committee of the Whole deliberated on an amendment that exceeded the limitations of the rule granted by the Rules Committee. That was the Eckhardt amendment, and it was ruled out of order by the Chairman. The language in section 7 of the conference report in essence has the same flaw as the Eckhardt amendment.

The last sentence of section 7 of the conference report would waive various provisions of law with respect to $327 million, whereas the last sentence of section 3 of the House bill waived these laws only with respect to $150 million. Section 7 of the conference report, therefore, is broader than section 3 of the House bill.

Had the language of section 7 been offered as an amendment to the House bill, it would have been subject to a point of order. Since the authority of the House conferees is no broader than the waiver originally granted to the bill by the Rules Committee, section 7 of the conference report should be ruled out of order.

The SPEAKER. Does the gentleman from Pennsylvania desire to be heard on the point of order?

Mr. MORGAN. Yes, Mr. Speaker.

The point of order has no standing. Section 3 of the House bill and section 7 of the conference report referred to use of funds of the Armed Forces of the United States for the protection and evacuation of certain persons from South Vietnam. The language of the conference report does not increase funds available for that purpose. Both the House bill and the conference report simply removed limitations on the use of funds from the DOD budget. These limitations were not applicable to the funds authorized in H.R. 6096. The scope of the waiver is the same in the conference report and the House bill.

Mr. Speaker, the changes in language are merely conforming changes. Section 2 of the House bill was a section which authorized the evacuation programs in the House bill. The conference version contains the evacuation programs authority in several sections plus reference to the entire act rather than to one specific section.

Mr. Speaker, the point of order has no standing and I hope it is overruled.

The SPEAKER. Does the gentlewoman from New York desire to be heard further on the point of order?

Ms. HOLTZMAN. No, Mr. Speaker.

The SPEAKER. The Chair is ready to rule.

The gentlewoman from New York makes the point of order that section 7 of the conference report constitutes an appropriation on a legislative bill in violation of clause 5, rule XXI, to which the House conferees were not authorized to agree pursuant to clause 2, rule XX.

The Chair would first point out that the provisions of clause 2, rule XX, preclude House conferees from agreeing to a Senate amendment containing an appropriation on a legislative bill, and do not restrict their authority to consider an appropriation which might have been contained in the House-passed version. In this instance, the conferees have recommended language which is virtually identical to section 3 of the House bill, and they have not agreed to a Senate amendment containing an appropriation. Therefore, clause 2, rule XX, is not applicable to the present conference report.

While clause 5, rule XXI, permits a point of order to be raised against an appropriation in a legislative bill "at any time" consistent with the orderly consideration of the bill to which applied—Cannon's VII, sections 2138–39—the Chair must point out that H.R. 6096 was considered in the House under the terms of House Resolution 409 which waived points of order against section 3 of the House bill as constituting an appropriation of available funds for a new purpose.

The Chair feels that an analogous situation may be found in Deschler's procedure, chapter 25, section 23.11. There, points of order had been waived against portions of a general appropriation bill which were unauthorized by law, and the bill passed the House containing those provisions and was sent to conference; the conferees were permitted to report their agreement as to those provisions, since the waiver carried over to the consideration of the same provision when the conference report was before the House.

The gentlewoman from New York also has in effect made the point of order that section 7 of the conference report goes beyond the issues in difference between the two Houses committed to conference in violation of clause 3, rule XXVIII.

In the House-passed bill, section 3 contained waivers of certain provisions of law in order to make available funds already appropriated to the Department of Defense to be used for the Armed Forces in "evacuation programs referred to in section 2 of the act." The conferees have recommended that the same waivers of law shall apply to "exacuation programs authorized by this act."

In the opinion of the Chair, a conforming change in phraseology in a conference report from language contained in the House or Senate version to achieve consistency in the language thereof, absent proof that the effect of that change is to broaden the scope of the language beyond that contained in either version, does not necessarily render the conference report subject to a point of order. In this instance, it appears to the Chair that the only effect of the language in the conference report was to accomplish the same result that would have been reached by section 3 of the House bill, namely to remove certain limitations on the use of funds in the Defense budget for military evacuation programs under this bill.

The Chair therefore holds that the conferees have not exceeded their authority and overrules the point of order.

Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the statement.

(For conference report and statement see proceedings of the House of April 28, 1975.)

Mr. MORGAN (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MORGAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the conference report on H.R. 6096 which is before the House today represents a compromise—but a good compromise—between the bills approved separately by the two Houses of Congress.

In its principal provisions, the report is fully consistent with the action of the House last Thursday night.

Where the report differs from the House bill, the House managers have tried very hard to accept only those provisions which tighten the House bill.

I believe that the House managers have succeeded in those efforts.

Mr. Speaker, there were basically two major issues involved in this legislation.

The first issue relates to the use of U.S. Armed Forces in the evacuation from Vietnam.

The second issue deals with an authorization of funds for humanitarian aid to refugees and funds to pay for civilian evacuation.

Let me describe first what the conference report contains in the way of funds.

The overall authorization is the same as in the House bill.

There is $150 million in new authorizations—and the lifting of certain restrictions on the use of $177 million previously authorized but not appropriated for Indochina relief.

Any part of those $177 million that the Congress wants to appropriate in the future, can be appropriated for refugee aid and evacuation under the conference report.

This, in my opinion, was a victory for the position taken by the House.

The conferees agreed to strike out $100 million in new funds contained in the Senate bill.

The House managers were also successful in doing away with the contingency fund idea in the Senate bill—an approach which was too open-ended and which could have lent itself to the kind of use of funds that the House would not sanction.

In summary, Mr. Speaker, the total amount that could be made available under this conference report for aid to refugees and for evacuation costs, is $327 million.

These funds are intended for help to the victims of the war in South Vietnam and they can be used to help refugees and other war victims wherever they may be located. The conferees so stated.

Now let me turn to the other major issue: The issue relating to the use of U.S. Armed Forces in the emergency evacuation.

There were significant differences between the two bills on this subject.

The House bill reflected the opinion of many Members that the President has the constitutional authority to use any and all means to protect and evacuate U.S. citizens—no matter where they are.

Consequently, the House bill dealt primarily with the evacuation of the South Vietnamese.

The House bill gave the President the authority to evacuate some Vietnamese who are in danger—but only under some very limited and clear conditions.

In the committee bill, and in the amendments adopted on the House floor, we put very specific restrictions on any possible use of force to evacuate the Vietnamese.

The Senate bill took a different road.

The Senate bill started with the proposition—based on the war powers resolution—that the President has no authority to use U.S. Armed Forces in combat except when the Congress expressly grants him that authority—and then, only to the extent that the Congress gives him the power to act.

The Senate bill, therefore, was more restrictive than the House bill.

The Senate bill set definite limits on all use of force—under any and all circumstances—for the evacuation.

This is where the House managers—after full debate—accepted the Senate provisions and Senate restrictions.

These restrictions are spelled out in sections 4, 5, and 6 of the conference report.

Now let me underline three very basic—very simple—points to clear up the confusion that has been generated around this issue.

My first point is that both the House and the Senate approved this very restricted use of force last Thursday—4 days before the Marines landed to protect the final evacuation from Vietnam.

Both Houses, in separate bills, and the Senate in acting on the conference report last Friday, approved this limited authority for the President.

My second point—and this is very important—is that the President ordered the final evacuation 4 days after both Houses of Congress voted on this issue—and that the actions that he took were within the restrictions set by the two Houses of Congress in their separate actions.

My third and final point is this:

The evacuation is finished.

The authority granted to the President under this legislation to use force for the evacuation—that, too, is finished.

Let me repeat this: Whatever authority the President had under this legislation, that authority was terminated when the evacuation was completed.

There is nothing in this conference report that gives the President the authority tomorrow, or the day after, or at any time in the future—to send one marine to Vietnam.

Why, then, should we pass this conference report?

Why should we not simply let it die—or try to amend it?

I want to dispose of the amendment issue right now.

There has been a lot of talk here about amending this conference report.

That cannot be done under our rules.

We cannot recommit this conference report with instructions.

The House does not have the recommittal motion.

The recommittal route was closed last Friday when the Senate approved the conference report.

So we cannot send this conference report back into a conference—because there is no conference.

The Senate conferees have been discharged when the Senate acted.

And there is no other way to amend this report.

We have to vote it up or down.

That is all the choice we have.

Why, then, should we not simply let the conference report die?

There are two basic reasons why we should—why we must—adopt this conference report.

The first reason has to do with money.

This conference report will make it possible for the Congress—acting through the regular appropriations process—to provide up to $327 million for humanitarian assistance to the victims of the war in South Vietnam.

That money is urgently needed to pay the cost of the civilian evacuation from South Vietnam.

It is needed to pay for the transports.

It is needed to pay for the food and clothing for many refugees who got out of Vietnam.

As the President pointed out in his letter to the Speaker, that money is needed now—not a month or 2 months from now.

We have gone almost half the distance in making this money available.

If we reject this conference report, we have to start all over. And no matter how hard we try, it is going to take time.

So let us finish this conference report, and let the Appropriations Committees in both Houses of Congress start to work.

Now let me turn to the second reason why we should adopt this conference report.

Two years ago, when the Congress overrode the President's veto of the war powers resolution, we established one very simple rule.

We said that—with certain exceptions—the President could not use U.S. armed forces in combat abroad unless the Congress authorized him to take such action.

One week ago—by a vote of 230 to 187—this House agreed to give the President the authority to use force, if necessary, to get the Americans—and some Vietnamese who were in danger—out of South Vietnam.

We lived up to our responsibility under the war powers resolution.

We said that the Congress has the right to take part in these decisions.

We said that under the Constitution, we—the Congress—have something to say about war powers.

Now the evacuation is finished.

The use of force in that evacuation is finished.

The authority of this conference report cannot be used again.

So what should we do now?

Should we try to reverse the decision which this House made last week—a decision which is already carried out?

We cannot rewrite history.

What we have done last week is a matter of record.

It will be there regardless of what we do today.

But this House is going to look very silly if we now try to take back what we have done last week.

Not only are we going to look silly, but—by our action—we are going to undermine the basic principle of the war powers resolution which many of us have fought hard to establish.

The people of America are going to think that this place has lost its marbles if we now turn around and start marching down that hill which it took us so long to climb.

It took the Congress a long time to get the war powers resolution.

Let us not make mockery of it today.

These, Mr. Speaker, are the real issues.

No matter what has been said in the cloakroom—or what may be said here—these are the real gut issues.

There is no authority in this conference report for the President to send any American soldier, sailor, airman or marine into combat abroad today, or tomorrow, or the day after.

The authority which this conference report carried died with the evacuation.

It cannot be renewed—except by the Congress—if it ever needs and wants to do so in the future.

So do not let anyone tell you otherwise.

And the issue of money—of money which is urgently needed—is here.

Those 70 thousand Vietnamese who got out in the evacuation—they are here, and on Wake Island, and in Guam, and on our ships at sea.

We have a moral obligation toward them.

And the President says he needs this money.

Mr. Speaker, the President's letter speaks for itself.

What I have said, speaks for itself.

Let us get on with our work and approve this conference report.

Mr. JOHN L. BURTON. Mr. Speaker, will the gentleman yield?

Mr. MORGAN. I will be glad to yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Speaker, I read in the papers that there are still some Americans in South Vietnam, newspaper reporters. They are there of their own choice, but they are Americans; and, as I understand it, if this bill is passed, if the President chose to use troops to evacuate them, he could do it.

Mr. MORGAN. The only ones I know of who are in South Vietnam are the news people, who decided to stay there, and I commend them for their great courage. And there are about five Americans who are in jail over there. I am sure the President is not going to use troops to get either one of those out.

Mr. JOHN L. BURTON. But could he not, under the provisions of this bill, use troops to evacuate them?

Mr. MORGAN. If anyone does not believe the President, I want him to read his letter. He said definitely that he will not use troops back in South Vietnam.

Mr. JOHN L. BURTON. Could he not legally, under the bill, do so?

Mr. MORGAN. No. This bill does not give him any authority to employ U.S. Armed Forces for future evacuations—and I do not think he is going to go back in to get a few newsmen who refuse to come out. I do not think the President is going to do that.

Mr. RONCALIO. Mr. Speaker, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Wyoming.

Mr. RONCALIO. Last week, on two occasions, I voted for humanitarian relief as necessary and required by the President. I supported the amendment of the gentleman from Pennsylvania (Mr. EDGAR). I voted twice for the substantive Senate language in this matter which failed to carry on both occasions; and yet, as I recall, the eminent chairman and my good friend in the well vigorously opposed that on both occasions, the last time at about 3 o'clock in the morning after many hours of vigorous debate.

Why now does the gentleman from Pennsylvania (Mr. MORGAN) take the well and so vigorously argue for the very thing that he argued against last week?

Mr. MORGAN. I will say to the gentleman that this report is essentially the same as the bill we passed last week. But when one goes to conference, he has to give and take. And we had to take some things in the conference that were not in the House bill.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I thank the gentleman from Michigan for yielding.

I would like to ask the gentleman from Pennsylvania (Mr. MORGAN) a question. I do so as one who supported this legislation throughout the debate last week. But I just heard the gentleman say, and I read in the conference report, that the aid authorized in this conference report will go to people wherever they may be located, including areas controlled by the Communists.

Mr. MORGAN. That is correct.

Mr. BAUMAN. Are we in this House, under completely changed circumstances, now going to vote for aid to Ho Chi Minh City, foreign aid to help areas under the control of the Communists, or are we not? There are no restrictions against this in this bill, as I see it.

Mr. MORGAN. I say to the gentleman from Maryland (Mr. BAUMAN) that, of course, if he will look at the conference report, section 11, and read it very carefully, he will see that that answers his question.

Mr. BAUMAN. I have read it, and it does not answer my question.

The question remains: Does the possibility exist that this aid will be distributed in the areas now taken over by the Communists, which I consider to be totally irresponsible?

Mr. MORGAN. It reads:

> No funds authorized in this Act shall be used directly or indirectly, to aid the Democratic Republic of Vietnam.

I should point out to the gentleman from Maryland, however, that the President has control of the money and he can channel some of it for refugee assistance through the United Nations High Commissioner for Refugees and the United Nations Children's Fund.

As the author of this amendment stated on the floor on Thursday, to the extent that private agencies may be able to operate in Vietnam, their efforts on behalf of refugees could be supported.

The authority to channel funds through international organizations is an optional authority, and the President is not obliged to use such authority. As a matter of fact, most, if not all, of the funds would be used outside of Vietnam. I would like to emphasize that none of the funds authorized pursuant to this bill can be used to furnish any assistance to either the Provisional Revolutionary Government or to the North Vietnamese Government.

Mr. BAUMAN. But will it go to the people in those areas?

Mr. MORGAN. Depending on the circumstances, the President could use some provided the money did not go to the Government of North Vietnam or the Vietcong. There will be no funds going to the governments there. Does the gentleman mean in captured territory?

Mr. BAUMAN. Yes.

Mr. MORGAN. No, no funds go to the Provisional Revolutionary Government or the North Vietnamese Government. As I said, depending on the circumstances, it is possible that some funds could go to refugees in those areas through international organizations.

Mr. BROOMFIELD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I strongly urge approval of this conference report.

As the President said in his letter to the Speaker, there is an urgent need for funds to pay for humanitarian assistance and transportation costs for the Vietnamese refugees.

The President also assured the Congress—and I would emphasize this point—that he does not intend to send U.S. Armed Forces back into Vietnamese territory. We all know our former colleague to be a man of his word.

The conference report we are considering today represents the last chapter in the long story of U.S. involvement in the Vietnam war.

Last week during nearly 15 hours of debate, the House worked its will on this legislation which will end America's involvement with an act of charity and compassion for the people of South Vietnam.

The conference agreement will give our President the tools he needs to conclude our involvement in an honorable and compassionate way, consistent with the American tradition of reaching out to help those in desperate need. At the same time, the conference agreement retains the amendment adopted by the House, which provides that no funds—not one dime—shall go to Hanoi or the Vietcong.

I am advised that the President appreciates the thorough and constructive examination by the House of the issues involved in this legislation and the dedicated bipartisan leadership of the International Relations Committee, all of which represent the legislative process at its best.

As the President has emphasized, the funds which will be made available by this legislation are urgently needed to meet the needs of thousands of South Vietnamese who have lost virtually everything in their effort to escape North Vietnamese aggression. He hopes the House will act promptly to provide the additional resources needed to permit our Government to respond fully to the challenge of this tragedy with compassion and effectiveness.

Mr. Speaker, I would like to conclude by expressing my great admiration for all those who have worked tirelessly to successfully carry out a very complex evacuation operation. And I would pay special tribute to the members of the Armed Forces whose courage enabled the United States to bring to safety not only our American citizens, but thousands of Vietnamese refugees.

Ms. HOLTZMAN. Mr. Speaker, will the gentleman yield?

Mr. BROOMFIELD. I will be glad to yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Speaker, I would ask the gentleman from Michigan if this bill is urgently needed to reimburse the cost of transporting President Thieu and Marshall Ky and his wife to this country at the taxpayers' expense?

Mr. BROOMFIELD. Obviously the money is going to be used for transportation of all refugees. I am not sure that there is any special treatment to the people the gentlewoman has mentioned.

Ms. HOLTZMAN. Including people who could afford to pay their own way?

Mr. ADDABBO. Mr. Speaker, will the gentleman yield?

Mr. BROOMFIELD. I will be glad to yield to the gentleman from New York.

Mr. ADDABBO. Mr. Speaker, just this past Monday the conference report was to be called up, and for some reason it was taken off the calendar. Since that time the evacuation has been completed.

I would ask the gentleman from Michigan whether any report has been made to the gentleman's committee or any other committee of this House as to what has transpired, what action was taken, what forces were used to effectuate the evacuation.

Mr. BROOMFIELD. That report has been given, under the War Powers Act, to the leadership of both the House and the Senate.

Mr. ADDABBO. So that what we are being asked to do here this morning is to approve ipso facto anything and everything that has transpired prior to the enactment of the conference report; is that correct?

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield?

Mr. BROOMFIELD. I will yield to the gentleman from Wisconsin (Mr. ZABLOCKI) to answer the gentleman's question.

Mr. ZABLOCKI. Mr. Speaker, if the gentleman from New York will pay attention, I will try to answer the gentleman's question.

This conference report, however, does not relieve the President the requirement in the War Powers Resolution to file within 48 hours a report covering just exactly what the gentleman from New York has asked for; it will provide the information that has been asked, the specifics of it, and this will have to be filed, or it should be filed within 48 hours.

Mr. ADDABBO. Mr. Speaker, I might add that it has been more than 48 hours since the evacuation was completed, so again we are being asked to approve a conference report, ipso facto, approving everything that has been done prior thereto.

Mr. BROOMFIELD. Mr. Speaker, I decline to yield further.

Mr. MORGAN. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. PHILLIP BURTON).

Mr. PHILLIP BURTON. Mr. Speaker, I deeply regret the necessity to stand in the well and oppose this conference committee report.

I believe I can understand the English language when it is communicated to me.

I attended a meeting within the last few days with the most authorized members of the administration and the leadership of this House, and the other body, and unless I did not hear that useful and constructive discussion correctly, I was led to believe that our objective would be to construct our final action in a framework that virtually all of us could support.

I would call the attention of the Members to the letter from the President. The President said—and he is an honorable man—that he does not "intend" to use his troop authority.

There was another President who stated—and he was also an honorable man—back in 1964 to the chairman of the Senate Foreign Relations Committee, Senator Fulbright, at least as much in the way of assurance, if not more, that our effort in Indochina was going to be limited, and so on, and so on, and so on.

I submit this: I would have hoped the dreadful divisions that the war in Indochina has visited upon our people would get behind us.

But I affirm it is my conviction that if this House, in the absence of appropriate testimony to the various committees, ratifies this conference report, which contains within it authority to reintroduce American troops, it is a mindless act. It makes grotesquely symmetrical, beginning with the Tonkin Bay resolution, the repeatedly ill-advised decisions of this House and of the executive branch—and now ending, hopefully, our military involvement in Indochina.

Let us reject this conference report. Let the committee come back with an appropriate resolution, and let us support all of the necessary humanitarian aid.

The SPEAKER. The time of the gentleman has expired.

Mr. BROOMFIELD. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, as a conferee on the House-Senate conference on the Vietnam Humanitarian and Evacuation Assistance Act, I believe that the conference report we are considering today should be acceptable to the vast majority of the House. If anything, it should be even more acceptable than the House bill that passed by a vote of 230 to 187 because in conference we made a number of adjustments which further tightened the safeguards that were already in the House bill.

I would also point out that the developments of the last few days proved that the fears of some of our Members that our President planned to use the evacuation as an excuse to reinvolve the United States in a full-scale shooting war on the side of the South Vietnamese were groundless. As the successful evacuation effort demonstrates, the President's intention was primarily to meet the humanitarian and evacuation needs that he expressed in his request to the Congress.

Despite the evacuation earlier this week, we still need this authorization bill. Large sums of money will be needed to reimburse the Department of Defense and other agencies for the expenses of moving people from the staging areas in the Pacific to U.S. processing centers and other destinations, as well as for the costs of operating the staging and processing centers. There is precedent for this in the Emergency Security Assistance Act of 1973 from which funds were used to reimburse DOD for the expense of certain equipment and ammunition airlifted to Israel on an emergency basis.

Mr. Speaker, I urge approval of the conference report.

Mr. MORGAN. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. I thank the gentleman for yielding.

I just want to say I hate to correct my good friend, the gentleman from California (Mr. BURTON) but I sat in on a meeting of the first Gulf of Tonkin resolution over on the Senate side when the President's report on the resolution came up. The resolution was worked over by the Senator from Arkansas, Mr. Fulbright, in the meeting. I remember Senator Fulbright making no statements critical of the resolution. There was no statement in criticism of the President at the adoption of the Gulf of Tonkin resolution in September 1964.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

I would observe for the record, I am not happy with some of the company in which I find myself today on this issue. I do have some fundamental questions which have not been answered by the leaders on either side. This conference report, on page 10, interprets the Ashbrook amendment, which would have absolutely prevented any funds from going to the Communist government of Vietnam, as saying that aid may be given to people "located in the territories controlled by these entities," meaning under Communist control. Elsewhere the conference report provides that the aid must to the extent feasible go to international organizations, which I assume could include the United Nations.

I want to know what prohibitions, absolute prohibitions, exist against the possibility that this aid will be used not only for evacuation and humanitarian purposes for those who escaped, but to aid areas under Communist control. I believe that no American tax money should go for assistance to areas taken over by Communist aggression. I cannot vote for that.

Mr. DERWINSKI. Will the gentleman please look at the conference report, page 4, section 11. He will find specific prohibition against any funds authorized under this act to be directly or indirectly channeled through or administered by the Provisional Revolutionary Government or the Democratic Republic of Vietnam.

The SPEAKER. The time of the gentleman has expired.

Mr. BROOMFIELD. Mr. Speaker, I yield 1 additional minute to the gentleman from Illinois.

Mr. DERWINSKI. May I direct the attention of the gentleman from Maryland to page 6 of the statement on the part of the managers in which we point out in great detail—and we use the term "aid to the extent feasible." In other words, if there is any humanitarian aid to be provided to any individuals in South Vietnam, it would be only to the extent feasible and channeled through international organizations and voluntary agencies.

And then, if the gentleman will notice further, it would require the imposition of U.S. inspections and audits. I do not see any loopholes, especially when we tie them to section 11 which provides:

> No funds authorized in this Act shall be used, directly or indirectly, to aid the Democratic Republic of Vietnam (DRV) or the Provisional Revolutionary Government (PRG) . . .

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, why then does the statement of the managers in the conference report say it is their understanding that aid can go to people in territories controlled by the Communists?

Mr. DERWINSKI. The point I am making is it would, through proper agencies and with proper U.S. audit.

Mr. MORGAN. Mr. Speaker, I yield 1½ minutes to the gentleman from New York (Mr. Bingham).

Mr. BINGHAM. Mr. Speaker, I entered the Chamber today prepared to vote against this conference report, but after listening to the chairman and the President's letter and after reexamining the bill that is before us in the form of a conference report, I have decided to support it. There is no authority whatsoever in this bill for the President to reintroduce troops or forces into Vietnam to evacuate persons other than American citizens and their dependents. I would call attention particularly to item (D) on page 3 of the conference report, which requires that any "evacuation will be confined to areas where U.S. forces are present today in Vietnam.

I am for the conference report and I intend to vote for it for one reason, and that is the humanitarian assistance that is provided.

I speak particularly to those Members who are concerned that humanitarian aid should be extended through international organizations and private agencies. The Meyner amendment is in this conference report. This means that aid can be extended to international agencies and basically the issue which was so controversial last week—whether and to what extent the President should have authority to use armed forces for evacuation purposes—is no longer an issue, because the evacuation is now completed. The President has assured us that sections 4 through 9 of the bill have been out dated by events and that he has no intention of carrying out further evacuation.

Moreover, this bill does not give him authority to do so since all Americans who wanted to leave have been evacuated. And it is clear private agencies can still operate in Vietnam and can provide help to the people who have suffered so much.

This is in accord with the legislative history made the other day in dialog with the gentleman from Ohio (Mr. Ashbrook) about the Ashbrook amendment which indicated that that amendment would not operate to prevent international agencies such as the International Red Cross to provide aid to individuals who are in Vietnam today.

It is true that if this conference report is defeated, a clean bill providing humanitarian assistance can be brought back to the House. However, I have no confidence that such a bill will contain the statesmanlike provisions of the Meyner amendment. Accordingly, I urge those Members who form those provisions to vote for this conference report.

Mr. BROOMFIELD. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. Whalen).

Mr. WHALEN. Mr. Speaker, I rise in opposition to the conference report and I do so for four reasons.

First, Mr. Speaker, there are 11 sections to this bill, and 5 sections, sections 4, 5, 6, 7, 8, and 9, clearly are moot. They deal with evacuation, and evacuation of Americans, thank God, already has been completed.

Second, Mr. Speaker, I am concerned, however, that if this act should pass with the retention of section 7 in the law, this as Members know waives the prohibition against the use of American troops in Indochina. The President has indicated he is not going to use this authority. I certainly agree he will not, but that being the case, then, Mr. Speaker, why should this waiver be in the law?

Third, I am concerned with the humanitarian assistance intended for those still in South Vietnam. I would refer Members to section 10 of the conference report. It alludes to assistance going to those in South Vietnam. In this respect, I think there are two options that must be examined, Mr. Speaker.

Obviously there are no AID personnel in South Vietnam to handle this assistance. Section 11 prohibits this assistance from being funneled through the Government of North Vietnam as well as the new Government in South Vietnam. Therefore if it will go through international agencies or private agencies I think we have to ask two questions:

Will these organizations be in a position to handle it? What is their program for handling this assistance?

How much can they handle? I think we have to get an answer to that. If, however, Mr. Speaker, it is our intention not to provide humanitarian assistance to those still in South Vietnam, then certainly sections 10 and 11 are also moot.

Fourth, I am concerned with relocation assistance. We have revised no plan from the administration as to exactly how much it is going to cost. We have no program delineated as to how and where the South Vietnamese shall be relocated in this country.

I think until we get this information, Mr. Speaker, we cannot act very wisely or prudently. So it seems to me it gets down to one question; that is, funds for relocation of South Vietnamese who will be eventually brought here to the United States. I think we can defer legislative action on this and, if necessary, this can be financed through other supplemental appropriations.

Mr. RONCALIO. Mr. Speaker, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from Wyoming.

Mr. RONCALIO. Mr. Speaker, I would like to associate myself with those remarks. I believe they are cooperative, calm and courageous.

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield?

Mr. WHALEN. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Speaker, I associate myself with the gentleman's remarks.

Mr. BROOMFIELD. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. Biester).

Mr. BIESTER. Mr. Speaker, it seems to me two basic objections have been raised to this conference report. One is that it may authorize further military conduct by the President of the United States.

Second, that it might in some way authorize the spending by him of moneys to the benefit of the PAG Government in South Vietnam.

Mr. Speaker, it seems to me that both of those objections and reservations ought not to dissuade us from passing this conference report. We have a letter to you, Mr. Speaker, from the President himself indicating his solid commitments with respect to at least the first of those objections. And the language of the Meyner amendment should satisfy the latter.

As I said during the course of the debate on the bill we considered last week, it is time for us as a Congress to begin to repose some degree of trust again in the Presidency of the United States.

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. BROOMFIELD. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. BIESTER. Mr. Speaker, I recall all the fears, all the apprehensions that were floating around in the early hours of that morning. Now the action has taken place. The action took place under circumstances which obviate all those fears. It demonstrates that those fears were not well founded. We have a President we can trust. We need to display that trust to the people of the world and the people of this country. Both peoples need to see the President and the Congress working together with respect to a foreign policy and not constantly at odds with each other.

Approval of this conference report will keep the Congress in the picture on the authorization and validating what the President has done with respect to removal of troops will confirm our war plans and priority and responsibility. It will not authorize money going to Communist sources.

It is time to give respect and trust to specific commitments that the President has expressed in his letter to the Speaker. It is time for the Congress to share the burden of responsibility in the toughest foreign policy decisions.

I urge adoption of the conference report.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from Alabama (Mr. BUCHANAN).

Mr. BUCHANAN. Mr. Speaker, there is one issue before the House and one only. Again it would seem to me that those fears that the President may reintroduce troops in South Vietnam are unfounded and constitute irrationalities in this situation.

Also, he has made clear that it is not his intent to give money that could be used by the Communists, but that he needs this money—and all of it—for the refugees who have been evacuated.

Mr. Speaker, I want to deal with a point that has not been raised, to my knowledge, but one which is real. There are those who are concerned about the 70,000 people who have been evacuated and how they shall be cared for, and the impact that they shall have upon our country.

Mr. Speaker, I would simply say this about that: We must remain true to this country's heritage, and whatever mistakes we have made in the long, tragic involvement in Indochina, we must not make the final mistake of turning our backs on human desperation and great need. I do not know what others may think when they enter the harbor and see the Statue of Liberty standing there, but personally, after I have thanked God that I am a free born American, the lines at the base of the statue begin to come through:

Give me your tired, your poor.
Your huddled masses yearning to breathe free,
The wretched refuse of your teeming shore.
Send these, the homeless, tempest-tost to me,
I lift my lamp beside the golden door.

Our country has been built upon the efforts of people who came here to live in freedom, many in desperation, and fleeing from tyranny. I would say that whatever else we may do, we must hasten to give the President the authority he seeks to provide help for those people, and we must not make the final mistake of turning our backs on human need this great and this abject.

Mr. Speaker, I do not mean to imply that those who oppose this conference report favor doing that, but action is urgently needed, and this is an opportunity for Congress to act to help, and to do so now. I urge the adoption of the conference report.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from Delaware (Mr. DU PONT).

Mr. LONG of Maryland. Mr. Speaker, will the gentleman yield,

Mr. DU PONT. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Speaker, I oppose the conference report on the Vietnam Humanitarian Assistance and Evacuation Act of 1975 because:

First. We don't know how many Vietnamese are coming to the United States; how they will be settled; what impact they will have on the U.S. economy; how much assistance money is going to be required; who they are. We need full congressional hearings—similar to our consideration of Cuban and Hungarian refugees' problems—before we can vote in a responsible manner.

Second. This conference report allows money for international organizations to aid Vietnamese war victims. Do we really want to let the United Nations go into Communist-controlled South Vietnam and spend American money? The bill is not at all clear on where the international organizations would spend our money—or which international organizations would be involved.

Third. The conference report contains language allowing the President to use American soldiers to go back into Vietnam to evacuate U.S. citizens, their dependents, and other Vietnamese. At some future point, we could regret giving such carte blanche authorization to a President—even though President Ford now may take the position that the current evacuation is complete. This is dangerous legislation.

Mr. DU PONT. Mr. Speaker, I rise in support of the conference report. Trying to put the issue very simply, there are three points to be made.

First, if we believe we should give humanitarian aid to the 58,000 people evacuated, and I do, this is the only vehicle we are going to have to do it.

Second, there is no broadening of the President's authority within this legislation. Each of the three sections permitting the use of the Armed Forces authorize their use solely for purposes of evacuation, and that language is in each of those sections. Also, the War Powers Act obviously is still in effect. I would argue, further, that this legislation narrows the President's options because the Congress is specifically authorizing and ratifying an action that is of unclear authority without such approval.

Third, and most important, this Congress must ratify what the President did in that evacuation. The President acted in a manner that I think is not clearly legal, or illegal, under the Constitution. I do not think we can pin it down, and I think it is most important that we approve what he did. As a branch of the Government that shares foreign policy power under the President, we must exercise that responsibility. We must say "Mr. President, you did the right thing by evacuating the Americans, and you did it properly, and we, the Congress, support your action in this instance."

A vote for this conference report is a vote to ratify the President's action. I think that is the single most important point concerning the report, and I urge its adoption.

Mr. MORGAN. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts, the distinguished majority leader (Mr. O'NEILL).

Mr. O'NEILL. Mr. Speaker, I rise in opposition to the conference report. Last week we had before us a resolution that was, in my opinion speedily drawn and loosely thrown together, and we debated it for 15 hours.

I was opposed at that time to troops being used for evacuation of Vietnam nationals. Thank God, and without the use of any legislation passed by this House, we were able to get out our Americans and some 55,000 or 60,000 Vietnamese nationals.

In my opinion, section 4 through section 9 today is moot. It is a moot question, and I do think it sets a bad precedent for the future. What America needs more than anything else is a bipartisan foreign policy. We have to get back to that. So let us start this bill again from scratch.

I am for humanitarian needs. I want to ratify the things that the President did. I want to take care of the refugees and the evacuees. But I think we ought to start from scratch on this bill.

Circumstances have changed since we debated this bill last week. There is no reason in the world why we cannot defeat this conference report and bring in a clean bill and have it on the floor in the early part of next week. I hope the measure is defeated.

Mr. BROOMFIELD. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Speaker, I could not agree more than I do with the statement that was just made by the distinguished majority leader (Mr. O'NEILL) that we need to begin to create the basis for a bipartisan foreign policy once again in this country. But I ask the Members: How, in heaven's name, do the Members expect to lay the foundation for that kind of a bipartisan foreign policy if we will not accept the simple statement of the President of the United States, under our Constitution the chief architect of our foreign policy, if we will not accept the simple statement in the letter that was read a few minutes ago that he has no intention of reintroducing American forces into South Vietnam?

I think that far from laying the predicate for a new bipartisan policy, we are telling the world that we have no confidence whatever in the word of the President of all of the American people if we defeat this conference report.

I was present at the meeting to which the gentleman from California (Mr. PHILLIP BURTON) referred. I was present at the same meeting a few days ago, where, indeed, the suggestion was discussed that we——

Mr. PHILLIP BURTON. And agreed to.

Mr. ANDERSON of Illinois. Please let

me finish. I only have a few minutes. I want to complete my remarks.

The suggestion was made——

Mr. PHILLIP BURTON. And agreed to.

Mr. ANDERSON of Illinois (continuing). And there was a tentative agreement, although the chairman of the Committee on International Relations was not present. He was not present and did not concur in that agreement. There was a tentative understanding that perhaps the procedure could be used that we could recommit the conference report with instructions to the conferees that they eliminate section 4 of the conference report. But what we did not know about on that occasion and what we did not realize was that the Senate, having acted, the Senate, having discharged its conferees, we could not use that procedure. And I want to reiterate again that if we defeat this conference report today, we are simply telling the world that we do not have any confidence in the word of the President of the United States.

I want to tell the Members of this House that I do. And to stand up here and compare what Lyndon Johnson may or may not have said about the Gulf of Tonkin resolution in 1964 with what the President of the United States has said about this legislation in 1975 makes no sense to me, to make that kind of comparison.

I am not interested in Madam Ky, or helping people of that kind, under the terms of this legislation.

The SPEAKER. The time of the gentleman has expired.

Mr. BROOMFIELD. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. ANDERSON of Illinois. But what I remember, ladies and gentlemen of the House, as I stand before you this morning, are the stories and, indeed, the film of those hundreds—yes, thousands—of people, who, in their desperate rush and bid for freedom, were literally clawing at the Embassy walls in an effort to get through in time to be helicoptered out to safety.

I join the members of the committee and those in this House who think we do owe some moral responsibility, some humanitarian obligation to those people, and I am willing to accept the pledged word of the President of the United States that all this bill is designed to authorize is the right to fund humanitarian relief for some 70,000 refugees and I think we ought to adopt the conference report.

Mr. MORGAN. Mr. Speaker, I yield a minute and a half to the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Speaker, in considering this conference report, we must look back as to why the Congress was asked even to consider legislation on this matter.

The President had asked that we clarify this authority in utilizing U.S. Armed Forces to evacuate the U.S. nationals and South Vietnamese nationals.

The House in its wisdom did just that. The Senate did likewise. The conferees have met and, in clarifying, tightened the limitations of presidential powers as outlined in the war powers resolution.

There are some who are saying that this conference report in some way supersedes the war powers resolution or amends the War Powers Act and that the President could, under section 4 of this conference report send U.S. Armed Forces back into Vietnam.

Nothing could be further from the truth. Mr. Speaker, as the principal sponsor of the war powers resolution, would I be standing in this well asking for the support of a conference report that would weaken the act after I had expended so much effort on, the war powers resolution? I certainly would not be here if I thought for 1 minute that that were the case. We ought to bear in mind that the Congress, as the Senate has demonstrated, have a responsibility to meet our obligation if we meant what we said in the war powers bill.

In the past few years there was growing concern and criticism of the executive branch for usurping the legislative authority of Congress. The Congress has an opportunity to voice its views on an important matter that should be a joint-congressional-executive venture we should be willing to stand here and be counted when we have the opportunity. This is what is at stake, whether we are going to meet our obligations as elected representatives of the people.

In the early morning hours exactly 1 week ago this body—after extensive debate—decided that the wisest course was to enact specific legislative authority for the President to carry out an evacuation of Americans and some endangered foreign nationals from Vietnam.

In the course of that debate, the report was brought to this floor that 5,000 American marines had landed on the shores of South Vietnam.

The report ultimately proved to be false, but the moment clearly held some uneasiness for those who were opposing this legislation.

For if, indeed, 5,000 marines had landed—what then? Here was the President acting on his own—with no congressional sanction. How would it be possible at that point to restrain what a Commander in Chief might do?

And the House subsequently acted to give congressional approval—within certain limitations—to an evacuation.

Today, as we stand here, that evacuation has already taken place.

As we know, it did not require 5,000 marines landing on a beachhead in South Vietnam. It was done in one operation with a loss of life by four American military men.

The President acted without this body having given its final sanction.

Yet he was well aware of the restraints which the Congress wished to impose because of our action early Thursday—and because the conference report had been finished on Friday and the Senate had passed it Friday afternoon.

It seems clear that the final evacuation was carried out within the limitations set down by the conference report before us today.

Certainly the President and other executive branch officials knew the mind of the Congress on an evacuation.

If we fail to take the final step today, however, history will fail to record the part played by Congress in providing guidance to the President.

The evacuation is now past, but the issue of the role of Congress in foreign policy, particularly in the exercise of the war powers, remains with us.

By passing this conference report—even in this ex post facto form—will give final confirmation to a responsible congressional sharing in important national security decisions.

I firmly believe passage is necessary to clarify the legal basis for the President's actions.

Section 2(c) and section 8(a) of the war powers resolution call for specific prior authorization by Congress if U.S. Armed Forces are introduced into combat.

No such specific prior authorization had been approved when the President was forced by the pace of events to carry out an evacuation before we could take final action.

Is the operation, therefore, to be left in some kind of legal limbo?

It would be if we fail to approve this conference report.

Such a situation could well give rise to law suits and other legal complications.

Let us also be reminded of the five provisions of law which forbid the use of funds for the reintroduction of U.S. Armed Forces into Vietnam.

What is the effect of the evacuation operation on them? Is the President to be permitted to set them aside on his own authority?

I would hope the House would have more respect for the laws it writes. The Congress enacted the restrictions, only Congress has the right to waive them.

The conference report before us clears up these problems of authority.

Mr. Speaker, this is an important piece of legislation. The conference report gives Congress a role which it has claimed in foreign affairs—that of partner with the Chief Executive.

If we fail to pass the bill today, the seriousness of our quest for a responsible partnership will be in question.

But if we pass it, we will have made another significant step toward that balance of authority between the legislative and executive branches which, I believe, the framers of our Constitution intended.

The SPEAKER. The time of the gentleman from Wisconsin (Mr. ZABLOCKI) has expired.

Mr. BROOMFIELD. Mr. Speaker, I yield 30 additional seconds to the gentleman.

Mr. ZABLOCKI. Mr. Speaker, I thank the gentleman from Michigan.

In the few seconds I want to quote the majority leader. If I heard him correctly, he had stated in his eloquent way that he opposed the evacuation of South Vietnamese. He also said that he was in support of humanitarian aid and that he believed that it would be necessary to ratify what the President has done in evacuating United States nationals and South Vietnamese.

Mr. Speaker, I submit that now is the opportunity to do it. Vote for the conference report.

Mr. MORGAN. Mr. Speaker, I yield 1½ minutes to the gentleman from Michigan (Mr. RIEGLE).

Mr. RIEGLE. Mr. Speaker, I want to say at the outset to my colleagues that I think now that this is a bad conference report.

I say that for the reason that the situation has changed so much in a week that it is now out of date, as much so as if it were 10 years old. I do not know why we should be asked to come in now and act on something that is already behind us.

The issue that is left for us to consider and the one that frankly we are not considering here properly is the issue of humanitarian assistance: How much, for whom, spent in what way?

There is no plan today, but that is what we need because that is what is left of the problem. What is going to happen to the refugees?

That is why this conference report ought to be defeated. The Committee on International Relations, on which I serve, ought to go back into session to help develop a specific refugee plan. We ought to sit down with the administration witnesses and find out how many people we are talking about, what their specific needs are, how they are going to be met, where they are going to go, et cetera. We need a plan. There is not any plan in here. What we are being asked to sign is a blank check. This is not a question of a test, face to face, with the challenging the good faith of the President, and I resent that inference. That has not anything to do with it. What it has to do with is the question of whether the Congress, which has the appropriation power, and the President can now sit down cooperatively in a partnership and deal together with the one part of the problem that remains, namely, what is going to happen to these refugees?

This bill does not address that question. This just gives the administration a blank check. I do not think that makes sense.

Therefore, Mr. Speaker, let us defeat this and come back with a bill that is aimed at the problem.

Mr. MORGAN. Mr. Speaker, I yield 1 minute to the gentlewomen from New York (Ms. ABZUG).

Ms. ABZUG. Mr. Speaker, I urge the defeat of this conference report. The part that we all want to debate, humanitarian aid, can and will be brought to the floor in a separate bill. To meet the present circumstances, this bill has become moot. Americans have already been completely evacuated from Cambodia and Vietnam without any extension of presidential powers.

There is no longer any danger to the lives of Americans who were in these countries—but there is grave and continued danger in authorizing the use of American troops in combat situations. Our ships are still off the coast of South Vietnam, where they are picking up thousands of Vietnamese.

President Ford has announced that the war is over as far as America is concerned. That is the way the Congress and the public devoutly wish to leave it. Let us not risk further involvement by granting to the President the authority to commit troops to any combat action.

It has taken 2 years for the Congress fully to assert its power to declare war. In seven legislative prohibitions we have said that the United States shall not become reinvolved in Indochina. If we repeal these restrictions, as we would do if we passed this bill, we would be giving the President openended authority to create an emergency. The Congress did this once, before, to our everlasting sorrow, with the Gulf of Tonkin resolution. We learned from that, and we must not forget the bitter lesson.

Today the President says that we should be assured that he does not intend to send the armed forces back into Vietnamese territory. I accept that, but there are still U.S. ships, planes, and marines in and around Vietnam to complete evacuation. If we extend the President's authority, we may be encouraging action which would not be taken otherwise.

I think it is wrong, I say to the gentleman from New York (Mr. BINGHAM), to suggest that there is not the possibility of reintroduction of armed force. I think there is. Why should we risk it?

In the same letter the President said that this request is moot; we all know that it is moot in terms of the events of the last few days.

I beg to differ, Mr. Speaker, with anyone who says that we have no other route. We can vote down the conference report. Then the House can recede and concur in an amended Senate amendment, striking the troop authorization and retaining the humanitarian aid.

It is incorrect to mislead this body into thinking that this bill is the only way to provide for humanitarian aid.

As has been suggested, we could also proceed with a clean bill, which I believe to be the more rational approach.

Many questions have been raised here, Mr. Speaker. Let us not risk the reintroduction of Armed Forces with congressional approval.

Mr. BROOMFIELD. Mr. Speaker, I yield 30 seconds to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Speaker, I feel frustrated and discouraged when I hear some of the debate from the opponents to the conference report. Opponents want the issue.

There is no way troops could be sent back into South Vietnam. We must provide humanitarian assistance to people in trouble.

What would you have us do with these people who have swum to ships and who have scrambled to safety for fear of their lives? My God, Mr. Speaker, these people were our allies only a few hours ago. I would feed a dog if it were hungry. We are talking about feeding hungry men, women and children.

Mr. MORGAN. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. FASCELL).

Mr. FASCELL. Mr. Speaker, I rise in support of the conference report.

Mr. Speaker, I wish to point out simply what I believe is obvious. That is, that this is an authorization bill, and all the issues that are raised about the expenditure of money may be resolved through the appropriations process. We all know that.

About the guidelines of authority that are laid down in this legislation, on which the House and the Senate both have worked their wills, the simple issue is not only what has just happened, but what is involved for the future.

The Congress, for the first time acting, pursuant to the President's request as envisioned under the war powers resolution, laid down guidelines governing the President's action on a vital policy matter affecting the success of this country. That law must be signed by the President. It has value for the entire future of this country that both the House and Senate and the President have signed off on this issue.

Mr. BROOMFIELD. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. FISH).

Mr. FISH. Mr. Speaker, I thank the gentleman for yielding me this time, and personally wish to direct the attention of the House to section 3(b) of the act, which provides for humanitarian aid.

In my view, Mr. Speaker, this concerns only the first asylum of these people, and would not cover the question of resettlement funds.

Mr. Speaker, at this time I wish to yield to the gentleman from New York (Mr. BADILLO), the author of the Migration Refugee Assistance Act of 1975, which the Judiciary Committee will start hearings on next week.

Mr. BADILLO. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, this is the wrong bill. If what we seek to do is aid refugees the proper bill belongs in the Committee on the Judiciary because we are talking about refugees who are subject to the immigrations laws. The bill that Congressman FISH and I are sponsoring would provide, as we indicate on page 11811 of the CONGRESSIONAL RECORD of April 24: First, for assistance to refugees; second, for assistance to State and local authorities; and third, for transportation and resettlement of refugees; and fourth, for employment and retraining programs for refugees.

This is what we should be doing. This is what we can do under the bill we have submitted known as the Migration and Refugee Assistance Act of 1975.

For that reason, this conference report should not be approved.

Mr. MORGAN. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. JOHN L. BURTON).

Mr. JOHN L. BURTON. Mr. Speaker, this measure does appropriate money, or we would not have had to waive a rule that said you cannot appropriate money in an authorization bill. So when we start talking about the budget later today, remember this $377 million; especially those who want to reduce benefits of the social security recipients.

Many on the minority side of the aisle—and a few on the majority side of the aisle, said this bill was needed to get the Americans out. What the administration was doing was leaving some Americans in Saigon, and the President wanted the right to use troops to get them out. The Americans are out. The minority stated he did not have that right, and they said that our fears were not well founded. You know why? Because he did not have the blank check in this bill to use that many troops to get them out. Our fears were not well founded, because he did not have the blank check authority under this bill.

I do not think we should be giving him this blank check.

I urge a "no" vote on the conference report.

Mr. MORGAN. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. Seiberling).

Mr. SEIBERLING. Mr. Speaker, it may come as a surprise to some of the people who were most vociferous in shouting down my amendments last week at 2 o'clock in the morning, but I am going to support this conference report. However, I am addressing myself not to them but to my friends who fought with me against the House bill. They were right in fighting against the House bill. The bill was not well drawn. But that is not the bill before us. This conference report is very carefully drawn and, furthermore, the situation has radically changed.

If we do not support this conference report, then we are going to be in the position of winking at violations by the President of the statutory prohibitions against military actions in Vietnam. If we do that, then I think we may have opened up a wide breach in the restrictions on the future use of military forces in Vietnam.

Under the very narrow language in the conference report the recent actions of the President would be ratified, but there would be no authorization under which the President can go back into Vietnam, since all American personnel except those who desired to stay in Vietnam have been withdrawn. Moreover, the President has assured us that he has no intention of ordering our military forces to go back into Vietnam.

It seems to me this is an opportunity to put the Vietnam issue to rest at long last, and to authorize the funds to cover the cost of evacuating and caring for our citizens and the other refugees who have been brought out of Indochina.

The SPEAKER. The time of the gentleman has expired.

Mr. MORGAN. Mr. Speaker, I yield one-half minute to the gentleman from Pennsylvania (Mr. Edgar).

Mr. EDGAR. Mr. Speaker, I have not been able to say anything in a half minute all of my life, but let me just try to attempt to make a point or two. I would like to associate myself with the remarks of the gentleman from Massachusetts (Mr. O'Neill), the gentleman from Ohio (Mr. Whalen), the gentleman from Michigan (Mr. Riegle), and persons who have really understood the focus of this bill. My personal belief is that last week when we were arguing for my substitute, I was right. The issue is humanitarian assistance and how that humanitarian assistance is to be administered. We need a new humanitarian aid bill which clearly answers the questions raised: Who? How? Where? When? And how much? I urge the defeat of the conference report.

The SPEAKER. The time of the gentleman has expired.

Mr. MORGAN. Mr. Speaker, I yield one-half minute to the gentleman from New York (Mr. Ottinger).

PARLIAMENTARY INQUIRY

Mr. OTTINGER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. OTTINGER. If we vote this down, would it then be in order for the chairman of the Committee on International Relations to go back to conference with instructions that we drop out section 4?

The SPEAKER. The answer is "No." When the House disapproves a conference report, the matter is left in the position it was in before the conference was asked. That is under section 551 found in Jefferson's Manual. In other words, the conferees of the Senate have been discharged. The House would start all over with the House bill and the Senate amendments, and the Chair would recognize the chairman to offer a proper motion to dispose of the Senate amendment.

Mr. OTTINGER. I have an additional parliamentary inquiry. Could the chairman request that a new conference be constituted?

The SPEAKER. The chairman could do that, yes.

Mr. MORGAN. Mr. Speaker, I yield one-half minute to the gentlewoman from New York (Ms. Holtzman).

Ms. HOLTZMAN. Mr. Speaker, there is no question that the language of this conference report specifically authorizes the President to use armed force in Indochina. Yet even the President concedes that events have overtaken the need for those provisions of the conference report which authorize the use of armed force in Indochina.

Since there is no need, we must not do it. War powers are too important to grant lightly. We in Congress have labored very hard to prevent another Gulf of Tonkin and to prohibit the use of American troops in Indochina. We must not now simply turn around, waive these prohibitions indefinitely, and give the President authority to send troops or bombers into Laos, Cambodia, and North Vietnam—as well as South Vietnam.

In addition, I am not persuaded by the arguments that we should ratify Presidential actions in connection with the evacuation from Saigon. I think it was highly questionable for the President to wait until the 11th hour to evacuate Americans from Vietnam. For the past 2 weeks we in Congress had been calling on him to evacuate all Americans immediately. By waiting until the 11th hour, four Americans died and countless others were exposed to very grave danger. This should have been avoided.

I do not want to go on record as ratifying these actions. I do not think the House should ratify these actions without at least hearing testimony on the events of the past few weeks.

Mr. Speaker, we should defeat this conference report.

The SPEAKER. The time of the gentlewoman has expired.

Mr. MORGAN. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Illinois (Mrs. Collins).

Mrs. COLLINS of Illinois. Mr. Speaker, I associate myself with the remarks of the majority leader, Tip O'Neill and regret that I cannot support the conference report on the Vietnam Humanitarian Assistance and Evacuation Act.

One of my major objections to the report is contained right in the title, the part which refers to evacuation. There are no more Americans in South Vietnam who want to be evacuated. President Ford has declared publicly that the war is over for Americans. There just is no point at this time in passing a bill that still authorizes sending U.S. troops to Vietnam. The war is over. Let us give it a decent burial.

I realize that it is important for Congress to assert its partnership with the Presidency by showing that it can place limitations on his use of U.S. Armed Forces. This principle was made clear in the War Powers Act of 1973.

I strongly believe in what Congress did in the War Powers Act. But today's conference report is the wrong means at the wrong time to try to reassert our authority. As a matter of fact, I do not think our powers were diminished one bit by what the President did. He used his constitutional authority to rescue Americans in an emergency situation, and that was the right thing to do. If I have any criticism of that, it is that he did not get Americans and their dependents out sooner.

In the second place, the conference report provides aid to be channeled through the South Vietnamese Government. If we want to give aid to the refugees, the orphans, the injured who have survived this horrible war and remain in Vietnam, it would be far better to come up with a clean bill which channels humanitarian aid through international and private, voluntary agencies. And the aid should be controlled by the agencies, not the government which will be formed in Vietnam.

Third, the refugees now coming to this country will need a lot of help in resettling here. It will be expensive. We need testimony from the administration on how they are going to handle the problem, how much it will cost. Then we would have the basic information to write a new bill to take care of this particular problem.

There just is no point in passing a bill which refers to a situation that no longer exists. I voted for this bill last week because Americans were still in Vietnam. Now that the situation has changed sections 4 through 9 are now moot and I urge my colleagues to vote this report down so that the House can be presented with a clean bill for humanitarian aid.

Mr. MORGAN. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. Sikes).

Mr. SIKES. Mr. Speaker, President Ford has said this:

> The Congress may be assured that I do not intend to send armed services of the United States back into Vietnamese territory.

That is good enough for me. I can trust the President of the United States, so can Congress, so can the American people.

However, the President has a responsibility to protect lives of American citizens. He asked Congress for authorization to send troops into Vietnam to evacuate Americans who were there. This authorization was not completed before conditions there reached emergency status. Had he not taken forthright action, more than 1,000 Americans could today be in Communist hands in South Vietnam. What would the Congress propose to do about that situation? We can applaud the President for his courageous decision and we can thank those brave Americans in uniform who performed magnificently and successfully in this crisis period.

There can be no doubt now about the purpose of funds that would be authorized in this bill. There are many thousands of Vietnamese refugees who fled communism and who must have food and shelter. Let us not sit on our hands and find excuses for doing nothing while they starve. They cannot wait for Congress to work out details.

It has been 3 months since President Ford first requested emergency funds for Vietnam. This is as near as we have come to doing something—anything. Call it what you want; that is not a very impressive record. In the meantime two countries have been conquered by Communist forces. A third, Laos, will not be far behind.

This is humanitarian aid which one Member after another has stated he will vote for. But it is an authorization only. There still must be an appropriation. Further delay will be inhuman. It will add to the damage already done to America's image worldwide. Today is the day and this is the opportunity to vote for humanitarian aid.

The SPEAKER. The time of the gentleman has expired.

Mr. ROUSH. Mr. Speaker, what is the hurry on this conference report? Last week I voted for the House version of this legislation but that was under circumstances entirely different from those existing today. My concern then was primarily that of evacuating Americans and their dependents from South Vietnam and providing a measure of humanitarian assistance to the refugees and the people of South Vietnam. At that time there appeared to be an urgency which dictated emergency action. Time and circumstances have erased the emergency aspect of those deliberations. We now have the opportunity to act with greater deliberation and on the basis of facts. I agree with the gentleman from Michigan that the committee should now consider the needs of those who have been evacuated; then bring a new and well-reasoned resolution to the floor of the House for this body's consideration. Today we are asked to write a blank check for over $300 million and I, for one, am not willing to do that in view of the dramatic turn of events of this past week. There are simply too many unanswered questions. How many refugees are there? Figures ranging from 58,000 to 70,000 have been given to us, but no one seems to know with any certainty how many we are being asked to take care of. Who are they? Again no one seems to know. We know many are dependents of Americans. We know many are rich. We know many are those who we never contemplated evacuating to this country, but who by various means—the right contacts, bribery, the use of influence, are now here. We do not yet know the magnitude of their needs nor do we even know what their needs might be. Is their need for food? If so, how much is needed? Is it for housing? If so, how much is needed? Is it for transporting the refugees? If so, how much is needed? Is it for medical needs? If so, how much is needed? Mr. Speaker, with all of these unanswered questions, I cannot responsibly vote for the conference report which is before us today. To do so would be to legislate irreponsibly

Mr. BROOMFIELD. I yield the remaining time to the minority leader, the gentleman from Arizona (Mr. RHODES), to close the debate on this side.

Mr. RHODES. Mr. Speaker, I think it is time that we put this into as rational a frame as we possibly can. This is not a matter over which we need to get exercised. As a matter of fact, it is an authorization bill to reimburse other funds which have been used in an attempt to take Americans and South Vietnamese out of danger who would have been killed had they remained in South Vietnam.

There is also a provision for authorization of funds only for an ongoing operation which becomes necessary because we have some 55,000 South Vietnamese who are strangers to this country, who need to be rehabilitated, and who need to have medical problems taken care of. It seems perfectly obvious to me that as long as we have these people we are going to have to go ahead with the operation we started and make sure they get a chance to create new lives for themselves in this country.

I would suggest to my friends who are worried about this bill that they just quit worrying today. They can worry day after tomorrow or some other day when the gentleman from Texas and his Appropriations Committee bring out an appropriations bill to effectuate the provisions of this bill. All of us are good legislators. We know perfectly well how to put a limitation on an appropriation bill. We have done it many times. But I say to the Members there can be no appropriation bill unless we pass the authorizing legislation. Today we must lay the groundwork to do the things we are all talking about.

Some are worried for fear the President is asking for too much money, and that maybe he does not need it at all. Very well. His representatives will go before the Appropriations Committee and they will justify the need for the requested funds.

Some of my friends on this side of the aisle, and some of my friends on my right as well, are worried for fear that some of these funds will be taken and utilized either by the North Vietnamese Government or through the PRG. But it cannot be done until the money is appropriated. There is no way money can be used until an appropriations bill is passed, so the time to deal with that is on the appropriations bill and not now.

Some Members are worried for fear the money will be distributed through the United Nations, and perhaps that is a rational fear if people fear that sort of thing, as I do not happen to. But if Members want to settle that situation, I suggest they settle it at the time the appropriations bill comes up. Do not try to settle it now.

Mr. Speaker, it is time somebody on this floor said something about the operation which resulted in the liberation of some 7,000 or 8,000 Vietnamese and the removal of some 1,600 Americans who were in jeopardy in the city of Saigon. I do not know why Americans cannot be proud any more. I want Members to know I am very proud of the fact that the armed services of the United States entered that city, a beleaguered city, a panic stricken city, on a night that was dangerous because of the very stormy conditions that existed there. The losses could have been quite cataclysmic, and while nobody likes to lose lives, the losses were minimal and the operation was carried out on time and with dispatch. I think the people of the United States should give a great big vote of thanks to the gallant men in our Armed Forces who accomplished this operation.

As a matter of fact, Mr. Speaker, when our Ambassador had to come out on the last helicopter with the American flag in his lap I think we felt just about as low as we possibly could, and I think the only way we can go now is up.

Believe me, if we sink again to the type of nitpicking which we saw when this bill was originally on the floor and if we vote down this legislation, I think the big lift which this operation gave us around the world would have been dissipated. People around the world are wondering what is going to happen in the United States next. Chiefs of State are asking their ambassadors where the United States is going after this kicking around which we took.

The operation to take out the people who are our friends, not to leave them to their own devices or to their own deaths, but to take them out, started us up the road back to the type of respect and admiration which we have been led to believe that the rest of the world has for us. If we are now to reject the plea of the President of the United States and to vote this conference report down, then we will be starting back on the way down, insofar as the respect of the people of the world is concerned and the respect in which this country must be held.

I ask that we vote "aye" on the conference report.

Mr. MORGAN. Mr. Speaker, I yield the remaining time on the majority side to the gentleman from Minnesota (Mr. FRASER).

Mr. FRASER. Mr. Speaker, some have

commented that the events of the last few days have proved that we did not need the bill, and although the President used the Armed Forces to bring out both South Vietnamese and Americans, that now this issue is moot.

I worry about that conclusion. It is like saying, well, when the President went into Cambodia without congressional authority, it proved he did not need it. That is not a very satisfactory way to leave the effort that we are trying to make in Congress to share with the President the decisions on the use of combat forces abroad.

I think there is a substantial question here. There is a substantial question as to whether the use of those forces was lawful or unlawful. My judgment is that it was unlawful. Nobody argued on the floor the other day that the President had the authority to use Armed Forces to bring out South Vietnamese, but he went ahead and did it anyway.

Now, a case could be made that, well, at least both Houses has voted on it; but clearly, we had not completed action. There was no law.

I would like to wind this matter up by leaving the record for the future that the President did what was in this bill and did no more and that we completed action and even though he acted before it was finally law, nevertheless, we were working together to define the limit of his authority when he used Armed Forces.

That is why I favor having this language carried forward to complete that chapter on this very important precedent.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield?

Mr. FRASER. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Speaker, I agree completely with what the gentleman has just said and I want to associate myself with his remarks.

Mr. FRASER. Mr. Speaker, I thank the gentleman.

Let me underscore that the Meyner amendment is in this bill, but the bill is very carefully written and the money must go through the international organizations. It must be administered by them. The money may not go directly to the Government of North Vietnam or the PRG, but it can go to private relief agencies and public relief agencies, such as the United Nations refugee program or the children's fund. It is very carefully written and we need this authority.

I would like to see the United States respond to the appeal of Secretary Waldheim. I think this would be the decent thing to do.

Mr. DANIELSON. Mr. Speaker, will the gentleman yield?

Mr. FRASER. I yield to the gentleman from California.

Mr. DANIELSON. Mr. Speaker, I fully endore the gentleman's remarks and wish to be associated with them.

Mr. FRASER. Mr. Speaker, finally, we do need money for evacuation. There is a problem of what we are going to do with these 70,000 or 80,000 people. Let me make the point that after the Vietnamese have left the staging area, it will be up to the Committee on the Judiciary to deal with our responsibility for their continued welfare.

Mr. KOCH. Mr. Speaker, I am voting no on this conference report as I did on the original bill. First, I want to say that I believe that President Ford was correct in removing both Americans and Vietnam civilians from South Vietnam. At the end of a sorry road, the United States demonstrated some honor in aiding those whose lives were endangered. It is tragic that four Marines lost their lives in this final hour. We must all mourn and pay tribute to these men and their courage in defending American lives.

The conference report is now moot. The legislation is no longer appropriate. The President himself has indicated that a number of provisions in the conference report are no longer applicable as a result of the completion of the evacuation. However, that conference report contains a number of ambiguities that cannot be clarified by the letter of the President and must be corrected by the introduction of a new bill which will be solely humanitarian in its coverage. It is foolish to say that this legislation is of an emergency nature requiring passage today. The minority leader, JOHN RHODES on the floor this morning said that the arguments offered by Members in opposition to the legislation before us can be handled by the Appropriations Committee when the legislation comes before it after passage of this bill by the House. If that is so, then it is clear we have the time to consider a new measure which will deal specifically with humanitarian aid for the purpose of assisting the South Vietnamese civilians and in particular those who now are dependent for their future on resettlement here in the United States. I will vote for such humanitarian assistance, because it is the decent thing to do and something that we owe the South Vietnamese refugees. For it was we who placed them in the catastrophic tragic position in which they now find themselves.

Mr. MORGAN. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. JOHN L. BURTON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 162, nays 246, not voting 24, as follows:

[Roll No. 167]

YEAS—162

Alexander
Anderson, Ill.
Andrews,
N. Dak.
Annunzio
Armstrong
Aspin
Baldus
Bell
Bennett
Bergland
Biester
Bingham
Boland
Bolling
Bowen
Breaux
Breckinridge
Broomfield
Brown, Mich.
Brown, Ohio
Buchanan
Burgener
Burke, Fla.
Butler
Carter
Cederberg
Chappell
Cleveland
Cohen
Conable
Conlan
Conte
Coughlin
Daniel, Dan
Daniel, Robert
W., Jr.
Danielson
de la Garza
Delaney
Derrick
Derwinski
Downing
du Pont
Edwards, Ala.
Erlenborn
Esch
Eshleman
Fascell
Fenwick
Findley
Fish
Flood
Foley
Forsythe
Fraser
Frenzel
Frey
Giaimo
Gibbons
Gilman
Gradison
Gude
Guyer
Hall
Hastings
Hébert
Heinz
Hillis
Hinshaw
Hutchinson
Hyde
Jarman
Jeffords
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Kasten
Kazen
Kemp
Kindness
Krueger
Lagomarsino
Lent
Lloyd, Calif.
McClory
McCollister
McCormack
McEwen
McFall
McKay
McKinney
Madigan
Mann
Martin
Matsunaga
Meeds
Michel
Mink
Mitchell, N.Y.
Moorhead,
Calif.
Morgan
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Obey
O'Brien
O'Hara
Patman
Patten
Perkins
Peyser
Pickle
Pike
Poage
Quie
Quillen
Railsback
Rhodes
Robinson
Rousselot
Ruppe
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Seiberling
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Spence
Staggers
Stanton,
J. William
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Symms
Talcott
Taylor, N.C.
Thornton
Treen
Van Deerlin
Vander Jagt
Waggonner
Walsh
Wampler
Whitehurst
Wilson,
Charles, Tex.
Winn
Wright
Wydler
Wylie
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—246

Abdnor
Abzug
Adams
Addabbo
Ambro
Anderson,
Calif.
Archer
Ashbrook
Ashley
AuCoin
Badillo
Bafalis
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bevill
Blanchard
Blouin
Boggs
Bonker
Brademas
Brinkley
Brodhead
Brooks
Broyhill
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Casey
Chisholm
Clausen,
Don H.
Clawson, Del
Clay
Cochran
Collins, Ill.
Collins, Tex.
Conyers
Corman
Cornell
Cotter
D'Amours
Daniels,
Dominick V.
Davis
Dellums
Dent
Devine
Dickinson
Diggs
Dingell
Dodd
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
English
Evans, Colo.
Evans, Ind.
Fisher
Fithian
Florio
Flowers
Flynt
Ford, Mich.
Fountain
Fulton
Fuqua
Gaydos
Ginn
Goodling
Grassley
Green
Hagedorn
Haley
Hamilton
Hammer-
schmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Hefner
Helstoski
Henderson
Hicks
Hightower
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Ichord
Jacobs
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kelly
Ketchum
Keys
Koch
Krebs
LaFalce
Landrum
Latta
Leggett
Lehman
Levitas
Litton
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McCloskey
McDade
McDonald
McHugh
Macdonald
Madden
Maguire
Mathis
Mazzoli
Melcher
Metcalfe
Meyner

Mezvinsky
Mikva
Milford
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Montgomery
Moore
Moorhead, Pa.
Mosher
Moss
Mottl
Myers, Ind.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
O'Neill
Ottinger
Passman
Patterson, Calif
Pattison, N.Y.
Pepper
Pressler
Preyer
Pritchard
Randall
Rees
Regula
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Rodino
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Russo
Ryan
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Sharp
Shuster
Smith, Nebr.
Snyder
Solarz
Spellman
Stark
Steed
Stokes
Stuckey
Studds
Sullivan
Symington
Taylor, Mo.
Thompson
Thone
Traxler
Tsongas
Udall
Ullman
Vander Veen
Vanik
Vigorito
Waxman
Weaver
Whalen
White
Whitten
Wilson, Charles H., Calif.
Wirth
Wolff
Yates
Young, Alaska

NOT VOTING—24

Andrews, N.C.
Biaggi
Brown, Calif.
Burke, Calif.
Clancy
Crane
Evins, Tenn.
Ford, Tenn.
Goldwater
Gonzalez
Hansen
Hays, Ohio
Mahon
Mills
Mollohan
Price
Rangel
Shipley
Shriver
Stanton, James V.
Teague
Wiggins
Wilson, Bob
Young, Fla.

So the conference report was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Mollohan for, with Mr. Shipley against.

Mr. Price for, with Mr. Rangel against.

Mr. Teague for, with Mrs. Burke of California against.

Mr. Bob Wilson for, with Mr. Hansen against.

Mr. Young of Florida for, with Mr. Clancy against.

Mr. Evins of Tennessee for, with Mr. James V. Stanton against.

Until further notice:

Mr. Hays of Ohio with Mr. Ford of Tennessee.

Mr. Mahon with Mr. Brown of California.

Mr. Wiggins with Mr. Biaggi.

Mr. Gonzalez with Mr. Andrews of North Carolina.

Mr. Mills with Mr. Shriver.

Mr. Goldwater with Mr. Crane.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The House resolution, House Resolution 425, was laid on the table.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Heiting, one of his secretaries.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to make an announcement for the benefit of all Members.

The Chair is going to recognize the gentleman from New York (Mr. OTTINGER), who was the host for the Acting Chaplain of the House this morning, and then the Chair will recognize Members for unanimous consent purposes only, until after disposition of the business of the day.

PERSONAL EXPLANATION

Mr. MAHON. Mr. Speaker, I was present in the House during most of the debate on the conference report just defeated. I was called from the floor just prior to the vote and misjudged my timing and missed the vote by a margin of about 1 minute. Had I been present to vote I would have voted for the conference report.

RE-REFERRAL OF H.R. 6411 TO THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. JONES of Alabama. Mr. Speaker, I request unanimous consent that the Committee on Public Works and Transportation be discharged from further consideration of H.R. 6411—a bill to authorize the Secretary of the Interior to engage in feasibility investigations of certain potential water resource developments—and that the bill be re-referred to the Committee on Interior and Insular Affairs.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

NINETEENTH ANNUAL REPORT ON THE TRADE AGREEMENTS PROGRAM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-123)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Ways and Means and ordered to be printed:

To the Congress of the United States:

I am pleased to transmit herewith to the Congress the Nineteenth Annual Report of the President of the United States on the Trade Agreements Program. This report covers calendar year 1974.

The world economy in 1974 was characterized by deepening stresses and strains caused by persistent inflation, a downturn in economic activity, structural dislocations in the wake of the oil crises, high rates of unemployment, and widespread uncertainty as to the future. In such circumstances, most governments faced strong pressures to adopt unilateral restrictions on imports, to promote their export earnings and to secure access to essential supplies.

Fortunately, most governments have not forgotten the costly lessons of the nationalistic, go-it-alone policies and ensuing trade wars of the 1930s. With economic wisdom and political courage, the world's industrialized countries have in large part held the line against the proponents of short-sighted solutions involving unilateral measures restricting and distorting trade and competitive currency devaluations. Moreover, recognizing the need for positive, cooperative approaches, most of the world's trading nations joined in technical preparatory work for far-reaching multilateral negotiations to reduce trade barriers, as had been agreed to by over 100 countries in September, 1973. By the end of 1974, this preparatory groundwork was largely completed.

Passage of the Trade Act of 1974 last December opened the way for the multilateral trade talks to move into the negotiating stage in February, 1975. Countries accounting for most of the world's trade are participating in negotiations which will include all types of tariff and non-tariff barriers that affect agricultural as well as industrial trade. Both developed and developing countries expect major benefits from the results.

When these negotiations were launched in 1973 at a ministerial-level meeting in Tokyo, the objective was to achieve the "expansion and even greater liberalization of world trade and improvement in the standard of living and welfare of the people of the world." This commitment has been reaffirmed in recent meetings of the Trade Negotiations Committee in Geneva. The spirit of cooperation offers hope for broad and significant results.

The mandate given the President in the new trade legislation will enable the United States to play a leading role in these multilateral negotiations. Our position will be strengthened, moreover, by the close working arrangements which have been established between the Executive Branch and the Congress. Under these arrangements, representatives of the Congress have an important voice in U.S. policies and are participating fully in the negotiating sessions.

U.S. negotiators will also have the benefit of far more extensive advice from the public sector than in the past. Public hearings by the International Trade Commission are in progress. Hearings by the Executive Branch will open soon. Advisory committees, made up of a cross-section of the public interest and agriculture, industry, labor and consumer groups involved, will provide input for the U.S. negotiating effort at both the policy and technical levels.

The Trade Act, like the earlier Declaration of Tokyo, recognizes the importance of providing fair and reasonable market access to products exported by developing countries. As one step toward this objective, the Act provides for the granting of temporary generalized tariff preferences to such countries. The mandatory procedural steps for establishing the preference system have been initiated. When the system is in operation later this year, it will offer substantial benefits to many developing countries.

I am hopeful that, as implementation moves forward, the Congress will provide the necessary authority to include other developing countries through waiver of those restrictions of the Trade Act that are incompatible with our national interest and to which a number of countries have voiced strong objections.

At the same time, in signing the Trade Act on January 3, 1975, I expressed reservations about the wisdom of one of its provisions relating to restrictions on trade with the Soviet Union which led the U.S.S.R. to repudiate its 1972 trade agreement with the United States. This action by the Soviet Union constitutes an unfortunate setback to normalization of our economic relations with that country. In a spirit of cooperation with the Congress, I am hopeful that a solution to this problem can be found.

In light of the serious economic problems in the United States and elsewhere in the world today, efforts to preserve and build upon past gains in the trade field are now more urgent and imperative than ever. A more open, fair, and nondiscriminatory system, providing access to both markets and supplies, can give a vital stimulus to economic recovery, increased employment, and sound growth both in the United States and in the world economy. Congress has provided the mandate for the United States to move forward toward these objectives in cooperation with other nations. It is my intention to carry out this mandate fully and expeditiously, in the interests of the health of the American economy and the strengthening of harmonious and mutually beneficial economic relations among all countries of the world.

Gerald R. Ford.

The White House, *May 1, 1975.*

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1976

Mr. ADAMS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 218) setting forth, on an aggregate basis only, the congressional budget for the United States Government for the fiscal year 1976.

The SPEAKER. The question is on the motion offered by the gentleman from Washington (Mr. Adams).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution House Concurrent Resolution 218, with Mr. Bolling in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the Clerk had completed the reading of the concurrent resolution.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. O'NEILL

Mr. O'NEILL. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. O'Neill:

Strike out all after the resolving clause and insert in lieu thereof the following:

"That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on July 1, 1975—

"(1) the recommended level of Federal revenues is $295,181,000,000 and the amount by which the aggregate level of Federal revenues should be decreased is $4,400,000,000;

"(2) the appropriate level of total new budget authority is $395,938,000,000;

"(3) the appropriate level of total budget outlays is $368,213,000,000;

"(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $73,032,000,000; and

"(5) the appropriate level of the public debt is $622,900,000,000, and the amount by which the temporary statutory limit on such debt should accordingly be increased is $91,900,000,000."

Mr. O'NEILL. Mr. Chairman, all of us owe our gratitude and admiration to Brock Adams. As the new chairman of a new committee, engaged in a new process, Brock has led wisely, breathing life into the Budget Control and Impoundment Act in a way that will allow Congress to stand as a full and equal partner in the formulation of the Federal budget.

Only on one significant issue do I find myself in disagreement with the Budget Committee's resolution. The President wanted to impose a 5-percent cap on all programs tied to the cost of living. The Budget Committee placed a 7-percent cap on retirement benefit increases and accepted the President's proposed cap on Federal pay. It disapproved the other caps proposed by the President.

My amendment would remove all caps on retirement and Federal pay increases. Should it be adopted, this body would be expressing its approval for a budget that allows retirement benefits, including social security, and Federal pay to rise in line with increases in the cost of living. This is how the law now reads. Should this body disapprove my amendment, it would be mandating a change in present law that would say, we do not think that social security recipients or Federal employees are entitled to increases in benefits or pay that would allow them to maintain a set standard of living in the face of inflation. We would be mandating a change in the law under which social security recipients and Federal employees have come to expect and plan as if their standard of living will not be eroded by inflation.

Obviously, what prompted the Budget Committee to vote these caps was the increasing concern about growing Federal expenditures and deficits that cannot easily be brought under control. Given the current economic situation, these fears are not totally well founded. We now need to run a deficit that will set us on the road to recovery. And when the economy is operating closer to its capacity, the Federal Government will be taking in much more tax revenue. The deficit will be small.

In any case, my amendment does not direct itself to whether we need a deficit larger or smaller than that proposed by the Budget Committee. My amendment has a basically neutral marco-economic affect. It would require $2.763 billion in additional outlays, that is expenditures this year, to pay the cost of lifting all the caps. But my amendment recoups slightly more than this amount by updating outlay estimates to reflect developments since the Budget Committee reported its resolution, and by plowing back the tax revenue that would be generated by lifting the caps.

Mr. Chairman, the issue raised by my amendment is what priority do we give retirement programs and Federal pay. I think they should be assigned a high priority. I think most of my colleagues agree with me. I urge them to join with me in support for this amendment.

I include the following:

Outlays equal actual expenditures in this fiscal year).

Cost of removing the caps: $2.673 billion in outlays (money actually to be spent in the fiscal year).

Ways in which the $2.6 billion is recouped:

$250 million—Overlap between the housing tax credit and a section of the Housing Bill, both designed to reduce the overhang of unsold new housing.

$500 million—Included for the Home-Heating Efficiency Act which Banking says it will not pass.

$600 million—Highway spending to reflect the reality that with the President's release of funds previously withheld it is simply unrealistic to expect more than $6.3 billion in outlays.

$500 million—Given the real possibility of a veto, and the normal lapses, $500 million less than the Committee predicted will actually be spent on Accelerated Public Works this year.

$800 million—Southeast Asia Military Assistance. Assuming we approve only $165 million in humanitarian aid.

$100 million—In revenue to be generated by Elk Hills.

$181 million—Tax revenue from the lifting of the caps.

Expenditures in this fiscal year (equal outlays) increase $2,673 billion.

Expenditures decrease and revenue increases for total $2.931 billion.

Deficit decreases by the difference of $168 million.

AMENDMENT OFFERED BY MR. LATTA AS A SUBSTITUTE FOR THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. O'NEILL

Mr. LATTA. Mr. Chairman, I offer an amendment as a substitute for the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. Latta as a substitute for the amendment in the nature of a substitute offered by Mr. O'Neill: Strike out all after the resolving clause in House Concurrent Resolution 218 and insert in lieu thereof the following:

"That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on July 1, 1975—

"(1) the recommended level of Federal revenues is $296,400,000,000;

"(2) the appropriate level of total new budget authority is $371,900,000,000;

"(3) the appropriate level of total budget outlays is $350,500,000,000;

"(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $54,100,000,000; and

"(5) the appropriate level of the public debt is $603,400,000,000, and the amount by which the temporary statutory limit on such debt should accordingly be increased is $72,400,000,000."

Mr. LATTA. Mr. Chairman, let me say that my amendment differs considerably from the one just offered by the majority leader. The amendment of the gentleman from Massachusetts would increase outlays by $2,763 million in the area of Federal salaries and retirement. My amendment would reduce outlays. As a matter of fact, it would reduce the proposed deficit to $54.1 billion.

I think this is a significant amendment. How do we get it? I think this differs considerably from what the gentleman from Massachusetts has proposed.

My amendment would make various changes in the budget aggregate figures contained in House Concurrent Resolution 218. Perhaps of most significance, it would reduce the proposed deficit from $73.2 billion to $54.1 billion.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Ohio.

Mr. ASHLEY. Did I understand the gentleman to say it was his impression that the substitute amendment of the gentleman from Massachusetts (Mr. O'NEILL) increased outlays by $2 billion?

Mr. LATTA. That is from the gentleman's own statement.

Mr. ASHLEY. I think the statement of the gentleman from Massachusetts was that after recapture from other functional categories that the outlays would be $368,213 million, actually less than the $368,200 million as proposed in the resolution.

Mr. LATTA. Let me say in answer to the gentleman, the gentleman has apparently some different figures than I have. The figures circulated, I have an item that says, "Summary of O'Neill amendment to House Concurrent Resolution 218" and it proposes the various items and then it says that the amendment would remove the entire cap on Federal pay, retirement, and welfare benefits—which appears to be in error—increasing the outlay by $2,763 million.

Mr. ASHLEY. I think there is a mistake in that document. We will address ourselves to that in due course.

Mr. LATTA. I might say, since the gentleman has brought it up, if the item I have read in the summary is incorrect, the Budget Committee did not have a 7-percent cap on welfare benefits, as the gentleman from Massachusetts has indicated.

In my amendment we would eliminate excessive badly planned and potentially wasteful public works spending that could aggravate inflation and recession rather than help overcome those problems. It proposes that Federal employees, including Defense Department personnel, lead the way in returning fiscal responsibility to the Government and a lowering of the rate of inflation in America by foregoing any increases in salaries in the fiscal year 1976. This to me is absolutely proper, since these employees do benefit from having recession-proof job security generally not possessed by other individuals. They do not have to be concerned about their jobs tomorrow or next week or the week following or whether their paychecks are going to be there or whether their employer is making any money or losing any money. They have real job security and their retirement benefits are the best in the Nation. My amendment would cut back on unbudgeted items, reduce wasteful spending programs and stretch out programs that can be done without harm. It would allow the tax reduction act to expire at the end of this calendar year 1975.

The amendment attempts to bring about the type of decisionmaking that we must encourage in this Congress, and accomplish, if the new budget procedure is to be effective. So, under my amendment, the following target figures would be included:

Revenues, $296.4 billion; budget authority, $371.9 billion; outlays, $350.5 billion; deficit, $54.1 billion—and I do not even like that figure; public debt would be $603.4 billion.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(By unanimous consent, Mr. LATTA was allowed to proceed for 5 additional minutes.)

Mr. LATTA. Following are the various areas where reductions and cuts would be made and are reflected in the new target figures:

Community and regional development: Budget authority would be reduced by $5.6 billion, and outlays by $3.5 billion. Most of this would be in a proposed new emergency public works program that is not budgeted, and it would also affect several proposed increases over the budget for community grants, community action and planning programs. Public works programs are expensive and ill suited as programs to stimulate the economy in fiscal year 1976. These unbudgeted funds should be removed from this resolution.

Education, manpower, and social services: Here reductions would be made amounting to $4.9 billion budget authority and $3.5 billion in outlays. This represents proposed funding over the budget, with adjustments for rejection of proposed rescissions, for certain additional educational programs and large amounts not contemplated in the budget for public service and public works jobs and training programs. Here, too, the proposed spending for stimulative purposes is clearly excessive and is not appropriate as the means to combat recession in fiscal year 1976.

In the area of health—and everybody is for good health—reductions could be made here which amount to $2 billion in budget authority, $0.92 billion in outlays. This reflects acceptance of the President's proposal to reduce expenditures by requiring States to pay a larger proportion of the share of medicaid costs, which would result in a reduction in outlays, and various other reductions that represent unbudgeted items.

Natural resources: Reductions in this area would be to remove from the resolution $1.8 billion in budget authority and $1.5 billion in outlays that are associated with a variety of unbudgeted items pertaining to public works, parks, land use planning, conservation, and research. I emphasize unbudgeted items. Attractive as some of these may seem, this is not the time to add increased spending in these areas when we are facing massive deficits.

General science, space, and technology: Outlays in this category would be reduced by $200 million, which would be intended to stretch out space activities. This would reduce the outlay total somewhat below the budget, but that appears appropriate at this time because of the mounting spending deficit. I might say that this is an area that bewilders me. Even the budget is too high, and neither the House nor the Senate made any attempt to reduce it. Certainly, we can take $200 million out of this program without even blinking an eye.

Commerce and transportation: Reductions would be $4 billion in budget authority and $4 billion in outlay. A significant portion of the cuts would be to remove funds for unbudgeted Federal aid highway programs, which it appears cannot be effectively utilized; unbudgeted housing proposals and D.C. Metro System. Also included would be an unbudgeted $720 million payment to the Postal Service. And it is about time they got on a paying basis. That is the reason they came up with the Postal Service in the first place.

Such costs should be assumed by those who use the Postal Service and for whom the payment would be made, second- and third-class users.

In the area of veterans, budget authority and outlays would each be reduced by $400 million. This would keep compensation and pensions in line with the 7-percent cap on retirement and take out new program initiatives that are over the budget.

Income security: Budget authority would be reduced by $0.7 billion and outlays by $1.3 billion. This would reflect elimination of the monthly retirement test which favors high-income retirees, adoption of a standard deduction for work expenses in the food stamp program to increase efficiency, improve the social security minimum benefit law which was intended originally as an administrative convenience but has been turned into a welfare device, and improve the management of the program of aid to families with dependent children.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(By unanimous consent, Mr. LATTA was allowed to proceed for 3 additional minutes.)

Mr. LATTA. In the area of defense, there would be some net additions badly needed in both budget authority and outlays over the amount embraced by the resolution. These represent a cutting back on reductions proposed in the resolution for several purposes, including reductions associated with funds available for transfer from prior years and nonreplacement of equipment that is sold, reductions in the defense stock funds cash balances, reductions in war reserves and inventory replenishment funds, and reduction adjustments made for inflation and for program growth.

These increases, which would amount to $5 billion in budget authority and $3 billion in outlays, would be offset by reductions of $1.2 billion in budget authority and $1.2 billion in outlays which represent holding DOD civilian pay and military pay at its present level. In these days of financial stress and huge Federal deficits, it seems appropriate to hold the line on Federal salaries. There are instances in the private sector—and, I might say, in our area of northwestern

Ohio—I understand, where labor and management have voluntarily agreed to maintain wages at present levels. I think they are setting a proper course for America to follow, or year after year we are going to have increase after increase and there will be no end to inflation. I believe this example should be followed by the Federal Government.

The net addition in budget authority would therefore be $3.8 billion and $.1 billion in outlays.

Before I leave defense, just let me say that I have here a rather colored page from the Washington Star-News of Wednesday, May 15, 1974. Yesterday I alluded to the differences between the Soviet defense posture and the United States defense posture as of today. The article I have in my hand is an article written by former Admiral Zumwalt as he left his command. I just want to read a couple of paragraphs. They scared me. They called it to my attention, and I think the Members ought to know about it:

> Admiral Elmo R. Zumwalt, Jr., Chief of Naval Operations, says he is convinced that the United States has lost to the Soviet Union its ability to control the world's sea lanes.
>
> The Admiral offered that assessment in an interview as he prepared to step down as the naval chief.
>
> The Soviet Union's "capability to deny us the sea lanes, which is their job, is greater than our capability to keep the sea lanes open, which is our job," he said.
>
> Nor does Zumwalt believe the naval imbalance is likely to be reversed over the next five years.

The CHAIRMAN. The time of the gentleman has again expired.

(By unanimous consent, Mr. LATTA was allowed to proceed for 2 additional minutes.)

Mr. LATTA. Mr. Chairman, I read further:

> For Zumwalt, his concession that the Soviet Union has achieved potential control over the sea lanes in a crisis is somewhat a self-fulfilling prophecy and one that may be designed to influence both the Navy and the Congress when he retires.

Let me just mention what he mentions here, because of a limitation in time on the budgetary restrictions. I read further:

> At a cost of billions of dollars, he also set about rebuilding an aging fleet around classical concepts of sea power and novel concepts of ships that are still not completely accepted by a postwar generation of admirals who equate supercarriers with naval supremacy.

Now, get this:

> Forced to make a budgetary choice between maintaining the fleet and modernizing it, he cut the fleet by 47 percent, from 976 ships to 508, a numerical low. Even if that led to temporary naval inferiority, he maintains that it was "a very great risk" he had to take to modernize the fleet."

Let me say that those items describe money. I think that they ought to start this Congress to thinking that when we are searching for areas from which to take funds, we should look some place else in addition to the Defense Establishment of this country because we do not know when we may have to call on them again.

In conclusion, Mr. Chairman, let me say this on allowances: In this category budget authority would be reduced by $575 million and outlays by $550 million to reflect savings that would result by retaining salaries for all other civilian employees also at the present levels.

Mr. LEGGETT. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from California.

Mr. LEGGETT. I would just like to observe, with respect to the commentary of the gentleman, that everybody talks about the dwindling American fleet from 900 plus ships we had some years ago to below 500. If one asks Admiral Moorer, Admiral Zumwalt, or Admiral Holloway, he will find that there is no program whatsoever in the U.S. Navy today to build up over 500 ships, over the next 5 years. Of course, the corollary of that is that while they say that the Soviet Union has the power to interdict the U.S. power to control the seas, there is no statement whatsoever that the Soviets have the power to control the seas. A Soviet interdiction power in no way compares to an American capability to control the sea lanes.

Mr. ALBERT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do not take this time to comment on the amendments either pending or prospective, but upon what I think is one of the most necessary actions that this House can take during this session, and that is to pass a concurrent budget resolution and to do it in time.

I do not believe that any act, with the possible exception of the War Powers Act, does more to strengthen the American people's confidence in the Congress as an equal partner in the Government of the United States, with the Executive, than the passage of the first Budget Control Act to come before the Congress in a long time, certainly the first important one.

This is a historic moment. Amendments may come and amendments may go, and we will not achieve full consensus in these areas, but we should all strongly support the proposition that we must have a congressional budget. We should not let the President and his Office of Budget and Management carry out this function without the participation of the elected representatives of the people.

Mr. Chairman, I must congratulate the distinguished gentleman from Washington (Mr. ADAMS), in whose ability and dedication I have great confidence. I believe that his performance and that of his committee, in bringing this resolution to us today, after months of hard, complex work, marks his leadership in this House as second to none in the legislative field. I know the House appreciates the efforts of the chairman and his committee.

I would like to say again that this first budget resolution for fiscal 1976 is an historic moment and a great opportunity for the House. This year's resolution was meant to be a trial-run. In this first use of the budgetary procedures, the committee did not yet have the full resources of a Congressional Budget Office and its preparatory work. Instead, they had to begin with the President's budget and modify it in response to the apparent intentions of the legislative committee and the House.

The Budget Control Act we are now implementing has been far more comprehensively and carefully fashioned than the limited experiment which was tried and failed in the 1940's. Its procedures represent the product of lengthy and serious deliberations over the past 2 years. As we move to utilize these procedures fully, and gain more experience with them, we may find that modifications are necessary and desirable. But until we have passed this resolution and fully tested our ability to use these procedures as a means toward responsibly exercising our power of the purse, we will not know whether such modifications are needed. It is, therefore, imperative that this resolution, however modified, be approved by the House.

In the dire economic situation this Nation now suffers, there is a special need to act in a responsible fashion. The state of the economy is by far the most urgent problem facing the Nation and the Congress today, and I believe that the majority of the people in this country are looking to us in the Congress to find a way out of recession and back into a stable pattern of economic growth. This is our opportunity to assess needs and find the resources necessary to meet them. It is an opportunity at the same time to set priorities and trade off our lesser wants for our greater needs.

But, Mr. Chairman, it seems to me that in order to put the stamp of approval of the 94th Congress on this act, it is necessary that we send a resolution to the Senate today, or as soon as we reach a final vote on this particular resolution, or some modification of it, whatever the consensus of the House may be.

I am not attempting to make a brief for any particular provision or position. Nevertheless I must assert, as the elected leader of the House, on behalf of this House and the future of the Nation, that it is essential that we pass a budget resolution, and that we finish our procedures within the time contemplated in the act itself. For only by supporting a budget resolution can we continue development of the vitally important overall budgetary process in this Congress. Only by supporting a budget resolution can we reestablish and, in fact, put on the tracks again the principle that the Congress will be a responsible partner, exercising its own judgment, as elected representatives of the people, in carrying forward the economic affairs of the Nation.

In a year in which our country is in dire economic circumstances, we must follow the path directed by our Constitution and exercise our powers in the most judicious and effective manner. Our national budget, and the budget resolution we are considering today, are expressions of our mandate to carry out our constitutionally granted power of the purse.

Mr. ADAMS. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the distinguished chairman of the committee.

Mr. ADAMS. Mr. Chairman, I want to express my deep appreciation to our

Speaker for the comments the gentleman has made on this concurrent resolution and for his comments about the committee.

I also wish to state very strongly that it is my feeling, as our Speaker has so appropriately stated, that this is a very historic moment for this House, as an institution, to reestablish its power over the purse strings.

I agree completely with what the Speaker has said, and I too hope that we will pass the resolution at this time that is before us.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Chairman, I thank our distinguished Speaker for yielding to me. I would like to say that I agree completely with the statement he has made that we have to pass a resolution if we are ever going to get the House in order.

I might also say that the other body, the Senate, has just passed their resolution by a vote 69 to 22. I do not like to see the other body beat us on this, but they have, and they have set the way. So I think it is up to the House to do its duty.

Mr. MAHON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I was heartened by the words of our Speaker. I concur in his commendatory remarks about the gentleman from Washington (Mr. ADAMS), the chairman of the Committee on the Budget. I applaud the Committee on the Budget for the efforts which Members have taken, under severe handicaps, shortage of time, and other factors, to bring out this budget resolution.

I realize that it is controversial; that it is not a perfect document; but it represents a monumental step forward in my judgment.

Why does it represent a monumental step forward? Because it places a vehicle at our command by which we can consider in total, the revenue picture, and the expenditure picture of the Government, something that has not been done heretofore, by the whole Congress.

I must say also that I have been encouraged that many of those who have not taken a major part in the discussion of fiscal matters on some occasions in the past are expressing themselves very firmly and unequivocally upon this issue of doing something to prevent the fiscal collapse of this country. And we are threatened with fiscal collapse—there is no doubt about that—unless we can rectify the situation.

This budget resolution is one part of the new budget control legislation. In addition the legislation provides for more timely authorizations, which the country needs—the communities, the cities, the schools. That is a major step forward. It closes the door on backdoor spending. That is certainly a major step forward, and I applaud it.

It would say to my colleagues that I have prepared some remarks in considerable detail in regard to the problem before us, and I shall place those remarks in the RECORD, when I receive permission to do so.

I do not wish to take the time of the House further at the moment, but I must emphasize that it is urgent that we act affirmatively today or in the near future and give ourselves a chance to make this thing work. It will not work without the will to make it work, and we cannot accomplish the will, of course, by a mere legislative enactment.

I have a more formal and detailed statement which I would like to include in the RECORD at this point under permission granted to revise and extend my remarks.

Mr. Chairman, the resolution before us represents an extraordinary congressional effort to bring greater control to the Federal budget process.

The resolution has precipitated controversy and has generated opposition from a number of directions. Many Members seem to feel that the overall totals for Federal spending are too high while some feel that they are too low. Others disagree with the priorities contained in the report to the resolution.

As one Member of Congress, I am distressed with the borrowing requirements it endorses without a clear picture of how a better balance is to be achieved and revenues and expenditures brought into line. In my judgment, we are embarking on a dangerous course.

AN IMPROVED BUDGET PROCESS

That there is controversy and opposition to the resolution is healthy. The machinery of the new budget control legislation was designed to provide the discipline of relating revenues to expenditures and establishing an appropriate debt level in a comprehensive, deliberate and conscious manner. It is not an easy task. It is a bitter pill to swallow.

It should be obvious that the past manner in which Congress has made decisions impacting on the budget has not worked adequately. The process, through a variety of abuses and undisciplined practices has become fragmented and unwieldly. While the new budget control legislation is not perfect, it includes three basic principles which, in my opinion, are essential.

First, it provides a vehicle to establish revenue totals and expenditure totals—a central proposition to any budget. Heretofore, there was no such device. This is what the resolution before us today provides.

Second, it provides for the timely enactment of authorization and appropriation bills. This has not been done in recent years, and the management and effectiveness of Federal programs have suffered.

Third, the budget control legislation takes a giant step forward by closing the backdoor of the Treasury. The fragmentation of spending decisions has seriously undermined the appropriations process and has deprived the Congress of the ability to keep the budget and an array of attractive sounding legislative proposals in proper perspective.

The new budget control legislation has other desirable features and we have the solemn responsibility to do everything within our power to make it work. I am dedicated to that objective and wish to commend the members of the Budget Committee in their efforts to focus attention on our fiscal problems. Some real progress has been made in specific areas and I am encouraged to believe that more will be forthcoming.

For the first time in modern congressional history the Congress is developing a coordinated set of Federal expenditures and revenue targets that it considers economically desirable for the Nation.

Whether or not this action results in an improved situation will depend on the actions that follow this resolution. If Congress has the will to provide adequate revenues and control spending, it can. But if it does not, then all the budget resolutions in the world will not get the job done.

BUDGET TARGETS

As has been pointed out, the resolution proposes revenues of $295 billion, budget authority of $395.6 billion, outlays of $368.2 billion, a deficit of $73.2 billion, and an increase in the public debt to $624 billion. This is an actual increase in the public debt of $93 billion over the current debt limit of $531 billion provided for fiscal year 1975. It is $108 billion more than the debt reflected in the daily statement of the Treasury received this morning.

I would emphasize that while the deficit is projected to increase $73 billion, the actual increase in the public debt will be much higher—at least $93 billion. And it is this figure that affects the economy and that of course must be repaid with interest.

This is a staggering figure and is the largest 1-year increase in the public debt in U.S. history.

While I plan to make some observations about specific parts of the report later, I believe that the important part of this resolution concerns the amount of deficit and the increase in the debt.

CENTRAL QUESTION

The central question that must be resolved is whether a debt increase of $93 billion is necessary for fiscal year 1976 and whether or not such a debt increase will in the long run heighten our economic problems by increasing interest rates, raising inflation, and ultimately causing even greater unemployment.

The report that the Budget Committee has submitted states, and I quote:

> Prevailing evidence indicates [that the $73 billion deficit and $93 billion increase in the public debt] can be safely financed without a harmful effect on private and State and municipal credit demands.

The report goes on to state in an even stronger way that—

> The Committee is also convinced that the budget deficit is caused by serious problems in the Nation's economy which would only be aggravated by a smaller deficit in this fiscal year.

Many well known, sophisticated economists agree that such a deficit is necessary and can be financed without causing undue stress in the financial market.

The scenario that these economists sketch is about as follows: Large deficit spending will stimulate the economy; unemployment will drop; and tax revenues will increase so that in future years the huge deficits will disappear. It is further argued that while all this happens, private credit needs will remain low until the time comes when deficit spending greatly diminishes. It is said that during this period the Federal Reserve will substantially increase the supply of money, so the high level of debt and the low low level of private borrowing can be financed. None of this will cause any additional inflation or increase in interest rates, it is alleged.

Hopefully, these optimistic events could occur and our economic problems vanish.

But I think we as Members must realize that the recommendations of the Budget Committee are those of traditional economic theory that may not consider some of the basic changes that have taken place in our economy. No longer can the United States base its economic productivity on cheap energy. This causes profound change in the whole structure of industry. The costs of housing and transportation are quickly rising above the financial ability of many. Food consumes a larger share of each paycheck. Health care costs are skyrocketing.

Because of these events, basic changes in consumption and demand are occurring that significantly affect our economic structure.

Additionally, there are alternative theories that would suggest other approaches to the Nations economic problems. It could be said that the Budget Committee resolution more or less presents business as usual.

But what could it have done in light of the new procedures with which there is no experience? Certainly it could not have survived the political consequences of proposing a resolution that drastically trims Federal spending in this initial effort. The committee was more or less forced to add up all existing Federal programs and continue their expansion into more and more of the everyday life of each American citizen. Hopefully, this does not necessarily set a pattern for the future.

Additionally, the economic situation requires billions and billions of dollars of expenditures for unemployment, food stamps, and the numerous other Federal programs that compensate the individual citizen when he faces economic difficulty.

Earlier I pointed out the optimistic scenario painted by the Budget Committee report. This is somewhat confusing when 16 of the 26 members of the committee have filed separate views to the report, which include reservations about such a deficit and debt increase.

THE PESSIMISTIC SCENARIO

There is another scenario—a very pessimistic one—that has been painted by some that would result from a $93 billion increase in the public debt. It is as follows:

This high level of deficit spending will begin to stimulate the economy. As economic recovery begins, private demand for credit will expand. It is suggested that Government borrowing will have preempted the private market, and as a result, interest rates will increase, making further recovery more difficult. Economic recovery will be very slow, and substantial levels of unemployment will continue which will result in continued high deficits beyond fiscal year 1976.

This scenario projects that high-interest rates will persist and inflation will also start on a new round of increases, further adding to unemployment, large Government deficits, and great social and economic upheaval. It is predicted then that the Congress will respond by more deficit spending which it has been alleged is the only way it knows to try to solve economic problems, and our economic difficulty will only increase. Cries for greater Government control of the economy will arise, and measures will be passed which further stifle private enterprise and economic productivity, particularly increased Federal economic planning, similar in many ways to what is already occurring in Great Britain.

On Tuesday, an editorial appeared in the Wall Street Journal entitled "Goodbye, Great Britain." The editorial would no doubt be considered quite harsh, but it is provocative and worth thoughtful reading. Yesterday, during the general debate on the bill, this editorial was discussed, but I thought it was so pertinent that I would mention it again today:

> "Steady as She Sinks," proclaims the April 25 cover story of the Economist, the British weekly journal of news and opinion. It is the British economy, of course, that is sinking. But that's not news. What makes this issue of the Economist valuable—it should be bound in leather and made required reading in every U.S. school of economics—is that it so finely, albeit unwittingly, traces the ultimate consequences of the welfare-state-manic-Keynesian syndrome.
>
> Britain's current contribution to the world is to reveal the ultimate result of economic and social policies rapidly gaining ascendancy in the United States. To wit, the state must fulfill all needs, especially medical care. Income must be redistributed, principally through taxes on the returns of from capital. After all, transfer payments and redistribution stimulate the economy (don't they?). The inflationary results can be contained by various forms of price control (can't they?). And if problems arise, the solution lies in finding the magical proper balance between government spending and taxes.
>
> The British government is now so clearly headed toward a policy of total confiscation that anyone who has any wealth left is discounting furiously at any chance to get it out of the country. Mr. Healey wisely halted the importing of gold coins, which could be rather easily smuggled out, and he's slapped a 25% value-added tax on jewelry, along with radios, televisions and electrical appliances. The result of all this is of course to bring investment to a screeching halt by drying up both available funds and potential returns. The price can only be still slower economic growth, and still lower living standards for all the British, rich and poor.
>
> Good-bye, Great Britain. It was nice knowing you. Since we're following down the same road, perhaps we'll meet again.

This editorial paints a rather grim picture, but a painful examination of our current situation convinces me that such a future is entirely possible unless this Nation begins to apply a greater measure of fiscal discipline.

SPECIFIC CONCERNS ABOUT THE BUDGET COMMITTEE RESOLUTION

The Budget Committee has worked extremely hard in a short period of time to develop this resolution and report. There are some specific concerns I have, however, about certain parts of the report and its overall thrust.

UNDERSTATED DEFICIT?

The $73 billion deficit may be understated by several billions of dollars.

Little allowance is made by the Budget Committee for legislative contingencies. In a report that covers the entire Federal budget it is entirely likely that final action by the Congress will not be exactly as recommended by the Budget Committee. Further, the committee report itself shows that the other committees of the House had recommended over $30 billion in spending that the Budget Committee did not include.

Actions are already taking place that exceed the Budget Committee's resolution such as the 8-percent increase in social security benefits, the work of congressional committees to provide health coverage for the unemployment, the NASA authorization bill and certain other congressional action. Such measures and others in the wings could add several billion dollars to the deficit.

Additionally, the Budget Committee reports that the increase in interest would be $581 million; yet the public debt on which interest must be paid increases by $27.6 billion. Interest on the debt is very often understated in the budget by large amounts.

ECONOMIC ASSUMPTIONS ALWAYS UNCERTAIN

The Budget Committee report makes a number of economic assumptions that are vital in arriving at its revenue and outlay figures. These include projections that unemployment will drop to 7.4 percent by the end of 1976 and that inflation will slow to 6.5 percent. Additionally, GNP in current dollars will grow to $1,685 billion and personal income to $1,389 billion.

Whether or not these projections will actually occur is, of course, uncertain at this time. If the assumptions are not correct, and they may not be, then major changes will occur in the deficit and debt increases in the resolution.

THE PROPER ROLE OF THE BUDGET RESOLUTION

The new budget control legislation vested in the Budget Committees of the House and Senate the authority to present concurrent resolutions establishing aggregate budget totals including revenues, outlays, new budget authority, surplus or deficit, and debt. The legislation also provides for the inclusion of estimates for each major functional category, a feature which is addressed in the report this year and which will be incorporated in the resolution next year. The drafters of the legislation recognized the need of the Congress to focus on macroeconomic considerations and to come forward with a plan to provide overall direction. It was also recognized that to be successful, the existing committee structure—the backbone of the Congress—must be utilized. While consideration must be given by the Budget Committees to broad functional categories, it was apparent that it would be impractical, indeed impossible, to undertake to delve into the details of specific programs. This was a responsibility carefully left to the committees of jurisdiction. If the new budget machinery is to be successful, this concept must be strictly adhered to.

I am concerned that the Budget Committee has succumbed in a few instances to the temptation to deal with subjects in its report which are not directly related to its primary objectives, and which are being dealt with by other congressional committees. Examples of this are on page 34, of the report:

> The Committee on the Budget urges favorable congressional action on the pending budget request for 1975 supplemental funds to initiate the new program authorized by the National Health Planning and Resource Development Act (P.L. 93-641), including only transitional financing for programs whose existing authorization has expired. Further, the Committee urges that the 1975 supplemental funds remain available for obligation through 1976 to assure their proper utilization.

And on page 32 of the report, it is stated:

> The Committee is concerned that available funds are not being used by the executive branch to raise the public service jobs level as fast as possible in the remaining months of fiscal year 1975. The Committee's decision on the outlay estimate for fiscal year 1976 reflects its conclusion that an additional $927 million of funds available from the Emergency Employment Appropriations Bill of 1975 can be expended in fiscal year 1975 can be expended in fiscal year 1975 to achieve a 450,000 public service jobs level by the end of this fiscal year.

And further it is stated:

> The Committee intends that this funding include a fiscal year 1976 public service employment level of 450,000 to 465,000 jobs throughout the year, a 50% increase over that proposed by the President.

It is certainly appropriate for the committee to have an awareness of individual spending programs in order to arrive at its recommendations, but the recommendation should be consistent with the broad macro economic and aggregate totals concept of the budget control legislation. The act did not contemplate another voice for pet projects and separate advice on the details of administering individual programs.

THE DEFENSE FUNCTIONAL AREA

The Budget Committee stated the request in the fiscal year 1976 budget for budget authority for defense as one of $107.7 billion instead of $104 billion as reported in the budget submitted by the President. The Budget Committee recommended authority of $99.7 billion. The Budget Committee estimated requested outlays at $94 billion and recommended $89.7 billion. The Budget Committee report did not indicate outlay adjustments for each item, but it appears that the outlay reduction reported is too high. Probably the outlay impact of the reductions in the budget authority reported would be some $2.2 billion rather than $4.3 billion. Thus, the outlay savings associated with budget authority reductions may be overstated by some $2 billion.

The Budget Committee recommends reductions of $3.2 million in budget authority based on a number of items such as use of funds available from prior year accounts, sale of equipment not needing replacement to foreign governments, adjustment of stock fund cash balances, reduction in foreign military credit sales, and lower inflation rates than those contained in the President's budget.

The President's budget does provide for an inflation factor in the personnel and procurement appropriations of $1.5 billion but does not provide any inflation factor for the operation and maintenance and research and development appropriations. If the inflation factor is too high in the procurement and personnel areas. It is obviously too low in the operation and maintenance and research and development areas and would at least balance.

It is understood that the Budget Committee allocates $500 million of the proposed reduction to reduced cash in stock and industrial funds. The hearings indicate that because of reductions in funds in this area in recent years by the Congress, this much money is not available in excess of requirements for the operation of these funds.

It is understood that the Budget Committee projects a reduction of $1 billion to be accomplished by the use of funds available from prior year accounts and from sales of equipment which does not need replacement to foreign governments. The fiscal year 1976 budget program estimates that total foreign military sales which do not require replacement to be only $57.7 million which was reflected in the budget as submitted. With regard to recoupment of prior year account funds, the effects of inflation have absorbed funds which have been realized by the reduction or curtailment of programs. There are some free assets and recoupments which can be made but the $1 billion estimated appears to be substantially overstated.

The Budget Committee estimates a reduction of $1 billion in budget authority for support to South Vietnam forces. The present circumstances indicate that the entire budget estimate of $1.3 billion can be saved.

The Budget Committee indicates that a budget reduction in the amount of $1 billion can be accomplished by the deletion of funds requested for procurement of war reserve stocks. While it appears now that war reserve stocks for Asian allies can be deleted, other war reserve stocks can not. Total reductions might approximate $700 million, probably not $1 billion since $300 million requested in this area was related to inventory replenishment.

The Budget Committee postulates a reduction of $4 billion accomplished by denying all program growth in the defense budget. Congress could adopt such a policy but it appears doubtful that it will do so.

FIVE YEAR PROJECTIONS

The Congressional Budget and Impoundment Control Act of 1974 provides that the report that accompanies the first concurrent resolution of each year shall include:

> projections, not limited to the following, for the period of five fiscal years beginning with such fiscal year of the estimated levels of total budget outlays, total new budget outlays, total new budget authority, the estimated revenues to be received, and the estimated surplus or deficit, if any, for each fiscal year in such period, and the estimated levels of tax expenditures (the tax expenditures budget) by major functional categories.

Obviously, because of severe time restraints and the complexity of the matter, it was not possible to make these calculations this year. But it is virtually important that this be done and done in a thorough manner in future years. A real service can be performed in this area.

The consequences of our current actions will determine much of the deficit, debt and economic situation with which we will be confronted in future years.

Only by having the 5-year projections that are called for can the Congress make adequate decisions now.

DEVELOPMENT OF THE REVENUE SIDE OF THE FEDERAL BUDGET

One of the important features of the new budget control legislation is that it gives Congress the ability for the first time to relate expenditures and revenues in an overall comprehensive manner. It is vitally important that this be done. I feel, however, that greater attention has been devoted to the expenditure side of the budget while not dealing with and developing the revenue side as much as may be desirable. Certainly each is equally important and I simply feel more thought and development must be devoted to the difficult questions of revenue.

IMPLEMENTATION OF THE BUDGET CONTROL LEGISLATION

I want to add a word of caution on how the new budget control legislation is implemented by the Congress generally. I hope that we do not succumb to the proposition that armies of staff are required to make decisions for Members. Adequate and competent staff is indispensible but there is no substitute for Members doing their homework, making up their own minds, and enduring the agonies of arriving at final choices. Budget decisions have always been difficult. They always will be. There will never be enough public dollars to cover the costs of all desirable and inviting programs.

The Congress must afford itself the resources to meet its responsibilities, but numbers of staff should not be the yardstick of capability. There is no requirement, or necessity, to undertake to match staffs with the executive for instance. We must be careful not to spawn massive staffs and develop competing and conflicting objectives within the legislative branch. The Congress has the responsibility to provide legislative direction. We do not have the function of administering programs and we do not need or want mushrooming bureaucracies. We need quality and dedication, not numbers.

CONCLUSION

Mr. Chairman, even though there are many specific areas of concern that I have about this first resolution and report of the new Committee on the Budget, I believe that Congress vitally needs the new budget processes created by the congressional budget and control legislation of 1974.

I am sure that there will be continuing moments of disagreement as we proceed with this legislation but with a dedication of will to bring the budget under control, I am confident that this new legislation has the potential to enable the Congress to perform more adequately its duties.

AMENDMENTS OFFERED BY MR. LANDRUM

Mr. LANDRUM. Mr. Chairman, I offer a series of amendments.

The Clerk read as follows:

Amendments offered by Mr. LANDRUM: Page 1, line 11, strike out "$395,600,000,000" and insert in lieu thereof "$387,486,000,000".

Page 2 line 2, strike out "$368,200,000,000" and insert in lieu thereof "$361,012,000,000".

Page 2, line 5, strike out "$73,200,000,000" and insert in lieu thereof "$66,048,000,000."

Page 2, line 7, strike out "$624,000,000,000". and insert "$616, 86,000,000."

Page 2, line 9, strike out "$93,000,000,000" and insert in lieu thereof "$85,486,000,000".

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, I have a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. ROUSSELOT. Is this an amendment to the substitute offered by the gentleman from Ohio (Mr. LATTA)?

The CHAIRMAN (Mr. BOLLING). The Chair understands that it is perfecting amendment to the original resolution.

Mr. ROUSSELOT. Is it in order, then, at this time?

The CHAIRMAN. It is, the Chair will state.

Mr. ROUSSELOT. Will my amendment to the substitute still be in order?

The CHAIRMAN. It will, at the appropriate time.

Mr. ROUSSELOT. I thank the Chairman.

I would like to announce that I do have an amendment.

Mr. LANDRUM. Mr. Chairman, I ask unanimous consent that my amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LANDRUM. Mr. Chairman, briefly, these figures have been arrived at with this sort of thinking: The President's budget says that we must accept a $60 billion deficit. One school of thought, symbolized primarily by Mr. Meany, says that we can account for a $64 billion deficit because of unemployment, and that can be substantiated by statistics, making a $4 billion spread between $60 billion that the administration says it will support and $64 billion that we can account for by unemployment.

The other body has passed a resolution recommending about a $67 billion budget deficit, and yesterday I stated in my remarks that I would offer an amendment today carrying a 15-percent reduction of the deficit. Overnight and this morning new decisions have been made and new figures have been reached whereby instead of using 15 percent of the deficit, my amendment proposes to cut the deficit by 9.8 percent and proposes a 2-percent decrease in overall outlay.

What do we do to the various functions with that? Instead of $10.98 billion, to which I referred yesterday, we come up with a total budget reduction of $7.188 billion. We take this 9.8-percent reduction in the deficit and spread it pro rata through all of the functions except—get this—except income security.

We do not bother, with this amendment, income security. We leave that exactly where the committee fixed it. We leave it where the committee set it. If there are those who would want to change what the committee would do, I would assume it can be reached but I have not bothered it. I have left income security, I have left revenue sharing which we cannot change, I have left interest which we cannot change, and allowances and income distributing receipts all unchanged.

I have taken $981 million out of Defense and that can be accounted for in what would have gone to Vietnam and now will not be needed. It will not hurt modernization of the Defense Department and will not hurt personnel of the Defense Department. We have taken $10 million off international affairs and $91 million off the $4 billion budget in science and astronautics. There is no reason why they cannot find a way to take off $91 million. We have taken off commerce and transportation, for example, $1,763,000,000, moving on down to a total reduction of $7,188,000,000.

All this amendment asks Members to do is to say to their constituents at home: "I recognize that the country is in trouble. I recognize that we are fiscally strained. I recognize that a great deal of this needs to be corrected by additional Federal appropriations in various categories."

But rather than cutting entirely let me show the Members what my amendment does. The committee on the concurrent resolution increases national defense over 1975 by 5 percent. My amendment leaves the defense appropriation for 1976 over 1975 at 4 percent, only a bare 1-percent difference. In general science and space and technology we cut 8 percent. We cut 18 percent from natural resources. We originally took 16 percent from income security—I mean reduced it, but now we leave it exactly as the committee did.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

(By unanimous consent, Mr. LANDRUM was allowed to proceed for 5 additional minutes.)

Mr. LANDRUM. Mr. Chairman, the committee increased income security by 16 percent. This amendment does not disturb that. It leaves Social Security, all the food stamp allowances, and all other income security exactly as the committee determined. And that provides a 16-percent increase over what it had in 1975.

We have reduced the deficit from $73 billion to $66 billion in round figures. The administration says $60 billion. The other body says $67 billion. We say $66 billion. That puts us close enough to have a reasonable meeting of the minds and getting what the Speaker so justifiably seeks here, a concurrent resolution passed and get this milestone in legislative history established.

This amendment fixes the public debt, temporary debt ceiling at $85 billion instead of $93 billion. We reduce the outlays to $361 billion instead of $368 billion. We reduce the budget authority from $395 billion to $387 billion. And while these figures are, relatively speaking, small in comparison to the overall budget, this does provide the American taxpayer with an opportunity to say: "Well, they are trying."

They have a difficult job in a new field, in a most difficult time in our history, but they are trying. We will give the folks at home some encouragement. I believe that our constituents deserve this.

I would like very much personally to see a larger cut, but I recognize that there are those whose situations at home, whose philosophies vary somewhat from my own. I have tried to take into account a feeling and respect for that philosophy and for that need and for the need of the Nation.

As I said yesterday in general debate, this country is hard-pressed, but the reduction of $7 billion in this budget will not make any function of Government any more hard-pressed or as hard-pressed as any taxpayer in this country. I hope this amendment can be adopted.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield briefly for a question?

Mr. LANDRUM. Yes, if I have the time.

Mr. MITCHELL of Maryland. As the gentleman well knows, we in the Budget Committee have made attempts to hold down spending and at the same time attempt to stimulate the economy because of the economic circumstances the Nation faces.

What will be the impact of the gentleman's amendment on the stimulative features of the budget as it is proposed? What will it precisely do in terms of stimulating the economy? How much further reduction of stimulus is implied in the amendment of the gentleman?

Mr. LANDRUM. I would say to the gentleman in all candor and all the genuine frankness that I can present, I see no way whatever it can have any unfavorable impact on the rebuilding of jobs. Rather, I think it will have the other effect. I think it will encourage the employer back home to take into account that he is getting a few points in tax reduction. It will encourage him to say that the people in Washington are trying to keep our public expenses down and, therefore, we are willing to take hold of what credit we can get and expand our employment. If the gentleman says to me what number of public jobs will it take away, I do not see it taking away any public jobs, because frankly that is not the way this country is going to come out of this recession. It is not going to come out with a handout to carry out on a one-shot shopping tour to the grocery store. It has to come out when people reemploy and re-employ on this basis, that each time we put 1 percent of the unemployed back to work we generate $16 billion in revenue.

There is no reason why this cannot but help put confidence in people to put them back to work.

AMENDMENT OFFERED BY MR. ROUSSELOT TO THE AMENDMENT OFFERED BY MR. LATTA AS A SUBSTITUTE FOR THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. O'NEILL

Mr. ROUSSELOT. Mr. Chairman, I offer an amendment to the substitute amendment for the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. ROUSSELOT to the amendment offered by Mr. LATTA as a substitute for the amendment in the nature of a substitute offered by Mr. O'NEILL: Strike out "$296,400,000,000" and insert in lieu thereof "$299,400,000,000:";

Strike out "$371,900,000,000" and insert in lieu thereof "$300,000,000,000";

Strike out "$350,500,000,000" and insert in lieu thereof "$299,400,000,000";

Strike out "$54,100,000,000" and insert in lieu thereof "$0";

Strike out $603,400,000,000" and insert in lieu thereof "$542,400,000,000";

Strike out "$72,400,000,000" and insert in lieu thereof "$11,400,000,000";

Mr. LAGOMARSINO. Mr. Chairman, I make the point of order that a quorum is not present.

The **CHAIRMAN.** The Chair will count. Evidently a quorum is not present.

The Chair announces that he will vacate proceedings under the call when a quorum of the committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The **CHAIRMAN.** One hundred two Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The committee will resume its business.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for 5 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, this amendment is basically the balanced-budget concept which our Budget Control Act of 1974 anticipated. I believe this amendment more nearly conforms to the purpose stated in the Budget Control Act that we passed last year, and that is to bring the budget under control.

In making that statement, I am not being critical of the whole Budget Committee Act. I support it. I believe we need this goal setting procedure and that we are, in fact, setting targets for the future, that is, for fiscal year 1976, which begins in July of this year.

The committee in its report has said that we need a deficit of roughly $73 billion in order to stimulate the economy and improve employment. I wish to quote from the committee report because they say that this budget target that they are recommending in these five aggregates would reduce unemployment from 8.7 percent to approximately 7.4 percent. However, my colleagues, we are already almost at the level of the deficit financing for which the committee calls, in this fiscal year 1975.

If the Members will look at the deficit estimates that are now pretty much in place for fiscal year 1975, which ends in June, the chairman of our Committee on Appropriations says that it is going to be very close to $60 billion. Our President says it may well be over $60 billion if Congress keeps over-appropriating. That does not include the add-on appropriations that have been passed in the last several weeks.

Ladies and gentlemen, if deficit financing is going to lower unemployment, why has that not occurred under these current deficits? Improved employment did not occur in the period of 1933 to 1940. We had deficit financing under Mr. Roosevelt, and by the way, I am sure he is rolling over in his grave today in looking at the kind of deficit financing we are now projecting for fiscal year 1976.

Unemployment was not solved in that time frame of the 1930's until we got into a war. I am sure we do not want to go through another war to reduce unemployment.

In the current time frame of 1962 to 1970, we had lots of deficit financing. Was unemployment reduced that much? No. Now in the current time frame, this year, the chairman of the Budget Committee tells us that we must deal with the real world. Let us deal with the real world.

We have deficit financing right now at a $60 to $70 billion level, and has it reduced unemployment? No. Unemployment is at the highest level it has been in years, and deficit financing has not changed that figure.

What really solves the problem of unemployment? Most people, in this committee report, acknowledge that the private sector has to provide most of the real and permanent jobs. That is where jobs must come from—primarily the private sector. What does a massive add-on deficit of $73 billion do to the finances of this country?

The new proposed deficit takes it all out of the private market which normally provides the wherewithal to provide the jobs at all levels.

In the bankers' report that was submitted by the committee, they say, "Well, the bankers tell us that, yes, they can live with a $73 billion deficit, but they say that they reserve the right to decide when they will buy pieces of that debt."

And when you talk to the bankers, do they say they will buy just any piece of that huge deficit, the $73 billion debt? They say: "When the interest rates go up." Because they have to protect their portfolios and tear up Government debt instruments when they produce high interest.

So, what is this Congress doing with a $73 billion add-on deficit? You are drying up the housing market, the very market that the chairman of our Committee on Banking, Currency and Housing says we want to improve.

We do not help housing. We do not help manufacturing. We do not help jobs anywhere. We do not help permanent jobs by constantly forcing the Treasury in the money market to dry up all that money that can go to the expectation of real lasting jobs in our economy.

Mr. Chairman, my amendment I predict is a job-creating amendment because it does not force the Federal Treasury to be so massively in the marketplace, borrowing money, driving up the price of money by competing in the marketplace in an unwieldy manner.

The Treasury estimates that if the Congress pushes this $73 billion deficit that this will take 80 percent of the money from the money market just to finance it. And the Treasury will be participating very directly in driving up prices and interest rates and the Congress will not be able to blame it on the President, but it will have occurred by our direction. We will have accepted the principle of driving up the price of money in the marketplace, drying up housing, drying up the financing that goes to new tools that create new jobs.

I know that we debated this yesterday. My colleague, the gentleman from Washington (Mr. ADAMS), the chairman of our fine committee, in an answer to my question: What do the economic models show as to what the elimination of a $73 billion deficit and a balanced budget for fiscal year 1976 would produce in unemployment? He answered, 15 percent.

I have consulted last night and today with the managers of four economic models. All of them said that the maximum unemployment rate—the maximum—is about 1.5 percent. That assumes that you have to deal with some 250 equations in these econometric models, and that the output varies according to how the operators accept those combinations. They admit that every time they put these variables and equations through the computer to get some kind of a projection, that you have to alter even the final output of those 250 equations according to the "real world."

And every one of the model managers said that the initial maximum amount of unemployment—with the balanced budget concept that I am recommending to the Members in this amendment, could be as high as 10.5 percent. Only one said 10.5 percent.

So I consider the argument that it would be 15 percent unemployment, to be an unfair scare tactic. It will not be a 15-percent maximum, it would be 10 percent. It appears that the chance for 10.5 percent would be very slight. And I do not favor 10 percent unemployment. But I beg to differ with my colleagues on the Budget Committee who say the only way we can solve the unemployment situation is to run up a huge deficit and drain the private money market. History shows that when the Federal Government massively enters the money market, that heavy entry takes away from the ability of private enterprise to do the job which it will do if the Congress does not force the Treasury to compete so aggressively.

Mr. ADAMS. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will yield to the gentleman in just one moment.

Then when you ask the countries money managers: "Is it not true that when the Treasury is in the marketplace so aggressively and is not only competing for the $73 billion to finance this add-on debt, but also to refinance the present debt, does that not have a psychological impact on the general money market and discourage the private market from doing anything in the way of expansion? Won't that action put a real damper on reasonable expectation?"

And they responded that the principle was a correct one. We cannot put in the computer the psychological impact on the private market. That is not a computerized item. So I say to my colleagues "the real world" of massive deficits has not created jobs except in very, very short periods, and even then they are not permanent jobs. They are not long-range jobs; and they do not do the effective job that we claim we are trying to achieve of putting America back to a more stable, positive economy.

Mr. ADAMS. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will be glad to yield to my colleague, the gentleman from Washington.

Mr. ADAMS. I thank the gentleman for yielding.

The difference in the 12-percent unemployment rate and the 15-percent unemployment rate, between the two models that the gentleman has discussed——

Mr. ROUSSELOT. And I have consulted individuals with two of the same models the gentleman consulted.

Mr. ADAMS (continuing). Is as a result of the fact that when we took the gentleman's figures of a $68 billion cut in outlays, we were required to fire Government employees to make that, and when that was put through the economic model it resulted in a 15 percent unemployment rate rather than 12 percent, because we did not know what to do with those people.

Mr. ROUSSELOT. Let me respond to that. In any cuts that this Congress would make in responding to a $300 billion budget expenditure level, the gentleman is assuming that all cuts automatically cut Federal employment. That is not true.

Mr. ADAMS. There would be some.

Mr. ROUSSELOT. There might be some, but that is controlled by this Congress and administrative managers in the various agencies. Most agencies do not irresponsibly "riff" or cut Federal employees. Civil Service laws also give Federal employees more than adequate protection.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for 3 additional minutes.)

Mr. ROUSSELOT. For instance, the gentleman, himself and his Budget Committee—cut the President's budget on defense by a substantial amount. Did that worry the gentleman about creating unemployment?

Mr. ADAMS. No.

Mr. ROUSSELOT. Well, I am sure he had to take potential Federal unemployment into account when he called for such a reduction in the defense aggregate budget. But what I am saying is that 60 percent of the defense budget is personnel. Nothing in my aggregate figure contemplates reduction in the defense function.

Mr. ADAMS. Correct.

Mr. ROUSSELOT. Part of the defense budget is weapons systems.

Mr. ADAMS. We took the cuts from the President's increases. We did not go below present levels. We gave a 6-percent increase to the Department of Defense so we did not have to fire anybody.

Mr. ROUSSELOT. I am going to do even better than the gentleman and his committee did. In my suggested functional breakdown figures, I am taking his defense budget of $89 billion, and I am increasing it by a billion, to $89 billion. So I want to assure the gentleman that I think that more of that money will go to true employment—the manufacture of weapons systems, the improvement of the military system and its personnel. There is a $1 billion increase in defense included in the cuts that I would suggest. I realize that this is only one person's opinion, but the real decisionmaking on 16 divisional functions goes to the whole Congress. We are setting five aggregates here, as the gentleman said yesterday. What I wanted to do was to answer what I consider to be the fallacious argument yesterday that my substitute would automatically result in 15 percent unemployment. No economic model which charts a $300 billion spending level for the Federal Government, contemplates in its end product a 15 percent unemployment figure. But a balanced budget does reduce the terrible overpresence of the Treasury in the marketplace to dry up all the private funding that normally goes to housing or other fields of employment. It would stop, in my judgment, the outflow of capital from savings and loan associations to the Treasury that normally would be used to build housing and to start it.

We all remember the many occasions when this country has experienced disintermediation as a result of the tremendous presence in the marketplace of the Federal Treasury. Therefore, I say to my colleague, the gentleman from Washington, that in the worst set of circumstances the economic models that he consulted—and, again, everybody can propose different inputs and all Members should understand that there are 250 equations, in some cases 300 equations in these economic models—speculative—that is the worst speculative situation there is a 10- to 10.5-percent unemployment maximum, and that assumes that no confidence is reinjected into the economy. When Congress finally makes a decision to balance the budget and slow down deficit financing.

I say the best message that this Congress can give to the whole world, to our Nation, and to our constituents is that we intend for once to live within our means. Even this Budget Committee has said that we cannot have massive deficit financing in 1977. Why do they say that? Because there is too much competition in the market place for the private sector to absorb.

So, Mr. Chairman, I believe that this amendment is a reasonable approach; it is a proper approach. It will not create massive unemployment on the basis of past and present history, and I urge my colleagues to support it.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. GUYER, and by unanimous consent, Mr. ROUSSELOT was allowed to proceed for 2 additional minutes.)

Mr. GUYER. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Ohio.

Mr. GUYER. Mr. Chairman, I thank the gentleman for yielding.

I have just a couple of basic questions. First of all, the gentleman's proposal is not like the Bow amendment that would be cutting a certain amount across the board. Is that correct?

Mr. ROUSSELOT. It is similar to the Bow amendment but not exactly the same. My suggestions for cuts are selective but would require congressional oversight. Frankly, in discussing the functional areas where I personally would cut, I realize there are real differences and the whole Congress has to speak to that issue. In a dialog with the chairman of this committee yesterday, it was made clear that the resolution only relates to the five aggregate figures. I have tried to limit the discussion to what I thought was a reasonable level of $300 billion of spending by the Federal Government in 1976.

Mr. GUYER. I notice the gentleman actually has raised the budget in his defense estimates.

Mr. ROUSSELOT. The defense budget is $1 billion over the committee recommendation.

Mr. GUYER. Is it the gentleman's thesis that the department heads should do their own cutting and he would not tell them to cut personnel or numbers?

Mr. ROUSSELOT. Yes. I do not think we would have to reduce the personnel below what we have today. There may be cuts in those areas where we would probably not be spending for what I would consider to be proper Government expenditures that do not produce long-range constructive results.

Mr. GUYER. Under the figure of income security the gentleman has about a $14 billion reduction, if I read this properly.

Mr. ROUSSELOT. Yes, a $14 billion cut from the committee estimate.

Mr. GUYER. Yes. And the social security would be in that category?

Mr. ROUSSELOT. It is. I would not contemplate cutting social security or its reasonable increases. I am cutting welfare programs. Seventy of us have welfare bills in that would cut the cheaters out of welfare. By the way, Governor Brown of California, who is a Democrat, is now doing that even more aggressively than Governor Reagan did. I think we might apply this in our welfare section of income security. Seventy of us, both Democrats and Republicans, have sponsored welfare bills. I think all of this can be objectively supported. I would recommend $110 billion as a level of expenditure for income security and most of that would come out of welfare and food stamps.

The CHAIRMAN. The time of the gentleman from California has expired.

(On request of Mr. LATTA, and by unanimous consent, Mr. ROUSSELOT was allowed to proceed for 3 additional minutes.)

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Chairman, I thank the gentleman for yielding.

I, like the gentleman in the well, cherish his objective of a balanced budget and I would like to see it come to pass. I do not know whether we can do it this year, I am very doubtful about whether we can do it in fiscal year 1976.

Mr. ROUSSELOT. I appreciate what the gentleman says. Many people in this House believe we cannot do it. We are setting goals and targets and we can come back in the fall and change that if the projections are out of line. I believe we should say to the Nation for once that we intend to live within our anticipated revenues.

If we ask the money managers in this country: "Can you manage the Federal Government within our $300 billion cash flow now?" they would say they could, that it is really not that difficult. I think we should work within that kind of framework.

Mr. LATTA. Mr. Chairman, if the gentleman will yield further, the gentleman and others have talked about the report of the 13 bankers.

Mr. ROUSSELOT. Yes.

Mr. LATTA. I think we probably ought to key in a little closer on this because most of the economists and bankers consulted by the Budget Committee believe that a fiscal year 1976 budget deficit of around $70 billion will not have serious adverse effects on either inflation or on the Nation's financial markets. There is however considerable concern among these experts about the possibility that large deficits will continue into fiscal year 1977.

Mr. ROUSSELOT. That is correct.

Mr. LATTA. The bankers consulted by the Budget Committee were very clear on this point. I cannot improve on the words of the Budget Committee report in expressing this concern:

> If the stimulus to current economic activity provided by the committee's budget recommendations revives lagging demand and production in 1976 as expected, this expansion will probably restimulate private demands for investment funds. Given that result, continued Federal borrowing at the fiscal year 1976 level could compete with revived private loan demand and drive interest rates beyond what many borrowers could afford. Under those circumstances, to avoid high interest rates would require a further expansion of the money supply in excess of productive capabilities. This excess supply of money could lead to higher rates of inflation if the strength of private demand again rises strongly.

Mr. ROUSSELOT. The gentleman who is the ranking Republican Member on the Budget Committee makes an excellent point. I mentioned my concern about this quote from the committee's report yesterday during general debate on this bill. Many Members in this discussion will say, "You are going to put us in the position of competing in the private marketplace for this money. When we buy these debt securities, we the banks are going to be driving up the prices of the interest rate in order to make it worthwhile in our portfolio."

So they are going to sit back until the Treasury moves the interest rate up.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Chairman, I appreciate the gentleman yielding and I apologize for the fact that we had the Secretary of Labor before our committee; but I wanted to take this opportunity to commend the gentleman for the statement he has made today. There are very few of us, including the gentleman in the well, who have the kind of voting record over the years, with the gentleman from Illinois, that we can come here in good conscience and with a straight face and support the kind of proposition the gentleman faces, because on a day-to-day basis we have been taking the heat. I applaud the gentleman.

The CHAIRMAN. The time of the gentleman from California has expired.

(At the request of Mr. LATTA and by unanimous consent, Mr. ROUSSELOT was allowed to proceed for an additional 2 minutes.)

Mr. DEVINE. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to my colleague, the gentleman from Ohio, and also thank my colleague from Illinois (Mr. MICHEL) for his thoughts. Mr. MICHEL labors daily on the Appropriation Committee to keep the budget in balance.

Mr. DEVINE. Mr. Chairman, I, too, commend the gentleman in the well for having the courage to introduce an amendment of this nature, calling for a balanced budget, recognizing we must live in the real world, as the gentleman full well knows. The likelihood of the success is not too good, as the gentleman also recognizes; but as the gentleman from Illinois just said, there are some of us here in this body that have voted in such a manner over the years that would completely justify this approach. I intend to continue that.

I was interested in the comment of the distinguished gentleman from Ohio that this was similar to the amendment offered to cut 5 percent across the board. This is something that should be considered. I have talked about this in my district and it should be received very well. They would favor the creating of a 10-percent cut across the board on the Federal level. That includes the gentleman's salary, my salary, every Federal salary, the President, and across the line, every department of the Government, cut it 10 percent and let the secretary of the department decide where to cut the fat.

Mr. ROUSSELOT. Mr. Chairman, that is what Governor Brown of California is attempting to do. He is a Democrat. He has refused to send many of his administrative people here to beg for more money from the Federal Government. I thank the gentleman from Ohio for his correct observation.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, I appreciate the gentleman yielding.

May I point out to the gentleman in the well, whose leadership is appreciated, as well as the gentleman from Ohio, that in 1932 Franklin Delano Roosevelt ran for President of the United States on a campaign to cut 25 percent across the board.

I want to rise in support of this anti-inflation amendment. It is a target. It is a goal. If we could balance our fiscal theories, we would have more monetary soundness and we could deregulate these wasteful fiscal policies.

The CHAIRMAN. The time of the gentleman from California has again expired.

(At the request of Mr. LATTA and by unanimous consent, Mr. ROUSSELOT was allowed to proceed for 1 additional minute.)

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman's comments. I know the gentleman from New York has put in the RECORD and the hopper a job-creating bill. This bill contemplates the Government stimulating jobs and creating lasting jobs in the private sector and to get the Government off the back of the private sector so it can produce those jobs. His legislation is a positive alternative to the massive deficit financing boondoggles which suck up what money is left in the private market and a major portion of the capital that could be used to produce jobs in manufacturing plants and in the housing industry and other areas.

I know the gentleman from New York has spent a great deal of time on this issue and can justify and account for a balanced budget of $300 billion.

Mr. GUYER. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Ohio.

Mr. GUYER. Mr. Chairman, if I remember correctly, the first national debt was a simple one of modest proportions.

The projects that were made for the end of 1976 now would bring the national debt to in excess of $600 billion, which would amount to 76,000 times the first national debt. I do not think that is the spirit of '76 we want for our birthday.

Mr. ROUSSELOT. I thank the gentleman for his comment.

Again, I wish to emphasize that this amendment would not only produce a balance the budget concept for a national goal, but also, in my opinion, is a stimulus for jobs in the private economy so that there will be permanent jobs.

Mr. PERKINS. Mr. Chairman, I am going to support this budget resolution, but I want the record to note that it does not have funds to cover the additional vitally needed nutrition effort which we passed on Monday.

Those funds are: $125 million for the 5-cent amendment in support of the paying lunch program; $180 million for the mandated reduced price program; and $150 million for the WIC expansion.

Mr. Chairman, I believe we can wait

until after the Senate acts, and then provide the needed funds in the second budget resolution.

I also want to say that there is no room for any recklessness as we work on this legislation—we only have so many dollars that can be spent, and they must be spent more wisely and more judiciously than they have ever been spent before.

We must take care of our needs that build for the future—education, jobs, the security of our older people, the security that helps hold the fabric of the country together.

I am confident that we have the wisdom and the judgment and the will to do that.

Black lung benefits are also inadequate and I am hopeful that these funds will be added in the next resolution.

AMENDMENT OFFERED BY MR. REUSS TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. O'NEILL

Mr. REUSS. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. REUSS to the amendment in the nature of a substitute offered by Mr. O'NEILL: Paragraph (1), strike "$295,181,000,000" and insert in lieu thereof "$298,181,000,000".

Paragraph (4), strike "$73,032,000,000" and insert in lieu thereof "$70,032,000,000".

Paragraph (5), strike "$622,900,000,000" and insert in lieu thereof "$619,900,000,000", and strike "$91,900,000,000" and insert in lieu thereof "$88,900,000,000".

Mr. REUSS. Mr. Chairman, I offer an amendment to plug tax loopholes and thus raise the aggregate Federal revenues target for fiscal 1976 by $3 billion—a very modest increase and well within the capacity of this Congress this session. The revenue gain, while not great, could stand us in good stead later this year—to finance job-creating programs to pay for cost overruns on unexpected increases in uncontrollable outlays—interest on the national debt, perhaps?—or simply to reduce the deficit if economic recovery gets under way faster than predicted.

Where could $3 billion worth of loopholes for immediate plugging be found? I could give a whole list of candidates—tax provisions which are not only expensive and unfair, but actually distort the economy at a moment when we can least afford it. Their yield adds up to more than double $3 billion. On my list are:

Domestic International Sales Corporation (DISC's) DISC's are allowed to defer U.S. taxes on half their export earnings. But when the good exported is in short supply at home—as scrap metal, fertilizer, baling wire, feed grains were only last summer—the DISC tax break contributes to domestic inflation and bottlenecks. Repealing DISC would pick up $1.3 billion a year.

Minimum tax: This tax on loophole income, nominally 10 percent, is itself so full of loopholes that its effective rate is only 4 percent. Restoring the minimum tax to something like a 10-percent effective rate could pick up $500 million a year.

Gasoline taxes: Taxpayers who itemize deductions, normally in middle- and upper-income brackets, are permitted to deduct State taxes on gasoline used for nonbusiness driving. In these times of severe oil shortages, this provision encourages nonessential consumption of gasoline. Removing the deduction would raise $850 million a year.

Foreign-source income: The Ways and Means Committee tax bill last year would have repealed a handful of tax breaks for Western Hemisphere trade corporations, corporations in less developed countries, and certain U.S. citizens living and earning abroad. Insofar as these provisions do anything other than cost the Government money, they encourage the export of valuable U.S. capital and know-how. Persisting in this reform this year would gain $200 million for the Treasury.

State and local bonds: Holders of qualifying State and local bonds—mostly people in the 50-percent-and-up tax brackets, or financial institutions—accept lower-than-market interest rates in exchange for tax exemption on the interest. This loophole restricts the bond market to a few purchasers and produces an annual revenue loss for the Federal Government of almost $5 billion—far more than the interest saved by States and municipalities. Optional federally subsidized taxable bonds would broaden the dangerously thin market, assist State and local governments, and save the Federal Government several hundred million dollars a year.

Phony farm losses: Farm accounting procedures are more liberal than nonfarm business accounting methods. These rules provide a cozy tax shelter for wealthy nonfarmers—doctors, lawyers, coupon clippers—who maintain a farm, or part ownership in one, to manufacture accounting losses used to offset nonfarm income. These tax farms help run up the cost of land for the family farmer who has to make a living at farming. Curtailing farm losses could save $100 million a year.

Housing tax breaks: The tax code properly encourages homeownership through the deduction of mortgage interest and property taxes—at an annual cost of $12 billion to the Government. But in the process it gives extravagant bonanzas, subsidizing not only family homes, but also luxurious villas by the sea, ski condominiums in the mountains, Newport mansions. One reason why so many real estate investment trusts—REIT's—and their affiliated banks are in trouble is that these tax provisions encourage speculation and overbuilding in luxury vacation housing. Limiting tax deductions to one principal residence per family could end much of this wasteful diversion of capital. This reform and setting a ceiling on the deductions, so as to limit the tax subsidies on the stately pleasure domes of the rich, could raise several billion dollars without in any way affecting the vast majority of homeowners.

Asset depreciation range system (ADR): This system of rapid depreciation allows corporations to write off certain assets up to 20 percent faster than normal useful lives. Criticized by economists since its inception in 1971 as an imprecise investment incentive contributing to cyclical economic ups and downs, the ADR could surely be retired now that a 10-percent Investment Tax Credit is in place. Repealing ADR entirely would pick up $1.6 billion for the Treasury; phasing it out for newly acquired equipment only would net $400 million.

The list could go on and on.

These loopholes do not contribute a thing to productive activity. They are wasters of money, purely and simply, not creators of jobs. Repealing them would benefit not only our impaired Federal revenues. It would also help the economy.

Some argue that it is too late for tax reform which could be effective in fiscal 1976. This just is not so. If DISC, for instance, were repealed as of July 1, 1976, the full revenue impact of $1.3 billion would be felt this year. Other tax reforms—tightening the minimum tax and phasing out tax-exempt State and local bonds, to name but two—have been serious legislative prospects for at least two years. It would hardly take any taxpayer by unfair surprise to enact them into law for calendar 1975. And foreign-income provisions, part of last year's Ways and Means tax bill, are long overdue.

The Ways and Means Committee intends to devote its attention to tax reform this spring. I applaud their resolve, and hope that far-reaching changes will emerge from their deliberations. But the time for action on tax expenditures is now, while the concurrent resolution sets clearly before us our budget options. I urge my colleagues to act on the budget as a whole, tax expenditures as well as direct expenditures. I urge the adoption of my amendment.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I would like to endorse wholeheartedly this amendment and the thrust of the gentleman's statements. I think we can and should go a great deal further in achieving tax reform. I would hope that we would produce a budget in future years and act upon it which would allow us to close those loopholes which have been widely recognized as notorious throughout the years.

Indeed, I feel that it is a major fault in this budget that it does not contemplate and project major tax reform efforts. Prof. Stanley Surrey, former Assistant Secretary of the Treasury, projects that additional revenues of at least $40 billion could be raised through closing loopholes. Our budget should encompass an effort of this scope and those seeking to reduce the size of the deficit should support it.

I hope that this budget becomes an instrument through which we can call attention to our hope "tax expenditures", and I congratulate the gentleman for his very important amendment.

Mr. REUSS. Considering the opportunity for loophole plugging, I am amazed at my own moderation, and I thank the gentleman.

PARLIAMENTARY INQUIRY

Mr. ADAMS. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ADAMS. Mr. Chairman, I intend to oppose most of these amendments, but I need to know the order in which the amendments will be presented for a vote to the Committee and, therefore, I would ask the Chairman if he could indicate to me the manner in which we will approach the vote.

It is my understanding that there is presently pending the O'Neill amendment in the nature of a substitute to the original text, a Latta substitute to the O'Neill amendment, a perfecting amendment by Mr. REUSS to the O'Neill amendment, a perfecting amendment by Mr. ROUSSELOT to the Latta substitute, and an amendment to the original text by Mr. LANDRUM.

I intend to oppose the Landrum amendment, the Latta substitute, and the Rousselot amendment, and I would like to know which one will be first voted on by the body, so that I can address myself to that one.

The CHAIRMAN. The Chair will respond to the gentleman from Washington (Mr. ADAMS) that the first vote will occur on the Landrum perfecting amendment to the concurrent resolution.

Mr. ADAMS. I thank the Chairman.

Mr. Chairman, I would like to rise in opposition to the Landrum amendment.

Mr. Chairman, there are a series of amendments pending, and it is obvious that the members of the committee have differing viewpoints on the amount of deficit which should be established this year, running all the way from the figure of the gentleman from California (Mr. ROUSSELOT) that there should be no deficit at all this year, a so-called zero deficit budget, to the figure of the gentleman from Georgia (Mr. LANDRUM), to that finally of the O'Neill amendment as amended by the gentleman from Wisconsin (Mr. REUSS) which would establish approximately a $70 billion deficit, to the original text which had a $73 billion deficit.

The problem with the Landrum amendment—and I might address this to my friends on the other side of the aisle—is that the Landrum amendment actually has the worst of both possible worlds in it, with all due respect.

Mr. Chairman, I know it is well offered and it is a very rational amendment, but the problem that it has, from the viewpoint of the original committee, is that, in order to accomplish what the gentleman is attempting to do, we have to take all the stimulus programs from the original budget. For example, the projected job increase in the budget would be reduced by about 450,000 jobs and would raise the unemployment rate we computed to about 7.7 percent. It would also have the effect of a loss of about $2.7 billion in revenues because the gross national product would be down. Thus, realistically the deficit under the——

Mr. LANDRUM. Mr. Chairman, will the gentleman yield?

Mr. ADAMS. In just a moment I will be most happy to yield to the gentleman, and I want to say to the gentleman that I have great respect for the amendment.

Mr. LANDRUM. That is all right. We accept that.

Mr. ADAMS. The problem is in the deficit. If we reduce stimulus programs by this amount, we lose revenues. It is a situation where the deficit then would be varying between $65 and $69.7 billion if the stimulus programs are reduced necessarily by the reduction of the aggregate figures.

Mr. LANDRUM. Mr. Chairman, will the gentleman yield?

Mr. ADAMS. I am most happy to yield to my friend, the gentleman from Georgia.

Mr. LANDRUM. Mr. Chairman, I thank my chairman, the gentleman from Washington (Mr. ADAMS), for yielding.

I have listened to his general statement, very eloquently made.

I wanted to know whether he can tell the committee, through some statistics or with some exactitude, just where all of these 450,000 jobs are going to come from.

Mr. ADAMS. Yes.

Mr. LANDRUM. And tell me further, please, how is a reduction of 1 percent in national defense, from what the committee proposes, going to affect this, and how is a reduction of 2 percent going to amount to 450,000 jobs?

Mr. ADAMS. Those will not.

The categories affected are as follows: The $1,763 million reduction in Commerce and Transportation eliminates 40 percent of the committee increases for highways and housing, or about 93,600 jobs.

The $1 billion reduction in community and regional development function eliminates one-third of the committee's recommendation for accelerated projects, or about 80,000 jobs.

The $1,256 million reduction in education, manpower, and social services function would eliminate about one-third of the stimulus in this function, or approximately 150,000 jobs.

Mr. LANDRUM. All on the Federal level, all Federal jobs?

Mr. ADAMS. No, no.

As the gentleman well remembers, we tried to stimulate the private sector by including the housing bill. Part of this is in the housing bill.

Mr. LANDRUM. And the chairman well knows that in that debate it was argued strenuously that no housing could be built until we had jobs for people.

How are we going to get a market for housing? How is anyone going to sell all this housing?

Mr. ADAMS. The basis of the committee's recommendation was the housing bill passed by the House, which provides both interest subsidies and other assistance to people purchasing homes.

I might state to the gentleman that we tried to bring housing at this time within reach, so that we can get rid of the 400,000 housing overhang of unsold units, and thus create an incentive for the private sector to build more housing.

I would continue by saying that the $469 million reduction in the natural resources function eliminates about half of the stimulus provided by the committee, or about 15,000 jobs.

Mr. O'HARA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to have the attention of the gentleman from Washington, the chairman of the committee.

I am a little bit confused here. I see that we are working on a resolution, House Concurrent Resolution 218, that consists of 11 lines on page 1 and 9 lines on page 2, for a total of 20 lines of resolution. Here we have a report, and it says that this is a report to accompany House Concurrent Resolution 218, setting forth, "on an aggregate basis only," the congressional budget for the U.S. Government for the fiscal year 1976.

Mr. ADAMS. The gentleman is correct.

Mr. O'HARA. Yet I hear people talking about all kinds of different things, caps and housing acts. Is that to suggest that all of this material with respect to functional categories that is in the committee report is, in fact, a part of the resolution and will become law?

Mr. ADAMS. No, it is not part of the resolution. It is the basis for the debate on the floor and is to provide targets for the authorizing committees and the appropriating committees in terms of what their action will produce as it relates to the macro-economic resolution, namely, a deficit or surplus for the coming year.

Mr. O'HARA. But the actual resolution is just a macro figure?

Mr. ADAMS. That is correct, and that is all that the amendments address themselves to.

However, as we cross-walk back during the summer into the various authorizing and appropriating committee, the committee will do the best it can to indicate how the debate indicated that the money should be spent.

The legislative history explains the targets, but it is not binding on the committees, authorizing or appropriating.

Mr. O'HARA. I thank the Chairman, the gentleman from Washington. With regard to some of these so-called caps, the legal situation, as I understand it, is that the law as it is now on the books would call for comparability increases in Federal pay, cost-of-living increases in Federal retirement, and cost-of-living increases for social security beneficiaries. Judging from the answer the gentleman from Washington gave me, there is nothing in the resolution that would have the effect of changing the laws that require these increases.

Mr. ADAMS. The gentleman from Michigan is correct. Unless the Congress acts through its authorizing committees the so-called cap could not take effect, and there is nothing in this resolution that can change that.

Mr. LANDRUM. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the gentleman from Georgia.

Mr. LANDRUM. Mr. Chairman, I appreciate the gentleman's yielding to me, and although this may not have anything to do with the problem the gentleman from Michigan has brought up, I did ask the gentleman to yield so that I may respond to something the gentleman from Washington, Mr. ADAMS, said, at the time that we were engaging in our colloquy, and at which point the time had expired.

Mr. Chairman, the gentleman from

Washington (Mr. ADAMS) indicated that the reduction proposed in my amendment would cut specific programs. What I asked the gentleman, and what has not been said here, and what cannot be said here, is that in my amendment I propose no cuts, no cuts that I propose go to any specific program or to any specific jobs stimulus program in that function. It is up to the legislative committees and the authorizing committees and the function in the budget, and the chairman well knows that.

Mr. ADAMS. The gentleman from Georgia is correct.

Will the gentleman from Michigan yield further?

Mr. O'HARA. I yield to the gentleman.

Mr. LANDRUM. I thank the gentleman.

Mr. ADAMS. The problem, as we all three are well aware of, is that the deficit the President himself admits to is $60 billion. We have reason to believe it is actually higher—around $68 billion. With unemployment running at over 8 percent, a deficit of the size provided in the gentleman's amendment simply provides for the existing programs in the Federal Government and for the payment of unemployment compensation. So what I was replying to the gentleman was that there is not enough room in the gentleman's figure to provide any of the stimulus that is necessary.

Mr. LANDRUM. You do not have any money to start with, you divided it up before we got it, we already had the deficit.

Mr. O'HARA. Mr. Chairman, before I continue, I wish to thank the gentleman from Washington (Mr. ADAMS) and the gentleman from Georgia (Mr. LANDRUM) for assisting in clarifying this matter.

Mr. Chairman, I am pleased to find that we are not adopting any of the specific assumptions that the Committee on the Budget may have made when they adopted the resolution. I do think the Committee on the Budget made a mistake in assuming that the Congress was going to change the law that required cost-of-living increases in retirement or social security, and comparability increases in Federal pay, and I intend to support the amendment offered by the gentleman from Massachusetts (Mr. O'NEILL).

Mr. ARMSTRONG. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the House owes a debt of gratitude to our colleague, the gentleman from California (Mr. ROUSSELOT) for bringing this issue into focus. Over and over in various forums and on various occasions most of us have spoken approvingly of the idea of a balanced Federal budget.

During the debate on this resolution we have heard the reasons why it is imperative to control Federal spending in order to reduce the rate of inflation and to avoid the kind of economic crackup that would disrupt the social institutions of the Nation and, indeed, topple our whole system.

So it is not my purpose to dwell on economic considerations but rather to ask this question: Are we really serious about balancing the budget? Or is this just a concept intended to confuse our constituents, or a sop to those who are uninformed of true facts? Do serious men who deal with serious issues—people like us who are the insiders, who come to grips with the problems—really believe in budget balancing, or is this just some kind of myth to be taken seriously only by dreamers or fools?

I believe we can balance the budget if we have the wisdom and courage to do so. The place to start is here and the time is now, because if we wait until a propitious time, if we wait until we have another opportunity, if we wait until it is easy, if we wait until there will be no sacrifice to balancing the budget, that moment will never come, as anyone who has studied the fiscal history of this country already knows.

I do not intend to minimize the difficulty of matching income and spending. These have been discussed at great length. But the real question is, Do we care enough to try? Is this a possible dream, or are we just kidding ourselves?

Many of us in our own family life have discovered we can balance the family budget. There are a lot of us in business who have to do it year after year. There are many members of city councils and members of boards of county commissioners—some who now serve in the House of Representatives—all over the country. Those agencies have balanced budgets.

A lot of us came to the House of Representatives from State legislatures. And I remind my colleagues that 38 States of the union have constitutional provisions that require a balanced budget, not just once in awhile, every 5 or 10 years, but every year.

I do not think it is impossible to balance the budget unles we are willing to admit it is impossible. If we say it is possible, which is all the pending amendment does, then we are on the road back to fiscal sanity.

I support the amendment and hope it will be adopted.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. ARMSTRONG. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

I appreciate the comments of my colleague, and I think he is correct in saying that individuals, city governments, and State governments all have constraints on their spending patterns. They cannot constantly expand their debt, as we do in the Congress. It is true further that roughly 70 percent of this Congress campaigned last year for the concept of a balanced budget, and I think it makes sense.

Mr. ARMSTRONG. I thank the gentleman for his comments.

Mr. McCOLLISTER. Mr. Chairman, will the gentleman yield?

Mr. ARMSTRONG. I yield to the gentleman from Nebraska.

Mr. McCOLLISTER. I thank the gentleman for yielding.

I wish to compliment the gentleman on the good sense and the eloquence of the statement he has made, and I wish to associate myself with his remarks.

Mr. ARMSTRONG. I thank the gentleman for his contribution.

Mr. Chairman, I yield back the remainder of my time.

Mr. SEBELIUS. Mr. Chairman, I appreciate this opportunity to comment for the RECORD regarding House Concurrent Resolution 218.

I wish to associate myself with the remarks made yesterday by my colleagues, the gentlemen from New York (Mr. KEMP), and from California (Mr. ROUSSELOT). In this regard I wish to make several brief comments.

First, I was one of the few in this body who voted against the tax cut legislation considered here just a few short weeks ago. I did so because I believed it to be inflationary and a serious mistake. Yet when we reduced revenues by some $25 billion I had hoped serious consideration would then be given to the obvious need to reduce Government spending by some reasonable amount during this budget consideration process.

However, instead of serious consideration given to one of the most important and historic pieces of legislation to ever come before this body—our first opportunity to really monitor the budget and set targets for spending—we are debating a foregone conclusion.

Mr. Chairman, there is more talk today of whether we will close up shop in time for Members to make arrangements for special trips to witness the Kentucky Derby than the subject at hand. The race is on to quickly authorize a $72 billion budget deficit with "add on" estimates running about another $30 billion. I do not know who the winner is going to be in the Derby but I know the losers here are going to be the American people.

I simply do not see how we can spend our way out of inflation and recession. As my colleague from New York (Mr. KEMP) pointed out yesterday, if the recession is caused by inflation and inflation is caused for the most part by the financing of the Federal deficit, how on Earth will this budget proposal help the economy?

Although the figure is much lower in my district, I realize we are experiencing unemployment near 9 percent and I recognize the seriousness of the current recession. The point I would make is that we are going to make the situation much worse down the road.

The message I get from the businessmen and farmers in my district is to simply get the Government off their backs and let them do the job they are capable of doing. The credit necessary to fund this deficit works at cross purposes with this goal. The money becomes unavailable to business and it is only through the private sector that we can provide productive jobs and long-term stability.

What the Federal Government gives to folks, it must first take from folks and what we are doing here today is simply financing a gigantic income transfer program where we take money out of the pocketbooks of the 85 million working people of this Nation and transfer a lesser portion of it to others through Government programs. These programs already involve a cost-benefit ratio that many times is self-defeating and they involve future demands upon our children and grandchildren through deficit financing.

We have reached the point where the average American citizen must give up one-third of his income to his Government, sees the purchasing power of what is left eroded through Government-fostered inflation, and faces a situation where he cannot plan his future or that of his children because of the lack of any kind of stability in our economy. I rise in support of the amendment offered by my colleague from California (Mr. ROUSSELOT) and announce my intention to vote against this proposed budget reduction.

Mr. BROOKS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the first concurrent resolution on the budget is, indeed, a legislative landmark, perhaps not so much for the aggregate figures it contains, but, rather, for there asonedp rocess it represents. This measure enables Congress to act more reasonably and prudently in the management of the Nation's finances. We no longer have to act without an awareness of the total fiscal picture.

This resolution and the Budget Control Act under which it was formulated provides means to stem the tide of Executive erosion of congressional prerogative. With it the Congress has created and implemented the mechanisms by which we can assert our role in setting national priorities. We may not all agree with every part of this resolution or the report that accompanies it, but it is a reasonable and carefully constructed gauge by which the Congress can assess its actions against the totality of Federal income and expenditures.

Let me add that it seems quite clear to me that the legislative committees and the appropriation committees will determine at all times the dollar volume of the amount that will be spent in any of the priority programs on which we want to vote. The legislative and appropriations committees will make that determination. The Budget Committee just totals up the committee decisions, and what we do in legislative committees affects that total. That is what it will make clear to the Congress. That is all that it will do. The Budget Committee will not make the priority decisions for committees. They are not so empowered. It is not their job. They do not propose to do that.

I think that we ought to remember that when we evaluate it. This proposal now is not binding. What will be done will be done by the legislative committee and the Committee on Appropriations and approved by this Congress on each item, but we should, as the Budget Committee hopes we will, take cognizance of what effect those individual actions will have on the total budget.

For many years I have been concerned with improvements in congressional capability to deal with our complex budgetary structure. Since the time I served on the Joint Committee on the Organization of the Congress in 1965 until today, as I serve on the Joint Committee on Congressional Operations and the House Committee on Government Operations, I have devoted a large part of my efforts toward strengthening congressional control over budgetary decisions.

Mr. Chairman, the resolution before us today is a significant step toward doing just that and I would urge its adoption.

Mr. ADAMS. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I am pleased to yield to the distinguished chairman, the gentleman from Washington (Mr. ADAMS).

Mr. ADAMS. Mr. Chairman, I thank the distinguished gentleman from Texas for his statement. I would like to emphasize in this debate, so that we fully fit the budget process within the total institution of the House, how important it is that the gentleman as chairman of the Government Operations Committee has started the activity of requesting each committee to conduct oversight over the programs within its jurisdiction to determine if there is waste. It is also important that the Government Operations Committee is doing the same thing on a line items and agencies and particular programs basis because it has been brought to the attention of this committee that people have expected that the Budget Committee would make final determinations on individual line items or grams.

As the gentleman has so eloquently stated in his speech, this is the function of the authorizing and appropriating committees. The Budget Committee can tell these individual committees whether their actions will raise or lower the deficit, as was pointed out by the gentleman from Michigan, with regard to caps on Social Security or on military and civilian pay.

The caps happen to be within the jurisdiction of the Committee on Ways and Means and within the jurisdiction of the Committee on Post Office and Civil Service and those committees must come to the floor with their recommendations if they wish to have the caps enacted. The Budget Committee target we are setting now will be used as part of the argument when any such bill comes up.

I thank the gentleman for his explanation. I am very pleased he is here.

Mr. BROOKS. I thank the gentleman from Washington.

Mr. KEMP. Mr Chairman, I rise in support of both the Landrum amendment and the Rousselot amendment.

Mr. ADAMS. Mr. Chairman, will the gentleman yield?

Mr. KEMP. I yield to the gentleman from Washington.

Mr. ADAMS. Mr. Chairman, is this on the Rousselot amendment or on the Landrum amendment or on the Latta amendment? The reason I need to know is if the gentleman is going to juggle one or the others, I thought we might ask whether we could get a time period on the Landrum amendment which is the first one up.

Mr. KEMP. I was rising in support of both the Landrum amendment to cut the deficit and the Rousselot amendment to reduce it to zero but I will be glad to yield to the gentleman for him to get this unanimous consent. I understand the gentleman does want some limit on the debate.

Mr. ADAMS. Mr. Chairman, I ask unanimous consent that we have an agreement that the debate on the Landrum amendment and any amendments to it—not the Rousselot amendment or others but the Landrum amendent and amendments to it, which I understand is the first pending amendment—will conclude in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

PARLIAMENTARY INQUIRY

Mr. KEMP. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state the parliamentary inquiry.

Mr. KEMP. Mr. Chairman, as I understand the request of the gentleman from Washington (Mr. ADAMS), that time would not be taken out of my time.

The CHAIRMAN. The gentleman is recognized for his 5 minutes, and then there will be 10 minutes beyond that time.

Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. KEMP. Mr. Chairman, I take this time to address what I consider to be the major premise upon which this debate is taking place today.

Let me say, parenthetically, I think Members on both sides of the aisle and on both sides of this issue today have argued logically from their given premises. The divergence has arisen over the basic premise upon which this resolution rests and that is the notion that the $73 billion projected deficit, will create jobs.

What a preposterous premise; and if it were true, we should double the deficit. What a mistake to tell the American people that unless the Government borrows their money and spends it publicly, it will not be spent or spent as effectively or wisely.

I want to reiterate the point which I made in debate yesterday: In the last 5 years there have been $150 billion of deficits, yet unemployment has gone from 4.5 percent to 9 percent. If Government spending creates jobs, why is it that when we have doubled the budget in the last 5 years and drastically increased the deficits we have more unemployment today and more than we had since the 1930's? It took 187 years for the Federal Government to reach a $100 billion annual budget. It took 9 years to reach a $200 billion annual budget. And, it took only 3 years to reach a $300 billion budget.

At the rate we are going we will be doubling the budget about every 5 or 6 years. Deficits do not create jobs. They destroy jobs. Unemployment is climbing.

I rise today specifically in behalf of the amendment offered by the gentleman from California (Mr. ROUSSELOT) and the amendments offered by the gentleman from Georgia (Mr. LANDRUM), and Mr. LATTA of Ohio, all designed to reduce the size of the deficit. Why? Because for every $10 billion of deficit spending in this country, there are 500,000 housing units which will not be built and 1 million primary and 2 million related jobs that will not be created because of Government borrowing.

The great problem in America today is the shortage of investment capital. Forty-three percent of all private income goes into the public sector of Government. The public sector is strangling and suffocating the growth of capital which is the oxygen supply of this country's economy.

An article this morning in the Wall Street Journal shows that U.S. earnings in the first quarter of this year have fallen 21 percent. As profits fall, capital investment falls. As savings are diminished by Government borrowing, there is not enough money left for mortgages and the expansion of construction that is so desperately important to our economy.

What is at stake is jobs. The question is: How do we create jobs? It is not through deficit financing. The amendment of the gentleman from California (Mr. ROUSSELOT) is a chance to put as a target—as a goal—a balanced budget. It is something we all believe in, but it is not enough to be for a balanced budget. We have to do a better job of quantifying what it means in terms of jobs, a greater standard of living, greater productivity, a greater supply of energy and a reduction of poverty.

It has been identified that we will be short of capital in the next 10 years between $1.5 trillion and $2.1 trillion. Yet, if we had enough capital to overcome that shortfall, it would represent a 50-percent reduction of the people now in poverty. That represents 20 to 25 million jobs. That represents about 30 million new housing starts and about a 75-percent increase in real purchasing dollars—all of which means a strong and stable increase in the standard of living of the American people.

The solution is not to run the deficit into unmanageable proportions. The solution rests in reducing deficits, moving toward a balanced budget, recognizing that there must be some reform of tax laws—which right now are biased against savings, biased against capital investment, biased against the private sector. We must depend upon ourselves to reach the very desirable goals everyone wants: put people back to work, start housing, sell automobiles. If anybody is thinking rebates are going to sell automobiles on a long-term basis, they are absolutely wrong. If anybody thinks the new housing tax credit is going to sell enough new houses, they are wrong. At best, the tradeoffs here will be a shell game.

What has to be done is to create in our tax laws the type of treatment that people logically will say they can expand and grow.

I do not want people saying, "Well, the trouble with you, Kemp, you are just defending big business." Such a tactic is fraudulent and the perpetration of a myth on the American worker. The American working people know if there is not enough capital, if there is not enough profit, if there is not enough incentive to save and invest in our country, there is not enough left to make the country what it truly should be in the next 200 years.

The CHAIRMAN. Members standing at the time debate was limited will be recognized for approximately 50 seconds each.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina (Mr. MARTIN).

Mr. MARTIN. Mr. Chairman, I rise to speak in support of the Latta amendment, and to point out that his target of reducing the expected deficit to $54.1 billion can very readily be achieved by the simple expedient of limiting those functional categories in the committee report to an increase of no more than 15 percent over what they were in fiscal year 1975. As shocking as that is, it is very simple to illustrate.

Mr. Chairman, the level of outlays proposed in the House Concurrent Resolution 218 is high, and in rising to support the amendment by our colleague from Ohio, I wish to suggest how high the level really is.

The concurrent resolution proposes an increase of 17.5 percent over the estimates for fiscal 1975. If we go through, category by category, the concurrent resolution recommends 15 percent or higher increases in seven major categories: energy, resources, and environment; community development; manpower; education, and welfare; health; income security; commerce and transportation; and general government.

I had thought of seeking adoption of an amendment putting a 15 percent "cap" on categories of outlays, but the distinguished chairman of the House Budget Committee has determined that any such specific limitation would be out of order. If we had such a cap and selected either 115 percent of 1975 estimates or the recommendations in the resolution, whichever would be lower, total recommended outlays would be $352.128 billion. That is roughly $16.1 billion below the committee's recommendations in the resolution and would involve merely a 15 percent limit on increases. That 15 percent is, as we know, considerably higher than the intervening increase in the consumer price increase.

My own calculations leading to the idea of a 15-percent cap and the desirability of adopting the lower of the capped figure or the House Concurrent Resolution 218 figure point to a $352 billion level of outlays. That is in the same ballpark as the figure—$350.5 billion—in the Latta amendment and I therefore have no hesitation in supporting the latter, as a substitute for the higher level of spending proposed by the committee.

The Latta amendment comes close to providing a 15-percent cap. In supporting it I know I will have some hard explaining to do back home as to why I supported a 15 percent increase in Federal spending. But, I know I could not go back home and justify having voted to refuse to limit Federal spending to a 15 percent increase over last year.

To emphasize what capping expenditures would mean, I submit for the RECORD the following table of outlays. The figures are in billions of dollars:

Item	1975 estimate	115 percent of 1975	Committee resolution	Lower
Defense	$85.276	$98.067	$89.736	Resolution.
International	4.853	5.381	4.900	Do.
Technology, science, space	4.183	4.810	4.599	Do.
Energy, resources, environment.	9.412	10.824	11.546	15 percent cap.
Agriculture	1.773	2.039	1.816	Resolution.
Commerce, transportation	11.796	13.565	19.810	15 percent cap.
Community development	4.887	5.620	9.498	Do.
Education, manpower, welfare.	14.714	16.921	20.426	Do.
Health	26,486	30,459	30.702	Do.
Income security	$106.702	$122.707	$123.915	Do.
Veterans	15.466	17.786	17.469	Resolution.
Law enforcement, justice	3.026	3.480	3.363	Do.
General government	2.646	3.043	3.350	15 percent cap.
Revenue sharing	7.033	8.088	7.249	Resolution.
Interest	31.331		35.000	
Allowances	.700		1.050	
Undistributed offsetting receipts.	(16.839)		(16.193)	
Total	313.445		368.236	

If we were to accept the recommendations in House Concurrent Resolution 218 except to the extent the recommendations exceed 115 percent of estimated 1975 expenditures, that would cut the recommendations back to 352.128 billion dollars, reducing spending by $16.1 billion and the deficit by about that amount. Such a cap would mean we would allow agencies to increase their spending by 15 percent, but no more. That would be fairly easy to justify back home, or, at least, a lot easier than to try to justify voting against such a cap.

Since the amendment of the gentleman from Ohio would accomplish an effective 15 percent cap, I support it.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Chairman, the issue before us on the Landrum amendment—which is not a neanderthal amendment at all, I say to my friend, but a good amendment, although it does not go far enough—if we agree to it, we will have an extra half million unemployed. That is what our econometric models indicate.

He takes part of the stimuli of the committee, but the committee has rejected a lot of the stimuli proposed by the balance of the Congress so that the committee position is already a compromise.

To vote a compromise and risk a possibility of an additional 400,000 or 500,000 unemployed is a risk I do not think we should take. I think we ought to target towards the 7-percent figure and shy away from the 8-percent figure. And therefore the Landrum amendment should be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. Gibbons).

Mr. GIBBONS. Mr. Chairman, as all of us know, this is a very complex matter. I have decided to stick with the committee on this.

The committee bill must be good because on both sides there are those who say the committee bill is too high, and others who say the committee bill is too low. The committee tried to strike a happy medium between the conflicting forces that govern this House. The committee tried to add enough stimulus to get us out of the recession or near depression which we are in now, and tried not to add too much stimulus to take us off into another inflationary spiral.

The stimulus that was added by the committee, and of course, these are just illustrative matters and not definitive matters, and must be defined in future legislation, is a relatively short-term stimulus and is needed, I believe, to do the job.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. Rousselot).

Mr. ROUSSELOT. Mr. Chairman, I have basically made my point as relates to my own amendment. In all amendments that help reduce both the expenditure level and the deficit level, I support, because it moves this Congress closer to fiscal responsibility.

(By unanimous consent Mr. Wright yielded one-half of his time to Mr. Landrum and one-half to Mr. Adams.)

(By unanimous consent, Mr. Landrum yielded his time to Mr. Adams.)

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. Latta.)

Mr. LATTA. Mr. Chairman, I wish to commend the chairman of the committee and the members for the work it has done, and this includes the staff. I know that this has been a very difficult task. There are disagreements over the figures, but I think on the overall objective, everybody is in agreement.

Mr. Chairman, I would like to say I have proposed an amendment which would give us a way we can reduce the deficit. As I indicated when the gentleman from California was speaking, I, for one, would like to see a balanced budget. But I am also a realist. I know that is impossible in fiscal 1976. So we have to go for something in between, and that something in between is the amendment I have proposed.

Mr. ADAMS. Mr. Chairman, I have already stated my position on the Landrum amendments. I would hope we could move now to vote.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Georgia (Mr. Landrum).

The question was taken; and on a division (demanded by Mr. Landrum) there were—ayes 36, nays 31.

RECORDED VOTE

Mr. ADAMS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 227, noes 180, not voting 25, as follows:

[Roll No. 168]

AYES—227

Abdnor
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bedell
Bell
Bennett
Bevill
Biester
Bowen
Breaux
Breckinridge
Brinkley
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carr
Carter
Casey
Cederberg
Chappell
Clausen, Don H.
Clawson, Del
Cleveland
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Davis
de la Garza
Delaney
Derrick
Derwinski
Devine
Downing
Duncan, Tenn.
du Pont
Early
Edwards, Ala.
Emery
English
Erlenborn
Esch
Eshleman
Evans, Ind.
Fenwick
Findley
Fish
Fithian
Florio
Flowers
Flynt
Forsythe
Fountain
Frenzel
Frey
Fuqua
Gaydos
Ginn
Goldwater
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hamilton
Hammerschmidt
Harsha
Hastings
Hébert
Hefner
Heinz
Henderson
Hightower
Hillis
Hinshaw
Holland
Holt
Howe
Hubbard
Hughes
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kasten
Kelly
Kemp
Ketchum
Kindness
Krueger
LaFalce
Lagomarsino
Landrum
Latta
Lent
Levitas
Litton
Lloyd, Tenn.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McDonald
McEwen
McKay
McKinney
Mahon
Mann
Martin
Mathis
Mazzoli
Melcher
Michel
Milford
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mosher
Mottl
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nichols
O'Brien
Passman
Patman
Perkins
Pickle
Poage
Pressler
Preyer
Pritchard
Quie
Railsback
Randall
Regula
Rhodes
Roberts
Robinson
Rose
Roush
Rousselot
Runnels
Ruppe
Santini
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Sharp
Shuster
Sikes
Skubitz
Slack
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stuckey
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thone
Treen
Vander Jagt
Waggonner
Wampler
White
Whitehurst
Wilson, Charles, Tex.
Winn
Wolff
Wydler
Wylie
Yatron
Young, Alaska
Zeferetti

NOES—180

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Ashley
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bergland
Bingham
Blanchard
Blouin
Boggs
Boland
Bonker
Brademas
Brodhead
Brooks
Burke, Mass.
Burton, John L.
Burton, Phillip
Carney
Chisholm
Clay
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
Daniels, Dominick V.
Danielson
Dellums
Dent
Dickinson
Dingell
Dodd
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Evans, Colo.
Fascell
Fisher
Flood
Foley
Ford, Mich.
Fraser
Fulton
Giaimo
Gibbons
Gilman
Green
Gude
Hall
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Helstoski
Hicks
Holtzman
Horton
Howard
Johnson, Calif.
Jordan
Karth
Kastenmeier
Kazen
Keys
Koch
Krebs
Leggett
Lehman
Lloyd, Calif.
Long, La.
McCormack
McDade
McFall
McHugh
Macdonald
Madden
Maguire
Matsunaga
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patten
Patterson, Calif.
Pattison, N.Y.
Pepper
Peyser
Pike
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Rodino
Roe
Roncalio
Rooney
Rosenthal
Rostenkowski
Roybal
Russo
Ryan
St Germain
Sarbanes
Scheuer
Schroeder
Seiberling
Simon
Sisk
Smith, Iowa
Solarz
Spellman
Staggers
Stark
Stokes
Stratton
Studds
Thompson
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Walsh
Waxman
Weaver
Whalen
Wilson, Bob
Wilson, Charles H., Calif.
Wirth
Wright
Yates
Young, Ga.
Young, Tex.
Zablocki

NOT VOTING—25

Biaggi
Bolling
Burke, Calif.
Clancy
Diggs
Evins, Tenn.
Ford, Tenn.
Gonzalez
Hansen
Hays, Ohio
Hungate
Madigan
Mills
Mollohan
Price
Quillen
Rangel
Rees
Rogers
Shipley
Shriver
Stanton, James V.
Whitten
Wiggins
Young, Fla.

So the amendments were agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Price for, with Mrs. Burke of California against.

Mr. Shipley for, with Mr. Rangel against.

Mr. Evins of Tennessee for, with Mr. Diggs against.

Mr. Quillen for, with Mr. Mollohan against.

Mr. Young of Florida for, with Mr. Rees against.

The result of the vote was announced as above recorded.

Mr. ADAMS. Mr. Chairman, my understanding is that the amendment now pending is the Reuss amendment which perfects the O'Neill amendment in the nature of a substitute. Is that correct?

The CHAIRMAN. That is correct.

Mr. ADAMS. Mr. Chairman, on that I ask unanimous consent that all debate cease immediately.

The CHAIRMAN. The question is on the unanimous-consent request of the gentleman from Washington that all debate on Reuss amendment cease now.

Is there objection to the request of the gentleman from Washington?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. Reuss) to the amendment in the nature of a substitute offered by the gentleman from Massachusetts (Mr. O'Neill).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. REUSS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 277, noes 128, not voting 27, as follows:

[Roll No. 169]

AYES—277

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bennett
Bergland
Biester
Bingham
Blanchard
Blouin
Boland
Bolling
Bonker
Brademas
Brodhead
Brooks
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Chappell
Chisholm
Clausen, Don H.
Clay
Cleveland
Cohen
Collins, Ill.
Conlan
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, Dominick V.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Dingell
Dodd
Downey
Drinan
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Eshleman
Evans, Colo.
Evans, Ind.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Mich.
Forsythe
Fountain
Fraser
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Goodling
Grassley
Green
Gude
Guyer
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Hawkins
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Holland
Holtzman
Horton
Howard
Howe
Hughes
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jordan
Karth
Kastenmeier
Keys
Koch
Krebs
Krueger
LaFalce
Latta
Leggett
Lehman
Lent
Litton
Lloyd, Calif.
Long, Md.
Lujan
McClory
McCloskey
McCormack
McDade
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Maguire
Mann
Martin
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patman
Patten
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pike
Pressler
Preyer
Randall
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Rinaldo
Risenhoover
Rodino
Roe
Roncalio
Rooney
Rose
Rosenthal
Roush
Roybal
Russo
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Snyder
Solarz
Spellman
Staggers
Stanton, J. William
Stark
Stokes
Stratton
Studds
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Traxler
Tsongas
Udall
Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
Weaver
Whalen
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wirth
Wolff
Wydler
Wylie
Yates
Yatron
Young, Ga.
Zablocki
Zeferetti

NOES—128

Abdnor
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bell
Bevill
Boggs
Bowen
Breaux
Breckinridge
Brinkley
Brown, Mich.
Brown, Ohio
Burleson, Tex.
Butler
Carter
Casey
Cederberg
Clawson, Del
Cochran
Collins, Tex.
Conable
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Devine
Dickinson
Downing
Duncan, Oreg.
Duncan, Tenn.
Emery
English
Erlenborn
Esch
Flynt
Frenzel
Frey
Ginn
Goldwater
Gradison
Hagedorn
Haley
Hammerschmidt
Harsha
Hastings
Hébert
Hightower
Holt
Hutchinson
Hyde
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Ketchum
Kindness
Lagomarsino
Landrum
Levitas
Lloyd, Tenn.
Long, La.
Lott
McCollister
McDonald
McEwen
Madigan
Mahon
Mathis
Michel
Milford
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Myers, Pa.
Nichols
O'Brien
Passman
Pickle
Poage
Pritchard
Quie
Railsback
Roberts
Robinson
Rostenkowski
Rousselot
Runnels
Ruppe
Satterfield
Schneebeli
Schulze
Sebelius
Shuster
Smith, Nebr.
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stuckey
Sullivan
Symms
Thornton
Treen
Ullman
Vander Jagt
Waggonner
Walsh
Wampler
White
Whitehurst
Wilson, Bob
Winn
Wright
Young, Alaska
Young, Tex.

NOT VOTING—27

Biaggi
Burgener
Burke, Calif.
Clancy
Diggs
Evins, Tenn.
Ford, Tenn.
Gonzalez
Hansen
Hays, Ohio
Hubbard
Hungate
Mills
Mollohan
Price
Quillen
Rangel
Rogers
Ryan
Shipley
Shriver
Spence
Stanton, James V.
Teague
Whitten
Wiggins
Young, Fla.

So the amendment to the amendment in the nature of a substitute was agreed to.

The result of the vote was announced as above recorded.

PARLIAMENTARY INQUIRY

Mr. ADAMS. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ADAMS. Mr. Chairman, I am inquiring as to the order of voting on the presently pending amendments. Is it correct that the next amendment to be voted on is the Rousselot perfecting amendment to the Latta substitute?

The CHAIRMAN. The gentleman is correct.

Mr. ADAMS. Mr. Chairman, on that I would ask unanimous consent that all debate on the Rousselot amendment cease in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was made will be recognized for 50 seconds each.

The Chair recognizes the gentleman from Alaska (Mr. YOUNG).

(By unanimous consent, Mr. YOUNG of Alaska yielded his time to Mr. SYMMS).

The CHAIRMAN. The Chair recognizes the gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. Mr. Chairman, 2 plus 2 is 4, not 22.

The Rousselot amendment seeks to bring back not only truth in labeling, but truth in mathematics. I would urge the Members to vote for the Rousselot amendment.

Mr. Chairman, there is only one or two places we can get this money. We have already covered it here quite extensively in the debate yesterday and the debate earlier today. The gentleman from New York (Mr. KEMP), the gentleman from California (Mr. ROUSSELOT), and the gentleman from Colorado (Mr. ARMSTRONG), and others have pointed this out very well. We are going to borrow the money from the private capital markets and dry up jobs. If we have a $100 billion deficit or a $7 billion deficit or whatever, we are going to print the money. We in the Congress are the group of people that have the ability to take paper, a perfectly good commodity, and ink, another good commodity, and slap the ink on the paper and make it worthless.

This is exactly what has been happening, the erosion of the value of the dollar, as it goes down, down, and down. Now is the time to stop inflation. Inflation is simply the expansion from within. Inflation of the money supply is coming from deficit spending, and it is leading this country to increased joblessness and a slowdown of the economy, and on and on and on.

Now is the opportunity for those Members here today to record that they would at least like to have a goal of honesty in Government and that two plus two equals four in arithmetic and a balanced budget.

Mr. BAUMAN. Mr. Chairman, I rise in support of the substitute offered by the gentleman from California (Mr. ROUSSELOT) which would give this country a balanced budget. I commend him for his initiative in this matter. In this time of recession he recognizes that it is more essential than ever that we put the Nation's fiscal house in order. That his amendment will accomplish. A balanced budget and budget deficits have become such political footballs I think it appropriate to look at what a balanced budget would mean for the people of the United States. While a balanced budget will not be a cure-all for our economic and social problems, it would bring direct benefits which we should examine objectively before we reject the idea as being simply another political slogan.

The first benefit of a balanced budget would be the release of $58.5 billion—or $69.6 billion or $73.2 billion—for use by the private, productive sector of the economy. The availability of funds to the private sector would be far more effective in terms of stimulating the economy than a similar amount in a government deficit. A government deficit might be used to create a few make-work jobs, it might hire a few more government employees.

But a similar amount of money released to the private sector could purchase tools of production essential to the creation of permanent, productive jobs—jobs which contribute to the strength of the economy. That is the road to a genuine economic recovery.

The second major benefit of a balanced budget will also be felt in the capital markets, but in a slightly different way. There will be an immediate reduction in the upward pressure on interest rates which the financing of a large government deficit always brings in its wake. This will mean that private borrowers—from the corporation seeking to expand, to the homeowner seeking a loan for improvements or repairs, to the worker seeking to make a major purchase—will have to pay less for the use of the money needed for expansion and productivity.

The lesson has been slow to sink in with most politicians, but by now most of the people of the United States understand quite well that the old sophistry about deficits—that they do not matter because "we owe it to ourselves"—just is not true. We owe it to very specific people, to purchasers of Government bonds and notes, and we are paying billions of dollars annually in interest because of this debt.

Mr. Chairman, the most important benefit of a balanced budget is the clean signal it will give to the American people that their Government is starting to get serious about fighting inflation. Budget deficits increase inflationary pressures. With the Government going into the money markets to finance the deficit, the pressure becomes well-nigh irresistible for the Federal Reserve to increase the money supply. Without an increase in the money supply, there will be little for private borrowers after the Feds get their share.

Some people still recognize that this Federal finance structure depends for its existence on some wealth in the private sector to be taxed. Without that productive base, all our budget projections and deficits and talk of priorities are simply moot.

When we increase the money supply without a corresponding increase in real productivity we are turning the dollar into play money. We reduce the purchasing power of each dollar in circulation in the economy. We thus reduce the real income of each one of our citizens, working a nearly intolerable hardship on citizens living on a fixed income, particularly the elderly.

Anybody who believes that a new round of deficit spending will not bring on a new round of inflation is simply not living in the real world. An inflationary psychology has already gripped this country. This means a disinclination to save or to invest, in the realistic belief that the value of savings will be worth less. But without savings and investment we cannot hope to build a foundation for a genuine economic recovery on this country. We may have a short period of artificial boom, but the next step is a plunge into a deeper recession.

A new recession? I do not see how it can be avoided. Last Friday's Wall Street Journal carried an excellent article by James P. Gannon, based on a survey of leading academic, business forecasters, executives, and other analysts. The overwhelming consensus was that the current recession had its roots firmly in the previous years of inflation. The inflation distorted statistics, making forecasts difficult. It eroded the purchasing power of consumers. It bred a buy-and-stockpile psychology among businessmen, leading to the bloated inventories which have swelled the unemployment lines. And it brought an overreaction from the Federal Reserve, leading to the "tight money" policy which has made the recessionary pressures that much more extensive.

We must ask why, in the midst of a recession which most experts agree was brought on by inflation, do we approve a budget with the most massive peacetime deficits in history? Do we start a new round of inflation which is almost certain to lead to a deeper recession in the near future? I think not. I think the time has come for us to step back and understand the way things work in the real world. Such an understanding should lead to a vote for a balanced budget, the first step in putting our own house in order and beginning to build a new, productive, stable economy for the people of the United States.

Mr. Chairman, our new budget procedure offers us an opportunity to see the budget in its entirety, in a context which makes it possible for us to assess its impact on people and be held accountable to them for what we do. The people will be watching how we vote on this issue. They will be taking note of whether we wish to plunge the United States into a new round of deficits and inflation, or whether we want to make a commitment to a new era of stable productivity.

The people are aware that nearly 40 percent of their income is now taken from them by government at all levels. They are aware that new deficits mean the destruction of the purchasing power of the income they have left over after government takes its bite. They are also aware that they are the one's who must pay for our mistakes.

Mr. Chairman, the benefits of a balanced budget are clear. A balanced budget means more money available to the productive forces in the American economy. A balanced budget means more reasonable interest rates for those who want to build for the future. It means the beginning of the end to the inflation which has wracked and buffeted our people for so many years. A balanced budget will allow our people once again to plan for the future with some assurance that the future will hold brighter days. A balanced budget means returning more economic decisionmaking power to the people rather than gathering it into the hands of the Federal Government.

The road back to stability and productivity will be a long and hard one, with uncertainties which we can only guess at today. But restraint spending means increased freedom of action and new options and opportunities for the people of this country. The American people had enough of the Government trying to take care of them. I think most of the people would like to try taking care of themselves for awhile.

A vote for a balanced budget is the first step toward giving the people those opportunities. Mr. Chairman, I urge a yes vote on the Rousselot substitute. The people are watching.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. LEGGETT).

Mr. LEGGETT. Mr. Chairman, I rise in opposition to the Rousselot amendment.

It sounds good, but it cuts $73 billion out of the spending. We only have $93 billion of what we call controllable spending, and $63 billion is in defense. Therefore, if we want to cut defense by two-thirds, in spite of what they say, that is the only place where the reduction can come from.

Mr. Chairman, I think the amendment is Hooverism all over again. It is going to result in 11.8 percent unemployed. In spite of the fact that I support a balanced budget, we cannot do it this way.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Chairman, I applaud my friend, the gentleman from California (Mr. ROUSSELOT) for wanting a balanced budget. All of us want a balanced budget. All of us should work in that direction.

There are two reasons, however, why it is impossible under the present situation to achieve that desirable goal by the gentleman's amendment.

The first reason is that mentioned by the gentleman from California (Mr. LEGGETT). A very great deal of the budget is frozen, like social security payments and interest on the debt, and not subject to reduction. The controllable items, subject to congressional appropriations, come to only about $100 billion. If we were to try to cut $73 billion out of that, then we would have to cut three-quarters of every expenditure from here on in. Obviously that is a wholly unrealistic expectation.

In the second place, the overpowering reason for the deficit is the recession itself—the fact that we have almost 9 million unemployed. It is a well-established rule of thumb that each percentage point of unemployment exerts an adverse impact upon the budget of about $16 billion.

If we had 4½ percent unemployment instead of 9 percent, we would be showing a budget surplus. The only realistic way to work toward a balanced budget today is to do it in terms of getting this Nation out of the recession and putting Americans back to work, and reducing this highly unacceptable level of unemployment so that those people can be put in a position where they will be paying taxes again.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. KEMP).

Mr. KEMP. Mr. Chairman, I rise in support of this amendment as a principle of fiscal responsibility. I would like to point out very briefly that the balanced budget amendment is a target, a goal. A huge deficit does not create jobs, it destroys jobs.

As I pointed out for the last 2 days, we have spent $150 billion of deficit in the last 5 years, and unemployment has doubled. Why? Because deficits destroy jobs, capital, investments savings, all of the things that this country needs today to create jobs, to build houses, and raise the productivity of the United States.

America is running short of capital because of deficit spending and inflation, and what is at stake is the job of each and every American. Also what is at stake is the pensions of each and every American because for each $10 billion of deficit there is a 1.5-percent increase in inflation. I ask for a vote against inflation and for jobs.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. Rousselot).

Mr. du PONT. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Delaware.

Mr. du PONT. Mr. Chairman, I will not be able to support the budget bill today unless substantial changes are made in it. The proposed first concurrent resolution on the budget (H. Con. Res. 218), is disappointing to me. I thought that we were going to use this new procedure as a means to overcome our previous propensities in regard to deficit spending. This has not proven to be the case and I am unable to agree to a measure which approves a minimum Federal deficit of $73.2 billion. This is an unacceptable target level for Federal indebtedness.

Approval of such a level of deficit financing becomes even more irresponsible when you take into account the fact that the budgets of the various House committees exceed this figure by thirty to forty billion additional dollars. So far in this session the House has shown no inclination to decrease the funding requests of the committees, nor has it supported Presidential efforts toward fiscal responsibility through rescissions. If the past is prolog, and I believe it is in this case, then we are really giving our stamp of approval to a budget deficit of close to $100 billion. Let us not pretend that we are unaware of this possibility.

The worst part of this excessive zeal in spending the taxpayers' dollars, dollars which we do not even have, is that it is supposedly addressed to curing the economic ills of our society. Much of it is in fact nothing more than an effort to use our present recessionary problems to promote spending which would otherwise be unacceptable to the public.

A simple one shot tax relief bill was converted into a hybrid of changed tax structures and special interest concessions. An "emergency" farm bill which was hurriedly passed was inflationary to the consumer, increased Federal spending, and put the farmer back on the Federal dole. An "emergency" middle-income housing relief bill was passed adding even more to the burden of taxpayer obligations via an expensive program benefiting only a small percentage of our population.

I recognize that with current economic conditions our people need our help, and that to help them we must face an unpleasant fact of a large deficit. But, we cannot responsibly ignore the inflationary dangers of our actions. We have an obligation to reduce our spending to the lowest possible level consistent with overcoming the recessionary difficulties which we are experiencing. Therefore, I would much prefer a resolution which cuts the committee's proposals by $10 to $12 billion. I also feel very strongly that after we agree to a figure, the House must hold the individual committees to the amounts set forth in House Concurrent Resolution 218.

And, what will be the ultimate result of approving spending of this magnitude? Well first, the Federal Government is going to go into the private market and borrow to finance the deficit. That is what happened last year when interest rates went through the ceiling because of the huge demand of the Treasury to finance the deficit. The rates which have started down are, in my judgment, going to go right back up with a $100 billion deficit, and the pressure on Dr. Burns to print more money is going to be unbearable. If he prints the money to cover the deficit what will happen? Inflation will skyrocket after recent easing.

I find it ironic that the committee report concedes that we cannot run a deficit of this magnitude in 1977. My question to the committee members who support these unconscionable amounts of debt is how do they propose to turn off the spending spigot? Every program develops its own constituency and bureaucratic momentum. Our collective ability to stand up to these pressures can best be judged by the infinitesimal number of programs we have voted to cut back or discontinue.

I do not know if this House is going to give its approval to a $70 billion-plus deficit or not. I do know that if it does we will adversely affect consumer confidence. The people understand better than we do that continuing down the road of large Government spending is harmful to their interests.

This resolution will, in the long run, do far more harm than good. I cannot vote for it.

Mr. ROUSSELOT. Mr. Chairman, my colleague, the gentleman from California (Mr. Leggett) has tried to imply that it would be dangerous not to have a $73 billion deficit.

I say that that is upside-down thinking.

A $73 billion deficit? We now have $60 billion deficit, and 8.5-percent unemployment.

This alone ought to make it clear that deficits do not help employment, they many times destroy employment.

Those Members who were here yesterday when we discussed this issue know that that is true; that huge Federal deficits destroy employment opportunities and the creation of jobs. If we want to help employment, then we should put the money back in the private sector not take it out. We cannot really do that by deficit financing, because the deficit financing required for the $73 billion will badly erode the creation of jobs; it will destroy the housing market, it will destroy mass transportation, it will destroy municipal financing. Almost 80 percent of the money market is going to be taken up by the $73 billion add-on deficit and the refinancing of the present debt of almost $500 billion.

The spending under this amendment will be at the $300 billion level. That is adequate enough to finance what we need to do.

The CHAIRMAN. The Chair recognizes the gentleman from Washington (Mr. Adams) to close the debate.

Mr. ADAMS. Mr. Chairman, I hope that we can move immediately to a vote. The Committee opposes this amendment because it would result in a substantial increase in unemployment in all likelihood involving millions of people. I hope that the amendment will be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Rousselot), to the amendment offered by the gentleman from Ohio (Mr. Latta), as a substitute for the amendment in the nature of a substitute offered by the gentleman from Massachusetts (Mr. O'Neill).

The question was taken.

RECORDED VOTE

Mr. ROUSSELOT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device; and there were—ayes 94, noes 311, not voting 27, as follows:

[Roll No. 170]

AYES—94

Abdnor
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bennett
Bevill
Brinkley
Broomfield
Brown, Ohio
Burgener
Burke, Fla.
Byron
Chappell
Clausen, Don H.
Clawson, Del
Cochran
Collins, Tex.
Conlan
Crane
Daniel, Dan
Daniel, Robert W., Jr.
de la Garza
Derwinski
Devine
Dickinson
Duncan, Tenn.
Edwards, Ala.
English
Eshleman
Findley
Flynt
Frey
Ginn
Goldwater
Goodling
Grassley
Guyer
Hagedorn
Haley
Hammerschmidt
Harsha
Hinshaw
Holt
Hutchinson
Hyde
Ichord
Jarman
Johnson, Colo.
Johnson, Pa.
Kasten
Kelly
Kemp
Ketchum
Kindness
Lagomarsino
Latta
Lott
McCollister
McDonald
Mathis
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Pressler
Randall
Robinson
Rousselot
Runnels
Satterfield
Sebelius
Skubitz
Smith, Nebr.
Snyder
Spence
Steelman
Steiger, Ariz.
Stuckey
Symms
Talcott
Taylor, Mo.
Thone
Treen
Vander Jagt
Wampler
Wilson, Bob
Winn
Wylie
Young, Alaska

NOES—311

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bell
Bergland
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brodhead
Brooks
Brown, Calif.
Brown, Mich.
Broyhill
Buchanan

Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John L.
Burton, Phillip
Butler
Carney
Carr
Carter
Casey
Cederberg
Chisholm
Clay
Cleveland
Cohen
Collins, Ill.
Conable
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, Dominick V.
Danielson
Davis
Delaney
Dellums
Dent
Derrick
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
du Pont
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Emery
Erlenborn
Esch
Evans, Colo.
Evans, Ind.
Fascell
Fenwick
Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Mich.
Forsythe
Fountain
Fraser
Frenzel
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Gradison
Green
Gude
Hall
Hamilton
Hanley
Hannaford
Harkin
Harrington
Harris
Hastings
Hawkins
Hayes, Ind.
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis

Holland
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Keys
Koch
Krebs
Krueger
LaFalce
Landrum
Leggett
Lehman
Lent
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
McClory
McCloskey
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Madigan
Maguire
Mahon
Mann
Martin
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman
Patten

Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Peyser
Pickle
Pike
Poage
Preyer
Pritchard
Quie
Railsback
Rees
Regula
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Roberts
Rodino
Roe
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Scheuer
Schneebeli
Schroeder
Schulze
Seiberling
Sharp
Shuster
Sikes
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, J. William
Stark
Steed
Steiger, Wis.
Stephens
Stokes
Stratton
Studds
Sullivan
Symington
Taylor, N.C.
Teague
Thompson
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Waxman
Weaver
Whalen
White
Whitehurst
Wilson, Charles, Tex.
Wirth
Wolff
Wright
Wydler
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—27

Biaggi
Burke, Calif.
Clancy
Diggs
Evins, Tenn.
Ford, Tenn.
Gonzalez
Hansen
Hays, Ohio
Hungate

Lujan
Mills
Mollohan
Myers, Ind.
Price
Quillen
Rangel
Rhodes
Rogers
Roncalio

Shipley
Shriver
Stanton, James V.
Whitten
Wiggins
Wilson, Charles H., Calif.
Young, Fla.

So the amendment to the substitute amendment for the amendment in the nature of a substitute was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Clancy for, with Mr. Price against.

Mr. Hansen for, with Mr. Shipley against.

Mr. Lujan for, with Mr. Mollohan against.

Mr. Quillen for, with Mr. James V. Stanton against.

Mr. Young of Florida for, with Mr. Diggs against.

The result of the vote was announced as above recorded.

PARLIAMENTARY INQUIRY

Mr. ADAMS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ADAMS. Mr. Chairman, as I understand it, there is presently pending the original resolution as amended by the amendment offered by the gentleman from Georgia (Mr. LANDRUM); the amendment in the nature of a substitute offered by the gentleman from Massachusetts (Mr. O'NEILL), as amended by the amendment offered by the gentleman from Wisconsin (Mr. REUSS); and the substitute amendment offered by the gentleman from Ohio (Mr. LATTA).

My inquiry is: Is the Latta substitute amendment presently pending for vote?

The CHAIRMAN. The Latta substitute amendment is presently pending.

Mr. ADAMS. Mr. Chairman, I ask unanimous consent that we vote now on the Latta substitute amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

PARLIAMENTARY INQUIRY

Mr. LATTA. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LATTA. Mr. Chairman, is this the amendment that reduces the projected deficit to $54.1 billion?

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. LATTA) as a substitute for the amendment in the nature of a substitute offered by the gentleman from Massachusetts (Mr. O'NEILL).

The question was taken; and the Chairman announced that the "noes" appeared to have it.

RECORDED VOTE

Mr. LATTA. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 159, noes 248, not voting 25, as follows:

[Roll No. 171]

AYES—159

Abdnor
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bell

Bennett
Bevill
Blouin
Breaux
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.

Burleson, Tex.
Butler
Byron
Carr
Carter
Cederberg
Chappell
Clausen, Don H.
Clawson, Del
Cleveland
Cochran

Collins, Tex.
Conable
Conlan
Crane
Daniel, Dan
Daniel, Robert W., Jr.
de la Garza
Derwinski
Devine
Dickinson
Downing
Duncan, Tenn.
du Pont
Early
Edwards, Ala.
Emery
English
Erlenborn
Evans, Ind.
Fenwick
Findley
Fish
Fithian
Flynt
Fountain
Frenzel
Frey
Ginn
Goldwater
Goodling
Grassley
Guyer
Hagedorn
Haley
Harkin
Harsha
Hastings
Heckler, Mass.
Henderson
Hillis
Hinshaw
Holt

Hubbard
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Kasten
Kelly
Kemp
Ketchum
Kindness
Lagomarsino
Latta
Lent
Levitas
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McDonald
McEwen
Madigan
Mann
Martin
Mathis
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Myers, Pa.
Natcher
Nichols
Passman
Poage

Pritchard
Quie
Railsback
Randall
Regula
Rinaldo
Robinson
Rousselot
Runnels
Ruppe
Santini
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Shuster
Sikes
Skubitz
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steiger, Ariz.
Steiger, Wis.
Stuckey
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Treen
Vander Jagt
Waggonner
Wampler
Whitehurst
Wilson, Bob
Winn
Wydler
Wylie
Young, Alaska

NOES—248

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bergland
Biester
Bingham
Blanchard
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breckinridge
Brodhead
Brooks
Brown, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John L.
Burton, Phillip
Carney
Casey
Chisholm
Clay
Cohen
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
D'Amours
Daniels, Dominick V.
Danielson
Davis
Delaney
Dellums
Dent
Derrick
Dingell
Dodd
Downey

Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Eilberg
Esch
Eshleman
Evans, Colo.
Fascell
Fisher
Flood
Florio
Flowers
Foley
Ford, Mich.
Forsythe
Fraser
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Green
Gude
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harrington
Harris
Hawkins
Hayes, Ind.
Hébert
Hechler, W. Va.
Hefner
Heinz
Helstoski
Hicks
Hightower
Holland
Holtzman
Horton
Howard
Howe
Hughes
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Keys
Koch

Krebs
Krueger
LaFalce
Landrum
Leggett
Lehman
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
McCormack
McDade
McFall
McHugh
McKay
McKinney
Macdonald
Madden
Maguire
Mahon
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Pa.
Morgan
Mosher
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Neal
Nedzi
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Patman
Patten
Patterson, Calif.

Pattison, N.Y.
Pepper
Perkins
Peyser
Pickle
Pike
Pressler
Preyer
Rees
Reuss
Richmond
Riegle
Risenhoover
Roberts
Rodino
Roe
Roncalio
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Russo
Ryan
St Germain
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stark
Steed
Steelman
Stephens
Stokes
Stratton
Studds
Sullivan
Symington
Teague
Thompson
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Walsh
Waxman
Weaver
Whalen
White
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wirth
Wolff
Wright
Yates
Yatron
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NOT VOTING—25

Biaggi
Burke, Calif.
Clancy
Diggs
Evins, Tenn.
Ford, Tenn.
Gonzalez
Gradison
Hansen
Hays, Ohio
Hungate
Johnson, Pa.
Mills
Mollohan
Price
Quillen
Rangel
Rhodes
Rogers
Shipley
Shriver
Stanton, James V.
Whitten
Wiggins
Young, Fla.

So the amendment offered as a substitute for the amendment in the nature of a substitute was rejected:

The Clerk announced the following pairs:

On this vote:

Mr. Quillen for, with Mr. Price against.

Mr. Johnson of Pennsylvania for, with Mr. Shipley against.

Mr. Hansen for, with Mrs. Burke of California against.

Mr. Young of Florida for, with Mr. Biaggi against.

Mr. Clancy for, with Mr. Diggs against.

The result of the vote was announced as above recorded.

PARLIAMENTARY INQUIRY

Mr. ADAMS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. ADAMS. Mr. Chairman, my parliamentary inquiry is this: It is my understanding that at this point there remains pending the amendment offered by the gentleman from Massachusetts (Mr. O'NEILL) in the nature of a substitute for the original resolution as the original resolution has been performed by the Landrum amendment.

The CHAIRMAN (Mr. BOLLING). That is correct.

Mr. ADAMS. Therefore an amendment is in order to the O'Neill amendment in the nature of a substitute. And if a Member takes that amendment, then I would like to ask unanimous consent for a limitation of time on the O'Neill amendment in the nature of a substitute.

I am informed there is an amendment to the remaining sections, and there are are two sections that can be amended to the O'Neill amendment in the nature of a substitute.

So if I request a limitation of time for the O'Neill amendment in the nature of a substitute and all amendments thereto, can that time be divided between the amendment that may be proposed to the remaining sections of the O'Neill amendment in the nature of a substitute that can be amended, and those who wish to speak on them?

The CHAIRMAN (Mr. BOLLING). That can be done by unanimous consent.

Mr. WRIGHT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise not to plead with regard to any particular amendment but to plead for the resolution on final passage.

Last year Congress took a bold step forward. In the Budget and Impoundment Control Act, we firmly reasserted the most fundamental of our constitutional powers, one which had both withered and atrophied through our own disuse, and been encroached upon by executive abuse.

In a brave and historic assault upon executive usurpation, we foreswore the comfortable convenience of legislative indolence and proudly proclaimed our readiness to reassume the rightful role of the people's elected representatives by establishing a coordinated congressional budget.

Today, as we approach a final vote, I plead with the Members not to retreat from that position. I do not ask any Member to violate his conscience nor to vote in any other way than his best judgment dictates on any amendment. Nor do I find fault with the way any Member has voted on any amendment. These were matters of individual conviction. I do ask every Member to give this brave and ambitious experiment a chance to work.

I do ask every Member, once the House has worked its will through the process of amendments, to support this resolution on final passage in order that we may carry out the statutory responsibility which we in Congress gave to ourselves, and fulfill our collective promise to the public.

Far more important than any figure in this resolution, or in any amendment, is the precedent that we set today for the future.

No budget resolution, considering the complexities of the Government and the infinitely varied convictions of our diverse membership, could precisely express the wishes of every Member. Perhaps none could be pleasing in its entirety to any Member. Whatever spending level we ultimately wind up with here, some will think it is too high; and some will think it is too low.

But whatever our individual reservations may be, I ask every Member to compare this budget, which in the final analysis will represent the composite consensus of our collective thinking, with no congressional budget at all.

I ask every Member to contemplate the dismal spectacle of a Congress unable to agree and unwilling to act upon so basic a responsibility as this. Consider the effect of such a failure upon the confidence of the public to whom we promised bold and resolute action.

Word has come to me of Members who are perfectly willing to vote piecemeal, one by one, upon appropriations which in aggregate exceed the spending levels herein contemplated, but who prefer to cover their eyes and refuse to acknowledge the composite results of their actions. Such an attitude would be nihilistic and wholly inconsistent with the candor to which the public is entitled.

Shall we return to the haphazard ways of the past, treating the budget in ostensibly unrelated fragments at odd moments throughout the year—building our house one room at a time as though each had no connection with the others? Shall each of us content himself merely to back his own pet projects, send out his own press releases, and disclaim any personal responsibility for the end results?

Surely we have a higher responsibility than that, both individually and as an institution. The only available alternative is the resolution presently before us. Imperfect instrument that it is, it is our only available tool for recapturing some orderly congressional control over national spending priorities.

When the House has worked its will, regardless of the outcome of any amendment, I shall support the resolution and I urge my colleagues to do the same.

Mr. PHILLIP BURTON. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentleman from California.

Mr. PHILLIP BURTON. I thank the gentleman for yielding.

I would like to commend the gentleman in the well. If any of us have reservations about this product, they will most properly be expressed at the end of the process, but if this House and this Congress are going to learn how to walk through this process on this preliminary run, only under those circumstances are we going to be able to adequately and responsibly in the next session know how best to work our will. So it is my personal intention, whether or not this product comes out of the House with a budget in balance or a budget out of balance by *x* dollars, to support sending this bill to conference, to support letting this process unfold, so all of us, conservatives and liberals alike, can observe it while it works, see where, if at all, there are deficiencies, so that in the next session we can go on and precisely work our will.

In my view, it would be most irresponsible to deny us collectively this experience. If at the end of the road the deficit is too large or too small, we at that juncture then can express ourselves, but at this stage of the game I think the advice of the gentleman from Texas should be heeded by one and all.

Mr. WRIGHT. I thank the gentleman for his comments.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to our distinguished Speaker.

Mr. ALBERT. I thank the gentleman for yielding.

I, of course, concur in what the gentleman has said. I made a similar speech earlier in the day when there were not many here. I think this will be the most historic day up to now we will have had this year if we really mean what we say when we say that we are going to exercise the legislative duties of this body in this House and not pass them, as they have been passed in the past, back to the administration. We need our own Budget Office. We need this experimental run. It is going to break down now if we do not pass this concurrent resolution in the form that the consensus of the House prescribes it after today.

Mr. WRIGHT. The Speaker and the gentleman from California both have said with greater eloquence than I can command exactly what I would have said, and I urge that all of us follow their suggested course of action.

Mr. SHUSTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to associate myself with those Members who have pleaded eloquently in favor of a budget control procedure and a fiscal policy of a balanced budget. I believe we must reduce annual deficits over the next 3 years to bring about a balanced budget by fiscal 1979 and continue with balanced budgets except in grave national emergencies. By moving toward a balanced budget in an orderly fashion we can free up capital for critically needed private sector investment to increase productivity, create jobs, control inflation, and raise the real standard of living of the American people.

Because of my deep conviction in the importance of achieving a balanced budget, it was with great reluctance earlier today that I voted against the amendment supporting a balanced budget for fiscal 1976. I did so, Mr. Chairman, because I believe it would be irresponsible to go from a $73 billion deficit to zero deficit in 1 year. Such a wild swing in fiscal policy would seriously injure our economy. Indeed, past wild swings in fiscal policy have contributed to our present problem. We need sound and orderly long-term fiscal policy. We cannot undo overnight the policies of the past decade. I urge this House to reduce this coming year's deficit from $73 billion down to $25 billion and achieve a balanced budget by 1979.

AMENDMENT OFFERED BY MS. HOLTZMAN TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. O'NEILL

Ms. HOLTZMAN. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Ms. HOLTZMAN to the amendment in the nature of a substitute offered by Mr. O'NEILL: In paragraph (2), strike out "$395,938,000,000" and insert in lieu thereof "$393,358,000,000."

In paragraph (3), strike out "$368,213,000,000" and insert in lieu thereof "$367,128,000,000."

The CHAIRMAN. The gentlewoman is recognized for 5 minutes in support of her amendment.

PARLIAMENTARY INQUIRY

Mr. ADAMS. Mr. Chairman, a parliamentary inquiry. Mr. Chariman, as I understand it the gentlewoman has been recognized and is entitled to 5 minutes to support of her amendment. I am inquiring whether it is in order for me at this point to ask unanimous consent that all debate on the O'Neill substitute and all amendments thereto cease in 10 minutes.

Mr. WAGGONNER. Mr. Chairman, I would reserve the right to object if that request is made. I think it would be more proper to consider that request when we have some idea of what the amendment is we are being asked to consider, and I respectfully ask the gentleman to withhold such a request until we have had explained to us the amendment and its purpose.

Mr. ADAMS. Mr. Chairman, I will withhold my request.

Ms. HOLTZMAN. Mr. Chairman, I hope I will not consume the 5 minutes.

The thrust of my amendment is to cut $1.1 billion in outlays from the national defense function, and $2.5 billion in budgetary authority.

The reason I offer this amendment is because the President's budget requests an expenditure level for defense that would amount to spending 48.5 percent of our general revenues on defense. I think that spending 48.5 percent of general revenues, that is, total Federal tax revenues less taxes for the special trust funds, on defense in peacetime is much too high a proportion of our tax dollars. I think all of us acknowledge that it is important to begin to cut waste from this budget as from other budgets.

Even under the committee's amendment however, the defense budget will increase in actual dollars by about $4 billion from where it was last year. It is one of the few areas in the entire Federal budget to get new program money.

My amendment would cut $1.1 billion in outlays from areas that would not necessarily involve strategic programs. I would suggest to this committee that if we look at the increase in recruiting costs—such as public relations and advertisement costs—which are not necessary now for the volunteer Army, costs for graduate education for military personnel, costs for operation and maintenance which are increased in this budget, or costs for support personnel, we could easily come to a reduction of $1.1 billion.

Under the rules governing this resolution, I cannot earmark the specific programs to be cut. I am saying, however, that there are programs that are not strategic programs and not connected to the real defense needs of this country that could be cut. I think it is important to send a signal now to the Department of Defense that it must tighten its belt and start cutting fat.

The questions raised in this budget resolution are the questions of national priorities. Higher levels of defense expenditure must be supported by higher taxes, larger deficits, or reductions in other programs. Do we really want an extra billion dollars in the deficit, do we really want to impose another billion dollars in tax burden on our economy, do we really want to cut $1 billion from education or health programs? It is the choice my amendment addresses.

Mr. CHARLES WILSON of Texas. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I yield to the gentleman from Texas.

Mr. CHARLES WILSON of Texas. Mr. Chairman, it is my understanding the gentlewoman from New York would like to cut $1.1 billion out of the defense budget but she does not say where it should be cut.

Ms. HOLTZMAN. I am not permitted to say precisely where the cuts should be made, but I am suggesting to this committee that there are cuts that could be made that are not in strategic programs.

Mr. CHARLES WILSON of Texas. I for one never have been an advocate of the volunteer army. I prefer the draft; but if we have the volunteer force, we have to have the necessary funds to recruit them.

Ms. HOLTZMAN. Ordinarily one would agree with the gentleman, but at this time until it is oversubscribed, there really is no need to advertise for recruits when there is already a waiting list.

Mr. CHARLES WILSON of Texas. Certainly we have to get recruits from the proper mental group, group one and——

Ms. HOLTZMAN. I decline to yield any further. I could not make such an amendment.

Mr. LATTA. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I will be happy to yield to my friend, the gentleman from Ohio; but I would like to respond by saying that under this rule I could not specify where in the defense budget these cuts should come from; but I am suggesting that in an $89 billion budget which occupies close to 48 percent of the general tax revenues, there is room for cutting waste which does not affect our military strength. I think it is important to start making these cuts at this time.

I yield to the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Chairman, I want to make certain what we are about to vote on. The concurrent resolution as now before us reduces the President's budget and budget authority for Defense by $7,922 million and outlays by $4.291 billion. The amendment of the gentlewoman would further reduce that by $2,580 million and the outlays by $1,085 million; is that correct?

Ms. HOLTZMAN. Exactly.

Mr. HARRIS. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I yield to the gentleman from Virginia.

Mr. HARRIS. Mr. Chairman, today, I will vote for the O'Neill amendment to House Concurrent Resolution 218 to remove the 7-percent limit on cost-of-living increases in social security and Federal retirement programs and the 5-percent ceiling on Federal and military pay. It would be deplorable for this Congress to single out and penalize our elderly and our civil servants for the economic ills of our country. These groups are not the cause of inflation and recession; we cannot make them the victims.

A recent poll sponsored by the National Council on Aging concluded that 97 percent of the American people believe that social security payments should automatically increase with rises in the cost of living. According to this poll:

> There is no indication that the public supports an arbitrary limitation on this increase.

Similarly, the study reveals that 81 percent of the public agrees that the Federal Government has the responsibility to use general tax revenues to help support older people.

But, I want to make it clear that I oppose any ceilings—not because it is popular or because it is what the public wants—but because I believe we cannot artificially take money away from those people who need it the most.

Here are a few facts:

Almost 25 percent of all Americans 65 years old and over live in poverty and on fixed incomes. Only one in five had enough taxable income to be required to pay Federal income taxes last year. The median income of older citizens is approximately half of that for younger citizens—$5,487 a year compared with $11,861. Half of those over 65—over 10 million persons—have no other income but social security benefits or supplementary security income. For example, in my district a recent survey of Alexandria's elderly showed that the average annual income for persons 65 and older is under $3,600. And these senior citizens spend more than 50 percent of their total monthly income for housing. Nearly 1 in every 4 of our elderly live on less than $200 per month—in an area where the cost of living is in the top 10 of the country.

Older Americans, who are 10 percent of the general population, account for 28 percent of all personal health care expenditures. They see physicians 50 percent more often and have twice as many hospitalizations lasting twice as long as do younger people. Eighty-six percent of our senior citizens have a chronic condition, disease, or other impairment.

Housing is also a problem for the elderly. Low income, social isolation, and rising property taxes have led to a large increase in the need for low-cost housing for the elderly. In areas like northern Virginia, the recent condominium conversion craze has taken its toll particularly on our elderly: As old apartment buildings are converted, frequently on short notice, older residents cannot afford to buy the unit they are renting.

Accessible, inexpensive transportation is crucial for senior citizens. Only about 47 percent of older Americans are licensed drivers, and escalating fuel costs have forced many of them to sharply curtail their driving. This is one reason why I am working actively to improve our mass transit system in the Washington metropolitan area. Lack of adequate transportation is an obstacle to obtaining basic necessities and services, to socialization, and eventually is a barrier to one's mental growth and health.

I believe the American public expects the Congress to provide for our elderly. The $2.7 billion that the President wants to take away from our retiress and Federal employees is false economy. Not only are we acting humanely by eliminating the ceilings, we are, in effect, putting money back into the economy by putting money in people's pockets. It would be unconscionable for this Congress to so unfairly punish our senior citizens, people who, through many years of work, deserve a respectable and secure retirement.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New York (Ms. HOLTZMAN) to the amendment in the nature of a substitute offered by the gentleman from Massachusetts (Mr. O'NEILL).

The amendment was rejected.

Mr. ADAMS. Mr. Chairman, I would like to ask unanimous consent that all debate on the amendment in the nature of a substitute offered by the gentleman from Massachusetts (Mr. O'NEILL) and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

There was no objection.

The CHAIRMAN. Members standing at the time the request was made will be recognized for approximately 40 seconds each.

The Chair recognizes the gentleman from Delaware (Mr. DU PONT).

Mr. DU PONT. Mr. Chairman, I would like to ask a question of the chairman of the committee, if I may.

I notice that the committee has proposed to reduce the international affairs budget proposed by the President from $12 billion to roughly $4 billion. I would ask the gentleman where the $2½ billion request for military aid to Israel fits within that budget?

Mr. ADAMS. Mr. Chairman, if the gentleman will yield, we did not consider at that amount. We based that on the bill that was passed for fiscal year 1975, which was not passed until February of this year, and left it up to the committee as to how it wanted to allocate it.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. CONYERS).

Mr. CONYERS. Mr. Chairman, although it is unclear what the O'Neill substitute accomplishes, I have been advised by committee staff that the 450,000 jobs wiped out by the Landrum amendment would be restored if the pending amendment is agreed to. That is well and good, and I shall vote in the affirmative if only for that reason. But even if this substitute succeeds, it in no way affects my decision to vote against this resolution on final passage.

Some have urged a "yes" vote claiming that this resolution merely sets a base, or a target, or goals that would not preclude this body from subsequently voting additional job-creating legislation if it was our will to do so. Others say a "no" vote would indicate this Congress to be anti-budgetary and would prove that we are fiscally irresponsible. A ranking member of the committee described this as a "dry run" and implied that we are in effect giving a vote of confidence to the establishment of the committee itself rather than to aggregate figures in the resolution. It is not fair he says to expect the committee to have come forth with a perfect piece of work; they started late and were short of time, and labored under the understandable problems that a new committee is confronted with, we should be patient and wait until next year to demand perfection. I have been told more than once in the cloakroom that if this resolution failed, it would bring about the dissolution of the Budget Committee, a thought repugnant to even a moderately conscientous member. Another school of thought has it that if the resolution goes down and the committee does not dissolve, then it will return with a resolution that does even more violence to the objectives of creating more jobs in this battered economy that needs so much help. And finally, the old saw that never fails to make the rounds was trotted out: Liberals who vote with conservatives no matter what their reason are unwittingly aiding the cause of their opponents.

But none of these reasons, nor all of them together, are persuasive. What does it all mean if at the end of the fiscal year this budget would ordain a national rate of unemployment of 7.4 percent when at this very moment it is 8.7 percent and in the city of Detroit, Mich., it is 24 percent? It means that we are being asked to go on record ratifying a plan that contemplates 13 million Americans and their families suffering the humiliation and personal defeat that goes along with not being able to support oneself, and this I refuse to do on two grounds. One is moral and the other is economic.

In the first place, it is unconscionable to deliberately consign this many people to joblessness. In the second place, I categorically refute the nonsense that it is not possible to construct an economic system that will employ all who need jobs without wreaking fiscal havoc. The fact of the matter is that many reputable economists assert that this resolution cannot bring about economic recovery as long as it countenances a continuing rate of high unemployment. The reason the same nostrums are repeated ad infinitum is that there has not been a serious search for new solutions to old problems. In short, the will to end joblessness in this country has not evidenced itself in the Halls of Congress. What has been perpetrated here is nothing less than a travesty upon the budget process, for the fixation upon the deficit has obscured the simplest of truths: That the budget shapes the economy, and the economy exists to fulfill the needs of the people.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts (Mr. BURKE).

(By unanimous consent, Mr. BURKE of Massachusetts yielded his time to Mr. O'NEILL.)

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Chairman, while we may not be able to achieve a balanced budget, it is a goal to which we should aspire. Like many other members, I went home last year and bragged about the budget reform bill we had passed in the 93d Congress. I told my constituents that henceforth, the Congress intended to become a full partner in the budget-making process. No longer would we vote for programs blindly, oblivious of their effect on the year-end deficit. Instead, we would set our goals at the outset, let the people know just where we were headed.

Well Mr. Chairman, we are now seeing the proof of that rhetoric. The chickens have come home to roost. We have seen the enemy, and they are us. And what we see is almost unbelievable: money going out at the rate of almost a billion dollars a day. Revenues coming in at the rate of 808 million. A daily deficit of 175 million.

Mr. Chairman, if I was playing poker and faced those kinds of totals, I would throw in my hand. You can preach all you want about "stimulation," and "owing it to ourselves," and all those other clever phrases. But the fact of the matter is, if this blueprint is adopted, we are going to be spending $5 for every $4 we take in, every day for every person in the United States. And Mr. Chairman, you cannot support a hundred dollar a day habit on 80 bucks. Not for long, before the loan sharks eat you up.

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. PEPPER).

(By unanimous consent, Mr. PEPPER yielded his time to Mr. O'NEILL.)

The CHAIRMAN. The Chair recognizes the gentleman from Virginia (Mr. BUTLER).

Mr. BUTLER. Mr. Chairman, I am unalterably opposed to the recommendation of the Budget Committee that the Congress approve a Federal deficit of $73.2 billion. I am by no means an expert in the field of economics, but it does not take an expert to recognize the principles of fiscal sanity. I know that this Congress cannot continue to spend taxpayer dollars at the reckless pace of the past 4 months without refueling the fires of inflation. Our economy has only recently shown some indication of an upward trend, but the action we are taking today in approving this resolution will put us back on the path to economic crisis.

Commonsense dictates that a deficit of more than $73 billion will dry up private sector funds to the extent that interest rates will rise appreciably; economic recovery cannot survive under these conditions. Even the President's own budget request, with projected deficits of $51.9 billion, indicated a less conservative approach than my own, and I viewed it with real reservations.

The committee estimates that a deficit of $73.2 billion will require a corresponding combined temporary and permanent debt ceiling of $624 billion, which is an increase of $93 billion in just 1 year's time. I simply do not believe that increased borrowing of this magnitude is tolerable.

A check of my record indicates that on June 13, 1973, I voted for H.R. 8410, which extended through November 30, 1973, the temporary ceiling on the public debt at $465 billion; on November 7, 1973, I voted for H.R. 11104, raising the temporary ceiling on the public debt to $475.7 billion, and extending it through June 30, 1974; on May 23, 1974, I voted for H.R. 14832, a temporary increase in the public debt ceiling to $495 billion through March 31, 1975; and on February 5, 1975, I voted for H.R. 2634, temporarily increasing the public debt ceiling to $531 billion through June 30, 1975. However, this is to state that I will not vote for the increases necessitated by this legislation.

In the past, I have voted reluctantly for various resolutions increasing the national debt limit despite serious reservations on my part as to the inflationary impact this action would have. I did so because I believed that once the Congress had approved legislation necessitating the increased debt, in good conscience we should take the necessary action to provide for the financing of this debt.

I was also influenced in the past by the fact that these resolutions were often before us at the 11th hour—so late that prompt action was necessary to permit the Government to meet its obligations, particularly with respect to such matters as the financing of the government payroll and the issuance of social security checks.

I have always been uneasy about these votes, as I have not generally supported the measures requiring the debt increases. Further, I have noted that among my colleagues, the most ardent advocates of increased Government spending have consistently reversed their position by opposing debt ceiling increases.

For the first time, the newly enacted Budget and Impoundment Control Act gives the opportunity to review budget priorities and approve the size of the Federal deficit in advance. Those of us who supported this legislation in the last Congress did so on good faith; we believed it provided a responsible means of controlling excessive Government spending. By providing for the orderly consideration of authorization and appropriation measures, we hoped to eliminate unanticipated, late-in-the-year increases in the size of the Federal budget.

Now, however, the Budget Committee recommends that we begin the fiscal year by endorsing a record budget deficit with the full realization that later events and legislation may bring the deficit close to the $100 billion mark. The committee asks us to approve the extension of many of the provisions of so-called emergency legislation such as the 1975 Tax Reduction Act through fiscal 1977.

It is far easier to enact legislation than to repeal it, and we can easily predict that continuation of emergency measures will maintain the Federal budget at record levels, even if economic recovery is partially achieved. Accordingly, I can neither support the recommendations of the Budget Committee nor will I support increase on the debt limit necessitate.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina (Mr. MARTIN).

Mr. MARTIN. Mr. Chairman, we have worked very long and have achieved very little. I want to suggest that it is preposterous for us to suggest that a concurrent resolution targeting a fiscal deficit of $70 billion has any pretense of legislative responsibility. I think it is devious to pretend that this resolution will create jobs other than in a very hypothetical way.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin (Mr. REUSS).

Mr. REUSS. Mr. Chairman, the combined effect of the O'Neill amendment in the nature of a substitute and the Reuss amendment, which passed by a vote of 277 to 128, is to do two things. First, it reduces the budget deficit of the resolution before us by $3 billion, and the debt accordingly. Second, it keeps faith with our old folks who have been promised an adequate social security increase. It is thus both fiscally responsible and responsive in human terms. I hope it passes.

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota (Mr. ABDNOR).

Mr. ABDNOR. Mr. Chairman, in our consideration of the first concurrent budget resolution, the House is supposedly involved in a step by step procedure to get the upper hand on the Federal budget and the national debt by controlling spending and setting priorities. Our responsibilities in this regard are set out in the Congressional Budget Act of 1974. With the resolution submitted by the Budget Committee, the good intentions of the act are being sacrificed to political expediency. Frankly, this resolution can only worsen the problems it was designed to solve.

The Congress—most of whose Members campaigned last fall for a balanced budget—is seriously considering a $100 billion deficit. Even a year ago such a proposal would have been incredible. Many see a $73 billion deficit as unavoidable, and this is too high. Because of what we have done previously we cannot avoid a $50 billion deficit, and as far as I am concerned this, too, is irresponsible.

The budget resolution simply ignores the question of a reliable energy program which is essential to our long range economic health.

The resolution also ignores history, and the sorry experience our Government has had with programs it designed to stimulate the economy. These temporary programs became permanent, and are a large part of the problem we are having to contend with today. In the area of domestic assistance alone I can cite program after program where costs have increased 15 to 25 percent each and every year for the past decade: Pollution control and abatement $200 million to $3 billion for 31 percent annual growth; food stamps $100 million to $3.86 billion or 44 percent annual growth; health care services $1.2 billion to $24.1 billion for 35 percent annual growth; manpower and related social services $1.36 billion to $7.28 billion or 18 percent annual growth. These programs may have many benefits, but they have to be paid for. When we start talking about cuts, it is always somebody else's program we want to cut, not our own. As a result we keep them all, and add to them.

We are trying to deal with inflation and recession at the same time. We are also building the future economic health of our nation. With the budget resolution presented, I can only see the financial carnage of runaway prices, lost jobs, and lost production.

This budget resolution has to have some drastic revision if we are going to exercise the kind of budget control we must have. As far as I am concerned a $100 billion deficit is no control at all.

We have been hearing many figures in this debate. They vary widely for the same function—the same deficit, the same date of economic recovery, the same level of employment and even the desirable amount of economic stimulus. Where does consensus lie? What is right? Whose figures do we believe? What do we need to foster recovery and move toward the long range goal of economic stability relatively free of inflation and the burdens on productivity for those who need jobs?

The solutions go far beyond what we do here on this resolution and to some degree are outside our reach as mere representatives of the people. There are some things we can do, and there are some things we cannot and should not do. This we must recognize and stop deceiving ourselves and the people of this Nation.

We cannot, for instance, affect to any large degree the worldwide economic situation which has helped put us where we are today. We cannot, by mere words and votes, appreciably affect the deep psychological forebodings of economic trouble and mistrust the people have. To some degree, the less we say and do, the more the components of recovery give rise to encouragement of positive thinking regarding our future economic well-being.

Above all that we cannot and should not do, and I stress this: we cannot turn this Nation around by spending money we do not have on the scale envisioned by this resolution.

I do not want to be alarming—this does nothing but turn people off and worsen the situation as well as lessen our chances of being able to rationally solve the few problems we can. As I see it, the major issue facing us here is the size of the deficit as it relates to stimuli in an economic recession. Too much leads to another devastating round of inflation greater in degree than our recent past experience. Too little lengthens the period of desired recovery.

Our actions must fall somewhere between these two undesirable potentials. Along this spectrum between too much and too little there appears to be less long-range harm to our economy on the end where our deficit does not exceed $50 billion in fiscal year 1976. Any deficit above $50 billion, indeed, creates an atmosphere of severe drain and crowding in the total volume of available credit in the market for the consumer and business as the Government goes in to finance the deficit.

The resolution before us says directly we will have a deficit or need a deficit of $73.2 billion in fiscal year 1976 and implies it will be increased with another $20 billion by the off-budget items. We come to a score of $93.2 billion. What will the business and consumer components demand of the credit market in fiscal year 1976? If we can depend to some degree upon the demands of the recent past and add to it an estimated demand in order to recover by the end of June 1976, we see a business figure of at least $117 billion and a consumer demand of by no less than $3 billion. Minimum total from all parts, and I mean minimum especially so in the consumer and business end, is $213.2 billion for fiscal year 1976.

The business sector demanded and received $80 billion in fiscal year 1975, over $37 billion below fiscal year 1974. If they are expected to increase productivity to any degree in fiscal year 1976 they are going to need more, considerably more than the total of the two, $117 billion. Consumers only demanded approximately $3 billion in fiscal year 1975 from the credit market to purchase their goods and services. They are going to need considerably more in fiscal year 1976 in order to play their role in recovery. We cannot appeciably predict exact amounts both business and consumers will go to the credit market for funds, but a simple look at what they have done in the past clearly indicates what will be necessary if indeed their role in recovery is actualized. In fact, the latest estimate on demand from these two components appears to fall around the $200 billion mark.

When you join the $200 billion from business and consumers with the outer limits of a $100 billion Government deficit obvious strain on the available credit for fiscal year 1976 is apparent. This strain must be avoided and the potential recognized. When we get estimates that there will be from $220 to $275 billion in available credit and we have an estimated maximum demand for approximately $300 billion, someone is going to get crowded out. It appears obvious to me that restraint is in order today on the size of the 1976 deficit, as well as for fiscal year 1977. I would hope we all could clearly recognize this vital for prudence.

Why gamble with the economy? Why do we have to embark on a course of outer limit expenditures? We all seem to agree that a stimulus is in order, but reason must at some point come into play.

I cannot support a deficit of $73.2 billion with another $20 billion in off-budget demands. The strain will be too much. Recovery will certainly not occur and inflation will be back for a longer, more horrendous duration and magnitude.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. ABDNOR. I yield to the gentleman from South Carolina.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the adoption of this budget recommendation.

I simply want to remind my colleagues that when we voted to set up a Budget Committee, I for one, did so on the understanding that our goal in doing so was to assist in bringing Federal spending under control. Many more drastic measures for accomplishing that end were before Congress, but advocates of the legislation which established a new Budget Committee in each body of Congress made strong arguments that the primary reason for the growing Federal deficits and the inability to control Federal spending was that Congress had no mechanism for making total budget decisions. It was argued that authorizations and appropriations were considered on a piecemeal basis and at no point did Congress have the opportunity to make a decision on the budget as a whole. "If we can provide a means whereby Congress can render a judgment on overall budget levels," said the advocates of the legislation, "we will be able to make rational decisions and will not need more rigorous limitations."

I will be frank with my colleagues and say that I never believed that rhetoric. Everyone was talking about the need for budget control, but I was not convinced we were willing to do anything about it. Nevertheless, I was willing to try the Budget Committee route and see whether it would help.

Without any reflection upon my colleagues who sit on the Budget Committee, I think we can all now see that we have not accomplished a remedy.

If we have succeeded in anything, it is in establishing where the blame for deficit Federal spending lies. It lies squarely on the doorstep of Congress.

I was frankly amazed at the size of the deficit recommended by the President's budget. But yesterday the Senate approved a budget recommendation which proposes a deficit $7.2 billion greater than the $60 billion recommended by the President and now we are discussing a recommendation for a deficit of $6 billion more than that proposed by the Senate or more than $13 billion above the exorbitant level contained in the President's budget.

It is all well and good for Members to suggest that such a deficit is necessary to stimulate a sagging economy, but I would just remind my profligate friends who seem to have such short memories for history, that it was a pattern of deficit Federal spending which put us in the economic situation we face today—it was a pattern of deficit Federal spending which fueled the inflation that has ravaged our economy over the past 8 years or more—and a continued ballooning of deficit spending, as this resolution endorses, is not going to resolve the problem. No amount of economic sophistry can convince reasonable men that you solve a fiscal crisis by practicing an escalation of the same policy which created the problem. It makes just as much sense to say that, since speed causes the vast majority of highway deaths, we should increase the speed limits in order to reduce the death rate as it does to say, as many now contend, that we must have bigger deficits to stabilize an economy rendered instable by deficit spending.

My friends, I think it is of key importance to note that, as I understand the situation, we would not have this resolution before us if two members of the committee had not reversed their negative vote merely to insure that Congress did have a budget resolution to debate. To me, that is more than adequate evidence, given the content of the resolution itself, that we cannot and must not adopt the resolution as reported. If this body will truly deal with the budget problem by amending the legislation to eliminate the deficit or, at least, to substantially reduce it, we will be taking a giant step toward assuring that our new procedure amounts to something. If, however, we adopt this resolution—or anything remotely resembling it in terms of the size of the budget deficit it endorses—we will be demonstrating that there is only one way left whereby Federal spending can be brought under control.

Since I doubt our resolve to take the necessary action to alter this resolution, I want, simply for the RECORD, to suggest once again that what we really need is a constitutional amendment mandating a balanced Federal budget. I have been joined by over 30 cosponsors in introducing such an amendment embodied in House Joint Resolution 318 and 319, and an identical proposal has been introduced in the Senate by Senator CURTIS and several of his colleagues.

My proposal contains a self-implementing mechanism which automatically insures a balanced budget by the end of the fiscal year. If Congress appropriates more money than can be covered by expected revenues, my amendment will require that we either find a way to produce more revenue, or we cut back on some unnecessary spending.

I have proposed a constitutional amendment because it is obvious that statutory restraints alone have no meaningful impact on Congress. The debt ceiling and the current budget recommendation procedure both demonstrate conclusively that a mere statute can be too easily amended, evaded, or simply ignored by the Congress. The body that enacted it can easily change it or repeal it.

I should point out that my proposal does include a method by which the requirement for a balanced budget can be suspended in the event of a formal declaration of war by Congress or a national emergency, as formally declared by a three-fourths vote of Congress.

The budget deficit proposed in the resolution we are currently considering is the highest ever for a peacetime budget. The national debt grows larger by the day. I have said before and I repeat now, "We can only resolve our serious economic problems by undertaking a firm commitment to fiscal responsibility and by securing that commitment to the rock of the Constitution so that it will not be whipped to pieces in the winds of political expediency."

I am convinced that Congress will never resist the pressure to engage in deficit spending until a balanced budget is mandated in the Federal Constitution the same as it is in many of our State constitutions. With the stiff alternatives of higher taxes or reduced spending, the pressure on Congress squeezes us into the weak fault of deficit spending. Until that fault is blocked completely, no hard decision as between increasing revenues and reducing spending will ever be made. If by mandating a balanced budget, we narrow the alternatives to two, it is clear from past practice and from the facts of political life that the easier choice will then be to reduce Federal spending.

I challenge my colleagues to prove me wrong right here on the floor of the House today, by cutting back the deficit recommendation in the resolution to a level that will balance the budget. Nothing would give me greater pleasure than to have to eat that kind of crow.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. LEGGETT).

(By unanimous consent, Mr. LEGGETT yielded his time to Mr. O'NEILL.)

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Chairman, we have repeatedly heard Members arise and discuss elaborate amendments which they allege pertain to Federal pay increase ceilings, aid to the elderly, "caps" on social security increases and the like.

I do not know what kind of a fantasyland the floor of the House has become but no such amendments are or have been before the House. The O'Neill substitute has had great claims made in its behalf as to how it will shift spending from one program to another. All of this is absolutely incorrect.

The reason can be found in the response the Chair made to a parliamentary inquiry I made yesterday. On page H3462 of the proceedings of the House you can read a clear statement from the presiding officer that no amendments are in order except the very limited changes which may be offered to aggregate sums contained in the concurrent resolution, namely, sums for total Federal revnue, total budget authority, total outlays, the national deficit and the national debt. Anything else a Member may say when offering his amendment to change such sums is his own wishful thinking and little else. The gentleman from Michigan (Mr. O'HARA) pointed this out in his remarks earlier today.

It is truly a measure of the unreality of this entire budget process that grown men and women stand before the House and delude themselves into thinking that we are accomplishing something that cannot and has not been done. In this resolution we do nothing more than set target budgetary levels, and we make no policy or specific spending decisions, Policy questions will have to be left to future action by the Congress, and if what we have seen here today is any indicator, the taxpayers of this Nation will be just about as bankrupt as is this so-called budget reform process.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia (Mr. LANDRUM).

Mr. LANDRUM. Mr. Chairman, the O'Neill substitute to the pending resolution as amended by the Reuss amendment increases the deficit over what is in the pending substitute by $4 billion. In effect, the O'Neill substitute will now by the Reuss amendment, direct the Committee on Ways and Means to close loopholes, to raise taxes.

Here are some of the areas in which taxes could be raised if the Committee on Ways and Means studied this: It could be the deductibility of mortgage interest on owner-occupied homes, the deductibility of taxes on social security.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Chairman, notwithstanding my deep affection and admiration for the majority leader, I must oppose this amendment. I think it is probably one of the worst amendments that has been offered. If this amendment is agreed to, I might have to vote against the concurrent resolution.

Mr. Chairman, I yield the balance of my time to the gentleman from Georgia (Mr. LANDRUM).

The CHAIRMAN. The Chair recognizes the gentleman from Georgia Mr. LANDRUM).

Mr. LANDRUM. Mr. Chairman, there are many other categories, such as the withdrawal of objection to municipal bonds, and other such things, that the committee could study.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts (Mr. O'NEILL).

(By unanimous consent, Mr. ADAMS yielded his time to Mr. O'NEILL.)

Mr. O'NEILL. Mr. Chairman, we have had very interesting and full debate this afternoon. We heard the gentleman from California (Mr. ROUSSELOT) offer an amendment which would have brought us back to the days of McKinley.

We had the gentleman from Ohio (Mr. LATTA) offer an amendment. I believe in my 20 years of friendship with the gentleman from Ohio (Mr. LATTA) I have seen him improve from espousing the cause of McKinley up to the era of Hoover. The amendment that was offered by the gentleman from Ohio (Mr. LATTA) would have brought us to the days of Mr. Hoover.

So we would have gone from McKinley in one amendment to Hoover in the next one.

The Landrum amendment is the next one. The Landrum amendment brings us to the philosophy of the administration. The budget is an expression of a philosophy and we have seen the Nixon administration, for the last 6 years, with its billions and billions and billions of deficits. The Members have seen us go into a depression; the Members have seen inflation.

What does the amendment as offered by the gentleman from Georgia (Mr. LANDRUM) do? It keeps the status quo. The gentleman wants us to follow practically along with the same budget Mr. Ford has been asking for all the time. The gentleman wants to go along with unemployment, unemployment, unemployment.

May I say with regard to the amendment offered by the gentleman from Georgia (Mr. LANDRUM), if my amendment fails, the gentleman's amendment does take affect.

What the O'Neill amendment does is this: It takes off the caps.

In other words, the resolution provides a recommendation that of Federal employees pay be pegged at 5 percent and that unemployment compensation, social security, and benefits for retirees, including military retirees, be pegged at 7 percent. My amendment takes these ceilings off. As we know, those under social security and Federal employees will be entitled to an 8.6 percent pay raise in July. However, the Landrum amendment rolls it back to a 5 percent pay raise for Federal employees and the 7 percent for retirement benefits. In other words, the Landrum amendment takes it exactly as in the resolution.

Mr. LANDRUM. Mr. Chairman, will the gentleman yield on that point?

Mr. O'NEILL. I will be happy to yield to the gentleman from Georgia.

Mr. LANDRUM. Mr. Chairman, certainly the gentleman spoke inaccurately about what the pending resolution by the gentleman from Georgia does. He is not reading the language accurately as to what my amendment does or does not.

The gentleman is saying that it takes off the caps completely. The Landrum amendment does not touch the caps. It leaves the caps as the Committee on the Budget recommended.

Mr. O'NEILL. I do not yield to the gentleman further. That is exactly right——

Mr. LANDRUM. Wait a minute, please.

Mr. O'NEILL. Mr. Chairman, I do not yield to the gentleman any further.

Mr. LANDRUM. The gentleman said that the Landrum amendment takes it away.

Mr. O'NEILL. Mr. Chairman, my amendment will clean up the inequity of the resolution. It would have reduced the social security benefits from 8.6 to 7 percent. My amendment takes the cap off.

As far as the amendment proposed by the gentleman from Wisconsin (Mr. REUSS) is concerned, it is a good amendment.

Mr. Chairman, I urge that my amendment be adopted.

Mr. GOLDWATER. Mr. Chairman, there was a time when Members of the House of Representatives could offer some hope to the beleaguered American taxpayer that the Congress was really interested in his plight and would quickly and intelligently move to help him. There were many Members of the Congress that pointed to the 1974 Budget Impoundment and Control Act as a clear signal that the Congress had begun to respond.

Well, Mr. Chairman, if House Concurrent Resolution 218 is any indication—and I believe it is—of what the taxpayer can expect in the way of immediate help in fiscal matters from this Congress they had better hold on to their wallets real hard.

House Concurrent Resolution 218 recommends a Federal budgetary deficit of almost $74 billion and a so-called temporary increase in the public debt limit of some $93 billion. This report accompanying the resolution says inflation and unemployment are the crises most threatening our Nation. The report and the resolution simply miss the point. The fact is that Federal deficit spending is the basic cause of our current economic plight. This resolution, by proposing to add an additional $74 billion in deficits, is pouring gasoline on a fire that is burning steadily out of control. This so-called product of congressional budgetary reform will aggravate the very problems it is claiming to be able to cure.

Regarding the provision to increase the national debt by $93 billion, this Joint Budget Committee report makes the assertion that deficits are all right under the circumstances. That is a very interesting claim and possibly it is one that we should take seriously. If deficits are OK, why not quit playing word games with these debt limit increases, stop calling them temporary, and not only permanently increase the debt but also remove any limits. It is obvious why the committee has not recommended such a course because it knows full well that such a policy would cause immediate and utter financial collapse. And yet, this same committee is seriously calling on this Congress to add to an already staggering debt sum—$624 billion with the proposed increase—and to do it in the name of fiscal intelligence and soundness. It is a sham and a folly.

This resolution, Mr. Chairman, is not based on sound fiscal policies and actions. While it is true that we cannot correct all the economic ills that plague our country, this first budget resolution is certainly the place to begin, and the simple fact is that the Joint Committee on the Budget has failed to effect any budgetary reform outside of regaining some congressional control over the impoundment process.

What this Congress should be doing is calling for a balanced budget, permitting only the most necessary and limited increase in the national debt, and admitting that congressionally sponsored deficit spending is the basic cause of inflation, unemployment, and the economic injury being endured by our elderly and others on fixed incomes.

Mr. ANNUNZIO. Mr. Chairman, while I am in support of the principle of the resolution before us today, I am concerned that we are increasing our budget deficits faster than our ability to repay.

House Concurrent Resolution 218 calls for a budget deficit of $73.2 billion for fiscal year 1976. This is far too much for the already overburdened taxpayers to absorb. Let me make it clear that my criticism of the resolution's deficit in no way indicates support for President Ford's budget deficit which he projects to be $51.9 billion—both figures are too high.

Just as a housewife cannot continue to pay for this week's groceries by borrowing against next week's paycheck, we as a country cannot continually borrow against future earnings to finance on an unrestricted basis the country's current operations. The national debt continues to grow and, in fact, under the proposal contained in House Concurrent Resolution 218 it will cost us $20 billion on an aggregate basis to finance the interest on the debt.

Mr. Chairman, time and time again the American people have expressed their sentiment that Government spending be reduced. The American people realize that they are the ones who are going to pay the bills for the programs which we establish in the Congress. Many of these programs are extremely beneficial and should be increased. For instance, we need expanded public service employment, just as we need to create jobs wherever possible. However, spending is not the answer to the economic ills of our Nation. Some programs must be cut.

Every time we spend a deficit dollar we not only saddle the taxpayer with a dollar's worth of debt, we also add the interest that must be paid to a lender to borrow that dollar.

The more the Government borrows, the higher the cost of borrowing becomes since there are only a certain number of dollars available unless we resort to "printing press money." But that simply creates more inflation and in the long run also drives up interest rates. Thus, when the Government borrows large sums of money it is competing with the private needs of our economy, particularly home mortgages. This competition for a limited amount of dollars means that everyone has to pay more for the money. I am certain that this is not what the Budget Committee is seeking to accomplish.

The answer must be to reduce Government spending immediately and as a long-range goal reduce the public debt substantially.

To accomplish the reductions, I feel that we must have a general reduction in the authorized spending level of the resolution. The unfortunate part of this is that two-thirds of the deficit is composed of expenditures over which we have no control, such as interest on the national debt, and social security commitments. However, there remains $106 billion in expenditures over which we do have control. We can and should make reductions in these expenditures, not by slashing programs in a haphazard manner, but through a concerted effort to bring about meaningful savings.

One such approach is a consolidation of Government. We have far too many Government agencies—many of which have overlapping jurisdiction. It is my suggestion that the committees of the Congress as well as the executive branch review every agency, department, bureau, division, section, and branch of the Federal Government to determine if meaningful cost-cutting consolidations can be achieved. These consolidations would not mean the loss of current jobs, but rather that there would be an attrition through retirements.

At it is with many things, the most difficult part of cutting costs is the first step or cutting the first dollar. Today we have an opportunity to take the first step. While I am not suggesting that we should not support House Concurrent Resolution 218, I am suggesting that we commit the House to a program of reducing the unnecessary Government expenditures and that we charge the Budget Committee with such a goal.

Mr. Chairman, we do not have an unlimited supply of money just as we found that we did not have an unlimited supply of oil. We waited too long to act on the oil situation. I only hope that we will not make the same mistake in the money matter.

Mr. MILFORD. Mr. Chairman, the first concurrent resolution on the budget will be a landmark document in American economic and financial history. On the eve of our Nation's bicentennial observance, the Congress for the first time is being requested to vote upon a resolution which sets forth major targets for the Federal Budget and the Public Debt in the fiscal year ahead. This is a grave and critical responsibility for the Congress. After decades of divided responsibility between the Congress and the executive branch regarding fiscal matters, the opportunity is now at hand for much closer coordination in the conduct of our Nation's fiscal affairs.

At a time when Federal spending, the deficit, and the public debt are growing at unprecedented rates, the Congress must look ahead and must be ever conscious of the effects of its decisions today upon the ability of the American people in the next century to enjoy the fruits of economic progress that have been our heritage from our Nation's first two hundred years of existence.

It has become abundantly clear in recent years that the seemingly unlimited frontiers that confronted our forebears indeed have disappeared. Our geographical boundaries were pierced decades ago, whereas today we have to face the hard, cold fact that there are serious limits to the availability of our natural resources. There is no more dramatic or compelling evidence than the case of energy—especially the oil and gas that has played so vital a role in the economic development of my home State of Texas.

For a long period of years our Nation has grown and prospered through the marvels of technology and industrial development that have made our citizens more productive with the application of cheap and abundant energy. The gains in human productivity made possible by this technology and energy have enabled us to enjoy the highest standards of living ever known to mankind. They have nourished our expectations to the point where many of us—indeed too many of us—have found it only to easy to turn to the Federal Government to see that our desires are satisfied.

The cost of Federal programs created in response to such aspirations has mushroomed at an alarming rate, and efforts to just slow down the trend thus far have proved futile. I invite the attention of my colleagues to the targets of the Resolution under consideration which point to a deficit of $73 billion in fiscal year 1976 with the result that the public debt would increase to $624 billion. Some observers contend that the deficit target will not be achieved and that the figure might be as high as $100 billion. We can admit that price inflation has played a major role in the mushrooming of Federal fiscal totals, but it bears noting that it took over 150 years to accumulate deficits leading to the first $100 billion mark in the debt. World War II saw the second $100 billion mark passed in 1944. Thereafter it took 18 years to reach $300 billion, and 8 more years to reach $400 billion by 1970. The debt is now over $500 billion, so that we added the last $100 billion in only 5 years. Now, with the target before us at $624 billion at the end of fiscal year 1976, we are looking at debt creation that has no historical precedent.

I am fully aware of the point that the debt and the level of Federal spending should be considered in light of their relationship to the size of the economy or gross national product. But I would submit to my colleagues that the very rapidly of the growth—under the powerful thrust of inflation—is a cause of genuine concern. It is thus gratifying that the Committee on the Budget has seen fit to include in the resolution before us the caveat which states:

> While a substantial deficit in fiscal year 1976 is both unavoidable and necessary, a comparable deficit in a resurgent economy could spur inflationary pressures. Therefore, in fiscal year 1977 it may be necessary to moderate Federal spending in order to avoid an overexpansion of the money supply or a return of higher interest rates brought about by increased private and public credit demands.

It is my view that the fires of inflation have not burned themselves out. They have been dampened, but they are still smoldering—ready to blaze into critical dimensions if new fuel is poured on. Therefore, I would especially emphasize to my colleagues in the Congress that the challenge is still ahead of us. It will be our responsibility to see that our fiscal actions do not feed the fires of inflation, but instead foster the stable economic climate upon which the real growth and progress of our Nation—and thus the standard of living of our people—must depend.

Against the background of limitations on our resources, therefore, the Congress will have to be concerned to an increasing degree with the priorities that will be required to assure that Government spending will not be a process of satisfying every aspiration of pressure groups and their constituents, but rather one of preserving an economic climate by which sound and stable economic growth can be nourished. The Congress will clearly have to sort out those demands upon our Treasury which will contribute to the greatest degree to our national growth and give them highest priority, and to reject those which may dilute our national substance through inflation and other phenomena and which thereby may sap our strength both domestically and internationally. It is distressing to hear the often stated charge that the Congress has been irresponsible, prone to spend and spend without full appreciation of the economic consequences. We have the opportunity in this congressional budget process to respond to that charge, and I hope that we shall—with courage and determination.

I have not sought in my remarks to evaluate the specific targets we are considering in this resolution. The extensive hearings and deliberations of the House and Senate Committees, with all their expert testimony and analysis, point up the difficulties of making forecasts and projections in a complicated economic climate, but I would again emphasize that the sheer size of the spending and the deficit, compared with levels of even recent years, disturb me greatly—especially if we should fail to bring them under control in the years ahead.

In presenting the resolution for our consideration, the committee report emphasized, as one of the two critically important aspects of our current economic and budgetary situation, that—

> The largest single cause of the deficit is the recession itself, coupled with the tax reductions that both the President and the Congress have agreed are essential to stimulate economic growth. If the unemployment rate could be reduced to 4.2 percent during all of fiscal year 1976, the budget would be substantially balanced. Consequently, our overriding need, both in humanitarian and economic terms, is to put people back on the employment rolls as quickly as possible.

There can be no disputing that "the largest single cause of the deficit is the recession itself." The decline in business activity and cessation of economic growth have eroded the base of Federal revenues. The rationale for a heavy budget deficit and concomitant growth in the debt rests in the stimulus expected to be provided to the economy which hopefully will strengthen the revenue base.

It is my view that although the cause of the deficit may be the recession itself, we should be especially mindful that the cause of the recession is the critical, double-digit inflation that has plagued our economy in the recent past.

One of the most important challenges to this body is to develop a clear understanding of inflation and what it does to economic, social, and political institutions and processes. History records in case after case the destruction that inflation has wrought to the economies and governments of nations. Indeed, inflation has been employed as a weapon that sometimes has proven as powerful as military might. At this critical juncture in the Far East, one may inquire as to the role inflation may have played in what appears to be an impending collapse of South Vietnam, where price indexes have increased 600 to 700 percent since 1968 and the cost of living has more than doubled within the last 2 years.

The Congress recently enacted tax rebates and reductions. This action may be viewed, in a sense, as a return to the people, especially to the lower income groups, of the insidious tax they are now paying through inflation. The tax reductions as of the moment provide some relief from the high cost of living resulting from the inflation, but any benefits can and will be eroded if inflation is not arrested. It is thus reassuring to me that the Committee on the Budget has taken note of the danger of inflation beyond fiscal year 1976.

It is my hope that as the congressional budget process moves forward and the initial targets are followed by more definitive budgetary policy actions, that proper weight will be given to the destruction already caused by inflation and to its inherent dangers for the years ahead. Although I am not an economist, I am impressed by the argument that our recent experience has departed widely from the pattern of past business cycles, which usually had self-correcting forces built into them.

Perhaps the most visible signs of the recession in recent months can be observed in the automobile and housing industries. Although the high cost of energy has been a factor, there can be no disputing the fact that inflation has priced too many potential purchasers of new homes and automobiles out of the market. The result has been widespread unemployment and loss of incomes, with ripple effects across a broader spectrum of business and industry. In less dramatic dimensions, the same imbalances and distortions created by the inflation have seeped into many lines of business, some of which can adjust fairly quickly while others see little likelihood of working out of their problems any time soon. The uneven effects of inflation across the broad spectrum of economic activities and the social structure are a phenomenon of today's environment that usually have not attended past business-cycle recessions. It is therefore incumbent upon the Members of the Congress to be guided by the knowledge that serious inflation destroys jobs, incomes and sales, and that these effects are translated directly to the revenues and budget performance of the Federal Government.

Difficult as the current environment may be, we should look ahead with confidence and resolution in the knowledge that a responsible Congress, embarking upon this history-making mission, can and will provide a fiscal foundation upon which economic growth and progress will be nourished. As we put to rest the forces of inflation, the fundamental ingredients for growth—savings and investment—will be restored to proper balance. Our people and the business community will have confidence that the long-range integrity of their savings will be preserved, and that capital thereby will become available to finance both critical national needs—such as energy, raw materials, transportation, and industrial capacity—as well as homes and other elements that are a part of the better life. These needs cannot be supplied by tapping the public purse. They have to be resolved by the productivity of our citizens that is nourished by a free society that recognizes the indispensability of savings and investment.

Mr. HANNAFORD. Mr. Chairman, I rise in support of this amendment to lift the ceiling of 7 percent on social security benefits and the ceiling of 5 percent for Federal employees' salaries.

While I commend the outstanding work done by the very able Chairman BROCK ADAMS and his committee for providing this much-needed congressional initiative in the budgetary process, and while I am pleased that the committee saw fit to reject the earlier administration proposal for a 5-percent ceiling, I firmly believe that we must now remove altogether these arbitrary caps for two reasons: legal and moral.

Last year Congress committed the Government to a cost-of-living increase to Federal retirees under Public Law 93-233, the Social Security Amendments of 1974; and earlier had enacted the Federal Pay Comparability Act of 1971 which states the intent of Congress that pay for Federal employees should be reasonably comparable to the private sector.

I share the view that Congress does have an obligation to the retirees who have paid taxes and made other contributions to retirement funds. Therefore, I agree with the persent law that these benefits need to be constantly readjusted with the cost of living in order that benefits have some reasonable relationship to their contributions.

For the Government now to impose inadequate ceilings could be considered not only a breach of promise, but a violation of law.

However, and more importantly, this harsh action is a violation of conscience. Surely, we should not be squabbling over the means of providing a decent standard of living for the elderly on social security. The average retired worker in December 1974, was receiving only $188 per month, well below the poverty level.

I would hope that it is not necessary to paint a picture of the plight of many of our elderly on fixed incomes trying to make ends meet during these inflationary times.

Mr. Chairman, I fully support efforts to reduce our enormous Federal budget. However, I believe this cannot be done by this means which violates both law and conscience.

Let us hope that part of the reforms of this new budgetary procedure is a redirection of our resources to reflect our concern toward people oriented programs.

Mr. GILMAN. Mr. Chairman, yesterday the House began debate on the first budget resolution reported by our new House Budget Committee. We are now engaged in a historic, precedent-setting debate that will shape the future parameters of our budgetary process.

House Concurrent Resolution 218 is the first concurrent resolution on the budget submitted by the House Budget Committee under the 1974 Budget Impoundment and Control Act.

The Budget Impoundment and Control Act created a new framework for congressional decisionmaking on spending and fiscal policy. Specifically, a statutory timetable was developed to organize the authorization and appropriation process. The act also created House and Senate Budget Committees in order to monitor the budget and to set targets for individual spending decisions with the support of a new Congressional Budget Office. Finally, the 1974 act directs the House and Senate Budget Committees to consider the President's budget, formulate alternative budgetary priorities for congressional consideration and to coordinate spending actions taken by other committees.

I join my colleagues in commending the hard work and painstaking efforts of the Budget Committee, its chairman, and staff, even though I believe, along with many of my colleagues, that the size of the estimated budget deficit—$73.2 billion—should be a dire warning to all of us that our economy is running rampant and unless we apply reasonable restraints, we will be heading for fiscal disaster.

While I oppose across-the-board budgetary cuts, I do support the views of those members who urge upon us greater budgetary restraint. The proposed $73.2 billion deficit is excessively high, especially when we consider that this figure would increase the aggregate public debt to $624 billion at the end of fiscal year 1976. Such a deficit estimate is scarcely compatible with the idea of fiscal discipline even in a recession economy.

Accordingly, I urge my colleagues, in considering this legislation, to vote for target levels that will insure that the fundamental purpose of the 1974 Budget Impoundment and Control Act is lived up to—namely, increasing congressional responsibility in controlling the budgetary process.

Mr. McCLORY. Mr. Chairman, in considering my vote on final passage of this measure (H. Con. Res. 218) the legislative budget for 1976, it is my position that we are not exercising our newly acquired authority in a responsible manner—by approving a budget deficit of more than about $54 billion. The earlier remarks of our colleague from Texas (Mr. WRIGHT) are very persuasive. I agree with the principle he has enunciated. However, I question that we are exercising our budgetary authority responsibly when we give our approval to Federal spending which totals more than $360 billion, and a deficit of more than $70 billion. I do not agree that I am forced to vote "aye" on final passage of whatever the resolution contains. I feel it is far more responsible to vote "no."

Mr. NEAL. Mr. Chairman, I want to add my support to House Concurrent Resolution 218. I do so not because I am satisfied with all its provisions, but because I think it is an important step in the right direction. It is, however, no more than the toddling first step of an infant idea. Until the idea is tried and develops more muscle, we can never be sure whether it will stand or fall.

There are few Members of this body who do not recognize the need for restraint in the management of this Nation's fiscal affairs. We are, individually, rather expert at pointing our finger at causes, and sometimes have been slow to discover cures. As a new Member who campaigned vigorously for fiscal responsibility in Government, I, too, have some personal ideas as to who is responsible, and to what extent, for our present condition. Inflation is not altogether the result of deficit spending, as many of my colleagues insist. There has been, over the past 6 years, a colossal mismanagement of our monetary policy—by the Federal Reserve—and an appalling abuse of economic power by major corporations which are capable of controlling or manipulating markets.

The idea that Congress has absolute power to control the economy is as antiquated as many of the arguments I have heard propounded here yesterday and today. To declare that a balanced budget is possible for fiscal year 1976 is to apply an ancient cure to a new disease. For the first time in our history, we face the two-headed dragon of inflation and recession at the same time. Slings and arrows are inadequate. We need a new weapon—new ideas. We have one weapon the Budget Control Act. We are beginning to use it, as the Budget Committee demonstrates in the resolution now before us.

It is astonishing to me, Mr. Chairman, that the need for a Budget Control Act was not recognized until just 2 years before this Nation's bicentennial. In retrospect, it should have been an early order of business of the first Congress. The fiscal picture is a mosiac which we have for too long viewed one panel at a time. No wonder we have tried to fit the right pieces into the wrong places. We have tried, really, to control a monstrosity without providing ourselves the means of doing it.

The resolution now before us represents a good start at a new beginning. It gives us the means of responsible control of fiscal policy. It does not however provide equal control of monetary policy, or of the monopolistic practices of some industry and much labor. We must first get our fiscal house in order, then compel or persuade the Federal Reserve to exercise the same wisdom in its operations. We must enact meaningful tax reform and insist on strict enforcement of antitrust laws to bring those factors into harmony with the new idea of congressional control of the budget. We must reform our welfare system, our regulatory agencies, our foreign policy, our energy policy and be willing to take a fresh look at every aspect of our public policy for waste, mismanagement, inefficiency and improper direction. Then and only then we will have a healthy, stable economy.

What we have in the resolution is a targeted deficit of $70.032 billion. In better times, such a deficit would be unthinkable. But it is $26.8 billion less than the aggregate projections of the various congressional committees. The President's budget, on the other hand, creates almost the same deficits but gives us a dehumanized proposal which deals with figures, not with the needs of people. America is not a conglomeration of smokestacks and artillery pieces. It is a nation of people. The first are important only as they benefit the second.

So now, in this time of great need, we must provide the stimuli necessary to get Americans working again. When Americans are back at lost jobs, or recalled from furlough, and working full weeks, we must move swiftly toward the laudable goal of a balanced budget. I believe it will be possible under provisions of the Budget Control Act. I believe we have here a good beginning toward economic stability, which is the only condition under which a balanced budget is possible. I commend the Budget Committee and urge adoption of this resolution.

Mr. GRADISON. Mr. Chairman, the proposed deficit of $73.2 billion, which has been recommended by the House Budget Committee, is simply too big. There is too great a danger that this deficit could cause a renewed surge of inflation which would be extremely damaging to the economy at this critical time. Inflation has slowed down sharply in recent months and this has led to a general expectation that recovery from recession will begin soon. In fact, some signs, such as consumer spending indicate that the recovery may already be getting under way. The best step that Congress can take now to encourage recovery is to implement a reasonable budget policy that will allow the recovery to proceed without renewed inflation.

In the report accompanying their recommendation for a $73.2 billion dollar deficit, the House Budget Committee went to great lengths to say that this deficit would not be inflationary. Despite these attempts to downplay the dangers of the deficit, the fact remains that a deficit of this magnitude would have dangerous consequences.

First, it would result in too much of the available credit supply being used by the Federal Government and not enough capital being available for private borrowers. The House Budget Committee estimates that total Federal borrowing of $96 billion will be required to finance the proposed deficit in fiscal year 1976. When the Federal Government starts borrowing these huge sums, it means that many private borrowers will have to do without capital needed for investment. This private investment is essential if we are to provide productive jobs for millions of unemployed workers and new workers.

Second, an excessive deficit would mean that pressures will grow to expand the money supply at an excessive rate. This in turn means more inflation.

Third, an excessive deficit this year will make it that much harder to control spending in future fiscal years. The Budget Committee report notes that Federal deficits are bigger problems when they occur in good years than in recession years. But the report fails to recognize how hard it is to cut back on spending once it gets started. Experience shows that it will be difficult or impossible to reverse the momentum for more spending if we have a $73 billion deficit for fiscal 1976. Thus we will be laying the groundwork for excessive deficits in fiscal year 1977 and beyond.

The new spending programs recommended by the Budget Committee include a number of proposals which, while ostensibly aimed at fighting recession, would actually do more to increase inflationary pressures than to help cure the recession. The major one of these ill-conceived programs is a massive $7 billion dollar public works program. The problem with trying to fight recession by spending on public works is one of timing. Many of the projects would not even get started until recovery is well under way and the spending on these projects continues long after the recession has passed. The public works spending proposals should be cut back sharply because of this timing problem.

The proper way to stimulate the economy is a tax cut to put money quickly in the hands of consumers. We have already taken this step and there are now signs that the tax cut is beginning to have its intended effect. It would be counter-productive now to embark on a massive public works program.

Those who are arguing for a $73 billion deficit or some higher figure keep telling us that we need this deficit to cure the recession. We should not forget that this recession is in large part due to the runaway inflation of 1973 and 1974 which caused distortions to build up in the economy. Unless we succeed in keeping inflation under control, there is no way that we can have a full economic recovery. The worst thing we could do at this point would be to try to cure the recession all at once by rapidly increasing Federal spending.

In order to create the conditions necessary for a sustained economic recovery we should have a budget deficit at least $10 billion below the $73.2 billion figure proposed by the Budget Committee. Already the estimated budget deficit for fiscal year 1976 has gone from the $51.9 billion which the President proposed in January to $60 billion as of the President's March 29 address. We cannot afford a further escalation of this figure to $73 billion. Instead, we should immediately enact a spending ceiling no higher than $358 billion and a deficit ceiling no higher than $63 billion and then adhere strictly to these limits.

If we take these steps and thereby demonstrate the necessary fiscal responsibility, all the indications are that we will have a solid economic recovery. If on the other hand, we try to overstimulate the economy, we are going to get ourselves right back into the same inflationary mess that is at the root of our current problems.

Mr. MORGAN. Mr. Chairman, I would like to take this opportunity to express to the House my concern over the potentially adverse effect of House Concurrent Resolution 218 on the legislative responsibilities of the Committee on International Relations.

In the course of setting targets for the major functional areas in the budget as reflected in the committee report, the Budget Committee approved reductions in several programs under the Foreign Assistance Act. These cuts total $1,635,000,000 or nearly 50 percent of the executive branch request for budget authority in the programs affected.

In my judgment, this action on the part of the Budget Committee is premature and represents an infringement on the jurisdiction of the Committee on International Relations for the following reasons.

First, the Budget Committee's proposed cuts in foreign assistance were made without reference to the views of authorizing committee and without the benefit of expert testimony on the areas affected.

In its March 15, 1975, report to the Budget Committee, the Committee on International Relations stated that it had not received the executive branch presentation on the fiscal 1976 budget requests for foreign assistance programs. Without such information, our committee's report concluded that appropriate recommendations on authorization and outlay levels could not be made at that time.

In spite of the fact that the executive branch presentations were not yet available, and in spite of the fact that the authorizing committee had not yet conducted hearings on fiscal 1976 foreign assistance legislation, the Budget Committee proceeded to adopt reductions in four specific foreign aid programs during the markup of House Concurrent Resolution 218.

Second, the Budget Committee's cuts as reflected in the aggregate budget authority proposed House Concurrent Resolution 218 could have a prejudicial effect on the outcome of fiscal 1976 foreign assistance authorizing legislation.

Third, I am concerned that these cuts, having been adopted without benefit of the views of the authorizing committee, could set an unfortunate precedent for succeeding fiscal years. Since the congressional budget process next year will involve the establishment of mandatory budget ceilings on a functional basis as well as an aggregate basis, such a precedent could diminish the proper role of the Committee on International Relations.

Fourth, by using the fiscal 1975 Foreign Assistance Appropriations Act as a model in adopting a cut in bilateral development assistance programs, the Budget Committee failed to take into account several important factors affecting the fiscal 1976 situation which did not apply to the fiscal 1975 program.

These factors were set forth in detail, in a letter which I sent on April 29, 1975, to the distinguished chairman of the Budget Committee, the Honorable BROCK ADAMS. The letter, which was cosigned by 22 members of the Committee on International Relations, requests that the Budget Committee take appropriate action to rescind the effect on the budget resolution of the proposed cuts in foreign assistance.

Mr. Chairman, if such action is not taken, I believe a precedent will have been set which could impair the proper role of the Committee on International Relations in shaping policy in a vital area of our Nation's foreign affairs.

The letter follows:

COMMITTEE ON
INTERNATIONAL RELATIONS,
Washington, D.C., April 29, 1975.

Hon. BROCK ADAMS,
Chairman, Committee on the Budget, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: The purpose of this letter is to bring to your attention the concern of the Committee on International Relations regarding certain aspects of the House Budget Committee's formulation of H. Con. Res. 218, setting forth, on an aggregate basis only, the congressional budget for the U.S. Government for fiscal year 1976.

It is our understanding that, in the course of setting targets for the major functional areas in the budget as reflected in the committee report, the Budget Committee approved cuts in four specific foreign assistance programs: Bilateral Development Assistance; Indochina Postwar Reconstruction; Grant Military Assistance; and Foreign Military Credit Sales. These cuts total $1,635,000,000 or nearly 50 percent of the President's request for budget authority in the programs affected.

We believe that these reductions raise several serious issues with respect to the jurisdictional responsibilities of the Committee on International Relations in the formulation of legislation authorizing United States foreign assistance programs.

1. According to the report accompanying H. Con. Res. 218, the proposed cuts were based largely on spending levels adopted in the Foreign Assistance Appropriations Act for fiscal year 1976. No reference is made to the authorization legislation for the same fiscal year.

We are concerned that these cuts, having been adopted without the benefit of the views of the authorizing committee, could have an adverse impact both in the short term and in succeeding fiscal years.

First, the adoption of the reductions as reflected in H. Con. Res. 218 may have a prejudicial effect on the outcome of fiscal year 1976 authorizing legislation.

Second, in view of the fact that the congressional budget process next year will involve the establishment of mandatory budget ceilings both on an aggregate basis and on a functional basis, we are concerned that the cuts in foreign assistance programs embodied in H. Con. Res. 218 could set a precedent for subsequent fiscal years which could diminish the proper role of the Committee on International Relations.

2. By using the fiscal year 1975 Foreign Assistance Appropriations Act as a model in adopting cuts in worldwide Bilateral Development Assistance and in economic aid to countries in Indochina, the Budget Committee failed to take into account several important factors.

First, the Foreign Assistance Act of 1974 prohibits the use of scheduled loan receipts in development assistance programs after July 1, 1975. As a result, the Budget Committee's cut in this area would be $151.9 million larger than the reduction resulting from the Appropriations Act for fiscal year 1975.

Second, the cut recommended by your Committee is inconsistent with the new mandate for development assistance programs adopted by the Congress in the Foreign Assistance Act of 1973. That mandate recognizes that the only workable solution to the current imbalance between world food production and the needs of the earth's inhabitants lies in increased food production in the developing countries and in reduced rates of population growth. As a result of this mandate, development assistance programs have been restructured to concentrate on helping the poorest majority to realize these goals. A $400 million cut in fiscal year 1976 would seriously impede the U.S. contribution to that effort.

Third, the $550 million reduction in economic assistance to Indochina countries fails to take into account the recent tragic developments in the area which may require increased sums for refugee and humanitarian assistance for fiscal year 1976.

3. Finally, the recommended reductions in MAP and FMS programs, if adopted, would require radical alterations in United States security assistance programs.

The Committee on International Relations has been conducting an in-depth review of U.S. military assistance, training, and credit and cash sales programs. The study is designed to develop information which will assist the Committee and Congress as a whole in determining the future course of such programs. Until such information is available, congressional consideration of the recommended cuts in MAP and FMS programs could have a negative effect on U.S. foreign policy and security interests abroad.

Specifically, in the case of MAP, the $425 million cut would fall below the President's request by more than 50% and result in the smallest military assistance program in over thirty years. Such a cut would either eliminate or severely reduce assistance planned for Jordan, Korea, Lebanon, Greece, Turkey, Thailand, Philippines, Indonesia, and Ethiopia, several of which have played an important role in the external security position of the United States.

With respect to FMS, the $260 million cut would reduce the fiscal year 1976 program to $300 million. Such a reduction would destroy most of the flexibility in the credit sales programs since it would severely reduce direct credit loans and loans made on concessional terms. Moreover, if Congress should decide to release Israel from the liability of repaying the U.S. for $100 million worth of defense articles and services financed through FMS, and reduce FMS accordingly as it did in fiscal year 1975, only $200 million would remain to support the entire program.

In sum, we believe that the action of the Budget Committee in reducing the Executive requests by nearly one-half is premature and represents an infringement on the jurisdiction of the Committee on International Relations.

Therefore, when H. Con. Res. 218 is considered on the House floor, we respectfully request that the Budget Committee take appropriate action to rescind the effect on the resolution of the proposed reductions in foreign assistance. This course of action would give the Committee on International Relations an opportunity to act on relevant authorization legislation. The results of such legislation could then contribute to the Budget Committee's consideration of the second concurrent resolution on the budget.

Thank you for your consideration.

Sincerely yours,

THOMAS E. MORGAN,
Chairman.

COSIGNERS

Hon. Clement J. Zablocki.
Hon. Wayne L. Hays.
Hon. L. H. Fountain.
Hon. Dante B. Fascell.
Hon. Charles C. Diggs.
Hon. Robert N. C. Nix.
Hon. Donald M. Fraser.
Hon. Benjamin S. Rosenthal.
Hon. Lester L. Wolff.
Hon. Gus Yatron.
Hon. Roy A. Taylor.
Hon. Leo J. Ryan.
Hon. Charles Wilson.
Hon. Donald W. Riegle, Jr.
Hon. Cardiss Collins.
Hon. Stephen J. Solarz.
Hon. Helen S. Meyner.
Hon. William S. Broomfield.
Hon. John H. Buchanan, Jr.
Hon. J. Herbert Burke.
Hon. Benjamin A. Gilman.
Hon. Tennyson Guyer.

Mr. FRENZEL. Mr. Chairman, today we are concluding the first of what will hopefully be annual debate and decisions on Federal spending activities and their effect on the Nation's economy. The results of this debate will not effect, as is usually the case, one small segment of society but will instead set fundamental policy on Federal spending patterns.

One of the primary differences between this debate and other discussions on spending is the breadth of this subject area. It has no single built-in constituency; no one-issue interest groups pushing for their causes. No popularity prizes will be awarded to those who support or oppose the committee's approach to increased deficit spending. We are talking abstracts, not specifics. This bill is essentially a musical mood piece which will set the tone for our financial conduct and congressional responsibility in years to come.

For several months last session this Congress labored to produce an effective system for budget control and oversight. We have constructed a delicate instrument—one which can easily be thrown out of tune. We have required that the committee submit to us for this year a bill simply stating revenues, budget authority, outlay figures, deficit and total debt limitation. Though the job will be much tougher in future years when we require outlay figures in specific functional categories, the committee has done an excellent job of putting together this prelude.

The committee has performed yeoman service for which it deserves high praise, but, to my mind, this first of two required budget resolutions is, in simplest terms, not a responsible treatment of the Nation's budget. A deficit of $73.2 billion, bringing our total public debt to $624 billion, is simply over-loading our economy and its citizens with greater debt than necessary.

Before referring to the specifics of this fiscal exercise, I think we need to look briefly at our recent Federal spending history. In the past 10 years, with the advent of the Great Society period in congressional spending behavior and an intense concern with providing personal services through Government programs, we have seen the public debt soar into uncharted heights. General domestic assistance programs have skyrocketed by $80 billion. This represents increases of 18 percent for income supplements, 14 percent for social security, 17 percent for employee retirement, 18 percent for manpower and social services, 10 percent for education programs, 35 percent for medicare and medicaid, 44 percent for food stamps, all on an annual rate of growth. Those are staggering annual increases. The aggregate of these yearly increases, outlays up 26 percent, is simply outrageous. I mention these figures in light of the differing perspectives which many Members seem to have of the task before us.

The Budget Control Act was designed to enable the Congress to participate more effectively in the total fiscal picture; to provide guidance to our individual authorizing committees and to provide a new method of determining spending and taxation policies. Historically, our method of handling the budget can most kindly be described as "piecemeal." Appropriation bills, authorizing legislation and revenue measures are passed "willy-nilly" while nary an attempt is made in the legislative branch to approach these macroeconomic decision logically or coherently. My view is that we now have the opportunity finally to bring our burgeoning budget under control and more effectively to direct funding priorities to areas of need.

However, it seems that the committee has dropped the first half of this proposition and is concerned solely with directing greater funds to policy areas, largely in general domestic assistance programs, which it considers badly needed. The committee report, though not the hard and fast listing which we will see in future years, reflects this committee emphasis. We did not require, nor did we really expect, a solid fiscal foundation from the committee, but the people deserve more than the shaky foundations of House Concurrent Resolution 218.

After the passage of the Tax Reduction Act, the administration proposed a budget which would produce a deficit of $60 billion. The hue and cry raised over that figure outside this body was enormous. I also thought that even that figure was too high, but at least it included some basic and sensible budgetary assumptions which we seem to have neglected in House Concurrent Resolution 218. Some of these assumptions were a 5-percent across-the-board ceiling on cost-of-living increases for Federal pay scales and other Government programs and a moratorium on any substantial new Federal spending programs with the exception of energy. Prior to today's discussion this body has already rejected or revised upward a number of the legislative initiatives submitted to fulfill the goals stated above. Some of the congressional acts include rejection of the food stamp price increase; rejection of the President's energy programs; failure to ratify numerous budgetary rescissions and deferrals submitted; passage of a tax reduction act which provided excessive, wasteful and unnecessary spending; and the passage of other programs drafted and promoted as "emergency" unemployment reducers and economic stimulants.

However, it is not fair to blame the committee for the problems caused by this entire body. In fact, it is not fair to blame the entire committee for the bill, since House Concurrent Resolution 218 was passed by a 13 to 10 final margin. The heart of the problem is still the authorizing committees. While the budget authority recommended by the committee does exceed the President's adjusted request by $2.5 billion, it is also $42.4 billion below the total estimates of the other committees.

The committee also tried to be responsive on the outlays end. The committee outlay recommendation is $8.6 billion above the administration request, but it is $30.2 billion below the requests of the other committees. Obviously, budget control will not be effective until the spending appetites of authorizing committees are curbed.

There are problems with the bill which need more specific treatment. The most obvious areas are the effects of the deficit upon our economy as a whole, the growth of the public debt and the effectiveness of the proposed expenditures as economic stimulants.

Earlier in this discussion, the distinguished gentleman from Texas (Mr. WRIGHT) has made a most interesting presentation on financing. There is another point of view. One of the most disturbing aspects of our present budget situation is the impact of a growing deficit on our capital markets. In recent weeks we have witnessed increased concern in the markets over the possibility of massive "crowding out," as it has been termed, of private borrowing by the hungry Federal money monster.

A March 13 editorial in the Wall Street Journal took the position that there will be a $35 billion shortfall in available capital. Since the Federal Government is practically guaranteed of meeting its needs, that seems to indicate that the private borrowers, especially the smaller ones and those with less-than-perfect bond ratings, will get the short end of the stick.

The Budget Committee report, unfortunately, seems to gloss over this problem of financing the deficit with a one-page appendix, which cites a February study by an economist in the Treasury's office of Debt Analysis. This study indicates that in fiscal year 1976, we will not suffer from a shortfall of funds because of the sharp drop in demand for private borrowings. That sharp drop in demand is partially the result of crowding out. It would appear that in order for us to be spared from "crowding out," we will have to pray for continued recession and private borrowing. Even if we achieve this great victory of avoiding crowding out this year or next year, what can we expect of an economy that has delayed or abandoned its attempts to raise capital essential for increased capacity, greater productivity and even simple recovery?

I would like to believe the economists who say we have nothing to fear other than some short term or technical occurrences of "crowding out." But the capital markets do not function according to theory or econometric models; they are strongly influenced by emotion and psychology. Right now the market is beginning to get very scared. It is not scared because Secretary Simon is sounding a stern warning, a warning which some people have labeled irresponsible. They are scared because they do not believe that Congress will obey its own laws.

Since the highly-touted Office of Debt Analysis study was made, Congress has passed billions of dollars of unbudgeted, or off-budget, programs. Since the Wall Street Journal editorial predicted that there might be $10 billion of foreign investment coming in to help us meet our capital needs, we have heard from some of the oil-rich nations that maybe they will not be investing as much as we had anticipated. The result is simply to draw us closer to an extreme case of nerves in capital markets.

This week, only days before the Treasury is to offer $600 million of additional debt instruments, several corporations and a Canadian provincial government staged what could only be termed a preemptive strike on the capital markets. Obviously, their needs are so great that to delay their offering would risk hardship. However, there are obviously others, both companies and State and local governments, who will be forced to put off sale of debt. They have already been crowded out because of the growing risk that they will not be able to sell all or part of their offerings. How can you count the shortfall of those who decide not to go into the market? It is an imprecise science. Maybe we can live with the Budget Committee's $73.2 billion deficit this year. Maybe we cannot. But, the best thing that this House could do to prevent not only the true crowding out problem, but also the problems caused by the psychology that anticipates it, is to reduce the outrageous deficit contemplated, or even mandated, by this resolution.

Confusing figures, charts, and graphs have been presented here today to justify the enormous deficit and to allay fears of crowding out. Those figures included all debt and do not mean much about our credit markets. What is important is the ratio of Government, State, local and Federal borrowing to private bond sales. That ratio will be about 4 to 1 for the next year. The Federal money monster will force some private long-term borrowing needs to be postponed or abandoned and some to be converted to short-term loans. This in turn will crowd out other short-term borrowers and delay recovery from the recession.

Crowding out is not an abrupt, one-time phenomenon. It is a process which for some borrowers is occurring already. The larger our deficit, the more the crowding out process is accelerated, and the more our economic recovery is delayed.

The most obvious example of "wasteful" programs suggested in the committee report, and compensated for in the bill, are the public works expenditures. The committee suggests a dumbfounding $5 billion figure for budget authorities and $3 billion in outlays for an entirely unbudgeted accelerated public works program. I think that the utility of this program is best described by the minority views filed concerning the 1972 public works impact program which was billed to the Congress as a method for providing immediate employment opportunities:

> It took nine months from the passage of that legislation to get the last project approved, 17 months to get the last project under construction and at 22 months after the approval of the Act, only 121 of the 203 projects had been completed.

That nauseous history alone speaks volumes about the inability of public works programs to stimulate the economy quickly.

Besides the financing problem, the result of this overwhelming deficit target, which is least acknowledged by the committee report, is inflation. It seems to me the committee made little attempt to set any spending priorities. It did reduce a few committee requests, but, in the main, accepted too much of what the authorizing committees wanted to spend. Those committees must have wanted to spend very badly to fashion $1 billion per day spending package. Inflation is beginning to subside, but I believe this inflationary budget will heat it up again.

Another disturbing feature of the budget resolution is that it conceals spending in three areas. First there are the "off-budget items." The administration says these will amount to around $12 billion in the coming fiscal year, but, based on congressional action thus far, the amount will probably be closer to $20 billion. The second concealed item is spending over the President's budget which either or both Houses have already approved. The third concealed item lies in the intentions of our committees and our Congress to spend more than is in this budget resolution. Each committee is attempting to cure the recession singlehanded and is inventing all manner of obscure programs to do so. Our profligate Congress will not be able to resist very many of these wild spending proposals.

Also concealed in this budget report is what, in my judgment, is an overestimate of gross national product and overestimate of revenues. The final concealment, and perhaps the worst of all, is the fact that much of the spending that we do in the name of social progress or recession fighting never gets to its target. The spending is lapped up by the administrative costs of government at all levels, and thus almost every program we pass becomes a little PWA for Government employees.

Another point that is not made often enough is that the programs we institute today, even the worst of them, somehow go on forever. Almost none of our programs can ever be cut back, no matter how silly and wasteful they are. We are creating, in this unreasonably expansionary budget, a series of ongoing and accelerating cost items which we cannot and will not control.

There have been a large number of amendments to this budget resolution, some practical and some symbolic.

I voted for the Landrum amendment which was intended to reduce spending and the deficit by some $7 billion. I applauded the symbolic virtues of the Rousselot amendment to balance the budget, but I had to vote against it, because it has become an impossible dream in this fiscal year.

I voted against the Reuss amendment which was just a piece of fluff designed to pretend that the deficit is not as bad as we all know it is. It was a joke with no specifics. The last time this House followed the gentleman from Wisconsin's advice on tax reform, the depletion allowance was extended for 15 years.

I voted for the Latta amendment to cut spending and the deficit by $19 billion. I voted against the O'Neill amendment because its principal effect would be to negate the Landrum amendment and therefore raise the deficit.

In general, I support the amendment to reduce the anticipated deficit and oppose those which are designed to raise it, or to cloak the deficit in various disguises. I shall still oppose the resolution as a surrender to fiscal irresponsibility.

I believe the committee has done good work. Despite my objections and the obvious overspending it validates, the process has prevented even a worse spending binge. Nevertheless, the bill is simply too expensive, too loosely drawn and too shortsighted to be used as a foundation for the future.

I believe in the process and desire to improve it. However, I must oppose it. I cannot support a deficit of this magnitude. I shall also vote to recommit the resolution, because I really believe the committee can do better.

Mrs. HOLT. Mr. Chairman, I ask you to recall the Budget Reform Act we passed last year. It was designed to give us a budgeting procedure that would evoke a certain amount of discipline in our spending. A year later, we now have before us the first test of our will to implement the reform, and we find that the House Committee on the Budget has sent us a billowing balloon of extravagance that is a mockery of reform. I recognize the horrendous job the committee faced and the good intentions that motivated them.

Remember how we talked about budget reform enabling Congress to exercise its constitutional responsibility for the budget in a prudent manner? We have before us today a document that is so grossly irresponsible that many of us must vote against it.

At a time when the people of our country have been forced to trim their household budgets to cope with the double-barreled assault of inflation and taxation, the Congress shows no restraint in spending their dollars. Instead, the liberal majority of this Congress proposes to add to their burdens.

The concept of budget reform was to have Congress discipline itself by imposing a spending ceiling, and then, perhaps miraculously, become motivated to hold appropriations under that ceiling. What we have before us today makes a mockery of the whole procedure by establishing a ludicrously high ceiling, which is bad enough—but even that towering figure falls short of the spending plans in the pipeline of this Congress.

The chairman of the House Committee on the Budget described this resolution as establishing "a revenue target of $295 billion, an outlay target of $368.2 billion, and a deficit target of $73.2 billion for fiscal year 1976."

Can anybody seriously describe that as budgeting? Where is the effort at restraint? Where is the effort to reduce Federal spending to the essentials? Where is the effort to limit spending to income?

It is perfectly understandable that a balanced budget may be impossible to achieve in a recession, when revenues are down and more families need help, but a reasonable person would expect at least an attempt to hold spending near the level of revenues. That attempt has not been made.

This resolution with its estimate of a $73 billion deficit is a blueprint for the future destruction of the American economy and the free enterprise system.

The $73 billion is a cosmetic figure having little relationship to reality. The actual deficit is likely to go to $80 billion or higher. It means the Federal Government will be borrowing that much money, depriving private industry of the capital necessary to expand production and provide jobs.

Our economy is on the threshold of beginning to recover from the recession, but the huge Government raid on capital could strangle the recovery within a year or two. In the next fiscal year, government at all levels will be borrowing as much as 80 percent of the capital available in the Nation.

Intense competition between Government and private industry in the capital markets will send interest rates shooting upward again, crippling the private sector of the economy.

The fiscal policies embodied in this budget resolution will have the inevitable consequence of a new round of hyperinflation followed by a worse recession. It is possible to envision a future scenario of desperation, in which a Federal Government panicked by public desperation will assume total control of the economic wreckage it had created.

I will not be a party to that dismal chain of events. I must vote against this budget resolution with the hope that a majority of the House will also reject it and permit the able members of the committee to produce a more disciplined goal.

Mr. BRADEMAS. Mr. Chairman, I rise today in support of the amendment to House Concurrent Resolution 218 offered by the distinguished majority leader, the gentleman from Massachusetts (Mr. O'NEILL), which seeks to maintain for the coming fiscal year the full 8-percent increase in social security benefits which is scheduled to go into effect automatically on July 1.

Mr. Chairman, in January, over 150 Members of the House cosponsored a resolution of which the majority leader, the distinguished chairman of the Subcommittee on Social Security of the Committee on Ways and Means, the gentleman from Massachusetts (Mr. BURKE), and I were the initial sponsors, to maintain the automatic benefit increase.

The resolution was prompted by President Ford's call of only a 5-percent increase this year in social security payments.

Mr. Chairman, approximately 30 million Americans now receive social security benefits. Over 22 million of these persons are elderly, 5 million are dependent children, and 2 million are disabled people.

While almost every American has felt the rampant rise in the cost of basic commodities, such as food, fuel, transportation and housing, no group has borne this burden more than the elderly living on fixed incomes.

In 1972, Congress anticipated the need to protect social security recipients against rising prices when it passed a bill which automatically increases these benefits according to the rise in the cost-of-living index.

That law was approved in the House by the overwhelming bipartisan margin of 302 to 35.

Mr. Chairman, figures released last month show that the cost of living index has risen by 8 percent. Because Congress did not vote any increase in social security benefits last year, payments under that program are now scheduled to increase by 8 percent on July 1st.

While I applaud the work of the Committee on the Budget and acknowledge difficulties under which it has labored to arrive at the budget package it has reported, I feel equally strongly that we must continue to protect the elderly who depend so heavily for their support on their regular social security checks.

The budget committee has recommended a 7 percent ceiling. But I would point out that since January, the estimated increase in payments has been lowered from 8.7 percent to only 8 percent.

Mr. Chairman, I would also note what the 8 percent increase would mean in average monthly payments.

An individual social security beneficiary now receives about $184 per month. With the 8-percent increase this monthly average for a single person would rise to $200.

This is an average monthly increase of only $16.

And benefits for elderly couples would rise from about $314 per month to $341, an increase of only $27 per month.

I believe that this is the least we in Congress can do for the elderly who live on these minimal fixed incomes.

Mr. Chairman, I would mention, as well, that this would mean an increase in annual benefits for an elderly couple from $3,768 to only $4,092.

While one in seven Americans is now partially or completely dependent on social security payments, I think we should all be aware of the fact that over half of the 22 million elderly receiving these pensions rely on them for over half their income.

And even more important, one in five of these older persons—between 4 and 5 million people—receive over 90 percent of their income from their monthly social security checks.

Mr. Chairman, our best estimates show that the elderly with incomes below $4,000, such as those who depend exclusively on social security, spend a third of their income on food alone. With inflation in the cost of food up over 12 percent in 1974, I believe we can see how desperately these elderly need the full increase which is to go into effect in July.

I feel that even a slight reduction in benefits may well spell disaster for millions of older persons.

Mr. Chairman, confronted with this situation, I hope that the Members will vote for this amendment and permit the social security benefit increase to go into effect as scheduled.

Mr. LEVITAS. Mr. Chairman, the budget of the United States is the basic document in this country for setting national priorities and fiscal policy for our entire economy. Therefore, the debate we are engaged in today may be one of the most—if not the most—important during the 94th Congress.

For a long time the American people have felt that there was something bad wrong with the entire Federal spending and budgeting process. Year after year the taxpayers saw their taxes going up and deficits constantly rising. There was a growing concern that Federal spending and deficits were getting wildly out of hand. And, they were right.

It took from 1789 until 1964 for this country to reach its first $100 billion budget. Yet, it took only another 10 years—1974—for the Federal Government to triple that and give us our first $300 billion buget. At the same time, the national debt has been skyrocketed until we have reached the point that by June of this year our aggregate national debt will exceed one-half trillion dollars—over $500 billion.

Now, in 1975, we are given a budget proposal by the administration that reaches $350 billion for 1 year and an administration recommended deficit for 1 year alone in excess of $50 billion. The Budget Committee now recommends a budget of $395 billion and deficit in one year alone of $73 billion while others in Congress are even talking about proposing deficits of as much as $100 billion. One's mind reels.

A deficit is a debt. Somebody is going to have to pay it back some day. Congress better get worried about that. The public is.

Among the reasons we have gotten into this state of affairs include a failure of Congress and the administration to provide sufficient revenues to cover expenditures, a failure to exercise restraint in establishing new and continuing programs and increasing funding levels for existing programs, and the ease with which it is to placate voters by spending other people's money instead of not spending money.

There is another factor that contributes to the deficit in remarkable ways. That is unemployment. For every 1-percent increase in unemployment we have approximately a $16 billion increase in the Federal deficit. At that rate we have a $60 billion deficit from unemployment this year even without regard to excess Federal spending. In fact, except for this unemployment-recession deficit, I could have advocated and voted for a balanced budget this year. Now if we adopt a reasonable budget this year, the day of balanced budget and full employment are close at hand.

Therefore, we have to do something about getting Americans back to work both for human reasons and also to fight the increasing Federal deficits. Congress is taking action to do this, and it must. But in the process, we must avoid fiscal irresponsibility and the threat of runaway inflation.

Finally, the process itself.

By that I mean, a process of appropriation that has operated independent of preset limits of how much can be spent. For years Congress has created programs and passed appropriation bills without regard for the total impact of those actions until the end of the year—when that occurs we find that there has been incurred again a great deficit that has to be funded by borrowing and increasing the national debt. It was a system of putting the "fiscal-cart" before the "responsibility-horse."

It is incredible to realize that, until the Budget Control Act of 1974 and this budget resolution, Congress, as it went along spending money and incurring debt, had no idea at all just how much money it was spending or how much debt it was incurring. No wonder we have such an economic mess in our country today (worsened, perhaps, by negative help from a recessionary Federal Reserve monetary policy).

Finally Congress caught up with public concern and responded to public demand by passing the Congressional Budget Act of 1974 in an effort to establish some control in advance over this expenditure-budget deficit relationship. By establishing this new budget procedure, it was hoped that limits on spending would be based on anticipated revenues, an assessment of the economy, and a judgment about the needs of the economy as impacted by Federal spending and borrowing. It was hoped that once this new budget process was followed, and limits were set, the Congress could then establish its spending priorities within those limits. This would put the "horse and cart" of fiscal responsibility back in the right order.

Therefore, it is monumentally and historically important for this Congress to make that new budget process work. Without it, Congress will have confessed that it is incapable of exercising control over the Federal purse strings.

But at the same time, we cannot make a farce out of the new budget system by setting limits which are not really limitations but are rather so irresponsible as to provide no restraint, no requirement for evaluating priorities and no impact on controlling the size and increasing growth of the Federal budget deficits. Therefore, we should not vote for a budget resolution unless it has been properly developed and has a meaningful control written in its terms.

Here is House Concurrent Resolution 218, the first budget control resolution.

We have seen our Committee work hard and prodigiously. We have seen and heard the proponents of House Concurrent Resolution 218 bravely tackle the hardest of all Federal Government problems. I commend them for their efforts. Their explanations and descriptions of this legislation are among the most brilliant I have heard in the Congress.

But, regrettably, the end product of that work, House Concurrent Resolution 218, fails to measure up to the test required of an acceptable budget resolution. The spending level is too high in light of the anticipated revenues, and accordingly the proposed deficit of $73 billion is clearly beyond a responsible limit—the proposed fiscal year 1976 debt alone would exceed the total annual Federal expenditures for 1955.

While a $73 billion deficit may be able to be financed this year without inflationary impact or "crowding out" of private sector borrowing—which is the case according to all available economic criteria from both conservatives and liberals alike—the same cannot be said for the following year. Unless something is done to reduce the deficit, the eventual impact will be to bring about an inflation of serious proportions.

I am disturbed that so much of the Budget Committee's effort seems directed at or discusses the various programs being considered by different committees in Congress. The Budget Committee is not a programing or authorizing committee. Its role should have been to make overall fiscal judgments based on revenues, the economy, et cetera, and then to set limits. It is the duty of the Congress to allocate within those limits among the priorities decided upon by the Congress but always staying within those limits of spending and debt set by the budget resolution.

The solution to recession and inflation lies in the same place. It lies in expanding our productivity and increasing the gross national product. That would provide jobs and it also would provide more goods and services on the market so that inflation would be avoided. This is where our priorities must be focused. Those programs which will stimulate a private sector expansion of the GNP should have our attention and our priority for the Federal budget in order to work our way out of the economic plight we are in. In addition, Congress should spur the Federal Reserve Board to a realization that an adequate and available money supply is needed to keep our economy healthy.

We are told by some that merely by spending more tax money we can reverse the economic downward trend. But that is not true. Whatever may be the merit of theoretical arguments about Keynesian economics, the fact is that experience has proved that Keynesian economics have not worked. In recent years, we have spent more and more Government money to occupy a larger share of the GNP with public sector activities; nevertheless, we still moved into this period of deep unemployment and recession. The practice of those theories has led us to many of the problems we find today in our economy.

We need to stimulate the economy in productive ways. This the Congress will do and has done. It provided new jobs and economic stimulation through the investment credit, the tax reduction bill, and incentives for the construction and homebuilding industries, among others. These efforts will fight unemployment—a human and economic blight—but will not fan the fires of inflation because the gross national product will increase to accommodate the additional money in the economy.

Therefore, I would hope that this House will adopt an amendment which reduces the amount of proposed level of budget authority and substantially reduces the amount of the proposed deficit. If the House fails to do that, then I would hope—as painful as it may be—for this body to defeat the bill and let the Budget Committee have another opportunity to come up with a fiscally responsible budget resolution.

Mr. FISHER. Mr. Chairman, as a new Member of this House, but one who for several years supported passage of the Congressional Budget and Impoundment Control Act of 1974 and the process which it has set in motion, I am pleased to vote for the substitute presented by Mr. O'NEILL as amended by Mr. REUSS. This is the year of the dry-run for the new process by which the Congress can, if it will, organize more effectively its work on the President's budget.

The House has begun to take hold of the budget in a responsible and constructive way. Our Budget Committee presented a concurrent resolution setting out estimates of the principal aggregates: Revenues, budget authority, outlays, deficit, and public debt. The dry run exercise has not been as smooth as one hopes it will become next year and thereafter. But it is a start. Already it has served to focus our attention, confine the debate, and show its promise for providing more detailed, well-thought-out guidelines for making the Federal Government budget serve the economic and social purposes of the Nation.

I am glad this infant has survived today's test, although by a narrow margin.

The chief alteration in the committee's recommendation was to remove the ceilings or caps on cost-of-living increases in retirement benefits for social security and other retired persons and on salary increases for Federal employees. To penalize older persons and Government employees, as compared to others in the population, would have been unfair in the extreme.

Furthermore, recently passed laws would have been disregarded—laws which specified benefit and salary changes in line with changes in food prices, rents, medical costs, and other elements in the Consumer Price Index. Wisely, our action today reinforces the so-called comparability adjustment in Federal salaries to keep theirs in line with changes in similar private employment.

In a larger sense, the argument today came down to approving, as a guideline only, a $73 billion deficit for the fiscal year 1976 compared to one about 10 percent less. I wish the revenue estimates could have been higher, the outlays less, and the deficit smaller. But with the country still suffering acutely from widespread economic recession, the somewhat larger deficit can be justified. If the resulting increase in incomes and spending capacity of our people is put promptly to work, we have a good chance of overcoming the recession and putting the unemployed back to work that much sooner, thereby saving a good deal more than the slightly larger deficit.

But advocacy of this concurrent resolution must be accompanied by a determination to eliminate the deficit, and even run a surplus, once the economy has recovered from its slump. Any other course would invite a resumption of inflationary increases in costs and prices and an irresponsible rise in the national debt.

I trust this innovative, pathbreaking effort culminating in today's narrow vote of approval will help to make next year's effort deeper and probing. To realize the full potential of the new congressional budget process will require no less.

Mr. DON H. CLAUSEN. Mr. Chairman, the objective of reestablishing a greater congressional role in budgetmaking procedures is desirable and necessary and the need to put a lid on Federal spending is recognized by all of us.

This does not mean, however, that the bill before us—just because it is called the budget resolution—is going to do the job. I do not think it will and I do not think we can afford to accept the provisions it contains even though it has no binding impact on the congressional committees, the Congress, or the executive branch.

One of our colleagues yesterday called the bill a "dry run." And that is exactly what it is.

Even so, the spending policies it endorses are a threat to the economic stability we are seeking to attain and maintain.

We have already heard during this debate that a Federal deficit of over $70 billion will force the Federal Government alone to borrow more money next year than was borrowed by all governments, all businesses and all individuals last year.

What is that going to mean to all the families who hope to buy a home next year or to the builders who wish to build them? Where are they going to be able to borrow the money?

One thing is for sure—they are not going to be able to compete with the Federal Government in the lending market.

Quite frankly, in my judgment, the only way we are going to be able to assert congressional jurisdiction and gain a greater say over the Federal budget is to develop an unbending statutory spending ceiling that will be binding and that will effectively establish a limit on spending.

Such a limit would force all areas of the budget to bear their share. The purpose of such a bill would be to establish budget aggregates and set down a clear national economic policy. It would not be a means to consider individual items or issues which should be addressed separately by the committees with specific jurisdiction.

In my opinion, this resolution endorses excessive spending which will trigger another round of inflation. A responsible fiscal and monetary policy which holds the line on spending is the only way we are going to restore this Nation to a healthy economic path.

Endorsing further deficit spending under the guise of budget control is skirting our responsibilities and avoiding the need to face the problem head on.

I urge my colleagues to defeat this measure so that we may begin work on an answer to the real issue before us placing a lid on spending and moving toward revitalizing and stabilizing our economy.

Mr. BROWN of Ohio. Mr. Chairman, due to obligations as the ranking minority member of the House Subcommittee on Energy and Power, which has been meeting in markup all day for the past 3 weeks on the Energy Conservation and Oil Policy Act of 1975, I have not been able to participate as fully as I would have liked during the consideration of House Concurrent Resolution 218. As the ranking Republican on the Joint Economic Committee, I do not want to let the opportunity pass, however, without voicing my strong feelings on this most important resolution. I am concerned over the apparent lack of urgency and lack of understanding with which this budget proposal is being considered. Members are being asked today to state that it is their desire to spend our way to the biggest deficit in U.S. history, bigger than the largest deficit of World War II era and bigger by far than any of the inflated deficits of the last decade.

But I have sounder, more compelling reasons to oppose a deficit of this magnitude. We should not be scared off simply by big numbers. But in this case, we have had enough concrete warning about the ability of our country to absorb such a deficit that I want to make the record straight on this score.

My arguments will run along three lines: First, I do not believe the money markets can absorb a deficit of this magnitude. Second, if the Government accommodates this level of spending by "monetizing" the deficit, we run the very real risk of a new round of inflation, thus setting this country off on a boom-and-bust roller coaster that could last until the end of the century. Third, the experience of the other House with its Budget Committee resolution should be instructive to us in adopting a more conservative outlook on the resolution at hand today.

A great deal has been said about the "crowding out" of private borrowers from the money markets which could take place if the Federal Government required vast amounts of borrowed money to support its operations. The argument has been misstated to lead some people to believe that deserving borrowers would simply find no money at all. In fact, the argument is more sophisticated than that and deserves greater attention as a result. As a technical matter, for example, borrowers are crowded out of the market in the best of times. This is because the price of money is simply too high for the kinds of activities for which it is being borrowed. Some firms would find it uneconomical even to borrow at 5 percent if they knew that this would impair their financial ability. Therefore, the crowding out argument does not say that money will dry up completely; it is simply that Federal Government demands on the marketplace will force interest rates up to the point where many firms will stop borrowing and others will be forced to curtail borrowing severely, thus choking off the recovery in its incipient stages. This scenario would also very likely force many otherwise sound firms out of business, firms which could have survived had their debt burden been somewhat less. The incalcuable cost to the country, in terms of lost jobs and production, is what my colleagues must consider when voting for this $73.2 billion budget deficit.

Let me put the figures in somewhat better perspective. Writing in February of this year, for example, the chief economist of the major New York investment house of Salomon Bros., Henry Kaufman, stated that the huge budget deficit of the Federal Government will pose difficult challenges later on this year and could threaten the corporate blance sheet restructuring. Dr. Kaufman is one of those who share the crowding out theory, a view that is also shared by such leading financial market figures as Beryl Sprinkle of the Harris Trust Co., Allen Meltzer, chairman of the Shadow Open Market Commission, and Carl Brunner of the University of Rochester.

While there are bound to be prominent economists who think differently about this subject, I should point out that most of the opinion on the subject was written when the administration was proposing a budget deficit on the order of $52 billion. We are considering a deficit of almost half again that amount, and I cannot help but think that these money market managers I have mentioned above would only hold to their views more strongly in the face of a $73 billion deficit.

If the opinion of the experts were not enough, the actual experience of many corporations attempting to borrow in today's market should be sufficient. A Wall Street Journal article of April 3, 1975, for example, states quite openly that "the corporate bond market may be on the verge of collapse," citing as a reason the fact of

> the vast sums of money that the U.S. treasury will have to raise, thus causing a shortage of cash for other issues.

The article goes on to point out that in this actual case of crowding out, those affected have been not only the less-credit-worthy corporations, but also those with "prime-grade industrial obligations." The fear of massive Government borrowing, causing even more postponements, is such—at the present time—that even the prospect of a Treasury refinancing or new issue is enough to send borrowers storming into the market, inducing what some bond dealers term to be a credit panic. I refer specifically to a Wall Street Journal article of April 28, 1975, which I would like, at this point, to place in the Record:

[From the Wall Street Journal, Apr. 28, 1975]

Rush of Offerings Before Treasury Sale Is Termed "Credit Panic" by One Dealer

"The credit panic is on!"

Thus did one bond dealer in New York attempt to explain a sudden flood of private borrowing proposals immediately before the Treasury is to begin raising up to about $6.3 billion. Nine corporations and a Canadian province announced plans Friday to offer new debt obligations totaling more than $1 billion.

Most of the 10 prospective offerings are scheduled for next month. Among the major sales listed are $250 million by Shell Oil Co., $200 million by Caterpillar Tractor Co., and $150 million each by Aluminum Corp. of America and NCR Corp.

That wave of private financings was unexpected because of the Treasury's pending sale designed to refund about $3.8 billion of old notes maturing May 15 and to raise up to about $2.5 billion of new cash. The department is expected to set the terms of its new replacement issues later this week.

Public investors hold about $2.6 billion of 5⅞% notes and about $2.2 billion of 6% notes, the two series expiring in May. They can elect either to turn in their notes for cash or to swap them for the new replacement issues.

Uppermost in the minds of many investors is whether new long-term bonds will be included in the pending offer. Lengthy government issues are highly competitive with corporate bonds.

"My own guess is that the Treasury will sell long bonds, paying interest at perhaps 8⅝% or even 8¾%," one dealer remarked. "I believe that up to about $500 million could be absorbed rather comfortably, but more than that would have a damaging effect on prices in the corporate market."

Some companies and other private borrowers already have experienced difficulty competing for investment dollars against the Treasury, which has raised a staggering $25 billion so far this year. More undoubtedly are concerned about being "crowded out" in the future as the department continues to seek an estimated $40 billion or so every six months through 1976.

Moreover, recent signs of a business recovery suggest that the borrowing struggle soon may become even more intense.

"The rash of financing announcements probably marked the beginning of a heavy buildup in corporate bond volume in the months ahead," one Wall Street economist predicted. "Not only is the Treasury's enormous cash demand pushing these nervous private borrowers into the market, but the rebounding economy also is frightening them into stockpiling funds for fear that renewed inflation will make interest rates go even higher in the future."

The Wall Street Journal article points out that nervous borrowers will storm into the market in an attempt not only to preempt others forced out by future Treasury borrowing, but also to stockpile funds for fear that renewed inflation will push interest rates higher. And herein lies one of the points of my second argument. For the truth is that we run a terrible risk of reigniting a new round of inflation if we vote this horrendous $73 billion budget deficit into being.

I speak not simply as a fiscal conservative, but as one who does not like to see his country go backward and undo the very fragile progress that has been made since the late 1960s in trying to bring a firmly intrenched inflation under control.

Renewed inflation can come about in two ways. Excessive demands on the credit market could force interest rates up to a point where prices simply have to follow, in order to keep pace with towering debt structures. Or, alternatively, the Federal Reserve, whose responsibility it is to see that Treasury borrowing demands are accommodated, could be forced to "monetize" the debt, thus increasing the money supply at such a rate that inflation would be the inevitable result. I might point out to my colleagues that, according to the report of the Senate Budget Committee, a 10-percent rate of growth in the money supply would be required this year in order to finance the Senate's recommended budget level, which is $6 billion less than ours. Such a year-to-year money supply growth rate would be a record, surpassing even the large growth rates of the World War II period.

Now let us juxtapose that number beside the Federal Reserve's own money growth target rate—M_1—of between 5 and 7½ percent for the year starting March 1975. Dr. Burns notes that this growth rate is high by historical standards and "could not be maintained indefinitely without running a serious risk of releasing new inflationary pressures." And yet the Budget Committee wants us to endorse, implicitly, a growth rate of ten percent, which is surely the best way I know of getting ourselves into trouble. I commend to my colleagues this statement of Dr. Burns, made on Thursday before the Senate Committee on Banking, Housing and Urban Affairs, in which he not only described the menace of inflation, but also pointed out how the current recessionary period is the direct and inevitable result of the inflation which preceded.

Thus, I appeal not only to the fiscal conservatives in warning about high budget deficits, with their attendant inflationary consequences; I also appeal to those who think they are doing the best for the country by inflating it to the bursting point through massive deficits.

As a final argument, I would like to stress that the House of Representatives has become the more radical body of the Congress through its consideration of a $73.2 billion budget deficit. In the other body, only this week, an amendment to raise the deficit, in effect, to $71 billion was roundly defeated by more than a 2-to-1 margin. I do not believe that we should use the budget as a political pawn to garner bargaining chips as we approach the Senate in conference. Rather, we should vote out the best, wisest, most equitable level of spending we know how, and that surely must be less than the $73.2 billion presently under consideration and even less, in my view, than the $67.2 billion deficit implicit in the Senate resolution.

Mr. PEPPER. Mr. Chairman, I rise in support of the O'Neill substitute. Stated in simple terms this is what the O'Neill substitute would do. It would simply keep faith with the commitment that we have already made; namely, to give the following raises on account of the increase in the cost of living: To social security recipients, 8 percent; to civil and military retirees with the Federal Government, 8 percent; to the beneficiaries of railroad retirement, 8 percent; and to Federal employees, civil and military, as increased compensation, 8 percent. All of these groups have relied upon the law of the land enacted by the Congress providing that they would receive these benefits when the cost of living reached the point it has reached. We will be not only breaking faith with all these millions of people but we will be changing the law after the right to benefits under the law has already accrued to all these people.

Conspicuous in their need among the members of these groups are the elderly people. Twenty-five percent of the elderly are at or below the poverty level. More than half of the income for nearly all elderly couples and two-thirds of the income of the elderly who live alone is derived from social security benefits. In spite of congressional efforts to improve benefits, the average monthly benefit for the widow of a worker is $177; for a retired worker $181; for a couple $310. There are many elderly people in my area who do not get enough to eat and who have to choose between a newspaper and a cup of coffee. The administration has been steadily reducing the benefits the recipients of social security receive under medicare. I have been told by responsible doctors that the recipients of medicare today are paying more for their medical care than they were paying before medicare was enacted. Already receiving meager benefits under social security they have suffered from galloping inflation. While the need is not as acute among the other classes who would be benefited through the O'Neill amendment as the need of the elderly, nevertheless that need is great also. Their savings have been sharply diminished by inflation or losses. They live upon greatly reduced income, now limited to retirement benefits. They have never really been adequate to meet the needs of these people so they too have suffered from the high rate of inflation we have had. The same principle applies to Federal and military employees whose income has been steadily reduced by inflation. This 8 percent they and the other groups I have mentioned will receive is far less than the rate of inflation they have suffered.

So I support the O'Neill amendment because the recipients of that amendment are entitled for us to keep faith with them in the observance of the laws we have enacted, providing for increased benefits for them if the level of inflation which has been reached should come about. Second, all of these groups, conspicuously the elderly but the others as well, deserve this adjustment in the basis of their livelihood which is the benefits they derive from the Federal Government.

Mr. ROYBAL. Mr. Chairman, I rise in support of the O'Neill amendment, which would remove the caps that the Budget Committee has placed on retirement benefits and increases in Federal pay.

At present, increases in retirement benefit programs are tied to increases in the Consumer Price Index. Recipients of social security and supplemental security income are currently scheduled to receive an 8-percent rise in benefits beginning on July 1, 1975. The Federal pay raise is determined by the increase in wages in the private sector.

In a recent press conference, the President announced that he wanted to impose a 5-percent cap or limit on retirement benefits, including social security, and Federal pay. The Budget Committee has recommended to this House a 7-percent cap or limit on retirement benefit increases and a 5-percent cap or limit on Federal pay increases.

It is totally unfair for the groups of people who would be affected by the caps to bear the brunt of the Government's attempt to cut the budget deficit. Recipients of social security and supplemental security income, as well as retired Federal employees, are having difficulty meeting their expenses. These people on fixed incomes have been hit hardest by the huge price increases for food, shelter, and fuel. We must act to insure that their meager incomes at least rise at the same level as inflation.

The increases for Federal employees over the past 3 years have been much less than the rate of inflation. These people have actually lost ground in their fight to maintain their standard of living. In order to retain qualified Federal employees, we must offer them pay increases commensurate with those offered in private industry.

The O'Neill amendment would authorize $2.763 billion in additional outlays. However, it will also recoup more than this amount by updating outlay estimates since the Budget Committee reported its resolution, and by plowing back the tax revenue that will be generated by lifting the cap. Thus, the amendment is not inflationary, and is within our economic capabilities.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Massachusetts (Mr. O'NEILL), as amended.

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ADAMS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 234, noes 171, not voting 27, as follows:

[Roll No. 172]

AYES—234

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Annunzio
Ashley
Aspin
AuCoin
Badillo
Baldus
Barrett
Baucus
Beard, R.I.
Bergland
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Bonker
Brademas
Breaux
Breckinridge
Brodhead
Brooks
Brown, Calif.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Carney
Chisholm
Clay
Cleveland
Collins, Ill.
Conte
Conyers
Corman
Cornell
Cotter
D'Amours
Daniels, Dominick V.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Diggs
Dingell
Downey

Downing
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fisher
Fithian
Flood
Florio
Ford, Mich.
Fraser
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Goodling
Grassley
Green
Gude
Haley
Hall
Hamilton
Hanley
Hannaford
Harrington
Harris
Hawkins
Hayes, Ind.
Hechler, W. Va.
Heckler, Mass.
Helstoski
Hicks
Holland
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Jenrette
Johnson, Calif.
Jones, Ala.
Jordan
Karth
Kastenmeier
Kazen
Keys
Koch
Krebs
Krueger
Leggett
Lehman
Litton
Lloyd, Calif.
Long, La.
Long, Md.
McCormack
McFall
McHugh
Macdonald
Madden
Maguire
Matsunaga
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mineta
Minish
Mink
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Hara
O'Neill
Ottinger
Patman
Patten
Patterson, Calif
Pattison, N.Y.
Pepper
Perkins
Peyser
Pike
Pressler
Preyer
Randall
Rees
Reuss
Richmond
Riegle
Rinaldo
Risenhoover
Rodino
Roe
Roncalio
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
Russo
Ryan
St Germain
Santini
Sarbanes
Scheuer
Schroeder
Seiberling
Sharp
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stark
Steed
Stokes
Studds
Sullivan
Symington
Thompson
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Walsh
Waxman
Weaver
Whalen
Whitehurst
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wirth
Wolff
Wright
Yates
Yatron
Young, Alaska
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NOES—171

Abdnor
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Bafalis
Bauman
Beard, Tenn.
Bedell
Bell
Bennett
Biester
Blouin
Bowen
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Butler
Byron
Carr
Carter
Casey
Cederberg
Chappell
Clausen, Don H.
Clawson, Del
Cochran
Cohen
Collins, Tex.
Conable
Conlan
Coughlin
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Derwinski
Devine
Dickinson
Duncan, Tenn.
du Pont
Emery
English
Erlenborn
Esch
Eshleman
Fenwick
Findley
Fish
Flynt
Foley
Forsythe
Fountain
Frenzel
Frey
Ginn
Goldwater
Gradison
Guyer
Hagedorn
Hammerschmidt
Harkin
Harsha
Hastings
Hébert
Hefner
Heinz
Henderson
Hightower
Hillis
Hinshaw
Holt
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kasten
Kelly
Kemp
Ketchum
Kindness
LaFalce
Lagomarsino
Landrum
Latta
Lent
Levitas
Lloyd, Tenn.
Lott
Lujan
McClory
McCloskey
McCollister
McDade
McDonald
McEwen
McKay
McKinney
Madigan
Mahon
Mann
Martin
Mathis
Mazzoli
Michel
Milford
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mosher
Myers, Ind.
Myers, Pa.
O'Brien
Passman
Pickle
Poage
Pritchard
Quie
Railsback
Regula
Roberts
Robinson
Rousselot
Runnels
Ruppe
Sarasin
Satterfield
Schneebeli
Schulze
Sebelius
Shuster
Sikes
Skubitz
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stuckey
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Treen
Vander Jagt
Waggonner
Wampler
White
Winn
Wydler
Wylie

NOT VOTING—27

Biaggi
Burke, Calif.
Clancy
Dodd
Flowers
Ford, Tenn.
Gonzalez
Hansen
Hays, Ohio
Hungate
Johnson, Pa.
Mills
Mollohan
Price
Quillen
Rangel
Rhodes
Rogers
Rose
Shipley
Shriver
Stanton, James V.
Symms
Teague
Whitten
Wiggins
Young, Fla.

So the amendment in the nature of a substitute, as amended, was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Chair will entertain a motion from the Chairman of the Committee that the Committee do now rise and report the concurrent resolution, as amended, to the House.

Mr. ADAMS. Mr. Chairman, I move that the Committee do now rise and report the concurrent resolution back to the House with an amendment, with the recommendation that the amendment be agreed to and that the concurrent resolution, as amended, be agreed to.

The CHAIRMAN. The question is on the motion offered by the gentleman from Washington.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 218) setting forth, on an aggregate basis only, the congressional budget for the U.S. Government for the fiscal year 1976, had directed him to report the concurrent resolution back to the House with an amendment, with the recommendation that the amendment be agreed to and that the concurrent resolution, as amended, be agreed to.

The SPEAKER. Under the statute, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. Pursuant to section 305(a), title III, Public Law 93–344, the question is on the concurrent resolution.

Mr. LATTA. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

PARLIAMENTARY INQUIRY

Mr. LANDRUM. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry, but the yeas and nays have been ordered.

Mr. LANDRUM. Mr. Speaker, what is the budget deficit now carried in this resolution we are voting on?

The SPEAKER. The gentleman knows the answer to that. The gentleman knows that that is not a parliamentary inquiry.

The vote was taken by electronic device, and there were—yeas 200, nays 196, not voting 36, as follows:

[Roll No. 173]

YEAS—200

Abzug
Adams
Addabbo
Alexander
Ambro
Andrews, N.C.
Annunzio
Ashley
Aspin
AuCoin
Baldus
Barrett
Baucus
Beard, R.I.
Bedell
Bergland
Bevill
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brodhead
Brooks
Brown, Calif.
Burke, Mass.
Burton, Phillip
Carney
Conte
Corman
Cornell
Cotter
D'Amours
Daniels, Dominick V.
Danielson
de la Garza
Delaney
Dent
Diggs
Dingell
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Eilberg
English
Evans, Colo.
Evins, Tenn.
Fascell
Fisher
Fithian
Flood
Florio
Foley
Ford, Mich.
Fraser
Fuqua
Gaydos
Giaimo
Gibbons
Green
Gude
Hall
Hamilton
Hanley
Hannaford
Harkin
Harris
Hayes, Ind.
Hechler, W. Va.
Hefner
Hicks
Hightower
Holland
Holtzman
Howard
Howe
Hubbard
Hughes
Jenrette
Johnson, Calif.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Keys
Koch
Krebs
Krueger
Lehman
Litton
Lloyd, Calif.
Long, La.
McCormack
McFall
McHugh
McKay
Macdonald
Madden
Maguire
Mahon
Matsunaga
Meeds
Melcher
Meyner
Mezvinsky
Mikva
Milford
Miller, Calif.
Mineta
Minish
Mink
Moakley
Moffett
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Neal
Nedzi
Nowak
Oberstar
Obey
O'Hara
O'Neill
Patman
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pickle
Pike
Preyer
Rees
Reuss
Richmond
Risenhoover
Roberts
Rodino
Roncalio
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
Russo
Ryan
St Germain
Santini
Sarbanes
Scheuer
Seiberling
Sharp
Simon
Sisk
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stark
Steed
Studds
Sullivan
Symington
Thompson
Thornton
Traxler
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
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Whalen
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Wirth
Wolff
Wright
Yates
Yatron
Young, Tex.
Zablocki
Zeferetti

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Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Badillo
Bafalis
Bauman
Beard, Tenn.
Bell
Bennett
Biester
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Burton, John
Butler
Byron
Carr
Carter
Casey
Cederberg
Chappell
Chisholm
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conyers
Coughlin
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Davis
Dellums
Derrick
Derwinski
Devine
Dickinson
Downing
Duncan, Tenn.
du Pont
Early
Edwards, Ala.
Emery
Erlenborn
Esch
Eshleman
Evans, Ind.
Fenwick
Findley
Fish
Flynt

Forsythe
Fountain
Frenzel
Frey
Gilman
Ginn
Goldwater
Goodling
Gradison
Grassley
Guyer
Hagedorn
Haley
Hammerschmidt
Harrington
Harsha
Hastings
Hébert
Heckler, Mass.
Heinz
Helstoski
Henderson
Hillis
Hinshaw
Holt
Horton
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Johnson, Colo.
Jones, N.C.
Kasten
Kelly
Kemp
Ketchum
Kindness
LaFalce
Lagomarsino
Landrum
Latta
Lent
Levitas
Lloyd, Tenn.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McDade
McDonald
McEwen
McKinney
Madigan
Mann
Martin
Mathis
Mazzoli
Metcalfe
Michel
Miller, Ohio
Mitchell, Md.
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Myers, Pa.
Natcher
Nichols
Nolan
Ottinger
Passman
Patten
Poage
Pressler
Pritchard
Quie
Railsback
Randall
Regula
Riegle
Rinaldo
Robinson
Roe
Rose
Rousselot
Runnels
Ruppe
Sarasin
Satterfield
Schneebeli
Schroeder
Schulze
Sebelius
Shuster
Sikes
Skubitz
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Taylor, Mo.
Taylor, N.C.
Thone
Treen
Vander Jagt
Waggonner
Walsh
Wampler
Whitehurst
Wilson, Bob
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Winn
Wydler
Wylie
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Biaggi
Burke, Calif.
Clancy
Dodd
Flowers
Ford, Tenn.
Fulton
Gonzalez
Hansen
Hawkins
Hays, Ohio
Hungate
Johnson, Pa.
Leggett
Mills
Mollohan
Mosher
Murtha
Nix
O'Brien
Peyser
Price
Quillen
Rangel
Rhodes
Rogers
Shipley
Shriver
Stanton, James V.
Symms
Talcott
Teague
Whitten
Wiggins
Young, Fla.
Young, Ga.

So the concurrent resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Teague for, with Mr. Rhodes against.

Mr. Shipley for, with Mr. Johnson of Pennsylvania against.

Mr. Price for, with Mr. Quillen against.

Mr. Peyser for, with Mr. Symms against.

Mr. Rangel for, with Mr. Talcott against.

Mr. Biaggi for, with Mr. Young of Florida against.

Mr. Dodd for, with Mr. Clancy against.

Mr. Mollohan for, with Mr. Hansen against.

Mr. Fulton for, with Mr. O'Brien against.

Mr. James V. Stanton for, with Mr. Wiggins against.

Until further notice:

Mr. Whitten with Mr. Hawkins.

Mr. Gonzalez with Mr. Flowers.

Mr. Hays of Ohio with Mr. Ford of Tennessee.

Mr. Hungate with Mrs. Burke of California.

Mr. Leggett with Mr. Murtha.

Mr. Rogers with Mr. Nix.

Mr. Mills with Mr. Shriver.

Mr. Mosher with Mr. Young of Georgia.

The result of the vote was announced as above recorded.

GENERAL LEAVE

Mr. ADAMS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the concurrent resolution just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

PERMISSION FOR CONFEREES TO HAVE UNTIL MIDNIGHT FRIDAY, MAY 2, 1975, TO FILE CONFERENCE REPORT ON H.R. 25

Mrs. MINK. Mr. Speaker, I ask unanimous consent that the conferees on the disagreeing votes of the two Houses on the bill (H.R. 25) have until midnight, Friday, May 2, in which to file a conference report on the bill.

The SPEAKER. Is there objection to the request of the gentlewoman from Hawaii?

There was no objection.

LEGISLATIVE PROGRAM FOR WEEK OF MAY 5, 1975

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, I would like to take a few moments to ask the majority whip about the program for next week.

Mr. McFALL. Mr. Speaker, if the distinguished minority whip would yield, I will announce the program.

There is no further legislative business for today.

Upon announcement of the program for next week, I will ask unanimous consent to go over until Monday.

The program for the House of Representatives for next week is as follows:

Monday we will have the Consent Calendar and the following suspensions:

H.R. 5405, passengers on cargo vessels; H.R. 5272, Noise Control Act authorization; H.R. 1244, Presidential Protection Assistance Act; H.R. 5153, Bikini Atoll payments; and S. 236, trust territories civil government authorization.

The votes on suspensions will be postponed until the end of consideration of all of the suspensions.

For Tuesday and the balance of the week, we will have the Private Calendar and as to suspensions, there are no bills on the Suspension Calendar.

We will have H.R. 4510, Foreign Service Buildings Act amendment, open rule, 1 hour of debate;

H.R. 5810, Foreign Service Buildings Act amendment, open rule, 1 hour of debate;

H.R. 4035, review of decontrol of petroleum prices, open rule, 1 hour of debate;

H.R. 6209, prohibiting variable rate mortgages by Federal savings and loan associations, subject to a rule being granted;

H.R. 4296, agriculture target prices, possible veto override; and

S. 1236, Emergency Livestock Credit Act, open rule, 1 hour of debate.

Conference reports, as usual, may be brought up at any time, and any further program will be announced later.

Mr. MICHEL. Mr. Speaker, I would ask, does the gentleman from California have any kind of prediction as to next Friday?

Mr. McFALL. The prediction would be the same as we usually make; that we would hope to finish all the business for the week, and if it is necessary to work on Friday, then we will.

We have a large calendar, but I would think if we would all work hard it possibly would not be necessary to work on Friday.

Mr. MICHEL. I thank the gentleman.

ADJOURNMENT TO MONDAY, MAY 5, 1975

Mr. McFALL. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

DISPENSING WITH BUSINESS IN ORDER UNDER THE CALENDAR WEDNESDAY RULE ON WEDNESDAY NEXT

Mr. McFALL. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday Rule be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

AUTHORIZING CLERK TO RECEIVE MESSAGES AND AUTHORIZING THE SPEAKER TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS

Mr. McFALL. Mr. Speaker, I ask unanimous consent that, notwithstanding any adjournment of the House until Monday next, the Clerk be authorized to receive messages, and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses, and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

REPORT ON EVACUATION FROM SOUTH VIETNAM—COMMUNICATION FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–124)

The SPEAKER laid before the House the following communication from the President of the United States; which was read, referred to the Committee on International Relations, and ordered to be printed:

THE WHITE HOUSE,
Washington, April 30, 1975.

The Honorable The SPEAKER,
United States House of Representatives
Washington, D.C.

DEAR MR. SPEAKER: On April 4, 1975, I reported that U.S. naval vessels had been ordered to participate in an international humanitarian relief effort to transport refugees and U.S. nationals to safety from Danang and other seaports in South Vietnam. This effort was undertaken in response to urgent appeals from the Government of South Vietnam and in recognition of the large-scale violations by the North Vietnamese of the Agreement Ending the War and Restoring the Peace in Vietnam.

In the days and weeks that followed, the massive North Vietnamese attacks continued. As the forces of the Government of South Vietnam were pushed further back toward Saigon, we began a progressive withdrawal of U.S. citizens and their dependents in South Vietnam, together with foreign nationals whose lives were in jeopardy.

On April 28, the defensive lines to the northwest and south of Saigon were breached. Tan Son Nhut Airfield and Saigon came under increased rocket attack and for the first time received artillery fire. NVA forces were approaching within mortar and anti-aircraft missile range. The situation at Tan Son Nhut Airfield deteriorated to the extent that it became unusable. Crowd control on the airfield was breaking down and the collapse of the Government forces within Saigon appeared imminent. The situation presented a direct and imminent threat to the remaining U.S. citizens and their dependents in and around Saigon.

On the recommendation of the American Ambassador there, I ordered U.S. military forces to proceed by means of rotary wing aircraft with an emergency final evacuation out of consideration for the safety of U.S. citizens.

In accordance with my desire to keep the Congress fully informed on this matter, and taking note of the provision of section 4 of the War Powers Resolution (Public Law 93-148), I wish to report to you that at about 1:00 A.M. EDT, April 29, 1975, U.S. forces entered South Vietnam airspace.

A force of 70 evacuation helicopters and 865 Marines evacuated about 1400 U.S. citizens, together with approximately 5500 third country nationals and South Vietnamese, from landing zones in the vicinity of the U.S. Embassy, Saigon, and the Defense Attache Office at Tan Son Nhut Airfield. The last elements of the ground security force departed Saigon at 7:46 P.M. EDT April 29, 1975. Two crew members of a Navy search and rescue helicopter are missing at sea. There are no other known U.S. casualties from this operation, although two U.S. Marines on regular duty in the compound of the Defense Attache Office at Tan Son Nhut Airfield had been killed on the afternoon (EDT) of April 28, 1975, by rocket attacks into a refugee staging area. U.S. fighter aircraft provided protective air cover for this operation, and for the withdrawal by water of a few Americans from Can Tho, and in one instance suppressed North Vietnamese anti-aircraft artillery firing upon evacuation helicopters as they departed. The ground security forces on occasion returned fire during the course of the evacuation operation.

The operation was ordered and conducted pursuant to the President's Constitutional executive power and his authority as Commander-in-Chief of U.S. Armed Forces.

The United States Armed Forces performed a very difficult mission most successfully. Their exemplary courage and discipline are deserving of the nation's highest gratitude.

Sincerely,

GERALD R. FORD.

REVISING TITLE 5, UNITED STATES CODE, RELATING TO PER DIEM AND MILEAGE EXPENSES OF GOVERNMENT EMPLOYEES

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 172) to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of Government employees, and for other purposes, with a Senate amendment to the House amendment thereto, and agree to the Senate amendment.

The Clerk read the title of the Senate bill.

The Clerk read the Senate amendment to the House amendment, as follows:

Page 7, of the House engrossed amendment, after the matter following line 15, insert:

SEC. 8. The seventh paragraph under the heading "ADMINISTRATIVE PROVISIONS" in the Senate appropriation in the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 68b), is amended by striking out "$25" and "$40" and inserting in lieu thereof "$35" and "$50", respectively.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. HORTON. Mr. Speaker, reserving the right to object, and I shall not object, I wish to express my support for this unanimous-consent request to accept the Senate amendment and pass S. 172, as amended.

As Chairman BROOKS has pointed out, the Senate has accepted the House bill in its entirety and has asked that we, as a matter of comity, raise the rate of per diem for Senate employees to the rate applicable to House employees and the rates listed in this bill for executive branch employees. I certainly think it is incumbent upon the House to accept this Senate amendment. I wish to point out that this amendment does not deal with the provision in the Senate bill which would have modified the authorization for Senate employees to receive per diem. It only changes the rate of per diem for those presently authorized per diem under existing law and Senate rules.

This bill, as amended, has the full support of the administration and Federal employee unions. It will remove inequity which now burdens Federal employees when they travel on Government business and have to subsidize that official business because per diem and travel rates are presently inadequate to cover their expenses.

This bill is urgently needed. I hope the House will accept this agreement with the Senate and approve the Travel Expense Amendments Act, as amended, without further delay.

I would like to ask the chairman of the committee, the gentleman from Texas (Mr. BROOKS) whether or not what I have stated with regard to the Senate provisions is accurate.

Mr. BROOKS. If the gentleman will yield, that is absolutely accurate. The provision does not include any money for Senate personal employees. It provides only an allowance of $35 a day per diem for Senate committee employees and Senators traveling on official committee business. This is exactly the same amount that members of House of Representatives committees get. It is quite equitable, and is undoubtedly a fair provision which does not extend the Senate per diem arrangements whatsoever.

Mr. HORTON. I would also like to ask the chairman, in the event that per diem is allowed, that is only on official business; is that correct?

Mr. BROOKS. That is correct.

Mr. ASPIN. Mr. Speaker, will the gentleman yield?

Mr. HORTON. I yield to the gentleman from Wisconsin.

Mr. ASPIN. I thank the gentleman for yielding.

A lot of the questions that the gentleman raised in his statement covered the questions that I had. I would just like to pin things down in a couple of places.

If I may ask both of the gentlemen, am I correct that this bill does not extend the coverage to anybody who is now not already covered?

Mr. HORTON. That is correct.

Mr. ASPIN. So everybody who gets the $35 in this bill was getting the $25 before? Nobody new gets any of the money; is that correct?

Mr. HORTON. That is a correct statement.

Mr. ASPIN. Essentially it covers Senators when they are on official business as House Members when they are on official business, committee members when they are on official business, members of the Senate staff like members of the House staff, but it does not cover personal staff members; is that correct?

Mr. BROOKS. That is correct. Only committee staff personnel are involved.

Mr. ASPIN. I thank the gentleman, and I have no objection.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. HORTON. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

The gentleman says that this will allow per diem for Members of the other body only while on official business. The last time this matter came before the House, a similar provision apparently provided for Members of the other body to make trips to their home States, even though they were not necessarily on committee business. They could designate their trips as "official business" and receive a per diem allowance, which they cannot do now, and which we in the House cannot do now.

Mr. HORTON. I yield to the chairman on that.

Mr. BROOKS. Mr. Speaker, if I may make clear, the Senate situation as it now exists is that Senators on official committee business within their State, within the United States, or elsewhere can draw per diem. They can do that now. This will not change whatsoever the criteria for their drawing per diem. It will change only one thing and that is they will draw $35 instead of $25. House Members presently get $35.

Mr. BAUMAN. Mr. Speaker, if the gentleman will yield further, I would just observe of course that none of us knew this matter would be called up until 10 or 15 minutes ago. It is very difficult for anyone to form an opinion of its merits, although I certainly rely on the judgments of both of the gentlemen involved. But the amendment does involve section 68B of article 2 of the United States Code. That section provides that regulations governing per diem for the other body will be issued by their Committee on Rules. Without further research the gentleman from Maryland does not know whether this amendment might provide nice cushy trips back home for Senators that we in the House do not have and perhaps should not have. I know the Members of the other body have as many round trips to their homes per year as we have, and that should be sufficient.

I ask the gentleman to withdraw this request until Monday so we can study it over this weekend. Nobody is making trips over the weekend, so we could study it. Otherwise I will be constrained to object.

Mr. BROOKS. Mr. Speaker, I will just say this will delay correcting an inequity for all our Government employees who now drive their cars on official Government business and it costs them more money than they can get compensated for.

Mr. BAUMAN. Are they going anywhere between now and Monday?

Mr. BROOKS. It is a very inequitable situation and to delay it further is unnecessary. It is quite clear that the qualifications for entitlement to per diem will not change as a result of this bill. The rules of the Senate can be changed at any time, as the gentleman and I both know, and so can the rules of the House, but right now the law is that only Senators on official committee trips can take this. It will increase the amount to $35, just as the gentleman can draw if he makes a trip that is official business of a House committee.

Mr. HORTON. Perhaps it will help if the chairman would explain exactly what the amendment is.

Mr. BAUMAN. Mr. Speaker, if the gentleman will yield, the gentleman from Texas has explained. I still have reservations and I intend to object unless the gentleman will delay his request. If he wants to pursue it now further I will object now.

Mr. FRENZEL. Mr. Speaker, if the gentleman will yield, I think the gentleman from Maryland is making a valid point. I do not know what official business is or how these rules are prescribed. It seems to me a pretty late hour to take up something that is rather important. I support the gentleman from Maryland in simply asking to have some time for us to study this.

Mr. BROOKS. We can work on this forever but I do not know that I can explain this amendment any more clearly or more honestly or more candidly than I have.

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I will just say to the gentleman from Texas, the issue here is compensation for proper travel by all Members of Congress and employees of the Government. All I want is to assure myself that as one Member, this amendment does authorize proper travel. It may possibly be broader in effect than my interpretation or any interpretation I have heard here in this debate.

I have asked to have until Monday to consider this matter. If the gentleman does not wish to afford me that time by withholding until Monday, I will object.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. BAUMAN. I object.

The SPEAKER pro tempore. Objection is heard.

LAST OFFICIAL SPEECH OF SECRETARY OF INTERIOR ROGERS C. B. MORTON

(Mr. SKUBITZ asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. SKUBITZ. Mr. Speaker, I am placing in the RECORD the last official speech of Rogers C. B. Morton as Secretary of the Interior. Our former colleague and a good friend is moving on to new and broader horizons as Secretary of Commerce.

This speech sumarizes the views and goals of one who champions the cause of national self-reliance and who never doubts our country's ability to solve even its most serious problems. During his tenure as Secretary of the Interior, he faced head-on America's energy shortage and formulated a course of action essential to our economic well-being and international self-respect.

I commend my colleagues to heed the remarks of Rogers Morton. His sage advice, although not extending beyond the parameters of good commonsense, is inspirational, establishing sound guidelines to extricate us from our current dilemma of energy insufficiency. Rogers C. B. Morton was not only an outstanding Secretary of the Interior, he is a great statesman, who brings to his new position the same insight and perseverance that have already insured his place in the annals of American history.

REMARKS OF SECRETARY OF THE INTERIOR ROGERS C. B. MORTON AS CHAIRMAN OF THE ENERGY RESOURCES COUNCIL BEFORE THE EIGHTH ANNUAL INVESTORS CONFERENCE, WALDORF ASTORIA, NEW YORK, N.Y., APRIL 29, 1975

Thank you Mr. Kaplan. It is a pleasure for me to be here today.

I bring best wishes from a former colleague of yours and a present colleague of mine, Frank Zarb. He was sorry that unforeseen circumstances prevented his attendance here today.

However, it gives me another opportunity to express myself on a subject which has consumed most of my working hours over the past year. That, of course, is energy—its conservation, its use, and its development.

How we in this nation—in government, in the private sector, and as individuals and consumers—deal with the energy crisis will influence—the shape of our economy—and the future of the United States for years to come.

And I believe the President's program for national energy self-sufficiency must be adopted if that future is to be a welcome one.

You in this audience are daily confronted with the overwhelming need for a national energy policy as you work with the capital, the investments and the companies that make up the foundation of our economy and America's position as the leader of the industrialized world.

Our national prominence and the success of our economy have been based on stable supplies of vital commodities available at reasonable and predictable prices.

Now we must grapple with the fact that foreign oil—on which our economy has grown so dependent—can be denied at a moment's notice or priced at still more exorbitant levels.

These dangers were brought home with force to the American people during the 1973–74 oil embargo. The energy crisis—years in the making—was suddenly a daily reality of service station lines and skyrocketing fuel bills.

Today the crisis is less visible, but it is no less formidable—no less dangerous. Last year, the energy crisis meant a shortage of supplies.

This year, it means a continuing and growing drain of American dollars, and with them, American jobs, to pay for imported oil—a drain that is taking an enormous toll on an economy already ravaged by recession.

In 1973, the United States paid 8 billion dollars for foreign oil. Last year that bill jumped to 25 billion dollars. As a direct result, this country ran a balance of trade deficit of 6 billion dollars.

If our oil import bill had stayed the same as in 1973, with all other factors equal, our balance of trade would have shown a surplus of as much as 14 billion dollars.

If the bill had only doubled in 1974, it is virtually certain we could still have had a substantial surplus. But that bill did not go up just 200 percent; it went up even higher to put this nation further into debt.

And if we fail to mount a serious national effort to conserve energy and increase our own domestic energy supplies, in 1977 alone the oil producing countries will take 32 billion dollars out of our economy in exchange for imported oil.

In short, we will be throwing our hands in the air and saying "yes" to a 1,000 percent increase in the annual cost of imported oil over a seven-year period.

Some of our dollars will, of course, come back to us as the oil producing nations purchase food, machinery, technology and other goods and services. These "recycled" petrodollars will help offset some of the economic drain from the energy crisis. But foreign investment—the repatriation of petrodollars—cannot provide us with a permanent solution to the energy problem.

That can only be done by the successful achievement of national energy independence. And until we are self-sufficient, we will remain vulnerable to even higher prices and the threat, if not the actual fact, of another embargo.

The last oil cut-off involved only 14 percent of our national petroleum consumption. Yet it resulted in an estimated loss of 10 to 20 billion dollars in gross national product and threw half-a-million people out of work.

In two years time, we could be 50 percent dependent on overseas sources for oil. If even half of these imports were subject to an embargo, the loss in GNP could exceed 30 billion dollars and the loss of jobs could be in the millions.

Even if conditions in the middle east stabilize overnight, we would still face a situation in which a handful of nations control most of the world's oil reserves. And their control over oil production and pricing means continuing insecurity for the United States if our dependence on these sources remains unchecked.

That is why the Administration is pushing for development of domestic energy resources. And we believe this can best be accomplished by the free market system—a system that historically has been fair, reliable and responsive to dynamic economic situations.

We are convinced that decontrolling domestic oil and gas prices and staying out of other energy development efforts to the maximum possible degree will provide the climate the marketplace needs to respond promptly and effectively to our energy requirements.

This is not to suggest that government does not have a continuing role to play in industry regulation and consumer protection. While overregulation can hinder economic growth and productivity and leave the consumer paying plenty for what amounts to government-sanctioned price fixing in the absence of fair and open competition, the same is also true when the private sector engages in market manipulations. In both cases, the consumer must pay a price set higher than a commodity's true market worth without receiving any additional value for his money.

By removing government price controls on the domestic energy industry, incentives will be provided to encourage the necessary increases in new exploration and production, while for the first time in decades, energy prices will reflect energy's true value to the economy.

At the same time imposition of a windfall profits tax will provide additional incentives for industry to plow these profits back into new energy development. Both the windfall profits tax and the energy tax rebates will insure that added value is received from higher energy prices in terms of new resource development and spendable income that will be returned to the economy.

For the most part, government's role in the marketplace should be that of a referee or umpire, whose function is to see that the rules are obeyed.

This is precisely the role FEA is playing right now in our investigation of overcharges for crude oil, propane and other petroleum products. Those who would use a national crisis to profit at the public expense through willful and fraudulent price gouging are breaking the rules and undermining the system that has kept our economy free and prospering for almost two hundred years. And I can assure you they will be investigated and prosecuted to the fullest extent of the law.

But while this type of government monitoring is essential to keep the marketplace open, free, and fair, let me emphasize that neither the public nor the government get money's worth from overregulation.

This view has been advanced more and more by people in government, as well as by public spokesmen who are generally viewed as interventionist in their economic outlook—most notably—and perhaps, surprisingly—by Ralph Nader, in some recent comments on the Food and Drug Administration.

In the energy sector, we are trying to strike the regulatory balance necessary to protect the public interest and at the same time, help the operation and growth of a productive economy.

In short, we seek a system that will allow the price of energy to reflect its true value to the economy; that will maintain government's role as an umpire making sure the rules of free and fair competition are followed and the consumer protected—but that will not intrude government further into the marketplace to usurp a competitor's role.

The Administration will continue the effort to establish a stable market atmosphere free from capricious or intrusive government decisions that are disruptive to our economic and energy goals and the best interest of the nation. So, let's look at what we are working with.

Our supplies of oil and natural gas are finite and they are running out. Higher energy prices provide the necessary profitability to invest in expensive advanced recovery methods for existing oil wells and development of our outer continental shelf and Alaskan reserves.

But even with these efforts to increase conventional fuel supplies, we must look to other sources to help fill our energy needs.

The most promising near-term developments in alternate sources are synthetic fuels which can be used to supplement conventional oil and natural gas supplies.

One great advantage of synthetic fuels is their adaptability to our existing energy system with few if any modifications.

Another big factor is that we have immense domestic supplies of the raw materials from which these fuels can be manufactured.

But, the most important factor is that the technology is being rapidly advanced to bring these fuels into prompt and economic commercial use.

Work on oil shale extraction and coal gasification and liquefaction technologies has been going on since World War II in the private sector and in joint efforts by government and industry.

The Energy Research and Development Administration is carrying on these projects through their fossil energy program—a program based on an incentive approach to developing the economically viable technology to convert domestic fossil fuels into the energy forms that will satisfy market demand.

ERDA funds 100 percent of the fossil fuels projects that are in the high risk stages of early development. When projects reach the pilot plant stage, the private sector picks up a third of the investment while government funding totals two-thirds. When the demonstration plant stage is reached, joint government-private funding is equal. The final full scale commercialization is then left totally to private financing.

The President has set a goal of producing 1 million barrels of synthetic fuels daily by 1985. It is a goal I believe we can—and will—reach.

There are more than 125 fossil fuel contracts in existence under the ERDA program. Their total value runs around $600 million and industry is picking up over 25 percent of the tab.

Much of this work concerns oil shale and efforts to extract the 80 billion barrels of recoverable oil contained in this resource.

At least seven processes for above ground mining and extracting oil from shale have been developed and most are nearing commercial application stages. At least six production projects have already targeted operation dates between 1978 and 1982.

In addition, proceses for in-situ oil shale extraction—a cheaper and more advanced technology—are continuing. Numerous methods have been tried, but until recently, few have shown any real promise.

However, recent advances in in-situ production technology indicate the process will be commercially feasible by the early 1980s.

Tar sands—another area of synthetic fuels development from resources within the United States—could yield between 20 and 30 billion barrels of oil. The Athabasca Tar Sands plant in Canada is already producing 52,000 barrels of oil a day at a profit. So commercial development has already been achieved. Here, in the U.S., a number of small private research and development projects are getting underway and the government has agreed to help finance an experimental project with private industry.

Coal conversion technology, most notably in the advancement of coal liquefaction processes to the demonstration state, are also among ERDA's fossil energy projects.

This nation has about 3 trillion tons of coal reserves that constitute about 80-percent of our entire stock of fossil fuel resources. Commercialization of the technologies to produce clean gaseous, liquid and solids fuels from coal, and to improve the direct combustion of coal consistent with environmental standards could supply a major share of U.S. energy demand.

Current Federal budgeting for coal conversion programs totals over $269 million, with commercial stage development expected by the early 1980s for both liquefaction and gasification technologies.

Beyond the synthetic fossil fuel programs, the government is pushing development of more advanced forms of energy—anticipating both short and long-range applications.

One of the most popular—solar energy technology—is developing along six different avenues. Significant advances in the development of three of these—solar energy for heating and cooling, wind energy conversion, and bioconversion—could have near-term commercial applications if our present rate of advance is continued.

Solar, thermal, photovoltaic, and ocean thermal conversion techniques are in the initial development stage, but have shown exciting promise for providing significant amounts of electric power by the turn of the century.

Geothermal energy development also has the potential to provide a large part of the energy needs in the Western United States and Alaska.

Development of the Geysers, a dry steam geothermal source in Northern California, was accomplished solely by the private sector. The Government hopes that Federal efforts in developing and demonstrating applications utilizing other types of geothermal resources will stimulate additional industry activity so that between 20,000 and 30,000 megawatts of commercial electric and thermal power will be generated from all geothermal sources by 1985.

While this may seem like an overly ambitious goal, accelerated geothermal energy development can provide its developers and the nation with a cost-effective and environmentally acceptable energy resource that could save several billions of dollars a year in imported oil costs.

Looking even further down the energy timetable, the successful development of nuclear fusion can furnish us with reliable, economic and safe production of electricity.

Nuclear fusion is, of course, at the very experimental stage. But, the scientific feasibility of producing energy from fusion could be demonstrated by 1980. Once feasibility is proven, the engineering practicality and economic competitiveness of the concept could spur testing by the middle of the next decade; and with a successful and vigorous research and development effort, fusion could begin contributing to our energy supply in the early part of the next century.

Commercial development and application of new ideas in energy *conservation* are as vital to achieving our goals of self-sufficiency as energy resource development. And financial backing is imperative in this area if we are to build a better energy conservation mousetrap—from the mini-computer to stop gasoline waste—to a new car engine that gets 40 miles to the gallon—to an improved form of insulation to increase thermal efficiency in homes and buildings.

Sometimes, good ideas from the past can be recycled. For example, heat pumps use electricity to pull heat from the ground in winter and convert it into BTUs to heat buildings; in the summer, the process is reversed, with building heat being conveyed back to the ground and the buildings cooled.

These systems have been commercially available for years and the technology is well established. But until recently, the higher cost of heat pumps compared to conventional heating and cooling units, has held down consumer demand.

Now, with the high price of energy, the additional, one time acquisition cost of a heat pump will be weighed against the fuel bills that it will reduce over the years. As a result, a substantial shift to heat pumps in new building construction is expected over the next ten years. And private financing will probably be sought to gear up production of an "old" energy conservation idea whose time has finally come.

Conservation—using old methods or new—and the development of energy resources—whether conventional or advanced—will require massive funding for practical, commercial use.

The Federal Government has committed itself to providing an enormous share of this funding to help get these projects off the ground.

But unless we are willing to accept a drastic, fundamental change in our economic system, private industry—through private investment—must be prominently involved in these developments and must take over the final marketing, building, and operating stages as new energy systems become commercial.

Let me emphasize again that the Administration feels an unencumbered marketplace is essential for the kind of long range planning and investment the nation needs for energy independence. But there are those who would be more than ready to have government run the whole show if the private sector cannot or will not make the necessary future commitments.

I did not mean to make the situation sound dismal or as if energy investment incentives are all sticks and no carrots. In fact, the challenges we face—far from being discouraging—constitute new opportunities—the chance to demonstrate our fundamental strength as a people and to show what the free enterprise system can do in responding creatively and productively to new circumstances.

No nation is as capable of molding its energy future as the United States. We have abundant resources, we have the technological ability, and we have the kind of capital financing needed to succeed.

The opportunities for successful investments are virtually unlimited.

The new resources and techniques being developed today are going to be the only energy game in town in the years and decades ahead, and you have a chance to get into that game for openers.

More importantly, through this opportunity, you can play a vital role in the comprehensive energy plan that this Nation must implement without delay.

The President's program is based on maximum involvement of the private sector in achieving our energy goals.

You and I know that this will require the kind of private sector financing that is only available through the institutional investment community.

The need for positive action to implement a comprehensive national energy program is urgent.

Every day, every week, every month we delay means more money flowing out of our economy and the mounting risk that our efforts ultimately will come too late to turn the economy around in time.

The cost of such inaction hangs over the Nation like a thundercloud. Yet there are still those who refuse to heed the thunder.

The Administration will continue to work with the Congress to enact a comprehensive and effective energy program without further delay. Progress has been made on this front, and we hope to have a final bill passed by June.

I trust that those of you in this room and throughout the industry will make the commitment to do your part in achieving our national energy goal—for the good of the economy and the future of our country.

The costs of any other course are too grave to consider and too high to be borne.

Thank you.

CHANGES IN SURVIVOR BENEFIT PLAN FOR MILITARY PERSONNEL

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from California (Mr. BOB WILSON) is recognized for 5 minutes.

Mr. **BOB WILSON**. Mr. Speaker, I am today introducing legislation to make several major changes in the survivor benefit plan for military personnel, established by Public Law 92–425 on September 21, 1972. Public Law 92–425 replaced the retired servicemen's family protection plan, which had been in effect since the early 1950's, with a survivor plan modeled closely in terms of costs and benefits on the survivor annuity program available to civilian employees of the Federal Government for a number of years.

The amount of the reduction needed for participation in RSFPP was quite substantial in comparison to the amount required to provide similar coverage under the civilian program—in fact, prohibitively high in some cases—and, as a result, participation was appallingly low—about 15 percent. The tragic end result of this has been the large number of widows, who after the frequent transfers and long family separations required by a military career, found that they were left with no entitlement to a portion of the husband's retirement pay upon his death.

One of the major purposes of the new survivor benefit plan was to create a more attractive, less costly program which would encourage widespread participation by retirees and afford future widows some measure of financial security against the exigencies of old age. Unfortunately, several provisions of the survivor benefit plan have had an adverse effect on participation, despite the commendable effort made by the various military retiree organizations to encourage their members to join, and we will continue in the future to face the specter of a large group of unprotected widows unless the legislation is improved. My bill does so.

The survivor benefit plan was a landmark piece of legislation and a giant step forward. Nonetheless, several major modifications are required to make it more attractive and more fair to those taking part. This is the purpose of the legislation I am introducing today. SBP has now been in effect for 2½ years and I hope that the House Armed Services Committee will schedule early and comprehensive hearings on this bill and the several previous SBP measures I have introduced this year.

I have had an opportunity to talk with a number of retirees since SBP was enacted, and it appears that the major deterrent to full participation has been the social security offset provision. Basically, this means that the amount of the annuity which the widow receives under the survivor benefit plan is offset dollar-for-dollar when she reaches age 62 by the social security benefits to which she is entitled based on her late husband's military service after 1956.

In reviewing the legislative history, it is clear that the intent of the subcommittee which wrote this legislation was to make the survivor benefit plan an adjunct of the social security coverage already provided for military personnel. In practical application, however, the offset has been a difficult and confusing mechanism.

An example of one of the more complex, and inequitable, applications of the offset is the case of a widow who has worked sufficient time to draw social security benefits based on her own earnings. Under present social security law, the widow may receive a benefit based either on her late husband's earnings or on her own social security work credits, whichever is higher, but not both. As the present language of the survivor benefit plan law reads, however, if she is "entitled" to benefits based upon her late husband's military service, even though she is not, in fact, receiving any money from social security on his account, her SBP annuity is offset by the amount she would be entitled to receive. We give it with one hand and take it away with the other.

Let us put this into hard, cold cash. Let us take the case of a constituent who wrote last year on this situation. She is receiving social security benefits based on her own earnings and gets nothing from her husband's social security retirement account. As of the social security raise effective last June, however, her SBP annuity is offset by $128 per month for the social security to which she is entitled based on her late husband's military service, but which the social security law prohibits her receiving. The sum of $128 per month is a substantial piece of change for anyone in these inflationary times, and particularly so for a widow.

The example mentioned above is one of the more glaring problems with the offset. There are others, however. Let me cite the actual case of an Army officer retired in December 1959 at age 57. After retirement he worked under social security covered employment for 10 years. Having been born in 1902, his highest 11 years of social security covered employment are used in computing his benefit and, of course, after death, his widow's benefit.

In this situation, the highest 11 years were from 1959 to 1970, excluding the years 1957 and 1958 when he was on active duty and under the contributory social security system. His social security retirement pay is approximately $290 per month based on $62,602 social security earnings. The offset from his wife's SBP annuity would be about $100 per month based on $13,200 of wage credits he earned while on active duty from January 1957 to December 1959. Note, however, that the years 1957 and 1958 were not included in computing his—or his widow's—social security benefits.

For further illustration, let us take an officer or enlisted man retired in 1965 at age 50. Following retirement he worked in private industry up to age 63. He then had a total of $159,000 in wage credits: $42,000 military-earned and $117,000 civilian earned. His primary insurance amount—social security benefit—is $358 per month. The PIA based on civilian-earned credits alone is $285. Thus, his $42,000 of military-earned wage credits net him only $73 per month in social security benefits.

However, the offset against his widow's SBP annuity is $130 per month—82.5 percent of the PIA attributable to military-earned wage credits. Logically, the offset should be only $60 or 82.5 percent of the $73 which is the military-earned social security entitlement. However, the method now used to determine the offset totally ignores the ratio of benefits earned in civilian life and simply takes the $42,000 of military-earned credits and computes the offset on that basis alone. This puts the PIA at $157, making the offset $130—82.5 percent—a lowering of $57 in monthly income to the widow.

Because of difficulties like the cases outlined above, the legislation I am introducing today would change the offset from dollar-for-dollar to 50 percent. Thus, if the amount of social security to which the widow is entitled based on her husband's military service is $120, she would be offset only $60, rather than the full $120. I hope that the whole question of the present method of computation used in determining the amount of the offset, as previously outlined, will be thoroughly reviewed during the course of committee hearings on survivor benefits. The reduction to 50 percent is a fair and easily understandable means of dealing with this problem, but is not the only answer.

The offset, whether the retiree subsequently works in private industry or not, has been a substantial deterrent to greater participation. Many retirees have advised me that, although the decision was difficult to make, they did not feel that the limited coverage provided, as a result of the offset provision, was sufficient to justify the many years of reduced annuity payments. The effect of the offset will be substantially greater for future retirees who have increasingly greater periods of active service after 1956, as shown in examples below:

	Age	Approximate monthly reduction
Year retired:		
1962	50	$113
1967	55	156
1973	50	178
1975	55	223

In summary, my bill would cut the offset in half, remove the offset if the widow is not actually receiving benefits based on her late husband's military service, and revoke the offset of the "mother's benefit" when there is a widow under age 62 with only one child. At present, the offset applies for a widow with one child, but not for two, three, or more.

Additionally, the legislation would reopen eligibility for participation in SBP for another 9 months, because of the major improvements envisioned by this bill and the two measures I recently introduced removing the lock-in requirement for SBP enrollment and changing the marriage requirement for receipt of a widow's benefit from 2 years to 1. Finally, in the next few months, I plan to introduce further series of bills dealing with several other aspects of SBP, such as coverage for certain temporary duty officers.

SBP is approaching its third birthday this September, and the time has come for a thorough review of its operation and needed changes. This legislation and the previous bills I have introduced will make the survivor benefit plan more attractive and more equitable. The 9-month reenrollment period will give the services and the retiree groups time to get the word out to their membership and I anticipate that these improvements will result in a dramatic increase in participation. I urge the House Armed Services Committee to schedule early hearings on this subject. The plight of current widows is heart rending; I hope we can fulfill the dream of those who pushed SBP for so many years by preventing this situation from perpetuating itself.

BILL TO AMEND ALASKA NATIVE SETTLEMENT ACT OF 1971

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Alaska (Mr. YOUNG) is recognized for 10 minutes.

Mr. YOUNG of Alaska. Mr. Speaker, I am introducing today a bill to amend the Alaska Native Claims Settlement Act of 1971 to clear up certain ambiguities in that act and to add provisions which address problems unforeseen when it was enacted.

The first section of this bill provides a 1-year period for Alaska Natives to enroll to receive benefits under the Settlement Act. Some 77,000 Alaska Natives were so enrolled during the 2-year period set by the act for completion of the roll of eligibles. However, approximately 800 applicants who filed applications after the Secretary of Interior's March 30, 1973 deadline had their applications summarily denied, and it is estimated that more than 1,000 others were dissuaded from filing after learning that the deadline had passed. Certainly it was not the intent of Congress that eligible Alaska Natives be excluded from participating in the benefits of the Settlement Act solely because of failure to meet an arbitrary administrative deadline. Therefore, this additional 1 year will provide a last opportunity to enroll to those Natives who would have been qualified for enrollment if they had met the original deadline.

The second provision of this bill corrects an ambiguity in ANCSA concerning the disposition of various receipts from activities on Federal lands withdrawn for selection by Native corporations. Revenues received by the Interior Department for contracts, leases, permits, rights-of-way, or easements on Federal lands which will be patented to Natives cannot be transferred to them without specific provision in law for such a transfer. Therefore, this section authorizes the Secretary to place these revenues in an escrow account where they will earn interest until the time the lands are patented to the Natives. The Secretary will pay the account funds to the new landowners when title to the land is conveyed. Any funds remaining in the account from lands not selected by the Natives will then revert to the U.S. Treasury.

The third provision of this bill adds a new section to ANCSA giving Native corporations organized under the act a temporary exemption from the Investment Company Act of 1940. Until the Native corporations receive title to the lands they have selected and are selecting, are fully organized and become operational as profitmaking businesses, they must find productive uses for the more than $150 million that has been distributed to them pursuant to the Settlement Act. One use contemplated by the corporations is to invest some of the funds in commercial bank time deposits or certificates of deposit. However, by so investing these corporations risk being classified by the Securities and Exchange Commission as investment companies. Such classification carries with it requirements for filing highly technical, costly and time-consuming registration and periodic reports. Once the land selections are completed and the uncertain status of the various assets of the Native corporations is resolved, probably none of them will be subject to the requirements of the 1940 act. Thus, if required to register during their organizational stages, these corporations would further have to expend more time, money and manpower—and piles of paperwork—to deregister.

It is too early for these fledgling corporations to know even what their investment policies and legal and accounting problems may be to make registration practicable for them under the Investment Company Act. On the other hand, the penalties for failure to register under that act, even for a company which inadvertently becomes subject to its provisions, are severe. This section would provide the Native corporations with time to identify any problems which they may ultimately have under the Investment Company Act and to work appropriate solutions for such problems internally and in consultation with the staff of the Securities and Exchange Commission.

The SEC has established a temporary rule exempting Native corporations who register as investment companies from most of the provisions of the 1940 act. Nonetheless, some regional corporations have not registered under the SEC temporary rule and there exists some risk that their corporate acts and contracts might be vulnerable to challenge under the 1940 act. The exemption will provide necessary breathing room to the SEC and the Native corporations to permit resolution of long-range problems.

The fourth provision of this bill adds a new section to ANCSA which spells out the intent of Congress concerning income received by Alaska Natives pursuant to the act. Section 2(c) of ANCSA states, in part, that—

No provision of this act shall replace or diminish any right, privilege, or obligation of Natives as citizens of the United States or of Alaska, or relieve, replace, or diminish any obligation of the United States to protect and promote the rights or welfare of Natives as citizens of the United States or of Alaska.

Despite such language and the fact that the act makes payments to Natives under ANCSA tax exempt, Washington bureaucrats in the Department of Agriculture, in the absence of specific language to the contrary, have included such payments in determining eligibility for the food stamp program. HEW, on the other hand, considered the same question and decided that payments under ANCSA would be disregarded in determining eligibility and benefits under the aid to families with dependent children and supplemental security income programs. To remedy this problem and to restore Native eligibility for food stamps, this section specifically provides that payments received by Alaska Natives pursuant to ANCSA shall be disregarded in determining eligibility for food stamps.

To insure that no further interpretations relative to the Settlement Act similar to that of the Agriculture Department are made concerning Native eligibility for other governmental programs this section further states that the payments under ANCSA are compensation for the extinguishment of land claims only, and shall not be deemed to substitute for any Governmental programs otherwise available to the Native people of Alaska as citizens of the United States and the State of Alaska.

The fifth section is a housekeeping provision concerning the treatment of money in the Alaska Native Fund. It provides that money in the fund can earn interest in the same manner as funds currently held in trust for Indian tribes. This provision concerns the interest rate only and in no way establishes any new relationship between the Federal Government and the Alaska Natives.

The sixth section provides that nothing in this bill alters or amends the Settlement Act except as specifically provided.

The seventh section authorizes the merger or consolidation of village corporations formed within the same region of Alaska under the Settlement Act.

This authority is needed to allow many of the Native corporations whose small size, remote location, and difficulty in acquiring managerial expertise seriously threaten their ability to achieve and maintain self-sufficiency. This section would permit such corporations to vote to merge with other corporations within the same region in order to pool their resources and business management skills and operate on a larger, more efficient and economically viable basis. The Settlement Act prohibits any sale, assignment, or other alienation of stock in any regional or village corporation by its stockholders until 1991. Because a merger involves exchanges of stock which constitute alienation, this legislation, which modifies the restrictions on alienation of village and regional corporation stock, is needed to permit the mergers or consolidations.

Alaska Natives strongly desire to have their village and regional corporations succeed in achieving and maintaining self-sufficiency. However, their experiences have led them to realize that they cannot reach that goal if their corporations continue to exist as small separate entities. They regard mergers of the village corporations as vital to their development into strong organizations capable of handling the many and diverse needs of the corporations and their shareholders. This section merely provides the village corporations with the option to merge if they perceive such action to be in their best interest.

The eighth provision of this bill amends ANCSA to extend the life of the Joint Federal-State Land Use Planning Commission for Alaska until June 31, 1979. This Commission has provided invaluable assistance to State and Federal officials, Members of Congress, Native corporations and private landowners in the State of Alaska.

The Commission is charged with broad responsibilities in matters pertaining to the ownership, management, and use of Alaskan lands. Its many accomplishments to date include extensive studies on Alaskan resources, the submission to the Secretary of Interior options relating to land selections under section 17(d)(2) of ANCSA, detailed studies and recommendations concerning Native village eligibility under that act, identification of public easements, formulation of suggested rules to be applicable to various land selections, protection of mining claims, and numerous other reports, studies, and recommendations germane to the implementation of ANCSA. The Commission is also deeply involved in problems relating to the use of Alaska's valuable oil, gas, and other natural resources.

Congress has until December of 1978 to act upon recommendation respecting the classification and use of lands covered by ANCSA. Establishment of detailed regulations specific to these Alaskan lands will be necessary, and many other questions require further study. It is clear that the expertise of the Commission has become a valuable resource for everyone who deals with the problems involved in implementing ANCSA, and without its ongoing assistance, the tasks ahead would be immeasurably more difficult. The objectivity and depth with which the Commission can deal with such varied problems as transportation, environmental control, and resource development is, perhaps, unique.

The Commission should, therefore, be authorized an additional 2 years and 6 months to continue its significant role in the development of policies of rational use and preservation of Alaskan land and resources.

Finally the last provision of title I amends ANCSA to create a 13th regional corporation.

I intend to introduce title II of this bill on May 7 which will provide for the conveyance of certain lands to the Cook Inlet Regional Corporation.

Mr. Speaker, I ask unanimous consent that the text of the bill be printed in the RECORD as follows:

H.R. 6644

A bill to provide, under or by amendment of the Alaska Native Claims Settlement Act, for the late enrollment of certain Natives, the establishment of an escrow account for the proceeds of certain lands, the treatment of certain payments and grants, and the consolidation of existing regional corporations, and for other purposes

TITLE I—GENERAL PROVISIONS

LATE ENROLLMENT OF CERTAIN NATIVES OTHERWISE QUALIFIED

SEC. 101. The Secretary of the Interior (hereinafter in this Act referred to as the "Secretary") is authorized to review those applications submitted within one year from the date of enactment of this Act by applicants who failed to meet the March 30, 1973, deadline for enrollment established by subsection (a) of section 5 of the Alaska Native Claims Settlement Act (hereinafter in this Act referred to as the "Settlement Act"), and to enroll those Natives under the provisions of that Act who would have been qualified if the March 30, 1973, deadline had been met: *Provided*, That Natives enrolled under this Act shall be issued stock under the Settlement Act together with distributions from corporations adjusted so as to make distributions to such Natives equal to distributions to Natives originally enrolled under the Settlement Act: *Provided further*, That land entitlement of any Native village, Native group, Village Corporation, Regional Corporation, or corporation organized by Natives residing in Sitka, Kenai, Juneau, or Kodiak, all as defined in such Act, shall not be affected by any enrollment pursuant to this Act, and that no tribe, band, clan, group, village, community, or association not otherwise eligible for land or other benefits as a "Native village", as defined in such Act, shall become eligible for land or other benefits as a Native village because of any enrollment pursuant to this Act: *Provided further*, That no tribe, band, clan, village, community, or village association not otherwise eligible for land or other benefits as a "Native group", as defined in such Act, shall become eligible for land or other benefits as a Native group because of any enrollment pursuant to this Act: *And provided further*, That any "Native group", as defined in such Act, shall not lose its status as a Native group because of any enrollment pursuant to this Act.

ESCROW ACCOUNT FOR PROCEEDS OF CERTAIN LANDS

SEC. 102(a) From and after the date of enactment of this Act, any and all proceeds derived from contracts, leases, permits, rights-of-way, or easements pertaining to lands or resources of lands withdrawn for Native selection pursuant to the Settlement Act shall be deposited in an escrow account which shall be held by the Secretary until lands selected pursuant to that Act have been conveyed to the selecting corporation or individual entitled to receive benefits under such Act. As such withdrawn or formerly reserved lands are conveyed, the Secretary shall pay from such account the proceeds which derive from contracts, leases, permits, rights-of-way, or easements, pertaining to the lands or resources of such lands, to the appropriate corporation or individual entitled to receive benefits under the Settlement Act together with interest. The proceeds derived from contracts, leases, permits, rights-of-way, or easements, pertaining to lands withdrawn or reserved, but not selected or elected pursuant to such Act, shall, upon the expiration of the selection or election rights of the corporations and individuals for whose benefit such lands were withdrawn or reserved, be deposited in the Treasury of the United States or paid as would have been required by law were it not for the provisions of this Act.

(b) The Secretary is authorized to deposit in the Treasury of the United States the escrow account proceeds referred to in subsection (a) of this section, and the United States shall pay interest thereon semiannually from the date of deposit, such deposit to bear simple interest at a rate determined by the Secretary of the Treasury: *Provided,* That the Secretary in his discretion may withdraw such proceeds from the United States Treasury and reinvest such proceeds in the manner provided by the first section of the Act of June 24, 1938 (25 U.S.C. 162a): *Provided further,* That this section shall not be construed to create any trust relationship between the United States and any corporation or individual entitled to receive benefits under the Settlement Act.

EXEMPTION FROM INVESTMENT COMPANY ACT

SEC. 103. The Settlement Act is amended by adding at the end thereof the following new section:

"SEC. 28. Any corporation organized pursuant to this Act shall, through December 31, 1976, be exempt from the provisions of the Investment Company Act of 1940 (54 Stat. 789), as amended. Nothing in this section shall, however, be construed to mean that any such corporation shall or shall not, during the two years after such date, be subject to the provisions of the Investment Company Act of 1940."

TREATMENT OF CERTAIN PAYMENTS AND GRANTS

SEC. 104. The Settlement Act (as amended by section 103 of this Act) is further amended by adding at the end thereof the following new section:

"SEC. 29. (a) The payments and grants authorized under this Act constitute compensation for the extinguishment of claims to land, and shall not be deemed to substitute for any governmental programs otherwise available to the Native people of Alaska as citizens of the United States and the State of Alaska.

"(b) Notwithstanding section 5(a) and any other provision of the Food Stamp Act of 1964, in determining the eligibility of any household to participate in the food stamp program, any compensation, remuneration, revenue, or other benefit received by any member of such household under the Settlement Act, in connection with an aboriginal land claim of such member, shall be disregarded."

RATE OF INTEREST ON ALASKA NATIVE FUND

SEC. 105. For purposes of the first section of the Act of February 12, 1929 (25 U.S.C. 161a), the Alaska Native Fund shall be considered to consist of funds held in trust by the government of the United States for Indian tribes.

RELATION OF THIS ACT TO SETTLEMENT ACT

SEC. 106. Except as specifically provided in this Act, (i) the provisions of the Settlement Art are fully applicable to this Act, and (ii) nothing in this Act shall be construed to alter or amend any of such provisions.

CONSOLIDATION OF CORPORATIONS

SEC. 107. (a) Notwithstanding any provision of the Settlement Act, any corporation created pursuant to section 7(d) or 8(a) of such Act within any of the twelve regions of Alaska, as established by section 7(a) of such Act may, at any time, merge or consolidate, pursuant to the applicable provisions of the laws of the State of Alaska, with any other of such corporations created for the same region.

(b) Any corporations resulting from such mergers or consolidations further may merge or consolidate with other such merged or consolidated corporations within the same region or with other of the corporations created in such region pursuant to section 7(d) or 8(a) of the Settlement Act. Such mergers or consolidations shall be on such terms and conditions as are approved by vote of the shareholders of the corporations participating therein, and may take place pursuant to votes of shareholders held either before or after the enactment of this Act. Upon the effectiveness of any such mergers or consolidations the corporations resulting therefrom and the shareholders thereof shall succeed and be entitled to all the rights, privileges, and benefits of the Settlement Act, including but not limited to the receipt of lands and moneys and exemptions from various forms of Federal, State, and local taxation, and shall be subject to all the restrictions and obligations of such Act which were applicable to the corporations and shareholders which participated in such mergers or consolidations or which would have been applicable if the mergers or consolidations and transfers of rights and titles thereto had not taken place.

(c) Notwithstanding the provisions of section 7(m) of the Settlement Act, in any merger or consolidation in which the class of stockholders of a regional corporation who are not residents of any of the villages in the region are entitled under Alaska law to vote as a class, the terms of the merger or consolidation may provide for the elimination of the right of such class to receive dividends pursuant to such section 7(m).

(d) Notwithstanding any other provision of this section or of any other law, no corporation referred to in subsection (a) of this section may so merge or consolidate unless that corporation's shareholders have approved the merger or consolidation.

TERMINATION OF COMMISSION

SEC. 108. Section 17(a)(10) of the Settlement Act is amended by striking out "its final" in the first sentence and inserting in lieu thereof "(a)", and by striking out the last sentence and inserting in lieu thereof the following: "The Commission shall continue its activities and make such additional reports and recommendations as may be appropriate after May 30, 1976, a final and comprehensive report shall be submitted on or before June 30, 1979. The Commission shall cease to exist effective June 30, 1979."

SEC. 109. Subsection 7(c) of the Alaska Native Claims Settlement Act (85 Stat. 688) is hereby amended by deleting that subsection in its entirety and inserting in lieu thereof a new subsection as follows:

"(c) The Secretary shall establish a thirteenth region for the benefit of Natives who are nonresidents of Alaska who elected to be enrolled therein, and they may establish a regional corporation pursuant to this Act."

SEC. 110. The Alaska Native Claims Settlement Act (85 Stat. 688) is hereby further amended by inserting at the end thereof a new section 30 as follows:

"SEC. 30. (a) A Native who elected to be enrolled in a thirteenth region, pursuant to subsection 5(c) shall be so enrolled, notwithstanding the fact that a majority of the Natives eligible to elect enrollment in that region may not have so elected.

"Any Native who, on or before December 1, 1973, had filed with the Secretary or his delegate any application to amend his enrollment application regarding his election whether or not to be enrolled in the thirteenth region shall, within not less than sixty nor more than ninety days of the enactment of this section, inform the Secretary whether or not he wishes to be enrolled in the thirteenth region. Any Native who so informs the Secretary shall be enrolled according to his preference as indicated in the information so submitted to the Secretary. Any Native who fails so to inform the Secretary shall be enrolled according to the information provided in that Native's original enrollment application. The Secretary shall take such action as may be necessary to insure that every Native affected by this section is aware of his option to change his enrollment decision. Within one hundred and twenty days of the enactment of this section the Secretary shall prepare and certify a final roll which when certified shall supersede the temporary roll authorized by this subsection. When the final roll is certified, the Secretary shall take such steps as may be necessary to make appropriate adjustments in the distribution of funds pursuant to this Act. The final roll shall incorporate changes in enrollment pursuant to this subsection as well as other changes made by the Secretary in accordance with the Act.

"(c) Within thirty days of the certification of the final roll pursuant to this section, any bona fide organization representing nonresident Natives shall submit to the Secretary the names of not more than five Natives who have elected to be enrolled in the thirteenth regional as nominees for the positions of the five incorporators of the thirteenth regional corporation. Not less than thirty days nor more than sixty days after such certification, the Secretary shall mail to all eligible voters ballots containing the names of all nominees and their associational affiliations for the purpose of an election by mail of the five incorporators who shall serve as the initial directors of the thirteenth regional corporation. Eligible voters in the election shall be only Natives eighteen years of age or older on the date of election of incorporators pursuant to this subsection who are enrolled in the thirteenth region. Valid ballots shall be only those ballots mailed to the Secretary or his designee not later than ninety days after such certification. The five nominees for whom the most votes are cast shall be elected incorporators of the thirteenth regional corporation and shall promptly take all steps authorized by this Act for such incorporators. All rules, regulations, and information relating to the election shall be transmitted directly to all known organizations representing nonresident Natives, the twelve regional corporations representing resident Natives, and all eligible voters.

No moneys distributed or to be distributed pursuant to this Act may be expended or obligated by any Native, Native corporation, Native organization, representative thereof, or adviser thereto, to assist in, communicate on, or otherwise influence the election.

"(d) The articles of incorporation of the thirteenth regional corporation shall be submitted to the Secretary for approval in accordance with subsection 7(c) within eighteen months of the enactment of this section.

"(f) In the event the Secretary of the Interior, prior to the enactment of this subsection, has certified a roll pursuant to subsection 5(a) of this Act, such certification shall be rescinded and a new temporary roll certified within ten days of the enactment of this subsection. Any distribution of funds pursuant to subsection 6(c) of this Act made by the Secretary or his delegate on the basis of the rescinded roll shall not be affected by this subsection.

"The Secretary shall make any necessary adjustments in future distributions to accommodate changes in the temporary roll reflected in the final roll in order to insure a final distribution of such money in accordance with the final roll. The Secretary is authorized to make payment from the Alaska Native Fund to the thirteenth regional corporation, once established, during the period prior to the next regularly scheduled distribution from the fund pursuant to this Act. Such payment shall be in the form of an advance on such corporation's adjusted share of such regularly scheduled distribution.

"(g) Any stock issued by a corporation under subsection (g) of section 7 of the Settlement Act to any Native who is enrolled in the thirteenth region pursuant to this section shall, upon enrollment of that Native, be canceled by the issuing corporation without liability to it or the Native whose stock is so canceled.

AS THE CURTAIN FALLS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DON H. CLAUSEN) is recognized for 5 minutes.

Mr. DON H. CLAUSEN. Mr. Speaker, over the years Mr. William Randolph Hearst, Jr. has written some very prophetic, provocative, clear and succinct editorials.

In recent years, he has devoted a number of significant and timely columns to the issues involved in the Indochina situation.

With the tragic end of the Vietnam era it seems appropriate that in his most recent editorial relating to the fall of Cambodia and South Vietnam he leaves no doubt as to what his carefully researched views are.

I believe he places this very sad experience in proper perspective and, therefore, I herewith insert it in the CONGRESSIONAL RECORD for present and future readers.

AS THE CURTAIN FALLS

(By William Randolph Hearst, Jr.)

WASHINGTON.—Twenty years of United States effort to preserve a non-Communist South Vietnam are now clearly rushing to a tragic climax. The fall of Phnom Penh in neighboring Cambodia this week all but surely portends an early similar fate for the besieged government in Saigon.

Speaking here before the annual convention of the American Society of Newspaper Editors, an embittered President Ford flatly charged that "this present tragic situation" in South Vietnam was directly caused by U.S. failure to meet its commitments to that country.

The Soviet Union and Communist China, he said, by contrast have more than lived up to their commitments to North Vietnam—as inferentially pledged in the 1973 Paris peace accords permitting both sides to replace war materiel on a "piece-for-piece" basis. The President added:

"We are faced with this human tragedy because at the last minute of the last quarter we don't make the special effort to provide just a relatively small additional help in economic and military aid—relatively small compared to the $150 billion that we spent.

"It makes me sick at heart every day I hear about it, read about it and see it."

It makes me sick at heart, too. But little constructive purpose is served by blaming Congress for failing to act as requested by President Ford. Congress, unhappily, seems to be reflecting the fed-up attitude of the U.S. public.

In this disgraceful situation there is blame enough for just about everybody.

It is important, I think, to analyze what really happened to us in Vietnam. The most important fact to remember is that from the very beginning of our involvement our sole motivation was to help South Vietnam resist a Communist takeover.

That was our national policy. It made no basic difference whether the aggression was Nazi, Fascist or Communist. We entered World War II to stop aggression by Hitler—under exactly the same principle as originally motivated us in Vietnam.

It was a humanitarian principle solidly backed by the American people and its elected representatives—including four presidents who variously represented both major political parties. The principle, in a word, was bi-partisan.

Don't forget that the Senate voted 98–2 to give President Johnson the authority to act as he saw fit in defending the freedom of South Vietnam. And don't forget that Jack Kennedy, the pet president of the subsequent war-critic liberals, was thoroughly convinced that the Vietcong did not just represent a bunch of revolutionary farmers but were being supplied and directed by Communist Hanoi.

Suddenly the baby was dropped in the lap of Lyndon Johnson. At the time of President Kennedy's assassination in Dallas, large numbers of our military men were doing everything but firing south Vietnamese guns. It was the new President's gravest error to take a further step and order American fighting forces into actual combat.

My father and a whole string of military experts had long warned against our getting actively engaged in an Asiatic land war. Korea should have taught us the lesson, but didn't. Then, compounding the mistake, one of the most absurd rules for fighting a war ever formulated was laid down as our military policy in Vietnam.

Our forces, even though the signals from the public and Congress were all go, were instructed to fight a war of containment. They were to wage a complicated holding action, to wear down the enemy by resisting, by tactical seek-and-destroy actions against the most threatening centers of aggression—but not to go all out for a clean-cut defeat of the enemy.

This was a self-defeating strategy if there ever was one. There was no front, no sustained offensive, no attempt to carry the war to enemy soil. Just tens of thousands of Americans getting killed while the nation's fighting morale died a slow death, while liberal senators, columnists and commentators openly sympathized with the enemy and our so-called allied nations did nothing but knock our efforts.

It was all inevitable—and perfect grist for the world-wide Communist propaganda apparatus. Our original purpose of halting aggression was all but forgotten in the welter of divisive debate which resulted. And it happened simply because this nation failed to heed these words of Gen. Douglas MacArthur, spoken in 1952:

"It is fatal to enter any war without the will to win it."

So what happened? President Nixon and Henry Kissinger—after giving the enemy a taste of what we could really do in the 1972 Christmastide mass bombings of the North—succeeded in forcing a peace of words at Paris under which our forces were able to be withdrawn.

That peace agreement did not specifically bind us to the "piece-for-piece" replacement of war materiel permitted both sides. But a clear moral obligation for us to do so was inherent, backed by admitted personal promises given to the Thieu government by our government.

The shameful final chapter now is approaching its end. Contrary to the American tradition of living up to our promises, the majority of our citizens—if the Congress is truly reflecting their views—seem content to wash their hands of the whole mess.

It mightily disturbs my conscience—but there is the story.

Anybody who thinks this welshing on obligation won't seriously weaken the prestige of the United States is either out of his mind or succumbing to wishful thinking.

Now—what will happen when Saigon falls? It is noteworthy that our latter-day, anti-war liberals already have mounted a campaign of warnings against "recriminations." As The Wall Street Journal noted in a recent blunt editorial, the purpose is to foreclose debate on issues the warners fear they may lose. It added:

"They (the warnings) are intended to close the debate on Vietnam at a convenient point, before history makes painfully clear that whatever the mistakes in Vietnam our presence there was rooted in serious purposes."

Not only serious, it should be stressed, but nobly humanitarian. As in Hitler's Germany, our sole original purpose was to prevent the enslavement of people.

We failed, or soon will have failed through a collapse of national resolve. The end result, thanks to Communist stamina, is likely to be the wholesale slaughter of countless thousands actively prominent pro-American or anti-Communist South Vietnamese.

In all probability you won't hear too much about the bloodbath. As usual, the Communist conquerors will clamp down an Iron Curtain of silence. They will call the silence peace.

With this in mind, your attention is directed to the latest consummate display of gall by that typical apologist for the Communists, Sen. George McGovern. In an interview with John Hall of our Washington bureau, McGovern said he didn't believe there would be any mass killings in Saigon—as certainly happened after the fall of Hue—but allowed as how there might be such reprisals against certain top Saigon officials.

"It happens at the end of almost every war," he said. "We punished many Germans at the war crimes trials in Nuremburg, you remember."

To equate the international trial of the Nazi war criminals with what is almost certain to happen in Saigon is all but incredible for a U.S. Senator—even George McGovern.

LOGICAL SOLUTION TO VIETNAM REFUGEE PROBLEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. WHITE) is recognized for 5 minutes.

Mr. WHITE. Mr. Speaker, on April 23, and again on April 25, I sent messages to President Ford offering what I felt to be a logical solution to the Vietnam refugee problem. I want now to submit my letter of April 25 to the President on this subject for the RECORD:

APRIL 25, 1975.

Hon. GERALD R. FORD,
President of the United States,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: What is this country going to do with 130,000 refugees from South Vietnam?

Where are you going to place them when they arrive in this country?

How are you going to care for them?

And for how long?

And at what cost?

In a telegram sent to you April 23, I offered what I consider to be a completely viable and workable alternative to the trauma of suddenly depositing 130,000 refugees in this country; and that is to place them in the United States Pacific trust territories, at least as an intermediate step while the answers to the above questions are worked out and presented with complete candor to the American people.

Since this is an international humanitarian mission, the United Nations, which has original jurisdiction over these territories, could not possibly object to the effort; but rather, by the very nature of its being, should encourage it.

It is doubtful to me that there are very many Americans who would argue the fact that we have a moral commitment to aid—by evacuation—as many of those South Vietnamese as possible who face the probability of dire harm and death at the hands of the Communists.

But you can count on the fact that these same morally committed Americans entertain more than a passing concern over the massive costs represented in depositing this huge number of people in our country—people who represent incalculable costs to our taxpayers for several generations.

Certainly, it will be costly even to place the refugees in the Pacific trust islands, but we are talking in terms of a bare fraction of what it would cost to bring them to this country.

My alternative, additionally, would allow the affected people to retain their pride and self respect. They would be in a location quite similar to their own in climate and terrain, and with people of similar ethnic strain. They would have the opportunity of quickly becoming self-sufficient through agricultural and other endeavors. They would avoid the cultural shock of being suddenly deposited in a country and a society completely foreign to them.

Most important, they would be in the immediate vicinity of their homeland should they desire to return home once the panic—real or imagined—subsides.

I have the privilege of being joined in this letter to you by the Honorable Dale Milford of Texas, The Honorable William Randall of Missouri, The Honorable Tim Lee Carter of Kentucky, The Honorable David Treen of Louisiana, and The Honorable William Goodling of Pennsylvania. The immediacy of this situation did not allow time to secure additional signators, although various Members have advised me that they concur with this proposal.

Again, Mr. President, we urge your very real consideration of this alternative.

Place these refugees together in our Pacific trust territories. Then, in the months ahead, as the exigencies of the moment evaporate and as the turmoil ceases, allow them the options of returning to their close by homeland, of establishing a new life in the trust territorities, or even of coming to this country in numbers we can manage over a period of time.

Thank you, and,

Sincerely yours,

Richard C. White,
Dale Milford,
Tim Lee Carter,
David C. Treen,
William Randall,
William Goodling,
Members of Congress.

VIETNAM EVACUATION BILL OPPOSED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. Bedell), is recognized for 5 minutes.

Mr. BEDELL. Mr. Speaker, I rise in opposition to the conference report on H.R. 6096, the Vietnam evacuation bill.

H.R. 6096, as reported by the conferees, contains two separate authorizations—$177 million for humanitarian assistance to and evacuation programs from South Vietnam and $150 million for humanitarian assistance for South Vietnam. It also contains a clause authorizing the use of U.S. Armed Forces to assist in the evacuation of American citizens and certain South Vietnamese nationals from Vietnam. In my view, the funding for the evacuation and authorization for the use of American combat forces in Vietnam are no longer, and in fact never were, necessary. And, in addition, the section authorizing humanitarian assistance for South Vietnam is poorly constructed and in need of revision. In light of recent developments in Vietnam, I submit that H.R. 6096 be set aside and new legislation, providing exclusively for humanitarian assistance for the human casualties of the war, be drafted and enacted into law.

It is my understanding that all American citizens have now been evacuated from Vietnam. It is interesting to note that this was accomplished with the limited use of American combat forces and without the additional authority conferred upon the President by H.R. 6096. With all Americans evacuated from Vietnam, it would be foolhardy to enact sections 4 and 5 of this conference report into law.

In any event, the question before us now is no longer how to secure the safe removal of American nationals and certain limited numbers of South Vietnamese from Vietnam. Rather, it is what role, if any, should the United States play in the aftermath of the Indochina conflict.

The United States can no longer hope, or expect, to affect the negotiation of a political settlement in Vietnam. Direct American involvement in the internal affairs of Vietnam and Cambodia is at long last over. However, the question of American participation in the rehabilitation effort in this part of the world is not yet moot.

In recent weeks, we have heard much discussion about our "moral obligation" in Indochina. I have never subscribed to the view that we have such an obligation to a particular political regime. In my view, our moral obligation is to the Vietnamese and Cambodian people who were the victims of the war and its destruction. This obligation did not dissipate with the departure of the last American from Saigon.

It is now time for the United States to step back from the conflict and assess the damages. It is my belief that we should allow the situation to stabilize in Indochina and then enact responsible and meaningful legislation to provide humanitarian assistance to the Cambodian and Vietnamese people who are in distress. Such aid should be channeled solely through international organizations and private volunteer relief agencies to insure its utilization in the public interest. Our prime concern now must be to foreclose any possibility of further direct American involvement in Indochina and to insure that the human casualties of the war receive the aid that is so desperately needed. A change of government, or shift of political ideology, does not alter the humanitarian needs of the people. Nor does it relieve us of our moral obligation to help persons in need.

It is time that we close the book on our tragic involvement in Indochina and turn to the future with a more realistic and responsible conception of America's role in the world. Providing humanitarian assistance to those in need in Vietnam and Cambodia, and channeling it exclusively through international organizations and private volunteer relief agencies, should be part of the legacy of our long and painful Indochina experience.

INTRODUCTION OF LEGISLATION TO CREATE MEDICARE INSPECTOR GENERAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Vanik) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, today, I am introducing legislation to create a special but permanent Inspector General for Health Administration within HEW. I believe that it is essential that a higher priority be given to the prevention and investigation of overbilling and fraud within the medicare and other social security health programs.

On March 12, I wrote to Social Security Commissioner James B. Cardwell regarding a series of newspaper articles by Scripps-Howard reporter Dan Thomasson and Carl West. The articles described widespread and seemingly "easy" frauds and overbillings being committed against the medicare and medicaid systems. As the stories indicated, it is commonly estimated that in these two programs, which involve $30 billion in public funds, there may be as much as $3 billion in wasted and improperly spent moneys. Since March 12, there have been new reports of massive frauds. According to newspaper articles, a New York City grand jury may be investigating certain "clinics" owned by a small group of doctors who lease space to other doctors for a "percentage" of their medicare/medicaid billings. Such practices encourage inflated billings and in the New York case, may have resulted in over $2 million in fraudulent billings in several clinics.

On April 9, 1975, Commissioner Cardwell replied to my letter. I would like to enter this letter, which provides a great deal of valuable information, into the Record. Among the highpoints of the Commissioner's response are the facts that:

> 1) We feel the penalty provisions are adequate. However, in view of the leniency that has often been displayed by the courts in sentencing Medicare offenses, providing minimum monetary sentence might be worth considering.
>
> 2) In fact, we have already taken part in strike forces organized by U.S. Attorneys in our Chicago and New York regions. We would welcome further opportunities to participate in such strike forces.

I believe that the first statement is undoubtedly an understatement—the present penalties are simply inadequate to deter many individuals from attempting to bilk the system. A bigger deterent must be provided. In the second point, it certainly does not appear that the various Federal law enforcement agencies have been sufficiently coordinated or utilized to cut down on abuses in medicare/medicaid.

In my letter, I also asked whether any actions have been taken under a provision of the 1972 Social Security Amendments to terminate a provider or supplier of services, if it is found that they have been making unnecessary or overly expensive billings. Despite the fact that this amendment was added to the law 2½ years ago, the regulations are still not issued and are "currently under review by the Department of Health, Education, and Welfare's Office of the General Council." Frankly, when it takes 2½ years to issue regulations, I question how serious the administration is about reducing abuses in the medical professions.

There is one other point in the letter that deeply concerns me. The Commissioner states that:

> In fiscal year 1974, for example, about 11 million bills for service were denied in whole or in part and in about 38 million instances the charge allowed as reasonable was less than the charge billed by the physician or supplier.

Mr. Speaker, I am not sure that this is something we should be proud of. Translated, this means that the medicare beneficiaries—who thought that they were insured for health costs—are stuck with additional fees. Indeed, there is speculation that some physicians are inflating their fees, knowing that they can get reimbursed for a major portion from medicare and the patient can make up the small—and sometimes not so small—difference. Denied billings and disallowances are a form of price control and policing—but it comes out of the pocketbooks of America's elderly and sick. It is time that we consider an entirely new billing system, closer to the assignment system where neither the public or the patient is stuck with "unreasonable" fees.

In addition, Mr. Speaker, the Commissioner provides a detailed description of the present cost control and audit procedures. Despite all these safeguards, however, it is obvious that there is entirely too much fraud and overbilling. In short, the letter describes a system which is not working. In addition, the situation may not be improving. For example, the Commissioner reports that—

> The Program Integrity investigative resources in terms of personnel involved in *actual* inspection/investigation activities are as follows:

Fiscal year 1973	43
Fiscal year 1974	57
Fiscal year 1975	60

> Approximately 64 positions have been allocated for our investigative needs in fiscal year 1976.

The cost of the medicare/medicaid programs is increasing at a higher percentage than the growth in the field investigative force over the past 2 years.

I believe that the data presented in the Commissioner's letter actually indicates a need for further improvement in the enforcement of the laws against fraud and overbillings.

The legislation which I am introducing provides for an independent inspector general within HEW, appointed by the President with the advice and consent of the Senate. The duties of this office shall be to "conduct such reviews, inspections, and audits of the health insurance program established by title XVIII, and any other programs of health care authorized under any other title of this act, as he considers necessary for ascertaining the efficiency and economy of their administration, their consonance with the provisions of law by or pursuant to which such programs were established."

In addition, the inspector general shall have the authority—

> To suspend any regulation, practice, or procedure employed in the administration of any program with respect to which he has responsibilities under this section if, as a result of any study, . . . he determines that (A) the suspension of such regulation . . . will promote efficiency or economy or (B) such regulation . . . is contrary to . . . law. . . .

The Secretary of HEW may revoke such a suspension, but only if he promptly notifies the House Ways and Means Committee and the Senate Finance Committee of the reasons for his disagreement with the inspector general.

This legislation is similar to a provision adopted by the Senate Finance Committee in 1972 during consideration of H.R. 1, the Social Security Amendments of 1972. Unfortunately, the provision was deleted in the Conference Committee. I believe that the continuing inefficiencies and waste of the past 2½ years proves that an Inspector General's Office—an office which can give full attention to problems in the administration of medicare and related programs—in more essential now than ever before. As the Senate report to H.R. 1 noted:

> Based upon its years of inquiry and extensive examination of the medicare and medicaid programs, the committee found that these programs have suffered from the lack of a dynamic and ongoing mechanism with specific responsibility for continuing review of medicare and medicaid in terms of the effectiveness of program operations and compliance with congressional intent.
>
> While the Comptroller General and the Department of Health, Education and Welfare's Audit Agency have done some valuable and helpful work along the above lines, there is a pronounced need for vigorous day-to-day and month-to-month monitoring of these programs, conducted by a unit relatively free of constant pressures from various nonpublic interests at a level which can promptly call the attention of the Secretary and the Congress to important problems in timely, effective, and fully responsible fashion.

It should be pointed out that the bill I am introducing differs in several ways from the 1972 amendment. For example, all references to title XIX, medicaid, have been deleted, since the jurisdiction over this program was transferred to the House Commerce and Health Committee. The 1974 committee reorganization legislation resulted in many reforms and improvements. However, I believe that the split in jurisdiction between medicare and medicaid is an artificial one and merely complicates committee jurisdictions. As a result, there is no center here in the Congress for the study and oversight of problems in the various health programs. I would hope that as we consider creating an independent Inspector General with special powers in HEW, that we consider creating a special task force in the House and Senate to coordinate and investigate the abuses which are occurring in publicly financed health programs. Such a joint task force would help insure a coordinated legislative attack on the multi-billion-dollar waste in these programs. It would insure that all the legislative committees are represented on an appropriate investigating committee, it would avoid duplication, while increasing attention on the need for reform in this area.

These two steps—an increased audit and inspection office within HEW and a more thorough congressional oversight—would save the hard-pressed social security trust funds and the general treasury billions upon billions of dollars. For these reasons, I am hopeful that this legislation can be considered in the very near future.

I include the following:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, SOCIAL SECURITY ADMINISTRATION,
Baltimore, Md., April 9, 1975.

Hon. CHARLES A. VANIK,
House of Representatives,
Washington, D.C.

DEAR MR. VANIK: Prior to responding to the specific questions set forth in your letter of March 12, 1975, we would like to elaborate somewhat on the personnel and organizations involved in the administration of Medicare because the Scripps-Howard articles seem to imply that the Social Security Administration's total effort to assure proper payments in the Medicare program is limited to the activities of some 60 Program Integrity Specialists in the Bureau of Health Insurance's Regional Offices.

Actually, program integrity investigation is but one facet of the overall effort to assure proper payment. First, institutional providers (hospitals, skilled nursing facilities, and home health agencies) are field surveyed for participation in the Medicare program by agencies of State governments under detailed Federal rules and careful Federal monitoring. Such initial and periodic surveys number approximately 16,000 each year. A provider that has been certified for participation can bill the program only for services to people whose beneficiary status is confirmed through careful procedures established by the program. When the provider does bill for services, the bills are reviewed for coverage and medical necessity by intermediary organizations—84 Blue Cross plans and commerical insurers with an average annual manpower of approximately 7,800—through claims review procedures developed under detailed Federal instructions that are systematically monitored and regularly reviewed by central and regional staffs of Bureau of Health Insurance specialists. Final payment for bills accepted by the program is determined only after submission, analysis, and, frequently, field audit of detailed reports of the provider's cost of providing services to program beneficiaries. Approximately 1,400 man-years are expended annually to conduct 13,000 audits of varying degrees of intensity.

Similar controls are in force with respect to physicians and other suppliers of medical services. Again, bills are accepted for payment by the program only where eligibility of the beneficiary is confirmed through careful procedures established by the program. Bills submitted are reviewed for coverage, medical necessity, and reasonableness of charges by carrier organizations—48 Blue Shield plans and commercial insurers with an annual average manpower of approximately 14,000—through claims processes established under Federal instructions and systematically monitored and reviewed by regional and central staffs of Bureau of Health Insurance specialists.

Throughout this vast system, manned by thousands of Government and contractor employees handling millions of bills for health services, we have built quality control and verification procedures that result in disallowance of many millions of dollars in claims against the program each year. In fiscal year 1974, for example, about 11 million bills for service were denied in whole or in part and in about 38 million instances the charge allowed as reasonable was less than the charge billed by the physician or supplier. In most cases, though, the disallowances result from differences in opinion—for example, between the program and the physician as to the necessity or reasonable charge for a service or between the program and a hospital as to the need for services rendered to beneficiaries or the allowability of costs incurred in providing such services. Only situations involving some indication of an attempt to defraud or abuse the program are addressed by the Program Integrity Specialists that are mentioned in the Scripps-Howard articles.

With respect to some of the particular abuses reported in the Scripps-Howard articles, it should be noted that prescription drugs purchased by beneficiaries from pharmacies are not covered under the Medicare program. It should also be noted that Medicare pays for drugs furnished by a hospital on the basis of the costs incurred by the provider (after taking into account any discounts or rebates obtained) rather than on the basis of the charges set by the provider.

In the case of laboratory services, the Medicare carriers apply claims processing instructions which require them to determine who performed the tests and take this information into account in determining the reasonable charge for these services. However, we are aware of the vulnerability of the program to fraud and abuse in this area. As the Scripps-Howard articles indicate, we are investigating a number of cases that may involve fraud or abuse of the program. We are also giving high priority to developing policies that will reduce our vulnerability and to developing better methods of identifying and correcting—by criminal prosecution where fraud is involved—such cases of abuse that occur.

The information you requested in your numbered inquiries follows:

1. In addition to the intermediaries, carriers, State agencies, etc., employed at the operational level, the Bureau of Health Insurance has 10 regional offices staffed with approximately 900 people. These regional office staffs are involved in day-to-day operations which include monitoring, evaluation, and guidance to the Medicare contractors, etc. The regional staffs also include a force of approximately 98 individuals (including support personnel) involved in the specific area of investigating fraud and abuse. The average grade level of these individuals is GS-11. Most of them have attained a college degree and some are law school graduates. They are given approximately 40 hours of formal classroom training. The balance of their training is attained while on the job.

The program integrity investigative resources in terms of personnel involved in *actual* inspection/investigation activities are as follows:

Fiscal year 1973	43
Fiscal year 1974	57
Fiscal year 1975	60

Approximately 64 positions have been allocated for our investigative needs in fiscal year 1976. In addition, the investigative efforts undertaken by the individuals cited above are supplemented by the 20 Program Validation Specialists assigned to our regional offices.

We are also in the process of formulating plans to commit a central office investigative staff of about 20 people to reinforce the regional office investigative staff and to commit additional central office staff to support activities such as the identification of cases where billing or cost data indicates the need for field investigation into the possibility of fraud or abuse.

2. We have referred approximately 270 cases, some involving multiple subjects, to the United States Department of Justice. In 128 of these cases, indictments were obtained. The United States Attorneys have declined prosecution in 85 cases and 57 are pending their decision to prosecute. As of this writing, 15 defendants are under indictment and awaiting trial. The completed trials have resulted in 117 convictions, 15 acquittals, and 14 dismissals.

As of December 31, 1974, there were 1,771 possible instances of fraud and 1,024 possible instances of abuse (breach of assignment agreement, unnecessary services, and improper billing practices) being investigated or pending investigation by the BHI Regional Offices. The data we maintain on these investigations is by type of fraud or abuse under investigation, rather than by subject. However, we tentatively estimate that 10 to 15 percent of the possible instances of fraud we investigate involve health care providers (hospitals, skilled nursing facilities, and home health agencies). We will conduct a special study to provide a more definite answer to your question.

3. We have not as yet, terminated a provider or supplier of services under Section 229 of Public Law 92-603. Regulations necessary to the implementation of this provision were published, under the proposed rulemaking procedures, on June 5, 1974. The comments received were extensive and a number of changes had to be carefully considered in light of these comments. Final regulations are currently under review by the DHEW Office of the General Counsel.

4. The following is a listing of the criminal and civil statutes which apply to Medicare:

Title II of the Social Security Act

Section 208 (42 U.S.C. 408):

(b) False statements in applications;

(c) False statements made at anytime;

(d) Concealing or failing to disclose events affecting rights to payments.

Title XVIII of the Social Security Act (42 U.S.C. 1395nn)

1862(d)(1)—Provides for nonpayment to a person who makes a false statement or representation or bills substantially in excess of customary charges or furnishes unnecessary or grossly inferior services.

1866(b)(2)—Provides for termination of provider where the Secretary determines the provider has committed acts cited in 1862 (d)(1) above.

1877—Penal provisions for false statements, bribes, kickbacks, or rebates; and for false statement to qualify as a provider.

Title 18 of the United States Code

18 U.S.C. 286—Conspiracy to defraud the Government with respect to claim;

18 U.S.C. 287—Fictitious or fraudulent claims;

18 U.S.C. 371—Conspiracy to commit offense or defraud the United States;

18 U.S.C. 494—Alteration, forgery, or counterfeiting of contracts, bonds, bids, and public records;

18 U.S.C. 495—Criminal penalties for forging or altering contracts or other writing with intent to defraud the Government;

18 U.S.C. 1001—Statements or entries generally;

18 U.S.C. 1002—Penalty for possession of forged or altered documents to obtain money from the Government;

18 U.S.C. 3282—Limitation of suit (statute of limitations—criminal).

Title 31 of the United States Code—Civil Statutes

31 U.S.C. 231—Liability of persons making false claims;

31 U.S.C. 235—Limitation of suit (statute of limitations for filing civil action).

Title 42

Section 1306:

(a) Disclosure of information.

Section 1307:

(a) Penalty for fraud;

(b) False representation.

We feel the penalty provisions are adequate. However, in view of the leniency that has often been displayed by the courts in sentencing Medicare offenses, providing minimum monetary sentences might be worth considering.

In response to your query regarding interest, we do not have the authority to assess interest on overpayments. Conversely, Medicare does not pay interest when underpayments are involved. However, interest may be assessed by the courts where the United States Department of Justic obtains a judgment against a debtor.

5. Our involvement with the Internal Revenue Service has been limited. On several occasions, we have provided the IRS with listings of physicians and the money amounts paid them under the Medicare program and, in some cases, the U.S. Attorneys have combined Internal Revenue violations and Medicare fraud for prosecution purposes.

Essentially, the Medicare programs' role is to provide U.S. Attorneys with information and evidence necessary to criminal or civil action. The U.S. Attorney who will prosecute on the basis of evidence developed would seem to be the logical point for the establishment of intergovernmental agency strike forces such as you suggest in your letter.

In fact, we have already taken part in strike forces organized by U.S. Attorneys in our Chicago and New York regions. We would welcome further opportunities to participate in such strike forces.

Sincerely yours,

JAMES B. CARDWELL,
Commissioner of Social Security.

AMENDMENT TO THE RULES OF THE COMMITTEE ON SCIENCE AND TECHNOLOGY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. TEAGUE) is recognized for 5 minutes.

Mr. TEAGUE. Mr. Speaker, the Rules of the House of Representatives require that the rules governing procedure of each House committee be published in the CONGRESSIONAL RECORD. The rules governing procedure of the Committee on Science and Technology were published in the RECORD of February 6, 1975. In a meeting of the full membership of the Committee on Science and Technology on Tuesday, March 11, 1975, the following amendment was unanimously adopted:

SECTION E. BROADCASTING OF COMMITTEE HEARINGS.

1. The provisions of Clause 3, Rule XI of the Rules of the House of Representatives, "Broadcasting of Committee Hearings", are hereby incorporated by reference.

2. The Subcommittee may permit by majority vote of the Subcommittee, hearings or meetings which are open to the public to be covered in whole or in part by television broadcasting and still photography—or by any such methods of coverage.

Rule 23. The committee shall, insofar as is practicable, require, each witness who is to appear before it to file a written statement of the proposed testimony at least 24 hours in advance and to limit the oral presentation at such appearance to a brief summary of the argument.

THE MORTGAGE DISCLOSURE ACT OF 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. MOAKLEY) is recognized for 10 minutes.

Mr. MOAKLEY. Mr. Speaker, today I am introducing the Mortgage Disclosure Act of 1975. This legislation enables consumers to determine where local financial institutions are making their mortgage loans.

The Mortgage Disclosure Act of 1975 is directed at curbing the practice of mortgage disinvestment, more colorfully known as redlining. Disinvestment is a process whereby lending institutions refuse to make mortgage and home improvement loans in inner-city neighborhoods, despite the fact that a major percentage of their deposits come from the same neighborhoods.

The practice of redlining exists in virtually every urban center in the United States. A recent Milwaukee study found that several lending institutions would not even consider making mortgage loans in certain neighborhoods, irrespective of the income or credit rating of the prospective borrower. While $31,444,868 was deposited in Savings & Loans in one area of Chicago, only $357,000 was returned by those institutions in conventional mortgages to the same area. In my own district, redlining is becoming widespread in the communities of Roxbury and Jamaica Plain.

The use of redlining effectively stops the flow of capital to the inner city area. While mortgage disinvestment is cited as a way to protect the investments of a financial institution, it actually destroys valuable opportunities for commercial activity. By denying legitimate homeowners and businesses the chance to obtain real estate in metropolitan centers, financial institutions leave these areas open for plunder by the speculator and the slumlord.

The speculator specializes in neighborhoods that have been redlined. He comes in with cash and begins buying up properties at bargain rates, then converting them to multifamily rental housing units. The rest of the cycle is fairly well known. In his wake the speculator leaves a trail of deterioration and decay. The process ends with the abandonment of millions of dollars worth of real estate in urban areas, causing urban blight.

The mortgage lenders who practice redlining are perpetrating a gross injustice upon the American public. Mortgage disinvestment is turning inner city neighborhoods into deserted shells, hopelessly unfit for either business expansion or the construction of decent housing.

Happily, authorities at the local and Federal levels are beginning to take positive action to stop the practice of redlining. Chicago's Mayor Richard Daley has endorsed a city ordinance against redlining. In my own State of Massachusetts, Banking Commissioner Carol Greenwald has proposed legislation instituting a fair plan for mortgages which would create a fair agency to help insure the availability of mortgage for buyers in high risk metropolitan areas. On May 5, the Senate Committee on Banking, Housing and Urban Affairs will begin hearings on S. 1281, Senator WILLIAM PROXMIRE's Home Mortgage Disclosure Act of 1975.

The legislation which I am introducing today will require financial institutions to disclose records of where their mortgage loans were made. These figures are already a matter of public record, but are, for the most part, filed away in municipal courtrooms, inaccessible to all but the most enterprising researcher.

My bill, the Mortgage Disclosure Act of 1975, would make records of mortgage transactions available to all interested consumers. All financial institutions involved in making real estate loans would have to post in their home and branch offices records of these loans, classified according to zip codes, and divided into commercial and residential groupings. In the case of home mortgages, lenders must reveal how many loans were made to parties not intending to reside in the property in question, a provision which identifies loans to speculators.

This legislation will allow consumers to determine which financial institutions are investing their dollars in the immediate community, and which are funneling their moneys away from the neighborhoods in which they are located. The bill enables concerned citizens to determine which banks have been using their assets in a socially responsible manner, and allows consumers to invest accordingly.

Mr. Speaker, I am hopeful that full mortgage disclosure as provided for under this legislation will curtail the practice of redlining and contribute to directing the flow of capital back into our inner-city areas, and I urge my colleagues to join me in cosponsoring this most vitally needed measure.

IN OPPOSITION OF ADDITIONAL EVACUATION AND HUMANITARIAN AID FOR VIETNAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. MEZVINSKY) is recognized for 5 minutes.

Mr. MEZVINSKY. Mr. Speaker, I oppose the conference report authorizing additional evacuation and humanitarian aid for Vietnam, as well as authority for the use of American troops to evacuate. The President's request for authority to send troops into Vietnam, after all Americans have been evacuated, is another example of the administration's failure to listen to the American people.

There is no reason for sending troops into Vietnam. The passage of this report—a measure to do what has already been done—will make a mockery of our legislative process. Rather than act, the proposal should be sent back to committee and redrafted to account for the situation that now exists.

Although I agree that we should send humanitarian aid to this war-ravaged area, I am not willing to authorize hundreds of millions of dollars unless a comprehensive and cohesive plan is established. As of yet, I have seen no such plan. The most basic questions of who will distribute the money, how it will be distributed, and what is the best way to spend our aid dollars have not been answered.

Based upon our experience with the evacuation of Americans and Vietnamese nationals during the last few weeks, it is very difficult for me to have confidence that such aid would be efficiently and effectively spent. There were, according to all reports I have seen, few plans for evacuation and an obvious costly delay on the part of our Ambassador which unnecessarily endangered the lives of Americans.

OPPOSITION TO VIETNAM EVACUATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewomen from Tennessee (Mrs. LLOYD) is recognized for 5 minutes.

Mrs. LLOYD of Tennessee. Mr. Speaker, it is with great reluctance that I must rise in opposition to the conference report on the Vietnam Humanitarian Assistance and Evacuation Act of 1975. In the early hours of last Thursday morning this body debated this same legislation, in recognition of the dire emergency which then threatened not only the nation of South Vietnam, but the lives and well-being of thousands of American citizens and their dependents in that beleagured country.

On that occassion we were concerned with the authority of the President to recommit U.S. Armed Forces to combat roles for the evacuation of not only Americans but also Vietnamese nationals. Now we are asked to retroactively approve the removal of Vietnamese and the use of military force to accomplish this goal. This is a most dangerous precedent and one which I cannot endorse. I do not believe that it is wise to authorize any President to commit U.S. troops, whenever he should so choose, for the purpose of evacuating foreign nationals whose lives he feels are endangered.

Mr. Speaker, I have another serious objection to this conference report. We are being asked to authorize the expenditure of U.S. taxpayer dollars for the expenses of Vietnamese refugees. I yield to no one in my support for assistance to the needy, the helpless, the starving, and desperate Vietnamese people who fled their homeland to avoid subjugation to a Communist regime. But I will not vote Federal funds to defray the cost of evacuating those Vietnamese who brought gold and jewelry with them, nor to pay the expenses of transporting ex-Premier Thieu, his family, and Vice Premier Ky and his wife to this country together with their stockpile of gold.

This bill also authorizes the expenditure of U.S. taxpayer dollars to those who remain behind, in enemy held territory controlled by North Vietnam or the Vietcong. I object most strenuously to this provision. Although we prohibit funds from going directly to the Communist Governments of Vietnam, we do allow international agencies, primarily the United Nations, to make our money available to people in areas controlled by the Communists.

I would support and I urge my colleagues to support an effort to return this report to the International Relations Committee with the understanding that they will move promptly to report a clean bill which addresses itself exclusively to the question of providing badly needed assistance to those who were evacuated from Vietnam with only the clothing on their backs. We should have a comprehensive plan for what will become of these people, how they will be cared for, what rehabilitation and training they can be given. We have none of this information at this time. We do not even know how many refugees there are, and yet we are proposing to make out a check for $327 million to care for them.

In closing, Mr. Speaker, I would like to call to the attention of the Members of this body, the bravery and the unselfish courage of the American servicemen who yesterday and in the earlier days of this week risked their lives to rescue American citizens and Vietnamese under the most dangerous circumstances. Their efforts are a source of pride to all our countrymen.

COMPUTERIZED CHECKOUT

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. FORD) is recognized for 10 minutes.

Mr. **FORD** of Tennessee. Mr. Speaker, I am today introducing a third identical version of my consumer pricemarking legislation, H.R. 3126. This legislation, which would amend the Fair Packaging and Labeling Act to require that packaged consumer commodities be labeled to show their selling price, now has 69 bipartisan cosponsors.

Retention of dollars and cents pricemarking has become an increasingly important issue, especially now when the unemployment rate is at an alltime high and many citizens are on a fixed income. Frugal comparison shopping has become more crucial for all of us.

One of the best articles I have seen describing the controversy surrounding the advent of the Universal Product Code and the possible elimination of numerical price-marking appeared in the Machinist, the weekly newspaper of the International Association of Machinists and Aerospace Workers. The author, Sidney Margolius, is a renowned consumer affairs writer. I present the article below for the benefit of my fellow colleagues:

[From the Machinist, Feb. 13, 1975]

COMPUTERIZED CHECKOUT

(By Sidney Margolius)

Few issues have raised as much controversy recently as the food industry's plan to use a computer-assisted checkout system in supermarkets. The system is called the Universal Product Code (UPC). Each food package would be imprinted (some already are) with a series of vertical lines with numbers at the bottom. This is a price code for that item. At the checkout counter, a laser beam "reads" the code and signals a computer. The computer then prints the price on a cash register tape.

The most controversial aspect of this mechanized checkout is that individual prices on cans and packages may be eliminated. The only place you then would be able to see the price of the item before you buy it is on a shelf tag. You will have a record of the name of the item and the price on the cash register tape you get with your purchase.

Besides eliminating the labor used in price-marking each item, the stores expect to save on maintenance of inventory records, and on calculating tax, coupons, bottle refunds, etc., notes Lynn Jordan, for the Virginia Citizens Consumer Council.

But the sore point is doing away with prices on items, with total reliance on shelf stickers. Eliminating personnel in a time of growing unemployment itself is a concern. But even looking at this issue just from the shopping standpoint, consumers will be hampered in comparing costs not only among different forms of some product such as the canned, frozen and fresh prices of, say spinach.

The consumer advocates arguing against eliminating item prices feel that the shelf stickers aren't enough. They point out that shelf tags used in unit pricing often are missing, or in the wrong place or out of date.

Too, in a special bulletin produced by the Maryland and Virginia Consumer Councils, Mrs. Jordan points out that even with improved shelf tags, the normal "shelf drift," with products winding up elsewhere than above the right products, will cause price confusion.

No one wants to hamper progress, and those of us who criticize supermarket operating costs as too high can hardly complain about attempts to reduce them. But the elimination of price marking on individual items quite probably will make it harder to shop for the best values. The Consumers' Councils' bulletin points out that eliminating price marking is less than 19% of the total savings supermarkets anticipate from the computer-assisted checkouts.

Thus, most of whatever savings are possible still can be achieved even if items are still marked.

In fact, supermarkets may be biting off more than they can chew. Not only is the equipment very expensive. But one labor editor with long experience in price control points out that if price ceilings are required at any time, they will be easier to require and to police in supermarkets because of the computerized price information.

Because of the concern of the consumer groups that price markings will be eliminated, most of the supermarkets testing the system have agreed to keep them on for the time being. Some have said they will provide grease pencils so consumers can mark prices on packages themselves if individual prices are eliminated. This however, is not a realistic alternative for harried shoppers in crowded markets.

Nor may supermarkets save as much in personnel at the checkout counters as they think. The main work still is in bagging.

Considering the issue objectively as a longtime shopping specialist, this writer recommends that individual item pricing be retained and that you tell stores that you still want individual marking if UPC comes to your neighborhood.

Consumers will be better able to compare prices in the stores and also with prices of goods bought earlier and still in cupboards. It's always helpful to see that a can of soup that cost you 21¢ a couple of weeks ago is now 26¢. You may even decide to make your own soup.

NAVAL OIL SHALE RESERVES

The **SPEAKER** pro tempore. Under a previous order of the House, the gentlewoman from Colorado (Mrs. SCHROEDER) is recognized for 5 minutes.

Mrs. **SCHROEDER**. Mr. Speaker, on last Tuesday, the House of Representatives was scheduled to debate two measures (H.R. 49 and H.R. 5919). Both of these bills would revamp the laws regulating our naval petroleum and oil shale reserves. Debate was then postponed on these measures—a move with which I agree.

One of my greatest concerns with both H.R. 49 and H.R. 5919 are their treatments of the naval oil shale reserves. H.R. 49 would transfer these reserves to the jurisdiction of the Department of the Interior. Once within this Department, they could be sold to the highest bidders. The only restraint on such sales would be the Mineral Leasing Act of 1920, which requires that certain prototype oil shale programs be carried out first. As the authorized prototype programs are already causing the Interior Department problems, I question whether the Navy should be made to add to their problems by giving up control of these valuable areas.

My concern with H.R. 5919 is even greater than my concern with H.R. 49. H.R. 5919 would establish a Naval petroleum and oil shale trust fund. Revenues from the sale of oil from the naval reserves would be applied to this fund and would be earmarked for exploration and development of more reserves. While further readiness may be a good thing for our naval petroleum reserves, the trust fund's revenues could also be used to develop production from oil shale.

Mr. Speaker, the subject of oil shale development is hardly a settled question. To manipulate our Nation's policies toward oil shale as an adjunct to consideration of national policy towards naval petroleum reserves is a mistake. In the next few legislative days, I will be speaking on the economies of oil shale development. We must consider our Nation's policies on oil shale development apart from policies on other energy sources.

COPYRIGHT REVISION HEARINGS SET

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER) is recognized for 5 minutes.

Mr. **KASTENMEIER**. Mr. Speaker, the Judiciary Subcommittee on Courts, Civil Liberties and the Administration of Justice of which I am chairman will renew its efforts to legislate the first general revision of the copyright laws since 1909 when it begins public hearings on my bill H.R. 2223, Wednesday, May 7.

John G. Lorenz, acting librarian of Congress, Barbara Ringer, register of copyrights, and Abraham L. Kaminstein, former register of copyrights, will testify at the first day's hearings in room 2226, Rayburn House Office Building.

Present copyright law has remained largely unchanged since 1909. Meanwhile, tremendous changes in technology have rendered existing law obsolete and outmoded. Following extensive hearings in 1965 by the subcommittee, the House of Representatives early in 1967 passed a general revision bill. The Senate however did not act on this bill. Seven years later in September 1974, the Senate passed a copyright law revision bill, but the involvement of the House Judiciary Committee in confirmation hearings for then Vice President-designate NELSON A. ROCKEFELLER prevented House action on copyright legislation in the closing months of the 93d Congress. My bill H.R. 2223, introduced this year is identical to the Senate bill.

H.R. 2223 deals with issues of vital interest to copyright owners on the one hand, and copyright users on the other. It treats such areas as literary creation, book publishing, music composing, publishing and performing. It will be our job to determine and respond to the public interest in these often controversial areas.

The subcommittee's hearings are not intended to compare in number to its 1965 schedule when it held 22 public sessions and more than 50 executive meetings before reporting its revision bill. Nonetheless, our subcommittee is going to do a thorough job in evaluating this critically important issue.

Officials from the Departments of State, Justice, and Commerce will testify before the subcommittee on Thursday, May 8. On Wednesday, May 14, witnesses will discuss the library photocopying sections of the bill and on the following day, May 15, testimony will be received on the educational interest in copyright. Further hearings will be scheduled from time to time.

PETROLEUM FUELS DUMPED AT SEA COULD BE SALVAGED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Montana (Mr. MELCHER) is recognized for 5 minutes.

Mr. MELCHER. Mr. Speaker, on Thursday, April 24, I put in the RECORD material from two Navy audits about their continuing practice of dumping petroleum fuels into the oceans which might be reclaimed at a savings of millions of dollars in addition to conserving fuel and the ecology of the oceans. These audits had been publicized by columnist Jack Anderson.

Subsequently, I was told that it is impractical to offload the fuel in port; in some instances it is supposed to involve letting sea water into the tanks to displace the fuel and, if done in port, sand might get into the tanks, pipes, and valves and cause damage.

Although it seems a little odd to me that fuel storage tanks on ships would be so engineered that they cannot be emptied except by displacement with seawater, I know have a copy of a letter to the Secretary of the Navy which shows it is entirely possible to offload this fuel to barges at sea, rather than dump it, demolishing another excuse for taking the easy way out, which apparently is dumping the fuel. The audit shows that this is usually done without even bothering to provide any explanation for the dumping in the "survey" report.

I am putting in the RECORD the text of a letter written to the Secretary of the Navy on April 22, the day following the appearance of Jack Anderson's column, which is signed by Mr. James R. Smith, president of the American Waterways Operators, Inc., suggesting offloading to barges which are available on all our shores.

THE AMERICAN WATERWAYS OPERATORS, INC.,
Arlington, Va., April 22, 1975.

Hon. J. WILLIAM MIDDENDORF,
Secretary of the Navy,
Washington, D.C.

DEAR MR. SECRETARY: I was astonished this morning to read Jack Anderson's column in the Washington Post that the Navy apparently is dumping contaminated aviation fuel and other petroleum products at sea rather than carry them to port for trans-shipment and recycling. Such activities are not only dangerous to the ocean environment but are wasteful of this nation's precious energy resources.

After reading the Anderson column, I checked with several AWO members operating along the coasts and found that a number of years ago the Navy would order tank barges alongside returning naval vessels. These tank barges would return contaminated fuel to various refineries to be pumped off and reprocessed.

I was told that this practice was halted several years ago for reasons which may have become obvious in today's Washington Merry-Go-Round.

A quick check with responsible tug and barge operators discloses that along the Pacific Coast there are plenty of available tank barges to haul contaminated fuel back to refineries along the coast. All the Navy need do is reinstitute its former practice of asking commercial operators to bring barges alongside naval vessels to off-load various petroleum products for return to the refineries. The same situation prevails along other coasts.

Surely, in these days of energy shortage such a practice would be superior to the Navy's apparent present practice of simply dumping contaminated fuel at sea.

When we add up the situation to which I have just referred; the reluctance of the Navy to use commercial tugs when available and; even more recently, the leasing of laid-up naval tugs to publicly-owned ports at dollar-per-year figures, the commercial maritime industry can only conclude that in these days of fuel shortages and dollar shortages the United States Navy is not measuring up to its responsibility to the American people.

Yours very truly,
JAMES R. SMITH, *President.*

PERSONAL STATEMENT

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, on April 28, 1975, I was necessarily absent on roll call votes 158 and 159.

I refer first to rollcall No. 158, a vote on an amendment by the gentleman from Kentucky (Mr. PERKINS) to H.R. 4222, the National School Lunch and Child Nutrition Act Amendments, to provide for a supplemental 5-cent payment on all lunches served in fiscal year 1976 other than free or reduced price lunches. The amendment was agreed to by a vote of 213 to 176. Had I been present, I would have voted in favor of the amendment.

I refer second to rollcall No. 159, a vote on an amendment by the gentleman from Kentucky (Mr. PERKINS) to H.R. 4222, the National School Lunch and Child Nutrition Act Amendments, to require that the funding of the supplemental feeding program for women, infants, and children be on the same performance basis as the school lunch program. The amendment was agreed to by a vote of 238 to 152. Had I been present, I would have voted in favor of the amendment.

EFFECT OF SST'S ON OZONE LAYER

(Mr. GUDE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, since 1972, the Plant Physiology Institute, a division of the Agricultural Research Service, Beltsville, Md., has been researching the effects of increased levels of ultraviolet radiation on plant life. This work has been carried out under a Department of Transportation program aimed at assessing the effects of SST's on the ozone layer in the stratosphere. As my colleagues know, it is the ozone layer which shields the Earth's surface from harmful ultraviolet—UV—radiation.

Despite the extremely limited resources available for this program, the work at ARS is impressive and its findings may have a major impact on the development of several technologies, including the use of chlorofluoromethanes, such as freon, as a propellant for aerosol products.

I believe it imperative that we increase funding for this extremely valuable research effort, and will be working to that end. Additionally, until the precise effects of freon on the ozone layer are clearly understood and known to be harmless, I believe the use of this propellant should be outlawed.

We do know now that UV radiation is a cause of skin cancer and present estimates indicate that there are somewhere between 200,000 to 600,000 cases of skin cancer per year. As a rule of thumb, it is further estimated that each 1-percent reduction of ozone in the stratosphere causes approximately a 2-percent increase in the incidence of skin cancer.

But another concern is the potential effect of ozone depletion on climatic conditions about which little is known. It has been postulated by Robert C. Dickinson, of the National Center for Atmospheric Research, that ozone depletion could lead to a sustained drop in average worldwide temperatures. Thus far, however, a climate effects remain in the realm of speculation, albeit informed. More research is needed in this area also. Of increasing major concern is the potential effects of ozone layer depletion on vegetation and its effect on food production. Our food supply problems could even be exacerbated by this problem.

The ARS, under the direction of Angus Hanson, ARS Director, and Dr. H. R. Cairns, chairman of the Plant Physiology Institute, is presently engaged in this vital, but woefully underfunded research. The findings to date are far from complete, but are nevertheless dramatic.

The ARS finding to date indicate a direct correlation between UV radiation and plant growth. Indeed, they indicate serious and detrimental effects from rather low levels of increased UV radiation. This damage has been demonstrated in a number of common food, fiber, and ornamental plants. Cotton, lettuce, tomatoes, corn, and other food crops can be seriously stunted by increased UV radiation. The degree of damage depends upon several variables which ARS is attempting to quantify. These variables include the intensity of the radiation, the length of time the particular plant is exposed to the radiation, and the particular variety of plant. An insidious aspect of this situation could be reductions in crop growth and crop yield which might not be easily apparent as to cause except through the most careful scientific analysis. With what is presently known, it is not unreasonable to hypothesize that a small reduction in the ozone layer could cause a corresponding increase in UV radiation which might reduce U.S. wheat or corn production by several percentage points. The significance of decreased food production in a hungry world gives ample reason for high priority for an adequate level of research.

ARS has been handicapped in developing a reliable assessment of absolute UV effects in relation to ozone depletion due to, first, lack of radiation sources emitting only in the 280–320 nm range, and second, lack of equipment suitable for closely monitoring the radiation quality or quantity applied to plant tissue. ARS has assembled a device known as a high intensity UV monochromator, which does permit them to measure UV effects with some accuracy. Indeed, this instrument's capabilities are apparently unique, in this Nation at least. The evidence developed thus far suggests enhanced UV radiation will affect agriculture on a worldwide basis and will induce ecological, vegetative change.

The present research is the result of a redirection of minimal funds available and the nominal funding—$10,000—provided by DOT. A program commensurate with the urgency of the problem would require about $450,000 to $500,000 per year. This level of funding would provide for three full time, experienced scientists and the sophisticated equipment necessary to develop this vital information. I hope we can achieve this additional funding.

In the meantime, it behooves us to act prudently. We should have a moratorium on the use of chloroflouromethanes, such as Freon. If we do not act with care, we not only be endangering man directly by exposing him to greater chances of skin cancer but also by reducing his food supply.

THE WOMEN'S AIR FORCES SERVICE PILOTS

(Mrs. MINK asked and was given permission to extend her remarks at this point in the Record and to include extraneous matter.)

Mrs. MINK. Mr. Speaker, today I am introducing, along with my colleague, the Honorable Omar Burleson of Texas, a bill which would provide that certain services performed by members of the Women's Air Forces Service Pilots during World War II be considered "active duty" for purposes of laws administered under the Veterans' Administration.

During the past World War, some 1,102 women pilots flew approximately 60 million miles on operational duty for the Army Air Forces with only 38 fatalities. Women pilots were used in the Air Transport Command where they mainly ferried all types of airplanes used by the Army Air Force, including the B–29 Superfortress, straight from factories to modification centers, depots, and other destinations within the boundaries of the United States. They also flew on other missions, including as tow targets for gunnery practice, tracking and searchlight missions, simulated strafing, smoke laying and chemical missions, engineering test flying, and utility flying in the weather wing.

After the unit was deactivated on December 20, 1944, the women were left without any rights or benefits. My bill would provide recognition for these women pilots for their service to our country by having their tours of service considered "active" for the purpose of receiving all benefits administered by the Veterans' Administration. The bill limits potential beneficiaries to only prospective benefits. Retroactive benefits are disallowed. Therefore the cost of this inclusion to the Federal Government would be very minimal.

I hope that my colleagues will join Mr. Burleson and myself in recognizing the service of these women pilots and in working to insure that they are made eligible for benefits like any other formerly active-duty veteran of past World Wars.

H.R. 25, SURFACE MINING AND RECLAMATION ACT

(Mrs. MINK asked and was given permission to extend her remarks at this point in the Record and to include extraneous matter.)

Mrs. MINK. Mr. Speaker, you would hardly think that there is any connection between coal fields and pineapple fields, but in the past few weeks there has been an attempt to link the two in what I can only view as a rather bizarre form of lobbying.

It seems that because of my support for the strip mining legislation which this Congress has passed, and because I am chairman of the Subcommittee on Mines and Mining which had jurisdiction over the bill in the House together with the Subcommittee on Energy and the Environment of the House Interior and Insular Affairs Committee, I have incurred the wrath of coal mine operators who have tried to get across the idea to their employees that this bill, if it is passed, is going to put them out on the streets and into the unemployment lines. Aside from the recent caravan to Washington which brought the coal trucks and their banners of protest, some operators of coal mines have attempted to counter my efforts in behalf of this legislation by organizing a boycott against Hawaiian pineapple.

Paid advertisements have been run in newspapers asking people to sign a pledge to stop eating pineapple because, the ads state,

> Congresswoman Patsy Mink of Hawaii has worked and voted to stop coal production, put men out of work and triple our electric bills.

I predicted when I heard about all of this ridiculous business, that people in these areas where the ads have appeared are not only continuing to buy and eat pineapple, but many of them have gone out of their way to lay in extra supplies of pineapple. Their replies to this charade are quite revealing, I think, and I would like to take this opportunity to share some of them with my colleagues.

In addition, I would like to have entered in the Record at this point a copy of the material which appears in the advertisements to which I have referred, and a sampling of the letters which I have received from people who have seen the ads:

Caution—Eating Pineapple May Be Hazardous To Your Health and Prosperity

Congresswoman Patsy Mink of Hawaii has worked and voted to stop coal production, put men out of work and triple our electric bills.

Now, We, The Undersigned, Pledge To Stop Eating Pineapples!

(Place for names.)

Please sign and return to: Coal Operators & Associates, Hopkins Building, Pikeville, Ky. 41501

What's Fair Is Fair!

Representative Patsy T. Mink,
Rayburn House Office Building,
Washington, D.C.

Dear Ms. Mink, Please continue to press strongly for a strong Strip Mine Bill out of the Congress this year. There are many of us in Appalachia who do not agree at all with the "trumped up" charges and action of the operators who descended on Washington a couple of weeks ago. We believe they were misled by several people who wanted to look good in their eyes, rather than to provide any responsible input.

I, personally, was ashamed at the personal attacks on you by our Kentucky State Representative, and suspect that the sale of pineapples in Eastern Kentucky will increase tremendously in spite of his statements.

Thank you so much for your continuing efforts for us all.

—— ——.

APRIL 19, 1975.

DEAR MS. MINK: I will be buying pineapple (more than I would usually buy) as soon as I get off work. Also I will be serving pineapple cake at the coffee hour at church tomorrow.

Thank you for your work for stronger strip mining regulations.

Let's eat more pineapple!

Sincerely,

——— ———.

APRIL 19, 1975.

DEAR MS. MINK: We're having pineapple upside-down cake tonight at our house and we will toast you and your work for controls on strip mining.

Instead of boycotting pinepaples, as the coal operators suggested, I bought 24 large cans of pineapple today, to express my support for you and your efforts. Thank you for working to help us save our mountains.

With much regard,

——— ———.

APRIL 21, 1975.

PATSY MINK,
U.S. Representative,
Washington, D.C.

DEAR REPRESENTATIVE MINK: Though you may not have seen the lengthy story "A New Breed of Strip Miner" it will not affect your reading, understanding and, I believe, agreeing with the points made in the enclosed copy of the letter sent to Mr. Jackson, "the new breed strip miner".

As someone so aptly said, "We are using the world as if we have a spare in the truck". We don't!

And history is going to prove that we are "paying too much for the whistle".

Surely you are in position to bring some sanity to a world gone mad with greed.

Hopefully,

——— ———.

P.S. Our Kentucky Congressmen were contacted earlier. We appreciate your stand!

While Hawaii may not know it we've increased our use of pineapple even ordered a whole case.

FARMERS, KY.,
April 20, 1975.

DEAR MS. MINK: I just wanted to tell you that yesterday I bought 4 cans of pineapple. Don't wory about the Pike County boycott. Most of us in Kentucky don't think much of the coal barons. As for myself, I want to personally thank you and your colleague, Morris Udall, for the tremendous service you are doing for the coal regions of eastern Kentucky. We need the strip mine bill more than ever before. First quarter strip mining permits have tripled in the last 2 years—and our beautiful mountains are taking a hell of a beating. So hang in there! We need you. We thank you.

Sincerely,

——— ———.

PAINTSVILLE, KY.,
April 20, 1975.

Hon. PATSY T. MINK,
House of Representatives,
Washington, D.C.

DEAR MRS. MINK: Thank you very much for the stand you have taken concerning controls for strip mining. We appreciate your policies and have watched with pleasure, your actions.

Many Kentuckians do not want our hills and environment destroyed irresponsibly. We do not support strip mining as it is presently and as it has been done in the past.

While visiting your state a few years ago, we enjoyed the beautiful mountains as much as the other scenery. Our beautiful hills are being ruined by monetary minded operators with unscrupulous mining techniques. Keep up your good work and we'll increase our pineapple consumption.

Sincerely,

——— ———.

ELKHORN CITY, KY.,
April 21, 1975.

Ms. PATSY MINK,
Member, House of Representatives,
Washington, D.C.

DEAR CONGRESSWOMAN MINK: The enclosed appeared in the April 18, issue of the Williamson Daily News, a daily newspaper published in Williamson, West Virginia and widely circulated in Pike County, Kentucky. I think this is an under-handed and despicable way of trying to put pressure on you by a few rich coal operators to try to intimidate you and cause you to lessen your support of the surface mining bill now being considered by our National Congress. You will probably receive a number of these supposed petitions in the near future and it would be my opinion that some of the people whose names will be signed to the petitions, signed their names unwittingly and without knowing what you are supporting. If you will note the wording of the advertisement and petition is misleading and very general. It is my understanding that the United Mine Workers of America support this bill and we have more union men than non-union. In fact the surface mine operators are not true miners in the sense that they are more construction workers and surface mining brings very few jobs but large profits. Deep mining, of which I hardly approve is the type of mining which furnishes most employment for our people.

Please do not let the campaign being carried on against you locally affect your stand in this matter because you are right and you have seen the great destruction that has been brought in the name of, getting out the coal.

The surface mine operators argue out of one side of their mouths, that they can not comply with strict reclamation procedures in this state and be competitive with states which have less strict reclamation laws. Then from the other sides of their mouths they argue that this bill will deprive them of the right to operate, when in reality it will put all states on more or less of the same standards and hence more competitive.

Keep up the good work and future generations of under privileged mountain people will rise up and call you blessed.

Very truly yours,

——— ———.

WISE, VA.,
April 25, 1975.

Mr. Mink, the strip miners have made Senator or Congressman who says that Virginia has a strip mining law.

At the present time there is no enforced law in Virginia.

Ms. MINK, the strip miners have made your name a "cuss" word in the County.

Don't feel bad, though. About a year ago I wrote several letters to the editor speaking out against strip mining and the strip miners have threatened my life and also have threatened to rape my wife.

If Congress is going to let 4,000 S.W. Virginia strip miners rule them, then the people of Appalachia might as well give up.

I never seen a Congresswoman as brave as yourself who has the "guts" to defend what is right.

Ms. Mink, you are to be commended. May God bless you.

——— ———.

APRIL 30, 1975.

DEAR MS. MINK: Hooray for you! I am a citizen of eastern Kentucky. I am writing to applaud your support of the legislation, which will regulate strip mining.

We must take care of our land and water. With these ruined, all the coal-generated electricity in the world won't be worth a nickel.

Persuade your friends.

Thank you,

——— ———.

Mr. Speaker, one such advertisement was placed in the Williamson Daily News, of Williamson, W. Va., among other papers. Upon inquiry, I have received information that the ad was paid for by Mr. Kenny Hart, publicity director for an organization called the Coal Operators & Associates, who have their offices in the Hopkins Building in Pikeville, Ky. I have a letter from the publisher of the Williamson Daily News to substantiate this fact.

I would also like to bring to the attention of my colleagues a column which appeared in the Washington Post of April 29 by Colman McCarthy, entitled "The Visiting Strip Miners." The information which Mr. McCarthy reports is also quite revealing, pointing out as it does that many of the men who work the coalfields and who were sent here to Washington to cause a commotion, were deeply misinformed about what the strip mining bill does.

Captive workers who have no choice but to "believe" the propaganda of their employers or lose their job are sent off to Congress to lobby against the bill. Then the operators use "our" money to buy ads all over the country to get people to believe that I alone am responsible for this bill and could put people out of work. I say "our" money because the consumer has to pay for the outrageously high prices for coal that prevail today, and it is this money we pay that is being used by the coal operators to fight a decent, reasonable regulatory bill.

Mr. Speaker, for the RECORD I would like to have printed the letter which I received from the publisher of the Williamson Daily News, and the article from the Washington Post to which I have referred:

WILLIAMSON DAILY NEWS, INC.,
Williamson, W. Va., April 28, 1975.

Congresswoman PATSY T. MINK,
House of Representatives,
Washington, D.C.

DEAR MS. MINK: Your inquiry relative the advertisement in behalf of Coal Operators and Associates has been investigated and we find the following:

The advertisement was placed by Mr. Kenny Hart, Publicity Director for the Coal Operators and Associates, Hopkins Building, Pikeville, Kentucky 41501. The advertisement was paid for by the Coal Operators and Associates of the same address.

Very sincerely yours,

LOUIS P. HARVATH,
Publisher.

THE VISITING STRIP MINERS

(By Colman McCarthy)

Those who saw the convoy of 700 coal trucks hunkering through Washington the other day could only wonder what was happening. Only a fly-by of Concordes, sent roaring over the U.S. Capitol by the resurrected SST lobby, could have attracted more attention. From the evidence, attention may have been all that the strip mine industry of central Appalachia gained by bankrolling the coal haulers, miners, local officials and others who came to protest the pending strip mine bill. If the power and might of the massive coal trucks was matched by some new and strong arguments against the bill, a case might have been made. But the match-up doesn't exist. Rather than turn anyone's mind about the legislation, the demonstration appears only to have turned attention once again to the last-minute desperation of the strip mine lobby as it tries to avoid even the mildest federal controls.

The loudest noise made by the truckers—aside from the hornblowing under the windows of congressmen—was the cry that massive layoffs would occur if the bill goes through. There is a history of this kind of scare talk, heard typically in state capitols when legislatures considered strip mine bills. Yet in the years since many of those bills were passed, not only were jobs not lost but coal industry profits and production have been high. The strip mine industry's being worried about jobs is an irony almost as thick as the coal seams it tears into so easily. For the past two decades, while deep mining has declined, and stripping increased, thousands of jobs have been lost because less manpower is needed for stripping. Hard figures are unavailable, but an informed estimate holds that if the coal now coming from strip mines came instead from deep mines, there would be some 75,000 more jobs. As for the effect on employment of the pending bill, even Commerce Secretary Rogers Morton who originally worked against similar legislation last year, said that the reclamation provisions would generate more jobs. The protesting caravan in Washington appeared to have a "grassroots" flavor to it—"the little people" asserting themselves against the remote overlords in Congress. But it appears that not everyone back home rallied to the cause. The Beckley, W. Va., Post-Herald, which calls itself "A Republican newspaper for 75 years," editorialized about the "arrogant strip mine attitudes to which we have grown so accustomed," and added that:

"Too many of the surface mine operators are based outside of our state and do not have to live with what is left after they ravage our mountains, remove our coal, take their profits and run. Therefore, we have little sympathy for the surface miners' 'circus' now going on in Washington. If the reported $400,000 being expended for a 'show' in the nation's capital had been spent toward better reclamation, it might have been a great deal more effective."

In Duff, Tenn., an area long scarred by strip mining, a young woman wrote a letter-to-the-editor of the nearby LaFollette Press. She stated that "the only people getting rich off the strip mining are the ones running the business . . . There are families right now that I know, that they don't have jobs to give their families bread or even put clothes on their back. When deep mining was going on, men had jobs, they had money to put food in their families' stomach and clothes on their backs. But now by strip mining, men don't have jobs and no money to support their families."

A town not far from LaFollette is Clairfield, Tenn., a community known in the mountains for the efforts of some citizens to create local industries that would create independence from strip mining. Before the Washington caravan, tiny Clairfield was invaded by hundreds of strip miners who came to hear the plan and views of the organizing operators. Some citizens found it surprising that the local school building was turned over to a gathering that had nothing to do with education; in the past various citizens groups involved with day care needs or the health clinic were rarely allowed use of the school. Sophisticated townspeople knew full well why the school was turned over the strip miners; the building sits on land leased by the American Association, a major strip mine power in east Tennessee. One Clairfield citizen familiar with comapny town politics said: "It's a tragic and sad to see what's happening to the strip mine workers. Many of them make so little money—they are non-union—that they are on food stamps. So they are easily put into a panic by talk of losing jobs. They see their poverty and their victimization but they don't know who's causing it. So they strike out at a target supplied by the strip mine owners, exactly the people who are paying them low pay in the first place, have had no qualms about destroying the community's land and who will leave the workers high and dry when the coal is taken out."

Aside from joyriding through the streets of Washington, the strip miners visited the offices of congressmen and committees. A staff member of the House subcommittee on energy and environment says that those who came to his office were "confused. They would read from a piece of paper supplied by the organizers and tell us, for example, that the bill bans strip mining on steep slopes. I'd explain to them that it doesn't. Then they said the bill requires this or that strictness, and I'd explain how they had their facts wrong and tell them what was really in the bill." Many in the coalfields were educated before the demonstration, and thus refused to come to Washington. The United Mine Workers Union sent someone from its legislative department to talk to the membership in the field. "Once we explained what the bill was about," a UNW official said, "the issue was clear: this explains why few of those who came to Washington, were union members. One of those who followed the demonstrators around the corridors was Ward Sinclair of the Louisville Courier-Journal. He reported to his paper the day after the caravan that "one thing came through time and again—most demonstrators were misinformed or uninformed about the law and the legislators who voted for it."

Even if the bill is passed, it may mean little for Appalachia. Harry Caudill, a hero to many of the voiceless in the mountains, said in the current issue of "The Mountain Call" that he fears Appalachia will "be mined into a desert. I think we'll dig until every lump of coal is taken out of these hills. . . . If we pass a reclamation law it'll be years until we ever enforce it. We're not going to do anything about that. We passed this federal mine safety law in '69 and you know how long it took before they made the first little feeble gestures toward enforcement. The Appalachian coalfields will be racked and ruined in four or five more years. Even if you passed the strip mine law now, with people like Gerald Ford to enforce it, you'd never know the difference."

In the mountains, Caudill is known as a moderate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. RANGEL, for Thursday and Friday, May 1 and 2, 1975, on account of illness in the family.

Mr. MOSHER (at the request of Mr. RHODES), for today through May 13, 1975, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. MOORE) to revise and extend their remarks and include extraneous material:)

Mr. GUDE, for 5 minutes, today.

Mr. BOB WILSON, for 5 minutes, today.

Mr. YOUNG of Alaska, for 10 minutes, today.

Mr. DON H. CLAUSEN, for 5 minutes, today.

(The following Members (at the request of Mr. FISHER) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 5 minutes, today.

Mr. WHITE, for 5 minutes, today.

Mr. RICHMOND, for 5 minutes, today.

Mr. BEDELL, for 5 minutes, today.

Mr. VANIK, for 5 minutes, today.

Mr. TEAGUE, for 5 minutes, today.

Mr. KOCH, for 5 minutes, today.

Mr. MOAKLEY, for 5 minutes, today.

Mr. MOAKLEY, for 10 minutes, today.

Mrs. LLOYD of Tennessee, for 5 minutes, today.

Mr. FORD of Tennessee, for 10 minutes, today.

Mrs. SCHROEDER, for 5 minutes, today.

Mr. KASTENMEIER, for 5 minutes, today.

Mr. FISHER, for 5 minutes, today.

Mr. MELCHER, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. OTTINGER, at the opening of the House today, on Rabbi Kanarek, and to revise and extend his remarks.

Mr. MAHON, to revise and extend his remarks and include extraneous matter on the budget concurrent resolution.

Mr. ROUSH, to revise and extend his remarks on Vietnam humanitarian assistance conference report.

Mr. PERKINS, and to include his remarks after the remarks of Mr. ROUSSELOT in the Committee of the Whole today.

Mr. SEBELIUS, his remarks immediately following the remarks of Mr. ARMSTRONG in the Committee of the Whole today.

(The following Members (at the request of Mr. MOORE) and to include extraneous matter:)

Mr. COCHRAN.

Mr. YOUNG of Florida in five instances.

Mr. ANDERSON of Illinois in two instances.

Mr. ANDREWS of North Dakota.

Mr. ASHBROOK in three instances.

Mr. SNYDER.

Mr. CONABLE.

Mr. EDWARDS of Alabama.

Mr. BUCHANAN in two instances.

Mr. HAMMERSCHMIDT.

Mr. LENT in two instances.

Mr. FORSYTHE.

Mr. MYERS of Pennsylvania.

Mr. COLLINS of Texas in four instances.

Mr. FISH.

Mr. SPENCE.

Mr. GILMAN.

Mr. KASTEN in three instances.

Mr. PRESSLER.

Mr. ROBERT W. DANIEL, JR.

Mr. COUGHLIN.

Mr. SEBELIUS.

Mr. DERWINSKI in two instances.

Mr. HEINZ.

Mr. GRADISON.

Mr. TREEN in two instances.

Mr. MCEWEN in 10 instances.

Mr. KEMP in two instances.

Mr. FREY.

(The following Members (at the request of Mr. Fisher) and to include extraneous matter:)

Mr. Gonzalez in three instances.

Mr. Anderson of California in three instances.

Mr. Sisk in two instances.

Mrs. Lloyd of Tennessee in five instances.

Mr. Wirth in two instances.

Mr. Rangel.

Mr. Nowak.

Mr. Edgar.

Mr. Bedell.

Mr. Holland.

Mr. Mottl.

Mr. de Lugo.

Mr. Corman in five instances.

Mr. Blanchard in two instances.

Mr. Downey in four instances.

Mr. Ryan.

Mr. Krebs.

Mr. Hawkins.

Mr. Brodhead.

Mr. Dingell in two instances.

Mr. Vanik in three instances.

Mrs. Sullivan in two instances.

Mr. Studds.

Mr. Badillo in three instances.

Mr. Fisher in five instances.

Mr. Florio.

Mr. Madden.

Mr. de la Garza in 10 instances.

Mr. Scheuer in two instances.

Mr. Krueger.

Mr. Hébert.

Mr. Macdonald of Massachusetts.

Mr. Zeferetti.

Mr. Long of Maryland in 10 instances.

Mr. Jones of Tennessee.

ADJOURNMENT

Mr. FISHER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock), under its previous order, the House adjourned until Monday, May 5, 1976, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

913. A letter from the President of the United States, transmitting a report on participation of U.S. military forces in the evacuation of U.S. citizens and others from South Vietnam, pursuant to section 4 of the War Powers Resolution (Pubic Law 93–148) (H. Doc. No. 94–124); to the Committee on International Relations and ordered to be printed.

914. A letter from the President of the United States, urging action on an energy program (H. Doc. No. 94–122); jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce, and ordered be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KASTENMEIER: Committee on the Judiciary. H.R. 5727. A bill to establish an independent and regionalized U.S. Parole Commission, to provide fair and equitable parole procedures, and for other purposes; with amendment (Rept. No. 94–184). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of Alabama: Committee on Public Works and Transportation. H.R. 12. A bill to amend title 3, United States Code, to provide for the protection of foreign diplomatic missions, to increase the size of the Executive Protective Service, and for other purposes; with amendment (Rept. No. 94–185). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONES of Alabama: Committee on Public Works and Transportation. H.R. 4241. A bill to designate the John C. Kluczynski Federal Building (Rept. No. 94–186). Referred to the House Calendar.

Mr. HALEY: Committee on Interior and Insular Affairs, H.R. 5158. A bill to provide an authorization for an ex gratia payment to the people of Bikini Atoll, in the Marshall Islands of the Trust Territory of the Pacific Islands; with amendment (Rept. No. 94–187). Referred to the Committee of the Whole House on the State of the Union.

Mr. HALEY: Committee on Interior and Insular Affairs. S. 326. An act to amend section 2 of the act of June 30, 1954, as amended, providing for the continuance of civil government for the Trust Territory of the Pacific Islands; with amendment (Rept. No. 94–188). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MAHON:

H.R. 6573. A bill to rescind certain budget authority recommended in the message of the President of April 18, 1975 (H. Doc. 94–109) transmitted pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations.

By Mr. ARMSTRONG:

H.R. 6574. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the amount of certain cancellations of indebtedness under student loan programs; to the Committee on Ways and Means.

By Mr. BARRETT (for himself, Mr. Reuss, and Mr. Brown of Michigan) (by request):

H.R. 6575. A bill to amend the U.S. Housing Act of 1937 to increase the amounts of annual contributions which may be provided thereunder with respect to low-income housing projects, to specify the manner in which annual contributions shall be subject to appropriations acts, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. BELL (for himself, Mr. Johnson of California, Mr. Anderson of California, Mr. Brown of California, Mr. Burgener, Mrs. Burke of California, Mr. John L. Burton, Mr. Corman, Mr. Edwards of California, Mr. Goldwater, Mr. Hannaford, Mr. Krebs, Mr. McCloskey, Mr. Moss, Mr. Patterson of California, Mr. Rees, Mr. Roybal, Mr. Ryan, Mr. Stark, Mr. Van Deerlin, Mr. Waxman, and Mr. Bob Wilson):

H.R. 6576. A bill to provide for the establishment of the Santa Monica Mountains and Seashore Urban National Park in the State of California; to the Committee on Interior and Insular Affairs.

By Mr. BROWN of Michigan:

H.R. 6577. A bill to amend the Council on Wage and Price Stability Act to extend the termination date to September 30, 1977, and for other purposes; to the Committee on Banking, Currency and Housing.

Mr. COTTER (for himself, Mr. Giaimo, Mr. McKinney, Mr. Sarasin, Mr. Dodd and Mr. Moffett):

H.R. 6578. A bill to provide an additional 3-year period before States must begin repayment of outstanding advances to their unemployment compensation accounts; to the Committee on Ways and Means.

By Mr. DRINAN (for himself, Mr. Bonker, Mr. Mazzoli, Mr. Sarbanes, Mr. Scheuer, Mr. Waxman, and Mr. Won Pat):

H.R. 6579. A bill to require the submission of reports to the Congress prior to the issuance of a license for the export of certain arms, ammnunition, or implements of war; to the Committee on International Relations.

By Mr. FASCELL:

H.R. 6580. A bill to isure that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced, or entitlement thereto discontinued, because of increases in monthly social security beenfits; to the Committee on Veterans' Affairs.

Mr. FASCELL (for himself and Mr. Baucus):

H.R. 6581. A bill to provide for the review of petroleum import supply contracts and to provide for authority for the Government to enter into foreign supply contracts for petroleum; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. FLORIO (for himself, Mr. Dominick V. Daniels, Ms. Fenwick, Mr. Forsythe, Mr. Howard, Mr. Hughes, Mr. Maguire, Ms. Meyner, Mr. Minish, Mr. Patten, Mr. Rodino, Mr. Roe, and Mr. Thompson):

H.R. 6582. A bill to amend title II of the Social Security Act to provide that the remarriage of a widow, widower, or parent shall not terminate his or her entitlement to widow's, widower's, or parent's insurance benefits or reduce the amount thereof; to the Committee on Ways and Means.

By Mr. FOLEY (for himself, Mr. Bergland, Mr. Breckinridge, Mr. Brown of California, Mr. de la Garza, Mr. Findley, Mr. Jenrette, Mr. Jones of North Carolina, Mr. Litton, Mr. McHugh, Mr. Mathis, Mr. Peyser, Mr. Richmond, Mr. Rose, Mr. Vigorito, and Mr. Weaver):

H.R. 6583. A bill to amend the act of August 24, 1966, as amended, to assure humane treatment of certain animals, and for other purposes; to the Committee on Agriculture.

By Mr. GUDE:

H.R. 6584. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer to amortize over a 60-month period, solar heating and cooling equipment which is placed in service for nonresidential structures, or in lieu of such amortization, to take an investment tax credit for such equipment; to the Committee on Ways and Means.

By Mr. HARRINGTON:

H.R. 6585. A bill to amend the Food Stamp Act of 1964 to assure that recipients of assistance under that act will not have the amount of such assistance reduced, or entitlement thereto discontinued, because of increases in monthly social security benefits; to the Committee on Agriculture.

H.R. 6586. A bill to insure that recipients of aid or assistance under the AFDC, child welfare services, and medicaid programs, and participants in the Headstart, Follow Through and Foster Grandparents programs, will not have the amount of such aid or assistance reduced, or entitlement to such aid, assistance, or participation discontinued, because of increases in monthly social security benefits; to the Committee on Ways and Means.

H.R. 6587. A bill to amend title XVI of the Social Security Act to assure that recipients of supplemental security income benefits will not have the amount of such benefits reduced, or entitlement thereto discontinued, because of increases in monthly social security benefits; to the Committee on Ways and Means.

By Mr. HEINZ (for himself, Mr. Esch, Mr. Pritchard, Mr. Oberstar, Mr. Patterson of California, and Mr. Regula):

H.R. 6588. A bill to amend the Community Mental Health Centers Act to authorize a program for rape prevention and control; to the Committee on Interstate and Foreign Commerce.

By Mr. LATTA:

H.R. 6589. A bill to amend the National Labor Relations Act to provide that it shall be an unfair practice for an employer to coerce, harass, or threaten an employee or independent contractor with respect to any contract between such employee or independent contractor and such employer; to the Committee on Education and Labor.

By Mr. ICHORD:

H.R. 6590. A bill to postpone until January 1, 1977, the effective date of the recently enacted child support program (part D of title IV of the Social Security Act) in those States where AFDC grants are less than 90 percent of the applicable standard of need, so as to give such States an apportunity to minimize or avoid the adverse effects which would result from the immediate application of the new program's requirements; to the Committee on Ways and Means.

By Mr. LEGGETT:

H.R. 6591. A bill to amend title 5, United States Code, to provide that an employee's accrued annual leave may be granted only upon such employee's request and, absent such request, such accrued leave may not be required to be taken; to the Committee on Post Office and Civil Service.

By Mr. LITTON (for himself, Mr. Forsythe, Mr. Ginn, Mr. Hefner, Mr. Jeffords, Mr. Jenrette, Mr. Kindness, Mr. Murtha, Mr. Rose, Mr. Thompson, and Mr. Winn):

H.R. 6592. A bill to amend the Internal Revenue Code to encourage the continuation of family farms, and to provide that farmland, woodland, or open land which comprises part of an estate may be valued, for estate tax purposes, as such rather than at its fair market value, and to provide that real property which is listed on the National Register of Historic Places may be valued, for estate tax purposes, at its value for its existing use, and to provide for the revocation of such lower evaluation and recapture of unpaid taxes with interest in appropriate circumstances; to the Committee on Ways and Means.

By Mr. LOTT:

H.R. 6593. A bill to amend the Communications Act of 1934 to provide that licenses for the operation of broadcasting stations may be issued and renewed for terms of 5 years, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MITCHELL of Maryland (for himself, Ms. Abzug, Mr. Metcalfe, Mr. Solarz, Mr. Sarbanes, Ms. Holtzman, and Ms. Spellman):

H.R. 6594. A bill to direct the Secretary of Housing and Urban Development and the Secretary of Agriculture to provide assistance, under existing programs, with respect to 3 million new dwelling units for low-income individuals within a 3-year period; to the Committee on Banking, Currency and Housing.

By Mrs. MINK (for herself and Mr. Burleson of Texas):

H.R. 6595. A bill to amend section 106 of title 38, United States Code, to deem certain service performed by members of the Women's Air Forces Service Pilots to have been active duty for purposes of laws administered by the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. MOAKLEY:

H.R. 6596. A bill to improve public understanding of the role of financial institutions in home and commercial real property financing; to the Committee on Banking, Currency and Housing.

By Mr. OTTINGER (for himself, Ms. Abzug, Mr. Findley, Mr. Fraser, Mr. Moss, and Mr. Solarz):

H.R. 6597. A bill to amend the Federal Food, Drug, and Cosmetic Act to make the provisions of that act relating to cosmetics applicable to hair dyes; to the Committee on Interstate and Foreign Commerce.

By Mr. PERKINS:

H.R. 6598. A bill to provide for acquisition and construction by the Energy Research and Development Administrator of facilities for the production of synthetic fuels from coal and oil shale, for lease of such facilities to private enterprise for operation and marketing of output, and for sale or other disposition of such facilities to private enterprise with certain disposition of such facilities to private enterprise with certain options for such lessees; to the Committee on Interior and Insular Affairs.

By Mr. RINALDO:

H.R. 6599. A bill to authorize certain revenues from leases on the Outer Continental Shelf, to be made available to coastal and other States; jointly to the Committees on the Judiciary, Merchant Marine and Fisheries, and Government Operations.

By Mr. ROSENTHAL (for himself and Mr. Kelly):

H.R. 6600. A bill to establish the Office of Inspector General in the Department of Health, Education, and Welfare; to the Committee on Government Operations.

By Mr. ROSENTHAL (for himself, Mr. Duncan of Oregon, and Mr. Ottinger):

H.R. 6601. A bill to permit the advertising of drug prices and to require retailers of prescription drugs to post the prices of certain commonly prescribed drugs; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Ms. Abzug, Mr. Duncan of Oregon, and Mr. Scheuer):

H.R. 6602. A bill to require that durable consumer products be labeled as to durability and performance life; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Mr. Duncan of Oregon, and Mr. Ottinger):

H.R. 6603. A bill to amend the Federal Food, Drug, and Cosmetic Act so as to require that in the labeling and advertising of drugs sold by prescription the established name of such drug must appear each time their proprietary name is used, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Mr. Carr, and Mr. Hawkins):

H.R. 6604. A bill to require major corporations to file cost justifications of price increases made in connection with compliance with Federal regulatory requirements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Mr. Baucus, Mr. Blanchard, Mr. Carr, Mr. Gilman, Mr. Mikva, Mr. Mineta, Mr. Udall, Mr. Waxman, and Mr. Wirth):

H.R. 6605. A bill to amend the Fair Packaging and Labeling Act to require the disclosure by retail distributors of retail unit prices of consumer commodities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Mr. Bingham, and Ms. Spellman):

H.R. 6606. A bill to amend the Federal Food, Drug, and Cosmetic Act and the Fair Packaging and Labeling Act and to otherwise require the labels on foods and food products to disclose all of their ingredients and any changes in their ingredients, their nutritional content, accurate weight data, storage information, their manufacturers, packers, and distributors, and their unit prices and to provide for uniform product grading and prohibit misleading brand names; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Ms. Abzug, and Mr. Scheuer):

H.R. 6607. A bill to require retailers to provide point of sale information to consumers concerning the recent price history of products and merchandise offered for sale at retail in commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 6608. A bill to amend the Federal Trade Commission Act to make sales promotion games unfair methods of competition; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Ms. Abzug, Mr. Duncan of Oregon, and Mr. Scheuer):

H.R. 6609. A bill to require that certain durable products be prominently labeled as to date of manufacture, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Ms. Abzug, and Mr. Scheuer):

H.R. 6610. A bill to establish the Airport Noise Curfew Commission and to define its functions and duties; to the Committee on Public Works and Transportation.

By Mr. ROSENTHAL (for himself, Mr. Moakley, and Mr. Scheuer):

H.R. 6611. A bill to amend title 5, United States Code, to provide for the establishment of a Special Cost-of-Living Pay Schedule containing increased pay rates for Federal employees in heavily populated cities and metropolitan areas to offset the increased cost of living, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. ROSENTHAL (for himself, Mr. Ambro, and Mr. Bingham):

H.R. 6612. A bill to restrict the activities of certain Federal employees and officers, to provide remedies to implement these restrictions, and to facilitate the enforcement of existing conflict of interest statutes; to the Committee on Post Office and Civil Service.

By Mr. ROSENTHAL (for himself and Mr. Ottinger):

H.R. 6613. A bill to amend title 35 of the United States Code to provide for compulsory licensing of prescription drug patents; to the Committee on the Judiciary.

By Mr. ROSENTHAL (for himself, Mr. Downey, Mr. Frey, Mr. Moakley, Mr. Scheuer, and Mr. Wolff):

H.R. 6614. A bill to amend the Social Security Act to provide for a minimum annual income (subject to subsequent increases to reflect the cost of living) of $3,850 in the case of elderly individuals and $5,200 in the case of elderly couples; to the Committee on Ways and Means.

By Mr. ROSENTHAL (for himself, Ms. Abzug, and Mr. Scheuer):

H.R. 6615. A bill to repeal the meat quota provisions of Public Law 88–482; to the Committee on Ways and Means.

By Mr. ROSENTHAL (for himself, Mr. Buchanan, Mr. Duncan of Oregon, and Mr. Ottinger):

H.R. 6616. A bill to require that certain drugs and pharmaceuticals be prominently labeled as to the date beyond which potency or efficacy becomes diminished; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL (for himself, Mr. Mikva, Mr. Seiberling, and Mr. Charles H. Wilson of California):

H.R. 6617. A bill to prohibit sonic booms by civil aircraft within the United States; to the Committee on Public Works and Transportation.

By Mr. ROSENTHAL (for himself, Ms. Abzug, Mr. Moakley, and Mr. Scheuer):

H.R. 6618. A bill to amend the Intergovernmental Cooperation Act of 1968 to improve intergovernmental relationships between the United States and the States and municipalities, and the economy and efficiency of government, by providing Federal cooperation and assistance in the establishment and strengthening of State and local offices of consumer protection; jointly to the Committees on Government Operations, and Interstate and Foreign Commerce.

By Mr. ST GERMAIN (for himself and Mr. Beard of Rhode Island):

H.R. 6619. A bill to provide for the inclusion of emergency power equipment in federally assisted multifamily housing facilities which are designed for occupancy in whole or substantial part by the elderly, and to authorize Federal loans to finance the provision of such equipment for those facilities; to the Committee on Banking, Currency and Housing.

By Mrs. SMITH of Nebraska:

H.R. 6620. A bill to authorize the Secretary of the Interior to engage in feasibility investigations of certain potential water resource developments; to the Committee on Interior and Insular Affairs.

By Mrs. SPELLMAN:

H.R. 6621. A bill to assist cities and States by amending section 5136 of the Revised Statutes, as amended, with respect to the authority of national banks to underwrite and deal in securities issued by State and local governments, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. STEED (for himself and Mr. Jarman):

H.R. 6622. A bill to provide for repair of the Del City Aqueduct, a feature of the Norman Federal Reclamation Project, Okla.; to the Committee on Interior and Insular Affairs.

By Mr. VANIK:

H.R. 6623. A bill to amend title XI of the Social Security Act to provide for a system of reviews, inspections, and audits of the medicare program under title XVIII of such act, to be conducted by a newly established Inspector General for Health Administration in the Department of Health, Education, and Welfare; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. WHITEHURST (for himself, Mr. Robert W. Daniel, Jr., Mr. Fisher, Mr. Gude, Mrs. Holt, Mr. Preyer, Mr. Satterfield, Mr. Harris, and Mrs. Spellman):

H.R. 6624. A bill to designate certain lands in the Shenandoah National Park, Va., as wilderness; to the Committee on Interior and Insular Affairs.

By Mr. ANDERSON of California (for himself, Mr. Henderson, Mr. James V. Stanton, Mr. Studds, Mr. Mineta, Mr. Johnson of California, Mr. Ginn, Mrs. Lloyd of Tennessee, Mr. Snyder, Mr. Cochran, and Mr. Taylor of Missouri):

H.R. 6625. A bill to amend the Federal Aviation Act of 1958 to insure the availability of air transportation to consumers at the lowest reasonable cost, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. ASHBROOK:

H.R. 6626. A bill to amend the Fair Labor Standards Act of 1938 to permit certain rates of compensation for rural letter carriers employed by the U.S. Postal Service; to the Committee on Post Office and Civil Service.

By Mr. BALDUS (for himself, Mr. Kastenmeier, Mr. Obey, Mr. Cornell, Mr. Pattison of New York, Mr. Nolan, Mr. Pressler, Mr. Hanley, Mr. Carr, Mr. Walsh, Mr. Mathis, and Mr. Charles Wilson of Texas):

H.R. 6627. A bill to amend the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended; to the Committee on Ways and Means.

By Mr. CHAPPELL (for himself and Mr. Lent):

H.R. 6628. A bill to provide for the development of aquaculture in the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. CORMAN:

H.R. 6629. A bill to provide an additional 13 weeks of unemployment compensation under the emergency unemployment compensation program and the special unemployment assistance program, to extend the special unemployment assistance program for 1 year, and for other purposes; to the Committee on Ways and Means.

By Mr. de la GARZA:

H.R. 6630. A bill to amend the Smith-Lever Act, as amended, to provide for improved agricultural extension, research and cooperation among agricultural colleges; jointly to the Committees on Agriculture, and International Relations.

By Mr. DINGELL:

H.R. 6631. A bill to establish a Federal Zoological Control Board in order to insure that zoos and other animal display facilities maintain minimum standards for the humane care and husbandry of animals, to provide technical and financial assistance to zoos, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. DRINAN (for himself, Mr. Badillo, Mr. Bonker, Mr. Brown of California, Mr. Conyers, Mr. Cornell, Mr. Dellums, Mr. Downey, Mr. Edgar, Mr. Gude, Mr. Harrington, Mr. Leggett, Mr. Moakley, Mr. Mazzoli, Mr. Ottinger, Mr. Rosenthal, Mr. Roybal, Mr. Sarbanes, Mr. Scheuer, Mr. Solarz, Mr. Waxman, and Mr. Won Pat):

H.R. 6632. A bill to provide increased congressional oversight of foreign military sales conducted under the Foreign Military Sales Act; jointly to the Committee on International Relations, and Rules.

By Mr. FISHER:

H.R. 6633. A bill to amend the Internal Revenue Code of 1954 to revise the tax treatment of transfers of certain property to tax exempt organizations; to the Committee on Ways and Means.

By Mr. FORD of Tennessee (for himself, Mr. Maguire, Mr. Jones of Tennessee, Ms. Chisholm, Mr. Stokes, Mr. Hughes, Mr. Blanchard, Mr. Cotter, Mr. Wirth, Mr. Russo, Mr. Carr, Mr. Zeferetti, Mr. Bedell, Mr. Miller of California, Mr. Waxman, Mr. Beard of Rhode Island, Ms. Meyner, Mr. Scheuer, Mr. Pattison of New York, Mr. Brinkley, Mr. Santini, and Mr. Baucus):

H.R. 6634. A bill to amend the Fair Packaging and Labeling Act to require that packaged consumer commodities be labeled to show their selling price; to the Committee on Interstate and Foreign Commerce.

By Mr. HARRINGTON:

H.R. 6635. A bill to amend the Voting Rights Act of 1965 to provide that individuals casting absentee ballots in Federal elections shall be relieved of any costs relating to the notarization of such ballots; jointly to the Committees on the Judiciary and House Administration.

By Mr. HUGHES:

H.R. 6636. A bill to amend title II of the Social Security Act to increase to $5,000 the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted an individual each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. O'NEILL (for himself, Mr. Fascell, Mr. Moffett, Mr. Rose, Mr. Brown of California, Mr. Scheuer, Mr. Sarbanes, Mr. Gaydos, Mr. Nix, Mr. Minish, Mr. Mitchell of New York, Mr. Helstoski, Mr. Dellums, and Mr. Rees):

H.R. 6637. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to provide for the disposal of surplus real property to States and their political subdivisions, agencies and instrumentalities for economic development purposes; to the Committee on Government Operations.

By Mr. O'NEILL (for himself, Mr. Charles H. Wilson of California, Mr. Seiberling, Ms. Meyner, Mr. Cotter, Mr. Zeferetti, Mr. Badillo, Mr. McKinney, Mr. Koch, Mr. LaFalce, Mr. Stark, Mr. Cornell, Mr. Won Pat, and Mr. de Lugo):

H.R. 6638. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to provide for the disposal of surplus real property to States and their political subdivisions, agencies, and instrumentalities for economic development purposes; to the Committee on Government Operations.

By Mr. SANTINI:

H.R. 6639. A bill to exempt range sheep industry mobile housing and temporary range cattle camps from regulations affecting permanent housing for agricultural workers; to the Committee on Education and Labor.

By Mr. STAGGERS:

H.R. 6640. A bill to authorize the Secretary of Transportation to guarantee loans of $100 million to railroad systems in the Midwestern United States; to the Committee on Interstate and Foreign Commerce.

By Mr. THONE:

H.R. 6641. A bill to authorize recomputation at age 60 of the retired pay of members and former members of the uniformed services whose retired pay is computed on the basis of pay scales in effect prior to January 1, 1972, and for other purposes; to the Committee on Armed Services.

By Mr. WHITE:

H.R. 6642. A bill to provide for allotment or assignment of payments from civil service annuities, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BOB WILSON:

H.R. 6643. A bill to amend section 1451 of title 10, United States Code, to change the offset for social security under the survivor benefit plan from 100 percent to 50 percent, and for other purposes; to the Committee on Armed Services.

By Mr. YOUNG of Alaska:

H.R. 6644. A bill to provide, under or by amendment of the Alaska Native Claims Settlement Act, for the late enrollment of certain Natives, the establishment of an escrow account for the proceeds of certain lands, the treatment of certain payments and grants, and the consolidation of existing regional corporations, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. EDGAR:

H.R. 6645. A bill to amend the Highway Revenue Act of 1956 relating to the Highway trust fund; to the Committee on Ways and Means.

By Mr. D'AMOURS (for himself, Mr. Beard of Rhode Island, Mr. Boland, Mr. Burke of Massachusetts, Mr. Cohen, Mr. Cotter, Mr. Dodd, Mr. Early, Mr. Emery, Mr. Harrington, Mr. Jeffords, Mr. Macdonald of Massachusetts, Mr. McKinney, Mr. Moakley, Mr. St Germain, Mr. Sarasin, and Mr. Studds):

H.J. Res. 424. Joint Resolution to amend the act creating the American Revolution Bicentennial Advisory Council to permit the appointment of members from the New England States; to the Committee on the Judiciary.

By Mr. WAGGONNER:

H.J. Res. 425. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. WHITEHURST:

H.J. Res. 426. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. YATRON:

H.J. Res. 427. Joint resolution providing for the designation of the first week in May of each year as Be Kind to Animals Week; to the Committee on Post Office and Civil Service.

By Mr. ANNUNZIO (for himself and Mr. Zablocki):

H. Con. Res. 262. Concurrent resolution expressing the sense of Congress concerning recognition by the European Security Conference of the Soviet Union's occupation of Estonia, Latvia, and Lithuania; to the Committee on International Relations.

By Mr. CARNEY:

H. Con. Res. 263. Concurrent resolution expressing the sense of the Congress with respect to International Women's Year; to the Committee on Post Office and Civil Service.

By Mr. FUQUA:

H. Res. 436. Resolution to oppose the lifting of sanctions against Cuba and to request the advice and consent of the Senate prior to any proposed change in our Cuba policy; to the Committee on International Relations.

By Mr. KARTH:

H. Res. 437. Resolution proposing the designation of Norwegian-American Day; to the Committee on Post Office and Civil Service.

By Mr. MONTGOMERY (for himself, Mr. McEwen, Mr. Murphy of Illinois, Mr. Coughlin, Mr. Breaux, Mr. Forsythe, Mr. Byron, Mr. Robert W. Daniel, Jr., Mr. Jones of Tennessee, Mr. Andrews of North Dakota, Mr. Ichord, Mr. St Germain, Mr. Findley, Mr. O'Neill, Mr. Hughes, Mr. Bafalis, Mr. Florio, Mr. Studds, Mr. Gude, Mr. Ford of Tennessee, Mr. Collins of Texas, and Mr. Jenrette):

H. Res. 438. Resolution establishing a select committee to study the problem of U.S. servicemen missing in action in Southeast Asia; to the Committee on Rules.

By Mr. STAGGERS (for himself, Mr. Dingell, Mr. Moss, Mr. Rogers, Mr. Rooney, Mr. Macdonald of Massachusetts, Mr. Murphy of New York, Mr. Wirth, Mr. Sharp, Mr. Brodhead, Mr. Eckhardt, Mr. Ottinger, Mr. Moffett, Mr. Maguire, and Mr. Van Deerlin):

H. Res. 439. Resolution disapproving the proposed amendment by the President to remove existing price controls relating to crude oil; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HALEY:

H.R. 6646. A bill for the relief of E. Garrison Wood; to the Committee on the Judiciary.

By Mr. HAWKINS:

H.R. 6647. A bill for the relief of Guillermo Bell; to the Committee on the Judiciary.

H.R. 6648. A bill for the relief of Danelia Alvarez de Bell; to the Committee on the Judiciary.

By Mr. TEAGUE:

H.R. 6649. A bill for the relief of Rocco A. Petrone; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

117. The SPEAKER presented a petition of the Moorish School of Law and History, Baltimore, Md., relative to implementation of the 13th amendment with 20 sections; to the Committee on the Judiciary.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 49

By Mrs. SCHROEDER:

Amendment to the amendment of the Committee on Interior and Insular Affairs, to H.R. 49:

On page 3, line 21, insert "Naval Oil Shale Reserves," immediately before "the National Wildlife Refuge,".

Amendment to the amendments of the Committee on Armed Services to the amendments of the Committee on Interior and Insular Affairs to H.R. 49 (as reported from the Committee on Armed Services on April 18, 1975):

On page 4, line 1, insert "and Oil Shale" immediately before "Reserves".

On page 12, line 20, strike "and Oil Shale".

On page 12, line 24, strike "and Oil Shale".

On page 13, line 13, strike "and Oil Shale". Shale".

On page 13, line 24, strike "; and" insert "," after "exchanges".

On page 14, lines 1–2, strike "and oil shale"

On page 14, line 4, strike "." after "terminals," and insert "; and".

On page 14, between lines 4 & 5, insert

"(4) Exploration, prospecting, conservation, and maintenance of the Naval Oil Shale Reserves as authorized by this chapter, or as may hereafter be authorized."

On page 14, line 6, strike "and Oil Shale".

On page 15, in the analysis between lines 1 and 2, strike "and Oil Shale."

Amendment to amend the substitute to H.R. 49, as recommended by the Committee on Interior and Insular Affairs, as further amended by the text of H.R. 5919 as a substitute as offered by the Committee on Armed Services, by further amending the text of H.R. 5919 as follows:

On page 6, line 22, strike out "and oil shale".

On page 7, line 1, strike out "and oil shale".

On page 7, lines 16 and 17, strike out "and oil shale".

On page 7, line 22, strike out "and oil shale".

On page 8, line 2, strike out "; and" and insert a comma.

On page 8, line 4, strike out "and oil shale".

On page 8, between lines 7 and 8, insert "(4) exploration prospecting, conservation, and maintenance of the naval oil shale reserves as authorized by this chapter, or as may hereafter be authorized."

On page 8, line 7, strike out the period and insert "; and".

On page 8, line 9, strike out "and oil shale".

On page 8, line 20, strike out "and oil shale".

On page 9, in the analysis between lines 3 and 4, strike out "and oil shale".

Amendment to the amendments of the Committee on Armed Services to the amendment of the Committee on Interior and Insular Affairs. Section 7432 is amended to read as follows:

§ 7432. Naval Petroleum and Oil Shale Reserves Special Fund

"(a) There is hereby established on the books of the Treasury Department a special fund designated the "Naval Petroleum and Oil Shale Reserves Special Fund." There shall be granted such fund—

"(1) All proceeds realized under this chapter from the disposition of the United States share of petroleum or refined products, oil and gas products, including royalty products;

"(2) the net proceeds, if any, realized from sales or exchanges within the Department of Defense of refined petroleum products accruing to the benefit of any component of that Department as a result of any such sales or exchanges; and

"(3) such additional sums as have been, or may be, appropriated for the maintenance, operation, exploration, development and production of the naval petroleum reserves.

"(b) Funds available in the Naval Petroleum and Oil Shale Reserve Special Fund shall be available for expenditure in such sums as are specified in annual congressional appropriations acts for the expense of—

"(1) exploration, prospecting, conservation, development, use, operation and production of the Naval Petroleum Reserves as authorized by this chapter;

"(2) production, including preparation for production as authorized by this act, or as may hereafter be authorized;

"(3) the construction and operation of facilities both within and outside the naval petroleum reserves incident to the production and the delivery of crude petroleum and derivatives, including pipelines and shipping terminals; and

"(4) Exploration, prospecting, conservation, and maintenance of the Naval Oil Shale Reserves as authorized by this chapter, or as may hereafter be authorized.

"(c) The budget estimates for annual appropriations from the Naval Petroleum and Oil Shale Reserve Special Fund shall be prepared by the Office of Naval Petroleum and Oil Shale Reserves and shall be presented by the President independently of the budget of the Department of the Navy and the Department of Defense.

"(d) Contracts obligating only such funds as are appropriated and made available annually may be entered into by the Secretary for periods of not more than five years renewable for a like term."

H.R. 4035

By Mr. JEFFORDS:

On page 14, after line 19, add new sections 3 and 4 to read as follows:

Sec. 3. Section 4 of the Emergency Petroleum Allocation Act of 1973 is amended by adding at the end thereof the following new subsection:

"(h) (1) Beginning on the date of enactment of this subsection, no amendment to the regulation under subsection (a) which would have the effect of establishing a minimum price for crude oil, residual fuel oil, or any refined petroleum product may take effect except in accordance with the provisions of subsection (g) (2).

"(2) For purposes of subsection (g) (2), an amendment described in paragraph (1) of this subsection shall be considered as amendment described in subsection (g) (2) of this section.

"(3) No amendment described in paragraph (1) which takes effect after January 1, 1975, and prior to the date of enactment of this subsection, may remain in effect for a period of longer than ninety days after such date of enactment and the President shall rescind any such amendment within such ninety-day period, unless such amendment is transmitted to the Congress within such thirty-day period for review under the provisions of subsection (g) (2) of this section, in which case such amendment may continue in effect unless disapproved under the provisions of subsection (g) (2).".

Sec. 4. Section 4(g) (2) of the Emergency Petroleum Allocation Act of 1973 is amended to read as follows:

"(2) (A) Subject to the requirements of this paragraph, the President may prescribe an amendrment to the regulation under subsection (a) exempting crude oil, residual fuel oil, or any refined petroleum product from the provisions of such regulation as such provisions pertain to either (i) the allocation of amounts of any such oil or product, or (ii) the specification of price or the manner for determining price of any such oil or product.

"(B) The President shall transmit (i) any amendment (bearing an identification number) to the regulation prescribed under subparagraph (A) of this paragraph, accompanied by a specific statement of the President's rationale for such amendment, and (ii) the matter described in subparagraph (D) of this paragraph, to both Houses of Congress on the same day and to each House while it is in session. Such an amendment may apply only to one oil or one product with respect to either allocation or price and may provide for scheduled or phased implementation.

"(C) (i) Such amendment shall take effect on the date or dates specified in such amendment, but not sooner than the end of the first period of sixty calendar days of continuous session of Congress (within the meaning of section 906(b) of title 5, United States Code) after the date on which such amendment is transmitted to it; except that such an amendment shall not take effect if, between the date of transmittal and the end of such sixty-day period, either House passes a resolution of that House, the matter after the resolving clause of which is as follows: 'That the does not favor the amendment (numbered) under subsection (a) of the Emergency Petroleum Allocation Act of 1973, transmitted to the Congress by the President on , 19 ', the first blank space therein being filled with the name of the resolving House and the other blank spaces therein being appropriately filled.

"(ii) Section 908 and sections 910 through 913 of title 5, United States Code, shall apply to any resolution described in clause (i), and for purposes of the consideration of a resolution under this paragraph, any reference to a resolution under section 908 and sections 910 through 913 of title 5, United States Code, shall be deemed a reference to a resolution described in clause (i), and any reference to a reorganization plan shall be deemed a reference to an amendment to which this paragraph applies.

"(D) The President shall support any proposed amendment to the regulation under subsection (a) which is transmitted to the Congress under subsection (g)(2) and which has the effect of establishing a minimum price for crude oil, residual fuel oil, or any refined petroleum product with a report, which shall contain the following findings:

"(i) the need for the proposed amendment;

"(ii) the prices of imported and domestic crude oil and other fuels and forms of energy which are in fact anticipated to result from the proposed amendment; and

"(iii) the impact of the proposed amendment upon domestic production and consumption of crude oil and other fuels and forms of energy;".

SEC. 4. (a) It is the sense of the Congress that the President should not enter into any formal international agreement having the effect of establishing a price floor on crude oil, residual fuel oil, or any refined petroleum product until such time as the Congress grants him the authority to enter into it.

(b) Nothing in section 232(b) of the Trade Expansion Act of 1962 (19 U.S.C. 1862(b)), or in any other provision of law, shall be deemed to grant the President any authority to adjust (whether by imposing a tariff, import fee, quota, or otherwise) imports of crude oil, residual fuel oil, or any refined product if such adjustment has the effect of establishing a minimum price floor.

S. 1236 AS REFERRED IN THE HOUSE

By Mr. JEFFORDS:

Strike out commencing on page 5, line 22, immediately after the word "following:" everything through page 6, lines 1 and 2, and insert in lieu thereof the following: "except that, at the request of the borrower and subject to the approval of the Secretary such loans may be consolidated once, without reference to whether they may have been renewed, and scheduled for payment over a period not to exceed 10 years. If loans are consolidated the maturity period shall be computed from the date of the consolidation, and the amount of unpaid principal of the prior loans so consolidated shall not create a new charge against any loan levels as authorized by the Congress."

EXTENSIONS OF REMARKS

STATEMENT IN SUPPORT OF H.R. 6447, A BILL TO INCREASE THE CORPORATE SURTAX EXEMPTION

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. KASTEN. Mr. Speaker, H.R. 6447 would increase the corporate surtax exemption to $100,000 by 1980. This legislation would provide needed relief for small businesses which have suffered from inflation, which has reduced the value of the corporate surtax exemption, and from the adverse impacts of the recession.

Presently, corporations are subject to a normal tax of 22 percent and a surtax of 26 percent making the total rate 48 percent. However, an exemption in the amount of $50,000 is allowed from the corporate surtax rate, making the tax a two-step tax with a rate of 22 percent on the first $50,000 and 48 percent on any amount over that. Prior to the recent tax bill, the Tax Reduction Act of 1975 (Public Law 94–12) this exemption was $25,000. The act increased the exemption to its present $50,000 level.

While this change was a step in the right direction, it did not go far enough. H.R. 2288 would raise the exemption in phases to $100,000. There are several reasons why the exemption should be further increased. The major reason is the simple one of equity towards small business in inflationary times.

The income tax system has long contained relief provisions from high corporate tax rates for small corporations. Although the corporate surtax exemption in its present form was adopted in 1950, the $25,000 figure actually dates from 1938 when a graduated rate applied to income up to $25,000 with a flat rate thereafter. While the corporate income tax structure was revised on several occasions after 1938, the $25,000 figure persisted. If $25,000 is inflated to current levels, using the GNP implicit price deflator, the value today would be around $97,000. Thus an increase to $100,000 by 1980 is more than justified merely as a means of keeping a long-standing tax relief provision for small business intact in real terms.

However, the reasons for adopting an increased exemption go beyond the question of simple equity. While all sectors of the economy have suffered from inflation and recession, smaller businesses are more vulnerable. In a tight money market, these businesses have greater difficulties in obtaining credit as compared to large corporations. At the same time that costs, particularly for energy, are increasing, they are being squeezed by a recession. These smaller enterprises are vital to a free-market economy, and add an important element of competition and innovation. With greater concentration of market shares occurring among large corporations it is important that Government policy not discriminate against the small enterprise.

The small business sector of our economy is important in providing jobs and output. When small businesses suffer, the economy as a whole suffers. Tax policies designed to stimulate the economy and provide relief from high taxes have in many cases neglected the small business enterprise.

Two major features of our tax law adopted in recent years and designed to stimulate the economy are the investment tax credit and rapid depreciation through the Asset Depreciation Range. The recent tax reduction act increased the investment tax credit as a stimulative device, devoting more reduction to this provision than to the increase in the corporate surtax exemption. While these rapid capital cost recovery provisions are important in stimulating capital investment and output, they tend to benefit large corporations more so than small ones. One reason, of course, is that large businesses are likely to be more capital intensive than small businesses. However, statistics indicate that smaller enterprises are much less likely to adopt such provisions. One reason may be the complexity of accounting for these provisions and the costs of adopting such methods in the company's tax books, particularly if the value of eligible capital equipment is not large in relation to income. In addition, small businesses may be deterred from using accelerated depreciation in particular because of greater uncertainty about the future.

Since small businesses have not benefited greatly from these provisions, it is appropriate to provide relief from them in the simple form of an increase in the corporate surtax exemption. Through a reduction in their heavy tax burden, these businesses will have a larger internal cash flow to expand, which will ultimately benefit society in terms of increased employment and output.

MAY 1, 1975, LAW DAY

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. CORMAN. Mr. Speaker, it is a privilege to join in the national commemoration of Law Day, 1975.

This past year, as we all know, has been one of transition and turbulence in American Government. We have seen a nation persevere through a constitutional process which has resulted in the resignation of a President. We have witnessed an orderly transition of power which was made possible by a system of laws made by men and women. We have been involved in a rare exercise which has demonstrated the importance of the rule of law in our society.

The question remaining in many people's minds is what is the law in a time when trust in Government and its institutions is being second guessed. The wisdom drawn from Watergate is not only the discovery of what went wrong, but why and how we can prevent it from happening again. How can we restore confidence in the principles and institutions which govern us?

One of the most rewarding exercises certainly must be a discussion of what is the law. The law is not a solution to all the ills in our society. It cannot be expected to solve our complex economic and social problems. It cannot be expected to end human suffering. And we must not look to our laws to create morality.

We can expect them to sustain a system of order. Although, our laws cannot legislate character we can regulate behavior. The real test of our system and its potential for survival will be determined by the number of citizens who believe that the law must be obeyed. In the final analysis, democracy cannot hope to survive without respect for the law.

Laws translate social change into social action and their flexibility permits rapid change in our society. The strength of our Constitution lies in its endurance and elasticity. And the strength of our people is that enactment of changes in that document is accomplished through wisdom and not through whim. Our failures have come, and will continue to occur, when individuals seek to ignore, modify or interpret existing statutes for personal power and privilege and not for the positive benefit of the general public good. The breakdown in our system does not always lie as much with the laws as with the people who abuse them.

The challenge we face today as we pay service to Law Day is to restore that abandoned respect. It is the responsibility of legislator and layman alike to channel responsible change through law and reason, knowing that the law has never served one individual fairly without serving all people equally. It is imperative that we all take stock of ourselves and determine how each of us can contribute to the rule of law by respecting it, revising it, and renewing trust in its place in this Nation's present course. We in Government must further resolve to legislate with prudence and foresight and adjudicate with compassion and reason.

THE 200-MILE TERRITORIAL WATERS CONTROVERSY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. ANDERSON of California. Mr. Speaker, at this time I would like to take a few moments to reiterate my opposition to the 200-mile offshore jurisdictional proposals. I would therefore like to reflect for the RECORD a copy of my statement prepared for the United Nations Law of the Sea Conference now meeting in Geneva.

I believe that a unilateral declaration of a 200-mile territorial or economic limit, enticing as they may be to many of my colleagues, would be a disastrous mistake. Examining the scenario which would hold if we were to unilaterally declare a 12-mile territorial waters limit and a 200-mile economic limit, and assuming that most other coastal states would follow suit, we run into several difficulties.

First, more than 100 international straits between 6 and 24 miles wide would become engulfed by one or more territorial seas. I do not believe I have to go into detail about the inflexibility this would burden our naval forces with. In an era characterized by "brush-fire wars" and limited confrontations, this inflexibility would unduly compromise our national security.

Another problem with the 12-mile territorial limit and 200-mile economic zone would be the impact on U.S. distant waters fishing. This $100 to $200 million per year industry would be completely at the mercy of foreign nations, off whose coasts U.S. vessels now legally fish.

I believe that my statement for the Geneva Conference more fully addresses this problem. Therefore, I would like at this point to include this statement in the RECORD:

STATEMENT OF THE HONORABLE GLENN M. ANDERSON

I appreciate very much having this opportunity to present my views before the United Nations Law of the Sea Conference. It is indeed an honor to contribute to, and participate in, this most-important meeting.

In 1975, we are faced with many difficult decisions, and little time in which to make them. The pressures mount day-by-day for a solution to the grave problems facing the world's fishermen, caught in the middle of a crisis brought on by nations' inability to cooperate, even for their mutual benefit.

At this time, many countries have violated internationally agreed upon limits, and have unilaterally declared 200-mile territorial seas. This has set a dangerous precedent, and has heightened international tensions. Who is to say a nation may not declare a 500-mile limit, if such actions are let stand?

The 1952 Santiago Declaration by Chile, Peru, and Ecuador has been the basis for over twenty years of conflict between the United States and these nations. These countries unilaterally extended their ocean jurisdiction to 200 miles, and began charging exorbitant fees to fish. Ecuador, for example, has set up a licensing fee and registration system which costs U.S. tuna fishermen from $20,000 to $100,000 per vessel, *per trip!* And Peru charges $500 annual registration, and $20 per ton of registered hold capacity, per vessel, per trip. Their fines, under the 1973 system, are computed as four times the sum of license and registration fees, for the first offense; for the second offense, the fine is eight times that sum. If every other nation imposed such fees and fines, the cost of fishing would become prohibitive.

The reason tuna fishermen must fish in these unilaterally-declared territorial seas is that the tuna themselves migrate over a wide area. Ranging up and down thousands of miles of the West Coast waters of the Americas, the tuna are not the property of any one nation; they are an international resource.

The detention of U.S. fishermen, the expropriation of their catch, and the levying of huge fines are surely matters which warrant consideration at this Conference.

If the Law of the Sea Conference does adopt the 200-mile economic zone provision which I oppose, then significant attention must be given to the migratory species problem.

Claims are made by various nations that they are acting in the interest of conservation when they regulate tuna fishing off their coasts. This is an invalid argument for two reasons:

Firstly, tuna is an international resource. Yellowfin migrate more than 2,000 miles and skipjack over 3,000 miles. No one nation may lay claim to such a resource, nor accept responsibility for its conservation. An international or regional organization is necessary, which brings up the second point:

An international organization does exist for the express purpose of tuna conservation. The Interamerican Tropical Tuna Commission in 1966 set up a program for the protection of Yellowfin, establishing a general quota system. The Commission has taken no such action for skipjack, though, since this resource is currently not fully utilized.

In summary, if this Conference does adopt a 12-mile territorial waters limit and a 200-mile economic zone, I strongly urge that a Migratory Species Provision exempting such species as tuna and albacore from coastal state control be adopted. The international nature of these highly migratory fish, combined with the existence of an international regulatory body, preclude even the best argument a coastal state may come up with.

HARMFUL TO THE PUBLIC

HON. KEITH G. SEBELIUS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. SEBELIUS. Mr. Speaker, I wish to bring to the attention of my colleagues in the House an excellent and thought-provoking editorial published by the Wichita Eagle and Beacon. The editorial calls attention to three bills now under consideration in the Congress which could damage business and the consumer. As we work to revive an ailing economy, we should guard against the enactment of legislation which will mean bigger bureaucracy, less free enterprise, and further afflict the national economy.

The editorial follows:

HARMFUL TO THE PUBLIC

Three bills now pending in Congress are arbitrary, unfair, and anti-business to the degree that they would, if enacted, work a severe hardship not only on management but, ultimately, upon employes as well.

One of these, House Resolution 76, would require two-year pre-notification to the Secretary of Labor and affected employes and communities of any intention to close or transfer a business activity.

Beyond that, it would permit the Secretary of Labor to conduct hearings and public investigation to determine whether in his judgment the closing or transfer was justified.

Business conditions being what they are, many companies don't know their intentions that far in advance. This bill, if it became law, would not only infringe upon the right of management to do what it deems prudent, but would also compel it to keep non-profitable plants in operation pending investigations of indeterminate length.

Senate Bill 841 shifts the burden of proof in environmental lawsuits to the manufacturer. At present it is the plaintiff who must prove existence of a substantial health hazard before an injunction is issued to close a plant. Under this act the plaintiff would be required to show only "reasonable risk," and the manufacturer then would have to prove that no health risk exists.

Thus not only would the manufacturer have to prove a negative, which both science and logic say is impossible, he also would be in the position heretofore impossible under American law of being considered guilty unless he could prove his innocence.

The third is Senate Bill 200, which would establish an independent agency for consumer advocacy, thus creating a new bureaucracy in an area already amply covered by several existing governmental agencies.

Worse, the new agency would be unable to intervene in labor matters, despite the economic impact of union wage disputes, restrictive work practices and the like. Moreover, the new agency could order the public release of a company's proprietary records, such as confidential engineering, manufacturing and operating data.

That is an invasion of private business and probably unconstitutional. It certainly is unfair in that it does not apply to labor as well as to employer.

In times of economic uncertainty such as these, it is difficult enough to operate a business profitably. And the day business ceases to operate at a profit people begin to lose jobs.

Passage of these three measures is not only contrary to the interests of business, it is harmful to the public good. We call upon the Kansas congressional delegation to oppose them.

THAILAND SHOULD NOT RETURN PLANES TO COMMUNISTS

HON. ROBERT W. DANIEL, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. ROBERT W. DANIEL, JR. Mr. Speaker, yesterday I read with dismay news accounts from the Associated Press that the Foreign Ministry of Thailand intends to return South Vietnamese planes in Thailand to what the Thai Government called the next government in South Vietnam.

It is now time to rebuild our foreign policy from the wreckage of our Vietnam experience, but we must not begin that new foreign policy by adding to the billions of dollars of captured military equipment that the new Vietnamese regime may use for aggression against her neighbors.

Press reports today indicated that as many as 125 South Vietnamese planes may be in Thailand. Most of these planes were furnished by the U.S. Government or purchased with U.S. funds. The new Government of Vietnam will have one of the largest air forces in Asia. Since the Communists' aggressive nature is clearly recognized, we can only fear for her free neighbors.

To prevent the planes' return I urged the Secretary of State, Dr. Henry Kissinger, in a telegram sent last night, to take whatever legal steps necessary to prevent any of the planes supplied by the U.S. Government from falling into the hands of the current government in control of South Vietnam. I ask my colleagues in the House to take similar action.

TRIBUTE TO JOHN W. BYRNES

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. KASTEN. Mr. Speaker, I would call to the attention of the House H.R. 5508, a bill to designate a Federal building in Green Bay, Wis., in the name of a former colleague of the highest reputation, both public and personal.

For surely that describes in all clarity the Honorable John W. Byrnes, who for many years so ably represented in this Chamber the interests of Green Bay and the surrounding environs of the Wisconsin Eighth District.

I can think of no finer person to be so honored.

When he voluntarily retired from Congress, 3 years ago, John Byrnes was the ranking Republican on the Ways and Means Committee and a veteran of 28 years service in the House.

As a man of wide experience, versatility, and unusual mental capacity, he served the country and his district with remarkable distinction throughout the full course of his congressional experience.

An expert in the law, on the one hand, and revenue and taxation matters on the other, John Byrnes made his name in the Wisconsin State Senate as chairman of the Judiciary Committee, preceding his election to the Congress in 1944.

Throughout his freshman and sophomore terms in Washington he was denied recognition in his special fields of competence; but in the 80th Congress, with his party in control, he was assigned to the Committee on Ways and Means, where he would stay for the remainder of his congressional career. In this capacity, he established himself as a tax expert of the highest caliber, and was respected as such by everyone concerned.

John Byrnes was honored by fellow Republicans, in 1959, by election to the chairmanship of the Republican Policy Committee, which post he held for 10 years with singular distinction, much of it under a Republican administration.

In the 86th Congress he was honored once again with an appointment to the Joint Committee on Internal Revenue Taxation. But his major legislative accomplishments always came within the Ways and Means Committee. Among the laws he helped the committee to write are the 1954 Customs Simplifications Act, the 1954 revision of the Internal Revenue Code, the 1960 Kerr-Mills Act—of which he was a cosponsor—the 1962 Trade Expansion Act, and the 1963 Revenue Act.

The Honorable John W. Byrnes is a man proficient in many fields and honored and respected for the fact of it, by many members of both parties.

It is only fitting that his name be granted recognition in the manner prescribed in H.R. 5508.

SCHEUER SUBMITS LIPSCOMB TESTIMONY OPPOSING SST

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. SCHEUER. Mr. Speaker, on April 18, 1975, I participated in the Federal Aviation Administration's New York hearings on the EPA's draft environmental impact statement concerning the Concorde. I voiced my strong opposition to the FAA's recommendation that the British and French Concorde be permitted to fly into the United States.

At the New York hearings, I was accompanied by Professor Lipscomb of the University of Tennessee. Professor Lipscomb, who was sponsored by the American Speech and Hearing Association, is one of the leading experts in the field of aircraft noise. He is presently the director of the Department of Audiology and Speech Pathology Noise Research Laboratory of the University of Tennessee. In 1973, he was appointed special adviser to the EPA Office of Noise Abatement and Control, later becoming permanent consultant to that Office. He has also been nominated by the Office of Noise Abatement and Control to the Low Noise Board of the Environmental Protection Agency to judge sound emission characteristics. In addition, he has served as guest lecturer for a course on aircraft noise at the Aachen Technical Institute of Aerospace and Mechanical Engineering in Germany. Clearly, Professor Lipscomb is eminently qualified to speak and present testimony on the noise aspects of the Concorde. His testimony follows:

STATEMENT OF DAVID M. LIPSCOMB

Gentlemen: This testimony is given at the request of Representative James Scheuer and is sponsored by the American Speech and Hearing Association, a society of 20,000 professional persons interested in hearing health and communication capability. In my position as Professor of Audiology and Speech Pathology at the University of Tennessee, I direct the department's multi-faceted Noise Research Laboratory. Therefore, I wish to establish at the outset that I will be speaking in favor of retaining the Federal Aviation Regulation Part 36 criteria for all aircraft including the Concorde.

The EIS ("Concorde Supersonic Transport Aircraft"—March, 1975) drafted by the FAA gives graphic documentation to my concern and the concern of my professional colleagues about operations of the Concorde, especially as it effects populated areas. The noise levels of this plane consistently exceed FAR Part 36 as noted on pages 38–40 of the EIS.

Remarkable factors are cited on pages 99, 114 and 115 of the EIS indicating that 8 operations of the Concorde at JFK Airport will result in altering the NEF contour lines sufficiently to move 2600 persons into a zone which is considered as unacceptable for noise with respect to residential land use. It is truly striking to think of the dramatic impact that four flights (eight operations) has each day. JFK Airport now has 1046 daily operations. The addition of 8 more operations (an increase of 0.7%) is sufficient to make the sound environment unacceptable for an additional 2600 persons. It appears that this panel and the Congress are facing a classical value judgment: whether to move a maximum of 1000 persons daily using JFK Airport in such a manner that nearly 3000 U.S. citizens are seriously inconvenienced. All this to save a few hours travel time which can be offset considerably by the need for more rest at the other end to account for circadian rhythm factors. This type of planning surely must be unthinkable to the sensitive human being.

The rise to 50 operations at JFK on some future date would put 8,800 persons on the list of those moved into unacceptable environmental noise conditions. If retrofitting of the existing aircraft is accomplished, the Concorde will stand out even farther above other planes in the amount of noise generated. As seen on page 115 of the draft EIS, moving 6250 passengers will be accomplished at the expense of the quality of living of an estimated 12,600 persons.

Inconvenience is one thing, health effects is yet another. One manifestation of noise in the environment is hearing loss in the wake of noise exposure. Recent research in our laboratory indicates that environmental noise exposure can predispose the ear to damage when the ear is later exposed to very high sound levels. This is a very new concept of extreme importance in providing scientifically based rationale against additional noise sources in the community. The early trend information in our experiments suggests that elevated community noise levels caused by the Concorde can indirectly contribute to hearing risk by adding a hearing damage predisposition factor.

My professional colleagues and I conclude that to allow the Concorde to schedule regular operations with its current noise conditions will be regarded by many as a strange form of progress. In essence, it will mark a giant backward step. Such a decision will be bucking a desirable trend for quieter products. Today's new heavy duty trucks, home appliances, construction equipment and motorcycles are being produced in increasingly quieter versions. The purpose of these hearings is to consider a course of action establishing a precedent of leniency which will have long-term undesirable consequences. It makes no sense to encourage use of a plane of the future which is beset with noise problems worse than the most noisy planes of the past.

Several factors emerge if the authorities condone amending the regulations:

1. We will be telling the world that America doesn't really mean what it purports to say about environmental quality and the move to improve it;

2. We will state to the industrial community that there is a double standard for noise control depending upon the origin of the product;

3. We will say to several hundred persons directly affected by increased flight path noise that their sanctuary cannot be their home;

4. We will detract from the efforts of sincere and dedicated professionals in government who have labored for aircraft noise control which can only apply sometimes, in some areas, for some aircraft;

5. The decision would be inconsistent with emerging research findings which stress the importance of low everyday background noise levels for the maintenance of hearing health; and

6. Such a decision will be distressing to a public which had grown tired of rising noise levels and which had been encouraged by recent trends in noise control.

As an individual, as an audiologist, as a scientist, and as a concerned human being, I respectfully urge that you hold the line on the requirements for aircraft which will be applying to land in populated areas.

I close with a philosophical point:

> All the flowers,
> For all the tomorrows
> Are in the seeds of today.
> —Author Unknown.

Decisions made today bear their fruit tomorrow. In your hands is the capability to move America forward toward the goal of noise control—or backward into the abyss of higher noise levels derived from a precedence of leniency.

VOTING

HON. ROBERT (BOB) KRUEGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. KRUEGER. Mr. Speaker, one of the fundamental rights of every American citizen is, and should be, the right to vote. It is important that we guarantee that no citizen is denied this opportunity. Mistakes of the past do not justify inaction for the future, and if there are some citizens in the United States today who still have difficulty in exercising this fundamental right, we must see to it that this injustice not continue any longer.

In Texas, a significantly lower percentage of citizens vote than in many other places in the United States. Fortunately, the Texas Legislature is now addressing this problem and their efforts are to be commended. Texas already has voter registration by mail and deputy registrars to facilitate voting for its citizens. We can be proud of this. The Texas Legislature is considering bilingual registration forms and ballots to assist citizens whose basic language is not English. In addition, Texans are working to organize precincts so that no one will be too far from a polling place, and to provide State inspectors at polling places. I applaud these efforts.

Yet, there are too many other areas in the country where electoral participation is too low for us to be content with our progress in Texas. There is legislation before the U.S. House of Representatives which would guarantee the assistance of the Federal Government in facilitating voting by all citizens. Like our Texas bill, it would mandate bilingual registration where 5 percent or more of the population does not have English as a first language. It would allow voters to appeal to Federal officials where voter registration forms might have discriminatory questions, and it would help guarantee that citizens would not be deprived of their fundamental right to vote by unfair practices with regard to registration or casting ballots.

I will be watching the progress of legislation in the Texas Legislature very closely, and we may well be able to solve our Texas problem in Texas. But, as a national legislator, I must not only be concerned with the rights of Texans, but with the rights of citizens in other States. When legislation reaches the floor of the House of Representatives, I will work diligently for the extension of the Federal Voting Rights Act and the inclusion of Mexican Americans in that coverage. Whatever inconveniences such an act might bring, the fundamental right that it seeks to protect is too basic to responsible citizenry and sound government to be denied.

DELIBERATE UNEMPLOYMENT—THE STRATEGY OF MISERY

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. BADILLO. Mr. Speaker, many Members of the House have expressed great concern about the problem of unemployment. The issue of high unemployment and necessary congressional action to deal with the crisis proportions of this problem is now before this body as we consider the first concurrent budget resolution (H. Con. Res. 218). I have offered an amendment to this resolution to provide for additional outlays to reduce the level of unemployment. The following article from the February 1, 1975 issue of The Nation by a respected labor economist, Ms. Helen Ginsburg, analyzes the nature of unemployment situation and demonstrates the need for an aggressive national policy to insure full employment:

DELIBERATE UNEMPLOYMENT—THE STRATEGY OF MISERY

(By Helen Ginsburg)

Gerald Ford may not agree, but unemployment is already at a disaster level. In December 1974, it shot up to 7.1 per cent. That means 6.5 million human beings are *officially* without work (unofficially, there are many more). In just three months, 1.2 milion people have become jobless, and layoffs are still spreading. All kinds of workers are being cut, even the "safe" civil servants. The list grows daily, along with fear and insecurity, as the employed wonder when the pink slip will come and young people worry about the future.

Yet for all the publicity, the true nature of this unemployment crisis is scarcely recognized: it is an acute, dramatic peak rising from a continuing, long-term, quiet and usually ignored state of misery. The immediate catastrophe makes the headlines—it is now almost certain that 1975 will bring a 7.5 or 8 per cent rate—but the chronic failure of the American economy to provide enough decent jobs for all who want to work is ignored. And the absence of a firm national commitment to full employment insures the perpetuation of both situations. Short-term crises are increasingly frequent and stop-gap strategies to cope with them are woefully inadequate. Meanwhile, there is no long-term plan to eliminate the high unemployment that persists in so-called "good times." Even worse, permanent high rates of unemployment are now widely accepted and those in power use fiscal and monetary policy to create rather than to prevent recessions.

How did the country get into this mess? Unemployment is nothing new, but the national position toward it has changed. Back in the 1940s, full employment was a major political issue. It had, after all, taken World War II to end the Great Depression and bring about full employment. There was, accordingly, a pervasive fear of a postwar depression. In labor and liberal circles it was strongly felt that unemployment should never again be tolerated; that a nation capable of total mobilization for war should be able to guarantee jobs for all in peacetime and not have to rely on war to solve its unemployment problem.

In this spirit, the Full Employment Bill of 1945 was introduced in Congress. It declared that "all Americans able to work and seeking work have the right to useful, remunerative, regular and full-time employment." The federal government was mandated to "assure the existence at all times of sufficient employment opportunities." But the liberal-labor coalition was too weak to withstand the attack of big business on full employment and guaranteed jobs. Despite overwhelmingly Senate approval, the bill was defeated by conservatives in the House. A weaker compromis, the Employment Act of 1946, acknowledged federal responsibility to create conditions that afford "useful opportunities . . . for those willing and seeking to work." However, the changes were more than semantic. The concrete assertion of the right to a job had been replaced by the vaguer goal of "maximum employment" consistent with "other essential considerations of national policy."

The Employment Act of 1946 is a legislative landmark, but as Prof. Bertram M. Gross of Hunter College, its chief draftsman, recalled at a symposium last year, its actual objective was not to guarantee employment. Rather, he stated, it was to prevent the recurrence of mass depression and the collapse of the American business system.

There is a feeling these days that the economy may be heading into a 1930s nose-dive, but at least until now, the Act's mission of staving off mass depression has been accomplished. And this very success has diverted attention from the long-term problem. When unemployment was a mass affliction, it could not be ignored; with less joblessness it can be. However, since the Act's passage, not only has unemployment been substantial and persistent it has also been drifting upward. From 1946 to 1973, it averaged about 4.5 per cent. But it climbed from 4.2 per cent in the first half of this era to 4.9 per cent in the last half. "Good times" have been rare. This is the sixth postwar recession. Yet who remembers that for eighty-eight months, from November 1957 to February 1965, unemployment rarely fell below 5 per cent? Or that in 1958, again in 1961, the annual rate was nearly 7 per cent? Or that since 1948, it has never dipped below 4 per cent, except during the wars in Korea and Vietnam?

Even by comparison with other countries, the picture looks grim. True, unemployment has been rising in most industrialized capitalist nations, but it is still much higher here than in most of the others, and it has been for years. From 1960 to 1970, for example, joblessness averaged 4.7 per cent in the United States but only 0.6 per cent in Germany, 1.3 per cent in Japan, 1.5 per cent in Sweden, 2 per cent in France and 3 per cent in Great Britain. (Foreign data are adjusted to American measurement methods.) Rates considered exceedingly low here, say the 3.5 to 3.8 per cent levels attained during the war in Vietnam, would be viewed with alarm in most other countries, where there is greater worker solidarity and a stronger determination not to accept unemployment. Pressure from Socialist-oriented labor movements and political parties usually causes tension and strain at rates that would be regarded as "over full employment" in America. In Sweden, a jobless rate of about 3 per cent nearly cost the Social Democratic Party—in power for forty-one years—the 1973 election. But, as Sen. Alan Cranston noted in testimony on behalf of the ill-fated Public Service Employment Bill of 1972, "In this country the rate hovers at 6 per cent and nobody seems to care."

It's not merely that nobody cares. Big business has always preferred some unemployment because it gives more control over workers, weakens unions, and holds down wages. Contemporary economic theory now helps them justify higher and higher unemployment, all in the name of fighting inflation. In the 1960s, many economists popularized the concept of the Phillips curve—the alleged trade-off between unemployment and inflation. According to this reasoning, the lower the unemployment, the more the inflation, and conversely. This implied, in the most conservative interpretation, that full employment was too inflationary and, thus, unattainable or even undesirable. (Each country was said to have its own unemployment-inflation trade-off. How else could you explain that Germany had both the lowest unemployment and inflation rates?)

In a social and political climate with little broad concern over unemployment and with practically no commitment to the concept of genuine full employment, a different meaning of "full employment" too root. At one time the concept of full employment had focused on human beings. It meant that those who wanted work could find it. But then the focus shifted from people to prices. *In many circles, full employment came to mean the unemployment rate assumed to be consistent with the degree of price stability desired by policy makers*. Over the years, the "full employment" unemployment rate was revised upward from 3 to 4 per cent, to 5 per cent and even higher. (Will it eventually mean 10 per cent unemployed?)

In this atmosphere, it is not surprising that the trade-off analysis tempted conservative American policy makers who faced inflation. Strategies deliberately designed to increase unemployment were openly pursued during Nixon's administration. In October 1968, with prices rising and unemployment at 3.6 per cent, the Business Council, an influential federal advisory group of top corporate executives, urged the next President to force unemployment up to 5.5 per cent. If that was the price for putting an end to inflation, a spokesman said, "it must be paid." (*The New York Times*, October 21, 1968.) And paid it was. Soon afterward, the Nixon regime successfully engineered a recession that drove up unemployment from 3.5 per cent in 1969 to 5.9 per cent in 1971. Not much was said about the additional 2 million jobless workers.

Despite periodic denials, the Nixon administration unofficially abandoned the 4 per cent "full employment" figure adopted by the Kennedy administration. The Council of Economic Advisers finally acknowledged a 5 per cent goal in its 1974 Annual Report:

"Last year we described 'maximum employment,' which is the goal specified in the Employment Act, as a 'condition in which persons who want work and seek it realistically on reasonable terms can find employment.' We believe that condition was approximately met in 1973, even though the average unemployment rate was 4.9 per cent rather than 4.0 per cent which conventionally defines full employment."

This announcement caused hardly a political ripple, let alone any real opposition. Yet even if unemployment had been only 4 per cent in 1973, 3.6 million workers would have been officially jobless. It is absurd to call that "full employment." But the advisers made their proclamation when unemployment was nearly 5 per cent. That's 4.4 million people—seemingly small mathematical differences represent millions of lives. In a work force of 92 million people, each percentage-point rise in joblessness tosses another 920,000 onto the scrap heap. Current policies would either prevent unemployment from accidentally falling below the target or raise unemployment that is "too low." Since 1969, the game has been to keep unemployment from falling too low, not to lower unemployment—except when Nixon was up for re-election.

Nobel Laureate Paul Samuelson warned in the June 1974 *Morgan Guaranty Survey* that behind the scenes of officialdom the debate was about the desirability of countenancing and even contriving to "slow U.S. growth for two or three years, so that unemployment will remain above the 5.5 per cent level." Yet he, himself, had suggested earlier in *Newsweek* (October 15, 1973) that "to keep the average rate of unemployment below 5 per cent in the period from now to 1976, we would do well to let it rise temporarily above recent levels (repeat temporarily)." By the time of the summit conferences, the Ford Administration's target had obviously risen to at least 6 per cent. Why, then, should anyone have expected the same Administration to hurry to reduce unemployment—unless mounting political opposition forced the issue?

Inflation is a complex affair. The Phillips curve oversimplifies matters, to say the least. It spotlights attention on just two factors, *assumes* that one causes the other, and is then used as a smoke screen to obscure other roots of inflation—for example, the war in Vietnam, the growing power of monopolies, and the "peacetice" military budget.

The Johnson administration's decision in 1965 to pour troops into Vietnam set off the first round of the present inflation. Taxes could not be raised without arousing further anti-war protest, so the war was sold as a bargain. Some bargain! By 1968, direct costs had reached $30 billion a year. But the war, said the President's 1968 Economic Report, "is a burden a wealthy people can bear." In a time-honored manner, inflation financed the war. Nixon inherited that inflation and, in a desperate attempt to cool it while maintaining the war, threw millions out of work. Yet prices kept rising until "stagflation" became a household word.

That wasn't supposed to happen, but ever since then inflation and recession have shared the same bed. This inflation cannot be attributed to wage-push. The real spendable earnings of workers have declined, while after-tax corporate profits have soared, even allowing for price changes. One reason why prices do not fall is because corporate power is growing. It's not just oil or wheat. For instance, between 1947 and 1968, the 200 largest manufacturing corporations raised their share of manufacturing assets from 47 to 60 per cent. And conglomerates now control much of our food supply. The result, as the detailed studies of John Blair, former chief economist of the Senate Antitrust Committee, show, is that when demand falls, firms in highly concentrated industries tend to raise prices, not to cut them. Witness the auto industry. The corporate hand, not the invisible hand, sets so many prices that even planned recessions that create unemployment and reduce demand don't cure inflation. In fact, they feed it. Of course, a deep and long-lasting recession would doubtless "cure" inflation.

Another factor that adds to inflation is the bloated "peacetime" military budget. As the 1974 Report of the Joint Economic Committee put it mildly, "Defense spending tends to be inflationary." Resources used by the military, the committee pointed out, can contribtue to civilian shortages. Expenditures flow into the economy, but they do not produce goods and services to satisfy consumer needs. You can't eat missiles. Is that why the Council of Economic Advisers refused to conduct studies of this aspect of inflation, as requested by the committee?

Planned recessions are a neat way to take income away from the poor and middle classes and give it to the rich by eliminating jobs, charging higher prices, and increasing profits. And having created unemployment, the official attitude has been to wish it away. In the last recession, lingering unemployment was falsely attributed to the entrance of women and teen-agers into the labor force; that line is still popular. Powerless groups are simply written off as not quite legitimate members of the work force. Treasury Secretary John Connally's 1972 testimony to the Joint Economic Committee stated this quite explicitly:

> It is significant that compared to the 5.9 per cent rate for total unemployment, about 17 per cent was the rate for young people and about 9 per cent was the rate for blacks. . . . If you take the unemployment rate for males, heads of families, you get down to an unemployment figure of 3 per cent. So we can't be carried away by an unemployment figure of say, 6 per cent. . . .

Apparently, only adult males matter. Preferably white.

The average unemployment rate does mask a lot, but that doesn't mean what Connally implied. It means that, while there is prosperity for one group, other groups are hit with recession and depression. At all times, most of those out of work are white. And that's important in terms of building coalitions to fight unemployment. At present, eight out of ten—5.2 million—of the jobless are white. Unemployment is not just being faced by blacks, or by the unskilled, or by the uneducated, or by any one group. A bachelor's degree no longer guarantees a job. Nor a Ph.D. But it is true that the weakest are hardest hit: minorities, the young, women, the poor and the unskilled. For two decades now, the unemployment rate of blacks has been double that of whites. In December, the figures were 12.8 per cent and 6.4 per cent. Nearly everyone except Gerald Ford admits that a 6 per cent jobless rate is a full-fledged recession. But from 1954 on, annual unemployment for blacks has never gone as low as 6 per cent and for whites has only twice reached that high. For blacks, this has meant a continuous recession interspersed with depression and frequent double-digit unemployment. And what term can describe the 37.8 per cent jobless rate of black teen-agers, most of whom are out of school? Is it any wonder that inner-city crime persists? As for adult women, relatively more of them are unemployed than adult men—7.2 per cent compared to 5.1 per cent—and the gap has been widening. Yet only the earnings of married women enable many working-class families to make ends meet. And for working women who head families, unemployment may lead to welfare.

Bad as they are, official unemployment figures are just the tip of the iceberg. They exclude, for instance, 3.4 million part-time workers who want full-time jobs but can't find them, and about 700,000 persons officially listed (1973) as too discouraged to look for work. (Unofficial estimates of discouraged workers are millions higher.) Just adding these two groups to the official roster of 6.5 million shows that, at the very least, 10.7 million people are either fully or partly unemployed. Nor is even that the whole picture. Millions of fully employed Americans earn too little to live in minimal decency. All of these problems are now exacerbated by the recession, but a Bureau of Labor Statistics survey has demonstrated that, even in good times, urban slums are cesspools of open and disguised unemployment and inadequate earnings. Thus, in November 1966, when national unemployment was 3.7 per cent, from 24 to 47 per cent of workers in ten large urban slums were either officially or unofficially jobless, working part time involuntarily or full time for less than the poverty level of $60 a week.

For part of the work force—especially but not exclusively minorities, women, the poor, the young and the unskilled—even good times can be bad times. And bad times are an utter disaster. Why, then, has there been so little political response? Fear of inflation? Misunderstanding of its real cause and ignorance of its extent? Unemployment insurance, which cushions the blow? (Yet in 1973, no more than two out of five of the jobless drew benefits that averaged only $59 a week.)

While each of these may explain the apathy in part, there are still other reasons. Response is weak precisely because so many of the unemployed have little status, suffer the most discrimination, have the least political power, are often outside unions or underrepresented at leadership levels within them. More of the jobless are from these groups today than in the past. Perhaps that is why ever higher unemployment has become tolerated or ignored—and not just by conservatives. Some don't know and some don't care. Increasingly, we live in different worlds, isolated from those unlike ourselves. And this reinforces the "I'm all right, Jack," attitude. So only when the quiet misery explodes into an acute crisis does unemployment start to generate political steam. Then, many workers who are usually fairly safe from the ravages of unemployment are threatened. They find that their immunity is only relative. When push comes to shove, more of them are sacrificed to reactionary policies.

Since 1970, poverty and income inequality have been increasing, black economic progress has halted and is even reversing. Cities have been deteriorating rapidly. Crime is more rampant than ever. Right now, in the job market it's young against old, white against black, men against women—all pitted against one another for scarce jobs. In New York, college graduates are vying with welfare mothers for a dwindling number of jobs; older civil servants may be forced into premature retirement to save younger workers' jobs. The recession has further split an already divided work force. As it deepens, divisiveness may worsen. But the situation also presents an opportunity. Can the massive assault on jobs and real earnings which now threatens so many stiffen resistance and become a unifying force?

So far, Congress has reacted weakly to the recession. Emergency unemployment benefits will be temporarily extended to many previously uncovered workers; and $2.5 billion has been authorized for public service jobs. But only $875 million has actually been appropriated for jobs. That's about 100,000 jobs—barely enough to help one out of sixty-five of the unemployed. The effect is to disguise how little is being done. The new, more liberal, Congress should be more responsive, especially as pressure builds. But even if the acute crisis eventually abates, what then? Do we go back to the quiet misery?

The goal should be guaranteed jobs for all at decent wages. But can genuine full employment actually become a potent political issue? Women are organizing—even within labor and political parties. The National Urban League has made full employment a priority issue. And the nation's mayors are calling for federal action to create jobs. Most promising is the formation last June of the National Committee for Full Employment, co-chaired by Coretta Scott King and Murray Finley, president of the Amalgamated Clothing Workers. With representation from organized labor, civil rights, black, women's, religious, ethnic and other groups, the committee correctly asserts that "the guarantee of a job is a fundamental right," and that "unemployment at *any rate* is unacceptable . . . full employment means *no* involuntary unemployment." Its recent decision to engage in legislative action should give the committee greater visibility, but it is still too soon to know how it will operate. Will it remain an organization mainly of prominent though diverse leaders? Or will it blossom into a national grass-roots movement? There are other big ifs. Can the many solidarity gaps that divide people be bridged? Could a mass movement for full employment gain the momentum that the civil rights and anti-war movements once had? Can anything less make full employment a major political demand?

There's also a major new development on Capitol Hill. Reps. Augustus Hawkins and Henry Reuss and sixty-one co-sponsors have introduced the "Equal Opportunity and Full Employment Act of 1976," and Hubert Humphrey has introduced a companion bill in the Senate. The House bill would establish a national policy and create the necessary machinery to guarantee adequately paying jobs for all. It's a long-term approach, but stopgap measures don't solve long-term problems. Last March, Hawkins said that by 1976, "the platform committees of the two major parties will face a major challenge. Will they content themselves with the flatulent rhetoric of the past? Or will they commit themselves to a genuine jobs-for-all guarantee?" The question is even more pertinent today. How it is answered remains to be seen.

WE NEED MORE LIKE DIEK

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. COLLINS of Texas. Mr. Speaker, yesterday we had lunch with Ray Diekemper and his wife while they were visiting in Washington. Later, my wife and I were discussing Diek and his great life.

From the days when we were classmates at Harvard Business School until he left for the Navy and I went in the Army, I have always been proud and interested in what happens to Diek.

Yesterday I learned for the first time about one of his first jobs when he was working in high school. That job had no dignity because at the end of each day he had to clean out a series of the public toilets on Main Street before he roller skated back home.

When I knew Diek at Harvard, he was waiting on tables and hashing in the dining room. He always had the odd jobs with no dignity.

Later, as my wife, Dee, and I sat down, we recalled many times with Diek. I remember one time we double dated. It was a very low-cost date, as all we had were cold drinks and listened to the Nickelodeon. We had selected the next song, and it was Diek's time to drop the nickel in. Just as he dropped it in, someone else played the song we had selected; so, immediately, Diek borrowed a hair pin and managed to retrieve that nickel. There was Diek with no dignity, but he saved a nickel.

I can remember after the war when Diek drove 1,600 miles to Dallas so that he could learn a trade. He slept in his car to save motel bills. In Dallas, he stayed at our farm while he was finding a job so that he could save rent.

The job Diek took involved rough necking in the oil fields. He worked in the oil fields all over the Southwest doing all of the dirty, heavy, dangerous jobs that made drilling oil wells possible. When he was finally ready to become an oil trader, he checked again, and he had a large number of offers. He chose a mutually advantageous deal, and he went on to become a millionaire.

Diek never had any dignity in his life. When he started building his home out in Lubbock, they told him how much it cost to unload the lumber from the freight car. So he and another hand went down and toted all that lumber themselves up to the site. Diek always figured he could do anything, but I was surprised to learn that when the electrical wiring bill came in too high, he decided to wire the entire house himself.

Yesterday after we had lunch, we observed how he has kept his youthful vigor and looks about 42 instead of 56. He gets to work every morning at 6:30, and hard work seems to agree with him.

He thinks his wife, Lou, is the greatest. He thinks he has the three sweetest girls in the world. He loves his mother-in-law. He speaks with vigorous enthusiasm of the great city of Lubbock and all its fine neighbors. He enjoys being active in all community activities, his church, local charities, city government, and the Lumber Association.

Today when I hear about unemployment, I find that there are many jobs available, but these jobs do not have dignity. There are jobs to wash dishes, sweep floors, tote lumber, clean the toilets, and carry heavy pipe. But no one wants to do these jobs, because they have no dignity. What America needs today are more guys like Diek. He never has had any dignity, but he always has a friendly smile, he has a brilliant mind, he is a hard worker, and he is the best neighbor any community could ever want to have. Diek has humility, and today this country needs more of it. America needs less dignity and more of Diek's humility.

WAYS OF COMMUNISM

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. SPENCE. Mr. Speaker, over the past few weeks we have witnessed the gradual, and, finally total demise of a free nation; a nation whose people did not wish a system of atheistic communism imposed on them. Except for the mass executions that will follow, the war of bullets is over. Now the war of words has begun.

Witness the acceptance of Communist terminology by some members of the American media. Saigon is no more. Now, it is "Ho Chi Minh" City. Saigon, a name much older than our own Nation, is to be removed from the face of the Earth and replaced, without so much as a raised eyebrow, on the part of some reporters, by a now acceptable name. One remembers the indoctrination process after the Communist takeover in Russia. St. Petersburg was renamed Leningrad after the patron saint of communism. It was a very simple thing to do. And very necessary. By removing the name of St. Petersburg the Communists removed a reference to Christianity, a reference that could not be tolerated.

Mr. President, witness the term PRG—Peoples Revolutionary Government—in the daily news accounts. No longer are the Communists in charge in Vietnam, it is the PRG. Sounds more respectable does it not?

A Communist takeover of any nation follows the same patterns. The seizing of private business is already underway. It is always the same: Destroy all that is free, control what remains, and crush those who refuse to be enslaved.

Mr. Speaker, this is the greatest tragedy in recent memory. I have a question of my colleagues: If we are not willing to oppose communism everywhere, are we willing to oppose it anywhere?

IN OBSERVANCE OF POLISH CONSTITUTION DAY, MAY 3

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. BRODHEAD. Mr. Speaker, I would like to direct the attention of the Members to the historical significance of Saturday's date. On May 3, 1791, King Stanislaus Poniatowski of Poland, before a most unusual gathering of Polish patriots, announced the adoption of a revolutionary and far-reaching constitution. We in America take great pride in having the oldest written Constitution in the world, but few people are aware that Poland was the second nation to adopt such a document, and vest political power in the hands of its people.

It was not merely an accident of history, Mr. Speaker, that brought Thaddeus Kosciuszko and Casimir Pulaski to this country to play leading roles in our Revolutionary War. They were personifications of the zest for political freedom and reform that swept Poland in the late 18th century. Thomas Jefferson's close friend, Julian Ursyn Niemcewicz, was an astute observer and recorder of the ideals that had captured the minds of American patriots and, as a social philosopher and writer, he was a prime force in the age of enlightenment that found simultaneous expression here, in France, and in Poland.

Tragically, Mr. Speaker, the adoption of the constitution in Poland so alarmed the King of Prussia and the Emperor of Russia, and they so feared the new-found power of the Polish people, they felt compelled to take military action against that democratic nation. The ensuing dismemberment of Poland is well known and, I think, serves as a constant reminder that totalitarian governments will always fear popular rule.

May 3, 1791, is not, perhaps, as well known to Americans as July 4, 1776, but I think those who respect the lessons of history will recognize that both dates symbolize the same ideals and the same passion for political freedom. They will further understand that the heritage of the Polish people and the American people have many common roots.

THE VIETNAMESE REFUGEES: AN AMERICAN RESPONSIBILITY

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. CRANE. Mr. Speaker, hundreds of thousands of Vietnamese men, women, and children are now homeless as a result of the Communist conquest of their country. Fortunately, approximately 55,000 have been able to leave that ravaged country and find asylum in the United States.

American honor is already in a difficult dilemma in Asia. Many believe that we abandoned our responsibilities toward people to whom we had made a commitment. One of these, for example, is Gen. Sirik Matak, second ranking member of the Cambodian Government. He was offered asylum in the United States, but refused. He wrote to U.S. Ambassador Dean that "I cannot, alas, leave in such cowardly fashion." Then, in his hand-written letter, he expressed the dismay felt by many Asians who depended upon us:

> As for you, and in particular for your great country. I never believed for a moment that you would have this sentiment of abandoning people which have chosen liberty. You have refused us your protection and we can do nothing about it. You leave, and my wish is that you and your country will find happiness under this sky. But, mark it well that if I shall die here on the spot and in my country that I love, it is too bad, but we are all born and must die one day. I have only committed this mistake of believing you.

Now, in the wake of the Vietnamese tragedy, some Americans are turning their backs upon these unfortunate victims of war. We have seen Senators and Congressmen begging that refugees not be resettled in their districts. The New York Times quoted a woman in Florida as stating that, "As far as I'm concerned, they can ship them all back." A radio poll taken in Niceville, Fla., indicated that 80 percent of the people said that they did not want any refugees in their area.

What has happened to our willingness to extend the freedom and opportunity which we showed to the Hungarian refugees who had fled from Communist oppression, or the hundreds of thousands of Cubans who came to our shores in search of freedom?

Every American, as Franklin Roosevelt told the DAR in a memorable speech many years ago, is an "immigrant." Ours was the open door. Now, unfortunately, the descendants of the immigrants of other days are less than hospitable in offering to the Vietnamese what others at an earlier time offered to their own ancestors.

Discussing the narrow prejudice and unwillingness to live up to our own highest ideals which is now all too evident across the country, the Wall Street Journal declared that—

> This disgraceful outburst seems nothing more or less than a revival of the anti-Ori-

ental hysteria that has disgraced the country (and particularly California) at intervals throughout the last century . . . A country that absorbs 400,000 immigrants a year surely has room for 55,000 more who have a claim on both our sympathy and our reputation.

I wish to share with my colleagues the editorial which appeared in the Wall Street Journal of May 1, 1975 and insert it into the RECORD at this time.

THE VIETNAMESE REFUGEES

With the chaotic last flights from South Vietnam, the total of refugees who have thrown in their lot with the United States has now reached some 55,000. While no small number, this was obviously not nearly as many as those who wanted to leave, and quite possibly not a very fair selection of those who most deserved or required asylum. Yet the refugees will shortly be entering the country from the processing centers in Guam and the Philippines, and it is up to the United States to help them make the best of their new life.

Exile, after all, is a miserable existence, and those who choose it have made one of the most important decisions a person can make. The Vietnamese who fought so desperately to leave must have had a very grim, and presumably well-informed, idea of the fate they would suffer if they didn't. While as with any other group, some of the refugees are more admirable than others, all are victims of the ancient scourge of war, and thus deserve compassion.

Beyond that, many of the refugees have a special claim on the United States, for their fate was determined by their involvement with the U.S. In 1963, in particular, we sanctioned the overthrow of the indigenous government of President Diem because it was not pursuing the war to our liking. If we fail to admit that that act gave us a responsibility for the governments, and governmental officials, who came after, then Americans have a very strange notion of responsibility.

For the most part, we are relieved to see, our government has acknowledged this duty. The armed forces performed with efficiency and compassion in the final airlifts. In spite of serious unemployment at home, national union leaders have not objected to the special immigration parole. There are some discordant voices, however, mainly from Congressmen. Some are now pressuring the administration not to burden their districts with the anti-Communist refugees.

Senators Alan Cranston and John V. Tunney, two liberal Democrats from California, met recently with Attorney General Edward Levi to express their constituents' fears that great numbers of Vietnamese would be "dumped into California's already depressed job market." A California Republican, Rep. Burt L. Talcott, told the Associated Press more explicitly there was a feeling in his district "that, damn it, we have too many Orientals."

These feelings are reported from other regions as well, and responsibile leaders should squelch them as quickly as possible. This disgraceful outburst seems nothing more or less than a revival of the anti-Oriental hysteria that has disgraced the country (and particularly California) at intervals through the last century. American leaders have the clear duty to keep such prejudice from retarding the resettlement of the refugees.

A country that absorbs 400,000 immigrants a year surely has room for 55,000 more who have a claim on both our sympathy and our reputation. Anything less than a charitable welcome would compound a tragedy already partly of our making, and an outbreak of anti-Oriental racism would be national disgrace wholly our own.

THE CRISIS FACING FARMERS

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. JONES of Tennessee. Mr. Speaker, our Nation's farmers are facing a crisis in today's recession. On the one hand, their cost of production is going up continually, not on an annual basis, but on a monthly basis. On the other hand, the prices that they are receiving for their goods are going down.

Quite possibly, this phenomenon may best illustrate the gloomy situation of our overall economy. Amid the growing agricultural crunch, the number of farmers is going down, and at the same time, the present administration is pressing for full production among the farmers.

It is quite evident that our farmers, too, want full production but they also realize the inherent dangers of such "fence to fence" philosophies. It is simply a boom-and-bust approach to the production of food; 1 year the farmer profits greatly from his terrific ability to produce greater yields than the previous year, but the following year, his ability to produce high quantities of food floods the market with grains, wheat, soybeans, cotton, and the rest, resulting in the farmer destroying his own markets.

It is for this reason that we in the Congress must continue our efforts at protecting the farmer. The boom-and-bust attitude toward farming espouses an agricultural climate that eliminates Government from intervention in farm operations. It gives the farmer a so-called freedom.

But that freedom is a double-edged sword. Not only does it cut Government out of agriculture, it also cuts out a lot of farmers and gives them another freedom; the freedom to produce themselves into bankruptcies with no recourse except to leave their lifelong profession of farming.

I would then like to enter into the RECORD an article that argues that point much more eloquently than I. The editorial is from the May 1975 issue of Progressive Farmer and is appropriately entitled "Freedom to Go Broke:"

THE FREEDOM TO GO BROKE

The Nixon and Ford administrations, through Secretary of Agriculture Butz, have put a lot of stress on the farmer's newfound freedom—freedom from Government interference with his farming operations. Even more significant, it seems to us, is another freedom—the freedom to go broke in a boom-and-bust type agriculture that boosts farm costs and depresses farm prices with amazing rapidity.

Wildly gyrating prices are normal characteristics of a so-called market-oriented agriculture. To picture what can happen to farm prices without price support, take a look at the chart. It shows how cotton, soybeans, grain sorghum, and wheat prices have ridden the roller coaster during 1973 and 1974.

Since January 1974 many costs have multiplied as prices plummeted. Meanwhile, with so many farmers threatening to abandon cotton in favor of soybeans or grain sorghum, grain prices may take the same slide as cotton.

Wide and rapid swings in farm prices and production can be disastrous, particularly to a commodity such as cotton, which is fighting for its life against manmade fibers. Without an adequate and uniform supply of cotton at prices stabilized at a reasonable level, cotton is fighting a losing battle. In fact, price and supply stability are of enormous importance to agriculture as a whole.

The present boom-and-bust type agriculture will in time damage our abundant low-cost food supply. Adequate supplies of food and fibers will not be produced without stabilized farm prices. And if shortages develop, the consumer is the first to suffer. To a marked degree, the farmer's problem today is the consumer's problem tomorrow.

A boom-and-bust type agriculture like that pictured in the chart was the reason for Government price supports when farm programs began over 40 years ago. On the basis of the past two years and the outlook for 1975, we seem headed back to the roller coaster agriculture of the 1920's. This would be a shame.

Many believe U.S. agriculture had its greatest progress and prosperity during the years we had farm price support programs. This is not to infer that farm programs deserve all the credit for a U.S. agriculture that is the envy of the world. But today's farming takes a lot of money, most of which has to be borrowed. It is indeed doubtful if adequate credit would be available without the price stability ensured by farm programs.

Price and production stability are just as important today as they ever were. We now have fewer farmers. Moreover, our present-day farm producers are larger operators and are better financed and more knowledgeable about market conditions. But agriculture today is much more productive than was true 40 years ago. Studies show the United States already has the know-how to double rice output by 1985. We could also grow a third more soybeans and produce 9 billion bushels of corn.

Certainly with this huge potential there will be a need for price supports for many years to come. And it follows as surely as night follows day that if farm prices are to have Government support there must be some sort of production control either by the Government or by producers themselves.

What it all means is that USDA's appeal for farmers to produce up to the fence lines in the absence of protection against ruinously low prices is both reckless and foolish.

CAVALIERS JUNIOR DRILL TEAM OF STERLING HEIGHTS, MICH., HONORED IN BICENTENNIAL KICKOFF

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. BLANCHARD. Mr. Speaker, there is an organization in my district that is very special. It is the Cavaliers Junior Drill Team of Sterling Heights, Mich., which is sponsored by the Oakland County Council VFW. The team has earned a myriad of accolades and as we approach the 200th birthday of our Republic, it is important that we take note of their efforts to preserve and promote our American heritage.

This group, entirely self-supporting,

is a precision marching unit and participates in parades throughout Michigan and Canada. The 50 children range in age from 10 to 14. They are about to embark on their fifth season with a theme of "Patriotism and Pride in Their Country."

In their entire existence as a team, their record has been impressive: 64 first-place trophies; 4 second-place trophies; and 1 third-place trophy. They were the leaders of the 1973 J. L. Hudson Thanksgiving Day Parade in Detroit, Mich. In 1974 alone, they won 17 first-place and 2 second-place trophies. In June of 1974 this unit competed in the VFW State Drill Team Competition and came home with the second-place trophy. Other highlights of the 1974 season include International Traveling Trophy from Canada's Freedom Festival Parade which is presented to the best group of the entire parade; Grand Marshal's Trophy—Heritage Parade—National Cherry Festival, Traverse City, Mich.

Most recently the Cavaliers Junior Drill Team represented the State of Michigan in the opening ceremonies of our Nation's Bicentennial celebration which was held in Boston, Mass., on April 19. I salute the team on this high honor bestowed upon them which reflects well on their organization, the city of Sterling Heights, the State of Michigan, and our Nation.

BILL BONSELL RETIRES AS MINORITY DOORKEEPER

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. FUQUA. Mr. Speaker, Bill Bonsell is retiring as Minority Doorkeeper of the House and I shall miss having a very warm personal friend in our midst.

Bill was one of the first people I met when I came to the Congress over 13 years ago and he was already in his 16th year of service to the House at that time.

He has had many exciting moments, perhaps the most exciting being that period when he served as Sergeant at Arms during the 83d Congress. During that service, and as Minority Doorkeeper, he has been a faithful and diligent arm for Republican leaders Joe Martin, Charlie Halleck, Gerald Ford, and JOHN RHODES.

Recently I read an article paying tribute to Bill which recounted his thrill in escorting President Eisenhower onto the House floor for the state of the Union address.

Now he plans to do some gardening at his Virginia home and spend more time with his lovely wife, Katie, and his 10-year-old son. He also plans to put in some well-deserved hours relaxing at his favorite sport, fishing.

As one of his friends, I am going to miss him, just as I know he is going to miss the House of Representatives which he has served so faithfully and so well.

STATE OF THE ECONOMY

HON. RAY J. MADDEN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. MADDEN. Mr. Speaker, today the House is called upon to authorize 327 million, which money is under the title of Vietnam humanitarian aid bill.

The United States certainly has walked the last mile over a period of more than 10 years in trying to establish a stable representative form of government in a nation 10,000 miles across the ocean in Southeast Asia.

From the mail I receive, both from my district and as chairman of the Rules Committee from all the other States over the Nation, the feeling is that it is high time the Congress and the President start reestablishing some of the long delayed and necessary projects to get this Nation back to economic prosperity and decrease unemployment.

I am speaking of the terrific transit problems and the outrageous traffic congestion of trucks, buses, and automobiles in most of the urban areas of the country.

Over 60,000 Americans, mostly unemployed, gathered in Washington last Saturday afternoon at the Robert F. Kennedy Memorial Stadium protesting the unemployment of our Nation and the lack of alarm in our Government by postponing the construction and completion of projects which the Congress has already authorized in recent years. Approximately $17 to $20 billion of money for highway and urban area transportation, health, education, housing, and so forth has remained dormant while multibillion dollars are being sent to all areas of the globe; to many nations who are in a far more stable economic situation than the United States of America.

Mr. Speaker, last November the Presidents of Purdue Unversity and Indiana University in my State came to Washington protesting the curtailment of millions of dollars in needed money for our colleges and universities over the country.

It is reliably reported by the press that approximately 40 percent of the workers in the building industry are now unemployed. The unemployment percentage over the Nation, including all forms of industry, is nearing the 10 percent level which almost rivals the condition we had in the unfortunate period of the early 1930's when the news media publicized the fact that 14 million Americans were idle.

Members of Congress have received many letters over the last year from parents and from students who are unable to enter our higher educational institutions because of unemployment and also many who have the educational financial means cannot be accepted because of impoundment of money which the Congress had authorized for our colleges and universities.

Mr. Speaker, due to the deplorable economic and unemployment situation in our Nation today, I am voting against any further money to be sent into Southeast Asia, where our Nation in the last 10 years has spent approximately $150 billion with over 45,000 casualties of our young men in trying to establish a stable government in South Vietnam.

Mr. Speaker, I ask to include with my remarks a letter which came to my office 1 hour ago from the Nursing Department of Indiana University in my State and also include my answer to the chairman of the Department of Nursing at the University. Her letter sets out the serious effects the curtailment of funds have had on continuing a high level of nursing courses in the University of Indiana.

The article follows:

INDIANA UNIVERSITY NORTHWEST,
Gary, Ind., April 28, 1975.

Representative RAY MADDEN,
House Office Building,
Washington, D.C.

DEAR MR. MADDEN: I have just received word from the A.N.A. Washington Office that President Ford has sent forward a health rescission proposal of $238.3 million for the current year (FY 1975). Included in the cuts are nursing allocations which support funding for capitation, financial distress, traineeships, and construction grants.

At Indiana University Northwest the Associate of Arts Degree Program in Nursing and the Continuing Education Program for Registered Nurses would be seriously affected if the proposed funding was not forthcoming. Presently, the continuing education program is funded solely by capitation monies, and the associate degree program is supplemented by them. In addition, this nursing division has applied for construction monies for an equipment only grant in order to equip a new expanded learning laboratory for nurses to accommodate the increased enrollment. The current state allocations are not sufficient to cover the above costs. Any cut back at the federal level could seriously jeopardize nursing education in the area.

Please give this matter your immediate attention and stop these rescissions. Thank you.

Sincerely yours,
DORIS R. BLANEY, R.N., Ed.D.,
Professor and Chairman, Division of Nursing.

COMMITTEE ON RULES,
Washington, D.C., May 1, 1975.

DORIS R. BLANEY, R.N., Ed.D.,
Professor and Chairman, Division of Nursing,
Indiana University Northwest, Gary, Ind.

DEAR MS. BLANEY: Received your letter of April 28 setting out your thoughts on the proposed $238.3 million cut by President Ford for health for the current year 1975. Also that the nursing allocations have been greatly curtailed.

This action by the Executive Department is indeed unfortunate. It is only last year that the Presidents of Indiana University and Purdue University were here in Washington along with other representatives of other universities to discuss the unfortunate impoundment of monies for education which President Nixon had ordered in 1973.

The President of Purdue told me that in 1973 Purdue's grant money was impounded to the extent of $2,400,000. This impoundment has caused great damage to the progress of education, not only in restricting the matirculation of students but also in confining the number of courses available.

I will do everything I can to bring about a revocation of the decision to impound these monies in 1975.

Sincerely yours,
RAY J. MADDEN,
Member of Congress.

CONGRESSIONAL REFORM

HON. LOUIS FREY, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. FREY. Mr. Speaker, on Capitol Hill and in the Halls of Congress, many issues come and go—but there is one which has yet to be resolved—congressional reform.

It was more than 10 years ago that the House Republican Task Force on Congressional Reform and Minority Staffing introduced six of the reforms we are still fighting for today.

And for more than a year, this task force's successor—the Republican Task Force on Reform, chaired by Bill Frenzel—has been working on this. In March, the Republican Research Committee and the Task Force on Reform presented a comprehensive report on congressional reform setting forth 16 recommendations.

And these groups are not the only ones working for reform. During the 93d Congress, a 10-member bipartisan Select Committee on Committees chaired by Richard Bolling was established to make recommendations for the reorganization of the committee structure and to amend the House rules.

Among the recommendations of this committee agreed to by the full House were two new rules: the minority party was entitled to one-third minority staffing and the abolishment of proxy voting in committees.

However, during the opening session of the 94th Congress, we again saw the power of that antidemocratic creation—"King Caucus." Through secret meetings and closed votes, the Democratic caucus negated the reforms adopted the previous year.

What this meant was during the so-called debate on the rules of the House for the 94th Congress, the minority party had no voice. The new rules were considered under a "closed rule" procedure meaning no amendments could be offered. And so, the Republicans began their work with one hand tied behind them.

Among the 16 reforms presented by the task force were those advocating: Open rules, open committee meetings and open House/Senate conferences, open committee records and recorded votes, broadcasting of House floor proceedings, better scheduling of House business and one-third minority staffing. We came out against "unit-rule" caucus votes and proxy voting in committees.

Amidst our discussion of these and other reforms, we decided actions must be taken to show the Democratic majority in the House and the country that we are serious about opening up the House and conducting the public's business in a reformed atmosphere.

On April 29, the House Republican Conference voted by a 3-to-1 margin to open up the conference meetings. I do not believe we need closed meetings, and except for national security and housekeeping chores, the conference will be open.

By taking this action, we ask our colleagues on the other side of the aisle to also open up the Democratic caucus. As a result, the specter of "King Caucus" would be banished forever and if the unit rule prevailed, the public would at least know how and why their Representatives were bound to vote in a certain way.

The recent polls show that the public has almost no confidence in their elected officials. In order to bring this country back from the brink of disaster, we must have the trust and cooperation of the people. By opening up the Republican Conference—we are demonstrating our willingness to truly conduct the public's business in the open.

One of my colleagues from Florida—the Sunshine State—Bill Chappell is leading the fight to open up the Democratic caucus. I urge my fellow Floridians and other colleagues to join this fight to open up the caucus.

As chairman of the Republican Research Committee I am proud of Chairman Bill Frenzel and all of the members of the Task Force on Reform for leading this fight to open up the Republican Conference. They said it could not be done, but we did it.

VIETNAM: A FINAL TRAGEDY

HON. TORBERT H. MACDONALD

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. MACDONALD of Massachusetts. Mr. Speaker, it is a deep tragedy for all Americans that we mark the end of our involvement in Vietnam with the deaths of two brave Marines. In keeping with the highest traditions of the U.S. Marine Corps, Cpl. Charles McMahon, Jr. and Lance Cpl. Darwin L. Judge gave their lives for the safety of American personnel who were evacuating from South Vietnam. I know my colleagues in Congress share my feeling of deep sympathy for the families of both men.

A tragedy is always experienced more deeply and realized more painfully when it touches close to home. Charles McMahon, of Woburn, Mass., was a constituent of mine with a bright future, until he was killed in an artillery attack on Tansonnhut Airport near Saigon. He became the 13th Woburn resident to die in Vietnam and the 1,423d from Massachusetts. Corporal McMahon was to celebrate his 22d birthday next week. His friends and family saw him just 2 weeks ago in Woburn, when he was there on leave. He was anticipating duty in Lima, Peru, before a change of orders suddenly transferred him to evacuation duty in Saigon. This twist of fate will endure in the minds of the McMahon family for years to come.

In many ways, the deaths of Charles and Darwin were symbolic of the devastation and sorrow that this war brought to hundreds of thousands of American families. With the war so close to its torturous conclusion, we see two elite Marines being killed by a rocket they never saw or heard, fired by an enemy they also never saw or heard. Here, we shiver in seeing two young men of great promise cut down before that promise could become a reality. Both young men have earned the gratitude and respect of their country in the hardest way possible, laying down their lives for the safety of others.

The war is over, and hopefully this Nation will learn from the tragedies and horrors of the past. Unfortunately, the pain will not soon be forgotten.

ACTION PROGRAM OBSERVATIONS

HON. JACK EDWARDS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. EDWARDS of Alabama. Mr. Speaker, on April 10, 1975, Mayor A. J. Cooper of Prichard, Ala., testified before the House Subcommittee on Equal Opportunities, Committee on Education and Labor, in support of the ACTION program. I believe that my colleagues in the House of Representatives will benefit from Mayor Cooper's first-hand observations about this program and I, therefore, include the mayor's testimony in the Congressional Record at this point.

STATEMENT OF MAYOR A. J. COOPER

Mr. Chairman and members of the Subcommittee, I am pleased to appear before you, both in my capacity as an elected official as Mayor of the City of Prichard, Alabama—the seventh largest city in the State with a population of almost 50,000—and as the President of the Southern Conference of Black Mayors, which represents 76 mayors in 16 states. The subject before this distinguished Subcommittee—that of ACTION and voluntarism—is one which I am both familiar with and vitally interested in.

I have just completed a three day management and leadership course sponsored by the U.S. Conference of Mayors with 20 of my fellow mayors, and I wish you to know how much we all appreciate the Congress's continued willingness to hear the cities' side of the ACTION story and also how much we appreciate your own sensitive and careful exercise of your oversight responsibilities.

However, my relationship to ACTION is one of being a convert. Initially I did not like ACTION and I certainly didn't like Mike Balzano. When I first heard and read about Mike Balzano I thought and believed he was the federal bureaucracy's answer to Archie Bunker—between his crew-cut and his appointer I just knew a new disaster area had been created. But I must, in all sincerity, and I was wrong—wrong about ACTION and about Balzano! Now before anyone gets the wrong idea, my city doesn't get enough ACTION money to bring me to Washington to give you a snow job. We get only approximately $18,000 from ACTION but these programs have had a significant impact on my city. I was converted because Mike Balzano and ACTION have been, in fact, willing to deal with the needs of our cities, with a minimum of red tape and a maximum degree of impact. Can you imagine this crew-cut Italian coming to the Deep South to meet with 76 Black Mayors? Not only did he do it but he proved to us his commitment. No, not his commitment just to black people, because our constituents—

our voters—are not just black, but his commitment to move this nation's energies to the job of restoring voluntarism to respectability.

In my city, we have white and black volunteers working with students and the elderly and we have black and whites working on the arts and on the problems of crime. We have black businessmen and white laborers joining hands to keep my city clean. I submit that this example has been duplicated across America and it took a white, ethnic to make believers in the white community and a person like Mike Balzano who produced with an agency which has had less money than most, but which, more importantly, has had less red tape than most—a program which, in fact, delivers.

I am familiar with ACTION because Prichard is the beneficiary of volunteer-oriented projects under the umbrella of ACTION. In response to a proposal we have submitted on behalf of our citizens, members of my staff and ACTION program staff have worked closely and cooperatively. This coordinated technical effort has resulted in ACTION funding: (1) a much needed program providing for a coordinator of voluntarism (recruiting, training, placing and effectively utilizing local volunteers); (2) a project designed to reduce residential crime (as a result of a mini-grant) to involve 100 volunteers trained to educate our community on crime prevention techniques; (3) and a Volunteers In Service to America (VISTA) project which is to provide Prichard with six full-time volunteers who will serve on an important lead-based paint poisoning prevention program.

I am interested in ACTION because I am constantly made aware of the needs of agencies (both public and private), and citizens, not just in my own city, but the many cities of varying sizes that look for leadership from my colleagues who elected me President of the Mayor's Conference. The Southern Conference of Black Mayors, a strongly dedicated group of leaders, faces many unique problems in common, but also faces the many problems all of our national cities face today: problems of rising costs and dwindling tax bases; problems of poverty and increased citizen needs; problems of crime, housing, health, employment and education. Gaps in services in our cities are responded to, as best as possible, in a variety of ways and by a number of federal and state agencies and departments. While needed and welcomed, it is often too little too late. Just as often, our towns and smaller cities lack sufficient technical competence and manpower to develop required proposals and applications.

ACTION, the federal volunteer agency, has been a bright spot that our towns and cities have been able to turn to—for technical know-how through its competent and committed staff meeting with local officials and citizens' groups—through the agency's providing full and part-time volunteers, locally and nationally recruited, aiding, assisting, designing and helping us to institute almost immediate responses to problems—by volunteers from the agency's programs helping others to help themselves—and through its grants and contracts to local communities. These volunteers have saved us millions of dollars and aided us in getting additional funds.

Allow me to refer you to just a couple of comments from mayors whose cities and nonprofit groups therein have called on ACTION for assistance and who have found a sensitive, capable and ready responsiveness. These comments are contained in correspondence with you or your office, Mr. Chairman:

Mayor Clarence E. Lightner, Raleigh, North Carolina:

". . . as a result of the excellent cooperation and coordination developed over the past year (between the city of Raleigh and ACTION), we have now become involved in the administering of several ACTION programs . . . I feel, as a result of the technical assistance provided by ACTION personnel, that the programs operational in the City of Raleigh are as fine as any volunteer programs in the country. I am pleased to go on record to urge . . . members of the subcommittee to insure the continuation of volunteer programs under one single agency (ACTION)."

Mayor Johnny Ford, Tuskegee, Alabama:

"I express . . . deep appreciation that our government feels for the ACTION programs. We find this . . . one of the most viable agencies in government which is about the business of mobilizing volunteers to 'action' in support of the delivery of many vital human care programs in our community.

". . . as Mayor of the City of Tuskegee and as Chairman of the Alabama Conference of Black Mayors, I . . . go on record in support of ACTION, and request favorable consideration of maintaining and, if possible, expanding the support needed by ACTION in order for this meaningful agency to continue its efforts of assisting our local communities . . ."

I recall, as I mentioned before, it was at a semi-annual conference of my fellow mayors that the ACTION Region IV Regional Director, Mr. Paul R. Jones, and Mike Balzano addressed the members and met with members of our executive committee to listen to our urgent requests for assistance—for volunteers. The statements I've read from Mayors Lightner and Ford and those of my own are but three examples of their efforts to equitably distribute volunteers and agency resources. I feel this point is extremely important to you, the members of the House Committee on Education and Labor's Subcommittee on Equal Opportunities.

Other mayors who happen to be Black are recipients of good and helpful ACTION programs. I know through my involvement with mayors from throughout the country in such groups as the U.S. Conference of Mayors and The National League of Cities that the ACTION Agency has been and is providing competently recruited, well-trained and properly supervised volunteers to cities whose mayors are of many nationalities. Important is the fact that there is a volunteer program, under one single agency's auspices, for coordination and that the poor, the elderly, the sick and the needy of our population are benefiting as a result of ACTION's existence.

I urge you to preserve ACTION; to strengthen it; to provide increased funding to enable the agency to increase its capacity to provide more volunteers and more volunteer programs to more cities, urban and rural.

From my personal experience I state very candidly, and for your serious consideration, that the much talked about need for a national domestic policy—the turning of attention to our country's own problems and their solutions—can, as we approach 1976 and our Bicentennial, finally take shape. Voluntarism, with its low support cost factor and its potential for providing needed assistance while bringing those who volunteer some real measure of satisfaction can be the thread that runs through such a domestic policy. Such a national policy would enable an agency—ACTION—to serve as the catalyst to offer every American, regardless of race, color, creed, age or skill, the opportunity to become involved as a volunteer (an hour a week, a few hours a week, or full-time) or, if poor, infirmed, or needy, to be on the receiving end.

It is in this spirit that I close my formal remarks with a plea that you and members of the full committee and the Congress give to ACTION, a relative infant (less than four years old) as federal agencies go, full support by keeping all of its volunteer programs linked strongly together and move to appropriate adequate funds—a billion dollar budget—so that all who would volunteer can volunteer. It is this body that can now put even more action into ACTION—more pride in our citizens—and provide more hope and more spirit such as that upon which our great nation was founded.

I thank you personally, and as mayor of one of your cities and on behalf of all the mayors and all the Americans we represent, for having been invited to testify and for being afforded this opportunity to express my own and other widespread support for ACTION that it well deserves.

FORMER CONGRESSMAN CHESTER C. GORSKI LEAVES A LEGACY OF DEDICATED SERVICE TO HIS COMMUNITY AND TO HIS COUNTRY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. KEMP. Mr. Speaker, the people of western New York are saddened by the death of a faithful public servant and a former Member of Congress, Chester C. Gorski.

Prior to his retirement last year because of illness, he served his community and his country for more than 45 years.

During the last 14 of those years, he was president of the common council in the city of Buffalo.

Mr. Gorski began his career in government as laborer in the city streets department during the great depression, in 1934. He became a foreman in 1938, won his first office 2 years later, in 1940, as sixth ward supervisor.

He was the only Democrat and the automatic minority leader when he was first elected to the common council in 1945.

In 1948 he was elected to the 81st Congress. Mr. Gorski served one term before returning to Buffalo. He was reelected to the common council in 1953, returning as that body's majority leader.

Until he died on Friday, April 25, at the age of 68, Chester Gorski worked for and maintained his interest in the revitalization of the city of Buffalo and improvements in the administration of local government.

He also was involved in many community activities, including the Professional and Businessmen's Association, Greater Buffalo Advertising Club, the Fillmore-Peckham Taxpayers' Association, Knights of Columbus and the Holy Name Society. The son of Polish immigrants, he was the recipient of the 1963 Citizenship Award of the Polish-American Democratic Clubs of Downstate New York.

Mr. Speaker, Chester Gorski's portrait has an honored place behind the desk of the president of the Buffalo Common Council. His legacy of dedicated service is a standard for those who will sit in that chair and in the council chamber.

We who knew him extend our sympathy to his wife, Helen; his son, Jerome who is an attorney; another son, Dennis, an able member of the New York State Assembly; and his three grandchildren.

PLUTONIUM SHIPMENTS: KILL THEM BEFORE THEY MULTIPLY

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. ASPIN. Mr. Speaker, over the last 2 months, the nuclear industry has been kind enough to provide us with a preview of the coming plutonium economy. It was revealed that hundreds of pounds of plutonium oxide were being flown into Kennedy Airport in New York. When word of the shipments, the incredible toxicity of plutonium, and the possible inadequacy of the containers to survive an airplane crash reached the public, the outcry was great in the land, as our colleagues from the New York area will doubtless testify.

When the news reached Rochester that some of the shipments were eventually destined for Rochester Gas and Electric, the cry reached up to the boardroom of that company, and the deal was abruptly scuttled.

Given the choice, the American public wants to have as little to do with plutonium as possible: and for good reason. As a deadly poison and as the raw material for possible illicit nuclear weapons, plutonium probably poses as much hazard per unit weight as any substance ever could.

The Nuclear Regulatory Commission's plans to make plutonium a central fuel in nuclear power reactors, as outlined in its draft generic environmental statement on mixed oxide fuels—GESMO—call for the routine shipment of tons of plutonium every year. The dangers of this course, and the possibility of controlling them, are inadequately understood at this point.

I have introduced, with 46 cosponsors, the Plutonium Recovery Control Act, H.R. 6394. This bill would forbid the Nuclear Regulatory Commission to license the extraction of plutonium from reactor waste or its use as fuel pending a study by the Office of Technology Assessment and a fresh congressional determination.

For once, let us control a new technology rather than letting it proceed according to its own dangerous logic.

The text of the bill follows:

H.R. 6394

A bill to prohibit the licensing of certain activities regarding plutonium until expressly authorized by Congress, and to provide for a comprehensive study of plutonium recycling

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Plutonium Recovery Control Act of 1975."

FINDINGS

Sec. 1. The Congress finds that—

(1) the Nuclear Regulatory Commission proposes to license the extraction of plutonium from spent reactor fuel and its subsequent use in mixed-oxide reactor fuels;

(2) plutonium is both a highly toxic substance and the possible raw material for nuclear explosive devices;

(3) the establishment of a commercial plutonium industry and the consequent production and transportation of large quantities of plutonium may increase the likelihood of diversion of plutonium from legitimate channels to use by criminal or terrorist organizations;

(4) the possible adverse effects of plutonium diversion are so great that even a small probability of successful diversion is unacceptable;

(5) present plans for safeguarding plutonium as set forth in the Generic Environmental Statement on Mixed Oxide Fuels, are inadequate;

(6) delay in the establishment of plutonium extraction and re-use facilities will have no substantial adverse economic effect, but will provide time for careful planning of safeguards systems for economy and reliability;

(7) the final decision on whether the economic benefits of plutonium recycling are great enough to counterbalance its social costs and risks should be made by the Congress, and not by a regulatory agency.

Sec. 2. (a) Except as provided in subsection (b), the Nuclear Regulatory Commission, established by section 201 of the Energy Reorganization Act of 1974 (Public Law 93-438, 88 Stat. 1242), shall not license, permit, or otherwise authorize—

(1) the operation of any nuclear power reactor using recycled plutonium fuel; or

(2) the construction or operation of any facility which reprocesses or recovers plutonium from spent nuclear power reactor fuel or from production reactor products.

(b) The provisions of subsection (a) (2) of this section shall not apply with respect to—

(1) any construction activity undertaken in conformity with a construction permit issued pursuant to the Atomic Energy Act of 1954 (68 Stat. 919) before January 1, 1975; or

(2) any recovery of plutonium for military or research and development purposes.

(c) The prohibitions of subsection (a) of this section shall remain in effect until the Congress, after having adequate time to study the results of the investigation described in section 3, to hold the necessary hearings, and to consider the various alternatives available to the Nation, provides otherwise by law.

Sec. 3. (a) The Office of Technology Assessment shall conduct a comprehensive study of the recycling of plutonium for the purpose of determining the extent of the dangers to the public health and safety and to the environment resulting from such recycling. Such study shall be completed not later than three years following the date of the enactment of this Act, and shall include—

(1) investigation of the toxicity and carcinogenic characteristics of plutonium and of the potential for occupational and public exposure and environmental contamination by plutonium:

(2) investigation of the risks of the unauthorized diversion or theft of plutonium, the development of illicit markets for the sale of plutonium, and the fabrication and use of unauthorized nuclear devices made from plutonium;

(3) investigation of the full range of economic costs and institutional implications, including threats to civil liberties, of the safeguards measures needed to minimize the unauthorized diversion or use of plutonium;

(4) investigation of the need for plutonium as an energy fuel and of nonplutonium strategies for meeting national energy requirements;

(5) investigation of alternative means of handling and containing plutonium on the assumption that the use of recycled plutonium as nuclear power reactor fuel is not permitted in the foreseeable future; and

(6) consideration of the development of systems for the use of plutonium which will assure the protection of the public health and safety and of the environment.

(b) In conducting the study required by subsection (a) of this section, the Office of Technology Assessment shall seek the assistance of a broad range of public and private groups with information or expertise relevant to the subjects of the study and shall assist and encourage the participation of the public in all phases of the study. The Office shall have the power to enter into contracts with individuals or corporations for the purposes of conducting the study, but shall not enter into contracts with any corporation or person which in the judgment of the Office might have a significant financial interest in the development or utilization of recycled plutonium fuel.

(c) All Government agencies shall cooperate to the fullest extent with the Office and shall provide access to their personnel and data. At the request of the Office, any Government agency shall furnish any information which the Office deems appropriate for the purpose of conducting the study under this section. The Office is further empowered to compel the delivery of any information in the possession of the National Laboratories which the Office deems necessary for conducting the study.

"Sec. 3. For purposes of this Act—

"(1) the term 'plutonium' means pure plutonium, plutonium oxide, or any other plutonium compound;

"(2) the term 'recycled plutonium' means any plutonium recovered or separated from spent nuclear reactor fuel or production reactor products;

"(3) the term 'recycled plutonium fuel' means any nuclear reactor fuel containing recycled plutonium, including fuel containing mixed oxides of uranium and recycled plutonium;

"(4) the term 'spent nuclear power reactor fuel' means any material which forms part of a used fuel assembly for a nuclear power reactor.".

POLISH NATIONAL HOLIDAY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. DERWINSKI. Mr. Speaker, I would like to take this opportunity to again this year, call the attention of the Members to an important date in the history of Poland. On May 3, people of Polish descent throughout the world will celebrate an important Polish national holiday—the Polish 3d of May Constitution Day. This is an important reminder to all that Poland was one of the first pioneers of liberalism in Europe.

As the Members know, Poland's valiant struggle against Nazi-Communist totalitarianism became an inspiration for mankind. It was on May 3, 1791, that Poland adopted a constitution that led to a complete reform of its internal life and asserted its democracy. But it came too late, and could not put a halt to the third partition of Poland in 1795 by Russia, Prussia, and Austria, only 4 years after this remarkable Constitution was adopted.

Even though the Constitution did not have a chance to take hold, this was one of the brightest events in Polish history. Americans of Polish ancestry will hold appropriate observances to commemorate this great day in the history of Poland. It reminds all Americans of

Poland's destiny in the history of mankind and prophesies the ultimate triumph of justice. Even though the Polish people do not enjoy a government which they may freely elect and the shadow of Soviet domination is ever present, Poles everywhere are confident that the future will see a flourishing Poland, inspired by her great traditions and ideals.

Mr. Speaker, I believe it is especially appropriate to note that American and Polish Constitutions were similarly inspired. Meditation on the anniversary of May the 3d deepens the faith and heightens the courage of every Pole and of every American of Polish origin.

DEFEAT AND SURRENDER IN VIETNAM CANNOT BE EASILY CAMOUFLAGED

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. CRANE. Mr. Speaker, when a nation makes a decision, history will not permit it to camouflage that decision with a gentle and mild rhetoric. When Neville Chamberlain returned from Munich and declared that he had achieved "peace in our time" by turning over to the Nazis the sovereignty of the people of Czechoslovakia, subsequent events showed the world very clearly what he had really done.

When President Nixon and Secretary Kissinger told us that the Paris Peace Agreement in 1972 had brought "peace with honor" to Vietnam, and Secretary Kissinger accepted the Nobel peace prize for his work in that connection, the world was not easily led astray. The world understood that the United States was withdrawing from South Vietnam, and the North Vietnamese were not. Calling it an "honorable peace" did not make it so.

Now, we see clearly what has happened. The United States has, in effect, abandoned an ally and has permitted aggression to succeed. The Communists violated the Paris agreements from the day they were signed, but we did nothing. We continued to speak of détente with the Soviet Union and Communist China while those two powers, in turn, continued to supply the North Vietnamese and the Vietcong with the means of continued aggression. We, and especially those in the Congress, cutoff aid to our own allies, leaving them virtually helpless in the face of a massive assault from the North. Now, we seek to call this something other than defeat and surrender. Now, many urge that there be "no recriminations."

One of those who asks that there be "no recriminations" is former Under Secretary of State George Ball. Writing in Newsweek magazine, Mr. Ball wants us to move on from Vietnam without learning any lessons from the current debacle.

Commenting upon this thesis, Columnist William F. Buckley, Jr., notes that Mr. Ball has given us a lesson in how to do it:

> You begin by ignoring treaties made by the United States, ignoring any responsibility by the United States for living up to the terms of those treaties. You add a long list of complaints against the sloth and mismanagement of any Oriental who was ever dumb enough to be on our side in opposing Communism in Asia, and before you know it, you not only have stopped breast-beating, you are looking around the hall expecting the adulation of all the peoples of the world."

Mr. Buckley concludes:

> We talk about how the South Vietnamese have run. At least they did so under the pressure of Russian tanks. Congress ran under the pressure of moral fatigue. I'd sooner, fighting for my life, do so in the company of 15 South Vietnamese soldiers, than of the 15 members of the Senate Foreign Relations Committee.

I wish to share with my colleagues the column by William F. Buckley, Jr., which appeared in the Washington Star of April 14, 1975, and insert it into the Record at this time:

George Ball's Hindsight Is Better Than Foresight

(By William F. Buckley, Jr.)

The cliche of the day is "stop the recriminations!" That is one of several inflections, another being, "stop the breast-beating!"—which is the title of a sermon by George W. Ball in the current issue of Newsweek, wherein he gives us a lesson on how to stop the breast-beating. You begin by ignoring treaties made by the United States, ignoring any responsibility by the United States for living up to the terms of the treaties. You add a long list of complaints against the sloth and mismanagement of any Oriental who was ever dumb enough to be on our side in opposing communism in Asia, and before you know it, you not only have stop breast-beating, you are looking around the hall expecting the adulation of all the peoples of the world.

Mr. Ball, who was undersecretary of state under JFK and LBJ, and who took us into the Southeastern mess without giving any thought to the consequences of fighting it the way they chose to fight it, was not quite so talkative back when he was the second man in the State Department. Now he writes from his seat in Lehman Brothers that "once we withdrew our soldiers and our bombers, it was inevitable that the house of cards (in Vietnam) would come tumbling down."

I don't remember his saying that at the time, and I wonder why not? Clairvoyants should practice their gift while it is still useful, rather than discover it retrospectively. The alternative is to expect a certain amount of breast-beating and recrimination. A whole lot of it is going to issue from this little space in the paper.

We are all being asked to believe that there was something on the order of manifest destiny working for the North Vietnamese. That they really "owned" South Vietnam, in the same sense that the early Americans owned California. To get California we had to claw our way past a few Indians, and snooker the Mexicans into one of the great land grabs of the 19th century. But what was hardest about acquiring California was things like scaling mountains and crossing deserts and laying railroad lines.

What was hard about taking South Vietnam was—people. About 16 million people who were 80 percent opposed to living under the rule of the North. Eighty percent is slightly better than the number of Americans who sided with George Washington in the Revolutionary War. The will to resist was there, and for all the talk of South Vietnamese pusillanimity and disorganization and graft, you will find that a far higher percentage of them died or were wounded in the war than Frenchmen defending themselves against Hitler.

If it was so obvious to Ball, one of the two or three most conspicuous Democratic mouthpieces in matters of foreign policy, that the Treaty of Paris was a phony, he should there and then have denounced it. It was certainly a mistake of President Nixon not to have insisted that Congress there and then either accept or reject responsibility for enforcing the terms of the treaty which Henry Kissinger would never have initialed had he anticipated the rout in Congress from the implicit responsibility of the principal sponsor of that accord—the United States.

We talk about how the South Vietnamese have run. At least they did so under the pressure of Russian tanks. Congress ran under the pressure of moral fatigue. I'd sooner, fighting for my life, do so in the company of 15 South Vietnamese soldiers, than of the 15 members of the Senate Foreign Relations Committee.

ELDERLY AMERICANS MONTH

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. RANGEL. Mr. Speaker, I would like to take this opportunity to note that May has been designated as "Senior Citizens Month."

Elderly Americans throughout our country are showing enormous courage in the face of our deepening recession. They have been saddled with the burden of our double digit inflation and have been forced to bear the brunt of our economic problems. The designation of May as "Senior Citizens Month" will act as a reminder to all Americans of the contributions elderly Americans have made and continue to make to our society.

We in the Congress must be cognizant of our responsibilities and indebtedness to our parents and grandparents. I am sure the majority of Congress accepts this responsibility and realizes that the deplorable conditions many elderly people are forced to live in are a national disgrace.

America's senior citizens have worked hard and have contributed substantially to this country's growth and progress. The Congress owes them more than a month honoring them but a commitment to the solution of the medical, housing, unemployment, and other problems which plague them. The Congress must take the initative in this area because it is clear that it will not come from the executive branch.

The Congress must pass legislation that recognizes the right of each American to approach his or her later years with dignity and respect. Elderly people must be incorporated within our society and not isolated from it. We as a people must recognize the wisdom that comes from living a long life and learn to appreciate, respect, and benefit from it.

I believe the negative attitude our society has toward the elderly has been largely responsible for the intolerable conditions many of them live in. Through legislation the Congress can help to change that attitude and make this a better society for us all.

Shortly this Nation will begin to celebrate our Bicentennial. As part of that celebration, I think it only fitting that the Congress recognize the tremendous contribution which elderly Americans have made in our 200 year existence. Setting aside the month of May as Senior Citizens Month is a step in the right direction toward achieving full equality for this important segment of our population.

POLICY LACKING

HON. THAD COCHRAN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. COCHRAN. Mr. Speaker, since the beginning of the energy crisis in 1973, the United States has lacked any sort of policy to help us avoid the sorts of drastic situations we experienced then. For more than 4 months, the 94th Congress has been charged with doing something about the situation and has done nothing. The lack of any action at all has been very articulately scored by a recent editorial in the April 22, 1975, issue of the Jackson Clarion Ledger. I would like to share that editorial with my collegues in the House:

POLICY LACKING

It has been about four months since President Ford urged Congress to join with him in formulating a national energy policy that would make the nation independent of foreign oil supplies by 1985. For the President, they have been months of frustration. Congress has stalled and vacillated while the nation's oil dependency has grown.

In seeking what he did when he did, Mr. Ford was recognizing the reality that energy can be used as a weapon in these days of global politics. It already has been used that way—in the Arab oil embargo which cut back on oil supplies to nations the Arabs felt were supporting Israel. With the situation in the Middle East a tinderbox, the prospect of another embargo certainly cannot be discounted.

Despite constant warnings, our reliance on foreign oil continues to grow, not decrease. At the time of the embargo in 1973, the United States was importing six million barrels from domestic production. In 1974 the situation did not get better; it worsened. The use of foreign oil grew to seven million barrels a day and domestic oil used fell to nine million barrels a day—and the trend is continuing toward more dependency, not less.

The only bright spot on an otherwise dark horizon was the drop in our energy consumption last year by 2.2 per cent, reversing a 20-year upward trend. Unfortunately, the drop came as a result of the Arab oil embargo, higher prices, the economic slowdown and a relatively mild winter more than from any tough conservation policy.

At least we have learned that higher prices can affect energy use. While major petroleum refiners recently raised their prices by about 1½ cents a gallon, this is considered relatively insignificant in terms of affecting demand. It is estimated that any meaningful cutback in gasoline use would come about only if service stations charged a retail price of about 75 cents a gallon.

As to Congress, the record so far is devoid of any useful action toward a national energy policy. In fact, the movement has been in the opposite direction. The most recent example of moving the wrong way came when Congress included in its tax relief bill a partial repeal of the oil depletion allowance designed to encourage the search for oil and gas. Whether the principle is right or wrong, the partial repeal was clearly out of place in the tax relief bill and added to its Christmas tree image.

Perhaps there was some appropriate symbolism when President Ford donned a hard hat during his recent visit to the Elk Hills, Calif., area with its vast untapped petroleum reserves. It may be time for him to get closer to the action in his contest with Congress on energy legislation. He called one play on his own when he raised the tax on imported oil by $1 a barrel on March 1. It should jar Congress further if he adds another dollar on May 1 to show that he means business.

NATIONAL HEALTH INSURANCE

HON. KENNETH L. HOLLAND

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. HOLLAND. Mr. Speaker, in recent years there has been much talk about national health insurance. I have solicited the views of health care professionals from my congressional district and these experts nearly unanimously felt that some type of national health insurance is inevitable.

Mr. Speaker, we all pursue the same goal: Adequate health care for our citizens. The question is no longer whether we will have a national health care plan, but rather how and when to provide coverage to every American.

In rural districts such as my own, where health care delivery is generally poor because of the sparsity of the population, the lack of good medical facilities, and the absence of incentives for new doctors to locate in small towns, a pure insurance plan is not the answer. To many residents of the Fifth District of South Carolina, national health insurance would be meaningless because they do not have the facilities needed to utilize such insurance.

One of my prominent constituents, Dr. John Cathcart of Gaffney, S.C., has written a paper on the need to improve medical services in rural South Carolina. I feel strongly that any national health insurance proposal adopted by this Congress must include provisions for increasing the number of doctors, nurses, paramedics, and facilities in rural America, as well as upgrading those already in existence.

I offer Dr. Cathcart's paper to Members of Congress as an excellent explanation of the medical needs of the rural areas of our Nation and some sound suggestions for meeting them:

A METHOD TO SOLVE THE DOCTOR SHORTAGE

(By John H. Cathcart, Jr., M.D.)

In the United States today, there is one doctor for every 650 people, or more doctors per capita than any other country in the world. Russia is next with one doctor per 750 people. However, as long as the Federal Government discriminates against the more equal distribution of doctors by discrimination against rural areas and small towns, we will never solve the mal-distribution problem in the United States. Not only do we see this discrimination on the federal level, we see it on the state level also.

For example: South Carolina with a population of less than three million, a state smaller than greater Philadelphia, is divided into three economic areas, metropolitan, urban and rural, as a basis for medicare and medicaid fee profiles. These profiles are set up by the so-called customary and usual fees charged by the doctors in the designated areas the year prior to July 1st. Therefore those doctors in the large cities, because of the higher prevailing fee schedule, rate higher fees for the same services than those doctors can collect in the rural areas. The small town General Practitioners usually know their patients better and because of the large volume of patients they see and because the patients in the rural areas usually are not as affluent, those doctors do not charge anywhere near as much as doctors charge in the cities. Therefore the system builds on itself.

No young doctor would move to a doctor-short community where he will not only be discriminated against by his peers from the larger areas but also economically.

Why should he give up cultural opportunities, museums, time off and high fees for the long hours, loneliness, low fees and poor facilities in the rural areas. In fact, in my county in South Carolina, a county with a population of 38,000, we recently had a young cardiologist move from a metropolitan area, population 250,000 and Medicare cut his fee profile thirty percent. A young doctor moves from a doctor-rich area to an area where he is needed and his government sponsored fees are cut thirty percent. How can we expect doctors to move to the more rural areas when this type of discrimination not only exists but is encouraged by the government and backed also by the AMA.

Country doctors have served the people in the rural areas with long hours, low fees and yet have earned little respect from their peers. The medical universities call them Local Medical Doctors. These doctors know their patients as friends and neighbors, they diagnose, treat and cure them without the aid of expensive lab studies, consultants and hospitals. Instead they use compassion, knowledge, and common sense. And yet some newspapers say they are not needed, that paramedics can serve as well in the rural areas.

The State, the Federal Government and yes, even the AMA should begin to rewrite the laws to encourage a more equitable distribution of primary doctors (GP's, Internists, Surgeons, Ob-Gyn and Ped.) to those doctor-short areas. A $12,000.00 deduction from a doctor's income for federal tax purposes for ten years or for as long as his practice area is considered doctor-short, say less than one primary doctor per 2,000 people. Also those government sponsored fees such as medicaid, medicare and Champus should be the same for the same service all over the country. The Social Security taxes paid are the same. Therefore the first patient visit fee to the doctor would be the same in Gaffney, S.C., as in New York City. First hospital day, preparation of records, history and physical and institution of therapy would be the same for the Medical Doctor when paid by medicare in the small hospitals in rural Mississippi as in the large teaching centers in Chicago. The cholecystectomy would be worth as much for the medicaid patient in Alabama as in Los Angeles.

I believe that if the $12,000 deduction and the equalization of government sponsored fees become a reality you would see a more equitable distribution of doctors in the United States. It would then be economically advantageous for him to move where he is needed.

Why should the young surgeon stay in the over-crowded city to do occasional surgery or the routine work for a large group when he could move to the small community hospital of 100 to 150 beds and be needed. The same would be true for the General Practitioner, the Internist, the Obstetrician and Pediatrician.

The cities could do the same for those doctor-short poorer areas, but the doctors would have to live in the area to reap all benefits of his practice.

With such a system, I can foresee the day where every small community with a hospital would have adequate well trained primary physicians, General Practitioners, Surgeons, Ob-Gyn's, Internists and Pediatricians to serve them.

In my community, if we had one doctor for 1,500 people, we would have twenty-five doctors or ten more than we have now. With ten additional doctors, our hospital would have no census problem, and the population would continue to have excellent medical care.

SOCIAL SECURITY "PASS-THROUGH" LEGISLATION

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. HARRINGTON. Mr. Speaker, I am today introducing legislation to protect recipients of benefits under certain, specified Federal and federally assisted programs from having their benefits cut, or eligibility for benefits discontinued as a result of increases in monthly social security benefits.

Earlier this month, 60 of my colleagues joined with me in sponsoring legislation to provide that increases in social security will be "passed through" to recipients of veterans' benefits. It is an established fact that in many other programs, increases in social security are resulting in a decrease in other benefits, negating part, or in some cases all, of the social security increase.

To correct this injustice, I am introducing three "passthrough" bills: For the supplemental security income program—SSI—the food stamp program, and a third bill covering aid to families with dependent children—AFDC—medicaid, and certain child welfare programs.

This multibill approach is, in my view, a more sensible and more responsible plan of action than the legislation that has been introduced in this area to this date. Legislation dealing with this particular problem has been, on the whole, ambiguous, and it is my belief that the Congress would, and should be extremely hesitant to act upon any all-encompassing, nonspecific legislation, regardless of legitimate intent.

Passthrough for social security benefits would be accomplished by directing the administrators of the aforementioned programs to disregard increases in monthly social security benefits in determining the income and benefit levels of the program participants.

I would like to take this opportunity to briefly explain the three bills I am introducing today.

Currently, as a social security increase is provided, the Federal portion of the SSI payments rises with it. Actual income may be decreased, however, when State-determined income levels are passed, and the recipient's State supplement is reduced or eliminated. In any case, the full increase in income intended by the social security increase is not realized by the recipient.

In early 1975, 4.2 million aged, blind, and disabled Americans received payments under the Federal/State SSI programs. Over 2 million of these people received State supplementary payments that were based primarily on outside income, and 70 percent of all SSI recipients also received social security checks. The result, therefore, of increases in monthly social security benefits has been, and will continue to be unless corrected, significant hardship on the part of a large number of SSI recipients; people among the most needy and deserving in our society.

Basically, the design of pass-through legislation for the food stamp program is comparable to that which I have outlined for SSI.

Presently, net income eligibility limits have been established for different-sized households. For example, a family of four may have, after certain deductions, a net monthly income of up to $513 and still be eligible for food stamps. Social security payments are included in this income computation, and, therefore, it is quite possible that a sizable social security increase—such as the 20-percent increase enacted 3 years ago—may push a large number of food stamp recipients above their net income ceiling.

In addition, for each household-size category, there is an established monthly allotment of a certain dollars-worth of stamps for eligible households. The food stamp guidelines also include the highest amount of money households of the different sizes will have to pay each month for their stamps. This is the "top purchase requirement." However, if the household's income after deductions is less than the monthly income limit, they will pay less for the same amount of stamps. Some households, therefore, will receive stamps free.

Under the present system, any increase in social security benefits will increase the amount a household would have to pay in order to obtain the same amount of stamps, if, in fact, they are still eligible. Implementation of pass-through legislation for the food stamp program would eliminate this type of shell-game by removing social security increases from the income determination process.

At present, approximately 17 million people receive food stamps. Of these, approximately 50 percent—8.5 million—are also on some form of public assistance—AFDC, SSI, et cetera. Members of this group generally receive food stamps without regard to income and assets. A food stamp pass-through bill, therefore, would not directly affect them. But for the approximately 8.5 million food stamp recipients not on some form of public assistance the effect of pass-through legislation would be direct, and prevent these households from being dropped from the program, or paying more for the same stamps, as a result of increases in social security.

The third bill I have introduced today on this subject involves social security pass-through for AFDC, medicaid, and certain child welfare services. Benefit levels and eligibility for all of these programs are ostensibly determined by income computation, and social security increases, therefore, can profoundly affect eligibility status.

At this time, 11 million people receive AFDC, and 25.6 million receive medicaid. While the recipients of child welfare services, and the participants in the Head Start and Foster Grandparents programs form a smaller segment of our society, the injustice of discontinued service or participation resulting from increases in social security benefits must be removed from our system of social services.

In conclusion, Mr. Speaker, it is my belief that in all too many cases, increases in social security enacted by Congress are leaving recipients in worse shape, in terms of total income, than they had been before the increase. We should not take away with one hand what we appear to give with the other. Our assistance programs should genuinely enhance the financial security of the aged, widowed, and other low-income groups. To provide only the illusion of help—and play a shell game with the welfare of millions of people—is not enough. I urge my colleagues to strongly support the legislation I am introducing today, to guarantee that future increases in social security benefits will not adversely affect the other benefits received by the disadvantaged members of our society.

REGULATION OF ZOOS

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. DINGELL. Mr. Speaker, today I am introducing an alternative form of legislation, somewhat different from that which I proposed earlier this year in H.R. 70, dealing with the issue of regulation of zoos in this country. I am doing so because I believe that this is an extremely complex issue, with a number of ramifications, and subject to several means of resolution. H.R. 70 took one approach; this bill (H.R. 6631) adopts another.

I am not stating at this time that I believe that the approach of this bill is the proper one; but it is not an unreasonable one, and it should be considered in the course of hearings on this legislation before the Committee on Merchant Marine and Fisheries. It has some good points; others are strongly opposed by individuals and groups interested in these matters. My purpose in drafting this bill was to see that the entire spectrum of alternatives was developed and spread before the Congress prior to the time that it begins consideration of these matters.

I expect that the committee will receive a good deal of correspondence on this bill, as indeed it has on H.R. 70. This is all to the good, because it widens the perspective within which we will be considering this legislation.

LEE HAMILTON'S APRIL 16, 1975 WASHINGTON REPORT, "THE NATIONAL DEBT"

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. HAMILTON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include my April 16, 1975, Washington Report, "The National Debt":

THE NATIONAL DEBT

In any discussion of the economy it will usually not be long before someone brings up the size of the national debt. People are concerned about its enormity, and they want to know how long we can continue to add to it, when we are going to pay it off, and what its effects are on the economy.

Although most of us place the problem of our $540 billion national debt near the top of our list of problems, economic experts, strangely enough, just don't seem to get as worried about the size of the national debt as they do about achieving economic growth, high levels of production and employment, or reasonable price stability.

There is little doubt that the federal debt is huge. The question is has it gotten too big? Federal debt has been shrinking as a portion of total output and total debt, and, to the surprise of most of us, the federal government has borrowed more conservatively than the rest of the economy. The 1954 total debt of $271 billion amounted to 75% of the gross national product (GNP), while today's $540 billion debt represents only about 38% of our current one-and-one-half trillion dollar GNP. While federal debt has grown by 45% since 1950, private debt has increased by 800%, and the federal debt, as compared with total wealth, is much smaller than it was 20 years ago. The critical test for determining if the federal debt is too large is confidence on the part of the lender that the government will be able to repay the debt. The federal government pays the lowest rate of interest of any borrower in the economy. This is certain evidence that hard-headed lenders, such as banks and insurance companies, consider the federal government to be the best of all credit risks. So the upper limit of federal debt is established by the willingness and ability of the American people to support their government.

Nevertheless, we are still uncomfortable knowing that our government seems to make no effort to pay back what it has borrowed. We look at the national debt as a heavy burden we are selfishly passing on to our children. But the chief way we can burden them is to use up the nation's stock of capital goods so that the nation will be less productive in the future. If we pass on an internal debt (that is, a debt owed by a government to its own citizens) there are some distributional effects among people (for example, interest payments go from all the people to a few people who hold the government securities). If, however, the debt is external (owed, that is, to foreigners) there is a net reduction in the goods and services available to Americans.

The toughest question about the effects of federal deficits is whether they cause inflation. Traditional economic thought holds that federal budget deficits do cause inflation, but modern economics finds it is not an easy question to answer. For one thing, there is no systematic relationship between a budget deficit and inflation—a deficit of a given size may be inflationary in one year and not in another. In the past we have had inflation along with a budget surplus and falling prices along with a budget deficit. If the economy is sagging badly, as it is today, a deficit, and the economic stimulation it implies, can be healthy for the economy. The alternative is to permit the economy to continue indefinitely in recession with growing stagnation and unemployment. On the other hand, if the economy is running at full steam and overheats, even a small deficit may be excessive.

The debt also has significant psychological effects. A businessman may be dissuaded from an investment by reckless public spending or encouraged to make an investment because of an economy stimulated by government spending. Obviously, wasteful government spending and a careless attitude toward government deficits erode public self discipline and can lead to disastrous inflation.

Budget deficits and surpluses may not be quite as dominant in the economy as we have sometimes thought. Much of the inflation of recent years, for example, involves food and fuel prices and occurred independently of changes in the national debt. International conditions, collective bargaining agreements, and technology, to name a few factors, may have a greater influence on the economy than a deficit or a surplus. Nonetheless, federal deficits are still very important. Lower federal spending eventually means less demand in the economy and lower prices. The real cause of inflation is, of course, an imbalance between supply and demand. When demand is greater than supply, prices rise; when supply is greater than demand, prices level off or fall.

Oddly, contemporary economists tell us that we may never pay off the debt and that there are some disadvantages if we did. They point out that we would gain little by paying it off. Of course, our children would no longer be taxed to pay the interest on a debt. But, if there were no debt, we would lose an important mechanism for stabilizing the economy. In a faltering economy, government spending creates demand and jobs and returns us to prosperity. If the debt were paid off, we would also lose government bonds as a safe form of investment and deprive individuals and businesses of safe and easily converible securities. In addition, over $500 billion in taxes—the equivalent of $2200 for every man, woman, and child in the nation—would have to be raised to pay off the debt.

The point of all of this is that the federal debt is a serious matter and that new debt should be computed carefully, always with an eye to balancing inflationary tendencies with needed economic stimulation.

POLISH THIRD OF MAY CONSTITUTION DAY

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. NOWAK. Mr. Speaker, this weekend will bring the commemoration of the Polish Third of May Constitution Day, the anniversary of a remarkable document that transformed the Polish Government from a monarchy to a democracy. Ratified 2 years after our own U.S. Constitution, it was a significant stride in mankind's quest for freedom and equality.

In western New York, which includes a large American-Polish community, observances will be sponsored this weekend by the Polish-American Congress of Western New York. St. Stanislaus Parish, which has been a focal point of Polonia activities in Buffalo for more than a century, will be the site of a noon Mass celebrated by Msgr. Chester A. Melloch, assisted by Father Ladislaus Klos. An afternoon program of cultural and musical events at the Polish Union Hall will feature a keynote address by Janusz Krzyznowski, of New York City, national commander of the Polish Vets of World War II and a national vice president of the Polish-American Congress.

Since the adoption of its Constitution, Poland's history has been marred by partition, tragedy, and suppression. However, it is significant that we pause to recall this spark of freedom. In doing so, we not only remember an important event of the past but offer hope for the future, a reminder that observance of the human rights and the equality of all persons is a goal that has not been attained yet in many parts of this globe.

TAX-EXEMPT ORGANIZATIONS

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. FISHER. Mr. Speaker, today I am introducing a bill to correct an inequity in the Internal Revenue Code's treatment of transfers of certain property to tax-exempt organizations. The bill would revise depreciation recapture rules to remove discrimination against tax-exempt organizations where assets received in an ordinarily tax-free transaction are used in an unrelated trade or business. Colonial Williamsburg, a highly respected Virginia foundation, brought the need for this legislation to my attention and would gain tax relief by this legislative change.

Under present law, depreciation is not recaptured when property is transferred in a tax-free transaction and keeps the same tax basis in the hands of the transferee as it had in the hands of the transferor. Recapture will occur when the transferee disposes of the property. Ordinarily the complete liquidation of a subsidiary is such a tax-free transaction—but not when the subsidiary is liquidated into a tax-exempt organization. While recapture upon liquidation of a subsidiary into a tax-exempt organization may be fair in most cases, it is premature when the property transferred is used in an unrelated trade or business. Since an unrelated trade or business is taxable, that property will be subject to depreciation recapture when disposed of by the transferee.

To prevent this premature recapture of depreciation, my bill would amend the law to provide that depreciation not be recaptured when property which is to be used in an unrelated trade or business is transferred to a tax-exempt organization in a transaction which is ordinarily tax-free. If the property ceases to be used in an unrelated trade or business, it will be treated as being disposed of—and subject to depreciation recapture—on the date it ceases to be so used. The Ways and Means Committee approved this amendment last year. I urge Congress to approve it this year.

DO NOT YIELD TO THREATS ON PANAMA CANAL

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. ASHBROOK. Mr. Speaker, these days it seems like every country in the world is demanding something from the United States. Even small and weak nations are leveling threats against us unless we capitulate and do what they want.

One of the most outrageous demands is that the United States surrender control of the Panama Canal to the Panamanian Government. Leading the way is Panama's leftist military dictator, Gen. Omar Torrijos. He has been joined in his demand by Columbia, Costa Rica, and Venezuela.

According to Torrijos, Panama has "reached the limit of its patience" on negotiating a new canal treaty. Torrijos threatens:

> The canal's operation could come to a total halt if the U.S. Congress refuses to approve a new treaty more acceptable to Latin American countries.

Quite frankly, I am tired of two-bit dictators telling the United States what it must do. I am tired of receiving threats from sixth-rate military powers.

It is time that the United States stopped trying to appease its critics. We must never abandon our vital American interests. I urge the President and the Congress not to yield to threats on the Panama Canal.

Following is the text of an article from the Miami Herald:

> PANAMA CITY.—The chiefs of state of Colombia, Costa Rica, Venezeula and Panama jointly demanded here Monday that the United States cede the Panama Canal to the Panamanian government.
>
> Presidents Alfonso Lopez Michelsen of Colombia, Daniel Oduber of Costa Rica, Carlos Andres Perez of Venezuela and Panamanian strongman Brig. Gen. Omar Torrijos said the gesture would be an appropriate way of celebrating the 200th anniversary of the United States next year.
>
> They said the action could also come in conjunction with the 150th anniversary of South America's independence declaration by Simon Bolivar, the region's foremost independence hero.
>
> Perez said the request had been made in a confidential letter to President Ford.
>
> "In the name of (George) Washington and (Simon) Bolivar, we request the Panama Canal," said Perez after concluding four days of talks with the other chiefs of state.
>
> "The Panama Canal, in the name of justice, in the name of humanity, cannot continue being foreign. The Panama Canal belongs to Panama and to the world," Perez said.
>
> Earlier, Torrijos had said that Panama had "reached the limit of its patience" in negotiations with the United States for a new canal treaty.
>
> "The canal's operation could come to a total halt if the U.S. Congress refuses to approve a new treaty more acceptable to Latin American countries," Torrijos declared at a weekend press conference.
>
> He added, however, that he was confident he would "leave future generations of Panamanians free of the canal's historic problems.
>
> Strong congressional opposition has developed in Washington and there are doubts that such a treaty will gain approval even if negotiators for the two countries reach an accord.

THE NEED FOR REASSESSING THIS NATION'S FOREIGN POLICY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. DOWNEY. Mr. Speaker, the Vietnam conflict is, at long last, over. The costs we, as a nation, have paid in dollars, in lives, in tragedy and in divisiness within our own country are incalculable. But this is the time, while this struggle is still remembered, to reevaluate our past actions—our mistakes and triumphs as well as our policies toward other countries.

Recently, I received a very articulate letter from one of my constituents, Ms. Laura Henze of Oakdale, N.Y., which addresses itself to this very question of reassessment. I ask my colleagues to consider Ms. Henze's words and suggestions. The letter follows:

> OAKDALE, N.Y.,
> *April 18, 1975.*
>
> Representative THOMAS E. DOWNEY,
> *House of Representatives, Washington, D.C.*
>
> DEAR REPRESENTATIVE DOWNEY: I would like to convey my views to you with respect to recent developments in Cambodia and Vietnam and with the Administration's requests for substantial aid sums and for authorization to use U.S. military personnel in carrying out a large-scale evacuation of U.S. and Vietnamese citizens from South Vietnam.
>
> I have enough knowledge of the history of U.S. involvement in these nations and of the evolution of U.S. foreign policy since the First World War to understand the complexity of the issues involved in national security, the strategy of containment, the Cold War and its winding down, and so on on the one hand; and of the issues involved in rights to self-determination, Russian and Chinese policies toward their spheres of influence, U.S. ideals vs. realism and so on on the other. There are no easy answers as to whether the U.S. was right or wrong in becoming involved in the Vietnamese conflict. Yet I firmly believe that, regardless of intent or justification, our policies have led to a situation in which the suffering and losses of the Vietnamese people have been intensified to an unfathomable degree, and that the end of U.S. involvement in the nation will allow for an alleviation of this suffering. There will still be suffering, yet this is inevitabe in the face of what has been done to the Vietnamese country and people. The U.S. must accept responsibility for this in a moral sense and provide aid if it were truly humanitarian in intent, goal and means.
>
> Similarly, *we should not provide aid if it were not*. I realize that such statements, even if one accepts them, are subject to variable interpretations. I am saddened by the Administration's manipulation of the orphans issue and look with grave suspicion at attempts to bring in troops to establish a perimeter or corridor for large-scale evacuation. It speaks a sorry end to the conflicts that we have engendered among the Vietnamese people.
>
> In framing all your decisions toward policy for Vietnam, please reflect closely on what the U.S. commitment and involvement has been, what that has created or helped lead to, what kind of changes will lead to a situation that is better for the welfare of the Vietnamese people. Many of the refugees have been forced to flee by Saigon's bombs, rather than by fear of the Vietcong or North Vietnamese, according to more careful journalism.
>
> I sense that within the next few years, a fundamental reevaluation of U.S. foreign policy will be called for. It is long overdue. Southeast Asia, the Middle East, the CIA, all loom and must be dealt with in a framework that one hopes will involve respect, true respect, for all the principles and ideals one possesses in the U.S. but is painfully aware do not enter into the power-political realm of policy formulation and decisionmaking. I am aware of the conflicts between conducting ones own affairs rightly and foreign "aggressors" who have designs on your own nation or others. Fundamental political and moral questions will continue to confront our nation and all peoples throughout history; let us hope we do our best in shaping our answers to them, ever mindful and ever listening for criticism and redirection.
>
> Sincerely,
>
> LAURA HENZE.

IN MEMORY OF MARTIN J. LEBTICH

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. BLANCHARD. Mr. Speaker, I rise in sorrow on this occasion. On March 18, 1975, 10-year-old Martin J. Lebtich was the innocent victim of a fatal car accident. Marty was deeply loved by his family and his schoolmates. Words cannot express the grief and sorrow that is felt when a loved one is taken, especially in the prime of life.

Marty was an active student. In January, Marty contacted me for information for a school report that he was writing. One of Marty's teachers, Mr. Howard Golding, has written me a poignant letter from which I have taken excerpts. This letter expresses just how much Marty meant to so many people and how deeply he will be missed and how fondly he will be remembered.

> On March 18, 1975 we had a tragedy at Lessenger School. Marty Lebtich was hit by a car and killed. Marty was standing at the curb at Nine Mile and Scotia waiting for the light to change when he became the innocent victim of a reckless car. Marty was a fifth grader and an outstanding athlete. He was a good student academically and always displayed sportsmanship and good conduct throughout the school. Marty's fellow classmates are deeply upset as are his teachers. Just that day we played basketball in the afternoon together. He was always wanting to come to my gym for private basketball instruction after school. I have raised him in my physical education program since kindergarten and I loved him.

I send my heartfelt condolences to Marty's parents. Mr. and Mrs. Martin Lebtich, and to the rest of Marty's family and his friends. May they soon find solace and comfort and refuge from their grief.

THE TAX ON MARRIAGE

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. FLORIO. Mr. Speaker, I feel compelled by the urgency of the situation to bring to the attention of my colleagues the following article from the editorial section of the Courier-Post, one of the most widely read and distinguished newspapers in my district in New Jersey. The article is most informative and straight to the point. It does not pull punches, nor should it. During the present economic crisis we are neglecting and perhaps penalizing the married working couple with what is referred to in the article as a "tax on marriage." Let me present the article to you now because it drives home the message and the call for action without the necessity of my paraphrasing:

THE TAX ON MARRIAGE

Most everyone has his own personal gripe about the Internal Revenue Service, and the inequities of the assorted regulations that make up the federal income tax laws.

But the gripes should be directed more at the collective wisdom of the federal lawmakers who have a knack for injecting and perpetuating stupidity in the rules, instead of tackling massive revision and reforms to get rid of the inequities.

One of the more glaring outrages now gaining some attention nationally (but not necessarily in Congress) is what amounts to a tax on marriage.

The "marriage tax," which penalizes working couples who are married—in comparison to single working taxpayers who may be just living together—first reared its head when Congress wrote it into the Tax Reform Act of 1972. This came about apparently unintentionally in an attempt to equalize taxes on singles.

But the lawmakers blew an opportunity to correct the inequity—or ignored it—when the new tax rebate bill went through recently. In fact, they not only failed to use the new tax bill to correct the imbalance, they increased the inequity.

So husbands and wives who both hold jobs not only must pay higher taxes than they would if they were single (even if they were living together without license) but they also get less back in the 1974 tax rebates and 1975 tax reductions.

An interesting analysis of the "tax on marriage" was compiled recently by Joan Beck for the Chicago Tribune Service. She used as an example four persons, each with an adjusted income of $15,000. One of the couples was single, but shared an apartment and a life together. Each will get $230 in 1974 tax rebate and 1975 tax cut, for a joint tax-bill benefit of $460.

The other couple, married and living together in comparable tax circumstances, will get only a joint benefit of $160 from the tax rebate and cut. That's a $300 penalty from the federal government for making their relationship legal.

Worse, they are already paying an extra tax for being married, because tax insist on piling husband's and wife's income together to push the total into a much higher tax bracket. Assuming they each take an exemption and the standard deduction, their tax bill comes to $6,560 if they file a joint return.

Filing separate returns won't help them because a married person can't qualify for a single taxpayer's rates and the married-filing-separately tax tables show much higher tabs than the schedules for singles. With separate returns, they each owe $3,280, or again, the $6,560.

As single taxpayers (even though they are living together) the other couple comes off much better financially. Each is entitled to a standard deduction and a single exemption, making their tax tab $2,702.50 each, or a total of $5,405. With that $1,155 in lower taxes and $300 in rebate and tax cut, they are getting a $1,455 financial inducement from the federal government to skip the legalities of marriage.

The new tax bill does even more to increase the tax penalty on employed couples who are married. For example, the new law provides that in 1975 single persons can take a standard deduction of 16 per cent of their income up to $2,300 without itemizing.

That comes to $4,600 for an unmarried couple. But the ceiling on a joint return is being raised to only $2,600.

It all adds up to a dirty tax trick on hard-working married couples. Because of the necessities of the economic times, their numbers are probably growing. They should not be penalized either for working or for being married, factors which some people still consider to be attributes.

Countless Americans doubtless can point to countless inequities in other areas of the tax laws affecting them, and it has long been recognized that the while federal tax system needs a vast overhaul of reform.

The Congress, which never has shown itself to be equal to that massive task, nevertheless should do something promptly about the monstrous inequity of the "marriage tax." It wouldn't be at all out of order if New Jersey senators and members of the House did something to lead the way, and we're calling for them to take some action.

MASSACHUSETTS CHIEFS OF POLICE CELEBRATE LAW DAY, U.S.A.

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. STUDDS. Mr. Speaker, the Massachusetts Chiefs of Police Association is taking the lead in today's celebration of Law Day in Massachusetts, a day for all of us to rededicate ourselves to the rule of law. The Massachusetts Chiefs of Police Association has marked this 18th annual observance of Law Day by a special proclamation, which reads as follows:

PROCLAMATION BY THE MASSACHUSETTS CHIEFS OF POLICE ASSOCIATION

This year will mark the Nation's eighteenth annual observance of Law Day—a special day for reaffirming our loyalty to the United States and rededicating ourselves to the rule of Law.

The benefits that have come to each of us as individuals and to all of us as Chiefs of Police through the adherence to the rule of Law are endless. It is through the process of law that our Commonwealth has achieved its amazing growth and development in every sphere of human endeavor.

The law does not rule by itself. Citizens administer it; and each citizen must abide by its constraints and accept its responsibilities if the rights, freedom, opportunities, and protections of all citizens are guarded.

Now, therefore I, Henry J. McNamara, Jr., President of the Massachusetts Chiefs of Police Association, do hereby urge the people of the Commonwealth of Masachusetts to observe Thursday, May 1st., 1975 as Law Day in this great State of Massachusetts. Especially the members of this Association urge the Courts to take the lead in sponsoring and participating in appropriate observances throughout the Commonwealth.

And, as requested by the membership of the Massachusetts Chiefs of Police Association urge and request His Excellency Michael S. Dukakis, to direct the appropriate State officials to display the flag of the United States on all public buildings.

FIRST CONCURRENT RESOLUTION ON THE BUDGET

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. CONABLE. Mr. Speaker, the Republican policy committee met earlier this week to discuss the first concurrent resolution on the budget. We firmly oppose voting for a $73.2 billion budget deficit and feel that if Congress takes this action, the impact on our Nation's economy will be disastrous.

The policy statement issued by the committee follows:

FIRST CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 1976

Last year, Congress undertook a major overhaul of the budget process. Instead of considering each spending measure separately on its merits and then adding them all up at the end of the year to find out the total, Congress under the new procedure is supposed to set spending and revenue totals in advance and then discipline itself to see that individual spending and revenue measures adhere to the overall plan. The idea is that under the new budget process, Congress will control fiscal policy rather than succumb to every attractive spending scheme with no notion of the total impact of its actions.

This week the new budget process gets its first test on the Floor of the House, and its credibility is at stake. The First Concurrent Resolution on the Budget, H. Con. Res. 218, neither proposes meaningful curbs on the uncontrollably ballooning deficit nor even accurately predicts the final size of the unfettered budget shortfall.

The Resolution proposes a $73.2 billion deficit, a figure scarcely compatible with the idea of fiscal discipline even in a recessionary economy. House Republicans oppose this $73 billion deficit not only for its sheer size, but for several other reasons as well:

1. $73 billion is a cosmetic figure which does not accurately reflect the true amount of federal borrowing that will be required in Fiscal 1976. Errors in estimating the costs of pending legislation total perhaps as much as $30 billion, while so-called "off-budget" activities, federally-sponsored enterprises and borrowing will add more than $20 billion in federally related borrowing requirements. The report accompanying the Resolution sweeps these troublesome items under the rug.

2. The proposed deficit will necessitate enormous Federal borrowing—by one estimate, more net funds, both in absolute terms and in relation to the size of the economy, than have ever been borrowed before in the capital markets in any single year by the public and private sectors combined. Total Federal borrowing could approach $100 billion in Fiscal 1976, a magnitude that will push up interest rates and crowd much private borrowing out of the capital market, thereby delaying business recovery and an easing of the recession.

3. Inordinate deficit can be curbed either

by increasing revenues—an option eliminated by the just-enacted tax cut—or by cutting spending. In calculating the aggregate totals, only four budget categories were cut, including an excessive cut in the Administration's proposed defense budget. But in the 15 other spending categories, many opportunities for reducing outlays were ignored and new items were added. Although perhaps some of these new programs might be desirable in the abstract, to undertake them in Fiscal 1976 would be irresponsible in light of their impact on the current fiscal predicament.

4. In this year's preoccupation with recession, we have forgotten last year's alarm over inflation. Federal borrowing of the level projected in the Resolution could set off another cycle of inflation followed by recession. Even a $73 billion deficit goes beyond desirable stimulation of the recessionary economy into the realm of over-stimulation. Because many of the "temporary" stimulative programs assumed in the Resolution may become permanent fixtures, Congress instead of administering discipline is locking us into a higher tier of uncontrollable spending for future years.

5. This process of uncontrollable spending and growing inflation has gained momentum for many years. During the last two years we have begun to recognize how severe the consequences can be, in runaway prices, lost jobs, and lost productive activities.

The Budget Committee's first Resolution comes just in time to reveal a government out of control and sliding into a state of fiscal disaster. The Republican Policy Committee cannot support the proposed deficit or the specifics contained in H. Con. Res. 218. No amount of juggling of figures can salvage fiscal credibility. The problem is not cosmetic but basic.

Major legislative efforts are needed to rein in "uncontrollable" items and to establish a new pattern of legislative authorizations and appropriations. The new budget procedure is no panacea, and the First Resolution on the Budget makes it clear that our whole legislative process must be rededicated to a will to govern.

NEEDED: A NATIONAL FULL EMPLOYMENT BUDGET

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. SCHEUER. Mr. Speaker, it is nearly 30 years since this country enacted a full employment resolution to recognize the need for a national policy assuring every American the right to a job. While the budget prepared by our Budget Committee is far superior to that of the administration, we have yet to face up to our commitment to full employment. I believe that we do not fight inflation by destroying the livelihood of millions of Americans who are eager to work and be independent, productive members of society.

I speak to this issue with a certain degree of knowledge and experience: I was author of the new careers program in 1966 to provide opportunities for low-income people without educational credentials to get on the civil service system ladder as paraprofessionals. This program has been a spectacular success, bringing tens, if not hundreds of thousands of people into the work force as aides in education, health, and law enforcement services and immeasurably enriching the public sector. Providing access to meaningful productive jobs for those eager to work is at the very foundation of our American system.

I would like to introduce into the RECORD a letter I have received from the Full Employment Action Council whose membership includes many distinguished Americans, and which is chaired by Coretta Scott King and Murray Finley, president of the Amalgamated Clothing Workers. It lucidly states the case for the urgent national need for a full employment budget.

Washington, D.C., April 28, 1975.

DEAR CONGRESSMAN: We are deeply disturbed by the April 14, 1975 Report of the Committee on the Budget of the House of Representatives, to accompany House Concurrent Resolution 218, relating to the Federal Budget for the fiscal year 1976.

This Report embodies, in our considered judgment, a fundamental wrong approach to the entire problem of the Federal Budget, and one that we think would be disastrous to the economy and to the well-being of the people if put in effect without substantial alteration.

It seems clear that the primary concern of national economic and social policy should be to restore full employment and full production as soon as feasible, with due attention to the great priorities of our neglected domestic public needs. The factors which really should condition how fast and how far we should move in these directions are our unused economic capabilities and the increases in them in the near future, our organizing skills, and our moral commitment. Our current unused capabilities are stupendous—8 million full-time officially recorded unemployed and 10.7 million under a full count, and an economy operating more than 200 billion dollars below reasonably full production. The true purpose of the Federal Budget is to facilitate in every practical way the attainment of economic and social restoration as soon as feasible. There are no natural limitations upon the Federal budget or the Federal deficit in the sense that there are natural limitations upon available labor supply, skills, plant and other real resources.

In vivid contrast, the Report issued by the House Budget Committee moves in the upsidedown fashion of starting with a fixed conceptual view of what the Federal budget and deficits should be, and then proceeds to announce or forecast how much unemployment and in consequence other idle resources we should continue to tolerate in consequence of a Budget thus improperly determined. The alarming nature of this procedure is that the Report itself forecasts that we should continue to tolerate 7.4 percent unemployment as officially measured (and perhaps 8.5–10.5 percent unemployment when fully measured) as late as the end of fiscal 1976. This approach implies intolerably high unemployment of labor force and other productive resources perhaps until 1980.

The second defect in the Report issued by the House Committee on the Budget is that it stops those imperative increases in federal spending which are essential to adequate economic recovery and our essential public needs. They include, among others, energy development, mass transportation, housing, health and educational facilities and services, improved social insurance and unemployment insurance, and a start toward meaningful income support for those in need who are not employed. The Report, therefore, imparts a further moratorium upon some of the most vital of our unmet economic and social needs, at the very time when the huge size of our unused resources affords us a unique opportunity to take care of these needs by transforming idleness into useful output.

The minimum competent estimates are that we need an annual rate of Federal spending or investment about 30–40 billion dollars above the President's fiscal 1976 Budget to move surely and rationally toward the economic and social improvements clearly within our short-range reach. The fiscal 1976 Federal outlays proposed in the Report are only 368.2 billion or less than 19 billion above the President's fiscal 1976 Budget.

We are not concerned because the course we recommend would temporarily increase the size of the Federal deficit. The condition of the Federal Budget is less important than the condition of the national economy and the well-being of the people. Moreover, the increased pace of economic restoration which an appropriate Federal Budget would promote would, through its impact on tax revenues, reduce the additional deficit caused by these proposed increases in the Federal Budget to about 10 billion dollars at most in the short-run. In the longer run, a sound Budget policy related directly to the needs of the economy would bring the Budget into balance or even into surplus upon restoration of reasonably full resource use. Most of the large deficit in the current and prospective Budget is due to the poor performance of the economy, and perpetuation of this poor performance by an improperly devised Federal Budget would assuredly prevent anything approximating a balanced Budget for as far ahead as we can see.

Nor can we accept the unconscionable view that the evils imposed by unemployment upon scores of millions of people whose bread winners are unemployed are acceptable in the name of restraining inflation. There are more decent ways of restraining inflation. Indeed, all experience, and especially that during the most recent years, demonstrates that a healthy economy is far less subject to inflation than a sick economy.

We, therefore, respectfully urge that you support all amendments which would expand the federal role in the areas essential to economic recovery and reduced unemployment. We further urge that the Budget Committee reconsider its method of computing the budget so as to present in the future a budget aimed at full employment. A budget which would result in 7.4 percent unemployment by the end of the fiscal year is not a satisfactory budget for the American people.

Sincerely,

CORETTA SCOTT KING,
MURRAY H. FINLEY,
Chairpersons.

PROPOSED REGULATIONS ON LABELING OF DISTILLED SPIRITS INGREDIENTS

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. SNYDER. Mr. Speaker, the Bureau of Alcohol, Tobacco, and Firearms is currently considering proposed regulations to require ingredient labeling of distilled spirits.

Ingredients labeling would establish nothing of benefit to the consumer for the distillation process totally changes the entire character of the original ingredients.

On April 16, I presented testimony on the pending proposal and I request unanimous consent to include that testimony at this point in the RECORD:

TESTIMONY

(By Hon. Gene Snyder)

Like my colleagues in the Congress I always try to be helpful to all constituents and industry groups within our area. The alcoholic beverage industry is a major employer, taxpayer and business investor in the Commonwealth of Kentucky. Still, in asking for the privilege you have given me of appearing before you today I want to assure you my motivation is less to serve this industry than to attempt to be of service to you.

One of the advantages that comes with representation of an important industry in our economy is a practical knowledge of it, of its challenges and of its people. No doubt you know many aspects of the industry better than I, but I respectfully suggest that I have a better than average knowledge of the aspirations, hopes and ideas of those who work in the industry and the impact and nonessentially of the regulation you propose. Additionally, our people, in and out of the industry, represent some of the most voluminous consumers of bourbon. I have found absolutely no public interest in ingredient labeling.

We have been making bourbon in Kentucky for a long, long time. For the last 40 years the domestic production and distribution of distilled spirits has been under an extremely high degree of government supervision. It is now one of the most controlled industries in the country—you can say it is totally government supervised. These controls exist for just one reason—to assure that the consumer gets a safe, quality product. Standards of identity are prescribed by the Federal government. All ingredients, formulae and even labels must be submitted for approval by the Federal government. All production processes are supervised by the Federal government.

These stringent safeguards exist for only one reason—to protect the public against the use of any harmful processes or ingredients.

Now with that measure of control in existence I just can't see any reason, and I can see absolutely no consumer benefit from a requirement for ingredient labeling of distilled spirits such as the one now under consideration by your excellent and effective bureau.

In fact there are some very good reasons why you should not require ingredient labeling. First of all we would be the only country in the world with such a labeling requirement. An extra label will cost the distillers several millions of dollars. This will be passed along to the consumer in the form of higher prices. You know as well as I do that we are all battling to reduce inflation. Why promulgate a requirement that will add to inflation?

If we get into ingredient labeling you will inveitably come to us in the House of Representatives and ask us for additional staff to handle the enforcement, recordkeeping and testing of imported products required by ingredient labeling. That simply adds to the cost of government and is paid for by the individual taxpayer.

It would seem to run directly counter to the President's remarks in his address to a joint session of the Congress on October 8, 1974 wherein he stated:

"At the conference on inflation, we found, I would say, very broad agreement that the Federal Government imposes too many hidden and too many inflationary costs on our economy.

"As a result, I proposed a four-point program aimed at a substantial purging process.

"No. 1. I've ordered the Council on Wage and Price Stability to be a watchdog over inflationary costs of all governmental actions.

"2. I asked the Congress to establish a national commission on regulatory reform to undertake a long-overdue total re-examination of the independent regulatory agencies. It will be a joint effort by the Congress, the executive branch and the private sector to identify and eliminate existing Federal rules and regulations that increase costs to the consumer without any good reason in today's economic climate.

"3. Hereafter I will require that all major legislative proposals, regulations and rules emanating from the executive branch of the Government will include an inflation impact statement that certifies we have carefully weighed the effect on the nation."

In addition to no benefit to the consumer and in addition to the ingredient labeling idea being inflationary in nature there is a third point. All imported distilled spirits will have to have a label too. We are in effect setting up an artificial, non-tariff trade barrier. We in the Congress have been working for some time on ways and means of improving our foreign trade. Later this year in Geneva this government will be in negotiation on world trade. Why do we now set up an annoying, expensive barrier to those countries who now sell their distilled spirits, their cordials to us? I suggest, gentlemen, that we should not.

How can you determine the exact chemical makeup of an imported product so as to verify the authenticity of the label? The Library of Congress indicates that it probably cannot be done due to all possibilities ranging from the grain used to the type and age of the wood in the barrels.

Everything we do in life has to be weighed in the scales. On my side of the scales I say the proposed ingredient labeling regulation is inflationary, partially unenforcible, in violation of the spirit of President Ford's statement and offers no consumer benefit and undoubtedly will be injurious to the United States as far as foreign trade is concerned.

Many of my fellow members of Congress, from both parties, are in agreement with my position. Edward J. Derwinski (R-Ill.), James F. Hastings (R-N.Y.), William F. Walsh (R-N.Y.), Elford A. Cederberg (R-Mich.), William M. Ketchum (R-Calif.), Clair W. Burgener (R-Calif.), Robert L. Leggett (D-Calif.), Fortney H. Stark (D-Calif.), Burt L. Talcott (R-Calif.), Fred B. Rooney (D-Pa.), Guy Vander Jagt (R-Mich.), Garry Brown (R-Mich.), Steve Symmes (R-Idaho), George Hansen (R-Idaho), James M. Hanley (D-N.Y.), Robert H. Michel (R-Ill.), William D. Ford (D-Mich.), John H. Rousselot (R-Calif.), Don E. Young (R-Alaska), Floyd V. Hicks (D-Wash.), Lloyd Meeds (D-Wash.), Tom Foley (D-Wash.), have directly indicated their agreement by sponsoring House Concurrent Resolutions on the matter during the 93rd Congress.

I cannot conceive of the proponents of this regulation balancing the scales in their favor.

Thank you very much.

EPA URGES DELAY ON LIQUID METAL FAST BREEDER REACTOR

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. FISH. Mr. Speaker, sometime in the near future the House will be called upon to approve funding for the continued development of the liquid metal fast breeder reactor. This type of nuclear reactor is considered by many experts to be the most hazardous addition to the nuclear power industry. Recently, the Environmental Protection Agency has added its voice in opposition to the premature development of this plutonium producing reactor. The following article from the New York Times of April 28, 1975 explains the reasons for the EPA's reservations:

E.P.A. BACKS DELAY ON ATOM BREEDERS—HOLDS A.E.C. OVERESTIMATED RISE IN ELECTRICITY DEMAND FOR THE NEXT 50 YEARS

(By Edward Cowan)

WASHINGTON, April 27—The Environmental Protection Agency has suggested that the Government slow the development of a plutonium-breeding nuclear reactor on which many utilities have based their plans for producing electricity at the turn of the century and beyond.

The suggestion of a delay of from four to 12 years was based on a finding that, in sponsoring the breeder, the Atomic Energy Commission had apparently overstated the probable rate of growth of electric power demand in the years 1970–2020.

CRITICISM WIDESPREAD

The environmental agency also said that more work was needed on the problems of safety and radioactive waste disposal. Further, it said, the A.E.C. had been premature in estimating that chances of a major accident were one in 10 million. More facts on design and performance are needed, E.P.A. said.

Last autumn, in the growth of demand for electricity, lower rates than those used by the A.E.C. were given in "Project Independence Report," which was an attempt by the Federal Energy Administration to anticipate energy requirements and supplies until 1985. It was these rates that the Environmental Protection Agency cited last week in its evaluation of an environmental impact statement by the A.E.C. for the breeder program.

The impact statement was a major revision of the A.E.C.'s version in March, 1974—a statement that provoked extensive criticism. The new draft was published on Jan. 16, just before the A.E.C. was split into the Energy Research and Development Administration and the Nuclear Regulatory Commission.

Some criticism of the first draft came from the environmental agency. Its latest report and letter of transmittal on the proposed final statement approvingly took account of the A.E.C.'s response to the criticism.

However, the environmental agency still expressed reservations. With some exceptions, it said, "the A.E.C. has addressed the impacts and economic aspects" of the breeder reactor program "about as well as can be expected, given the state of presently available information."

The suggestion of a delay of 4 to 12 years was regarded as an important tactical victory by opponents of the breeder, who are centered in the Natural Resources Defense Council, a nongovernmental organization. Their battleground is Congress, which appropriates the money for the breeder and where a new round of hearings on nuclear power is about to begin.

The breeder reactor, while producing electricity, also converts uranium into plutonium, itself a reactor fuel. Thus, uranium in a breeder would produce more power than it would in the present generation of power reactors.

A CLASH OF OPINION

Advocates of the breeder argue it is essential for conserving uranium supplies and would reduce the need to mine low-grade ores at very high costs. Opponents argue that plutonium is highly toxic and creates handling and waste-disposal hazards to public health, Plutonium also involves the "safeguard" issue—the theoretical possibility that if terrorists could steal a few pounds of plutonium they might be able to fashion a nuclear device that could be used to blackmail society.

While experts differ on the gravity of these problems and the ease with which they can be resolved, proponents do acknowledge that plutonium presents serious problems that will take time and money to resolve.

The present schedule calls for a demonstration plant in Tennessee to produce power by 1982 and then for subsidized quasi-commercial breeder reactors that would be followed by a fully commercial plant operating by the late nineteen eighties. It was for this timetable that the Environmental Protection Agency suggested a stretch-out.

This schedule, the agency said, "indicates what we believe to be highly optimistic assumptions concerning the time and effort needed for adequate resolutions of environmental and safety problems."

Some ambivalence marked the E.P.A. statement. Although it developed an argument for a delay at some length, its covering letter said:

"This should not be construed as indicating that E.P.A. is necessarily advocating a delay, but that sufficient evidence exists to warrant reexamination" of the timing of the breeder program.

DEMONSTRATION FAVORED

However, Sheldon Meyers, director of the agency's Office of Federal Activities, who signed the letter, confirmed in response to an inquiry that the agency was suggesting a stretch-out.

His letter also said that "we see no reason for abandoning present and planned developmental efforts," including the demonstration plant.

"However," the letter went on, "to preserve flexibility for future energy decisions" the Energy Research and Development Administration should pursue and expand "feasible alternatives" should "commercialization" of the breeder "not be possible."

That was a reference to both environmental and safety problems, such as where to put waste plutonium, and also to the rapidly rising cost of the breeder.

The environmental agency said that while the A.E.C.'s impact statement foresaw a slower rate of population growth for the half century 1970–2020 than occurred in 1950–1972, it projected no slow-down in expansion of the economy or in demand for energy. That "seems anomalous," the E.P.A. agency said.

With the slower growth of energy demand foreseen by Project Independence, the agency said, uranium will not be consumed in power reactors so rapidly. Therefore the need for early introduction of the breeder is lessened, it said.

TRANSPORTATION TRUST FUND

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. EDGAR. Mr. Speaker, I am introducing a bill today which would change the name of the "highway trust fund" to the "transportation trust fund." I wish to explain my motivation for introducing this legislation.

The name "highway trust fund" conjures up images of cement mixers, bulldozers, and cloverleaves interspaced with networks of concrete roadways crisscrossing the countryside. This Nation needed a well-developed Interstate Highway System for both a healthy commerce and personal convenience. Almost $65 billion has been expended from the highway trust fund from the time it was established in 1956 for capital outlay, maintenance, research, and safety programs for highways.

But our country's aggressive effort in establishing the Interstate Highway System overshadowed the need for urban and suburban mass transportation. Federal appropriations for trains, buses, and subway systems were assigned to a low priority, while highways achieved an exalted status in the transportation caste. I feel that now is the time to balance our transportation priorities. The neglect of Federal capital investment in mass transportation has been exacerbated by the psychological barrier of retaining the name "highway trust fund." Passage of my bill would demolish this barrier and provide, I believe, the beginnings of a new dialog on Federal funding of transportation.

Evidence of this psychological barrier is documented by the lengthy and often bitterly opposed action in previous Congresses to thwart the funding of transportation other than highways from highway trust fund moneys. After years of vitriolic and vicious warfare in committees and in debate on the House and Senate floor, the "sacred cow" image of the fund was partially dismantled. But this small concession required heroic legislative efforts by Members who recognized that the present machinery was benefitting the special interests at the cost of the public interest. Despite this primordial awakening, many billions of dollars are funneled by this Government each year for highways, while public transit systems suffer physically and financially.

The enactment of the National Mass Transportation Act on November 26, 1974, ushered in a new era of Federal sensitivity to the need for mass transportation. But it is not enough. It is clear to me that all money disbursed by this Congress for transportation should be allocated to where it will do the most good.

In 1956, it was evident that this money was best suited for highways, and a mechanism was established to channel this money where it was needed. In 1975, certain unanticipated factors have contributed to a lessening of importance of highway construction.

Perhaps the most major of these factors has been the decline of our fossil fuel resources to power our automobiles. The paralysis which we suffered during the Arab oil embargo permitted the first opportunity for us to measure our vulnerability.

Many of us now realize that if our supply of energy is constant, while our demand for energy increases exponentially, our accustomed lifestyle would dramatically alter. These were sobering months in our history when we recognized that we could no longer waste our natural resources, but that conservation had to be invoked by the affluent as well as the not so affluent.

Another factor which was gaining increasing prominence since the initiation of the highway trust fund was pollution. As more and more autos clogged our highways, the effect of increased noxious and poisonous emissions became a significant health hazard. Federal controls were promulgated to deal with pollution and minimize this threat. We have learned much about how our decisions on transportation affect our lives. And it is clear to me that we are in need of a total and comprehensive reevaluation of our priorities in transportation.

In light of these new variables which have been introduced into this equation, energy and pollution, it is imperative that we reconsider the annual $6 billion appropriation for highways from funds collected for the highway trust fund.

If we do not heed the warning signals now when we possess the resources to combat this menace, we will find a time when we will not be able to cope with an increasingly critical situation.

What we need now is an integrated network and an authority to balance our transportation needs. The personal freedom once associated with private transportation has become a personal bondage as modern thruways become modern parking lots during rush hour. We have not provided an alternative for those who would choose safe, efficient, economical and convenient mass transportation instead of fighting traffic every morning. Mass transportation can be planned to complement existing systems. Conversely, our new highway construction can be planned to be consonant with mass transportation.

Changing the name to "transportation trust fund" is a modest first step in addressing ourselves to the coming realities. The time for creative leadership is now.

PRESIDENT FORD SPEAKS AT TULANE UNIVERSITY

HON. DAVID C. TREEN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. TREEN. Mr. Speaker, on April 23 the President of the United States traveled to Louisiana for a number of events. Included was an address to a special student convocation at Tulane University in New Orleans. The President's appearance at Tulane was a proud moment for me as an alumnus of that great institution. Tulane is also the alma mater of two other members from Louisiana, the Honorable F. Edward Hébert and the Honorable Lindy (Mrs. Hale) Boggs, both of whom also accompanied the President on his visit.

The President was received warmly as he entered the convocation, and his youthful audience responded enthusiastically to his message. And, for good reason; because the President called for—

> An agenda for the future, to unify, to bind up the Nation's wounds and to restore its health and its optimistic self-confidence.

The President struck a responsive chord, not only for those who had the privilege of hearing him at Tulane, but for all Americans. And, so that the inspiration of his message may be conveyed to more Americans, I am pleased to insert here the text of his remarks:

REMARKS OF THE PRESIDENT

Mr. President, President Hurley, Senator Johnston, my good friends from the House of Representatives, Eddie Hebert, Dave Treen, Lindy Boggs, Lieutenant Governor Fitzmorris, students, faculty, alumni and guests of Tulane University:

It is really a great privilege and a very high honor of having an opportunity of participating again in a student activity at Tulane University, and for this opportunity, I thank you very, very much.

Each time that I have been privileged to visit Tulane, I have come away newly impressed with the intense application of the student body to the great issues of our time, and I am pleased tonight to observe that your interest hasn't changed one bit.

As we came into the building tonight, I passed a student who looked up from his book and said, "A journey of a thousand miles begins but with a single step." (Laughter)

To indicate my interest in him, I asked, "Are you trying to figure out how to get to your goal in life?" He said, "No, I am trying to figure out how to get to the Super Dome in September."

I don't think there is any doubt in my mind that all of you will get to the Super Dome. (Laughter) Of course, I hope it is to see the Green Wave have their very best season on the gridiron.

I have sort of a feeling that you wouldn't mind making this another year in which you put the Tigers in your tank. (Laughter)

When I had the privilege of speaking here in 1968 at your Directions '68 forum, I had no idea that my own career and our entire Nation would move so soon in another direction. And I say again, I am extremely proud to be invited back.

I am impressed, as I undoubtedly said before, but I would reiterate it tonight, by Tulane's unique distinction as one of the only American universities to be converted from State sponsorship to private status. And I am also impressed by the Tulane graduates who serve in the United States Congress—Bennett Johnston, Lindy Boggs, Dave Treen.

Eddie Hebert, when I asked him the question whether he was or not, and he said he got a special degree—drop out '28. (Laughter)

But I think the fact that you have these three outstanding graduates testifies to the academic excellence and the inspiration of this historic university rooted in the past, with its eyes on the future.

Just as Tulane has made a great transition from the past to the future, so has New Orleans, the legendary city, that has made such a unique contribution to our great America.

New Orleans is more, as I see it, than weathered bricks and cast iron balconies. It is a state of mind, a melting pot that represents the very, very best of America's evolution, an example of retention of a very special culture in a progressive environment of modern change.

On January 8, 1815, a monumental American victory was achieved here—the Battle of New Orleans. Louisiana had been a State for less than three years, but outnumbered Americans innovated, outnumbered Americans used the tactics of the frontier, to defeat a veteran British force trained in the strategy of the Napoleonic wars.

We, as a Nation, had suffered humiliation and a measure of defeat in the War of 1812. Our national capital in Washington had been captured and burned. So the illustrious victory in the Battle of New Orleans was a powerful restorative to our national pride.

Yet, the victory at New Orleans actually took place two weeks after the signing of the Armistice in Europe. Thousands died although a peace had been negotiated. The combatants had not gotten the word, yet the epic struggle nevertheless restored America's pride.

Today, America can regain the sense of pride that existed before Vietnam, but it cannot be achieved by refighting a war that is finished as far as America is concerned.

As I see it, the time has come to look forward to an agenda for the future, to unify, to bind up the Nation's wounds and to restore its health and its optimistic self-confidence.

In New Orleans, a great battle was fought after a war was over. In New Orleans tonight, we can begin a great national reconciliation. The first engagement must be with the problems of today, but just as importantly, the problems of the future.

That is why I think it is so appropriate that I find myself tonight at a university which addresses itself to preparing young people for the challenge of tomorrow.

I ask that we stop refighting the battles and the recriminations of the past. I ask that we look now at what is right with America—at our possibilities and our potentialities for change and growth, achievement and sharing. I ask that we accept the responsibility of leadership as a good neighbor to all peoples and an enemy of none.

I ask that we strive to become, in the finest American tradition, something more tomorrow than we are today.

Instead of my addressing the image of America, I prefer to consider the reality of America. It is true that we have launched our Bicentennial celebration without having achieved human perfection, but we have attained a very remarkable self-governed society that possesses the flexibility and the dynamism to grow and undertake an entirely new agenda, an agenda for America's third century.

So, I ask you to join me in helping to write that agenda. I am as determined as a President can be to seek national rediscovery of the belief in ourselves that characterized the most creative periods in our Nation's history. The greatest challenge of creativity, as I see it, lies ahead.

We, of course, are saddened indeed by the events in Indochina, but these events, tragic as they are, portend neither the end of the world, nor of America's leadership in the world.

Let me put it this way, if I might. Some tend to feel that if we do not succeed in everything everywhere, then we have succeeded in nothing anywhere.

I reject categorically such polarized thinking. We can, and we should, help others to help themselves, but the faith of responsible men and women everywhere in the final decision rests in their own hands, not in ours.

America's future depends upon Americans, especially your generation, which is now equipping itself to achieve the challenges of the future, to help write the agenda of America.

Earlier today, in this great community, I spoke about the need to maintain our defenses. Tonight, I would like to talk about another kind of strength, the true source of American power that transcends all of the deterrent powers for peace of our Armed Forces. I am speaking here of our belief in ourselves and our belief in our Nation.

Abraham Lincoln asked, in his own words, "What constitutes the bulwark of our own liberty and independence?" He answered, "It is not our frowning battlements or bristling seacoasts, our Army or our Navy. Our defense is in the spirit which prized liberty as the heritage of all men, in all lands everywhere."

It is in this spirit that we must now move past the discords of the decade. It is in this spirit that I ask you to join me in writing an agenda for the future.

I welcome your invitation, particularly, tonight because I know it is at Tulane and other centers of thought throughout our great country that much consideration is being given to the kind of future that Americans want and, just as importantly, will work for.

Each of you are preparing yourselves for the future, and I am deeply interested in your preparations and your opinions and your goals. However, tonight, with your indulgence, let me share with you my own views.

I envision a creative program that goes as far as our courage and our capacities can take us, both at home and abroad. My goal is for a cooperative world at peace, using its resources to build, not to destroy.

As President, I am determined to offer leadership to overcome our current economic problems. My goal is for jobs for all who want to work, and economic opportunity for all who want to achieve.

I am determined to seek self-sufficiency in energy as an urgent national priority. My goal is to make America independent of foreign energy sources by 1985. Of course, I will pursue interdependence with other nations and a reformed international economic system.

My goal is for a world in which consuming and producing nations achieve a working balance. I will address the humanitarian issues of hunger and famine, of health and of healing. My goal is to achieve or to assure basic needs and an effective system to achieve this result.

I recognize the need for technology that enriches life while preserving our natural environment. My goal is to stimulate productivity, but use technology to redeem, not to destroy our environment.

I will strive for new cooperation rather than conflict in the peaceful exploration of our oceans and our space. My goal is to use resources for peaceful progress, rather than war and destruction.

Let America symbolize humanity's struggle to conquer nature and master technology. The time has now come for our Government to facilitate the individual's control over his or her future and of the future of America.

But the future requires more than Americans congratulating themselves on how much we know and how many products that we can produce. It requires new knowledge to meet new problems. We must not only be motivated to build a better America, we must know how to do it.

If we really want a humane America that will, for instance, contribute to the alleviation of the world's hunger, we must realize that good intentions do not feed people. Some problems, as anyone who served in the Congress knows, are complex. There are no easy answers. Willpower alone does not grow food.

We thought, in a well-intentioned past, that we could export our technology lock, stock and barrel to developing nations. We did it with the best of intentions, but we are now learning that a strain of rice that grows in one place will not grow in another; that factories that produce at 100 percent in one nation produce less than half as much in a society where temperaments and work habits are somewhat different.

Yet, the world economy has become interdependent—not only food technology, but money management, natural resources and energy, research and development—all kinds of this group require an organized world society that makes the maximum effective use of the world's resources.

I want to tell the world: let's grow food together, but let's also learn more about nutrition, about weather forecasting, about irrigation, about the many other specialties involved in helping people to help themselves.

We must learn more about people, about the development of communities, architecture, engineering, education, motivation, productivity, public health and medicine, arts and sciences, political, legal and social organization. All of these specialties, and many, many more, are required if young people like you are to help this Nation develop an agenda for our future, your future, our country's future.

I challenge, for example, the medical students in this audience to put on their agenda the achievement of a cure for cancer. I challenge the engineers in this audience to devise new techniques for developing cheap, clean and plentiful energy and as a by-product, to control floods.

I challenge the law students in this audience to find ways to speed the administration of equal justice and make good citizens out of convicted criminals.

I challenge education, those of you as education majors, to do real teaching for real life.

I challenge the art majors in this audience to compose the great American symphony, to write the great American novel and to enrich and inspire our daily lives.

America's leadership is essential. America's resources are vast. America's opportunities are unprecedented.

As we strive together to perfect a new agenda, I put high on the list of important points the maintenance of alliances and partnerships with other people and other nations. These do provide a basis of shared values, even as we stand up with determination for what we believe.

This, of course, requires a continuing commitment to peace and a determination to use our good offices wherever possible to promote better relations between nations of this world.

The new agenda, that which is developed by you and by us, must place a high priority on the need to stop the spread of nuclear weapons and to work for the mutual reduction in strategic arms and control of other weapons.

I must say parenthetically, the successful negotiations at Vladivostok, in my opinion, are just a beginning.

Your generation of Americans is uniquely endowed by history to give new meaning to the pride and spirit of America. The magnetism of an American society, confident of its own strength, will attract the good will and the esteem of all people wherever they might be in this globe in which we live.

It will enhance our own perception of ourselves and our pride in being an American. We can—we can, and I say it with emphasis—write a new agenda for our future.

I am glad that Tulane University and other great American institutions are reaching out to others in programs to work with developing nations, and I look forward, with confidence, to your participation in every aspect of America's future, and I urge Americans of all ages to unite in this Bicentennial year to take responsibilities for themselves, as our ancestors did.

Let us resolve tonight to rediscover the old virtues of confidence and self-reliance and capability that characterized our forefathers two centuries ago.

I pledge, as I know you do, each one of us, to do our part. Let the beacon lights of the past shine forth from historic New Orleans, and from Tulane University, and from every other corner of this land to illuminate a boundless future for all Americans and a peace for all mankind.

Thank you very much.

A TRIBUTE TO REUBEN WHEATLEY

HON. RON DE LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. DE LUGO. Mr. Speaker, I would like to state for the record my keen disappointment that Reuben Wheatley was not reappointed as the Virgin Islands Commissioner of Finance. Mr. Wheatley is a distinguished public servant whose honesty, professionalism, and high integrity has earned him wide respect from all segments of the Virgin Islands community.

Mr. Wheatley, who has held this important position since 1966, has served with unqualified distinction under three Governors from three different political parties. The loss of his knowledged expertise in fiscal matters will be particularly hard-felt as the Virgin Island Government attempts to cope with its serious deficit and a stagnant economy. While I would not want to prejudge his eventual successor, I believe the absence of Commisioner Wheatley from the government will be sorely missed by Virgin Islanders of all political persuasions.

The Virgin Islands Daily News recently published an excellent editorial on this matter, and I would like to share it with you:

HANG ON TO TALENT

Generally speaking, a newly elected governor or president is accorded the right to select his own cabinet members to start off the new administration with. Even though the legislative branch must pass on such appointments, the general feeling among legislators is that the new chief executive is entitled to a pretty free hand in picking the key members of his administrative team. There are, however, times when there are exceptions to this rule. One is when the new governor or president makes such an obviously bad appointment that the lawmakers are in conscience bound to oppose it, and another is when an incoming chief executive recognizes that a cabinet member has such high qualifications that despite party affiliation he or she deserves retention.

For a legislature to refuse to confirm a nomination because of the nominee's lack of qualifications is relatively rare, for most legislators seem to lean over backward to give the incoming administration an opportunity to be formed according to the chief executive's wishes. Still rare, but considerably more common, are the cases in which a new governor or president will recognize and acknowledge ability when he finds it already on the job, and keep that individual on as part of the new team. This has happened with the new administration in the Virgin Islands, for the Governor has seen fit to reappoint both the Attorney General and the Commissioner of Social Welfare, both decisions which were generally applauded throughout the community.

In a relatively small population it must be recognized that there are limits to the number of highly qualified people available or willing to accept such responsible positions, and it was encouraging to see the Governor show a willingness to retain truly competent personnel even though they had been appointed to office by his predecessor. Consequently, it was with a sense of disappointment that we received the news of the chief executive's nomination of a replacement for the present Commissioner of Finance. Reuben Wheatley has served the Virgin Islands long and well, holding the Finance commissionership since December, 1966, working under three governors from three different political parties, and has been widely regarded, particularly among members of the business community, as one of the more responsible and capable department heads to serve these islands. At a time when so many of our critical problems are of a fiscal nature, it is disconcerting to see the chief executive prepared to let the administration lose an official of such dedication and ability.

SOLAR ENERGY TAX INCENTIVES

HON. GILBERT GUDE

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. GUDE. Mr. Speaker, this country has committed itself to a goal of achieving energy independence by reducing imports of high-priced foreign oil. Many of the programs which have been proposed to achieve this goal unfortunately would have adverse impacts on both the Nation's economy and the environment. The development of solar energy, however, is one way this country can reduce its dependence on foreign oil without disrupting the economy or polluting the environment.

Solar energy for heating and cooling should prove to be an important contribution to energy self-sufficiency in the short term and could supply a large fraction of new energy requirements in the long run. The Solar Energy Task Force Report, recently released as part of the Federal Energy Agency's Project Independent Study, maintains that solar heating and cooling is capable of producing the energy equivalent of 260,000 barrels of oil a day by 1985. At projected prices of $11 per barrel, a balance-of-payments saving of $1.04 billion per year would be realized. By 1990, this potential savings rises to 700,000 barrels per day and an annual balance-of-payments saving $2.8 billion per year. The FEA report maintains, however, that energy savings of this magnitude can be realized only if the United States adopts an "accelerated development effort" for solar energy.

Power for solar heating is not a fictional energy source of the future. Solar power can be tapped with today's technology. As long ago as 1972, before the so-called energy crisis, a National Science Foundation panel on solar energy stated that "there are no technical barriers to the wide application of solar energy to meet U.S. needs."

As the FEA Solar Task Force Report concludes:

> There appear to be no insurmountable technical barriers to the implementation of solar energy systems, and several systems show early promise to achieving cost competitiveness with conventional systems. Solar energy systems, moreover, would conserve domestic fossil fuels and reduce dependence on imports while creating new exportable technology products, thus improving the U.S. balance-of-trade. Sociological and environmental impacts resulting from the utilization of solar energy systems will provide producers and users of energy with alternative choices of energy supplies.

Solar energy must now be taken from the demonstration stage and placed in American homes. The administration does not seem prepared to make that commitment. In fact, the President's entire energy package contains only one passing reference to solar energy. It alludes to the need for further research and development of technology for all forms of energy including fossil fuels, nuclear fission and fusion, solar, and geothermal.

Obviously, it is now up to Congress to complete a wide-ranging solar energy program by passing legislation to promote the use and implementation of existing solar technology.

The last Congress initiated that effort by passing two major bills: the Solar Heating and Cooling Demonstration Act—Public Law 93-409; and the Solar Energy Research, Development, and Demonstration Act—Public Law 93-473. Support for these solar energy measures cut across lines of party and political ideology.

At present, two barriers keep this country from realizing the potential of solar heating and cooling. First, current unsubsidized solar energy must compete with conventional energy sources which are subsidized by the Government. Second, although solar heating and cooling systems cost virtually nothing to operate, construction and installation of such systems involve significant amounts of front-end capital. A potential consumer, willing to buy and install a solar unit economically competitive with alternate technologies, most likely will have difficulty in obtaining sufficient front-end capital in today's tight money market.

On February 27 I introduced legislation to help the development of solar energy by creating a program of low-interest loans to finance the construction of solar heating and cooling in private homes and in multifamily apartments. Since the loans will be available to both individual homeowners and to persons engaged in building residential structures, the program will have a broad impact on the home improvement, residential, and apartment construction industries.

I am today introducing a second solar energy bill to provide tax incentives for the installation of solar heating and cooling equipment. Like my previous bill, this legislation provides an incentive to increase the demand for solar equipment, but unlike my earlier proposal, this bill applies strictly to nonresidential structures.

This bill would provide the individual wishing to install solar equipment in his nonresidential building with the option of using a 5-year amortization plan for the equipment or of qualifying it for the investment tax credit. He could not use both incentives. As in my previous bill, certification requirements are imposed to insure that the equipment installed meets appropriate standards of durability, efficiency, ease of repair, cost, feasibility of design, and so on. Uncertified equipment would not be eligible for the tax incentives. My solar loan program bill established a structure for the inspection and certification of solar equipment according to standards developed by the Energy Research and Development Administration. Draft interim standards for solar performance, authorized by the Solar Heating and Cooling Demonstration Act, have already been prepared by the National Bureau of Standards. It is the intent of both my bills that the certification and inspection procedures developed pursuant to them be consistent with these ERDA and NBS standards.

Other tax legislation has been proposed to provide tax credits for the installation of solar equipment by individuals in their homes. I introduced a bill to set up a loan program to cover the residential sector because I felt that it was a more appropriate and attractive approach for the individual. A tax incentive for retrofitting a home is relevant only for the small number of individuals who have the inclination and the proper kind of house for conversion, while a loan program, on the other hand, can be applied to a wider variety of residential structures including apartments, town houses, and condominiums.

In regard to nonresidential structures, however, I believe tax incentives are the most appropriate approach. Builders and owners of commercial and industrial structures will be most attracted by incentives providing for a quick write-off which would help them to handle their debt burden.

I note that the Ways and Means Committee is currently considering including solar energy incentives as part of its energy bill. I support such efforts, and I hope that the Committee will be able to examine the legislation I am introducing today. Meaningful conservation of energy will come not only through cutting back our use of existing sources but through shifting to alternative sources as well. One such primary alternative source is solar energy, and I hope that the House will support efforts to stimulate use of solar heating and cooling equipment.

PRESIDENT FORD'S VISIT TO NEW ORLEANS

HON. F. EDWARD HÉBERT

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. HÉBERT. Mr. Speaker, our former colleague, Gerald Ford, now President of the United States, did me the great honor recently of spending a full day in New Orleans.

He started off the day by attending the ground-breaking ceremony for a library which will be named for me. He then attended the Natonal Convention of the Navy League, following which he jumped in a helicopter and visited our offshore drilling rigs in the Gulf of Mexico. That evening he addressed the students of Tulane University.

It was heartening to see the manner in which he captured the people of New Orleans, and on each occasion the crowds seemed to warm up to him. More than 25,000 people were at the library ground breaking. A capacity of 1,500 attended the Navy League luncheon, and over 5,000 students jammed the Tulane Stadium to hear him.

I think the finest and simplest compliment that could be paid anybody, but particularly when that individual holds the highest office of this country, came from an old and dear friend of mine, a lady in her later years who, until very recently, operated a gathering spot in the university section of the city, when she said: "Eddie, I felt like my next door neighbor was talking to me."

I have the text of the speech which he made to the Navy League and I want to share its contents with you because I am in total agreement with the sentiments and thoughts which he expressed, and I hope that you are, also. The text is as follows:

REMARKS OF THE PRESIDENT AT THE 73RD ANNUAL NAVY LEAGUE CONVENTION

Thank you very much, Mr. President, Governor Edwards, Senator Johnston, Representative Hébert, Representative Treen, and my dear friend Representative Lindy Boggs, Mayor Landrieu, Rabbi Feibelman, Archbishop Hannan, distinguished guests, ladies and gentleman, Chaplain Ray, merci garcon.

Obviously, Governor, I am delighted and highly honored to be a good Cajun.

Mr. Governor, you are also a good Cajun and have done very well in the political arena in Louisiana. Now that I am a good Cajun, I hope I am as lucky as you are. [Laughter.]

Well, members of the Navy League and your honored guests, it is a great privilege and a very high honor to have the opportunity of being here in New Orleans and participating in your 73rd annual convention.

They say the Navy offers opportunity and you had better believe it.

In 1942, I became an Ensign, one of those 90-day wonders. In 1943, I became a Lieutenant. In 1945, I became a Lt. Commander.

And in 1974, I became Commander-in-Chief. [Laughter.]

Now, you can't ask for any more opportunity than that. [Laughter.]

I do have to admit that being Commander-in-Chief of all of our Armed Forces does present me with one of several problems; in November, at the Army-Navy game, for example, I now have to spend half of the game rooting for the Army and half of the game rooting for the Navy.

Fortunately, the late President Kennedy came up with the perfect solution to a somewhat similar problem. He was in Iowa just before their big game with Notre Dame, and someone asked him who he would be rooting for. John Kennedy said, "I will be rooting for Iowa." A tremendous cheer went up. Then he added, "But, I will be praying for Notre Dame." (Laughter)

So, come the Army-Navy game, I will let you figure out who I will be rooting for, and who I will be praying for.

But, there is a much more serious subject than the Army-Navy game that I would like to discuss with you for a moment—the strength and the size of our Merchant Marine and our Navy.

Both are as vital as anyone can imagine to our survival as a Nation, and yet, both of them face very serious problems. The problems are not insolvable.

In the case of the Merchant Marine, I have always believed in doing everything possible to keep the American flag flying over a large, modern, competitive Merchant Marine.

In Congress, I worked long and hard with many, many others to help pass the Merchant Marine Act of 1970. This very important legislation initiated a Federal program to improve the international competitive position of the United States Merchant Marine.

Through this program, contracts will have been awarded by June 13 of this year for new construction or conversion of approximately 77 ships, with an annual funding of some $284 million.

Budget requests for construction subsidies will continue at approximately the same level in the next fiscal year. Expenditures for operational subsidies for United States flag ships will climb, and I think appropriately, to a record high of $316 million.

Our total Federal expenditures for Federal Maritime programs—and bear in mind they are an integral part of our total seagoing Navy—will be some $678 million as compared with a relatively smaller sum of about $500 million two years ago.

I give you my word that we will have a vital Merchant Marine in the future, and in the White House I will do as I did in the Congress, work for that objective for our national security.

While I am on the subject of our Merchant Marine, let me add my very strong personal congratulations to Paul Hall, President of the Seafarers International for this wonderful award he has received.

There is a man who believes in America, has fought for America, and will continue to be in the leadership in keeping America strong in the future.

Congratulations, Paul.

It is a well-deserved tribute to a great union leader and a great person.

Our Navy also has entered into a time of challenge. Like the rest of our Armed Forces, its cost, even its purpose, is being questioned by many serious, sincere Americans in and out of the Congress.

No doubt, some stems from very understandable desires to spend money on plowshares rather than on swords; to put our resources into so-called social programs instead of into defense.

But to keep America at peace, to enable us to make the kind of social progress we really want, we must keep America strong today and strong tomorrow.

One of those invaluable keys to achieving peace is a strong, modern American fleet. The Navy is still a very major instrument for resolving crises short of war. Its very presence in a trouble spot serves as a deterrent.

It carries supplies, shows the flag and provides a very flexible, but yet very powerful, force that can help defuse, defuse tension in an area before it deteriorates into a crisis. It is a very vital part of our total defense establishment in peace, as well as in war.

Let me put it in, if I might, even more concrete terms. Since 1958 our Navy and Marines have served in quick response to emergency situations 49 different times. The nature of the response, of course, varied from 32 cases in which it was a matter of showing the flag, to emergency interventions to protect American lives, property and our national interest.

Let me give you several examples. In 1958, Navy and Marine units helped to restore order in riot-torn Lebanon and to protect American interests. In 1962, they enforced the quarantine on Soviet ships and helped to end the Cuban missile crisis.

In 1965, they saved American lives and helped restore order in the Dominican Republic. In 1970, they helped to prevent disturbances in Jordan from erupting into another Middle Eastern crisis.

And right now, in Southeast Asia, Navy and Marine forces are standing by to assist in humanitarian relief and evacuation efforts, or to carry out any mission assigned to them.

Already, we owe a debt of gratitude to the Navy and Marines, particularly under their fine leadership of our Secretary of the Navy, Bill Mittendorf, for their heroic efforts in evacuating Americans and a number of Cambodians from the beseiged city of Phnom Penh without casualties and without a hitch.

It was a professionally planned and executed maneuver typical of what we have come to expect from our Naval forces.

Historically speaking, it is very appropriate on this occasion to talk about seapower, for if America ever learned the importance of seapower, it was on April 23, 1814—161 years ago today.

The War of 1812 was at its height and the British, backed up by their enormous Navy, decided on that date in 1814 to extend a blockade along the entire American coast.

The small, weak, ill-equipped American Navy could do little to stop it. The British roamed the East Coast almost at will.

By August of 1814, we had even suffered the humiliation of an enemy attack on Washington, D.C. and the burning of the White House.

We had been helpless to defend our own capital city. In the century and a half since 1814, we have been taught even more about the importance of seapower.

Perhaps Teddy Roosevelt summed it up best when he said, "A good Navy is not provocative of war. It is the guarantee of peace." Today, even more than in the past, America is dependent on seapower. This includes a strong Merchant Marine as well as the Navy.

For one thing, we need free sea lanes and the fast merchant ships to maintain the crucial flow of raw materials and energy to the United States.

For instance, in 1974 alone, we imported more than two billion barrels of crude oil and refined products, accounting for about 36 percent of our total domestic consumption. Of this total, more than 90 percent was carried into this country in foreign bottoms.

It is my policy to reverse this dependence on foreign oil by making America energy independent. But for now, the facts are quite plain: American prosperity, perhaps even American survival, still depends on keeping the sea lanes open and only a strong American Navy can guarantee that result.

So, the obvious questions, quite frankly, are: What is the state of American seapower today? What will it be in the future?

Since 1968, the size of the Navy has been cut literally in half. Today, our fleet of 500 ships is the smallest since 1939, two years before Pearl Harbor. And it, unfortunately, is still shrinking. In fact, the Navy's active fleet will be down to 490 ships by June 30, 1976, five days before we celebrate our 200th birthday as a free and independent Nation.

Fortunately, however, there is also a positive side to all of this. Today's U.S. Navy has some tremendous assets. Our aircraft carriers and their air groups are very potent weapons systems. These magnificent forces contribute immeasurably to making our overall strike forces the very best in the world.

Our nuclear powered submarines and nuclear powered surface ships are the finest in the world. We have more of them than any other power. The United States Marine Corps is unrivaled as a combat force. And the spirit and the morale of the Marines are as high as they have ever been.

In fact, the entire Navy-Marine Corps team has these very important, very vital ingredients: Combat-proven strength, dynamic leadership and dedicated professionalism and we thank them all for these important assets that they contribute to our national security.

I have full confidence in the new professionals of our Navy and Marine Corps. But the Navy and the Marine Corps today are the results of careful planning of the days in the past. If both are to maintain the same high standards for the days ahead, we must take into account some dramatic changes in the global balance of power.

At the outset of World War II, America had a 3,000 mile ocean barrier on the East Coast and a 10,000 mile ocean barrier on the West Coast. The mighty British Fleet acted as a friendly buffer. And the United States had a two-year lead time to gear up our great military production capabilities between the outbreak of war in Europe and our own entry at Pearl Harbor.

Today we face a very different situation. For example, Soviet naval units now freely roam the world seas, circumnavigating the State of Hawaii in the Pacific, and operating in the Gulf of Mexico.

Let me give you a very graphic example, if I might, something that has happened within the past few days. Elements from all four fleets of the Soviet Navy have just completed global maneuvers. More than 200 Soviet ships deployed in all of the oceans of the world participated in this exercise. More than 50 Soviet ships were deployed in the Atlantic, extending their maneuvers to the Norwegian Sea and southwest of the British Isles.

Soviet reconnaisance aircraft, operating from Cuba and Guinea, conducted ocean surveillance over wide areas of the Atlantic. The Soviet Navy was also active in the Mediterranean, the Pacific and the Indian Ocean.

There is no doubt about it, the Soviet Union understands the importance of seapower. The Russians built up their Navy while we permitted ours to shrink and they know how to show their flag.

Unfortunately the double blows of inflation and recession, along with other drains on government revenues, are occuring at precisely the time that we should be putting more funds into more ships. As a consequence, Department of Defense expenditures in the next fiscal year will represent slightly less than six percent of the Gross National Product, the lowest point since the pre-Korean demobilization.

In real terms, after making all of the adjustments for inflation, Defense Department spending has been cut almost 40 percent since the height of the Vietnam war. It is 15 percent below the present Vietnam level.

As a percentage of total Government spending, including State and local, defense expenditures come to only 16 percent, the lowest point since before Pearl Harbor.

As for our human resources, today only 1 percent of America's population is under arms. Our military manpower is actually nearly 600,000 below the pre-Vietnam level. However good their intentions, those who claim that America is overarmed and overspending on defense are wrong.

It is my very deep conviction we cannot afford to cut any further without endangering our national security. While our own military spending has been declining, others have not been idle. The Soviet Union, for example, is outspending us on defense by at lease 20 percent.

As far as the Navy is concerned, the budget that I have submitted to the Congress for the next fiscal year requests $3 billion 100 million to build 23 new ships, and an additional $2 billion 300 million to restore full funding to our shipbuilding account of previous years.

I deeply believe that the vast majority of our citizens today want to maintain American sea, land and air forces that are second to none.

Let it never be said that our generation allowed American seapower to erode into a second class status. Let it never be said that we permitted our Merchant fleet to disappear by attrition.

Only a strong America, an America strong of will, strong of purpose, can be an effective force for peace in a troubled, modern world, and a strong Navy and Merchant Marine are essential to a strong America.

I pledge to you that I will continue to work with all of you, and literally thousands like you, for the kind of America that has been good, not only for us, but for all mankind. And I will ask for your help in pursuing this vital goal as we move ahead in the days and the months before us.

Thank you very, very much.

U.S. DRILLING DISCOURAGED

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. COLLINS of Texas. Mr. Speaker, at the time when this country needs more new oil development, Congress, through its legislation and regulations, has discouraged drilling. Out in west Texas around Midland, rigs are beginning to stand idle. Companies have stopped making drilling commitments.

Congress uses the term, tax loopholes, which is the terminology used to increase the taxes on business.

Let us review the earnings impact of the law that removes statutory oil depletion. Rauscher Pierce, an investment firm in Dallas, has prepared preliminary figures showing the impact and business loss. General American Oil will see earnings suffer 18 percent. Gulf Oil is down 10 percent. Kerr McGee is down 14 percent. Louisiana Land & Exploration will be reduced 22 percent. Shell is down 22 percent. Southland Royalty declined 20 percent, and Superior will suffer a 31-percent reduction in earnings.

Let us look further at the negative impact that oil companies have in cash flow for drilling. With first quarter profits out for 1975, we see a 66-percent loss in profits by Texaco. Mobile dropped 28 percent. Gulf was down 33 percent as was Standard Oil of Indiana down 33 percent. Sun Oil dropped 62 percent. The elimination of depletion allowance means a cut of $2 million from the oil industry for 1975. FEA regulations will also prohibit oil company pass-through costs.

The objective of the liberals in Congress to socialize oil business. But for the Government to run the oil business, the American people will be the losers.

Always remember the words of Justice Mashall who said that: "The power to tax is the power to destroy." The liberals, through taxation and elimination of oil depletion, have taken a giant step toward crippling the effective oil exploration development of the private oil companies.

NO SST'S AT NEW YORK AIRPORTS

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. ZEFERETTI. Mr. Speaker, several years ago, Congress declared that the American taxpayer would not subsidize, at any cost, a U.S. version of the supersonic transport plane. Almost immediately, voices of protest, mainly from those who would in some way profit from such enterprises, were raised. However, the Congress held firmly in its decision.

I felt then, as I do now, that Congress was wise in its decision to prevent U.S. involvement in the controversial SST. To justify this stand we only need to review the experiences of both Britain and France, who have continued to pour hundreds of millions of dollars into building their own versions of the SST Concorde; all they have to show for their efforts are mountains of bills and a handful of orders. Why must we aid in subsidizing an economically disastrous undertaking, especially since it would also aid in undermining our own national solvency.

Scientific evidence is mounting that this aircraft will not benefit either man or his environment. It has been strongly suggested that the atmosphere or air we breathe may be permanently altered or harmed by the fumes of the SST. There is also some evidence that certain types of cancer may increase in frequency if fleets of SST's are allowed to invade our airways.

Certainly, we have no need for an aircraft which, in addition, generates significantly more low frequency noise, so much in fact that homes located in areas surrounding airports will begin to rattle when the planes take off and land. We also have no need for the greater amounts of carbon monoxide and unburned hydrocarbon pollutants—translated into a clear danger to public health—which are emitted by the SST's.

In other words, this plane does not comply with either air or noise pollution standards under law. Nevertheless, the Federal Aviation Administration has been conducting hearings on the issuance of an environmental impact statement based on applications of Air France and British Airways for the Concorde SST to land in the United States, specifically at J.F.K. in New York and Dulles in Washington, D.C. Tentative permission has been granted by the Agency for such landings.

The Port of New York owns and operates J.F.K. Airport and can prohibit landing of the SST. I believe such permission must be denied, and as a result, I have joined with a number of my colleagues in Congress from New York and New Jersey in petitioning the Chairman of the Authority, Mr. Ronan, to do just this.

On the long list of national priorities, anything having to do with the SST should be considered last. If the entire controversy surrounding the SST is essentially a result of the British-French attempt to entice the U.S. Government to bail out their economically disastrous SST by providing them with the best market for their planes, it should not be accomplished at the expense of the health of the 12 million Americans of the New York-New Jersey metropolitan area.

COMMUNIST CHINA INTENSIFIES SUBVERSION IN ASIA

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. CRANE. Mr. Speaker, it seems that the only leaders in the world who are observing the spirit of détente are in our own country and elsewhere in the West.

We are doing our best to show the Communist world that we mean to be friendly. In pursuit of this objective, we bestow upon them such fruits of our society as low-priced wheat, technologically sophisticated computers, and provide them with what increasingly appears to be a "hands off" attitude with regard to their aggressive forays.

The fall of Cambodia and the fall of Vietnam have apparently convinced the leaders in Peking and Moscow that the United States will not seriously challenge their desire to control those nations at present outside of their orbit. For them, "détente" seems to mean business as usual, while for us it seems to mean an inward turning and an abandonment of our world role.

There is mounting evidence in Asia, for example, of intensified subversive activities by the Communist Chinese. According to a statement made by the Government of Thailand, about 30,000 guerrillas, consisting of Chinese and Laotian Communists, have converged on the Laotian border north of Thailand. The Premier of Thailand, Momrachawong Kukrit Pramoj, has declared that:

> This is not merely an infiltration, but an offensive.

In The Philippines, President Ferdinand Marcos has disclosed that government troops had captured a number of documents showing that the Communist Chinese trained "new people's army" has a close connection with Moslem rebels.

In Malaysia, the same story can be told. There, the Chinese Communists have stepped up their support to the Malaysian Communists. A report published in the China Post of April 22, 1975, notes that:

> The Chinese Communists have also set up "military advisory groups" in border areas in Thailand and Malaysia, directing the Thai and Malaysian Red insurgents to engage in subversive activities.

There has been much discussion in Washington about the "domino theory" and what many consider to be its flawed interpretation of reality. It is, however, no theory. Commonsense should tell us that if the Communists succeed in their aggression in Vietnam and Cambodia they will continue to export it to the surrounding nations of Asia. Now, the evidence is clear, this is being done.

I wish to share with my colleagues the report, "Peiping Intensifying Subversion In Southeast Asia," which appeared in the China Post, an English language newspaper published in Taipei, Taiwan, of April 22, 1975, and insert it into the RECORD at this time.

PEIPING INTENSIFYING SUBVERSION IN SE ASIA

TAIPEI, April 21.—The fall of the Khmer Republic to the Communist rebels, the recent debacle in South Vietnam and other Red subversive activities in other parts of Southeast Asia have fully demonstrated that the Peiping regime is positively carrying out its "mission of world revolution," a leading expert in Chinese affairs here said Sunday.

The expert said in the "Guidelines for World Revolution," drafted by Mao Tse-tung in 1953, the Chinese Communists have pinpointed Asia as their first target of communization.

"Asia is the first target we want to turn red and we should extend maximum support to our Red Comrades in Indochina." The "guidelines" further declared, "After liberating Vietnam, Cambodia, and Laos, the other countries such as Thailand, Burma, Indonesia and Malaysia will completely fall into our hands."

The Maoist "guidelines" also stressed. "After controlling entire Southeast Asia, we will deploy 20 million men of our armed forces that will pose a great threat to the capitalistic countries and that will compel them to spend tremendous amounts of money in military expenditures, thus leading to the collapse of their national economy."

INTRIGUES

Citing the intrigues and subversive activities the Maoist regime has launched in Southeast Asia, the expert made these points:

The Chinese Communists have offered massive economic and military assistance to North Vietnam under a number of agreements signed by the two regimes in recent years, thus enabling the North Vietnamese to stage heavy assaults on the South, flagrantly violating the 1973 Paris peace accord.

A 10-member Chinese Communist "military mission," headed by Yang Yung, "commander of the Sinkiang military region" arrived in Hanoi Feb. 28 this year for a two-week long visit and the visit resulted in an all-out offensive in mid-March against the South by the Vietnamese Reds. In only half a month the Vietnamese Communists captured more than 10 provinces in the north and central parts of South Vietnam and massed their forces for a frontal attack on Saigon.

The Maoist mouthpiece "People's Daily" carried an article on March 30, lauding the Vietnamese Reds for their "victory" and reiterating their firm and powerful support to the Vietnamese Reds to "defeat" the United States and "destroy" the government of President Nguyen Van Thieu.

Since 1970 the Peiping regime has given positive support to deposed Prince Norodom Sihanouk.

MEETING

Following Chou En-lai's meeting with Sihanouk of Feb. 24 this year while the Khmer Rouge insurgents were besieging the capital of Phnom Penh, Sihanouk, apparently under the instigation of Chou, made a hard-phrased statement that the Khmer Reds are determined to wage war against the United States and the government of Lon Nol. Later Sihanouk repeatedly censured the U.S. airlift operations at Phnum Penh, rejected cease-fire proposals, vowed to fight against the U.S. "imperialists" and pledged to "liberate" the entire Khmer Republic.

On the eve of the 5th "founding anniversary" of the Khmer Rouge on Feb. 22 this year, Chou En-lai and Chu Teh cabled their "congratulations" to the leaders of the Khmer Rouge, declaring, "We (the Chinese Communists) regard that support to the revolution of Cambodian people is our responsibility." Peiping's "foreign minister" Chiao Kuang-hua also made a statement on the same day pledging "powerful" support to the Cambodian rebels in accordance with Mao Tse-tung's "instruction".

U.S. EXPERT

According to a U.S. expert, the Chinese Communists have extended at least U.S. $500 million in aid every year to the Sihanouk puppet regime in the past five years for its subversive activities.

In line with the expanding Red subversive activities in South Vietnam and the Khmer Republic, the Chinese Communists have built up a massive guerrilla force along the border of north Thailand, to launch sneak attacks.

According to a statement made by the Thai government on March 25, about 30,000 guerrillas consisting of Chinese and Laotian Reds and tribesmen have converged on a town in Laos bordering north Thailand.

Momrachawong Kukrit Pramoj, premier of Thailand, further reaffirmed on the same day that a group of 3,000 guerrillas was heading for the border area of north Thailand. He warned, "This is not merely an infiltration, but an offensive."

Under Peiping's control and support, the so-called "people's liberation army" of the Thai Communists grown fast in the recent years. The Thai Reds set up "the Thai people's liberation army" and their "high military command" early in 1972 to step up their subversive activities in the northeast, north, central and southern parts of Thailand, using the Maoists strategy to besiege cities as well as rural areas in their drive to topple the legal government.

MARCOS

President Ferdinand Marcos of the Philippines told a visiting U.S. Congressman on April 4 in Manila that government troops had captured a number of documents when they conducted military operations against the Philippine rebels.

These documents disclosed that the Peiping-trained "new people's army" has a close connection with the Moslem rebels.

The military intelligence agency of the Philippines also revealed that the Philippine Communists have received strict military training and are equipped with modern weapons such as machine guns, carbines, and bazookas and others.

In the past two years the Philippine insurgents have launched numerous raids and attacks on government troops.

Under their set scheme, the Chinese Communists have also stopped up their support to the Malaysian Reds. The two well-known Malay Red chieftains, Won Min and Chen Ping, have received assistance from the Peiping regime and often sneaked into the China mainland for Maoist "instructions."

The Chinese Communists have also set up "military advisory groups" in border areas in Thailand and Malaysia, directing the Thai and Malaysian Red insurgents to engage in subversive activities.

THE LOW COST AIR TRANSPORTATION ACT

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. ANDERSON of California. Mr. Speaker, I am introducing today the Low Cost Air Transportation Act of 1975, a bill to make low cost airline charter transportation more widely available to the public.

Rising costs of airline fuel and general inflation have raised regular airline fares to a level beyond the reach of many average consumers. The airline's regular scheduled services have always operated with a large number of empty seats, and this has also made it difficult for the airlines to offer low fares.

By contrast, charter flights operate with almost all seats filled, and as a result costs can be spread over a large number of passengers and fares can be low. With today's energy shortages, operations at full capacity also help to conserve scarce fuel resources.

It is generally conceded that the legislative framework for airline charters needs reform. Under existing law, the Civil Aeronautics Board is required to impose restrictions on charters by supplemental carriers for the purpose of maintaining a distinction between charter services and individually ticketed services. The only marketable charters permitted under the Board's current regulations are so-called affinity charters, in which members of a charter party must be members of a group with a prior affinity. This type of charter has been widely utilized and has been an essential form of low-cost air transportation. But affinity charters are not available to consumers who are not members of charter-worthy groups, and the affinity regulations are cumbersome and difficult to understand and enforce. European countries have generally abandoned the affinity charter for other forms, such as advance booking charters and inclusive tour charters. These forms of charters have proved so popular that in some European vacation markets, more than half the traffic has moved on charters. The CAB has felt itself constrained as a matter of law, and perhaps as a matter of policy, from authorizing the types of charters prevelant in Europe.

My bill would remove any legal impediments to CAB action and would authorize supplemental carriers to operate two new types of charters: The advance booking charter in which seats would be purchased 30 to 60 days in advance of departure, and the inclusive tour charter, in which passengers would purchase ground accommodations, as well as air transportation. My bill would also require the CAB to continue affinity charters while the new charter forms are being tested and developed.

I urge my colleagues to join with me in working to insure that American conumers have access to the same low-cost charter service as is available to consumers in Europe. Our air transportation system is large enough and strong enough to accommodate consumers at all economic levels.

VIETNAM HUMANITARIAN ASSISTANCE

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mrs. MINK. Mr. Speaker, I was among those who voted against this bill when it passed the House because it provided for a repeal of the prohibitions against military intervention in Indochina. In addition it provided for the use of military force to remove Vietnamese political refugees in category (d) where there was no relationship to any resident or citizen of the United States or where the individual did not meet any eligibility test for admission as an immigrant into the United States. I vehemently opposed such consent of use of arms and therefore voted against the bill. I opposed taking up the bill in the first place and voted for every motion to delay its consideration. Events were transpiring too rapidly in Vietnam for us to even know or comprehend what was taking place. To try to legislate in such an intelligence vacuum is sheer stupidity. My opposition to the consideration of the bill has been fully borne out by the events of this past week.

And so today we are faced with a parliamentary situation where we cannot vote on a measure which resembles the facts as they stand today. We have a conference report which provides for the use of military force under certain circumstances. Yet those circumstances no longer are present; nor could they be present.

All Americans are out of Vietnam. There are none left for whom the use of force is possible. None are left for whom the use of force would justify further evacuation efforts. This issue is dead. This issue is moot. The dangers which I saw in the enactment of the bill are not or could not be present today. Furthermore we have the public promise of the President that he plans no further use of military force to evacuate anybody. He could fulfill his promise and end all suspicions if he would order those U.S. naval ships to head for home, instead of standing outside Saigon. If he violates this promise I shall consider it an impeachable offense.

But given all that has happened this past week since I voted against this bill, I must now reassess the situation.

For the refugees who were enticed to leave their country by our Embassy there is no returning now. They left their country upon our invitation and consent. For whatever reason, justified or not, they have left. For those who have family to go to, I have no concern. There will be loved ones with outstretched arms waiting to welcome them. They will be able to resettle with their American relatives and put together a new life in this land.

But for those who left without a friend or relative in America, my heart bleeds for them. I would not have set such a policy of evacuation. I would have been scrupulously careful in planning whatever evacuation was really needed and made amply sure that only those truly in danger of their lives would have been allowed to leave. There is no excuse for the selection of one Embassy employee for evacuation to yield 46 relatives for departure with that one Embassy employee.

But, be that as it may, this was our policy as set by the White House, by the State Department and by the administration leaders. Whether I agreed with it or not, is now immaterial. The fact remains that these people have left their country under our protection. We cannot now abandon them. If we have any shadow of honor and pride in our name, we must provide shelter, food, and clothing for these people. We must do all we can, as a nation, even if it is without love, to care for the needs of these people who now have no country but ours. I do not plead for their charity, so much as I do for our honor.

The world watched us evacuate upwards of 80,000 Vietnamese nationals. Will the world watch us cut them adrift even before they have reached our shores? How long will they live in tents on Guam and Wake Island?

PEOPLE HELPING PEOPLE

HON. GARY A. MYERS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. MYERS of Pennsylvania. Mr. Speaker, recently I was asked to help the White House in spreading the word about people helping people in their fight against inflation, high energy costs and unemployment.

I was delighted, Mr. Speaker, to learn that just such efforts are already underway in the 25th District of Pennsylvania. I know of several instances, particularly where the elderly are concerned, where people are helping people. The News-Tribune in Beaver Falls, Pa., a fine newspaper in my district, recently published an article about one of these people helping people efforts, worthy of the attention of the House of Representatives. The article in the Beaver Falls News-Tribune is about E. Kenneth Bingham, who has been helping people since 1921, and now that he is retired from the Pittsburgh Tube Co. of Monaca, Pa., he is helping them even more. The article follows.

It's Very Rewarding

(By Judith Brown)

This New Brighton area man remembered his first volunteer job was back in the summer of 1921.

"Norman Harlan and I worked all summer assembling desks at the new high school for 11 cents an hour," said Kenneth Bingham, "but we never got paid."

Bingham, retired as supervisor of inventory control at Pittsburgh Tube Co., Monaca, now does two kinds of volunteer work through the Voluntary Action Center of Beaver County.

He assists the elderly with filing income tax and rental rebate forms and is director of a new operation called "Telephone Assurance."

Bingham said he prepared for volunteer work with a course at Community College of Beaver County (CCBC) on income tax preparation when he retired in December 1972.

"James Ross made arrangements for a state man to teach the Pennsylvania State tax and rental rebate tax," Bingham said. "I thought I could do it."

Bingham said he has since taken a course each year at CCBC to update his knowledge.

He spends an average of 12 to 18 hours per week helping the elderly at Joseph Edwards apartments, Rochester and King Beaver Apartments, Beaver.

"It's amazing to go into a home of any elderly person who received his forms," Bingham said. "They panic and I tell them "let me worry about it."

He continued, "They never amount to that much."

"It's very rewarding because I meet people who think they have a problem they don't have," Bingham said.

As director of "Telephone Assurance", a project began in January, Bingham is responsible for lining up volunteers who phone check on elderly clients on a daily basis. The service is cosponsored by Beaver County

Area Agency on Aging and Lutheran Service Society which gets volunteers through the action center.

Bingham is in charge of 53 clients who have been referred through a caseworker. "I get the age, address, history, all the information about neighbors and close relatives to be contacted in emergency," Bingham said.

"If a client wants service, I get someone in the same telephone area to call every day at a specified time."

Bingham said many clients are ill, even bedridden. The volunteer will remind his client to take medicine and check to see if he or she is all right.

If the client does not answer, an emergency procedure spins into action. The volunteer calls a series of neighbors, ambulance service and relatives to get immediate help to the client.

Another phase of "Telephone Assurance" is now in the planning stage, Bingham said. It's called "Chat" a service for clients who need to spend some time just talking to someone. The service plans on at least 15 minutes a week, but clients may request additional time, Bingham said.

It's been a long road since Bingham and his friend worked at the new high school, now the "old" high school. "We were the first class to graduate after four full years in the building," Bingham recalled.

Bingham attended Central School, New Brighton, until eighth grade. The Binghams now reside in Pulaski Township.

Crediting his wife Ruth with making his volunteer work possible, Bingham said, "If it wasn't for the type of wife I have, I couldn't do it." Bingham said the phone rings at all sorts of odd hours, but his wife is "very cooperative."

GROWING SUPPORT FOR EXTENSION AND EXPANSION OF VOTING RIGHTS ACT

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. BADILLO. Mr. Speaker, the following is an editorial from the New York Times which appeared on Tuesday, April 29, 1975. The editorial serves as further evidence for the growing support for both expansion and extension of the Voting Rights Act. I would also like to note for the RECORD the fact that New York City is one of the jurisdictions that is presently covered by the Voting Rights Act because of the amendments passed in 1970.

The article follows:

PROTECTING VOTERS

The second extension of the Voting Rights Act of 1965 is moving through Congress on the strength of a considerably greater consensus on the law's usefulness than was the case in 1970 when the Nixon Administration tried to dilute the force of the legislation.

The current version is an improvement over the law passed in 1970. The act is to be extended for ten, rather than for five years, so that it will provide enduring protection for voters' rights under the reapportionment following the 1980 census.

A second proposed improvement is a set of provisions, developed by a coalition of legislators led by Representative Badillo of New York, which would extend the law's protections to "language minorities," principally Hispanic Americans. The Badillo proposal should clearly become part of the final legislation.

AN OPEN DOOR TO AMERICA

HON. LEO J. RYAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. RYAN. Mr. Speaker, we have witnessed over the last few weeks the end of one of the most tumultous periods in the history of our Nation. Six Presidents have had to bear the burden of this exhaustive war which cost us 55,000 lives, hundreds still "missing in action," 230,000 maimed and injured veterans still under medical care, an estimated $200 billion already spent and the trust of our young people in our system of government. It was a war which was never formally declared, but lasted longer than any other period of war that the United States has participated in. It was a war in which the mood and support of the American people changed more drastically than any other war. Young Americans for 10 years were required to serve and die for a cause which became less well defined—a cause which some of the staunchest supporters of that war, here in the House, now define as "wasteful" and "ill-advised."

The President says that the action over the last few days, "closes a chapter in the American experience." He has asked all Americans "to close ranks, to avoid recrimination about the past, to look ahead to the many goals we share."

Mr. Speaker, I also would like to "close ranks," to get on with the challenge of fighting a recession and energy crisis, to work diligently in getting this country back on its feet again. But we forget. We forget the thousands of men who, for their actions in expressing disapproval of United States' participation in the war in Southeast Asia, have been convicted or are subject to prosecution under the Federal law for offenses pertaining to military service.

Do we turn our backs and just walk away, because the President says to close the door? We still have a responsibility to these citizens of this country who are living outside the United States. We realize now that they knew what elected officials in both parties are finally realizing.

The President's clemency program which ended on March 31 was reported to be not very successful. I am not surprised. It was too narrowly drawn. Consequently, I have reintroduced H.R. 6302 along with six of my colleagues, which will eliminate many inadequacies of the President's program by specifically, establishing a broad-based citizens' panel, to be known as the U.S. Amnesty Commission which will, upon application by any such person, examine the facts and circumstances of such person's illegal action. It would then make a recommendation to the President as to the most appropriate action for him to take with regard to such person.

Amnesty has been a part of the aftermath of every war in which the United States has been involved militarily prior to the Vietnam war. We have witnessed thousands of Vietnamese refugees being welcomed into this country with open arms by our President. We have heard the Secretary of State mention the possibility of political asylum to Vietnamese officials. Mr. Speaker, the President wants to close the door. I want to leave the door open to our own men who had to seek refuge in another country, because they were smart enough to see both the futility and the immorality of that war years before the rest of us did. We can do no less for them than we can for 100,000 Asians we take in, some of whom will no doubt be given political asylum.

ISRAEL AND THE UNITED NATIONS

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. LONG of Maryland. Mr. Speaker, that the United Nations is becoming a forum for propaganda against U.S. national interests is a disturbing development. A recent article in the Baltimore Evening Sun, March 11, 1975, by the distinguished Harry Bard, former president of the United Nations Association of Maryland, describes the increasing isolation of Israel within the United Nations. I am taking this opportunity to share this thoughtful article with my colleagues.

The text of the article follows:

AT THE UN, ISRAEL MUST SIT IN STONY SILENCE

(By Harry Bard)

Hardly noticed by the American public—unlike the hotly debated actions by the General Assembly and UNESCO last November—the United Nations Commission on Human Rights adopted, at Geneva, on February 21, two resolutions of censure against Israel. This most recent action indicates a full-fledged campaign to politicize all UN agencies in order to embarrass, demean and do injury to Israel.

The first step in this campaign was to have the Arab nations gain voting control of all the UN agencies in alliances with the African and Communist blocs. This early step was attained when the number of Arab nations in the UN increased from 7 in the early 1950's to 20 in the 1970's. Then power was further enlarged: these new numbers used their votes to pledge support for desires of African nations in exchange for votes against Israel. Support by Communist nations came to Arab states in a power play against the West. The power of this "grand alliance" was symbolized by the vote of 105 nations out of 138 UN members to invite the PLO head, Yasser Arafat, to address the General Assembly last November.

What the American public perhaps did not understand fully was that the alliance had not only taken over the General Assembly sessions but also the substructures of that body. Mr. Bouteflika of Algeria was the President. The 17 vice-presidents, the six main committees and the more than 20 standing, subsidiary and related bodies of the General Assembly each had one or more Arab representatives. *But not a single Israeli was on any of these substructures* of the General Assembly that determines policies and procedures.

The UN Charter itself helped establish the isolation of Israel. Article 23 gives the General Assembly the power to elect the ten non-permanent members of the Security Council. Actually, any of the five permanent members of the Council have the power of veto, under Article 27, in respect to substantive issues. Thus, Israel's last bastion of survival in the UN may well rest with the power of the permanent members, such as the United States.

In the Economic and Social Council, Israel's fate is more clearly doomed. Chapter X of the UN Charter is so drawn that members of ECOSOC are both appointed by the General Assembly and are responsible to it. In 1975, there are 54 members of this highly important body responsible for dealing with the underlying causes of conflicts, viz., economic, health, cultural and related matters. Though there are currently four Arab states on the council—*there is not a single Israeli representative.*

ECOSOC operates through standing committees and functional commissions whose members are appointed by the 54 representatives. The eight chief standing committees deal with such key items as housing, building and construction, natural resources, crime prevention, and science and technology. About 200 representatives (country may be on more than one committee) including many Arabs, are on these bodies—*but not a single Israeli on any of the eight committees.*

ECOSOC has six functional commissions which deal with such important issues as status of women, narcotics, population, social development and human rights. In all, there are about 172 representatives—numerous nations represented on more than one of these commissions. There are, as there should be, many Arab representatives. *But not a single Israeli on any of the commissions.*

It was the Commission on Human Rights of ECOSOC that fired the last salvo at Israel. One of the resolutions by this commission last month was a joint indictment of Israel's so-called desecration of Moslem and Christian shrines (a recapitulation of UNESCO's censure in November) and the demand for the release of the Most Rev. Hilarion Capucci, convicted of smuggling arms to Arab guerrillas. This resolution was sponsored largely by commission representatives of four Arab countries—Egypt, Iraq, Lebanon and Tunesia.

The HR Commission voted 21 to 6 (5 abstentions) in favor of the resolution, with five European representatives and the American delegate voting nay. The ironic part of the debate, was that Valerian A. Zorin of the U.S.S.R. accused Israel of violations of human rights. In Russian, the maltreatment of minorities—Latvians, Estonians, Lithuanians, Ukranians, Jews and other indigenous populations is well known by the world.

The second censure of the HR Commission in February was an indictment of Israel's actions to conform with "basic norms of international law" in the occupied lands. This resolution was sponsored largely by Third World delegates such as Ghana, Senegal, Sierra Leone and Zaire. It was a part of the "grand alliance" tactics. It was adopted 22-to-1 with 9 absentions.

Israel, not a member of the HR Commission, could debate the issue, but had not vote. When the report reaches ECOSOC, Israel will have no vote there and when it ultimately reaches the General Assembly, its fate will have been sealed.

The various specialized agencies are established by intergovernmental agreement under Article 57 of the UN Charter and thus virtually any nation which wishes to join any group such as the World Health Organization or the United Nations Educational Scientific and Cultural Organization, may do so. But, according to Article 63 of the Charter, it is ECOSOC that has the responsibility for bringing the work of the specialized agencies into relationship with the UN structure. Moreover, it is the General Assembly which must approve these agreements.

A mere naming of some of the key specialized agencies indicates the highly important work carried out by these UN organs which deal with sensitive problems of economy, culture, health, transportation and communications, food, labor, climate, trade, and atomic energy. In addition to UNESCO and WHO, others are: International Labor Organization, Food and Agriculture Organization, International Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, International Development Association, International Civil Aviation Organization, Universal Postal Union, International Telecommunication Union, World Meteorological Organization, the International Atomic Energy Agency and the General Agreement on Tariffs and Trade.

Each of these specialized or intergovernmental organizations is governed by an executive branch of directors, or a council or governing body, representing from about 20 to 40 countries. On each of these prestigious bodies for the 14 specialized agencies named there are one or more Arab representatives setting policies—as there should be. The latest official inventory of these governing councils shows *not a single Israeli representative on any of the executive bodies for any of the 14 specialized agencies herein noted.*

The lack of Israeli representation is sometimes blamed on the concept of regional representation which the UN Charter encourages. Israel, surrounded in the Middle East by unfriendly nations, is not likely to be selected as a regional representative on these bodies. Indeed IFC, IDA and the IMF take Israel out of the Middle East region and join her with Cyprus, Netherlands and Yugoslavia.

Starting with the General Assembly, through the Security Council, the International Court of Justice (15 judges, never an Israeli) on to ECOSOC and to the specialized agencies, Israel is virtually without a vote. Thus politicization can take place easily. We are likely to see in the near future a series of "censures" of Israel on virtually every subject with which the UN deals, from polluting water, changing the weather, violating abstract art arrangements to devaluating the drachma.

Now that even the lowest levels of UN operations such as committee assignments are completely controlled, we are certain to have a plethora of resolutions by UN organs using Israel as a whipping boy and seeking to create world opinion that would make peace between that nation and its neighbors virtually impossible.

Dr. Bard was an American representative to UNESCO seminar in 1948, once president of the United States Association of Maryland and taught a course on the UN at Johns Hopkins.

APOLLO PUMP MAY SAVE HEART-LUNG PATIENTS

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. TEAGUE. Mr. Speaker, Mr. Nils J. Burzelius of the staff of the Boston Globe, wrote an article in the March issue of that newspaper which sited yet another significant application of space program developed technology of direct benefit of the public. The device Mr. Bruzelius describes is a pump used in the Apollo program which appears to have application for a number of clinical needs. This particular item came from the Apollo program. Many more benefits have been derived from that program as well as continuing benefits we are gaining from our space program as it progresses from day to day. I urge my colleagues to examine this article, recognizing this is only one of the indirect benefits we derive from our national space program, that accrue over and above the direct benefits derived from the use of space communications, weather predictions, Earth resource surveys, and many other beneficial activities. The article follows:

APOLLO PUMP MAY SAVE HEART-LUNG PATIENTS

(By Nils J. Bruzelius)

A novel pump, first used in spacesuits worn by the Apollo astronauts, may lead to major improvements in life-sustaining heart-lung machines, a team of physicians and engineers said yesterday.

The pump could also open the door to new progress with artificial hearts or machines to sustain, for days or even weeks, victims of heart or lung failure, the Cincinnati-based team said at a news conference. The pump might also prove useful in widely used kidney machines.

One of those working on the device was a man who depended on the pump when he became the first human to set foot on the moon—astronaut Neil A. Armstrong, Jr.

Now a professor of aerospace engineering at University of Cincinnati, Armstrong said the "Apollo double-diaphragm pump" was used in backpacks worn by the astronauts to circulate cooling water through the suits.

He said he suggested use of the pump for heart-lung machines after joining a four-man team working on biomedical engineering problems.

The promise of the pump lies in a "surprise" finding that it is much less destructive to red blood cells than the best conventional pump used in heart-lung machines, said Dr. Henry J. Heimlich, chief of surgery at the Jewish Hospital in Cincinnati. Existing heart-lung machines are commonly used in major operations like open-heart surgery to maintain blood flow and to add oxygen and remove wastes from the blood.

In standard tests with fresh dog blood, the researchers found that the Apollo pump was "10 times less destructive" than so-called "roller" pumps most commonly used in heart-lung machines. He said the device also has the apparent advantages of being small and reliable, requiring little power and producing a constant flow of fluid.

The device in its present form fits easily in an adult's hand and could be further miniaturized, the team members said.

Armstrong and Heimlich have been working on the pump with two collaborators, Dr. Edward A. Patrick, a medical doctor who is professor of electrical engineering at both Purdue University and the Indiana School of Medicine and George Rieveschl, vice president for special projects at University of Cincinnati.

The team was to present the first scientific paper on their work today to the 10th annual meeting of the Association, for the Advancement of Medical Instrumentation at Boston's Statler Hilton.

Heimlich emphasized that "we're a long way from being able to use" the pump in patients and that work is only now beginning to modify the device to make it "compatible" with human blood and to test its usefulness in animal experiments.

"We anticipate doing a great deal of work to find out if there are other limitations (to the pump's usefulness) that we don't yet recognize," Armstrong told newsmen.

The promise of the device lies in the fact that even "raw" form precisely as it was provided by the National Aeronautics and Space Administration (NASA), the pump proved less harmful to blood than existing devices.

A measurement known as the "hemolvtic index," which indicates the degree of destruction of red blood cells, averaged out to .0032 for the Apollo pump, compared with an average figure of .04 for the best conventional pump.

These results will probably improve further when metal and other parts of the existing pump are modified with coatings of materials less likely to damage the red cells, Heimlich said.

The relatively high degree of damage produced by present heart pump machines is the chief factor that limits how long they can be used, Heimlich noted. Although attempts have been made to sustain patients for up to three days with heart-lung machines, the safe limit is usually considered to be no more than several hours, he said.

After that time body organs, particularly the kidneys, tend to clog up with the debris of damaged blood cells, and other harmful effects accumulate as well.

A heart-lung machine that could be used indefinitely has long been sought by medical researchers, for it would greatly improve physicians' ability to sustain patients through disease crises like heart attacks and post-operative pneumonia.

NATIONAL RAISIN WEEK, MAY 2-11

HON. JOHN KREBS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. KREBS. Mr. Speaker, tomorrow marks the beginning of National Raisin Week for 1975.

As many of my colleagues know, the San Joaquin Valley in the State of California, of which I represent a portion, is one of the richest agricultural areas in the world. Notable among the vast variety of agricultural products produced in the San Joaquin Valley is the raisin.

The green San Joaquin Valley serves as the center of the Nation's raisin industry and produces nearly one-half of the world's supply of raisins, and almost all of the raisins sold in the United States.

It is my pleasure today, Mr. Speaker, to introduce, in behalf of myself and my distinguished colleague, the Honorable B. F. SISK, who also represents an area rich with thriving vineyards, a brief statement commending this most important industry.

Mr. Speaker, National Raisin Week offers an excellent opportunity to recognize the California raisin industry, which produces, processes, and markets a large portion of the world's raisin supply.

This week has been set aside to call attention to a quarter billion dollar industry which directly involves many thousands of people throughout the United States in the production, distribution, and sale of raisins.

People throughout the world, Mr. Speaker, enjoy the fruits of labor by these thousands of individuals, many of whom reside in my district and that of Mr. SISK.

For many years the raisin has been used in the kitchens of America, not only as a compliment to main dishes, but also in many recipes for breads, cookies, puddings and other delicacies. Millions of people enjoy raisins as a snack during the day, often replacing foods that are of less nutritional value. For not only is the raisin tasty, but it contains iron and vitamins, thus serving as an excellent source of nutrients.

However, Mr. Speaker, like many industries, the raisin industry has been undergoing some economically difficult times recently.

In 1972 the California vineyards suffered extensive frost damage, only to be later confronted with a curtailment in purchases by various institutions and industries which were facing rising prices of supplies.

The outlook is somewhat brighter now as a result of U.S. consumers purchasing a record quantity of raisins during the past year in response to promotional activities by the California Raisin Advisory Board.

It is hoped that consumers will continue the record buying practices, and that soon many food-related industries and institutions, which formerly purchased large quantities of raisins, will return to their use of the raisin.

The net return will be that the raisin industry will continue to maintain its substantial contribution to the economy of California and the United States.

Mr. Speaker, in honor of the raisin industry and the week of recognition that has been set aside for it, it is my pleasure today to offer my colleagues samples of raisins grown, processed and packaged in the central San Joaquin Valley of the State of California.

RISING UNEMPLOYMENT AND RISING CRIME RATE

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. HAWKINS. Mr. Speaker, the rising crime rate is directly related to the rising unemployment rate, as pointed out by Mr. Tom Wicker in the following article. Of special interest is the apparent multiplier effect of unemployment on the crime rate and the poor prospects for deterrence as a successful method of crime prevention in times of rising unemployment. I wish to bring special attention to Mr. Wicker's statement that—

> Maybe full employment and reduced economic disparities would do more to make the streets safe than any number of policemen.

The article follows:

[From the New York Times, Apr. 4, 1975]

JOBS AND CRIME

(By Tom Wicker)

LOS ANGELES.—Crime was sharply up in 1974, according to Federal Bureau of Investigation statistics, and Attorney General Edward Levi thinks that bears out his prediction that rising unemployment would cause more crime. With unemployment generally above 8 per cent and as high as 41 per cent for black teen-agers, there is little reason to doubt Mr. Levi's analysis.

As reported by The Los Angeles Times, the F.B.I. statistics show the incidence of crime to have risen by 17 per cent in 1974, compared to only 6 per cent in 1973. Violent crimes—murder, rape, robbery and assault—more than doubled to 11 from 5 per cent; property crimes tripled, from 6 to 17 per cent in 1974. Crime statistics are not entirely reliable, for many reasons, but these F.B.I. figures seem to reflect a definite upward trend.

That these increases at least to some extent are the product of rising unemployment can hardly be doubted. For one thing, the crime increases were sharpest in the last three months of 1974, when the economic recession was gathering speed and producing large-scale layoffs and business failures.

For another, cities where unemployment was at its worst suffered the biggest increases in the incidence of crime. As the number of unemployed persons nearly doubled from 7.9 to 14.9 per cent in Detroit, for example, the crime rate there rose by 17.9 per cent. But in Houston, where the rise in joblessness was only from 3.7 to 4.6 per cent, crime increased by only 10 per cent.

These figures were entirely predictable. As Mr. Levi suggested in his confirmation hearings, when jobs are not available, when layoffs are widespread and when the first-fired are likely to be those lease skilled and least educated, hence least able to get and keep whatever work may be available—particularly when prices also are rising—an increase in crime is almost bound to result, as the jobless seek some way to maintain themselves, or their families, or their drug habits, or their installment payments, or their loan shark, or all of these.

The direct translation of unemployment into crime may be seen increased, in the current situation, by the well-known phenomenon of disappointed expectations. Hundreds of thousands of blacks, Spanish-speaking people, and other minorities, in the wake of the city riots of the 1960's, gained employment from concerned businesses, government projects and affirmative-action programs. New vistas seemed to open through economic opportunity. Now recession has clouded those vistas; and the old story of "last hired, first fired" is once again a bitter reality. How much crime is a direct result of such dashed hopes and frustrated ambitions would be hard to measure; it may well be much.

High unemployment, moreover, is likely to result—as the F.B.I. figures suggest—in precisely the most-feared forms of crime. Since layoffs disproportionately affect the poor, the unskilled and the disadvantaged, they stimulate muggings, robbery and assault, which are predominantly crimes of the poor, often against other poor people. And one high-risk class of potential offenders—ex-convicts—are particularly affected by hard economic times. It is difficult enough for excons to find work during periods of prosperity, and all but impossible in a recession—which is one good reason why recidivism rates are estimated as high as 70 per cent.

Mr. Levi drew from the higher crime figures the conclusion that a greater emphasis was needed on "deterrence." This is no doubt true, since—as he pointed out—about a third of violent crimes go unreported, much less punished, and only a small percentage of those arrested for felonies can be convicted. But "deterrence" is nevertheless a limited prescription for what ails us.

That is, the more desperate economically a potential offender may be, the harder he will be to deter from committing an offense. Thus, as economic deprivation heightens desperation, as seems clearly to be the case at present, the less effect deterrence may have.

Deterrence of crime, moreover, in the opinion of most who have studied the matter, is more nearly a question of the *certainty* of punishment than of the severity of punishment. So if economic hardship increases the number of crimes likely to be committed, it correspondingly decreases the likelihood of punishment for any one of them. Hence, the deterrent effect of the criminal justice system may be even less than it would be in times of prosperity.

Mr. Levi's concern is properly the criminal justice system. The rest of us, rightly fearful of crime as we are, might also ponder the implications of the apparent link between rising unemployment and rising crime. Maybe full employment and reduced economic disparities would do more to make the streets safe than any number of policemen.

THE EMERGENCY FARM BILL

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. BEDELL. Mr. Speaker, I am tremendously disappointed by President Ford's decision to veto the emergency farm bill. In my view, it can only result from either a complete misunderstanding of the nature and gravity of the current agricultural situation or a calculated insensitivity to the legitimate needs of the American farm community. In either event, the veto must be overriden by the Congress in the overall interest of the Nation.

There is simply no rational justification for a veto of the emergency farm bill. H.R. 4296 is a necessary and responsible piece of legislation which was drafted to meet a very real and pressing need of our Nation's agricultural producers. Its implications, however, extend far beyond the farm community itself. If the emergency farm bill is rejected, and no responsible action is taken to ease the predicament of America's farmers, the effect of the current uncertainty in the agricultural market is certain to reverberate throughout the entire American economy with detrimental results for producers and consumers alike.

The President has justified this veto on the basis of cost. He argues that the bill is inflationary. I submit that this attitude represents a total misunderstanding of the current agricultural situation and constitutes a shortsighted and parochial approach to what is in reality a very serious national problem. It totally ignores the long-range economic and social costs of the defeat of this bill.

The cost to the Government of H.R. 4296 has been estimated at approximately $210 million over present law. The cost of the defeat of this bill would be much greater. Existing law does not provide meaningful or realistic protection for agricultural producers. Defeat of H.R. 4296 would very likely induce a rash of bankruptcies and push more and more families off the land and into the already swollen ranks of unemployed. In turn, we will see the concentration of more and more land in the hands of fewer and fewer landholders and corporate farms, increased monopoly practices and price fixing, and, in the end, higher prices at the grocery store.

H.R. 4296 would do much to forestall these developments by raising target and loan rates to levels which would assure that, should the bottom fall out of the market because of a possible large surplus the farmer would have some guarantee that his losses will not be as catastrophic as under present law. It would in turn do much to assure the American consumer of adequate supplies of food at reasonable prices. The small farmers of America need this legislation. And so do consumers as well.

Before closing, I would like to make one final point on the administration's role in the implementation of American farm policy. In the past week, Secretary Butz has indicated on several separate occasions that he is aware of the severe burden which our current economic problems have placed on American agricultural producers. In an appearance before the Joint Economic Committee just last Friday, he stated, in reference to falling commodity prices and rising operating costs, that "farmers are taking it out of their hide." The Secretary is 100 percent right. The question thus is, why will not the administration do something to help the farmer? Apparently Mr. Ford and Mr. Butz have sympathy for the predicament of the American farmer, but no compassion for his plight.

It is ironic that the administration is on the one hand calling for expanded food production from the farm community, yet it is not prepared to provide a minimum of protection for farmers against the possible collapse in prices.

Of course, President Ford has indicated that he would adjust support levels if farm prices collapse later this year. But he declines to say how low prices must fall before he will act. In light of the administration's past record on farm policy, the American farmer cannot be blamed if he views the President's assurances with considerable skepticism. I too have little faith in his promises.

The American farmer has been bearing more than his fair share of the burden of holding down the cost of living in America today. I believe that the Federal Government has a responsibility, yes an obligation, to provide the American agricultural producer with a modicum of protection against falling prices. To do less would invite great economic and social cost for the American Nation. The veto of this legislation leaves America's farmers with a promise, not a program. I urge you to vote to override the Presidential veto of H.R. 4296.

DEDICATION OF FORT MYER BUILDING FOR U.S. ARMY BAND AND CHORUS IN HONOR OF WILBER M. BRUCKER

HON. ROBERT C. McEWEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. McEWEN. Mr. Speaker, on March 29, the cornerstone was laid at Fort Myer, Va., for a permanent building for the U.S. Army Band and Chorus. It was dedicated to the memory of a distinguished American and former Secretary of the Army, Wilber M. Brucker, longtime backer of the Army band and originator of the Army chorus. Most appropriately, the dedicatory address was made by Gen. Bruce C. Clarke, retired. These two men, who saw each other infrequently, shared a common bond in their deep concern for the morale and welfare of the men and women of the Army. Wilber M. Brucker, in his position as Secretary of the Army, worked tirelessly and fruitfully in his devoted efforts toward improvement of conditions for the soldier. Bruce C. Clarke, World War II hero and former commander of U.S. Army Pacific, 7th U.S. Army Europe, Continental U.S. Army Command, and U.S. Army Europe, strove ceaselessly toward similar objectives from his position as field commander. Their accomplishments are renowned in the Army. It is proper that this now be brought before all American people. No stranger to my district in northern New York, former Secretary of the Army Brucker took an active interest in the U.S. Army Corps of Engineers' efforts in the construction of the U.S. section of the St. Lawrence Seaway. When citizens of northern New York honored their native son, General Clarke, by dedicating to him the Bruce C. Clarke High School Building in Adams, N.Y., Mr. Brucker journeyed north to pay tribute to him in a dedicatory speech. It was fitting, therefore, that General Clarke be given opportunity to respond at the dedication of Wilber M. Brucker Hall. It is with high respect and personal admiration for two great Americans that I offer General Clarke's remarks for insertion into the CONGRESSIONAL RECORD.

Dedication of Fort Myer Building for U.S. Army Band and Chorus in Honor of Wilber M. Brucker

We gather today near the graves of our country's honored dead, in Arlington National Cemetery, to pay tribute to a great soldier, attorney, governor, Defense Department counsel, Secretary of the Army, leader, commander and statesman.

A short distance from here he lies buried under a simple headstone on which is inscribed:

WILBER M. BRUCKER, LIEUTENANT, U.S. ARMY

It is fitting that we honor the memory of this extraordinary man by naming the permanent U.S. Army Band and Chorus Building for him. He always felt that music played a great part in the morale of the soldier. He originated the United States Army Chorus.

Present here today is his beloved widow, Clara H. Brucker, who was ever by his side in his many activities from Prosecuting Attorney to Secretary of the Army. She, very systematically, kept notes and took pictures which lend to a fascinating book covering the activities of the Wilber M. Brucker Family. She has combined these into a volume entitled, "To Have Your Cake and Eat It."

Wilber Brucker was born of a modest family in Saginaw, Michigan; graduated from the University of Michigan Law School. He was elected to public office early—State Attorney General at 33 and Governor of Michigan at the age of 36. But he did not neglect his military obligations. In 1916 he went to the border as a sergeant in the Michigan National Guard. From there he went to the First Officer's Training Camp and was commissioned a Second Lieutenant and was sent to France, where he was assigned to the Rainbow Division. He was a First Lieutenant when he was mustered out.

In the Eisenhower Administration he was selected to be the General Counsel of the Defense Department and from 1955 until 1961 he was the Secretary of the Army.

Although I had several contacts with Secretary Brucker during this latter five and a half-year period, one sticks out in my mind. Early in 1956, I received a call to report to Mr. Brucker in the Pentagon. I was then Commanding General of the U.S. Army, Pacific, with headquarters in Honolulu. Within hours I was in the Scretary's office.

He opened at once with "How soon can you go to Germany?" I said, "Today, I've got my bag with me." He said that that was not required but to get there soon, take command of the 7th Army and straighten out the relations between our soldiers in Germany and the German people. As I rose to take my leave, he said, "General, I'll give you 90 days to get on top of this or I'll find someone who can." True to his word, he visited me in about 90 days.

A highlight in Wilber Brucker's period as the Secretary of the Army was on January 31, 1958 when the Army put the first "Explorer" into orbit. The Army put a "Jupiter 6" missile into orbit in 82 days after it had been told to go ahead. Wilber then coined, and used, a new phrase at every opportunity, "By Jupiter."

When Mr. Brucker left as the Secretary of the Army, the then Chief of Staff said, "The morale of the Army was at its lowest when Secretary Brucker took over, and today it is the highest it has ever been in peace time." Among other things he had refurbished the old dilapitated World War II barracks buildings under a program which the soldier knew as "Bruckerizing."

During the period when he was the Secretary of the Army, I was constantly in command of troops in the field with operational and training missions: USARPAC, 7th Army, CONARC and USAREUR. His tremendous interest and support of the Army's missions came through loud and clear to the squad level and to the top headquarters. Many officers and men have remarked about the level of soldiering being at an all-time high during that period when he was its Secretary.

CLEVELAND'S PROGRESS IN VOCATIONAL EDUCATION

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. MOTTL. Mr. Speaker, Superintendent Paul Briggs from Cleveland provided excellent testimony this morning on vocational education to the Subcommittee on Elementary, Secondary, and Vocational Education. His testimony shows the progress made in Cleveland during the last 10 years in making vocational education available to our city's youth. He pointed out that in 1964 only 7 percent of 11th and 12th graders were enrolled in vocational education. But by 1974 that percentage had increased to 58 percent. In my opinion that achievement is attributable to Dr. Briggs and to the entire Cleveland public school system.

The testimony follows:

Testimony of Paul W. Briggs

(Note.—Charts not reproduced in the Record.)

I welcome this opportunity to appear before this committee to speak briefly about the needs, the programs, and the progress of vocational education in the Cleveland Public Schools. I am especially appreciative of the efforts that the members of Congress have consistently made to improve the quality of education in our urban centers.

At no time in the history of this nation has it been more essential that we have a large and adaptable program of vocational preparation.

The situation is particularly acute in the urban centers of America in which there are concentrated millions of young Americans unemployed and largely unemployable.

In the area of vocational education, the urban centers, stricken as they are by massive unemployment and despair, feel the urgency of developing new dimensions in vocational education opportunities. The schools of our big cities must prepare youth not only for the jobs presently available, but also for the rapidly changing labor demands resulting from technological advances.

The effective high school in the major city is one whose program equips its graduates for two alternative routes—one to continuing study and training, and the other to immediate employment. Students, upon completion of high school, must leave with the confidence that they can choose immediate employment with no loss of dignity.

As graduates of our high school enter the job market, they must be equipped with proficiency in basic industrial skills which will allow them not only to fill today's jobs, but to adjust to the jobs of tomorrow.

The total number of Cleveland high school pupils enrolled in eleventh and twelfth grade vocational programs has increased from seven (7) percent in 1964 to 58 percent during this year.

In serving the vocational education needs and interests of our students, we must recognize the continuum from the pupil with limited ability and low motivation to the pupil with exceptional ability and high motivation.

For approximately 29 percent of our vocational high school enrollment, Cleveland provides two of the nation's finest vocational high schools, Max S. Hayes and Jane Addams. Students are accepted in these high schools by application only. There are virtually no dropouts and all the graduates are placed on jobs, often several months before graduation.

Max S. Hayes has a wide range of programs, including Patternmaking, Architectural Drawing, Building and Construction Trades, Service and Hand Trades, and a Technician Training Program for mechanical, electronic, horticultural, retail management, chemical, and industrial technology.

Jane Addams has a range of programs which includes Cosmetology and Power Sewing. Post high school programs at Jane Addams include the Dental Technician Program and the Licensed Practical Nursing Program. Since 1969, the Dental Technician Program, with an average of 50 percent minority enrollment, has a success rate of 94 percent of the pupils receiving certification; the Licensed Practical Nursing Program has a success rate of 95 percent of the pupils receiving licenses.

Cleveland has a new Aviation High School to prepare students in all aviation areas, from ground transportation to tower control.

Cleveland also has a ship, U.S.S. Woodbine, which prepares students for the maritime services which include diesel engine, deck operation, and stewart training.

The majority of high school students have vocational education needs and interests which can best be met in our comprehensive high schools.

Vocational programs are designed to meet the needs of our pupils. These needs reflect the socio-economic and ethnic characteristics of the Cleveland community.

Cleveland is the largest city in Ohio. The school district is the largest in the state, enrolling seven (7) percent of all Ohio school children. However, our district has nearly one-fourth of the children from welfare families in the state.

In 1965, 11 percent of Cleveland school children were recipients of public assistance. This year the percent more than tripled to 34 percent, and we now have over 57,000 school-age children in Cleveland who are members of families receiving public assistance.

Fifty-seven (57) percent of our students are black. Of the remaining students, less than one percent are American Indian, less than one percent are Oriental, approximately three percent are Spanish-surnamed, and 39 percent are designated as "All Others," using categories prescribed by HEW.

The unemployment rate for the nation as a whole in March, 1975, was approximately 9 percent. The estimated March unemployment rate in Cleveland was 13 percent. The percentage of unemployed whites was 9 percent, while the non-white figure was 21 percent. The non-white rate is even higher in the inner city.

There are in Cleveland today 28,825 adults whose occupational potential is critically limited by their functional illiteracy. The number of adults with functional illiteracy exceeds either our regular junior high school enrollment (28,694) or our regular senior high school enrollment (26,527).

It is the poor and unemployed to whom we must address ourselves. The poor and unemployed in the inner city need supportive services and programs designed to overcome the effects of poverty. Through education, we upgrade people socially and economically.

Critical to our efforts in overcoming racial isolation and poverty is financial assistance from the federal government. At a time when we enroll more and more poor pupils and we see an increasing unemployment figure for the inner city, we find a steady decline in the amount of tax revenue available to us. This decrease is attributable to a lowering of taxable values in Cleveland, although the voters have increased their taxes 137 percent since 1964.

As our tax revenue is decreasing, we find a steady increase in the cost of doing business in Cleveland. Our 1973–74 per pupil cost was $1,224 annually, while the state average was $968. It costs us more to operate our school buses—our costs are $1.20 per mile, while the state average is 47¢ per mile. We pay our custodians $6.75 an hour; Cincinnati pays $4.20 and Lima $3.75. Cost of construction, wages, and maintenance and repair services are higher in Cleveland than elsewhere in the state.

Evidence of the higher cost of doing business in Cleveland is reflected in the comparison of the hourly rates paid to various building trades within major Ohio cities.

In a large metropolitan area such as Cleveland, technical-vocational education is a critical need. The Vocational Education Act of 1963 and Amendments to the Act in 1968 stressed the role of school systems in developing special programs which fully utilize existing school facilities to provide vocational, manpower, and job training and placement programs. Through the years, we have been very fortunate in having a comfortable relationship with officials of the federal and state governments, and as a result of federal and state funds, we have been able to mount many innovative vocational education programs in Cleveland.

In 1964, our system offered 52 classes in vocational education. Now—eleven years later, the number has risen to a total of 523 classes in two exclusively vocational high schools, in two manpower training facilities, and in our comprehensive high schools. In addition, we have 16 programs in Special Needs to serve over 2,700 disadvantaged and approximately 900 handicapped with special problems, and 102 adult classes which serve over 1,900 adults.

Another area of continuing and increasing importance to the Cleveland Public Schools is our manpower program. Our two primary manpower facilities are the Manpower Training Center and the Woodland Job Center.

Originally funded by the Manpower Development and Training Act and now funded by the Comprehensive Employment and Training Act, the Manpower Training Center offers a job training program for disadvantaged, unemployed, and underemployed men and women in a five-county area. The Manpower Training Center also offers training programs for the handicapped and for individuals incarcerated at the Cleveland Workhouse.

The Manpower Training Center has the capability, working with the State Department of Education, Division of Vocational Education, to design, develop, and implement specialized programs. In addition to training programs, the Manpower Training Center provides such supportive services as counseling, guidance, basic education, General Education Development (GED) programs, nutrition, and job placement. Priority for enrollment is given to Vietnam veterans and to the disadvantaged.

Ninety-three hundred (9,300) adults have been served since the Manpower Training Center opened in 1965. Since then, more than 77 percent of the participants have been placed in jobs.

The Manpower Training Center often has responded directly to the needs of Cleveland business and industry. Recently, the trucking industry expressed a need for truck drivers. We now have at the Manpower Training Center a fleet of trucks and a highly specialized program in truck driver training. Needless to say, this is a high impact program; we may be sure that we will realize a very high percent job placement.

The Woodland Job Center offers training and actual production of products to the out-of-school youth who wishes assembly-line-type employment. This facility is a factory donated to the school system by the General Electric Company.

At the Woodland Job Center are several assembly lines, managed by Cleveland industries, which are manned by enrollees. Also available are supportive services such as those offered at the Manpower Training Center.

Since 1969, 96 percent of over 2,100 students from the Woodland Job Center desiring work were placed in jobs upon completion of their training.

You will note the 19 percent difference in job placement between the Woodland Job Center and the Manpower Training Center. At the Woodland Job Center, the Cleveland Public Schools is responsible for job placement; at the Manpower Training Center, originally the Ohio Bureau of Employment Services placed students on jobs and now the Aims JOB is responsible for job placement. The on-going personal relationship with students at the Woodland Job Center allows a higher degree of success in placing students on graduation.

The Woodland Job Center also houses the vocational Work-Study Program through which participants may work part time in a field relating to their work and study at the Center.

Designed to encourage the 18 to 21 year-old dropouts to return to school to obtain job preparation and their high school diplomas, the twelve-year old Work-Study Program has a job placement average of 60 percent of its almost 10,000 students. Since many work-study students receive their high school diploma, some graduates enroll in college and other continuing education programs.

The Cleveland Public Schools also offer vocational programs, both as special offerings and as part of the mainstream, to handicapped students, including the educable mentally retarded and the deaf and crippled. These programs, serving almost 900 handicapped pupils, include such courses as baking, shoe repair, and power sewing.

In every field we have been making vocational instruction more relevant by tapping the technological skill of business and industry with more than 67 advisory committees in vocational education.

May I say at this point that the business and industrial leadership of Cleveland deserves special commendation for its support and cooperation in our efforts to upgrade vocational education and expand opportunities for Cleveland youth.

To demonstrate to the student in the inner city that success in school can lead to employment, we have established an aggressive job placement service for graduates of our six inner-city high schools.

Over the past eight years, the Cleveland Public Schools' Job Development Program has placed an average of 94 percent of those inner-city high school graduates desiring work. In spite of the difficult economic times this past year, 94 percent of the June, 1974 graduates of inner-city high schools were placed in jobs.

This outstanding model should be expanded to all sites in the Cleveland Public Schools. We recommend that funds be provided to support Job Placement services for each vocational program.

Another area of importance is our Apprenticeship programs. These programs are not closed to minorities in Cleveland as they are in some areas of the country. Since 1965, minority enrollment in these programs has increased from three (3) percent to 20 percent this year.

The Cleveland Public Schools' Comprehensive Youth Service Program, formerly called Schools Neighborhood Youth Corps (SNYC), has been cited as one of the nation's finest. We have been involved in this program, funded by the U.S. Department of Labor, since 1965.

The Comprehensive Youth Service Program provides practical work experiences for in-school youth 14–21 years of age from low-income families. The program is designed to provide employment so that youth can earn money while they remain in school. The Comprehensive Youth Service Program encourages young people to finish high school, to develop work habits, and to consider post-high school training or college. Although this is a year-long program, the summer component is more exciting because of the large numbers of participants and the emphasis on coordinated work and academic experiences.

During the first summer of the program, we served nearly 800 needy youngsters. In 1974, we served 10,438 disadvantaged young people.

In 1965, the summer program was strictly a job program. Beginning in 1966, an emphasis was placed upon the coordination of work and academic experiences.

The Cleveland Public Schools has received additional support for the educational component of its Comprehensive Youth Service Program. The Department of Vocational Education of the State of Ohio has supplied grants totaling $967,635 for vocational training in conjunction with the Comprehensive Youth Service Program's summer work experience. An allocation of $204,865 was made available to the Cleveland Public Schools for this purpose in the summer of 1974. Such programs as Horticulture, Printing, Building Maintenance, Appliance Repair, Woodwork, and Auto Repair provided the youth with high school credit, together with appropriate job training.

Another Comprehensive Youth Service Program educational component was the "Go To College" program. This program, now in its fifth year, is designed to assist young people in having a worthwhile experience on a college campus and in earning college credits while still enrolled in high school. During the past five years, foundations have contributed approximately $100,000 to the "Go To College" program to provide the cost of tuition, books, and program coordination.

In looking at one of our inner-city high schools (East Technical), the data document the positive outcomes of our efforts to stimulate and support students' occupational aspirations. Chart VII indicates the percent of 1968, 1971, and 1974 East Technical graduates who continued in further education or who were placed on jobs.

Chart VII reveals that the percent of graduates continuing further post-high school studies increased from 25 percent in 1968 to 41 percent in 1971, and 43 percent in 1974.

During the same period, despite the steadily increasing scarcity of jobs, the percent of graduates placed in employment rose from 37 percent in 1968 to 39 percent in 1971, and to 46 percent in 1974.

At the same time, the dropout rate at East Technical was dramatically reduced by more than one-half—from 19 percent in 1967–68 to 17 percent in 1970–71, and to 8 percent in 1973–74.

In reviewing the last five years, almost four million dollars in scholarships and financial aid were awarded to the East Technical graduates for college and other post-graduate education, or an average of $3,665 per student. This average amount per student is approximately ten times the average of $371 per student in scholarship aid received by East Technical graduates prior to this time.

In fact, in all our Cleveland schools we are graduating more students, despite a decreasing enrollment, as indicated on Chart VIII.

Vocational education has helped us provide programs which meet the needs, interests, and abilities of students, and therefore has helped us reduce the number of high school dropouts.

The broad range of vocational education programs which we have in the Cleveland Public Schools are outlined on Chart X, Parts A and B.

In spite of Cleveland's major efforts, we have still not caught up with the tremendous need for a greatly improved and expanded program of innovative vocational education for Cleveland—a program which will reach the total spectrum of student needs and interests and which will be consistent with the specific labor needs of our expanding economy. There is room to expand our programs, facilities, and successes—if we had the funds to do so.

We have a highly effective manpower network. Buildings, staff, and equipment are operative at this very moment. We have a high record of job placement in all phases of our manpower and career education programs. We have room for expansion. We have the essential educational component. We have a very comfortable relationship with Cleveland business and industry. And, as a separate, non-political unit of government, we respond to the disadvantaged from areas outside the boundaries of the City of Cleveland.

In conclusion, I would recommend serious consideration of the following:

Special provisions to assure support of vocational education programs serving students of greatest need. The most useful measure of need is unemployment among youth. The programs that most deserve support are those located in areas of greatest youth unemployment. There is no question that the urban areas have the most intensive and extensive unemployment problems.

A greatly increased level of financial support. Vocational education properly conducted is costly, but the consequences of inadequate support are much more costly. The education of the students who enter immediate employment is no less important than the education of the minority who go on to college. The urban student who goes to work deserves to have just as much invested in his education as his most favored suburban contemporary who is preparing for a prestigious college. Not only is an increased level of financial support necessary to provide for the types of students who presently enroll in vocational education programs, but additional support is also required to enable the necessary expansion of vocational education programs so that they can serve a wider range of students.

Provision to guard against proliferation in control and administration of vocational education programs. Nothing can dissipate resources more or ensure confusion and delay than spreading the responsibility for control and administration too widely. What we need are the shortest and most direct possible lines of control.

The movement and rapid change in the productive economy of this nation have left behind too many people, the most crucial masses of whom are to be found in our cities.

The crisis in the great urban centers is the most serious domestic issue which this nation has faced in the twentieth century.

Basic to the solution of this crisis is solving the inter-related problems of unemployment, underdevelopment, poverty, and despair.

Vocational education creatively planned and sensitively administered will play a key role in an attack on these problems.

INTRODUCES LEGISLATION TO PUT PEOPLE TO WORK

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. HEINZ. Mr. Speaker, I wish to bring to the attention of my colleagues testimony presented earlier today before joint hearings of the Senate Committee on Commerce and the Senate Committee on Labor and Public Welfare in support of urgently needed legislation to put people to work and to rebuild our railroad rights-of-way.

I am bringing this to the attention of my colleagues, the members of the House Subcommittee on Transportation and my fellow members of the House Interstate and Foreign Commerce Committee in support of the need for scheduling hearings and quick action on H.R. 4622, the Railroad Right-of-Way Improvement Act.

H.R. 4622 is designed to employ over 50,000 workers to upgrade and revitalize our railroad system. I believe legislation of this kind is essential to our economic well-being and is deserving of our prompt consideration.

The testimony follows:

TESTIMONY OF H. JOHN HEINZ III, M.C.

Mr. Chairman, my name is H. John Heinz III and I am appearing before your Committee as a United States Congressman representing the 18th Congressional District of Pennsylvania and as a member of the Interstate and Foreign Commerce Committee of the United States House of Representatives. I appreciate this opportunity to express my views today on S. 967, S. 1326, S. 1436 and related legislation designed to put people to work rebuilding our Nation's railroad rights-of-way. Particularly, let me take this opportunity to compliment the members of this Committee and its distinguished Chairman, the gentleman from Indiana, on your wisdom of recognizing the importance of this kind of legislation. It provides perhaps the most logical use of taxpayers' dollars for what might be broadly considered public service employment. I congratulate you on your swift action in scheduling hearings on these proposals.

Mr. Chairman, I also appear here today as the author of H.R. 4622, the Railroad Right-of-Way Improvement Act of 1975, which I introduced on March 11, 1975. Cosponsoring the introduction of H.R. 4622 were both minority members of the House Transportation Subcommittee of the Interstate and Foreign Commerce Committee, namely the gentleman from Kansas and ranking minority member of the Subcommittee, Mr. Skubitz, and the gentleman from New York, Mr. Hastings. Subsequently, the gentleman from Ohio and ranking minority member of the House Interstate and Foreign Commerce Committee, Mr. Devine introduced identical legislation.

Since then, a number of congressmen from both the minority and majority have joined in cosponsoring this legislation, making it a truly bipartisan measure to help our deteriorating railroads and our sagging economy. I would add that H.R. 4622, or identical versions of it, are the only bills that I am aware of that have been introduced in the House of Representatives to date dealing with subject matter similar to S. 967, S. 1326, and S. 1436.

It is gratifying to all of us who sponsor or cosponsor H.R. 4622 that this bill has generated broad and strong support from many sources. Editorial support has been forthcoming from the Locomotive Engineer which carried an editorial entitled "Heinz Bill Deserves Support" on April 11, 1975, and from the Houston Post, in its editorial "Making Tracks" of April 20, 1975. Strong written endorsements have been received from such diverse groups as the Brotherhood of Locomotive Engineers, the Southern Railway System, the Pennsylvania Department of Labor and Industry, the Brotherhood of Maintenance of Way Employees (AFL–CIO), the Jones and Laughlin Steel Corporation, the United Steelworkers of America, the Railway Labor Executives Association, the Association of American Railroads and the American Federation of State, County and Municipal Employees. I am submitting these editorials and letters of support to the Committee for inclusion in the hearing record if the Committee so desires, together with several articles reporting on various aspects of the legislation, including articles from the Bureau of National Affairs captioned "Bills Offered to Underwrite Jobs for Rebuilding Nation's Railroads," dated March 14, 1975, from the United Transportation Union News, titled "Rail Rebuilding Plan Gains Support," dated March 26, 1975, from Labor Newspaper headlined "Unions Back $2.5 Billion Plan To Upgrade Rails," dated March 30, 1975 from the Washington Post titled "Railroad Job Plan Urged," dated March 12, 1975, and from the Wall Street Journal captioned "Jobs Subsidies to Rebuild Rail Tracks Draw Union, Carrier Support," dated April 15, 1975.

Let me briefly summarize the provisions and thrust of H.R. 4622.

Our legislation, H.R. 4622, would authorize the Secretary of Transportation to enter into agreements with railroads to provide grants to put people to work rebuilding deteriorated railroad track, provided that:

Railroads have sufficient material on hand or on order to perform the necessary maintenance;

The railroads do not substitute jobs under this program for existing jobs;

Priority be given to unemployed railroad workers and that work is done in areas of high unemployment; and

Workers hired under this act are paid the same wage rates as those currently performing this type of work.

Under this proposal, the Secretary would also be required to ensure, as part of a grant agreement with a carrier, that in the event of sale, lease, or transfer to any other entity of property improved pursuant to such assistance, the full dollar amount of the grant, taking into account depreciation, would be payable and returned to the Secretary.

The intent of H.R. 4622, Mr. Chairman, is very similar to that of the three Senate bills I understand are being considered by this Committee. Nonetheless, there are some critical and important differences which I would like to address.

H.R. 4622 authorizes $2.5 billion over two-and-one-half years for employment purposes only. In this respect, H.R. 4622 supplies substantially more money for employment than any of the three Senate bills. The reason for this is twofold. First, information I have received suggests that up to 90,000 people could be productively employed in railroad right-of-way and yard maintenance. It is estimated that the expenditure of funds at the $1 billion annual rate proposed in H.R. 4622 would employ approximately 65,000 people at rates of pay and fringe benefits under existing industry contracts. Moreover, to the extent that materials are on hand or immediately procurable, a substantial portion of these people could be put to work almost at once. This, of course, would have a very beneficial effect on our economy. In recognition of the possibility that the major employment effort contemplated under H.R. 4622 might necessitate additional production capacity for steel rails, I have made inquiries of the American Iron and Steel Institute, the United States Steel Company, the headquarters of the United Steel Workers of America and the United Steelworkers District 20 officials to ascertain how quickly rail-making capacity might be brought into production. I am advised that such capacity could be made available as quickly as six months and in no more than 12 months.

H.R. 4622 provides funding over a 2½ year period. This is a substantially longer period than that anticipated by any of the Senate bills, and it has been proposed with several thoughts in mind. In the first instance, it seems highly unlikely that anything less than a 2½ year program will significantly contribute to improving the condition of our nation's railroad system, which in too many cases has been the victim of mismanagement leading to deferred maintenance—in some cases deferred for 30 to 50 years. Of perhaps more immediate importance, the President's Economic Report forecasts a rate of unemployment persisting at or near the level of 8 percent for the next three fiscal years. For this reason alone, we should structure any railroad employment program for substantial continuity and longevity.

Another difference is that H.R. 4622 provides uniquely for employment assistance and only in the form of grants as opposed to loans. To some, it might appear that we are not requiring the railroads to contribute any quid pro quo in the form of matching contributions or principal or interest. We have drawn our legislation this way because our information indicates that for every one dollar expended for employment in the maintenance and upgrading of yards, rights-of-way and so forth, railroads must spend up to two additional dollars for material and equipment such as rails, ties and crushed rock. In many cases, the laying of railroad track is highly automated and the cost of the labor involved is proportionately small compared to the capital and material costs involved. It goes without saying that as railroads spend their own money to acquire materials and equipment to lay and install track, their purchase of these items necessarily employs large numbers of people in the supplying industries, which number among them such economic sectors as steel, lumber, and machinery.

This clearly represents an important and beneficial "employment ripple effect" that by increasing spending in the private sector stimulates our entire economy by creating many additional jobs. In this respect, legislation such as is being considered by your Committee, Mr. Chairman, provides a much greater return to the taxpayers than the kind of public service job that may have only a "one-shot" or "flash-in-the-pan" return because it is simply directed toward raking leaves, sweeping streets, or shuffling paperwork. To the contrary, the kind of employment legislation being considered by your Committee provides a permanent and lasting advantage to the taxpayer who is, of course, financing the expenditure.

On another topic, H.R. 4622 appears to go further than any of the Senate bills in protecting the public interest in the expenditure of funds under the legislation. In particular, Section (b)(3) of H.R. 4622 mandates that the Secretary establish terms and conditions to safeguard and protect the public interest in any financial assistance granted. I have also prepared and intend to offer at the appropriate time a further amendment to H.R. 4622 that would prevent any railroad from profiteering under this legislation by requiring that, in the event of the sale, lease, or transfer of any property improved by grants received under this legislation, the profit or gain attributable to any such transaction be turned over to the United States Treasury.

I particularly want to emphasize that H.R. 4622 provides for rates of pay and fringe benefits to be in accordance with existing contracts and prohibits the substitution of any job funded under the legislation for any existing job. One of the Senate bills, S. 1436, introduced by Mr. Randolph, Mr. Bayh, Mr. McClellan, and the distinguished Chairman of this Committee, Mr. Hartke, would appear to meet this objective. But I am not sure whether the other bills before the Committee are similarly directed. In any event, I feel strongly that any legislation must meet the objective of providing a fair day's pay for a fair day's work. I think it would be extremely shortsighted to do otherwise. Legislation which had the effect of undercutting existing agreements would more than likely result in a failure to employ experienced and well-trained individuals now available in the labor force. Furthermore, totally new procedures and jobs might have to be designed for people put to work at substandard rates of pay, and this would only jeopardize our goal of putting people to work as productively and as quickly as possible. And let me emphasize, too, that it is not the intent of this legislation to discriminate in favor of or against any employees who maintain rights-of-way. It is the intent of H.R. 4622 to put to work the same kinds and proportions of employees that it has previously been the practice to hire under usual employment contracts.

Mr. Chairman, I want to reiterate my support for the concern and prompt initiative of your Committee in scheduling hearings on legislation to improve our rail transportation network and thereby put people to work in these times of high unemployment, when more than one of every twelve Americans is without work. I am hopeful that the House Transportation Subcommittee will soon follow your example and will schedule hearings on similar necessary legislative initiatives at the earliest possible date.

I feel most strongly about the need for prompt Congressional action. One reason is that we are now in the peak season for railroad maintenance. It is therefore imperative that we enact legislation taking advantage of the fact that this is the best time of the year to start putting people to work improving our railroad rights-of-way. Failure to act promptly will not only prevent the benefits of this legislation—namely, tens of thousands of jobs—from being made available to Americans throughout the United States, but failure to act now may also result in a substantial increase in unemployment, particularly among those now employed as railroad maintenance workers. According to experts in the railroad industry, it appears that maintenance employees will suffer a drop of some 35,000 workers in the coming months unless Congressional action is forthcoming. Such a drop represents a decrease from the 90,000 workers employed in 1974 to a projected level of employment in 1975 totaling only 55,000 for the same period. This has catastrophic implications for the further deterioration of our railroad lines as well as for the economy. As some measure of the problem, the railroad industry as a whole furloughed 40,000 workers between October 1974 and February 1975, including some 14,000 maintenance-of-way employees.

Equally important from the standpoint of our taxpayers, is the fact that unless the House and Senate act in concert and soon, funds that might be available through the appropriations process may be committed and targeted on programs that may not be as beneficial. The greatest virtue of the legislation being considered by this Committee is that the taxpayers will receive, in the form of permanent improvements in our rail transportation network, a lasting benefit to themselves and the economy. It is, moreover, a benefit which will have the result of employing in the industries supplying railroad material perhaps twice as many people as we will put to work directly repairing our sadly deteriorated rail network. This is not to say that I am opposed to public service employment. But I think we must be realistic. There is a limit to the number of people who can be productively employed in such jobs. It is not the best use of the taxpayers' dollar to finance raking leaves, sweeping streets or shuffling paperwork when there is the opportunity to provide meaningful, dignified and productive employment, particularly so when the end result of such employment is improvements that are of lasting benefits to our country.

Those who would oppose the concept and implementation of legislation like H.R. 4622 and similar legislation introduced here in the Senate are being penny-wise and pound-foolish. In this connection, I have some concern about the Administration and the Office of Management and Budget.

On March 28 of this year, I wrote President Ford to inform him of the provisions of H.R. 4622 and to urge the Administration's support of such a measure. Although I received a prompt, thoughtful and courteous reply, I am concerned that the Administration has as yet taken no position on this legislation.

Personally, I feel that the Administration would take a very positive step by endorsing this kind of legislation, particularly as a substitute for public service jobs that are not as productive. If the Administration decides to oppose this kind of legislation, on the other hand, I think it would be a mistake. It would be wrong, it would be shortsighted, and it would be penny-wise and pound-foolish. It would represent a failure on the part of the Administration to recognize that two of the real priorities we're concerned with today—unemployment and the sad state of our railroads system—are two birds that can be killed with one stone. By opposing an initiative such as this, the Administration in effect would be endorsing alternative programs that waste the taxpayers' money.

As I stated in my letter to the President:

". . . The federal money expended (on this kind of program) would be a long-term investment in this nation's most energy efficient transportation network. While my legislation does not represent a long-range solution to either unemployment or railroads, it does offer an important initial step toward resolving both difficulties. Most important, this bill would mean action, and action is what the people rightfully expect of us . . . it seems to me vital that the Ford Administration take a strong position on this issue to demonstrate a genuine concern over the problem of unemployment and to encourage the wisest possible use of taxpayers' dollars."

Mr. Chairman, let me again compliment this Committee for taking the initiative on such very vital legislation. Hopefully, our House Commerce Committee as well will soon be scheduling hearings to fully examine all the implications of the many creative legislative approaches proposed. I am grateful to you, Mr. Chairman, and to every member of the Committee for this opportunity to appear here this morning and I would be pleased to answer any questions.

CONGRESS SHOULD APPROVE NEGOTIATED SETTLEMENTS OF DEBTS OWED BY FOREIGN NATIONS TO THE UNITED STATES

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. KASTEN. Mr. Speaker, recently two identical bills were introduced in Congress dealing with the settlement of debts owed the United States: S. 1416 by Senator HARRY F. BYRD, Jr. of Virginia on April 10, 1975, and H.R. 6454 by Representative JACK F. KEMP of New York on April 29, 1975. In essence both bills state that "no debt owed to the United States by any foreign country may be settled in an amount less than full value of such debt unless the Congress by concurrent resolution approves of such settlement."

My statement today is in support of H.R. 6454, which I have cosponsored, because I endorse the principle that Congress should have veto power over a negotiated settlement of a debt, if in its judgment the resultant payment terms are such as not to reflect adequate compensation for the lawful debt. Any negotiated settlement should be able to be substantiated by adequate and defensible reasons and after due consideration by a fair and reasonable Congress it could be supported by a concurrent resolution.

The issue of Presidential right to negotiate debt settlements is not in question here. After all, the President's authority to renegotiate the terms of loans and credits to foreign governments varies with the enabling legislation.

According to the Attorney General of the United States, the executive branch has authority to renegotiate terms of loans to countries without congressional review or approval. This is in sharp contrast to the restrictions imposed by law on executive branch authority to negotiate new loans, including statutory limitations on minimum lending terms, sources of procurement, and loans to countries in default.

In testimony July 24, 1973, before the House Government Operations Subcommittee on Foreign Operations and Government Information, Sidney Weintraub, Acting Assistant Secretary for Economic and Business Affairs of the Department of State asserted:

> The Department of State is of the opinion, and other agencies have indicated that they agree, that the President does have authority in appropriate circumstances to settle claims against foreign governments where, for example, it is established that the debts are uncollectible.

The purpose of the H.R. 5953 legislation in question is not the abrogation of Presidential authority to renegotiate loans or the terms of loans, but the establishment of an oversight provision in law whereby a concurrent congressional resolution is required before the settlement of a debt is finalized.

By and large Congress has been in the forefront in establishing enabling legislation for all grants and loans to foreign governments, for example, the Liberty Bond Acts for post-World I relief, for Lend-Lease, for increasing Eximbank credits, for Marshall plan aid, for mutual security assistance, for Public Law 480 food, for Peace Corps aid, for emergency relief, for guarantees on foreign investments and exports, for sales of military paraphernalia, and, for specialized emergency aid to certain countries like Israel, Bangladesh, and the Sahel region.

Surely, it is not unreasonable, therefore, that Congress be apprised of negotiations to settle old debts, and if terms are at all reasonable to give concurrent approval. On the other hand, should not Congress reserve to itself the right of questioning whether a few State Department and Treasury officials, who have no responsibility to constituents, are keeping the taxpayers' interests ever in the foreground when negotiating debts totaling billions of dollars?

What concerns me is the fact that during the last 3 years debts amounting to over $5.17 billion have been settled for $148 million, or scarcely 3 cents per dollar owed: I think of the Russian lend-lease of $2.6 billion with a Soviet pledge to pay $48 million and a further $674 million if they get most-favored-nation tariff status; I think of the $2.2 billion credits given to India for Public Law 480 food and now written off; I think also of the French NATO settlement of $100 million for our claims of $370 million after moving our military headquarters.

What also concerns me now is the World War I debt amounting to $23.7 billion as of June 30, 1974, and of which total $19.6 billion are delinquent. In addition, the German World War I debt amounts now to $1.8 billion, of which total $1.6 billion are delinquent.

Post-World War II debts amounted to $32.1 billion as of June 30, 1974. As part of this total the balance of lend-lease and surplus property agreements alone amount to $6.1 billion, of which total $1.7 billion are outstanding.

All in all, today there are about $60 billion dollars owed to us by 110 nations. In the light of our current responsibilities to both the industrialized and underindustrialized world I feel it is important that we in Congress have a say in as important a matter as the settlement of a national debt. In fact, I think we owe it to ourselves to be completely informed about the economic status of a nation with whom we are negotiating.

The imperative for us is to support H.R. 6454 so as to know that our concerns are appropriately expressed.

RELIEF FOR SENIOR AND DISABLED CITIZENS

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. FORSYTHE. Mr. Speaker, on January 28, 1975, I introduced a package of seven bills designed to help protect senior and disabled citizens living on fixed incomes from the ravages of our present rate of inflation.

The legislative package proposes to:

Increase the social security earnings limitation from the present $2,400 to $5,000.

Exempt the first $5,000 of retirement income from Federal income tax.

Prevent veterans' pensions from being reduced or taken away because of increase in social security benefit levels.

Provide a refundable property tax credit or partial rent credit of up to $500 to senior citizens earning less than $9,000 a year.

Prohibit the proposal to increase food stamp costs from taking effect.

Include prescription drugs under medicare.

Prohibit discrimination on the basis of age in granting credit.

To date, Congress has acted upon only one of these proposals by passing Public Law 94-4, which suspends the proposed increase in the cost of food stamps. No action has been scheduled for any of the remaining proposals.

The lack of response by Congress, however, has been in marked contrast to the overwhelmingly positive response on the part of my constituents. My office has received a steady stream of letters expressing approval of such legislation designed to help some of the people most hurt by our present economic situation. For instance, I am forwarding to Chairman ULLMAN of the House Ways and Means Committee a collection of over 300 constituent letters specifically supporting H.R. 2201, my proposed property tax credit and rental credit for senior and disabled citizens. I would hope, too, that other Members forward such mail to the chairman in order to provide the committee with a sense of the urgency of the situation.

I would also like to submit for examination by my colleagues a copy of a resolution endorsing H.R. 2201 passed by the township of Cherry Hill, N.J., one of the largest communities in the Sixth District of New Jersey, which I represent.

RESOLUTION 75-3-33

Endorsing and supporting the passage of H.R. 2001, a bill now pending in the House of Representatives to allow certain tax credits for property taxes paid by senior citizens and disabled individuals

Whereas, there is now pending in the House of Representatives, bill H.R. 2201, which allows certain tax credits for property taxes paid by senior citizens and disabled individuals; and

Whereas, passage of this bill will grant immediate and necessary tax relief to senior citizens and disabled citizens.

Now, therefore, be it resolved that the Township Council of the Township of Cherry Hill, in the County of Camden, endorses and supports the adoption of said bill—H.R. 2201.

Be it further resolved that certified copies of this Resolution be sent to the Honorable Edwin B. Forsythe, the Honorable JAMES J. FLORIO, the Honorable HARRISON A. WILLIAMS, and the Honorable CLIFFORD B. CASE.

Adopted: March 24, 1975.

Please notice particularly the words of the resolution that this legislation will provide "immediate and necessary" tax relief. I firmly feel that Congress must promptly provide not only such tax relief but also other measures to help those living on fixed incomes which have been steadily eroded by the rising rate of inflation.

The strong response to my proposals indicates that the time for enactment of a sweeping senior citizens program is long passed. I must once again urge the House of Representatives to begin acting on legislation designed to provide the help so desperately deserved by citizens who represent such a great national asset.

LAW DAY 1975

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. ANDERSON of California. Mr. Speaker, every year on this date, by proclamation of Congress, our Nation observes "Law Day." It is a time when every American citizen should reflect on the importance of the laws by which we are governed. It is a time when every American should express his or her gratitude for the right to live in a country under the principles of justice, liberty, and equality which are afforded to us in our Constitution. And, it is a time for every American to dedicate his or herself to uphold our laws, and work for bettering our country by correcting the inequities that exist in our legal system.

It is especially important for those of us in Government to lead the way in showing to the American people that this, above all, is a nation of law and nobody can escape its consequences. Too many times in the past few years, the American people have observed lawlessness in high levels of Government. Recent polls reveal that many Americans believe that Government has reached a crucial point. They can cite example after example of scandal, corruption, and fraud—of indecision, ineptitude, and unintelligence.

Americans see a rising rate of crime, inflation, unemployment, environmental decay, and consumer fraud—all evils to our society. Too often the citizenry of our country have been discouraged in seeking remedies to these problems.

In a democracy, government should be controlled by checks and balances. But to the victims of these conditions, this concept is as abstract as a game of table tennis without a ping-pong ball.

Law should be a device assuring people that injustice, bigotry, and corruption do not run rampant over the rights of others—nor threaten society as a whole. But the law does not, and cannot, assure the orderly implementation of its requirements. It takes people to enforce the law; and it takes people to obey the law.

The Watergate episode showed us all too well that deviousness, secrecy, and corruption walk hand in hand. The Federal convictions of some of the United States most powerful men is convincing evidence of a gross negligence of the law at the highest levels of the American political process. Surely our public officials are not perfect; there are times when sectors of our populace need to be reminded that we are human, but to remember that crime is not—and we must do all in our power to abolish it.

Mr. Speaker, it is my hope that the frustration many feel with our system of justice can be turned to positive actions encouraging all Americans to uphold our laws. It should be our goal as legislators of not only upholding the law, but working to change the inequities in the law. This change cannot occur unless the people want it, the courts recognize it, and we legislate for it.

What is needed is a cohesive effort on the part of the people and the Congress to use our legal system to effect changes that are necessary to contribute to the common good.

PARTISAN POSITIONS ON GUN CONTROL ARE SHAKEN BY BUCHWALD'S COLUMN

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 1, 1975

Mr. MIKVA. Mr. Speaker, in an effort to silence any critics who have accused me of presenting only one side of the gun control issue, I would like to call to the attention of my colleagues Art Buchwald's column in today's edition of the Washington Post, a column which, I believe, fairly and accurately presents the opposing side of the question:

REACHING FOR AMMUNITION, OR, A SHOT IN THE DARK

(By Art Buchwald)

I have a lobbyist friend who works for the right of every American to own a handgun. His name is Luger and, despite what people say about handgun fanciers, he is not a nut. He does get a little excited though when anyone talks about regulating the sale of handguns and even tends to froth at the mouth. But it's all an act. Luger knows that if there were no attempts to pass handgun laws he wouldn't be paid $50,000 a year to kill the legislation.

The other day he said to me, "You always write the bad things about handguns. Why don't you write the good things as well? Why don't you give both sides of the story?"

"You're right," I said. "I think I should be more objective about gun control. What should I say?'

"You can think of something," he said.

"All right. Handguns are good because they're cheap. They cost less now than they did 10 years ago, and since there are more than 40 million of them you can get a used one for practically nothing. How's that?"

"You can do better," Luger said.

"The nice thing about handguns," I wrote down, "is that if their sale is forbidden in one state you can always go to another state to buy one. You can even send away for parts and assemble your own gun, which any kid can do."

Luger said, "Don't talk so much about how easy it is to get a handgun. Say something about why people should have a right to own one."

"I'm coming to that," I said. "Let's see now. If you have a fight in the family—your husband or your wife or your mother or father—a gun in the house can settle the argument once and for all."

"That's not very funny," Luger said.

"I wasn't trying to be," I said. "Without a gun in the house some family fights could go on for days."

"I would prefer you didn't bring in the family when you talk about possession of handguns. What about if a stranger breaks into your house?"

"Right. It is very important to have a handgun if a stranger breaks into your house because you can shoot him if he doesn't shoot you first. The only way to be sure you can get the drop on him is to leave the gun out on the nighttable, loaded. The one thing wrong with this is that you might reach for it in your sleep and blow your toe off, or shoot your son who is sneaking in the house two hours after you told him to be home."

"It doesn't sound right," Luger said. "Talk about target shooting and how much pleasure it gives Americans."

I thought for a few moments and then started to write. "Target practice with a good handgun is the most pleasurable sport in America. Hitting a tin can at 100 feet is a thrill that no one can ever forget. Shooting a rabbit or a squirrel with a pistol builds character and healthy bodies. How does that grab you?"

"I've seen better," he muttered. "Now what about the foreign conspiracy to disarm Americans of their handguns so the Reds can take over the country?"

"Yoicks, I almost forgot about that. The real reason law-enforcement people in this country are clamoring for controls is that they are working with the Commies, who are waiting for a good gun-control bill to be enforced. Once Americans lose their handguns, the Soviets will make a drop on the United States and arrest everybody who can't defend himself."

"You make it sound stupid," Luger grumbled.

"I do not," I said petulantly. "I'm giving your side of it. Now I need an ending. I've got it! If American males have to give up their handguns they'll lose their manhood. If we don't have handguns we'll all become a nation of eunuchs."

SENATE—*Monday, May 5, 1975*

(Legislative day of Monday, April 21, 1975)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by Hon. JOHN GLENN, a Senator from the State of Ohio.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, the Source of our being, the Goal of our desire, and the Guide of our pilgrim days, as we turn from the clash and clamor of the world without and the pressing duties within this place, we hush our busy thoughts to learn in silence the mysteries of our being. Thou hast made us for Thyself and our hearts are restless until they rest in Thee.

Grant us light that penetrates all that is dark or veils from us the pathway of truth and righteousness. When we cannot see the distant scene, help us to take one step at a time in trust that Thou wilt lead us to the distant goal. Go with us to our waiting tasks. Sharpen our intellects. Give us precise speech and sound judgment that we may have a part in shaping that better world which is a foretaste of Thy kingdom.

And to Thee shall be our thanksgiving and praise. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 5, 1975.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. JOHN GLENN, a Senator from the State of Ohio, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. GLENN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Thursday, May 1, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WAIVER OF CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the legislative calendar, under rule VIII, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

VIETNAMESE REFUGEES

Mr. HUGH SCOTT. Mr. President, in 1930, right after the Great Depression, our civilian labor force unemployed was 4,340,000, a figure of 8.7 percent. Yet, in that year, 241,700 people entered this country through immigration procedures. Last year, our total immigration was 400,000.

With a civilian labor force unemployed in the past month of 8,176,000, or 8.9 percent, we are asked to admit, in addition to the normal admissions, not counting the scores of thousands of illegal aliens in this country, approximately 100,000 Vietnamese and third-country persons.

At once, a roar of outrage has erupted in various quarters and has been shared by some of the more callous types of columnists and editorialists.

Interestingly, many of the letters protesting the plans to admit Vietnamese refugees were signed by persons with such names as Lefebre, Dziadus, Poggione, Yim, Narimatsu, Ramos, Schoemre, McCaffrey, and so forth.

I quote from an article:

> "I guess America is only a melting pot if you're lucky enough to be here already," said one disillusioned Senate staff aide.

This kind of reaction, resulting from fear, I suppose, and certainly grounded on selfishness, shames the America of which I have always been proud. This is a deplorable reaction, in my judgment. I have been here when we have taken in 40,000 Hungarians, 675,000 Cubans, hundreds of thousands of Jewish refugees from Europe. I was active in getting the ships to permit some of those refugees either to go to Israel or to come here.

We now see in this Nation of immigrants, all of us immigrants in various degrees, the attitude on the part of some people that they do not want anybody to come into this country on the next boat after that which brought their ancestors. I condemn this attitude out of hand.

What this country should be doing now is soliciting all the funds that can be raised for Vietnam refugee relief, working to relocate these people, get them settled, try to find jobs for them, offer them help, and encouragement in every way we can. These people are largely the middle class of Vietnam. Many of them are high-risk personnel. While they may have their bad citizens as well as their good, I believe that the vast majority of these people are those who voted with their feet. Hundreds of thousands of them voted that way in escaping from North Vietnam originally. They are doing it again. They are shopkeepers, doctors, lawyers, engineers, businessmen, trade unionists, journalists. They are a cross section of the same kind of people who have been making up America ever since the first immigrants came over here and met with the Indians.

I hope and believe that the mood of America is changing. I sincerely plead for a realization in this country of what it was that made America great; of what it is that keeps America strong; of what the inscription on the Statue of Liberty, at the entrance to our harbor, reads, the first sight that many immigrants see; of what we in this country have always been proud—that we are a nation of immigrants. We are a successful melting pot. We are a people who have welcomed people.

If any of them wish to go back voluntarily all well and good. But for some to suggest that the bulk of these people be encouraged to return to Vietnam is callous and heartless, and it is not representative of the spirit of this country.

The Statue of Liberty inspired Emma Lazarus, a New York poet, to write a sonnet which was inscribed on a plaque and placed in the pedestal of the statue. She composed it in 1883, after seeing refugees from persecution in czarist Russia arrive in crowded steamers. The poem reads:

> Not like the brazen giant of Greek fame,
> With conquering limbs astride from land to land;
> Here at our sea-washed, sunset gates shall stand
> A mighty woman with a torch, whose flame
> Is the imprisoned lightning, and her name
> Mother of Exiles. From her beacon-hand
> Glows world-wide welcome; her mild eyes command
> The air-bridged harbor that twin cities frame.
> "Keep ancient lands, your storied pomp!" cries she
> With silent lips. "Give me your tired, your poor,
> Your huddled masses yearning to breathe free,
> The wretched refuse of your teeming shore.
> Send these, the homeless, tempest-tost to me,
> I lift my lamp beside the golden door!"

Mr. President, I ask unanimous consent to have printed in the RECORD the statement of unemployment and immigration figures and to include the statement from the President pro tempore of the Senate detailing the present situation with regard to Vietnamese refugees.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATISTICAL DETAIL IN RE VIETNAMESE EVACUATION

As of this morning the current information received from the U.S. Department of State pertaining to evacuation from Vietnam follows. The numbers are precisely as received from the State Department and arithmetical exactitude is lacking:

86,229—Grand total evacuated by air and sea.

73,738 of this grand total are on Guam and Wake Islands and Subic Bay or are on ships proceeding to those destinations.

14,291 of the grand total have arrived in the United States.

4,397 are still in the reception centers in the United States.

8,094 have left.

30,000 to 35,000 Vietnamese are aboard Vietnamese Navy ships which apparently are proceeding to Guam and Subic Bay. The State Department has no data on exactly who these persons are but believe that they are in the "high risk" category.

JAMES O. EASTLAND.

	Civilian labor force unemployed	Percent unemployed	Immigration
1930	4, 340, 000	8. 7	241, 700
1931	8, 020, 000	15. 9	97, 139
1932	12, 060, 000	23. 6	35, 576
1933	12, 830, 000	24. 9	23, 068
1934	11, 340, 000	21. 7	29, 470
1935	10, 610, 000	20. 1	34, 956
1936	9, 030, 000	16. 9	36, 329
1937	7, 700, 000	14. 3	50, 244
1938	10, 390, 000	19. 0	67, 895
1939	9, 480, 000	17. 2	82, 998
1940	8, 120, 000	14. 6	70, 756
April 1975	8, 176, 000	8. 9	[1] 130, 000

[1] Vietnamese and 3d-country.

Note: 1974, total immigration: Approximately 400,000.

DEPARTMENT OF JUSTICE, IMMIGRATION AND NATURALIZATION SERVICE, PHILADELPHIA, EMIGRANT ALIENS ADMITTED, YEARS ENDED JUNE 30, 1931 TO 1940, BY COUNTRIES OF BIRTH

Country of birth	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	Total
All countries	97, 139	35, 576	23, 068	29, 470	34, 956	36, 329	50, 244	67, 895	82, 998	70, 756	528, 451
Europe	69, 804	22, 964	14, 400	19, 559	25, 346	26, 295	35, 812	50, 574	68, 198	56, 264	389, 206
Albania	244	245	137	170	217	233	233	262	217	156	2, 114
Belgium	612	197	101	148	203	218	259	313	329	482	2, 862
Bulgaria	99	55	25	38	71	75	72	123	117	108	783
Czechoslovakia	2, 203	614	384	788	1, 004	1, 172	2, 054	3, 480	3, 127	2, 247	17, 075
Danzig, Free City of	61	8	19	13	16	19	42	93	183	106	560
Denmark	642	273	175	142	178	169	233	370	303	237	2, 772
Estonia	99	37	20	61	38	44	42	55	112	99	607
Finland	375	133	129	174	154	113	287	551	514	314	2, 744
France	1, 434	535	358	421	511	564	668	832	923	856	7, 104
Germany	10, 880	2, 775	1, 919	4, 241	5, 436	6, 538	11, 648	18, 418	33, 621	26, 854	125, 825
Austria	743	322	217	325	737	662	489				
Great Britain:											
England	6, 589	1, 847	1, 141	1, 313	1, 370	1, 423	1, 757	2, 035	2, 423	2, 241	22, 139
Scotland	5, 105	919	405	607	583	509	651	769	619	607	10, 754
Wales	536	79	57	66	81	72	92	85	92	53	1, 193
Greece	1, 572	747	452	560	810	796	839	952	841	735	8, 304
Hungary	979	536	314	325	510	618	841	1, 095	1, 321	1, 682	8, 221
Ireland (Eire)	6, 885	517	362	433	412	468	572	1, 229	1, 494	1, 021	13, 393
Italy	13, 415	6, 701	3, 560	4, 495	6, 649	6, 901	7, 371	8, 029	6, 780	5, 805	69, 698
Latvia	190	79	55	67	67	81	126	179	241	209	1, 294
Lithuania	527	297	194	211	259	210	291	468	418	359	3, 234
Luxemburg	45	9	7	4	16	7	11	18	25	25	167
Netherlands	1, 247	235	182	174	289	280	396	367	674	1, 154	4, 998
Northern Ireland	1, 650	153	138	184	203	180	200	304	187	176	3, 375
Norway	1, 375	393	236	254	341	323	488	689	575	555	5, 229
Poland	4, 477	1, 800	1, 845	1, 864	2, 461	1, 778	2, 491	4, 944	7, 315	4, 768	33, 743
Portugal	533	250	89	221	364	320	300	403	484	485	3, 449
Rumania	981	567	408	395	428	393	653	587	679	610	5, 601
Soviet Russia	1, 885	846	539	632	496	562	760	1, 105	1, 901	1, 779	10, 505
Spain	508	494	281	340	392	359	364	463	379	396	3, 976
Sweden	1, 404	373	173	225	224	213	360	438	378	450	4, 243
Switzerland	916	228	166	187	234	230	343	463	639	640	4, 046
Yugoslavia	1, 032	839	211	250	395	534	759	1, 141	1, 050	776	6, 687
Other Europe	561	161	111	231	237	226	220	314	237	217	2, 515
China	840	820	76	84	104	131	160	261	317	296	2, 889
India	168	99	37	43	33	34	58	40	51	72	635
Japan	656	527	69	72	75	73	111	68	79	75	1, 805
Palestine	158	106	26	46	55	87	86	246	254	257	1, 321
Syria	268	258	183	158	146	113	168	224	190	112	1, 820
Turkey in Asia	662	409	350	291	291	194	213	274	244	180	3, 108
Other Asia	909	139	77	78	59	84	93	164	169	203	1, 975
Canada	14, 998	6, 032	4, 640	5, 977	5, 621	5, 903	9, 013	10, 732	8, 151	8, 303	79, 370
Newfoundland	535	87	62	78	91	117	233	378	342	295	2, 218
Mexico	2, 802	1, 800	1, 609	1, 546	1, 286	1, 582	1, 918	2, 014	2, 265	1, 914	18, 536
West Indies	2, 157	800	530	593	722	721	925	1, 342	1, 192	1, 147	10, 129
Central America	988	587	411	351	349	442	416	511	450	446	4, 951
South America	1, 505	669	413	368	463	415	633	639	625	697	6, 427
Other America	7	2	1	6	1	6	1	5	11	1	41
Africa	314	175	55	74	109	110	149	135	167	193	1, 481
Australia	214	193	72	88	95	115	111	139	151	165	1, 333
New Zealand	112	89	49	45	48	34	43	53	59	58	590
Philippine Islands		4	2	1	46	52	68	68	53	68	367
Other Pacific	42	16	6	12	16	21	33	28	25	30	229

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business not to exceed 15 minutes, with statements therein limited to 5 minutes.

KENNETH B. KEATING

Mr. MANSFIELD. Mr. President, the distinguished Republican leader and I have just been informed of the passing of a former colleague, Kenneth B. Keating, of New York, a Member of Congress from that State in years gone by, a Senator from the State of New York in years gone by, and lately, the U.S. Ambassador to Israel. I knew that our friend, Keating, was in the hospital. I knew that he was undergoing serious medical treatment. But I did not contemplate that his passing would come so suddenly.

Kenneth Keating was a good colleague. I served with him in both the House and the Senate. He was a man of good humor, good intent, a man who conducted himself with dignity and integrity. I wish to express my own deep personal sorrow in the loss of this friend, and convey to his family Mrs. Mansfield's and my condolences and sympathy.

May his soul rest in peace.

Mr. HUGH SCOTT. Mr. President, if the distinguished majority leader will yield, I also just heard of the death of our friend and former colleague, Ken Keating. He and I were in the House together for a long period of time. We came to the Senate on the same day. We were seatmates. I enjoyed his friendship, his support. We all enjoyed his wit and his never-failing good humor. His zeal in the interest of his constituents was notable and noted.

He, among other things to his credit, was the person who publicized and created as a national issue the presence of the missiles in Cuba. This is a tribute to his research and his zeal and to his courage in bringing out a matter of this kind.

We were delighted when he was made Ambassador to India and subsequently, Ambassador to Israel. I saw him and his dear wife within the month in Washington. They were having an opportunity to have a quiet little dinner together, which is not often the privilege of many public officials. I am glad I had this last very pleasant meeting with him.

As the distinguished majority leader has said, our hearts go out to the family, and may his soul rest in peace.

The ACTING PRESIDENT pro tempore. Is there further morning business?

PRESIDENTIAL VETO OF FARM BILL A MAJOR BLOW TO FARMERS, CONSUMERS, AND TAXPAYERS

Mr. ALLEN. Mr. President, last Thursday President Ford announced that he has vetoed the Emergency Farm Act of 1975, H.R. 4296. Furthermore, he announced no action to raise loan rates for 1975 wheat and feed grain crops nor even a restoration of the nonrecourse loan program for soybeans.

Mr. President, this announcement by President Ford is a slap in the face to farmers, and to American consumers. The veto action reaffirms this administration's commitment to and embracement of "boom and bust" agriculture. The closest President Ford came to making any announcement regarding alternative actions that might be taken in the future was the following, from his veto message:

> If unforeseen price deterioration requires action on my part, I will direct the Secretary of Agriculture to make adjustments in price support loan rates for wheat, corn, soybeans and other feed grains. But it is our expectation that market prices for grains will remain well above loan rates and target prices in the coming year.

Mr. President, if the cotton and cattle price situations earlier this year are any indication as to how low President Ford is prepared to let wheat, feed grain and soybean prices fall before taking any action, grain and bean farmers will find no comfort or reassurance in the President's promise of action, "if unforeseen price deterioration requires action * * *." Cotton prices earlier this year dropped below both 1974 target and loan rates levels. And, of course, cotton prices still remain today well below the cost of production. Prices of feeder cattle fell so low earlier this year that some cattlemen could not even give them away, if this is the type of level that President Ford is referring to before he takes any action to adjust grain and soybean loan rates, then producers of these commodities had better prepare for the worst.

While I recognize that the President is limited by law from making any further adjustments in the 1975 cotton loan rate, he could nonetheless direct the Secretary of Agriculture to invoke authority provided under the Commodity Credit Corporation Charter Act to purchase cotton stocks in the open market in such amounts as are required to strengthen current market prices to more realistic levels. Foreign governments have been withholding cotton stocks recently from the world market in an effort to strengthen market prices for their cotton farmers. Unfortunately, our government does not seem to share a similar concern for U.S. cotton producers.

President Ford, in his veto message, states that the provisions of H.R. 4296 might potentially add as much as $1.8 billion to the Federal deficit in fiscal 1976. Yet, he makes no mention of what the prospect of low prices for cotton, grains, and soybeans might do to actual plantings of these crops, which is just now getting underway. His veto action says to these producers, "You—the farmer must bear all the risks." And should these producers say, "no," and proceed to cut back on their production plans, 1975 production of these crops could drop substantially. And should that happen, what will the costs be? And who will bear them? I shall tell who—the American consumer.

Another year of short crops will mean a continiuation of downward adjustments in U.S. livestock and poultry production, which, in turn, will mean another round of sharp rises in retail prices for meat, milk, and eggs.

In other words, Mr. President, by not signing the farm bill and thereby encouraging additional production of farm products, we are running the risk of seeing the prices of these products rise substantially, because of the limitation that the farmers voluntarily make on their production. So it is not just the interests of the farmer that are involved. Far more than that, it is the interests of the American consumer, which would have been well served by the President in signing the Emergency Farm Act into law.

Pork supplies during 1975, already are expected to drop to the lowest level they have been since 1935. Fat cattle placements are currently down 41 percent from a year ago. Poultry supplies are now down about 10 percent from last year. Turkey meat, during the first half of 1975, is down 15 to 20 percent from the same period a year ago.

Maximum production of grains and soybeans, on the other hand, in 1975, will help check further reductions of these animal products.

But this increased production will not be in sight if Congress does not override the President's veto of the Emergency Farm Act.

But maximum production of these crops also may reduce prices received for them to too low levels—and it is this prospect that makes these producers entitled to some protection.

While President Ford expresses his concern about a potential $1.8 billion Government cost, if H.R. 4296 were enacted into law, he fails to point out that most of that cost would be in the form of commodity loans, which would not be an ultimate cost to the Government—it would be merely in the form of loans—which means that the commodities involved could later be sold in the market, either by the farmer, or by the Government, should the farmer fail to pay off his loan.

This is a sad day for the hundreds of thousands of American farm families who have consistently led our Nation in productivity, hard work, and in assuming substantial economic risks.

President Ford's veto of this farm bill is indeed a slap in the face to these families. Their net income prospects for 1975 are already forecast by Secretary Butz to drop at least by $7 billion from what it was in 1974, and $12 billion from what it was in 1973.

Mr. President, I hope our colleagues in the House of Representatives will override President Ford's veto of H.R. 4296, the Emergency Farm Act of 1975.

If the House does override the veto, I am hopeful that the Senate will follow suit and override the veto.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. MANSFIELD. I associate myself with the remarks just made by the distinguished Senator from Alabama (Mr. ALLEN).

I think the President made a grievous mistake in vetoing the farm bill last week. I think he acted on misinformation.

It is my understanding that Secretary Butz told the President and stated publicly that the cost of this bill would be $1,500,000,000.

As a matter of fact, the economists who were used by the Agriculture Committees of both Houses, and they are agricultural economists, indicated the maximum cost would be $400 million and perhaps the most reasonable assumption would be $200 million.

I wonder if the administration recognizes the fact that in 1974 farm income declined by 10 percent; at the same time farming costs increased by 15 percent. Adding the two together means a 25-percent reduction in farm income; and, furthermore, we have the lowest reserves in wheat in this country since 1952.

The cattleman, the wheat rancher, the cotton grower, all of them are being hurt by what is occurring in the area of economic stability at the present time.

I think this was a modest bill which the President vetoed. I think the Senate conferees learned over backward to try to come to terms with the House and come forth with a bill which the President would sign, but, evidently, Secretary Butz had the last say, and I think that the American farmer, if something is not done for him, is going to pay for this misjudgment and what I believe is a most inadvisable act on behalf of the President of the United States in vetoing a modest farm bill.

I thank the Senator for yielding.

Mr. ALLEN. I thank the distinguished majority leader for his excellent statement about the farm bill. The Senator places his finger right on the exact point involved; that is, that the farm bill would have encouraged production. It would have encouraged production of feed grain. It would have encouraged production of cattle and all farm products that are needed in great abundance if the price of the farm products at retail is to be brought down.

By vetoing the bill it will cause a cutback in production, when we all know

that the way to fight inflation is to increase production, make the supplies available and, if that is done, then price can be brought down.

I feel that this bill was certainly in the interest of the consumers of this Nation, and I hope that Congress will override the veto and thereby enact the bill into law.

EXTENSION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. The time for routine morning business has expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the time for morning business be extended until the hour of 12:45.

The ACTING PRESIDENT pro tempore. Without objection it is so ordered.

PRIVILEGE OF THE FLOOR— H.R. 25

Mr. METCALF. Mr. President, I ask unanimous consent that Mike Harvey, Lucille Langlois, Mary Flanagan, Fred Craft, Sunny Nixon, and Mary Adele **Shute of the Interior Committee staff be allowed the privilege of the floor during consideration of and voting on the conference report on H.R. 25.**

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. Is there further morning business?

ORDER FOR RECOGNITION OF SENATOR PERCY TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized, that Mr. PERCY be recognized for not to exceed 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. GLENN) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

APPROVAL OF BILL

A message from the President of the United States announced that the President had approved and signed the enrolled bill (S. 1310) to continue the special food service program for children through September 30, 1975.

MESSAGES FROM THE HOUSE

At 12:02 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has agreed to the concurrent resolution (H. Con. Res. 218) setting forth, on an aggregate basis only, the congressional budget for the U.S. Government for the fiscal year 1976, in which it requests the concurrence of the Senate.

At 1:18 p.m., a message from the House of Representatives delivered by Mr. Hackney, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the amendment of the House to the bill (S. 172) to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of Government employees, and for other purposes.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker has signed the enrolled joint resolution (H.J. Res. 242) to authorize and request the President to issue a proclamation designating the calendar week beginning May 12, 1975, as "National Historic Preservation Week."

The enrolled joint resolution was subsequently signed by the Acting President pro tempore (Mr. GLENN).

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. GLENN) laid before the Senate the following letters, which were referred as indicated:

Proposed Construction Projects by the Army National Guard

A letter from the Deputy Assistant Secretary of Defense transmitting, pursuant to law, a list of proposed construction projects to be undertaken for the Army National Guard (with accompanying papers); to the Committee on Armed Services.

Report of the Assistant Secretary of Defense

A letter from the Assistant Secretary of Defense transmitting, pursuant to law, a report for the fiscal year 1976 entitled "Reserve Manpower Requirements Report" (with an accompanying report); to the Committee on Armed Services.

Proposed Legislation by the General Counsel of the Department of Defense

A letter from the General Counsel of the Department of Defense transmitting a draft of proposed legislation to enable the President to authorize the involuntary order to active duty of selected reservists, for a limited period, whether or not a declaration of war or national emergency has been declared (with accompanying papers); to the Committee on Armed Services.

Supplemental Appropriation for the Equal Employment Opportunity Commission— (S. Doc. 94–48)

A communication from the President of the United States transmitting a proposed amendment to the request for a supplemental appropriation for the fiscal year 1974 in the amount of $129,000 for the Equal Employment Opportunity Commission (with accompanying papers); to the Committee on Approriations, and ordered to be printed.

Proposed Rulemaking by the Department of Health, Education, and Welfare

A letter from the Executive Secretary to the Department of Health, Education, and Welfare transmitting, pursuant to law, a copy of a notice of proposed rulemaking of Section 434(b) of the General Education Provisions Act added by section 511 of the Education Amendments of 1974 (with accompanying papers); to the Committee on Labor and Public Welfare.

Proposed Legislation in the District of Columbia

Three letters from the Chairman of the Council of the District of Columbia, each transmitting, pursuant to law, an act adopted by the council and signed by the mayor, as follows: one, an act to amend the motor vehicle regulations of the District of Columbia to provide for the identification of organ donors; two, an act to amend the D.C. Rent Control Act of 1973 to eliminate the limitation on appropriations for the operation of the Commission and administration of the rent control program; and, three, an act to amend the housing regulations of the District of Columbia regarding security deposits for rentals (with accompanying papers); to the Committee on the District of Columbia.

Proposed Legislation by the Department of State

A letter from the Assistant Secretary of State transmitting a draft of proposed legislation to authorize U.S. Government participation in certain organizations (with accompanying papers); to the Committee on Foreign Relations.

Report of the Assistant Secretary of Defense

A letter from the Assistant Secretary of Defense transmitting, pursuant to law, the report of the Department of Defense procurement from small and other business firms for July 1974–February 1975 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

Report of the Federal Home Loan Bank Board

A letter from the Federal Home Loan Bank Board transmitting, pursuant to law, the report of the Board for the calendar year 1974 (with an accompanying report); to the Committee on Banking, Housing and Urban Affairs.

Report of the Secretary of Transportation

A letter from the Secretary of Transportation transmitting, pursuant to law, a report on activities carried out in the year ending September 30, 1974, under the High Speed Ground Transportation Act of 1965 and the Railroad technology program (with an accompanying report); to the Committee on Commerce.

Report of the Agency for International Development

A letter from the Administrator of the Agency for International Development transmitting, pursuant to law, a report showing fiscal year 1975 country and international organization allocations for those programs administered by the Agency for International Development (with an accompanying report); to the Committee on Foreign Relations.

International Agreements Other Than Treaties

A letter from the Assistant Legal Adviser for Treaty Affairs of the Department of State transmitting, pursuant to law, copies of international agreements other than treaties entered into by the United States within the past 60 days (with accompanying papers); to the Committee on Foreign Relations.

REPORTS OF THE COMPTROLLER GENERAL

Three letters from the Comptroller General of the United States each transmitting, pursuant to law, a report entitled as follows: "Upward Mobility Programs in the Federal Government Should Be Made More Effective"; "Opportunities for Savings in Interest Cost Through Improved Letter-of-Credit Methods in Federal Grant Programs"; and "The Liquid Metal Fast Breeder Reactor Program—Past, Present, and Future" (with accompanying reports); to the Committee on Government Operations.

REPORT OF THE ADMINISTRATIVE OFFICE OF THE U.S. COURTS

A letter from the Director of the Administration Office of the U.S. Courts transmitting, pursuant to law, the annual report of the Director on applications for court orders made to Federal and State courts to permit the interception of wire or oral communications (with an accompanying report); to the Committee on the Judiciary.

PROPOSED LEGISLATION BY THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

A letter from the Secretary of Health, Education, and Welfare transmitting a draft of proposed legislation to authorize the carry-over of excess funds under the basic educational opportunity grant program (with accompanying papers); to the Committee on Labor and Public Welfare.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. GLENN):

Senate Concurrent Resolution No. 1 of the Legislature of the State of Missouri; to the Committee on the Judiciary:

"SENATE CONCURRENT RESOLUTION NO. 7

"Be it resolved by the Senate, the House of Representatives concurring, that this legislature, pursuant to the authority granted by Article V of the Constitution of the United States, respectfully applies to the Congress of the United States to call a convention for the purpose of proposing the following article as an amendment to the Constitution of the United States:

"ARTICLE —

"Section 1. With respect to the right of life, the word person as used in this article and in the Fifth and Fourteenth Articles of Amendment to the Constitution of the United States applies to all human beings irrespective of age, health, function or condition of dependency, including their unborn offspring at every stage of their biological development.

"Sec. 2. No unborn person shall be deprived of life by any person; provided, however, that nothing in this article shall prohibit a law permitting only those medical procedures required to prevent the death of the mother.

"Sec. 3. The Congress and the several states have power to enforce this article by appropriate legislation.

"Be it further resolved that a duly attested copy of this resolution be immediately transmitted to the Secretary of the Senate of the United States, the Clerk of the House of Representatives of the United States, and to each member of the Congress from this state."

A petition seeking a redress of grievances from the statewide committees opposing regional plan areas of Mabank, Tex.; to the Committee on Government Operations.

A petition seeking a redress of grievances from the statewide committees opposing regional plan areas of Terre Haute, Ind.; to the Committee on Government Operations.

A petition seeking a redress of grievances from the statewide committees opposing regional plan areas from certain citizens of the State of Montana; to the Committee on Government Operations.

A petition seeking a redress of grievances from a citizen of Franklin Lakes, N.J.; to the Committee on the Judiciary.

REPORTS OF A COMMITTEE SUBMITTED DURING ADJOURNMENT

Under authority of the order of the Senate of May 1, 1975, the following reports were submitted:

By Mr. STENNIS, from the Committee on Appropriations, without amendment:

S. Res. 32. A resolution disapproving deferral of budget authority (Rept. No. 94–102).

S. Res. 75. A resolution disapproving the deferral of certain budget authority (D75–117) relating to atomic energy which is proposed by the President in his message of November 26, 1974, transmitted under section 1013 of the Impoundment Control Act of 1974 (Rept. No. 94–102).

S. Res. 76. A resolution disapproving the deferral of certain budget authority (D75–116) relating to atomic energy which is proposed by the President in his message of November 26, 1974, transmitted under section 1013 of the Impoundment Control Act of 1974 (Rept. No. 94–102).

S. Res. 77. A resolution disapproving the deferral of certain budget authority (D75–114) relating to atomic energy which is proposed by the President in his message of November 26, 1974, transmitted under section 1013 of the Impoundment Control Act of (Rept. No. 94–102).

S. Res. 78. A resolution disapproving the deferral of certain budget authority (D75–113) relating to atomic energy which is proposed by the President in his message of November 26, 1974, transmitted under section 1013 of the Impoundment Act of 1974 (Rept. No. 94–102).

S. Res. 79. A resolution disapproving the deferral of certain budget authority (D75–112) relating to atomic energy which is proposed by the President in his message of November 26, 1974, transmitted under section 1013 of the Impoundment Control Act of 1974 (Rept. No. 94–102).

S. Res. 80. A resolution disapproving the deferral of certain budget authority (D75–111) relating to atomic energy which is proposed by the President in his message of November 26, 1974, transmitted under section 1013 of the Impoundment Control Act of 1974 (Rept. No. 94–102).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MOSS, from the Committee on Aeronautical and Space Sciences, with an amendment:

H.R. 4700. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes (Rept. No. 94–103).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. McGOVERN:

S. 1626. A bill to assist refugees from Vietnam who wish to return to their native country. Referred to the Committee on Foreign Relations.

By Mr. McGOVERN (for himself, Mr. ABOUREZK, Mr. CLARK, Mr. HARTKE, Mr. HATHAWAY, Mr. HUMPHREY, Mr. KENNEDY, Mr. McGEE, Mr. METCALF, Mr. MONDALE, Mr. RANDOLPH, and Mr. CASE):

S. 1627. A bill to amend the Food Stamp Act. Referred to the Committee on Agriculture and Forestry.

By Mr. PROXMIRE:

S. 1628. A bill to repeal the Military Selective Service Act. Referred to the Committee on Armed Services.

By Mr. TALMADGE (for himself and Mr. DOLE) (by request):

S. 1629. A bill to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for two years. Referred to the Committee on Agriculture and Forestry.

By Mr. ROBERT C. BYRD (for himself and Mr. RANDOLPH):

S. 1630. A bill to increase the number of judges for the U.S. District Court for the Southern District of West Virginia. Referred to the Committee on the Judiciary.

By Mr. MOSS:

S. 1631. A bill to amend the Federal Trade Commission Act to provide remedies against unfair competition in interstate and foreign commerce and for other purposes. Referred to the Committee on Commerce.

By Mr. MOSS (for himself and Mr. HUMPHREY):

S. 1632. A bill to authorize in the Energy Research and Development Administration a Federal program of research, development, and demonstration designed to promote electric vehicle technologies and to demonstrate the commercial feasibility of electric vehicles. Referred to the Committee on Commerce.

By Mr. MONDALE (for himself and Mr. CRANSTON):

S. 1633. A bill to amend the Immigration and Nationality Act to eliminate the legal custody requirement and the requirement of residence and physical presence in the United States for the naturalization of children adopted by United States citizens. Referred to the Committee on the Judiciary.

S. 1634. A bill to amend the Immigration and Nationality Act to permit adoption of more than two children. Referred to the Committee on the Judiciary.

By Mr. MONDALE:

S. 1635. A bill for the relief of Edwin J. Anglesey. Referred to the Committee on the Judiciary.

By Mr. SPARKMAN (by request):

S. 1636. A bill to amend further the Peace Corps Act. Referred to the Committee on Foreign Relations.

By Mr. FONG (for himself, Mr. HUGH SCOTT, and Mr. PHILIP A. HART):

S. 1637. A bill to amend the Antitrust Civil Process Act to increase the effectiveness of discovery in civil antitrust investigations, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. EAGLETON:

S. 1638. A bill to authorize the Secretary of Health, Education, and Welfare to postpone the effective date of certain requirements imposed on States by Public Law 93-647 with respect to child support programs in the case of States which require additional time in which to implement the policies, programs, and activities so required. Referred to the Committee on Finance.

By Mr. ROBERT C. BYRD:

S.J. Res. 79. A joint resolution to authorize National Shut-In Day. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. McGOVERN:

S. 1626. A bill to assist refugees from Vietnam who wish to return to their native country. Referred to the Committee on Foreign Relations.

VIETNAM REFUGEE ASSISTANCE ACT

Mr. McGOVERN. Mr. President, I introduce for appropriate reference a bill to assist refugees of Vietnam.

The final blunder of Vietnam may be that the administration has chosen evacuation of nearly 100,000 Vietnamese as a substitute for accommodation in their own country. That policy should be reversed. Ninety percent of the Vietnamese refugees would be better off going back to their own land. And I say that in a humanitarian spirit.

America will not turn away those few who might be endangered by a return to their homeland. But I have never thought that more than a handful of government leaders were in any real danger of reprisals. The great majority of Vietnamese refugees do not fall into that category. Most of them left in panic out of fear of a bloody final battle for Saigon that did not materialize. Nor is it likely that the new government will engage in the bloodbath our policymakers have talked about so much. The Saigon government has already given orders that the people are not to be molested or their personal belongings seized. That is more respect for the people than Thieu's army frequently demonstrated.

It is also apparent from news accounts that the procedure for selecting evacuees on the basis of the risk of recrimination broke down entirely. Thousands of people were taken out at random and thousands of others simply headed out to sea on their own to be picked up by American ships.

I suggest that our program for dealing with these refugees should include as the highest priority steps to facilitate their early return to Vietnam.

We should express to the new government in South Vietnam our interest in implementing such a policy. We should make transportation available and we should stand ready to assist in every possible way in reuniting these people with their families and their country on a voluntary basis.

My bill would permit the use of either commercial carriers or American ships and planes to return any refugees who wish to go back to Vietnam now that the panic is subsiding. I fully believe that it will be in the best interest of most of the Vietnam refugees to return to their own country.

By Mr. McGOVERN (for himself, Mr. ABOUREZK, Mr. CLARK, Mr. HARTKE, Mr. HATHAWAY, Mr. HUMPHREY, Mr. KENNEDY, Mr. McGEE, Mr. METCALF, Mr. MONDALE, Mr. RANDOLPH, and Mr. CASE):

S. 1627. A bill to amend the Food Stamp Act. Referred to the Committee on Agriculture and Forestry .

Mr. McGOVERN. Mr. President, I introduce a comprehensive measure to reform and improve the Federal food stamp program, a program that now embraces some 18 million Americans.

We know that administrative difficulties, redtape, and bureaucratic snarls have moved in to handicap this program in various ways.

A certain amount of waste exists in the program, and in some cases the guidelines are not drawn administratively in accordance with what I believe to be the intent of Congress, and so after working for several months on this problem and holding hearings in the field, I introduce this comprehensive reform legislation on not only my own behalf but also on behalf of my junior colleague (Mr. ABOUREZK) and Senators CLARK, HARTKE, HATHAWAY, HUMPHREY, KENNEDY, McGEE, METCALF, MONDALE, RANDOLPH, and CASE.

Today the food stamp program is protecting 18 million Americans from hunger. A recent report by the Subcommittee on Fiscal Policy of the Joint Economic Committee stated that:

> In recent years, the food stamp program has been transformed into the country's only universal income guarantee, available to families of able bodied men as well as to other needy persons.
>
> Food stamps are a dramatic illustration that welfare and work no longer are mutually exclusive. The stamps provide a Federal income guarantee to the able-bodied who are willing to work as well as to persons presumed unable to work.
>
> An added dollar in earnings causes loss of only about 30 cents in bonus food stamps.

A staff report, released in March, by the Select Committee on Nutrition and Human Needs revealed what millions of poor and unemployed Americans knew all too well—there are grave administrative problems in the food stamp program. But there is also much promise for good in it as the Library of Congress pointed out in a report, "Estimating the Population Eligible for Food Stamps":

> Food Stamps has almost no categorical restrictions in contrast to programs such as AFDC and SSI, a low tax rate (about 30%), and uniform nationwide standards. Thus, Food Stamps is perhaps the most promising existing income maintenance program in terms of equity, that is, treating equally needy households on an equal basis.

It would be a challenge for any one program to serve as the Nation's only universal income guarantee during the best of times. The food stamp program has been thrust into this role at a time when 8 million Americans who want work cannot find it. Before this crisis passes, 10 percent of the American work force may be standing in the unemployment lines. The importance of the food stamp program to these people cannot be overemphasized.

When the food stamp program was enacted it was with the specific intent that if this sort of thing should ever happen again, no American would have to worry about where the next meal was coming from. The stated declaration of policy outlined in the Food Stamp Act is clear. The authorization is unlimited. It is supposed to be based on the Nation's need. That was the intent of Congress; whatever it takes to provide the people with a decent diet is what the Congress intended to spend.

The two variables which have the greatest impact on the food stamp budget are the cost of food and the unemployment rate. As the cost of food has increased dramatically over the past few years so has the food stamp allotment and maximum allowable income. Similarly, total participation in the family feeding programs remained fairly constant at 15 million until late last year when the unemployment rate took off.

The implication of these facts seems clear. The way to reduce the food stamp budget is to lower the cost of food and reduce the unemployment rate.

Yet, the Department of Agriculture, the Federal agency charged with the responsibility of administering the food stamp program persists in attacking the symptoms and ignoring the disease.

The President's clarion call of 1969 to "end hunger in America for all time" has faded in the light of budgetary considerations.

Since 1971 when food stamp participation rose to 10 million at a cost of $2 billion there has been a history of attempts by USDA to limit the growth and expenditures of the food stamp program.

In April 1971, the administration proposed new regulations sharply increasing the percentage of income that families near the top of the eligibility scale had to pay for their bonus. A 2-person family at the top had its purchase price increased from $26 to $54 and its bonus reduced from $20 to $6. A four-person family at the top had its purchase price increased from $82 to $99 and its bonus reduced from $24 to $9.

It was not until after legislation was introduced, a letter was sent to the President from myself and 27 other Senators, the Hartford, Conn., conference attended by representatives of 15 Governors, and press accounts that OMB had impounded $200 million in food stamp funds, that the eligibility and bonus levels were restored.

Undaunted, USDA has subsequently tried to:

Classify residents of certain Federal housing projects for the elderly as institutional residents, thus denying them food stamps (revised by Public Law 93-86);

Disallow retroactive benefits to those improperly denied benefits (reversed by court action);

Disallow dual operation of the food stamps and commodity distribution programs in areas of economic emergency (reversed by court action).

Raise to 30 percent of a household's income the cost of food stamps (reversed by Public Law 94-4).

Simultaneously, there has been a conspicuous lack of regulatory action in the areas of outreach and simplified certification procedures.

In a recent Federal court action over outreach, Bennett against Butz, the court stated:

The statutory outreach mandate reflects congressional concern with token participation in the food stamp program. The statute uses strong language. Outreach efforts are to entail effective action not only to inform poor people of the program's benefits, but also to insure their participation. 7 U.S.C. S2019(e)(5). The record before this court demonstrates that the defendant Secretary and his subordinates delayed implementation of the outreach effort at the Federal level, issued regulations and directives which were inconsistent with the act, approved plans which in no way approached the outreach standards set by the Congress, and required of the States no remedial action to correct inadequacies in the outreach program. The Secretary's response to the congressional directive, when viewed in its totality, is fairly described as a total failure on his part to do what the Congress clearly intended him to do.

In settlement of the case, USDA recently published much improved outreach regulations—a step in the right direction. Unfortunately, now I understand it will be a short-lived step. The Department is drafting legislation to remove the "insure" clause from the outreach provision of the act.

The sort of inaction in the areas of outreach and reform of certification procedures extends to the gathering of information which might prove embarrassing to those with responsibility for administering the program. The GAO in a February report to the Congress found that:

> The Service (Food and Nutrition Service) does not have adequate data on the program's target population—those who the program was intended to help—or on the program's participants—those who are being helped. As a result, the Service does not have an adequate basis on which to gauge the effectiveness of program coverage for particular segments of the target population, to monitor and improve the direction and effectiveness of outreach efforts, and to estimate the impact that future program changes would have.

Nonetheless, there was enough information available to issue a recent quality control report which declared "23.2 percent of the bonus dollars were found to have been overissued" resulting in headlines such as "One-Fourth Get Food Stamps Illegally, U.S. Survey Hints." Nowhere in the report, however does it state that:

Half of all food stamp program errors are "agency error" as defined by USDA;

The 23.2 percent was not based on the total food stamp population, but only the nonpublic assistance half of the population. Based on the total population the 23.2 percent would be halved—to 11.6 percent;

Seven percent of the households were mistakenly denied benefits.

Three and four-tenths percent of the total bonus dollars were under-issued to households.

Last summer the Congress amended section 15(b) of the act allowing USDA to withhold administrative funds from the States as a penalty for not hiring an adequate number of personnel.

The "efficiency and effectiveness" amendment was added to the Food Stamp Act by section 2 of Public Law 93-347. The intent of Congress in accepting the amendment, as the history shows on page 15857 of the May 21, 1974, Record, was clear. It was to encourage the States to hire sufficient personnel to administer the program properly, just as the amendment states. It was not intended to give the Department a backdoor method of enforcing quality control standards on the States, as the proposed regulations would do.

USDA's conclusion, as expressed in the March 21, 1975, Federal Register, that the "language in Public Law 93-347 is not to be narrowly interpreted" was certainly not based on the intent of the bill's floor manager in accepting this much needed, and wise amendment.

A strong quality control system for the food stamp program is, of course, an important aspect of the program. But this amendment was not intended to impose a quality control system on the States without prior congressional discussion of the standards to be used. The tolerance limits for defining error under the food stamp program, for example, were borrowed from those used by HEW for a totally different program. There has never been any study done by USDA to determine whether these same limits are realistic for the food stamp program. Yet. the proposed regulations would impose these standards upon the States, under penalty of financial sanction, without the Congress or other interested persons having the opportunity to comment. The efficiency and effectiveness amendment was not meant to be interpreted this broadly.

Mr. President, reviewing the history of USDA's stewardship of the food stamp program can lead to only one conclusion—they are more alarmed over the size of the budget than the plight of those relying upon the program.

This is an unfortunate conclusion. It ignores the intent of Congress in establishing the program and makes a political football out of those least able to cope with the current economic crisis.

Not very many people are going to wait 4 to 6 weeks to get an appointment to apply for food stamps, submit to the most personal interviews, and wait in line every month as early as 5 a.m., to receive, on the average, a $20 food stamp bonus per person, unless it is absolutely the last resort.

Today I am, therefore, introducing comprehensive food stamp reform legislation. It is the result of a thorough investigation by the Nutrition Committee into the problems and complaints of food stamp applicants and participants, and it is the result of extensive field study by myself and Senator Philip A. Hart. Thousands of letters have been received from all over the country protesting the long certification lines, unreasonably complicated application forms; inadequate allotments; excessive verification requirements; and the "catch 22" of having food stamp benefits cut every time benefits in another program are increased—even if the benefits can not be used to purchase food.

These priority problems were echoed in the testimony at hearings of the Nutrition Committee in Detroit and Miami.

Both the House and Senate Agriculture Committees have made a commitment to investigate the food stamp program in the near future. USDA is currently preparing a report to the Senate with its legislative recommendations.

It is my hope that the USDA report will recognize some of these same complaints so that the Congress and the administration can start to work together to make the food stamp program responsive to the almost 20 million Americans who participate and the additional 20 million who are eligible.

I ask unanimous consent that the bill and a section-by-section analysis be printed in the Record.

There being no objection, the bill and analysis were ordered to be printed in the Record, as follows:

S. 1627

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Sec. 2. Section 3(e) of the Food Stamp Act of 1964, as amended, is amended by deleting the following: "related individuals (including legally adopted children and legally assigned foster children) or non-related individuals over age 60" and insert in lieu thereof the word: "individuals".

Sec. 3. Section 3(e) of the Food Stamp Act of 1964, as amended, is amended by deleting the phrases: "sharing common cooking facilities", and "who has cooking facilities and".

Sec. 4. Section 3 of the Food Stamp Act, as amended, is amended by adding a new subsection (o) as follows: "The term 'nutritionally adequate diet' shall reflect a food stamp allotment which at a minimum allows participant households to purchase 90% of the low cost diet plan as defined by the Department of Agriculture.

Sec. 5. Section 5(b) of the Food Stamp Act, as amended, is amended by deleting:

"*Provided*, That such standards shall take into account payments in kind received from an employer to members of a household, if such payments are in lieu of or supplemental to household income: Provided further, That such payments in kind shall be limited only to housing provided by such employer to such employee and shall be the actual value of such housing but in no event shall such value be considered to be in excess of the sum of $25.00 per month. Any household which includes a member who has reached his eighteenth birthday and who is claimed as a dependent child for Federal income tax purposes by a taxpayer who is not a member of an eligible household, shall be ineligible to participate in any food stamp program established pursuant to this Act during the tax period such dependency is claimed and for a period of one year after expiration of such tax period."

and inserting in lieu thereof:

"*Provided*, That exclusions from income shall include payments made to a household, or on behalf of the household, by a Federal or State agency, or local government, authority, or department which are paid and earmarked for a specific purpose and not available for the purchase of food by the household."

SEC. 6. Section 5(c) of the Food Stamp Act of 1964, as amended, is amended by deleting "sixty-five" and inserting in lieu thereof "sixty".

SEC. 7. Section 7(a) of the Food Stamp Act, as amended, is amended by deleting "semi-annually", and inserting in lieu thereof "quarterly", effective October 1, based on 90% of the low cost food plan in June.

SEC. 8. Section 10(e) of the Food Stamp Act of 1964, as amended, is amended by inserting in clause (7), after the word "law", the following: ", and at the option of the State agency".

SEC. 9. Section 10(h) of the Food Stamp Act of 1964, as amended, is amended by deleting the first sentence and inserting in lieu thereof the following:

"Subject to such terms and conditions as may be prescribed by the Secretary in the regulations issued pursuant to this Act, household members or persons who are elderly, housebound, feeble, physically handicapped, or otherwise disabled, to the extent that they are unable to adequately prepare all of their meals, may use coupons issued to them to purchase meals prepared for and delivered to them by a political subdivision or by a private nonprofit organization which: (1) is operated in a manner consistent with the purposes of this Act; and (2) is recognized as a tax exempt organization by the Internal Revenue Service."

SEC. 10. The Food Stamp Act, as amended, is amended by adding new subsections 10(j) and (k) as follows:

"(j) In order to insure the participation of eligible households and to provide for the effective and efficient administration of the food stamp program, the Secretary shall provide for in the regulations issued pursuant to this Act:"

"(j) (1) Certification procedures that shall provide for:

"(a) each potential applicant to have an opportunity to file an application for participation in the food stamp program on the same day of such person's first reasonable attempt to make a request for food stamp aid."

"(b) immediate 30-day certification, and issuance of an authorization to purchase card, to any household which meets the uniform national standards of eligibility on the face of the application, without requiring supporting documents, subject to the provisions of subsection (c)."

"(c) verification of each application within 30 days after certification. *Provided*, That a household's certification shall not expire prior to the State agency completing verification."

"(d) a minimum certification period of four months: *Provided*, That households containing an elderly, blind, or disabled recipient, shall be certified for a minimum of six months."

"(e) convenient, adequately staffed certification centers."

(2) Outreach guidelines to insure the participation of all eligible households, including but not limited to:

"(a) notification of all Social Security, SSI, and unemployment compensation applicants and recipients, or the existence of the food stamp program and its income and resource guidelines. A full-time outreach director for each State and county.

"(b) a continuing media campaign in each State to inform the public about the food stamp program eligibility guidelines, how and where to apply, and what to take to the certification office."

"(c) personal contact with low-income persons by outreach workers to be hired primarily from the low-income community and the use of nonprofit organizations.

"(d) a toll-free telephone number through which food stamp information may be obtained and to provide adequate telephone lines into food stamp offices."

"(3) In such areas as are necessary, multilingual personnel, printed material, and other services provided for in subsection (1) and (2)."

"(4) The creation of a Food Stamp Advisory Board, to be composed equally of State administrators, community representatives including food stamp recipients and persons generally recognized as experts in the field. The Board shall be composed of 15 members and shall be consulted prior to regulation changes, and in no case less than quarterly. The Board shall issue a yearly report to the Congress on the operation of the food stamp program."

"(k) The United States Postal Service shall provide for the issuance of food stamps to certified households in all post offices during normal working hours, notwithstanding the responsibility of the State agency for the issuance of coupons under subsection (b). The Postmaster General shall consult with the Secretary in formulating regulations pursuant to this subsection."

SEC. 11. Section 15(b) of the Food Stamp Act, as amended, is amended by deleting "50 per centum" and inserting in lieu thereof, "65 per centum".

SEC. 12. Section 15(b) of the Food Stamp Act, as amended, is amended by deleting in the last sentence the following: "no such payment shall be made to any State unless the Secretary is satisfied pursuant to regulations which he shall issue that"; and insert in lieu thereof the following: "in particular whether".

SECTION BY SECTION ANALYSIS

SECTION 2

This section of the bill amends Section 3 of the Food Stamp Act of 1964, as amended, which defines the terms used in the Act.

Subsection (e) which defines the term "household" is amended to delete the requirement that household members under age 60 be related in order to qualify for the food stamp program. This requirement was ruled unconstitutional by the Supreme Court in its decision in the case of *Moreno* v. *USDA*, 413 U.S. 528. The amendment will bring the Act into conformance with the Supreme Court decision.

This provision was introduced at the request of the administration in the 93d Congress, but no action was taken.

SECTION 3

Section 3 deletes the requirement that a household have cooking facilities to qualify for the food stamp program. This requirement has disadvantaged many elderly applicants, who have their main hot meal at a senior citizens' congregate eating center and then purchase cold foods, or food items that can be cooked on a hot plate, for the other meals. The "cooking facilities" requirement prevents them from qualifying from the food stamp program.

SECTION 4

Section 4 of the bill adds a new subsection 3(o) to the food stamp act defining, for the first time, the term "nutritionally adequate diet". The definition provides that at a minimum, participant households must be allotted a sufficient amount of coupons to purchase 90% of USDA's Low Cost Diet Plan. Currently the allotment is based on USDA's Economy Diet Plan, which is approximately 75–80% of the Low Cost Plan. The amendment would increase the coupon allotment 12.5–15% allowing the food stamp program to more closely meet the Congressional mandate of providing a nutritionally adequate diet. USDA studies show that only 1 in 10 households spending at the level of the EDP get a nutritionally adequate diet.

Cost: $900 million.

SECTION 5

Section 5 revises subsection 5(b) of the Act, deleting in kind housing benefits from the computation of income; deleting the "tax dependency" requirement; and excluding from income government benefits earmarked for a specific purpose and not available for the purchase of food.

The inclusion of housing payments in kind not in excess of $25 is most unpopular among the States. To determine the value of in kind income, State agencies must develop expertise in estimating the value of housing or obtain guidance on the matter through other agencies or organizations. In either case, any possible savings to the program are more than offset by the complexities, if not impossibilities, of effectively administering this provision.

The provision prohibiting the participation of certain tax dependents in the food stamp program is also deleted. In its decision in the case of *Murry* v. *USDA*, 413 U.S. 508, the Supreme Court ruled that the "tax dependency" provision of the Act is unconstitutional. Thus, "tax dependency" provision in the current Act is not enforceable.

Both of these provisions were introduced at the request of the administration in the 93rd Congress, but no action was taken.

In addition, this amendment would exclude from the computation of income, Federal, State or local government benefits accruing to food stamp applicants which are earmarked for a specific purpose and not available for the purchase of food.

The implication of Section 7(b) of the Act, limiting the cost of stamps to "30% of the household's income" is that it is disposable income, available for the purchase of food. Housing allowances, and the benefits of other government programs intended by the Congress to be socially beneficial are not intended to have a negative impact on providing each American with a nutritionally adequate diet.

SECTION 6

Section 6 would lower the work registration age requirement from 65 years to 60. Individuals between 18 and 60 not 65 would have to meet the work registration requirements of Section 5(c) of the Act.

SECTION 7

Section 7 provides for a more frequent adjustment to the food stamp coupon allotments based on the cost of food. Currently the food stamp allotments are adjusted twice a year. This amendment would require the adjustment to be made quarterly, based on the cost of food four months previous. The sum effect would be to reduce by four months, from 10 to 6, the maximum time between when the allotment is computed and when it is purchased by participant households. The longer this time lag, the less nutritionally adequate the allotment; the shorter the time, the more responsive the program to the cost of food.

SECTION 8

Section 8 revised subsection 10(c)(7) to give each State agency an option to establish a system under which a food stamp household may elect to have its charge for the coupon allotment withheld from its public assistance check. The Act now mandates a State agency to offer such a system. Any optional system would permit a State to operate the system in an area where it would be helpful, such as rural localities lacking adequate transportation. The State would not be required to bear the cost of administering such a system in larger metropolitan areas where public assistance withholding is not only of minimal usefulness but also subject to abuse. Giving the States this option could serve to gain their increased cooperation in other areas of greater program importance.

This provision was introduced at the request of the administration in 93rd Congress but no action was taken.

SECTION 9

Section 9 allows all food stamp recipients who are housebound, feeble, physically handicapped, or otherwise disabled, as well as all those over 60 years of age, to use food stamps for meals-on-wheels. Without this section, recipients must be both incapacitated and elderly to be able to get meals-on-wheels with stamps.

This section does not extend eligibility for the program, it simply says that those people who already qualify for food stamps and meals-on-wheels can use the stamps to pay for the meals.

SECTION 10

Section 10 adds two new subsections to section 10 of the Act, making more specific the procedures to be followed in administering the food stamp program.

It would provide for 30 day certification of those applicant households which on the face of the application meet the national income and resource guidelines. No supporting document or verification would be required at this point. If based on the application, filled out under penalty of law, the household is eligible, an authorization to purchase card would be issued at that time for a period of 30 days. The State agency would then have 30 days to verify the application. Subsequent certifications would be for periods of not less than four months. If the household contained an elderly, blind or disabled individual, the minimum certification period would be for six months.

Convenient adequately staffed certification offices which provide an applicant with a reasonable opportunity to apply for food stamps on the same day that the original request is made would be the guideline.

Outreach guidelines are also made more specific. All SSI, social security, and unemployment compensation recipients would have to be notified of food stamp guidelines. A media campaign would be used as well as personal contact and a toll free telephone number, to reach those persons who are eligible but are not participating in the program.

Where appropriate, bi-lingual services should be available, and Post Office sale of coupons is mandated throughout the country, in addition to the other outlets such as food stamp offices, banks, credit unions, and other organizations that now sell the stamps.

The State agency would still have the obligation of submitting a State plan of operation to the Secretary pursuant to subsection (e) but the Secretary would have a more direct responsibility in providing for an effective administration of the program.

SECTION 11

Section 11 increases the federal reimbursement to the States for the administration of the food stamp program from 50% to 65%. Due in large part to the recent jump in the unemployment rate, the administration of the food stamp program in the various States has been greatly strained. Increasing the federal share of the administrative cost of the program will provide the States with the additional funds needed to hire more certification, outreach, and investigative personnel. Cost: $45 million.

SECTION 12

Section 12 deletes from section 15(b) of the Act the provision allowing USDA to withhold administrative funds from the States as a penalty for not hiring an adequate number of personnel. The reporting requirement to the Secretary on the effectiveness of the State administration of the program, with an emphasis on staffing, is retained.

The "efficiency and effectiveness" amendment was added to the Food Stamp Act by section 2 of P.L. 93-347 (S. 3458). The intent of Congress in accepting the amendment, as the history shows on page S. 8742 of the May 21, 1974 Record, was clear. It was to encourage the States to hire sufficient personnel to administer the program properly, just as the amendment states. It was not intended to give the Department a backdoor method of enforcing quality control standards on the States, as the proposed regulations would do.

USDA's conclusion, as expressed in the March 21, 1975, Federal Register, that the "language in P.L. 93-347 is not to be narrowly interpreted" was certainly not based on the intent of the Bill's floor manager in accepting this much needed, wise amendment.

A strong quality control system for the food stamp program is, of course, an important aspect of the program. But this amendment was not intended to impose a quality control system on the States without prior Congressional discussion of the standards to be used. The tolerance limits for defining error under the food stamp program, for example, were borrowed from those used by HEW for a totally different program. There has never been any study done by USDA to determine whether these same limits are realistic for the food stamp program. Yet, the proposed regulations would impose these standards upon the States, under penalty of financial sanction, without the Congress or other interested persons having the opportunity to comment. The efficiency and effectiveness amendment was not meant to be interpreted this broadly.

This amendment would therefore remove the possible financial sanctions against the States, until more serious and professional preparation can be given to this subject.

By Mr. PROXMIRE:

S. 1628. A bill to repeal the Military Selective Service Act. Referred to the Committee on Armed Services.

NO ROLE FOR SELECTIVE SERVICE

Mr. PROXMIRE. Mr. President, the Selective Service System is a bureaucracy without a purpose.

There has been no draft since July 1, 1973. There are no inductions, no physical examinations and only a few lingering appeals. Yet the Selective Service Commission expects to spend $47.8 million and employ 2,600 people at 3,000 local boards this year to keep its bureaucracy afloat.

This is a classic case of institutional self-preservation. Even after the purpose for the Selective Service System has disappeared, its form lives on spending taxpayers' money.

I happen to be chairman of the subcommittee of the Appropriations Committee that has jurisdiction over the budget of that system. For the last several years we have been hearing them come in asking for money. I have tried to suggest that it be abolished for several years now. In view of the present situation, it seems to me the time has come.

Congress should immediately end the operations of the Selective Service System. Today I am introducing a bill that will do just that within 30 days of passage.

Some say we need a standby system. This is false. We have over 2 million men under arms and almost 1 million more in the Reserves. They can meet any national emergency short of allout war. And in the latter case, we could quickly mobilize the whole country if it is still in one piece.

The Selective Service System can be abolished, because the All-Volunteer Army is working and very successful. The number and quality of volunteers is improving yearly. All four services have met their recruiting goals or are very close. The average initial term of service has gone up, demonstrating satisfaction by the volunteers with the system.

The All-Volunteer Army is working so well that the Department of Defense has determined that there is no need for a draft through the 1980's or as far into the future as they can see.

Even the responsibilities of the Selective Service System under the clemency program will end this fiscal year.

There are other ways to register the manpower pool of eligible males. It could be handled through the local high school systems with thousands of schools around the country providing the space and few minutes needed. Or it could be handled by the Census Bureau and mail-in registration cards.

The Selective Service has told me they have found that many Americans believe that Selective Service no longer exists. I hope to make that perception a reality.

Mr. President, I send the bill to the desk, ask for its appropriate referral, and I ask unanimous consent that the bill be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1628

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Military Selective Service Act is repealed effective 30 days after the date of enactment of this Act.

By Mr. MOSS:

S. 1631. A bill to amend the Federal Trade Commission Act to provide remedies against unfair competition in interstate and foreign commerce and for other purposes. Referred to the Committee on Commerce.

Mr. MOSS. Mr. President, the law of unfair competition deals with the copying, imitation, or other utilization by one businessman of another businessman's product, design, packaging, trade name, or other merchandising practices. It deals also with false or misleading statements made in connection with the sale of goods or services, such as those praising one's own or disparaging a competitor's products.

This is a body of common law, developed primarily by the courts on a case-by-case basis. Prior to the decision of the Supreme Court in *Erie R.R. Co.* v. *Tompkins,* 304 U.S. 604 (1938), the Federal courts followed federally developed rules in this area; but since that decision, the Federal courts have been required to apply the body of State unfair competition law applicable in the place where the Federal court sits. Many have argued that the various State courts have applied different standards of law in this area, so that the result of the *Erie* decision is that the law of unfair competition has become extremely nonuniform in application, during a period when business activities in our society have tended to become more and more interstate in character. The result is that businessmen are unable to know what law will be applied to their merchandising practices, for goods which they can lawfully sell in one State may subject them to civil liability or even criminal punishment in another. Not only does this result in undesirable lack of certainty in regularity for businessmen, but it brings about a great deal of undesirable forum shopping in litigation. The latter has become a problem of administration of the Federal courts, as well as of the State courts, because unfair competition cases can usually be brought in a Federal court under diversity jurisdiction or under the doctrine of pendent jurisdiction.

The purpose of the proposed Unfair Competition Act is to rescue interstate business firms from the checkerboard of different State regulations, so that they may use the same designs, packages, or other product configurations in all of the States in which they operate. At the same time, a uniform law will bring about a more orderly administration of the Federal court system. The proposed legislation is drafted as an amendment to the Federal Trade Commission Act (15 U.S.C. 41–53), which already prohibits unfair methods of competition by making an administrative agency responsible for their prevention when the effect of such practices is substantially injurious to the public. The purpose of this legislation is to supplement the provisions of the Federal Trade Commission Act by creating a uniform private legal remedy against unfairly competitive acts against which injunctive or damages relief is appropriate.

The intention of this legislation is to exercise to the fullest constitutional extent the Congress' power under the commerce clause. The bill subjects to the act all unfair competition in or affecting commerce, protects all persons engaged in or whose activities affect commerce against unfair competition, and establishes a uniform law with regard to such conduct.

The legislation would codify the common law of unfair competition as it has previously been developed in the decisions of the Federal courts. To the extent, therefore, that there may be any ambiguity in language or uncertainty as to interpretation, the proposed legislation should be construed in accordance with such decisions. This reflects a recognition that the law of unfair competition has developed on a case-by-case basis and by a process of generalization from previous judicial experience. The law thus reflects the landmark decisions of the Federal courts, such as *Cresscent Tool Co.* v. *Kilborn & Bishop Co.,* 247 Fed. 299 (2 Cir. 1917); *Shredded Wheat Co.* v. *Humphrey Cornell Co.,* 250 Fed. 960 (2 Cir. 1918); *Durable Toy & Novelty Corp.* v. *Achein & Co.,* 133 F. 2d 853 (2 Cir. 1943), cert. denied, 320 U.S. 211 (1940); *National Comics Publications, Inc.* v. *Fawcett Publications, Inc.,* 191 F. 2d 594 (2 Cir. 1951); *Application of Deister Concentrator Co.,* 289 F. 2d 496 (C.C.P.A. 1961); *Kellogg* v. *National Biscuit Co.,* 305 U.S. 111 (1938); *Sears, Roebuck & Co.* v. *Stiffel Co.,* 376 U.S. 225 (1964); *Compco Corp.* v. *Day-Brite Lighting, Inc.,* 376 U.S. 234 (1964).

The bill adds a new section to the Federal Trade Commission Act, which denies as unlawful and unfair competition any act, practice, or course of conduct, in or affecting commerce, which results or is likely to result, in one businessman's "passing off" his goods or services for those of another. "Passing off" is defined more specifically as conduct involving copying or other imitation or utilization of the appearance of the other businessman's product—such as copying its packaging, design, or other product configuration. Such conduct may also involve similar utilization of the trade name or of another merchandising practice of the other businessman. The claimant must establish by a preponderance of the evidence, however, that the public has come to associate the copied thing with a particular source of goods or services and that the members of the public—or other customers—are likely to buy the goods of the imitator by mistake, because they think they are getting the original article which they actually want. Conduct of this type was generally prohibited by the common law, as reflected by the decisions of both State and Federal courts. See, for example, *Armstrong Paint & Varnish Works* v. *Nu-Enamel Corp.* 305 U.S. 315, 336 (1938); *William R. Warner & Co.* v. *Eli Lilly & Co.,* 265 U.S. 526, 531–32 (1924).

On the other hand, the courts have also recognized the importance to competition of not interfering with the copying of unpatented and uncopyrighted features of articles, where those features do not cause any deception of the public. When one manufacturer copies another's packaging or product, the copied element may serve any or all of the following functions: First, it may help carry out the purpose to be served by the product in the hands of the consumer or have functional utility; second, it may indicate to the purchaser the nature of the product, as with a descriptive designation such as "thermos bottle" on the label; or third, it may indicate to the customer the source of the product. The last quality is what this provision of the legislation protects by creating a private right of action, but the law also prevents any interference with the public's enjoyment of the first two qualities. There is a well-developed body of common law adjusting these competing interests to secure maximum benefits to the public and the business community, and the proposed legislation seeks to adopt that body of law. The Federal decisions cited above embody this approach.

The bill prohibits the disparagement of one's competitors' goods or services by a materially false statement. Truthful disparagement, however, is protected by the first amendment and is not prohibited. Moreover, to be actionable, the false disparagement must be shown to have been directed to actual customers or to persons who are prospective customers so that mere injured feelings do not give rise to a Federal case.

The bill prohibits materially false and misleading statements, or the omission of material information, about one's own or another's goods. Again, the deception must be concretely directed to actual or prospective customers. This provision allows a private party to recover damages for his injuries that are caused by conduct which amounts to a violation of the deceptive practices provisions of section 5 of the Federal Trade Commission Act. However, the requirements of this section are more stringent than those of section 5 of the Federal Trade Commission Act in that they deal only with hard-core deceptive practices and not borderline conduct.

Any businessman who is actually injured by conduct forbidden, or who is likely to be injured by conduct forbidden, or who is likely to be injured by "passing off" conduct may bring a civil action in the appropriate district court. The appropriate district court is that defined by the revenue provisions of the Judicial Code (28 U.S.C. section 1391). Injured businessmen may seek injunctions against intentional violations of the act. Injunctions must be granted in accordance with the principles of equity, however, which is a requirement also of the Patent Code (35 United States Code, section 283); and the claimant must show that an injunction is necessary to prevent actual damages from occurring to him. As indicated in the decision of the U.S. Supreme Court in the Compco case, supra, nondeceptive copying may not be prohibited; and this legislation requires only that reasonable steps should be taken by the defendant.[1] All nondeceptive copying and other nondeceptive activities are protected by this provision because of their importance to maintaining free competition. Moreover, in accordance with the first amendment, this provision prohibits the imposition of any prior restraint on free speech. Injured businessmen are permitted to recover the actual damages that they have sustained by reason of an intention violation of the act and establish a 4-year statute of limitations.

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[1] This provision follows the general common law rule that manufacturers should take reasonable steps to inform prospective purchasers of their goods as to the source from which they come, but they are not obliged to take impractical or unduly expensive measures. This approach both furthers competition and protects the legitimate interests of competing businessmen. See National Biscuit case, *supra.*

The bill makes its provisions the uniform and governing law in the field with which it deals. This insures businessmen the freedom to market their goods and services with the knowledge that they may carry on their activities on a uniform basis throughout the Nation without being subjected to inconsistent regulatory provisions. If products may lawfully be sold under the Unfair Competition Act in Maine, then the same will be true in California or Alaska. In that way, manufacturers of goods will be enabled to ship them freely in commerce throughout the Nation without fear of being subjected to legal liability or even criminal punishment in some States, because of conduct of the type covered by this law, which is perfectly permissible in the other States. There is a proviso in this, however, that preserves the continuing applicability of the Federal patent, copyright, and trademark laws which also prohibit certain types of copying, imitation, or utilization of competitors' products or merchandising practices and which places outside the protection of the act conduct which is punishable as theft.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1631

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, **That this Act may be cited as the "Unfair Competition Act of 1975".**

SEC. 2. The Federal Trade Commission Act (15 U.S.C. 41 et seq.) is amended by (1) striking out section 21 thereof; (2) amending section 1 thereof by striking out "That a" in the first sentence thereof and inserting in lieu thereof, with appropriate paragraph indentation, the following:

"(a) This Act may be cited as the **'Federal Trade Commission Act'.**

"(b) A";

(3) by redesignating section 20 as section 21; and (4) by inserting after section 19 the following new section:

"SEC. 20. (a) (1) A person commits unlawful and unfair competition, and is subject to the provisions of this section, when he engages in any act, practice, or course or conduct prohibited by paragraphs (2) or (3) of this subsection, that is in or affects commerce.

"(2) (A) No person shall pass off goods or services that he offers to purchasers as or for the goods or services that another offers to purchasers.

"(B) Passing off, as that term is used in this section, results when each of the following facts or circumstances occur:

"(i) the person against whom relief is sought has copied or otherwise imitated or utilized the product, configuration, packaging, trade name, or merchandising practice (hereafter referred to in this subparagraph as the "copied feature") of the person seeking relief;

"(ii) actual or prospective purchasers of the goods or services of the person against whom relief is sought generally associated the copied feature, at the time of the conduct complained of, with a **particular source,** whether or not such source was identifiable to such purchasers by a particular name;

"(iii) the person seeking relief was in fact that source; and

"(iv) such source association substantially **affected the decision of such purchasers, at the time of the conduct complained of, to purchase the goods or services of the person against whom relief is sought, when they intended to and wanted to purchase goods or services coming from the source with which they associated the copied feature.**

"(3) **No person shall misrepresent his goods or services or those of another to actual or prospective purchasers of such goods or services, by a false or misleading statement of fact, which causes or is likely to cause ordinary purchasers to purchase the goods or services of the person who makes the statement, instead of purchasing those of the person seeking.**

"(b) (1) **Any person injured in his business by unlawful and unfair competition as described in subsection (a) of this section may bring a civil action for damages caused intentionally, as provided in subsection (c) of this section.**

"(2) **Any person injured in his business or likely to be injured in his business by un**lawful and unfair competition as described in **subsection (a) of this section may bring a civil action for injunctive relief, as provided in subsection (d) of this section.**

"(3) Such action may be brought in any district court of the United States having jurisdiction of the person who committed such unlawful and unfair competition.

"(c) (1) Any person who diverts actual or prospective purchasers of the goods or services of another to himself, as an intended result of unlawful and unfair competition described in subsection (a) of this section, shall be liable to the other for damages, as specified in paragraph 2 of this subsection.

"(2) Such damages shall be the lost profits of the person seeking relief, on sales actually diverted, unless such diversion and lost profits cannot be estimated with reasonable accuracy. If they cannot, such damages shall be the decrease in the value of the business of the person seeking relief, caused by the unlawful and unfair competition, unless such decrease cannot be estimated with reasonable accuracy. If it cannot, such damages shall be the profits of the person who committed unlawful and unfair competition, and that can be estimated with reasonable accuracy. Damages may not be awarded on another basis.

"(3) Any action to enforce any claims for damages under this section shall be barred unless commenced within four years after the claim accrued.

"(d) (1) Any person who establishes—(A) that he has been injured or is likely to be injured in his business by unlawful and unfair competition described in subsection (a) of this section, (B) that an injunction is necessary to prevent actual and continuing damage caused by such conduct, and (C) that damages under subsection (c) of this section will not be an adequate remedy—may be granted an injunction against such conduct, in accordance with the principles of equity and subject to paragraph (2) of this subsection.

"(2) **Such injunction may require the person against whom relief is sought to label goods or take other reasonable and practicable precautions to prevent purchasers or potential purchasers from being misled or deceived as to the source of the goods or services or other material facts, but neither nondeceptive copying nor any other nondeceptive activities shall be prohibited or otherwise punished.**

"(e) **In any proceeding in any court respecting any act, practice, or course of conduct, in or affecting commerce, that this Act prohibits, the law applied and remedies applicable (subject only to laws relating to theft and to the Federal patent, copyright and trademark laws) shall be those specified in this Act."**

SEC. 3. No claim barred under existing law on the effective date of this Act shall be revived by this Act.

SEC. 4. Section 1338 of title 28, United States Code, is amended by deleting from the first sentence of subsection (a) thereof the words "copyrights and trade-marks" and substituting therefor the words "copyrights, trademarks, and unfair and unlawful competition."

SEC. 5. If any provision of this Act or the application of such provision to any person or circumstance is held invalid, the remainder of this Act shall not be affected thereby.

SEC. 6. The effective date of this Act shall be 180 days after the date of enactment thereof. It shall apply to all claims not barred on such date and all claims accruing thereafter.

By Mr. MOSS (for himself and Mr. HUMPHREY):

S. 1632. A bill to authorize in the Energy Research and Development Administration a Federal program of research, development, and demonstration designed to promote electric vehicle technologies and to demonstrate the commercial feasibility of electric vehicles. Referred to the Committee on Commerce.

ELECTRIC VEHICLE RESEARCH AND DEVELOPMENT

Mr. MOSS. Mr. President, about one-seventh of the total power consumed in the United States is used to build, support, and propel automobiles which drive within city limits. These "city" automobiles accounted for almost half the total air pollutant emissions in 1969.

A lot of thought is going into better mass transit for cities, and I wholeheartedly support this approach. However, I believe that mass transit is only part of the answer. Automobiles are probably going to be in cities for a long time.

It seems not only appropriate, but essential that we look carefully at city automobiles to improve their efficiency and reduce pollution.

A lot of this city driving is done by a single individual traveling less than 10 miles at slow speeds with frequent stops. Electric vehicles look very promising for these operating conditions. An electric car draws no power unless it is moving. Moreover, electric cars are very quiet, nonpolluting, and save petroleum. However, considerable research, development, and demonstration is needed before widespread use of electric vehicles can become practical.

Recently, the Electric Vehicle Research, Development, and Demonstration Act of 1975, H.R. 5470, was introduced in the House by Congressmen MCCORMACK, TEAGUE, MOSHER, GOLDWATER, and BROWN. It is an excellent bill, and it is my pleasure to introduce it in the Senate with very minor changes.

By Mr. MONDALE (for himself and Mr. CRANSTON):

S. 1633. A bill to amend the Immigration and Nationality Act to eliminate the legal custody requirement and the requirement of residence and physical presence in the United States for the naturalization of children adopted by U.S. citizens. Referred to the Committee on the Judiciary.

S. 1634. A bill to amend the Immigration and Nationality Act to permit adoption of more than two children. Referred to the Committee on the Judiciary.

Mr. MONDALE. Mr. President, in recent weeks we have witnessed a tremendous outpouring of sympathy and generosity toward the children who have been victimized by the war in Southeast Asia. We have all seen the stories about grateful American parents carrying home their new children from chaotic airports—and we have all seen the interviews with the parents who waited for months to receive a Vietnamese child who would become a member of their family.

In addition, there are many more American parents who have already adopted children from Vietnam, Korea, Thailand, and other countries around the world.

Many of these families involved in intercountry adoption very much want to, and are capable of, caring for more than two children in their homes.

Unfortunately, the Immigration and Nationality Act prevents adoptive parents from bringing more than two alien children into this country on "immediate relative status." The alternative, "nonpreferred status," has apparently resulted in many cases of delays of a year and more in getting children into this country for adoption.

Furthermore, the act prohibits renewals of a visitor's visa if the child entered the country on or after February 16, 1975, and has already been granted one or more extensions of the visa. This provision apparently affects children brought to the University of Minnesota Hospital for open heart surgery. Once they arrive, some of these youngsters are identified as available for adoption. As it stands, a child could therefore be legally adopted by a family, but still be in this country on a visitor's visa—which cannot be renewed.

Even after the child has been admitted to this country and legally adopted, the parents must still wait 2 years before they may file a petition for citizenship of the child.

In an attempt to eliminate these obstacles to adoption, I am today introducing two bills. One, introduced in the House by Representative B. F. SISK, would grant immediate relative status to foreign orphans regardless of the number of previous petitions filed by the prospective parents.

A second, introduced by Representative DON EDWARDS in the House, would provide for naturalization of a child at the time an adoption is legally completed.

Both bills have been endorsed by the Justice Department, and the Office of Management and Budget has also advised that it has no objection to their enactment.

The problems which these bills address were brought home to me with new intensity recently by a large volume of mail from Minnesota families. These people clearly and vividly described how the present limitations have restricted their ability to achieve the unique family happiness for which they strive.

Mr. President, the Subcommittee on Children and Youth, which I chair, is concerned about all children and youth and their problems in the broadest sense. In previous hearings and legislative action we have worked in the areas of child abuse, crib death, day care, and camp safety. We are engaged in a long-range study of trends and pressures affecting American families, and of their impact on children and youth.

On Monday and Tuesday of last week the subcommittee held hearings on baby selling—in which an intermediary sometimes receives thousands of dollars for identifying and placing an infant with an adoptive family. These hearings marked the beginning of a new initiative for the subcommittee—an exploration of existing and proposed Federal policies affecting the adoption of children and their placement in the foster care system. I was pleased to have the opportunity earlier this week to join with my subcommittee colleague, Senator ALAN CRANSTON, in introducing the Opportunities for Adoption Act. This legislation is now pending before the subcommittee. I am also pleased that Senator CRANSTON is cosponsoring the bills I have introduced today.

It is my hope that all of these initiatives will contribute to a meaningful analysis of our adoption and foster care system and to whatever legislation might be necessary to improve the services provided to the more than 400,000 children in that system.

By Mr. SPARKMAN (by request):

S. 1636. A bill to amend further the Peace Corps Act. Referred to the Committee on Foreign Relations.

Mr. SPARKMAN. Mr. President, by request I introduce for appropriate reference a bill to amend further the Peace Corps Act.

The bill has been requested by ACTION and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when it is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill and a section-by-section analysis be printed in the RECORD at this point, together with the letter from the Deputy Director of ACTION to the President of the Senate dated April 21, 1975.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1636

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That so much of section 3(b) of the Peace Corps Act (22 U.S.C. 2502(c)) as precedes the first provision thereof is amended to read as follows: "There are authorized to be appropriated for fiscal year 1976 not to exceed $80,826,000, and for the period July 1, 1976 through September 30, 1976 not to exceed $25,729,000, to carry out the purposes of this Act:"

SEC. 2. Section 3(c) of the Peace Corps Act (22 U.S.C. 2502(c)) is amended to read as follows: "In addition to the amounts authorized for fiscal year 1976 and for the period July 1, 1976 through September 30, 1976, there are authorized to be appropriated for the Peace Corps for such year such sums as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law."

SEC. 3. Section 3(d) of the Peace Corps Act (22 U.S.C. 2502(d)) is amended to read as follows: "The Director of ACTION shall transfer to the redjustment allowance, ACTION, account at the Treasury Department, no later than December 31, 1975, not to exceed $315,000 from any sums available to carry out the purposes of this Act in fiscal year 1976 to rectify the imbalance in the Peace Corps readjustment allowance account for the period March 1, 1961 to February 28, 1973.

SEC. 4. Section 5(a) of the Peace Corps Act, as amended, which relates to conditions of enrollment for volunteer service is amended by adding ", sex" after the word "race" in the last sentence thereof

PEACE CORPS AUTHORIZATION—SECTION-BY-SECTION ANALYSIS

Section 1 amends Section 3(b) of the Peace Corps Act (22 U.S.C. 2502(b)), which contains the general authorization of appropriations for the Peace Corps, to authorize the appropriation of $80,826,000 for fiscal year 1976 and $25,729,000 for the fiscal year transition quarter July 1–September 30, 1976.

Section 2 amends Section 3(c) of the Peace Corps Act (22 U.S.C. 2052(c)), to authorize the appropriation of such sums as may be necessary for the Peace Corps for increases in salary, pay, retirement or other employee benefits authorized by law. This Section is similar to the authorization enacted with respect to fiscal year 1975 to make appropriations to cover increases in employee salaries.

Section 3 amends Section 5(d) of the Peace Corps Act (22 U.S.C. 2502(d)) to require ACTION to transfer up to $315,000 to the Treasury Department no later than December 31, 1975, to rectify the imbalance in the Peace Corps readjustment allowance account from any funds available in fiscal year 1976 to carry out the Peace Corps Act, rather than from fiscal year 1975 funds, as authorized in the current legislation enacted as part of P.L. 93–302, 88 Stat. 191. Because of budgetary constraints in FY 1975, we have been unable to complete this transfer to date. The proposed extension of time will permit the imbalance to be rectified.

Section 4 relates to conditions for enrollment as a Peace Corps Volunteer by assuring that discrimination on the basis of sex will not occur in accepting assignment of applicants for volunteer service. This amendment recognizes existing policy and regulations which have been adopted by the Peace Corps to prohibit any discrimination on the basis of sex.

APRIL 21, 1975.

Hon. NELSON A. ROCKFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. VICE PRESIDENT: Enclosed for your consideration are copies of draft legislation to make four amendments to the Peace Corps Act, to enable the Peace Corps to continue to strengthen its work on behalf of world peace and understanding during fiscal year 1976 and the fiscal year transition quarter. We expect to propose additional amendments for fiscal year 1977 and later years in the near future.

The bill will authorize the appropriation of $80,826,000 for the Peace Corps for fiscal year 1976 and $25,729,000 for the fiscal year transition quarter of July 1, 1976 to September 30, 1976. This authorization will enable the Peace Corps to train an estimated 3,750 volunteer applicants in the coming year and 1,400 in the transition quarter. The estimated number of volunteer man years in the field for fiscal year 1976 will be approximately 6,062 and in the transition quarter approximately 1,434.

It will also authorize the appropriation of such sums as may be necessary in the event federal employee salaries or benefits are increased between July 1, 1975, and September 30, 1976. This authorization is similar to authority enacted with respect to fiscal year 1975.

The bill also provides that ACTION will transfer funds to the Treasury Department no later than December 31, 1975 to rectify the imbalance existing in the Peace Corps readjustment account. Legislation authorizing this transfer was enacted in 1974, but was limited to FY 1975 funds. Because of budgetary constraints on the Peace Corps for 1975, we have been unable to complete the transfer to date. Accordingly, it is necessary to provide a six-month extension of the time allowed to accomplish the transfer.

Section 4 of the bill would forbid sex discrimination with respect to the enrollment and terms and conditions of service of volunteers. This amendment would enact the existing practice of the Peace Corps.

I respectfully request that the bill be referred to the appropriate committee for consideration.

The Office of Management and Budget advises that there is no objection to the submission of this legislation and that its enactment would be in accord with the program of the President.

Sincerely,

JOHN L. GANLEY.

By Mr. FONG (for himself, Mr. HUGH SCOTT, and Mr. PHILIP A. HART):

S. 1637. A bill to amend the Antitrust Civil Process Act to increase the effectiveness of discovery in civil antitrust investigations, and for other purposes. Referred to the Committee on the Judiciary.

Mr. FONG. Mr. President, today I am introducing a bill to amend the Antitrust Civil Process Act to increase the effectiveness of discovery in civil antitrust investigations.

I believe it is incontestable that no field of litigation involves facts more complex or records more extensive than are found in the Government's antitrust cases. As a consequence, the task of amassing the data essential to successful antitrust enforcement can frequently be of enormous magnitude.

The Antitrust Civil Process Act of 1962, as far as it goes, has been of great benefit to the Government in conducting civil antitrust investigations. That act authorized the Attorney General or the Assistant Attorney General in charge of the Antitrust Division to issue a civil investigative demand for the production of relevant documents from corporations, associations, partnerships, or other legal entities not natural persons, under investigation for antitrust violations.

However, the Antitrust Civil Process Act does not allow natural persons or third parties not under investigation to be served with a civil investigative demand, nor does it give the Antitrust Division the power to compel oral testimony or serve written interrogatories. Experience has shown, unfortunately, that these and other deficiencies have rendered the act insufficient to meet the present-day investigatory needs of the Antitrust Division.

The refusal of industry on occasion to cooperate voluntarily in antitrust investigations, which was the original justification for the Antitrust Civil Process Act, is the reason today why more effective means of civil discovery are needed. In a word, the same reasons that supported enactment of the Antitrust Civil Process Act 13 years ago speak now for the act's expansion.

Mr. President, in the opinion of the Attorney General, Mr. Edward H. Levi—

> This bill would simply make available to the Attorney General the same antitrust investigatory powers in civil investigations that he now has in criminal investigations, and provide him with authority similar to that of the Federal Trade Commission.

As you know, the grand jury process can be used in the investigation of criminal violations under the Sherman Act. The Clayton Act for the most part is not a criminal statute, however, and the grand jury process, of course, is unavailable where only a civil action is contemplated.

Even under the restraint of trade or monopoly provisions of the Sherman Act, it is often not desirable to bring companion criminal and civil suits. The facts may not warrant criminal sanctions, or it may appear at the outset that the evidence may be insufficient for a criminal case. In other situations the urgency of obtaining civil relief may make it inadvisable to risk the delay that would probably attend the bringing of both types of actions.

Let me now set forth in detail the eight improvements in the Antitrust Civil Process Act through which this legislation would increase the effectiveness of the Government's civil antitrust discovery process.

First. Under present law, civil investigative demands can be issued only in aid of investigations of past or present antitrust violations. The limitations of this authority become manifest when a merger possibly violative of the antitrust laws is announced which the Antitrust Division cannot fully investigate because such merger has not yet been consummated. By allowing the civil investigative demand to be used with regard to activities which may lead to an antitrust violation, my bill would permit the Justice Department to obtain in advance of a merger sufficient information on which to make a judgment as to whether or not it should be challenged.

This provision corrects the adverse effect of *United States* v. *Union Oil Company of California* (343 F. 2d 29, 9th Cir., 1965), which held that civil investigative demands may issue only to require the production of documents relating to current or past, but not incipient, violations.

It should be noted that there is no lack of legislative precedent for extending the investigatory power to possible future violations. In addition to my own State of Hawaii, the States of Illinois, Missouri, New Jersey, New York, and Virginia, among others, specifically authorize the use of civil investigative subpenas in investigations of incipient violations of the antitrust laws.

Second. The bill would broaden the categories of persons upon whom civil investigative demand could be served to include natural persons. As I noted earlier, the limitation in the present law to corporations, associations, partnerships, and other legal entities not natural persons has proved a hindrance to effective antitrust investigation.

Third. My bill would also broaden the classes of persons subject to civil investigative demands to include not only persons under investigation but also third parties who may have knowledge of facts which are relevant to the investigation. Again, this remedies a long-felt defect in the powers granted under existing law.

Fourth. The civil investigative demand could be used not only to compel the production of documentary evidence but would become available to require oral testimony or answers to written interrogatories or any combination of such demands.

Broadening the act to cover oral testimony would introduce no novel or untried concept in antitrust enforcement. In the area of trade regulation on the Federal level, section 9 of the Federal Trade Commission Act confers on the Commission the power to compel oral testimony in the course of its investigations. Among departments and other agencies whose heads, members, or employees have statutory authority to compel attendance and oral testimony of witnesses in the course of investigations pertinent to laws which they administer are the Departments of Agriculture, Labor, the Treasury, and Health, Education, and Welfare, the Civil Aeronautics Board, the Federal Aviation Administration, the Federal Communications Commission, the Federal Power Commission, the Interstate Commerce Commission, the National Labor Relations Board, the Railroad Retirement Board, the Tariff Commission, and the Veterans' Administration.

The power to seek the attendance of witnesses to give oral testimony in antitrust investigations prior to the initiation of any suit or proceeding is granted to the State attorney general under the laws of Arizona, Connecticut, Florida, Hawaii, Illinois, Kansas, Louisiana, Maine, Missouri, New Hampshire, New Jersey, New York, North Carolina, Oklahoma, South Carolina, Texas, Virginia, and Wisconsin. These jurisdictions also extend the civil investigative subpena power in antitrust investigations to individuals as well as to artificial persons and provide for service upon persons capable of providing relevant testimony whether or not they are the actual target of the investigation.

Fifth. Persons subject to a civil investigative demand for oral testimony in antitrust investigations may be accompanied by counsel and may refuse to answer questions on the basis of privilege, self-incrimination or other lawful grounds. Where the refusal to answer is on the grounds of self-incrimination, however, the testimony of such person may be compelled in accordance with the provisions of part V of title 18 of the United States Code, the Federal immunity statute.

Sixth. My bill permits the use of evidence obtained through civil investigative demand in antitrust inquiries in investigations, proceedings or cases other than the one to which the demand specifically relates. This eliminates the doubt on this point raised by the decision in an unreported case decided by the U.S. District Court for the District of Columbia, *Upjohn* v. *Bernstein* (DCDC Civil Action No. 1322–66, 1966). However, the Antitrust Division is prohibited from using this authority to obtain information or evidence for use in any Federal administrative or regulatory agency proceeding where an adequate opportunity for discovery is available under the rules and procedures of the agency conducting the proceeding.

Seventh. The bill specifically sanctions the Department's existing practice of requiring certification of compliance with a demand for production of documentary material by the person to whom the demand is directed.

Eighth. Finally, my bill authorizes the Department of Justice to extend the period in which persons served may judicially contest a civil investigative demand. This would permit more time for extending and facilitating negotiations for producton of evidence, thereby possibly obviating the need for full production and possibly reducing the likelihood of resort to the court by either the party served or the Government.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1637

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Antitrust Civil Process Act (76 Stat. 548; 15 U.S.C. 1311) is hereby amended as follows:

(a) Clause (c) of section 2 is amended to read as follows:

"(c) The term 'antitrust investigation' means any inquiry conducted by any antitrust investigator for the purpose of ascertaining whether any person is or has been engaged in any antitrust violation or in any activities which may lead to any antitrust violation;".

(b) Clause (f) of section 2 is amended by deleting the phrase "not a natural person" and inserting immediately after the word "means" the following: "any natural person or".

(c) Subsection (a) of section 3 is amended to read as follows:

"Whenever the Attorney General, or the Assistant Attorney General in charge of the Antitrust Division of the Department of Justice, has reason to believe that any person may be in possession, custody, or control of any documentary material, or may have knowledge of any fact or facts, relevant to a civil antitrust investigation, he may, prior to the institution of a civil or criminal proceeding thereon, issue in writing, and cause to be served upon such person, a civil investigative demand requiring such person to produce such documentary material for examination or to answer in writing written interrogatories or to give oral testimony, or any combination of such demands, pertaining to such fact or facts.".

(d) Subsection (b) of section 3 is amended to read as follows:

"Each such demand shall—

"(1) state the nature of the conduct constituting the alleged antitrust violation which is under investigation and the provision of law applicable thereto; and

"(2) if it is a demand for production of documentary material,

"(A) describe the class or classes of documentary material to be produced thereunder with such definiteness and certainly as to permit such material to be fairly identified;

"(B) prescribe a return date which will provide a reasonable period of time within which the material so demanded may be assembled and made available for inspection and copying or reproduction; and

"(C) identify the custodian to whom such material shall be made available; or

"(3) if it is a demand for answers to written interrogatories,

"(A) identify the antitrust investigator to whom such answers shall be made;

"(B) propound with definiteness and certainty the written interrogatories to be answered; and

"(C) prescribe a date at which time answers to written interrogatories shall be made; or

"(4) if it is a demand for the giving of oral testimony,

"(A) prescribe a date, time, and place at which oral testimony shall be taken; and

"(B) identify the antitrust investigator or investigators who shall conduct the examination.".

(e) Subsection (f) of section 3 is redesignated subsection (g) and a new subsection is inserted following subsection (e) to read as follows:

"(f) Service of any such demand or of any petition filed under section 5 of this Act may be made upon any natural person by—

"(1) delivering a duly executed copy thereof to the person to be served; or

"(2) depositing such copy in the United States mails, by registered or certified mail duly addressed to the person to be served at his residence or principal office or place of business.".

(f) Section 3 is further amended by adding the following new subsections after redesignated subsection (g):

"(h) The production of documentary material in response to a demand for production described in subsection (b)(2) of this section shall be made under a sworn certificate to the effect that all of the documentary material described by the demand which is in the possession, custody, or control of the person to whom the demand is directed has been produced and made available to the custodian.

"(i) Each interrogatory in a demand served pursuant to this section shall be answered separately and fully in writing under oath, unless it is objected to, in which event the reasons for objections shall be stated in lieu of an answer. The answers and objections are to be signed by the person making them.

"(j)(1) The examination of any person pursuant to a demand for oral testimony served under this section shall be taken before an officer authorized to administer oaths and affirmations by the laws of the United States or of the place where the examination is held. The officer before whom the testimony is to be taken shall put the witness on oath or affirmation and shall personally, or by someone acting under his direction and in his presence, record the testimony of the witness. The testimony shall be taken stenographically and transcribed. Upon certification the officer before whom the testimony is taken shall promptly transmit the transcript of the testimony to the possession of the antitrust investigator or invesigators conducting the examination. The antitrust investigator or investigators conducting the examination may exclude from the place where the examination is held all persons other than the person being examined, his counsel, the officer before whom the testimony is to be taken, and any stenographer taking said testimony. The provisions of the Act of March 3, 1913 (ch. 114, 27 Stat. 731; 15 U.S.C. 30), shall not apply to such examinations.

"(2) The oral testimony of any person taken pursuant to a demand served under this section shall be taken in the judicial district of the United States within which such person resides, is found, or transacts business, or in such other place as may be agreed upon between the antitrust investigator or investigators conducting the examination and such person.

"(3) Any person examined under a demand for oral testimony pursuant to this section shall, on payment of lawfully prescribed costs, procure a copy of his own testimony as stenographically reported, except that such person may for good cause be limited to inspection of the official transcript of his testimony.

"(4) Any person compelled to appear under a demand for oral testimony pursuant to this section may be accompanied by counsel. For any purposes other than those set forth in this subparagraph, such person shall not refuse to answer any question, nor by himself or through counsel interrupt the examination by making objections or statements on the record. Such person or counsel may object on the record, stating the reason therefor, where it is claimed that such person is entitled to refuse to answer on grounds of privilege, or self-incrimination or other lawful grounds. Where the refusal to answer is on the grounds of privilege against self-incrimination, the testimony of such person may be compelled in accord with the provisions of part V of title 18, United States Code. Upon a refusal to answer, the antitrust investigator or investigators conducting the examination may petition the district court of the United States for the judicial district within which the examination is conducted for an order requiring such person to answer.

"(5) Upon completion of the examination, the person examined may clarify or complete answers otherwise equivocal or incomplete on the record."

(g) Subsection (b) of section 4 is amended by inserting in the first sentence immediately after the word "demand", first appearance, the following: "for the production of documents", and by amending the second sentence to read as follows: "Such person may upon written agreement between such person and the custodian substitute copies for originals of all or any part of such material.".

(h) Subsection (c) of section 4 is amended by inserting in the first sentence immediately after the word "material" the phrase "described in subsection (b)(2) of section 3" and by inserting in the fourth sentence immediately before the word "documentary" the word "such".

(i) Subsection (d) of section 4 is amended to read as follows:

"(1) Whenever any attorney of the Antitrust Division of the Department of Justice has been designated to appear before any court, grand jury, or Federal administrative or regulatory agency in any case or proceeding or to conduct any antitrust investigation, the antitrust investigator or investigators having custody and control of any documentary material described in subsection (b)(2) of section 3, interrogatories served pursuant to this Act and answers thereto, or transcript of oral testimony taken pursuant to this Act may deliver to such attorney such documentary material, interrogatories, and answers thereto, or transcript of oral testimony for use in connection with any such case, proceeding, or investigation as such attorney determines to be required. Upon the completion of any such case, proceeding, or investigation such attorney shall return to the antitrust investigator or investigators any such materials so delivered and not having passed into the control of such court, grand jury, or agency through the introduction thereof into the record of such case or proceeding.

"(2) The Antitrust Division, while participating in any Federal administrative or regulatory agency proceeding, shall not employ the authority granted by this Act to obtain information or evidence for use in such proceeding where an adequate opportunity for discovery is available under the rules and procedures of the agency conducting the proceeding.".

(j) Subsection (e) of section 4 is amended to read as follows:

"Upon the completion of (1) the antitrust investigation for which any documentary material described in subsection (b)(2) of section 3 of this Act was produced, and (2) any such case or proceeding, the custodian shall return to the person who produced such material all such material (other than copies thereof furnished to the custodian pursuant to subsection (b) of this section or made by the Department of Justice pursuant to subsection (c) of this section) which has not passed into the control of any court, grand jury, or Federal administrative or regulatory agency through the introduction thereof into the record of such case or proceeding.".

(k) Subsection (f) of section 4 is amended to read as follows:

"When any documentary material has been produced by any person under a demand described in subsection (b)(2) of section 3 of this Act, and no case or proceeding as to which the documents are usable had been instituted and is pending or has been instituted within a reasonable time after completion of the examination and analysis of all evidence assembled in the course of such investigation, such person shall be entitled, upon written demand made upon the Attorney General or upon the Assistant Attorney General in charge of the Antitrust Division, to the return of all such documentary material (other than copies thereof furnished to the custodian pursuant to subsection (b) of this section or made by the Department of Justice pursuant to subsection (c) of this section) so produced by such person.".

(l) Subsection (g) of section 4 is amended to read as follows:

"In the event of the death, disability, or separation from service in the Department of Justice of the custodian of any documentary material produced under a demand for production described in subsection (b)(2) of section 3 of this Act or the antitrust investigator having possession of answers in writing to written interrogatories or the transcript of any oral testimony produced under any demand issued under this Act, or the official relief of such custodian or antitrust investigator from responsibility for the custody and control of such material, the Assistant Attorney General in charge of the Antitrust Division shall promptly (1) designate another antitrust investigator to serve as custodian of such documentary material or to maintain possession of such answers to interrogatories or such transcript of oral testimony, and (2) transmit in writing to the person who submitted the documentary material produced under a demand for production described in subsection (b)(2) of section 3 of this Act, notice as to the identity and address of the successor so designated. Any successor designated under this subsection shall have with regard to such materials all duties and responsibilities imposed by this Act upon his predecessor in office with regard thereto, except that he shall not be held responsible for any default or dereliction which occurred before his designation.".

(m) The first sentence of subsection (b) of section 5 is amended to read as follows:

"Within twenty days after the service of any such demand upon any person, or at any time before the compliance date specified in the demand, whichever period is shorter, or within such period exceeding twenty days after service or in excess of such compliance date as may be prescribed in writing, subsequent to service, by the antitrust investigator or investigators named in the demand, such person may file, in the district court of the United States for the judicial district within which such person resides, is found, or transacts business, and serve upon such antitrust investigator or investigators a petition for an order of such court modifying or setting aside such demand.".

By Mr. EAGLETON:

S. 1638. A bill to authorize the Secretary of Health, Education, and Welfare to postpone the effective date of certain requirements imposed on States by Public Law 93-647 with respect to child support programs in the case of States which require additional time in which to implement the policies, programs, and activities so required. Referred to the Committee on Finance.

STATE CHILD SUPPORT PROGRAMS

Mr. EAGLETON. Mr. President, I am introducing a bill to give the Secretary of Health, Education, and Welfare authority to postpone the effective date of certain requirements of part B of Public Law 93-647 with respect to child support programs in the case of a State which he finds requires an additional period of time in which to implement the policies, programs, and activities required by that part.

Part B of Public Law 93-647 adds to title IV of the Social Security Act a new part D which imposes responsibilities on both the Federal Government and the States with respect to child support and establishment of paternity, and amends title IV-A of the act by adding additional conditions of eligibility for applicants for, and recipients of, aid to families with dependent chldren.

Title IV-D requires the States to have in effect on July 1, 1975, an approved plan for child support under which the State will seek to establish the paternity of a child born out of wedlock and to secure child support payments. Support payments collected by a State are to be retained by that State to reimburse it for assistance payments to the family—with appropriate reimbursement to the Federal Government for its share of those payments—except that for the period between July 1, 1975, and September 30, 1976, 40 percent of the first $50 of the payment collected is to be paid to the family.

Among the new conditions of eligibility, effective July 1, 1975, are the requirements that an AFDC applicant or recipient must assign to the State any rights he or she may have to child support payments and must cooperate with the paternity of a child and in obtaining support payments.

Officials of the Missouri Division of Family Services have informed me that the proper implementation of this child support program in Missouri will require a number of changes in, and additions to, State law. For instance, it will be necessary to have a specific statute authorizing the division to collect child support payments and to disburse portions of those payments to the AFDC family.

In addition, the implementation of this program in Missouri on July 1, 1975, would result in a loss of income to many TFDC families which now receive child support payments.

In March 1975, there were 83,568 AFDC families in Missouri. Of this number, it is estimated that in the case of 20,474 families, or 24.5 percent of the total, there was either a court order or a voluntary agreement for support of some or all in the recipient family.

Of the 16,129 families where there was a court order, it is further estimated that support payments were being fully met in 23.6 percent of the cases, partly met on a regular basis in 19.3 percent of the cases, and partly met on an irregular basis in 19.2 percent of the cases.

From these estimates, it can be assumed that in any given month between 7,000 and 10,000 AFDC families in Missouri receive child support payments.

Because Missouri's AFDC statute prescribes a maximum grant, and a maximum that is considerably below the standard of need used to determine a family's eligibility for assistance, the implementation of a child support plan on July 1, 1975, would result in a loss of total income to thousands of families.

To give a simple illustration, in June 1975 a family of four—a caretaker and three children—could receive a support payment of $100 and the maximum AFDC grant of $150 for a total income of $250. In July 1975, if the child support plan were in effect, the $100 support payment would be assigned to, and collected by, the State. The family would receive the maximum grant of $150 plus $20 of the support payment for a total income of $170, or a decrease in income of $80 per month.

If the implementation of the child support plan in Missouri is not to adversely affect thousands of families, the AFDC statute must be revised to provide for a percentage-of-need grant rather than a statutory maximum grant.

Changes in State law required to implement the child support program and to revise the AFDC program cannot be considered by the Missouri General Assembly prior to its 1976 session unless the Governor should call a special session later this year. Although the general assembly is now in session, the last date on which bills could be introduced occurred early in March. Bills enacted during the 1976 session will have an effective date of August 13, 1976.

It is my understanding that the situation in Missouri is not unique and that a considerable number of other States will need an additional period of time in which to obtain changes in their statutes and/or revise their AFDC programs to prevent hardship to recipients.

Mr. President, I urge early consideration and enactment of the amendment I am proposing today so that Missouri and other States may have the additional period of time they require to properly implement a child support program and in a way that will not adversely affect AFDC families.

I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1638

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (f) of section 101 of Public Law 93–647 is amended—

(a) by inserting "(1)" immediately after "(f)";

(b) by striking out "The" and inserting in lieu thereof "Except as otherwise provided by paragraph (2), the"; and

(c) by adding at the end thereof the following new paragraph:

"(2) (A) The amendments made by this section which would, except for this paragraph, become effective on July 1, 1975, shall become effective, in the case of any State, on such date (which shall be after July 1, 1975, but not later than September 1, 1976) as may be specified in an order of the Secretary of Health, Education, and Welfare (hereinafter in this paragraph referred to as the 'Secretary') postponing the effective date of such amendments insofar as they are applicable to such State.

"(B) The Secretary shall grant an order referred to in subparagraph (A) with respect to any State only pursuant to a request therefor made to him by the Governor of such State, and only if the Secretary finds that such State requires the period of time ending on the day before the date specified in such order in order to implement the policies, programs, and activities which such amendments are designed to put into effect In carrying out the preceding sentence, the Secretary shall find that a State requires an additional period of time (beginning on July 1, 1975) in which to implement the policies, programs, and activities which the amendments (referred to in such sentence) are designed to put into effect, if the implementation of such policies, programs, or activities (or any of them) (i) requires the amendment or repeal of any existing, or the enactment of any new, State statute or provision thereof, or (ii) would cause or result in a decrease in the total amount of income which would otherwise be received by some recipients of aid under the program of the State approved under part A of title IV of the Social Security Act."

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 872

At the request of Mr. Hatfield, the Senator from Montana (Mr. Metcalf) was added as a cosponsor of the bill (S. 872) to amend title 39, United States Code, to provide that certain State conservation publications shall qualify for second class mail rates.

S. 1197

At the request of Mr. Tunney, the Senator from California (Mr. Cranston) was added as a cosponsor of S. 1197, the Plutonium Recovery Control Act of 1975.

S. 1290

At the request of Mr. Nelson, the Senator from California (Mr. Cranston) was added as a cosponsor of the bill (S. 1290) to recognize the Clemency Board, the Department of Defense, the Department of Justice, and the Department of Transportation to provide fair and efficient consideration of all individuals eligible for amnesty relating to military service in the war in Southeast Asia, and for other purposes.

S. 1336

At the request of Mr. Case, the Senator from South Carolina (Mr. Thurmond) and the Senator from Massachusetts (Mr. Kennedy) were added as cosponsors of the bill (S. 1336) to amend the Clean Air Act so as to assure that aerosol spray containers discharging chlorofluoromethane compounds in the ambient air will not impair the environmental ozone layer, to prevent any increased skin cancer risk, and otherwise to protect the public health and environment.

S. 1362

At the request of Mr. Bayh, the Senator from Indiana (Mr. Hartke), the Senator from Colorado (Mr. Haskell), the Senator from New York (Mr. Javits), the Senator from Massachusetts (Mr. Kennedy), the Senator from Maryland (Mr. Mathias), the Senator from Wyoming (Mr. McGee), and the Senator from New Jersey (Mr. Williams) were added as cosponsors of the bill (S. 1362) to increase professional pay for military lawyers.

S. 1372

At the request of Mr. Robert C. Byrd, the Senators from Alabama (Mr. Allen and Mr. Sparkman) were added as cosponsors of the bill (S. 1372) to amend section 218 of the Social Security Act to require that States having agreements entered into thereunder will continue to make social security payments and reports on a calendar-quarter basis.

S. 1436

At the request of Mr. Randolph, the Senator from Iowa (Mr. Culver) was added as a cosponsor of the bill (S. 1436) to improve the reliability, safety, and energy efficiency of transportation by providing funds for repairing, rehabilitating and improving railroad roadbeds and facilities.

S. 1533

At the request of Mr. Percy, the Senator from Colorado (Mr. Haskell) was added as a cosponsor of the bill (S. 1533) relating to the employment and training of criminal offenders.

S. 1534

At the request of Mr. Percy, the Senator from Colorado (Mr. Haskell) was added as a cosponsor of the bill (S. 1534) relating to voting rights of former offenders.

S. 1625

At the request of Mr. Packwood, the Senator from New York (Mr. Javits), the Senator from Illinois (Mr. Percy), the Senator from Tennessee (Mr. Brock), and the Senator from Iowa (Mr. Culver) were added as cosponsors of the bill (S. 1625) to extend and revise the State and Local Fiscal Assistance Act of 1972.

SENATE JOINT RESOLUTION 30

At the request of Mr. Helms, the Senator from New Mexico (Mr. Domenici) was added as a cosponsor of the joint resolution (S.J. Res. 30) proclaiming September 8 of each year as "National Cancer Day."

SENATE JOINT RESOLUTION 78

At the request of Mr. Fannin, the Senator from South Carolina (Mr. Thurmond) was added as a cosponsor of the joint resoltuion (S.J. Res. 78) to designate the week commencing with the third Monday in February of each year as "National Patriotism Week."

SENATE RESOLUTION 131

At the request of Mr. Stone, the Senator from Arizona (Mr. Fannin) was added as a cosponsor of the resolution (S. Res. 131) to oppose the lifting of sanctions against Cuba and to request the advice and consent of the Senate prior to any proposed change in our Cuba policy.

SENATE RESOLUTION 135

At the request of Mr. Mondale, the Senator from South Dakota (Mr. Abourezk) was added as a consponsor of Senate Resolution 135, proposing the designation of Norwegian-American Day.

AMENDMENTS SUBMITTED FOR PRINTING

FOREIGN INVESTMENT DISCLOSURE ACT OF 1975—S. 1303

AMENDMENT NO. 393

(Ordered to be printed and referred to the Committee on Commerce.)

Mr. STEVENS. Mr. President, today I am introducing an amendment in the nature of a substitute to S. 1303 which could provide the United States with a workable proposal to monitor and properly evaluate foreign investment in our country, as well as provide our Nation with the instrumentation to reject foreign investment proposals that could jeopardize America's national interests and endanger the economic health of our country.

If last year's oil embargo by the Organization of Oil Exporting Countries—OPEC—made us aware of worldwide energy limitations, this year's realization of how OPEC oil money can be invested—and the implications of that investment—should persuade us to develop a workable plan to both monitor foreign investment in the United States as well as provide our Nation the ability to reject foreign investment proposals that are not in our national interest.

Middle East oil-producing nations are in a position—with newly found capital exceeding $45 billion—to virtually monopolize investment in the United States. These funds which have been temporarily placed in the world's money markets will eventually find a more permanent some, and just about the coziest place around these days for transient investment capital to hang its hat is in the United States.

The Department of Commerce reported that in 1973 total foreign investment exceeded $100 billion. The inflow of new capital in 1973 increased to $2.357 billion, from $1.537 billion the year before. This tremendous investment by foreign nations in the United States is, in part, an attempt to reserve U.S. resources for their future industrial expansion and defense needs. One danger in this is that foreign exportation of U.S. raw materials may deprive us of critical components for our own future industrial needs. And when foreign countries invest in weapons, transportation, natural resources, and other essential areas, this also raises serious questions of what that money will mean in terms of international political leverage.

Not only do we not know enough about the targets of foreign investment in the United States, but our foreign investment reporting methods are grossly insufficient.

I believe that Congress should immediately require that significant foreign investment be disclosed and evaluated. The President should be given the prerogative to reject any foreign investment that he believes may be detrimental to the economic and strategic well-being of this Nation. Additionally, the role of foreign investors already operating in the United States should be reevaluated.

Mr. President, the amendment that I offer today provides for a comprehensive reporting of both present and future foreign investment in the United States. Under the provisions of my amendment the Secretary of Commerce shall gather information concerning the nature of and specific information relating to present and future foreign investment, and foreign investment proposals having sales or revenues of $1 million or more in the most recent fiscal year; which would result in the ownership by any such foreign investor of 5 percent or more of the total amount of outstanding equity securities of such domestic business, or which would result in the ownership by any such foreign investor of 5 percent or more of all outstanding indebtedness of any such business, or in the ownership by such investor of debt securities having a value of at least $500,000, whichever is less.

Additionally, the Secretary of Commerce shall comprehensively review any multiple purchase or exchange, or series of purchases or exchanges, which would result in the ownership of $5 million or more of the outstanding equity securities of any domestic business, or any investment by a foreign investor in any property which has a fair market value of $1 million or more; or any investment would result in the acquisition of control of a domestic business by a foreign investor. Also, the Secretary may by rule establish additional reporting requirements for any foreign investment in real property, including any right, title, or interest in land containing mineral resources and any foreign investment in any transportation industry, including a pipeline or petroleum storage facility.

My amendment requires that the Secretary of Commerce must, within 120 days after the implementation of the legislation, evaluate all present foreign investments in the United States. Reports relating to investments which may occur after the date of enactment of this legislation shall be submitted at least 30 days prior to the proposed date of the investment. The Secretary, after thorough review by appropriate Cabinet members, may disapprove of existing foreign investments in the United States if the Secretary believes those investments are not in the best interests of the country.

If the Secreatry of Commerce, after consultation with appropriate Cabinet members, believes that a foreign investment proposal may be contrary to the national interests and economic viability of the Untied States, he may disapprove such a proposal. The President may, however, reject the Secretary's disapproval of a proposed foreign investment proposal if he believes that the proposed investment is not contrary to the national interest. If the Secretary does not believe the investment proposal warrants further review, the proposal is deemed approved.

The amendment I offer today will provide our Government with the ability to monitor and screen foreign investment in the United States.

I certainly realize that foreign investment, and the free flow of capital in the United States, is important and in the vast majority of cases is a healthy thing. Still, I believe, Mr. President, that it is only prudent that the United States know where foreign investment in the United States is going and determine as best we can the implications of that foreign investment to our national interest and economic viability.

Mr. President, I ask unanimous consent that my amendment be printed in the RECORD at this time, along with an article I wrote on this subject for the Washington Post.

There being no objection, the amendment and article were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 393

Strike all after the enacting clause and insert in lieu thereof the following:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. That this Act may be cited as the "Foreign Investment Control Act of 1975".

DEFINITIONS

SEC. 2. As used in this Act—

(1) The term "investment" means the acquisition or holding, directly or indirectly, by stock ownership or otherwise, of an interest in a business concern or property which is located wholly or substantially in the United States or which is owned or controlled wholly or substantially by individuals who are residents of the United States or by any person owned or controlled by such individuals.

(2) The term "foreign investor" means—

(A) Any government of a foreign country or any agency thereof;

(B) an international agency;

(C) any enterprise or instrumentality which, in the judgment of the Secretary, is wholly or substantially controlled by a foreign government or a combination of foreign governments;

(D) any association whose members are governments of a foreign country, or any foreign official institution such as foreign central banks or development banks, or other organization, as defined by the Secretary;

(E) an individual who is not a resident of the United States; and

(F) any person or entity which, directly or indirectly, is owned or controlled by, or acting as an agent or trustee for, one or more foreign governments, agencies, organizations, or individuals.

(3) The term "domestic business" means any corporation, partnership, trust, joint venture, enterprise, or other association or entity, which is located in the United States or which is owned or controlled wholly or substantially by individuals who are residents of the United States or United States citizens.

(4) The term "property" means any real or personal property and any other thing of value, including the right to acquire or control any real or personal property.

(5) The term "Secretary" means the Secretary of Commerce.

ACQUISITION OF INFORMATION

SEC. 3. (a) For purposes of carrying out the provisions of this Act, the Secretary shall, by regulation, order, or otherwise, establish and maintain procedures which require the maintenance of records and the submission of reports by foreign investors and obtain such information from, require such reports and the keeping of such records by, make such inspections of the books, records and other writings, premises, or property of, such persons as may be necessary or appropriate, including foreign investors and agencies of foreign investors, with respect to—

(1) any investment by a foreign investor in any domestic business—

(A) having sales or revenues of $1,000,000 or more during its most recent full fiscal year;

(B) which would result in the ownership by any such foreign investor of 5 percent or more of the total amount of outstanding equity securities of such domestic business; or

(C) which would result in the ownership by any such foreign investor of 5 percent or more of all outstanding indebtedness of any such business, or in the ownership by such investor of debt securities having a value of at least $500,000, whichever is less;

(2) any multiple purchase or exchange, or series of purchases or exchanges, which would result in the ownership of $5,000,000 or more of the outstanding equity securities of any domestic business; or

(3) any investment by a foreign investor in any property which has a fair market value of $1,000,000 or more; or

(4) any investment which would result in the acquisition of control of a domestic business by a foreign investor.

(b) The records and reports required under this section shall include—

(1) the name or names of the foreign investors involved;

(2) the nationality or citizenship and place of residence of any individual foreign investors involved;

(3) the country or countries with which any agency or other organization which is a foreign investor is affiliated;

(4) the extent of the ownership or control which is exercisable by such foreign investor; and

(5) such other information as the Secretary may require.

(c) Reports relating to investments which may occur after the date of enactment of this Act shall be submitted at least 30 days prior to the proposed date of the investment.

(d) The Secretary shall publish a quarterly summary and analysis of the nature and scope of foreign investment in the United States during the quarter covered by the report. Such quarterly summary and analysis shall also contain the Secretary's assessment of any significant trends in foreign investment in the United States during such quarter.

(e) Not later than one hundred and twenty days after the date of enactment of this Act, the Secretary shall collect and publish with respect to each business concern or property described in paragraphs (1) through (4) of subsection (a) the following information as of the date of enactment of this Act.

(1) The name of each foreign investor who has an interest in such business concern or property, and the nature and extent of such interest.

(2) The nationality or citizenship and place of residence of each such investor who is an individual.

(3) The country or countries with which any agency or other organization which is a foreign investor is affiliated.

(f) The Secretary may by rule establish additional reporting requirements for—

(1) any foreign investment in real property, including any right, title or interest in land containing mineral resources; and

(2) any foreign investment in any transportation industry, including a pipeline or petroleum storage facility.

FOREIGN INVESTMENT REVIEW

SEC. 4. (a) A foreign investor may make or continue to hold an investment which is subject to the record keeping and reporting requirements under section 3(a) only in accordance with the provisions of this section.

(b) Not later than 120 days after the publication of the information referred to in section 3(d), the Secretary shall review all investments referred to in such section. If the Secretary determines, after consultation with the Attorney General, the Secretary of State, the Secretary of the Interior, the Secretary of Defense, the Secretary of Labor, and when applicable, the Secretary of Transportation, that any such investment is contrary to the national defense or economic viability of the United States, he shall issue an order prohibiting the continued holding of such investment, and requiring divestiture, as appropriate.

(c) The Secretary shall review all information with respect to any investment which is proposed to be made after the date of enactment of this Act and, not later than 30 days after the receipt of the information relating to that investment required under section 3, make an initial determination whether such investment warrants further review. If the Secretary determines that such investment warrants further review, the investment may not be made prior to the expiration of 30 days following such notice.

(d) In any case where notice under subsection (c) is given, such investment shall be deemed to be approved, unless, within 30 days after the receipt of such notice, the Secretary issues an order disapproving the investment.

(e) The President may review any determination or order by the Secretary under this section, and in any case where the Secretary has issued an order disapproving a foreign investment, the President may, by order or otherwise, permit such investment.

(f) For the purpose of enforcing any order issued under this section, the Secretary may in his discretion request the Attorney General to bring an action in the appropriate district court of the United States or the United States District Court for the District of Columbia or the United States court of any other place subject to the jurisdiction of the United States, to compel compliance therewith, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond.

IMPLEMENTATION

SEC. 5. (a) The Secretary shall establish such procedures as may be necessary to enforce this Act, and to insure the confidentiality of all matters concerning any investment which would not otherwise be made available to other parties under law.

(b) For purposes of carrying out this Act, the Secretary may request from any department or agency of the United States, and that department or agency shall provide him, any information relating to foreign investment in the United States.

(c) The Secretary, or his duly authorized agent, shall have authority, for any purpose related to this Act, to sign and issue subpenas for the attendance and testimony of witnesses and the production of relevant books, papers, and other documents, and to administer oaths. Witnesses summoned under the provisions of this section shall be paid the same fees and mileage as are paid to witnesses in the courts of the United States. In case of refusal to obey a subpena served upon any person under the provisions of this section, the Secretary or his delegate, may request the Attorney General to seek the aid of the United States district court for any district in which such person is found to compel that person, after notice, to appear and give testimony, or to appear and produce documents before the agency.

(d) In order to carry out the provisions of this Act, the Secretary is further authorized—

(1) to hold such hearings at such times and places as he determines to be appropriate;

(2) appoint and fix the compensation of such additional personnel as may be necessary; and

(3) procure the temporary or intermittent services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code, at rates to be fixed by the Secretary, but not in excess of the maximum rate payable under such section, plus travel expenses, including per diem in lieu of subsistence, as authorized by section 5703(b) of title 5, United States Code, for persons in the Government service employed intermittently.

PENALTIES

SEC. 6. (a) Whoever willfully fails to maintain a record or submit a report required under this Act or otherwise willfully violates this Act or any regulation or order hereunder shall be fined not more than $10,000 for each violation or imprisoned not more than five years for each violation, or both.

(b) In any case in which the Secretary determines that any foreign investor has acquired, directly or indirectly, ownership or control of a business concern or property, that such acquisition is subject to the requirements of section 3, and that such person failed to comply with the provisions of such section, he may, after such notice and opportunity for hearing as he determines to be appropriate, issue an order prohibiting the exercise of any voting rights so acquired. Any such order shall remain in effect until such time as the Secretary finds that such person has complied with such requirements. In carrying out the provisions of this section, the Secretary is authorized (1) to appoint a trustee or receiver of, or make other arrangements with respect to, any securities or other indicia of ownership or control acquired without the compliance with the reporting requirements of section 3, and (2) if control of the business concern has been obtained without compliance with such requirements, to appoint a trustee or receiver of, or make other arrangements with respect to, the business concern or property.

INJUNCTIONS

SEC. 7. Whenever it appears to the Secretary that any person has failed to comply with the requirements of section (1) he may request the Attorney General to bring an action in the appropriate district court of the United States to compel compliance with such requirements, and upon a proper showing a temporary restraining order or a preliminary or permanent injunction shall be granted without bond. In addition to such injunctive relief, such court may also order the payment of any civil penalty imposed under section 5. In addition, such court may, upon a proper showing, order that any investment made or retained in violation of the requirements imposed under this Act be sold or otherwise disposed of in such manner and during such period of time as the court may prescribe in order to achieve compliance with the provisions of this Act.

ADMINISTRATIVE PROVISIONS

SEC. 8. (a) The provisions of this Act shall be carried out by the Secretary through a Foreign Investment Review Commission, which is hereby established in the Department of Commerce, and with the assistance of the Assistant Secretary of Commerce for Domestic and International Business, who shall supervise and direct the Commission created herein. Such Assistant Secretary shall perform such functions as the Secretary may prescribe. There shall be appointed by the President, by and with the advice and consent of the Senate, a Commissioner for Foreign Investment Review who shall be compensated at the rate provided for level V of the Executive Review Administration and perform such other duties as are assigned by the Secretary under the direction of the Assistant Secretary for Domestic and International Business.

(b) The Secretary is authorized to prescribe such rules and regulations as may be necessary to carry out the purposes of this Act.

(c)(1) Section 5315(12) of title 5, United States Code, is amended by striking out "(6)" and inserting in lieu thereof "(7)".

(2) Section 5316 of such title is amended by adding at the end thereof the following:

"(135) Commissioner for Foreign Investment Review.".

AUTHORIZATION

SEC. 9. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

[From the Washington Post, Feb. 22, 1975]

ANOTHER VIEW ON FOREIGN INVESTMENT

(By Ted Stevens)

The current international economic situation indicates that there has been a major redistribution of wealth in the world because of the massive increases in oil prices by the foreign oil-producing countries. This fact combined with expected shortages of essential raw materials and natural resources in the United States requires that a close reexamination of foreign investment in this country be made.

Last year's oil embargo by the Organization of Oil Exporting Countries (OPEC) made us aware of world-wide energy limitations. This year's realization of how OPEC oil money can be invested—and the implications of that investment—should persuade us to reevaluate our open-door policy for foreign capital. At a time when stockbrokers are telling us of the great buying opportunities at the Big Board's bargain basement, Middle East oil producing nations are in a position—with newly found capital exceeding $45 billion—to virtually monopolize investment in the United States. These funds which have been temporarily placed in the world's money markets will eventually find a more permanent home, and just about the coziest place around these days for transient investment capital to hang its hat is in the United States.

This is not all new. In fact, historically, foreign investment has been very important to U.S. development. Today, however, times have changed. The Department of Commerce reported that in 1973 total foreign investment exceeded $100 billion. The inflow of new capital in 1973 increased to $2.357 billion, from $1.537 billion the year before. This tremendous investment by foreign nations in the United States is, in part, an attempt to reserve U.S. resources for their future industrial expansion and defense needs. One danger in this is that foreign exportation of U.S. raw materials may deprive us of critical components for our own future industrial needs. And when foreign countries invest in weapons, transportation, natural resources, and other essential areas, this also raises serious questions of what that money will mean in terms of international political leverage.

Federal Reserve Board Chairman Arthur Burns recently told the Joint Economic Committee that foreign investment in Quaker Oats or Coca Cola would not bother him much but that a foreign capital position in a strategic corporation would cause him real concern. I would go further: even foreign investment in non-sensitive areas may seriously jeopardize national policies such as anti-trust, anti-discrimination and freedom of information policies. That is, with large sums of money invested in corporations which are important to our national economic health, the threat of withdrawal might force us to change policies rather than risk severe economic disturbances.

Not only do we not know enough about the targets of foreign investment in the United States, but our foreign investment reporting methods are grossly insufficient. This alarming lack of information about foreign investment prompted the passage in 1974 of the Foreign Investment Study Act which requires a comprehensive evaluation of foreign investment in the United States. An interim report by the Departments of Commerce and Treasury concerning foreign investment in the United States is expected in October. But that will be too late. We should prepare for a surge of foreign investment into this country now.

I believe that Congress should immediately require that all foreign investment be disclosed and evaluated. The President should be given the prerogative to reject any foreign investment that he believes may be detrimental to the economic and strategic well-being of this nation. Additionally, the role of foreign investors already operating in the United States should be reevaluated.

I believe that foreign investors will be attracted most by the great supply of undeveloped energy and natural resources in this country. Because of their almost nonexistent energy reserves and scarce natural resources, Japanese industries have established their own sources of American raw materials. Japan has virtually no antitrust laws, and the Japanese government helps its giant Japanese trading companies, such as Mitsui and Mitsubishi, to act as industrial "motherships" which process goods from start to finish. These Japanese plants use large amounts of U.S. resources to manufacture goods to be resold in the U.S. The American consumer thus pays for U.S. natural resources plus cheaper labor. This has contributed to record unemployment at home and an ever-alarming deficit in our balance of payments.

American firms operating overseas are bound by U.S. anti-trust law and—unlike Japanese trading companies and other foreign firms—are not favored with direct assistance in securing and developing markets. Some of my colleagues have attacked American investment abroad because they believe some corporations have not adhered to objectives of U.S. foreign policy. Yet they seem unconcerned that foreign investors who control at least a thousand substantial U.S. businesses here may be using them to further their own national policies.

We must closely assess both the inflow of petrodollars in the United States and the outflow of important U.S. natural resources. Certainly, recycling is important. But it is also important to know exactly where money, resources—and industrial influence—are going.

The formation of cartels in natural resources and other essential commodities could become a real threat to the security and well-being of the U.S. and other countries. It is essential that our nation ensure its self-sufficiency in strategic natural resources and monitor the foreign investor's impact on U.S. business. If we do not, we may some day find that our essential natural resources are going into the production of foreign goods for the economic and strategic benefit of other countries. We also might find ourselves forced to comply with foreign firms' national priorities rather than our own in the operation of their U.S. subsidiaries. This would lead to the erosion of basic national policies which assure economic and individual freedoms. The dangers, therefore, are much more than economics—they hit at the very heart of our country's security and domestic foundation.

Concerns over foreign investment are not limited to the United States. West German Chancellor Helmut Schmidt has called for a thorough review of foreign investment in Germany as a result of Arab investments in Krupp and Daimler-Benz. The Canadians already have created a foreign investment review board.

Because capital travels more quickly through the money and investment markets than bills do through Congress, the need for immediate and mandatory disclosures of foreign investment in the United States—and an analysis of its impact—is urgent.

EXTENSION OF THE COUNCIL ON WAGE AND PRICE STABILITY ACT—S. 409

AMENDMENT 394

(Ordered to be printed and to lie on the table.)

Mr. DOLE submitted an amendment intended to be proposed by him to the bill (S. 409) to amend the Council on Wage and Price Stability Act to confer additional authority on the Council with respect to the prices of commodities and services, and for other purposes.

Mr. DOLE. Mr. President, it is my intention to call up as an amendment to S. 409 the text of my "Inflationary Impact Statement" bill, S. 15, as introduced on January 15 of this year with cosponsorship of Senators TAFT, BUCKLEY, FANNIN, THURMOND, and HANSEN.

Since that time, Senators YOUNG, CURTIS, GARN, DOMENICI, MCCLELLAN, LAXALT, BARTLETT, HELMS, PROXMIRE, and GOLDWATER, have also endorsed the proposal, and in fact, several similar measures have been submitted for separate consideration as well.

The concept seems particularly appropriate at this time, for although it is the recession which has the current focus of our attention, we are already hearing expressed the fear that we may be "overstimulating" the economy through governmental relief programs—with the result that a period of renewed inflation will follow.

When the Council on Wage and Price Stability was established last summer, one of its principal duties was specified as reviewing the inflationary impact of governmental programs and policies, so that it could recommend steps to contain inflation. Certainly, the thrust of my amendment is entirely compatible with that activity, and I would hope that it can be adopted so that we ourselves will begin sharing the responsibility entrusted to the Council.

Very simply, my amendment would require the Congressional Budget Office to prepare inflationary impact statements in connection with any legislation reported by either a House or Senate Committee. In that way, we would be equipping ourselves with better information about the potential long-range effects of the type bills we are launching out to enact during the present economic crisis.

Mr. President, I am submitting this amendment for printing today in order that all my colleagues might have the benefit of its actual language. I believe it is essentially noncontroversial in nature and would be a constructive addition to the Wage and Price Stability Act authorization now on the calendar.

NOTICE OF HEARINGS

Mr. JACKSON. Mr. President, in accordance with the rules of the Senate Interior and Insular Affairs Committee, I wish to advise my colleagues and the public that the following hearings have been scheduled before the committee for the next 2 weeks:

May 6, full committee, 9:30 a.m., room 3110, Hearing: Nomination of Stanley K. Hathaway to be Secretary of the Interior.

May 7 and 8, Minerals, Materials and Fuels Subcommittee, 10 a.m., room 3110, Hearing: S. 391, to amend Federal Coal Leasing Act of 1920.

May 9, Indian Affairs Subcommittee, 9:30 a.m., room 3110, Hearing: S. 1327, submarginal lands bill.

May 9, Environment and Land Resources, 10 a.m., room 3112, Hearing: S. 393, Montana Wilderness study area bill.

May 12, Parks and Recreation Subcommittee, 10 a.m., room 3110, Hearing: S. 82, to repeal certain provisions of the act for the establishment of Assateague Island National Seashore; S. 98, to establish the Klondike Gold Rush Park; S. 150, to construct an Indian Art and Cultural Center; S. 313, to authorize exchange of lands at Guadalupe Mountains National Park.

May 13, Energy Research and Water Resources Subcommittee, 10 a.m., room 3110, Hearing: Information hearing on solar heating.

May 14, full committee, 10 a.m., room 3110, Business meeting: Pending calendar business.

May 15, Environment and Land Resources Subcommittee: 10 a.m., room 3110, Hearing: S. 507, National Resources Lands Management Act, and S. 1292, to provide for management of national resource lands.

May 16, full committee, 10 a.m., room 3110, Hearing: S. 131, S. 685, S. 1469, S. 1501, to amend the Alaska Native Land Claims Settlement Act.

May 19, full committee, 10 a.m., room 3110, Hearing: Oversight hearing on FEA programs.

CLEAN AIR HEARINGS

Mr. MUSKIE. Mr. President, the Subcommittee on Environmental Pollution of the Committee on Public Works has just completed 9 days of hearings on the implementation of the Clean Air Act.

As I said in announcing our first set of hearings, the Subcommittee on Environmental Pollution has committed itself to a thorough review of the act's requirements this year. We must also extend the funding authority this year, and consider amendments which have been proposed by the administration and Members of Congress.

In order to judge fairly the merits of pending proposals, we have undertaken to assess the problems and progress which have occurred as a result of the implementation of the Clean Air Act. Hearings have already been held to examine title I issues, including the health basis of the air quality standards, stationary source control options, nondegradation, transportation controls and land use planning, enforcement options and Federal preemption issues.

We have scheduled 5 days of hearings, beginning on May 13, to consider issues related to the control of mobile source pollution. We will continue with the issue-oriented panel format used in the previous hearings, which provided valuable exposition of specific issues with which the Congress must deal. The schedule is as follows:

TITLE II—MOBILE SOURCE POLLUTION CONTROL

May 13: Health Effects of Auto-Related Pollutants;

May 14: Alternative Engine and Emission Control Systems;

May 15: Compliance with Statutory Auto Emission Standards;

May 20: Alternative Automobile Control Strategies and Timetables;

May 21: Administrator of the Environmental Protection Agency.

The hearing will begin at 10 a.m. each morning in room 4200 of the Dirksen Senate Office Building, except on May 20 and 21, when they will be held in room 6226 of the Dirksen Building.

All interested parties are encouraged to submit statements for the record which address the above issues. The hearing record will remain open until June 15, 1975.

HEARING ANNOUNCEMENT

Mr. BAYH. Mr. President, the Subcommittee on Constitutional Amendments will continue hearings begun in the 93d Congress on Senate Joint Resolution 6, proposing an amendment to the Constitution of the United States guaranteeing life to the unborn, Senate Joint Resolution 10 and Senate Joint Resolution 11, proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons.

The hearing will take place on Friday, May 9, 1975 in room 2228, Dirksen Senate Office Building, the Judiciary Committee hearing room beginning at 10 a.m.

The witnesses scheduled are: Dr. Philip Corfman, Director, Center for Population Research, National Institute of Child Health and Development, Bethesda, Md.; Dr. Gordon W. Douglas, OBGYN, professor, New York Medical College, New York City, N.Y.

ADDITIONAL STATEMENTS

SOUTH VIETNAMESE AND CAMBODIAN REFUGEES

Mr. PELL. Mr. President, I very strongly support the position of President Ford that we should help those South Vietnamese and Cambodians who have had to flee their homelands. These are individuals who fled, not because they are seeking a job abroad but because they are justifiably afraid that they would be killed if they remained in Vietnam.

In supporting President Ford on this issue, I am speaking as one who long opposed the Southeast Asia policies of both Democratic and Republican administrations.

I believe the one remaining debt we owe in that part of the world is to those unfortunate Vietnamese and Cambodians who would have suffered so much had they chosen to remain in their native lands. I am well aware that a small minority of these displaced persons may be unprincipled opportunists who are seeking to advance themselves in the midst of such tragedy. Yet I know, too, that if we seek to exclude such persons from our assistance, we will also be punishing many thousands of genuinely helpless persons who need and deserve our succor at this time.

I am also aware of the cultural and economic problems that many of these refugees may face in the United States and, for that reason, I am glad that the bill Senator JAVITS and I will introduce tomorrow will include an authorization of funds for transportation of these refugees to other nations to which they might wish to migrate.

PUBLIC SECTOR COMPULSORY UNIONISM

Mr. GARN. Mr. President, today I again call the attention of my colleagues to legislative proposals that would sanction the forced unionization of 14½ million employees of the Nation's Federal, State, and local governments. I continue to find it disturbing that this Congress is even considering legislation that would federally impose collective bargaining on all levels of government and on all public employees in this country.

I am particularly concerned that this Congress would consider it a duty of the Federal Government to regulate the labor relations of approximately 80,000 local jurisdictions of government. At the risk of sounding redundant and repetitive, I am compelled to state again that it would be a grave mistake for the Federal Government to intervene in what is clearly the business of local authorities.

It is a destructive philosophy that is based on the assumption that elected local officials do not act in the best interest of their constituency and even in the best interest of those constituents who work for them. It is also illogical to assume that Members of Congress are more capable of producing a sound personnel management system which meets the varied needs of each community and each unit of local government than their local counterparts.

The 91st Congress passed the Intergovernmental Personnel Act of 1970 which established the Presidential Advisory Council on Intergovernmental Personnel Policy. A 1-year study of State and local public employment relations was conducted by the Commission and its recommendations to the Congress and the President expressed adamant opposition to:

> . . . any Federal effort to mandate a collective bargaining, meet and confer, or any other labor-relations system for the employees of State and local jurisdictions or for any sector thereof. Little would be left of the Federal principle of divided powers were such legislation enacted. No interpretation of the commerce power, of the State as proprietor, or of the "general welfare" clause can, in our opinion, serve as a legitimate constitutional basis for this kind of drastic infringement upon the basic authority of the States and localities as governments in a federal system.

Also joining in opposition to these legislative proposals are the National Governors Conference, the National League of Cities, the National Association of Counties, and even the Assembly of Government Employees, which represents over 700,000 non-Federal public employees.

I believe that the attitudes of the American people should be carefully tested on this issue, and I am confident that an overwhelming majority of the citizens of the country are opposed to this infringement on their own personal rights and on the rights of their State and local governments.

A recent survey by the Opinion Research Corp. found overwhelming opposition to unions in the public sector. Because I believe this information to be very timely and of interest to every Member of Congress, I ask unanimous consent to have printed in the RECORD a summary of the findings of this poll.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

1975 OPINION RESEARCH CORPORATION "CARAVAN SURVEY"

UNIONISM IN THE PUBLIC SECTOR

Summary of Findings

Question: Should the U.S. Congress pass a law which would allow agreements requiring employees to join or pay dues to a union in order to work for the Federal government?

[In percent]

	Total U.S. public	North-east	North-central	South	West	Union mem-bers	Repub-lican	Demo-crat	Inde-pend-ent
Yes	11	14	11	9	9	19	11	13	9
No	79	74	78	82	82	71	78	77	84
No opinion	10	12	11	9	9	10	11	10	7

Question: Should the U.S. Congress pass a law which would allow agreements requiring employees to join or pay dues to a union in order to work for state, county, and municipal governments?

[In percent]

Yes	10	12	12	6	9	19	10	10	9
No	79	77	77	82	82	73	78	79	84
No opinion	11	11	11	12	9	8	12	11	7

Question: Should your state legislature pass a law which would allow agreements requiring employees to join or pay dues to a union in order to work for the state, county, and municipal governments?

[In percent]

Yes	10	14	12	7	9	18	10	11	9
No	78	74	78	81	80	74	78	78	83
No opinion	12	12	10	12	11	8	12	11	8

Question: Which of these arrangements do you favor for Federal, state, and local government employees: (1) A person can work for the government whether or not he belongs to a union; (2) A person can go to work for the government if he doesn't already belong to a union, but has to join after he is hired to hold his job; (3) A person can get a job with the government only if he already belongs to a union; (4) No Opinion.

1	83	78	79	88	87	77	85	81	87
2	10	13	12	5	7	17	7	11	9
3	1	2	1	2	------	2	2	2	------
4	6	7	8	5	6	4	6	6	4

Mr. GARN. If this poll truly reflects the attitudes of the people of this country, and I have every reason to believe that it does, then it is time to put aside talk of Federal supersession of yet another aspect of our lives.

Mr. President, while I realize that in many quarters on Capitol Hill it is passé to say that the constitutional limitations of the 10th amendment of the Constitution prohibit this kind of administrative infringement on States and on individuals by the Federal Government, I have difficulty in thinking that this is what the Founding Fathers of our country had in mind some 200 years ago when they drew up a Constitution for the very purpose of preventing this kind of concentration and domination of power by government. Mr. James B. Croy, a research associate with the Oklahoma Legislative Council, framed the question very succinctly when he stated:

> . . . governmental power is awesome in its potential for totality, and it needs to be exercised with great restraint. The Federal Government should act to supersede the States' right to govern only when the necessity to such action is truly compelling. To take such actions under other circumstances would be a perversion of the concept of a federal system.

How much closer to the States' ability to govern can we find ourselves than in the employment relations of that government? I leave it to my colleagues to again ask themselves this question.

I also suggest that my colleagues read a very thoughtful editorial by Mr. James J. Kilpatrick which appeared in the Washington Star on April 29. It is gratifying to know that there are members of the media and distinguished political commentators who recognize what will happen to the functioning of government if this legislation is enacted. Mr. President, I ask unanimous consent that Mr. Kilpatrick's fine article be printed in the Record, and I urge all my colleagues to read it.

There being no objection, the article was ordered to be printed in the Record, as follows:

Threat of Union Power Over Public Service

(By James J. Kilpatrick)

Every Congress has its "sleeper" bills—the measures that attract little notice until they climb out of committee and slip quietly through a drowsy chamber. One such sleeper to keep your eye on is the bill to provide collective bargaining by employes of state and local government.

A number of states already have blundered into the traps being set by trade unionism. The militant teachers' unions have been especially active. Sanitation workers, public health nurses, bridge tenders and other workers have demonstrated the power of organized labor.

Thus far, the efforts have been piecemeal, If the pending legislative proposals are written into federal law, we will have, for the first time, a national policy specifically authorizing trade unionism and collective bargaining on the part of government workers. Such a time-bomb policy should be rejected out of hand.

The stakes are enormous. An estimated 14 million persons now are employed by government—3 million at the federal level, 11 million on state, county and municipal payrolls. Between 1951 and 1972, government employment increased by 151 percent, and payrolls by nearly 600 percent. Not even the farm workers, still largely unorganized, offer such a rich potential to organized labor.

Union leaders are purring at the prospect. Last November the AFL–CIO's new Public Employes Department held its first meeting. President George Meany, a gentleman who does not abash easily, dealt unabashedly with a crucial issue: "Certainly," he said, "it's against the law to strike civil service, but it's AFL–CIO policy to ignore those laws."

The prospect of public service strikes is only part of the problem. The sleeping bills would authorize both the union shop and the agency shop.

To leaders of organized labor, civil service unions safeguard the public interest and contribute to the effective conduct of public business. Amplifying on this concept of "business," they insist that government today must be equated with business: School boards, budget offices and personnel directors must deal with employes on wages hours and working conditions. It is to negotiate on these matters that unions were born. So what's wrong with collective bargaining in government?

The short answer is that plenty is wrong with it. Government is not business. Taxpayers are not voluntary shareholders. Governments are vested with power to provide the vital services and to secure the rights of all people. That power cannot possibly be bargained away to organized labor.

The odious practice of compulsory unionism, bad enough in private industry, would be intolerable in government. Thirty-four of the 50 states now forbid such coercion of their public servants. But under the pending bills, this protection—this right "not to join" a union—would be wiped out. Given a weak or complaisant city council, the union could take command.

This cannot be permitted to happen. A poll conducted by the Opinion Research Corporation in January found overwhelming sentiment against compulsory unionism in government. Even among union members, a lopsided majority is opposed. The National Governors' Conference strongly condemns federal intervention. The Advisory Commission on Intergovernmental Relations urges protection of the right "not to join."

But in this Congress, the unions are riding high. Unless we are to look forward to government of the unions, by the unions and for the unions, their power must be trimmed back to size.

TRIBUTE TO MISS HELEN CALLAN, GADSDEN, ALA.

Mr. ALLEN. Mr. President, Miss Helen Callan, for many years director of the Etowah County, Ala., Office of Pensions and Security, has announced her retirement from that position effective April 30, 1975.

Miss Callan has spent her life serving others and she is greatly loved by grateful citizens who are familiar with her compassionate endeavors in the field in which she has been involved.

The Gadsden Times of Sunday, April 20, 1975, contained an editorial as well as a news item about Miss Callan and her work, and I ask unanimous consent that the editorial and news item be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Miss Callan

The remarkable thing about Helen Callan, who retires at the end of this month as director of Etowah County Office of Pensions and Security, is her point of view and her inexhaustible patience.

As long as there are individuals and families in this world who through no fault of their own are unable to cope with problems of ill-health and poverty, and there always will be, she believes society must cope for them. Even sometimes when the fault is theirs, she thinks society must step in to see that the innocent do not suffer and also to give the boost that may put the individual or the family back on the path of self-sufficiency.

Nobody who has ever looked into her clear and earnest blue eyes or listened to her soft, well-bred voice explaining why work done by her office is necessary to humanity, can question the strength of purpose and dedication which have seen her through many decades in a field which most people would hardly consider green pastures.

Not that she is ever defensive or even inclined to talk shop. She just answers questions pleasantly, despite the frequent irritation in the voice of the one who asks them.

No, Helen Callan in her leisure hours much prefers conversation centering on books, painting or the theater, all three of which are interests shared by the whole Callan family. Furthermore, she and her sisters are superb cooks, and the smallest teaparty at their house offers unusual delicacies as well as animated and frequently brilliant conversation.

Possibly Sunday's story in The Times, having to do with her coming retirement, surprised even some old friends in revealing the scope of her education and experience. She is too modest to allude to her impressive credentials, but they are manifest in all her attitudes and tastes.

Women's Liberation would do well to look at Miss Callan and revise its methods. Able, intellectual and witty, for many years the pivot on which one of the County's most important offices has revolved, she has remained exquisitely feminine. In a word, a perfect lady.

MISS CALLAN RETIRES—PENSIONS AND SECURITY HEAD FOR MANY YEARS

Helen Callan, long-time director of the Etowah County office of Pensions and Security, has announced her intention to retire effective April 30.

In accepting Miss Callan's letter, Cecil Hamiter, chairman of the board of directors of the Etowah County Department, said, "No doubt she has wholeheartedly earned her right to a leisurely life; however, her absence will deprive the citizens of Etowah County of her wise counsel and direction in the operation of the Etowah County Department of Pensions and Security."

Miss Callan, a native of Gadsden, has the distinction of being the first social worker in this area to be elected to the Academy of Certified Social Workers. A graduate of the University of Alabama, she received her social work training in the Graduate School of the University of Chicago in Medical Social Work, including studies in the Illinois Institute for Juvenile Research. She later attended Cambridge University in England.

Her career in medical social work began with the American Red Cross in the psychiatric service at Fort Sam Houston in San Antonio, Texas, where she demonstrated the value of case work in Army hospitals.

Miss Callan entered the field of public welfare in Louisiana, but soon returned to Alabama to supervise the Relief Administration Program in Birmingham, Montgomery and Mobile. During this period she spent her summers at the University of Alabama Graduate School teaching social case work.

At the outbreak of World War II she was called to Washington by the American Red Cross to assist in the establishment of a Hospital Social Service Division for the Southeastern area in Atlanta. Later she supervised the medical social work in the Army, Navy and Air Corps hospitals in the Southeast.

Though professional opportunities were open to her in other parts of the country, Miss Callan wished to identify herself with her native state, the home of her late parents, Dr. and Mrs. Thomas E. Callan. Her father was born on the campus of the University of Alabama, where her grandfather was a member of the faculty.

On assuming the administration of the Etowah County Welfare Program, Times interviewer quoted her statement of philosophy regarding her responsibilities: "I believe that to function well in society an individual should have good health, a decent standard of living, and satisfying personal relationships." Adhering to this philosophy, she continued to train and direct her staff to meet the needs of deprived and neglected children, the disabled, the aged, the blind and the youth in trouble.

Because of the significance of the individual, the work must be done case by case as the social worker seeks to help each person to define and resolve his particular problems.

Miss Callan's staff has had the more recent responsibility for administering the Food Stamp program which includes the able-bodied unemployed. She believes that the broad field of social work includes the prevention of dependency and the relief of need.

Knowing that community problems and needs are best met by the community itself, Miss Callan has not only sought to stimulate community interest and concern, but has also contributed leadership in creating means through which the community may act effectively.

The Etowah County Mental Health Association was sponsored by the Altrusa Club's Public Affairs Committee which was led by Miss Callan. While serving as president of the Altrusa Club, Miss Callan and her fellow club members spearheaded a movement to provide a new public library building through the organization of the Friends of the Library.

She also fostered and supported the establishment of the Regional Juvenile Detention Home.

Her leadership abilities have been recognized on local, state and national levels by her election or appointment to various organizations. She is a member and past president of the TB Association, a founder and board member of the Mental Health Association, a founder and officer of the Council of Community Services, a board member and past president of the Altrusa Club, a member of the Professional Advisory Committee on Cerebral Palsy, and a former member of Anchor.

She was appointed to the Committee on Statewide Planning for Vocational Rehabilitation Services and served on the subcommittee for the Economically and Culturally Deprived. She also served on the TB and Respiratory Diseases Committee.

She was state delegate to National Conferences of the Public Welfare Association in Cleveland and Chicago, and to the White House Conference on Children and Youth.

She is listed in Who's Who of American Women.

Hamiter said of Miss Callan. "Her contributions to the community have been numerous and I am sure that she will continue many of her community activities as a part of her well-deserved retirement."

AGENCY FOR CONSUMER ADVOCACY

Mr. TAFT. Mr. President, in a short while we will once again begin debate on whether or not Congress should set up a super agency—a fourth branch of Government under the taxpayer fraud of "Consumer Representation."

I am reminded of the words of former Senator Sam Ervin on this issue when he said that the new super bureaucracy would give to its administrator powers which no responsible person would want and no irresponsible person should have.

My distinguished friend and colleague, Senator JAMES ALLEN, in his minority analysis of S. 200 gives a very thoughtful and enlightened appraisal of this thing called an Agency for Consumer Advocacy.

It is one of the most thorough analyses of this idea of establishing a super watchdog agency over the watchdog agencies I personally have ever seen.

I sincerely hope each of my colleagues will carefully read Senator ALLEN's detailing of S. 200 and carefully weigh his very convincing arguments as we begin again this debate.

Mr. President, I ask unanimous consent that the minority views of Senator ALLEN of S. 200 as reported be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MINORITY VIEWS OF MR. ALLEN

Ignoring a chance to let loose the eagle of regulatory reform, the Committee continues to hurl skyward, again and again, a dodo bird which it hatched six years ago. The pitiful, flightless thing has been bruised and battered beyond recognition in the process.

Frustrated supporters, so intent on proving that the creature can fly, appear to forget why they wished it to be airborne in the first place. There is no interest in the facts which show that we are dealing with an aberration doomed to return to extinction soon after it is left alone. If only it would be left alone.

This bill to create an Agency for Consumer Advocacy is a poor idea badly drafted. It should be rejected because it is not what was intended, not what is needed and certainly not suitable to become a law of which we can be proud. That this is so can be demonstrated beyond refutation with facts we no longer can afford to ignore.

S. 200 IS NOT WHAT IS INTENDED

1. It is not a proper vehicle for regulatory reform

As originally conceived, the ACA was intended to "reform the entire governmental apparatus."[1] Almost everybody forgets this, and perhaps it is good that they do. A comparison of this bill with some of the genuine attempts to initiate a much needed comprehensive regulatory reform effort could prove embarrassing.[2] No one continues to contend seriously that the ACA is to be the agency to accomplish regulatory reform.

2. It is not what consumers want

Then we were told by self-appointed representatives, in expensive full-page advertisements in leading newspapers, that an ACA is needed to fulfill a demand of "the American consumer"—"All 210 million of us."[3]

If that money were put into an effort to take a nation-wide poll to find out what was demanded by real consumers, these "representatives" would be joining me today in opposing this bill; they would, that is, if they take their representation function seriously. Such a poll was taken this year by the respected Opinion Research Corporation of Princeton, New Jersey; some of the results were as follows: [4]

Footnotes at end of article.

"Only 20 percent of the total population had heard of the proposed consumer advocacy agency, and of these relatively few could tell the researchers what the agency was designed to do.

"On the direct question as to whether they would support or oppose setting a consumer advocacy agency up over all existing consumer-related agencies, 75 percent of consumers said that they would oppose doing this and would favor, instead, making existing agencies work better.

"Of the 13 percent who did favor setting up the new agency, 6 percent (almost half) withdrew their support upon finding that the proposed cost of the new agency would be at least $60 million for the first three years."

Thus, 81 percent of consumers oppose this bill, a bill that some consumer "representatives" claim to be supported by all consumers. Is this the type of consumer "representation" that could be expected by the ACA? Of course it is.

3. *It has been adulterated*

Perhaps the most frequently stated argument in the long history of the consumer advocacy proposals leading up to S. 200 is this one: Consumers have no central agency to represent their interests, but the vested special interests do—farmers are represented by the Department of Agriculture, workers by the Department of Labor and businessmen by the Department of Commerce.[5]

If anyone continues to make that argument in support S. 200, you can be sure that person has not read this mangled bill. Consider the following:

"S. 200 specifically requires the ACA to protect and promote the interests of commercial farmers as well as ultimate consumers of farm products (imagine the ACA appealing a milk marketing order decision on the grounds that the price was not high enough).[6]

"S. 200 specifically prohibits the ACA from using any —*any*—of its powers in relation to labor disputes and labor agreements (imagine a dock strike affecting the entire east coast and the ACA not even able to make mention of it in its consumer information releases).[7]

"S. 200 exempts from certain ACA functions small businesses (think of the real problem consumers have with fly-by-night operators).[8]

"A provision to exempt from ACA advocacy any radio or television broadcast license renewal proceeding by the Federal Communications Commission was struck from S. 200 in Committee, and the majority views of this report state that the exemption still applies, even though we struck it down (see the last paragraph of the explanation of section 16)."

It is obvious that significant segments of the economy greatly (and justifiably) fear this bill, and, if they shout loudly enough, the standard procedure is to give them special treatment. In other words, do anything to get the dodo to fly, even if you have to clip its already inadequate wings to save weight.

4. *It contradicts itself*

Finally, there are two parallel arguments supporters of S. 200 make relating to the present Federal administrative process. The first is that Federal agencies do not operate as they were intended; they abuse the authority granted to them.[9]

I agree with that, as a generalization. Unfortunately, those who use it to support this bill conveniently ignore two very important facts—

(1) this is a bill to create *yet another* Federal agency which, if they are correct in their underlying assumption, will abuse the power granted to *it*, and

(2) the opportunity for abuse (that is, the amount of discretion to be granted to the ACA) would be greater than ever has been granted by Congress to any agency, a fact that will be made obvious by reading these views.

The parallel argument is that, even where present federal agencies do not actively abuse their authority, they all to often only hear one side of the story before they make decisions affecting consumers; the consumer voice is never heard because consumers lack the time, money and expertise to appear, and, therefore, the decisionmaking process is defective.[10]

Again, two critically important factors are overlooked—

(1) If consumers do not have the time, money or expertise to appear before an agency such as the Federal Power Commission (to use a frequently cited agency as an example), this bill certainly will not confer upon these same consumers the needed time, money and expertise to appear before the ACA to tell it what should be told to the FPC, and

(2) The drafters and supporters of this bill clearly appear to be afraid that some real consumers might disagree with the ACA's views on what is in their interest; they have taken steps to assure that the view of the ACA will always prevail, even over the views of real consumers—the bill provides that the ACA's determination of the consumer interest in any matter cannot be challenged in court by anyone.[11]

Thus, we have a situation where the ACA can, by law, state without fear of successful contradiction that it is speaking for 210 million consumers, even when a majority of these consumers oppose what the ACA is advocating. No regulatory agency has such sweeping power that is unchallengeable. This is a very serious defect in the bill and its underlying concept.

The "interests of consumers" is a vast, unchartered, constantly shifting area subject to many conflicting interpretations. Supporters of this bill claim that there are, however, many situations where the interests of consumers would be abundantly clear, and that it is in these situations where the ACA would concentrate its advocacy.

Perhaps it would be more than interesting to cite just one of these situations, as described by a leading consumer representative in consumer advocacy agency hearings during the last Congress. This supporter of S. 200, who does not own an automobile, stated that the ACA's position on mandatory seat belt devices in automobiles would be "quite clear"—it would use its considerable powers to advocate installation of such devices in the interest of consumers.[12]

I recoil at the thought of having an ACA Administrator with such clarity of thought unencumbered by knowledge of what those he represents want. But that, of course, is what we must have if this bill is to be put into operation, since consumers do not have the time, money or expertise to appear before Federal agencies.

S. 200 IS NOT WHAT IS NEEDED

1. *It is an anachronism*

The concept of a Federal consumer advocacy agency was born during the New Deal, tried then in varying specialized temporary forms, and pronounced unsuccessful to the point where President Franklin D. Roosevelt rejected proposals for a permanent agency for these purposes.[13]

To those wedded to the concept of creating Federal agencies to solve all or most of society's problems, it may appear to be a logical step to create a watchdog agency to watch the errant watchdogs that they felt were necessary in the first place. But this is drab and doctrinaire thinking.

Big Government which has become bad Government, in large part because of its bigness, cannot be made better by making it bigger. It is odd that many of those who support this bill do not see the irony when they attack the business community with their antitrust theories on bigness is badness, while at the same time justifying this proposed method of pervasively controlling business activity from its inception.

2. *It is inflationary*

In fact, it is well-documented that this country suffers from a serious overregulation of commerce.[14] It is now undisputed that a fair share of the blame for our current inflationary spiral must be laid at the many doorsteps of the Federal Government, that one of the most insidious contributors to inflation is well-intentioned increasing control over the operations of the marketplace which increases the costs of production and distribution.[15]

A reading of this bill and any of the many hearings on it or its predecessors clearly will demonstrate that its supporters desire and envision more regulation, more pervasively applied, to be the result of S. 200—not less. The ACA is to be a primer for the bureaucratic pump.

Thus, the initial suggested funding of $60,000,000 for the first three years of the ACA is just to be an expensive rut leading to yet another fiscal rat hole. Added to these millions will be the millions in increased costs borne by other Federal agencies due to the demands and advocacy of the ACA and, especially the increased costs in the marketplace of more Federal regulation. A free lunch this is not.

And, of course, we cannot ignore the natural Federal growth factor. The rarified atmosphere of Washington can be counted on to ensure that the ACA will blossom into the biggest, most litigious law firm ever known.

In fact, supporters of this bill may be counting on this inevitability. In testimony on the Public Council Corporation bill, the concept of which was merged into this bill,[16] one of the leading proponents of S. 200 testified that he imagined a federal advocacy agency with 400 to 500 lawyers petitioning for 20 or 30 rulemaking actions *per week* in other agencies.[17]

That's 1,040 to 1,560 new regulatory proceedings in a year, assuming, as we must, that no one else would have the time, money, expertise or inclination to so petition. Yet supporters of S. 200 stoutly maintain that they favor the concept of regulatory reform, and that the ACA could aid in this effort.[18]

In addition, the majority report makes clear what many of us have long expected; this is truly a full employment act for lawyers. In its explanation of section 6(e), the majority notes that the ACA will be hiring private attorneys to do its advocating under contract.

3. *It is the wrong approach*

To solve the problem of abuse of authority by Federal agencies, it is proposed to create another agency capable of greater abuse but with no power to fire existing officials who abuse their power.

To solve the problem caused by the fact that consumers do not appear in large numbers before Federal agencies, it is proposed that we create another agency before which consumers also will not appear, and have that new agency appear before the old agencies as a consumer.

To help solve the problem caused by Federal agencies issuing too many regulations, it is proposed that we create an agency which will prod other agencies to issue more regulations.

The difference, promotors of S. 200 ask us to believe, is that this ACA will never abuse its authority, always know exactly what the consumer wants or needs, always petition for regulations that are needed and always fight against those which are not. Who said *caveat emptor* was dead?

The longer we continue to ignore reality this way, the more difficult it is going to be

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Footnotes at end of article.

when we decide, finally, to exercise our responsibility correctly—find out in detail what is wrong with these agencies and take direct action on behalf of consumers to solve the problems.

If parents of a large family find themselves too busy to care properly for their many children, and the children, in turn, misbehave, would you recommend that the parents attempt to have yet another child in the hope that it would learn to discipline and tell stories on its older sisters and brothers? This bill not only follows that concept, it leaves it up to the new child to determine for itself what is and is not misbehavior.

S. 200 IS A DISGRACE TO THE SENATE

A poorly conceived idea often is reflected by the difficulty one has in converting it from intuition into materiality. Very few good, timely ideas take more than six years to get enacted by Congress, and virtually none get more and more removed from reality over such a period. Yet that has happened to this bill, and opposition to it has been steadily on the increase since 1970.

1. The special interest labor amendment is "cynical"

The exemption for labor disputes and labor agreements illustrates well the regressive nature of this bill. The New York Times editorialized strongly against this provision, calling it "a special-interest exemption that is foreign to the whole concept of independence for the new" ACA, and saying that it was "politics at its most cynical." [19]

S. 200 presently provides that, "This Act shall not apply to . . . a labor disput . . . or to a labor agreement. . . ." [20] That means, of course, that no authority granted to the ACA in S. 200 may be used in relation to labor disputes or agreements.

For example, it could not intervene in National Labor Relations Board or Federal Mediation and Conciliation Service activities or any other Governmental effort concerning these matters or concerning the development of policy in these areas. The ACA could not even use its information gathering and dissemination powers to inform consumers of what the Government is doing in these areas—The Freedom of Information Act, available to any private citizen, would not even be available to the ACA to get information in these areas.

How did this sweeping exemption come about? The history of the provision symbolizes all that is wrong with this bill.

During the debate on the first consumer advocacy agency bill ever to pass a chamber of Congress, the 1970 Senate Consumer Protection Agency bill, prominent mention was made by a leading sponsor of a Library of Congress report on the 34 Federal agencies conducting consumer programs which would be covered by that bill.[21]

This report, titled "Major Consumer Activities and Programs of Federal Departments and Agencies," is found in the 1969 Senate hearings on consumer advocacy proposals.[22] It is, for the most part, a summary of a 1961 House Committee report on 33 agencies and their programs which gave consumer advocacy proposals (especially early proposals for a Department of Consumer Affairs) a considerable boost.[23]

References to these reports are so numerous during the long history of consumer advocacy proposals, that space allows room for a footnote to only the references in the hearings.[24] They are, beyond a doubt, the most popular used source materials to "prove" the need for a centralized Federal consumer agency.

I go to some length to point all this out for a very good reason. Among the agencies and their *"Major Consumer Activities"* cited in these source materials which are widely quoted by supporters of an ACA are the following, and I quote: [25]

"Federal Mediation and Conciliation Service: 1. Avoidance or minimization of *labor disputes* by providing mediation services.

"National Labor Relations Board: 1. Minimization or prevention of disruption to interstate commerce resulting from *labor dispute*.

"National Mediation Board: 1. Achievement of peaceful settlement of *labor disputes* in the airlines and railroad industries."

Thus, from the inception of the consumer advocacy concept, it was specifically recognized that Federal involvement in labor disputes and agreements had a "major" impact on the interests of consumers and it was specifically intended that the consumer advocacy agency should make a contribution in these areas.

Then, during the 1971 House hearings, the AFL–CIO witness was asked to supply for the record a legal memorandum on whether the proposed consumer advocacy agency (then called a Consumer Protection Agency) might wish to intervene on behalf of consumers against a union in an NLRB case.

The response from the AFL–CIO associate General Counsel was succinct: "I think that it is possible to imagine instances in which the Consumer Protection Agency might wish to intervene in a proceeding before the NLRB to take a position contrary to the interest of a union." [26]

The legal opinion then went on to say that it was "rather unlikely" that the CPA could make a finding required of it by that bill prior to intervention. That restrictive finding was one of many safeguards found in earlier bills which have long since disappeared. Thus, in relation to bills like S. 200, he AFL–CIO's answer to the question of whether the consumer advocacy agency would wish to intervene in NLRB proceedings to protect consumers was an *unqualified* "Yes."

The House passed its CPA bill 14 days after reporting it. The report on that 1971 bill, as had the report on the 1970 House CPA bill and the report on the 1970 Senate CPA bill, highlighted the 33-agency study of major consumer protection activities which expressly included the labor-related activities mentioned earlier.[27] No special exemption relating to labor disputes or agreements was in the 1971 House-passed bill or the 1970 Senate-passed bill.

One would have thought at that time the labor issue was settled—labor disputes and agreements affecting consumers clearly were within the jurisdiction of the consumer advocacy agency. But something or somebody, was silently afoot.

The CPA bill reported by this Committee in 1972 was silent on the labor issue, but the Committee report, mysteriously, stated that NLRB proceedings and FCC license renewal proceedings "are beyond the jurisdiction of the CPA." [28] This gratuitous legislative history to an ill-fated bill did not miss the trained eye of the very distinguished former Senator Sam J. Ervin, who declared and proved in his Minority Views that such proceedings were definitely covered by that bill.[29]

Since the closet "exemptions" were then exposed by one of the Senate's leading lawyers, there was little point in hiding them in the 93d Congress. The House bill, which passed that chamber, had a complete exemption for labor disputes and agreements.[30] The Senate bill, which did not pass, had a partial exemption—it only prohibited the ACA from using its advocacy rights in relation to labor disputes, but the ACA could still gather and disseminate information about such matters.[31]

As was seen at the beginning of this discussion, our bill now has a complete exemption rather than a limited one. The bill continues to get less powerful in relation to favored special interests.

We are asked to believe that labor disputes and agreements have no relation to marketplace transactions. It is hoped that we forget that the National Labor Relations Act, under which the now exempted NLRB and the Federal Mediation and Conciliation Service fall, expressly says that such activities can burden interstate commerce to the point of restraining the availability of consumer goods and affecting their prices.[32]

We are asked to believe that Federal adjudications of labor disputes are private matters. It is hoped that we forget that the Supreme Court and other courts have held just the opposite, that they are public interest matters affecting consumers greatly.[33]

We are asked to believe that the "adversarial" relationship between big business and big labor in labor disputes serves as adequate protection for consumers. It is hoped that we forget the New York Times editorial pointing out that, "The records of the National Labor Relations Board and the courts abound in cases in which unions on their own or in collusion with employers disregard the public interest pushing up prices or limiting competition." [34]

We are asked to believe that the ACA will be a prudent agency, never treading where it does not belong. It is hoped that we forget that organized labor does not believe a word of this, and insists that unions expressly be protected from, to use one AFL–CIO official's statement, "another government agency intervening in labor-management relations, sticking its nose into our affairs." [35]

We are asked to believe that "this labor exemption first started with big business support" in the form of testimony by the Ford Motor Company in the House.[36] It is hoped that we forget that the cited testimony was in *total opposition* to the creation of any ACA, and that problems arising from ACA intervention in labor disputes was just one example of why we should have *no* ACA, rather than an ACA with a labor exemption.[37]

We are asked to believe that Congress never intended to subject these labor activities to ACA scrutiny. It is hoped that we forget our own, much cited studies and the fact that Senator Edward Kennedy's Public Counsel Corporation bill (the concept of which was purposely merged into the ACA bill) [38] provided expressly for a Federal public advocate to participate in NLRB proceedings.[39]

2. It proposes disruption of agency activity

The ACA would be granted an *unchallengeable right* to advocate the interests of consumers in the unstructured activities of other agencies through the presentation of views either orally or in writing.[40] Under this right, it is the ACA which determines whether it should insert itself into the agency, and rules of practice by that agency which might govern such ACA advocacy are subservient to that right.[41]

Further, there also is recognition that such unstructured activities or federal agencies move from stage to stage, and, therefore, the ACA's advocacy rights are to be considered as being renewable at each stage—"The fact that [an ACA advocate] has participated in the investigatory phase of an activity does not impair his right to participate in a later phase of the actvity, such as the reaching of a settlement, the decision to initiate formal proceedings, or even a decision to discontinue the investigation." [42]

Finally, the provision under which this ACA advocacy right is granted requires that the Agency holding the unstructured activity give "full consideration" to the views of the ACA.[43] That is, the ACA must "have a full opportunity to submit its views to the decisionmaking authority *before* any decision is made either to take, or not take, cer-

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Footnotes at end of article.

tain action, where the [ACA] determines a substantial consumer interest is at stake." [44] [Emphasis added.]

This, of course, sounds very good in the abstract, but when it is applied to an actual agency activity of interest to consumers some serious questions are raised. For example, supporters of the bill have stated that they wish the ACA to use this power to participate in negotiations in the Middle East by the Secretary of State which concern, at least in part, oil availability.[45] Senator Ervin asked last year: "Can anyone imagine the Secretary of State telling some sheik, 'Excuse me, before I decide on your new proposition, I must contact the Administrator of the [ACA] or one of his agents.' It would appear that an advocate of the [ACA] will have to fly around with the Secretary of State—that would be the only way possible to comply with the letter of this proposed law." [46]

To be sure, the ACA is admonished to present its case in such situations "in an orderly manner and without causing the undue delay" [47]—that is why an ACA agent must fly around with the Secretary of State if he is to take his advocacy seriously—but the fact remains that an agency's failure to recognize the ACA's rights would subject its relevant action to judicial review.

Supporters of this bill tell us not to worry, however, because the ACA "will act with discretion and prudence and will not be reckless." [48] But it is troubling to see that they have also argued that the need for this bill is based in part on the fact that federal agencies are not prudent as a whole. It is even more troubling when we are told by the same supporters that certain special interests must be exempted from the ACA's scope of operations because of a fear that it will meddle where it should not, such as this statement: "Where big business and big labor face each other in terms of the relations between them, there the [ACA] does belong. . . ." [49]

3. *The "dual prosecutor" problem*

Granting the ACA the unchallengeable right to assign itself any available advocacy status in any formal agency proceeding [50] may cause some unexpected problems in the slim area of agency adjudications of alleged violations of law. In many of these, full party status is limited to the two principals, the respondent charged with the violations and the agency lawyer prosecuting the complaint. Intervention by others is usually subject to the discretion of the forum agency, and to limitations which are not applicable to the principals.

ACA intervention as of right as a full party in such adjudications would allow it to be a dual prosecutor. Supporters of this concept have objected strenuously to the term "prosecutor," on the mistaken belief (and in disregard of our own hearing records) that agency lawyers do not have a prosecutorial function in such proceedings.[51]

The House bill of last year contained a partial exemption in this area, limiting the ACA to an *amicus curiae* in proceedings which seek "primarily to impose a fine or forfeiture which the [forum] agency may impose under its own authority for an alleged violation of" law.[52] California's forward-looking consumer advocacy law, which contains many similar provisions to the federal ACA proposals, also addresses this problem by *exempting fully* from intervention by its Department of Consumer Affairs any agency "adjudications of an alleged violation by any person named as a defendant or respondent." [53]

S. 200 contains no limitation other than a hortatory clause admonishing the ACA not to intervene as a party in any federal proceeding *unless* the ACA determines that it is necessary to intervene as a party.[54]

The problem, as it has been briefly stated in relation to a Federal Trade Commission adjudication, is this: [55]

"To the extent that the [ACA] follows a line of prosecution identical to that of the FTC prosecutor, we have useless, expensive and delaying duplication; to the extent that the [ACA's] line of prosecution diverges from that of the FTC, we have an outsider not only usurping FTC's congressionally-mandated responsibility, but subjecting a citizen (as of yet innocent) to conflicting prosecutions. Very serious due process questions are raised when two prosecutors see who can outprosecute whom."

One would think that, in light of the more far-reaching exemptions already included in the bill, this exceedingly small area would be limited to protect due process. But no. The only agency adjudications of law violations worthy of exemption, apparently, are NLRB adjudications of unfair labor practices.

4. *It proposes Federal guerrilla warfare*

The fact that the ACA is to be a non-regulatory agency with no proprietary interests to protect sets it apart from many federal agencies. It also raises a question whether it is appropriate for such an agency to have the right to seek to overturn in court the final decisions of the government made by regulatory agencies.

As was stated by Senator Ervin last year, this guarantees that the ACA is to be a "Congressionally-ordained expert agency fighting another Congressionally-ordained expert agency in an embarrassing *U.S. v. U.S.* court battle to determine who speaks for the Government." [56]

Those who favor granting a broad judicial review right to the ACA point out that government agencies challenge each other frequently in the courts. They forget that these cases invariably involve an overlapping of regulatory or proprietary mandates given to the agencies by Congress, but to be intentionally withheld from the ACA. As Senator Ervin made clear, "It is one thing for the Justice Department to challenge [another agency's approval of a] merger in court; it is entirely another thing for the [ACA], a non-regulatory agency, to challenge such a merger where the Justice Department has failed to do so." [57]

This power clearly implies that Congress does not trust the judgment of the regulatory agencies which it created. All right. But can anyone tell me why Congress is ready to trust the judgment of the untried ACA in light of its view that other instrumentalities of its own making cannot be trusted?

5. *Its information-gathering and dissemination powers are overblown*

An interesting question of whether Congress is willing to cut off its nose to spite its face arises in relation to the information provisions of the bill.

Under S. 200, trade secrets and other confidential business information voluntarily submitted to a federal agency that could have obtained it through subpoena or other formal action would be accessible to the ACA as a matter of right.[58] Such commercially sensitive information then could be publicly disclosed, if the source agency did not put any restrictions on such disclosure.[59]

This is bad enough, but things get considerably worse when the ACA goes after sensitive information that is not in the hands of the Government or otherwise on the public record. In such cases, the ACA can get that information by issuing court-enforceable interrogatories or orders for general or special reports to anyone engaged in a business, industry or trade (except if it relates to labor disputes or agreements, of course).[60]

If the ACA, in its sole expert opinion, decides that trade secrets and similar information should be released *immediately* "to protect the health or safety of the public," it is empowered to do so.[61] (It should be noted that this is a regulatory function, no matter how supporters might characterize it.)

Further, such information would be subject to discretionary release by the ACA upon petition by anyone under the Freedom of Information Act if it were received from private sources or from another agency which does not expressly request that it be withheld.[62]

The implications here are immense. We are asked to develop an entirely new concept of trade secret law. Because of the ACA's explicit authority to publish such information, current prohibitions on publication of such information do not apply to the ACA as they would to regulatory agencies.[63] This opens an avenue of indirect publication by these agencies through the ACA, if they wish, and subjects the information to disclosure by the ACA to petitioners (including competitors) under the Freedom of Information Act, if the ACA wished to grant such a petition.

It is interesting that the news media is not exempted from this provision. The ACA could demand that sources or other material accepted in confidence be revealed to it for publication. Consumers Union, which is a publisher, called this "an important issue" some time ago.[64] But nothing was done to resolve it; a host of "more important" issues seems to have been brought to the attention of the Committee by more persuasive special interests than the press.

CONCLUSION

Much more can, should—and will, I am sure—be said about this bad idea whose time has come and gone.

To my colleagues in the Senate who agree with the idea of establishing yet another Federal agency for consumers, all I would ask is that you personally read this complex bill and attempt to understand its details now. If you do, I feel confident that S. 200 will be set aside or dramatically revised when it comes to the floor.

FOOTNOTES

[1] Statement of Ralph Nader, *Hearings on H.R. 6037 Before a Subcomm. of the House Comm. on Government Operations*, 91st Cong., 1st Sess., 175 (1969).

[2] See, e.g., my bill to establish a temporary National Commission on Regulatory Reform, S.J. Res. 7, 94th Cong., 1st Sess.

[3] See, e.g., the advertisement of the National Consumers League, *Washington Post*, Sept. 18, 1974, at A–23.

[4] "Government and the Consumer," A Public Opinion Study Conducted for the Business Roundtable by Opinion Research Corporation (March, 1975), Summary of Principal Findings, at iii, iv.

[5] Statements of this arguments in the hearings alone, are as follows: Hearings on S. 1571 Before the Subcomm. on Reorganization and International Organizations of the Senate Comm. on Government Operations, 86th Cong., 2d Sess., at 28 (Sen. Kefauver), 42 (Sen. Keating), 53 (twice; Sen Engle), 123 and 125 (Cooperative League, USA), 133 (Northwest Public Power Association); Hearings on H.R. 7179 Before a Subcomm. of the House Comm. on Government Operations, 89th Cong., 1st Sess. at 31 (Rep. Rosenthal), 36, 37 (Consumers Union), 83 (Wisconsin Att'y Gen.), 94 (Rep. Erlenborn), 124, 127 (Sen. R. Kennedy), 131 (Sen. Javits), 144 (Persia Campbell), 155 (Frank O'Conner, NYC City Council), 207 (Nat'l Retail Merchants Ass'n), 242, 243, 244 (Rep. Rosenthal); Hearings on H.R. 6037 and Related Bills Before a Subcomm. of the House Comm. on Government Operations, 91st Cong., 1st Sess., at 82 (Rep. Mikva), 126, 132 (Ill. Fed of Consumers), 149 (Rep. Rosenthal), 151 (William Kaye), 187 (Consumers Union), 218 (Rep. Rosenthal). 263 (Rep. Biaggi), 268 (Rep. Eilberg), 271 (Rep. Friedel), 272 (Rep.

Pepper); Hearings on S. 3434 and 2544 Before the Subcomm. on Administrative Practice and Procedures of the Senate Comm. on the Judiciary, 91st Cong., 2d Sess., at 50 (Ralph Nader); Hearings S. 2045, S. 3097, S. 3165, S. 3240 Before the Subcomm. on Executive Reorganization and Government Research of the Senate Comm. on Government Operations, 91st Cong., 2d Sess., at 145 (Chamber of Commerce), 316 (Sen. Montoya); Hearings on H.R. 6037 (Revised) Before a Subcomm. of the House Comm. on Government Operations, 91st Cong., 2d Sess., at 56, 57 (Rep. Rosenthal), 61, 62 (Rep. Dwyer), 62, 63 (Chamber of Commerce), 62, 63 (Rep. Rosenthal); Hearings on S. 860 and S. 2045 Before the Subcomm. on Executive Reorganization of the Senate Comm. on Government Operations, 91st Cong., 1st Sess., at 17 (Rep. Rosenthal), 507 (Bess Myerson Grant), 775 (National Telephone Cooperative Ass'n); Hearings on S. 1177 and H.R. 10835 Before the Subcomm. on Executive Reorganization and Government Research of the Senate Comm. on Government Operations, 92d Cong., 1st Sess., at 28 (Rep. Rosenthal); Hearings on H.R. 16, H.R. 3809, H.R. 254, H.R. 1015, and Related Bills Before a Subcomm. of the House Comm. on Government Operations, 92d Cong., 1st Sess., at 557, 558 (Rep. Corman); Hearings on S. 707 and S. 1160 Before the Subcomm. on Reorganization, Research and International Organizations of the Senate Comm. on Government Operations, 93d Cong., 1st Sess. at 348 (Betty Furness and Sen. Allen), 519, 520 (Consumers Union), 539, 540 (Sen. Javits); Hearings on H.R. 14, H.R. 21 and H.R. 564 Before a Subcomm. of the House Comm. on Government Operations, 93d Cong., 1st Sess., at 189, 190 (Rep. Holifield), 208 (Consumers Union), 229 (Mary Gardiner Jones), 328 (Rep. Holifield).

[6] Those who use any goods or services for agricultural purposes are expressly defined as "consumers" for the purposes of the bill. See S. 200, § 14(7). Thus, the mandate of this bill to protect and promote the "interests of consumers" is synonymous with protecting and promoting the "interests of farmers." The fact that these important interests may be diametrically opposed in some situations is one of the many problems left for ACA resolution.

[7] See S. 200, § 16(a).

[8] See, e.g., S. 200, §§ 10(a)(4) and 18.

[9] See, e.g., prepared statement of Ralph Nader, *Hearings on S. 200 Before the Senate Comm. on Government Operations*, 94th Cong., 1st Sess., 3 (Feb. 24, 1975): "Thousands of pages of Congressional hearings document the regulatory abuses which have resulted in unnecessary harm to consumers both in dollars and in avoidable risks to health and safety."

[10] See, e.g., the statement of Carol Foreman for the Consumer Federation of America, *Hearings on S. 200 Before the Senate Com. on Government Operations*, 94th Cong. 1st Ses., 54 (transcript of Feb. 20, 1975): "The agency or commission bases its decisions on complex economic and legal material presented by an industry and the consumer has no ability to present adequate data on the other side of the issue."

[11] See S. 200, § 21(b).

[12] *Hearings on H.R. 14, H.R. 21, and H.R. 564 Before a Subcomm. of the House Comm. on Government Operations*, 93d Cong., 1st Sess., 278 (Statement of Ralph Nader); see also the reply of Rep. Erlenborn on the general public's view of electronic ignition interlock system for seat belts which were then required, *id.*, at 279.

[13] For the history of this proposal, see Leighton, *Consumer Protection Agency Proposals: The Origin of the Species*, 25 Ad. L. Rev. 269 (American Bar Association, 1973).

[14] See generally, Weidenbaum, *Government-Mandated Price Increases* (American Enterprise Institute for Public Policy Research 1975).

[15] *Id.*

[16] S. REP. No. 883, 93d Cong., 2d Sess. (Part 1), at 3.

[17] *Hearings on S. 3434 and S. 2544 Before the Subcomm. On Administrative Practice and Procedures of the Senate Comm. on the Judiciary*, 91st Cong., 2d Sess. 63 (Statement of Ralph Nader).

[18] See, *e.g., Hearings on S. 200 Before the Senate Comm. on Government Operations*, 94th Cong., 1st Sess., 56 (transcript of Feb. 20, 1975; Consumer Federation of America).

[19] March 14, 1975, at 38.

[20] S. 200, § 16(a).

[21] 116 CONG. REC. 39176 (Nov. 30, 1970; remarks of Sen. Percy).

[22] Reprinted in *Hearings on S. 860 and S. 2045 Before the Subcomm. on Executive Reorganization of the Senate Comm. on Government Operations*, 91st Cong., 1st Sess., 67, *et seq.*

[23] See H. REP. NO. 1241, 87th Cong. 1st Sess.

[24] Hearings on H.R. 7179 Before a Subcomm. of the House Comm. on Government Operations, 89th Cong., 2d Sess., at 31 (Rep. Rosenthal), 34 (Rep. Erlenborn), 36, 38 (Consumers Union), 61 (Rep. Brown), 64 (Rep. Erlenborn), 86 (Wisconsin Att'y Gen.), 89 (Rep. Erlenborn), 109 (Nat'l Consumers League), 124 (Sen. R. Kennedy), 137, 149 (Rep. Erlenborn), 194 (Rep. Harvey), 198 (Sen. Hart), 202, 204 (Chamber of Commerce), 204 (Metropolitan New York Consumer Council), 241, 237 (Rep. Rosenthal), 241 (Bur. of Budget), 244, 245 (Rep. Rosenthal), 306 (Rep. Erlenborn); Hearings on H.R. 6037 and Related Bills Before a Subcomm. of the House Comm. on Government Operations, 91st Cong., 1st Sess., at 40 (Rep. Rosenthal), 61 (Rep. Dwyer), 100 (Rep. Rosenthal), 101 (Esther Peterson), 122 (N.Y. Att'y Gen.), 126 (Ill. Fed. of Consumers), 150 (William Kaye), 174 (Rep. Rosenthal), 175 (Ralph Nader), 201 (Rep. Rosenthal), 232 (Justice Dept.), 261 (Rep. Addabbo), 261 (Rep. Annunzio), 262 (Rep. Bell), 263 (Rep. Biaggi), 263, 264 (Rep. Dulski), 267, 268 (Rep. Eilberg), 269 (Rep. Frazer), 272 (Rep. Halpern), 274 (Rep. Hanna), 277 (Rep. Long), 278 (Rep. MacDonald), 280 (Rep. Murphy), 286 (Nat'l Grange); Hearings on S. 3434 and 2544 Before the Subcomm. on the Judiciary, 91st Cong., 2d Sess., at 2 (Sen. E. Kennedy); Hearings on S. 2045, S. 3097, S. 3165, S. 3240 Before the Subcomm. on Executive Reorganization and Government Research of the Senate Comm. on Government Operations, 91st Cong., 2d Sess. at 315 (Sen. Montoya); Hearings on H.R. 6037 (Revised) and Related Bills Before a Subcomm. of the House Comm. on Government Operations, 91st Cong., 2d Sess., at 54 (Chamber of Commerce); Hearings on S. 860 and S. 2045 Before the Subcomm. on Executive Reorganization of the Senate Comm. on Government Operations, 91st Cong., 1st Sess., at 1 (Sen. Ribicoff), 8 (Sen. Nelson), 12 (Sen. Gurney), 13 (Sen. Nelson), 17, 19, 23 (Rep. Rosenthal), 67–72 (Library of Commerce), 76 (Sen. Nelson), 345 (Betty Furness), 573 (James Goddard), 786 (W. Forte); Hearings on S. 1177 and H.R. 10835 Before the Subcomm. on Executive Reorganization and Government Research of the Senate Comm. on Government Operations, 92d Cong., 1st Sess., at 19 (Rep. Rosenthal); Hearings on H.R. 16, H.R. 3809, H.R. 254, H.R. 1015 and Related Bills Before a Subcomm. of the House Comm. on Government Operations, 92d Cong., 1st Sess., at 223 (N.Y. Att'y Gen.), 340 (National Consumer Law Center), 358, 359 (Rep. Corman), 558 (Rep. Coughlin), 560 (Rep. Eilberg), 563 (Rep. Gonzalez), 565, 566 (Rep. Morse); Hearings on S. 707 and S. 1160 Before the Subcomm. on Reorganization, Research and International Organizations of the Senate Comm. on Government Operations, 93d Cong., 1st Sess., at 765 (Bay Area Grocers Ass'n), 781 (National Consumer Finance Ass'n), 861 (Trebilcock); Hearings on H.R. 14, H.R. 21, and H.R. 564 Before a Subcomm. of the House Comm. on Government Operations, 93d Cong., 1st Sess., at 262 (Rep. Rosenthal), 657 (N.Y. Att'y Gen.).

[25] Quoting from reprint of Library of Congress Report, see note 22, at pages 68, 71, 72. (Emphasis added.)

[26] Hearings on H.R. 16, H.R. 3809, H.R. 254 and H.R. 1015 before a Subcommittee of the House Committee on Government Operations, 92d Cong., 1st Sess., at 258.

[27] H. Rep. No. 542, 92d Cong. 1st. Sess., at 3; H. Rep. No. 1361, 91st Cong., 2d Sess., at 3; S. Rep. No. 1331, 91st Cong., 2d Sess., at 5.

[28] S. Rep. No. 1100, 92d Cong., 2d Sess., at 62.

[29] *Id.*, at 80, *et seq.*

[30] H.R. 13163, § 17 (93d Cong., 2d Sess).

[31] S. 707 § 6(a)(11).

[33] See, e.g., *N.L.R.B.* v. *Font Mill Co.*, 360 U.S. 301 (1959); *NLRB* v. *United Packinghouse Workers of America*, AFL–CIO, 275 F.2d 816 (1960).

[34] March 14, 1975, at 38.

[35] 120 CONG. REC. 23832 (July 17, 1974; Statement of AFL–CIO Legislative Director).

[36] Hearings on S. 200 Before The Senate Comm. on Government Operations, 94th Cong., 1st Sess., 25 (transcript of Feb. 24, 1975; testimony of Ralph Nader).

[37] See the testimony of Ford Motor Company, Hearings on H.R. 14, H.R. 21 and H.R. 564 Before a Subcomm. of the Comm. on Government Operations, 93d Cong., 1st Sess., 251.

[38] Supra, n. 16.

[39] S. 3434, 91st Cong., 2d Sess., proposed 5 U.S.C. § 582(3).

[40] § 6(a)(3) and 21(b).

[41] S. Rep. No. 883, 93d Cong., 2d Sess., 22.

[42] Id., at 21.

[43] § 6(a)(3).

[44] S. Rep. No. 883, 93d Cong., 2d Sess., 21.

[45] 120 Cong. Rec. 21520 (June 27, 1974); see also the extensive discussion of this matter at 120 Cong. Rec. 23593–8 (July 17, 1974).

[46] S. Rep. No. 883, Part 2 (Minority Views of Senators Ervin, Allen, Brock and Nunn), 93d Cong., 2d Sess., 10.

[47] § 6(a)(3).

[48] 118 Cong. Rec. 31782 (Sept. 21, 1972; remarks of Sen. Javits).

[49] 120 Cong. Rec., 23837 (July 17, 1974; remarks of Sen. Javits).

[50] The ACA "may as of right intervene as a party or otherwise participate" in such proceedings. § 6(a)(2).

[51] For extensive substantiation of the accuracy of this term, see 120 Con. Rec. 23598, et seq. (July 17, 1974).

[52] H.R. 13163, 93d Con., 2d Sess., § 6(c).

[53] Cal. Bus. and Prof. Code, Ch. 4, § 320.

[54] § 6(a).

[55] S. Rep. No. 883, Part 2 (Minority Views), 93d Cong., 2d Sess., 12.

[56] S. Rep. No. 883, Part 2 (Minority Views), 93d Cong., 2d Sess., 15.

[57] *Id.*, at 17.

[58] § 10(b)(7)(B), referring to such sensitive information described in 5 U.S.C. § 552 (b)(4).

[59] § 8 and 11(b).

[60] § 10(a).

[61] § 11(c)(4). In other cases, the ACA would have to give owners of the information a maximum of 10 days notice to allow them to attempt to stop publication; but there appears to be few, if any grounds upon which such an injunction might be granted.

[62] § 11(a).

[63] See e.g., 18 U.S.C. § 1905 which makes it a crime for Federal employees to disclose trade secrets and similar sensitive information "to any extent *not authorized by law.*"

[64] Hearings on S. 707 and S. 1160 before the Subcommittee on Reorganization, Research and International Organizations of the Senate Committee on Government Operations, 93d Cong., 1st Sess., 524.

TOWARD EFFECTIVE ARMS CONTROL

Mr. McGOVERN. Mr. President, for months now, we have been immersed in such shattering problems as the economy, the Middle East, and the collapse in Southeast Asia. We have been able to pay scant attention to one of the most serious problems facing the United States and the Soviet Union—the limitation and control of strategic nuclear weapons.

Nearly 5 months ago we signed the Vladivostok accords, proposing limits of 2,400 strategic delivery vehicles and a sublimit of 1,320 missiles with multiple independently targetable warheads on each side. The Congress is only now able to begin weighting those accords in any thorough way.

The Senator from Missouri (Mr. SYMINGTON), the distinguished chairman of the Subcommittee on Arms Control, International Organizations and Security Agreements, is chairing hearings this spring on critical strategic arms limitation issues. As a member of that subcommittee, I intend to join my fellow members in a thorough assessment of the present strategic situation, the dangers the arms race still holds, and ways to build upon Vladivostok to bring about effective limitation and reduction of strategic arms.

I do not wish to detract from what successes there may have been in the ABM treaty, in the interim agreement of SALT I, or in the Vladivostok accords. But I am nonetheless convinced that the future is very dangerous in terms of strategic arms. It is essential that the Congress take advantage of this time before the Vladivostok agreement is final to judge what has been achieved, and to add to its own perspective on the SALT II agreement and the broader, more comprehensive steps which should follow.

The Congress should answer two questions: First, what might be done to improve and tighten the final agreement now being negotiated on the basis of the Vladivostok accords and second, what should be our priorities in seeking further limitation and reductions following the anticipated final SALT II agreement.

I believe that the Senate should consider the following additional constraints in the anticipated final agreement:

First. A comprehensive ban on most types of cruise missiles—basically pilotless aircraft. Long-range cruise missiles would be a destabilizing fourth force in the strategic arsenals on both sides.

Second. A prohibition against the testing of new types of land-based intercontinental ballistic missiles.

Third. An annual limitation on the flight testing of strategic ballistic missiles by each side.

If the two sides agreed on these three controls, I believe we will take jointly a critically important step forward, and that we will set the stage for further, very useful limitations and reductions.

As we weigh these alternatives, I also issue a plea today for application of the one most obvious lessons for our arms control efforts over the years. Let us be aware that the so-called bargaining chip strategy has been a dismal flop. We must know by now that the chance for meaningful arms control is hindered, not helped, by aggressive programs to design and build new systems and exotic new strategies, before we can even get a grip on the old.

The administration has probably oversold its new arms budget sufficiently to prevent a very broad moratorium on new strategic systems. But certainly we should at least isolate those with the greatest arms control implications, and set them aside while arms control talks are going ahead.

This would not eliminate anything that is now in our strategic arsenal. It may be called unilateral disarmament. But it is instead a plea against unilateral armament, in the interests of mutual arms control.

Our deterrent is secure. Some may hunger for new systems, but the country does not need them. There may be a need if arms control fails, but there is neither need nor reason to assume failure in advance, especially when restraint may well help assure success.

At this point, we—and probably the Russians—are in the early throes of developing weapons systems that have not been limited by SALT. In some cases, unless we act now, we may find that limitations of the SALT type are not possible at all.

I believe that the biggest threat to strategic stability at this juncture is the Cruise Missile. Right now, we are at a stage in the development of the Cruise Missile comparable to that of the multiple independently targeted warhead—MIRV—in 1967. In 1967, many people—but too few to put a halt to it—saw the MIRV as a threat to strategic stability. But the United States plowed on ahead. Now it seems the best we can hope to do is to limit both sides to 1,320 missiles with MIRVed warheads.

If we are similarily lax in regard to the Cruise Missile, we may well experience a proliferation of Cruise Missiles which will make the MIRV seem, in retrospect, a piker's problem.

The Department of Defense has asked authority to spend over a half billion dollars in the next 2 fiscal years to develop cruise missiles for bombers, for submarines, and possibly for surface ships. DOD plans both tactical and strategic versions.

It has been estimated that the Navy could seek to deploy as many as 2,000 cruise missiles. An estimate for the Air Force could be between 2,000 and 3,000 cruise missiles. Each of these thousands of missiles could carry a warhead with a tremendous nuclear punch.

No one is sure yet how accurate the cruise missile will be. However, with terrain-following guidance, we may find the scientists are capable of achieving accuracy in the low hundreds of feet. It is quite possible—if these accuracies and numbers are achieved—that the Soviets could fear the cruise missile as a fourth strategic force—one capable of devastating hundreds of military and civilian targets. We could fear a similar Soviet force in the same way.

It would be difficult to verify the number of long-range, air-launched missiles deployed, either by us or by the Soviet Union. It would, of course, be impossible to verify long-range cruise missiles on submarines. There would be tremendous uncertainty as to whether nuclear-capable missiles had nuclear or conventional warheads.

The critical question of force loading would be compounded by the equally serious question as to possible range. A cruise missile loaded with a heavy conventional warhead can, when equipped with a much lighter nuclear warhead, be fired distances three or four times as great.

What this suggests to me is that if new long-range cruise missiles are developed by the United States and the Soviet Union, we will have to forget any hope of putting a "cap" on strategic delivery vehicles.

So I believe it is imperative that the Congress address some very critical questions a soon as possible. We should first consider a prohibition against any new long-range cruise missiles of any kind. A lesser, but still meaningful prohibition, would be to allow the more verifiable air-launched long-range cruise missiles, on the condition that all above a certain range cutoff point would be counted against the 2,400 delivery vehicle ceiling, but to ban any sea-based long-range cruise missiles.

The cutoff point above which sea-based missiles were banned and air-launched missiles were counted could be 100 kilometers—roughly a range of the Navy's harpoon antiship missiles. As the executive branch describes the Vladviostok accords, any air-launched missile with a range above 600 kilometers would be counted under the 2,400-vehicle ceiling.

However, a Cruise missile with a nominal range of 600 kilometers could be altered to go over 2,000 kilometers—or perhaps more. Given this problem, the range cutoff point should be much lower.

The second refinement I suggest would be a prohibition against testing new land-based ICBM's.

Critics of the Vladivostok accords are already pressing for a new ICBM to be deployed first in the land-based silos and then possibly on mobile land-based launchers and on airplanes. The argument is made that such a new missile system would close the sizable throw-weight gap between us and the Soviet Union. The cost of all this would be in the tens of billions of dollars.

But we would have labored mightily to bring forth a strategic mouse.

We should bear in mind that the throw-weight gap is the result of different approaches to strategic missile development. We did not worry about throw-weight differences until we achieved SALT I—the first significant strategic arms limitation agreement. As SALT I slowed the numbers race, some of our most diligent worriers settled upon throw-weight as a matter of vital concern. But most strategists believe that a better measure of strategic strength is in the number of deliverable warheads.

Rudimentary physics tells us that explosions are more or less spherical, and three dimensional. But targets are more or less flat, and are measured in two dimensions. That means that the area destroyed by a nuclear blast increases at a far slower rate than the size of the warhead. In this case smaller is more efficient. A 2 megaton explosion is far less than twice as destructive as 1 megaton.

In light of the enormous power of these weapons and the dramatic excess in the arsenals of both sides, our capacity to deter war is not really influenced at all by the size of individual warheads. It is measured instead by the number of targets we can strike—the number of deliverable warheads. In that more relevant measurement we lead the Soviet Union by more than 3 to 1 now. And that gap cannot be closed in the foreseeable future.

Further, strategists generally believe now that the land-based missile system is the most vulnerable of the so-called Triad. If we spend billions of dollars closing the throw-weight gap and filling our silos with huge new missiles, we will not have reduced the vulnerability of our land-based missiles one iota.

Moreover, if we press further with a new land-based missile, there is little doubt the Soviets will do the same. In the process, the SS–16, SS–17, SS–18, and SS–19 on their side will undoubtedly become old hat and we will have a whole new generation of Soviet missiles to worry about.

So we should forgo the extremely dubious privilege of cramming as much megatonnage in our old silo holes as we can, especially if, in restraining these programs, we can help induce similar restraint in the Soviet Union.

By the same token, some believe that a new missile could be very good if it were mobile. However, as the Honorable Gerard C. Smith, former Director of the Arms Control and Disarmament Agency, told the Arms Control Subcommittee recently, mobile missiles are of more value to the Soviet Union than to us. It would be folly for us to begin a mobile missile race in which any edge would go to the other side. It would be far better for both sides to agree to be sensible and forget mobile missiles. Such a decision for constraint would remove any possible requirement for a new ICBM.

As to my third proposal, it seems clear that constraint in the pace of development could be a very useful way to control qualitative improvement in strategic forces.

A limitation on the number of missile flight tests—a measure which is verifiable—would obviously help slow the pace of missile improvement. As Dr. Paul H. Doty, professor of biochemistry at Harvard University, told the Arms Control Subcommittee, the two benefits would be the slowing of development and diminished testing of missiles on station; such a limitation would "thereby prevent the development of sufficient confidence to threaten a first strike."

I have proposed these three SALT II refinements—a cruise missile limitation, a ban on testing new types of land-based ICBM's, and an annual limit on flight tests of all ballistic missiles—in a letter to Secretary Kissinger. I hope they will be considered carefully, and perhaps incorporated into our approach to the final SALT II agreement. In addition, I suggest to my colleagues in the Congress that when we consider the military procurement bill in a few weeks time, we should take special care to avoid approving systems that could damage the prospects for a better SALT accord.

At the same time, we should be looking ahead now to subsequent negotiations.

The present agreement with the Soviet Union calls for negotiations beginning no later than 1980–81 for limitations and reductions.

A provision that these further controls would go into effect in 1985 upon the expiration of the anticipated 10-year agreement has been dropped. Thus, a further agreement on limitations and reductions could go into effect at any time.

We should start a new round of negotiations as soon as possible after the presently envisaged agreement is reached. These new limitations and reductions should go into effect before the expirations of the present SALT I interim agreement in 1977. The interim agreement applies more specific limitations than does the Vladivostok agreement, and we should attempt to build upon that interim agreement rather than let the limitations by type of strategic system expire.

Following the SALT II final agreement, I believe we should seek agreement with the Soviets on the following:

First. A substantial reduction in the limit of 1,320 MIRV'ed missiles allowed on each side and the 2,400 limit on total strategic delivery vehicles allowed on each side by the Vladivostok accords;

Second. A comprehensive test ban;

Third. A broadening of the limits applied in such a way that the present drive on both sides to seek systems not covered by agreement will be stopped.

We talk a great deal of the need to reduce the rather high limitation achieved at Vladivostok. I sympathize with that point of view. Reduced ceilings would save a considerable amount of money on operating costs, and would eventually allow us to get rid of some destructive capacity we do not need.

On nuclear tests, I believe that the threshold test ban agreed to last July in Moscow should not be pursued further. We should simply accept the fact that the time has come for a cessation of nuclear testing—a move we and the Russians have promised the world for a number of years—and agree jointly on a comprehensive test ban, which would serve to reassure each side that the other was not developing new strategic warheads. At the same time, agreement on a comprehensive test ban could serve notice to the rest of the world that we and the Russians have mended our ways and are becoming serious about strategic arms control.

With reference to the third longer range limit, we must recognize that so far, strategic arms limitation agreements have not caused any particular grief for the arms advocates on either side. Basically, SALT I and Vladivostok have provided the formal imprimatur for what both we and the Soviet Union intended to be our progress in any event. Essentially, we have cut off little, if anything, we did not intend to stop anyway.

I believe the same can be said of the Soviet Union. Despite efforts so far, the defense establishments on both sides are getting all of the new weapons they really want.

But we are now approaching the pain threshold in arms denial. And it must be a major turning point in arms limitation. From here on out, if we are serious about arms control, we are going to have to forego strategic arms programs that are strongly advocated in various quarters on both sides. In addition, each side must forego the quest for particulars of benefit to itself and detriment to the other side. If we or the Russians negotiate on the basis of unilateral advantage for ourselves, I believe the future will hold no real progress at all.

We did not achieve the Limited Nuclear Test Ban Treaty some 15 years ago because we were willing to out-test the Soviet Union. It was accomplished because President Eisenhower and President Kennedy exercised restraint. Despite sharp opposition from those who wanted to test every angle of new technology, our test program was unilaterally suspended. We demonstrated that our first priority was not to sustain a nuclear advantage over the Soviet Union, but to reduce the deadly threat of atmospheric testing.

Once again the United States should take the lead in demonstrating that we are truly committed to arms control.

We should first lay aside the disreputable "bargaining chip" strategy. One of the great shattered illusions of recent years is the thesis that bargaining chips are negotiable—that either side will give up a new system once started.

Our experience with MIRV describes most strikingly the results of the wrong approach. I recall cosponsoring an amendment authored by the distinguished Senator from New Jersey (Mr. CASE) in the early days of SALT negotiations, calling for a moratorium on MIRV testing until or unless the Soviet Union tested a similar system. MIRV created the same verification problems that cruise missiles pose now, and Senator CASE warned nearly 6 years ago that it could upset the arms control wagon. But the Pentagon got its MIRV anyway. Now the MIRV chicken is roosting in the Vladivostok agreement, 1,320 strong on both sides.

Strangely enough, our military planners—pointing to bigger throw-weights—fear the Soviet MIRV more than they feel the Soviets must fear ours. Yet those same strategists were the ones who urged us most loudly to press on ahead, virtually guaranteeing that a Soviet MIRV could not be prevented.

The lesson should be clear. We must know by now that neither side will likely agree to reductions on the basis of fear of what the other side has done. Bargaining chips only move the game to a higher and more dangerous plateau.

So let us replace the bargaining chip rhetoric with a strategy of restraint.

In particular, let us examine the possible arms control consequences of the shopping list of new systems and research and development projects in next year's arms budget. As it stands now that program amounts to a declaration that we do not really have a policy—for if we want to cut back on arms, why are we building more? If we want to press the race, then why do we bother to talk about controls?

Since the Soviet Union plans for the worst case just as we do, the quest to design and deploy more and more strategic refinements, and to build for new strategies such as counterforce, can only strengthen the case of the Kremlin hawks who are as suspicious of arms control as our own Pentagon.

The chairman of the Research and Development Subcommittee of the Senate Armed Services Committee, Mr. McIntyre, has suggested the proper course in his response to counterforce weapons and planning. He has noted that silo-busting weapons put a "hair trigger" on nuclear war, and that programs to further increase accuracy can only threaten more arms competition. We should welcome and heed his leadership on that issue.

On this and other arms programs, America needs most of all a consistent position. The Secretary of State and the Secretary of Defense should be saying the same thing. And our policy must be founded upon the only realistic common purpose for arms and control efforts—the interest both sides have in ending the enormous material cost to the participants—and the unthinkable danger to participants and spectators alike—of a mad race to raise the balance of terror.

Little measure of arms control can be dangerous. You cannot restrain a tiger by putting bars on only one side of the cage. Similarly, you cannot stop the arms race by limiting only a few specified systems. As we have seen, partial arms control can open the way and channel the competition toward steps more deadly than those which have been controlled.

Today whole categories of possible arms control are in danger of passing from our grasp, and time is running out. We must find ways of applying broad limitations and reductions which will really put a cap on the arms race. If we fail, we will find ourselves purchasing, at ruinous costs, replacements for all of our present strategic systems, countless cruise missiles, and new weapons we have barely begun to consider. And we will find at the end of all this buying that our security has not been enhanced one jot.

I am not wedded to the suggestions I have made today for specific controls in the final agreement to be reached this year and in ensuing negotiations. I hope my suggestions will be weighed by my fellow Members as I believe we must assess the suggestions made by other colleagues. I am sure that the hearings now being held by the Subcommittee on Arms Control, International Organizations and Security Agreements will do much to broaden the basis for the judgments we in the Congress must make.

The Congress has had very little to say on the question of strategic arms limitation policies in the past. We have tended to limit ourselves to debate over agreements already made and to try for minor corrections.

But this time Congress has an unprecedented opportunity to help shape our national strategic arms policy. If we let this opportunity pass, we will have to live with strategic arms policy devised by others without congressional help. If we fault that policy, we will know that that fault lies in ourselves.

I intend to introduce legislation in the near future incorporating proposals I have made here today. In the meantime, I look forward to a reaction from the executive branch. I ask unanimous consent to have the text of my letter to the Secretary of State printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Washington, D.C., *April April 24, 1975.*

Hon. Henry A. Kissinger,
Secretary of State,
Washington, D.C.

Dear Mr. Secretary: I have been giving some thought to the critical question of the kinds of arms control measures which might be agreed to by the United States and the Soviet Union in order to build upon the framework of the Vladivostok accords. I share your concern that, in the absence of good, effective controls we will soon reach a point at which it may be impossible to apply effective limitations in certain areas.

With this in mind, I have developed a series of suggestions which I hope we can examine in connection with preliminary Senate hearings on the Vladivostok agreement. I would appreciate very much receiving your views as to the possibility and the usefulness of an agreement along these lines.

The following are possible measures to be incorporated in the final agreement based upon the Vladivostok accords:

(1) A comprehensive ban on most types of cruise missiles—basically pilotless aircraft. Long-range cruise missiles would be a destabilizing fourth force in the strategic arsenals on both sides.

(2) A prohibitions against the testing of new types of land-based intercontinental ballistic missiles.

(3) An annual limitation on the flight testing of strategic ballistic missiles by each side.

The following are possible measures to be worked out in the negotiations to follow SALT II:

(1) A substantial reduction in the limit of 1,320 MIRVed missiles allowed on each side and the 2,400 limit on total strategic delivery vehicles allowed on each side by the Vladivostok accords.

(2) A comprehensive test band.

(3) A broadening of the limits applied in such a way that the present drive on both sides to seek systems not covered by agreement will be stopped.

I am offering these proposals for your consideration as an augmentation to the achievements to date. I do not intend to detract from Vladivostok or from the earlier SALT I agreements, but I do believe it is imperative that the executive and legislative branches work together to bring about comprehensive limitations and reductions in strategic arms at the earliest possible opportunity.

As I have suggested to you previously, I believe it is also vitally important that we examine the arms control implications of our arms budget, and exercise particular restraint on new programs and strategies which can damage the prospects for meaningful arms limitation. We have had sufficient experience to understand that the so-called bargaining chip approach can only hinder arms control and move the arms race to higher, more costly, and more dangerous plateaus.

Our deterrent is secure for as far as we can see into the future. There is no time urgency on any of the provocative new systems and strategies which have been proposed by the Secretary of Defense. Certainly, it is worth deferring some of these plans to race ahead on our own, so we can instead make a meanful test of all opportunities for comprehensive limits on strategtic arms.

While there are disagreements as to the precsie measures needed, I am sure there is a general feeling throughout the government that we should move as quickly as we can to build on present agreements. Too little arms control may be more dangerous and difficult than no formal arms control at all.

I am enclosing an address which I plan to deliver in the Senate describing these proposals in more detail. I hope you will find it to be of interest.

Sincerely,

George McGovern.

SENATOR TUNNEY ADDRESSES ISSUE OF REFUGEES FROM VIETNAM

Mr. HATFIELD. Mr. President, I was in California this past weekend, and read with great interest an article in the Los Angeles Times describing a speech by our distinguished colleague from California (Mr. Tunney). Senator Tunney discussed the emotionally charged Vietnam refugee issue in terms that reflect great credit to him, for he is well aware of its political explosiveness.

A political leader can appeal to people in two ways: In a positive manner, and in a negative manner. In my oinion, too many people today are taking shelter in silence regarding the emotional issue of Vietnam refugees settling in the United States. I commend Senator Tunney for squarely facing this, and his appealing to the positive position we all should adopt.

I admire this direct approach taken in his speech. If we merely echo the fears of some demagogs, we only inflame the issue. It is the responsibility of public officials to stand up and provide leadership on this issue, and I think Senator Tunney demonstrated in this speech the kind of leadership that is needed.

I call this article in the Los Angeles Times to the attention of colleagues, and ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

TUNNEY LASHES OUT AT ANTI-REFUGEE REMARKS

(By Kenneth Reich)

Describing certain comments by California politicians on the subject of arriving Vietnamese refugees "manifestly un-American and so manifestly uncharitable," Sen. John

V. Tunney (D-Calif.) has warned against a revival of racial prejudice in the state.

In a speech to a $100-a-plate fund-raising dinner for Assemblyman Frank Vicencia (D-Bellflower) at the Le Baron Hotel in Buena Park, and in remarks to newsmen afterward, Tunney spoke bluntly against what he termed a vitriolic and unfriendly popular reaction against the refugees.

The senator's remarks to an audience of 500 persons Friday night drew only sparse applause.

Tunney, who will be running for reelection to a second six-year term next year, said he thought his comments would not be popular politically, and he qualified them by emphasizing that he thought the refugees should be dispersed throughout the country and that the federal government should "pick up the tab" for their care.

But, he declared, "we owe it to our children to show compassion to the refugees." America, he added, is a nation built by immigrants. "All of us here tonight are descended from immigrants," he told the audience." All of us have benefited from compassion."

He said he is convinced that the Vietnamese, like other immigrants before them, will be hard workers and become good citizens and that there is no doubt in his mind that many of them would have been "shot out of hand" by the Communists for cooperating with the Americans.

Tunney, elaborating on his remarks later, singled out Los Angeles County Supervisor James A. Hayes for criticism for saying on April 21 that federal officials were planning to bring from 600,000 to 1 million Southeast Asian refugees to the United States, with Los Angeles and San Francisco as the likely first ports of entry.

At the time, Hayes attributed this information to unnamed highly placed officials in Washington, D.C.

Tunney said, however, that the largest number of refugees federal officials ever contemplated bringing to the U.S. was 172,000, and he declared he is convinced Hayes made up the higher figure.

Hayes statement was "very, very bad, very bad," Tunney told a newsman Friday night. He said it had inspired a large quality of hate mail and inspired other politicians to make antirefugee statements.

(Contacted Saturday at his Rolling Hills home, Hayes said he had the flu and did not feel like responding to Tunney's remarks.)

Tunney prefaced the section of his speech dealing with refugees Friday night by saying to his audience, "Let me tell you my view. You might not like it."

The senator said that in 1968 he visited camps in South Vietnam where North Vietnamese and Viet Cong defectors to the side of the Saigon government were being assisted in their transition. Now, he said, he knew for a fact that Americans had tried to bring a good many of these people out of South Vietnam, knowing they would be picked out for retribution by the Communists.

"One of the worst things we could do now is to start scapegoating the refugees," Tunney said. "One of the worst things we could do is to start blaming them for the things that went wrong over there."

Once scapegoating begins, the senator added, one never knows where it will end. And, he explained after his speech, he has particular fears that comments directed toward Vietnamese refugees might shortly become generally anti-Oriental in character.

"Think about what we've done to alleviate such biases in California," Tunney remarked. "March Fong Eu, a Chinese-American, is our secretary of state. Mervyn Dymally (a black from the West Indies), is our lieutenant governor . . . the trouble with scapegoating is that it helps people to start thinking again along racial lines."

Tunney said he expects only 8,000 to 10,000 Vietnamese refugees to settle in California. By comparison, he pointed out, the state received 86,000 legal immigrants from other lands last year and there are estimates that 250,000 illegal aliens came into the state from Mexico and elsewhere.

THE GENOCIDE CONVENTION AND ITS IMPERFECTIONS

Mr. PROXMIRE. Mr. President, the United Nations Genocide Convention has been the subject of continuing criticism from many sincere men of unquestioned good will.

I do not dismiss this criticism or skepticism. But if the U.S. Senate waited for the perfect law without any flaw or shortcoming, the legislative record of any Congress would be a total blank.

Admittedly the United Nations—when the convention was unanimously adopted by the General Assembly more than a quarter century ago, and today—is an imperfect organization. But the failings and shortcomings of the United Nations merely reflect the human condition, which is one of imperfection. The United Nations is above all a standard for mankind. And that standard for mankind insists that genocide, the plan to systematically destroy a people, has no place in civilized society.

As Americans, we are conspicuous for our remarkable national record in the struggle for human rights. We are just as conspicuous for our international absence in the ratification of the United Nations Genocide Convention. We should resolve without further hesitation this hypocritical inconsistency between domestic achievement and international indifference.

To date, 87 nations have chosen to ratify the Genocide Convention. I am certain that if these nations had wished they could have found phrases not to their taste in this document. However, they perceived a larger responsibility—a responsibility to mankind—to join in the condemnation of inhuman barbarism.

Let the U.S. Senate perceive that same responsibility and move as quickly as possible to ratify the United Nations Genocide Convention.

MAKING OUR PUBLIC BUILDINGS PUBLIC

Mr. BAKER. Mr. President, on May 19, the Senate Subcommittee on Buildings and Grounds will conduct a hearing on S. 865, the Public Buildings Cooperative Use Act of 1975. I am pleased to be a cosponsor of this bill.

This is legislation that seeks to make the Federal Government a better neighbor. It is a bill to encourage greater use of existing Federal buildings and to allow the Government to purchase older buildings and to renovate them as Federal office space, where practical.

I congratulate the distinguished rankink Republican on the subcommittee (Mr. BUCKLEY) for his development of the bill.

While I will be absent from Washington on official business at the time of the hearing, I intend to examine the testimony with care. I am pleased that this bill has initiated wide discussion in the architectural community. As one indication of this, the Christian Science Monitor recently ran a column analyzing this legislation. Because of the growing interest in this bill, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNCLE SAM'S GENERAL STORE

(By William Marlin)

WASHINGTON.—Uncle Sam has built thousands of public buildings. At least they are called public buildings—post offices, picnic shelters in the national parks, court houses, the regional headquarters for myriad agencies, military barracks, mints, weather stations.

The thing is, most public buildings, especially those plonked down in the center of our cities, are stand-offish in physical scale and downright unneighborly in relation to the ongoing life of the communities around them.

With all the character of a shoulder-high banking counter, except for the assembly-line symbolism of bald eagles, flags and agency emblems, the entrance areas of these buildings convey a cold-shoulder message: Stay away unless you have business here.

That is no way to house the services of a government which is supposed to be of, by and for the people. Perhaps, as E. M. Foster, the English writer, once suggested, we should yell out at least two cheers for democracy—and insist on at least two uses for the public buildings which we pay for.

Early next month, the Senate Committee on Public Works begins hearings on the Public Buildings Cooperative Use Act of 1975 (S. 865), introduced in late February by James Buckley (R) of New York with the cosponsorship of Jennings Randolph (D) of West Virginia, Howard Baker (R) of Tennessee, and Robert Morgan (D) of North Carolina. This is called, in capital parlance, bipartisan support, and here is why S. 865 deserves it.

This bill would conserve money, conserve jobs, and conserve the salutary scale and identity of important urban districts. Why else, it might be asked, would a conservative like Mr. Buckley come out for it?

For the first time, multiple use, meshing of public and private functions, would be encouraged so that, in ground-floor areas, commercial, cultural, educational and recreational activities could add a vital dimension, for employees and visitors alike, to the presence of government on our streets.

If a court room and an IRS office can coexist in the same building, why can't a court room and concert hall? If a post office and a Secret Service headquarters can function within a couple hundred feet of each other, why can't a post office and a shopping concourse? Why should the only evidence of life and laughter around a public building be the splashing of a fountain, or the palaver of people brownbagging lunch, or some lonely sculpture abstracting the isolation of the buildings it is meant to enhance? Mr. Buckley's bill would unbend existing laws so that the needs of government can be accommodated along with the public's.

A second provision of S. 865 would encourage the adaptation and reuse of worthy, well-built existing buildings which, dovetailed with the multiple-use measure, would bring the public into closer proximity, on a daily basis, with the evidence of America's incredibly rich architectural heritage.

The bill thus gives cultural values a chance to break even with economic ones. Older buildings, for example, use considerably less energy than do many new ones and, don't forget, it takes a whopping lot of energy to tear down an old building and then replace it.

Another dividend pertains to America's unemployment lines. In case you were wondering what preserving old structures has to do with putting bread and butter on the table, it might be useful to point out, as the General Services Administration did in February, that a million dollars for repairing and improving an existing federal building produces five times as many jobs as does the construction of some spanking new slab.

The Public Buildings Cooperative Use Act may seem somewhat peripheral to many Americans during these perilous days, but it embodies the essence of the relationship between people and government. By engaging a wider spectrum of activity, not for just eight hours a day but into our evenings too, and by making good use of the buildings we already have, this bill would have a beautiful bearing on the way our downtowns look from now on, and on the way we think about and use the resources of government.

Given this enlightened legislation, Uncle Sam's public buildings should have a lot in store—the kind of store which many would welcome the chance to mind.

OUR FAILURE IN VIETNAM

Mr. McGOVERN. Mr. President, now that the war in Vietnam has ended, nationally known politicians, Government officials, military experts, foreign policymakers, and journalistic observers have been trying to account for the failure of U.S. efforts in Vietnam. But one view I have read which perhaps best expresses the failure of our policy in Vietnam comes from one who is just an interested American citizen in Smyrna Beach, Fla., Mr. Ernest G. Marquis, in a letter to the Orlando Sentinel.

In his letter, Mr. Marquis explains simply and directly why the U.S. course in Vietnam was never the correct one, and I would like to share his thoughts with my colleagues. I ask unanimous consent that Mr. Marquis' letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Mindless Hatred of Communism

Editor: This is in response to April 2 editorial, "But It Is All Too Sad."

There are two basic causes of our lack of success in Vietnam. The first is a mindless hatred of communism. Hatred is a wind that blows out the lamp of the mind. The second, probably made worse by the first, is ignorance.

You say that South Vietnam may be lost to its historic enemy of the North. Aside from the fact that Vietnam is one country, that fact being stipulated in the first article of the 1973 agreement and therefore if the South is lost to the North it is in the same respect that the South was lost to the North in the United States in 1865. Beyond that, for over 20 years we have been supporting with blood and money a government in the South consisting mainly of North Vietnamese, so that is far more accurate to say that the fighting has been between two northern groups with us backing the anti-Communist group.

Aside from the fact it was illegal for us to take sides in a civil war, our side was the weaker. Our side was the dedicated anti-Communists. The group is relatively small, probably equal in number to the dedicated Communists, with the vast majority indifferent to these ideologies. What they do feel strongly about is foreign interference in their country. That is why short of complete decimation of the Vietnamese and Vietnam we could not win.

You ask where are the voices of Ramsey Clark and Jane Fonda. This question shows a lack of understanding of American dissent to the Vietnam war. The fundamental dissent was not against "man's inhumanity," it was against the actions of their government using their bodies and their money in killing people it was clear we had no right to kill because we had no rights in Vietnam. The inhumanity practiced by Vietnamese on other Vietnamese is deplorable, but no more so than the inhumanity practiced by Americans on Americans during our civil war. That is part of self-determination. Under international law, groups within a country have a right to fight one another. It is the interference in the fighting by an outside country that is illegal.

Our objective was an anti-Communist state no matter how repressive. Our credo for the Vietnamese was better dead than Red. You ask where our courage has gone. The courage of a bully. Deciding to stop communism, but attempting to do it by fighting the weakest Communists (we thought) we could find, those who could never hit us back where we lived, never could bomb us as we bombed them. No indeed. We made friends with the only Communists who could hit us where we lived and were thus the only Communist threat to us. If that's courage I'll take vanilla. Blame should certainly be assessed. It lays on the shoulders of the mortal midgets who wanted to stop Communism in Vietnam.

Ernest G. Marquis,
New Smyrna Beach.

KOFA GAME RANGE, CHARLES SHELDON ANTELOPE RANGE, AND CHARLES M. RUSSELL NATIONAL WILDLIFE RANGE

Mr. HATFIELD. Mr. President, in February of this year, Secretary of the Interior Rogers Morton announced that the sole responsibility for the management of the Kofa Game Range, the Charles Sheldon Antelope Range and the Charles M. Russell National Wildlife Range would rest with the Bureau of Land Management. Previously, these areas were managed jointly by the BLM and the U.S. Fish and Wildlife Service.

This transfer of authority has been of great concern to many who are concerned about the quality of wildlife management on the public lands and who felt that, under BLM management, the emphasis might shift away from wildlife and toward commodity values.

On March 19, I wrote the Secretary of the Interior to indicate my concern about this matter and the way in which the decision was made. Mr. Curt Berklund, Director of the Bureau of Land Management, has responded to these concerns on behalf of Secretary Morton. In his letter, Mr. Berklund indicates the BLM manages more wildlife habitat than any other single Federal or State agency. He also states that the Secretary of the Interior has directed the BLM "to carry out the same management intent, philosophy, and level as carried out prior to this action."

Mr. President, I ask unanimous consent that my letter to Secretary Morton and Mr. Berklund's response be printed in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

U.S. Senate,
Committee on Rules and Administration
Washington, D.C., March 19,1975.

Hon. Rogers C. B. Morton,
Secretary of the Interior,
Washington, D.C.

Dear Mr. Secretary: It has come to my attention that you plan to assign the management of the Charles Sheldon Antelope Range to the Bureau of Land Management, and remove the U.S. Fish and Wildlife Service from its long-standing role in managing this wildlife range. In view of the interests of many Oregonians in this matter, and because a part of this range is in Oregon, I would like to receive further information on the action you intend to take.

What is the purpose of the transfer, and what is the legal authority upon which it is based? It would appear that this action may be in conflict with the National Wildlife Refuge System Administration Act of 1966. If you believe that it is consistent with the 1966 Act, will you please explain how you reached this conclusion?

Does the present transfer of this range indicate that other wildlife refuges will be transferred to BLM? How does BLM plan to manage the Sheldon Antelope Range? Will a multiple-use management plan be prepared prior to the transfer of jurisdiction? When can we expect such a plan? I would also like to know what principal resource values, aside from wildlife, are found on the Oregon portion of the Sheldon Range.

Finally, what methods of public involvement have been planned? Do you intend to obtain the views of Oregon citizens before making the final decision? If so, it would certainly be appropriate to hold hearings in the local area as well as our metropolitan areas such as Portland, Salem, and Eugene.

I regret that I was not contacted by any representative of the Interior Department about this matter before BLM's brought announcement of the decision on February 15. I hope that this is not the manner in which future decisions concerning Sheldon Antelope Range will be made.

Warmest personal regards.

Sincerely,

Mark O. Hatfield
U.S. Senator.

U.S. Department of the Interior,
Bureau of Land Management,
Washington, D.C., April 21, 1975.

Hon. Mark O. Hatfield,
U.S. Senate,
Washington, D.C.

Dear Senator Hatfield: In further response to your letter of March 19, 1975, I offer you the following information:

On February 5, 1975, Secretary Morton directed that (1) sole responsibility for the Kofa Game Range, Charles Sheldon Antelope Range, and the Charles M. Russell National Wildlife Range be placed with the Bureau of Land Management (BLM); (1) sole management responsibility of the Cabeza Prieta Game Range be placed with the Fish and Wildlife Service (FWS); and (3) BLM be delegated the authority of the 1966 National Wildlife Refuge System Act with respect to the three Ranges under its jurisdiction. Furthermore, the Secretary's decision specifically directs BLM to carry out the same management intent, philosophy, and level as carried out prior to this action. The Cabeza Prieta Range will be managed no less intensively by the FWS.

The Secretary's decision was predicated on the fact that the wildlife species on the Ranges assigned to BLM have similar, if not the same, types of habitat as on the surrounding national resource lands (NRL). The majority of wildlife species are resident (nonmigratory) animals. On the surrounding NRL we work closely with State agencies in wildlife management. The States manage the species; we manage the habitat. With the intermix of wildlife values and multiple-use resources both on and adjacent to the Ranges, it makes good sense to consolidate and integrate management through assigning this challenge to us. The three Ranges assigned to BLM will continue to have wildlife as the dominant use, and will be managed to support it. This means we will utilize a much wider base of expertise to assure that the appropriate management techniques will be used to support the wildlife dominant use philosophy. That expertise includes fishery biologists, wildlife biologists, watershed specialists, recreation planners, range conservationists, mineral specialists, and land and realty specialists to name a few.

Included in the process leading to this decision was the fact that the Desert National Wildlife Range and the Cabeza Prieta, now under sole jurisdiction of the FWS, are partially covered by a military withdrawal. This reduces the need for utilizing a mix of broad expertise, such as is available within the BLM, in making input into the management.

Since these areas are a portion of the National Wildlife Refuge System, the authority for administration of them and the power to delegate that authority is vested in the Secretary. In order for this delegation to be authorized, however, the National Wildlife Refuge System Administration Act must be regarded as the controlling authority in all cases where it might be regarded as conflicting with other land management authorities applicable to the BLM. This, we believe, is presently the case as to the Ranges, and we foresee no problem arising from such control for the continuation of grazing on the three Game Ranges since the National Wildlife Refuge System authority allows grazing if grazing is "compatible with the purposes of which [the refuge] was established," and these "purposes" in the case of the Kofa, Russell, and Sheldon Ranges explicitly include stock grazing under the Taylor Grazing Act.

At the present time, there are no other wildlife ranges or refuges jointly managed by the FWS and BLM and, therefore, on other transfers of this nature are contemplated.

Enclosed is a copy of our Game Range Policy and Management Criteria that the Secretary approved March 21, 1975. This document sets forth BLM's management program for the Game Ranges. You will note that these guidelines and policies are consistent with the management which the FWS has followed in the past on the Game Ranges (50 CFR, Subchapter C—The National Wildlife Refuge System, Part 25 through 35). In addition to these guidelines, I assure you that these valuable areas will be managed under the mandates of the original Executive orders. This includes protection of all endangered or threatened species under the 1973 Endangered Species Act.

There are only 627 acres of the Sheldon Antelope Range which extend into Oregon. This land originally was in private ownership and was purchased by the conservation community and donated to the National Wildlife Refuge System as a part of that Range. Other resource values on this land include grazing and recreation.

Public involvement includes the following public information meetings.

CHARLES M. RUSSELL NATIONAL WILDLIFE RANGE

April 4, 1975—Billings, Montana, Eastern Montana College, Library Building, Room 148, 7:00–10:00 p.m.

April 9, 1975—Glasgow, Montana, Elks Club, 7:00–10:00 p.m.

April 10, 1975—Miles City, Montana, Miles Community College, Room 106, 7:00–10:00 p.m.

April 15, 1975—Helena, Montana, Carroll College, Commons Building, 7:00–10:00 p.m.

April 16, 1975—Lewistown, Montana, Yogo Inn, 7:00–10:00 p.m.

CHARLES SHELDON ANTELOPE RANGE

April 7, 1975—Susanville, California, Lassen County Community College Cafeteria, 7:00–10:00 p.m.

April 8, 1975—Lakeview, Oregon, County Courthouse Auditorium, 10:00–1:00 p.m.

April 8, 1975—Winnemucca, Nevada, Nixon Hall, 7:00–10:00 p.m.

April 9, 1975—Reno, Nevada, Kings Inn, 10:00–1:00 p.m.

April 10, 1975—Sacramento, California, Federal Building, 10:00 a.m.–1:00 p.m.

Public meetings have also been held on the Kofa and the Cabeza Prieta.

The BLM presently administers some 374 million acres of big game habitat, 391 million acres of small game habitat, 34 million acres of waterfowl habitat, 5 million surface acres of lakes, 7,664 reservoirs, and 258 thousand miles of streams. These land and water habitats support vast amounts and varieties of wildlife species. The BLM also manages 451 million acres of nongame wildlife habitat for a multitude of wildlife species. There is a close relationship between all of the Western States game and fish agencies and the BLM in this joint management of wildlife.

Wildlife areas specifically designated and successfully managed by BLM include the Birds of Prey Natural Area in Idaho, home of the magnificent Golden Eagle and the subject of nationally broadcast television documentaries; the Blanco Waterfowl area in Colorado; the Desert Pupfish area and Railroad Valley Management area in Nevada; the San Simon Ciengo Mexican Duck area in New Mexico and Arizona; and the Highland Range Desert bighorn sheep area in southern Nevada. At the present time, we are in the final stages of a cooperative 10 year research effort with the Montana State Fish and Game Department and the Montana State University on wildlife.

Viewed in a total context, no single Federal or State agency manages more wildlife habitat than BLM.

The BLM has also designated 28 acres with a total of some 3 million acres as recreation lands. In addition, there are 41 designated natural areas and 7 primitive areas. The BLM operates and maintains about 450 individual recreation sites in the Western States. The BLM manages two components of the National Wild and Scenic Rivers System—the Upper Rio Grande River in New Mexico and the Rogue River in Oregon. In addition, there are 17 rivers involving BLM land which are now under formal study for inclusion into this System. Many public land areas have been set aside to preserve historic, scientific or cultural values through BLM's efforts. The presently proposed wilderness areas on each of the Ranges will be managed under the principles of the Wilderness Act of 1964 (P.L. 88–577).

The three Game Ranges are effectively protected by proposed withdrawals from mining under the 1872 mining laws. The Kofa is additionally protected from the operations of the mineral leasing laws.

This is hardly the portrait of an agency dedicated solely to the cause of protecting the interests of cattlemen and mining barons.

Finally, the BLM is firmly committed to respect wildlife as the dominant use in the three Games Ranges. Specifically, their commitment means that:

1. other resource uses will be subordinate to wildlife and will not conflict with it;

2. there will be no reduction in the number of people now assigned to the three Ranges;

3. the budget for managing the three areas will not be reduced; and

4. the BLM will have the same enforcement authority on the three Ranges as FWS under the 1966 administration of the National Wildlife Refuge System Act.

I would like to offer my personal apology to you for not briefing you on the Game Range issue. I assure you that this type of oversight is not intentional and is not the Department's nor BLM's normal procedure on issues of this nature.

Sincerely yours,

——— ———,
Director.

FUTURE WATER PROBLEMS FOR SOUTH DAKOTA?

Mr. McGOVERN. Mr. President, last week during the National Water Conference in Washington, South Dakotans attending the conference got together to discuss the outlook for the State's own water systems and the troubling developments shading that outlook.

The cause for concern is the recent announcement that the Bureau of Reclamation and the Army Corps of Engineers intend to market water from the Missouri Main Stem Reservoirs throughout a nine-State area. This agreement, made between the Secretaries of the Army and the Interior without consulting the States and their agencies, means that my home State of South Dakota may not get enough water to satisfy its water needs. Frankly, that worries me very much and that is why I oppose this plan.

An excellent discussion of this problem was recently printed in a South Dakota newspaper, the Mitchell Daily Republic. Mr. President, I ask unanimous consent that this article, together with a newsletter in which I discuss my objection to these developments, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

MISSOURI RIVER FOR SALE

(By Loren Zingmark)

The Army Corps of Engineers in a March 24 news release announces that the Bureau of Reclamation and the Corps will be marketing the water from the six mainstem Missouri River reservoirs for energy development in the basin over the next two years.

With this announcement, we now have a situation where the Secretaries of Interior and Army are going to determine how the water in the Missouri River is going to be used and this action will entirely bypass the State and its agencies in marketing this water.

This announcement was expected, but its contents are shocking and disturbing to those concerned with the future use of this precious natural resource. The two Secretaries called this interim agreement the first step in the development of a uniform policy for marketing of water from the Missouri River Basin reservoirs—Fork Peck, Garrison, Oahe, Big Bend, Fort Randall and Gavins Point.

We are concerned that the federal agencies are making this move now without reaching any agreement with the States and their agencies. Senator George McGovern and James Abourezk have already voiced their opposition to the plan.

The agreement provides that the Secretary of Interior shall determine the amount of water available from the storage capacity which will not be needed for irrigation now or in the near future, and the Secretary of the Army shall determine how much of that water can be made available for industrial use.

Where does this place the future development of the Oahe Unit and other potential irrigation and water projects plus the possible use of this water for South Dakota cities and towns?

We wonder how such determinations can be made, again without any consultation with the states and their respective water marketing agencies.

Another provision of the announcement states that "to the extent that any proposed contracts would reduce power generation, there would have to be a joint determination that the proposed industrial uses should take precedence over hydroelectric power generation.

Here we must be concerned that the federal agencies may choose to give preference to industrial use of water over hydro power generation. Could such decisions reduce the amount of power available to preference power customers such as rural electric cooperatives, municipal electric systems and public agencies?

I have voiced these concerns and questions to Governor Richard Kneip and urged him to use every possible means to stop the giveaway of our Missouri River water. If action is not taken, the generations which follow us will see the waters of the Missouri River depleted for interests outside our State.

South Dakotans should know that since 1967 the Bureau of Reclamation has signed contracts for 593,000 acre feet of water from the Yellowtail Unit in Montana and Wyoming to such giant energy conglomerates as Kerr-McGee, Exxon, Shell Oil, Texaco, Gulf Oil, Phillips Petroleum and others. Its an impressive list of companies looking to the resources of the Upper Great Plains for future industrial development.

Another sneaky provision of the new agreement provides for a limit of two years on this water sales program, but contracts executed during this time will not be affected by its termination.

It's evident that this Administration is making every effort to accommodate the energy conglomerates and their plans.

South Dakota officials and our elected representatives must take action immediately to protect our citizens from the sellout of our water.

Letter From Washington

(By Senator George McGovern)

The National Water Conference in Washington last week gave us an opportunity to review the status of our nation's water systems and to look ahead to the challenges of the future on water use.

It also provided a good chance for the South Dakota Congressional Delegation to meet with individual South Dakota Conservancy Sub-District Boards, state officials and other South Dakotans who were in Washington for these water conferences and seminars.

If there was one central fact that was underscored by these meetings it is something that we in South Dakota have known for many years—and that is that water is a very precious resource and must be wisely used.

That is one of the reasons that I continue to object to the Memorandum of Understanding that has been signed between the Secretaries of Army and Interior to "market" water from the Missouri Main Stem Reservoirs throughout a nine-state area. Under this proposal, South Dakota would, in effect, get 1/9th of the water rather than stand in the preferred position on water use that I believe has long been understood by the Congress in relation to Missouri River impoundments.

When the main stem dams on the Missouri were constructed, South Dakota was required to relinquish about 500,000 acres of productive farm land and wildlife habitat to provide water storage facilities for the volume of the impoundment. The principal benefits at that time for downstream interest were envisioned to be flood control and hydroelectric power. In addition, the release of water for power generation was expected, as it has, to stabilize Missouri River flows south of Sioux City, Iowa, to facilitate navigation. These purposes have all been achieved, but South Dakota is still in the position of having given up a good deal of land without fully realizing the potential benefit which it has been promised by the Congress and successive national Administrations.

Under construction now is the Oahe Irrigation Project, together with various other smaller irrigation projects for which the volume of water required has not yet been accurately determined. In addition, active consideration is being given to a pipeline in the northern part of Lake Oahe to provide a stabilized water supply for the counties Walworth, Edmunds and Brown; a pipeline running east from a point near Chamberlain, South Dakota, to our largest city, Sioux Falls, with water availability along its route; and a pipeline running west from the main stem reservoirs to provide water to that part of the state.

With these commitments either made or under consideration, it is not possible for the Secretaries of Army and Interior—or anyone else—to know with certainty what volume of water will be required to meet these South Dakota needs and, correspondingly, what water, if any, would be available to "market" to other states and/or industrial interests downstream. Given the situation, it would seem unlikely that any responsible organization in the public or private sector would contract for water—and the heavy facility investment that would be required—for a period of less than twenty years at a minimum.

At a time when the national policy is to increase our non-fossil fuel power generation capability in relation to the energy shortage, the "Memorandum of Understanding" indicates that the industrial marketing of water should "take precedence over hydro-electric power."

Other States, of course, are eager to have this water. But if this agreement is allowed to stand, South Dakota will come up short and there will not be enough water to go around.

I have called on the Secretary of Interior and the Secretary of the Army officials who signed the agreement—and on the President to not take any steps to implement that agreement until Congress has a full and fair opportunity to review it. Anything less would be a severe blow to the long-term water needs of South Dakota and other States who have given up productive land for water storage on the Missouri.

TRIBUTE BY SENATOR BOB DOLE TO A GREAT KANSAN, CHARLES WESLEY ROBERTS

Mr. DOLE. Mr. President, we in public life are fond of recalling an earlier day in American politics. As the myth goes, things were simpler then, less complex, even a short 20 years ago, than they are now.

That myth is largely that—a myth, the issues were just as large, the challenges as great, the needs of people as compelling. One thing that did make it truly different then, however, was the greater degree of popular confidence in public officials and public institutions than we presently enjoy.

That trust was not automatic. It was earned. On April 9 of this year, Mr. President, one of the men who worked through a long public career to earn it for himself and, by so doing, to help sustain it for the institutions he cherished and served—his State of Kansas, the press, the Republican Party, and his beloved country—passed away at the age of 72.

Charles Wesley Roberts, "Wes" to the legion who called him friend, was a man who proved in a forceful way that an American who determines to put his will and his intelligence and his own particular talents to work in the service of his community can effect change for the better, improvement, progress.

In his case, his community was variously, his hometown of Oskaloosa, Kan., his home State of Kansas, his country, and his political community of the Republican party which he served as precinct committeeman, as national chairman, and in many capacities in between.

Mr. President, if the times are confused today, it is perhaps because there are not enough men who can look at them with Wes Roberts' insight, dedication, patriotism, and integrity and see through the complexity to interpret to us the essential challenges we the people confront.

His longtime friend and colleague, McDill "Huck" Boyd of Phillipsburg, Kans., has given us a sense of Wes Roberts' charactor in the eulogy he delivered on April 12, which is a fitting tribute to one of Kansas' sons and an eloquent and instructive remembrance—I commend it to all of my colleagues—of a great American.

I ask unanimous consent that this eulogy be printed in the Record.

There being no objection, the eulogy was ordered to be printed in the Record, as follows:

A Eulogy in Memory of Wes Roberts

(A Eulogy given by McDill Boyd,
April 12, 1975)

The true measure of any man is deeply rooted in family soil and the man we memorialize today has a background of family service which extends back to 1860—6 months before Kansas became a state when John Wesley Roberts founded the Oskaloosa Independent.

He gave the newspaper 40 years of service until he died in 1900 at the age of 76. Family lore placed John Wesley in front of a white picket fence in Ohio, waving an American flag for John C. Fremont, the first Republican presidential candidate, who rode by in a political parade. It was from this heritage; this Republican, free state, newspaper heritage that Charles Wesley Roberts began his career.

His father, Frank H. Roberts warmed up as a reporter and city editor on Major Huddleston's Topeka Daily Capital, then entered partnership with John Wesley, and gave the Independent 63 years of service before dying at the age of 94. John W. Roberts, eldest son in the next generation, continued the tradition until his retirement in 1958.

All of the "Roberts boys" distinguished themselves: John as a scholar and editor, Gene as an expert in the printing craft, and

Frank, whose military career spanned being the hero of the Panay gunboat incident in which he directed the rescue of survivors of that Japanese attack prior to World War II, becoming a key aid to General Stillwell in China and serving as General McArthur's right arm in planning the Pacific campaign. Frank is now the lone surviving brother, a retired U.S. Army Major General in Claremont, California. In ill health, he is represented here today by his son, Army Lieutenant Frank N. Roberts, Jr.

Coming from a family with firm roots in the Methodist Church, Wes faithfully attended this very church in which these memorial services are being held today. As a boy, he took his turn at the hand organ on Sundays. He ran trap lines, fished and hunted the hills of Jefferson County. He enjoyed wonderful times with his high school chums, Frank and George Coleman, close friend Glenn Henry, Marvin and Marlin Jenkins and the late Don Huddleston.

His student days is Oskaloosa included quraterbacking the "Bears" football team and playing on the high school basketball team. Returning to Oskaloosa after college, he continued to referee Jefferson County football games. He had a love for young people and an interest in athletics that continued all of his life.

While at K-State, he majored in journalism and twice served as President of his social fraternity, Pi Kappa Alpha. He made ends meet by "stringing" for the hometown papers. Wes Roberts returned home from Kansas State College in 1926 to work as a newspaperman for the Independent, the Medridian Message and the McClouth Times for 10 years.

Wes Roberts and Ruth Patrick were hometown sweethearts. The Patricks were Presbyterians and Ruth's grandfather, A. G. Patrick, ran the Valley Falls newspaper while J. W. Roberts ran the Independent. When Ruth and Wes were married in 1929, folks in Jefferson county mused that "A.G. and J.W." would never have believed it.

Wes turned to politics with the instinct of a true politician—defined in the dictionary as a person "versed in the art and science of government". He truly made politics an art. He loved people—he knew how to work with people—he knew how to make government work for people. His political career spanned the distance from precinct committeeman to chairman of the Republican National Committee.

My acquaintance with Wes dates back to 1938 when I sat on a window sill at a meeting in the old Jayhawk Hotel. A persuasive young man sat at my side, urging me to come to Topeka to help out in the campaign. It was an unpaid assignment, but he sold me. I went. I worked at his side in one campaign after another, and in his close association, I gained one of the most loyal friends a man could have.

He was soft spoken. He was dedicated and hard working. He devised grass roots political procedures with the sure touch of a born tactician. In all of these campaigns, regardless of frustrations or the pressures of the moment, I never heard him raise his voice. He was cool under fire. He was considerate of others and more demanding of himself than with others with whom he worked.

The legal size, yellow scratchpads he filled with names, dates, times, schedules and events—the one hundred and one details of successful campaigning—became legend. He was a stickler for accuracy. His research was in depth. He insisted upon straight facts with careful verification. His speaker's handbooks were model texts—required reading for state and legislative candidates over more than a decade.

Neither retreat nor apology was ever necessary with Wes Roberts' sure hand at the political tiller.

After these first rousing campaigns, Wes, at the age of 40, joined the Marine Corps when World War II came along. He fudged about his age; and was assigned to a special program for intelligence officers. He went through two boot camps and saw action on Tinian, Guam, Iwo Jima and Okinawa. A commendation for his meritorious service on Ie Shima—the island where war correspondent Ernie Pyle was killed—read:

"During a period of several days without food and sleep and under the most adverse weather conditions, and under constant enemy attack, Captain Roberts set up, organized and carried out a successful program of Marine air support."

Wes wanted to be in the thick of the battle. He got his wish. Fifteen years later, his son Pat Roberts, was privileged to be part of an historic re-visit to that island. A Marine like his father, he will never forget the feeling he had when he stood on top of Mt. Suribachi and reflected how close his Dad came to losing his life there.

Wes Roberts turned again to politics when he returned to civilian life. He went through all of the political chairs. After the Democratic landslide of 1936, he took a handful of postage stamps, a rented room, started a column, "Under the Capitol Dome" and began to painstakingly rebuild a shattered Republican organization. He earned recognition—major credit—for laying the groundwork for successive Kansas Republican victories that lasted for almost two decades.

He was the architect of important programs of public service. His skilled hands helped guide the legislative recommendations of three governors, leading to teacher retirement, better highways, and improved mental health program, and the Kansas liquor laws which prevent the concentration of "big money" by the liquor interests. He incurred powerful enemies when—at his insistence—monopolies by brand name liquor wholesalers were denied under Kansas laws.

Through his efforts, tireless work and unique talents the people of Kansas have benefitted in countless ways from legislative recommendations he helped shape.

Wes had the dubious responsibility of being the secretary to Governor Payne Ratner during the years of the depression. Rolla Clymer, dean of the Kansas newspaper fraternity, put it this way in the Eldorado Times:

"We have seen Wes Roberts in the midst of Political battles in the hurly burly of the Governor's office—when 20 or more deserving patriots were trying to get the one job that was available; or some short grass legislator was insisting with 100 volt opinion, that the Governor must make a one man crusade for his bill. Wes was the lone, still, quiet voice.

"He was the bearer of balsam, the honey spreader, the apostle of peace, the thane of tranquility and the don of diplomacy. He listened. He was the stalwart at the switch, the Dutch boy at the dike and the lad on the burning deck whence all but him had fled. He healed the wounds. And, when Wes got through hearing the boys out, and answered gentle in his soft accents, the vendettas and affrays went winging on the winds. Government worked again. There never was another like Wes to administer to the politically grieved and outraged and there may never be again."

After being Secretary to Governor Ratner, serving the Republican Party as state chairman and managing Senator Frank Carlson's successful 1950 campaign, Wes went to Washington to work for General Eisenhower for President. There is a picture in Life magazine in 1952 of the "High Command of the Ike Forces"; John Lodge, Tom Dewey, Herbert Brownell, Art Summerfield and Wes Roberts. The picture was taken at the "precise moment" Ike was being informed he should win on the first ballot.

The nose count had been completed with a thoroughness most could only envy. The strategy meeting had been carefully screened for intelligence reasons. Only those personally identified by people high in the Eisenhower command, had been permitted to enter the room. Wes Roberts stood—not Tom Dewey—not Herb Brownell—Wes Roberts stood and quietly said:

"Each person in this room will now stand, give his name and state before this meeting will proceed". After all of the security, the police at the door, the carefully guarded admission procedure, four men left the room.

That was the genius of Wes Roberts. No one was embarrassed. Neither did he leave anything to chance. His loyalty permitted no less than complete dedication to those whose cause he advanced.

His son Pat, was privileged to an inside view of the political process at work and learned first hand that his father was truly affecting the history of our nation with a leading role—if not the leading role—in the selection of a president.

Wes's brother John once described his interest in politics in the Oskaloosa Independent as follows: "It is his meat and drink, his hobby and passion and his recreation." It truly was.

In writing about him, Peter Edson of the New York Herald Tribune said:

"The great mystery of the Wes Roberts career, if there is a mystery, is how a politician with only a Kansas background could zoom to national prominence in only one year. He isn't colorful, he has a soft voice. He lets people impose on him all of the time. He listens. He is a good speech writer but not a good speaker.

"The answer to his success is that he believes in people. He applies grass roots precinct level Kansas politics to every campaign.

There is an axiom in politics and government. The first requisite of a statesman is to be elected. That is where Wes Roberts came in. Wes Roberts helped give men like Payne Ratner, Frank Carlson and Ed Arn in Kansas and Dwight Eisenhower in Washington, their chance to qualify as statesmen by playing the leadership role in their election to office.

In 1953, Wes Roberts was presented wth a huge silver tray with the signatures of President Eisenhower, Senator Bob Taft, Vice President Richard Nixon and 200 other outstanding figures in public office and within the Republican Party. The inspection in the center of the tray reads:

"To Wes Roberts, whose integrity of purpose, keenness of mind and instinctive kindness have endeared him to all of us who are grateful for his masterful and tireless contribution to the Republican Party and the country."

But, at this point, a political tragedy that would have completely destroyed a lesser man ended Wes Roberts' political career. Sixty nine days after he had been elected national chairman of the Republican party, he resigned when a Kansas legislative committee found that he had violated the spirit of a lobbying law.

After a most exhaustive and detailed investigation, no violation of law could be found, but trial by headline had created an implication which caused Wes Roberts to resign as national chairman with the statement:

"I am practical enough to realize that my usefulness as national chairman is at an end". President Eisenhower called the decision a wise one and expressed appreciation for his "valuable and tireless efforts both during the campaign and as chairman."

Despite this experience, Wes Roberts did not rail at his fate. When the attorney general of Kansas ruled that his activities did not consitute a violation of law, he did not challenge his detractors. He accepted his lot, without bitterness, and while his interest in politics continued undiminished, he went on quietly to build a business career.

He became associated with the New York bond house of Lehman Brothers and later with Goodbody and Company of New York. For a while, he was in charge of Lehman's entire highway bond division. His acumen in politics also applied to advice and counsel given to folks on Wall Street—although it did not make him a wealthy man.

Although, his activities in newspaper work, politics, in the military, took him away from his family countless hours and days and weeks, he provided them with love, affection, example and guidance. A compassionate man, an understanding man, he and his wife Ruth weathered some pretty tough times together, and she and her son, Pat and his family, and Wes's brother, Frank will cherish his memory.

Friends who loved him—and knew him so well—and felt so close to him—and admired his contributions to the success of those who so well served our state and nation—will miss him more than any of us can express.

With faith that the Lord will receive his bright spirit with the same compassion Wes Roberts showed to others on his journey into the hearts of us all, we say our last goodbye on earth.

THE METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS SUPPORTS S. 1121 RELATING TO THE CONCORDE SST

Mr. PROXMIRE. Mr. President, I recently received a letter from Mr. Walter A. Scheiber, executive director of the Metropolitan Washington Council of Governments, in support of S. 1121. This bill would prohibit any special considerations, relating to aircraft noise, for supersonic aircraft.

It is my firm belief that supersonic aircraft should be required to meet the same noise standards as our own subsonic planes. Evidently the Metropolitan Washington Council of Governments, which is the regional organization of the 16 major local governments in the Washington area, shares that belief.

I ask unanimous consent that the letter I received from Mr. Scheiber be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

METROPOLITAN WASHINGTON,
COUNCIL OF GOVERNMENTS,
Washington, D.C., April 29, 1975.

Hon. WILLIAM PROXMIRE,
U.S. Senator,
Dirksen Building, Washington, D.C.

DEAR SENATOR PROXMIRE: The Metropolitan Washington Council of Governments' staff has reviewed Senate Bill S. 1121 and your testimony before the Federal Aviation Administration Public Hearings on April 14, 1975, on the proposal for SST landings at Dulles International Airport. Your remarks and legislation are in complete accord with the position of the Council and most of the local governments in the Metropolitan Washington Area.

I am transmitting your letter and attachments to each of the local governments so that they will have the opportunity to know of your support of their position and to consider endorsement of S. 1121 during hearings. Of course, the Council also will be available to present its views on your bill.

In addition to the noise impact, you may also be interested in potential air pollution that would probably be generated by the SST. COG staff analysis of the EIS for the Use of the Concorde at Dulles International Airport indicates that it makes undocumented assumptions concerning the air pollutant emission characteristics of the SSTs. The EIS assumes that the draft EPA emission factors for SSTs will be met by the SSTs. However, no mention is made of demonstrated technology to reduce Concorde emissions by 60–80 percent from present levels. Nor is mention made of ongoing studies by manufacturers to attain these reductions.

A representative of the Concorde manufacturer indicated to the Council's staff that the Concorde could not meet EPA's draft emission regulations for SSTs. It was his understanding that FAA was assuming EPA would set less stringent standards, which could be met. If this is the case, two fundamental issues are then raised: one, is the draft EIS fair representation of the impact of the Concorde; and two, whether the SST should get emission standards more favorable than subsonic aircraft. These issues are of particular concern in the Washington Metropolitan Area. The plans to attain air quality standards included significant reductions in the emissions from our region's major airports—Dulles, National and Andrews—all controlled by the Federal Government. FAA has not yet acted to implement these plans.

If we can be of any assistance to you or your staff with S. 1121, or with a related bill, please call on us.

Sincerely yours,

WALTER A. SCHEIBER,
Executive Director.

THE STRENGTH OF THE U.S. NAVY

Mr. TAFT. Mr. President, I noted with interest the remarks of my distinguished colleague, Senator PROXMIRE, in the RECORD of May 1, relating to the Soviet Navy. The Senator from Wisconsin suggests that those of us who are concerned about the Soviet naval buildup are crying "wolf" and that we in effect create Soviet naval power by talking about it.

The Senator is, of course, correct that we must not overestimate the capability of our potential adversaries—any more than we must underestimate it. But I think the Senator from Wisconsin stretches the point when he suggests the Soviet Navy is somehow a creation of our own imagination. *Kara* class cruisers—the most powerful cruisers in the world—are not a product of a bit of overripe Wisconsin cheese eaten before bedtime, nor is the Soviet submarine fleet of over 300 submarines a vagary of an idle mind musing in a meadow. If the power of the Soviet fleet is an uncomfortable fact, it is, nonetheless, a fact.

Indeed, I think the charge of overexertion of the imagination may be more fairly laid to those who yield us the power to make or unmake navies by words alone. Were it only true, debates over naval budgets would be greatly simplified; expensive ships could be replaced by far more "cost-effective" Senatorial rhetoric. The Pentagon could follow the plan of Leon Trotsky; just issue some proclamations and shut up shop.

Regrettably, navies are still built of steel and steam, not hot air, and the thought that they can be created by our rhetoric remains a pleasant vanity. Mr. President, I ask unanimous consent to have printed in the RECORD at this time an editorial from one of Ohio's most distinguished newspapers, the Cleveland Plain Dealer, and an article from the San Diego Union.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Plain Dealer, Sept. 3, 1974]

U.S. NAVY STRENGTH IS QUESTIONED

In the recent words of two widely respected authorities, the U.S. Navy has serious problems. The problems are complex, so they should command close attention from the armed services and defense appropriations committees of Congress.

Adm. Hyman G. Rickover, who led the Navy to successful use of nuclear power, and Capt. John E. Moore, editor of Jane's Fighting Ships, agree that these are troubled times for America's first line of defense, but for different reasons.

Rickover complains that the Navy emphasizes training of managers instead of engineers for command of ships which more and more have come to require technical expertise for their proper maintenance and operation. He says the Navy should be organizationally restructed to give men with sound technical educations more control over how ships are designed and procured.

Rickover has been a longtime scold and gadfly to the Navy establishment. His latest criticism is likely to stir controversy within the officer corps, but unlikely to inspire change in hardened positions at the command level. It is for this reason, and for the reason that Rickover insists that "there has been no period in the past 50 years where the fleet has been in as poor condition as it is today," that congressional committee members should look into the matter of officer competence.

Moore's annual review of the state of the world navies also deserves examination by the lawmakers.

In his foreword to the 1974–75 edition of Jane's, the British expert said naval planners in the United States are having trouble getting adequate financing for the American fleet, which also suffers from "illogical and irrational attacks by some of those who depend on it the most."

Noting that the U.S. Navy "bears a desperately heavy burden" in the North Atlantic alliance where many other navies are either below their numerical commitments or oriented to national needs. Moore forecast that the American fleet would be heavily stretched if maritime trade routes were threatened.

This contrasts with Moore's estimate of the Russian naval situation. The Soviet fleet, he said, "leads the world in seaborne missile armament, both strategic and tactical, both ship- and submarine-launched. Their shore-based force is second to none, they have large mine warfare forces and considerable amphibious capability." The Russians, Moore concluded, "have proved themselves capable of continued and worldwide presence, with all the political value which comes from this."

The latter point was underscored in a report last week from the commander of the U.S. 6th Fleet in the Mediterranean. Vice Adm. Daniel J. Murphy said Greece's withdrawal from the North Atlantic Treaty Organization could have serious consequences for the Western alliance, especially with the ongoing buildup of Russia's navy in the Mediterranean. The Soviet buildup poses a threat to European security, Murphy warned.

President Ford shows awareness of military security problems. Already he has spoken out in favor of a controversial proposal for limited expansion of a U.S. Navy facility in the Indian Ocean where Russian fleet activity has been on the increase. This matter, plus the larger problems outlined by Adm. Rickover and the editor of Jane's, should be of similar lively concern to members of Congress.

[From the San Diego Union, Jan. 25, 1975]

SOVIET SHIP BUILDUP DWARFS UNITED STATES

(By L. Edgar Prina)

WASHINGTON.—The Soviet Union spent 50 per cent more than the United States on naval ship construction in the 1964–74 decade, according to a new Central Intelligence Agency estimate.

For the year 1974, the percentage was lower (33), reflecting increased outlays for the U.S. Navy program for new ships in the last two fiscal years as many obsolete World War II warships were scrapped. Congress appropriated $3 billion for naval ship construction and conversion in fiscal year 1975.

The percentages were based on what it would cost the United States to build the number and types of new ships that have joined the Soviet fleet during the 10-year period or are under construction.

Defense Secretary James R. Schlesinger disclosed hitherto secret CIA military cost estimates in a speech in New York Wednesday, but did not mention naval expenditures. Other Pentagon officials provided the data.

In his speech before the Economic Club, Schlesinger noted that the Soviet Union has been increasing its expenditures by 3 per cent to 5 per cent a year.

BUILDUP GOES ON

"Whatever the appeal of a reduced military posture stemming from détente, so frequently preached in this country, Soviet military expenditures, in détente as before, continue to rise," he said.

"Today, according to the lastest CIA dollar projections, which I believe to be understated if anything, the Soviet Union is outspending the United States on defense by 20 percent—25 percent if pensions are dropped out."

(In the current fiscal year it is estimated that retired military pay will cost roughly $6 billion. Total military spending is projected to be $83.6 billion for the year ending next June 30.

"Calculated in U.S. prices, the U.S.S.R. now outspends us by 25 per cent in procurement, 20 per cent in overall research and development, 20 per cent in general purpose forces and 60 per cent in strategic nuclear offensive forces," Schlesinger said.

While Schlesinger has told reporters he is not happy that the U.S. Navy will dip below 500 ships in the active fleet during this fiscal year, a level lower than at any time since 1939, Navy Secretary J. William Middendorf III has been painting the picture in starker colors.

SIGNIFICANT STRATEGIC DEVELOPMENT

"It is the trend of expending Soviet Naval capabilities that I personally view as one of the most significant strategic developments since the atomic bomb," Middendorf said recently.

"Since 1962, they have outbuilt us in every category of ship except aircraft carriers. During the period 1962–1973, they added 271 major surface combatants and submarines as opposed to our 176 new ships," he said.

When all types of new naval ships are considered, the Soviet Union had a margin of 911 to 263 over the United States in the 1962–72 decade.

Middendorf said "some of our critics" say the numbers are meaningless because 420 of the 911 Soviet ships are "minor combatants" displacing less than 1,200 tons.

However, he said the new Soviet Nanuchka class missile patrol boat is equipped with a surface-to-surface rocket with an 1,100-pound warhead.

EXPORT-IMPORT BANK FINANCING PRENOTIFICATION

Mr. PROXMIRE. Mr. President, I call the attention of my colleagues to a communication I have received from the Chairman of the Export-Import Bank, William J. Casey, notifying me of a pending guarantee of private financing to P. T. International Nickel Indonesia—Inco Indonesia—a subsidiary of International Nickel Co. of Canada, Ltd. This is the third notice to be transmitted pursuant to section 2(b) (3) of the Export-Import Bank Act, as amended in the last Congress. That section requires prenotification to both Houses of Congress of any loan, financial guarantee, or combination thereof in an amount of $60 million or more at least 25 days of continuous session of Congress prior to the date of final approval. Upon the expiration of this period of time, the transaction may receive final approval by the Bank unless Congress takes action to prevent the same.

In this case, the Bank proposes to extend a guarantee of $35 million to unnamed private lenders to assist Inco Indonesia's purchase of U.S. equipment and services for a nickel project in Indonesia. The project consists of an open cut mine, processing facilities, and a hydroelectric power station. Previously, the Bank authorized a $35 million direct loan for the project, thus bringing total Eximbank exposure to $70 million. Eximbank loan and guaranteed funds will be repaid during the last 4 years of the total 10-year financing term.

Mr. President, I ask unanimous consent that Chairman Casey's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EXPORT-IMPORT BANK
OF THE UNITED STATES,
Washington, D.C., April 23, 1975.

Hon. NELSON A. ROCKEFELLER,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Pursuant to Section 2(b) (3) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States Senate with respect to the following transaction:

A. *Description of Transaction—*

1. *Purpose—*

Eximbank is prepared to provide financing to assist P.T. International Nickel Indonesia (Inco Indonesia) in purchasing from the United States goods and services for the construction of a threefold expansion of Inco Indonesia's Soroako Nickel Project on the Indonesian island of Sulawesi.

The Soroako Nickel Project will consist of an open cut mine and three pyrometallurgical process mines which will produce 40,000 metric tons of nickel per annum beginning in 1979. A hydroelectric power station will also be built to reduce the impact of fuel oil costs on the Project. The total U.S. export value for the Project is $175,000,000.

On January 6, 1975, Eximbank authorized a direct credit in the amount of $35,000,000. The remaining $140,000,000 was to be raised from private sources without Eximbank's guarantee. After several months of effort, Inco Indonesia has found that all of the private financing except $35,000,000 can be raised without Eximbank's guarantee, but because of the large amount and the term of repayment required for the Project, Eximbank's guarantee of $35,000,000 is needed to complete the financial package. Eximbank recognized at the outset that some guarantee might be necessary and has concluded that the merits of the Project justify increasing its exposure. Accordingly, in addition to the $35,000,000 credit previously authorized, Eximbank is now prepared to guarantee loans by private lenders in the amount of $35,000,000 to assist Inco Indonesia in purchasing U.S. goods and services in connection with the expansion of the Project.

2. *Identity of the Parties—*

Inco Indonesia is owned by International Nickel Company of Canada, Ltd. (Inco) (75%) and the balance by Japanese shareholders. An agreement between Inco Indonesia and the Republic of Indonesia provides for Indonesian participation in the Project after start-up.

3. *Nature and Use of Goods and Services—*

Mining and metallurgical equipment and services including hydraulic excavators, bulldozers, road graders, dump trucks, drying and ore preparation plant, electric furnaces, and accessories, and construction supervision.

B. *Explanation of Eximbank Financing—*

1. *Reasons—*

The proposed extension of a $35,000,000 guarantee by Eximbank, in addition to the previously authorized $35,000,000 credit, will result in the export of $175,000,000 in U.S. goods and services. This will have not only a substantial immediate, but also a longer term favorable impact on the U.S. balance of payments, and provide employment for substantial numbers of U.S. workers at a time when business activity in the United States is still weak. Additional benefits from the transaction include sizeable follow-on export earnings from the sale of spare parts and development of this nickel deposit will contribute to the supply of this scarce metal and thus help stabilize the price.

In view of the magnitude of the transaction, the extent of the private financing available on a term to make the Project economically feasible, and the worldwide availability of mining equipment, Eximbank's loan and guarantee appear to be necessary to effectuate this sale for U.S. manufacturers.

No adverse impact upon the U.S. economy will be caused by the export of these goods and services. Due to current slowdowns and cancellations of previously planned orders by U.S. users, as well as foreign buyers, U.S. manufacturers particularly welcome the opportunity to export such goods and services at this time. Ample supplies will remain available for use in the United States.

Accordingly, Eximbank's participation in this major export implements the Congressional mandate to aid in financing and to facilitate U.S. exports.

2. *The Financing Plan—*

The total cost of U.S. goods and services to be purchased by Inco Indonesia is $175,000,000 for which Inco Indonesia will make a 10% cash down payment. The balance of the U.S. costs will be financed by Eximbank as follows:

	Amount	Percentage of U.S. costs
Cash payment	$17,500,000	10
Eximbank direct credit	35,000,000	20
Eximbank guarantee of private financing	35,000,000	20
Private financing	87,500,000	50
Total	175,000,000	100

(a) *Eximbank Charges—*

The Eximbank credit will bear interest at the rate of 8½% per annum payable semi-annually. A commitment fee of ½ of 1% per annum will also be charged on the undisbursed portion of the Eximbank credit. The Eximbank guarantee fee will be 1½% per annum. A commitment fee of ⅛ of 1% will also be charged on the undisbursed portion of the Eximbank guarantee.

(b) *Repayment Terms*—

The total financing package will be repaid by Inco Indonesia in 20 semiannual installments, beginning January 10, 1979. Eximbank loan and guaranteed funds will be repaid *pari passu* out of the last eight installments.

A 10-year repayment term is offered for this Project in order to enable Inco Indonesia to generate sufficient revenues to service the indebtedness to Eximbank and the private financial institutions.

Sincerely,

WILLIAM J. CASEY.

HOUSING AND COMMUNITY DEVELOPMENT FUNDS FOR SMALL CITIES IN SMSA'S

Mr. BENTSEN. Mr. President, hundreds of small cities across the Nation are unable to receive housing and community development funds this year, and probably for the next 2 fiscal years, because of an error in calculation on the part of Congress and the Department of Housing and Community Development. My office has received dozens of telephone calls and letters from irate mayors who were promised that their cities would be eligible to compete for funds set aside for them under the Housing and Community Development Act of 1974. I have been visited by the mayors and city managers and representatives of government organizations for small cities in Texas. These cities have spent thousands of dollars on planning and engineering studies for the preapplication stages for the community development grants in anticipation of HUD funding. After these expenditures were made, in some cities as much as $10,000, HUD announced that the SMSA discretionary fund reserved for small cities has been depleted. "How can we explain to our citizens that the money is completely gone?" they ask. These community leaders were encouraged by HUD to submit thoughtful and thorough applications at an early date because of the predicted intense competition for the funds.

I will describe how their unfortunate situation came about. The Housing and Community Act of 1974 establishes a priority list of areas for distribution of the $2.5 billion appropriation for implementation of the act for fiscal year 1975. Cities and counties located outside standard metropolitan statistical areas, designated as rural areas, automatically receive 20 percent of the appropriation. The remaining 80 percent will be allocated to metropolitan areas. First in priority are metropolitan cities of population 50,000 or more, and urban counties, defined as counties with a population of 200,000 or more outside the incorporated areas. These large cities and counties will receive grants according to a formula based on their populations and the extent of poverty and housing overcrowding.

Next on the priority list are ongoing community development projects within SMSA's. The metropolitan cities and urban counties with ongoing programs are entitled to hold-harmless grants calculated on the basis of the average amounts they have received for community development programs over the last 5 years.

After all the units of government that I have mentioned receive their allocation, HUD can turn to small cities and counties within SMSA's. I speak now of cities of population less than 50,000 and nonmetropolitan counties. The remaining funds are termed the SMSA discretionary balance. In Texas alone there are over 170 cities of this size who have expressed an interest in participating in the program. There are an estimated 30 more Texas cities who would have applied if the money had not run out.

When the first calculations were made to determine the amount of money that would be available, Congress anticipated that 10 to 12 countries would qualify for funding as urban counties. There are, of course, many more counties that met the population requirements set out in the act. However, only those few counties numbering less than a dozen were viewed as having the governmental powers to engage in the housing and community development activities required under the act. HUD now tells us that 75 counties will likely meet the statutory requirements to participate in the program. These counties will be establishing their eligibility through reinterpretation of State law, special agreements with incorporated areas within their boundaries, or special legislation quickly passed in their State legislatures granting the necessary governmental powers. In addition, the original calculations made by HUD had seriously under estimated the full hold-harmful amount due for many cities. Now that the correct figures are available, there is no money in the SMSA discretionary balance.

It was originally expected that the small cities, numbering 1,500 across the Nation, would compete for an estimated $40 million. This represents only 10 percent of the expressed need. Originally the urban counties were expected to receive $3 million. If all 75 urban counties are approved they will receive about $60 million. The Housing and Community Development Act of 1975 specifies that if urban counties qualify they will be funded first. The inescapable fact is that no money at all will be available for small cities within SMSA's.

It cannot be emphasized too strongly that no one intended this to happen. The first section of the 1974 Housing Act recognizes the critical social, economic, and environmental problems caused by inadequate housing and community facilities and services in smaller urban communities. We now face the certainty that these communities will have no funds for this year, and HUD tells us they will probably receive no funds for the next 2 years. The Congress has the responsibility to meet the housing and community development needs of these small cities. We cannot sit by and simply ignore our mistake. Many of these communities have invested thousands of dollars for a chance to compete for a share in the promised $40 million discretionary balance. They have never expected full funding levels for projects in every one of the 1,500 cities. These cities were requesting a total of about $500 million with the knowledge that less than 10 percent of that amount would likely have been available.

I urge the Committee on Banking, Housing and Urban Affairs to begin immediate consideration of alternatives to assure funds for cities of 50,000 and less. The President has requested an additional $200 million in appropriations to meet the Nation's housing needs. Of that amount $55 million has been earmarked for the small cities that have been left out of the 1974 Housing and Community Development Act. These funds are desperately needed across the country. It is my hope that we in the Congress can find a way to provide this assistance without putting an added burden on the national budget.

I urge the committee to reevaluate the distribution formula provided in the act. It may be necessary to reduce by a small percentage the amounts now available to metropolitan cities and counties or gradually to reduce over a period of years the total funding levels for all of the eligible areas. One alternative is to provide earmarked funds for the small communities in an absolute amount or in the form of a percentage of the total allocation, in the same manner as rural areas are provided for. More important than the means we choose to deliver the aid is the necessity that funds be provided with speed and assurance.

I am certain that my colleagues in the Senate have also received numerous complaints from disappointed community leaders similar to those that I hear from Texas. I am hopeful that the Congress will move with all deliberate speed to correct this serious error in the 1974 Housing Act.

THE B-1—"BOOM AND BUST"

Mr. McGOVERN. Mr. President, Environmental Action, the publication of Environmental Action, Inc., has printed in its April 26 issue an exceptionally comprehensive article on the environmental consequences of the proposed B-1 bomber.

The authors of this analysis, Jim Conray and Paul d'Eustachio, have provided an especially useful response to generalized Air Force assurances on the B-1. They note that:

> In practically every section of its environmental impact statement, the Air Force cites insufficient research data as reason for the absence of hard facts and figures concerning the B-1's ultimate role in the deterioration of environmental quality . . . the Air Force betrays a rather reckless inclination to leap before looking.

Because its operating characteristics would be similar, the B-1 raises many of the same environmental questions we considered in connection with the SST—except that it is worse. The sonic boom, for example, would be the loudest we have ever experienced. Therefore, we should insist on the strongest possible military justification, a justification I believe is lacking, before we embark on a program which would guarantee serious environmental harm as a national routine.

The authors of this article point out that environmental science is relatively young; therefore, we really do not know how much more the balance of stratospheric elements can withstand. And they conclude:

> **The Air Force is willing to gamble that the B–1 won't tip the scales toward catastrophe. The stakes are too high and the potential returns are far too low for the American people to back up that bet.**

Mr. President, I believe the study to which I have referred, entitled "Boom and Bust," deserves the attention of my colleagues in the Senate. Therefore, I ask unanimous consent that it be printed in the RECORD.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

[From Environmental Action, Apr. 26, 1975]

BOOM AND BUST

(By Jim Conroy and Paul d'Eustachio)

Like a football coach recruiting new prospects, the Air Force's program manager for a controversial new long-range supersonic bomber has argued that the deployment of the B–1 is important to the U.S. if we are to "come out on top" in a nuclear war with the Soviet Union. He is talking about 244 of the aircraft, each of them costing the American taxpayer about $84 million. He is talking about an investment the federal government has already made to build the B–1 prototype and to begin production of two others. He is talking about cost overruns and inflation to a penny-pinched Congress. And he is talking about U.S. defense installations aimed at guaranteeing America's "victory" in the next world war.

In an age of awesome nuclear arsenals on both sides of the field (the U.S. has stockpiled some 8000 H-bombs over the years) the suggestion that nuclear war combatants will be sorted out as winners and losers after the rubble settles is something of an anachronism. It is also a frightening insight into the notion that more bombs equal more security.

As one senator phrased it, no matter how sophisticated a new bomber might be, "even if it could stand on its tail at the top of the Washington Monument," it would still be a weapon in search of a rationale.

What will we be getting in return for a fleet of 244 jets that can carry up to 75,000 pounds of bombs each internally plus 40,000 pounds on external wing racks? Aside from a slew of outmoded B–52s (which can carry only 31,000 and 20,000 pounds respectively), we will be inviting havoc in the form of a noisy, fuel consuming, nuclear-accident prone, sonic booming, resource depleting ecological aberration.

In its environmental impact statement on the B–1, the Air Force devoted three sentences to the problems which might arise from the crash of one of the big bombers: "The possibility of a B–1 crash represents a possible environmental impact which is difficult to forecast. The greatest impact from a crash would result from fuel spillage. A B–1 on a training mission will take off with approximately 18,100 gallons of fuel." While jet fuel dumped on land or water would clearly present a significant problem, the Air Force doesn't even mention a far more sobering prospect. The crash of a B–1 armed with nuclear weapons or the accidental ejection of such weapons are also possibilities.

In fact, the B–1 presents a greater than average risk of accidents involving nuclear weapons. Most such accidents have occurred in long-range bombers. And the new bomber will be capable of carrying more weapons than any existing aircraft increasing the impact of a possible accident. Nuclear bombs are equipped with safety mechanisms which sharply reduce the possibility of accidental detonation. No one can guarantee, however, that those mechanisms are infallible. The nearest miss occurred when a B–52 bomber jettisoned a 24-megaton bomb (the equivalent of 24 million tons of TNT) over a farm in North Carolina in January 1961. The bomb was fitted with six interlocking safety devices, all of which had to be triggered in sequence to explode the bomb. On examining the castaway bomb, experts discovered that five of the six devices were released in the fall.

It must be said that the accidental explosion of a nuclear bomb is a remote possibility. It is much more likely that bombs will be released accidentally and that a ruptured casing will allow highly toxic radioactive materials to escape. That has already happened, several times, with other bomber accidents. And as long as we continue to build large fleets of bombers we increase the odds of a tragic miscalculation.

The B-1s fuel consumption projections are astounding. At a time when the increasing scarcity of fossil fuels is painfully apparent, the same Administration which has called on all Americans to lower thermostats and conserve gasoline is planning to produce 244 new bombers which will consume billions of gallons of jet fuel as an unnecessary venture to frighten off potential enemies.

Exact fuel requirements for the bomber are classified and therefore unavailable to the public. The Air Force does claim that for a training mission the B-1 will carry about 18,000 gallons of fuel. Dividing that figure by the number of flying hours scheduled for training missions, and allowing for a safety reserve of unburned fuel, the B-1 will consume some 2,000 gallons of fuel each hour. The Air Force estimates that a fleet of B-1s will consume about 300 million gallons of jet fuel in one year's time. But an Environmental Protection Agency engineer who has asked to remain anonymous has come up with a different calculation, estimating that the B-1 will burn more than 6,500 gallons per hour. If his approximation is closer to the mark, a fleet of B-1s, each plane flying 74 missions (as the Air Force indicates) would consume more than one billion gallons of jet fuel in one year. That would come to 25 to 30 billion gallons of fuel in the B-1s, 25- to 30-year life span.

Even if we accept the low estimate derived from Air Force data, the B-1 would burn away roughly 14 million gallons of fuel in development and testing, and over seven billion gallons in a 25-year period of operations. How much productive work does a billion gallons represent? To put it in perspective, all U.S. urban busses combined used 450 million gallons in 1974. All urban mass transit used 615 million gallons; all railroads used four billion gallons of fuel in 1974. In effect, then, doing away with the B-1 could present urban commuters and much of our freight traffic with a free ride for years to come.

Petroleum is only one of the energy commodities in critically short supply. The B–1 would also devour a couple of billion kilowatt hours of electrical power in the refinement and production of the materials required for the building of the aircraft itself. Aside from the energy required to smelt and manufacture its other components (a relatively minor factor) an astonishing amount of energy is used up in the production of each B–1s 27,000 pounds of titanium and 54,000 pounds of aluminum (6.1 million pounds and 13.2 million pounds respectively for the entire fleet). Both metals are in short supply and titanium—a metal valued for its strength and light weight—is a particularly scarce resource. Production processes for both are highly energy intensive: It takes eight kilowatt hours of electricity to refine one pound of aluminum. Aluminum refinement for the entire B–1 fleet would consume 480 million kilowatt hours. The refining process for a pound of titanium requires 20 kilowatt hours, or 1.6 *billion* kilowatt hours for the planned B–1 fleet. Operating 24 hours a day, it would take the average coal or oil-fired electric power plant almost five months to produce the energy required for refinement of the B–1 fleet's aluminum and titanium.

The Air Force describes the impact of the sonic boom as "unavoidable" for testing and operating a fleet of B–1 bombers. For want of a better word, laymen most often describe its impact as "intolerable." The B–1, like all supersonic aircraft, will produce a sonic boom when flying faster than the speed of sound, thrusting against air masses with such sudden force that a wall of highly compressed air falls back on the undisturbed area behind it. The shock of collision produces an explosive bang, heard at any given point below as a single deafening clap but extending continuously like the wake behind a speedboat. Along with its abrupt, explosive sound, the shock-wave produces a sharp increase in air pressure, or "over-pressure," which is measured in pounds of pressure per square foot of air. As an arbitrary point of reference, normal air pressure at lea level is set at zero. Under typical conditions, the B–1s shock wave will produce a sudden change in overpressure amounting to 2.1 pounds per square foot, enough to rattle windows, shatter glass, and dislodge aging masonry.

Sonic boom aside, it should be understood that the B–1 will be a consistent noisemaker even when flying at subsonic speeds. The Federal Aviation Administration (FAA) makes no pretense about the unacceptability of the noise standards which it has established for civilian aircraft. An extraction from the official pronouncement of those standards, Federal Aviation Regulation 36 (FAR 36), makes the point: "No determination is made, under this part, that these noise levels are, or should be acceptable for operation at, or out of, an airport." "FAR 36," then, is a very lenient and half-hearted attempt to keep the commercial airlines within the bounds of social acceptability. Nevertheless, military aircraft are not required to abide even by these token restrictions.

Although the Air Force insists that "unaugmented" takeoff and landing by the B–1 will not produce noise levels in excess of commercial aircraft standards, the fact of the matter is the augmented takeoff for the B–1 is standard operating procedure. This extra acceleration takeoff is intrinsic to the B–1 design, and it exceeds the standards by a significant margin. Furthermore, unlike the B–52 bomber, the B–1 will be capable of operating from conventional airfields, a factor which will place the plane in a greater number of Air Force bases throughout the country, exposing more people both to boom and to the less dramatic but nonetheless service impact of conventional engine noise.

While the Air Force states that the B–1 will be quieter than the B–52 it is designed to replace, and quieter than some other military aircraft, the data presented in the environmental impact statement demonstrate that at the crucial point of takeoff, the B–1 will be noisier in standard augmented flight than the latest model B–52. It is also interesting to note that the B–1 is 28.5 percent louder than the Concorde, the commercial Anglo-French SST the FAA wants to bring into Washington, DC. and New York and local residents would like to keep out (*EA*, April 12).

Severe as the everyday noise of B–1 would be, nothing compares to the clap of a shattering sonic boom. In a sentence from the impact statement demonstrating the tone of the entire document the Air Force suggests that, "until research can prove otherwise, it is prudent to assume that long-term noise and boom exposure *might possibly be harmful* to human health and well-being" (emphasis added). It is indeed generous of the Air Force to assume that exposure to a blast which has been likened by one victim to the sound of "a V–2 rocket exploding on the next block" just might be harmful to human well-being.

Needless to say, the noise is extremely irritating at best. At worst, it can be quite dangerous. In the words of one study, drivers or "persons in precarious positions (e.g. working on a ladder) or involved in delicate manipulations (such as surgical operations) cannot fail to be at risk." As might be expected, sound sleep is a very common casualty of the sonic boom. Researchers have indicated that rapid-eye movement sleep (dream sleep) is the sort most likely to be disturbed. It is widely known that deprivation of this type of sleep can lead to psychological problems.

Although three people were killed when a house collapsed after a sonic boom in France, and two French well-diggers were buried alive under similar circumstances, instances of direct physical injury are rare. But extremely unpleasant emotional and psychological experiences are typical, especially among the very young and the very old. Where supersonic tests have occurred, reports of terrified children and dangerous effects on the elderly and the sick are routine. In 1969, former President Nixon appointed an ad hoc committee to review the SST program. That committee concluded that "the effects of sonic boom are such as to be considered intolerable by a high percentage of the people affected."

If a B–1 fleet does get off the ground, the government should be prepared to shell out a sizable sum in property damage compensation. In 1964, when the Air Force tested the boom effect over Oklahoma City, five thousand people claimed damages. The government paid over $200,000 in compensation. Altogether, despite relatively few test flights, at least a half-million dollars has been awarded for damages incurred by sonic booming aircraft throughout the world.

While it is clearly difficult to estimate just how many people will be affected by the B–1s sonic boom, we do know that the plane will fly supersonically over populated areas during testing and training exercises. We don't know at this time how many alerts will involve B–1 flights, but this must be taken into consideration as well. The Air Force says that the B–1 will inflict about five booms per month in an area of 14,400 square miles while performing training missions from a main operating base.

Whatever the long-term effects may be, people who now live in areas below the B–1s proposed test flight path are assured of exposure to frequent sonic booms. The proposed path covers dozens of western towns and cities. If the B–1 becomes a local fixture, former gold-rush crossroads will be "boom towns" once again and the citizens of now-defunct Quitus, Idaho might well consider reincorporating with a more appropriate name.

Nowhere is the earth's natural balance more precarious and the consequences of disturbance more sobering than in the delicate mix of atmospheric gases which shield the planet from deadly solar-generated ultraviolet radiation. Ozone is the gas which screens out radiation. It occurs in minute quantities in the lower atmosphere and in greater concentrations in the upper atmospheric zone known as the stratosphere, screening out 97 to 99 percent of all ultraviolet radiation.

The role of the B–1 in all this might well be a critical one. Each bomber is scheduled for three hours of supersonic flight in the stratosphere each year. In its environmental impact statement, the Air Force makes an omission which can most charitably be described as misleading. They do not mention the fact that each plane will also fly five-and-a-half hours in the stratosphere non-supersonically during every seven-hour training mission. Since the Air Force plans 74 such missions per year for each of the 244 planes in the B–1 fleet, a total of over 99,000 hours of B–1 flight will be logged in the stratosphere each year. That means that many millions of tons of pollutants will be released in the ozone layer where they will remain for a number of years. One such pollutant, nitrogen oxide (NO_x) destroys ozone. We can calculate, eliminating distortions in the Air Force estimates, that B–1s NO_x pollutant may cause a full four percent depletion of ozone globally.

The resulting increase in the amount of ultraviolet radiation reaching the earth could have disasterous consequences. Although humans and most plant and animal organisms have developed repair mechanisms to counteract ultraviolet damage, many living things are thought to have already reached the limit of safe exposure. It is unlikely that life on earth would be capable of adjusting to a sharp increase in ultraviolet radiation in the very short period of time we are talking about when we talk about a large fleet of B–1 bombers. Phytoplankton, for instance, seem to be severely affected by ultraviolet rays. The importance of these tiny marine plants to the aquatic food chain is roughly equivalent to the role of green plants in land-based environments. Destruction of phytoplankton resulting from increased doses of radiation could produce a critical disruption not just of plant and animal life but the human food chain as well.

More directly, man is threatened by the unhappy prospect of major increases in incidents of health hazards. Significantly higher radiation exposure levels can lead to ill effects ranging from sunburn to blood pressure disorders to at least two different types of skin cancer.

In practically every section of its environmental impact statement, the Air Force cites insufficient research data as reason for the absence of hard facts and figures concerning the B–1s ultimate role in the deterioration of environmental quality. The pattern holds in the section on stratospheric pollution: "Although the introduction of pollutants into the stratosphere represents a potentially severe environmental problem, there is not enough data to support various theories." In this and other passages, the Air Force betrays a rather reckless inclination to leap before looking.

Environmental science is a relatively young discipline. We don't know as much as we should nor as much as we must before taking action which clearly represents a potential hazard to the very existence of life on this planet, let alone the quality of life. We do know that the balance of stratospheric elements which shield us from disaster is a very delicate one and that it has already been perilously eroded by existing supersonic aircraft, spray can propellants, and other man-made intrusions. We don't know how much more it can withstand. The Air Force is willing to gamble that the B–1 won't tip the scales irreparably toward catastrophy. The stakes are too high and the potential returns far too low for the American people to back up that bet.

What To Do

Sen. George McGovern (D-S.D.) has introduced an amendment to the military procurement bill which deletes funds for further development and production of the B–1 bomber. A similar proposal is expected from Rep. Les Aspin (D-Wisc.). Write to your senators and representatives urging them to support these amendments.

CUTTING COSTS BY SAVING FUEL

Mr. HATHAWAY. Mr. President, the energy-related problems of our economy are still a vital topic of concern and debate here in this chamber and in the corporate offices and private homes of all Americans. There are no simple solutions to our problems, and it is to our benefit to continue to press for savings in fuel wherever and whenever possible. The U.S. Chamber of Commerce has published a story in its magazine Nation's Business, which demonstrates that there is more than mere conversation on our energy problem. Many companies are establishing cost and fuel cutting policies which have resulted in substantial savings. I applaud this action by our business community to this national problem, and wish to share this article with my colleagues.

I ask unanimous consent that the article from Nation's Business be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Cutting Costs by Saving Fuel

Notice a difference, as you wing your way on a swift, commercial jet?

Well, there is one.

Chances are, you're zinging through the sky at Mach .80. Until recently, you were whistling along at Mach .82.

So what, you might ask, are a couple of measly percentage points?

The answer is, a heck of a lot of fuel.

For a 747, on a four-hour flight, that 15-mile-an-hour cutback in speed saves more than 500 gallons of jet fuel. Yet the passenger steps off the plane, at his destination, only 16 minutes later than he would if he were flown at Mach .82.

All airlines are now fuel misers.

Last year, the Air Transport Association of America says, U.S. scheduled airlines carried 208 million passengers. That's six million more than the year before.

But the airlines used only 9.6 billion gallons of jet fuel. That's a billion less than the 10.7 billion they burned in 1973.

How did they do it?

By espousing the philosophy voiced by Albert V. Casey, chairman and president, American Airlines, Inc. He says his firm will try to limit its fuel consumption to 85 per cent of what it used three years ago.

American and other airlines have done more than ease back a bit on the throttle. They've found a flock of ways to squeeze out more miles per gallon. For example:

Changing the rate of climb and descent.

Taxiing on two engines, not four.

Using computerized flight planning more effectively.

Making greater use to fuel-efficient aircraft.

Trimming the fat off schedules.

Simulating training flights on the ground—rather than the real thing aloft.

Says Capt. Howard G. Mayes, vice president, flight technical services, United Airlines:

"We're using flight simulators for all proficiency checks. The FAA requires them, every six months, for an airline captain. He has to take off, cut one engine, go up to 12,000 feet, and make steep turns and instrument approaches. All kinds of maneuvers.

"At one time, this was all done in the airplane. Now it's done on the ground in a simulator—a very sophisticated machine whose remote ancestor was the World War II Link trainer. A proficiency check in a real DC–10 would take about an hour and a half—and use up about 5,000 gallons of fuel."

Soaring oil prices, in the fall of 1973, provided a strong incentive for conserving energy.

Then, in the fall of 1974, President Ford called on business to help whip inflation now. One way, he suggested, is to cut consumption of costly imported petroleum. He also wants to make America less dependent on it.

FINE-TUNING AT REFINERIES

In the United States, about one third of all energy is consumed by business, the National Petroleum Council estimates. Refiners, it adds, are among the heaviest users. Therefore, their industry has one of the greatest potentials for savings.

Exxon Co. U.S.A., like other American oil companies, has a far-reaching program in operation.

"We're going after total savings of more than six million barrels a year," says Robert I. Taylor, coordinator for energy-savings programs in the company's refinery department.

"That means our goal, by the end of this year is to use 15 per cent less than we used in 1973.

"We've already cut it 10 per cent."

How?

By insulating equipment to reduce heat loss, using smaller, more efficient pumps and compressors, and do-it-yourself power generation—employing high-pressure flue gas to drive turbines.

Exxon's target, six million barrels, is enough to heat homes in a city of 600,000 people for a full year.

"There have been some tremendous cutbacks in the last 18 months," a Petroleum Council spokesman says, "just through better energy management. Cost is a big factor. When energy is cheap, it goes up the chimney."

It doesn't just go up the chimney at a Safeway store in St. George, Utah.

HEAT FROM COOLING

"We have a lot of refrigeration equipment—walk-in boxes for bulk storage, and 1,500 feet of linear display space for items like ice cream, dairy products and produce," says manager Robert Ward.

"That's a lot of refrigeration. And it gives off a lot on heat.

"We're taking air that's warmed up by the condensers in our refrigeration equipment, and using it to help heat the store.

"It used to be blown out of the store by an exhaust fan. Now it's blown into the hot-air ducts.

"As a result, our cost of heating this store is about the same as it was for an old one we were in before. Yet, we have 18,000 square feet of space here, and had only 9,000 in the old."

St. George, pop. 7,097, is doing a lot of things to use fuel more efficiently, says A. I. Elmer, executive secretary of its Chamber of Commerce.

The town, 30 miles from the Mojave Desert on the throughway to Las Vegas, is grass-roots America.

But the same personal concern to waste less and manage better is found in board rooms and back rooms in communities of all sizes.

Giant Food, Inc., an East Coast chain with 105 supermarkets, has a "waste watchers" committee.

At its stores now, the lights are a little dimmer in the canopy over the entrance, and inside. Where there once were three or four fluorescent bulbs, there now are two.

In Giant's produce warehouse, the lights are switched off from 11 p.m. Friday until Sunday morning. Same for its meat warehouse. In its grocery warehouse, the blackout's daily—from 10 p.m. to 4 a.m.

The company used 242 million kilowatt hours of electricity in 1973. Last year, it used 204 million. California's Bank of America has appointed 1,000 "energy czars"—one to each of its community offices, as it calls its individual banking facilities—to save on juice.

"They've done a lot of things," a bank spokesman says.

"Like cutting down interior lighting 50 per cent. And doing away, where possible, with outside lighting—not, of course, where it's for security reasons. The czars also have seen to it that thermostats are set at 68. In summer, the air-conditioners are set to kick on at 75."

The bank's goal in 1974 was pruning electrical consumption by about 25 million kilowatt hours.

"But we went way over our target," the spokesman says. "We actually got by with 58 million fewer kilowatt hours than in 1973."

How much is that?

Enough to provide electricity for 19,400 homes for a year, the bank estimates.

A DIFFERENT ROAD

Some businessmen have saved fuel not by cutting back on its use but by finding substitutes for it.

"That was our approach," says a member of the National Asphalt Pavement Association.

"Most of us are producers as well as paving contractors. We make hotmix asphalt and put it down on roads, parking lots, airports—places like that.

"We used to cut it back with kerosene or diesel fuel—petroleum-based thinners. Now we use chemical thinners, which are less costly than today's high-priced fuel.

"Same way with truck beds. We used to spray diesel fuel on them to keep the asphalt from sticking. Now we use little or none. We've switched to a chemical agent that does the same thing."

Saving: About $1.9 million worth of fuel.

That means conservation of petroleum, of course. But it also helps curb inflation by cutting costs.

And cost-cutting is more than a short-term commitment, or a recent goal, for most firms. In a competitive, free enterprise system, it's often a matter of survival—for a country, as well as a company.

TRIBUTE TO HAROLD M. WILLCOX

Mr. BROOKE. Mr. President, Harold M. Willcox of Hamilton, Mass., a friend, died Monday, April 20, at the age of 50.

When I served as the Attorney General of the Commonwealth of Massachusetts, I was privileged to work with Harold Willcox, who was then the Chief Counsel of the Massachusetts Crime Commission. Harold served with professional excellence, fairness and distinction and Massachusetts is grateful for his outstanding service.

At the time of his death, Harold Willcox was Town Counsel for the Town of Hamilton and I think that an editorial which appeared in the Hamilton-Wenham Chronicle on April 23, "What a Man He Was" has truly caught Harold Willcox, "the man."

To his dear and devoted wife, Mary Louise, his sons and daughters, Keating, Katherine, William, Thomas, Mary and Douglas, to his wonderful mother, Mrs. Mary Geary, and sister, Mary Knapp, and to the Town of Hamilton, my former associates in the Attorney General's office and I extend our deepest sympathy.

Mr. President, I ask unanimous consent that the editorial from the Hamilton-Wenham Chronicle be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

WHAT A MAN HE WAS . . .

Harold Willcox, what a wonderful, complex towering man of sadness and joy, of light and dark.

He didn't know in-betweens.

When he was up, he was like a ray of sunshine—witty, sharp, chuckling, and always profoundly concerned. And when he was down? Well, he was down.

But his commitment to what he believed in never wavered. His passion for public service, for instance.

When he took the job of chief counsel for the Crime Commission, he knew what his losses would be—the interruption of a blossoming law career, the sharp reduction in earnings, the endless hours and strain of a spotlighted political job, the threat to his personal safety which was inevitable. But Willcox believed the job needed doing.

And his years of patient, steady, reliable and attentive work as town counsel, both in Ipswich and more recently in Hamilton. No big-town Boston lawyer needed that aggravation and hassle. The small problems of a small community are, after all, just as demanding and time consuming—but far less rewarding—as the big problems of a city or state. But Willcox honored and respected the process of democratic government and cared enormously that he be part of it.

And aside from the Crime Commission, he made important law for towns and people in his towns. He defended Ipswich's Kitty Robertson against a libel suit which threatened to cut off her strong and independent radio comment on public affairs. He won the first school committee suit in the state to fire a tenured teacher—a right which gives strength to elected officials, and balance to a civic system.

His wife said this week, "Harold was such a large man." How right she was.

INTERNATIONAL PETROLEUM PRICES

Mr. PHILIP A. HART. Mr. President, several days ago, Senator Church and I introduced a bill that attempts to deal with the problem of international petroleum prices. Since the approach embodied in this bill represents a fundamental departure from the administration's energy program, I think it is useful to contrast it with that program.

Unfortunately, the assumptions underlying the administration's program have not been given the attention they deserve. They are:

First. There is nothing we can do to lower significantly the international price of oil.

Second. Both our economic security and national defense requires that we become domestically self-sufficient in energy.

Third. The cost of economic self-sufficiency is worth the price.

The administration rolls these three assumptions together into a kind of logical billiard ball, with no handles, no holes—perfectly circular. It appears totally consistent and perfectly sane. It is only when cracked open and the pieces are examined that a certain inconsistency becomes apparent.

Why is there little we can do to lower international oil prices? Because, at least according to Secretary of State Kissinger, if international prices came down too far foreign oil would become too cheap and all of the businessmen who invested in expensive energy sources in order to make us self-sufficient would go broke. And, of course, we must become self-sufficient at all cost. Why? Because a foreign cartel has raised international prices too high and is endangering our economic survival.

It is the first of these pieces that our bill challenges. We believe that there is something that can be done about international prices. It was no accident that Senator CHURCH and I arrived at this conclusion together. Each of us has spent a great deal of time studying the problem of petroleum cartels.

The OPEC cartel is somewhat different from the usual cartel in that it is composed of sovereign states. This gives it the obvious advantage of being able to avoid the legal complications that usually follow the organization of a cartel in most industrialized nations. Too much can be made of this advantage, however. All it means is that there is no legal mechanism through which it can be challenged. But likewise, it has no legal mechanism to enforce its own agreements. OPEC is nothing more than a very limited alliance of sovereign states. Its agreements are no stronger than the trust each member has for the others. This, of course, is the greatest problem for any cartel.

The economic stresses on any cartel agreement have been quite succinctly described by the distinguished economist Frederick M. Scherer:

> Two problems underlie the tendency for informal price-fixing and output-restricting agreements to break down. First, the parties to the conspiracy may have divergent ideas about appropriate price levels and market shares, making it difficult to reach an understanding which all will respect. Second, when the group agrees to fix and abide by a price approaching monopoly levels, strong incentives are created for individual members to cheat—that is, to increase their profits by undercutting the fixed price slightly, gaining additional orders, at a price which still exceeds marginal cost. These two problems often interact, for parties dissatisfied with the original agreement may be especially prone to cheat in its subsequent execution.
>
> Some of the richest insights have been provided by Bjarke Fog from interviews with company officials involved in six price-fixing agreements legal under the Danish laws. Fog found that agreements were not easily reached; that negotiations were characterized by "reciprocal suspicion and distrust" concerning others' prices and motives; and that in two cases negotiations broke down completely even though agreement would have been to the mutual benefit of all industry members.

In addition to these usual economic problems, the OPEC cartel has two difficulties of its own. The first results from the social, political, and economic diversity of its members. It is simply easier for some members to shut in a large part of their producing capacity for the benefit of all than it is for others. This is particularly true when, as now, the members are not showing equally the burden of the cutbacks.

This brings us to OPEC's second difficulty, which is its inability to work out a formula for apportioning production cutbacks among its members. It is at this point that the cartel hinges on the major international companies. These companies can be used by the cartel to do what it cannot do for itself, that is apportion production among the member countries. There is a higher degree of interdependence, or stronger community of interest, among the international firms than among the member countries. The elaborate interconnections between these firms in the major joint ventures virtually precludes the accidental outbreak of competition. As Sheik Yamani, the Saudi petroleum minister, has repeatedly said, without the international companies between the producing countries and the consuming nations, OPEC would be unable to hold the competitive forces in check and would quickly be destroyed.

The bill—S. 1430—proposed by Senator CHURCH and myself, is directed at these two basic weaknesses of the cartel. By requiring that all petroleum imported into the United States be sold to the Government on the basis of sealed bids, collusion both between the producing countries and between the international firms becomes far more difficult. The American consumer stands a considerable chance of being able to get his foreign petroleum at substantially lower prices. At a minimum, he at least knows that he is being represented by a bargaining agent who, unlike the major oil companies, has no stake in high oil prices. It would, as Senator CHURCH has put it—

> Free us from the existing arrangements among multinational oil companies and oil producing foreign governments in which the companies secure preferred access to the crude and, in return, guarantee outlets for that crude, rather than shopping for the cheapest crude.

What Mr. Kissinger has proposed is exactly the opposite. In all apparent seriousness he is proposing that the consuming nation set a minimum price that they will pay for petroleum. There is nothing better calculated to strengthen the cartel than telling them that there is a price which we will not let them go below. And a high price at that.

Mr. Kissinger's logic is simple. If we import cheap foreign oil we will not be able to become self-sufficient in energy. Importing cheap foreign oil will make it impossible for those domestic firms who have invested in expensive fuel sources to stay in business. Therefore, if we are to be self-sufficient we must continue to pay high prices for foreign petroleum.

A minimal objection to this reasoning is that if we must pay high prices for self-sufficiency, why must OPEC collect the bill? But a far more important question is what does self-sufficiency mean? There are two aspects to any dependency on foreign oil. The first involves national defense in a very specific sense. It involves our ability actually to defend ourselves in event of a threat to our physical security. And it includes our vulnerability to blackmail by boycott. The ability to meet either of these dangers does not require total energy self-sufficiency. Both such dangers are by definition short term. To meet them we need only have sufficient energy reserves to meet essential needs and the moral strength to bear whatever inconvenience may result. We already have this capability to a great degree and we can keep it provided, of course, we restrain our perverse inclination to burn up our own oil before we use anybody else's. This capability should be expanded and there is no reason why we cannot do so at a reasonable price. At today's consumption level, $1 a barrel on the price of oil costs consumers nearly $6.3 billion a year. If our bill cut oil prices by $2 a barrel, consumers would save $12.5 billion a year.

The Department of Interior has estimated that $11 oil and sharply accelerated programs could provide us by 1985 with a million barrels a day of shale oil and 700,000 barrels a day of oil equivalent from coal liquifaction and gasification. Most people think these projections are exceedingly optimistic, but let us accept them. At this level of synthetic fuel production a $2 a barrel direct subsidy would cost only one-tenth as much as consumers would save with a $2 a barrel reduction in oil prices. This will inevitably involve subsidizing, by one means or another, alternative energy sources. But we should do this directly and not, as Mr. Kissinger would have us do it, by succumbing to OPEC prices.

The second aspect of the foreign oil question involves economic self-sufficiency. Here the concern is with the damage that foreign control over oil prices may do to our economy. Essentially, the economic threat is a relative one. Are we economically worse off if we are dependent to some degree on foreign oil than if we incur the economic cost of becoming self-sufficient?

Obviously, how one answers this question depends largely upon how seriously one takes the administration's assumption that nothing can be done to lower OPEC prices. But let us look at how the administration answers this question. According to the administration, domestic energy price will have to rise to the level of the world cartel price. This we are told will not be so bad because Mr. Kissinger will strike a deal with the cartel on behalf of all of us establishing a fair cartel price, presumably a few dollars below present levels. And this fair cartel price will also not be so bad because we are going to conserve energy.

In recent months energy conservation has achieved a status in our national rhetoric equal to motherhood and apple pie. After all, who can favor waste? But the conservation the administration has in mind has little to do with the kind of things we associate with Smokey the Bear or the Sierra Club. They are proposing the kind of major reduction in the consumption of energy that translates into a serious reduction in economic activity. This means unemployment for some and for many a significant reduction in their standard of living. This kind of sacrifice is one thing if it is dictated by a national emergency. But to inflict this kind of economic injury on ourselves on the theory that it will prevent someone else from doing it makes little sense.

We did conserve energy in 1974. Total energy consumption dropped by 2 percent from the 1973 level. And between December 1973 and December 1974, unemployment rose by 2 million persons with another 2 million added in January 1975. Real gross national product fell by 5 percent from the fourth quarter of 1973 to the fourth quarter of 1974.

Let us not blame the recession on energy conservation. Obviously, what happend was the other way around: a sharp decline in economic activity reduced the amount of energy used in the country. But it is especially true that any economic recovery will require an increase in energy utilization. It would be the height of folly to adopt an energy conservation policy which would delay economic recovery and prolong an unacceptable rate of unemployment.

The cost of this program is more than just higher energy costs. In the name of self-sufficiency we are being asked to substantially reduce the natural wealth of this country that belongs to everybody. Our quest for clear air is to be abandoned. Our landscape may be plundered for coal and shale oil which has value only if we maintain astronomic oil prices. In short, we are to become a poorer, dirtier, more squalid country in the name of energy self-sufficiency. We ought to make very certain that the goal is worth such costs.

Our bill provides for no drastic measures. It does not interfere with the overseas operations of the major oil companies. It does not nationalize anybody's business, and it does not get the Government into the oil production or refining business. All it does is provide that imported oil be sold through the equivalent of a free and competitive commodity market. The FEA Administrator simply provides the administrative mechanism for it. He buys all imported oil on the basis of sealed competitive bids and promptly resells it to domestic refiners. In setting up the system for reselling the oil, the Administrator must do it in such a way as to encourage competition, treat equitably each geographic region, and insure maximum utilization of our refining capacity.

This bill implies no affront or, much less, hostility to our friends and allies in OPEC. It does not seek to interfere in their internal affairs. It is merely intended to limit the effect of the cartel on our domestic economy. It is essentially a domestic measure dealing with the purchasing behavior of American firms. It implicitly reflects both the insulting notion that the OPEC countries can be talked into abandoning their economic self-interest and childishly frustrated saber rattling.

This bill is a decent and civilized measure to do nothing more than procure oil at the lowest possible price. The American consumer is entitled to nothing less.

WBBM-TV CANCER AWARENESS CAMPAIGN

Mr. PERCY. Mr. President, I wish to call the Senate's attention to a valuable public service recently performed by a local television station in my home State, WBBM-TV Channel 2 in Chicago. Between April 13 and April 27, the station devoted more than 9 hours of broadcast time to a "Cancer Awareness Campaign" in an effort to inform the public of the importance of early cancer detection. The campaign, which coincided with the American Cancer Society's annual April Cancer Crusade, committed almost all of WBBM-TV's locally produced programs, as well as editorials and public service announcements, to various aspects of cancer detection and treatment. The programs raised topics from the emotional repercussions of leukemia to a five-part series on how to stop smoking. WBBM should be commended for its effort to openly present the realities of cancer and for its determination to expose many of the myths surrounding the disease. The 2-week campaign was a public service that has not gone by unnoticed or unappreciated. Along with many other Chicago area viewers, I take this opportunity to thank WBBM-TV's reporters and management.

THE REPUBLIC OF CHINA

Mr. THURMOND. Mr. President, in the wake of the tragedy in South Vietnam, the United States should take every step to reassure its remaining friends around the world of our support. Among the most notable examples of the need to make clear our support and friendship is the longstanding relationship we have with the Republic of China on Taiwan.

While it may be desirable to further a cordial relationship with Red China—so long as that association is based on mutual trust—it must not be founded on a betrayal of Taiwan. The people of Taiwan are our friends and we have maintained close ties with them for many years.

The diplomacy of expediency which is practiced at the expense of allies, not to mention a nation's own credibility, bears little fruit in the long run. Indeed, there are practical considerations equally as meaningful as the principle of maintaining an international commitment. The United States needs bases of influence and welcome in the Orient. After Vietnam, we need them more than ever.

Taiwan has a stable, progressive government while maintaining liberty and opportunity for its people. That small nation which we have recognized as the Republic of China since 1949 needs our continued recognition and support, just as our interests are with them.

Mr. President, an excellent editorial appeared April 28, 1975, in the State newspaper of Columbia, S.C., pointing out the importance of our commitment to Taiwan. In order that my colleagues may share in the wisdom of this editorial, entitled, "We Must Not Sacrifice Free China for Peking," I ask unanimous consent that it be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

We Must Not Sacrifice Free China for Peking

Most citizens of the Republic of China on Taiwan remain convinced that the United States will not abandon the island, *Time* magazine reports.

But we wonder if they are still as confident after President Ford's recent reaction to two questions on the future of Taiwan. In effect, he ducked them both.

To the first, he answered that he was going to the People's Republic of China (Red China) in the fall, and that no firm agenda had been established. So, he said, he couldn't comment on Taiwan's future.

Another questioner tried to probe deeper. This time Mr. Ford said, "We value the relationship with the Republic of China. This is clearly indicated by the level of the delegation we sent to the funeral (of President Chiang Kai-shek)."

Well, for starters, that is not much of an indication. The Administration first intended that the delegation be headed by Secretary of Agriculture Earl Butz, who is hardly a figure of major stature in Chinese eyes. After objections that this was an insult, Vice President Nelson Rockefeller was hastily substituted as delegation head.

Obviously, Taiwan will be a subject of conversation when the President goes to Peking. Peking holds to the fiction that it owns Taiwan; Taiwan still gives lip service to the late President Chiang's 26-year dream of regaining control of the mainland.

The Peking talks will be delicate. But Mr. Ford should not at this time—or ever—give the impression that the United States is willing to wheel and deal over the future of Free China, a bustling little nation with the second highest standard of living in East Asia.

It is also a democracy of sorts, although not a perfect one. (It must be remembered that there are only a relative handful of nations with legitimate claims to be true democracies.)

There are strong reasons for the United States not to even consider giving up a presence in Taiwan. For one thing, American investments there total nearly half a billion dollars.

More importantly, it gives us a strong foothold in a region of the world where we have just lost a Southeast Asian beachhead. The Philippines, already skittish over the Washington performance concerning South Vietnam, will not take kindly to an abandonment of Taiwan, a neighbor just across the Luzon Straits to the north. And there is the matter of the 1954 defense pact between Taiwan and America.

Reasons exist to believe that Peking might not relish the idea of Washington cutting its ties with Taipei. Perhaps it considers a U.S. presence on the island as a counterpoise to the influence of the Soviet Union in the area, an influence that grows daily as Moscow's client, North Vietnam, swallows up the rest of South Vietnam.

Obviously Mr. Ford does not want to tip his hand before the Peking talks. But if the "liberation" of Taiwan is the price of detente, then the price is too high. And Taipei should be assured of that, publicly and privately.

PAUL A. FREUND'S 1975 JEFFERSON LECTURE IN THE HUMANITIES

Mr. KENNEDY. Mr. President, last Thursday at the National Academy of Sciences, Prof. Paul A. Freund of Harvard Law School, one of the Nation's most distinguished scholars of the Constitution, delivered the fourth annual Jefferson Lecture in the Humanities.

Professor Freund's lecture, entitled "Liberty: The Great Disorder of Speech" is an excellent and eloquent analysis of the doctrine of freedom of expression under Anglo-American law and the continuing struggle over censorship and prior restraint, from John Milton's Areopagitica to the Pentagon Papers case, the reach of the obscenity laws, and the need for greater modern access to the print and broadcast media.

Mr. President I request unanimous consent that Professor Freund's lecture may be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

LIBERTY: THE GREAT DISORDER OF SPEECH

THE JEFFERSON LECTURES IN THE HUMANITIES

(By Paul A. Freund)

APRIL 30, 1975.

In the year 1976 we shall be celebrating the anniversary of a seminal event in the history of human liberty—the introduction of printing into England by Caxton, A.D. 1476. To the problem of the dissemination of knowledge and ideas the new device brought a promise of solution; a promise—recall that the Emperor Charlemagne had never been able to get the hang of reading. To the sense of community and order, at the same time, the device brought a threat of dissolution. How the promise and the threat have been assessed by those who think and those who govern is the subject of this synoptic sketch.

The two great dangers facing modern society, Paul Valery has said, are disorder and order. When I quoted this apercu at a symposium in England on civil disobedience, the presiding officer, a peer of the realm, remarked, or rather snapped, with Podsnappian disdain, "O, that's very French!" Perhaps so; but it can be matched by an American who was presumably a good lawyer and certainly a very good poet, Wallace Stevens, in his Connoisseur of Chaos:

A. A violent order is a disorder; and B. A great disorder is an order. These two things are one. (Pages of illustrations.)

These verses might be an epigraph for my essay, which is meant to furnish some "pages of illustrations."

Liberty and community, freedom of expression and its limits, were notably addressed by the great English secular trinity of Johns: Milton, Locke, and Mill. "Give me liberty to know, to utter, and to argue freely according to conscience, above all liberties." Milton's attack on licensing of printing was passionate, but it was prudently circumscribed in two, and possible three, respects. This exalted liberty was for the exalted in belief: "I mean not tolerated popery, and open superstition, which, as it extirpates all religious and civil supremacies, so itself should be extirpate, provided first that all charitable and compassionate means be used to win and regain the weak and the misled; that also which is impious or evil absolutely either against faith or manners no law can possibly permit, that intends not to unlaw itself." What was to be fostered in the quest for truth was "those neighboring differences, or rather indifferences" that marked the disputations among Protestant sects. Milton's argument was circumscribed not only doctrinally but procedurally as well. The attack was directed against licensing, prior restraint, censorship in its most literal form. The criminal law, in its seventeenth century mercies, remained. For those publications which, coming forth unlicensed, were "found mischievous and libellous, the fire and the executioner will be the timeliest and the most effectual remedy that man's prevention can use." Precisely why, from the point of view of either the publisher or the victim of a criminal libel, it is more obnoxious to ban the publication than to inflict condign punishment thereafter, was not made clear. This is not to be critical or condescending toward the most magisterial pronouncement on the pursuit of truth, any more than it is in derogation of Democritus that his vision did not dissect the atom in the terms of Niels Bohr. The case against prior restraint remained to be elaborated by history, at which we shall presently glance. A third limitation in the Areopagitica is problematic. The fact that Milton subsequently served for a year as a censor of newssheets suggests, at least that the omission of explicit reference to that form of publication in his great tract may have been deliberate.

A generation after the Areopagitica, John Locke extended the scope of toleration, as befits one who objects to the doctrine of innate ideas, but still with caution in the name of the social compact: " . . . those are not at all to be tolerated who deny the being of God. Promises, covenants, and oaths, which are the bonds of human society, can have no hold upon an atheist."

More than a century later when John Stuart Mill took up the theme of liberty, the religious-political complex had receded as a threat, but there was a residual apprehension of the mob, the great unwashed. "Liberty as a principle," Mill wrote, "has no application to any state of things anterior to the time when mankind have become capable of being improved by free and equal discussion. Until then, there is nothing for them but implicit obedience to an Akbar or a Charlemagne, if they are so fortunate as to find one."

In his well-known reply to Mill, Sir James Stephen thrust at the chink in the armor: as it might be put today, the descent from the tutelarian state to the totalitarian is easy. "Why then," asked Stephen, "may not educated men coerce the ignorant? What is there in the character of a very commonplace ignorant peasant or petty shopkeeper in these days which makes him a less fit subject for coercion on Mr. Mill's principle than the Hindoo nobles and princes who were coerced by Akbar?"

Each of these philosophers saw liberty of expression as an instrumental value, an aid to the apprehension of something identified as the true or the good, and accordingly the limits of expression were to be drawn in light of its serviceability. What warrant then could be found for freedom of expression in the philosophy of a sceptic, or in a sceptical age? For an answer we would do well to turn to the thought of Mr. Justice Holmes, for whom "truth" was "the power of the thought to get itself accepted in the competition of the market." Freedom of expression was not instrumental in a quest; it created its own object, its holy grail. Freedom of speech from repression was not, however, subject to the same relaxed scepticism. In Holmes' existentialism, the activity of speech was of a different order from its particular content, and so that issue of freedom versus restraint was salvaged from the class of issues to be left to the competition of the market. The process, unlike any of its content, was intrinsically good; and Holmes was able to escape from his own skepticism and from a trap dangerously close to Russell's paradox.

The quality of scepticism in a jurist is matched by humility in a theologian. Holmes, the believing unbeliever, and Reinhold Niebuhr, the unbelieving believer, reached a point of convergence. Dr. Niebuhr was speaking of moral truths and their inevitable historical corruptions and misappropriations and fragmentary formulations. "This alone," he submitted, "would justify the ultimate freedom of a democratic society, in which not even the moral presuppositions upon which the society rests are withdrawn from constant scrutiny and reexamination. Only through such freedom can the premature arrest of new vitalities in history be prevented . . . . A society which exempts ultimate principles from criticism will find difficulty in dealing with the historical forces which have appropriated these truths as their special possession."

Once a principle is established, a jurist has a special obligation to delineate its limits. Not for him the exhilaration of dangling in the void from a major premise; he must find his footing on the hard rung of a middle axiom. Justice Holmes found the limiting principle in the test of clear and present danger, which he appropriated from the criminal law, where it served to mark the line at which innocuous preparation for a crime passed over into a punishable attempt. Speech, then, would be privileged if, and only if, it did not create a clear and present danger of a result that society can properly forbid. The celebrated example is falsely crying Fire! in a crowded theatre—an example, it has always seemed to me, that is singularly unhelpful. For the cry of Fire! is a peculiar kind of speech, not the sort that gives rise to the troublesome problems in this field. The cry is not the ordinary communication of information, or argument, or exhortation, or entertainment. It is in the nature of a preset signal to action, which could have been conveyed by lanterns in a belfry. More to the point would have been a discussion of what may be said on the stage, not in the pit.

There are difficulties with the clear and present danger test apart from the illustration. For one thing, it does not analyze the causal link between the speech and the danger: though the speech may be moderate and rational, the audience may be hostile and emotional. A clear and present danger of violence is created, but in which direction should the strong arm of the law be pointed? Another difficulty is that there is no account of the relative seriousness of the danger (it might be simply an illegal trespass to land) and the importance of the speech. Moreover, the test of certainty and imminence is subject to loose construction by an apprehensive jury, and even to manipulation by judges, as when the Smith Act directed against Communism was sustained by use of a sliding scale, weighing the gravity of the danger discounted by its improbability, thus countenancing speculation in historical futures, the most dangerous form of gambling with the liberty of speech. And finally, the clear and present danger test, though it has it arose, is not a broad-spectrum sovereign remedy for such other complaints as defamation, obscenity, and invasions of privacy, where the complex of interests at stake requires closer diagnosis and more refined treatment.

For that kind of treatment it is more promising to look at history (Law being history with the history left out). But before making that move, a word more needs to be said about the philosophers. They give us a mood, a rationale for a principle which must be taken, however, as defeasible. And yet there is something perhaps too exclusively intellectual about their valuation of expressions, too neglectful—to use an old-fashioned phrase—of the affective side of expression, for both the audience and the author. For an appreciation of this side we do best to turn to the poets in their discursive moments. "We want the creative faculty to imagine that which we know; we want the generous impulse to act that which we imagine; we want the poetry of life." Shelley spoke for the recipient, and modestly, too, for it can be maintained and we do not really know a thing—whether it be the inside of a coal mine or the Bill of Rights—until we know it kinesthetically. For the experience of the artist himself I call again on Wallace Stevens, in his Reply to Papini:

". . . The poet
Increases the aspects of experience,
As in an enchantment, analyzed and fixed
And final. This is the centre. The poet is
The angry day-son clanging at its make:
The satisfaction underneath the sense,
The conception sparking is still obstinate thought."

Whatever the philosophic bases for freedom of expression—whether as an indispensable means to the discovery and spread of truth or as a fulfillment of the human vocation to seek to persuade, to inform, to entertain and to astonish one another—the freedom is, as I have said, defeasible in smaller or larger measure. To regard it as never requiring accommodation with the interests of integrity, security personal reputation and human dignity would be to take part of the values of life—however grant a part—in place of the whole, in the realm of public policy to commit the offense of political synecdoche.

If, in making the neecessary accommodation, we turn for guidance to history, it is not with a view to establishing a hierarchy of values. To do that would be to confuse history with the historian, the historian who draws out of his narrative hat the values he has smuggled into his normative sleeve. To view history as a sort of retrospective politics, Santayana warned, is like looking over a crowd to find one's friends. A similar warning was sounded by Lord Action: "Whatever a man's notions of these later centuries are, such in the main the man himself will be. Under the name of History, they cover the articles of his philosophic, his religious and his political creed. . . . Modern history touches us so nearly, it is so deep a question of life and death, that we are bound to find our way through it, and we owe our insight to ourselves."

We look to history for those prudential cautions and occasionally prudent arrangements that may achieve a satisfying accommodation of values: in politics as in the realm of ideas, a not too coerced order, a not too chaotic disorder. For speech and press, if we look to the experience of England prior to the American Revolution, we encounter three forms of coercion in the name of order: censorship, taxation, and criminal prosecutions.

Censorship, despite Milton's attack (which in fact went almost unnoticed), was irresistibly attractive to Puritan as well as royal regimes. Though the demise of the Star Chamber in 1640 removed one set of enforcers, the surveillance was carried on alike under Romanist, Anglican and Puritan regimes by the Printers' and Stationers' Company and their agents, the monotony broken only by a bewildering succession of turnabouts in the illicit and the licit. The scheme was codified in the Licensing Act of 1662, which prohibited the printing, sale or importation of "heretical, seditious, schismatical, or offensive books," . . . or what "may tend to the scandal of religion, or the church, or the government. . . ." Built into this forbidding authority was a basic conflict of interest, for by another section of the law the Stationers' Company was recognized to have a monopoly of publishing as granted by the Crown, which extended to works domestic and foreign, modern and classical. It was indeed a political—ecclesiastical-commercial complex with a vengeance.

Enacted for seven years, the statute was extended for two-year periods and would require renewal in 1694. As every schoolboy knows, Parliament allowed the Act to lapse in that year. To be sure, a committee of the Commons was engaged in drafting a more acceptable licensing law, but before their work was done the session expired. And so the great principle of freedom of the press was established, if not in a fit of absentmindedness, then in a spasm of inanition.

Every schoolboy knows, too, Macaulay's mordant commentary on the episode. The Commons presented to the Lords a statement of eighteen points in opposition to renewal, closely matching a paper prepared for the purpose by John Locke. "But," Macaulay complains, "all their objections will be found to relate to matters of detail. On the great question of principle, on the question whether the liberty of unlicensed printing be, on the whole, a blessing or a curse to society, not a word is said." The statement of the Commons did indeed address itself to the administrative abuses under the Act: the bribery of licensors, the needless cost and delay, the slipshod quality of monopolistic printing, the domiciliary searches for unlicensed presses and books, the unconfined discretion given to the licensors under the loose terms of the Act. By way of extenuation for the tone of these objections by the Commons, it is sometimes suggested that they were drawn up to influence practical men of affairs in Parliament, and in any event your Englishman is uncomfortable and embarrassed in the presence of large declarations of universal principles. In my judgment no apologies are necessary; Macaulay's schoolboy has been misled; a recital of the evils and abuses of enforcement was just what was called for in an attack on the licensing system. For so long as some forms of control are to remain (through the criminal or civil law), the problem is to identify those features of licensing which make it peculiarly obnoxious. John Locke himself, when he tried to generalize on this differentiátion, is singularly unconvincing. He wrote, "I know not why a man should not have liberty to print whatever he would speak; and to be answerable for the one, just as he is for the other, if he transgresses the law in either. But gagging a man, for fear he should talk heresy or sedition, has no other ground than such as will make gives necessary, for fear a man should use violence if his hands were free, and must at least end in the imprisonment of all whom you will suspect will be guilty of treason or misdemeanor." This would be persuasive if the prior restraint were directed against an author or publisher to suppress still uncomposed works; but it loses its force when applied to existing writings open to the judgment of the censor. When, almost a century later, Dr. Johnson looked back wistfully at the era of Tory censorship, he was equally unpersuasive from the other side. "[I]t is yet allowed," he pointed out, "that every society may punish, though not prevent, the publication of opinions which that society shall think pernicious; but this punishment, though it may crush the author, promotes the book; and it seems not more reasonable to leave the right of printing unrestrained, because writers may afterward be censured, than it would be to sleep with doors unbolted, because by our laws we can hang a thief."

Both metaphors are parodies of the essential problem of prior restraint—Locke's universally shackled men and Johnson's universally unbolted doors. For the real problem is the process of selection, for shackling or bolting. A process in which the selectors have a personal stake, by virtue of a competitive position, or justifying their occupation, or avoiding fines for approving an illicit publication; a process where administrative discretion, or indiscretion, is unreviewable; in which no jury stands between the government and its quarry; and in which the standards to be enforced ("offensive" publications) are at best a general warrant to the enforcers, is a process singularly calculated to promote the bland and stifle the blunt, to result in Herodian enforcement at the cost of the vitality of the press, to strike the balance suggested in Measure for Measure: "There's scarce truth enough alive to make societies secure, but security enough to make fellowships accursed. Much upon this riddle runs the wisdom of the world."

The end of the licensing system brought a proliferation of newssheets, the smaller ones being the most obnoxious to the governing authorities. In the oscillating struggle between government and its critics, Parliament found a new weapon, a stamp tax on newssheets, which by its terms bore most harshly on the smaller publications. The power to tax does indeed involve the power to destroy, if it is done in a discriminatory way, so that the inner political check on a generalized burden does not operate.

But the most menacing weapon was the prosecution for seditious libel, the crime of bringing the government or its organs into hatred, ridicule, or contempt. It was menacing not only because of the savagery of the penalties, ranging from the pillory to dismemberment, but because of the particular mode of trial. Juries were not allowed to bring in a general verdict of guilty or not guilty after receiving instructions on the law; the King's judges alone undertook to determine whether the published matter was seditious; the jury's verdict simply reflected their finding on whether the accused was in fact responsible for the publication. Moreover, truth was no defense, for in preserving the realm against disaffection a good opinion of government was necessary; a truthful attack on high officers of state was all the more likely to produce alienation and weaken the bonds of loyalty. This impeccable logic was not abandoned in England until 1834, though meantime the role of the jury was enlarged by Fox's libel act in 1792, as a concession to popular feeling during the hysteria bred by the French Revolution.

On this side of the Atlantic, before the rights of Englishmen finally became the rights of man, the English struggle was recapitulated. While licensing was not transplanted, stamp taxes on the press, and general warrants to search for seditious writings, germinated the "child Independence." No prior restraint, but criminal liability after publication, the Blackstonian formula, was the accepted framework of debate. The libertarian impulse was directed by lawyers and publicists against he special abuses of the law of seditious libel (the "honeyed Mansfieldism of Blackstone," in Jefferson's phrase) against the constricted role of jury and the failure to recognize truth as a defense. These were the fighting issues in the law of the press in pre-constitutional America.

The First Amendment to the Constitution (Congress shall make no law abridging the freedom of speech or of the press) was drawn in seemingly absolute terms; but what exactly was the meaning of "the freedom of the press"? The only proper answer must be, as it is to similar questions, "What do you mean by 'meaning' "?

The Sedition Act of 1798 was the great testing ground. Passed amid the excitement of the Federalists over Jacobinism abroad and at home, in France and among the Jeffersonian Republicans, the Act betrayed its partisan thrust on its face. It was to expire on March 3, 1801, which by a providential coincidence was the date on which John Adams' term as President was due to end. The Act made it an offense to publish "any false, scandalous and malicious utterances against the government, Congress, or the President, with intent to defame them, bring them into contempt or disrepute, or excite against them the hatred of the people." Whether the omission of the Vice President (Thomas Jefferson) from the list of officers to be safeguarded from abuse was a mere inadvertence on the part of the Federalists can only be conjectured. The necessity for the law was put with emotional force by a principal sponsor of the bill, by quoting an example of the sedition abroad in the land, taken from an attack on John Adams in a New York Republican organ: " . . . The mask should be torn off from this meaner species of aristocracy than history has condescended to record; where a person without patriotism, without philosophy, without a taste for the fine arts . . . is jostled into the Chief Magistracy . . . ." That rising crescendo of abuse could not possibly be tolerated. The Act was administered in a similar humor; Robert Frost had not yet written that the way of understanding is partly mirth. One Republican worthy was heavily fined for saying at a tavern, after President Adams had passed through the town to the salute of a cannon, that he wished the cannon ball had passed through Adams' posterior. Matthew Lyon, Congressman from Vermont, was convicted and sentenced to jail for his abusive comments on foreign policy in his newspaper fetchingly called "The Scourge of Aristocracy and Repository of Important Political Truth." While in prison he was reelected to Congress—a precedent emulated in the twentieth century in my own Commonwealth of Massachusetts.

But was the Sedition Act constitutional? It contained the safeguards for which the libertarians had fought as colonists: the defense of truth and the full role of the jury. The answer to the question, I have suggested, turns on the further question What do you mean when you ask what the First Amendment means. John Marshall, campaigning for Congress in Virginia in 1798, criticised the Sedition Act on grounds of policy, but maintained that it was constitutionally valid. And he was right if you give the First Amendment its denotative meaning. The particular historic devices that were obnoxious to the sons of liberty were avoided. In this sense the First Amendment was fulfilled. In another sense, if a connotative meaning is given, the answer may well be different. If juries were in fact an illusory safeguard, if the defense of truth was likewise illusory in dealing with political diatribe, then the meaning of the guarantee ought to outreach the particulars that gave it birth, in order that he freedom envisaged at its core can be vindicated.

Whether the inadequacies of the safeguards in the Sedition Act should have been foreseen, as they were by Madison with remarkable prescience in the Virginia Resolutions, or whether the First Amendment received a new and more extensive "meaning" in light of the actual experience under the Act, the ultimate judgment should be the same under a connotative sense of meaning. To digress: When a judicial nominee is cross-examined by a Senator on whether he believes the meaning of the Constitution changes, the question is an invitation to a discussion of linguistic, quite as much as constitutional, philosophy, though the nominee would doubtless be though rude in suggesting this, as a schoolboy, who when asked what caused the Civil War, gives the only proper serious answer, "Why do you want to know?" would no doubt be sent to the headmaster for disciplinary action.

It is worth recalling that even The Jeffersonians, positive as they were in their condemnation of the Sedition Act on constitutional grounds, did not regard the liberty of the press as absolute. Jefferson himself time and again made it plain that defamation of public officials, like defamation of ordinary citizens, could be redressed through civil actions for damages in the courts of the states. Writing to Abigail Adams in 1804 (imagine a President of the United States engaging in serious controversy with the wife of his predecessor on constitutional issues—what a charming Goldren Age!), Jefferson said of the Sedition Act, "Nor does the opinion of the unconstitutionality, & consequent nullity of that law, remove all restraint from the overwhelming torrent of slander, which is confounding all vice and virtue, all truth & falsehood, in the U.S. The power to do that is fully possessed by the several State Legislatures . . . They have accordingly, all of them, made provisions for punishing slander, which those who have time and inclination, resort to for the vindication of their characters. In general, the State laws appear to have made the presses responsible for slander as far as is consistent with its useful freedom." The same idea is contained in Jefferson's Second Inaugural, and late in life, writing to a French correspondent on an ideal constitution for a state, he included among the basic principles "Freedom of the Press, subject only to liability for personal injuries."

The most articulate of the Jeffersonian theorists on freedom of the press, Titus Wortman of New York, furnished an explanation of this position: "Civil prosecutions, at the suit of injured individuals, are a sufficient restraint upon the licentiousness of the Press. As in such prosecutions it is left to the jury to ascertain the damages sustained, while they afford a real compensation for the injury. They are much less likely to be rendered a dangerous weapon in the hands of a prevailing [political] party, or an aspiring administration." Just how far the risk of verdicts for damages against the press may be consistent, in Jefferson's words, with its useful function, has remained to be considered in our own time.

The twentieth century has brought some striking parallels to the seventeenth and eighteenth. Censorship in the classical form of systematic licensing of the press has been repudiated, but so-called prior restraint has taken new forms that require comparison with the old. The Government's attempt to enjoin publication of the Pentagon Papers was free of the special vices of the licensing system: There was no grant of a commercial monopoly to the judges; there was opportunity for appellate review; there was no requirement of systematic submission of publications in advance. And yet the central threat of overkill remained, given the absence of any controlling statutory standards for an injunctive order, the want of a right to jury trial, and the procedural rule that publication in disobedience of a preliminary order during the course of the litigation is punishable as a contempt of court regardless of the possible reversal of the injunction on appeal.

Taxes on the press—"taxes on Knowledge"—were curiously revived in Louisiana in the nineteen-thirties under the aegis of Governor Huey Long. A tax on newspaper revenues from advertising, whose rate varied upwards with the circulation of the paper, bore on its face an animus toward the metropolitan press, which was regarded as the special enemy of the state administration. The Supreme Court, not closing its eyes to what all others could see, invoked the history of stamp taxes to strike down the law. "To allow ourselves to fetter [the press] is to fetter ourselves," in Justice Sutherland's words, with an assist, there is reason to believe, from Justice Cardozo.

For seditious libel, however labeled, a new standard has been devised, replacing the clear and present danger test with its deficiencies, the standard of incitement, which adds to the requirement of imminent danger of violence some requisite with respect to the quality of the utterance itself in its context. To be more repressive would be excessive caution—overkill in another form. Half our fears of disorder will be mocked by history, as half the scientific truths taught today will be proved false in fifty years. The trouble is that in neither case do we know which half. We go on teaching science rather than forsaking it, and in the realm of utterance, risk for risk, measure for measure, we stake out fortunes in a marginal case on the side of freedom.

The question raised glancingly by Jefferson but left unanalyzed—how far civil suits for defamation may be compatible with maintaining the useful function of the press as a critic—has become an urgent issue. Most of our states had resolved it by allowing the press an immunity for the expression of opinion, however damaging and distorted, while imposing strict liability for untrue defamatory statements of fact. Under this accommodation editorial comment and artistic criticism flourished. When, for example, Dorothy Parker wrote that Tallulah Bankhead ran the gamut of emotions from A to B, or that when Leslie Howard played Hamlet last night, Hamlet lost, no one would seriously consider a libel action. But liability for false statements of fact, even though made innocently, remained as threat, especially so because the amount of damages awarded could be staggering. When a jury in Alabama awarded half a million dollars to a local police commissioner in an action against the New York Times for relatively minor inaccuracies in a civil rights advertisement that did not name him or his office, the legal accommodation of rights had clearly gone awry. Two factors called for attention: the degree of culpability required to make the press liable, and the measure of monetary damages.

In a series of decisions the Supreme Court has dealt with both issues. On the side of damages, injury to reputation may not be presumed, it must be proved; and punitive damages are permitted only in cases of willful or reckless falsehood. On the score of culpability, a publisher is liable to a public official or a public figure only for that Kind of Knowing or reckless mistatement. Whether the press should have the same immunity when the victim of the false statement is an ordinary citizen but the defamation occurred in the context of a discussion or report of a matter of public concern, has been a troublesome problem. At first I leaned to the view that the area of public concern should confer the same latitude on the press, in the interest of untrammeled reporting. But I have come to the view adopted by the Court, that where the victim is not a public officer or public figure the balance should move in the victim's favor, permitting him to recover if he can show merely negligence, not necessarily recklessness, on the part of the publisher. In an event of public concern the person defamed may be an involuntary participant, as in the case of one whose home has been broken into. Even where the person defamed has entered the arena voluntarily, as in the case of a lawyer representing a client or a professor speaking on a public question, he has not made his character a relevant issue, and a publicist ought to assume the burden of due care if he chooses to impugn that character. Otherwise private citizens may be deterred from entering the arena of public debate. That arena is not occupied solely by the press, and it would be ironic if in preventing a chilling effect on the press the law were to chill the entry into the arena by ordinary citizens.

Thus far I have said nothing of the legal controls on obscenity. Actually this concern did not arise until the eighteenth century in England, save as obscenity might be embedded, as it often was, in politically seditious or theologically heretical writing. But with the rise of a politically powerful middle class, of evangelical Protestantism, and a concomitant fear of the literacy of the lower class, obscenity became a concern of the state, as it did in America in the nineteenth century. No area of law is less satisfactory than this one. The basic difficulty is that there is no consensus on what harm is caused to whom by what means; with these fundamentals in doubt, it would be surprising if there were in fact a satisfactory approach. Whether obscenity harms society by producing dangerous behavior on the part of the consumer, or serves to discharge aggressive impulses benignly; whether it is harmful to the consumer himself by producing a state of narcissistic infantile regression, and whether if so this is a proper business of law, are questions unresolved.

It must be said, however, that our Supreme Court has taken a series of positions in the last generation that greatly moderate the reach of obscenity laws. The work in question must be viewed as a whole, not in isolated passages. A serious literary, scientific or historical purpose will serve to legitimate a work. Standards suitable for juveniles cannot be made the criteria for distribution to adults. Booksellers cannot be penalized for carrying a work whose contents are not known to them. Material in the home is beyond the reach of the law of obscenity (greatly undermining the rationale of harm to the consumer). And a book or film—the example is the film version of Lady Chatterley's Lover—cannot be banned because its ideas are immoral or because it makes immorality attractive.

These are significant accomplishments. Yet the nagging question remains whether even the residue ought to be subjected to the sanctions of the law if there is a willing purchaser and no offensive public display. My judgment is that the law will come to confine itself to public displays (on the analogy of public nuisances), to distribution to juveniles (as an adjunct to parental control), and to zoning restrictions for theatres and bookstores specializing in this form of popular culture. For the rest, it may be adjudged a sin against language or an offense against art—crimes against which the writ of the law runneth not.

Five hundred years after Caxton, generation by generation, struggle by struggle, we in America—writers and speakers, politicians and artists—have achieved at least for a historical moment a degree of freedom from official control that would, I daresay, amply gratify Milton, Locke, Mill and Thomas Jefferson. Meanwhile a different set of problems has emerged, centering on the adequacy and responsibility of the media of communication themselves, problems of new entry into the field and access to the existing media.

Of making many books there may be no end, but of the shrinkage of the daily press there is no doubt. As technology made possible the proliferation of newspapers—aided, to be sure, by the elimination of licensing—so it is to technology that we look for the removal of economic obstacles. What we read in cold print is now increasingly the product of cold type, and it may be that the savings in cost of equipment and labor will encourage more entries into the field of daily journalism, despite the heavy competition of radio and television. Already there has been a patent flowering of more specialized journals, and the underground press is emerging into the daylight of readership. In all of this the laws of economics are more relevant than the civil law. The law can, of course, combat restrictive competitive processes, as it did a generation ago when the government invoked the anti-trust laws to force the Associated Press to liberalize its requirements for membership.

The search for diversity has turned to broadening the spectrum of views available to the consumers of opinion by providing greater access to existing media. The prototype, of course, is found in the electronic media, by dint of the so-called fairness doctrine and the right of reply to personal attacks. The fairness doctrine is a corollary of the legal obligation of television and radio stations to broadcast on controversial public issues; in fulfilling that duty they must give fair coverage, not necessarily in the same program, to opposing points of view.

The physical constraints on the number and location of channels which led in the first place to the necessity of licensing by the government have sufficed to justify imposing upon licensees the moderate duty of openness embodied in the fairness and right-of-reply regulations. Dissemination of contrasting views is germane to the licensing function, as the equitable distribution of energy would be a condition germane to the licensing of hydroelectric sites; and of all controls it is most congruent with the spirit of the First Amendment. Whether technical advances making possible a multiplication of channels will call for a relaxation of these rules is an open question, but it can be said that a proliferation of outlets in the ultra-high frequency range does not seem adequate, as a practical matter, to cure the shortage continuing on the conventional frequencies that are the staple of viewing and listening.

What bearing, if any, does this governmental oversight have on the printed news media, where the limitation on outlets is owing to the laws of economics rather than the laws of nature? The question was tested in a modest way in 1974, when the Supreme Court considered a Florida law affording a right of reply to public officials and candidates whose character had been attacked in the local press. The law, which was not a model of draftsmanship, was held repugnant to the freedom of the press. While the outcome was disappointing to those who saw in the electronic field a model for the press in a time of scarcity, the differences are significant. The distinctive impact of television, in particular, and its potential for powerful partisanship, make some mild form of balance appropriate. Journals of news and opinion have more counterparts in the printed media: the daily press is supplemented and to some extent offset by weekly magazines, neighborhood-news sheets, trade and religious periodicals, and more. And although a right of reply to an attack on one's character is a very limited inroad on editorial autonomy, particularly given the very circumscribed right of public officers and public figures to recover damages for defamation, the principle of resisting the government's entering wedge is probably a salutary one in the context of journals of opinion, where factual and judgmental attacks on the editorial page may be hard to distinguish.

This is not to say that a univocal press in a given locality is a consummation to be wished. It is only to say that regeneration should come from within, prodded, I should add, by self-interest. If newspapers develop an interesting op-ed page, include a diversity of columnists (Chief Justice Hughes called them the daily calumnists), publish excerpts from other editorial pages and a generous sampling of letters, as a mirror of public opinion, the paper may become more popular, the readers more engaged, the circulation higher. For this the responsibility rests ultimately on the community itself.

I have spoken mainly of the great disorder of words, for without it individuals are less than persons and civilization stagnates and atrophies. But civilization is a tension between atrophy and anarchy.

"A. A violent order is a disorder, and B. A great disorder is an order."

But the poem ends:

"Now A and B are not like statuary
Posed for a vista in the Louvre.
They are things chalked on the sidewalk
So that the pensive man may see.
The pensive man. He sees that eagle afloat
For which the intricate Alps are a single nest."

The eagle is an endangered species. We have largely lost as a nation the unforced unity of its vision, and we have scarcely begun to turn the great disorder of words into an anthem for mankind. When a physical chemist cannot understand a chemical physicist, when a linguistic philosopher can do nothing with political philosophy except dissolve it, and a psycho-historian is baffled by a cliometrician, when the fables and myths of one people are viewed as the superstitutions of another, one can only put the question "Two cultures?" and give the answer that Lord Keynes made to the charge of a bankers' conspiracy: "I only wish there were!"

The task is not one for coercion but for the culture. We need a new and more universal set of McGuffey's Readers, and in higher education we need not so much a prescription of Great Books, Dr. Eliot's Five-Foot Shelf (The Bible and other Harvard Classics) or the Brittannica's selection—as a set of Great Themes. There is, to be sure, the Britannica's concordance, the Syntopicon of Great Ideas, one hundred-two to be exact, but you will not be surprised if I would have substituted for their first Idea—Angels—a theme like Accountability, and not on alphabetical grounds alone.

Disparity of knowledge is inevitable, and diversity of opinion is essential, and both are elements of a lively, healthy society, respectful of the intricate Alps of human existence, so long as there is not lost a sense of ultimate unity of purpose, of the organic community of humankind. The great disorder of words may yet give us both the prudential scrutiny of the owl and the floating vision of the eagle.

NOTICE OF STAFF PARTICIPATION IN EDUCATIONAL EXCHANGE PROGRAM

Mr. SCHWEIKER. Mr. President, pursuant to the guidelines set forth by the distinguished majority and minority leaders in their July 10, 1974, CONGRESSIONAL RECORD joint statement, I wish to advise that my legislative council, David W. Marston, will participate May 24 through June 15 in the educational exchange program sponsored by the European Community's visitors program. I am advised that this program, sponsored by the European Parliament and Commission of the European Communities, closely parallels the "leader grant" program operated by our Department of State, and meets all criteria established by the July 10 statement. Mr. Marston will be utilizing his regular vacation time during this period.

THE EFFECT OF SURFACE-MINING LEGISLATION

Mr. HARRY F. BYRD, JR. Mr. President, Congress has passed far-reaching surface-mining legislation. If the President does not veto it, it will have a serious impact on the Commonwealth of Virginia—and, indeed, upon the Nation.

Several months ago, Gov. Mills E. Godwin, Jr., appointed a blue-ribbon Electricity Costs Commission to study the causes of spiraling utility costs in Virginia and to make appropriate recommendations to alleviate this burden which affects practially every citizen in this State. That preliminary report is anticipated early this summer.

In response to a request from the Commission's Subcommittee on Supply and Demand, Mr. Marvin M. Sutherland, director of Virginia's Department of

Conservation and Economic Development, filed a detailed report on the present state of coal mining operations in Virginia and the probable impact of Federal legislation.

His conclusions bear careful attention:

First. The impact on production costs and output of surface mined coal in Virginia will be dramatic.

Second. Production costs may be expected to increase by as much as 50 percent per ton.

Third. It is estimated that 75 percent of the operations in Virginia will cease coal surface mining wihin 6 months of enactment of the proposed Federal legislation, because of its requirements, with an estimated production output loss of 8.5 million tons—one-fourth of Virginia's entire annual coal production.

Fourth. The spot market—coal not on long-term contract—could lose as much as 8.8 million tons. In Virginia, surface mining produces 70 to 80 percent of the spot market.

These statistics indicate higher electricity costs for each and every consumer.

And they mean unemployment—for thousands of hardworking, taxpaying men and women in southwest Virginia.

This kind of broad-brush Federal approach just does not make sense at a time when the national unemployment rate has climbed to 8.9 percent and utility rates have soared.

And it is not fair to herald "energy self-sufficiency" to the people on the one hand and then impose restrictive, unemployment-producing and shortage-producing legislation on the other hand.

Just 1 month ago, a group of hardworking, independent-minded Virginians came to Washington from southwest Virginia to bring their message: Jobs—not welfare.

I ask unanimous consent that the report of the Department of Conservation and Economic Development be printed in the Record at this point and I draw the attention of my colleagues to its unmistakable message.

There being no objection, the report was ordered to be printed in the Record, as follows:

Report to the Subcommittee on Supply and Demand of the Electricity Cost Commission, by the Department of Conservation and Economic Development, May 1975

I. ACTIVITIES OF THE DEPARTMENT OF CONSERVATION AND ECONOMIC DEVELOPMENT

The Department of Conservation and Economic Development administers two programs which have a direct relationship with the activities of the Subcommittee on Supply and Demand of the Electricity Cost Commission. These programs are described below:

Coal surface mining control

The issuance of coal surface mining permits and the supervision of the reclamation of lands disturbed by coal surface mining operations is the responsibility of the Division of Mined Land Reclamation of the Department of Conservation and Economic Development. That Division will also be the agency that must respond to and administer the proposed Federal Coal Surface Mine and Reclamation Act and the regulations that will be promulgated thereunder.

Coal resource examination

The examination, identification, and correlation of information on coal resources in Southwest Virginia according to physical and chemical properties and the maintenance of records of the coal resources is the responsibility of the Division of Mineral Resources of this Department.

II. COAL RESOURCE DATA

1. Underground Coal Reserves

Total coal production for Virginia in 1974 as estimated by the Division of Mines and Quarries, Virginia Department of Labor and Industry, was 34,788,459 short tons. 23,113,914 short tons were produced by the underground mining method. Approximately 2.95 billion short tons of Demonstrated Coal Reserve Base are available in Virginia as of January 1, 1975 by the underground mining method.

2. Strippable Coal Reserves

We have been unable to develop reliable information in the strippable coal reserve base in Virginia.

3. Information on BTU and Sulfur Content of Virginia Coal

Most of the coal mined in Virginia is low in sulfur content and has a high BTU level. For a detailed analysis of the various coal seams in Virginia see the attached copy of page 72 of "Summary Data for Coal Resources in Virginia," compiled by the Department of Conservation and Economic Development, Division of Mineral Resources, for the Virginia Coal and Energy Board.

III. EFFECTS OF PROPOSED FEDERAL COAL SURFACE MINING LEGISLATION ON COAL PRODUCTION

Proposed Federal legislation to control coal surface mining has been reported from the House-Senate Conference Committee for final approval by Congress. The Conference Committee has not substantially altered the proposed legislation (despite reports to the contrary in the news media). The impact on production costs and output of surface mined coal in Virginia will be dramatic.

The proposed Federal legislation contains a number of provisions which will increase production costs and result in a severe reduction in the output of surface mined coal.

1. Increase in Production Cost

The Tennessee Valley Authority has provided some preliminary figures on the cost of returning surface mined land to the approximate original contour through a demonstration project in Campbell County, Kentucky from July 1972 through 1974. The average slope for the demonstration project was 25 to 30 degrees. Four different coal seams were mined which were approximately 30 inches in depth with a 100 foot vertical drop. The total distance mined and returned to original contour was approximately three miles of outcropped coal. Another operation was used for comparison which was mining the same coal seams with similar geological and topographic conditions on the opposite side of the mountain ridge, but using the conventional contour mining method of depositing spoil on the outslope.

The preliminary cost findings for the project indicate that the increase in production cost was in excess of $3.00 per ton for returning to the original contour on the demonstration project. The increase in cost was a result of the additional handling of the overburden material at $.42 per cubic yard with an average of seven (7) cubic yards of overburden per ton to be handled. Also, there was a loss of 15 to 20 percent in production time on the demonstration project due to the additional handling of the overburden (additional cost $1.00 per ton). The production cost per ton for the demonstration project was $12 compared to $8 per ton for the conventional mine operation, an increase in production cost of 50 percent.

Mr. Philip Nutter, a coal surface mine operator in West Virginia, has estimated his increase in cost to be 40 percent due to returning to the approximate original contour with a bench left at the top of the highwall and also at the toe of the spoil (operation would not meet proposed Federal standards). Mr. Nutter's estimate is based on a detailed review of his operational costs.

The Federal Bureau of Mines has estimated that the extra cost to small surface mines on steep slopes will be approximately $1.30 per ton. These estimates were based on a wide variety of operations throughout diverse geological and topographical areas and did not take into account loss of production time and a number of other factors which can be reviewed in the attached document, "Weekly Energy Report," March 24, 1975, page 2.

2. Decrease in Production Output

As stated in the preceding text, there was a 15 to 20 percent loss of product output due to the additional handling of overburden on the TVA's demonstration project in Campbell County, Kentucky. It has been estimated by the Department of Interior, Bureau of Mines, that the Federal legislation could result in loss of "48 million to 141 million tons in lost production. Of the high range, 141 million tons estimate of lost production, 52 million tons will come out of small mines."

In Virginia the impact on production output will be severe. In 1974 Virginia had 290 active producers of coal by the surface mining method, which produced 11.7 million tons. Each operator on the average produced approximately 40,000 tons per operation. It is estimated that 75 percent of the operations in Virginia (i.e. 215 of the current coal surface mine operators) will cease coal surface mining within six months of enactment of the proposed Federal legislation because of its requirements, with an estimated production output loss of 8.5 million tons.

Federal requirements which will have the greatest impact are:

1. Returning to the approximate original contour with no highwall or bench remaining.
2. Detailed engineering and hydraulic plans.
3. Legal requirements and possible citizen suits.
4. Designation of areas as unsuitable for mining.

The remaining 75 operators in Virginia will experience a production output loss because of additional handling of spoil and new engineering requirements. It is anticipated within a period of two or three years after enactment of the legislation that the production rate will be approximately 35 to 40 percent of the current production figures or approximately 4.5 million tons. The increase will occur because operators will better understand the Federal requirements, and the price of coal will increase to the point where it will be economically feasible to enter into the coal surface mining business and also to mine areas which previously had not been profitable to mine.

IV. EFFECTS ON UTILITIES

1. Loss of spot market coal

Spot market coal (coal not on long-term contract) originates with small coal strip mine operators and can be expected to diminish significantly because of the elimination of many small operators. It is estimated that nationally 100 million tons are produced annually in the spot market and that this may be reduced by one half as a result of the Federal bill. Translated into energy, approximately 50 million tons would be lost which could have produced an estimated 550 billion BTU's (using an average of 11,000 BTU's per ton nationally). In Virginia the spot market is estimated at 70 to 80 percent of coal produced by strip mining. Lost tonnage could be as high as 8.8 million tons. Translated into energy (using the average of 13940 BTU's for Virginia coal), over 122.3 billion BTU's could be lost. Some reports indicated that nationally 20 percent of the coal used by utilities is spot market coal.

2. Competition for higher price coal

With a marked reduction in tons of coal produced, competition for available coal will increase and can be expected to push up existing prices. Deep mining cannot be expected to make up the reduction on the short term. Utilities may be pressed into bidding for metallurgical coal (already at a higher price than now used) to meet their needs. This could in turn create shortages for present users (steel and related industries).

3. Conversion to coal generating facilities

It would appear that programs designed to convert existing power generating and heat producing systems to coal for the short-term will be severely curtailed, if not eliminated. In view of the abrupt shortages and higher prices, there will be little incentive for utilities to convert to coal from other energy sources.

LOU PERRY, A MAN OF EXPERIENCE

Mr. HATFIELD. Mr. President, recently, a very accurate portrait was painted of a new member of the Oregon State Board of Higher Education in an article in the Portland Oregonian by John Guernsey.

Lou Perry is among one of our State's most talented people. A successful businessman today, Lou Perry was an outstanding college president before entering the business world. He has a human sensitivity to people and their problems that will make him a valuable member of the State board.

I ask unanimous consent that this article from the Oregonian of April 22 be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A NEW PERSPECTIVE—LOU PERRY'S DUAL-FIELD EXPERTISE CAN ONLY HELP HIGHER EDUCATION

(By John Guernsey)

The stock of the Oregon Board of Higher Education received a boost recently when a rare bird—Louis Perry—was named to a seat on the board by Gov. Bob Straub.

The Standard Insurance Co. president, and member of several major corporation boards of directors, stands to be an exceptional Board of Higher Education choice because he is schooled and proven on both sides of the street—education and business operation.

He is basically an educator—12 years as a professor of economics at UCLA, Yale University and Pomona College, then eight years as president of Whitman College in Washington.

He has a thorough understanding of educators—their priorities, goals, and their often theoretical thinking processes flavored with academic freedom and doctoral thesis verbiage.

At the same time, and since he was first named vice-president and a director of Standard Insurance in 1967, he has established an enviable track record in the world of big business. He has removed any doubt that he understands the practical application as well as the theory of economic principles. He became president of the corporation in 1972.

A major weakness of the Board of Higher Education in the past has been a drought of members who understood the professors and their often-foreign world of academia—and also understood the hard world of dollars and the public, to whom professors and their institutions, and the board, must answer.

The board has now, and nearly always has had some outstanding lawyers and businessmen as members. Their keen and aggressive minds have helped higher education over some high hurdles. But sometimes their failure to understand the educators and the educational process has been a handicap in the development of greater quality education.

The board also has had some lay members with exceptional understanding of educators and the educational processes. But too often these members have had no realistic concept of dollars, taxes, politics and practical application of theory—all of which affect the operation of an education enterprise.

In recent years the board also has had two college students as voting members. They have performed well and contributed greatly by providing other board members with first hand insights into student thinking about specific problems. But the students have only a theoretical understanding of the post-college world because they have never been there.

Some of the current professional members of the board approach curriculum development with a courtroom, case presentation technique. And some of the businessmen members would measure the efficiency of a doctoral degree program in the same manner used for calculating lumber production efficiency from the woods to the lumber yard.

Too often the current board members fail in some higher education pursuits because they are thinking apples when trying to grow oranges.

Perry may be the exception because he comes to the board with singular skills. He has a working understanding of most or all of the components which are parts of higher education and affect it.

The 57-year-old educator-business executive hesitates to try to pinpoint specific problems facing the Oregon Board of Higher Education—"because I'm not yet all that familiar with the State Board of Higher Education. I have a lot of studying to do."

He has several over-all higher education problems in mind, which he believes higher education officials throughout the nation—including Oregon—will have to deal with in the immediate future.

The skiing and back-packing executive foresees a continuing stabilization of higher education enrollments, and public objections to budget increases when enrollments are not growing.

"We will have to increase the quality of education, because society does not stand still. This will take more dollars per student to accomplish."

He expects added faculty pressures for unionization, because the higher education enrollment leveling will curtail the number of openings for new faculty members, and lengthen the time it takes for an instructor to advance to professor status.

He believes the faculty members will endorse unionization in an attempt to improve conditions and benefits at the teaching levels they occupy.

He expects a greater student interest in vocational education because the current recession has disappointed many college graduates. "They just have not found the world waiting to offer them good paying jobs."

But Perry is firm in his view that increased vocational education, as the route to a job, should not dilute the amounts spent for college and university liberal arts programs.

"You can't look at liberal arts from just the dollar sign standpoint." He points out that liberal arts provide students "with more windows on life. It gives them more breadth, and a greater appreciation of the non-monetary aspects of life."

He believes the "education throughout life idea" is gaining momentum, and that colleges and universities in the immediate future will enroll more middle age and older adults who want specific courses for no more than self satisfaction.

He also envisions an accelerated move to "colleges without walls"—more college services provided and more courses taught away from the central campuses.

The time-budgeting business leader is distressed because he sees in the nation a growing anti-intellectualism.

"I believe this is partly the product of many college graduates not finding jobs waiting for them, and it may be a byproduct of the campus riots of the late 1960s.

"But unless we continue to provide educated leadership in this country, I don't think the nation will be able to resolve some of our problems in the future."

The topics of education, business and economics occupy most hours of Perry's downtown life—and he has an able conversationalist in the subjects when he goes home. His wife, Genevieve, has a master's degree in economics. Perry, whose Ph.D. in economics entitles him to "Doctor," prefers "Lou," as most who know him well call him.

In addition to talking economics, the Perrys enjoy fishing, hiking, skiing and gardening. They are the parents of three grown sons and daughters.

And how does Perry find the time to do the many things he does?

"I read an awful lot, and I really don't feel comfortable when I'm not busy."

FRANK M. JOHNSON—AN OUTSTANDING FEDERAL JUDGE

Mr. KENNEDY. Mr. President, on April 19, a dinner was held in Montgomery, Ala., to honor Judge Frank M. Johnson on the occasion of his 20th year as a Federal district court judge for the middle district of Alabama. The celebration was organized by 16 of the judge's past and present law clerks from throughout the country.

Judge Johnson is best known for his landmark civil rights decisions. His court has been a battlefield in the struggle over equal rights, and he has consistently upheld the principle that all persons are equal before the law.

Ever since his appointment to the bench by President Eisenhower in 1955, Judge Johnson has worked to raise the law above the forces of prejudice and discrimination. Martin Luther King spoke of Judge Johnson as, "The man that I know in the United States, who gives true meaning to the word justice."

Above all, Judge Johnson is a man of principle. He relies on his conscience and the rule of law to determine his decisions. Many of the judge's civil rights opinions have been controversial among his fellow Alabamans, and on several occasions, his home has been vandalized. Such violent harassment, however, has failed to soften Judge Johnson's commitment to principle, and so to his other outstanding qualities must be added the quality of great personal courage.

A book of personal observations compiled by the 16 law clerks who served Judge Johnson was presented to him at the dinner. It is appropriately entitled "A Matter of Principle." In discussing the justice's life, the preface states:

Though he and his family have suffered ostracism and much worse, after 20 years on the bench, Judge Johnson continues in his devotion for, and in his fierce determination to apply, equal justice.

Judge Johnson's career reflects a strong belief that a civilized society must require all men to live under the same law. Tradition must never be mistaken for law, and it does not justify the existence of a double legal standard. As Judge Johnson stated on Law Day in 1967, in an address to newly naturalized American citizens:

> It is necessary, now more than ever, that the responsible American citizen realize and discharge his obligation constantly to support and defend the proposition that our law is supreme and must be obeyed. This means that irresponsible criticism—by those who can hardly read the Constitution, much less study and interpret it—must not be allowed to stand unchallenged.
>
> When those who frustrate the law, who undermine judicial decisions, run riot and provide uncurbed leadership for a return to nothing more than medieval savagery, for the responsible American citizen to remain silent is tantamount to cowardice; it is a grievous injustice to the proposition that in America the law is supreme.

Mr. President, I add my own commendation to Judge Johnson on this anniversary of his two decades of outstanding service. I ask unanimous consent that the following materials may be printed in the Record: A recent New York Times article by Ray Jenkins on the anniversary dinner; the comments by Chief Judge John R. Brown and Judges Richard T. Rives and John C. Godbold; and excerpts which I have received from the volume "A Matter of Principle" presented to Judge Johnson by his law clerks.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the New York Times, Apr. 21, 1975]

OFTEN-EMBATTLED SOUTHERN JUDGE IS HONORED

(By Ray Jenkins)

MONTGOMERY, Ala., April 20. The tone of the gathering was a bit akin to that of a reunion of veterans of some long, grim military engagement that had somehow ended successfully despite great odds.

It was a dinner given here last night by 16 present and former law clerks from throughout the country to pay tribute to Judge Frank M. Johnson Jr. on the occasion of his 20th year as a Federal district court judge in Montgomery—a position that brought him under almost perpetual attack from Gov. George C. Wallace and other Governors of the period because of his vanguard constitutional decisions in civil rights, legislative reapportionment and due process of law.

Two of the former clerks are law professors now; one is an Alabama Supreme Court Justice, and another is a State Assistant Attorney General. The remaining ones are in private practice.

They all agreed that Judge Johnson's two decades on the bench represent perhaps the most sustained and dramatic confrontation between state and Federal authority since the days of Chief Justice John Marshall early in the 19th century.

DR. KING QUOTED

One former clerk, Walter Turner, the Assistant Alabama Attorney General, recalled speaking about Judge Johnson with the late Dr. Martin Luther King Jr. during a recess in a court hearing on some crucial aspect of the legal struggle for civil rights. Dr. King, Mr. Turner related, said, "That is the man that I know in the United States who gives true meaning to the word justice."

Judge Johnson comes from a long line of antisecessionist Republicans in the hill country of upstate Alabama. His father was a Republican county officeholder—a rarity in the South in those days. Returning from World War II, in which he served as an infantry unit commander in Normandy, Judge Johnson followed the family tradition and became active in Republican politics in the overwhelmingly Democratic state.

As a supporter of General Eisenhower in 1952, he won appointment as United States Attorney in Birmingham, where he gained a reputation as a vigorous prosecutor. When the Federal district judge in Montgomery died, a struggle for the seat followed between traditional Republicans, as represented by Mr. Johnson, and conservative Democrats who supported the President.

Mr. Johnson won the appointment, becoming the youngest district judge in the nation at the age of 37 in 1955.

He became embroiled almost immediately in the civil rights struggle, which had its birth with the Montgomery bus boycott in 1955. The following year, along with resident Federal appeals court judge, Richard T. Rives, a Truman appointee, Judge Johnson declared the Montgomery bus segregation ordinances unconstitutional. It was the first application of the 1954 school desegregation decision to a nonschool area.

HOSTILE REACTION

The decision generated so much hostility—a cross was burned on Judge Johnson's front lawn—that a 24-hour police guard was placed around his home. As recently as 1967, his mother's home in Montgomery was damaged by a bomb. The police guard was discontinued only two years ago, but when the termination was publicized, the guard was reinstated.

Three years after his appointment, civil rights litigation brought Judge Johnson into a long and bitter confrontation with his old law school classmate from the University of Alabama Mr. Wallace.

Mr. Wallace, then an elected state judge who was preparing to run for Governor, refused to surrender voting records in his county for inspection by the Federal authorities and threatened to jail any Government agent who attempted to see the records.

Judge Johnson cited Mr. Wallace for contempt, but later the charge was dropped when he found that Mr. Wallace had given up the records by means of "subterfuge."

This finding by the judge became a crucial issue in the 1962 race for-Governor when Mr. Wallace denounced Judge Johnson as "a scallawagin' integratin' carpetbaggin' liar" for suggesting that he had cooperated with the Federal agents in surreptitious ways.

WALLACE A NATIONAL FIGURE

Mr. Wallace was elected and as Governor, pursued a course of rhetorical defiance that vaulted him into contention for the Presidency. "The Governor has no power," he often complained. "The Federal judge has all the power."

Throughout the late nineteen fifty's and into the sixties, Judge Johnson struck down segregation practices not only in schools but also in other state facilities such as mental institutions and prisons and in state and local employment.

The trend culminated in his 1965 order permitting, over vigorous state resistance that erupted in police violence against protesting blacks, the Selma-to-Montgomery march to protest voting discrimination.

In that case Judge Johnson held that the right to seek redress of grievances was not unlimited, but that "the extent of the right to assemble, demonstrate and march peaceably along the highways and streets in an orderly manner should be commensurate with the enormity of the wrongs that are being protested and petitioned against."

Shortly after the demonstration, Congress enacted the Voting Rights Act of 1965, which was to revolutionize Southern politics during the next decade.

REAPPORTIONMENT DECISION

Judge Johnson also was in the forefront of the legal struggle to reapportion state legislatures. Along with Judge Rives he handed down the initial decision in the case in which the United States Supreme Court enunciated the one-man, one-vote doctrine.

Judge Johnson was known to have been considered for appointment to the United States Supreme Court early in the Nixon Administration, but that consideration was dropped when his appointment encountered stiff opposition from Southern Republican Congressional leaders who came to the forefront during the Presidential race of 1964 when Senator Barry Goldwater swept the South.

At the gathering here, Judge John C. Godbold, one of the younger judges on the United States Court of Appeals for the Fifth Circuit, spoke of Judge Johnson's reputation for running "a tight ship" in his court.

Recalling his own practice before Judge Johnson, Judge Godbold said that "I may have been the only lawyer in history who was threatened with contempt because of the expression on his face." This occurred, he said, after he indicated displeasure with a Johnson ruling.

"But when it comes to the * * * tion," Judge Godbold continued, "no judge in America has ever stood on a hotter firing line. He never ducked, never flinched, never faltered. He insisted on carrying out the law as the Constitution requires. His answer has always been the same: With compassion, with understanding, with firmness, 'I shall live by the law.' "

U.S. COURT OF APPEALS,
Fifth Circuit, April 19, 1975.

Hon. FRANK M. JOHNSON, Jr.,
Chief U.S. District Judge,
Montgomery, Ala.

MY DEAR JUDGE JOHNSON: I write to you in this austere form rather than the "Dear Frank" which more befits our relationship because of the nature of this occasion.

Both in my personal capacity as your long time friend and colleague and as the Chief Judge of the United States Court of Appeals for the Fifth Circuit speaking on behalf of the nearly 100 Judges, District and Circuit, I join your many friends, the Alabama Bar, the officers and directors of all lawyer groups in Alabama in extending congratulations to you on the 20th anniversary of your coming on the Federal Bench.

These have been momentous years. In saying that, I am not in the position of an historian who pokes around amongst the ashes of antiquity. I am not only an observer. I was at times a participant in the very things which made your presence on the Bench an important event in the development of strong and good law and the assurance of equal protection among all of our citizens in overcoming some of the discriminations of the past.

The good Judge should be a blend of exceptional intelligence, outstanding industry, professional competence, human compassion and courage to stand up against the well-known generally accepted, but unacceptable views of his fellows. You have had these qualities in great abundance, but of these I would regard courage as the most important and certainly as historians look back upon the development of civil rights in the deep south, the most decisive.

I am privileged that there has been confluence of time and circumstance which accorded to me the office and responsibility of the Chief Judge of the United States Court of Appeals for the Fifth Circuit so that I could record these sentiments for all of us. My only disappointment is that I cannot be with you in person.

Sincerely yours,

John R. Brown,
Chief Judge.

Comments of Judge Richard T. Rives: Senior U.S. Circuit Judge

Judge Johnson and I have sat together on many far-reaching and precedent-setting cases. I have had an opportunity to observe him as he reached decisions required by the law, though he knew the result would be public outcry and personal ostracism. His courage and dedication to the right cause were obvious to all who participated in those cases.

A friend of mine sent me a poem by James Russell Lowell a few weeks ago, and when I read it, it immediately impressed me as being as good a description of Judge Johnson's legal career as could be found. I would like to share it with you tonight:

> Once to every man and nation,
> Comes the moment to decide
> In the strife of truth with falsehood
> For the good or evil side.
>
> Then to side with truth is noble,
> When we share her wretched crust,
> Ere her cause bring fame and profit,
> And 'tis prosperous to be just.
>
> Then it is the brave man chooses,
> While the coward stands aside,
> 'Til the multitude makes virtue,
> Of the faith they had denied.

Extract of Remarks by U.S. Circuit Judge John C. Godbold at Dinner in Honor of Judge Frank M. Johnson

Counsel who files a case for the plaintiff, or appears for the defendant, in the Middle District of Alabama, can expect to plead the real issues without eyewash, humbug or repetition. He can expect to move expeditiously with discovery and other pre-trial matters. He can anticipate that when his case is set for trial it will be tried, barring extreme circumstances. He will be wise to be acquainted at trial with both facts and law. And, when the trial begins, it will move along. He will discover that there will be no interruptions for him to look up law that he should have looked up last week, or to confer with a witness that he has neglected to interview. If he is prudent, he will not attempt by courtroom maneuver to get before the jury matter which everyone knows is improper. And one very happy thing new attorneys will discover is that the rules are the same for everybody, that the young and inexperienced lawyer receives the same consideration as do the patriarchs of the profession.

Sometimes circumstances demand a particular kind of fortitude to be a good judge, state or federal. In the past few years, no judge in America has stood on a hotter firing line than has Judge Johnson. He has never ducked, nor flinched, never faltered. He has just quietly carried out what the Constitution and laws of the United State require of all of us judges, without counting heads to see who approves and who does not.

I know him as an engaging companion. I know him too as a deeply compassionate and warmhearted man. And I know too how deeply he loves our country, our state and our people.

His answer the same in every case--with compassion, with understanding, with firmness, but always the same answer—"I shall live by the law."

Because of these qualities, Judge Johnson, I am honored to salute you.

Excerpts From a Matter of Principle

PREFACE

Judge Frank M. Johnson, Jr., more than anything else, is a man of principle. So many times during his judicial career he has been compelled to choose between applying unpopular laws and adhering to principles of justice. In every instance, and often at grave risk not only to himself, but also to his family, he has stood rigidly on principle. Though he and his family have suffered ostracism and much worse, after twenty years on the bench Judge Johnson continues in his devotion for, and in his fierce determination to apply, equal justice. This remains so even though, as one of the finest jurists in the history of American law, his staunch adherence to principle has obstructed his every opportunity for appointment to the highest Court in the land.

Today, Judge Johnson's former and present law clerks meet in celebration of his twentieth year on the bench. This book is dedicated to Judge Johnson and the principles which form his philosophy of life and law. Though his lawclerks are as diverse as the regions of this country and England from which they come, each recognizes and admires not only the Judge's scholarly excellence, but also the sincerity and honesty of his judicial character. Truly, the hallmark of Judge Johnson's career has been principle. How fortunate this country and the State of Alabama are to have a man for whom the words—"A Matter of Principle"—apply so appropriately.—Presented to Judge Frank M. Johnson, Jr. by his Law Clerks, April 19, 1975.

MEMORIES OFF THE BENCH

Some of the most memorable experiences which I had while clerking for the Judge occurred while we were holding Court outside of Montgomery. Since the Judge maintained a current docket, he was assigned to go to Meridian, Mississippi, Atlanta, Georgia, and Tallahassee, Florida and hold Court. We also held Court periodically in Opelika and Dothan. It was during some of the trips that some memorable occasions happened.

In Meridian, we took off one afternoon to play golf. I had never played golf before. The Judge and Lee Dodd were fair golfers. I rented a worn-out set of clubs. The Judge gave me two strokes a hole, Dodd gave me one. I cannot remember who won, but I do remember both of them saying that they have never seen anyone "use a driver as a fairway wood." So, the Judge started me in golf.

When we held Court out of town, we would always drive. During these trips, the Judge, Lee Dodd, Glynn Henderson and I would spend a lot of time together. Usually the Judge would tell some personal stories about law school, his early days of practice, some of his cases, some of his experiences as District Attorney and the early years of his judgeship. Many of these were intimate, personal stories which were memorable because they helped me to understand more about the man who whom I was clerking.

I have recounted mostly humorous events which happened during the two years I clerked for the Judge, but there were other events which were just as memorable. In the courtroom I remember the Judge as one who followed every case with great care, often making copious notes as the case progressed. I remember him as one who ruled quickly, and I thought correctly, on points of evidence. I remember his clear instructions to the jury. I remember that he kept every case "on track" and that he required counsel to try their cases as professionals, thereby conserving the time of jurors and witnesses and court personnel. I remember him as one who maintained a current docket. As one Birmingham lawyer told me one day, "When you file an action in this Court, you had better pack your track shorts!" I remember him as a judge who demanded the pursuit of legal excellence and as one who became impatient with mediocrity. I remember him as a judge who instilled in his clerks an appreciation for the legal profession. Hugh Maddox, January 26, 1959 to September 2, 1960.

A VALUABLE EXPERIENCE

My clerkship with Judge Johnson was from July 1962 to September 1963. For me it was an invaluable experience. During this time the reapportionment case was argued and decided. It was Judge Johnson who believed that both houses should be reapportioned on the basis of population, rejecting the State's analogy of United States Senatorial representation to counties within the state.

Also, during this time Judge Johnson served as a designated Judge on the Court of Appeals for the Fifth Circuit. It was the practice of the law clerks for the Appellate Judges to split the briefing of cases assigned to the panel and then circulate the briefs among the judges. Needless to say, Judge Johnson had me brief every case. I never did find out whether this resulted from his confidence in my ability or possibly his thought that two briefs were better than one. Of course I had learned by this time not to be disappointed if the Judge did not always agree with my conclusions.

As every lawyer knows who ever clerked for the Judge we could not have gained more valuable experience with any other judge, nor could we have developed a more lasting friendship than with one of the most truly courageous and ablest judges the Federal Court have had the honor of calling a United States District Judge.—John Grow, July 9, 1962 to August 23, 1963.

LEARNING FROM THE JUDGE

During the year I was the Judge's clerk, it was a time when some people were still standing in the schoolhouse door, and the gauntlet was being thrown down to the Federal courts. We tried many civil rights cases during this time, and one of the attorneys for the government who regularly appeared in court was John Doar, who was recently on television as counsel for the House Judiciary Committee on the Articles of Impeachment for Mr. Nixon. Those were times when all sorts of matters involving civil rights and other related matters came before the court. When the court would rule that the State did maintain segregated schools, the Governor would place donation cans in all the State liquor stores to establish private schools. For some reason, the State also forbade the importation of certain meats, alleging that it was kangaroo meat as the basis for their refusal. Judge Johnson quickly recognized the folly of this and ordered a stop to the interference of interstate commerce.

Some humorous matters arose out of these proceedings. As I recall, during one criminal case a black juror was 15 minutes late returning from lunch. The Judge inquired as to the reason for his tardiness. The juror responded that it was difficult for him as a black man to find a place to eat in Montgomery. The Judge quickly ruled that that was not a valid excuse for right next to the courthouse was a bus station cafe which he knew was integrated because of his court's order several years before.

. . . I have always admired and respected Judge Johnson both as a man and as a judge and want to thank him for having me as his law clerk and for everything that he has taught me, and for everything that I have learned from him. I wish you 20 more happy and productive years as a Federal Judge. This country, especially at this time, needs men of Judge Johnson's wisdom, courage and integrity.—Hardaway Young, September 3, 1963 to August 28, 1964.

JUDGE JOHNSON ON HIS 20TH ANNIVERSARY

As we all know, 1975 marks the twentieth anniversary of Judge Johnson's service on the bench. During this long tenure, which by itself constitutes sufficient reason to celebrate the occasion, the Judge has had to survive some very difficult times and to put up with some very irascible fellows. We all know about the George Wallaces and the Ku Klux Klaners. But when we consider that he also had to put up with some twenty law clerks fresh from the ivory towers of academia, we can greet this important occasion with even wider appreciation!

In a more serious vein, it is perhaps a facet of human nature that our impatience for change in the future often obscures the progress of the past. Just the other day I had the occasion to watch part of the Kentucky-Alabama basketball game on television. There were no less than four black players on the floor for Alabama. This was unimaginable eight years ago when I had the good fortune of clerking for the Judge. Those were the days when the Alabama legislature seemed preoccupied with calling for the Judge's impeachment, when George Wallace's attorneys were arguing that the Fourteenth Amendment did not apply to Alabama and when John Doar and a substantial part of the Civil Rights Division spent as much time in Montgomery as they did in Washington. This has all changed now, and, as I watched the four black basketball players in Alabama uniforms, I inevitably thought of the Judge and of the fact that he had a lot to do with their being there.

No tribute to the Judge's extraordinary achievements is fully adequate. His many landmark decisions—from the early Montgomery bus boycott case to his more recent decisions in the area of the rights for the mentally ill—have been a bellwether for social change and have often provided an irrefutable basis for legislative reform. The Judge has never been content to simply take the law as he found it; he has always insisted that the law is a vital part of the moral development of society. And, by vigorously adhering to that principle—by daring to broaden and strengthen the rights of individuals—he has contributed immeasurably to the growth and strength of our institutions.

The following statement by Abraham Lincoln, on the bottom of a glass paperweight on his desk, confronts the Judge every morning:

I do the very best I know how—the very best
I can; and I mean to keep doing so until the end.
If the end brings me out all right, what is said
against me won't amount to anything. If the end
brings me out wrong, ten angels swearing I was
right would make no difference.

I don't think there is any question of where Judge Johnson will come out.—Michael G. Macdonald, January 3, 1966 to March 3, 1967.

CLERKING FOR A NOTED JURIST

It was with some apprehension that I began service for Judge Johnson in June, 1971. Law clerking was an unknown quantity and the Judge was highly regarded across the country. The formality and stature of his office and courtroom did nothing to alleviate my anxieties. I soon learned, however, that if one could meet the Judge's standard of endeavor, work with him would be challenging, interesting and personally rewarding.

While clerking it was difficult to put the Judge's abilities in perspective since there was little opportunity to compare with other Judges. It has only been since I have been in practice for several years, appearing before numerous courts, that his capabilities as a jurist have become clear. I have found that it is extremely important that a judge maintain control of his courtroom. A judge's ability to accomplish this involves a fine line between command and arrogance. The Judge's ability to command the respect of those who appear before him appears to flow from the sheer force of his personality. I never saw the Judge demean or belittle anyone nor seek or encourage gratuitous compliments. The attitude expressed in that courtroom is the quintessence of control.

A firm judge may be nothing more than a strongwilled individual. What impressed me even more was the manner in which he handled the tremendous case load to which he was assigned. The Judge has an amazing ability to knife through contrived contentions to what is really at issue. In *Hodgson* v. *City Stores, Ins.*, 322 F. Supp. 942 (M.D. Ala. 1971), the Judge looked past the defendant's arguments to what was realistic and concluded "defendant's contention is at best without merit and at worst is a salvo for the plaintiff."

His sound legal analysis is that quality which is probably most responsible for his reputation. In *Frontiero* v. *Laird*, 341 F. Supp. 201 (M.D. Ala. 1972), the Judge disagreed with the other two members of the three-judge panel and decided that the plaintiff's dependents were entitled to certain medical and dental benefits from the military. The case was eventually reversed by the Supreme Court, closely following the reasoning of Judge Johnson's dissent.

Working for Judge Johnson also demonstrated that determining who should win or lose was only the initial determination. At least as important is the decision of how to implement and accomplish the end decided upon. It is in this area that the Judge has exercised a remarkable marriage of compassion and common sense. Among the best known examples are the Judge's various decisions in *Wyatt* v. *Stickney*. My only regret in working for the Judge was not being involved in that particular case since it may have been the most important piece of litigation which occurred in the Middle District during my term of clerkship.

A case upon which I was privileged to work, however, was *NAACP* v. *Allen*, 340 F. Supp. 703 (M.D. Ala. 1972). In that case the Judge reached the relatively obvious decision that the Alabama State Troopers had "engaged in a blatant and continuing pattern and practice of discrimination in hiring" that was "unexplained and unexplainable." His real skills were demonstrated in his implementing order which required that the Troopers hire a black as every other recruit until the force was approximately 25% black.

In addition to outstanding legal abilities and a successful judicial career, the Judge remains a remarkable human being blessed with warmth, generosity and humor. I am certain that Bobby Segall, by co-clerk, and I will long remember a delightful week-end with the Judge mackerel fishing in the Gulf. I also have many fine memories of listening to the Judge tell stories in his office. The Judge is the only person I have ever met who could properly fill an office of that size and character. My only disappointment is that he has not yet been asked to move to an office in Washington where the entire nation could daily benefit from such a remarkable human being. I hope that that will yet happen.—Jack A. Billings, June 8, 1971 to June 2, 1972.

JUDGE FRANK M. JOHNSON, JR.

I first met Judge Johnson when I interviewed for the clerkship. Although I had formed a general impression of what he would be like from reading his decisions and discussing his background with people who knew him, I was unsure what to expect. I had been told that Judge Johnson was one of those very rare individuals who make you realize that one person can make a difference, that one person can effectuate change. I was not disappointed. And it was this description of Judge Johnson that often came to mind during my year of clerking.

At that first interview, I asked him if it wasn't particularly frustrating to have spent so many years rendering decisions which were criticized by so many. With a straightforward understatement that I later learned was typical, Judge Johnson responded that he only applied the laws as they were written; it wasn't his position to be concerned with criticism by others.

Although he never permitted himself to be pressured by the community criticism that his decisions generated, he always showed a constant concern for litigants and those affected by his decisions. During my year of clerking, we once again faced a review of the Montgomery school case. Judge Johnson spent hours studying the local school map and the racial breakdown of the Montgomery school system. He repeatedly nudged and prodded the lawyers to do their work so that all possible alternatives could be properly evaluated. He agonized over the effect his decision would have—either a substantial increase in student transportation or the retention of a large number of predominantly one race schools. And when a decision was finally reached, one could readily see how personally responsible he felt for the decision.

It was evident to me that Judge Johnson was deeply troubled by injustice, and that he took extraordinary pains to exercise the power that was his to correct it. As a result, the concern he felt for litigants was translated into decisions of lasting impact, adding to the list of his precedent setting and influential opinions that has now become legion. In this way, Judge Johnson made real for me the concept that change can be accomplished through one man's efforts.—Kenneth J. Philpot, July 2, 1973 to May 25, 1974.

In Reflected Glory

Serving as Judge Johnson's law clerk from March 6, 1967, to May 31, 1968, involved living in an aura of reflected glory. Several anecdotes come to mind relating to incidents which occurred during that period.

To the best of my knowledge, Judge Johnson is the only United States District Judge ever honored as a cover subject for Time Magazine. He was so honored on May 12, 1967 (Vol. 89, No. 19), with a portrait printed on the cover of Time which the Judge described as making him appear to be "a mule eating briars." It was the consensus of his staff at that time that, while the portrait may not have been flattering, it bore no resemblance to a mule.

The article quoted one of the Judge's oft repeated observations that has been part of his philosophy in the courtroom for years: "If a Judge needs a robe and a gavel, he hasn't established control." By coincidence, I happened to be involved in a condemnation case several years later which was the first matter Judge Johnson heard in open court after Chief Judge Brown of the Fifth Circuit circulated an edict that all district judges would be robed for all open court proceedings. I recall Judge Johnson inquiring rhetorically from the bench whether he had jurisdiction to proceed with the matter since he had forgotten to wear his robe. We all resisted the temptation to stipulate that he looked very much like a judge to us and remained discreetly silent. Even without the robe, Judge Johnson had perfect control of the proceedings.

Another incident that I fondly recall occurred during a pre-sentencing conference with two men who had entered guilty pleas to violation of the Internal Revenue laws relating to whiskey. One of them had a prior record for violation of state liquor laws which he promptly explained occurred in the campaign of a certain notorious state judge for whom he was distributing "election whiskey." The other defendants had no prior record for violation of the liquor laws. Both defendants sought to emphasize to the Judge the economic duress that had forced them to make liquor and their long record of service to their communities. Judge Johnson, however, questioned both rather closely about the nature of the distillery and its manner of operation. After the defendants and their attorneys left the room, in announcing to the probation officers and others present that he had decided to place each on probation, the Judge remarked that "A man with an all-copper still can't be all bad."

These reminiscenses cover only a few of the amusing incidents relating to my clerkship. It is impossible to attempt to recount all of the serious and meaningful aspects of that experience. Suffice it to say that, in my opinion, the opportunity for a recent law graduate to serve as a law clerk to Chief Judge Frank M. Johnson, Jr. of the United States District Court for the Middle District of Alabama is the greatest opportunity in the United States. I am deeply grateful for the privilege of having been offered that opportunity and realize that I will probably never fully comprehend its value. The lessons learned and the experience acquired during that clerkship—more than any other experience before or since—have given me a respect for and love of the law and advocacy that I believe to be my most valuable personal asset. While the words are totally inadequate to express the depth of my feelings on the subject, thank you, Judge, for the opportunity.—F. E. Leonard, Jr., March 6, 1967 to June 1, 1968.

GOODBYE, GREAT BRITAIN

Mr. THURMOND. Mr. President, an outstanding article recently appeared in the April 29, 1975, edition of the Wall Street Journal entitled "Goodbye, Great Britain." This article details the current plight of Great Britain, which has been brought about by a policy of strangulation of private enterprise, confiscatory taxation, and the idea that the government must fulfill all the needs of the people.

Mr. President, I feel this article should be read by my colleagues, and I hope all of us will heed its warnings. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GOODBYE, GREAT BRITAIN

"Steady as She Sinks," proclaims the April 25 cover story of The Economist, the British weekly journal of news and opinion. It is the British economy, of course, that is sinking. But that's not news. What makes this issue of The Economist valuable—it should be bound in leather and made required reading in every U.S. school of economics—is that it so finely, albeit unwittingly, traces the ultimate consequences of the welfare-state-manic-Keynesian syndrome.

Britain's current contribution to the world is to reveal the ultimate result of economic and social policies rapidly gaining ascendancy in the United States. To wit, the state must fulfill all needs, especially medical care. Income must be redistributed, principally through taxes on the returns from capital. After all, transfer payments and redistribution stimulate the economy (don't they?). The inflationary results can be contained by various forms of price control (can't they?). And if problems arise, the solution lies in finding the magical proper balance between government spending and taxes.

Thus we have Denis Healey, the Chancellor of the Exchequer, announcing his latest budget, widely praised as "brave" and "courageous" because in the midst of world recession he has imposed another $3 billion in taxes on an economy whose chief problem is that it already is strangling on taxes. By some mad twist of logic, known only to British politicians and economists, this "mildly deflationary" move is designed to run the unemployment rolls up to one million, punish the unions for pushing up wage rates so fast (32.6% annual rate in March), and position the economy so that it can take advantage of next year's forecast of a world trade boom.

We learn that The Economist itself does not think it fair of Margaret Thatcher, the Conservative Party leader, to describe the budget as "typically Socialist." After all, Mr. Healey did not increase the 52% corporate tax rate. Nor did he increase the 83% marginal tax rate on earned incomes above $48,000 or the 98% marginal tax rate on "unearned income"—interest and dividends, for example—above $48,000. And he does provide for government assistance to selected private industries in the amount of $240 million, especially those the government divines will be able to increase exports.

There are other interesting statistics. Because of the effect Britain's 20% inflation has in moving workers up the progressive tax schedule, combined with Mr. Healey's two point tax increase, a Briton earning $24,000 this year will have to get a pay raise of $9,600 merely to maintain his purchasing power. A worker now getting $12,000 needs another $3,000 to stay in the same place.

Public spending rises to $128 billion from $105 billion or to 60% of gross national product. In that the U.K.'s gross national product is about one-eighth the size of ours, this is the equivalent of a $900 billion federal budget. Mr. Healey boasts that the "social wage"—all the government goodies such as health, education and welfare—now amounts to $2,400 a year for every member of the working population. To get this in perspective, it has to be pointed out that Britain's per capita income last year was $3,085.

Britain, it is regularly noted, always seems to somehow "muddle through" despite the best efforts of its government. One reason has been that, in their imperfect understanding of economics, the income redistributors have always overlooked a few opportunities to confiscate wealth. Through these tiny cracks in the tax laws, otherwise known as "loopholes," the private economy has always been able to spy enough incentive to keep producing. As a result of the current economic crisis, however, the Labor government made a determined search for these tiny cracks and has found most of them.

Because most of what businesses pay their managers in increased wages is taken away by the government in taxes, there have been exotic schemes to permit managers to live off business perquisities. These are being closed up. A year from now, employes will be taxed on any private medical insurance cover they receive, the government having determined that private medical treatment is a great incentive to keep producing. Mr. Healey also promises to tighten up on capital gains taxation, and has already closed an accounting loophole whereby corporations could avoid some taxation by selling shares they owned and taking the loss, and buying them back the next day.

The British government is now so clearly headed toward a policy of total confiscation that anyone who has any wealth left is discounting furiously at any chance to get it out of the country. Mr. Healey wisely halted the importing of gold coins, which could be rather easily smuggled out, and he's slapped a 25% value-added tax on jewelry, along with radios, televisions and electrical appliances. The result of all this is of course to bring investment to a screeching halt by drying up both available funds and potential returns. The price can only be still slower economic growth, and still lower living standards for all the British, rich and poor.

Good-bye, Great Britain. It was nice knowing you. Since we're following down the same road, perhaps we'll meet again.

OIL PRICES

Mr. BAYH. Mr. President, the President's recently announced decision to decontrol the price of domestic oil over a 2-year period is no more acceptable than his earlier plan for a sudden decontrol of oil prices. As long as the President and his advisors adhere to the notion that letting the Arab oil producers establish the price of U.S. oil is somehow good for this country, I shall as persistently adhere to my strong opposition to any increase in oil prices, whether in a single jolt or over a period of some months.

Before recounting my position on the current debate between the administration and the Congress on oil prices, we would do well to take a quick look at the history of this issue. In the past 2 years the price of oil produced in the United States has tripled, with 40 percent of domestic production climbing upward at the OPEC price and the remaining so-called "controlled" oil permitted by the FEA to rise to $5.25 a barrel. The average price of oil produced in the United States is now about $8 a barrel. There are several points to be considered in regards to these domestic oil prices:

First, we do not have a free market in oil, nor would we have a free market if our Government adopted a hands-off policy. This is because oil prices, and other unregulated energy prices, are being set by the cartel of oil exporting countries; a cartel which controls much of the world's production and thus far has maintained strong discipline among its members.

Second, despite the sharp rise in oil prices beginning in mid-1973, domestic oil production continued to decline last year, raising serious questions as to whether allowing still further price increases will guarantee increased domestic production. Already domestic prices for uncontrolled, new oil exceed $12 a barrel, far more than the $7 to $8 a barrel the oil industry in 1973 said it would need to increase domestic production.

Third, the last rise in the price of controlled oil, a $1 a barrel increment approved in December of 1973, was subsequently found by the General Accounting Office to have no relation to increased production costs. It was an outright windfall, providing close to a 25-percent price increase for oil that was going to be produced at the lower price anyhow.

Fourth, the close relation of uncontrolled domestic oil prices to foreign prices is well demonstrated by the fact that when the cost of imported crude oil rose by $1 a barrel on February 1 as the result of the President's imposition of his tariff, uncontrolled domestic crude rose almost simultaneously by $1 a barrel. This is why I have voted for the proposals of the Senator from Ohio (Mr. GLENN) to limit domestic oil prices to their January 31 level, to prevent domestic producers from reaping a windfall because of the President's ill-advised imposition of the import tariff.

Fifth, and perhaps most importantly, the sharp rise in oil prices in the past 2 years was the single greatest cause of the disastrous double-digit inflation that afflicted our economy last year; inflation that most economists now believe must, in turn, bear significant blame for our deepest recession since the Great Depression. Oil prices affect our economy so directly and in so many different ways that any decision to increase those prices should be reached only after the most careful consideration of the ramifications of such a decision.

This, then, takes us to the current debate on prices.

If the President's phased decontrol of oil prices is permitted to go forward, it will mean direct price increases over the next 2 years of $14.5 billion. This figure would be increased by another $4.5 billion, to a total of $19 billion, if the President also goes ahead with his plan to increase his oil tariff from $1 to $3.

Those would be the direct price increases on crude oil. As unfortunate as it would be to increase consumer and industrial costs by this $19 billion, the fact is that the total impact of such a change in oil prices would be far greater and much worse. The cost of alternative energy sources would rise in proportion to the rise in oil prices. Moreover, because crude oil is used not only for the commonly recognized distillates of gasoline and home heating oil, but in a myriad of ways affecting scores of consumer products, the total price impact of an increase in crude oil prices is usually estimated to be 2½ times the direct increases.

Thus, allowing for the impact of increased oil prices on other sources of energy, and keeping in mind the indirect cost multiplier, raising oil prices by $19 billion over the next years would cost this country more than $60 billion. This is a phenomental jolt for an already weak economy. It would likely drive the cost-of-living up at an annual rate of close to 4 percent, raising the specter of another round of serious inflation. In addition, by draining this vast sum from the economy such a sharp rise in oil prices might well slow our long climb upward from the depths of the current recession.

All of this economic harm would come from the President's proposed pricing policies for oil. There would also be a perpetuation of one of the greatest income transfer programs of modern history, taking billions from the pockets of American consumers and businessmen and transferring those dollars to the coffers of the giant, multinational oil companies—companies with already vast resources and substantial profits—companies who owe no allegiance to this country.

All of the negative consequences of the President's proposal are justified on the need to discourage the importation of foreign oil. While I agree we should hold our imports to the minimum consistent with economic growth and true energy need, that can be done through short-term, moderate import quotas, through ending energy waste and thus reducing overall energy demand, or through the accelerated development of domestic energy reserves, including synthetic alternatives to oil and natural gas. These constructive approaches to reducing our dependency on foreign energy supplies make far more sense than increasing oil prices.

For all of the foregoing reasons I have joined as a cosponsor of the resolution disapproving the President's planned decontrol of domestic oil. In addition, I voted to rescind his authority to impose his oil tariff, and stand ready to again cast my vote against this unwise approach to the problem. Moreover, I sponsored the legislation passed by the Senate last week to place stricter limitations on the President's ability to decontrol oil prices. By maintaining adequate opportunity for the Congress to override such an unwise step I am confident we can prevent the President from taking this disastrous course.

Unfortunately, a long standing commitment in Indiana prevented me from voting when that legislation was considered on Thursday, May 1. Had I been present I would have voted for the legislation, S. 621, which I cosponsored. Also, I would have voted, as I did in the past, against the amendment of the Senator from Louisiana (Mr. JOHNSTON) to take price controls off oil produced by secondary or tertiary recovery techniques. There has not been adequate evidence provided to prove that the price of oil produced in this fashion must be allowed to rise to the cartel price to guarantee its production.

Mr. President, the battle between the administration and the Congress on oil prices is far from over. I am taking this time to reiterate that I shall continue, as I have in the past, to oppose the administration's capitulation to the oil industry. Rather I will push for maintaining limitations on oil prices, for as much as I dislike the Federal Government taking a role in the setting of prices, I find that far preferable to turning the decision on domestic oil prices over to the foreign nations of the Organization of Petroleum Exporting Countries and to the multinational oil companies operating in those countries. To do so would be a terrible blow to American consumers and businessmen who justifiably seek an end to the inflation-recession cycle brought on by the precipitous rise in oil prices.

THE NEED FOR SELF-CONFIDENCE IN THE TIME OF NATIONAL TROUBLE

Mr. THURMOND. Mr. President, the last year has not been an easy one for the United States. We have experienced, in succession, political scandal, economic decline, and the collapse of our foreign policy in Southeast Asia. As a result, many Americans seem to be losing faith in their country. Disgusted with the past, they are fearful and despairing about the future.

The pessimistic feelings of such people are not surprising, but they are nonetheless alarming. Admittedly, America has problems. We always have had, and given the imperfect world we live in, we always will have. However, in the past, Americans have shown a remarkable capacity for facing up to our problems and solving them. This is what has made us great—not an ability to avoid troubles, but an ability to surmount them. There is no reason to believe that we have lost this ability.

Anyone who looks dispassionately at the state of the Nation will find that, even in this time of trouble, our woes are greatly outweighed by our blessings. As usual, the things that are right about America are far more numerous, more substantial, and more enduring than the things that are wrong. If the doubters among us will only realize this fact, they will spare themselves much unnecessary heartache. A positive attitude toward our problems will not only make them easier to bear but will hasten the day of their solution.

Mr. President, I recently read a newspaper article which displays this positive attitude forcefully and eloquently. Written by one of my favorite writers, Mr. Louis Harris, editor of the Augusta, Ga., Chronicle-Herald, it contains a list of our Nation's advantages that ought to be required reading for every concerned citizen. To help it gain the circulation it deserves, and to encourage a more optimistic spirit among the American people, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT'S RIGHT WITH AMERICA!

(By Louis C. Harris)

A popular pastime among some Americans in recent years has been the defamation of their own country.

To some extent, it seems almost contrived, the pitch of the detractors seemingly rising and falling in marked measure to the political activities of the United States as it might affect the well-being of communism, here and abroad.

These maligners of America, or at least those who are merely sincere dissidents with no insidious motivations, should read what a man by the name of Arch Booth has to say about this Nation.

For 32 years, Mr. Booth has been associated with the National Chamber of Commerce. During that time he has written literally hundreds of periodic columns, most of them accentuating the positive values of America.

He admits—and any honest man must—that everything isn't right about the country. He acknowledges that there are plenty of balloons in need of puncturing. But his final column adjured the negative because, he said, he did not want to end his career on a negative note.

Rather, as he put it, he wanted to "say a few kind words for this bruised, troubled, much maligned—but still great—country of ours."

I am taking the liberty of passing them along to you.

There are so many things right with America, Mr. Booth wrote, that it is difficult to make choices. Even though we face some serious problems, we have the demonstrated strength and will and means to cope with them. That, he thinks, is enough in itself to say about "What's Right With America," but he added what he termed some other factors "high on the list." Here they are:

(1) We have the greatest amount of freedom for the individual of any country in the world—freedom of choice—of religion—of thought.

(2) We have the greatest amount of incentive for individual productivity in the world.

(3) We have the mightiest economic system on the face of the earth—in a slump now but with underlying strength in immense proportions.

4) We have the privilege of working in a market-regulated economy which maximizes individual effort, diversity and variety, and serves as the best means known of allocating human effort and resources efficiently.

5) We benefit from the spirit and practice of voluntarism in meeting our social and economic challenges.

6) We have a growing concern for personal, governmental and commercial ethics and behavior.

7) We have a system of public education, higher learning and adult advanced study bringing a rich intellectual fulfillment to all who will accept its opportunities.

8) We have a religious heritage and spiritual encouragement second to none.

9) We have health facilities and a medical delivery system of exceptional merit.

10) We emphasize home ownership, family environment and the neighborhood spirit to the immense advantage of all.

11) We cherish freedom of communications. We encourage the development and expression of informed opinion.

12) We have a highly productive and fertile soil, varied but favorable weather and a skilled, motivated, splendidly equipped agricultural community.

13) We have highly skilled, trained and motivated management and technological personnel.

14) We have some of the best skilled workers to be found.

15) We have a great wealth of investment capital—much of it awaiting encouragement to be used in the development of jobs and productivity.

Mr. Booth is neither a Pollyanna nor a Chicken-Little.

He confessed that his list of 15 can be expanded. The critics, he said, can point out flaws, exceptions, "yes, but's," in every one of them.

And then, as his final words of his final column, he wrote:

"We are far from perfect. This is not a perfect world. But when all is taken into account, what is right with America is our will to improve, achieve, to share, to accept the responsibilities and burdens of leadership to be neighborly and to become something more tomorrow than we are today."

The bad-mouthers, the defamers and those with a mist over their eyes please take note.

VIETNAM AND THE GROWTH OF THE AMERICAN EMPIRE

Mr. HARTKE. Mr. President, the dramatic dissolution of the tenuous regimes of South Vietnam and Cambodia after so much American sacrifice invites another round of recriminations in the ongoing domestic trauma associated with Indochina. We are witnessing the end of a particularly tragic phase in American foreign policy and the beginning of a new era in Southeast Asian politics.

As one of the first Senators to break with the Government's policy in Vietnam, this final, ignominious chapter underscores the enormity of the destruction—human, psychological, and material—wrought by men whose intentions were never evil and, occasionally, even noble. Ten years ago I began feeling that the Untied States was committed to policies without political, military or moral justification; that the continuation of those policies betrayed the Nation's own best values; and that our sense of political community was being destroyed.

More than once I felt outrage at the decisions and the decisionmakers. Now, in the sadness that every American must feel in the face of the pitiful plight of the Vietnamese people, it is clear that Indochina was a drama without villains. To an alarming extent, each of us was locked into his particular role by the constraints of institutions and of history.

This dismal episode is a vivid demonstration of the constancy of the Nation's foreign policy—regardless of how wrong it might be—as responsibility passes from one administration to the next. Prior decisions and the commitments they entail create ineluctable pressures on decisionmakers, pressures that insure each new administration will perpetuate the mistakes of its predecessor. New sets of administrators—in fact, the number of "new" officials is quite small—quickly adapt and conform to the assumptions and policies embodied in the institutions they are charged to direct. Changes in policy are not precluded, but they are difficult to implement and will tend to be incremental and evolutionary.

Rarely does foreign policy reveal any sharp breaks with the past; even from a contemporary perspective it appears seamless. Americans still speak of the Monroe Doctrine as if it were designed specifically for contemporary problems. We are bound psychologically and institutionally to traditional concepts and behavioral patterns. These natural proclivities are reinforced by social and political "sunk costs." American policy in Southeast Asia revealed these tendencies to an almost pathological degree.

There are great, and depressing, similarities between American policy in Asia and those of Great Britain that culminated in an empire upon which the sun constantly shone. The American "empire," to be sure, differs in degree as well as type; it is a version suited to the existential realities of this century, not the last. But there is substantial correspondence in the processes of growth.

It is the vogue for the "new left" to interpret the American empire in economic terms, the same way their intellectual forebearers treated Britain's imperial system. In both cases, this is an exercise in historical interpretation where the guiding theory has been spun in the vacuum of philosophical principle, not from historical data.

Britain's Empire seems the product of absentmindedness—but is not, quite. No corporate or class cupidity was at work; something equally insidious was. Once sheer happenstance established British rule in northeast India, the imperial growth process started. Even though avowed and reiterated policy was to avoid further territorial commitment, the Empire inexorably grew. The fear of losing territory already held, territory that had been gained at considerable social and economic cost, pushed generation after generation to expand outwards. It is not in the nature of political systems and the bureaucracies that sustain them to let go. Faced with perceived threats to the integrity of the existing territorial empire—often, from highly unlikely sources—the British reacted with a monotonous predictability unmatched even by our own leadership. Piece by piece, they put together their Empire. Romantics thought of this as adding "jewels" to the imperial crown.

Without ever making a conscious, rational decision, the British saddled themselves with a huge, costly and unruly Empire that encompassed much of Asia and Africa. For each new set of administrators, the reasons for maintaining and protecting the Empire became ever more compelling. Every decision made had required the sacrifice of men and treasure, and the sunk costs mounted rapidly. It was increasingly difficult to undo the aggregate sacrifice of previous generations.

Imperceptibly, as in America's case, the British came to associate the Empire with their strength as a nation and as the outward manifestation of their genius as a people. To tamper with the Empire, was to tamper with the quintessential nature of Britain itself. The psychological investment in the Empire was enormous. Britain's working population would have reacted as violently as did our own to the anti-Vietnam war demonstrations, and for much the same reasons.

American involvement in Asia can be traced to the early part of the 19th century when Yankee clipper ships sailed from New England ports in search of profitable trade; missionaries and others soon followed. Americans fanned out in a haphazard and unplanned way. Circumstances, not a national plan, led to the occupation of the Philippines and the open door policy toward China. In a process far too irrational to yield to any "cost-benefit" analysis, commitment followed upon commitment. We fought Japan for dominant influence, and surreptitiously, the Chinese Communists for essentially the same reason. In Korea we fought a large-scale conventional war to a standstill; and in Vietnam a traumatically unsuccessful unconventional war. It was the ultimate realization that we could not win in Vietnam—at least, at a reasonable cost and with more or less acceptable tactics—that led to Paris and "peace with honor," a euphemism designed to hide the limitations of our own power.

The recently resurrected domino theory has more validity as a description of imperial growth than as a scenario for defeat. Every decision to make or expand a commitment in Asia has necessitated a new round of decisions. Every domino we raised, to continue the analogy, required two more to protect it. Commitment has followed commitment in a logic bearing no relationship to rational policy or national interest. The logic of expansion is sui generis. This accounts for the lack of a real explanation, by successive administrations, of the rationale behind Vietnam. At the height of national folly, the administration spoke of fighting to preserve democracy. These were the empty phrases of desperate men caught up in a process that had a momentum of its own, and which they neither understood nor could control.

The wisdom of the Founding Fathers is evident in the constitutional treatment of foreign policy. They resolved—and I doubt that anyone in Congress would disagree—that the routine execution of foreign policy needed to be in the hands of the Executive. But declarations of war and the ratification of treaties—acts that they interpreted as involving policy formulation—require congressional action. The Constitution clearly differentiates between foreign policy formation and foreign policy execution.

Vietnam has convincingly demonstrated the difficulty faced by any administration attempting to transcend the parameters of established policy. Five successive administrations have been "locked into" particular Southeast Asian policies because of their responsibility for policy execution. Congress lacks the ability to conduct foreign policy, but it has a distinct advantage in the formulation of policy: it has much less of a vested interest in existing policies.

The denouement of America's excursion into empire may well mark a reversal of a century of increasing presidential dominance in the formation as well as execution of foreign policy; it may also presage resurgence of congressional responsibility. Strong presidents, hot and cold wars, and the exigencies of nuclear technology and strategy have all converged to reduce Congress' role in foreign affairs. Early returns suggest that this imbalance may be giving way to a new partnership more closely related to the one envisioned at the Philadelphia Convention in 1787.

MIA'S

Mr. BROOKE. Mr. President, the final withdrawal of American personnel from Vietnam has been a traumatic experience for all of us regardless of our individual views on the Vietnam involvement. Now is a time for sober reflection rather than "instant analysis" so often characteristic of our society.

Our time of reflection must not be accompanied by a period of indifference regarding a continued responsibility arising from that war—our duty to account for our missing in action in Indochina. We have assumed responsibility for many Vietnamese people. We have a greater responsibility to our MIA's and their families.

Now is the time to use every channel open to us to influence the North Vietnamese and the new government in South Vietnam to proceed with the accounting effort. Our Government should immediately contact the allies of the Indochina regimes and request them to communicate to those regimes our continued concern over this issue and our unwillingness to let it fade away.

We should also use the good offices of the United Nations and other international organizations who are involved in relief efforts in Indochina to communicate our concern to the Communist governments.

We must also seriously consider whether a continued refusal of the Communists to cooperate in this area will be an insuperable roadblock to our involvement in efforts to meet certain needs of the Vietnamese people. I have serious doubts that the American people will long support a humanitarian aid effort if a callous disregard of our concern for our MIA's continues to be evidenced in the behavior of the governments of Indochina.

In addition, any formal recognition of the new governments in Indochina should be conditioned, at a minimum, on their willingness to help in the accounting for the MIA's.

My association with the families of the MIA's has been a cherished one. Their dedication to their loved ones is inspiring and commands the respect of all Americans. Our Government must exhibit anew its commitment to obtain an accounting for these men. To do less will be to dishonor the sacrifices made by them and their families.

KIM IL-SUNG'S VISIT TO PEKING AND SECURITY PROBLEMS IN SOUTH KOREA

Mr. HARTKE. Mr. President, I call to the attention of my colleagues for their information, a speech by Chong Kyu Park, chairman, board of trustees of Kyungnam University and honorary chairman of the Institute for Asian Studies, regarding the visit to Peking of Kim Il-sung, head of the North Korean Government.

Mr. President, I ask unanimous consent that the full text of this address be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

Kim Il-sung's Visit to Peking and Security Problems in South Korea

(By Chong Kyu Park)

While shock waves from the Communist success in Cambodia and the Vietnam tragedy remain strongly felt in South Korea, a visit to Peking of North Korea's head Kim Il-sung on April 10 is now creating an additional and grave concern for South Koreans.

According to news dispatches from Hong Kong, Kim Il-sung was not only given the biggest welcome as a state visitor in a decade but was given immediately an audience with Chairman Mao Tse-tung, who had not met a foreign dignitary in more than three months.

Addressing at a state dinner in Peking, which was attended by Chinese leaders including vice-Premier Teng Hsiao-ping, and head of the new Cambodian government Prince Norodom Sihanouk, Kim warned: that "the colonial rule of the United States imperialism in South Korea will never remain intact." Hailing the capture of Phnom Penh as "a great victory won by the patriotic Cambodian people in their heroic five year struggle against the United States aggression," and "another shamefully sustained by the United States imperialists in Asia," Kim Il-sung demanded that the United States withdraw from South Korea and that the present leadership of the South Korean government be replaced with "a democratic figure with national conscience." He then warned that unless these two demands are met, he could not "guarantee a durable peace in Korea."

Responding to Kim's speech, Chinese vice-premier Teng Hsiaoping said that Communist victories in Indo-China are "a source of great encouragement to the people of all countries."

Now it is not difficult to tell what Kim Il-sung wants. What he wants, no matter how illusionary it may be, is a negotiated surrender of the Republic of Korea following a withdrawal of American troops. At this point, I think we should remember that we had once written off South Korea by excluding her from our defense perimeter in the Western Pacific, and that it signalled an open invitation for a Communist attack on the South in 1950. What bothers me now is the fact that the North Korean attack took place nine months after the fall of China and four months after a visit by Kim Il-sung to Moscow, which also was visited by Mao Tse-tung three months earlier.

Much has happened and changed since the Korean War. But there is one thing that has not changed. That is North Korea's goal to subjugate the people in the South who want to remain free and independent. With our continued support and aid, South Korea has achieved a remarkable progress in economy with the world's highest growth rate as well as a strong and well-disciplined military force. If we are still to pursue the Nixon Doctrine—that is our allies will have to defend themselves without our direct involvement but only with our logistic support and nuclear protection.—I think South Korea will be a successful example in the application of that doctrine.

However, what we should do is prevent another costly Asian war rather than ourselves to help defend our allies. And I think one way of doing this is to support the repeated reaffirmation by President Ford, Secretary of State Kissinger and Secretary of Defense Schlesinger that the United States will keep its word and treaty obligation to defend the Republic of Korea. At the same time, I think it would be only harmful to the security of South Korea if we talk irresponsibly about reports that the allegedly repressive nature of the South Korean government is losing support from the people. I don't say that political freedom or human rights are allowed as much in South Korea as in the United States. South Korea simply cannot afford the same extent of freedom that Americans are enjoying. South Korea is still a developing country toward economic and political stability.

There is dissent in South Korea, and it is allowed within the boundary of South Korean laws: Opposition party leaders and other political dissidents are allowed to express their views and the press reports them. What is not allowed in South Korea is disorderly demonstrations which might lead to a social confusion and chaos.

Again I am reminded of what Kim II-sung said in Peking: He said, "if an uprising is staged in the South, North Korea will not just look with folded arms but will strongly support the South Korean people."

It is in this context that I think we should refrain from talking about the often groundless and distorted pictures of the internal policies of the Korean government, because this will only undermine the position of security of South Korea, and may lead to another self-inflicted tragedy.

THE VALUE OF ART EDUCATION

Mr. THURMOND. Mr. President, a sound educational program will be concerned not only with teaching children fundamental skills such as reading, writing, and doing arithmetic, but with encouraging them to use their imaginations. One of the best subjects for this purpose is art. Children are innately creative. However, their creativity can be stifled if they do not get a chance to exercise and develop it. Art education helps to insure that the imaginative child will grow up to be an imaginative adult. It enhances his understanding and enjoyment of his surroundings, natural and manmade. It accustoms him to judging for himself and teaches him to feel confidence in his judgments. Everyone cannot be a great artist, but everyone can share in the pleasures and insights which training in art invariably brings.

VOTING RIGHTS ACT

Mr. BAYH. Mr. President, the Subcommittee on Constitutional Rights has now concluded its hearings on one of the most important pieces of legislation which the Congress will consider in this session, the extension and expansion of the Voting Rights Act. Yesterday a number of distinguished leaders from the Mexican-American community presented a joint statement to the subcommittee. I ask unanimous consent that this statement be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Joint Statement of Mexican-American Community Leaders

Mr. Chairman and members of the Subcommittee, my name is Joe Benites. I am the National President of the League of United Latin American Citizens (LULAC) and a member of the Board of trustees of the National Congress of Hispanic American Citizens. Accompanying me today are Mr. Antonio Morales, National Chairman, American G.I. Forum, Mr. Manuel Fierro, President, National Congress of Hispanic American Citizens, Mr. Ricardo Zazueta, National Director of SER-Jobs for Progress, Mr. Gilberto Chaves, Representing National Image, and Mr. Rafael Moreno, representing the Tejano (Texas) Political Action Committee. On behalf of our national membership and affiliate state and local Spanish speaking organizations, I want to thank you for the opportunity to appear before you today and express our full support for the extension and expansion of the Voting Rights Act to protect our nation's Spanish speaking population.

First of all we would like to commend Senator Birch Bayh for taking the initiative in introducing legislation that expands coverage of the Voting Rights Act to cover the Spanish speaking community. Additionally, we want to thank the Chairman, Senator John Tunney for his continued assistance in overcoming the many obstacles our community has experienced in the past, and we look forward to his continued assistance.

Mr. Chairman and members of the Subcommittee, we cannot overly emphasize the importance to us of the measures you are considering before this committee today and we want to leave no doubt in anyone's mind that we strongly support the provisions that expand the Voting Rights Act that will protect our nation's Spanish speaking population. It is not without cause that we are asking Congress to include us specifically under the Voting Rights Act in those jurisdictions in which the systematic denial of the right to vote is still a way of life. Testimony and documentation presented in the House of Representatives and the Senate clearly show the irrefutable evidence of a systematic effort to deny and dilute the vote of our nation's Spanish speaking, particularly the Mexican American in the Southwest. The evidence includes instances of blatant gerrymandering, uncooperative and unresponsive registration and voting irregularities, changes in polling places and the lack of bilingual registrars and election officials. The list is endless. This evidence has been substantiated more recently by the United States Commission on Civil Rights, Staff Memorandum, dated April 23, 1975: "A Summary of Preliminary Research on tne Problems of Participating by Spanish Speaking Voters in the Electoral Process.

The history of the Mexican American in these United States is a history of neglect and discrimination. Our people have suffered and have endured every aspect of discrimination and abuse imaginable. And despite the guarantees by our Constitution, this country has seriously failed to protect the Voting Rights of our nation's second largest minority. This oversight, this neglect, comes as no surprise. But you as members of Congress have the opportunity today to correct this gross injustice. The Voting Rights Act has proved to be more than a worthwhile device for correcting historic irregularities in the voting patterns of the South, but it ignores the basic voting problems and irregularities of the Mexican Americans.

There have been expressions of concern that the cause of Civil Rights in this country will be harmed by our attempt to expand the Act. Legislation approved by the House Judiciary Subcommittee on Constitutional and Civil Rights contains a clause that is designed to permit a test of the new sections of the Act without endangering the whole Act. It would be tragic, to say the least, (quote by Arlie Shardt, ACLU) "if those who fought so effectively for the rights of blacks to vote in the South should now step aside when the same right is being denied another minority."

Mr. Chairman and members of the Subcommittee, we cannot impress upon you more eloquently than has already been done by other witnesses, for the need to expand this Act. This issue has the overwhelming support of every national, state, and local Spanish speaking organization in this country. As evidence of this, we would like to submit for the record the numerous telegrams that have been received in support of this measure. For this Congress to ignore this unanimous consent of our community would be a gross denial of justice and will only serve to enhance the pervasive racial, ethnic, and political discrimination that has been historically perpetrated against our Mexican American Communuity.

THE PEACE CORPS

Mr. BROOKS. Mr. President, since its inception I have been a strong supporter of the Peace Corps. Today I am even more convinced of its usefulness and necessity as we reaxamine our role in the world in the wake of the ending of a tragic phase of our involvement with the countries of Indochina. The Corps is a vehicle to exhibit to others the strength of our commitment to a better life for the poor of the world.

Too often we talk of the efforts of our various aid agencies in nonpersonal terms. That is unfortunate. For it is the personal commitment and sacrifice of individuals that is the most outstanding characteristic of the Peace Corps and other aid agencies. Therefore, I think it is fitting and proper that I bring to the attention of my colleagues two recent articles detailing the work of two of my constitutents participating in the Peace Corps programs—William R. Boyce of Melrose, Mass., and Albert W. Nicholls, Jr., of Revere, Mass. Their efforts are two fine examples of the spirit of commitment that we need to meet the challenges before use.

I ask unanimous consent that these two articles be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

Melrose Man Experiences Pacific Island Life as a Peace Corps Volunteer in Micronesia

Majuro, Marshall Islands, Micronesia—William R. Boyce of Melrose, Mass., doesn't like hot weather or the ocean; the mountains and brisk, cold weather are the preferences of the young University of Massachusetts at Amherst graduate.

So why has he been living for the past 1½ years on a tiny, tropical reef-fringed island in the Pacific Ocean? It's because Boyce, 23, the son of Randall and Grace Boyce of 37 Appleton St., Melrose, is a Peace Corps volunteer, and the little island, Mejit, is where his teaching services were needed when he signed on for a two-year term of volunteer service overseas.

The compensations for a climate he doesn't enjoy are the challenge of working with local island teachers on innovative new math and science programs and the opportunity to experience Marshallese life and culture. Two years ago, Boyce had never heard of the Marshall Islands and had to look them up in an atlas; today he is fluent in Marshallese, the local language, and is part of a Marshallese family and community.

The only Peace Corps volunteer now on Mejit, he is one of six Americans—most of them previous Peace Corps volunteers—to have visited the island since World War II. The Marshall Islands were the scene of heavy fighting during the war, particularly on the Kwajalein and Eniwetok atolls, and the bones of Mejit's last 70 Japanese defenders, killed in a last-ditch stand against the American invasion of the island, still await excavation.

The Marshall Islands—29 coral atolls and five coral islands—comprise the eastermost of Micronesia's six districts. Micronesia, "the land of tiny islands," is made up of 2,100 islands scattered over 3 million square miles of the Pacific Ocean. Formally known as the Trust Territory of the Pacific Islands, it has been administered by the United States since 1947 under a trusteeship agreement with the United Nations.

Boyce lives on Mejit in a small thatched house, complete with a porch overlooking the water, which was built by the islanders for the first Peace Corps volunteer to teach at their school several years ago. The islanders also built their own five-room school for youngsters in the first through eighth grades.

To get a high school education, Mejit students must first pass the qualifying exams for admission to Marshall Islands High School, since high school is neither compulsory nor available to all who want to attend. Then they must leave home to attend the school in Majuro, the district's administrative center, a journey of one to two weeks by the slow-moving field trip ships which make the rounds of the Marshalls.

About 110 students attend the Mejit school, where they sit on mats on the floor because the school cannot afford tables and chairs for them. Boyce teaches several math classes there, but his main role is to train the teachers to work with the new science and math instructional progams being introduced in the district's schools.

The teachers are good, dedicated instructors, Boyce explained, but they are only high school graduates themselves. The "new math" being introduced to the students is new to them too, and so is the "discovery" method of science education which stresses classroom experimentation rather than the traditional rote learning.

Boyce's responsibility is to introduce and explain the new teaching techniques required in these programs, and to help the local teachers broaden their understanding of the subjects. He assists the teachers in class from 8 a.m. to noon, and works with them individually in the afternoon. During these afternoon sessions he and a teacher work out lesson plans, perform whatever experiments will be done in class the next day, and rehearse lessons. The teachers are very receptive to the new programs, Boyce noted.

Boyce also has helped the islanders to set up a nursery school for children two to six years old. "The first grade kids at school are really shy and afraid, so I decided it would be a good idea to set up a nursery school program," he explained. "The goal was to let the children become familiar with some of the materials they would be using in the first grade. The parents were all for it."

A church donated the use of its building in the mornings, and parents volunteered to prepare meals for the children. Boyce enlisted the help of two volunteer teachers and scrounged blocks, paper and crayons. After showing the parents and volunteers how to operate the school, he stopped participating. "I wanted them to do it themselves," he said. "It worked."

Once the nursery school was on its feet, the entire island turned out for a surprise party to thank Boyce. "It was so rewarding," he said. "It just goes to show how much interest they have in education."

At home Boyce takes his meals—usually coconut, fish and rice—with his Marshallese family, who lives next door. Like the other islanders he has no electricity or running water. Kerosene fuels his lantern and stove, a cistern collects his drinking water, and an elevated 50-gallon drum with a tap gives him the luxury of a shower.

Mail from home is slow and infrequent, since the field trip ships call at the island only a few times each year. "A ship supposedly comes every month but, really, every three months is good," he said. "We've waited as long as five months for a ship." In emergencies, the islanders can contact Majuro by radio.

Boyce is a 1969 graduate of Melrose High School. He received his bachelor's degree in human development at the University of Massachusetts in 1973. A teacher on Mejit since September, 1973, he will wind up his two-year term of Peace Corps service this summer.

He is one of about 210 Peace Corps volunteers serving in Micronesia in a wide variety of education, health, economic development, professional services and other programs. Around the world, about 7,900 Americans are serving as Peace Corps volunteers and trainees in 68 developing nations.

The Peace Corps is part of ACTION, the federal agency for volunteer service established in July, 1971 to administer volunteer programs at home and overseas. Mike Balzano is director of ACTION.

ACTION's domestic programs are Volunteers in Service to America (VISTA), Foster Grandparent Program, Service Corps of Retired Executives (SCORE), Active Corps of Executives (ACE), Retired Senior Volunteer Program (RSVP), Senior Companion Program, ACTION Cooperative Volunteers and University Year for ACTION.

Persons interested in ACTION programs can call 800–424–8580 toll free for more information.

PEACE CORPS VOLUNTEER FROM REVERE HELPS ETHIOPIA COMPILE FARM DATA

When his two-year tour of duty as an agricultural specialist in Ethiopia came to a close, Peace Corps volunteer Albert W. Nicholls, Jr., 25, of Revere, Mass. felt he still had a contribution to make to the agricultural development of the country. He extended his volunteer service with the Ministry of Agriculture for an additional year to work in Ethiopia until October, 1975.

Nicholls, who earned a bachelor's degree in agricultural and food economics from the University of Massachusetts in Amherst in 1972, is working in the East African nation to gather and develop accurate agricultural data. Reliable statistics are needed by government planners who develop the country's agricultural programs.

His first two years were spent in the city of Harar as an adviser to the eastern regional office of the agriculture ministry's planning and programing department. There, Nicholls was involved in crop reporting and forecasting and the development of a weekly market price reporting system in each of the major markets in the area.

In July, 1974, Nicholls was transferred to the agriculture ministry's head office in the capital city of Addis Ababa. He now is participating in the National Crop Production Survey for calendar year 1974. It is an ambitious project, explains Nicholls. "This survey will be far larger than any in the past, in terms of manpower, funding and the quality of data."

Crop and market data are extremely important in Ethiopia, where some 90 per cent of the population is engaged in farming or the raising of livestock.

Coffee is Ethiopia's major product, accounting for more than 50 per cent of the exports. Although many of the coffee trees grow wild, plantation farming is becoming increasingly important. Cattle and good grazing land are plentiful and, next to coffee, cattle raising probably has the highest economic potential.

In response to the need for data, the planning and programming department has published annual reports since 1971. These reports deal on a national level with the current year's harvest. "Each report," states Nicholls, "was better than the last in terms of geographical coverage, content and usefulness to government planners and other interested agencies."

These reports serve as a basis for improving the crop reporting system. "Admittedly the reports are impressionistic," says Nicholls, "based on meetings with village elders, farmers and government officials. In a country like Ethiopia, however, where statistics in general are lacking, qualitative data is better than nothing."

Nicholls, the son of Mr. and Mrs. Albert W. Nicholls Sr. of 435 Revere St., Revere, received a high school diploma in 1967 from Essex Agricultural and Technical Institute in Hawthorne, Mass. He earned an associate's degree in dairy technology from the Stockbridge School of Agriculture of the University of Massachusetts in Amherst in 1969.

"I had little trouble gaining acceptance into the community," says Nicholls. Through his colleagues in the ministry of agriculture he met many people and developed close friendships. "When I was transferred from Harar to Addis Ababa I left many friends behind, but I return for frequent visits."

When he first learned of his Peace Corps assignment to Ethiopia, says Nicholls, "I went to the Revere public library and read about Ethiopian arts, crafts, history and geography." He feels that this background, along with his ability to "be a good listener" and his knowledge of Amharic, the national language he learned during Peace Corps training, helped him gain acceptance.

Nicholls is one of 169 Peace Corps volunteers serving in Ethiopia. There are currently 7,900 Americans serving as Peace Corps volunteers and trainees in 68 developing nations.

The Peace Corps is part of ACTION, the federal agency for volunteer service established in July, 1971 to administer volunteer programs at home and overseas. Mike Balzano is director of ACTION.

ACTION's domestic programs are Volunteers in Service to America (VISTA), Foster Grandparent Program, Service Corps of Retired Executives (SCORE), Active Corps of Executives (ACE), Retired Senior Volunteer Program (RSVP), ACTION Cooperative Volunteers and University Year for ACTION. Persons interested in ACTION programs can call 800–424–8580 toll free for more information.

STATE OF THE CONSUMER—1975

Mr. MOSS. Mr. President, on January 31, 1975, Ralph Nader delivered an address to the Consumer Federation of America's annual convention. The speech was called the "State of the Consumer—1975." This talk gives us a better understanding of the issues facing the consumer movement. I urge my colleagues to review it in order to gain a better appreciation of the broad scope of current consumer problems.

Mr. President, I ask unanimous consent that the text of Mr. Nader's speech be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

THE STATE OF THE CONSUMER—1975

(Address by Ralph Nader)

The state of the consumer is not good—which should be no less surprising than a recent and similar diagnosis on the state of the nation.

What *is* surprising and ironic is the way victimized consumers are further victimized by the government, supposedly for their own good. Are car prices too high? President Ford then suggests delaying safety and emissions standards for years—a move that sacrifices consumer health and safety to an oligopoly which has foolishly priced itself out of the market. Are there energy shortages? President Ford then pushes for the construction of 200 nuclear power plants—plants whose deadly radioactive materials pose catastrophic risks for present and future generaations. Another presidential directive would effectively tax consumers billions annually in higher home fuel and gasoline prices, which will bear down hardest on lower-middle income consumers, so those least able are asked to belt-tighten, while there is little energy-boning with industry—which uses over 40% of all energy and which could, according to the Ford Foundation Energy Policy Project, reduce its energy consumption by one-third.

The time has come for this convocation to tell the White House, the Congress and industry something they should already know: the consumer will be nobody's scapegoat; the consumer's interest is primary, not deferrable; the consumer will not be held hostage to an economic crisis in which he or she already suffers.

For the state of the consumer is the state of the nation. It means our health and safety—our freedom from needlessly dangerous antibiotics, carcinogens in our food and drinking water, auto emissions in the air. It means an efficient marketplace—one where the government disbands monopolies and oligopolies and where competing firms operate to produce a variety of products at competitive prices. It means government regulation—a Consumer Product Safety Commission, an EPA—where the market fails to protect consumers from the inefficiencies and hazards of industry. The consumer interest can no more be ignored than the Mint can close shop.

Even those economic proposals offered to help hard-pressed consumers take on the appearance of a shell game, as Mr. Ford shows how a president can giveth and taketh away in nearly the same breath. Thus, he remits $30 billion to the public in the form of tax cuts, while he collects approximately the same amount in oil taxes. And the form of the tax cut—proportional rather than progressive—is troubling: a family earning $35,000 a year will get a $1000 tax break while a family earning $12,000 a year, for whom extra cash will be readily transferable into extra consumer spending, receives only $122. Although the opportunity was great, there was no presidential exhortation for serious tax reform, of the kind to deprive the oil industry and other industries of their billions in invisible subsidies annually. Instead, the President proposed a tax cut from 48% to 42% for business, plus a 12% tax credit; this simply extends the inequitable and unsuccessful "trickle-down" economics which have seen corporate taxes as a percentage of all taxes decline from 33.6% in 1944 to an estimated 14.6% in 1974. Rather, we need "trickle-up" proposals that encourage informed consumer spending which in turn will encourage expansion and output and jobs. But from an Administration economically steered by an Ayn Rand disciple and which only a few months ago proposed a tax surcharge, perhaps people should be grateful for even small tax rebates.

To gauge accurately the current state of the consumer, however, requires us to push beyond presidential proposals of two weeks ago and to examine what has happened in the past year in eleven vital consumer areas. These areas—the Consumer Protection Agency, class actions, antitrust and regulatory reform, the food industry, auto safety and emission controls, banks, health care, energy, nuclear power, natural gas rates, and utility rates—are of course not inclusive, but they present a picture of the American Consumer, 1975:

CONSUMER PROTECTION AGENCY

Thousands of Congressional hearing pages and scores of days of hearings document the numerous abuses which have resulted, in large measure, from the absence of effective consumer advocacy before federal regulatory agencies and departments. A few typical examples reveal the unseemly pattern:

Congress passed the Child Protection and Toy Safety Act in 1969, but the Food and Drug Administration did virtually nothing to implement it for three years. Finally, after being sued by consumers, FDA did ban several dangerous toys a few days before Christmas, 1971, too late to keep them out of the hands of thousands of children.

In the face of evidence that about 5,000 deaths and 200,000 injuries result each year from burns associated with flammable fabrics, Congress strengthened the Flammable Fabrics Act of 1967. The Commerce Department, charged with administering this law, took no action under it for four years. Finally, the agency issued the only clothing standard that has been issued to date, setting flammability standards for children's sleepwear up to size 6X. Manufacturers were given a two-year grace period before their products could be sold only if they met these standards. There are still no flammability standards for any clothing over size 6X.

The Civil Aeronautics Board (CAB) routinely rubberstamps air fares requested by the airline companies and has refused to investigate domestic and trans-Pacific overcharges. Domestic overcharges result more frequently on interline connecting flights between small cities. CAB has also failed to effectively protect air passengers against overbooking by the airlines, although the agency's own records show over 500,000 people were "bumped" from flights over a five-year period.

The Department of Transportation failed for seven years to issue standards to improve the crash survivability of school buses. Under pressure from Congress and consumers, DOT recently issued one proposed standard relating to school bus design.

The regulated business community has the time, focus, money, information and technical expertise to control the agencies which affect their balance sheets. Individual consumers often lack all these assets. Other problems compound the burden: consumer interests cut across all agency lines, while most businesses need monitor fewer agencies; since agencies do not announce that certain investigations or formal proceedings are taking place, many issues are decided before consumers even know they are being considered; and organizing consumers into an effective countervailing power suffers the added difficulty of "the free rider effect": since a consumer will gain the benefits of consumer laws even if he or she has not participated in their passage, many lack the incentive to work for consumer change.

"The big winners in the pluralistic system," concluded Judge Skelly Wright, "are the highly organized, wealthy, and motivated groups skilled in the art of insider politics."

In the past six years a small corps of public interest advocates have often won surprising victories in this world of "insider politics." But their occasional forays and successes should not obscure the need for a well-funded and on-going corporate counterweight in the federal agencies. Which is why we need a Consumer Protection Agency.

For five years Congress has had before it such a proposal. With no authority to impose fines or penalties, to set standards or to force businesses to change their practices, CPA would serve solely as an advocate for those who purchase or acquire goods and services, just as legions of attorneys and lobbyists now represent the interests of those who produce these goods and services. As an anti-inflationary advocate within the Executive Branch, the CPA would concentrate on the rigid and previously unchallenged policies of those industry-beholden regulatory agencies which prevent competition in the marketplace from achieving its efficiencies.

Those who doubt the CPA's significance need only gauge the intensity of the massive, heavily financed corporate lobbying against it. Still, in 1973 it passed the House by a 3–1 margin and 64 Senators voted for it. But in the clearest example of how a Senate filibuster can frustrate majority will, the Senate failed by a single vote to invoke cloture and pass the CPA. This agency, however, is an idea whose time has come, no matter how desperately radical reactionaries like Senator James Allen struggle to defeat it. Our tenacity must match this proposal's importance. Thus, the CPA bill will be before the 94th Congress as a high priority of the over 100 consumer, religious, labor, senior citizens and community groups across the country which have endorsed it.

CLASS ACTIONS

With legislatures and agencies disproportionately swayed by business interests, Justice William Douglas rightly observed, in *Flast* v. *Cohen*, that the judiciary "is often the one and only place where effective relief can be obtained." And in a society where business can bilk in bulk, consumers should be able to sue in bulk. Just as mass transit is a far more efficient and inexpensive transportation mode than individual automobiles in a mass society, class actions can be vehicles of justice for those commonly swindled. Individual lawsuits are illusory alternatives, as the cost to each litigant is often prohibitively expensive in relation to the recovery. Also, these mass injuries and overcharges increasingly require an expert for detection. How, for example, is the ordinary consumer to discern that the price of an item has been inflated by an antitrust conspiracy, that a product purportedly "on sale" is not in fact reduced in price, or that his dry cleaning and house painting bills are avoidably linked to the level of air pollution?

Unfortunately, the experience with the class action lawsuit to date is not encouraging. If anything, it has been more successfully used by corporations against other corporations than by consumers against corporations. In the first place, there are few laws allowing persons, much less classes of persons, to sue for damages with any hope of success. Where state laws have authorized private consumer damage suits, there may be no provisions allowing class actions (or vice versa). In order to bring the state law action in federal court, the Supreme Court has ruled that each member of the class must claim at least $10,000 in damages (*Zahn* v. *International Paper Co.*). Otherwise, there must be a federal statute authorizing the suit, but these federal remedies are in turn limited mainly to antitrust and securities law violations and employment discrimination. The last Congress did enact laws opening the federal courts to class actions for certain pension rights and consumer warranty violations. The warranty legislation, however, is unduly restrictive. For example, at least 100 individual consumers must sign each class action complaint, which is an unlikely event since bar association rules prohibiting lawyers from "unethically" soliciting clients often mean that consumers will not learn of their right to sue.

There are other procedural hurdles thrown in the way of class actions. The rule has developed that the larger the class action the less likely the courts are to allow it. In the antitrust area, for example, courts have recently ruled that consumers overcharged by a massive conspiracy to fix the prices of plumping fixtures lacked "standing to sue" (*Mangano v. American Radiator*); the same treatment was afforded the victims of the auto industry's 15 year conspiracy to stifle pollution controls. When millions of stockholders recently brought a class action against brokerage houses for fixing commission rates, the Supreme Court ruled (*Eisen G. Carlisle & Jacquelin*) that the plaintiff, whose own claim was $70, had to come up with several hundred thousand dollars to send individual notices to the members of the class (whose names and addresses the defendants conveniently provided on computer tape). Of course, that was the end of the suit.

When all other grounds for dismissal fail, judges invoke the term "unmanageable" to rid themselves of bothersome class actions that are just "too big" because of the large number of persons harmed or the small size of the average individual's claim, or both. Even if bakeries in Philadelphia *had* fixed prices, one court in effect said, the amount by which each consumer was overcharged was too trivial to bother with, notwithstanding that the total overcharge was millions of dollars. (*Hackett v. General Host Corp.*) Whether it was the 600 hotels (47 chains) allegedly conspiring to add 1–3% telephne service surcharges, fraudulently labeled as taxes or miscellaneous charges, to the bills of 40 million guests (*In re Hotel*

Telephone Charges), or California real estate boards allegedly fixing commission rates (*Kline v. Coldwell, Banker & Co.*), "unmanageability" was always quick to the rescue of anti-consumer or slothful judges.

In these cases and others, courts conclude that unless each individual harmed steps forward individually to claim his $5 or $50, the defendant corporation cannot be held liable—even where it may be clearly proven that the class as a whole suffered millions of dollars in damages. Of course, the rule is quite different when one corporation sues another. Then the damage recovery goes to the corporation; each stockholder is not required to claim his share. This procedure could be applied to the class action, with damages awarded to the class "as a whole." In a price fixing case, for example, moneys not claimed by individual class members might be used to reduce the price of the product involved, so that future purchase by persons overcharged in the past would compensate them to some extent. This is called the "fluid recovery," which can compel the defendant corporation to disgorge no more and no less than the moneys it has been proven to have obtained illegally. By rendering harmful conduct unprofitable, this device helps deter companies from fraud in the first instance.

Most courts view the fluid recovery as wholly alien to Anglo-American jurisprudence. It is up to Congress, said one court holding this view, to provide some means of redress aggregatively large but individually small corporate pickings of consumer pocketbooks. Congress must accept this judicial challenge and render obsolete C. Wright Mills' sage view that "It is easier to take one dime from each of 10 million people at the point of a corporation than $100,000 from each of 10 banks at the point of a gun." To discourage business fraud that accumulates consumer dimes into billions of dollars, Congress should enact broad new class action legislation which does the following:

(1) authorizes persons victimized by fraud, deception, breach of warranty, antitrust violations, pollution, product hazards, occupational diseases, etc., to prosecute class actions for damages in federal courts; and

(2) makes the following changes in present Rule 23 of the Federal Rules of Civil Procedure governing the conduct of class action litigation:

(a) requires damages to be awarded initially to the class as an entity, and

1. Invests discretion in the court to utilize the fluid recovery or other appropriate devices to apply that portion of the recovery not claimed by individual class members to the general benefit of the class, but

2. prohibits the return of any unclaimed portion of the damage fund to the defendant; and

(b) places a ceiling of perhaps $20,000 on the cost of notice to class members required to be borne by the named represesentatives of the class, provided that where such ceiling prevents notice to the entire class, then either

1. notice shall be afforded a random sample of the class calculated to reach all significant points of view that might be present within the class, or

2. the defendants, if the judge finds a *prima facie* case against them, must pay the additional notice costs, or

3. Congress appropriate a fund which could be drawn on to pay notice costs in class actions upon recommendation of district court trial judge.

ANTITRUST AND REGULATORY REFORM

An unlikely combination of Dita Beard and stagflation has led one of the surprising gains for consumers this year: antitrust has apparently broken out of its usual somnambulance. The ITT scandal of 1972 made Congress more receptive to antitrust legislation, while our economic crisis made policy-makers and law enforcers more appreciative of the benefits of antitrust enforcement; *viz*, that economic competition helps keep prices down and ouput (jobs) up. Thus the following developments:

Congress easily passed the Tunney Bill, the first pro-antitrust law in 25 years. The law encourages citizen intervention into the consent decree process and makes antitrust criminal acts felonies punishable by fines (for firms) up to $1 million. There is guarded optimism by those who have long seen antitrust law on the congressional agenda: antitrust may benefit from a coalition of Republicans who consider it a lesser evil than government controls and Democrats who understand the logic (and even popularity) of trustbusting efforts; Senator Philip Hart hopes that his Senate Antitrust and Monopoly Subcommittee may soon get the first working majority in favor of antitrust in its 20 year existence, now that subcommittee anti-antitrusters Ervin and Gurney have departed.

The Justice Department's Antitrust Division sued AT&T in November, 1974—a move which provoked anguish from Ma Bell's officials and a *Fortune* editorial entitled "The Silliest Antitrust Suit of All." (Similar cases had been proposed to Attorneys General Robert Kennedy and Nicholas Katzenbach by their respective antitrust divisions in the 1960s, but they had refused to approve them.)

A year and a half ago the Federal Trade Commission sued the eight largest American oil firms not so much for their monopolistic behavior as their monopolistic structure. The Commission urged that the ownership of different levels of petroleum production—exploration, refining, transportation and retailing—be separated from each other.

Even President Ford spoke out for more vigorous antitrust efforts in several speeches, which was unusual in that Presidents rarely discuss the subject in public. "Ford is all for antitrust," said a White House aide to one of my associates, "though perhaps for the wrong reason: he thinks it then means the government doesn't have to do much else."

Especially because anti-competitive practices cost the economy some $80 billion annually in lost output and waste (according to Antitrust Division chief Thomas Kauper), such advances are surely welcome—though hardly enough. Despite the tough speeches of outgoing Attorney General William Saxbe and the ATT move, there is little evidence that the Justice Department plans on moving systematically against those oligopolistic industries, like autos and steel, whose very structure voids the benefits of economic competition; thus, Congress should begin to address itself seriously to Senator Hart's seminal deconcentration act. The new "Tunney Act" may increase antitrust penalties somewhat, but these will still be costs of doing business to giant firms who earn millions weekly. The only way to deter effectively antitrust crime is a percentage fine; i.e., the bigger the overcharge, the bigger the fine. And despite recent increases in the budgets of the Antitrust Division and FTC, these agencies (with a combined antitrust budget of $29 million) are still far too small for their huge mission—which leads to cases like the IBM monopoly case, now finally approaching trial after 6 years. At that rate, the AT&T case will take 24 years.

In a related field, the federal regulatory agencies—who have long embraced cartel principles rather than antitrust/competitive practices—are facing an unusual drive for regulatory reform. It's about time. Studies cited in our book, *The Monopoly Makers,* indicate that inefficient, wasteful and inflationary regulation can cost consumers some $16–24 billion annually. Rarely in the annals of government has one cause had so many and so varied supporters: liberals and consumerists critical of the agencies' business favoritism; conservatives unhappy with government bureaucracies; small businessmen closed out of markets.

Thus, President Ford (following FTC Chairman Lewis Engman's lead) urged Congress to create a Commission to study regulatory problems and propose reforms. But need such a Commission have a three year gestation to do its job, as Warren Magnuson, chairman of the Senate Commerce Committee, has proposed? Human life takes only nine months and the U.S. Constitution took only three. So why 36? Do we really know less about this area than Congress usually knows about something when it decides to legislate, or at least to hold hearings? I think not. From the Hoover Commission Report of 1949 to the Landis Report of 1960, from the Ash Council of 1970 to all the Brookings reports and our own studies—it has been well documented that much of our regulatory system has served producer interests rather than the public interest.

Instead, we should now move forward to deregulate sectors where workable competition can keep prices down better than a government agency (like the ICC and CAB), and reform agency procedures to encourage citizen participation, attorneys fees for "private attorneys general," routine disclosure of *ex parte* contracts, expedited proceedings and commissioners who do not invariably come from (or go to) the industries they regulate.

HEALTH CARE

Americans continue to spend a larger percentage of our GNP—94.1 billion or 7.7% of GNP in 1973—than any other country in the world. We have arrived at this position as the world's leading spender of health dollars after more than two decades of staggering increases in cost. In 1950 per person health expenditures were $79, by 1973 individual bills had jumped to $425. Why all this expense? What do we get for it?

The American patient today is subjected to a health care industry organized to provide ineffective, frequently unnecessary medical care delivered only after illness has struck, instead of the less profitable but more socially desirable preventive types of medicine. Enormous wastage and inefficiencies are the rule rather than the exception. Recent studies have shown that there are upwards of $10 billion a year of unnecessary hospitalizations and some $5 billion a year worth of unnecessary surgery, drugs and x-rays—the predictable result of a private health care insurance system unenthusiastic about preventive and out-patient health services and uncritical of skyrocketing payments for hospital services. The over two million unnecessary operations performed each year result in nearly 10,000 completely preventable deaths, argues Dr. Lawrence Williams in his *How To Avoid Unnecessary Surgery*. Evidence indicates that more than 20% of all the antibiotics prescribed in hospitals each year are completely unnecessary. The increasing number of long-used drugs, shown to cause serious casualties when used according to directions, underscores the need for tighter standards and case data. Furthermore, with a 5% chance of getting an infection after going to a hospital, unnecessary hospitalizations take on a new dimension of risk.

The quality of our health care is further undermined by the nature of the consumer-producer relationship—one where the consumer is hardly sovereign. The lack of consumer sovereignty and the consumer's traditional willingness to place faith in a seemingly authoritative medical industry has led to a situation where the medical profession is virtually unaccountable to anything but their own ineffective internal review structures. Health care is far removed from a free market structure where consumer information is readily available to make a wise choice.

If anything, the federal bureaucracy seems intent on aggravating rather than resolving the crisis of health care costs. From fiscal year 1973 to fiscal 1975, funding for HEW preventive health programs—including the FDA, National Institute for Occupational Safety and Health, Center for Disease Control—decreased by 10%. Budget cuts included reduced funding for lead poisoning programs, immunization programs and other critical areas of prevention. During this same interval, funding for Medicare and Medicaid increased about 30%. Thus while critical programs to prevent illness are decreased, billions more are poured into physician and hospital coffers without cost or quality control which, for a much higher price, presume to take care of many preventable diseases or trauma after they occur.

In 1974, Congress acted upon and passed several important measures which will significantly affect health services. Legislation concerning such subjects as bio-medical research ethics, a National Cancer program, special disease programs, and narcotics treatment programs were passed and enacted into law. Unfortunately, though, Congress neglected to act or reach final agreement on a number of other important and vital matters. Final action is still pending in areas relating to abuses and gouging by the pharmaceutical industry and Health Manpower legislation.

Most importantly, of course, Congress failed to reach any final agreement on a National Health Insurance Program—a program critically needed in a country with health costs increasing by some 20 percent annually. It is imperative that this bill take the proper form. It must contain provisions for a comprehensive health program, it must be financed on a progressive tax scale, it should not be administered by private insurance companies, it must have strict cost and quality control, preventive medicine impacts, and, very importantly, it must provide some mechanism for consumer controls and intensified professional accountability. Perhaps more than any other measure, the Congressional response to our need for an equitable and efficient national health program will be a barometer of whether this much-vaunted Congress is for serious reform or merely the same old medicine.

THE FOOD INDUSTRY

In recent years the government has not abated the serious food problems faced by American consumers—spiraling prices coupled with growing concern over the quality and safety of the national diet. Food prices climbed 14% in 1974—yet the only significant deflationary actions taken by the government have been the ending of some, but by no means all, of the Department of Agriculture's price-fixing operations and the FTC's move against Continental Baking—whose antitrust record makes it something of a corporate recidivist—for its alleged monopolization of the bread industry. Very little has been proposed to deal with the fundamental antitrust, advertising, and consumer information problems that underlie the massive price-inflating, waste and distortions in the food industry today.

Already, a fourth of America's total agricultural production is under the direct control of corporate middlemen, and the food economy is being converted to a highly-capitalized, highly-industrialized structure that is controlled "from seedling to supermarket," as one conglomerate integrator puts it. Far from fighting this trend, Agriculture Secretary Earl Butz has coldly informed farmers that they must "adapt" to the corporate system "or die." In many farmers' place come the agribusiness giants—with their absentee ownership, remote bureaucratic levels of management, inefficiencies, high executive salaries, reliance on advertising, and absence of competition.

The list of food products now manufactured in industries dominated by one or a few monopolistic corporations is long and disturbing: cereals, soup, soft drinks, baby foods, dessert mixes, crackers, refrigerated doughs, local dairies and bakeries, and many more. In the aggregate, these non-competitive industries overcharge American consumers by several billion dollars each year. One measure of the cost of anti-competitive practices in the food industry was provided by the private lawsuit filed against A&P in San Francisco; in July, 1974 a federal jury agreed that A&P had conspired with several members of the National Association of food chains to fix high retail prices for meat, and awarded single damages of over $10 million.

What passes for "competition" within food lines typically avoids cutting prices or improving quality. Rather, it generally consists of proliferating and differentiating old products with new shapes, sizes, flavorings, etc. (For example, General Mills' Total and Wheaties cereals are actually the same products except that Total, which has higher nutrient fortification levels of dubious value, commands a much higher price.) As for price, store brands of comparable quality cost about 14% less than nationally promoted brands, and there is a bewildering array of variations in package size, slack fill, ingredient percentages, and nutritional values which render already difficult to use unit pricing schemes (where they exist) of even less value to consumers seeking the best buys for their money.

Supermarkets add to the misinformation provided by manufacturer advertising and packaging by using deceptive in-store promotion devices such as "end displays," "multiple pricing," "price spotters," etc., which can wrongly portray items as being reduced in price. One recent study found that 13–25% of all advertised supermarket "specials" were not in fact reduced in price. Such devices, however, can dramatically increase sales—by over 600% in the case of "end displays."

Nutrition is perhaps the chief victim of the modern food industry. About 43% of the calories in the U.S. diet are empty of nutrients; they come from sugar, alcohol, and fats added to foods. The diets of large proportions of the population are deficient in essential nutrients. This is especially so of the low income persons who are least able to cope with spiraling food prices. These deficiencies have been linked to learning impairments among school children, anemias, and probably are an important factor in infant mortality, birth defects, and brain damage. The food industry response has been the heavy fortification of junk foods with a handful of the more than 40 essential nutrients. Since nutrients usually need each other to be effective, this may be one of the largest nutritional hoaxes ever perpetrated.

Also very troubling are the saturation levels of sugar (19% of U.S. calories), fat (42% of calories), salt (10–18 grams daily), cholesterol elevators and the lack of fiber in our national diet. There is considerable evidence that this diet is one of the major causes of heart disease, certain cancers (e.g., colon), diabetes, diverticular disease, tooth decay, and a number of other diseases. The food we eat, consequently, is in a real sense one of the chief contributors to rising prices for health services.

Of course, hardly a word about this silent devastation to health is to be found in the ads touting the pleasures of these foods. If foods are rated according to their overall nutritional values on a scale of 100 for a diet consistent with good health, at one end, and a theoretically possible −200 for maximum excesses of fat, cholesterol, sodium, and sugar and deficiencies of nutrients and fiber, at the other end, the diet offered by 1971 network television ads would score approximately zero.

What is needed to begin to relate our national diet more to health, quality, and price economy are systematic antitrust deconcentration of the food manufacturing and retailing industries coupled with a comprehensive independent consumer information system utilizing counteradvertising and comparative price, nutrition, ingredient percentage, and quality grade labeling at point of purchase. The spread of nutritional education in schools and alternative food stores selling nutritious, safe, unadulterated products should be accelerated.

AUTO SAFETY AND EMISSION CONTROLS

Even as the auto industry risks inflicting a depression on itself by overcharging for its misdesigned product, it has the depravity to demand a moratorium and rollback on vehicle emission controls as overly costly.

Between 1967 and 1974, the price for a Chevy Impala and Ford Galaxy shot up from $2828 and $2838 to $4561 and $4615 respectively. Even self-serving auto industry price data supplied to and uncritically accepted by the Bureau of Labor Statistics (BLS) show federally mandated emission controls, safety equipment, and bumper standards was the pretext for less than 25 percent of the 1967 to 1975 price rise. From 1968 through 1975, the upper limit BLS calculated sticker price increases for emission controls total $190.00 while required safety equipment price increases total $224.85. The BLS figures come from the auto companies themselves. So taking the auto industry's own inflated data, the total price increase for all federally mandated safety and emission control equipment to date is no more than $414.85. Eliminating industry profit by applying the National Academy of Sciences' very conservative method for calculating manufacturer cost, the industry cost for the federal standards is only $259.28. (A car air conditioner alone averages $425.) The actual bloated industry profits on safety and emission controls are known only to the auto industry and its manipulative accountants.

Indeed, there is evidence that some manufacturers are implementing more unnecessarily wasteful and expensive safety systems than other manufacturers. The bumpers on the 1974 Ford Pinto weigh 133 pounds; yet the 46 pound bumpers on the similar class 1974 Opel Manta permit the Manta to meet the same bumper standard at lower cost and better fuel economy due to the 87 pound weight savings. Similar quality differences are suggested by the large variations in the replacement prices of bumper systems for seven 1974 domestic models; front bumper replacement prices range from $111 to $347 while rear replacement prices range from $80 to $296.

Even if there were a rollback of safety and emission standards, there would be no significant reduction of vehicle prices. When the $50–$90 (the auto companies figures) ignition interlock standard was deleted, this effectively resulted in hidden price increase—for only General Motors reduced a fraction of that increase, by only $13. Ford Motor Company merely retained the $50 to $90 as increased income.

Furthermore, any added consumer cost must be compared with the massive consumer savings. The Department of Transportation has estimated the total cost of auto accidents at *$46 billion* annually. Until the imposition of the recent 55 mph speed limit, motor vehicle accidents killed 55,000 individuals and injured 2.1 million each year. The National Academy of Sciences estimates that auto emissions cause "as many as 4,000 deaths and 4 million illness-restricted days per year. With costs like these, even the alleged expense for safety and emission standards is an ounce of prevention instead of a pound of cure.

This Administration obviously thinks differently. By letters of January 8, 1975 to top auto industry executives, Energy Resources Council chairman Rogers Morton offered the companies an inviting deal: in exchange for voluntary commitment to the 40% fuel-economy improvement program (over 1974, not 1975 auto levels), not only would emission standards be deferred, but also new motor vehicle safety standards would not be implemented that would add more than 100 pounds to vehicle weight between 1974 and 1980. This secretly negotiated deal trades higher rates of cancer and respiratory diseases for empty promises by the big three domestic companies to do less in 1980 than some smaller auto companies are *already* doing. A previously secret Federal Energy Administration analysis of potential new car fuel economy, obtained last week by one of my associates, clearly discredits the stated need to relax vehicle safety and emissions standards to obtain a 40% gain in fuel economy. According to this analysis, the average 1980 car meeting full safety and emission standards, with only a moderate shift in production to small cars, will be a projected 19.8 miles per gallon, or .2 mpg *more* than President Ford's announced voluntary goal. So it appears that the government gave up the consumers' health—for nothing. Apparently they never considered a price-reducing moratorium on costly style.

If the auto industry wants price reduction significant enough to induce consumers to purchase new cars, then the industry must look beyond the scapegoat of vehicle emission controls and safety equipment to the real causes of inflated auto prices—things like anti-competitive practices, annual style changes, and mandatory or deluxe options (like vinyl roofs and air conditioners). The Federal Trade Commission estimates that the high concentration of the domestic auto industry is costing consumers billions of dollars each year—or at least $230 per car—due to anti-competitive practices and captive market gouging for replacement parts. Back in the late 1950s, several university economists completed a study which then showed that several hundred dollars of the retail price of the automobile reflected styling costs. This inane practice continues today as exemplified by Chrysler Corporation's expenditure of $350 million last year to restyle its full-sized cars rather than put a small car into production to compete with the Pinto and Vega. Instead Chrysler imports Mitsubishi's Colt rather than building its own sub-compact which would generate much needed employment for the hard hit auto workers.

Rather than perpetuate the cruel lie that minimal life and health-saving features on autos are somehow responsible for the slump in auto sales, the auto industry should significantly reduce prices; it has tentatively begun to do so with the companies' rebate programs, an implied admission that their prices were previously too high. If it continues to pressure for a moratorium on safety and emission controls, the Congress should instead conduct a long-overdue and thorough investigation of auto industry pricing policies including their calculated removal of cheaper models from the market, the installation of former options as mandatory equipment. The use of Congressional subpoenas of auto industry cost data would join these issues in ways that could no longer be ignored.

BANKS

In the past year, the power of banks to restrict the consumers' ability to manage their financial transactions has grown. Under bank credit card plans, consumers have encountered difficulties in obtaining meaningful descriptions of their store purchases, and found that banks will ignore their directions in allocating payments between cash advances and purchases. Worst of all, banks have been notoriously uncooperative in correcting errors in account or billing statements. Consumer dependence on banks will become even greater with the development of payments by electronic transfers, under which checks will be replaced by monthly bank statements and consumers will be asked to pre-authorize their bank to make recurring payments on their behalf. Baltimore recently provided a preview of these dangers when the city government attempted to force new city employees to open bank accounts in the bank which received the city's payroll deposits.

Responding to increased public awareness, Congress and some state legislatures have recently enacted laws which give consumers new rights in their banking transactions. A new federal law, The Federal Trade Commission Improvements Act, now prohibits unfair or deceptive banking practices. Another federal law, to take effect later this year, will prohibit sex discrimination in lending and require banks to respond to customer complaints concerning credit billing errors. The Uniform Consumer Credit Code, which has been enacted in 7 states, prohibits some abusive creditor practices such as excessive penalties for late prepayments.

Unfortunately, many of the new banking laws do not provide consumers with the legal remedies necessary for effective enforcement of their newly granted rights. Rights without remedies or sanctions become nullities. Enforcement by private action, a key provision of the original Truth in Lending Act of 1968, has been deemphasized or ignored in the new legislation. With actual damages often only a small amount, consumers and their attorneys have little incentive to bring a law suit unless the law provides for a guaranteed minimum civil penalty in the event of a sucessful complaint. Recognizing this, Congress did provide for a minimum recovery of $100 in the Truth in Lending Act. But the new federal sex discrimination statute has no minimum civil penalty. The Fair Credit Reporting Act does not provide for any civil penalty when a lender fails, in violations of the law, to tell a customer denied credit because of an adverse credit report the name and address of the reporting credit bureau.

Even worse, the federal law prohibiting unfair or deceptive banking practices and most of the sections of the U.C.C.C. fail to provide any private remedies at all. Public enforcement of these laws by cease and desist orders should also prove to be ineffective—because federal and state bank agencies have proven reluctant to issue such orders and because cease and desist orders cannot remedy past violations. Without effective enforcement mechanisms, however, the new laws are cosmetic legislation, possibly a victory for politicians interested in ceremonial reform, but more a tribute to the power of the bank lobbies than a protection for consumers.

During the next two years Congress will be considering a long needed restructuring of the entire system of financial institutions. Essential to meaningful reform is the removal of Federal Reserve Regulation Q which presently prevents small savers from earning the higher interest rates available to large savers. Consumer groups will ask that the federal banking laws be amended to permit banks to pay interest on demand deposits which now deprive depositors of $10 billion annually in interest.

Many urban communities have recently been caught in a seemingly irreversible process of neighborhood decay, dilapidation, and abandonment. In many cases the decision of financial institutions to shut off the supply of mortgage loans has triggered this process. Community groups will be asking Congress for legislation requiring public disclosure of the geographic distribution of mortgage loans and savings deposits for each financial institution located in their neighborhood so that any reluctance to make mortgage loans can be detected and reversed before the housing stock and the morale of the community start to decline. Community groups will also ask the federal and state banking agencies to monitor mortgage lenders to insure that they are not discriminating on the basis of race, national origin, sex, or unfavored neighborhoods. This has been a duty of the federal banking agencies since the passage of the Civil Rights Act of 1968, but the Federal Home Loan Bank Board, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, and the Federal Reserve have avoided assuming this responsibility.

ENERGY

As 1974 began, our energy problems were accelerating. The OPEC countries and the multinational oil industry cartel drove up the price of imported and domestic oil. A substantial chunk of our energy supply was being wasted through inefficient patterns of energy consumption, domestic energy production was mysteriously declining, and most energy policy initiative was in the hands of a President indebted to the energy industry for millions of dollars of campaign contributions.

In the intervening year, the Emergency Petroleum Allocation Act, which required equitable pricing and distribution of petroleum products, began operation and the energy crisis provoked public outrage against a suspiciously manipulative oil industry, leading to demands that the government get down to business with business. Still, a year later our energy enigma is far from resolved, the country is as vulnerable as ever to a renewed oil embargo, energy costs are higher than ever, domestic energy production mysteriously continues to decline, the administration of the Allocation Act has been marked by ineptitude and footdragging, the energy industry has maintained sufficient influence in Congress to gut or block substantial reforms of government energy policy, and the reorganization of energy policy machinery in the executive branch has come full circle from control by an inept Rogers Morton to control by an inept Rogers Morton.

The Administration has proposed to expand oil and gas production by increasing the sale of offshore leases and deregulating the price of new natural gas. But increasing the sale of leases during a period of equipment and manpower shortages (especially offshore drilling rigs and rig crews) will not increase production. Indeed, many existing leases are not in production, leading even the supine Department of the Interior to complain last week to the offending companies. And deregulating the price of new natural gas would allow it to rise to the equivalent of the OPEC oil price, a level far beyond a reasonable incentive price. (See *Natural Gas* Section). As for increasing coal production, the President's contribution has been to suggest weakening the Clean Air Act to permit burning more high sulphur coal and to veto the Surface Mining and Reclamation Act, which he claimed would unnecessarily restrict coal production (though he did nothing about coal leases not producing). But the Clean Air Act's sulphur emission standards can be met by mining abundant low sulphur eastern deep mine coal rather than western strip mine coal and by adding flue gas scrubbers to utility plants which can't get enough low sulphur coal.

The potential for effectively reducing energy consumption in the immediate future is very considerable, as the Ford Foundation Energy Policy Project concluded. Nonetheless, with the exception of the national 55 mph speed limit and the price rationing effect of allowing much of our domestically produced oil, gas, and coal to rise to the monopoly price of OPEC oil, the Ford Administration has avoided strong government actions to require energy savings in favor of urging voluntary saving.

President Ford's current proposal for price rationing of energy through an import tariff, excise taxes, deregulation of old oil and new natural gas, higher coal prices, and expansion of electric utility rate bases is one which merely throws gasoline on the fires of inflation. The increased cost of energy has already become the single most important inflationary factor in our economy during 1974. Unfortunately for consumers and the economy, William Simon and other economic and energy policymakers have been willing to permit 40 percent of domestic oil production (new, released, and stripper oil), 50 percent of domestic gas production (intrastate sales), and much of our coal production to rise toward the OPEC monopoly price rather than controlling them at reasonable incentive price levels.

FEA's attempt to protect consumers from cheating on the price controls on petroleum products under the Allocation Act has been underwhelming. A GAO study found that most of FEA's 850 auditors were assigned to retailers and wholesalers where they caught violations worth tens of millions of dollars, while only 2 auditors were assigned to each of the nation's 30 largest refiners where violations and errors not yet detected are estimated to total in the billions of dollars. Moreover, no auditors in 1974 were assigned to guard against the temptation for oil producers to label price-controlled $5.25 old oil as uncontrolled $10.25 new, released, and stripper oil. Hopefully 1975 will see some improvement, as FEA has recently begun to audit oil producers and has increased the number of auditors assigned to refiners.

Overall, the dominance of industry interest over consumer interests in the formulation of federal energy policy didn't change much during 1974. When FEO was created in late 1973, considerable energy policy authority was tranferred from Rogers Morton at the Interior Department to William Simon at FEO. Since Morton's subservience to the Interior Department's energy industry clientele was well known (he once told energy industry leaders at a White House briefing that "our mission is to serve you, not to regulate you"), the transfer of authority away from Morton during a critical period for energy policy seemed welcome. Simon, however, proved wholly uncritical of an energy industry which was so largely responsible for our energy shortage. He massively surrounded himself with former energy industry personnel at his agency, as one survey found over 100 of them at FEO, with over 50 working in high level positions. Simon and his coworkers have been vigorous defenders of the energy industry's excess profits and have urged policies which would further increase those profits. Indeed, in January, 1974, the FEA wrote a pricing regulation which permitted refiners to add more crude oil costs *twice* when computing the selling price for their refined products. This notorious "double dip" provided a windfall $330 million for the oil firms (although the FEA is now attempting to get these monies back).

Simon's successor, John Sawhill, made the mistake of preaching the need for mandatory energy savings, which earned him the distinction of becoming the Wally Hickel of the Ford Administration. With Sawhill out, his opponent Rogers Morton is now back in control of energy policy in the executive branch as Chairman of the Energy Resources Council. Given Morton's confessed unwillingness to regulate the energy industry, energy industry interests and executive branch energy policies will continue to coincide with deplorable infidelity to the consumer interest.

Congress had a mixed record on energy in 1974. It failed to do anything about the energy industry's excess profits, or its continued and indefensible tax preferences (in the five year period through 1972 seven major oil companies paid an effective federal income tax averaging below five percent), or its anticompetitive structure and practices. Besides the Emergency Petroleum Allocation Act, it passed the Emergency Energy Act to roll back domestic oil prices (a bill vetoed) and approved the reorganization of the Atomic Energy Commission into 2 new agencies (see *Nuclear Power* section). And it did earmark $60 million over a five year period for demonstration of the feasibility of solar heating and cooling of buildings—an important step, to be sure, but still vastly outpaced by the billions allocated for nuclear power research and the billions in tax expenditures to oil and gas producers annually.

NUCLEAR POWER

The past year's energy crunch has stampeded people who should know better into the embrace of nuclear power—and its potential doomsday technology; at the same time, 1974 saw some modest nuclear reforms and a heightened citizen awareness of this technology's problems.

Congress abolished the Atomic Energy Commission (AEC), which had the schizophrenic task of both promoting and regulating nuclear power. All too often, the AEC erred on the side of the promoters. Newly established are the Energy Research and Development Administration (ERDA), assigned the task of developing a sound energy program, and the Nuclear Regulatory Commission (NRC), which is to regulate nuclear power plants. That the new chairman of the NRC is William Anders, one of the "boomers" among the AEC commissioners, hardly encourages those who hope the NRC will become more than a resurfaced AEC. While this fissioning of the AEC is an important step, it is only a first step. Citizen and congressional vigilance is necessary to ensure that ERDA emphasizes clean renewable energy sources, and that the NRC becomes a strong regulator of nuclear power.

In 1974 the Congress attempted to extend the inadequate nuclear accident insurance provided by the Price-Anderson Act. This Act, to expire in 1977, would pay victims of reactor accidents less than one percent of the maximum damage. Of that less than one percent, four-fifths would be paid by the government, the rest by the nuclear industry. So in the benefit-risk analysis of nuclear power, the benefits go to the industry, and the risks go to the taxpayer. The act itself, of course, is a telling admission that the insurance industry doesn't trust nuclear power enough to offer insurance at reasonable premiums. Which is why the utilities demanded limited liability by law in 1957 when the Price-Anderson bill was enacted.

The extension passed by Congress would have retained government responsibility until about 1985. A non-funded reserve (in which the utilities are retroactively assessed premiums by the NRC) would have increased compensation to levels that still would have been inadequate. President Ford vetoed the bill, on the grounds that one clause was constitutionally vague. For the wrong reason, the President took the right action. His veto gave citizen groups another chance to work for Fair Nuclear Insurance (strict and unlimited liability assumed by the nuclear industry) when Price-Anderson again comes before Congress in 1975.

The year 1974 also saw crescendoing disclosures highly embarrassing to a nuclear industry grown smug about safety questions. Leaked AEC Task Force reports concluded that serious safety problems are "besieging" nuclear power, and that safeguards against theft of weapons-grade material are "entirely inadequate." A General Accounting Office inspection found that security measures are inadequate to prevent nuclear plant sabotage—and the recent disappearance of pounds of the deadly plutonium raises the grim specter of nuclear theft, for which there is no possible fail-safe system. Cracks in reactor cooling systems at three plants forced the AEC to require half the industry to shut down for inspections. Investigations of several processing plants by *Science* magazine found those plants unable to handle plutonium without worker contamination or loss of material. The recently publicized incompetence of the Kerr-McGee plant in Oklahoma is the industry rule, not the exception.

The breeder reactor, upon whose development continuation of the nuclear industry depends, has experienced cost overruns of up to 500 percent—a situation predictably leading to some disillusionment with nuclear power. General Electric abandoned plans to operate a reprocessing facility due to major technical problems. Consumers Power, Inc., sued the builders of its broken-down Palisades plant for manufacturing poor equipment. Consolidated Edison staved off bankruptcy by selling a nuclear power plant to New York State. All over the country, utilities disturbed by high capital costs and unreliable plant operation deferred nuclear power plants by the dozens.

The most encouraging recent indications of a growing awareness of nuclear energy came from the actions of individual citizens and citizens groups. Carl Hocevar, a reactor safety researcher, dropped out of the nuclear industry and called for a moratorium on nuclear power. Dr. Hocevar joined the Union of Concerned Scientists, a group which had dedicated itself to keeping the AEC honest. Whistleblowers alerted the Commission to defective Westinghouse pumps and General Electric control rods, inadequate welding at a Virginia plant, improper construction practices at an Ohio plant, and coverup of violations at the Palisades plant. A citizen group showed the AEC that a northern Virginia plant was constructed over a geologic fault. A North Carolina group attacked nuclear power as an economic disaster that would raise utility rates. Voters declared their disapproval of nuclear power by defeating referenda on underground nuclear explosions in Colorado and floating nuclear plants in Atlantic County, New Jersey. In 1974, the number of citizens signing petitions to support a nuclear moratorium rose above 100,000.

And nearly a thousand people massed in Washington, D.C. in early November at "Critical Mass '74"—a three-day gathering where nuclear opponents discussed nuclear dangers and citizen action tactics.

Given the demonstrable dangers of nuclear power, one would think that national energy policy would turn away from the nuclear option and develop safe, cheap, simple, clean energy technologies. Alternatives which are already technically feasible include soloar heating, electrical generation from geothermal and garbage energy, power from the wind, and conversion of urban and animal waste to methanol. Still, nuclear power hawks foresee an industry growing from the present 50 power plants to 1,000 plants by the end of the century. Citizen concern and pressure must proliferate at least as rapidly, pushing for a moratorium on nuclear power. For a trouble-plagued technology based on a deadly and non-renewable resource and which produces dangerous waste, nothing less will do. Nuclear power must be halted and our nation's energy needs met by clean, cheap and safe energy sources.

NATURAL GAS DEREGULATION

Inspired by a self-serving "energy crisis," the major oil companies have begun a drive to end the regulation of natural gas prices by the Federal Power Commission. Led by Senator James Buckley (Cons.-Repub.-N.Y.), the industry's advocates have chosen the Senate as their battleground. The cost to the consumer of the Buckley style "new gas" deregulation bill will be huge—as much as $10 billion a year and over $50 billion through 1980. If implemented, estimates FPC economist David Schwartz, the average residential gas bill will rise from $165 to $214 next year and to over $400 by 1980.

The reason for this price jump should be obvious: natural gas production is a highly concentrated industry where competitive market forces cannot work to keep prices down. The eight largest natural gas producers control between 62 percent and 99 percent of all new gas reserves, depending on the field involved. Competition is further diminished by a latticework of joint ownership and production; 10 of the 16 largest major oil companies own 80 percent of their offshore leases jointly with each other. Nor can natural gas consumers bargain for lower prices among the few firms in the industry, since they must buy their natural gas from their local public utility.

The local utility in turn has little ability or desire to bargain for lower prices. It can usually pass on the cost of the gas to the consumer through fuel adjustment clauses or similar mechanisms. It typically deals only with the geographically available supplier—a major interstate pipeline. The pipelines, likewise, today have little reason to bargain for fair prices; they have shown more interest in keeping the pipelines operating at full capacity at any price than in bargaining for low prices. Most importantly, unlike the past when there was a clear division between producers and pipelines, virtually all pipelines have now formed product affiliates, and thus now have their own self-interest in high natural gas prices.

Consequently, while deregulation may be desirable in those regulated industries where workable competition can protect consumers better than "captured" agencies (like air travel and trucking prices at the CAB and ICC), improved FPC regulation is necessary to insure against windfall profits in this concentrated industry. Without regulation, economic forces will push prices up to the OPEC price level, for gas companies would have a market for their product at any price up to that amount. So it is somewhat ironic that Administration spokesmen, such as William Simon, on one hand warn of the drastic consequences of OPEC oil prices, but on the other hand advocate deregulation of natural gas prices which will permit the domestic oil and gas cartel to use the OPEC price as the measure of natural gas price as well as the price of oil. This the cartel has already done for uncontrolled domestic oil, for example.

There are even serious questions about the real causes of this winter's natural gas shortage. Although Federal Power Commission reports document that there are huge quantities of natural gas in "shut-in" wells which are not being produced, the Federal Power Commission reports significant natural gas service curtailments. Additionally, a preliminary Federal Trade Commission Report (1973) charges that the natural gas producers significantly underreported the size of their reserves—at times by as much as 1000 percent. Newspaper reports indicate that the FTC staff has recommended a complaint against the natural gas producers for using false data in computing natural gas reserves.

Despite these serious problems with natural gas deregulation, President Ford rubber-stamped it in his package of economic proposals. This proposal will be vigorously opposed by those more interested in consumer justice than in even greater oil industry profits.

UTILITY PRICES

Last year was one utility consumers will not easily forget. Electric utilities made their annual demands before state regulatory authorities and came away with rates that made the overall double-digit inflation mild by comparison: utility rates jumped 55 percent in the first half of 1974, which itself came on top of a 20 percent rise the previous year. Many consumers in all-electric homes may soon find themselves paying more in electric bills than monthly mortgage payments. And while the utilities continue to plead poverty for yet another round of rate requests, major electric utilities reaped a not impecunious 15 percent return (on operating revenues) last year.

The year 1974 did, however, provide several verbal developments for utility users. In Connecticut, a new Governor was elected on a campaign of utility reform. Attorneys general in Wisconsin, Connecticut and Rhode Island ran and were elected on pledges to challenge fuel adjustment clauses. For years consumerists and environmentalists complained that utilities discouraged needed conservation efforts by charging residential customers more than industrial customers; it has been estimated that residential consumers use 26 percent of electricity generated but provide 37 percent of large utilities' revenues, while large industrial users use 35 percent but pay only 23 percent of revenues. This past year the Wisconsin Public Service Commission required the Madison Gas & Electric Co. to revise its pricing schedule so that those users whose high demand necessitates expensive new plants—like industry—pay for the costs of those plants, rather than those citizens that have conserved. Hence, industrial rates there are going up faster than residential rates, which will provide industry a healthy incentive to seek out energy saving programs, an eminently realizable goal given the admitted large waste of energy at those locations.

Still, utilities around the country have used consumer money to pay for the rate proceedings and their requests for higher rates; at the same time, environmental organizations have exhausted their resources and spent tens of thousands of dollars of their money and money donated to helping the reform process. Citizen input into the utility regulatory process must be systematically maintained. Which is why the National Public Interest Research Group is proposing this year, in conjunction with citizens and citizens groups in those states, the establishment of a state-wide Residential Utility Consumer Action Group (RUCAG). What residential utility customers need most is organization, with a full time staff of lawyers, accountants, economists, engineers, health specialists and organizers promoting their interests. Such an organization established by state law or public utility regulation could be funded through a checkoff. Included within every monthly bill of each and every utility in the state sent to residential customers would be either a check-off card or there would be room on the bill to list a voluntary contribution in addition to the base bill.

Each consumer contributing a small minimum amount to RUCAG would be entitled to membership, and a vote in the selection of a consumer Board of Directors and the development of an overall program. The Board would be responsible for hiring the staff, intervening in rate proceedings, handling consumer complaints, and insuring that consumers are constantly informed of their activities through newsletters and local meetings. The utility would act solely as collection agent for the check-off contributions. Since the Public Utilities Commissions allow the utilities to charge consumers the costs of their rate proceedings, the tiny cost of forwarding the contributions could be absorbed without difficulty by the utilities.

What can the RUCAG do? What issues will it address? And, what should it demand? It will be involved in monitoring all legislative activity relevant to utility consumers. It will be a constant participant in rate proceedings—challenging the expenses of a utility, its rate of return allowable, and its rate structure. It will be involved in decisions ranging from pollution to nuclear power to plant siting, which traditionally have excluded real consumer participation.

A RUCAG can also monitor the price of fuel being charged the utilities. According to a recent FEA release, utilities in the South have been overcharged by wholesalers and oil brokers—and the FEA suggested that similar price-gouging exists in other regions of the country. When a utility has a fuel adjustment clause which allows them to pass on the costs, they will not energetically seek to obtain lower prices from the middlemen. A RUCAG can demand that the Public Utility Commission undertake its own investigations to determine if the price of fuel is fair. Then developments like Wisconsin's peak-load pricing may become the rule. And utilities will no longer be able to prevail by default over weak and captive public utility commissioners.

What can be said about the prospects for the consumer in public policy and law enforcement? Certainly the abuses of the past and present provide major benchmarks for action. The Nixon Administration did more danger to consumer interests than has generally been recognized. His appointments to the regulatory agencies have fossilized further their performance, with the possible exception of the Federal Trade Commission. His lobbyists on Capitol Hill, equipped with the veto promise, undermined, delayed or blocked sound legislation proposals.

Is the Ford Administration any different? Or is it merely the Nixon Administration *sans* Watergate? Would Nixon have acted any differently than Ford concerning the current crop of anti-consumer economic and energy proposals? The equation is obvious: for consumers, Ford-Nixon-Watergate. In response, consumers throughout the country must strive to make this a veto-proof Congress for consumer legislation—especially the kind that consumers can make work, like class action and consumer protection agency bills. Those same consumers can work on their state legislatures for similar self-initiating consumer action units such as the aforementioned RUCAG idea to tame and reshape utility company performance.

New ideas, new resolves, new strategies and new modes of organization must infuse the consumer movement. But in searching for the new, let us not forget the old idea that is basic to all these progressive influences—the consumer cooperative. It is toward consumer cooperative economic structures that the consumer movement must move in both local urban and rural areas of the country. These structures must learn from the past experience of older cooperatives so as to build more dynamic and involved cooperative institutions guided by a comprehensive political and economic philosophy.

Above all, it is important to remind the politicians that the economy exists for consummers—their overall well-being and the well-being of future generations must be the measure by which the economy should be judged. That well-being is to be understood broadly to include more than consumer justice in the provision of business and governmental goods and services, more than health and safety. It must include a political economy shaped by informed and organized consumer decisions where those decisions are made—in the councils of government and councils of business. Inescapably the consumer movement must become legislatively, judicially and economically powerful.

LEADER OF THE OPPOSITION

Mr. HUGH SCOTT. Mr. President, a recent editorial in the Pittsburgh Post-Gazette makes reference to Daniel Patrick Moynihan as impeccably attuned to the United Nations and uniquely qualified to assume the responsibilities of its chief U.S. delegate. These qualifications become more apparent, the editorial emphasizes, in light of a remarkable article published by Moynihan which proposes a new role for the United States at the U.N.

I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

LEADER OF THE OPPOSITION

Daniel Patrick Moynihan is an urbane urbanologist turned diplomat who in an extraordinarily varied public career has run afoul of smaller minds on both the left and the right of American politics.

Most recently U.S. ambassador to India, he is now reported to be President Ford's choice as the new chief U.S. delegate to the United Nations. If the nomination indeed reaches the Senate, that body will find itself in the rare position of considering a man who has already described, cogently and at length, exactly what is required of the position for which he seeks confirmation.

In a lengthy article published earlier this year, Mr. Moynihan brought to the question of the "new majority" in the UN the same clarity of thought and lack of ideological bile with which he approached welfare reform as the architect of Richard Nixon's ill-fated Family Assistance Plan.

The title of the article, which appeared in the March issue of Commentary, is "The United States in Opposition." In it, Mr. Moynihan suggests an American response to the increasing power in the United Nations of the so-called Third World, power reflected not only in the enthusiastic reception of Yasir Arafat and General Assembly actions against South Africa but also, more subtly, in the policies adopted by UN-sponsored world conferences on hunger, population and pollution.

Mr. Moynihan does not counsel U.S. withdrawal from international organizations. On the contrary, he sees those organizations gaining more power in the future and insists that U.S. interests would best be served by maximum American participation.

His proposal is that the United States "go into opposition" at the UN and its increasingly important economic, scientific and arms-control extensions. "We are a minority," he writes. "We are outvoted. This is neither an unprecedented nor an intolerable situation. The question is what do we make of it." What Mr. Moynihan would make of it is an opportunity to state "directly, loudly and forcefully" the superiority of capitalist societies with civil liberties over those Socialists ones which officially sacrificing liberty to economic growth, achieve neither.

Mr. Moynihan's goal would not be merely to vent American spleens in response to the hypocrisy of the UN's "new majority." A more aggressive American stance at the UN would also, he insists, have practical advantages. Many of the Third World countries, he argues, will be in danger of losing their parliamentary, democratic traditions—a valuable British legacy—if their economies continue to stagnate. It is in the interests of the world's welfare then for Americans at the UN to point out that even that Third-World devil, the multinational corporation, offers more hope of stability and freedom than does continued ideological exercise on the socialist, anti-American treadmill.

Mr. Moynihan has made a persuasive case that avoids the jingoism of many opponents of the UN, on the one hand, and the sycophantic indulgence paid by many to the Third World, on the other. The U.S. should follow his suggestion that it become the international "new majority's" aggressive opposition. President Ford and the Senate could find no more articulate leader of the opposition than Mr. Moynihan.

ADDRESS TO AMERICAN IRON AND STEEL INSTITUTE

Mr. HARTKE. Mr. President, on May 1, I had the pleasure of addressing the Government Relations Committee of the American Iron and Steel Institute. I discussed the topics of taxation, trade, and transportation.

Mr. President, I ask unanimous consent that the text of my remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR VANCE HARTKE

I feel right at home addressing representatives of the iron and steel industry. I do not have to tell all of you this, but most people are somewhat surprised to learn that the largest industry in my home state of Indiana is not farming and agriculture but manufacturing. Indiana is a great farm state and has some of the richest and most productive land in the country, but the economy of the state is dominated by industry. We are squarely located in the great industrial and manufacturing region which stretches from the northeast to the midwest. Manufacturing employment constitutes over thirty-five percent of total employment in Indiana; the national average is only about twenty-six percent. And the largest industrial sector in the state, by most measures, is the primary metal industry. This industry produces the largest value added in the state and has, by far, the largest capital expenditures in Indiana. Primary metals employ the second largest labor force in the state, second only to electrical machinery producers.

In addition to these connections with your industry, many of the issues in which I have a strong and active interest are also of major interest to you. Specifically, this afternoon I have been asked to address the topics of taxes, trade, and transportation.

The most immediate issues concerning taxation are those surrounding the recently adopted tax reduction act of 1975 and the anticipated tax reform bill later this session of Congress. As I am sure you are all aware, I had a significant impact on the design of the next tax reduction act.

Several of the provisions I was successful in including in the act do not affect this audience directly, but I am proud of them nonetheless. For example, the provisions which grants tax credits to purchasers of new homes was originally my idea. This concept was embodied in a bill I introduced in the Senate on January 28, along with a companion bill to grant tax credits to automobile purchasers. These bills recognized that the housing and auto industries are basic to America, have suffered the highest unemployment and therefore were the ones in which a direct stimulus was needed. The concept of granting tax credits to purchasers of new homes was later endorsed by Senator Long and, the provision was adopted in the finance committee and survived through floor action and the conference committee.

I also played a role in shaping the tax rebates and tax reductions for individuals and corporations. The individual tax changes are designed to benefit primarily low and middle income taxpayers. These people suffer the most from periods of high inflation. They are also the primary victims of the massive layoffs which have occurred as our economy has plunged ever deeper into recession. And, because of their economic status, they are also the most likely to use their tax benefits to increase consumption and, thus, stimulate the economy.

However, I do not believe the tax cut is the panacea to all our economic problems. The tax cut will stimulate consumption. We hopefully will see a business turnaround sometime later this year. But this recovery, if it does occur, is shaping up as the first business cycle up-turn in which we will see a recovery of business without a recovery of employment. G.N.P. will probably increase, but unemployment is going to be a long time coming down.

Employment has always been a lagging economic indicator, but the current situation differs from historical trends. In past recessions the recovery either was led by, or, at least included, the industries which employ the largest numbers of workers, either directly or in supply industries. The two primary industries involved here are the automobile industry and the housing industry. But this time, because of the ambiguities in consumer demand for cars largely resulting from environmental and energy uncertainties, and because of abnormally high interest rates, these industries are not going to lead the economic recovery. They may grow with the economy, but they will not be the propelling force driving the rest of the economy out of recession.

This means the recovery will probably be slower than past recoveries. It also means unemployment will decline more slowly, and unless imaginative public policy is forthcoming, we will still be suffering from seven to eight percent unemployment, not only at the end of this year, but next year as well. This is a serious problem that we all need to think about carefully because it has dramatic and revolutionary implications—for unemployed workers—for our whole society. When high unemployment becomes a permanent affliction rather than a temporary abnormality in our economy, our public policies and institutions have to be revised accordingly. Most people are only just beginning to grasp the full dimensions of this problem, but it will become a major political issue in the near future.

As you know, I also had an impact on the changes in corporate taxes in the tax reduction act. I supported the increase in the corporate surtax exemption and reduction in the tax rate on lower levels of net income; two changes which primarily benefit small business. I also supported the increase in the investment tax credit, which I know is important to the iron and steel industry. My support of the investment tax credit goes back a long way.

I was an original sponsor of the investment tax credit in 1962. I opposed its suspension in 1965. I said at the time it would be reinstituted within a year, and it was.

I oppposed repealing the credit in 1969. I proposed reinstituting the credit in 1971 and my bill would have re-established the credit at ten percent rather than seven percent. I have advocated increasing the credit for three years. I wanted the increase to be to twelve percent and I wanted it to be permanent.

I almost succeeded in getting the investment tax credit made permanent in the Tax Reduction Act. I proposed it and the Finance Committee adopted it, although the committee added some provisions concerning employee stock ownership plans to the tax credit. Although my measure to make the investment tax credit permanent failed in the conference report on the Tax Reduction Act, you can be sure that I will propose it inclusion in the tax reform bill to be taken up later this year.

There are many reasons for making the higher investment tax credit a permanent feature of the tax code. The credit has proved to be a successful device in stimulating capital investment. Increased capital investment is necessary to provide jobs, and the amount of capital necessary to provide a single job is constantly increasing. If we still intend to rely on the private economy to provide the bulk of jobs in our society, then we need massive new capital investment to accomplish this.

Greatly increased capital investment is also necessary to correct some of our national problems. As just one example, I have proposed a major national project similar in magnitude and national commitment to the space program, to produce two million barrels per day of synthetic oil by 1985.

The production of synthetic oil, through the liquefaction of coal and from oil shale is possible with present technology. However, the level of capital investment required for large scale production is staggering. This investment will not be forthcoming from private sources without substantial government incentives. An effective investment tax credit is only one of several government incentives which will be necessary to achieve our energy goals.

In addition, substantial capital investment is needed to put America back on top of the productivity race. In recent years, productivity growth in the United States has fallen far behind that in other industrialized countries. Since 1960, output per man hour in manufacturing in the United States has increased about forty percent. In Great Britain, it has increased about fifty percent. Growth in Italy, France and Germany is approximately eighty percent, and Japan has increased productivity since 1960 by over two-hundred percent.

Of course, despite this trend, the United States is still the most productive nation in the world. For every one-hundred dollars worth of goods and services the American worker turns out, the German worker produces seventy-four dollars worth, the Dane sixty-two dollars, the Italian and Briton fifty-nine dollars, and the Japanese fifty-six dollars. But the gap is closing, and if we are concerned about maintaining our leadership we must improve our productivity growth.

This same trend is evident in the steel industry. While the American steel industry is still more efficient than in all countries except Japan, we are rapidly losing our supremacy. Since 1960 productivity in our steel industry has increased by fifty percent. That exceeds Britain's increase of only thirty-five percent, but lags far behind France's increase of seventy-eight percent, West Germany's ninety percent and Japan's phenomenal four-hundred-twenty percent. Here, as well as in other industrial sectors, the need for greatly increased capital investment is clear.

All of this demands a continued and sustained level of capital formation in the next generation which dwarfs what we have seen in the past. I believe the American economy is at a major turning point, and Government policy and business decisions must be aware of this. Whereas the last twenty-five years in the U.S. economy have been dominated by consumer goods' production, I believe the next twenty-five years will be dominated by capital goods as we increase the productivity of our industrial plant, as we address national priorities such as energy production and environmental protection, as we strive to remain competitive on the world market, and as we provide new, expanded job opportunities for our workers.

This, of course, does not imply we are going to stop producing consumer goods; but it does imply increased attention to capital formation and capital goods production. And it necessitates a complete review of public policy toward capital formation and investment. This review will be initiated when the tax reform bill is considered, but that will only be the beginning. Over the next five to ten years, we are going to have to take a hard look, not only at provisions that directly affect corporations, such as the investment tax credit and capital recovery allowances, but at other questions, such as the ability of the securities markets to function as sources of large amounts of new equity capital, and the structure of the debt market in the United States including the relationship of various types of private and Government debt to each other and to Government policy specifically Federal reserve policy.

I also was successful in amending the tax reduction act in the area of taxation of foreign earnings, and this gets into the topic of foreign trade.

For four years I was the Senate sponsor of the major alternative trade bill to the one which was finally adopted last December. The Burke-Hartke bill was not an anti-trade bill, as it was sometimes portrayed, but it was designed to be more protective of American jobs and American companies from unfair foreign trade practices. It also would have terminated U.S. tax provisions which actually encourage American firms to shift operations overseas, and, once overseas, to expand abroad rather than at home. Firms in several industries have taken advantage of these provisions to develop overseas operations at considerable expense in U.S. jobs and production.

I offered two of the tax provisions of Burke-Hartke, one dealing with foreign tax credits and restricted in applicability to oil and gas income; and one dealing with tax deferral on all foreign income, as amendments to the tax reduction bill in the Senate. They were adopted overwhelmingly, by seventy-five and seventy-three votes respectively, showing the concern of the Senate about these issues. The conference committee modified the amendments, limiting the use of foreign tax credits by the oil companies and eliminating certain tax haven sections of the code, and committed both bodies to a thorough review of the subject during consideration of the tax reform bill.

The whole issue of U.S. taxation of foreign income, and of foreign trade in general, is going to receive considerable attention in Congress during the next few years. And these are issues which vitally affect the steel industry. The American Steel Industry is vulnerable to foreign steel imports, particularly to periodic swings in steel imports. Because many of our trading partners have subsidized steel production, or partial government ownership of steel production facilities, they try to produce at close to full capacity even if it means selling the output at reduced prices on foreign markets. Frequently, this results in increased foreign steel imports to the United States at precisely the time when our own production is suffering. During the next several years when we are calling on our steel industry to greatly increase its productive capacity and productivity, we also need to maintain public policies which protect the industry from periodic invasions of foreign steel imports which disrupt the stability of the domestic market.

For this reason, it is crucially important that you in the industry, and we in Congress, keep a close watch on the new round of trade negotiations now underway in Geneva. Through our finance committee staff, we are keeping close contact with the GATT negotiations as they proceed. Progress is very slow to date. As far as negotiations affecting steel are concerned, there is considerable resistance among our trading partners to sector negotiations on any topic. This is an area where you should pay close attention to the GATT negotiations because although my amendments put sector negotiations in the trade bill, the administration was vigorously opposed to sector negotiations. However, an initial agreement has been obtained that the GATT staff will do a study of the feasibility of one broad sector area: That of metals, including steel and aluminum. The study, however, will not include the development of hypotheses for the negotiation of issues within this sector.

In the field of transportation, 1975 looks like it will be the year of the railroad. The railroads have been and continue to be the weakest link in the national transportation system. During this Congress, the Surface Transportation Subcommittee, which I chair, will be concentrating its efforts, first, upon preventing the further deterioration of that link, and then on steps towards formulating a public policy that will permit the revitalization and growth of rail freight and passenger service wherever it can serve a useful purpose in the multimodal national system.

One of the most important tasks facing the Congress, and one which must be completed before any more substantial legislative efforts are made, is the upcoming review of the final system plan for reorganizing the bankrupt railroads in the Midwest and Northeast. The plan, which will be submitted to Congress July 26, will go into effect within sixty days after that date unless disapproved by either House of Congress. My subcommittee will be responsible for making an initial recommendation to the Senate Commerce Committee and the Senate on this plan.

The preliminary system plan for restructuring the bankrupt railroads in the Midwest and Northeast was issued by the United States Railway Association on February 26.

As a principal architect of the reorganization act, I was gratified that the U.S.R.A. put forth a preliminary system plan that rejected the wholesale abandonment approach of the Department of Transportation and opted for a more realistic approach to restructuring the rail system.

With regard to the health of the overall system, the preliminary plan is somewhat encouraging. While I retain a healthy skepticism that a profitable railroad will emerge from the ashes of the bankrupt carriers, the initial projections by U.S.R.A. in the preliminary system plan indicate that our legislative efforts to rescue the rails at minimum cost to the taxpayers has a decent chance to succeed. A revitalized rail network offering vastly improved rail services seems within reach. Rather than nationalizing the railroads at a cost of upwards of fourteen billion dollars, it seems that we will be able to give rebirth to the Midwest and Northeast rail system at a total government cost in cash outlay not to exceed approximately six billion dollars. Compared to the present level of Federal expenditure in the field of transportation—over six billion yearly for other modes—this seems a small price to pay.

As the Surface Transportation Subcommittee evaluates the preliminary and final system plans, we expect to examine several unusual proposals. One concept that I intend to focus on is the so-called "CONFAC", or Consolidated Facilities Corporation, idea. CONFAC involves treating railroad right of ways in a manner similar to the way that the Federal Government treats the right of ways of other forms of transportation.

Under the CONFAC proposal that has been suggested by the U.S.R.A., a separate corporation would be created which would own, rehabilitate, and maintain the rail right of ways, and charge the operating railroad a trackage fee for the use of these right of ways similar to the fees that are charged trucks for the use of highways and airplanes for the use of airports. Such a corporation could be set up as a purely private corporation, as a mixed public and private corporation, or it could be a purely publicly owned corporation.

If one thing is clear, it is that the present relationship between the Government and railroads is not working to produce the rail transportation system that America needs. If we are to assure that we have a strong and healthy rail transportation system, adequate to meet the freight and passenger transportation needs of the future, then we must begin to explore concepts that are designed to maintain that system. While I am not committed to any particular course of action in this area at the moment, I am committed to changing the presently totally unacceptable situation. I am hopeful that those who oppose these new ideas will have adequate alternative courses of action for the Congress to consider

COAL CONVERSION—IMPLEMENTATION OF THE ENERGY SUPPLY AND ENVIRONMENTAL COORDINATION ACT OF 1974

Mr. RANDOLPH. Mr. President, since enactment last year of the Energy Supply and Environmental Coordination Act of 1974 the Congress has consistently supported expeditious implementation of its coal utilization provisions. As recently as April 9, 1975, the Senate approved the floor amendment—of myself and Senator ROBERT C. BYRD—to S. 622 which would extend this coal conversion authority until December 31, 1975; otherwise, this program would expire on June 30.

Yesterday, Mr. President, I received a letter from Administrator Frank G. Zarb of the Federal Energy Administration supporting this amendment and transmitting a brief review of the agency's efforts to implement this coal utilitization program. I am gratified to report that this program is now receiving priority attention in keeping with the intent of the Congress.

Under the current schedules it now appears that the necessary experience will be obtained to adequately evaluate the validity of proposed amendments by the Administration to the Energy Supply and Environmental Coordination Act as well as coal substantial legislation I expect to introduce in the near future.

This statute was and is an emergency measure intended to ease the problems faced by powerplants which were required to convert, or voluntarily converted, from oil to coal. I request unanimous consent that a summary of this coal conversion authority—furnished by Administrator Zarb—be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF ESECA COAL CONVERSION PROVISIONS

The Act requires that FEA "shall" prohibit, by order, any powerplant from burning petroleum or natural gas as its primary energy source if certain findings can be made. Further, the Act provides discretionary authority to issue installations other than powerplants in the early planning process be designed and constructed with capability to use coal as its primary energy source. Finally, the Act provides FEA certain authority to allocate coal

FEA's authority to issue orders expires on June 30, 1975, but such orders may take effect at any time before January 1, 1979. Authority to amend, rescind, modify or enforce such orders expire on December 31, 1978.

The provisions associated with each of FEA's three authorities—(i) prohibition orders (ii) construction orders, and (iii) coal allocation orders—are outlined in greater detail below.

I. PROHIBITION ORDERS

FEA is directed to issue prohibition orders to powerplants if certain findings can be made. Further, FEA may issue prohibition orders to major fuel burning installations (other than powerplants) provided certain findings are made. These findings are:

a. the plant (or unit) had on June 22, 1974, the capability and necessary plant equipment to burn coal,

b. the burning of coal is practicable,

c. the burning of coal is consistent with the purposes of the Act.[1]

d. coal and coal transportation facilities will be available during the period the order is in effect.

e. in the case of a powerplant a conversion order will not impair the reliability of electricity service in the area served by the plant.

The Act grants FEA authority to issue (a) short-term orders for a period ending on or before June 30, 1975 or (b) long-term orders for periods after June 30, 1975.

Before issuing a short-term order, FEA must (i) give public notice and afford an opportunity for public comment, (ii) consult with EPA, and (iii) consider the likelihood that the powerplant will be permitted to burn coal after June 30, 1975. Before issuing a long-term order (or changing a short-term order to a long-term order), FEA must also give public notice and afford an opportunity for public comment.

Neither a short-term nor a long-term order becomes effective until the date which EPA certifies is the earliest date that such plant will be able to comply with the air pollution requirements[2] which will be applicable to it. Further, once effective, such an order can be rendered ineffective if EPA certifies that the plant is unable to comply with the applicable air pollution requirements because technology or other methods of control are not available, or that the burning of coal may cause a significant risk to public health from emissions of any pollutant for which national ambient air quality standards have not been promulgated (e.g., sulfates).

For short-term conversion orders, the Act gives EPA authority to suspend temporarily applicable emission limitations and to impose interim requirements that are reasonable and practicable and that "avoid imminent and substantial danger to health of persons.

For long-term conversion orders, the Act gives EPA authority to grant compliance date extensions. These are extensions of the date by which the source must attain "the most stringent degree of emissions reduction . . . required . . . under the applicable implementation plan, which was in effect on the date of submittal" of a compliance plan (discussed below). Compliance dates may be extended until January 1, 1979.

However, compliance date extensions may be granted only under certain conditions. One is that the plant would meet all primary standard conditions (i.e., not cause or contribute to violation of primary ambient standards). Another is that the plant would meet all regional limitations, (i.e., meet the existing SIP emission limitation for any pollutant which violates primary ambient standards within the plant's air quality control region). Another is that the plant submits an approvable plan for meeting primary standard conditions and any applicable regional limitation and for complying by January 1, 1979 with the SIP emission limitations in effect when the plan is submitted.

II. CONSTRUCTION ORDERS

FEA may require powerplant units in the early planning process (other than combustion gas turbines of combined cycle units) to be designed and construction so as to be capable of using coal as its primary source of energy.

However, no such order may be issued if FEA finds that (a) it is likely to impair the reliability or adequacy of service, or (b) an adequate and reliable supply of coal is not expected to be available.

Further, in considering the desirability of issuing such an order, FEA must consider the existence and effects of any contractual commitment for the construction of such facility, and the ability of the owner to recover any capital investment made as a result of a construtcion order.

III. COAL ALLOCATION ORDERS

FEA may allocate coal (a) to any plant to which an order has been issued or (b) to any other person to the extent necessary to carry out the purpose of the Act.

However, there is also a situation where FEA may be required to allocate coal. This is when EPA issues a "fuel exchange" order, for the purpose of avoiding or minimizing adverse impacts on public health and welfare of certain actions under ESECA and the Emergency Petroleum Allocation Act. FEA must exercise its allocation authority in order to require the exchange, unless FEA finds that the costs or consumption of fuel would be excessive.

In addition, in any coal allocation program established under the authority of ESECA, FEA must include measures to ensure that available low sulfur coal will be distributed on a priority basis to those areas of the United States designated by EPA as requiring such fuel to avoid or minimize adverse impact on public health.

Mr. RANDOLPH. Mr. President, as I discussed in May 1974, during Senate debate on the Energy Supply and Environmental Coordination Act of 1974, there remains to be resolved the issues surrounding the long-term utilization of coal as a substitute for imported oil and natural gas in a manner consistent with all applicable environmental policies. These problems, include emission requirements established by the Federal Government as well as State agencies pursuant to the Clean Air Act are important. The legislation I will introduce will address this issue.

Mr. President, under present coal conversion authority, the Federal Energy Administration is currently in the final stages of issuing the necessary precedural notices that will precede prohibition orders, and is scheduling the public hearings required by law. Following this schedule it is envisioned that some thirty prohibition orders will be issued by June 30.

The additional 6 months provided by our amendment will enable the Federal Energy Administration to examine other candidates for conversion to coal and where warranted to issue the necessary orders.

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[1] The purpose of the Act with respect to coal conversion is "to provide a means to assist in meeting the essential needs of the United States for fuels, in a manner which is consistent, to the fullest extent practicable, with existing national commitments to protect and improve and environment."

[2] These may be the emission limitations applicable in the absence of an FEA order or inherim requirements imposed by EPA in connection with a temporary suspension or a compliance date extension.

While significant but valid constraints exist on realizing the full potential of the oil savings from this program, the savings that appear practical by 1980 are in excess of 850,000 barrels of oil per day. Although some of these savings will be realized in 1975 and 1976, the majority of the benefits from reduced oil consumption will not materialize until after 1977 due to the time required to install—or upgrade—air pollution control equipment and to develop additional coal supplies.

According to Administrator Zarb, the Federal Energy Administration intends to issue orders by the end of June 1975, to roughly half of the 80 potential conversion candidates contained in this table which I ask unanimous consent to have printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

EXISTING PLANTS THAT CAN BE CONVERTED TO COAL

I. Plants that have adequate precipitators and can burn coal with sulfur content greater than 1 percent by weight:

Plant, unit No., capacity (MW), and utility:

McWilliams, 3, 25, Alabama Electric Cooperative Inc.

Ames, 7, 33, City of Ames, Iowa.

Des Moines, 10, 11, 190, Iowa Power & Light Company.

George Neal, 1, 139, Iowa Public Service Company.

Maynard Station, 14, 50, Iowa Public Service Company.

Kaw River, 3, 65, Bd. of Public Utilities, K.C., Kansas.

Quindaro, 1, 2, 240, Bd. of Public Utilities.

Morgantown, 1, 2, 1,251, Potomac Electric Power Company.

Hawthorne, 3, 4, 5, 769, Kansas City Power & Light.

Weston, 2, 75, Wisconsin Public Service Company.

Totals, 10 plants, 15 units, 2,837 MW.

II. Plants that require precipitator upgrading and can burn coal with sulfur content greater than 1 percent by weight:

Plant, unit, capacity (MW), utility:

Brayton Pt.,* 1,2,3, 1,162, New England Power Co.

St. Clair,* 5, 358, Detroit Edison Co.

Sheldon, 1, 2, 225, Nebraska Public Power District.

Danskamme,* 1, 2, 146, Central Hudson Gas & Electric Company.

Chesterfield,* 3,4,5,6, 1,353, Virginia Elec. & Power Company.

Yorktown, 1, 2, 375, Virginia Elec. & Power Company.

Totals, 6 plants, 14 units, 3,619 MW.

III. Plants that need new precipitators, are larger than 100 MW, and can burn coal with sulfur content greater than 1 percent by weight:

Plant, Unit, Capacity (MW), Utility:

Ritchie, 1, 2, 904, Arkansas Power & Light Company.

Edge Moore, 1,2,3,4, 390, Delmarva Power Company.

Port Wentworth, 1, 2, 3, 207, Savannah Electric & Power Company.

McManus, 1, 2, 140, Georgia Power Company.

Ridgeland, 1, 2, 3, 4, 5, 6, 690, Commonwealth Edison Co.

Southerland, 1,2, 3, 157, Iowa Electric Light & Power Company.

Kaw River, 1, 2, 96, Board of Public Utilities, K.C., Kansas.

Lawrence,* 3, 4, 5, 583.3, Kansas Power & Light Company.

Tecumseh, 9,10, 231, Kansas Power & Light Company.

Crane, 1, 2, 400, Baltimore Gas & Electric Company.

Gould Street, 3, 104, Baltimore Gas & Electric Company.

Riverside, 4, 5, 154, Baltimore Gas & Electric Company.

Wagner, 1,2, 269, Baltimore Gas & Electric Company.

Mt. Tom, 1, 136, Holyoke Water Power Company.

Somerset, 7,8, 194, Montaup Electric, Company.

W. Springfield, 2,3, 164, Western Mass. Electric Company.

James River, 3,4, 104 Springfield (Mo.) City Utilities.

Schiller, 4,5, 100, Public Service Co. of New Hampshire.

England, 1,2, 299 Atlantic City Elec. Company.

Albany 1,2,3,4, 400 Niagara Mohawk Power Company.

Sutton, 1,2,3, 672, Carolina Power & Light Company.

South Street Station, 121,122, 104, Narragansett Electric.

Jefferies, 1,2, 100, South Carolina Public Service Authority.

Portsmouth*, 1,2,3,4, 650, Virginia Electric Power Company.

Totals, 25 plants, 64 units, 7,378.3 MW.

IV. Plants that need new precipitators, are smaller than 100 MW, and can burn coal with sulfur content greater than 1 percent by weight:

Plant, unit, capacity (MW), utility:

Montville,* 5, 75, The Connecticut Light & Power Co.

Wisdom, 1, 38, Corn Belt Power Cooperative.

Quindaro No. 2, 22, 35, Board of Public Utilities, K.C., Kansas.

Mason, 3,4, 69, Central Maine Power Company.

Vienna, 7, 38, Delmarva Power & Light Company.

Fox Lake *, 3, 82, Interstate Power Company.

Blue Valley, 3, 58, Independence Power & Light Company.

Lake Road, 5,6, 85, St. Joseph Light & Power Company.

Jones Street, 27, 40, Omaha Public Power District.

L. D. Wright, 2, 25, Freemont Department of Utilities.

Down, 10, 25, City of Vineland.

Mustang, 2, 63, Oklahoma Gas & Electric Company.

Riverton, 1, 40, Potomac Edison Company.

Zuni, 3, 75, Public Service Co. of Colorado.

Totals, 14 Plants, 16 Units, 748 MW.

V. Plants that must reduce emissions to equivalent of coal with sulfur content less than 1 percent by weight:

Plant, Unit, Capacity (MW), Utility:

Devon, 3, 7, 8, 273, The Connecticut Light & Power Co.

Middletown, 1, 2, 3, 422, The Hartford Electric Light Co.

Norwalk Harbor, 1, 2, 326, The Connecticut Light & Power Co.

Crystal River**, 1, 2, 847, Florida Power.

Salem Harbor**, 1, 2, 3, 275, New England Power.

Kendal Square, 3, 27, Cambridge Electric Light Co.

Bergen, 1, 2, 650, Public Service Electric & Gas Co.

Burlington, 7, 227, Public Service Electric & Gas Co.

Deep Water, 1, 8, 155, Atlantic City Electric Co.

Hudson, 1, 455, Public Service Electric & Gas Co.

Kearney, 7, 8, 294, Public Service Electric & Gas Co.

Sayreville, 7, 8, 248, Jersey Central Power & Light Co.

Sewaren, 4, 119, Public Service Electric & Gas Co.

Werner, 4, 60, Jersey Central Power & Light Co.

Arthur Kill, 20, 30, 826, Consolidated Edison Co.

Astoria, 10, 20, 30, 40, 50, 1,455, Consolidated Edison Co.

Barrett, 10, 188, Long Island Lighting Company.

Far Rockaway, 40, 114, Long Island Lighting Company.

Lovett, 3, 4, 5, 449, Orange & Rockland Utilities.

Port Jefferson, 30, 40, 375, Long Island Lighting Company.

Ravenswood, 30N, 30S, 1,000, Consolidated Edison Company.

Cromby, 2, 200, Philadelphia Electric Company.

Delaware, 7, 8, 250, Philadelphia Electric Company.

Mitchell, 33, 294, Allegheny Power Service Corp.

Springdale, 88, 142, Allegheny Power Service Corp.

Possom Point, 2, 3, 4, 422, VEPCO.

Totals: 26 plants, 50 units, 10,093 MW.

Mr. RANDOLPH. Mr. President, as enunciated in Administrator Zarb's report, during the late 1960's and early 1970's many powerplants, particularly on the east coast, converted from coal to oil. In the beginning this was motivated by two factors: first, oil imports were cheaper and second, along the east coast residual oil was exempt from oil import quotas. Toward the end of this period, air pollution requirements affecting sulfur emissions added an additional incentive to utilize oil imports.

The earlier economic justification for such conversion to oil no longer exists. Nevertheless, some installations still intend to convert to oil to meet air quality regulations. Although these facilities have been difficult to identify the Federal Energy Administration believes some 5 to 10 installations are involved, representing some 25,000 to 50,000 barrels of oil per day. Using the authority contained in the Energy Supply and Environmental Coordination Act, the Federal Energy Administration intends to insure, to the extent practicable, that these powerplants do not convert from coal to oil.

By far the greatest saving in oil consumption is possible by requiring that new powerplants possess the capability to utilize coal. The Federal Energy Administration has identified some 25,000 megawatts of oil-fired capacity scheduled for completion between 1975 and 1980, representing about 630,000 barrels of oil per day. In the FEA's judgment those powerplants scheduled to become operational between 1978 and 1980 still appear to have sufficient leadtime to facilitate modification to utilize coal. Practical candidates for conversion orders, these facilities represent an additional potential savings of 25,000 to 75,000 barrels of oil per day.

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* ICS Candidates.

** If state regulations (SIP) are revised, then becomes Category 3(A).

Even greater savings are possible from the conversion of new powerplants now scheduled for completion between 1980 and 1985. The Federal Energy Administration does not have authority to require the utilization of coal by these facilities. Oil savings range from one to three million barrels of oil per day by assuring that no new fossil-steam powerplants completed during this period utilize oil or natural gas. Resultant savings dwarf the other potential savings from the present coal conversion program but the Federal Energy Administration does not have authority to insure they are realized. I will introduce legislation to accomplish this purpose.

These and other preliminary conclusions from the Federal Energy Administration's implementation of the Energy Supply and Environmental Coordination Act are set forth in Administrator Zarb's report of May 1, 1975. I ask unanimous consent that it be printed in the RECORD for the benefit of my colleagues and other affected parties.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FEDERAL ENERGY ADMINISTRATION,
Washington, D.C., May 1, 1975.
Hon. JENNINGS RANDOLPH,
Chairman, Committee on Public Works,
Washington, D.C.

DEAR MR. CHAIRMAN: As you know, since last year my staff has been developing the program necessary to carry out the coal utilization provisions of the Energy Supply and Environmental Coordination Act of 1974. Much of the effort to date has involved factual inquiries and analyses necessary to lay the foundation for a sound and equitable program that meets the procedural requirements of a rather complex statute.

In light of your interest in this program, you may find useful the enclosed brief staff report which summarizes the efforts to date to implement the coal utilization program. The Federal Energy Administration is currently in the final stages of processing the necessary procedural notices that will precede prohibition orders, and is scheduling the public hearings required by law before issuing some 30 prohibition orders by June 30.

On behalf of FEA, I would like to take this opportunity to thank you personally for co-sponsoring, on April 9, the floor amendment to S. 622 which would expand the ESECA authorities for coal utilization to December 31, 1975. This would provide FEA the opportunity to examine additional utilities and other major fuel burning installations for potential conversions to coal firing and to issue the necessary orders where warranted.

I hope you find this report helpful, and should you have any questions please do not hesitate to contact me.

Sincerely,

FRANK G. ZARB,
Administrator.

IMPLEMENTING COAL UTILIZATION PROVISIONS OF ENERGY SUPPLY AND ENVIRONMENTAL COORDINATION ACT

The purpose of this report is to review the status and current strategy of FEA's program for implementing the coal utilization provisions of the Energy Supply and Environmental Coordination Act (ESECA). Further, this report summarizes the Administration's proposed amendments to ESECA.

As a result of extensive analyses, FEA knows a great deal more about conversion of plants to coal and requirements concerning coal burning capacity for new plants than when the Act was passed. FEA's strategy for implementing the Act and proposed amendments to the Act are based on these analyses. This report is intended to put the strategy and proposed amendments into the perspective of these findings.

In summary, FEA has found that the potential oil savings from the program authorized by ESECA are substantial:

Actions	*Potential savings*[1] *K*	*B/d*
Converting existing oil and gas powerplants to coal	500	550
Ensuring existing powerplants do not convert from coal to oil	25	50
Requiring new powerplants to have the capability to burn coal[2]	25	75
Converting other major fuel burning installations	300	500
	850	1,175

[1] These savings are for direct substitution oil by coal. Coal for gas substitution has not been calculated in oil equivalency.

[2] ESECA grants FEA authority to require power plants in the "early planning process" to be built with the capability to burn coal, but not the authority to require them to burn coal. This figure assumes that such plants will voluntarily burn coal.

However, there may be significant constraints to realizing this potential. These include air pollution requirements, coal supply (in the short-run), and practicability considerations. In general, FEA judges that a substantial portion of these savings can be realized, but while some savings will be realized in the 1975–1976 period, most will be realized in the 1977–1978 period due to the time required to install (or upgrade) air pollution control equipment and to develop additional coal supplies. Further, air pollution requirements may determine to a considerable extent the magnitude of the savings realized, due to the impact of air pollution requirements on practicability.

FEA's objective is to achieve as many of the oil savings realized under the provisions of ESECA as possible, with immediate emphasis on converting existing oil and gas powerplants to coal. We have proposed certain amendments to extend FEA's authorities to ensure that these savings are in fact realized.

This report is organized into three parts. The first summarizes the activities and findings of FEA's program under ESECA to date. The second presents FEA's strategy for implementing the Act. The third discusses the implementation problems FEA is facing and the amendments to the Act the Administration has proposed to deal with these problems. Also, a summary of the key provisions of the Act is presented in Appendix I.

ACTIVITIES AND FINDINGS TO DATE

Since ESECA was enacted, FEA has done a great deal in preparation for implementing its coal utilization provisions.

ESECA authorizes issuance of both long-term and short-term prohibition orders. FEA's strategy from the outset has been to focus on long-term oil savings and long-term orders rather than on short-term orders expiring in June 1975. This strategy was adopted because the coal supply situation was extremely tight through 1974, due to Arab embargo in the beginning of the year.

FEA's ESECA activities to date can be organized into three basic areas. The first was to begin conducting the background engineering, environmental, and economic analyses required to implement the Act. To conduct these, FEA relied both on expert contractors and inhouse efforts. The second was to develop regulations. The third was to publish an environmental impact statement. The regulations proposed by FEA were published in the Federal Register on February 5, 1975. The draft impact statement was published on January 31, 1975 and the final statement was published on April 25, 1975.

The background analyses were organized into the four kinds of oil savings that could be achieved: (1) converting existing powerplants from oil and gas to coal, (2) ensuring that existing powerplants do not convert from coal to oil, (3) requiring powerplants in the early planning process to have the capability to burn coal as their primary energy source, and (4) converting other major fuel burning installations to coal. For each of the four areas, the background analyses focused on (a) the potential oil savings, (b) the findings FEA would have to make to issue an order (e.g., practicability, reliability, coal supply), and (c) an assessment of the environmental effects of such orders. The key findings of these background analyses in each of the four areas are summarized below.

1. Converting Existing Powerplants From Oil and Gas to Coal:

The potential oil savings from converting existing powerplants from oil and gas to coal is significant. Eighty (80) powerplants have been identified that currently burn oil and gas and that have coal burning capability. These eighty plants were identified, by a lengthy review and verification process from a list of 725 plants which responded to the Federal Power Commission's Emergency Fuel Convertibility Questionnaire. If all of these plants were converted, oil savings would be about 500,000–550,000 barrels per day.

However, the realization of these potential savings is constrained by several factors—air pollution requirements, coal supply, practicability, and perhaps reliability.

ESECA provides that plants that convert to coal as a result of FEA orders, and that cannot otherwise meet all air pollution requirements, may obtain extensions of compliance deadlines for the State Implementation Plan (SIP) emission limitations up until January 1, 1979. They must meet "primary standard" conditions, however, and any applicable "regional limitations." In addition, EPA must suspend an order if it finds the burning of coal by the source may cause or contribute to a "significant risk to public health" from pollutants for which national ambient air quality standards have not been promulgated. Section 303 of the Clean Air Act, relating to EPA's emergency powers, is also applicable.

To assess the effects of these regulations on the coal conversion program, FEA worked with EPA to estimate the number of plants that could be converted (a) if ESECA were amended so that only primary standard conditions were applied, and (b) if regional limitations now applicable under ESECA, were applied as well. This analysis should be considered indicative but not precise:

Number of powerplants that could be converted

	1975	1977	1980
Primary standard conditions	19	37	80
Regional limitations	7	24	80

Not all plants can comply immediately with primary standard conditions because some must take the steps required to reduce emissions. These steps include making boiler modifications and upgrading or installing new precipitators. Regional limitations delay conversions beyond the delay for meeting primary standard conditions because more plants are required to secure low-sulfur coal or install flue gas desulfurization systems before they may convert.

No analysis has been conducted to assess the impact of the significant risk provisions, because EPA is in the process of determining whether and how these should be implemented. In addition, as discussed below, SIP emission limitations that are more stringent than needed to meet primary standards could delay or even limit the number of conversions by possibly rendering a conversion not practicable.

As indicated by the analysis above, the coal market (particularly for low-sulfur coal) could be tight, due to the UMW work stoppage at the end of 1974, increased coal demand resulting from higher oil prices and natural gas shortages, and a slow-down in new mine development resulting from the uncertainties created by EPA's implementation of the Clean Air Act in the beginning of this decade. It is possible that in some instances coal made available to conversion candidates in the short-run (1975–1976) would not come from additional production, but would be diverted (i.e., bid away) from existing coal burners. In any case, the supply of coal is adequate in the long-run (1977–1980) to meet all potential coal conversion requirements so long as a clear long-term market for coal exists so that mine operators will be willing to invest the required capital in new mine development.

The required practicability finding could also limit the number of conversion orders. So long as the price of coal is near the long-term contract price, the price of oil stays at current levels, and a plant has a reasonably long useful life and high capacity factor, conversions are practicable in the sense that the cost savings from converting to coal will exceed the costs of making the conversion, even if scrubber technology is required. However, if the spot market coal price escalates in response to increased coal demands from coal conversion candidates or if the price of oil drops or if the plant has a short useful life and/or a low capacity factor, the costs of converting may exceed any cost savings, particularly if scrubbing technology is required. In such cases, FEA will consider the effects of requiring a utility to invest the capital to convert. The examination will include an analysis of the generally accepted financial ratios and evaluation of the impact of FEA's proposed order on a utility's capitalization and rate structure.

In addition to cost issues, the practicability finding must address capital availability. Particularly if expensive pollution control equipment is required, the conversions would involve large initial capital investments. Since electric utilities are currently experiencing financial difficulties, the utilities may find it expensive to raise the capital for these investments in the money and capital markets.

The other findings required by the Act (see Appendix I) are less likely to limit conversions. That the plants have the capacity to burn coal has basically been satisfied by most of the initial list of conversion candidates, since that was the criteria used to develop the list. Except possibly in the very shortrun, if the coal is available, the coal transportation facilities should be available. The reliability finding can probably be made by scheduling the outage associated with a conversion such that adequate reserve capacity will exist.

2. Ensuring that Existing Powerplants Do Not Convert From Coal to Oil:

During the late 1960's and early 1970's, many powerplants converted from coal to oil, particularly on the east coast.[3] In the beginning, this was because burning oil was cheaper and oil was available on the east coast due to a residual oil import quota exemption. However, toward the end of the period, many conversions were made to comply with air pollution regulations.

The economic reason for converting to oil no longer exists, but some plants are still intending to convert to oil to meet air quality regulations. These have been difficult to identify but may exceed 5–10 plants representing about 25–50 thousand barrels of oil per day.

FEA and EPA have not yet analyzed these plants in detail, but in general the same constraints to prohibiting conversions to oil probably exist for ordering conversions to coal. These plants must meet all applicable air pollution requirements since they are not eligible for compliance date extensions. Plants that had planned to convert to oil to meet air pollution requirements probably will not be able to comply with air pollution requirements in the short-run without converting to oil, because precipitator improvements cannot immediately be made or conforming low-sulfur coal may not be a viable alternative in the near-term. Further, analysis may indicate that it makes more sense to convert to oil, particularly, as discussed above, for older plants with low capacity factors that would require expensive air pollution control equipment.

3. Requiring New Powerplants to have the Capability to Burn Coal:

During the late 1960's and early 1970's while coal-fired powerplants were being converted to oil, utilities were also building new plants to burn oil. In 1970, only 40 percent of new boiler orders provided for coal firing capability. However, in response to the increased price of oil and natural gas shortages, by 1974, 97 percent of new boiler orders provided for coal firing capacity.

FEA has identified 25,000 MW of oil-fired capacity scheduled to come online between 1975 and 1980. This represents about 630 thousand barrels per day. However, many of these units are designed to burn oil only and/or are past the point where they can be modified to burn coal without significant additional costs and/or delays. Only those scheduled to come online between 1978 and 1980 (so that they can still be modified) appear to be practicable candidates for an order requiring coal-burning capability. These represent about 25–75 thousand barrels per day.[4]

In making this estimate, FEA intends to define "early planning process") (not defined in ESECA) to end on "the commencement of boiler foundation construction." A fossil-fuel-fired powerplant generally takes about five years to build. Foundation construction commences after about two years. Hence all plants coming online after 1978 should not yet have started foundation construction.

Environmental regulations should not be a constraint with these candidates because all appear to be plants that must meet new source performance standards. Further, coal supply should not be a significant constraint because these plants should generally have time to line up long-term contracts for coal, even if this involves opening new mines. Further, reliability should not be a constraint, unless the modifications required to install coal-burning capability delay the operation of the plant considerably.

4. Converting Other Major Fuel-Burning Installations: The task of identifying non-powerplant conversion candidates is a formidable one. No good data exists for these plants as it does for powerplants. However, due to the high current oil consumption in the industrial sector (about two million barrels per day) and expected growth of industrial energy consumption, FEA believes the potential oil savings in this sector could be significant—at least 300,000 barrels per day and possibly much greater.

In general, these plants will face the same constraints to conversions to coal as the powerplants. Air pollution requirements could delay or limit the potential savings, considering that most industrial sources generally have shorter stacks and are located near metropolitan areas. Practicability considerations could limit the potential, particularly if expensive pollution control equipment is required.

STRATEGY

Based on the legislative requirements (outlined in Appendix I), the findings reported above, and FEA's resources, FEA has adopted the following strategies for each of the four categories of plant subject to ESECA.

1. Converting Existing Powerplants from Oil and Gas to Coal:

FEA intends to devote the majority of its resources until June 1975 to those existing powerplants that can convert from oil or gas to coal. This is because these represent the greatest potential savings before 1980 and the savings per converted unit is high. Further, the Act puts priority on powerplant conversions by requiring FEA to issue such orders where appropriate findings can be made, while other authorities are discretionary.

For these powerplants, FEA's objective is to convert as many as is practicable as soon as possible. However, FEA understands that it will not be practicable to convert all the potential candidates. Further, FEA understands that "as soon as possible" will be 1975–1976 for some plants but 1977–1979 for others due to construction lead times for air pollution control equipment and coal supply limitations in the short-run.

In order to achieve this objective, FEA intends to issue orders by the end of June 1975, to roughly half of the 80 potential conversion candidates. If FEA's order issuance authority is extended, FEA will have adequate time to analyze the remainder of these candidates.

The plants that may receive orders include (a) those that may require no pollution control equipment to comply with all air pollution requirements, (b) those that may require only precipitator upgrading, and (c) those large plants that require new precipitators. The plants that may not receive orders before June 30, 1975, because of time constraints, include (a) those small plants that require new precipitators and (b) those plants that will likely require flue gas desulfurization technology to comply with all air pollution requirements. Appendix II contains a preliminary listing of the 80 plants divided into the five categories specified above.

FEA's regulations will provide FEA, on its own initiative, the opportunity to amend, repeal, rescind, or modify prohibition orders prior to "notices of effectiveness" which would specify the effective date of the order. The regulations also provide affected parties the opportunity to request such FEA action after issuance of the notice of effectiveness.

The process is expected to work as follows. After receiving a prohibition order, the affected utility will proceed to discuss with EPA the air pollution regulations applicable to the plant. Once EPA has determined the applicable air pollution requirements and notified FEA of the earliest possible date that the plant may burn coal in compliance with these requirements, FEA will issue a notice of effectiveness. FEA could, however, modify or rescind a prohibition order if it found "significantly changed circumstances" which include "discovery of material facts [or legal provisions] that were not known" or a "substantial change in the facts or the circumstances" on which the order was based and which occurred after issuance of the prohibition order. The regulations also provide that FEA may invite public comment before modifying or rescinding an order.

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[3] Many of these are on the list of conversion candidates.

[4] There are three important characteristics of these savings estimates. First, they could not be realized until 1978–1980, after plant construction is completed. Second, they may not be realized at all because FEA does not have authority to order these plants to burn coal. Third, they apply only to the end of the decade. Estimates of such savings in the 1980–1985 period fall in the 1–3 million barrels per day of oil range. It is the savings associated with ensuring that no new fossil-steam powerplants burn oil or gas that are most significant and dwarf most other potential savings. Yet, FEA does not have authority to endure these are realized.

2. Ensuring Existing Powerplants Do Not Convert from Coal to Oil:

In addition to its authorities under ESECA, FEA has limited conversions to oil under Part 215 of Title 10, Code of Federal Regulations (issued pursuant to the Emergency Petroleum Allocation Act of 1973). This regulation prohibits conversions from coal to oil, except if (a) such a conversion is certified by the State to be essential for attaining and maintaining primary ambient air quality standards and/or (b) not converting would cause "special hardship, inequity or unfair distribution of burdens."

FEA expects to use its ESECA authorities to complement the Part 215 regulations. FEA's objective is to prohibit all conversions to oil by powerplants except those where oil is the only practicable way to comply with applicable air pollution regulations, assuming that the other findings required by ESECA can be made.

To achieve this objective, FEA intends to issue prohibition orders to all current coal-fired powerplants that are planning to convert to oil or gas. Also, a plant may request such an order. For these plants, there will also be hearings following a notice of intention to issue the order. As with the conversion candidates, if these plants receive FEA orders, they will have to discuss air pollution requirements with EPA, and FEA will issue "notices of effectiveness" effective after the date that EPA certifies the earliest possible date the plants may burn coal and comply with air pollution requirements. These orders can be modified or rescinded as discussed above.

3. Requiring New Powerplants to Have the Capability to Burn Coal:

FEA's objective is to require all fossil-fuel powerplants in the early planning process (except gas turbines and combined-cycle units) have the capability to use coal as a primary energy source, provided FEA can make the findings required by the Act.

The definition of "early planning process" appears to remove from FEA's jurisdiction any plant that plans to come on line before 1978. This because these plants generally would require costly and time-consuming modifications. Hence, orders requiring coal-burning capability will generally be issued to new fossil-fuel units (exceptions as noted above) scheduled to come on line after June 30, 1978. Also, a plant may request such an order.

The FEA regulations provide that FEA will issue notices of intent to these plants prior to issuing construction orders and will solicit written comments. Such orders may be modified or rescinded by the same procedures as prohibition orders.

4. Converting Other Major Fuel-Burning Installations:

FEA's objective is to convert as many qualifying major fuel-burning installations to coal as soon as possible. The first step is to identify conversion candidates. To achieve this objective, FEA has required all major burning installations to identify themselves to FEA and then FEA will distribute a questionnaire to all industrial facilities with large boilers. The information collected by this questionnaire will enable FEA to screen for conversion candidates.

The second course of action is to issue prohibition orders. Prohibition orders may be issued on FEA's own initiative or a major fuel burning installation may request such an order. For these plants, too, the regulations provide for notices of intent, hearings prohibition orders, and notices of effectiveness, as for powerplants.

5. Other Authorities:

FEA currently has no plans to use its coal allocation authority, unless EPA issues a "fuel exchange" order. However, in assessing the coal supply available to specific plants, FEA reserves the option to use its allocation authority to ensure that a conversion candidate has an adequate supply of the right kind of coal. Hence, coal allocation regulations will be promulgated prior to June 30, 1975.

IMPLEMENTATION PROBLEMS AND PROPOSED AMENDMENTS

ESECA provides FEA with broad authority to reduce the Nation's oil consumption by requiring the burning of coal. However, there are certain areas where amendments to ESECA would enable FEA to better accomplish the objective of increasing coal consumption while still protecting the environment. These problem areas are discussed below along with the Administration's proposed amendments contained in Titles IV and V of the Energy Independence Act of 1975.

1. Extension of Authority to Issue Orders:

FEA's authority to issue orders—(1) prohibition orders, (2) construction orders, and (3) coal allocation orders—expires on June 30, 1975. This expiration date has a number of implications:

a. FEA needs additional time to complete the detailed analysis proceding issuance of prohibition orders for all potential utility candidates. This means that some plants that are good conversion candidates will not be issued orders.

b. FEA will not have time to identify and issue orders to any substantial number of nonpowerplant conversion candidates.

c. FEA will not be able to order powerplants that have not begun the early planning process by June 30, 1975 to have coal-burning capability. Accordingly, we have proposed that ESECA be amended to extend FEA's order issuance authority from June 30, 1975 to June 30, 1977: This would provide for a more orderly and more complete development of the program.

2. Extension of Enforcement Authority:

FEA's authority to enforce orders expires on December 31, 1978. This also has a number of implications.

a. It is possible that a number of conversion candidates will not be able to convert until 1978 or later due to construction lead times, equipment availability, and coal supply problems. This could put FEA in a position of ordering a conversion for one-year or less or of not being able to order a conversion at all.

b. For new plants coming on line after 1978, FEA would have no authority to enforce its orders to require construction with coal-burning capability after the end of 1978. As noted above, the greatest long-run oil savings potential rests with ensuring new plants do not burn oil or gas.

Accordingly, we have proposed that ESECA be amended to extend FEA's enforcement authority from December 31, 1978 to December 31, 1984. This amendment would not modify the compliance deadline provisions of Section 119 of the Clean Air Act, except as specifically provided below (see proposed Amendment No. 4).

3. Extension of Prohibition Order Authority to Other Types of Plants:

FEA's authority to issue prohibition orders is limited to powerplants and major fuel-burning installations having coalburning capability as of June 22, 1974. FEA has authority to order powerplants in the early planning process to have the capability to burn coal but not to order these plants to burn coal. This is unfortunate because, in the long-run, the greatest potential oil savings comes from ensuring new powerplants do not burn oil or gas.

Accordingly, we have proposed that FEA's authority to issue prohibition orders be expanded to plants that are eligible for or receive construction orders under ESECA. These plants would not receive compliance date extensions and would be required to meet applicable new source performance standards.

We have also proposed that FEA be given authority to order plants that voluntarily install or are designed with coal-burning capability after June 22, 1974—but that are already out of the early planning process—to use their coal-burning capability.

4. Extension of Compliance Date Extensions:

EPA has authority to grant compliance date extensions to eligible plants that receive FEA orders until January 1, 1979.

a. Some plants may not be able to contract for low-sulfur coal or scrubbers until after this date. Hence, EPA would not be able to certify that the plant would comply with all air pollution regulations, and the FEA order would never be effective.

b. If FEA's order issuance authority is extended to June 30, 1977 rather than June 30, 1975 (see proposed Amendment No. 1), plants ordered to convert in this additional period might have difficulty complying with SIPs by January 1, 1979. Accordingly, the Administration has proposed that EPA's authority to extend compliance deadlines be extended by one year from January 1, 1979 to January 1, 1980. Needless to say, EPA would not have to extend all deadlines by one year, only where the extra year was required for effective conversion.

5. Remove Regional Limitations Provisions:

ESECA requires EPA to ensure that converted plants comply with any applicable regional limitations from the first day of conversion. This provision has the effect of delaying significantly the conversion of a number of plants, as discussed above, from 19 to 7 plants in the 1975–1976 period and from 37 to 24 plants in the 1977–1979 period.

Accordingly, the Administration has proposed that this provision be deleted. It is unnecessary to protect public health, since public health is protected by the primary standard condition requirements of ESECA.

6. Provide for SIP Revisions:

Under ESECA, a plant must come into compliance with the SIP emission limitations in effect when the plant's compliance plan is submitted. At the same time, EPA, as a part of the clean fuels policy, is urging states to revise SIP emission limitations that are more stringent than required to attain and maintain ambient standards.[5] Hence, the effect of ESECA might be to "lock-in" a plant to an overly stringent and costly SIP emission limitation. Further, the effect of "locking-in" could be to render not practicable certain conversion candidates, due to the high cost associated with overly stringent emission limitations.

Accordingly, the Administration has proposed that EPA be given authority to approve compliance plans that provide for compliance with whatever SIP emission limitation is applicable, at the time of submission of the compliance plan, but that it permit revision of the plan if the SIP is subsequently revised.

7. Provide for Tall Stacks and Supplemental Control Systems:

ESECA requires EPA to require at the end of the compliance date extension "the most stringent degree of emission reduction" that would have been required by the SIP in effect on the date of submittal of the compliance plan. The effect of this provision is to prohibit the use of tall stacks and supplemental control systems for attaining and maintaining ambient standards after January 1, 1979 (although such systems may be employed until the end of the compliance date extension).

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[5] The purpose of the Act with respect to coal conversions is "to provide a means to assist in meeting the essential needs of the United States for fuels, in a manner which is consistent, to the fullest extent practicable, with existing national commitments to protect and improve the environment."

This means that plants converting to coal will not have the same pollution control alternatives as the plants that currently burn coal. This is because the plants currently burning coal can be permitted to use tall stacks and intermittent control systems until 1985, according to the Energy Resource Council policy announced by EPA in December 1974.

Further, this means that conversion of plants that must install expensive pollution control equipment might not be practicable.

Accordingly, FEA has proposed that ESECA be amended to provide that conversion candidates may employ tall stacks and intermittent control systems until 1985, in locations where such controls can be used effectively to attain and maintain ambient standards.

8. Clarifications:

Two points require legislative clarification.

The first is that existing powerplants currently burning coal should be eligible for a compliance date extension, but only if these plants had intended to comply with SIP emission limitations by converting to oil.

The second is that new plants, issued prohibition orders (under proposed Amendment #3), would not be eligible for compliance date extensions.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Montana (Mr. METCALF) is recognized for the purpose of calling up the conference report on H.R. 25.

SURFACE MINING CONTROL AND RECLAMATION ACT OF 1975—CONFERENCE REPORT

Mr. METCALF. Mr. President, I submit a report of the committee of conference on H.R. 25, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The report will be stated by title.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 25) to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The ACTING PRESIDENT pro tempore. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

The conference report is as follows:

CONFERENCE REPORT (S. REPT. NO. 94–101)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 25) to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Surface Mining Control and Reclamation Act of 1975".

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TITLE I—STATEMENT OF FINDINGS AND POLICY FINDINGS

SEC. 101. The Congress finds and declares that—

(a) extraction of coal and other minerals from the earth can be accomplished by various methods of mining, including surface mining;

(b) coal mining operations presently contribute significantly to the Nation's energy requirements; surface coal mining constitutes one method of extraction of the resource; the overwhelming percentage of the Nation's coal reserves can only be extracted by underground mining methods, and it is, therefore, essential to the national interest to insure the existence of an expanding and economically healthy underground coal mining industry;

(c) many surface mining operations result in disturbances of surface areas that burden and adversely affect commerce and the public welfare by destroying or diminishing the utility of land for commercial, industrial, residential, recreational, agricultural, and forestry purposes, by causing erosion and landslides, by contributing to floods, by polluting the water, by destroying fish and wildlife habitats, by impairing natural beauty, by damaging the property of citizens, by creating hazards dangerous to life and property, by degrading the quality of life in local communities, and by counteracting governmental programs and efforts to conserve soil, water, and other natural resources;

(d) surface mining and reclamation technology are now developed so that effective and reasonable regulation of surface coal mining operations by the States and by the Federal Government in accordance with the requirements of this Act is an appropriate and necessary means to minimize so far as practicable the adverse social, economic, and environmental effects of such mining operations;

(e) because of the diversity in terrain, climate, biologic, chemical, and other physical conditions in areas subject to mining operations, the primary governmental responsibility for developing, authorizing, issuing, and enforcing regulations for surface mining and reclamation operations subject to this Act should rest with the States;

(f) there are a substantial number of acres of land throughout major regions of the United States disturbed by surface and underground coal mining, on which little or no reclamation was conducted, and the impacts from these unreclaimed lands impose social and economic costs on residents in nearby and adjoining areas as well as continuing to impair environmental quality;

(g) while there is a need to regulate surface mining operations for minerals other than coal, more data and analyses are needed to serve as a basis for effective and reasonable regulation of such operations;

(h) surface and underground coal mining operations affect interstate commerce, contribute to the economic well-being, security and general welfare of the Nation and should be conducted in an environmentally sound manner; and

(i) the cooperative effort established by this Act is necessary to prevent or mitigate adverse environmental effects of present and future surface coal mining operations.

PURPOSES

SEC. 102. It is the purpose of this Act to—

(a) establish a nationwide program to protect society and the environment from the adverse effects of surface coal mining operations and surface impacts of underground coal mining operations;

(b) assure that the rights of surface landowners and other persons with a legal interest in the land or appurtenances thereto are fully protected from such operations;

(c) assure that surface mining operations are not conducted where reclamation as required by this Act is not feasible;

(d) assure that surface coal mining operations are so conducted as to protect the environment;

(e) assure that adequate procedures are undertaken to reclaim surface areas as contemporaneously as possible with the surface coal mining operations;

(f) assure that the coal supply essential to the Nation's energy requirements, and to its economic and social well-being is provided and strike a balance between protection of the environment and agricultural productivity and the Nation's need for coal as an essential source of energy;

(g) assist the States in developing and implementing a program to achieve the purposes of this Act;

(h) promote the reclamation of mined areas left without adequate reclamation prior to the enactment of this Act and which continue, in their unreclaimed condition, to substantially degrade the quality of the environment, prevent or damage the beneficial use of land or water resources, or endanger the health or safety of the public;

(i) assure that appropriate procedures are provided for the public participation in the development, revision, and enforcement of regulations, standards, reclamation plans, or programs established by the Secretary or any State under this Act;

(j) encourage the full utilization of coal resources through the development and application of underground extraction technologies;

(k) provide a means for development of the data and analyses necessary to establish effective and reasonable regulation of surface mining operations for other minerals;

(l) stimulate, sponsor, provide for and/or supplement present programs for the conduct of research investigations, experiments, and demonstrations, in the exploration, extraction, processing, development, and production of minerals and the training of mineral engineers and scientists in the fields of mining, minerals resources, and technology, and the establishment of an appropriate research and training center in various States; and

(m) wherever necessary, exercise the full reach of Federal constitutional powers to insure the protection of the public interest through effective control of surface coal mining operations.

TITLE II—OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

CREATION OF THE OFFICE

SEC. 201. (a) There is established in the Department of the Interior, the Office of Surface Mining Reclamation and Enforcement (hereinafter referred to as the "Office").

(b) The Office shall have a Director who shall report directly to the Secretary and who shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5 of the United States Code, and such other employees as may be required. The Director shall have the responsibilities provided under subsection (c) of this section and those duties and responsibilities relating to the functions of the office which the Secretary may assign, consistent with this Act. Employees of the Office shall be recruited on the basis of their professional competence and capacity to administer the provisions of this Act. No legal authority, program, or function in any Federal agency which has as its purpose promoting the development or use of coal or other mineral resources or regulating the health and safety of miners under provisions of the Federal Coal Mine Health and Safety Act of 1969 (83 Stat. 742), shall be transferred to the Office.

(c) The Secretary, acting through the Office, shall—

(1) administer the programs for controlling surface coal mining operations which are required by this Act; review and approve or disapprove State programs for controlling surface coal mining operations; make those investigations and inspections necessary to insure compliance with this Act; conduct hearings, administer oaths, issue subpenas, and compel the attendance of witnesses and production of written or printed mineral as provided for in this Act; issue cease-and-desist orders; review and vacate or modify or approve orders and decisions; and order the suspension, revocation, or withholding of any permit for failure to comply with any of the provisions of this Act or any rules and regulations adopted pursuant thereto;

(2) publish and promulgate such rules and regulations as may be necessary to carry out the purposes and provisions of this Act;

(3) administer the State grant-in-aid program for the development of State programs for surface coal mining and reclamation operations provided for in title V of this Act;

(4) administer the program for the purchase and reclamation of abandoned and unreclaimed mined areas pursuant to title IV of this Act;

(5) administer the surface mining and reclamation research and demonstration project authority provided for in this Act;

(6) consult with other agencies of the Federal Government having expertise in the control and reclamation of surface mining operations and assist States, local governments, and other eligible agencies in the coordination of such programs;

(7) maintain a continuing study of surface mining and reclamation operations in the United States;

(8) develop and maintain an Information and Data Center on Surface Coal Mining, Reclamation, and Surface Impacts of Underground Mining, which will make such data available to the public and to Federal, regional, State, and local agencies conducting or concerned with land use planning and agencies concerned with surface and underground mining and reclamation operations;

(9) assist the States in the development of State programs for surface coal mining and reclamation operations which meet the requirements of the Act and, at the same time, reflect local requirements and local environmental and agricultural conditions;

(10) assist the States in developing objective scientific criteria and appropriate procedures and institutions for determining those areas of a State to be designated unsuitable for all or certain types of surface coal mining pursuant to section 522;

(11) monitor all Federal and State research programs dealing with coal extraction and use and recommend to Congress the research and demonstration projects and necessary changes in public policy which are designated to (A) improve feasibility of underground coal mining, and (B) improve surface mining and reclamation techniques directed at eliminating adverse environmental and social impacts; and

(12) perform such other duties as may be provided by law and relate to the purposes of this Act.

(d) The Director shall not use either permanently or temporarily any person charged with responsibility of inspecting coal mines under the Federal Coal Mine Health and Safety Act of 1969, unless he finds and publishes such finding in the Federal Register, that such activities would not interfere with such inspections under the 1969 Act.

(e) The Office shall be considered an independent Federal regulatory agency for the purposes of sections 3502 and 3512 of title 44 of the United States Code.

(f) No employee of the Office or any other Federal employee performing any function or duty under this Act shall have a direct or indirect financial interest in underground or surface coal mining operations. Whoever knowingly violates the provisions of the above sentence shall, upon conviction, be punished by a fine of not more than $2,500, or by imprisonment for not more than one year, or both. The Director shall (1) within sixty days after enactment of this Act publish regulations, in accordance with 5 U.S.C. 553, to establish the methods by which the provisions of this subsection will be monitored and enforced, including appropriate provisions for the filing by such employees and the review of statements and supplements thereto concerning their financial interests which may be affected by this subsection, and (2) report to the Congress on March 1 of each calendar year on the actions taken and not taken during the preceding calendar year under this subsection.

TITLE III—STATE MINING AND MINERAL RESOURCES AND RESEARCH INSTITUTES

AUTHORIZATION OF STATE ALLOTMENTS TO INSTITUTES

SEC. 301. (a) There are authorized to be appropriated to the Secretary of the Interior sums adequate to provide for each participating State $200,000 for fiscal year 1975, $300,000 for fiscal year 1976, and $400,000 for each fiscal year thereafter for five years, to assist the States in carrying on the work of a competent and qualified mining and mineral resources research institute, or center (hereinafter referred to as "institute") at one public college or university in the State, which has in existence at the time of enactment of this title a school of mines, or division, or department conducting a program of substantial instruction and research in mining or minerals extraction or which establishes such a school of mines, or division, or department subsequent to the enactment of this title and which school of mines, or division or department shall have been in existence for at least two years. The Advisory Committee on Mining and Minerals Resources Research as created by this title shall determine a college or university to have an eligible school of mines, or division, or department conducting a program of substantial instruction and research in mining or minerals extraction wherein education and research in the minerals engineering fields are being carried out and wherein at least four fulltime permanent faculty members are employed: *Provided*, That—

(1) such moneys when appropriated shall be made available to match, on a dollar-for-dollar basis, non-Federal funds which shall be at least equal to the Federal share to support the institute;

(2) if there is more than one such eligible college or university in a State, funds under this title shall, in the absence of a designation to the contrary by act of the legislature of the State, be paid to one such college or university designated by the Governor of the State; and

(3) where a State does not have a public college or university with an eligible school of mines, or division, or department conducting a program of substantial instruction and research in mining or minerals extraction, said advisory committee may allocate the State's allotment to one private college or university which it determines to have an eligible school of mines, or division, or department as provided herein.

(b) It shall be the duty of each such institute to plan and conduct and/or arrange for a component or components of the college or university with which it is affiliated to conduct competent research, investigations, demonstrations, and experiments of either a basic or practical nature, or both, in relation to mining and mineral resources and to provide for the training of mineral engineers and scientists through such research, investigations, demonstrations, and experiments. Such research, investigations, demonstrations, experiments, and training may include, without being limited to: exploration; the extraction; processing; development; production of mineral resources; mining and mineral technology; supply and demand for minerals; conservation and best use of available supplies of minerals; the economic, legal, social, engineering, recreational, biological, geographic, ecological, and other aspects of mining, mineral resources, and mineral reclamation, having due regard to the interrelation on the natural environment, the varying conditions and needs of the respective States, to mining and mineral resources research projects being conducted by agencies of the Federal and State governments, and other institutes.

RESEARCH FUNDS TO INSTITUTES

SEC. 302. (a) There is authorized to be appropriated annually for seven years to the Secretary of the Interior the sum of $15,000,000 in fiscal year 1975, said sum increased by $2,000,000 each fiscal year thereafter for six years, which shall remain available until expended. Such moneys when appropriated shall be made available to institutes to meet the necessary expenses for purposes of:

(1) specific mineral research and demonstration projects of industrywide application, which could not otherwise be undertaken, including the expenses of planning and coordinating regional mining and mineral resources research projects by two or more institutes, and

(2) research into any aspects of mining and mineral resources problems related to the mission of the Department of the Interior, which may be deemed desirable and are not otherwise being studied.

(b) Each application for a grant pursuant to subsection (a) of this section shall, among other things, state the nature of the project to be undertaken, the period during which it will be pursued, the qualifications of the personnel who will direct and conduct it, the estimated costs, the importance of the project to the Nation, region, or State concerned, and its relation to other known research projects theretofore pursued or being pursued, and the extent to which it will provide opportunity for the training of mining and mineral engineers and scientists, and the extent of participation by nongovernmental sources in the project.

(c) The Secretary shall, insofar as it is practicable, utilize the facilities of institutes designated in section 301 of this title to perform such special research, authorized by this section, and shall select the institutes for the performance of such special research on the basis of the qualifications without regard to race or sex of the personnel who will conduct and direct it, and on the basis of the facilities available in relation to the particular needs of the research project, special geographic, geologic, or climatic conditions within the immediate vicinity of the institute in relation to any special requirements of the research project, and the extent to which it will provide opportunity for training individuals as mineral engineers and scientists. The Secretary may designate and utilize such portions of the funds authorized to be appropriated by this section as he deems appropriate for the purpose of providing scholarships, graduate fellowships, and postdoctoral fellowships.

(d) No grant shall be made under subsection (a) of this section except for a project approved by the Secretary of the Interior and all grants shall be made upon the basis of merit of the project, the need for the knowledge which it is expected to produce when completed, and the opportunity it provides for the training of individuals as mineral engineers and scientists.

(e) No portion of any grant under this section shall be applied to the acquisition by purchase or lease of any land or interests therein or the rental, purchase, construction, preservation, or repair of any building.

FUNDING CRITERIA

SEC. 303. (a) Sums available to institutes under the terms of sections 301 and 302 of this title shall be paid at such times and in such amounts during each fiscal year as determined by the Secretary, and upon vouchers approved by him. Each institute shall set forth its plan to provide for the training of individuals as mineral engineers and scientists under a curriculum appropriate to the field of mineral resources and mineral engineering and related fields; set forth policies and procedures which assure that Federal funds made available under this title for any fiscal year will supplement and, to the extent practicable, increase the level of funds that would, in the absence of such Federal funds, be made available for purposes of this title, and in no case supplant such funds; have an officer appointed by its governing authority who shall receive and account for all funds paid under the provisions of this title and shall make an annual report to the Secretary on or before the first day of September of each year, on work accomplished and the status of projects underway, together with a detailed statement of the amounts received under any provisions of this title during the preceding fiscal year, and of its disbursements on schedules prescribed by the Secretary. If any of the moneys received by the authorized receiving officer of any institute under the provisions of this title shall by any action or contingency be found by the Secretary to have been improperly diminished, lost, or misapplied, it shall be replaced by the State concerned and until so replaced no subsequent appropriation shall be allotted or paid to any institute of such State.

(b) Moneys appropriated pursuant to this title shall be available for expenses for research, investigations, experiments, and training conducted under authority of this title. The institutes are hereby authorized and encouraged to plan and conduct programs under this title in cooperation with each other and with such other agencies and individuals as may contribute to the solution of the mining and mineral resources problems involved, and moneys appropriated pursuant to this title shall be available for paying the necessary expenses of planning, coordinating, and conducting such cooperative research.

DUTIES OF THE SECRETARY

SEC. 304. (a) The Secretary of the Interior is hereby charged with the responsibility for the proper administration of this title and, after full consultation with other interester Federal agencies, shall prescribe such rules and regulations as may be necessary to carry out its provisions. The Secretary shall furnish such advice and assistance as will best promote the purposes of this title, participate in coordinating research initiated under this title by the institutes, indicate to them such lines of inquiry as to him seem most important, and encourage and assist in the establishment and maintenance of cooperation by and between the institutes and between them and other research organizations, the United States Department of the Interior, and other Federal establishments.

(b) On or before the 1st day of July in each year after the passage of this title, the Secretary shall ascertain whether the requirements of section 303(a) have been met as to each institute and State.

(c) The Secretary shall make an annual report to the Congress of the receipts, expenditures, and work of the institutes in all States under the provisions of this title. The Secretary's report shall indicate whether any portion of an appropriation available for allotment to any State has been withheld and, if so, the reasons therefor.

AUTONOMY

SEC. 305. Nothing in this title shall be construed to impair or modify the legal relationship existing between any of the colleges or universities under whose direction an institute is established and the government of the State in which it is located, and nothing in this title shall in any way be construed to authorize Federal control or direction of education at any college or university.

MISCELLANEOUS PROVISIONS

SEC. 306. (a) The Secretary of the Interior shall obtain the continuing advice and cooperation of all agencies of the Federal Government concerned with mining and mineral resources of State and local governments, and of private institutions and individuals to assure that the programs authorized in this title will supplement and not duplicate established mining and minerals research programs, to stimulate research in otherwise neglected areas, and to contribute to a comprehensive nationwide program of mining and minerals research, having due regard for the protection and conservation of the environment. The Secretary shall make generally available information and reports on projects completed, in progress, or planned under the provisions of this title, in addition to any direct publication of information by the institutes themselves.

(b) Nothing in this title is intended to give or shall be construed as giving the Secretary of the Interior any authority over mining and mineral resources research conducted by any other agency of the Federal Government, or as repealing, superseding, or diminishing existing authorities or responsibilities of any agency of the Federal Government to plan and conduct, contract for, or assist in research in its area of responsibility and concern with mining and mineral resources.

(c) Contracts or other arrangements for mining and mineral resources research work authorized under this title with an institute, educational institution, or nonprofit organization may be undertaken without regard to the provisions of section 3684 of the Revised Statutes (31 U.S.C. 529) when, in the judgment of the Secretary of the Interior, advance payments of initial expense are necessary to facilitate such work.

(d) No research, demonstration, or experiment shall be carried out under this Act by an institute financed by grants under this Act unless all uses, products, processes, patents, and other developments resulting therefrom with such exception or limitation, if any, as the Secretary may find necessary in the public interest, be available promptly to the general public. Nothing contained in this section shall deprive the owner of any background patent relating to any such activities of any rights which that owner may have under that patent. There are authorized to be appropriated such sums as are necessary for the printing and publishing of the results of activities carried out by institutes under the provisions of this Act and for administrative planning and direction, but such appropriations shall not exceed $1,000,000 in any fiscal year.

CENTER FOR CATALOGING

SEC. 307. The Secretary shall establish a center for cataloging current and projected scientific research in all fields of mining and mineral resources. Each Federal agency doing mining and mineral resources research shall cooperate by providing the cataloging center with information on work underway or scheduled by it. The cataloging center shall classify and maintain for public use a catalog of mining and mineral resources research and investigation projects in progress or scheduled by all Federal agencies and by such non-Federal agencies of Government, colleges, universities, private institutions, firms and individuals as may make such information available.

INTERAGENCY COOPERATION

SEC. 308. The President shall, by such means as he deems appropriate, clarify agency responsibility for Federal mining and mineral resources research and provide for interagency coordination of such research, including the research authorized by this title. Such coordination shall include—

(a) continuing review of the adequacy of the Government-wide program in mining and mineral resources research;

(b) identification and elimination of duplication and overlap between two or more agency programs;

(c) identification of technical needs in various mining and mineral resources research categories;

(d) recommendations with respect to allocation of technical effort among Federal agencies;

(e) review of technical manpower needs and findings concerning management policies to improve the quality of the Government-wide research effort; and

(f) actions to facilitate interagency communication at management levels.

ADVISORY COMMITTEE

SEC. 309. (a) The Secretary of the Interior shall appoint an Advisory Committee on Mining and Mineral Research composed of—

(1) the Director, Bureau of Mines, or his delegate, with his consent;

(2) the Director of the National Science Foundation, or his delegate, with his consent;

(3) the President, National Academy of Sciences, or his delegate, with his consent;

(4) the President, National Academy of Engineering, or his delegate, with his consent;

(5) the Director, United States Geological Survey, or his delegate, with his consent; and

(6) not more than four other persons who are knowledgeable in the fields of mining and mineral resources research, at least one of whom shall be a representative of working coal miners.

(b) The Secretary shall designate the Chairman of the Advisory Committee. The Advisory Committee shall consult with, and make recommendations to, the Secretary of the Interior on all matters involving or relating to mining and mineral resources research and such determinations as provided in this title. The Secretary of the Interior shall consult with, and consider recommendations of, such Committee in the conduct of mining and mineral resources research and the making of any grant under this title.

(c) Advisory Committee members, other than officers or employees of Federal, State, or local governments, shall be, for each day (including traveltime) during which they are performing committee business, entitled to receive compensation at a rate fixed by the Secretary, but not in excess of the maximum rate of pay for grade GS-18 as provided in the General Schedule under section 5332 of title 5 of the United States Code, and shall, notwithstanding the limitations of sections 5703 and 5704 of title 5 of the United States Code, be fully reimbursed for travel, subsistence, and related expenses.

TITLE IV—ABANDONED MINE RECLAMATION

ABANDONED MINE RECLAMATION FUND

SEC. 401. (a) There is created on the books of the Treasury of the United States a trust fund to be known as the Abandoned Mine Reclamation Fund (hereinafter referred to as the "fund") which shall be administered by the Secretary of the Interior.

(b) The fund shall consist of amounts deposited in the fund, from time to time, derived from—

(1) the sale, lease, or rental of land reclaimed pursuant to this title;

(2) any user charge imposed on or for land reclaimed pursuant to this title, after expenditures for maintenance have been deducted; and

(3) the reclamation fees levied under subsection (d) of this section.

(c) Amounts covered into the fund shall be available for the acquisition and reclamation of land under section 405, administration of the fund and enforcement and collection of the fee as specified in subsection (d), acquisition and filling of voids and sealing of tunnels, shafts, and entryways under section 406, and for use under section 404, by the Secretary of Agriculture, of up to one-fifth of the money deposited in the fund annually and transferred by the Secretary of the Interior to the Secretary of Agriculture for such purposes. Such amounts shall be available for such purposes only when appropriated therefor; and such appropriations may be made without fiscal year limitation.

(d) All operators of coal mining operations subject to the provisions of this Act shall pay to the Secretary of the Interior, for deposit in the fund, a reclamation fee of thirty-five cents per ton of coal produced by surface coal mining and fifteen cents per ton of coal produced by underground mining or 10 per centum of the value of the coal at the mine, as determined by the Secretary, whichever is less, except that this reclamation fee for lignite coal shall be at a rate of 5 per centum of the value of the coal at the mine, or 35 cents per ton, whichever is less. Such fee shall be paid no later than 30 days after the end of each calendar quarter occurring after the date of enactment of this Act, beginning with the first calendar quarter (or part thereof) occurring after such date of enactment and ending ten years after the date of enactment of this Act unless extended by an Act of Congress.

(e) The geographic allocation of expenditures from the fund shall reflect both the area from which the revenue was derived as well as the program needs for the funds. Fifty per centum of the funds collected annually in any State or Indian reservation shall be expended in that State or Indian reservation by the Secretary to accomplish the purposes of this title after receiving and considering the recommendations of the Governor of that State or the head of the governing body of that tribe having jurisdiction over that reservation, as the case may be: *Provided, however,* That if such funds have not been expended within three years after being paid into the fund, they shall be available for expenditure in any area. The balance of funds collected on an annual basis may be expended in any area at the discretion of the Secretary in order to meet the purposes of this title.

OBJECTIVES OF FUND

SEC. 402. The primary objective for the obligation of funds is the reclamation of areas affected by previous mining; but other objectives shall reflect the following priorities in the order stated:

(a) the protection of health or safety of the public;

(b) protection of the environment from continued degradation and the conservation of land and water resources;

(c) the protection, construction, or enhancement of public facilities such as utilities, roads, recreation, and conservation facilities and their use;

(d) the improvement of lands and water to a suitable condition useful in the economic and social development of the area affected; and

(e) research and demonstration projects relating to the development of surface mining reclamation and water quality control program methods and techniques in all areas of the United States.

ELIGIBLE LANDS

SEC. 403. The only lands eligible for reclamation expenditures under this title are those which were mined for coal or which were affected by such mining, wastebanks, coal processing, or other coal mining processes, and abandoned or left in an inadequate reclamation status prior to the date of enactment of this Act, and for which there is no continuing reclamation responsibility under State or other Federal laws.

RECLAMATION OF RURAL LANDS

SEC. 404. (a) In order to provide for the control and prevention of erosion and sediment damages from unreclaimed mined lands, and to promote the conservation and development of soil and water resources of unreclaimed mined lands and lands affected by mining, the Secretary of Agriculture is authorized to enter into agreements, of not more than ten years with landowners (including owners of water rights), residents and tenants, and individually or collectively, determined by him to have control for the period of the agreement of lands in question therein, providing for land stabilization, erosion, and sediment control, and reclamation through conservation treatment, including measures for the conservation and development of soil, water (excluding stream channelization), woodland, wildlife, and recreation resources, and agricultural productivity of such lands. Such agreements shall be made by the Secretary with the owners, including owners of water rights, residents, or tenants (collectively or individually) of the lands in question.

(b) The landowner, including the owner of water rights, resident, or tenant shall furnish to the Secretary of Agriculture a conservation and development plan setting forth the proposed land uses and conservation treatment which shall be mutually agreed by the Secretary of Agriculture and the landowner, including owner of water rights, resident, or tenant to be needed on the lands for which the plan was prepared. In those instances where it is determined that the water rights or water supply of a tenant, landowner, including owner of water rights, residents, or tenant have been adversely affected by a surface or underground coal mine operation which has removed or disturbed a stratum so as to significantly affect the hydrologic balance, such plan may include proposed measures to enhance water quality or quantity by means of joint action with other affected landowners, including owner of water rights, residents, or tenants in consultation with appropriate State and Federal agencies.

(c) Such plan shall be incorporated in an agreement under which the landowner, including owner of water rights, resident, or tenant shall agree with the Secretary of Agriculture to effect the land uses and conservation treatment provided for in such plan on the lands described in the agreement in accordance with the terms and conditions thereof.

(d) In return for such agreement by the landowner, including owner of water rights, resident, or tenant the Secretary of Agriculture is authorized to furnish financial and other assistance to such landowner, including owner of water rights, resident, or tenant in such amounts and subject to such conditions as the Secretary of Agriculture determines are appropriate and in the public interest for carrying out the land use and conservation treatment set forth in the agreement. Grants made under this section, depending on the income-producing potential of the land after reclaiming, shall provide up to 80 per centum of the cost of carrying out such land uses and conservation treatment on not more than one hundred twenty acres of land occupied by such owner including water rights owners, resident or tenant, or on not more than one hundred twenty acres of land which has been purchased jointly by such landowners including water rights owners, residents, or tenants under an agreement for the enhancement of water quality or quantity or on land which has been acquired by an appropriate State or local agency for the purpose of implementing such agreement; except the Secretary may reduce the matching cost share where he determines that (1) the main benefits to be derived from the project are related to improving off-site water quality, off-site esthetic values, or other off-site benefits, and (2) the matching share requirement would place a burden on the landowner which would probably prevent him from participating in the program.

(e) The Secretary of Agriculture may terminate any agreement with a landowner including water rights owners, operator, or occupier by mutual agreement if the Secretary of Agriculture determines that such termination would be in the public interest, and may agree to such modification of agreements previously entered into hereunder as he deems desirable to carry out the purposes of this section or to facilitate the practical administration of the program authorized herein.

(f) Notwithstanding any other provision of law, the Secretary of Agriculture, to the extent he deems it desirable to carry out the purposes of this section, may provide in any agreement hereunder for (1) preservation for a period not to exceed the period covered by the agreement and an equal period thereafter of the cropland, crop acreage, and allotment history applicable to land covered by the agreement for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation on the production of such crop; or (2) surrender of any such history and allotments.

(g) The Secretary of Agriculture shall be authorized to issue such rules and regulations as he determines are necessary to carry out the provisions of this section.

(h) In carrying out the provisions of this section, the Secretary of Agriculture shall utilize the services of the Soil Conservation Service.

(i) Funds shall be made available to the Secretary of Agriculture for the purposes of this section, as provided in section 401(c).

ACQUISITION AND RECLAMATION OF ABANDONED AND UNRECLAIMED MINED LANDS

SEC. 405. (a) (1) The Congress declares that the acquisition of any interest in land or mineral rights in order to eliminate hazards to the environment or to the health or safety of the public from mined lands, or to construct, operate, or manage reclamation facilities and projects constitutes acquisition for a public use or purpose, notwithstanding that the Secretary plans to hold the interest in land or mineral rights so acquired as an open space or for recreation, or to resell the land following completion of the reclamation facility or project.

(2) The Secretary may acquire by purchase, donation, or otherwise, land or any interest therein which has been affected by surface mining and has not been reclaimed to its approximate original condition. Prior to making any acquisition of land under this section, the Secretary shall make a thorough study with respect to those tracts of land which are available for acquisition under this section and based upon those findings he shall select lands for purchase according to the priorities established in section 402. Title to all lands or interests therein acquired shall be taken in the name of the United States. The price paid for land under this section shall take into account the unrestored condition of the land. Prior to any individual acquisition under this section, the Secretary shall specifically determine the cost of such acquisition and reclamation and the benefits to the public to be gained therefrom.

(3) For the purposes of this section, when the Secretary seeks to acquire an interest in land or mineral rights, and cannot negotiate an agreement with the owner of such interest or right he shall request the Attorney General to file a condemnation suit and take interest or right, following a tender of just compensation awarded by a jury to such person. When the Secretary determines that time is of the essence because of the likelihood of continuing or increasingly harmful effects upon the environment which would substantially increase the cost or magnitude of reclamation or of continuing or increasingly serious threats to life, safety, or health, or to property, the Secretary may take such interest or rights immediately upon payment by the United States either to such person or into a court of competent jurisdiction of such amount as the Secretary shall estimate to be the fair market value of such interest or rights; except that the Secretary shall also pay to such person any further amount that may be subsequently awarded by a jury, with interest from the date of the taking.

(4) For the purposes of this section, when the Secretary takes action to acquire an interest in land and cannot determine which person or persons hold title to such interest or rights, the Secretary shall request the Attorney General to file a condemnation suit, and give notice, and may take such interest or rights immediately upon payment into court of such amount as the Secretary shall estimate to be the fair market value of such interest or rights. If a person or persons establishes title to such interest or rights within six years from the time of their taking, the court shall transfer the payment to such person or persons and the Secretary shall pay any further amount that may be agreed to pursuant to negotiations or awarded by a jury subsequent to the time of taking. If no person or persons establish title to the interest or rights within six years from the time of such taking, the payment shall revert to the Secretary and be deposited in the fund.

(5) States are encouraged to acquire abandoned and unreclaimed mined lands within their boundaries and to transfer such lands to the Secretary to be reclaimed under appropriate Federal regulations. The Secretary is authorized to make grants on a matching basis to States in such amounts as he deems appropriate for the purpose of carrying out the provisions of this title but in no event shall any grant exceed 90 per centum of the cost of acquisition of the lands for which the grant is made. When a State has made any such land available to the Federal Government under this title, such State shall have a preference right to purchase such lands after reclamation at fair market value less the State portion of the original acquisition price. Notwithstanding the provisions of paragraph (1) of this subsection, reclaimed land may be sold to the State or local government in which it is located at a price less than fair market value, which in no case shall be less than the cost to the United States of the purchase and reclamation of the land, as negotiated by the Secretary, to be used for a valid public purpose. If any land sold to a State or local government under this paragraph is not used for a valid public purpose as specified by the Secretary in the terms of the sales agreement then all right, title, and interest in such land shall revert to the United States. Money received from such sale shall be deposited in the fund.

(6) The Secretary shall prepare specifications for the reclamation of lands acquired under this section. In preparing these specifications, the Secretary shall utilize the specialized knowledge or experience of any Federal or State department or agency which can assist him in the development or implementation of the reclamation program required under this title.

(7) In selecting lands to be acquired pursuant to this section and in formulating regulations for the making of grants to the States to acquire lands pursuant to this title, the Secretary shall give priority to lands in their unreclaimed state which will meet the objectives as stated in section 402 above when reclaimed. For those lands which are reclaimed for public recreational use, the revenue derived from such lands shall be used first to assure proper maintenance of such funds and facilities thereon and any remaining moneys shall be deposited in the funds.

(8) Where land reclaimed pursuant to this section is deemed to be suitable for industrial, commercial, residential, or private recreational development, the Secretary may sell such land by public sale under a system of competitive bidding, at not less than fair market value and under such other regulations as he may promulgate to insure that such lands are put to proper use, as determined by the Secretary. If any such land sold is not put to the use specified by the Secretary in the terms of the sales agreement, then all right, title, and interest in such land shall revert to the United States. Money received from such sale shall be deposited in the fund.

(9) The Secretary shall hold a public hearing, with the appropriate notice, in the county or counties or the appropriate subdivisions of the State in which lands acquired to be reclaimed pursuant to this title are located. The hearings shall be held at a time which shall afford local citizens and governments the maximum opportunity to participate in the decision concerning the use of the lands once reclaimed.

(10) The Secretary shall utilize all available data and information on reclamation needs and measures, including the data and information developed by the Corps of Engineers in conducting the National Strip Mine Study authorized by section 233 of the Flood Control Act of 1970. In connection therewith the Secretary may call on the Secretary of the Army, acting through the Chief of Engineers, to assist him in conducting, oper-

ating, or managing reclamation facilities and projects, including demonstration facilities and projects, conducted by the Secretary pursuant to this section.

(b) (1) The Secretary is authorized to use money in the fund to acquire, reclaim, develop, and transfer land to any State, or any department, agency, or instrumentality of a State or of a political subdivision thereof, or to any person, firm, association, or corporation if he determines that such is an integral and necessary element of an economically feasible plan for a project to construct or rehabilitate housing for persons employed in mines or work incidental thereto, persons disabled as the result of such employment, persons displaced by governmental action, or persons dislocated as the result of natural disasters or catastrophic failure from any cause. Such activities shall be accomplished under such terms and conditions as the Secretary shall require, which may include transfers of land with or without monetary consideration: *Provided*, That to the extent that the consideration is below the fair market value of the land transferred, no portion of the difference between the fair market value and the consideration shall accrue as a profit to such person, firm, association, or corporation. Land development may include the construction of public facilities or other improvements including reasonable site work and offsite improvements such as sewer and water extensions which the Secretary determines necessary or appropriate to the economic feasibility of a project. No part of the funds provided under this title may be used to pay the actual construction costs of housing.

(2) The Secretary may carry out the purposes of this subsection directly or he may make grants and commitments for grants, and may advance money under such terms and conditions as he may require to any State, or any department, agency, or instrumentality of a State, or any public body or nonprofit organization designated by a State.

(3) The Secretary may provide, or contract with public and private organizations to provide information, advice, and technical assistance, including demonstrations, in furtherance of this subsection.

(4) The Secretary may make expenditures to carry out the purpose of this subsection, without regard to the provisions of section 403, in any area experiencing a rapid development of its coal resources which the Secretary has determined does not have essential public facilities.

FILLING VOIDS AND SEALING TUNNELS

SEC. 406. (a) The Congress declares that voids, and open and abandoned tunnels, shafts, and entryways resulting from any previous mining operation, constitute a hazard to the public health or safety and that surface impacts of any underground or surface mining operation may degrade the environment. The Secretary, at the request of the Governor of any state, or the Chairman of any tribe, is authorized to fill such voids, seal such abandoned tunnels, shafts, and entryways, and reclaim surface impacts of underground or surface mines which the Secretary determines could endanger life and property, constitute a hazard to the public health and safety, or degrade the environment.

(b) Funds available for use in carrying out the purpose of this Section shall be limited to those funds which must be expended in the respective states or Indian reservations under the provisions of Section 401(e).

(c) The Secretary may make expenditures and carry out the purposes of this Section without regard to provisions of Section 403 in such states or Indian reservations where requests are made by the governor or tribal chairman and only after all reclamation with respect to abandoned coal lands or coal development impacts have been met, except for those reclamation projects relating to the protection of the public health or safety.

(d) In those instances where mine waste piles are being reworked for coal conservation purposes, the incremental costs of disposing of the wastes from such operations by filling voids and sealing tunnels may be eligible for funding providing that the disposal of these wastes meets the purposes of this section.

(e) The Secretary may acquire by purchase, donation, or otherwise such interest in land as he determines necessary to carry out the provisions of this section.

FUND REPORT

SEC. 407. Not later than January 1, 1976, and annually thereafter, the Secretary shall report to the Congress on operations under the fund together with his recommendations as to future uses of the fund.

TRANSFER OF FUNDS

SEC. 408. The Secretary of the Interior may transfer funds to other appropriate Federal agencies, in order to carry out the reclamation activities authorized by this title.

TITLE V—CONTROL OF THE ENVIRONMENTAL IMPACTS OF SURFACE COAL MINING

ENVIRONMENTAL PROTECTION STANDARDS

SEC. 501. Not later than the end of the one-hundred-and-eighty-day period immediately following the date of enactment of this Act, the Secretary shall promulgate and publish in the Federal Register regulations covering a permanent regulatory procedure for surface coal mining and reclamation operations setting mining and reclamation performance standards based on and incorporating the provisions of title V and establishing procedures and requirements for preparation, submission, and approval of State prorgams and development and implementation of Federal programs under this title. Such regulations shall not be promulgated and published by the Secretary until he has—

(A) published proposed regulations in the Federal Register and afforded interested persons and State and local governments a period of not less than forty-five days after such publication to submit written comments thereon;

(B) obtained the written concurrence of the Administrator of the Environmental Protection Agency with respect to those regulations promulgated under this section which relate to air or water quality standards promulgated under the authority of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1151–1175), and the Clean Air Act, as amended (42 U.S.C. 1857 et seq.); and

(C) held at least one public hearing on the proposed regulations. The date, time, and place of any hearing held on the proposed regulations shall be set out in the publication of the proposed regulations. The Secretary shall consider all comments and relevant data presented at such hearing before final promulgation and publication of the regulations.

INITIAL REGULATORY PROCEDURES

SEC. 502. (a) No person shall open or develop any new or previously mined or abandoned site for surface coal mining operations on lands on which such operations are regulated by a State unless such person has obtained a permit from the State's regulatory authority.

(b) All surface coal mining operations on lands on which such operations are regulated by a State which commence operations pursuant to a permit issued on or after the date of enactment of this Act shall comply, and such permits shall contain terms requiring compliance with, the provisions of subsections 515(b)(2), 515(b)(3), 515(b)(5), 515(b)(10), 515(b)(13), 515(b)(19) and 515(d) of this Act.

(c) On and after one hundred and thirty-five days from the date of enactment of this Act, all surface coal mining operations on lands on which such operations are regulated by a State which are in operation pursuant to a permit issued before the date of enactment of this Act shall comply with the provisions of subsections 515(b)(2), 515(b)(3), 515(b)(5), 515(b)(10), 515(b)(13), 515(b)(19), and 515(d) of this Act, with respect to lands from which overburden and the coal seam being mined have not been removed.

(d) Upon the request of the permit applicant or permittee subsequent to a written finding by the regulatory authority and under the conditions and procedures set forth in subsection 515(c), the regulatory authority may grant variances from the requirement to restore to approximate original contour set forth in subsections 515(b)(3) and 515(d).

(e) Not later than twenty months from the date of enactment of this Act, all operators of surface coal mines in expectation of operating such mines after the date of approval of a State program, or the implementation of a Federal program, shall file an application for a permit with the regulatory authority, such application to cover those lands to be mined after the date of approval of the State program. The regulatory authority shall process such applications and grant or deny a permit within six months after the date of approval of the State program, but in no case later than thirty months from the date of enactment of this Act.

(f) Not later than one hundred and thirty-five days from the date of enactment of this Act, the Secretary shall implement a Federal enforcement program which shall remain in effect in each State in which there is surface coal mining until the State program has been approved pursuant to this Act or until a Federal program has been implemented pursuant to this Act. The enforcement program shall—

(1) include inspections of surface coal mine sites which shall be made on a random basis (but at least one inspection for every site every three months), without advance notice to the mine operator and for the purpose of ascertaining compliance with the standards of subsections (b) and (c) above. The Secretary shall order any necessary enforcement action to be implemented pursuant to the Federal enforcement provision of this title to correct violations identified at the inspections;

(2) provide that upon receipt of inspection reports indicating that any surface coal mining operation has been found in violation of subsections (b) and (c) above, during not less than two consecutive State inspections or upon receipt by the Secretary of information which would give rise to reasonable belief that such standards are being violated by any surface coal mining operation, the Secretary shall order the immediate inspection of such operation by Federal inspectors and the necessary enforcement actions, if any, to be implemented pursuant to the Federal enforcement provisions of this title. When the Federal inspection results from information provided to the Secretary by any person, the Secretary shall notify such person when the Federal inspection is proposed to be carried out and such person shall be allowed to accompany the inspector during the inspection;

(3) for purposes of this section, the term "Federal inspector" means personnel of the Office of Surface Mining Reclamation and Enforcement and such additional personnel of the United States Geological Survey Bureau of Land Management, or of the Mining Enforcement and Safety Administration so designated by the Secretary, or such other personnel of the Forest Service, Soil Conservation Service, or the Agricultural Stabilization and Conservation Service as arranged

by appropriate agreement with the Secretary on a reimbursable or other basis;

(4) provide that the State regulatory agency file with the Secretary and with a designated Federal office centrally located in the county or area in which the inspected surface coal mine is located copies of inspection reports made;

(5) provide that moneys authorized by section 712 shall be available to the Secretary prior to the approval of a State program pursuant to this Act to reimburse the States for conducting those inspections in which the standards of this Act are enforced and for the administration of this section.

(g) Following the final disapproval of a State program, and prior to promulgation of a Federal program or a Federal lands program pursuant to this Act, including judicial review of such a program, existing surface coal mining operations may continue surface mining operations pursuant to the provisions of section 502 of this Act.

STATE PROGRAMS

SEC. 503. (a) Each State in which there is or may be conducted surface coal mining operations, and which wishes to assume exclusive jurisdiction over the regulation of surface coal mining and reclamation operations, except as provided in section 521 and title IV of this Act, shall submit to the Secretary, by the end of the eighteen-month period beginning on the date of enactment of this Act, a State program which demonstrates that such State has the capability of carrying out the provisions of this Act and meeting its purposes through—

(1) a State law which provides for the regulation of surface coal mining and reclamation operations in accordance with the requirements of this Act and the regulations issued by the Secretary pursuant to this Act;

(2) a State law which provides sanctions for violations of State laws, regulations, or conditions of permits concerning surface coal mining and reclamation operations, which sanctions shall meet the minimum requirements of this Act, including civil and criminal actions, forfeiture of bonds, suspensions, revocations, and withholding of permits, and the issuance of cease-and-desist orders by the State regulatory authority or its inspectors;

(3) a State regulatory authority with sufficient administrative and technical personnel, and sufficient funding to enable the State to regulate surface coal mining and reclamation operations in accordance with the requirements of this Act;

(4) a State law which provides for the effective implementation, maintenance, and enforcement of a permit system, meeting the requirements of this title for the regulation of surface coal mining and reclamation operations for coal on lands within the State;

(5) establishment of a process for the designation of areas as unsuitable for surface coal mining in accordance with section 522;

(6) establishment, for the purposes of avoiding duplication, of a process for coordinating the review and issuance of permits for surface coal mining and reclamation operations with any other Federal or State permit process applicable to the proposed operations.

(b) The Secretary shall not approve any State program submitted under this section until he has—

(1) solicited and publicly disclosed the views of the Administrator of the Environmental Protection Agency, the Secretary of Agriculture, and the heads of other Federal agencies concerned with or having special expertise pertinent to the proposed State program;

(2) obtained the written concurrence of the Administrator of the Environmental Protection Agency with respect to those aspects of a State program which relate to air or water quality standards promulgated under the authority of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1151–1175), and the Clean Air Act, as amended (42 U.S.C. 1857 et seq.);

(3) held at least one public hearing on the State program within the State; and

(4) found that the State has the legal authority and qualified personnel necessary for the enforcement of the environmental protection standards.

The Secretary shall approve or disapprove a State program, in whole or in part, within six full calendar months after the date such State program was submitted to him.

(c) If the Secretary disapproves any proposed State program in whole or in part, he shall notify the State in writing of his decision and set forth in detail the reasons therefor. The State shall have sixty days in which to resubmit a revised State program, or portion thereof. The Secretary shall approve or disapprove the resubmitted State program or portion thereof within sixty days from the date of resubmission.

(d) For the purposes of this section and section 504, the inability of a State to take any action the purpose of which is to prepare, submit, or enforce a State program, or any portion thereof, because the action is enjoined by the issuance of an injunction by any court of competent jurisdiction shall not result in a loss of eligibility for financial assistance under titles IV and VII of this Act or in the imposition of a Federal program. Regulation of the surface coal mining and reclamation operations covered or to be covered by the State program subject to the injunction shall be conducted by the State pursuant to section 502 of this Act, until such time as the injunction terminates or for one year, whichever is shorter, at which time the requirements of sections 503 and 504 shall again be fully applicable.

FEDERAL PROGRAMS

SEC. 504. (a) The Secretary shall prepare and, subject to the provisions of this section, promulgate and implement a Federal program for a State no later than thirty months after the date of enactment of this Act if such State—

(1) fails to submit a State program covering surface coal mining and reclamation operations by the end of the eighteen-month period beginning on the date of enactment of this Act;

(2) fails to resubmit an acceptable State program within sixty days of disapproval of a proposed State program: *Provided*, That the Secretary shall not implement a Federal program prior to the expiration of the initial period allowed for submission of a State program as provided for in clause (1) of this subsection; or

(3) fails to implement, enforce, or maintain its approved State program as provided for in this Act.

If State compliance with clause (1) of this subsection requires an act of the State legislature, the Secretary may extend the period of submission of a State program up to an additional six months. Promulgation and implementation of a Federal program vests the Secretary with exclusive jurisdiction for the regulation and control of surface coal mining and reclamation operations taking place on lands within any State not in compliance with this Act. After promulgation and implementation of a Federal program the Secretary shall be the regulatory authority. If a Federal program is implemented for a State, subsections 522 (a), (c), and (d) shall not apply for a period of one year following the date of such implementation. In promulgating and implementing a Federal program for a particular State the Secretary shall take into consideration the nature of that State's terrain, climate, biological, chemical, and other relevant physical conditions.

(b) In the event that a State has a State program for surface coal mining, and is not enforcing any part of such program, the Secretary may provide for the Federal enforcement, under the provisions of section 521, of that part of the State program not being enforced by such State.

(c) Prior to promulgation and implementation of any proposed Federal program, the Secretary shall give adequate public notice and hold a public hearing in the affected State.

(d) Permits issued pursuant to an approved State program shall be valid but reviewable under a Federal program. Immediately following promulgation of a Federal program, the Secretary shall undertake to review such permits to determine that the requirements of this Act are not violated. If the Secretary determines any permit to have been granted contrary to the requirements of this Act, he shall so advise the permittee and provide him a reasonable opportunity for submission of a new application and reasonable time to conform ongoing surface mining and reclamation operations to the requirements of the Federal program.

(e) A State which has failed to obtain the approval of a State program prior to implementation of a Federal program may submit a State program at any time after such implementation. Upon the submission of such a program, the Secretary shall follow the procedures set forth in section 503(b) and shall approve or disapprove the State program within six months after its submittal. Approval of a State program shall be based on the determination that the State has the capability of carrying out the provisions of this Act and meeting its purposes through the criteria set forth in section 503(a) (1) through (6). Until a State program is approved as provided under this section, the Federal program shall remain in effect and all actions taken by the Secretary pursuant to such Federal program, including the terms and conditions of any permit issued thereunder, shall remain in effect.

(f) Permits issued pursuant to the Federal program shall be valid but reviewable under the approved State program. The State regulatory authority may review such permits to determine that the requirements of this Act and the approved State program are not violated. If the State regulatory authority determines any permit to have been granted contrary to the requirements of this Act or the approved State program, he shall so advise the permittee and provide him a reasonable opportunity for submission of a new application and reasonable time to conform ongoing surface mining and reclamation operations to the requirements of this Act or approved State program.

(g) Whenever a Federal program is promulgated for a State pursuant to this Act, any statutes or regulations of such State which are in effect to regulate surface mining and reclamation operations subject to this Act shall, insofar as they interfere with the achievement of the purposes and the requirements of this Act and the Federal program, be preempted and superseded by the Federal program.

(h) Any Federal program shall include a process for coordinating the review and issuance of permits for surface mining and reclamation operations with any other Federal or State permit process applicable to the proposed operation.

STATE LAWS

SEC. 505. (a) No State law or regulation in effect on the date of enactment of this Act, or which may become effective thereafter, shall be superseded by any provision of this Act or any regulation issued pursuant thereto, except insofar as such State law or regulation is inconsistent with the provisions of this Act.

(b) Any provision of any State law or regulation in effect upon the date of enactment of this Act, or which may become effective thereafter, which provides for more stringent land use and environmental controls and regulations of surface coal mining and reclamation operations than do the provisions of this Act or any regulation issued pursuant thereto shall not be construed to be inconsistent with this Act. Any provision of any State law or regulation in effect on the date of enactment of this Act, or which may become effective thereafter, which provides for the control and regulation of surface mining and reclamation operations for which no provision is contained in this Act shall be construed to be inconsistent with this Act.

(c) Nothing in this Act shall be construed as affecting in any way the right of any person to enforce or protect, under applicable State law, his interest in water resources affected by a surface coal mining operation.

PERMITS

SEC. 506. (a) On and after six months from the date on which a State program is approved by the Secretary, pursuant to section 503 of this Act, or on and after six months from the date on which the Secretary has promulgated a Federal program for a State not having a State program pursuant to section 504 of this Act, no person shall engage in or carry out on lands within a State any surface coal mining operations unless such person has first obtained a permit issued by such State pursuant to an approved State program or by the Secretary pursuant to a Federal program; except a person conducting surface coal mining operations under a permit from the State regulatory authority, issued in accordance with the provisions of section 502 of this Act, may conduct such operations beyond such period if an application for a permit has been filed in accordance with the provisions of this Act, but the initial administrative decision has not been rendered.

(b) All permits issued pursuant to the requirements of this Act shall be issued for a term not to exceed five years and shall be nontransferable: Provided, That a successor in interest to a permittee who applies for a new permit within thirty days of succeeding to such interest and who is able to obtain the bond coverage of the original permittee may continue surface coal mining and reclamation operations according to the approved mining and reclamation plan of the original permittee until such successor's application is granted or denied.

(c) A permit shall terminate if the permittee has not commenced the surface coal mining and reclamation operations covered by such permit within three years of the issuance of the permit, provided that with respect to coal to be mined for use in a synthetic fuel facility, the permittee shall be deemed to have commenced surface mining operations at such time as the construction of the synthetic fuel facility is initiated.

(d)(1) Any valid permit issued pursuant to this Act shall carry with it the right of successive renewal upon expiration with respect to areas within the boundaries of the existing permit. The holder of the permit may apply for renewal and such renewal shall be issued, subsequent to public hearing upon the following requirements and written findings by the regulatory authority that—

(A) the terms and conditions of the existing permit are being satisfactorily met;

(B) the present surface coal mining reclamation operation is in full compliance with the environmental protection standards of this Act and the approved State plan pursuant to this Act;

(C) the renewal requested does not jeopardize the operator's continuing responsibility on existing permit areas;

(D) the operator has provided evidence that the performance bond in effect for said operation will continue in full force and effect for any renewal requested in such application as well as any additional bond the regulatory authority might require pursuant to section 509; and

(E) any additional revised or updated information required by the regulatory authority has been provided. Prior to the approval of any extension of permit the regulatory authority shall provide notice to the appropriate public authorities.

(2) If an application for renewal of a valid permit includes a proposal to extend the mining operation beyond the boundaries authorized in the existing permit, the portion of the application for revision of a valid permit which addresses any new land areas shall be subject to the full standards applicable to new applications under this Act.

(3) Any permit renewal shall be for a term not to exceed the period of the original permit established by this Act. Application for permit renewal shall be made at least one hundred and twenty days prior to the expiration of the valid permit.

APPLICATION REQUIREMENTS

SEC. 507. (a) Each application for a surface coal mining and reclamation permit pursuant to an approved State program or a Federal program under the provisions of this Act shall be accomplished by a fee as determined by the regulatory authority. Such fee shall be based as nearly as possible upon the actual or anticipated cost of reviewing, administering, and enforcing such permit issued pursuant to a State or Federal program. The regulatory authority may develop procedures so as to enable the cost of the fee to be paid over the term of the permit.

(b) The permit application shall be submitted in a manner satisfactory to the regulatory authority and shall contain, among other things—

(1) the names and addresses of (A) the permit applicant; (B) every legal owner of record of the property (surface and mineral), to be mined; (C) the holders of record of any leasehold interest in the property; (D) any purchaser of record of the property under a real estate contract; (E) the operator if he is a person different from the applicant; and (F) if any of these are business entities other than a single proprietor, the names and addresses of the principals, officers, and resident agent;

(2) the names and addresses of the owners of record of all surface and subsurface areas within five hundred feet of any part of the permit area;

(3) a statement of any current or previous surface coal mining permits in the United States held by the applicant and the permit identification;

(4) if the applicant is a partnership, corporation, association, or other business entity, the following where applicable: the names and addresses of every officer, partner, director, or person performing a function similar to a director, of the applicant, together with the name and address of any person owning, of record or beneficially either alone or with associates, 10 per centum or more of any class of stock of the applicant and a list of all names under which the applicant, partner, or principal shareholder previously operated a surface mining operation within the United States;

(5) a statement of whether the applicant, any subsidiary, affiliate, or persons controlled by or under common control with the applicant, has ever held a Federal or State mining permit which subsequent to 1960 has been suspended or revoked or has had a mining bond or similar security deposited in lieu of bond forfeited and, if so, a brief explanation of the facts involved;

(6) a copy of the applicant's advertisement to be published in a newspaper of general circulation in the locality of the proposed site at least once a week for four successive weeks, and which includes the ownership, a description of the exact location and boundaries of the proposed site sufficient so that the proposed operation is readily locatable by local residents, and the location of where the application is available for public inspection;

(7) a description of the type and method of coal mining operation that exists or is proposed, the engineering techniques proposed or used, and the equipment used or proposed to be used;

(8) the anticipated or actual starting and termination dates of each phase of the mining operation and number of acres of land to be affected;

(9) evidence of the applicant's legal right to enter and commence surface mining operations on the area affected;

(10) the name of the watershed and location of the surface stream or tributary into which surface and pit drainage will be discharged;

(11) a determination of the hydrologic consequences of the mining and reclamation operations, both on and off the mine site, with respect to the hydrologic regime, quantity and quality of water in surface and ground water systems including the dissolved and suspended solids under seasonal flow conditions and the collection of sufficient data for the mine site and surrounding area so that an assessment can be made of the probable cumulative impacts of all anticipated mining in the area upon the hydrology of the area and particularly upon water availability;

(12) when requested by the regulatory authority, the climatological factors that are peculiar to the locality of the land to be affected, including the average seasonal precipitation, the average direction and velocity of prevailing winds, and the seasonal temperature ranges;

(13) an accurate map or plan to an appropriate scale clearly showing (A) the land to be affected as of the date of application and (B) all types of information set forth on topographical maps of the United States Geological Survey of a scale of 1:24,000 or larger, including all manmade features and significant known archeological sites existing on the date of application. Such a map or plan shall among other things specified by the regulatory authority show all boundaries of the land to be affected, the boundary lines and names of present owners of record of all surface areas abutting the permit area, and the location of all buildings within one thousand feet of the permit area;

(14) cross-section maps or plans of the land to be affected including the actual area to be mined, prepared by or under the direction of and certified by a registered professional engineer, or registered land surveyor and a professional geologist (when specific subsurface information is deemed essential and requested by the regulatory authority), or other qualified personnel at State universities showing pertinent elevation and location of test borings or core samplings and depicting the following information: the nature and depth of the various strata of overburden; the location of subsurface water, if encountered, and its quality; the nature and thickness of any coal or rider seam above the coal seam to be mined; the nature of the stratum immediately beneath the coal seam to be mined; all mineral crop lines and the strike and dip of the coal to be mined within the area of land to be affected; existing or previous surface mining limits; the location and extent of known workings of any underground mines, including mine openings to the surface; the location of aquifers; the estimated elevation of the water table; the location of spoil, waste, or

refuse areas and topsoil preservation areas; the location of all impoundments for waste or erosion control; any settling or water treatment facilities; constructed or natural drainways and the location of any discharges to any surface body of water on the area of land to be affected or adjacent thereto; and profiles at appropriate cross sections of the anticipated final surface configuration that will be achieved pursuant to the operator's proposed reclamation plan;

(15) a statement of the result of test borings or core samplings from the permit area, including logs of the drill holes; the thickness of the coal seam found, an analysis of the chemical properties of such coal; the sulfur content of any coal seam; chemical analysis of potentially acid or toxic forming sections of the overburden; and chemical analysis of the stratum lying immediately underneath the coal to be mined; and

(16) information pertaining to coal seams, test borings, or core samplings as required by this section shall be made available to any person with an interest which is or may be adversely affected; *Provided,* That information which pertains only to the analysis of the chemical and physical properties of the coal (excepting information regarding such mineral or elemental content which is potentially toxic in the environment) shall be kept confidential and not made a matter of public record.

(c) Each applicant for a permit shall be required to submit to the regulatory authority as part of the permit application a certificate issued by an insurance company authorized to do business in the United States certifying that the applicant has a public liability insurance policy in force for the surface mining and reclamation operations for which such permit is sought, or evidence that the applicant has satisfied other State or Federal self-insurance requirements. Such policy shall provide for personal injury and property damage protection in an amount adequate to compensate any persons damaged as a result of surface coal mining and reclamation operations and entitled to compensation under the applicable provisions of State law. Such policy shall be maintained in full force and effect during the terms of the permit or any renewal, including the length of all reclamation operations.

(d) Each applicant for a permit shall be required to submit to the regulatory authority as part of the permit application a reclamation plan which shall meet the requirements of this Act.

(e) Each applicant for a surface coal mining and reclamation permit shall file a copy of his application for public inspection with the recorder at the courthouse of the county or an appropriate official approved by the regulatory authority where the mining is proposed to occur, except for that information pertaining to the coal seam itself.

RECLAMATION PLAN REQUIREMENTS

SEC. 508. (a) Each reclamation plan submitted as part of a permit application pursuant to any approved State program or a Federal program under the provisions of this Act shall include, in the degree of detail necessary to demonstrate that reclamation required by the State or Federal program can be accomplished, a statement of:

(1) the identification of the entire area to be mined and affected over the estimated life of the mining operation and the size, sequence, and timing of the subareas for which it is anticipated that indivdual permits for mining will be sought;

(2) the condition of the land to be covered by the permit prior to any mining including:

(A) the uses existing at the time of the application, and if the land has a history of previous mining, the uses which preceded any mining; and

(B) the capability of the land prior to any mining to support a variety of uses giving consideration to soil and foundation characteristics, topography, and vegetative cover;

(3) the use which is proposed to be made of the land following reclamation, including a discussion of the utility and capacity of the reclaimed land to support a variety of alternative uses and the relationship of such use to existing land use policies and plans, and the comments of any State and local governments or agencies thereof which would have to approve or authorize the proposed use of the land following reclamation;

(4) a detailed description of how the proposed postmining land use is to be achieved and the necessary support activities which may be needed to achieve the proposed land use;

(5) the engineering techniques proposed to be used in mining and reclamation and a description of the major equipment; a plan for the control of surface water drainage and of water accumulation; a plan, where appropriate, for backfilling, soil stabilization, and compacting, grading, and appropriate revegetation; an estimate of the cost per acre of the reclamation, including a statement as to how the permittee plans to comply with each of the requirements set out in section 515;

(6) the steps to be taken to comply with applicable air and water quality laws and regulations and any applicable health and safety standards;

(7) the consideration which has been given to developing the reclamation plan in a manner consistent with local, physical environmental, and climatological conditions and current mining and reclamation technologies;

(8) the consideration which has been given to insuring the maximum practicable recovery of the mineral resource;

(9) a detailed estimated timetable for the accomplishment of each major step in the reclamation plan;

(10) the consideration which has been given to making the surface mining and reclamation operations consistent with applicable State and local land use plans and programs;

(11) all lands, interests in lands, or options on such interests held by the applicant or pending bids no interests in lands by the applicant, which lands are contiguous to the area to be covered by the permit;

(12) the result of test borings which the applicant has made at the area to be covered by the permit, including the location of subsurface water, and an analysis of the chemical properties including acid forming properties of the mineral and overburden: *Provided,* That information about the mineral shall be withheld by the regulatory authority if the applicant so requests;

(13) a detailed description of the measures to be taken during the mining and reclamation process to assure the protection of (A) the quantity and quality of surface and ground water systems, both on- and off-site, from adverse effects of the mining and reclamation process, and (B) the rights of present users to such water; and

(14) such other requirements as the regulatory authority shall prescribe by regulation.

(b) Any information required by this section which is not on public file pursuant to State law shall be held in confidence by the regulatory authority.

PERFORMANCE BONDS

SEC. 509. (a) After a surface coal mining and reclamation permit application has been approved but before such a permit is issued, the applicant shall file with the regulatory authority, on a form prescribed and furnished by the regulatory authority, a bond for performance payable, as appropriate, to the United States or to the State, and conditional upon faithful performance of all the requirements of this Act and the permit. The bond shall cover that area of land within the permit area upon which the operator will initiate and conduct surface coal mining and reclamation operations within the initial term of the permit. As succeeding increments of surface coal mining and reclamation operations are to be initiated and conducted within the permit area, the permittee shall file with the regulatory authority an additional bond or bonds to cover such increments in accordance with this section. The amount of the bond required for each bonded area shall depend upon the reclamation requirements of the approved permit and shall be determined by the regulatory authority on the basis of at least two independent estimates. The amount of the bond shall be sufficient to assure the completion of the reclamation plan if the work had to be performed by a third party in the event of forfeiture and in no case shall the bond be less than $10,000.

(b) Liability under the bond shall be for the duration of the surface coal mining and reclamation operation and for a period coincident with operator's responsibility for vegetation requirements in section 515.

The bond shall be executed by the operator and a corporate surety licensed to do business in the State where such operation is located, execpt that the operator may elect to deposit cash, negotiable bonds of the United States Government or such State, or negotiable certificates of deposit of any bank organized or transacting business in the United States. The cash deposit or market value of such securities shall be equal to or greater than the amount of the bond required for the bonded area.

(c) The regulatory authority may accept the bond of the applicant itself without separate surety when the applicant demonstrates to the satisfaction of the regulatory authority the existence of a suitable agent to receive service of process and a history of financial solvency and continuous operation sufficient for authorization to self-insure or bond such amount.

(d) Cash or securities so deposited shall be deposited upon the same terms as the terms upon which surety bonds may be deposited. Such securities shall be security for the repayment of such negotiable certificate of deposit.

(e) The amount of the bond or deposit required and the terms of each acceptance of the applicant's bond shall be adjusted by the regulatory authority from time to time as affected land acreages are increased or decreased or where the cost of future reclamation obviously changes.

PERMIT APPROVAL OR DENIAL

SEC. 510. (a) Upon the basis of a complete mining application and reclamation plan or a renewal thereof, as required by this Act and pursuant to an approved State program or Federal program under the provisions of this Act, including public notification and an opportunity for a public hearing as required by section 513, the regulatory authority shall grant or deny the application for a permit and notify the applicant in writing. Within ten days after the granting of a permit, the regulatory authority shall notify the State and the local official who has the duty of collecting real estate taxes in the local political subdivision in which the area of land to be affected is located that a permit has been issued and shall describe the location of the land.

(b) No permit, revision, or renewal application shall be approved unless the application affirmative demonstrates and the regulatory authority finds in writing on the basis of the information set forth in the application or from information otherwise available which will be documented in the approval, and made available to the applicant, that—

(1) all the requirements of this Act and the State or Federal program have been complied with;

(2) the applicant has demonstrated that reclamation as required by this Act and the State or Federal program can be accomplished under the reclamation plan contained in the permit application;

(3) the assessment of the probable cumulative impact of all anticipated mining in the area on the hydrologic balance specified in section 507(b) has been made and the proposed operation thereof has been designed to prevent significant irreparable offsite damage to hydrologic balance;

(4) the area proposed to be mined is not included within an area designated unsuitable for surface coal mining pursuant to section 522 of this Act or is not within an area under study for such designation in an administrative proceeding commenced pursuant to section 522(a)(4)(D) or section 522(c) (unless in such an area as to which an administrative proceeding has commenced pursuant to section 522(a)(4)(D) of this Act, the operator making the permit application demonstrates that, prior to the date of enactment of this Act, he has made substantial legal and financial commitments in relation to the operation for which he is applying for a permit); and

(5) the proposed surface coal mining operation, if located west of the one hundredth meridian west longitude, would not have a substantial adverse effect on alluvial valley floors underlain by unconsolidated stream laid deposits where farming can be practiced in the form of irrigated, flood irrigated or naturally subirrigated hay meadows or other crop lands (excluding undeveloped range lands), where such valley floors are significant to the practice of farming or ranching operations, including potential farming or ranching operations if such operations are significant and economically feasible.

(c) The applicant shall file with his permit application a schedule listing any and all notices of violations of this Act and any law, rule, or regulation of the United States or of any department or agency in the United States pertaining to air or water environmental protection incurred by the applicant in connection with any surface coal mining operation during the one-year period prior to the date of application. The schedule shall also indicate the final resolution of any such notice of violation. Where the schedule or other information available to the regulatory authority indicates that any surface coal mining operation owned or controlled by the applicant is currently in violation of this Act or such other laws referred to in this subsection, the permit shall not be issued until the applicant submits proof that such violation has been corrected or is in the process of being corrected to the satisfaction of the regulatory authority, department, or agency which has jurisdiction over such violation.

REVISION OF PERMITS

SEC. 511. (a)(1) During the term of the permit the permittee may submit an application, together with a revised reclamation plan, to the regulatory authority for a revision of the permit.

(2) An application for a revision of a permit shall not be approved unless the regulatory authority finds that reclamation as required by this Act and the State or Federal program can be accomplished under the revised Reclamation Plan. The revision shall be approved or disapproved within a period of time established by the State or Federal program. The regulatory authority shall establish guidelines for a determination of the scale or extent of a revision request for which all permit application information requirements and procedures, including notice and hearings, shall apply: *Provided,* That any revisions which propose a substantial change in the intended future use of the land or significant alterations in the Reclamation Plan shall, at a minimum be subject to notice and hearing requirements.

(3) Any extensions to the area covered by the permit except incidental boundary revisions must be made by application for another permit.

(b) No transfer, assignment, or sale of the rights granted under any permit issued pursuant to this Act shall be made without the written approval of the regulatory authority.

(c) The regulatory authority may require reasonable revision or modification of the permit provisions during the term of such permit: Provided, That such revision or modification shall be subject to notice and hearing requirements established by the State or Federal program.

COAL EXPLORATION PERMITS

SEC. 512. (a) Each State program or Federal program shall include a requirement that coal exploration operations which substantially disturb the natural land surface be conducted under a permit issued by the regulatory authority.

(b) Each application for a coal exploration permit pursuant to an approved State or Federal program under the provisions of this Act shall be accompanied by a fee established by the regulatory authority. Such fee shall be based, as nearly as possible, upon the actual or anticipated cost of reviewing, administering, and enforcing such permit issued pursuant to a State or Federal program. The application and supporting technical data shall be submitted in a manner satisfactory to the regulatory authority and shall include a description of the purpose of the proposed exploration project. The supporting technical data shall include, among other things.

(1) a general description of the existing environment;

(2) the location of the area of exploration by either metes or bounds, lot, tract, range, or section, whichever is most applicable, including a copy of the pertinent United States Geological Survey topographical map or maps with the area to be explored delineated thereon;

(3) a description of existing roads, railroads, utilities, and rights-of-way, if not shown on the topographical map;

(4) the location of all surface bodies of water, if not shown on the topographical map;

(5) the planned approximate location of any access roads, cuts, drill holes, and necessary facilities that may be constructed in the course of exploration, all of which shall be plotted on the topographical map;

(6) the estimated time of exploration;

(7) the ownership of the surface land to be explored;

(8) a statement describing the right by which the applicant intends to pursue his exploration activities and a certification that notice of intention to pursue such activities has been given to the surface owner;

(9) provisions for reclamation of all land disturbed in exploration, including excavations, roads, drill holes, and the removal of necessary facilities and equipment; and

(10) such other information as the regulatory authority may require.

(c) Specifically identified information submitted by the applicant in the application and supporting technical data as confidential concerning trade secrets or privileged commercial or financial information which relates to the competitive rights of the applicant shall not be available for public examination.

(d) If an applicant is denied a coal exploration permit under this Act, or if the regulatory authority fails to act within a reasonable time, then the applicant may seek relief under the appropriate administrative procedures.

(e) Any person who conducts any coal exploration activities in connection with surface coal mining operations under this Act without first having obtained a permit to explore from the appropriate regulatory authority or shall fail to conduct such exploration activities in a manner consistent with his approved coal exploration permit, shall be subject to the provisions of section 518.

PUBLIC NOTICE AND PUBLIC HEARINGS

SEC. 513. (a) At the time of submission of an application for a surface coal mining and reclamation permit, or revision of an existing permit, pursuant to the provisions of this Act, or an approved State program, the applicant shall submit to the regulatory authority a copy of his advertisement of the ownership, precise location, and boundaries of the land to be affected. At the time of submission such advertisement shall be placed in a local newspaper of general circulation in the locality of the proposed surface mine at least once a week for four consecutive weeks. The regulatory authority shall notify various local governmental bodies, planning agencies, and sewage and water treatment authorities, or water companies in the locality in which the proposed surface mining will take place, notifying them of the operator's intention to surface mine a particularly described tract of land and indicating the application's permit number and where a copy of the proposed mining and reclamation plan may be inspected. These local bodies, agencies, authorities, or companies have obligation to submit written comments within thirty days on the mining applications with respect to the effect of the proposed operation on the environment which are within their area of responsibility. Such comments shall be made available to the public at the same locations as are the mining applications.

(b) Any person with a valid legal interest or the officer or head of any Federal, State, or local governmental agency or authority shall have the right to file written objections to the proposed initial or revised application for a permit for surface coal mining and reclamation operation with the regulatory authority within thirty days after the last publication of the above notice. If written objections are filed and a hearing requested, the regulatory authority shall then hold a public hearing in the locality of the proposed mining within a reasonable time of the receipt of such objections. The date, time, and location of such public hearing shall be advertised by the regulatory authority in a newspaper of general circulation in the locality at least once a week for three consecutive weeks prior to the scheduled hearing date. The regulatory authority may arrange with the applicant upon request by any party to the administrative proceeding access to the proposed mining area for the purpose of gathering information relevant to the proceeding. At this public hearing, the applicant for a permit shall have the burden of establishing that his application is in compliance with the applicable State and Federal laws. Not less than ten days prior to any proposed hearing, the regulatory authority shall respond to the written objections in writing. Such response shall include the regulatory authority's preliminary proposals as to the terms and conditions, and amount of bond of a possible permit for the area in question and answers to material factual questions presented in the written objections. The regulatory authority's responsibility under this subsection shall in any event be to make publicly available its estimate as to any other conditions of mining or reclamation which may be required or contained in the preliminary proposal. In the event all parties requesting the hearing stipulate agreement prior to the requested hearings, and withdraw their request, such hearings need not be held.

(c) For the purpose of such hearing, the regulatory authority may administer oaths, subpena witnesses, or written or printed materials, compel attendance of the witnesses, or production of the materials, and take evidence including but not limited to site inspections of the land to be affected and other surface coal mining operations carried on by the applicant in the general vicinity of the proposed operation. A verbatim transcript and complete record of each public hearing shall be ordered by the regulatory authority.

DECISIONS OF REGULATORY AUTHORITY AND APPEALS

SEC. 514. (a) If a public hearing has been held pursuant to section 513(b), the regulatory authority shall issue and furnish the applicant for a permit and persons who are parties to the administrative proceedings with the written finding of the regulatory authority, granting or denying the permit in whole or in part and stating the reasons therefor, within thirty days of said hearings.

(b) If there has been no public hearing held pursuant to section 513(b), the regulatory authority shall notify the applicant for a permit within a reasonable time, taking into account the time needed for proper investigation of the site, the complexity of the permit application and whether or not written objection to the application has been filed, whether the application has been approved or disapproved. If the application is approved, the permit shall be issued. If the application is disapproved, specific reasons therefor must be set forth in the notification. Within thirty days after the applicant is notified that the permit or any portion thereof has been denied, the applicant may request a hearing on the reasons for the said disapproval. The regulatory authority shall hold a hearing within thirty days of such request and provide notification to all interested parties at the time that the applicant is so notified. Within thirty days after the hearing the regulatory authority shall issue and furnish the applicant, and all persons who participated in the hearing, with the written decision of the regulatory authority granting or denying the permit in whole or in part and stating the reasons therefor.

(c) Any applicant or any person who has participated in the administrative proceedings as an objector, and who is aggrieved by the decision of the regulatory authority, or if the regulatory authority fails to act within a reasonable period of time, shall have the right of appeal for review by a court of competent jurisdiction in accordance with State or Federal law.

ENVIRONMENTAL PROTECTION PERFORMANCE STANDARDS

SEC. 515. (a) Any permit issued under any approved State or Federal program pursuant to this Act to conduct surface coal mining operations shall require that such surface coal mining operations will meet all applicable performance standards of this Act, and such other requirements as the regulatory authority shall promulgate.

(b) General performance standards shall be applicable to all surface coal mining and reclamation operations and shall require the operation as a minimum to——

(1) conduct surface coal mining operations so as to maximize the utilization and conservation of the solid fuel resource being recovered so that reaffecting the land in the future through surface coal mining can be minimized;

(2) restore the land affected to a condition at least fully capable of supporting the uses which it was capable of supporting prior to any mining, or higher or better uses of which there is a reasonable likelihood, so long as such use of uses do not present any actual or probable hazard to public health or safety or pose any actual or probable threat of water diminution or pollution, and the permit applicants' declared proposed land use following reclamation is not deemed to be impractical or unreasonable, inconsistent with applicable land use policies and plans, involves unreasonble delay in implementation, or is violative of Federal, State, or local laws;

(3) with respect to all surface coal operations backfill, compact (where advisable to insure stability or to prevent leaching of toxic materials), and grade in order to restore the approximate original contour of the land with all highwalls, spoil piles and depressions eliminated (unless small depressions are needed in order to retain moisture to assist revegetation or as otherwise authorized pursuant to this Act): *Provided, however,* That in surface coal mining which is carried out at the same location over a substantial period of time where the operation transects the coal deposit, and the thickness of the coal deposits relative to the volume of the overburden is large and where the operator demonstrates that the overburden and other spoil and waste materials at a particular point in the permit area or otherwise available from the entire permit area is insufficient, giving due consideration to volumetric expansion, to restore the approximate original contour, the operator, at a minimum, shall backfill, grade, and compact (where advisable) using all available overburden and other spoil and waste materials to attain the lowest practicable grade but not more than the angle of repose, to provide adequate drainage and to cover all acid-forming and other toxic materials, in order to achieve an ecologically sound land use compatible with the surrounding region: *And provided further,* That in surface coal mining where the volume of overburden is large relative to the thickness of the coal deposit and where the operator demonstrates that due to volumetric expansion the amount of overburden and other spoil and waste materials removed in the course of the mining operation is more than sufficient to restore the approximate original contour, the operator shall after restoring the approximate contour, backfill, grade, and compact (where advisable) the excess overburden and other spoil and waste materials to attain the lowest grade but not more than the angle of repose, and to cover all acid-forming and other toxic materials, in order to achieve an ecologically sound land use compatible with the surrounding region and that such overburden or spoil shall be shaped and graded in such a way as to prevent slides, erosion, and water pollution and is revegetated in accordance with the requirements of this Act;

(4) stabilize and protect all surface areas including spoil piles affected by the surface coal mining and reclamation operation to effectively control erosion and attendant air and water pollution;

(5) remove the topsoil from the land in a separate layer, replace it on the backfill area, or if not utilized immediately, segregate it in a separate pile from other spoil and when the topsoil is not replaced on a backfill area within a time short enough to avoid deterioration of the topsoil, maintain a successful cover by quick growing plant or other means thereafter so that the topsoil is preserved from wind and water erosion, remains free of any contamination by other acid or toxic material, and is in a usable condition for sustaining vegetation when restored during reclamation, except if topsoil is of insufficient quantity or of poor quality for sustaining vegetation, or if other strata can be shown to be more suitable for vegetation requirements, then the operator shall remove, segregate, and preserve in a like manner such other strata which is best able to support vegetation;

(6) restore the topsoil or the best available subsoil which has which is best able to support vegetation;

(7) protect offsite areas from slides or damage occurring during the surface coal mining and reclamation operations, and not deposit spoil material or locate any part of the operations or waste accumulations outside the permit area;

(8) create, if authorized in the approved mining and reclamation plan and permit, permanent impoundments of water on mining sites as part of reclamation activities only when it is adequately demonstrated that—

(A) the size of the impoundment is adequate for its intended purposes;

(B) the impoundment dam construction will be so designed as to achieve necessary stability with an adequate margin of safety compatible with that of structures constructed under Public Law 83-566 (16 U.S.C. 1006);

(C) the quality of impounded water will be suitable on a permanent basis for its intended use and that discharges from the impoundment will not degrade the water quality in the receiving stream;

(D) the level of water will be reasonably stable;

(E) final grading will provide adequate safety and access for proposed water users; and

(F) such water impoundments will not result in the diminution of the quality or quantity of water utilized by adjacent or surrounding landowners for agricultural, industrial, recreational, or domestic uses;

(9) fill all auger holes with an impervious and noncombustible material in order to prevent drainage;

(10) minimize the disturbances to the prevailing hydrologic balance at the mine-site and in associated offsite areas and to the quality and quantity of water in surface and ground water systems both during and after surface coal mining operations and during reclamation by—

(A) avoiding acid or other toxic mine drainage by such measures as, but not limited to—

(i) preventing or removing water from contact with toxic producing deposits;

(ii) treating drainage to reduce toxic content which adversely affects downstream water upon being released to water courses;

(iii) casing, sealing, or otherwise managing boreholes, shafts, and wells and keep acid or other toxic drainage from entering ground and surface waters;

(B) conducting surface coal mining operations so as to prevent, to the extent possible using the best technology currently available, additional contributions of suspended solids to streamflow or runoff outside the permit area above natural levels under seasonable flow conditions as measured prior to any mining, and avoiding channel deepening or enlargement in operations requiring the discharge of water from mines;

(C) removing temporary or large siltation structures from drainways after disturbed areas are revegetated and stabilized;

(D) restoring recharge capacity of the mined area to approximate premining conditions;

(E) replacing the water supply of an owner of interest in real property who obtains all or part of his supply of water for domestic, agricultural, industrial, or other legitimate use from an underground source where such supply has been affected by contamination or interruption proximately resulting from mining;

(F) preserving throughout the mining and reclamation process the essential hydrologic functions of alluvial valley floors in the arid and semiarid areas of the country; and

(G) such other actions as the regulatory authority may prescribe;

(11) with respect to surface disposal of mine wastes, tailings, coal processing wastes, and other wastes in areas other than the mine working or excavations, stabilize all waste piles in designated areas through construction in compacted layers including the use of incombustible and impervious materials if necessary and assure the final con-

tour of the waste pile will be compatible with natural surroundings and that the site can and will be stabilized and revegetated according to the provisions of this Act;

(12) refrain from surface coal mining within five hundred feet from active and abandoned underground mines in order to prevent break-throughs and to protect health or safety of miners: *Provided*, That the regulatory authority shall permit an operator to mine closer to an abandoned underground mine: *Provided*, That this does not create hazards to the health and safety of miners; or shall permit an operator to mine near, through or partially through an abandoned underground mine working where such mining through will achieve improved resource recovery, abatement of water pollution or elimination of public hazards and such mining shall be consistent with the provisions of the Act;

(13) design, locate, construct, operate, maintain, enlarge, modify, and remove, or abandon, in accordance with the standards and criteria developed pursuant to subsection (e) of this section, all existing and new coal mine waste piles consisting of mine wastes, tailings, coal processing wastes, or other liquid and solid wastes and used either temporarily or permanently as dams or embankments;

(14) insure that all debris, acid forming materials, toxic materials, or materials constituting a fire hazard are treated or disposed of in a manner designed to prevent contamination of ground or surface waters or sustained combustion;

(15) insure that explosives are used only in accordance with existing State and Federal law and the regulations promulgated by the regulatory authority, which shall include provisions to—

(A) provide adequate advance written notice by publication and/or posting of the planned blasting schedule to local governments and to residents who might be affected by the use of such explosives and maintain for a period of at least two years a log of the magnitudes and times of blasts; and

(B) limit the type of explosives and detonating equipment, the size, the timing and frequency of blasts based upon the physical conditions of the site so as to prevent (i) injury to persons, (ii) damage to public and private property outside the permit area, (iii) adverse impacts on any underground mine, and (iv) change in the course, channel, or availability of ground or surface water outside the permit area;

(16) insure that all reclamation efforts proceed in an environmentally sound manner and as contemporaneously as practicable with the surface coal mining operations;

(17) insure that the construction, maintenance, and postmining conditions of access roads into and across the site of operations will control or prevent erosion and siltation, pollution of water, damage to fish or wildlife or their habitat, or public or private property: *Provided*, That the regulatory authority may permit the retention after mining of certain access roads where consistent with State and local land use plans and programs and where necessary may permit a limited exception to the restoration of approximate original contour for that purpose;

(18) refrain from the construction of roads or other access ways up a stream bed or drainage channel or in such proximity to such channel so as to seriously alter the normal flow of water;

(19) establish on the regraded areas, and all other lands affected, a diverse, effective and permanent vegetative cover native to the area of land to be affected and capable of self-regeneration and plant succession at least equal in extent of cover to the natural vegetation of the area; except, that introduced species may be used in the revegetation process where desirable and necessary to achieve the approved postmining land use plan;

(20) assume the responsibility for successful revegetation, as required by paragraph (19) above, for a period of five full years after the last year of augmented seeding, fertilizing, irrigation, or other work in order to assure compliance with paragraph (19) above, except in those areas or regions of the country where the annual average precipitation is twenty-six inches or less, then the operator's assumption of responsibility and liability will extend for a period of ten full years after the last year of augmented seeding, fertilizing, irrigation, or other work: *Provided*, That when the regulatory authority approves a long-term intensive agricultural postmining land use, the applicable five- or ten-year period of responsibility for revegetation shall commence at the date of initial planting for such long-term intensive agricultural postmining land use: *Provided further*, That when the regulatory authority issues a written finding approving a long-term, intensive, agricultural postmining land use as part of the mining and reclamation plan, the authority may grant exception to the provisions of paragraph (19) above; and

(21) meet such other criteria as are necessary to achieve reclamation in accordance with the purposes of this Act, taking into consideration the physical, climatological, and other characteristics of the site, and to insure the maximum practicable recovery of the mineral resources.

(c)(1) Each State program may and each Federal program shall include procedures pursuant to which the regulatory authority may permit variances for the purposes set forth in paragraph (3) of this subsection.

(2) Where an applicant meets the requirements of paragraphs (3) and (4) of this subsection a variance from the requirement to restore to approximate original contour set forth in subsection 515(b)(3) or 515(d) of this section may be granted for the surface mining of coal where the mining operation will remove an entire coal seam or seams running through the upper fraction of a mountain, ridge, or hill (except as provided in subsection (c)(4)(A) hereof) by removing all of the overburden and creating a level plateau or a gently rolling contour with no highwalls remaining, and capable of supporting postmining uses in accord with the requirements of this subsection.

(3) In cases where an industrial, commercial (including commercial agricultural), residential or public facility (including recreational facilities) development is proposed for the postmining use of the affected land, the regulatory authority may grant a variance for a surface mining operation of the nature described in subsection (c)(2) where—

(A) after consultation with the appropriate land use planning agencies, if any, the proposed development is deemed to constitute an equal or better economic or public use of the affected land, as compared with the premining use;

(B) the equal or better economic or public use can be obtained only if one or more exceptions to the requirements of section 515 (b)(3) are granted;

(C) the applicant presents specific plans for the proposed post-mining land use and appropriate assurances that such use will be—

(i) compatible with adjacent land uses;

(ii) obtainable according to data regarding expected need and market;

(iii) assured of investment in necessary public facilities;

(iv) supported by commitments from public agencies where appropriate;

(v) practicable with respect to private financial capability for completion of the proposed development;

(vi) planned pursuant to a schedule attached to the reclamation plan so as to integrate the mining operation and reclamation with the postmining land use; and

(vii) designed by a registered engineer in conformance with professional standards established to assure the stability, drainage, and configuration necessary for the intended use of the site;

(D) the proposed use would be consistent with adjacent land uses, and existing State and local land use plans and programs;

(E) the regulatory authority provides the governing body of the unit of general-purpose government in which the land is located and any State or Federal agency which the regulatory agency, in its discretion, determines to have an interest in the proposed use, an opportunity of not more than sixty days to review and comment on the proposed use;

(F) a public hearing is held in the locality of the proposed surface coal mining operation prior to the grant of any permit including a variance; and

(G) all other requirements of this Act will be met.

(4) In granting any variance pursuant to this subsection the regulatory authority shall require that—

(A) the toe of the lowest coal seam mined and the overburden associated with it are retained in place as a barrier to slides and erosion;

(B) the reclaimed area is stable;

(C) the resulting plateau or rolling contour drains inward from the outslopes except at specified points;

(D) no damage will be done to natural water-courses;

(E) all other requirements of this Act will be met.

(5) The regulatory authority shall promulgate specific regulations to govern the granting of variances in accord with the provisions of this subsection, and may impose such additional requirements as he deems to be necessary.

(6) All exceptions granted under the provisions of this subsection shall be reviewed not more than three years from the date of issuance of the permit, unless the applicant affirmatively demonstrates that the proposed development is proceeding in accordance with the terms of the approved schedule and reclamation plan.

(d) The following performance standards shall be applicable to steep-slope surface coal mining and shall be in addition to those general performance standards required by this section: Provided, however, That the provisions of this subsection (d) shall not apply to those situations in which an operator is mining on flat or gently rolling terrain, on which an occasional steep slope is encountered through which the mining operation is to proceed, leaving a plain or predominantly flat area:

(1) Insure that when performing surface coal mining on steep slopes, no debris, abandoned or disabled equipment, spoil material, or waste mineral matter be placed on the downslope below the bench or mining cut, except that where necessary soil or spoil material from the initial block or short linear cut of earth necessary to obtain initial access to the coal seam in a new surface coal mining operation can be placed on a limited and specified area of the downslope below the initial cut if the permittee demonstrates that such soil or spoil material will not slide and that the other requirements of this subsection can still be met: *Provided*, That spoil material in excess of that required for the reconstruction of the approximate original contour under the provisions of paragraphs 515(b)(3) or 515(d)(2) or excess spoil from a surface coal mining operation granted a variance under subsection 515(c) may be permanently stored at such offsite spoil storage areas as the regulatory authority

shall designate and for the purposes of this Act such areas shall be deemed in all respects to be part of the lands affected by surface coal mining operations. Such offsite spoil storage areas shall be designed by a registered engineer in conformance with professional standards established to assure the stability, drainage, and configuration necessary for the intended use of the site.

(2) Complete backfilling with spoil material shall be required to cover completely the highwall and return the site to the approximately original contour, which material will maintain stability following mining and reclamation.

(3) The operator may not disturb land above the top of the highwall unless the regulatory authority finds that such disturbance will facilitate compliance with the environmental protection standards of this section: *Provided, however*, That the land disturbed about the highwall shall be limited to that amount necessary to facilitate said compliance.

(4) For the purposes of this section, the term "steep slope" is any slope above twenty degrees or such lesser slope as may be defined by the regulatory authority after consideration of soil, climate, and other characteristics of a region or State.

(e) The Secretary, with the written concurrence of the Chief of Engineers, shall establish within 135 days from the date of enactment, standards and criteria regulating the design, location, construction, operation, maintenance, enlargement, modification, removal and abandonment of new and existing coal mine waste piles referred to in Section 515(b) (13) and Section 516(b) (5). Such standards and criteria shall conform to the standards and criteria used by the Chief of Engineers to insure that flood control structures are safe and effectively perform their intended function. In addition to engineering and other technical specifications the standards and criteria developed pursuant to this subsection must include provisions for: review and approval of plans and specifications prior to construction, enlargement, modification, removal or abandonment; performance of periodic inspections during construction; issuance of certificates of approval upon completion of construction; performance of periodic safety inspections; and issuance of notices for required remedial or maintenance work.

SURFACE EFFECTS OF UNDERGROUND COAL MINING OPERATIONS

SEC. 516. (a) The Secretary shall promulgate rules and regulations directed toward the surface effects of underground coal mining operations, embodying the following requirements and in accordance with the procedures established under section 501 of this Act.

(b) Each permit issued under any approved State or Federal program pursuant to this Act and relating to underground coal mining shall require the operator to—

(1) adopt measures consistent with known technology in order to prevent subsidence to the extent technologically and economically feasible, maximize mine stability, and maintain the value and use of such surface lands, except in those instances where the mining technology used requires planned subsidence in a predictable and controlled manner: *Provided*, That nothing in this subsection shall be construed to prohibit the standard method of room and pillar continuous mining;

(2) seal all portals, entryways, drifts, shafts, or other openings between the surface and underground mine working when no longer needed for the conduct of the mining operations;

(3) fill or seal exploratory holes no longer necessary for mining, maximizing to the extent practicable return of mine and processing waste, tailings, and any other waste incident to the mining operation, to the mine workings or excavations;

(4) with respect to surface disposal of mine wastes, tailings, coal processing wastes, and other wastes in areas other than the mine workings or excavations, stabilize all waste piles created by the permittee from current operations through construction in compacted layers including the use of incombustible and impervious materials if necessary and assure that the leachate will not pollute surface or ground waters and that the final contour of the waste accumulation will be compatible with natural surroundings and that the site is stabilized and revegetated according to the provisions of this section;

(5) design, locate, construct, operate, maintain, enlarge, modify, and remove, or abandon, in accordance with the standards and criteria developed pursuant to Sec. 515(e), all existing and new coal mine waste piles consisting of mine wastes, tailings, coal processing wastes, or other liquid and solid wastes and used either temporarily or permanently as dams or embankments.

(6) establish on regraded areas and all other lands affected, a diverse and permanent vegetative cover capable of self-regeneration and plant succession and at least equal in extent of cover to the natural vegetation of the area;

(7) protect offsite areas from damages which may result from such mining operations;

(8) eliminate fire hazards and otherwise eliminate conditions which constitute a hazard to health and safety of the public;

(9) minimize the disturbances to the prevailing hydrologic balance at the mine-site and in associated offsite areas and to the quantity of water in surface ground water systems both during and after coal mining operations and during reclamation by—

(A) avoiding acid or other toxic mine drainage by such measures as, but not limited to—

(i) preventing or removing water from contact with toxic producing deposits;

(ii) treating drainage to reduce toxic content which adversely affects downstream water upon being released to water courses;

(iii) casing, sealing, or otherwise managing boreholes, shafts, and wells to keep acid or other toxic drainage from entering ground and surface waters; and

(B) conducting surface coal mining operations so as to prevent, to the extent possible using the best technology currently available, additional contributions of suspended solids to streamflow or runoff outside the permit area above natural levels under seasonal flow conditions as measured prior to any mining, and avoiding channel deepening or enlargement in operations requiring the discharge of water from mines.

(10) with respect to other surface impacts not specified in this subsection including the construction of new roads or the improvement or use of existing roads to gain access to the site of such activities and for haulage, repair areas, storage areas, processing areas, shipping areas and other areas upon which are sited structures, facilities, or other property or materials on the surface, resulting from or incident to such activities, operate in accordance with the standards established under section 515 of this title for such effects which result from surface coal mining operations: *Provided*, That the Secretary may make such modifications in the requirements imposed by this subparagraph as are deemed necessary by the Secretary due to the differences between surface and underground coal mining.

(c) In order to protect the stability of the land, the regulatory authority shall suspend underground coal mining under urbanized areas, cities, towns, and communities and adjacent to industrial or commercial buildings, major impoundments, or permanent streams, if he finds imminent danger to inhabitants of the urbanized areas, cities, towns, and communities.

(d) The provisions of title V of this Act relating to State and Federal programs, permits, bonds, inspections and enforcement, public review, and administrative and judicial review shall be applicable to surface coal mining and reclamation operations incident to underground coal mining with such modifications to the permits application requirements, permit approval or denial procedures, and bond requirements as are deemed necessary by the Secretary due to the differences between surface and underground coal mining. The Secretary shall promulgate such modifications in accordance with the rulemaking procedure established in section 501 of this Act.

INSPECTIONS AND MONITORING

SEC. 517. (a) The Secretary shall cause to be made such inspections of any surface coal mining and reclamation operations as are necessary to evaluate the administration of approved State programs, or to develop or enforce any Federal program, and for such purposes authorized representatives of the Secretary shall have a right of entry to, upon, or through any surface coal mining and reclamation operations.

(b) For the purposes of developing or assisting in the development, administration, and enforcement of any approved State or Federal program under this Act or in the administration and enforcement of any permit under this Act, or of determining whether any person is in violation of any requirement of any such State or Federal program or any other requirement of this Act—

(1) the regulatory authority shall require any permittee to (A) establish and maintain appropriate records, (B) make monthly reports to the regulatory authority, (C) install, use, and maintain any necessary monitoring equipment or methods, (D) evaluate results in accordance with such methods, at such locations, intervals, and in such manner as a regulatory authority shall prescribe, and (E) provide such other information relative to surface coal mining and reclamation operations as the regulatory authority deems reasonable and necessary;

(2) for those surface coal mining and reclamation operations which remove or disturb strata that serve as aquifers which significantly insure the hydrologic balance of water use either on or off the mining site, the regulatory authority shall specify those—

(A) monitoring sites to record the quantity and quality of surface drainage above and below the minesite as well as in the potential zone of influence;

(B) monitoring sites to record level, amount, and samples of ground water and aquifers potentially affected by the mining and also directly below the lower most (deepest) coal seam to be mined;

(C) records of well logs and borehole data to be maintained; and

(D) monitoring sites to record precipitation.

The monitoring data collection, and analysis required by this section shall be conducted according to standards and procedures set forth by the regulatory authority in order to assure their reliability and validity; and

(3) the authorized representatives of the regulatory authority, without advance notice and upon presentation of appropriate credentials (A) shall have the right of entry to, upon, or through any surface coal mining and reclamation operations or any premises in which any records required to be maintained under paragraph (1) of this subsection are located; and (B) may at reasonable times, and without delay, have access to and copy any records, inspect any monitoring equipment or method of operation required under this Act.

(c) The inspections by the regulatory authority shall (1) occur on an irregular basis averaging not less than one inspection per month for the surface coal mining and reclamation operations covered by each permit; (2) occur without prior notice to the permittee or his agents or employees; and (3) include the filing of inspection reports adequate to enforce the requirements of and to carry out the terms and purposes of this Act and the regulatory authority shall make copies of such inspection reports immediately and freely available to the public at a central location in the pertinent geographic area of mining. The Secretary or regulatory authority shall establish a system of continual rotation of inspectors so that the same inspector does not consistently visit the same operations.

(d) Each permittee shall conspicuously maintain at the entrances to the surface coal mining and reclamation operations a clearly visible sign which sets forth the name, business address, and phone number of the permittee and the permit number of the surface coal mining and reclamation operations.

(e) Each inspector, upon detection of each violation of any requirement of any State or Federal program or of this Act, shall forthwith inform the operator in writing, and shall report in writing any such violation to the regulatory authority.

(f) Copies of any records, reports, inspection materials, or information obtained under this title by the regulatory authority shall be made immediately available to the public at central and sufficient locations in the county, multicounty, and State area of mining so that they are conveniently available to residents in the areas of mining.

(g) No employee of the State regulatory authority performing any function or duty under this Act shall have a direct or indirect financial interest in any underground or surface coal mining operation. Whoever knowingly violates the provisions of the above sentence shall, upon conviction, be punished by a fine of not more than $2,500, or by imprisonment of not more than one (1) year, or by both. The Secretary shall (1) within 60 days after enactment of this Act, publish in the Federal Register, in accordance with 5 U.S.C. 553, regulations to establish methods by which the provisions of this subsection will be monitored and enforced by the Secretary and such State regulatory authority, including appropriate provisions for the filing by such employees and the review of statements and supplements thereto concerning any financial interest which may be affected by this subsection, and (2) report to the Congress on March 1 of each calendar year on actions taken and not taken during the preceding year under this subsection.

PENALTIES

SEC. 518. (a) In the enforcement of a Federal program or Federal lands program, or during Federal enforcement pursuant to section 502 or during Federal enforcement of a State program pursuant to section 521 of this Act, any permittee who violates any permit condition or who violates any other provision of this title, may be assessed a civil penalty by the Secretary, except that if such violation leads to the issuance of a cessation order under section 521, the civil penalty shall be assessed. Such penalty shall not exceed $5,000 for each violation. Each day of a continuing violation may be deemed a separate violation for purposes of penalty assessments. In determining the amount of the penalty, consideration shall be given to the permittee's history of previous violations at the particular surface coal mining operation; the appropriateness of such penalty to the size of the business of the permittee charged; the seriousness of the violation, including any irreparable harm to the environment and any hazard to the health or safety of the public; whether the permittee was negligent; and the demonstrated good faith of the permittee charged in attempting to achieve rapid compliance after notification of the violation.

(b) A civil penalty shall be assessed by the Secretary only after the person charged with a violation described under subsection (a) of this section has been given an opportunity for a public hearing. Where such a public hearing has been held, the Secretary shall make findings of fact, and he shall issue a written decision as to the occurrence of the violation and the amount of the penalty which is warranted, incorporating, when appropriate, an order therein requiring that the penalty be paid. When appropriate, the Secretary shall consolidate such hearings with other proceedings under section 521 of this Act. Any hearing under this section shall be of record and shall be subject to section 554 of title 5 of the United States Code. Where the person charged with such a violation fails to avail himself of the opportunity for a public hearing, a civil penalty shall be assessed by the Secretary after the Secretary has determined that a violation did occur, and the amount of the penalty which is warranted, and has issued an order requiring that the penalty be paid.

(c) If no complaint, as provided in this section, is filed within thirty days from the date of the final order or decision issued by the Secretary under subsection (b) of this section, such order and decisions shall be conclusive.

(d) Interest at the rate of 6 per centum or at the prevailing Department of the Treasury borrowing rate, whichever is greater, shall be charged against a person on any unpaid civil penalty assessed against him pursuant to the final order of the Secretary, said interest to be computed from the thirty-first day after issuance of such final assessment order.

(e) Civil penalties owed under this Act, either pursuant to subsection (c) of this section or pursuant to an enforcement order entered under section 526 of this Act, may be recovered in a civil action brought by the Attorney General at the request of the Secretary in any appropriate district court of the United States.

(f) Any person who willfully and knowingly violates a condition of a permit issued pursuant to a Federal program, a Federal lands program or Federal enforcement pursuant to section 502 or during Federal enforcement of a State program pursuant to section 525 of this Act or fails or refuses to comply with any order issued under section 525 or section 526 of this Act, or any order incorporated in a final decision issued by the Secretary under this Act, except an order incorporated in a decision issued under subsection (b) of this section or section 704 of this Act, shall, upon conviction, be punished by a fine of not more than $10,000, or by imprisonment for not more than one year or both.

(g) Whenever a corporate permittee violates a condition of a permit issued pursuant to a Federal program, a Federal lands program or Federal enforcement pursuant to section 502 or Federal enforcement of a State program pursuant to section 521 of this Act or fails or refuses to comply with any order issued under section 521 of this Act, or any order incorporated in a final decision issued by the Secretary under this Act except an order incorporated in a decision issued under subsection (b) of this section or section 704 of this Act, any director, officer, or agent of such corporation who willfully and knowingly authorized, ordered, or carried out such violation, failure, or refusal shall be subject to the same civil penalties, fines, and imprisonment that may be imposed upon a person under subsections (a) and (f) of this section.

(h) Whoever knowingly makes any false statement, representation, or certification, or knowingly fails to make any statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained pursuant to a Federal program or a Federal lands program or any order or decision issued by the Secretary under this Act, shall, upon conviction be punished by a fine of not more than $10,000, or by imprisonment for not more than one year or both.

(i) As a condition of approval of any State program submitted pursuant to section 503 of this Act, the civil and criminal penalty provisions thereof shall, at a minimum, incorporate penalties no less stringent than those set forth in this section, and shall contain the same or similar procedural requirements relating thereto.

RELEASE OF PERFORMANCE BONDS OR DEPOSITS

SEC. 519. (a) The permittee may file a request with the regulatory authority for the release of all or part of a performance bond or deposit. Within thirty days after any application for bond or deposit release has been filed with the regulatory authority, the operator shall submit a copy of an advertisement placed on five successive days in a newspaper of general circulation in the locality of the surface coal mining operation. Such advertisement shall be considered part of any bond release application and shall contain a notification of the precise location of the land affected, the number of acres, the permit number and the date approved, the amount of the bond filed and the portion sought to be released, and the type and the approximate dates of reclamation work performed, and a description of the results achieved as they relate to the operator's approved reclamation plan. In addition, as part of any bond release application, the applicant shall submit copies of letters which he has sent to adjoining property owners, local governmental bodies, planning agencies, and sewage and water treatment authorities, or water companies in the locality in which the surface coal mining and reclamation activities took place, notifying them of his intention to seek release from the bond.

(b) Upon receipt of the notification and request, the regulatory authority shall within a reasonable time conduct an inspection and evaluation of the reclamation work involved. Such evaluation shall consider, among other things, the degree of difficulty to complete any remaining reclamation, whether pollution of surface and subsurface water is occurring, the probability of continuance of future occurrence of such pollution, and the estimated cost of abating such pollution.

(c) The regulatory authority may release in whole or in part said bond or deposit if the authority is satisfied that reclamation covered by the bond or deposit or portion thereof has been accomplished as required by this Act according to the following schedule:

(1) When the operator completes the backfilling, regrading, and drainage control of a bonded area in accordance with his approved reclamation plan, the release of 60 per centum of the bond or collateral for the applicable permit area;

(2) After revegetation has been established on the regraded mined lands in accordance with the approved reclamation plan. When determining the amount of bond to be released after successful revegetation has been established, the regulatory authority shall retain that amount of bond for the revegetated area which would be sufficient for a third party to cover the cost of reestablishing revegetation and for the period specified for operator responsibility in section 515 of reestablishing revegetation. No part of the bond or deposit shall be released under this para-

graph so long as the lands to which the release would be applicable are contributing suspended solids to streamflow or runoff outside the permit area above natural levels under seasonal flow conditions as measured prior to any mining and as set forth in the permit.

(3) When the operator has completed successfully all surface coal mining and reclamation activities, but not before the expiration of the period specified for operator responsibility in section 515:

Provided, however, That no bond shall be fully released until all reclamation requirements of this Act are fully met.

(d) If the regulatory authority disapproves the application for release of the bond or portion thereof, the authority shall notify the permittee, in writing, stating the reasons for disapproval and recommending corrective actions necessary to secure said release.

(e) With any application for total or partial bond release filed with the regulatory authority, the regulatory authority shall notify the municipality in which a surface coal mining operation is located by certified mail at least thirty days prior to the release of all or a portion of the bond.

(f) Any person with a valid legal interest or the officer or head of any Federal, State, or local governmental agency shall have the right to file written objections to the proposed release from bond to the regulatory authority within thirty days after the last publication of the above notice. If written objections are filed, and a hearing requested, the regulatory authority shall inform all the interested parties, of the time and place of the hearing, and hold a public hearing in the locality of the surface coal mining operation proposed for bond release within thirty days of the request for such hearing. The date, time, and location of such public hearings shall be advertised by the regulatory authority in a newspaper of general circulation in the locality twice a week for two consecutive weeks.

(g) For the purpose of such hearing the reguatory authority shall have the authority and is hereby empowered to administer oaths, subpena witnesses, or written or printed materials, compel the attendance of witnesses, or production of the materials, and take evidence including but not limited to inspections of the land affected and other surface coal mining operations carried on by the applicant in the general vicinity. A verbatim transcript and a complete record of each public hearing shall be ordered by the regulatory authority.

CITIZEN SUITS

SEC. 520. (a) Except as provided in subsection (b) of this section, any person having an interest which is or may be adversely affected may commence a civil action on his own behalf—

(1) against any person including—

(A) the United States,

(B) any other governmental instrumentality or agency to the extent permitted by the eleventh amendment to the Constitution who is alleged to be in violation of the provisions of this Act or the regulations promulgated thereunder, or order issued by the regulatory authority,

(C) any other person who is alleged to be in violation of any rule, regulation, order, or permit issued pursuant to this Act; or

(2) against the Secretary or the appropriate State regulatory authority to the extent permitted by the eleventh amendment to the Constitution where there is alleged a failure of the Secretary or the appropriate State regulatory authority to perform any act or duty under this Act which is not discretionary with the Secretary or with the appropriate State regulatory authority.

(b) No action may be commenced—

(1) under subsection (a)(1) of this section—

(A) prior to sixty days after the plaintiff has given notice in writing under oath of the violation (i) to the Secretary, (ii) to the State in which the violation occurs, and (iii) to any alleged violator; or

(B) if the Secretary or the State has commenced and is diligently prosecuting a civil action in a court of the United States or a State to require compliance with the provisions of this Act, or any rule, regulation, order, or permit issued pursuant to this Act, but in any such action in a court of the United States any person may intervene as a matter of right; or

(2) under subsection (a)(2) of this section prior to sixty days after the plaintiff has given notice in writing under oath of such action to the Secretary, in such manner as the Secretary shall by regulation prescribe, or to the appropriate State regulatory authority, except that such action may be brought immediately after such notification in the case where the violation or order complained of constitutes an imminent threat to the health or safety of the plaintiff or would immediately affect a legal interest of the plaintiff.

(c)(1) Any action respecting a violation of this Act or the regulations thereunder may be brought only in the judicial district in which the surface coal mining operation complained of is located.

(2) In such action under this section, the Secretary, or the State regulatory authority, if not a party, may intervene as a matter of right.

(d) The court, in issuing any final order in any action brought pursuant to subsection (a) of this section, may award costs of litigation to any party, whenever the court determines such award is appropriate. The court may, if a temporary restraining order or preliminary injunction is sought, require the filing of a bond or equivalent security in accordance with the Federal Rules of Civil Procedure.

(e) Nothing in this section shall restrict any right which any person (or class of persons) may have under this or any statute or common law to seek enforcement of any of the provisions of this Act and the regulations thereunder, or to seek any other relief (including relief against the Secretary or the appropriate State regulatory authority).

(f) Any resident of the United States who is injured in any manner through the failure of any operator to comply with any rule, regulation, order, or permit issued pursuant to this Act may bring an action for damages (including attorney fees) in an appropriate United States district court.

ENFORCEMENT

SEC. 521. (a)(1) Whenever, on the basis of any information available to him, including receipt of information from any person, the Secretary has reason to believe that any person is in violation of any requirement of this Act or any permit condition required by this Act, the Secretary shall notify the State regulatory authority, if one exists, in the State in which such violation exists. If no such State authority exists or the State regulatory authority fails within ten days after notification to take appropriate action to cause said violation to be corrected or to show good cause for such failure and transmit notification of its action to the Secretary, the Secretary shall immediately order Federal inspection of the surface coal mining operation at which the alleged violation is occurring unless the information available to the Secretary is a result of a previous Federal inspection of such surface coal mining operation. When the Federal inspection results from information provided to the Secretary by any person, the Secretary shall notify such person when the Federal inspection is proposed to be carried out and such person shall be allowed to accompany the inspector during the inspection.

(2) When, on the basis of any Federal inspection, the Secretary or his authorized representative determines that any condition or practices exist, or that any permittee is in violation of any requirement of this Act or any permit condition required by this Act, which condition, practice, or violation also creates an imminent danger to the health or safety of the public, or is causing, or can reasonably be expected to cause significant, imminent environmental harm to land, air, or water resources, the Secretary or his authorized representative shall immediately order a cessation of surface coal mining and reclamation operations or the portion thereof relevant to the condition, practice, or violation. Such cessation order shall remain in effect until the Secretary or his authorized representative determines that the condition, practice, or violation has been abated, or until modified, vacated, or terminated by the Secretary or his authorized representative pursuant to subparagraph (a)(5) of this section.

(3) When, on the basis of a Federal inspection which is carried out during the enforcement of a Federal program or a Federal lands program, Federal inspection pursuant to section 502, or section 504(b) or during Federal enforcement of a State program in accordance with subsection (b) of this section, the Secretary or his authorized representative determines that any permittee is in violation of any requirement of this Act or any permit condition required by this Act, but such violation does not create an imminent danger to the health or safety of the public, or cause or can be reasonably expected to cause significant, imminent environmental harm to land, air, or water resources, the Secretary or authorized representative shall issue a notice to the permittee or his agent fixing a reasonable time but not more than ninety days for the abatement of the violation.

If, upon expiration of the period of time as originally fixed or subsequently extended, for good cause shown and upon the written finding of the Secretary or his authorized representative, the Secretary or his authorized representative finds that the violation has not been abated, he shall immediately order a cessation of surface coal mining and reclamation operations or the portion thereof relevant to the violation. Such cessation order shall remain in effect until the Secretary or his authorized representative determines that the violation has been abated, or until modified, vacated, or terminated by the Secretary or his authorized representative pursuant to subparagraph (a)(5) of this section.

(4) When, on the basis of a Federal inspection which is carried out during the enforcement of a Federal program or a Federal lands program, Federal inspection pursuant to section 502 or section 504(b) or during Federal enforcement of a State program in accordance with subsection (b) of this section, the Secretary or his authorized representative determines that a pattern of violations of any requirements of this Act or any permit conditions required by this Act exists or has existed, and if the Secretary or his authorized representative also find that such violations are caused by the unwarranted failure of the permittee to comply with any requirements of this Act or any permit conditions, or that such violations are willfully caused by the permittee, the Secretary or his authorized representative shall forthwith issue an order to the permittee to show cause as to why the permit should not be suspended or revoked. Upon the permittee's failure to show cause as to why the permit should not be suspended or revoked, the Secretary or his authorized representative shall forthwith suspend or revoke the permit.

(5) Notices and orders issued pursuant to this section shall set forth with reasonable specificity the nature of the violation and

the remedial action required, the period of time established for abatement, and a reasonable description of the portion of the surface coal mining and reclamation operation to which the notice or order applies. Each notice or order issued under this section shall be given promptly to the permittee or his agent by the Secretary or his authorized representative who issues such notice or order, and all such notices and orders shall be in writing and shall be signed by such authorized representatives. Any notice or order issued pursuant to this section may be modified, vacated, or terminated by the Secretary or his authorized representative. A copy of any such order or notice shall be sent to the State regulatory authority in the State in which the violation occurs.

(b) Whenever the Secretary finds that violations of an approved State program appear to result from a failure of the State to enforce such State program effectively, he shall so notify the State. If the Secretary finds that such failure extends beyond thirty days after such notice, he shall give public notice of such finding. During the period beginning with such public notice and ending when such State satisfies the Secretary that it will enforce this Act, the Secretary shall enforce any permit condition required under this Act, shall issue new or revised permits in accordance with requirements of this Act, and may issue such notices and orders as are necessary for compliance therewith.

(c) The Secretary may request the Attorney General to institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order in the district court of the United States for the district in which the surface coal mining and reclamation operation is located or in which the permittee thereof has his principal office, whenever such permittee or his agent (A) violates or fails or refuses to comply with any order or decision issued by the Secretary under this Act, or (B) interferes with, hinders, or delays the Secretary or his authorized representatives in carrying out the provisions of this Act, or (C) refuses to admit such authorized representative to the mine, or (D) refuses to permit inspection of the mine by such authorized representative, or (E) refuses to furnish any information or report requested by the Secretary in furtherance of the provisions of this Act, or (F) refuses to permit access to, and copying of, such records as the Secretary determines necessary in carrying out the provisions of this Act. Such court shall have jurisdiction to provide such relief as may be appropriate. Temporary restraining orders shall be issued in accordance with rule 65 of the Federal Rules of Civil Procedure, as amended. Any relief granted by the court to enforce an order under clause (A) of this section shall continue in effect until the completion or final termination of all proceedings for review of such order under this title, unless, prior thereto, the district court granting such relief sets it aside or modifies it.

(d) As a condition of approval of any State program submitted pursuant to section 503 of this Act, the enforcement provisions thereof shall, at a minimum, incorporate sanctions no less stringent than those set forth in this section, and shall contain the same or similar procedural requirements relating thereto.

DESIGNATING AREAS UNSUITABLE FOR SURFACE COAL MINING

SEC. 522. (a) (1) To be eligible to assume primary regulatory authority pursuant to section 503, each State shall establish a planning process enabling objective decisions based upon competent and scientifically sound data and information as to which, if any, land areas of a State are unsuitable for all or certain types of surface coal mining operations pursuant to the standards set forth in paragraphs (2) and (3) of this subsection but such designation shall not prevent the mineral exploration pursuant to the Act of any area so designated.

(2) Upon petition pursuant to subsection (c) of this section, the State regulatory authority shall designate an area as unsuitable for all or certain types of surface coal mining operations if the State regulatory authority determines that reclamation pursuant to the requirements of this Act is not feasible.

(3) Upon petition pursuant to subsection (c) of this section, a surface area may be designated unsuitable for certain types of surface coal mining operations if such operations will—

(A) be incompatible with existing land use plans or programs; or

(B) affect fragile or historic lands in which such operations could result in significant damage to important historic, cultural, scientific, and esthetic values and natural systems; or

(C) affect renewable resource lands in which such operations could result in a substantial loss or reduction of long-range productivity of water supply or of food or fiber products, and such lands to include aquifers and aquifer recharge areas; or

(D) affect natural hazard lands in which such operations could substantially endanger life and property, such lands to include areas subject to frequent flooding and areas of unstable geology.

(4) To comply with this section, a State must demonstrate it has developed or is developing a process which includes—

(A) a State agency responsible for surface coal mining lands review;

(B) a data base and an inventory system which will permit proper evaluation of the capacity of different land areas of the State to support and permit reclamation of surface coal mining operations;

(C) a method or methods for implementing land use planning decisions concerning surface coal mining operations; and

(D) proper notice, opportunities for public participation, including a public hearing prior to making any designation or redesignation, pursuant to this section, and measures to protect the legal interests of affected individuals in all aspects of the State planning process.

(5) Determinations of the unsuitability of land for surface coal mining, as provided for in this section, shall be integrated as closely as possible with present and future land use planning and regulation processes at the Federal, State, and local levels.

(6) The requirements of this section shall not apply to lands on which surface coal mining operations are being conducted on the date of enactment of this Act or under a permit issued pursuant to this Act, or where substantial legal and financial commitments in such operations are in existence prior to September 1, 1974.

(b) The Secretary shall conduct a review of the Federal lands to determine, pursuant to the standards set forth in paragraphs (2) and (3) of subsection (a) of this section, whether there are areas on Federal lands which are unsuitable for all or certain types of surface coal mining operations: *Provided, however*, That the Secretary may permit surface coal mining on Federal lands prior to the completion of this review. When the Secretary determines an area on Federal lands to be unsuitable for all or certain types of surface coal mining operations, he shall withdraw such area or condition any mineral leasing or mineral entries in a manner so as to limit surface coal mining operations on such area. Where a Federal program has been implemented in a State pursuant to section 504, the Secretary shall implement a process for designation of areas unsuitable for surface coal mining for non-Federal lands within such State and such process shall incorporate the standards and procedures of this section.

(c) Any person having an interest which is or may be adversely affected shall have the right to petition the regulatory authority to have an area designated as unsuitable for surface coal mining operations, or to have such a designation terminated. Such a petition shall contain allegations of facts with supporting evidence which would tend to establish the allegations. Within ten months after receipt of the petition the regulatory authority shall hold a public hearing in the locality of the affected area, after appropriate notice and publication of the date, time, and location of such hearing. After a person having an interest which is or may be adversely affected has filed a petition and before the hearing, as required by this subsection, any person may intervene by filing allegations of facts with supporting evidence which would tend to establish the allegations. Within sixty days after such hearing, the regulatory authority shall issue and furnish to the petitioner and any other party to the hearing, a written decision regarding the petition, and the reasons therefor. In the event that all the petitioners stipulate agreement prior to the requested hearing, and withdraw their request, such hearing need not be held.

(d) Prior to designating any land areas as unsuitable for surface coal mining operations, the regulatory authority shall prepare a detailed statement on (i) the potential coal resource of the area, (ii) the demand for coal resources, and (iii) the impact of such designation on the environment, the economy, and the supply of coal.

(e) Subject to valid existing rights no surface coal mining operations except those which exist on the date of enactment of this Act shall be permitted—

(1) on any lands within the boundaries of units of the National Park System, the National Wildlife Refuge Systems, the National System of Trails, the National Wilderness Preservation System, the Wild and Scenic Rivers System, including study rivers designated under section 5(a) of the Wild and Scenic Rivers Act and National Recreation Areas designated by Act of Congress;

(2) on any Federal lands within the boundaries of any national forest except surface operations and impacts incident to an underground coal mine;

(3) which will adversely affect any publicly owned park or places included in the National Register of Historic Sites unless approved jointly by the regulatory authority and the Federal, State, or local agency with jurisdiction over the park or the historic site;

(4) within one hundred feet of the outside right-of-way line of any public road, except where mine access roads or haulage roads join such right-of-way line and except that the regulatory authority may permit such roads to be relocated or the area affected to lie within one hundred feet of such road, if after public notice and opportunity for public hearing in the locality a written finding is made that the interests of the public and the landowners affected thereby will be protected; or

(5) within three hundred feet from any occupied dwelling, unless waived by the owner thereof, nor within three hundred feet of any public building, school, church, community, or institutional building, public park, or within one hundred feet of a cemetery.

FEDERAL LANDS

SEC. 523. (a) No later than six months after the date of enactment of this Act, the Secretary shall promulgate and implement a Federal lands program which shall be applicable to all surface coal mining and reclamation operations taking place pursuant to any Federal law on any Federal lands: *Provided*, That except as provided in section 710 the provisions of this Act shall not be applicable to Indian lands. The Federal lands program shall, at a minimum, incorporate all of the requirements of this Act and shall take into consideration the diverse physical, climatological, and other unique characteristics of the Federal lands in question. Where Federal lands in a State with an approved State program are involved, the Federal lands program shall, at a minimum, include the requirements of the approved State program.

(b) The requirements of this Act and the Federal lands programs shall be incorporated by reference or otherwise in any Federal mineral lease, permit, or contract issued by the Secretary which may involve surface coal mining and reclamation operations. Incorporation of such requirements shall not, however, limit in any way the authority of the Secretary to subsequently issue new regulations, revise the Federal lands program to deal with changing conditions or changed technology, and to require any surface mining and reclamation operations to conform with the requirements of this Act and the regulations issued pursuant to this Act.

(c) The Secretary may enter into agreements with a State or with a number of States to provide for a joint Federal-State program covering a permit or permits for surface coal mining and reclamation operations on land areas which contain lands within any State and Federal lands which are interspersed or checkerboarded and which should, for conservation and administrative purposes, be regulated as a single management unit. To implement a joint Federal-State program the Secretary may enter into agreements with the States, may delegate authority to the States, or may accept a delegation of authority from the States for the purpose of avoiding duality of administration of a single permit for surface coal mining and reclamation operations.

(d) Except as specifically provided in subsection (c) this section shall not be construed as authorizing the Secretary to delegate to the States any authority or jurisdiction to regulate or administer surface coal mining and reclamation operations or other activities taking place on the Federal lands.

(e) The Secretary shall develop a program to assure that with respect to the granting of permits, leases, or contracts for coal owned by the United States, that no class of purchasers of the mined coal shall be unreasonably denied purchase thereof.

PUBLIC AGENCIES, PUBLIC UTILITIES, AND PUBLIC CORPORATIONS

SEC. 524. Any agency, unit, or instrumentality of Federal, State, or local government, including any publicly owned utility or publicly owned corporation of Federal, State, or local government, which proposes to engage in surface coal mining operations which are subject to the requirements of this Act shall comply with the provisions of title V.

REVIEW BY SECRETARY

SEC. 525. (a) (1) A permittee issued a notice or order by the Secretary pursuant to the provisions of subparagraphs (a) (2) and (3) of section 521 of this title, or pursuant to a Federal program or the Federal lands program or any person having an interest which is or may be adversely affected by such notice or order or by any modification, vacation, or termination of such notice or order, may apply to the Secretary for review of the notice or order within thirty days of receipt thereof or within thirty days of its modification, vacation, or termination. Upon receipt of such application, the Secretary shall cause such investigation to be made as he deems appropriate. Such investigation shall provide an opportunity for a public hearing, at the request of the applicant or the person having an interest which is or may be adversely affected, to enable the applicant or such person to present information relating to the issuance and continuance of such notice or order or the modification, vacation, or termination thereof. The filing of an application for review under this subsection shall not operate as a stay of any order or notice.

(2) The permittee and other interested persons shall be given written notice of the time and place of the hearing at least five days prior thereto. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code

(b) Upon receiving the report of such investigation, the Secretary shall make findings of fact, and shall issue a written decision, incorporating therein an order vacating, affirming, modifying, or terminating the notice or order, or the modification, vacation, or termination of such notice or order complained of and incorporate his findings therein. Where the application for review concerns an order for cessation of surface coal mining and reclamation operations issued pursuant to the provisions of subparagraph (a) (2) or (3) of section 521 of this title, the Secretary shall issue the written decision within thirty days of the receipt of the application for review, unless temporary relief has been granted by the Secretary pursuant to subparagraph (c) of this section or by a United States district court pursuant to subparagraph (c) of section 526 of this title.

(c) Pending completion of the investigation required by this section, the applicant may file with the Secretary a written request that the Secretary grant temporary relief from any notice or order issued under section 521 of this title, a Federal program or the Federal lands program together with a detailed statement giving reasons for granting such relief. The Secretary shall issue an order or decision granting or denying such relief expeditiously: *Provided*, That where the applicant requests relief from an order for cessation of coal mining and reclamation operations issued pursuant to subparagraph (a)(2) or (a)(3) of section 521 of this title, the order or decision on such a request shall be issued within five days of its receipt. The Secretary may grant such relief, under such conditions as he may prescribe, if—

(1) a hearing has been held in the locality of the permit area on the request for temporary relief in which all parties were given an opportunity to be heard;

(2) the applicant shows that there is substantial likelihood that the findings of the Secretary will be favorable to him; and

(3) such relief will not adversely affect the health or safety of the public or cause significant, imminent environmental harm to land, air, or water resources.

(d) Following the issuance of an order to show cause as to why a permit should not be suspended or revoked pursuant to section 521, the Secretary shall hold a public hearing after giving written notice of the time, place, and date thereof. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code. Within sixty days following the public hearing, the Secretary shall issue and furnish to the permittee and all other parties to the hearing a written decision, and the reasons therefor, concerning suspension or revocation of the permit. If the Secretary revokes the permit, the permittee shall immediately cease surface coal mining operations on the permit area and shall complete reclamation within a period specified by the Secretary, or the Secretary shall declare as forfeited the performance bonds for the operation.

JUDICIAL REVIEW

SEC. 526. (a) (1) Any action of the Secretary to approve or disapprove a State program or to prepare and promulgate a Federal program pursuant to this Act shall be subject to judicial review only by the appropriate United States Court of Appeals upon the filing in such court within sixty days from the date of such action of a petition by any person who participated in the administrative proceedings related thereto and who is aggrieved by the action praying that the action be modified or set aside in whole or in part. A copy of the petition shall forthwith be sent by registered or certified mail to the Secretary and the Attorney General and thereupon the Secretary shall certify, and the Attorney General shall file in such court the record upon which the action complained of was issued, as provided in section 2112 of title 28, United States Code.

(2) All other orders or decisions issued by the Secretary pursuant to this Act shall be subject to judicial review only in the United States district court for the locality in which the surface coal mining operation is located. Such review shall be in accordance with the Federal Rules of Civil Procedure. In the case of a proceeding to review an order or decision issued by the Secretary under the penalty section of this Act, the court shall have jurisdiction to enter an order requiring payment of any civil penalty assessment enforced by its judgment. The availability of review established in this subsection shall not be construed to limit the operation of the rights established in section 520.

(b) The court shall hear such petition or complaint solely on the record made before the Secretary. The findings of the Secretary if supported by substantial evidence on the record considered as a whole, shall be conclusive. The court may affirm, vacate, or modify any order or decision or may remand the proceedings to the Secretary for such further action as it may direct.

(c) In the case of a proceeding to review any order or decision issued by the Secretary under this Act, including an order or decision issued pursuant to subparagraph (c) of section 525 of this title pertaining to any order issued under subparagraph (a) (2) or (a) (3) of section 521 of this title for cessation of coal mining and reclamation operations, the court may, under such conditions as it may prescribe, grant such temporary relief as it deems appropriate pending final determination of the proceedings if—

(1) all parties to the proceedings have been notified and given an opportunity to be heard on a request for temporary relief;

(2) the person requesting such relief shows that there is a substantial likelihood that he will prevail on the merits of the final determination of the proceeding; and

(3) such relief will not adversely affect the public health or safety or cause significant imminent environmental harm to land, air, or water resources.

(d) The commencement of a proceeding under this section shall not, unless specifically ordered by the court, operate as a stay of the action, order or decision of the Secretary.

(e) Action of the State regulatory authority pursuant to an approved State program shall be subject to judicial review by the court of competent jurisdiction in accordance with State law, but the availability of such review shall not be construed to limit the operation of the rights established in section 520.

SPECIAL BITUMINOUS COAL MINES

SEC. 527. The regulatory authority is authorized to and shall issue separate regulations for those special bituminous coal surface mines located west of the one hundredth meridian west longitude which meet the following criteria:

(a) the excavation of the specific mine pit takes place on the same relatively limited site for an extended period of time;

(b) the excavation of the specific mine pit follows a coal seam having an inclination of fifteen degrees or more from the horizontal, and continues in the same area proceeding downward with lateral expansion of the pit necessary to maintain stability or as necessary to accommodate the orderly expansion of the total mining operation;

(c) the excavation of the specific mine pit involves the mining of more than one coal seam and mining has been initiated on the deepest coal seam contemplated to be mined in the current operation;

(d) the amount of material removed is large in proportion to the surface area disturbed;

(e) there is no practicable alternative method of mining the coal involved;

(f) there is no practicable method to reclaim the land in the manner required by this Act; and

(g) the specific mine pit has been actually producing coal since January 1, 1972, in such manner as to meet the criteria set forth in this section, and, because of past duration of mining, is substantially committed to a mode of operation which warrants exceptions to some provisions of this title.

Such alternative regulations shall pertain only to the standards governing onsite handling of spoils, elimination of depressions capable of collecting water, creation of impoundments, and regrading to the approximate original contour and shall specify that remaining highwalls are stable. All other performance standards in this title shall apply to such mines.

SURFACE MINING OPERATIONS NOT SUBJECT TO THIS ACT

SEC. 528. The provisions of this Act shall not apply to any of the following activities:

(1) the extraction of coal by a landowner for his own noncommercial use from land owned or leased by him; and

(2) the extraction of coal for commercial purposes where the surface mining operation affects two acres or less.

ANTHRACITE COAL MINES

SEC. 529. (a) The Secretary is hereby authorized to and shall issue separate regulations according to time schedules established in the Act for anthracite coal surface mines, if such mines are regulated by environmental protection standards of the State in which they are located. Such alternative regulations shall adopt, in each instance, the environmental protection provisions of the State regulatory program in existence at the date of enactment of this Act in lieu of sections 515 and 516. Provisions of sections 509 and 519 are applicable except for specified bond limits and period of revegetation responsibility. All other provisions of this Act apply and the regulation issued by the Secretary of Interior for each State anthracite regulatory program shall so reflect: *Provided, however*, That upon amendment of a State's regulatory program for anthracite mining or regulations thereunder in force in lieu of the above-cited sections of this Act, the Secretary shall issue such additional regulations as necessary to meet the purposes of this Act.

(b) The Secretary of Interior shall report to Congress biennially, commencing on December 31, 1975, as to the effectiveness of such State anthracite regulatory programs operating in conjunction with this Act with respect to protecting the environment and such reports shall include those recommendations the Secretary deems necessary for program changes in order to better meet the environmental protection objectives of this Act.

TITLE VI—DESIGNATION OF LANDS UNSUITABLE FOR NONCOAL MINING

DESIGNATION PROCEDURES

SEC. 601. (a) With respect to Federal lands within any State, the Secretary of Interior may, and if so requested by the Governor of such State, shall review any area within such lands to assess whether it may be unsuitable for mining operations for minerals or materials other than coal, pursuant to the criteria and procedures of this section.

(b) An area of Federal lands may be designated under this section as unsuitable for mining operations if (1) such area consists of Federal land of a predominantly urban or suburban character, used primarily for residential or related purposes, the mineral estate of which remains in the public domain, or (2) such area consists of Federal land where mining operations would have an adverse impact on lands used primarily for residential or related purposes.

(c) Any person having an interest which is or may be adversely affected shall have the right to petition the Secretary to seek exclusion of an area from mining operations pursuant to this section or the redesignation of an area or part thereof as suitable for such operations. Such petition shall contain allegations of fact with supporting evidence which would tend to substantiate the allegations. The petitioner shall be granted a hearing within a reasonable time and finding with reasons therefor upon the matter of their petition. In any instance where a Governor requests the Secretary to review an area, or where the Secretary finds the national interest so requires, the Secretary may temporarily withdraw the area to be reviewed from mineral entry or leasing pending such review: *Provided, however*, That such temporary withdrawal be ended as promptly as practicable and in no event shall exceed two years.

(d) In no event is a land area to be designated unsuitable for mining operations under this section on which mining operations are being conducted prior to the holding of a hearing on such petition in accordance with subsection (c) hereof. Valid existing rights shall be preserved and not affected by such designation. Designation of an area as unsuitable for mining operations under this section shall not prevent subsequent mineral exploration of such area, except that such exploration shall require the prior written consent of the holder of the surface estate, which consent shall be filed with the Secretary. The Secretary may promulgate, with respect to any designated area, regulations to minimize any adverse effects of such exploration.

(e) Prior to any designation pursuant to this section, the Secretary shall prepare a detailed statement on (i) the potential mineral resources of the area, (ii) the demand for such mineral resources, and (iii) the impact of such designation or the absence of such designation on the environment, economy, and the supply of such mineral resources.

(f) When the Secretary designates an area of Federal lands as unsuitable for all or certain types of mining operations for minerals and materials other than coal pursuant to this section he may withdraw such area from mineral entry or leasing, or condition such entry or leasing so as to limit such mining operations in accordance with his determination, if the Secretary also determines, based on his analysis pursuant to subsection 601(e), that the benefits resulting from such designation, would be greater than the benefits to the regional or national economy which could result from mineral development of such area.

(g) Any party with a valid legal interest who has appeared in the proceedings in connection with the Secretary's determination pursuant to this section and who is aggrieved by the Secretary's decision (or by his failure to act within a reasonable time) shall have the right of appeal for review by the United States district court for the district in which the pertinent area is located.

TITLE VII—ADMINISTRATIVE AND MISCELLANEOUS PROVISIONS

DEFINITIONS

SEC. 701. For the purposes of this Act—

(1) "Secretary" means the Secretary of the Interior, except where otherwise described;

(2) "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, and Guam;

(3) "Office" means the Office of Surface Mining, Reclamation, and Enforcement established pursuant to title II;

(4) "commerce" means trade, traffic, commerce, transportation, transmission, or communication among the several States, or between a State and any other place outside thereof, or between points in the same State which directly or indirectly affect interstate commerce;

(5) "surface coal mining operations" means—

(A) activities conducted on the surface of lands in connection with a surface coal mine or surface operations and surface impacts incident to an underground coal mine, the products of which enter commerce or the operations of which directly or indirectly affect interstate commerce. Such activities include excavation for the purpose of obtaining coal including such common methods as contour, strip, auger, mountaintop removal, box cut, open pit, and area mining, and in situ distillation or retorting, leaching or other chemical or physical processing, and the cleaning, concentrating, or other processing or preparation, loading of coal for interstate commerce at or near the mine site; *Provided, however*, That such activities do not include the extraction of coal incidental to the extraction of other minerals where coal does not exceed 16⅔ per centum of the tonnage of minerals removed for purposes of commercial use or sale or coal explorations subject to section 512 of this Act; and

(B) the areas upon which such activities occur or where such activities disturb the natural land surface. Such areas shall also include any adjacent land the use of which is incidental to any such activities, all lands affected by the construction of new roads or the improvement or use of existing roads to gain access to the site of such activities and for haulage, and excavations, workings, impoundments, dams, ventilation shafts, entryways, refuse banks, dumps, stockpiles, overburden piles, spoil banks, culm banks, tailings, holes or depressions, repair areas, storage areas, processing areas, shipping areas and other areas upon which are sited structures, facilities, or other property or materials on the surface, resulting from or incident to such activities;

(6) "surface coal mining and reclamation operations" means surface mining operations and all activities necessary and incident to the reclamation of such operations after the date of enactment of this Act;

(7) "lands within any State" or "lands within such State" means all lands within a State other than Federal lands and Indian lands;

(8) "Federal lands" means any land, including mineral interests, owned by the United States without regard to how the United States acquired ownership of the land and without regard to the agency having responsibility for management thereof, except Indian lands;

(9) "Indian lands" means all lands, including mineral interests, within the exterior boundaries of any Federal Indian reservation, notwithstanding the issuance of any patent, and including rights-of-way, and all lands including mineral interests held in trust for or supervised by any Indian tribe;

(10) "Indian tribe" means any Indian tribe, band, group, or community having a governing body recognized by the Secretary;

(11) "State program" means a program established by a State pursuant to section 503 to regulate surface coal mining and reclamation operations, on lands within such State in accord with the requirements of this Act and regulations issued by the Secretary pursuant to this Act;

(12) "Federal program" means a program established by the Secretary pursuant to section 504 to regulate surface coal mining

and reclamation operations on lands within a State in accordanec with the requirements of this Act;

(13) "Federal lands program" means a program established by the Secretary pursuant to section 523 to regulate surface coal mining and reclamation operations on Federal lands;

(14) "reclamation plan" means a plan submitted by an applicant for a permit under a State program or Federal program which sets forth a plan for reclamation of the proposed surface coal mining operations pursuant to section 508;

(15) "State regulatory authority" means the department or agency in each State which has primary responsibility at the State level for administering this Act;

(16) "regulatory authority" means the State regulatory authority where the State is administering this Act under an approved State program or the Secretary where the Secretary is administering this Act under a Federal program;

(17) "person" means an individual, partnership, association, society, joint stock company, firm, company, corporation, or other business organization;

(18) "permit" means a permit to conduct surface coal mining and reclamation operations issued by the State regulatory authority pursuant to a State program or by the Secretary pursuant to a Federal program;

(19) "permit applicant" or "applicant" means a person applying for a permit;

(20) "permittee" means a person holding a permit;

(21) "fund" means the Abandoned Mine Reclamation Fund established pursuant to section 401;

(22) "other minerals" means clay, stone, sand, gravel, metalliferous and nonmetalliferous ores, and other solid material or substances of commercial value excavated in solid form from natural deposits on or in the earth, exclusive of coal and those minerals which occur naturally in liquid or gaseous form;

(23) "approximate original contour" means that surface configuration achieved by backfilling and grading of the mined area so that it closely resembles the surface configuration of the land prior to mining and blends into and complements the drainage pattern of the surrounding terrain, with all highways, spoil piles, and depressions eliminated except that water impoundments may be permitted where the regulatory authority determines that they are in compliance with section 515(b)(8) of this Act;

(24) "operator" means any person, partnership, or corporation engaged in coal mining who removes or intends to remove more than two hundred and fifty tons of coal from the earth by coal mining within twelve consecutive calendar months in any one location;

(25) "permit area" means the area of land indicated on the approved map submitted by the operator with his application, which area of land shall be covered by the operator's bond as required by section 509 of this Act and shall be readily identifiable by appropriate markers on the site;

(26) "unwarranted failure to comply" means the failure of a permittee to prevent the occurrence of any violation of his permit or any requirement of this Act due to indifference, lack of diligence, or lack of reasonable care, or the failure to abate any violation of such permit or the Act due to indifference, lack of diligence, or lack of reasonable care;

(27) "alluvial valley floors" means the unconsolidated stream laid deposits holding streams where water availability is sufficient for subirrigation or flood irrigation agricultural activities;

(28) "imminent danger to the health or safety of the public" means the existence of any condition or practice, or any violation of a permit or other requirement of this Act in a surface coal mining and reclamation operation, which condition, practice, or violation could reasonably be expected to cause substantial physical harm to persons outside the permit area before such condition, practice, or violation can be abated.

OTHER FEDERAL LAWS

SEC. 702. (a) Nothing in this Act shall be construed as superseding, amending, modifying, or repealing the Mining and Minerals Policy Act of 1970 (30 U.S.C. 21a), the National Environmental Policy Act of 1969 (42 U.S.C. 4321–47), or any of the following Acts or with any rule or regulation promulgated thereunder, including, but not limited to—

(1) The Federal Metal and Nonmetallic Mine Safety Act (30 U.S.C. 721–740).

(2) The Federal Coal Mine Health and Safety Act of 1969 (83 Stat. 742).

(3) The Federal Water Pollution Control Act (79 Stat. 903), as amended (33 U.S.C. 1151–1175) the State laws enacted pursuant thereto, or other Federal laws relating to preservation of water quality.

(4) The Clean Air Act, as amended (42 U.S.C. 1857 et seq.).

(5) The Solid Waste Disposal Act (42 U.S.C. 3251–3259).

(6) The Refuse Act of 1899 (33 U.S.C. 407).

(7) The Fish and Wildlife Coordination Act of 1934 (16 U.S.C. 661–666c).

(b) Nothing in this Act shall affect in any way the authority of the Secretary or the heads of other Federal agencies under other provisions of law to include in any lease, license, permit, contract, or other instrument such conditions as may be appropriate to regulate surface coal mining and reclamation operations on land under their jurisdiction.

(c) To the greatest extent practicable each Federal agency shall cooperate with Secretary and the States in carrying out the provisions of this Act.

(d) Approval of the State programs, pursuant to section 503(b), promulgation of Federal programs, pursuant to section 504, and implementation of the Federal lands programs, pursuant to section 523 of this Act, shall constitute a major action within the meaning of section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332).

EMPLOYEE PROTECTION

SEC. 703. (a) No person shall discharge, or in any other way discriminate against, or cause to be fired or discriminated against, any employee or any authorized representative of employees by reason of the fact that such employee or representative has filed, instituted, or caused to be filed or instituted any proceeding under this Act, or has testified or is about to testify in any proceeding resulting from the administration or enforcement of the provisions of this Act.

(b) Any employee or a representative of employees who believes that he has been fired or otherwise discriminated against by any person in violation of subsection (a) of this section may, within thirty days after such alleged violation occurs, apply to the Secretary for a review of such firing or alleged discrimination. A copy of the application shall be sent to the person or operator who will be the respondent. Upon receipt of such application, the Secretary shall cause such investigation to be made as he deems appropriate. Such investigation shall provide an opportunity for a public hearing at the request of any party to such review to enable the parties to present information relating to the alleged violation. The parties shall be given written notice of the time and place of the hearing at least five days prior to the hearing. Any such hearing shall be of record and shall be subject to section 554 to title 5 of the United States Code. Upon receiving the report of such investigation the Secretary shall make findings of fact. If he finds that a violation did occur, he shall issue a decision incorporating therein and his findings in an order requiring the party committing the violation to take such affirmative action to abate the violation as the Secretary deems appropriate, including, but not limited to, the rehiring or reinstatement of the employee or representative of employees to his former position with compensation. If he finds that there was no violation, he shall issue a finding. Orders issued by the Secretary under this subsection shall be subject to judicial review in the same manner as orders and decisions of the Secretary are subject to judicial review under this Act.

(c) Whenever an order is issued under this section to abate any violation, at the request of the applicant a sum equal to the aggregate amount of all costs and expenses (including attorneys' fees) to have been reasonably incurred by the applicant for, or in connection with, the institution and prosecution of such proceedings, shall be assessed against the persons committing the violation.

(d) The Secretary shall conduct continuing evaluations of potential losses or shifts of employment which may result from the enforcement of this Act or any requirement of this Act including, where appropriate, investigating threatened mine closures or reductions in employment allegedly resulting from such enforcement or requirement. Any employee who is discharged or laid off, threatened with discharge or layoff, or otherwise discriminated against by any person because of the alleged results of the enforcement or requirement of this Act, or any representative of such employee, may request the Secretary to conduct a full investigation of the matter. The Secretary shall thereupon investigate the matter, and, at the request of any interested party, shall hold public hearings on not less than five days' notice, and shall at such hearings require the parties, including the employer involved, to present information relating to the actual or potential effect of such limitation or order on employment and on any alleged discharge, layoff, or other discrimination and the detailed reasons or justification therefor. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code. Upon receiving the report of such investigation, the Secretary shall promptly make findings of fact as to the effect of such enforcement or requirement on employment and on the alleged discharge, layoff, or discrimination and shall make such recommendations as he deems appropriate. Such report, findings, and recommendations shall be available to the public. Nothing in this subsection shall be construed to require or authorize the Secretary or a State to modify or withdraw any enforcement action or requirement.

PROTECTION OF GOVERNMENT EMPLOYEES

SEC. 704. Section 1114, title 18, United States Code, is hereby amended by adding the words "or of the Department of the Interior" after the words "Department of Labor" contained in that section.

GRANTS TO THE STATES

SEC. 705. (a) The Secretary is authorized to make annual grants to any State for the purpose of assisting such State in developing, administering, and enforcing State programs under this Act. Such grants shall not exceed 80 per centum of the total costs incurred during the first year, 60 per centum of total costs incurred during the second year, and 40 per centum of the total costs incurred during the third and fourth years.

(b) The Secretary is authorized to cooperate with and provide assistance to any State for the purpose of assisting it in the development, administration, and enforcement of its State programs. Such cooperation and assistance shall include—

(1) technical assistance and training including provision of necessary curricular and instruction materials, in the development, administration, and enforcement of the State programs; and

(2) assistance in preparing and maintaining a continuing inventory of information on surface coal mining and reclamation operations for each State for the purposes of evaluating the effectiveness of the State programs. Such assistance shall include all Federal departments and agencies making available data relevant to surface coal mining and reclamation operations and to the development, administration, and enforcement of State programs concerning such operations.

ANNUAL REPORT

SEC. 706. The Secretary shall submit annually to the President and the Congress a report concerning activities conducted by him, the Federal Government, and the States pursuant to this Act. Among other matters, the Secretary shall include in such report recommendations for additional administrative or legislative action as he deems necessary and desirable to accomplish the purposes of this Act.

SEVERABILITY

SEC. 707. If any provision of this Act or the applicability thereof to any person or circumstance is held invalid, the remainder of this Act and the application of such provision to other persons or circumstances shall not be affected thereby.

ALASKAN SURFACE COAL MINE STUDY

SEC. 708. (a) The Secretary is directed to contract with the National Academy of Sciences-National Academy of Engineering for an indepth study of surface coal mining conditions in the State of Alaska in order to determine which, if any, of the provisions of this Act should be modified with respect to surface coal mining operations in Alaska.

(b) The Secretary shall report on the findings of the study to the President and Congress no later than two years after the date of enactment of this Act.

(c) The Secretary shall include in his report a draft of legislation to implement any changes recommended to this Act.

(d) Until one year after the Secretary has made this report to the President and Congress, or three years after the date of enactment of this Act, whichever comes first, the Secretary is authorized to suspend the applicability of any provision of this Act, or any regulation issued pursuant thereto, to any surface coal mining operation in Alaska from which coal has been mined during the year preceding enactment of this Act if he determines that it is necessary to insure the continued operation of such surface coal mining operation. The Secretary may exercise his suspension authority only after he has (1) published a notice of proposed suspension in the Federal Register and in a newspaper of general circulation in the area of Alaska in which the affected surface coal mining operation is located, and (2) held a public hearing on the proposed suspension in Alaska.

(e) There is hereby authorized to be appropriated for the purpose of this section $250,000.

STUDY OF RECLAMATION STANDARDS FOR SURFACE MINING OF OTHER MINERALS

SEC. 709. (a) The Chairman of the Council on Environmental Quality is directed to contract with the National Academy of Sciences-National Academy of Engineering, other Government agencies or private groups as appropriate, for an in-depth study of current and developing technology for surface and open pit mining and reclamation for minerals other than coal designed to assist in the establishment of effective and reasonable regulation of surface and open pit mining and reclamation for minerals other than coal. The study shall—

(1) assess the degree to which the requirements of this Act can be met by such technology and the costs involved;

(2) identify areas where the requirements of this Act cannot be met by current and developing technology;

(3) in those instances describe requirements most comparable to those of this Act which could be met, the costs involved, and the differences in reclamation results between these requirements and those of this Act; and

(4) discuss alternative regulatory mechanisms designed to insure the achievement of the most beneficial post-mining land use for areas affected by surface and open-pit mining.

(b) The study together with specific legislative recommendations shall be submitted to the President and the Congress no later than eighteen months after the date of enactment of this Act: *Provided*, That, with respect to surface or open pit mining for sand and gravel the study shall be submitted no later than twelve months after the date of enactment of this Act: *Provided further*, that with respect to mining for oil shale and tar sands that a preliminary report shall be submitted no later than twelve months after the date of enactment of this Act.

(c) There are hereby authorized to be appropriated for the purpose of this section $500,000.

INDIAN LANDS

SEC. 710. (a) The Secretary is directed to study the question of the regulation of surface mining on Indian lands which will achieve the purpose of this Act and recognize the special jurisdictional status of these lands. In carrying out this study the Secretary shall consult with Indian tribes. The study report shall include proposed legislation designed to allow Indian tribes to elect to assume full regulatory authority over the administration and enforcement of regulation of surface mining of coal on Indian lands.

(b) The study report required by subsection (a) together with drafts of proposed legislation and the view of each Indian tribe which would be affected shall be submitted to the Congress as soon as possible but not later than January 1, 1976.

(c) On and after one hundred and thirty-five days from the enactment of this Act, all surface coal mining operations on Indian lands shall comply with requirements at least as stringent as those imposed by subsections 515(b)(2), 515(b)(3), 515(b)(5), 515(b)(10), 515(b)(13), 515(b)(19), and 515(d) of this Act and the Secretary shall incorporate the requirements of such provisions in all existing and new leases issued for coal on Indian lands.

(d) On and after thirty months from the enactment of this Act, all surface coal mining operations on Indian lands shall comply with requirements at least as stringent as those imposed by sections 507, 508, 509, 510, 515, 516, 517, and 519 of this Act and the Secretary shall incorporate the requirements of such provisions in all existing and new leases issued for coal on Indian lands.

(e) With respect to leases issued after the date of enactment of this Act, the Secretary shall include and enforce terms and conditions in addition to those required by subsections (c) and (d) as may be requested by the Indian tribe in such leases.

(f) Any change required by subsection (c) or (d) of this section in the terms and conditions of any coal lease on Indian lands existing on the date of enactment of this Act, shall require the approval of the Secretary.

(g) The Secretary shall provide for adequate participation by the various Indian tribes affected in the study authorized in this section and not more than $700,000 of the funds authorized in section 715(a) shall be reserved for this purpose.

EXPERIMENTAL PRACTICES

SEC. 711. In order to encourage advances in mining and reclamation practices, the regulatory authority may authorize departures in individual cases on an experimental basis from the environmental protection performance standards promulgated under sections 515 and 516 of this Act. Such departures may be authorized if (i) the experimental practices are potentially more or at least as environmentally protective, during and after mining operations, as those required by promulgated standards; (ii) the mining operation is no larger than necessary to determine the effectiveness and economic feasibility of the experimental practices; and (iii) the experimental practices do not reduce the protection afforded public health and safety below that provided by promulgated standards.

AUTHORIZATION OF APPROPRIATIONS

SEC. 712. There is authorized to be appropriated to the Secretary for the purposes of this Act the following sums; and all such funds appropriated shall remain available until expended:

(a) For the implementation and funding of sections 502, 552, 405(b)(3), and 710 contract authority is granted to the Secretary of the Interior for the sum of $10,000,000 to become available immediately upon enactment of this Act and $10,000,000 for each of the two succeeding fiscal years.

(b) For administrative and other purposes of this Act, except as otherwise provided for in this Act, authorization is provided for the sum of $10,000,000 for the fiscal year ending June 30, 1975, for each of the two succeeding fiscal years the sums of $20,000,000 and $30,000,000 for each fiscal year thereafter.

RESEARCH AND DEMONSTRATION PROJECTS OF ALTERNATIVE COAL MINING TECHNOLOGIES

SEC. 713. (a) The Secretary is authorized to conduct and promote the coordination and acceleration of research, studies, surveys, experiments, demonstration projects, and training relating to—

(1) the development and application of coal mining technologies which provide alternatives to surface disturbance and which maximize the recovery of available coal resources, including the improvement of present underground mining methods, methods for the return of underground mining wastes to the mine void, methods for the underground mining of thick coal seams and very deep seams; and

(2) safety and health in the application of such technologies methods and means.

(b) In conducting the activities authorized by this section, the Secretary may enter into contracts with and make grants to qualified institutions, agencies, organizations, and persons.

(c) There are authorized to be appropriated to the Secretary, to carry out the purposes of this section, $35,000,000 for each fiscal year beginning with the fiscal year 1976, and for each year thereafter for the next four years.

(d) At least 60 days before any funds are obligated for any research studies, surveys, experiments or demonstration projects to be conducted or financed under this Act in any fiscal year, the Secretary in consultation with the Administrator of the Energy Research and Development Administration and the heads of other Federal agencies having the authority to conduct or finance such projects, shall determine and publish such determinations in the Federal Register that such projects are not being conducted or financed by any other Federal agency. On March 1 of each calendar year, the Secretary shall report to the Congress on the research studies, surveys, experiments or demonstration projects, conducted or financed under this Act, including, but not limited to, a statement of the nature and purpose of each project, the Federal cost thereof, the identity and affiliation of the persons engaged in such projects, the expected completion date of the projects and the relationship of the projects to other such projects of a similar nature.

(e) Subject to the patent provisions of section 306(d) of this Act, all information and data resulting from any research studies, surveys, experiments, or demonstration projects conducted or financed under this Act shall be promptly made available to the public.

SURFACE OWNER PROTECTION

SEC. 714. (a) The provisions and procedures specified in this section shall apply where coal owned by the United States under land the surface rights to which are owned by a surface owner as defined in this section is to be mined by methods other than underground mining techniques. In order to minimize disturbance to surface owners from surface coal mining of Federal coal deposits, the Secretary shall, in his discretion but, to the maximum extent practicable, refrain from leasing such coal deposits for development by methods other than underground mining techniques.

(b) Any coal deposits subject to this section shall be offered for lease pursuant to section 2(a) of the Mineral Leasing Act of 1920 (30 U.S.C. 201a), except that no award shall be made by any method other than competitive bidding.

(c) Prior to placing any deposit subject to this section in a leasing tract, the Secretary shall give to any surface owner whose land is to be included in the proposed leasing tract actual written notice of his intention to place such deposits under such land in a leasing tract.

(d) The Secretary shall not enter into any lease of such coal deposits until the surface owner has given written consent and the Secretary has obtained such consent, to enter and commence surface mining operations, and the applicant has agreed to pay in addition to the rental and royalty and other obligations due the United States the money value of the surface owner's interest as determined according to the provisions of subsection (e).

(e) The value of the surface owner's interest shall be fixed by the Secretary based on appraisals made by three appraisers. One such appraiser shall be appointed by the Secretary, one appointed by the surface owner concerned, and one appointed jointly by the appraisers named by the Secretary and such surface owner. In computing the value of the surface owner's interest, the appraisers shall first fix and determine the fair market value of the surface estate and they shall then determine and add the value of such of the following losses and costs to the extent that such losses and costs arise from the surface coal mining operations:

(1) loss of income to the surface owner during the mining and reclamation process;

(2) cost to the surface owner for relocation or dislocation during the mining and reclamation process;

(3) cost to the surface owner for the loss of livestock, crops, water or other improvements;

(4) any other damage to the surface reasonably anticipated to be caused by the surface mining and reclamation operations; and

(5) such additional reasonable amount of compensation as the Secretary may determine is equitable in light of the length of the tenure of the ownership: *Provided*, That such additional reasonable amount of compensation may not exceed the value of the losses and costs as established pursuant to this subsection and in paragraphs (1) through (4) above, or one hundred dollars ($100.00) per acre, whichever is less.

(f) All bids submitted to the Secretary for any such lease shall, in addition to any rental or royalty and other obligations, be accompanied by the deposit of an amount equal to the value of the surface owner's interest computed under subsection (e). The Secretary shall pay such amount to the surface owner either upon the execution of such lease or upon the commencement of mining, or shall require posting of bond to assure installment payments over a period of years acceptable to the surface owner, at the option of the surface owner. At the time of initial payment, the surface owner may request a review of the initial determination of the amount of the surface owner's interest for the purpose of adjusting such amount to reflect any increase in the Consumer Price Index since the initial determination. The lessee shall pay such increased amount to the Secretary to be paid over to the surface owner. Upon the release of the performance bonds or deposits under section 519, or at an earlier time as may be determined by the Secretary, all rights to enter into and use the surface of the land subject to such lease shall revert to the surface owner.

(g) For the purpose of this section the term "surface owner" means the natural person or persons (or corporation, the majority stock of which is held by a person or persons who meet the other requirements of this section) who—

(1) hold legal or equitable title to the land surface;

(2) have their principal place of residence on the land; or personally conduct farming or ranching operations upon a farm or ranch unit to be affected by surface coal mining operations; or receive directly a significant portion of their income, if any, from such farming or ranching operations; and

(3) have met the conditions of paragraphs (1) and (2) for a period of at least three years prior to the granting of the consent. In computing the three-year period the Secretary may include periods during which title was owned by a relative to such person by blood or marriage during which period such relative would have met the requirements of this subsection.

(h) Where surface lands over coal subject to this section are owned by any person who meets the requirements of paragraphs (1) and (2) of this subsection (g) but who does not meet the requirements of paragraph (3) of subsection (g), the Secretary shall not place such coal deposit in a leasing tract unless such person has owned such surface lands for a period of three years. After the expiration of such three-year period such coal deposit may be leased by the Secretary, provided that if such person qualifies as a surface owner as defined by subsection (g) his consent has been obtained pursuant to the procedures set forth in this section.

(i) Nothing in this section shall be construed as increasing or diminishing any property rights held by the United States or by any other land owner.

(j) The determination of the value of the surface owner's interest fixed pursuant to subsection (e) or any adjustment to that determination made pursuant to subsection (f) shall be subject to judicial review only in the United States district court for the locality in which the leasing tract is located.

(k) At the end of each two-year period after the date of enactment of this Act, the Secretary shall submit to the Congress a report on the implementation of the Federal coal leasing policy established by this section. The report shall include a list of the surface owners who have (1) given their consent, (2) received payments pursuant to this section, (3) refused to give consent, and (4) the acreage of land involved in each category. The report shall also indicate the Secretary's views on the impact of the leasing policy on the availability of Federal coal to meet national energy needs and on receipt of fair market value for Federal coal.

(l) This section shall not apply to Indian lands.

(m) Any person who gives, offers or promises anything of value to any surface owner or offers or promises any surface owner to give anything of value to any other person or entity in order to induce such surface owner to give the Secretary his written consent pursuant to this section, and any surface owner who accepts, receives, or offers or agrees to receive anything of value for himself or any other person or entity, in return for giving his written consent pursuant to this section shall be subject to a civil penalty of one and a half times the monetary equivalent of the thing of value. Such penalty shall be assessed by the Secretary and collected in accordance with the procedures set out in subsections 518(b), 518(c), 518(d), and 518(e) of this Act.

(n) Any Federal coal lease issued subject to the provisions of this section shall be automatically terminated if the lessee, before or after issue of the lease, gives, offers or promises anything of value to the surface owner or offers or promises any surface owner to give anything of value to any other person or entity in order to (1) induce such surface owner to give the Secretary his written consent pursuant to this section, or (2) compensate such surface owner for giving such consent. All bonuses, royalties, rents and other payments made by the lessee shall be retained by the United States.

(o) The provisions of this section shall become effective on February 1, 1976. Until February 1, 1976, the Secretary shall not lease any coal deposits owned by the United States under land the surface rights to which are not owned by the United States, unless the Secretary has in his possession a document which demonstrates the acquiescence prior to February 27, 1975, of the owner of the surface rights to the extraction of minerals within the boundaries of his property by current surface coal mining methods.

FEDERAL LESSEE PROTECTION

SEC. 715. In those instances where the coal proposed to be mined by surface coal mining operations is owned by the Federal Government and the surface is subject to a lease or a permit issued by the Federal Government, the application for a permit shall include either:

(1) the written consent of the permittee or lessee of the surface lands involved to enter and commence surface coal mining operations on such land, or in lieu thereof;

(2) evidence of the execution of a bond or undertaking to the United States or the State, whichever is applicable, for the use and benefit of the permittee or lessee of the surface lands involved to secure payment of any damages to the surface estate which the operations will cause to the crops, or to the tangible improvements of the permittee or lessee of the surface lands as may be determined by the parties involved, or as determined and fixed in an action brought against the operator or upon the bond in a court of competent jurisdiction. This bond is in addition to the performance bond required for reclamation under this Act.

ALASKA COAL

SEC. 716. Nothing in this Act shall be construed as increasing or diminishing the rights of any owner of coal in Alaska to conduct or authorize surface coal mining operations for coal which has been or is hereafter conveyed out of Federal ownership to the State of Alaska or pursuant to the Alaska Native Claims Settlement Act, provided that such surface coal mining operations meet the requirements of the Act.

WATER RIGHTS

SEC. 717. Nothing in this Act shall be construed as affecting in any way the right of any person to enforce or protect, under applicable law, his interest in water resources affected by a surface coal mining operation.

That the House recede from its disagreement to the amendment of the Senate to the title and agree to the same.

HENRY M. JACKSON,
LEE METCALF,
J. BENNETT JOHNSTON, Jr.,
FLOYD K. HASKELL,
CLIFFORD P. HANSEN,
Managers on the Part of the Senate.

MORRIS K. UDALL,
PATSY T. MINK,
JOSEPH P. VIGORITO,
JOHN MELCHER,
TENO RONCALIO,
JOHN G. SEIBERLING,
M. ROBERT CARR,
JOE SKUBITZ,
PHILIP E. RUPPE,
Managers on the Part of the House.

JOINT STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 25) to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes, submit this joint statement in explanation of the effect of the language agreed upon by the managers and recommended in the accompanying conference report.

INTRODUCTION

The Surface Mining and Reclamation Act of 1975, was introduced early in the 94th Congress in both the House (H.R. 25) and the Senate (S. 7). Both bills were identical to the conference report on S. 425 which was pocket vetoed by the President last December. There were 67 differences between the House bill and the Senate amendment. Only a few of these were significant. A general overview of the structure and content of the House bill, the Senate amendment and the conference report together with a brief discussion of major provisions and specific comments on some provisions follows.

OVERVIEW

Title I sets forth the findings and purposes of the legislation, which were melded by the conferees.

Title II establishes an Office of Surface Mining Reclamation and Enforcement within the Department of the Interior and delineates the duties of its Director. The House bill also contained additional provisions to insure greater independence for the Office within the Department, and prohibited conflicts of interest on the part of employees of the Office. The Senate receded and accepted these provisions with some minor modifications requested by the Department of the Interior.

Title III establishes a grant program to fund mining and mineral resources and research institutes in public colleges and universities. These institutes are to train qualified personnel in mine-related fields, and conduct research related to mining technology. The Senate amendment had less stringent qualification requirements for these institutes than the House bill. The Senate receded.

Title IV of both the House bill and the Senate amendment established a fund and a program for the reclamation of abandoned or "orphan" mined lands, and for the relief of areas that will be impacted by the rapid development of mining.

All coal mining operators are to be assessed a fee on each ton of coal produced for deposit in the reclamation fund. The House bill provided for (1) a fee of 10 percent of the value of the coal or not to exceed 10 cents per ton on underground mined coal and 35 cents per ton on surface mined coal; (2) a 5 percent of value limitation on the fee for lignite; (3) delayed payment of the fee; (4) an adjustment clause tied to the cost of living; and (5) an offset of payments to the fund against payment of state severance taxes. The Senate amendment provided the same fee for surface mined coal and a 25 cents per ton fee for underground mined coal, but no other comparable provisions. The conferees agreed on a 15 cents per ton fee for underground-mined coal, the Senate receded on the 5 percent limitation on lignite and the House receded on its other provisions.

The Senate amendment provided explicitly for consultation with the Corps of Engineers in the reclamation program. The House receded on this point.

With regard to aid to impacted areas, H.R. 25 expanded coverage of the program to all energy resource developments, and not just coal mining. The Senate amendment expanded the program of filling and sealing mine shafts and voids to cover all types of mining but otherwise limited the use of the fund to coal mining impacts. The conferees agreed on the Senate approach with some modifications giving the Governor of each State an opportunity to use the fund for reclamation of lands affected by non-coal mining, but only after all coal mine impacts had been treated.

Title V contains the most critical portions of the two measures: the procedures and the environmental standards for the regulation of coal surface mining and reclamation. These requirements are quite detailed, but although there were a number of minor differences between the House bill and the Senate amendment, there were actually only five major differences.

(1) The House bill contained an outright ban on mining on alluvial valley floors west of the 100th meridian west longitude. The Senate amendment prohibited mining on such alluvial valley floors only when this would have a substantial adverse effect on croplands or haylands significant to the practice of farming or ranching. The House receded from its outright ban, and compromise language was accepted that modified the language in the Senate amendment. This compromise language clarified the intent of the conferees to protect potential as well as on-going farming and ranching operations.

(2) The House bill required the Corps of Engineers to supervise the disposal of all mine wastes and impoundment construction. The Senate amendment left this responsibility with the Secretary of the Interior. The conferees agreed to a compromise requiring the Corps to approve the basic standards regulating mine waste disposal and review plans but with no responsibility for on-the-ground supervison and enforcement.

(3) The House bill contained a conflict-of-interest provision not in the Senate amendment. The Senate receded.

(4) During the Secretary's review of Federal lands for areas unsuitable for mining, the Senate amendment expressly allows permits to be granted on a case-by-case basis. H.R. 25 did not contain a similar provision. The Senate language is included in the conference report.

(5) The Senate amendment required expedited decisionmaking by the regulatory authority in the case of cessation orders. The House bill did not contain a similar provision. The House receded.

Title VI of the House bill provided a three-option program for the regulation of surface coal mining on lands held in trust for Indian tribes. The Senate amendment contained a section requiring a study to develop, in consultation with the Indian tribes, legislation for surface mining regulation that would recognize the special jurisdictional status of Indian lands. In the interim, however, mining on Indian lands would still be subject to the environmental standards of the bill. The House receded.

Title VII of the House bill and Title VI of the Senate amendment provided for the designation of areas of Federal lands unsuitable for non-coal mining. The conferees adopted the language of the Senate amendment.

Title VIII of the House bill and Title VII of the Senate amendment contain administrative and miscellaneous provisions.

The Senate amendment contained two provisions designed to cushion adverse employment impacts that might result from the implementation of the Act. The House bill contained neither provision. Both were opposed by the Administration. The Senate receded in both instances.

MAJOR PROVISIONS

Abandoned mined land reclamation

The conference report provides for a program to reclaim previously mined lands that were abandoned without being adequately restored, and which now constitute either serious danger to public health and safety, pollute waterways by sedimentation or acidity, or, at the very least are an ignominous blight in historic mining areas. The program covers restoration on both public and private lands.

Funding for this program is derived largely from a reclamation fee to be levied on every ton of coal mined: 35 cents per ton for surface-mined coal, 15 cents per ton for underground mined coal, or 10 percent of the value of the coal, whichever is less; except that the fee will not exceed 5 percent of the value for lignite. The differential fees were adopted recognizing the differing costs and values of the various coals, and to prevent an undue economic burden on the lower grades of coal. Fifty percent of the fees collected in any one state are to be expended in that State for the purposes of reclamation or alleviating the impacts of coal development in the development in the area.

While the primary focus of the fund in the program is the reclamation of orphan lands, the conference report also provides that, in areas where there is relatively little damage from past coal mining, the State's share of the reclamation fee revenues may be used for other purposes; namely, filling voids and sealing tunnels from non-coal mining operations, and for building an adequate infrastructure of public facilities to support the housing and population increases which will accompany the anticipated rapidly burgeoning coal mining industry.

Surface mining and reclamation standards

The informational and environmental requirements set forth in Title V are the most vital provisions of the conference report. The purpose of the bill is to end the present environmental degradation from the exploration for coal, surface coal mining and the surface impacts of underground mining, and to prevent future degradation. To this end the conference report sets forth a series of minimum uniform requirements for all such operations on both Federal and State lands. These standards deal with four basic issues: preplanning, mining practices, post-mining reclamation, and the protection of water resources. The first requires that an operator applying for a permit has done, among other things, certain research regarding adjacent land uses, the characteristics of the coal and the overburden, and hydrologic conditions. He must include in his application the planned methodology and timetable for the operation in a reclamation plan. The second set of requirements provide that mining methods be used which will minimize or obviate environmental damage or injuries to public health and safety. These include restrictions on the placement of overburden, blasting regulations, water pollution control requirements, and waste disposal standards. The third group of standards regard reclamation and restoration of the mined land to its pre-mined condition. These requirements include backfilling and regrading to approximate original contour, restoration of water quality and quantity, revegetation to pre-mining conditions and elimination of erosion and sedimentation. Protection of water resources is further discussed below.

Virtually all of the specific standards set forth in the conference report are already required in one or more of the several States regulating surface coal mining. Nonetheless, it was felt that some minimum uniform floor had to be established for the protection of the environment at a time when the growth of surface coal mining is projected to double over the next decade, often in environmentally delicate areas.

It is the understanding of the conferees that certain States may wish to impose more stringent requirements than those minimum standards set forth in the report. Some States in fact are already contemplating such measures, a move which is specifically sanctioned in this bill.

Protection of water resources

Surface coal mining operations can have a significant impact on the hydrologic balance of the mined area and its environs. Some of the more significant damages to water resources which may occur from surface coal mining are: increased sedimentation, dissolved solids, and erosion, increased salinity and mineralization of affected waters, acid mine drainage, altered drainage patterns, altered stream flow, including increased flooding, destruction of aquifers, draw down or loss of ground water supplies, disturbance of downstream hydrologic balances, and, particularly in arid and semi-arid areas, disruption of the essential hydrologic functions of alluvial valley floors which are essential to other, primarily agricultural, land uses.

The legislative history in the Committee Reports on protection of water resources is particularly pertinent to the provisions in the conference report.

The conferees recognize that total prevention of all these adverse hydrologic effects from mining is impossible and thus the conference report sets attainable standards to minimize such damages, protect the hydrologic balance of impacted areas and protect the rights of persons whose water rights are affected by mining operations. Accordingly, provisions directed toward the protection of essential hydrologic functions were included in the following sections of the conference report: (1) mining permit application requirements, (2) permit approval or denial criteria, (3) specific environmental standards, (4) monitoring requirements, (5) compensation requirements for decrease in water availability to other users, and (6) special requirements for mining operations on or affecting alluvial valley floors west of the 100th meridian. Of these provisions, probably the most critical environmentally are those related to the protection of the essential hydrologic functions of alluvial valley floors in arid and semi-arid regions.

These alluvial valley floors in the West are frequently underlain with rich coal deposits. However, they also provide the only natural irrigation for haylands and croplands essential to farming and ranching operations. Unless the essential hydrologic functions of these alluvial valley floors are preserved, farming and ranching operations could suffer serious damage, and the use of these areas for future and potential farming and ranching would be precluded. Since rapid expansion of surface coal mining is projected for the West, the protection of scarce water resources and alluvial valley floors during and after mining is essential if we are to maintain the vital agricultural productivity of these areas.

Therefore, the conference report allows the issuance of a permit for surface coal mining only if the regulatory authority finds that the operation would not have a substantial adverse effect on alluvial valley floors significant to the practice of farming or ranching. These areas protected by this provision are very small. For example, the Department of the Interior estimates that approximately 97.3 percent of the total agricultural land in the Powder River Basin is undeveloped range land, which is expressly excluded from the restriction of Section 510(b) (5).

Surface coal mining on Indian lands

The conferees recognize that these are special jurisdictional problems with respect to the regulation of mining on Indian lands, and a lack of consensus on this issue among the various Indian tribes. For this reason, the conference report provides for a study to be completed by 1976, to determine the appropriate program for regulating surface coal mines on lands held in trust for Indian tribes.

In the interim, however, the tribes are not left without environmental protection from mining operations on their lands. The Act requires that all leases on Indian lands include certain performance standards at least as stringent as those in the Act.

Furthermore, it is entirely within the discretion of Indian tribes, bands or groups to enter into leases for mining on Indian trust lands with the approval of the Secretary of the Interior. It is also entirely within their discretion to refuse to grant leases. Although all leases, whether negotiated or advertised for bids, must be approved by the Secretary, his approval is always subsequent to the agreement between the parties after the landowner and the lessee have reached an agreement on all conditions and actually signed the lease.

COMMENTS ON SPECIFIC PROVISIONS

Section 402.—Objectives of the abandoned mine reclamation fund

Although this section sets forth five priorities for the use of the abandoned mine reclamation fund, the conferees have clarified the language to indicate that the primary objective of the fund is the reclamation of abandoned lands affected by coal mining, and that relief of areas impacted by rapid coal development and reclamation of non-coal mined lands are subsidiary to that goal.

Section 405(a).—Land acquisition for reclamation program

The Secretary of the Interior is authorized in this section to acquire any necessary interest in lands in order to carry out the reclamation program authorized in Title IV. Interests may include various forms and are to be sufficient to assure that the purposes of reclamation are achieved and that the post-reclaimed land use does not contravene the reclamation itself. Under some circumstances easements might be obtained for reclamation purposes. Presumably the acquisition of easement would be less costly than the acquisition of the land in fee simple. Such easements should, of course, include provisions to assure maintenance of the reclamation.

Section 405(b) (4).—Public facilities in areas of rapid coal development

The conference report provides funds for essential public facilities only in areas impacted by coal development (including coal conversion plants if located in the coal mining area). This includes those essential public facilities necessary to accommodate the development and provides that such facilities be necessary to meet the needs specified in the subsection. It should be noted that the existence of essential facilities is not the sole test, but facility capacity must also be considered. Inadequacy or insufficient capacity of essential facilities can be as limiting as the actual lack of such facilities.

Section 406(a).—Filling voids and sealing tunnels

This subsection permits the use of the abandoned mined land reclamation fund for filling voids and sealing tunnels created by any mining operation. It is, however, the clear intent of the conferees that non-coal mined lands be reclaimed only after all lands affected by coal mining have been reclaimed or impacts of rapid coal mining expansion have been relieved.

Section 508.—Revegetation

The conferees agree that a reasonable interpretation of the revegetation standards would necessitate that the mining and reclamation plan include a demonstration that the necessary seeds are or will be available when needed to achieve revegetation. It is expected that the regulations governing State and Federal programs which are to be issued by the Secretary would so specify.

The conferees intend that revegetation is required in all instances in accordance with the basic standard in section 515(b) (19). Thus if the native premining vegetation is sparse due to climatic or other natural conditions, then such conditions would be controlling in the reclamation standard.

Section 510(b) (3).—Assessment of mine impact on hydrologic balance

As part of the mining application and permit approval process, both the House bill and the Senate amendment provided that no application shall be approved unless the application affirmatively demonstrates and the regulatory finds in writing that an assessment of the probable cumulative impact of all anticipated mining in the area on the hydrologic balance has been made. The House bill further specified that the proposed mining operation has been designed to prevent irreparable off-site impact to the hydrologic balance while the Senate amendment specified that the mining operation be designed to prevent to the maximum extent possible using best available technology irreparable off-site impacts to the hydrologic balance.

The conferees resolved the difference in the language pertaining to the design of the particular mining operation by requiring that the proposed operation be designed to prevent significant irreparable off-site damage to the hydrologic balance, including damage to alluvial valley floors.

Section 515(b) (1).—Maximization of coal utilization and conservation

It is the intent of the conferees in this subsection that coal will be mined in such a manner to assure maximum recovery of the resource during the course of any given mining operation. It is also their intent, that any surface mining operation be conducted so that it will not preclude future underground mining operations on that site.

Section 510(b) (5).—Permit approval and denial for mining operations on alluvial valley floors

The House bill contained an outright ban of surface mining on alluvial valley floors west of the one hundredth meridian west longitude. The Senate amendment specified that a permit or portion thereof should not be approved if the proposed mining operation would have a substantial adverse effect on crop lands or hay lands overlying alluvial valley floors where such crop lands or hay lands are significant to ranching and farming operations.

The conferees resolved these differences in virtually the same way as resolved in S. 425. The Conference Report stipulates that part or all of the mining operation is to be denied if it would have a substantial adverse effect on alluvial valley floors where farming can be practiced in the form of irrigated or naturally subirrigated hay meadows or other crop lands where such alluvial valley floors are significant to the practice of farming or ranching operations. The resolution also stipulated that this provision covered potential farming or ranching operations if those operations were significant and economically feasible. Undeveloped range lands are excluded in each instance.

There has been considerable discussion on the potential geographical extent of this provision. For example, estimates have ranged up to nearly 50 percent, of the land over the strippable coal in the Powder River Basin being included under this provision. The conferees strongly disagree with such interpretations noting that specific investigations of representative portions of the Powder River Basin in the Gillette area, indicate that only 5 percent or so of the lands containing strippable coal deposits appeared to be alluvial valley floors. It should also be noted that the Department of the Interior advised the conferees that 97 percent of the agricultural land in the Powder River Basin is undeveloped range land, and therefore excluded from the application of this provision.

While both of these estimates are based on sample data, it is recognized that the amount of land affected in an area might well be higher and the total proportion of land affected in the entire Powder River Basin may also be higher. However, this data strongly suggests that the estimates of large scale geographic impacts of this provision are erroneous, not only in the Powder River Basin but also in other pertinent areas west of the 100th meridian.

Section 515(b) (9)—Filling auger holes

This subsection has been misconstrued by some to mean that the entire length of an auger hole must be backfilled to satisfy this requirement. This is clearly not the intent of the conferees. It is intended only that auger holes be sealed, as tunnels and entryways must be sealed, to prevent drainage and protect public health and safety.

Section 515(b) (10) (F).—Preserving hydrology of alluvial valley floors

The House bill specified that hydrologic integrity of alluvial valley floors must be preserved throughout the mining and reclamation operation.

The Senate amendment specified that it was necessary to do so to the maximum extent possible using the best available technology.

The conferees agreed that the essential hydrologic functions of alluvial valley floors in the arid and semi-arid areas of the country must be preserved throughout the mining and reclamation process.

The conferees adopted this stringent standard because ranching and farming operations must have bottom lands where hay or crops can be grown. Because of the low annual precipitation in the West dependable areas for hay production are only those alluvial valley floors that can be irrigated by flood water spreading, diversion from stream flow, or by natural subirrigation. Some of the characteristics of alluvial valley floors which are essential for agricultural uses include: (1) sufficient runoff to allow for flood water irrigation each year; (2) development of flood plain and low terraces where water can be spread easily without significant mechanical alteration of the surface; and (3) shallow ground water where subirrigation is used, and therefore requires a minimum of valley floor dissection so that ground water is not drained.

The conferees used the term "essential hydrologic functions" to assure that these functions would be preserved while providing the opportunity to the mining industry to mine if they can reconstitute in the reclamation process these critical areas. The areas involved are those limited sites where natural sub-irrigation occurs above strippable coal and where sufficient water is available for flood irrigation and diversion from streams.

The essential hydrologic functions are the inherent properties of alluvial valley floors controlling the availability of water under a wide range of natural conditions. Such properties include for instance: interaction between ground and surface water; varying degrees of permeability throughout the deposit; infiltration rates; flow direction and gradients; capability of accumulating, holding and releasing water through drought and seasonal cycles; stability with respect to storm or flood runoff conditions; and maintaining quality of water available to the agricultural uses.

Alluvial valley floors do not include upland areas which are generally overlain by a thin veneer of colluvial deposits composed chiefly of debris from sheet erosion, deposits by unconcentrated runoff or slope wash, together with talus, other mass movement accumulation and windblown deposits.

Section 515(b) (13).—Mine waste disposal

In order to assure that mine waste impoundments used for the disposal of liquid or solid waste material from coal mines are constructed or have been constructed so as to safeguard the health and welfare of downstream populations, the conferees adopted new language giving to the Army Corps of Engineers a role in determining the standards for construction, modification and abandonment of these impoundments.

Authority for the issuance of regulations and inspections of impoundments rests with the Secretary of the Interior; however, such regulations should be developed by the Chief of Engineers. It is the intent of the conferees that the safety, engineering and design standards of the Corps of Engineers will apply, through the rules and regulations of the Secretary, to such structures and waste disposal banks which may serve as temporary or permanent impoundments. However, it is not the intent that the Chief of Engineers must therefore monitor or sign off on every such structure. That duty belongs to the Secretary of the Interior, who may utilize appropriate skilled personnel from other Federal agencies as provided for in Title II. Concurrence of the Chief of Engineers is intended to also include his approval of the system of inspection and his participation in the training of inspectors to bring about competent enforcement of the standards.

All aspects of surveillance which do not require the actual physical inspection of individual sites would properly fall within the purview of the Chief of Engineers. Thus, the Corps' experience and expertise in the area of design, construction, maintenance, etc. which were utilized for carrying out the congressionally authorized surveys of mine waste embankments in West Virginia following the disastrous failure of the mine waste impoundments on Buffalo Creek, is to be applied in order to prevent similar accidents in the future. In so doing, however, an unnecessary duplication of effort by two Federal agencies and the costly drain upon available manpower is to be avoided.

Section 515(d) (1).—Placement of spoil on the downslope

This subsection allows spoil from the initial cut of a steep slope mining operation to be placed on a limited and specified area of the downslope, under certain restricted conditions. The provision applies only to new mines. It applies only to the first block or short linear cut necessary to join initial access to the coal (in most instances no more than one hundred feet). The permittee must demonstrate that the soil or spoil material will not slide, erode, etc. Permanent placement of such spoil under these limiting conditions was permitted to balance the stated needs of the industry and environmental protection. The conferees are aware that initial cut spoil can be disposed of in many other ways including use in construction of haul roads or placed on less steep slope disposal areas identified in approved plan including previously mined lands not reclaimed to approximate original contour.

Section 519(c) (2).—Bond release for water pollution control

After successful backfilling, regrading of the mined area the 60% of the operator's performance bond may be released. Release of a subsequent portion of the bond depends upon successful completion of revegetation and offsite siltation control. The adequacy of siltation control is to be gauged against natural levels of suspended solids as measured prior to mining, for it is the intent of the conferees that, after mining and reclamation there be no offsite degradation of water quality.

The Secretary will set the standards for measurement of suspended solid contributions. These must recognize the vast differences from region to region among major and small streams, year-round and intermittent streams, and natural variations in stream flow from year-to-year. The Secretary should also consider the availability or lack of availability of historic data.

Section 520(a).—Citizen suits

Subsection (a) assures that no operator can be sued *under this section* if he is operating in compliance with all regulations, orders, and an approved permit, even though the regulatory authority or the Secretary has failed to properly implement the Act. In such cases, the suit must be brought against the regulatory authority. The only exception to this provision occurs if the operator is itself a government agency or instrumentality, such as the Tennessee Valley Authority.

This subsection, however, in no way grants or is intended to grant immunity to an operator from any action brought by any individual under any existing statute or common law. All private rights under contract, tort, or property law are preserved. This intent is clearly reaffirmed and reiterated in subsection 520(e) of the conference report.

Section 522(b).—Review of Federal lands

In agreeing that the Secretary may permit surface coal mining on Federal lands prior to completion of his mandatory review of the unsuitability of areas for surface mining operations, the conferees intended that in addition to evaluating the permit application under the standards of the Act, the Secretary shall also make a determination if the area should be designated as unsuitable for surface mining and if the area is unsuitable, the Secretary should deny the permit.

Section 522(e).—Designation of areas unsuitable for mining

This subsection prohibits surface coal mining on lands within the boundaries of national forests, *subject to valid existing rights*. It is not the intent, therefore, nor is it the effect of this provision to preclude surface coal mining on private inholdings within the national forests.

The language "subject to valid existing rights" in Section 522(e) is intended to make clear that the prohibition of strip mining on the national forests is subject to previous state court interpretation of valid existing rights. For example, in West Virginia's Monongahela National Forest, strip mining of privately owned coal underlying federally owned surface has been prohibited as a result of U.S. vs. Polino (133 F.S. 722, 1955). In this case the court held that "stripping was not authorized by mineral reservation in a deed executed before the practice was adopted in the county where the land lies, unless the contract expressly grants stripping rights by use of direct or clearly equivalent words. The party claiming such rights must show usage or custom at the time and place where the contract is to be executed and must show that such rights were contemplated by the parties." The phrase "subject to valid existing rights" is thus in no way intended to open up national forest lands to strip mining where previous legal precedents have prohibited stripping.

Section 529.—Anthracite coal mines

This section authorizes the Secretary, at his discretion, to promulgate certain special regulations for anthracite coal mines already regulated by a state program with standards at least as stringent as those provided in this Act. This authorization, however, applies only to the environmental standards set forth in sections 515 and 516, and portions of the bonding and bond release provisions set forth in Sections 509 and 519. All other provisions of the Act and regulations issued pursuant thereto including the reclamation fee imposed by Title IV apply to anthracite mines in the same manner as for all other coal mines.

Section 701(9).—Definition of Indian lands

In defining Indian lands, the conferees were aware of certain jurisdictional problems concerning the status of these lands. The conference report limits the definition to lands within the external boundaries of a Federal Indian reservation and to all other lands, including mineral interests, held in trust by the Federal government for any Indian tribe. This language is not intended to change any existing jurisdiction which the states may have over such lands.

Section 702 (d).—Environmental impact statement

This Subsection provides that certain enumerated actions taken pursuant to the Act shall constitute major Federal actions significantly affecting the quality of the human environment within the meaning of Section 102(2)(C) of the National Environmental Policy Act of 1969, 42 U.S.C. 4332 (NEPA), i.e. that such actions will require the preparation of an Environmental Impact Statement.

The Section is not intended as a limitation or modification of NEPA but, to the contrary, the provision is viewed as being consistent with that Act. The Conferees believe that, properly interpreted and applied, the operation of NEPA will not result in any delay in the implementation of the various regulatory provisions of this environmental regulatory legislation including those actions which must be accomplished in a relatively short time period such as the establishment of the Federal Enforcement Program within 135 days after enactment.

Section 716.—Alaska coal

This provision applies to those lands which, as a result of the Alaska Statehood Act or the Alaska Native Claims Settlement Act, were conveyed from Federal to state or private ownership. Its purpose is to assure that nothing in this Act—particularly the provisions of Section 714—shall be construed as changing existing property rights with respect to lands so conveyed. The provision applies to any coal conveyed out of Federal ownership under these two laws regardless of its current ownership.

RELATIONSHIP OF H.R. 25 TO PRESIDENT FORD'S RECOMMENDED CHANGES

On February 6, President Ford transmitted to Congress the Administration's proposed surface coal mining bill. In his transmittal letter the President set out the 8 "critical" and 19 "important" differences between the Administration's proposal and the Conference Report on S. 425, 93d Congress.

H.R. 25 and the Senate amendment thereto each adopted some of the President's recommendations. The conference committee considered the President's views very carefully during its deliberations. Eight changes recommended by the President are adopted in the conference report. The conference report also contains language designed to meet another six of the objections raised by the President.

The President's recommendations (in the order they appear in his February 6 letter) are set out below together with an indication of the relationship of the conference report to them.

Critical changes

1. *Citizen suits. Administration Recommendation:* "S. 425 would allow citizen suits against any person for a 'violation of the provisions of this Act'. * * * Citizen suits are retained in the Administration bill, but are modified * * * to provide for suits against (1) the regulatory agency to enforce the act, and (2) mine operators where violations of regulations or permits are alleged."

Conference Report—Section 520: Modifies language to meet Administration objection.

2. *Stream siltation. Administration Recommendation:* "S. 425 would prohibit increased stream siltation—a requirement which would be extremely difficult or impossible to meet and thus could preclude mining activities. In the Administration's bill, this prohibition is modified to require the maximum practicable limitation on siltation."

Conference Report—Section 515(b)(11)(B): Clarifies language so as to avoid interpretation feared by Administration.

3. *Hydrologic disturbances. Administration Recommendation:* "S. 425 would establish absolute requirements to preserve the hydrologic integrity of alluvial valley floors—and prevent offsite hydrologic disturbances. * * * In the Administration's bill, this provision is modified to require that any such disturbances be prevented to the maximum extent practicable so that there will be a balance between environmental protection and the need for coal production."

Conference Report—Section 515(b)(10)(F): Modifies language to avoid "absolute requirements" objected to by Administration.

4. *Ambiguous terms. Administration Recommendation:* "In the case of S. 425, there is great potential for court interpretations of ambiguous provisions which could lead to unnecessary or unanticipated adverse production impact. The Administration's bill provides explicit authority for the Secretary to define ambiguous terms so as to clarify the regulatory process and minimize delays due to litigation."

Conference Report: Does not adopt Administration recommendation.

5. *Abandoned land reclamation fund. Administration Recommendation:* "S. 425 would establish a tax of 25¢ per ton for underground mined coal and 35¢ per ton for surface mined coal to create a fund for reclaiming previously mined lands that have been abandoned without being reclaimed, and for other purposes. * * * The Administration bill would set the tax at 10¢ per ton for all coal * * * which would be ample."

"Under S. 425 funds accrued from the tax on coal could be used by the Federal government (1) for financing construction of roads, utilities, and public buildings on reclaimed mined lands, and (2) for distribution to States to finance roads, utilities and public buildings in any area where coal mining activity is expanding. * * * The Administration bill does not provide authority for funding facilities."

Conference Report—Section 401(d): Reduces reclamation fee on underground mined coal to 15¢ per ton. Does not restrict the scope of the program.

6. *Impoundments. Administration Recommendation:* "S. 425 could prohibit or unduly restrict the use of most new or existing impoundments, even though constructed to adequate safety standards. In the Administration's bill, the provisions on location of impoundments have been modified to permit their use where safety standards are met.

Conference Report—Section 515(b)(13): Provides that Corps of Engineers will set location standards for impoundments, and thus eliminates language objected to by Administration.

7. *National forests. Administration Recommendation:* "S. 425 would prohibit mining in the national forests—prohibition which is inconsistent with multiple use principles and which could unnecessarily lock up 7 billion tons of coal reserves. * * * In the Administration bill, this provision is modified to permit the Agriculture Secretary to waive the restriction in specific areas when multiple resource analysis indicates that such mining would be in the public interest."

Conference Report—Section 522(e)(2): Does not adopt Administration recommendations.

8. *Special unemployment provisions. Administration Recommendation:* "The unemployment provision of S. 425 (1) would cause unfair discrimination among classes of unemployed persons, (2) would be difficult to administer, and (3) would set unacceptable precedents including unlimited benefit terms, and weak labor force attachment requirements. This provision of S. 425 is inconsistent with Public Law 93-567 and Public Law 93-572 which were signed into law on December 31, 1974, and which significantly broaden and lengthen general unemployment assistance. The Administration's bill does not include a special unemployment provision."

Conference Report: Adopts Administration recommendation.

"Other important changes"

1. *Antidegradation. Administration Recommendation:* "S. 425 contains a provision which, if literally interpreted by the courts, could lead to a non-degradation standard similar to that experienced with the Clean Air Act. * * * Changes are included in the Administration bill to overcome this problem."

Conference Report—Section 102(a): Adopts Administration recommendation.

2. *Reclamation fund. Administration Recommendation:* "S. 425 would authorize the use of funds to assist private landowners in reclaiming their lands mined in past years. Such a program would result in windfall gains to the private landowners who would maintain title to their lands while having them reclaimed at Federal expense. The Administration bill deletes this provision."

Conference Report—Section 404: Does not adopt Administration recommendation.

3. *Interim program timing. Administration Recommendation:* "Under S. 425, mining operations could be forced to close down simply because the regulatory authority had not completed action on a mining permit, through no fault of the operator. The Administration bill modifies the timing requirements of the interim program to minimize unnecessary delays and production losses."

Conference Report—Sections 504 and 506: Includes provisions designed to eliminate possibility of shutdown.

4. *Federal Preemption Administration Recommendation:* "The Federal interim program role provided in S. 425 could (1) lead to unnecessary Federal preemption, displacement or duplication of State regulatory activities, and (2) discourage States from assuming an active permanent regulatory role. * * * In the Administration bill, this requirement is revised to limit the Federal enforcement role during the interim program to situations

where a violation creates an imminent danger to public health and safety or significant environmental harm."

Conference Report—Section 502: Does not adopt Administration recommendation.

5. *Surface owner consent. Administration Recommendation:* "The requirement in S. 425 for surface owner's consent would substantially modify existing law by transferring to the surface owner coal rights that presently reside with the Federal government. S. 425 would give the surface owner the right to "veto" the mining of Federally owned coal or possibly enable him to realize a substantial windfall. In addition, S. 425 leaves unclear the rights of prospectors under existing law. The Administration is opposed to any provision which could (1) result in a lock up of coal reserves through surface owner veto or (2) lead to windfalls. In the Administration's bill surface owner and prospector rights would continue as provided in existing law."

Conference Report—Section 714: Does not adopt Administration recommendation.

6. *Federal lands. Administration Recommendation:* "S. 425 would set an undesirable precedent by providing for State control over mining of Federally owned coal on Federal lands. In the Administration's bill, Federal regulations governing such activities would not be preempted by State regulations."

Conference Report—Section 523: Does not adopt Administration recommendation.

7. *Research centers. Administration Recommendation:* "S. 425 would provide additional funding authorization for mining research centers through a formula grant program for existing schools of mining. This provision establishes an unnecessary new spending program, duplicates existing authorities for conduct of research, and could fragment existing research efforts already supported by the Federal government. The provision is deleted in the Administration bill."

Conference Report—Title III: Does not adopt Administration recommendation.

8. *Prohibition on mining in alluvial valley floors. Administration Recommendation:* "S. 425 would extend the prohibition on surface mining involving alluvial valley floors to areas that have the potential for farming or ranching. This is an unnecessary prohibition which could close some existing mines and which would lock up significant coal reserves. In the Administration's bill reclamation of such areas would be required, making the prohibition unnecessary."

Conference Report—Section 510(b)(5): Modifies this provision to make it more precise.

9. *Potential moratorium on issuing mining permits. Administration Recommendation:* "S. 425 provides for (1) a ban on the mining of lands under study for designation as unsuitable for coal mining, and (2) an automatic ban whenever such a study is requested by anyone. The Administration's bill modifies these provisions to insure expeditious consideration of proposals for designating lands unsuitable for surface coal mining and to insure that the requirement for review of Federal lands will not trigger such a ban."

Conference Report—Section 522: Modifies this provision to require expeditious administrative action on designations so as to avoid any moratorium.

10. *Hydrologic data. Administration Recommendation:* "Under S. 425, an applicant would have to provide hydrologic data even where the data are already available—a potentially serious and unnecessary workload for small miners. The Administration's bill authorizes the regulatory authority to waive the requirement, in whole or in part, when the data are already available."

Conference Report—Section 507(b)(11): Does not adopt Administration recommendation.

11. *Variances, Administration Recommendations:* "S. 425 would not give the regulatory authority adequate flexibility to grant variances from the lengthy and detailed performance specifications. The Administration bill would allow limited variances—with strict environmental safeguards—to achieve specific post-mining land uses and to accommodate equipment shortages during the interim program."

Conference Report—Section 515(c): Does not adopt Administration recommendation.

12. *Permit fee. Administration Recommendation:* "The requirement in S. 425 for payment of the mining fee before operations begin could impose a large 'front end' cost which could unnecessarily prevent some mine opening or force some operators out of business. In the Administration's bill, the regulatory authority would have the authority to extend the fee over several years."

Conference Report—Section 507(a): Adopts Administration recommendation.

13. *Preferential contracting. Administration Recommendation:* "S. 425 would require that special preference be given to reclamation contracts to operators who lose their jobs because of the bill. Such hiring should be based solely on an operators reclamation capability. The provision does not appear in the Administration's bill."

Conference Report—Adopts Administration recommendation.

14. *Any Class of buyer. Administration Recommendations:* "S. 425 would require that lessees of Federal coal not refuse to sell coal to any class of buyer. This could interfere unnecessarily with both planned and existing coal mining operations, particularly in integrated facilities. This provision is not included in the Administration's bill."

Conference Report—Section 523(a): Modifies language to accommodate Administration concern.

15. *Contract authority, Administration Recommendation:* "S. 425 would provide contract authority rather than authorizing appropriations for Federal costs in administering the legislation. This is unnecessary and inconsistent with the thrust of the Congressional Budget Reform and Impoundment Control Act. In the Administration's bill, such costs would be financed through appropriations."

Conference Report—Section 712(a): Does not adopt Administration recommendation.

16. *Indian lands, Administration Recommendation:* "S. 425 could be construed to require the Secretary of the Interior to regulate coal mining on non-Federal Indian lands. In the Administration bill, the definition of Indian lands is modified to eliminate this possibility."

Conference Report—Section 701(9): Adopts Administration recommendation.

17. *Interest charge. Administration Recommendations:* "S. 425 would not provide a reasonable level of interest charged on unpaid penalties. The Administration's bill provides for an interest charge based on Treasury rates so as to assure a sufficient incentive for prompt payment of penalties."

Conference Report—Section 518(d): Adopts Administration recommendation.

18. *Prohibition on mining within 500 feet of an active mine.* "This prohibition in S. 425 would unnecessarily restrict recovery of substantial coal resources even when mining of the areas would be the best possible use of the areas involved. Under the Administration's bill, mining would be allowed in such areas as long as it can be done safely."

Conference Report—Section 515(b)(12): Does not adopt Administration recommendation.

19. *Haul roads. Recommendation:* "Requirements of S. 425 could preclude some mine operators from moving their coal to market by preventing the connection of haul roads to public roads. The Administration's bill would modify this provision."

Conference Report—Section 522(e)(4): Adopts Administration recommendation.

Henry M. Jackson,
Lee Metcalf,
J. Bennett Johnston, Jr.
Floyd K. Haskell,
Clifford P. Hansen,
Managers on the Part of the Senate.

Morris K. Udall,
Patsey T. Mink,
Joseph P. Vigorito,
John Melcher,
Teno Roncalio,
John F. Seiberling,
M. Robert Carr,
Joe Skubitz,
Philip E. Ruppe,
Managers on the Part of the House.

Mr. METCALF. Mr. President, the author of this bill, the distinguished chairman of the Committee on Interior and Insular Affairs, is not here yet. I am going to try to put my statement in the Record in order to save time, and then ask that he be allowed to be recognized and to put his statement in the Record. I know that the minority, especially Senator Fannin and Senator Hansen, want to make statements on this conference report.

Mr. President, this conference report represents the culmination of 4 years of hard work by many Members on both sides of the aisle in the Senate and the House to develop the first Federal legislation to regulate surface coal mining. It is a finely balanced bill that assures that we can satisfy our energy needs while still protecting our environment.

The Surface Mining and Reclamation Act of 1975 was introduced early in the 94th Congress in both the House (H.R. 25) and the Senate (S. 7). Both bills were identical to the conference report on S. 425 which was pocket vetoed by the President last December. There were only a few significant differences between the House and Senate bills.

MAJOR PROVISIONS

The joint statement of the managers explains the conference report in some detail. For the benefit of my colleagues, however, I will highlight the most significant features:

First. Environmental standards. The conference report establishes the basic standard that lands may not be surface mined unless they can be reclaimed. It includes the following environmental protection standards: prevention of dumping spoil and overburden downslope in mountainous areas; a requirement that mine sites be regarded to approximate original contour, including backfilling the final cut to eliminate highwalls; revegetation measures to assure land stability and long term productivity; and water protection standards directed at protection of water quantity and quality. The latter will be particularly significant in maintaining the delicate hydrologic relationships in the West and preventing acid mine drainage in the East. The environmental performance standards are not inflexible, however, as the report provides for variances from these standards in order to allow certain planned postmining land uses.

Second. State responsibility. The report gives the principal responsibility for surface mining regulation to the States. The States are given 30 months to prepare adequate regulatory programs to meet the minimum standards in the act. Federal funding is available to help the States prepare and enforce such programs.

Third. Surface impacts of underground mines. The report also treats surface impacts of underground mines such as those resulting from mine waste disposal. In particular, mine waste embankments are covered by rigorous engineering requirements, in order to prevent failures such as occurred at Buffalo Creek, where an embankment gave way resulting in the death of 125 persons.

Fourth. Reclamation of orphan lands. The report established a reclamation program to repair past damages from both surface and underground coal mines in all regions of the country. In addition, assistance is provided for the construction of public facilities in order to ameliorate the impact of rapid coal development. For 10 years, a reclamation fee of 35 cents per ton for surface mined coal and 15 cents per ton for underground mined coal, or 10 percent of the value of such coal, whichever is less, is assessed in order to provide for the reclamation program. At the present rate of production this amounts to approximately $125 million per year. One-half of this money must be spent in the State in which it is collected.

Fifth. State mineral institutes. The bill also authorizes the Secretary of the Interior to establish State mining and mineral resources research institutes at State or other eligible universities. These institutes will perform research on mineral extraction and processing technologies, and train engineers and scientists to serve the needs of the Nation's mining industry. This program should help to avoid future materials and personnel shortages.

Sixth. Surface-owner protection. The conference report establishes as Federal coal leasing policy a requirement that the Secretary of the Interior not lease for surface mining without the consent of the surface owner. Federal coal deposits underlying land owned by a person who has his principal place of residence on the land, or personally farms or ranches the land affected by the mining operation, or receives directly a "significant portion" of his income from such farming. By so defining "surface owner," the conferees seek to prevent speculators purchasing land only in the hope of reaping a windfall profit simply because Federal coal deposits lie underneath the land.

At the same time, so that there will not be any undue locking up of Federal coal, generous compensation is guaranteed to the surface owner, based not only upon the market value of the property of the land, but also the costs of dislocation and relocation, loss of income and other values and damages.

The procedure for obtaining surface-owner consent is intended to assure that the surface owner will be dealing solely with the Secretary of the Interior in deciding whether or not to give his consent to surface coal mining. Penalties would be assessed to discourage the making of "side deals" in order to circumvent the provisions of the bill.

Section 714(e) sets forth the formula by which a "surface-owner's interest" shall be determined for the purposes of that section. This provision was unchanged by the conferees.

It should be noted that by the clear and unambiguous language of the section, the amount of "surface-owner interest" is determined by first fixing the fair market value of the surface estate, then by adding the value of the certain "losses and costs" specified in the section which are to include an "additional reasonable amount of compensation" pursuant to the section. Such "additional amount of reasonable compensation" may not exceed either the value of the items (1) through (4) of subsection (e) or $100, whichever is less. The "additional amount of compensation" is to be added to the other specified items of "losses and costs," and is not a substitute for such "losses and costs."

RELATIONSHIP OF H.R. 25 TO PRESIDENT FORD'S RECOMMENDED CHANGES

On February 6, President Ford transmitted to Congress the administration's proposed surface coal mining bill. In his transmittal letter the President set out the 8 "critical" and 19 "important" differences between the administration's proposal and the conference report on S. 425, 93d Congress, which he pocket vetoed.

The conference committee considered the President's views very carefully during its deliberation. Eight changes recommended by the President are adopted in the conference report. The conference report also contains language designed to meet another six of the objections raised by the President. Beginning on page 86 is a detailed analysis of the President's recommendations and the disposal thereon.

Mr. President, I believe that the Congress has made a real effort to compromise with President Ford. Indeed, we have come more than halfway. Surely, he will see fit to move toward the Congress and sign the bill we will be sending to him this week. The strength of congressional support is indicated by the 84 to 13 vote in the Senate and the 333 to 86 vote in the House.

CONCLUSION

Mr. President, Federal legislation to regulate surface coal mining is long overdue. Enactment of H.R. 25 will enable the industry to proceed with development of our Nation's vast coal resources in a manner which will assure that the other natural resources of our country will not be unnecessarily damaged.

I want to commend the chairman of the Interior Committee for his long-time concern about the need for Federal regulation of surface mining. The conference report we are considering today incorporates the basic concepts of legislation he introduced 4 years ago.

I also want to take this opportunity to thank all of my Senate colleagues who have worked so hard on this bill. I am particularly grateful to the Senator from Wyoming (Mr. HANSEN) for his fine cooperation. Without his faithful attendance and his contribution it is doubtful that we would have had a bill this soon.

Senator FANNIN, the ranking minority member, did not vote for the bill or sign the conference report. Nevertheless, he participated in every part of the development of the bill and made significant contributions to it.

The respective staff members of the House and Senate committees gave superb assistance in every phase of the consideration of this complex and complicated legislation.

Mr. President, this is a moderate bill, a national bill, one that will permit the strip mining of coal to alleviate the energy crisis and at the same time requires reclamation of the mined lands. I urge the adoption of the conference report.

Mr. JACKSON. Mr. President, I join with the distinguished junior Senator from Montana in urging the Senate to approve H.R. 25, the Surface Mining Control and Reclamation Act of 1975.

It is worth recalling today that industry has in the past fought strip mining bills far less stringent than the legislation before Congress today. The delay in enacting legislation, caused largely by opposition by many, but not all, representatives of the coal industry, has brought the nature and scope of the strip mining problem more sharply into focus. The need for strong regulation of strip mining practices is more apparent to more people than ever before.

On numerous occasions, Congress has shown that it understands the need for careful tradeoffs between energy needs and environmental concerns. But Congress is not prepared to sacrifice legitimate environmental goals.

The essential requirement for an adequate supply of domestic energy resources to support the Nation's social and economic well-being is being increasingly recognized as a major national issue. It is clear, particularly in the case of coal, that we have ample reserves. By all estimates our physical coal reserves are sufficient to meet our needs, even at greatly increased rates of consumption, for hundreds of years. We have an abundance of coal in the ground. Simply stated, the crux of the problem is how to get the coal out of the ground and use it in environmentally acceptable ways on an economically competitive basis.

Federal legislation to regulate coal surface mining and reclamation is a crucial measure to insure an adequate energy supply while preserving and maintaining a satisfactory level of environmental quality.

I am sure that representatives of the coal industry and the administration have expressed great concern about possible "production losses" which enactment of the conference report might cause.

I must point out that the administration's "loss" figures appear to be shrinking—from a maximum of 141 million tons per year 5 months ago to 72 million tons per year.

It is difficult to pin the administration down on the basis for its estimates. FEA Administrator Zarb's latest estimates were sent to the conferees on April 22. On April 23, immediately upon receipt of Mr. Zarb's letter, I directed the Interior Committee staff to obtain from the Federal Energy Administration the analyses, data, and assumptions upon which Mr. Zarb's estimates were based. The only information I have received contains a brief breakdown of the "loss" estimates. It does not indicate the rationale for the estimates.

This information does indicate that the vast bulk of the loss estimates are attributed the protection afforded to alluvial valley floors in the West. These estimates are clearly based on erroneous interpretations of provisions of the legislation designed to protect a small but critical area of agricultural lands. For example, on April 29, the Assistant Secretary of the Interior for Energy and Minerals told the conferees that over 97 percent of the agricultural lands in the Powder River Basin consist of undeveloped range land. Such land is expressly excluded from the strict limitations on permit approval.

The fact is that at current production levels, this country has more than 500 years of coal reserves. It is ridiculous to talk about a diminition in production at present prices, much less those anticipated in the future, and it is even more ridiculous, given the massive amount of our coal reserves, to refuse to assume the relocation of mining operations, for example, to areas which can be prudently mined—in estimating the impact of this bill.

The conference report will internalize mining and reclamation costs, which are now being borne by society in the form of ravaged land, polluted water, and other adverse effects of coal surface mining. This can be done without significant losses in coal production.

Mr. President, the modifications made by the conferees go a long way toward meeting the problems cited by President Ford as reasons for his veto of S. 425 last year. I see no reason why the President should not sign H.R. 25 when it reaches his desk.

In this regard, I would remind the Senate and the administration of the pledge I made to the President last December 17, to correct any unanticipated problems which may arise in implementation of the bill during the 2½-year period after its enactment before it comes into full force and effect. I will not be a party to weakening the bill, because of vague fears about possible impacts at some time in the future.

Mr. President, I urge the Senate to approve the conference report today.

Before yielding the floor, Mr. President, I want to pay tribute to the Senator from Montana (Mr. METCALF) who, as chairman of the Subcommittee on Minerals, Materials, and Fuels, has led the Senate's efforts to develop surface coal mining legislation during the last 3 years. His tireless and very effective work in committee, on the Senate floor, and in conference are, I believe, soon to bear fruit in enactment of a firm but fair Federal statute to guide the States in regulating strip mining. The American people, and particularly the citizens of Montana who are probably about to witness a great increase in coal mining in their State, owe him—as well as the Nation owes him—a great debt of gratitude.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. JACKSON. I yield to the Senator.

Mr. ROBERT C. BYRD. Would the Senator mind stating for the benefit of the record what changes from the Senate-passed bill were agreed to in conference?

Mr. JACKSON. I would defer to the distinguished junior Senator from Montana in that regard.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. JACKSON. I yield the floor.

Mr. METCALF. Mr. President, the joint conference report contains a list of the changes from the Senate bill to the House bill.

On page 75, we have an overview of the various changes.

I think that the major changes from the Senate bill to the House bill, which the Senate fought so hard for and which we were tempted to retain was the provision in the Senate bill that there would be unemployment compensation for jobs that were lost as a result of the passage of this bill.

It was the opinion of most of us that there would be no jobs lost in most areas because the bill requires additional jobs for restoration and reclamation, and, of course, provides for reclamation of lands, so that the net result would be more jobs that would be attained.

Nevertheless, the two distinguished Senators from West Virginia argued very eloquently and long on the Senate floor in support of a special provision for jobs for those who might be deprived of employment as a result of this bill.

We tried hard, came back and reconsidered one of the provisions, and lost that matter in conference.

A second major proposition was anthracite mining.

In the Senate bill, we did not have any special exemption for anthracite mining. In the House bill there was an exemption and, very persuasively, the managers on the part of the House suggested that anthracite mining was especially unique in Pennsylvania. It was not a part of the national program or a national problem. Pennsylvania had an outstandingly good stake mining law and we should not interfere with the propositions that were propounded by the Pennsylvania mining law.

So the Senate acquiesced in that and provided that we would have an exemption for anthracite mining.

Those are the two major propositions.

The Senate had language on alluvial valley floors that was adopted as a result of consultation with the Bureau of Mines, and administration, with people who came up here and showed us maps and gave us consideration for alluvial valley floors.

The House had other definitions as a result of the work that was done by Senator JOHNSTON.

We made a compromise on alluvial valley floors that I think takes care of both the proposition we have in the Senate bill and the concerns that the House had as to the result of mining that would destroy pasture lands, crop lands, and agricultural lands on these alluvial valley floors.

We had a provision for consultation with the Corps of Engineers on the reclamation program and the House agreed that the Corps of Engineers should be consulted on this point.

One of the major points of difference was the reclamation. This is discussed on page 76, at the top of page 76 in the report.

It provides that all the coal mining operators would be assessed at a fee on each ton of coal. The House provision provided for a fee of 10 cents a ton on underground mined coal and 35 cents a ton on surface mined coal.

The House differential, of course, was concerned with encouraging underground mined coal, but it was the Senate's view that, of course, we should encourage underground mining rather than surface mining, but the conferees compromised and agreed on 15 cents a ton fee for underground mined coal and we receded on the 5-percent limit on lignite coal.

The whole matter is discussed in the paragraph at the top of page 76.

I discussed alluvial valley floors.

I want to specially call to the attention of the Senate, as I did in my opening comments, the changes that the President recommends. Specifically discussed beginning on page 86, is the relationship of H.R. 25 and President Ford's recommended changes. Those are citizen suits, extreme siltation, abandoned reclamation, and others.

We have some others that are important. We have a reclamation fund. In last year's bill we authorized the use of the fund to assist the private landowners in reclaiming their lands mined in past years. This would have resulted in a windfall gain to those private landowners. We did not adopt the President's recommendation.

We have several lists of other materials where we have not agreed to adopt the administration recommendations. In some of these the House had agreed to the administration provisions and the Senate did not; in others the Senate agreed and the House did not. We withdrew and made it conform to last year's bill.

As I said, there were 27 Presidential recommendations, 8 of which were major, and 19 of which were minor. We considered every single one of them. We adopted some, we compromised on some, we modified some, and we rejected some.

Mr. President, I have summarized some of the provisions of the bill in accordance with the request of the distinguished assistant majority leader. I would like to call the attention of the Senate to these Overview provisions in the report. I ask unanimous consent that the material in Overview beginning on page 75 through 76, and ending at the middle of page 77, be printed in the RECORD as a detailed account of the changes between the Senate and the House bills.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OVERVIEW

Title I sets forth the findings and purposes of the legislation, which were melded by the conferees.

Title II establishes an Office of Surface Mining Reclamation and Enforcement within the Department of the Interior and delineates the duties of its Director. The House bill also contained additional provisions to insure greater independence for the Office within the Department, and prohibited conflicts of interest on the part of employees of the Office. The Senate receded and accepted these provisions with some minor modifications requested by the Department of the Interior.

Title III establishes a grant program to fund mining and mineral resources and research institutes in public colleges and universities. These institutes are to train qualified personnel in mine-related fields, and conduct research related to mining technology. The Senate amendment had less stringent qualification requirements for these institutes than the House bill. The Senate receded.

Title IV of both the House bill and the Senate amendment established a fund and a program for the reclamation of abandoned or "orphan" mined lands, and for the relief of areas that will be impacted by the rapid development of mining.

All coal mining operators are to be assessed a fee on each ton of coal produced for deposit in the reclamation fund. The House bill provided for (1) a fee of 10 percent of the value of the coal or not to exceed 10 cents per ton on underground mined coal and 35 cents per ton on surface mined coal; (2) a 5 percent of value limitation on the fee for lignite; (3) delayed payment of the fee; (4) an adjustment clause tied to the cost of living; and (5) an offset of payments to the fund against payment of state severance taxes. The Senate amendment provided for the same fee for surface mined coal and a 25 cents per ton fee for underground mined coal, but no other comparable provisions. The conferees agreed on a 15 cents per ton fee for underground mined coal, the Senate receded on the 5 percent limitation on lignite and the House receded on its other provisions.

The Senate amendment provided explicitly for consultation with the Corps of Engineers in the reclamation program. The House receded on this point.

With regard to aid to impacted areas, H.R. 25 expanded coverage of the program to all energy resource developments, and not just coal mining. The Senate amendment expanded the program of filling and sealing mine shafts and voids to cover all types of mining but otherwise limited the use of the fund to coal mining impacts. The conferees agreed on the Senate approach with some modifications giving the Governor of each State an opportunity to use the fund for reclamation of lands affected by non-coal mining, but only after all coal mine impacts had been treated.

Title V contains the most critical portions of the two measures: the procedures and the environmental standards for the regulation of coal surface mining and reclamation. These requirements are quite detailed, but although there were a number of minor differences between the House bill and the Senate amendment, there were actually only five major differences.

(1) The House bill contained an outright ban on mining on alluvial valley floors west of the 100th meridian west longitude. The Senate amendment prohibited mining on such alluvial valley floors only when this would have a substantial adverse effect on croplands or haylands significant to the practice of farming or ranching. The House receded from its outright ban, and compromise language was accepted that modified the language in the Senate amendment. This compromise language clarified the intent of the conferees to protect potential as well as ongoing farming and ranching operations.

(2) The House bill required the Corps of Engineers to supervise the disposal of all mine wastes and impoundment construction. The Senate amendment left this responsibility with the Secretary of the Interior. The conferees agreed to a compromise requiring the Corps to approve the basic standards regulating mine waste disposal and review plans but with no responsibility for on-the-ground supervision and enforcement.

(3) The House bill contained a conflict-of-interest provision not in the Senate amendment. The Senate receded.

(4) During the Secretary's review of Federal lands for areas unsuitable for mining, the Senate amendment expressly allows permits to be granted on a case-by-case basis. H.R. 25 did not contain a similar provision. The Senate language is included in the conference report.

(5) The Senate amendment required expedited decisionmaking by the regulatory authority in the case of cessation orders. The House bill did not contain a similar provision. The House receded.

Title VI of the House bill provided a three-option program for the regulation of surface coal mining on lands held in trust for Indian tribes. The Senate amendment contained a section requiring a study to develop, in consultation with the Indian tribes, legislation for surface mining regulation that would recognize the special jurisdictional status of Indian lands. In the interim, however, mining on Indian lands would still be subject to the environmental standards of the bill. The House receded.

Title VII of the House bill and Title VI of the Senate amendment provided for the designation of areas of Federal lands unsuitable for non-coal mining. The conferees adopted the language of the Senate amendment.

Title VIII of the House bill and Title VII of the Senate amendment contain administrative and miscellaneous provisions.

The Senate amendment contained two provisions designed to cushion adverse employment impacts that might result from the implementation of the Act. The House bill contained neither provision. Both were opposed by the Administration. The Senate receded in both instances.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Montana (Mr. METCALF) for clarifying the changes which resulted in the conference, which were originally in one or the other of the Senate and House-passed bills. I believe his explanation makes a very clear outline of the changes from the Senate-passed bill that resulted in conference. I appreciate his inclusion in the RECORD the statement from the committee report outlining in detail those changes.

Mr. FANNIN. Mr. President, I want to pay tribute to the distinguished Senator from Montana for his splendid leadership in the handling of the legislation that we now have under consideration, to the chairman of our committee for the courtesies extended to the minority members, and the manner in which this legislation was handled with the House Members. As usual, the manager of the bill was very fair and equitable.

Mr. President, the committee report was just made available a couple of hours ago, and I would like to in a moment comment on this legislation.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FANNIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. FORD). Without objection, it is so ordered.

Mr. FANNIN. Mr. President, for some years now, I have been attempting to alert my colleagues in the Congress to the energy problems which have escalated on an ever increasing scale. The actions which we in the Congress take have a great impact on the ability of this Nation to confront and win the battle for energy sufficiency. The topic of surface mining for coal has been a very emotional issue with memories of a desecrated Appalachia haunting the words spoken on this floor. That memory has been used by environmentalists and conservationists to prevent surface mining for coal in as many possible areas of this country as possible, even if reclamation could be achieved.

We all abhor the desecration which Appalachia and other areas suffered in the early thirties and forties, but we must remember the public has demanded and the public has gotten laws, State laws, which regulate strip mining. Since 1970, 25 States have updated and enacted more stringent reclamation laws. I applaud these efforts and the public concern and attention which spurred the States into action, but it has also been the impetus behind this national effort to get Federal regulation of surface mining. It seems to me the public which demanded the States to act, have accomplished their goal and demanding now that the Federal Government preempt all of these newly enacted State laws, is overkill and in fact, frustrates their earlier efforts.

There is an important factor which is often overlooked in discussion on this topic. The mining companies have changed since the days of wanton degradation. They recognize that reclamation is an intricate part of the entire mining operation and that the consumers of coal bear the burden of additional cost as the price of this reclamation. They know they can no longer get away with scarring the earth and leaving it in an unusable condition. We have come a long way since the 1930's and 1940's both in technology and in our attitude toward strip mining.

H.R. 25, which is basically the same bill which President Ford vetoed in December of last year, still has grave problems which were not resolved in conference. Basically, the thrust of these problems can be stated in very simple terms. Can our Nation afford at this time the loss in current coal production? Both the Democratic leadership and the President have called upon the coal industry to more than double coal production by 1985—yet the conference committee has adopted a bill which, if strictly interpreted, could lead to a loss of 40 to 162 million tons of annual coal production. Can we afford any loss of production?

Mr. President, what does this statistic mean? It means that up to 27 percent of all annual coal production could be lost and in terms of strip mining production alone, it represents a 14 to 54 percent loss of all strip mining production. Mr. President, can this country afford the loss of a potential 54 percent of the stripped coal which we produced last year if we are to achieve the goal of both political parties of energy self-sufficiency?

Mr. President, this bill deals not only with current lost coal production, but also with coal reserves which represent the potential coal available to expand current production. This bill, according to the administration, could lead to a lockup of this energy resource in the magnitude of 8 to 52 percent of the total strippable reserves in the United States. Is there any logic which can compel us to take such drastic action? There is no foreign enemy nor foreign power forcing us to deny ourselves this domestic energy resource, so why are we hellbent on doing this to ourselves.

Mr. President, I think I have the answer. I think the American people are not yet aware of the significance of this piece of legislation we are dealing with today. American consumers, are you aware that you will have less electricity in the future because coal fired powerplants will not be built because there is not a sufficient supply of coal to turn those turbines? Workers, are you aware that your jobs are threatened because the energy necessary to run your plant or your office building or your tools could be diminished by this bill? Taxpayers, are you aware that this Nation will have to make up this lost coal production by importing costly foreign crude oil—that if this legislation were to result in even one-half of the projected loss—the loss of only 50 million tons of coal per year, an energy equivalent of 215 million barrels of oil would have to be imported at a cost of $2.3 billion which will go abroad. Every dollar which we spend abroad are jobs which we do not keep at home. Taxpayers, do you realize that the cost of coal, because of this bill, will have a tax ranging from $30 to $204 million in reclamation costs and $100 to $160 million for Federal and State government activities to carry out the requirements of this act?

Mr. and Mrs. America, I know that if you knew these facts, you would make your views known to your elected representatives. I know that you would urge them to vote against such a costly measure when on balance, State laws are adequate to protect us against the desecration of our precious land.

Mr. President, I predict that the voice of America will be heard if this bill becomes law and a shamed Congress will be forced to repeal or significantly alter this law. I urge my colleagues not to make this mistake now. I urge my colleagues to vote against this conference report and I urge the President to renew his objections by vetoing this measure should it reach his desk. This bill is the very antithesis of our announced policy to increase coal supplies. Because it is, in essence, a ban on strip mining.

Mr. President, in order to clarify the intent on page 81 of the conference report, I ask the distinguished Senator from Montana, the manager of the bill, to respond. Section 515(b)(1), maximization of coal utilization and conservation, reads:

> It is the intent of the conferees in this subsection that coal will be mined in such a manner to assure maximum recovery of the resource during the course of any given mining operation.

I think the following wording is misleading. Perhaps the distinguished manager of the bill can clarify it.

> It is also their intent, that any surface mining operation be conducted so that it will not preclude future underground mining operations on that site.

Will the distinguished manager of the bill comment on that?

Mr. METCALF. Mr. President, this is substantially House language. It was the intent, I think, of a majority of the Senate and a majority of the House that this bill would encourage underground mining and would not do anything to discourage underground mining. Therefore, this language was written in.

On the other hand, it is not the intention of the conferees; and I am sure that as a result, as the Senator from Arizona and I both recall the discussion, there could be and should be surface mining of many areas that subsequently can be mined by underground mining methods.

We want to provide that future underground mining operations not absolutely be destroyed but that certainly the initial surface mining operations could be mined where there were one or two seams at different levels that could be mined only by underground methods.

So I think that the word "preclude" is rather unfortunate in there. We want to permit future underground mining operations, but we want to encourage initial surface mining operations also.

Mr. FANNIN. I thank the distinguished Senator from Montana. I am sure it was the intent that we not want to prohibit surface mining. We wanted to encourage all mining in any manner so that we can get the greatest amount of coal, that means to do the work by both means and not preclude either type of mining.

Mr. METCALF. And to be sure that the coal that could be recovered by surface mining methods would include coal that could be recovered by subsequent underground mining.

Mr. FANNIN. I thank the distinguished Senator.

Mr. President, the joint conference report states, on page 79, that the Department of Interior informed the conferees that 97.3 percent of the total agricultural land in the Powder River basin, for example, is presently undeveloped range land. The report says that undeveloped range land is expressly excluded from the alluvial valley prohibition in section 510(b)(5).

The report fails to really point out that section 510(b)(5) also applies to potential farming or ranching operations. Thus, even though the rangeland is presently undeveloped, there is no way to determine how much of it is potential farm land and range land which could be precluded from the surface mining of coal. Perhaps even more important is the fact that the Department of Interior stated in its letter that unless the language in section 510(b)(5) is clarified so that the prohibition excludes flood plain deposits of tributary streams, the estimate of the loss by the geological survey would be 55 billion tons of surface minable reserves and that from 32.5 to 66 billion tons of potential loss from the reserve base could be affected.

My question, in addition, is whether this situation is true for all of the lands west of the 100th meridian in just the Powder River basin.

At this critical time, we cannot enact legislation that is so ambiguous that it could permit interpretation which could wipe out so much of our potential coal reserves and production. The administration has consistently stressed ambiguities existing in this legislation and attempted in this particular area, as well as others, to clarify what the real intent of the bill was. However, the conferees rejected the recommended language and we are now left again with provisions which have the potential of precluding much of our coal resource base.

Mr. President, I ask unanimous consent to have inserted in the RECORD at this point, the correspondence addressing these issues, that came from the administration.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

FEDERAL ENERGY ADMINISTRATION,
Washington, D.C., April 22, 1975.

Hon. MORRIS UDALL,
Chairman of the Conference Committee, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: As you recall, on February 6, 1975, the President transmitted to the Congress a proposed surface mining bill which would (a) strike a balance between our objectives of improving environmental quality and other national objectives including increased energy independence and a strong economy, and (b) build upon the bill from the last Congress but avoid problems which made that bill unacceptable.

I am pleased that some of the changes from last year's bill that the President recommended have been adopted by one or both Houses and are now being considered by the Conference Committee. However, I am writing to emphasize anew the Administration's considerable concern with some provisions of the pending surface mining legislation, S. 7 and H.R. 25, the differing versions of which are now being considered by the Conference Committee.

The Administration favors action to protect the environment and reclaim land disturbed by surface mining of coal and to prevent abuses that have accompanied such surface mining in the past. But surface mining legislation also involves other fundamental national objectives and issues including (a) energy independence, (b) outflow of dollars to other nations, (c) unemployment, and (d) higher consumer costs, particularly for electricity.

I urge the Conferees weigh carefully the developments affecting these important issues that have occurred since the Congress began considering this legislation.

(1) Energy Requirements. Increased domestic coal production is one of the major steps this country can take to stem its growing dependence on foreign oil. The President's program called for doubling coal production to 1.2 billion tons by 1985. The energy plan advanced by the Congressional Democratic leadership calls for 1985 production of 1.37 billion tons. The Conference should not adopt a bill that is inconsistent with those goals.

Interior and FEA estimate that the Senate-passed bill (S. 7) would reduce expected coal production by 40 to 162 million tons (5 to 22%) in the first full year of its application; and that the House-passed bill (H.R. 25) would reduce production by 62–162 million tons (8 to 22%). These estimates do not include potential delays from litigation or stringent interpretation of ambiguous provisions of the bill.

Each ton of coal is equivalent in energy value to roughly 4.3 barrels of oil. If the legislation were to result in loss of only 50 million tons of coal per year, an energy equivalent of 215 million barrels of oil would have to be obtained primarily from imported oil. These additional imports will increase dollar outflows by more than $2.3 billion and cost more than 10,000 jobs.

2. *Inflationary Impact.* Consumers have already been subjected to higher costs because of our heavy reliance on expensive foreign oil. If domestic coal, which is used primarily in producing electricity, must be replaced by foreign oil, consumer costs will be forced even higher. In addition, consumer prices or taxes would reflect the added cost of $130 to $204 million in taxes on coal, $171 million in increased coal production and reclamation costs, and $100 to $160 million for Federal and State government activities to carry out requirements of the bills.

Unnecessary burdens of the legislation will fall most heavily on small mining operations and may put many out of business. This runs the risk of lessening competition in the coal industry and could contribute to higher prices.

3. *Unemployment.* As indicated above, greater outflow of dollars means loss of jobs in the United States. In addition, Interior and FEA estimate that jobs lost as a result of legislation would range from 9,000 to 36,000 in the case of the Senate bill and 14,000 to 36,000 in the case of the House bill. These employment losses would hit hard in those areas such as Appalachia that have been struggling to improve their economic conditions. It is true that some jobs would be created by the requirements to reclaim areas abandoned in the past but this would involve dislocation of employees and fewer job gains than losses.

4. *Locking up domestic coal.* In addition to near term reduction in expected coal production, Interior and FEA have estimated that the Senate-passed bill has the potential of preventing mining of 12 to 72 billion tons of coal and the House-passed bill from 33 to 72 billion tons. These amounts constitute 9 to 53% of the total 137 billion tons of coal in the Nation's demonstrated reserve base which are potentially mineable by surface methods.

I urge the Conferees to take these developments into account and to report a bill which achieves a balance among our national objectives. I would also remind the Conferees that substantial progress has been made by leading coal mining states in developing effective controls to reduce adverse effects of surface mining.

I call your attention particularly to the need to:

Modify citizen suit provisions to avoid unnecessary and unacceptable production delays or curtailments.

Change hydrologic disturbance provisions to avoid requirements which would be impossible to meet, are unnecessary to provide reasonable environmental protection, or which would preclude most mining activities.

Reduce the excise tax on coal to 10 cents per ton because this amount would be adequate to support a fund for reclamation of abandoned surface mined lands.

Remove the special unemployment provisions which would result in unfairly discriminating among classes of unemployed persons, would set undesirable precedents, and are inconsistent with unemployment program modifications signed into law on December 31, 1974.

Make clear that State laws and regulations do not cover Federal coal lands.

Avoid requirements that preclude mining in alluvial valley floors which could lock up surface mineable coal reserves.

Avoid setting new precedents with respect to water rights.

Permit surface mining on national forest lands when this is found to be in the national interest.

Administration officials stand ready to work with you to discuss these and other changes, with the objective of developing legislation that is in the public interest. If ever there was a time during which the nation faced the necessity of balancing its environmental and energy priorities, it is now.

Sincerely,

FRANK G. ZARB,
Administrator.

[From the U.S. Department of the Interior, Bureau of Mines, Apr. 22, 175]

MEMORANDUM

To: Staff Assistant for Congressional Affairs.
From: Director, Bureau of Mines.
Subject: Alluvial Valley Floor Provision of Surface Mining Legislation.

This responds to your request for a detailed explanation of production loss estimates attributable to the subject provision.

Recent figures collected on 1974 surface mined production west of the one hundredth meridian west longitude show that their production was 63 million tons. Of this 63 million tons approximately 45 million tons were judged to be located on valley floors as described in the language of 510(b)(5). This was done on a mine-by-mine analysis. This is 72 percent of the total strip production in the West in 1974. Projected production in this area for the first full year of implementation (1977–1978) is approximately 90 million tons. If the same percentage factor used for 1974 production is applied to the projected production for 1977–1978, the possible loss could be 66 million tons (72 percent of 90 million tons). This loss is considered to be the maximum possible loss if the language in 510(b)(5) is interpreted in its most rigid sense, that is, abolition of mining.

The possible minimum loss figure of 22 million tons attributable to the conference language of subsection 510(b)(5), was determined by examination of three key unknown factors in the present language: (1) the amount that is now under intensive agriculture usage (including farming and hay-meadows) is not clearly known; (2) the amount of undeveloped rangelands is not exactly known; and (3) potential farming and ranching areas as defined in the language could be limited (or extensive) but cannot be clearly determined. Based on assessment of these factors in a limited time for analysis and based on best professional judgment of the mining activities in areas of current and potential operations as described by the conference language, we estimate that approximately one third (22 million tons) of the maximum production loss could be considered a *minimum* for the first full year of implementation under a very loose interpretation. In other words, it would appear that the conference language is somewhere between the House and the Senate language for purposes of determining the *minimum* production impact.

From an engineering viewpoint there is still contained within this language many ambiguous or difficult-to-determine terms such as "significant," "substantial," and "potential," and it is impossible to develop a precise minimum figure. The new language, however, does not seem to change the possible maximum loss.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., April 29, 1975.

Hon. JOHN MELCHER,
House of Representatives,
Washington, D.C.

DEAR MR. MELCHER: This letter is in response to your telephone call on Friday morning making an inquiry regarding the percentage of undeveloped range land to the entire expanse of the Powder River Basin and the estimated number of tons of coal contained therein that could be mined by surface mining methods.

Here again, the precise boundaries of the Powder River Basin are hard to define. However, it is estimated by the State Office of the Bureau of Land Management in Cheyenne, Wyoming, that undeveloped range lands represent approximately 97.3% of the total agricultural land in the Basin. This estimate is based on detailed study of a two-county area and projected to the 12-county area in Wyoming and your State of Montana generally recognized as making up the Powder River Basin.

In the short time period that was available to us, we cannot reliably estimate the tons of coal that could be mined by surface mining operations within this portion of the Powder River Basin. We will have that information as soon as possible.

In terms of the impacts of the alluvial valley floor provisions of S. 7 on surface mining on the Powder River Basin, it is my understanding that the Geological Survey and Bureau of Mines have remaining difficulties in correlating their estimate with estimates reached by the Committee staff and other persons who have counseled with the Committee. These difficulties relate to whether the definition in Section 701 excludes the flood plains of tributaries to the main stem of a stream in question as well as colluvial deposits. If the words, "excluding flood plain deposits of tributary streams" were added after the word "deposits" in Section 701(27), the estimate of the Geological Survey would be 1.7 billion tons, which is approximately 3% of the strippable coal in the Powder River Basin, that could be excluded from the total reserve of 55 billion tons. More precise figures are impossible to attain, given the scientifically imprecise present wording of the proposed legislation.

Regarding the impacts of S. 7 on alluvial valley floors west of the 100th meridian, the Bureau of Mines feels that their original estimate, ranging from 32.5 to 66 billion tons potential loss from the strippable coal reserve base attributable to the alluvial valley floor provision of this bill is still valid for the area west of the 100th meridian. Although the loss estimate reached by the Committee staff is interpreted to be five percent of the Powder River Basin, the Bureau of Mines feels that a significant change in the wording of this provision and of the definition of alluvial valley in Section 701(27) would be necessary before they could estimate losses approaching those indicated by the Committee staff. If the words "excluding flood plain deposits of tributary streams" were added after the word "deposit" in Section 701(27) and if reference to potential farming and ranching in Section 510(b)(5) were eliminated, the loss range might approach that estimated by the Committee staff although from an engineering viewpoint, the ambiguous or difficult-to-define language such as "significant," "substantial," and "potential," make it impossible to develop a precise minimum figure.

The assessment above represents the professional analysis of the Geological Survey, Bureau of Mines, and Federal Energy Administration. They also concur in the content of this letter.

Sincerely yours,

JACK W. CARLSON,
Assistant Secretary of the Interior.

SENATOR RANDOLPH SUPPORTS SENATE APPROVAL OF CONFERENCE REPORT ON SURFACE MINING CONTROL AND RECLAMATION ACT OF 1975

Mr. RANDOLPH. Mr. President, for over 5 years the Congress has worked diligently to provide a definitive national policy governing surface mining of coal and the reclamation of the resultant disturbed lands. Principal concern has been for establishment of an equitable balance between national requirements for the production of coal to satisfy our country's energy demands and for the protection of environmental quality.

In my judgment—as enunciated when supporting legislation last year—we must not delay further. We must provide certainty for this industry's future.

The conferees on the Surface Mining Control and Reclamation Act of 1975 have provided an equitable balance between the economic and environmental concerns affecting the production of coal by surface mining. The issues raised by the President last year—when he pocket-vetoed similar legislation—have been addressed by the Congress and resolved. Exercising its constitutional role the Congress has formulated a policy which accommodates the various national interests involved.

Although I was disturbed by the President's veto of this legislation last year, I know that he was well intentioned. This legislation reflects the President's concerns.

The conference report under consideration today represents a reasoned approach to this national environmental and energy problem predicted on implementation by realistic Government officials. While there will be increased costs associated with its implementation, they are legitimate costs associated with an environmentally sound policy. The impact of the Surface Mining Control and Reclamation Act of 1975 is phased over several years so that the full costs will not be reflected in the marketplace for over 3 years.

Further delay on enactment of a national policy governing surface mining reclamation would be contrary to the public interest by prolonging present uncertainties. Our country is faced with a long-term energy crisis which can only be effectively resolved if we provide definitive long-term energy and fuels policies. Such a policy is provided in the conference report.

Ample opportunity is provided for States to review their programs to assure consistency with the Federal requirements. A 6-month overlap is provided by the establishment of the Federal permit program and the requirement for a valid operating permit 36 months after enactment. During this period existing State permits will remain valid. A continuity is thus provided to current surface mining operations. This was a principal concern of the operators who expressed concern.

On April 23, I wrote the conferees endorsing this approach as an effective mechanism for achievement of the purposes of the act while also minimizing any economic dislocations or adverse effects on employment which may result.

I ask unanimous consent that my letter to Representative MORRIS UDALL, chairman of the House-Senate conference, be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON PUBLIC WORKS,
Washington, D.C., April 23, 1975.

Hon. MORRIS K. UDALL,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE UDALL: As Chairman of the House-Senate Conference for the Surface Mining Control and Reclamation Act of 1975, I would like to call to your attention three issues of particular concern to me.

First, I understand the conferees propose a phasing in of the Federal permit program to reflect existing State requirements. This is accomplished by allowing six months after establishment of the Federal program for surface mining operations to obtain a valid permit. During this period existing State permits shall remain in effect with the Federal program being fully implemented 36 months after enactment. In my judgment this approach will provide an effective mechanism for achievement of the purposes of the Act while minimizing any economic dislocations or adverse effects on employment which may result.

Second, the Senate measure was amended to add Paragraph 405(a)(10) which: (1) instructs the Secretary of the Interior to utilize the data and information developed in the National Strip Mine Study conducted by the Corps of Engineers pursuant to Section 233 of the Flood Control Act of 1970, and (2) permits the Secretary to use the services of the Corps of Engineers in conducting, operating or managing reclamation facilities or projects. I offered this amendment in recognition of the expertise of the Corps of Engineers on the magnitude of strip mining activities in the United States and their adverse impacts on the navigable waterways and on Federal water resources projects. On this basis the Corps is a logical agent of the Secretary of the Interior for conducting reclamation programs. Therefore, I urge you to incorporate Section 405(a)(10) or similar language in the conference agreement.

The third issue that I request you consider is the matter of the Corps' responsibility for regulatory and enforcement functions relating to surface disposal of mine waste materials. Paragraph 515(b)(13) of H.R. 25 assigns to the Corps of Engineers the responsibility for regulating the design, construction, operation, maintenance, and abandonment of mine waste embankments, refuse piles and other facilities for surface disposal of mine wastes. The Senate version assigns this responsibility to the Secretary of the Interior as part of the overall responsibility for insuring that Federal and State programs for regulating surface coal mining operations meet all applicable performance standards of the Act. In my judgment, this approach will create a fracturing of Federal regulatory functions, moreover, it does not reflect existing Corps of Engineers functions and capabilities. In addition, the Act makes no provision for allocation of fiscal or manpower resources to the Corps to carry out these functions. For these reasons I urge you to limit the Corps involvement in the regulatory program to providing technical guidance and assistance to the Secretary of the Interior for the purpose of developing standards and criteria that can be incorporated into State and Federal regulatory programs. (Draft amendments which would effect such a compromise are enclosed.)

Your favorable consideration of these suggestions will be genuinely appreciated.

With best regards, I am,

Truly,

JENNINGS RANDOLPH,
Chairman.

Enclosures.

AMENDMENTS TO SECTION 503, H.R. 25

(b)(1) add, after "the Secretary of Agriculture,": "the Secretary of the Army,".

(2) add after "(42 U.S.C. 1857)": "and of the Secretary of the Army wih respect to those aspects of a State program which relate to the regulation and inspection of coal mine waste embankments, dams, and refuse piles used for the disposal of mine wastes, tailings, coal processing wastes, or other liquid and solid wastes, produced in coal mining operations.".

AMENDMENTS TO SECTION 515, H.R. 25

(b)(13) design, locate, construct, operate, maintain, enlarge, modify and remove or abandon all existing and new coal mine waste embankments, dams and refuse piles used for surface disposal of mine wastes, tailing, coal processing wastes, or other liquid and solid wastes in accordance with the standards developed pursuant to subsection (e) of this section.

(e) Each State program and each Federal program shall incorporate standards and criteria developed by the Secretary of the Army, acting through the Chief of Engineers, to regulate the design, location, construction, operation, maintenance, enlargement, modification and removal or abandonment of all existing and new coal mine waste embankments, dams and refuse piles used for surface disposal of mine wastes, tailings, coal processing wastes or other liquid and solid wastes produced in coal mining operations. In developing these standards and criteria the Secretary of the Army, acting through the Chief of Engineers, will consider the public safety in the same manner as in the development of standards and criteria for dams and other structures in the public works programs. In addition to engineering and other technical specifications the standards and criteria developed pursuant to this subsection must include provisions for: review and approval of plans and specifications prior to construction, enlargement, modification, removal or abandonment; performance of periodic inspections during construction; issuance of certificates of approval upon completion of construction; performance of periodic safety inspections; and issuance of notices for required remedial or maintenance work.

Mr. RANDOLPH. Mr. President, as expressed in my earlier remarks on this legislation, I am concerned that this national program adequately utilize the expertise of the Corps of Engineers while also centralizing the Federal regulatory program in a single agency—the Department of the Interior. In my judgment, this has been accomplished by requiring the Secretary of the Interior to consult with the Corps of Engineers in the formulation of standards regulating mine waste disposal and reclamation.

In recognition of the corps' expertise regarding mine waste impoundments the conferees adopted language giving the Corps of Engineers a major role in determining such standards. While authority for the issuance of regulations and the inspection of impoundments rests with the Secretary of the Interior, the actual regulations are to be developed by the Corps of Engineers.

The corps' expertise stems from the national strip (surface) mine study conducted pursuant to section 233 of the Flood Control Act of 1970. This survey followed the disastrous failure of mine waste impoundments on Buffalo Creek in West Virginia. By applying this experience similar accidents can be prevented in the future.

The Corps of Engineers will perform a major role in assuring that mine waste impoundments for the disposal of liquid or solid waste materials from coal mines are constructed so as to safeguard the public health and welfare of downstream populations.

Other concerns affecting surface mine operations in our State of West Virginia also have been resolved by the conferees. The conference report makes it clear that surface mining is prohibited within the boundaries of national forests, "subject to valid existing rights." While this is not intended to preclude surface coal mining on private inholdings within the national forests, it is intended to make clear that the prohibition of surface mining in the national forest is subject to previous State court interpretation of valid existing rights. As pointed out in the conference report—

> . . . in West Virginia's Monongahela National Forest, strip mining of privately owned coal underlying federally owned surface has been prohibited as a result of *U.S.* v. *Polino* (133 F.S. 722, 1955). In this case the court held that "stripping was not authorized by mineral reservation in a deed executed before the practice was adopted in the county where the land lies, unless the contract expressly grants stripping rights by use of direct or clearly equivalent words. The party claiming such rights must show usage of must show that such rights were contemplated by the parties." The phrase "subject to valid existing rights" is thus in no way intended to open up national forest lands to strip mining where previous legal precedents have prohibited stripping.

Another principal concern for West Virginia as well as Appalachia is the assurance of environmentally sound steep slope mining operations. The conference report allows disposal of spoil from the initial cut of such operations to be placed on limited and specified areas of the down-slope under certain restricted conditions. This provision is applicable only to new mines. In addition, it is restricted to the first block or short linear cut necessary to provide initial access to the coal seam. The burden of proof is on the permittee to demonstrate that the soil or spoil material is stable. This provision will enable environmentally sound mining of coal on steep slopes.

The conferees have labored to produce a comprehensive and definitive national policy governing surface mining control and reclamation, which recognizes the differences between east and west operations. In my judgment, we should approve the conference report.

Mr. METCALF. Mr. President, I have no further requests for time.

I move that the conference report be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

Mr. HATFIELD. Mr. President, I ask unanimous consent that a statement by the Senator from Wyoming (Mr. HANSEN) on the conference report be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR HANSEN

Although I have strong reservations about certain sections of the Surface Mining Bill, H.R. 25, I signed the conference report because I feel many of the reclamation provisions are necessary to protect our environment and I feel it accomplishes goals all of us think are important. Throughout the consideration of this legislation it has been my desire to pass legislation which would protect our Nation's environment and still allow for recovery of the resource in a balanced manner. My three paramount objectives have not changed: First, to require reclamation of the mined lands; second, to treat the surface owners fairly; and third, to allow our Nation to use its abundant supply of coal.

Probably the most important achievement of this legislation is that it requires proof that the land can be reclaimed before it can be mined. This requirement satisfies my first objective. In order to reclaim orphan lands, which are products of past mining operations that have never been reclaimed, this legislation establishes a mine reclamation fund. This fund will be financed by industry through taxation of every ton mined. Another part of the fund will be used for an even more urgent problem—the filling of voids and sealing of tunnels. This filling will prevent subsidence and underground coal fires, which result when some coal is removed and the remaining coal is exposed to oxygen. In Rock Springs, Wyoming, as well as in communities in Appalachia residents know first hand the attendant dangers of subsidence and fires, which can cause cracking foundations, broken water, sewer and gas lines, explosions and death. I am particularly pleased this legislation will alleviate many of these dangers.

I am also pleased that the Metcalf-Hansen amendment, which provides that States can enact more stringent land use and environmental controls, and regulations of surface mining and reclamation operations than are required by the Federal minimum standard, has been included. States should have the right to enact standards more tailored to their individual needs if these states are being called upon to produce energy for the rest of the Nation. Even though in some instances I think the standards are spelled out too specifically to accommodate the needs of various States where topography and climate differ radically, this bill will insure application of standards and will prevent an unfair competitive advantage, which might arise if one State's standards are much more lenient than another's.

This legislation will also perform a necessary function to residential communities which overlie Federal mineral estates or are adjacent to Federal lands where mining operations would have an adverse impact on lands used primarily for residential or related purposes. Two communities which are confronted with this problem are Story, Wyoming and Tucson, Arizona. Title VI of the legislation authorizes the Secretary of Interior, if requested by the Governor, to review Federal lands within the States to assess whether an area may be designated as unsuitable for mining operations for minerals or materials other than coal. Areas may be found unsuitable if mining operations would have an adverse impact on lands used primarily for residential or related purposes.

In view of the positive contributions I feel this legislation can make, I am disappointed to say I do not think my second objective has been met. Although I feel the legislation clearly establishes the right of the surface owner to grant or to withhold consent to surface mine the Federal coal under his surface, I do not feel farmers and ranchers who choose to give their consent will be fairly compensated under the language. It is my feeling bona fide farmers and ranchers who choose not to have their lands mined should have the right to withhold their consent.

Many of these people have put in one lifetime, or maybe two or three lifetimes, of effort into their ranching operations, and I do not think it is unfair to insure they will have the right to withhold their consent. However, farmers and ranchers who choose to give their consent should be fairly compensated. There is no better way to insure that these lands will remain in the ownership of agricultural producers and that they will be restored and retained for agricultural production after mining than to not restrict the amount of compensation a surface owner can receive in exchange for his consent to lease his land for mining operations.

It is my feeling that all formula compensation restrictions, which are now in the bill, should be removed to allow the surface owner to enter into negotiations which will result in a fair deal to him. It was to this end that I introduced in both sessions of Congress in which this bill was considered, an amendment both in Committee and on the floor, to remove this restriction.

It is my fear that this restriction will too strictly limit what a surface owner can receive for the disruption of mining activities on his surface and will induce surface owners to sell their land in order to receive adequate compensation for the disruption mining activities will cause. This could negate the worthwhile objective that we have recognized—to encourage that these lands be restored and retained for agricultural production after mining.

With this major flaw in the bill I suspect we will be returning in a year or two to reexamine this legislation and to see what needs to be changed in order to persuade the typical rancher in the West, who owns only the surface over Federal coal, to give his consent to surface mining the coal under his land. I suspect this may be another one of those times we must learn the hard way.

INCREASED AUTHORIZATION FOR THE COUNCIL ON WAGE AND PRICE STABILITY

The PRESIDING OFFICER (Mr. FORD). Under the previous order, the Senate will now proceed to the consideration of S. 409, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 409) to amend the Council on Wage and Price Stability Act to confer addi-

tional authority on the Council with respect to the prices of commodities and services, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Banking, Housing and Urban Affairs, with an amendment to strike out all after the enacting clause and insert:

That the Council on Wage and Price Stability Act is amended by striking out sections 6 and 7 and inserting in lieu thereof the following:

"SEC. 6. There are hereby authorized to be appropriated to carry out the purposes of this Act not to exceed $1,000,000 for the fiscal year ending June 30, 1975, not to exceed $1,600,000 for the fiscal year ending June 30, 1976, not to exceed $400,000 for the three-month period ending September 30, 1976, and not to exceed $2,000,000 for the fiscal year ending September 30, 1977.

"SEC. 7. The authority granted by this Act terminates on September 30, 1977.".

Mr. FANNIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 10:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in recess until the hour of 10:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the orders for the recognition of Senators tomorrow, there be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF S. 409 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of routine morning business tomorrow, the Senate resume consideration of the pending measure, S. 409, increased authorization for the Council on Wage and Price Stability.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

INCREASED AUTHORIZATION FOR THE COUNCIL ON WAGE AND PRICE STABILITY

The Senate continued with the consideration of the bill (S. 409) to amend the Council on Wage and Price Stability Act to confer additional authority on the Council with respect to the prices of commodities and services, and for other purposes.

Mr. PROXMIRE. Mr. President, last summer Congress established the Council on Wage and Price Stability. The Council was established to monitor wage and price developments in the private economy, to review the inflationary impact of Government programs and actions, and to recommend measures for containing inflation. S. 409 would extend the expiration date of the Council from August 15, 1975 to September 30, 1977, and would authorize the appropriation of $1.6 million for the Council's activities for fiscal year 1976, $400,000 for the transition quarter from July 1, 1976 to September 30, 1976 and $2 million for fiscal year ending September 30, 1977.

In recent months, per annum inflation has subsided somewhat from the double-digit rates which were experienced last year. But nearly all observers agree that many economic sectors remain plagued by powerful inflationary pressures and forces. Nearly all agree also that the Council has done a good job and will continue to make a substantial contribution to the containment of inflation if the duration of its authority is extended and its budget increased modestly.

Your committee received testimony from witnesses representing manufacturing, merchandising, agriculture, organized labor, retired persons, and the academic community. These witnesses overwhelmingly supported extending the life of the Council and modestly increasing its budget authorization. The administration was represented by Dr. Albert Rees, the Director of the Council. He too supported these provisions. As reported, the bill is supported by the administration.

This was a bill which had a great deal of attention earlier in the year when many people felt we should have wage-price controls across the board. As originally introduced, the bill would have done that much, but it would have been kind of a compromise.

As originally introduced on January 27, 1975, S. 409 also would have increased the Council's powers by permitting it to issue subpenas to obtain records and information, to require prenotification of wage and price increases by large firms and large unions, firms that sold more than $250 million a year and unions with 5,000 or more members. It would have permitted the agency to delay any wage and price increase for up to 60 days.

In addition, as introduced, the bill required the Council to regulate the prices of "old" and "new" oil. With inflation subsiding there was insufficient support among committee members for these provisions and it was agreed that at the present time the committee should report a revised version of S. 409 simply extending the Council's life to September 30, 1977, and modestly increasing its budget authorization.

I should point out that any more vigorous proposal in the bill was opposed by both organized labor and by the business community. It should be recognized, however, that events move swiftly and that inflation which now appears to be contained can break out again, and more virulent than ever. If this should threaten, I would not hesitate to ask for prompt reconsideration of expanding the Council's authority along lines specified in the original version of S. 409.

QUORUM CALL

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Remarks made by Mr. PROXMIRE at this point are printed in today's RECORD under Statements on Introduced Bills and Joint Resolutions.)

ORDER FOR CONSIDERATION OF S. 200

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of S. 409, the Senate proceed to the consideration of S. 200, Consumer Protection Act of 1975.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 2:45 P.M.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess until the hour of 2:45 p.m. today.

The motion was agreed to, and at 1:47 p.m., the Senate recessed until 2:45 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. GRIFFIN).

INCREASED AUTHORIZATION FOR THE COUNCIL ON WAGE AND PRICE STABILITY

The Senate continued with the consideration of the bill (S. 409) to amend the Council on Wage and Price Stability Act to confer additional authority on the Council with respect to the prices of commodities and services, and for other purposes.

Mr. GARN. Mr. President, Senator TOWER, who is not able to be here this afternoon, is the ranking minority member of the Committee on Banking, Housing and Urban Affairs. He concurs in the views I am about to express on S. 409.

Mr. President, the Council on Wage and Price Stability was established in August 1974 for the purpose of monitoring inflationary developments in our economy. The bill which we have under consideration today, S. 409, would extend the Council's life to September 30, 1977, and authorize the appropriations of $1.6 million for fiscal year 1976, $400,000 for the transition period July 1, 1976 to September 30, 1976, and $2 million for fiscal year 1977.

The Council was established last August amid serious misgivings. Only 3 months earlier, Congress had terminated the Cost of Living Council and the disastrous economic stabilization program under which the economy had been operating since August 1971. The establishment of the Council on Wage and Price Stability within several months of the termination of the Cost of Living Council's authority undoubtedly raised serious concerns that the country was back on the return track to a system of mandatory economic controls.

It is easy to understand why the establishment of the Council on Wage and Price Stability was viewed with concern, particularly in view of the disastrous effect which mandatory controls had on the Nation's economy. They produced shortages, dislocations in production, inequities to producers and consumers alike, and they contributed to our inflation problem by resulting in a rapid acceleration in wages and prices following their removal. That only compounded the inflation which we were experiencing from other sources. We are still feeling the effects of mandatory economic controls today, and we undoubtedly will continue to do so for some time to come. It would be difficult to find anyone who feels that the economic controls imposed under the earlier economic stabilization program were beneficial.

Against the background of continued inflation and concerns over the harmful effects of mandatory controls, President Ford requested the establishment of the Council in his first address to the Congress. He sought it in a spirit of seeking congressional support and cooperation in the battle against inflation.

At the time, overall prices in the economy were increasing in the range of 10 to 30 percent, depending on which measure of prices was being used. At the same time, wages were accelerating sharply as wage earners were attempting to keep up with rising prices. Nevertheless, Congress wisely demanded that if such a Council were to be established, it should not have any authority to impose or reimpose mandatory controls on prices, rents, wages, salaries, dividends or any other transfers. It was perfectly clear that the Council on Wage and Price Stability was not to become another Cost of Living Council under a new name.

This did not mean, of course, that the Council did not have authority to monitor the economy and identify sources of inflationary pressures. The Council was specifically authorized to review such factors as industrial capacity, demand, supply, economic concentration, anticompetitive practices, the structure of collective bargaining, improvement of wage and price data bases, and productivity by voluntarily acquiring data on wages, costs, productivity, prices, sales, profits, imports and exports from the private sector.

With regard to the public sector, the Council was authorized to review and appraise programs, policies and activities of U.S. departments and agencies, and was authorized to obtain any information it felt necessary from those departments and agencies. In both cases, however, it was not authorized under any circumstances to impose mandatory economic controls.

Under its limited authority, the Council has endeavored to identify sources of inflationary pressures in both the public and private sectors. It has testified or filed statements on more than 10 separate occasions with Federal agencies regarding the ratemaking decisions of those agencies. It has conducted hearings and studies in the behavior of wages and prices in a variety of industries and labor markets. In one case it was even successful in achieving a price rollback from earlier-announced intentions. But, it has done all of this without the authority to impose mandatory controls on the economy.

The decision not to give the Council mandatory control authority has been a wise one. The reimposition of controls, even on a selective basis, would have had the same disastrous results that the earlier economic stabilization program had. Moreover, the reimposition of control authority would have delayed the improvement which has taken place in the rate of inflation in recent months. In the absence of mandatory controls, the acceleration in prices, reflecting the "catch up" effect of prices being artificially held down under controls, was allowed to run its course, and there has been a marked improvement in the Nation's price situation since then. Wholesale prices have actually declined over the past several months, and prices at the consumer level have moderated substantially. A continuation of the earlier controls program would only have frustrated our efforts to return to an inflation-free environment, and the distortions and inequities would have been unbearable.

Mr. President, I ask unanimous consent to have printed in the RECORD some recent data on price changes. I believe that they show the improvement which has taken place in prices in recent months.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ANNUAL RATE CHANGE IN SELECTED PRICE MEASURES, JANUARY 1974—MARCH 1975

	Wholesale prices		
	All commodities	Industrial commodities	Consumer prices
1974:			
January	40.3	27.2	13.5
February	19.4	29.0	15.7
March	15.1	41.3	13.6
April	14.3	38.5	6.2
May	16.7	38.2	13.5
June	5.8	30.5	11.3
July	55.0	38.4	8.6
August	57.6	34.9	17.4
September	1.1	13.1	16.9
October	33.7	14.2	10.8
November	15.7	10.8	11.4
December	−5.8	0.0	8.2
1975:			
January	−4.0	6.5	8.0
February	−8.8	6.6	7.9
March	−7.1	2.2	3.8

Mr. GARN. Mr. President, the committee's decision to seek an extension of the Council's life and additional funding at this time was not taken lightly. The fact that inflation has moderated raised questions about the need for extending the Council's life. And, certainly, there was widespread agreement among committee members that the Council should not be given any additional powers. Indeed, there was concern over what may happen once the legislation came to the Senate floor.

In view of the improvement in inflation and the possibility of unnecessary amendments being adopted on the floor, there was a great deal of apprehension among committee members regarding even proposing a limited extension of the Council's life. Nevertheless, in the belief that the Council's activities were not being disruptive to the economy and that it had no authority to impose controls in any form, the committee agreed, with some reservations, to a 2-year extension of the Council's life and the authorization for increased funding.

However, a number of amendments have been offered to the bill reported by the committee. Some of them are rather innocuous and even unnecessary in view of the broad directive under which the Council presently operates. Others are more substantive and, by any measure, certainly more controversial.

Taken separately, many of these amendments may not substantially alter the Council's authority, but taken together, they may spell out a new direction for the Council, and they may lead us back to the type of mandatory controls program which proved to be so disastrous to our Nation's economic well-being. I am not prepared, and I certainly hope my colleagues in the Senate are not prepared, to take any action which will turn the Council on Wage and Price Stability into the now-defunct Cost of Living Council through the adoption of unnecessary or unwise amendments to the bill presently before us.

RECESS UNTIL 3:45 P.M.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess until 3:45 p.m. today.

The motion was agreed to; and at 3:08 p.m., the Senate recessed until 3:45 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. LAXALT).

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE U.S.S. "NIMITZ"

Mr. HARRY F. BYRD, JR. Mr. President, the President of the United States spoke in Norfolk, Va., this past Saturday. He was there for the commissioning of the U.S.S. *Nimitz*. The *Nimitz* is the world's most modern aircraft carrier. It was constructed at the Newport News Shipbuilding and Dry Dock Co. at Newport News. No other Nation can build such ships as the *Nimitz*, and no other shipbuilding company can build such a ship.

The *Nimitz* symbolizes the resources and the might of the United States. As the President asserted in his speech, it is a symbol of U.S. strength, U.S. resolve, and is made in America by Americans.

The State of Virginia was pleased to have had the President of the United States in Virginia twice this past week, once in Winchester, Va., for the 48th annual Apple Blossom Festival, and again on Saturday in Norfolk.

Mr. President, I ask unanimous consent that the text of the President's remarks be printed in the RECORD.

There being no objection, the remarks of the President were ordered to be printed in the RECORD, as follows:

REMARKS OF THE PRESIDENT AT THE COMMISSIONING OF THE U.S.S. "NIMITZ"

Distinguished Members of the Congress, Secretary Middendorf, Admiral Holloway, Admiral Cousins, Captain Compton, Mrs. Lay, distinguished guests, ladies and gentlemen:

At the outset, let me thank the Secretary of Defense for his more than generous comments, and let me simply reiterate the theme that he set forth. We will continue to be strong. We will keep our commitments, and we will remain a great country.

As each of us looks upon this great ship, a single thought must seize our mind. Only the United States of America can make a machine like this. There is nothing like it in the world today.

We have witnessed the magic moment when an intricate mass of steel and cable and sophisticated marvels of engineering suddenly become a living thing with a unique personality.

No matter how many commissionings you take part in, breaking the pennant and setting the first watch involves a special reward for all of us who love the sea and the United States Navy.

I thank you very much, Captain Compton, and all of the ship's company for the privilege of being here.

The *Nimitz* is now a United States Ship. I congratulate all who helped build her, and all who man her, as well as their loved ones who, as many of you know better than I, will do a lot of waiting for the sake of our country and of freedom everywhere.

Their allegiance and their service to the country is also in the very best tradition of this great Nation. We all regret that Mrs. Chester W. Nimitz, Sr., cannot share this proud honor with all of us, but I am happy that Mrs. Lay and other members of the Admiral's family are here.

It is also gratifying to have Admiral Rickover here for without these two farsighted submariners, Fleet Admiral Nimitz and Admiral Rickover, we would have no nuclear Navy.

Few of us remember that it was Admiral Nimitz, as he was completing his career as Chief of Naval Operations in 1947, who recommended to the then Secretary of the Navy that the Bureau of Ships and the new Atomic Energy Commission get together to design and to build a nuclear propulsion plant for a submarine. Admiral Rickover took it from there.

I see this great ship as a double symbol of today's challenging times. She is the first of all a symbol of the United States, of our immense resources, in materials and skilled manpower, of our inexhaustible energy, of the inventive and productive genius of our free competitive economic system and of our massive, but controlled, military strength.

Wherever the United States ship *Nimitz* shows her flag, she will be seen as we see her now—a solid symbol of United States strength, United States resolve made in America and manned by Americans.

She is a movable part and parcel of our country, a self-contained city at sea plying the international waters of the world in defense of our national interest. Whether her mission is one of defense, diplomacy or humanity, the *Nimitz* will command awe and admiration from some, caution and circumspection from others, and respect from all.

There is no need for me to dwell on the importance of aircraft carriers in today and tomorrow's defense planning, though as an old carrier man myself, I might like that role.

During recent days, I think it is worthy to note we have seen the most convincing demonstration of their readiness and their flexibility in the successful execution of national policy.

Without the fine aircraft carriers which served as the nucleus of our forces operating off South Vietnam, without the skill and the heroic performance of Marine Corps and Naval aviation and support personnel, without the Air Force helicopter crews who operated from the carrier decks, we could not have rescued all of the remaining American citizens and thousands of endangered Vietnamese from Saigon within 20 hours. And I congratulate, on behalf of all of you, the work that was done on that occasion.

The *Nimitz* joins the fleet at an auspicious moment, when our determination to strengthen our ties with allies across both great oceans, and to work for peace and stability around the world requires clear demonstration.

Along with our other forces worldwide, the *Nimitz* will make critically important contributions in our continuing quest for a peaceful planet, a planet whose surface is more than 70 percent ocean.

As I see the United States ship *Nimitz* as a symbol of the vast power, the protective, or productive, skill and economic strength of America, so will others around the world.

To all, this great ship is visible evidence of our commitment to friends and allies and our capability to maintain those commitments. But for Americans, especially, she is also a symbol of the man whose name she bears.

The grandson of a seafaring German immigrant who grew up in the great State of Texas and never lost his pride in his native State, Chester W. Nimitz started from the smoke of Pearl Harbor and carried the fight to the enemy.

His superb leadership and the valor of more than 2 million American fighting men culminated on the deck of the USS *Missouri* four years later as he signed the Japanese surrender as commander-in-chief of the largest Naval armada ever assembled.

Looking back on a period of my own life, one of the things of which I am the proudest is that I can say, "I served under Admiral Nimitz in the Pacific."

As a lowly Lieutenant on the USS *Monterey*, a carrier you could probably stow on the hangar deck of the *Nimitz*, I saw very little of Fleet Admirals during World War II, but every Watch Officer can recognize the CINCPAC dispatches that Admiral Nimitz obviously had written in his own hand.

One biographer who did not know him, or who, I should say did know him, Professor B. Potter of the Naval Academy, summed up Admiral Nimitz' qualities in simple words, that will serve as a model for anyone who aspires to leadership in any line of endeavor, and I quote from Professor Potter: "He founded himself with the ablest men he could find and sought their advice, but he made his own decisions. He was a keen strategist who never forgot that he was dealing with human beings on both sides of the conflict. He was aggressive in war with hate, audacious while never failing to weigh the risks."

Admiral Nimitz, of all the great American Commanders of World War II, was one of the most self-effacing and certainly one of the most effective. He possessed great stamina, an abundance of common sense and such immense inner strength that he felt no need to strut or to shout.

Born near what today we would call the poverty level, he worked hard, studied hard and was a long time getting ahead. He spent his whole life training to serve his country in commanding men at sea—and when he was needed, he was prepared.

He learned by his mistakes and was tolerant of others, but he was always in command. Those who had the good fortune to know Admiral Nimitz will say his fundamental honesty—intellectual honesty and integrity—enabled him to keep a steady course toward his ultimate objective without yielding to the tremendous pressures of his vast responsibilities.

He did the job he was prepared to do, did it superbly, hung up his sword and filled his final years with quiet service to his country and to the cause of peace.

Repeatedly urged to write his wartime memoirs, Admiral Nimitz just as repeatedly refused. To do so, he explained, would compel him either to hurt the reputations of some fine shipmates or tell some whopping lies.

His own philosophy, in his own words, has long been a personal inspiration to me. Typically, he credited it to his seafaring grandfather. "The sea, like life itself is a stern taskmaster," he recalled. "The best way to get along with either is to learn all you can, then do your best, and don't worry, especially about things over which you have no control."

So, this great ship is a symbol of a great sea commander and a great American—one whose common virtues, magnified by the stern demands of duty—turned defeat into victory and made the broad Pacific again worthy of its name.

It is my determination to keep it that way, the way all oceans and all continents ought to be. But Fleet Admiral Nimitz and this fine ship both tell us that controlled strength is the sure guarantor of peace.

Let us all—and particularly those who serve in the United States Ship *Nimitiz* now and hereafter—rededicate ourselves to this principle and to unstinting service to our country and to its people.

Good afternoon, and Godspeed.

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask

unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

INCREASED AUTHORIZATION FOR THE COUNCIL ON WAGE AND PRICE STABILITY

The Senate continued with the consideration of the bill (S. 409) to amend the Council on Wage and Price Stability Act to confer additional authority on the Council with respect to the prices of commodities and services, and for other purposes.

AMENDMENT NO. 379

Mr. KENNEDY. Mr. President, I call up amendment No. 379.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

Mr. KENNEDY proposes an amendment numbered 379.

Mr. KENNEDY. Mr. President, I ask that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 8, line 23, strike out "September 30, 1977" and insert in lieu thereof "June 30, 1976".

Mr. KENNEDY. Mr. President, the purpose of this amendment is to set the expiration date for the Council's authority at June 30, 1976, rather than September 30, 1977, as in S. 409. I believe it would be unwise at this time to set the 1977 date, which might result in Congress ignoring inflation for the next 2 years. The Council is the Nation's first line of defense against inflation. Therefore, the Senate and House of Representatives should consider the Council's authority on at least a yearly basis, to insure that anti-inflation policy is on the right track in this critical period. The favorable recent CPI figures are no grounds for complacency. We must take every responsible step to guarantee that inflation is not rekindled. Now is the time to set a realistic anti-inflation policy in place.

Over the coming months, we have our best chance in perhaps a decade to bring under control the inflation that has been endemic in our economy in recent years. As the March consumer price index figures make clear, the worst of the recent bout of inflation now seems behind us. At last, we can multiply the monthly inflation rate by 12 and come out with an annual rate of inflation that yields a tolerable result. It is even safe to hope that, with a wise policy for the future, double digit inflation may be an aberration of the past.

In large part, it is the recession now working its harsh medicine on the economy that has brought inflation down from the heights of recent months. Now, therefore, the time is ripe to establish an anti-inflation policy for the future. We cannot afford to be lulled into complacency by one good CPI result.

It would be a mistake, therefore, for Congress at this time to approve a 2-year extension of the Council, as S. 409 proposes. We cannot afford to miss this opportunity to set in place a workable and realistic anti-inflation policy, and to provide adequate oversight to guide it.

If all we do is curse the deficit and cut the budget, our anti-inflation policy will fail again, and we will condemn the economy to future rounds of the inflation and recession that have so badly scarred the country in the recent past. The last thing the economy needs is another recession to fight the next inflation.

There is an additional advantage to beginning a vigorous anti-inflation policy now and guiding it effectively. It will enable us to achieve a faster recovery from the recession than may otherwise be possible or desirable. In fact, the danger of doing nothing is obvious—at the first breath of new inflation, the administration and the Federal Reserve may seek to abandon the fight against recession or stretch out the recovery, with the result that the country will be put through a lengthy and unnecessary period of slow recovery and chronic unemployment and slack capacity.

Let no one doubt the challenge we face. If we do nothing, if we allow inflation to burst forth again, then we can look ahead to yet another boom-and-bust cycle of the economy, and once again we may find ourselves in the position of fighting inflation with recession.

"We must not fight recessionary problems with inflationary cures," President Ford told the New York Society of Security Analysts earlier this year. True, but we also must not fight inflationary problems with recessionary cures.

Inflation is a serious problem. Its solution is going to strain our most enlightened economists and policymakers. But we cannot afford to ignore the challenge. We cannot afford to do nothing in the hope that inflation will simply fade away.

In the Council as it now exists, we are beginning to develop a sound base for noninflationary prosperity in the future. Let us get on with the job of developing effective remedies to end inflation, without resorting to the time-dishonored tactic of ravaging the economy in the process. If we have learned anything from our present economic troubles, let it be the lesson that this is the last time we will have to suffer, because of the dangerous myth that a scorched Earth policy of recession is the Nation's only answer to inflation. It is up to Congress to insure that better answers are being sought and found. By requiring a fresh look by Congress at the Council and its operations next year, we will be doing all we can to reach that goal. Surely, 1977 is too long to wait for that fresh look.

Mr. President, I understand this amendment will be the pending business tomorrow.

With that understanding, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator is correct.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session.

The PRESIDING OFFICER. Without objection, it is so ordered.

AGREEMENT FOR THE CREATION OF AN INTERNATIONAL OFFICE OF EPIZOOTICS; EX. M—93D CONGRESS, SECOND SESSION

The PRESIDING OFFICER. Under the previous order, the hour of 4 o'clock having arrived, the Senate will now proceed to vote on Executive M, 93d Congress, Second session, Agreement for the Creation of an International Office of Epizootics.

The resolution of ratification will be read for the information of the Senate.

The resolution of ratification was read, as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the International Agreement for the Creation at Paris of an International Office of Epizootics, done at Paris on January 25, 1924, with annexes (Ex. M, 93–2).

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays on the treaty.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the resolution of ratification on Executive M, 93d Congress, 2d session, Agreement for the Creation of an International Office of Epizootics?

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Louisiana (Mr. LONG), the Senator from South Dakota (Mr. MCGOVERN), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from Delaware (Mr. BIDEN) are necessarily absent.

I also announce that the Senator from Hawaii (Mr. INOUYE) is absent because of illness.

I further announce that, if present and voting, the Senator from Alaska (Mr. GRAVEL) and the Senator from Minnesota (Mr. HUMPHREY) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Nebraska (Mr. CURTIS), the Senator from Wyoming (Mr. HANSEN), the Senator from New York (Mr. JAVITS), the Senator from Maryland (Mr. MATHIAS), the Senator from Idaho (Mr. MCCLURE), the Senator from Delaware (Mr. ROTH), and the Senator from Texas (Mr. TOWER) are necessarily absent.

I further announce that, if present and voting, the Senator from New York (Mr. JAVITS) would vote "yea."

The yeas and nays resulted—yeas 82, nays 0, as follows:

[Rollcall Vote No. 162 Ex.]

YEAS—82

Abourezk
Allen
Baker
Bartlett
Bayh
Beall
Bellmon
Bentsen
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Eagleton
Fannin
Fong
Ford
Garn
Glenn
Goldwater
Griffin
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Jackson
Kennedy
Laxalt
Leahy
Magnuson
Mansfield
McClellan
McGee
Metcalf
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tunney
Weicker
Williams
Young

NAYS—0

NOT VOTING—17

Biden
Bumpers
Curtis
Eastland
Gravel
Hansen
Humphrey
Inouye
Javits
Johnston
Long
Mathias
McClure
McGovern
McIntyre
Roth
Tower

The PRESIDING OFFICER. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Without objection, the Senate will resume the consideration of legislative business.

CONGRESSIONAL BUDGET DETERMINATION

Mr. MUSKIE. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on House Concurrent Resolution 218.

The PRESIDING OFFICER. (Mr. LAXALT) laid before the Senate House Concurrent Resolution 218, as follows:

Resolved by the House of Representatives (*the Senate concurring*), That the Congress hereby determines and declares, pursuant to section 310(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on July 1, 1975—

(1) the recommended level of Federal revenues is $298,181,000,000 and the amount by which the aggregate level of Federal revenues should be decreased is $4,400,000,000;

(2) the appropriate level of total new budget authority is $295,938,000,000;

(3) the appropriate level of total budget outlays is $368,213,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $70,032,000,000; and

(5) the appropriate level of the public debt is $619,900,000,000, and the amount by which the temporary statutory limit on such debt should accordingly be increased is $88,900,000,000.

Mr. MUSKIE. Mr. President, I ask unanimous consent to strike all after the resolving clause and insert in lieu thereof the language of Senate Concurrent Resolution 32, as amended.

The PRESIDING OFFICER. Is there objection?

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield for a question?

Mr. MUSKIE. I am happy to yield.

Mr. HARRY F. BYRD, JR. Will this make it more or less than the proposed figure to which the Senate agreed?

Mr. MUSKIE. The purpose of this procedure is to send the matter to conference; so this action by the Senate has no effect upon either the Senate concurrent resolution or the House concurrent resolution.

Mr. HARRY F. BYRD, JR. I thank the Senator.

The PRESIDING OFFICER. Without objection, it is so ordered. The question is on agreeing to the concurrent resolution (H. Con. Res. 218), as amended.

The concurrent resolution (H. Con. Res. 218, as amended) was agreed to, as follows:

That the Congress hereby determines, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on July 1, 1975—

(1) the appropriate level of total budget outlays is $365,000,000,000;

(2) the appropriate level of total new budget authority is $388,600,000,000;

(3) the amount of deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $67,200,000,000 under existing law;

(4) the recommended level of Federal revenues under existing law is $297,800,000,000; and

(5) the appropriate level of the public debt is $617,600,000,000 under existing law.

SEC. 2. The Congress, in setting forth the amounts contained in the first section of this resolution, estimates that Federal receipts from the leasing of the Outer Continental Shelf for oil exploration purposes will be $4,000,000,000, rather than the $8,000,000,000 estimated in the budget submitted by the President. If the $8,000,000,000 estimated is realized, the deficit set forth in paragraph (3) of the first section is $63,200,000,000 under existing law.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the vote by which Senate Concurrent Resolution 32 was agreed to be vacated and that Senate Concurrent Resolution 32 be indefinitely postponed.

The PRESIDING OFFICER. Is there objection?

Mr. HARRY F. BYRD, JR. Mr. President, reserving the right to object, could we have a clarification of that request?

Mr. MUSKIE. May I say to the distinguished Senator from Virginia that the purpose of this procedure is to send back to the House of Representatives the House concurrent resolution with the House number, with the language of the Senate concurrent resolution attached. We will then be in disagreement with the House of Representatives on the same measure, and the House would then presumably request a conference to work out the language in disagreement.

Mr. HARRY F. BYRD, JR. So it is a procedural technicality?

Mr. MUSKIE. It is a procedural technicality.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL

The PRESIDING OFFICER. What is the will of the Senate?

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR JAVITS TOMORROW

Mr. HARRY F. BYRD, JR., Mr. President, I ask unanimous consent that, following the recognition of the Senator from Illinois (Mr. PERCY) tomorrow, the Senator from New York (Mr. JAVITS) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the program for tomorrow is as follows:

The Senate will convene at 10:30 a.m. following a recess. After the two leaders or their designees have been recognized under the standing order, Mr. PERCY will be recognized for not to exceed 15 minutes, after which Mr. JAVITS will be recognized for not to exceed 15 minutes.

At the conclusion of orders for the recognition of Senators tomorrow there will be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements limited therein to 5 minutes each.

At the conclusion of morning business, the Senate will resume consideration of S. 409, a bill to confer additional authority on the Council on Wage and Price Stability. Votes on amendments thereto will occur and, hopefully, on final passage tomorrow.

RECESS UNTIL 10:30 A.M.

Mr. HARRY F. BYRD, JR., Mr. President, I move, in accordance with the previous order, that the Senate stand in recess until 10:30 a.m. tomorrow.

The motion was agreed to; and at 4:31 p.m., the Senate recessed until Tuesday, May 6, 1975, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Senate May 5, 1975:

IN THE NAVY

Rear Adm. Edward W. Cooke, U.S. Navy, having been designated for commands and other duties determined by the President to be within the contemplation of title 10, United States Code, section 5231, for appointment to the grade of vice admiral while so serving.

IN THE ARMY

The following-named officers for temporary appointment in the Army of the United States to the grade indicated, under the provisions of title 10, United States Code, sections 3442 and 3447:

To be brigadier general

Col. Jack N. Merritt, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Louis C. Menetrey, [redacted], Army of the United States (major, U.S. Army).

Col. Guy S. Meloy, III, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. William J. Hilsman, [redacted], Army of the United States (major, U.S. Army).

Col. Hiram K. Tompkins, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. William B. Burdeshaw, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Richard D. Lawrence, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Maxwell R. Thurman, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Edmund R. Thompson, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Jack L. Hancock, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Ernest A. Vuley, Jr. [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Harry M. Roper, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Richard W. Anson, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. William E. Carlson, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert L. Wetzel, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Story C. Stevens, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert L. Schweitzer, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Edward C. Peter, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Weldon F. Honeycutt, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert L. Moore, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Roderick D. Renick, Jr., [redacted], United States Army.

Col. John B. Oblinger, Jr. [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Jerry R. Curry, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. John W. Seigle, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Charles E. Canedy, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Joseph N. Tenet, Jr. [redacted], United States Army.

Col. Nathaniel R. Thompson, Jr., [redacted] Army of the United States (lieutenant colonel, U.S. Army).

Col. Grayson D. Tate, Jr. [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert S. Young, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Stan R. Sheridan, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. John C. Bard, [redacted], Army of the United States (major, U.S. Army).

Col. Gerald Childress, [redacted] Army of the United States (lieutenant colonel, U.S. Army).

Col. Donald M. Babers, [redacted] Army of the United States (major, U.S. Army).

Col. Robert L. Bergquist, [redacted], Army of the United States (major, U.S. Army).

Col. Maurice D. Roush, [redacted] Army of the United States (lieutenant colonel, U.S. Army).

Col. Elvin R. Heiberg III [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Tom H. Brain, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Richard S. Fye, [redacted] Army of the United States (lieutenant colonel, U.S. Army).

Col. Lynwood B. Lennon, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Albert B. Akers, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Loyd F. Rhiddlehoover, Jr., [redacted] Army of the United States (lieutenant colonel, U.S. Army).

Col. Phillip Kaplan, [redacted] U.S. Army.

Col. Alan A. Nord, [redacted] Army of the United States (lieutenant colonel, U.S. Army).

Col. Joseph C. Racke, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. John D. Bruen, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. John M. Shea, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. John H. Johns, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Frank E. Serio, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. William C. Louisell, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Robert C. Gaskill, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. Edward B. Atkeson, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. William D. Lewis, [redacted] Army of the United States (lieutenant colonel, U.S. Army).

Col. Elton J. Delaune, Jr. [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Col. James E. Freeze, [redacted] Army of the United States (lieutenant colonel, U.S. Army).

Col. Victor R. Defiori, [redacted] U.S. Army).

Col. William J. Andrews, [redacted], U.S. Army.

To be Brigadier General, Women's Army Corps

Col. Mary E. Clarke, [redacted] Army of the United States (lieutenant colonel, U.S. Army).

IN THE AIR FORCE

The following cadets, U.S. Air Force Academy, for appointment in the Regular Air Force in the grade of second lieutenant, effective upon their graduation, under the provisions of section 8284 and 9353, title 10, United States Code. Date of rank to be determined by the Secretary of the Air Force.

Abbott, Barry S., [redacted].
Abbott, Michael L., [redacted].
Abshire, Thomas C., [redacted].
Akers, Robert L., [redacted].
Allen, Robert W., [redacted].
Allison, Arthur B., [redacted].
Anderson, Michael G., [redacted].
Anewalt, David C., Jr., [redacted].
Anhalt, David A., [redacted].
Arnott, Winfield S., [redacted].
Arter, James K., Jr., [redacted].
Arthurs, James L., [redacted].
Ash, Patrick J., [redacted].
Ashcraft, William O., [redacted].
Awtrey, Robert M., [redacted].
Bailey, Jeffrey L., [redacted].
Ball, Jon R., [redacted].
Banker, Michael R., [redacted].
Bannister, Stratford C., IV., [redacted].
Barach, Steven E., [redacted].
Barber, Steven L., [redacted].
Barbera, Raymond T., [redacted].
Barnes, Brian M., [redacted].
Barnthouse, David A., [redacted].
Barrentine, Gary E., [redacted].
Barrett, Randall R., [redacted].
Barrowclough, John D., [redacted].
Barton, John A., [redacted].
Battazzo, Floyd J., [redacted].
Bauman, Wendell D., [redacted].
Baxter, Scott W., [redacted].
Baxter, William D., [redacted].
Beadling, Charles W., [redacted].
Beam, Charles J., [redacted].
Bean, Ronald L., [redacted].
Beatty, David B., [redacted].
Beck, David E., [redacted].
Bednar, Bryon J., [redacted].
Beeman, David P., [redacted].
Benbow, Richard L., [redacted].
Benjamin, Philip G., II., [redacted].
Benner, Joseph C., [redacted].
Bergman, Charles K., [redacted].
Berlan, Gregory J., [redacted].
Bertz, Mark W., [redacted].
Bethards, John P., [redacted].
Biedermann, Michael H., [redacted].
Billingsea, Arthur C., II., [redacted].
Bishop, Kelley B., [redacted].
Bishop, Larry T., [redacted].
Bitton, Dennis F., [redacted].
Blackburn, Stephen M., [redacted].
Black, Gregory D., [redacted].
Blatchley, Peter A., [redacted].
Blessinger, David., [redacted].
Blissit, James A., Jr., [redacted].
Bock, Kurt F., [redacted].
Bosma, Marinus B., [redacted].
Bottomley, Larry D., [redacted].
Bouffard, Brian A., [redacted].
Bowers, Richard K., Jr., [redacted].
Braun, Gilbert L., [redacted].
Bready, Alvin, [redacted].
Brooks, Dennis P., [redacted].
Brooks, John F., [redacted].
Brown, Stephen R., [redacted].
Brundige, Thomas W., IV., [redacted].
Bryant, Joseph C., [redacted].
Bryant, Larry W., [redacted].
Buchta, William G., [redacted].
Buck, Charles H., Jr., [redacted].
Buckley, Michael O., [redacted].
Bugbee, Dale R., [redacted].
Budinsky, Christopher J., [redacted].
Buhyoff, Eric J., [redacted].
Burda, Dan S., [redacted].

Burkett, Daniel L. II. [redacted].
Burling, James R., Jr., [redacted].
Burns, Kevin P., [redacted].
Burns, Thomas A., [redacted].
Burns, Walter L., [redacted].
Buron, Raoul J., Jr., [redacted].
Butalla, Paul E., Jr., [redacted].
Byers, Donald C. II, [redacted].
Byrd, Charles E., Jr., [redacted].
Cain, James E., Jr., [redacted].
Calhoun, Thomas J., [redacted].
Caraway, John R., [redacted].
Carlson, James W., [redacted].
Carroll, Joseph L., [redacted].
Carrothers, William T., [redacted].
Carson, Harvey S., [redacted].
Carter, Dennis N., [redacted].
Caskey, William M., [redacted].
Cason, Wilbert J., [redacted].
Cass, John R., Jr., [redacted].
Castan, Keith D., [redacted].
Chanick, Richard A., [redacted].
Chapman, Daniel W., [redacted].
Chapman, Randall W., [redacted].
Chappell, Matthew J., II, [redacted].
Charlton, John E., [redacted].
Christen, Craig T., [redacted].
Christian, Frank W., [redacted].
Clark, William R., [redacted].
Clemons, Thomas M., [redacted].
Clough, David A., [redacted].
Colburn, Lee J., [redacted].
Colletti, Laurence J., [redacted].
Colley, James A., II, [redacted].
Collier, Greg D., [redacted].
Collins, Stanley J., [redacted].
Coman, Michael S., [redacted].
Commeford, Chris R., [redacted].
Commons, David L., [redacted].
Conticchio, Gerard E., [redacted].
Cooke, Hal J., [redacted].
Cook, George R., [redacted].
Cooper, Jan C., [redacted].
Copeland, Eugene T., [redacted].
Correll, Bruce N., [redacted].
Corrigan, James M., [redacted].
Corsetti, William V., [redacted].
Cosby, Willie J., III, [redacted].
Cox, Gary W., [redacted].
Cox, Marvin D., [redacted].
Cox, Michael E., [redacted].
Craig, Robert G., [redacted].
Crenshaw, Larry D., [redacted].
Crider, Michael E., [redacted].
Crist, Robert W., [redacted].
Cross, Lee T., [redacted].
Cunningham, David F., [redacted].
Cunningham, Donald L., [redacted].
Czabaranek, John, [redacted].
Dahlstrom, Arvid E., Jr., [redacted].
Dailey, John M., [redacted].
Dalson, William A., [redacted].
Daly, John F., [redacted].
Darchuk, Wayne S., [redacted].
Darner, Thomas L., [redacted].
Davis, James D., [redacted].
Davis, Randall M., [redacted].
Davis, William K., [redacted].
Davis, William V., [redacted].
Dearien, James N., II, [redacted].
Deres, Joseph M., [redacted].
Defoliart, David W., [redacted].
Dehart, Michael E., [redacted].
Delaune, Daniel M., [redacted].
Delia, Joseph B., [redacted].
Dellapia, Max H., [redacted].
Deloney, John M., [redacted].
Demitry, Lee F., [redacted].
Demoisy, Charles C., [redacted].
Dennis, Michael J., [redacted].
Deren, Paul S., [redacted].
Desisto, Paul, [redacted].
Devries, Curtis A., [redacted].
Dichter, Andrew S., [redacted].
Dieffenbach, Otto W., III, [redacted].
Diehl, Arthur F., III, [redacted].
Dill, James E., [redacted].
Doeppner, Ronald S., [redacted].
Dohner, Charles F., [redacted].
Donnelly, Mark S., [redacted].
Donovan, Kevin F., [redacted].
Dorsey, Robert D., [redacted].
Douglas, Don R., [redacted].
Dowdy, Joseph E., [redacted].
Dowling, Lawrence R., [redacted].
Dressell, Frank F., [redacted].
Drow, Willy H., [redacted].
Dubuisson, Frank J., [redacted].
Duesing, Richard M., [redacted].
Duffy, Brian, [redacted].
Duhachek, Richard F., [redacted].
Dunbar Gregory R. [redacted].
Duncan Terry A. [redacted].
Duresky Stephen J. [redacted].
Dyche, David D., [redacted].
Dye, Richard R., [redacted].
Eaton, Robert A., [redacted].
Edgar, Samuel G., III, [redacted].
Edstrom, Bruce K., [redacted].
Ehrhart, David G., [redacted].
Eickelman, Steven A., [redacted].
Eken, James K., [redacted].
Ellis, Donald S., [redacted].
Else, Steven E., [redacted].
Engleson, Thomas P., [redacted].
Erving, Claude M., [redacted].
Esposito, Henry, [redacted].
Estelle, William L., [redacted].
Exelby, Gary A., [redacted].
Facenda, Joseph V., Jr., [redacted].
Falkovic, Frank D., Jr., [redacted].
Falvey, Daniel L., [redacted].
Fantasia, Mark E., [redacted].
Fariss, Laurence A., [redacted].
Farnham, John S., [redacted].
Farr, Robert A., [redacted].
Faust, Dean C., [redacted].
Fedderson, Craig R., [redacted].
Fellows, James A., [redacted].
Ferguson, David C., [redacted].
Fillar, Christopher A., [redacted].
Finke, Richard A., [redacted].
Finn, Kenneth M., [redacted].
Finn, Thomas P., [redacted].
Fitz, Michael S., [redacted].
Fleming, David L., [redacted].
Flickinger, William C., [redacted].
Flynn, Collin F., [redacted].
Fong, Matthew K., [redacted].
Foreman, James P., [redacted].
Forinash, Dennis R., [redacted].
Foster, James E., II, [redacted].
Fouts, John D., [redacted].
Fraley, Thomas, [redacted].
Franklin, George E., Jr., [redacted].
Fraser, Douglas M., [redacted].
Freed, Thomas R., Jr., [redacted].
Frick, Gregory B., [redacted].
Fritzsche, Bruce H., [redacted].
Fritz, John D., [redacted].
Fry, Mark W., [redacted].
Gabrys, Karl F., Jr., [redacted].
Gambrell, Robert L., Jr., [redacted].
Garland, Frank S., [redacted].
Garrett, Michael F., [redacted].
Garrett, Thomas F., [redacted].
Gaughan, John F., II, [redacted].
Girson, Steve T., [redacted].
Gieser, Gregory S., [redacted].
Gillette, Thomas L., [redacted].
Gilliam, Mark M., [redacted].
Gill, Michael W., [redacted].
Gionet, David E., [redacted].
Glaeser, Chris R., [redacted].
Goetsch, Chris G., [redacted].
Gomes, Brian V., [redacted].
Goodale, Roy A., [redacted].
Gorenc, Stanley, [redacted].
Goyden, Michael V., [redacted].
Grace, Lance C., [redacted].
Grady, Kevin M., [redacted].
Grasso, Richard J., Jr., [redacted].
Gravelle, Thomas J., [redacted].
Graves, Jeffrey C., [redacted].
Gravette, Bruce R., [redacted].
Gray, Hugh G., [redacted].
Green, Allen M., [redacted].
Gridley, James R., [redacted].
Grieder, Felix M., [redacted].
Groathouse, Steven G., [redacted].
Gronseth, Phillip W., [redacted].
Gudmundson, Michael L., [redacted].
Gunther, Donald F., [redacted].
Gunther, Rodney B., [redacted].
Haas, Steven M., [redacted].
Hackett, Jeffrey L., [redacted].
Hallada, Marc R., [redacted].
Hall, Brent D., [redacted].
Hall, Richard M., [redacted].
Hamilton James R. [redacted].
Hammond Scott A., [redacted].
Hancock, Warren D., [redacted].
Hanifen, Dan W., [redacted].
Hanner, Dale R., [redacted].
Harding, Lawrence W., [redacted].
Hargrove, Julius L., [redacted].
Harrison, Douglas M., [redacted].
Hartney, James E., [redacted].
Hartwell, Thomas A., [redacted].
Hathaway, Patrick J., [redacted].
Haugen, David A., [redacted].
Heald, Charles R., [redacted].
Heald, James R., [redacted].
Heath, Robert D., [redacted].
Heil, Michael L., [redacted].
Held, Gary A., [redacted].
Henk, John W., [redacted].
Hennek, Roderick E., [redacted].
Hennessey, Peter J., [redacted].
Henney, Donald W., III, [redacted].
Henry, Michael, [redacted].
Hensley, David R., [redacted].
Hente, Scott B., [redacted].
Heriot, James H., [redacted].
Herlong, David W., [redacted].
Herring, Robert W., III, [redacted].
Hevey, Bruce G. P., [redacted].
Hickcox, Robert C., [redacted].
Hickman, David G., [redacted].
Hilbun, Ted A., [redacted].
Hildebrand, Kevin D., [redacted].
Hippler, Charles K., [redacted].
Hodge, Kenneth L., Jr., [redacted].
Hoey, Rex R., [redacted].
Hoganson, Eric H., [redacted].
Holland, Edward C., III, [redacted].
Holley, Eugene M., [redacted].
Hollins, Samuel D., [redacted].
Holmes, Mark D., [redacted].
Holmes, Mark K., [redacted].
Holton, William J., [redacted].
Hopkin, Bruce T., [redacted].
Hossler, Kenneth L., [redacted].
Howard, John D., [redacted].
Howes, Mark D., [redacted].
Huddleston, Byron E., [redacted].
Huffman, John T., Jr., [redacted].
Hughes, William E., III, [redacted].
Hussey, Steven J., [redacted].
Isabelle, Marc D., [redacted].
Jaeger, Bruce R., [redacted].
James, Randal K., [redacted].
Janelli, Gary A., [redacted].
Jannetta, David L., [redacted].
Janson, John P., [redacted].
Jefferson, Mark L., [redacted].
Jenson, John W., [redacted].
Jewell, Gary S., [redacted].
Johnson, David W., [redacted].
Johnson, Walter R., Jr., [redacted].
Johnston, Michael W., [redacted].
Jones, Duane A., [redacted].
Jones, Philip R., [redacted].
Jones, Richard K., [redacted].
Jones, Stanley E., [redacted].
Joslin, Randall G., [redacted].
Kahiapo, Joseph W., Jr., [redacted].
Kallman, Roderick R., [redacted].
Kambourian-Bartolome, Juan, [redacted].
Kasl, Edward L., [redacted].
Kearns, John A., [redacted].
Keene, David N., Jr., [redacted].
Keen, Stephen M., [redacted].
Keith, Claude R., Jr., [redacted].
Kelly, William W., [redacted].
Kemp, Terrill L., [redacted].
Kemp, Thomas W., [redacted].

Kendall, Phillip L., [redacted].
Kennon, John W., III, [redacted].
Kent, Paul E., [redacted].
Kent, Steven J., [redacted].
Ketchie, Barry M., [redacted].
Killingsworth, Paul S., [redacted].
Kim, Richard H. Dong, [redacted].
Kirschling, Ronnie J., [redacted].
Knabel, Thomas L., [redacted].
Knauff, Robert A., [redacted].
Korza, Marvin E., [redacted].
Kochevar, James M., [redacted].
Kocian, Thomas C., [redacted].
Koelling, John H., [redacted].
Kolakowski, Daniel V., [redacted].
Kovach, David J., [redacted].
Kraft, Daniel D., [redacted].
Kratzer, Gregory J., [redacted].
Krogh, Peter S., III, [redacted].
Krukowski, Alan M., [redacted].
Krumeich, Jeffrey D., [redacted].
Kryst, Thomas E., [redacted].
Kummerfeld, Jack R., [redacted].
Kundert, Corrie J., [redacted].
Kurey, William S., [redacted].
Ladd, William C., [redacted].
Ladieu, John D., [redacted].
Lafave, David A., [redacted].
Lain, Douglas J., [redacted].
Lamy, Perry L., [redacted].
Landolt, Gregg E., [redacted].
Langford, Donald R., [redacted].
Lanzit, Kevin M., [redacted].
Laurie, Thomas A., [redacted].
Layman, Richard L., [redacted].
Leiker, Arthur L., [redacted].
Lenci, Mark R., [redacted].
Lerum, Steven A., [redacted].
Leskowski, Edward B. 2nd, [redacted].
Leuschen, Michael W., [redacted].
Levesque, Jerry L., [redacted].
Lewallen, Eric C., [redacted].
Lewis, Donald O., [redacted].
Lewis, Olis L., Jr., [redacted].
Limanni, Alex, [redacted].
Lindsey, Brad A., [redacted].
Linn, William E., [redacted].
Linster, Bruce G., [redacted].
Lischak, Michael W., [redacted].
Little, Michael C., [redacted].
Livingston, David K., [redacted].
Lodridge, Duane J., [redacted].
Logan, Brad A., [redacted].
Loose, Michael D., [redacted].
Lorenz, Oliver E., [redacted].
Losi, Peter C., [redacted].
Lotakis, Paul G., Jr., [redacted].
Loucks, John A. III, [redacted].
Lyerly, William H., Jr., [redacted].
Lynn, Ray B., [redacted].
Lynn, Robert C., [redacted].
Lyons, Robert L., [redacted].
MacDonnell, John L., [redacted].
Macken, Jerome S., [redacted].
Maddox, Donald K., II, [redacted].
Magee, John M., [redacted].
Mahoney, James D., [redacted].
Mahrer, Daniel, [redacted].
Maiorand, William, [redacted].
Mallo, Edwin P., [redacted].
Mandeville, Bradley W., [redacted].
Manthei, Jerry L., [redacted].
Marburger, James H. [redacted].
Marcuzzo, Peter L., [redacted].
Marino, Stephen P., [redacted].
Markovich, Terry L., [redacted].
Marksteiner, Joseph P., [redacted].
Mark, Michael J., [redacted].
Marlow, John H., [redacted].
Marro, Michael C., [redacted].
Marr, Robert K., Jr., [redacted].
Marshall, James P., [redacted].
Marshall, James R., [redacted].
Martin, Luther S., [redacted].
Martin, Phillip D., [redacted].
Martin, George B., Jr., [redacted].
Mason, Randolph J., [redacted].
Masters, Mark C., [redacted].
Mathis, Harry P., III, [redacted].
Matson, Gary R., [redacted].
Matte, Robert M., [redacted].
Matt, Craig P., [redacted].
May, Joseph A., [redacted].
McAlister, Richard W., [redacted].
McAllister, Branford J., [redacted].
McBride, James, [redacted].
McCarthy, David C., [redacted].
McClain, George T., [redacted].
McClendon, Mike H., [redacted].
McCollum, Edward M., [redacted].
McConnell, Mark D., [redacted].
McCorry, Daniel C., Jr., [redacted].
McDaniel, David C., Jr., [redacted].
McDonough, Donald K., [redacted].
McFarland, Clarence A., [redacted].
McGirr, Lawrence R., II, [redacted].
McGraw, Warner R., [redacted].
McIntosh, Richard A., [redacted].
McKee, Thomas N., [redacted].
McKim, Michael L., [redacted].
McLucas, Charles F., III, [redacted].
McVay, Michael G., [redacted].
Mefford, Colt A., [redacted].
Mellen, Dennis E., IV, [redacted].
Mellum, Marlo D., [redacted].
Meraviglia, John M., II, [redacted].
Meteer, Philip C., [redacted].
Meyerrose, Dale W., [redacted].
Micheletti, Gerald F., [redacted].
Michelini, James G., [redacted].
Miglin, Robert N., [redacted].
Miller, Douglas L., [redacted].
Miller, Martin E., [redacted].
Misch, John, [redacted].
Mitchell, Bruce R., [redacted].
Modrich, Mark J., [redacted].
Molzon, Charles P., [redacted].
Monroe, Lee J., [redacted].
Montgomery, Kenneth P., [redacted].
Moran, Patrick, [redacted].
Morris, Steven L., [redacted].
Morrison, Robert A., [redacted].
Morrison, Robert J., III, [redacted].
Morse, Charles D., [redacted].
Murdoch, Michael B., [redacted].
Murphy, Timothy G., [redacted].
Murray, William P., IV, [redacted].
Myers, David K., [redacted].
Naas, Craig W., [redacted].
Narkiewicz, Michael J., [redacted].
Narzinski, Paul J., [redacted].
Nash, Allan H., [redacted].
Nease, Kennth E., [redacted].
Nelson, Douglas, [redacted].
Nelson, Kurt J., [redacted].
Nelson, Mark E., [redacted].
Nelson, Waynard J., [redacted].
Neumann, Vance J., [redacted].
Newland, Russell L., III, [redacted].
Newton, Eric A., [redacted].
Nichols, Stephen L., [redacted].
Nickel, Frederick E., Jr., [redacted].
Niehans, Cary A., [redacted].
Noble, David R., [redacted].
Nobles, Clayton M., [redacted].
Noetzel, Jonathan C., [redacted].
Novak, Donald F., [redacted].
Nystrom, Charles W., Jr., [redacted].
O'Brien, Joseph P., [redacted].
O'Connell, William T., [redacted].
Odegard, Rick E., [redacted].
Offutt, Frederic W., [redacted].
Ogreen, Mark R., [redacted].
Ohgren, Gunnar A., [redacted].
Oleksey, John P., Jr., [redacted].
Olesak, Richard P., [redacted].
Olson, Roger T., [redacted].
Oreshoski, Gary J., [redacted].
Orwig, Robert A., [redacted].
Osborne, William B., [redacted].
Oshea, Michael F., [redacted].
Ossiff, John, [redacted].
Osteen, James D., Jr., [redacted].
Osterheld, Douglas C., [redacted].
Owens, John P., [redacted].
Ozment, Richard J., Jr., [redacted].
Paczosa, Gary L., [redacted].
Page, Thomas A., [redacted].
Palmer, Steven M., [redacted].
Parker, Theodore J., Jr., [redacted].
Park, Richard C., [redacted].
Parsons, Charles K., [redacted].
Paterson, Bruce L., [redacted].
Paul, Ralph, [redacted].
Pearce, Phil L., [redacted].
Peck, Allen G., [redacted].
Pekarsky, Walter A., [redacted].
Percival, Wilhelm F., [redacted].
Perry, Michael E., [redacted].
Peters, Michael S., [redacted].
Peterson, Carl I., [redacted].
Peterson, Thomas L., [redacted].
Phillips, Benjamin W., Jr., [redacted].
Piontek, Philip T., [redacted].
Piotter, Alison L., [redacted].
Pitotti, Stephen J., [redacted].
Pitts, Jess B., [redacted].
Pomrenke, Gernot S., [redacted].
Popp, Thomas D., [redacted].
Posey, Gregory H. Gilbert, [redacted].
Posthumus, Mark A., [redacted].
Powell, Raymond R., [redacted].
Powers, Steven C., [redacted].
Prater, Jeffrey C., [redacted].
Pratt, David P., [redacted].
Provost, James T., [redacted].
Putt, Kerry R., [redacted].
Pyatt, Richard L., [redacted].
Ramstad, Raider F., Jr., [redacted].
Rayburn, Bentley B., [redacted].
Reay, Roderick D., [redacted].
Redmann, Steven J., [redacted].
Reese, Michael S., [redacted].
Rhoads, Walter E., [redacted].
Rhye, Ralph C., [redacted].
Rice, Roy E., [redacted].
Richter, Lawrence L., Jr., [redacted].
Ridge, Lawrence K., [redacted].
Riordan, Charles F., III, [redacted].
Risi, Mark L., [redacted].
Roberts, Randy W., [redacted].
Roberts, Spencer J., [redacted].
Rogers, Mark B., [redacted].
Rohde, William S., [redacted].
Romanowicz, Phillip M., [redacted].
Rorabaugh, James D., [redacted].
Rosborg, Eric J., [redacted].
Rosebush, Michael A., [redacted].
Roth, Rudolf R., [redacted].
Routh, John W., [redacted].
Rowland, Mark E., [redacted].
Roznovsky, Michael E., [redacted].
Ruddock, David A., [redacted].
Rupel, Patrick E., [redacted].
Russell, Byron C., [redacted].
Ruth, Michael E., [redacted].
Ruth, Richard G., [redacted].
Ruttler, James L., Jr., [redacted].
Ryals, Samuel K., [redacted].
Ryan, Robert W., [redacted].
Saenger, Philip R., [redacted].
Salvemini, Leonard A., [redacted].
Sanders, Leslie A., [redacted].
Santner, John F., [redacted].
Sargent, Charles D., [redacted].
Sarver, Richard E., [redacted].
Sawyer, Roy R., [redacted].
Saxman, John B., [redacted].
Schell, Walter J., [redacted].
Schempp, Eugene P., [redacted].
Scherer, John C., [redacted].
Schiemann, Daniel S., [redacted].
Schmeling, Charles E., [redacted].
Schmitt, Gregory L., [redacted].
Schmitz, Charles B., [redacted].
Schmitz, David D., [redacted].
Schnell, Kenneth F., [redacted].
Schoener, Stanley L., [redacted].
Schoning, Mark W., [redacted].
Schuessler, William M., [redacted].
Schuman, James S., [redacted].
Schwartz, Carl P., [redacted].
Schwarz, Kimberly C., [redacted].
Scott, Craig T., [redacted].
Scott, Mark W., [redacted].
Scruggs, Jimmy R., [redacted].
Scully, Robert J., Jr., [redacted].
Seifert, Gary R., [redacted].
Shappell, Robert L., [redacted].
Sharp, Eric W., [redacted].

Sheppard, Randy E., [redacted].
Sheridan, Joseph G., [redacted].
Shields, David C., [redacted].
Shields, William R., [redacted].
Shine, John J. 3d, [redacted].
Shope, Mark L., [redacted].
Shugart, Gary W., [redacted].
Siefke, Stanley P., [redacted].
Sienkiewicz, Edward M., Jr., [redacted].
Simmons, Charles J.,, Jr., [redacted].
Simonitsch, James M., [redacted].
Simpson, Michael A., [redacted].
Sims, John G., [redacted].
Siniscalchi, Joseph W., Jr., [redacted].
Skattum, Mark H., [redacted].
Skillman, Thomas C., [redacted].
Skinner, Scott R., [redacted].
Smith-Harrison, Leon T., [redacted].
Smith, Dale C., [redacted].
Smith, Kenneth P., [redacted].
Smith, Kevin W., [redacted].
Smith, Scott M., [redacted].
Smura, Thomas E., [redacted].
Snelgrove, Donald N., [redacted].
Snyder, Russell R., [redacted].
Soto, Christopher C., [redacted].
Speer, Danial W., [redacted].
Spencer, James W., [redacted].
Spraggins, Dean C., [redacted].
Sprenkle, David A., [redacted].
Spring, Scott H., [redacted].
Stallone, Theodore G., [redacted].
Stapley, Jonathan S., [redacted].
Stefaniuk, Oleh I., [redacted].
Stein, Joseph P., [redacted].
Stephan, Billy W., Jr., [redacted].
Steward, John M., [redacted].
Stewart, James W., [redacted].
Stewart, Robert C., [redacted].
Stewart, William P., Jr., [redacted].
Stich, Steven A., [redacted].
Stickney, Mark W., [redacted].
Stinson, Kelly D., Jr., [redacted].
Stoddard, Albert T. 3d, [redacted].
Stone, David H., [redacted].
Storer, John W., [redacted].
Straight, Michael L., [redacted].
Striegel, Edward A., [redacted].
Strunk, Peter P., [redacted].
Stults, John C., Jr., [redacted].
Stumpp, Frederick G., Jr., [redacted].
Stytz, Martin R., [redacted].
Sullivan, John F., [redacted].
Summers, Thomas S., [redacted].
Sutton, John R., [redacted].
Swanson, Scott K., [redacted].
Swiderek, William M., [redacted].
Symens, Terry M., [redacted].
Takacs, Richard A., [redacted].
Tamkun, John E., [redacted].
Tasker, Frederick L., [redacted].
Taylor, William H., [redacted].
Terry, Sanford S., [redacted].
Thaller, Gary P., [redacted].
Thisted, Blair J., [redacted].
Thomas, Jeffrey S., [redacted].
Thompson, Frederick H., [redacted].
Thompson, Robert G., [redacted].
Thompson, William F., [redacted].
Tiabitts, Stephen W., [redacted].
Tillotson, David I., [redacted].
Toich, Anthony M., [redacted].
Topolski, Thomas J. Jr., [redacted].
Townsend, Richard B., [redacted].
Traxler, John M., [redacted].
Traylor, Robert K., [redacted].
Trinter, Russell D., [redacted].
Turner, Jon R., [redacted].
Turner, Robert W., [redacted].
Udall, Thomas H., [redacted].
Vandendries, John E. Jr., [redacted].
Vanepps, Alan R., [redacted].
Vanpelt, Carl E., [redacted].
Vanryn, Jacques S., [redacted].
Vargo, Stephen A., [redacted].
Venable, John R., [redacted].
Volcheff, Mark A., [redacted].
Vosburgh, Gary D., [redacted].
Vreeland, Steven J., [redacted].
Walden, Robert S., [redacted].
Wallace, David G., [redacted].
Wallace, Gerald L. Jr., [redacted].
Wallace, Jay R., II, [redacted].
Waller, James P., [redacted].
Wall, Edward C., Jr., [redacted].
Walrond, George E., [redacted].
Waltman, Glenn C., [redacted].
Waters, Dale C., [redacted].
Watson, Steven M., [redacted].
Webber, Richard E., [redacted].
Wedell, Steven P., [redacted].
Weems, Frederick L., [redacted].
Weiderman, William C., [redacted].
Weilbrenner, Steven D., [redacted].
Weininger, Michael J., [redacted].
Weller, William C., [redacted].
Wells, Mark K., [redacted].
White, David G., [redacted].
White, Gregory V., [redacted].
Whitfield, Gary W., Jr., [redacted].
Whitican, Frederick L., [redacted].
Whitley, Kenneth L., [redacted].
Whitney, Lynn H., [redacted].
Wilcock, Edward T., [redacted].
Williams, Douglas L., II, [redacted].
Williams, Paul, [redacted].
Williamson, David, [redacted].
Willis, Roy W., Jr., [redacted].
Wilson, Richard L., [redacted].
Wilson, Teddy, [redacted].
Wintermeyer, Charles A., Jr., [redacted].
Wisloski, Michael, [redacted].
Wissman, John P., [redacted].
Witherspoon, Michael R., [redacted].
Wojcicki, Stephen A., [redacted].
Wolter, John T., [redacted].
Woock, Daniel D., [redacted].
Woods, Charles M., [redacted].
Woodward, John S., [redacted].
Wright, Michael N., [redacted].
Wrighton, Timothy J., [redacted].
Young, David D., Jr., [redacted].
Young, Terrence J., [redacted].
Young, William A., [redacted].
Yurko, Richard M., Jr., [redacted].
Zejdlik, Todd N., [redacted].
Zerambo, Edward S., [redacted].

The following cadets, U.S. Military Academy, for the appointment in the Regular Air Force in the grade of second lieutenant, effective upon their graduation, under the provisions of section 541 and 8284, title 10, United States Code, date of rank to be determined by the Secretary of the Air Force:

Baldwin, Richard W., [redacted].
Bentley, David P., [redacted].
Burington, Mark S., [redacted].
Conniff, Richard P., [redacted].
Cunningham, Craig C., [redacted].
Digiacinto, David T., [redacted].
Duncan, Jeffrey L., [redacted].
Dyke, Robert L., [redacted].
Farrington, Arthur J., [redacted].
Gaston, Christopher J., [redacted].
Helms, Thomas A., [redacted].
Holder, Gregory P., [redacted].
Keating, Patrick L., [redacted].
Sanders, Stephen M., [redacted].
Taylor, Donald G., [redacted].
Williams, Forest D., [redacted].

HOUSE OF REPRESENTATIVES—*Monday, May 5, 1975*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

The ways of the Lord are right and the just shall walk in them.—Hosea 14: 9.

O God and Father of us all as we face the duties of another week we turn to Thee seeking the guidance of Thy wisdom and the power of Thy spirit. Grant that our Speaker and the Members of this body may be empowered to walk in the ways of truth and righteousness. May the plans contemplated and the legislation proposed contribute to the highest interests of our Nation and the greatest good of all mankind.

We humbly and earnestly pray that we may lead our people in right paths, toward great goals by noble means, with clean minds and pure hearts. Toward this end we commit ourselves to the guidance of Thy spirit. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 242. Joint resolution to authorize and request the President to issue a proclamation designating the calendar week beginning May 12, 1975, as "National Historic Preservation Week."

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

S. 621. An act to provide congressional review and an opportunity to disapprove of any exemption or increases in petroleum prices and of actions to establish a petroleum price floor; and

S. 896. An act to increase the appropriation authorization relating to the volunteers in the parks program, and for other purposes.

SHALE OIL SUBSIDIES

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, when we consider the disposition of our naval oil shale reserves, we must consider the economies of development of these reserves.

In the 1960's, when oil sold for around $3.50 per barrel, shale developers believed that shale would be a competitive energy source when oil prices reached $5.50. Although oil prices are now running at $11 per barrel, shale development is still not with us. Because shale development takes more hardware than drilling for oil, the same high oil prices which are to provide the incentive for shale oil development in part cause the inflation which drives up the costs of hardware for shale development.

There is now talk that the Federal Government should subsidize this energy source. Proposals range from guaranteed loans to price floors to cash grants. Not only do we already subsidize shale development through a special depletion allowance and sundry other tax write-offs, but the industry would like further guarantees. It is becoming more and more obvious that shale oil is not going to be an economically feasible energy source. If we are not wary, it could become a taxpayer subsidized boondoggle.

Mr. Speaker, I believe the taxpayer should have a guarantee of return if asked to put money with a new enterprise. Oil shale has yet to offer such. To transfer our naval oil shale reserves to the Interior Department, which is already under criticism for accepting too low of bids on its prototype leases is to invite more bargain basement bidding on the people's lands. To establish a trust fund which might develop naval oil shale reserves may mean pouring the taxpayer's petroleum revenues down a deep canyon. I will offer amendments to H.R. 49 and H.R. 5919, the bills to amend the laws applying to the naval petroleum and oil shale reserves, to prevent either injury to the taxpayer from happening.

JOINT COMMITTEE REVIEW OF THE LIQUID METAL FAST BREEDER REACTOR PROGRAM

(Mr. McCORMACK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCORMACK. Mr. Speaker, in continuance of my practice of keeping this body informed of the activities of the Joint Committee's Subcommittee on Review of the national breeder reactor program, I have the following report. On Thursday of last week, the subcommittee held its second in a series of briefings and heard Dr. E. Linn Draper on nuclear reactor types and Mr. George Quinn on the uranium enriching process. I was pleased that Senator CLIFFORD CASE, a member of the ad hoc subcommittee, was able to participate in this briefing.

I include in the Extensions of Remarks a summary of the presentations which were heard from our two speakers.

On Tuesday, May 6, the subcommittee will convene at 2 p.m. for a third briefing session during which we will hear a presentation on the present status of civilian nuclear powerplants, including performance and reliability, by Mr. Willian S. Lee and another on the Clinch River breeder demonstration project by Mr. Wallace Behnke.

As a further step in its review of the breeder program, the subcommittee will hold a public hearing at 2 p.m. on Wednesday, May 7, 1975, at which time the Honorable Russell E. Train and the Honorable Frank G. Zarb will appear as witnesses.

Mr. Train, Administrator of the Environmental Protection Agency will present his Agency's recently released views on the proposed final environmental impact statement on the liquid metal fast breeder reactor program. Mr. Zarb, Administrator of the Federal Energy Administration, is scheduled to present the administration's views on projections of electrical load growth, the prospective role on the liquid metal fast breeder reactor, and related matters.

VETO OF FARM BILL WILL BE SUSTAINED

(Mr. FINDLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FINDLEY. Mr. Speaker, the President's veto of the farm bill will be sustained by a strong bipartisan margin of at least 20 votes.

On the 2 previous votes on this bill, 181 Members are on record voting "no." Seventy-one Democrats joined 91 Republicans in opposing passage. On the conference report, 70 Democrats joined 96 Republicans on the negative side.

Efforts will be made to switch some of the negative votes. But it strikes me as most unlikely that enough can be persuaded to crumble under pressure to change the outcome.

Working against such switches was the decision of the House just last week to establish a $70 billion ceiling on the Federal deficit for fiscal 1976. The approved budget resolution provided no funds for this new farm bill. The House would look plain foolish kicking a billion-dollar hole in the budget resolution less than a week after it was approved. According to USDA, the farm bill would require an outlay of $1.8 billion for the year.

I cannot believe House Members take budget control so lightly they will wreck their own resolution within a week.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
May 1, 1975.

Hon. CARL ALBERT,
Speaker, House of Representatives.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 5:32 p.m. on Thursday, May 1, 1975, and said to contain a message from the President wherein he vetoes H.R. 4296, an Act to adjust target prices, loan and purchase levels on the 1975 crops of upland cotton, corn, wheat, and soybeans, to provide price support for milk at 80 per centum of parity with quarterly adjustments for the period ending March 31, 1976, and for other purposes.

With kind regards, I am,
Sincerely,
W. PAT JENNINGS,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

EMERGENCY AGRICULTURAL ACT OF 1975—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-125)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I am returning without my approval H.R. 4296, referred to as the Emergency Agricultural Act of 1975. Although the aim of this bill is laudable, its results would be costly not only to consumers and taxpayers but to American farmers in the long run. It would damage our international market position which is so essential to American agriculture's long-term interests.

Approval of this bill, therefore, would *not* be in the public interest.

In the conduct of the Government's fiscal affairs, a line must be drawn against excesses. I drew that line in my address to the Nation on March 29. I promised all Americans that, except where national security interests, energy requirements, or urgent humanitarian needs were involved, I would act to hold our fiscal year 1976 deficit to no more than $60 billion.

New spending programs which the Congress is considering could easily raise the Federal deficit to an intolerable level of $100 billion. This *must* not happen.

H.R. 4296 is an example of increased non-essential spending. In fiscal year 1976, it could add an estimated $1.8 billion to the Federal deficit. If used as a point of departure for longer-term legislation—as was strongly indicated during its consideration—it could lead to an escalation of farm program subsidies in succeeding years.

Approval of this bill would undermine the successful market-oriented farm policy adopted by this Administration and the Congress. It is a step backward toward previously discredited policies.

Prospects for farmers, it is true, are not as bright this year as in the recent past. Farm production costs have been pushed upward by the same inflationary pressures that affect other industries. Demand for certain farm products has simultaneously slackened because of the recession. Prices paid by farmers are currently 11 percent above year-ago levels. In contrast, the index of prices received by farmers is now 7 percent below levels of a year ago. Fortunately, the latest index, released Wednesday, shows that the 5-month decline in prices received by farmers has been reversed and was 4 percent above a month earlier.

The Administration recognizes that some farmers have experienced financial difficulties due to this cost-price squeeze. It has taken a number of positive steps to assist farmers. The 1976 wheat acreage allotment was recently increased by 8 million acres to 61.6 million acres. This action provides wheat producers with additional target price and disaster protection.

We have also increased the 1975 crop cotton price support loan rate by 9 cents a pound. And we recently announced an increase in the price support level for milk, which, combined with easing feed prices, should be helpful to dairy producers.

Within the past several days, we have completed negotiations with the European Community to remove the export subsidies on industrial cheese coming here—a step that insures that surplus dairy products will not be sold in the

U.S. market at cut-rate prices. At the same time, we have worked out arrangements which enable the Europeans to continue selling us high-quality table cheese. This solution has enabled us to keep on mutually agreeable trading terms with our best customers for American farm exports.

The Administration has also taken action to protect our cattle producers against a potential flood of beef imports from abroad. The Department of State is completing agreements with 12 countries limiting their 1975 exports of beef to this country. These voluntary export restraint agreements are intended to keep imports subject to the Meat Import Law to less than 1,182 million pounds.

If unforeseen price deterioration requires action on my part, I will direct the Secretary of Agriculture to make adjustments in price support loan rates for wheat, corn, soybeans, and other feed grains. But it is our expectation that market prices for grains will remain well above loan rates and target prices in the coming year.

Most farmers have already made their plans and bought their seed. Many are well into their planting season. These plans have obviously been completed without any dependence on the provisions of H.R. 4296.

In the long haul, this bill would lead to constraints on production and result in loss of jobs in food-related industries. It would induce farmers to grow more cotton—already in surplus—and less soybeans needed for food. The bill would jeopardize the competitive position of our cotton in world markets.

American farmers have responded magnificently during the past several years to produce food and fiber for this Nation and the world. This has made agriculture our leading source of foreign exchange. This year, despite very trying circumstances, most farmers are again seeking full production. They have my support for a vigorous export policy for their products. I recognize that agricultural exports have been restrained twice in the past two years. We have now eliminated all restrictions on exports and we are determined to do everything possible to avoid imposing them again. Our farm products must have unfettered access to world markets.

This Administration is determined to act in support of the American farmer and his best interests. It will not act to distort his market. We must hold the budget line if we are all to enjoy the benefits of a prosperous, stable, non-inflationary economy.

For all these reasons, I cannot approve this Act.

Gerald R. Ford.

The White House, *May 1, 1975.*

The SPEAKER. The objections of the President will be spread at large upon the Journal, and the message and the bill will be printed as a House document.

Mr. McFALL. Mr. Speaker, I ask unanimous consent that further consideration of the veto message from the President of the United States on the bill H.R. 4296 be postponed until Tuesday, May 13, 1975.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. FINDLEY. Mr. Speaker, reserving the right to object, I wonder if the gentleman from California could inform us as to why a delay is necessary.

Mr. McFALL. This is at the request of the chairman of the House Committee on Agriculture, the gentleman from Washington (Mr. Foley). It has been discussed with the minority side, and I understand that this is the time at which we have agreed to take up this matter.

PARLIAMENTARY INQUIRY

Mr. FINDLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. FINDLEY. Mr. Speaker, my parliamentary inquiry is this: Does this request require unanimous consent?

The SPEAKER. It does not. It can be done by motion.

Mr. FINDLEY. I thank the Speaker.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERSONAL EXPLANATION

(Mr. HEINZ asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. HEINZ. Mr. Speaker, on April 17, because of official business, I regret that I was unable to respond to rollcall No. 127, for the substitute amendment to the Youth Camp Act. Due to a clerical error, it was indicated that I would have voted "nay;" to clarify the record, I would have voted "aye." In addition, on rollcall No. 128, I would have voted "aye" on passage of H.R. 46, the Youth Camp Safety Act.

Due to official business in my district on April 21, I was not able to cast my vote on rollcall No. 130, highway projects legislation, H.R. 3787. If I had been present I would have voted "aye." Also, on rollcall No. 131, environmental impact statements, I would have voted "aye."

And also, Mr. Speaker, I regret that on April 22, official House business prevented my responding to rollcall No. 133, on passage of the Small Business Relief Act. If I had been present, I would have voted "aye." And on April 23, also because of official business, I was not present to cast my vote on rollcall No. 136. If I had been present, I would have voted "nay."

RELATING TO PER DIEM AND MILEAGE EXPENSES OF GOVERNMENT EMPLOYEES

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 172) to revise certain provisions of title 5, United States Code, relating to per diem and mileage expenses of Government employees, and for other purposes, with a Senate amendment to the House amendment, and agree to the Senate amendment to the House amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment to the House amendment, as follows:

Page 7, of the House engrossed amendment, after the matter following line 15, insert:

Sec. 8. The seventh paragraph under the heading "administrative provisions" in the Senate appropriation in the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 68b), is amended by striking out "$25" and "$40" and inserting in lieu thereof "$35" and "$50", respectively.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. HORTON. Mr. Speaker, reserving the right to object, and I shall not object, I wish to express my support for this unanimous-consent request to accept the Senate amendment and pass S. 172, as amended.

An objection was raised to accepting this Senate amendment to the House amendment to S. 172 when this same unanimous-consent request was made last Thursday, May 1. As Chairman Brooks and I pointed out at that time, the Senate has accepted the House bill in its entirety and has asked that we, as a matter of comity, raise the rate of per diem for Senate employees to the rate applicable to House employees and the rates listed in this bill for executive branch employees.

We also made the point that the Senate amendment does not deal with the provisions in the Senate bill as passed by the Senate which would have modified the authorization for Senators and Senate personal staffs to receive per diem. It only changes the rate of per diem for those presently authorized per diem under existing law and Senate rules.

The gentlemen who objected to the motion to accept the Senate amendment have been presented with a detailed memorandum outlining why the concerns they expressed about this amendment were not valid. I hope today they will consent to this unanimous-consent request.

I am personally concerned that this very important legislation be delayed no longer. It has the full support of the Administration and the Federal employee unions. The Senate is accepting in its entirety the House bill and they agreed not to press provisions in their bill which had been of concern to the House previously. I urge my colleagues to agree to this unanimous-consent request.

Mr. Speaker, I withdraw my reservation of objection.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. HORTON. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman.

I will just say to the gentleman that his description is accurate. I have had the chance over the weekend to examine this memorandum, and I have no objection to the consideration of the Senate amendment at this time. I appreciate the courtesy of the gentleman's staff in providing me with this information.

The memorandum is as follows:

Memorandum for the Record Re S. 172

Questions were raised on the floor concerning the Senate amendment to the House amendment to S. 172, the Travel Expense Amendments Act of 1975. Congressmen Bauman and Frenzel inquired whether the change proposed in section 62(b) of title 2 of the United States Code would permit Senators to receive per diem for travel to their home states when not on committee business.

As was explained on the House floor by Chairman Brooks and Ranking Minority Member Horton, the Senate amendment does not in any way change the authorization for per diem payments to Senators or their personal staffs. Senators, like House Members, are authorized per diem when they travel on official business, such as on committee business or an appointment by the President of the Senate. They are not authorized under existing law or regulation, nor by this amendment, to receive per diem when traveling for reasons relating to their representation of a State or reasons not connected with the official business of the Senate. The amendment only changes the rate of per diem allowed Senators and Senate employees traveling on official business and authorized to receive per diem under existing law and regulations.

The Senate amendment changes the rate of per diem in section 68(b) of title 2, United States Code. This section in chapter 4 of title 2, which deals with officers and employees of the Senate and House of Representatives, sets the rate of per diem and subsistence expenses in exactly the same way we set the rates of per diem for executive branch employees. Existing law authorizes per diem be paid at $25 a day except that (1) higher rates may be established by the Senate Committee on Rules and Administration for travel beyond the limits of the continental United States, and (2) in accordance with regulations prescribed by the Committee on Rules and Administration in the Senate, reimbursement for such expenses may be made on an actual expense basis not to exceed $40 per day in the case of travel within the continental limits of the United States. The amendment would change the figure $25 to $35 and the $40 to $50. By way of comparison, Members may wish to look at the similar wording in section 3 of H.R. 4834 as it was reported by the Committee on Government Operations and passed by the House on April 21, 1975. (See page 11049 in the CONGRESSIONAL RECORD.) The Senate has accepted in its entirety the language of this House-passed bill so this is also now section 3 of S. 172 which is before us.

The Committee on Rules and Administration in the Senate is given authority to make regulations in the same way that existing law gives such authority to the Committee on Administration for House employees and the Administrator of General Services for executive branch employees. Such flexibility is needed so that regulations may cover a number of situations which may develop in which there would be some question as to how much per diem ought to be authorized within the rate limit set by law. For example, some provision must be made for per diem payments when an employee is on travel status for only part of the day. Of course, this flexibility must be exercised within limitations otherwise imposed by law.

Travel allowances for Senators traveling for reasons relating to their representation of a State and not related to the official business of the Senate are covered by section 58 of title 2 which is found in chapter 3 dealing with compensation of members and their personal staffs. Subsection (a)(8) provides that Senators should be reimbursed only for actual transportation expenses and not per diem, and that personal staffs of Senators shall be reimbursed only for actual transportation expenses and not per diem in accord with subsection (e) of section 58. Subsection (e) defines for what trips a personal employee may be reimbursed actual transportation expenses.

To emphasize the point, Senators and personal staffs traveling for reasons relating to their representation of a State and not related to the official business of the Senate are eligible only for reimbursement for transportation expenses and not for per diem under existing law. There is nothing in the Senate amendment to the House amendment to S. 172 which would modify the authorization for travel expenses or provide per diem for Senators or personal staffs for such travel.

The concern of the gentlemen stems from provisions found in S. 172 as first introduced in the Senate. As originally introduced, both subsections (a)(8) and (e) of section 58 of title 2 were amended. The Senate Government Operations Committee in reporting the bill deleted the amendment to section (a)(8) and the managers of the bill in the Senate have agreed to delete the reference to subsection (e) as part of an agreement with the House managers reached in an attempt to speed consideration of the bill. Again for emphasis, the earlier Senate amendments to section 58 of title 2 dealing with Senate and personal staff reimbursement for transportation expenses and per diem have been dropped and are no longer included in any way in the language of S. 172 being considered now.

I might add by way of comparison that whereas the Senators and their personal staff are prohibited by law from receiving per diem, House Members and personal staffs are not so prohibited by law. Section 57 of title 2 authorized the Committee on House Administration to fix and adjust from time to time by order of the Committee amounts of allowances (including the terms, conditions, and other provisions pertaining to those allowances) for travel and mileage to and from Congressional districts represented. In other words, Members of the House and personal staffs are not prohibited by law as are Senators and their personal staffs from receiving per diem when traveling to their home districts.

In conclusion, then, there is nothing in the Senate amendment to the House amendment to S. 172 which would authorize per diem allowances for Senators and for their personal staffs traveling to home states on other than official Senate business, nor in any way change the authorization for per diem or transportation expenses, other than the rate at which it is paid. The rate is changed from $25 to $35 a day and from $40 to $50 a day when actual expenses are reimbursed.

Mr. BROOKS. Mr. Speaker, the amendment added by the Senate would change existing law to this extent only:

Senators and Senate employees traveling on official business of the Senate and its committees—not personal senatorial business—are presently authorized to be reimbursed for per diem and subsistence. The rates of that reimbursement have been codified in section 68(b) of title 2 of the United States Code. The most recent rates were established in the Travel Expenses Act passed in 1969.

The Senate amendment now pending simply changes those 1969 rates to bring them into line with the rates that would be applicable to executive and judicial branch travel as a result of passage of this bill. The maximum rate for per diem would be set at $35 per day for ordinary travel and for actual expenses up to $50 per day under unusual circumstances, subject to regulation by the Senate Committee on Rules and Administration. This amendment does nothing to expand the entitlement of Senators or Senate employees to per diem expenses. It simply brings the rate of reimbursement for persons already entitled to per diem into line with the rest of the Government.

There were four principal differences between the House bill (H.R. 4834) and S. 172, as it originally passed the Senate. The Senate has receded on three of those differences and we are considering only one. I believe we should accept this provision because it is completely within the scope and policy of the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendment to the House amendment was agreed to.

A motion to reconsider was laid on the table.

ANNOUNCEMENT OF THE DEATH OF AMBASSADOR KENNETH KEATING

Mr. HORTON. Mr. Speaker, I have just received a telephone message that deeply upset me. I should like to inform my colleagues in the House that I have just received word from my office that a very close personal friend of mine, and my predecessor in the House, Ambassador Kenneth Keating has just died.

Ambassador Keating served in this House for many years and represented the congressional district that I now represent. Many people strive to make a significant contribution in one field of endeavor during their lives. Ken Keating's field was leadership and humanity. He excelled as a lawyer, as a Congressman and Senator, as a jurist, and at the very hour of his death, as a statesman and diplomat.

Fated to serve as Ambassador to India during some of the most difficult days in South Asian history, and as Ambassador to Israel during a dynamic period of conflict and change in the Middle East—these were symbolic of Ken Keating's nature. He could always be found where the action was, and could be counted on for contributing compassion and civility along with incisiveness to the resoluton of conflicts and problems.

I am certain that the people of Monroe and Wayne Counties, his former congressional district, will miss him. Our State will miss him, and our Nation will remember him as one of its greatest.

His passing will grieve many in this House who have served with him.

CALL OF THE HOUSE

Mr. MONTGOMERY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McFALL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 174]

Addabbo
Ambro
Andrews, N.C.
Armstrong
Ashley
Aspin
Badillo
Barrett
Biaggi
Boggs
Boland
Bowen
Breaux
Brodhead
Burke, Calif.
Burton, John
Chisholm
Conlan
Conyers
D'Amours
Davis
Delaney
Derrick
Derwinski

Diggs
Duncan, Oreg.
Early
Esch
Eshleman
Foley
Ford, Mich.
Frey
Fulton
Goldwater
Gonzalez
Hanley
Harrington
Harsha
Hastings
Hayes, Ind.
Hébert
Helstoski
Hinshaw
Jarman
Jenrette
Johnson, Colo.
Jones, Okla.
Landrum
Lent
McEwen
McKinney
Macdonald
Madden
Madigan
Mann
Martin
Mathis
Matsunaga
Melcher
Milford
Mills
Mink
Mollohan
Moore
Moorhead, Pa.
Mosher
Mottl
Nix
Obey
O'Brien
O'Neill
Pattison, N.Y.
Pressler
Pritchard
Rangel
Rhodes
Rinaldo
Risenhoover
Roncalio
Ryan
Scheuer
Shriver
Smith, Nebr.
Solarz
Stephens
Stuckey
Sullivan
Symington
Teague
Thompson
Thornton
Udall
Walsh
Waxman
Weaver
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wydler
Yatron
Young, Fla.
Young, Ga.
Zeferetti

The SPEAKER. On this rollcall 330 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

TIME TO DEPOSE KING CAUCUS

(Mr. FRENZEL asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. FRENZEL. Mr. Speaker, today's Congressional Quarterly indicates that there is susbtantial objection by Democrats to the caucus rule which permits King Caucus to bind Members on House floor votes. I understand that the Democrat Study Group's Executive Committee has recommended repeal of this offensive rule, rule R8.

As chairman of the House Republican Task Force on Reform which made a similar recommendation way back in December of last year, I congratulate the DSG on its conversion and express the hope that the entire caucus will suddenly become similarly enlightened.

Unfortunately, repeal of R8 would be mostly cosmetic. Absent R8, King Caucus could still bind Democrat Members in committee votes. If a Member is forced by a political group—and King Caucus is only a political group—to vote against what he or she thinks is right, what difference does it make whether the vote is on the floor or in committee?

Restricting the unit rule to committee does not make it right. When a Member accepts the domination of King Caucus on any vote, the people we represent are hoodwinked and insulted. How can any Member here explain the hypocrisy of a vote against a bill on the floor after voting for it in committee?

Nor should we be deluded that King Caucus is only interested in "procedural matters." Procedural votes, particularly on rules, have a greater effect on the substance of any bill than most amendments. A closed rule determines substance. An amendment made in order by King Caucus and forced through the Rules Committee is assured of passage.

So, let no Democrat here believe that the simple repeal of rule R8 will still the growing criticism of King Caucus. A political group may use its caucus for anything it wishes, but if King Caucus is a tyrant—and he surely is—that is how he will be identified.

And, how about secrecy? The tokenism of possible repeal of R8 does not reduce the need to open up the workings of King Caucus' court to the public. The exercise of the unit rule in any form demands public scrutiny.

The Republican Conference has adopted a standard of openness. Is the glare of sunlight too strong for King Caucus?

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3(b) of rule 27, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule 15.

After all motions to suspend the rules have been entertained and debated and after those motions to be determined by nonrecord votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

PASSENGERS ON CARGO VESSELS

Mr. DOWNING. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5405) to amend the Merchant Marine Act, 1920, in order to permit cargo vessels to carry more than 16 passengers when emergency situations arise, as amended.

The Clerk read as follows:

H.R. 5405

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first paragraph of section 26 of the Merchant Marine Act, 1920 (46 U.S.C. 882), is amended by striking out the period at the end of the last proviso thereto and inserting in lieu thereof the following: ": *And provided further,* That in any case in which the Secretary of the Department in which the Coast Guard is operating, finds that an emergency situation so requires, and subject to such regulations as he may prescribe, any vessel documented under the laws of the United States and not engaged in an international voyage may carry in excess of sixteen persons in addition to the crew.".

The SPEAKER. Is a second demanded?

Mr. McCLOSKEY. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Virginia (Mr. DOWNING) is recognized for 20 minutes, and the gentleman from California (Mr. McCLOSKEY) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Virginia (Mr. DOWNING).

Mr. DOWNING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 5405, which is a sound and necessary piece of legislation.

The need for this bill can be clearly demonstrated: The Chesapeake Bay Bridge-Tunnel, a 17-mile facility which crosses that bay from the Norfolk area to the Delmarva Peninsula, has been put out of service at least five times in the past because of ships and barges colliding with the facility. When the bridge-tunnel is closed, a motor trip as short as 20 miles from Delmarva to the Norfolk-Virginia Beach area can be extended up to 400 miles by alternative routes.

The Commonwealth of Virginia has prepared an emergency plan to insure the continued flow of commerce should the bridge-tunnel be put out of service again. This plan contemplates the hiring of cargo vessels capable of ferrying up to 24 trucks across the bay. Existing law would prevent the carriage of the drivers of all of these trucks since cargo vessels engaged in our domestic trade are presently prohibited from carrying more than 16 passengers in addition to the crew. H.R. 5405 would amend section 26 of the Merchant Marine Act, 1920, to authorize the Coast Guard, in an emergency situation, to permit cargo vessels engaged in the domestic trade to carry more than 16 passengers.

Mr. Speaker, both the U.S. Coast Guard and the secretary of transportation for the Commonwealth of Virginia testified in full support of this legislation and I know of no opposition to it. It was unanimously reported by the Merchant Marine and Fisheries Committee.

I believe 5405 is a meritorious bill and urge its immediate passage.

Mr. JONES of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. DOWNING. I yield to the gentleman from North Carolina.

Mr. JONES of North Carolina. Mr. Speaker, I would like to rise in strong support of the gentleman's legislation. If affects my own district, which is to the south of the gentleman's district.

I urge unanimous support of this bill, and I commend the gentleman for bringing it to the floor of the House.

Mr. DOWNING. Mr. Speaker, I thank my dear friend from North Carolina for his remarks.

Mr. McCLOSKEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill performs a simple but important function. I know of no opposition to it nor of any reason to oppose it.

The bill would simply authorize a waiver so that, in emergency situations, more than 16 passengers could be carried in cargo vessels. The Coast Guard has assured the committee that it would provide suitable regulations to narrowly define the emergency situation where a waiver would apply, and that the waiver would cease as soon as the emergency did.

I ask all Members to join me in supporting this bill.

Mr. DOWNING. Mr. Speaker, I have no further requests for time.

Mr. McCLOSKEY. Mr. Speaker. I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from Virginia (Mr. DOWNING) that the House suspend the rules and pass the bill H.R. 5405, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

NOISE CONTROL ACT EXTENSION

Mr. ROONEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5272) to amend the Noise Control Act of 1972 to authorize additional appropriations, as amended.

The Clerk read as follows:

H.R. 5272

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (g) of section 15 of the Noise Control Act of 1972 (42 U.S.C. 4914(g)) is amended by striking out the period at the end thereof and substituting a comma and the following: "$2,200,000 for the fiscal year ending June 30, 1976, $550,000 for the transition period of July 1, 1976 through September 30, 1976, and $2,420,000 for the fiscal year ending September 30, 1977.".

SEC. 2. Section 19 of the Noise Control Act of 1972 (42 U.S.C. 4918) is amended by striking out "and" and by inserting immediately before the period at the end thereof "; $13,200,000 for the fiscal year ending June 30, 1976; $3,300,000 for the transition period of July 1, 1976, through September 30, 1976; and $14,520,000 for the fiscal year ending September 30, 1977".

SEC. 3. No part of any amount appropriated pursuant to the amendments made by the first two sections of this Act shall be available for research, development, or demonstration.

The SPEAKER. Is a second demanded?

Mr. BAUMAN. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Pennsylvania (Mr. ROONEY) is recognized for 20 minutes, and the gentleman from Maryland (Mr. BAUMAN) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. ROONEY).

Mr. ROONEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 5272 extends authorization under the Noise Control Act of 1972, which expires on June 20. The total authorization for fiscal year ending June 30, 1976, is 15,400,000. The total authorization for the fiscal year ending September 20, 1977, is $16,940,000.

Both the subcommittee and the full committee reported this bill unanimously by voice vote.

(By unanimous consent, Mr. BAUMAN yielded his time to Mr. SKUBITZ).

The Chair recognizes the gentleman from Kansas (Mr. SKUBITZ).

Mr. SKUBITZ. Mr. Speaker, the bill before us today is a simple extension of the authorities contained in the Noise Control Act for a period of 27 additional months. It will authorize 15.4 million for fiscal year 1976. For the 3-month transitional period before the advent of the new fiscal year on October 1, 1976, it will authorize $3.85 million, and for the full new fiscal year 1977, it will authorize $16.94 million.

Although the Walsh-Healey Act which applies to noise in the workplace in industry had been on the books for many years, the general idea of treating noise as an environmental and health danger is comparatively new. We had at one time given some slight attention to the matter of aircraft noise. In 1970, however, Congress ordered the Environmental Protection Agency to do a comprehensive study on the subject of noise and the requirements for noise control and an office of Noise Abatement and Control was established. This was really the beginning of significant attention to the noise problem, and so it is not too surprising that we are only now learning what can be done and obtaining information to make major policy decisions about what should be done in this field.

In the recent past, EPA has published regulations about motor carrier noise and rules for air compressors. In conjunction with the Federal Aviation Administration, it has also looked into the matter of aircraft noise, particularly the problems associated with the supersonic Concorde.

There are some differences of opinion within the Government about noise levels in the workplace. EPA feels that proposed OSHA regulations are not adequate.

For all of the reasons which I have outlined here, your committee recommends that no substantive change be made in the laws relating to noise control at this time. Rather, it is hereby submitting for your approval a bill which extends the authorities now in existence and allowing for further progress within them. We feel that progress is now being made and will continue to be made and that the level of authorizations contained in H.R. 5272 should be adequate to assure the appropriate level of effort for the next 2 fiscal years.

Mr. STEIGER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. SKUBITZ. Yes, I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Mr. Speaker, may I inquire as to what the amendment is that the gentleman from Pennsylvania (Mr. ROONEY) discussed and that the Speaker indicated is in the bill?

Mr. ROONEY. What was the gentleman's question? Excuse me.

Mr. STEIGER of Wisconsin. What is the amendment?

Mr. ROONEY. To answer the gentleman, the amendment that I have prohibits any appropriations made pursuant to the above authorization from being available for noise research and development projects. This amendment simply recognizes not only the jurisdiction, but also the excellent work of the Committee on Science and Technology and its Subcommittee on Environment and the Atmosphere, which has jurisdiction over environmental research and development programs.

It is that committee which authorizes EPA's level of noise research and development; and although the Noise Control Act is only 2 years old, the Office of Noise Control has made tremendous strides in this complex field, and it was this Office that produced the first document discussing the effect of noise at various levels and the criteria to determine such levels and the sources of noise.

At present, EPA is beginning the regulatory phase of its responsibilities which concerns the noise associated with motor carriers, railroads, and airplanes.

The funding levels authorized by H.R. 5272 are sufficient for the EPA to continue its present activities, to pursue such activities, and begin the third phase of its duties with respect to enforcement.

This is part of the amendment.

Mr. STEIGER of Wisconsin. Mr. Speaker, will the gentleman from Kansas yield further?

Mr. SKUBITZ. Yes, I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Mr. Speaker, I appreciate the gentleman's yielding.

May I inquire as to what is meant by the language in the committee report, on page 3 of the committee report, where there is a discussion of what to me is an incredible situation which has not been resolved by this legislation. That is that controversy presently exists between the Department of Labor and the Occupational Safety and Health Administration and its responsibilities to establish a standard for noise in the workplace, the effort by the Environmental Protection Agency to establish jurisdiction under this act to try to supersede or subvert the work of the Occupational Safety and Health Administration.

The language of the committee report says:

> This dispute continues and it should be left to run its course under existing law before this committee can determine the effectiveness of the provisions in the Noise Control Act of 1972 relating to the resolution of such disputes.

My question to the committee is this: Under what authority have we granted to the Noise Control Agency, EPA, the right to try to establish a workplace noise level as contrasted to that jurisdiction that clearly rests with the Occupational Safety and Health Administration? Second, why did the Committee on Commerce and Health not try to get ino a position where it might clearly define what OSHA's responsibilities were and what EPA's responsibilities were so that employers and employees across the country would not continue to suffer under the kind of confusion that exists? Third, what work was done by the Committee on Commerce in conjunction with the Committee on Education and Labor that has jurisdiction under the Occupational Safety and Health Administration to try to clarify this issue?

Mr. Speaker, if I can, while those who are responsible try and answer those three questions, it seems to me inconceivable that this House would, under these circumstances and without the chance for amendment, pass what I know needs to be done to extend the jurisdiction of EPA's noise control authority, without trying to clarify what it is that is being done between OSHA and EPA.

The dispute is a serious one in its impact on employers and employees across the country, and is proving exceedingly costly. The work of EPA, to my knowledge, up to now has been less than effective, and has been at most mischievous.

I would like to have someone from the committee tell us what we might anticipate in attempting to resolve this very fundamental dispute.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. SKUBITZ. I yield to the gentleman from Pennsylvania.

Mr. ROONEY. Mr. Speaker, in reply to the inquiry of the gentleman from Wisconsin, may I say that this act is a new act. It has been in force only 2 years. EPA coordinates all of the regulations of the Federal agencies. EPA only recommends, and it is then up to the administration to decide what decision is to be made.

If the Members will look at the Federal programs in section 4 of the act, it explains this, and it directs the Federal agencies to administer their programs in a manner to reduce noise consistent with their authority, and requiring each Federal agency to comply with the Federal, State, and interstate and local requirements on noise control, unless exempted by the President.

Mr. STEIGER of Wisconsin. Mr. Speaker, will the gentleman from Kansas yield further?

Mr. SKUBITZ. I yield further to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Mr. Speaker, that is an interesting response, but it does not answer the questions.

Mr. ROONEY. Mr. Speaker, may I add that we have no authority over OSHA, and I see no reason why we should get into something to try to do something—something that is not under our jurisdiction.

Mr. STEIGER of Wisconsin. If the gentleman from Kansas will yield still further, I understand that you do not have any control substantively over the jurisdiction of the Committee on Education and Labor on the Occupational Safety and Health Administration, but I hope the committee understands the problem that EPA and OSHA now have in trying to determine a noise level, and the response of the gentleman from Pennsylvania frankly does not do that.

Mr. ROONEY. Mr. Speaker, will the gentleman from Kansas yield further?

Mr. SKUBITZ. I yield to the gentleman from Pennsylvania.

Mr. ROONEY. Mr. Speaker, may I say to the gentleman from Wisconsin (Mr. STEIGER) that EPA merely recommends. Presently there is testimony in the hearings concerning this, and no decision has been made. EPA does not set the regulations, they merely recommend. We went into this quite extensively in the public hearings.

Mr. STEIGER of Wisconsin. I recognize that EPA is in the posture of recommending an 85-decibel level. The problem with that is that there is great confusion on the part of everybody in this field as to what EPA's role is, and what it is not. The fact of the matter is that I hope the committee knows, from having gone into this substantively, that EPA's posture is that they think the Safety and Health Administration's recommended standards do not meet their law, or their function of recommendation; however, I believe that this can take on the color of something more than a simple recommendation. That is the reason I would hope that at some point we might in fact have clarification of this issue from this committee that has responsibility for EPA.

Mr. ROONEY. This controversy is presently the subject of administrative hearings that are being conducted by OSHA. OSHA is holding the hearings and will make its decision as to what the decibel levels should be.

Mr. GRASSLEY. Mr. Speaker, will the gentleman yield?

Mr. SKUBITZ. I yield to the gentleman from Iowa.

Mr. GRASSLEY. Mr. Speaker, I thank the gentleman for yielding. I would like to add that not only is there some confusion as to the administration's stand and which bureaucracy is responsible for making the final determination on noise abatement policy, but I would also say to the gentleman that many of the recommendations of EPA on the 85-decibel level are purely unrealistic. In my district one large employer has been urged to buy new machinery with a lower decibel level, and that machinery would cost millions and millions of dollars, and it is not even possible to purchase that equipment at this time.

In view of this information, I would like to inject into this debate for the record the point that EPA must be realistic in the positions it takes and the recommendations it makes. Otherwise, above and beyond the possibility of misunderstanding on the part of the public as to which agency is actually making public policy, we also have the position that EPA is totally unrealistic.

Mr. SKUBITZ. Mr. Speaker, so far as I am concerned, if it is within our jurisdiction, I should be very happy to confer with representatives of the other committee and do what we can to clarify this matter.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. SKUBITZ. I yield to the gentleman from Pennsylvania.

Mr. ROONEY. I thank the gentleman for yielding.

EPA objected to OSHA's regulations and therefore, OSHA must publish its justification for such regulations in the Federal Register, which it has. OSHA is now holding administrative hearings on its published regulations. The eventual decision is going to be left up to OSHA, not EPA. EPA is merely recommending.

Mr. STEIGER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. SKUBITZ. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. I thank the gentleman for yielding.

Is the gentleman saying, then, for the benefit of my colleagues that if OSHA were, for example, to recommend a 90-decibel level following the hearings in June, the EPA's posture at that point is to do nothing more? Or would I be correct in understanding the circumstances which would say that EPA could say to OSHA, "No; that 90-decibel level that you are recommending under the Occupational Safety Health Act does not meet, in our judgment, the responsibilities and our statutory authority under the Noise Control Act"?

Mr. ROONEY. If the gentleman will yield further, it is my opinion that OSHA has the final say.

Mr. BROWN of California. Mr. Speaker, will the gentleman yield?

Mr. SKUBITZ. I yield to the gentleman from California.

Mr. BROWN of California. I thank the gentleman for yielding.

Mr. Speaker, I rise in very strong support of this act. I think it is vitally necessary that it be continued as is proposed by the legislation before us, and I want to commend the committee for reporting it out in its present form. I am aware of the difficulties which exist with regard to the conflicts between certain agencies. I do not want to complicate that situation, but I would also like to take note of the fact that there are several agencies other than EPA and OSHA that are engaged in problems relating to the environmental impact of noise. This includes NASA; it includes the Department of Transportation; it includes HUD; and it is an extremely difficult job to bring together all of these various agencies which are involved in the overall noise problem in a national way.

I think that we are in the process of doing that. I think that this bill allows us to go ahead, to continue our activities in that regard.

I note the fact that the chairman of the subcommittee, the gentleman from Pennsylvania, has included in the bill section 3, which recognizes the jurisdiction of the Committee on Science and Technology with respect to the research and development aspects of this bill. I want to commend him and express my appreciation for including that section in the bill.

I might point out that EPA, the Environmental Protection Agency, has only a nominal role in research and development in this field, essentially a coordinating role as assigned by the organic act. However, I think it is extremely important that the Committee on Science and Technology exercise its responsibility under the rules of the House, as revised in this Congress, to look at the noise research and development being done by EPA and to coordinate that to the best of its ability with the similar kinds of work being done by the other agencies which fall within the jurisdiction of this committee. It is the intention of the Science and Technology Committee to authorize all of the R. & D. functions of EPA in an annual authorization bill.

I want to urge the passage of this bill, recognizing the difficult problems that exist in the noise field as they do in almost any environmental field. I would like to stress this, because the problems of the environment cut across the jurisdiction of many committees. The members of the Science and Technology Committee are still considering how best to exercise their jurisdiction over environmental research and development. We have two goals, the first being to apply the same care and scientific expertise in annually authorizing the environmental research and development programs in EPA as we have in NASA, NSF, and now ERDA. The second is to make sure overall environmental programs go forward expeditiously. To achieve the first, my Subcommittee on the Environment and the Atmosphere has completed extensive hearings into EPA's R. & D. program, and has carefully analyzed and come to agreement about recommended levels and programs. The second goal, of expediting the needed legislation, is served in the bill before us by the addition of section 3, which excludes research and development, leaving it to be authorized by the Science and Technology Committee in a separate bill. We are currently working with other committees involved in jurisdiction over EPA programs to iron out any difficulties which would hinder expeditious consideration of all of EPA's basic legislation.

I think this bill is a straightforward solution to a very substantial and growing problem in the noise field. I urge favorable action on it by the House.

Mr. ROONEY. Mr. Speaker, I yield now to the gentleman from California (Mr. Sisk) such time as he may consume.

Mr. SISK. Mr. Speaker, the legislation before us is of particular interest to me because it is my hope that it will help resolve the obvious confusion among various Federal agencies which now exists over noise abatement.

At a time when public confidence in government is already at a low ebb, a large segment of my district in central California has seen firsthand what can occur to the detriment of the people when cooperation, and coordination among Federal agencies breaks down.

I am afraid that what has occurred in my district is a classic case of the right hand not knowing what the left hand is doing—or simply not caring.

Last September, the U.S. Air Force published an air installation compatible use zone map, a so-called noise map, for the Castle Air Force Base. Such maps are published for every Air Force base in the country, and they are done so only to assist local communities in adequately planning future development so that the public can reside in a safe and quality environment area.

Upon publication of the noise map, however, the Federal Housing Administration and Veterans' Administration immediately halted processing of home mortgage insurance applications for new construction in some noise zones. The results of the action, especially by the FHA, has been to virtually stop all construction in the city of Merced, and substantial portions in the communities of Atwater and Winton, all of which are dependent in large measure on the military activities of Castle Air Force Base.

The policy of eliminating FHA assistance in virtually all of three communities is clearly excessive and intolerable, especially when one considers that the Department of Housing and Urban Development has discretionary authority to approve housing between the 30 to 40 NEF zone.

The fact is, however, HUD has not to date seen fit to approve housing within that zone.

But what is it that we are really faced with? The Congress mandated the Environmental Protection Agency to develop national noise abatement standards. That policy was supposed to be established in cooperation with a number of other Federal agencies and departments. Unfortunately, that has not occurred. Therefore, my district is faced with a situation where HUD, not the Environmental Protection Agency, has established noise standards and, in effect, land use standards.

So while the EPA attempts to develop reasonable noise attenuation standards—a task which is not easy—the Department of Housing and Urban Development goes its own way without regard to the impact of its decisions and without regard to the congressional mandate to EPA.

Late last year, I met with officials from EPA, HUD, VA, the Air Force, and FAA in my office to discuss this matter. In effect, I was told by EPA officials that there has been a total lack of coordination among Federal agencies in developing national noise abatement standards. I was also told by HUD that it would not wait for EPA; that it would go on its own.

So for 7 months HUD has not approved any mortgage insurance for most of the three communities adjacent to Castle Air Force Base. But to further illustrate what clearly is a careless policy, regional HUD officials in San Francisco concede they are "breaking new ground" and are not sure how to correct this situation. So on one hand HUD says its policy is too severe; that it needs modification, but on the other hand it refuses to lift its decision.

HUD officials are now conducting an environmental impact statement to determine what the impact of its policy has been in my district—at a cost, I suspect, of several thousands of dollars. It is obvious that they did not think this matter through before acting—they just acted.

The result has been to bring the construction industry to a virtual halt in Merced, Atwater, and Winton, the public cannot purchase new housing, and HUD is foundering, causing even more resentment toward the Federal Government.

My district is the one which is suffering now, but many others in this Chamber may have to face this same problem in the future unless the Congress requires cooperation and coordination between the Federal agencies and departments.

Mr. ROONEY. Mr. Speaker, will the gentleman yield?

Mr. SISK. I yield to my friend, the gentleman from Pennsylvania, to see if there is something his committee, which I understand has jurisdiction over the Noise Control Act, can do to impress on these other agencies the necessity of letting EPA through its noise control legislation set some standards before we go off in all directions.

Mr. ROONEY. I can recall the gentleman discussing this with me on previous occasions and I regret the necessity of you not being able, because of another appointment, to testify before my subcommittee. I will attempt to clarify the matter at this time.

Section 4 of the Noise Control Act requires all Federal agencies to consult EPA before prescribing noise regulations and it allows EPA to require public review of any regulations thought insufficient to protect public health and welfare to the extent EPA thinks feasible. All agencies must consult with EPA. If they have not consulted with EPA they have acted contrary to the act.

Mr. SISK. I certainly do appreciate the comments of my friend, the gentleman from Pennsylvania, because in my long discussions which have gone on over a period of months trying to resolve this issue, we have found there is a desperate need for housing for military personnel who are stationed at Castle plus the demand from the local people in which we are totally stalemated.

In discussions with officials of the Air Force, I learned that they developed the noise maps on their own initiative. The noise maps, however, reflect only information put into a computer, and not actual noise tests at Castle Air Force Base. The validity of the noise map, then, becomes questionable.

Mr. SKUBITZ. Mr. Speaker, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Speaker, is the objection based on noise or as it based on damages to property from planes going over at low heights?

Mr. SISK. The basic objection of HUD is that in zones between 30 to 40 decibels, residential development may not be prudent because of possible environmental hazards resulting from flyover aircraft noise. The point to keep in mind, however, is that HUD at the regional level has the authority to permit new housing by executive flat or by first requiring developers to meet noise attenuation measures. HUD officials in Washington have said, in effect:

> The 30 to 40 zone is not bad enough for us to worry about, we'll leave it up to regional to decide.

For 7 months HUD has not approved any mortgage insurance for most of the three communities adjacent to Castle Air Force Base. But to further illustrate what clearly is a careless policy, regional HUD officials in San Francisco concede they are breaking new ground" and are not sure how to correct this situation. On one hand HUD at the regional level says its policy is too severe, that it needs modificaton, but on the other hand it refuses to lift its decision.

HUD officials are now conducting an environmental impact statement to determine what the impact of their policy has been in my district—at a cost, I suspect, of several thousands of dollars. It is obvious that they did not think this matter through before acting—they just acted.

All I am pleading for, let me say to my good friend, the gentleman from Kansas, is to give EPA and through the Noise Control Act over which you have jurisdiction, the right to go ahead and set some standards on a national basis before they start out piecemeal and upset the applecart as they have in my particular area.

Mr. ROONEY. Mr. Speaker, I think the gentleman from California has given a perfect illustration of why this Congress authorized one Federal agency, the EPA, to coordinate all the noise activities of the Federal agencies. Simply, there are numerous agencies involved in developing noise regulations and their efforts must be coordinated if we are to understand and solve the problem.

I thank the gentleman.

Mr. ROONEY. Mr. Speaker, I yield such time as he may consume to the gentleman from West Virginia (Mr. STAGGERS).

Mr. STAGGERS. Mr. Speaker, I rise in support of H.R. 5272, a bill "to amend the Noise Control Act of 1972 to authorize additional appropriations."

Since 1972 when the Noise Control Act was passed, significant steps have been taken to bring excessive noise sources under control. Major sources of noise have been identified. Studies have been conducted. Regulations on controlling aircraft noise—including noise from supersonic aircraft—have been recommended.

Proposals have been published to reduce noise from trucks, air compressors, and motor carriers.

These steps are only the beginning. The start has been a slow one. But noise must be controlled, if we are to prevent hearing losses, to avoid disturbance of sleep, to reduce stress and improve productivity and the quality of life.

After 2 days of oversight hearings, the Transportation and Commerce Subcommittee reported out H.R. 5272 by voice vote. This bill would authorize appropriations for 27 months for continued operation of the noise control program. A total of $15.4 million is authorized for fiscal year 1976; $3.85 million for the 3-month transition period—July 1–September 30, 1976—and $16.94 million for fiscal year 1977. The bill was reported by unanimous voice vote of the full committee.

Mr. ANNUNZIO. Mr. Speaker, I rise in support of H.R. 5272, legislation which extends the Noise Control Act of 1972.

As the Congressman from Illinois' 11th District, in the vicinity of the world's busiest airport, O'Hare International, I strongly supported the original 1972 Noise Control Act because I felt that strong Federal action was needed to begin work on updating airport noise regulations. The airport noise problem for those of my constituents who live around O'Hare is most severe, and the mental stress, fatigue, and interference with sleep caused by the constant landings and takeoffs of jet aircraft cannot be ignored as a health hazard.

The 1972 act was a strong step forward in the battle against the noise pollution problem in that the Federal machinery needed to monitor this problem was established and the Environmental Protection Agency was given the authority to set noise level standards, set noise labeling requirements, and coordinate Federal programs relating to noise research and noise control.

Although the ultimate control of antinoise regulations rests with the Federal Aviation Administration, the EPA has proposed new and stringent regulations on this subject and has submitted them to the FAA. Under the Noise Control Act of 1972, the FAA must either accept, modify, or reject these EPA regulations, and if the regulations are modified or rejected, the Federal Aviation Administration must explain publicly its reason for doing so. This is a most important part of the original 1972 legislation, because it makes the FAA publicly responsible for its action or lack of action on this problem.

Mr. Speaker, I must point out to my House colleagues that the Environmental Protection Agency has recommended that jet aircraft be retrofitted with sound absorption materials—SAM—technology. However, the FAA so far has not issued the final regulation necessary to require the airlines to reduce jet noise by utilizing this currently available technology, which could reduce the number of persons exposed to unacceptable noise levels at O'Hare by as much as 74 percent.

In addition to its aircraft noise control projects, the Environmental Protection Agency has also published Low Noise Emission Equipment Regulations, a Notice of Proposed Rulemaking for Motor Carriers and for Trucks and Air Compressors, and other documents relating to the major sources of health-threatening noise. The 1972 act has been an important step in coming to grips with the complicated noise pollution problem and in increasing our national awareness of the steps necessary to combat this health hazard. Before Congress passed this law, there was no overall Federal noise control statute.

The most ironic aspect of the noise pollution problem is that, in a great many cases, noise pollution is simply not necessary. The technology exists that would bring noise down to much more endurable levels. However, noise control technology is not being applied primarily because of economic factors. It is less expensive to run jackhammers, subway cars, and textile machines until they wear out rather than replacing them with newer, quieter equipment. In the case of consumer goods, noise may even add to sales—for example, a noisier vacuum cleaner may be preferred over a quieter one, out of the mistaken idea that noise denotes cleaning power.

Mr. Speaker, the bill before us today will extend the important noise control program begun in 1972 and continue the research and public information projects as well as initiate the development of low-noise-emission products.

It is in this type of situation, where technology to solve a problem exists but is not being utilized, that we in the Government can be of critical importance. By using the power of legislation and regulation, we can compel the use of quieter equipment not only at airports, but in the workplace and the factory, where productivity could very well increase, and the number of compensation claims filed, due to hearing impairments, decrease, because of the utilization of new equipment. That is the purpose of the bill before us today and I urge the support of my colleagues in the House for this important measure.

Mr. ADDABBO. Mr. Speaker, I rise in full support of H.R. 5272 and urge its passage by the House. We in America have lived too long with noise, especially in large urban areas, and it is proper that this bill expand the effort we began 3 years ago with the Noise Control Act of 1972.

What this bill does is to rectify the inadequacies of the prior bill, adding desperately needed staff and funding so that projects begun can be completed. We who had hoped so much for the passage of the 1972 bill were frustrated by the organizational delays and the problems that came with getting started. We have now been assured by the Environmental Protection Administration that the agency has the earlier problems resolved, that the agency is now able to attack the problems it was designed to attack. I believe we must place our faith in EPA insofar as this bill goes.

I would only caution that the Congress, as well as the people of this Nation, have a right to expect that the battle against noise be won. We are spending great sums of money at a time when dollars are precious to expand this agency. We have nearly doubled, from 59 persons to 92, the staff positions. I believe those expenditures are proper ones, and I urge the House to approve them. But it is time for us to say without equivocation to the agency that the time for it to produce, to begin to have a real impact on the problems of noise in this Nation, are here. I would hope another time will not come when we discuss this issue again and conclude that the money we authorize here today will have been spent in vain.

I again urge my colleagues to support this bill.

Mr. ROYBAL. Mr. Speaker, I rise in support of H.R. 5272, to extend provisions of the Noise Control Act until October 31, 1977.

We are all aware of the danger to health and safety caused by pollution of our air and water. However, we tend to overlook the far-reaching physiological and psychological effects of noise pollution, which include permanent hearing loss, interference with communications, disturbance of sleep that leads to decreased productivity, and lowering of property values in areas located near noise sources.

Passage of the Noise Control Act of 1972 was a first step in curbing harmful noise production. In carrying out the provisions of the law, the Environmental Protection Agency has begun to coordinate efforts on the part of all Federal agencies to reduce noise levels, and has published regulations covering aircraft, trucks and other motor vehicles, and air compressors. We have seen positive results from these actions of the EPA, but a great deal of work has yet to be done. There are many noise pollutants still not subject to regulations, and new machinery is continually being developed which could have injurious effects in the people who work with and near it.

Mr. Speaker, I believe that an extension of the Noise Control Act is vital if we are to continue the progress which has already been made toward the development of standards for all major noise pollutants. Therefore, I urge my colleagues to support the new authorization for this bill.

GENERAL LEAVE

Mr. ROONEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 5272.

The SPEAKER pro tempore (Mr. McFALL). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania (Mr. ROONEY) that the House suspend the rules and pass the bill H.R. 5272, as amended.

The question was taken.

Mr. ASHBROOK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 3(b), rule XXVII, and the prior announcement made by the Chair, further proceedings on this motion will be postponed.

ESTABLISHING PROCEDURES AND REGULATIONS FOR CERTAIN PROTECTIVE SERVICES PROVIDED BY THE U.S. SECRET SERVICE

Mr. BROOKS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1244) to establish procedures and regulations for certain protective services provided by the U.S. Secret Service, as amended.

The Clerk read as follows:

H.R. 1244

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Presidential Protection Assistance Act of 1975".

SEC. 2. In the performance of the protective duties of the United States Secret Service pursuant to section 3056 of title 18 of the United States Code (pertaining to the protection of the President of the United States and other persons) and the first section of the joint resolution entitled "Joint resolution to authorize the United States Secret Service to furnish protection to major presidential or vice presidential candidates", approved June 6, 1968 (Public Law 90-331; 82 Stat. 170), Federal departments and agencies shall assist the United States Secret Service by—

(1) providing, when requested by the Director of the United States Secret Service or his authorized representative and on a reimbursable basis, services, equipment, or facilities on a temporary basis except that the Department of Defense and the Coast Guard shall provide such services, equipment, or facilities on a temporary basis without reimbursement when assisting the United States Secret Service in its duties directly related to the protection of the President or Vice President of the United States or other officer next in the order of succession to the office of President;

(2) providing, upon advance written request of the Director of the United States Secret Service or his authorized representative and on a reimbursable basis such facilities, equipment, and services as are required by the United States Secret Service to provide full-time security for each protectee at no more than one property at a time not in Government ownership or control, such property having been designated by a President, President-elect, former President, or any other person entitled to protection under the above provision of law, as the one property to be secured under this paragraph. Where more than one family member is eligible for Secret Service protection, there shall be only one such designated property allowed per family: *Provided, however,* That such limitation shall not be construed to apply to members of the immediate family who do not permanently reside with the person entitled to protection;

(3) providing, upon advance written request of the Director of the United States Secret Service or his authorized representative and on a reimbursable basis such facilities, equipment, and services, as are required by the United States Secret Service to provide full-time security at any property not covered by paragraph (2) of this section and not in Government ownership or control to the extent that such expenditures do not cumulatively exceed $10,000 at any one property owned, leased, occupied, or otherwise utilized by persons entitled to protection under such sections of title 18 and such Act unless approved by resolutions adopted by the Committees on Appropriations of the House and Senate, respectively.

SEC. 3. Expenditures by the United States Secret Service for maintaining a permanent guard detail and for permanent facilities, equipment, and services to secure non-Government property owned, leased, occupied, or otherwise utilized by persons entitled to protection under the above provisions of law shall be limited as provided in section 2 (2) and (3) of this Act.

SEC. 4. All purchases and contracts entered into pursuant to sections 2(2), 2(3), and 3 of this Act shall be made in accordance with the provisions of the Federal Property and Administrative Services Act of 1949.

SEC. 5. No payments shall be made pursuant to this Act for service, equipment, or facilities ordered, purchased, leased, or otherwise procured by persons other than officers or employees of the Federal Government duly authorized by the Director of the United States Secret Service to make such procurements.

SEC. 6. All improvements and other items acquired pursuant to this Act shall be the property of the Federal Government. Upon termination of entitlement to Secret Service protection or if a President, President-elect, former President, or other person entitled to protection under section 3056 of title 18 of the United States Code and the first section of the joint resolution entitled "Joint resolution to authorize the United States Secret Service to furnish protection to major Presidential or Vice Presidential candidates", approved June 6, 1968 (Public Law 90-331; 82 Stat. 170), designates a different property to be so secured, all improvements or other items shall be removed from the original property unless it is economically unfeasible to do so, as determined by the United States Secret Service, except that, such improvements or other items shall be removed and the property restored to its original state, regardless of the determination of economic unfeasibility, if the owner of such property at the time of determination requests removal. If improvements or other items are not removed, the owner of the property containing the improvements at the time of termination shall compensate the Government for the original cost of such improvements or other items or the amount they have increased the fair market value, as determined by the General Accounting Office, of the property as of the date of transfer or termination whichever is less.

SEC. 7. Expenditures under this Act shall be from funds specifically appropriated to the United States Secret Service for carrying out the provisions of this Act, with the exception of those expenditures exempted in section 2(1). Public funds not so appropriated shall not be used for the purpose of securing any non-governmentally-owned property owned, leased, occupied, or otherwise utilized by persons entitled to protection under section 3056 of title 18 of the United States Code and the first section of the joint resolution entitled "Joint resolution to authorize the United States Secret Service to furnish protection to major presidential or vice-presidential candidates", approved June 6, 1968 (Public Law 90-331; 82 Stat. 170).

SEC. 8. The Director of the United States Secret Service, the Secretary of Defense, and the Commandant of the Coast Guard shall transmit a detailed report of expenditures made pursuant to this Act to the Committees on Appropriations, Committees on the Judiciary, and Committees on Government Operations of the House of Representatives and Senate on March 31 and September 30 of each year.

SEC. 9. Expenditures made pursuant to this Act shall be subject to audit by the Comptroller General and his authorized representatives, who shall have access to all records relating to such expenditures. The Comptroller General shall transmit a report of the results of any such audit to the Committees on Appropriations, Committees on the Judiciary, and Committees on Government Operations of the House of Representatives and the Senate.

SEC. 10. Section 2 of the joint resolution entitled "Joint resolution to authorize the United States Secret Service to furnish protection to major presidential and vice-presidential candidates", approved June 6, 1968 (Public Law 90-331; 82 Stat. 170), is repealed.

The SPEAKER pro tempore. Is a second demanded?

Mr. HORTON. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas (Mr. BROOKS) will be recognized for 20 minutes, and the gentleman from New York (Mr. HORTON) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas.

Mr. BROOKS. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, H.R. 1244 is an outgrowth of an in-depth study of expenditures of Federal funds in support of Presidential properties by the Government Activities Subcommittee of the Committee on Government Operations in the last Congress. The report was adopted by a full committee vote of 36 ayes, 0 nays, and 2 present.

The committee found that $17 million in public funds were spent on President Nixon's three privately owned properties; that some items were paid for that were far in excess of security needs, or were not related to security purposes, or were not procured by authorized Government personnel.

We also found a loss of fiscal responsibility due to the location of authority among separate agencies; a failure by the Secret Service to develop fundamental managerial controls over expenditures; that proper procedures were not developed to handle Secret Service requests for expenditures by GSA; that no limitation was placed on the number of homes owned by a President which could be made secure, and that inadequate consideration was given to apportioning costs between the Federal Government and the private property owner.

In the last Congress, I introduced legislation to carry out the recommendations of the committee. That bill, similar to H.R. 1244, was referred only to the Judiciary Committee, which reported it favorably. It passed the House by voice vote on suspension, but there was not time for it to be acted upon in the Senate.

H.R. 1244 sets certain conditions for the expenditure of funds for the protection of the President and other persons and certain designated properties. It will centralize responsibility for the expenditure of funds for such protection in one agency—the U.S. Secret Service.

It will enable the Secret Service to obtain assistance from other departments and agencies on a reimbursable basis. An exception is provided, however, for expenditures of the Defense Department and the Coast Guard when temporarily assisting in the protection of the President, Vice President, and the officer next in line of succession.

It will limit full-time security to only one privately owned property, to be designated by the President or other protectee.

It places a limitation of $10,000 on expenditures on properties other than those designated, unless a resolution is adopted by the Appropriations Committees of the House and Senate. Expenditures must be made in accordance with the Federal Property and Administrative Services Act, with payments made only for procurements by authorized officers or employees of the Federal Government.

All improvements made to property or other items furnished will continue to be the property of the Government, and with certain exceptions, after termination of protection, will be removed. Semiannual reports of expenditures for protection will be made to the Congress, and the bill authorizes the Comptroller General to audit such expenditures with full access to records.

The General Accounting Office, in its testimony during our hearings, stated that it believed the bill would do a great deal to prevent the situations disclosed in the report of our committee and in its own report and recommended favorable consideration. The Department of Defense likewise supported the objectives of the bill as being consistent with sound management and fiscal policy. The Secret Service indicated that the bill would be no impediment to the work of the agency.

This legislation has been carefully developed in both committees. I believe it will be an effective control on expenditures for protective purposes and should avoid a repetition of the abuses that concerned us all. I hope the House will support the bill.

Mr. HORTON. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I rise in support of H.R. 1244, the Presidential Protection Assistance Act of 1975.

The bill before us is the bill reported by the Government Operations Committee; it consists of the Judiciary Committee bill with some technical amendments. In all policy matters, the bills reported by the Judiciary and Government Operations Committees are identical.

The purpose of this legislation is to prevent abuses of authority in expenditures for the protection of the President and other Government officials. H.R. 1244 sets forth the conditions under which the Secret Service can make expenditures for protective services, facilities, and equipment, and the terms under which it can seek assistance from other Government agencies. The bill will bring fiscal accountability to the function of protecting Government officials by requiring the Secret Service, which has this responsibility under law, to reimburse from its own appropriated funds the assisting agencies for the services, equipment, and facilities they provide.

Since there are occasions in which reimbursement is impractical, the bill exempts the Secret Service from having to reimburse the Defense Department and the Coast Guard for services, facilities, and equipment provided for the protection of the President, Vice President, and the officer next in order of Presidential succession. In addition, I think it should be understood that the Secret Service will not be required to reimburse other agencies providing services to the President or other protectee during the normal course of their operations, such as the FAA's air traffic control services provided to Air Force One.

I want to emphasize that protectees are not entitled by the terms of this bill to full-time security at property they own; the Secret Service is only authorized to provide such security as it feels necessary and appropriate. The Secret Service will provide protection and request assistance from other agencies only to the extent necessary to provide the level of protection they feel is required. Furthermore, I want to point out that the protectee will not realize a financial benefit from these expenditures, since he will be required to reimburse the Government for the security items not removed upon termination of Secret Service protection.

This legislation is the result of oversight hearings held by the Government Activities Subcommittee during the 93d Congress and reflects the recommendations made in its report. This bill is an example of what the Congress can do through oversight to prevent unnecessary or improper expenditures.

I want to congratulate Chairman BROOKS for the leadership and judiciousness he has shown in our committee's investigation of improper expenditures on Presidential properties and in developing this well-balanced piece of legislation. My committee held one day of hearings on this bill, and reported the bill unanimously.

H.R. 1244 would protect the American people against unnecessary expenditures on private property and, at the same time, would grant the flexibility needed by the Secret Service to fulfill its obligations to protect the President and various other persons as authorized by law. The White House has said they have no objections to this bill or its provisions. The Secret Service has said this bill is workable. The Department of Defense and the General Accounting Office urge passage of the bill. I believe this bill is necessary and well justified by the oversight investigation by my committee. I urge passage of H.R. 1244, as amended.

Mr. FISH. Mr. Speaker, will the gentleman yield?

Mr. HORTON. I will be glad to yield to the gentleman from New York (Mr. FISH).

Mr. FISH. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise to express strong and enthusiastic support for the passage of the Presidential Protection Assistance Act of 1975.

This legislation is directed at bringing some rationality and sanity into the area of publicly financed protection for the President, other high officials and visiting foreign dignitaries. The basic theme of the bill is that the American taxpayer has a right to know what it costs to provide Secret Service protection for the President and others entitled to protection under the law. It also is an attempt at insuring that such expenditures serve a genuine protective function, rather than being a veiled pretense for the enhancement of private property or recreation.

H.R. 1244 is the collective product of the Committee on the Judiciary and the Committee on Government Operations. This bill also incorporates a number of the recommendations contained in a report to the Congress made by the General Accounting Office on expenditures at San Clemente and Key Biscayne. In October, 1973, the Government Activities Subcommittee of the Committee on Government Operations, chaired by Congressman JACK BROOKS, conducted hearings on the subject of Federal funds expended in support of privately owned Presidential properties. That subcommittee reported that over $17 million had been spent on private properties owned or frequented by President Nixon. They concluded that many of the things done in the name of security were unnecessary and even unrelated to that purpose. As a result of that inquiry, the predecessor of the legislation we consider today was introduced.

Last year, when the Committee on the Judiciary was charged with conducting the impeachment inquiry, the abuses possible under the open-ended statutory mandate given the Secret Service in title 18 and under Public Law 90–331 became abundantly clear. The unnecessary, often ostentatious improvements made to the Nixon-owned properties precipitated a national controversy and became a symbol of the abuse of power.

These combined revelations led to a recognition that some limiting criteria were essential to regain public confidence and to discourage further abuses. Consequently, the Judiciary Committee approved and the House passed a measure very similar to H.R. 1244 at the end of the 93d Congress.

The main elements of the bill we consider today are as follows:

First. Permanent security for each person entitled to Secret Service protection would be limited to one non-Government property;

Second. Expenditures for permanent security installations at a second privately owned property would be limited to $10,000;

Third. Once protective services are no longer authorized, the permanent improvements would be removed unless it was determined to be economically unfeasible. However, in any event, they must be removed if the owner requests removal;

Fourth. The Secret Service would be required to reimburse other Federal agencies for any protective assistance they provide, except in the case of certain temporary services provided by the Department of Defense or the Coast Guard;

Fifth. Security related procurements must be made by U.S. Government personnel acting on written requests from the Secret Service; and

Sixth. All agencies making expenditures pursuant to this act shall submit semiannual reports to the Appropriations, Judiciary, and Government Operations Committees in both the House and Senate. The GAO would have access to these reports and the expenditures would be subject to audits by the Comptroller General.

The protective functions and responsibilities of the Secret Service are in no way affected. Those persons eligible to be protected under title 18 of the United States Code remain the same.

Mr. Speaker, this House considers a great deal of legislation which is labeled "reform" legislation. H.R. 1244 is genuine reform legislation. Its keynotes are fiscal control and accountability, along with full public disclosure. It assures on-going oversight by those congressional committees which have jurisdiction in this area. It symbolizes the limits of power in a democracy and intolerance for the abuse of power. While the American people have a right to feel secure that their President is safe, they do not want security used as a veil for luxury.

Mr. BROOKS. Mr. Speaker, I will yield to the very distinguished and able chairman of the subcommittee of the Committee on the Judiciary (Mr. FLOWERS), under whose leadership this very same bill was passed twice, once in the last Congress and once in this Congress, and then because of these new rules designed to make more difficult the functioning of this body, he passed it again in this Congress, then the Committee on Government Operations passed it, and then we both had to write to the Parliamentarian and tell him we both agreed we would take it up.

Mr. FLOWERS. Mr. Speaker, I thank the gentleman from Texas for yielding.

The bill H.R. 1244 provides for the specific statutory basis and definition of the circumstances under which protection may be furnished to the President and other persons entitled to protection under 18 U.S.C. 3056, and under the first section of Public Law 90–331 providing for the protection of major Presidential or Vice-Presidential candidates. The bill provides limitations with respect to security expenditures on property which is not owned by the Government. It would also require a change in the manner in which protective work on private property by the Federal departments and agencies is funded. The provisions of the bill are intended to provide the basis for control and accountability, as well as public disclosure, of Federal funds spent at private residences for persons entitled to protection under those statutory provisions which include the President, the Vice President, former Presidents, and others.

The need for this statutory definition was recognized in the 93d Congress when the House considered and passed the bill H.R. 17311 as reported by the Committee on the Judiciary. Earlier hearings in 1973 before the Government Activities Subcommittee of the House Committee on Government Operations concerning the expenditure of Federal funds in support of Presidential properties had developed facts which demonstrated the need for legislation.

In addition, the Comptroller General of the United States on December 18, 1973, submitted a report to the Congress entitled "Protection of the President at Key Biscayne and San Clemente" (With Information on Protection of Past Presidents). These reports and hearings were utilized by the Judiciary Committee in its consideration of the bills both in the last Congress and in the present session.

In reports and hearings, the General Accounting Office advised the committee that in the course of its investigation it reviewed the matters with reference to protection in terms of budgeting, accounting, and auditing with a view to identifying what had been done or still needed to be done to provide for responsible supervision and control over these areas, and to also provide for oversight by Congress along with understanding by the public. The recommendations of the General Accounting Office formed the basis for the bills, and those provisions are intended to provide for better controls over expenditures for protection.

At the hearing on February 6, 1975, before the Judiciary Committee's Subcommittee on Administrative Law and Governmental Relations, the General Accounting Office witness again outlined the Comptroller General's recommendations. First, the General Accounting Office recommended that appropriations for expenditures at private residences for protective purposes should be made to the Secret Service and no other funds should be available for that purpose. The bill, H.R. 1244, addresses this problem by providing that except as provided in section 2(1), expenditures for securing any nongovernmentally owned property shall only be from funds specifically appropriated to the Secret Service—section 7. The exception is that temporary assistance to the Secret Service may be given by the Department of Defense and Coast Guard, without reimbursement when directly related to the protection of the President or Vice President.

Second, the General Accounting Office recommended that the accounting procedures of the Secret Service should require that expenditures at private residences for protective purposes be authorized by the Director or Deputy Director of the Service. H.R. 1244 provides that advance written request of the Director or his authorized representative is required to obtain assistance in making secure property not in Government ownership—section 2(2)(3).

Third, the General Accounting Office recommended that the Secret Service should make an annual public report to the Congress showing in as much detail as security will allow expenditures made on private residences for protective purposes. H.R. 1244 in section 8 provides that the Director of the U.S. Secret Service, the Secretary of Defense, and the Commandant of the Coast Guard shall transmit a detailed report under the act to the Committees on Appropriations, Committees on the Judiciary, and Committees on Government Operations on April 30 and September 30 of each year.

Fourth, the General Accounting Office recommended that the expenditures made by the Secret Service should be subject to audit by GAO and that GAO should be given complete access to all records, files and documents supporting expenditures made by the Service. H.R. 1244 provides for this in section 9 of the bill.

Fifth, the General Accounting Office recommended that appropriations for expenditures at private residences of the President, not of a protective nature, should be made to the White House. The White House should account for such expenditures and make an annual report to the Congress, subject to audit by GAO in the same manner suggested for expenditures by the Secret Service for protective purposes. This is a matter outside the scope of H.R. 1244 which is intended to deal with the subject of protection. At the hearing in 1974, the GAO witness recognized this and stated that his agency felt that consideration should be given to this recommendation by the appropriate committees.

In addition, the General Accounting Office suggested that Congress might wish to consider limiting the number of private residences at which permanent protective facilities will be provided for a President and that consideration should be given to the desirability of a Government-owned residence in Washington for the Vice President. Public Law 93–346, enacted July 12, 1974, implemented the latter suggestion when it designated the premises occupied by the Chief of Naval Operations as the official residence of the Vice President. Section 2(2) of H.R. 1244 deals with the limit on the number of residences at which permanent facilities will be provided for a President, and others entitled to protection. In essence it provides a President with full-time protection at no more than one property at a time.

At the hearing in 1974, the General Accounting Office witness pointed out that the earlier 93d Congress bill, H.R. 11499, in section 2(2) allowed any person designated under 18 U.S.C. 3056 or under the act of June 6, 1968, to designate one non-Government property to be secured by the Secret Service. It was observed that since the President and his immediate family are all entitled to protection under 18 U.S.C. 3056, a President and his wife could under the bill each designate a separate property not in Government ownership or control to be protected at public expense. The revised bill H.R. 17311 clarified this by providing that in such a case there be only one such designated property per family. Where members of the immediate family do not permanently reside with the President, this limitation would not apply. The same language is included in the bill H.R. 1244 as reported in this Congress.

In the bill H.R. 1244, another suggestion of the General Accounting Office has been included. At the hearing in 1974, it was pointed out that the bill then pending before the Judiciary Committee provided for removal of security facilities upon termination of protective responsibility unless removal would be "economically unfeasible." It was suggested that because some security facilities can detract from the value of the property in the eyes of the owner it would seem reasonable to make provision for removal at his request whether such removal is economically feasible or not. In that Congress the bill was so amended. H.R. 1244 now includes this language in section 6. Thus, it is recognized that an owner should have the option of having improvements or other items removed and the property restored. Since the bill in section 2(2) would require an owner to reimburse the Government either for any increase in the value of property derived from protective additions or items placed on that property or their original cost, it would be inequitable to force this payment upon an owner who did not desire that the improvement or item remain on the property. Accordingly, the provision for removal and restoration is an alternative to the requirement for reimbursement.

This bill provides limitations and sets requirements for the implementation of the protective responsibilities of the Secret Service, and to provide for control and responsibility in carrying out those functions. It is not possible to predict what impact or change these provisions will have in terms of cost to the Government, but it is possible to state that the aim is to adequately control and account for such costs.

The facts presented to the Judiciary Committee in connection with this legislation provide the basis for the approval of the amended bill. It is recommended that the amended bill be considered favorably.

Mr. Speaker, I do not see how anyone could be in opposition to this legislation. In the last Congress very few apparently were for it passed on a voice vote. I do think that this is the proper occasion, as the gentleman from Texas has already said, for considering the effect of the new joint referral procedure upon this consideration of this bill.

The subcommittee of the Committee on the Judiciary, which I have the privilege of chairing, had a day of hearings, we had a markup, and it was brought before the full committee. We thought we were in a position to bring the matter to the floor of the House until we were advised that under the new procedures, it was not that simple. Since the bill had been jointly referred to the Judiciary Committee and the Committee on Government Operations, the Committee on Government Operations had to also consider it and had to have an additional day of hearing, a day of markup, and then also report it to the floor of this House.

Mr. Speaker, I do not think that this kind of duplication of effort is what we had in mind when we passed the legislative reform measures that apply in this particular way. Had our committee and the Committee on Government Operations not been in concert on this matter, and both in agreement on following expeditious procedures on this matter, we might have had a legislative stalemate and the legislation might never reach the floor of the House or at least have been subjected to unreasonable delay because of procedural difficulties not fully anticipated when the rules changes were approved.

Mr. Speaker, I endorse completely the action of my colleagues on the great Committee on Government Operations and especially do I endorse the work of my colleagues on the House Committee on the Judiciary.

This is a good bill. We ought to pass it unanimously, but I want to call upon the leadership of this House, of the Committee on Rules, and others to consider changes to this rule so that we do not have to have repetitious committee action on any measure that has been assigned to two committees or any measure pending in this House. I know that presently we have in our committee some such dually assigned legislation.

Mr. HORTON. Mr. Speaker, will the gentleman yield?

Mr. FLOWERS. I yield to the gentleman from New York.

Mr. HORTON. Mr. Speaker, I think the gentleman is making a very valid point, and I want to agree with the point he is making with regard to this referral to two or three committees.

What happened in this instance was that the matter was referred to the Committee on Government Operations. In the first instance, we attempted to report the bill out, but the members of the Committee on Government Operations felt we ought to go into it in some detail in spite of the fact that the Committee on the Judiciary had already gone into the matter. Then the chairman of our full committee, the gentleman from Texas (Mr. BROOKS), also chairs the subcommittee, so we referred it to the subcommittee. We then held additional hearings on this matter, and we did make some technical changes, but it was only because our chairman, the gentleman from Texas (Mr. BROOKS), was a member of the Committee on the Judiciary and because of the willingness of the Committee on the Judiciary that we were able to work this matter out. Therefore, I think the gentleman is making a very good point, and I certainly want to agree with him.

Mr. FLOWERS. Mr. Speaker, I certainly agree with the gentleman from New York on his particular observation.

It was possible to bring up this bill under this procedure because there were no problems, or disagreement in substance between the recommendations of the two committees, but right around the corner there are a lot of potential problems and we ought to change it while we still have the time.

Mr. Speaker, I thank the gentleman from New York.

Mr. HORTON. Mr. Speaker, I would like to yield 2 minutes to the gentleman from California (Mr. MOORHEAD).

The gentleman from California (Mr. MOORHEAD) is the ranking minority member of the Subcommittee on the Judiciary, the Committee on Administrative Law and Governmental Relations, and they handled this bill in the Committee on the Judiciary.

Mr. MOORHEAD of California. Mr. Speaker, today we are considering legislation which, in my mind, is long overdue. This bill is an attempt at establishing reasonable limits on the type of expenditures that can be made in connection with the protective responsibilities carried out by the U.S. Secret Service.

This measure is the result of over 2 years of hard work and research on this subject. Both the members of the Judiciary Committee and Government Operations Committee have been involved in formulating its principles and provisions.

H.R. 1244 is nearly identical to legislation which was reported favorably by the Judiciary Committee and passed the House of Representatives on December 16, 1974. I am proud to have been a cosponsor of that bill. Unfortunately, its passage last year came too late to permit comparable Senate action.

As reported in this session, H.R. 1244 limits permanent security for each person entitled to protection under the law to one non-Government property. This means, for example, that the President would be able to designate one residence owned or leased by himself to be fully secured. That location, in addition to the White House and Camp David would be used as his working retreat or a place to relax. Expenditures for permanent security installations at a second privately owned property would be limited to $10,000. Once protective services are no longer authorized, the permanent improvements would be removed, unless it was determined to be economically unfeasible. However, in any event, they must be removed if the owner requests removal.

Importantly, this legislation would also set up a system by which the Secret Service would be required to reimburse other Federal agencies for any protective assistance they provide. Significantly, for the first time, this will result in the Secret Service budget reflecting the actual cost of protecting the President, his family, the Vice President, former Presidents, and others now entitled to protection under the law. The single exception to this reimbursement requirement, under the bill, occurs where the Department of Defense or the Coast Guard provide certain temporary protective assistance to either the President or the Vice President.

Other sections of the bill worth noting

are a provision requiring that security-related procurements must be made by U.S. Government personnel acting on written requests from the Secret Service and a provision requiring that all agencies making expenditures pursuant to this act submit semiannual reports to the Appropriations, Judiciary, and Government Operations Committees in both the House and Senate. The GAO would have access to these reports and the expenditures would be subject to audits by the Comptroller General.

I strongly urge my colleagues in the House to support this important, significant legislation. It does not limit the movement of the President. It does not in any way restrict the Secret Service in carrying out its legitimate responsibilities. It fully recognizes the need to protect our high public officials while, at the same time, insuring that protection is not transformed into regal treatment.

Mr. BROOKS. Mr. Speaker, I yield to the distinguished gentleman from Oklahoma (Mr. STEED).

Mr. STEED. Mr. Speaker, I am very pleased that the gentleman from Texas has brought this bill to the floor. It is clear from past experience that there must be greater controls and a heightened sense of accountability for funds to protect officials of our Government. The Subcommittee on Treasury, Postal Service, and General Government, which I chair, has insisted that the Secret Service develop a better system of control over expenditures for the acquisition of space, alterations, and services. I think it is right for us now to amend the authorizing legislation for the Secret Service to require by law appropriate controls over these expenditures.

I would like to clarify one matter with the chairman and ranking minority Member, however. As is entirely appropriate, this bill requires that the Secret Service reimburse other Federal agencies when they provide temporary assistance to the Secret Service in its duties directly related to the protection of those entitled to protection and when requested by the Director of the Secret Service or his authorized representative. The bill recognizes, as it so states in the Government Operations Committee report on page 6—

> that there were some occasions in which reimbursement may be impractical and exempted the Secret Service from having to reimburse the Defense Department and the Coast Guard for such facilities, services, and equipment as they may provide in the protection of the President, Vice President, and other officer next in order of Presidential succession.

The report goes on to say, these—

> agencies provide services and protection for the Commander in Chief as part of their regular duties, and such expenditures are a part of their operating budget.

There are other activities which other agencies undertake as part of their regular duties and which are part of their operating budgets and which relate to the protection of the President. I am thinking of such activities as air traffic controllers who watch over the President's plane when he is flying over the United States; the National Park Service when a protectee is in a national park or on other Federal lands administered by the Interior Department; the State Department when a protectee is visiting a State Department facility or is traveling in a foreign country; and, for instance, the legislative branch when a protectee is visiting the Capitol complex. I assume that we would expect the Secret Service and the other agencies to apply this reimbursement requirement when support is requested by the Secret Service for protection and not for such support as may be given the President or other protectee as a part of other statutory responsibilities of the agencies. I ask the chairman and the ranking minority member if my understanding is correct in this assumption.

Mr. HORTON. Mr. Speaker, I certainly agree with the gentleman from Oklahoma (Mr. STEED), and I would state that the assumption made by the gentleman from Oklahoma is correct, and is the way I understand the bill is to be interpreted.

Mr. STEED. Mr. Speaker, again I want to thank the committee for bringing this bill to us today. It is going to help my subcommittee in a very trying and troublesome matter. We are very grateful that we have been given guidelines that will help us do our work.

Mr. BROOKS. Mr. Speaker, in reply to the inquiry of my friend, the gentleman from Oklahoma (Mr. STEED), let me say that the understanding of the gentleman is correct. We all realize that many duties are undertaken as part of the regular activities of various agencies, and the examples which are given would not appear to be those that require reimbursement by the Secret Service. In this bill we are only seeking to pin down responsibility and to tighten controls over expenditures. The main thing we are trying to do is to centralize the accountability for expenditures for activities that are essentially assisting the Secret Service in carrying out its legitimate protection responsibilities.

Mr. DANIELSON. Mr. Speaker, will the gentleman yield?

Mr. BROOKS. I yield two minutes to the gentleman from California.

Mr. DANIELSON. Mr. Speaker, I associate myself with the remarks of those who have preceded me. I would also like to point out that I feel that through the hearings which preceded and the passage of this bill, we have achieved and are achieving what I consider to be a very important step forward in our concept of providing protection to the President and his family.

None of us has any intention or desire to impair in any way the responsibilities of the Secret Service or any other agency charged with protecting the safety of the President and his family. None of us wish to do so.

The goal we sought to achieve was to establish some accountability as to the expenditures for Executive security. Our goal was to try to restrict those expenditures for improvements and facilities on certain real property to those which are designed and relevant to protect the President and not simply to enhance the value of his real property. I think we have done this through the bill.

The Secret Service, and the other agencies who have the responsibility, may continue their exemplary task of protecting the security of the President, but there no longer will be a bottomless purse through which, under the guise of protection, it will be possible to enhance and increase the value, without any limitation whatsoever, on properties owned or acquired by our Presidents.

Mrs. COLLINS of Illinois. Mr. Speaker, I rise in support of H.R. 1244, Presidential Protection Assistance Act of 1975.

This bill is a product of the hearings held in 1973 by the Government Operations' Subcommittee on Government Activities into the expenditure of Federal funds in support of Presidential properties. The subcommittee, of which I was a member, found that $17 million in public funds were spent in connection with former President Nixon's three privately owned properties and at the office complexes established at these locations.

We further found that the high cost for providing security at former President Nixon's homes was the result in many instances of poor fiscal management and responsibility.

The Government Operations Committee report entitled "Expenditure of Federal Funds in Support of Presidential Properties" recommended the enactment of further legislation which should bring about good management and fiscal responsibility.

H.R. 1244 is a result of these hearings and report, and is brought before us today in an effort to insure good government.

In no way does it compromise the freedom and/or mobility of a President. It does, however, limit a President in the number of private residences which can be secured at the expense of the taxpayers and centralizes the responsibility for the expenditure of funds for protection in one agency: the Secret Service.

While the Secret Service may obtain assistance from other departments and agencies, it must reimburse them. An exception is provided for the Department of Defense and the Coast Guard in temporarily assisting in the protection of the President, Vice President, and the next in order of succession.

The bill limits full-time security to only one privately owned property which may be designated by the President or other protectee. This, as I said earlier, does not compromise the mobility of a President, who, after all, has the use of Camp David and other Government-owned residences.

The other basic provisions of the bill require that: First, there be a limitation of $10,000 on expenditures on any other property not previously designated and not in Government ownership or control, unless a resolution of approval is adopted by the House and Senate Appropriation Committees; second, all improvements made to property or other items furnished continue to be the property of the Government; and third, semiannual reports of expenditures be made to certain congressional committees and the Comptroller General be authorized to audit such expenditures.

Mr. Speaker, this legislation is very similar to H.R. 17311, which I cosponsored and which passed the House on

December 16 last year by voice vote. However, since it was passed in the last days of the 93d Congress, the Senate did not have an opportunity to act upon it.

I urge my colleagues to support this legislation.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. BROOKS) that the House suspend the rules and pass the bill H.R. 1244, as amended.

The question was taken.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3(b) of rule XXVII and the prior announcement of the Chair, further proceedings on this motion will be postponed.

Does the gentleman from California withdraw his point of order that a quorum is not present?

Mr. ROUSSELOT. Mr. Speaker, I withdraw my point of order.

GENERAL LEAVE

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill currently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

AUTHORIZING EX GRATIA PAYMENT TO THE PEOPLE OF BIKINI ATOLL

Mr. PHILLIP BURTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5158) to provide an authorization for an ex gratia payment to the people of Bikini Atoll, in the Marshall Islands of the Trust Territory of the Pacific Islands, as amended.

The Clerk read as follows:

H.R. 5158

Be it enacted by the Senate and House of Representatives of the United States in Congress assembled, That there is authorized to be appropriated to the Secretary of the Interior in recognition of the hardship suffered by the people of Bikini due to replacement from their atoll since 1946 the sum of $3,000,000, ex gratia. Such sum shall be paid to a trustee selected by the Kili/Bikini Council subject only to disapproval by the High Commissioner of the Trust Territory of the Pacific Islands to be held in trust pursuant to the provisions of a trust agreement or amendment thereto agreed to by the Kili/Bikini Council subject only to disapproval by the High Commissioner of the Trust Territory of the Pacific Islands for the use and benefit of and distribution to persons who possess rights in Bikini Atoll. Provision may be made in the trust instrument for disbursement of trust income and corpus by the trustee directly to the Kili/Bikini Council for distribution, according to custom and tradition, to persons who possess rights in Bikini Atoll. The Governments of the United States and Trust Territory of the Pacific Islands shall not be liable in any cause of action in law or equity arising from the administration or distribution of the trust funds.

The SPEAKER pro tempore. Is a second demanded?

Mr. KETCHUM. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. PHILLIP BURTON) will be recognized for 20 minutes, and the gentleman from California (Mr. KETCHUM) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from California (Mr. PHILLIP BURTON).

Mr. PHILLIP BURTON. Mr. Speaker, in 1946, the people of Bikini Atoll in the Marshall Islands, of the Trust Territory of the Pacific Islands were moved from their homes to provide a nuclear bomb test site for the United States. During the greater part of the following 29 years the Bikinians have lived on an island with a total land area of one-third of a square mile, with no lagoon to protect the homes, the crops, et cetera, of the people from the high typhoon waters, and no harbor capacity in which the occasional vessel bringing food and supplies could anchor and unload. Cash income with which to buy supplies has also been minimal because of the corresponding difficulty of loading the only cash crop the Bikinians had; namely, copra. For 29 years, uprooted from their ancestral land these people have lived at what is truly the minimum subsistence level.

As yet, they have still not been able to return to their land. Previous Congresses have authorized and appropriated funds for the reclamation of Bikini to make it habitable once again, and it is to be hoped that they can return to their homeland within the next year.

In the meantime, they have not been compensated in any significant way for their 29 years of exile.

In a similar experience, the people of Eniwetok Atoll were paid by the United States, ex gratia, $1,020,000. The difference in the two sums is the approximate result of a difference of approximately 350 people—750 Bikinians and 400 Eniwetokese—and the lower 1975 value of the dollar.

To those who might think this figure is too generous, I would point out that it amounts to $4,000 per person, or approximately $138 to each person for each of the 29 years they have been exiles from their most precious possession, their land. Truly, they are, to use a contemporary word, refugees.

I urge the approval of this very meritorious bill.

GENERAL LEAVE

Mr. PHILLIP BURTON. Mr. Speaker, I ask unanimous consent that all members may have 5 legislative days to revise and extend their remarks on the bill presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. KETCHUM. Mr. Speaker, I yield such time as he may consume to the gentleman from Kansas (Mr. SKUBITZ).

Mr. SKUBITZ. Mr. Speaker, I rise in support of H.R. 5158 which provides a $3 million ex gratia payment for the inhabitants of Bikini who were forced to leave their traditional island home to accommodate U.S. nuclear testing. For almost 30 years these impoverished people have existed on a level of bare subsistence, receiving little recognition by our Government for their sacrifice. H.R. 5158 is a belated attempt to recognize the injustice suffered by the Bikinians. As they prepare to move back to their homeland, it is indeed fitting that America compensate, not only with word but with deed, those Micronesians who have contributed so much to assure America's nuclear posture.

Mr. KETCHUM. Mr. Speaker, the atomic blasts over Hiroshima and Nagaski marked not only the conclusion of World War II but also the commencement of the nuclear arms race. Prudently, in 1946, the United States recognized the cataclysmic change in the world's balance of power and commenced nuclear weapons testing on the Pacific Atoll of Bikini. During the next 15 years, to meet the Soviet challenge, the U.S. nuclear arsenal grew in conjunction with the strategy of nuclear deterrence, upon whose efficacy the fate of mankind is currently balanced.

In this dramatic scenario, the contribution in the development of our current military posture by a few Marshal Islanders has passed unnoticed. Today, however, the bill before us seeks to rectify the inequities incurred by these Micronesians. H.R. 5158 awards a $3 million ex gratia payment to the former inhabitants and their descendants of the Bikini Atoll who abandoned their traditional home to accommodate U.S. nuclear testing. During the greater part of the last 29 years, the Bikinians have been forced to scratch out a meager existence on an alien island. Compelled to rely on the generosity of other island people more fortunate than themselves and upon the good will—often intermittent—of the United States, the people of Bikini lost much of their self-respect and native ingenuity. The measure before us, in some small degree, compensates those gallant people for the hardships they have suffered. In light of the billions of dollars expended to maintain America's nuclear power, $3 million represents an insignificant amount to award these people whose homes were temporarily sacrificed to insure international peace. Accordingly, I request this House to support unanimously the legislation now under consideration.

Ms. ABZUG. Mr. Speaker, in voting what has come to be a tiny sum—$3 million—we should not lose sight of the purpose of this money. It is to repay in some small measure the inhabitants of the Bikini Atoll for our highhanded displacement of them in 1946. The reason, you may recall, was nuclear testing. We knew that human beings cannot continue to live where these weapons are tested, that the land will be poisoned for many years. Yet, 700 people in a U.S. trust territory were displaced for nuclear testing, and have suffered deprivation for all the intervening years.

Certainly we must give them this token tribute, as we gave a comparable amount to the people of Eniwetok not long ago. But this amount is embarrassingly small. We owe them more than we could ever repay them.

Furthermore, we should think of these people the next time we are asked to approve millions upon millions for nuclear testing. Though the test ban treaty at present prevents open-air testing, we still test underground, and allow radiation to escape. We are moving toward something called a "plutonium economy" in which this most lethal substance will be produced in great quantity and transported and employed in a manner which will hardly guarantee anyone's safety. Again, we seem to forget the dangers of the substance with which we are playing.

May these unfortunate, forgotten people serve as a continual reminder of our power to lay waste whole continents, including our own, and as a caution against any further indiscriminate use of such substances.

Mr. PHILLIP BURTON. Mr. Speaker, I have no further requests for time.

Mr. KETCHUM. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. PHILLIP BURTON) that the House suspend the rules and pass the bill H.R. 5158, as amended.

The question was taken.

Mr. CLANCY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 3(b) of rule XXVII and the Chair's prior announcement, further proceedings on this motion will be postponed.

Does the gentleman from Ohio withdraw his point of order that a quorum is not present?

Mr. CLANCY. Mr. Speaker, I withdraw my point of order.

AMENDING SECTION 2 OF THE ACT OF JUNE 30, 1954, AS AMENDED, PROVIDING FOR THE CONTINUANCE OF CIVIL GOVERNMENT FOR THE TRUST TERRITORY OF THE PACIFIC ISLANDS

Mr. PHILLIP BURTON. Mr. Speaker, I move to suspend the rules and pass the bill (S. 326) to amend section 2 of the act of June 30, 1954, as amended, providing for the continuance of civil government for the Trust Territory of the Pacific Islands, as amended.

The Clerk read as follows:

S. 326

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That section 2 of the Act of June 30, 1954 (68 Stat. 330), as amended, is amended by deleting "and for each of the fiscal years 1974 and and 1975, $60,000,000" and inserting in lieu thereof the following: "for fiscal year 1975, $75,000,000".

SEC. 2. There is authorized to be appropriated $1,500,000 to aid in the transition of the Mariana Islands District to a new Commonwealth status as a territory of the United States: *Provided, however,* That no part of such sum may be obligated or expended until final agreement between Marianas Political Status Commission and the United States has been approved by the Congress.

The SPEAKER pro tempore. Is a second demanded?

Mr. KETCHUM. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

GENERAL LEAVE

Mr. PHILLIP BURTON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill S. 326.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California (Mr. PHILLIP BURTON)?

There was no objection.

Mr. PHILLIP BURTON. Mr. Speaker, S. 326 provides for increasing the authorization ceiling for fiscal year 1975 for the activities of the civil government of the Trust Territory of the Pacific Islands from the current authorization of $60,000,000 to $75,000,000, and it would authorize the appropriation of $1,500,000 to fund the necessary functions related to the transition of the Mariana Islands District from the trust territory government to commonwealth status as a territory of the United States. The $1,500,000 may be obligated or expended only if the U.S. Congress approves the new commonwealth status of the Northern Mariana Islands.

The increase in the ceiling authorization of the trust territory government is made necessary by the increasingly urgent need of the trust territory for capital improvements, and by the extreme impact of inflation on all costs. Inflation is more severe in some respects in the western Pacific islands than on the mainland United States because of the addition of inflated long distance shipping costs to the otherwise inflated costs of fuel and other supplies.

The $15,000,000 increase in the fiscal year 1975 budget was asked for by the Department of the Interior and our committee has concurred in that request. The Senate approved an increase of $5,650,000. In the meantime, I have been informed that the Senate Interior Committee staff is satisfied about the need for the funds and will probably approve an amount very close to the full request, if not the full amount. Otherwise, S. 326 as passed by the Senate and reported by the House Committee on Interior and Insular Affairs are identical.

An agreement which, if approved, will lead to commonwealth status for the Marianas Islands District, was signed by representatives of the United States and of the Marianas Islands. The sum of $1,500,000 was asked for by the administration to finance the cost of a program of transition from the old to the new governmental status which will include, among other things, a constitutional convention and referendum, a political status plebiscite, political education programs, and economic, planning, and fiscal studies for the use and guidance of the new Commonwealth Government. As I have previously noted, the authorized sum may not be expended until the Congress has acted favorably on the agreement.

Mr. Speaker, the Senate has passed this bill and the House and Senate Interior and Insular Affairs Committees agree on the need and justification for the funds. I urge approval of the bill.

Mr. KETCHUM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I yield to the gentleman from Kansas (Mr. SKUBITZ) such time as he may consume.

Mr. SKUBITZ. Mr. Speaker, I rise in support of S. 326 as amended, which increases the fiscal year 1975 authorization for the Trust Territory of the Pacific Islands from $60 million to $75 million and provides a one-time $1.5 million authorization to assist in the transition of the Northern Marianas to commonwealth status.

This $15 million increase in annual authorization is necessitated by inflationary trends in Micronesia, as well as a fervent desire on the part of the administration to insure an adequate infrastructure in Micronesia prior to the termination of the trusteeship.

For 30 years the United States has administered the trust territory. Unfortunately, however, the first 20 years witnessed the United States in a caretaker role, maintaining the Micronesian status quo on a shoestring. Only within the past decade has America taken active steps to pave the way for self-government in the Pacific Islands. Although progress has been significant in recent times, a good deal of the appropriated funds have been gobbled up by runaway inflation—particularly in the area of transportation, health care, and construction costs.

The bill before us recognizes that if past efforts in bettering Micronesian life are to bear fruit, inflationary costs must be recognized. As Micronesia prepares for self determination—probably in the early 1980's—let us not take two steps forward only to fall back one. Rather let us be assured that we, as the administrating power, meet our responsibilities and establish a precedent in dealing with the underdeveloped world of which we can take pride.

Mr. KETCHUM. Mr. Speaker, I rise in support of S. 326, as amended, which provides an increase in authorization for the Trust Territory of the Pacific Islands from $60 million in fiscal year 1975 to $75 million. We, in this Chamber, are well aware of the inflationary trends in our economy. Many of us forget, however, that it is not only the U.S. citizen who bears the economic pinch but also those people who depend upon the United States for their livelihood.

Such is the case of Micronesia, whose people, under international agreement, have been placed under U.S. tutelage. In Micronesia, the centers of population are separated by hundreds of miles of open sea. Thus, life's sustenance is often dependent solely upon the timely arrival of inter-island ships, bearing foodstuffs, and other essential commodities. In this context, one can easily imagine the impact on a fixed operating budget when fuel costs to power these life-bringing vessels are doubled: sometimes, even tripled. Accordingly, funds in this increased authorization are designated to cover the deficit caused by soaring petroleum prices.

But rising fuel costs are only part of Micronesia's transportation problem. For nearly 30 years, the trust territory has maintained vital sea lines with outdated craft—mostly of World War II vintage. Today, these ancient ships no longer can be depended upon to function in accordance with their vital mission. Repairs often exceed the net worth of the ships. Obviously, inter-island shipping must be quickly replaced, thereby providing a stimulus to a sagging Micronesian economy. Funds for this important task are also included in S. 326.

Additionally, America is committed to insure proper health care for the Micronesian. And specific funds for this purpose are earmarked in this authorization bill. Funding will be provided for a sorely needed hospital in Yap, for the continued construction of dispensaries in the outer islands and to cover, at least in part, the escalating price of medicines and hospital equipment.

Section 2 of S. 326, falls in line with another of America's responsibilities in the trust territory—political development. In this regard, $1.5 million is authorized to finance, preliminary governmental studies in the formulation of the new commonwealth in the northern Marianas, if and when Congress approves the covenant.

Mr. Speaker, I doubt if any Member of this floor is more concerned in checking inflation and reducing Federal spending than I. In this pursuit, however, America's responsibility in meeting its international obligations and of providing life's necessities for our Micronesian wards cannot be overlooked. Therefore, I ask my colleagues to join with the administration and to recognize their humanitarian, as well as legal obligations, and to lend their favorable support to the legislation before us.

Mr. DON H. CLAUSEN. Mr. Speaker, will the gentleman yield?

Mr. KETCHUM. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. Mr. Speaker, I rise to associate myself with the remarks of the gentleman in the well, the gentleman from California (Mr. Ketchum).

Mr. Speaker, I support S. 326, as amended, which increases the fiscal year 1975 authorization for the Trust Territory of the Pacific Islands by $15 million and provides $1.5 million to aid the transitional Government of the Northern Marianas Commonwealth. Inflation has hit the Micronesians very hard in the last year. Fuel costs have soared; medical supplies have risen as much as 175 percent; construction in progress had to be suspended due to insufficient funds.

The administration seeks to provide the Micronesians with an adequate infrastructure before the termination of the trusteeship. Unless inflationary trends are quickly met with increased appropriations, Micronesian self-determination will be necessarily postponed. We, as American citizens, are committed to assist in building both the Micronesian economy and political system. Much has been accomplished but much more is required. To check progress now would be a setback for the Micronesians. Accordingly, Mr. Speaker, I urge my colleagues to support the bill now before us.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. KETCHUM. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, could I ask, is this an increase in the budget?

Mr. KETCHUM. This is an increase, correct me if I am wrong, of $10 million in the budget.

Mr. PHILLIP BURTON. Mr. Speaker, if the gentleman will yield, I think any increase is provided—or will be—in the budget, because this is exactly the amount the administration asked for. I am working on the assumption that the budget allows for the amount they requested.

Mr. ASHBROOK. With that understanding, whatever that is, I withdraw my objection.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. Phillip Burton) that the House suspend the rules and pass the Senate bill S. 326, as amended.

The question was taken.

Mr. ASHBROOK. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER. Pursuant to the provisions of clause 3(b) of rule XXVII and the prior announcement of the Chair, further proceedings on this motion will be postponed.

Does the gentleman from Ohio withdraw his point of order that a quorum is not present?

Mr. ASHBROOK. Yes, I do, Mr. Speaker.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on each motion on which further proceedings were postponed in the order in which that motion was entertained.

Votes will be taken in the following order:

H.R. 5272, H.R. 1244, H.R. 5158, and S. 326.

NOISE CONTROL ACT EXTENSION

The SPEAKER. The unfinished business is the question of suspending the rules and passing the bill H.R. 5272.

The Clerk read the title of the bill.

The SPEAKER. The unfinished business is the vote on the motion of the gentleman from Pennsylvania (Mr. Rooney) to suspend the rules and pass the bill H.R.5272, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 222, nays 132, not voting 78, as follows:

[Roll No. 175]

YEAS—222

Abzug
Adams
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Annunzio
Armstrong
Aspin
AuCoin
Bafalis
Baldus
Baucus
Beard, R.I.
Bergland
Biaggi
Biester
Bingham
Blanchard
Blouin
Bolling
Brademas
Breckinridge
Brooks
Brown, Calif.
Broyhill
Buchanan
Burke, Mass.
Burton, John
Burton, Phillip
Carney
Carr
Clay
Cleveland
Collins, Ill.
Conte
Corman
Cornell
Cotter
Coughlin
Daniels, Dominick V.
Danielson
Dellums
Dent
Derwinski
Dingell
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Eilberg
English
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fisher
Fithian
Flood
Florio
Ford, Tenn.
Fraser
Fulton
Fuqua
Gaydos
Gibbons
Gilman
Green
Gude
Guyer
Haley
Hall
Hamilton
Hanley
Hannaford
Harkin
Harris
Hawkins
Hayes, Ind.
Hays, Ohio
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Hicks
Hightower
Holtzman
Horton
Howard
Howe
Hughes
Hutchinson
Hyde
Jeffords
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kastenmeier
Koch
Krebs
Krueger
LaFalce
Leggett
Lehman
Litton
Lloyd, Calif.
Long, La.
Long, Md.
McClory
McCloskey
McCormack
McDade
McFall
McHugh
McKay
Macdonald
Madigan
Maguire
Mazzoli
Meeds
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Mills
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Natcher
Nedzi
Nolan
Nowak
Oberstar
Obey
O'Hara
Ottinger
Patten
Patterson, Calif.
Pepper
Perkins
Peyser
Pickle
Pike
Preyer
Price
Quie
Railsback
Randall
Rees
Regula
Reuss
Richmond
Riegle
Rodino
Roe
Rogers
Rooney
Rosenthal
Rostenkowski
Roush
Roybal
Russo
St Germain
Sarbanes
Schroeder
Schulze
Seiberling
Sharp
Shipley
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Solarz
Spellman
Staggers
Stanton, James V.
Steed
Steelman
Stokes
Studds
Teague
Thompson
Traxler
Tsongas
Udall
Van Deerlin
Vander Veen
Vanik
Vigorito
Waxman
Whalen
White
Wilson, Charles, Tex.
Wirth
Wolff
Wright
Wylie
Yates
Young, Tex.
Zablocki

NAYS—132

Abdnor
Andrews, N. Dak.
Archer
Ashbrook
Bauman
Beard, Tenn.
Bedell
Bell
Bennett
Bevill
Brinkley
Broomfield
Brown, Mich.
Brown, Ohio
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Cochran
Cohen
Collins, Tex.
Conable
Crane
Daniel, Dan
Daniel, Robert W., Jr.
de la Garza
Derrick
Devine
Dickinson
Downing
du Pont
Edwards, Ala.
Emery
Erlenborn
Eshleman
Fish
Flowers
Flynt
Forsythe
Fountain
Frenzel
Giaimo
Ginn
Goodling
Gradison
Grassley
Hagedorn
Hammerschmidt
Hansen
Harsha
Hébert
Henderson
Hillis
Holland
Holt
Hubbard

Hungate
Ichord
Jacobs
Jarman
Jones, Tenn.
Kasten
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Lagomarsino
Latta
Levitas
Lloyd, Tenn.
Lott
Lujan
McCollister
McDonald
Mahon
Michel
Miller, Ohio
Montgomery
Moorhead, Calif.
Myers, Ind.
Neal
Nichols
Passman
Poage
Quillen
Roberts
Robinson
Rose
Rousselot
Runnels
Ruppe
Sarasin
Satterfield
Schneebeli
Sebelius
Shuster
Sikes
Smith, Nebr.
Snyder
Spence
Stanton, J. William
Steiger, Ariz.
Steiger, Wis.
Stratton
Stuckey
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Treen
Ullman
Vander Jagt
Waggonner
Wampler
Whitehurst
Whitten
Wiggins
Wilson, Bob
Winn
Young, Alaska

NOT VOTING—78

Addabbo
Andrews, N.C.
Ashley
Badillo
Barrett
Boggs
Boland
Bonker
Bowen
Breaux
Brodhead
Burke, Calif.
Chisholm
Conlan
Conyers
D'Amours
Davis
Delaney
Diggs
Dodd
Esch
Foley
Ford, Mich.
Frey
Goldwater
Gonzalez
Harrington
Hastings
Helstoski
Hinshaw
Jenrette
Johnson, Colo.
Landrum
Lent
McEwen
McKinney
Madden
Mann
Martin
Mathis
Matsunaga
Melcher
Milford
Mink
Mollohan
Moore
Moorhead, Pa.
Mosher
Mottl
Nix
O'Brien
O'Neill
Patman
Pattison, N.Y.
Pressler
Pritchard
Rangel
Rhodes
Rinaldo
Risenhoover
Roncalio
Ryan
Santini
Scheuer
Shriver
Stark
Stephens
Sullivan
Symington
Thornton
Walsh
Weaver
Wilson, Charles H., Calif.
Wydler
Yatron
Young, Fla.
Young, Ga.
Zeferetti

So (two-thirds not having voted in favor thereof) the motion was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Zeferetti and Mr. Ford of Michigan for, with Mr. Moore against.

Mr. Lent and Mr. O'Brien for, with Mr. Breaux against.

Mr. Wydler and Mr. O'Neill for, with Mr. Conlan against.

Mr. Rangel and Mr. Moorhead of Pennsylvania for, with Mr. Hinshaw against.

Mr. Addabbo and Mr. Roncalio for, with Mr. Young of Florida against.

Until further notice:

Mrs. Mink with Mr. Andrews of North Carolina.

Mr. Nix with Mr. Brodhead.

Mr. Delaney with Mr. Milford.

Mr. Yatron with Mr. Ryan.

Mr. Matsunaga with Mr. Scheuer.

Mr. Madden with Mr. Ashley.

Mr. Barrett with Mrs. Burke of California.

Mrs. Boggs with Mr. Esch.

Mr. Boland with Mr. Conyers.

Mr. Diggs with Mr. Patman.

Mr. Dodd with Mr. Davis.

Mr. Foley with Mr. Martin.

Mr. Mann with Mr. Frey.

Mr. Mathis with Mr. Mosher.

Mr. Mollohan with Mr. McEwen.

Mr. Stephens with Mr. Shriver.

Mrs. Sullivan with Mr. Goldwater.

Mr. Stark with Mr. Rinaldo.

Mr. Thornton with Mr. McKinney.

Mr. Melcher with Mr. Hastings.

Mrs. Chisholm with Mr. Helstoski.

Mr. Bonker with Mr. Walsh.

Mr. Badillo with Mr. Young of Georgia.

Mr. Mottl with Mr. Harrington.

Mr. Jenrette, with Mr. Landrum.

Mr. Charles H. Wilson of California with Mr. Weaver.

Mr. Santini with Mr. Pattison of New York.

Mr. Bowen with Mr. D'Amours.

Mr. Gonzalez with Mr. Symington.

The result of the vote was announced as above recorded.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3(b)(3), rule XXVII, the Chair announces he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on all the additional motions to suspend the rules on which the Chair has postponed further proceedings.

ESTABLISHING PROCEDURES AND REGULATIONS FOR CERTAIN PROTECTIVE SERVICES PROVIDED BY THE U.S. SECRET SERVICE

The SPEAKER. The unfinished business is the question of suspending the rules and passing the bill H.R. 1244, as amended.

The Clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from Texas (Mr. BROOKS) that the House suspend the rules and pass the bill, H.R. 1244, as amended.

The question was taken.

Mr. ASHBROOK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 352, nays 0, not voting 80, as follows:

[Roll No. 176]

YEAS—352

Abdnor
Abzug
Adams
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Aspin
AuCoin
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Bolling
Brademas
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conte
Corman
Cornell
Cotter
Coughlin
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
de la Garza
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McFall
McHugh
McKay
Macdonald
Madigan
Maguire
Mahon
Martin
Mazzoli
Meeds
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moorhead, Calif.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
Oberstar
Obey
O'Hara
Ottinger
Passman
Patten
Patterson, Calif.
Perkins
Peyser
Pickle
Pike
Poage
Preyer
Price
Quie
Quillen
Railsback
Randall
Rees
Regula
Reuss
Richmond
Riegle
Roberts
Robinson
Rodino
Roe
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
Santini
Sarasin
Sarbanes
Satterfield
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stokes
Stratton
Stuckey
Studds
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thompson
Thone
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Wampler
Waxman
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wirth
Wolff
Wright
Wylie
Yates
Young, Alaska
Young, Tex.
Zablocki

NAYS—0

NOT VOTING—80

Addabbo
Andrews, N.C.
Ashley
Badillo
Barrett
Boggs
Boland
Bonker
Bowen
Breaux
Brodhead
Burke, Calif.
Chisholm
Conlan
Conyers
D'Amours
Davis
Delaney
Diggs
English
Esch
Fenwick
Ford, Mich.
Frey
Goldwater
Gonzalez
Harrington
Hastings
Helstoski
Hinshaw
Hughes
Jenrette
Johnson, Colo.
Landrum
Lent
McEwen
McKinney
Madden
Mann
Mathis
Matsunaga
Melcher
Milford
Mills
Mink
Mollohan
Moore
Moorhead, Pa.
Mosher
Mottl
Nix
O'Brien
O'Neill
Patman
Pattison, N.Y.
Pepper
Pressler
Pritchard
Rangel
Rhodes
Rinaldo
Risenhoover
Roncalio
Ryan
St Germain
Scheuer

Shriver
Stark
Stephens
Sullivan
Symington
Thornton
Walsh
Weaver
Wilson, Charles H., Calif.
Wydler
Yatron
Young, Fla.
Young, Ga.
Zeferetti

So (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Andrews of North Carolina.

Mr. O'Neill with Mr. Ashley.

Mr. Barrett with Mr. Patman.

Mr. Zeferetti with Mr. Pattison of New York.

Mr. Matsunaga with Mr. Pepper.

Mrs. Mink with Mr. Boland.

Mr. Badillo with Mr. St Germain.

Mr. Stark with Mr. Walsh.

Mr. Breaux with Mr. Conlan.

Mrs. Boggs with Mr. O'Brien.

Mr. Ford of Michigan with Mr. McEwen.

Mr. Yatron with Mr. Esch.

Ms. Chisholm with Mr. Gonzalez.

Mr. Nix with Mr. Mills.

Mrs. Sullivan with Mr. Lent.

Mr. Roncalio with Mr. Mosher.

Mr. Jenrette with Mr. Frey.

Mrs. Burke of California with Mr. Brodhead.

Mr. Delaney with Mr. McKinney.

Mr. Diggs with Mr. Harrington.

Mr. Madden with Mr. Goldwater.

Mr. Mann with Mr. Moore.

Mr. Symington with Mr. Hastings.

Mr. Rangel with Mr. Helstoski.

Mr. Mathis with Mr. Shriver.

Mr. Scheuer with Mr. Ryan.

Mr. Thornton with Mr. Wydler.

Mr. Rinaldo with Mr. Weaver.

Mr. Charles H. Wilson of California with Mr. Young of Florida.

Mr. Stephens with Mr. Melcher.

Mr. Conyers with Mr. Hughes.

Mr. Davis with Mr. Hinshaw.

Mr. Landrum with Mr. Bonker.

Mr. Milford with Mr. D'Amours.

Mr. Mollohan with Mr. English.

Mr. Moorhead of Pennsylvania with Mr. Bowen.

Mr. Young of Georgia with Mr. Risenhoover.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING AN AUTHORIZATION FOR AN EX GRATIA PAYMENT TO THE PEOPLE OF BIKINI ATOLL, IN THE MARSHALL ISLANDS OF THE TRUST TERRITORY OF THE PACIFIC ISLANDS

The SPEAKER. The unfinished business is the question of suspending the rules and passing the bill (H.R. 5158) as amended.

The Clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. PHILLIP BURTON), that the House suspend the rules and pass the bill, H.R. 5158, as amended.

The question was taken.

Mr. ROUSSELOT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 346, nays 10, not voting 76, as follows:

[Roll No. 177]

YEAS—346

Abdnor
Abzug
Adams
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Aspin
AuCoin
Bafalis
Baldus
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Bolling
Bonker
Brademas
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conte
Corman
Cornell
Cotter
Coughlin
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
de la Garza
Dellums
Dent
Derrick
Derwinski
Dickinson
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Tenn.
Forsythe
Fraser
Frenzel
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hanley
Hannaford
Harkin
Harris
Hawkins
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McFall
McHugh
McKay
Macdonald
Madigan
Maguire
Mahon
Martin
Mazzoli
Meeds
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moorhead, Calif.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nolan
Nowak
Oberstar
Obey
O'Hara
Ottinger
Passman
Patten
Patterson, Calif.
Pepper
Perkins
Peyser
Pickle
Pike
Poage
Preyer
Price
Quie
Quillen
Railsback
Randall
Rees
Regula
Reuss
Richmond
Riegle
Roberts
Robinson
Rodino
Roe
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stokes
Stratton
Stuckey
Studds
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Wampler
Waxman
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Young, Alaska
Young, Tex.
Zablocki

NAYS—10

Brown, Ohio
Chappell
Collins, Tex.
Devine
Hammerschmidt
Harsha
Kindness
McDonald
Shuster
Teague

NOT VOTING—76

Addabbo
Andrews, N.C.
Ashley
Badillo
Barrett
Boggs
Boland
Bowen
Breaux
Brodhead
Burke, Calif.
Burleson, Tex.
Chisholm
Conlan
Conyers
D'Amours
Davis
Delaney
Diggs
Esch
Ford, Mich.
Fountain
Frey
Goldwater
Gonzalez
Hansen
Harrington
Hastings
Hayes, Ind.
Helstoski
Hinshaw
Hughes
Jenrette
Johnson, Colo.
Landrum
Lent
Madden
Mann
Mathis
Matsunaga
McEwen
McKinney
Melcher
Milford
Mink
Mollohan
Moore
Moorhead, Pa.
Mosher
Mottl
Nix
O'Brien
O'Neill
Patman
Pattison, N.Y.
Pressler
Pritchard
Rangel
Rhodes
Rinaldo
Risenhoover
Roncalio
Ryan
Scheuer
Shriver
Stark
Stephens
Sullivan
Symington
Thornton
Walsh
Weaver
Yatron
Young, Fla.
Young, Ga.
Zeferetti

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The Clerk announced the following pairs:

Mr. O'Neill with Mr. Andrews of North Carolina.

Mr. Addabbo with Mr. Hayes of Indiana.

Mr. Nix with Mr. Ashley.

Mr. Zeferetti with Mr. Landrum.

Mr. Rangel with Mr. Brodhead.

Mr. Breaux with Mr. Mollohan.

Mrs. Boggs with Mr. Mathis.

Mr. Barrett with Mr. Mottl.

Mr. Delaney with Mr. Patman.

Mr. Badillo with Mr. Hughes.

Mrs. Chisholm with Mr. Harrington.

Mr. D'Amours with Mr. McKinney.

Mr. Diggs with Mr. Helstoski.

Mr. Ford of Michigan with Mr. Lent.

Mr. Melcher with Mr. Conlan.

Mrs. Mink with Mr. Hastings.

Mr. Moorhead of Pennsylvania with Mr. Scheuer.

Mrs. Sullivan with Mr. Esch.

Mr. Stark with Mr. McEwen.

Mr. Roncalio with Mr. Frey.

Mr. Risenhoover with Mr. Symington.

Mr. Madden with Mr. Hinshaw.

Mr. Mann with Mr. Goldwater.

Mr. Jenrette with Mr. O'Brien.

Mr. Boland with Mr. Mosher.

Mr. Bowen with Mr. Hansen.

Mrs. Burke of California with Mr. Rinaldo.

Mr. Fountain with Mr. Walsh.

Mr. Davis with Mr. Young of Florida.

Mr. Milford with Mr. Young of Georgia.

Mr. Yatron with Mr. Pattison of New York.

Mr. Thornton with Mr. Ryan.
Mr. Conyers with Mr. Matsunaga.
Mr. Burleson of Texas with Mr. Gonzalez.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMENDING SECTION 2 OF THE ACT OF JUNE 30, 1954, AS AMENDED, PROVIDING FOR THE CONTINUANCE OF CIVIL GOVERNMENT FOR THE TRUST TERRITORY OF THE PACIFIC ISLANDS

The SPEAKER. The unfinished business is the question of suspending the rules and agreeing to the Senate bill (S. 326), as amended.

The Clerk read the title of the Senate bill.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. PHILLIP BURTON) that the House suspend the rules and pass the Senate bill (S. 326), as amended.

Mr. SHUSTER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 334, nays 27, not voting 71, as follows:

[Roll No. 178]

YEAS—334

Abdnor
Abzug
Adams
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Armstrong
Ashbrook
Aspin
AuCoin
Bafalis
Baucus
Bauman
Beard, R.I.
Bell
Bennett
Bergland
Bevill
Biester
Bingham
Blanchard
Blouin
Bolling
Bonker
Brademas
Breckinridge
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conte
Corman
Cotter
Coughlin
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
de la Garza
Dellums
Derrick
Derwinski
Dickinson
Dingell
Dodd
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Flowers
Foley
Forsythe
Fountain
Fraser
Frenzel
Fulton
Fuqua
Giaimo
Gibbons
Gilman
Ginn
Goodling
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hanley
Hannaford
Hansen
Harkin
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hungate
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McFall
McHugh
McKay
Macdonald
Madigan
Maguire
Mahon
Martin
Mazzoli
Meeds
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Miller, Calif.
Mills
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moorhead, Calif.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Myers, Ind.
Myers, Pa.
Natcher
Nedzi
Nichols
Nolan
Nowak
Oberstar
Obey
O'Hara
Ottinger
Passman
Patten
Patterson, Calif
Pepper
Perkins
Peyser
Pickle
Pike
Preyer
Price
Quie
Quillen
Railsback
Randall
Rees
Regula
Reuss
Richmond
Riegle
Roberts
Robinson
Rodino
Roe
Rogers
Rooney
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Runnels
Ruppe
Russo
St Germain
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Steed
Steelman

Steiger, Ariz.
Steiger, Wis.
Stokes
Stratton
Stuckey
Studds
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Wampler
Waxman
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Young, Alaska
Young, Tex.
Zablocki

NAYS—27

Archer
Baldus
Beard, Tenn.
Bedell
Biaggi
Collins, Tex.
Cornell
Crane
Dent
Devine
Florio
Flynt
Ford, Tenn.
Gaydos
Hammerschmidt
Hughes
Jacobs
Keys
McDonald
Miller, Ohio
Murtha
Neal
Poage
Santini
Shuster
Symms
Teague

NOT VOTING—71

Addabbo
Andrews, N.C.
Ashley
Badillo
Barrett
Boggs
Boland
Bowen
Breaux
Brodhead
Burke, Calif.
Chisholm
Conlan
Conyers
D'Amours
Davis
Delaney
Diggs
Esch
Evins, Tenn.
Ford, Mich.
Frey
Goldwater
Gonzalez
Harrington
Hastings
Helstoski
Hinshaw
Jenrette
Johnson, Colo.
Landrum
Lent
McEwen
McKinney
Madden
Mann
Mathis
Matsunaga
Melcher
Milford
Mink
Mollohan
Moore
Moorhead, Pa.
Mosher
Mottl
Nix
O'Brien
O'Neill
Patman
Pattison, N.Y.
Pressler
Pritchard
Rangel
Rhodes
Rinaldo
Risenhoover
Roncalio
Ryan
Shriver
Stark
Stephens
Sullivan
Symington
Thornton
Walsh
Weaver
Yatron
Young, Fla.
Young, Ga.
Zeferetti

So (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

The Clerk announced the following pairs:

Mr. O'Neill with Mr. Andrews of North Carolina.
Mr. Addabbo with Mrs. Burke of California.
Mr. Matsunaga with Mr. Conyers.
Mr. Zeferetti with Mr. Landrum.
Mr. Roncalio with Mr. Mottl.
Mrs. Boggs with Mr. Weaver.
Mr. Barrett with Mr. Harrington.
Mr. Delaney with Mr. Bowen.
Mrs. Chisholm with Mr. Milford.
Mr. Badillo with Mr. Brodhead.
Mr. Madden with Mr. Young of Florida.
Mr. Mollohan with Mr. Conlan.
Mr. Moorhead of Pennsylvania with Mr. Hinshaw.
Mr. Nix with Mr. Risenhoover.
Mr. Young of Georgia with Mr. Patman.
Mrs. Sullivan with Mr. Hastings.
Mr. Stark with Mr. O'Brien.
Mr. Breaux with Mr. McKinney.
Mr. Boland with Mr. Moore.
Mr. Evins of Tennessee with Mr. Esch.
Mr. Ford of Tennesee with Mr. Symington.
Mr. D'Amours with Mr. Shriver.
Mr. Helstoski with Mr. Lent.
Mr. Mann with Mr. Rinaldo.
Mr. Mathis with Mr. Frey.
Mr. Melcher with Mr. Mosher.
Mrs. Mink with Mr. McEwen.
Mr. Diggs with Mr. Ashley.
Mr. Gonzalez with Mr. Walsh.
Mr. Pattison of New York with Mr. Davis.
Mr. Rangel with Mr. Thornton.
Mr. Ryan with Mr. Jenrette.
Mr. Stephens with Mr. Yatron.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

COMMUNICATION FROM CHAIRMAN OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

The SPEAKER laid before the House the following communication from the Chairman of the Committee on Public Works and Transportation, which was read and, together with accompanying papers, referred to the Committee on Appropriations.

WASHINGTON, D.C., *April 24, 1975.*

Hon. CARL ALBERT,
Speaker of the House,
House of Representatives,
Washington, D.C.

MY DEAR MR. SPEAKER: Enclosed is a resolution approving the prospectus for conversion of the Glynco Naval Air Station, Brunswick, Georgia, for use as the Consolidated Federal Law Enforcement Training Center.

Sincerely,

ROBERT E. JONES,
Chairman.

ACTIONS OF CONGRESS DAMAGE OIL INDUSTRY

(Mr. YOUNG of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. YOUNG of Texas. Mr. Speaker, it is my purpose to put into the CONGRESSIONAL RECORD from time to time articles, editorials and letters which demonstrate the practical and actual results on various industries throughout the country of legislation which the Congress has passed. I do this in the hope that the

Members will realize that much damage can be done to the economy by well-intended but hopelessly unwise actions on the part of Congress.

Actions by Congress has the petroleum industry and the automobile manufacturing industry practically in a shambles. This distressing situation has naturally spread to the steel and other industries contributing drastically to the economic plight in which the country now finds itself. I think it appropriate that we continue to examine carefully what we have done in order that we might avoid further blunders that will further wreck our country.

We read daily of more taxes on various industrial pursuits, most of which are ill considered and unwise. The tax now being considered on horsepower of automotive equipment will probably spill over into the trailer business as well as the boat business and will soon have the recreation industry in a further pitiful plight.

Dr. Grover E. Murray, president of Texas Tech University, has sent me the following editorial which I commend to the membership in the hope that we will learn to let well enough alone and not make the same mistakes over and over again:

[From the Oil and Gas Journal, Apr. 21, 1975]

VITAL JOB NOW FOR CONGRESS IS TO REPLACE LOST INCENTIVES

Now that Congress has made hash out of the petroleum industry's tax structure, what next?

More vengeful lawmakers say they'll follow the drastic changes in percentage depletion and in the tax treatment of Americans operating abroad by eliminating other laws presumably benefiting the industry. Others propose new federal agencies to monitor various phases of the industry and clamp utility-type regulations on oil and gas operations. They seem intent on bringing the industry to heel and hang the consequences to the nation's energy posture.

But sooner or later, congressmen will have to come to grips with the tough overall national energy question. They'll discover then that their action has lengthened the odds against any successful program of U.S. energy self-sufficiency.

The slap-dash emergency tax bill passed by Congress just before Easter is far more crippling than just saddling the U.S. petroleum industry with $1.6 billion in new taxes for 1975.

It removes an important source of funds needed by major operators for exploration and expansion and discourages outside investors who are another source of capital. And contrary to its stated intentions, Congress also may have destroyed much of the value of percentage depletion to independent producers for whom it supposedly was retained. This is the apparent effect of limiting depletion to 65% of the independent producer's net income from all sources.

Early appraisals by companies affected suggest that they will have to pare capital budgets, notably for drilling, and drastically slow down vital expansions. The oilmen, though, are determined to stay in business and will do the best they can with available capital.

When Congress turns to considering the entire energy program, however, the lawmakers in fairness to American consumers must weigh what they've done to oil-industry incentives.

The message from Congress so far is contradictory. It says oil and gas companies must expand domestic energy supplies in order to reduce dependence on imports. At the same time they must pay out more of their earnings in federal income taxes and try to hustle capital from investors who now rate them a poorer risk.

If Congress doesn't want to achieve energy objectives through tax policy, then there must be other incentives. It's up to the lawmakers who are fed up with these particular deductions to find substitutes—either rational market pricing for oil and gas, investment credits, earned refund of lease bonuses, or some other capital-generation device.

In the final analysis, Congress must decide what it wants from the industry. More taxes? More exploration and expansion? If the latter, then some form of investment incentives must be provided to replace those being removed.

WHAT ABOUT THE NEW ISOLATIONISM?

(Mr. GAYDOS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. GAYDOS. Mr. Speaker, I am not concerned with the fears being expressed by some political leaders that our debacle in Indochina may lead us into a "new era of isolationism."

Isolationism, as we know, has been made a bad word in our policy dictionary. It has been blamed for our failure to take early action against Hitler and Mussolini. A return to it, so we are being told now, could mean total disaster for any hopes of universal freedom. We can not quit the world, they say.

Senator BARRY GOLDWATER recently said:

> I hate to see it because I'm reminded precisely of the days of the 1920's and 1930's.

However, in my opinion, the word for the new American mood is not isolationism. No sensible person can believe we ought to shut ourselves off from the rest of mankind. Neither can any imagine this Nation surviving without business, social, and cultural relations with others.

Isolationism, as much, is impossible and yet we are hearing the term bandied about and, indeed, exaggerated in its meaning as a warning against cutting down our foreign commitments in the wake of the disaster to our policies in Indochina.

The American people, in my view, have no wish to retire from the world despite their recent reverses. Neither have they any idea of dodging what might be their proper international responsibilities. What they are trying to tell us in Washington instead, is that they are fed up with playing the sucker role in the international scheme of things.

They've had it up to their ears with a foreign policy that has had them picking up the tab for everybody's troubles. They are sick of trying to be the world's policeman. They are willing to lend a hand where needed, but they want others to help too, and they do not want to be drained further by blank-check giveaways.

What they are demanding, in sum, is that we here face up to reality in this world and do for them what other governments have done for their own peoples—place their interests first. They are not calling for an impossible retreat into isolationism, but rather for policies which would protect this Nation against its competitors and not allow it to be flim-flammed any longer.

New U.S. postures of this kind would not wreck international society. It would manage to function as it did before we tried to run things. Indeed, it might be good for us to realize now, in this hour of soul-searching, that our global influence never was so high as when we minded our own business and kept our Nation healthy and united as a continuing demonstration to others of the merits of a free system.

I am not afraid of a new isolationism. I think it is a scare word at this time. But what I would welcome in the policy changes being compelled by the Indochina defeats would be a shift back to some of the old America-first ideas which served us so well in the past.

WE HAVE NO CHOICE

(Mr. PHILLIP BURTON asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. PHILLIP BURTON. Mr. Speaker, I am deeply dismayed and disturbed by the tone of remarks by some elected public officials, in and out of the Congress, concerning Vietnamese refugees. I am equally disturbed that the recent House action on the refugee bill has been interpreted by some as a further expression of antirefugee feeling. That, simply, is not the case. The House action was essentially a vote against extending powers to the President to use troops. It was not a vote against humanitarian aid, as will be proven when the House votes such aid shortly, as I am sure we will.

We are a nation of immigrants. We have always prided ourselves on the generosity with which we have opened our doors to those in need. We cannot now let the accumulated frustrations of 20 years of war in Vietnam, a war which I consistently opposed, deaden our sense of decency and compassion or decay the moral fiber which has kept us one nation, a grand melting pot, these past 200 years.

We are a strong nation and a good people. Let us close our ears to the subtle voices of racism. Let us close our minds to the voices of callous indifference which say this is not our problem. Let us rather open our hearts and the doors of this promised land to the less fortunate who have suffered the ravages of war, a war of which we were an integral part. Let us share what we have, as our forefathers shared. Let us bind the wounds of war that have divided us for 20 years and get on with the business of building the nation we will pass on to our next generation.

I am taking the liberty of sharing with my colleagues an editorial which appeared in today's New York Times entitled, "We Have No Choice":

"WE HAVE NO CHOICE"

The antagonistic response of some Americans in and out of Congress to the prospect of granting refuge in the United States to

150,000 Vietnamese seeking asylum here recalls the worst days of McCarranism a quarter century ago. At that time, the late Senator McCarran of Nevada became the odious symbol for all that was ungenerous in the American attitude toward the admission of political and other refugees after World War II. A recrudescent McCarranism is the last thing Americans should want to see today.

The most immediate and obvious way for the Congress to demonstrate that Americans have not lost their moral sense as a result of the Vietnam tragedy is to grant President Ford's urgent request for sufficient funds to meet the expenses of transporting, housing and resettling those Vietnamese refugees who have managed to escape to this country. Senators Javits of New York and Pell of Rhode Island are sponsoring a bill to provide the requisite funds; the ultimate shame of American involvement in the Vietnam war would be the hesitation—or, worse yet, refusal—to accept this much responsibility.

In fact, one of the few shreds of glory that the United States has been able to retrieve from the closing days—or years—of the Vietnam war consists of the success of the tremendous air and sea lift that rescued so many thousands of Vietnamese who had been associated in one way or another with the American involvement.

The attitude expressed by a few public officials—including Governor Brown of California—and many private citizens to the effect that the influx of Vietnamese is unwelcome because they will take needed jobs from Americans may be understandable but it is unwarranted. As Representative Morris Udall of Arizona has sensibly pointed out, the incoming Vietnamese will comprise a miniscule fraction of the labor force (certainly not more than one-tenth of 1 per cent); they total less than half the number of immigrants normally admitted to the United States annually; they are less than one-fifth the number of Cubans who came here after the Castro revolution. "We have no choice," says Mr. Udall, "except to take them in."

He is right, on the grounds of humanitarianism, of decency and of political freedom—and as much for our own self-respect as for the Vietnamese.

MRS. JOUETT SHOUSE RECEIVES CULTURAL AWARD OF RECORDING INDUSTRY ASSOCIATION OF AMERICA

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, for the past 7 years, the Recording Industry Association of America has made an award to someone connected with the Federal Government who has made "notable contributions to our culture and—helped make people more aware and appreciative of the many and diverse art forms that are part of our civilized society."

On April 9, 1975, the Recording Industry Association of America's Seventh Annual Cultural Award was presented to Mrs. Catherine Filene Shouse in recognition of her support of the performing arts.

Mr. Speaker, I ask unanimous consent to insert at this point in the RECORD, the text of the citation, as announced by Stanley Gortikov, president of the Recording Industry Association of America; the remarks of Mrs. Shouse after receiving the award; a letter of congratulations to Mrs. Shouse from President Ford; and a list of previous Recording Industry Association Cultural Award recipients:

REMARKS OF MRS. JOUETT SHOUSE AFTER RECEIVING THE AWARD OF THE RECORDING INDUSTRY ASSOCIATION OF AMERICA, WASHINGTON, D.C., APRIL 9, 1975

Thank you, Mr. Gortikov. I am very glad to receive this award of the RIAA. It is a greater honor to be here tonight. This is the first time I have been honored by industry and though my knees are shaking, I am glad to be your guest at this annual banquet.

I go back not quite as far as 1877 when records began, but to 1906 when I wanted an Edison Talking Machine and my uncle told me that if I would walk instead of taking the street car and save 5c each time I did, that when I had $10 he would give me a Talking Machine. It became 15c a day for my sister and our governess joined in helping me and when I had almost $10 my uncle relented and gave me my first Edison—His Master's Voice.

Since that time I have watched records come a long way. They have become our ambassadors of good will all over the world. They have brought joy to people from darkest Africa to the far North.

I have just come back from New York where Beverly Sills made her debut at the Metropolitan Opera. Her life and personality have touched people everywhere and made them want to identify themselves with her through her records. This will open a new world of experience to many to whom the buying of her latest recording "The Siege of Corinth" will lead to enriching their lives with more record purchases.

The RIAA has worked to help the record industry bring music to people everywhere and thereby helps to improve the quality of life, and we at Wolf Trap—through opera, symphony, jazz, music comedy, dance and popular artists—try to bring to all people programs that they can enjoy.

Wolf Trap is made possible through a partnership between our government and the private sector. When my gift of land and funds for the Filene Center was accepted by an Act of Congress in 1966, the Secretary of the Interior asked that a private foundation be formed to select all the programming at the U.S.A.'s first National Park for the performing arts. And asked, too, that we assume responsibility for funding the programs.

I believe in this type of government support for I hope that as long as it is economically possible, private giving will continue. I have observed orchestras abroad completely subsidized by public funding. Our orchestras, dependent largely on private support, are independent in their choice of players and programs. We have the finest orchestras in the world and I firmly believe that the quality is due to private interest with government, state, federal, or city helping but not controlling.

I'm most appreciative of the citation of RIAA. All the things mentioned in this citation, I've done because I wanted to. It's not always been easy but it has been fun—and rewarding in so many ways.

THE WHITE HOUSE,
Washington, April 8, 1975.

Mrs. JOUETT SHOUSE,
Wolf Trap Foundaton for the Performing Arts, Vienna, Va.

DEAR MRS. SHOUSE: Mrs. Ford and I wholeheartedly join with the members of the Recording Industry Association of America and their many distinguished guests in paying tribute to you as the recipient of the organization's Seventh Annual Cultural Award.

The efforts of RIAA to achieve artistic excellence are well known to all of us. You join a distinguished list of individuals as you receive this high honor.

Your extraordinary talents and selfless dedication to the arts have given thousands of Washington area residents and visitors the opportunity to share in the joys of great music, theatre and dance in a splendid rural setting. Wolf Trap is truly one of the Nation's great natural and cultural resources.

Your vision, creative energy and determination are an inspiration for all who are concerned with the quality of life in our country. Mrs. Ford and I congratulate you on this occasion and assure you of our continuing admiration and respect.

Sincerely,

GERALD R. FORD.

THE SEVENTH ANNUAL RIAA CULTURAL AWARD IS PROUDLY PRESENTED BY THE RECORDING INDUSTRY ASSOCIATION OF AMERICA To

Catherine Filene Shouse (Mrs. Jouett Shouse) in recognition and deep appreciation for her exemplary interest in, and assistance to, the performing arts. Her donation to the U.S. Government of the Wolf Trap Farm in Vienna, Va., and her contribution of its amphitheater, the Filene Center, led to the establishment of the first and only national park dedicated to the performing arts. Mrs. Shouse currently serves as chairman of the Wolf Trap Foundation's Executive Committee. She has been a lifelong advocate and activist in behalf of developing new talent and expanding their career opportunities. She was the first person to encourage and sponsor concerts in Washington's art galleries, organized the first annual International Jazz Festival which was held in Washington, and was one of the first members of the National Committee for Music Appreciation. She was appointed by President Eisenhower to the Board of Trustees of the National Cultural Center, now the John F. Kennedy Center for the Performing Arts, was a member of the Center's Building Committee, and currently serves on its Executive Committee. She was chairman of the President's Music Committee for the People to People Program, and is honorary vice president of the National Symphony Orchestra Association. Her long and distinguished career has been an inspiration to those concerned with enhancing the role of women in American society. She has been referred to as a "national treasure" and we, in the recording industry, feel honored at being able to acknowledge her contributions to the cultural well-being of our nation.

PREVIOUS RIAA CULTURAL AWARD RECIPIENTS

1969: Senator Jacob K. Javits.
1970: Willis Conover.
1971: Nancy Hanks.
1972: Rep. John Brademas.
1973: Senator Claiborne Pell.
1974: Rep. Frank Thompson, Jr.

OPERATION HELPING HAND

(Mr. HAMMERSCHMIDT asked and was given permission to address the House for 1 minute, and to revise and extend his remarks and include extraneous matter.)

Mr. HAMMERSCHMIDT. Mr. Speaker, one of the three temporary processing centers for Vietnam refugees, Fort Chaffee, is located in Arkansas' Third Congressional District, which I have the honor of representing in this Congress.

Ever since I was first advised that Fort Chaffee met the needs of "Operation Helping Hand" and would be so utilized, I have been in close touch with officials in the Interagency Task Force, the Department of the Army, and other coordinating agencies.

I would like to take this opportunity to make known to my colleagues the outstanding cooperation I have received from Ambassador L. Dean Brown, Director of the Interagency Task Force coordinating the entire refugee processing; Donald McDonald, Senior Civilian Coordinator, heading up the Fort Chaffe operation, and numerous other officials who have been instrumental in the advance planning and smooth implementation of such a potentially emotion-charged undertaking.

Brig. Gen. James Cannon, Army Commander at Fort Chaffee for the duration of the refugee processing, and his staff have been most helpful in providing information to myself and my office literally day and night since Fort Chaffee was designated for evacuee processing.

Upon being advised of the designation of Fort Chaffee to be one of the temporary processing centers, I was immediately in touch with the above-named officials to request their cooperation in making all facts about the operation available to the public as soon as possible. Having fully recognized the humanitarian aspects of such an undertaking, I attempted to ascertain what impact such an operation would have on the surrounding Arkansas communities, principally Fort Smith and Van Buren. I received assurances, both by phone and in personal meetings, that no adverse impact—economic, health, or otherwise—would result.

My inquiries were handled expeditiously and Ambassador Brown graciously agreed to come personally to my office to conduct a full briefing on the refuge situation the very afternoon Fort Chaffee was designated. A 4:00 meeting time was agreed to and all members of the Arkansas congressional delegation were invited to attend. Gov. David Pryor, who was in Washington last Monday, was also notified. Congressman RAY THORNTON, myself, and staff members of all other invited officials attended the briefing.

Ambassador Brown advised that some 20,000 Vietnamese evacuees could be temporarily housed at Fort Chaffee at any one time.

All would have been medically cleared for entrance into the United States before leaving Guam. All appropriate innoculations and medication would have been administered.

According to Ambassador Brown, the processing time and length of stay for individual or family group was estimated to be about 2 weeks, in most instances. The duration for this use of Fort Chaffee was expected to be about 90 days.

Voluntary agencies involved in placing the refugees both in the United States and in other nations, had received so many offers of help that Ambassador Brown told us that no delay beyond regular processing of forms was expected.

Entrance to Fort Chaffee by the townspeople would be restricted. The refugees would remain on the camp grounds until ready to travel to join their U.S. relatives or sponsors.

A public information team was being organized to arrive at Fort Chaffee the following day, Tuesday, to keep the public advised as events unfolded.

Maj. Gen. David Ott, commanding general of Fort Sill, Okla, traveled to Fort Chaffee to brief and answer inquiries from chamber of commerce members and local officials.

The following day, Tuesday, April 29, the newly designated senior civilian coordinator assigned to head up the Fort Chaffee operation, Donald McDonald, agreed to meet with me in my office prior to his departure for Arkansas.

During that meeting on Wednesday, April 30, he reiterated Ambassador Brown's assurances that no adverse impact to the local community would accrue from this temporary use of Fort Chaffee.

Mr. McDonald advised that processing for each group of evacuees was expected to take about 2 weeks and the duration of Fort Chaffee's use in processing refugees would continue for about 90 days. He advised that he planned to travel to Fort Chaffee by way of Little Rock later that day, and take charge of the operation on Thursday.

Mr. McDonald reemphasized the nationwide response to sponsor refugees and the plans to complete processing as quickly as possible.

He said even though a thorough health screening would have been completed before individuals were transported from the Pacific, a Public Health Service medical team would be at Chaffee to insure the maintenance of the highest possible medical standards.

He advised that the first group of refugees would arrive at Chaffee about 10 a.m., Central Daylight Time, on Friday, May 2.

On Thursday, May 1, I received word that five C–141 aircraft, carrying about 70 persons each, would be arriving at Fort Chaffee in 2-hour intervals. The planes were to fly to Fort Smith municipal airport directly from a stopover in Hawaii.

Since the arrival of the first refugees at Fort Chaffee on Friday, May 2, operations have gone smoothly. The first families from the initial group to arrive on Friday, left Arkansas late Sunday night to join their families in other parts of the Nation. An additional 80 persons were scheduled to be matched up today, exactly 1 week from the designation of Fort Chaffee as a processing center.

The Department of the Army tells me that, in addition to processing evacuees, they should be able to conduct Reserve training at Fort Chaffee as scheduled this summer.

In addition, I have been advised that at least 200 temporary jobs and a daily expenditure of around $200,000 into the local economy will be an offshoot from the use of Fort Chaffee as a temporary staging area.

In summation, just let me say that like all of us, I deeply regret that a situation exists wherein any people are forced to flee their homeland forever because their political philosophy has put their lives in danger. But, unfortunately, the situation does exist and we must do our best.

The Interagency Task Force coordinating the entire refugee processing procedure, and the Department of the Army, coordinating with civilian supervisors in running the operation at Fort Chaffee, are to be commended in superlative terms.

THE SPINELESS AND TOOTHLESS STRIP-MINING CONFERENCE REPORT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia (Mr. HECHLER) is recognized for 15 minutes.

Mr. HECHLER of West Virginia. Mr. Speaker, the conference report on H.R. 25, the strip-mining bill, is scheduled to come before the House on Wednesday. This conference report is a mere shadow of the bill we sent to conference in March. The House conferees made virtually no effort to retain the strengthening amendments added on the House floor. Instead, they took the path of least resistance and caved in to the demands of the Ford administration and the coal industry. The bill we sent to conference was nothing to brag about; it barely reached the level of strength exhibited by some of the existing State strip-mining laws. But it looks very tough by comparison with this lowest common denominator, spineless and toothless conference report we are being asked to consider.

Let us look for a moment at the list of strengthening amendments given away by the House conferees. Foremost among these was the Evans amendment prohibiting strip mining of alluvial valley floors, the crucial river valleys of the West which provide the irrigation and the hay for ranching operations. In place of the clear House language, the conferees substituted a murky, ambiguous version of last year's conference report language. This language is certain to end up in court, with the less well financed farmers and ranchers the likely losers. The Evans language also included prohibition on mining of western streams and added protection for holders of water rights. Both of these provisions were completely dropped. The following strengthening amendments adopted by the House were also dropped in conference:

Gude amendment requiring the burial and compaction of toxic materials, the key source of acid drainage and other water pollution;

Seiberling amendment preventing blasting where deep minable coal seams would be damaged;

Hechler amendment prohibiting use of coal mine waste as construction materials in coal waste dams—also eliminated enforcement role of Corps of Engineers, and

Lagomarsino amendment prohibiting noncoal strip mining on certain historic and other special lands.

Also eliminated was the Seiberling amendment adopted in the Interior Committee this year preventing the permanent dumping of spoil on the down slope in steep slope operations. This was a key amendment to protect Appalachia because dumping on the downslope is the single largest cause of landslides and devastation in mountainous areas.

Not content with merely eliminating strengthening amendments adopted on the House floor, the conferees also gave in to weakening amendments that had been added on the Senate side. Strong language governing mining on Indian lands was dropped in favor of the weaker Senate version. Citizen suite provisions were weakened to meet the objections of the Ford administration. The cost-of-living escalator clause which would have kept the reclamation fee current with inflation was dropped. The requirement that 50 percent of reclamation fee moneys be kept in the State in which they are collected was opened up for uses other than reclamation of coal mined lands. In States where coal mined land problems have been taken care of, the money can be used for noncoal mined lands reclamation. Finally, the hydrologic language was weakened to meet administration objections. This list is rather incredible. But when you combine it with the track record of the administration's demands for changes and the weaknesses that were already present in the bill before it went to conference, it is clear that this is a totally unacceptable piece of legislation.

The Ford administration in collusion with the coal industry pressed eight changes. Six of those eight were granted by the conferees. It is clear that the pell-mell rush to "get a bill, any bill" has taken priority over any commitment to passage of a strong, effective strip mining law. For the record, the administration demanded and received the following for the coal industry: Modification of citizen suit provisions, removal of ban on mining alluvial valley floors, modification of hydrologic integrity language, elimination of new precedents regarding water rights, and elimination of unemployment protection provisions. In addition, the conferees left unanswered the question of whether State laws and regulations would cover Federal coal lands. The administration had asked that the conference make clear that State laws do not cover Federal lands. Only two administration requests were turned down: cutting the reclamation fee to 10 cents per ton across the board—it was set at 35 cents per ton strip, 15 cents per ton deep—and allowing the strip mining of national forests where it is found to be in the national interest. Earlier action in both Interior Committees resulted in a major weakening of standards for siltation. Instead of requiring the prevention of siltation, the bill now requires prevention, "to the extent possible using the best technology currently available," as the administration had earlier requested.

One action perhaps best sums up the tenor of the conference. The House conferees held firm on one provision—the exemption for anthracite mining. The Senate had dropped this blatant loophole because it lacked any legitimate justification. But the coal industry once again won out.

BASIC FLAWS CARRIED OVER FROM LAST YEAR'S BILL

H.R. 25 sets up a disastrous administrative structure which virtually insures that even the weak, loophole-filled standards drafted into this bill will not be enforced. The interim period—time before States take full control—is to be supervised by the production-oriented Department of the Interior, the same Department of Interior which has opposed the legislation and specifically attacked the idea that the Federal Government should control any part of the enforcement of the law. Once States have submitted their programs and received approval from Interior, the individual States take over administration and enforcement of the law. The Federal Government role is limited to backup enforcement, once again delegated to the Interior Department.

The key factor in bringing the strip mining issue before Congress has been the dismal failure of State regulatory efforts. Yet this bill gives these same States control—West Virginia for example rejected only 4 of 402 applications for strip mining permits during 1974. The only way to get any kind of effective enforcement is to pass a straight federally controlled bill granting full authority to the Environmental Protection Agency, which has extensive experience in water quality control, so essential to controlling the damage of strip mining.

Beyond the disastrous administrative setup, H.R. 25 has many additional flaws:

It only protects the rights of the surface landowner in cases where the coal is federally owned. It should require the written consent of the surface owner in all cases before strip mining can begin and should include protection for tenants;

It allows variances from the requirement to restore to original contour and to prevent dumping of spoil on the downslope for mountaintop removal operations, one of the most environmentally destructive techniques (section 515(c));

It contains an exception to the prohibition on dumping spoil on the downslope, for an undefined "initial block or short linear cut" (section 515(d)(1))—this could in effect allow wholesale dumping of spoil on the downslope resulting in landslides, erosion, sedimentation, and so forth;

The water quality control standards are poorly drafted and contain weak phrases such as "minimize the disturbance to the prevailing hydrologic balance" and "avoiding acid or other toxic mine drainage" (sec. 515(b)(10)), rather than clearly calling for the "prevention" of such drainage;

The bill fails to provide adequate protection for aquifers—there is no prohibition on mining coal seams which serve as aquifers;

Restrictions on mining near homes, cemeteries, and roads are weak—if the operator holds a "valid existing right" he can then ignore the restrictions (sec. 522(e)(5));

Bill fails to prohibit strip mining on national grasslands, only protects national forests;

The preamble to the bill sets the tone—it states the purpose as "minimize so far as practicable the adverse social, economic, and environmental effects of such mining operations" (sec. 101(d));

The bill exempts anthracite strip-mining from the environmental protection standards, instead requiring only compliance with existing State laws;

Standards for controlling the surface effects of underground mines are loaded with qualifying phrases such as "to the extent economically feasible" and "to the extent practicable" (sec. 561(b));

Given this dismal litany of weaknesses I urge the defeat of the conference report when it comes before the House on Wednesday.

Mr. Speaker, specific comparisons of the language weakened by the conferees, as contrasted with the original House language, are detailed below. I believe that very pertinent to the entire problem is an article by Colman McCarthy which appeared in the Washington Post of April 29, detailing the phony nature of the strippers' and truckers' caravan which attempted to intimidate Congress prior to the meeting of the conference committee:

SAMPLING OF LANGUAGE CHANGES BY CONFEREES

1. ALLUVIAL VALLEY FLOORS

Conference language

(5) the proposed surface coal mining operation, if located west of the one hundredth meridian west longitude, would not have a substantial adverse effect on alluvial valley floors underlain by unconsolidated stream laid deposits where farming can be practiced in the form of irrigated, flood irrigated or naturally subirrigated hay meadows or other crop lands (excluding undeveloped range lands), where such valley floors are significant to the practice of farming or ranching operations, including potential farming or ranching operations if such operations are significant and economically feasible.

House language

(5) The proposed surface coal mining operation, if located west of the one hundredth meridan west longitude, would—
within, alluneie

(A) not adversely affect, or be located within, alluvial valley floors, underlain by unconsolidated stream-laid deposits where farming or ranching can be practiced on irrigated or naturally subirrigated haymeadows, pasturelands, or croplands; or

(B) not adversely affect the quantity or quality of water in surface or underground water systems that supply these valley floors in (A) of subsection (b)(5); or

(C) not alter the channel of a significant water-course which is identified as a stream fed by (1) a spring, other ground-water discharge, or surface flow that flows an average of two hundred and fifty gallons per minute or more during one hundred and twenty days or more per year; and (2) a drainage area which encompasses ten thousand acres or more when measured above the lowest point of impact on the water-course by the proposed surface coal mining operation, as documented by the State or Federal regulatory authority.

2. COAL WASTE DAMS

Conference language

(13) design, locate, construct, operate, maintain, enlarge, modify, and remove, or abandon, in accordance with the standards and criteria developed pursuant to subsection (e) of this section, all existing and new coal mine waste piles consisting of mine wastes, tailings, coal processing wastes, or other liquid and solid wastes and used either temporarily or permanently as dams or embankments;

(e) The Secretary, with the written concurrence of the Chief of Engineers, shall establish within 135 days from the date of enactment, standards and criteria regulating the design, location, construction, operation, maintenance, enlargement, modification, removal and abandonment of new and existing coal mine waste piles referred to in Section 515(b)(13) and Section 516(b)(5). Such standards and criteria shall conform to the standards and criteria used by the Chief of Engineers to insure that flood control structures are safe and effectively perform their intended function. In addition to engineering and other technical specifications the standards and criteria developed pursuant to this subsection must include provisions for: review and approval of plans and specifications prior to construction, enlargement, modification, removal or abandonment; performance of periodic inspections during construction; issuance of certificates of approval upon completion of construction; performance of periodic safety inspections; and issuance of notices for required remedial or maintenance work.

House language

(13) with respect to the surface disposal of mine wastes, tailings, coal processing wastes, or other liquid and solid wastes, the United States Army Corps of Engineers is to supervise the design, location, construction, operation, maintenance and abandonment of all existing and new coal mine waste embankments, dams, and refuse piles used for the disposal of all such mine wastes, in accordance with the same standards used in the design, location, construction, operation, maintenance, and abandonment of flood control dams and other such structures in their public works program. No coal mine wastes such as coal fines and slimes shall be used as constituent materials in the construction of any coal mine waste dam or impoundment.

3. DUMPING ON THE DOWNSLOPE

Conference language

Same as House except word "temporarily" dropped.

House language

(1) Insure that when performing surface coal mining on steep slopes, no debris, abandoned or disabled equipment, soil, spoil material, or waste mineral matter be placed on the downslope below the bench or mining cut, except that where necessary soil or spoil material from the initial block or short linear cut of earth necessary to obtain initial access to the coal seam in a new surface coal mining operation can be placed temporarily on a limited and specified area of the downslope below the initial cut if the permittee demonstrates that such soil or spoil material will not slide and that the other requirements of this subsection can still be met: *Provided*, That spoil material in excess of that required for the reconstruction of the approximate original contour under the provisions of paragraphs 515(b)(3) or 515(d)(2) or excess spoil from a surface coal mining operation granted a variance under subsection 515(c) may be permanently * * *.

4. SILTATION STANDARDS

Conference language

(B) conducting surface coal mining operations so as to prevent, to the extent possible using the best technology currently available, additional contributions of suspended solids to streamflow or runoff outside the permit area above natural levels under seasonal flow conditions as measured prior to any mining, and avoiding channel deepening or enlargement in operations requiring the discharge of water from mines;

House language (before Interior Committee change)

(B) conducting surface coal mining operations so as to prevent additional contributions of suspended solids to streamflow or runoff outside the permit area above natural levels under seasonal flow conditions as measured prior to any mining, and avoiding channel deepening or enlargement in operations requiring the discharge of water from mines.

5. HYDROLOGY STANDARDS

Conference language

(F) preserving throughout the mining and reclamation process the essential hydrologic functions of alluvial valley floors in the arid and semiarid areas of the country; and

House language

(F) preserving throughout the mining and reclamation process the hydrologic integrity of alluvial valley floors in the arid and semiarid areas of the country; and

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LANGUAGE WHICH PASSED HOUSE BUT WAS DROPPED COMPLETELY IN CONFERENCE

1. PREVENTION OF BLASTING DAMAGE TO DEEP MINABLE SEAMS

(6) the blasting and excavation practices permitted in connection with any proposed surface coal mining operation not in existence on the date of enactment of this Act will not render unsafe or impractical the subsequent extraction of known deposits of coal recoverable by current deep mining technology beneath the area affected by the proposed surface coal mining operation.

2. REQUIREMENT TO BURY AND COMPACT TOXIC MATERIALS

(14) segregate all acid-forming materials, toxic materials, and materials constituting a fire hazard and promptly bury, cover, compact and isolate such materials during the mining and reclamation process to prevent contact with ground water systems and to prevent leaching and pollution of surface or subsurface waters:

3. ADDITIONAL PROTECTION FOR HOLDERS OF WATER RIGHTS

Protection of water rights

SEC. 817. (a) In those instances in which it is determined that a proposed surface coal mining operation is likely to adversely affect the hydrologic balance of water on or off site, or diminish the supply or quality of such water, the application for a permit shall include either—

(1) the written consent of all owners of water rights reasonably anticipated to be affected; or

(2) evidence of the capability and willingness to provide substitute water supply, at least equal in quality, quantity, and duration to the affected water rights of such owners.

(b)(1) An owner of water rights adversely affected may file a complaint detailing the loss in quantity or quality of his water with the regulatory authority.

(2) Upon receipt of such complaint the regulatory authority shall—

(A) investigate such complaint using all available information including the monitoring data gathered pursuant to section 517;

(B) within 90 days issue a specific written finding as to the cause of the water loss in quantity or quality, if any;

(C) order the mining operator to replace the water within a reasonable time in like quality, quantity, and duration if the loss is caused by the surface coal mining operations, and require the mining operator to compensate the owner of the water right for any damages he has sustained by reason of said loss; and

(D) order the suspension of the operator's permit if the operator fails to comply with any order issued pursuant to subparagraph (C).

THE VISITING STRIP MINERS

(By Colman McCarthy)

Those who saw the convoy of 700 coal trucks hunkering through Washington in the other day could only wonder what was happening. Only a fly-by of Concordes, sent roaring over the U.S. Capitol by the resurrected SST lobby, could have attracted more attention. From the evidence, attention may have been all that the strip mine industry of central Appalachia gained by bankrolling the coal haulers, miners, local officials and others who came to protest the pending strip mine bill. If the power and might of the massive coal trucks was matched by some new and strong arguments against the bill, a case might have been made. But the match-up doesn't exist. Rather than turn anyone's mind about the legislation, the demonstration appears only to have turned attention once again to the last-minute desperation of the strip mine lobby as it tries to avoid even the mildest federal controls.

The loudest noise made by the truckers—aside from the hornblowing under the windows of congressmen—was the cry that massive layoffs would occur if the bill goes through. There is a history of this kind of scare talk, heard typically in state capitols when legislatures considered strip mine bills. Yet in the years since many of those bills were passed, not only were jobs not lost but coal industry profits and production have been high. The strip mine industry's being worried about jobs is an irony almost as thick as the coal seams it tears into so easily. For the past two decades, while deep mining has declined and stripping increased, thousands of jobs have been lost because less manpower is needed for stripping. Hard figures are unavailable, but an informed estimate holds that if the coal now coming from strip mines came instead from deep mines, there would be some 75,000 more jobs. As for the effect on employment of the pending bill, even Commerce Secretary Rogers Morton who originally worked against similar legislation last year, said that the reclamation provisions would generate more jobs. The protesting caravan in Washington appeared to have a "grassroots" flavor to it—"the little people" asserting themselves against the remote overlords in Congress. But it appears that not everyone back home rallied to the cause. The Beckley, W. Va., Post-Herald, which calls itself, "A Republican newspaper for 75 years," editorialized about the "arrogant strip mine attitudes to which we have grown so accustomed," and added that:

"Too many of the surface mine operators are based outside of our state and do not have to live with what is left after they ravage our mountains, remove our coal, take their profits and run. Therefore, we have little sympathy for the surface miners' 'circus' now going on in Washington. If the reported $400,000 being expended for a 'show' in the nation's capital had been spent toward better reclamation, it might have been a great deal more effective."

In Duff, Tenn., an area long scarred by strip mining, a young woman wrote a letter-to-the-editor of the nearby LaFollette Press. She stated that "the only people getting rich off the strip mining are the ones running the business . . . There are families right now that I know, that they don't have jobs to give their families bread or even put clothes on their back. When deep mining was going on, men had jobs, they had money to put food in their families' stomach and clothes on their backs. But now by strip mining, men don't have jobs and no money to support their families."

A town not far from LaFollette is Clairfield, Tenn., a community known in the mountains for the efforts of some citizens to create local industries that would create independence from strip mining. Before the Washington caravan, tiny Clairfield was invaded by hundreds of strip miners who came to hear the plan and views of the organizing operators. Some citizens found it surprising that the local school building was turned over to a gathering that had nothing to do with education; in the past various citizens groups involved with day care needs or the health clinic were rarely allowed use of the school. Sophisticated townspeople knew full well why the school was turned over to the strip miners: the building sits on land leased by the American Association, a major strip mine power in east Tennessee. One Clairfield citizen familiar with company-town politics said: "It's tragic and sad to see what's happening to the strip mine workers. Many of them make so little money—they are nonunion—that they are on food stamps. So they are easily put into a panic by talk of losing jobs. They see their poverty and their victimization but they don't know who's causing it. So they strike out at a target supplied by the strip mine owners, exactly the people who are paying them low pay in the first place, have had no qualms about destroying the community's land and who will leave the workers high and dry when the coal is taken out."

Aside from joyriding through the streets of Washington, the strip miners visited the offices of congressmen and committees. A staff member of the House subcommittee on energy and environment says that those who came to his office were "confused. They would read from a piece of paper supplied by the organizers and tell us, for example, that the bill bans strip mining on steep slopes. I'd explain to them that it doesn't. Then they said the bill requires this or that strictness, and I'd explain how they had their facts wrong and tell them what was really in the bill." Many in the coalfields were educated before the demonstration, and thus refused to come to Washington. The United Mine Workers Union sent someone from its legislative department to talk to the membership in the field. "Once we explained what the bill was about," a UMW official said, "the issue was clear: this explains why few of those who came to Washington were union members." One of those who followed the demonstrators around the corridors was Ward Sinclair of the Louisville Courier-Journal. He reported to his paper the day after the caravan that "one thing came through time and again—most demonstrators were misinformed or uninformed about the law and the legislators who voted for it."

Even if the bill is passed, it may mean little for Appalachia. Harry Caudill, a hero to many of the voiceless in the mountains, said in the current issue of "The Mountain Call" that he fears Appalachia will "be mined into a desert. I think we'll dig until every lump of coal is taken out of these hills . . . If we pass a reclamation law it'll be years until we ever enforce it. We're not going to do anything about that. We passed this federal mine safety law in '69 and you know how long it took before they made the first little feeble gestures toward enforcement. The Appalachian coalfields will be racked and ruined in four or five more years. Even if you passed the strip mine law now, with people like Gerald Ford to enforce it, you'd never know the difference."

In the mountains, Caudill is known as a moderate.

PROBLEMS OF THE SOCIAL SECURITY SYSTEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. RANDALL) is recognized for 15 minutes.

Mr. RANDALL. Mr. Speaker, on Tuesday, April 29, the new Select Committee on Aging held its first formal hearing, conducted by the Subcommittee on Retirement Income and Employment, which I also chair.

Testimony was received from Social Security Commissioner James B. Cardwell on the important and timely subject of the financial problems—short range and long range—which confront the social security system. We also discussed several other vital matters, including the backlogs in processing applications for disability benefits and the hearings backlog on claimant appeals. Likewise, we received testimony on the status of the supplemental security income—SSI—program and other programs administered by the Social Security Administration.

Because of widespread public concern over social security financial problems and the several nationally published articles bordering on the alarmist, predicting "bankruptcy" of the system—allegations that simply are not true—I am including that portion of Commissioner Cardwell's testimony in which he discusses these financing problems and alternative ways in which to deal with them.

An important dialog on social security financing is now beginning here in the Congress and the country. It is my hope that these hearings and subsequent work of the new Select Committee on Aging will help contribute to a better understanding of the present problems and toward a responsible and logical solution that will be in the public interest, and of course in the best interest of our older citizens.

Mr. Speaker, I now read into the RECORD excerpts from Mr. Cardwell's testimony:

JAMES B. CARDWELL, COMMISSIONER OF SOCIAL SECURITY, BEFORE THE SUBCOMMITTEE ON RETIREMENT INCOME AND EMPLOYMENT, SELECT COMMITTEE ON AGING, HOUSE OF REPRESENTATIVES

Mr. Chairman and the Members of the Subcommittee: I appreciate the invitation to appear before you today. We see this as an opportunity to improve public understanding about important social security and related issues—issues of significant interest to the Congress and the public. I want to assure you that we in the Social Security Administration will cooperate with you and the Subcommittee to the best of our ability.

My statement, which is intended to be brief, addresses the several aspects of the social security and supplemental security income programs in which the Subcommittee has indicated particular interest—the financing of social security, including the financing proposals of the Advisory Council on Social Security, and implementation of the new supplemental security income program. I will also touch briefly on our disability and hearings and appeals workloads. I will, of course, be happy to have you turn the discussion to other topics according to your wishes and to try to respond to any questions at any time during the course of my remarks.

SOCIAL SECURITY PROGRAM

At the risk of telling those of you who have had close and continued contact with the social security program things you already know, I would like to begin my remarks with a brief overview of the social security program today.

The scope of social security

In one way or another, social security touches the lives of nearly every American. Nine out of every ten jobs are covered; about 100 million people will work in employment covered by social security during 1975. More than 31 million people—retired and disabled workers and their dependents and the dependent survivors of deceased workers—receive social security cash benefits. Average benefit payments are about $183 monthly for a retired worker and $312 for an aged couple. For a disabled worker who has an entitled spouse and 1 or more children, benefits average $405. A widowed parent with two children receives average benefits of $438 monthly. For aged widows, benefits average $177. These benefit amounts do not reflect the automatic benefit increase of 8.0 percent that is scheduled to go into effect for this June.

About 91 percent of all people age 65 and over are eligible for social security cash benefits; 93 percent of those reaching 65 this year are eligible.

Ninety-five of every one hundred children under 18 can count on monthly survivors benefits if a working parent dies. The child's surviving parent who remains at home to care for the child can also get benefits.

In addition, 80 out of every 100 people between the ages of 21 and 64 can count on monthly cash benefits if the breadwinner suffers a severe and prolonged disability.

Virtually all people 65 and over today are eligible for hospital insurance protection under Medicare and such protection is also available to long-term social security disability insurance beneficiaries.

This year social security benefit payments, including Medicare will exceed $72 billion, over 23 percent of all Federal outlays. By the same token, payroll taxes or social security, the second largest source of Federal revenue, will account for 27 percent of all Federal income. This gives you an idea as to the impact of social security on our economy.

I believe that some of these basic facts about social security and its scope make it readily apparent why social security receives so much attention these days—from the general public, the media, and all three branches of the Government.

While the social security program has been changed many times over the years, its essential characteristics have remained unchanged. Social security remains a contributory social insurance system under which employees, their employers, and self-employed people contribute during working years to insure workers and their families against loss of earnings due to retirement, disability, or death, and to provide protection against the costs of illness in old age or in disability. Benefits are wage-related and paid as an earned right; there is no means test. I would emphasize that the social security cash benefits program is not a collection of savings accounts. Nor is it an annuity plan designed to provide benefits to people when they reach retirement age. Essentially, it is insurance against loss of earnings. The benefits are intended to help replace earnings lost when wage earners and self-employed people retire, become totally disabled, or die.

Current issues in social security financing—Short term

As all of you are aware, an area of particular current concern is the financial soundness of social security. While it is true that present projections show that expected outgo of the social security cash benefits program will exceed income beginning this tax year, there is in my opinion, simply no justification for many of the sensational and alarmist articles that have appeared in the press in recent months suggesting that the system has gone bankrupt. As I hope to point out today, the system is reacting to the sudden changes that have occurred in the economy, and there are safeguards to insure benefit funding for several years, even in the face of deficits over several consecutive years. The system's revenues will make ample time available for the Congress to deal with the situation.

Let me go over for you some of the specifics of the social security financing situation: to begin with, expenditures under the social security old-age, survivors, and disability insurance program will exceed income by about $3 billion this year. Current estimates show that under present law annual excesses of outgo over income will continue into the future, covered by the reserves until about 1980. By 1981, unless additional revenues are forthcoming, the reserves will be exhausted.

The reasons for the excesses of outgo over income can be easily explained. First, since social security benefits are, by law, tied to the Consumer Price Index, higher than previously anticipated levels of inflation in the short-term future mean higher than previously anticipated expenditures for social security benefits. At the same time, today's increased levels of unemployment mean less income to the program through the payroll tax.

Long-term financing progress

As to the long-range financing status of the cash benefits program, the 1975 report of the Board of Trustees of the cash benefits trust funds—which is in the final stages of completion and should be available in a week or so—will again show that the program has a serious long-range deficit. The 1974 Trustees report also showed a serious long-range deficit—about 3 percent of taxable payroll—as compared with something over 5 percent in this year's report. There are several causes of this deficit, including both economic and demographic factors. Birth rate projections based on the 1970 Census are significantly lower than earlier projections. Based on these projections, the future work force will be smaller in proportion to the number of beneficiaries. Today's ratio of 30 beneficiaries for every 100 workers protected today is projected to increase to about 48 beneficiaries per 100 workers by the year 2030. Thus, proportionately fewer workers will be supporting more beneficiaries and the cost of the program, expressed as a percentage of payroll, will be substantially increased.

Economic factors, including significantly higher CPI increases than previously estimated, also influence the long-range financial status of the program, particularly as to the combined effect of price and wage increases on future benefits.

In citing these long-range projections, I would emphasize that the effects will not be felt for many years and that there is ample time for deliberate consideration of alternative methods of restoring the long-range financial soundness of the program.

Alternatives for restoring the soundness of social security

What are some of the alternatives for assuring the financial soundness of the social security program? Since the short-range imbalance is more critical and requires more immediate action, the Administration is focusing its attention on developing legislative initiatives to restore the short-range soundness of the program.

There are four options available to replenish the trust funds, all requiring new legislation. First, the payroll tax rate can be increased; second, the earnings base subject to tax can be increased; or third, there can be some combination of the two. A fourth option, which I feel would eventually do damage to the social security system and which I personally would *not* like to see adopted, would involve the use of general revenue funds.

Before speaking to the pros and cons of these choices, permit me to review the recommendations of the Social Security Advisory Council concerning financing.

As you know, the 1975 Advisory Council on Social Security, which issued reports of its findings and recommendations last month, examined the financing of the program in detail. To reestablish the financial soundness of the cash benefits program, the Council recommended a series of increases in the OASDI tax rate, the increases to be accomplished by the reallocation of the Medicare hospital insurance tax rate to the cash benefits program, with eventual full general revenue financing of hospital insurance. The Administration opposes this approach on the grounds that substantial general revenue financing of social security would detract from the contributory, earned-right nature of the social security program—the feature that accounts for much of the widespread public acceptance and approval of the social security program.

Another of the Council's recommendations, however, holds a good deal of promise for helping to deal with the long-range financial problem. The Council recommended that the benefit structure be revised to make it less sensitive to swings in the economy and to stabilize the relationship between benefit levels and the earnings on which the benefits are based. Efforts are now underway to develop specific proposals to implement this idea.

While the Administration has not yet reached any final decisions with regard to the recommendations it may make to restore the financial soundness of the program and to stabilize the future benefit structure, I think I can give you some indication of the general direction that we are likely to propose.

As you know, the President has endorsed the general concept of a restructuring of social security benefits so as to provide stable and predictable replacement of preretirement earnings. He has directed the Department of Health, Education, and Welfare and the Domestic Council to study alternative ways of accomplishing this objective. Since a proposal along this line could very significantly affect the long-range financing of the social security program, it seems likely that, pending development of a specific proposal in this regard, the Administration will very likely hold in abeyance the question of how revenues should be increased to deal with the long-range financial deficit. Nevertheless, as I indicated earlier, there is a real need to deal promptly with the projected short-range need for additional funds. I expect that we will be confronting this situation in the very near future.

While it is imperative that action be taken soon, I again stress that there is certainly no reason for alarm or panic. There is good reason, in fact, to rely on the reserves during the next several years, to aid economic recovery. There is no reason for anyone to doubt that the appropriate steps will be taken to insure the solvency of the system thereafter. It is useful to remember that we have a valuable asset in the existence of the trust fund reserves. They help assure adequate time for responsible action. There is time for deliberation; there is time for individuals and organizations to make known their views; and there is time for the Executive Branch and the Congress to act.

LABORERS' INTERNATIONAL UNION QUESTIONS DAVIS-BACON STUDY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, the April issue of the Laborer, the official publication of the Laborers' International Union of North America contains a most informative article on the background of a so-called academic study of the Davis-Bacon Act.

The article explores at length whether or not the recent study of Davis-Bacon was presented from a balanced point of view.

The union article was based on investigations conducted by union staff directed by the union's general president, Peter Fosco. I believe that Mr. Fosco and his union are to be commended for their work in this area and for bringing the facts surrounding the Davis-Bacon study to the attention of the public.

Because Davis-Bacon is such an important part of our economy in general, I am including a copy of the article in my remarks. The article follows:

CONSPIRACY TO DESTROY DAVIS-BACON

An anti-labor alliance among the Chamber of Commerce, The Reader's Digest, open shop contractors and pro-management educators has united in a conspiracy to repeal the Davis-Bacon prevailing wage law.

Also involved in the campaign to repeal the law which was enacted 44 years ago during another depression to protect the labor standards of building and construction tradesmen are the Associated General Contractors, (AGC) with a publicity assist from such publications as Engineering News-Record.

Using the paid services of an admittedly pro-management professor to wrap the conspiracy in an aura of academic credibility, the anti-labor Chamber has produced a document which concludes that the protective labor relations measure should be abolished, and abolished now when several million construction members are unemployed or underemployed.

The academic document supporting this cruel position is described on Capitol Hill by anti-labor legislators seeking repeal as a "239-page study of Davis-Bacon prepared for the Industrial Research Unit of the Wharton School (University of Pennsylvania)."

Nowhere do these anti-labor Senators or Congressmen say that the "study" was financed by funds supplied by the U.S. Chamber of Commerce through the conduit of the Industrial Research Unit.

Laborers' International Union learned of the funding during an investigation into the study by the Union's staff.

Neither the Chamber of Commerce, the Industrial Unit nor the primary author of the study would reveal the amount of money spent. A Chamber of Commerce spokesman said the amount spent on the "study" was a "private matter between the Chamber of Commerce and Wharton's Industrial Research Unit."

The funding aspect of the study is only the tip of an anti-union iceberg, however.

The LIU investigation revealed several other aspects of the "study" which point most graphically to the anti-union conspiracy.

These facts include:

The primary author of the study, Dr. Armand J. Thieblot, Jr., Associate Professor of management at the University of Maryland, is a self-styled pro-management academician;

Thieblot has written other anti-union "studies" including one entitled "Welfare and Strikes: The Use of Public Funds to Support Strikers." This "study" was used by the Reader's Digest, the Chamber and others to campaign against public assistance of families of striking workers. The value of this report is discussed in greater detail later in this article:

Thieblot has served as a consultant to the National Chamber of Commerce and as an expert witness for the anti-worker National Association of Manufacturers in testimony against the right of workers' families to receive food stamps at a Congressional hearing:

The foreword to the Thieblot anti-Davis-Bacon study was written by Herbert R. Northrup, director of the Industrial Research Unit at Wharton. Northrup was also author of the foreword to another Industrial Research study which concluded that coordinated bargaining as practiced by industrial unions with such corporate giants as General Electric is not good. From Northrup's viewpoint that would be true because he once served as an assistant to GE's Lemuel Boulware, the man who made the term Boulwarism an accolade to anti-union negotiators. More about Northrup and his connections with management below; and

During the entire two years that Thieblot and his associates spent on the Davis-Bacon study, no contact was made with the AFL–CIO Building and Construction Trades Department, LIU or another union or spokesman for organized labor.

The "study" is void of a single original thought. It is being used by ABC, AGC, Roundtable and Chamber fighters who are seeking to take advantage of desparate tradesmen who, anti-worker forces are hopeful, will be forced to take substandard wage jobs if the protective Davis-Bacon Act is gutted and/or killed. These contractors and business groups apparently have made a deliberate decision to fight for substandard wages for their employees rather than to join with the BCTD and LIU in a campaign to find jobs for construction and building tradesmen.

In an attempt to evaluate the anti-Davis-Bacon study, LIU staff members interviewed Dr. Thieblot at his University of Maryland office.

Thieblot said he was unsure whether his contract to do the study was with the Chamber directly or with the Wharton Industrial unit. He admitted that he was pro-management and was "pleased and flattered" that anti-union forces on Capitol Hill were quoting his "study" in arguing for repeal of Davis-Bacon.

While Thieblot refused to discuss his political philosophy with LIU visitors, saying that that subject "should not be a part of the interview," visitors noted that a Norman Rockwell portrait of anti-worker Sen. Barry Goldwater was prominently displayed on his office wall.

Both Thiebolt and the Chamber of Commerce spokesmen denied any knowledge of contributions of funds for the study from the Business Roundtable through the conduits of the Chamber and the Industrial Research Unit of Wharton. (The Business Roundtable was found by Roger Bolugh, retired chairman of the U.S. Steel with the assistance of Virgil Day, of General Electric. Day is a devotee of Boulware type bargaining as is the Industrial Research Unit's Northrup. One of the goals of the Roundtable is to "reduce construction costs" by wrecking building trades unions.)

In the interview, Thieblot said he did not contact unions affected by Davis-Bacon because he questioned union contractors which he thought was sufficient for his "study". Although he denied any connection with the open shop Associated Builders and Contractors (ABC), the group that is working with the Chamber to repeal Davis-Bacon, he admitted that ABC mailing lists were used to secure information for the "study."

Dr. Northrup's unit has received, in addition to Chamber funds, "large sums of money contributed by 17 companies," according to the Congressional Record of February 28, 1974.

These contributors included such corporate giants as Mobile Oil, Ford Motor, United Air Lines, Lockheed Aircraft and Goodyear Tire and Rubber.

The connections become more interesting when the Unit's method of operation is examined more closely.

This is the way the operation worked in the Thieblot-Chamber-Reader's Digest alliance in 1973, when it sought to keep public assistance from strikers' families.

Thieblot and associates wrote their "study".

When asked who paid for that study, Northrup refused to answer.

Next, an article in the Reader's Digest in October, 1973, picked up the anti-union ball. That article was entitled "Let's Stop Subsidizing Strikes."

That article was based on Thieblot's study which was described by Leo Perlis, director of the AFL–CIO Community Services Department as: "replete with misconceptions, misinformation and questionable representations."

As a matter of fact, the Congressional Record noted that a letter written by Martin Meyerson, president of the University of Pennsylvania, with which Wharton School is associated, states that the Thieblot study does not express "the viewpoint of the University or should even imply a concurrence with the decisions reached therein . . . the report of Armand Thieblot, Jr. and Ronald M. Cowin (co-author) must be viewed as theirs alone."

Meanwhile, the anti-striker study was found in the hands of news media. According to the Bureau of National Affairs, "Hill and Knowlton, Inc., public relations firm in New York and Washington, is distributing the report (Welfare and Strikes) to the press for the Labor Law Study Committee, a group of employer representatives and attorneys . . ." Hill and Knowlton currently are retained by both the Chamber and the Business Roundtable.

The same patterns have emerged in the Thieblot anti-Davis-Bacon study, right down to the anti-Davis-Bacon article which appears in the April Reader's Digest under the title, "Your Move on Inflation, Mr. President."

The Reader's Digest's objectivity in the matter may well be questioned on the grounds that the Digest is promoting a series, entitled "Our Economic System—You Make It Work." That series, presented as though it were a regular editorial department feature, is being paid for by Business Roundtable which is paying $1.2 million for the 136 pages the articles will fill during the year.

LIU General President Peter Fosco, who directed the Union's investigation into the study, noted when the facts were brought to light: "No one questions the right of the Chamber of Commerce or any other business-oriented group to commission a study. But when the study is dressed up in an academic jacket and introduced as an objective study without mentioning who its financial sponsor is, we felt obligated to bring that funding to public and Congressional attention."

HUMANITARIAN ASSISTANCE TO REFUGEES FROM SOUTH VIETNAM

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. WIRTH), is recognized for 5 minutes.

Mr. **WIRTH**. Mr. Speaker, after the events of the past 10 days, it is vital for the Congress to act quickly and responsibly to provide assistance to the refugees from South Vietnam. I want to state my strong support for humanitarian aid to help these immigrants begin a new life in our country or wherever they may settle.

Last Thursday the House overwhelmingly defeated the conference report on H.R. 6096, Vietnam Humanitarian Assistance and Evacuation Act of 1975. That vote has been widely misinterpreted by the press as a vote against refugee aid. Because of the unfortunate interpretation placed in that vote, I believe it is important for me to explain why I voted against the bill.

My opposition to the bill stemmed from the following reasons: As originally drafted, H.R. 6096 was primarily an evacuation bill, with humanitarian assistance for refugees only a secondary consideration. The events which took place in South Vietnam between the time of our first debate and the time of the final vote on the conference report rendered the evacuation authority in the bill dated and unnecessary. All Americans were finally out of South Vietnam. The evacuation had been completed, and there was no longer any need for the use of American troops in South Vietnam.

Mr. Speaker, it is bad policy to legislate broad evacuation authority when the need no longer exists.

Instead, we face a new set of problems which deal with the South Vietnamese refugees who fled their country and who are now coming into the United States. We need to start over. We need a new bill, one which deals with the new problems of humanitarian aid and relocation of the refugees. We do not need a bill which deals to a great extent with what is now history.

When the United States faced the problems brought about by the influx of Cuban and Hungarian emigrants, the Congress acted responsibly and set up a coordinated plan to deal with those people. Today we have no plan to handle the South Vietnamese refugees. We are still unsure how many South Vietnamese may be involved. We need to begin consideration of legislation which sets up a positive mechanism to deal with our new residents. How many refugees are we talking about? Where will they go? What will they do? How much will all of this cost? Those are the issues to which we must address ourselves today.

Of even greater importance, however, is the need for the Congress and the President, for Democrats and Republicans, to work together to form a new direction for American foreign policy. Many aspects of current American foreign policy date back to the days of Secretary of State John Foster Dulles; they were outmoded and in need of new analysis and direction. We must begin to view the world in terms of the 1970's and 1980's rather than in terms of the 1950's and 1960's.

Many of use see a real danger that a new isolationism will sweep this country, the result of our tragedy in Indochina. This worries me, and I believe it is something which must be harnessed and turned around. The United States must face the fact that it is part of a greater world community, a community that requires cooperation and integration if it is to function to the benefit of all mankind. The United States is a part of this world community, and has a number of very real obligations and commitments. At the same time, we have our own interests and goals to protect.

This Nation has a long-standing commitment to uphold free and democratic governments. We have lost sight of that commitment at times, instead lending our support and assistance to governments dominated by repression and tyranny. We need to reevaluate our commitments to those nations which do not meet standards of basic human decency.

American foreign policy must recognize and accept the existence of spheres of influence around the world. These spheres of influence should not be a reflection of 19th century colonialism, but rather should be seen in terms of the legitimate interests of the various world powers. As the United States maintains its sphere of influence in Western Europe, so too we must recognize the Soviets sphere of influence in Eastern Europe. China has a historic concern for a buffer zone between herself and the Soviet Union, and a historic hegemony over the Indochina Peninsula.

We cannot lose sight of our central commitments, those which are not only vital to the security of the other nations involved, but which are vital to our own national security interests as well. Serious commitments have been made in Western Europe, to Israel, to Japan, and in Latin America. I believe it is those areas which should receive priority concern from the United States, and it is in those areas we should set the foundation for our future foreign policy.

Our experiences in South Vietnam and Cambodia have taught all Americans something about the limitations of American power abroad. But our experiences in Indochina must not hide from us the very real power this Nation does exert in the world. We must make it clear that no nation should misread the events in Indochina. The rest of the world must not assume that by ending its involvement in Cambodia and South Vietnam the United States is signalling a lessening of our resolve to uphold commitments we have made to others.

CINCO DE MAYO—A STANDARD OF PATRIOTISM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANIELSON) is recognized for 10 minutes.

Mr. DANIELSON. Mr. Speaker, today, May 5, 1975, is the 113th anniversary of the battle of Puebla, Mexico, on May 5, 1862, that great and glorious victory of the Mexican patriots over the army of Napoleon III of France. It was that victory which gave its name Cinco de Mayo, to the great national holiday of Mexico.

During all of my years as a member of the California Legislature and in the Congress, it has been my privilege to represent districts which include large communities of Americans of Mexican heritage. While in the California Legislature, I sponsored resolutions commemorating Cinco De Mayo and reflecting our admiration and respect for Mexico and the heroism of the Mexican people on this, their most revered holiday.

So, Mr. Speaker, it is with great pride that I call the attention of my colleagues to the significance of Cinco De Mayo. The courage, patriotism, and valor of the small force of Mexican volunteers who were greatly outnumbered by the 6,000-man French army stands out in history as a standard of patriotism for all freedom-loving people to follow. The Battle of Puebla, valiently fought by Mexican patriots under the leadership of General Ignacio Zaragoza, is a shining example of the superb spirit of the Mexican people in the face of great adversity. They achieved victory in the face of overwhelming odds because their spirit was nourished by their love of country.

Thus, Mr. Speaker, I ask my colleagues to join with me in commemorating this great event in the history of Mexico and of the world, which symbolizes the triumph of courage, high principle, and patriotism over all other considerations.

LEGISLATION TO AMEND THE NATIONAL HOUSING ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. STOKES) is recognized for 5 minutes.

Mr. STOKES. Mr. Speaker, last year Congress passed the Housing and Development Act of 1974, including one important provision to correct earlier governmental misfeasance and malfeasance.

This provision allowed compensation for owners of existing unsubsidized homes for the repair of serious structural or other major defects which FHA should have discovered but failed to pursuant to its required mortgage insurance inspection. Specifically, those who purchased FHA-insured homes located in older declining urban areas during the period August 1, 1968, to January 1, 1973—the worst period of FHA scandals—are eligible for compensation for repairs necessitated by FHA's failure to do its job properly.

However, the eligibility of homeowners under this provision was limited to a 1-year period following the enactment of the law, which meant near the end of August 1975.

The reason I am today introducing legislation to extend this period of eligibility is that once again bureaucracy has thwarted the intent of the law. It took 7 of the 12 months for HUD to issue implementing regulations which have just recently become effective. Almost two-thirds of the time available has been consumed, and yet most eligible homeowners even now are not aware that there is such a program. Notices have not gone out, forms have not been available and the administration of this program has barely begun.

This bill, and similar legislation introduced by Senator STEVENSON which has been added by the other body as an amendment to the Emergency Housing Relief Act simply intends to extend the claim period for an additional 7 months in order to make up for the time lost by HUD in developing regulations. This bill does not attempt to alter the benefit or funds available, or the standard used, but it does make effective a 1 year claim period as intended by Congress.

Mr. Speaker, unless we are willing to allow inaction by the executive to nullify the law as passed by Congress we should promptly pass this legislation and not allow bureaucracy to defeat a congressional attempt to remedy governmental misconduct.

I submit a copy of this bill for the RECORD.

H.R. 6682

A bill to amend the National Housing Act to extend the time period during which certain homeowners may apply for compensation for defects under section 518(b) of such Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that section 518(b) (1) of the National Housing Act, as amended, is further amended by striking the words "one year" therein and inserting in lieu thereof the words "nineteen months".

LEGISLATION TO EXTEND THE FEDERAL ELECTION CAMPAIGN ACT AMENDMENTS OF 1974

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. CORNELL) is recognized for 5 minutes.

Mr. CORNELL. Mr. Speaker, one of the most important pieces of legislation enacted by the 93d Congress was the Federal Election Campaign Act Amendments of 1974. Although we have yet to see the full workings of the act, the concept that presidential primaries and elections should be funded by the general public and not just special interest groups was one of the major legacies of Watergate.

Today, I am sponsoring a bill along with my colleague, MAX BAUCUS of Montana, which is the natural extension of this act: It extends public financing to congressional primaries and general elections. The basic premise behind our legislation is quite simple—special interest groups ought not be permitted to cover all the costs of the election of any Federal officeholder. We would never allow these same interests to pay the salaries of our Senators and Representatives once in office.

The current system of privately financing elections has been shown to be defective and we all pay the price for its many weaknesses. We are pledged to serve our constituents equally, whether or not they supported us in the last election. We must strive for real integrity in our political process and this can be accomplished only through genuine independence in running for public office—without obligations or secret commitments.

Our bill would make full public funding available to candidates of major parties in general elections for the House and Senate. In the Senate elections, the candidate would receive 14.4 cents for every eligible voter in the State, or $180,000—whichever is greater. Each candidate in the House would receive $84,000. No candidate would be required to accept the public funds, or he or she could decide on a combination of funds, both public and private.

Minor party candidates would also be eligible for partial public funding in general elections. This would be based on the party's showing in the preceding election or could be retroactive. [A minor party is defined as a party whose candidate received 5 percent or more but less than 25 percent in the preceding election or the current election.]

The bill provides for partial public funding of primary elections. Candidates for the senatorial nomination who raise 15 percent of the spending limit or $100,-

000—whichever is less—and candidates for a House seat who raise $7,000 would be eligible for matching grants of public funds for every private contribution of $100 or less.

Our bill is quite similar but not identical to a bill introduced earlier this year by Senators KENNEDY, SCOTT, and 23 others. We sincerely hope that quick action can be taken on this legislation to permit application to the 1976 elections.

RAIL TRANSPORTATION IMPROVEMENT AND EMPLOYMENT ACT OF 1975

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL), is recognized for 5 minutes.

Mr. BEDELL. Mr. Speaker, just as concern with our Nation's railroads does not lie in one region, with one industry, or even within one sector of the economy, so their survival cannot depend upon the efforts of one individual, one Government agency, or one "interested" group.

Why bother to save the railroads? Far from being a relic of the romanticized past, our railroads are intimately tied to the economic and social well-being of present-day America. Our 64 railroads serve over 45,000 communities, handle 60 percent of all domestically manufactured goods, and transport 70 percent of the coal used in this country. The survival of a railroad can come down to the health of an industry and even the continued existence of a town whose only link with outside markets is often a railroad.

But, statistics go on and they eventually turn to paint another picture that is growing increasingly bleak. There are 200,000 miles of railroad track in the United States. Of this 200,000 miles, an estimated 20 to 45 percent is operated under some type of "slow order," too often as slow as 10 miles an hour. Between 1963 and 1972, faulty railbeds were the cause of 5,700 rail accidents with damage estimated at more than $500 million. Since 1972, the rate of such accidents has gone up alarmingly. Within the last year, thousands of additional miles of railroad track have been ordered to be operated at 10 miles an hour—or less. Hardly the picture of an efficient, safe, or even viable system of transportation.

What is called for is a hard, comprehensive look at the entire system of American railroads on a long-range basis. Such a project will take time and end up costing billions of dollars. At the moment we obviously have not got billions of dollars to spend and time is running out.

However, the point is to begin, not with a blind and costly plunge into what we hope will be an easy, albeit, costly solution, but with a rational first step that is at once within our financial means and promises to deliver some very tangible and positive results.

Today, I am introducing the Rail Transportation Improvement and Employment Act of 1975, which I believe offers such a first step and at an affordable price. Make no mistake, it is no more than a start, but one which I feel is necessary and in the right direction.

Briefly, the bill which follows provides $600 million to restore employment to peak periods—between June 1974 and April 1975—in rail line rehabilitation projects on a nationwide basis. The sum of $100 million is allocated for the purchase of materials to refurbish those road beds whose decline is the major cause of rail accidents and a major contributor to the increasingly failing health of the entire rail industry.

The text of the bill is attached:

H.R. 6654

A bill to improve the reliability, safety, and energy efficiency of transportation by providing funds for repairing, rehabilitating, and improving railroad roadbeds and facilities.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Rail Transportation Improvement and Employment Act of 1975".

EMERGENCY PUBLIC SERVICE EMPLOYMENT FOR RAILROAD IMPROVEMENT

SEC. 2. (a) FINDINGS.—The Congress finds and declares:

(1) Adequate and safe rail transportation is essential to the public interest, and jobs which involve repairing, rehabilitating, and improving railroad roadbeds and facilities to increase the public service capability of railroads are public service jobs.

(2) Unemployment can be reduced significantly by stimulating and expediting the repair, rehabilitation, and improvement of the Nation's railroad roadbeds and facilities, because there is a great need for such activity and because such activity is labor intensive.

(b) PURPOSES.—It is therefore declared to be the purpose of the Congress in this Act to authorize the Secretary of Transportation to provide financial assistance, from funds appropriated and made available under section 11 and in accordance with the provisions of this Act to railroads, States, political subdivisions, and regional commissions, for programs aimed at reducing unemployment and at repairing, rehabilitating, and improving railroad roadbeds, and facilities.

(c) USE OF FUND.—The Federal share of any program funded under this title shall be 100 per centum. Except with respect to financial assistance under section 8 for the purchase of materials, such funds shall be made available solely to pay the wages, salaries, or other benefits earned by individuals employed in programs funded under this title.

SEC. 3. DEFINITIONS. As used in this Act, the term—

(1) "railroad" means a common carrier by railroad as defined in section 1(3) of the Interstate Commerce Act (49 U.S.C. 1(3)); the term includes the National Railroad Passenger Corporation, the Consolidated Rail Corporation, and the Consolidated Facilities Corporation;

(2) "roadbeds and facilities" means the physical assets of a railroad other than rolling stock that is necessary for the actual movement of rolling stock, including, but not limited to, tracks, ties, rails, switches, roadbeds, bridges, yards, and terminals, machines for loading and unloading, ferries and shoreside facilities for transporting rolling stock over water, signal systems, train monitoring systems, electrification and other power transmission systems, and structures and equipment necessary to the functioning of any of the foregoing;

(3) "rolling stock" means any new or rebuilt locomotive, caboose, or railroad car capable of being used in the carriage or transportation of any freight or passengers;

(4) "Secretary" means the Secretary of Transportation;

(5) "State" means any State, and the District of Columbia.

SEC. 4. MAINTENANCE-OF-WAY EMPLOYEES.—(a) Within sixty days after enactment the Secretary shall make funds available to any railroad which has laid off, furloughed, or otherwise reduced the number of maintenance-of-way and signal system maintenance employees between the period from June 1, 1974, through April 15, 1975, to the extent necessary to enable such a railroad to hire and maintain until June 1, 1976, sufficient numbers of such employees at prevailing wages to restore the size of its repair and rehabilitation work force to the maximum level maintained between June 1, 1974, and April 15, 1975: *Provided,* That such a railroad gives adequate and binding assurances to the Secretary (1) that such additional employees shall be utilized by the railroad for priority categories of work as set forth in section 6; and (2) that the railroad plans, intends, and will take sufficient steps to meet substantially the objectives set forth in section 7.

(b) In hiring new employees with any funds made available to it pursuant to this Act, a railroad shall accord the highest priority to furloughed maintenance-of-way and signal system maintenance employees, the second highest priority to other furloughed railroad employees, and the third highest priority to other unemployed persons who have sought work without success for more than three months.

SEC. 5. GRANTS TO STATES AND REGIONAL COMMISSIONS FOR SPECIFIC PROGRAMS.—(a) In order to assure the implementation of an expanded nationwide program of emergency railroad roadbed, and facility repair and rehabilitation, the Secretary is authorized until December 31, 1976 to provide financial assistance in the form of grants to States, political subdivisions or combinations thereof, the Appalachian Regional Commission, or Regional Action Planning Commissions established pursuant to title V of the Public Works and Economic Development Act (42 U.S.C. 3181) for a rehabilitation program involving a facility within the categories set out in section 6 of this Act. In reviewing the applications for financial assistance under this section, the Secretary shall consider:

(1) The extent to which the proposed project meets the objectives set out in section 6 of this Act;

(2) How the proposal contributes to a regionally balanced rail rehabilitation effort;

(3) The severity of unemployment in the affected area and the impact that the proposed project is likely to have on that unemployment; and

(4) The coordination of the proposed project with other government transportation priorities such as the elimination of grade crossings and other safety problems, the enhancement and improvement of rail passenger service, the modernization of facilities, including electrification; and other such priorities.

(b) There is hereby established an Advisory Commission to assist the States, political subdivisions, and regional commissions in identifying eligible roadbeds and facilites, and in formulating and submitting appropriate grant applications. The Advisory Commission shall consist of the Secretary, or his designee; the Director of the Rail Services Planning Office of the Interstate Commerce Commission, or his designee, the Chairman of the United States Railway Association, or his designee; and the Chief of Engineers of the U.S. Army Corps of Engineers, or his designee. The purpose of the Advisory Commission shall be to facilitate decisionmaking and to expedite the allocation of funds to facilitate employment and improve rail transportation.

SEC. 6. CATEGORIES OF ELIGIBLE FACILITIES.—The following roadbeds and facilities are priority categories for purposes of section 4 and are eligible for grants under section 5: Roadbeds and facilities which—

(1) have been included in the preliminary system plan or any subsequent plan developed by the United States Railway Association and reviewed by Congress to be administered by the Consolidated Rail Corporation, a Consolidated Facilities Corporation, or any corporation established pursuant to Public Law 93-236, as amended:

(2) are used in a substantial way in a rail commuter passenger service;

(3) are utilized by the National Railroad Passenger Corporation pursuant to the Rail Passenger Service Act for providing rail passenger service;

(4) are subject to track usage of at least five million gross ton-miles per mile or road per year, and which are determined by the Secretary to be useful and desirable for present and future rail service needs on a national or regional basis;

(5) have been identified to the Secretary by any State, political subdivisions or combination thereof, or regional commission as useful and desirable for present or anticipated transportation needs, if the Secretary concurs in such identification; or

(6) are in such condition, as a consequence of deterioration or because of the method of original construction, that they constitute a significant risk to public health or safety.

SEC. 7. OBJECTIVES.—The objectives which are referred to in sections 4 and 5 are as follows:

(a) the roadbeds and facilities must contribute significantly to essential national or regional transportation needs and must be consistent with established national and/or regional policy;

(b) the proposed project must be capable of completion within twelve months after the date of approval by the Secretary;

(c) the application must contain a sufficient showing by, or on behalf of any railroad which will be affected by the project involved, that the Federal funds made available or granted will not be used to replace, or as a substitute, for any other money which such railroad would have been reasonably expected to utilize for roadbed or facility rehabilitation or maintenance in the absence of this section;

(d) the proposal should maximize the chances for the permanent employment of the individuals hired for the project involved; and

(e) the Secretary shall consider the competitive position of any railroad involved as compared with other railroads in the approval of a project.

SEC. 8. MATERIALS AND EQUIPMENT ASSISTANCE.—To the extent necessary to carry out railroad roadbed and facility repair, rehabilitation, and improvement work in connection with the increase in the number of maintenance-of-way employees pursuant to section 4, or in connection with the carrying out of a specified program granted financial assistance pursuant to section 5, the Secretary may provide financial assistance, in accordance with this section, for assistance to be expended solely for the acquisition of materials or equipment necessary or appropriate for implementing or carrying out a repair, rehabilitation, or improvement program or project receiving or approved to receive Federal financial assistance pursuant to section 4 or 5. Financial assistance under this section shall not be made available until the Secretary receives adequate and binding assurances that such financial assistance will not be used, directly or indirectly, as a substitute for financial resources which would otherwise have been expended for such purpose by the railroad. Financial assistance under this subsection may be provided by the Secretary in the form of (1) loans by the United States bearing no obligation to pay interest or an obligation to pay interest at a market or a lower-than-market rate; (2) guarantees by the United States of the payment of the principal amount of, and the periodic interest obligation on, loans; or (3) grants, with or without conditions. In the case of a grant under this subsection, which adds, or may add, value to the rail properties or other assets of a railroad other than a Government corporation, the Secretary shall require that adequate and binding assurances be made for recompensating the Federal Government for any such value added, through a mechanism such as reduced user fees for rail passenger service operated by the National Railroad Passenger Corporation; deduction of such value added from the amount of any compensation otherwise owed, or which may be owed to, such a railroad by the Federal Government of Government created corporation in the event of any transfer of assets from such railroad to a Government agency or to a corporation established by a Government agency or corporation to administer certain railroad facilities; or direct repayment of the amount of such value added, and through such interim protection as is appropriate to secure the interest of the Federal Government without jeopardizing the financial structure of the railroad involved, such as a position as a junior lien creditor.

SEC. 9. LABOR PROTECTION.—Railroad receiving Federal financial assistance under this Act shall take such action as may be necessary to insure that all laborers and mechanics employed by railroads, contractors, and subcontractors in the performance of work done with the aid of such financial assistance shall be paid wages at rates not less than those prevailing on similar work in the locality, as determined in accordance with the Davis-Bacon Act (40 U.S.C. 267 (a)). No contract or agreement for the performance of work receiving Federal financial assistance shall be entered into under this section without first obtaining adequate assurances that required labor standards shall be maintained in the performance of such work. Wage rates provided for in collective bargaining agreements negotiated under, and pursuant to, the Railway Labor Act shall be considered to be in compliance with the Davis-Bacon Act.

SEC. 10. MISCELLANEOUS.—(a) The Secretary may issue regulations to the extent necessary to administer the provisions of this Act, and may modify such regulations as required, in accordance with the provisions of section 553 of title 5, United States Code. The Secretary shall issue regulations with respect to the manner and form for applying, and the authorized terms and conditions for financial assistance pursuant to section 8; such regulations shall be protective of the interests of the United States.

(b) Each recipient of Federal financial assistance under this Act, directly or indirectly, regardless of form, shall maintain such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the program or project in connection with which such assistance was given or used, and such other records as will facilitate an effective audit. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives shall, until the expiration of three years after the completion of such program or project, have access for the purpose of audit and examination to any books, documents, papers, and records of such receipts which, in the opinion of the Secretary of the Comptroller General, may be related to or pertinent to any such Federal financial assistance.

(c) The Secretary is authorized to conduct, or to cause to be conducted, cost and benefit assessment studies of various programs and projects receiving Federal financial assistance under this Act and of proposed such programs, to the extent necessary to assure that funds appropriated for purposes of this Act are expended in the manner most cost-beneficial to the people of the United States, except that this provision may not be applied in any way which is likely to delay reduction in unemployment.

SEC. 11. AUTHORIZATIONS FOR APPROPRIATIONS.—(a) For the purposes of this Act, there are authorized to be appropriated, not to exceed $600,000,000 to be used by the Secretary for providing financial assistance pursuant to sections 4 and 5, of which not more than $7,000,000 shall be available to the Secretary for administrative expenses in implementing this Act, such sums to remain available until expended.

(b) For the purposes of this Act, there are authorized to be appropriated, not to exceed $100,000,000 to be used by the Secretary for providing financial assistance pursuant to section 8, such sums to remain available until expended.

IN SUPPORT OF GRANTING ASYLUM TO SOUTH VIETNAMESE REFUGEES

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, it is appalling that Americans in any substantial number should be objecting to providing asylum for those Vietnamese who are fortunate enough to have escaped from South Vietnam and who fled because of their fear that they would be the subjects of reprisal by the Provisional Revolutionary Government and the North Vietnam Communist governments. No matter whether one was in support of our military involvement in Vietnam or opposed as I have been, we have a moral obligation to provide assistance to those Vietnamese fortunate enough to escape, considering the fact that it was we, our country, that was in part responsible for extending their agony.

The United States notwithstanding the inequities that exist domestically and the mistakes that we have made in foreign policy, still sets an example for the rest of the world, particularly in its treatment of refugees. From the beginning of our history we as a country have opened our doors to the oppressed of the world to a far greater degree than any other country.

That tradition must continue notwithstanding our domestic economic problems. And the truth is that the 150,000 Vietnamese refugees who were evacuated from Vietnam are less than one-half of our annual number of immigrants. It is with pride that we can point to our humanitarian efforts in providing asylum for Cuban refugees, Hungarian refugees, Czech refugees, and Soviet Union refugees. We can do no less for the South Vietnamese. Two splendid editorials which appeared in today's New York Daily News and the New York Times on this subject are appended:

[From the Daily News, Monday, May 5, 1975]

WELCOME THE REFUGEES

There is grumbling—with racial overtones—that the 100,000 Vietnamese refugees will put an added burden on the taxpayer and steal jobs from Americans.

We don't agree in any way, shape or form. These selfish, short-sighted complaints are unworthy of our shining tradition of compassion, and are inaccurate to boot.

Many of the refugees have relatives already in the U.S. who will help look after them. They will be dispersed so that no section of the country will bear a disproportionate burden.

Probably only 20,000 of them will be looking for jobs. A surprisingly high percentage of these are middle and upper-class professionals we can well use—lawyers, doctors, college teachers.

In welcoming them, we are carrying out our splendid tradition of offering refuge to the homeless and the tempest-tossed.

We succored victims of famine and revolution in the 18th and 19th Centuries—they were our ancestors. We gave haven to those who suffered the Nazi pogroms, those who fled Red tyranny in Hungary and Cuba.

America can easily absorb this wave of immigration and thus reinvigorate herself as each wave in the past invigorated her.

Most of all, we will be fulfilling our destiny, the destiny that Emma Lazarus so hauntingly described in her inscription for the Statue of Liberty:

> A mighty woman with a torch, whose flame
> Is the imprisoned lightning, and her name
> Mother of exiles.

[From the New York Times, May 5, 1975]

WE HAVE NO CHOICE

The antagonistic response of some Americans in and out of Congress to the prospect of granting refuge in the United States to 150,000 Vietnamese seeking asylum here recalls the worst days of McCarranism a quarter century ago. At that time, the late Senator McCarran of Nevada became the odious symbol for all that was ungenerous in the American attitude toward the admission of political and other refugees after World War II. A recrudescent McCarranism is the last thing Americans should want to see today.

The most immediate and obvious way for the Congress to demonstrate that Americans have not lost their moral sense as a result of the Vietnam tragedy is to grant President Ford's urgent request for sufficient funds to meet the expenses of transporting, housing and resettling those Vietnamese refugees who have managed to escape to this country. Senators Javits of New York and Pell of Rhode Island are sponsoring a bill to provide the requisite funds; the ultimate shame of American involvement in the Vietnam war would be the hesitation—or, worse yet, refusal—to accept this much responsibility.

In fact, one of the few shreds of glory that the United States has been able to retrieve from the closing days—or years—of the Vietnam war consists of the success of the tremendous air and sea lift that rescued so many thousands of Vietnamese who had been associated in one way or another with the American involvement.

The attitude expressed by a few public officials—including Governor Brown of California—and many private citizens to the effect that the influx of Vietnamese is unwelcome because they will take needed jobs from Americans may be understandable but it is unwarranted. As Representative Morris Udall of Arizona has sensibly pointed out, the incoming Vietnamese will comprise a minuscule fraction of the labor force (certainly not more than one-tenth of 1 percent); they total less than half the number of immigrants normally admitted to the United States annually; they are less than one-fifth the number of Cubans who came here after the Castro revolution. "We have no choice," says Mr. Udall, "except to take them in."

He is right, on the grounds of humanitarianism, of decency and of political freedom—and as much for our own self-respect as for the Vietnamese.

IN OPPOSITION TO REVERSE DISCRIMINATION

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, yesterday I attended a breakfast held by the Association of Jewish Antipoverty Workers. The purpose of the breakfast was to alert the legislators in New York to the fact that the Jewish elderly in the city of New York are not receiving their fair share of poverty funds made available by the Federal Government to deal with poverty because of the restrictions placed on the distribution of those funds by Federal law. There are two major restrictions which impact and in some cases deny assistance to those in poverty, not only Jews but a whole host of other identifiable groups. One of these artificial restrictions allocates and directs programed funds only to people living in designated poverty areas. The effect is that those who are poverty stricken and not living in a particular part of the city, perhaps being even more deserving in individual cases than others living in such designated areas, are denied funding.

A second artificial restriction is to limit certain funding programs to specified groups those classified as black, Spanish surname, Oriental, American Indian, Aleuts, and Eskimos. The effect of such designation is to leave without equal opportunity for assistance the more than 120 other national or ethnic groups, such as Italo-American, Ukrainian American, Irish American, and Jewish American to name a few, as second class citizens insofar as Federal poverty programs are concerned. How does one justify to a poverty stricken Italo-American living in Carnarsie or a Ukrainian American living on First Avenue, that he or she is not eligible for Federal poverty assistance when others perhaps less poverty stricken are?

In December 1973, when I served on the Banking and Currency Committee, I sought to end what I consider to be a discriminatory practice which effectively denied direct loans to any otherwise eligible applicant if he or she were not in one of the six designated groups. I was able to muster support in the Small Business Subcommittee on which I sat to provide in the SBA legislation language which would bar discrimination based on race, creed, color, religion, sex, or national origin. The vote in subcommittee was 9 to 0 with two members voting "present," in support of my amendment. However, that vote was reversed in the full committee by a vote of 30 to 2 so that the SBA legislation now continues to allow this discriminatory practice of limiting funding to the six designated groups in certain programs.

Most recently our colleague James Scheuer sought to impose comparable antidiscriminatory language, not related to poverty, in an amendment to the health manpower bill, H.R. 5546. His amendment would have prohibited medical schools receiving funds under the bill from according a preference in admissions to applicants based on race. He too won in subcommittee by a unanimous voice vote but the amendment was rejected in the full Interstate and Foreign Commerce Committee by a vote of 18 to 10.

Those of us who oppose quotas and preferential treatment support affirmative action programs and do not find them inconsistent with our opposition to reverse discrimination. We believe that everyone—the poor, the uneducated, and those who have heretofore suffered discrimination—should be sought out and alerted to the programs that are available and provided with an opportunity to increase and enhance their skills so as to place them on a par with others to apply to all Federal and private programs that may be available; but when they apply the criteria should be based on poverty or merit or both but never on the basis of race, religion, creed national origin, color, or sex.

Mr. Speaker, this issue is one that must be addressed directly. Notwithstanding the attacks that will be made on those who seek to take it on, those who are opposed to discrimination in any form must oppose preferential treatment based on the factors of race, creed, color, religion, sex, or national origin. To permit discrimination in favor of anyone because of his or her being within one of these classifications is, in fact, reverse discrimination. And we must not flinch from our obligation to oppose discrimination whether it be direct or reverse.

I think our colleagues will be interested in the appended statement delivered at yesterday's seminar.

SUGGESTED REMARKS FOR PRESIDENT JEROME M. BECKER, METROPOLITAN NEW YORK COORDINATING COUNCIL ON JEWISH POVERTY

Jewish poverty has been with us for many years, at least since the mass waves of Jewish immigration prior to the outbreak of World War I. But it is only within this decade that reports of massive deprivation of hundreds of thousands of Jewish poor here in New York City shocked the composure of the Jewish community and shattered forever the myth of Jewish affluence. Of course it is a fact that many Jews, through hard work and determination, were able to succeed in business and the professions, move to suburbia, and climb the socio-economic ladder of success. But in this exodus, many were left behind . . . the old, the sick . . . who could not leave the ghetto and who now subsist in conditions of squalor and poverty throughout the city of New York.

Yes, Jewish poverty exists in vast numbers here in New York City. This issue is a major social concern of our community and it requires an immediate and effective response from all levels of government.

To meet the pressing needs of the Jewish poor the Metropolitan New York Coordinating Council on Jewish Poverty was formed late in 1972 to serve as the advocate of the communal needs of New York's Jewish poor and to act as the interlocking bridge between funding bodies and the agencies providing direct services and community action programs.

The formation of the coordinating council represented a historic "first" in the history of the American Jewish Community. For, as our name implies, we are a coalition organization representing the New York sections of major national Jewish organizations, city-wide Jewish service agencies, and the grass roots leadership of the local and boro-wide Jewish community councils. They run the gamut from the so-called secular establishment groups . . . ADL, AJ Committee, AJ Congress . . . To the religious bodies . . . Agudath Israel, OU, Young Israel, United Synagogue, New York Federation of reform synagogues. . . to community councils in all the five boros. At present we have 43 member organizations with applications pending that will bring us close to the 50 mark (Bensonhuhst, Brighton, Pelham Parkway). These organizations, as you will note, reflect a diversity of ideologies. On some issues they are adjudicating with each other in the courts. But all sit together as equal partners under the umbrella of the coordinating council in a united effort to serve the poor, promote community cooperation, and relieve community tensions.

The scope of the efforts of the coordinating council is as broad as the extent of the problem of Jewish poverty itself. A study conducted by our organization just last year disclosed that 357,100 Jews . . . or one out of every five Jews living in New York City today . . . was a potential welfare risk. To deal with the multiple dimensions of this problem, the coordinating council has been mandated to:

1. Provide awareness of the existence and extent of poverty in the Jewish community and of governmental and nongovernmental programs aimed at dealing with poverty.

2. To inform the Jewish community of the rights and opportunities provided by programs for the relief of poverty.

3. To cooperate with governmental and non-governmental organizations for improvements in crime prevention, the expansion of housing, community services, and similar areas of concern.

4. To promote and assist in the establishment of local Jewish community councils.

What are some of the problems of the Jewish poor? First and foremost we are dealing with an aging population. Today one out of every nine Jews in this country is over 65 years of age. Before the end of the century this ratio will be one out of six. Thus, more so than any other group, the Jewish community is confronted with the multi-faceted problems on an aging population . . . declining health and increased need for medical care facilities, subsisting on limited, fixed incomes (the aged are most adversely affected by the current depression/inflation), and the entire issue of decent and dignified institutionalized care for an increasing segment of the population.

In addition to the problems of the aged, somewhere between 30–35 per-cent of Jews who are poor are young people. This group comprise single, unrelated people or families, many wtih young children, some headed by a single parent. For this group of poor Jews studies have disclosed that inadequate education and vocational training were important factors. Half of these people had less than eleven years of schooling, and one in five had less than an eighth grade education.

Besides the elderly, the young, and the unemployed, there are also the ill, the emotionally disturbed, and the troubled, much as exist in any other ethnic or religious group, who generally go unnoticed and ignored by the general population.

Moreover, the orthodox and chassidic communities represent a distinctive situation with regard to poverty. For these groupings the key element is the special demands which Jewish ritual makes . . . the need to buy kosher and glatt kosher food, the imperative to provide a day school education for their children, the biblical injunction to support synagogues and yeshivos through the practice of tithing, etc. In addition, the chassidic community has a built-in resistance to secular education, particularly at the high school and college levels. Few chassidim have a college degree, and therefore . . . when combined with their religious strictures against working on the Sabbath and Jewish holidays and their distinctive attire . . . mitigate against their ability to compete in the job market. On religious grounds, the orthodox and chassidic communities are opposed to birth control and tend to have large families. One of the studies to which I referred at the outset, prepared by Ann G. Wolfe for the American Jewish Committee, indicated that the median family size in Williamsburg, a strong chassidic enclave, was 6.3 children as compared with an overall average of 2 children for all Jewish families.

As Jewish leadership began to study the numerous facets of this problem it became evident that a cooperative, coordinated community activity was essential to enable Jews, as a community, to relate to government to insure that vital and necessary services would be available for the Jewish poor. With an initial grant from the Federation of Jewish Philanthropies, a city-wide agency was formed to coordinate organizational activities in behalf of the Jewish poor. Thus the coordinating council was born.

As our activity crystallized and as numerous organizations united under our banner, governmental agencies began to recognize the vitality and validity of this effort and to relate positively to the needs of the Jewish poor. In the winter of 1972–73, the coordinating council received an initial grant of $250,000 from the New York City Human Resources Administration to aid the Jewish poor. Thus the coordinating council became recognized as a major spokesman on issues of Jewish poverty and the communal advocate of Jewish poverty concerns vis-a-vis governmental agencies.

Since its inception, the coordinating council has concentrated upon coordinating organizational activities and communal problems as well as developing and strengthening of Jewish community councils. With its initial HRA grant the coordinating council funded two local Jewish community councils in neighborhoods with large concentrations of Jewish poor, the lower East Side in Manhattan and the concourse area of the Bronx. At a bit later in the program the president of the East Side Council will speak in greater detail about the activities of his council. So I'll simply indicate at this juncture that these councils are actively involved in providing a variety of community action and individual services under our aegis. They are involved in such programs as information and referral, housing, block security, day care centers, youth corps jobs, lunch programs, communal meals, medicare, medicaid, SSI, welfare, food stamps, reduced fare cards to mention but a few highlights.

As our funding from HRA increased, as we received a two-year funding commitment from Federal OEO through CDA-CAP, the coordinating council funded, supervised, and coordinated similar programs, albeit on smaller scale, throughout the City of New York in such neighborhoods as: Boro Park, Brighton, Coney Island, Crown Heights, Queens, Rockaway Peninsula, Rugby-East Flatbush, and Washington Heights-Inwood.

The paths have not been ever smooth. As a result of an internal dispute between the City of New York and the OEO as to the intended disposition of the $6.2 million in funds from which the coordinating council received its expansion-permitting commitment, Federal funding ceased as of December 31, 1974. This has led to a reduction of staff and resultant curtailment of activities at the eight smaller councils throughout the city. Ladies and gentlemen, at a time when the number and needs of the Jewish poor are increasing daily, I submit to you that such a situation can not be tolerated. It represents an unconscionable deprivation of the rights of the city's third largest poverty population. In behalf of all our 43 member organizations, I urge your understanding and support of programs that will enable us to sustain and strengthen our citywide efforts in behalf of the Jewish poor.

HOME HEALTH CARE—PART XI

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, together with 84 House cosponsors I have introduced H.R. 4772 and H.R. 4774, the National Home Health Care Act of 1975. The bill has been given equally strong support in the Senate where it has been introduced as S. 1163 by Senators Frank Moss and Frank Church, respective chairmen of the Senate Subcommittee on Long Term Care and Committee on Aging, Hugh Scott, Senate minority leader, and Senators Williams, Domenici, and Tunney.

To discuss the need for home health care and the public support this proposal is receiving, it is my intention to place statements in the Record several times a week by experts and lay persons commenting on the legislation.

This is the 11th in the series:

[Editorial by Peter Kohler, editorial director, WCBS–TV, New York, Apr. 5, 1975]

Home Health Care

The Towers Nursing Home in upper Manhattan has become a symbol of scandalous and shoddy care for the nation's elderly, but it also has prodded government to seek better alternatives to nursing home care.

Well, there is an alternative that you can see working in New York City. This program enables sick, old people to be cared for in their own homes instead of nursing homes. To see how it works, we accompanied a home health care team from Saint Vincent's Hospital, which runs the program. The team, a doctor, nurse and social worker, visited 101-year-old Winifred McGuire at her Chelsea apartment. There Dr. Phillip Brickner, who started the program, examined the patient. Then a nurse checked her blood pressure. The team saw to it that she was getting necessary homemaking service, since Mrs. McGuire needs someone to cook, clean and shop for her.

Next they visited with 82-year-old Sophie Warnick, who told us what she thought of the program: "Imagine if I got to a home. Who would have to pay? The city, the state, the Federal. It costs much less and it's so much more comfortable at home."

A program like this one works. But obstacles such as irregular and limited benefits under Medicaid and Medicare prevent more people from taking advantage of home health visits. But under legislation recently introduced by Rep. Ed Koch and Sen. Frank Moss of Utah, home health care would be easier to find and easier to pay for. By amending the Medicaid and Medicare laws, the Home Health Care Act of 1975 would allow hospitals to get paid for their home services; and see to it that a broad range of services is more readily available—including cooking, shopping and transportation. The full package of benefits for an elderly person could cost less than half of what it costs to keep him in a nursing home, according to Rep. Koch.

We think the Koch-Moss bill is a step in the right direction. Alternatives to nursing homes should be encouraged, and people should have a choice—a choice about the way they want to live out their lives.

A BILL TO ENCOURAGE MANUFACTURING PLANTS TO REMAIN IN ESTABLISHED COMMUNITIES

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, many of us have been concerned for some years with the problem of industrial plant relocations, sometimes referred to as runaway plants.

The problem becomes particularly acute in times of economic recession, such as we are now experiencing, when a corporation with plants scattered around the country of varying ages and degrees of efficiency finds it necessary to curtail its manufacturing operations. Invariably, it will restrict or shut down production at its highest cost plant. Usually, this will be an older plant which is less efficient than newer plants built in other parts of the country.

Very often such plant closings result in a permanent loss of jobs and a loss of economic and tax base to the community in which they are located. My own community of Akron, Ohio, has recently experienced the loss of several thousand jobs through just such a process.

As long as we wish to gain the fruits of a free enterprise system, we must, of course, permit industry to have the flexibility it needs in order to remain competitive. Competition is the great regulator, without which the free enterprise system would become oppressive and, in the long run, impossible. This does not mean, however, that we should not consider possible legislative steps to protect established communities from the kind of losses that result from plant relocations.

H.R. 76, introduced by Mr. FORD of Michigan, with a number of cosponsors including myself, attempts to come to grips with this problem. It would require prenotification to affected employees in communities by business concerns planning to move to other areas, would provide assistance to employees, business concerns, and communities affected by such relocations and, under certain circumstances, would curtail various Federal benefits where such relocations are found to have been unjustified.

I am gratified that the distinguished chairman of the Subcommittee on Labor Standards, the Honorable JOHN DENT, will be holding hearings on this subject in Akron on Friday of this week. I believe this will provide the subcommittee with an opportunity to hear from representatives of labor, management, and the community at large with respect to the problems involved in recent plant relocations now in progress or in prospect in the Akron area.

I am concerned, however, that our legislative approaches not be limited to efforts to repair damage after the fact but also provide positive incentives to encourage industry to remain in established communities and thereby protect the tremendous investment that those communities have in the homes and businesses of their residents and the public facilities which are supported in large part by the communities' industrial base. To this end, I have today introduced a bill, the Investment Tax Credit Act of 1975, which would provide an additional investment credit of 5 percent for new machinery and equipment installed in old plants to enable them to compete effectively with other plants. My bill would also apply to such investments in new plants within 10 miles of such an older plant or new plants located in metropolitan areas having an unemployment rate which has exceeded the national average unemployment rate by 2 percent or more for at least 1 year.

Of course since this bill deals with internal revenue taxation, it must be referred to the Ways and Means Committee. I would hope, however, that it would also be referred sequentially to the Education and Labor Committee, in order that it may be considered in connection with their review of this problem. It seems to me to be particularly appropriate, since the bill is aimed primarily at solving a problem in the field of labor-management relations.

Mr. Speaker, I recognize that the proposed legislation which has been introduced on this subject is far from perfect and may turn out, after further examination, not to provide fruitful answers to this problem. However, it seems to me that these bills are at least a beginning toward a Federal effort to help meet the problem, an effort which is long overdue and which is certainly worth pursuing.

H.R. 6681

A bill to amend the Internal Revenue Code of 1954 to discourage the relocation of manufacturing plants by providing an additional investment credit for machinery placed in the service in existing manufacturing plants or in nearby areas

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Investment Tax Credit Act of 1975".

SEC. 2. (a) Subsection (c) of section 46 of the Internal Revenue Code of 1954 (relating to qualified investment) is amended by adding at the end thereof the following new paragraph:

"(4) Machinery and equipment placed in service on existing manufacturing plants or in nearby areas.—

"(A) In the case of section 38 property which is qualified machinery and equipment, the amount of the qualified investment shall be 150 percent of the amount determined under paragraph (1).

"(B) For purposes of this paragraph, the term 'qualified machinery and equipment' means any machinery or equipment which is placed in service by the taxpayer on or in connection with a qualified manufacturing facility.

"(C) For purposes of this paragraph, the term 'qualified manufacturing facility' means any plant or facility which is used by the taxpayer in a trade or business of manufacturing or producing goods and—

"(i) which is, on the date of the enactment of the Investment Tax Credit Act of 1975, owned by the taxpayer and used by him in such a trade or business, has been so owned and used by him for ten or more calendar years, and without such new machinery and equipment will be unable to compete effectively with other plants or facilities manufacturing or producing such goods;

"(ii) which is located within ten miles of a plant facility described in clause (i); or

"(iii) which is located in a metropolitan area in which the Secretary of Labor has determined that for a period of at least one year immediately prior to the date on which such machinery or equipment was ordered by the taxpayer for installation in such plant or facility, the unemployment rate for such metropolitan area exceeded the national average unemployment rate by 2 percent or more on a seasonally adjusted basis.

such term does not include any plant or facility used predominantly in a trade or business described in paragraph (3)(B).

"(D) For purposes of this paragraph—

"(i) members of the same affiliated group of corporations (as defined in section 1504 (a)) which file a consolidated return for the first taxable year ending after the date of the enactment of the Investment Tax Credit Act of 1975 and for each taxable year thereafter shall be treated as one taxpayer, and

"(ii) assets acquired by the taxpayer after the date of the enactment of the Investment Tax Credit Act of 1975 in a transaction to which section 381(a) applies shall be treated as not owned by the taxpayer on such date."

(b)(1) Subsection (a) of section 47 of such Code (relating to certain dispositions, etc., of section 38 property) is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

"(4) PROPERTY CEASES TO BE QUALIFIED MACHINERY AND EQUIPMENT.—If during any taxable year any section 38 property taken into account as qualified machinery and equipment (as defined in section 46(c)(4)(B)) in determining qualified investment ceases to be used on or in connection with a qualified manufacturing facility (as defined in section 46(c)(4)(C)), then the tax under this chapter for such taxable year shall be increased by an amount equal to the aggregate decrease in the credits allowed under section 38 for all prior taxable years which would have resulted solely from not treating such property, for purposes of determining qualified investment, as qualified machinery and equipment (after giving due regard to the period before such change in use). If the application of this paragraph to any property is followed by the application of paragraph (1) to such property, proper adjustment shall be made in applying paragraph (1)."

(2) Paragraph (5) of such subsection (a) (as redesignated by paragraph (1)) is amended by striking out "paragraph (1) or (3)" and inserting in lieu thereof "paragraph (1), (3), or (4)".

(3) Paragraph (6)(B) of such subsection (a) is amended by striking out "paragraph (4)" and inserting in lieu thereof "paragraph (5)".

SEC. 3. (a) The amendments made by section 2(a) of this Act shall apply to property—

(1) which is acquired by the taxpayer on or after the date of the enactment of this Act; or

(2) the construction reconstruction, or erection of which is completed by the taxpayer on or after such date, except that there shall be taken into account only the portion of the basis which is properly attributable to construction, reconstruction, or erection on or after such date.

(b) The amendments made by section 2(b) of this Act shall apply to taxable years ending after the date of the enactment of this Act.

A SAD DAY FOR THE UNITED STATES

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, I think it would be helpful, in light of the current debate in U.S. policy over Cuba to include in the RECORD the thoughtful column by John S. Knight of the Knight Newspapers, which appeared in the March 9, 1975, issue of the Miami Herald on this important subject, entitled "A Sad Day for United States in Shift on Cuba." I, therefore, include the editorial immediately following these remarks:

A SAD DAY FOR UNITED STATES IN THE SHIFT ON CUBA

Are you old enough to recall the overthrow in 1959 of President Batista's government in Cuba, and the accession of dictator Fidel Castro?

Or the decision by the United States in 1961 to sever diplomatic and consular relations with Cuba? And the ill-fated Bay of Pigs invasion by Cuban exiles who were deceived into believing they were being supported by U.S. air power?

There was also the missile crisis of October 1962, in which President John F. Kennedy won the showdown with Russian Premier Khrushchev but left a defiant Castro and a large number of Soviet military personnel in Cuba.

It was President Kennedy's announced policy at that time to "isolate the virus of communism." By the end of 1963, Soviet personnel in Cuba had been reduced to about 5,000. In the same year, the Castro regime cut off the water supply to the U.S. naval base at Guantanamo. The United States retaliated by dismissing all Cubans employed who did not spend their dollar earnings on the base.

Meanwhile President Kennedy, in an impassioned speech accepting the flag of Brigade 2506 at Miami's Orange Bowl, assured Cuban Bay of Pigs veterans that "this flag will be returned to this brigade in a free Havana."

REALISM

Today, and three presidents later, U.S. policy toward Cuba is making a dramatic shift which is largely unnoticed by all but the Cuban refugees in the United States.

President Ford said recently in Florida that our Cuba policy today "is the same as it has been, which is that if Cuba will reevaluate and give us some indication of a change in its policy toward the United States, then we will certainly take another look, but thus far there is no indication of Mr. Castro's change of heart. And so we think it is in our best interest to continue the policies that are in effect at the present time."

Yet it is not Cuba's Castro who is doing the reevaluation, but the U.S. government, assorted politicians and a growing segment of the North American press.

For instance, Sen. Edward M. Kennedy, the late President's brother, is calling for realism in our relations with Cuba. Two other U.S. senators, Jacob K. Javits of New York and Claiborne Pell of Rhode Island, have visited Fidel Castro and are convinced the time has come to kiss and make up.

Secretary of State Henry Kissinger says the Ford administration is ready to move in a "new direction" in its relationship with Cuba and will support efforts within the Organization of American States to lift the 10-year-old embargo against the island nation.

PLURALITY

The Los Angeles Times has proclaimed that "the time has come for the United States to give new direction to its policy toward Cuba." The Times seems motivated by the aid that would flow to Litton Industries of California if the United States and Cuba enjoyed normal relations.

The Detroit Free Press believes that "American interests will be better served by trade and travel between Cuba and the rest of the hemisphere, including the U.S. itself." But do Cubans have enough good hard currency to buy the new cars being produced in Detroit?

Or, do we loan them the money

The Miami News among its other reasons for softening the U.S. hard line toward Cuba, mentions that a lowering of the U.S.-Cuba barrier would "have a salutary economic effect on South Florida, historically a major port for Cuban travelers and freight"

A Harris survey relates that Americans support, by a 50 to 24 per cent plurality, the reestablishment of diplomatic relations with Cuba.

A majority of those Americans who favor normalization of trade relations with Cuba are clearly influenced by the anticipated flow of dollars resulting from the sale of our manufactured products.

The only conclusion that can be drawn is that North Americans are influenced more by money than principle. Whereas Fidel Castro was once a dirty word in this country, he will now be acceptable if American firms can profit from the deal.

HUMILIATION

So Mr. Kissinger, much of the U.S. press and a plurality of Americans are ready to make the shift. Better to make a buck than to be stuffy about the past, they say in the Harris poll.

Admittedly, the doctrine of recognition does not necessarily mean approval of the country so recognized. Yet we now seem about to appear in the humiliating position of beseeching the ineffable Castro to please sit down and do business with us.

Instead, Fidel chooses to play the waiting game until such time as he can further humiliate the United States, once known as "the Colossus of the North."

Perhaps one day, he will even be good enough to offer the President of the United States "a pure Havana cigar."

DR. MANOLO REYES

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, at a time when some are proposing that the United States change its policy and embrace in friendship the bloody hand of the Communist Castro, it would do well for us to remember the threat to our security that he is. Castro is a puppet dictator of the Soviet Union.

One courageous opponent of Communism who has consistently helped to focus attention on this fact is the Honorable Dr. Manolo Reyes, Latin American news editor of Miami's WTJV–TV.

For more than 10 years, Dr. Reyes has received valuable information smuggled out of Cuba by a valiant and still-unexposed underground. He has done this despite the danger present to his own life.

Mr. Speaker, Virginia Prewett, a distinguished columnist for the North American Newspaper Alliance, recently wrote a profile of Dr. Reyes. I commend to my colleagues and interested Americans the text of that article about this most courageous American:

The U.S. State Department has signalled its willingness for other New World governments to lift the hemisphere boycott against Fidel Castro's Cuba. But on Feb. 19, the Inter-American Defense College of Fort McNair, D.C., for the first time heard an anti-Castro Cuban exile examine Cuba's present-day military role. The Fort McNair institution, like our National War College also located there, operates under the Pentagon's wing. The unprecedented look at Cuba symbolizes a growing Pentagon concern about Latin America.

In a three-hour, illustrated lecture, Manolo Reyes, Latin American news editor of Miami's TV–WTJV, revealed that not all is rosy within Castro's military establishment. Scores of high-ranking U.S. and Latin American officers who are faculty and students at the hemisphere defense college also heard how Russia uses Cuban ports and airfields as forward bases for its military forces. The Inter-American Defense College is attended by Latin American officers who rank as lieutenant-colonels or colonels upon appointment by their respective governments. Many become generals, cabinet ministers and even presidents of their countries.

For over a decade Manolo Reyes has been the Miami receiving terminal for hardcore intelligence smuggled out of Cuba by a still-unexposed underground. His information has proved so reliable that he has been called to Washington eleven times in the past five years as an expert witness. He has appeared before Senate and House committee, the Inter-American Defense Board and the Organization of American State Security Committee, among others.

For his Feb. 19 appearance Reyes prepared a unique, up-to-the-minute report on Fidel Castro's military. Propaganda for fifteen years has drilled anti-Americanism into Castro's younger officers, he confirmed. But the presence of many Soviet troops and military technicians—estimated by Reyes at over 20,000—is causing friction with the young Cuban officers, who see these foreigners as too much in control of their professional futures.

As illustration, Reyes told of a dispute between a Russian and a young Cuban at the Managua base in Havana Province that ended in the Cuban's arrest. This provoked a near-rebellion at the important base. To minimize such trouble between Russians and Cubans the former are kept in separate camps. The younger Cubans resent this as preferential treatment for the foreigners.

Reyes presented in his lecture many photographs of Cuban airfields with Soviet bombers parked on their tarmacs and of Cuban ports, especially that at Cienfuegos, in use by Soviet naval vessels. He reported that three-quarters of the large Bay of Cienfuegos is restricted to all Cubans, a fact heartily resented by many Cuban officers.

His illustrative material included authenticating photographs, taken on specific dates, to show how Russia is using Cuba as a forward military base. The material included the following examples:

When NATO exercises were being held in the Atlantic in September 1972, two big Soviet TU–95 bombers took off from a Cuban base, flew up the U.S. coast to about Norfolk, Va. and then veered out to sea toward the NATO exercise area. Fighter planes from the USS *Saratoga* took off toward them as they approached and they turned away—to fly back to Cuban bases.

In March 1973, the "Yuri Gargarin", mother ship of Russia "meteorological" or spy fleet operating in New World waters, appeared in Brazil's territorial waters just when Brazil was about to launch its first space rocket from a point nearby. Brazilian military planes chased the ship away. Five days later it was photographed in a Castro port.

Reyes also presented photos of Soviet Echo II submarines, bearing 750-mile Shaddock missiles, in Cuban ports.

Reyes is today one of the last of the Cuban exiles making public exposures of what goes on in Cuba—"the last of the Mohicans", he calls himself. To avoid risks of being hijacked to Cuba, he spends forty-four hours on trains with his wife and usually at his own expense, in order to appear for a few hours as a witness at Washington hearings.

Always non-political and not a part of any exile faction, Reyes is constantly threatened with death for his exposures of Castro. When a "death list" of Cuban exiles was circulated in Miami by a shadow organization that claimed to have assassinated the militant Cuban, Hose de la Torriente, in April 1974, Reyes' name was third on the list.

During the summer of 1974, police slept guard day and night in his Miami home and police cars prowled his neighborhood to thwart the anonymous assassins. Reyes cheerfully accepts these risks, as do the rest of his family. "My wife said, 'You've made the hit parade' when we had the police guard," says Reyes. "But I'm not going to stop."

PLANS TO MOVE FORWARD ON AUDIT LEGISLATION

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, with the economy in its worst shape since the days of the depression, it is essential that the Congress shore up—in all ways—its role in economic policymaking and its oversight functions involving the economic agencies.

That is why H.R. 4316 and related legislation is so important to this Congress. These bills—which are being sponsored by 109 Members of the House of Representatives—require a full-scale top-to-bottom audit of the Federal Reserve System by the General Accounting Office. This is major economic legislation which will give the Congress its first real insight into the massive machinery of the world's single most powerful economic agency—the Federal Reserve System.

Mr. Speaker, it is our hope that this legislation—without weakening amendments—will be ready for floor action in the very near future. We will be winding up hearings in the Domestic Monetary Policy Subcommittee of the Banking, Currency and Housing Committee and I am hopeful of an overwhelmingly favorable vote as this moves through the committee.

For some weeks, I have attempted to obtain the testimony of Dr. Arthur Burns, the Chairman of the Federal Reserve Board, in the belief that he was the most qualified and most knowledgeable on the matters which we now seek to audit. We have also sought his testimony because he has invariably insisted that he was the sole spokesman for the Federal Reserve and because of the intense lobbying campaign which he initiated directed against the audit legislation in the last Congress.

It is still my opinion that we would have a better record—a more complete record—if the good Dr. Burns had come forth and willingly testified. But he pleads all sorts of excuses.

Normally I would continue to pursue this issue—and I am convinced that eventually we would be able to secure his testimony—but I am very interested in seeing this audit legislation go forward promptly. I think economic conditions call for speedy action and Dr. Burns' "cat and mouse" game on his availability as a witness is at the moment serving only to delay the eventual resolution on the bill. I think it is unwise—under these particular circumstances—to allow Dr. Burns' delaying tactics to continue.

So that we can expedite these hearings and so that the House may work its will on the audit legislation, I am scheduling testimony by George Mitchell, the Vice Chairman of the Federal Reserve Board, for 10 a.m., Thursday, before the Domestic Monetary Policy Subcommittee. This is not as acceptable as the testimony from the Chairman of the Federal Reserve, but it does allow us to move the bill forward. That is the No. 1 item on the agenda and under these circumstances we will accept Governor Mitchell.

Mr. Speaker, few people understand the enormity of the Federal Reserve's operations. The volume of transactions is startling. The Federal Reserve handles more than 35 billion pieces of paper annually and the transactions in which the Federal Reserve is involved exceed $24 trillion. There is no governmental agency anywhere in the world that handles a volume of transactions anywhere close to this magnitude. Yet, all of this goes unaudited and will continue to do so unless we pass H.R. 4316.

Mr. Speaker, few people realize that the Federal Reserve today holds almost 20 percent of the national debt. This is unbelievable. A whopping 20 percent of the national debt which is not even audited.

This is tied up in nearly $87 billion of Government securities in the portfolio of the Federal Open Market Committee in the New York Federal Reserve Bank. These are bonds—government bonds—which have been paid for once and they should be canceled. But the Federal Reserve does not cancel these bonds—that have been paid for—but they continue to hold them in the portfolio and this portfolio is growing by leaps and bounds.

These bonds should be cancelled and should be subtracted from the national debt and we should stop counting the interest charges on these bonds in our budgetary process. By reducing the national debt, we would have more leeway in our fiscal policies to do the things that we ought to be doing.

Why is the Federal Reserve holding onto bonds that have been paid for once? It provides them the means by which they can thumb their noses at the Congress and the American people. These bonds allow the Federal Reserve to escape that all-important congressional review—the appropriations process.

The Federal Reserve draws almost 66 billion annually on these bonds—98 percent of its income—and out of this huge slush fund comes the financing for the far-flung operations of the Federal Reserve. They expend this money freely without even the slightest congressional check anywhere.

We do not audit the funds and we do not require even the most simplistic appropriations review.

Mr. Speaker, I think an audit of the Federal Reserve by the General Accounting Office will let out many of these facts in stark terms. The audit will give the Congress and the American people a real look at the operations and policies of what is certainly the most undemocratic and non-responsive agency anywhere in the free world.

Once again, Mr. Speaker, I hope that the Congress moves this legislation rapidly and that it passes by large margins so that the Federal Reserve will fully understand that the Congress plans to exercise its oversight functions concerning monetary policies and the monetary agency. An audit is already many decades late—we cannot afford to delay further, particularly in view of our current economic crisis.

PERSONAL EXPLANATION

(Mr. HUGHES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HUGHES. Mr. Speaker, today I was unable to be present during the RECORD votes on H.R. 1244 and H.R. 5158 due to official business. If I had been present, I would have voted "yea" to H.R. 1244, rollcall No. 176, Presidential Protection Assistance Act and also voted "yea" to H.R. 5158, rollcall No. 177, Bikini Atoll payments.

CONFERENCE REPORT ON H.R. 25

Mr. UDALL submitted the following conference report and statement on the bill (H.R. 25) to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes (pursuant to an order of the House of May 1, 1975):

CONFERENCE REPORT (H. REPT. NO. 94-189)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 25) to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Surface Mining Control and Reclamation Act of 1975".

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TITLE I—STATEMENT OF FINDINGS AND POLICY

FINDINGS

SEC. 101. The Congress finds and declares that—

(a) extraction of coal and other minerals from the earth can be accomplished by various methods of mining, including surface mining;

(b) coal mining operations presently contribute significantly to the Nation's energy requirements; surface coal mining constitutes one method of extraction of the resource; the overwhelming percentage of the Nation's coal reserves can only be extracted by underground mining methods, and it is, therefore, essential to the national interest to insure the existence of an expanding and economically healthy underground coal mining industry;

(c) many surface mining operations result in disturbances of surface areas that burden and adversely affect commerce and the public welfare by destroying or diminishing the utility of land for commercial, industrial, residential, recreational, agricultural, and forestry purposes, by causing erosion and landslides, by contributing to floods, by polluting the water, by destroying fish and wildlife habitats, by impairing natural beauty, by damaging the property of citizens, by creating hazards dangerous to life and property, by degrading the quality of life in local communities, and by counteracting governmental programs and efforts to conserve soil, water, and other natural resources;

(d) surface mining and reclamation technology are now developed so that effective and reasonable regulation of surface coal mining operations by the States and by the Federal Government in accordance with the requirements of this Act is an appropriate and necessary means to minimize so far as practicable the adverse social, economic, and environmental effects of such mining operations;

(e) because of the diversity in terrain, climate, biologic, chemical, and other physical conditions in areas subject to mining operations, the primary governmental responsibility for developing, authorizing, issuing, and enforcing regulations for surface mining and reclamation operations subject to this Act should rest with the States;

(f) there are a substantial number of acres of land throughout major regions of the United States disturbed by surface and underground coal mining, on which little or no reclamation was conducted, and the impacts from these unreclaimed lands impose social and economic costs on residents in nearby and adjoining areas as well as continuing to impair environmental quality;

(g) while there is a need to regulate surface mining operations for minerals other than coal, more data and analyses are needed to serve as a basis for effective and reasonable regulation of such operations;

(h) surface and underground coal mining operations affect interstate commerce, contribute to the economic well-being, security, and general welfare of the Nation and should be conducted in an environmentally sound manner; and

(i) the cooperative effort established by this Act is necessary to prevent or mitigate adverse environmental effects of present and future surface coal mining operations.

PURPOSES

SEC. 102. It is the purpose of this Act to—

(a) establish a nationwide program to protect society and the environment from the adverse effects of surface coal mining operations and surface impacts of underground coal mining operations;

(b) assure that the rights of surface landowners and other persons with a legal interest in the land or appurtenances thereto are fully protected from such operations;

(c) assure that surface mining operations are not conducted where reclamation as required by this Act is not feasible;

(d) assure that surface coal mining operations are so conducted as to protect the environment;

(e) assure that adequate procedures are undertaken to reclaim surface areas as contemporaneously as possible with the surface coal mining operations;

(f) assure that the coal supply essential to the Nation's energy requirements, and to its economic and social well-being is provided and strike a balance between protection of the environment and agricultural productivity and the Nation's need for coal as an essential source of energy;

(g) assist the States in developing and implementing a program to achieve the purposes of this Act;

(h) promote the reclamation of mined areas left without adequate reclamation prior to the enactment of this Act and which continue, in their unreclaimed condition, to substantially degrade the quality of the environment, prevent or damage the beneficial use of land or water resources, or endanger the health or safety of the public;

(i) assure that appropriate procedures are provided for the public participation in the development, revision, and enforcement of regulations, standards, reclamation plans, or programs established by the Secretary or any State under this Act;

(j) encourage of the full utilization of coal resources through the development and application of underground extraction technologies;

(k) provide a means for development of the data and analyses necessary to establish effective and reasonable regulation of surface mining operations for other minerals;

(l) stimulate, sponsor, provide for and/or supplement present programs for the conduct of research investigations, experiments, and demonstrations, in the exploration, extraction, processing, development, and production of minerals and the training of mineral engineers and scientists in the fields of mining, minerals resources, and technology, and the establishment of an appropriate research and training center in various States; and

(m) wherever necessary, exercise the full reach of Federal constitutional powers to insure the protection of the public interest through effective control of surface coal mining operations.

TITLE II—OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

CREATION OF THE OFFICE

SEC. 201. (a) There is established in the Department of the Interior, the Office of Surface Mining Reclamation and Enforcement (hereinafter referred to as the "Office").

(b) The Office shall have a Director who shall report directly to the Secretary and who shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5 of the United States Code, and such other employees as may be required. The Director shall have the responsibilities provided under subsection (c) of this section and those duties and responsibilities relating to the functions of the office which the Secretary may assign, consistent with this Act. Employees of the Office shall be recruited on the basis of their professional competence and capacity to administer the provisions of this Act. No legal authority, program, or function in any Federal agency which has as its purpose promoting the development or use of coal or other mineral resources or regulating the health and safety of miners under provisions of the Federal Coal Mine Health and Safety Act of 1969 (83 Stat. 742), shall be transferred to the Office.

(c) The Secretary, acting through the Office, shall—

(1) administer the programs for controlling surface coal mining operations which are required by this Act; review and approve or disapprove State programs for controlling surface coal mining operations; make those investigations and inspections necessary to insure compliance with this Act; conduct hearings, administer oaths, issue subpenas, and compel the attendance of witnesses and production of written or printed material as provided for in this Act; issue cease-and-desist orders; review and vacate or modify or approve orders and decisions; and order the suspension, revocation, or withholding of any permit for failure to comply with any of the provisions of this Act or any rules and regulations adopted pursuant thereto;

(2) publish and promulgate such rules and regulations as may be necessary to carry out the purposes and provisions of this Act;

(3) administer the State grant-in-aid program for the development of State programs for surface coal mining and reclamation operations provided for in title V of this Act;

(4) administer the program for the purchase and reclamation of abandoned and unreclaimed mined areas pursuant to title IV of this Act;

(5) administer the surface mining and reclamation research and demonstration project authority provided for in this Act;

(6) consult with other agencies of the Federal Government having expertise in the control and reclamation of surface mining operations and assist States, local governments, and other eligible agencies in the coordination of such programs;

(7) maintain a continuing study of surface mining and reclamation operations in the United States;

(8) develop and maintain an Information and Data Center on Surface Coal Mining, Reclamation, and Surface Impacts of Underground Mining, which will make such data available to the public and to Federal, regional, State, and local agencies conducting or concerned with land use planning and agencies concerned with surface and underground mining and reclamation operations;

(9) assist the States in the development of State programs for surface coal mining and reclamation operations which meet the requirements of the Act and, at the same time, reflect local requirements and local environmental and agricultural conditions;

(10) assist the States in developing objective scientific criteria and appropriate procedures and institutions for determining those areas of a State to be designated unsuitable for all or certain types of surface coal mining pursuant to section 522;

(11) monitor all Federal and State research programs dealing with coal extraction and use and recommend to Congress the research and demonstration projects and necessary changes in public policy which are designated to (A) improve feasibility of underground coal mining, and (B) improve surface mining and reclamation techniques directed at eliminating adverse environmental and social impacts; and

(12) perform such other duties as may be provided by law and relate to the purposes of this Act.

(d) The Director shall not use either permanently or temporarily any person charged with responsibility of inspecting coal mines under the Federal Coal Mine Health and Safety Act of 1969, unless he finds and publishes such findings in the Federal Register, that such activities would not interfere with such inspections under the 1969 Act.

(e) The Office shall be considered an independent Federal regulatory agency for the purposes of sections 3502 and 3512 of title 44 of the United States Code.

(f) No employee of the Office or any other Federal employee performing any function or duty under this Act shall have a direct or indirect financial interest in underground or surface coal mining operations. Whoever knowingly violates the provisions of the above sentence shall, upon conviction, be punished by a fine of not more than $2,500, or by imprisonment for not more than one year, or both. The Director shall (1) within sixty days after enactment of this Act publish regulations, in accordance with 5 U.S.C. 553, to establish the methods by which the provisions of this subsection will be monitored and enforced, including appropriate provisions for the filing by such employees and the review of statements and supplements thereto concerning their financial interests which may be affected by this subsection, and (2) report to the Congress on March 1 of each calendar year on the actions taken and not taken during the preceding calendar year under this subsection.

TITLE III—STATE MINING AND MINERAL RESOURCES AND RESEARCH INSTITUTES

AUTHORIZATION OF STATE ALLOTMENTS TO INSTITUTES

SEC. 301. (a) There are authorized to be appropriated to the Secretary of the Interior sums adequate to provide for each participating State $200,000 for fiscal year 1975, $300,000 for fiscal year 1976, and $400,000 for each fiscal year thereafter for five years, to assist the States in carrying on the work of a competent and qualified mining and mineral resources research institute, or center (hereinafter referred to as "institute") at one public college or university in the State, which has in existence at the time of enactment of this title a school of mines, or division, or department conducting a program of substantial instruction and research in mining or minerals extraction or which establishes such a school of mines, or division, or department subsequent to the enactment of this title and which school of mines, or division or department shall have been in existence for at least two years. The Advisory Committee on Mining and Minerals Resources Research as created by this title shall determine a college or university to have an eligible school of mines, or division, or department conducting a program of substantial instruction and research in mining or minerals extraction wherein education and research in the minerals engineering fields are being carried out and wherein at least four fulltime permanent faculty members are employed: *Provided*, That—

(1) such moneys when appropriated shall be made available to match, on a dollar-for-dollar basis, non-Federal funds which shall be at least equal to the Federal share to support the institute;

(2) if there is more than one such eligible college or university in a State, funds under this title shall, in the absence of a designation to the contrary by act of the legislature of the State, be paid to one such college or university designated by the Governor of the State; and

(3) where a State does not have a public college or university with an eligible school of mines, or division, or department conducting a program of substantial instruction and research in mining or minerals extraction, said advisory committee may allocate the State's allotment to one private college or university which it determines to have an eligible school of mines, or division, or department as provided herein.

(b) It shall be the duty of each such institute to plan and conduct and/or arrange for a component or components of the college or university with which it is affiliated to conduct competent research, investigations, demonstrations, and experiments of either a basic or practical nature, or both, in relation to mining and mineral resources and to provide for the training of mineral engineers and scientists through such research, investigations, demonstrations, and experiments. Such research, investigations, demonstrations, experiments, and training may include, without being limited to: exploration; the extraction; processing; development; production of mineral resources; mining and mineral technology; supply and demand for minerals; conservation and best use of available supplies of minerals; the economic, legal, social, engineering, recreational, biological, geographic, ecological, and other aspects of mining, mineral resources, and mineral reclamation, having due regard to the interrelation on the natural environment, the varying conditions and needs of the respective States, to mining and mineral resources research projects being conducted by agencies of the Federal and State governments, and other institutes.

RESEARCH FUNDS TO INSTITUTES

SEC. 302. (a) There is authorized to be appropriated annually for seven years to the Secretary of the Interior the sum of $15,000,000 in fiscal year 1975, said sum increased by $2,000,000 each fiscal year thereafter for six years, which shall remain available until expended. Such moneys when appropriated shall be made available to institutes to meet the necessary expenses for purposes of:

(1) specific mineral research and demonstration projects of industrywide application, which could not otherwise be undertaken, including the expenses of planning and coordinating regional mining and mineral resources research projects by two or more institutes, and

(2) research into any aspects of mining and mineral resources problems related to the mission of the Department of the Interior, which may be deemed desirable and are not otherwise being studied.

(b) Each application for a grant pursuant to subsection (a) of this section shall, among other things, state the nature of the project to be undertaken, the period during which it will be pursued, the qualifications of the personnel who will direct and conduct it, the estimated costs, the importance of the project to the Nation, region, or State concerned, and its relation to other known research projects theretofore pursued or being pursued, and the extent to which it will provide opportunity for the training of mining and mineral engineers and scientists, and the extent of participation by nongovernmental sources in the project.

(c) The Secretary shall, insofar as it is practicable, utilize the facilities of institutes designated in section 301 of this title to perform such special research, authorized by this section, and shall select the institutes for the performance of such special research on the basis of the qualifications without regard to race or sex of the personnel who will conduct and direct it, and on the basis of the facilities available in relation to the particular needs of the research project, special geographic, geologic, or climatic conditions within the immediate vicinity of the institute in relation to any special requirements of the research project, and the extent to which it will provide opportunity for training individuals as mineral engineers and scientists. The Secretary may designate and utilize such portions of the funds authorized to be appropriated by this section as he deems appropriate for the purpose of providing scholarships, graduate fellowships, and postdoctoral fellowships.

(d) No grant shall be made under subsection (a) of this section except for a project approved by the Secretary of the Interior and all grants shall be made upon the basis of merit of the project, the need for the knowledge which it is expected to produce when completed, and the opportunity it provides for the training of individuals as mineral engineers and scientists.

(e) No portion of any grant under this section shall be applied to the acquisition by purchase or lease of any land or interests therein or the rental, purchase, construction, preservation, or repair of any building.

FUNDING CRITERIA

SEC. 303. (a) Sums available to institutes under the terms of sections 301 and 302 of this title shall be paid at such times and in such amounts during each fiscal year as determined by the Secretary, and upon vouchers approved by him. Each institute shall set forth its plan to provide for the training of individuals as mineral engineers and scientists under a curriculum appropriate to the field of mineral resources and mineral engineering and related fields; set forth policies and procedures which assure that Federal funds made available under this title for any fiscal year will supplement and, to the extent practicable, increase the level of funds that would, in the absence of such Federal funds, be made available for purposes of this title, and in no case supplant such funds; have an officer appointed by its governing authority who shall receive and account for all funds paid under the provision of this title and shall make an annual report to the Secretary on or before the first day of September of each year, on work accomplished and the status of projects underway together with a detailed statement of the amounts received under any provisions of this title during the preceding fiscal year, and of its disbursements on schedules prescribed by the Secretary. If any of the moneys received by the authorized receiving officer of any institute under the provisions of this title shall by any action or contingency be found by the Secretary to have been improperly diminished, lost, or misapplied, it shall be replaced by the State concerned and until so replaced no subsequent appropriation shall be allotted or paid to any institute of such State.

(b) Moneys appropriated pursuant to this title shall be available for expenses for research, investigations, experiments, and training conducted under authority of this title. The institutes are hereby authorized and encouraged to plan and conduct programs under this title in cooperation with each other and with such other agencies and individuals as may contribute to the solution of the mining and mineral resources problems involved, and moneys appropriated pursuant to this title shall be available for paying the necessary expenses of planning, coordinating, and conducting such cooperative research.

DUTIES OF THE SECRETARY

SEC. 304. (a) The Secretary of the Interior is hereby charged with the responsibility for the proper administration of this title and, after full consultation with other interested Federal agencies, shall prescribe such rules and regulations as may be necessary to carry out its provisions. The Secretary shall furnish such advice and assistance as will best promote the purposes of this title, participate in coordinating research initiated under this title by the institutes, indicate to them such lines of inquiry as to him seem most important, and encourage and assist in the establishment and maintenance of cooperation by and between the institutes and between them and other research organizations, the United States Department of the Interior, and other Federal establishments.

(b) On or before the 1st day of July in each year after the passage of this title, the Secretary shall ascertain whether the requirements of section 303(a) have been met as to each institute and State.

(c) The Secretary shall make an annual report to the Congress of the receipts, expenditures, and work of the institutes in all States under the provisions of this title. The Secretary's report shall indicate whether any portion of an appropriation available for allotment to any State has been withheld and, if so, the reasons therefor.

AUTONOMY

SEC. 305. Nothing in this title shall be construed to impair or modify the legal relationship existing between any of the colleges or universities under whose direction an institute is established and the government of the State in which it is located, and nothing in this title shall in any way be construed to authorize Federal control or direction of education at any college or university.

MISCELLANEOUS PROVISIONS

SEC. 306. (a) The Secretary of the Interior shall obtain the continuing advice and cooperation of all agencies of the Federal Government concerned with mining and mineral resources of State and local governments, and of private institutions and individuals to assure that the programs authorized in this title will supplement and not duplicate established mining and minerals research programs, to stimulate research in otherwise neglected areas, and to contribute to a comprehensive nationwide program of mining and minerals research, having due regard for the protection and conservation of the environment. The Secretary shall make generally available information and reports on projects completed, in progress, or planned under the provisions of this title, in addition to any direct publication of information by the institutes themselves.

(b) Nothing in this title is intended to give or shall be construed as giving the Secretary of the Interior any authority over mining and mineral resources research conducted by any other agency of the Federal Government, or as repealing, superseding, or diminishing existing authorities or responsibilities of any agency of the Federal Government to plan and conduct, contract for, or assist in research in its area of responsibility and concern with mining and mineral resources.

(c) Contracts or other arrangements for mining and mineral resources research work authorized under this title with an institute, educational institution, or nonprofit organization may be undertaken without regard to the provisions of section 3684 of the Revised Statutes (31 U.S.C. 529) when, in the judgment of the Secretary of the Interior, advance payments of initial expense are necessary to facilitate such work.

(d) No research, demonstration, or experiment shall be carried out under this Act by an institute financed by grants under this Act unless all uses, products, processes, patents, and other developments resulting therefrom with such exception or limitation, if any, as the Secretary may find necessary in the public interest, be available promptly to the general public. Nothing contained in this section shall deprive the owner of any background patent relating to any such activities of any rights which that owner may have under that patent. There are authorized to be appropriated such sums as are necessary for the printing and publishing of the results of activities carried out by institutes under the provisions of this Act and for administrative planning and direction, but such appropriations shall not exceed $1,000,000 in any fiscal year.

CENTER FOR CATALOGING

SEC. 307. The Secretary shall establish a center for cataloging current and projected scientific research in all fields of mining and mineral resources. Each Federal agency doing mining and mineral resources research shall cooperate by providing the cataloging center with information on work underway or scheduled by it. The cataloging center shall classify and maintain for public use a catalog of mining and mineral resources research and investigation projects in progress or scheduled by all Federal agencies and by such non-Federal agencies of Government, colleges, universities, private institutions, firms and individuals as may make such information available.

INTERAGENCY COOPERATION

SEC. 308. The President shall, by such means as he deems appropriate, clarify agency responsibility for Federal mining and mineral resources research and provide for interagency coordination of such research, including the research authorized by this title. Such coordination shall include—

(a) continuing review of the adequacy of the Government-wide program in mining and mineral resources research;

(b) identification and elimination of duplication and overlap between two or more agency programs;

(c) identification of technical needs in various mining and mineral resources research categories;

(d) recommendations with respect to allocation of technical effort among Federal agencies;

(e) review of technical manpower needs and findings concerning management policies to improve the quality of the Government-wide research effort; and

(f) actions to facilitate interagency communication at management levels.

ADVISORY COMMITTEE

SEC. 309. (a) The Secretary of the Interior shall appoint an Advisory Committee on Mining and Mineral Research composed of—

(1) the Director, Bureau of Mines, or his delegate, with his consent;

(2) the Director of the National Science Foundation, or his delegate, with his consent;

(3) the President, National Academy of Sciences, or his delegate, with his consent;

(4) the President, National Academy of Engineering, or his delegate, with his consent;

(5) the Director, United States Geological Survey, or his delegate, with his consent; and

(6) not more than four other persons who are knowledgeable in the fields of mining and mineral resources research, at least one of whom shall be a representative of working coal miners.

(b) The Secretary shall designate the Chairman of the Advisory Committee. The Advisory Committee shall consult with, and make recommendations to, the Secretary of the Interior on all matters involving or relating to mining and mineral resources research and such determinations as provided in this title. The Secretary of the Interior shall consult with, and consider recommendations of, such Committee in the conduct of mining and mineral resources research and the making of any grant under this title.

(c) Advisory Committee members, other than officers or employees of Federal, State, or local governments, shall be, for each day (including traveltime) during which they are performing committee business, entitled to receive compensation at a rate fixed by the Secretary, but not in excess of the maximum rate of pay for grade GS–18 as provided in the General Schedule under section 5332 of title 5 of the United States Code, and shall, notwithstanding the limitations of sections 5703 and 5704 of title 5 of the United States Code, be fully reimbursed for travel, subsistence, and related expenses.

TITLE IV—ABANDONED MINE RECLAMATION

ABANDONED MINE RECLAMATION FUND

SEC. 401. (a) There is created on the books of the Treasury of the United States a trust fund to be known as the Abandoned Mine Reclamation Fund (hereinafter referred to as the "fund") which shall be administered by the Secretary of the Interior.

(b) The fund shall consist of amounts deposited in the fund, from time to time, derived from—

(1) the sale, lease, or rental of land reclaimed pursuant to this title;

(2) any user charge imposed on or for land reclaimed pursuant to this title, after expenditures for maintenance have been deducted; and

(3) the reclamation fees levied under subsection (d) of this section.

(c) Amounts covered into the fund shall be available for the acquisition and reclamation of land under section 405, administration of the fund and enforcement and collection of the fee as specified in subsection (d), acquisition and filling of voids and sealing of tunnels, shafts, and entryways under section 406, and for use under section 404, by the Secretary of Agriculture, of up to one-fifth of the money deposited in the fund annually and transferred by the Secretary of the Interior to the Secretary of Agriculture for such purposes. Such amounts shall be available for such purposes only when appropriated therefor; and such appropriations may be made without fiscal year limitation.

(d) All operators of coal mining operations subject to the provisions of this Act shall pay to the Secretary of the Interior, for deposit in the fund, a reclamation fee of thirty-five cents per ton of coal produced by surface coal mining and fifteen cents per ton of coal produced by underground mining or 10 per centum of the value of the coal at the mine, as determined by the Secretary, whichever is less, except that this reclamation fee for lignite coal shall be at a rate of 5 per centum of the value of the coal at the mine, or 35 cents per ton, whichever is less. Such fee shall be paid no later than 30 days after the end of each calendar quarter occurring after the date of enactment of this Act, beginning with the first calendar quarter (or part thereof) occurring after such date of enactment and ending ten years after the date of enactment of this Act unless extended by an Act of Congress.

(e) The geographic allocation of expenditures from the fund shall reflect both the area from which the revenue was derived as well as the program needs for the funds. Fifty per centum of the funds collected annually in any State or Indian reservation shall be expended in that State or Indian reservation by the Secretary to accomplish the purposes of this title after receiving and considering the recommendations of the Governor of that State or the head of the governing body of that tribe having jurisdiction over that reservation, as the case may be: *Provided, however,* That if such funds have not been expended within three years after being paid into the fund, they shall be available for expenditure in any area. The balance of funds collected on an annual basis may be expended in any area at the discretion of the Secretary in order to meet the purposes of this title.

OBJECTIVES OF FUND

SEC. 402. The primary objective for the obligation of funds is the reclamation of areas affected by previous mining; but other objectives shall reflect the following priorities in the order stated:

(a) the protection of health or safety of the public;

(b) protection of the environment from continued degradation and the conservation of land and water resources;

(c) the protection, construction, or enhancement of public facilities such as utilities, roads, recreation, and conservation facilities and their use;

(d) the improvement of lands and water to a suitable condition useful in the economic and social development of the area affected; and

(e) research and demonstration projects relating to the development of surface mining reclamation and water quality control program methods and techniques in all areas of the United States.

ELIGIBLE LANDS

SEC. 403. The only lands eligible for reclamation expenditures under this title are those which were mined for coal or which were affected by such mining, wastebanks, coal processing, or other coal mining processes, and abandoned or left in an inadequate reclamation status prior to the date of enactment of this Act, and for which there is no continuing reclamation responsibility under State or other Federal laws.

RECLAMATION OF RURAL LANDS

SEC. 404. (a) In order to provide for the control and prevention of erosion and sediment damages from unreclaimed mined lands, and to promote the conservation and development of soil and water resources of unreclaimed mined lands and lands affected by mining, the Secretary of Agriculture is authorized to enter into agreements, of not more than ten years, with landowners (including owners of water rights), residents and tenants, and individually or collectively, determined by him to have control for the period of the agreement of lands in question therein, providing for land stabilization, erosion, and sediment control, and reclamation through conservation treatment, including measures for the conservation and development of soil, water (excluding stream channelization), woodland, wildlife, and recreation resources, and agricultural productivity of such lands. Such agreements shall be made by the Secretary with the owners, including owners of water rights, residents, or tenants (collectively or individually) of the lands in question.

(b) The landowner, including the owner of water rights, resident, or tenant shall furnish to the Secretary of Agriculture a conservation and development plan setting forth the proposed land uses and conservation treatment which shall be mutually agreed by the Secretary of Agriculture and the landowner, including owner of water rights, resident, or tenant to be needed on the lands for which the plan was prepared. In those instances where it is determined that the water rights or water supply of a tenant, landowner, including owner of water rights, residents, or tenant have been adversely affected by a surface or underground coal mine operation which has removed or disturbed a stratum so as to significantly affect the hydrologic balance, such plan may include proposed measures to enhance water quality or quantity by means of joint action with other affected landowners, including owner of water rights, residents, or tenants in consultation with appropriate State and Federal agencies.

(c) Such plan shall be incorporated in an agreement under which the landowner, including owner of water rights, resident, or tenant shall agree with the Secretary of Agriculture to effect the land uses and conservation treatment provided for in such plan on the lands described in the agreement in accordance with the terms and conditions thereof.

(d) In return for such agreement by the landowner, including owner of water rights, resident, or tenant the Secretary of Agriculture is authorized to furnish financial and other assistance to such landowner, including owner of water rights, resident, or tenant in such amounts and subject to such conditions as the Secretary of Agriculture determines are appropriate and in the public interest for carrying out the land use and conservation treatment set forth in the agreement. Grants made under this section, depending on the income-producing potential of the land after reclaiming, shall provide up to 80 per centum of the cost of carrying out such land uses and conservation treatment on not more than one hundred twenty acres of land occupied by such owner including water rights owners, resident or tenant, or on not more than one hundred twenty acres of land which has been purchased jointly by such landowners including water rights owners, residents, or tenants under an agreement for the enhancement of water quality or quantity or on land which has been acquired by an appropriate State or local agency for the purpose of implementing such agreement; except the Secretary may reduce the matching cost share where he determines that (1) the main benefits to be derived from the project are related to improving off-site water quality, off-site esthetic values, or other off-site benefits, and (2) the matching share requirement would place a burden on the landowner which would probably prevent him from participating in the program.

(e) The Secretary of Agriculture may terminate any agreement with a landowner including water rights owners, operator, or occupier by mutual agreement if the Secretary of Agriculture determines that such termination would be in the public interest, and may agree to such modification of agreements previously entered into hereunder as he deems desirable to carry out the purposes of this section or to facilitate the practical administration of the program authorized herein.

(f) Notwithstanding any other provision of law, the Secretary of Agriculture, to the extent he deems it desirable to carry out the purposes of this section, may provide in any agreement hereunder for (1) preservation for a period not to exceed the period covered by the agreement and an equal period thereafter of the cropland, crop acreage, and allotment history applicable to land covered by the agreement for the purpose of any Federal program under which such history is used as a basis for an allotment or other limitation on the production of such crop; or (2) surrender of any such history and allotments.

(g) The Secretary of Agriculture shall be authorized to issue such rules and regulations as he determines are necessary to carry out the provisions of this section.

(h) In carrying out the provisions of this section, the Secretary of Agriculture shall utilize the services of the Soil Conservation Service.

(i) Funds shall be made available to the Secretary of Agriculture for the purposes of this section, as provided in section 401(c).

ACQUISITION AND RECLAMATION OF ABANDONED AND UNRECLAIMED MINED LANDS

SEC. 405. (a) (1) The Congress declares that the acquisition of any interest in land or mineral rights in order to eliminate hazards to the environment or to the health or safety of the public from mined lands, or to construct, operate, or manage reclamation facilities and projects constitutes acquisition for a public use or purpose, notwithstanding that the Secretary plans to hold the interest in land or mineral rights so acquired as an open space or for recreation, or to resell the land following completion of the reclamation facility or project.

(2) The Secretary may acquire by purchase, donation, or otherwise, land or any interest therein which has been affected by surface mining and has not been reclaimed to its approximate original condition. Prior to making any acquisition of land under this section, the Secretary shall make a thorough study with respect to those tracts of land which are available for acquisition under this section and based upon those findings he shall select lands for purchase according to the priorities established in section 402. Title to all lands or interests therein acquired shall be taken in the name of the United States. The price paid for land under this section shall take into account the unrestored condition of the land. Prior to any individual acquisition under this section, the Secretary shall specifically determine the cost of such acquisition and reclamation and the benefits to the public to be gained therefrom.

(3) For the purposes of this section, when the Secretary seeks to acquire an interest in land or mineral rights, and cannot negotiate an agreement with the owner of such interest or right he shall request the Attorney General to file a condemnation suit and take interest or right, following a tender of just compensation awarded by a jury to such person. When the Secretary determines that time is of the essence because of the likelihood of continuing or increasingly harmful effects upon the environment which would substantially increase the cost or magnitude of reclamation or of continuing or increasingly serious threats to life, safety, or health, or to property, the Secretary may take such interest or rights immediately upon payment by the United States either to such person or into a court of competent jurisdiction of such amount as the Secretary shall estimate to be the fair market value of such interest or rights; except that the Secretary shall also pay to such person any further amount that may be subsequently awarded by a jury, with interest from the date of the taking.

(4) For the purposes of this section, when the Secretary takes action to acquire an in-

terest in land and cannot determine which person or persons hold title to such interest or rights, the Secretary shall request the Attorney General to file a condemnation suit, and give notice, and may take such interest or rights immediately upon payment into court of such amount as the Secretary shall estimate to be the fair market value of such interest or rights. If a person or persons establishes title to such interest or rights within six years from the time of their taking, the court shall transfer the payment to such person or persons and the Secretary shall pay any further amount that may be agreed to pursuant to negotiations or awarded by a jury subsequent to the time of taking. If no person or persons establish title to the interest or rights within six years from the time of such taking, the payment shall revert to the Secretary and be deposited in the fund.

(5) States are encouraged to acquire abandoned and unreclaimed mined lands within their boundaries and to transfer such lands to the Secretary to be reclaimed under appropriate Federal regulations. The Secretary is authorized to make grants on a matching basis to States in such amounts as he deems appropriate for the purpose of carrying out the provisions of this title but in no event shall any grant exceed 90 per centum of the cost of acquisition of the lands for which the grant is made. When a State has made any such land available to the Federal Government under this title, such State shall have a preference right to purchase such lands after reclamation at fair market value less the State portion of the original acquisition price. Notwithstanding the provisions of paragraph (1) of this subsection, reclaimed land may be sold to the State or local government in which it is located at a price less than fair market value, which in no case shall be less than the cost to the United States of the purchase and reclamation of the land, as negotiated by the Secretary, to be used for a valid public purpose. If any land sold to a State or local government under this paragraph is not used for a valid public purpose as specified by the Secretary in the terms of the sales agreement then all right, title, and interest in such land shall revert to the United States. Money received from such sale shall be deposited in the fund.

(6) The Secretary shall prepare specifications for the reclamation of lands acquired under this section. In preparing these specifications, the Secretary shall utilize the specialized knowledge or experience of any Federal or State department or agency which can assist him in the development or implementation of the reclamation program required under this title.

(7) In selecting lands to be acquired pursuant to this section and in formulating regulations for the making of grants to the States to acquire lands pursuant to this title, the Secretary shall give priority to lands in their unreclaimed state which will meet the objectives as stated in section 402 above when reclaimed. For those lands which are reclaimed for public recreational use, the revenue derived from such lands shall be used first to assure proper maintenance of such funds and facilities thereon and any remaining moneys shall be deposited in the funds.

(8) Where land reclaimed pursuant to this section is deemed to be suitable for industrial, commercial, residential, or private recreational development, the Secretary may sell such land by public sale under a system of competitive bidding, at not less than fair market value and under such other regulations as he may promulgate to insure that such lands are put to proper use, as determined by the Secretary. If any such land sold is not put to the use specified by the Secretary in the terms of the sales agreement, then all right, title, and interest in such land shall revert to the United States. Money received from such sale shall be deposited in the fund.

(9) The Secretary shall hold a public hearing, with the appropriate notice, in the county or counties or the appropriate subdivisions of the State in which lands acquired to be reclaimed pursuant to this title are located. The hearings shall be held at a time which shall afford local citizens and governments the maximum opportunity to participate in the decision concerning the use of the lands once reclaimed.

(10) The Secretary shall utilize all available data and information on reclamation needs and measures, including the data and information developed by the Corps of Engineers in conducting the National Strip Mine Study authorized by section 233 of the Flood Control Act of 1970. In connection therewith the Secretary may call on the Secretary of the Army, acting through the Chief of Engineers, to assist him in conducting, operating, or managing reclamation facilities and projects, including demonstration facilities and projects, conducted by the Secretary pursuant to this section.

(b)(1) The Secretary is authorized to use money in the fund to acquire, reclaim, develop, and transfer land to any State, or any department, agency, or instrumentality of a State or of a political subdivision thereof, or to any person, firm, association, or corporation if he determines that such is an integral and necessary element of an economically feasible plan for a project to construct or rehabilitate housing for persons employed in mines or work incidental thereto, persons disabled as the result of such employment, persons displaced by governmental action, or persons dislocated as the result of natural disasters or catastrophic failure from any cause. Such activities shall be accomplished under such terms and conditions as the Secretary shall require, which may include transfers of land with or without monetary consideration: *Provided*, That, to the extent that the consideration is below the fair market value of the land transferred, no portion of the difference between the fair market value and the consideration shall accrue as a profit to such person, firm, association, or corporation. Land development may include the construction of public facilities or other improvements including reasonable site work and offsite improvements such as sewer and water extensions which the Secretary determines necessary or appropriate to the economic feasibility of a project. No part of the funds provided under this title may be used to pay the actual construction costs of housing.

(2) The Secretary may carry out the purposes of this subsection directly or he may make grants and commitments for grants, and may advance money under such terms and conditions as he may require to any State, or any department, agency, or instrumentality of a State, or any public body or nonprofit organization designated by a State.

(3) The Secretary may provide, or contract with public and private organizations to provide information, advice, and technical assistance, including demonstrations, in furtherance of this subsection.

(4) The Secretary may make expenditures to carry out the purpose of this subsection, without regard to the provisions of section 403, in any area experiencing a rapid development of its coal resources which the Secretary has determined does not have essential public facilities.

FILLING VOIDS AND SEALING TUNNELS

SEC. 406. (a) The Congress declares that voids, and open and abandoned tunnels, shafts, and entryways resulting from any previous mining operation, constitute a hazard to the public health or safety and that surface impacts of any underground or surface mining operation may degrade the environment. The Secretary, at the request of the Governor of any state, or the Chairman of any tribe, is authorized to fill such voids, seal such abandoned tunnels, shafts, and entryways, and reclaim surface impacts of underground or surface mines which the Secretary determines could endanger life and property, constitute a hazard to the public health and safety, or degrade the environment.

(b) Funds available for use in carrying out the purpose of this Section shall be limited to those funds which must be expended in the respective states or Indian reservations under the provisions of Section 401(e).

(c) The Secretary may make expenditures and carry out the purposes of this Section without regard to provisions of Section 403 in such states or Indian reservations where requests are made by the governor or tribal chairman and only after all reclamation with respect to abandoned coal lands or coal development impacts have been met, except for those reclamation projects relating to the protection of the public health or safety.

(d) In those instances where mine waste piles are being reworked for coal conservation purposes, the incremental costs of disposing of the wastes from such operations by filling voids and sealing tunnels may be eligible for funding providing that the disposal of these wastes meets the purposes of this section.

(e) The Secretary may acquire by purchase, donation, or otherwise such interest in land as he determines necessary to carry out the provisions of this section.

FUND REPORT

SEC. 407. Not later than January 1, 1976, and annually thereafter, the Secretary shall report to the Congress on operations under the fund together with his recommendations as to future uses of the fund.

TRANSFER OF FUNDS

SEC. 408. The Secretary of the Interior may transfer funds to other appropriate Federal agencies, in order to carry out the reclamation activities authorized by this title.

TITLE V—CONTROL OF THE ENVIRONMENTAL IMPACTS OF SURFACE COAL MINING

ENVIRONMENTAL PROTECTION STANDARDS

SEC. 501. Not later than the end of the one-hundred-and-eighty-day period immediately following the date of enactment of this Act, the Secretary shall promulgate and publish in the Federal Register regulations covering a permanent regulatory procedure for surface coal mining and reclamation operations setting mining and reclamation performance standards based on and incorporating the provisions of title V and establishing procedures and requirements for preparation, submission, and approval of State programs and development and implementation of Federal programs under this title. Such regulations shall not be promulgated and published by the Secretary until he has—

(A) published proposed regulations in the Federal Register and afforded interested persons and States and local governments a period of not less than forty-five days after such publication to submit written comments thereon;

(B) obtained the written concurrence of the Administrator of the Environmental Protection Agency with respect to those regulations promulgated under this section which relate to air or water quality standards promulgated under the authority of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1151–1175), and the Clean Air Act, as amended (42 U.S.C. 1857 et seq.); and

(C) held at least one public hearing on the proposed regulations. The date, time, and place of any hearing held on the proposed regulations shall be set out in the publication of the proposed regulations. The Secretary shall consider all comments and relevant data presented at such hearing before final promulgation and publication of the regulations.

INITIAL REGULATORY PROCEDURES

SEC. 502. (a) No person shall open or develop any new or previously mined or abandoned site for surface coal mining operations on lands on which such operations are regulated by a State unless such person has obtained a permit from the State's regulatory authority.

(b) All surface coal mining operations on lands on which such operations are regulated by a State which commence operations pursuant to a permit issued on or after the date of enactment of this Act shall comply, and such permits shall contain terms requiring compliance with, the provisions of subsections 515(b)(2), 515(b)(3), 515(b)(5), 515(b)(10), 515(b)(13), 515(b)(19) and 515(d) of this Act.

(c) On and after one hundred and thirty-five days from the date of enactment of this Act, all surface coal mining operations on lands on which such operations are regulated to a State which are in operation pursuant to a permit issued before the date of enactment of this Act shall comply with the provisions of subsections 515(b)(2), 515(b)(3), 515(b)(5), 515(b)(10), 515(b)(13), 515(b)(19), and 515(d) of this Act, with respect to lands from which overburden and the coal seam being mined have not been removed.

(d) Upon the request of the permit applicant or permittee subsequent to a written finding by the regulatory authority and under the conditions and procedures set forth in subsection 515(c), the regulatory authority may grant variances from the requirement to restore to approximate original contour set forth in subsections 515(b)(3) and 515(d).

(e) Not later than twenty months from the date of enactment of this Act, all operators of surface coal mines in expectation of operating such mines after the date of approval of a State program, or the implementation of a Federal program, shall file an application for a permit with the regulatory authority, such application to cover those lands to be mined after the date of approval of the State program. The regulatory authority shall process such applications and grant or deny a permit within six months after the date of approval of the State program, but in no case later than thirty months from the date of enactment of this Act.

(f) No later than one hundred and thirty-five days from the date of enactment of this Act, the Secretary shall implement a Federal enforcement program which shall remain in effect in each State in which there is surface coal mining until the State program has been approved pursuant to this Act or until a Federal program has been implemented pursuant to this Act. The enforcement program shall—

(1) include inspections of surface coal mine sites which shall be made on a random basis (but at least one inspection for every site every three months), without advance notice to the mine operator and for the purpose of ascertaining compliance with the standards of subsections (b) and (c) above. The Secretary shall order any necessary enforcement action to be implemented pursuant to the Federal enforcement provision of this title to correct violations identified at the inspections;

(2) provide that upon receipt of inspection reports indicating that any surface coal mining operation has been found in violation of subsections (b) and (c) above, during not less than two consecutive State inspections or upon receipt by the Secretary of information which would give rise to reasonable belief that such standards are being violated by any surface coal mining operation, the Secretary shall order the immediate inspection of such operation by Federal inspectors and the necessary enforcement actions, if any, to be implemented pursuant to the Federal enforcement provisions of this title. When the Federal inspection results from information provided to the Secretary by any person, the Secretary shall notify such person when the Federal inspection is proposed to be carried out and such person shall be allowed to accompany the inspector during the inspection;

(3) for purposes of this section, the term "Federal inspector" means personnel of the Office of Surface Mining Reclamation and Enforcement and such additional personnel of the United States Geological Survey, Bureau of Land Management, or of the Mining Enforcement and Safety Administration so designated by the Secretary, or such other personnel of the Forest Service, Soil Conservation Service, or the Agricultural Stabilization and Conservation Service as arranged by appropriate agreement with the Secretary on a reimbursable or other basis;

(4) provide that the State regulatory agency file with the Secretary and with a designated Federal office centrally located in the county or area in which the inspected surface coal mine is located copies of inspection reports made;

(5) provide that moneys authorized by section 712 shall be available to the Secretary prior to the approval of a State program pursuant to this Act to reimburse the States for conducting those inspections in which the standards of this Act are enforced and for the administration of this section.

(g) Following the final disapproval of a State program, and prior to promulgation of a Federal program or a Federal lands program pursuant to this Act, including judicial review of such a program, existing surface coal mining operations may continue surface mining operations pursuant to the provisions of section 502 of this Act.

STATE PROGRAMS

SEC. 503. (a) Each State in which there is or may be conducted surface coal mining operations, and which wishes to assume exclusive jurisdiction over the regulation of surface coal mining and reclamation operations, except as provided in section 521 and title IV of this Act, shall submit to the Secretary, by the end of the eighteen-month period beginning on the date of enactment of this Act, a State program which demonstrates that such State has the capability of carrying out the provisions of this Act and meeting its purposes through—

(1) a State law which provides for the regulation of surface coal mining and reclamation operations in accordance with the requirements of this Act and the regulations issued by the Secretary pursuant to this Act;

(2) a State law which provides sanctions for violations of State laws, regulations, or conditions of permits concerning surface coal mining and reclamation operations, which sanctions shall meet the minimum requirements of this Act, including civil and criminal actions, forfeiture of bonds, suspensions, revocations, and withholding of permits, and the issuance of cease-and-desist orders by the State regulatory authority or its inspectors;

(3) a State regulatory authority with sufficient administrative and technical personnel, and sufficient funding to enable the State to regulate surface coal mining and reclamation operations in accordance with the requirements of this Act;

(4) a State law which provides for the effective implementation, maintenance, and enforcement of a permit system, meeting the requirements of this title for the regulation of surface coal mining and reclamation operations for coal on lands within the State;

(5) establishment of a process for the designation of areas as unsuitable for surface coal mining in accordance with section 522;

(6) establishment, for the purposes of avoiding duplication, of a process for coordinating the review and issuance of permits for surface coal mining and reclamation operations with any other Federal or State permit process applicable to the proposed operations.

(b) The Secretary shall not approve any State program submitted under this section until he has—

(1) solicited and publicly disclosed the views of the Administrator of the Environmental Protection Agency, the Secretary of Agriculture, and the heads of other Federal agencies concerned with or having special expertise pertinent to the proposed State program;

(2) obtained the written concurrence of the Administrator of the Environmental Protection Agency with respect to those aspects of a State program which relate to air or water quality standards promulgated under the authority of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1151–1175), and the Clean Air Act, as amended (42 U.S.C. 1857 et seq.);

(3) held at least one public hearing on the State program within the State; and

(4) found that the State has the legal authority and qualified personnel necessary for the enforcement of the environmental protection standards.

The Secretary shall approve or disapprove a State program, in whole or in part, within six full calendar months after the date such State program was submitted to him.

(c) If the Secretary disapproves any proposed State program in whole or in part, he shall notify the State in writing of his decision and set forth in detail the reasons therefor. The State shall have sixty days in which to resubmit a revised State program, or portion thereof. The Secretary shall approve or disapprove the resubmitted State program or portion thereof within sixty days from the date of resubmission.

(d) For the purposes of this section and section 504, the inability of a State to take any action the purpose of which is to prepare, submit, or enforce a State program, or any portion thereof, because the action is enjoined by the issuance of an injunction by any court of competent jurisdiction shall not result in a loss of eligibility for financial assistance under titles IV and VII of this Act or in the imposition of a Federal program. Regulations of the surface coal mining and reclamation operations covered or to be covered by the State program subject to the injunction shall be conducted by the State pursuant to section 502 of this Act, until such time as the injunction terminates or for one year, whichever is shorter, at which time the requirements of sections 503 and 504 shall again be fully applicable.

FEDERAL PROGRAMS

SEC. 504. (a) The Secretary shall prepare and, subject to the provisions of this section, promulgate and implement a Federal program for a State no later than thirty months after the date of enactement of this Act if such State—

(1) fails to submit a State program covering surface coal mining and reclamation operations by the end of the eighteen-month period beginning on the date of enactment of this Act;

(2) fails to resubmit an acceptable State program within sixty days of disapproval of a proposed State program: *Provided*, That the Secretary shall not implement a Federal program prior to the expiration of the initial period allowed for submission of a State program as provided for in clause (1) of this subsection; or

(3) fails to implement, enforce, or maintain its approved State program as provided for in this Act.

If State compliance with clause (1) of this subsection requires an act of the State legislature, the Secretary may extend the period of submission of a State program up to an additional six months. Promulgation and implementation of a Federal program vests the

Secretary with exclusive jurisdiction for the regulation and control of surface coal mining and reclamation operations taking place on lands within any State not in compliance with this Act. After promulgation and implementation of a Federal program the Secretary shall be the regulatory authority. If a Federal program is implemented for a State, subsections 522 (a), (c), and (d) shall not apply for a period of one year following the date of such implementation. In promulgating and implementing a Federal program for a particular State the Secretary shall take into consideration the nature of that State's terrain, climate, biological, chemical, and other relevant physical conditions.

(b) In the event that a State has a State program for surface coal mining, and is not enforcing any part of such program, the Secretary may provide for the Federal enforcement, under the provisions of section 521, of that part of the State program not being enforced by such State.

(c) Prior to promulgation and implementation of any proposed Federal program, the Secretary shall give adequate public notice and hold a public hearing in the affected State.

(d) Permits issued pursuant to an approved State program shall be valid but reviewable under a Federal program. Immediately following promulgation of a Federal program, the Secretary shall undertake to review such permits to determine that the requirements of this Act are not violated. If the Secretary determines any permit to have been granted contrary to the requirements of this Act, he shall so advise the permittee and provide him a reasonable opportunity for submission of a new application and reasonable time to conform ongoing surface mining and reclamation operations to the requirements of the Federal program.

(e) A State which has failed to obtain the approval of a State program prior to implementation of a Federal program may submit a State program at any time after such implementation. Upon the submission of such a program, the Secretary shall follow the procedures set forth in section 503(b) and shall approve or disapprove the State program within six months after its submittal. Approval of a State program shall be based on the determination that the State has the capability of carrying out the provisions of this Act and meeting its purposes through the criteria set forth in section 503(a), (1) through (6). Until a State program is approved as provided under this section, the Federal program shall remain in effect and all actions taken by the Secretary pursuant to such Federal program, including the terms and conditions of any permit issued thereunder, shall remain in effect.

(f) Permits issued pursuant to the Federal program shall be valid but reviewable under the approved State program. The State regulatory authority may review such permits to determine that the requirements of this Act and the approved State program are not violated. If the State regulatory authority determines any permit to have been granted contrary to the requirements of this Act or the approved State program, he shall so advise the permittee and provide him a reasonable opportunity for submission of a new application and reasonable time to conform ongoing surface mining and reclamation operations to the requirements of this Act or approved State program.

(g) Whenever a Federal program is promulgated for a State pursuant to this Act, any statutes or regulations of such State which are in effect to regulate surface mining and reclamation operations subject to this Act shall, insofar as they interfere with the achievement of the purposes and the requirements of this Act and the Federal program, be preempted and superseded by the Federal program.

(h) Any Federal program shall include a process for coordinating the review and issuance of permits for surface mining and reclamation operations with any other Federal or State permit process applicable to the proposed operation.

STATE LAWS

SEC. 505. (a) No State law or regulation in effect on the date of enactment of this Act, or which may become effective thereafter, shall be superseded by any provision of this Act or any regulation issued pursuant thereto, except insofar as such State law or regulation is inconsistent with the provisions of this Act.

(b) Any provision of any State law or regulation in effect upon the date of enactment of this Act, or which may become effective thereafter, which provides for more stringent land use and environmental controls and regulations of surface coal mining and reclamation operations than do the provisions of this Act or any regulation issued pursuant thereto shall not be construed to be inconsistent with this Act. Any provision of any State law or regulation in effect on the date of enactment of this Act, or which may become effective thereafter, which provides for the control and regulation of surface mining and reclamation operations for which no provision is contained in this Act shall not be construed to be inconsistent with this Act.

(c) Nothing in this Act shall be construed as affecting in any way the right of any person to enforce or protect, under applicable State law, his interest in water resources affected by a surface coal mining operation.

PERMITS

SEC. 506. (a) On and after six months from the date on which a State program is approved by the Secretary, pursuant to section 503 of this Act, or on and after six months from the date on which the Secretary has promulgated a Federal program for a State not having a State program pursuant to section 504 of this Act, no person shall engage in or carry out on lands within a State any surface coal mining operations unless such person has first obtained a permit issued by such State pursuant to an approved State program or by the Secretary pursuant to a Federal program; except a person conducting surface coal mining operations under a permit from the State regulatory authority, issued in accordance with the provisions of section 502 of this Act, may conduct such operations beyond such period if an application for a permit has been filed in accordance with the provisions of this Act, but the initial administrative decision has not been rendered.

(b) All permits issued pursuant to the requirements of this Act shall be issued for a term not to exceed five years and shall be nontransferable: *Provided*, That a successor in interest to a permittee who applies for a new permit within thirty days of succeeding to such interest and who is able to obtain the bond coverage of the original permittee may continue surface coal mining and reclamation operations according to the approved mining and reclamation plan of the original permittee until such successor's application is granted or denied.

(c) A permit shall terminate if the permittee has not commenced the surface coal mining and reclamation operations covered by such permit within three years of the issuance of the permit, provided that with respect to coal to be mined for use in a synthetic fuel facility, the permittee shall be deemed to have commenced surface mining operations at such time as the construction of the synthetic fuel facility is initiated.

(d)(1) Any valid permit issued pursuant to this Act shall carry with it the right of successive renewal upon expiration with respect to areas within the boundaries of the existing permit. The holder of the permit may apply for renewal and such renewal shall be issued, subsequent to public hearing upon the following requirements and written findings by the regulatory authority that—

(A) the terms and conditions of the existing permit are being satisfactorily met;

(B) the present surface coal mining and reclamation operation is in full compliance with the environmental protection standards of this Act and the approved State plan pursuant to this Act;

(C) the renewal requested does not jeopardize the operator's continuing responsibility on existing permit areas;

(D) the operator has provided evidence that the performance bond in effect for said operation will continue in full force and effect for any renewal requested in such application as well as any additional bond the regulatory authority might require pursuant to section 509; and

(E) any additional revised or updated information required by the regulatory authority has been provided. Prior to the approval of any extension of permit the regulatory authority shall provide notice to the appropriate public authorities.

(2) If an application for renewal of a valid permit includes a proposal to extend the mining operation beyond the boundaries authorized in the existing permit, the portion of the application for revision of a valid permit which addresses any new land areas shall be subject to the full standards applicable to new applications under this Act.

(3) Any permit renewal shall be for a term not to exceed the period of the original permit established by this Act. Application for permit renewal shall be made at least one hundred and twenty days prior to the expiration of the valid permit.

APPLICATION REQUIREMENTS

SEC. 507. (a) Each application for a surface coal mining and reclamation permit pursuant to an aproved State program or a Federal program under the provisions of this Act shall be accompanied by a fee as determined by the regulatory authority. Such fee shall be based as nearly as possible upon the actual or anticipated cost of reviewing, administering, and enforcing such permit issued pursuant to a State or Federal program. The regulatory authority may develop procedures so as to enable the cost of the fee to be paid over the term of the permit.

(b) The permit application shall be submitted in a manner satisfactory to the regulatory authority and shall contain, among other things—

(1) the names and addresses of (A) the permit applicant; (B) every legal owner of record of the property (surface and mineral), to be mined; (C) the holders of record of any leasehold interest in the property; (D) any purchaser of record of the property under a real estate contract; (E) the operator if he is a person different from the applicant; and (F) if any of these are business entities other than a single proprietor, the names and addresses of the principals, officers, and resident agent;

(2) the names and addresses of the owners of record of all surface and subsurface areas within five hundred feet of any part of the permit area;

(3) a statement of any current or previous surface coal mining permits in the United States held by the applicant and the permit identification;

(4) if the applicant is a partnership, corporation, association, or other business entity, the following where applicable: the names and addresses of every officer, partner, director, or person performing a function similar to a director, of the applicant, together with the name and address of any person owning, of record or beneficially either alone or with associates, 10 per centum or more of any class of stock of the applicant and a list of all names under which the applicant, partner, or principal shareholder previously operated a surface mining operation within the United States;

(5) a statement of whether the applicant, any subsidiary, affiliate, or persons controlled by or under common control with the applicant, has ever held a Federal or State mining permit which subsequent to 1960 has been suspended or revoked or has had a mining bond or similar security deposited in lieu of bond forfeited and, if so, a brief explanation of the facts involved;

(6) a copy of the applicant's advertisement to be published in a newspaper of general circulation in the locality of the proposed site at least once a week for four successive weeks, and which includes the ownership, a description of the exact location and boundaries of the proposed site sufficient so that the proposed operation is readily locatable by local residents, and the location of where the application is available for public inspection;

(7) a description of the type and method of coal mining operation that exists or is proposed, the engineering techniques proposed or used, and the equipment used or proposed to be used;

(8) the anticipated or actual starting and termination dates of each phase of the mining operation and number of acres of land to be affected;

(9) evidence of the applicant's legal right to enter and commence surface mining operations on the area affected;

(10) the name of the watershed and location of the surface stream or tributary into which surface and pit drainage will be discharged;

(11) a determination of the hydrologic consequences of the mining and reclamation operations, both on and off the mine site, with respect to the hydrologic regime, quantity and quality of water in surface and ground water systems including the dissolved and suspended solids under seasonal flow conditions and the collection of sufficient data for the mine site and surrounding area so that an assessment can be made of the probable cumulative impacts of all anticipated mining in the area upon the hydrology of the area and particularly upon water availability;

(12) when requested by the regulatory authority, the climatological factors that are peculiar to the locality of the land to be affected, including the average seasonal precipitation, the average direction and velocity of prevailing winds, and the seasonal temperature ranges;

(13) an accurate map or plan to an appropriate scale clearly showing (A) the land to be affected as of the date of application and (B) all types of information set forth on topographical maps of the United States Geological Survey of a scale of 1:24,000 or larger, including all manmade features and significant known archeological sites existing on the date of application. Such a map or plan shall among other things specified by the regulatory authority show all boundaries of the land to be affected, the boundary lines and names of present owners of record of all surface areas abutting the permit area, and the location of all buildings within one thousand feet of the permit area;

(14) cross-section maps or plans of the land to be affected including the actual area to be mined, prepared by or under the direction of and certified by a registered professional engineer, or registered land surveyor and a professional geologist (when specific subsurface information is deemed essential and requested by the regulatory authority), or other qualified personnel at State universities showing pertinent elevation and location of test borings or core samplings and depicting the following information: the nature and depth of the various strata of overburden; the location of subsurface water, if encountered, and its quality; the nature and thickness of any coal or rider seam above the coal seam to be mined; the nature of the stratum immediately beneath the coal seam to be mined; all mineral crop lines and the strike and dip of the coal to be mined within the area of land to be affected; existing or previous surface mining limits; the location and extent of known workings of any underground mines, including mine openings to the surface; the location of aquifers; the estimated elevation of the water table; the location of spoil, waste, or refuse areas and topsoil preservation areas; the location of all impoundments for waste or erosion control; any settling or water treatment facilities; constructed or natural drainways and the location of any discharges to any surface body of water on the area of land to be affected or adjacent thereto; and profiles at appropriate cross sections of the anticipated final surface configuration that will be achieved pursuant to the operator's proposed reclamation plan;

(15) a statement of the result of test borings or core samplings from the permit area, including logs of the drill holes; the thickness of the coal seam found, an analysis of the chemical properties of such coal; the sulfur content of any coal seam; chemical analysis of potentially acid or toxic forming sections of the overburden; and chemical analysis of the stratum lying immediately underneath the coal to be mined; and

(16) information pertaining to coal seams, test borings, or core samplings as required by this section shall be made available to any person with an interest which is or may be adversely affected: *Provided*, That information which pertains only to the analysis of the chemical and physical properties of the coal (excepting information regarding such mineral or elemental content which is potentially toxic in the environment) shall be kept confidential and not made a matter of public record.

(c) Each applicant for a permit shall be required to submit to the regulatory authority as part of the permit application a certificate issued by an insurance company authorized to do business in the United States certifying that the applicant has a public liability insurance policy in force for the surface mining and reclamation operations for which such permit is sought, or evidence that the applicant has satisfied other State or Federal self-insurance requirements. Such policy shall provide for personal injury and property damage protection in an amount adequate to compensate any persons damaged as a result of surface coal mining and reclamation operations and entitled to compensation under the applicable provisions of State law. Such policy shall be maintained in full force and effect during the terms of the permit or any renewal, including the length of all reclamation operations.

(d) Each applicant for a permit shall be required to submit to the regulatory authority as part of the permit application a reclamation plan which shall meet the requirements of this Act.

(e) Each applicant for a surface coal mining and reclamation permit shall file a copy of his application for public inspection with the recorder at the courthouse of the county or an appropriate official approved by the regulatory authority where the mining is proposed to occur, except for that information pertaining to the coal seam itself.

RECLAMATION PLAN REQUIREMENTS

SEC. 508. (a) Each reclamation plan submitted as part of a permit application pursuant to any approved State program or a Federal program under the provisions of this Act shall include, in the degree of detail necessary to demonstrate that reclamation required by the State or Federal program can be accomplished, a statement of:

(1) the identification of the entire area to be mined and affected over the estimated life of the mining operation and the size, sequence, and timing of the subareas for which it is anticipated that individual permits for mining will be sought;

(2) the condition of the land to be covered by the permit prior to any mining including:

(A) the uses existing at the time of the application, and if the land has a history of previous mining, the uses which preceded any mining; and

(B) the capability of the land prior to any mining to support a variety of uses giving consideration to soil and foundation characteristics, topography, and vegetative cover;

(3) the use which is proposed to be made of the land following reclamation, including a discussion of the utility and capacity of the reclaimed land to support a variety of alternative uses and the relationship of such use to existing land use policies and plans, and the comments of any State and local governments or agencies thereof which would have to approve or authorize the proposed use of the land following reclamation;

(4) a detailed description of how the proposed postmining land use is to be achieved and the necessary support activities which may be needed to achieve the proposed land use;

(5) the engineering techniques proposed to be used in mining and reclamation and a description of the major equipment; a plan for the control of surface water drainage and of water accumulation; a plan, where appropriate, for backfilling, soil stabilization, and compacting, grading, and appropriate revegetation; an estimate of the cost per acre of the reclamation, including a statement as to how the permittee plans to comply with each of the requirements set out in section 515;

(6) the steps to be taken to comply with applicable air and water quality laws and regulations and any applicable health and safety standards;

(7) the consideration which has been given to developing the reclamation plan in a manner consistent with local, physical environmental, and climatological conditions and current mining and reclamation technologies;

(8) the consideration which has been given to insuring the maximum practicable recovery of the mineral resource;

(9) a detailed estimated timetable for the accomplishment of each major step in the reclamation plan;

(10) the consideration which has been given to making the surface mining and reclamation operations consistent with applicable State and local land use plans and programs;

(11) all lands, interests in lands, or options on such interests held by the applicant or pending bids on interests in lands by the applicant, which lands are contiguous to the area to be covered by the permit;

(12) the results of test borings which the applicant has made at the area to be covered by the permit, including the location of subsurface water, and an analysis of the chemical properties including acid forming properties of the mineral and overburden: *Provided*, That information about the mineral shall be withheld by the regulatory authority if the applicant so requests;

(13) a detailed description of the measures to be taken during the mining and reclamation process to assure the protection of (A) the quantity and quality of surface and ground water systems, both on- and off-site, from adverse effects of the mining and reclamation process, and (B) the rights of present users to such water; and

(14) such other requirements as the regulatory authority shall prescribe by regulation.

(b) Any information required by this section which is not on public file pursuant to State law shall be held in confidence by the regulatory authority.

PERFORMANCE BONDS

SEC. 509. (a) After a surface coal mining and reclamation permit application has been approved but before such a permit is issued, the applicant shall file with the regulatory authority, on a form prescribed and furnished by the regulatory authority, a bond for performance payable, as appropriate, to the United States or to the State, and conditional upon faithful performance of all the requirements of this Act and the permit. The bond shall cover that area of land within the permit area upon which the operator will initiate and conduct surface coal mining and reclamation operations within the initial term of the permit. As succeeding increments of surface coal mining and reclamation operations are to be initiated and conducted within the permit area, the permittee shall file with the regulatory authority an additional bond or bonds to cover such increments in accordance with this section. The amount of the bond required for each bonded area shall depend upon the reclamation requirements of the approved permit and shall be determined by the regulatory authority on the basis of at least two independent estimates. The amount of the bond shall be sufficient to assure the completion of the reclamation plan if the work had to be performed by a third party in the event of forfeiture and in no case shall the bond be less than $10,000.

(b) Liability under the bond shall be for the duration of the surface coal mining and reclamation operation and for a period coincident with operator's responsibility for vegetation requirements in section 515.

The bond shall be executed by the operator and a corporate surety licensed to do business in the State where such operation is located, except that the operator may elect to deposit cash, negotiable bonds of the United States Government or such State, or negotiable certificates of deposit of any bank organized or transacting business in the United States. The cash deposit or market value of such securities shall be equal to or greater than the amount of the bond required for the bonded area.

(c) The regulatory authority may accept the bond of the applicant itself without separate surety when the applicant demonstrates to the satisfaction of the regulatory authority the existence of a suitable agent to receive service of process and a history of financial solvency and continuous operation sufficient for authorization to self-insure or bond such amount.

(d) Cash or securities so deposited shall be deposited upon the same terms as the terms upon which surety bonds may be deposited. Such securities shall be security for the repayment of such negotiable certificate of deposit.

(e) The amount of the bond or deposit required and the terms of each acceptance of the applicant's bond shall be adjusted by the regulatory authority from time to time as affected land acreages are increased or decreased or where the cost of future reclamation obviously changes.

PERMIT APPROVAL OR DENIAL

SEC. 510. (a) Upon the basis of a complete mining application and reclamation plan or a revision or renewal thereof, as required by this Act and pursuant to an approved State program or Federal program under the provisions of this Act, including public notification and an opportunity for a public hearing as required by section 513, the regulatory authority shall grant or deny the application for a permit and notify the applicant in writing. Within ten days after the granting of a permit, the regulatory authority shall notify the State and the local official who has the duty of collecting real estate taxes in the local political subdivision in which the area of land to be affected is located that a permit has been issued and shall describe the location of the land.

(b) No permit, revision, or renewal application shall be approved unless the application affirmatively demonstrates and the regulatory authority finds in writing on the basis of the information set forth in the application or from information otherwise available which will be documented in the approval, and made available to the applicant, that—

(1) all the requirements of this Act and the State or Federal program have been complied with;

(2) the applicant has demonstrated that reclamation as required by this Act and the State or Federal program can be accomplished under the reclamation plan contained in the permit application;

(3) the assessment of the probable cumulative impact of all anticipated mining in the area on the hydrologic balance specified in section 507(b) has been made and the proposed operation thereof has been designed to prevent significant irreparable offsite damage to hydrologic balance;

(4) the area proposed to be mined is not included within an area designated unsuitable for surface coal mining pursuant to section 522 of this Act or is not within an area under study for such designation in an administrative proceeding commenced pursuant to section 522(a)(4)(D) or section 522(c) (unless in such an area as to which an administrative proceeding has commenced pursuant to section 522(a)(4)(D) of this Act, the operator making the permit application demonstrates that, prior to the date of enactment of this Act, he has made substantial legal and financial commitments in relation to the operation for which he is applying for a permit); and

(5) the proposed surface coal mining operation, if located west of the one hundredth meridian west longitude, would not have a substantial adverse effect on alluvial valley floors underlain by unconsolidated stream laid deposits where farming can be practiced in the form of irrigated, flood irrigated or naturally subirrigated hay meadows or other crop lands (excluding undeveloped range lands), where such valley floors are significant to the practice of farming or ranching operations, including potential farming or ranching operations if such operations are significant and economically feasible.

(c) The applicant shall file with his permit application a schedule listing any and all notices of violations of this Act and any law, rule, or regulation of the United States or of any department or agency in the United States pertaining to air or water environmental protection incurred by the applicant in connection with any surface coal mining operation during the one-year period prior to the date of application. The schedule shall also indicate the final resolution of any such notice of violation. Where the schedule or other information available to the regulatory authority indicates that any surface coal mining operation owned or controlled by the applicant is currently in violation of this Act or such other laws referred to in this subsection, the permit shall not be issued until the applicant submits proof that such violation has been corrected or is in the process of being corrected to the satisfaction of the regulatory authority, department, or agency which has jurisdiction over such violation.

REVISION OF PERMITS

SEC. 511. (a)(1) During the term of the permit the permittee may submit an application, together with a revised reclamation plan, to the regulatory authority for a revision of the permit.

(2) An application for a revision of a permit shall not be approved unless the regulatory authority finds that reclamation as required by this Act and the State or Federal program can be accomplished under the revised Reclamation Plan. The revision shall be approved or disapproved within a period of time established by the State or Federal program. The regulatory authority shall establish guidelines for a determination of the scale or extent of a revision request for which all permit application information requirements and procedures, including notice and hearings, shall apply: *Provided*, That any revisions which propose a sustantial change in the intended future use of the land or significant alterations in the Reclamation Plan shall, at a minimum be subject to notice and hearing requirements.

(3) Any extensions to the area covered by the permit except incidental boundary revisions must be made by application for another permit.

(b) No transfer, assignment, or sale of the rights granted under any permit issued pursuant to this Act shall be made without the written approval of the regulatory authority.

(c) The regulatory authority may require reasonable revision or modification of the permit provisions during the term of such permit: *Provided*, That such revision or modification shall be subject to notice and hearing requirements established by the State or Federal program.

COAL EXPLORATION PERMITS

SEC. 512. (a) Each State program or Federal program shall include a requirement that coal exploration operations which substantially disturb the natural land surface be conducted under a permit issued by the regulatory authority.

(b) Each application for a coal exploration permit pursuant to an approved State or Federal program under the provisions of this Act shall be accompanied by a fee established by the regulatory authority. Such fee shall be based, as nearly as possible, upon the actual or anticipated cost of reviewing, administering, and enforcing such permit issued pursuant to a State or Federal program. The application and supporting technical data shall be submitted in a manner satisfactory to the regulatory authority and shall include a description of the purpose of the proposed exploration project. The supporting technical data shall include, among other things—

(1) a general description of the existing environment;

(2) the location of the area of exploration by either metes or bounds, lot, tract, range, or section, whichever is most applicable, including a copy of the pertinent United States Geological Survey topographical map or maps with the area to be explored delineated thereon;

(3) a description of existing roads, railroads, utilities, and rights-of-way, if not shown on the topographical map;

(4) the location of all surface bodies of water, if not shown on the topographical map;

(5) the planned approximate location of any access roads, cuts, drill holes, and necessary facilities that may be constructed in the course of exploration, all of which shall be plotted on the topographical map;

(6) the estimated time of exploration;

(7) the ownership of the surface land to be explored;

(8) a statement describing the right by which the applicant intends to pursue his exploration activities and a certification that notice of intention to pursue such activities has been given to the surface owner;

(9) provisions for reclamation of all land disturbed in exploration, including excavations, roads, drill holes, and the removal of necessary facilities and equipment; and

(10) such other information as the regulatory authority may require.

(c) Specifically identified information submitted by the applicant in the application and supporting technical data as confidential concerning trade secrets or privileged commercial or financial information which relates to the competitive rights of the applicant shall not be available for public examination.

(d) If an applicant is denied a coal exploration permit under this Act, or if the regulatory authority fails to act within a reasonable time, then the applicant may seek relief under the appropriate administrative procedures.

(e) Any person who conducts any coal exploration activities in connection with surface coal mining operations under this Act without first having obtained a permit to explore from the appropriate regulatory authority or shall fail to conduct such exploration activities in a manner consistent with his approved coal exploration permit, shall be subject to the provisions of section 518.

PUBLIC NOTICE AND PUBLIC HEARINGS

SEC. 513. (a) At the time of submission of an application for a surface coal mining and reclamation permit, or revision of an existing permit, pursuant to the provisions of this Act or an approved State program, the applicant shall submit to the regulatory authority a copy of his advertisement of the ownership, precise location, and boundaries of the land to be affected. At the time of submission such advertisement shall be placed in a local newspaper of general circulation in the locality of the proposed surface mine at least once a week for four consecutive weeks. The regulatory authority shall notify various local governmental bodies, planning agencies, and sewage and water treatment authorities, or water companies in the locality in which the proposed surface mining will take place, notifying them of the operator's intention to surface mine a particulary described tract of land and indicating the application's permit number and where a copy of the proposed mining and reclamation plan may be inspected. These local bodies, agencies, authorities, or companies have obligation to submit written comments within thirty days on the mining applications with respect to the effect of the proposed operation on the environment which are within their area of responsibility. Such comments shall be made available to the public at the same locations as are the mining applications.

(b) Any person with a valid legal interest or the officer or head of any Federal, State, or local governmental agency or authority shall have the right to file written objections to the proposed initial or revised application for a permit for surface coal mining and reclamation operation with the regulatory authority within thirty days after the last publication of the above notice. If written objections are filed and a hearing requested, the regulatory authority shall then hold a public hearing in the locality of the proposed mining within a reasonable time of the receipt of such objections. The date, time, and location of such public hearing shall be advertised by the regulatory authority in a newspaper of general circulation in the locality at least once a week for three consecutive weeks prior to the scheduled hearing date. The regulatory authority may arrange with the applicant upon request by any party to the administrative proceeding access to the proposed mining area for the purpose of gathering information relevant to the proceeding. At this public hearing, the applicant for a permit shall have the burden of establishing that his application is in compliance with the applicable State and Federal laws. Not less than ten days prior to any proposed hearing, the regulatory authority shall respond to the written objections in writing. Such response shall include the regulatory authority's preliminary proposals as to the terms and conditions, and amount of bond of a possible permit for the area in question and answers to material factual questions presented in the written objections. The regulatory authority's responsibility under this subsection shall in any event be to make publicly available its estimate as to any other conditions of mining or reclamation which may be required or contained in the preliminary proposal. In the event all parties requesting the hearing stipulate agreement prior to the requested hearings, and withdraw their request, such hearings need not be held.

(c) For the purpose of such hearing, the regulatory authority may administer oaths, subpena witnesses, or written or printed materials, compel attendance of the witnesses, or production of the materials, and take evidence including but not limited to site inspections of the land to be affected and other surface coal mining operations carried on by the applicant in the general vicinity of the proposed operation. A verbatim transcript and complete record of each public hearing shall be ordered by the regulatory authority.

DECISIONS OF REGULATORY AUTHORITY AND APPEALS

SEC. 514. (a) If a public hearing has been held pursuant to section 513(b), the regulatory authority shall issue and furnish the applicant for a permit and persons who are parties to the administrative proceedings with the written finding of the regulatory authority, granting or denying the permit in whole or in part and stating the reasons therefor, within thirty days of said hearings.

(b) If there has been no public hearing held pursuant to section 513(b), the regulatory authority shall notify the applicant for a permit within a reasonable time, taking into account the time needed for proper investigation of the site, the complexity of the permit application and whether or not written objection to the application has been filed, whether the application has been approved or disapproved. If the application is approved, the permit shall be issued. If the application is disapproved, specific reasons therefor must be set forth in the notification. Within thirty days after the applicant is notified that the permit or any portion thereof has been denied, the applicant may request a hearing on the reasons for the said disapproval. The regulatory authority shall hold a hearing within thirty days of such request and provide notification to all interested parties at the time that the applicant is so notified. Within thirty days after the hearing the regulatory authority shall issue and furnish the applicant, and all persons who participated in the hearing, with the written decision of the regulatory authority granting or denying the permit in whole or in part and stating the reasons therefor.

(c) Any applicant or any person who has participated in the administrative proceedings as an objector, and who is aggrieved by the decision of the regulatory authority, or if the regulatory authority fails to act within a reasonable period of time, shall have the right of appeal for review by a court of competent jurisdiction in accordance with State or Federal law.

ENVIRONMENTAL PROTECTION PERFORMANCE STANDARDS

SEC. 515. (a) Any permit issued under any approved State or Federal program pursuant to this Act to conduct surface coal mining operations shall require that such surface coal mining operations will meet all applicable performance standards of this Act, and such other requirements as the regulatory authority shall promulgate.

(b) General performance standards shall be applicable to all surface coal mining and reclamation operations and shall require the operation as a minimum to—

(1) conduct surface coal mining operations so as to maximize the utilization and conservation of the solid fuel resource being recovered so that reaffecting the land in the future through surface coal mining can be minimized;

(2) restore the land affected to a condition at least fully capable of supporting the uses which it was capable of supporting prior to any mining, or higher or better uses of which there is a reasonable likelihood, so long as such use or uses do not present any actual or probable hazard to public health or safety or pose any actual or probable threat of water diminution or pollution, and the permit applicants' declared proposed land use following reclamation is not deemed to be impractical or unreasonable, inconsistent with applicable land use policies and plans, involves unreasonable delay in implementation, or is violative of Federal, State, or local law;

(3) with respect to all surface coal mining operations backfill, compact (where advisable to insure stability or to prevent leaching of toxic materials), and grade in order to restore the approximate original contour of the land with all highwalls, spoil piles and depressions eliminated (unless small depressions are needed in order to retain moisture to assist revegetation or as otherwise authorized pursuant to this Act): *Provided, however,* That in surface coal mining which is carried out at the same location over a substantial period of time where the operation transects the coal deposit, and the thickness of the coal deposits relative to the volume of the overburden is large and where the operator demonstrates that the overburden and other spoil and waste materials at a particular point in the permit area or otherwise available from the entire permit area is insufficient, giving due consideration to volumetric expansion, to restore the approximate original contour, the operator, at a minimum, shall backfill, grade, and compact (where advisable) using all available overburden, and other spoil and waste materials to attain the lowest practicable grade but not more than the angle of repose, to provide adequate drainage and to cover all acid-forming and other toxic materials, in order to achieve an ecologically sound land use compatible with the surrounding region: *And provided further,* That in surface coal mining where the volume of overburden is large relative to the thickness of the coal deposit and where the operator demonstrates that due to volumetric expansion the amount of overburden and other spoil and waste materials removed in the course of the mining operation is more than sufficient to restore the approximate original contour, the operator shall after restoring the approximate contour, backfill, grade, and compact (where advisable) the excess overburden and other spoil and waste materials to attain the lowest grade but not more than the angle of repose, and to cover all acid-forming and other toxic-materials, in order to achieve an ecologically sound land use compatible with the surrounding region and that such overburden or spoil shall be shaped and graded in such a way as to prevent slides, erosion, and water pollution and is revegetated in accordance with the requirements of this Act;

(4) stabilize and protect all surface areas including spoil piles affected by the surface coal mining and reclamation operation to effectively control erosion and attendant air and water pollution;

(5) remove the topsoil from the land in a separate layer, replace it on the backfill area, or if not utilized immediately, segregate it in a separate pile from other spoil and when the topsoil is not replaced on a backfill area within a time short enough to avoid deterioration of the topsoil, maintain a successful cover by quick growing plant or other means thereafter so that the topsoil is preserved from wind and water erosion, remains free of any contamination by other acid or toxic material, and is in a usable condition for sustaining vegetation when restored during reclamation, except if topsoil is of insufficient quantity or of poor quality for sustaining vegetation, or if other strata can be shown to be more suitable for vegetation requirements, then the operator shall remove, segregate, and preserve in a like manner such other strata which is best able to support vegetation;

(6) restore the topsoil or the best available subsoil which has which is best able to support vegetation;

(7) protect offsite areas from slides or damage occurring during the surface coal mining and reclamation operations, and not deposit spoil material or locate any part of the operations or waste accumulations outside the permit area;

(8) create, if authorized in the approved mining and reclamation plan and permit, permanent impoundments of water on mining sites as part of reclamation activities only when it is adequately demonstrated that—

(A) the size of the impoundment is adequate for its intended purposes;

(B) the impoundment dam construction will be so designed as to achieve necessary stability with an adequate margin of safety compatible with that of structures constructed under Public Law 83-566 (16 U.S.C. 1006);

(C) the quality of impounded water will be suitable on a permanent basis for its intended use and that discharges from the impoundment will not degrade the water quality in the receiving stream;

(D) the level of water will be reasonably stable;

(E) final grading will provide adequate safety and access for proposed water users; and

(F) such water impoundments will not result in the diminution of the quality or quantity of water utilized by adjacent or surrounding landowners for agricultural, industrial, recreational, or domestic uses;

(9) fill all auger holes with an impervious and noncombustible material in order to prevent drainage;

(10) minimize the disturbances to the prevailing hydrologic balance at the minesite and in associated offsite areas and to the quality and quantity of water in surface and ground water systems both during and after surface coal mining operations and during reclamation by—

(A) avoiding acid or other toxic mine drainage by such measures as, but not limited to—

(i) preventing or removing water from contact with toxic producing deposits;

(ii) treating drainage to reduce toxic content which adversely affects downstream water upon being released to water courses;

(iii) casing, sealing, or otherwise managing boreholes, shafts, and wells and keep acid or other toxic drainage from entering ground and surface waters;

(B) conducting surface coal mining operations so as to prevent, to the extent possible using the best technology currently available, additional contributions of suspended solids to streamflow or runoff outside the permit area above natural levels under seasonal flow conditions as measured prior to any mining, and avoiding channel deepening or enlargement in operations requiring the discharge of water from mines;

(C) removing temporary or large siltation structures from drainways after disturbed areas are revegetated and stabilized;

(D) restoring recharge capacity of the mined area to approximate premining conditions;

(E) replacing the water supply of an owner of interest in real property who obtains all or part of his supply of water for domestic, agricultural, industrial, or other legitimate use from an underground or surface source where such supply has been affected by contamination, diminution or interruption proximately resulting from mining;

(F) preserving throughout the mining and reclamation process the essential hydrologic functions of alluvial valley floors in the arid and semiarid areas of the country; and

(G) such other actions as the regulatory authority may prescribe;

(11) with respect to surface disposal of mine wastes, tailings, coal processing wastes, and other wastes in areas other than the mine working or excavations, stabilize all waste piles in designated areas through construction in compacted layers including the use of incombustible and impervious materials if necessary and assure the final contour of the waste pile will be compatible with natural surroundings and that the site can and will be stabilized and revegetated according to the provisions of this Act;

(12) refrain from surface coal mining within five hundred feet from active and abandoned underground mines in order to prevent break-throughs and to protect health or safety of miners: *Provided*, That the regulatory authority shall permit an operator to mine closer to an abandoned underground mine: *Provided*, That this does not create hazards to the health and safety of miners; or shall permit an operator to mine near, through or partially through an abandoned underground mine working where such mining through will achieve improved resource recovery, abatement of water pollution or elimination of public hazards and such mining shall be consistent with the provisions of the Act;

(13) design, locate, construct, operate, maintain, enlarge, modify, and remove, or abandon, in accordance with the standards and criteria developed pursuant to subsection (e) of this section, all existing and new coal mine waste piles consisting of mine wastes, tailings, coal processing wastes, or other liquid and solid wastes and used either temporarily or permanently as dams or embankments;

(14) insure that all debris, acid forming materials, toxic materials, or materials constituting a fire hazard are treated or disposed of in a manner designed to prevent contamination of ground or surface waters or sustained combustion;

(15) insure that explosives are used only in accordance with existing State and Federal law and the regulations promulgated by the regulatory authority, which shall include provisions to—

(A) provide adequate advance written notice by publication and/or posting of the planned blasting schedule to local governments and to residents who might be affected by the use of such explosives and maintain for a period of at least two years a log of the magnitudes and times of blasts; and

(B) limit the type of explosives and detonating equipment, the size, the timing and frequency of blasts based upon the physical conditions of the site so as to prevent (i) injury to persons, (ii) damage to public and private property outside the permit area, (iii) adverse impacts on any underground mine, and (iv) change in the course, channel, or availability of ground or surface water outside the permit area;

(16) insure that all reclamation efforts proceed in an environmentally sound manner and as contemporaneously as practicable with the surface coal mining operations;

(17) insure that the construction, maintenance, and postmining conditions of access roads into and across the site of operations will control or prevent erosion and siltation, pollution of water, damage to fish or wildlife or their habitat, or public or private property: *Provided*, That the regulatory authority may permit the retention after mining of certain access roads where consistent with State and local land use plans and programs and where necessary may permit a limited exception to the restoration of approximate original contour for that purpose;

(18) refrain from the construction of roads or other access ways up a stream bed or drainage channel or in such proximity to such channel so as to seriously alter the normal flow of water;

(19) establish on the regraded areas, and all other lands affected, a diverse, effective and permanent vegetative cover native to the area of land to be affected and capable of self-regeneration and plant succession at least equal in extent of cover to the natural vegetation of the area; except, that introduced species may be used in the revegetation process where desirable and necessary to achieve the approved postmining land use plan;

(20) assume the responsibility for successful revegetation, as required by paragraph (19) above, for a period of five full years after the last year of augmented seeding, fertilizing, irrigation, or other work in order to assure compliance with paragraph (19) above, except in those areas or regions of the country where the annual average precipitation is twenty-six inches or less, then the operator's assumption of responsibility and liability will extend for a period of ten full years after the last year of augmented seeding, fertilizing, irrigation, or other work: *Provided*, That when the regulatory authority approves a long-term intensive agricultural postmining land use, the applicable five- or ten-year period of responsibility for revegetation shall commence at the date of initial planting for such long-term intensive agricultural postmining land use: *Provided further*, That when the regulatory authority issues a written finding approving a long-term, intensive, agricultural postmining land use as part of the mining and reclamation plan, the authority may grant exception to the provisions of paragraph (19) above; and

(21) meet such other criteria as are necessary to achieve reclamation in accordance with the purposes of this Act, taking into consideration the physical, climatological, and other characteristics of the site, and to insure the maximum practicable recovery of the mineral resources.

(c)(1) Each State program may and each Federal program shall include procedures pursuant to which the regulatory authority may permit variances for the purposes set forth in paragraph (3) of this subsection.

(2) Where an applicant meets the requirements of paragraphs (3) and (4) of this subsection a variance from the requirement to restore to approximate original contour set forth in subsection 515(b)(3) or 515(d) of this section may be granted for the surface mining of coal where the mining operation will remove an entire coal seam or seams running through the upper fraction of a mountain, ridge, or hill (except as provided in subsection (c)(4)(A) hereof) by removing all of the overburden and creating a level plateau or a gently rolling contour with no highwalls remaining, and capable of supporting postmining uses in accord with the requirements of this subsection.

(3) In cases where an industrial, commercial (including commercial agricultural), residential or public facility (including recreational facilities) development is proposed for the postmining use of the affected land, the regulatory authority may grant a variance for a surface mining operation of the nature described in subsection (c)(2) where—

(A) after consultation with the appropriate land use planning agencies, if any, the proposed development is deemed to constitute an equal or better economic or public use of the affected land, as compared with the premining use;

(B) the equal or better economic or public use can be obtained only if one or more exceptions to the requirements of section 515(b)(3) are granted;

(C) the applicant presents specific plans for the proposed postmining land use and appropriate assurances that such use will be—

(i) compatible with adjacent land uses;

(ii) obtainable according to data regarding expected need and market;

(iii) assured of investment in necessary public facilities;

(iv) supported by commitments from public agencies where appropriate;

(v) practicable with respect to private financial capability for completion of the proposed development;

(vi) planned pursuant to a schedule attached to the reclamation plan so as to integrate the mining operation and reclamation with the postmining land use; and

(vii) designed by a registered engineer in conformance with professional standards established to assure the stability; drainage, and configuration necessary for the intended use of the site;

(D) the proposed use would be consistent with adjacent land uses, and existing State and local land use plans and programs;

(E) the regulatory authority provides the governing body of the unit of general-purpose government in which the land is located and any State or Federal agency which the regulatory agency, in its discretion, determines to have an interest in the proposed use, an opportunity of not more than sixty days to review and comment on the proposed use;

(F) a public hearing is held in the locality of the proposed surface coal mining operation prior to the grant of any permit including a variance; and

(G) all other requirements of this Act will be met.

(4) In granting any variance pursuant to this subsection the regulatory authority shall require that—

(A) the toe of the lowest coal seam mined and the overburden associated with it are retained in place as a barrier to slides and erosion;

(B) the reclaimed area is stable;

(C) the resulting plateau or rolling contour drains inward from the outslopes except at specified points;

(D) no damage will be done to natural water-courses;

(E) all other requirements of this Act will be met.

(5) The regulatory authority shall promulgate specific regulations to govern the granting of variances in accord with the provisions of this subsection, and may impose such additional requirements as he deems to be necessary.

(6) All exceptions granted under the provisions of this subsection shall be reviewed not more than three years from the date of issuance of the permit, unless the applicant affirmatively demonstrates that the proposed development is proceeding in accordance with the terms of the approved schedule and reclamation plan.

(d) The following performance standards shall be applicable to steep-slope surface coal mining and shall be in addition to those general performance standards required by this section: *Provided, however*, That the provisions of this subsection (d) shall not apply to those situations in which an operator is mining on flat or gently rolling terrain, on which an occasional steep slope is encountered through which the mining operation is to proceed, leaving a plain or predominantly flat area:

(1) Insure that when performing surface coal mining on steep slopes, no debris, abandoned or disabled equipment, spoil material, or waste mineral matter be placed on the downslope below the bench or mining cut, except that where necessary soil or spoil material from the initial block or short linear cut of earth necessary to obtain initial access to the coal seam in a new surface coal mining operation can be placed on a limited and specified area of the downslope below the initial cut if the permittee demonstrates that such soil or spoil material will not slide and that the other requirements of this subsection can still be met: *Provided*, That spoil material in excess of that required for the reconstruction of the approximate original contour under the provisions of paragraphs 515(b)(3) or 515(d)(2) or excess spoil from a surface coal mining operation granted a variance under subsection 515(c) may be permanently stored at such offsite spoil storage areas as the regulatory authority shall designate and for the purposes of this Act such areas shall be deemed in all respects to be part of the lands affected by surface coal mining operations. Such offsite spoil storage areas shall be designed by a registered engineer in conformance with professional standards established to assure the stability, drainage, and configuration necessary for the intended use of the site.

(2) Complete backfilling with spoil material shall be required to cover completely the highwall and return the site to the approximate original contour, which material will maintain stability following mining and reclamation.

(3) The operator may not disturb land above the top of the highwall unless the regulatory authority finds that such disturbance will facilitate compliance with the enivornmental protection standards of this section; *Provided, however*, That the land disturbed above the highwall shall be limited to that amount necessary to facilitate said compliance.

(4) For the purposes of this section, the term "steep slope" is any slope above twenty degrees or such lesser slope as may be defined by the regulatory authority after consideration of soil, climate, and other characteristics of a region or State.

(e) The Secretary, with the written concurrence of the Chief of Engineers, shall establish within 135 days from the date of enactment, standards and criteria regulating the design, location, construction, operation, maintenance, enlargement, modification, removal and abandonment of new and existing coal mine waste piles referred to in Section 515(b)(13) and Section 516(b)(5). Such standards and criteria shall conform to the standards and criteria used by the Chief of Engineers to insure that flood control structures are safe and effectively perform their intended function. In addition to engineering and other technical specifications the standards and criteria developed pursuant to this subsection must include provisions for; review and approval of plans and specifications prior to construction, enlargement, modification, removal or abandonment; performance of periodic inspections during construction; issuance of certificates of approval upon completion of construction; performance of periodic safety inspections; and issuance of notices for required remedial or maintenance work.

SURFACE EFFECTS OF UNDERGROUND COAL MINING OPERATIONS

SEC. 516. (a) The Secretary shall promulgate rules and regulations directed toward the surface effects of underground coal mining operations, embodying the following requirements and in accordance with the procedures established under section 501 of this Act.

(b) Each permit issued under any approved State or Federal program pursuant to this Act and relating to underground coal mining shall require the operator to—

(1) adopt measures consistent with known technology in order to prevent subsidence to the extent technologically and economically feasible, maximize mine stability, and maintain the value and use of such surface lands, except in those instances where the mining technology used requires planned subsidence in a predictable and controlled manner: *Provided*, That nothing in this subsection shall be construed to prohibit the standard method of room and pillar continuous mining;

(2) seal all portals, entryways, drifts, shafts, or other openings between the surface and underground mine working when no longer needed for the conduct of the mining operations;

(3) fill or seal exploratory holes no longer necessary for mining, maximizing to the extent practicable return of mine and processing waste, tailings, and any other waste incident to the mining operation, to the mine workings or excavations;

(4) with respect to surface disposal of mine wastes, tailings, coal processing wastes, and other wastes in areas other than the mine workings or excavations, stabilize all waste piles created by the permittee from current operations through construction in compacted layers including the use of incombustible and impervious materials if necessary and assure that the leachate will not pollute surface or ground waters and that the final contour of the waste accumulation will be compatible with natural surroundings and that the site is stabilized and revegetated according to the provisions of this section;

(5) design, locate, construct, operate, maintain, enlarge, modify, and remove, or abandon, in accordance with the standards and criteria developed pursuant to Sec. 515(e), all existing and new coal mine waste piles consisting of mine wastes, tailings, coal processing wastes, or other liquid and solid wastes and used either temporarily or permanently as dams or embankments.

(6) establish on regraded areas and all other lands affected, a diverse and permanent vegetative cover capable of self-regeneration and plant succession and at least equal in extent of cover to the natural vegetation of the area;

(7) protect offsite areas from damages which may result from such mining operations;

(8) eliminate fire hazards and otherwise eliminate conditions which constitute a hazard to health and safety of the public;

(9) minimize the disturbances to the prevailing hydrologic balance at the mine-site and in associated offsite areas and to the quantity of water in surface ground water systems both during and after coal mining operations and during reclamation by—

(A) avoiding acid or other toxic mine drainage by such measures as, but not limited to—

(i) preventing or removing water from contact with toxic producing deposits;

(ii) treating drainage to reduce toxic content which adversely affects downstream water upon being released to water courses;

(iii) casing, sealing, or otherwise managing boreholes, shafts, and wells to keep acid or other toxic drainage from entering ground and surface waters; and

(B) conducting surface coal mining operations so as to prevent, to the extent possible using the best technology currently available, additional contributions of suspended solids to streamflow or runoff outside the permit area above natural levels under seasonal flow conditions as measured prior to any mining, and avoiding channel deepening or enlargement in operations requiring the discharge of water from mines.

(10) with respect to other surface impacts not specified in this subsection including the construction of new roads or the improvement or use of existing roads to gain access to the site of such activities and for haulage, repair areas, storage areas, processing areas, shipping areas and other areas upon which are sited structures, facilities, or other property or materials on the surface, resulting from or incident to such activities, operate in accordance with the standards established under section 515 of this title for such effects which result from surface coal mining operations: *Provided*, That the Secretary may make such modications in the requirements imposed by this subparagraph as are deemed necessary by the Secretary due to the differences between surface and underground coal mining.

(c) In order to protect the stability of the land, the regulatory authority shall suspend underground coal mining under urbanized areas, cities, towns, and communities and adjacent to industrial or commercial buildings, major impoundments, or permanent streams if he finds imminent danger to inhabitants of the urbanized areas, cities, towns, and communities.

(d) The provisions of title V of this Act relating to State and Federal programs, permits, bonds, inspections and enforcement, public review, and administrative and judicial review shall be applicable to surface coal mining and reclamation operations incident to underground coal mining with such modifications to the permits application requirements, permit approval or denial procedures, and bond requirements as are deemed necessary by the Secretary due to the differences between surface and underground coal mining. The Secretary shall promulgate such modifications in accordance with the rulemaking procedure established in section 501 of this Act.

INSPECTIONS AND MONITORING

SEC. 517. (a) The Secretary shall cause to be made such inspections of any surface coal mining and reclamation operations as are necessary to evaluate the administration of approved State programs, or to develop or enforce any Federal program, and for such purposes authorized representatives of the Secretary shall have a right of entry to, upon or through any surface coal mining and reclamation operations.

(b) For the purpose of developing or assisting in the development, administration, and enforcement of any approved State or Federal program under this Act or in the administration and enforcement of any permit under this Act, or of determining whether any person is in violation of any requirement of any such State or Federal program or any other requirement of this Act—

(1) the regulatory authority shall require any permittee to (A) establish and maintain appropriate records, (B) make monthly reports to the regulatory authority, (C) install, use, and maintain any necessary monitoring equipment or methods, (D) evaluate results in accordance with such methods, at such locations, intervals, and in such manner as a regulatory authority shall prescribe, and (E) provide such other information relative to surface coal mining and reclamation operations as the regulatory authority deems reasonable and necessary;

(2) for those surface coal mining and reclamation operations which remove or disturb strata that serve as aquifers which significantly insure the hydrologic balance of water use either on or off the mining site, the regulatory authority shall specify those—

(A) monitoring sites to record the quantity and quality of surface drainage above and below the minesite as well as in the potential zone of influence;

(B) monitoring sites to record level, amount, and samples of ground water and aquifers potentially affected by the mining and also directly below the lower most (deepest) coal seam to be mined;

(C) records of well logs and borehole data to be maintained; and

(D) monitoring sites to record precipitation.

The monitoring data collection, and analysis required by this section shall be conducted according to standards and procedures set forth by the regulatory authority in order to assure their reliability and validity; and

(3) the authorized representatives of the regulatory authority, without advance notice and upon presentation of appropriate credentials (A) shall have the right of entry to, upon, or through any surface coal mining and reclamation operations or any premises in which any records required to be maintained under paragraph (1) of this subsection are located; and (B) may at reasonable times, and without delay, have access to and copy any records, inspect any monitoring equipment or method of operation required under this Act.

(c) The inspections by the regulatory authority shall (1) occur on an irregular basis averaging not less than one inspection per month for the surface coal mining and reclamation operations covered by each permit; (2) occur without prior notice to the permittee or his agents or employees; and (3) include the filing of inspection reports adequate to enforce the requirements of and to carry out the terms and purposes of this Act and the regulatory authority shall make copies of such inspection reports immediately and freely available to the public at a central location in the pertinent geographic area of mining. The Secretary or regulatory authority shall establish a system of continual rotation of inspectors so that the same inspector does not consistently visit the same operations.

(d) Each permittee shall conspicuously maintain at the entrances to the surface coal mining and reclamation operations a clearly visible sign which sets forth the name, business address, and phone number of the permittee and the permit number of the surface coal mining and reclamation operations.

(e) Each inspector, upon detection of each violation of any requirement of any State or Federal program or of this Act, shall forthwith inform the operator in writing, and shall report in writing any such violation to the regulatory authority.

(f) Copies of any records, reports, inspection materials, or information obtained under this title by the regulatory authority shall be made immediately available to the public at central and sufficient locations in the county, multicounty, and State area of mining so that they are conveniently available to residents in the areas of mining.

(g) No employee of the State regulatory authority performing any function or duty under this Act shall have a direct or indirect financial interest in any underground or surface coal mining operation. Whoever knowingly violates the provisions of the above sentence shall, upon conviction, be punished by a fine of not more than $2,500, or by imprisonment of not more than one (1) year, or by both. The Secretary shall (1) within 60 days after enactment of this Act, publish in the Federal Register, in accordance with 5 U.S.C. 553, regulations to establish methods by which the provisions of this subsection will be monitored and enforced by the Secretary and such State regulatory authority, including appropirate provisions for the filing by such employees and the review of statements and supplements thereto concerning any financial interest which may be affected by this subsection, and (2) report to the Congress on March 1 of each calendar year on actions taken and not taken during the preceding year under this subsection.

PENALTIES

SEC. 518. (a) In the enforcement of a Federal program or Federal lands program, or during Federal enforcement pursuant to section 502 or during Federal enforcement of a State program pursuant to section 521 of this Act, any permittee who violates any permit condition or who violates any other provision of this title, may be assessed a civil penalty by the Secretary, except that if such violation leads to the issuance of a cessation order under section 521, the civil penalty shall be assessed. Such penalty shall not exceed $5,000 for each violation. Each day of a continuing violation may be deemed a separate violation for purposes of penalty assessments. In determining the amount of the penalty, consideration shall be given to the permittee's history of previous violations at the particular surface coal mining operation; the appropriateness of such penalty to the size of the business of the permittee charged; the seriousness of the violation, including any irreparable harm to the environment and any hazard to the health or safety of the public; whether the permittee was negligent; and the demonstrated good faith of the permittee charged in attempting to achieve rapid compliance after notification of the violation.

(b) A civil penalty shall be assessed by the Secretary only after the person charged with a violation described under subsection (a) of this section has been given an opportunity for a public hearing, where such a public hearing has been held, the Secretary shall make findings of fact, and he shall issue a written decision as to the occurrence of the violation and the amount of the penalty which is warranted, incorporating, when appropriate, an order therein required that the penalty be paid. When appropriate, the Secretary shall consolidate such hearings with other proceedings under section 521 of this Act. Any hearing under this section shall be of record and shall be subject to section 554 of title 5 of the United States Code. Where the person charged with such a violation fails to avail himsel of the opportunity for a public hearing, a civil penalty shall be assessed by the Secretary after the Secretary has determined that a violation did occur, and the amount of the penalty which is warranted, and has issued an order requiring that the penalty be paid.

(c) If no complaint, as provided in this section, is filed within thirty days from the date of the final order or decision issued by the Secretary under subsection (b) of this section, such order and decision shall be conclusive.

(d) Interest at the rate of 6 per centum or at the prevailing Department of the Treasury borrowing rate, whichever is greater, shall be charged against a person on any unpaid civil penalty assessed against him pursuant to the final order of the Secretary, said interest to be computed from the thirty-first day after issuance of such final assessment order.

(e) Civil penalties owed under this Act, either pursuant to subsection (c) of this section or pursuant to an enforcement order entered under section 526 of this Act, may be recovered in a civil action brought by the Attorney General at the request of the Secretary in any appropriate district court of the United States.

(f) Any person who willfully and knowingly violates a condition of a permit issued pursuant to a Federal program, a Federal lands program or Federal enforcement pursuant to section 502 or during Federal enforcement of a State program pursuant to section 525 of this Act or fails or refuses to comply with any order issued under section 525 or section 526 of this Act, or any order incorporated in a final decision issued by the Secretary under this Act, except an order incorporated in a decision issued under subsection (b) of this section or section 704 of this Act, shall, upon conviction, be punished by a fine of not more than $10,000, or by imprisonment for not more than one year, or both.

(g) Whenever a corporate permittee violates a condition of a permit issued pursuant to a Federal program, a Federal lands program or Federal enforcement pursuant to section 502 or Federal enforcement of a State program pursuant to section 521 of this Act or fails or refuses to comply with any order issued under section 521 of this Act, or any order incorporated in a final decision issued by the Secretary under this Act except an order incorporated in a decision issued under subsection (b) of this section or section 704 of this Act, any director, officer, or agent of such corporation who willfully and knowingly authorized, ordered, or carried out such violation, failure, or refusal shall be subject to the same civil penalties, fines, and imprisonment that may be imposed upon a person under subsections (a) and (f) of this section.

(h) Whoever knowingly makes any false statement, representation, or certification, or knowingly fails to make any statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained pursuant to a Federal program or a Federal lands program or any order or decision issued by the Secretary under this Act, shall, upon conviction be punished by a fine of not more than $10,000, or by imprisonment for not more than one year or both.

(i) As a condition of approval of any State program submitted pursuant to section 503 of this Act, the civil and criminal penalty provisions thereof shall, at a minimum, incorporate penalties no less stringent than those set forth in this section, and shall contain the same or similar procedural requirements relating thereto.

RELEASE OF PERFORMANCE BONDS OR DEPOSITS

SEC. 519. (a) The permittee may file a request with the regulatory authority for the release of all or part of a performance bond or deposit. Within thirty days after any application for bond or deposit release has been filed with the regulatory authority, the operator shall submit a copy of an advertisement placed on five successive days in a newspaper of general circulation in the locality of the surface coal mining operation. Such advertisement shall be considered part of any bond release application and shall contain a notification of the precise location of the land affected, the number of acres, the permit number and the date approved, the amount of the bond filed and the portion sought to be released, and the type and the approximate dates of reclamation work performed, and a description of the results achieved as they relate to the operator's approved reclamation plan. In addition, as part of any bond release application, the applicant shall submit copies of letters which he has sent to adjoining property owners, local governmental bodies, planning agencies, and sewage and water treatment authorities, or water companies in the locality in which the surface coal mining and reclamation activities took place, notifying them of his intention to seek release from the bond.

(b) Upon receipt of the notification and request, the regulatory authority shall within a reasonable time conduct an inspection and evaluation of the reclamation work involved. Such evaluation shall consider, among other things, the degree of difficulty to complete any remaining reclamation, whether pollution of surface and subsurface water is occurring, the probability of continuance of future occurrence of such pollution, and the estimated cost of abating such pollution.

(c) The regulatory authority may release in whole or in part said bond or deposit if the authority is satisfied that reclamation covered by the bond or deposit or portion thereof has been accomplished as required by this Act according to the following schedule:

(1) When the operator completes the backfilling, regrading, and drainage control of a bonded area in accordance with his approved reclamation plan, the release of 60 per centum of the bond or collateral for the applicable permit area;

(2) After revegetation has been established on the regraded mined lands in accordance with the approved reclamation plan. When determining the amount of bond to be released after successful revegetation has been established, the regulatory authority shall retain that amount of bond for the revegetation area which would be sufficient for a third party to cover the cost of reestablishing revegetation and for the period specified for operator responsibility in section 515 of reestablishing revegetation. No part of the bond or deposit shall be released under this paragraph so long as the lands to which the release would be applicable are contributing suspended solids to streamflow or runoff outside the permit area above natural levels under seasonal flow conditions as measured prior to any mining and as set forth in the permit.

(3) When the operator has completed successfully all surface coal mining and reclamation activities, but not before the expiration of the period specified for operator responsibility in section 515:

Provided, however, That no bond shall be fully released until all reclamation requirements of this Act are fully met.

(d) If the regulatory authority disapproves the application for release of the bond or portion thereof, the authority shall notify the permittee, in writing, stating the reasons for disapproval and recommending corrective actions necessary to secure said release.

(e) With any application for total or partial bond release filed with the regulatory authority, the regulatory authority shall notify the municipality in which surface coal mining operation is located by certified mail at least thirty days prior to the release of all or a portion of the bond.

(f) Any person with a valid legal interest or the officer or head of any Federal, State, or local governmental agency shall have the right to file written objections to the proposed release from bond to the regulatory authority within thirty days after the last publication of the above notice. If written objections are filed, and a hearing requested, the regulatory authority shall inform all the interested parties, of the time and place of the hearing, and hold a public hearing in the locality of the surface coal mining operation proposed for bond release within thirty days of the request for such hearing. The date, time, and location of such public hearings shall be advertised by the regulatory authority in a newspaper of general circulation in the locality twice a week for two consecutive weeks.

(g) For the purpose of such hearing the regulatory authority shall have the authority and is hereby empowered to administer oaths, subpena witnesses, or written or printed materials, compel the attendance of witnesses, or production of the materials, and take evidence including but not limited to inspections of the land affected and other surface coal mining operations carried on by the applicant in the general vicinity. A verbatim transcript and a complete record of each public hearing shall be ordered by the regulatory authority.

CITIZEN SUITS

SEC. 520. (a) Except as provided in subsection (b) of this section, any person having an interest which is or may be adversely affected may commence a civil action on his own behalf—

(1) against any person including—

(A) the United States,

(B) any other governmental instrumentality or agency to the extent permitted by the eleventh amendment to the Constitution who is alleged to be in violation of the provisions of this Act or the regulations promulgated thereunder, or order issued by the regulatory authority,

(C) any other person who is alleged to be in violation of any rule, regulation, order, or permit issued pursuant to this Act; or

(2) against the Secretary or the appropriate State regulatory authority to the extent permitted by the eleventh amendment to the Constitution where there is alleged a failure of the Secretary or the appropriate State regulatory authority to perform any act or duty under this Act which is not discretionary with the Secretary or with the appropriate State regulatory authority.

(b) No action may be commenced—

(1) under subsection (a)(1) of this section—

(A) prior to sixty days after the plaintiff has given notice in writing under oath of the violation (i) to the Secretary, (ii) to the State in which the violation occurs, and (iii) to any alleged violator; or

(B) if the Secretary or the State has commenced and is diligently prosecuting a civil action in a court of the United States or a State to require compliance with the provisions of this Act, or any rule, regulation, order, or permit issued pursuant to this Act, but in any such action in a court of the United States any person may intervene as a matter of right; or

(2) under subsection (a)(2) of this section prior to sixty days after the plaintiff has given notice in writing under oath of such action to the Secretary, in such manner as the Secretary shall by regulation prescribe, or to the appropriate State regulatory authority, except that such action may be brought immediately after such notification in the case where the violation or order complained of constitutes an imminent threat to the health or safety of the plaintiff or would immediately affect a legal interest of the plaintiff.

(c)(1) Any action respecting a violation to this Act or the regulations thereunder may be brought only in the judicial district in which the surface coal mining operation complained of is located.

(2) In such action under this section, the Secretary, or the State regulatory authority, if not a party, may intervene as a matter of right.

(d) The court, in issuing any final order in any action brought pursuant to subsection (a) of this section, may award costs of litigation to any party, whenever the court determines such award is appropriate. The court may, if a temporary restraining order or preliminary injunction is sought, require the filing of a bond or equivalent security in accordance with the Federal Rules of Civil Procedure.

(e) Nothing in this section shall restrict any right which any person (or class of persons) may have under this or any statute or common law to seek enforcement of any of the provisions of this Act and the regulations thereunder, or to seek any other relief (including relief against the Secretary or the appropriate State regulatory authority).

(f) Any resident of the United States who is injured in any manner through the failure of any operator to comply with any rule regulation, order, or permit issued pursuant to this Act may bring an action for damages (including attorney fees) in an appropriate United States district court.

ENFORCEMENT

SEC. 521. (a)(1) Whenever, on the basis of any information available to him, including receipt of information from any person, the Secretary has reason to believe that any person is in violation of any requirement of this Act or any permit condition required by this Act, the Secretary shall notify the State regulatory authority, if one exists, in the State in which such violation exists. If no such State authority exists or the State regulatory authority fails within ten days after notification to take appropriate action to cause said violation to be corrected or to show good cause for such failure and transmit notification of its action to the Secretary, the Secretary shall immediately order Federal inspection of the surface coal mining operation at which the alleged violation is occurring unless the information available to the Secretary is a result of a previous Federal inspection of such surface coal mining operation. When the Federal inspection results from information provided to the Secretary by any person, the Secretary shall notify such person when the Federal inspection is proposed to be carried out and such person shall be allowed to accompany the inspector during the inspection.

(2) When, on the basis of any Federal inspection, the Secretary or his authorized representative determines that any condition or practices exist, or that any permittee is in violation of any requirement of this Act or any permit condition required by this Act, which condition, practice, or violation also creates an imminent danger to the health or safety of the public, or is causing, or can reasonably be expected to cause significant, imminent environmental harm to land, air, or water resources, the Secretary or his authorized representative shall immediately order a cessation of surface coal mining and reclamation operations or the portion thereof relevant to the condition, practice, or violation. Such cessation order shall remain in effect until the Secretary or his authorized representative determines that the condition, practice, or violation has been abated, or until modified, vacated, or terminated by the Secretary or his authorized representative pursuant to subparagraph (a)(5) of this section.

(3) When, on the basis of a Federal inspection which is carried out during the enforcement of a Federal program or a Federal lands program, Federal inspection pursuant to section 502, or section 504(b) or during Federal enforcement of a State program in accordance with subsection (b) of this section, the Secretary or his authorized representative determines that any permittee is in violation of any requirement of this Act or any permit condition required by this Act, but such violation does not create an imminent danger to the health or safety of the public, or cause or can be reasonably expected to cause significant, imminent environmental harm to land, air, or water resources, the Secretary or authorized representative shall issue a notice to the permittee or his agent fixing a reasonable time but not more than ninety days for the abatement of the violation.

If, upon expiration of the period of time as originally fixed or subsequently extended, for good cause shown and upon the written finding of the Secretary or his authorized representative, the Secretary or his authorized representative finds that the violation has not been abated, he shall immediately order a cessation of surface coal mining and reclamation operations or the portion thereof relevant to the violation. Such cessation order shall remain in effect until the Secretary or his authorized representative determines that the violation has been abated, or until modified, vacated, or terminated by the Secretary or his authorized representative pursuant to subparagraph (a)(5) of this section.

(4) When, on the basis of a Federal inspection which is carried out during the enforcement of a Federal program or a Federal lands program, Federal inspection pursuant to section 502 or section 504(b) or during Federal enforcement of a State program in accordance with subsection (b) of this section, the Secretary or his authorized representative determines that a pattern of violations of any requirements of this Act or any permit conditions required by this Act exists or has existed, and if the Secretary or his authorized representative also find that such violations are caused by the unwarranted failure of the permittee to comply with any requirements of this Act or any permit conditions, or that such violations are willfully caused by the permittee, the Secretary or his authorized representative shall forthwith issue an order to the permittee to show cause as to why the permit should not be suspended or revoked. Upon the permittee's failure to show cause as to why the permit should not be suspended or revoked, the Secretary or his authorized representative shall forthwith suspend or revoke the permit.

(5) Notices and orders issued pursuant to this section shall set forth with reasonable specificity the nature of the violation and the remedial action required, the period of time established for abatement, and a reasonable description of the portion of the surface coal mining and reclamation operation to which the notice or order applies. Each notice or order issued under this section shall be given promptly to the permittee or his agent by the Secretary or his authorized representative who issues such notice or order, and all such notices and orders shall be in writing and shall be signed by such authorized representatives. Any notice or order issued pursuant to this section may be modified, vacated, or terminated by the Secretary or his authorized representative. A copy of any such order or notice shall be sent to the State regulatory authority in the State in which the violation occurs.

(b) Whenever the Secretary finds that violations of an approved State program appear to result from a failure of the State to enforce such State program effectively, he shall so notify the State. If the Secretary finds that such failure extends beyond thirty days after such notice, he shall give public notice of such finding. During the period beginning with such public notice and ending when such State satisfies the Secretary that it will enforce this Act, the Secretary shall enforce any permit condition required under this Act, shall issue new or revised permits in accordance with requirements of this Act, and may issue such notices and orders as are necessary for compliance therewith.

(c) The Secretary may request the Attorney General to institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order in the district court of the United States for the district in which the surface coal mining and reclamation operation is located or in which the permittee thereof has his principal office, whenever such permittee or his agent (A) violates or fails or refuses to comply with any order or decision issued by the Secretary under this Act, or (B) interferes with, hinders, or delays the Secretary or his authorized representatives in carrying out the provisions of this Act, or (C) refuses to admit such authorized representative to the mine, or (D) refuses to permit inspection of the mine by such authorized representative, or (E) refuses to furnish any information or report requested by the Secretary in furtherance of the provisions of this Act, or (F) refuses to permit access to, and copying of, such records as the Secretary determines necessary in carrying out the provisions of this Act. Such court shall have jurisdiction to provide such relief as may be appropriate. Temporary restraining orders shall be issued in accordance with rule 65 of the Federal Rules of Civil Procedures, as amended. Any relief granted by the court to enforce an order under clause (A) of this section shall continue in effect until the completion or final termination of all proceedings for review of such order under this title, unless, prior thereto, the district court granting such relief sets it aside or modifies it.

(d) As a condition of approval of any State program submitted pursuant to section 503 of this Act, the enforcement provisions thereof shall, at a minimum, incorporate sanctions no less stringent than those set forth in this section, and shall contain the same or similar procedural requirements relating thereto.

DESIGNATING AREAS UNSUITABLE FOR SURFACE COAL MINING

SEC. 522. (a)(1) To be eligible to assume primary regulatory authority pursuant to section 503, each State shall establish a planning process enabling objective decisions based upon competent and scientifically sound data and information to which, if any, land areas of a State are unsuitable for all or certain types of surface coal mining operations pursuant to the standards set forth in paragraph (2) and (3) of this subsection but such designation shall not prevent the mineral exploration pursuant to the Act of any area so designated.

(2) Upon petition pursuant to subsection (c) of this section, the State regulatory authority shall designate an area as unsuitable for all or certain types of surface coal mining operations if the State regulatory authority determines that reclamation pursuant to the requirements of this Act is not feasible.

(3) Upon petition pursuant to subsection (c) of this section, a surface area may be designated unsuitable for certain types of surface coal mining operations if such operations will—

(A) be incompatible with existing land use plans or programs; or

(B) affect fragile or historic lands in which such operations could result in significant damage to important historic, cultural, scientific, and esthetic values and natural systems; or

(C) affect renewable resource lands in which such operations could result in a substantial loss or reduction of long-range productivity of water supply or of food or fiber products, and such lands to include aquifers and aquifer recharge areas; or

(D) affect natural hazard lands in which such operations could substantially endanger life and property, such lands to include areas subject to frequent flooding and areas of unstable geology.

(4) To comply with this section, a State must demonstrate it has developed or is developing a process which includes—

(A) a State agency responsible for surface coal mining lands review;

(B) a data base and an inventory system which will permit proper evaluation of the capacity of different land areas of the State to support and permit reclamation of surface coal mining operations;

(C) a method or methods for implementing land use planning decisions concerning surface coal mining operations; and

(D) proper notice, opportunities for public participation, including a public hearing prior to making any designation or redesignation, pursuant to this section, and measures to protect the legal interests of affected individuals in all aspects of the State planning process.

(5) Determinations of the unsuitability of land for surface coal mining, as provided for in this section, shall be integrated as closely as possible with present and future land use planning and regulation processes at the Federal, State, and local levels.

(6) The requirements of this section shall not apply to lands on which surface coal mining operations are being conducted on the date of enactment of this Act or under a permit issued pursuant to this Act, or where substantial legal and financial commitments in such operations are in existence prior to September 1, 1974.

(b) The Secretary shall conduct a review of the Federal lands to determine, pursuant to the standards set forth in paragraphs (2) and (3) of subsection (a) of this section, whether there are areas on Federal lands which are unsuitable for all or certain types of surface coal mining operations: *Provided, however,* That the Secretary may permit surface coal mining on Federal lands prior to the completion of this review. When the Secretary determines an area on Federal lands to be unsuitable for all or certain types of surface coal mining operations, he shall withdraw such area or condition any mineral leasing or mineral entries in a manner so as to limit surface coal mining operations on such area. Where a Federal program has been implemented in a State pursuant to section 504, the Secretary shall implement a process for designation of areas unsuitable for sur-

face coal mining for non-Federal lands within such State and such process shall incorporate the standards and procedures of this section.

(c) Any person having an interest which is or may be adversely affected shall have the right to petition the regulatory authority to have an area designated as unsuitable for surface coal mining operations, or to have such a designation terminated. Such a petition shall contain allegations of facts with supporting evidence which would tend to establish the allegations. Within ten months after receipt of the petition the regulatory authority shall hold a public hearing in the locality of the affected area, after appropriate notice and publication of the date, time, and location of such hearing. After a person having an interest which is or may be adversely affected has filed a petition and before the hearing, as required by this subsection, any person may intervene by filing allegations of facts with supporting evidence which would tend to establish the allegations. Within sixty days after such hearing, the regulatory authority shall issue and furnish to the petitioner and any other party to the hearing, a written decision regarding the petition, and the reasons therefor. In the event that all the petitioners stipulate agreement prior to the requested hearing, and withdraw their request, such hearing need not be held.

(d) Prior to designating any land areas as unsuitable for surface coal mining operations, the regulatory authority shall prepare a detailed statement on (i) the potential coal resource of the area, (ii) the demand for coal resources, and (iii) the impact of such designation on the environment, the economy, and the supply of coal.

(e) Subject to valid existing rights no surface coal mining operations except those which exist on the date of enactment of this Act shall be permitted—

(1) on any lands within the boundaries of units of the National Park System, the National Wildlife Refuge Systems, the National System of Trails, the National Wilderness Preservation System, the Wild and Scenic Rivers System, including study rivers designated under section 5(a) of the Wild and Scenic Rivers Act and National Recreation Areas designated by Act of Congress;

(2) on any Federal lands within the boundaries of any national forest except surface operations and impacts incident to an underground coal mine;

(3) which will adversely affect any publicly owned park or places included in the National Register of Historic Sites unless approved jointly by the regulatory authority and the Federal, State, or local agency with jurisdiction over the park or the historic site;

(4) within one hundred feet of the outside right-of-way line of any public road, except where mine access roads or haulage roads join such right-of-way line and except that the regulatory authority may permit such roads to be relocated or the area affected to lie within one hundred feet of such road, if after public notice and opportunity for public hearing in the locality a written finding is made that the interests of the public and the landowners affected thereby will be protected; or

(5) within three hundred feet from any occupied dwelling, unless waived by the owner thereof, nor within three hundred feet of any public building, school, church, community, or institutional building, public park, or within one hundred feet of a cemetery.

FEDERAL LANDS

SEC. 523. (a) No later than six months after the date of enactment of this Act, the Secretary shall promulgate and implement a Federal lands program which shall be applicable to all surface coal mining and reclamation operations taking place pursuant to any Federal law on any Federal lands: *Provided*, That except as provided in section 710 the provisions of this Act shall not be applicable to Indian lands. The Federal lands program shall, at a minimum, incorporate all of the requirements of this Act and shall take into consideration the diverse physical, climatological, and other unique characteristics of the Federal lands in question. Where Federal lands in a State with an approved State program are involved, the Federal lands program shall, at a minimum, include the requirements of the approved State program.

(b) The requirements of this Act and the Federal lands programs shall be incorporated by reference or otherwise in any Federal mineral lease, permit, or contract issued by the Secretary which may involve surface coal mining and reclamation operations. Incorporation of such requirements shall not, however, limit in any way the authority of the Secretary to subsequently issue new regulations, revise the Federal lands program to deal with changing conditions or changed technology, and to require any surface mining and reclamation operations to conform with the requirements of this Act and the regulations issued pursuant to this Act.

(c) The Secretary may enter into agreements with a State or with a number of States to provide for a joint Federal-State program covering a permit or permits for surface coal mining and reclamation operations on land areas which contain lands within any State and Federal lands which are interspersed or checkerboarded and which should, for conservation and administrative purposes, be regulated as a single management unit. To implement a joint Federal-State program the Secretary may enter into agreements with the States, may delegate authority to the States, or may accept a delegation of authority from the States for the purpose of avoiding duality of administration of a single permit for surface coal mining and reclamation operations.

(d) Except as specifically provided in subsection (c) this section shall not be construed as authorizing the Secretary to delegate to the States any authority or jurisdiction to regulate or administer surface coal mining and reclamation operations or other activities taking place on the Federal lands.

(e) The Secretary shall develop a program to assure that with respect to the granting of permits, leases, or contracts for coal owned by the United States, that no class of purchasers of the mined coal shall be unreasonably denied purchase thereof.

PUBLIC AGENCIES, PUBLIC UTILITIES, AND PUBLIC CORPORATIONS

SEC. 524. Any agency, unit, or instrumentality of Federal, State, or local government, including any publicly owned utility or publicly owned corporation of Federal, State, or local government, which proposes to engage in surface coal mining operations which are subject to the requirements of this Act shall comply with the provisions of title V.

REVIEW BY SECRETARY

SEC. 525. (a) (1) A permittee issued a notice or order by the Secretary pursuant to the provisions of subparagraphs (a) (2) and (3) of section 521 of this title, or pursuant to a Federal program or the Federal lands program or any person having an interest which is or may be adversely affected by such notice or order or by any modification, vacation, or termination of such notice or order, may apply to the Secretary for review of the notice or order within thirty days of receipt thereof or within thirty days of its modification, vacation, or termination. Upon receipt of such application, the Secretary shall cause such investigation to be made as he deems appropriate. Such investigation shall provide an opportunity for a public hearing, at the request of the applicant or the person having an interest which is or may be adversely affected, to enable the applicant or such person to present information relating to the issuance and continuance of such notice or order or the modification, vacation, or termination thereof. The filing of an application for review under this subsection shall not operate as a stay of any order or notice.

(2) The permittee and other interested persons shall be given written notice of the time and place of the hearing at least five days prior thereto. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code.

(b) Upon receiving the report of such investigation, the Secretary shall make findings of fact, and shall issue a written decision, incorporating therein an order vacating, affirming, modifying, or terminating the notice or order, or the modification, vacation, or termination of such notice or order complained of and incorporate his findings therein. Where the application for review concerns an order for cessation of surface coal mining and reclamation operations issued pursuant to the provisions of subparagraph (a) (2) or (3) of section 521 of this title, the Secretary shall issue the written decision within thirty days of the receipt of the application for review, unless temporary relief has been granted by the Secretary pursuant to subparagraph (c) of this section or by a United States district court pursuant to subparagraph (c) of section 526 of this title.

(c) Pending completion of the investigation required by this section, the applicant may file with the Secretary a written request that the Secretary grant temporary relief from any notice or order issued under section 521 of this title, a Federal program or the Federal lands program together with a detailed statement giving reasons for granting such relief. The Secretary shall issue an order or decision granting or denying such relief expeditiously: *Provided*, That where the applicant requests relief from an order for cessation of coal mining and reclamation operations issued pursuant to subparagraph (a) (2) or (a) (3) of section 521 of this title, the order or decision on such a request shall be issued within five days of its receipt. The Secretary may grant such relief, under such conditions as he may prescribe, if—

(1) a hearing has been held in the locality of the permit area on the request for temporary relief in which all parties were given an opportunity to be heard;

(2) the applicant shows that there is substantial likelihood that the findings of the Secretary will be favorable to him; and

(3) such relief will not adversely affect the health or safety of the public or cause significant, imminent environmental harm to land, air, or water resources.

(d) Following the issuance of an order to show cause as to why a permit should not be suspended or revoked pursuant to section 521, the Secretary shall hold a public hearing after giving written notice of the time, place, and date thereof. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code. Within sixty days following the public hearing, the Secretary shall issue and furnish to the permittee and all other parties to the hearing a written decision, and the reasons therefor, concerning suspension or revocation of the permit. If the Secretary revokes the permit, the permittee shall immediately cease surface coal mining operations on the permit area and shall complete reclamation within a period specified by the Secretary, or the Secretary shall declare as forfeited the performance bonds for the operation.

JUDICIAL REVIEW

SEC. 526. (a) (1) Any action of the Secretary to approve or disapprove a State program or to prepare and promulgate a Federal program pursuant to this Act shall be subject to judicial review only by the appropriate Unted States Court of Appeals upon the filing in such court within sixty days from the date of such action of a petition by any person who participated in the administrative proceedings related thereto and who is aggrieved by the action praying that the action be modified or set aside in whole or in part. A copy of the petition shall forthwith be sent by registered or certified mail to the Secretary, and the Attorney General and thereupon the Secretary shall certify, and the Attorney General shall file in such court the record upon which the action complained of was issued, as provided in section 2112 of title 28, United States Code.

(2) All other orders or decisions issued by the Secretary pursuant to this Act shall be subject to judicial review only in the United States district court for the locality in which the surface coal mining operation is located. Such review shall be in accordance with the Federal Rules of Civil Procedures. In the case of a proceeding to review an order or decision issued by the Secretary under the penalty section of this Act, the court shall have jurisdiction to enter an order requiring payment of any civil penalty assessment enforced by its judgment. The availability of review established in this subsection shall not be construed to limit the operation of the rights established in section 520.

(b) The court shall hear such petition or complaint solely on the record made before the Secretary. The findings of the Secretary if supported by substantial evidence on the record considered as a whole, shall be conclusive. The court may affirm, vacate, or modify any order or decision or may remand the proceedings to the Secretary for such further action as it may direct.

(c) In the case of a proceeding to review any order or decision issued by the Secretary under this Act, including an order or decision issued pursuant to subparagraph (c) of section 525 of this title pertaining to any order issued under subparagraph (a)(2) or (a)(3) of section 521 of this title for cessation of coal mining and reclamation operations, the court may, under such conditions as it may prescribe, grant such temporary relief as it deems appropriate pending final determination of the proceedings if—

(1) all parties to the proceedings have been notified and given an opportunity to be heard on a request for temporary relief;

(2) the person requesting such relief shows that there is a substantial likelihood that he will prevail on the merits of the final determination of the proceeding; and

(3) such relief will not adversely affect the public health or safety and cause significant imminent environmental harm to land, air, or water resources.

(d) The commencement of a proceeding under this section shall not, unless specifically ordered by the court, operate as a stay of the action, order or decision of the Secretary.

(e) Action of the State regulatory authority pursuant to an approved State program shall be subject to judicial review by the court of competent jurisdiction in accordance with State law, but the availability of such review shall not be construed to limit the operation of the rights established in section 520.

SPECIAL BITUMINOUS COAL MINES

SEC. 527. The regulatory authority is authorized to and shall issue separate regulations for those special bituminous coal surface mines located west of the one hundredth meridan west longitude which meet the following criteria:

(a) the excavation of the specific mine pit takes place on the same relatively limited site for an extended period of time;

(b) the excavation of the specific mine pit follows a coal seam having an inclination of fifteen degrees or more from the horizontal, and continues in the same area proceeding downward with lateral expansion of the pit necessary to maintain stability or as necessary to accommodate the orderly expansion of the total mining operation;

(c) the excavation of the specific mine pit involves the mining of more than one coal seam and mining has been initiated on the deepest coal seam contemplated to be mined in the current operation;

(d) the amount of material removed is large in proportion to the surface area disturbed;

(e) there is no practicable alternative method of mining the coal involved;

(f) there is no practicable method to reclaim the land in the manner required by this Act; and

(g) the specific mine pit has been actually producing coal since January 1, 1972, in such manner as to meet the criteria set forth in this section, and, because of past duration of mining, is substantially committed to a mode of operation which warrants exceptions to some provisions of this title.

Such alternative regulations shall pertain only to the standards governing onsite handling of spoils, elimination of depressions capable of collecting water, creation of impoundments, and regrading to the approximate original contour and shall specify that remaining highwalls are stable. All other performance standards in this title shall apply to such mines.

SURFACE MINING OPERATIONS NOT SUBJECT TO THIS ACT

SEC. 528. The provisions of this Act shall not apply to any of the following activities:

(1) the extraction of coal by a landowner for his own noncommercial use from land owned or leased by him; and

(2) the extraction of coal for commercial purposes where the surface mining operation affects two acres or less.

ANTHRACITE COAL MINES

SEC. 529. (a) The Secretary is hereby authorized to and shall issue separate regulations according to time schedules established in the Act for anthracite coal surface mines, if such mines are regulated by environmental protection standards of the State in which they are located. Such alternative regulations shall adopt, in each instance, the environmental protection provisions of the State regulatory program in existence at the date of enactment of this Act in lieu of sections 515 and 516. Provisions of sections 509 and 519 are applicable except for specified bond limits and period of revegetation responsibility. All other provisions of this Act apply and the regulation issued by the Secretary of Interior for each State anthracite regulatory program shall so reflect: *Provided, however,* That upon amendment of a State's regulatory program for anthracite mining or regulations thereunder in force in lieu of the above-cited sections of this Act, the Secretary shall issue such additional regulations as necessary to meet the purposes of this Act.

(b) The Secretary of Interior shall report to Congress biennially, commencing on December 31, 1975, as to the effectiveness of such State anthracite regulatory programs operating in conjunction with this Act with respect to protecting the environment and such reports shall include those recommendations the Secretary deems necessary for program changes in order to better meet the environmental protection objectives of this Act.

TITLE VI—DESIGNATION OF LANDS UNSUITABLE FOR NONCOAL MINING

DESIGNATION PROCEDURES

SEC. 601. (a) With respect to Federal lands within any State, the Secretary of Interior may, and if so requested by the Governor of such State, shall review any area within such lands to assess whether it may be unsuitable for mining operations for minerals or materials other than coal, pursuant to the criteria and procedures of this section.

(b) An area of Federal lands may be designated under this section as unsuitable for mining operations if (1) such area consists of Federal land of a predominantly urban or suburban character, used primarily for residential or related purposes, the mineral estate of which remains in the public domain, or (2) such area consists of Federal land where mining operations would have an adverse impact on lands used primarily for residential or related purposes.

(c) Any person having an interest which is or may be adversely affected shall have the right to petition the Secretary to seek exclusion of an area from mining operations pursuant to this section or the redesignation of an area or part thereof as suitable for such operations. Such petition shall contain allegations of fact with supporting evidence which would tend to substantiate the allegations. The petitioner shall be granted a hearing within a reasonable time and finding with reasons therefor upon the matter of their petition. In any instance where a Governor requests the Secretary to review an area, or where the Secretary finds the national interest so requires, the Secretary may temporarily withdraw the area to be reviewed from mineral entry or leasing pending such review: *Provided, however,* That such temporary withdrawal be ended as promptly as practicable and in no event shall exceed two years.

(d) In no event is a land area to be designated unsuitable for mining operations under this section on which mining operations are being conducted prior to the holding of a hearing on such petition in accordance with subsection (c) hereof. Valid existing rights shall be preserved and not affected by such designation. Designation of an area as unsuitable for mining operations under this section shall not prevent subsequent mineral exploration of such area, except that such exploration shall require the prior written consent of the holder of the surface estate, which consent shall be filed with the Secretary. The Secretary may promulgate, with respect to any designated area, regulations to minimize any adverse effects of such exploration.

(e) Prior to any designation pursuant to this section, the Secretary shall prepare a detailed statement on (i) the potential mineral resources of the area, (ii) the demand for such mineral resources, and (iii) the impact of such designation or the absence of such designation on the environment, economy, and the supply of such mineral resources.

(f) When the Secretary designates an area of Federal lands as unsuitable for all or certain types of mining operations for minerals and materials other than coal pursuant to this section he may withdraw such area from mineral entry or leasing, or condition such entry or leasing so as to limit such mining operations in accordance with his determination, if the Secretary also determines, based on his analysis pursuant to subsection 601(e), that the benefits resulting from such designation, would be greater than the benefits to the regional or national economy which could result from mineral development of such area.

(g) Any party with a valid legal interest who has appeared in the proceedings in connection with the Secretary's determination pursuant to this section and who is aggrieved by the Secretary's decision (or by his failure to act within a reasonable time) shall have the right of appeal for review by the United States district court for the district in which the pertinent area is located.

TITLE VII—ADMINISTRATIVE AND MISCELLANEOUS PROVISIONS

DEFINITIONS

SEC. 701. For the purposes of this Act—

(1) "Secretary" means the Secretary of the Interior, except where otherwise described;

(2) "State" means a State of the United

States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, and Guam;

(3) "Office" means the Office of Surface Mining, Reclamation, and Enforcement established pursuant to title II;

(4) "commerce" means trade, traffic, commerce, transportation, transmission, or communication among the several States, or between a State and any other place outside thereof, or between points in the same State which directly or indirectly affect interstate commerce;

(5) "surface coal mining operations" means—

(A) activities conducted on the surface of lands in connection with a surface coal mine or surface operations and surface impacts incident to an underground coal mine, the products of which enter commerce or the operations of which directly or indirectly affect interstate commerce. Such activities include excavation for the purpose of obtaining coal including such common methods as contour, strip, auger, mountaintop removal, box cut, open pit, and area mining, and in situ distillation or retorting, leaching or other chemical or physical processing, and the cleaning, concentrating, or other processing or preparation, loading of coal for interstate commerce at or near the mine site; *Provided, however,* That such activities do not include the extraction of coal incidental to the extraction of other minerals where coal does not exceed 16⅔ per centum of the tonnage of minerals removed for purposes of commercial use or sale or coal explorations subject to section 512 of this Act; and

(B) the areas upon which such activities occur or where such activities disturb the natural land surface. Such areas shall also include any adjacent land the use of which is incidental to any such activities, all lands affected by the construction of new roads or the improvement or use of existing roads to gain access to the site of such activities and for haulage, and excavations, workings, impoundments, dams, ventilation shafts, entryways, refuse banks, dumps, stockpiles, overburden piles, spoil banks, culm banks, tailings, holes or depressions, repair areas, storage areas, processing areas, shipping areas and other areas upon which are sited structures, facilities, or other property or matérials on the surface, resulting from or incident to such activities;

(6) "surface coal mining and reclamation operations" means surface mining operations and all activities necessary and incident to the reclamation of such operations after the date of enactment of this Act;

(7) "lands within any State" or "lands within such State" means all lands within a State other than Federal lands and Indian lands;

(8) "Federal lands" means any land, including mineral interests, owned by the United States without regard to how the United States acquired ownership of the land and without regard to the agency having responsibility for management thereof, except Indian lands;

(9) "Indian lands" means all lands, including mineral interests, within the exterior boundaries of any Federal Indian reservation, notwithstanding the issuance of any patent, and including rights-of-way, and all lands including mineral interests held in trust for or supervised by any Indian tribe;

(10) "Indian tribe" means any Indian tribe, band, group, or community having a governing body recognized by the Secretary;

(11) "State program" means a program established by a State pursuant to section 503 to regulate surface coal mining and reclamation operations, on lands within such State in accord with the requirements of this Act and regulations issued by the Secretary pursuant to this Act;

(12) "Federal program" means a program established by the Secretary pursuant to section 504 to regulate surface coal mining and reclamation operations on lands within a State in accordance with the requirements of this Act;

(13) "Federal lands program" means a program established by the Secretary pursuant to section 523 to regulate surface coal mining and reclamation operations on Federal lands;

(14) "reclamation plan" means a plan submitted by an applicant for a permit under a State program or Federal program which sets forth a plan for reclamation of the proposed surface coal mining operations pursuant to section 508;

(15) "State regulatory authority" means the department or agency in each State which has primary responsibility at the State level for administering this Act;

(16) "regulatory authority" means the State regulatory authority where the State is administering this Act under an approved State program or the Secretary where the Secretary is administering this Act under a Federal program;

(17) "person" means an individual, partnership, association, society, joint stock company, firm, company, corporation, or other business organization;

(18) "permit" means a permit to conduct surface coal mining and reclamation operations issued by the State regulatory authority pursuant to a State program or by the Secretary pursuant to a Federal program;

(19) "permit applicant" or "applicant" means a person applying for a permit;

(20) "permittee" means a person holding a permit;

(21) "fund" means the Abandoned Mine Reclamation Fund established pursuant to section 401;

(22) "other minerals" means clay, stone, sand, gravel, metalliferous and nonmetalliferous ores, and any other solid material or substances of commercial value excavated in solid form from natural deposits on or in the earth, exclusive of coal and those minerals which occur naturally in liquid or gaseous form;

(23) "approximate original contour" means that surface configuration achieved by backfilling and grading of the mined area so that it closely resembles the surface configuration of the land prior to mining and blends into and complements the drainage pattern of the surrounding terrain, with all highwalls, spoil piles, and depressions eliminated except that water impoundments may be permitted where the regulatory authority determines that they are in compliance with section 515(b)(8) of this Act;

(24) "operator" means any person, partnership, or corporation engaged in coal mining who removes or intends to remove more than two hundred and fifty tons of coal from the earth by coal mining within twelve consecutive calendar months in any one location;

(25) "permit area" means the area of land indicated on the approved map submitted by the operator with his application, which area of land shall be covered by the operator's bond as required by section 509 of this Act and shall be readily identifiable by appropriate markers on the site;

(26) "unwarranted failure to comply" means the failure of a permittee to prevent the occurrence of any violation of his permit or any requirement of this Act due to indifference, lack of diligence, or lack of reasonable care, or the failure to abate any violation of such permit or the Act due to indifference, lack of diligence, or lack of reasonable care;

(27) "alluvial valley floors" means the unconsolidated stream laid deposits holding streams where water availability is sufficient for subirrigation of flood irrigation agricultural activities;

(28) "imminent danger to the health or safety of the public" means the existence of any condition or practice, or any violation of a permit or other requirement of this Act in a surface coal mining and reclamation operation, which condition, practice, or violation could reasonably be expected to cause substantial physical harm to persons outside the permit area before such condition, practice, or violation can be abated.

OTHER FEDERAL LAWS

SEC. 702. (a) Nothing in this Act shall be construed as superseding, amending, modifying, or repealing the Mining and Minerals Policy Act of 1970 (30 U.S.C. 21a), the National Environmental Policy Act of 1969 (42 U.S.C. 4321–47), or any of the following Acts or with any rule or regulation promulgated thereunder including, but not limited to—

(1) The Federal Metal and Nonmetallic Mine Safety Act (30 U.S.C. 721–740).

(2) The Federal Coal Mine Health and Safety Act of 1969 (83 Stat. 742).

(3) The Federal Water Pollution Control Act (79 Stat. 903), as amended (33 U.S.C. 1151–1175) the State laws enacted pursuant thereto, or other Federal laws relating to preservation of water quality.

(4) The Clean Air Act, as amended (42 U.S.C. 1857 et seq.).

(5) The Solid Waste Disposal Act (42 U.S.C. 3251–3259).

(6) The Refuse Act of 1899 (33 U.S.C. 407).

(7) The Fish and Wildlife Coordination Act of 1934 (16 U.S.C. 661–666c).

(b) Nothing in this Act shall affect in any way the authority of the Secretary or the heads of other Federal agencies under other provisions of law to include in any lease, license, permit, contract, or other instrument such conditions as may be appropriate to regulate surface coal mining and reclamation operations on land under their jurisdiction.

(c) To the greatest extent practicable each Federal agency shall cooperate with Secretary and the States in carrying out the provisions of this Act.

(d) Approval of the State programs, pursuant to section 503(b), promulgation of Federal programs, pursuant to section 504, and implementation of the Federal lands programs, pursuant to section 523 of this Act, shall constitute a major action within the meaning of section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332).

EMPLOYEE PROTECTION

SEC. 703. (a) No person shall discharge, or in any other way discriminate against, or cause to be fired or discriminated against, any employee or any authorized representative of employees by reason of the fact that such employee or representative has filed, instituted, or caused to be filed or instituted any proceeding under this Act, or has testified or is about to testify in any proceeding resulting from the administration or enforcement of the provisions of this Act.

(b) Any employee or a representative of employees who believes that he has been fired or otherwise discriminated against by any person in violation of subsection (a) of this section may, within thirty days after such alleged violation occurs, apply to the Secretary for a review of such firing or alleged discrimination. A copy of the application shall be sent to the person or operator who will be the respondent. Upon receipt of such application, the Secretary shall cause such investigation to be made as he deems appropriate. Such investigation shall provide an opportunity for a public hearing at the request of any party to such review to enable the parties to present information relating to the alleged violation. The parties shall be given written notice of the time and place of the hearing at least five days prior to the hearing. Any such hearing shall be of record and shall be subject to section 554 to title 5 of the United States Code. Upon receiving the report of such investigation the Secretary shall make findings of fact. If he finds that a violation did occur, he shall issue a decision incorporating therein and his findings in an order requiring the party committting the violation to take such affirmative action to abate the violation as the Secretary deems appropriate, including, but not limited to, the rehiring or reinstatement of the employee or representative of employees to his former position with compensation. If he finds that there was no violation, he shall issue a finding. Orders issued by the Secretary under this subsection shall be subject to judicial review in the same manner as orders and decisions of the Secretary are subject to judicial review under this Act.

(c) Whenever an order is issued under this section to abate any violation, at the request of the applicant a sum equal to the aggregate amount of all costs and expenses (including attorneys' fees) to have been reasonably incurred by the applicant for, or in connection with, the institution and prosecution of such proceedings, shall be assessed against the persons committing the violation.

(d) The Secretary shall conduct continuing evaluations of potential losses or shifts of employment which may result from the enforcement of this Act or any requirement of this Act including, where appropriate, investigating threatened mine closures or reductions in employment allegedly resulting from such enforcement or requirement. Any employee who is discharged or laid off, threatenesd with discharge or layoff, or otherwise discriminated against by any person because of the alleged results of the enforcement or requirement of this Act, or any representative of such employee, may request the Secretary to conduct a full investigation of the matter. The Secretary shall thereupon investigate the matter, and, at the request of any interested party, shall hold public hearings on not less than five days' notice, and shall at such hearings require the parties, including the employer involved, to present information relating to the actual or potential effect of such limitation or order on employment and on any alleged discharge, layoff, or other discrimination and the detailed reasons or justification therefor. Any such hearing shall be of record and shall be subject to section 554 of title 5 of the United States Code. Upon receiving the report of such investigation, the Secretary shall promptly make findings of fact as to the effect of such enforcement or requirement on employment and on the alleged discharge, layoff, or discrimination and shall make such recommendations as he deems appropriate. Such report, findings, and recommendations shall be available to the public. Nothing in this subsection shall be construed to require or authorize the Secretary or a State to modify or withdraw any enforcement action or requirement.

PROTECTION OF GOVERNMENT EMPLOYEES

SEC. 704. Section 1114, title 18, United States Code, is hereby amended by adding the words "or of the Department of the Interior" after the words "Department of Labor" contained in that section.

GRANTS TO THE STATES

SEC. 705. (a) The Secretary is authorized to make annual grants to any State for the purpose of assisting such State in developing, administering, and enforcing State programs under this Act. Such grants shall not exceed 80 per centum of the total costs incurred during the first year, 60 per centum of total costs incurred during the second year, and 40 per centum of the total costs incurred during the third and fourth years.

(b) The Secretary is authorized to cooperate with and provide assistance to any State for the purpose of assisting it in the development, administration, and enforcement of its State programs. Such cooperation and assistance shall include—

(1) technical assistance and training including provision of necessary curricular and instruction materials, in the development, administration, and enforcement of the State programs; and

(2) assistance in preparing and maintaining a continuing inventory of information on surface coal mining and reclamation operations for each State for the purposes of evaluating the effectiveness of the State programs. Such assistance shall include all Federal departments and agencies making available data relevant to surface coal mining and reclamation operations and to the development, administration, and enforcement of State programs concerning such operations.

ANNUAL REPORT

SEC. 706. The Secretary shall submit annually to the President and the Congress a report concerning activities conducted by him, the Federal Government, and the States pursuant to this Act. Among other matters, the Secretary shall include in such report recommendations for additional administrative or legislative action as he deems necessary and desirable to accomplish the purposes of this Act.

SEVERABILITY

SEC. 707. If any provision of this Act or the applicability thereof to any person or circumstance is held invalid, the remainder of this Act and the application of such provision to other persons or circumstances shall not be affected thereby.

ALASKA SURFACE COAL MINE STUDY

SEC. 708. (a) The Secretary is directed to contract with the National Academy of Sciences-National Academy of Engineering for an in-depth study of surface coal mining conditions in the State of Alaska in order to determine which, if any, of the provisions of this Act should be modified with respect to surface coal mining operations in Alaska.

(b) The Secretary shall report on the findings of the study to the President and Congress no later than two years after the date of enactment of this Act.

(c) The Secretary shall include in his report a draft of legislation to implement any changes recommended to this Act.

(d) Until one year after the Secretary has made this report to the President and Congress, or three years after the date of enactment of this Act, whichever comes first, the Secretary is authorized to suspend the applicability of any provision of this Act, or any regulation issued pursuant thereto, to any surface coal mining operation in Alaska from which coal has been mined during the year preceding enactment of this Act if he determines that it is necessary to insure the continued operation of such surface coal mining operation. The Secretary may exercise his suspension authority only after he has (1) published a notice of proposed suspension in the Federal Register and in a newspaper of general circulation in the area of Alaska in which the affected surface coal mining operation is located, and (2) held a public hearing on the proposed suspension in Alaska.

(e) There is hereby authorized to be appropriated for the purpose of this section $250,000.

STUDY OF RECLAMATION STANDARDS FOR SURFACE MINING OF OTHER MINERALS

SEC. 709. (a) The Chairman of the Council on Environmental Quality is directed to contract with the National Academy of Sciences-National Academy of Engineering, other Government agencies or private groups as appropriate, for an in-depth study of current and developing technology for surface and open pit mining and reclamation for minerals other than coal designed to assist in the establishment of effective and reasonable regulation of surface and open pit mining and reclamation for minerals other than coal. The study shall—

(1) assess the degree to which the requirements of this Act can be met by such technology and the costs involved;

(2) identify areas where the requirements of this Act cannot be met by current and developing technology;

(3) in those instances describe requirements most comparable to those of this Act which could be met, the costs involved, and the differences in reclamation results between these requirements and those of this Act; and

(4) discuss alternative regulatory mechanisms designed to insure the achievement of the most beneficial post-mining land use for areas affected by surface and open-pit mining.

(b) The study together with specific legislative recommendations shall be submitted to the President and the Congress no later than eighteen months after the date of enactment of this Act: *Provided*, That, with respect to surface or open pit mining for sand and gravel the study shall be submitted no later than twelve months after the date of enactment of this Act: *Provided further*, that with respect to mining for oil shale and tar sands that a preliminary report shall be submitted no later than twelve months after the date of enactment of this Act.

(c) There are hereby authorized to be appropriated for the purpose of this section $500,000.

INDIAN LANDS

SEC. 710. (a) The Secretary is directed to study the question of the regulation of surface mining on Indian lands which will achieve the purpose of this Act and recognize the special jurisdictional status of these lands. In carrying out this study the Secretary shall consult with Indian tribes. The study report shall include proposed legislation designed to allow Indian tribes to elect to assume full regulatory authority over the administration and enforcement of regulation of surface mining of coal on Indian lands.

(b) The study report required by subsection (a) together with drafts of proposed legislation and the view of each Indian tribe which would be affected shall be submitted to the Congress as soon as possible but not later than January 1, 1976.

(c) On and after one hundred and thirty-five days from the enactment of this Act, all surface coal mining operations on Indian lands shall comply with requirements at least as stringent as those imposed by subsections 515(b)(2), 515(b)(3), 515(b)(5), 515(b)(10), 515(b)(13), 515(b)(19), and 515(d) of this Act and the Secretary shall incorporate the requirements of such provisions in all existing and new leases issued for coal on Indian lands.

(d) On and after thirty months from the enactment of this Act, all surface coal mining operations on Indian lands shall comply with requirements at least as stringent as those imposed by sections 507, 508, 509, 510, 515, 516, 517, and 519 of this Act and the Secretary shall incorporate the requirements of such provisions in all existing and new leases issued for coal on Indian lands.

(e) With respect to leases issued after the date of enactment of this Act, the Secretary shall include and enforce terms and conditions in addition to those required by subsections (c) and (d) as may be requested by the Indian tribe in such leases.

(f) Any change required by subsection (c) or (d) of this section in the terms and conditions of any coal lease on Indian lands existing on the date of enactment of this Act, shall require the approval of the Secretary.

(g) The Secretary shall provide for adequate participation by the various Indian tribes affected in the study authorized in this section and not more than $700,000 of the funds authorized in section 715(a) shall be reserved for this purpose.

EXPERIMENTAL PRACTICES

SEC. 711. In order to encourage advances in mining and reclamation practices, the regulatory authority may authorize departures in individual cases on an experimental basis from the environmental protection performance standards promulgated under sections 515 and 516 of this Act. Such departures may be authorized if (i) the experimental practices are potentially more or at least as environmentally protective, during and after mining operations, as those required by promulgated standards; (ii) the mining operation is no larger than necessary to determine the effectiveness and economic feasibility of the experimental practices; and (iii) the experimental practices do not reduce the protection afforded public health and safety below that provided by promulgated standards.

AUTHORIZATION OF APPROPRIATIONS

SEC. 712. There is authorized to be appropriated to the Secretary for the purposes of this Act the following sums; and all such funds appropriated shall remain available until expended:

(a) For the implementation and funding of sections 502, 552, 405(b)(3), and 710 contract authority is granted to the Secretary of the Interior for the sum of $10,000,000 to become available immediately upon enactment of this Act and $10,000,000 for each of the two succeeding fiscal years.

(b) For administrative and other purposes of this Act, except as otherwise provided for in this Act, authorization is provided for the sum of $10,000,000 for the fiscal year ending June 30, 1975, for each of the two succeeding fiscal years the sums of $20,000,000 and $30,000,000 for each fiscal year thereafter.

RESEARCH AND DEMONSTRATION PROJECTS OF ALTERNATIVE COAL MINING TECHNOLOGIES

SEC. 713. (a) The Secretary is authorized to conduct and promote the coordination and acceleration of, research, studies, surveys, experiments, demonstration projects, and training relating to—

(1) the development and application of coal mining technologies which provide alternatives to surface disturbance and which maximize the recovery of available coal resources, including the improvement of present underground mining methods, methods for the return of underground mining wastes to the mine void, methods for the underground mining of thick coal seams and very deep seams; and

(2) safety and health in the application of such technologies methods and means.

(b) In conducting the activities authorized by this section, the Secretary may enter into contracts with and make grants to qualified institutions, agencies, organizations, and persons.

(c) There are authorized to be appropriated to the Secretary, to carry out the purposes of this section, $35,000,000 for each fiscal year beginning with the fiscal year 1976, and for each year thereafter for the next four years.

(d) At least 60 days before any funds are obligated for any research studies, surveys, experiments or demonstration projects to be conducted or financed under this Act in any fiscal year, the Secretary in consultation with the Administrator of the Energy Research and Development Administration and the heads of other Federal agencies having the authority to conduct or finance such projects, shall determine and publish such determinations in the Federal Register that such projects are not being conducted or financed by any other Federal agency. On March 1 of each calendar year, the Secretary shall report to the Congress on the research studies, surveys, experiments or demonstration projects, conducted or financed under this Act, including, but not limited to, a statement of the nature and purpose of each project, the Federal cost thereof, the identity and affiliation of the persons engaged in such projects, the expected completion date of the projects and the relationship of the projects to other such projects of a similar nature.

(e) Subject to the patent provisions of section 306(d) of this Act, all information and data resulting from any research studies, surveys, experiments, or demonstration projects conducted or financed under this Act shall be promptly made available to the public.

SURFACE OWNER PROTECTION

SEC. 714. (a) The provisions and procedures specified in this section shall apply where coal owned by the United States under land the surface rights to which are owned by a surface owner as defined in this section is to be mined by methods other than underground mining techniques. In order to minimize disturbance to surface owners from surface coal mining of Federal coal deposits, the Secretary shall, in his discretion but, to the maximum extent practicable, refrain from leasing such coal deposits for development by methods other than underground mining techniques.

(b) Any coal deposits subject to this section shall be offered for lease pursuant to section 2(a) of the Mineral Leasing Act of 1920 (30 U.S.C. 201a), except that no award shall be made by any method other than competitive bidding.

(c) Prior to placing any deposit subject to this section in a leasing tract, the Secretary shall give to any surface owner whose land is to be included in the proposed leasing tract actual written notice of his intention to place such deposits under such land in a leasing tract.

(d) The Secretary shall not enter into any lease of such coal deposits until the surface owner has given written consent and the Secretary has obtained such consent, to enter and commence surface mining operations, and the applicant has agreed to pay in addition to the rental and royalty and other obligations due the United States the money value of the surface owner's interest as determined according to the provisions of subsection (e).

(e) The value of the surface owner's interest shall be fixed by the Secretary based on appraisals made by three appraisers. One such appraiser shall be appointed by the Secretary, one appointed by the surface owner concerned, and one appointed jointly by the appraisers named by the Secretary and such surface owner. In computing the value of the surface owner's interest, the appraisers shall first fix and determine the fair market value of the surface estate and they shall then determine and add the value of such of the following losses and costs to the extent that such losses and costs arise from the surface coal mining operations:

(1) loss of income to the surface owner during the mining and reclamation process;

(2) cost to the surface owner for relocation or dislocation during the mining and reclamation process;

(3) cost to the surface owner for the loss of livestock, crops, water or other improvements;

(4) any other damage to the surface reasonably anticipated to be caused by the surface mining and reclamation operations; and

(5) such additional reasonable amount of compensation as the Secretary may determine is equitable in light of the length of the tenure of the ownership: *Provided*, That such additional reasonable amount of compensation may not exceed the value of the losses and costs as established pursuant to this subsection and in paragraphs (1) through (4) above, or one hundred dollars ($100.00) per acre, whichever is less.

(f) All bids submitted to the Secretary for any such lease shall, in addition to any rental or royalty and other obligations, be accompanied by the deposit of an amount equal to the value of the surface owner's interest computed under subsection (e). The Secretary shall pay such amount to the surface owner either upon the execution of such lease or upon the commencement of mining, or shall require posting of bond to assure installment payments over a period of years acceptable to the surface owner, at the option of the surface owner. At the time of initial payment, the surface owner may request a review of the initial determination of the amount of the surface owner's interest for the purpose of adjusting such amount to reflect any increase in the Consumer Price Index since the initial determination. The lessee shall pay such increased amount to the Secretary to be paid over to the surface owner. Upon the release of the performance bonds or deposits under section 519, or at an earlier time as may be determined by the Secretary, all rights to enter into and use the surface of the land subject to such lease shall revert to the surface owner.

(g) For the purpose of this section the term "surface owner" means the natural person or persons (or corporation, the majority stock of which is held by a person or persons who meet the other requirements of this section) who—

(1) hold legal or equitable title to the land surface;

(2) have their principal place of residence on the land; or personally conduct farming or ranching operations upon a farm or ranch until to be affected by surface coal mining operations; or receive directly a significant portion of their income, if any, from such farming or ranching operations; and

(3) have met the conditions of paragraphs (1) and (2) for a period of at least three years prior to the granting of the consent. In computing the three-year period the Secretary may include periods during which title was owned by a relative of such person by blood or marriage during which period such relative would have met the requirements of this subsection.

(h) Where surface lands over coal subject to this section are owned by any person who meets the requirements of paragraphs (1) and (2) of this subsection (g) but who does not meet the requirements of paragraph (3) of subsection (g), the Secretary shall not place such coal deposit in a leasing tract unless such person has owned such surface lands for a period of three years. After the expiration of such three-year period such coal deposit may be leased by the Secretary, provided that if such person qualifies as a surface owner as defined by subsection (g) his consent has been obtained pursuant to the procedures set forth in this section.

(i) Nothing in this section shall be construed as increasing or diminishing any property rights held by the United States or by any other land owner.

(j) The determination of the value of the surface owner's interest fixed pursuant to subsection (e) or any adjustment to that determination made pursuant to subsection (f) shall be subject to judicial review only in the United States district court for the locality in which the leasing tract is located.

(k) At the end of each two-year period after the date of enactment of this Act, the Secretary shall submit to the Congress a report on the implementation of the Federal coal leasing policy established by this section. The report shall include a list of the surface owners who have (1) given their consent, (2) received payments pursuant to this section, (3) refused to give consent, and (4) the acreage of land involved in each category. The report shall also indicate the Secretary's views on the impact of the leasing policy on the availability of Federal coal to meet national energy needs and on receipt of fair market value for Federal coal.

(l) This section shall not apply to Indian lands.

(m) Any person who gives, offers or promises anything of value to any surface owner or offers or promises any surface owner to give anything of value to any other person or entity in order to induce such surface owner to give the Secretary his written consent pursuant to this section, and any surface owner who accepts, receives, or offers or agrees to receive anything of value for himself or any other person or entity, in return for giving his written consent pursuant to this section shall be subject to a civil penalty of one and a half time the monetary equivalent of the thing of value. Such penalty shall be assessed by the Secretary and collected in accordance with the procedures set out in subsections 518(b), 518(c), 518(d), and 518(e) of this Act.

(n) Any Federal coal lease issued subject to the provisions of this section shall be automatically terminated if the lessee, before or after issuance of the lease, gives, offers or promises anything of value to the surface owner or offers or promises any surface owner to give anything of value to any other person or entity in order to (1) induce such surface owner to give the Secretary his written consent pursuant to this section, or (2) compensate such surface owner for giving such consent. All bonuses, royalties, rents and other payments made by the lessee shall be retained by the United States.

(o) The provisions of this section shall become effective on February 1, 1976. Until February 1, 1976, the Secretary shall not lease any coal deposits owned by the United States under land the surface rights to which are not owned by the United States, unless the Secretary has in his possession a document which demonstrates the acquiescence prior to February 27, 1975, of the owner of the surface rights to the extraction of minerals within the boundaries of his property by current surface coal mining methods.

FEDERAL LESSEE PROTECTION

SEC. 715. In those instances where the coal proposed to be mined by surface coal mining operations is owned by the Federal Government and the surface is subject to a lease or a permit issued by the Federal Government, the application for a permit shall include either:

(1) the written consent of the permittee or lessee of the surface lands involved to enter and commence surface coal mining operations on such land, or in lieu thereof;

(2) evidence of the execution of a bond or undertaking to the United States or the State, whichever is applicable, for the use and benefit of the permittee or lessee of the surface lands involved to secure payment of any damages to the surface estate which the operations will cause to the crops, or to the tangible improvements of the permittee or lessee of the surface lands as may be determined by the parties involved, or as determined and fixed in an action brought against the operator or upon the bond in a court of competent jurisdiction. This bond is in addition to the performance bond required for reclamation under this Act.

ALASKA COAL

SEC. 716. Nothing in this Act shall be construed as increasing or diminishing the rights of any owner of coal in Alaska to conduct or authorize surface coal mining operations for coal which has been or is hereafter conveyed out of Federal ownership to the State of Alaska or pursuant to the Alaska Native Claims Settlement Act, provided that such surface coal mining operations meet the requirements of the Act.

WATER RIGHTS

SEC. 717. Nothing in this Act shall be construed as affecting in any way the right of any person to enforce or protect, under applicable law, his interest in water resources affected by a surface coal mining operation.

That the House recede from its disagreement to the amendment of the Senate to the title and agree to the same.

MORRIS K. UDALL,
PATSY T. MINK,
JOSEPH P. VIGORITO,
JOHN MELCHER,
TENO RONCALIO,
JOHN F. SEIBERLING,
M. ROBERT CARR,
JOE SKUBITZ,
PHILIP E. RUPPE,
Managers on the Part of the House.

HENRY M. JACKSON,
LEE METCALF,
J. BENNETT JOHNSTON, JR.,
FLOYD K. HASKELL,
CLIFFORD P. HANSEN,
Managers on the Part of the Senate.

JOINT STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 25) to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes, submit this joint statement in explanation of the effect of the language agreed upon by the managers and recommended in the accompanying conference report.

INTRODUCTION

The Surface Mining and Reclamation Act of 1975, was introduced early in the 94th Congress in both the House (H.R. 25) and the Senate (S. 7). Both bills were identical to the conference report on S. 425 which was pocket vetoed by the President last December. There were 67 differences between the House bill and the Senate amendment. Only a few of these were significant. A general overview of the structure and content of the House bill, the Senate amendment and the conference report together with a brief discussion of major provisions and specific comments on some provisions follows.

OVERVIEW

Title I sets forth the findings and purposes of the legislation, which were melded by the conferees.

Title II establishes an Office of Surface Mining Reclamation and Enforcement within the Department of the Interior and delineates the duties of its Director. The House bill also contained additional provisions to insure greater independence for the Office within the Department, and prohibited conflicts of interest on the part of employees of the Office. The Senate receded and accepted these provisions with some minor modifications requested by the Department of the Interior.

Title III establishes a grant program to fund mining and mineral resources and research institutes in public colleges and universities. These institutes are to train qualified personnel in mine-related fields, and conduct research related to mining technology. The Senate amendment had less stringent qualification requirements for these institutes than the House bill. The Senate receded.

Title IV of both the House bill and the Senate amendment established a fund and a program for the reclamation of abandoned or "orphaned" mined lands, and for the relief of areas that will be impacted by the rapid development of mining.

All coal mining operators are to be assessed a fee on each ton of coal produced for deposit in the reclamation fund. The House bill provided for (1) a fee of 10 percent of the value of the coal or not to exceed 10 cents per ton on underground mined coal and 35 cents per ton on surface mined coal; (2) a 5 percent of value limitation on the fee for lignite; (3) delayed payment of the fee; (4) an adjustment clause tied to the cost of living; and (5) an offset of payments to the fund against payment of state severance taxes. The Senate amendment provided the same fee for surface mined coal and a 25 cents per ton fee for underground mined coal, but no other comparable provisions. The conferees agreed on a 15 cents per ton fee for underground-mined coal, the Senate receded on the 5 percent limitation on lignite and the House receded on its other provisions.

The Senate amendment provided explicitly for consultation with the Corps of Engineers in the reclamation program. The House receded on this point.

With regard to aid to impacted areas, H.R. 25 expanded coverage of the program to all energy resource developments, and not just coal mining. The Senate amendment expanded the program of filling and sealing mine shafts and voids to cover all types of mining but otherwise limited the use of the fund to coal mining impacts. The conferees agreed on the Senate approach with some modifications giving the Governor of each State an opportunity to use the fund for reclamation of lands affected by non-coal mining, but only after all coal mine impacts had been treated.

Title V contains the most critical portions of the two measures: the procedures and the environmental standards for the regulation of coal surface mining and reclamation. These requirements are quite detailed, but although there were a number of minor differences between the House bill and the Senate amendment, there were actually only five major differences.

(1) The House bill contained an outright ban on mining on alluvial valley floors west of the 100th meridian west longitude. The Senate amendment prohibited mining on such alluvial valley floors only when this would have a substantial adverse effect on croplands or haylands significant to the practice of farming or ranching. The House receded from its outright ban, and compromise language was accepted that modified the language in the Senate amendment. This compromise language clarified the intent of the conferees to protect potential as well as on-going farming and ranching operations.

(2) The House bill required the Corps of Engineers to supervise the disposal of all mine wastes and impoundment construction. The Senate amendment left this responsibility with the Secretary of the Interior. The conferees agreed to a compromise requiring the Corps to approve the basic standards regulating mine waste disposal and review plans but with no responsibility for on-the-ground supervision and enforcement.

(3) The House bill contained a conflict-of-interest provision not in the Senate amendment. The Senate receded.

(4) During the Secretary's review of Federal lands for areas unsuitable for mining, the Senate amendment expressly allows permits to be granted on a case-by-case basis. H.R. 25 did not contain a similar provision. The Senate language is included in the conference report.

(5) The Senate amendment required expedited decisionmaking by the regulatory authority in the case of cessation orders. The House bill did not contain a similar provision. The House receded.

Title VI of the House bill provided a three-option program for the regulation of surface coal mining on lands held in trust for Indian tribes. The Senate amendment contained a section requiring a study to develop, in consultation with the Indian tribes, legislation for surface mining regulation that would recognize the special jurisdictional status of Indian lands. In the interim, however, mining on Indian lands would still be subject to the environmental standards of the bill. The House receded.

Title VII of the House bill and Title VI of the Senate amendment provided for the designation of areas of Federal lands unsuitable for non-coal mining. The conferees adopted the language of the Senate amendment.

Title VIII of the House bill and Title VII of the Senate amendment contain administrative and miscellaneous provisions.

The Senate amendment contained two provisions designed to cushion adverse employment impacts that might result from the implementation of the Act. The House bill contained neither provision. Both were opposed by the Administration. The Senate receded in both instances.

MAJOR PROVISIONS

Abandoned mined land reclamation

The conference report provides for a program to reclaim previously mined lands that were abandoned without being adequately restored, and which now constitute either serious danger to public health and safety, pollute waterways by sedimentation or acidity, or, at the very least are an ignominous blight in historic mining areas. The program covers restoration on both public and private lands.

Funding for this program is derived largely from a reclamation fee to be levied on every ton of coal mined: 35 cents per ton for surface-mined coal, 15 cents per ton for underground mined coal, or 10 percent of the value of the coal, whichever is less; except that the fee will not exceed 5 percent of the value for lignite. The differential fees were adopted recognizing the differing costs and values of the various coals, and to prevent an undue economic burden on the lower grades of coal. Fifty percent of the fees collected in any one state are to be expended in that State for the purposes of reclamation or alleviating the impacts of coal development in the area.

While the primary focus of the fund in the program is the reclamation of orphan lands, the conference report also provides that, in areas where there is relatively little damage from past coal mining, the State's share of the reclamation fee revenues may be used for other purposes; namely, filling voids and sealing tunnels from non-coal mining operations, and for building an adequate infrastructure of public facilities to support the housing and population increases which will accompany the anticipated rapidly burgeoning coal mining industry.

Surface mining and reclamation standards

The informational and environmental requirements set forth in Title V are the most vital provisions of the conference report The purpose of the bill is to end the present environmental degradation from the exploration for coal, surface coal mining and the surface impacts of underground mining, and to prevent future degradation. To this end the conference report sets forth a series of minimum uniform requirements for all such operations on both Federal and State lands. These standards deal with four basic issues: preplanning, mining practices, post-mining reclamation, and the protection of water resources. The first requires that an operator applying for a permit has done, among other things, certain research regarding adjacent land uses, the characteristics of the coal and the overburden, and hydrologic conditions. He must include in his application the planned methodology and timetable for the operation in a reclamation plan. The second set of requirements provide that mining methods be used which will minimize or obviate environmental damage or injuries to public health and safety. These include restrictions on the placement of overburden, blasting regulations, water pollution control requirements, and waste disposal standards. The third group of standards regard reclamation and restoration of the mined land to its premined condition. These requirements include backfilling and regrading to approximate original contour, restoration of water quality and quantity, revegatation to pre-mining conditions and elimination of erosion and sedimentation. Protection of water resources is further discussed below.

Virtually all of the specific standards set forth in the conference report are already required in one or more of the several States regulating surface coal mining. Nonetheless, it was felt that some minimum uniform floor had to be established for the protection of the environment at a time when the growth of surface coal mining is projected to double over the next decade, often in environmentally delicate areas.

It is the understanding of the conferees that certain States may wish to impose more stringent requirements than those minimum standards set forth in the report. Some States in fact are already contemplating such measures, a move which is specifically sanctioned in this bill.

Protection of water resources

Surface coal mining operations can have a significant impact on the hydrologic balance of the mined area and its environs. Some of the more significant damages to water resources which may occur from surface coal mining are: increased sedimentation, dissolved solids, and erosion, increased salinity and mineralization of affected waters, acid mine drainage, altered drainage patterns, altered stream flow, including increased flooding, destruction of aquifers, draw down or loss of ground water supplies, disturbance of downstream hydrologic balances, and, particularly in arid and semi-arid areas, disruption of the essential hydrologic functions of alluvial valley floors which are essential to other, primarily agricultural, land uses.

The legislative history in the Committee Reports on protection of water resources is particularly pertinent to the provisions in the conference report.

The conferees recognize that total prevention of all these adverse hydrologic effects from mining is impossible and thus the conference report sets attainable standards to minimize such damages, protect the hydrologic balance of impacted areas and protect the rights of persons whose water rights are affected by mining operations. Accordingly, provisions directed toward the protection of essential hydrologic functions were included in the following sections of the conference report: (1) mining permit application requirements, (2) permit approval or denial criteria, (3) specific environmental standards, (4) monitoring requirements, (5) compensation requirements for decrease in water availability to other users, and (6) special requirements for mining operations on or affecting alluvial valley floors west of the 100th meridian. Of these provisions, probably the most critical environmentally are those related to the protection of the essential hydrologic functions of alluvial valley floors in arid and semi-arid regions.

These alluvial valley floors in the West are frequently underlain with rich coal deposits. However, they also provide the only natural irrigation for haylands and croplands essential to farming and ranching operations. Unless the essential hydrologic functions of these alluvial valley floors are preserved, farming and ranching operations could suffer serious damage, and the use of these areas for future and potential farming and ranching would be precluded. Since rapid expansion of surface coal mining is projected for the West, the protection of scarce water resources and alluvial valley floors during and after mining is essential if we are to maintain the vital agricultural productivity of these areas.

Therefore, the conference report allows the issuance of a permit for surface coal mining only if the regulatory authority finds that the operation would not have a substantial adverse effect on alluvial valley floors significant to the practice of farming or ranching. These areas protected by this provision are very small. For example, the Department of the Interior estimates that approximately 97.3 percent of the total agricultural land in the Powder River Basin is undeveloped range land, which is expressly excluded from the restriction of Section 510(b)(5).

Surface coal mining on Indian lands

The conferees recognize that there are special jurisdictional problems with respect to the regulation of mining on Indian lands, and a lack of consensus on this issue among the various Indian tribes. For this reason, the conference report provides for a study to be completed by 1976, to determine the appropriate program for regulating surface coal mines on lands held in trust for Indian tribes.

In the interim, however, the tribes are not left without environmental protection from mining operations on their lands. The Act requires that all leases on Indian lands include certain performance standards at least as stringent as those in the Act.

Furthermore, it is entirely within the discretion of Indian tribes, bands or groups to enter into leases for mining on Indian trust lands with the approval of the Secretary of the Interior. It is also entirely within their discretion to refuse to grant leases. Although all leases, whether negotiated or advertised for bids, must be approved by the Secretary, his approval is always subsequent to the agreement between the parties, after the landowner and the lessee have reached an agreement on all conditions and actually signed the lease.

COMMENTS ON SPECIFIC PROVISIONS

Section 402.—Objectives of the abandoned mine reclamation fund

Although this section sets forth five priorities for the use of the abandoned mine reclamation fund, the conferees have clarified the language to indicate that the primary objective of the fund is the reclamation of abandoned lands affected by coal mining, and that relief of areas impacted by rapid coal development and reclamation of non-coal mined lands are subsidiary to that goal.

Section 405(a).—Land acquisition for reclamation program

The Secretary of the Interior is authorized in this section to acquire any necessary interest in lands in order to carry out the reclamation program authorized in Title IV. Interests may include various forms and are to be sufficient to assure that the purposes of reclamation are achieved and that the post-reclaimed land use does not contravene the reclamation itself. Under some circumstances easements might be obtained for reclamation purposes. Presumably the acquisition of easements would be less costly than the acquisition of the land in fee simple. Such easements should, of course, include provisions to assure maintenance of the reclamation.

Section 405(b)(4).—Public facilities in areas of rapid coal development

The conference report provides funds for essential public facilities only in areas impacted by coal development (including coal conversion plants if located in the coal mining area). This includes those essential public facilities necessary to accommodate the development and provides that such facilities be necessary to meet the needs specified in the subsection. It should be noted that the existence of essential facilities is not the sole test, but facility capacity must also be considered. Inadequacy or insufficient capacity of essential facilities can be as limiting as the actual lack of such facilities.

Section 406(a).—Filling voids and sealing tunnels

This subsection permits the use of the abandoned mined land reclamation fund for filling voids and sealing tunnels created by any mining operation. It is however, the clear intent of the conferees that non-coal mined lands be reclaimed only after all lands affected by coal mining have been reclaimed or impacts of rapid coal mining expansion have been relieved.

Section 508.—Revegetation

The conferees agree that a reasonable interpretation of the revegetation standards would necessitate that the mining and reclamation plan include a demonstration that the necessary seeds are or will be available when needed to achieve revegetation. It is expected that the regulations governing State and Federal programs which are to be issued by the Secretary would so specify.

The conferees intend that revegetation is required in all instances in accordance with the basic standard in section 515(b)(19). Thus if the native premining vegetation is sparse due to climatic or other natural conditions, then such conditions would be controlling in the reclamation standard.

Section 510(b)(3).—Assessment of mine impact on hydrologic balance

As part of the mining application and permit approval process, both the House bill and the Senate amendment provided that no application shall be approved unless the application affirmatively demonstrates and the regulatory finds in writing that an assessment of the probable cumulative impact of all anticipated mining in the area on the hydrologic balance has been made. The House bill further specified that the proposed mining operation has been designed to prevent irreparable off-site impact to the hydrologic balance while the Senate amendment specified that the mining operation be designed to prevent to the maximum extent possible using best available technology irreparable off-site impacts to the hydrologic balance.

The conferees resolved the difference in the language pertaining to the design of the particular mining operation by requiring that the proposed operation be designed to prevent significant irreparable off-site damage to the hydrologic balance, including damage to alluvial valley floors.

Section 515(b)(1)—Maximization of coal utilization and conservation

It is the intent of the conferees in this subsection that coal will be mined in such a manner to assure maximum recovery of the resource during the course of any given mining operation. It is also their intent, that any surface mining operation be conducted so that it will not preclude future underground mining operations on that site.

Section 510(b)(5).—Permit approval and denial for mining operations on alluvial valley floors

The House bill contained an outright ban of surface mining on alluvial valley floors west of the one hundredth meridian west longitude. The Senate amendment specified that a permit or portion thereof should not be approved if the proposed mining operation would have a substantial adverse effect on crop lands or hay lands overlying alluvial valley floors where such crop lands or hay lands are significant to ranching and farming operations.

The conferees resolved these differences in virtually the same way as resolved in S. 425. The Conference Report stipulates that part or all of the mining operation is to be denied if it would have a substantial adverse effect on alluvial valley floors where farming can be practiced in the form of irrigated or naturally subirrigated hay meadows or other crop lands where such alluvial valley floors are significant to the practice of farming or ranching operations. The resolution also stipulated that this provision covered potential farming or ranching operations if those operations were significant and economically feasible. Undeveloped range lands are excluded in each instance.

There has been considerable discussion on the potential geographical extent of this provision. For example, estimates have ranged up to nearly 50 percent, of the land over the strippable coal in the Powder River Basin being included under this provision. The conferees strongly disagree with such interpretations noting that specific investigations of representative portions of the Powder River Basin in the Gillette area, indicate that only 5 percent or so of the lands containing strippable coal deposits appeared to be alluvial valley floors. It should also be noted that the Department of the Interior advised the conferees that 97 percent of the agricultural land in the Powder River Basin is undeveloped range land, and therefore excluded from the application of this provision.

While both of these estimates are based on sample data, it is recognized that the amount of land affected in an area might well be higher and the total proportion of land affected in the entire Powder River Basin may also be higher. However, this data strongly suggests that the estimates of large scale geographic impacts of this provision are erroneous, not only in the Powder River Basin but also in other pertinent areas west of the 100th meridian.

Section 515(b)(9).—Filling auger holes

This subsection has been misconstrued by some to mean that the entire length of an auger hole must be backfilled to satisfy this requirement. This is clearly not the intent of the conferees. It is intended only that auger holes be sealed, as tunnels and entryways must be sealed, to prevent drainage and protect public health and safety.

Section 515(b)(10)(F).—Preserving hydrology of alluvial valley floors

The House bill specified that hydrologic integrity of alluvial valley floors must be preserved throughout the mining and reclamation operation.

The Senate amendment specified that it was necessary to do so to the maximum extent possible using the best available technology.

The conferees agreed that the essential hydrologic functions of alluvial valley floors in the arid and semi-arid areas of the country must be preserved throughout the mining and reclamation process.

The conferees adopted this stringent standard because ranching and farming operations must have bottom lands where hay or crops can be grown. Because of the low annual precipitation in the West dependable areas for hay production are only those alluvial valley floors that can be irrigated by flood water spreading, diversion from stream flow, or by natural subirrigation. Some of the characteristics of alluvial valley floors which are essential for agricultural uses include: (1) sufficient runoff to allow for flood water irrigation each year; (2) development of flood plain and low terraces where water can be spread easily without significant mechanical alteration of the surface; and (3) shallow ground water where subirrigation is used, and therefore requires a minimum of valley floor dissection so that ground water is not drained.

The conferees used the term "essential hydrologic functions" to assure that these functions would be preserved while providing the opportunity to the mining industry to mine if they can reconstitute in the reclamation process these critical areas. The areas involved are those limited sites where natural subirrigation occurs above strippable coal and where sufficient water is available for flood irrigation and diversion from streams.

The essential hydrologic functions are the inherent properties of alluvial valley floors controlling the availability of water under a wide range of natural conditions. Such properties include for instance: interaction between ground and surface water; varying degrees of permeability throughout the deposit; infiltration rates; flow direction and gradients; capability of accumulating, holding and releasing water through drought and seasonal cycles; stability with respect to storm or flood runoff conditions; and maintaining quality of water available to the agricultural uses.

Alluvial valley floors do not include upland areas which are generally overlain by a thin veneer of colluvial deposits composed chiefly of debris from sheet erosion, deposits by unconcentrated runoff or slope wash, together with talus, other mass movement accumulation and windblown deposits.

Section 515(b)(13).—Mine Waste Disposal

In order to assure that mine waste impoundments used for the disposal of liquid or solid waste material from coal mines are constructed or have been constructed so as to safeguard the health and welfare of downstream populations, the conferees adopted new language giving to the Army Corps of Engineers a role in determining the standards for construction, modification and abandonment of these impoundments.

Authority for the issuance of regulations and inspections of impoundments rests with the Secretary of Interior; however, such regulations should be developed by the Chief of Engineers. It is the intent of the conferees that the safety, engineering and design standards of the Corps of Engineers will apply, through the rules and regulations of the Secretary, to such structures and waste disposal banks which may serve as temporary or permanent impoundments. However, it is not the intent that the Chief of Engineers must therefore monitor or sign off on every such structure. That duty belongs to the Secretary of Interior, who may utilize appropriate skilled personnel from other Federal agencies as provided for in Title II. Concurrence of the Chief of Engineers is intended to also include his approval of the system of inspection and his participation in the training of inspectors to bring about competent and adequate enforcement of the standards.

All aspects of surveillance which do not require the actual physical inspection of individual sites would properly fall within the purview of the Chief of Engineers. Thus, the Corps' experience and expertise in the area of design, construction, maintenance, etc. which were utilized for carrying out the Congressionally authorized surveys of mine waste embankments in West Virginia following the disastrous failure of the mine waste impoundments on Buffalo Creek, is to be applied in order to prevent similar accidents in the future. In so doing, however, an unnecessary duplication of effort by two Federal agencies and the costly drain upon available manpower is to be avoided.

Section 515(d)(1).—Placement of spoil on the downslope

This subsection allows spoil from the initial cut of a steep slope mining operation to be placed on a limited and specified area of the downslope, under certain restricted conditions. The provision applies only to new mines. It applies only to the first block or short linear cut necessary to join initial access to the coal (in most instances no more than one hundred feet). The permittee must demonstrate that the soil or spoil material will not slide, erode, etc. Permanent placement of such spoil under these limiting conditions was permitted to balance the stated needs of the industry and environmental protection. The conferees were aware that initial cut spoil can be disposed of in many other ways including use of construction of haul roads or placed on less steep slope disposal areas identified in approved plan including previously mined lands not reclaimed to approximate original contour.

Section 519(c)(2).—Bond release for water pollution control

After successful backfilling, regrading of the mined area the 60% of the operator's performance bond may be released. Release of a subsequent portion of the bond depends upon successful completion of revegetation and offsite siltation control. The adequacy of siltation control is to be gauged against natural levels of suspended solids as measured prior to mining, for it is the intent of the conferees that, after mining and reclamation there be no offsite degradation of water quality.

The Secretary will set the standards for measurement of suspended solid contributions. These must recognize the vast differences from region to region among major and small streams, year-round and intermittent streams, and natural variations in stream flow from year-to-year. The Secretary should also consider the availability or lack of availability of historic data.

Section 520(a).—Citizen suits

Subsection (a) assures that no operator can be sued *under this section* if he is operating in compliance with all regulations, orders, and an approved permit, even though the regulatory authority or the Secretary has failed to properly implement the Act. In such cases, the suit must be brought against the regulatory authority. The only exception to this provision occurs if the operator is itself a government agency or instrumentality, such as the Tennessee Valley Authority.

This subsection, however, in no way grants or is intended to grant immunity to an operator from any action brought by any individual under any existing statute or common law. All private rights under contract, tort, or property law are preserved. This intent is clearly reaffirmed and reiterated in subsection 520(e) of the conference report.

Section 522(b).—Review of Federal lands

In agreeing that the Secretary may permit surface coal mining on Federal lands prior to completion of his mandatory review of the unsuitability of areas for surface mining operations, the conferees intended that in addition to evaluating the permit application under the standards of the Act, the Secretary shall also make a determination if the area should be designated as unsuitable for surface mining and if the area is unsuitable, the Secretary should deny the permit.

Section 522(e).—Designation of areas unsuitable for mining

This subsection prohibits surface coal mining on lands within the boundaries of national forests, *subject to valid existing rights.* It is not the intent, therefore, nor is it the effect of this provision to preclude surface coal mining on private inholdings within the national forests.

The language "subject to valid existing rights" in Section 522(e) is intended to make clear that the prohibition of strip mining on the national forests is subject to previous state court interpretation of valid existing rights. For example, in West Virginia's Monongahela National Forest, strip mining of privately owned coal underlying federally owned surface has been prohibited as a result of U.S. vs. Polino (133 F.S. 722, 1955). In this case the court held that "stripping was not authorized by mineral reservation in a deed executed before the practice was adopted in the county where the land lies, unless the contract expressly grants stripping rights by use of direct or clearly equivalent words. The party claiming such rights must show usage or custom at the time and place where the contract is to be executed and must show that such rights were contemplated by the parties." The phrase "subject to valid existing rights" is thus in no way intended to open up national forest lands to strip mining where previous legal precedents have prohibited stripping.

Section 529.—Anthracite coal mines

This section authorizes the Secretary, at his discretion, to promulgate certain special regulations for anthracite coal mines already regulated by a state program with standards at least as stringent as those provided in this Act. This authorization, however, applies only to the environmental standards set forth in sections 515 and 516, and portions of the bonding and bond release provisions set forth in Sections 509 and 519. All other provisions of the Act and regulations issued pursuant thereto including the reclamation fee imposed by Title IV apply to anthracite mines in the same manner as for all other coal mines.

Section 701(9).—Definition of Indian lands

In defining Indian lands, the conferees were aware of certain jurisdictional problems concerning the status of these lands. The conference report limits the definition to lands within the external boundaries of a Federal Indian reservation and to all other lands, including mineral interests, held in trust by the Federal government for any Indian tribe. This language is not intended to change any existing jurisdiction which the states may have over such lands.

Section 702 (d).—Environmental impact statement

This Subsection provides that certain enumerated actions taken pursuant to the Act shall constitute major Federal actions significantly affecting the quality of the human environment within the meaning of Section 102(2)(C) of the National Environmental Policy Act of 1969, 42 U.S.C. 4332 (NEPA), i.e. that such actions will require the preparation of an Environmental Impact Statement.

The Section is not intended as a limitation or modification of NEPA but, to the contrary, the provision is viewed as being consistent with that Act. The Conferees believe that, properly interpreted and applied, the operation of NEPT will not result in any delay in the implementation of the various regulatory provisions of this environmental regulatory legislation including those actions which must be accomplished in a relatively short time period such as the establishment of the Federal Enforcement Program within 135 days after enactment.

Section 716.—Alaska coal

This provision applies to those lands which, as a result of the Alaska Statehood Act or the Alaska Native Claims Settlement Act, were conveyed from Federal to state or private ownership. Its purpose is to assure that nothing in this Act—particularly the provisions of Section 714—shall be construed as changing existing property rights with respect to lands so conveyed. The provision applies to any coal conveyed out of Federal ownership under these two laws regardless of its current relationship.

RELATIONSHIP OF H.R. 25 TO PRESIDENT FORD'S RECOMMENDED CHANGES

On February 6, President Ford transmitted to Congress the Administration's proposed surface coal mining bill. In his transmittal letter the President set out the 8 "critical" and 19 "important" differences between the Administration's proposal and the Conference Report on S. 425, 93d Congress.

H.R. 25 and the Senate amendment thereto each adopted some of the President's recommendations. The conference committee considered the President's views very carefully during its deliberations. Eight changes recommended by the President are adopted in the conference report. The conference report also contains language designed to meet another six of the objections raised by the President.

The President's recommendations (in the order they appear in his February 6 letter) are set out below together with an indication of the relationship of the conference report to them.

Critical changes

1. *Citizen suits. Administration Recommendation:* "S. 425 would allow citizen suits against any person for a 'violation of the provisions of this Act'. * * * Citizen suits are retained in the Administration bill, but are modified * * * to provide for suits against (1) the regulatory agency to enforce the act, and (2) mine operators where violations of regulations or permits are alleged."

Conference Report—Section 520: Modifies language to meet Administration objection.

2. *Stream siltation. Administration Recommendation:* "S. 425 would prohibit increased stream siltation—a requirement which would be extremely difficult or impossible to meet and thus could preclude mining activities. In the Administration's bill, this prohibition is modifield to require the maximum practicable limitation on siltation."

Conference Report—Section 515(b)(11)(B): Clarifies language so as to avoid interpretation feared by Administration.

3. *Hydrologic disturbances. Administration Recommendation:* "S. 425 would establish absolute requirements to preserve the hydrologic integrity of alluvial valley floors—and prevent offsite hydrologic disturbances. * * * In the Administration's bill, this provision is modified to require that any such disturbances be prevented to the maximum extent practicable so that there will be a balance between environmental protection and the need for coal production."

Conference Report—Section 515(b)(10)(F): Modifies language to avoid "absolute requirements" objected to by Administration.

4. *Ambiguous terms. Administration Recommendation:* "In the case of S. 425, there is great potential for court interpretations of ambiguous provisions which could lead to unnecessary or unanticipated adverse production impact. The Administration's bill provides explicit authority for the Secretary to define ambiguous terms so as to clarify the regulatory process and minimize delays due to litigation."

Conference Report: Does not adopt Administration recommendation.

5. *Abandoned land reclamation fund. Administration Recommendation:* "S. 425 would establish a tax of 25¢ per ton for underground mined coal and 35¢ per ton for surface mined coal to create a fund for reclaiming previously mined lands that have been abandoned without being reclaimed, and for other purposes. * * * The Administration bill would set the tax at 10¢ per ton for all coal * * * which would be ample."

"Under S. 425 funds accrued from the tax on coal could be used by the Federal government (1) for financing construction of roads, utilities, and public buildings on reclaimed mined lands, and (2) for distribution to States to finance roads, utilities and public buildings in any area where coal mining activity is expanding. * * * The Administration bill does not provide authority for funding facilities."

Conference Report—Section 401(d): Reduces reclamation fee on underground mined coal to 15c per ton. Does not restrict the scope of the program.

6. *Impoundments. Administration Recommendations:* S. 425 could prohibit or unduly restrict the use of most new or existing impoundments, even though constructed to adequate safety standards. In the Adminis-

tration's bill, the provisions on location of impoundments have been modified to permit their use where safety standards are met.

Conference Report—Section 515(b)(13): Provides that Corps of Engineers will set location standards for impoundments, and thus eliminates language objected to by Administration.

7. *National forests. Administration Recommendation:* "S. 425 would prohibit mining in the national forests—a prohibition which is inconsistent with multiple use principles and which could unnecessarily lock up 7 billion tons of coal reserves. * * * In the Administration bill, this provision is modified to permit the Agriculture Secretary to waive the restriction in specific areas when multiple resource analysis indicates that such mining would be in the public interest."

Conference Report—Section 522(e)(2): Does not adopt Administration recommendations.

8. *Special unemployment provisions. Administration Recommendation:* "The unemployment provision of S. 425(1) would cause unfair discrimination among classes of unemployed persons, (2) would be difficult to administer, and (3) would set unacceptable precedents including unlimited benefit terms, and weak labor force attachment requirements. This provision of S. 425 is inconsistent with Public Law 93-567 and Public Law 93-572 which were signed into law on December 31, 1974, and which significantly broaden and lengthen general unemployment assistance. The Administration's bill does not include a special unemployment provision."

Conference Report: Adopt Administration recommendation.

"Other important changes"

1. *Antidegradation. Administration Recommendation:* "S. 425 contains a provision which, if literally interpreted by the courts, could lead to a non-degradation standard similar to that experienced with the Clean Air Act. * * * Changes are included in the Administration bill to overcome this problem."

Conference Report—Section 102(a): Adopts Administration recommendation.

2. *Reclamation fund. Administration Recommendation:* "S. 425 would authorize the use of funds to assist private landowners in reclaiming their lands mined in past years. Such a program would result in windfall gains to the private landowners who would maintain title to their lands while having them reclaimed at Federal expense. The Administration bill deletes this provision."

Conference Report—Section 404: Does not adopt Administration recommendation.

3. *Interim program timing. Administration Recommendation:* "Under S. 425, mining operations could be forced to close down simply because the regulatory authority had not completed action on a mining permit, through no fault of the operator. The Administration bill modifies the timing requirements of the interim program to minimize unnecessary delays and production losses."

Conference Report—Sections 504 and 506: Includes provisions designed to eliminate possibility of shutdown.

4. *Federal Preemption Administration Recommendation:* "The Federal interim program role provided in S. 425 could (1) lead to unnecessary Federal preemption, displacement or duplication of State regulatory activities, and (2) discourage States from assuming an active permanent regulatory role. * * * In the Administration bill, this requirement is revised to limit the Federal enforcement role during the interim program to situations where a violation creates an imminent danger to public health and safety or significant environmental harm."

Conference Report—Section 502: Does not adopt Administration recommendation.

5. *Surface owner consent. Administration Recommendation:* "The requirement in S. 425 for surface owner's consent would substantially modify existing law by transferring to the surface owner coal rights that presently reside with the Federal government. S. 425 would give the surface owner the right to "veto" the mining of Federally owned coal or possibly enable him to realize a substantial windfall. In addition, S. 425 leaves unclear the rights of prospectors under existing law. The Administration is opposed to any provision which could (1) result in a lock up of coal reserves through surface owner veto or (2) lead to windfalls. In the Administration's bill surface owner and prospector rights would continue as provided in existing law."

Conference Report—Section 714: Does not adopt Administration recommendation.

6. *Federal lands. Administration Recommendation:* "S. 425 would set an undesirable precedent by providing for State control over mining of Federally owned coal on Federal lands. In the Administration's bill, Federal regulations governing such activities would not be preempted by State regulations."

Conference Report—Section 523: Does not adopt Administration recommendation.

7. *Research centers. Administration Recommendation:* "S. 425 would provide additional funding authorization for mining research centers through a formula grant program for existing schools of mining. This provision establishes an unnecessary new spending program, duplicates existing authorities for conduct of research, and could fragment existing research efforts already supported by the Federal government. The provision is deleted in the Administration bill."

Conference Report—Title III: Does not adopt Administration recommendation.

8. *Prohibition on mining in alluvial valley floors. Administration Recommendation:* "S. 425 would extend the prohibition on surface mining involving alluvial valley floors to areas that have the potential for farming or ranching. This is an unnecessary prohibition which could close some existing mines and which would lock up significant coal reserves. In the Administration's bill reclamation of such areas would be required, making the prohibition unnecessary."

Conference Report—Section 510(b)(5): Modifies this provision to make it more precise.

9. *Potential moratorium on issuing mining permits. Administration Recommendation:* "S. 425 provides for (1) a ban on the mining of lands under study for designation as unsuitable for coal mining, and (2) an automatic ban whenever such a study is requested by anyone. The Administration's bill modifies these provisions to insure expeditious consideration of proposals for designating lands unsuitable for surface coal mining and to insure that the requirement for review of Federal lands will not trigger such a ban."

Conference Report—Section 522: Modifies this provision to require expeditious administrative action on designations so as to avoid any moratorium.

10. *Hydrologic data. Administration Recommendation:* "Under S. 425, an applicant would have to provide hydrologic data even where the data are already available—a potentially serious and unnecessary workload for small miners. The Administration's bill authorizes the regulatory authority to waive the requirement, in whole or in part, when the data are already available."

Conference Report—Section 507(b)(11): Does not adopt Administration recommendation.

11. *Variances, Administration Recommendations:* "S. 425 would not give the regulatory authority adequate flexibility to grant variances from the lengthy and detailed performance specifications. The Administration bill would allow limited variances—with strict environmental safeguards—to achieve specific post-mining land uses and to accommodate equipment shortages during the interim program."

Conference Report—Section 515(c): Does not adopt Administration recommendation.

12. *Permit fee. Administration Recommendation:* "The requirement in S. 425 for payment of the mining fee before operations begin could impose a large 'front end' cost which could unnecessarily prevent some mine opening or force some operators out of business. In the Administration's bill, the regulatory authority would have the authority to extend the fee over several years."

Conference Report—Section 507(a): Adopts Administration recommendation.

13. *Preferential contracting. Administration Recommendation:* "S. 425 would require that special preference be given to reclamation contracts to operators who lose their jobs because of the bill. Such hiring should be based solely on an operators reclamation capability. The provision does not appear in the Administration's bill."

Conference Report—Adopts Administration recommendation.

14. *Any Class of buyer, Administration Recommendations:* "S. 425 would require that lessees of Federal coal not refuse to sell coal to any class of buyer. This could interfere unnecessarily with both planned and existing coal mining operations, particularly integrated facilities. This provision is not included in the Administration's bill."

Conference Report—Section 523(e): Modifies language to accommodate Administration concerning.

15. *Contract authority, Administration Recommendation:* "S. 425 would provide contract authority rather than authorizing appropriations for Federal costs in administering the legislation. This is unnecessary and inconsistent with the thrust of the Congressional Budget Reform and Impoundment Control Act. In the Administration's bill, such costs would be financed through appropriations."

Conference Report—Section 712(a): Does not adopt Administration recommendation.

16. *Indian lands, Administration Recommendation:* "S. 425 could be construed to require the Secretary of the Interior to regulate coal mining on non-Federal Indian lands. In the Administration bill, the definition of Indian lands is modified to eliminate this possibility."

Conference Report—Section 701(9): Adopts Administration recommendation.

17. *Interest charge. Administration Recommendations:* "S. 425 would not provide a reasonable level of interest charged on unpaid penalties. The Administration's bill provides for an interest charge based on Treasury rates so as to assure a sufficient incentive for prompt payment of penalties."

Conference Report—Section 518(d): Adopts Administration recommendation.

18. *Prohibition on mining within 500 feet of an active mine.* "This prohibition in S. 425 would unnecessarily restrict recovery of substantial coal resources even when mining of the areas would be the best possible use of the areas involved. Under the Administration's bill, mining would be allowed in such areas as long as it can be done safely."

Conference Report—Section 515(b)(12): Does not adopt Administration recommendation.

19. *Haul roads. Recommendation:* "Requirements of S. 425 could preclude some mine operators from moving their coal to market by preventing the connection of haul roads to public roads. The Administration's bill would modify this provision."

Conference Report—Section 522(e)(4): Adopts Administration recommendation.

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Lee Metcalf,
J. Bennett Johnston, Jr.,
Floyd K. Haskell,
Clifford P. Hansen,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mrs. Chisholm (at the request of Mr. O'Neill), for today and Tuesday, May 6, 1975, on account of illness.

Mr. Ford of Michigan (at the request of Mr. O'Neill), for today on account of illness in family.

Mr. Helstoski (at the request of Mr. O'Neill), for today, on account of official business.

Mr. Matsunaga (at the request of Mr. O'Neill), for today, on account of official business.

Mrs. Mink (at the request of Mr. O'Neill), for this week, on account of official business.

Mr. Rangel (at his own request), for Monday, Tuesday, Wednesday, and Thursday, of this week on account of death in the family.

Mr. Rinaldo (at the request of Mr. Rhodes), for May 5, 6, and 7, 1975, on account of official business as a delegate to the U.N. International Law of the Sea Conference at Geneva.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Hechler of West Virginia, for 15 minutes, today, and to include extraneous matter.

Mr. Randall, for 15 minutes, today, and to include extraneous matter.

(And the following Members (at the request of Mr. Myers of Pennsylvania) to revise and extend their remarks and include extraneous material:)

Mr. Conlan, for 15 minutes, today.

(The following Members (at the request of Mr. Howe), to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Wirth, for 5 minutes, today.

Mr. Danielson, for 10 minutes, today.

Mr. Phillip Burton, for 5 minutes, today.

Mr. Stokes, for 5 minutes, today.

Mr. Cornell, for 5 minutes, today.

Mr. Bedell, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Koch, remarks on conference report on Vietnam evacuation to appear in permanent Record.

Mr. McCormack, and to include extraneous matter.

(The following Members (at the request of Mr. Myers of Pennsylvania) and to include extraneous matter:)

Mr. Andrews of North Dakota.
Mr. Biester.
Mr. Winn.
Mr. Buchanan.
Mr. Ashbrook in two instances.
Mr. Del Clawson.
Mr. Conable in three instances.
Mr. Steiger of Wisconsin.
Mr. Lent.
Mr. Shuster.
Mr. Hagedorn in five instances.
Mr. Frenzel in five instances.
Mr. Guyer.
Mr. Conte.
Mr. Anderson of Illinois in four instances.
Mr. Kasten.
Mr. Collins of Texas in two instances.
Mr. Findley.
Mr. Kemp.
Mr. Wylie.

(The following Members (at the request of Mr. Howe) and to revise and extend their remarks:)

Mr. Annunzio in six instances.
Mr. Anderson of California in three instances.
Mr. Gonzalez in three instances.
Mr. Richmond.
Mr. Fraser.
Mr. Dodd.
Mr. Lloyd of California.
Mr. Rangel in 10 instances.
Mr. Dingell in two instances.
Mr. Stokes.
Mr. Phillip Burton.
Mr. Danielson in five instances.
Mr. Bingham in 10 instances.
Mr. Koch.
Mr. Minish in two instances.
Mr. Downing.
Mr. Nowak.
Mr. Addabbo.
Mr. McDonald of Georgia in five instances.
Mr. Karth.
Mr. Roybal.
Mr. Cornell in five instances.
Mr. Harrington.
Mr. Drinan.
Mr. Brademas in seven instances.
Mr. Dominick V. Daniels.
Mr. Harris.
Mr. Hébert.
Mr. Rees.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 896. An act to increase the appropriation authorization relating to the volunteers in the parks program, and for other purposes; to the Committee on Interior and Insular Affairs.

ENROLLED JOINT RESOLUTION SIGNED

Mr. HAYS of Ohio, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 242. Joint resolution to authorize and request the President to issue a proclamation designating the calendar week beginning May 12, 1975, as "National Historic Preservation Week."

ADJOURNMENT

Mr. HOWE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 32 minutes p.m.), the House adjourned until tomorrow, Tuesday, May 6, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

915. A letter from the President of the United States, transmitting proposed budget amendments for the Civil Service Commission for fiscal year 1976 and for the transition period July 1 through September 30, 1976 (H. Doc. No. 94–126); to the Committee on Appropriations and ordered to be printed.

916. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Perishable Agricultural Commodities Act; to the Committee on Agriculture.

917. A letter from the Under Secretary of Agriculture, transmitting a draft of proposed legislation to amend the act of March 4, 1927, to authorize the Secretary of Agriculture to accept and administer on behalf of the U.S. gifts or devices of real and personal property for the benefit of the National Arboretum; to the Committee on Agriculture.

918. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation to the Railroad Retirement Board for "Limitation on Salaries and Expenses," has been apportioned on a basis which indicates a necessity for a supplemental estimate of appropriation for fiscal year 1975, pursuant to section 3679(e)(2) of the Revised Statutes [31 U.S.C. 665(e)(2)]; to the Committee on Appropriations.

919. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriations to the U.S. Commission on Civil Rights and the Small Business Administration for "Salaries and Expenses," have been apportioned on a basis which indicates a necessity for supplemental appropriations for fiscal year 1975, pursuant to section 3679(e)(2) of the Revised Statutes [31 U.S.C. 665(e)(2)]; to the Committee on Appropriations.

920. A letter from the Deputy Assistant Secretary of the Interior, transmitting certification that an adequate soil survey and land classification has been made of the lands in the Llano Unit, Rio Arriba Division, San Juan-Chama project, and that the lands to be irrigated are susceptible to the production of agricultural crops by means of irrigation, pursuant to Public Law 83–172; to the Committee on Appropriations.

921. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to amend title 10, United States Code, to authorize officers of flag rank to serve in the Medical Service Corps in the Navy, and for other purposes; to the Committee on Armed Services.

922. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend chapter 39 of title 10, United States Code, to enable the President to authorize the involuntary order to active duty of Selected

Reservists, for a limited period, whether or not a declaration of war or national emergency has been declared; to the Committee on Armed Services.

923. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken for the Naval and Marine Corps Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

924. A letter from the Director, Defense Civil Preparedness Agency; transmitting a report on Federal financial assistance to States for civil defense equipment and facilities during the quarter ended March 31, 1975, pursuant to section 201(i) of the Federal Civil Defense Act of 1950, as amended [50 U.S.C. App. 2281(i)]; to the Committee on Armed Services.

925. A letter from the Chairman, Cost Accounting Standards Board, transmitting a proposed cost accounting standard entitled "Part 411—Accounting Acquisition Costs of Material," pursuant to section 719(h)(3) of the Defense Production Act, as amended; to the Committee on Banking, Currency and Housing.

926. A letter from the Chairman, Student Loan Marketing Association, transmitting the second annual report of the Association, covering calendar year 1974, pursuant to section 439(n) of the Higher Education Act of 1965, as amended (86 Stat. 269); to the Committee on Education and Labor.

927. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report on recommendations and actions related thereto contained in the report of the President's Committee on Mental Retardation entitled "MR '72, Islands of Excellence," pursuant to section 6(b) of the Federal Advisory Committee Act (H. Doc. No. 94–127); to the Committee on Government Operations and ordered to be printed.

928. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report on recommendations and actions related thereto contained in the report of the Citizens' Advisory Committee on Environmental Quality dated October 1973, pursuant to section 6(b) of the Federal Advisory Committee Act (H. Doc. No. 94–128); to the Committee on Government Operations and ordered to be printed.

929. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report on recommendations and actions related thereto contained in the reports of the Board of Visitors to the U.S. Naval Academy dated April 12, 1973, and December 12, 1973, pursuant to section 6(b) of the Federal Advisory Committee Act (H. Doc. No. 94–129); to the Committee on Government Operations and ordered to be printed.

930. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report on recommendations and actions related thereto contained in the reports of the Board of Visitors to the U.S. Naval Academy dated April 25, 1974, and December 5, 1974, pursuant to section 6(b) of the Federal Advisory Committee Act (H. Doc. No. 94–130); to the Committee on Government Operations and ordered to be printed.

931. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Rapidex, Inc., Gloucester, Mass., for a research project entitled "Development of the Rapidex Continuous Spiral Drill and Blast Tunneler Phase III," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

932. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of proposed contract with the Colorado School of Mines Research Institute, Golden, Colo., for a research project entitled "Heap Leaching Studies on Uranium Ores," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

933. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of proposed contract with Scientific Energy Systems Corp., Watertown, Mass., for a research project entitled "Demonstration of a Steam Powered Face Haulage Vehicle," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

934. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Hydronautics, Inc., Laurel, Md., for a research project entitled "Development of a Coal Cutter Using Cavitating Water Jets," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

935. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed contract with the University of Idaho, Moscow, Idaho, for a research project entitled "Seepage Through Partially Saturated Shale Wastes," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

936. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Arthur D. Little, Inc., Cambridge, Mass., for a research project entitled "Known Volume Air Sampling Pump," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

937. A letter from the Deputy Under Secretary of the Interior, withdrawing the proposed plan for the use and distribution of the judgment funds awarded to the Stillaguamish Tribe of Indians in docket No. 207 before the Indian Claims Commission, previously submitted pursant to section 2(a) of Public Law 93–134; to the Committee on Interior and Insular Affairs.

938. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on foreign assistance obligations for Cambodia, Vietnam, and Laos during the third quarter of fiscal year 1974, pursuant to section 655(f) of the Foreign Assistance Act of 1961, as amended, and sections 38(e) and 40(f) of the Foreign Assistance Act of 1974, respectively; to the Committee on International Relations.

939. A letter from the Chairman, Railroad Retirement Board, transmitting the annual report of the Board for fiscal year 1974, pursuant to section 10(b)4 of the Railroad Retirement Act and section 12(1) of the Railroad Unemployment Insurance Act; to the Committee on Interstate and Foreign Commerce.

940. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended [8 U.S.C. 1154(d)]; to the Committee on the Judiciary.

941. A letter from the Secretary of the Army, transmitting a draft of proposed legislation to authorize an increase in the monetary authorization for certain comprehensive river basin plans previously approved by Congress; to the Committee on Public Works and Transportation.

942. A letter from the Secretary of Labor, transmitting a draft of proposed legislation to amend the temporary unemployment benefits programs, and for other purposes; to the Committee on Ways and Means.

Received From the Comptroller General

943. A letter from the Assistant Comptroller General of the United States, transmitting a report on the release of budget authority for the Federal-Aid Highway Program, the deferral of which was reported by the President (D75–17) and disapproved by the Senate; to the Committee on Appropriations.

944. A letter from the Comptroller General of the United States, transmitting a report on inefficient management of F–14 spare parts by the Department of the Navy; jointly, to the Committees on Government Operations and Armed Services.

945. A letter from the Comptroller General of the United States, transmitting a report on public hazards from unsatisfactory medical diagnostic products (Food and Drug Administration, Department of Health, Education, and Welfare); jointly, to the Committees on Government Operations and Interstate and Foreign Commerce.

946. A letter from the Comptroller General of the United States, transmitting a report on the need for disclosing contractual and financial arrangements between hospitals and members of their governing boards and hospitals and their medical specialists (Department of Health, Education, and Welfare); jointly, to the Committees on Government Operations, Interstate and Foreign Commerce, and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Pursuant to the order of the House on May 1, 1975, the following conference report was filed on May 2, 1975*]

Mr. UDALL: Committee of Conference. Conference report on H.R. 25 (Rept. No. 94–189). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California (for himself, Mr. Hicks, Mr. John L. Burton, and Mr. Tsongas):

H.R. 6650. A bill to establish the Cabinet Committee for Asian American Affairs, and for other purposes; to the Committee on Government Operations.

By Mr. ANDERSON of California (for himself, Mr. Hechler of West Virginia, Mr. Beard of Rhode Island, Mr. Charles Wilson of Texas, Mr. Studds, Mr. Moss, Mr. Harrington, Mr. Winn, Mr. McCloskey, Mr. Whitehurst, Mr. Bob Wilson, Mr. Steelman, Mr. Horton, Mr. Edwards of California, Mr. Rodino, Mrs. Schroeder, Mr. Biaggi, Mr. Frenzel, Mr. Bell, Mr. McClory, Mrs. Meyner, Ms. Holtzman, and Mr. Tsongas):

H.R. 6651. A bill to discourage the use of painful devices in the trapping of animals and birds; to the Committee on Merchant Marine and Fisheries.

By Mr. ANDERSON of Illinois:

H.R. 6652. A bill to enable the United States to render assistance to or in behalf of certain migrants and refugees; to the Committee on the Judiciary.

By Mr. ANDREWS of North Dakota:

H.R. 6653. A bill to authorize the Secretary of the Interior to engage in a feasibility investigation of a potential resource development; to the Committee on Interior and Insular Affairs.

By Mr. BEDELL:

H.R. 6654. A bill to improve the reliability, safety, and energy efficiency of transportation by providing funds for repairing, rehabilitating, and improving railroad roadbeds and facilities; to the Committee on Interstate and Foreign Commerce.

By Mr. BIESTER (for himself and Mr. Lagomarsino):

H.R. 6655. A bill to amend title 38 of the United States Code in order to remove all limitations on the aggregate period for which a person may receive assistance under two or more of the veterans' educational assistance laws; to the Committee on Veterans' Affairs.

By Mr. BROOMFIELD:

H.R. 6656. A bill to enable the United States to render assistance to or in behalf of certain migrants and refugees; to the Committee on the Judiciary.

By Mr. BROOMFIELD (for himself, Mr. Hutchinson, and Mr. Fish):

H.R. 6657. A bill to enable the United States to render assistance to or in behalf of certain migrants and refugees; to the Committee on the Judiciary.

By Mr. JOHN L. BURTON:

H.R. 6658. A bill to amend section 414 of the Housing and Urban Development Act of 1969; to the Committee on Banking, Currency and Housing.

Mr. CORNELL (for himself, and Mr. Baucus):

H.R. 6659. A bill to provide public financing of primary and general elections for the Senate and the House of Representatives; to the Committee on House Administration.

By Mr. DAN DANIEL (for himself and Mr. Stephens):

H.R. 6660. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the first $300 of interest received by individuals on certain savings deposits, and to exclude from gross income interest received by certain banking institutions from certain residential mortgages; to the Committee on Ways and Means.

By Mr. DRINAN (for himself, Ms. Holtzman, and Mr. Roe):

H.R. 6661. A bill to prohibit actions by U.S. exporters which have the purpose or effect of supporting restrictive trade practices or boycotts imposed against countries friendly to the United States by other foreign countries; to the Committee on International Relations.

By Mr. DRINAN (for himself and Mr. Stokes):

H.R. 6662. A bill to amend the Impoundment Control Act of 1974 to provide that no recission of budget authority proposed by the President shall take effect unless and until the Congress has passed a bill incorporating such recission; to the Committee on Rules.

By Mrs. FENWICK (for herself, Mr. Wirth, Ms. Schroeder, Mr. Mollohan, Mr. Scheuer, Mr. Edwards of California, Mr. Thompson, Mr. Florio, Mr. McClory, Mr. Lent, Mr. Goodling, Mr. Krebs, Mr. Harrington, Mr. Maguire, Mr. Seiberling, Mr. Cochran, Mr. D'Amours, and Mr. Vander Jagt):

H.R. 6663. A bill to authorize the disposal of asbestos chrysotile from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

By Mr. FINDLEY:

H.R. 6664. A bill to prohibit the banning of lead shot for hunting; to the Committee on Merchant Marine and Fisheries.

By Mr. HASTINGS:

H.R. 6665. A bill to amend section 402 of the Regional Rail Reorganization Act of 1973 with respect to the percentage of the Federal share of rail service continuation subsidies; to the Committee on Interstate and Foreign Commerce.

By Mr. HENDERSON (for himself, Mr. Andrews of North Carolina, Mr. Broyhill, Mr. Fountain, Mr. Hefner, Mr. Jones of North Carolina, Mr. Martin, Mr. Neal, Mr. Preyer, Mr. Rose, and Mr. Taylor of North Carolina):

H.R. 6666. A bill to amend the Federal Water Pollution Control Act; to the Committee on Public Works and Transportation.

By Ms. HOLTZMAN (for herself, Mr. Rodino, Ms. Abzug, Mr. Brown of California, Mr. Brodhead, Mr. Phillip Burton, Mr. Carr, Mr. Corman, Mr. Downey, Mr. Pepper, Mr. Reuss, Mr. Rose, Mr. Scheuer, Mr. Solarz, Mr. Traxler, and Mr. Wirth):

H.R. 6667. A bill to amend title 18 of the United States Code to prohibit certain forms of economic coercion based on religion, race, national origin, sex, or certain other factors; to the Committee on the Judiciary.

By Mr. JOHNSON of California:

H.R. 6668. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Allen Camp unit, Pit River division, Central Valley project, California, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. JOHNSON of California (for himself, Mr. Lujan, and Mr. Don H. Clausen):

H.R. 6669. A bill to authorize the Secretary of the Interior to engage in feasibility investigations of certain potential water resource developments; to the Committee on Interior and Insular Affairs.

By Mr. JOHNSON of California (for himself and Mr. Don H. Clausen):

H.R. 6670. A bill to authorize the Secretary of Agriculture to permit the use of lands of the forest reserves created from public domain for commercial outdoor recreation, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. LUJAN:

H.R. 6671. A bill to authorize the Secretary of the Interior to engage in a feasibility investigation of potential water resource developments in the upper Canadian River Basin; to the Committee on Interior and Insular Affairs.

By Mr. MILLER of Ohio:

H.R. 6672. A bill to amend title II of the Social Security Act to increase the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted each year without any deductions from benefits thereunder, and to revise the method for determining such amount; to the Committee on Ways and Means.

By Mr. NEDZI (for himself, Mr. Thompson, Mr. Brademas, Mrs. Boggs, Mr. Mollohan, and Mr. Frenzel):

H.R. 6673. A bill to provide for the establishment of an American Folklife Center in the Library of Congress, and for other purposes; to the Committee on House Administration.

By Mr. PRICE:

H.R. 6674. A bill to authorize appropriations during the fiscal year 1976, and the period beginning July 1, 1976, and ending September 30, 1976, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads and for other purposes; to the Committee on Armed Services.

By Mr. QUIE:

H.R. 6675. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. REUSS (for himself, Mr. Patman, Mr. Barrett, Mrs. Sullivan, Mr. Moorhead of Pennsylvania, Mr. St Germain, Mr. Minish, Mr. Annunzio, Mr. Rees, Mr. Hanley, Mr. Mitchell of Maryland, Mr. Fauntroy, Mr. Neal, Mr. Patterson of California, Mr. Blanchard, Mr. Ford of Tennessee, Mr. LaFalce, Mrs. Spellman, Mr. AuCoin, Mr. Tsongas, Mr. Hayes of Indiana, Mr. Hannaford, and Mr. Evans of Indiana):

H.R. 6676. A bill to maximize the availability of credit for national priority uses; to the Committee on Banking, Currency and Housing.

By Mr. RICHMOND (for himself, Mr. Miller of California, Mr. Blouin, Mr. Hall, Mr. Simon, Mr. Hawkins, Mr. Conyers, Mr. Bingham, Mr. Hannaford, Mr. Dellums, Mr. Rangel, Mr. Roe, Mr. Harrington, Mr. Ottinger, Mrs. Meyner, Mr. Fraser, Mr. Koch, Mr. Mikva, Mr. Rosenthal, Mr. Ford of Tennessee):

H.R. 6677. A bill making a supplemental appropriation for the Department of Labor for the fiscal year ending June 30, 1975, to provide additional funds for youth summer employment programs pursuant to the Comprehensive Employment and Training Act of 1973; to the Committee on Appropriations.

By Mr. ROSE:

H.R. 6678. A bill to amend section 503(b) of the Rural Development Act of 1972; to the Committee on Agriculture.

By Mr. ROYBAL (for himself, Mr. Anderson of California, Mr. Ginn, Mr. Howard, Mr. Jones of Alabama, Mr. Mineta, Mr. Roe, Mr. Roncalio, and Mr. James V. Stanton):

H.R. 6679. A bill to authorize a local public works capital development and investment program; to the Committee on Public Works and Transportation.

By Mr. RUSSO:

H.R. 6680. A bill making an appropriation to the Secretary of the Army for the fiscal year ending June 30, 1976, and the transitional period ending September 30, 1976, to clear the main channel of the Little Calumet River, Ill., from its confluence with the Calumet-Sag channel eastward to the Indiana State line, of fallen trees, roots, and other debris and objects; to the Committee on Appropriations.

By Mr. SEIBERLING:

H.R. 6681. A bill to amend the Internal Revenue Code of 1954 to discourage the relocation of manufacturing plants by providing an additional investment credit for machinery placed in service in existing manufacturing plants or in nearby areas; to the Committee on Ways and Means.

By Mr. STOKES:

H.R. 6682. A bill to amend the National Housing Act to extend the time period during which certain homeowners may apply for compensation for defects under section 518 (b) of such act; to the Committee on Banking, Currency and Housing.

By Mr. STRATTON (for himself, Mr. Jones of Alabama, Mr. Roe, Mr. O'Neill, Mr. McFall, Mr. Wright, Mr. Johnson of California, Mr. Roberts, Mr. McCormack, Ms. Abzug, Mr. Breaux, Mr. Studds, Mr. Holland, Mr. Howe, Mr. Oberstar, Mr. Nowak, and Mrs. Lloyd of Tennessee):

H.R. 6683. A bill to authorize a local public works capital development and investment program; to the Committee on Public Works and Transportation.

By Mr. VAN DEERLIN (for himself, Mr. Metcalfe, Mr. McCollister, and Mr. Rinaldo):

H.R. 6684. A bill to amend the Federal Trade Commission Act to provide that exclusive territorial arrangements used in the distribution or sale of a trademarked soft drink product or a trademarked private label food product shall not be deemed unlawful per se; to the Committee on Interstate and Foreign Commerce.

By Mr. VANIK (for himself, Mr. Bonker, Mr. Brown of California, Mr. Carney, Mr. Dent, Mr. Downey, Mr. Hicks, Mr. Howe, Mr. Long of Maryland, Mr. Mitchell of Maryland, Mr. Neal, Mr. O'Hara, Mr. Rosenthal, Mr. Ryan, Mr. Scheuer, Ms. Schroeder, Mr. Seiberling, Mr. Stark, Mr. Studds, and Mr. Zeferetti):

H.R. 6685. A bill to make changes in the treatment of foreign income, to promote the development of an open, nondiscriminatory, and fair world economic system, to stimulate the economic growth of the United States, and for other purposes; to the Committee on Ways and Means.

By Mr. VANIK (for himself, Mr. Gude, Ms. Holtzman, and Mrs. Spellman):

H.R. 6686. A bill to provide for the recycling of used oil, and for other purposes; jointly to the Committees on Interstate and Foreign Commerce, Ways and Means, Government Operations, and Science and Technology.

By Mr. EDWARDS of Alabama (for himself and Mr. Robinson):

H.J. Res. 428. Joint resolution proposing an amendment to the Constitution of the United States with respect to the offering of prayer in public buildings; to the Committee on the Judiciary.

By Mr. ROYBAL:

H.J. Res. 429. Joint resolution to authorize and request the President to proclaim October 1975 as Hobby Month; to the Committee on Post Office and Civil Service.

By Mr. TAYLOR of Missouri:

H.J. Res. 430. Joint resolution to provide for the designation of the month of May 1975 as Older Americans Month; to the Committee on Post Office and Civil Service.

By Mr. GUYER (for himself, Mr. Kindness, Mr. Latta, Mr. Kemp, and Mr. Heinz):

H. Con. Res. 264. Concurrent resolution expressing the sense of Congress that the President should call upon the United Nations to assist in the resettlement of South Vietnamese refugees; to the Committee on International Relations.

By Mr. LUJAN:

H. Con. Res. 265. Concurrent resolution expressing the sense of the Congress with respect to International Women's Year; to the Committee on Post Office and Civil Service.

By Mr. SIKES:

H. Con. Res. 266. Concurrent resolution expressing the sense of the Congress that the embargo of Cuba not be lifted as long as Cuba is under Communist control; to the Committee on International Relations.

By Mr. WHALEN:

H. Con. Res. 267. Concurrent resolution expressing the sense of Congress concerning recognition by the European Security Conference of the Soviet Union's occupation of Estonia, Latvia, and Lithuania; to the Committee on International Relations.

By Mr. BIESTER (for himself, Mr. Randall, and Mr. Kelly):

H. Res. 440. Resolution to establish a John W. McCormack, Sr., intern program; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

120. By the Speaker: Memorial of the Legislature of the State of New York, relative to the relocation of Benet Weapons Laboratory; to the Committee on Armed Services.

121. Also, memorial of the Legislature of the Territory of Guam, relative to South Vietnamese refugees; to the Committee on International Relations.

122. Also, memorial of the Legislature of the State of Montana, relative to the transportation of agricultural commodities; to the Committee on Interstate and Foreign Commerce.

123. Also, memorial of the Legislature of the State of Oklahoma, relative to the use of natural gas for irrigation purposes; to the Committee on Interstate and Foreign Commerce.

124. Also, memorial of the Senate of the Commonwealth of Massachusetts, relative to an emergency session of Congress to deal with unemployment; to the Committee on the Judiciary.

125. Also, memorial of the Legislature of the State of California, relative to development of waterborne commerce; to the Committee on Public Works and Transportation.

126. Also, memorial of the House of Representatives of the State of Hawaii, relative to social security inequities; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. FRENZEL introduced a bill (H.R. 6687) for the relief of Doo Hoon Park, which was referred to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

118. The SPEAKER presented a petition of Leslie H. Baker, Jr., Fort Worth, Tex., relative to tax treatment of capital transfers; to the Committee on Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 49

By Mr. MOSS:

On page 16, after line 4 insert the following:

"TITLE III

"Sec. 301. No Federal employee performing any function or duty under this Act or 10 U.S.C. 7420–7438 shall have a direct or indirect financial interest in any firm or business engaged in the production, processing, refining, transportation by pipeline, or distribution (other than at the retail level) of oil or gas or other petroleum product. Whoever knowingly violates the provisions of the above sentence shall, upon conviction, be punished by a fine of not more than $2,500, or by imprisonment for not more than one year, or both. The Secretary of the Interior and the Secretary of the Navy, as appropriate, shall (1) within sixty days after enactment of this Act publish regulations, in accordance with 5 U.S.C. 553, to establish the methods by which the provisions for the filing by such employees and the review of statements and supplements thereto concerning their financial interests which may be affected by this section, and (2) report to the Congress on March 1 of each calendar year on the actions taken and not taken during the preceding calendar year under this section."

H.R. 5919

By Mr. MOSS:

On page 10, after line 4 insert the following:

"Sec. 3. No Federal employee performing any function or duty under this Act or 10 U.S.C. 7420–7438 shall have a direct or indirect financial interest in any firm or business engaged in the production, processing, refining, transportation by pipeline, or distribution (other than at the retail level) of oil or gas or other petroleum product. Whoever knowingly violates the provisions of the above sentence shall, upon conviction, be punished by a fine of not more than $2,500, or by imprisonment for not more than one year, or both. The Secretary of the Navy shall (1) within sixty days after enactment of this Act publish regulations, in accordance with 5 U.S.C. 553, to establish the methods by which the provisions for the filing by such employees and the review of statements and supplements thereto concerning their financial interests which may be affected by this section, and (2) report to the Congress on March 1 of each calendar year on the actions taken and not taken during the preceding calendar year under this section."

EXTENSIONS OF REMARKS

THE LOW END, ARTHUR

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. CONABLE. Mr. Speaker, many of us are concerned that our fight to overcome recession and high unemployment not regenerate the kind of inflation that would rob economic recovery of its hope for better times. This feeling was expressed this morning in an editorial in the Wall Street Journal. I hope my colleagues will muse over this message and the historic perspective it gives about the exaggeration our policies can bring to the speed and amplitude of cyclican change. I include the editorial in the Record at this point:

[From the Wall Street Journal, May 5, 1975]

THE LOW END, ARTHUR

If the Federal Reserve System can hold money growth to the low end of 5% to 7.5% target Chairman Arthur Burns announced Thursday, there is a good chance the economy can come out of this recession without the new boom-and-bust cycle so widely feared. The upper end of the target range already introduces the risk, and it also must be said that bleak reality suggests that Mr. Burns will be lucky to keep within his range at all.

The public announcement of targets has long been resisted by the Fed, but Mr. Burns yielded to congressional pressure in disclosing his present intentions, subject to reconsideration, for the year ending next March. We think the precedent is entirely salutary, and ought to help focus public debate on the question of what kind of recovery we want. Perhaps it will even help Congress understand that the deficits its spending creates have a great deal to do with whether Mr. Burns can hit his target.

What kind of recovery do we want? In suggesting that Mr. Burns' targets are too low, Senator Proxmire had in mind a recovery directed at curing unemployment as quickly and rapidly as possible, and hang everything else. In particular, this line of reasoning goes, inflation is no problem until we reach full employment. Presumably its adherents further believe that fiscal and monetary policy should go full speed ahead until that point is reached, and then pick the magic moment to switch to inflation-fighting, or at least to deftly fade from recession-fighting to inflation-fighting in a "soft landing."

This is the kind of thinking that has got us, where we are. Surely it is not too much to ask economic policy to look more than a year or so in advance, or to recognize that our real problem is not simply unemployment or simply inflation, but a cycle in which each feeds the other. Over the last decade, the amplitude of this cycle has been increasing with each peak and trough, and this may be our last chance to contain it without breaking the system.

The current recession, after all, was chiefly caused by inflation, which cut the real purchasing power of consumers and disguised an excessive inventory accumulation. The inflation, in turn, was caused chiefly by overly expansive monetary and fiscal policies designed to cure "sticky" unemployment. Since the inflation was especially virulent, so the present unemployment is especially large. Another policy overreaction will mean still larger inflation and a still larger and possibly devastating correction.

Present policy needs urgently to be aimed not at the present phase of the cycle but at the cycle itself. In the case of monetary policy, this means getting on a growth path that can be sustained without reintroducing inflaction. As Chairman Burns said, his target range already reflects a decision to "err on the side of ease." In the best possible case—with perfect knowledge, wisdom and timing—money growth of 7.5% between now and early 1976 just conceivably might be absorbed without retriggering the cycle. Barely conceivable, since it is gradually becoming clear that we operate not in a closed economic system but in a world-wide one we understand only imperfectly. Given the real state of wisdom and knowledge, a 5% target is far more realistic.

This is likely to mean, admittedly, a slower recovery and more lingering unemployment than might be possible under Senator Proxmire's recommendations. We would not want to underestimate the psychic costs of unemployment, but the economic costs to unemployed individuals have been greatly reduced. Witness that even with the depth of the current downturn, personal income has held steady despite the fall in wages and salaries. Surely this kind of cost is preferable to the risks of a larger and larger collapse.

Monetary policy is the best measure of whether a new round of inflation will result, but it does not operate in a vacuum. In particular, the deficits Congress seems likely to run this year or next are likely to present Mr. Burns with the alternatives of abandoning his money growth targets or allowing a credit crunch when private loan demand starts to pick up. If he is to pursue a steady monetary policy, we also need a more restrained fiscal policy.

In the end, we are being swept along our dangerous cycle not so much by economic forces but by political ones. Whatever Mr. Burns announces, we are unlikely to get off the cycle until there is an understanding not only at the Fed but in Congress and the nation that in order to avoid new errors we now need to pay the price of past ones.

HATCH ACT REVISION SUPPORTED

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. HARRIS. Mr. Speaker, I would like to share with my colleagues the statement of Mr. R. B. Hutton, general president of the Virginia Postal Workers Union, on revising the Hatch Act. His statement is most helpful because it offers the perspective of postal employees, who would be covered by H.R. 3000, and he relates how he successfully held local office while being "hatched." Mr. Hutton represented 3,700 Virginia postal workers at the April 14 hearing in Annandale, Va., of the House Subcommittee on Employee Political Rights and Intergovernmental Programs. His statement follows:

REMARKS BY R. B. HUTTON

Mr. Chairman and Members of the Committee: For the record, I am R. B. "Penny" Hutton, General President of the Virginia Postal Workers Union (AFL–CIO). I am very pleased to appear before the Committee this evening with Research, Education and Legislative Director M. Lee Watkins, Virginia Postal Workers Union (AFL–CIO), General President Ernest Blevins, Northern Virginia Area Local, Merrifield, Virginia, Mary E. Webster of Alexandria, Virginia, and Katherine Haynes, of Merrifield, Virginia, members of the Northern Virginia Area Local, of the Virginia Postal Workers Union (AFL–CIO).

We speak in behalf of more than 3,700 Virginia Postal Workers that are affiliated with the American Postal Workers Union (AFL–CIO).

This statement reflects the unanimous position of each member concerning Employee Political Rights and Intergovernmental Programs.

We thank the Chairman and Members of this Sub-Committee for giving the Virginia Postal Workers Union an opportunity to express our views on H.R. 3000. We appear here today to advise this Committee of our support of the pending legislation, H.R. 3000, introduced by the Honorable William L. Clay of Missouri.

As federal employees we resent our second-class status as citizens and we are not afraid to pursue our rights to political action or exercise it regardless of what party may be in power. The Hatch Act as it now stands takes away the most precious civil right ever devised by a free society—the right to participate in the action and passion of our times. It is a form of repressive overkill, and flouts the deepest traditions of political activism in America. Here in Virginia where our rights as first class citizens was born and as we are about to embark on the Bicentennial of these freedoms and rights, the Hatch Act as it now stands causes us to waive our constitutional rights.

There are those that have said, "If federal employees were given the right to freely engage in politics, they would be on shaky ground." Let me use myself as an example. I ran and was elected to Council of my home town—Elkton, Virginia, by the largest percentage of votes of all other candidates. It did not hinder my career. After serving my term I was asked to help rewrite the ordinances for the Town of Elkton. I have been asked and have served on several committees upon request of the Town. This I was able to because it does not have a partisan form of government. But the Hatch Act as it now stands has prevented me from accepting the offers and the opportunity to further participate in my community form of government. This personal experience is shared by many federal and postal employees. It is evidence of fact that we hold only a second-class status in the due process of political-freedom and deepest traditions of America.

Mr. Chairman and Members of the Committee, thank you for permitting us to make this statement in support of H.R. 3000 on behalf of the Virginia Postal Workers Union (AFL-CIO) and we are willing to respond to questions that the Members of the Committee may care to ask.

THE BICENTENNIAL

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. WOLFF. Mr. Speaker, my home area of Long Island, N.Y., was the scene of one of the Revolutionary War's major battles, and troops from the island marched with George Washington from shaky beginnings exactly 200 years ago, to the final triumph 6 years later.

But, as with the case in all of the original States, the American War for Independence was based on not only the troops who endured those 6 long years of war, but also the men, women, and children who stayed at home to grow the food and manufacture the materials of war which enabled the struggle to continue.

And all the while, the greatest minds of the 18th century—Thomas Jefferson, Benjamin Franklin, James Madison—were even then laying the intellectual groundwork for what would become the American enlightenment through the Constitution and Bill of Rights, which have served us so well for so long.

The Bicentennial celebrations should thus reflect not simply the undeniable military courage of our forefathers, but also their intellectual commitment to founding on this land a nation "conceived in liberty, and dedicated to the proposition that all men are created equal," as that great patriot of 100 years ago, Abraham Lincoln, noted in a few words the world will never forget.

Mr. Speaker, as we proceed through the year, the pace of Bicentennial activities will quicken. I feel that it is only proper for us to mark our great Nation's 200th birthday. It is a time for us to look back to our traditions and the ideals our Founding Fathers fought for. It is a time to assess our Nation today. And it is a time for us to look to our Nation's future.

Our Bicentennial activities should appeal to all. We should have parades and gaity, and we should have discussions and reflection.

I am happy to announce that April 20 marked the beginning of official Bicentennial activities in my home district on Long Island, N.Y. The American Revolution Bicentennial Parade coursed through Greater Roslyn, ending in Roslyn Park. This parade, the largest ever held in Roslyn, was certainly enjoyed by spectators and partcipants alike.

Mr. Speaker, if this parade is an example of the quality of all future Bicentennial events, I can assure my colleagues that we can look forward to a most enjoyable year.

At this time, I would like to credit the individuals who helped make this parade the success it was.

Ann Croce, chairman; Art Fleming, M.C.; Father Michael Reid, invocation; Mayor William Fleischer, invocation; Jerry Graziano, National Anthem; Mayor Elias Spielman, placing of Bicentennial flag; Roy Moger, welcome address; Deputy Mayor Kathy Gerardi, introduction of dignitaries; County Executive Caso, remarks; Supervisor Michael Tully, remarks; Rabbi Norman Kahan, benediction; Mr. and Mrs. Wm. Kattkee, Colonial Dancers; Jerry Korobow, guitar music; Roslyn High School Kickers; Lynn Jacobsen, 76 Trombones; The Spirit of '76 Fife and Drum; Carol and Floyd York of the Roslyn Savings Bank.

Of course, there are many other individuals and groups that gave behind-the-scenes assistance. These people are also richly deserving of a note of thanks.

CHARLS E. WALKER ON REFORM OF THE FEDERAL RESERVE

HON. EDWARD G. BIESTER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. BIESTER. Mr. Speaker, Dr. Charls E. Walker is an economist whose views deserve widespread consideration. As a former Deputy Secretary of the Treasury and now as a private consultant, Charlie Walker speaks and writes with a keen grasp of economic theory and political reality. In the New York Times of Sunday, May 4, he discusses possible changes in the Federal Reserve System in light of past developments in our monetary structure and in light of constitutional tensions between the Congress and the executive branch. Feeling certain that his views will be of interest to numerous Members, I submit the article for the RECORD:

FED FACES CONGRESS IN THE MOOD FOR REFORM

(By Charls E. Walker)

Events in the months ahead could lead quickly to the first significant changes in the decision-making process for monetary policy since the nineteen-thirties. This would result from either of two extremes—aborted recovery or an early return to sky-high inflation, either of which might be blamed on the Federal Reserve System. In the first instance, monetary policy would be viewed as too tight; in the second, too easy.

Recent rapid growth in the money supply has encouraged some monetarists to conclude at least tentatively, that the Fed will not starve the economy for funds.

And if this growth falls back to a sustainable rate by late spring or summer, Fed chairman Arthur F. Burns and his colleagues may well have successfully walked a difficult economic and political tightrope.

But all that is certain now is that failure—or what is perceived to be failure—would not be forgiven by the public or Congress, with early legislation to change Fed powers a strong probability.

Even if the Fed comes through this difficult period with flying colors, Congress still may enact within the relatively near future—in this Congress or the next—to "modernize" the Fed.

After all, attitudes change and so should institutions. Moreover, assuming the economy does not fall apart, it's much better to reform monetary institutions when financial seas are relatively calm rather than turbulent.

Although the Fed was created as a result of the Panic of 1907, the legislation was not passed until six years later and was based at least in part on recommendations of a blue-ribbon study commission established after the panic because it was clear that the United States badly needed a central bank.

"Reform" legislation in 1935, on the other hand, enacted relatively quickly following the financial crisis of 1933, was not especially well thought out. In fact, the "reform" was confined primarily to removing the Secretary of the Treasury from the seven-member Federal Reserve Board and creating the 12-member Federal Open Market Committee as the reserve system's central policymaking group.

These actions strengthened the Fed's "independence within Government." But as financial reform, they pale in comparison with other legislation of that era including the creation of Federal Deposit Insurance, prohibition of payment of interest on bank demand deposits and adoption of controls over interst on time and savings accounts ("Regulation Q," which has grown into anti-consumer price control mechanism), separation of commercial and investment banking, and enactment of sweeping securities market legislation (including creation of the Securities and Exchange Commission).

Now, in the nineteen-seventies, if the Fed is indeed "re-modeled," what changes is Congress likely to make?

It may well conclude that the Federal Reserve Board is too big and should be reduced to five members at most and preferably three.

Indeed, a respectable case can be made for a board of one—a "president" of the central bank as is the fashion in most other free industrial nations. However, given the attitudes in the country concerning concentration of power, the one-man approach would probably attract little Congressional support.

Some observers believe that Congress would given an incoming President the right to select the board's chairman from among its members; chairmen now serve four year terms which do not necessarily coincide with the Presidential term. But such action is unlikely.

Congress realizes that all too frequently the President may be from one party and the Congress controlled by the other. This realization coupled with the inherent conflicts between the legislative and executive branches (frequently even when one party controls both), would give many Congressmen second thoughts on permitting a new President to name a new chairman.

Congress is likely to increase the power of the chairman with respect to budget and staff. Under existing statutes, the chairman in effect has no more authority than any other board member—but he is held responsible for policy by both Congress and the public.

Congress may also decide to strip the 12 district Federal Reserve banks and their president of policy-making powers.

This would mean that a district bank, which is technically run by a board of directors of which two-thirds are elected by privately owned commercial banks, could not initiate changes in the Federal Reserve discount rate (the interest charged for loans to member banks). Since all such changes have to be ratified by the Federal Reserve Board under existing law, this "reform" would be of relatively little importance.

Removal of Fed presidents from the Federal Open Market Committee, the most powerful policy-making body in the system, would however, be of great importance.

In weighing any such change, Congress should recognize that, on balance, the presidents of the reserve banks have met their policy responsibilities honorably and well and, in some instances, exerted highly constructive impacts at critical junctures. (The high calibre of these men was underscored by last week's announcement that former Treasury Under Secretary Paul A. Volcker, a brilliant man of the highest integrity, would head the New York bank).

In early 1951, under pressure from President Harry Truman, a majority of the Federal Reserve Board voted to continue the inflationary policy of pegging prices of Government bonds, but the full 12-member F.O.M.C. (the seven reserve board members plus five bank presidents) voted to the contrary.

This courageous stand, with support from Congress through the Joint Economic Committee, restored a flexible monetary policy as a means of stabilizing economic activity. Combined with the sensible fiscal policies, it contributed to good economic policy in the early nineteen-fifties.

That's not all. A single Federal Reserve Bank (St. Louis) through perseverance and the quality of its work, exerted considerable influence on the Fed's Washington policymakers and staff to bring money supply back into the center of policy determination.

In addition, the district banks have developed a highly effective economic intelligence system. As a result of direct and frequent contacts with thousands of businesses and banks throughout the country, the district presidents can bring to monthly F.O.M.C. meetings the best and latest information on what's really going on in the economy, sometimes weeks or even months ahead of official data.

Despite the positive contributions of Federal Reserve banks and their presidents over the years, centralization of policy authority in the Federal Reserve Board is probably inevitable.

While district bank boards almost invariably consist of outstanding citizens, none are appointed by officials directly responsible to the voter and, as noted above, a majority is in fact elected by bankers. The directors in turn appoint the bank's president (although in recent years the Federal Reserve Board in Washington has frequently exercised its veto power in this respect).

Clearly, both in 1913 and 1935 legislation aimed at creating and maintaining a "private public" central banking system in the United States. A system of this type, although acceptable to Congress and the people then, is not likely to be acceptable for long given the political attitudes of the seventies.

In short, sooner or later Congress is likely to insist that all monetary policymakers be full-time, fully sworn Federal officials, appointed by the President of the United States and confirmed by the Senate—as is true of the Federal Reserve Board now.

The simplest way to do this is, as noted, to place all such powers with a reconstituted Federal Reserve Board.

If so, the key question for Congress is how to retain the expertise and regional leadership role of the district banks and presidents while at the same time centralizing policy authority in the Federal Reserve Board.

One approach might be to require the board to meet with the bank presidents at least monthly and receive their advice. The board would be expected to give full consideration to the views of the presidents and to include in the policy record, now required by statute, the presidents' recommendations and the reason the board agreed with, modified, or rejected the advice.

Who will be the Fed's master, Congress or the executive branch?

Notwithstanding the fact that the Constitution grants Congress the power to "coin money [and] regulate the value thereof," such authority could be delegated to the President. In the current arrangement, the Fed is said to be independent within Government and responsible only to Congress. Any significant increase in the power of the White House over monetary policy is doubtful.

Congress, as noted, has legal "control" of the Fed and probably wants to keep it that way. Moreover, many Congressmen recognize that there is an inherent conflict of interest involved in expanding executive authority over monetary policy.

This because the President's authority would doubtless be delegated at least partially to the Secretary of the Treasury, who is responsible for managing the public debt as efficiently as possible.

As de facto if not titular chief of monetary policy, the Treasury Secretary would have considerable power that could be used, through money creation, to bring down interest rates for at least temporary periods.

This is not to say that any given secretary would do so; but it is to say that an inherent conflict exists and is in fact the fundamental rationale for the existing system.

Stated more vividly, "coin-clipping" as practiced by sovereigns (diluting the real value of gold or silver coins by clipping the edges) may be ancient history. But to establish a monetary framework which tempts a President or his chief financial officer to engage in what is essentially modern "coin-clipping" is of dubious wisdom.

Recently, less has been heard about Presidential control of the Fed and rather more about a tighter rein on the part of Congress—with the most popular recommendation to the effect that Congress should, through law, dictate the "rate" of monetary growth.

But Congress should count to 10 many times over before intervening in the day-to-day operation of the central bank.

Resolutions such as the one passed recently—in essence calling on the Fed to "do a good job" and to report more frequently on its intentions—do no real harm and may be constructive in reminding the Fed officials not to become too cloistered in their ivory tower on Constitution Avenue.

Indeed, the welcome disclosure last Thursday by Chairman Arthur F. Burns of the Fed's future targets for monetary growth was a case in point.

But the late House Speaker Sam Rayburn told this writer some 15 years ago that Congress would meddle in monetary policy only at its peril. To Mr. Sam, any attempt by Congress to "run" the central bank was a no-win proposition for politicians.

The timing and final outcome of changes in the structure of the Federal Reserve system are impossible to predict. The best bet is that the changes will come within a few years or much more quickly, if the economy falls into deeper recession or we return to galloping inflation.

Also a good bet is that Congress is likely to maintain the Fed's so-called independence within Government but, ignoring Mr. Sam's advice to some extent, at the same time tighten somewhat the linkage between the central bank and the national legislature.

A first step in this direction could well be legislation authorizing the investigative arm of Congress, the General Accounting Office, to audit the administrative expenses—but not the policy decisions—of the Fed for the first time.

BILL BONSELL

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. LENT. Mr. Speaker, like so many of my colleagues, I want to pay tribute to the minority doorkeeper, Bill Bonsell, who has retired from his position, effective May 1.

Bill has held his position for two decades, which is longer than most of us have served in the House. In the years which I have been here, I have come to respect Bill's ability, and have relied upon his expertise numerous times.

I want to take this opportunity to wish Bill health and happiness in his retirement. He can leave with the assurance that his 29 years of service to the House of Representatives has done great credit to this institution.

PARADE MAGAZINE REPORTS ON THE CHILD AND FAMILY SERVICES BILL

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. BRADEMAS. Mr. Speaker, the distinguished senior Senator from Minnesota, and I are cosponsors, together with a substantial number of other Members of the House and Senate of both parties, of the child and family services bill, a measure aimed at improving services for children and their families in the United States.

I was therefore pleased to see in the April 29, 1975, issue of "Parade" magazine an article describing this proposal, and I insert the article at this point in the RECORD:

OFFSPRING OF WORKING MOTHERS

(By Lloyd Shearer)

Children in the United States are becoming an unattended lot.

According to a Labor Department study, Children of Working Mothers, "Almost 27 million children in the U.S.—42 percent of those under age 18—had mothers who were working or seeking work in March, 1974. About one out of every four of these children (6.1 million) were below regular school age and probably required some kind of care in their working mother's absence."

Approximately 33 percent of all mothers with children under 3 years of age are now working outside the home. In 1964, 22 percent of all mothers with children under 3 worked outside the home.

Recent studies have indicated that most children of working mothers are cared for in their own homes, many by non-relatives. Consequently, children with working mothers do not always receive proper family care. The results are distressing.

Forty percent of all young children in the U.S. are not immunized against childhood diseases.

At least 10 million children in the U.S. receive no health care at all.

Over 4 million children have limited or no English-speaking ability. Only a handful of them are enrolled in bilingual programs.

Each year an estimated 200,000 children are struck by handicaps that could have been prevented if they and their mothers had received early health care.

There are today 7 million handicapped children in the U.S. under age 18, including over a million handicapped preschool children.

There are only a million spaces available in licensed day care programs for the 3 million preschool children whose mothers work.

Sen. Walter Mondale (D., Minn.) and Rep. John Brademas(D., Ind.) are authors of the Child and Family Services Act of 1975, a bill that would financially assist states and localities to upgrade and expand their family services. Such a measure would cover health services, screening for handicaps, prenatal services for mothers, in-home and center-based day care—both part- and full-time—and health and nutritional programs.

The answer for unattended children, says Carmen R. Maymi, director of the Women's Bureau of the U.S. Labor Department, is quality day care.

"It is pointless to argue about whether or not mothers should work," says Ms. Maymi. "The fact is that more and more women with children are entering the work force—most of us work because of economic reasons.

"However, the employment of mothers is not the only reason many children need day care. Illness or death of the mother, mental or physical handicaps, emotional disturbances, poor family relationships, and poor living conditions are other factors. But the major demand for day care facilities stems from the employment of mothers outside of the home."

JOHN C. DRISCOLL RETIRES

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. DODD. Mr. Speaker, on April 30, 1975, John C. Driscoll, a veteran of 38 years of State service, retired from his position as industrial agent with the Connecticut Department of Commerce—CDC.

John, who is widely known and respected throughout the State of Connecticut, has worked closely with elected officials and industrial developers, particularly in eastern Connecticut which comprises the Second Congressional District. He is credited with having assisted the location of many important industries in eastern Connecticut towns.

Coworkers and associates all agree John is tops—"a professional's professional."

A Vermont native, John went to work for the State of Connecticut in 1937 at the State employment office in Danielson, where he still resides. He became manager there before joining the then State development commission in 1955.

As an agent for the development commission, and later for the CDC which superceded it in 1973, John covered the United States and parts of Canada seeking out prospective companies interested in relocating to Connecticut. While maintaining close touch with these prospects, he worked to make sure CDC services were made available where they were most needed in Connecticut.

Friends in eastern Connecticut and throughout the State will greatly miss John's guidance in the industrial development field. We will all miss his dedication and perseverance.

I would like to join with all John's

friends in wishing both John and his lovely wife Anita peaceful, healthful, happy retirement days.

POLISH CONSTITUTION DAY

HON. DOMINICK V. DANIELS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. DOMINICK V. DANIELS. Mr. Speaker, May 3 marked the anniversary of the adoption of the great Polish Constitution of 1791—a benchmark in the struggle of men to form governments guided by the consent of the governed.

The 3rd of May Constitution reflects the ideals of freedom and independence that 10 million Americans of Polish ancestry cherish and want to retain for their homeland.

The proud spirit of the Polish people and their love of liberty can never be crushed—though many cruel oppressors have tried to break that spirit. Today, as 184 years ago, the nationalistic spirit and the Christian faith of the Polish people remains strong and resolute.

America owes a great debt to Poland. She gave us brilliant military leaders in our time of need, and she gave us sons and daughters who worked hard to help build this country and make it the greatest and strongest Nation on the face of the Earth.

Great patriotism, willingness to tackle hard work and see it through to completion, and devotion to principles of honesty and loyalty are unique qualities that typify Polish Americans. These qualities reflect traditions of the homeland—and they have helped to make the American character richer and fuller.

These qualities are deeply imbued in the many fine Polish American citizens of the 14th Congressional District. I am very proud of outstanding record of community involvement that has been compiled by my Polish American constituents. I am continually impressed with their great patriotism, loyalty, and ability to take on formidable challenges.

I share with my Polish American friends the hope that Poland will one day be able to join the family of free nations. I hope that my colleagues will join with me in reflecting on the courage of the valiant Polish people who so richly deserve to walk in the sunlight of liberty. One hundred and eight-four years ago the Polish people proclaimed the principle of human freedom and of human dignity and respect for the rights of the individual when they adopted the new Constitution that we honor here today. That principle and that spirit lives on in Poland today.

The people of Poland have not been forgotten. They are remembered today in this House, and they are remembered in the hearts of 10 million Polish Americans who hope and pray for the day that Poland will be free. I join these 10 million Americans in this hope and in this prayer.

"INVESTING IN CHILDREN AND FAMILIES," AN ADDRESS BY WILBUR J. COHEN

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. BRADEMAS. Mr. Speaker, one of the most widely respected leaders in American life is the distinguished former Secretary of Health, Education, and Welfare, Wilbur J. Cohen, now dean of the School of Education of the University of Michigan.

Dean Cohen was honored with the 1974 Citation Award of the Merrill-Palmer Institute in Detroit, Mich., in recognition of his contributions to the field of human development.

I insert at this point in the RECORD remarks made by Dean Cohen during a recent address at the institute.

These remarks follow:

INVESTING IN CHILDREN AND FAMILIES

I wish to discuss the bill recently introduced in Congress which is called the Child and Family Services Act of 1975. The bill was introduced in the Senate by Sen. Mondale (S. 626), and in the House by Rep. John Brademas. Some 27 Senators and over 80 members of the House of Representatives are sponsoring this legislation.

I urge each of you to request your Senator or Representative to send you a copy of the bill and to read the *Congressional Record* of February 7 (pp. 2778–2793) which contains a summary and explanation of the bill.

The Mondale-Brademas bill, if enacted into law, would permit agencies such as the Merrill-Palmer Institute and other public and private non-profit agencies to develop and implement innovative and constructive child and family service programs. The bill specifically authorizes financial assistance for "preservice and inservice education and training for professional and paraprofessional personnel, including parents and volunteers, especially education and training for career development and advancement [Section 102 (b) (4)]."

In addition, there is specific authority in the bill for the Secretary of HEW to assist in training of personnel (Title IV), in research and demonstration projects (Title III) and in evaluation of the services (Section 206).

I believe the Mondale-Brademas bill with appropriate modifications would be an important step in redirecting our educational priorities to early childhood and to family responsibilities.

While I favor additional federal and state support for the improvement of our elementary and secondary educational system, I believe that we will get substantial returns out of each additional dollar we put into early childhood and family services.

I want to also make the observation and prediction that the Congress will soon enact some legislation in the direction of national health insurance. Whatever the scope of the program Congress decides on, I strongly favor inclusion of comprehensive health and medical services—preventive, diagnostic and curative—to all children under the age of six, and pre-natal and post-natal services for mothers, with comprehensive family planning services. For these mothers and children there should be no deductibles, no coinsurance, no exclusions.

I would then phase-in coverage to children under age 12 in a year or two, and then to children up to age 18. This would be a realistic and practical way to make progress taking into account both fiscal and administrative factors.

A comprehensive national health insurance program for mothers and children along with a program for strengthening child and family services would be an investment in our nation's future.

It would be an investment in improving the quality of life.

Once education was considered a privilege; not a right. Good health was considered a responsibility of the individual, not a right secured by the community. And a minimum income was limited to those who worked and for those who couldn't work, welfare was considered a gratuity.

Today, education, good health, and the assurance of a minimum income for all individuals and families is considered by many to be a right to be guaranteed by law. Once this was discussed only in books dealing with Utopia. Today, the revolution in our ideas about rights and guarantees is fast crowding in on the long-held concepts of the differentiation between individuals and community responsibility.

The next decade is destined to be that period in this century when many long-emerging trends come to a convergence in institutional changes. Health services, education and income to all become a right, not a privilege; a right grounded in human and community responsibility and not a handout or gratuity—or part of a policy of "noblesse oblige."

To assure these rights and responsibilities will involve a considerable investment, yet one that we must and can make if we are to assure that the basic components of human dignity and well-being are to be provided to all citizens of our country.

MAY IS BETTER HEARING AND SPEECH MONTH

HON. MARK ANDREWS

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. ANDREWS of North Dakota. Mr. Speaker, I would like to call attention to my colleagues that May is "Better Hearing and Speech Month" and professionals working in speech pathology and audiology in my State of North Dakota and over all the Nation make a special effort to focus public attention to a problem that afflicts hundreds of thousands of people.

Deficiencies in hearing—especially among young children—often go unnoticed even by teachers and these children fall behind in their early education through no fault of their own.

Most speech afflictions can be substantially corrected either by surgery or proper therapy by professionals.

Only those who are actually afflicted by hearing and speech deficiencies know the agony or suffer the social and often the economic loss of such impairment.

I am proud to note that my State is listed among the leaders in the Nation in carrying on intensive programs to help those suffering from hearing and speech impairments. I join with these dedicated professionals in calling to the public's attention that these afflicted people need your continued aid and, especially, your understanding.

TAXATION WITHOUT REPRESENTATION—1976 STYLE

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. SHUSTER. Mr. Speaker, we Americans are prone to proudly proclaim our fidelity to the battle cry of our 200-year-old revolution—"no taxation without representation."

Representation is the mainspring of our political system. Government without representation is unthinkable for Americans. It is the minimum test we apply to foreign governments to determine legitimacy. We condemn when "free elections" are not held, and we condone much else when they are.

If representation is our mainspring, then taxation is the critical mechanism controlled by that mainspring. Since the barons wrested the right to tax from King John at Runnymede in 1215, no power on Earth has been more highly prized or jealously guarded.

Taxation without representation so offended free men on both sides of the Atlantic that they were willing to fight and die to remove such a curse.

Indeed, our ancestors held that they were not free so long as they were taxed without their consent.

Today, however, forgetting the passions of our forefathers, Congress has slid into the foulest form of fiscal sin.

Several years ago Congress, with its insatiable lust for spending, but lacking the courage to tax American voters to pay for its fiscal orgies, hit upon a perfidious scheme of fleecing the most silent, least protected of all Americans. The scheme was christened "deficit spending" and is the one style that becomes more stylish each year. Spend now and lay the burden on future generations. Confer largesse upon your subjects and receive their adulation. As the pirates of old plundered distant shores and divided the booty among their followers, present-day pirates distribute gifts from the future treasure chest of young and yet unborn Americans.

In 1976, these modern, more sophisticated budget buccaneers will bless their constituents with over $70 billion in "gifts" from the future generation. Little matter that no one could ask the future generation if they want to be saddled with that debt. Nor were they consulted in the past as a $600 billion burden was accumulating on their backs.

The interest alone on that debt will approach $50 billion a year, every year of their lives.

Is this not taxation without representation? Of course, it is—taxation without representation, 1976 style. The main difference between the calumny of 200 years ago and today is simply geographical versus chronological distance.

Considering the results of Parliament's oppression on the colonies, it would appear much safer to inflict injustice on the unborn. Surely, somewhere across America our social conscience is stirring over the immorality of burdening our children by our greed. We are trading their tomorrows for our todays. Will our posterity view any more kindly the taxation without representation visited upon them than did our forefathers?

Shall our legacy to our children be a government which robs from the future to gratify the present?

TAX REFORMS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. MICHEL. Mr. Speaker, the subject of the recession and all of its accompanying problems have been uppermost in our minds. I have been attempting, not only through insertions here in the RECORD, but also in my remarks on the floor, to draw attention to some of our long-range problems in this area as well as our short-range considerations. If we are to experience reasonably full employment in a peacetime economy, then we have got to be readjusting our sights and broadening our vision and doing something constructive here in the Congress for the long haul. We are going to be dealing shortly, I hope, with the overall problem of energy needs and requirements and we are going to have to deal with revisions in the tax code. The subject of capital formation, putting together the kind of resources that put people back to work has been overly simplified by too many Members here in this Congress.

While home recently I asked my good friend, Mr. William L. Naumann, chairman of the Board of Caterpillar Tractor Co. for his comments with respect to the so-called tax reforms as they affect his company and he has responded with a very interesting letter that I believe deserves the attention of every thoughtful Member of the Congress. I am inserting the full context of the letter in the RECORD:

CATERPILLAR TRACTOR CO.,
Peoria, Ill., April 15, 1975.

Hon. ROBERT H. MICHEL,
House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR BOB: You expressed an interest in Caterpillar's comments regarding so-called "tax reforms" that (1) may be harmful to Caterpillar's business or (2) would be beneficial to the Company and the economy in general—tax reforms currently proposed as well as previous proposals already enacted.

One of Caterpillar's major concerns is that of capital formation in the U.S., accentuated by the heavy inflation this country has been experiencing recently and the prospects of huge deficits in the federal budget. As you indicated in your remarks at the Peoria Kiwanis Club meeting earlier this month, if the government finances its deficit by borrowing, it drains capital from the private sector, and this results in unemployment. If the government finances the deficit by printing more money, it adds to inflationary pressures and causes capital goods to become more expensive.

The capital formation problem is widely recognized by business and more recently by some in government. On April 1 a study released by two U.S. Treasury Department staff economists indicates the U.S. ranking in real economic growth is among the lowest of the industrialized countries because a relatively low share of its output is being allocated to investment. According to the study this lag in U.S. investment over the past thirteen years has contributed to relatively lower rates of advance of productivity and national output which, in turn, has slowed the advance in living standards of U.S. workers and has limited job opportunities.

In the April 2 issue of the Wall Street Journal the Chase Bank indicated that over the next ten years this country will need $4.1 trillion for building and rebuilding its industrial capacity and that, unless something is done, there will be only $2.6 trillion available for this purpose. The bank concluded that, "The highest priority of our economy right now should lie in the nurture and stimulation of capital formation. Because *everything* the American people need and want grows out of that."

Caterpillar's concern was expressed in its 1974 Annual Report, wherein it was stated that there are four matters of concern to the Company—energy, inflation, exchange rates, and capital formation—which are interwoven and which should not be treated separately. Inflation, for example, has made it extremely difficult for corporations to form capital through retained earnings and depreciation in order to provide for future growth. It was suggested that government policies that are conducive to capital formation and investment are necessary if the United States is to achieve its required economic growth. Tax legislation, of course, is of utmost importance to companies like Caterpillar as it has a distinct bearing on a company's ability to generate sufficient internal funds to finance increased growth and employment through its impact on earnings.

Some time ago the Machinery and Allied Products Institute published a paper entitled "Inflation and Profits" written by their economic consultant, George Terborgh, which showed—among other things—the adjusted earnings of nonfinancial corporations from January 1965 through the third quarter 1974. From these figures it can be determined that aftertax profits of U.S. nonfinancial corporations, after adjusting for the increases in cost of equipment and inventories to their replacement levels, dropped from $36 billion in 1965 to an estimated $24 billion in 1974 and down to $16 billion in constant dollars. This points out the apparent inadequacy of depreciation allowances in providing the funds necessary to pay for the higher replacement costs of plants and equipment. So, we would encourage government depreciation or capital cost recovery policies that would permit companies to recover their capital costs on a more realistic basis, as do many of the industrialized countries of the world.

In commenting on the recent U.S. Treasury study I mentioned earlier, Secretary Simon indicated in his press conference that Treasury proposals to be announced later this year will be far reaching and will be designed to encourage savings and capital formation. This is encouraging; however little will come of it unless we can convince Congress that tax and other policies that will provide more profits for business and encourage individual savings are necessary and that the ultimate result will be an increase in the number of jobs available and a higher standard of living for all citizens.

The recent increase in the investment tax credit is a step in the right direction, of course, but we would urge that it be made permanent. Some have stated that the most direct and simple way to stimulate expansion, employment and, ultimately, tax revenues would be through a reduction in the corporate tax rate. If this were at all feasible politically—which I doubt with the present Congress—Caterpillar would most certainly support it.

Another major area of concern to Caterpillar, which involves capital formation indirectly is a renewed movement by Congress toward (1) the immediate taxation of earnings of foreign subsidiaries of U.S. companies regardless of whether funds are repatriated as dividends, and (2) the elimination of the foreign tax credit which offsets taxes paid in foreign countries against U.S. taxes payable.

This movement began with the Revenue Act of 1962 which created the concept of "Subpart F" income. Caterpillar opposed those provisions then and still does. Taxation of a foreign subsidiary's earnings prior to distribution is not justified for many reasons, among which are:

1. A foreign investment is not like a domestic investment and should not pay the same taxes. A domestic investment receives all the services and complete protection of the U.S. Government. A foreign investment does not, and it is subject to the risks of less stable economies, foreign exchange, war, insurrection, and even confiscation.

2. Many foreign companies with which U.S. businesses compete receive this tax treatment from their home governments, and U.S. business should not be hampered with an additional cost which erodes its competitiveness.

3. U.S. businesses, as a general rule, do not invest overseas for reasons of tax savings. Caterpillar, for example, has adequately demonstrated that it invested overseas only to effectively compete in foreign markets, and that such investments have, in fact, created additional U.S. jobs and have substantially contributed to the U.S. balance of payments.

Furthermore, the long-run objective of an investment overseas is always to return the maximum dividend to the U.S. For example, Caterpillar presently has three foreign manufacturing subsidiaries that are remitting *all* of their current earnings as dividends.

If foreign subsidiaries of U.S. companies are required to pay U.S. income tax on their earnings regardless of whether they are remitted, and if certain of Caterpillar's subsidiaries need their earnings overseas for necessary growth, we obviously would keep the earnings there and pay the tax out of U.S. funds. This, of course, would necessitate our borrowing in the open market to provide the funds with which to pay the tax. This would put further pressure on our capital base, and we would find ourselves in competition with the U.S. Government for such funds. In other words, we would pay the Government and then compete with it for the replacement funds required.

Historically, the concept of paying taxes on earnings only when remitted as dividends is well established. For example, the millions of shareholders in U.S. corporations are not taxed on earnings of their companies unless, and until they receive a dividend. And this is true even if the company is closely held, provided there are no unreasonable accumulation of earnings. If the government is concerned that U.S. companies are accumulating vast amounts of funds abroad through subsidiaries in order to avoid U.S. taxes, it could encourage repatriation by providing a preferential tax rate on dividends or by imposing an unreasonable accumulation of earnings tax if the subsidiary accumulated earnings in excess of the reasonable needs of its foreign business. Actually, a good case can be made for exempting foreign source income from taxation in the home country entirely, and this method is used by a number of countries. Therefore, we think that the repeal of the minimum distribution provisions in the Tax Reduction Act of 1975 was a step in the wrong direction.

The foreign tax credit is of equal concern to us. If Congress saw fit to eliminate it, Caterpillar would be placed at a serious disadvantage with its foreign competitors. If we could not offset the taxes we pay on income earned abroad against our U.S. tax bill, the effective rate of tax we would have to pay on the pre-tax earnings of our foreign subsidiaries would be exorbitantly high. For example, assuming full taxability by the U.S. and assuming the foreign tax would be allowed as a deduction for U.S. tax purposes, the effective rate on the earnings of Caterpillar's subsidiaries in the following countries would be as follows:

Combined United States and foreign tax rate

For earnings in:	*Percent*
Australia	76
Belgium	78
Brazil	73
Canada	78
France	78
Great Britain	75
Hong Kong	56
India	83
Japan	76
Mexico	69
Singapore	69
South Africa	74
Switzerland	58

As you can see, if our competitors in the foreign countries involved are paying taxes at a considerably lower rate, we would be at a serious disadvantage.

We urge that the business community be given an opportunity to participate in and respond to any further tax reform proposals that may be forthcoming this year and that careful consideration be given to the principal concerns that I have mentioned—

(1) First, we must have tax legislation that encourages capital formation; that is, personal savings of individuals and the retained earnings of corporations. These are the only two sources of capital, and capital is extremely short in the U.S. to provide the necessary growth in jobs.

(2) Second, U.S. corporations, such as Caterpillar, must not be hindered in their efforts to effectively compete in world markets. As you know, Caterpillar is a large exporter and has made investments outside the U.S. only to protect markets that could no longer be reached through exports. We have increased our exports to every country in which we have made an investment, and that has created additional jobs in the U.S. We hope, therefore, that tax legislation will preserve the ability of U.S. businesses to be competitive in world markets. As investment is necessary to protect overseas markets and, therefore, U.S. jobs, we do not believe that tax provisions such as taxation of unremitted earnings and elimination of the foreign credit should be supported by Congress.

Sincerely yours,

BILL.

PRESIDENTIAL RECRIMINATIONS

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. HARRINGTON. Mr. Speaker, I was deeply offended Thursday by President Ford's reaction to our defeat of the conference report on the Vietnam aid and evacuation bill. In suggesting that our action violated the "values we share as a nation of immigrants," he made either the cheapest or the most simple-minded charge to have come from the White House this year.

Did Mr. Ford deliberately choose to confuse this issue in the minds of the American people? Or did he somehow fail to grasp the fact that entire sections of this measure were rendered irrelevant by the completion of the Vietnam evacuation?

In either case his remarks were a sorry performance for a President who has told us almost daily that recriminations over Vietnam must be ended.

Surely the President must know that he no longer needs the troop authority that H.R. 6096 would have provided. Surely he knows that the Congress has been more than generous in its provision of aid to the South Vietnamese and has every intention of providing responsibly for the present flood of refugees once the dimensions of their need become clear. It is the duty of the Executive at this point to assess that need and promptly report to the Congress. It does not serve the interests of anyone for the President to suggest that his former colleagues have lost sight of the message symbolized in the Statue of Liberty.

LEGISLATION TO CONTROL SHORELINE EROSION OF THE GREAT LAKES

HON. ROBERT W. KASTEN, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. KASTEN. Mr. Speaker, I have introduced legislation, H.R. 6297, to permit increased diversions from Lake Michigan through the Chicago Sanitary and Ship Canal during periods of high water levels of the Great Lakes. Great Lakes water levels have been extremely high for several years now. Shoreline property in Wisconsin and all around the Great Lakes has suffered constant erosion from increased frequency of flooding from storms. We have looked very hard for ways to help alleviate the situation. Increased diversion at Chicago is the one measure that can be easily and immediately implemented. We realize that the overall effect would not be that great, but at least it would be of some help.

Many Great Lakes residents eagerly awaited completion of the International Joint Commission study on the regulation of Great Lakes water levels which was released last year. They were disappointed, however, as its only positive recommendation was for action which had already been taken and for some further study. The report did not even consider the possibility of increased diversion through the sanitary and ship canal.

This legislation contains carefully drafted provisions to protect interests downstream on the Illinois Waterway when they are having flood problems and around the Great Lakes when levels go down again, as I hope they must. Congress twice enacted similar legislation in the 1950's, but both times it was vetoed because of vague concerns of other Great Lakes areas. The legislation which I have introduced has been supported by Members from all around the Great Lakes. Everyone's interests seem to be adequately considered.

Mr. Speaker, I see no reason to delay on this timely effort to relieve beleaguered Great Lakes shoreline property owners. This legislation was examined last year and all problems worked out. If enacted quickly, it could provide some measures of relief hopefully for less than a year and then when levels decrease again the diversion rate can be returned to the present rate.

MILTON FRIEDMAN DISCUSSES TWO ECONOMIC FALLACIES: THAT TAX CUTS ARE AN EFFECTIVE CURE FOR RECESSION AND THAT DECONTROL OF THE PRICE OF GAS AND OIL WILL MEAN HIGHER COSTS TO THE CONSUMERS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. KEMP. Mr. Speaker, Prof. Milton Friedman has zeroed in on two very commonly held misconceptions about the consequences of economic policy.

One proposition—which is false—is that tax cuts alone are an effective cure for recession. The other—equally false—is that decontrol of the price of "old" oil would mean a higher price for gasoline and fuel oil to final consumers.

These two economic propositions affect current policy, yet they are both wrong. And, they arise from one basic source: emphasis being placed on only the visible and short-run effects of policies to the neglect of the invisible side effects, yet often more important and long-term effects.

I think the importance of these two propositions—in that they are widely held in the Congress and country as a whole—warrants a careful reexamination. Dr. Friedman, a former president of the American Economic Association, presents such a reexamination. We ought to think long and hard about what he has said and its implications for our future legislative action.

The analysis, which appeared in this week's edition of Newsweek, follows:

TWO ECONOMIC FALLACIES

(By Milton Friedman)

This column is about two economic propositions affecting current policy that are wrong yet are treated as self-evident truisms in essentially all public discussion.

One proposition is that tax cuts are an effective cure for recession. The other proposition is that decontrol of the price of "old" oil would mean a higher price of gasoline and fuel oil to final consumers. The wide acceptance of both propositions result from the basic source of most economic fallacies: emphasis on the *visible* effects of policies to the neglect of the *invisible*, yet often more important, effects.

TAX CUTS AND RECESSION

Both opponents and proponents of the recent massive tax cut agreed that it would stimulate the economy. Opposition was solely to its size, based on the fear that large deficits would produce future inflation. Since its passage, the only doubts about its effectiveness that I have read were, "Would it work fast enough?"

The visible effect of the tax cut is that taxpayers have more funds to spend. They may not spend all, but they will certainly spend some, which raises demand for goods and services, and so is clearly expansionary.

But this is far from the whole effect. Taxpayers have more but the government has less. If government cuts its spending, that would offset extra spending by taxpayers. If government continues spending at the same rate—or, more realistically, increases spending at the same time that taxes are reduced—it must finance the part of its spending corresponding to the reduction in taxes by either borrowing from the public or creating new money through the Federal Reserve.

Suppose it borrows. Then the people who lend to the government have less to spend or to lend to others. In the first instance, this cancels the effect of the extra amount available to taxpayers. To take an extreme case which case which brings this out sharply: suppose taxpayers used all of their tax cut to buy government bonds. The direct effect of the tax cut would then be merely that taxpayers held government bonds instead of receipts for taxes paid! Indeed, even that difference is partly illusory: by borrowing, the government has saddled each of us with an obligation to pay taxes in the future to pay the interest on the new borrowing (or to pay back the principal). The bonds that the taxpayers hold can be regarded as advance receipts for future taxes!

In practice, taxpayers will not lend all of the reduction in their taxes to the government. Government will have to borrow the rest at the expense of other borrowers: the government gets the funds instead of builders of houses, factories, and the like. Spending by taxpayers on consumption is higher, but spending on private capital formation is lower; more employment in the consumption sector, less in the investment sector.

Where is there any stimulus to the economy in this? Only at a more subtle level. Government can crowd out other borrowers only by forcing up the interest rate; the higher interest rate will make it more expensive to hold cash; additional spending by the public in an attempt to reduce cash balances will provide a net stimulus; but this is a once-for-all effect on total spending that empirical evidence suggests is minor.

If reduced tax receipts are replaced by the printing press or the accountant's pen—that is, by creating new money—the situation is different. Taxpayers benefiting from the tax cut spend more, and nobody else need spend less to enable government to continue spending. The catch is that this is like burning down the barn to roast the pig. The quantity of money can be increased without a tax reduction, and often has been, by Federal Reserve purchase of outstanding government securities. Such a monetary increase will have essentially the same effects—though perhaps with some minor differences in timing—as a monetary increase to replace tax receipts. Nonetheless, insofar as a tax cut does lead the Fed to increase the quantity of money more rapidly than it would otherwise have done, the cut is expansionary.

The emperor is naked. Yet I must confess that I favor tax cuts—not as a cure for recession but for a very different reason. Our basic long-term need is to stop the explosive growth in government spending. I am persuaded that the only effective way to do so is by cutting taxes—at any time for any excuse in any way. The reason is that government will spend whatever the tax system raises plus a good deal more—but not an indefinite amount more. The most effective way to force each of us to economize is to reduce our income. The restraint is less rigid on government, but it is there and seems to be the only one we have.

So hail the tax cut—but let's do it for the right reason.

OIL PRICES

The price of so-called "old oil"—mostly that part of the oil produced from domestic wells which does not exceed in amount the pre-crisis level of output—has been fixed at $5.25 a barrel, while "new oil" and imported oil have been selling for more than twice as much. Elimination of the price ceiling as proposed by President Ford has been treated by opponent and proponent alike as a measure that would raise the price of gasoline and fuel oil to the consumer. The dispute has only been about how much the price rise would be and whether the gain from the price rise is worth the cost.

Again, this is a fallacy, and again, it arises from looking at *visible* effects alone. The quoted price of "old oil" would unquestionably rise, which appears to raise the cost of gasoline, and—here comes the fallacy—therefore its price. But surely, the rise in the price of old oil would also give producers an incentive to produce more oil. How can more oil be produced yet the final price of petroleum products be higher?

Everyone who has wanted to buy gasoline and fuel oil has been able to do so—at least since the long lines of early 1974. There has been no rationing. The price has been clearing the market. Would people buy more at a higher price than at a lower price? Obviously not. The higher output would inevitably mean a *lower* price to final consumers, not a higher price.

How can the higher price to producers be reconciled with the lower price to consumers? The answer is straightforward. The right to buy from the original producers at the ceiling price has been valuable. Whoever has had that right has received an extra return therefrom. In principle, the consumer has been supposed to receive the benefit; in practice, it has been absorbed at some intermediate stage. Ending the ceiling price would eliminate this artifical wedge between the return to the initial producer and the price paid by the final consumer.

Bad economics makes bad policy. Ending the ceiling price on oil (and also natural gas) would benefit both the consumer and primary producer and would be the most effective step that we could take to hasten the end of the oil cartel.

COME HOME AMERICA?

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. ANDERSON of Illinois. Mr. Speaker, I was distressed to read in yesterday's Washington Post that a Member of the other body has suggested that "90 percent of the Vietnamese refugees would be better off going back to their own land." Mr. Speaker, I consider such remarks a direct slap in the face of the Statue of Liberty and the great American tradition which is enunciated on a tablet inside the statue's pedestal:

> Give me your tired, your poor, your huddled masses, yearning to breathe free, the wretched refuse of your teeming shore. Send these, the homeless, tempest-tossed, to me, I lift my lamp beside the golden door.

It is a perverse distortion of our tradition of providing a haven for the refugees from tyrannical regimes to now suggest that they would be better off living under communism. It is especially ironic on the eve of our own American Revolution Bicentennial that this "Nation of immigrants" should be thinking in terms of turning its back on those fleeing persecution and seeking freedom. I cannot believe that on the very eve of our 200th year of independence the vast majority of Americans will embrace this rejection of the very principles on which this Nation was founded. Apparently the slogan "Come Home America" has now been changed by its author to read, "Stay Away From America."

$22 BILLION AND NO INFLATION?

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. CONABLE. Mr. Speaker, last year Congress devised two new procedures to give itself a handle on fiscal policy. This was necessary because legislating is by nature a piecemeal process—one bill is considered at a time. The aggregate fiscal impact of these individually enacted measures seldom becomes fully evident until the final summing up at the end of a Congress.

One of these two new procedures, of course, was the Congressional Budget Act, a measure intended to force us to do the summing up before, as well as after, the enactment of each session's legislation. The first concurrent resolution on the budget which we are debating today is the first test of this new procedure, and frankly I am disappointed at the apparent unwillingness of Congress to use this new fiscal tool.

It is doubly disappointing, therefore, to see that the other new procedure is not working as intended either. Last autumn, when the House reformed its committees and their procedures, a requirement was added that each committee report on a bill contain a statement of the expected inflationary impact of that measure.

Since then, each committee has dutifully included an inflationary impact statement in every report. And without exception, the reported bill was expected to have little or no inflationary impact. We should have expected that no committee would admit to reporting inflationary measures. What we didn't know last fall was that the recession would provide such a handy excuse for voting out inflationary spending proposals.

Mr. Speaker, I added up the additional Federal spending, beyond the President's proposed substantial deficit, of just 11 bills passed by the House so far in the 94th Congress, and they came to over $22 billion. As is our custom, we considered these measures one at a time, each on its own greater or lesser merits. I voted for several of them myself.

But our committees, incredibly, have told us that this $22 billion in added Federal borrowing will have no inflationary impact. The voters will not be gulled into believing this, and neither should the Congress allow itself to pretend that these bills will not set off another round of inflation if this abuse of our fiscal situation continues. If we are going to keep on voting for inflationary measures because we favor their desirable features, then we must, first, admit what we are doing and, second, keep the fiscal situation under control by giving up other, less desirable programs.

Many years ago, Congress imposed a debt ceiling as a device to control spending, and it did not work. The two new fiscal tools added by Congress last year will not work either unless we truly want them to, and until we are willing to use them to discipline our votes on spending measures.

It should be evident by now that no amount of tinkering with legislative procedures, processes, or machinery can produce a sound fiscal policy if the Democratically-controlled Congress spends us back into another round of inflation. So far the actions of the Democrat majority in the 94th Congress have made a mockery of our so-called reforms, and this will continue to be the case until both sides of the aisle share a conscious desire to control Federal spending, no matter how attractive individual measures may seem when we vote on them.

The table below lists 11 measures passed by the House so far this year, their estimated cost beyond the President's proposed budget, and the "inflation impact statement" that accompanied each one:

INFLATIONARY IMPACT STATEMENT

H.R. 1589

(Suspension of Food Stamp Regulations (P.L. 94–4).)

Pursuant to clause 2(1)(4), Rule XI of the Rules of the House of Representatives the Committee estimates that enactment of H.R. 1589 will have no inflationary impact on prices and costs in the operation of the national economy. The bill requires no new appropriations. Further, testimony before the Committee indicated its enactment would have a beneficial impact on the economy of all States.

In Alabama, for example, according to witnesses, over $22 million a year would be pulled out of the economy if the USDA proposed regulations were to go into effect. Over $10 million a year would be lost in Arkansas. The figures for some other States are as follows:

[In millions of dollars]

California	$84.0
Florida	35.6
Georgia	26.8
Illinois	53.3
Indiana	12.3
Iowa	6.7
Kentucky	27.4
Louisiana	33.9
Minnesota	10.0
Mississippi	23.0
Montana	2.2
New York	65.2
North Carolina	21.6
Ohio	50.7
South Carolina	24.0
Tennessee	21.8
Texas	69.9
Virginia	13.2
Washington	15.0

Losses to State economies of this magnitude can only mean loss of revenues to local businesses, and more workers laid off as a result. Consequently, the Administration's plan to raise food stamp prices would both be devastating to the elderly, the unemployed, and other poor—and it would also aggrevate our current economic difficulties. (H. Rept. 94–2), (p. 8.)

Amount of added Federal borrowing: $650,000,000 to $1,000,000,000.

H.R. 2051

Amount of added Federal borrowing: $347,000,000.

(Regional Rail Reorganization Act Amendments (P.L. 94–5).)

The reported bill provides a total of $347 million in additional financial assistance to ensure the continued operation of Penn Central and other railroads in reorganization in the Midwest and Northeast, pending the implementation of the Final System Plan pursuant to the Regional Rail Reorganization Act of 1973 (the "Act"). The $347 million includes $197 million in grant authority under Section 213 of the Act, and $150 in loan authority under section 215. These amounts increase the total authorizations in these two sections to $282 million under section 213, and $300 million under section 215.

The financial assistance provided under sections 213 and 215 of the Act has no direct inflationary impact. The assistance that is provided under these sections represents normal day to day funds that the railroads in reorganization have to spend in order to be able to continue the provision of essential rail services. This includes expenditures for such requirements as payrolls, fuel, utilities, and interline settlements with other railroads—which have to be made to keep the railroads going.

A failure to provide the necessary financial assistance to keep the railroads in reorganization in operation would have a crippling effect on the economy of the country, already weakened by a severe downturn. Based on an earlier study by the Department of Transportation, a close down of the Penn Central alone would result in a 5.2 percent decrease in the rate of economic activity in the Northeast, and a 4 percent decrease for the rest of the country. Potentially, there would be a 2.7 percent decrease in the gross National Product after only two months of cessation of services, and unemployment would rise by 3 percent.

The program under which the additional assistance is to be provided under the Act has been designed to provide the necessary assistance at the least cost to the taxpayer while maximizing the benefits to the restructured rail system which is to be developed pursuant to the Act. (H. Rept. 94–7, p. 13–14.)

H.R. 2166

(Tax Reduction Act of 1975 (P.L. 94–12).)

The committee states that the Tax Reduction Act of 1975 is not expected to have a significant inflationary impact on prices or on costs of the operation of the national economy. Any inflationary impact that might arise from decreased funds being available for borrowing by others is conjectural at the present time and can be offset by appropriate monetary policy. In a recession of the current seriousness the inflationary impact is not the major consideration (H. Rept. 94–19, p. 82.)

Amount of added Federal borrowing: $7,100,000,000.

H.R. 3260

(Second Budget Recission Bill (P.L. 94–14).)

The Committee estimates that the enactment of this bill will have no inflationary impact on prices and costs in the operation of the national economy and possibly could contribute toward a lessening of the inflationary pressures. Rescission of the funds proposed in this bill will mean that expenditures of $87,770,000 in fiscal year 1975 and

$25,002,900 in fiscal year 1976 will not be made.

A summary table on rescissions follows which shows the items that are recommended for rescission and those items that the Committee is not recommending for rescission and for which funds are to be made available at the end of the 45 day time period (which, in the case of the rescissions dealt with in this report, is February 28, 1975). (H. Rept. 94-17, p. 4.)

Amount of added Federal borrowing: $706,000,000.

H.R. 4075

(Third Budget Rescission Bill (P.L. 94-15).)

The Committee estimates that the enactment of this bill will have no inflationary impact on prices and costs in the operation of the national economy. Rescission of the funds proposed in this bill will mean that expenditures of $2,740,000 in fiscal year 1975 and $3,440,000 in fiscal year 1976 will not be made. (H. Rept. 94-26, p. 2.)

Amount of added Federal borrowing: $2,491,000,000.

H.R. 4222

(School Lunch and Child Nutrition Act Amendments of 1975 (passed House 4/28/75).)

The Committee estimates that this legislation's positive impact on economic recovery and employment would substantially outweigh any inflationary impact.

The increased participation in the school lunch program resulting from the enactment of H.R. 4222 would have significant *anti-inflationary* effect. As was stated in the USDA's comprehensive study on the Child Nutrition program—July 1974—the economies of scale brought about by increased school lunch participation should *decrease* the total cost of preparing each school lunch by about 3¢ per lunch ($100,000,000 on an annual basis). Moreover, the Committee feels that money spent on providing a school lunch would be more *efficiently* spent than a similar amount expended by individual families for meals brought to school.

The increase in school lunch participation will also serve to stimulate the agricultural economy by increasing demand for food commodities used in the preparation of the lunches.

New jobs would be created. It is estimated by the American School Food Service Association that up to 50,000 additional employees would be needed to carry out the expanded program in schools.

At a time when all costs are escalating, school lunch costs and, in turn, school lunch prices, are no exception. Families are hard pressed to stretch their budgets to meet the growing demands placed upon them. The rolling back of the price of a lunch to each child would result in an average saving of $36 per year per child, which the family can use to meet other living expenses. This extra money would flow back into the economy at a time when it is especially needed—particularly at state and local levels. (H. Rept. 94-68, p. 19.)

Amount of added Federal borrowing: $750,000,000.

H.R. 4296

(Emergency Price Support for 1975 Crops (sent to President).)

The Committee estimates that enactment of H.R. 4296 may have minor inflationary impact on consumer prices and costs of cotton and dairy products; nonetheless, the Committee is convinced that this is more than offset by other beneficial effects of the legislation on the national economy and, in fact, is essential to offset recessionary forces attacking rural America.

There is no indication that provisions of H.R. 4296 relative to wheat, feed grains and soybeans will have any inflationary effect whatsoever. The Department has indicated that they do not anticipate any additional deficiency payments or loan costs for these programs in 1975. Further, present market prices are in excess of the target prices established by H.R. 4296, therefore, indicating that these provisions will have no effect on the cost to the consumer.

There is some indication, however, that the cotton provisions and the milk provisions may have some effect both in exposure to the Treasury and in cost to the consumer. Certain other factors, however, must be considered in both instances. For instance, with respect to cotton, domestic textile mills are now processing cotton that was purchased from the 1973 and 1974 crops at substantially higher prices than current prices. Even if the 40 cent loan rate results in a gradual lifting of market prices over the next six months, cotton from the 1975 crops is likely to be cheaper than current mill inventories. Thus, as mills exhaust these stocks and begin processing lower-priced 1975 crop cotton, consumers could be expected to benefit from price adjustments throughout the entire textile industry. Indeed, the wholesale prices of many textile products have already begun to decline.

A loan at 40 cents may, under some circumstances, be considered anti-inflationary. The loan can be used to secure temporary production financing under depressed conditions such as we have today, when many producers may otherwise be forced away from cotton because of inadequate credit. For this reason, it is possible that if the 1975 loan remains at 34.27 cents, too little cotton might be produced and result in prices far higher than would come from a 40 cent loan. Another "boom and bust" cycle would be ruinous for cotton growers and their markets, and would ignite new inflation for consumers.

The Committee recognizes that there will be some increase in the cost of dairy products to the consumer if this bill is enacted. The Administration provided an estimate of increases of 8 cents per gallon for milk, 10 cents per pound for cheese, and 20 cents per pound for butter. However, the USDA estimates regarding consumer price increases are misleading because they are based on an increase in support levels from $7.24 to $8.19 per hundredweight which will not occur until the end of 1975. In actuality, H.R. 4296 provides for immediate adjustment of support levels to 85 percent of parity with quarterly adjustments. Should this legislation be enacted by April 1 the support level would then be increased to $7.90. The formula for partly adjustment includes allowances for increase in the general index of all prices. Thus projected inflation over the course of the coming year is responsible in large measure for the expected price increases. (H. Rept. 94-54, p. 8-10.)

Amount of added Federal borrowing: $470,000,000.

H.R. 4481

(Emergency Employment Appropriations, 1975 (in Conference).)

The Committee estimates that enactment of this bill will have little overall inflationary impact on the operation of the national economy, given current economic conditions.

However, if the economy recovers faster than projected, then continued spending at the high levels proposed in this bill could generate inflationary pressures.

The bill will cause additional Federal spending totalling $5,931,006,000 and shall create over 900,000 jobs.

Presently, there are serious downturns in the economy and in certain industries throughout the Nation. To the extent that this bill generates economic activity in these areas of the economy and stimulates further economic growth, inflation should not be the result.

The bill does not directly impact on food and fuel, two areas which have had the highest rates of inflation; although, indirectly there will be some impact. The inflationary impact of this will be offset, however, by the real economic growth that this bill produces.

Federal spending by definition is not necessarily inflationary. The inflationary impact only occurs when funds are being spent in areas for which demand exceeds supply. That does not appear to be the case in the instance of this bill. (H. Rept. 94-52, p. 8.)

Amount of added Federal borrowing: $5,931,000,000+.

H.R. 4485

(Emergency Middle-Income Housing Act of 1975 (passed House 3/21/75).)

There can be no question that with the unemployment rate existing in the construction and related industries, with the excess capacity that exists within the construction industry generally, and with the recession both in terms of employment and output that exists throughout the economy in general, that this legislation will in no way have an inflationary impact on prices or costs in the operation of the national economy, unite to the contrary, this legislation, if enacted into law and funded, should, in part, have the effect of moving our economy in those hardest of hit areas from an economic position of substantial recession along the road of economic recovery. (H. Rept. 94-64, p. 9-11.)

Amount of added Federal borrowing: $1,500,000,000.

H.R. 5398

(Emergency Homeowners' Relief Act (passed House 4/14/75).)

H.R. 5398 could have little or no inflationary impact upon the national economy or the homebuilding industry. It would provide loans to enable distressed homeowners to retain their equity in existing assets. Thus, it would not add directly to effective demand for new goods and services, although it would release some funds that might otherwise be used in a desperate attempt by homeowners to retain possession of their homes. The main economic consequences are likely to be:

1. Enabling a number of homeowners to retain ownership of their properties by incurring a new debt;
2. Preventing the destabilization of certain local housing markets, with potentially serious declines in housing values and construction activity;
3. Easing a liquidity squeeze on some lending institutions with substantial holdings of delinquent mortgages. (H. Rept. 94-124, p. 6-7.)

Amount of added Federal borrowing: $500,000,000.

H.R. 5901

Educational Appropriations, 1976 (passed House 4/16/75).

The Committee estimates that enactment of this bill would have minimal overall inflationary impact on prices and costs in the operation of the national economy.

The total amount recommended in the bill exceeds the budget request by $661 million; however the increase relates to programs and activities which the budget proposes to reduce *below* the anticipated funding level for fiscal year 1975. The recommended increase over the budget occurs primarily in the impact aid and student aid programs (supplemental opportunity grants and direct student loans) where the budget proposes cutbacks or terminations. The Committee's recommendations would not create a demand for additional goods or services, but, in general would merely serve to maintain the present level of output. (H. Rept. 94-142, p. 25.)

Amount of added Federal borrowing: $1,395,056,000.

Grand total: $21,840,056,000 to $22,190,056,000.

"HARD WORKING CONGRESS"—CHARLS E. WALKER

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. BRADEMAS. Mr. Speaker, Charls E. Walker is the able and respected former Deputy Secretary of the Treasury.

Dr. Walker is presently author of a periodical, Washington Economic Report.

I believe that Members of the House will read with some interest the following paragraphs from Dr. Walker's report of April 16, 1975, in which he comments on what he describes as a "hard working Congress":

HARD WORKING CONGRESS

Those observers in press and public who criticize the 94th Congress for its liberal schedule of recesses are off base. For the fact is that Congress has come up with a very impressive list of enacted or near-enacted bills in a relatively short time. This is not to say that all of the legislation is necessarily good legislation, and some already has been—as other bills will be—vetoed by GRF. But, good, bad, or indifferent, the length of the legislative list is impressive.

The passed (or soon-to-be-passed) list of bills includes: (1) A 60-day postponement of the President's administrative action placing a fee on oil imports (vetoed by GRF, but set aside when returned to Congress after the President promised to delay the last two stages of the 3-step increase); (2) A huge anti-recessionary reduction in Federal income taxes on individuals and corporations, almost $25 billion in the aggregate; (3) Legislation to control strip-mining, very similar to that which GRF "pocket-vetoed" last year, but which we believe he'll sign this year; (4) Emergency financial aid to keep the Northeast railroads running, pending Congressional action on the proposal of the United States Railway Association (established in the Regional Rail Reorganization Act of 1973) to revive the rail system in that area; (5) Major agricultural legislation, which might well be vetoed; and (6) Speedy, although largely negative, Congressional actions on Presidential requests for budget rescissions and deferrals to keep the deficit under control.

That's not all. The House Ways and Means Committee is working hard on energy legislation, and some of its new subcommittees (none existed until this year) have set up shop and are moving ahead. Major securities legislation has cleared both the House and Senate Banking Committees. Significant emergency housing bills have cleared the same committees, but their fate is less clear now that the Tax Reduction Act is providing a shot-in-the-arm for housing through a special credit for purchases of new homes. In addition, there is growing optimism that the lower short-term interest rates have led to huge flows of funds back into thrift institutions, the major mortgage lenders, will lead to an early upturn in housing.

As noted above, the speed with which the new House and Senate Budget Committees have organized, staffed, got down to hard work, and issued reports is impressive. And not to be overlooked is the tidal wave of "reform" that swept the House of Representatives as the Democratic Caucus flexed its muscles and overturned three senior committee chairmen. While we are concerned about the ultimate impact of legislating through caucus, we do have to give its leaders high marks for achieving what they set out to do.

Recesses notwithstanding, there has, for good or bad, been plenty of action in Congress. The other side of the coin is that individual members have more frequent opportunities to get back home for an "eyeball-to-eyeball" discussion with their constituents—which, when you come to think of it is not all that bad an idea in a participatory democracy.

INTERNATIONAL WOMEN'S YEAR

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. BINGHAM. Mr. Speaker, on January 29, I introduced House Concurrent Resolution 76 in support of International Women's Year. This resolution was introduced in the 93d Congress as well. International Women's Year is now one-quarter over, and Congress has yet to act. This inaction is in sad contrast to the activities of various other governmental entities. Former President Nixon issued a proclamation calling for an intensification of national efforts to advance the status of women, and President Ford has named a Commission to coordinate American programs for International Women's Year. This Commission, known as the National Commission on the Observance of International Women's Year, is studying the effectiveness of existing Government organizations in dealing with women's problems, women in politics, child development, health, violence, the enforcement of antidiscrimination laws, the media in relation to women, and the equal rights amendment.

The Labor Department has begun a special effort to recruit women in six cities across the country for apprenticeships in nontraditional occupations in observation of International Women's Year. The Senate last year amended the Foreign Assistance Act to provide for foreign aid to be administered with particular attention given to programs which integrate women into the national economies of foreign countries. In addition, numerous States, foreign countries, and private citizens' groups are pursuing activities in recognition of International Women's Year.

The year 1975 has been set aside by the United Nations as a year to reevaluate the increasing role of women in society and to upgrade their participation at all levels. Equality, development, and peace are the three themes of International Women's Year. This is a logical linkage, for without equality, adequate progress in economic, social, and political development can never be achieved, and failing such progress, there are diminished chances for peace.

Women still encounter many obstacles as they attempt to exercise their full human rights. The United Nations has been committed to the principle of equality for all people since its founding, but the gulf between acceptance and implementation of this principle by member States remains very wide. Women have yet to achieve equal legal status in various areas. Women are still denied promotion in many fields. The number of women in policy-making positions in all branches of government remains pitifully small. We have laws on the books dealing with sex discrimination; it is time to see that these statutes are enforced. Eradication of discrimination on the grounds of sex is not only a question of human rights and social justice, but it is also essential to development and peace. We can no longer afford the waste of human resources exacted by preventing the integration of women into modern society.

International Women's Year aims at equality, but not without obligation. Men and women must work in partnership, with women accepting responsibilities as well as privileges. In this respect, International Women's Year is a human rights movement, and should be supported by all of us.

I hope the Committee on International Relations will take early and favorable action on this commemorative resolution. Congressional endorsement of International Women's Year can help make 1975 a year for significant advances in the political, social, economic, and cultural positions of women and not just a ceremonial occasion devoid of practical meaning.

AMERICA, OUR HERITAGE

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. WINN. Mr. Speaker, at this time, I would like to draw the attention of my colleagues to an essay, "America, Our Heritage," written by Miss Susan Greenbaum, a student at Briarwood School in Shawnee Mission, Kans. Susan's essay was submitted in a statewide PTA Citizenship Essay Contest for fith and sixth graders. I found her essay very timely, and would like to insert it in the RECORD at this time:

AMERICA—OUR HERITAGE

(By Susan Greenbaum)

"Oh say can you see
By the dawn's early light
What so proudly we hailed
At the twilight's last gleaming . . ."

These were the words of Francis Scott Key as he watched the blazing War of 1812. He was one of many patriots who helped in making our country great.

On July 4, 1976, we will be celebrating the Bicentennial. Columbus discovered America in 1492 but America didn't win independence until 1776. Thomas Jefferson wrote the Declaration of Independence. Just like a person, America is going through the stages of life.

To me, America is like a great big home, with many brothers and sisters, all free to live as they want. Free to practice their own religion, to receive an education, and freedom of speech. This freedom was made possible by many people, contributing to the country in their own way and time.

George Washington, Abraham Lincoln, Harriet Tubman, Eleanor Roosevelt were a few of the people who played a part in this country's heritage. Because of many people, I have special privileges—choosing the books I want to read, and to vote when I'm old enough. These things make me realize that the United States truly is "the land of the free, and the home of the brave."

REV. EDWARD C. HERR

HON. TENNYSON GUYER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. GUYER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following: On Tuesday, October 4, 1966, one of this country's finest Christian leaders—Rev. Edward C. Herr, of Lima, Ohio—was the guest minister here in Washington, and gave the prayer for the U.S. House of Representatives.

At that time Reverend Herr was Chairman of the Human Relations Commission. Looking back in the CONGRESSIONAL RECORD, I discovered that his most impressive prayer contained these supplications:

> May we beg Your help, Our Father, for help and guidance in bringing about that peace which the world cannot give.
>
> Knowing that peace must rest in justice and the liberty of all mankind, make us realize that we cannot tolerate some, to remain inferior to others. May Your demands for justice, O God, be turned into mercy, and may You bring mankind back to the peace for which it longs. Amen.

Mr. Speaker, that prayer was given nearly 9 years ago. That same man, now a monsignor in my district, gave another prayer in Lima, Ohio, at an event, prelude to our Nation's 200th birthday.

The event was on April 25 and the occasion was a musical presentation of "George M" given by the senior class of the Lima Central Catholic High School. This most timely curtain-raiser for the beginning observance of our Bicentennial Celebration, was under the direction of Monsignor Herr, who also is principal of the school.

I was struck by the parallel timeliness of both prayers, and want to include in the RECORD, this most recent prayer by this eminent man. The prayer text is as follows:

> Our Father, today we begin in Limaland a celebration of our nation's Bicentennial.
>
> Help us to restore a pride in our nation's history and to strive to right the wrongs which have grown into our established laws, customs, and culture.
>
> Encourage us to resolve to make our God-given rights of Freedom for all to be actually enjoyed not only by the majority but by the minority—many of whom today are impoverished, alienated and misunderstood.
>
> Help us to bring to actuality our country's 200-year boast of equality and justice for all regardless of race, sex, creed, and economic resources.
>
> Help our youth—many of whom are disillusioned and suffering a credibility gap—to realize that the Stars and Stripes is still a Grand Old Flag under which to live, and that it still represents the greatest ideal yet conceived in this, your world. Amen.

In these critical days when the whole world longs for peace and human rights, these words seem most appropriate not only for the people of Limaland, but for our entire Nation as we prepare to celebrate our 200th birthday. It is my personal hope that God will also prepare us for whatever He has prepared for us.

IS KISSINGER OBSOLETE?

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. DRINAN. Mr. Speaker, the termination of our torturous 25-year involvement in the affairs of Indochina suggests the need to reassess American objectives and American tactics of foreign policy. An incisive article by Richard Barnet, published in the Boston Globe of April 27, 1975, analyzes recent diplomatic setbacks suffered by the United States in the context of Secretary of State Kissinger's personal approach to foreign policy. Mr. Barnet suggests that the concept of America's proper role in world affairs, which underlies Kissinger's actions as Secretary of State, is both misguided and obsolete. Mr. Barnet goes on to suggest the foundations of a new, more rational American foreign policy for the future.

Richard Barnet is codirector of the Institute for Policy Studies and coauthor of the recent book "Global Reach: The Power of the Multinational Corporations." I commend this illuminating article to all of my colleagues:

IS KISSINGER OBSOLETE?—HIS DOVE OF PEACE HAS FLOWN THE COOP

(By Richard J. Barnet)

Three years ago, Richard Nixon campaigned for the Presidency on the prestige of diplomatic miracle-worker Henry Kissinger and his proclamation of a "generation of peace."

Today, the vaunted "structure of peace" is a shambles.

"Peace with honor" in Indochina is ending in a rout. Extended shuttle diplomacy has left the Mideast as explosive as ever. The world economy is out of control. The nuclear arms race is at a new and more dangerous stage, with nuclear weapons widely available.

What can we conclude from these setbacks for American policy which have grown to the point where calls are heard for Kissinger to resign?

Foreign policy failures under Kissinger have occurred because of obsolete analysis, obsolete style, and obsolete goals.

They are personal failures for Kissinger simply because he has personified American foreign policy for five years and thus cannot disclaim responsibility for the disasters while accepting praises for the successes. The failures are not his alone; they transcend Henry Kissinger, and we will learn nothing from the present crisis if we do not concentrate our attention on the policies as well as the man.

It is ironic that Kissinger should have failed because of an out-of-date analysis of the world scene, because no American diplomat has revised the official world view so rapidly and so radically. In 1971, Kissinger and Mr. Nixon recognized the Russian revolution of 1917 and the Chinese revolution of 1949. The acceptance of communist regimes over this huge land mass was a major shift of policy. Up to that time, US policy was designed to keep those regimes off balance through external pressure and to bring about internal changes considered desirable for American interests.

Kissinger recognized that the Soviet Union and China were not seedbeds of world revolution, but status quo powers that would give limited support to US objectives if they were incorporated into our "structure of peace," in which they had a "stake."

Indeed, Kissinger saw granting legitimacy to established revolutions in Moscow and Peking as an essential strategy for stamping out revolutionary struggles elsewhere. The detente with Russia and China made it safe to mine the harbor of Haiphong, rain bombs on Hanoi and threaten our Vietnamese adversaries with complete destruction. The new, "businesslike" relationship with the Soviet Union made it possible to develop a "destabilization" campaign in Chile without fear of confrontation with the Russians in the Western hemisphere.

Kissinger revised the traditional American idea that Communism was monolithic and opened the way to exploitation of the Sino-Soviet dispute, which State Dept. and Pentagon die-hards had been unable to assimilate into their ideological model of world politics. Kissinger took a more relaxed view of insurgencies around the globe; in a world of detente, they were easier to contain.

A critical component of the new counterinsurgency strategy was a change in rhetoric. Since the days of John Foster Dulles, the slogan of American foreign policy had been "peace with justice." Kissinger recognized that missionary claims backfire when the public sees regimes in Saigon, Rio, Athens and elsewhere torturing, imprisoning and shooting their own people. He substituted the more modest goal of "stability" and peace for the more grandiose goals of the Lyndon Johnson era.

"Vietnamization," the "Nixon doctrine," and the "low profile" intervention were designed to convince Americans that American supremacy could be maintained at far less cost and less sacrifice than in the days when John Kennedy declared the United States to be "the watchman on the ramparts of world freedom" and Lyndon Johnson proclaimed Americans to be "guardians at the gate." All of these changes brought American policy into closer alignment with the real world.

But in one essential respect the policy was hopelessly obsolete on the day it was put into effect. The Kissinger "structure of peace" assumes that any world problem can be managed if the right five people get together. It is a 19th Century view of world politics based on the assumption that when princes and potentates meet, they can deliver their subjects. Politics thus is simplified because the most obstreperous forces are excluded from the process of settlement.

In Vietnam, the United States refused to negotiate with the North Vietnamese and the Provisional Revolutionary Government for a genuine political settlement and backed up Thieu in his refusal to deal with the forces that had the political and military advantage. Once it became clear that Thieu had ruled out the option of political settlement, it was only a question of time before the PRG, backed by Hanoi, would resort again to force. It was wholly unrealistic to think that a "settlement" that left all the political issues unresolved was "stable."

Just as Kissinger failed to recognize that powerful political forces that have been fighting for 30 years to reorganize Vietnamese society would not accept a sham "peace" based on a status quo, so in the Middle East he tried to simplify the negotiating process by removing the principal problem, in this case the Palestinians. But the heart of the problem is the Palestine Liberation Organization, which at a minimum has the power to upset any settlement arrived at by the sovereign states in the area.

This is the era of "monkey wrench politics." Terrorism and kidnaping are the weapons of the weak for making their presence felt. Practitioners of the politics of desperation excluded from Kissinger's structure may be unable to change the status quo by force, but they can insure that the status quo will not be pleasant. Kissinger has failed to understand how fragile the international state system is and how deep are the wellsprings of radical nationalism. This is not the comfortable world of Metternich, when a few self-appointed world restorers could cut a deal for the rest of mankind.

Kissinger's style has turned out to be as obsolete as his analysis. His personal diplomacy depended critically upon the liberal use of threat, flattery, puffery, and deception.

The importance of threat in diplomacy is discussed at length in his professorial writings. The Christmas bombing of Hanoi, the bombing of population centers, the invasion of Cambodia, all vigorously supported by Kissinger despite public hints to the contrary, were essential parts of the negotiating "track" part of the offer that could not be refused. Only when the adversary is convinced that the United States has the "will" to use its vast power, Kissinger has said, will he accede to America's demands.

The trouble with this approach, law and morals aside, is that Henry Kissinger does not yet embody the American will. The American people do not appear as ready as he to brandish bombs with the ferocity and regularity necessary to keep the rest of the world in line, possibly because they know instinctively that it can no longer be done.

Threats do work short-term miracles sometimes. But a diplomacy of threat is expressive. It must be paid for in trust, and it is this essential asset that Kissinger has squandered. The Vietnam "peace" and the Mideast negotiations broke down partly because the parties no longer trusted the architect.

The principal credibility problem stems from the basic incompatibility of the Kissinger structure of peace with the democratic process. Modern-day Metternichs can put up with democratic debate and participation no better than could the 19th Century prince.

Secrecy is inherent in this form of diplomacy. Bombing Cambodia or unseating an elected leader and killing him must be done in secret for the simple reason that if such operations were known they might not be permitted.

Diplomatic miracles are best accomplished through shuttle diplomacy in which the various parties are told at different times and places slightly different things. Thus, Kissinger assured Thieu, according to his own account, that the Congress would indefinitely appropriate necessary aid for his tottering government, but neglected to tell Congress at the time that he had made this totally unauthorized commitment in its name. The Kissinger interpretation of the Paris accords appears to be different depending upon whether he is talking to the North Vietnamese, the South Vietnamese or the U.S. Congress.

Such a diplomatic style can produce dazzling results for a short time, but it cannot produce a durable structure of peace. Today, neither the Israelis nor the Egyptians, neither the North Vietnamese nor the South Vietnamese, believe him. Nor do a growing number of those in Congress.

Finally, the fundamental goals of Kissinger's policy are obsolete. Unlike the analysis and the style, which are to a great extent personal creations, his goals are inherited. They are the same objectives that have guided American policy for generations.

The United States—6 percent of the world's population, consumer of 30 percent to 60 percent of its resources—is determined to make the world safe for America as it is. "Security" is defined as maintaining the political status quo around the world, actively suppressing revolutionary change where possible and holding on to the present global economic order. "Stability" is to be achieved by the reckless shipment of billions of dollars of arms to the Saudi Arabians, Iranians, and other pillars of Kissinger's collapsing structure of peace.

The present crisis is not a time for personal recrimination against the American winner who has lost his crown, but the reexamination of our fundamental purposes as a nation. We cannot make the world conform to the American will. The question is whether we can change America so we can live at peace in the new world that is coming into being.

Specifically, we need to change our consumption habits so as to become less dependent upon foreign resources. A less wasteful US economy is a prerequisite for a noninterventionist foreign policy. A noninterventionist foreign policy is a prerequisite for peace. The United States is unable to act as peacekeeper of the world, and our misguided efforts to play that role actually add to the turmoil across the planet while depleting our own society.

We should end all covert action abroad. Assassinating foreign leaders, stealing mail, bugging telephones, organizing strikes, subsidizing newspapers and so forth cannot, in today's world, make the United States stronger, safer, or more respected. Such activities are inherently uncontrollable and should be abolished before they further corrupt our own society. Helping the Lon Nols and the Thieus maintain themselves in power against their own peoples is a losing game, but one the United States continues to play all over the world.

The United States has been consistently on the wrong side in the former colonial world, opposing the forces committed to the structural changes needed for survival in poor countries. The United States should not be on any side, but should welcome any experiment, whatever the guiding ideology, that confronts poverty, illiteracy, mass unemployment and disease in the Third World. We do not have the answers and we should encourage a variety of approaches by making it clear that we will not oppose them.

We can recover our economic health and spirit only by demilitarizing our economy. We have sacrificed the real basis of security—which is the development of a strong American community—for the spurious security of redundant missiles. The fiscal problems of this country are undermining the security of Americans far faster than anything the Russians could do to us, and they can not be solved without major cuts in the military budget.

In a world where reasonably well-educated college students can make an atomic bomb and many countries will have them, the only hope of security is disarmament and the development of an international climate in which everyone has a stake in the structure of peace. But unlike the Kissinger model, that structure will have to be based on justice.

"CORNBREAD, EARL, AND ME"

HON. THOMAS M. REES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. REES. Mr. Speaker, we are all aware that motion pictures "speak" a universal language which contributes greatly to understanding among all people. And in these days of heavy criticism directed against certain types of motion pictures which stress sensationalism and base human values, I wish to bring to the attention of this body a motion picture entitled "Cornbread, Earl, and Me," which deserves great commendation as an outstanding example of the cinematic arts.

Of special attention and merit is the fact that while this motion picture is backgrounded by life in a black ghetto of a large city, it portrays with great human dignity and drama the hopes, the aspirations, and the warm family values of a black community.

Starring in this most entertaining motion picture are such outstanding black artists as Moses Gunn, Rosalind Cash, Bernie Casey, Madge Sinclair, Lawrence Fishburne III, and Stack Pierce. Of additional interest, another star is Keith Wilkes, the former UCLA All-American basketball star who was just voted the National Basketball Association's coveted Rookie of the Year Award for his outstanding play with the professional Golden State Warriors basketball team.

This significant motion picture was produced, written, and directed by two picturemakers of creative talent: Joe Manduke was the producer and director, and Leonard Lamensdorf wrote the compelling screenplay and was the executive producer. American International Pictures, headed by Samuel Z. Arkoff, will release this film May 21 throughout the country.

In my opinion a motion picture should serve the dual purpose of entertaining its audiences and at the same time giving it a worthwhile experience it can remember. "Cornbread, Earl, and Me" is such an experience—and I believe that the example it sets should be an inspiration to other picturemakers in the motion picture industry—and it is deserving of the full support of the Nation's theater owners. "Cornbread, Earl, and Me" is a film which should be seen by the full spectrum of the total American community—men, women, and children of every level of our society. Joe Manduke, Leonard Lamensdorf, and American International Pictures are most deserving of the highest commendation of this legislative body.

KING CAUCUS RULES IN DARKNESS

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. FRENZEL. Mr. Speaker, the editorial determination that King Caucus needs a large dose of sunshine is growing. Today's Washington Star editorial carries the same message: Open up!

The editorial follows:

REFORM FOR THE REFORMERS

Reformers usually tend to think of reform as something that someone else should do rather than themselves. But members of the Democratic Caucus, the group that pushed so many reforms on the House of Representatives this year, are going to be hard put to ignore requests that it institute a major reform of itself—to wit, that it open its meetings to the public.

Members of the Republican Conference put the Democrats on the spot the other day by voting to hold their meetings in the open and challenging their Democratic counterparts to do the same. To ascribe the Republican action to a real belief in the public's right to know probably is assigning it a loftier motive than it deserves. The Republicans know full well that their own Conference is a rather weak and ineffectual thing and therefore it probably doesn't matter much whether its meetings are open or closed. On the other hand, the Democratic Caucus has developed into a powerful unit, and the Republicans undoubtedly feel that its power might be diluted if it had to operate in public view, where the votes of individual members could not be hidden.

But whatever the motives of the Republicans were, the fact is that meetings of the Democratic Caucus ought to be open. If the Democratic majority—which really means the House, because of the overwhelming number of Democrats among its membership—is going to be bound by directives from the Caucus or be under pressure to conform to "sense of the Caucus" resolutions, the public has a right to know who voted in the Caucus to set the policies.

It makes little sense to open committee meetings—a reform that was urged upon the House by the Caucus—when the Caucus can, in effect, dictate not only committee but House policy at secret sessions. We might add that a number of Democrats, as well as the Republicans, are bothered by this state of affairs.

If the Democratic reformers are truly dedicated to reform, they will see that Caucus meetings are opened to the sunshine—and the glare—of public view.

YOUR COUNTRY NEEDS YOU - - - TH

HON. CHALMERS P. WYLIE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. WYLIE. Mr. Speaker, Miss Deborah Bolon, a senior at Dublin High School, Dublin, Ohio, and a constituent of mine, is the recipient of the annual U.S. Government award presented by the Washington-Perry Township Women's Republican Club. I feel the essay which won Miss Bolon the award deserves public dissemination and I recommend it to all as food for thought.

YOUR COUNTRY NEEDS YOU - - - TH

Our country is growing older. The days since our country's birth have numbered and stretched into years. As we near our bicentennial we should reflect on our past years. Who has run our country all of these years? Who were the people who held our political offices? Who were the people who farmed our fields and worked in our factories? It was our young people, our youth. It wasn't a royal family in political control or serfs and servants in the common class. It was the youth of each generation since the signing of the Declaration of Independence who developed their own ideas and applied them to further the advancement of our country socially and politically. In many countries the youth are suppressed in fear that their ideas may prove superior to those of the ruling government and cause an uprise against their rule. Our youth are free to express their ideas; therefore, many ideas have been made public that in other countries might have been suppressed. We have picked from all of the ideas through the years and used the best of them. With young ideas being picked continuously, our country, in a sense, is the essence of youth.

In more recent years, many of our young people have taken it upon themselves to care for their country in different ways. One of the ways they have shown concern is by starting and carrying on many environmental and ecological organizations. Groups that work for the protection of endangered species and the conservation of natural resources show that they care about their country's physical beauty as well as its political aspects. No one wants to see streams of industrial waste and birdless skies of smog. We would like to preserve our young country for our children to see. We couldn't call our country young if it started getting wrinkles around the corners of its eyes.

Other ways our youth have shown that they care for our country is through volunteering their services to charitable organizations. They solicit funds for various associations such as the Heart Fund, The American Cancer Society, and Easter Seals. Some help in campaigns and drives for political candidates. A great many still volunteer in our armed forces even though there is no draft and we are largely at peace. Concern for their country's welfare draws them to these duties and dedication keeps them at their best.

A great future lies ahead for our country if we build for it now. That is where the youth of today comes in. If the youth of today follows in the same direction as the youth of yesterday, our country will achieve even greater success in the world. We need our youth to work on present dangerous problems. Problems that will be detrimental to the world as well as our country if allowed to go unsolved. I feel that our country has done a great deal to improve on problems in pollution and poverty. We still need to put in tremendous effort to vanquish war and bring about world peace before we complete our share. We will need all of the people we can muster to join in the work. The young at heart are needed as well as the physically young. So, come on people! Your country needs you - - - th!

TRIBUTE TO A FRIEND

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. HARRINGTON. Mr. Speaker, not too long ago, a young man from my constituency passed away, the victim of leukemia. Andrew N. Trembley was 17 years old, and, as the Boston Globe story said, he had everything to live for. He was a fine baseball player, now his teammates on the Marblehead High School team wear black arm bands as a remembrance to him. The following story, which appeared in the April 23 Marblehead Messenger, only begins to tell of this young man. Written by a close friend, it is a tribute richly deserved.

The text of the article follows:

TRIBUTE TO A FRIEND

(By Ernie Piper)

(NOTE.—The following is written by the former sports editor of The Messenger about his friend, Andrew N. Trembley, 17, 132 Lafayette St. who died last week of leukemia. Editor's Note.)

Standing at the side of the empty hole in the ground at Hamilton Cemetery Monday morning, I was horribly confused. Everything up to that point I had been able to accept—the death of my friend, the wake, the tears, the somber faces and the relating of memories. But that empty hole—deep cold, and starkly real—was not a part of my plans at all. I think at the back of my mind I had fully expected to place the body of Andy Trembley over the hole, cover the coffin with flowers, have the priest say some prayers, and then pick him up again and take him home like nothing had changed.

Unfortunately, we did leave him, and things had changed. Andy Trembley, my friend, had been attacked by a vicious disease and dragged to his death.

Eyes surrounded the grave while the priest talked into the wind—eyes that would not look up, eyes that cried, eyes that flashed with anger, eyes that reflected bitterness, eyes that stared helplessly, eyes swollen and sore with grief, eyes looking away from other eyes.

My eyes smiled. They looked up amidst all this grief and smiled inexplicitly. I suppose I should have felt guilty about my happy feelings, but I didn't because each time I thought of Andy I wanted to smile.

Here was a kid who knew he was going to die, and even though he fought like hell to stay alive, he was willing to accept it. Even though he had had his guts kicked out and his meaningful life cut off, he told me before he died that he had nothing to complain about.

"Look at the kids who were born crippled or retarded," he told some of us one day, "and I've had 17 years of good health and good life. I've got nothing to complain about."

A shy, painfully mature guy who was often misunderstood, Trem, even in his last days when it was difficult for him to write, started to write a letter to the people with whom we stayed in Florida over vacation. ". . . As you might know, I have developed a serious illness, he wrote in a cramped, hurried hand unlike his normally clear, meticulous writing, "and haven't felt quite up to writing, but I had to thank you for your hospitality and kindness . . ."

Am I becoming maudlin when I write of his thoughtfulness, responsibility, and carefully hidden emotions? Maybe. But that won't stop me from smiling. I'm not really all that religious, I don't know what happens after death, so I'm not sure I have all kinds of faith in an afterlife. Maybe he didn't either. But he faced his illness and imminent death with a relaxed candor and fierce courage that I hope I might have some day.

When a plant drops one of its fruits, the fruit dies. It dries up and decomposes and eventually disappears, but it leaves behind thousands of seeds to make new plants. Nature has arranged things so that a fruit must die if it is to leave behind new life.

I hope that the many qualities that made Andy Trembley my friend will take root and grow in those he left behind.

"OF MEN AND WOMEN" AND THE FAIRNESS DOCTRINE

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. ANDERSON of Illinois. Mr. Speaker, Dr. John Howard, president of Rockford College which is in my district, has filed a fairness doctrine complaint with the Federal Communications Commission, alleging that the NBC documentary, "Of Men and Women," aired on January 9, 1975, was controversial and that the network failed to make a fair and balanced presentation on issues dealing with sex, marriage, and other men-women relationships. Dr. Howard had originally written a letter to NBC Board Chairman Julian Goodman requesting that the network provide equal time and prominence to a successor show presenting the man-woman relationship in an altogether different frame of reference. Dr. Howard reports that he received a "trite form letter" in response, rejecting his request.

At the heart of Dr. Howard's complaint is the contention that the NBC documentary was presented from an "amoral" frame of reference, "implying that sexual liberation, as that phrase is currently understood, is neither right nor wrong, and that while marriage may be appropriate for those who choose it, it is not preferable to any other sexual liaison." In his letter to the FCC, Dr. Howard calls attention to the fact that—

> Television is an "influential educative force in our society and that current television programming has, I believe, become the greatest single obstacle confronting those parents, churches and educational institutions that try to transmit moral, ethical and spiritual values to the young.

Mr. Speaker, while I did not see the documentary in question, judging from the mail I have received in support of Dr. Howard's position his case would seem to have considerable merit. At this point in the RECORD I insert Dr. Howard's column from the Rockford College Report and his letter to the FCC:

[From the Rockford (Ill.) College Report]

WHERE WE STAND

(By Dr. John A. Howard)

Responding to the extensive advance publicity, I spent three hours on the evening of January 9th watching NBC's Special on the subject of "Women and Men." It was a dreary presentation of scenes and songs, interviews and commentary primarily about sexual liberation as practiced by people ranging from teenagers to senior citizens. It seemed to me that the entire program was presented in an amoral frame of reference, implying that there is no good and no bad, no right and no wrong in sexual matters, and that a lasting marriage may be all right for those who choose to commit themselves to it, but it isn't preferable to any other arrangement.

Toward the end of the show, commentator Tom Snyder said that the program was not simply a reflection of his views and co-commentator Barbara Walters', but had been approved by experts.

My first reaction was "What a total waste of time!" However, the program would not go out of mind. The more I thought about it, the more it seemed to me that anyone who cares about civilized living should not permit such a show to go unchallenged. The fundamental difference between a cluster of barbarians and a humane society is that the citizens of the latter have learned to control their passions and to sacrifice short-term gratifications for long-term goals of greater importance.

It is sufficiently distressing that a large portion of the entertainment offered nowadays on television is off-color, immoral, violent and/or sensational. To go the next step and present such a wholly lopsided view of man-woman relations and claim a quasi-scientific validity for it is going too far. If there is any hope that today's young people will lead a life in the pattern of a stable family with a genuine concern for the upbringing of their children and a commitment to the ideal of marital fidelity, then there must be models for them to observe and follow, and there must be reassurance that the sacrifices made to achieve such a goal bring important satisfactions and fulfillment in life.

The few such models offered on television, for example "The Little House on the Prairie," stand out in lonely isolation like the "house conservative" that some colleges and universities hire "for balance on the faculty." And the impact is about as great.

Well, I wrote a letter to Julian Goodman, NBC's Board Chairman, stating my belief that the Fairness Doctrine obliged his network to provide equal time and equal prominence for a successor show presenting the man-woman relationship in an altogether different frame of reference. You can imagine the trite form letter which came back. Thanks for sending your views. Our Specials always draw both praise and blame. You must be aware how many programs we offer that poses another view, etc.

My letter to Mr. Goodman was reported in the press. I don't think you can imagine the letters that came to me as a result. With one cryptic exception, all of them expressed their concurrence with the hope that NBC would provide another show. Coming from clergymen and laborers, housewives and corporate executives, there was a common theme of frustration that television is pouring a stream of unwanted tasteless programming into their homes. Parents who set some standards of decency are placed in an eternal conflict with their children about television viewing. One person said his living room had been hijacked. Many people feel helpless, victimized by television programming, and don't know what to do about it.

I doubt if anyone begins to understand the level of frustration which is building up.

A friend has made inquiry of a former member of the Federal Communications Commission, and has reported that the Fairness Doctrine does apply to general issues as well as to political matters. Certainly we have enough to do without prolonging this tilt with a windmill. However, the inexorable power of television to demoralize and corrupt the people is perhaps the most difficult obstacle which faces parents and churches and colleges that aspire to transmit high moral and ethical standards to the young. I do not think conscientious citizens can remain inactive while this baleful influence multiplies itself.

ROCKFORD COLLEGE,
Rockford, Ill., March 7, 1975.

Mr. VINCENT MULLINS,
Secretary, Federal Communications Commission, Washington, D.C.

DEAR MR. MULLINS: I wish to register a formal Fairness Doctrine complaint against the National Broadcasting Company television network. On January 9, 1975, NBC broadcast a program entitled "Of Men and Women", devoted to the relationships between the sexes, concentrating heavily on the sexual aspects of those relationships. The entire frame of reference in which the subject matter was treated was an amoral one, implying that sexual liberation, as that phrase is currently understood, is neither right nor wrong, and that while marriage may be appropriate for those who choose it, it is not preferable to any other sexual liaison.

This subject matter falls clearly into a highly controversial and critical important social issue. It should be noted that the title is a neutral one. I do not recall that the advance publicity identified the program as a presentation of sexual liberation or avant garde thinking about sexual relationships. Despite the fact that the subject matter was controversial, the program included no evident attempt to provide balancing viewpoints.

In my view, the extent of the program's promotion, the extraordinary pre-emption of three consecutive hours of prime viewing time, and the quasi-educational format concluding with an assertion that the content of the show had been approved by experts, place this show in a unique category which has not been and cannot be properly offset by occasional interviews and entertainment programs which give voice to some opposing views. Indeed, it has been reported that the January 9 show attracted the largest viewing audience among television documentaries.

I suggest that the Fairness Doctrine was enacted to apply to such a situation, and that under the Doctrine, NBC has an obligation to provide a successor program utilizing prime viewing time to attend to the man-woman relationship within a moral frame of reference.

It is understandable that the television industry has many considerations to take into account in determining the nature of its programming, but the time is upon us when one particular consideration, which has not seemed to be of much concern to the industry, must be brought into proper perspective and be given the attention it deserves.

There is a popular supposition that what people read and encounter in the various informational and entertainment media has little effect upon their views and their conduct. That is simply not true. Irving Kristol makes the point in an essay, published in the recent anthology entitled, *Where Do You Draw The Line?*

"After all, if you believe that no one was ever corrupted by a book, you have also to believe that no one was ever improved by a book (or a play or a movie). You have to believe, in other words, that all art is morally trivial and that, consequently, all education is morally irrelevant. No one, not even a university professor, really believes that."

Education does have consequences, and education is not confined to formal programs of study. It has been suggested that television has surpassed parents, schools and churches as the most influential educative force in our society. That conjecture may well be true. Even if television has not yet reached that degree of influence, current television programming has, I believe, become the greatest single obstacle confronting those parents, churches and educational institutions that try to transmit moral, ethical and spiritual values to the young.

The primary difference between a cluster of barbarians and a civilized society is that the individuals in the former group are governed by their impulses and their passions, whereas the individuals in the latter group are restrained in their conduct, foregoing short-term gratification for more important long-term objectives. Man is not inclined by nature to refrain from responding to impulse. It is only through a combination of many helpful forces which include public laws, moral and ethical codes, religious precepts, social pressure and trained consciences that the fabric of civilized living can be protected.

The young need to encounter admirable examples of people who live in a civilized fashion if they are going to live civilized and fulfilling lives of their own. Such models may be real people, living or dead, and they may also be fictional characters in books, films and television.

The examples presented in the three hours on January 9 seemed to illustrate Oscar Wilde's dictum that the best way to get rid of temptation is to yield to it. That is not the formula for anything but frustration and unhappiness. It is true that there is a significant number of people enthusiastic about sexual liberation, and the number seems to be growing. It is likely that that number is increasing in part as a result of the general character of the programs presented nowadays on television. To the extent that conjecture is correct, any attempt to justify the presentation of a one-sided view of sexual mores on the basis of a growing audience sympathetic to that view would be a self-serving evasion of the issues here presented.

I formally request the members of the Federal Communications Commission to ponder the probable consequences for society of the January 9 program, in the hope that the Commissioners will judge that the NBC television network has an obligation to present a successor program oriented toward contrary views and given equal prominence.

The enclosed copies of correspondence will make it clear that NBC has been directly solicited for such a program and has denied the request. In the letter of response, NBC refers to other programs which presumably provide "balance." I obviously have no way to review these programs to confirm or disprove NBC's assertion. I am aware of no program which had a comparable impact with regard to quantity of advance publicity and dedication of prime time. The correspondence will also make it clear that I am not asking to be involved in the preparation or presentation of the balancing program.

Thus, I respectfully request the Commission to investigate the NBC television special, "Of Men and Women" and other programs proffered by NBC, to determine in fact whether the network's presentation of this important controversial issue has indeed been fair and balanced.

If it would be helpful for the Commission to have a list of responsible scholars who might be called on to supplement the arguments presented in this complaint, I would be glad to supply such a list.

Sincerely yours,

JOHN A. HOWARD,
President.

CLEVELAND JEWELER LARRY ROBINSON—BUSINESS AND CIVIC LEADER

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. STOKES. Mr. Speaker, I would like to acquaint my colleagues with the unique success story of one of Cleveland's most prominent and most respected businessmen, Mr. Larry Robinson. President of the 14-store J. B. Robinson Co., Mr. Robinson heads Ohio's largest jewelry chain. Just 2 years ago there were only six J. B. Robinson stores. Today there are 14 with another 10 planned. Larry Robinson has achieved this overwhelming success through a combination of product, price, and marketing savvy that has won the admiration of the entire business community as well as the appreciation of the general public who benefit from Robinson's low-profit philosophy.

Larry Robinson learned how to build his remarkable jewelry empire during his days as a teacher and researcher at Harvard Graduate School of Business, where he earned his doctorate in retailing. He has combined this excellent training with a sense of civic pride and civic responsibility to become more than a great businessman, but also one of our town's most enthusiastic supporters and an untiring worker for the benefit of the community.

To further acquaint my colleagues with his remarkable story, I submit this article about Larry Robinson from a recent issue of "Jeweler's Circular Keystone."

The article follows:

MR. ROBINSON TILLS A PEOPLE GARDEN

"People Power" is alive and well at J. B. Robinson Company. Owner Larry Robinson calls it the secret weapon that pushed his Cleveland-based jewelery chain from 3 to 13 stores in less than four years.

People Power starts with the traditional suggestion box, which produces a welter of ideas for streamlining and strengthening the still growing firm. Even the newest employe has a regular chance to offer suggestions for improving the company's operation.

Robinson explains how the unique suggestion system works:

"Once every few weeks a representative from each store comes to Cleveland for a policy development session, in which everyone gives his views on what the company should be doing.

"We rotate the attendees. One session it will be the managers; the next, assistant managers. Then, we'll invite other people with high potential and, next, a group of our newest people.

"We freely solicit recommendations and we get them," he explained. "The result is an average of 20 excellent suggestions per meeting which are put into effect within two weeks.

"We operate on a highly democratic basis. Every one of our 150 employes has a role similar to that of an owner," Robinson told JC–K.

SUGGESTIONS GET ACTION

A typical sampling of the suggestions and their disposition was contained in a recent two-page report entitled "Suggestions Follow-Up."

Suggestion: "Use shadow box displays in new stores." Disposition: "Conveyed to our designer. He will do."

Suggestion: "Provide monthly store sales quotas sooner." Disposition: "Fine. Will be out at least a week earlier."

Suggestion: "Central bookkeeping for Columbus stores." Disposition: "Columbus stores should experiment and decide."

Suggestion: "Revise invoice handling system." Disposition: "Being prepared."

Suggestion: "Order men's medallions and bracelets." Disposition: "Now coming in."

Robinson carries the employe suggestion system beyond the regularly scheduled meetings. Each manager's *daily* report form carries space for him to make recommendations. And every week, the dark-haired president gets a "Dear Larry" letter from each employe spelling out what merchandise he or she would like to see stocked as well as other suggestions.

BUILDING STAFF LOYALTY

Robinson knows a strong and loyal staff will be vital to the firm's future growth. He'll open three more stores this fall and is negotiating leases for several more to open early in '75. "Our plans call for doubling our size within the next three years," he says confidently.

So Robinson sees to it that his success also provides incredible financial and advancement opportunities for dozens of aggressive employes. "One young man advanced from stock boy to vice president in just a few years," Robinson told JC–K. "And it will happen over and over again in the coming years." The 44-year-old owner boasts proudly that his top management team includes one 27-year-old vice president and another barely 30.

"Some of our people have very deservedly tripled their incomes in the last four years," Robinson smiles. "We're so grateful and appreciative for the performance of our people that we have given them virtually every fringe benefit available, including free life insurance, health and accident income maintenance, profit sharing and pension plans."

Robinson points out that, with the combination of high salaries, strong fringe benefits and rapid promotions, "turnover is virtually non-existent.

"We now have a steady stream of people beating a path to our doorstep wanting to join our company," Robinson beams. "They want the opportunity for rapid advancement with and in a management team that genuinely works together."

TRAINING FOR THE FUTURE

Wherever Robinson expands, he will always have a strong nucleus of highly trained executives and sales personnel ready to man his tastefully decorated jewelry establishments.

Calling upon his days as a teacher and researcher at the Harvard Graduate School of Business, where he obtained his doctorate in retailing, Robinson has instituted what must be one of the most aggressive training programs of any firm in the jewelry business.

Robinson offers any employe with the interest and stamina his own Certified Jeweler's Program which leads to a diploma. And those who complete the course, rightly deserve the title.

The diamond portion of the course, for example, goes deeply into all aspects of diamond grading, the geological history of diamonds, diamond mining and diamond distribution. Employe students gain far more than a glib explanation of the four "Cs."

Similar courses are given in precious metals, colored stones and watches. Besides the months of classroom training on company time, individual home reading and study programs are recommended. Finally, the student faces a battery of written examinations as well as an intensive oral exam by a board of top J. B. Robinson employes.

But whether they enroll in the Certified Jeweler's program or not, virtually every Robinson employe spends almost five hours per week in some form of training session.

Some of the classes are held in the stores; others in classrooms at Cleveland State University, where Robinson, himself, takes to the lectern. Employes gain a working knowledge of:

The technology of diamonds, colored stones, precious metals and watches.

Ways of pleasing customers and understanding what they want.

Company organization and policy.

The training program makes heavy use of role playing, in which employes act out various situations that can and do arise in jewelry store operations. A series of jewelry store case histories written by Robinson, is also studied and discussed. Training with video tape will begin soon.

The managers also study human relations, administrative problems, accounting and finance. Moreover, managers and other executives meet weekly for lunch and spend four or five hours discussing general and specific company problems and goals.

Robinson also has a training program for jewelry artisans. Trainees work with master jewelers as apprentices, then are assigned to a store. That way, Robinson can offer custom design as well as an immense selection of finished goods. "Whatever the customer wants, we can supply it."

It's also apparent that whenever Larry Robinson wants to open another store—which is pretty often these days—he's got trained and eager staff ready to move in and take over.

He grows his own.

TAX CREDITS AND ALLOWANCES ACT OF 1975

HON. ROBERT J. CORNELL

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. CORNELL. Mr. Speaker, the Tax Credits and Allowances Act of 1975, which I have introduced to replace aid to families with dependent children—AFDC—and food stamps, and to aid persons now excluded from Federal cash aid, is designed to make work both profitable and necessary. It seeks to build upon earnings and other private income, not to substitute for them. Hence, its income guarantee levels are below the poverty line, yet it does not cut off eligibility when wages reach the poverty line.

The bill provides Federal income floors of $4,300 yearly for a two-parent family of four, $3,775 for a single-parent family of four—compared with the Census Bureau's 1974 poverty index of $5,040 for a nonfarm family of four; $3,100 for a married couple, and $1,100 for a single adult. In each case these figures include a $225 per person rebatable tax credit, which would be available to all Americans, rich and poor. The balance of the income guarantee is a cash grant for the poor only, known as ABLE—allowance for basic living expenses. Both the tax credit and the ABLE grants would be administered by the Internal Revenue Service.

Although the measure would not guarantee families and individuals against poverty, nor assure anyone an "adequate" income, its income supplements would enable most persons and families with low earnings to escape from poverty. This is because ABLE grants, in order to encourage self-help, would be reduced only fractionally by earnings, by 50 percent of each earned dollar, net of social security payroll taxes—by 47 percent of each gross earned dollar subject to payroll taxes. As a result, virtually all two-parent families of four with gross earnings under $7,230 per year would be eligible for ABLE cash grants to supplement their wages, as would single-parent families of four with gross earnings below $6,115 and single adults with earnings below $2,970.

The tax credit-ABLE plan evolved from the comprehensive 3-year study of public welfare conducted by the Subcommittee on Fiscal Policy of the Joint Economic Committee under direction of former Representative Martha W. Griffiths. It is tailored, point by point, to eliminate or minimize the defects documented by that study, including work disincentives of the overall welfare "system," penalties for family stability, inequities of coverage and benefits, and administrative chaos.

The committee study found that national average AFDC, food stamp benefits, and housing benefits potentially available to a nonworking welfare mother with three children exceeded median women's wages by about 10 percent. It found that by going to work full time, most jobless mothers of three who received both AFDC cash and food stamps could increase their family's discretionary income by no more than 25 cents per wage dollar. Cuts in the AFDC grant and the food stamp bonus, plus taxes and work expenses, would consume 75 cents per dollar. In contrast, the ABLE beneficiary will gain 47 cents, less expenses, per earned dollar—and a special earnings deduction will help to offset expenses of working single parents and of two-earner ABLE families.

The Census Bureau has reported that in 1973, 62 percent of the Nation's poor families had some earnings. If the Tax Credits and Allowances Act had been in operation then, virtually all of these 2,987,000 working poor families would have been freed from poverty.

LOCAL GOVERNMENTS CONSIDER REFUGEE AID NEEDS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. ANDERSON of California. Mr. Speaker, local government officials of the State, counties, and cities in California are getting concerned about what the Federal Government is going to do regarding the costs of helping the Vietnamese immigrants.

They all express a humanitarian concern for the people, but point out that the cost of supporting the program should not be saddled on the backs of local taxpayers—that it is the responsibility of the Federal Government.

I am attaching a letter from Mr. Joe Pollard, legislative consultant for the Los Angeles County Board of Supervisors making some early suggestions as to what Federal legislation should be enacted on the refugee program.

The letter follows:

Board of Supervisors,
County of Los Angeles,
Washington, D.C., May 2, 1975.

Hon. Glenn Anderson,
House of Representatives,
Washington, D.C.

Dear Congressman: As you requested attached you will find some suggested recommendations in regard to the Vietnamese Refugee Program legislation.

I hope you will be able to pass this legislation. We feel it will be urgently needed.

Sincerely,

Joseph M. Pollard,
Legislative Consultant.

The following list contains our "off the top of our heads thoughts" as to what federal legislation should provide for in regard to the Vietnamese Refugee Program:

(1) Vietnamese family groups should be aided at the standard of assistance established for AFDC recipients.

(2) Adult refugees without children should be aided at the standard of assistance established for SSI/SSP recipients.

(3) The Repatriate Program should be funded to provide assistance to American repatriates returning from Viet Nam.

(4) Federal funds should be provided to cover 100% of the aid costs of the program.

(5) All administrative costs should be directly charged to the Vietnamese Refugee Program and be 100% federal funds.

(6) The total costs of any social services provided Vietnamese Refugees should be charged against the Vietnamese Refugee Program.

(a) The types of services to be provided should not be limited.

(b) There should be provisions for training the refugees, especially in English.

(7) The funds provided for the program should not be set up as a closed-end appropriation.

(8) Federal funds should be provided for emergency housing, food, clothing, medical needs, etc.

(9) Federal funds should be provided for relocating Vietnamese refugees if they wish to leave the area.

(10) If the counties cannot directly charge administrative costs to the Vietnamese Refugee Program, it should be spelled out that they are allowed to allocate overhead costs.

(11) There should be a hold harmless clause included so that counties cannot be claim cut if they, in good faith, aid a person who subsequently proves not to be a bona fide Vietnamese Refugee.

(12) Counties should be allowed to utilize Eligibility Workers or whatever staff they feel necessary to administer the program and the costs of this staff as well as support staff should be fully chargeable to the Vietnamese Refugee Program.

(13) The counties should be allowed to determine the appropriate caseload size based on experience. The caseload size should not be arbitrarily dictated by the Federal Government.

If this is not acceptable, the caseload size should definitely not exceed that established for the AFDC Program.

(14) Counties should be allowed to establish job training or job search requirements based on the local economic situation.

(15) Any special training required by staff working with the Vietnamese Refugee Program should be fully reimbursed from the Vietnamese Refugee fund.

(16) Any corollary costs of the program such as interpreters should be fully reimbursed from the Vietnamese Refugee fund.

(17) More resettlement areas should be established, but no more than one should be established in any given state.

(18) Vietnamese professionals such as physicians, etc., should be allowed to take professional examinations in their own language and if they pass, they should be licensed and allowed to practice in the United States.

(19) Funds should be provided to build additional housing for the Vietnamese Refugees.

(20) Perhaps W.P.A. type programs should be established for the refugees.

BILL TO PERMIT LEAD SHOT FOR HUNTING

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. FINDLEY. Mr. Speaker, the U.S. Fish and Wildlife Service, Department of the Interior, has been considering for some time a ban on the use of lead shot in the hunting of migratory waterfowl. The Fish and Wildlife Service contends that lead shot from shotshells fired over waters where ducks feed is ingested by bottom feeding ducks and that lead poisoning and death of the ducks is the usual result. The Service proposed a ban on lead shot and issued a draft environmental statement as required by law in preparation for the banning of lead shot.

My study confirms that there is, indeed, a serious problem for our waterfowl in the use of lead shot in some heavily hunted areas of the Nation. Study of lead poisoning is insufficient to warrant an immediate ban on lead shot. Some of the evidence cited by the Service dates back 35 years. Later studies appear to be based on limited findings in limited areas of the United States.

Possible toxic side effects of substitute shot metals are not reported fully. And, most importantly, the effectiveness and efficiency of lead substitute shot over lead shot remain as nagging doubts about the wisdom of a lead shot ban. Lead is the most effective and efficient shot metal for waterfowl hunting. There can be no doubt about this point.

Yet the Fish and Wildlife Service, in its belief that lead poisoning in ducks is a national crisis, would ban lead shot. It would substitute steel shot which, by all tests available to date, cripples ducks to the extent that more ducks would be lost than if lead shot were used. The Service noted in a 1973 viewpoint that steel shot was "about as effective in bagging ducks as the lead shot loads commonly used by duck hunters" but that "at longer ranges (over 40 yards), it (steel shot) will be less effective." As if to remedy this admission, the Service report continues that, therefore, "the shotgun is, and should be treated as a short-range weapon." Yet as most duck hunters along the Illinois and Mississippi Rivers know, a great percentage of ducks are bagged at ranges greater than that suggested by the Fish and Wildlife Service.

It is clear that ingestion of lead shot by ducks is a problem. There is doubt, however, that the problem is nationwide or even fly-way wide. It is clear that steel shot is less effective and efficient when compared to lead shot. There is great doubt that the wholesale forced substitution of steel shot for lead shot will accomplish any saving of waterfowl life.

Indeed, the imposition of the proposed ban might easily be counterproductive to saving waterfowl and be another example of unwise, unjust, and costly governmental overreaction to a problem that can be solved through adequate research and development.

The Fish and Wildlife Service, recognizing the defects in its intended ban, has commissioned the Illinois Natural History Survey in 1975 to conduct an expanded toxicity study of combined lead-iron—sintered—shot. Such a combination intended to achieve more efficiency than the steel-only shot, but not the toxicity of lead-only shot. The Service has stated that the results will be known by late spring and implies that it will act in imposing a ban on lead shot when the data is obtained.

It is unreasonable to assume that such short-term limited studies can point to permanent solutions. And, it is unreasonable for the Service to seek a nationwide ban on lead shot when its use may be a problem only in certain areas of the Nation.

For these reasons, I am today introducing legislation which will prevent the U.S. Fish and Wildlife Service from imposing a lead-shot ban before July 1, 1977. By that time, adequate testing of lead-shot substitutes will have been completed and the technology developed to produce an adequate lead-shot substitute. Further, it is hoped that the Fish and Wildlife Service will have studied the lead poisoning problem sufficiently to determine the problem areas in the Nation, and will be able to apply remedies to the affected areas and not nationwide in an indiscriminate manner.

This seems a far more reasonable approach. Text of bill follows:

H.R. 6664

To prohibit the banning of lead shot for hunting

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior or any other officer or employee of the United States is hereby expressly prohibited, at anytime prior to July 1, 1977, from issuing, promulgating, publishing, or carrying out any order banning the use of lead shot for the otherwise lawful hunting of waterfowl.

U.S. AID WASTED ON INDIA

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. ASHBROOK. Mr. Speaker, American taxpayers cannot understand why the United States treats India so generously. We continue to pour billions of dollars and tons of food into that nation. For our money we get no gratitude and few results.

Since 1951 the United States has given India about $8 billion. Yet, in the words of syndicated columnist Henry J. Taylor, Indian leader Indira Gandhi "shrugs off our American taxpayers' vast aid to India as if it were a cigar butt to be kicked around on the floor."

Gandhi and other government officials seem to take delight in heaping abuse on the United States. Strident anti-American comments abound. Typical is India's reaction to the Communist conquest of Cambodia and South Vietnam. The Indian Foreign Minister hailed the American setback as "a gratifying vindication" of India's foreign policy.

Also typical is Gandhi's statement that she could not lift the nation's state of emergency, which allows the government to detain labor agitators, students, and dissidents for months without trial. Why? Because India was facing a threat from the sea, a reference to the proposed U.S. naval base in Diego Garcia, an archipelago in the Indian Ocean. Can anyone really believe that the United States poses a military threat to India?

Not only has our $8 billion gone unappreciated, it has produced few results. Taylor points out that—

> India's economy remains in collapse. Nothing, but nothing America's taxpayers have done can get it moving. It's like trying to push a truck uphill with a rope . . . In the 28 years since India's independence, India has been stricken by more poverty, disease and despair than ever before in its history. And the chief reason is the corrupt and unproductive rule of India's politicians, including Mrs. Gandhi.

Mr. Speaker, it is time to end this foreign aid giveaway. U.S. aid is wasted on India.

Following is the text of Taylor's article which appeared in the April 2 edition of the Columbus Citizen-Journal:

INDIA'S SINS OPEN DOOR TO COMMUNISM

(By Henry J. Taylor)

The American ambassador to India, William B. Saxbe, correctly stated in New Delhi: "Good relations must be two-way. After 27 years of American efforts, the gap is still there."

He is dealing with an impossible prime minister, Indira Gandhi. Mrs. Gandhi is said to start her day by standing on her head, yoga-fashion, and Ambassador Saxbe is sure to find that the impossible lady views the United States from this position the rest of the day.

India's leader is one of those tiresome, self-righteous people who give you moral lectures at the drop of a hat. Morality? What Mrs. Gandhi says is one thing, what she means is another and what she does is a third.

Mrs. Gandhi gave her Congress Party its spinning-wheel symbol. She said she did this "to stress the importance of simplicity and love." Yet she shrugs off our American taxpayers' vast aid to India as if it were a cigar butt to be kicked around on the floor. The last time I talked with Mrs. Gandhi was at a White House dinner given in her honor. She did so even then. And India's ambassador T. N. Kaul echoes this arrogance and effrontery in Washington.

We suffering American taxpayers have given a colossal $8 billion absolutely free to India since 1951 and a total $10 billion to date. In fact, we have given more aid to India than to any nation in the world. Actually, we've given nearly as much as we spent on the Marshall Plan which saved Western Europe.

Yet India's economy remains in collapse. Nothing, but nothing America's taxpayers have done can get it moving. It's like trying to push a truck uphill with a rope.

Ambassador Saxbe could no more get Mrs. Gandhi to admit it than get her to eat an Eskimo's boot, but an estimated 70 per cent of the population remains illiterate—so illiterate that Mrs. Gandhi's own Congress Party stations sacred cows at the polling places to show voters that a pair of yoken bullocks is the party's marker.

Since 1954 we have spent $12 billion on our "Food for Peace" program alone—immense amounts going to India. An estimated 80 per cent of the children there suffer from malnutrition, yet India's own food production has declined.

The decline is clearly due to Indian government's cut in the agricultural portion of India's national budget—along with incredibly poor planning.

India's fertilizer plants are running at less than 60 percent of capacity. The country is blessed with some of the world's largest salt deposits. Yet India imports much salt from Michigan. Grain surpluses bless some regions. Yet these surpluses are not relieving famine in other regions, because of immense snafus in India's distributing system.

The poverty is unbelievable. Yet on May 18, 1974, India test-fired underground in the Rajasthan desert, west of New Delhi, its first atomic explosion.

Despite all the ghastly poverty and human suffering, Mrs. Gandhi authorized $173 million for this—another indication of how much the big Indian cares for the little Indian in India. And Ambassador Saxbe learned that Mrs. Gandhi intends to spend an additional $315 million on nuclear developments in the coming four years.

Mrs. Gandhi claims that India doesn't intend to develop nuclear weapons but it is obvious that the United States and the rest of the world does not believe her.

India fought three wars against Pakistan in 27 years. In the 1971 war India dismembered Pakistan and then recognized Bangladesh (East Pakistan) as a separate nation. India did not even release the 93,000 Pakistani prisoners until August 1973. India brutally invaded Gao and still holds it.

And so it goes in this country where Mrs. Gandhi hypocritically preaches "love." Violence and death are commonplace. Revolution now lives in the coffee houses. In the 28 years since India's independence, India has been stricken by more poverty, disease and despair than ever before in its history. And the chief reason is the corrupt and unproductive rule of India's politicians, including Mrs. Gandhi.

Their sins have brought communism to the doorstep of the entire nation.

"LET'S DISARM THE CRIMINAL"

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. DINGELL. Mr. Speaker, pursuant to permission granted I again insert into the CONGRESSIONAL RECORD remarks of a distinguished American law enforcement officer, the Honorable Johannes F. Spreen, sheriff of Oakland County, regarding lawlessness, crime and criminal firearms misuse. The remarks were made by Sheriff Spreen before the Michigan State Senate Judiciary Committee in Lansing on March 12, 1975.

It is hoped that in this time of great concern over crime and criminal wrongdoing now abounding in our land those concerned with the proper answer to this desperate problem will read and give careful and sympathetic consideration to the thoughts of the distinguished American who urges punishment of criminals as opposed to stripping law-abiding citizens of their firearms.

In its consideration of legislation on matters of this sort the Congress must certainly heed the thoughts of responsible and concerned citizens like Sheriff Spreen if we are to come forward with an appropriate and intelligent response to the problems besetting this Nation. Sheriff Spreen's statement follows:

LET'S DISARM THE CRIMINAL

Good morning! I'm happy to have the opportunity to address this honorable assembly on the subject of gun control legislation.

In 1938 J. Edgar Hoover spoke to the Detroit Economic Club. His subject was "Lawlessness as a National Menace." A few days ago, Clarence Kelley, the current director of the F.B.I. addressed the same body on that very same topic, asking the question, "Can Crime Be Conquered?" Sad, isn't it, that after 37 years the problem still exists, but to an even greater degree? Something MUST be done, and NOW, so that 37 years from now in the year 2012, we will not be asking, "Can crime be conquered?"

I speak to you today not only as a county sheriff but as a police educator, with 37 years of police study and experience, having opened my first police textbooks the same year J. Edgar Hoover was in Detroit.

Citizens are being murdered daily in their own homes and businesses and on the streets and police who respond to aid them are laying their lives on the line constantly.

I have seen the distressing toll in robberies, burglaries, rapes . . . citizens frightened and killed . . . policemen hurt and shot. I have had the heart-breaking experience over and over again of attending their funerals. In the past ten years alone a thousand law enforcement officers have been killed, and 70 percent by individuals using handguns. The fact is that policemen walk and work on the fingertips of death.

There is no reason why this massacre—this uneven battle—should continue.

The time for action is now.

Four years ago in May, 1971, I wrote a newspaper column calling for an additional jail sentence for the carrying of a gun when it is used in the commission of certain crimes. I recommended five years mandated by law with NO probation, NO parole, NO early release, and NO good time.

I believe the judiciary of Michigan still should have discretion over punishment for the crime itself, but no discretion on the charge of using a gun to commit it, if he is convicted by a jury of his peers. I believe these "peers" are sick and tired of this nonsense.

We must do something about handgun control, but there is a vital difference between gun control and gun prohibition. We do not want to make criminals out of people who buy or have guns out of fear to protect their loved ones, themselves, or their homes. We are not going to accomplish anything by trying to ban all handguns, since gun prohibition will not get the gun away from the criminal.

Some persons are supporting a drive to prohibit bullets. Their slogan, "You need a bullet like you need a hole in the head," is commendable, but naive. I assure you that the potential killer, killer-burglar, killer-robber, killer-rapist will have his gun and get the bullets, too!

We know that police cannot protect every person in his own home. We do not have the money or the manpower. We are losing the battle in the streets. Yet, we must do something—something better than we have done in the past.

Let us start by getting at the real problem. Let us get at the criminal who brings and uses a gun when he commits a crime. This is gun control. Later, we can address the problem of too many handguns possessed by too many citizens. That problem may alleviate itself, if we solve the other problem first.

We need to punish the criminal, not the law-abiding citizen. There is a difference between a person who buys a gun to protect his loved ones and someone who is out to commit a crime with an instrument of death.

Certainly, the bum who uses a gun should not be allowed to thumb his nose at society. Let us remove these potential killers from the scene. If a five-year term went into effect, they would go away to prison say on July 4, 1976, and know that they would not be out again until July 4, 1981. Maybe, then, our good citizens on our nation's 200th anniversary will have a little freedom to pursue their happiness in these United States of America.

And if these hoodlums are convicted a second time of using a gun in the commission of these crimes, the mandatory sentence should be doubled or tripled. The third time we should throw away the key!

Just recently several state legislators have proposed a two-year mandatory sentence for the use of a gun in a felony. While I still would like to see a stiffer sentence (five years), I definitely support their proposal. It would be good for Michigan to lead the nation with such enlightened legislation. We should congratulate their efforts.

The criminals, no doubt, always will be able to get a gun, and of course, the bullets for it, but if this legislation is passed, they will think twice before bringing a loaded gun with them when they go out to rob, burgle, and rape.

The "professional" burglar of old would never have brought a gun with him. He had a "certain pride in his craft." He wasn't a mean killer. But who do we have committing these crimes today? About three-fourths are recidivists—a small core who are committing the majority of the crimes over and over again. And half of all serious crimes are committed by kids. Far more than half are drug addicts who are hopped up. Most of all, these people use guns. A gun should not be in such hands—hands which represent people who could care less, or are immature or are crazed, hopped up by drugs, and whose fingertips could snuff out the life of a citizen or policeman.

The smart criminal is one who is "jail smart." He wheels and deals, delaying and adjourning the trial, using and abusing our criminal justice system, while the victim lies in the hospital or the morgue.

Let's stop playing games! Or if we MUST play games, let's change some of the rules.

We citizens must get smart now, so that we leave our children a better day 37 years from now.

I would be remiss, if I did not lend my voice in support of these good legislative proposals. Let's send out a strong message to the bums and punks, and potential killers everywhere, and put some fear into their hearts. Let us save our good citizens and save our police.

Let's do it NOW, HERE in Michigan!

Honorable Senators, I have spoken before you today for myself and also for the Oakland County Sheriff's Department. In addition I bring a letter of endorsement for the Bill from the South Oakland Chiefs of Police and I believe that there is not a police chief or a sheriff in this country who would not agree that something must be done about the use of guns while committing a crime.

Let us leave a better legacy for the future . . . Let us show that the law can work for society . . . Let us show that society can work the law. And Michigan can lead the way.

Let us leave the gun-carrying burglar, robber, and rapist to his "peers" on the jury. Let him know that if he "does the crime, he'll do the time."

Thank you.

VVAW/WSO: REVOLUTIONARY INFIGHTING

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. McDONALD of Georgia. Mr. Speaker, although the Vietnam Veterans Against the War-Winter Soldier Organization—VVAW/WSO—was formed by the Communist Party, U.S.A. as an offshoot of its Veterans for Peace front, VVAW/WSO quickly attracted a melange of anarchists, ad hoc Marxist-Leninists, and alienated New Left revolutionaries who were united primarily by their hatred of all things American.

Involved in many violent street confrontations with police during "peace" demonstrations, in which VVAW members often acted as "goon squads" for the antiwar activists, VVAW/WSO became a target for colonization by the Maoist Communist Revolutionary Union during 1973. Early in 1974, the disciplined RU cadres effected a takeover of the VVAW/WSO national office and many regional chapters.

Faction fighting has now surfaced among the radical veterans. In California, an antirevolutionary union faction has expelled the entire membership of the northern California chapters and of one southern California chapter. The anti-RU group also fired Jeanne Friedman, the regional coordinator, and "laid out a process by which northern California people—with the exception of the leadership—could 'join' VVAW/WSO after a 'trial period.'"

Despite strident appeals for help from the Anti-Imperialist Caucus, as the expelled RU faction is called, the VVAW/WSO national office has been unable to provide any assistance.

In a general appeal to the national VVAW/WSO membership for help, Ms. Friedman protested:

> It amounts to 5 chapters expelling 10; 50 people expelling 150 and the Regional leadership they elected. We have not even been notified in writing of any of this.

She continued stating that this "is a situation that puts other organizations we work with in a difficult position, and that makes us look internally incompetent."

Another factional dispute has come to the forefront in Ohio. On April 10, 1975, VVAW/WSO's Ohio regional coordinator, Jerry Kosmaric, resigned. Two weeks later, he too mailed out a general letter giving his reason. Mr. Kosmaric's views, as a VVAW/WSO organizer committed to building a "fighting" mass veterans movement against "U.S. imperialism," provide interesting insights into the activities of the RU within VVAW/WSO.

For the information of my colleagues concerned with the groups attempting to subvert the U.S. Armed Forces, I submit extensive excerpts from his letter. I have edited some of his more scatological phrases.

The excerpts follow:

EXCERPTS OF LETTER FROM JERRY KOSMARIC

> "In my years as regional coordinator I have seen much change. Since the July demonstration in Washington my main job was trying to hold the region together and build at the same time. The main factor, in my opinion, that started this alienation on the part of the membership was the booklet, Build the Anti-Imperialist Veterans Movement, published and distributed by the Revolutionary Union (RU). From that point to the present, this region has all but fell apart. The Dayton chapter has been lowered to that of an organizing contact; the Cleveland chapter is on paper only; the Athens chapter is alienated and disillusioned; and finally, the Columbus chapter voted unanimously to withdraw from VVAW/WSO. Why did this happen? Who is to blame? It is my opinion that much of the blame rests on the RU, the national office of VVAW/WSO, and to a lesser extent regional leadership.
>
> It is important to look at those months between the July demo and the St. Louis NSCM. First off, RU participation in this organization didn't just 'fall out of the sky'! RU members didn't wake up one morning and want to join VVAW/WSO. It had to be a conscious decision on the part of RU leadership. Although I have no way of 'proving' this, it is my firm belief that this is fact. Disciplined pre-party members don't do what they want to do. Also, participation was not isolated to one area; rather, every part of the country was affected. What this now means, that instead of individual communists in the organization (who I have learned a great deal from and still respect very much) VVAW/WSO had a bloc of communists with the same line. What ensued from this point on was enough to make me question the very character of this 'new' organization. People were building up more hate for opposing lines and the people that put them forward than they did for the common enemy. Unity, solidarity, and fighting the enemy came second—first we 'had to rid the organization of these incorrect lines.' From the beginning I played the part of referee in this region—even to the point of defending RU cadre in this organization. I was criticized for 'fence sitting.' But as more and more people left—good, honest hard working people—I started to question my role as regional leadership. It came to the point where the tone and character of the organization had changed, and I was not a part of that, nor would I be in the future.
>
> To the RU: You always claim to be 'for the masses' and for 'the working class.' Don't you know that many people in the organization have that very background and present day status? If so, why don't you listen to them? Are you above criticism? It seems to me that your definition of 'the masses' is either (1) anyone who agrees with you, or (2) someone that doesn't know of you. All opposition is not part of the 'masses.' You're always so defensive concerning your lines—never willing to really struggle with people. You listen to your books—your theory. But as we all know—books don't make history, people do. And when a lot of people tell you you're f__ing up, listen to them. You will instantly read any criticism in a defensive manner and use your interpretation of Marxism-Leninism to not accept it. It's important that you understand exactly where people are at. I admire and respect your dedication and self-sacrifice; those are the qualities of a good communist. But also, 'they do not set up any sectarian principles of their own to shape and mould the proletarian movement.' (Manifesto of the Communist Party) And don't you see, that's exactly what you're trying to do with VVAW/WSO. Either we're a fighting anti-imperialist veterans movement or we're nothing (or any number of other terms ranging from reformist to blood sucking agents of the bourgeoisie!) You have, in the course of this struggle, alienated a lot of people. I think you're ——— up—and that is heavy political criticism."

Perhaps this letter will provide additional evidence for those persons who have expressed disbelief in the fact of the Revolutionary Union takeover of VVAW/WSO.

While no doubt the internal squabbles are impairing the effectiveness of VVAW/WSO's new organizing drive directed at the National Guard and Army Reserves which I referred to in my Extensions of Remarks on March 24, 1975, page 8463 the disciplined cadres of the Revolutionary Union remain targeted toward that disruptive goal.

VVAW/WSO remains a threat to the internal security of the United States and should be the subject of a thorough investigation as such.

"WHAT FOLLOWS VIETNAM?" AN ARTICLE BY ARTHUR SCHLESINGER, JR.

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. BRADEMAS. Mr. Speaker, I insert in the RECORD a most thoughtful essay, "What Follows Vietnam?" by Arthur Schlesinger, Jr.

The article which was published in the Wall Street Journal of May 5, 1975, follows:

WHAT FOLLOWS VIETNAM?

(By Arthur Schlesinger, Jr.)

A miserable war has come to a miserable conclusion. Now we must consider what the Indochina episode has done to the position of the United States in the world.

The Ford administration argues, or at least began by arguing, that the downfall of the Saigon government is a grave and fateful defeat for the United States, and that our failure to go the last mile with General Thieu is proof that no ally should trust us in the future. Even though the administration, in its zigzags of the last fortnight, has somewhat backed away from these arresting propositions, they will be heard again, especially (as Vice President Rockefeller has candidly said) during the 1976 campaign. They are entitled to discussion on their merits. But what is initially peculiar is the masochistic relish with which our government for a couple of crucial weeks demanded that the rest of the world look on the United States as a feeble, undependable and perfidious nation.

Thus the President of the United States felt it urgent to proclaim to the planet that the "present tragic situation in South Vietnam would not have occurred" had the United States only carried out "its commitment" to Saigon. The Secretary of State of the United States talked of the deliberate destruction of an ally and wondered whether any foreign state could believe in America again. The Secretary of Defense of the United States condemned our aid to South Vietnam as "niggardly." What a band of patriots! When has any government ever conducted such a strange campaign against its own country? One does not recall Khrushchev, for example, after he took his missiles out of Cuba, explaining to the world that he had betrayed his commitments and deserted an ally; nor de Gaulle when he gave up in Algeria.

Of course, if these things were true, a strong case could be made for saying them. But have we, for example, really proved to the rest of the world that no ally can hereafter trust the United States? If 50,000 American dead, $150 billion, inflation and recession in the domestic economy were not enough in President Ford's eyes to prove our fidelity to alleged commitments to Saigon, one can only conclude that he feels—or felt when he spoke in this vein—that we were committed to guarantee the Saigon regime in perpetuity.

A PRODIGIOUS FANTASY?

It is hard to believe that our President was "absolutely convinced," as he claimed to the American Society of Newspaper Editors on April 16, that, if Congress only voted $722 million more in military aid, "the South Vietnamese could stabilize the military situation." His protege General Thieu certainly did not believe that. "I have told the Americans," he had said 12 days earlier, "that we need at least $1.5 billion *per year* to defend the entire territory of South Vietnam." President Ford's contention that further military aid to Thieu's army in 1975 could accomplish what half a million American troops on the ground had failed to accomplish in 1968 is surely one of the more prodigious fantasies of the decade. A wiser President might have noted the extraordinary things the United States has done over the last dozen years to preserve South Vietnam from communism and have concluded that, as President Kennedy said in 1963, "In the final analysis, it is their war. They are the ones who have to win or lose it."

Nor is it any more probable that this need be taken as a fateful American defeat—unless, of course, our leaders succeed in convincing the rest of the world that this is the case. Most of the world had long since come to regard our intervention in Vietnam as senseless and mistaken. Does the Ford administration seriously believe that other countries would have respected us more if we had persisted in a foolish and futile policy? The decision to withdraw from an exposed and vunlerable position and to establish ourselves on a defensible line is rather more likely to increase than to reduce the confidence of other governments in our leadership. I do not know anyone who has argued that the Soviet Union destroyed its influences and credibility by pulling its missiles out of Cuba, or France by leaving Algeria.

Fortunately, despite the administration's clamor, most countries will note that our fundamental sources of power, as Henry Brandon of the London Sunday Times recently put it, remain intact. One doubts whether in the long run other states will be unduly impressed by President Ford's bizarre exercise in national masochism. Life will go on, even without President Thieu. I remember President Kennedy saying during the Bay of Pigs, "What is prestige? Is it the shadow of power or the substance of power?" He had no doubt that it was the substance of power. The American failure to attain unattainable ends in Indochina will not greatly affect the substance of power. This is surely the point the President, the Secretary of State and the Secretary of Defense should have been making during the last fortnight instead of insisting to the world that America was an unreliable friend on the road back to isolationism.

This isolationist theory is not only gratuitously damaging to our world position; it is quite false. The idea that, if we decline to go the last mile in Vietnam, we have turned isolationist is ridiculous. The choice is not between fighting everywhere and fighting nowhere. The choice is between a policy of globalism, according to which our interests are omnipresent everywhere on the planet, and a policy of responsible internationalism founded on a realistic view of the national interest. This choice expresses what has been the latent division in the internationalist camp since Pearl Harbor—the division, in essence, between the messianists and the realists.

Vietnam brought that division into the open. Our great champions of realism in foreign affairs—Walter Lippmann, Hans Morgenthau, George Kennan, Reinhold Niebuhr—were entirely consistent in favoring American participation in the Second World War and in opposing the Americanization of the war in Vietnam. In the first case, American vital interests were clearly involved. German victory would have produced a direct threat to the security of the United States. In the second case, American vital interests were clearly not involved. North Vietnamese victory will not produce a direct threat to the security of the United States.

The argument that it would was founded in assumptions derived from another age—from the age of Stalin, when communism was a relatively unitary and coordinated international movement serving as an arm of the Soviet Union. But nationalism has long since undermined the old Stalinist empire. The victory of Hanoi, as we now belatedly understand, will not mean an automatic extension of Soviet power—or, for that matter, of Chinese power. It will simply mean the enlargement of a national Communist state which will continue to respond to national motives and may even want American support to reduce its dependence on Moscow and Peking. The result will unquestionably be tough for the people of South Vietnam. But it is beyond our power to do for the people of South Vietnam what they do not seem inclined to do for themselves. No country can dedicate itself to world salvation without destroying its own integrity and safety.

George Washington long ago called it "a maxim founded on the universal experience of mankind, that no nation is to be trusted farther than it is bound by its interest." Any nation that acts beyond its interest is likely to become a bull elephant in the world, incalculable, destructive, leaving ruin in its path. Any government that makes "commitments" beyond the national interest is a menace not only to the world but to its own citizens.

THE PRESENT DANGER

The great danger now—a real danger considering the highly emotional state of our leaders—is that we will try to throw our weight around somewhere else on the theory that this will show we have not been intimidated by defeat in Vietnam. Again, the shadow of power; not the substance of power. For our real power remains unaltered. We have just as many nuclear weapons, just as strong an army, navy and air force, just as strong (or weak) a national economy. Withdrawal from Vietnam, among other things, will permit us at last to concentrate our concern on really essential allies and interests. A wise national leadership would tell the world that the legacy of Indochina is, not the defeat of the United States and the loss of American credibility, but the rejection of a hopeless policy of indiscriminate, illegitimate and sentimental world-saving and the return to earlier ideas of realistic and responsible internationalism.

This would mean a reexamination of the whole process of commitment and a repudiation of the Ford administration's recent argument that a President can secretly make "moral" commitments that supersede the legal commitments required by the American Constitution. It would mean, I trust, relentless skepticism about any thought on foreign policy emanating from the Pentagon. Richard J. Levine's devastating piece in this newspaper on April 23 began, "Rarely has a Defense Secretary been so probably and consistently wrong as James Schlesinger was in his public statements about the Vietnam war last month." The piece was especially disheartening because the military in 1975 repeated every military misjudgment with which the American people have been drearily familiar since 1961 and before. How many times do we have to be taught this particular lesson?

American foreign policy after Vietnam will not become mindlessly isolationist. It will, however, begin to bear a clear and demonstrable relationship to the primary interests of the United States. Secondary interests certainly exist, but secondary interests call for secondary, not primary, involvement. The Indochina folly, one trusts, will banish forever the dreams of glory, the illusions of American omniscience and omnipotence, the fantasies of universal responsibility and universal control, that have led to such shameful and atrocious results. If we had national leadership with a sense of history, we would now be rejoicing that, having finally freed ourselves from an unnecessary and disastrous obsession, we can start to play a role in the world consistent with our character as a people and our dignity as a democratic republic.

URBAN PUBLIC TRANSPORTATION SUFFERS LOSS IN 1974

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. FRENZEL. Mr. Speaker, recently released figures show that our urban public transportation systems suffered operating losses totaling nearly $1.3 billion in 1974. This amounts to an astonishing 72 percent increase over the preceding year.

Last year during the debate on the mass transit bill I innocently predicted that at the then current rate of deficit increases, we would witness the first billion dollar plus operating deficit during 1975. It turns out we actually roared past the billion dollar mark in half the time I anticipated it would take.

The operating deficit curve for our transit systems continues to bend upward and unless we begin to address this problem immediately the financial drain on Federal, State, and local money will soon become an intolerable burden. The transit agency in my area of Minneapolis-St. Paul just voted to request Federal funds to help cover its anticipated $6.5 million deficit for 1975 and the same sorts of decisions are being made in cities all across the country. By enacting the operating subsidy provisions last year we have opened up a Pandora's box which if allowed to continue will drive our transit spending straight through the roof.

If we project recent operating deficit experience out over the next few years the results are absolutely staggering. Table 1 shows what is likely to happen. The first column of figures is based on an assumption of a 36-percent annual increase. This figure represents the average annual percentage increase in deficits for the period 1970–73. The second column assumes a 47-percent annual increase which is the average percentage increase for the years 1972–74. I am afraid to add a third column, because I do not want to make assumptions at last year's 72-percent rate of increase.

The table follows:

TABLE 1.—PROJECTED TRANSIT DEFICITS

	36 percent annual increase (billions)	47 percent annual increase (billions)
1975	1.73	1.87
1976	2.35	2.75
1977	3.20	4.04
1978	4.35	5.94
1979	5.91	8.73
1980	8.04	12.83

These projections may turn out to be overly optimistic. They do not take account of the huge deficits that will be generated once the capital intensive fixed rail systems currently planned or under construction in Washington, Baltimore, Atlanta, and Miami go into operation. It has been estimated for example that the interest charges alone on the capital investment for the Washington Metro will average $1 ride.

These huge deficits and the $5 billion Federal investment in transit over the past 10 years could more easily be justified if it were possible to see some significant growth in transit ridership. Unfortunately there is no silver lining to be found in the transit ridership statistics. As the data in table 2 indicates, transit ridership slid from 23 billion rides just after World War II to 7 billion in 1974. A study recently released by the Federal Energy Administration states that transit today accounts for only about 2 percent of the total urban passenger travel despite the multibillion dollar Federal expenditures

During the 1973–74 period there were some slight gains in ridership, but the early returns for 1975 indicate even this modest rate of growth has all but disappeared. The FEA reports that what few additional riders have been attracted often come not from the ranks of automobile drivers but rather from people who formerly walked, rode in car pools or did not previously make the trip. It is difficult to avoid the conclusion that our Federal effort to encourage a more balanced transportation system has been a monumental bust.

The table follows:

TABLE 2.—TRANSIT PERFORMANCE INDICATORS

	Millions		
	Transit ridership	Operating deficits	UMTA expenditures
1945	23, 254		
1950	17, 246		
1960	9, 395		
1961	8, 883		
1962	8, 695		0. 2
1963	8, 400	0. 9	19. 3
1964	8, 328	12. 4	4. 3
1965	8, 235	10. 6	59. 8
1966	8, 083	37. 1	112. 0
1967	8, 172	66. 6	133. 1
1968	8, 019	161. 1	131. 1
1969	7, 803	220. 5	173. 3
1970	7, 332	288. 2	160. 0
1971	6, 847	411. 4	334. 1
1972	6, 567	513. 1	604. 0
1973	6, 660	738. 5	978. 0
1974	7, 002	1, 271. 3	985. 5
1975			[1] 1, 445. 0
1976			[1] 1, 724. 2

[1] Estimated.

It is an understatement to suggest that we have yet to figure out a way to make transit a viable alternative in the marketplace. This year's business-as-usual 1.7 billion UMTA budget request reflects little understanding of the challenge, and surely it presents no new initiatives capable of turning the situation around. It contains the same old losing formula—hundreds of millions of dollars for the deployment of obsolete technologies and peanuts for the development of new transit alternatives that hold at least some hope of lifting us out of the morass currently enveloping our transit operations.

Unless Federal transit programs become far more performance oriented, ridership will continue to stagnate and the operating deficits will grow increasingly unmanageable. Hopefully the upcoming hearings on the UMTA budget will serve to illuminate some of these issues and begin to lay a foundation for new directions in our urban transportation programs.

CINCO DE MAYO

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. ANDERSON of California. Mr. Speaker, today the people of Mexico, as well as millions of people of Mexican ancestry throughout the world, will celebrate the 113th anniversary of one of freedom's greatest challenges—the battle of Puebla on "Cinco de Mayo," 1862.

This victorious battle, fought by a small but courageous band of Mexican patriots, thwarted the efforts of a massive, highly skilled French force, led by Napoleon III, who intended to conquer Mexico City and set up their own empire. Despite overwhelming odds, a courageous Mexican Army, under the direction of Gen. Ignacio Zaragoza, drove the French back into the sea from the village of Puebla, thus sustaining Mexican control of Mexico City.

Although the French later captured Mexico City and set up a short-lived monarchy, the battle of Puebla stands as a victory of human spirit and military valor to the Mexican people.

This historic episode is one of significance to all the world, especially those of us in the United States, and particularly those of us in California, as our history is rich in the culture and tradition of the Mexican people.

In California, schools, cities, and organizations will be observing "Cinco de Mayo" as a gesture of solidarity with and affection for the people whose heritage is a part of our own. For to the extent that California has a heritage, a culture, and a tradition, that heritage is inextricably bound up with the people of Mexico. And in celebrating Cinco de Mayo, we honor not merely a gracious tradition and a great blow struck for human freedom in the past; we honor the present, and hopefully the future as well. Indeed, we honor ourselves, for we Californians began as Mexicans and part of that heritage remains with us in the names of our cities and streets, our history, our music, our literature, and our customs.

I am gratified that in California's 32d Congressional District, which I am pleased to represent, various events have been planned to celebrate Cinco de Mayo.

Phineas Banning High School, one of Los Angeles' oldest institutions and one enriched by Mexican-American endeavors through the years, will commemorate Cinco de Mayo with 2 days of festivities. Junipero Serra High School, a school named for the first and most famous of the Spanish missionaries in "Alta" California, is arranging numerous activities in remembrance of that historic day in 1862.

Los Angeles Harbor College will hold a flag-raising ceremony, simulating the same event which occurred following the French vacation of Mexico City in 1866. Other activities are scheduled for Harbor College, and California State College Dominguez Hills, which will engage in 3 days of activity.

Organizations such as the Mexican-American Civic Organization and the Harbor City chapter of the Association of Mexican-American Educators will also observe this occasion. Both of these fine organizations will hold a combination Cinco de Mayo celebration and scholarship fund-raising drive on May 5 to benefit those who might not have the resources available to obtain a quality education.

In the city of Long Beach, numerous events will be held. Among these are the Long Beach area chapter of Mexican-American Educators' annual Cinco de Mayo celebration. Also, the Long Beach Commission on Economic Opportunity observed Cinco de Mayo last Friday at Bixby Park in Long Beach where over 600 children and senior citizens gathered.

Mr. Speaker, I am pleased to observe the growing recognition this date is etching in America, especially among young people, and I am hopeful and confident that it will continue to do so.

Cinco de Mayo symbolizes a day upon which courage and love of their homeland enabled Mexicans to triumph over troops of a foreign power. I am sure our colleagues join me and our Mexican friends in paying tribute to the valor and patriotism of those who fought and died on Cinco de Mayo, 1862, and further join me in congratulating these great people on their celebration of Cinco de Mayo, 1975.

BUFFALO MOURNS DEATH OF FORMER MAYOR SEDITA

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. NOWAK. Mr. Speaker, the city of Buffalo, N.Y., was saddened last Friday by the death of one of its most distinguished citizens, former Mayor Frank A. Sedita. His career of public service at the local, State, and Federal levels spanned nearly four decades, including his election to a record three 4-year terms as mayor of Buffalo. He also served as a Buffalo city court judge, U.S. Customs collector in Buffalo, and most recently as a member of the New York State Crime Victims' Compensation Board.

Mayor Sedita's contributions to the betterment of the Greater Buffalo community ranged from spearheading an ambitious urban renewal program, to being a prime mover behind successful efforts to attract professional football, basketball, and hockey teams to our area. However, he perhaps will be remembered most for the personal warmth and tireless dedication he brought to all the positions he held. When he was forced to resign as mayor in 1973 for health reasons, one local newspaper commented that Mayor Sedita literally wore himself out serving his constituents.

Illustrative of the community esteem for Frank Sedita are the following articles respectively from Saturday's Buffalo Evening News and Buffalo Courier Express, which cite the feelings of Buffalo civic leaders and citizens for this superb public servant:

EX MAYOR SEDITA EULOGIZED AS MAN OF THE PEOPLE WHO DEVOTED HIS LIFE TO BUILDING A BETTER CITY

> Flags flew at half staff on city and county buildings today amid a cascade of tributes to former Mayor Frank A. Sedita from national, state and local leaders.
>
> Vice President Rockefeller, who as governor of New York named Mr. Sedita to the State Crime Victims Compensation Board, called the former mayor "a man of the people."
>
> Gov. Carey said Mr. Sedita had served Buffalo and Erie County with "skill and dedication for some four decades."
>
> Mr. Sedita, who would have celebrated his 68th birthday June 20, died Friday after a lengthy illness.

"I am deeply saddened to learn of the passing of my friend Frank Sedita," said Vice President Rockefeller. "Without question, Frank was a man of the people whose leadership, integrity and concern for his fellow man won him the respect and esteem of everyone who had the privilege of knowing him."

Mr. Rockefeller said that while Mr. Sedita will be missed, he will not be forgotten.

"He leaves behind not only a distinguished career and a record on which to build, but the fine example of a true American."

Gov. Carey, who said he was saddened by Mr. Sedita's death, noted the former mayor's "gift for the personal touch and a sense of humor that earned him a special place in the hearts of his fellow New Yorkers."

Mayor Makowski, who succeeded Mr. Sedita as the city's chief executive, declared that no mayor had worked harder or contributed more to the city.

"Mayor Sedita's great love for Buffalo spurred him to unceasing efforts to make this a better city," said Mr. Makowski.

"He devoted his entire life to serving the people of Western New York. He served well in extremely difficult times, and we all owe him him a debt of gratitude. And Frank Sedita inspired many young men and women to enter government service." Mayor Makowski added:

"Frank Sedita was a mayor of all the people—he involved residents from all sections of our municipality in the management of the city. As a member of the Common Council and as deputy mayor, I am honored that I had an opportunity to work closely with Mayor Sedita.

"He often encouraged me to serve the people of Buffalo. During my tenure as mayor, I have been strengthened by his counsel."

County Executive Regan said Mr. Sedita was one of Erie County's most distinguished citizens.

"He courageously fought for his beliefs and made many contributions to the quality of life in our community. I visited him recently and he questioned me closely on various county and civic projects.

"I extend to Mrs. Sedita and members of his family the deep sympathy of the citizens of Erie County."

Joseph F. Crangle, Democratic leader and a close personal friend and political associate of Mr. Sedita, called the late mayor "the best of the best."

With the death of Mr. Sedita, "Buffalo has lost the father of modern Buffalo, a father who knew and understood the past of our city, but was relentless in fulfilling its great future," Mr. Crangle stated.

"He was the best of the best. He was what we all hope others will say of us, 'a good man.'"

Thomas M. MacKinnon, Erie County Republican chairman, said Mr. Sedita's memory would be "respected by us all," adding:

"I am convinced Mayor Sedita did his best, as he saw it, for the City of Buffalo. During the period he served as mayor, Buffalo went through its most difficult times."

Other tributes to the late Mr. Sedita came from:

Rep. Jack F. Kemp (R., Hamburg)—Frank Sedita dedicated his life to serving his community and his country. We are the better for his contributions and saddened at his death.

Rep. Henry J. Nowak (D., Buffalo)—His loss will be felt greatly not only by his family and friends but also by the countless citizens of our community who benefited from his distinguished multi-faceted career of public service and civic improvement.

Rep. John J. LaFalce (D., Tonawanda)—Frank Sedita was a unique human being. He had a great mind which could penetrate the nub of a problem, he was a captivating man with an unparalleled wit. He was a reconciler of diverse groups, be they rich or poor, black or white, educated or uneducated.

Richard J. Keane (D., Buffalo), chairman of the County Legislature—He was a great judge in his time and a mayor who could get it done at a time when other cities faced insurmountable problems. He was the mayor of all the people.

Bishop Edward D. Head, Catholic Diocese of Buffalo—He has served his city well as a distinguished jurist and competent mayor. We pray that God will bless his wife and children with comfort and consolation at this time of sorrow.

Bishop Harold B. Robinson, Episcopal Diocese of Western New York—Mayor Sedita's many contributions to the City of Buffalo, as well as to the entire Western New York area, will for many years serve as a fitting memorial and testimony of his great gift of leadership.

Our community is better because of the insight and compassion of this man who was not only mayor, but friend and neighbor. We have lived and worked with him in the past. We mourn the loss of him today. We will remember him in the future.

Dr. Martin L. Goldberg, rabbi of Temple Beth Zion—We of the Jewish community feel a personal loss in the death of Frank Sedita. His public career as judge and mayor was marked by a deep sense of compassion for his fellow citizens of all creeds.

The Rev. Elijah H. Echols, interim executive director, Buffalo Area Council of Churches—In the loss of Frank Sedita, Buffalo has lost a very fine citizen who did much to make Buffalo have the right to be called the "City of Good Neighbors." He was a man who earned and deserved the respect of everyone who came to know him.

Leslie G. Arries, Jr., chairman of the Buffalo Area Chamber of Commerce—On behalf of the Chamber, which had a long and co-operative association with Frank Sedita, we feel his death is a loss of governmental expertise to the area and a genuine personal loss because he was a fine man.

George L. Wessel, president, Buffalo AFL-CIO Council—I feel he was always a great man and a real asset to the City of Buffalo. In our dealings with him as mayor, I found him to be the type of person who was honest. He called a spade a spade, and if he could help you, he would tell you, and if he couldn't he would tell you that, too. His death is a serious loss to the citizens of the Buffalo area.

"LOST A GREAT MAN," SAD CITIZENS HERE AGREE, "A FINE MAN WHO WORKED FOR HIS COMMUNITY"

(By Louise Leiker)

While waiting for a fare, Vito Vacanti eased back in his taxi cab, trying to find the right words to describe the sense of loss he felt upon hearing of the death of former Buffalo Mayor Frank Sedita.

"We've lost a great man," Vacanti, of 140 Niagara St., somberly reflected.

"Not only am I sorry about his death. I'm sorry for the whole city of Buffalo. He was a fine man, a man who worked strictly for his community."

Vacanti was one of a number of people who expressed deep sorrow when questioned about the former mayor's death, almost all of them blurting out an immediate, "He was a good mayor."

"What I remember most about him was the way he worked to make Buffalo a beautiful community. I don't think we ever had a mayor as community-minded as he was," Vacanti said.

Mrs. Joan Muraco, a receptionist, was told about the former mayor's death by a reporter. After a silent moment she said,

"He seemed to understand the problems of the average citizen so well.

"Mayor Sedita always struck me as a great humanitarian," said Mrs. Muraco, of 20 Oehman Blvd., Cheektowaga, "He did so much for the working man."

As she teased the hair of a customer, Miss Mary Rigby, a 22-year-old hairdresser, admitted she is too young to remember all that Frank Sedita did as mayor.

But she did have one encounter with Mr. Sedita that served to symbolize the type of man he was.

"As a child, I'd go trick-and-treating to his house at Halloween," said Miss Rigby, of 250 Grant St. "One Halloween he invited us all in to sit in his living room.

"He made me feel very special. He seemed like such a nice guy."

Mr. Sedita was also a "nice guy" in the eyes of Ptlm. Robert Reiman.

"He was never too big a man to stop and say hello," Ptlm. Rieman, of 11 Willink Ave., said.

Miss Sophie Szwajda, taking a short break from waiting on tables, said she's always been a great admirer of the former mayor.

"I feel very sad that he's dead," said Miss Szwajda, of 2462 William St.

"To me, he was a brilliant mayor and a wonderful person. He did much for the people of his city, including the people of Polish ancestry."

With a sweeping gesture Angelo Carcaterro a gas station attendant, exclaimed:

"Just take a look around this city, look at the way it was built up when Mayor Sedita was in office."

With a shake of his head he added, "He's done so much for the city, it's hard to pinpoint any specific little thing he's done."

"I am very sorry he passed away," said Carcaterro of 2894 Harlem Rd., Cheektowaga.

Truck driver Ray Bogardus of 469 Breckinridge St. prides himself on "living right around the block from Frank Sedita."

"The parks were really in bad shape before his administration, and I think he did a lot to fix them up," Bogardus said. "He had a tough job, and I think he did quite a bit for the city.

"And he was a very nice looking man," he added.

Mrs. Maeolya Shegog feels the late former mayor did much to help people in her neighborhood.

"Actually he did a lot for all the people," said Mrs. Shegog, a housewife who lives at 194 Glenny Dr. "I knew he was quite up in age and had some operations. Yet when I heard people talking about it in the store, I couldn't believe it."

Thomas Albarella, filling station owner, feels Mr. Sedita "was the best Buffalo ever had."

"He did a good job building up the city, especially the streets," said Albarella, of 14 Allen St., Blasdell.

Truck driver Edward Paige of 282 Cedar St. noted:

"You may hear a few complaints, but all in all Mayor Sedita was a good mayor."

WHAT DO WE EXPECT OF THE MILITARY?

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. BRADEMAS. Mr. Speaker, I believe that Members of Congress will read with great interest the following article, "What Do We Expect of the Military?" by Philip L. Geyelin, editor of the editorial page of the Washington Post, in which the article was published on May 5, 1975.

Mr. Geyelin's article is adapted from an address given at a symposium on officer responsibilities at the Command and General Staff College, Fort Leavenworth.

The article follows:

WHAT DO WE EXPECT OF THE MILITARY?

(By Philip L. Geyelin)

I have been asked to answer the question: What is it that those of us in the civilian world, in and out of government and however intimately or remotely involved in the political process, expect of you who have taken military service as your career?

The short answer is, quite a lot—and often, almost certainly, too much. For example, we expect you:

to defend us from foreign enemies and in fact from any threats to our national security as this may be defined, not by you, but by political leaders;

to maintain order during disturbances at home—without trampling upon civil liberties;

to be quite precise about your needs—even though the dangers you are charged with defending us against may change drastically from time to time;

to design experimental weapons and give us firm estimates of their cost and to deliver them to your units at no higher cost than you originally estimated;

to advise the President and other civilian leaders about the military implications of this or that foreign policy question, even though you do not participate as an equal partner in the making of that policy; and when an ill-conceived policy gets us into a war that cannot be won under the rules of engagement that have been imposed upon you, we expect you to win it anyway;

to be scrupulously truthful about your needs, however, they may be altered by unpredictable events, and also to be scrupulously honest about your battle reports and never mind how much aid and comfort adverse reporting might give to an enemy.

If some of these expectations seem to you to have particular application to the long and tragic Vietnam struggle now ended, the fact is that there is no better example than Vietnam of a war in which too much was asked of the military by civilians who were unprepared to take the risk of doing nothing and equally unprepared for the risks that would have been involved in moving in a conclusive and decisive way.

An even larger lesson, however, is that the war, and the manner in which it was waged, asked too much, not only of the military but of the process of government of which the military is an essential element and a vital arm. For what was asked of military and civilian leaders alike was that they lend themselves to a kind of continuing, calculated deception—a conspiracy in restraint of candor required by the very nature of this new concept of limited war. The name of the game was "graduated response" to enemy initiatives. The objective was to convey by incremental increases in the application of military force an impression of limitless American will power and staying power. This, it was believed, would persuade the North Vietnamese and their supporters that their cause was hopeless. And so, the theory went, they would soon stop doing what they were doing and leave their neighbors alone—in Secretary of State Dean Rusk's familiar litany.

What this means in practical terms, however, was that military progress reports were very nearly required to report progress. Civilian leaders, for their part, were encouraged to conceal military setbacks—or escalation—from their own people in order not to alarm the public or generate the sort of divisive debate that might undercut the impression of a united resolve that we were trying to project to the enemy.

Well, it didn't work—because it was by its nature unworkable. And the reason it was unworkable, in my view, was that we were all expecting too much of each other. Civilian leaders in the executive were asking too much of the military and also too much of the Congress and the public and the press.

They were asking Congress to suspend free debate and blindly vote for resolutions and for appropriations in support of a war that nobody was prepared to declare. They were asking the public to pay the taxes for it and to send their sons, without saying how long it would last or how big it would get or even admitting that it was getting big without anybody knowing it. And they were asking the press not to question their official accounts of their conduct of the war.

You in the military were asking us in the press to accept your body counts and your estimates of enemy forces and your warnings of enemy intentions on faith, even though, to be blunt about it, they were not always reliable.

And we in the press, of course, were asking you to tell us about your plans and future operations and force levels and deployments, because we were not formally at war, and there was no censorship—even though you knew that this information could help the enemy.

I don't want to labor the point or refight the war. But I think it is important for us to recognize that the question we are asking ourselves has no easy answer out of our recent experience. For our recent experience is almost a case history of our system gone wrong, of a sustained distortion and straining of healthy adversary relationships between us all—between the relevant branches of government, between civilian and military, between government and the people, and between government and the press. There is at least the glimmer of an answer, however, growing out of our recent experience, and it is that each of us is going to have to not only ask less of each other, but also try harder to understand each other.

Accordingly, what I would put high on my list of what civilians expect of professional officers in the armed services is simply that you understand the rights and prerogatives of the public and the press in our society.

Yours is a society which, by necessity, indeed almost by definition, depends on strict discipline, tight security and firm, not to say unquestioning, support for policies and directives issued by higher authority. But the larger American society operates under no such constraints. The right to question, to debate, to dissent, to demonstrate lawfully, is inherent. No government policy is sacrosanct. It is not disloyal or even necessarily destructive to disagree openly and as forcefully as possible with the word of the authorities. On the contrary, that is the way we conduct our government; that is the essence of a free society.

And when we think about the problem of preserving this free society, it is necessary for all of us to remember that there is more than one way to destroy it. It can be destroyed from without by hostile adversaries against which you are charged with defending us. But our fundamental freedoms—our national security, if you will—can also be threatened from within, when in the very name of national security we resort to "plumbers" and "enemies lists" and unconstitutional invasions of privacy in order to suppress public discussion and debate about a war in which the public has a vital stake. In this respect it is perhaps worth recalling the point that Arnold Toynbee makes in his study of civilization: of the 16 great civilizations that have been destroyed over the centuries, every one was destroyed from within—from the corruption of fundamental institutions and the slow erosion of fundamental values. The most that any outside power did was to administer the coup de grace.

I'm sure that you know that. But I also sense that sometimes you find our fundamental freedoms inconvenient, that you often feel that they work contrary to your purposes, and that there are times, and the Vietnam war is a notable example, when you believe it would be in the urgent interest of national security to suspend these processes and liberties.

The origins of your Vietnam dilemma, of course, did not lie with you. The origins began with your civilian superiors who were consistently unwilling to be honest with Congress and with the public about a policy that was ill-founded and failing.

Nevertheless, the fact remains that too much was expected of the American body politic, with all that term implies, by the military establishment during the course of the war. You expected the press and the Congress not to inquire too deeply into the course of a war that was taking a heavy toll in casualties and in material resources without showing any promise of coming to an end. You expected the public to retain its confidence in policies and strategies that depended on their success on a high measure of demonstrable dissembling and deception. And you measured the performance of both the press and the Congress in terms of a "patriotic" willingness to support whatever the government proposed even though it is inherent in our system to question whether what's good for the country at any given time is what a particular politician or cabinet head or President proclaims to be good.

We live, in fact, a difficult and delicate system of checks and balances, which may in extreme crises oblige a newspaper reporter to report something that others will believe is harmful to the national interest, and may also require an Army officer or a government official to go against the official line. We have, I think, recently undergone two such extreme crises in our affairs: Vietnam and Watergate. To work our way back to that careful balance by which we manage our affairs may well require all of us to reexamine and re-define what it is we can reasonably expect of each other as military officers, private citizens, civilian leaders, politicians, and members of the press.

THE THREAT OF NUCLEAR ENERGY

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. RICHMOND. Mr. Speaker, the safeguards necessary for a plutonium economy would result in legislation that would destroy the Bill of Rights just as the A-bomb destroyed Hiroshima, and therefore, I urge Congress to impose a 5-year moratorium on the development of the fast breeder reactor.

In testimony before the Energy and Environment Subcommittee of the House Committee on Interior and Insular Affairs, I recommended that there be an immediate 5-year moratorium on nuclear construction. The construction of these facilities is a threat to the civil liberties of all Americans and residents of the United States. A plutonium economy is a means of upping the ante for terrorist and blackmail activity to a level where it begins to threaten the very functions of our society and free political system.

I reported to the committee that I have requested that Attorney General Edward Levi and the Justice Department undertake a comprehensive study of the law enforcement implications mandated by the widespread use and transport of our nuclear material, before it becomes a commonplace part of our country's trade and commerce. Congress this session has finally taken steps to limit the eavesdropping cloak and dagger methods of the CIA and FBI. I question whether the adoption of a plutonium economy means a return to the pre-Watergate era of constant surveillance and illegal Federal involvement in all aspects of our lives.

Therefore, I urge the Congress and the Energy Research and Development Administration to exhaust other possible safe and sound energy alternatives such as solar, tidal, the purification of fossil fuel, and energy conservation.

A copy of my testimony before the subcommittee follows:

TESTIMONY OF CONGRESSMAN FRED RICHMOND BEFORE THE HOUSE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS SUBCOMMITTEE ON ENERGY AND THE ENVIRONMENT, TUESDAY APRIL 29, 1975

Mr. Chairman, Fellow Members of Congress, I would like to take this opportunity to commend Congressman Udall and the other members of the Energy and Environment Subcommittee of the Committee on Interior and Insular Affairs for their foresight and determination in exploring the complex issues surrounding the direction of our nation's policy.

Public debate on the directions of our nuclear policy is necessary; the decisions you make will not only have broad ramifications on our nation's overall energy policy, but on the safety and well-being of generations to come.

This afternoon, however, I would like the committee to move away from the technical aspects of nuclear power for a few minutes. Instead, I would like you to consider what effects a national energy development policy, which relies primarily on nuclear power would have on the social and political foundations of our nation. There are some important questions that are not measured in BTU's or ERG's, but are questions of judgment on what the quality of life in America should be.

What alternatives to energy development are eliminated once the decision is made to allocate billions of dollars to nuclear power?

Whom is our national energy policy to benefit—the consumer or the large power utilities?

Where does the Energy Research and Development Administration propose to store deadly radioactive nuclear wastes whose toxicity lasts longer than all of recorded history?

Has anyone asked the American people if they want to sacrifice many of our valued civil liberties in order to safeguard the nation's nuclear fuel?

And how does the fast breeder reactor and the accompanying plutonium economy effect the type of society we want for our children and grandchildren?

Basically, the issue as I see it revolves around the questions of how much a large scale nuclear program, which may not be necessary, will cost the citizens of this nation in terms of their safety, health and freedom.

As the members of the committee already know, there are currently 56 nuclear reactors in the United States which utilize uranium 235 as their fuel. Each of these reactors produces an average of 600 pounds of plutonium per year.

Plutonium is a man-made element capable of sustaining a nuclear chain reaction and is the substance from which the first nuclear weapons were made. In addition to its destructive potential, plutonium is the most carcinogenic substance known to man. According to the Union of Concerned Scientists, one millionth of a gram of plutonium can cause lung cancer. In fact, scientists have estimated that if evenly distributed among the world's population, one would need only two pounds of plutonium to contaminate each of us with a lethal dosage.

Only a month ago, along with my colleague from Wisconsin, Les Aspin, I revealed that two shipments of 110 pounds of powered plutonium had been flown into New York's Kennedy Airport by cargo from a European reprocessing plant, driven through New York highways, across the 59th Street Bridge, through the streets of Manhattan up to the George Washington Bridge over to New Jersey and into Pennsylvania for recycling near Pittsburgh at the Cheswick Plant of Westinghouse. The powered plutonium is to be processed into plutonium rods for use in a nuclear reactor in Italy. These shipments were closely scrutinized by Federal, City and State law enforcement officials.

The health hazards created by these flights has aroused public outrage. The possibility of a plane crash in or near the New York area or, in fact, near any metropolitan area, with powered plutonium released into the atmosphere frightens me and should frighten you.

In this case, despite all precautions, the shipment was turned back at the Throgs Neck Bridge because the proper clearance was not made and the Port Authority police who are in charge of security at New York's airports were not notified of the shipments until after they arrived.

Nothing happened, however, these two foul ups point out how fallable human beings are. The only trouble is: if the plutonium economy is to work safely, the human beings working with the substance will have to become devine. One mistake is one to many.

Congressman Aspin and myself have requested that the Nuclear Regulatory Commission prohibit the air shipment of any more plutonium into or out of this nation's airports. The response we received was less than satisfactoryy. While the N.R.C. assured us that the Commissioners would review all pending shipment licenses, they refused to ban any more air shipments despite their obvious hazards. The reason is quite simple. They can't. If we are to proceed as planned with our nuclear economy, the shipment of plutonium will have to become as commonplace as the flights Members of Congress make to visit their constituents.

Currently, about 10% of our nation's power is supplied by nuclear reactors. And the nuclear track record is there for everyone to examine. Nuclear reactors operate at less than 60% of capacity and are subject to constant breakdowns, leaks, accidents, pollution, radioactive exposure to the workers, malfunctions and even the loss of fissionable material. According to the American Physical Society in a report released yesterday, so far there is not reason for substantial short range concern, however, the prospects for the future are dubious as these nuclear plants proliferate.

Now, the nuclear industry along with the Nuclear Regulatory Commission and Energy Research and Development Administration are coming before the Congress with a proposal to increase our nuclear power capacity through widespread utilization of plutonium in the Liquid Metal Fast Breeder Reactor of the LMFBR.

The LMFBR has already cost the taxpayers two billion dollars and if approved, will cost an additional $6.8 billion dollars before the first commercial facility is in operation. Right now, it is subject to more cost overruns than the B-1 Bomber Program.

The LMFBR wil breed more plutonium than it uses, therefore eliminating the need for new fuel. That sounds great until you remember what plutonium is.

Imagine for a moment if a proposal came before the Congress to utilize encephalities virus as fuel to power electric plants which could light the entire city of Chicago. And, that some viral fuel would be transported in and around the country for reprocessing and used a sa fuel in viral plant in Texas, Massachuetts, Georgia and California. The Congressional reaction to uc ha "pie in the sky" plan would be immediate rejection because of the catastrophic consequences surrounding any mishap or accident. And Gentlemen, I submit that the LMFBR and plutonium fuel it will generate is more dangerous than any virus known to man.

We must also consider the security safeguards mandated by a plutonium economy. Remember, if you will, Congress' reaction in the '60's to terrorists' hijacking of airplanes. Each weekend, as Members of Congress, we are reminded of the massive law enforcement response to this threat to public safety. Everyone, including every member of this committee, is subject to a thorough search before entering an airplane.

Now project yourselves not too many years into the future where, if the nuclear community, the power companies and the scientists at ERDA have their way; plutonium shipments have become commonplace. We would be less than honest if Congress did not respond with strong legislation to the projected danger of hijacking or other terrorists' activity against the widespread plutonium shipments.

Who is going to call the bluff of a small commando group which has commandeered a plutonium shipment and threatens to explode a crude nuclear bomb they created with their cache or disperse the plutonium powder over New York City unless their ransom is paid? Or, what is more likely given the nature of human institutions is the following: What do you think would the reaction of Congress be to the situation I just described if it happened because Congress refused to fund the security aspect of a plutonium economy adequately despite cries from the nuclear industry that it was necessary. Then, in reaction to such an incident, began to legislate under a threat of nuclear blackmail. I believe that the legislation that would emerge from such a process would do the same thing to the Bill of Rights as the A-bomb did to Hiroshima.

A plutonium economy is a means of upping the ante for terrorist and blackmail activity to a level where it begins to threaten the very foundations of our society and free political system.

This may seem far-fetched, but a 1972 GAO report found that a man in only a matter of minutes equipped with an adjustable pocket wrench and a strong arm could break the protective barriers at two nuclear plants undetected. AEC acted in 1973 against much industry opposition, to require more stringent security at all nuclear plants, but that is only the beginning.

Last April in a report to the AEC by a group of consultants, a proposal was submitted for the creation of a Special Task Force to assure the safe transport of nuclear materials, to coordinate with the Department of Defense, and which would include special equipment and trained personnel. Moreover, the study recommended the use of timely and indepth intelligence which may involve electronic and other means of surveillance, but whose purpose would be to infiltrate political terrorists' groups. The consultants called for the AEC to establish a continued and strong liaison with the FMI, CIA, NSA and other appropriate agencies to assure that such safeguards are taken.

Current projections of people who will have to be involved in handling, storage and processing of plutonium fuel run as high as two million. Does that mean we permit the Federal government to compile dossiers on two million more families?

What effect does the widespread transport of plutonium over our nation's highways have on interstate commerce? Will all cars travelling on Pennsylvania Turnpike be searched because a plutonium shipment is en route? Will a nuclear police Task Force start maintaining dossiers on nuclear power critics such as the one already being kept by the police in the state of Texas?

Congress this session has finally taken steps to limit the eavesdropping, cloak and dagger methods of the CIA and FBI. Does the adoption of a plutonium economy mean a return to the pre-watergate era of constant surveillance and illegal federal involvement in all aspects of our lives?

Because of the constitutional issues raised by the proposed plutonium economy, I have recently requested that Attorney General Edward Levi and the Justice Department undertake a comprehensive study of the law enforcement implications of the safeguards mandated by the widespread use and transport of nuclear material before it becomes a commonplace part of our country's trade and commerce.

The uncertainties surrounding our nuclear program are numerous and will undoubtedly be documented this week during the hearings of the Subcommittee. Just yesterday, the Federal Environmental Protection Agency suggested a 4 to 12 year delay be implemented in the development of the fast breeder reactor and stated that sufficient evidence exists to warrant a reexamination of the timing of the breeder reactors.

I would like to lend my voice to those calling for a five-year moratorium on the development of nuclear power and in particular the allocation of any more funds for the fast breeder.

In the interim, ERDA and the Congress must exhaust other possible energy alternatives. Energy conservation measures can be taken to result in a saving of close to 20 percent of our nation's annual energy demand.

Solar energy technology which is on the verge of a major breakthrough offers fantastic possibilities for development. It has been estimated that solar units can take over 70% of the energy necessary to heat our water and homes and may indeed be the long term solution electrical power demand. Tidal energy, the harnessing of the power of the seas, is a fascinating concept from which we may be able to reap huge dividends.

The purification of fossil fuel, ensuring that coal mining is safe and environmentally sound should be given top priority. Currently, our nation contains one-half of the world's coal reserves. We can and we must develop the technology to properly mine and burn the coal. The answer lies in allocating enough research and development funds for our vast coal reserves.

These energy alternatives, and yet some not even conceived, would be needlessly sacrificed, unless the Congress stands fast and rejects the nuclear industry's demands for increased appropriations and development.

The stakes are too high, the alternative too promising for this nation to place all its eggs in one basket. We cannot afford to leap head long into a nuclear technology if there is even the remotest chance it will lead to the loss of our valued civil liberties, and the potential destruction of our civilization. Especially, when we may not have to. That's why I would urge this Committee to go slow on nuclear energy and urge the expenditure of energy R & D Appropriations on other safer, more environmentally sound energy alternatives.

Several continually asked questions concerning the dangers of nuclear energy have been addressed very informatively by Mr. Warren H. Donnelly, who is the Senior Specialist in the Environmental Policy Divsion of the Library of Congress. He clearly points out the dangers involved by the hasty decision making process by the Environmental Research and Development Association.

Question 1. If plutonium oxide is available in sufficient amount, how would one go about making a bomb?

The principle requirements for a nuclear bomb are design information, fissionable materials (enriched uranium or plutonium) in sufficient amount to form a critical mass, conventional explosives and access to the materials and facilities of a good machine shop and an electrics shop. Access to chemical processing might also be required, depending upon the chemical form of the fissionable material the designer wishes to use.

Question 2. Where would one get information on how to do it?

Specific design information on manufacture of small nuclear devices is not available in the unclassified literature. So a person or group wishing to make a bomb would have to read, study and learn the general theory of fission, the properties of fissionable materials, and general information that has been published about design and manufacture of nuclear weapons; and attempt their own design.

Question 3. How easily is such information obtained?

Much of the general information is to be found in the published literature. This information can be readily obtained by persons who know how to use scientific and technical publications. Specific information is not to be found in the published literature or in public libraries but only in the classified and protected information systems of the Energy Research and Development Administration. This information is available only to persons who hold appropriate security clearances and who also have a need-to-know related to their official duties. Access to such information could be had only by successful theft or espionage.

Question 4. How easy is it to hide the building of a bomb?

The physical hiding of the building of a bomb would not be difficult for the scale of operations would be small. However, if the would-be bombmakers wish to test their device, the difficulties of concealment become obvious because a test of any consequence would release detectable amounts of radioactive materials, while the blast from the test would attract attention in most places. Also the bomb-makers would run the risk of accidental critical assemblies in their handling of nuclear materials. Such an accident could easily release enough radiation to kill persons nearby, and death from radiation exposure would be difficult to conceal. The would-be makers would also run risks of information leaks from nosy neighbors.

Question 5. How big, dirty, destructive could the bomb be?

At the very best, a bomb made by a clandestine group would be comparatively small as such devices go, probably smaller in output than the bombs exploded over Hiroshima and Nagasaki in 1945. On the other hand, even a few kilotons energy release would be enough to destroy a large building and its inhabitants. The radioactive release from explosion of such a bomb would be comparatively light. People quickly returned to the sites of Nagasaki and Hiroshima. It would be, in my opinion, very unlikely for a clandestine group to successfully make a thermonuclear device or a so-called dirty H-bomb (a thermonuclear device jacketed in uranium.)

Question 6. How long would it take to build a bomb?

There is no single answer. It would all depend upon the knowledge of the conspirators and their access to materials and facilities. If one assumes the conspirators had as a member an experienced bomb designer, could quickly steal highly enriched uranium or plutonium, were not caught, and had immediate access to secure shop facilities, then a device might be produced within a year or less. However, if the group were inexperienced and without immediate access to materials and facilities, then I would expect an effort lasting well over a year.

Question 7. What would the cost be?

I have no way of estimating the cost of such a venture. Aside from the nuclear materials, other materials probably would not cost more than a few thousand dollars, but costs of getting shop facilities, information, etc., would probably be appreciable, as would also be costs of maintaining the clandestine organization during the time needed.

THE 14TH ANNUAL CONVENTION OF THE NON COMMISSIONED OFFICERS

HON. THOMAS N. DOWNING

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. DOWNING. Mr. Speaker, on April 3–4 last, I was extremely privileged to have attended the 14th Annual International Convention of the Non Commissioned Officers Association of the United States of America—NCOA. On the final evening, the assembly honored me by awarding me their 1974 L. Mendel Rivers Award for Legislative Action.

That same evening the NCOA also paid homage to Mr. George Jessel, the Toastmaster General of the United States. He was presented the NCOA's annual Bob Hope Award for exemplary and voluntary services to American GI's.

What particularly caught my attention during the 2 days I spent with the NCO's and petty officers of our Nation's Armed Forces was their dedication to God, country, and corps. I was impressed with their knowledge of world events and their concern for the future of these United States.

Most of the delegates were still on active duty. They ranged from senior noncommissioned and petty officers to the newly promoted to the NCO and petty officer grades. Their mix was typical of the great American "melting pot" and their purpose for joining together in the NCOA was clearly evident. They wished to express themselves so that their desires would be made known to the Nation's Commander in Chief, the Members of Congress, and to their fellow Americans.

I have been requested to insert the 1975 NCOA legislative goals, as adopted by that assembly, in the CONGRESSIONAL RECORD so that my colleagues may have the opportunity to review each and every one of them. I do so with pride, and particularly call attention to the resolution (L.R. No. 1) that states the renewed pledge of the noncommissioned and petty officers corps to "defend our Nation against all enemies whomsoever."

This is typical of our career military enlisted members. They are dedicated and devoted. They are loyal, but most of all, determined to keep this Nation defensively second to none.

As an honorary member and as a recipient of its coveted legislative award, I salute the NCOA and urge my colleagues to never forget that our noncommissioned and petty officers deserve special thanks for a job well done, and most of all, a renewal of our pledge to return their loyalty through our support in these hallowed Halls of Congress.

The NCOA 1975 legislative resolutions follow:

1975 LEGISLATIVE RESOLUTIONS

NCOA CREED

"It is with the conception and full understanding that many things of great need and importance can be accomplished in unity and cooperation, but otherwise impossible, that the members of the Non Commissioned Officers Association of the United States of America have agreed to join their efforts and strength to work together for the well-being of the individual, the group, and for the greatest benefit of our beloved Nation."

PREAMBLE

The major events highlighted in the 1974 Legislative Goals are still with us as we turn to the new year. To date little if anything has been resolved to relieve the Nation's concern with national and foreign affairs. The United States continues to be affected by:

1. "Detente" agreements with the Soviet Union that have yet no viable substance, arms control and mutual force reductions that are not effectively materializing, the Soviet's preoccupation in building its armed forces to a superior level of strength, and growing Soviet influence in oil-rich Arab nations;

2. The Middle East and Indochina exigencies, the questionable status of alliances with some NATO countries, the proposed "give-away" of the Panama Canal, and unstable political and economical problems in Central and South America;

3. The energy shortage, inflation, and recession;

4. The increasing pressure to reduce the defense budget, the threat of becoming a second-rate military power, the cuts in active duty military, reserve, and Guard forces, the continued efforts to stabilize the Department of Defense's civilian manpower strength by substituting civilians for military billets, the slow deterioration of morale and discipline in the All-Volunteer Force, and the refusal of Congress to repeal, revoke, or change existing laws that flagrantly discriminate against enlisted military members; and

5. The impairment of the Nation's internal and international security elements, the increased liberal views of many elected and appointed officials in federal and state bureaucracies, and the need for strong, dedicated, and active leadership in the Executive, Legislative, and Judicial branches of the federal government.

It is therefore the intent of the delegates assembled at the 14th Annual International Convention of the Non Commissioned Officers Association of the United States of America (NCOA) to voice their anxiety for the State of the Nation. On behalf of the total membership of more than 170,000 Noncommissioned and Petty Officers of the Army, Navy, Marine Corps, Air Force, and Coast Guard, the majority of which are serving in the active Armed Forces of the United States, the general assembly adopts the following legislative goals for 1975.

L.R. No. 1—To memorialize the President of the United States and our Commander in Chief, the Congress, and our fellow citizens that the Noncommissioned and Petty Officers Corps of the Armed Forces has been and is principally concerned with the welfare of our beloved Nation and its defense posture. We have dedicated our lives to serving our country in war and peace. Many of us were maimed and many of us killed in the Nation's struggles for independence and continued existence in a world beset with strife.

We have trained the citizen and professional soldiers, officers and enlisted. We have taught them how to fight, how to maim, how to kill, and even how to survive. We have led them into jungles, mountains, deserts, oceans, swamps, and into the skies. We have cursed them, cuffed them, protected them, cared for them, and yes, even loved them. We have taken them into combat, encouraged them to fight to the bitter end. We have watched them bloodied and battered continue to charge the enemy in face of overwhelming odds. We have seen them maimed and dead.

We watched them as they were buried in some foreign land or at sea. We have seen them go home, many never to walk again, and we have taken their replacements and started the cycle all over again.

Yet we have stayed on—dedicated to God, Country, and Corps, and loyal to the symbol of man's freedom—the Flag of these United States. As long as it waves, as long as there are professional Noncommissioned and Petty Officers in the U.S. Armed Forces, and as long as the Supreme Commander allows us to prevail, our Corps shall stand ready to serve our beloved Nation. We renew our pledge to dedicate our lives to protect the Constitution of the United States, and to serve as loyal Soldiers, Sailors, Marines, Airmen, and Coast Guardsmen.

But as we serve, we shall not forget those who went before: the Noncommissioned and Petty Officers whose brave deeds are enshrined in the memories of nearly 200 years of recorded history. What they sacrificed, what they gave in blood, sweat, and tears is their bequest. We will do all in our power to protect that heritage, to provide for the well-being of the military community, and to defend our Nation against all enemies whomsoever.

L.R. No. 2—To memorialize the President of the United States and Congress to proceed with utmost care in establishing further detente, arms control, and mutual force reductions with the Soviet Union and Communist China. That until such a time that the U.S.S.R. displays truthfulness and honest efforts to balance arms control and force reductions, the United States will maintain a superior defense posture.

That the United States will honor its military commitments to all friendly nations, and that the United States will insist that coalliances shall be equally honored by others, and that our Nation will refuse to relinquish sovereignty over the Panama Canal or to recognize the present Cuban regime as the official government of the oppressed citizens of Cuba.

That the United States will not reduce the U.S. Armed Forces below 1975 military end strengths, and will maintain a Guard and reserve force of not less than 1 million military members. In this sense, the Department of Defense will be directed to cease "civilianizing" military billets on the pretense that to do so is a savings in funded costs.

That the United States Navy will be authorized sufficient appropriations to expand facilities at Diego Garcia in the Indian Ocean, and will be instructed to retain the Guantanamo Bay (Cuba) Naval Base.

That the U.S. Army will be authorized its goal of 16 combat divisions; that the Marine Corps will be authorized sufficient appropriations for training its forces in "every clime and place"; that the Navy will be provided funds to repair and overhaul or replace all existing ships as may be appropriate so that they may be combat ready; that the Air Force will have sufficient military personnel and equipment to keep our planes flying; and that the Coast Guard will be prepared to fulfill its present mission and be ready to join the other Armed Forces in the event of a national emergency.

L.R. No. 3—To memorialize the President of the United States and Congress to repeal, revoke, or change existing laws to correct discriminate provisions that fail to give equal protection under the law to enlisted military members, particularly those of the regular component.

L.R. No. 4—To memorialize the President of the United States and Congress to enact measures in behalf of retired military personnel that will provide recomputation of retired military pay based on January 1, 1972 military pay scales (as sponsored by the Honorable Bob Wilson, M.C., and the Honorable Vance Hartke, U.S.S., in the 93rd and/or 94th Congresses); recomputation of retired pay to reflect later active duty; full retention preference credit in civil service employment; an extension of the period from one to three years a member has to select a home for the purpose of travel and transportation allowances; amendments to the Survivors Benefit Plan; increased appropriations and services under the CHAMPUS program; expanded medical and dental care in available military facilities; amendments to the Dual Compensation Act; and other benefits necessary for the well-being of the retired military community, their dependents and survivors.

L.R. No. 5—To memorialize the President of the United States and Congress to authorize military commissaries to continue operating under the present system of government subsidies, and that either H. Con. Res. 142, sponsored by the Honorable Mark W. Hannaford, M.C., or H.R. 3363, sponsored by the Honorable G. William Whitehurst, M.C., be enacted into law to ensure that such commissary stores are not required to reimburse the Treasury of the United States, or that patrons of the stores are not required to pay additional surcharges for any such direct costs.

L.R. No. 6—To memorialize the President of the United States and Congress to *oppose changes to the present military retirement system* as now proposed by the Department of Defense; to oppose any and all attempts to further deteriorate the pay, allowances, and benefits presently made available to military personnel, their dependents and survivors; to oppose changes in the present method of allowing enlisted personnel to accrue and accept payments for unused leave; to repeal the present garnishment provision in law as pertaining to alimony judgments that do not include child support; and to oppose limitations on pay increases for government workers and military personnel, under any status, that will not equally limit all wage and price increases for the Nation as a whole.

L.R. No. 7—To memorialize the President of the United States and Congress to review, repeal, revoke, or change all "Status of Force" agreements that do not provide adequate protection and economic indiscrimination for military personnel serving in foreign nations.

L.R. No. 8—To memorialize the President of the United States and Congress to review and strengthen our internal and international security agencies and empower them to concentrate on the protection of the United States from within and without. That the House Committee on Internal Security be recognized as a separate and independent committee; that the Federal Bureau of Investigation be increased in size to investigate, apprehend, and successfully prosecute those who advocate the overthrow or moral decay of the United States and its citizens; and that the Central Intelligence Agency be permitted to carry on its primary duty of gathering foreign intelligence for the protection of the United States and its citizens.

L.R. No. 9—To memorialize the President of the United States and Congress that patriotism and United States history be made a mandatory subject for all children being educated in U.S. controlled public schools; that oaths of allegiance shall be mandatory for any U.S. citizen requesting a passport; that prayers be allowed in public schools; that all questionable textbooks using profane language or containing pornographic descriptions be banned from public schools; and that proper respect shall be paid to the United States Flag and to the National Anthem.

L.R. No. 10—To memorialize the President of the United States and Congress to provide increased incentives for the procurement and retention of all reserve and National Guard forces; to strengthen these forces and enhance their readiness in order that on short notices, they will be able to adequately augment the regular Armed Forces during any domestic or national emergency; and to appropriate sufficient funds to enhance the retention of the professional NCOs and Petty Officers, so that the reserve and National Guard forces can retain the experience, leadership, and dedication that are needed to maintain that strength.

L.R. No. 11—To memorialize the President of the United States and Congress to continue positive efforts to provide adequate compensation and pension rates, independent medical and hospital care, education and training programs, employment and preference rights programs, and others that will be of benefit to the well-being of the Nation's deserving veterans, their dependents and survivors, and that the Non Commissioned Officers Association continues to support legislation that will change Veterans' Day back to November 11 of each year.

L.R. No. 12—To authorize the International Headquarters Legislative Committee, on the advice and recommendation of the Director of Legislative Affairs, to petition the International Board of Directors to support or oppose any legislative proposals that may affect part or all of the membership in the Non Commissioned Officers Association.

That on the approval of the International Board of Directors, the Association's President will direct the National Capital Office to take the necessary action to memorialize the President of the United States and Congress of the Association's position.

The above resolutions were adopted this 4th Day of April, 1975, at Houston, Texas.

THE RIGHT OF THE PEOPLE TO BE SECURE

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. CLAY. Mr. Speaker, with great sadness, I have arrived at the conclusion that our society's notion of the specific freedoms embodied in the fourth and sixth amendments to the U.S. Constitution has been progressively undermined by the frightening power of overzealous Federal agents armed with the latest electronic surveillance devices. Stories of the unbridled employment of telephone taps and lazer transmitters disguised by fresh coats of paint should instruct us that we are slowly losing our fourth amendment "right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures . . ." Indeed, it appears now certain that the grim promise of 1984 is something more than the decades of old hyperbole of civil libertarians.

Mr. Speaker, the sixth amendment guarantees that "the accused shall enjoy the right to . . . be informed of the nature and cause of the accusation; to be confronted with the witnesses against him." I have always believed that our Government's most fundamental obligations were: first, to guarantee the application of the letter of the law; and second, to insure wherever possible the protection of its spirit. Mr. Speaker, I am personal witness to how little the spirit of the sixth amendment has come to mean. For although I have not formally been accused, I have indeed been publicly charged with acts for which there can be no supporting evidence or witnesses. And all the while I, a U.S. Congressman, have no other recourse but to watch helplessly as my reputation undergoes relentless assault.

Mr. Speaker, on March 13, Howard B. Woods of KSD–TV, St. Louis, gave a telling commentary on the erosion of our system of liberties. I insert in the RECORD at this point an excerpt from his commentary:

COMMENTARY, HOWARD B. WOODS

A jovial policeman, lounged in a barbershop telling of a chance social acquaintance in a bar who gave him the wrong name. He copied her license number, returned to the station house and after pushing the computer button, he bragged that he learned everything he wanted to know about the unsuspecting woman.

We now know that the F.B.I. taped a party involving the late Martin Luther King and subsequently mailed the tape to Mrs. King.

A Federal grand jury probes a former governor for three years and produces a four-count indictment of a prominent civic leader after one month of his testimony. And the U.S. Attorney inserts the name of a U.S. Congressman in a legal brief, involving an alleged narcotics deal and then leaves the matter hanging in incriminating limbo.

We are in no position to judge the cases of civic leader Don Lasater or Congressman Clay—and that is essential to the issue.

Does government, with all of its computerized tools of surveillance have unlimited control over the lives, careers and reputations of all of us?

The privacy of that chance associate of that officer, bandied about in the barbershop, is as precious as the reputations of King, Lasater or Clay. And if government is permitted to function without a sense of utmost responsibility, it becomes a travesty on our celebration of the 200th founding of this country.

MAY 1 BRIEFING ON THE LIQUID METAL FAST BREEDER REACTOR PROGRAM

HON. MIKE McCORMACK

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. McCORMACK. Mr. Speaker, Dr. E. Linn Draper, professor, the University of Texas, briefed the Joint Committee's Ad Hoc Subcommittee on the breeder reactor program on the subject of the various types of reactors presently in use or under development. He presented an excellent overview of nuclear reactor design including operating principles and safety features. Key aspects are summarized below.

The production of electricity is basically through the heating of water to produce steam which in turn drives a turbine-generator which produces electricity. The principle difference between a conventional or fossil fueled plant and a nuclear plant is in the heat source to produce the steam. Heat in the nuclear reactor results from splitting U–235 atoms. The rate at which heat is produced is determined by the number of atoms being split—or undergonig the fissioning process. The rate of fissioning in the reactor is governed by control rods. Should one wish to essentially stop the fissioning process, the control rods are simply inserted into the reactor core.

Dr. Draper presented pictures and explained the different types of nuclear reactor. The boiling water reactor, or BWR operates at approximately 1,000 pounds pressure at approximately 550° F. The steam produced in the reactor directly drives the turbine which turns the generator. The reactor vessel for the BWR is 80 feet high, 40 feet in diameter, and approximately 5 inches thick. This reactor type is manufactured by the General Electric Co.

The pressurized water reactor operates at 2,000 pounds and between 500–600° F. Since water under these conditions does not boil, the heated water is passed through a heat exchanger which transfers the heat to water in a second loop. This loop operates at lower pressure and, therefore, boiling of water does occur. The steam produced drives the turbine. The PWR vessel is 40 feet high, 20 feet in diameter, and approximately 9 inches thick. This concept is marketed by Westtinghouse Electric Corp.; Combustion Engineering, Inc.; and the Babcock and Wilcox Co.

The high temperature gas reactor, developed by General Atomic Co., uses helium as the primary coolant and operates at 1,400° F. This higher temperature allows a higher thermal efficiency for the HTGR of about 40 percent compared to 32 percent for water reactors.

The characteristics of the breeder reactor were described. One basic aspect of the breeder reactor, which would be cooled by liquid sodium, is that it would allow a factor of 60 increase in the use of uranium over that of the present water reactors.

Dr. Draper presented the safety considerations that are involved in reactor design. The "defense-in-depth" approach covers:

First, detailed engineering design to assure reactors are operated safely under normal conditions and for anticipated operational malfunctions. A stringent quality assurance program is undertaken at all phases of design and construction.

Second, engineered safety features are included in the design of a reactor to assure control of the fission process and adequate heat removal under postulated off-normal conditions. It was pointed out that this was the normal approach that any kind of plant in any industry would take during design, construction, and operation. For the reactor industry, however, a third step is taken, namely the use of a design basis accident—DBA. A low probability severe event is postulated as the DBA; the reactor is required to be designed to withstand such an accident in a safe manner. To assure this defense-in-depth is carried out fully, each reactor must go through a rigorous licensing review process. This process includes a positive finding to be made by the Nuclear Regulatory Commission prior to plant construction and prior to plant operation. Public hearings are required in the construction permit review and are offered and may be held at the operating license stage.

Dr. Draper also provided perspective as to the potential risk to the public as a consequence of the operation of nuclear reactors. Included in this discussion, reference was made to the AEC safety study made by Dr. Norman Rasmussen of MIT. Dr. Draper noted the extremely low risk posed by reactor operations especially when compared to risks that society commonly accepts.

Mr. George F. Quinn, an expert in the area of uranium enrichment, presented an excellent review of the uranium enrichment process. It was shown that only 0.7 percent of natural uranium is present in the form of the fissionable isotope U-235, and that most types of nuclear power reactors require fuel with a higher percentage of this material. For example, light water reactors—the prevalent type in the United States—require fuels of 2 to 4 percent enrichment in U-235, and high temperature gas-cooled reactors, which are coming into commercial usage, require fully enriched—93 percent—uranium. Therefore, an enrichment process is required to support the nuclear industry.

It was shown that in a typical enrichment arrangement the feed material—0.7 percent U-235—is transformed into a product containing 4 percent U-235, leaving a "tails" material assaying 0.2 percent U-235. In this process, approximately 70 percent of the U-235 in the feed stream is recovered as product. A higher percentage could be recovered, but the process would then become more costly. On the other hand, one could operate an enrichment process yielding a higher tails assay and, therefore, requiring less "separative work" and lower cost. However, in this case a greater amount of uranium feed would be needed to produce the same amount of useful product, and one must, therefore, balance economics versus resource availability and enrichment plant capabilities in deciding which enrichment approach to employ. It was noted that in either case, the stockpiled tails—whether 0.2 or 0.3 percent in U-235 assay—could eventually be used as fuel in breeder reactors.

The gaseous diffusion process was identified as the most economic process employed on a production scale to date. A description of this process was presented, and its operating principles described. The need for multiple enrichment stages to reach a desired enrichment level was pointed out. Finally, the locations of the three existing gaseous diffusion plants in the United States—Oak Ridge, Tenn.; Portsmouth, Ohio; and Paducah, Ky.—were noted, and a brief discussion provided of the cascade improvement program and the cascade uprating program, which would lead to a 60-percent increase in separative work capacity. These improvements require substantial capital funds but only a moderate increase in electricity consumption.

Alternative enrichment process such as gas centrifuge and laser isotope separation, and the subject of plutonium recycle were not discussed for reasons of available time, but additional information on these matters has been made available to the subcommittee.

THE ART OF COMMUNICATION

HON. JOHN BUCHANAN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. BUCHANAN. Mr. Speaker, at a point in history when the United States is facing many challenges around the world and in the United Nations, we are fortunate to have as our ambassador to the United Nations a man of the caliber of John Scali.

A man of warmth, humor, and a keen sense of that which is in the best interests of the United States, John Scali has represented this country with dignity and honor in situations which would have challenged the abilities of even a superman.

His great personal courage has been of substantial benefit to the United States throughout his career, first as a journalist and, for the last 3 years as our permanent representative to the U.N.

During the October war of 1973, when not only the Middle East but the entire world was brought to the brink of confrontation, John Scali was a strong voice of reason.

As a member of the U.S. delegation to the U.N. during the 28th General Assembly and the sixth special session, it was my privilege to work with John Scali as he sought to espouse our goals of world peace and development.

John Scali has been the right man for the United States at the United Nations in a critical time in the organization's history. When confrontation could have cost our country dearly, he was a mediator and a voice of reason. When strength was needed, John Scali could and did provide it. He is a diplomat in the true sense of the word, having often achieved victory from the brink of defeat.

The task of representing the United States in the United Nations is not an easy one, but John Scali has met this obligation in a manner which has brought great credit to our Nation.

Recently it was my privilege to attend and participate in an Art of Communications Conference in the city of Birmingham, Ala., keynoted by Ambassador Scali. During the conference, sponsored by the University of Alabama's School of Communication in conjunction with our annual Festival of Arts in Birmingham, Ambassador Scali offered much insight into the United Nations as it stands today and the United States' role in that often misunderstood body. I commend his remarks to my colleagues:

THE UNITED NATIONS AND THE ART OF COMMUNICATIONS

As a lifetime worker in the field of communications, I was delighted to receive an invitation to participate in this Conference on the Art of Communication. For nearly thirty years, first as a newspaperman, then as a wire service reporter and finally as a television journalist, I have tried to master this art. It has been as an Ambassador during the past two and a half years, however, that I have faced my greatest challenges as a communicator.

I came to the United Nations expecting to find it an organization awash with words, debates, reports and resolutions. Instead I found a fundamental gap in communications which was blocking meaningful negotiations on some of the most critical issues of our time.

This is not to say the United Nations is a mausoleum of silence. Indeed there is some justice in the criticism that the United Nations talks too much and does too little. Unhappily, many of the words are all too familiar. Daily one can find a surplus of stale slogans and pointless polemics. It is this very excess of rhetoric which more than anything reveals the depth of misunderstanding among the United Nations members and masks the absence of real communication between them.

Those of you who were around in the early years of the United Nations will recall the then familiar exchanges between the Soviet and American representatives. These men seemed to speak at, rather than to, each other. They often used the same words, but conveyed diametrically opposed concepts. These debates contributed little to East-West understanding and seldom led to agreement. In helping to confine these exchanges to words rather than blows, the United Nations performed an invaluable service, but it continued to fall far short of the vision of its founders.

Today the nations of East and West remain philosophically far apart, but our dialogue has become much more fruitful. Our domestic philosophy and institutions remain unreconciled and our international behavior competitive, but we have greatly improved our ability to communicate. Based upon our better understanding, we have even achieved a measure of agreement on some issues.

When I came to the United Nations, I believed that detente could open new doors to cooperation within that organization. In acting as it did to halt the fighting in the Middle East in 1973 and in Cyprus in 1974, the United Nations fulfilled my hopes. These are major achievements. In other areas, however, I have been seriously disappointed at its inability to move ahead.

The United Nations has failed to realize fully the potentials of detente because the old obstacles imbedded in the East-West confrontation have been largely replaced by new obstacles, arising out of a new confrontation. Once again the representatives of member nations have seemed to talk at, rather than to, one another. Once again they use the same words to express different concepts. This time, however, it is the representatives of North and South, rather than those of East and West, who engage in what sometimes resembles a dialogue of the deaf. This time it is a confrontation between the nations of Africa, Asia, and Latin America on the one hand and those of the industrialized states on the other, which blocks progress at the United Nations.

My initial reaction to the Third World's rhetorical campaign at the United Nations was, I suppose, very similar to that of most Americans. I was shocked at its intemperance, annoyed at its often unjust criticism of our country and surprised at its apparent irrelevance to many of the real issues before us.

Why, I asked myself, did the themes of colonialism and imperialism so monopolize attention? Surely the speakers did not seriously envisage a resurgence of these now largely historic evils. Why, I wondered, were relations between the developed and the developing states constantly posed in the most confrontational terms? Surely neither group could achieve its goals without the cooperation of the other. Why, finally, were the United States and other Western nations so violently denounced? Surely those who were attacking us had benefited from our friendship in the past and would have use for it in the future.

Gradually it became clear that the representatives of the Third World were trying to adapt old rhetoric to fit new circumstances. They were attempting to rely on the old tactics and slogans they used in their fight for political independence to help them achieve their new goal: economic equality. Having defeated colonialism, the Third World was rushing to battle with what they choose to call "neocolonialism".

Undoubtedly these two campaigns are in some ways analogous. Like so many analogies, however, this one conceals as many differences as it illuminates similarities. In an interdependent world, political freedom may come from the barrel of a gun, but economic progress can only be achieved cooperatively. Thus we are in a period where some Third World leaders are employing the tactics of confrontation to a situation which demands cooperation by men and women of goodwill and wisdom in all corners of the world.

By resorting to familiar and stirring rhetoric these Third World leaders have, I must admit, achieved a surface unity and have succeeded in dramatizing their demands. At the same time, however, they have created unnecessary opposition and dangerous alarm within the industrialized nations, even among those of us who recognize the legitimacy of some of their claims.

One cannot exempt the industrialized world from all blame. We, too, have contributed to the current confrontation by not responding sufficiently to the claims of the developing nations when they were made less stridently. Many of us in our islands of affluence failed to recognize the magnitude of the changes necessary to close the widening gap between the rich nations and the poor.

The first step in moving the nations of North and South from confrontation to cooperation is improved communication. Before we can hope to devise common solutions to our difficulties, we must agree on a common definition of the problems and a common approach to their resolution.

In his first inaugural address, President Nixon asked his countrymen to lower their voices. "In these difficult years," he said, "America has suffered from a fever of words; from inflated rhetoric that promises more than it can deliver; from angry rhetoric that fans discontents into hatreds; from bombastic rhetoric that postures instead of persuading.

"We cannot learn from one another," President Nixon said, "until we stop shouting at one another—until we speak quietly enough so that our words can be heard as well as our voices."

I believe this thoughtful plea for calm and rational debate to be as applicable to the United Nations of today as it was to the America of 1969. I am sure that the "straight talk among friends" which President Ford has called for, and has initiated, will be as welcomed by our friends abroad as has been here at home. Straight talk means honest communication.

In recent months both sides have taken a few tentative steps toward rational debate and greater understanding. On December 6, I went before the United Nations General Assembly to express our Government's concern with certain of that body's recent actions. I deplored its decisions to invite Yasir Arafat, to suspend South Africa and to adopt a one-sided resolution on the economic rights and duties of states. I said that each of these actions was, in our opinion, unwise and unreasonable. Taken together, I continued, they constituted a trend which could only undermine support for the United Nations in our country and force us to review our attitude toward that organization.

A number of speakers supported the views I had expressed. Many others did not. In the lengthy debate which followed my statement, however, the Assembly was able to lay out with new clarity and unusual moderation the basic issues facing the United Nations. The Assembly largely succeeded in defining the limits of agreement within the United Nations and the extent of disagreement. In so doing, it established the ground work which will be essential to any eventual narrowing of our differences.

The preparatory conference on energy and related subjects, held last month in Paris, achieved a similarly limited but useful result. This meeting failed to agree on the agenda for an energy conference. However, the representatives of the industrialized nations, the Third World, and the oil exporters did achieve a better understanding of each other's goals and negotiating positions.

Unfortunately, such progress toward better understanding should provide us with only small comfort. Communications is a prerequisite to agreement, but compromise is its essence. To date I have seen many signs of improving communication, but very few hints of any will to compromise.

The desire of Third World leaders to free their peoples from a cycle of poverty and despair is commendable. Their conviction that fundamental changes in the international economic system will be necessary to achieve this goal is understandable. Only their decision to use the rhetoric and tactics of confrontation in pursuing their objective is regrettable.

In particular I question the wisdom of their use of the United Nations as an instrument for imposing solutions which are clearly one-sided. I fear that the Third World's possession of a large majority in the General Assembly has tempted them to try to legislate what they should be negotiating—their vision of a new international economic order.

Americans, too, have often been deceived by the United Nations' superficial similarity to a national government, where the will of the majority has the force of law. We, too, have on occasion forgotten that the United Nations' purpose, as is stated in the Charter, is to harmonize the actions of its member states, not to regulate them. After 30 years of experience, however, one must admit that the United Nations has always proved an exceptionally poor instrument for coercion but an exceptionally good one for conciliation.

The true test of the United Nations will come only when its members turn from confrontation to serious negotiations. But if its members do not act with more deliberate speed, the United Nations may never be given this opportunity. Each day we delay introduces greater rigidity into the positions of both the industrialized and developing nations. Already the Third World has begun to escalate its calls for unilateral economic action. Already the industrialized nations have begun to build their defenses against the threat of economic dislocation.

In the field of military spending, we have seen over the years how each investment generates a counter-investment, making it more expensive to maintain the balance of power and more difficult to reverse the escalation. It is entirely possible that the world community will soon embark on this unfortunate cycle in the economic area as well.

Already the industrial nations are being forced to make major investments to create a defense against economic pressure. Already we are moving toward a world economy of producer and consumer cartels, closed trading systems, boycotts, stockpiles and retaliatory trading restrictions. Once we have built these expensive defenses, I assure you that it will become virtually impossible to negotiate their abolition.

If the world community is to prevent such an economic armaments race, it must reject the counsel of all those who seek confrontation for its own sake. We must not allow our course to be determined by nations or leaders who seek ideological, political, or economic profit from the world's current economic ills. Those of us who live in the industrialized world must recognize that only common solutions will allow us to maintain our economic growth and national vigor. Those who live in the developing nations must realize that if the world community fails to agree on steps to expand world production and trade, they will grow steadily poorer, while we in the industrialized states will grow less able and less inclined to help them.

Two hundred years ago the leaders of the thirteen American colonies were driven to unity by the knowledge that if they did not hang together, they would all hang separately. Today the international community is faced with a similar imperative. Either we work together to create a new and more just world economic order, or together we will face the consequence of our failure.

America still produces one-third of the world's wealth. Obviously we have to play a major part in designing any new international order. To do so, our nation will have to demonstrate the will to promote change, the vision to mold a new world, and the flexibility to accommodate the views of others. This is a great deal to ask of a country which is itself experiencing serious economic problems, massive unemployment and unacceptable inflation. This is a great deal to demand of a society still recovering from the shocks of domestic and international turmoil. Yet if we are not prepared to lead the way, who will?

Our first step must be to narrow still further the communications gap within the international community. We must continue to discuss our differences objectively, frankly and without rancor. We must also move quickly to find areas where compromise is presently possible, while we agree to disagree, as amicably as possible, on issues not yet ripe for settlement. Finally we must devise new initiatives with which to break the present deadlocks and permit stalled negotiations to get moving again.

Time is not on our side. Already relations between developed and developing nations have begun to take on an ideological rigidity which reinforces the existing economic division. Already the rhetorical confrontation between the Third World and the industrialized states is becoming formalized and institutionalized to suit the preconceptions of ideologies rather than the real needs of people.

In the years since World War II the nations of the West have gradually come to accept the division between themselves and the Communist nations of the East as a more or less permanent feature of international life—to be accommodated and ameliorated but not fundamentally altered. I fear that we are now fast approaching the time when the industralized world will similarly come to view the gap between rich nations and poor nations as an immutable fact of life, to be adjusted to and eased, but not fundamentally altered.

There may be those who would take comfort in the simplicity and logic of such a world divided. There may be leaders who believe that their power rests on the maintenance of the international tension which results from such a division. There may be pessimists who simply do not believe that the gap between rich nations and poor can ever be bridged. I am not one of these.

I believe that there is still time for the world community to halt its rush toward permanent division. I know that the American people are committed to seeking cooperative solutions to our international problems. I am confident that if we take the first step, others will join us. Together, I believe that we can restore a sense of unity in the United Nations and a sense of shared purpose to its deliberations.

LETTER TO THE PRESIDENT

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. WOLFF. Mr. Speaker, recently, I received a letter from Mr. James T. Housewright, international president of the Retail Clerks International Association. I found his comments worthy of wider circulation and I would like to insert his letter into the Record.

The letter follows:

Retail Clerks International
Association,
April 23, 1975.

The President,
The White House,
Washington, D.C.

Dear Mr. President: Your newly directed reassessment of U.S. policy in the Middle East is one of the most unsettling foreign relations pronouncements in recent years.

While continued analysis and review of all U.S. policies is an obvious necessity, the pointed, publicized reassessment following the recent, hopefully temporary, failure of the negotiations initiated by our State Department between Egypt and Israel, appears to be more a signal of change and a manifestation of pique, than a calm, quiet, critical reexamination.

At a time when you express anxiety concerning the perception of America's will and commitment throughout the world, any hint that the U.S. may weaken its support of Israel, support which has been extended uncompromisingly for more than twenty-five years, only contributes further to misinterpretations of American intentions.

Since the fact of reassessment has already been broadcast, it would be foolish to urge reconsideration. However, it is not too late, within the context of reassessment, to reiterate forcefully our resolve to stand by this staunch ally and to continue providing her with the means to ensure her own defense. The pointed call for a reassessment of U.S. Middle Eastern policy should not be allowed to be interpreted as a weakening of our fundamental commitment to the people of Israel.

Israel is a democratic government. Her people are totally committed to the defense of their country. U.S. assistance is well used and deeply appreciated, and no request for U.S. military intervention has been made. Under these circumstances and, particularly, in recognition and understanding of modern history, our deep rooted commitment to provide Israel with the means to defend herself must be fulfilled.

Recent polls of the American public demonstrate clearly that, despite the recent setbacks in Southeast Asia and the omnipresent threat of an Arab oil embargo, the American people are determined to stand by Israel, our only democratic and reliable ally in the Middle East. It would be ironic indeed if, while you are so concerned about the appearance and reality of U.S. steadfastness to its commitments, your Administration were itself to allow one of our deepest, most principled, and most justifiable commitments to be eroded.

Unquestionably, all sides in the Middle East will have to make concessions if a durable peace is to be attained, but the sine qua non of a lasting peace consistent with U.S. principles and historic policies, is the formal recognition of the existence, integrity and independence of the State of Israel. An essential first step toward achieving this recognition is a declaration of non-belligerency by all sides so that meaningful discussions concerning territory and other difficult issues can commence.

What a disgrace it would be if the U.S. were to alter its position and to seek to pressure Israel, by implicit or explicit threats of reduced support, to make concessions which would weaken her defenses without reliable guarantees of her security. And if, as many assume, such pressure were motivated by the politics of oil, our perfidy would be infamous.

Mr. President, we call upon you now to reiterate U.S. intentions to continue providing Israel with the wherewithal to defend herself. We call upon you to reaffirm U.S. support of a secure and independent Israel as an indispensable premise to any Middle East settlement.

We too, recognize that many serious problems exist in the Middle East, not the least of which is the development of a lasting and acceptable solution to the Palestinian refugee situation. But, again, the right of the Israelis to live as a free and independent people must be a non-negotiable condition of any just settlement and must be recognized as such by all sides.

Respectfully yours,
James T. Housewright,
International President.

CINCO DE MAYO

HON. JIM LLOYD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. LLOYD of California. Mr. Speaker, today, Cinco de Mayo, or May 5, is a very significant day for those of us who are close to the culture and history of Mexico, both in proximity to the border and in our hearts. This day, in Mexico and in many communities in the United States, we celebrate a great Mexican victory over the French in 1862.

I would like to bring attention to one such celebration this past Saturday, May 3, in my 35th District, in the city of Ontario, Calif. Here, a group of outstanding, public-minded citizens from many communities gathered in a beautiful parade and fiesta.

What was being celebrated was a long and proud heritage that was being threatened by the French under Napolean III. After gaining freedom from Spanish control in 1822, Mexico experienced many difficulties, and European nations looked at Mexico for selfish gain.

Britain, Spain, and France entered into a joint action which took the form of occupation of Vera Cruz. Spain and Great Britain withdrew, however, leaving France alone to pursue its greedy scheme.

Six thousand French soldiers left Vera Cruz for Mexico City to what they thought was sure victory. Their confidence was unwarranted, however, because of a small band of Mexican patriots stationed at Puebla, a strategically located town halfway between Vera Cruz and Mexico City.

The great Mexican leader, Ignacio Zaragosa, and his greatly outnumbered force, drove the French invaders back to the coast. Eventually, the French regrouped and captured Mexico. But it never won the allegiance of Mexico's people. The United States, at the conclusion of our Civil War, refused to recognize the despot Maximillian who was placed on the Mexican throne by France, and eventually, the foreign regime was expelled from Mexico.

The final victory in 1867 was made possible by the courage shown on Cinco de Mayo at Puebla.

Those of us who come from areas rich in the tradition of Mexico are proud of this day, a day which represents freedom, courage, and independence. In that spirit, I would like to extend greetings and warmest best wishes to Mexico and the many fine persons of Mexican descent who have settled in the United States.

MAJ. GEN. THOMAS A. LANE—STORY OF A PATRIOT

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. McDONALD of Georgia. Mr. Speaker, on April 23, 1975, the press reported the death of retired Maj. Gen. Thomas A. Lane. It had been my privilege to know General Lane and his gracious wife for only a short time before he died. However, to the citizenry of this Washington, D.C., area and to the Nation's conservatives at large, he was truly a giant. He led the parade in so many conservative and patriotic causes that perhaps everyone assumed he would go on forever and always be available to lead good Americans. But, now he is gone and those of us who believe in a strong and free America will miss him sorely. For the edification of my colleagues, I am including the very complete obituary as printed in the Washington Post of April 23, 1975. The item follows:

Thomas A. Lane, Ex-D.C. Commissioner, Dies

(By Jean R. Hailey)

Retired Army Maj. Gen. Thomas A. Lane, 68, engineer commissioner for the District of Columbia from 1954 to 1957, died of cancer Sunday at Walter Reed Hospital.

After his retirement from military service in 1962, he returned to the Washington area, where he had lived since, devoting most of his time to writing.

Unlike some Army officers, who found assignment to the governing three-man D.C. Board of Commissioners a hardship duty and of little interest, Gen. Lane threw himself into the city's problems with gusto.

He brought with him a military reputation as a "no nonsense" officer who could and would cut through red tape.

He maintained that reputation during his tenure here. He was outspoken and didn't hesitate to step on a few toes. As a result, he was considered one of the most controversial commissioners the District had had in many years.

At the same time, his sincerity and ability were not questioned. He started as a friendly commissioner and never lost that touch.

Even before he took the job of engineer commissioner on Dec. 10, 1954, the then Col. Lane visited the District Building, shaking hands.

"I'm Col. Lane. We'll probably be talking to each other a lot," he said to secretaries, department heads and aides. He kept his word.

The Board of Commissioners consisted of two civilians, appointed by the President, and an officer appointed from the Army Corps of Engineers.

The primary responsibility of the latter was to direct the city's highway planning and public works program.

Col. Lane, who became a brigadier general while serving as a commissioner, found himself in a hotbed of controversy in both these areas.

There was a running feud with the old Capital Transit Co. and a prolonged transit strike in 1955. Pro and con arguments were of long standing on whether to build another bridge across the Potomac River or to tunnel underneath it.

A planned 10-year public works program was having difficulty getting off the ground.

Gen. Lane emphatically favored the bridge. It was built and is now known as the Roosevelt Bridge.

He was a vigorous advocate of the District's right to build highways and other public works with minimum of participation by the federal government. This put him at frequent odds with federal planners.

At one point, Gen. Lane stepped out of his particular area to speak out on what he called an unmanageable problem of educational lags in the District schools.

He minced no words when he said that many pupils, primarily those who attended segregated Negro schools before the court-ordered desegregation in 1954, were lagging behind standards for their grades.

Gen. Lane suggested a mass demotion of pupils and brought down the wrath of many community leaders upon his head. While his proposal was not carried through, a program was developed to correct many of the things he had spoken about.

Many of the things he advocated, including the bridge and improved school programs, came to pass.

The transit strike was ended shortly after he became commissioner. Some years later, the city's streetcars were phased out and public transportation was entirely by bus, which he favored.

The Southwest area was redeveloped. A 15-member citizen's review committee was established to push public works.

He considered District representation in Congress and home rule vital to the city's welfare.

When he left office in July, 1957, he called his term as commissioner an "interesting and constructive experience. I am indebted to the citizens of the District of Columbia and the suburbs for their hospitable and courteous consideration of me at all times."

Gen. Lane was born in Revere, Mass., and graduated from West Point in 1928, ranking third in a class of 261.

In 1929, he was assigned to an engineer battalion at Ft. Belvoir and went with the unit to Nicaragua, where it was on canal survey duty until 1931.

Returning to this country, he attended Massachusetts Institute of Technology, receiving a bachelor's degree in civil engineering.

He returned to Ft. Belvoir to attend the engineer school in 1932–33, and then was assigned to the Memphis district of the Corps of Engineers, where he participated in an economic survey of the drought-stricken areas of the Southwest.

After further duty at Ft. Belvoir in 1935, Gen. Lane returned to West Point as an instructor in engineering and military history.

He saw duty in the Panama Canal Zone, and in 1941–42 served with the 30th Engineer Topographic Battalion at Ft. Belvoir. He trained Army aviation engineer battalions on airfield construction then went to the Southwest Pacific with the headquarters engineer staff.

There he supervised construction operations in the field and was awarded the Distinguished Service Medal.

He entered Japan with the Occupation Forces in 1945, then came back to Washington to serve on a Joint Operations Review Board, convened to write amphibious doctrine for the military services.

From 1946 to 1948, Gen. Lane was chief of the logistics division of the Air Command and Staff School Air University at Maxwell Field, Ala.

He spent the next two years as district engineer of the Little Rock District, saw two more years as district engineer in Okinawa, working on a new construction program for that island, and came back to Washington to attend the National War College.

Prior to his appointment as District Commissioner, he was assistant to the chief of engineers for policy planning in Washington and engineer of Army field forces at Ft. Monroe, Va.

Gen. Lane became commander of Ft. Leonard Wood, Missouri, one of the Army's basic training centers, after his assignment as commissioner here, and was promoted to major general.

His final assignment before retirement from the military on July 1, 1962, was that of president of the Mississippi River Commission. He received an Oak Leaf Cluster to his Distinguished Service Medal.

He became a syndicated columnist on public affairs and served as a military analyst. From 1965 through 1969, he was president of Americans for Constitutional Action.

He was director of the United States Strategic Institute and editor-in-chief of its quarterly publication, Strategic Review.

Gen. Lane had written a number of books, including "The Leadership of President Kennedy," "The War for the World," "America on Trial: The War for Vietnam" and "The Breakdown of the Old Politics."

He was a member of the American Society of Civil Engineers and an honorary member of the Washington Society of Engineers.

He is survived by his wife, Jean Lane, of the home, 6157 Kellogg Dr., McLean; a daughter, Julie Rasmussen, of Friendly, Md.; a son Army Capt. Thomas Lane of Ft. Rucker, Ala.; two brothers, Jeremiah Lane, of Fairfax, and retired Army Gen. John Lane, of Falls Church; two sisters, Julia Walsh and Mary Lane, of Roslindale, Mass., and four grandchildren.

The family suggests that expressions of sympathy be in the form of contribution to the Catholic Relief Services for Vietnam Refugees.

MINNESOTA WATER—CLUE TO THE UNKNOWN

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. FRASER. Mr. Speaker, if there is one environmental issue on which we can all agree, it is the need for basic information. We must have more knowledge about the ecological relationships on which our survival depends.

In this connection, I would like to call the attention of my colleagues to the recent establishment of the Freshwater Biological Institute. Located on a beautiful, 30-acre tract between Wayzata and Spring Park, Minn., and overlooking Lake Minnetonka, the new research complex is the first in North America dedicated exclusively to fundamental research on fresh water.

Minnesota, with its more than 15,000 freshwater lakes, is proud to welcome this "environmental Mayo Clinic." Its unique collective approach should soon produce important results, not only for freshwater ecology, but for medicine, agriculture, land management, recreation, and industry.

Mr. Speaker, the story of the Freshwater Biological Institute is told by Dale Jester in the April 8, 1975 issue of Exclusively Yours Minnesota. The text of the article, "Minnesota Water—Clue to the Unknown," follows:

MINNESOTA WATER—CLUE TO THE UNKNOWN

(By Dale Jester)

It's precious, expendable and essential for all life, but almost nothing is known of its mysteries. No one science is dedicated to its marvels, nor has a single discovery yielded a clue to its complex nature. Yet it exists everywhere, nourishing and beautiful, even in the world of a child. Fresh water.

But a dream of three Lake Minnetonka businessmen, translated in just six years from vision to reality, is beginning to fill the huge gaps of human knowledge about a freshwater universe containing millions of life systems. These men, Richard G. Gray Sr., Hibbert M. Hill and Carrol Crawford, have seen their idea take shape in a 2.5 million dollar building and already partially staffed by a high powered scientific team.

The Freshwater Biological Institute, located on a 30 acre tract between Wayzata and Spring Park, overlooking Lake Minnetonka, houses complete facilities for investigation and research, including 18 major laboratories, 32 offices, a two-story library and seminar rooms.

It is the only institution in North America dedicated to fundamental research on fresh water.

The director is a 36 year-old biochemist from England, Dr. John Wood, formerly a full professor at the University of Illinois, a post he held for ten years.

Dr. Wood is the man who discovered the mercury chain build-up in fish, that deadly reaction which triggered deaths of hundreds of Japanese a few years ago. As a consequence of the isolation and definition of this health hazard, Wood gained international fame.

He visualizes his job here as chief administrator and team member of an environmental Mayo Clinic, which will revolutionize the science of ecology, not only by its discoveries, but by the unique collective approach of many experts coordinating separate finds into a cohesive whole. Thanks to the invention of computers, calculations and conclusions which formerly took years, can be completed in hours and stored for retrieval by other scientists.

This dynamic—and to some, eye boggling—concept was defined further recently by Dr. Joseph Rossillon, who was hired a short time ago as director of the parent Freshwater Biological Foundation.

Dr. Rossillon, whose own academic field is communication, explained, "Scientists necessarily are reductionists, that is, they reduce everything to the molecular level and study it at that point. Somehow, individual research must be linked at the molecular level to the work of others. By continuing to gather and relate discoveries, a whole picture can begin to evolve."

By way of illustration, Rossillon described the projected team make-up which will include six major scientific areas, each headed by its own resident expert. Of the six, only two—Dr. Wood and German nuclear physicist Dr. Eckhert Munck—are currently at the institute. A third, microbiologist Dr. Ronald Crawford, begins work July 1, 1975.

Jobs to be filled within two years include a geochemist, specializing in sedimentology of fresh water basins; two limnologists who will gather specimens and instruct others to find the "why" of the phenomena they have isolated; a toxicologist who will study accumulations of poisons; and an expert in kinetics, the science dealing with the motion of masses.

A ten year agreement with the Kariolinska Institute, part of the University of Stockholm, Sweden, will exchange talent and information. Swedish limnologist, Dr. Arne Jernelov, will commute across the ocean as coordinator.

Separately and jointly, scientists will delve into such enigmas as the chemical make-up of like beds, the life cycles of fresh water invertebrates, the cause and ultimate disposal of toxins and perhaps most significant of all, the mystery of how nitrogen gets into food chains and how it can be controlled.

"Here is the water, a living thing," says Rossillon. "We'll break everything down to its lowest common denominator and study the effects, links and reactions, and then try to work our way back again. It's not a matter of answers. We're going back now to find out the questions."

The results, he believes, will have enormous impact, not only for ecologic purists, but in agriculture, medicine, recreation, land management and industry—everything, in fact, significant for human welfare.

This giant sized view of the future FWBI is a long way from the first proposal, daring enough, of Gray, Crawford and Hill. Practical men, busy already in their business and civic lives, the three had envisioned simply a means to study and protect Lake Minnetonka, and perhaps to extend the research to other Minnesota fresh water.

Back in 1968, the plan was simple. The Lake Minnetonka men would incorporate as a nonprofit, tax-exempt group; they would raise enough money to build a structure, buy the land, and they would provide another 1.5 million dollars for equipment and staff salaries to launch the institute. At that point, the whole package would be handed over to the University of Minnesota as a free and clear gift. The job of the founders would be completed.

Essential was the cooperation and accord of the University of Minnesota. Early in 1968, Gray and Hill began discussions with Dr. Alan J. Brook who was then professor of botany and head of the department of ecology at the University. Soon talks included Dr. Richard Caldecott, dean of the College of Biology. Several months later, the group received a letter from University President Malcom Moos, giving formal approval and indicating the gift would be accepted.

Richard Gray Sr., the most publically visible of the three founders, is president of Zero-Max Industries and an amateur scientist. As Dick Gray, he's known to many readers for his folksy nature column published weekly by Sun Newspapers. Hill, a retired Northern States Power executive and civil engineer, and Crawford, a newspaper publisher, tend to let the dynamic and articulate Gray act as spokesman for the project.

And spokesman he is. From the beginning, the persuasive powers of Dick Gray induced a distinguished group of men to serve on the foundation's board. They, in turn, conjured a magician's money bag to finance the four million dollar goal.

A list of donors shows the most prestigious foundations and corporations within Minnesota: the Bush Foundation, $400,000; Hill Family Foundation, $140,000; General Mills, $125,000; E. A. Bean Foundation, $150,000; Mrs. E. M. Pennock, $250,000; Baker Foundation, $130,000 and Northern States Power, $75,000, are just a few of the many with a sizeable stake in the FWBI.

In retrospect, the concept of Gray, Crawford and Hill worked with astonishing ease. What they didn't foresee was the explosion of their idea into the present view of an ongoing foundation, tending to the world's need for fresh water research with the FWBI merely the first of many accomplishments. The Freshwater Biological Foundation and the Freshwater Biological Institute are separate entities and, as Dr. Rossillon noted, "The cord will be cut very soon."

Just how soon may depend on the Minnesota State Legislature. A request for appropriations to cover staff salaries and maintenance costs must be approved before the University can accept the gift. In the meantime, it leases the building from the foundation for one dollar a year.

Designed by architect Elizabeth Close, of Close Associates, Inc., the facility is a warm, human-oriented structure of wood and brick, with flexible laboratory space and numerous lounges strategically located to encourage conversation and dialogue. The library is linked by computer to the University library 28 miles away. Furnishings are simple, comfortable and good-looking, with colors chosen to denote function as well as to please the eye. Masses of east facing glass look toward rolling fields and marshland easing down to the shore of the lake.

The original goal of four million dollars almost has been reached, and soon the FWBI will be set free from its parent to function as a new and marvelous adjunct to the University. The facility will draw scholars from all over the world, and as a solid base of knowledge builds, the state itself can bask in the reflected glory of an internationally famous institution.

Meanwhile the foundation turns restless eyes beyond the parameters of Lake Minnetonka, beyond Minnesota with its 15,292 freshwater lakes, to a world-wide arena of need. Another 15 million dollars is its tentative goal. The 22 member board will scan the Florida Everglades, the rivers of Sweden or the by-waters of Texas, funding grants and sparking research in an effort to find and document an ordered life predicated on fresh water.

The prospect is staggering. But, like the dream that launched the institute, the challenge matches the energies and hopes of men, who as inhabitants of a shrinking globe, must solve the mysteries of fresh water for sheer survival.

MARINE MILITARY ACADEMY OF HARLINGEN, TEX.

HON. F. EDWARD HÉBERT

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. HÉBERT. Mr. Speaker, the Marine Military Academy under the supervision of Maj. Gen. George S. Bowman, Jr., USMC, retired, is doing an outstanding job in educating young Americans for the responsibilities of citizenship.

Kenneth G. Slocum, writing for the Wall Street Journal of April 30, 1975, under dateline of the academy's hometown of Harlingen, Tex., relates an interesting account of this distinctive institution. For the edification of my colleagues I am inserting Mr. Slocum's article:

[From the Wall Street Journal, Apr. 30, 1975]

AW RIGHT, YOU GUYS, NO MORE KID STUFF! FALL IN OR SHIP OUT

(By Kenneth G. Slocum)

HARLINGEN, TEX.—Dawn is still an hour away, and a cold wind whistles through the palm trees as Roy Phillips and a squad of 20 swathed in U.S. Marine sweatsuits jog in cadence past a military barracks into the darkness.

It's reminiscent of a Marine boot camp, and with good reason. Although Roy is only 13 years old and 99 pounds, he is a student in the nation's only Marine-oriented college-preparatory school. And the onetime Air Force installation again echoes with the bawling orders of burly former Marine drill instructors seasoned by Parris Island, Vietnam and the like.

The Marine Military Academy, which has little official connection with the Marine Corps besides an annual Marine inspection, occupies 142 acres of white, low-slung buildings fringed with South Texas palms and the hibiscus plants abundant here in the Rio-Grande Valley. The academy, for grades seven through 12, is noteworthy for more than being the only prep school patterned after the Marine Corps.

Founded in 1965, it has made steady gains in enrollment at a time when the number of military academies in the nation has plummeted to fewer than 50 from nearly triple that number after World War II. And, while most schools and the military services are relaxing discipline and regimen, this academy is drawing the restrictions on its 180 cadets even tighter.

NO SUGAR COATING

"We aren't tough just to be tough," says Maj. Gen. George S. Bowman, Jr. (Ret.), the academy superintendent, whose uniform bears seven rows of service ribbons. "Life isn't getting any less competitive, and we think it's a mistake to give young people a sugar-coated experience."

There isn't much that's sugar-coated about the Marine Military Academy. From reveille at six until taps at ten, the weekday is filled with classes, drill, calisthenics and barracks duties, and the average cadet has only about 30 minutes of free time. Execpt for those on the B-average honor roll, cadets study weekday evenings under supervision. George Kalas, a 12-year-old from Houston, says as he quickly straightens his cot, "Time is tight around here."

So is discipline. Recently, a cadet, frustrated by a Spanish test, crumpled the exam paper and silently dropped it into the wastebasket. Called before the military command, he was formally admonished and required to apologize to the instructor in front of the dean. An older cadet, viewed as highly promising, was dismissed for drinking intoxicants on the campus. As a civilian visitor strolls a dormitory hall, cadets brace at attention against the corridor like waves slapping a seawall.

Corporal punishment is prohibited, but the imposing hulk and less-than-dulcet tones of a uniformed drill instructor are usually adequate to command respect. Sgt. Billy Cook, a bull-necked six-foot-three-inch veteran whose 23 years in the corps include three as a drill instructor at Parris Island, says, "When a boy does something wrong, I grab the emblem on his sleeve and say, 'Men die for that emblem—how dare you disgrace it?' I've seen 18-year-olds break down and cry."

CARDINAL OFFENSES

Although the use of alcohol and illicit drugs on campus is usually punished by immediate dismissal, nothing is viewed with greater contempt than cheating, lying or stealing. "Dishonesty is like pregnancy," Gen. Bowman says, "There's no such thing as a little bit."

The academy emphasizes, "We aren't a haven for misfits," and about 10% of students aren't invited back each year, for reasons ranging from falling grades to inability to adjust. Another 5% drop out on their own. One dropout, David M. Digby II, 15, of San Antonio, says, "It was just like a machine. I'm glad I left."

While military discipline is an end in itself, its main purpose here is to further education. "Properly used, the military structure produces outstanding results in education and leadership," Marine Col. H. W. Card Jr. (Ret.), the commandant, insists.

Other staff members maintain that the academic regimen here rivals the best civilian curriculum. Richard S. Hockaday, chairman of the academy's science department, formerly held a similar position at Polytechnic School in Pasadena, Calif., an accelerated institution for above-average children through high school. He says, "We teach the same program here—same books, same courses."

FULL-TIME INDOCTRINATION

Tutors help those who have difficulty keeping pace with the rugged academic program, and the 10% or so on the "deficiency" list are also required to study extra hours on Saturday. "We're got them 24 hours a day, working on their minds, their bodies and their morals," Col. Card says.

Reactions to this Spartan life vary among the cadets, who are allowed to go into town to see the outside world only on Saturday afternoons and Sundays. "You can't say you like it—it hurts. But I like what it has done for me," says 17-year-old senior Frank Colunga of San Antonio, who has been here four years. Cadet Colunga, son of a postal clerk, plans to be a doctor.

The most common advantages cited by cadets are the small classes, personalized instruction and pressurized courses. "Back in Albany (N.Y.), classes were 30 to 40; here, the biggest are 17 or 18," says Brian Mogul, 14, who plans to join the Marines eventually. (Only about 25% of the graduates plan military careers after college, and 98% of all graduates go on to college.)

SELF-DISCIPLINE

Three-year veteran Bruce Schmitt, a 19-year-old senior from Las Fresnos, Texas, who has been accepted by Texas A&M University, says, "The biggest single thing the academy has taught me is self-discipline—that even though I don't like to do something, if it's better for me, I do it—like getting up in the morning."

Students are primarily middle-class. Some 44% of the students came from Texas, 38% from 25 other states and 18% are from abroad, mostly Mexicans and sons of Americans working outside the country. Tuition, room and board costs $3,000 for a school year, and total cost reaches about $3,500.

For most, of course, it's their first stay away from home, which assures a psychological impact. It's also a revealing experience for the hard-bitten former Marines on the staff. Says Sgt. Cook, 43, who was bayoneted through the neck and imprisoned by the Chinese in North Korea before escaping and who was later severely wounded in Vietnam, "The Chinese poured ice water on me naked at 20 below zero and I toughed it. But these kids can present me with a trophy with their names on it and I'll cry like a baby."

FEA COMMITTEE ENDORSES STRIP MINE BILL

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mrs. MINK. Mr. Speaker, the Ford administration has taken a dim view of the Surface Mining Control and Reclamation Act of 1975 primarily because of the supposed impact of this bill on coal production and on jobs. President Ford pocket vetoed a similar bill in December and submitted, through Frank Zarb, Administrator of the Federal Energy Administration, a list of objections to the bill, which is now due for consideration by the House, following agreement by the conference committee on April 29.

The President's reservations have received careful and thorough consideration both in committee and in conference. Six of the eight "critical" objections were adopted in one way or another. Of the 19 "noncritical" but important changes requested by the President, over half were incorporated into the bill in some form. Nonetheless, reports that the President intends to veto the bill persist.

Mr. Speaker, the bill which has been hammered out in conference is a strong, workable piece of legislation. The country badly needs more coal, as we are all constantly reminded, but we need over the long run to protect our land and water resources, and particularly our rural areas where essential food and fiber are produced. The conference report bill, in my estimation, will accomplish this dual purpose. It deserves the unstinted support of all my colleagues in the House who wish to put an end to the years of disruptive debate and turmoil over strip mining, by bringing about the orderly and equitable development of the coal industry.

It is therefore most timely to have the endorsement of the Federal Energy Administration Consumer Affairs Special Impact Advisory Committee, which in the following resolution categorically denies that the surface mine bill will cause the severe adverse impacts which its detractors claim, and calls upon President Ford to sign the bill when it reaches the White House. I sincerely trust Mr. Ford will take heed.

I submit the following:

FEA CONSUMER AFFAIRS/SPECIAL IMPACT ADVISORY COMMITTEE RESOLUTION PASSED APRIL 17, 1975

The Consumer Affairs/Special Impact Advisory Committee of FEA asks Mr. Frank Zarb and President Ford's other energy advisors to urge him to sign the newly revised strip-mining bill that will soon be sent to him by Congress.

The Committee believes that national uniform standards for reclaiming mined land is an important first step in protecting our resources as we seek to solve the energy crisis. The present bill has been debated for over four years in Congress and all sides to the question have been heard.

This Committee believes the present bill will:

1. give significant protection to mined land and adjacent forests and water,
2. not limit unduly our coal production,
3. give long needed protection to owners of coal land,
4. not cause jobs to be lost, but will, in fact, create new jobs in strip-mining reclamation.

We believe the fact that the present bill has been endorsed by parts of the coal industry, the United Mine Workers, environmental organizations, farmers, and a variety of other concerned organizations shows that the pending bill is in the national interest.

We therefore urge FEA to endorse the bill and also urge President Ford to sign this bill.

NEW APPROACHES NEEDED ON UNEMPLOYMENT PROBLEM

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. ASHBROOK. Mr. Speaker, unemployment in the United States is a serious national problem. The jobless rate is at the highest level since the great depression in the 1930's.

Not unexpectedly, the liberal politicians have offered their usual solution to the problem. The Federal Government should spend billions of dollars on creating public service jobs.

I reject this approach for two reasons. First, it is inflationary. Second, past experience has shown that the creation of public service jobs does not revitalize our free enterprise system.

It is time that the Congress came up with some better methods of attacking the unemployment problem. One approach I would like to put forward is that of Milton Stewart, president of the National Small Business Association.

Stewart proposes a "job creation credit" that would make it possible for small businesses to hire up to two new employees each. Stewart estimates that the tax credit method would create 500,000 jobs almost immediately.

With improving business, these would be permanent jobs. Contrast this with the temporary nature of public service jobs. It would help to revive the economy without the high risk of inflation.

Mr. Speaker, I urge my colleagues to give serious thought to the "job creation credit" proposal which is discussed in the following article by John Chamberlain:

WHY NOT TAX CREDITS FOR HIRING NEW EMPLOYES?

(By John Chamberlain)

The idea of spending billions on creating "public service" jobs to sop up unemployment is something out of the 1930s. It has a ritualistic ring. It is inflationary—and it won't work now to revive the enterprise system any more than it did in Franklin Roosevelt's time, when the New Dealers had to wait for World War II to bail out the economy.

Why do we always exhibit such barrenness when it comes to thinking up ways of fighting off depression? We haven't learned anything in 130 years.

The French in the 1840s were sure that "national workshops" would get them out of their troubles. It was a fallacious idea then. Governments don't know markets. "National workshops" and "public service" jobs simply eat up capital without giving the people the goods and services they want.

It isn't that there aren't better ideas around. Milton Stewart, the newly elected president of the Washington-based National Small Business Association, has been trying to get Congress to enact a "job creation credit" that would make it easy for thousands of small businesses to hire up to two new employes each.

As things stand now, only businesses that are in the market for machinery are in line to benefit from standard investment tax credits. This leaves thousands of service-type businesses out in the cold. But if these little fellows who do not buy "hardware" were to get deductions for hiring new hands they would, as one of them put it to Stewart, "be crazy not to" add to their payroll.

Stewart, who used to work for Averell Harriman in New York state, is a reformer who has lost his zeal for New Deal type ritualism. "Public sector" expansionism leaves him cold. He thinks that tax credits designed to put people to work in small private business would create some 500,000 jobs in short order. And, with improving business, they would be continuing jobs. After all, 50 per cent of the jobs in America are in small enterprises.

The National Small Business Association's feeling that it would take just a little by way of a tax concession to create much higher small business employment is borne out by a survey made by the National Federation of Independent Business, Inc., which maintains its home office not in Washington but in San Mateo, Calif.

In February, 81 per cent of the polled Federation respondents said they intended to hang on to their present employes. This was slightly better than the December figure of 79.6 per cent. Among the 19 per cent who reported plans for changing their working force, 13.2 per cent said they intended to take on more workers. The most job opportunities by region seem to be in the Mountain states, where 17.8 per cent report they intend to hire more people. The New England states and the automotive country of the upper Middle West were the least optimistic about hiring in the near future.

If, for the most part, small businesses are not in a job-cutting mood, the time would seem to be psychologically ripe for the sort of thing Stewart is trying to get Congress to do.

He calls his "job creation credit" idea "seat belt" legislation for small business. It is especially needed, he says, at a time when the Federal Reserve Board, which concentrates on slamming on the brakes to restrain the "big business juggernaut," hardly seems to notice that "its small business passenger" is "half-way through the windshield."

Another way of enabling small business to hire more people would be to reduce the paperwork required by both federal and state bureaucracies. Sen. Thomas McIntyre of New Hampshire says that forms and reports, most of them needless, cost small business some $18 billion a year. A lot of people could be kept at work if $18 billion were cleared to move into more constructive jobs than paper-pushing.

VIETNAM—DID IT KILL OFF ECONOMIC TRANQUILITY?

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. STEIGER of Wisconsin. Mr. Speaker, yesterday's New York Times carried an insightful and penetrating analysis of our economic situation during the past decade.

I commend Edwin Dale's piece to all of my colleagues for their thoughtful review:

VIETNAM—DID IT KILL OFF ECONOMIC TRANQUILITY?

(By Edwin L. Dale, Jr.)

WASHINGTON.—How much did Vietnam, which for all practical purposes ended financially with just a whisper last Tuesday, wreck the fairly tranquil prosperity of the American economy?

Regardless of the cause, the post-Korean War tranquility is gone. With the economy not yet even starting up from its present deep recession, such divergent sources as Michael Evans of Chase Econometrics and Alan Greenspan of the President's Council of Economic Advisers are already warning of the possibility, even likelihood, of renewed double-digit inflation and double-digit interest rates in 1976 or 1977, to be followed by a recession even more severe than the present one.

Hardly anyone is really confident any more, from Arthur F. Burns to Arthur Okun, from David Rockefeller to George Meany. That is not to say there has been a mass abandonment of hope. But there has been a profound change, especially if one looks to July, 1965, the month when President Johnson first sent American troops in force to Vietnam.

Bonds and mortgages then were yielding about 6 per cent. Stocks tended to rise fairly steadily and predictably along with corporrate earnings. Unemployment was moderate. Prices were rising at a rate of only about 1.5 per cent a year, and wages were gaining at about 4 per cent. Business investment was strong. The dollar was at the center of a world economy with stable exchange rates. Troubles, by today's measure, were tiny.

Was it Vietnam that destroyed all this, or was it going to be destroyed anyway?

No one can be certain of the answer to that question. Robert Triffin, for example, began to argue well before the Vietnam war that the international monetary system was almost bound to break down. Frederick von Hayek was as convinced then as he is now that modern Keynesian economics was bound in the end to lead to serious unemployment, by way of inflation. Arthur Burns, then out of government, was warning in early 1965 that inflation was becoming a danger again. And yet. . . .

It is hard to avoid the conclusion that there was some cause and effect—that the awful national disaster of Vietnam, as it finally turned out to be, was a big reason for our loss of economic, as well as many other kinds of, tranquility.

The early facts are not really in dispute. The economic troubles began with the failure of the Johnson Administration in 1966 to pay for the war by raising taxes—a big contrast with the prompt increase in taxes by the Truman Administration and Congress in 1951 soon after the beginning of the Korean war. Whether Congress would have gone along with a "responsible" Administration fiscal policy in 1966 we shall never know, but in any case the President chose not to try it. He did not even disclose accurately until near the end of that year how much the war was costing.

It may seem a century ago now, but the fact is that the first serious mortgage credit crunch—the first major "disintermediation" in which the funds drained out of savings banks and saving and loan associations—was in 1966, as the Federal Reserve System sought to slow the incipient inflation associated with the war, and interest rates rose.

The inflation rate that year, measured by the consumer price index, was only 3.4 per cent. But it was the beginning.

The nation has been in "stop-go" policies ever since. Would we have had them—and a chronic inflation problem—even without the war? Perhaps. The explosion of Federal Government spending stemming from "uncontrollable" outlays—social security plus the growth of new social programs aimed at solving domestic problems of all kinds, together with a corresponding Congressional reluctance to raise taxes—apparently was coming in any event, and it was likely to cause problems. The war itself peaked as a purely economic drain with the $30-billion spent in 1968 and never was big enough to overwhelm the economy.

It is also true that, whatever happened in the beginning, the end of involvement in Vietnam will not restore the old tranquil prosperity. By the end, total Government spending in Southeast Asia for all purposes was running at a rate of only about $1.5-billion? a year in a total national budget of $320-billion. Economically, the war had become negligible. Last week, on the day before the final evacuation, the House of Representatives voted to add nearly that much more to the budget by a series of obscure amendments to domestic child nutrition programs.

It is no wonder that the war ended financially in a whisper—the dollar hardly moved on the foreign exchange markets, and the stock market dawdled.

The economy's troubles, present and prospective remain unchanged. And yet, despite all the "might have beens," the one thing we can know is that the end of tranquility for the American economy coincided with the beginning of significant involvement of this nation in Vietnam.

OWN A PIECE OF THE WILDERNESS

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. CONTE. Mr. Speaker, very soon, the House will be asked to vote further funding for the Dickey-Lincoln hydroelectric dam project in northern Maine. I remain vehemently opposed to this project and will be fighting it every step of the way.

An excellent article in the May edition of New England Outdoors by Janice Snow gives a concise history of the project and puts its pros and cons on balance. I commend the article to my colleagues and at this point I insert the article into the RECORD:

OWN A PIECE OF THE WILDERNESS

July 31, 1985, Dickey Lincoln Lakes, Maine.—Once a woodland stream frequented only by husky loggers and rugged outdoorsmen, Dickey-Lincoln Lake now supports a leisure community where thousands of people enjoy the new man-made lakes environment of scenic Northern Maine. Chalet-style condominiums grace the shore lines. Tanned water skiers skim across the placid lake behind fiberglass boats. Only the hum of the outboard motors, the laughing of children scaling the massive concrete flood control dikes and the casual cocktail conversation of proud new homeowners breaks the woodland quiet.

An enlarged, relocated highway speeds vacationers from one scenic fun spot to another, from leisure home living to lively nightspots, from cozy campsites to convenient shopping areas. Docking facilities for pleasure boat enthusiasts and sportsfishermen dot the shore line. Ample stocks of plump yellow perch replace the more elusive brook trout of the past. Campsites, fully equipped with trailer and T.V. hookups, enable those with limited time and money to join the leisure class.

A wonder of modern technology has converted this once sleepy North Woods into a tourist mecca. The eleventh largest dam in the world has pumped tourist dollars into the once-economically depressed area. 725,000 kilowatts of "clean" power wheels across great transmission lines 150 miles to Augusta and points south. Dickey-Lincoln hydroelectricity powers Boston's air conditioners, TV's and industrial machines during peak demand periods.

Just a six hour drive from Boston on the newly constructed interstate link from Augusta to Dickey along Route 95 replaces the formerly arduous trek over old winding logging roads. The activity at Dickey-Lincoln Lake has just begun. Plans are underway to complete within ten years a new pumped storage facility and a secluded, quiet, nuclear power station to continue to meet New England's growing demand for power while serving New England's growing recreational needs.

WILDERNESS BE DAMNED

(By Janice Snow)

A real estate developer's fantasy? Perhaps, but plans for altering the Northern Maine Wilderness have been on and off the drawing boards since 1956, when the International Joint Committee (I.J.C.), a United States-Canada body set up in 1919 to settle questions involving the St. John River Basin, began to study the possibility of harnessing the power of the great Passamaquoddy ("Quoddy") Bay tides to supply Maine and New Brunswick's electrical needs. Three years and three million dollars later, the I.J.C. concluded that due to enormous variations in the size and the occurrence of the tides, a tidal power project could supply large amounts of power only a few hours per day. They suggested the addition of a steady power facility (a 300,000 kilowatt dam at Rankin Rapids in the St. John, just downstream from the Allagash River) to supply continuous or "base" power needs. The 400,000 kilowatt tidal plant at "Quoddy" would provide the short bursts of power ("peaking power") needed during periods of greatest electrical demand. The $687.7 million price tag (figured at two and seven-eighths percent interest), $532 milion of that for the tidal plant, appeared less economical in 1959 than other energy alternatives, so the project was tabled.

The project was revived in 1961 by the Department of the Interior, which concluded that a slightly altered scheme would prove both commercially and technologically feasible. Due to increased electrical usage during the late afternoon, the project could prove more economical than private power sources by generating peaking power only to all of New England and New Brunswick. The tidal plant capacity would be increased one million kilowatts and the dam (now moved upstream to Dickey to avoid flooding the Allagash Wilderness) increased to 700,000 kilowatts. Although this 1964 report noted that the government could produce the same amount of power more cheaply by steam plants, nuclear plants or pumped storage plants, these alternatives were rejected as they would not produce the "non-power benefits of recreation and development", i.e., man-made lakes. Furthermore, according to the report, the Upper St. John River was being "wasted", flowing "unharnessed" into the sea.

By 1965 the decrease in the price of private power made the "Quoddy" tidal plant too expensive, but according to the Department of the Interior, the Dickey and Lincoln dams were still economical. Congress funded a House Public Works Subcommittee Study but voted down further construction plans in 1967.

In an attempt to revive Maine's sagging economy, Maine Congressman Hathaway in 1971 introduced a scaled down hydroelectric plan consisting of two 100,000 k.w. dams to supply base power to Maine and possibly irrigation for Aroostook County. This bill was defeated and the Dickey project lay dormant until the Great Energy Crisis in late 1973.

With the Arab embargo of oil, private utilities which had previously been openly opposed to the Dickey Lincoln project softened their stance. When Arab oil rose to $12 a barrel, an expensive hydroelectric dam no longer seemed so far-fetched, particularly at the deflated costs figured at a legal but unrealistically low government borrowing rate.

Skyrocketing electric bills, fears of an abrupt end to the air-conditioned, frost-free, two-cars-in-every-garage life style, a depressed Main economy, hunger for a slice of Congressional pork, and devastating floods along the Saint John in 1974 and 1975, has converted many skeptics into supporters of the dam project. In 1965, twenty out of twenty-five New England Congressmen voted against Dickey Lincoln. In 1974, all but four voted in favor. $700,000 was appropriated for still another review of the project's feasibility. But for the first time, as a result of the 1969 Natural Environmental Policy Act, the "environmental impact" of the project has to be considered. A report by the Natural Water Resources Study Coordinating Committee, directed by the Army Corps of Engineers (the designers and proponents of the project) summarizes the essence of the present controversy. The Upper Saint John region is the "only remaining large wilderness area in the North Atlantic Region" and it is "the last reservoir site in New England with large hydro-electric potential." Which do we choose, dams or wilderness? Many issues remain unclear. Few objective and informed sources exist. Some facts are not disputed. It is in the interpretation of these facts that the answer, or rather, the priorities lie!

The project will inundate approximately 150 square miles of the Great Maine Woods, including 64 miles of the St. John, 23 miles of the Big Black River, several smaller rivers, numerous streams and some Canadian territory. Two-thirds of the Upper St. John (much of the lower St. John lies in Canadian territory) would be flooded, leaving only one significant free-flowing river in northern Maine—the Allagash.

Opponents of the project decry the loss of what the Federal Government Interagency Committee in 1955 declared should be preserved due to its "unique upland wilderness character, outstanding scenic and geological features, mountain peaks, lakes, forests, and marshlands."

Proponents claim the 86,000 acre lake at Dickey will provide more access to wilderness areas, support more and varied uses and thus shore up the Maine economy as well as generating needed electricity. The Army Corps of Engineers 1974 Report presents the Dickey Lake as "complementing" the Allagash and "alleviating the present heavy use of the Allagash." One may wonder how replacing one wilderness riverway with a resort designed to attract thousands of additional visitors will reduce the number of people seeking solace along the one remaining wilderness riverway.

Miles of natural cold water brook trout fisheries will disappear. The new lakes, warmer in temperature, will be stocked with the more common yellow perch. The breeding areas of ducks (2,800 acres), moose and deer (17,600 acres) will be eliminated. One report claims that 1,800 of the 2,200 deer to be displaced could be relocated if additional land were purchased and good management techniques implemented. This plan is not part of any existing proposal.

Many citizens of Northern Maine seem willing to trade off a large chunk of pristine wilderness for the promise of more jobs and fewer floods. The Army Corps estimates an annual income of one and a quarter million dollars in tourist revenues and new construction. Critics claim the drawdown of the lake water from natural fluctuations and energy production will leave an unsightly ring of mud and ooze (particularly in early spring and fall) discouraging lake use. The Corps claims these mud flats will be of significant size only in March, when the ring will be concealed by snow.

The Army Corps of Engineers estimates that $891,000 in redevelopment money will pour into Maine during each of the projected seven years of construction. Translated "redevelopment" is the money paid to laborers on the project. Of the total labor force employed on the project, estimated between two and three thousand workers, only about one-third will be drawn from the local population near the project areas. These will be primarily unskilled workers, earning the lowest wages. Skilled and semi-skilled labor will be imported, probably from Canada. The impact of between 1500 and 2500 transient, seasonal workers on the social structure of the small French Catholic town has not been seriously considered.

Although 95% of the project benefits, according to the Corps, are power benefits, many Fort Kent and St. Francis residents favor the project primarily for its flood control benefits. Ironically, the huge Dickey dam alone would pose an additional flood threat. The smaller Lincoln-School Dam and Reservoir are designed to control the Dickey's flow and thus reduce the flood threat to downstream towns. A single, one million dollar dike would significantly reduce flooding at Fort Kent according to an Army Corps report, but Fort Kent city fathers have been unwilling to donate the necessary land. Five dikes will be required to prevent the new reservoirs from spilling over into adjacent watersheds. Even area residents who attribute increased flood damage to lumber company overcutting in the St. John watershed turn to the Dickey project for relief because they see no chance of breaking the lumber lobby's hold on the Maine legislature. Removal of remaining flood retarding trees from the one hundred and fifty square miles of reservoir bottom may in fact increase the flood hazard over the seven to ten year construction period, some critics contend.

Is the upper St. John Basin a valuable enough hydro-site to merit such an expenditure of energy, capital, and natural resources? An ideal river to harness for power according to Geology Professor Floyd F. Cunningham, author of 1001 Questions & Answers About Water Resources, has high elevation and contains a large volume of swiftly moving water with limited fluctuations in volume. The upper St. John varies from flood levels in late spring to a trickle in late summer and early fall. To produce large amounts of power at such a small stream requires an enormous volume of water storage at a high elevation.

To produce 725,000 kilowatts at Dickey will require a 335 foot high wall of earth, concrete and stone over two miles in length. The earth fill will come from the banks of the river, but some six hundred thousand cubic yards of stone facing must be obtained elsewhere. The best site, according to Chief Engineer John Leslie and Dickey Project Manager Richard Reardon of the Army Corps of Engineers, is the Deboulie Mountain range, an outstanding scenic and recreational area. The Corps, aware of adverse reactions to the Deboulie site, claims to have two as yet unnamed, alternative sites.

The 65 million cubic yards of earth fill, taken along 57 miles of the St. John to fill the stone and aggregate dam will make the Dickey Dam the sixth largest in the United States, and the eleventh largest in the world, exceeding in volume the 1.2 billion dollar Aswan Dam. Transporting the dam fill and facing will consume millions of gallons of fuel.

Although the Dickey Dam rates 11th in volume, it will not make the World Almanac's list of the 46 most powerful dams. Number 46, the Sir Adam Beck in Canada (1.2 million k.w.), exceeds projected Dickey capacity by 50 per cent.

The Dickey dam will produce 725,000 k.w. of "installed electrical capacity" (the greatest amount of power available at any one time). Due to the limited and irregular volume of water supplied by the St. John, the dam can only produce electricity an average of two to three hours per day, a "firm power" or steady capacity of only 100,000 k.w. The much smaller Lincoln School Dam (85 feet high and 1600 feet long), a flood control and power facility with an installed capacity of 70,000 k.w., (one-tenth the power of Dickey) will generate a total "firm power" capacity of 35,000 k.w. (one-third the "firm power" of Dickey) as it may be operated an average of 12 hours per day. Together the Dickey and Lincoln dams will generate 1.2 billion kilowatts per year, increasing New England's total electrical output in the 1980's by seven-tenths of one per cent. This is only 13 percent of the total power produced by the less expensive Maine Yankee power plant at Wiscasset.

The Army Corps of Engineers 1974 Report "envisions the marketing of 725,000 k.w. of Dickey Lincoln School Lakes output as peaking power to the Boston area." 150 miles of transmission lines will cut across the Maine Wilderness to Southern Maine where the Army Corps hopes to tie into existing, private transmission lines. If such a tie-in of transmission lines will be necessary.

When the power finally arrives in Boston, less the 10 percent loss in transmission, who will get it? The Department of Interior, which markets the power, per authority of the Flood Control Act of 1944, must give preference to public and cooperative interests. Since Boston is supplied entirely by private power companies, the limited, Dickey-Lincoln power would go first to the smaller, outlying municipal plants. Chief Engineer Leslie predicts some collaboration between public and private power interests, but he admits that no decision is likely to be made on marketing or transmission lines before Congress must vote final approval of the entire project.

Financing plans are equally ill-defined. The revised, July 1974 project costs vary from a low, Army Corps of Engineers figure of $419.3 million for dam construction, plus $140.3 million for transmission lines. A "legal," but unrealistically low interest rate of three and one-quarter percent was used to compute these totals. Currently the government's lowest borrowing rate is five and seven-eighths percent.

The Friends of the St. John, a coalition of environmental groups, actively opposed to the Dickey project, estimates the actual project cost somewhere between $800 million and one billion dollars, based on the escalation of construction costs and current borrowing rates. The Maine economy and all New England power users will benefit according to the Army Corps of Engineers. According to opponents of the project, the contractors and the Army Corps will benefit at the expense of taxpayers, the environment, and the state of Maine which will be subject to a boom and bust economy inundated with out of state labor.

Why invest so much capital, labor and energy in so few kilowatts? According to Mr. Leslie the project is justified by its ability to produce large amounts of power when demand is greatest, (two to three hours per day in winter and five to seven hours per day in summer). As a "peaking" facility Dickey Lincoln will generate 10 percent of New England's estimated peaking power demand in 1985.

UNITED STATES RETRIEVED ITS REPUTATION BY SOUTHEAST ASIA WITHDRAWAL

HON. JOSEPH E. KARTH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. KARTH. Mr. Speaker, America's soul-searching over our withdrawal from Vietnam, after our tragic loss of 57,000 dead, 303,000 wounded, and 900 still missing, will doubtless continue for months to come.

Whether that soul-searching on two basic questions—whether we should have entered Southeast Asia with force in the first place and whether we should have remained in Indochina after 12 years with greater commitments of men and resources—will be healthy or divisive we cannot know today.

But one thing we have known with certainly during the last 6 years of that heartbreaking war: Public opinion polls without exception, and some of our congressional elections, have shown that the American people were overwhelmingly in favor of our withdrawal from Indochina and a stop to the seemingly endless bloodshed and waste of precious American resources.

As one of the first Members of Congress to avocate the end of our involvement in Vietnam and Cambodia, I feel that the largely majority sentiment reflected in the polls and the elections gives us the opportunity for a new national unity and purpose.

Our Nation now has a fresh chance to concentrate on the solution of our domestic problems and to reassert a benign leadership throughout the democratic world.

The question of whether American involvement in Indochina and finally our withdrawal were actions of "honor" is discusssed with thoughtfulness and insight in an editorial published in the St. Paul Dispatch on April 30 which I would like to submit for inclusion in the RECORD.

I warmly agree with one of the editorial's principal conclusions:

> America retrieved its international reputation by getting out of the Vietnamese sinkhole.

The editorial follows:

THE "HONOR" ARGUMENT

Silly arguments and lopsided logic are endemic in Washington town, but seldom has a zanier argument been heard from that quarter than the current one about the loss of American honor in Vietnam. Even the President has joined the chorus, with his oddly-reasoned condemnation of Congress for not emulating the Chinese and Soviet Communists, who so nobly "kept their word" to supply their Vietnamese allies.

To hear right-wing senators and syndicated columnists tell it, no other country is ever again going to believe the word of the United States government because Congress would not send more arms to South Vietnam. Where were these people when the word from abroad was that the United States was lame-brained for fighting in Southeast Asia? Where were they when foreigners (including some heads of government) were making it plain they considered America's honor was being besmirched by our being IN Vietnam? (This, of course, is not even to raise the question of just how additional military "aid" could possibly have done the South Vietnamese any good, anyway.)

America retrieved its international reputation by getting out of the Vietnamese sinkhole. Our honor, something some Americans worry about to a manic degree, might not have been questioned if Congress had been persuaded to vote eleventh-hour arms aid, but our national sanity probably would have been. When the United States finally withdrew its forces from Vietnam, millions of Americans, along with most of the rest of the world, figured this country was finally showing real signs of maturity. We didn't say so, but it looked as if we had finally come around to admitting we had goofed. In any case, we were cutting our losses and getting out of an impossible situation—something every other major country in the world had done many times before without worrying that it was about to slip into second-power status or lose the respect of the world.

It is a continuing mystery, incidentally, why Americans are so preoccupied with what the rest of the world thinks of them. Or, as is so often the case, with what they think the rest of the world might think about them. We are the most self-conscious nation history has recorded, and most of the criticism we imagine to have come from abroad we have manufactured ourselves.

The President said the war was over, for us. Obviously, however, the self-recriminations weren't. Some of them, of course, are fabricated for domestic political purposes—in the hope "blame" for the downfall of South Vietnam can be made into an issue in the '76 election. But much of the self-flagellation is a manifestation of a perverse American habit. Is it, as the psychiatrists might put it, evidence of some kind of deep sense of insecurity?

Whatever; one hopes that by the time we have reached our two hundredth birthday we will have come closer to grips with international reality and stopped assessing all to ourselves, especially when no blame is due.

CAMPAIGN TROUBLE AHEAD, THANKS TO REFORM LAW

HON. DEL CLAWSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 5, 1975

Mr. DEL CLAWSON. Mr. Speaker, this morning's Los Angeles Times contains a colums which I believe deserves the attention of all Members of the House and Senate and the public at large. It illustrates how misleading legislative titles and descriptions can be in practice. At this point in the RECORD I include the column by David S. Broder:

CAMPAIGN TROUBLE AHEAD, THANKS TO REFORM LAW

(By David S. Broder)

SAN FRANCISCO.—If the U.S. Supreme Court later this year finds substantial parts of the Federal Campaign Finance Reform Act of 1974 unconstitutional, as many lawyers think likely, the country is going to face some serious problems in the 1976 campaign.

Those problems and their possible remedies were one topic of discussion at a meeting here a week ago, sponsored by the American Bar Assn. As in the previous report on this subject (Times Editorial Pages, April 30), the views stated here are those of one participant only, and do not, as they saying goes, necessarily reflect those of others, or of the sponsoring organization.

The 1974 law has four major parts: strict disclosure requirements on the sources and uses of campaign cash, with a new enforcement agency; limits on individual and organizational contributions to federal campaigns; limits on overall spending for the House, the Senate and for President; and a provision of public funds for presidential candidates in the major parties who meet certain conditions.

All four areas are under challenge in a suit filed by politicians of the left and right, who charge discrimination against themselves, and by organizations concerned with the Frst Amendment limitations implicit in the act.

Depending on which provisions survive and which are tossed out by the courts, the rules of the game for 1976 campaign financing will be distorted.

If the public financing provisions are killed, for example, but the contribution and spending limits survive, presidential candidates may be strapped for the minimum cash needed to conduct an effective campaign. If public financing survives without spending limits, however, Treasury funds could contribute to a dollar battle that would make the excesses of 1972 seem modest.

There are just two of the possible perplexities that will confront Congress and the country on the eve of the 1976 campaign, if the case reaches the Supreme Court this autumn as expected.

Rather than scramble for an unsatisfactory remedy at that point, it would seem advisable to begin now to rethink the principles of campaign finance reform and face up to some of the issues that Congress so assiduously avoided last year in its rush to enact something it could label a "post-Watergate reform."

The weekend meeting here suggested several principles that deserve to be kept in mind in the almost inevitable reconstruction job:

—First, the direct role of the federal government should be kept as small as possible. We ignore at our peril the fact that, historically, the worst threat to freedom has come from the power of the state, not the influence of private interests. If, in trying to reduce the influence of private-interest money, we give government officials the power to decide who can compete effectively for public office, we risk something far worse than Watergate.

—A second principle, closely related, is that voluntarism should be encouraged, not barred, in our politics, including voluntary campaign gifts. Taken together, these two principles suggest that rather than the completely public-financed general election campaigns for the White House that this new law provides, public funds should be a minor part of the finance mix, if used at all.

—Third, in distributing funds, the government should be as neutral as possible. That principle, too, is violated in the existing law, which treats big contributors better than minor parties, and presidential contenders entirely differently from congressional candidates.

One solution would be for the government to provide certain "neutral" services, such as free mailings, for all candidates for federal office. Another would be for the allocation of public funds to be made by someone other than the government itself.

A mixed commission, including the leaders of the political parties, who are left in the cold by the existing law, would have a greater interest in maintaining political competition, through the use of public money, than would incumbent officeholders.

Another possibility, though an expensive and cumbersome one, would be to go to a voucher system, in which individual voters could distribute their government campaign contribution chips as they choose.

A system built on such principles, if linked to a law with strict and effective disclosure requirements, reasonable limits on private constributions and a waiver of the futile and undesirable effort to put a ceiling on campaign spending, might bring us closer to the goals of equity and stability, of competitiveness and openness, in our political system.

HOUSE OF REPRESENTATIVES—*Tuesday, May 6, 1975*

The House met at 12 o'clock noon.

Rev. John S. Farrar, First Baptist Church, Culpeper, Va., offered the following prayer:

O Lord Jesus Christ, we now join hearts to express a need for Thy presence and strength. Enter our human experience today: So to cleanse our hearts, to instruct our minds, and to direct our paths. Grant Thy grace to the end that we shall be men and women of true character, free from pretense and sham. In facing the issues before us today, enable us to reason and act as responsible representatives and to make decisions that advance the dignity of man. O Lord, save us from idle words and intemperate attitudes. In the name of Him who came to set men free, we do our work and to Him we yield our lives. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 25) entitled "An act to provide for the cooperation between the Secretary of the Interior and the States with respect to the regulation of surface coal mining operations, and the acquisition and reclamation of abandoned mines, and for other purposes."

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a concurrent resolution of the House of the following title:

H. Con. Res. 218. Concurrent resolution setting forth, on an aggregate basis only, the congressional budget for the U.S. Government for the fiscal year 1976.

THE REVEREND JOHN S. FARRAR

(Mr. ROBINSON asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. ROBINSON. Mr. Speaker, the opening prayer was offered today by the Reverend John S. Farrar, pastor of the First Baptist Church of Culpeper, Va.

It is a privilege to introduce Mr. Farrar to the House as a valued constituent of the Seventh Congressional District of Virginia, and I am grateful to Dr. Latch, our Chaplain, for his welcome of this energetic and dedicated clergyman.

My colleagues of North Carolina and Kentucky will be interested, particularly, in these few highlights of Mr. Farrar's career of Christian service:

He received his degree in Christian literature from Wake Forest University and then went on to graduate from Southern Baptist Theological Seminary, Louisville, Ky.

Prior to coming to Culpeper, Mr. Farrar served the South Side Baptist Church, Louisville, the New Hope Baptist Church, Earl, N.C., and the First Baptist Church, Boiling Springs, N.C. While in Boiling Springs, he also served as chaplain of Gardner-Webb College there and as assistant athletic coach.

In Culpeper, Mr. Farrar does not keep to his own pulpit and study. He is active in the life of the community and has engaged himself in numerous civic pursuits.

He has ranged forth to assist small rural churches as guest minister during revivals.

He is a man of good humor. I can recall a photograph printed on the front page of the Culpeper Star-Exponent early last year. Good-naturedly ludicrous in female garb, Mr. Farrar was caught by the cameraman while taking part in a comic skit during the annual sweetheart banquet of his church.

Earlier this year, Mr. Farrar was invited to offer the opening prayer at a session of the Virginia House of Delegates. I am sure that legislative body—and this—have benefited from the sincerity of his prayers.

CALL OF THE HOUSE

Mr. WYDLER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present. Without objection, a call of the House is ordered.

There was no objection.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 179]

Abzug
Ambro
Barrett
Beard, Tenn.
Bergland
Burke, Calif.
Butler
Chisholm
Clay
Conyers
Derwinski
Diggs
Dingell
Dodd
Drinan
Eshleman
Evins, Tenn.
Ford, Mich.
Giaimo
Gonzalez
Hastings
Hébert
Heckler, Mass.
Hinshaw
Jarman
Jenrette
Johnson, Colo.
Landrum
Lent
McEwen
McKinney
Madden
Mann
Mink
Mitchell, Md.
Mollohan
Moore
Mosher
Pritchard
Rangel
Rinaldo
Risenhoover
Rodino
Rostenkowski
Scheuer
Shriver
Smith, Nebr.
Stanton, James V.
Teague
Udall
Wilson, Charles H., Calif.
Yatron

The SPEAKER. On this rollcall 380 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

HON. SHIRLEY N. PETTIS

Mr. RHODES. Mr. Speaker, I ask unanimous consent that the gentlewoman from California, Mrs. SHIRLEY N. PETTIS, be permitted to take the oath of office today. Her certificate of election has not arrived, but there is no contest and no question has been raised with regard to her election.

The SPEAKER. Is there objection to the request of the gentleman from Arizona.

There was no objection.

Mrs. PETTIS appeared at the bar of the House and took the oath of office.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

RAUL ALVAREZ RODRIQUEZ

The Clerk called the bill (H.R. 1387) for the relief of Raul Alvarez Rodriquez.

There being no objection, the Clerk read the bill, as follows:

H.R. 1387

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in the administration of the Immigration and Nationality Act, Raul Alvarez Rodriquez may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, and a petition filed in his behalf by Maria Francisca Rodriguez-Hernandez, a citizen of the United States, may be approved pursuant to section 204 of the Act and the provisions of section 245(c) of the Act shall not apply in this case: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GUADALUPE VILLEGAS-CANTU

The Clerk called the bill (H.R. 1388) for the relief of Guadalupe Villegas-Cantu.

There being no objection, the Clerk read the bill, as follows:

H.R. 1388

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Guadalupe Villegas-Cantu shall be held and considered to have been lawfully admitted to the United States for permanent residence on November 26, 1948, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to deduct one number from the total number of immigrant admissions authorized pursuant to the provisions of section 21(e) of the Act of October 3, 1965.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JACINTA ROQUE GONZALEZ LOPEZ

The Clerk called the bill (H.R. 1393) for the relief of Jacinta Roque Gonzalez Lopez.

There being no objection, the Clerk read the bill, as follows:

H.R. 1393

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Jacinta Roque Gonzalez Lopez may be classified as a Child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Mr. Joseph J. Armstrong, a citizen of the United States, pursuant to section 204 of the Act and the provision of section 245(c) of the Act shall not apply in this case: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

That, in the administration of the Immigration and Nationality Act, Jacinta Roque Armstrong-Perez may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Mr. and Mrs. Joseph J. Armstrong, a citizen of the United States and a lawfully resident alien, respectively, pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "For the relief of Jacinta Roque Armstrong-Perez."

A motion to reconsider was laid on the table.

JOSEPH HOFFMAN

The Clerk called the bill (H.R. 1408) for the relief of Joseph Hoffman.

There being no objection, the Clerk read the bill, as follows:

H.R. 1408

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Joseph Hoffman may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in his behalf by Bernard and Rose Hoffman, citizens of the United States, pursuant to section 204 of the Act: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STEVE P. REESE

The Clerk called the bill (H.R. 1510) for the relief of Steve P. Reese.

There being no objection, the Clerk read the bill, as follows:

H.R. 1510

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Steve P. Reese may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in his behalf by Mervin J. Reese, citizen of the United States, pursuant to section 204 of the Act and the provisions of section 245(c) shall be inapplicable in this case: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VICTOR HENRIQUE CARLOS GIBSON

The Clerk called the bill (H.R. 1553) for the relief of Victor Henrique Carlos Gibson.

There being no objection, the Clerk read the bill, as follows:

H.R. 1553

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212(a) (22) of the Immigration and Nationality Act, Victor Henrique Carlos Gibson may be issued a visa and be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that Act and the provisions of section 245(c) of the Act shall be inapplicable in this case: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this Act: *Provided further,* That nothing in this Act shall be construed to waive the provisions of section 315 of the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HENDRIKA KOENDERS LYNE

The Clerk called the bill (H.R. 1556) for the relief of Hendrika Koenders Lyne.

There being no objection, the Clerk read the bill, as follows:

H.R. 1556

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Hendrika Koenders Lyne shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper officer to deduct one number from the total number of immigrant visas and conditional entries which are made available to natives of the country of the alien's birth under paragraphs (1) through (8) of section 203(a) of the Immigration and Nationality Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PLOTEMIA MABANAG BARENG AND BASTIANA LILIAN MABANAG BARENG

The Clerk called the bill ((H.R. 1757) for the relief of Plotemia Mabanag Bareng and Bastiana Lilian Mabanag Bareng.

Mr. ROUSSELOT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

MARIA GILDA JIMINEZ-ALCALA

The Clerk called the bill (H.R. 2119) for the relief of Maria Gilda Jiminez-Alcala.

There being no objection, the Clerk read the bill, as follows:

H.R. 2119

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Maria Gilda Jiminez-Alcala (Maria Jilda Haro) shall be classified as a child within the meaning of section 101(b) (1)(F) of the Act, upon filing of a petition in her behalf by Angelina Haro a citizen of the United States pursuant to section 204 of the Act, and the provisions of section 245(c) of the Act shall be inapplicable in this case: *Provided,* That the natural parents or brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendments:

On page 1, line 4, strike out the names "Maria Gilda Jiminez-Alcala (Maria Jilda Haro)" and substitute the name "Maria Gilda Haro".

On page 1, beginning on line 6, after the words "of the Act," strike out the remainder of line 6, and the language on line 7 through the words "of the United States" and substitute in lieu thereof the following: "upon approval of a petition filed in her behalf by Angelina Haro and Anastacio Haro-Cardenas, a citizen of the United States and a lawfully resident alien, respectively".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "For the relief of Maria Gilda Haro."

A motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the Private Calendar.

CONGRATULATIONS TO MRS. PETTIS ON HER ELECTION TO CONGRESS

(Mr. SCHULZE asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. SCHULZE. Mr. Speaker, let me take this opportunity to congratulate Mrs. PETTIS on her election to Congress and, as president of the 94th Republican Club, to welcome her to our ranks. There have been two special elections since last November, and Republicans have won both of them. We are batting 1,000 percent.

Of our freshman Republican class, there are Representatives from the North, South, East, and now we have a Representative of the Western United States.

Our class is composed of Members of varying backgrounds and experience, but I venture to say that none is comparable to that of our newest Representative. She has been involved in the political and legislative process for nearly 10 years and has, during that time, developed associations and expertise that would be hard for any of us to match.

I speak for all of us in the 94th Republican Club in welcoming Mrs. PETTIS to our ranks, and I look forward to a long association with her in working to achieve the goals of our party and our Nation. The people of the 37th Congressional District of California have chosen well, and I am sure that Representative PETTIS' contribution will be great.

PERMISSION FOR SUBCOMMITTEE ON MANPOWER, COMPENSATION, HEALTH AND SAFETY TO SIT TOMORROW DURING PROCEEDINGS OF THE HOUSE

Mr. DOMINICK V. DANIELS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Manpower, Compensation, Health and Safety be permitted to sit tomorrow, May 7, during consideration of legislation on the floor of the House.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

DEATHS OF FORMER SENATOR KENNETH KEATING AND JOSEPH CARDINAL MINDSZENTY

(Mr. HORTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HORTON. Mr. Speaker, I take this occasion to announce to the House of Representatives that it is my intention to take a special order next Tuesday afternoon following the regular business in order to pay tribute to my good friend and colleague, who passed away yesterday and who was a close personal friend of the Members of this House, Ken Keating, who served for so many years in this House.

Mr. Speaker this is the second consecutive day on which has fallen to me the sad duty of announcing to my colleagues the death of a man who has meant a great deal to this Nation. This morning Josef Cardinal Mindszenty passed away in Vienna, Austria, at the age of 83. Cardinal Mindszenty was more than a martyr to freedom, and much more than a spiritual leader. He was, and continues to be after his death, the symbol of unity and freedom for the Hungarian Nation and its people. Cardinal Mindszenty is sorely missed by the thousands of Hungarian refugees who were welcomed to our Nation 19 years ago in the wake of the 1956 revolution against Soviet tyranny. I know that those Members of this House who had the privilege of meeting the Cardinal 1 year ago this week here at the Capitol will miss him as well. He is a man whose memory will be preserved in the annals of freedom forever.

WELCOME TO NEW CONGRESSWOMAN SHIRLEY PETTIS

(Mr. GOLDWATER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOLDWATER. Mr. Speaker, the gravity of our responsibility, the burden of our task calls upon each of us to carry our share of the load in this body. I am often amazed that under the stress, the politics, or the pressure of this body that cooperation is the result, a helping hand is the spirit, and lasting friendships are built.

We all strive to do our best for the people we represent.

And in that framework, Mr. Speaker, I must observe that the quality of the laws we enact is greatly determined by the quality of men and women who are elected.

Mr. Speaker, we are indeed fortunate, in that regard, that the people of the 37th Congressional District have sent Shirley N. Pettis to represent them here.

I join with my colleagues in welcoming her and wishing her well in her efforts.

PROVIDING FOR CONSIDERATION OF H.R. 4510, FOREIGN SERVICE BUILDINGS ACT, 1926

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 410 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 410

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4510) to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations. After general debate, which shall be confined to the bill and hall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from New York (Mr. Delaney) is recognized for 1 hour.

Mr. DELANEY. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. Del Clawson) pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 410 provides for an open rule with 1 hour of general debate on H.R. 4510, a bill amending the Foreign Service Buildings Act of 1926.

H.R. 4510 transfers authority between geographic areas in order that supplemental appropriations may be obtained to complete the Property Exchange Agreement of February 4, 1975 between the United States and Egypt. H.R. 4510 does not provide for an authorization and there will be no new costs incurred as a result of the enactment of this bill.

H.R. 4510 transfers a total of $6,915,000 from the African, American Republics, European, and East Asia accounts to the Near East and South Asia accounts.

Mr. Speaker, H.R. 4510 was reported from the Committee on International Relations with a unanimous vote. I urge the adoption of House Resolution 410 in order that we may discuss, debate, and pass H.R. 4510.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this rule provides for 1 hour of general debate on H.R. 4510, the Foreign Service Buildings Act amendments. The bill will be open to all germane amendments.

The primary purpose of H.R. 4510 is to transfer authority between geographic areas so that supplemental appropriations may be obtained to complete the property exchange agreement of February 4, 1975, between the United States and Egypt.

The capital account used to cover the acquisition of properties at present has an unused balance of $7,046,000. However, the amount available for use in the Near East and South Asia is only $86,000. This bill would transfer existing authorization from other regions to the Near East and South Asia.

Mr. Speaker, there is no new cost to this legislation since it only transfers existing authorizations.

Mr. Speaker, I urge adoption of this rule.

Mr. DELANEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 5810, FOREIGN SERVICE BUILDINGS ACT, 1926

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 411 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 411

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5810) to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from New York (Mr. Delaney) is recognized for 1 hour.

Mr. DELANEY. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. Del Clawson), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 411 provides for an open rule with 1 hour of general debate on H.R. 5810, a bill to amend the Foreign Service Buildings Act of 1926.

H.R. 5810 authorizes a total of $94,685,000, with $23,085,000 being allocated for capital improvements and $71,600,000 for operating expenses. The funds are to be used for the purchase, construction, major alteration, and long-term leasing of buildings overseas that are necessary for the operations of the Department of State and certain other Federal agencies. The areas covered in the bill include Africa, the American Republics, Europe, East Asia, South Asia, and the Near East.

Also included in the authorization is $3,745,00 for facilities for the United States Information Agency and $420,000 for facilities for agricultural and defense attaché housing.

Mr. Speaker, I urge the adoption of House Resolution 411 in order that we may debate and discuss H.R. 5810.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as previously explained, House Resolution 411 provides for the consideration of H.R. 5810, the Foreign Service Buildings Act amendments. This

Mr. Speaker, as previously explained, House Resolution 411 provides for the consideration of H.R. 5810, the Foreign Service Buildings Act amendments. This rule provides for 1 hour of general debate and that the bill shall be open to all germane amendments.

The bill provides a total authorization of $94,685,000; $23,085,000 for the capital account covering the acquisition of properties and $71,600,000 for the operating account covering maintenance, operation and alteration of properties, for fiscal 1976 and 1977.

Mr. Speaker, I urge the adoption of this rule and the bill.

Mr. DELANEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

TO PROVIDE FOR ADDITIONAL STAFF ASSISTANCE FOR THE LEADERSHIP

Mr. HAYS of Ohio. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 413 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 413

Resolved, That (a) subject to the provisions of subsection (b), effective March 1, 1975, there shall be two additional employees in the office of the Speaker of the House of Representatives and one additional employee in the office of the minority floor leader.

(b) The annual rate of compensation for the individuals employed under subsection (a) shall not exceed the annual rate of basic pay of level IV of the Executive Schedule of section 5316 of title 5, United States Code, and until otherwise provided by law such compensation shall be paid from the contingent fund of the House.

Sec. 2. That (a) subject to the provisions of subsection (b), effective March 1, 1975, there shall be one additional employee in the office of the majority floor leader, the minority floor leader, the Democratic caucus, and the Republican conference of the House of Representatives.

(b) The annual rate of compensation for any individual employed under subsection

(a) shall not exceed the annual rate of basic pay of level V of the Executive Schedule of section 5316 of title 5, United States Code, and until otherwise provided by law such compensation shall be paid from the contingent fund of the House.

SEC. 3. Effective March 1, 1975, there shall be paid out of the contingent fund of the House of Representatives a lump sum amount for salaries and expenses for the offices of each of the following officials or organizations of the House of Representatives the following per annum amounts: the office of the Speaker, $30,000; the majority whip, $50,000; and the minority whip, $50,000; and for clerical assistance in the offices of the Democratic caucus, $30,000; and the Republican conference, $30,000; and the amounts provided herein, together with amounts otherwise authorized, shall be the authorized amounts until otherwise provided by law.

SEC. 4. Effective March 1, 1975, the two statutory clerk positions authorized by Public Law 89-545, dated August 27, 1966, in the office of the minority floor leader are hereby abolished, and the lump sum amount for salaries and expenses for the office of the minority floor leader shall be increased by $45,494.89 to equal that of the majority floor leader; and such increased amount shall be paid from the contingent fund of the House of Representatives until otherwise provided by law.

SEC. 5. The provision of this resolution shall continue in effect until otherwise provided by law.

Mr. HAYS of Ohio (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HAYS of Ohio. Mr. Speaker, I believe that I should explain briefly what the resolution pertains to, as I am sure the gentleman from Maryland (Mr. BAUMAN) was about to ask that question.

Mr. Speaker, House Resolution 413 provides for equal funding of an equal number of statutory positions in the office of the majority leader, the minority leader, and the whips' office.

I might say further that this resolution also provides that the Speaker shall be brought up to the standard number of statutory positions, so as not to be inferior to that of the office of the majority leader and minority leader, as it has been in the past.

The resolution also gives very limited support to the chairman of the Democratic Caucus and the chairman of the Republican Conference in clerical help.

Mr. BAUMAN. Mr. Speaker, would the gentleman from Ohio yield for a question?

Mr. HAYS of Ohio. Yes, I would be glad to yield to the gentleman from Maryland.

Mr. BAUMAN. These positions will be paid at the level of $36,000 a year in each instance, the top pay?

Mr. HAYS of Ohio. That would be the maximum pay. Not all of the positions would be at that statutory level, I might say to the gentleman from Maryland.

Mr. BAUMAN. How many persons at that level does each of these offices have, for instance, the Democratic Caucus?

Mr. HAYS of Ohio. The Democratic Caucus and the Republican Conference have none.

Mr. BAUMAN. They have none paid at that level?

Mr. HAYS of Ohio. That is right. This would give them one level V position each and a $30,000 allowance for all of the expenses, including stenographic, paper, ink, whatever.

Mr. BAUMAN. What would that bring the total staff number to in the Democratic Caucus?

Mr. HAYS of Ohio. That would really depend. They would have one person. My judgment is they would have one person plus one clerical person, certainly not more than two. One cannot get more than two at $30,000 and have any money left over for paper clips, stationery, and so on. It would give them a total of $66,000 and one level V position, which would use up $30,000.

Mr. BAUMAN. The same would be granted to the Republican Conference?

Mr. HAYS of Ohio. Yes, sir.

Mr. BAUMAN. Considering the total of these four different offices involved, did the committee in any way come up with a cost figure of additional space or clerical help that might be necessary?

Mr. HAYS of Ohio. I can just tell the gentleman what we did in the way of bodies, and if he wants me to, I will run over it: Two additional positions at level IV for the Speaker's office, and level IV carries a salary of $38,000; in the majority leader's office, one additional level V position. That carries a salary of $36,000; in the minority leader's office, one position at level IV actually, and one position at level V, and a lump-sum allowance of $45,495, which would seem that we gave the minority leader more than we did the majority leader, but we abolished two positions at a lower level in the majority leader's office, so that his office and the minority leader's office are equal.

To the majority whip and the minority whip we gave a lump-sum allowance of $50,000, each to be used to hire whatever people they need at whatever salary they determine.

Mr. BAUMAN. The total cost of the resolution would be what?

Mr. HAYS of Ohio. The total cost of the resolution is $468,680.

Mr. BAUMAN. About a half million dollars altogether?

Mr. HAYS of Ohio. Yes.

Mr. BAUMAN. I thank the gentleman for his explanation.

Mr. HAYS of Ohio. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

FOREIGN SERVICE BUILDINGS ACT, 1926

Mr. HAYS of Ohio. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4510) to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations.

The SPEAKER. The question is on the motion offered by the gentleman from Ohio.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 4510, with Mr. DANIELSON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Ohio (Mr. HAYS) will be recognized for 30 minutes, and the gentleman from Alabama (Mr. BUCHANAN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Ohio (Mr. HAYS).

Mr. HAYS of Ohio. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I will try to be brief about this. This bill does not cost the taxpayers anything. It is a bill which permits the transferral of funds within the Buildings Division of the Department of State. Actually, in the long run it will save money because instead of spending dollars, although for bookkeeping purposes we have to transfer these funds, the total effect of the bill will be in the Arab Republic of Egypt, and we will use American-owned local currencies for the purpose of the bill. What we have to do, of course, is buy those currencies from the Department of the Treasury, so it is really a bookkeeping transaction. Dollars that have already been appropriated will be transferred to the Treasury, and the Treasury will release the currency of the United Arab Republic.

A little history is in order. This really is brought about by the transfer, which was called in the paper a gift.

It was not a gift of the American Embassy residential property in Cairo, which we bought and never fixed up and used. The United Arab Republic demolished the building and they are building a new presidential residence on the site. President Sadat made it clear he was willing to exchange property of equal value with the United States for that so-called gift at the time of President Nixon's visit.

The Deputy Under Secretary of State for Foreign Buildings and I visited in Cairo a couple of days and looked at property selected and approved the selection in principle. The exchange was negotiated and I believe we got value received in a very equitable amount for our property and we are gaining in return several pieces of property which we will find useful in addition to those properties for which we must pay a small amount of money to the United Arab Republic. I think it was a good deal for us and I think it was a good deal for them. I am satisfied we could not find another use for this local currency and it is acquiring property we need for property which we could not use.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I notice in both reports dealing with this legislation under the title, "Inflationary Impact," the committee makes the statement—

> The funds spent on land and buildings by the United States in foreign countries is

an investment. In the past considerable profits have been realized by the United States from the sale of such property.

The committee is to be commended for that. But can the gentleman tell us how much was made on the transaction involving buildings in Vietnam and Cambodia in the last 2 weeks?

Mr. HAYS of Ohio. The gentleman is making a ridiculous request.

Mr. BAUMAN. I am serious.

Mr. HAYS of Ohio. The gentleman is not serious at all. The gentleman and I both know it, but if the gentleman wants to get specific about places where we did make money I will talk about it, but I will not engage in exercises in idiocy.

Mr. BAUMAN. The gentleman is aptly qualified to judge idiocy.

Mr. HAYS of Ohio. And the gentleman has a great deal of dealings with people who deal in that too.

Mr. BUCHANAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 4510 provides a reallocation of authority between geographic areas to provide primarily for the purchase and renovation of certain properties in Cairo as a part of the Property Exchange Agreement between the United States and Egypt.

In my opinion, the Cairo properties are a good investment, as is the whole Foreign Service buildings program. It was pointed out in the subcommittee hearings that since 1926, the Department has spent $292.2 million for land, construction, and improved properties. With major and minor improvements, there is a total investment of $344.7 million. Yet, the estimated value of these properties is now between $1.5 and $2 billion.

I urge approval of H.R. 4510.

Mr. GUYER. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Ohio.

Mr. GUYER. Mr. Chairman, I thank the gentleman for yielding.

I wonder if I could direct a question to the gentleman from Ohio (Mr. Hays). First of all, I think the gentleman has done an admirable job in the stewardship of these properties, having served with the gentleman on the committee in this last session.

I would like to have the gentleman give a statement as to how we came out with the 1 acre of ground we sold off the Embassy property in Tokyo.

Mr. HAYS of Ohio. If the gentleman will yield, I do not have on the top of my head what we paid for it but it was about $1 million. The General Accounting Office criticized the committee and the Building Division for not selling it 10 years ago. The committee told the Buildings Division not to sell it until the Division got a signal from the committee. We decided about a year and a half ago that the real estate market probably was near its peak. We suggested they advertise and they did accept sealed bids, and for that piece of property we got $55 million plus 4 years free occupancy while we are building a new building. Incidentally, the new property will cost $10 million.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I regret that I was unable to phrase my question in a manner acceptable to the gentleman from Ohio; but I was honestly soliciting information about the amount of money we lost in buildings in two instances, South Vietnam and Cambodia. This must have been an appreciable loss to the State Department. I wonder if the gentleman could respond.

Mr. BUCHANAN. Yes. We will provide that information. I am advised that we had invested in property in South Vietnam under the foreign service buildings program approximately $5.1 million. There was no U.S. Government-owned property under the foreign service buildings program in Cambodia. I will say to the gentleman that I do not know if we have disposed of the Saigon properties. We might offer them to former President Thieu for $70 million in gold.

Mr. BAUMAN. An interesting solution.

Mr. HAYS of Ohio. Mr. Chairman, I have no further requests for time.

Mr. BUCHANAN. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (g) of section 4 of the Foreign Service Buildings Act, 1926 (22 U.S.C. 295) is further amended—

(1) in subparagraph (1)(A), by striking out "$2,190,000" and inserting in lieu thereof "$850,000";

(2) in subparagraph (1)(B), by striking out "$375,000" and inserting in lieu thereof "$240,000";

(3) in subparagraph (1)(C), by striking out "$4,780,000" and inserting in lieu thereof "$682,000";

(4) in subparagraph (1)(D), by striking out "$2,585,000" and inserting in lieu thereof "$1,243,000"; and

(5) in subparagraph (1)(E), by striking out "$3,518,000" and inserting in lieu thereof "$10,433,000".

Mr. HAYS of Ohio (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. Are there any amendments? If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Danielson, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4510) to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SYMMS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 389, nays 2, not voting 42, as follows:

[Roll No. 180]

YEAS—389

Abdnor
Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Clancy
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Diggs
Dingell
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gilman
Ginn
Goldwater
Gradison
Grassley
Green
Gude
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McDonald
McEwen
McFall
McHugh
McKay
Macdonald
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds

Melcher
Metcalfe
Meyner
Mezvinsky
Michel
Mikva
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman
Patten
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Quie
Quillen
Railsback
Randall
Rees
Regula
Reuss
Richmond
Riegle
Risenhoover
Roberts
Robinson
Roe
Rogers
Roncalio
Rooney
Rose
Rosenthal
Roush
Rousselot
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Seiberling
Sharp
Shipley
Shuster
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Sullivan
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—2

Goodling
Jacobs

NOT VOTING—42

Brown, Calif.
Butler
Chisholm
Clausen, Don H.
Conyers
Dickinson
Dodd
Esch
Ford, Mich.
Gibbons
Gonzalez
Hastings
Heckler, Mass.
Hinshaw
Jones, Ala.
Jones, Okla.
Landrum
Lent
McKinney
Madden
Milford
Mink
Mollohan
Moore
Mosher
Pritchard
Rangel
Rhodes
Rinaldo
Rodino
Rostenkowski
Roybal
Sebelius
Shriver
Stanton, J. William
Stanton, James V.
Teague
Ullman
Van Deerlin
Vander Jagt
Wiggins
Yatron

So the bill was passed.

The Clerk announced the following pairs:

Mr. Madden with Mr. Jones of Alabama.
Mr. Roybal with Mr. Butler.
Mr. Rostenkowski with Mr. Gibbons.
Mr. Teague with Mr. Landrum.
Mr. Rodino with Mr. Milford.
Mr. Van Deerlin with Mr. Don H. Clausen.
Mr. Rangel with Mr. Hastings.
Mr. Ford of Michigan with Mr. Dickinson.
Mrs. Chisholm with Mr. Brown of California.
Mr. Dodd with Mr. Esch.
Mrs. Mink with Mrs. Heckler of Massachusetts.
Mr. Mollohan with Mr. Lent.
Mr. Jones of Oklahoma with Mr. Moore.
Mr. James V. Stanton with Mr. Mosher.
Mr. Ullman with Mr. Hinshaw.
Mr. Yatron with Mr. Rinaldo.
Mr. Conyers with Mr. Gonzalez.
Mr. Wiggins with Mr. Shriver.
Mr. Vander Jagt with Mr. Sebelius.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FOREIGN SERVICE BUILDINGS ACT, 1926

Mr. HAYS of Ohio. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5810) to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations.

The SPEAKER. The question is on the motion offered by the gentleman from Ohio (Mr. HAYS).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5810), with Mr. DANIELSON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Ohio (Mr. HAYS) will be recognized for 30 minutes, and the gentleman from Alabama (Mr. BUCHANAN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Ohio (Mr. HAYS).

Mr. HAYS of Ohio. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 5810 is the biannual authorization act for the Department of State's foreign buildings.

The State Department currently maintains 270 posts abroad which encompass:

Two hundred and thirty-five office buildings; 198 residences for Ambassadors and other principal officials; 395 residences for other officers and attachés; 226 other single or duplex residential buildings—an aggregate of 1,905 apartments—and 183 other buildings such as warehouses and garages.

The above represents a capitalization of $344.7 million. This bill will result in increases in additional appropriations of $8,340,000 in fiscal 1976, and $5,460,000 in fiscal 1977 for the operating account. This account in local currencies will show a $230,000 increase in fiscal 1976, and a $460,000 increase in fiscal 1977. The bill will result in an additional appropriation in capital account of $13,925,000 for fiscal 1977. It must be noted that no requests for additional appropriations in this account were made by the Department of State for fiscal 1975 and fiscal 1976. In local currencies in capital account there will be an increase of $5,485,000 in fiscal 1976 and a reduction of $4,310,000 in fiscal 1977.

The bill authorizes $51,730,000 to be appropriated for the purchase, construction, major alteration, and long-term leasing of buildings overseas that are necessary for the operations of the Department of State and certain other Federal agencies. The Office of Foreign Buildings Operations of the Department of State administers them, and some other housing needs for other Government agencies, and for military attachés abroad.

As a matter of fact, Mr. Chairman, a good deal of the costs that will be in the capital account for new buildings will be from foreign currencies and the dollar amount, as one can see in the report, is rather small.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Chairman, on page 6 of the committee report accompanying the bill H.R. 5810, and I might add that the same language was found in the report accompanying H.R. 4510 the bill that we just passed, the inflationary impact statement indicates that expenditures in foreign countries to implement Foreign Service buildings are "in the nature of an investment," and "in the past, considerble profits to the United States have been realized from the subsequent sale of such property."

Mr. Chairman, that statement is rather like a breath of spring; I like it. My question is: Does the gentleman from Ohio know generally how much money has been invested under this program, and what the dollar amount of "considerable profits" means? In other words, how much have we realized in profits from this program?

Mr. HAYS of Ohio. Mr. Chairman, the amount invested over the years is roughly $344,700,000, as I said earlier. The present appraisals, and they are not this year's appraisals, but some of them go back several years—and I am sure the value has increased—the present appraisal is approximately $1.5 billion for the property we own. So we have had an appreciation in their value.

Let me point out to the gentleman from Ohio that if I had my way, and the committee had its way, and we could persuade the Bureau of the Budget not to be pennywise and pound foolish, that we would be building more buildings rather than fewer.

I would like to give the gentleman from Ohio an example. In some of the newly emerging African nations we are renting buildings where we are paying in 4 years what it would cost us to build an equivalent building. We are paying 25 percent each year of the cost of the building.

Also I had an experience a few years ago in one of the Latin American countries where I found that the United States Government had negotiated a lease on a building belonging to a brewery. This was a 24-story, brand-new building, and we had leased 16 floors of this building for 5 years, and where we were going to pay this company more than the building cost. In other words, for the use of two-thirds of the building we are paying in 5 years more than they invested in the building.

I raised an awful fuss about it, and as a result we got some money approved by the Bureau of the Budget. We got it appropriated. We built a building down there which we figured will have a life of a minimum of 50 years for the amount of money we are paying for rental for 5 years. In other words, we cut our investment down, the annual cost, divided by 10.

What I have tried to get these people at the Bureau of the Budget to do is to release some of these funds for building and reduce the rental outlays that we are paying all around the world. They are terrific.

Mr. WYLIE. Will the gentleman yield further?

Mr. HAYS of Ohio. Yes.

Mr. WYLIE. I think it is commendable that the United States has been able to show a considerable profit from this program, but what disposition is made of these "considerable profits" after they have been realized from the sale of Department of State real property?

Mr. HAYS of Ohio. Sometimes they go directly into the Treasury, and I am sure they do not make a very big splash there, and sometimes we get the Bureau of the Budget to allow the Department to retain them and to use them for capital improvements. That is what I would like to see them do all the time, especially over the next 3 or 4 years, because in the past the thing would have been almost self-sustaining, and more so if they would have allowed that to happen.

Mr. WYLIE. Will the gentleman yield further?

Mr. HAYS of Ohio. Surely.

Mr. WYLIE. I cannot reconcile the figures in the bill and in the report on page 2 where it indicates that the authorization levels sought by this bill are $23,085,000 for the capital program and $71,600,000 for operating expenses; and then it says:

> The bill authorizes $51,730,000 to be appropriated for the purchase, constructions, . . .

The gentleman has indicated a little earlier that the bill authorizes appropriations in the amount of $13 million for capital improvements.

Mr. HAYS of Ohio. I think I can explain this. It is a rather complicated system of bookkeeping. These authorizations for capital programs are expenses sometimes out of dollar accounts, because we cannot always get local currency, and sometimes out of local currency accounts. The operating budget, of course, is what we have to pay for rent, repairs, and things of that kind. That is why we have two figures there. But, again, we will pay a good part of this out of local currency, and we cannot break it down in the report because actually it is carried on the books of government as a dollar expenditure.

What happens, for example, is as in the bill just passed where in Egypt we will pay the Egyptians in Egyptian pounds, but it has to be carried in a dollar transfer because over in the Department of the Treasury they make the Department of State give them dollars out of their appropriations, and then they release pounds. The dollars never leave the United States, but it is carried on the books as a dollar expense.

Mr. WYLIE. I think I understand what the gentleman is saying. Will the gentleman tell me, then, exactly how much new money is authorized to be appropriated in American dollars?

Mr. HAYS of Ohio. The amount in American dollars, as nearly as we can anticipate—and, again, I say to the gentleman, sometimes we cannot give certain items in local currency. For example, on plumbing, if one builds a new building, most of the plumbing equipment comes from this country, most of the telephone equipment comes from this country, the switchboard, and so on, and as near as we can tell, it will be about $23,085,000 to be appropriated for 1976 and 1977 in the dollar account.

Mr. WYLIE. I thank the gentleman for his explanation.

Mr. BUCHANAN. Mr. Chairman, I yield myself whatever time I may consume.

Mr. Chairman, I rise in strong support of H.R. 5810 which amends the Foreign Service Buildings Act.

The distinguished subcommittee chairman, the gentleman from Ohio (Mr. HAYS), has already reviewed the basic details of the legislation. However, I would like to emphasize that this program, under his leadership, not only has compiled a record of efficient management of properties located at 270 posts around the world, but has actually made money for the United States through farsighted investment in land and buildings.

H.R. 5810 would provide a 2-year authorization for fiscal years 1976 and 1977. A total of $23,085,000 is recommended for the capital program and $71,600,000 for operating expenses during the 2-year period.

As the committee report noted, the Office of Foreign Buildings Operations of the Department of State administers the office requirements and some of the housing needs of other civilian government agencies and of military attachés abroad. As a result, the sums contained in this bill are intended to meet the requirements of many agencies other than the Department of State.

Mr. Chairman, this program not only serves our government agencies in an effective manner overseas, it also makes money for the taxpayers. I urge its approval.

Mr. HAYS of Ohio. Mr. Chairman, I yield myself 1 additional minute.

I think I would be remiss if I did not say just a word of commendation for the Deputy Assistant Secretary, Mr. Ralston, and his staff in the Foreign Buildings Division, who really bird dog this problem all the time and try to see that the taxpayers get a real break in the way they manage the operation. I think they deserve a word of commendation from me. I know their operation intimately.

Mr. BUCHANAN. Mr. Chairman, if the gentleman will yield, I think the committee would be unanimous in that word of commendation.

Mr. HAYS of Ohio. I thank the gentleman.

Mr. BUCHANAN. Mr. Chairman, I have no further requests for time.

Mr. HAYS of Ohio. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Foreign Service Buildings Act, 1926 (22 U.S.C. 295), is amended—

(1) by redesignating subsection (h) as subsection (i) and by inserting immediately after subsection (b) the following new subsection:

"(h) In addition to amounts authorized before the date of enactment of this subsection, there is authorized to be appropriated to the Secretary of State—

"(1) for acquisition by purchase or construction (including acquisition of leaseholds) of sites and buildings in foreign countries under this Act, and for major alterations of buildings acquired under this Act, the following sums—

"(A) for use in Africa, not to exceed $865,000 for the fiscal year 1977;

"(B) for use in the American Republics, not to exceed $2,450,000 for the fiscal year 1977;

"(C) for use in Europe, not to exceed $6,725,000 for fiscal year 1977;

"(D) for use in East Asia, not to exceed $875,000 for the fiscal year 1977;

"(E) for use in the Near East and South Asia, not to exceed $8,005,000, of which not to exceed $3,985,000 may be appropriated for the fiscal year 1976;

"(F) for facilities for the United States Information Agency, not to exceed $3,745,000, of which not to exceed $2,800,000 may be appropriated for the fiscal year 1976; and

"(G) for facilities for agricultural and defense attaché housing, not to exceed $420,000 for the fiscal year 1977; and

"(2) for use to carry out the other purposes of this Act for fiscal years 1976 and 1977, $71,600,000, of which not to exceed $32,840,000 may be appropriated for fiscal year 1976."; and

(2) by striking out paragraph (2) of subsection (i) as so redesignated by paragraph (1) of this Act and inserting in lieu thereof the following new paragraph:

"(2) Not to exceed 10 per centum of the funds authorized by any subparagraph under paragraph (1) of subsections (d), (f), (g), and (h) of this section may be used for any of the purposes for which funds are authorized under any other subparagraph of any of such paragraph (1).".

Mr. HAYS of Ohio (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. There being no amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DANIELSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 5810) to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations, pursuant to House Resolution 411, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. FREY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 392, nays 9, not voting 32, as follows:

[Roll No. 181]

YEAS—392

Abzug
Adams
Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Badillo
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blanchard
Blouin
Boggs
Boland
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis
de la Garza
Delaney
Dellums
Dent
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Downey
Downing
Drinan
Duncan, Oreg.
Duncan, Tenn.
du Pont
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Foley
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gradison
Grassley
Green
Gude
Guyer
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Harkin
Harrington
Harris
Harsha
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Hechler, W. Va.
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Holtzman
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jacobs
Jarman
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Keys
Kindness
Koch
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Lehman
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Long, Md.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McHugh
McKay
McKinney
Macdonald
Madigan
Maguire
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Metcalfe
Meyner
Mezvinsky
Mikva
Miller, Calif.
Miller, Ohio
Mills
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patman
Patten
Patterson, Calif
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Preyer
Price
Quie
Quillen
Railsback
Randall
Rees
Regula
Reuss
Rhodes
Richmond
Riegle
Risenhoover
Roberts
Robinson
Roe
Roncalio
Rooney
Rose
Rosenthal
Roush
Rousselot
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Satterfield
Scheuer
Schneebeli
Schroeder
Schulze
Sebelius
Seiberling
Sharp
Shipley
Sikes
Simon
Sisk
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
Spellman
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Stuckey
Studds
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Thompson
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
Whalen
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wirth
Wolff
Wright
Wydler
Wylie
Yates
Young, Alaska
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zeferetti

NAYS—9

Abdnor
Goodling
Hansen
Ketchum
McDonald
Pressler
Shuster
Steiger, Ariz.
Symms

NOT VOTING—32

Brown, Calif.
Chisholm
Conyers
Dodd
Flynt
Ford, Mich.
Gonzalez
Hagedorn
Hastings
Hinshaw
Landrum
Lent
Madden
Michel
Milford
Mink
Mollohan
Moore
Mosher
Pritchard
Rangel
Rinaldo
Rodino
Rogers
Rostenkowski
Roybal
Shriver
Skubitz
Sullivan
Teague
Vander Jagt
Yatron

So the bill was passed.

The Clerk announced the following pairs:

Mr. Flynt with Mr. Teague.
Mr. Ford of Michigan with Mr. Milford.
Mrs. Mink with Mr. Vander Jagt.
Mr. Roybal with Mr. Skubitz.
Mrs. Sullivan with Mr. Lent.
Mr. Rostenkowski with Mr. Hastings.
Mr. Rogers with Mr. Rinaldo.
Mr. Rodino with Mr. Hagedorn.
Mr. Madden with Mr. Moore.
Mrs. Chisholm with Mr. Gonzalez.
Mr. Brown of California with Mr. Mosher.
Mr. Conyers with Mr. Yatron.
Mr. Dodd with Mr. Hinshaw.
Mr. Mollohan with Mr. Michel.
Mr. Rangel with Mr. Landrum.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HAYS of Ohio. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the two bills just passed.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PERSONAL EXPLANATION

Mr. BURLESON of Texas. Mr. Speaker, I am not recorded on rollcall No. 177. I was present and I did vote aye as my statement indicates.

EMERGENCY LIVESTOCK CREDIT

Mr. YOUNG of Texas. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 419 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 419

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1236) to extend and amend the Emergency Livestock Credit Act of 1974, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Agriculture now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and all points of order against section 1(g) of said substitute for failure to comply with the provisions of clause 5, rule XXI and against section 2 of said substitute for failure to comply with the provisions of clause 7, rule XVI are hereby waived. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentleman from Texas (Mr. YOUNG) is recognized for 1 hour.

Mr. YOUNG of Texas. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Ohio (Mr. LATTA), a member of the Committee on Rules, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 419 provides an open rule with 1 hour of general debate for consideration of S. 1236, a bill to amend the Emergency Livestock Credit Act of 1974. The rule provides that the committee amendment in the nature of a substitute shall be considered as an original bill for the purpose of amendment and waives points of order in two instances:

First. Points of order against section 1(g) of the substitute are waived for failure to comply with the provisions of clause 5, rule XXI, the rule prohibiting appropriations in a legislative bill. Section 1(g) provides for a transfer of funds which could be considered a violation of this rule; and

Second. Points of order are also waived against section 2 of the substitute for failure to comply with the provisions of clause 7, rule XVI, the germaneness rule. Section 2 amends the Consolidated Farm and Rural Development Act and may not be germane to the original committee bill.

The main purpose of S. 1236 is to assist in meeting the critical credit needs of the livestock producers of the Nation.

The bill amends the Emergency Livestock Credit Act of 1974, as follows:

First. The Secretary is permitted to use the Federal Financing Bank as a service agency to provide a secondary market for the guaranteed portions of emergency livestock loans;

Second. The amount of principal and interest that the Secretary may guarantee is increased from 80 to 90 percent;

Third. The period of time for loan repayment is extended from the current not more than 3 years, with a renewal of 2 additional years, to a period not in excess of 7 years;

Fourth. The termination date of the act is extended to December 31, 1976;

Fifth. The discretionary authority of the Secretary is broadened as to the amount and kind of collateral he may accept to protect the Government's interests; and

Sixth. The amount of guaranteed loans is changed from a total of $250,000 to a "line of credit" of $250,000.

Mr. Speaker, I urge the adoption of House Resolution 419 in order that S. 1236 may be considered.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this rule provides for 1 hour of general debate on S. 1236, emergency livestock credit, and that the bill shall be open to all germane amendments under the 5-minute rule. In order to preserve the normal amending process, the rule makes the committee substitute in order as an original bill for the purpose of amendment.

Mr. Speaker, this rule contains two waivers of points of order. First, points of order are waived against section 1(g) of the committee substitute for failure to comply with clause 5, rule XXI, which is the rule that prohibits appropriations on a legislative bill. And, second, points of order are waived against section 2 of the committee substitute for failure to comply with the provisions of clause 7, rule XVI, which is the rule on germaneness.

The purpose of S. 1236 is to extend and amend the Emergency Livestock Credit Act, enacted on July 25, 1974. The act expires on July 25, 1975, unless the Secretary of Agriculture extends it 6 months under his discretionary authority.

S. 1236 increases the amount of principal and interest that the Secretary may guarantee from 80 to 90 percent.

This bill changes the time for loan repayment—from not more than 3 years with a renewal of not more than 2 additional years—to a period not in excess of 7 years.

The bill also changes the amount of loans which may be guaranteed from total loans not to exceed $250,000 to a line of credit not to exceed $250,000.

Mr. Speaker, the committee report states that since this is a relatively new guaranteed loan program, it is not possible to state what the losses by reason of default will be, and that administrative expenses cannot be determined at this time.

I urge the adoption of the rule and the passage of the bill.

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Speaker, I thank the gentleman for yielding.

I want to state that when the bill came up nearly 8 months ago, it did call for $2 billion of credit for the cattle producers. After approximately 8 months, of the $2 billion, less than $250 million have been utilized.

I am going to offer an amendment on this bill reducing the amount of our commitment from $2 billion to $1 billion. Considering the economic condition of our country today I do not feel that we should commit $1 billion more than I believe we need.

Mr. YOUNG of Texas. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. BERGLAND. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate bill (S. 1236) to extend and amend the Emergency Livestock Credit Act of 1974, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Minnesota (Mr. BERGLAND).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate bill S. 1236, with Mr. MEEDS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Minnesota (Mr. BERGLAND) will be recognized for 30 minutes, and the gentleman from Illinois (Mr. MADIGAN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Minnesota (Mr. BERGLAND).

Mr. BERGLAND. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the bill before you, S. 1236, as amended, is a relatively simple and noncontroversial piece of legislation.

The bill as reported by the committee—

First. Amends the Emergency Livestock Credit Act of 1974 as follows:

Permits the Secretary to use the Federal Financing Bank as a service agency to provide a secondary market for the guaranteed portions of emergency livestock loans. The purposes of it is to extend the availability of credit under this loan program;

Increases the amount of principal and interest that the Secretary may guarantee from 80 to 90 percent;

Changes the period of time for loan repayment from not more than 3 years, with a renewal of not more than 2 additional years—to a period not in excess of 7 years;

Changes the amount of loans which may be guaranteed under this act from total loans not to exceed $250,000 to a "line of credit," or total principal balance, not to exceed $250,000;

Extends the termination date of the act from July 25, 1975—plus a 6-month extension beyond that at the discretion of the Secretary—to December 31, 1976, and provides that the amendments contained in this bill shall take effect on enactment;

Broadens the authority of the Secretary, if he wishes to exercise his discretion in the matter, as to the amount and kind of collateral he may accept as adequate to protect the Government's interests;

Permits the Secretary to utilize the agricultural credit insurance fund to pay the administrative expenses involved in carrying out the loan program authorized by the act; and

Adds a requirement that the Secretary shall report to the Senate and House Agriculture Committees annually with respect to the effectiveness of the act, and delineates certain information to be included in such report.

Second. Amends section 316 of the Consolidated Farm and Rural Development Act by providing that if two or more loans are consolidated and renewed, the renewal period shall be computed from the due date of the most recent loan that was obtained by the borrower.

The Department of Agriculture supports the substance of all of the amendments to the Emergency Livestock Credit Act of 1974 as they appear in S. 1236, as amended. The Department has some problems with section 2 of the amended version of the bill as reported by the Agriculture Committee which relate principally to form rather than substance.

In addition, the Treasury Department officials have no objection to provisions in the bill as they relate to the Federal Financing Bank.

The need for this legislation arose since enactment of the Livestock Credit Act of 1974 on July 25, 1974. Livestock prices have dropped even further than the point they had reached in mid-1974, and the financial stress on producers is now as great as if not greater than it was when the Livestock Credit Act of 1974 was passed.

Based on the testimony of representatives of the Agriculture Department, the cattle level in March 1975 is running at a near record level as a result of a 7-year growth period, while the food grain supplies are some 20 percent, and roughage supplies are some 10 percent, smaller than last winter. The slaughter of cattle has been at record levels since January, largely because of the inability of farmers to carry their cattle through the winter. Even so, departmental spokesmen expect the cattle inventory to remain at record levels; but, despite this, they do not expect cattlemen to be "in a clear-cut profit position for the rest of this year." There has been some recent improvement in fed cattle prices since cattle are now out on pastures and ranges. However, we have a record cow herd and most likely will have another record calf crop this year. The only relief that can help the cow-calf operators, that form the very foundation of the beef industry, is an increased demand for their product—feeder cattle. Basically such a turnaround will require higher prices for feeder cattle and lower feed costs.

In this deteriorating market we have seen the inventory value of cattle reduced by nearly 50 percent in recent months. The loss of equity and the expectation of a longer period of nonprofit operations calls for, if not demands, some liberalization of credit conditions for livestock producers through amendments to the Emergency Livestock Credit Act.

The extension of the Emergency Livestock Credit Act by Congress should serve as clear evidence to the financial community, especially rural bankers, of a commitment by the Government to a strong and viable livestock industry. The extension also comes at a time when the usefulness of the program to the cattle farmers and ranchers is being reflected in increased loan activity. For instance, Mr. Irwin, Assistant Secretary for Rural Development, testified that as of March 7, 1975, there were 1,811 borrowers that had $218.1 million in loans under the emergency livestock loan program. More recent figures from the Department, a mere 2 weeks later—March 21, 1975—indicate that there are 1,492 borrowers and $232.5 million in loans.

Given the testimony before the subcommittee that the economic plight of the cattle producers will undoubtedly continue through the year, the amendment of the Emergency Livestock Credit Act to permit repayments of loans in periods up to 7 years, in lieu of 3 years—with up to a 2-year renewal—will provide the Secretary with flexibility to provide farmers and ranchers emergency loans with a repayment schedule that allows the farmers to get on as sound a financial footing as possible before they are required to pay off the loans.

The amendment in the bill providing a "line of credit" to livestock farmers and ranchers up to $250,000 will, in the opinion of the committee, eliminate a certain amount of redtape and provide both the lender and the borrower with much needed flexibility in this program. The Department records indicate that as of January 1, 1975, 70 percent of the borrowers and 78 percent of the money loaned under the emergency livestock loan program involved the beef cattle business. Also, the testimony in the hearings indicated that the average loans to beef producers were running about $136,000. It makes sense to place these loans on a line-of-credit basis, where farmers and ranchers are constantly culling their herds and subsequently adding to them, such that where portions of loans are curtailed that borrowers need not go through the needless and time-consuming procedures of taking out new loans. Rural banks have traditionally handled their loans with implement dealers and others on this basis and, for purposes of efficient administration and flexibility, it appears advisable to place this program on a line-of-credit basis. The limit of $250,000, which Congress approved when it passed the Emergency Act in 1974, remains intact in this bill.

In order to strengthen the bill at the suggestion of the Department of Agriculture, at the proper time I plan to introduce an amendment to provide greater flexibility in secondary financing of loans made under this act.

No formal estimate of costs has been received from the Department of Agriculture. However, all loans are to be guaranteed; and, therefore, no direct costs to the Treasury are anticipated at this time. It should also be noted that the act will terminate December 31, 1976.

It is estimated that there will be no direct costs added to the administration of this program for fiscal year 1975. Moreover, it is not expected that the Secretary will incur any losses by reason of defaults on loans in fiscal year 1975. The Department was unable to estimate losses for future years, inasmuch as the emergency livestock loan program has not been in existence long enough to provide it with a basis for making loss estimates.

Mr. Chairman, I urge adoption of S. 1236.

The CHAIRMAN. The Chair now recognizes the gentleman from Illinois (Mr. MADIGAN).

Mr. MADIGAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the need for this amendment to the Emergency Livestock Credit Act of 1974 arises because: First, the operating experience with the act since its enactment demonstrates certain deficiencies which are corrected in this bill: second, rural banks are provided a method of selling the guaranteed portions of the livestock loans in a secondary market so as to permit the banks to meet the other credit demands placed on them; third, certain practical problems have arisen under the act, such as those involving the reduction or curtailment of loans where cattle herds are culled and sales result in a decline in the amount of collateral. The line-of-credit provision in this bill will improve on this situation and place livestock ranchers in loan positions with rural bankers such as implement and farm feed dealers have traditionally had over the years; and fourth, the cattle inventory as of March 1975, is at a 7-year high despite a large slaughter rate since January of this year, and industry spokesmen expect cattle inventories to remain at record levels at least through 1975. Thus, the credit needs of livestock producers, contemplated in the enactment in July, 1974, of the Emergency Livestock Act of 1974, will continue if not be increased.

This bill as reported by the committee is largely, if not totally, without controversy, and I urge your support and favorable vote to effect its passage by the House.

I yield 5 minutes to the ranking minority member of the Committee on Agriculture, the gentleman from Virginia (Mr. WAMPLER).

Mr. WAMPLER. Mr. Chairman, I rise in support of S. 1236.

This bill will bring some needed changes in the Livestock Loan Act of 1974, which I also supported when it was before the House.

That act was designed to provide credit assistance to hard pressed livestock producers through a guaranteed loan program under which 80 percent of the risk of loss by private lenders was backed by the Federal Government. The total line of credit provided by that law was $2 billion, and its life was limited to the period ending July 25, 1975, with the Secretary having the option to extend the program for an additional 6 months. Under the act individual loans were limited to $250,000 each, and the repayment period was limited to 3 years with a 2-year extension.

After that legislation was signed into law, there was considerable delay in implementing the program and until recently it has not begun to bring the needed help to our livestock producers. At the time of the hearings on this bill, for example, there had been only 1,811 loans totaling $218 million. More recent figures show 1,942 borrowers and a total line of credit of $232.5 million, with loans now being processed at the rate of approximately $7 million per week.

In spite of the recent pickup of activity, the program still is only operating at about one-tenth of its total authorized level.

Thus, when the committee held hearings on this legislation, we sought ways to improve the existing law so as to make the program more effective while still protecting the Government from assuming the risk of bad loans.

In the course of its consideration of S. 1236, the committee improved the mechanics for the Federal Financing Bank to participate in a secondary mortgage market for these loans; it increased the Federal guarantee from 80 percent of loss to 90 percent of interest and principal; it extended the repayment period from a total of 5 years to 7 years; it kept the $250,000 loan ceiling, but allowed it to become a line of credit; it extended the life of the program to December 31, 1976; it permitted the Agricultural Credit Insurance Fund—ACIF—to pay needed administrative costs of the program; and it provided for a comprehensive report from the U.S. Department of Agriculture on the effectiveness of the program.

At the same time the committee rejected efforts to make the Government accept worthless securities as collateral for loans guaranteed by the program and gave the Secretary the clear discretionary authority in section 4 of the act as amended to protect the Government's interest as determined by the Secretary. Additional new language is included to permit, but not mandate that any depreciated security held by a borrower can be considered by the Secretary, but the acceptance of such securities is still the prerogative of the Secretary. I am confident that I reflect the view of the committee in saying that none of us wants the Government to underwrite loans that cannot in the judgment of the Secretary be repaid and that all loans guaranteed under the act carry the reasonable prospect of being repaid prior to the Federal cover being issued on them.

Therefore, Mr. Chairman, I believe the committee has worked out a good bill. It is a bill that is supported by the administration. It is a bill which is supported by the livestock industry and the agricultural community. It is a bill that deserves to be enacted into law, and it is needed to help in the production of livestock throughout the Nation.

Mr. BERGLAND. Mr. Chairman, I have no further requests for time, but I reserve the balance of my time.

Mr. MADIGAN. Mr. Chairman, I yield 2 minutes to the gentleman from Idaho (Mr. HANSEN).

Mr. HANSEN. Mr. Chairman, I rise in support of the legislation and generally endorse its objective and provisions. However, I believe it is important to clarify one key point, that of the limitation figure. The $250,000 limit provided in the existing law and continued in this proposed legislation is not realistic for many farm circumstances and has caused only limited use of the program. The other body has provided, with my assistance and encouragement, a limit of $500,000. I have attempted to have the same figure provided in this version before the House. However, it was not possible to gain USDA approval of this figure in timely enough fashion to get it included in this bill. I, nevertheless, have secured tacit consent from key USDA officials that they will not oppose a compromise in conference of the same limit as exists with the Small Business Administration loans—$350,000. This, I have found to be satisfactory with concerned agricultural interests. I will not attempt amendment of this legislation today in hopes that the conferees will understand the need for the $350,000 limitation and act accordingly. In this way will the combined family farm organization be able to utilize this program and the needs of agriculture be properly served.

Thank you, Mr. Chairman.

Mr. MADIGAN. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Chairman, as many of the Members will recall, it was nearly a year ago, actually in July of 1974, we had this bill on the floor. At that time by a vote of 210 to 204 this bill was passed. Now in the time that has elapsed since the loan program has been in effect, as we know, the producers have utilized less than $250 million of the $2 billion that was authorized.

It is my feeling at this time that if truly the emergency still exists——

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, did the gentleman say that the producers have only utilized $250 million?

Mr. PEYSER. That is correct.

Mr. JOHNSON of Colorado. The figure is correct, but the implication in the statement of the gentleman was they had not applied for more than that. As a matter of fact they have made applications for more, but because the language is restrictive in the bill, they have not been able to get their loans.

Mr. PEYSER. Part of what the gentleman is saying is true. The point I am making is that with the new legislation proposed today and in view of the economic situations in this country today, I am going to offer an amendment at the proper time that will reduce the $2 billion as proposed in this legislation to $1 billion. I feel this is perfectly reasonable at this time. If we see that the program and the need is so great that that $1 billion is used up, I think that then we can again reevaluate this program.

This is a bill that could move in and out of this committee very rapidly. There is no real problem here in bringing it out to the floor again, but I think we should not be in effect extending a line of credit at this time with the economic situations we are being faced with to the tune of $2 billion.

Mr. BERGLAND. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. Yes, I would be happy to yield to the gentleman from Minnesota.

Mr. BERGLAND. Mr. Chairman, I would like to correct what may have been a slip of the tongue. The bill does not change the authorized $2 billion limit. I think the gentleman suggested we amended that section, but we do not.

May I ask the gentleman a question. If the amendment of the gentleman were adopted, would the gentleman support the bill?

Mr. PEYSER. I did not mean to infer this was $2 billion additional requested in this legislation; however, if the $1 billion cut is accepted at this time and passed by the House, I would then, due to the previous action of the House, support this legislation.

Mr. BERGLAND. I thank the gentleman.

Mr. Chairman, I thank the gentleman for yielding to me.

Mr. MADIGAN. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan (Mr. RUPPE).

Mr. RUPPE. Mr. Chairman, I would like to ask a question of the chairman of the subcommittee, the gentleman from Minnesota (Mr. BERGLAND).

Mr. Chairman, I realize that the main purpose of this bill is to provide relief, in the form of guaranteed loans, to a great number of the Nation's farmers and ranchers who have been severely effected by our present economic problems.

But I would draw the House's attention to a situation in Michigan in which many ranchers are being forced out of business but for reasons other than pure economics, and I would welcome the gentleman's comments on whether they can expect to possibly benefit from this legislation.

In late 1973 and 1974, thousands of head of cattle, sheep, and swine were contaminated when the chemical polybrominated biphenyl, commonly known as PBB, was accidently added to their feed mixture. The Federal Food and Drug Administration established the tolerance level at three-tenths parts per million, and thousands of animals having a higher concentrate were destroyed. The owners of these animals are being compensated for their losses through an arrangement with the insurance companies for the feed producer and distributor.

However, animals tested and found to have PBB in their systems, but below the three-tenths per million level, have suffered severe physical effects. Cows abort; others lose weight despite normal feeding; other give no milk. Obviously something is wrong with these animals and it seems to be traced to the PBB. The owners do not know what to do—if they destroy them, they will not receive compensation but they are afraid to sell them on the market. So they are caught in a bind with no exit.

This legislation, I believe, will provide some assistance to those people. I believe at present there must be $1 of collateral put up for every dollar of guaranteed loan. This bill, and specifically the one provision which broadens the authority of the Secretary of Agriculture as to the amount and kind of collateral he may accept as adequate to protect the Government's interest, will provide some relief to the Michigan ranchers and livestock farmers. Many of them will undoubtedly have problems in obtaining operating funds for some considerable time; however, the emergency loan program which we amend today, could enable them to continue their operations in the meantime.

I would like to ask the gentleman, is it his understanding that this type of loan program would be available to the farmers whose livestock has suffered from PBB?

Mr. BERGLAND. Mr. Chairman, if the gentleman will yield, I will say that the gentleman from Michigan has discussed this matter with me. It is, of course, unfortunate that many of his producers were caught in circumstances certainly not of their own doing.

In discussing his problem with members of committee and the Department of Agriculture, the authorities who will be called upon to administer this, I am assured that this authority, if amended, will extend to those unfortunate producers of livestock in the gentleman's territory. Therefore, the answer is yes, it will benefit them.

Mr. RUPPE. I thank the gentleman for his comment, and certainly for his consideration.

Mr. PICKLE. Mr. Chairman, I rise in support of S. 1236, the Emergency Livestock Credit Act. It is obvious that the Emergency Livestock Act of 1974, which we passed last summer, has not aided the beleaguered industry to the extent that we hoped it would. As of March 21, 1975, only 1,942 borrowers had taken out loans totaling $232 million of the $2 billion available.

The livestock industry in Texas is encountering serious difficulties. In recent years, Texas had been the No. 1 beef-producing State. But recent figures indicate that Texas has 1,076,000 head in feedlots, a drop of 54 percent from 1974 totals. During February, Texans placed 134,000 animals on feed—a reduction of 47 percent from the previous year.

These figures make it abundantly clear that livestock producers are in a critical situation. There is a great disparity between the price the cattle producer receives and the price the consumer pays in the supermarket.

I recently polled my constituents and among the survey, I found this response very revealing. Only 1 percent of those replying to my questionnaire felt that the farmer or rancher was the cause of higher prices.

This industry is vital to our economic health of America. I urge support of S. 1236.

While the committee bill increases from 80 to 90 percent the amount of principle and interest that the Secretary may guarantee on loans, I think, under these very difficult times, that the guarantee should be 100 percent. Under the present law, the local banker just cannot participate in these loans, and the rancher cannot get much help at the 80 percent loss level. Consequently, not many loans were made. The bill we passed was not effective. Not many ranchers or farmers have been able to take part in the program.

I wish the committee had gone to a 100 percent level of loan guarantee, but the 90 percent is much better than the present law. I fully realize some might say that 100 percent would be a "bankers bailout" but I don't agree. It would give immediate and realistic help to farmers and ranchers and we need to help them now.

The bill is a definite improvement, but I wish it had gone further.

Mr. TRAXLER. Mr. Chairman, I would like to commend Chairman Foley and other members of the Committee on Agriculture for the truly excellent job they have done in reporting to the House an improved and extended Emergency Livestock Credit Act. The improvements in this program will make these emergency loans available to more farmers who badly need this support. This bill has my complete and total support.

This program, of course, is not a giveaway program but rather a guaranteed loan to enable those livestock producers who suffer from economic or other disasters beyond their control to temporarily finance their operations in order to stay in business. Extension and improvement of this act reaffirms the strong commitment of this Congress to a viable and healthy agricultural industry in America.

It is not the intent of this Congress to bail out individuals or businesses who suffer economically due to their own bad judgment or mismanagement. On the other hand, a great deal of the setbacks affecting members of the livestock industry were due to circumstances entirely beyond their control. An emergency loan program like this is designed to permit farmers to remain in business under such adverse conditions to insure a continued supply of agricultural products to the American consumer at reasonable prices.

For example, in my own State of Michigan a number of dairy herds were contaminated by a fire retardant called "PBB" due to errors in mixing feed last year. Although the negligent parties may ultimately have to compensate the victims as a result of legal actions, in the meantime many farmers have had to destroy their herds and try to rebuild their businesses. The availability of these emergency guaranteed loans would make it a whole lot easier for them to stay in business during a crisis like this.

Mr. Chairman, this revised and improved Emergency Livestock Credit Act will be the shot in the arm for the livestock and dairy industries and it has my complete support. This bill demonstrates once again the commitment to American agriculture that we have in this Congress.

Mr. BERGLAND. Mr. Chairman, I have no further requests for time.

Mr. MADIGAN. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read the committee amendment in the nature of a substitute printed in the bill as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Emergency Livestock Credit Act of 1974 is amended as follows:

(a) Subsection (b) of section 2 of said Act is amended by striking everything following the word "*Provided*" and inserting in lieu thereof "That the term 'legally organized lending agency' shall be deemed to include the Federal Financing Bank only to the extent that such Bank may hold the guaranteed portion of such loans.".

(b) Subsection (c) of section 2 of said Act is amended by striking everything after the word "Secretary" and inserting "to guarantee more than 90 per centum of the principal and interest on said loan.".

(c) Subsection (f) of section 2 of said Act is amended to read: "Loans guaranteed under this Act may be payable over a period of time as determined by the Secretary, but not to exceed seven years.".

(d) Subsection (a)(3) of section 3 of said Act is amended by deleting everything after the words "Provided, That" and inserting in lieu thereof "the total principal balance outstanding at any one time on loans guaranteed under this Act for any borrower shall not exceed $250,000;".

(e) Section 8 of said Act is amended to read as follows: "The provisions of this Act shall become effective upon enactment, and the authority to make new guarantees under this Act shall terminate on December 31, 1976.".

(f) Section 4 of said Act is amended to read as follows: "Loans guaranteed under this Act shall be secured by collateral adequate to protect the Government's interests, as determined by the Secretary: *Provided,* That the Secretary may accept collateral which has depreciated in value owing to temporary economic conditions and which in the opinion of the lender, together with his confidence in the repayment ability of the borrower, is adequate security for the loan.".

(g) Section 5 of said Act is amended by adding a new sentence at the end thereof stating, "Such fund may also be utilized to pay administrative expenses of the Secretary necessary to carry out the provisions of this Act.".

(h) Said Act is amended by adding at the end thereof the following new section 11:

"Sec. 11. The Secretary shall report to the Committee on Agriculture, United States House of Representatives, and the Committee on Agriculture and Forestry, United States Senate on or within one year of the date of the enactment of this section and annually thereafter with respect to the effectiveness of this Act. The Secretary shall be required but not limited to include in such report the number of loan applications submitted, the number and amount of loans approved, the financial situation facing cattlemen at the time of the report, the effect of this Act on the retail marketing of beef and on the farm-retail price spread of beef, and any recommendations he may have as to actions which can be taken to further decrease the price spread and to increase the consumption of beef."

Sec. 2. Section 316 of the Consolidated Farm and Rural Development Act is amended by striking the period at the end of the first sentence and inserting after the words "additional years" the following: "except that if two or more loans are consolidated the renewal period shall be computed from the due date of the most recent loan.".

Mr. BERGLAND (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The CHAIRMAN. Are there amendments?

AMENDMENT OFFERED BY MR. PEYSER

Mr. PEYSER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Peysfr: Page 4, line 21, after the word "adding" strike the phrase "a new sentence at the end thereof stating," and insert in lieu thereof the following: "deleting the figure '$2,000,000,000', and inserting in lieu thereof '$1,000,000,000', and by adding a new sentence at the end thereof stating,".

Mr. PEYSER. Mr. Chairman, this is the amendment that we have just spoken of.

Mr. BERGLAND. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I will be glad to yield to the gentleman from Minnesota.

Mr. BERGLAND. Mr. Chairman, we have examined the amendment offered by the gentleman from New York (Mr. Peyser). While it is true that $2 billion was authorized by law a year ago, only $300 million, or thereabouts, is committed now under the loan program. It is probable that not more than $1 billion would be committed under this authority. And so, while I have not spoken to all of the members of the committee on the Democratic side of the aisle, I have spoken to a number and, in my point of view, the amendment would be acceptable.

Mr. PEYSER. Mr. Chairman, I thank the gentleman for that indication.

I do not know if the gentleman on the Republican side has as yet reached that conclusion. It would be my hope that we would take this step. I think it shows a good intent of the Congress to take the steps necessary for the cattle producer and at the same time to be aware of some of the necessary economies our country is facing today.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I will be happy to yield to the gentleman from Illinois.

Mr. MADIGAN. Mr. Chairman, I thank the gentleman for yielding.

I have no objection to the amendment.

Mr. PEYSER. I am pleased that this

amendment has the support of both sides of the aisle. It is important that we take this step today. But cutting $1 billion from this program, we will not in any way affect the loan program, but we will reduce by a billion dollars the amount that the Treasury will have to borrow this year. That is certainly a very significant amount of money. It represents an awareness on the part of the Members that we must be aware of the size of the Federal deficit and structure our priorities accordingly. This amendment will cut the Federal deficit by $1 billion without hampering the operation of the program, and I hope that all the Members will support it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. PEYSER).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BERGLAND

Mr. BERGLAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BERGLAND: Strike out subsection (g), section 1, page 4, line 21 through page 5, line 2, and insert in lieu thereof the following:

"(g) Section 5 of said Act is amended by adding the following language: 'Such fund may also be utilized to pay administrative expenses of the Secretary necessary to carry out the provisions of this Act. The Secretary in his discretion is authorized to use the funds from the Agriculture Credit Insurance Fund to purchase, on such terms and conditions as he may deem appropriate, the guaranteed portion of any loan made pursuant to amendments to this Act and to pay such expenses and fees incident to such purchases.'."

Mr. BERGLAND. Mr. Chairman, this amendment merely adds one additional sentence to the language amending section 5 of the Emergency Livestock Credit Act of 1974.

Section 2 of the Emergency Livestock Act is amended in this bill so as to permit the Secretary to use the Federal Financing Bank as a service agency to provide a secondary market for the guaranteed portions of emergency livestock loans.

When the committee considered the bill, it was thought that the language amending section 2 was giving the Secretary a second option for permitting the sale of the guaranteed portion of livestock loans in the secondary market through the Federal Financing Bank. However, subsequent to the committee reporting the bill, as amended, Agriculture Department representatives—mainly its Office of General Counsel—reached the conclusion that the additional sentence, which this amendment would add to section 5 of the act, was needed to permit the Secretary to purchase from lenders or holders—mainly rural bankers—the guaranteed portion of the livestock loans. The Secretary could, if this amendment were adopted adding the additional sentence, use the Federal Financing Bank as the vehicle for obtaining secondary financing.

For those who may wish to have a more detailed explanation, I offer you the following:

FmHA considers that there are two options available for the secondary approved financing of the emergency livestock loans.

Under either option regulations would provide for split notes to evidence the indebtedness. One or more notes would be for the guaranteed portion of the loan, and it is anticipated this would be held by the original lender. The original lender is responsible for all servicing including loan collection and distribution of both principal and interest payments, delinquency action, and liquidation should that be required.

Under the first option, FmHA would not be involved in the secondary market. The original lender would sell the guaranteed portion of a loan in the private market. The guaranteed portion of the loan would remain fully guaranteed to the secondary holder. By guaranteeing principal and interest as would be permitted by S. 1236, rather than a percentage of loss as is the case under existing law, a debt instrument is available resulting in a marketable security for the original lender. The original lender could sell the guaranteed portion at whatever discount mutually agreed upon between him and the secondary holder, or the FmHA could make purchases from original lender or the holder of such paper based on such terms and conditions as provided in regulations issued by the agency.

Under the second option, the secondary market could be provided or assisted by FmHA. The original lender or holder could sell the guaranteed portion of such loans as were made under this act to the FmHA, under such terms and conditions as would be determined by the Secretary. The FmHA would form a pool of these notes. It would then issue certificates of beneficial ownership which would subsequently be sold to the Federal Financing Bank. The FmHA would accept payment of principal and interest during the term of such loan from the lender in the same manner as a private secondary holder.

The language in the amendment provides full discretionary authority to the Secretary and to the agency—FmHA—with regard to its activity as a secondary holder and authorizes him to establish such discount rates, terms and conditions which he deems appropriate. It is anticipated that the agency would have the option to engage or not to engage in secondary marketing-type activities and that the degree of activity could be adjusted through the use of varied discount rates in the offer to purchase the guaranteed portion of such notes. This would provide the agency sufficient latitude to be responsive to changing economic, market, and policy conditions.

It makes great sense to me to insure that his second option is available for the sale of these livestock loans in the secondary market. The Agriculture Department endorses this language. My colleague, Mr. Madigan, on the other side of the aisle endorses it. I endorse it as does Chairman FOLEY. And, were this language to have been submitted to the committee, I am sure it would have been added there for the committee believed at the time it considered this matter that it was achieving the result of a two-option secondary market.

Representatives of the Department of Agriculture have assured the committee that there is no additional direct cost to the Government in the event that this amendment is adopted.

I submit that this is a noncontroversial amendment, and I strongly urge its adoption.

Mr. GILMAN. Mr. Chairman, I rise in support of this Emergency Farm Credit measure and of the amendment proposed by the gentleman from Minnesota (Mr. BERGLAND).

I am sympathetic to the farm problems recited by my colleague from Minnesota since the vegetable growers in my congressional district, the 26th Congressional District of the State of New York, have also been suffering, since Hurricane Agnes of 1972, primarily due to a lack of adequate financing available under existing statutes and under the present regulations of the Farm Home Administration.

Many of the vegetable growers in my district own large type family farms. Because they have suffered a disaster and because their indebtedness exceeds the unrealistic $300,000 limitation on indebtedness imposed by the Department of Agriculture, they have nowhere to turn in order to maintain their farms.

I commend the gentleman from Minnesota and his committee for their concern for helping our Nation's farmers by bringing forth this measure. The gentleman's committee is presently studying a measure to extend disaster relief and long-term loans for larger-type family farms. I urge the gentleman and his subcommittee to act just as expeditiously and favorably on that disaster loan legislation so that we can help the larger farmers throughout our Nation meet the problems and obligations arising out of natural disasters.

Without prompt legislative assistance, we may very well lose a substantial segment of our farm economy.

Mr. Chairman, I urge my colleagues not only to support this measure but to join my efforts to improve our disaster farm loan programs.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota (Mr. BERGLAND).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. JEFFORDS

Mr. JEFFORDS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JEFFORDS: Strike out commencing on page 5, line 22, immediately after the word "following:" everything through page 6, lines 1 and 2, and insert in lieu thereof the following: "except that, at the request of the borrower and subject to the approval of the Secretary such loans may be consolidated once, without reference to whether they may have been renewed, and scheduled for payment over a period not to exceed 10 years. If loans are consolidated the maturity period shall be computed from the date of the consolidation, and the amount of unpaid principal of the prior loans so consolidated shall not create a new charge against any loan levels as authorized by the Congress."

Mr. JEFFORDS. Mr. Chairman, as mentioned by the gentleman from Minnesota (Mr. BERGLAND) in earlier debate, the administration raised questions on the wording of section 2. This amendment is offered to remove that concern and to clarify the language of section 2 of the Senate bill, S. 1236, so that it better represents the original intent. The intent is to allow the FmHA to consolidate and amortize subsequent repayment of farm operating loans over a period of not to exceed 10 years from the date of consolidation.

This would not only be to the benefit of the borrower, it would help the FmHA to solve their administrative difficulties by eliminating much of the loan backlog.

The original language ties the payment period to the due date of the most recent loan. The present language thus may or may not be of benefit in individual cases depending upon the loan dates. By using a 10-year repayment period from the date of consolidation, we will have terms which would benefit the most borrowers.

My amendment also eliminates the problem in the original language which might have charged the consolidated total against the loan levels for the year of consolidation, even though this loan total had already been charged against previous years' ceilings. My amendment says that no new charge for the unpaid principal of prior loans would be made against any congressionally authorized loan levels.

This amendment was worked out with the cooperation of the appropriate committees, and the administration.

I urge its adoption.

Mr. BERGLAND. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Vermont (Mr. JEFFORDS).

Mr. Chairman, the gentleman from Vermont has discussed this amendment with me, and other Members on this side of the aisle. The amendment does not alter the substance of the committee's action, it merely clarifies it, and it is an improvement, in our opinion.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Vermont (Mr. JEFFORDS).

The amendment was agreed to.

Mr. ASHBROOK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would merely like to take this time so as to ask the sponsors of the bill, for the record, what they consider to be temporary.

When the bill was passed the floor manager said that the proposed legislation would act as a temporary Government guaranteed loan program to aid livestock producers who would otherwise not have access to the temporary emergency financing, to see them through this hardship period.

Mr. Chairman, I wonder if there could be some indication as to "temporary."

I notice the bill says December 31, 1976, which, of course, shoves it ahead almost a year and a half from the original date that was anticipated.

I wonder if the gentleman from Minnesota could shed some light on this particular point that I think many of us are wondering about, insofar as the temporary program gradually becomes a permanent program.

Mr. BERGLAND. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I will be glad to yield to the gentleman from Minnesota.

Mr. BERGLAND. Mr. Chairman, the Emergency Livestock Credit Act was enacted on July 25 of 1974 to terminate 9-years after passage with up to a 6-month extension at the discretion of the Secretary of Agriculture. This amendment would extend the authority of this act to December 31, 1976.

At the time we considered the original proposal back in June and July of last year, it was anticipated that the financial crunch being visited upon the livestock producers would be temporary in nature, and that within a year and a half we would have overcome this slump in our economy with respect to animal agriculture, and that the producers would be able once again to go on with their production. But unfortunately we misjudged the market. The market has continued to be off, and as a consequence that we thought it necessary to go along with this insurance authority for one additional year. We have placed a cutoff on December 31, 1976, and the question as to whether or not this would be considered for extension beyond that time, I presume, could not be answered until we know more fully what happens in the livestock industry.

Mr. ASHBROOK. I thank the gentleman for that appraisal, which I feel is accurate and candid.

I think the point would still be raised and questioned by the gentleman from Ohio, and that is the use of the word "temporary" and the use of the word "emergency"—how often something temporary in a time of emergency becomes permanent in a time that is not an emergency. I would merely raise that question at this point. I assume a year from now we will be looking back upon this debate, again questioning whether it is a hardship period and whether the emergency continues.

I thank the gentleman for his response.

Mr. ASHBROOK. Mr. Chairman, I am always somewhat reluctant to establish a new Federal program. Once such a program is started it seems to develop a life all of its own. No matter what happens or how many years may pass it just goes on and on and on.

Unfortunately S. 1236 seems to be another example of what I am talking about. On July 16, 1974, the House adopted the Emergency Livestock Credit Act. I emphasize the use of the word "emergency" in the title of this legislation. The floor manager of the bill told us:

> The proposed legislation would establish a *temporary* Government-guaranteed loan program to aid livestock producers who would otherwise not have access to *temporary emergency* financing to see them through this hardship period. (Emphasis added.)

Well, the majority of the House apparently bought this argument. The bill finally adopted provided for a loan guarantee authority of 1 year and repayment of the loan within 3 years, with a renewal of not more than 2 additional years.

It is now more than 9 months later and it looks like this "temporary emergency" is still with us. In fact, we are being asked to extend the termination date of the act from July 25, 1975, to December 31, 1976. We are also being asked to change the time for loan repayment from 3 years to 7 years.

Where will this stop? It looks to me like the Federal Government may soon be in the business of permanently subsidizing the livestock industries. This is a far cry from the temporary duration on which the bill was originally sold.

I urge my colleagues to vote against an extension of this act. Let us not make a temporary Federal program into a permanent one.

AMENDMENT OFFERED BY MR. BROWN OF MICHIGAN

Mr. BROWN of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. BROWN of Michigan: On page 3 following line 14 insert a new subsection as follows:
>
> (a) Subsection (a) of Section 2 of said act is amended by striking the period at the end of said subsection and inserting after the word "turkeys" the following: "including dairy cattle raised and maintained for the primary purpose of marketing dairy products"; and redesignate the following subsections accordingly.

Mr. BROWN of Michigan. Mr. Chairman, the reason that I offer this amendment has been already brought to the attention of the committee by my colleague, the gentleman from Michigan (Mr. RUPPE). Last year when the original legislation was enacted, I had a colloquy on the floor with our former member, the gentleman from Iowa, (Mr. MAYNE). At that time I thought we had clearly established legislative history that this legislation, this loan guarantee program, would be applicable and would be available to dairy farmers in Michigan who had suffered substantial economic loss due to the contaminated feed problem, the so-called PBB problem.

However, since that time it has been brought to my attention many times that a different intrepretation has been made of the law by the Farmers Home Administration with respect to loans to these dairy farmers. Technically, if we read the language of the bill of last year, I suppose such an argument could be made. Let me refer to that language and read it over with the Members.

The language in section 2(a) says:

> The Secretary of Agriculture is authorized and directed to provide financial assistance to bona fide farmers and ranchers who are primarily and directly engaged in agricultural production—

and then follow the key words—

> —for the purpose of breeding, raising, fattening, or marketing livestock.

Then further on in that same subsection the sentence appears:

> For purposes of this act, the term "livestock" shall mean beef cattle, dairy cattle, swine, sheep, goats, chickens, and turkeys.

Then if we drop down to Section 3, subsection (2), referring to the conditions under which the Secretary may guarantee loans, it says:

> The loan applicant is directly and in good faith engaged in agricultural production, and the financing to be furnished the loan ap-

plicant is to be used for purposes related to the breeding, raising, fattening, or marketing of livestock.

It is clear that dairy farmers are primarily interested in the production of dairy products. They do not raise their dairy cattle primarily for the purpose of breeding, raising, fattening, or marketing of livestock. So to make certain that the ambiguity in the law is cleared up, I offer this amendment to become part of the law, even though I think that our colloquies of the past and of today by the gentleman from Michigan, Mr. Ruppe, should have clarified the Congress intention insofar as this language is concerned. I trust that it will be acceptable by both my colleagues on the majority side and the minority side.

Mr. WAMPLER. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Virginia.

Mr. WAMPLER. I thank the gentleman for yielding.

Mr. Chairman, the amendment offered by the distinguished gentleman from Michigan (Mr. Brown), certainly is acceptable to me. The earlier colloquy, I think, between the gentlemen from Michigan (Mr. Ruppe) and the distinguished gentleman from Minnesota (Mr. Bergland) clearly establishes that the legislative history permits dairy farmers to participate in this program.

It would further be my understanding that those dairy farmers in the State of Michigan who had the misfortune to have their cattle involved in the so-called PBB contamination could participate in this program as well. That is my understanding and the gentleman's amendment I think just simply fortifies that position.

Mr. BROWN of Michigan. I thank the gentleman for his comments.

Mr. BERGLAND. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Minnesota (Mr. Bergland).

Mr. BERGLAND. Mr. Chairman, the gentleman has discussed this proposition with us and he has correctly quoted the law. At the time the law was enacted we intended that the dairymen should be covered. His amendment does not broaden the bill. It merely clarifies it. We would have no objection.

Mr. BROWN of Michigan. I thank the gentleman.

Mr. RUPPE. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Michigan (Mr. Ruppe).

Mr. RUPPE. Mr. Chairman, I thank the gentleman for offering this amendment. I think it covers the same thrust I and my colleague, the gentleman from Michigan, reached a few moments ago, but certainly we would be happy to have it in the legislation. It too could be practically of benefit to those farmers who have had this problem thrust on them through the PBB problem. Those farmers who have had less than three-tenths parts per million just would not get any type of financial assistance to replenish their herd and they would no longer be productive without the amendment offered by my colleague. I thank him for it.

Mr. WYLIE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time to ask the distinguished chairman of the subcommittee a question or two.

On July 16, 1974, the House very narrowly passed a bill entitled the "Emergency Livestock Credit Act of 1974" by a vote of 210 to 204. At that time the Secretary of Agriculture, and I think the administration generally, was opposed to the bill on the ground that it was special interest legislation and favored only one segment of agriculture.

I understand the administration has changed its position, or at least the Secretary of Agriculture has indicated that he has no objection to this bill which is before us today, although it is more liberal in certain of its aspects, more liberal certainty in the loan guarantee provision which goes from 80 percent to 90 percent of the amount of the guarantee.

The gentleman from Iowa who was just in the well said this is a soft loan bill, and, indeed, it is. A lender would not hesitate to give a loan where 80 or 90 percent of the loan value is guaranteed. But, can the gentleman tell me if he knows why the apparent change in the position of the Secretary of Agriculture? I thought the Secretary of Agriculture and the administration made sense in their position back on July 16, 1974. I wonder if the gentleman could explain to me why I should change my "nay" vote then to an "aye" vote today?

Mr. BERGLAND. Mr. Chairman, if the gentleman will yield?

Mr. WYLIE. I am glad to yield to the gentleman.

Mr. BERGLAND. I cannot speak for the Secretary in these matters, but I do know when we held public hearings, the Department of Agriculture was represented by Assistant Secretary William W. Erwin, FmHA Administrator Frank Elliot, and other important authorities who spoke in favor of the amendments encompassed in this bill. I do not know what has caused the Department to change its position and endorse the extension of the amendments we have recommended. Perhaps the gentleman from Illinois could be more specific than I.

Mr. WYLIE. Mr. Chairman, I yield to the gentleman from Illinois (Mr. Madigan).

Mr. MADIGAN. Mr. Chairman, the only observation I could make would be the Secretary's position at that point in time in 1974 probably reflected the position of the then President of the United States. Since that time we have had a new President, who is on record as a Member of Congress as having supported this kind of legislation.

Mr. WYLIE. Mr. Chairman, I thank the gentleman for his answer. That change did not occur to me.

Could it be the fact that we have had some experience under the Emergency Livestock Credit Act of 1974? What has been the experience? I think the gentleman from Minnesota said earlier that there have been some loans made pursuant to the Emergency Livestock Act of 1974 and thus there have been no defaults under the repayment program.

Mr. BERGLAND. If the gentleman will yield, so that I may respond, as of the 30th day of April, 1975, there were 2,360 producers who had loans guaranteed under this authority in amounts aggregating $277,856,160.

As the gentleman is aware, this program does not entail any interest subsidies. The moneys are provided by the private market. This bill would facilitate the loan program, particularly in the area providing secondary markets so that these instruments can be merchandised through the Federal Financing Bank which should improve bank liquidity.

Smaller banks are frequently limited to the extent to which they have access to major lines of credit. While there are some who wonder why there had not been more activity than this 277 million, in testimony presented to the subcommittee, we were convinced that the changes we recommended will enable the program to work more effectively and will, in fact, be able to provide credit to those who very badly need it but have been denied it for a variety of reasons.

Mr. WYLIE. Mr. Chairman, what the gentleman is saying is that he expects that there will be no defaults on these loans, or at least not any considerable number of defaults, so that the Federal Government will really not have to pay off the lenders.

I understand the money will come from the private sector, but if there is a default on a loan, the U.S. Congress will have to appropriate taxpayers' money to make up any loan default up to 90 percent of the loan. Is that not correct?

Mr. BERGLAND. If the gentleman will yield further, he is, of course, correct. However, in the Farmers Home Administration and its predecessor agencies, which have been in existence since the early 1930's, the loss ratio in insured and guaranteed direct loan program is less than 1 percent of the amount of credit extended. Succeeding Secretaries of Agriculture and administrators have done a reasonably good job in seeing to it that the loans are provided to those where there is a reasonable chance of repayment. I think the record speaks for itself.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan (Mr. Brown).

The amendment was agreed to.

Mr. SEBELIUS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to compliment the chairman of the subcommittee, the gentleman from Minnesota (Mr. Bergland), and the gentleman from Illinois (Mr. Madigan) for their fine work in taking amendments to the original bill, which we passed by the narrowest vote last year, as pointed out by the gentleman from Ohio, and with the proposed improvements make it a more viable bill. I think the amendments we have here are very good amendments.

My original feelings, when we had the first bill, were very skeptical. The American livestock industry has never asked for any kind of extra help, but they got themselves caught in a combination of Government interventions and circumstances.

Two years ago, the House tried to roll back prices. Then, we had a beef boycott by some ill-advised ladies. Then, we had some real ill-advised action on behalf of the administration in leaving the price freeze on beef to the point where it created a very abnormal situation, and the price of cattle started down. Then, we had the trucker strike the following January because of Government intervention, which again interfered in what would have been a normal situation.

By Government interference with the basic law of supply and demand the American livestock industry was pushed to a point where many have to get some extra help or go broke. I think the committee has responded to it. These are good amendments.

Mr. Chairman, the original Livestock Credit Act was to rescue livestock producers from bankruptcy as a result of the livestock market collapse produced in part by ill-conceived and discriminatory price controls. The original act has helped some stockmen to weather the storm but after 9 months it is apparent that the bill's objectives have not been realized.

The amendments in this bill provide a secondary market for the guaranteed portions of these loans to maintain liquidity in our rural banks, increase the loan guarantee to 90 percent, stretches out the repayment period to 7 years, and authorizes a $250,000 line of credit.

The livestock market has recovered dramatically in recent days. This is largely the result of decreased feeding as a result of the unprecedented decline in market prices and liquidation of producer holdings. To provide the necessary production to stabilize these markets at profitable levels, we need to provide the capital for the cattlemen and livestock producers who are unable to get the necessary funds to stay in business or expand production to capacity.

This bill will hopefully satisfy the credit need of destitute livestock producers and stabilize production. In short, this bill is in the interest of producers and consumers and I urge my colleagues to join me in supporting its passage.

Mr. MAHON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I represent a great feed grain area where hundreds of thousands of cattle have been fed in recent months and years. The legislation we passed last year was of practically no benefit to the great majority of those who had sustained severe losses as a result of the drop in prices in the beef market.

I assume that we all agree that it is in the best interest of the consumer that we have a large scale feeding industry in the United States.

This is good from the standpoint of the consumer, who needs the beef, and it is good from the standpoint of the farmer, who needs to sell the grain to fatten the beef.

Many people in my general area of northwest Texas have gone into bankruptcy and many others have lost large sums of money as a result of the catastrophic situation which has confronted the livestock industry for the past year or so. But many of those who have lost these large sums of money have not been eligible for assistance under this act because of certain administrative requirements as to what constitutes a bona fide farmer or rancher. Therefore, many bona fide farmers who might place large numbers of cattle in feedlots, but who do not earn 50 percent of their income from their livestock operation or spend 50 percent of their time in livestock production have not been eligible for loan assistance.

I realize the Federal Government does not have the capacity or the responsibility to bail out everybody who is in trouble, but if we are trying to promote the continued vitality of the livestock industry I feel we should make sure that the loan program covers all bona fide farmers and ranchers and this includes those who might keep their cattle confined in feedyards as well as in pastures.

Mr. Chairman, I would like to ask the distinguished chairman of the subcommittee, the gentleman from Minnesota, a few questions, if I might.

Mr. Chairman, does the gentleman feel that as a result of the hearings the committee has done the best it could do to be helpful to the farming and cattle industry in the bill which he has presented in the House today?

I well understand that the Department of Agriculture has opposed the expansion of this program to help a lot of people who are in the situation that many of the people in my district find themselves. Does this bill represent the limit of what can be done?

I feel it to be my responsibility to express the voice of many of my people in regard to the extraordinarily difficult situation in which many of the cattle feeders have found themselves.

What is the general reaction of the gentleman from Minnesota, to the problem which I have presented?

Mr. BERGLAND. Mr. Chairman, if the distinguished chairman of the Committee on Appropriations will yield, I might respond.

The subcommittee, in its consideration, met jointly with the Subcommittee on Livestock and Grains, as chaired by the distinguished gentleman from Texas (Mr. POAGE), and we received many recommendations as to how the program might be improved to make it more effective for those who do need some financial support. It had been recommended that we increase the loan limit from the current limitation of $250,000 to up to $500,000. The subcommittee felt that if we went that high we could exhaust the credit authority, and instead of going to that alternative, suggested to amend the law to go to the full $250,000 line of credit.

One of the problems was that the livestock producer might apply for a loan and pay off the loan in a matter of 2 weeks, and if he were to go back in the livestock business, which is customary in the gentleman's part of the United States, he might reapply.

Under these conditions, the producer will have up to a $250,000 line of credit at all times. He will always have that guarantee, provided all other requirements are met so far as the proper repayment of the loan, as determined by the Secretary of Agriculture.

Mr. MAHON. Mr. Chairman, I thank the gentleman. I commend the committee for undertaking to make the program we approved last year more effective, and I am sure there has been some liberalization here that will help some peole, but I must say that I am disappointed that it will probably not be of great assistance to some areas of the country including my own.

Mr. BERGLAND. Mr. Chairman, if the gentleman will yield, I might point out that in the State of Texas there had been 463 such loans approved, carrying $53 million, and it is in that State where I think we have seen more activity than any other State in the Union, for the reason that the gentleman has cited so eloquently.

Mr. MAHON. I thank the gentleman for his efforts to be helpful.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. MEEDS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the Senate bill (S. 1236) to extend and amend the Emergency Livestock Credit Act of 1974, and for other purposes, pursuant to House Resolution 419, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted in the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the Senate bill.

The Senate bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the Senate bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. JOHNSON of Colorado. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 363, nays 42, not voting 28, as follows:

[Roll No. 182]

YEAS—363

Abdnor
Addabbo
Alexander
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Ashbrook
Ashley
Aspin
AuCoin
Bafalis
Baldus
Barrett
Baucus
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bell
Bennett
Bergland
Bevill
Biester
Blanchard
Blouin
Boggs
Bolling
Bonker
Bowen
Brademas
Breaux
Breckinridge
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Casey
Cederberg
Chappell
Clancy
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corman
Cornell
Cotter
Coughlin
Crane
D'Amours
Daniel, Dan
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis
de la Garza
Dent
Derrick
Derwinski
Devine
Dickinson
Diggs
Dingell
Downing
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Eilberg
Emery
English
Erlenborn
Esch
Eshleman
Evans, Colo.
Evans, Ind.
Evins, Tenn.
Fenwick
Findley
Fish
Fisher
Fithian
Flood
Florio
Flowers
Flynt
Foley
Ford, Tenn.
Forsythe
Fountain
Fraser
Frenzel
Frey
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Goodling
Grassley
Green
Guyer
Hagedorn
Haley
Hall
Hamilton
Hammerschmidt
Hanley
Hannaford
Hansen
Harkin
Harsha
Hastings
Hawkins
Hayes, Ind.
Hays, Ohio
Hébert
Heckler, Mass.
Hefner
Heinz
Helstoski
Henderson
Hicks
Hightower
Hillis
Holland
Holt
Horton
Howard
Howe
Hubbard
Hughes
Hungate
Hutchinson
Hyde
Ichord
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kasten
Kastenmeier
Kazen
Kelly
Kemp
Ketchum
Keys
Kindness
Krebs
Krueger
LaFalce
Lagomarsino
Latta
Leggett
Levitas
Litton
Lloyd, Calif.
Lloyd, Tenn.
Long, La.
Lott
Lujan
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall,
McHugh
McKay
McKinney
Macdonald
Madigan
Mahon
Mann
Martin
Mathis
Matsunaga
Mazzoli
Meeds
Melcher
Meyner
Mezvinsky
Michel
Mikva
Milford
Mills
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nix
Nolan
Nowak
Oberstar
Obey
O'Brien
O'Hara
O'Neill
Ottinger
Passman
Patten
Patterson, Calif.
Pattison, N.Y.
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Pressler
Preyer
Price
Quie
Quillen
Railsback
Randall
Rees
Regula
Reuss
Rhodes
Riegle
Risenhoover
Roberts
Robinson
Rodino
Roe
Rogers
Roncalio
Rooney
Rostenkowski
Roush
Rousselot
Runnels
Ruppe
Russo
Ryan
St Germain
Santini
Sarasin
Sarbanes
Schneebeli
Schroeder
Schulze
Sebelius
Sharp
Shipley
Sikes
Simon
Sisk
Skubitz
Slack
Smith, Iowa
Smith, Nebr.
Snyder
Spellman
Spence
Staggers
Stanton, J. William
Stark
Steed
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stuckey
Studds
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thone
Thornton
Traxler
Treen
Tsongas
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vigorito
Waggonner
Walsh
Wampler
Waxman
Weaver
White
Whitehurst
Whitten
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wirth
Wright
Wylie
Yates
Young, Alaska
Young, Ga.
Young, Tex.
Zablocki

NAYS—42

Abzug
Adams
Ambro
Anderson, Calif.
Badillo
Biaggi
Bingham
Delaney
Dellums
Downey
Drinan
du Pont
Fascell
Gradison
Gude
Harrington
Harris
Hechler, W. Va.
Holtzman
Jacobs
Koch
Lehman
Long, Md.
McDonald
Maguire
Miller, Calif.
Miller, Ohio
Richmond
Rosenthal
Satterfield
Scheuer
Seiberling
Shuster
Solarz
Stanton, James V.
Stratton
Vanik
Whalen
Wolff
Wydler
Young, Fla.
Zeferetti

NOT VOTING—28

Boland
Chisholm
Conlan
Dodd
Ford, Mich.
Gonzalez
Hinshaw
Jarman
Jones, Ala.
Landrum
Lent
Madden
Metcalfe
Mink
Mollohan
Moore
Mosher
Patman
Pritchard
Rangel
Rinaldo
Rose
Roybal
Shriver
Sullivan
Teague
Thompson
Yatron

So the Senate bill was passed.

The Clerk announced the following pairs:

Mr. Madden with Mr. Patman.
Mr. Roybal with Mr. Jones of Alabama.
Mrs. Chisholm with Mr. Gonzalez.
Mr. Boland with Mr. Landrum.
Mr. Dodd with Mr. Metcalfe.
Mr. Rangel with Mr. Rinaldo.
Mr. Mollohan with Mr. Conlan.
Mr. Thompson with Mr. Lent.
Mr. Yatron with Mr. Jarman.
Mrs. Mink with Mr. Hinshaw.
Mr. Ford of Michigan with Mr. Moore.
Mr. Teague with Mr. Mosher.
Mr. Rose with Mrs. Sullivan.

The result of the vote was announced as above recorded.

The title was amended so as to read: "To amend the Emergency Livestock Credit Act of 1974 and Section 316 of the Consolidated Farm and Rural Development Act."

A motion to reconsider was laid on the table.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries, who also informed the House that on April 30, 1975, the President approved and signed a bill of the House of the following title:

H.R. 2808. An act to amend the joint resolution of July 18, 1939 (53 Stat. 1062), to provide for the acceptance of additional lands for the Home of Franklin D. Roosevelt National Historic Site, and for other purposes.

GENERAL LEAVE

Mr. BERGLAND. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill just passed (S. 1236).

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

APPOINTMENT OF CONFEREES ON CONCURRENT RESOLUTION ON THE BUDGET—HOUSE CONCURRENT RESOLUTION 218

Mr. ADAMS. Mr. Speaker, pursuant to clause 1 of rule XX and by direction of the Committee on the Budget, I move to take from the Speaker's table the concurrent resolution on the budget, House Concurrent Resolution 218, with a Senate amendment thereto, disagree to the Senate amendment, and request a conference with the Senate.

The SPEAKER. The question is on the motion offered by the gentleman from Washington (Mr. ADAMS).

The motion was agreed to.

The SPEAKER. The Chair appoints the following conferees: Messrs. ADAMS, WRIGHT, ASHLEY, GIAIMO, SMITH of Iowa, O'HARA, GIBBONS, MITCHELL of Maryland, DERRICK, LATTA, BROYHILL, HASTINGS, and CONABLE.

CHANGE IN LEGISLATIVE PROGRAM

Mr. O'NEILL. Mr. Speaker, I take this time to announce the program for the balance of the week since we have had some changes.

On Wednesday we will consider H.R. 25, the Surface Mining Control and Reclamation Act conference report, which will be followed by two bills that were on the schedule last week; H.R. 4114, the National Health Service Corps amendments, and the bill H.R. 4115, the Nurse Training Act. Both bills will be considered under open rules with 1 hour of debate each.

On Thursday we will consider H.R. 6209, prohibiting variable rate mortgages by Federal savings and loan associations.

We have put off the vote on the veto of the farm bill until next Tuesday and we have also postponed voting on H.R. 4035, review of decontrol of petroleum prices. It has been lifted from the calendar this week.

PERSONAL EXPLANATION

Mr. FOUNTAIN. Mr. Speaker, I understand I am not recorded on rollcall No. 177, H.R. 5158, providing an authorization for an ex gratia payment to the people of Bikini Atoll, in the Marshall Islands of the Trust Territory of the Pacific Islands.

I attempted to vote and I had cast a vote, but evidently I was not recorded.

I ask that the RECORD show that had I been recorded, I would have voted "aye."

REPORT ON U.S. LAWS AND REGULATIONS GOVERNING NUCLEAR EXPORTS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94–131)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Joint Committee on Atomic Energy and ordered to be printed:

To the Congress of the United States:

In accordance with Section 14 of Public Law 93–500, the "Export Administration Amendments of 1974", I am forwarding to the Congress a report on U.S. laws and regulations governing nuclear exports and on domestic and international safeguards. This report considers the effectiveness of such laws and safeguards in preventing the diversion of nuclear capabilities to nonpeaceful purposes.

I have concluded that current laws provide ample authority to control the export and reexport of nuclear-related material, equipment and technology. Nevertheless, existing policies and regulations are constantly being reexamined and changed as appropriate. Domestic safeguards are under continuing review for the purpose of making them even more effective. The international safeguard system will detect and thus help to deter efforts to divert such materials by other nations.

As the volume of material and the nature of facilities grow in the world, commensurate increases and improvements in the international safeguarding system will be needed. The United States is encouraging the strengthening of international safeguards by aiding and supporting IAEA safeguard development efforts. It is also seeking to enhance physical security through the adoption of an international convention. The U.S. is taking the lead in advocating in-depth physical protection measures necessary to preclude terrorist groups from capturing such material or conducting sabotage activities.

I wish to assure Congress that the prevention of the proliferation of nuclear weapons or the acquisition of nuclear explosive materials for possible nonpeaceful uses is a priority concern in my Administration. Whatever efforts are needed to allow the U.S. and other countries to enjoy the benefits of nuclear power, without fear, will be taken by the Government of the United States.

GERALD R. FORD.

THE WHITE HOUSE, *May 6, 1975.*

APPOINTMENT AS MEMBERS OF AD HOC COMMITTEE ON OUTER CONTINENTAL SHELF

The SPEAKER. Pursuant to the provisions of rule X, clause 5(c) and without objection, the Chair appoints as additional members of the Ad Hoc Committee on the Outer Continental Shelf, established by House Resolution 412, the following Members: The gentleman from California (Mr. MILLER), the gentleman from Texas (Mr. DE LA GARZA), and the gentleman from California (Mr. WIGGINS).

There was no objection.

APPOINTMENT AS MEMBERS OF ADVISORY COMMITTEE OF THE WHITE HOUSE CONFERENCE ON LIBRARY AND INFORMATION SERVICES

The SPEAKER. Pursuant to the provisions of section 1(e), Public Law 93–568, the Chair appoints as Members of the Advisory Committee of the White House Conference on Library and Information Services the following Member on the part of the House: The gentleman from Michigan (Mr. FORD); and the following members from private life: Mr. Gene Shalit, New York City, N.Y.; Mrs. Allie Beth Martin, Tulsa, Okla.; Mrs. Jeanne Hurley Simon, Carbondale, Ill.; and Mr. Michael A. McCarroll, Lexington, Mass.

OIL SHALE: SOCIAL SERVICE SUBSIDIES

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute, to revise and extend her remarks, and include extraneous matter.)

Mrs. SCHROEDER. Mr. Speaker, the economic questions regarding oil shale development extend beyond energy supply and demand questions.

Our Nation's largest deposits of oil shale are located in regions lacking heavy industry and large populations. The economies of these areas of Colorado, Utah, and Wyoming are historically based in agriculture. As is now unfortunately the case with many of the country's farm areas, the economies of these regions are weak.

On first thought, oil shale development might be considered beneficial to these areas. However, there are important considerations, which counter the benefits of development. They must be considered. Someone must pay for them.

Because the oil shale regions consist of farms and small communities an influx of people and industry would have greater impact than the same situation presents elsewhere. There are not questions of expanding existing social services. There are questions of the creation of social services—for instance, sewage treatment, hospitals, schools, recreational facilities, police and fire service—from the barest facilities which now exist. Compounding the immediate need for such services is the time lag between the need for social services and the appearance of revenues to meet the need. Compounding the needs and the time lag is the boom and bust character of oil shale development: a large number of workers would be needed to put up the processing plants. After construction is completed, however, their jobs would be extinct. They either move elsewhere or remain unemployed. The income they contribute to the regional economy vanishes but amortizing the bonds which were needed to create services for them remain for a good time to come.

Mr. Speaker, there are Federal programs which could aid oil shale development. We could with careful planning help create from whole cloth a new industrial region for this Nation. On the other hand, such service is going to cost this Nation an as yet undetermined fortune. I believe this must be added when we calculate what the price of a barrel of shale oil would cost. The Federal Government has no business building company towns for the oil shale industry.

A POLICEMAN'S VIEW ON CRIME

(Mr. GAYDOS asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. GAYDOS. Mr. Speaker, Mayor DeRoy is a Pittsburgh police inspector and therefore a frontline authority on the causes of the crime which plagues the Nation. I want to state here my agreement with what he has to say on the subject.

Asked at a recent meeting on the crime problem whether more police were needed in his district, Inspector DeRoy declared:

> If we had 3,000 police officers, it wouldn't matter.

He explained why by asking these rhetorical questions:

> What difference does it make how many arrests they make, how many convictions they get, if the criminal is not sent to jail?

Inspector DeRoy cited, as an example, that a policeman working out of his station frequently arrests prisoners who have been let out of the penitentiary on weekend passes and furloughs. They have used the liberty to commit new crimes.

Similar reports have come to my attention from other police authorities—reports of how a criminal sometimes is freed and on the streets again almost as quickly as an arresting officer gets back from testifying against him in court. Crime records are filled with repeaters in a condition which has become a national scandal. Still we do little about it.

The answer to burgeoning crime, as I have said many times, is in getting tougher courts which are willing to hand down sentences sure enough and heavy enough to protect the public from the criminal and to serve as a warning to others.

Most Americans, so menaced now that they are afraid to walk the city streets at night, have had enough of the sociological nonsense that rehabilitation of the criminal and not punishment should be the No. 1 objective of our criminal court system. We have tried that and it has not worked. The result has been the greatest crime spree in our history.

I join with Inspector DeRoy in his insistence that jail should again be used as a deterrent, that criminals must be punished without exception, and that soft courts and plea bargaining together do great injury to the public safety. I am glad President Ford has added his weight to this side of the crime argument, calling for mandatory prison terms in crimes of violence.

FORCED RETIREMENT IS WRONG

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. Randall) is recognized for 5 minutes.

Mr. RANDALL. Mr. Speaker, the recently released results of a nationwide survey conducted by pollster Louis Harris clearly shows that more than one-third of the Nation's more than 21 million elderly say they were forced to retire, but make it clear they would have liked to continue working. Of the people surveyed who do hiring and firing for business, 87 percent admitted that employers discriminate against the aged. The poll revealed 37 percent disagree with the policy of mandatory retirement because of age. The survey was commissioned by the National Council on Aging and was based on interviews with 4,254 persons. National political surveys are generally made on a sample of about 1,600 persons, which means that this survey is much more reliable and contains greater in-depth value than the ordinary poll.

Other findings of the survey are presently being studied by our new Select Committee on Aging which it is my privilege to chair. We regard this analysis as part of our overall responsibilities assigned under House Rule X, clause 6(g).

Mr. Speaker, the issue of forced retirement and the findings of the Harris survey is the subject of an editorial which appeared in the current issue of the American Association of Retired Persons' May 1975 News Bulletin. The AARP observes that:

> We are convinced that mandatory retirement is morally and economically wrong.

As Chairman of the Select Committee on Aging I wholeheartedly concur with this view and support efforts being made to abolish the statutory age limit of 65 in the Age Discrimination and Employment Act of 1967. I hope we may be able to include age as a protected category under title VII of the Civil Rights Act of 1964, and to prohibit the inclusion of a mandatory retirement age in any employment agreement or contract.

Mr. Speaker, for the information of my colleagues I read into the Record the editorial as it appeared in the AARP News Bulletin for May 1975:

> Forced Retirement Is Wrong!
>
> "Nobody should be forced to retire because of age if he or she wants to continue working and is still able to do a good job."
>
> That was the public consensus revealed by opinion pollster Louis Harris in his major in-depth study of attitudes on aging conducted last year. It is also your Association's steadfast position on mandatory retirement.
>
> Our nation has made great strides in recent years toward eliminating discrimination based upon race, religion and sex. Yet practices and attitudes that would bring howls of protest were they to be directed toward minority groups or women are accepted as "fair treatment" of the nation's nearly 22 million older citizens.
>
> Imagine the outcry if a person was arbitrarily fired simply because he or she was black, or if a woman was refused a job because "her place is in the home." But in 1975, millions of Americans are treated this way—and are expected to accept such treatment—merely because of their chronological age.
>
> There are those who claim that mandatory retirement is an American "tradition." They are wrong. Prior to the turn of the century, more than two-thirds of men age 65 and older were actively participants in the nation's labor force. As recently as 1920, 58 per cent of the men in this age group were actively employed.
>
> Others believe that persons of a certain arbitrary age are no longer able to work effectively and efficiently. They too, are wrong. A massive body of sicentific and governmental research has shown again and again that older workers are as good or better in work performance, punctuality and attitude than their younger colleagues.
>
> We are convinced that mandatory retirement is morally and economically wrong. We have become involved in recent months in testing the Constitutionality of mandatory retirement in the courts.
>
> At the same time, we are urging Congress to: abolish the statutory age limit of 65 in the Age Discrimination and Employment Act of 1967; include age as a protected category under Title VII of the Civil Rights Act of 1964; and prohibit the inclusion of a mandatory retirement age in any employment agreement or contract.
>
> In this effort, we face powerful opposition from both labor and business. Organized labor, despite its justifiable anguish over the present high rate of unemployment, continues to support the forced retirement of union members and other workers at an arbitrary age. Management apparently prefers to use the blanket policy of mandatory retirement so that it can avoid the difficulty of case-by-case personnel decisions.
>
> But surely the solution to the nation's unemployment problems lies in the creation of new jobs, not in the perpetuation of existing barriers to employment. And surely, as the Supreme Court so eloquently warned last year in striking down arbitrary requirements for maternity leave for teachers (*Lafleur vs. Cleveland Board of Education*), "Administrative convenience alone is insufficient to make valid what is otherwise a violation of law."
>
> Your Association believes that "ageism" is no less an evil in our free society than "racism" or 'sexism" and must be fought just as forcefully.

CONGRESSIONAL REVIEW OF NATIONAL SCIENCE FOUNDATION GRANTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. Bauman) is recognized for 20 minutes.

Mr. BAUMAN. Mr. Speaker, since the House of Representatives approved my amendment to the National Science Foundation authorization bill, H.R. ----, on April 9, requiring a 30-day congressional review period for NSF grants, there has been a great deal of lobbying actively directed toward the other body, which is now considering the bill. I testified before the Senate Special Subcommittee on the NSF, chaired by Senator Edward Kennedy on April 21, and I will include excerpts from my testimony at the conclusion of this statement. Numerous scientific and technical groups, most of them opposed to the amendment, have instituted letter-writing or lobbying campaigns directed at Members of the other body.

The great majority of letters I have received from all across the country have been in strong support of my amendment. A number of these communications have come from members of the scientific community, several of whom have had direct experience with NSF grants, either as applicants or as recipients. For instance, a professor of biology in Wisconsin wrote:

> Your response to the NSF budget proposal is commendable. Perhaps this seems a strange response to your effort of curtailment of some activities coming from one who might benefit from NSF funding . . . there are to many who . . . think that the exercise of their freedoms is more valid than exercise of responsibility.

A professor and chairman of his department at a large midwestern State university has written:

> The scientific community seems to lack sufficient understanding of the responsibilities of Congress. Members of Congress are entrusted with the responsibility to account for the expenditure of public monies. There is no justifiable reason why the scientific community should be immune to this accountability. Congress has every right to review Federal expenditures as closely as they feel is necessary to serve the public interest.

The same professor went on to call attacks against my amendment, "an appeal to emotionalism."

The director of a large research laboratory in New York wrote:

> Few except perhaps those who are deeply committed to the present insularity of an elitist science can disagree with your effort to infuse research with more responsiveness. Most would also hope that the present lack of accountability in science could be rectified.

A Ph. D. from New Jersey wrote disagreeing that my amendment stifles academic freedom. He said:

> Freedom is essential to our way of life, but one man's freedom should never infringe and take away another man's freedom. I don't believe this is a book burning. I believe it is a book reading and responsible awareness.

I must admit that the letters that I have received in opposition, most of them from individuals within the scientific community who, I am sure, are well motivated, contain an amazing feeling of superiority on the part of the writers. Thus, a gentleman from Baltimore offers the opinion that the amendment "would constitute unwarranted censorship and a nonprofessional judgment of work that Congress cannot begin to understand technically." Two research scientists in New York say that—

> Few of us believe that Congress is equipped or informed enough to make rational judgments on the present or future worth of any research proposal.

Perhaps one of the better, and more typical comments, came from an assistant medical professor in New York who said the amendment "is an illiterate, anti-intellectual practice and it is an insult to the serious academic and scientific community."

Mr. Speaker, I think it is unfortunate that the Congress finds it is necessary to consider curbing NSF and its present grant procedure, but our responsibility is to the people we represent and not to those who may be inconvenienced by congressional review.

Earlier this week the Senate Special NSF Subcommittee reported out the NSF authorization, without my congressional review amendment although the committee did recommend that NSF provide Congress more complete information than is now the case. If the full Labor and Public Welfare Committee does not add it, my amendment will have to be offered to the NSF authorization from the floor of the other body. For the benefit of those who may have to consider this amendment again, whether in the other body or during a conference, I would like to take this time to clarify a few misunderstandings which have arisen with regard to this amendment.

As I mentioned in my testimony before the Senate subcommittee, the amendment is a simple legislative veto, a procedure we often use. It does not constitute censorship, but an exercise of our responsibility to provide stewardship of taxpayers' money. I believe we have sufficient expertise available to do an intelligent review of NSF grants, and the NSF already summarizes, in what are supposed to be public documents, the kind of justification material which the amendment requires.

However, I would like to address myself to a contention I have heard many times, that the House amendment would place an impossible administrative burden on Members of Congress.

If the amendment becomes law, it will not require congressional review, it will simply permit it, and provide Congress with sufficient information to do the job intelligently. How much work would be involved, for the Science and Technology Committee or for individual Members who chose to take an interest in these grants? The total of 14,000 grants per year breaks down to a little over 1,000 per month, or 50 to 60 per working day. The material provided would probably be a description, plus four or five paragraphs of explanatory material. The effort required to review this material for a staff member would be about the same amount as is involved in a thorough review of the Congressional Record each day. Those few grants which seemed to raise questions might require additional followup. This hardly seems to pose an insuperable burden.

Another possibility for help in evaluating these grants has occurred to several Members. I have had calls from several professors in Maryland who have volunteered to lend their specialized expertise to assist me in this evaluation process. I am sure that many other Members could count on help from faculties and from independent or private laboratories in their districts. This would not only bring in scientific judgment which is independent of the NSF grantmaking procedure, but it would offer Members a valuable opportunity to improve their liaison with the academic community, putting them in touch with developments and trends aside from the NSF procedures.

These suggestions augment the expertise which we have available to us on the staffs of the Science and Technology Committee and other committees, as well as the GAO and the Office of Technology Assessment. Certainly not every Member would have to become deeply involved in this review procedure in order for it to be effective. But some of us would do so, and that would provide the kind of effective oversight which is the purpose of the amendment.

One other question has arisen which seems to require a response. In debate on this question I and other Members have had occasion to mention grants other than those made by NSF. The fact that other Federal agencies have made grants which deserve some well-placed questions in no way weakens the case for more effective congressional oversight of NSF. But it has provided opponents of the amendment with a rhetorical tool to attack the amendment.

One grant in particular has been the subject of some discussion. I refer to a grant to study the perspiration smell of Australian aborigines. According to a GAO study the $70,000 spent for this purpose was part of a study by the National Institutes of Health studying man under conditions of stress, which included studies of Eskimos in Alaska.

Opponents of the amendment have referred us to what is apparently a separate study, conducted by the Army, at a cost of some $46,000, designed to help American soldiers cope with stress situations in Vietnam.

That may well have been a worthwhile study. But the fact that it was undertaken at all, in light of the similar NIH study, simply reinforces my point, that there is, at least on the face of it, a serious problem of overlapping authority and duplication of effort among the many agencies of the Federal Government which make grants for various kinds of research. In order to improve coordination of grants we need more complete information and the authority to do something about them before taxpayers' money is committed.

Mr. Speaker, rarely have I seen such a virulent reaction from a specialized group, or should I say a special interest group, as I have seen in response to my amendment. Many professional scientific journals have published articles attacking my amendment. Much of the argument has been emotional and unreasoning, a most unscientific approach to any matter. I hope that the other body and this House will continue to support this amendment as a valid means of exercising our responsibility to our constituents. If the byproduct of this entire debate is to make NSF more cautious in its research grants, that will be all to the good. I am heartened by the statement by Dr. H. Guyford Stever, NSF Director, who while he disagrees with my amendment said:

> Obviously, it would be quite a different way to operate the government. I am sure people could adjust to it.

That is the modest intention of my amendment to the NSF authorization.

Mr. Speaker, I submit that if we are to be responsible in our stewardship of taxpayers' money, and if we are serious about our intention to take back some of the authority and responsibility which we have delegated to the executive branch over the years, my amendment to the National Science Foundation is a modest and logical step in that direction. Failure to retain it in a final version will be a signal to many that many in Congress prefer to remain in the position of freelance critics, using the mistakes of executive branch agencies as the source of an occasional easy headline, rather than serious stewards of the Federal budget.

The statement follows:

Statement of Representative Robert E. Bauman of Maryland, Senate Special Subcommittee on the National Science Foundation, April 21, 1975

Mr. Chairman, Members of the Subcommittee, Ladies and Gentlemen. I appreciate this opportunity to appear before your subcommittee in order to explain an amendment to H.R. 4723, the National Science Foundation authorization, which I offered and the House of Representatives accepted on April 9, 1975.

My amendment to the $755 million NSF authorization simply requires the NSF to transmit periodically a message to both Houses of Congress, at least every thirty days, containing (1) a list of grants proposed by the NSF and, (2) information bearing upon these grants with particular reference to the manner in which the national interest will be served by the approval of these grants. The grants shall be effective after thirty calendar days of continuous session of Congress unless either House adopts a resolution disapproving all or any number of grants.

What this amendment amounts to is the use of the legislative veto for Executive Branch action—a common practice of Congress dating back many years. During the 93rd Congress we inserted the legislative veto into various laws no less than twenty-two times—most notably in the Budget Impoundment and Control Act of 1974 and the War Powers Act.

The desirability of a legislative veto for the NSF, which simply allows for a more broad-based system of oversight, goes far deeper than the fact that some NSF grants have provided easy copy for some journalists on slow news days or quick headlines for certain Members of Congress who want to reinforce their image as the taxpayer's friend.

The real issue here is Congress' stewardship of the taxpayers' money. John Stuart Mill once said that "the proper office of a representative assembly is to watch and control the government." The last few decades have seen a growth in the dominance of the Executive Branch of government which most Members of Congress have publicly deplored. We have recently taken a number of actions, including the twenty-two acts I have cited, to improve our ability to control the Executive Branch, in line with our position as the most direct representatives which the people have in government.

The National Science Foundation is neither the best nor the worst agency in the government in terms of accountability to Congress. The NSF has been criticized for, among other things, advocacy of controversial curricula in public schools, and it has sometimes been slow to respond to Congressional inquiries concerning the justification for some of its programs. Indeed, our colleague from Arizona, Mr. Conlan, had to fight for three months in order to obtain the full information which my amendment proposes that we get as a matter of course. As I will illustrate, this information already is compiled as a matter of standard procedure by NSF, and theoretically, is readily available to any citizen by virtue of its status as a public document.

At a time when the Nation is facing a budget deficit between $75 and $100 billion, the NSF will be distributing hundreds of millions of dollars with very little control over the manner or objectives of such grant-making. In fact, the very nature of NSF's role easily lends itself to abuse unless Congress is willing to watch closely its activities.

The real issue, then, is how willing the Congress is to validate in action its stated desire to improve its oversight function, and become truly responsible and accountable to the people who have elected us. Our common practice, when we get a letter from an outraged constituent concerning some grant which seems frivolous or unwise, has been to respond that "some faceless bureaucrat did it; it's out of my hands." My amendment places the responsibility for these expenditures of tax money right where it belongs—in the U.S. Congress. If we are to regain respectability in the eyes of the people—and most public opinion polls show that Congress is held in low esteem indeed—we must begin accepting this responsibility and exercising it in a more aggressive and judicious manner.

Since my amendment passed the House it has been subjected to various criticisms, some based on a misreading of the language of the amendment, and some, I believe, purposely misstating just what my amendment would accomplish. I would like to respond to some of these criticisms and then accept any questions which Members of this panel might have.

1. The amendment would impose impossible administrative burdens on the NSF.

The NSF already provides Congress with a daily notification of grants approved. Prior notification would merely require that the effective date of the grant be postponed for thirty calendar days. The NSF also currently uses two forms, Form 4 and Form 9, which explain the purpose of each grant in non-technical terms. It is my understanding of NSF procedure that these forms are completed and placed in the file for each grant. The information contained in these forms could be provided to Congress and fulfill the requirement for justification of the grants which my amendment includes.

2. Congress does not have the expertise to evaluate these grants.

In the last several years Members' staff have increased dramatically, as have Committee staffs. Congress has the GAO and the Office of Technology Assessment available to help it evaluate difficult or technical programs, and each committee has technical experts on its staff. In practical terms, the effort required to assess these grants would be roughly comparable to having one staff member study the Congressional Record daily and note and followup on grants which seem to require more attention. Indeed, it would be a confession of our own intellectual bankruptcy if the elected representatives of the people lack the judgment as to how tax monies are to be spent.

3. The amendment would place Congress in the position of a censor.

The issue is not censorship but choice. If somebody insists on using the word "censorship", I must insist that the NSF presently exercises a degree of censorship. NSF receives more applications than it makes grants. It must exercise choice as to how its budget is to be allocated to best serve the national interest. My amendment simply allows Congress, which has the ultimate responsibility for stewardship of the taxpayers' money, to review those choices. A side-effect of this procedure, incidentally, would be to insulate NSF from headline-seeking critics by giving it an additional perspective from which to judge sensitive or controversial grants.

4. Rather than instituting this "cumbersome" procedure, the best approach to controlling NSF is to cut the budget.

I am not unsympathetic to this approach. However, there are two problems. The first is that I see little serious effort to cut budgets or control spending by this Congress. Neither Budget Committee of the two Houses has recommended a cut in the NSF budget. Obviously, a more sophisticated tool is required. In addition, effective oversight of an increasingly complicated Executive Branch calls for something more subtle than wielding a big Budget axe whenever a program stirs up controversy. Surely Congress is capable of devising such tools, and of devising the different tools which may be required for different agencies. My amendment may not be the only possible approach. But it is a start.

5. This amendment would undermine the NSF's peer review system in the academic community.

The peer review system has been criticized in the academic community for cronyism and showing a preference for large, "prestige" institutions to the detriment of smaller colleges and junioir colleges. The important point to note is that it is impossible for anyone outside the system to evaluate this system because it is totally secret. Not even the administrator of the NSF knows how many people are in it or who they are.

I can respect the need for confidentiality in these sensitive matters regarding the awarding of grants and evaluation of peers. But is should be obvious that such a secret system does not address the purpose of my amendment, which is protection of the interests of the taxpayers who are, willingly or not, funding these inquiries. The peer review system provides a tool for evaluating scientific competence and ability to carry out proposed studies. My amendment provides a method for protecting the interests of taxpayers and seeing to it that their money is not wasted. If these two purposes are in conflict, then I submit that a thorough investigation of the peer review system is in order.

Lastly, Mr. Chairman, there should be no great surprise at the direction which this amendment takes. The Congress is free to delegate its powers on many matters, as it has done to the NSF in its original statute. Just as we have the power to delegate, we can do so with certain stipulated conditions, and as I have pointed out, this is done quite frequently. As the noted constitutional expert, Professor Edwin S. Corwin, has said, "If the Secretary of Agriculture may be delegated powers, the exercise of which is subject to a referendum vote of producers from time to time", then why should not the Congress have the same right to review matters, such as NSF grants. Although the Congress from time to time is questioned as to its powers to delegate, at the very least Congress may not abdicate its power. One way to maintain the line between delegating and abdicating is the use of the Legislative veto and to argue otherwise is an affront to common sense in my opinion.

LEGISLATION INTRODUCED TO PROVIDE POWER TO JUNEAU, ALASKA, RESIDENTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alaska (Mr. YOUNG) is recognized for 5 minutes.

Mr. YOUNG of Alaska. Mr. Speaker, today I am introducing in a bill that would allow the Secretary of the Interior to waive the reimbursable costs for certain repairs and the relocation of the Salisbury Ridge section of the 138-kv transmission line from the Snettisham Hydroelectric project in southeastern Alaska.

The Snettisham project has been beset by problems from the very beginning, and even though it has been in operation over a year, the city of Juneau has yet to receive uninterrupted power. The original transmission line was poorly engineered, and consequently was subject to severe wind and ice damage. Upon reconsideration the Corps of Engineers determined that to prevent further damage, the entire Salisbury Ridge section has to be rerouted.

When originally authorized the project cost estimate was $43 million, yet due to inflation, numerous natural disasters, construction delays, and contract problems, the final cost of the project has more than doubled. To add on the cost of relocating the new transmission line to the reimbursable costs, as required by the Snettisham Authorization Act, is an injustice to the users, and the city of Juneau.

I urge the House Public Works Committee to act expeditiously to favorably report this bill, so badly needed by the residents of Juneau.

Mr. Speaker, I include the bill at this point as follows:

H.R. 6749

A bill to authorize the Secretary of the Interior to waive recovery of certain costs for extraordinary wind and ice damage to certain facilities

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 204(b) of the Act of October 23, 1962 (76 Stat. 1173, 1174), is amended by changing the period at the end of the second sentence to a colon and adding "*Provided,* That the Secretary of the Interior, in determining reimbursable costs, shall not include the costs of replacing and relocating the original Salisbury Ridge section of the 138-kilovolt transmission line.".

COMMUNIST BLOODBATHS: THE MEDIA LOOKS THE OTHER WAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHBROOK) is recognized for 30 minutes.

Mr. ASHBROOK. Mr. Speaker, the American left and the TV-media apparatus has now embarked on what I believe to be one of the most significant propaganda crusades in recent history—underplaying the brutal bloodbaths of Communist takeovers and hailing the conquering tyrants as an "improvement" over their former regimes. This blatant rewriting of history overlooks the clear, tragic, and barbarian record of communism in dealing with conquered peoples throughout the world. The New York Times has taken an early lead in the propaganda mill with such dishonest reporting as Sydney Schanberg's April 13, 1975, lead article, the headline of which proclaimed: "Indochina Without Americans; For Most, a Better Life," and Fox Butterfield's piece which sets the tone in blazing heading in their April 27, 1975 edition, "Communist Rule Will Be Disciplined, Moralistic."

It is hard to blame these reporters for their poor reporting since the Times has had a clear line in the past 25 years which has peddled reporting ranging from a soft to an approving approach. Who can forget their Herbert Matthews articles on good old Fidel Castro in the late 1950's?

Their news morgues must contain the same clips and records of former and present Communist astrocities as are available to you and me—why don't they use them? Consider this brief summation of recent Communist genocide and criminal brutality which they conveniently overlook:

In the Soviet Union, the most conservative estimate of people killed by the Reds during the various purges which followed the revolution is in excess of 20 million.

In Communist China, at least 30 million people were slaughtered in political liquidation campaigns from 1949 to 1958.

In Tibet, one of the most horrendous genocides was inflicted on a small nation resulting in the extermination of 300,000.

In North Vietnam, to solidify their hold, at least 50,000 countrymen were executed in the land reform programs of the 1950's.

In South Vietnam, civilian victims of Communist terror from 1957 through 1971 is over 36,000.

Reports from Cambodia and Vietnam right now—repeat, right now—indicate executions and a reign of terror as a part of Communist takeover.

The records do not stop there. The staggering loss of life extends to Eastern Europe and Cuba which are detailed later in these remarks. It is this broad picture that liberal reporters overlook in their effort to rewrite history sympathetically to Communist butchers.

Having read thousands of articles over the past 25 years on the subject to communism and having become accustomed to the managed news and brainwashing technique of the left, I did not think I could ever read an article which would top them all. The Schanberg article clearly does top them all. It is the most dishonest, propagandistic article on communism I have ever seen. In it he says "it will be nice when Americans get out of the killing business in Indochina" and "it is difficult to imagine how their lives could be anything but better with the Americans gone."

His anti-American posturing is bad enough but he arrogantly ignores the operating principles of communism to mislead his readers by flat out referring to their brutality and murder as—quote—abnormal behavior—unquote, clearly implying this is isolated and not to be confused with their expected actions. Note his entire quote:

> Wars nourish brutality and sadism, and sometimes certain people are executed by the victors but it would be tendentious to forecast *such abnormal behavior* as a national policy under a Communist government once the war is over.

This might be tendentious from his biased point of view, Mr. Speaker, but any objective study of Communist tactics, past and present, will belie his assertion. What normally happens is twofold: First, their executions, reeducation programs, concentration camps, repressions are done outside of the coverage of TV cameras and the sight of reporters like Schanberg who does not want to admit they happen anyway; second, a silence, a cold-blooded calm comes over the country whose borders are sealed, whose communications with the rest of the world are curtailed.

The result of this is that suppliant reporters like Schanberg will call this silence "peace."

Mr. Speaker, I cite here just some of the record of communism which has been normal—not abnormal. While it always can be hoped the Communists will turn from their bloodthirsty ways, it is irresponsible to rewrite history in this way, especially when they have their anti-American knives whetted so sharply. Schanberg alludes to the hopes that the "more gentle and flexible Khymer character" will be reflected in a Cambodian Communist government, rather than the rigid outlook of Peking or Hanoi.

"Some critics of American policy in Indochina have gone so far as to predict that the peninsula will become a virtual paradise once the Americans have gone," he observes, while not really countering these gratuitous pro-Communist remarks with a cold, realistic appraisal of what has been their historical pattern and might very well happen.

This effort of the American left to rewrite history in a way which is favorable to communism is not new. It requires, however, that those of us not blinded by détente, accommodation with our enemies or liberal myopia on world communism must see to it that the record is set straight.

ATROCITIES IN VIETNAM AND CAMBODIA

The present tragic events now unfolding in Cambodia and South Vietnam raise ominous signs once again of the prospects of a Communist-style bloodbath in Southeast Asia. It is urgent that the on-going controversy over the fact or fiction of bloodbaths not be allowed to place in jeopardy the lives of those marked for extinction by the North Vietnamese, the Vietcong, and the Kymer Rouge.

The liberal press and those apologists who blindly belittle the possibility of large-scale reprisals against the South Vietnamese and Cambodians, whose only crime was their quest for freedom, must not be permitted to forget the mass slaughter at Hue or Dak Son or the estimated 36,000 civilians killed by Communist terrorists between 1957 and 1971. Those are recent history. The liberal, of course, sneers, that the Stalinist purges or even the Chinese mass executions of the early fifties is no longer their policy.

Nor should they be permitted with impunity to ignore or explain away the staggering elimination of literally millions of human beings by the Soviet Union and Red China, whose vicious Communist ideology is used to rationalize such wholesale butchery in the name of "the revolution."

Those who have been pushing détente, East-West trade, cultural relations, and other American-Soviet exchanges must be reminded that such policies aided and abetted the same Kremlin whose war materiel, in the hands of the Vietnamese Communist troops, directly contributed to the loss of over 50,000 American lives and made the present tragedy in Vietnam possible.

Unclassified telegrams from our Embassy in Saigon in the last several months have described the brutal, cold-blooded killing of innocent South Vietnamese civilians, law enforcement personnel, South Vietnamese Government officials and employees and captured South Vietnamese soldiers, as told by refugees from the occupied areas. As the United States lost over 50,000 American lives in Vietnam helping to defend South Vietnam against such Communist violence and terror, I am introducing legislation to establish a select House Committee to investigate and report to the House all accounts of executions, abductions, willful woundings and other denials of basic human rights in Southeast Asia by all Communist forces against civilians, military, police and government personnel and others of the countries of Southeast Asia, the United States and other countries.

A recent State Department telegram from Saigon describes the killing of about 300 South Vietnam Government employees and police, as related by an eyewitness to a Saigon police captain. Families of the victims were led out of town by several guards and explosions in their midst, presumably mortars, killed some and wounded others before the panicked crowd ran into the woods.

Another telegram dispatched from the U.S. Mission in Saigon recently read:

> According to refugees that had witnessed several executions carried out by VC local forces and infrastructure, on outskirts of Danang GVN policemen were beheaded and groups of soldiers tied together and killed with grenades. Based on their observations, refugees said that it appeared that VC local forces were systematically liquidating GVN security personnel. They added that regular NVA forces did not appear to be participating in the executions.

State Department telegram No. 2492 reads in part:

> We have received report from GVN official who had interviewed number National police escapees from MR–1 who was hiding near his home when place was pointed out to Communists by National policeman who was being detained by Communists. Official was pulled from his hiding place and executed on spot. When his mother complained that her son had done nothing to deserve execution, mother was executed by Communist soldier who fired single pistol shot into her head.

Another recent State Department telegram alleges further brutalities:

> The monks in a Ban Me Thuot pagoda were accused of helping people hide from the "PRG" (they had in fact sheltered and fed a number of escaped) and were led to the marketplace in Ban Me Thuot, the day after the fighting stopped. Several thousand other people were also assembled there. All were told to sit down.

The telegram continues:

> Then local "PRG" cadre walked through the crowd, pointing out GVN (Government of Viet Nam) employees and police known to them. About 300, according to the monk, were selected and taken off to one side. The presiding cadre delivered a lengthy harangue, accusing them of being American lackeys and spies, and enemies of the people. They were all shot and killed.

In his letter of April 18, 1975, to selected Members of Congress, President George Meany of the AFL–CIO provided still other accounts of Communist barbarism. The information, received by phone from Saigon on April 18, 1975, is a rough account from the CVT, South Vietnam's confederation of labor. Mr. Meany noted that—

> As in the case of every other Communist takeover in every other country, the free trade union movement is an early and specially-targeted victim.

The cases cited by the CVT are as follows:

> In Quang Tin, they rounded up all of the police force. Some were shot out of hand. With others, they drove nails through their heels, wired them together and led them off to the jungle. That was the last seen of them. Some of the military were also treated in the same way.
>
> In Danang, CVT officers were arrested, required to turn over all of their records. The CVT members of the transportation workers (lambretta drivers, etc.) were pressed into driving supplies to the front. This report was received from a CVT man who escaped and was barely coherent.
>
> At Ban Me Thuot, one of the CVT people escaped from there. The population of the town was assembled and divided into different categories. All of the leading citizens were taken away and have not been seen since. The males between 16 and 22 were drafted into the military forces and sent directly into combat. Each family was redesignated and put into a peoples' union to mobilize a labor force and were subject to "people's justice." The former union officials were put on a non-subsistence ration.
>
> In Binh Long, the plantation workers' representative was shot and others were arrested.
>
> In Binh Duong, the president of the CVT local was arrested and one of the CVT cadre was shot.
>
> In Quang Ngai, the president of the CVT provincial council was arrested.
>
> In Quang Tin, the secretary general of the CVT provincial council was arrested, together with all other members of the council. They have not been seen since the fall of Danang.
>
> In Pleiku, both of the CVT provincial representatives were arrested.
>
> In Kontum, the provincial council was captured and has not been seen or heard of since.
>
> In Hue, the president of the provincial council was arrested, and the CVT has no details of what has happened.
>
> In Dalat, the same situation prevails.
>
> In Nahtrang, the president of the railway workers' union, who is also the vice president of the CVT council and leader of the workers' party, was sought out and arrested and the CVT has no further word of his whereabouts or fate.

On Saturday, April 19, the Washington Post ran a front-page treatment of the current controversy over whether a bloodbath will ensue in South Vietnam if the North Vietnamese and the Vietcong take over all of Vietnam. The Post item, actually two separate articles, was headlined: "Bloodbath, A Theory Becomes a Fear."

One excerpt from the article by Michael Getler and Marilyn Berger reads:

> And, if historical patterns are a guide, many officials believe it will take many more months for an actual "bloodbath" in the south to unfold if it is going to happen.

Well, I have news for the officials mentioned above—it has happened in South Vietnam, starting back in 1957.

In its very useful compendium, "The Human Cost of Communism in Vietnam," issued by the Senate Internal Security Subcommittee in 1972, the total civilian victims of Communist terror in South Vietnam from 1957 through November 1971 amounted to 36,181 killed and 53,758 abducted. This did not include the estimated 10,000 civilians who lost their lives during the 1968 Tet offensive or the more than 3,000 civilians disinterred from the graves at Hue, or the estimated 2,000 killed during the second phase of the Hue massacre.

While some may argue over the semantics of the term "bloodbath"—how many does one have to murder and in what period of time? The sad case of Hue certainly qualifies. Some bodies were mutilated and others were found in conditions indicating that death had been caused by being buried alive. Among those found were Mr. Tran Dien, a Senator in South Vietnam's National Assembly, four officials of the Vietnam Nationalist Party, hamlet chiefs and their wives, teachers, shopkeepers, students, and children. The victims also included two French priests and three German doctors from the Hue University Medical School.

Survivors told of the Vietcong's summary trials, torture and condemnation of civilians—including women and schoolboys—on such charges as being a "reactionary" or "opposing the revolution."

A father of nine was buried alive because he had a son in the South Vietnamese Army. Some were forced to dig their own graves, and many who were called by Vietcong agents to attend a political education meeting were never seen again by their families. A Buddhist monk at the Tang Quang Tu Pagoda reported overhearing Vietcong execution parties working each night during the first 2 weeks of February 1968.

Although the massacre at Dak Son did not approach the magnitude of the Hue bloodbath, pictures of Dak Son babies killed at pointblank range by flamethrowers—such pictures were in the past available for the asking from the Defense Department—convey the unbelievable depravity of Communist terror.

Dak Son, a hamlet of 2,000 Montagnard people consisting of mostly unarmed women and children and defended by a small militia, was attacked by the Vietcong with machinegun, mortar, and rocket fire—and 60 flamethrowers. The militiamen were surrounded and isolated, and for the rest of the night ignored by the marauders. The Vietcong were not intent on a military victory but on a cold-blooded, monumental massacre of the Dak Son inhabitants. Houses and inhabitants were set afire by the Vietcong along with everything in sight: trees, fences, gardens, chickens, grain from the annual harvest. Structures that withstood the fiery attack were leveled by grenades. According to the above-cited Senate report, all told, 252 of the unarmed Montagnards had been murdered and another 100 kidnaped; 500 were missing, either dead or fled into the hills. The victims were almost all women and children. The dead adults were covered with scorched mats and blankets salvaged from the ashes, the bodies of the babies were laid in bamboo baskets. One man lost 13 members of his family.

While the case of Dak Son was exceedingly brutal, many other villages suffered essentially the same fate. As early as January 1967 the U.S. News & World Report was pointing out that the Communists themselves were claiming 7,559 hamlets destroyed by them from 1961 to 1965. As this weekly stated in its January 16, 1967 issue:

> Every form of murder weapon is used. Mines on highways take a heavy toll. Forty-eight farm workers on the way to harvest rice, died in a bus that struck a mine near Tuy Hoa last February 14, Twenty-six civilians died in a mined bus in Kien Tuong Province on January 18, 1966.
>
> Dynamite killed 27 South Vietnamese, 12 Americans, 2 Filipinos, 1 Frenchman and 1 German in a Saigon restaurant on June 25, 1965.
>
> A bomb alongside the U.S. Embassy in downtown Saigon killed 18 civilians and injured a hundred others.
>
> Hand grenades—four of them—were thrown into a village theater near Can Tho in the Mekong Delta. Result: 108 people killed of wounded. Of the dead, 24 were women and children. Says a U.S. official: "This was a typical Viet Cong act of terror. It bore no relation to any military actions.

In the March 8, 1967, issue of the Chicago Tribune, there appeared an article by Chesly Manly entitled "Vietcong Amass Murder Total of 25,000 Civilians." The lead paragraph read:

> Propaganda as a weapon of war probably has never been as effective as it is in the Viet Nam war. There is world-wide agitation to stop the bombing in North Viet Nam, because some civilians are unavoidably killed, whereas callous indifference to the planned and systematic slaughter of civilians by the Communists in South Viet Nam is almost equally universal.

To be sure, efforts were made by publications such as the U.S. News & World Report, the Reader's Digest, the National Observer, the Chicago Tribune, and others to publicize the hard-to-believe brutality of the Vietnamese Communists. John Hubbell's article in the Reader's Digest of several years ago entitled "The Blood-Red Hands of Ho Chi Minh" is another fine example of attempts by some journalistic sources to tell the world of the latest of communism's "historical patterns"—to quote the Post article—in the area of human slaughter. To all of us here in the United States who treasure our right and freedom to vote, this excerpt from Mr. Hubbell's article, concerning a VC warning to those who dared to go to the polls in an upcoming election, is difficult to envision:

> The V.C. delivered a similar warning to the residents of a hamlet not far from Danang. All were herded before the home of their chief. While they and the chief's pregnant wife and four children were forced to look on, the chief's tongue was cut out. Then his genital organs were sliced off and sewn inside his bloody mouth. As he died, the V.C. went to work on his wife, slashing open her womb. Then, the nine-year-old son: a bamboo lance was rammed through one ear and out the other. Two more of the chief's children were murdered the same way. The V.C. did not harm the five-year-old daughter—not physically; they simply left her crying, holding her dead mother's hand.

Gen. Lewis W. Walt, who commanded Marine Corps forces in Vietnam, had this to say about the Hubbell article:

> This article accurately depicts the true nature of the enemy in South Vietnam. I saw the little boy with his hands cut off. I have seen heads impaled on stakes, and disemboweled bodies.
>
> I learned early in my two years of duty

> alongside the South Vietnamese forces, that in South Vietnam, fighting and working the communist terrorism described in this article is no mere accident of war but a program of systematic butchery. This deliberate and brutal assault against the grassroots citizenry is one reason why we who have responded to South Vietnam's call for assistance believe devoutly that our efforts to save this nation are worthwhile, necessary and important.

If one finds it hard to believe General Walt's claim of systematic butchery, read a similar account told by the late Dr. Tom Dooley who helped half a million Vietnamese refugees escape North Vietnamese Communist terror in 1954. Dr. Dooley, recounting how a teacher in the village of Haiduong was accused of teaching religion to seven of his pupils, stated in his book, "Deliver Us From Evil":

> Now two Viet Minh guards went to each child and one of them firmly grasped the head between his hands. The other then rammed a wooden chopped chopstick into each ear. He jammed it in with all his force. The stick split the ear canal and tore the ear drum. The shrieking of the children was heard all over the village.
>
> Both ears were stabbed in this fashion. The children screamed and wrestled and suffered horribly. Since their hands were tied behind them, they could not pull the wood out of their ears. They shook their heads and squirmed about, trying to make the sticks fall out. Finally they were able to dislodge them by scraping their heads against the ground.

And the teacher, whose unforgiveable crime was the conducting of classes in religion, Dr. Dooley continued:

> As for the teacher, he must be prevented from teaching again. Having been forced to witness the atrocity performed on his pupils, he endured a more horrible one himself. One soldier held his head while another grasped the victim's tongue with a crude pair of pliers and pulled it far out. A third guard cut off the tip of the teacher's tongue with his bayonet. Blood spurted into the man's mouth and gushed from his nostrils onto the ground. He could not scream; blood ran into his throat. When the soldiers let him loose he fell to the ground vomiting blood; the scent of blood was all over the courtyard.

Is it any wonder that waves of refugees streamed south recently to escape the Communist hordes in view of their long established record of brutality and terror, only too well known to the South Vietnamese.

James Cary, writing in the June 19, 1969, issue of the Copley News Service, gives a chilling idea of what would happen if the Vietnamese Communists took over South Vietnam, based on the Hue massacre:

> Nationality, occupation or political background was no protection. Scores of Buddhists in Hue's strong, anti-government resistance movement were slaughtered. So too were American and German civilians, French priests, South Vietnamese Government officials, anyone with relatives in the South Vietnamese army, village chiefs, political leaders, anyone who worked for the Americans, and particularly anyone who was known for his opposition to the Viet Cong.

Current reports from Saigon confirm only too well the accuracy of this oft-repeated Communist formula.

CAMBODIA AND LAOS

The traditional use of terror was, and is, being experienced in Cambodia and Laos also.

In 1972, the House Internal Security Committee—this Committee was abolished by the House by a parliamentary slight-of-hand without a direct up-or-down vote on January 14 of this year—heard two witnesses then serving with AID in connection with the committee's continuing series of hearings on the theory and practice of communism. One of the witnesses, Dr. Charles Louis Weldon, was one of a number of U.S. citizens who, in conjunction with refugees from Russia, Czechoslovakia, Cuba, East Germany, et cetera, sought to help the Committee to update information on present conditions under Communist regimes.

In describing the bloodbath at Phu Nong for members of the committee, Dr. Weldon broke down at one point, saying—

> I am sorry, but these are—I feel rather foolish, but these are, these were good friends of mine.

The Phu Nong incident involved Laotians fleeing from the Pathet Lao and North Vietnamese forces. As Dr. Weldon describes it—

> The main body of this group slept in a little high mountain valley and bivouacked there. During the night the enemy spotted them and just about dawn, as it started to break light, the enemy opened up on this group of people with mortars and automatic weapons, and so forth, and they killed probably around 1,500 or 1,600 of them; they just slaughtered them.

Sydney Schanberg, writing in the New York Times of March 2, 1975, exposed Communist cruelty and terror in Cambodia. His article, titled "The 'Enemy' is Red, Cruel and, After 5 Years, Little Known," is the Vietnam experience repeated all over again. This article contrasts with repeated efforts of the Times to downplay Communist atrocities. Even in their managed news policy, the New York Times occasionally allows segments of the truth about the Reds to surface.

Schanberg wrote:

> On various fronts, they have burned whole villages, murdered unarmed peasants and even sometimes mutilated bodies.

Newspaper headlines alone tell the all-too-familiar story of Communist butchery, in this case the victim being Cambodia. The Emergency Committee for a Free Vietnam, to show the similarities of Communist terror in Vietnam and Cambodia, issued selected examples of Communist atrocities in Cambodia from 1967 to 1975. Some of the news headlines read: "Cambodia Says Reds Executed 300 Villagers"; "Murder of 200 by Reds Reported in Cambodia"; "Monk Says North Executed Villagers."

Donald Kirk, writing in the July 14, 1974, issue of the Chicago Tribune, states in his article, "Khmer Rouge's Bloody War on Trapped Villagers":

> You can hardly believe the depth of the cruelty of the Khmer Rouge—Cambodian Communists—until you talk to those who escaped from Khmer Rouge control.
>
> "They killed people by beating them and shooting them," says Meak Sam Hon, chief of a village whose inhabitants fled from the Khmer Rouge. "They said people were enemy agents and led them to the woods and shot them."
>
> "Sometimes they killed one member of a family as an example," said a 50-year-old woman named Un Chumn, "or they killed whole families. They led people to the forests in chains for executions. They put five people at a time in graves. People had to dig their own graves."

These accounts certainly lend credence to the April 20, 1975, news item in the Washington Star-News which began:

> Cambodian refugees in Thailand said yesterday that Khmer Rouge forces executed 43 former government soldiers after taking control of a provincial town, and the Communist radio said most top leaders of the fallen government who remained in Phnom Penh had been beheaded.

A past master in bloodbath refinements, in addition to the Soviet Union, is, of course, Red China. We are again indebted to the Senate Internal Security Subcommittee for its appraisal of the loss of life in China since the Communists took over in 1949. The subcommittee, in its publication, "The Human Cost of Communism in China," presents an analysis of the Chinese bloodbath by a lifetime student and one of this country's foremost authorities on China, Prof. Richard L. Walker, now director of the Institute of International Studies at the University of South Carolina. Professor Walker, after a thorough study of the brutalities of Mao Tse-tung and his fellow bandits since 1949, estimates that from the time of the first civil war (1927–36) until today communism in China has cost a minimum of 34 million lives and that the total may run as high as 64 million lives.

Professor Walker estimates, for instance, that the number of deaths from the political liquidation campaigns (1949–58) range from 15 to 30 million; deaths accruing from the "Great Leap Forward" and the communes ranged from 1 to 2 million; deaths in forced labor camps and frontier development ranged from 15 to 25 million.

Life magazine, in its January 19, 1953, issue, gave an excellent illustration of Red Chinese inhumanity toward their fellow Chinese countrymen. Graphically displayed in a series of photos was the trial and execution of Huang Chin-chi and 30 other "despotic landlords." These pictures, actually taken by a Communist photographer, were smuggled into Hong Kong by a Chinese defector.

An eyewitness to the beheading of 13 Chinese students, Rev. Raymond de Jaegher, can attest to the inhuman nature of the Chinese Communists. In his book, "The Enemy Within," Father de Jaegher tells how a whole village was assembled, including the young schoolchildren, to witness the execution of 13 students from the anti-Communist school in Chang Ts'un:

> Moving as quick as light from right to left as we watched him, the swordsman went down the line, beheading each kneeling student with one swift stroke, moving from one to the next without ever looking to see the clean efficiency of his blow.

Speaking of the young children—in this case they were pale, disturbed and some were vomiting—who were forced to witness these executions, Father de Jaegher observed:

> After this I often saw children forced to witness executions. The first time they were horror-stricken and emotionally disturbed, often sick at their stomach as these children were. The second time they were less disturbed, and the third time many of them watched the grisly show with keen interest.

This was but one of the many experiences the clergyman endured under Communist rule. Chapter X of his book is entitled "Communist Tortures" and details various fiendish methods employed by the Chinese Reds against innocent Chinese victims.

TIBET

The slaughter of thousands of Tibetans can be laid at the doorstep of the same Chinese Reds. The International Commission of Jurists has branded this systematic annihilation of Tibetan life as "genocide." Three times, according to a Time magazine article of September 13, 1968, the United Nations has censured Peking for "violating fundamental human rights and freedom." In the same article it is estimated than 300,000 of Tibet's 1,300,000 people have been exterminated, many by savage methods, since the first Peking general moved into Lhasa's Palace of the Gods in 1950.

As in the case of China and other countries, the cold impersonality of statistics is diffused by specific experiences which illustrate not only the extent but the viciousness of Communist conquest.

Lowell Thomas, the famous author, newsman and world traveler, has been for many years intimately associated with the affairs of Tibet. He and his son, Lowell, Jr., were the sixth and seventh Americans ever to visit Tibet in 1949. Since that time he has devoted much time in helping the Tibetan refugees who have fled from Red Chinese persecution.

His recounting of Communist brutalities in Tibet which appeared in the December 1960 issue of Reader's Digest, has a familiar ring when matched with the experiences of Reverend de Jaehger. Citing such methods as burning, crucifixion, drownings, and burial alive, Mr. Thomas described the fate of two lamas at the Litang Monastery:

> At the Litang monastery they compelled villagers to witness a fiendish test: Whether lamas could save their own lives. Two lamas, Nori Gen and No-Sog Gen were brought out and shot—but not fatally. Then boiling water poured over Nori Gen and he was strangled. No-Sog Gen was stoned and finally felled with an ax. The helplessness of the lamas was, according to the Communists, proof that they could not help others.

KOREA

The all-too-familiar pattern of brutalities against innocent and defenseless civilians was again repeated in Korea. Defense Department photos illustrate how many Korean civilians joined the long list of Communist victims. But, for the first time, American citizens fell victim to Communist savagery.

At the very beginning of the war, when stories of Communist atrocities were brought to the attention of Gen. Douglas MacArthur, he set up a commission to record these excesses for future reference. In December 1953, a subcommittee of the Senate Government Operations Committee held 3 days of hearings, receiving testimony from 29 witnesses, of whom 23 were American servicemen who were either actual survivors or eyewitnesses of Communist war atrocities. Testimony was also heard from Gen. Matthew Ridgway, Chief of Staff, U.S. Army, and other former Army field officers in Korea, and from officials of the War Crimes Division. Affidavits, statements, photographs and other official records were introduced in evidence to corroborate testimony of the various witnesses.

The annual report of that committee for the year 1953 had this to say:

> It was established that American war prisoners were either willfully murdered at the time of capture or shortly following capture, or were beaten, starved and tortured; molested, displayed and humiliated by and before civilians, and/or forced to march long distances without benefit of adequate food, water, shelter, clothing or medical care, to Communist prison camps, and there to experience further acts of inhuman indignities.

The committee found that the abuses committed against American servicemen were not just the spontaneous excesses of individuals during wartime:

> It was determined that the sickening and inhuman treatment of American prisoners was a result of a distinct and calculated pattern of physical and mental torture perpetrated on a Communist command level to indoctrinate, humiliate and exterminate American and Allied war prisoners.

Concerning the fate of American POW's during the Korean war, the committee observed that—

> The total number of American prisoners who were repatriated as a result of Little Switch and Big Switch was 3,508, while the conservative estimate of the War Crimes Division in Korea for fatalities, as a result of war crimes against American prisoners, was 5,639. Thus, approximately two-thirds of American servicemen, who were taken prisoner, died from acts of barbarianism, which was part of a conscious policy of the North Korean and Chinese Communist governments.

The similarity between the killing of American servicemen in Korea and the tragic fate of the Katyn Forest massacre victims was noted by a select committee of the House which thoroughly investigated Katyn in the early 1950's:

> This committee noted the striking similarity between crimes committed against the Poles at Katyn and those being inflicted on American and other United Nations troops in Korea. Communist tactics being used in Korea are identical to those followed at Katyn.

THEORY AND PRACTICE OF COMMUNIST BLOODBATHS

The purpose of the infamous Communist bloodbath is to liquidate, or at a very minimum intimidate, present or future opposition to a Communist takeover or control of a nation state. Bloodbathing one's opposition is as ingrained, as integral an element to Marxist-Leninist governments as the system of checks and balances is to the American form of government.

U.S.S.R.-LENIN PERIOD

Authors Alexander Dalin and George Breslauer wrote in "Political Terror in Communist Systems" that—

> After a Communist regime seizes central power, it tends to resort to political terror as part of an effort to consolidate its position. At this stage terror serves first to assure the survival of the revolutionary regime and second to extend and tighten its control. Its primary functions here are the elimination of pre-revolutionary and other active adversaries by means of other than open combat and the deterrence of hostile acts by potential enemies.

In discussing the "takeover stage" the authors revealed the following candid but callous passage of a dialog with Lenin:

> LENIN. Do you really believe that we can be victorious without the cruelest revolutionary terror?
>
> I. N. STEINBERG. Then why do we bother with a Commissariat of Justice? Let's call it frankly the Commissariat for Social Extermination and be done with it!
>
> LENIN. Well put . . . that's exactly what it should be . . . But we can't say that.

When the subject of Communist bloodbaths is reviewed one thinks, primarily of the wholesale slaughter perpetrated by Joseph Stalin. However, the Soviet dictator was merely following the traditions established by his predecessor Vladimer Lenin whose infant regime conducted the first official purge of its political enemies by a Communist state.

Aleksandri Solzhenitsyn in his renowned work, "The Gulag Archipelago," stated that when Kerensky's anti-Communist government replaced that of the czar in 1917, it abolished capital punishment except in the army and in the front-line areas for the crimes of murder, rape, assault, and pillage which was widespread at that time. Lenin's Bolsheviks immediately jumped upon this exception and their propaganda slogans demanded the elimination of all capital punishment. Then, in October 1917, Lenin successfully engineered his takeover of the Kerensky government and by June of 1918 had fully restored capital punishment. How did the Kremlin rationalize this inconsistency? It merely gave its developing bloodletting another name or, as Solzhenitsyn observed:

> Thus the death penalty was rechristened "the supreme measure"—no longer a "punishment" but a means of social defense.

He stated that in the 20 central provinces of Russia during a period of 16 months—June 1918 to October 1919—more than 16,000 persons were shot:

> In all our centuries, . . . had there ever been a period of such cruelties and so much killing as during the post-October Civil War?

And yet more periods of the very same cruelties were yet to come.

U.S.S.R.-STALIN PERIOD

Those who doubt that Communist conquest and prolonged or extended bloodbaths are synonymous should read the extensive work, "The Great Terror," by the British authority on the U.S.S.R., Robert Conquest, dealing with the Soviet purges of the thirties. In 1971, Mr. Conquest was requested to assess in a systematic manner the total human cost of

Soviet communism. The resulting study, "The Human Cost of Soviet Communism," issued by the Senate Internal Security Subcommittee, estimates that well over 20 million human beings were executed or killed in other ways by the Soviet Communist authorities since the revolution. Mr. Conquest points out that this is a conservative estimate, which is almost certainly too low and that the real figure might well be 50 percent greater than this.

Mr. Conquest's breakdown of the alarming figure given above for the Stalin period is as follows:

> Taking the conservative figure of an average over the period 1936–50 inclusive, of an 8 million population of the camp (concentration camp) add a 10-percent death rate per annum, we get a total casualty figure of 12 million dead. To this we must add a million for the executions of the period, certainly a low estimate. Then there are the casualties of the pre-Yezhov era of Stalin's rule 1930–36: This includes as its component the 3½ million who perished in the collectivization itself, plus the similar number sent to the camps where virtually all died in the following years; again minimal estimates. Thus we get a figure of 20 million dead, which is almost certainly too low, and might require an increase of 50 percent or so, of the debit balance of the Stalin regime for 23 years.

UKRAINE

Although Soviet persecution of the people of the Ukraine was prolonged and brutal, the case of the bloodbath at Vinnitsa was especially shocking. In its summary report of 1954, the House Select Committee on Communist Aggression stated:

> One of the most prolonged periods of terror and mass executions carried out by the Communists occurred in Ukraine in what is called the Vinnitsa region. An estimated 10,000 persons were executed during 1937–1938 in Vinnitsa and buried in 38 mass graves.

The report continues:

> This was only 1 of 19 similar episodes carried out during that period in various regions of Ukraine, according to witnesses. It is estimated that more than 200,000 persons were executed in a single year. Eyewitness testimony revealed that this mass murder was committed because the Ukrainians refused to submit and acknowledge Communist rule over their country.

A resident of the community of Vinnitsa, Mr. Petro Pavlovych, testified before the House Committee on Un-American Activities in 1959 on the Vinnitsa massacre. In addition to his tragic testimony, he displayed pictures of the bodies taken by a Ukrainian commission which investigated this atrocity of which he was a member. The pictures and testimony appear in part 2 of the series "Crimes of Khrushchev" issued by HCUA.

The elimination of native anti-Communist adversaries in a given target country may be as effectively conducted indirectly as it may be directly. Actually, in some instances, this strategem can be more efficient particularly if one's enemy does the liquidating of one's anti-Communist opponents because both deplete their resources simultaneously at no cost to the ultimate beneficiary, as the following examples demonstrate.

SLOVAKIA

During World War II the Slovaks rose up against their oppressors, the Nazis and their collaborators, and this rebellion was in keeping with the "Christmas agreement" of 1943 which called for the restoration of Czechoslovakia in "close collaboration with the Soviet Union." However, the U.S.S.R. had no intention of collaborating with the anti-Nazi partisans whom it had encouraged to revolt and who in fact did revolt in August 1944. Advancing Soviet military forces were nearby the area of rebellion in the Slovak mountains when suddenly they came to a halt, a contrived halt which just somehow stretched into a 3-month delay and conveniently happened to span the period of the uprising—or just long enough for six German divisions to move in and crush the Slovak insurgents.

Moscow even sacrificed its own Slovakian Communist partisan allies in order to force the entire underground apparatus to expose itself to superior German military might on the expectation that Soviet army divisions would soon be fighting at its side.

Those whom the Nazis failed to kill were liquidated by the Soviets or by Slovak Communists. Dr. Joseph Pauco, a Slovak journalist, testified before the House Select Committee on Communist Aggression on this insidious form of Communist bloodbathing:

> The Soviets' school of partisans were parachuted in the Spring of 1944 in Slovakia, in the mountains of Slovakia, and then in August 1944 they organized a so-called uprising against the Slovak Government, and they shot hundreds and thousands of Slovaks of anti-Communist patriots. . . . All the people who declined to collaborate with the Communist leaders in 1944 were shot. . . . Many innocent people, farmers, workers, priests . . . some congressmen, were shot by the Communists. They were shot by the Soviets, by the Soviets' partisans and by the collaborators in Slovakia.

Dr. Pauco testified that within 3 months 50,000 were shot and several thousand more were sent by the NKVD to Siberian concentration camps and to the mines in Dumbas (Siberia). During these hearings, Mr. Philip A. Hrobak, president of the Slovak League of America, also testified that by 1945, the Slovaks had been completely abandoned by the United Nations who were not at all interested in their fate. Slovakia was wantonly destroyed, he stated.

> The Communist-dominated National Front Government wasted no time in Slovakia. The Slovak National Council, a 50-50 coalition of Communist and Lettrich Democrats nationalized churches, ecclesiastical schools and institutions, confiscated properties, set up concentration camps and "peoples" courts to mete out "justice" to all who opposed the regime, that is, Benes (Eduard Benes, Pres. of Czechoslovakia), the Communists and the USSR.
>
> A wave of ruthless, brutal persecution of all anti-Communist elements ensued. Over 130,000 were placed under arrest, tens of thousands were deported, disenfranchised and dispossessed, and hundreds murdered.

POLAND

The U.S.S.R. also utilized its German enemy, in a similar fashion to that of Slovakia, in eradicating the former's future opponents in Poland in 1944. However, prior to that time it had made a notable start.

Poland was partitioned in accordance with the Nazi-Soviet agreement of September 28, 1939—the infamous "Ribbentrop-Molotov Pact." The U.S.S.R. annexed its portion of Poland, forced citizenship upon its inhabitants, and then subjected the Poles to conscription, religious persecution, arrests, executions, and mass deportation.

Between 1939 and 1941, the number of Polish citizens deported to Russia was estimated at 1,692,000 including 230,000 POW's taken in September–October 1939, according to the "Handbook of Communism" edited by Joseph M. Bochenski and Gerhart Niemeyer. The conditions to which they were subjected were so appalling that the mortality rate was about 70 percent. Excluding war casualties, it was estimated that 1,000,000 Polish citizens disappeared as a result of the deportations to the U.S.S.R. during this period.

Among the POW's captured were 15,000 Polish officers, the cream of Polish youth and the future leadership of Poland. They were placed in three camps in Russia: 4,500 in Kozielski; 3,900 in Starobielski; and 6,500 in Ostashkov.

On April 13, 1943, during World War II, the German radio broadcast the announcement that they had discovered in the Smolensk region of the U.S.S.R. mass graves containing the bodies of Polish officers who they charged, had been shot and buried by their Soviet captors. The Soviets, in turn, countercharged that the Nazis had executed the prisoners in 1941 after their forces had occupied the area. To this the Nazis replied by inviting an International Commission consisting of medical specialists from 12 countries, and a separate nine-man commission of the Polish Red Cross, to conduct an on-the-spot investigation. The members of the commission had complete freedom of movement and all told examined some 1,000 bodies before signing the report. The outcome of the investigation was that the Nazi charge was substantially accepted by the International Commission and by the Polish Red Cross Commission. Several years later a select committee of the House of Representatives, chaired by Congressman RAY MADDEN, verified that this brutal slaughter had indeed been committed by the Soviets.

As stated, the Katyn Forest massacre involved a total of approximately 15,000 Polish POW's, of whom 8,300 to 8,400 were officers. Most of these were reservists, including numerous doctors—approximately 800—engineers, lawyers, and specialists in various areas. Of the 15,000 men, about 4,440 were actually found at Katyn. The 1972 report of the Senate Judiciary's Internal Security Subcommittee, titled "Communist Treatment of Prisoners of War," states:

> The bodies discovered in the Katyn Forest left some 11,000 Polish POW's unaccounted for. No trace has ever been found of them. All that is known for certain is that they were moved out of their camps at the same time as the POW's who wound up in the mass graves of Katyn. It is believed by Polish nationals who have investigated the fate of their wartime POW's that many, if not all, were placed on barges and drowned in the White Sea.

Without exception all the victims who were discovered were shot through the back of the head, an almost official Russian form of liquidation—and now popular among many other Communist elements. The victims' hands were tied behind their backs with rope made in the USSR.

The actual murders were performed by the Peoples' Commissariat of Internal Affairs—the infamous Soviet NKVD.

As if Poland had not suffered enough, she was yet to undergo more calamity in August 1944 in a fashion similar to that of Slovakia during the same month whereby Moscow schemed, at no expense to itself, in utilizing the services of her present enemy, Germany, to crush her Polish ally but potentially future opponent.

As the Soviet armies rapidly closed on Warsaw, Radio Moscow began broadcasting incessantly for an armed uprising by the Polish underground against the German occupation forces in the capital city. But unlike the coordinated action between the Allied armies and the Paris underground in the liberation of the French capital, in Poland that never came to pass. When, at the Kremlin's urging, the Polish resistance fighters surfaced in fulfillment of their responsibilities in what they had assumed to be a two-pronged attack on the German forces, the advancing Soviet armies under Marshall Rokossovsky came to an abrupt halt at the city's gates.

For 63 days the Poles fought in anticipation of Soviet military assistance which never materialized. Meanwhile, German infantry and armored divisions were called up to reinforce the German garrison and razed the city at Hitler's order. More than 250,000 Poles, including 40,000 active members of the underground, died in this cleverly calculated, Soviet-inspired, premature uprising—just as the Kremlin had planned. That this was no accident on Moscow's part was proven only a few weeks later in Czechoslovakia when the Soviet armies suddenly stopped and failed to assist the insurgents after having called them forth for the overthrow of the German forces.

RUMANIA

Soviet takeover tactics in Rumania facilitated by the former's troops of "liberation" who had entered a country which had already withdrawn from the war and had joined the Allied armies, was typical of the U.S.S.R.'s methods in the other satellites. The natural resistence by Rumanian farmers to the phoney Communist "agrarian reform" program gave the Soviet occupation forces the needed excuse to exercise its techniques of banishment and slave labor

It was estimated that at least 250,000 persons were picked up and placed in concentration camps. During one night in March, 1949, 17,000 families were evicted from their homes. Additionally, 230,000 Rumanian POW's were kept in Russia in labor camps following the war.

In the territories of Bessarabia and Bukovina, which had been annexed by Russia as provided by her deal with the Nazis in August 1939, 850,000 Rumanian citizens were deported between the years 1940–41, and after 1944. Also, in 1944–45, about 80,000 Moldavians, including political types, functionaries, officers, specialists, and students were sent to the U.S.S.R.

All together, about 1,267,000 Rumanians were deported to slave labor camps in the Soviet Union where they worked under the most inhumane conditions until death freed them mercifully from their captors.

There were 40 concentration camps in Rumania and at least 5 camps in Russia where other Rumanians were held. And Rumania herself represented a countrywide prison in which only reliable Communists were allowed to leave on Communist business.

THE BALTIC STATES

Immediately after the annexation of the Baltic States in 1940, the Soviets began to resort to mass deportation, executions and colonization in an attempt to break the ingrained opposition to Russian rule. The NKVD or secret police, moving in the wake of the Soviet armies, purged the Baltic nations of those elements and classes of society which Lenin and Stalin had worked so extensively to liquidate in the USSR for over 20 years.

The NKVD were well prepared for its task. In Lithuania, for example, thanks to the plantation of a large number of its agents and other subversives—under cover of the mutual assistance pact of October 1937 between Russia and Lithuania—the NKVD worked jointly with the Lithuanian Communist Party in preparation of a 14-point classification of categories who would be the prime subjects for extermination and deportation.

On November 28, 1940, the Lithuanian People's Commissar for the Interior issued an order about the negligence in the accounting system concerning "anti-Soviet and socially alien elements." The 14 categories encompassed, in effect, the "alien elements" who composed the entire Lithuanian establishment from both the public and private sectors of Lithuanian life. They were:

1. Members of Russian pre-revolutionary political parties (refugees);
2. Members of Lithuanian contemporary political parties (Christian Democrats, Nationalists, University Students who were members of Student organizations);
3. Members of the State Police, Gendarmerie, and Prison-Wardens;
4. Officers of the former Tsarist Army, and other anti-Bolshevik Armies of 1918–20;
5. Officers and Military Judges of the Polish and Lithuanian Armies;
6. Volunteers to all non-Bolshevik Armies;
7. Persons removed from the Communist Party;
8. Refugees, political Emigres, re-Emigres, and Smugglers;
9. Citizens of Foreign States, representatives of Foreign firms, etc.;
10. Persons who had traveled abroad; who were in contact with representatives of Foreign powers;
11. Officials of Lithuanian Ministries;
12. The Red Cross staff and refugees from Poland;
13. Persons active in local religious organizations; clergymen and secretaries, and "active members of religious communities;"
14. Aristocrats, Industrialists, Hotel and Restaurant proprietors.

The purge was carried out under the direct orders of Gen. Ivan Serov, then Deputy Commissar of the Soviet Union. However, the Soviet purge in the Baltic States had not been entirely completed when Germany attacked Russia in June 1941. Thus it was speeded up, and in one night, June 14, the most massive manhunt in history took place. Thirty thousand Lithuanians were seized and deported to the U.S.S.R. that evening. Additionally, in Estonia, about 10,000 persons were arrested and sent in cattle-cars to the same destination. Finally, in Latvia 15,600 prisoners, including 1,877 schoolchildren were herded to northern Siberia. Most of these people died but a few escaped and gave testimony which is now part of the public record on Soviet genocide.

During the 1940–41 occupation of the Baltic nations the overall losses through death by deportation were: Lithuania, 65,000; Latvia, 62,000; and Estonia, 61,000. The Soviet armies retreated shortly after these deportations but returned later to reestablish control over the area and to launch a second and even greater wave of purges during the period 1944–45.

In Latvia, at least 290,000 underwent the tragedy of forcible expulsion. In Estonia, nearly 100,000 attempted to escape in small boats the approaching Red Army in the fall of 1944. Later, in 1949, 30,000 to 40,000 persons were sent to slave labor camps. During the purges of the forties, it was estimated that about 150,000 Estonians were dispatched to the subarctic regions of Siberia. There were several mass purges in Lithuania during the forties, but the largest took place in 1948–49 when about 10 percent of Lithuania's entire population was forcibly removed. This represented principally the leaders of the peasant population who had stanchly resisted the collectivization of their farms.

ALBANIA

Once in power in 1944, the Albanian Communist government used every means to consolidate itself. Many opponents were brought before the people's courts to be judged as "war criminals" or "enemies of the people." Meanwhile the government did not neglect its drive against the remaining elements of the anti-Communist guerrilla forces which had little chance of success because the new Communist state was surrounded by other supporting Communist countries—evidence that the "domino theory," as evidenced in Eastern Europe, had its practical side. In short, the supply or escape routes for anti-Communist freedom fighters were sealed off at the borders.

Testimony before the House Select Committee revealed that since 1944 over 16,000 people have perished in some 40 political prisons and concentration camps. During the first 10 years of its terrifying existence, some 80,000 Albanians have populated Albania's political prisons.

BULGARIA

The invasion of Bulgaria by the Soviet army and the simultaneously staged coup by the Fatherland Front turned control of over 7,000,000 Bulgarians to the Communists in September 1944. Hence the fact was once again confirmed that communism succeeds only when subversion from within is wedded to—or at least betrothed to—outside military power.

The people's courts, established in October 1944, began sentencing almost every prominent Bulgarian politician, officer, civil servant, judge, teacher, journalist, businessman and clergyman—in short, all potential opponents of their regime. Official Communist statistics reveal that during the first 6 months the courts tried 11,667 persons of whom 2,850 were executed. By the spring of 1945 most of the nation's leadership had been eliminated.

Then came the turn of the Communist "allies" in the Fatherland Front during the fall of 1945. Included were those who had deluded themselves into believing that they could collaborate in political or governmental coalitions with the Communists.

All possible obstacles were placed in the way of the Communists' opposition who were arrested and maltreated and whose constituents were terrorized by different methods, especially in the smaller towns and villages. The single-ticket Communist Fatherland Front handily won an absolute majority.

For a country which harps so extensively on noninterference in the internal affairs of other countries, the USSR has no peers in toppling governments. In January 1946, Vishinsky came from Moscow and intimidated the Bulgarian opposition leaders to rejoin the Government on Communist terms in order to create the impression of a broadly representative government. Nikola Petkov, former Vice President of the Council of Ministers in the former coalition of the Fatherland Front, refused.

According to the House Select Committee on Communist Aggression, an angry Vishinsky, who personally ousted governments in Eastern Europe as fast as he could dictate the draft of an ultimatum, told Petkov that he had no right to disobey "instructions coming from Stalin himself." To this Petkov calmly replied that he was a Bulgarian political leader and could not accept instructions from any foreign power.

Thus the persecution of the opposition increased and then was extended to the returning Bulgarian soldiers in 1946. Officers were dismissed and then arrested. When they revolted, their uprising was crushed. Many were beaten and others leaped from their prison windows to escape their torturers. The leaderless Bulgarian Army was then taken over by 3,000 Soviet officers.

The wave of terror increased just before the elections of 1946. A few days before the polls opened, 34 opposition candidates and 58 representatives of the opposition on the election committees were either killed or imprisoned.

The religious leaders of the Bulgarian Eastern Orthodox Church were also persecuted. High-ranking dignitaries of the church were either imprisoned or liquidated and reportedly the number of priests in labor camps exceeded 250. Churches, monasteries, and other religious institutions became objects of sacrilege. Seminaries were closed and the people placed under constant pressure not to attend church services.

With but slight variation, the above Communist measures were vigorously invoked throughout the entire Central-Eastern region between the Baltic and the Mediterranean Seas. Moreover, the figures cited are very conservative because they span only the early years of the Communist takeover period.

HUNGARY

In the public mind, the major bloodletting period by the Communists is generally assigned to the mid-forties and early fifties. However, the harbinger of the terror to be visited on the States of Central-Eastern Europe appeared 25-years earlier in Hungary, in 1919, when the Communist Bela Kun regime succeeded in creating a Soviet Hungary. Although of short duration, the terror and disruption lasted for 4 months and was the reason that Communism never secured a foothold in Hungary during the decades which followed or until the Red Army rammed it down Hungary's throat.

After World War II, the Soviets occupied Hungary which had been an ally of Germany and squeezed the political, social, and cultural life out of the country by means of economic strangulation. The Red Army stripped her bare of livestock, food supplies, all means of transportation and industrial equipment. Private homes, public warehouses, stores, Government agencies, banks, and even foreign legations received the same barbarous treatment.

Tens of thousands of men, women, and children were deported to the U.S.S.R. Britain and the United States protested periodically, but to no avail because the Allied Control Commission, of which they were both members, was chaired by Soviet Marshall Klementy Voroshilov who formally acted in the name of the ACC. Moreover, he had the military muscle to back up his brutal measures. Meanwhile, the Western Allies were discharging their soldiers as rapidly as possible.

In effect, Voroshilov was systematically sabotaging the Hungarian Government then administered by the anti-Communist Smallholders Party which was forced to discharge any and all government officials unacceptable to the Kremlin. Similarly, all so-called "undemocratic elements," that is, anti-Communist persons, in the civil service, private industry, and the professions were purged.

As more spurious confessions—secured by forgery or torture—made their appearances, more non-Communist Hungarians failed to make theirs, and thus many disappeared into the bottomless pit reserved for such recalcitrant "trouble-makers." Finally, the Government's leadership "confessed" to a trumped up conspiracy against the state. In 1949, following the election of a single list of candidates contrived by the Communists, Hungary too passed behind the Iron Curtain.

But the bloodbaths suffered during the initial Communist takeover were not the only instances of bloodletting suffered by the peoples in the Communist-dominated nations. As a direct consequence of exploitation, Hungary exploded in 1956.

Hungarian writers demanded, during the summer, "the most complete, the most unrestricted freedom that is possible between men who live in society—to believe in Almighty God—to think in a non-Marxist way."

On October 6, 200,000 citizens marched defiantly past the coffins of former Hungarian leaders who were purged by the Communists in 1949 and whose bodies were being reburied in Budapest. Two weeks later, on October 19, 3,000 students voted to leave the Young Communist League and organize an independent organization. On October 24, 200,000 workers joined 25,000 students and demanded free and secret elections, genuine trade unions, and the removal of the Soviet Army.

After some hesitation, attributable, one might surmise, to the shock in Moscow of a worker's revolt taking place in a so-called "Workers' Paradise," and to the vacillation by Western governments, particularly the United States, the Kremlin made its move.

The two Soviet army divisions stationed in Hungary soon received support from a dozen more, tank-led divisions which rushed to the beleagured country and brutally quashed the uprising and the Hungarian freedom fighters.

Indian diplomats on the scene reported that about 25,000 Hungarians were killed. Another 125,000 fled to Austria, a figure which rose to 193,000 by April 1957. We all know of the hundreds of thousands of Hungarians who came to our country immediately after the 1956 revolt and its subsequent bloodbath which they escaped.

GREECE

The tragedy of Communist bloodletting was not always restricted to a complete takeover of a nation-state. Greece experienced a near-miss, an aborted takeover thanks to the resolve of the Allies, particularly Great Britain, in 1946. However the indigenous Communists supported by fellow Communists from Yugoslavia, Albania, and Bulgaria revengefully laid waste what territory was available to them.

They executed over 3,500 civilians, made refugees of 700,000 persons by destroying 11,000 homes and by looting 7,000 villages—and in a parting shot—abducted 28,000 youngsters, ages 5 to 8, for indoctrination purposes in the Soviet bloc. Hanoi, it should not be forgotten, employed the same kidnaping tactics in 1954 following the partition of Vietnam, when they removed children in large numbers from South Vietnam to the North where they would become the future cadre for the Vietcong.

CUBA

Regardless of the factors of time or clime, Communist bloodbathing is similar wherever it may be found. Ten years after the fall of China, and 15 years after that of Eastern Europe, Cuba's turn came.

After having been in power but 2

months, Castro boasted in February 1959 that 300 persons had been executed. Conservatively it is estimated that approximately 10,000 Cubans had been liquidated. Many of the executions were conducted in typical Communist, Katyn-style fashion. Who can forget the Castro circus-type public trials in the old Roman coliseum style slaughter of the Christians. No effort at due process was considered. The accused were excoriated in public trial, sentenced and executed summarily. Movies documented the slit-trench scene with the condemned getting their last cigarette and then being machinegunned into their open graves. Bear in mind this was not in the deep and dark past of world communism but in recent years.

The story of Cuba, as with that of the other 13 Communist nations—updated now to 14 with the recent fall of Cambodia—is best told in the figures of its freedom-seeking refugees. Today about 800,000 Cuban refugees reside in the United States, while worldwide, the toll reaches almost 1,000,000.

In his book, "The Viet Cong Strategy of Terror," Douglas Pike predicted that if the Communists won decisively in South Vietnam they would clear out the foreign newsmen and a curtain of ignorance would descend. In this way, states Pike, the Communists in Vietnam would create a silence and the world would call it peace.

On a broader scale, in Russia, Red China—wherever communism reigns—the Communists create the silence of the grave, and a decaying, shrinking free world calls it peace.

CONCLUSION

Mr. Speaker, it is indeed sad to recount Communist brutality and inhumanity. It is sickening, however, to see the effort of those who, on the one hand, detract from our Nation's exemplary overall record while at the same time gushing in their adulation of Ho Chi Minh and the Communists who sweep through Southeast Asia.

I am reminded of a television panel program a few years ago when a minister who belonged to virtually every Communist front in existence at that time was asked about the sordid record of Communist concentration camps. In righteous indignation, he replied:

> Those are not concentration camps. They are personal rehabilitation centers and they have done those people a world of good.

A line is a line. If you follow it long enough it seems almost true. Those who consciously and unconsciously promote the illusion of détente and a self-serving rewriting of the history of Communist brutality follow the same tactics and the same role. The facts are otherwise. Take this letter of warning 2 weeks ago from Andrei Sakharov and Igor Shafarevich in Moscow. Sakharov, a physicist, is well known in the West as an outspoken dissident for individual liberties in the Soviet Union. Shafarevich is a mathematician and a member of the Soviet Academy of Sciences. Their reputations are well established. Here is what they wrote:

> We want to draw world attention to recent events in our country that stir our great discontent.
>
> Through the last year, attempts to defend that modest degree of freedom that had been considered to be achieved were given a decisive rebuff here. For instance: The pursuit of Catholics in Lithuania, the trials of Baptists, the purges of legal, uncensored publications such as "Veche," as well as anonymous magazines such as "Chronicle of Current Events" and "Chronicle of Lithuanian Catholic Church," trials in Armenia, long terms of exile for Jews who participated in demonstrations for the right to emigrate to Israel and for writer Anatoly Marchenko. The systematic character of these actions stirs our fears that it is only the beginning of a widely planned campaign.
>
> In connection with that, purges against the Soviet group of Amnesty International—which defends political prisoners—are particularly symptomatic. One of its members—Sergei Kovalow—was arrested, its secretary Andrei Tverdokhlebov's apartment was searched. Its chairman, Valentin Turchin, was fired.
>
> Finally, on April 18, organs of state security arrested Tverdokhlebov and a member of the group in Kiev, Mikola Rudenko. At the same time apartments of Turchin and Vladimer Albrecht were searched. All documents concerning Amnesty International were taken.
>
> We appeal to all those who are not indifferent to the struggle for justice and humanism with the call to help courageous and honest people, particularly the arrested members of Amnesty International. Their fates can be changed with support of world public opinion. Only a wide public campaign of defense can be successful.
>
> ANDREI SAKHAROV.
> IGOR SHAFAREVICH.
>
> MOSCOW.

Mr. Speaker, this did not happen years ago. This is happening today. The Communist tactic has not mellowed; it has not changed. Their brutal repression, whether of the more subtle type these Russians cite or the record of murder and atrocities which are a part of the same package they put into effect everywhere, goes on without interruption. Why do so many in our country, particularly in the news media, look the other way?

RESTORATION OF ANDREW JOHNSON HOME IN GREENEVILLE, TENN.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. QUILLEN) is recognized for 15 minutes.

Mr. QUILLEN. Mr. Speaker, it is most appropriate on the eve of our Nation's Bicentennial that the Congress complete the full story of Andrew Johnson's life in Greeneville, Tenn., by finishing the restoration of the home he lived in from 1838 until 1851 as part of the Andrew Johnson National Historic Site.

I think you will agree the events in the life of the 17th President of our United States illustrate so well that a man, no matter how humble his origin or environment, can make his way even to the Presidency.

Andrew Johnson's words and actions reveal his steadfast belief in democracy and the American way of life. Ever mindful of his own humble background and the struggle it involved, he respected the will of the people. Typical of his championship of the common man were his efforts, as Governor of Tennessee, to broaden the scope of public education, and as Congressman, to secure the passage of a homestead bill.

His success was achieved in the face of great adversity from the very beginning. His early life was marked by the hardships of extreme poverty. He was only 4 when his father died and it was necessary that he assume his share of the family's support instead of going to school. Apprenticed to a tailor, he soon decided to go into business for himself and moved with his family to Tennessee in 1826. The next year, when he was 18, he married Eliza McCardle, embarking upon a devoted companionship destined to have a profound effect upon his career, enduring throughout a long succession of triumphs and heartbreaks.

Even as a simple tailor, Andrew Johnson was anxious for an education and employed young men to assist Eliza in reading to him as he worked in his shop. Although it was not possible for him to enroll full-time in college studies, he walked 4 miles each week to take part in a debating society associated with the old Greeneville College, later to become Tusculum, and it was this experience which laid the groundwork for the brilliant oratorical gifts he was to possess in later years.

He was first elected to public office as an alderman in Greeneville in 1829 as the champion of the workingman. In 1831 he became mayor. From there, Johnson served as State representative. State senator, and in 1843, he began the first of five consecutive terms as U.S. Congressman from the First District of Tennessee. In 1853, he served the first of his two terms as Governor, and as the stormy clouds of war gathered on our country's horizon in 1857, Andrew Johnson was elected to the U.S. Senate.

A devout believer in our Constitution and the right of the Federal Government to execute laws within State borders, Johnson stood firmly on the side of the Union as the War Between the States that pitted brother against brother broke out across the Nation—a personal following of some 13,000 "Andy Johnson Democrats" from his home State entered the Union Army as volunteers.

It was after much of Tennessee had been recovered by the Union Army that President Lincoln appointed Andrew Johnson Military Governor of Tennessee and he made the hazardous train trip to Nashville, spat upon and heckled by his fellow Tennesseans he loved so much. While serving the Union in this thankless position, Johnson, according to historians, was once accosted by a young woman who swore to someday dance on his grave; and Andrew Johnson, in all his greatness and humility, forgave her and stayed her execution.

In 1864, Andrew Johnson was chosen as Vice President of the United States, and succeeded to the Presidency upon Lincoln's assassination to continue the tremendous postwar programs and reconstruction that his predecessor had only just begun. It is unfortunate the Congress was then controlled by the radical Republicans who favored a much harsher treatment of the Confederacy and the struggle which was consummated in impeachment began between the executive and legislative branches of the Government.

The Tenure of Office Act which Andrew Johnson held to be unconstitutional brought about the final confrontation. The impeachment trial of the 17th President of the United States was held in the Senate from March until May 1868—and when the votes were tallied, it was found the vote of the courageous Senator from Kansas, Edmund G. Ross, a Republican and opponent of Johnson, but a fair and just man, saved the Presidency.

It is interesting to note in retrospect that the Supreme Court declared unconstitutional the Tenure of Office Act in 1926.

Andrew Johnson became the only ex-President to return to the Nation's Capital as a Senator and in his last speech delivered in that Chamber he said:

> Let peace and prosperity be restored to the land. May God bless this people; may God save the Constitution.

Andrew Johnson was a man robbed of the appreciation he so richly deserved in life. It was not until death that the young woman who once promised to dance on his grave came instead to mourn, her tears falling softly on the petals of the floral offering she carried to place there in his memory.

It was by act of the 74th Congress in 1935 that the Andrew Johnson National Monument was established. In time, the monument grew to include his tailor shop, the home he occupied during his later years, and his gravesite.

In 1963, I introduced a bill to change the name of the monument to the Andrew Johnson National Historic Site and to authorize the purchase and restoration of the home Johnson knew as a young tailor raising his family. According to land records maintained in Geeneville, Johnson purchased this residence in the 1830's, added an addition sometime later, and then sold it after his election to Congress. This measure became law in December of 1963.

I call upon you for approval of H.R. 5147, which I introduced earlier this year, to increase the appropriation for the Andrew Johnson National Historic Site by $200,000, and thus facilitate the complete restoration of Andrew Johnson's early home in Greeneville.

It is time our Nation completed the portrayal of Andrew Johnson's life there. We owe him a tremendous debt and perhaps this will in some small way make up for the heartbreak he suffered during the years we were unable to recognize the greatness of his love for our country.

LAFAYETTE LAKE PROJECT: PART I

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. FITHIAN) is recognized for 30 minutes.

Mr. **FITHIAN**. Mr. Speaker, on Wednesday, April 30, I had the distinct pleasure of testifying before the Appropriation's Subcommittee on Public Works, chaired by our distinguished colleague, JOE EVINS of Tennessee.

The Lafayette Lake project is an extremely important program that will provide much needed flood control and recreational benefits. In addition, it will create necessary water resources for the future and stimulate economic growth in the greater Lafayette area. These advantages are certainly needed for Tippecanoe County, which is the fastest growing metropolitan area in the State of Indiana.

For nearly 18 years, the community has been divided and disrupted by indecision about the project. Having made the decision to proceed on the project, we can now go forth in an orderly manner to develop Lafayette Lake in ways that benefit the entire community.

I want to take this opportunity to place these remarks in the CONGRESSIONAL RECORD for the benefit of my colleagues in the House. The statement is as follows:

TESTIMONY OF REPRESENTATIVE FLOYD J. FITHIAN

Mr. Chairman, I am appearing here this afternoon to urge this committee to include funds for the Lafayette Lake Project in the FY 1976 and 1976 Transition Quarter U.S. Army Corps of Engineers general construction appropriations. As indicated in the attached letter, the Corps of Engineers has stated that its capability on the project for FY 1976 is $300,000 and $500,000 for the 1976 Transition Quarter.

The Lafayette Lake Project was authorized under Section 204 of Public Law 89-298, the Flood Control Act of 1965, as part of the Wabash River Basin Comprehensive Plan for the development of water and related land resources in the area. Funds for the Project were appropriated for FY 1966 to initiate Advanced Engineering and Design Studies which were continued through FY 1970 when Congressional appropriations for additional planning and initiation of land acquisition were impounded. With the exception of $75,000 released for additional environmental assessment, the funds appropriated for additional planning and land acquisition have remained in statutory reserve.

Following passage of the Congressional Budget and Impoundment Act of 1974, Presidential Deferral No. D-75-1 set aside the remaining $108,000 for the Lafayette Lake Project. It should be noted that the Lafayette Lake Project is the only Corps of Engineers Project for which funds remain in a deferred status for the current fiscal year. Since the environmental study mentioned as the justification for the deferral (see the Federal Register, Vol. 39, Number 185, September 23, 1974, p. 34230) has been completed and reviewed by the Corps of Engineers, there should be no reason for further administrative delays. The deferral expires on June 30, 1975, after which time orderly planning for the project may resume.

Planning for the project had reached an advanced stage at the time funds for the project were impounded. Both a General Design Memorandum and an Environmental Study were under way and were completed in 1971. But following passage of PL 92-500 it became evident that certification of water quality storage provisions in the project could not be expected from the Environmental Protection Agency. As a result of PL 92-500 it will be necessary to reformulate the project as presented in the old General Design Memorandum to eliminate water storage. Such re-formulation will also effect the planned recreational development and may effect the lands required for the project. As a result, restudy and additional coordination will be required to develop a project which will be acceptable in today's environment.

Planning for the project will, however, be speeded by the completion of the earlier studies and the Stanley Consultants environmental study, authorized in 1973 and completed last December. Much of the data from these reports will be able to be used in the project re-formulation.

Timely appropriations for the Lafayette Lake project will help answer important questions which have confronted the community for many years. Nearly 18 years have gone by since the project was first considered and 10 years have passed since it was authorized. Long term fiscal and recreational planning for the rapidly growing Lafayette area have been disrupted, the Wabash River Basin Comprehensive Plan for flood control and water resource development has been delayed, and the lack even at this late date of a final plan for the project has forced area citizens to base their judgments and future plans on dated and incomplete information. But the most unfortunate victims of delays in the project have been the residents of the Wildcat valley who still, after 18 years of uncertainty, have no way of knowing exactly which land will be required for the project. Until funding for the project is resumed and new General Design Memorandum and Environmental Impact Statements are approved, these problems will continue to be a source of disruption and confusion in the Greater Lafayette area.

The Lafayette Lake Project is planned as a multi-purpose project designed to provide flood control and recreational benefits. Both are sorely needed by the Greater Lafayette area.

Although the Wabash, like most rivers, does not cause damaging floods every year, it does overflow its banks with alarming regularity. The worst recorded flood occured on March 26, 1913, when the river depth reached 32.9 feet at Lafayette—nearly 22 feet above the "flood stage" of 11 feet at Lafayette. Other devastating floods occurred on:

	Feet
March 19, 1943	28.4
June 14, 1958	26.2
February 27, 1936	25.5
January 6, 1950	25.4
February 12, 1959	25.3
January 16, 1930	24.1
March 6, 1953	22.6
April 30, 1959	22.4
January 30, 1962	21.9

The untold human suffering and devastating damage to homes, property, and crops caused by these and other less spectacular floods present a compelling argument for effective flood control measures. The limitations of nonstructural alternatives for flood control in the area which have been recognized by the Corps of Engineers and the State of Indiana necessitate the construction of a reservoir to accomplish this goal.

Construction of the Salamonie, Mississinewa, and Huntington reservoirs along tributaries of the Wabash have substantially reduced the threat of flooding at Lafayette. Construction of Lafayette Lake would further reduce flood crests at Lafayette by nearly two feet and would help complete the comprehensive plan for flood control in the Wabash Valley. Low flow augmentation during periods of low rainfall would help maintain the Wabash as a viable stream near Lafayette, providing yet another benefit to the community.

Although the Greater Lafayette area is in most respects a healthy and complete community, existing recreational facilities in and around the community are woefully inadequite to meet the needs of its residents.

Greater Lafayette is the fastest growing metropolitan area in the State of Indiana and the home of Purdue University. The need for recreation here, particularly water related recreation, is critical. The Indiana Department of Natural Resources estimates that the seven county area immediately surrounding Greater Lafayette currently needs over 4,000 additional acres for boating, 1,600 acres for fishing, and 19 acres for swimming to adequately meet existing outdoor recreation demands by the public. The Tippecanoe County Park Board and the Tippecanoe County Area Plan Commission estimate that outdoor recreation facilities of nearly every type in the county are inadequate to meet current needs. Their studies too indicate a particular shortage of water related sport facilities for swimming, fishing, and boating. More importantly, demand for facilities for every type of outdoor recreation activity is expected to double within our lifetimes.

The most practical location for recreational devlopment in the county is the Wildcat Valley near Lafayette. Despite zoning restrictions on new construction in the area and long-standing proposals for the construction of Lafayette Lake, urban sprawl from the city of Lafayette will, within a few years threaten to take over the valley, according to a recent environmental study.

Although local conservationists and the County Park Board have made admirable attempts to plan for non-reservoir recreational uses of the valley, inherent deficiencies in certain types of water recreation facilities, land acquisition funding problems, and the need for a structural flood control facility in the valley have made their proposals unfeasible.

Construction of the Lafayette Lake, however, will permanently set this area aside for recreational uses and will come closest to meeting all future recreational needs of the community and the surrounding counties. A full range of recreational opportunities, including picnicking, camping, hiking, swimming, boating, fishing, and horseback riding are anticipated.

Construction of the lake would have an enormously beneficial impact on the economy of the Greater Lafayette area. Unemployment in the area has taken a sharp upward swing, as in most other parts of the country. An increase in construction related jobs and the multiplier effect of money spent on the project will help boost the local economy at a time in which our current recession appears to be deepening. Studies of similar projects indicate a sharp rise in local income immediately following land acquisition and general economic growth following completion of the project.

Several months ago I sponsored three days of open public meetings in Lafayette to gather further information on the project before making a final decision on what action should be taken. At these meetings most of those who spoke against the project never denied that there would be recreational and flood control benefits. Those who spoke in favor of the project agreed that environmental impact and landowners rights were important considerations. And concerned citizens on both sides of the issue agreed that it was important to resolve the reservoir question quickly. After the meetings and a careful re-evaluation of the best available information on the project, I concluded that on the balance the advantages of the project outweigh the disadvantages.

The Lafayette Lake Project has also gained considerable support on the state and local level. The State of Indiana, the City of Lafayette, the City of West Lafayette, and the Wabash Valley Interstate Commission have indicated their firm support for the project. Congressman John Myers, a distinguished member of this committee who represents the 7th Congressional District of Indiana, has indicated his strong support for the project and for the Wabash River Basin Comprehensive Plan.

It is my understanding that some of my constituents who oppose the project, including many landowners in the area who are rightly concerned over the disposition of their land, have requested time to testify before this committee. As one who once lived in the area to be taken by the project, I can understand their concern. Their Constitutional right to just compensation for their property can and must be upheld.

I urge the Committee to insert the following statement in its official report that accompanies the present appropriation bill. This statement is as follows:

"Within the funds provided for the construction of Lafayette Lake, the Corps is directed to acquire only such land as is necessary for the completion of the project and should make every effort to make their assessments and payments for land in an expeditious manner."

But I speak today in support of the project for less vocal people in my district who recognize the benefits the Lake will provide, including the working people of the Lafayette area unable to make a special trip to Washington. For their sake, the sake of the Greater Lafayette area, and for the sake of our children's future, I urge the Committee to include the full capability amounts for Lafayette Lake in the Army Corps of Engineers construction appropriation now being considered.

DEPARTMENT OF THE ARMY,
Office of the Chief of Engineers,
Washington, D.C. April 28, 1975.

Hon. FLOYD FITHIAN,
House of Representatives,
Washington, D.C.

DEAR MR. FITHIAN: This is in response to your letter of 25 April 1975 requesting the Corps of Engineers Fiscal Year 1976 and 1976 Transition Quarter capabilities on the Lafayette Lake project in Indiana.

Our revised capability for Fiscal Year 1976 is $300,000 and $500,000 for the 1976 Transition Quarter. These revised amounts are conditional upon release of the $108,000 now in the President's deferral program not later than 1 July 1975. It should be emphasized that these capabilities were developed considering the project by itself without regard to the Corps overall program capability, fiscal constraints, or the Administration's assessment of appropriate national priorities for Federal investments.

With regard to your question on the funds currently deferred, the Corps could utilize $35,000 during the remainder of Fiscal Year 1975. These funds would be used to resume planning on the project. The remaining funds would be used to continue planning during Fiscal Year 1976.

Assuming release of the funds in deferral and Appropriation of the capability amounts for Fiscal Year 1976 and the 1976 Transition Quarter, we anticipate that land acquisition could commence during the 1976 Transition Quarter.

Sincerely yours,

EARLY J. RUSH III,
Colonel, Corps of Engineers, Assistant Director of Civil Works, Upper Mississippi.

Mr. Speaker, three representatives from the Greater Lafayette area recently appeared before the Appropriations' Subcommittee on Public Works, chaired by our distinguished colleague, JOE EVINS of Tennessee.

These three representatives were: Mr. James R. Williamson, president of the Greater Lafayette Chamber of Commerce and former mayor of West Lafayette, Mayor James F. Riehle, city of Lafayette, and Mayor Joseph S. Dienhart, city of West Lafayette. Mayor Dienhart did not appear in person.

Mr. Williamson analyzed the need for additional water resources and discussed the economic impact that Lafayette Lake would have on the Greater Lafayette Area. Mayor Riehle explained the problems caused by flooding in Lafayette and in the Wabash River Valley. In his written statement, Mayor Dienhart stressed the recreational values of Lafayette Lake to the eight county regions surrounding Tippecanoe County.

I greatly appreciated the fact that these representatives took the time out of their busy schedules to come to Washington to state their sincere belief that Lafayette Lake should be rapidly developed. I have included their statements in the CONGRESSIONAL RECORD for the mutual benefit of my colleagues in the House:

STATEMENT OF JAMES R. WILLIAMSON

I am James R. Williamson, president of the Greater Lafayette Chamber of Commerce and former mayor of West Lafayette. I am here to urge you to approve the necessary funds for construction of Lafayette Lake. Funds invested for the construction of the lake is a capital investment that will be returned many times to our community, our region, our State, and the Nation. The merits of the Lafayette Lake project are more than flood control, recreation, water supply, fish and wildlife—it is a necessary ingredient for the economic, agricultural, and community development of the future.

Studies of other lakes show that much of the capital infused into the community from construction wages and land purchases is invested back into the lake area's taxing bodies. Townships and counties where these lakes have been built have increased in taxable evaluation after construction. The additional tax base created outside Lafayette Lake's associated lands will result in lower taxes for the local taxpayer.

Recreational expenditures will be increased in the Lafayette community and the project area through an expansion and broadening of the local business base. Construction of the lake will present a net gain in income of approximately $200.00 per acre through recreational income over farmland income.

During construction, the local economy will receive economic benefits from the inflow of capital for wages, services, and materials used for the project. There will be jobs for construction workers which will enable them to pay taxes rather than be on the unemployment rolls.

After construction, it is estimated that there will be 2,000 jobs created in the labor market, providing many opportunities for our young people of high school and college age.

The lake will provide the necessary recharge of water supply requirements to sustain and allow for orderly growth of our community in the immediate future. Without the lake it is projected that by 2020 it will be impossible to supply the water requirements of the community and the region. The lake will supply the necessary water needs and will improve the quality for consumption.

Without downstream recharge, which will be supplied and guaranteed by the lake, the future of the community and the region could be in dire trouble. There is reason to believe that during times of critical low flow that without recharge from a reservoir like Lafayette Lake, we can't even sustain the present needs for water supply.

Lafayette Lake will be a beautiful lake providing a reservoir system to prevent disasterous floods, year round recreational opportunities, a habitat for wildlife and the assurance of adequate future water supply.

It has been much too long since the original approval of this project—we believe that immediate action in funding this project is not only deserved, but the only action this committee can take if it is to give fair and just treatment to the community and the property owners who have suffered most because the project has been delayed.

Statement of Mayor Lanes F. Riehle

I want to thank Chairman Evins and the members of the House Appropriations Subcommittee on Public Works, for the opportunity to submit a statement in support of construction of Lafayette Lake.

The primary purpose and justification for construction of Lafayette Lake, is to control flooding along the Wabash River as it passes through the State of Indiana. Control of flooding of the Wabash River has been desired and discussed for many years, but little had been done until construction of the reservoir system began approximately 20 years ago. The loss of life, property, crops, livestock, and public and private investment, because of flooding of the Wabash River, has been well documented in the history of Indiana.

In order to control flooding of the Wabash River, the river itself could be dammed and controlled, or the tributaries to the Wabash River could be dammed and controlled, to dam the river itself, would require a project of huge magnitude, and in all probability, would not be as beneficial as other alternatives.

The alternative of controlling the tributaries to the Wabash River is more logical, and will provide more public use of both the Wabash River, and the water of the tributaries themselves. Lafayette Lake is part of a system of reservoirs, some of which have been completed and in operation, and have already demonstrated their effectiveness in controlling flooding on the Wabash, I sincerely believe that the Lafayette Lake reservoir, when combined with other completed and proposed reservoirs, will effectively control flooding of the Wabash River as it passes throughout the great State of Indiana.

A benefit of the reservoir that is not often mentioned, is that of water conservation. Water is a most necessary national resource, and because of its abundance in northwest Indiana, is not often considered for conservation. However, this abundance is not enjoyed in some parts of the United States, and even this past summer, parts of Indiana experienced a critical shortage of water. Should we not consider conservation of water an important benefit and justification for construction of Lafayette Lake? . . . I think we should, even though our supply in this part of the country is seemingly inexhaustible. An available source and supply of water for future municipal, industrial and agricultural uses should not be overlooked when considering the benefits of Lafayette Lake.

When the entire system of reservoirs is completed and in operation, the flow of the Wabash River can be stabilized and less subjected to rapid rises and flooding, and the other extreme during extended periods of drought, that of extremely low flow, will be controlled. A stable flow of water, would enhance the recreational uses along the entire length of the Wabash River. The lake itself would provide excellent recreational opportunities to the public, and would be a great boost to tourism in our community. Boating, camping and fishing facilities should be provided, as well as, other activities normally associated with large bodies of water.

Development of marsh lands and wildlife habitat, to attract migratory fowl and animals, should be incorporated in the final plans, as well as, hiking trails, cover for small game, and areas for hunting. The opportunities for outdoor recreational development are only limited by our imagination, and each idea submitted by the public should be carefully considered with the goal of developing the best possible facility for the benefit of the greatest number of people.

The lake would be a great economic benefit to the greater Lafayette area. Sales of recreational equipment, the construction of homes and cottages, and the increase of activity in various associated businesses should increase employment opportunities, and broaden the tax base in our community.

The common council of the city of Lafayette, has adopted two resolutions supporting the construction of Lafayette Lake since it was first proposed. The first resolution was adopted in 1964 by a vote of seven for, and one against. The second resolution was adopted in 1973 by a vote of five for, two against, and one abstention. There is wide support for the construction of the lake in the city of Lafayette and Tippecanoe County.

In conclusion, Mr. Chairman, Lafayette Lake will effectively control flooding, it will conserve and store water for future agriculture, municipal and industrial uses, it will broaden the tax base and economic activities of the greater Lafayette area, and it will provide for expanded recreational opportunities and provide habitat for fish and wildlife.

I want to once again thank the subcommittee for the opportunity to testify, and respectfully recommend that funds be appropriated for the construction of Lafayette Lake.

Statement of Mayor Joseph S. Deinhart

For almost 50 years of my life I have devoted myself to the improvement of the quality of life for my fellow citizens—first in the field of athletics and then in the workings of government.

The focus of my work for 43 years was on recreation, both as a student athlete and high school and college coach and athletic director. I have long felt that recreational pursuits are vital to our health and growth as individuals.

It is with great pride, then, that, as mayor, I am able to look at our parks system in West Lafayette and see an outstanding complex of places where people can go for fun and play, or to simply stroll and hike. The versatility of our system is evident in our community's recreation inventory: Happy Hollow Park for families, George Lommel Park devoted primarily to children, Mascouten Park for picnics, Topawinga Park along the river side, an outdoor swimming pool, an indoor swimming pool, Tommy Johnson tot-lot park.

But despite such quantity and quality, our community doesn't have the overall recreation situation it should have. While West Lafayette has only 22,500 people, Purdue University has another 26,000 students. In short, as our community grows and our people's recreational time increases, our facilities—as good as they are—continue to experience a greater burden.

What is vitally needed—and not just for West Lafayette and Purdue University, but an entire 8-county region—is a wide-ranging outdoors facility that provides recreational pursuits that are not readily available today.

Lafayette Lake would be such a facility, providing the water and nature needs pursued by more and more people these days. In the 8-county area that includes West Lafayette, these needs simply don't exist. I cannot stress enough the importance of outdoor recreation.

I make all these statements as a former football and basketball player at Notre Dame from 1922 to 1925, a former Cathedral High School (Indianapolis) coach for 10 years, a former St. Joseph's College coach and athletic director for five years and former coach and assistant athletic director at Purdue from 1945 to 1971. I also say these things as a proud member of the Indiana Basketball Hall of Fame.

And I say these things as the mayor of a vital Central Indiana city which is growing and will continue to grow—particularly if, in the near future, it is blessed with the kind of recreational facility the Lafayette Lake will be.

AMERICANS SHOULD WELCOME VIETNAMESE REFUGEES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. RODINO) is recognized for 15 minutes.

Mr. RODINO. Mr. Speaker, it is my firm conviction that all citizens should welcome the unfortunate Vietnamese refugees who have left their homeland.

The tradition of our Nation has always been to offer a haven to those fleeing oppression and danger. We willingly accepted thousands of displaced persons after World War II, and we granted asylum without question to the Hungarian, Cuban, and Czech refugees. We now gladly open our doors to any Soviet Jews who wish to enter the United States.

There will of course be many problems involved in resettling these refugees from Southeast Asia, particularly during this difficult time for our economy. But, as President Kennedy so eloquently stated:

> We are a nation of immigrants.

Throughout our history immigrants—those seeking a better life or joining relatives, or refugees from repression—have helped build America and they continue to make outstanding contributions to our country.

Mr. Speaker, today the suffering victims of the bitter tragedy in Southeast Asia seek asylum and the chance to rebuild their shattered lives in freedom. They deserve this opportunity. The American people should not hesitate to welcome them with compassion, understanding and help. It is a responsibility we bear not only to the Vietnamese refugees but also to our Nation's heritage and our cherished tradition of humanity.

REMARKS OF DR. KENNETH D. KAUNDA, PRESIDENT OF REPUBLIC OF ZAMBIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. DIGGS) is recognized for 10 minutes.

Mr. DIGGS. Mr. Speaker, I would like to insert for the thoughtful consideration of my colleagues the following remarks by His Excellency Dr. Kenneth D. Kaunda, President of the Republic of Zambia, at a White House dinner given in his honor on April 19, 1975:

> Mr. President, Mrs. Ford, Brothers and Sisters, I first want to express my deep appreciation and gratitude for inviting me to visit Washington, D.C. I also thank you, the Government and the people of the United States for their warm welcome and kind hospitality given to my wife and I and the entire Zambian delegation.

We are happy to be in Washington, D.C. It is a very brief visit, but since we come for specific objectives, it is not the duration that matters, but the results. So far, we have done a lot. We find we have a lot in common on vital issues affecting mankind. Our discussions have been characterized by a spirit of frankness and cordiality. This spirit coupled by the definition of areas of urgent action should move the U.S. and Africa closer towards the attainment of our common objectives.

We come to America with a clear purpose. We simply want to be understood. We seek American understanding of Africa's objectives and America's fullest support in the attainment of these objectives.

The relations between Zambia and the U.S. cause me no concern because they are cordial although there is room for improvement through more sound co-operation.

What gives Zambia and Africa great cause for concern is America's policy towards Africa or is it the lack of it—which, of course, can mean the same thing. For I have been told of U.N. tricks in which an abstention in a vote can be a vote for or against. A no-policy position may not be a neutral position, indicative of passive posture, but a deliberate act of policy to support the status quo or to influence events in one direction or the other at a particular time. We have in recent years been most anxious about the nature and degree of the United States participation in building conditions for genuine peace based on human equality, human dignity, freedom and justice for all particularly in southern Africa.

You will forgive us, Mr. President for our candour if we reaffirmed, on this occasion, our dismay at the fact that America has not fulfilled our expectations.

Our dismay arises from a number of factors. We are agreed that peace is central to all human endeavours. Our struggle for independence was designed to build peace, and, thank God, our people have enjoyed internal peace. We are agreed that we must help strengthen peace wherever it is threatened.

There has been no peace in southern Africa for a very long time even if there was no war as such. The absence of war does not necessarily mean peace. Peace is something much deeper than that. The threat of escalation of violence is now real. It is our duty to avoid such an escalation. We want to build peace in place of violence, racial harmony in place of disharmony, prosperity in place of economic stagnation, security in place of insecurity now digging every family everyday.

To build genuine peace in southern Africa, we must recognise with honesty the *root causes* of the existing conflict.

First: Colonialism in Rhodesia and Namibia. The existence of a rebel regime in Rhodesia has since compounded that problem.

Second: Apartheid and racial domination in South Africa. Over the last few years, a number of catalytic factors have given strength to these forces of evil. External economic and strategic interests have nourished colonial and apartheid regimes.

Realism and moral conscience dictate that those who believe in peace must join hands in promoting conditions for peace. We cannot declare our commitment to peace and yet strengthen forces which stand in the way to the attainment of that peace.

The era of colonialism has ended. Apartheid cannot endure the test of time. Our obligation is that these evil systems end peacefully. To achieve our aim, we need America's total commitment to action consistent with that aim.

So far, American policy let alone action has been low keyed. This has given psychological comfort to the forces of evil.

We become even more dismayed when the current posture of America toward Africa is set against the background of her historic performance in late 50's and early 60's. We cannot but recall:

America that did not wait for and march in step with colonial powers, but rather boldly marched ahead with the colonial peoples in their struggle to fulfill their aspirations.

An America undaunted by the strong forces of reaction against the wind of change, whose nationals helped teach the colonial settlers about the evils of racial discrimination.

An America whose Assistant Secretary for Africa Affairs "Soapy" Williams, could be slaped in the face by a white reactionary on our soil and yet, undaunted still smile, still stand by American principles of freedom, justice and national independence based on majority rule. Yes, the reactionaries hated Americans for "spoiling the natives," for helping to dismantle colonialism.

What has happened to that America? Have the principles changed? The aspirations of the oppressed have not changed. In desperation their anger has exploded their patience. Their resolve to fight if peaceful negotiations are impossible is borne out by history. So their struggle has now received the baptism of fire, victories in Mozambique and Angola have given them added inspiration. Africa has no reason not to support the liberation movements.

Can America still end only with declaration of support for the principles of freedom and racial justice? This will not be enough. Southern Africa is poised for a dangerous armed conflict. Peace is at stake. The conflict with disastrous consequences can be averted but there is not much time. Urgent action is required.

At this time, America cannot realistically wait and see what administering powers will do or to pledge to support their efforts when none are in plan. America must heed the call of the oppressed. America, once an apostle in decolonisation, must not be a mere discipline of those which promise but never perform and thus give strength to evils of colonialism and apartheid.

If we want peace we must end the era of inertia—in Rhodesia and Namibia and vigorously work for ending apartheid. America must now be in the vanguard of democratic revolution in southern Africa. This is not the first time we make this appeal. It is Africa's constant plea.

Now Africa has taken an unequivocal stand on decolonisation. We do not want to fight a war to win freedom and full national independence in southern Africa. Africa wants to achieve these objectives by peaceful means, i.e. through negotiations. Our declaration to give high priority to peaceful methods to resolve the current crisis is a conscious decision. We feel it to be our moral duty to avoid bloodshed where we can. We are determined to fulfill this obligation but not at any price, not at the price of freedom and justice. No.

Africa has made it clear that if the road to peaceful change is closed by the stone walls of racial bigotry and force of arms by minority regimes then we are equally duty-bound to take the inescapable alternative. The oppressed people have a right to answer force with force and Africa and all her friends in the world will support them. Liberation movements fought fascist Portugal. We supported them. They won. Now we must turn to Rhodesia and Namibia.

Can America stand and be counted in implementing the Dar-es-Salaam strategy adopted by Africa. In Dar-es-Salaam early this month Africa reaffirmed its commitment to a peaceful solution to the crisis in southern Africa as a first priority. Our strategy opens even new doors to peaceful change if those caught up in the crisis seek honourable exit. Here is a chance in a century to achieve peace based on human equality and human dignity without further violence.

We call upon America to support our efforts in achieving majority rule in Rhodesia and Namibia immediately, and the ending of apartheid in South Africa. If we are committed to peace, then let us join hands in building peace by removing factors underlying the current crisis.

If the oppressed peoples fail to achieve these noble ends by peaceful means we call upon America, not to give any support to the oppressors. Even now we call upon America to desist from direct and indirect support to minority regimes. For this puts America in direct conflict with the interests of Africa i.e. peace, deeply rooted in human dignity and equality and freedom without discrimination.

We have recently demonstrated our readiness to make peaceful change possible in Mozambique and Angola. We are equally committed to assist the oppressed if they should convince us that the road to peaceful change is closed and armed struggle is the only alternative.

The rebels in Rhodesia, assisted by South African troops have committed some of the worst atrocities on the continent. Africa cannot allow them to continue and we urge America not to allow them to continue. Victory for the majority is a matter of time. Let us, therefore, make it as painless as possible to those who have dominated their fellowmen for years.

Mr. President, we wish America to understand our aims and objectives. We are not fighting whites, we are fighting an evil and brutal system. On this there must be no compromise. America should also understand our strategy. We want to achieve our objectives by peaceful methods first and foremost. Africa is ready to try this approach with patience and exhaust all possible tactics. For peace is too precious for all of us, but our patience and the patience of the oppressed has its limits.

Mr. President, we are here only for a short time. We have no other mission except to take the opportunity of the visit to put Africa's stand. We want to avoid confrontation, but let us not be pushed into it.

Once again on behalf of my wife and my compatriots and indeed on my own behalf I thank you for this warm welcome and hospitality. This is indeed a memorable visit, memorable because it has been fruitful and it coincides with the launching, only yesterday, of your bicentenary celebrations. We congratulate the people of the United States for their anti-colonialist struggle of their founding fathers.

Finally, I take the opportunity of inviting you, Mr. President and Mrs. Ford, to pay a visit to Zambia. We will be happy to receive you in our country at anytime convenient to you.

I now invite you ladies and gentlemen to join me and my wife in this toast:

To the President and Mrs. Ford.

PROVIDING GREATER PROTECTION FOR LIVESTOCK PRODUCERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

Mr. BEDELL. Mr. Speaker, I am today introducing legislation which will provide livestock producers with greater protection against financial disaster should a packing house go bankrupt.

At present, livestock producers have little protection against this eventuality. Once a feeder delivers his livestock to a packer, he has no assurance that he will be able to secure payment should the packer subsequently declare bankruptcy. The result is that many livestock producers are playing a dangerous game of chance with their livelihoods.

This fact became painfully clear last January when American Beef Packers, Inc., one of the largest meat packing operations in the Nation, filed for bankruptcy. The repercussions of this event were desolating and far-reaching. More than 4,000 workers lost their jobs, and hundreds of livestock producers from as far west as Colorado and to as far south as Texas faced financial ruin as a result of the collapse of American Beef, Inc. This disaster came with devastating suddenness. Livestock producers had no warning and were left holding a bundle of worthless checks for their cattle and hogs. It has been estimated that American Beef owes some $18 million to livestock producers alone.

The legislation I am introducing today will not help those producers who were victimized by the fall of American Beef, Inc. It will, however, help provide protection in the future against similar catastrophes.

The bill is identical to the measure introduced in the Senate by Senators CLARK and CURTIS. It grants the Secretary the authority to require that packers be bonded and that they pay producers by certified check and, in some cases, in cash. It also gives livestock producers preferred status in recovering debts from bankrupt packers. At present, producers are treated no differently than any other creditor, even though their continued livelihood may well depend on payment owed them by a packing house for a recent sale. This bill would give them priority over other creditors in the distribution of a bankrupt packer's assets.

In addition to its bonding and debt recovery provisions, the legislation also: grants the Secretary of Agriculture authority to require all packing houses to guarantee payments to producers through the use of certified checks or the establishment of custodial accounts, and prohibits insolvent packers from continuing to operate unless they pay producers in cash; permits injured persons to seek damages for the first time through the Packers and Stockyards Administration from packers who have violated Federal statutes, and establishes new penalties for packers who do not quickly satisfy judgments made against them; and lessens the amount of proof needed to determine violations of Federal statutes, and allows the Secretary of Agriculture to seek injunctions against violators.

In my view, it is imperative that the Congress take action to provide livestock producers with a greater degree of protection against packer bankruptcies. Although it cannot prevent such occurrences, this legislation will do much to diminish the possibility of packer bankruptcies in the future, and will help reduce their impact on producers when and if they do occur. I hope that the Congress will proceed with timely consideration of this very serious problem.

The text of the bill follows:

H.R. 6690

A bill to amend the Packers and Stockyards Act, 1921, to clarify the authority of the Secretary of Agriculture to require reasonable bonds from packers in connection with their livestock purchasing operations, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Packers and Stockyards Act, 1921 (42 Stat. 159; 7 U.S.C. 181–229) is amended as follows:

(1) Section 2(a) is amended by—

(A) striking out the word "and" at the end of paragraph (5);

(B) redesignating paragraph (6) as paragraph (10);

(C) inserting after paragraph (5) the following new paragraphs:

"(6) The term 'poultry' means chickens, turkeys, geese, ducks, and other domesticated fowl, whether live or dead;

"(7) The term 'poultry products' means all edible or unmanufactured inedible products and byproducts of the poultry slaughtering and processing industry derived in whole or in part from poultry, and including slaughtered poultry;

"(8) The term 'edible' means intended for use as human food;

"(9) The term 'insolvent' means current liabilities exceed current assets; and"; and

(D) adding at the end of paragraph (10), as redesignated by clause (B) of this paragraph, a new sentence as follows: "The term 'commerce' also includes any business activity wholly within a State if any person subject to this Act transacts any business activity within the meaning of the term 'commerce' as defined in the preceding sentence.".

(2) Section 201 (7 U.S.C. 191) is amended to read as follows:

"SEC. 201. When used in this Act, the term 'packer' means any person engaged in the business of—

"(1) buying or otherwise acquiring in commerce livestock or poultry for purposes of slaughter,

"(2) manufacturing, processing, or preparing in any manner meats, meat food products, or edible poultry products, for sale or shipment in commerce, or

"(3) buying or otherwise acquiring or selling or otherwise marketing meats, meat food products, livestock products in unmanufactured form, poultry, or poultry products, in commerce, on a commission basis or otherwise, either on his own account or as the employee or agent of the vendor or purchaser.

Nothing in this section shall be construed to affect the jurisdiction of the Federal Trade Commission with respect to retail sales of meat, meat food products, livestock products in unmanufactured form, or poultry products as provided in section 406 of this Act.".

(3) Section 202 (7 U.S.C. 192) is amended by—

(A) striking out "or any live poultry dealer or handler" wherever it appears in such section;

(B) redesignating subdivision (f) as subdivision (g);

(C) redesignating subdivision (g) as subdivision (h) and striking out "or (e)" and inserting in lieu thereof "(e), or (f)"; and

(D) inserting after subdivision (e) a new subdivision (f) as follows:

"(f) Purchase any article while insolvent without paying cash at the time of purchase.".

(4) Section 308 and 309 (7 U.S.C. 209, 210) are repealed.

(5) Sections 401 and 403 (7 U.S.C. 221, 223) are amended by striking out "or any live poultry dealer or handler" wherever such term appears therein.

(6) Title IV is further amended by redesignating section 408 (7 U.S.C. 229) as section 415, and by adding after section 407 (7 U.S.C. 228) the following new sections:

"SEC. 408. The Secretary may require reasonable bonds from market agencies, dealers, and packers in such manner and under such rules and regulations as he may prescribe to secure the performance of their obligations with respect to transactions involving livestock or poultry.

"SEC. 409. Whenever the Secretary determines, after opportunity for a hearing, that any registrant is insolvent or has violated any of the provisions of this Act or any rule, regulation, or order issued thereunder, he may by order suspend the registrant for a reasonable specified period and, if the violation is flagrant or repeated, he may by order revoke the registration of the offender. Such order shall take effect within such reasonable time, not less than five days, as is prescribed in the order, unless suspended or modified or set aside by the Secretary or a court of competent jurisdiction. Any person who carries on any business in violation of a suspension or revocation order under this Act shall be subject to the penalty and enforcement provisions of this Act relating to violation of an order of the Secretary. If a registrant who has been suspended, by an order issued under this Act, for a period of ninety days or less shall permit any other person to engage in any business for which registration is required under this Act at the place of business of the suspended registrant during such period, the suspended registrant shall be deemed to fail to obey such order.

"SEC. 410. The Secretary may summarily order, without a hearing and without regard to chapter 5 of title 5, United States Code, any person subject to the provisions of this Act to pay a seller of livestock or poultry by certified check or to establish a custodial account if the Secretary has reason to believe that such action is necessary to protect vendees.

"SEC. 411. (a) Any person who violates any provision of this Act or any rule, regulation, or order issued thereunder shall be liable to the person injured thereby for the full amount of damages sustained in consequence of such violation.

"(b) Such liability may be enforced either (1) by complaint to the Secretary as provided in section 412, or (2) by suit in any district court of the United States of competent jurisdiction; but this section shall not in any way abridge or alter the remedies now existing at common law or by statute, but the provisions of this Act are in addition to such remedies.

"SEC. 412. (a) Any person complaining of anything done or omitted to be done by any person subject to this Act (hereinafter in this section referred to as the 'dependant') in violation of any provision of this Act or any rule, regulation, or order issued thereunder may, at any time within one hundred and twenty days after the cause of action accrues, apply to the Secretary by complaint which shall briefly state the facts, whereupon the Secretary shall forward a copy of the complaint to the defendant, who shall be called upon to satisfy the complaint, or to answer it in writing, within a reasonable time to be specified by the Secretary. If the defendant within the time specified makes reparation for the injury alleged to have been done he shall be relieved of liability to the complainant only for the particular violation complained of. If the defendant does not satisfy the complaint within the time specified, or there appears to be any reasonable ground for investigating the complaint, it shall be the duty of the Secretary to investigate the matters complained of in such manner and by such means as he deems proper.

"(b) The Secretary, at the request of the livestock commissioner, board of agriculture, or other agency of a State or territory of the United States, having jurisdiction over stockyards in such State or territory, shall investigate any complaint forwarded by such agency in like manner and with the same authority and powers as in the case of a complaint made under subdivision (a).

"(c) The Secretary may at any time institute an inquiry on his own motion, in any case and as to any matter or thing concerning which a complaint is authorized to be made to or before the Secretary, by any provision of this title, or concerning which any question may arise under any of the provisions of this Act, or relating to the enforcement of any of the provisions of this Act. The Secretary shall have the same power and authority to proceed with any inquiry instituted upon his own motion as though he had been appealed to by petition, including the power to make and enforce any order or orders in the case or relating to the matter or thing concerning which the inquiry is had, except orders for the payment of money.

"(d) No complaint shall at any time be dismissed because of the absence of direct damage to the complainant.

"(e) If after hearing on a complaint the Secretary determines that the complainant is entitled to an award of damages, the Secretary shall make an order directing the defendant to pay to the complainant the sum to which he is entitled on or before a day named.

"(f) In the case of any complaint in which the amount claimed as damages does not exceed the sum of $3,000 an oral hearing need not be held and proof in support of the complaint and in support of the defendant's answer may be supplied in the form of depositions or verified statements of fact unless the Secretary directs that an oral hearing be held.

"(g) If the defendant does not comply with an order of the Secretary for the payment of money within the time limit in such order, the complainant, or any person for whose benefit such order was made, may within one year of the date of the order file in the district court of the United States for the district in which he resides or in which is located the principal place of business of the defendant, or in any State court having general jurisdiction of the parties, a petition setting forth briefly the causes for which he claims damages and the order of the Secretary in the premises. Such suit in the district court shall proceed in all respects like other civil suits for damages except that the findings and orders of the Secretary shall be prima facie evidence of the facts therein stated, and the petitioner shall not be liable for costs in the district court nor for costs at any subsequent stage of the proceedings unless they accrue upon his appeal. If the petitioner finally prevails, he shall be allowed a reasonable attorney's fee to be taxed and collected as a part of the costs of the suit.

"(h) Any party adversely affected by the entry by the Secretary of an order granting or denying reparation may, within thirty days from and after the date of such order, appeal therefrom to the district court of the United States for the district in which the hearing was held. In cases handled without oral hearing in accordance with subsection (f) or in which oral hearing has been waived by agreement of the parties, appeal may be to the district court of the United States for the district in which any defendant resides, is found, or transacts business. Such appeal shall be perfected by the filing with the clerk of such court a notice of appeal, together with a petition in duplicate which shall recite the prior proceedings before the Secretary and shall state the grounds upon which appellant relies to defeat the right of any adverse party to recover, or to establish his own right to recover, the damages claimed, with proof of service thereof upon each adverse party. Such an appeal by an appellant who has been ordered by the Secretary to pay a reparation award shall not be effective unless, within thirty days from and after the date of the Secretary's order, the appellant also files with the clerk a bond in the amount of 130 per centum of the amount of the reparation awarded, conditioned upon the payment of any money judgment entered by the court against the appellant, plus interest and costs, including a reasonable attorney's fee for the appellee, if the appellee shall prevail. Such bond shall be in the form of cash, negotiable securities having a market value at least equivalent to the amount of bond prescribed, or the undertaking of a surety company approved by the court. The clerk of the court shall immediately forward a copy of the petition to the Secretary, who shall forthwith prepare, certify, and file in said court a true copy of the Secretary's decision, findings of fact, conclusions, and order in said case, together with copies of the pleadings upon which the case was heard and submitted to the Secretary. Such suit in the district court shall be a trial de novo and shall proceed in all respects like other civil suits for damages, except that the findings of fact and order or orders of the Secretary shall be prima facie evidence of the facts therein stated. An appellee shall not be liable for costs in said court and, if he prevails, he shall be allowed a reasonable attorney's fee to be taxed and collected as a part of his costs.

"(i) Unless a defendant who is registered under this Act, and against whom an order for the payment of money has been issued, shows to the satisfaction of the Secretary within five days from the expiration of the period allowed for compliance with such order either that he has taken an appeal as provided for in subsection (h) of this section or that payment has been made in full as required by such order, the defendant shall be suspended automatically as a registrant under the Act at the expiration of such five-day period until he shows to the satisfaction of the Secretary that the amount specified in the order has been paid, with interest thereon to date of payment. If an appeal is taken by such a defendant and the judgment of the court is adverse to the appellant, or if the appeal is dismissed, unless the defendant within five days after the date of such judgment or dismissal makes payment as required by the order, he shall be suspended automatically as a registrant until he shows to the satisfaction of the Secretary that payment has been made, with interest thereon to date of payment. If such a judgment is stayed by a court of competent jurisdiction, the suspension shall become effective five days after the expiration of such stay unless full payment has been made, with interest to date of payment, and shall continue until the defendant shows to the satisfaction of the Secretary that he has made such payment, with such interest.

"(j) Unless any defendant not covered by subsection (i), against whom an order for the payment of money has been issued, shows to the satisfaction of the Secretary within five days from the expiration of the period allowed for compliance with such order either that he has taken an appeal as provided for in subsection (h) of this section or that payment has been made in full as required by such order, such defendant shall be liable to a penalty of $500 per day for each day, after said five days, in which he engages in any business subject to this Act, until such defendant shows to the satisfaction of the Secretary that the amount specified in the order, with interest to date of payment, has been paid, which penalty shall accrue to the United States and may be recovered in a civil action brought by the United States. If an appeal is taken by such defendant, said penalty shall not begin to accrue until five days after judgment by the court adverse to the defendant, or dismissal of the appeal. If such a judgment is stayed by a court of competent jurisdiction, the penalty shall become applicable beginning five days after the expiration of such stay unless full payment has been made, with interest to date of payment, and shall continue to be applicable until such payment, with interest, has been made.

"SEC. 413. Whenever it shall appear to the Secretary that any person has engaged, is engaging, or is about to engage in any act or practice constituting a violation of any provision of this Act or any rule, regulation, or order issued thereunder, the Secretary shall notify the Attorney General who shall bring an action in the appropriate district court of the United States or the appropriate United States court of any territory or other place subject to the jurisdiction of the United States, to enjoin such person from engaging in operations subject to this Act or to enjoin such person from engaging in operations subject to this Act except under conditions that will protect vendors, consignors, and other person affected by such operations, until the complaint under this Act is issued and dismissed by the Secretary or until an order to cease and desist made thereon by the Secretary has become final and effective within the meaning of this Act or is set aside on appellate review, and such courts shall have jurisdiction to entertain such actions. Upon a proper showing, the court shall issue a temporary restraining order, or preliminary injunction, without bond. Attorneys employed by the Secretary may, with the approval of the Attorney General, appear in the United States district court representing the Secretary in any action seeking such a temporary restraining order or injunction. Upon application of the Attorney General, the district courts of the United States and the United States courts of any territory or other place subject to the jurisdiction of the United States shall also have jurisdiction to issue writs of mandamus, or orders affording like relief, commanding any person to comply with the provisions of this Act or any rule, regulation, or order issued thereunder, including the requirement that such person take such action as is necessary to remove the danger of violation of this Act or any such rule, regulation, or order. Any action under this section may be brought in the district wherein the defendant resides, is found, or transacts business or in the district where the act or practice occurred, is occurring, or is about to occur, and process in such cases may be served in the same manner as provided in section 5(f) of the Federal Trade Commission Act (15 U.S.C. 45).

"SEC. 414. Debts of a bankrupt that are owing for the purchase of livestock or poultry shall have priority in accordance with clause (5) of subdivision a of section 64 of the Bankruptcy Act (11 U.S.C. 104(a)(5)) if, at the time such debts were incurred, the bankrupt was a packer, market agency, or dealer subject to this Act.".

(7) Title V is repealed.

SEC. 2. The proviso contained in the paragraph entitled "Packers and Stockyards Act" under the heading "MARKETING SERVICE", in the Act entitled "An Act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1944, and for other purposes", approved July 12, 1943 (57 Stat. 422; 7 U.S.C. 204), is repealed.

SEC. 3. The amendments made by this Act shall become effective on the first day of the second calendar month following the month in which this Act is enacted.

SOCIAL SECURITY DEFICIT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. LEVITAS) is recognized for 5 minutes.

Mr. LEVITAS. Mr. Speaker, yesterday's announcement by the trustees of the social security funds that there is an anticipated deficit of $3 billion between collections and payments for this year and, under current financing, the reserve would be exhausted by 1981, is alarming to me and most Americans—notwithstanding assurances by Social Security Commsisioner James B. Cardwell that we should not be alarmed.

It should be a matter of the highest priority for Congress to begin to do something about this problem now and not wait until the crisis is upon us and emergency measures and ill-considered reactions are required.

It was for this reason that I introduced House Joint Resolution 291 on March 6, 1975, and reintroduced it as House Joint Resolution 402 with 18 cosponsors on April 17, 1975. These bills would call for a National Commission on Social Security and would provide the means for making legislative changes in a system that obviously needs to be redesigned to meet the needs of the future. We do not need any more "bandaid and mercurochrome" approaches. We need a new comprehensive approach. It is unacceptable merely to propose increasing the taxable wage base upon which social security taxes are levied or to increase the already-too-high rate of payroll tax. Social security payroll tax is a regressive tax to begin with, and its bite out of the average person's paycheck is already oppressive.

Most Americans know that something fundamental has to be changed in our approach to the social security programs. Today 10 people have to pay into the program in order to support every 3 recipients, and we are told that by the year 2030 it will require two people working to support each beneficiary. How long will it be before the ratio of workers to beneficiaries is 1 to 1?

Our retired citizens, survivor-beneficiaries, and disabled persons, who are now receiving benfits, are worried. Congress must give them reassurance that the benefits which they have paid for and which they must have and need will continue to be available. This is our responsibility.

Persons approaching retirement need to be assured that their anticipations and plans based on social security benefits are not being jeopardized. This is our responsibility.

Young Americans need to be assured that the system to which they will be contributing to for many years makes sense and is not merely a costly ripoff. That is our responsibility.

As I said at the time I introduced House Joint Resolution 291:

> We have a national commitment to a retirement, disability, and survivor benefit program. We cannot allow that commitment to flounder, because the existing delivery system has become unsuited to our current and future needs. Our mission is not to destroy but to create; not to provide expensive cosmetic treatments to the patient, but rather to find a cure that will provide true security for all citizens in need of an affordable and realistic program for retired citizens and for the families in which the wage earner has died or has become disabled.

Mr. Speaker, I urge this Congress to act swiftly on my bills or on similar legislation so that all Americans, however they may be affected by social security, can take heart that Congress is concerned and willing to deal with this vital problem. For us to do less would be inexcusable.

PANAMA CANAL QUESTION: ENVIRONMENTALISTS OPPOSE SEA-LEVEL DESIGN AND SUPPORT MAJOR MODERNIZATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

Mr. FLOOD. Mr. Speaker, as many Members of the Congress will recall, the report of the sea-level canal study panel under Public Law 88–609, approved September 22, 1964, was submitted on December 1, 1970, to the President with numerous copies to the Congress and elsewhere. This report, against the views that respected marine biologists who have studied the dangers to ocean animal and plant life consider would be involved, recommended the construction of a so-called sea-level canal in territory of the Republic of Panama about 10 miles west of the existing canal at an initially estimated cost of $2,880,000,000. This estimate did not include either the cost of acquiring a right-of-way or that for a huge indemnity to Panama and thus is highly unrealistic and misleading.

It is important to recall that the former executive director of the sea-level panel study, in a public statement on March 4, 1971, at a "Smithsonian Symposium on Biological Hazards of a Sea-Level Canal at Panama," made the following assertions here summarized:

First. That the sea-level study under Public Law 88–609 originated with the State Department after the 1964 Panamanian mob assaults on the Canal Zone.

Second. That the main purpose of the sea-level proposal was to secure "better treaty relationships" with Panama.

Third. That if these objectives are not obtained the project is not warranted, that it is eonomically justified, and that it "may never be constructed."

Fourth. That the study panel recognized that a "sea-level" canal would be "ecologically dangerous."

Fifth. That the decision to construct such type of canal would be a "political" one.

Mr. Speaker, to such revealing comments as these, I would ask that if a sea-level project is not operationally, engineeringly, geologically, diplomatically, and ecologically sound how could any political decision for it possibly be a wise one—see CONGRESSIONAL RECORD, volume 117, part 6, March 24, 1971, page 7839.

Leading environmental organizations have now had time to study authoritative writings on the biological hazards involved in any canal of sea-level design and to form some very definite conclusions as set forth in a telegram on April 8, 1975, to the President. In that message, 10 of these organizations opposed any sea-level provision in a new treaty, stated that they would oppose any convention that contains such provisions, and urged the President to instruct the Secretary of State to cease all negotiations for a sea-level provision as part of any treaty with Panama.

The indicated organizations pointed out that a sea-level canal at Panama is not even necessary and support the major modernization of the existing canal under current treaty provisions as this could be done without hazard to marine ecosystems and, I may add, with every assurance of success and without treaty involvement. Such support added to that of the American Legion, Veterans of Foreign Wars, the D.A.R. and S.A.R., and many other civic, ecological, fraternal and patriotic organizations shows the necessity for a canal policy based upon commonsense and not one directed toward the predetermined objectives of small governmental, industrial, and financial groups.

The indicated telegram was the subject of a press release on April 14, 1975. Because of their significance in the overall canal equation, I quote both as parts of my remarks:

ENVIRONMENTALISTS OPPOSE PANAMA SEA-LEVEL CANAL

WASHINGTON, D.C., April 14.—Ten national and international environmental organizations have urged President Ford to call a halt to the State Department's attempts to negotiate an option to build a new Sea-level Panama Canal. In a telegram to the President, the groups said, "We will oppose any treaty with Panama that authorizes or allows the construction of a new Sea-level Canal."

Environmentalists' concern is based on the findings of marine scientists. A prestigious National Academy of Sciences panel in 1970 cited "grave potential dangers" that could result from the project as a consequence of the intermixture of now-separate biological systems in the tropical Caribbean Sea and Pacific Ocean. There is no intermixing at present because marine organisms cannot survive in the existing lock-type Panama Canal, which contains only freshwater.

The National Academy of Sciences panel referred to the Sea-level Canal as "a gigantic natural experiment. Its consequences are unforeseeable." Among the possible results, the panel said, could be a decline in shrimp or fin fisheries.

The 10 environmental organizations criticized the State Department for injecting the Sea-level Canal issue into the current treaty negotiations with Panama, which center on questions of sovereignty and administration of the present canal. "Neither the Congress nor the several relevant agencies in the Executive Branch have approved a Sea-level Canal or even seriously considered the matter. The State Department has never been authorized to negotiate for a treaty provision on the Sea-level Canal," they told the President. "It would be premature and reckless to enter a new treaty with Panama that would authorize or permit construction of a Sea-level Canal."

APRIL 8, 1975.

The PRESIDENT,
The White House,
Washington, D.C.

MR. PRESIDENT: Recent reports on the State Department's negotiations with Panama concerning the interoceanic canal indicate that a serious environmental issue is involved. The negotiators for the United States are seeking a provision in a new treaty that would grant the United States a long-term option to build a new interocean Sea-level Canal.

The State Department has said: "The United States seeks twenty-five year options: (a) to add a third lane of locks to the present canal and (b) to build a new sea level canal."

Conservation and environmental organizations strongly oppose a Panama Sea-level Canal and regard a treaty provision of this kind as prejudicial to the thorough, rational consideration of the issue. Neither the Congress nor the several relevant agencies in the Executive Branch have approved it or even seriously considered the matter. The State Department has never been authorized to negotiate for a treaty provision on the Sea-level Canal.

There are important reasons for our concern. Marine scientists have repeatedly warned against a Panama Sea-level Canal, on grounds that a canal of this design would eliminate the present freshwater barrier to intermixture of the two distinct ecosystems on either side of the Isthmus of Panama. The result could be tremendous damage to the fish and other marine organisms of both the Atlantic and Pacific Oceans, with consequent impact on the large human populations that depend on the seas in this part of the world.

A National Academy of Sciences Panel on the Sea-level Canal warned of "grave potential dangers" that could result from such a project. The panel said:

"Joining two oceans with a sea-level canal is a gigantic natural experiment. Its consequences are unforeseeable. To forego the relevant biological research prior to and during the construction of a new canal would be like preparing to put a man on the moon and neglecting to ask him to make scientific observations and collect samples. A new canal will affect the animal and plant life of the two oceans, but what these effects are cannot be determined unless the nature of the differences between the biota and ecosystems of the two oceans are first carefully established through years of intensive research."

Advocates of the Sea-level Canal claim there is a technological solution to this problem, but no solution has yet been proposed in sufficient detail to allow evaluation of its effectiveness. All the proponents have to offer is vague promises.

The Panama Sea-level Canal is not even necessary. An alternative modernization project, on which more than $171 million has already been spent by the federal government, would greatly increase the capacity of the present Panama Canal without hazard to marine ecosystems. This project was designed in the Panama Canal organization as a result of World War II experience and was approved by President Franklin D. Roosevelt as a postwar project. It can be carried to completion under provisions of the existing treaties with Panama.

The undersigned organizations believe it would be premature and reckless to enter a new treaty with Panama that would authorize or permit construction of a Sea-level Canal. A Sea-level Canal provision in a treaty would not only prejudice later consideration of the merits of the project, but it would also lead Panama to expect the United States to build a new canal, even though no decision has yet been made on it by this country.

Consequently, we will oppose any treaty with Panama that authorizes or allows the construction of a new Sea-level Canal. We urge you to instruct the Secretary of State to cease all negotiations for a Sea-level Canal provision as part of any treaty with Panama.

SIGNED

John W. Grandy IV, Executive Vice President, Defenders of Wildlife.

Peter Harnik, Coordinator, Environmental Action, Inc.

Brent Blackwelder, Washington Representative, Environmental Policy Center.

Douglas W. Scott, Northwest Representative, Federation of Western Outdoor Clubs.

David R. Brower, President, Friends of the Earth.

Lewis Regenstein, Executive Vice President, The Fund for Animals, Inc.

David S. Claflin, President, International Society for the Protection of Animals.

T. Destry Jarvis, Administrative Assistant, National Parks and Conservation Assn.

Stewart M. Brandborg, Executive Director, The Wilderness Society.

Godfrey A. Rockefeller, Executive Director, World Wildlife Fund.

THE FACES OF HUNGER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. METCALFE) is recognized for 10 minutes.

Mr. METCALFE. Mr. Speaker, last summer a reporter and photographer from the Chicago Tribune—William Mullen and Ovie Carter—toured the famine-ravaged regions of Africa and India. They returned with a six-part series for the Tribune entitled "The Faces of Hunger." Its words and pictures presented one of the most powerful and sensitive pieces of journalism I have ever seen.

Ovie Carter's photographs and William Mullen's words presented an image of poverty and starvation that I will not soon forget.

Yesterday, Mr. Carter and Mr. Mullen were awarded jointly the Pulitzer Prize for international reporting. It was one of the few times in the prize's history that a reporter-photographer team has been awarded a Pulitzer. Yet, I can think of no two men who deserved this award more.

At the time "The Faces of Hunger" ran in the Tribune, I inserted each article in the CONGRESSIONAL RECORD with the hope that they would move the Congress toward some action in solving the problems of worldwide hunger. At that time, I also introduced a resolution calling upon the Congress to express its concern for this terrible problem. At the beginning of this Congress, I reintroduced that resolution, House Resolution 38. I regret to say that the Congress has yet to act upon it.

The Members of this House will remember that the world food shortage was a highly publicized issue last fall. Television specials were done on the subject, a conference was held in Rome to discuss the world's food supply. They will also remember that the drought in the Sahel region of Africa was at its height and literally millions of people were in immediate danger of starving to death.

In the months since, much of the immediate pressure for action has died down. There have been no more television specials. The immediate crisis in the Sahel has passed. The people there have reached a level of bare subsistence. They are still dying, but more slowly now. The World Food Conference has, for the most part, been forgotten. Our own economic problems and the recent foreign policy disaster in Southeast Asia have taken our minds off the world's food crisis.

Nothing of what has happened since last fall, however, has alleviated that crisis. It is still very much with us. We are still on the brink of world-wide disaster.

Grain stockpiles are so low that a major crop failure in any part of the world will again cause unbelievable suffering through much of Asia and Africa. In the long term, this earth is still rapidly approaching the time when we will have too many people and not enough food to feed them.

Let us have no illusions. The food crisis toward which we are heading will transcend political borders and it will transcend ideology.

The United States is in a unique position to work toward a solution to this problem.

Despite the rhetoric of past weeks, I do not agree that our position in the world community must be based upon either neo-isolationism or massive military strength. The lesson we should all learn from Vietnam is that while we cannot intimidate foreign countries into becoming safe for democracy neither can we withdraw from the world community.

What we must do now is to realize that the only truly healthy relationship between nations is a cooperative one. The world is not so easily divided as being Communist or free. A growing part of the world is truly nonalined. Its interest is not in being swallowed up by great-power politics, its interest is in economic and social development.

A joint international effort to deal with the world's food shortage is a vital step toward this kind of real cooperation. It is an effort that, sooner or later, we will have to undertake.

There is no reason on this earth why we cannot begin to take those necessary steps today.

There is no reason why we in this House cannot begin to show some real concern for this problem.

I hope that the 94th Congress will act soon on the legislation necessary to meet the needs so graphically depicted by William Mullen and Ovie Carter for the Chicago Tribune.

THE 1975 POLISH CONSTITUTION DAY PARADE IN CHICAGO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, on Saturday, May 3, 1975, the 184th anniversary of the first democratic Constitution of Poland, the Polish National Alliance sponsored Chicago's annual Constitution Day parade and it was my pleasure and honor to be on the reviewing stand at this event.

Mayor Richard J. Daley served as honorary grand marshal of the parade. Also on the reviewing stand were the great president of the Polish National Alliance, Aloysius A. Mazewski; the distinguished vice president, Helen M. Szymanowicz; His Excellency Bishop Alfred Abramowicz; Mitchell Kobelinski, Director of the Export-Import Bank; Congressman DAN

Rostenkowski, Congressman Ed Derwinski; Alderman Roman Pucinski; Alderman Casey Laskowski; County Clerk Stanley Kusper; Chester P. Majewski, member of the sanitary district; Judge Francis Lorenz of the appellate court; Judge Eugene Wachowski and Judge Edward Plusdrak of the circuit court. And Connie Szerszen and Bob Lewandowski were the announcers for the parade.

The parade down State Street consisted of thousands of marchers and over 150 bands, marching units, and floats, along with dignitaries representing business, labor, politics, and civic organizations too numerous to mention. Over a quarter of a million Chicagoans lined both sides of State Street in the rain for over 3 hours to commemorate the heroic struggle of the Polish people to uphold the principles of freedom in the 1791 Constitution.

After the invocation by Bishop Abramowicz, Senator Birch Bayh, of our neighboring State of Indiana, delivered an outstanding commemorative address on the long struggle by the Polish people for individual liberty and self-determination as a nation. He also outlined the many contributions that the Polish people have made to America's freedom, and emphasized that all of us as Americans must keep the torch of freedom aloft as an inspiration to the people of the world and in memory of those throughout history who have sacrificed for the ideals of liberty.

The drafting and adoption of the Constitution of 1791 by patriotic Polish leaders marked a turning point in the history of that country. By that significant document the Poles effected a peaceful change in the structure of their government without resorting to the bloody and violent measures which characterized the French Revolution. By adopting a progressive and popular Constitution they led their countrymen from the feudal ways of the Middle Ages to the concepts of individual liberty and responsibility which characterized the American Constitution of 1776.

That Constitution contained many provisions which still retain their validity today. By these provisions the authority of the monarch was sharply curtailed, and ministerial responsibility was established. The intricate and obstructive features of the old system were eliminated. The upper chamber lost some of its preponderant powers and the second chamber, the elective representative body of the nation, was vested with genuine legislative authority. Economic barriers between the nobility and the bourgeoisie were drastically lowered.

The townsmen recovered their judicial autonomy and gain a number of political rights, especially that of admission to many of the higher offices. The peasantry was taken under the protection of the law and religious toleration was established. The constitution abolished the worst abuses from which Poland had been suffering for centuries. Through the abolition of the most pressing political evils of the old regime, and by granting increased freedom action to the middle and lower classes, the Constitution of 1791 marked a great advance over all previous attempts at reform in Poland.

Unfortunately, before the Poles had any chance to enjoy the benefits of this Constitution their homeland was divided among the autocrats of Austria, Prussia, and Russia. Having thus lost their sovereign existence and national independence, Poles became subjects of the alien governments in their homeland, and for more than 120 years they lived under oppressive foreign regimes. Then, toward the end of the First World War, when they witnessed the defeat and disintegration of the government which occupied their country, they joyfully seized upon the opportunity and regained their national freedom. And the birth of the Republic of Poland in 1918 signified also the resurgence of the spirit embodied in the Polish Constitution of 1791.

On the anniversary observance of Polish Constitution Day it is impossible to omit a reference to today's Poland, which is a far cry from what all patriotic and liberty-loving Poles had hoped it to be. They had dreamed, prayed, and worked for a liberated, free, and independent Poland. We all know that since the treacherous rape of their country at the end of the last war these Poles have not known freedom there.

Despite all of the outrages suffered by the heroic Polish people at the hands of their Communist oppressors, these dauntless souls cling to their noble ideals as outlined in the Constitution of 1791. I was proud to join, with Americans of Polish heritage in my own City of Chicago at the parade and commemorative ceremonies on May 3, in expressing support for the strong and unwavering desire of the Polish people that Poland once again be free to decide its own national destiny.

GROUNDBREAKING CEREMONIES FOR THE F. EDWARD HÉBERT MEMORIAL LIBRARY

(Mrs. BOGGS asked and was given permission to extend her remarks at this point in the Record and to include extraneous matter.)

Mrs. BOGGS. Mr. Speaker, on April 23, 1975 we in New Orleans had the great honor of hosting President Ford who was with us on the occasion of the groundbreaking ceremonies for the F. Edward Hébert Memorial Library.

Since the dean of the Louisiana delegation commands the respect and highest esteem of his colleagues in the House, I include the remarks made by President Ford in behalf of his friend and former colleague Congressman Hébert in today's Record.

Remarks of the President at the Groundbreaking Ceremonies for the F. Edward Hébert Library

Thank you very much, my close and dear friend, your Congressman, Eddie Hébert.

Mrs. Hébert, Governor Edwards, Lt. Governor Fitzmorris, Senator Johnston, my former colleagues in the House of Representatives, Lindy Boggs and Dave Treen, Mayor Landrieu, Bishop Hannan, distinguished guests, ladies and gentlemen:

I don't believe that I have ever had a more complimentary introduction. And I hope and trust, Eddie, that what you have said I can live up to. It certainly is what we, as a people, must do. And to the extent that I can, you can be assured that I will try to the maximum.

I am here in the great area of New Orleans. It is a privilege and a pleasure for me to participate in the groundbreaking ceremony for the Hébert Library.

There are few men in the United States Congress that I have known longer or respected more than the man that all of us honor here on this occasion today.

Eddie Hébert and I have many views in common. We have had some areas of disagreement, but the main relationship that I have had with your great Congressman is the personal one. And that personal relationship has meant a great deal to me over the time that we have known one another.

I compliment all of you in this great part of our country for showing the superb judgment in seeing to it that you are represented by Eddie Hébert.

Eddie Hébert was a legislative veteran when I entered the Congress in January of 1949. Eddie Hébert is a leading member of the Congress today, 26 years after I first met him, and 34 years after he first entered the Congress of the United States.

But we are not paying tribute today to Eddie Hébert because of his stamina and Eddie's power, remarkable as those attributes are, we are here today because of the service Eddie Hébert has rendered to all of you and many before you and hopefully many that will follow you.

He has rendered an unbelievable service on behalf of his people, his State, and his country.

Now, even though Eddie and I have served on different sides of the political aisle in the House of Representatives, I have especially respected his total dedication to a stronger America. I guess so many of us feel very close to Eddie Hébert and I especially, and let me tell you a story if I might.

When I was the Republican Leader in the House of Representatives, Eddie Hébert, a very staunch Democrat, was sent an invitation to a Republican leadership breakfast by mistake. Well. Eddie had enough of that wonderful sense of humor to let that one go by. He didn't say a word. He just sent the invitation back to me with a clipping of an ad for cigarettes and it said, "I would rather fight than switch." (Laughter)

I worked with Eddie for more than a quarter of a century as a colleague and now as President and I can plainly and categorically tell you that one of the reasons America is strong, free, and secure as a Nation is because of men like Eddie Hébert in the Congress of the United States.

Congressman Hérbert's skill as a negotiator is well known in Washington. The tangible evidence of it is apparent here in the great State of Louisiana.

Eddie Hébert is such a great negotiator that if he had arranged the Louisiana Purchase, not only would he have purchased that huge amount of land for only $15 million, but I have the feeling that Eddie would have gotten some green stamps, too. (Laughter)

You know, of course, that Eddie was one of the outstanding crusading newspaper people in Louisiana prior to his service in the Congress. He had a reputation as an individual who was hard working in that field of journalism, and a nose for news, and was highly recognized in his profession.

But, Eddie has a slight credibility gap, as I discovered in reading his biography. It goes back to 1940, during his first campaign. Eddie said, if elected, he would serve only one term. He said he was just taking a sabbatical from his newspaper occupation.

I think it is fair to say that even if he has extended his sabbatical a few extra years —32, to be exact—Eddie has paid his dues both as a journalist and a Congressman.

It seems highly appropriate to me that his literally thousands and thousands of friends here in New Orleans and elsewhere would pay tribute to his record and to him as a person by the establishment of this library.

I consider it a great privilege and a very high honor to participate. There is no finer way, in my judgment, to make Congressman Hébert's record indelible in this community than to have this building and its contents in this wonderful place in this area.

Of course, Eddie's best monument will be his achievements, his own record as a public servant, but the mementoes in this building, in this library, will help to tell the story of those great achievements, will help to keep them alive for the generations to follow.

It occurs to me that everything I have said so far reeks a little too much of the past, of a story that is already ended, and that is not the way his friends, and particularly myself, feel about Eddie Hébert.

We honor him today, not only for what he has achieved, but for what he continues to achieve. He is a courageous, untiring patriot, and on a personal basis I think a great guy.

May he keep serving his country. May he keep serving his country, warming all our hearts for many, many long years to come.

If I may, may I add a personal note. May Eddie's wonderful sense of humor stay with us, too, lightening the burdens when things seem heaviest, and reminding us all that in serious times—and we have some serious times right now—we must never lose our gift of laughter.

Another quality which Eddie possesses was once described by Robert E. Lee, in very simple and very moving words. "Duty," said Lee, "is the sublimest word in our language. Do your duty in all things. You cannot do more; should never wish to do less."

Eddie Hébert lives by that code. I have never known him to do any less than his very best.

Louisiana is a better State and America is a better country because of our friend, Eddie Hébert.

I am proud. I cherish the many times I have been with him on the floor of the House, in meetings concerning our national security. I cherish that relationship and the opportunity to have served with him.

As I said earlier, I am even prouder to call him my friend, and I think this is really the feeling that all of us have here today, and we are fortunate to be sharing with one another.

Thank you very, very much.

IS THIS ANOTHER AMERICAN CAPITULATION?

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, during the last days of the free Republic of Vietnam, more than 100 aircraft were flown by Vietnamese pilots to American bases in Thailand. The planes had been provided to the South Vietnamese forces by the United States. There has been a demand by the Communist conquerors of Saigon for the return of the aircraft. The Thai Government properly decided they are the property of the United States. Now it has been stated that the United States may leave some of these planes in Thailand where they could be handed over to the North Vietnamese. If this is confirmed, it is another demonstration of the kind of ineptness which has reduced American prestige to one of its lowest points in history. These aircraft represent a considerable investment to the U.S. taxpayer. All of them are needed in our own inventory. With or without Thai concurrence, they should be returned promptly to this country. It is hoped that the State Department will show backbone in dealing with such matters of foreign policy.

The U.S. Armed Forces showed a flash of America's oldtime greatness in the way that they carried out orders of the President to evacuate Americans in Cambodia and Saigon who otherwise would have been trapped. The courage and ability with which our forces carried out this mission demonstrates that we still possess spirit and determination.

I hope the State Department will read this message carefully and consider its implications when they are tempted to yield to future irresponsible demands from other governments.

We need no more capitulations by America.

Mr. BAFALIS. Mr. Speaker, will the gentleman yield?

Mr. SIKES. I am pleased to yield to my distinguished colleague from Florida.

Mr. BAFALIS. I commend the gentleman for his remarks and wish to associate myself with them. If this report, as outlined by Mr. SIKES, is confirmed it would be unconscionable for the State Department to make such a concession which could lead to Communist acquisition of aircraft paid for by the American taxpayers.

The time has certainly come for our Nation to assert itself—not again given in to the wishes or demands of the Communist aggressors in Southeast Asia.

HIGH PRAISE IS DUE AMERICAN SERVICE PERSONNEL FOR THE EVACUATION OF U.S. AND OTHER PERSONNEL FROM SAIGON

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, the professionalism and courage of American service personnel during the evacuation of South Vietnam deserves the highest praise from all in this Nation.

Under extremely dangerous circumstances, American service men and women performed their duties of safeguarding American lives in a manner which is above reproach. Sadly, four marines lost their lives during this mission, two when a Communist rocket fell in the evacuee compound, and two when their rescue helicopter crashed.

Although fully armed, U.S. service personnel operated under strict orders. They were not to do any shooting except to defend themselves and their charges. This is a most difficult role for anyone who has the responsibility for the lives of others. To stand and wait, as they did, for someone to fire at them demanded the highest level of courage and training.

To the credit of everyone involved, no incidents occurred which will mar the record of this outstanding achievement. More than 1,700 Americans and others were safely removed from the reach of those who would slaughter them. This feat was possible only because Americans were willing to risk their lives in the performance of their duties.

Secretary of Defense James Schlesinger sent a message to the members of the Armed Forces of the United States at that time and it eloquently says what each of us must have felt as we watched the progress of the evacuation. I insert the Secretary's statement in the RECORD at this point.

MESSAGE

As the last withdrawal of Americans from Vietnam takes place, it is my special responsibility to address to you, the men and women of our Armed Forces, a few words of appreciation on behalf of the American people.

For many of you, the tragedy of Southeast Asia is more than a distant and abstract event. You have fought there; you have lost comrades there; you have suffered there. In this hour of pain and reflection you may feel that your efforts and sacrifices have gone for naught.

That is not the case. When the passions have muted and the history is written, Americans will recall that their Armed Forces served them well. Under circumstances more difficult than ever before faced by our military services, you accomplished the mission assigned to you by higher authority. In combat you were victorious and you left the field with honor.

Though you have done all that was asked of you, it will be stated that the war itself was futile. In some sense, such may be said of any national effort that ultimately fails. Yet our involvement was not purposeless. It was intended to assist a small nation to preserve its independence in the face of external attack and to provide at least a reasonable chance to survive. That Vietnam succumbed to powerful external forces vitiates neither the explicit purpose behind our involvement—nor the impulse of generosity toward those under attack that has long infused American policy.

Your record of duty performed under difficult conditions remains unmatched. I salute you for it. Beyond any question you are entitled to the nation's respect, admiration, and gratitude.

FINANCIAL STATEMENT

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MIKVA. Mr. Speaker, today I am placing in the RECORD a statement of my net worth and family income—a practice I have followed during my previous years in Congress and while I was chairman of the Illinois Ethics Board.

No one needs to know the details of a private citizen's income. But the numerous cases over the years of conflicts of interest and favoritism in government have convinced me that public officials must be willing to live in a financial fishbowl if they want to receive the public's trust and confidence.

Net worth statement of Congressman Abner J. Mikva as of May 1, 1975

Home at 1015 Sheridan Road, Evanston, Ill.:	
Purchase price and improvements	$80,000
Less mortgage at Exchange National Bank	43,000
Equity	37,000

Cash in banks:	
American National Bank	500
South Shore National Bank	1,000
Total	1,500
Equity in pension funds:	
State of Illinois	5,000
U.S. Congress	15,000
Total	20,000
Stocks and bonds:	
Ero Mfg. Co., 2,600 shares	5,000
U.S. Gypsum, 50 shares	1,000
State of Israel Bonds, purchase price	5,000
Executive house debenture	400
Unarco, 500 shares	5,000
American Airlines debentures	4,500
Total	20,900
Cars, furniture, miscellaneous	10,000
Total net worth	89,400

Family income statement of Abner J. Mikva for 1974

Law partnership income, Abner J. Mikva	$61,774.00
Income from estate of mother, Zoe W. Mikva	179.62
Salary from Evanston School District, Zoe W. Mikva	7,115.35
Dividends (including from estate)	1,180.38
Interest income (including from estate)	1,086.89
Honorariums and writing fees	1,025.00
Losses on sale of stock	−716.97
Total income	71,644.27
Less dividend exclusion	200.00
Less tax deductible expenses, personal exemptions, and deductions	26,116.36
Net taxable income	45,327.91

Income taxes paid: U.S. (joint return), $15,115.43; Illinois (joint return) $1,546.92.

COALITION FOR A DEMOCRATIC MAJORITY SUGGESTS RALLYING AMERICA TO INCREASE DEFENSE CAPABILITIES, BOTH NUCLEAR AND CONVENTIONAL

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE. Mr. Speaker, in view of the numerous requests the Armed Services Committee has had for copies of the Coalition for a Democratic Majority's statement entitled "For an Adequate Defense," I include it at this point in the RECORD.

FOR AN ADEQUATE DEFENSE

(The second statement by the Foreign Policy Task Force of the Coalition for a Democratic Majority)

COALITION FOR A DEMOCRATIC MAJORITY

Foreign Policy Task Force

Eugene V. Rostow, Chairman, Professor, Yale Law School, Former Undersecretary of State.

Task Force Members

Eugenie Anderson*, former U.S. Ambassador to Denmark.

Joseph H. Cople.

William A. Douglas, Director of Education, American Institute for Free Labor Development.

Henry Fowler*, partner, Goldman, Sachs, former Secretary of the Treasury.

David Friedman.

Stephen P. Gilbert, Consultant, Strategic Studies Center, Stanford Research Institute.

Roy Godson,* Director, Georgetown University International Labor Program, Secretary to the CDM Foreign Policy Task Force.

Ernest Green,* Director, Recruitment-Training Placement, Inc.

K. Scott Gudgeon, junior fellow, New York University Center for Strategic Studies.

Abraham Halpern.

Don Irwin,* Mayor, Norwalk, Connecticut.

Fred Isquith, attorney, New York.

Jeane J. Kirkpatrick,* Professor, Georgetown University.

Robert James Maddox,* Professor, Penn State University.

Max M. Kampelman, attorney; former Counsel to Vice-President Hubert H. Humphrey.

Norman Podhoretz,* Editor, "Commentary".

Penn Kemble, Executive Director, CDM.

Clifford H. Pruefer, Captain, U.S. Navy (Retired).

Lucian W. Pye,* Professor, MIT.

John P. Roche,* Professor, Fletcher School of Law and Diplomacy, Tufts University; former Special Assistant to President Lyndon B. Johnson.

Peter J. Rosenblatt, attorney; former special consultant to Senator Edmund S. Muskie.

Leonard S. Sandweiss, attorney, New York.

Paul Seabury,* Professor, The University of California at Berkeley.

Albert Shanker,* President, American Federation of Teachers, AFL–CIO.

D. Bruce Shine, attorney; member, Democratic National Committee (Tennessee).

Milan Skacel, President, United States-Latin America Chamber of Commerce.

George C. Sponsler,* President, International Planning Management Corporation.

John Thomas.

W. Stull Holt,* Professor (Emeritus), University of Washington.

J. C. Turner,* Secretary-Treasury, Int'l. Union of Operating Engineers, AFL–CIO.

Robert E. Ward,* Professor, Stanford University.

While members of the Task Force share the basic point of view expressed in its statements, not all members necessarily concur with every specific detail or proposal in these statements.

The affiliations of the Task Force members are listed above for purposes of identification only.

PREFACE

That party politics should stop at the water's edge is one of the finest principles of American public life. The Coalition for a Democratic Majority will abide by that principle in the statements and studies of its Foreign Policy Task Force, and the statements on foreign policy which its Board of Directors will issue from time to time. The rule does not mean that the policies and actions of the government in the field of foreign affairs should be above criticism. It does require that foreign policy problems be discussed in terms of their wisdom and efficacy in promoting the national interest, not the interests of either political party.

Since the time of President Franklin D. Roosevelt, at least, the foreign policy of the United States has been presented and debated as a national problem, not a party problem. As the shadow of war deepened, President Roosevelt's cabinet included Secretary of War Stimson and Secretary of the Navy Knox. Senator Vandenberg cooperated fully with President Truman, as Senator Johnson did with President Eisenhower. The foreign policy we have pursued for more than thirty years has been developed and supported by a steadfast bipartisan coalition. We approach our problem in the spirit of that experience.

STATEMENT NO. 2—FOR AN ADEQUATE DEFENSE

As they did in the Truman years, liberals and Democrats must again take the lead in rallying America to increase our defense capabilities, both nuclear and conventional. The defense budget recently proposed by the Ford Administration would at best keep our defense posture constant. We believe this static policy is not enough, in view of the nature of Soviet policy and the massive regular increases in Soviet military programs, which show no signs of abating. We therefore recommend an increase in our defense capacity, especially for the Navy, for research and development, and for ready conventional forces.

We have reached this disagreeable conclusion reluctantly. We share the general anxiety about the world's mounting stockpile of military weapons. We too would infinitely prefer our tax dollars to be spent for domestic social and economic needs, which must be met in any case if the nation is to remain strong and healthy. We share the mood of the nation in the aftermath of our tragic Vietnam experience, and the nostalgic yearning for the isolation of the nineteenth century which so many Americans feel in their reaction against the turbulent condition of world politics.

These feelings and concerns have tended to obscure the inexorable facts. We are dismayed by the drift toward military vulnerability and political timidity in which the nation seems to be caught up. At one level, every American knows that the nineteenth century is over, and that isolation is not an available option for American foreign policy today. If there had ever been serious doubt on that score, the oil crisis which began in 1971 or 1972 should put it to rest. Unless we set a new and responsible course, the next two years may see the military balance shift decisively towards the Soviet Union and its allies; an irreversible deterioration of our alliance network; and the conquest or destruction of many small nations whose existence we and others have guaranteed—among them the embattled state of Israel, which came into existence in reliance on international promises which must be kept.

In the first statement of our Task Force, *The Quest for Detente*, issued on July 31, 1974, we concluded that "our basic security position is strong, if we understand it as it is, and undertake to do what is required to sustain it. Our fundamental national interest in world politics is to achieve and maintain a balance of power which could effectively deter general war. On the foundation of such an equilibrium, we could hope in time to build a system of peace, faithful to the principles of the United Nations Charter.

"The logic of nuclear weapons, and the threat of Soviet power and policy, have forced China, Japan, Western Europe and many other countries to realize that their security interests and those of the United States are indivisible. If the United States consolidates its rapprochment with China; if it achieves once again a relationship of complete and cordial solidarity with our European and our Pacific allies; and if, with our allies, we do what is required to deter Soviet nuclear and conventional power, we should be able to carry out a foreign policy capable of preventing war, while also pressing forward politically in the endless quest for the vindication of decency.

"If, on the other hand, we allow ourselves to be deceived by the myth of detente, reduce our military strength, and permit our alliances to erode, we may well suffer irreversible defeats, which could imperil the safety of democracy in America."

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* Denotes a member of the Policy Drafting Committee.

The course of events since last summer has fully confirmed this judgment. Soviet policy and economic disequilibrium continue to press Western Europe, Japan, China, and the United States together, as they grope for programs that could assure their security and prosperity.

But the foundation of American and allied foreign policy is still weak, because public opinion—its source—remains uncertain. In our first statement, we said that President Nixon had abused the standard of ethical responsibility which could govern the discourse between the President and the American people by claiming "too much in explaining the state of Soviet-American relations." President Ford has not yet liberated himself or his administration from the soothing and ambiguous vocabulary President Nixon used in talking about this subject. This is less characteristic of the Administration's statements on our defense posture than is the case in its treatment of other foreign policy problems; it remains true, however, that the full gravity of our defense problems, and the full magnitude of our defense needs, have not been adequately presented to the American people.

The triumph and the agony of Watergate will have been in vain unless the President and his associates trust the people, and explain the situation to them exactly as it is. The Ford Administration has not yet taken this indispensable first step into the post-Nixon era.

II

The nation is in great danger. Our danger is increasing every day. The Soviet Union continues to pursue a policy of expansion that threatens our vital interests in Europe, the Middle East, and other parts of the world. It pursues its goals directly and through proxies, by exploiting and exacerbating local tensions and situations of conflict. This is the essence of the tragic situation in the Middle East, where for twenty years, the Soviet Union has played on Arab hostility to the existence of Israel, and on other conflicts and rivalries in the area, to stir up and to prolong an endless cycle of war and other violence, which can be sustained only by Soviet arms and political influence.

The strategic goal of Soviet policy in the Middle East is to outflank NATO from the South. This perception of the Middle Eastern conflict is not yet fully understood by American public opinion. Our alliance with Western Europe is absolutely essential to the balance of power on which the primordial safety of the United States rests. On this proposition, there is nearly complete unanimity in the United States. But the larger part of public opinion is not yet fully conscious of the fact that Middle Eastern conflicts are not isolated regional problems, but are integral to the defense of NATO. The Middle East is of fundamental geo-political importance to the security of Europe.

For twenty years, the Soviets have pursued a strategy of enveloping NATO. They have exploited Arab hostility to the existence of Israel as an important weapon of that strategy. The Arab-Israeli conflict is not, of course, the only arrow in their quiver. As the Soviets say, they "push at every open door." They have tried to take advantage of every political and military opportunity that served their purposes, if it did not involve excessive risk or cost. Thus they have probed in Iceland and Norway, and participated in many conflicts among Arab states. They are now moving on a large scale in Portugal. They have a naval base in Conakry, and have explored possibilities in many other places on the marches of Europe.

By playing on the Arab-Israeli conflict, and other issues, the Soviets have made considerable progress in the Middle East, from Iraq and Aden to Algeria. And their investment in that effort is by now considerable. They have supplied Arab states with billions of dollars worth of arms and economic aid. And their technical assistance, especially in the military sphere, has often become participatory. If the Soviet Union were to achieve domination of the Mediterranean, North Africa and the Middle East, it would outflank the NATO defenses in Central Europe, and threaten Europe from its soft underbelly, as President Pompidou once remarked. It has been painfully obvious since October, 1973, that hegemonial control of the oil, the space, and the mass of the region by the Soviet Union would carry with it dominion over Western Europe as well. NATO would be dismantled. The United States would have to leave Europe and the Mediterranean. Europe would be reduced to the status of Finland, at best—a major supplier of technology and consumer goods to the Soviet Union, and a political eunuch.

The Soviets are well advanced in their campaign to control the Middle East and the Mediterranean basin. The achievement of this goal would decisively tip the worldwide military balance in favor of the Soviet Union and its allies, and would leave us isolated in a bitter, hostile, and disillusioned world. In such a world, we, the Europeans, and the Japanese would be "allowed" to supply the Soviet Union—on favorable credit terms—with the technology and consumer goods needed to assure her military domination, and to keep her people quiet.

The Soviet Union's expansionist foreign policy is backed by a military building program which has no peacetime parallel in world affairs.

Thus far, however—in public, at least—our government continues to talk about "detente". There have been increases in the Japanese and in some European defense budgets during the last few years. Our own military budget has been swollen by inflation, and by the pay increases needed to produce a volunteer military service. Manpower costs, including those for pay and benefits, have taken an ever-increasing share of available funds, leaving less and less for weapons procurement and deployment, particularly in the non-strategic, i.e., that of general purpose forces. As a result, our defense budget measured in constant dollars has been declining steadily. In terms of real defense capability, the United States is in many respects pursuing a course of unilateral disarmament, especially with regard to the Navy and other conventional forces. We are now spending a smaller fraction of our GNP on defense than has been the case for more than twenty years. Defense spending now takes only 26 cents of every federal tax dollar, compared to 45 cents in 1964 and 57 cents in 1956. In the face of the Soviet military build-up, and Soviet foreign policy, our defense budget is an invitation to disaster.

The best diplomatic signal the United States could give the world now would be a sharp increase in our defense programs, going beyond the programs recommended in Secretary Schlesinger's recent message to the Congress. It is the first responsibility of the Ninety-Fourth Congress, controlled by large Democratic majorities, to provide for the common defense.

The Democratic Party is called by special traditions and responsibilities to take national leadership in meeting these momentous challenges. Democratic leaders—Truman, Marshall, and Acheson—established the policy of international alliances and military capability which have prevented a general war for more than two decades. Presidents Eisenhower, Kennedy, and Johnson built on that foundation, and sustained the policy on which its rests. More recently, in the aftermath of our painful experience in Vietnam, strong voices, particularly in the Democratic Party, have spoken out against this policy, which the state of the world since 1945 has required of us in order to protect our purely national interests in world politics. The current mood, which some have called neo-isolationist, has become so prevalent that a poll of newly-elected Democratic congressmen suggests that some thirty to forty of them may favor further reductions in our military capabilities—enough to affect the outcome of many important Congressional votes related to defense.

We are confident that these views will fade when our party leaders confront the reality of our international and military situation. We are convinced that when they face the facts, conscious of their responsibility, they will reaffirm our nation's interest in maintaining the balance of world military power as the indispensable predicate of our national safety. If we fail to uphold this balance, we Democrats could not escape our share of the responsibility for greatly increasing the prospects of political despotism and eventual war.

III

Why have we reached the painful conclusion that the nation's safety requires an increase in our defense capabilities, both nuclear and especially conventional?

The basic reason has already been stated in general terms: Soviet foreign policy is still expansionist. It seeks to take advantage of every opportunity which does not involve unacceptable risks. Moreover, Soviet policy is fuelled by a military build-up which is growing at a rate of over 5% each year, in real terms, while our real expenditure for defense is declining, and has already fallen to the lowest point since the period just before the Korean war.

It follows, we believe, that we should build up our military capabilities in order to deter further aggression and preserve the possibility of peace. We shall now examine this proposition in detail. Our purpose here is to offer a cold look at the relative military capacities of the United States and the Soviet Union, and to suggest some programs and policies which should avert a catastrophic military imbalance. In the nature of Soviet policy, such an imbalance might invite the Soviets to risk disastrous military or quasi-military adventures, like that of the Middle Eastern war of October, 1973, but on an even larger scale.

We should start by making two positions unmistakably clear:

First, we favor continuing the patient quest for conditions of true and reciprocal detente with the Soviet Union—the quest which has been a central purpose of American foreign policy since the time of President Franklin Roosevelt. The hope for a true detente with the Soviet Union—based on an end of the arms race, respect for human rights, and mutual obedience to the rules of the United Nations Charter—must not be allowed to die.

Secondly, we favor—and we strongly favor—any and all kinds of disarmament negotiations with the Soviet Union, and any other negotiations that might lead to the mutual limitation and, more importantly, the eventual reduction of armaments. Our delegates to the Strategic Arms Limitation Talks (SALT) and to the negotiations on Mutual and Balanced Force Reductions (MBFR) should patiently and persistently advance the most sweeping proposals for cuts in military spending, weaponry, and the number of men under arms. But our negotiators should insist on truly balanced and clearly enforceable steps, which would give no advantage to either side. Arms limitation agreements must not involve one-sided concessions on our part, whether made in the sincere but naive hope that the Soviets would follow our example, or to prolong false hopes that we have entered a "new generation of peace."

In thinking about military capacities, we should distinguish the problems of the so-called "strategic forces," a term which is now used to identify our capacity to meet nuclear threats to ourselves or to our allies, from those of "conventional"—or general purpose—forces, which include the full range of forces from ground troops to tactical nuclear weapons.

Strategic forces—an uncertain equation

It has been the goal of our nuclear policy to prevent the use or the threatened use of nuclear weapons in world politics. The first objective of the American strategic forces is to deter a Soviet nuclear attack, either on this country or on its allies. To deter attack, our weapons must be sufficiently strong, numerous, and well-placed to "ride out" any attack by the Soviet Union, and then to retaliate with such force that the Soviets could not hope to gain by initiating a first strike, no matter how great the stakes that might tempt them to consider it. Our "second strike capability" must be clear beyond the faintest shadow of a doubt. The cruel logic of nuclear deterrence requires us to maintain a strategic capability so great that if deterrence should fail, despite all our efforts, we still have the capacity for an appropriate response.

In a world of changing technology, the tactics and the arithmetic of second strike capability keep changing. But the underlying concept is simple. Second-strike capability is not only a matter of throw-weight and the numbers of ground-based, air-based, and submarine-based launchers on each side. The key issue is and will remain whether the Soviets can have any reasonable expectation of being able to destroy so large a number of our weapons by a first strike as to create doubt about our second strike capacity or our willingness to respond to a nuclear attack as necessary.

The basic flaw of the Ford-Brezhnev "agreement in principle," or "agreement to make an agreement," announced at Vladivostok, is in precisely this area. Quite apart from its other weaknesses, which we discuss in context below, it gives no assurance on the key question: will our second strike capability be maintained? The answer to that question does not depend on the number of launchers, or on the number of missiles that can be "MIRVed,"—the two issues dealt with at Vladivostok—but on the number, yield, capacity, accuracy and range of the warheads themselves, however launched. The Soviet missiles that can be equipped with MIRVs have 3 to 6 times the payload of American missiles that can be so equipped. The result could be an ominous Soviet advantage in strategic warheads, and therefore uncertainty about the American second strike capability.

Soviet strategic forces have been growing dramatically during the past decade, and this growth has continued unabated since the SALT I agreements of May, 1972. The agreements foreseen at Vladivostok show little or no promise of slowing down this cancerous rate of growth.

In the Interim Agreement of Limitation of Strategic Offensive Arms, the United States accepted numerical inferiority in ICBMs and SLBMs on the basis of two principal arguments:

(1) We then retained technical superiority and a very respectable number of warheads—many on missiles armed with Multiple Independently Targeted Re-entry Vehicles (MIRVs), which permit one missile to carry multiple payloads. We also had an advantage in bomber payloads not covered by the agreements. These advantages offset the Soviet advantage in missile launchers and "throw-weight."

(2) The Interim SALT Agreement halted the upward momentum of the Soviet programs at a time when we were not expanding our own programs, partly because we would not get the consent of the Congress to do so.

But in the two-and-a-half years since SALT I, the Soviets have surged into the development of four new missile systems and have repeatedly tested new multiple warheads and MIRVs. As a result, they now threaten to overcome the American technological lead and re-entry vehicle (RV) advantage. The new Soviet missiles, described below, have considerably greater payloads than those they appear destined to replace, so that the U.S. superiority in numbers of warheads could become a gross inferiority in a few years. Moreover, the Soviets have started production of a new bomber, the BACKFIRE, with a refueling capability and other characteristics that give it a potential for offsetting our current advantage in strategic bombers. Finally, there are persistent public reports that the Soviets are building new missile silos in excess of the numbers permitted in the Interim SALT Agreement; that they are testing new radar of a kind used in ABM systems (prohibited in the 1972 ABM Treaty); that they are using concealment ("interfering with national means of verification"—prohibited in the 1972 Agreements); and that they are continuing the development of mobile ICBMs. (The U.S. stated unilaterally in 1972 that deployment of mobile land-based ICBMs would be considered a violation of the spirit of the Interim SALT Agreement).

An early view of the requirements of deterrence held that we must have adequate forces to wreak "Assured Destruction" on the Soviet Union after its worst possible "out-of-the-blue" attack on our strategic forces, i.e., we needed a retaliatory capacity capable of destroying so large a proportion of the population and industrial plants in their cities that no prize would be worth the punishment they would take in return for striking first. If both sides have this capacity, we thought neither would ever dare to attack. The balance of terror would become stable—the "two scorpions in the bottle" would both live, because neither could survive if it attacked the other.

This doctrine of "Mutual Assured Destruction" has been called by its acronym, MAD, because it leaves no alternative to Armageddon if either side miscalculates and deterrence fails. But recent advances in the accuracy and numbers of strategic weapons have made it clear that this doctrine, dubious even in its heyday, is now obsolete. The Soviets will soon be able to launch a first strike that spares our cities but destroys a substantial portion of our strategic and conventional military forces. After such an attack, it would be repugnant—and of doubtful utility—to respond by wiping out Soviet population centers. Moreover, if the Soviets should use only a portion of their growing strategic forces in such a first strike against military targets, they would retain the capacity to wreak havoc on our people should we respond with a retaliatory attack on their cities. Soviet leaders might be willing in some circumstances to gamble with the lives of their people by launching a first strike against our military, but would we respond to such an attack by massacring the Soviet population—especially when our own people were in effect hostages to the possibility of a second Soviet nuclear attack? We would surely be reluctant to launch a spasm of nuclear bombs on Soviet cities if the Soviets were to attack our military forces in a selective, probing fashion. And we would be at least as reluctant to respond with an attack on the Soviet population if the Soviets were to launch their first strike against our allies, since to do so would insure the destruction of our own cities without doing anything to rescue those of our allies. Besides, as other nations acquire the bomb, there are not just two scorpions in the proverbial bottle, but several.

In response to this grisly predicament, the Secretary of Defense now proposes to give our forces a greater range of options for meeting the variety of offensive possibilities the Soviets are now developing. We need not only the capability for a massive counterattack on enemy cities, but also the capability selectively to counterattack enemy military targets. This must include the capacity to destroy "hard" targets, such as hardened missile silos, without expending all our forces. And we must be able to do this with a minimum of damage to nearby civilian populations. These developments are indispensable both to strengthen deterrence, and to provide more rational alternatives if deterrence fails.

The increasingly limited support provided for our strategic forces makes it most difficult for us to mount such a program of flexible deterrence in the face of rapidly improving and expanding Soviet forces. What is needed to restore the balance, and, paradoxically, to reduce the possibility of Mutual Assured Destruction?

Let us start with missiles. As we have already noted, the Soviets have four new ICBM systems in the testing stage, while we have none. They have developed the SS–X–18, which is even bigger than the giant SS–9; the SS–X–17 and SS–X–19, medium sized liquid-fueled missiles, which have three to five times the throw weight of the deployed SS–11s; and the SS–16, which is in the light solid-fueled SS–13 class. If these systems replace the 1610 Soviet ICBMs permitted under the Interim SALT Agreement, they will increase total Soviet throw weight by 67 to 100 percent. All but the SS–X–16 have already been tested with multiple or MIRVed payloads. They could carry an estimated 7,000 one-to-two megaton warheads—many times the yield of our MIRV warheads.

It would only take 300 of the SS–X–18 missiles, which could legitimately replace SS–9s under the Interim Agreement, to pose a formidable threat to our 1054 ICBM force, even, the Secretary of Defense says, after the projected program for upgrading the hardness of our missile silos is completed. There would then remain 1,310 Soviet ICBMs with more than 5,000 reentry vehicles to threaten other U.S. targets, including other hard targets. And if the SS–X–16 is deployed in the mobile version believed to be under development, we could not even rely on verification of the permitted numbers.

When we turn to nuclear-missile-launching submarines, we find that the Interim Agreement permits the Soviets up to 62 submarines with 950 launchers, against 44 and 710, respectively, for the United States. The Soviets had argued that because they had shorter-range missiles than the U.S., and lacked the forward submarine bases that we have in Scotland and Spain, they required greater numbers to maintain comparable on-station forces. (We also regarded our multiple-warheaded Polaris and MIRVed Poseidon missiles as an offsetting technological advantage.) But since SALT I the Soviets have tested versions of their SS–N–6 submarine-launched missiles with multiple warheads and have tested also the SS–N–8 at ranges in excess of 4500 miles (considerably more than the Poseidon range and in the class of our future TRIDENT I missile, still far from flight testing). A 4500-mile Soviet missile could reach any U.S. target when launched from a submarine still in or near the ports of Murmansk and Petropavlovsk. Clearly, the imbalance of the Interim Agreement is becoming greater at sea as well as on land. The Soviet submarines provide a force which the Soviets could readily hold in reserve to deter any response we might consider in the event of an attack on our military forces. And our problems of locating and observing submarines will be increasingly complicated by the existence of nuclear submarines in the hands of other nations.

In the air, the Soviets are deploying a

supersonic medium bomber, the BACKFIRE, which they could adapt to strategic missions and deploy in much greater numbers. These bombers are not included in the Vladivostok Summit guidelines, and strategic bombers are not yet included in any SALT agreement. Pending such an agreement, and in view of the Soviet superiority in missiles permitted under the present Interim Agreement, we should not permit them to overtake us in bombers.

The B–1 bomber, the projected replacement for the aging B–52, is designed, among other things, to have a greater capacity to survive a Soviet SLBM attack. It would play an important role in diversifying our strategic forces, greatly complicating any Soviet plans for attaining first strike capability, and improving our ability to achieve a resilient and flexible deterrent force. It would force the Soviets to continue to maintain their expensive air defenses. Pending an agreement that equitably and verifiably limits bombers, the B–1 is indispensable to help maintain the balance of strategic forces through the eighties. Research and development for the B–1 should not be further delayed.

While the Soviets build toward superiority in strategic forces, spending annually about twice as much on them as we do, we have unilaterally frozen the level of our strategic forces. Moreover, we have denied ourselves qualitative improvements that are within reach and are needed to implement our developing strategic doctrine. Our strategic budget has been declining, both in constant dollars and as a percent of the total defense budget. We must be willing to spend enough to keep up the momentum of the B–1 and TRIDENT programs until equitable and verifiable SALT agreements are reached. We need to accelerate research and development for increased missile accuracy, so that our missiles—small targets—can acquire the capability of destroying hard targets.

This is essential if we are to continue to be able to counterattack selected military targets—a necessity under the new strategic doctrine. We should also step up research and development on larger and more versatile missiles, as permitted under the Interim Agreement. These are needed to match the strong Soviet missile development program. Research and development must go forward on both ABM and ways of penetrating ABM, and must be stepped up to find ways of protecting our vulnerable satellites. We should devote much more effort to development of the NARWAHL, a new strategic submarine that is potentially much cheaper, albeit smaller and of lower performance, than the TRIDENT. (The NARWAHL currently receives only $16 million for design studies.) We urge as well the careful study of more radical solutions, such as the important proposal that we place more emphasis on ballistic missile submarines as our principal deterrent. Obviously, we cannot and should not stop doing research on successor systems. If the SALT talks fail to produce fair agreements, we shall need them.

All of these steps, and probably others, will be needed if, in the face of the Soviet capabilities, we are to insure, as we say we will, that no American President should ever have to choose between capitulating to threats to vital American interests or destroying the Soviet—and American—people. The steps proposed above are modest by comparison to the massive Soviet effort to win strategic superiority. They go substantially beyond the proposals of President Ford and Secretary Schlesinger which, in our judgment, are insufficient for dealing with the threats posed by Soviet advances in strategic weaponry.

Unfortunately, the Vladivostok understanding reached last year between President Ford and Secretary Brezhnev offers no promise of lessening the burden of strategic defense. On the contrary, it could well accelerate the arms race and further complicate the negotiating problem of maintaining second strike capability. It provides a poor and unproductive basis for further negotiations, precisely because it represents a wrong and unnecessary concession to Soviet demands for higher levels of strategic arms, rather than requiring much needed arms cutbacks on both sides.

By allowing each side 2400 strategic vehicles, regardless of size, the Vladivostok Agreement freezes the great missile throw-weight advantage of the Soviet. Thus it gives the illusion but not the substance of equality. If the final agreement attempts to ameliorate this by permitting the replacement of missiles and silos with larger ones, it will invite an arms race of unprecedented, and world-threatening proportions. Moreover, the limit of 1320 for the number of missiles that may be "MIRVed" will further spur an arm race, given the Soviet throw-weight advantage and their catch-up in MIRV technology.

These high numbers of MIRVed missiles will also present especially difficult verification problems. It is particularly unsettling that they carry a real threat of a first-strike capability against fixed ICBMs—a capability that would not necessarily be reached at the same time by each country. The Soviet advantage in throw-weights and yields might well offset the eroding U.S. lead in MIRV and accuracy technology, so that the Soviets might reach a high fixed-ICBM kill capability first.

In short, the Vladivostok formula could well spur, not cap, the arms race, and its codification in a treaty or ten-year interim agreement would make subsequent arms reduction agreements less, not more, likely.

While SALT and the MBFR negotiations continue, and Congress reviews the Ford-Brezhnev guidelines, we must take the hard and costly measures to insure that, should they fail, we will be adequately prepared to meet the mounting military threats to ourselves and our allies. Action of this kind can only encourage the success of these negotiations.

The Secretary of State has asked rhetorically, "What in the name of God is superiority? What do you do with it? How do you use it?" The Soviets can answer this question. They are squeezing their economy and their people for the sake of military superiority because they are convinced that it has meaning today. It offers them the credible possibility of being able to make or to threaten selected strategic attacks against our military and our allies. Even more important in their eyes, it provides them with a great psychological and political advantage in the coercive diplomacy of blackmail they have practiced for more than thirty years, and continue to practice unabated, despite their indulgence in the political rhetoric of "detente". We should not rest peace and liberty on the possibility that Mr. Kissinger—talented as he is—can talk the Soviet leaders out of their convictions, or out of acting on them in a disastrous experiment to discover whether or not they are valid.

IV

Conventional forces

While the problems of nuclear balance are difficult, maintaining an adequate U.S. military potential in the non-nuclear field is our greatest immediate challenge. Thus far, nuclear stalemate has given the Soviets the opportunity to inspire conventional wars and proxy wars—an opportunity which has become nearly a license with the decline since Korea of the will of the Western allies to insist on the enforcement of the United Nations Charter. The policy of deterrence must apply at the conventional as well as the nuclear level. The experiences of the Arab-Israeli war of October, 1973, and subsequent hostilities, and the prospects that conventional war may again break out in the Middle East, in Europe, or in Asia—all should cause us grave concern about the adequacy and morale of our general purpose forces.

The Soviets provided their Arab allies with vast quantities of highly sophisticated conventional equipment before the Yom Kippur war. These included effective anti-tank and SAM anti-aircraft missiles, new model tanks and other armored vehicles, and SCUD ground-to-ground missiles. Much of this equipment remains in Arab hands, and the Soviets have massively re-armed the Syrians during the past year—bringing the quantity and quality of Syrian arms well above the levels of 1973. It is widely predicted that Soviet-Egyptian rapport—if it was ever really frayed—will soon revive, and that the vast Soviet arsenal will again pour out conventional weapons, parts and ammunition for the Egyptian armies, which have in any event received some Soviet supplies throughout the period since October, 1973.

We cannot provide our Israeli allies with the arms to counteract this Soviet supply without either denuding our forces in Europe and at home or substantially increasing our manufacture of conventional arms. Our predicament is not caused only by the Middle East conflict. Both military and political trends are undercutting our capacity to defend Europe. Without new efforts by the U.S. and its NATO allies, NATO forces may deteriorate before long into a mere skirmish line—a "military museum," as General Steinhoff remarked—in comparison with the Warsaw pact armies, which are mounting an ominous potential for a blitzkrieg attack across Germany to the English Channel.

Security plans in relation to the Soviet Union necessarily depend on capabilities, not on misty and uncertain estimates of intention. Whether such an attack ever occurs will depend in large part not only on political and strategic developments throughout the world, but on NATO's steady capacity to resist. What can be said now, with certainty, is that the Soviet posture with respect to Europe goes far beyond the conceivable limits of "defense".

A comparison of American and Soviet conventional military potential is a somber exercise. The Soviet Union has half-again as many men under arms as the United States: 3.4 million to 2.2 million. Some military analysts believe the ratio is more like two-to-one, if one allows for the large numbers of paramilitary personnel in border guard, internal security and other units not officially included in the Soviet armed forces, and the high ratio of support to combat troops in all American formations. Direct comparisons are here even more difficult than in the strategic case, and there are great uncertainties about equipment, logistics, training, and readiness. But we know that the Soviet and Warsaw pact armies are heavily equipped with tanks and artillery. The Soviet Union alone is estimated to have four times as many tanks as the United States (and five times the annual production rate, even after the projected U.S. step-up in 1975), three times as many artillery tubes and twice as many heavy mortars. While total numbers of Soviet tactical aircraft exceed those of the U.S. by about 40 percent, they are believe to be producing such aircraft at double the U.S. rate. And their air defenses are not only far greater in their home (strategic) deployment but also in mobile or transportable systems (both missiles and artillery).

At sea, the Soviets have moved rapidly from a coastal defense to a "blue water" navy, with almost as many surface combat ships as the United States, and over three times as many submarines (other than ballistic missile submarines). Here again, their building programs are far, far greater than our own. Their surface ships tend to be smaller, but emphasize speed and intense firepower, and they have been dramatically increasing their at-sea activity rates. They are ahead of the U.S. in surface-to-surface antiship missiles, and have nuclear antiship missiles, which we do not. In a direct conflict, these weapons could take a heavy toll of our fleet at the outset. The Soviets are behind us in endurance and in their ability to resupply their navy while it is under way. In aircraft carriers, with fifteen in service, the U.S. still enjoys a virtual monopoly, but the Soviets now have a program under way which has already produced one carrier and soon will produce another. They possess a formidable attack submarine fleet, although the U.S. currently has far greater antisubmarine resources and capabilities.

Clearly, our conventional military resources are in many important respects inferior to those of our principal potential adversary. And our programs for revitalizing and restoring these resources are so modest that we are falling further and further behind, rather than catching up. Are we, then, maintaining a prudent deterrent against aggression? Are we taking undue risks? Can we handle likely contingencies?

Let us ask these questions first about the defense of Western Europe itself. Obviously, the strategic position of the United States would change profoundly—and nearly fatally—if Western Europe should come under Soviet control. The Warsaw Pact and NATO have substantially equal manpower—roughly 900,000 troops—in central Europe, a front of primary concern. But the Pact has almost twice as many divisions and a much higher "teeth-to-tail" ratio—more tanks and firepower, less logistical support. The Soviet forces and doctrine appear to be designed for massed attack on a narrow front—blitzkrieg "shock" tactics against a sector of the NATO defenses, which are thinly spread over the whole front. They aim at quick breakthrough and a short war. The NATO forces are geared to a long-sustained defensive effort, with some quick reinforcements airlifted from the U.S., but the bulk coming by sealift. (This would require first the winning of a protracted battle for the Atlantic sealanes, against the growing Soviet submarine and surface fleet.) Political and moral strictures preclude an offensive military strategy on our part, a limitation that offers the Soviets some important advantages. The air forces at the front are roughly equal, but if the Soviets achieve surprise and knock out many airfields at the outset, NATO might have great difficulty in providing an adequate air defense. We have one program underway to redress this risk: building concrete aircraft shelters, which the Soviets did in response to lessons of the Six-Day War in 1967, and which NATO should have done much more quickly.

There are, of course, claims that NATO could mount an impressive defense. To us, such claims appear dubious. Prudence dictates much more vigorous action to correct the deficiencies both of hardware and of strategic doctrine. There is considerable feeling, particularly in Europe, that the risks are not great: that the Soviets are inhibited by fear of a second front in the East; by the "nuclear umbrella"; by their interest in winning control of an intact European industrial base by political means; by the unrealiability of their satellites in Eastern Europe; and so on. But the Soviets are steadily building up their forces facing Europe. They have shown no real interest in negotiating MBFR—Mutual Balanced Force Reductions—and they keep up the pressures on Europe in many ways. They have suppressed dissension within the Warsaw Pact. And they continue to pursue their Middle Eastern policy, which, as we have remarked, has always been directed not against Israel alone, but first and primarily against Europe and NATO. Indeed, the Chinese now say that the United States has successfully deterred a Soviet attack on China, and that the threat of a Soviet attack in Western Europe is great, and is growing.

Today, the Europeans must look to American tactical nuclear weapons to deter a conventional Soviet attack. We currently have seven thousand tactical nuclear weapons in Europe, but we must remember that the Soviets have 3500 nuclear weapons of their own. Theirs are believed to be larger than ours, on the average. If NATO's conventional defenses did not contain a Soviet attack, the Soviets would be able to overrun at least a portion of the American weapons. NATO field commanders might not get the Presidential release to use them in time. The Soviets would have the initiative, which could well prove decisive: they might, for example, start with a nuclear attack on our nuclear weapons, airfields, and other military installations. American "victory" then, if achievable at all, would at best save a devastated Europe.

Yet we cannot unilaterally withdraw the tactical nuclear weapons from Europe, and leave the Europeans feeling completely vulnerable to the Soviets, lacking the assurance these weapons provide of our seriousness about European defense. Nor is there any present prospect for a verifiable bilateral withdrawal of Soviet and U.S. tactical nuclear arms from Europe. The only realistic option is to redress and maintain a genuine balance of conventional forces in the European theatre. Nor can we look at Europe in isolation. The great risk is not of an "out-of-the-blue" Soviet attack on Europe, but rather that the Soviets might attack Europe during a deep crisis involving conflict in the Mideast or elsewhere. When there is no deep crisis, there are always less risky ways for the Soviets to attempt to obtain their objectives; it is when we are engaged elsewhere, or when they are frustrated and under pressure, perhaps both internally and abroad, that attack may appear to be the only way to secure their interests, and the risks may look acceptable, or at least unavoidable.

This brings up the question of what depth of conventional force levels we should seek to maintain. During most of the sixties, it was assumed by policymakers that major wars were conceivable, and not wholly improbable, in both Europe and the Far East, and lesser contingencies were possible virtually everywhere else. In planning jargon, the General Purpose Forces were to be adequate for "two and one-half wars." Since China's rapprochement with us, our planners have shifted from a "two and one-half war" strategy to a "one and one-half war" strategy. While there is some justification for this shift—the Soviets may well fear a two-front war involving both NATO and the Chinese—we should guard against the facile assumption that China has become a reliable ally. She is still a potentially dangerous totalitarian state, subject to the drastic shifts in policy which characterize the governments of narrow elites. The Soviets are surely making great efforts to reverse the American orientation of Mao's policy, and will intensify these efforts when he dies. Therefore we must carefully scrutinize the adequacy of our deterrent (and readiness) for the "one and one-half war" contingency, and the adequacy of the concept itself.

But one need not make a final judgment on such complex problems of strategy to realize that our conventional forces are at present spread very thin. The Secretary of Defense has said that we faced an empirical test of our conventional preparedness in the Middle East conflict of October, 1973, and that we met the test "smartly and efficiently." Our impressions are less sanguine. We seriously depleted our stocks of modern weapons in Germany to supply the Israelis; our airlift depended on a single staging base in the Azores, which Portugal may now deny us; and the only credible deterrent we could pose to the prospect that Soviet troops would intervene on behalf of the Arabs was our worldwide nuclear alert. This, remember, was only "one-half" of a war, not "one-and-a-half" wars. To say that our performance does not inspire confidence is to be generous indeed.

It is apparent that we and our allies must increase our conventional defense capabilities in order to counter the rising pressure of Soviet policy, felt in many areas of the world vital to our security. Soviet general purposes forces are increasing steadily in strength and mobility, backed by formidable sea power and air-lift capacity. The Soviets continue to arm and supply client states, and to foment proxy wars which have proved extremely difficult to contain. We need to increase our research and development on antitank, antiaircraft, and antiship weapons; on battlefield surveillance and targetting capabilities, especially for night and bad weather conditions; and on more flexible and rapid command control capabilities. We need to build up our stocks of vehicles, weapons, and ammunition, both for deterrence, and to make certain that our War Material Reserve will not be dangerously depleted by crisis requirements like the October, 1973, airlift and sealift which helped save Israel. We need to build and arm ships to revitalize our dwindling Navy before it can be successfully challenged by the growing power of the Soviet fleet. We need to increase our capabilities for both tactical and strategic mobility and air resupply. Above all, we need larger well-trained mobile ready forces.

None of these needs is met by the programs recently proposed by the Ford Administration.

These conventional requirements, plus the strategic needs we have already noted, could cost eight to ten billion dollars in the Fiscal Year 1976, at present prices, beyond the amounts requested by the Ford Administration. Exactly how much more these additional capabilities would cost will depend not only on the calculations of experts, but on how much could be saved by potential economies in other parts of the budget. The struggle to eliminate waste in the defense budget is and should always be a prime concern of good management. Of course we favor such efforts. Our thesis here simply is that the needs must be met, at the lowest possible overall cost.

The Ford Administration has proposed an $8 billion increase in defense spending for the Fiscal Year 1976:—less than a 10% increase in a year in which it forecasts a 10% increase in the price of defense goods and services. In short, the Administration proposes what could be a static or constant level of defense effort on the most optimistic possible assumptions—if everything proceeds according to plan, and prices do not rise more than 10%.

This is simply not good enough as the framework for an adequate defense program. We cannot afford to fall behind in efforts essential to the stability of the balance of power, and therefore to the safety of the nation.

Current defense spending takes the lowest proportion of our current output, the lowest percentage of our GNP, since the days before Korea. Even more significant, we have over eight percent unemployment, and vast unused plant capacity. If we should spend an additional $10 billion for defense—two-thirds of one percent of our current GNP—we would still have ample unused resources which could be devoted to producing additional output for new social programs, and to stimulate private capital formation and consumption through tax cuts. In the present state of the economy we do not face a "guns or butter" choice. If it is well-managed, the American economy can provide the defense we need and much more "butter" as well—more education, medical research, pollution control, new energy capacities, and more of the other things we urgently need.

Of course, as a matter of principle, defense efforts should never be based on what we can "afford." They are not luxuries, optional programs to be dropped in times of difficulty. We can never afford not to do what has to be done to assure the safety of our people, our national interests, and our democratic institutions.

Conclusion

In our Statement last July on "The Quest for Détente," we commented that "the Soviet Union does not even pretend that it is carrying out its obligations under the Indochina accords of 1973." The significance of that judgment, which the Administration did not challange in its response to our statement, is now more obvious that it was eight months ago, with the bleak news of intense combat in South Vietnam and Cambodia.

The news is bleak also in the other main theatre of active conflict, the Middle East. The Soviets continue to arm the Arab states for offensive war, and to support the Palestinian terrorist and political groups which are desperately seeking to prevent a political settlement between Israel and her neighbors.

When John F. Kennedy was a student in London, during the middle thirties, he wrote a book, "While England Slept." We and our allies are in a mood of somnabulism similar to that which paralyzed France, Britain, and the United States during that strange period. If we and our allies had been able to wake up then, World War II, and all that flowed from it, could easily have been prevented. We and our allies have the capacity to prevent an even more terrible war today. To do so requires us to face the world as it is, and to act calmly, responsibly, and effectively in order to protect our interests in its evolution.

Some contend that we cannot afford a larger defense budget, and that the present budget is full of fat, luxury, and expenditure for obsolete weapons. We have been careful here not to propose specific figures for the cost of the programs recommended in this statement, beyond indicating the order of magnitude they imply. Perhaps all that the Secretary of Defense wishes to do, and all that we propose to add to his program, can be obtained for less than the budget he has proposed. We are sure that there are economies that can be discovered. And we support research and modernization that might reduce the vast cost of the defense establishment.

But long experience has made us skeptical of easy promises to eliminate spending "fat", worthy as that goal is. The effort should continue to be made, of course. Our thesis is simply that our strength should be enhanced, through the programs suggested here, at the lowest possible cost.

We are also convinced that we can afford both the programs essential to our defense, and those essential to our domestic well-being, if we adopt sound policies for ending the recession and reviving economic growth, and if scarce resources, such as energy, are widely used. A progressive economic policy should make it possible for us to do whatever the national defense requires, in an economic environment which restores both full employment and price stability.

We shall not pursue these issues in this paper. (They are thoroughly discussed in the Economic Policy Task Force of CDM which was recently issued.) We have prepared this document on the assumption, which we believe to be absolutely sound, that Americans will spend, and do, whatever is needed to assure safety and prosperity of the nation. The problems we have sought to address are the kind of international challenges the nation faces, and the kind of defense program the national safety requires to deal with them.

Our answer is sober, but not pessimistic. We believe that we must stop drifting, and stop distracting ourselves with sentimental, guilty, or foolhardy excuses for neglecting our responsibility to provide for the common defense. That responsibility is shared by every official of the Executive branch, every member of Congress, and every citizen. We appeal to them all, from the President and the Secretary of State to the proverbial man and woman on the street, to look at the evidence directly and soberly. We face choices like those the nation faced in the heroic administration of Harry Truman, whose achievements are generally applauded today.

The nation—and the world—owe an immense debt of gratitude to the two generations of leaders of both parties who confronted, and met, the troubles of their times. The nation must come together once again, to deal with the challenges now before us.

The will of the people cannot be mobilized unless the President and the Secretary of State address these issues with words and deeds adquate to their gravity. Nor can a broad and bipartisan consensus emerge unless the Democratic Party faces the facts with equal discipline and equal responsibility.

The United States should be the master, not the victim, of its fate. The dangers before us demand a great and concerted national effort—a sharp and dramatic turn in the direction of policy. That turn will require earnest political debate. But it will require something more—a resolve to undertake that discussion and debate.

Thus far, that resolve has been the missing factor in the politics of national defense. It is the key factor. We appeal for its revival—

Thus far, that resolve has been the missing factor in the politics of national defense. It is the key factor. We appeal for its revival— a revival of will and of responsibility.

The nation can no longer afford the luxury of political evasion and party politics on the life-and-death issues of foreign policy and national defense.

PLANT A PALM DAY

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, in early 1974 my wife, Mildred, one of the vice chairmen of the Beautification Committee of the city of Miami, proposed to the committee and to the public that in order to make up, as far as possible, for the great loss of the coconut palm in the Greater Miami area—a tree which has meant so much to the beauty of that area and is so characteristic of it—that people who loved our palms and wanted them to remain one of the beautiful symbols of our area should plant a palm to replace, as far as possible, those which are lost by the lethal yellowing which has destroyed so many.

Mrs. Rose Gordon, one of the distinguished members of the Miami City Commission, recommended Mrs. Pepper's idea to the Miami City Commission. The distinguished Mayor of Miami, Hon. Maurice Ferre, and the members of the City Commission of Miami adopted the idea and set aside a day called Mildred Pepper Plant a Palm Day when the city of Miami would encourage its citizens to plant a new palm. The first Mildred Pepper Plant a Palm Day was commemorated in Bay Front Park in December of 1973, when the city of Miami provided 300 sprouting coconuts and showed the people how to plant them. This occasion stimulated many of the beauty-loving citizens of Miami and the Greater Miami area to plant a new palm.

On March 14 of this year the second annual "Mildred Pepper Plant a Palm Day" was commemorated under the direction of the City of Miami Committee on Ecology and Beautification, under the chairmanship of a very distinguished local businessman and a man dedicated to the beauty of the Miami area, Hon. E. Albert Pallot. On this occasion, held again in Bayfront Park, many citizens gathered. A talented, local citizen wrote a poem on Plant a Palm Day emphasizing the significance of such a program and dedicated it to Mrs. Pepper. Mr. Speaker, I think this poem beautifully expresses the sentiment of this significant program of trying to keep Miami a city of palms and I include Mr. Gene Griener's poem in the RECORD following my remarks:

PLANT A PALM DAY

(By Gene Griener)

If every citizen of Dade
would plant a palm, it could be made
as our defense to fight the blight
killing our palms each day and night.

We grieve their loss when each one dies,
these graceful palms kissing our skies
for they are sentries of our land
guarding—protecting surf and sand.

Why nature should destroy each palm
cannot be found in any psalm
for each tree is a gift from God
to grace our land—to bless our sod.

Regardless what the cause might be
we must restore palm's dignity
so future youth of Dade can share
these seedlings we now plant with prayer.

SECOND LOOK NEEDED AT HOUSING PLANS

(Mr. MILLER of Ohio asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MILLER of Ohio. Mr. Speaker, one of the problems with much of the "emergency" legislation that the House has enacted in the past few months is the lack of a close look at the effects. In particular, this holds true for legislation enacted in the housing field. A recent editorial hits the nail on the head with regard to this problem and I would like to share these thoughts with my colleagues:

[From the Minneapolis Tribune,
Apr. 28, 1975]

EDITORIAL

Congressional concern for homeowners, builders and buyers is overwhelming, which is also the right adjective to describe the intricacies of legislation already enacted or well on its way to becoming law. The 5-percent tax credit, up to $2,000, for purchase of a new home is part of the recently signed tax-cut bill. Bills called the Emergency

Middle-Income Housing Act of 1975 and the Emergency Homeowners Relief Act have passed the House. Similar but not quite identical measures were combined into one bill approved Thursday by the Senate. So a conference committee now has to resolve differences and will, we hope, consolidate, alter and eliminate some provisions.

Conceived in haste, the tax credit—better described as the home-buyer's windfall—may have contained the seeds of its own destruction. It was designed to spur the sale of new houses, helping builders stuck with expensive inventories. To prevent profiteering, Congress included a requirement that an eligible house be sold with a certification that the price is the lowest at which the property has ever been offered. Since carrying costs accumulate (interest alone on an unsold house can run several thousand dollars a year), builders understandably show little enthusiasm for the program.

The middle-income housing bill passed by the House is an interest-subsidy program with considerable appeal at the moment and adverse implications for the future. The intent—to make housing available to more people—has merit, as does the bill's anti-recessionary potential. But its provisions for continuing subsidies, in some cases over the entire life of a 30-year loan, build in another mandatory federal expenditure extending far into the future. That may be appropriate in some instances. But a subsidy program spread as widely as it is by this legislation seems to us to carry undesirable consequences for federal budgets in later years. An addition to the Senate version answers that problem to some extent, but in an equally questionable way: an option to provide a $1,000 grant to a home-owner for a down payment.

The homeowners-relief bill is designed to help unemployed workers meet their mortgage payments. That is a purpose few would oppose (the bill passed the House this month 321 to 21), but there are questions about the means by which it would be accomplished. The idea is to permit federal loans up to $250 a month, over a maximum of two years, to an unemployed homeowner. The Senate raised those figures to $300 a month over three years. Thus the recipient borrows at up to 8-percent interest to make monthly mortgage payments that include interest. It isn't frivolous to ask what happens if in the future borrowers have trouble repaying federal loans used to make housing-loan payments. Is there then a new loan program to help repay loans provided to make mortgage-loan payments?

Prompt housing assistance is necessary. But the quantity and variety of programs that Congress seems bent on producing are such that the whole subject needs a second look.

DEPARTMENT OF DEFENSE RECRUITING RESULTS FOR MARCH, FISCAL YEAR 1975

(Mrs. SCHROEDER asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Mrs. SCHROEDER. Mr. Speaker, I would like to put in the RECORD at this point the recruiting results for March 1975, as provided by the gentleman from Virginia (Mr. DAN DANIEL):

Preliminary figures have been provided to me showing that the total strength of the four Military Services at the end of February 1975, was about 2,144,000. The total was 99+% of their February target of 2,148,000. Strengths by Service are compared with their June 1975 objectives as shown in the FY 1976 Budget Request in the table below:

ACTIVE MILITARY STRENGTHS

[In thousands]

	February 1975 (preliminary)	June 1975 (objective)
Army	779	785
Navy	545	536
Marine Corps	197	196
Air Force	623	612
Total	2,144	2,129

The total of 26,300 men and women recruited in March was 101% of the total objective of 26,100. Through the first three quarters of Fiscal Year 1975 the four Military Services have recruited a total of about 345,500 men and women, or 101% of their objective of 340,700. This total is about 11% above the number recruited in the first three quarters of Fiscal Year 1974.

ENLISTED ACCESSIONS—ALL SOURCES (TO NEAREST 100)

	March 1975			1st 3 quarters	
Service	Objective	Actual	Percent	Fiscal year 1974	Fiscal year 1975
Army	9,800	9,800	100	142,600	157,200
Navy	5,800	5,900	102	72,700	83,200
Marine Corps	4,500	4,600	102	39,100	47,500
Air Force	6,000	6,100	101	57,200	57,700
Total DOD	26,100	26,300	101	311,600	345,500

In March, 98% of all non-prior service enlistees were in Mental Categories I–III, the average and above average mental groups. Of the March non-prior service enlistees, 74% were high school graduates and 9% or 2,300 were women. Black enlistments accounted for about 13% of the March enlistments.

The total selected reserve strengths declined slightly during February:

SELECTED RESERVE STRENGTHS

[In thousands]

	End strengths		Average strengths	
	February 1975 (Preliminary)	January 1975 (actual)	Fiscal year 1975 through February	Fiscal year 1975 appropriated
Army National Guard	393.0	392.6	393.4	400.0
Army Reserve	228.8	228.2	230.6	225.0
Naval Reserve	106.1	106.8	109.9	111.9
Marine Corps Reserve	32.7	32.9	32.1	36.7
Air National Guard	94.1	94.0	93.8	95.0
Air Force Reserve	46.8	46.0	45.7	51.3
Total DOD	901.4	900.5	905.5	919.9

LEGISLATION TO AMEND FRANKING PRIVILEGE PERIOD BEFORE AN ELECTION

(Mr. GUDE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, I am today introducing an amendment to title 39 of the United States Code to provide for an increase from 28 to 90 days in the period before an election during which a Member of, or Member-elect to, the Congress may not make a mass mailing as franked mail if such an individual is a candidate in the election.

It is surely time for such a change. The right of Members to use the franking privilege begins with the history of this Nation. The first franking privilege resolution was enacted on November 8, 1775, nearly 200 years ago. Since that time few significant changes have been made in it. The reasons underlying the franking concept are fundamentally sound. The free transmission of letters on Government business is directly connected to the well-being of the people because of the nature of the legislative function. The frank is an important tool in the process of informing the citizenry of the actions of their Government.

It is clear, however, that the present franking statute can be the subject of confusion and, in some cases, abuse. The language of the law is sufficiently vague that it is possible to send many items by franked mail which were not intended by Congress, and it is possible to use the frank to political advantage in ways that were clearly not intended by the Congress. As a first step in trying to make the franking regulations clearer and more specific and to remove the possibility of political misuse, I am introducing my amendment to push back the date before an election beyond which franked mass mailings cannot be sent. Increasing the time period from 28 to 90 days certainly does not impose an unfair burden on incumbents, rather it reduces an advantage incumbents have long had over challengers, and removes the mass mailing issue from the realm of political suspicion.

HOLES IN SPACE

(Mr. GUDE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, astronomers and many others of us who follow that science, are intrigued by the possibility that a new satellite to be launched by the United States will provide additional information about the "black holes" in space—the collapsing stars.

In addition, I am proud that the satellite's precise control and command systems, as well as the power system, were designed and developed by constituents at the Johns Hopkins University Applied Physics Laboratory, Silver Spring.

An announcement from the laboratory says:

A complex package of control, power, and command systems capable of pointing X-ray cameras and detectors to very precise points in space, spinning a satellite up or down, or even holding the spacecraft—and its sensors—relatively stationary has been developed as the "service module" of the new experiments which the National Aeronautics and Space Administration will launch no earlier than May 7, 1975.

The overall spacecraft of the Goddard Space Flight Center of the National Aeronautics and Space Administration called SAS–C—small astronomy satellite—will be launched from a manmade platform in the Indian Ocean off the coast of Kenya. The scientific experiments which will seek out more evidence of "black holes" in space and map far more precisely than ever before the X-ray sources, as well as study the variations in their intensity, are provided by the Massachusetts Institute of Technology.

Black holes in space are eternally collapsing stars of condensed matter so massive and compact that no radiation can escape their gravitational fields. Some scientists believe that matter falling into black holes should exhibit extremely brief and intense pulses of X-rays. SAS–C is especially equipped to search for such pulses of X-rays.

The spacecraft, which will carry the experiments and provide support of functioning systems and experiments, was designed and developed by the Johns Hopkins University Applied Physics Laboratory. Mr. Henry B. Riblet is the APL Project Engineer for the SAS program. Dr. Richard B. Kershner has overall supervision as the head of the Applied Physics Laboratory's Space Department.

HOME HEALTH CARE CORRESPONDENCE

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I have found overwhelming support for my legislation designed to provide home health care for the elderly. But, there has been some criticism particularly from those who see it as a threat to the nursing home industry. My legislation would not put the nursing home industry out of business because there would still be many who need the range of services provided by a nursing home. It would, of course, reduce the number of people in nursing homes by enabling some to stay home.

The legislation was recently attacked by Mr. Ronald Schwartz, the editor of Washington Report on Long Term Care, a McGraw Hill publication concerned with long term care. Mr. Schwartz made certain allegations in a page long editorial which were premised on misinformation. While I welcome criticism of the bill, I ask that my critics know the facts and not to misstate them.

By letter of April 14, I responded to Mr. Schwartz' editorial. Unfortunately, Mr. Schwartz refused to reprint my response in his newsletter. Therefore, I am placing the entire correspondence, including Mr. Schwartz' original editorial, in the Record so that those concerned with this subject may read it.

The documents follow:

Washington Report on Long Term Care

New York Congressman Finds Long Term Care Issues Inviting . . . Utilization Review Requirements Now Set for July 1 . . . SNF Pharmacy Guidelines Drafted by MSA . . . Some Life Safety Code Provisions Questioned in HEW Fire Tests

Dear Reader: It was about a year ago that Rep. Edward Koch (D-N.Y.) became interested in long term care issues. Then, he was piqued by the reclassification of some 200 skilled nursing home patients to lower levels of care. They were transferred to two Intermediate Care Facilities outside his district (see LTC 2–8–74).

Since then, Koch has been firing a barrage of criticisms at the Department of HEW's Medicare and Medicaid long term care policies, or lack thereof. Especially since disclosures of New York City nursing home abuses in recent months, the Manhattan member has become the most vocal critic of federal policies in the House.

However, Koch is on the Appropriations Committee, which although an important committee, does not directly handle legislation he is concerned about, namely Medicaid fraud and alternatives to institutional care. This also means that rather than rely on professional committee staff to research and prepare his speeches, he must use a small personal staff which one day could be dealing with pithy issues and the next day could be chasing a constituent's complaint against the government.

One example of hurry-up research was contained in a March 11 speech in which Koch stated that a "recent HEW study" estimates that between 14 and 24 percent of the Nation's nursing home patients could be maintained at home. Long term care tried to obtain a copy of the report, but an aide even refused to cite its title. Upon further inquiry, elsewhere, it was learned that the figure was derived from a 1969 nursing homes' survey of HEW's National Center for Health Statistics. But the survey merely indicated that many skilled patients could be at lower levels of care, perhaps still institutionalized.

It may be that Koch is overstating the case in order to get Congressional action on much needed home health care. He would not be the first to employ such a tactic. The new House Select Committee on Aging, which received staff funds this week, should bring attention to the issues.—The Editors.

National Council for Homemaker-Home Health Aide
Services, Inc., *April 2, 1975.*

Mr. Ronald Schwartz,
Editor, Washington Report on Long Term Care, National Press Building, Washington, D.C.

Dear Mr. Schwartz: In a letter to the reader in the March 28th, 1975, Washington Report on Long-Term Care, you suggest Representative Edward Koch did not properly substantiate his statement that between 14 and 24 percent of the Nation's nursing home patients could be maintained at home. The enclosed pages 11 and 12 from a report of a survey of the literature on *Costs of Homemaker-Home Health Aide and Alternative Forms of Service* published recently by the National Council for Homemaker-Home Health Aide Services, contain references to several report which support Mr. Koch's figures or indicate they are conservative.

The issue of inappropriate placements is also handled at length in *Report of the Governor's Commission on Nursing Homes* from Maryland. A major point in that report indicates that persons placed in homes offering more care than they need may prevent those for whom such care would be appropriate from obtaining it.

Sincerely,

Nancy Robinson, D.S.W.,
Director, Approval Program.

House of Representatives,
Washington, D.C., April 14, 1975.

The Editors,
Washington Report on Long Term Care, National Press Building, Washington, D.C.

Dear Editors: I found your report of March 28th on my home health care legislation a shocking piece of journalism. First, you were inaccurate. Second, you not only overstated your case, something you accused me of, but you were actually misleading. I am not sure whether this is the product of poor staff work, or simply the product of an harnessed bias.

First, on the matter of the transferral of some 200 skilled nursing home patients to lower care facilities. What I was angry about was that the patients were being transferred to facilities where the cost of care was to be *more* even though the level of care less. They were also being transferred, at a callously rapid manner, from Greenwich Village where most had lived their adult lives, to Coney Island. Again, all of this so the government could pay *more* for their care. The transfer resulted in two deaths and is now being investigated by the New York State Moreland Commission.

You attempted to discredit the facts I have advanced in support of my legislation by belittling by staff—a cheap shot indeed. A number of studies by government, academic and professional groups have substantiated my figures. The HEW study has been updated and the figures of 14 to 25% of the nursing home population not needing institutionalization remains. Indeed the Levinson Gerontological Policy Institute estimates that "anywhere between 15 and 40% of the populations of proprietary nursing homes may require—or could benefit from—such supplemental care (referring to home care) in lieu of institutionalization depending upon the admission policy(ies) of these homes." Also, I believe you have received a letter from the National Council for Homemaker-Home Health Aid Services setting forth information that substantiates my figures. If anything, the studies show I have understated the percentages.

It is interesting that you did not offer any figures of your own to rebut mine.

The final sling was in your statement that a member of my staff refused to cite the title of the HEW study. At the time of our call he did not know the title, but offered to find out what it was for you if you could not get the desired information from the Department of HEW. There was no cloak of secrecy around the study, and I am surprised that if you called the Department of HEW you did not learn that the study had been updated since 1969.

In reading your piece, all I could wonder was whose interests do the editors represent? I would like to know this, and I request that you reprint this letter in full in your next report.

Sincerely,

Edward I. Koch.

National Council for Homemaker-Home Health Aide Services, Inc.,
April 17, 1975.

Mr. Ronald Schwartz,
Washington Report on Long Term Care, 437 National Press Building, Washington, D.C.

Dear Mr. Schwartz: Thank you for your letter of April 16th. I appreciate the time and thought you gave to the subject at issue and found your basic premises to be sound.

The two Urban Institute working papers by Bill Pollak are included in the annotated bibliography of our Costs of Homemaker-Home Health Aide and Alternative Forms of Service, page 47. I have had several telephone chats with Mr. Pollak, and sent him an analysis of the working paper, to which you refer in your letter, in 1973. A copy of the analysis is enclosed.

We, too, are vitally interested in the 222 projects and hope they will provide helpful data.

Sincerely,

Nancy Robinson, D.S.W.,
Director, Approval Program.

WASHINGTON REPORT ON
LONG TERM CARE,
April 16, 1975.

Dr. NANCY ROBINSON,
Director, Approval Program, National Council for Homemaker-Home Health Aide Services, Inc., New York, N.Y.

DEAR DR. ROBINSON: I appreciate your taking the time to send me your views concerning the item of March 28. I would also like to thank you for enclosing the material which would tend to substantiate the conclusion of Congressman Edward Koch that from 14 to 24 percent of our nursing home patients should not be in institutions and could be maintained at home.

I believe that many of us have been erroneously perpetuating two ideas in the long term care area. One, touched on in my March 28 column, is that too many people (over 1 million) are in nursing homes and that about 25 percent of them could be cared for at home. Congressman Koch, of course, was stating this view. The other thesis is that cost savings could be realized if these individuals in nursing homes could either receive home health or home health aide services.

In both cases, though, we may be guilty of generalizing from studies which have specific conclusions. On the first point, I would have to agree—there is evidence to support that some institutionalized individuals could be maintained at home. But as I stated in my column, this view is often confused with studies which show that patients are not classified at levels of care commensurate with their needs. Generally this is so because our Medicare and Medicaid programs have built in incentives for "overcare."

So, yes, I will concede that there are patients in nursing homes who should not be there. But there are patients in hospitals for stays longer than they need be. Also, there are individuals at home receiving no care at all who, because our health care system is designed for the old and the sick, are receiving neither the institutional nor the home health and home care services they need. A true utilization of our health care system, then, might not decrease the size of our total nursing home population—and might even result in an increase. According to the Maryland Governor's Commission on Nursing Homes study, home health care would not reduce the number of patients in nursing homes but could be used to decrease the size of the nursing homes' waiting lists. Indeed, this is a problem, as the National Center for Health Statistics pointed out in its 1973 survey of nursing homes that 77 percent of all homes maintained waiting lists (HRA publication 75-1120, p. 4).

On the subject of costs, Congressman Koch and others in Congress have stated that home health is always less expensive than institutional care. He has said that every study he has seen supports this view. Here again, a thesis has been formed by generalizing from studies which apply to specific situations. The Medicare study he placed into the Congressional Record on March 18 compares home health to care in a hospital and in an extended care facility. On March 11 he placed a study into the Record which basically compared a home maintenance plan to "nursing home care" (no level specified). One of the best comparative cost studies I have seen has not been cited by anyone—that done by the Urban Institute in March 1973. The conclusion is that some levels of home health care could be more expensive than moderate to lower levels of care in an Intermediate Care Facility. More data is needed, however, and unfortunately the Department of HEW has lagged miserably in getting projects underway that should yield this information (January 17 issue enclosed).

In my taking issue with Congressman Koch, I hope it does not sound as if I am nitpicking over facts. The facts that we have on a concept, though, determine how a program is designed in legislation. For example, Congressman Koch has specified in his home health bill that no individual under Medicare or Medicaid will receive more home health care benefits than he or she would have were they institutionalized. I suppose this provision is based on the premise that home health care is always cheaper than institutionalized care. One can imagine the limit in effect, where some government official in a welfare office punches a group of figures onto a calculator and then tells an elderly person: "Sorry, your home health benefits total up to more than those if you were in an institution—so you must go into a nursing home or else lose all your benefits."

Home health and home maintenance care must not be sold to Congress on two unsubstantiated premises—that it will reduce the total population in nursing homes and that it will save us gobs of money. It should be sold for reasons that individuals must receive care to match their needs, and that care should be provided in a variety of settings which include home health and home maintenance.

Sincerely,

RONALD SCHWARTZ.

WASHINGTON REPORT ON
LONG TERM CARE,
April 23, 1975.

Representative EDWARD I. KOCH,
1134 Longworth Office Building,
Washington, D.C.

DEAR CONGRESSMAN KOCH: Mr. Brazda has asked that I respond to your letter of April 16. I believe you have received a copy of the April 17 response that was sent to me by the National Council for Homemaker-Home Health Aide Services. In reply to my April 16 letter to the organization, a copy of which you also received, Dr. Nancy Robinson has written: "I appreciate the time and thought you gave to the subject at issue and found your basic premises to be sound." May I suggest that you, too, read closely my April 16 letter.

In answer to your question of why I could not include in my March 28 article figures to rebut yours, one of the limitations of my front page essay is that whatever I have to say must fit into 31 lines. If you are familiar with my newsletter, you know that I do not say something which cannot be substantiated through information or data.

Indeed, your accusation of poor staff work on my part missed the mark. I have no staff, which is one of the reasons I know the limitations of the information that I have. For example, I would never call a study a "recent study" if I did not have the study or did not know its title and date. Sooner or later someone, simply out of a desire for knowledge, will want to obtain a copy. By coincidence, a staff member from the American Association of Homes for the Aged (which represents nonprofit homes) came up to me after the column appeared and said that she had an experience very similar to mine in attempting to gain a copy of the recent study mentioned in your speech.

Yes, I did contact HEW after Bob Weiner of your staff refused to cite the title of the report or provide me with any information from which I could obtain it. I am not going to name sources, but the HEW official who had supplied the information to Mr. Weiner said it was extrapolated from two charts in the 1969 study of the National Center for Health Statistics: "Charges for Care and Sources of Payment for Residents in Nursing Homes." I would rather not belabor this incident any longer, what Mr. Weiner said to me or what I said to him. I don't think it serves a purpose to match recollections.

What I would suggest is that your staff more critically analyze the information coming across its desk, despite the well-intentioned goals of the organization supplying the data. There is a wealth of statements and information on long term care issues, but a paucity of good data. I believe we should have had this data years ago, or at least now. My enclosed January 17 newsletter describes HEW's problem in getting Section 222 experiments underway.

The reason I raised the point, in my March 28 column, of your concern over the transfer of 200 skilled nursing home patients is that the issue had national impact, stretching beyond the confines of the 18th District of New York. Both Senators Moss and Percy had expressed concern that thousands of nursing home patients, in a number of states, might be callously reclassified and thus transferred to facilities providing lower levels of care. I am at a loss to explain your statement that the care would cost more. Although I am not doubting your report, generally the reason states were moving toward reclassification was to save Medicaid money.

Lastly, I must decline your request to print your letter. Because we do not have the space of a daily newspaper, we have no "letters to the editor" section. That does not mean, however, that long term care is doctrinaire to the point of ignoring comments. Nobody is perfect, and I rely on my readers in many cases to point out errors when they occur.

Frankly, I resent the tone of your letter, especially the inquisitorial request to tell you: "Whose interest do the editors represent?" In answer to that question, and at the risk of sounding corny, long term care represents the truth (as best as it can be ascertained). I am enclosing some issues which I think indicate that I play no favorites. Most important, in each story there is a purpose: to tell the reader what he or she would have not been able to learn either through the newspapers or their organizations' newsletters.

Sincerely,

RONALD SCHWARTZ.

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 7, 1975.

Mr. RONALD SCHWARTZ,
Editor, Washington Report on Long Term Care, 437 National Press Building, Washington, D.C.

DEAR MR. SCHWARTZ: Your April 23rd letter does you little credit. I am taking the time to point out your continuing inaccuracies.

First, it is interesting to note that, although you choose to quote a portion of Dr. Robinson's latest letter to you, you do not acknowledge her substantiation in her April 2 letter of my figures of 14 to 25% of the nursing home population not needing institutionalization and her statement that these figures, far from being inflated, may actually be conservative. Neither do you adequately rebut in either your letter to Dr. Robinson or your letter to me, the figures cited in the updated HEW study and the Levinson Gerontological Policy Institute to which I referred in my April 14 letter to you. These figures clearly support my position.

Of the greatest concern to me is your basic misunderstanding of my legislation and my statements regarding it. I have never maintained that home health care is *always* less expensive than institutional care. In fact, that is the reason that my bill provides that in no event shall a patient be entitled to home health care reimbursement exceeding the cost of institutionalization—a procedure which the study contracted by HEW and released on January 3, 1975 says is feasible. That study says, "It is possible to structure each of the above (alternatives including comprehensive home care) so that expenditure rates could achieve that required in the local area for ICF care at a maximum." Under the definitions of my bill, institutional care includes skilled nursing facilities. I believe that home health services should be reimbursable up to SNF level.

Your denigrating my reference to the HEW report as a "recent study" is not understandable. I know of few government extensive studies that one could be working with in 1975 that could be any more recent than one issued in January, 1975. In addition, I am suprised that you were unable to obtain a copy of this report, which my office received simply by calling the agency and had advised you to do likewise.

Again I want to indicate my upset at your refusal to permit an editorial reply on my part to an editorial on your part which contained gross factual errors and an obvious bias. I am also happy to report to you that the legislation is gaining support each and every day that goes by and at the present time there are 85 House co-sponsors. Because I think your erroneous material which was undoubtedly read by many interested in the field should be rebutted and since you won't permit the rebuttal to appear in your magazine, I have decided to place our correspondence in the Congressional Record so that those interested may have an opportunity at least in this case to read both sides of the issue.

Sincerely,

EDWARD I. KOCH.

ALL THAT NATURAL GAS WAS JUST HOT AIR

(Mr. RONCALIO asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RONCALIO. Mr. Speaker, we should pursue all feasible energy alternatives but nuclear stimulation of natural gas is not one that can be considered feasible, economically or in energy tradeoffs.

I have long and repeatedly questioned the wisdom of pouring money into the Plowshare program and in particular nuclear stimulation of natural gas trapped in deep rock formations. We have been made promises of the availability of trillions of cubic feet of natural gas through the detonations of nuclear devices, and now as noted in the following article, the projections and enticing arguments for nuclear stimulation have been overestimated. I think my colleagues will find the following of interest, and particularly the remarks by the project scientist for Rio Blanco, John Tolman.

Hydraulic fracturing, the use of dynamite and other conventional uses have been encouraged instead of wasteful nuclear detonations.

Plowshare only plows up more opposition to all nuclear activity including power generation, which is another reason it should stay ended.

[From the Wyoming State Tribune,
Cheyenne, Wyo., Apr. 29, 1975]

HYDRAULIC FRACTURING STARTS AT RIO BLANCO

Meeker, Colo.—Despite pessimism of a project scientist, the government Monday said it will pump more than a quarter-million gallons of water and sand underground to try and increase production of natural gas in western Colorado.

The Energy Research and Development Administration said the hydraulic fracturing will occur today, 30 miles southwest of Meeker. The agency said the technique was being used as an alternative to nuclear blasts detonated in 1973.

"The hydraulic fracturing will involve perforating the well casing between 7,770 and 7,784 feet deep and then pumping under high pressure approximately 235,000 gallons of condensate and water mixed with 878,000 pounds of sand," the agency said.

According to the ERDA, scientists hoped the pressure from the water and sand would force an increase in the volume of natural gas flowing through the well.

In May, 1973, scientists exploded three 30-kiloton nuclear devices more than a mile beneath the ground to free natural gas locked in rock. The explosions, called Project Rio Blanco, formed three separate chambers rather than the one cavern expected.

Last week, project scientist John Tolman said faulty estimates of natural gas available ended hopes of recovering more than 100 trillion cubic feet of natural gas. Tolman said the gas was not present in estimated quantities.

"If these conditions are found throughout the whole basin, then it is highly unlikely that any technology, atomic explosives or even massive hydraulic fracturing will ever produce the gas economically," he said.

THE U.S. LIVESTOCK INDUSTRY: HOPEFULLY ON THE WAY BACK

(Mr. LEGGETT asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. LEGGETT. Mr. Speaker, I recently went back to my district to speak to some of my cattlemen. I don't mind telling you, the trip was not all pleasant. The beef cattle industry is hurting. I was as optimistic before these people as I felt I realistically could be, and a large part of my optimism was based on the expectation that this bill, which had just been ordered to be reported from the Committee on Agriculture, would soon pass the House. I believe in this bill, and believe it will go a long way toward helping the beef cattle industry out of the hole it is in. My remarks to the cattlemen of Colusa County, Calif. follows:

THE U.S. LIVESTOCK INDUSTRY: HOPEFULLY ON THE WAY BACK

Well, here we are, at the end of a 25-year growth cycle for cattle producers. For a year and a half now beef producers have been taking it in the neck. Farm prices have dropped, retail prices have risen, farm costs have gone out of sight, and a lot of our friends have gone out of business. For 25 years the beef industry in the United States generally has enjoyed a growth period, thanks to massive increases in feed production and rising consumer demand. Cattle herds have grown by leaps and bounds in this country, encouraged by bountiful supplies of feed grains, especially corn and sorghum, for which few alternative demands were made. As long as weather continued to be favorable, and seed, fertilizer and farm chemicals were relatively inexpensive, grain production was adequate to supply heavy feeding operations.

In the period from 1952 to 1972 the percentage of grain-fed beef cattle of all beef cattle marketed rose from 48 to 78 percent. Producers were able to put cattle on lots earlier, and by 1972 cattle were fed 55 percent more grain per head than they were in 1950. However, a beef cattle industry based on intensive grain feeding and reacting with too much enthusiasm to consumer demand has proved critically vulnerable to conditions which began to surface in the early 1970s.

Even though most cattle producers expect cyclical price depressions as herds build, the events of the past three years were unexpected and have proved devastating.

Widespread drought in Eastern Europe, Australia, Asia and Africa in 1972 and 1973 caused sharp crop failures and placed a demand on United States' wheat and feed grain stocks that brought them to their lowest level in 20 years and predicted their possible exhaustion in the 1973–74 marketing year. Excessive foreign sales of soybeans and resulting domestic shortages and record high prices prompted a temporary embargo in June 1973.

There were other unexpected events which contributed to the serious situation. Failure of the 1973 Peruvian anchovy catch aggravated an already tight world market for protein feeds and oilseeds. Whereas in the past, crop failures in the Soviet Union were handled by cutting back domestic use, the latest failure brought the Russians to the United States for massive purchases of wheat and corn. Immediately after the sale to the Soviet Union, U.S. domestic prices sky-rocketed.

By early 1974, beef producers began to feel the effects of tight U.S. and world grain supplies, high input prices, and depressed markets. During the first two quarters of the year, slaughter cattle prices dropped from a high of nearly $50 per hundredweight to below $35 per hundredweight.

At the beginning of the year the industry's foundation had already been weakened by consumer boycotts in 1972, a price freeze in 1973, and steadily rising feed costs. Even with the clouds of fuel and fertilizer shortages hanging overhead, things didn't look too bad at the first of the year. First quarter fed cattle prices were strong, averaging around $50 a hundredweight, and crop projections were optimistic.

Then it happened. It began to look as if corn and sorghum crops were going to get the short end of the weather stick. That meant that feed supplies were going to get even tighter and prices were going to go still higher. Already, by November 1973, a hundred pounds of beef concentrate had reached $7.66 from $5.40 the year before. Incidentally, by November 1974 it reached an average of $8.80. Suddenly, the cattle held back after the price freeze had ended in 1973 looked like an expensive liability. Feeders felt forced to unload heavy slaughter supplies and did so even at rock-bottom prices. Prices for choice steers fell to $36 by mid-June and cattlemen were in real trouble. Severe financial losses hit the livestock industry like the plague. Cattlemen closed out; some farmers panicked and disposed of their animals before market. Costs overtook prices at a rapid clip, and cattlemen were forced into a corner.

While many of the factors affecting the cattle industry were out of the cattlemen's hands, like world crop failures, consumer boycotts, truck strikes and the like, an overbuilding of herds is one of the major problems facing the industry now. January 1, 1975 figures show the number of cattle and calves on farms and ranches at 131.8 million head, up by 10 million from January 1973 figures. And even though the pace may slacken, we are looking now at the potential for a very large calf crop in 1975.

What happens to an inventory like that when corn is no longer going for a dollar a bushel, and soybeans at $2.80 are a faint memory? Something has to give, and you folks know better than anyone else in the world that something has. In late 1973, all through 1974, and continuing into this year, depressed prices for steers, and high prices for feed are forcing feeders to cut back operations. Cattle on feed in the 23 major feeding states on the first of January 1975 was down 26 percent from a year earlier, and 31 percent from January 1, 1973. Financial losses suffered by feeders have continued to restrict the flow of feeder cattle into feedlots. Placements during January in the seven major feeding States were down 42 percent from a year earlier. Marketing of cattle from feedlots in the seven States exceeded placements, further drawing down inventories. These States reported just over 6 million cattle in feed on February 1. That is 37 percent fewer than a year ago.

We are witnessing more placement of heavier cattle on feed for shorter periods in an attempt to increase the turnover rate on the lots. For example, in January fed cattle marketings from the reporting States were down only 13 pecent from a year earlier, even though inventories were down 32 percent at the beginning of the month. U.S.D.A. economists predict this kind of pattern to continue through the rest of this year.

Despite contracting lot operations, consumers are certainly not without meat in the market. Last year cattlemen did some very heavy culling. Commercial cow slaughter is estimated to have reached almost 7.5 million head in 1974. That represented a 20 percent increase from the year before, and the largest cow slaughter since 1966. Federal inspection reports showed weekly slaughter for January 1975 averaging near 725,000 head.

U.S.D.A. reports commercial cattle slaughter in January totalling 3.5 million head, up 14 percent from a year earlier. This was the largest number for any January on record, and, as for previous months, the increase was in cows and nonfed steers and heifers. Fed cattle in January made up less than 60 percent of the supply. Cow slaughter was up 30 percent from the same period in 1974.

Now we are facing nationwide consumer resistance to high-priced food items. Beef prices at the retail level have relaxed somewhat in recent months, but the nation's economic situation is shaky, and we cannot be really sure what consumers will be doing in the months to come.

The Department of Agriculture expects that the recent high slaughter rates will ease somewhat as cattle begin to move onto grass and pasture. Feedlot placements might also start taking some of the younger cattle that otherwise would be moving to slaughter. This could strengthen cattle prices, and meat-animal prices in general. The latest Livestock Situation report issued by the Department of Agriculture says that fed cattle prices could reach the mid-$40's during the second quarter. The optimists in the crowd can also look to several other factors. Smaller pork supplies this spring and summer may help strengthen beef prices somewhat, and feed prices which are already easing, may become more and more favorable as the year wears in. Feed costs have fallen substantially in the past few months as large grain plantings are expected and export demand has declined slightly. May futures prices for corn, soybeans and wheat are all down significantly from the season's high points. If you are a grain farmer, this situation is making you very unhappy, but if you feed cattle, there is a ray of hope.

So here we are. Things are really rough. And on top of the catastrophes of the past 3 years, the cattle industry is having to endure attacks from well-meaning, but poorly informed citizens who want to cut back beef production and consumption. Every day we hear people who feel that grain fed beef is a costly luxury; that the eight pounds of grain it takes to produce a pound of meat is wasteful. They want to make all the grain available to hungry nations. Certainly, no cattlemen I ever met would deprive the world's hungry of food. But let's set the record straight.

That line about eight pounds of grain has really made the rounds. Unfortunately, it's incorrect. We don't use grain during the entire feeding cycle. We use it to finish. And so, when you average things out, it turns out that we use about two to three pounds of grain per pound of meat. That's quite a difference.

The idea that we could export the grain to hungry nations is very nice, on paper. But it won't scrub. Most of the hungry people of the world do not eat food corn or sorghum. Most of our corn acreage is not adaptable to rice production, and much wouldn't be easily converted to wheat.

Furthermore, such a complete turnabout would certainly spell doom for the grain farmers of this country. If we did not feed our livestock with the grain we produce, our surpluses would be totally unmanageable. We couldn't begin to sell all that grain in this country, and there is serious doubt that we could export that much more than we are now. It would be folly to think about such a complete shift in policy and practice.

There are other lines of attack. It's a common belief that retail beef prices are too high. Well, if they are, no producers are getting rich from them. We don't have time here today to discuss marketing margins and profits for middlemen. But if we did, and if we went into the subject thoroughly, we might well find some of the answers to the current wide margins between farm and retail prices.

Okay, so here we are: under attack from market forces beyond our control, and under attack from consumer groups who don't understand livestock production. I would like to turn, for a couple of minutes to present efforts in Congress to help cattlemen combat some of these attacks.

I trust you're familiar with the Livestock Credit Program established last year. As you know, it is set to expire in July. Why so soon? Well, when the legislation was before Congress we recognized the severity of the producer's situation, but we didn't expect a continued deterioration. We needed an emergency bill, and we got it. But since then, we had another short crop, and the economy has continued to decline. So now, we are considering legislation that would extend the program and give some extra weight to some of the original provisions.

The Senate passed such legislation (S. 1236) in March. The bill would extend the loan provisions through the end of 1976 and would permit secondary financing of the guaranteed portion of livestock loans through the Federal Financing Bank. Further, the measure would raise the guarantee from 80 percent to 90 percent of principle and interest and would provide a longer repayment period under that existing program. Producers would be aided under the bill by 7-year terms with the provisions for a 3-year extension. The bill would also increase the individual loan limit to $500,000.

On March 21st the bill went to the House Committee on Agriculture, and just before I left to come here, the Committee reported it out. Many of the Senate-approved provisions appear in the reported bill; 90 percent guarantees; 7-year repayment periods; secondary financing; and extension of the program through the end of 1976. The House measure would permit a borrower to maintain a line of credit up to $250,000 rather than having to take a lump sum, as under the existing program. We can expect final House action, and shortly thereafter, Conference action, on this legislation quite soon.

Other pending legislation of particular interest to cattle producers is the emergency farm bill which is now in Conference. Both the House and Senate versions would raise target prices and loans levels for feed grains to encourage farmers to produce bumper crops. That, of course, would be a blessing for feeders. The Senate version also contains a 90-day total ban on beef and beef product imports. What will happen to that provision is not yet certain. However, there does seem to be a favorable turn in the import situation shaping up.

The U.S.D.A. feels now that voluntary holdbacks by countries shipping beef to the United States may make it possible for us to avoid imposing import quotas in 1975. Agreements are now being worked out by the State Department with Australia and other major suppliers. Last December Secretary Butz estimated beef imports subject to our 1964 import law at 1,180,000,000 pounds. The second quarter estimate is still below the figure that would necessitate imposition of quotas.

The Senate has scheduled mid-April hearings on legislation to assist cattle producers to establish, finance and carry out a coordinated program of research, producer and consumer education, and promotion, to improve markets of beef. The House Agriculture Committee expects to hold its hearings on this bill shortly after the Senate finishes. By the way, Chairman Foley is a principal sponsor of the legislation.

Also expected to come under careful scrutiny is a proposal to provide more than a billion dollars worth of government-purchased beef for foreign and domestic food assistance programs. The thought behind the bill is to reduce our oversized cattle inventory at the same time we provide good protein to hungry people.

Things have been hard on you. It looks right now as though they will continue rough for a while longer. Yet, I would hate to sound as if I didn't see any bright lights on the horizon. Because I do. Farm prices may not be back where you want them yet, but there has been an increase in the past two months. Feed prices are dropping, and if we have a normal crop year, they will fall still farther by the end of the year as supplies are healthier. It looks now as though we may have some relief from imports this year without having to impose import quotas. And I think you can draw comfort from the efforts of Congress to help see you through this difficult time without more losses.

I welcome your ideas and suggestions, and I thank you for this fine opportunity to speak with you.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. FORD of Michigan (at the request of Mr. O'NEILL), for today, on account of illness in family.

Mr. THOMPSON, for May 6, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. RANDALL, for 15 minutes, today, and to revise and extend his remarks and include extraneous matter.

(The following Members (at the request of Mr. MYERS of Pennsylvania) to revise and extend their remarks and include extraneous matter:)

Mr. BAUMAN, for 20 minutes, today.

Mr. SHUSTER, for 5 minutes, today.

Mr. HORTON, for 60 minutes, on May 13.

Mr. YOUNG of Alaska, for 5 minutes, today.

Mr. Ashbrook, for 30 minutes, today.

Mr. Quillen, for 15 minutes, today.

(The following Members (at the request of Mr. Bonker) to revise and extend their remarks and include extraneous material:)

Mr. Fithian, for 30 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Rodino, for 15 minutes, today.

Mr. Diggs, for 10 minutes, today.

Mr. Bedell, for 5 minutes, today.

Mr. Levitas, for 5 minutes, today.

Mr. Flood, for 5 minutes, today.

Mr. Metcalfe, for 10 minutes, today.

Mr. Addabbo, for 5 minutes, today.

Mrs. Spellman, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Patten, for 30 minutes, May 7.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Price, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $1,529.

(The following Members (at the request of Mr. Myers of Pennsylvania), and to include extraneous matter:)

Mr. Conable in two instances.

Mr. Archer in two instances.

Mr. Steelman.

Mr. Myers of Pennsylvania.

Mr. Brown of Ohio in three instances.

Mr. Gilman in two instances.

Mr. McCloskey.

Mr. Coughlin.

Mr. Findley.

Mr. Frenzel in two instances.

Mr. Gradison.

Mr. McClory.

Mr. Symms in two instances.

Mr. Peyser.

Mr. Ruppe.

Mr. Fish.

Mr. Kindness.

Mr. Kemp in two instances.

(The following Members (at the request of Mr. Bonker) and to include extraneous matter:)

Mr. Gonzalez in three instances.

Mr. Anderson of California in three instances.

Mr. Minish.

Mr. St Germain.

Mr. Rodino.

Mr. Metcalfe.

Mr. Diggs in two instances.

Mr. Rogers in five instances.

Mr. McDonald of Georgia in five instances.

Mr. Mathis in two instances.

Mr. Roybal.

Mr. Zeferetti.

Mr. Stark in five instances.

Mr. Edwards of California.

Mr. Aspin in 10 instances.

Mr. Risenhoover.

Mr. Won Pat.

Mr. Simon.

Mrs. Spellman in three instances.

Mr. Nix.

Mr. Byron.

ADJOURNMENT

Mr. BONKER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3:17 p.m.) the House adjourned until tomorrow, Wednesday, May 7, 1975, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

947. A letter from the President of the United States, transmitting proposed budget amendments for the International Trade Commission for fiscal year 1976 and for the transition period July 1 through September 30, 1976 (H. Doc. No. 94–132), to the Committee on Appropriations and ordered to be printed.

948. A letter from the President of the United States, transmitting reductions in fiscal year 1975 supplemental requests for Indochina and additional supplemental appropriations requests for assistance to Indochina refugees (H. Doc. No. 94–133); to the Committee on Appropriations and ordered to be printed.

949. A letter from the President of the United States, transmitting a draft of proposed legislation to enable the United States to render assistance to or on behalf of certain migrants and refugees (H. Doc. No. 94–134); to the Committee on the Judiciary and ordered to be printed.

950. A letter from the Secretary of the Army, transmitting notice of the proposed disposal of certain lethal chemical agents; to the Committee on Armed Services.

951. A letter from the Secretary of Labor, transmitting the first biennial report on the continuing study of means to prevent curtailment of employment opportunities for manpower groups with historically high incidences of unemployment, pursuant to section 4(d)(3) of the Fair Labor Standards Act, as amended (88 Stat. 74); to the Committee on Education and Labor.

952. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to extend the date for submission of the report on the statistical survey of the runaway youth population; to the Committee on Education and Labor.

953. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed final regulations governing State right-to-read grants, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Commission on Education and Labor.

954. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a copy of Presidential Determination No. 75–17, that it is important to the security of the United States to use Indochina postwar reconstruction funds to finance the evacuation of South Vietnamese and other foreign nationals from South Vietnam, pursuant to section 634(d) of the Foreign Assistance Act of 1961, as amended; to the Committee on International Relations.

955. A letter from the Executive Director, Federal Communications Commission, transmitting a report on the backlog of pending applications and hearing cases in the Commission as of February 28, 1975, pursuant to section 5(e) of the Communications Act, as amended; to the Committee on Interstate and Foreign Commerce.

956. A letter from the Board of Trustees, Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds, transmitting the 1975 annual report of the Board, pursuant to section 201(c) of the Social Security Act, as amended (H. Doc. No. 94–135); to the Committee on Ways and Means and ordered to be printed.

957. A letter from the Board of Trustees, Federal Hospital Insurance Trust Fund, transmitting the 1975 annual report of the Board, pursuant to section 1817(b) of the Social Security Act, as amended (H. Doc. No. 94–136); to the Committee on Ways and Means and ordered to be printed.

958. A letter from the Board of Trustees, Federal Supplementary Medical Insurance Trust Fund, transmitting the 1975 annual report of the Board, pursuant to section 1841(b) of the Social Security Act, as amended (H. Doc. No. 94–137); jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce, and ordered to be printed.

Received From the Comptroller General

959. A letter from the Comptroller General of the United States, transmitting a report on the Department of Agriculture's evaluation of the medical benefits of the nutritional assistance provided to participants in the special supplemental food program for women, infants, and children; to the Committee on Education and Labor.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. SCHROEDER: Committee on Post Office and Civil Service. House Joint Resolution 92. Joint resolution relating to the publication of economic and social statistics for Americans of Spanish origin or descent; with amendment (Rept. No. 94–190). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BADILLO (for himself, Mr. Anderson of California, Mr. Beard of Rhode Island, Mr. Bell, Ms. Boggs, Mr. Phillip Burton, Ms. Chisholm, Ms. Collins of Illinois, Mr. Conyers, Mr. Corman, Mr. Danielson, Mr. Drinan, Mr. Edwards of California, Mr. Fraser, Mr. Hawkins, Mr. Helstoski, Ms. Holtzman, Mr. Mazzoli, Mr. Metcalfe, Ms. Meyner, Mr. Nix, Mr. Pattison of New York, Mr. Roybal, Mr. Stokes, and Mr. Waxman):

H.R. 6688. A bill to amend title 18 of the United States Code to provide rules for the treatment of prisoners in Federal correctional institutions; to the Committee on the Judiciary.

By Mr. BADILLO (for himself, Ms. Abzug, Mr. Brown of California, Mr. Clay, Mr. Dellums, Mr. Fauntroy, Mr. Harrington, Mr. Koch, Mr. Murphy of New York, Mr. Rosenthal, Mr. Stark, Ms. Schroeder, and Mr. Solarz):

H.R. 6689. A bill to amend title 18 of the United States Code to provide rules for the treatment of prisoners in Federal correctional institutions; to the Committee on the Judiciary.

By Mr. BEDELL:

H.R. 6690. A bill to amend the Packers and Stockyards Act, 1921, to clarify the authority of the Secretary of Agriculture to require reasonable bonds from packers in connection with their livestock purchasing operations, and for other purposes; to the Committee on Agriculture.

By Mr. BIAGGI:

H.R. 6691. A bill to amend title XIX of the Social Security Act to provide that an individual who is unable to care for his or her personal needs without assistance shall be eligible as a disabled person (even though employable) for the services of a home health aide under the applicable State plan approved under such title; to the Committee on Interstate and Foreign Commerce.

By Mr. BROOKS:

H.R. 6692. A bill to authorize appropriations for the period July 1, 1976 through September 30, 1976; to the Committee on Government Operations.

By Mr. BROOMFIELD:

H.R. 6693. A bill to repeal the Military Selective Service Act; to the Committee on Armed Services.

By Mr. CORMAN (by request):

H.R. 6694. A bill to provide for hospitals to allow the biological father to attend the birth of his child if the woman consents; to the Committee on Interstate and Foreign Commerce.

By Mr. COTTER (for himself, Mr. Boland, Mr. Dodd, Mr. Giaimo, Mr. Harrington, Mr. Moffett, Mr. McKinney, Mr. Roe, Mr. St Germain, Mr. Sarasin, Mr. Thompson and Mr. Traxler):

H.R. 6695. A bill to amend the Regional Rail Reorganization Act of 1973 with respect to the Federal share of rail service continuation subsidies, and to provide that funds available for such subsidies may be used for the acquisition and modernization of rail property; to the Committee on Interstate and Foreign Commerce.

By Mr. DRINAN:

H.R. 6696. A bill to prescribe certain rules for Federal, State, and local agencies regulating electric rates; to the Committee on Interstate and Foreign Commerce.

H.R. 6697. A bill to repeal exemptions in the antitrust laws relating to fair trade laws; to the Committee on the Judiciary.

By Mr. FULTON (for himself and Mr. Vander Jagt):

H.R. 6698. A bill to amend section 1113 of the Social Security Act to make permanent the program of temporary assistance for U.S. citizens returned from abroad, subject to specific limitations on the aggregate dollar amount of such assistance which may be provided and on the period for which such assistance may be furnished in any particular case; to the Committee on Ways and Means.

By Mr. FULTON (for himself and Mr. Perkins):

H.R. 6699. A bill to amend titles XVIII and XIX of the Social Security Act to provide an optional, simplified method of reimbursement for physicians' services under the medicare and medicaid programs for each State on the basis of a fee schedule, uniform throughout such State, and to authorize reimbursement to participating physicians in the full fee schedule amounts (with collection of the applicable deductibles and coinsurance from patients becoming the responsibility of the Federal program); jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. FUQUA:

H.R. 6700. A bill to establish a program of comprehensive medical, hospital, and dental care as protection against the cost of ordinary and catastrophic illness by requiring employers to make insurance available to each employee and his family, by Federal financing of insurance for persons of low income, in whole or in part according to ability to pay, and by assuring the availability of insurance to all persons regardless of medical history, and on a guaranteed renewable basis; jointly to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. GIAIMO:

H.R. 6701. A bill to prohibit the banning of lead shot for hunting; to the Committee on Merchant Marine and Fisheries.

By Mr. GUDE:

H.R. 6702. A bill to amend title 39, United States Code, to increase to 90 days the period before an election during which a Member of, or Member-elect to, the Congress may not make a mass mailing as franked mail if such Member or Member-elect is a candidate in such election; to the Committee on Post Office and Civil Service.

H.R. 6703. A bill to amend title 38 of the United States Code relating to condominium home loans; to the Committee on Veterans' Affairs.

By Mr. HANNAFORD:

H.R. 6704. A bill to amend title II of the Social Security Act to reduce from 20 to 5 years the length of time a divorced woman's marriage to an insured individual must have lasted in order for her to qualify for wife's or widow's benefits on his wage record; to the Committee on Ways and Means.

By Mr. HEINZ (for himself, Mr. Waxman, Mrs. Spellman, Ms. Burke of California, and Mr. Stokes):

H.R. 6705. A bill to amend the Older Americans Act of 1965 to provide relief for older Americans who own or rent their homes; to the Committee on Education and Labor.

By Mr. HENDERSON (for himself, Mr. Derwinski, Mr. Steed, Mr. Miller of Ohio, Mr. Jenrette, Mr. Solarz, Mr. Hanley, and Mr. Taylor of Missouri):

H.R. 6706. A bill to clarify existing authority for employment of personnel in the White House Office, the Executive Residence at the White House, and the Domestic Council, to clarify existing authority for employment of personnel by the President to meet unanticipated personnel needs, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. KEMP:

H.R. 6707. A bill to amend the Surplus Property Act of 1944 to allow the Administrator of General Services to convey or dispose of to any State, political subdivision, municipality, or public district, without monetary consideration to the United States, surplus real or personal property which is essential, suitable, or desirable for the development, improvement, operation, maintenance, or use of a public port; to the Committee on Government Operations.

H.R. 6708. A bill to authorize Federal financial assistance for the operation and maintenance of the Theodore Roosevelt Inaugural National Historic Site in Buffalo, N.Y.; to the Committee on Interior and Insular Affairs.

By Mr. LEGGETT:

H.R. 6709. A bill to terminate the authority of the President to suspend the Davis-Bacon Act; to the Committee on Education and Labor.

H.R. 6710. A bill for the relief of certain natives of the Philippines who served in the U.S. Armed Forces during World War II; to the Committee on the Judiciary.

By Mr. LITTON (for himself and Mr. Weaver):

H.R. 6711. A bill to amend the Forest Pest Control Act of June 25, 1947; to the Committee on Agriculture.

By Mr. LITTON (for himself, Mr. Baldus, Mr. Patterson of California, Mr. Martin, Mr. Kasten, Mr. Burke of Massachusetts, Mr. Lent, Mr. Vander Jagt, Mr. Breaux, Mr. LaFalce, Mr. Dingell, Mr. Clancy, Mr. Crane, Mr. Spence, Mr. Talcott, Mr. Pike, Mr. Murphy of New York, Mr. Hicks, Mr. Risenhoover, Mr. Harris, Mr. Stokes, Mr. Gaydos, Mr. Gradison, Mr. Ashley, and Mr. Chappell):

H.R. 6712. A bill to amend the Internal Revenue Code of 1954 to restrict the authority for inspection of tax returns and the disclosure of information contained therein, and for other purposes; to the Committee on Ways and Means.

By Mr. LITTON (for himself, Mr. Fraser, Ms. Chisholm, Mr. Goldwater, Mr. Levitas, Mr. AuCoin, Mr. Green, Mr. Anderson of California, Mr. Hubbard, Mr. Beard of Rhode Island, Mr. Pattison of New York, Mr. McEwen, Mr. Moss, Mr. Hall, Mr. Beard of Tennessee, Mr. Lloyd of California, Mr. Hughes, Mr. Matsunaga, Mr. Stuckey, Mr. Dan Daniel, Mr. McClory, Mr. Metcalfe, Mr. Jacobs, Mr. Annunzio, and Mr. Conable):

H.R. 6713. A bill to amend the Internal Revenue Code of 1954 to restrict the authority for inspection on of tax returns and the disclosure of information contained therein, and for other purposes; to the Committee on Ways and Means.

By Mr. LITTON (for himself, Ms. Spellman, Mr. Esch, Mr. Hagedorn, Mr. Miller of California, Mr. Henderson, Mr. Tsongas, and Mr. Rooney):

H.R. 6714. A bill to amend the Internal Revenue Code of 1954 to restrict the authority for inspection of tax returns and the disclosure of information contained therein, and for other purposes; to the Committee on Ways and Means.

By Mr. LOTT:

H.R. 6715. A bill to amend the Internal Revenue Code of 1954 to increase from $1 million to $10 million the exemption from industrial development bond treatment for certain small issues; to the Committee on Ways and Means.

By Mr. MACDONALD:

H.R. 6716. A bill making a supplemental appropriation for the Department of Labor for the fiscal year ending June 30, 1975, to provide additional funds for youth summer employment programs pursuant to the Comprehensive Employment and Training Act of 1973; to the Committee on Appropriations.

By Mr. MATHIS (for himself, Mr. Ginn, and Mr. Stuckey):

H.R. 6717. A bill to authorize the lease and transfer of tobacco from marketing quotas to farms in contiguous counties within the same State; to the Committee on Agriculture.

By Mr. MATSUNAGA:

H.R. 6718. A bill to amend chapter 73 of title 10, United States Code, to provide that no reduction shall be made in the retired or retainer pay of any person who elects to provide an annuity under the survivor benefit plan during any full month in which there is no beneficiary eligible to receive such annuity; to the Committee on Armed Services.

H.R. 6719. A bill to amend title 10 of the United States Code relating to retention in active status of certain officers; to the Committee on Armed Services.

By Mr. MINISH:

H.R. 6720. A bill to extend on an interim basis the jurisdiction of the United States over certain ocean areas and fish in order to protect the domestic fishing industry, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mrs. MINK (for herself, Mr. Ruppe, Mr. Bingham, Mr. Eckhardt, Mr. Howe, Mr. Seiberling, Mr. Steelman, Mr. Udall, and Mr. Vigorito):

H.R. 6721. A bill to amend the Mineral Leasing Act of 1920, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MURTHA:

H.R. 6722. A bill to amend the Domestic Volunteer Service Act of 1973 to provide that volunteers in foster grandparent programs may furnish supportive services to mentally retarded individuals regardless of the age of such individuals; to the Committee on Education and Labor.

By Mr. NIX:

H.R. 6723. A bill to amend the Fair Labor Standards Act of 1938 to permit certain rates of compensation for rural letter carriers employed by the U.S. Postal Service; to the Committee on Post Office and Civil Service.

By Mr. OBEY:

H.R. 6724. A bill to amend title 38 of the United States Code to make certain that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits; to the Committee on Veterans' Affairs.

By Mr. OBEY (for himself, Mr. Meeds, Mr. Bingham, Mr. Roe, Mr. Florio, Mr. Simon, Mr. Mikva, Mr. Hannaford, Mr. Hughes, Mr. Hawkins, Mr. Litton, and Mr. Brown of Michigan):

H.R. 6725. A bill to amend titles II and XVIII of the Social Security Act to include qualified drugs, requiring a physician's prescription or certification and approved by a formulary committee, among the items and services covered under the hospital insurance program; to the Committee on Ways and Means.

By Mr. PATTERSON of California:

H.R. 6726. A bill to amend the Federal Credit Union Act in order to improve the efficiency and flexibility of the financial system of the United States by permitting Federal credit unions to operate more efficiently and to better serve the family financial needs of their members; by reorganizing the National Credit Union Administration; by establishing a central liquidity facility for Federal and State credit unions; and for other purposes; to the Committee on Banking, Currency and Housing.

By Mr. PATTISON of New York (for himself, Mr. Emery, Mr. Koch, Mr. Lent, and Mr. Thone):

H.R. 6727. A bill to authorize the Secretary of the Army to delegate to the States certain functions with respect to the location and plans for structures, excavations, or fills in or on certain navigable waters; to the Committee on Public Works and Transportation.

By Mrs. PETTIS:

H.R. 6728. A bill to provide for the establishment of the National Conservation Area of the California Desert and to provide for the immediate and future protection, development, and administration of such public lands; to the Committee on Interior and Insular Affairs.

By Mr. REES:

H.R. 6729. A bill to prohibit the Federal Home Loan Bank Board from permitting Federal savings and loan associations to make home mortgage loans with variable interest rates except in special circumstances; to the Committee on Banking, Currency and Housing.

By Mr. RIEGLE (for himself, Mrs. Collins of Illinois, Mr. Conyers, Mr. Dellums, Mr. Downey, Mr. Edgar, Mr. Edwards of California, Mr. Hannaford, Mr. Harrington, Mr. Mitchell of Maryland, Mr. O'Hara, Mr. Rosenthal, Mr. Roybal, Mr. Won Pat, and Mr. Blanchard):

H.R. 6730. A bill to increase the amount of the weekly benefits payable under the Federal-State extended unemployment compensation program and the emergency unemployment compensation program and to remove the limitations on the number of weeks of unemployment compensation under the emergency unemployment compensation program; to the Committee on Ways and Means.

By Mr. RISENHOOVER (for himself, Mr. Steed, Mr. Jones of Oklahoma, Mr. English, and Mr. Jarman):

H.R. 6731. A bill to amend the Internal Revenue Code of 1954 to increase from $1 million to $10 million the exemption from industrial development bond treatment for certain small issues; to the Committee on Ways and Means.

By Mr. RODINO (for himself, Mr. Drinan, Mr. Dodd, Mr. Pattison of New York, Mr. Moorhead of California, Mr. Blanchard, and Mr. Minish):

H.R. 6732. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

By Mr. ST GERMAIN:

H.R. 6733. A bill to amend the Federal Unemployment Tax Act to provide a 5-year moratorium on application of the penalty imposed (through a reduction in the credit allowed employers against the Federal unemployment tax) by existing law on States which have failed to make timely repayment of certain advances made to the State's unemployment account; to the Committee on Ways and Means.

By Mr. ST GERMAIN (for himself, Mrs. Boggs, Mr. Cotter, and Mrs. Spellman):

H.R. 6734. A bill to authorize the Secretary of the Interior to establish national parks or national recreation areas in those States which presently do not have a national park or national recreation area; to the Committee on Interior and Insular Affairs.

By Mr. SARASIN:

H.R. 6735. A bill to amend the Occupational Safety and Health Act of 1970 to provide loans to certain local governments required to comply with occupational safety and health standards under State plans approved by the Secretary of Labor; to the Committee on Education and Labor.

Ms. SCHROEDER:

H.R. 6736. A bill to amend title 38, United States Code, in order to entitle veterans to 45 months of educational assistance for all educational programs under chapter 34 of this title; to the Committee on Veterans' Affairs.

By Mr. SEIBERLING (for himself, Mr. Badillo, Mr. Baldus, Mr. Bergland, Mrs. Burke of California, Mr. Dellums, Mr. de Lugo, Mr. Downey, Mr. Drinan, Mr. Edgar, Mr. Ford of Tennessee, Mr. Hanley, Mr. Hannaford, Mr. Harrington, and Mr. Hicks):

H.R. 6737. A bill to establish grants for research endeavors for the purpose of assisting in the development and utilization of new and improved methods of food and fertilizer production; to the Committee on Agriculture.

By Mr. SEIBERLING (for himself, Mr. Jenrette, Mr. Krebs, Mr. Long of Maryland, Mr. Matsunaga, Mr. Metcalfe, Mrs. Mink, Mr. Neal, Mr. Ottinger, Mr. Riegle, Mr. Rosenthal, Mr. Ryan, Mr. Sarbanes, Mr. Tsongas, Mr. Weaver, and Mr. Won Pat):

H.R. 6738. A bill to establish grants for research endeavors for the purpose of assisting in the development and utilization of new and improved methods of food and fertilizer production; to the Committee on Agriculture.

By Mr. SEIBERLING (for himself, Mr. Anderson of Illinois, Mr. Mazzoli, Mr. Studds, and Mr. Young of Georgia):

H.R. 6739. A bill to amend title II of the Social Security Act to require that procedures be established for the expedited replacement of undelivered benefit checks, to require that decisions on benefit claims be made within specified periods and to require that payment of benefits on approved claims begin promptly; to the Committee on Ways and Means.

By Mr. SKUBITZ:

H.R. 6740. A bill to amend the Federal Coal Mine Health and Safety Act of 1969 to provide that, for purposes of payments under section 411 in respect of the death of any miner whose death occurred before the date of enactment of such act, there shall be an irrebuttable presumption that his death was due to pneumoconiosis or that at the time of his death he was totally disabled by pneumoconiosis, if such miner was employed for 25 years in one or more underground coal mines; to the Committee on Education and Labor.

H.R. 6741. A bill to amend the Internal Revenue Code of 1954 to allow individuals a credit for amounts paid for prosthetic devices; to the Committee on Ways and Means.

By Mrs. SPELLMAN (for herself, Mr. Moss, Mr. Hicks, Mr. Gilman, Mr. Harrington, Mr. Charles Wilson of Texas, Mr. Patterson of California, Mr. Ryan, and Mr. Mitchell of Maryland):

H.R. 6742. A bill to establish a Federal Housing Bank to purchase mortgages from the Federal National Mortgage Association and the Federal Home Loan Bank System having rates of interest no higher than 6 percent, to refinance mortgages of families stricken by unemployment, to provide emergency mortgage relief, and for other purposes; to the Committee on Banking, Currency and Housing.

By Mrs. SPELLMAN (for herself, Mr. Rodino, Mr. Hanley, Mr. Mitchell of Maryland, Mr. Wolff, Mr. Metcalfe, Mr. Solarz, Mrs. Keys, Mr. Forsythe, Mr. Stokes, Mr. Pattison of New York, Mr. Fauntroy, Mr. Scheuer, and Mrs. Chisholm):

H.R. 6743. A bill to assist low-income households in purchasing and installing energy conservation improvements; to the Committee on Banking, Currency and Housing.

By Mrs. SPELLMAN (for herself, Mr. Dingell, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Brown of California, Mr. Carr, Mr. Downey, Mr. Ford of Tennessee, Mr. Leggett, Mr. Bedell, Mr. Krebs, Ms. Abzug, Mr. Weaver, Mr. Moakley, Mr. Stark, Mr. Tsongas, Mr. Pattison of New York, Mr. Stokes, Ms. Schroeder, Mr. Baucus, Mr. Miller of California, and Mr. Gude):

H.R. 6744. A bill providing for the review of executive agreements; to the Committee on International Relations.

By Mr. STEIGER of Arizona:

H.R. 6745. A bill to authorize the licensing of Hualapai Dam, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. STRATTON (for himself and Mr. Peyser):

H.R. 6746. A bill limiting the power of the Army Corps of Engineers to determine the navigability of certain waters located wholly within the limits of one State; jointly to the Committees on Interstate and Foreign Commerce, and Public Works and Transportation.

By Mr. TREEN:

H.R. 6747. A bill to amend the Clean Air Act to provide a postponement of certain motor vehicle emission standards and to provide for certain related studies and reports, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CHARLES WILSON of Texas:

H.R. 6748. A bill to recognize benefits to the United States from the construction of the Toledo Bend Dam and Reservoir project and exempt Sabine River Authority, State of Louisiana, and Sabine River Authority of Texas, from charges for the use, occupancy, and enjoyment of certain lands of the United States within the Sabine National Forest, Tex.; to the Committee on Agriculture.

By Mr. YOUNG of Alaska:

H.R. 6749. A bill to authorize the Secretary of the Interior to waive recovery of certain costs for extraordinary wind and ice damage to certain facilities; to the Committee on Public Works and Transportation.

By Mr. FAUNTROY (for himself, Ms. Abzug, Mr. Adams, Mr. Annunzio, Mr. Aspin, Mr. AuCoin, Mr. Badillo, Mr. Barrett, Mr. Benitez, Mr. Bingham, Mr. Blouin, Mrs. Boggs, Mr. Bolling, Mr. Brademas, Mr. Breaux, Mr. Breckinridge, Mr. Brinkley, Mr. Brodhead, Mr. Brown of California, Mr. Burke of Massachusetts, and Mrs. Burke of California.

H.J. Res. 431. Joint resolution to amend the Constitution to provide for representation of the District of Columbia in the Congress; to the Committee on the Judiciary.

By Mr. FAUNTROY (for himself, Mr. John L. Burton, Mr. Phillip Burton, Mr. Carr, Mr. Clay, Mrs. Collins of Illinois, Mr. Conyers, Mr. Corman, Mr. Cornell, Mr. D'Amours, Mr. Davis, Mr. Dellums, Mr. de Lugo, Mr. Dent, Mr. Derrick, Mr. Drinan, Mr. Eckhardt, Mr. Edgar, Mr. Edwards of California, Mr. Eilberg, Mr. Fisher, Mr. Ford of Tennessee, and Mr. Ford of Michigan):

H.J. Res. 432. Joint resolution to amend the Constitution to provide for representation of the District of Columbia in the Congress; to the Committee on the Judiciary.

By Mr. FAUNTROY (for himself, Mr. Fraser, Mr. Fulton, Mr. Gonzalez, Mr. Green, Mr. Hall, Mr. Hamilton, Mr. Harrington, Mr. Harris, Mr. Hawkins, Mr. Hayes of Indiana, Mr. Hechler of West Virginia, Mr. Hicks, Miss Holtzman, Mr. Hubbard, Mr. Hughes, Mr. Jacobs, Mr. Jenrette, Mr. Kastenmeier, Ms. Keys, Mr. Krebs, Mr. Levitas, Mr. Long of Louisiana, and Mr. Madden):

H.J. Res. 433. Joint resolution to amend the Constitution to provide for representation of the District of Columbia in the Congress; to the Committee on the Judiciary.

By Mr. FAUNTROY (for himself, Mr. Maguire, Mr. Mathis, Mr. Matsunaga, Mr. Metcalfe, Mr. Mikva, Mr. Mineta, Mr. Minish, Mrs. Mink, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Moffett, Mr. Moorhead, of Pennsylvania, Mr. Murphy of Illinois, Mr. Nix, Mr. O'Neill, Mr. Ottinger, Mr. Patten, Mr. Patterson, of California, and Mr. Pattison of New York):

H.J. Res. 434. Joint resolution to amend the Constitution to provide for representation of the District of Columbia in the Congress; to the Committee on the Judiciary.

By Mr. FAUNTROY (for himself, Mr. Pepper, Mr. Rangel, Mr. Rees, Mr. Reuss, Mr. Richmond, Mr. Reigle, Mr. Rose, Mr. Roybal, Mr. Scheuer, Mrs. Schroeder, Mr. Seiberling, Mr. Sharp, Mr. Simon, Mr. Solarz, Mrs. Spellman, Mr. Stark, Mr. Stokes, Mr. Studds, Mr. Thompson, Mr. Tsongas, Mr. Waxman, Mr. Weaver, and Mr. Wirth):

H.J. Res. 435. Joint resolution to amend the Constitution to provide for representation of the District of Columbia in the Congress; to the Committee on the Judiciary.

By Mr. FAUNTROY (for himself, Mr. Won Pat, and Mr. Young of Georgia):

H.J. Res. 436. Joint resolution to amend the Constitution to provide for representation of the District of Columbia in the Congress; to the Committee on the Judiciary.

By Mr. FAUNTROY (for himself and Mr. Fascell):

H.J. Res. 437. Joint resolution to amend the Constitution to provide for representation of the District of Columbia in the Congress; to the Committee on the Judiciary.

By Mr. GUDE (for himself, Mr. McKinney, and Mr. Cohen):

H.J. Res. 438. Joint resolution to amend the Constitution to provide for representation of the District of Columbia in the Congress; to the Committee on the Judiciary.

By Mr. JEFFORDS (for himself and Mr. Downey):

H.J. Res. 439. Joint resolution to amend the Emergency Petroleum Allocation Act of 1973 to prohibit the President from setting minimum prices for crude oil, residual fuel oil, or any refined petroleum product without congressional authority, to prohibit the President from using section 232(b) of the Trade Expansion Act of 1962 or any other provision of law to establish such minimum prices without congressional authority, and for other purposes; jointly to the Committees on Interstate and Foreign Commerce, and Ways and Means.

By Mr. MATSUNAGA:

H.J. Res. 440. Joint resolution to authorize the President to proclaim February 16 as Bataan-Corregidor Day; to the Committee on Post Office and Civil Service.

By Mr. PICKLE:

H.J. Res. 441. Joint resolution to authorize the President to proclaim the third week in October each year as National Screen Printing Week and to proclaim Tuesday of such week as National Screen Printing Day; to the Committee on Post Office and Civil Service.

By Mr. WON PAT (for himself and Mr. de Lugo):

H.J. Res. 442. Joint resolution proposing an amendment to the Constitution to provide for the participation of Guam and the Virgin Islands in the election of the President and Vice President; to the Committee on the Judiciary.

H.J. Res. 443. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. DRINAN:

H. Con. Res. 268. Concurrent resolution condemning the killing of whales; to the Committee on International Relations.

By Mr. FRENZEL (for himself, Mr. Bergland, Mr. Fraser, Mr. Hagedorn, Mr. Karth, Mr. Nolan, Mr. Oberstar, and Mr. Quie):

H. Res. 441. Resolution requesting the President to establish a task force on the missing in action and their families; to the Committee on Armed Services.

By Mr. STARK (for himself, Mr. Bell, Mr. Carr, Mr. Chappell, Ms. Chisholm, Mrs. Collins of Illinois, Mr. Conyers, Mr. Dellums, Mr. Fauntroy, Mr. Harrington, Mr. Hechler of West Virginia, Mr. Holland, Ms. Holtzman, Mrs. Meyner, Mr. Mezvinsky, Mr. Ottinger, Mr. Pattison of New York, Mr. Rangel, Mr. Simon, Mr. Studds, Mr. Traxler, Mr. Waxman and Mr. Weaver):

H. Res. 442. Resolution providing for additional staff members for certain Members of the House of Representatives, whose duties shall relate to certain legislative responsibilities of such Members, and for other purposes; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

127. By the Speaker: Memorial of the Legislature of the State of North Carolina, relative to the status of American citizens missing in action in Indochina; to the Committee on Armed Services.

128. Also, memorial of the Legislature of the State of California, relative to timber resources; jointly to the Committees on Agriculture, and Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BELL:

H.R. 6750. A bill for the relief of Daryl L. Mahoney; to the Committee on the Judiciary.

By Mr. PHILLIP BURTON:

H.R. 6751. A bill for the relief of Raul Joaquin Bendana; to the Committee on the Judiciary.

H.R. 6752. A bill for the relief of Rose Cedeno; to the Committee on the Judiciary.

H.R. 6753. A bill for the relief of Ngar Shing Lee; to the Committee on the Judiciary.

By Mr. MURPHY of Illinois:

H.R. 6754. A bill to permit the vessel *Manatra II* to be inspected, licensed and operated as a passenger-carrying vessel, and for other purposes; to the Committee on Merchant Marine and Fisheries.

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House rule X. Previous listing appeared in the Congressional Record of April 24, 1975 (page 11836):

H.R. 5001. March 17, 1975. Banking, Currency and Housing. Authorizes the Secretary of Housing and Urban Development to make direct low-interest loans to assist homeowners and other owners of residential structures in purchasing and installing more effective insulation and heating equipment.

H.R. 5002. March 17, 1975. Interstate and Foreign Commerce. Amends the Interstate Commerce Act to prohibit pipeline companies engaged in the transportation of oil from transporting any oil through its pipelines if that company has an interest in such oil.

H.R. 5003. March 17, 1975. Ways and Means. Amends the Internal Revenue Code to allow as a credit against the income tax certain amounts paid or accrued by the taxpayer during the taxable year as qualified insulation and heating improvement expenses.

H.R. 5004. March 17, 1975. Interstate and Foreign Commerce. Amends the Interstate Commerce Act to authorize the Interstate Commerce Commission to grant temporary authority to a carrier by railroad to operate the properties of a railroad which such carrier is seeking to acquire by merger or consolidation pending the final determination of the Commission on the carrier's application for merger or consolidation.

H.R. 5005. March 17, 1975. Ways and Means. Extends the Emergency Petroleum Allocation Act of 1973 for five years. Directs the President to restrict imports of petroleum reserve.

Establishes an Energy Conservation and Conversion Trust Fund. Imposes taxes on certain motor fuels and on automobiles based on fuel mileage efficiency. Authorizes expenditures of such revenues for development of new energy technologies and for mass transportation.

Imposes a tax on windfall profits from crude oil and natural gas exploration. Revises tax treatment for certain domestic and foreign oil and gas production and for certain industrial uses of energy.

H.R. 5006. March 17, 1975. Ways and Means. Amends the Social Security Act as it relates to Aid to Families with Dependent Children by (1) revising eligibility requirements for grants; (2) revising the procedure for adjusting the amount of grants; (3) authorizing Federal financial participation in the investigation and prosecution of fraud conducted by State agencies; (4) requiring States to provide evidentiary hearings; and (5) imposing criminal sanctions for misuse of grants by recipients.

H.R. 5007. March 17, 1975. Rules. Amends the Impoundment Control Act of 1974 by requiring the President to transmit a special message to Congress before rescinding or reserving any part of any budget authority. Declares that no such rescission shall become effective until Congres has acted on a bill effecting such rescission.

H.R. 5008. March 17, 1975. Post Office and Civil Service. Requires that labor disputes within the United States Postal Service by supervisory organizations and the Service be submitted to an arbitration board.

H.R. 5009. March 17, 1975. Ways and Means. Amends the Tariff Schedules of the United States to suspend the duty on typewriter parts for three years.

H.R. 5010. March 17, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to acquire lands for establishment of the City of Rocks National Monument in Idaho.

H.R. 5011. March 17, 1975. Banking, Currency and Housing. Makes it unlawful for any person to sell, act as an agent in the sale of, or make mortgage credit available for the purchase of, a dwelling for occupancy by not more than four families without disclosing to the purchaser any substantial defects in the dwelling.

H.R. 5012. March 17, 1975. Interstate and Foreign Commerce. Establishes a National Commission on Regulatory Reform to study and make recommendations on the activities and effect on the economy of certain Federal regulatory agencies.

H.R. 5013. March 17, 1975. Education and Labor. Authorizes the Commissioner of Education to establish a National Clearinghouse on Gifted and Talented Children and Youth to disseminate to the public information pertaining to the education of gifted youth. Authorizes the Commissioner to make grants for (1) the initiation and improvement by the States of programs for gifted youth; (2) the training of personnel to educate gifted youth; (3) training of leadership personnel in the field; and (4) the initiation of research and demonstration projects for the education of gifted youth.

H.R. 5014. March 17, 1975. Education and Labor. Amends the definition of employee under the Fair Labor Standards Act to exclude certain volunteer firefighters.

H.R. 5015. March 17, 1975. Ways and Means. Amends the Internal Revenue Code to allow any loan origination fee, loan placement fee, loan processing fee, points, premium, or other fee paid or accrued by the seller of any real property to be treated as interest paid or accrued on indebtedness of the seller.

H.R. 5016. March 17, 1975. Education and Labor. Amends the Civil Rights Act of 1964 to make it an unlawful employment practice to discriminate against individuals who are physically disabled because of such disability.

H.R. 5017. March 17, 1975. Public Works and Transportation. Authorizes the Secretary of Transportation to conduct studies regarding airport development. Permits the Secretary to make grants from the Airport and Airway Trust Fund for airport development projects and system planning. Sets forth procedures for the distribution of such funds, and requirements for project approval. Allows conveyance of certain Federal lands by the Secretary for such projects.

H.R. 5018. March 17, 1975. Armed Services. Prohibits any department or agency of the United States from expending funds for the development, production or procurement of any lethal chemical warfare agent or delivery system. Creates a limited exception to this proscription for certain Defense Department research.

H.R. 5019. March 17, 1975. Veterans' Affairs. Specifies that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits.

H.R. 5020. March 17, 1975. Veterans' Affairs. Extends the entitlement of veterans to educational assistance from thirty-six months to forty-five months.

H.R. 5021. March 17, 1975. Judiciary. Incorporates the Pearl Harbor Survivors Association.

H.R. 5022. March 17, 1975. Judiciary. Makes any period of time spent by a civilian as a prisoner-of-war creditable service for the purpose of establishing entitlement to Social Security, Railroad Retirement, and Civil Service Retirement benefits, and for the purpose of computing Armed Forces retired pay.

H.R. 5023. March 17, 1975. Post Office and Civil Service. Prohibits collective-bargaining agreements between the Postal Service and Postal Service employee labor organizations from containing any provision which would preclude Postal Service employees from being represented in grievance and adverse actions arising under the agreement by representatives of their own choosing. Entitles such representatives to be present during any proceeding upon such grievance or adverse action.

H.R. 5024. March 17, 1975. Ways and Means. Amends the Internal Revenue Code to exclude from gross income pensions or annuities received by policemen or firemen or their dependents or survivors, for services performed in the employ of a Federal, State or local government.

H.R. 5025. March 11, 1975. Ways and Means. Amends the Internal Revenue Code to require repayment by the Secretary of the Treasury of a certain amount of the Federal excise tax paid on gasoline used in taxicabs.

H.R. 5026. March 17, 1975. Ways and Means.

Amends the Social Security Act by allowing services performed by ministers to constitute employment for the purpose of Old-Age, Survivors, and Disability Insurance.

Amends the Internal Revenue Code of 1954 by allowing ministers and employing organizations to elect to treat the services performed by ministers as employment.

H.R. 5027. March 17, 1975. Interstate and Foreign Commerce.

Creates a Federal Energy Commission to regulate rates and charges for energy resource products. Prohibits persons engaged in commerce in the business of refining energy products to acquire an interest in energy resource product extraction, energy pipeline, or energy marketing assets.

Directs the Attorney General and the Federal Trade Commission to independently examine the relationship of those engaged in one or more branches of the energy industry.

H.R. 5028. March 17, 1975. Banking, Currency and Housing. Authorizes the Federal Deposit Insurance Corporation to terminate the insurance of any bank which fails to pay the Federal funds interest rate on all tax and loan accounts maintained at such bank.

H.R. 5029. March 17, 1975. Interstate and Foreign Commerce. Amends the Railroad Unemployment Insurance Act to increase the rate of employee benefits under the Act.

H.R. 5030. March 17, 1975. Public Works and Transportation. Directs the heads of executive branch departments, agencies and instrumentalities who have jurisdiction for public works programs and projects to reduce or eliminate any procedural requirements, including but not limited to time, hearing, reporting and publication requirements, when such action would appreciably speed up the initiation or completion of such programs and projects.

H.R. 5031. March 17, 1975. Ways and Means. Amends the Internal Revenue Code to disallow certain tax incentives where there is a plant closing in a high unemployment area, or where certain corporations are liquidating, selling stocks and assets, or reorganizing.

H.R. 5032. March 17, 1975. Interstate and Foreign Commerce. Amends the Regional Rail Reorganization Act of 1973 to prohibit the abandonment of rail service where the National Railroad Passenger Corporation determines such service to be a public convenience and necessity.

H.R. 5033. March 17, 1975. Judiciary. Standards of Official Conduct. Requires lobbyists to: (1) register with the Federal Election Commission; (2) make and retain certain records; and (3) file reports with the Commission regarding their activities.

Requires certain officials of the executive branch to record their communications with lobbyists.

Repeals the Federal Regulation of Lobbying Act.

H.R. 5034. March 17, 1975. Judiciary. Standards of Official Conduct. Requires candidates for Federal office, Members of the Congress, and certain officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions.

H.R. 5035. March 17, 1975. Post Office and Civil Service. Authorizes State officers or agencies having initial responsibility for the apportionment of Congressional districts to submit a plan identifying the areas for which specific population figures are desired to the Secretary of Commerce.

Requires such plans to be developed in accordance with criteria established by the Secretary, and to be submitted two years prior to the taking of the decennial census.

Directs the Secretary to assist States in revising plans not conforming to established criteria. Grants the Secretary final authority for determining the geographic format of such plans.

Requires the expeditious transmission of desired population figures to each State.

H.R. 5036. March 17, 1975. Interior and Insular Affairs. Designates certain lands in the Shenandoah National Park in Virginia as wilderness.

H.R. 5037. March 17, 1975. Public Works and Transportation. Amends the River and Harbor Act of 1960 to increase the maximum permissible allotment for construction of small river and harbor improvement projects at a single locality.

H.R. 5038. March 17, 1975. Judiciary. Authorizes the issuance of immigrant visas to aliens and family members who are natives of the Philippines and who served in the United States Armed Forces during World War II. Permits such aliens currently in the United States on a nonimmigrant visa to have their status adjusted to that of an alien lawfully admitted for permanent residence.

H.R. 5039. March 17, 1975. Post Office and Civil Service. Requires that labor disputes within the United States Postal Service between supervisory organizations and the Service be submitted to an arbitration board.

H.R. 5040. March 17, 1975. Public Works and Transportation. Terminates the Airlines Mutual Aid Agreement.

H.R. 5041. March 17, 1975. Education and Labor. Requires that all contracts and bid specifications entered into by the United States for the production or processing of motion picture films contain a provision specifying the minimum monetary wages and fringe benefits to be paid personnel engaged in the performance of the contract.

H.R. 5042. March 17, 1975. Education and Labor. Stipulates that certain strikes at the site of a construction project are not prohibited as an unfair labor practice under the National Labor Relations Act.

H.R. 5043. March 17, 1975. Judiciary. Merchant Marine and Fisheries. Interior and Insular Affairs. Science and Technology. Revises the Outer Continental Shelf Lands Act to establish a policy for the development and management of oil and natural gas in the Outer Continental Shelf designed to protect the marine and coastal environment.

Directs the Secretary of the Interior to establish a comprehensive exploratory program to develop potential oil and gas leases. Directs the National Oceanic and Atmospheric Administration to assume lead responsibility in preparation of environmental impact statements. Revises bidding and lease administration procedures. Authorizes the Secretary of Transportation to report on pipeline safety and operation on Federal lands and in the Outer Continental Shelf.

H.R. 5044. March 17, 1975. Government Operations. Prohibits Federal agencies from purchasing, hiring, leasing, operating or maintaining limousines, and from employing chauffeurs to operate such limousines, except for certain designated Federal officers.

H.R. 5045. March 17, 1975. Ways and Means. Declares all income tax returns to be confidential, and prohibits the disclosure or inspection of such returns unless specifically authorized by this Act.

H.R. 5046. March 17, 1975. Ways and Means. Amends the Internal Revenue Code to require the Secretary of the Treasury to report to the Joint Committee on Internal Revenue Taxation the specific criteria and procedures used to audit returns and to report certain information regarding audits completed in the previous twelve months.

H.R. 5047. March 17, 1975. Interstate and Foreign Commerce. Amends the Natural Gas Act to direct the Federal Power Commission to review and modify curtailment plans submitted by natural gas pipelines. Authorizes the Commission to direct transfers of available supplies of natural gas in order to meet regional needs.

H.R. 5048. March 17, 1975. Interstate and Foreign Commerce. Creates the National Power Grid Corporation to operate a national power grid system to supply electric power through regional bulk power supply corporations. Authorizes research and development in the area of electric power generation and transmission, with priority given to environmental protection and land use research.

Transfers certain existing Federal power facilities to the national grid system. Defines rights, powers, and duties of national and regional corporations and employees. Requires compliance with environmental standards.

H.R. 5049. March 17, 1975. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare to make grants for the establishment and operation of home health services and for the purpose of initiating, developing, and maintaining programs for the training of professional and paraprofessional personnel to provide home health services.

H.R. 5050. March 17, 1975. Ways and Means. Interstate and Foreign Commerce. Revises the conditions and limitations applicable to home health services under the Medicare program of the Social Security Act.

H.R. 5051. March 17, 1975. Judiciary. Confers jurisdiction upon the United States Court of Claims to hear, determine, and render judgment upon a certain claim against the United States.

H.R. 5052. March 17, 1975. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 5053. March 17, 1975. Judiciary. Specifies the tax treatment of a certain individual under the Internal Revenue Code.

H.R. 5054. March 18, 1975. Interstate and Foreign Commerce. Amends the Public Health Service Act to establish a health insurance benefits program for unemployed individuals, if they would have had such benefits from their prior employer, for their dependent spouse, and for their dependent children. Directs the Secretary of Health, Education, and Welfare to enter into contracts with carriers who will provide such insurance benefits.

H.R. 5055. March 18, 1975. Armed Services. Decreases the number of years which an individual who becomes a member of an armed force is required to serve.

H.R. 5056. March 18, 1975. Rules. Declares that the House of Representatives of the 95th Congress and each succeeding Congress shall consider and adopt the rules of its proceedings. Specifies the procedure for such consideration and adoption.

H.R. 5057. March 18, 1975. Rules. Declares that the House of Representatives of the 95th Congress and each succeeding Congress shall consider and adopt the rules of its proceedings. Specifies the procedure for such consideration and adoption.

H.R. 5058. March 18, 1975. Ways and Means. Amends the Internal Revenue Code to increase the investment credit and the additional first-year depreciation allowance, and to revise the inventory adjustment for certain small businesses.

H.R. 5059. March 18, 1975. Ways and Means. Amends the Internal Revenue Code to increase the investment credit and the additional first-year depreciation allowance, and to revise the inventory adjustment for certain small businesses.

H.R. 5060. March 18, 1975. Banking, Currency and Housing. Authorizes and directs the Secretary of Housing and Urban Development to make repayable emergency mortgage relief payments on behalf of distressed homeowners.

H.R. 5061. March 18, 1975. Post Office and Civil Service. Prohibits collective-bargaining agreements between the Postal Service and Postal Service employee labor organizations from containing any provision which would preclude Postal Service employees from being represented in grievance and adverse actions arising under the agreement by representatives of their own choosing. Entitles such representatives to be present during any proceedings upon such grievance or adverse action.

H.R. 5062. March 18, 1975. Science and Technology. Directs the Administrator of the Energy Research and Development Administration to initiate and carry out a research, development, and demonstration program designed to achieve the commercial utilization of magnetohydrodynamic energy in the United States by the mid-1980's.

H.R. 5063. March 18, 1975. Post Office and Civil Service. Directs the Postmaster General to issue a special postage stamp in honor of the veterans of the Spanish-American War.

H.R. 5064. March 18, 1975. Post Office and Civil Service. Directs the Postmaster General to issue a special postage stamp in honor of the veterans of World War II.

H.R. 5065. March 18, 1975. Post Office and Civil Service. Directs the Postmaster General to issue a special postage stamp in honor of the veterans of World War I.

H.R. 5066. March 18, 1975. Post Office and Civil Service. Directs the Postmaster General to issue a special postage stamp in honor of the first enlisted women in the United States Armed Forces.

H.R. 5067. March 18, 1975. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to establish a national cemetery in Broward county, Florida.

H.R. 5068. March 18, 1975. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to release from liability any veteran who conveys residential property securing a guaranteed, insured, or direct loan from the Veterans' Administration, without receiving a release from liability with respect to such loan, where the Administrator determines that such property was conveyed in a bona fide transaction to a transferee who, by contract, assumed full liability for the balance of the loan.

H.R. 5069. March 18, 1975. Veterans' Affairs. Specifies that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits.

H.R. 5070. March 18, 1975. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to pay a pension to eligible veterans of World War I. Proscribes payment to any veterans whose income exceeds the maximum allowable annual income.

H.R. 5071. March 18, 1975. Ways and Means. Amends the Internal Revenue Code to authorize the treatment of two or more banks which are members of the same affiliated group as one bank for the period of affiliation with respect to any fund of which any of the member banks is trustee or two or more of the member banks are co-trustees.

H.R. 5072. March 18, 1975. Ways and Means. Amends the Internal Revenue Code to allow a credit against taxes for certain amounts deposited by a taxpayer in an educational savings plan for himself or a dependent to pay the expenses of postsecondary education.

H.R. 5073. March 18, 1975. Agriculture. Amend the Food Stamp Act of 1964 by making individuals who are engaged in a labor strike ineligible for food coupons.

H.R. 5074. March 18, 1975. Agriculture. Amends the Food Stamp Act of 1964 by making individuals who are engaged in a labor strike ineligible for food coupons.

H.R. 5075. March 18, 1975. Government Operations. Requires that meetings of Federal agencies be open to the public except as stipulated in this Act. Requires that edited transcripts of all meetings be made available to the public. Prohibits ex parte communications during on-the-record agency meetings.

H.R. 5076. March 18, 1975. Interstate and Foreign Commerce. Prohibits the United States Consumer Product Safety Commission from making a ruling or order that restricts the manufacture or sale of firearms, firearm ammunition, or components of firearm ammunition, including blackpowder or gunpowder.

H.R. 5077. March 18, 1975. Public Works and Transportation. Allows the transfer of certain unused purchaser credit in Forest Service timber sales contracts involving road construction to meet other obligations in the same National Forest.

H.R. 5078. March 18, 1975. Education and Labor. Establishes a National Clearinghouse on Exceptional Children to disseminate to the public information pertaining to the education of exceptional children.

Authorizes the Commissioner of Education to make grants to the States for the purpose of initiating, expanding and improving educational services to exceptional children in conformance with a State plan. Authorizes training grants for personnel working in exceptional child education and grants for research and demonstration programs relating to the education of exceptional children.

H.R. 5079. March 18, 1975. Ways and Means. Requires that expenditures by the Federal Government shall not exceed its revenues except in time of war or national emergency.

Establishes a schedule for systematic reduction of the public debt.

H.R. 5080. March 18, 1975. Ways and Means. Amends the Social Security Act by increasing the amount of outside income which an individual may earn without a reduction in Old-Age, Survivors, and Disability Insurance benefits.

H.R. 5081. March 18, 1975. Ways and Means. Amends the Social Security Act by increasing the amount of outside income which an individual may earn without a reduction in Old-Age, Survivors, and Disability Insurance benefits.

H.R. 5082. March 18, 1975. Ways and Means. Amends the Trade Act of 1974 to remove Western Hemisphere countries from the class of countries excluded from the generalized system of preferences established by the Act because of participation in action with an arrangement of foreign countries which has the effect of withholding supplies of vital commodity resources from international trade or of raising the price of such commodities to an unreasonable level.

H.R. 5083. March 18, 1975. Post Office and Civil Service. Prohibits the Postal Service from requiring the installation of mailboxes at the curb line of residential property in any locality if the governing authority of such locality prohibits such installation.

H.R. 5084. March 18, 1975. Interstate and Foreign Commerce. Prohibits the introduction of nonreturnable beverage containers in interstate commerce. Authorizes the Administrator of the Environmental Protection Agency to establish such regulations as are necessary for the purpose of this Act.

H.R. 5085. March 18, 1975. Ways and Means. Amends the Internal Revenue Code by imposing an excise tax or floor stocks tax, based on the fuel efficiency rate determined by the Environmental Protection Agency, on every passenger automobile sold by the manufacturer or every automobile held by a dealer for sale on a tax increase day. Directs the Secretary of the Treasury to make a payment to purchasers of new passenger automobiles manufactured in the United States with high fuel efficiency rates. Requires automobile dealer disclosure of the fuel efficiency rate and resultant tax on each automobile. Prohibits manufacturers' adjustments causing lower fuel efficiency rates.

H.R. 5086. March 18, 1975. Interstate and Foreign Commerce. Amends the Controlled Substances Act by imposing penalties for the robbery or attempted robbery of narcotics or other controlled substances from a retail pharmacy.

H.R. 5087. March 18, 1975. Government Operations. Amends the State and Local Fiscal Assistance Act of 1972 by repealing that section declaring that funds received by units of local government under the Act may be used only for certain priority expenditures, and by revising and extending the amount of appropriations authorized under the Act.

H.R. 5088. March 18, 1975. Public Works and Transportation. Allows the Secretary of Transportation to permit States to prepare the detailed environmental impact statement on Federal aid highway projects proposed by the State which is required by the National Environmental Policy Act.

H.R. 5089. March 18, 1975. Merchant Marine and Fisheries. Establishes a fishery zone contiguous with the territorial sea of the United States having a limit of two hundred miles beyond the inner limit of the territorial sea.

H.R. 5090. March 18, 1975. Interior and Insular Affairs. Establishes criteria whereby the Secretary of the Interior shall distribute the funds appropriated to pay an Indian Claims Commission judgment to members of the Cowlitz Tribe of Indians.

H.R. 5091. March 18, 1975. House Administration. Establishes an American Folklife Center in the Library of Congress.

H.R. 5092. March 18, 1975. Banking, Currency and Housing. Authorizes the establishment of escrow accounts in connection with federally related mortgage loans, under certain conditions. Requires that interest be paid on such accounts. Regulates the requirement of advance deposits in escrow accounts.

H.R. 5093. March 18, 1975. Veterans' Affairs. Prohibits the Administrator of Veterans' Affairs from readjusting the schedule of ratings of veterans' disabilities without prior notification to both Houses of Congress.

H.R. 5094. March 18, 1975. Veterans' Affairs. Creates a presumption, for the purpose of granting peacetime disability compensation, that in the case of any veteran who served for twenty-four or more months, a chronic disease becoming manifest to the degree of 10 percent or more within one year from the date of separation from such service shall be considered to have been incurred in or aggravated by such service, unless there is affirmative evidence to the contrary.

H.R. 5095. March 18, 1975. Veterans' Affairs. Enables the Administrator of Veterans' Affairs to authorize, for any veteran requiring nursing home care, direct admission for such care at the expense of the United States to any public or private institution not under the jurisdiction of the Administrator which furnishes nursing home care.

H.R. 5096. March 18, 1975. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to pay a clothing allowance of $300 per year to each veteran who, because of a disability compensable by the Veterans' Administration, wears a prosthetic appliance or appliances which the Administrator determines tends to wear out or tear the clothing of such veteran.

H.R. 5097. March 18, 1975. Veterans' Affairs. Allows the Administrator of Veterans' Affairs to furnish such medical services as he finds reasonably necessary to any person who is in receipt of certain veterans' pensions, or who, but for the receipt of retired pay would be in receipt of such pension.

H.R. 5098. March 18, 1975. Veterans' Affairs. Increases the amount of veterans' benefits for burial and funeral expenses that the Administrator of Veterans' Affairs may pay in the case of a veteran with a service-connected disability or that he must pay in the case of an eligible veteran who dies in a Veterans' Administration facility.

H.R. 5099. March 18, 1975. Veterans' Affairs. Authorizes and directs the Administrator of Veterans' Affairs, when issuing a commitment to guarantee a proposed home mortgage loan, to issue, upon request by the lender-mortgagee, a non-assignable commitment to purchase the completed loan from such lender-mortgagee.

H.R. 5100. March 18, 1975. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to increase or decrease, on an annual basis and in an amount equal to the percentage by which the Bureau of Labor Statistics' Consumer Price Index increases or decreases, the monthly monetary rates for compensation, dependency and indemnity compensation, pension, subsistence allowance, educational assistance allowance, and special training allowance benefits. Increases, under the same procedure, the pension payable under the Veterans' Pension Act of 1959.

H.R. 5101. March 18, 1975. Veterans' Affairs. Authorizes and directs the Administrator of Veterans' Affairs to insure that during the twenty-four month period after the discharge of a veteran, such veteran will have available to him employment, the salary for which is not less than the lower of his highest rate of pay in the Armed Forces, his highest civilian pay, or the prevailing rate of pay for equivalent employment.

H.R. 5102. March 18, 1975. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to designate metropolitan areas, as well as suburban and rural areas, as housing credit shortage areas, for the purposes of extending mortgage credit by the Veterans' Administration to eligible veterans.

H.R. 5103. March 18, 1975. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to make direct loans to veterans for the purchase of homes, in an amount not to exceed the original principal amount limitation of $25,000.

H.R. 5104. March 18, 1975. Veterans' Affairs. Authorizes the guarantee of not more than 75 percent of a loan to a veteran for the purchase of business property. Places a ceiling of $30,000 on guaranty entitlement available to a veteran for the purchase of business property.

H.R. 5105. March 18, 1975. Veterans' Affairs. Provides mustering-out payments to certain members of the Armed Forces who are discharged or released from active duty under honorable conditions.

H.R. 5106. March 18, 1975. Veterans' Affairs. Specifies that recipients of veterans pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits.

H.R. 5107. March 18, 1975. Veterans' Affairs. Specifies that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits.

H.R. 5108. March 18, 1975. Veterans' Affairs. Entitles Vietnam era veterans to home, farm, and business loans, and to all benefits available to veterans of World War II and the Korean Conflict.

Extinguishes veterans' entitlement to certain loans and the insurance thereof after ten years from the date of a veteran's separation from active service.

Establishes a Vietnam era Veterans' Life Insurance program for eligible veterans discharged or released under conditions other than dishonorable.

H.R. 5109. March 18, 1975. Veterans' Affairs. Require the Administrator of Veterans' Affairs to pay pension benefits to each veteran who served in the active military, naval, or air service at any time during World War I and who is otherwise not eligible for pension or to the widow and children of such veteran.

H.R. 5110. March 18, 1975. Veterans' Affairs. Entitles veterans of the Mexican border period or of World War I and their widows and children to pensions on the same basis as veterans of the Spanish-American War and their widows and children. Increases the pension rate for these veterans and their survivors.

H.R. 5111. March 18, 1975. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to pay a pension, at the rate of $100 per month, to the widow of each person awarded a Medal of Honor posthumously.

H.R. 5112. March 18, 1975. Veterans' Affairs. Allows the widow of a veteran to remarry after age 60 without losing her veterans' dependency and indemnity compensation.

H.R. 5113. March 18, 1975. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to determine the amount of time spent by physicians and dentists in obtaining the degree of doctor for the purposes of crediting any physician or dentists, employed by the Veterans' Administration for twenty or more years, with such period of time as service for the purposes of retirement.

H.R. 5114. March 18, 1975. Veterans' Affairs. Includes apprenticeships and on the job training programs within the category of a veterans' course which does not lead to a standard college degree and for which the Veterans' Administration will make no payments for any day of absence in excess of thirty days in a twelve-month period, not counting as absences regular scheduled vacations and holidays.

H.R. 5115. March 18, 1975. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to reimburse any eligible veteran, enrolled in a full-time or part-time course of education or training, for costs incurred by such veteran for tuition, fees, and supplies required for the successful pursuit and completion of the course of education or training in which such veteran is enrolled.

H.R. 5116. March 18, 1975. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to furnish any veteran who has an alcoholism, drug dependence or alcohol or drug abuse disability with special medical treatment and rehabilitative services, and to seek out and counsel toward rehabilitation and treatment all veterans, especially Vietnam era veterans, eligible for treatment and rehabilitative services. Extends treatment and rehabilitative services on a voluntary basis to active members of the Armed Forces within the last 90 days of their tour of duty.

H.R. 5117. March 18, 1975. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to pay for any emergency hospital care and medical services provided to any veteran by a private hospital if the Administrator finds that such care was related to an adjudicated service-connected disability, that no government facilities were reasonably available, and that delay in receiving such care would have endangered the veteran's health and life.

H.R. 5118. March 18, 1975. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to permit a veteran, who is not a patient in a Veterans' Administration facility, to determine the means whereby such veteran shall be supplied with, or reimbursed for, such drugs or medicines as he may require.

H.R. 5119. March 18, 1975. Veterans' Affairs. Grants four years of creditable service, for the purposes of the Civil Service Retirement Act, to physicians and dentists who have served not less than ten years in the Department of Medicine and Surgery of the Veterans' Administration. Authorizes a one year leave for study in their speciality to physicians, dentists, or nurses in such Department.

Authorizes leave with three-fourths of regular pay to employees of such Department who are seeking a master's degree in hospital administration.

H.R. 5120. March 18, 1975. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to pay an additional educational assistance allowance to veterans' wives or widows who are pursuing additional secondary school training to qualify for admission to an appropriate educational institution.

H.R. 5121. March 18, 1975. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to pay an additional educational assistance allowance in an amount representing the cost of a veterans' tuition in excess of $419 for ordinary school year, but such payment shall not exceed $600 for an ordinary school year.

H.R. 5122. March 18, 1975. Veterans' Affairs. Authorizes eligible veterans pursuing a program of education on a full-time basis to elect to receive increased monthly payments and have their period of entitlement reduced proportionately.

H.R. 5123. March 18, 1975. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to reimburse any eligible Vietnam veteran, enrolled in a full-time or part-time course of education or training, for costs incurred by such veteran for tuition, fees, and supplies required for the successful pursuit and completion of the course of education or training in which such veteran is enrolled.

H.R. 5124. March 18, 1975. House Administration. Establishes an American Folklife Center in the Library of Congress.

H.R. 5125. March 18, 1975. Post Office and Civil Service. Authorizes any person to submit a proposal to the Director of the Office of Management and Budget requesting that a particular period be established as a national observance. Directs the Director to review such proposals, and to recommend to the President the issuance of a proclamation designating such period as a national observance if such proposals meet certain specified criteria.

H.R. 5126. March 18, 1975. Interstate and Foreign Affairs. Prohibits, under the Federal Trade Commission Act, any retailer from repricing any consumer commodity with a higher price once a price is affixed to such commodity.

H.R. 5127. March 18, 1975. Interstate and Foreign Commerce. Prohibits, under the Federal Trade Commission Act, any retailer from repricing any consumer commodity with a higher price once a price is affixed to such commodity.

H.R. 5128. March 18, 1975. Government Operations. Amends the Privacy Act of 1974 by eliminating various exemptions now contained in the Act and by revising the provision dealing with an individual's right to request corrections in files pertaining to him.

H.R. 5129. March 18, 1975. Government Operations. Amends the Privacy Act of 1974 by eliminating various exemptions now contained in the Act and by revising the provision dealing with an individual's right to request corrections in files pertaining to him.

H.R. 5130. March 18, 1975. Post Office and Civil Service. Directs the Postmaster General to issue a special postage stamp commemorating the life and work of Enrico Fermi.

H.R. 5131. March 18, 1975. Ways and Means. Amends the Internal Revenue code to authorize real property to be valued for estate tax purposes at its value as farmland, woodland, or open land rather than at its fair market value.

H.R. 5132. March 18, 1975. Judiciary. Requires the registration of all firearms. Sets forth specifications for handguns which must be met before the Secretary of the Treasury may approve the handgun for sale.

H.R. 5133. March 18, 1975. Ways and Means. Amends the Social Security Act as it relates to Aid to Families with Dependent Children by (1) revising eligibility requirements for grants; (2) revising the procedure for adjusting the amount of grants; (3) authorizing Federal financial participation in the investigation and prosecution of fraud conducted by State agencies; (4) requiring States to provide evidentiary hearings; and (5) imposing criminal sanctions for misuse of grants by recipients.

H.R. 5134. March 18, 1975. Ways and Means. Amends the Social Security Act as it relates to Aid to Families with Dependent Children by (1) revising eligibility requirements for grants; (2) revising the procedure for adjusting the amount of grants; (3) authorizing Federal financial participation in the investigation and prosecution of fraud conducted by State agencies; (4) requiring States to provide evidentiary hearings; and (5) imposing criminal sanctions for misuse of grants by recipients.

H.R. 5135. March 18, 1975. Ways and Means. Amends the Social Security Act as it relates to Aid to Families with Dependent Children by (1) revising eligibility requirements for grants; (2) revising the procedure for adjusting the amount of grants; (3) authorizing Federal financial participation in the investigation and prosecution of fraud conducted by State agencies; (4) requiring States to provide evidentiary hearings; and (5) imposing criminal sanctions for misuse of grants by recipients.

H.R. 5136. March 18, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to transfer to the jurisdiction of the Secretary of the Army certain land in Maryland under the jurisdiction of the Director of the National Park Service.

H.R. 5137. March 18, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to transfer to the jurisdiction of the Secretary of the Army certain land in Maryland under the jurisdiction of the Director of the National Park Service.

Declares all right and jurisdiction in such land to be forever relinquished to the State of Maryland upon conveyance of such land by the Secretary of the Army to the Montgomery County government and acceptance thereof.

H.R. 5138. March 18, 1975. Veterans' Affairs. Specifies that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits.

H.R. 5139. March 18, 1975. Veterans' Affairs. Specifies that recipents of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits.

H.R. 5140. March 18, 1975. Rules. Amends the Congressional Budget Act of 1974 to require that every public bill or resolution introduced in either House of Congress contain an estimate of the average cost for each taxpaying family if the bill or resolution were enacted into law. Requires the Director of the Congressional Budget Office to keep tabulations on the average cost to each taxpaying family of the bills passed during each session and directs that the tabulations be printed in the Congressional Record.

H.R. 5141. March 18, 1975. Judiciary. Incorporates the United States Submarine Veterans of World War II.

H.R. 5142. March 18, 1975. Banking, Currency and Housing. Repeals the Council on Wage and Price Stability Act.

H.R. 5143. March 18, 1975. House Administration. Amends the Legislative Reorganization Act of 1970 by directing officers of the House of Representatives to prepare and conduct seminars for freshmen Members of Congress. Authorizes freshmen Members to employ an interim staff during the period beginning on the day such freshman is declared elected and the first day of the regular session of Congress.

H.R. 5144. March 18, 1975. Judiciary. Decreases to sixteen the minimum age at which a person may file a naturalization petition on his own behalf.

H.R. 5145. March 18, 1975. Ways and Means. Amends the Social Security Act by guaranteeing a minimum annual income to the elderly.

H.R. 5146. March 18, 1975. Ways and Means. Amends the Internal Revenue Code to authorize a farmer receiving disaster payments under the Agricultural Act of 1949 to include such proceeds in the following taxable year if he establishes that, under the cash receipts and disbursements method of accounting, income from such crops would have been reported in a following taxable year.

H.R. 5147. March 18, 1975. Interior and Insular Affairs. Increases the appropriation authorization for the Andrew Johnson National Historic Site in Tennessee.

H.R. 5148. March 18, 1975. Agriculture. Directs the Secretary of Agriculture to issue orders applicable to persons engaged in the production, processing or marketing of cattle, such orders to provide for or regulate (1) advertising, sales promotion, and consumer education with respect to the use of beef; (2) research on the marketing and distribution of beef; (3) the inspection of the books and records of producers, processors, and marketers of beef; and (4) the establishment of a Beef Board to administer such orders.

H.R. 5149. March 18, 1975. Ways and Means. Replaces the Supplementary Security Income program with a completely federally funded and administered program of guaranteed minimum annual income for the aged, blind and disabled under the Social Security Act.

Revises eligibility requirements for coverage and benefits, and the method of calculating the primary insurance and monthly benefit amounts under the Old-Age, Survivors, and Disability Insurance program.

Revises eligibility requirements for coverage and benefits under the Medicare program and items and services covered by Medicare.

Authorizes the Secretary of Health, Education, and Welfare to formulate and administer a food allowance program for certain elderly persons.

H.R. 5150. March 18, 1975. Interstate and Foreign Commerce. Requires major corporations to file with the Federal Trade Commission cost justifications of price increases which would result from compliance with Federal regulatory requirements.

H.R. 5151. March 18, 1975. Interstate and Foreign Commerce. Requires major corporations to file with the Federal Trade Commission cost justifications of price increases which would result from compliance with Federal regulatory requirements.

H.R. 5152. March 18, 1975. Government Operations. Amends the Freedom of Information Act to stipulate that Federal employees who disclose information which is required by law to be disclosed by agencies may not be subject on account of such disclosure to discipline through dismissal, demotion, transfer, or other adverse personnel action.

H.R. 5153. March 18, 1975. Armed Services. Prohibits any change in the status of a member of the Armed Forces who was classified missing during service in Southeast Asia until there has been full compliance with the Paris Peace Accord of January 1973, and the President has determined that all reasonable actions have been taken to account for such members and reported such finding to the Congress.

Directs the Senate Committee on Armed Services and the House Committee on Armed Services to study the method whereby the status of a member of the Armed Forces is changed from missing to dead.

H.R. 5154. March 18, 1975. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a certain individual in full settlement of such individual's claims against the United States for expenses incurred in securing reinstatement of certain Social Security benefits.

H.R. 5155. March 18, 1975. Merchant Marine and Fisheries. Directs the Commandant of the Coast Guard to document a certain vessel to engage in the American fisheries.

H.R. 5156. March 18, 1975. Judiciary. Directs the Commissioner of Patents to issue a certain patent.

H.R. 5157. March 19, 1975. Government Operations. Transfers to the Comptroller General of the United States the duties of the Director of the Bureau of the Budget in the area of coordination of Federal reporting services. Require the Internal Revenue Service to make requested information available to other Federal agencies.

Requires the Comptroller General to establish within the General Accounting Office a unit to review Internal Revenue Service forms and to make recommendations for the revision and simplification of such forms.

H.R. 5158. March 19, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to make an ex gratia payment to the people in Bikini Atoll of the Trust Territory of the Pacific Islands.

H.R. 5159. March 19, 1975. Interstate and Foreign Commerce. Amends the Clean Air Act to prohibit the requirement of an indirect source emission review as part of an implementation plan under the Act.

H.R. 5160. March 19, 1975. Ways and Means. Amends the Internal Revenue Code to allow an investment tax credit of 15 percent for certain livestock packing operations when 65 percent of the livestock processed and packaged by such operation is grown within the State where the operation is located.

H.R. 5161. March 19, 1975. Ways and Means. Amends the Internal Revenue Code to create a special rule for taxpayers on the accrual method of accounting to allow such taxpayers to not include in gross income for the taxable year the income attributable to the sale of any magazine which is returned not later than the 15th day of the third month after the close of the taxable year, or to the sale of any magazine for display purposes.

H.R. 5162. March 19, 1975. International Relations. Amends the Mutual Security Act of 1954 to require review by the House of Representatives and the Committee on Foreign Relations of the Senate, of an approved applications for licenses to export arms, ammunition, or implements of war, before such licenses may be issued except when the President states that an emergency exists which requires the granting of such license in the interests of national security.

H.R. 5163. March 19, 1975. Education and Labor. Establishes an Office of Career Guidance and Counseling in the United States Office of Education.

Establishes a National Advisory Council on Career Guidance and Counseling to advise the Secretary of Health, Education, and Welfare, and Commissioner of Education on the administration of this Act.

Directs the Council to assess the status of school and nonschool career guidance in the United States.

Authorizes the Commission to grant funds to States for approved counseling programs and related equipment, to contract with educational agencies for the training of guidance personnel, and to demonstrate new, and evaluate existing, guidance techniques.

H.R. 5164. March 19, 1975. Ways and Means. Amends the Internal Revenue Code to allow a limited credit against the income tax for each ton of post-consumer waste paper processed in the United States by the taxpayer during the taxable year into new commercially marketable pulp, paper, paperboard, or other similar products.

H.R. 5165. March 19, 1975. Interstate and Foreign Commerce. Amends the Emergency Jobs and Unemployment Assistance Act of 1974 to authorize a health insurance benefits program for unemployed individuals, if they would have had such benefits from their prior employer, for their dependent spouse, and for their dependent children. Directs the Secretary of Health, Education, and Welfare to enter into contracts with insurance carriers who will provide such insurance benefits.

H.R. 5166. March 19, 1975. House Administration. Directs certain legislative officers to enter into agreements with Virginia, Maryland and the District of Columbia to withhold State or District of Columbia income taxes of each Member of Congress or specified employees subject to such income tax, and who voluntarily agrees to such withholding.

Authorizes the Committee on House Administration to review such agreements.

H.R. 5167. March 19, 1975. Ways and Means. Amends the Internal Revenue Code to limit the business deduction for air travel expenses to no more than the cost of the normal tourist class fare for such transportation.

H.R. 5168. March 19, 1975. Judiciary. Makes officially recognized or designated members of a legally organized volunteer fire department, ambulance team, or rescue squad not employed by the United States who are killed or totally disabled in the line of duty eligible for Federal civil service death and disability compensation.

H.R. 5169. March 19, 1975. Armed Services. Directs the Secretary of Defense to continue to operate and maintain the commissary stores of the agencies of the Department of Defense.

H.R. 5170. March 19, 1975. Interstate and Foreign Commerce. Requires processors of any food, drug, device, or cosmetic to develop and maintain recall and removal systems adequate to enable effective removal from the market of any article which fails to comply with the requirements of the Federal Food, Drug, and Cosmetic Act. Authorizes the Secretary of Health, Education, and Welfare to issue recall or removal orders or to notify the public where it is determined that there is a sufficient risk to the public health and the measures taken by the processor are inadequate to remedy the problem.

H.R. 5171. March 19, 1975. Interstate and Foreign Commerce. Requires processors of any food, drug, device, or cosmetic to develop and maintain recall and removal systems adequate to enable effective removal from the market of any article which fails to comply with the requirements of the Federal Food, Drug, and Cosmetic Act. Authorizes the Secretary of Health, Education, and Welfare to issue recall or removal orders or to notify the public where it is determined that there is a sufficient risk to the public health and the measures taken by the processor are inadequate to remedy the problem.

H.R. 5172. March 19, 1975. Interior and Insular Affairs. Science and Technology. Establishes a National Energy and Conservation Corporation to undertake programs of exploration, development, and production of public land and tideland oil, natural gas, oil shale, and coal resources. Directs the Corporation to administer programs consistent with objectives of land use planning, conservation, and environmental protection.

H.R. 5173. March 19, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to establish national petroleum reserves on certain Federal lands.

Directs the Secretary of the Interior to explore for oil and gas on Naval Petroleum Reserve Numbered 4.

H.R. 5174. March 19, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to establish national petroleum reserves on certain Federal lands.

Directs the Secretary of the Interior to explore for oil and gas on Naval Petroleum Reserve Numbered 4.

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Directs the Secretary of the Interior to explore for oil and gas on Naval Petroleum Reserve Numbered 4.

H.R. 5176. March 19, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to establish national petroleum reserves on certain Federal lands.

Directs the Secretary of the Interior to explore for oil and gas on Naval Petroleum Reserve Numbered 4.

H.R. 5177. March 19, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to establish national petroleum reserves on certain Federal lands.

Directs the Secretary of the Interior to explore for oil and gas on Naval Petroleum Reserve Numbered 4.

H.R. 5178. March 19, 1975. Banking, Currency and Housing. Declares a moratorium on increases in rents, utilities and related costs for tenants in federally assisted rental housing, except under certain circumstances.

H.R. 5179. March 19, 1975. Veterans' Affairs. Increases the rates of wartime disability compensation and survivors dependency and indemnity compensation payable by the Administrator of Veterans' Affairs to disabled veterans and their dependents, or to the widows of veterans.

H.R. 5180. March 19, 1975. Judiciary. Standards of Official Conduct. Requires lobbyists to: (1) register with the Federal Election Commission; (2) make and retain certain records; and (3) file reports with the Commission regarding their activities.

Requires certain officials of the executive branch to record their communications with lobbyists.

Repeals the Federal Regulation of Lobbying Act.

H.R. 5181. March 19, 1975. Education and Labor. Amends the Education Amendments of 1974 to delay and extend the effective dates of various programs under the Act. Revises the entitlement criteria to be used by the Commissioner of Education if sufficient sums are not appropriated by Congress to pay in full the amounts all local educational units are entitled to receive. Sets forth a formula for determining the amount local educational agencies are entitled to for programs for handicapped children.

H.R. 5182. March 19, 1975. Post Office and Civil Service. Directs the Secretary of Commerce to periodically conduct an interim adjustment survey to determine the number of individuals not counted by the most recent decennial census.

Requires Federal agencies to use the date obtained in such interim adjustment surveys in the administration of any Federal program which allocates assistance on the basis of population.

H.R. 5183. March 19, 1975. Interstate and Foreign Commerce. Establishes, within the Department of Health, Education, and Welfare, a Medical Injury Compensation Insurance Administration through which the Secretary of Health, Education, and Welfare shall establish and implement a program of no-fault medical malpractice insurance for licensed health professionals and licensed health care institutions. Requires any patient to waive any tort actions with respect to the injury for which no-fault benefits are claimed. Directs the Secretary of Health, Education, and Welfare to develop, within two years, standards for the licensure of health professionals.

H.R. 5184. March 19, 1975. Interstate and Foreign Commerce. Authorizes the Secretary of Health, Education, and Welfare to offer reinsurance to any insurer or pool against liability for damages arising from medical malpractice. Directs the Secretary to conduct a comprehensive study of the problems that arise from medical malpractice litigation.

H.R. 5185. March 19, 1975. Interstate and Foreign Commerce. Directs the Secretary of Health, Education, and Welfare, under the Public Health Service Act, to establish and implement a program of national medical malpractice insurance. Allows a State to establish a program for arbitration of medical malpractice claims, if such program conforms to the requirements of this Act.

H.R. 5186. March 19, 1975. Interstate and Foreign Commerce. Prohibits the United States Consumer Product Safety Commission from making a ruling or order that restricts the manufacture or sale of firearms, firearm ammunition, or components of firearm ammunition, including blackpowder or gunpowder.

H.R. 5187. March 19, 1975. Judiciary. Conmers United States citizenship on certain Vietnamese children fathered by United States citizens. Requires the Department of State to expedite the adoption of such children.

H.R. 5188. March 19, 1975. Judiciary. Confers United States citizenship on certain Vietnamese children fathered by United States citizens. Requires the Department of State to expedite the adoption of such children.

H.R. 5189. March 19, 1975. Ways and Means. Amends the estate tax provisions of the Internal Revenue Code to allow a limited deduction from the gross estate of the value of the decedent's interest in a family farming operation which passes to an individual related to him or his spouse.

H.R. 5190. March 19, 1975. Public Works and Transportation. Amends the Appalachian Regional Revelopment Act of 1965 to designate certain cities in Virginia as within the Appalachian Region.

H.R. 5191. March 19, 1975. Post Office and Civil Service. Redesignates Veterans' Days as November 11.

H.R. 5192. March 19, 1975. Interior and Insular Affairs. Authorizes additional appropriations for the continuance of civil government for the Trust Territory of the Pacific Islands.

H.R. 5193. March 19, 1975. Interior and Insular Affairs. Enlarges the Redwood National Park in California to include additional lands.

H.R. 5194. March 19, 1975. Public Works and Transportation. Amends the Federal-Aid Highway Act of 1973 to authorize the financing of parkways from the Highway Trust Fund. Specifies that parkways so funded shall be managed solely for passenger car travel, scenic and recreational use.

H.R. 5195. March 19, 1975. Education and Labor. Amends the Age Discrimination in Employment Act to make its prohibitions applicable to all individuals over age forty.

H.R. 5196. March 19, 1975. Public Works and Transportation. Terminates the Airlines Mutual Aid Agreement.

H.R. 5197. March 19, 1975. Merchant Marine and Fisheries. Authorizes the owner of a certain vessel to employ foreign citizens as crew members for service as fish processors and fishermen, under certain conditions.

H.R. 5198. March 19, 1975. Ways and Means. Declares all income tax returns to be confidential, and prohibits the disclosure or inspection of such returns unless specifically authorized by this Act.

H.R. 5199. March 19, 1975. Judiciary. Eliminates the antitrust exemption for certain resale price maintenance (fair trade) agreements under the Sherman Act and the Federal Trade Commission Act.

H.R. 5200. March 19, 1975. Ways and Means. Amends the Internal Revenue Code to exclude from gross income any gain resulting from a lottery conducted by an agency of a State acting under authority of State law.

H.R. 5201. March 19, 1975. Interstate and Foreign Commerce. Ways and Means. Amends the Clean Air Act to postpone certain motor vehicle emission standards and to establish interim motor vehicle emission standards for hydrocarbons and carbon monoxide.

Amends the Internal Revenue Code of 1954 to impose an excise tax on passenger automobiles based on fuel efficiency. Uses the fuel consumption rate as a basis for applicability of certain motor vehicle emission standards under the Clean Air Act.

H.R. 5202. March 19, 1975. Science and Technology. Declares a national policy and scheme of priorities for scientific and technological development.

Creates a Council of Advisors on Science and Technology in the Executive Office of the President. Establishes a program of continuing education in science and engineering through the National Science Foundation.

Includes provisions for Federal assistance to State science and technology programs.

H.R. 5203. March 19, 1975. Veterans' Affairs. Specifies that recipients of veterans pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits.

H.R. 5204. March 19, 1975. Ways and Means. Amends the Internal Revenue Code of 1954 to eliminate the percentage depletion allowance and the option to deduct intangible drilling and development costs for any oil or gas well located outside the United States. Eliminates foreign tax credit for any income derived from any such well.

H.R. 5205. March 19, 1975. Ways and Means. Revises the tax rates for old-age, survivors and disability insurance and hospital insurance under the Internal Revenue Code of 1954. Raises the ceiling on income taxable for old-age, survivors and disability insurance under the Social Security Act and Internal Revenue Code of 1954. Provides that one-third of the cost of the old-age, survivors and disability insurance program be borne by the Federal Government.

H.R. 5206. March 19, 1975. Armed Services. Authorizes recomputation of retired pay for members and former members of the Armed Forces who are 60 years of age or older or who are retired because of a physical disability.

H.R. 5207. March 19, 1975. Veterans' Affairs. Extends non-service-connected disability pensions to veterans who served for any period of time during World War I.

H.R. 5208. March 19, 1975. Veterans' Affairs. Entitles veterans of the Mexican border period or of World War I and their widows and children to pensions on the same basis as veterans of the Spanish-American War and their widows and children. Increases the pension rate for these veterans and their survivors.

H.R. 5209. March 19, 1975. Armed Services. Authorizes additional appropriations for military family housing for fiscal year 1975.

H.R. 5210. March 19, 1975. Armed Services. Authorizes the Secretaries of the Army, Navy, Air Force, and Defense to establish or develop certain military installations and facilities. Authorizes the Secretary of Defense to acquire or construct military family housing.

H.R. 5211. March 19, 1975. Judiciary. Amends the Clayton Act to prohibit any corporation or association from (1) controlling more than one type of energy-producing mineral and (2) engaging in more than one aspect of the petroleum and natural gas industry. Prohibits any individual from serving as a director of more than one company engaged in energy resource production, refining, transportation or marketing.

H.R. 5212. March 19, 1975. Judiciary. Amends the Clayton Act to prohibit any corporation or association from (1) controlling more than one type of energy-producing mineral and (2) engaging in more than one aspect of the petroleum and natural gas industry. Prohibits any individual from serving as a director of more than one company engaged in energy resource production, refining, transportation or marketing.

H.R. 5213. March 19, 1975. Judiciary. Amends the Clayton Act to prohibit any corporation or association from (1) controlling more than one type of energy-producing mineral and (2) engaging in more than one aspect of the petroleum and natural gas industry. Prohibits any individual from serving as a director of more than one company engaged in energy resource production, refining, transportation or marketing.

H.R. 5214. March 19, 1975. Banking, Currency and Housing. Amends the Housing Act of 1964 to allow the Secretary of Housing and Urban Development to raise interest rates on residential rehabilitation loans under certain circumstances. Alters the funding procedures for such loans by (1) authorizing the Secretary of Housing and Urban Development to issue interest-bearing notes or other obligations to the Secretary of the Treasury, and (2) setting forth an appropriation formula. States priorities for the administration of such rehabilitation loan program. Extends the termination date of such program to September 30, 1978.

H.R. 5215. March 19, 1975. Interior and Insular Affairs. Authorizes an appropriation to the Secretary of the Interior for an ex gratia payment to persons who possess rights in Bikini Atoll in the Marshall Islands.

H.R. 5216. March 19, 1975. Interior and Insular Affairs. Authorizes appropriations for fiscal years 1975, 1976, and 1977 for the continuance of civil government for the Trust Territory of the Pacific Islands.

Authorizes appropriations to aid in the transition of the Mariana Islands District to a new commonwealth status as a territory of the United States. Prohibits the obligation or expenditure of such appropriations until a final agreement between the Marianas Political Status Commission and the United States has been signed.

H.R. 5217. March 19, 1975. Merchant Marine and Fisheries. Authorizes appropriations for the Coast Guard through fiscal year 1977.

H.R. 5218. March 19, 1975. Interstate and Foreign Commerce. Amends the Clean Air Act to define the term "indirect source".

Sets forth criteria to be adhered to by the Administrator of the Environmental Protection Agency in approving State air quality implementation plans and in modifying ambient air quality primary standards.

H.R. 5219. March 19, 1975. Interstate and Foreign Commerce. Amends the Clean Air Act to impose certain procedural requirements with regard to notice of public hearing and public access to information prior to approval of a State implementation plan by the Administrator of the Environmental Protection Agency.

H.R. 5220. March 19, 1975. Interstate and Foreign Commerce. Amends the Clean Air Act to direct the Administrator of the Environmental Protection Agency to revise certain air pollutant standards based on recent scientific evidence. Authorizes the Administrator to establish emission charges for certain air pollutants where promulgation of national standards is impracticable.

Requires that certain stationary sources of air pollutants install and operate continuous air pollution monitoring instruments.

Authorizes extensions of transportation control deadlines upon application to the Administrator. Authorizes the Secretary of Labor to pay unemployment compensation and temporary mortgage and rental to an individual who is unemployed as a result of enforcement of air pollution standards.

H.R. 5221. March 19, 1975. Interstate and Foreign Commerce. Authorizes financial assistance by the Secretary of Transportation to carriers by rail for wages of persons employed to improve and maintain their rights-of-way and structures. Sets forth regulations for such employment projects.

H.R. 5222. March 19, 1975. Judiciary. Interior and Insular Affairs. Amends the Outer Continental Shelf Lands Act to allow interstate compacts establishing continental shelf oil and gas leasing interstate advisory boards. Directs the Secretary of the Interior to consult with any such boards on proposed actions relating to leasing on the Outer Continental Shelf.

H.R. 5223. March 19, 1975. Education and Labor. Amends the Vocational Education Act of 1963 by authorizing additional appropriations and extensions for current programs under the Act.

H.R. 5224. March 19, 1975. Interior and Insular Affairs. Directs the Secretary of the Interior to develop land use plans for the natural resource lands administered through the Bureau of Land Management, except the Outer Continental Shelf.

Establishes criteria for the conveyance and acquisition of natural resource lands.

Authorizes the Secretary of the Interior to grant rights-of-way through natural resource lands for transportation or other facilities in the public interest. Repeals existing law relating to the disposal of natural resource lands.

H.R. 5225. March 19, 1975. Veterans' Affairs. Specifies that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits.

H.R. 5226. March 19, 1975. Armed Services. Authorizes the President to appoint a certain member of the United States Air Force Reserve to the grade of brigadier general.

H.R. 5227. March 19, 1975. Judiciary. Declares a certain individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 5228. March 19, 1975. District of Columbia. Creates a body corporate in the District of Columbia by the name of Daughters of Union Veterans of the Civil War, 1861–1865.

H.R. 5229. March 20, 1975. Public Works and Transportation. Authorizes the Secretary of Commerce to make grants through the Economic Development Administration for local public works projects.

H.R. 5230. March 20, 1975. Post Office and Civil Service. Expands the prohibition against solicitation and receipt of political recommendations for employment in the Federal competitive service to include solicitations of elected State government officials and officials of political parties and other organizations. Specifies circumstances under which the use by Federal employers of a recommendation made by such an individual is permitted.

H.R. 5231. March 20, 1975. Agriculture. Amends the Consolidated Farm and Rural Development Act to direct the Secretary of Agriculture to give preference in granting farm purchase and improvement loans to nonowner-operators of a farm or to owner-operators who do not rely on the farm for their principal source of income. Authorizes the Secretary to make or insure loans to such nonowner-operators and sets limits for the amount of such loans. Stipulates explicit repayment terms for nonowner-operators of farms who receive loans under the Act.

H.R. 5232. March 20, 1975. Ways and Means. Amends the Internal Revenue Code to increase the Federal estate tax exemption.

H.R. 5233. March 20, 1975. Interstate and Foreign Commerce. Directs the Secretary of Health, Education, and Welfare to promulgate standards and formulate an inspection program for skilled nursing homes and intermediate and long-term care facilities participating in the Medicaid program. Sets forth guarantees and rights of patients in such facilities.

H.R. 5234. March 20, 1975. Education and Labor. Establishes accreditation criteria to be observed by public or private associations and agencies which accredit post-secondary educational institutions and upon which the Federal Government relies in determining whether to grant Federal educational funding.

H.R. 5235. March 20, 1975. Agriculture. Stipulates that loans made by the Secretary of Agriculture, under the Emergency Livestock Credit Act of 1974, (1) may be guaranteed in an amount up to 90 percent of the principal and interest; (2) shall be for the period reasonably required by the needs of the borrower, but not exceeding an original term of seven years; and (3) shall not exceed a total principal balance outstanding at any one time, for any borrower, of $250,000.

H.R. 5236. March 20, 1975. Interstate and Foreign Commerce. Establishes the Office of Rural Health within the Department of Health, Education, and Welfare to award grants, and to make contracts, loans, and loan guarantees for projects to examine existing models of rural health care delivery and to assist in the study, planning, development, experimentation, and demonstration of rural health care delivery models.

H.R. 5237. March 20, 1975. Judiciary. Amends the Gun Control Act of 1968 to increase the penalties for use of a firearm in the commission of a felony.

H.R. 5238. March 20, 1975. Education and Labor. Establishes in the Office of the Secretary of Health, Education, and Welfare an Office of Youth Camp Safety. Requires that Federal youth camp safety standards be developed and enforced.

H.R. 5239. March 20, 1975. Education and Labor. Authorizes appropriations for fiscal year 1976 for carrying out certain provisions of the Comprehensive Employment and Training Act of 1973.

H.R. 5240. March 20, 1975. Education and Labor. Authorizes the Commissioner of Education to make grants for the construction of public elementary and secondary schools to local educational agencies which serve substantial numbers of children from low-income families.

H.R. 5241. March 20, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to acquire additional lands for the Indiana Dunes National Lakeshore.

H.R. 5242. March 20, 1975. Agriculture. Prohibits all importation of honeybees and honeybee semen except by the United States Department of Agriculture for experimental or scientific purposes or from countries determined by the Secretary of Agriculture to be free from diseases or parasites harmful to honeybees and to have in operation adequate precautions to protect against the importation of honeybees from other countries where harmful honeybee diseases or parasites exist.

H.R. 5243. March 20, 1975. Ways and Means. Interstate and Foreign Commerce. Directs the Secretary of the Treasury to determine the dollar amount of petroleum which may be imported annually. Directs the Administrator of the Federal Energy Administration to regulate petroleum importation and the allocation of imported petroleum among domestic refiners.

H.R. 5244. March 20, 1975. Interstate and Foreign Commerce. Amends the Interstate Commerce Act to authorize the Secretary of Transportation to make financial assistance available to qualified applicants for the purpose of providing employment for unemployed or underemployed persons in jobs maintaining or rebuilding railroad rights-of-way, during times of high unemployment.

H.R. 5245. March 20, 1975. Ways and Means. Amends the Internal Revenue Code to require repayment by the Secretary of the Treasury of a certain amount of the Federal excise tax paid on gasoline used in taxicabs.

H.R. 5246. March 20, 1975. Judiciary. Prohibits certain forms of economic coercion based on religion, race, national origin, sex, support for any foreign government or dealing with or in any foreign country.

H.R. 5247. March 20, 1975. Public Works and Transportation. Authorizes the Secretary of Commerce to make grants through the Economic Development Administration for local public works projects.

H.R. 5248. March 20, 1975. Public Works and Transportation. Authorizes the Secretary of Commerce to make grants through the Economic Development Administration for local public works projects.

H.R. 5249. March 20, 1975. Judiciary. Standards of Official Conduct. Requires candidates for Federal office, Members of the Congress, and certain officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions.

H.R. 5250. March 20, 1975. Judiciary. Standards of Official Conduct. Requires candidates for Federal office, Members of the Congress, and certain officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions.

H.R. 5251. March 20, 1975. Judiciary. Standards of Official Conduct. Requires candidates for Federal office, Members of the Congress, and certain officers and employees of the United States to file statements with the Comptroller General with respect to their income and financial transactions.

H.R. 5252. March 20, 1975. Armed Services. Revises the method of computing years of service for the purpose of determining a reservist's entitlement to Armed Forces retired pay.

H.R. 5253. March 20, 1975. Armed Service. Revises the method of computing years of service for the purpose of determining a reservist's entitlement to Armed Forces retired pay.

H.R. 5254. March 20, 1975. Armed Services. Directs the Secretary of Defense to establish regional boards to review military discharges and dismissals.

Prohibits the inclusion on discharge certificates of any information pertaining to whether a former member should be accepted for reenlistment. Directs the Secretary of each military department to issue new discharge certificates to individuals whose original certificates contained such prohibited information.

H.R. 5255. March 20, 1975. Post Office and Civil Service. Allows a civil officer or employee of the Federal Government to receive concurrently compensation for disability related to a civilian work injury and retired pay for a different disability incurred during service in the Armed Forces.

H.R. 5256. March 20, 1975. Veterans' Affairs. Enables an individual to utilize any entitlement to war orphans' educational assistance before entering upon active duty with the Armed Forces, whereupon the regular entitlement to veterans' educational assistance shall accrue.

H.R. 5257. March 20, 1975. Post Office and Civil Service. Allows certain retired officers and employees of the Federal Government, receiving a reduced annuity under the Civil Service Retirement Act, to apply for recomputation and retroactive payment of such annuity.

H.R. 5258. March 20, 1975. Merchant Marine and Fisheries. Establishes the limit of the United States fishery zone at two hundred miles from the inner limit of the territorial sea.

Extends the jurisdiction of the U.S. over fish which originate in United States inland waters to wherever such fish range in the oceans except that jurisdiction does not extend into the fishery or territorial waters of another country.

H.R. 5259. March 20, 1975. Ways and Means. Revises the eligibility requirements for disability benefits and the disability freeze under the Social Security Act by extending eligibility to individuals with 40 quarters of coverage regardless of when they were earned.

H.R. 5260. March 20, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to establish national petroleum reserves on certain Federal lands.

Directs the Secretary of the Interior to explore for oil and gas on Naval Petroleum Reserve Numbered 4.

H.R. 5261. March 20, 1975. Public Works and Transportation. Amends the Public Works and Economic Development Act of 1965 to authorize the Secretary of Commerce to provide funds to the Federal Cochairmen of the economic development regions established under the Act for grants for meeting the social, economic, and environmental impacts of natural resource development, significant changes in Federal Government policies or regulations, or significant shifts in employment opportunities.

H.R. 5262. March 20, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to establish national petroleum reserves on certain Federal lands.

Directs the Secretary of the Interior to explore for oil and gas on Naval Petroleum Reserve Numbered 4.

H.R. 5263. March 20, 1975. Education and Labor. Directs the Bureau of Labor Statistics to prepare a monthly Consumer Price Index for the Elderly. Directs the Secretaries of Health, Education, and Welfare, Defense, and State; the Chairmen of the Civil Service Commission, Board of Directors of the Tennessee Valley Authority, and Board of Governors of the Federal Reserve System; the Director of the Central Intelligence Agency; and the Commissioner of the District of Columbia to study and investigate any legislative and administrative action necessary for utilizing such an index in the administration of certain retirement programs.

H.R. 5264. March 20, 1975. Interstate and Foreign Commerce. Directs the Secretary of Health, Education, and Welfare, under the Public Health Service Act, to carry out a program to develop information and educational materials relating to vitiligo. Authorizes the Secretary to make grants and enter into contracts with public and nonprofit private entities for projects for research and training in the diagnosis, treatment, and control of vitiligo.

H.R. 5265. March 20, 1975. Interstate and Foreign Commerce. Directs the Secretary of Health, Education, and Welfare, under the Public Health Service Act, to carry out a program to develop information and educational materials relating to vitiligo. Authorizes the Secretary to make grants and enter into contracts with public and nonprofit private entities for projects for research and training in the diagnosis, treatment, and control of vitiligo.

H.R. 5266. March 20, 1975. Agriculture. Prohibits the Secretary of Agriculture, when promulgating rules, orders, and regulations under the Agricultural Marketing Act of 1946, from making any changes in the grade designations or specifications for grades in the standards for slaughter cattle or carcass beef which has the effect of raising the grade of any cattle or carcass beef.

H.R. 5267. March 20, 1975. Ways and Means. Amends the Internal Revenue Code by increasing the Federal estate tax exemption.

H.R. 5268. March 20, 1975. Judiciary. Standards of Official Conduct. Requires lobbyists to: (1) register with the Federal Election Commission; (2) make and retain certain records; and (3) file reports with the Commission regarding their activities.

Requires certain officials of the executive branch to record their communications with lobbyists.

Repeals the Federal Regulation of Lobbying Act.

H.R. 5269. March 20, 1975. Post Office and Civil Service. Requires that certain financial information be included in any mailed solicitation for charitable contributions. Requires that the Postal Service be furnished by the solicitors with the necessary documents to verify the information enclosed with charitable solicitations.

H.R. 5270. March 20, 1975. Public Works and Transportation. Authorizes the construction of an auxiliary navigation channel to modify the McClellan-Kerr Arkansas River navigation system in Oklahoma.

H.R. 5271. March 20, 1975. Judiciary. Amends the Voting Rights Act of 1965 by increasing to twenty years the time period during which a declaratory judgment that no voting test or device has been used to abridge the right to vote on account of race or color may not issue in a case brought by a State or local political subdivision.

Stipulates that no citizen shall be denied, because of his failure to comply with any test or device, the right to vote in any Federal, State, or local election.

H.R. 5272. March 20, 1975. Interstate and Foreign Commerce. Authorizes appropriations for fiscal years 1976 and 1977 for purposes of the Noise Control Act of 1972.

H.R. 5273. March 20, 1975. Judiciary. Amends the Immigration and Nationality Act to grant alien children adopted by unmarried United States citizens the same immigrant status as alien children adopted by married United States citizens.

H.R. 5274. March 20, 1975. Agriculture. Authorizes the Secretary of Agriculture to pay compensation for beef cattle, dairy cattle, swine, poultry, eggs, milk, and dairy products at a fair market value to producers who are advised that their animals or products cannot be marketed because such animals or products contain residues of Polybrominated Biphenyl, unless such producer willfully failed to follow procedures prescribed for the use of such substance.

H.R. 5275. Ways and Means. Amends the Internal Revenue Code to allow tax exempt industrial development bonds to be issued to finance recycling facilities.

H.R. 5276. March 20, 1975. Ways and Means. Amends the Old-Age, Survivors, and Disability Insurance provisions of the Social Security Act by (1) authorizing the replacement of lost, stolen or undelivered benefit checks; and (2) revising the procedure for making administrative determinations of entitlement to benefits.

H.R. 5277. March 20, 1975. Education and Labor. Amends the National School Lunch and Child Nutrition Acts to (1) extend appropriations for various programs; (2) extend the school breakfast program; (3) revise guidelines for the administration of various programs under the Acts; and (4) redefine terms used in the Acts.

H.R. 5278. March 20, 1975. Interstate and Foreign Commerce. Amends the Uniform Time Act of 1966 to provide that daylight saving time shall begin on the last Monday of May and end on the first Monday of September.

H.R. 5279. March 20, 1975. Interstate and Foreign Commerce. Amends the Emergency Petroleum Allocation Act of 1973 to prohibit the President from increasing the price of certain crude oil by more than one dollar per barrel per year.

H.R. 5280. March 20, 1975. Ways and Means. Amends the Social Security Act to establish a Special Advisory Council on Social Security Financing to study replacing the present system of financing Old-Age, Survivors, and Disability Insurance with one in which benefits are paid from accrued interest.

H.R. 5281. March 20, 1975. Armed Services. Directs the Secretary of Defense to continue to operate and maintain the commissary stores of the agencies of the Department of Defense.

H.R. 5282. March 20, 1975. Veterans' Affairs. Allows the widow of a veteran to remarry after age 60 without losing her veterans' dependency and indemnity compensation.

H.R. 5283. March 20, 1975. Education and Labor. Amends the Black Lung Benefits Act by defining work in certain coke oven areas as employment of a miner in an underground coal mine. Creates a rebuttable presumption after 25 years and an irrebuttable presumption after 35 years of employment in underground coal mines that a miner is totally disabled due to pnuemoconiosis, or that he was totally disabled at the time of his death or his death was due to pneumoconiosis. Amends certain procedural aspects of the Federal Coal Mine Health and Safety Act of 1969.

H.R. 5284. March 20, 1975. Ways and Means. Amends the Social Security Act to prohibit termination of widows, widower's or parent's insurance benefits if the recipient remarries.

H.R. 5285. March 20, 1975. Banking, Currency, and Housing. Establishes the Federal Housing Administration as an independent Federal agency. Stipulates that standard risk programs under the National Housing Act shall be administered by such agency.

H.R. 5286. March 20, 1975. Ways and Means. Amends the Internal Revenue Code to authorize real property to be valued for estate tax purposes at its value as farmland, woodland, or open land rather than at its fair market value.

H.R. 5287. March 20, 1975. Public Works and Transportation. Amends the Federal Water Pollution Control Act to allow the Administrator of the Environmental Protection Agency to accept State certification as discharging his responsibilities under certain provisions for the development and construction of adequate waste treatment facilities

H.R. 5288. March 20, 1975. Ways and Means. Directs the Secretary of the Treasury to conduct a study of how inflation has increased the Federal income tax liabilities of certain individuals.

H.R. 5289. March 20, 1975. Ways and Means. Interstate and Foreign Commerce. Directs the Secretary of the Treasury to determine the dollar amount of petroleum which may be imported annually. Directs the Administrator of the Federal Energy Administration to regulate petroleum importation and the allocation of imported petroleum among domestic refiners.

H.R. 5290. March 20, 1975. Judiciary. Amends the Immigration and Nationality Act to permit the adoption of more than two alien children by a United States citizen.

H.R. 5291. March 20, 1975. Banking, Currency and Housing. Ways and Means. Regulates certain interest-bearing deposit accounts under the Banking Act, the Federal Reserve Act, the Federal Deposit Insurance Act, the Federal Home Loan Bank Act, and the National Housing Act. Specifies reserve, credit, and investment regulations under the Federal Reserve Act, the Home Owner's Loan Act, and the Federal Home Loan Bank Act. Regulates the functions of Federal thrift institutions under the Home Owners' Loan Act and the National Housing Act. Amends the Federal Credit Union Act to expand the functions of such institutions. Establishes the National Credit Union Administration Discount Fund to meet liquidity problems of credit unions.

H.R. 5292. March 20, 1975. Judiciary. Amends the Gun Control Act of 1968 to increase the penalties for the use of a firearm to commit certain felonies.

H.R. 5293. March 20, 1975. Rules. Amends the Congressional Budget Act of 1974 (1) to provide that Federal revenues and outlays shall not exceed Federal revenue and budget outlay limits, with specified exceptions, and (2) to require that, when they are introduced, all bills or joint resolutions contain a "fiscal note" disclosing the fiscal impact of the bill on Government finances.

H.R. 5294. March 20, 1975. Rules. Amends the Congressional Budget Act of 1974 (1) to require that Federal revenues and outlays not exceed Federal revenue and budget outlay limits with specified exceptions, and (2) to require that when they are introduced, all bills or joint resolutions shall contain a "fiscal note" disclosing the fiscal impact of the bill on Government finances.

H.R. 5295. March 20, 1975. Agriculture. Revises the eligibility requirements for food coupons under the Food Stamp Act of 1964 to exclude individuals who receive one-half of their income from an individual who is not eligible for food coupons.

H.R. 5296. March 20, 1975. Education and Labor. Amends the Higher Education Act of 1965 to require that institutions of higher education and vocational schools, in order to be eligible for purposes of federally assisted student loans, establish a policy of tuition refunds for students who withdraw.

H.R. 5297. March 20, 1975. Education and Labor. Amends the Occupational Safety and Health Act of 1970 by authorizing the Administrator of the Small Business Administration to render onsite construction and advice to certain small business employers to assist such employers in complying with the health and safety standards of the Act.

H.R. 5298. March 20, 1975. Ways and Means. Amends the Internal Revenue Code to impose an excise tax on every passenger automobile sold by the manufacturer whose fuel consumption falls below a stipulated fuel economy standard.

Directs the Secretary of Transportation to establish test procedures for determining the fuel consumption rate for each new automobile subject to this tax.

H.R. 5299. March 20, 1975. Ways and Means. Amends the Internal Revenue Code to require the Secretary of the Treasury to report to the Joint Committee on Internal Revenue Taxation the specific criteria and procedures used to audit returns and to report certain information regarding audits completed in the previous twelve months.

H.R. 5300. March 20, 1975. Public Works and Transportation. Establishes within the General Services Administration a police force to be known as the Federal Protective Service, to enforce laws and regulations in public buildings and other areas under the jurisdiction of the General Services Administration.

H.R. 5301. March 20, 1975. Banking, Currency and Housing. Repeals the provisions of the Flood Disaster Protection Act of 1973 which require communities and individuals in flood prone areas to participate in the national flood insurance program in order to be eligible for Federal financial assistance.

H.R. 5302. March 20, 1975. Government Operations. Establishes the Office of Inspector General in the Department of Health, Education, and Welfare, for the purpose of investigating any program administered by such department.

H.R. 5303. March 20, 1975. Government Operations. Establishes in the Department of Health, Education, and Welfare the Office of Inspector General to investigate each program which is administered by the Department. Stipulates that the Inspector General shall be appointed by the President, by and with the advice and consent of the Senate.

H.R. 5304. March 20, 1975. Banking, Currency and Housing. Establishes a Federal Housing Bank (1) to purchase certain mortgages from the Federal Mortgage Association and the Federal Home Bank System, (2) to refinance certain mortgages of families stricken by unemployment, and (3) to provide emergency mortgage relief.

H.R. 5305. March 20, 1975. Armed Services. Prohibits any notation on an Armed Forces discharge certificate which indicates the conditions under which a former member was separated. Specifies conditions under which an enlisted member may be granted an other than honorable discharge. Directs the Secretary of each armed force, after consultation with the Administrator of Veterans' Affairs, to establish regional discharge review boards.

H.R. 5306. March 20, 1975. Armed Services. Prohibits any notation on an Armed Forces discharge certificate which indicates the conditions under which a former member was separated. Specifies conditions under which an enlisted member may be granted an other than honorable discharge. Directs the Secretary of each armed force, after consultation with the Administrator of Veterans' Affairs, to establish regional discharge review boards.

H.R. 5307. March 20, 1975. Armed Services. Prohibits any notation on an Armed Forces discharge certificate which indicates the conditions under which a former member was separated. Specifies conditions under which an enlisted member may be granted an other than honorable discharge. Directs the Secretary of each armed force, after consultation with the Administrator of Veterans Affairs, to establish discharge review boards.

H.R. 5308. March 20, 1975. Interstate and Foreign Commerce. Amends the Emergency Petroleum Allocation Act of 1973 to direct the President to establish a ceiling price of seven dollars per barrel for crude oil produced in the United States. Extends mandatory allocation authority under the Emergency Petroleum Allocation Act of 1973 through June 30, 1981.

H.R. 5309. March 20, 1975. Ways and Means. Amends the Internal Revenue Code to impose a tax upon every passenger automobile sold by the manufacturer, producer, or importer and based on its fuel consumption rate.

Requires the Administrator of the Environmental Protection Agency to determine the fuel consumption rate of all automobiles taxable under this Act, and to make this information available to the public and the Secretary of the Treasury.

H.R. 5310. March 20, 1975. Judiciary. Relieves a certain individual of liability to the United States for a specified sum representing a loss of funds by such individual while a cashier for the United States Public Health Hospital.

H.R. 5311. March 20, 1975. Judiciary. Authorizes claimants to certain lands in Los Angeles County, California, to submit their claims to the United States Court of Claims for adjudication. Specifies the laws under which such claims are to be decided and the disposition of such claims if it is decided they are valid.

H.R. 5312. March 21, 1975. Veterans' Affairs. Extends hospital and medical care to certain persons who served, during World War I or World War II in foreign armed forces that were allies of the United States.

H.R. 5313. March 21, 1975. Banking, Currency and Housing. Amends the Export-Import Bank Act of 1945 and the Trade Reform Act of 1974 to remove certain limitations on credits to be made available for export sales of American goods to the Union of Soviet Socialist Republics.

H.R. 5314. March 21, 1975. Judiciary. Makes it unlawful to refuse to deal with or otherwise discriminate against any person on the grounds of that person's religion when such dealings affect commerce among the States or with foreign nations.

H.R. 5315. March 21, 1975. House Administration. Makes it unlawful (1) to engage in election campaign espionage; (2) to use campaign funds to aid in commission of any offense against the United States or any State and (3) for any campaign employee to withhold information concerning violations of this Act or the Federal Election Campaign Act from the political candidate or political committee chairman for whom he works.

H.R. 5316. March 21, 1975. Ways and Means. Amends the Internal Revenue Code to allow a deduction of the expenses for medical care of a legally adopted child of the taxpayer and of the child's natural mother, in connection with the child's birth, if such expenses are paid by the taxpayer pursuant to an agreement, entered into before the child's birth, between the taxpayer and the child's natural mother.

H.R. 5317. March 21, 1975. Rules. Amends the Impoundment Control Act of 1974 by requiring the President to transmit a special message to Congress before rescinding or reserving any part of any budget authority. Declares that no such rescission shall become effective until Congress has acted on a bill effecting such rescission.

H.R. 5318. March 21, 1975. Ways and Means. Amends the Internal Revenue Code to prohibit the deduction of expenses for attendance at a business convention outside the United States.

H.R. 5319. March 21, 1975. Interstate and Foreign Commerce. Amends the Federal Trade Commission Act to prohibit the Federal Trade Commission from requiring any person, partnership, or corporation to file line of business information with the Commission.

H.R. 5320. March 21, 1975. Public Works and Transportation. Directs the Secretary of the Interior to establish and operate a ferry on Lake Franklin D. Roosevelt in Washington.

H.R. 5321. March 21, 1975. Education and Labor. Establishes a National Employment Relocation Administration in the Department of Labor. Establishes programs of Federal assistance to employees who suffer employment loss through economic dislocations, to businesses threatened with dislocation and to affected communities.

Requires prenotification to affected employees and communities of dislocation of businesses. Provides Federal assistance for job placement and retraining of employees.

H.R. 5322. March 21, 1975. Agriculture. Directs the Secretary of Agriculture to issue orders applicable to persons engaged in the production, processing or marketing of cattle, such orders to provide for or regulate (1) advertising, sales promotion, and consumer education with respect to the use of beef; (2) research on the marketing and distribution of beef; (3) the inspection of the books and records of producers, processors, and marketers of beef; and (4) the establishment of a Beef Board to administer such orders.

H.R. 5323. March 21, 1975. Post Office and Civil Service. Establishes a 1-cent postage rate for postal cards and post cards.

H.R. 5324. March 21, 1975. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to release the names of present or former personnel of the armed services and their dependents to various service organizations recognized by the Secretary for the preparation, presentation, and prosecution of claims under laws administered by the Veterans' Administration.

H.R. 5325. March 21, 1975. Post Office and Civil Service. Redesignates Veterans' Day as November 11.

H.R. 5326. March 21, 1975. Education and Labor. Ways and Means. Amends the Employees Retirement Income Security Act of 1974 by requiring that all private pension plans have the effect of a qualified joint and survivor annuity.

Revises the requirements for a qualified trust under the Internal Revenue Code of 1954 to conform to such amendment.

H.R. 5327. March 21, 1975. House Administration. Reserves a site in the District of Columbia for the future public uses of the Smithsonian Institution.

H.R. 5328. March 21, 1975. House Administration. Authorizes the regents of the Smithsonian Institution to prepare plans for museum support facilities for the care and study of the national collections. Requires such support facilities to be located on federally owned land within the metropolitan area of Washington, D.C.

Authorizes any Federal agency to transfer land under its jurisdiction to the Smithsonian Institution, without reimbursement.

H.R. 5329. March 21, 1975. Education and Labor. Authorizes the Secretary of Labor to grant, under certain circumstances, a limited waiver of the child labor provisions of the Fair Labor Standards Act of 1938 to employers desiring to hire children for the purpose of harvesting crops.

H.R. 5330. March 21, 1975. Post Office and Civil Service. Redesignates Veterans' Day as November 11.

H.R. 5331. March 21, 1975. Banking, Currency, and Housing. Amends the Bank Holding Act of 1956 (1) to require faster action by the Federal Reserve Board and the Comptroller of the Currency or State banking supervisory authorities on applications by bank holding companies for the acquisition of bank holding companies under emergency conditions or when such bank or company is failing, than is taken on applications for acquisition of sound banks; and (2) to authorize bank holding companies to acquire out of State banks or bankholding companies in emergency situations to prevent the failure of such banks or companies.

H.R. 5332. March 21, 1975. Public Works and Transportation. Amends the Disaster Relief Act of 1974 to permit the proceeds of loans made under the Act to be used to construct protective measures to prevent future property damage.

H.R. 5333. March 21, 1975. Ways and Means. Interstate and Foreign Commerce. Amends the Social Security Act by allowing the Secretary of Health, Education, and Welfare to establish a State as one area for which a Professional Standards Review Organization may be designated.

H.R. 5334. March 21, 1975. Public Works and Transportation. Terminates the Airlines Mutual Aid Agreement.

H.R. 5335. March 21, 1975. Education and Labor. Excludes patients residing in and employed by certain State hospitals and institutions from coverage under the Fair Labor Standards Act.

H.R. 5336. March 21, 1975. Judiciary. Prohibits the shipment in interstate commerce of dogs intended to be used to fight other dogs for purposes of sport, wagering or entertainment. Makes it unlawful to participate in preparatory activities for a fight between two or more dogs.

H.R. 5337. March 21, 1975. Ways and Means. Amends the Internal Revenue Code to require a repayment of a certain amount of the Federal excise tax paid on gasoline used in taxicabs.

H.R. 5338. March 21, 1975. Judiciary. Requires establishment of a system for the redress of law enforcement officers' grievances and acceptance of a law enforcement officers' bill of rights by the States and local government units as a condition to receiving grants under the Omnibus Crime Control and Safe Streets Act of 1968.

H.R. 5339. March 21, 1975. Judiciary. Amends the Immigration and Nationality Act to make it unlawful for persons to knowingly employ or refer for employment aliens who have not been lawfully admitted to the United States for permanent residence. Directs the Immigration and Naturalization Service to increase its staff.

H.R. 5340. March 21, 1975. Interstate and Foreign Commerce. Amends the Federal Trade Commission Act to prohibit the application of a per se rule of illegality under the antitrust laws in the case of certain market allocation agreements made as part of a contract for the distribution or sale of trademarked private label food products.

H.R. 5341. March 21, 1975. Agriculture. Transfers all functions of the Secretary of Agriculture under the Food Stamp Act of 1964 to the Secretary of Health, Education, and Welfare.

H.R. 5342. March 21, 1975. Post Office and Civil Service. Reduces retirement benefits for Members of Congress who remain in office after attaining 70 years of age.

H.R. 5343. March 21, 1975. Interior and Insular Affairs. Authorizes additional appropriations for the continuance of civil government for the Trust Territory of the Pacific Islands. Authorizes appropriations to aid in the transition of the Mariana Islands District to the status of a U.S. territory.

H.R. 5344. March 21, 1975. Ways and Means. Amends the Social Security Act by eliminating the waiting period for entitlement to Medicare benefits on the basis of disability.

H.R. 5345. March 21, 1975. Judiciary. Amends the Copyright Act of 1909 to extend exclusive rights with respect to copyrighted sound recordings to include performance in public for profit. Establishes a system of compulsory licensing and royalties for public performance of sound recordings.

H.R. 5346. March 21, 1975. Rules. Amends the Impoundment Control Act of 1974 by requiring the President to transmit a special message to Congress before rescinding or reserving any part of any budget authority. Declares that no such rescission shall become effective until Congress has acted on a bill effecting such rescission.

H.R. 5347. March 21, 1975. Education and Labor. Amends the Higher Education Act of 1965 to (1) extend appropriations for various student financial aid programs for postsecondary education; (2) change the level of appropriations for the programs; (3) revise standards for eligibility under such programs; (4) change the criteria to be utilized for the allotment of money to States for State Student Incentives; (5) require institutions of higher education to establish a tuition refund policy in order to be eligible for assistance under this Act; and (6) include veterans in the special programs for disadvantaged students.

H.R. 5348. March 21, 1975. Ways and Means. Amends the Internal Revenue Code of 1954 by allowing an individual who is 65 years of age or older to elect to exempt his income from Social Security taxes.

Amends the Social Security Act by redefining employment and self-employment to exclude service performed by an individual who is 65 years of age or older who has elected to exempt the income derived from such service from Social Security taxes.

H.R. 5349. March 21, 1975. Ways and Means Interstate and Foreign Commerce. Exempts, temporarily, certain rural hospitals from the professional standards review, utilization review, and utilization control requirements imposed by the Social Security Act on hospitals participating in the Medicare, Medicaid, and Maternal and Child Health Services programs.

Directs the Secretary of Health, Education, and Welfare to study alternative methods of utilization review and utilization control for rural hospitals

H.R. 5350. March 21, 1975. Post Office and Civil Service. Requires notice to be given by the heads of executive agencies to the Congress of certain proposed actions affecting Federal civilian employment.

H.R. 5351. March 21, 1975. Agriculture. Defines the terms "intermediate handler" and "common carrier", under the Animal Welfare Act of 1970. Prohibits the delivery of transportation (1) of all animals without an accompanying certificate of sound health issued by a certified veterinarian; (2) of certain animals if they are less than eight weeks old; and (3) of any animal whose cost or whose cost of transportation is to be paid upon delivery to the consignee. Prohibits any person from knowingly sponsoring or attending a dog or animal fighting venture.

H.R. 5352. March 21, 1975. Banking, Currency and Housing. Repeals the Real Estate Settlement Procedures Act.

H.R. 5353. March 21, 1975. Rules. Amends the Congressional Budget Act of 1974(1) to require that Federal revenues and outlays not exceed Federal revenue and budget outlay limits with specified exceptions, (2) to require that when they are introduced, all bills or joint resolutions shall contain a "fiscal note" disclosing the fiscal impact of the bill on Government finances.

H.R. 5354. March 21, 1975. Ways and Means. Amends the Internal Revenue Code to allow the determination of excludability of any disability pension payment to an individual to be made without regard to whether or not such individual has reached retirement age.

H.R. 5355. March 21, 1975. Education and Labor. Amends the national School Lunch and Child Nutrition Acts to (1) extend appropriations for various programs; (2) extend the School Breakfast Program and the Special Supplemental Food Program; (3) authorize the Secretary of Agriculture to make grants for Food Service Programs in institutions providing day care; (4) revise guidelines for the administration of various programs under the Acts; (5) redefine terms used in the Acts; and (6) authorize funding for nonfood assistance for the Summer Food Program and the Special Food Service Program.

H.R. 5356. March 21, 1975. Veterans' Affairs. Requires the Administrator of Veterans' Affairs to pay pension benefits to each veteran who served in the active military, naval, or air service at any time during World War I and who is otherwise not eligible for pension or to the widow and children of such veteran.

H.R. 5357. March 21, 1975. Interstate and Foreign Commerce. Amends the International Travel Act to authorize appropriations to the Secretary of Commerce for the promotion of tourist travel.

H.R. 5358. March 21, 1975. Interstate and Foreign Commerce. Authorizes additional appropriations under the Federal Railroad Safety Act and the Hazardous Materials Transportation Act.

H.R. 5359. March 21, 1975. Interstate and Foreign Commerce. Empowers the Attorney General, the Secretary of tSate, and the Secretary of Health, Education, and Welfare to execute the obligations of the United States under the international treaty entitled the "Convention of Psychotropic Substances" which is designed to establish suitable controls over manufacture, distribution, transfer, and use of certain psychotropic substances. Stipulates that the Comprehensive Drug Abuse Prevention and Control Act of 1970 is the appropriate framework for control of psychotropic substances.

H.R. 5360. March 21, 1975. Interstate and Foreign Commerce. Amends the War Claims Act of 1948 to increase detention benefits for American civilian internees in Southeast Asia.

H.R. 5361. March 21, 1975. Interstate and Foreign Commerce. Authorizes appropriations for the Consumer Product Safety Commission through September 30, 1978. Amends various jurisdictional, administrative, and technical provisions of the Poison Prevention Packaging Act, the Federal Hazardous Substances Act, and the Consumer Product Safety Act.

H.R. 5362. March 21, 1975. Ways and Means. Amends the Internal Revenue Code to increase the estate tax exemption, and to increase the estate tax marital deduction.

Permits the executor of an estate to elect an alternate valuation of certain lands used for farming, woodland or scenic open space.

H.R. 5363. March 21, 1975. Armed Services. Requires that certain proceeds from the disposition of lands within the naval petroleum reserves be made available to States where such lands are located.

H.R. 5364. March 21, 1975. Armed Services. Authorizes the President to appoint a certain member of the U.S. Navy Reserves Retired to the grade of rear admiral.

H.R. 5365. March 21, 1975. Post Office and Civil Service. Authorizes the allowance of creditable service for civil service retirement purposes to individuals for service with certain international organizations.

H.R. 5366. March 22, 1975. Ways and Means. Redefines "income" for the purposes of determining eligibility for, and the amount of Old-Age, Survivors, and Disability Insurance benefits under the Social Security Act. Increases the amount of outside income which an individual may receive without a reduction in Old-Age, Survivors and Disability Insurance benefits.

H.R. 5367. March 22, 1975. Ways and Means. Amends the Internal Revenue Code to disallow certain tax incentives where there is a plant closing in a high unemployment area or where certain corporations are liquidating, selling stocks and assets or reorganizing.

H.R. 5368. March 24, 1975. Ways and Means. Excludes from gross income a limited amount of income representing the excess of the net long-term capital gain for the year over the net short-term capital loss from the sale or exchange of a security for taxpapers other than a corporation.

H.R. 5369. March 24, 1975. Ways and Means. Excludes general and cost-of-living increases in Old-Age, Survivors and Disability Insurance benefits under the Social Security Act from income for the purpose of determining an individual's eligibility for any federally funded State program.

H.R. 5370. March 24, 1975. Education and Labor. Directs the Comptroller General of the United States to conduct a study of the provisions of State unemployment compensation laws relating to availability for work or refusal to accept work to determine whether such provisions are effective in preventing individuals who refuse to accept suitable offers of employment from receiving unemployment compensation.

H.R. 5371. March 24, 1975. Ways and Means. Amends the Internal Revenue Code to increase the Federal estate tax exemption.

H.R. 5372. March 24, 1975. Agriculture. Directs the Commodity Futures Trading Commission to establish and maintain a program designed to regulate the activities of brokers who engaged in forward contracting for agricultural crops by requiring the registration of such brokers with the Commission.

H.R. 5373. March 24, 1975. Post Office and Civil Service. Prohibits any employee of an executive agency from requesting or receiving from Federal officials or employees anything of value for political purposes. Allows any such employee to make voluntary contributions to political campaigns. Permits employees of Federal executive agencies or the District of Columbia government to participate in political management or in political campaigns.

H.R. 5374. March 24, 1975. Ways and Means. Amends the Social Security Act to include optometrists' services and medical vision care under the Medicare supplementary medical insurance benefits program.

H.R. 5375. March 24, 1975. Ways and Means. Amends the Social Security Act to include optometrists' services and medical vision care under the Medicare supplementary medical insurance benefits program.

H.R. 5376. March 24, 1975. Ways and Means. Includes the services of clinical psychologists under the coverage of the Medicare supplementary medical insurance program of the Social Security Act.

H.R. 5377. March 24, 1975. Ways and Means. Includes the services of clinical psychologists under the coverage of the Medicare supplementary medical insurance program of the Social Security Act.

H.R. 5378. March 24, 1975. Judiciary. Amends the Sherman Act by declaring unlawful any agreement between a labor organization and an employer whereby such employer agrees to boycott any product which is distributed in interstate or foreign commerce.

H.R. 5379. March 24, 1975. Judiciary. Amends the Gun Control Act of 1968 to increase the penalties for the use of a firearm or a cutting or stabbing weapon to commit a felony or the carrying of such weapons during the commission of a felony.

H.R. 5380. March 24, 1975. Banking, Currency and Housing. Authorizes and directs the Secretary of Housing and Urban Development to make repayable emergency mortgage relief payments on behalf of distressed homeowners.

H.R. 5381. March 24, 1975. Interstate and Foreign Commerce. Amends the Emergency Jobs and Unemployment Assistance Act of 1974 to authorize a health insurance benefits program for unemployed individuals, if they would have had such benefits from their prior employer, for their dependent spouse, and for their dependent children. Directs the Secretary to enter into contracts with insurance carriers who will provide such insurance benefits.

H.R. 5382. March 24, 1975. Banking, Currency and Housing. Establishes the Homeowners Loan Corporation and authorizes such Corporation to issue bonds.

Establishes the Corporation to acquire mortgages and other liens secured by real estate in exchange for its bonds in any quarter during which the foreclosure rate reaches a predetermined level.

Authorizes the Corporation to exchange advances to a homeowner whose mortgagor will not accept the Corporations bonds.

Authorizes the Corporation to exchange bonds and advance cash to recover property lost through foreclosure within two years prior to such exchange or advance.

H.R. 5383. March 24, 1975. Government Operations. Prohibits Federal agencies from purchasing, hiring, leasing, operating or maintaining limousines, and from employing chauffeurs to operate such limousines, except for certain designated Federal officers.

H.R. 5384. March 24, 1975. Interstate and Foreign Commerce. Phohibits the United States Consumer Product Safety Commission from making a ruling or order that restricts the manufacture or sale of firearms, firearm ammunition, or components of firearm ammunition, including blackpowder or gunpowder.

H.R. 5385. March 24, 1975. Government Operations. Prohibits Federal agencies from purchasing, leasing, or maintaining motor vehicles or employing chauffeurs to operate such motor vehicles except for certain designated Federal officials and as permitted by this Act.

H.R. 5386. March 24, 1975. Education and Labor. Amends the National School Lunch Act to continue the special food service program for children through September 30, 1975.

H.R. 5387. March 24, 1975. Education and Labor. Amends the Occupational Safety and Health Act of 1970 to make the Director of the National Institute for Occupational Safety and Health directly responsible to the Assistant Secretary for Health of the Department of Health, Education, and Welfare.

H.R. 5388. March 24, 1975. Merchant Marine and Fisheries. Directs the Secretary of Commerce to require that a minimum percentage of United States oil imports be carried on privately-owned United States flag commercial vessels.

H.R. 5389. March 24, 1975. Judiciary. Amends the Immigration and Nationality Act to make it unlawful to knowingly hire or refer for employment an alien not lawfully admitted to the United States.

Directs that the Immigration and Naturalization Service shall increase its staff.

Requires that employees of the Department of Health, Education, and Welfare disclose to the Immigration Service the names of illegal aliens who are receiving assistance under the Social Security Act.

H.R. 5390. March 24, 1975. Ways and Means. Interstate and Foreign Commerce. Exempts, temporarily, certain rural hospitals from the professional standards review, utilization review, and utilization control requirements imposed by the Social Security Act on hospitals participating in the Medicare, Medicaid, and Maternal and Child Health Services programs.

Directs the Secretary of Health, Education, and Welfare to study alternative methods of utilization review and utilization control for rural hospitals.

H.R. 5391. March 24, 1975. Veterans' Affairs. Requires that certain increases in monthly Social Security or railroad retirement benefits be disregarded by the Administrator of Veterans' Affairs when determining a person's annual income for the purpose of determining the veterans' pension payable to that person.

H.R. 5392. March 24, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to make modifications in contract obligations in connection with the Mirage Flats irrigation project.

H.R. 5393. March 24, 1975. Post Office and Civil Service. Designates the birthday of Susan B. Anthony as a legal public holiday.

H.R. 5394. March 24, 1975. Interior and Insular Affairs. Directs the Secretary of the Interior to study the feasibility of establishing the Hells Canyon National Recreation Area in Idaho and Oregon.

H.R. 5395. March 24, 1975. Interstate and Foreign Commerce. Prohibits the licensing of hydroelectric projects on a certain segment of the Middle Snake River between Idaho and Oregon and Washington, at any time before September 30, 1978.

H.R. 5396. March 24, 1975. Ways and Means.

Amends the Internal Revenue Code to repeal the excise tax on trucks, buses, and tractors, and parts and accessories for such vehicles.

H.R. 5397. March 24, 1975. Post Office and Civil Service. Entitles a Federal employee who is separated from the Civil Service after completing 30 years of civil service work to an annuity regardless of age.

H.R. 5398. March 24, 1975. Banking, Currency and Housing. Authorizes the Secretary of Housing and Urban Development to make repayable emergency mortgage relief payments on behalf of homeowners who are temporarily unable to make their mortgage payments because of current adverse economic conditions.

Requires the Secretary to report to Congress on the state of the home mortgage market in the United States.

H.R. 5399. March 24, 1975. Interstate and Foreign Commerce. Authorizes and directs the Secretary of Transportation to make a loan of $100,000,000 to the Chicago, Rock Island, and Pacific Railroad Company.

H.R. 5400. March 24, 1975. Post Office and Civil Service. Directs the Postmaster general to issue a special postage stamp commemorating the life and work of Doctor Enrico Fermi.

H.R. 5401. March 24, 1975. Ways and Means. Amends the Internal Revenue Code to authorize a deduction by an employee from the income tax for the cost of a uniform or other clothing that is specifically required by a labor union as a condition of membership in such union.

H.R. 5402. March 24, 1975. Armed Services. Directs the Secretary of each military department to reestablish the excess leave program for legal study for certain commissioned officers.

H.R. 5403. March 24, 1975. Veterans' Affairs. Sets forth the amount of reimbursement which the Administrator of Veterans' Affairs shall pay to the States for furnishing domiciliary, hospital, or nursing home care to eligible veterans who receive such care in State facilities.

H.R. 5404. March 24, 1975. Ways and Means. Interstate and Foreign Commerce. Amends the Social Security Act by abolishing the Professional Standards Review Organizations which were established to review services covered under the Medicare and Medicaid programs.

H.R. 5405. March 24, 1975. Merchant Marine and Fisheries. Amends the Merchant Marine Act by permitting cargo vessels to carry more than sixteen passengers when emergency situations arise.

H.R. 5406. March 24, 1975. Atomic Energy. Directs the Office of Technology Assessment to conduct a comprehensive study of the nuclear fuel cycle.

H.R. 5407. March 24, 1975. Ways and Means. Amends the Internal Revenue Code to tax married and unmarried individuals at the same rate as married individuals filing jointly.

H.R. 5408. March 24, 1975. Ways and Means. Amends the Internal Revenue Code to allow a tax deduction for taxes paid during the taxable year for social security, for railroad retirement programs, and for mandatory retirement contributions by Federal officers and employees.

H.R. 5409. March 24, 1975. Post Office and Civil Service. Redesignates Veterans' Day as November 11.

H.R. 5410. March 24, 1975. Ways and Means. Declares all income tax returns to be confidential, and prohibits the disclosure or inspection of such returns unless specifically authorized by this Act.

H.R. 5411. March 24, 1975. Armed Services. Entitles optometry, podiatry and veterinary officers on active duty in the Army, Navy, Air Force and Public Health Service to special pay on the same basis as medical and dental officers. Revises the special pay structure for such officers.

H.R. 5412. March 24, 1975. Interstate and Foreign Commerce. Amends the Communications Act of 1934 to clarify procedures for consideration of applications for renewal of broadcast licenses. Extends the maximum time of license and license renewal for the operation of any class of station from three to five years.

H.R. 5413. March 24, 1975. Armed Services. Prohibits the production or procurement by any agency of the United States of any delivery system designed to disseminate any binary-type chemical warfare agent.

H.R. 5414. March 24, 1975. Armed Services. Prohibits any notation on an Armed Forces discharge certificate which indicates the conditions under which the member was discharged or released from active duty. Stipulates that any individual discharged from the Armed Forces is eligible for appropriate military and veterans' benefits.

H.R. 5415. March 24, 1975. Veterans' Affairs. Precludes the denial of veterans' benefits to any veteran unless such veteran was discharged or released from active service with a dishonorable discharge.

H.R. 5416. March 24, 1975. Government Operations. Authorizes additional payments by the Federal government to counties in which there is located a national forest or a national grassland.

H.R. 5417. March 25, 1975. Interstate and Foreign Commerce. Amends the Federal Trade Commission Act to exempt from market allocation agreements made as part of a licensing contract for the manufacture, distribution or sale of trademarked foods.

H.R. 5418. March 24, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to construct, operate, and maintain the Cedar Rapids Division of the Pick-Sloan Missouri Basin program in Nebraska.

H.R. 5419. March 24, 1975. Merchant Marine and Fisheries. Requires the Secretary of the department in which the Coast Guard is operating to cause a certain vessel to be documented as a vessel of the United States to engage in the coastwide trade.

H.R. 5420. March 24, 1975. Judiciary. Declares a certain individual eligible for naturalization under the Immigration and Nationality Act.

H.R. 5421. March 24, 1975. Judiciary. Specifies the treatment of a certain individual under the Immigration and Nationality Act.

H.R. 5422. March 25, 1975. Education and Labor. Amends the Comprehensive Employment and Training Act of 1973 to revise the eligibility criteria for units of local government to become "prime sponsors" for purposes of the Act.

H.R. 5423. March 25, 1975. Interstate and Foreign Commerce. Directs the Secretary of Transportation to establish and enforce fuel economy standards for classes of new motor vehicles. Requires automobile manufacturers and dealers to affix labels disclosing fuel economy information. Requires disclosure of such information in advertisements for new motor vehicles.

H.R. 5424. March 25, 1975. Ways and Means. Amends the Internal Revenue Code to impose a tax on new automobiles, based on the rate of fuel consumption.

Directs the Secretary of Transportation under the Automobile Information Disclosure Act to determine the fuel consumption rate for all automobile models, to determine a universal fuel consumption standard, to develop a program for more efficient automobile engines, and to report to Congress on needed legislation.

H.R. 5425. March 25, 1975. Education and Labor. Repeals the Davis-Bacon Act.

H.R. 5426. March 25, 1975. Interstate and Foreign Commerce. Authorizes and directs the Secretary of Transportation to make a loan of $100,000,000 to the Chicago, Rock Island, and Pacific Railroad Company.

H.R. 5427. March 25, 1975. Ways and Means. Amends the Internal Revenue Code to increase the Federal tax exemption.

H.R. 5428. March 25, 1975. Interstate and Foreign Commerce. Establishes, within the Department of Health, Education, and Welfare, a Health Education Administration for the purpose of studying and investigating the status, benefits, and methods of dissemination of health education and information and to make grants to public or nonprofit private entities for the purpose of developing or evaluating specific educational and informational techniques for the dissemination of health information.

H.R. 5429. March 25, 1975. Merchant Marine and Fisheries. Directs the Secretary of the Interior to establish regulations relating to the use of painful, sublethal animal traps for trapping and capturing mammals and birds on all Federal lands. Prohibits the sale, shipment, transport, or carriage of any unapproved trap or of any hide, skin, or feathers taken from a mammal or bird which has been captured by an unapproved trap. Requires once daily inspection of approved traps on Federal lands.

H.R. 5430. March 25, 1975. Ways and Means. Amends the Internal Revenue Code to require an automatic cost-of-living adjustment in the income tax rates, the amount of standard deduction personal exemption, and depreciation deductions, and the rate of interest payable on certain obligations of the United States.

H.R. 5431. March 25, 1975. International Relations. Declares it the sense of Congress that there should be a Deputy Secretary for the Americas in the Department of State.

H.R. 5432. March 25, 1975. Post Office and Civil Service. Prohibits Members of Congress from using the franking privilege for mass mailings during certain periods before elections.

H.R. 5433. March 25, 1975. Interstate and Foreign Commerce. Amends the Clean Air Act to suspend motor vehicle emissions controls in all parts of the United States except for certain designated air quality control regions.

Prohibits the Administrator of the Environmental Protection Agency and the States from enforcing motor vehicle emissions control standards in areas outside designated regions during the suspension period.

H.R. 5434. March 25, 1975. Veterans' Affairs. Specifies that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits.

H.R. 5435. March 25, 1975. Agriculture. Amends the Consolidated Farm and Rural Development Act to authorize the Secretary of Agriculture to make loans for crop losses. Specifies the interest and repayment period for such loans.

H.R. 5436. March 25, 1975. Ways and Means. Amends the Tariff Schedules of the United States to suspend temporarily the duty on the importation of silver nitrate.

H.R. 5437. March 25, 1975. Judiciary. Prohibits the required use of polygraph tests in certain employment situations. Prohibits employment-related reprisals based on an individual's refusal to take a polygraph test.

H.R. 5438. March 25, 1975. Judiciary. Prohibits the required use of polygraph tests in certain employment situations. Prohibits employment-related reprisals based on an individual's refusal to take a polygraph test.

H.R. 5439. March 25, 1975. Education and Labor. Sets forth measures to prevent the interruption of normal shipping between the west coast and Hawaii, Guam, American Samoa, and the Trust Territory of the Pacific during a labor dispute in the west coast longshore or maritime industries.

H.R. 5440. March 25, 1975. Interstate and Foreign Commerce. Amends the Federal Trade Commission Act to exempt from the antitrust laws certain market allocation agreements made as part of a licensing contract for the manufacture, distribution or sale of trademarked foods.

H.R. 5441. March 25, 1975. Agriculture. Authorizes the Secretary of Agriculture to make grants to cities to pay up to 100 percent of the cost of trees and shrubs to be planted under the cities' forestry programs, including programs of cities which provide for the planting of trees on private land.

H.R. 5442. March 25, 1975. Ways and Means. Amends the Internal Revenue Code to allow retired volunteer firemen, or their survivors, to receive pensions or annuities for service without incurring any income tax liability for such pensions or annuities.

H.R. 5443. March 25, 1975. House Administration. Establishes an American Folklife Center in the Library of Congress.

H.R. 5444. March 25, 1975. Education and Labor. Amends the National School Lunch Act to continue the special food service program for children through September 30, 1975.

H.R. 5445. March 25, 1975. Public Works and Transportation. Authorizes the Secretary of the Army to modify the Kaw Dam and Reservoir project in Oklahoma in order to construct and relocate a loop road.

H.R. 5446. March 25, 1975. Merchant Marine and Fisheries. Requires the Secretary of the department in which the Coast Guard is operating to administer and enforce the Convention on the International Regulations for Preventing Collisions at Sea, 1972. Imposes penalties for violation of the Convention.

H.R. 5447. March 25, 1975. Merchant Marine and Fisheries. Increases and extends appropriations for the National Advisory Committee on Oceans and Atmosphere.

H.R. 5448. March 25, 1975. Ways and Means. Entitles individuals who reside in certain public institutions to supplemental security income benefits under the Social Security Act.

H.R. 5449. March 25, 1975. Science and Technology. Authorizes the administrator of the National Aeronautics and Space Administration to conduct a comprehensive research and development program on the forecasting, detecting and monitoring of serious short-term weather phenomena.

Requires the Administrator to plan for and establish an Office of Short-Term Weather Phenomena within the Office of Earth Observations.

H.R. 5450. March 25, 1975. Interior and Insular Affairs. Authorizes the Secretary of the Interior to make grants, loans and loan guarantees to the government of Guam to assist in the construction of educational, sewer, and water facilities.

H.R. 5451. March 25, 1975. Post Office and Civil Service. Authorizes Federal agencies to establish a temporary flexible scheduling program for employees. Stipulates that such flexible scheduling shall be reviewed by the Civil Service Commission and shall become permanent unless disapproved by either House of Congress.

H.R. 5452. March 25, 1975. Judiciary. Amends the Civil Rights Act of 1964 to prohibit discrimination on the basis of affectional or sexual preference.

H.R. 5453. March 25, 1975. Ways and Means. Revises the eligibility requirements for Disability Insurance benefits for blind persons under the Social Security Act. Revises the method of computing the primary insurance amount for blind persons under the Social Security Act.

H.R. 5454. March 25, 1975. Government Operations. Amends the State and Local Fiscal Assistance Act of 1972 to stipulate that taxes received by certain special districts which are not units of local government but which perform municipal services within cities and other units of local government shall be included in the tax effort of such cities and other units, for purposes of determining the amount of assistance to which such city or unit of local government is entitled under the Act.

H.R. 5455. March 25, 1975. Interstate and Foreign Commerce. Amends the Regional Rail Reorganization Act to make the Federal share of a rail service continuation subsidy 90 percent and the State share 10 percent.

H.R. 5456. March 25, 1975. Science and Technology. Directs the Administrator of Energy Research and Development to establish a program of research and development of industrial energy conserving technologies. Authorizes financial assistance in the form of grants and loans for the development and demonstration of such technologies, with special attention to be given to stimulation of depressed industrial areas.

H.R. 5457. March 25, 1975. International Relations. Authorizes appropriations to the Department of State for payment by the United States of its share of the expenses of the United Nations peacekeeping forces in the Middle East notwithstanding existing limitations on contributions to the United Nations.

H.R. 5458. March 25, 1975. Ways and Means. Interstate and Foreign Commerce. Prohibits the importation of petroleum into the United States after October 1, 1975 except in accordance with this Act. Directs the Administrator of the Federal Energy Administration to regulate petroleum importation and the allocation of imported petroleum among domestic refiners.

H.R. 5459. March 25, 1975. Post Office and Civil Service. Redesignates November 11 as Veterans' Day.

H.R. 5460. March 25, 1975. Banking, Currency and Housing. Authorizes the Secretary of Housing and Urban Development to make loans to homeowners and builders to assist them in purchasing and installing solar heating or solar heating and cooling equipment and directs the Secretary to provide individuals with all current information on such equipment upon request.

Defines the types of equipment qualifying for inclusion under the Act.

Directs the Energy Research and Development Administration to (1) establish procedures for inspecting and evaluating solar heating and cooling equipment, (2) review new equipment as developed, and (4) periodically review certifications of such equipment for validity.

H.R. 5461. March 25, 1975. Public Works and Transportation. Amends the Federal Water Pollution Control Act to revise provisions with respect to liability for spills of hazardous substances which are determined to be not removable.

H.R. 5462. March 25, 1975. District of Columbia. Directs the Superior Court of the District of Columbia to amend existing rule 71A(h) of the Rules of the Superior Court to conform to rule 71A(h) of the Federal Rules of Civil Procedure to allow the appointment of a commission to determine the issue of compensation arising in condemnation proceedings.

H.R. 5463. March 25, 1975. Interstate and Foreign Commerce. Establishes the Office of Rural Health within the Department of Health, Education, and Welfare to award grants, and to make contracts, loans, and loan guarantees for projects to examine existing models of rural health care delivery and to assist in the study, planning, development, experimentation, and demonstration of rural health care delivery models.

H.R. 5464. March 25, 1975. Education and Labor. Extends for one year the authorization for emergency public service jobs under the Comprehensive Employment and Training Act of 1973.

H.R. 5465. March 25, 1975. Post Office and Civil Service. Creates a Federal employment preference for certain employees of the Bureau of Indian Affairs of the Department of the Interior and employees of the Indian Health Service of the Department of Health, Education, and Welfare.

H.R. 5466. March 25, 1975. Veterans' Affairs. Authorizes the Administrator of Veterans' Affairs to make grants to States, upon approval of their applications, to assist them in establishing, expanding, or improving veterans cemeteries owned by the State; to pay an amount equal to one-half of the cost of interment for each eligible person and the cost of perpetual care maintenance; and to pay the cost of transportation of a deceased veteran's body for burial in a national cemetery.

H.R. 5467. March 25, 1975. Ways and Means. Interstate and Foreign Commerce. Revises the conditions and limitations applicable to home health services and nursing home care under the Medicare and Medicaid programs of the Social Security Act. Establishes a Home Patient Ombudsman in the Department of Health, Education, and Welfare.

Establishes procedures whereby the Secretary of the Treasury may collect debts owed by individuals to a State for certain medical assistance benefits.

Increases the amount of Federal funds which may be made available to public housing agencies for congregate housing under the United States Housing Act.

H.R. 5468. March 25, 1975. Ways and Means. Interstate and Foreign Commerce. Revises the conditions and limitations applicable to home health services and nursing home care under the Medicare and Medicaid programs of the Social Security Act.

Establishes a Home Health Patient Ombudsman in the Department of Health, Education, and Welfare.

Increases the amount of Federal funds which may be made available to public housing agencies for congregate housing under the United States Housing Act.

H.R. 5469. March 25, 1975. Ways and Means. Declares all income tax returns to be confidential, and prohibits the disclosure or inspection of such returns unless specifically authorized by this Act.

cies.

H.R. 5470. March 25, 1975. Science and Technology. Establishes a program of electric vehicle research and development in the Energy Research and Development Administration. Authorizes the introduction of electric vehicles into fleets used by Federal agencies.

H.R. 5471. March 25, 1975. Banking, Currency and Housing. Establishes a Presidentially-appointed Price Restraint Board to issue standards and guidelines for noninflationary price adjustments.

Authorizes the Board (1) to require prenotification of price increases; (2) to delay proposed price increases; (3) to disapprove proposed price increases; and (4) to roll back excessive prices with respect to companies in industries designated as concentrated industries in accordance with guidelines established by this Act.

H.R. 5472. March 25, 1975. Banking, Currency and Housing. Establishes a Presidentially-appointed Price Restraint Board to issue standards and guidelines for noninflationary price adjustments.

Authorizes the Board (1) to require prenotification of price increases; (2) to delay proposed price increases; (3) to disapprove proposed price increases; and (4) to roll back excessive prices with respect to companies in industries designated as concentrated industries in accordance with guidelines established by this Act.

H.R. 5473. March 25, 1975. Banking, Currency and Housing. Establishes a Presidentially-appointed Price Restraint Board to issue standards and guidelines for noninflationary price adjustments.

Authorizes the Board (1) to require prenotification of price increases; (2) to delay proposed price increases; (3) to disapprove proposed price increases; and (4) to roll back excessive prices with respect to companies in industries designated a concentrated industries in accordance with guidelines established by this Act.

H.R. 5474. March 25, 1975. Banking, Currency and Housing. Establishes a Presidentially-appointed Price Restraint Board to issue standards and guidelines for noninflationary price adjustments.

Authorizes the Board (1) to require prenotification of price increases; (2) to delay proposed price increases; (3) to disapprove proposed price increases; and (4) to roll back excessive prices with respect to companies in industries designated as concentrated industries in accordance with guidelines established by this Act.

H.R. 5475. March 25, 1975. Interstate and Foreign Commerce. Amends the Clean Air Act to require consideration of total environmental, social, and economic impact. Includes provisions to allow individual sources to petition the Administrator of the Environmental protection Agency for variances where environmental benefits do not justify economic and social costs imposed by environmental controls.

H.R. 5476. March 25, 1975. Judiciary. Requires establishment of a system for the redress of law enforcement officers' grievances and acceptance of a law enforcement officers' bill of rights by the States and local government units as a condition to receiving grants under the Omnibus Crime Control and Safe Streets Act of 1968.

H.R. 5477. March 25, 1975. Veterans' Affairs. Specifies that recipients of veterans' pension and compensation will not have the amount of such pension or compensation reduced because of increases in monthly social security benefits.

H.R. 5478. March 25, 1975. Ways and Means. Interstate and Foreign Commerce. Amends the Social Security Act by abolishing the Professional Standards Review Organizations which were established to review services covered under the Medicare and Medicaid programs.

H.R. 5479. March 25, 1975. Banking, Currency and Housing. Authorizes and directs the Secretary of Housing and Urban Development to make repayable emergency mortgage relief payments on behalf of distressed homeowners.

H.R. 5480. March 25, 1975. Ways and Means. Stipulates that the pension or social insurance system of the Trust Territory of the Pacific Islands meets the requirements for an exception to the prohibition contained in the Social Security Act against paying Old-Age, Survivors, and Disability Insurance benefits to certain non-United States nationals residing outside the United States.

H.R. 5481. March 25, 1975. Ways and Means. Amends the Internal Revenue Code to increase the estate tax exemption, and to increase the estate tax marital deduction.

Permits the executor of an estate to elect an alternate valuation of certain lands used for farming, woodland or scenic open space.

H.R. 5482. March 25, 1975. Armed Services. Prohibits the production or procurement by any agency of the United States of any delivery system designed to disseminate any binary-type chemical warfare agent.

H.R. 5483. March 25, 1975. Judiciary. Establishes the Hudson River Compact Commission. Authorizes the Commission to negotiate a compact relating to the preservation and continued use of the lands and waters of the Hudson riverway.

H.R. 5484. March 25, 1975. Interstate and Foreign Commerce. Amends the Federal Trade Commission Act to exempt from the antitrust laws certain market allocation agreements made as part of a licensing contract for the manufacture, distribution or sale of trademarked soft drink products.

H.R. 5485. March 25, 1975. Interior and Insular Affairs. Authorizes the Secretary of Agriculture and the Secretary of the Interior to establish objectives and policies for proposed plans for water yield improvement in certain States. Authorizes grants and loans to assist in the implementation of approved plans in six Southwestern States.

H.R. 5486. March 25, 1975. Education and Labor. Amends the National School Lunch and Child Nutrition Acts to (1) extend appropriations for various programs; (2) extend the School Breakfast Program and the Special Supplementary Food Program; (3) authorize the Secretary of Agriculture to make grants for Food Service Programs in institutions providing day care; (4) revise guidelines for the administration of various programs under the Acts; (5) redefine terms used in the Acts; and (6) authorize funding for nonfood assistance for the Summer Food Program and the Special Food Service Program.

H.R. 5487. March 25, 1975. Interstate and Foreign Commerce. Amends the Solid Waste Disposal Act to require States to develop waste management and resource recovery programs. Establishes minimum Federal criteria for such programs and authorizes the Administrator of the Environmental Protection Agency to approve or modify such plans.

Authorizes grants to the States to assist in the development of such waste control programs.

H.R. 5488. March 25, 1975. Ways and Means. Amends the Internal Revenue Code to subject Federal land banks, Federal land bank associations, and Federal intermediate credit banks to the same taxes imposed on corporations.

H.R. 5489. March 25, 1975. International Relations. Requires the President to transmit all executive agreements to the Senate. Provides that such agreements shall become effective sixty days after transmitted unless the Senate passes a resolution of disapproval.

H.R. 5490. March 25, 1975. Education and Labor. Directs the National Institute of Education to develop curricula concerning the destruction of the European Jewish community by Nazi Germany prior to and during World War II for dissemination to elementary and secondary schools.

H.R. 5491. March 25, 1975. Interstate and Foreign Commerce. Prohibits or restricts the ownership or control by foreign interests of certain issuers of securities, corporations, real estate, or natural resources deemed to be vital to the economic security and national defense of the United States. Establishes the National Foreign Investment Control Commission to supervise and regulate foreign investments in domestic interests.

H.R. 5492. March 25, 1975. Ways and Means. Amends the Social Security Act by allowing an eligible individual to receive both an old-age or disability insurance benefit and a survivors insurance benefit under the Old-Age, Survivors, and Disability Insurance program.

H.R. 5493. March 25, 1975. Agriculture. Authorizes the Secretary of Agriculture, under the Packers and Stockyards Act of 1921, to require insolvent packers to cease and desist from operating and to grant or deny reparations to complainants who are charged with violations under such Act. Grants priority in an insolvency proceeding to debts owed for the purchase of livestock.

H.R. 5494. March 25, 1975. Atomic Energy. Creates as a corporate entity the National Power Resources Authority. Empowers the Corporation to issue bonds, to enter into agreements, and to exercise the power of eminent domain in order to assist in the design, construction, and operation of additional nuclear power facilities.

H.R. 5495. March 25, 1975. Public Works and Transportation. Directs the Secretary of Transportation to enter into such arrangements as may be necessary to carry out a demonstration project in Arkansas for the relocation of railroad lines for the purpose of eliminating highway railroad grade crossings.

H.R. 5496. March 25, 1975. Agriculture. Directs the Secretary of Agriculture to issue orders applicable to persons engaged in the production, processing or marketing of cattle, such orders to provide for or regulate (1) advertising, sales promotion, and consumer education with respect to the use of beef; (2) research on the marketing and distribution of beef; (3) the inspection of the books and records of producers, processors, and marketers of beef; and (4) the establishment of a Beef Board to administer such orders.

H.R. 5497. March 25, 1975. Post Office and Civil Service. Redesignates November 11 as Veterans' Day.

H.R. 5498. March 25, 1975. Armed Services. Prohibits Survivor Benefit Plan deductions for a spouse's annuity from Armed Forces retired pay during those periods when a retiree is not married.

H.R. 5499. March 25, 1975. Judiciary. Amends the Immigration and Nationality Act by revising the criteria under which the Attorney General may adjust the status of certain aliens to that of lawfully admitted.

Makes it unlawful to knowingly hire an alien not lawfully admitted into the United States. Requires that employees of the Department of Health, Education, and Welfare disclose the names of illegal aliens who are receiving assistance under the Social Security Act.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

119. By the SPEAKER: Petition of the Virginia Synod, Lutheran Church in America, Roanoke, Va., relative to assistance to evacuees from Southeast Asia; to the Committee on International Relations.

120. Also, petition of the city council, Boston, Mass., relative to Federal funding for the reconstruction of railroad tracks; to the Committee on Interstate and Foreign Commerce.

SENATE—*Tuesday, May 6, 1975*

The Senate met at 10:30 a.m., on the expiration of the recess, and was called to order by Hon. WILLIAM D. HATHAWAY, a Senator from the State of Maine.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Our Father God, in the hushed silence of this moment we gratefully remember before Thee Thy servant Kenneth B. Keating. We thank Thee for his diplomatic skill, his high service as Congressman, Senator, soldier, and jurist. We thank Thee for his kindness, his humor, his dignity, his courtesy, and his eloquence. In the sacred memory of a great and good life lead us to a deeper dedication of service to this Nation and our fellowman.

We pray now for inner resources, that we may be strong within. We ask not for easy lives, but for adequate lives. We ask not to be free from storms, but to build our lives on foundations that will not fail. Be with us this day and all our days.

We pray in His name who was servant of all. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The legislative clerk read the following letter:

> U.S. SENATE,
> PRESIDENT PRO TEMPORE,
> *Washington, D.C., May 6, 1975.*
>
> *To the Senate:*
>
> Being temporarily absent from the Senate on official duties, I appoint Hon. WILLIAM D. HATHAWAY, a Senator from the State of Maine, to perform the duties of the Chair during my absence.
>
> JAMES O. EASTLAND,
> *President pro tempore.*

Mr. HATHAWAY thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Monday, May 5, 1975, be approved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

VIETNAMESE REFUGEES

Mr. HUGH SCOTT. Mr. President, every now and then an idea comes along that is so appalling as to shock the conscience, so devoid of reality as to cause one to wonder in some awe as to its origins.

A statement was made yesterday of that kind in a proposal that 90 percent of the Vietnamese refugees be sent home. I had not thought the day would come when we would make that kind of statement. I regret that it was made. It shows a complete absence of understanding of the situation.

The statement says:

> The administration has chosen evacuation of nearly 100,000 Vietnamese as a substitute for accommodation in their own country. That policy should be reversed. Ninety percent of the Vietnamese refugees would be better off going back to their own land.

Nearly 700,000 Vietnamese left North Vietnam at one point walking to escape oppression. Those Vietnamese who poured into American planes and aboard American ships, who went into ships of other nations and of their own, who escaped and were received in this country, were not the product of an administration's choice, this administration's choice, to evacuate them as a substitute for accommodation. They left because they were afraid for their lives. They left because they did not want to be killed. Any governmental attempt to send them back would be a people-killing measure and an official sanction by this Government of murder in the first degree.

Now, this is not the way the statement is phrased. It is phrased that they go back if they want to.

To characterize that as other than silly would be kind. In the first place, Ambassador Brown has stated and informed me this morning again that any South Vietnamese who wish to return may do so. They are being asked at the resettlement locations if they wish to return. Their answer is noted in writing.

So far 45 of the 125,000—45 people—have asked to be returned. They were the 45 who were swept into the planes by Thailand soldiery, and whose families are still in Vietnam. Those 45 will be returned.

The people who make these suggestions are also the people who listened to Madame Binh, as other Senators will recall, asserting that nothing will happen to these people.

Well, 2,000 buried in mass graves in Hue will give the lie to that; thousands and thousands of others killed will give the lie to that; the 55,000 executed by Ho Chi Minh in a 4-year period from 1954 onward will give the lie to that; the 80 Cambodian officers above the rank of lieutenant, and their wives, who were recently killed in Cambodia, will give the lie to that.

We read of a horse who won the Derby recently named Foolish Pleasure. I do not know what foolish pleasure can be had from these foolish suggestions, but I hope that Congress and the American people will reject out of hand this kind of foolish approach. There is no pleasure to be had in it, foolish or otherwise.

There is no need for legislation providing for the use of American ships and planes to return any refugees. One plane will take the 45 back. Others can go if they wish.

There are only 35,000 heads of families in this group, and that is the resettlement problem; 125,000 can be taken care of if placement is found for these 35,000 heads of families.

Sixty percent of these refugees are children. When have the American people ever turned their backs on helpless children? What American can look into the face of these children and say, "I will send you back at the risk of death and destruction of your entire future"?

What American can deny the right of a child to live in this country and the right of children to be taken care of? What American could deny the actions of the voluntary agencies that have committed themselves to these programs?

No, Mr. President, this kind of talk shocks the conscience; it is foolish. It ought to be reconsidered.

To make such a statement, in my opinion, is a misfortune. I am sorry it was made. I do not think it will have any more impact than that of a marshmallow on a feather bed, and its chance of passage is about the same as that of a celluloid dog chasing an asbestos cat through hell.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Illinois (Mr. PERCY) is recognized for not to exceed 15 minutes.

VIETNAM REFUGEES

Mr. PERCY. Mr. President, first, I should like to respond to our distinguished minority leader. I think a great deal of what he has said is accurate. This is a Nation of compassion, of understanding and, certainly, we are not going to turn our backs on those who need our help.

I think, however, we have a situation where we have to be discriminating, and where we have to recognize that our degree of responsibility varies in the individual cases.

I think we have a tremendous responsibility to the dependents of Americans whom we have brought out. I would hope those with whom they are being reunited would assume a degree of responsibility now for their care and not just turn to the Federal Government.

We have a tremendous responsibility to those Vietnamese employees of the U.S. Embassy and agencies who worked throughout South Vietnam and closely identified with the United States, whose lives may have been in danger.

There, I think we shall not shirk our responsibility. I would hope, as we offer opportunity to those who wish to return to South Vietnam, that we would also offer an opportunity to those who would like to return to Asia and who would prefer to live there.

I would hope we would turn to countries in Asia where they could live in relative freedom, and I would hope that they also would open their doors to the Vietnamese.

Certainly, I do not feel the same sense of responsibility to the small number who have profited from the war, who made enough money from the war to hire a boat and somehow scramble aboard a U.S. naval vessel.

AMBASSADOR KENNETH KEATING

Mr. PERCY. Mr. President, I am deeply saddened at the passing of Ambassador Kenneth B. Keating. I have long treasured his friendship and admired his public service.

Ken Keating's long and distinguished public career was that of a dedicated and accomplished politician-statesman. He also served his country with distinction in World War I and World War II and received numerous decorations for these duties.

As a Congressman who rose to ranking minority member of the House Judiciary Committee, Ken Keating made a lasting legislative contribution. He will long be remembered for his unceasing efforts to assure equal rights and opportunities for all Americans. Ken Keating went on to represent the State of New York in the U.S. Senate. Here he continued the fight for equality and justice, and was well respected for his strong character and widely popular for his good humor.

After his congressional career and additional service to the people of New York as an associate justice of the New York Court of Appeals, Ken Keating continued his public career as an ambassador, first to India and then to Israel. In both posts he served during difficult times and showed the skill, patience, and dignity of a true diplomat.

I had the pleasure of visiting Ken Keating on numerous occasions during his diplomatic career, both in New Delhi and Tel Aviv. He always showed great insight into the problems and challenges of international relations and I was especially impressed by the depth of his sensitivity toward the people of the host countries. At all times he demonstrated understanding and compassion for their problems.

Ken Keating's last assignment in Tel Aviv was especially challenging. He represented our country there during a crucial period of U.S. relations with the State of Israel and all Middle Eastern nations, and his expertise and advice was most valuable. He was totally dedicated to the cause of peace in the Middle East. His contribution will long be remembered.

Mr. President, I can think of no more fitting tribute to Ken Keating than a renewal of our effort to help bring a just and lasting peace to the Middle East. He lived every day in tireless pursuit of this goal. As we continue our effort to help achieve peace in the Middle East, let us not forget the fine work and joyous spirit of Ken Keating. Our thoughts and our prayers today are with his family, his wife, Mary, and his daughter, Judith.

CUBA: A TIME TO END THE EMBARGO

Mr. PERCY. Mr. President, last fall, September 20, 1974, to be exact, the United States and the other members of the Permanent Council of the Organization of American States voted unanimously to review the economic and political sanctions imposed on Cuba a decade ago.

I welcomed that decision, as did many of my colleagues. I regarded the OAS action as the promising first step toward the normalization of relations within the hemisphere, in general, and between the United States and Cuba, in particular.

The time was ripe: Détente had become the watchword of American foreign policy; relations with the Soviet Union had been improved substantially; and we had successfully reopened the door to China.

Cuba was the logical next step. The economic and political isolation of Cuba, initiated unilaterally by the United States, was never successful despite the fact that 14 OAS nations subsequently joined us and agreed formally to the isolation of the Castro government. In retrospect, the policy backfired; instead of bringing down the Castro regime, it helped to unify the Cuban people in support of their revolutionary leaders. Moreover, it served to increase Cuba's dependency on the Soviet Union and the Communist bloc in general. And, not surprisingly, by the fall of 1974, several OAS members had revised their own policy to isolate Cuba and had restored full diplomatic relations.

All of these considerations led to the encouraging decision of last September to review the sanctions issue. The unanimous vote in favor provided additional encouragement that the policy of isolating Cuba was all but at an end.

Since then, however, progress in the OAS on normalizing relations has been most noticeable by its absence. Somewhat late in the game, the United States announced a "hands-off" policy and our Latin friends, left more or less to their own devices, have been unable to carry the ball on their own.

These were the results—disappointing to say the last—of the Quito Conference held last November. The two-thirds vote required to modify the sanctions failed to materialize, despite earlier assurances to the contrary. After the ballots were tallied, the sponsors of the resolution discovered they were two votes shy of the required two-thirds—12 voted in favor; 3 voted against; and 6 abstained, including the United States.

The next round on the sanctions issue is schedule to take place here in Washington during the OAS General Assembly meeting, which begins May 8. In an effort to overcome the two-thirds rule, it is likely that a move will be made to modify it so that the sanctions can be eliminated by a simple majority vote. This procedural move itself will require a two-thirds vote, but there is a better than 50–50 chance it will be approved.

Mr. President, regardless of what happens on the sanctions issue at the OAS meeting, it is obvious that the time has arrived for the United States to lift its economic embargo against Cuba.

I recommend this course of action despite the appealing argument that as a member of the OAS the United States should support the OAS position. In principle, I agree wholeheartedly, but—in the case of the sanctions issue—this argument is nothing more than a smokescreen:

Sometime before the 1964 OAS sanctions were imposed, the United States had acted unilaterally and had imposed its own sanctions;

Ten OAS members have full diplomatic and trade relations with Cuba:

Worldwide, 80 countries now conduct normal relations with the Castro government; and

The United States itself has, on a selective basis, authorized subsidiaries of U.S. firms to export to Cuba.

Mr. President, even if the sanctions policy was not a mistake initially, the passage of time and intervening events have made it so. The United States, having played such an active role in initiating the sanctions, must accept some responsibility for removing them.

Our own economic embargo against Cuba is the proper place to start. Lifting the embargo will both hasten the normalization process throughout the hemisphere and allow us to initiate meaningful bilateral discussions on a number of major issues including American citizens in jail in Cuba, reunification of families, political prisoners, and expropriated property.

On the normalization issue, Secretary Kissinger recently stated there is "no virtue in perpetual antagonism between the United States and Cuba." Given the issues outstanding between the two governments, I am convinced there is more to be gained by ending the antagonism between us than by continuing it. Lifting our economic embargo now would be the right step in the right direction at the right time.

LEGALIZED ABORTION

Mr. PERCY. Mr. President, I rise today to reaffirm my support for the Supreme Court ruling of January 22, 1973, that assured American women the right to a legal abortion in the first months of pregnancy.

As my colleagues and constituents know, my position on this issue is based on my belief that the decision to terminate a pregnancy in its early stages should remain between a woman and her physician, with as little Government interference as possible. Yet legal abortion has also resulted in advantageous social benefits.

The number of women admitted to hospitals for postabortion treatment has declined. In one San Francisco hospital, such cases decreased by 68 percent in 2 years following abortion reform. Abortion complication cases in one Los Angeles facility declined by 88 percent in 1 year. And statistics from 10 New York City hospitals indicate a 52-percent drop in abortion complications in the first 3 years of legalized abortion.

The citizens of my home State of Illinois have benefitted in a number of ways from the Supreme Court ruling. Since the 1973 ruling, there has been a decline in abortion-related maternal deaths. Last year was the first year in which Illinois did not have a single death of this kind recorded. The availability of legal abortion has allowed nearly all abortions to be performed in the first trimester. Ninety-seven percent of Illinois abortions in 1974 were performed in the first 12 weeks of pregnancy. Only 37, less than one-tenth of 1 percent, of the more than 50,000 legal abortions were performed after 20 weeks of pregnancy.

The availability of legalized abortion has also saved Illinois citizens millions of tax dollars. The Illinois Medicaid program estimates that 10,800 abortions for medically indigent women are paid for by medicaid in 1 year. At $180 per abortion, nearly $2 million of public money is spent for medicaid abortions for 1 year. If those 10,800 pregnancies were brought to term rather than terminated, however, each woman would receive $1,000 worth of prenatal care and delivery services. In addition, mother and child would receive an average of $3,750 for 1 year of welfare payments. Instead of spending $2 million for abortion services, Illinois would spend $51 million for the birth and first year of welfare care alone. If 10,800 new welfare recipients remained on the rolls for 18 years, the cost would be $121.5 billion.

I know that many people feel that the issue of cost-effectiveness has no appropriate place in a discussion involving a basic moral issue as sensitive and personal as abortion. I would point out to those people that the funds saved by not forcing women to bear children they do not want and cannot afford to care for can be used to improve the lives not only of welfare families but of all Americans who benefit from the wide range of publicly subsidized programs, including education, medical research, and health care.

Many Illinoians expressed their opposition to my stance on the abortion issues when I originally formulated it years ago, and some opposition was particularly bitter. Public understanding has been growing however, and it may well be that the majority of my constituents now support the Supreme Court ruling. In 1973, polls in the 2d, 6th, 10th, 14th and 20th Congressional Districts in Illinois found that 52 percent, 72 percent, 72 percent, 60 percent, and 53 percent, respectively, agreed with the ruling. In the 19th District, 76 percent of the men and 67 percent of the women responding also supported the Court's decision. A poll in the 11th District in 1974 showed that 53 percent do not favor amending the Constitution to overturn the Supreme Court ruling, although an earlier poll of the district showed no clear majority view. At the same time, 57 percent of those responding in the Fourth District agreed with the ruling. In the 22d District, 42 percent supported the ruling while 32 percent did not.

Only three of the Illinois polls of which I am aware did not show a clear majority or plurality of support for the Supreme Court ruling. One was the early 11th District poll, one a poll of the 17th District where 59 percent of those responding indicated a desire for States to determine abortion laws, and one in the Third District where 51 percent disapproved the Court decision.

Many of those people who oppose legal abortion hold what I believe is an unrealistically optimistic view of the effects of overturning the Supreme Court ruling. Most of the people who have expressed to me their opposition to legal abortion oppose not just abortion late in pregnancy, not just abortion for "inconvenient" pregnancies, not just abortion paid for by tax dollars. They generally oppose all abortion except when necessary to save the life of the woman. In seeking to amend the Constitution, they seek to prevent virtually all abortions. The evidence, however, indicates that the constitutional amendment they desire would not prevent the practice of abortion in this country; it would simply make abortions more difficult to obtain, more expensive, and more dangerous to the women who would demand them.

The illegality of abortion does not deter those who seek abortion. Before the 1973 Supreme Court ruling overturned restrictive State laws, an estimated 1 million American women annually had abortions, the vast majority of them illegally. In Italy, where there are only one-quarter as many women as in the United States, some groups believe that as many as 3 million women have abortions each year, in spite of religious and, until recently, strict legal prohibitions.

Women who have abortions do not do so, because they prefer abortion to contraception. They do so because of contraceptive failure, because of lack of knowledge, because of rape, or, in some instances, because of badly deformed fetuses. Until fail-safe contraceptive methods are available to all women desiring them, until family planning information is available to all women of childbearing age, until science prevents malformed fetuses, until rapes no longer occur, millions of women will continue to have abortions whether or not they are safe and whether or not they are legal. Prohibiting legal abortion in this country would not halt the practice of abortion as so many would hope. It would simply drive it underground once more, making law breakers of millions of American women and back-alley abortionists of many members of the medical profession.

I have listened carefully to the views of those who oppose legal abortion, and I am impressed by their depth of feeling and utter sincerity. I know that they believe firmly that abortion is murder and that legal abortion will lead to the moral decay of our society because of spreading disrespect and unconcern for the value and dignity of human life.

While I understand that point of view, I respectfully disagree with it. Those who oppose abortion frequently think and speak in terms of "innocent babies" and "unborn children" when in actuality they are talking about zygotes or embryos or fetuses. To call a fetus a baby or a child is no more accurate than calling an acorn an oak tree. To label as murder the removal of tissue the size of a walnut from a woman's body is also in my judgment incorrect. Individuals who mistakenly use such terminology and who display pictures of late term fetuses elicit an emotional but misguided response. Such approaches are not at all helpful in what should be a rational and studied discussion of the issues.

I can also understand the concern of many people who believe that public acceptance of legal abortion will lead to a lack of respect for the lives of the handicapped, the elderly, the unproductive. I believe this view too is unfounded. In my experience, I have found individuals who support legal abortion to be for the most part sensitive, highly moral, and most respectful of human life. Nearly all people have the God-given instinct for the preservation of their own kind and are, therefore, protective of human life. As long as the morality of abortion remains an individual decision, I believe it will not contribute to the moral decay of this Nation. Governments and institutions are not thought of as having morals or sensitivity. Usually their "instinct" is to protect their own power structures. If their function were to protect humanity, there would be no war. They protect their own self-interests which do not always coincide with the interests of humankind in general. Individuals protect morality and humanity. If a general disrespect for human life or for all but perfect specimens of humanity were to become a reality in this country, it would not be because individuals had the power to make personal moral choices but because those individuals had given away their right to make such choices and decisions to an amoral, insensitive, impersonal Government.

There is one other issue to which I would like to address myself today. As I have said, I know how deeply many devoted and dedicated people oppose abortion. I know that if they could assure that abortions were performed only in a small number of very special cases that they would probably do so. I do not believe, however, that the majority of people in this country want to make nearly all abortion illegal, and I do not believe that the proposed constitutional amendments will be accepted. But I do feel, and very strongly, that the immense talents and efforts of those people who now spend so much of their time and money seeking to overturn the Supreme Court ruling are needed for other social welfare work.

I would like to suggest some alternative activities for antiabortion groups which would be of great benefit to our society. The Pekin, Ill., Right to Life Organization has adopted an attitude and a program that I would highly recommend to others. This group states:

> Most women seek abortions because they are in social or economic difficulties. To merely oppose abortion and do no more is not only useless, but frankly immoral. Anyone active in the pro-life movement should be equally as active in a wide variety of social actions. Correcting social injustice is a most important aspect of the entire abortion problem.

I agree that to be for or against legalized abortion is not enough. We all must work to eliminate the widespread need and demand for abortion that currently exists in this country. The Pekin Right to Life group has endorsed a number of projects which I would like to endorse as well, not only for antiabortion groups, but for any group or individual interested in improving human and social welfare. They are:

First. Promote responsible marriage and parenthood education, utilizing an indepth approach to the challenges of marriage.

Second. Make available acceptable family planning techniques to those who desire them.

Third. Provide immediate psychological, legal, and religious counseling for those with unwanted pregnancies.

Fourth. Establish homes for unwed mothers that will allow them to work during pregnancy.

Fifth. Encourage further development of adoptive agencies.

Sixth. Encourage child-care centers.

Seventh. Encourage employers to reinstate employees after maternity leaves.

Mr. President, if as much energy and expense were devoted to correcting the social ills that frequently result in unwanted pregnancies as is currently expended on overturning the Supreme Court ruling and limiting in other ways the availability of legal abortion, I believe that the number of legal abortions could be dramatically and effectively reduced.

Abortion is a reality of life which I believe Americans are capable of handling with sensitivity and maturity. The Supreme Court has given us a framework within which we can and should function with clear conscience.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from New York (Mr. JAVITS) is recognized for not to exceed 15 minutes.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, the time to be charged to the time of Mr. JAVITS.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

KENNETH B. KEATING

Mr. JAVITS. Mr. President, yesterday this body lost a most distinguished former Member, my colleague, Ambassador, and then Senator, Kenneth Keating of New York. He ended a most distinguished career of a highly patriotic New Yorker.

Few men have been permitted so broad a range of public service as Congressman, Senator, judge of our New York State Court of Appeals, and Ambassador as Senator Keating.

Particularly, his service in Israel for the United States was a source of security and reassurance to Israel's people and millions of Americans who are devoted to its mission in the world. It was a proper capstone of a great career, and the Nation has every reason to be proud of the performance of its son, Kenneth Keating.

The personal loss I feel at the passing of so close a friend and long-time colleague is immeasurable.

I take consolation, as his many, many friends may take consolation, in the quality of the life he led and the high public service to our country for which he was responsible.

Mr. President, I ask unanimous consent that various obituaries and other notices be printed in the RECORD.

There being no objection, the material was ordered to be printed in the Record, as follows:

KENNETH KEATING, 74, DIES; U.S. AMBASSADOR TO ISRAEL

(By Edward O'Neill)

U.S. Ambassador to Israel Kenneth B. Keating, 74, died in the Harkness Pavilion of Columbia-Presbyterian Hospital at 11:15 a.m. yesterday. He had entered the hospital on April 15 after having a heart attack.

Keating, who served in two world wars, entered World War I as an enlisted man; he emerged from World War II as a much-decorated brigadier general. He was a six-term upstate congressman from 1946 to 1958, when he bowed to pressure from party leaders to run as an underdog candidate for the U.S. Senate against Manhattan District Attorney Frank S. Hogan. An upset winner, he held that office for only one term, then lost the post to ex-U.S. Attorney General Robert F. Kennedy in the 1964 Johnson landslide.

AMBASSADOR TO INDIA

Later elected as an associate judge of the New York State Court of Appeals, he was appointed Ambassador to India by President Nixon in 1969. In 1973, he was named Ambassador to Israel.

Keating had his heart attack shortly after being recalled here last month by President Ford, along with other mideast U.S. ambassadors, for a reappraisal of U.S. policies in that area following the failure of Secretary of State Henry Kissinger's air shuttle diplomacy to bring about a settlement of the Arab-Israel conflict.

PRESSURE FROM EISENHOWER

Ruddy-faced, silver-haired Kenneth Barnard Keating, who would have celebrated his 75th birthday on May 18, was dragged, kicking and screaming, on to the national scene in 1958 when he reluctantly agreed to accept the Republican nomination for U.S. Senator after heavy pressure from President Eisenhower, Vice President Nixon and Gov. Rockefeller.

Up to that time an effective, but relatively unknown upstate Congressman, Keating made the run as a big underdog in what was thought to be a Democratic year. However, he won an upset victory by only 81,000 votes as a result of a sharp split in the Democratic Party over the asserted "boss-dictated" nomination of his opponent, Manhattan District Attorney Frank S. Hogan.

Although Keating quickly established himself in the Senate as an outspoken expert on national and international affairs, he was destined to serve only one term when his political career collided with the national ambitions of former Attorney General Robert F. Kennedy.

After a spirited campaign which drew national attention, Kennedy benefitted from the 1964 Johnson landslide and defeated Keating by 750,000 votes, although he ran far behind the Johnson vote total in New York State.

In 1965, Keating was tapped by the GOP to run for associate judge of the New York State Court of Appeals—the state's highest court—won and held that post until 1969 when President Nixon appointed him ambassador to India.

Keating was named Ambassador to Israel in 1973, a much-heralded move since he was known as a warm friend of that nation throughout his public life.

Keating had his heart attack on April 15 after being called back to the United States with other mideast U.S. ambassadors to participate in President Ford's reassessment of American policies in the area following the breakdown of Secretary of State Henry Kissinger's shuttle peace efforts.

Keating was born in Lima, N.Y., on May 18, 1900.

Keating's wife of 40 years, the former Louise De Puy, died in 1968. They had a daughter, Judith, who is now married and living in New Jersey with Keating's two grandchildren. In June 1974, Keating was wed a second time, to Mary Pitcairn, a widow.

TRIBUTE FROM KISSINGER

Secretary of State Henry Kissinger led the series of tributes that followed the announcement of Keating's death. Kissinger said in Washington, "This country has lost a great public servant and a fine human being."

Sen. Jacob K. Javits, who served with Keating in the Senate, called the ambassador's death "a great personal loss."

Gov. Carey issued this statement: "The passing of Kenneth Keating is a great sadness, ending a brilliant career."

Mayor Beame said, "I am deeply saddened by the passing of Ambassador Keating."

KEATING DIES AT 74; ENVOY, EX-SENATOR

(By Alden Whitman)

Kenneth B. Keating, Ambassador to Israel, former United States Senator from New York and Ambassador to India, died here yesterday at the Harkness Pavilion of the Columbia-Presbyterian Medical Center. He was 74 years old.

The cause of death was not given, but Mr. Keating, who returned from Israel last month to participate in President Ford's reassessment of Mideast policy, was admitted to the hospital April 17 after suffering what was described as a minor heart attack.

Mr. Keating came to diplomacy from Republican politics. The one-time Rochester lawyer served one term in the Senate, from 1959 to 1965, when he lost his re-election bid to Robert F. Kennedy. Previously, he had sat for 12 years in the House of Representatives.

Paying tribute yesterday to Mr. Keating, President Ford called him "an outstanding public servant and an old and valued friend."

"Seldom has one man led a more versatile and more useful public life," Mr. Ford said.

Vice President Rockefeller said that he had "lost a dear friend" and "our nation has lost a great American."

Governor Carey, who served with Mr. Keating in Congress, described the Ambassador as "a warm, delightful person whose great asset was personal, namely his rapport with people."

In another tribute, Secretary of State Kissinger termed Mr. Keating "a great public servant and a fine human being." And the Israeli Ambassador to Washington, Simcha Dinitiz, expressed the sorrow of his Government.

A man of hail-fellow joviality who loved public office and the camaraderie that went with it, Mr. Keating ran a lively embassy in Israel. He entertained frequently and had a constant stream of house guests in his residence in the Tel Aviv suburb of Herzliya.

But he never established a great rapport with the Israeli Government or people. Government officials were said to be skeptical of the quality of his reporting to Washington, and their skepticism, they felt, was borne out when Mr. Kissinger arrived in Israel this spring apparently misinformed on exactly how far domestic politics would permit the Israelis to go in reaching an interim agreement with Egypt on the Sinai.

Mr. Keating attended the marathon negotiating sessions between Mr. Kissinger and the Israelis, usually as a silent observer. During these talks, according to an American correspondent, some tensions appeared to develop between the Secretary and the Ambassador. As a result, it was said, there was a considerable strain between the State Department and the Embassy and the Embassy and the Israeli Government.

No one, however, faulted Mr. Keating as an enthusiastic Ambassador. Affable and active socially, he was often seen at parties in Tel Aviv and Jerusalem. He told friends that the one thing he feared most at his age was idleness, and it was for that reason he had eagerly accepted the ambassadorship when President Nixon offered it after Mr. Keating's return after four years in India.

DROPPED TO LOW POINT

Mr. Keating's years in India were less strained until the last few months of his tenure, when the Nixon Administration "tilted" toward Pakistan in the Bangladesh conflict. United States-Indian relations dropped to a low point in late 1971, when India won the two-week war, which resulted in the transformation of Pakistan's eastern wing into the independent state of Bangladesh.

Substantial American economic aid to India was suspended, and some of New Delhi's ill feeling inevitably rubbed off on Mr. Keating. He was known, however, to have regretted the White House policy and to have urged a more positive approach to India.

Previously, Mr. Keating had charmed the Indians, while raising the eyebrows of more traditional diplomats. One of his unorthodoxies was to call his guests to dinner with a police whistle; another was to barnstorm the country in an embassy Convair, shaking hands, making speeches, holding news conferences.

The fund of goodwill that he accumulated permitted him to be critical of an Indian decision to close five American cultural centers. His no-nonsense remarks raised few hackles because Mr. Keating had, when he was posted to India, expressed support for Prime Minister Indira Gandhi's socialist policies.

"I go to them [the Indians] as a friend and they know that," he once remarked.

After resigning his New Delhi post in mid-1972, Mr. Keating returned to the United States to campaign for the re-election of President Nixon.

In his Senate career, Mr. Keating continued many of the concerns that had engaged him in the House. He served on the Judiciary Committee and the Joint Congressional Committee on Immigration. And he won a round against President Kennedy by being among the first to publicly assert that the Soviet Union was moving missile equipment into Cuba, early in 1962.

A product of upstate New York, Kenneth Barnard Keating was born May 8, 1900, in the village of Lima in Livingston County. He attended the local schools and received his A.B. degree from the University of Rochester at the age of 19. He taught Latin for a year in the Rochester high school and then enrolled in the Harvard Law School, taking his degree in 1923.

ADROIT TRIAL LAWYER

Mr. Keating developed a lucrative legal practice in Rochester, winning a reputation as an adroit trial lawyer. Although he might have sat out World War II because of his age, he insisted on joining the Army. He was commissioned a colonel and served for three years in the China-Burma-India Theater, winning the Legion of Merit with Oak Leaf Cluster, three battle stars and the Order of the British Empire. He left the armed forces as a brigadier general in the Army Reserve.

Returning to Rochester, Mr. Keating was elected to the House in 1946 as a moderate Republican and served on the Judiciary Committee. An irrepressible joiner and, some said, an irrepressible public speaker, he rather quickly became known outside the confines of his district. He repeatedly made news by inviting high-level Government officials to be guests on a semimonthly Sunday television program he put together.

Shrewdly courting both conservatives and liberal voters, Mr. Keating opposed, on the one hand, what he called "socialistic" Federal spending while taking credit, on the other hand, for millions of dollars of defense contracts for his district. He voted for the Truman Doctrine and the Marshall Plan and sponsored a civil rights bill. He also opposed recognition of "Red China," crusaded for the right of the Federal Bureau of Investigation to wiretap "gangsters" and "traitors," wanted passports restricted and proposed legislation nullifying the Supreme Court decisions in a number of civil liberties cases involving criminal justice.

In the field of civil rights for blacks, however, Mr. Keating was generally regarded as liberal and progressive. He was a strong defender of the Supreme Court's desegregation decisions at a time when many of his House colleagues were waffling on the issue.

Running for the Senate in 1958 against the late Frank Hogan, the Democratic nominee, Mr. Keating seemed to many to be a candidate straight from Central Casting. Standing 5 feet 9 inches with military erectness, he had a striking silvery mane, beetling eye-brows, pink cheeks and stemwinder oratorical flourishes. Even though he was not chiseled in marble, he was an obvious model for a sculptor.

Despite union opposition (Mr. Keating had voted conservatively on trade union bills, labor leaders said) he won election without much trouble.

A PROLIFIC SPEAKER

As a Senator, Mr. Keating was a prolific speaker. One tally showed that in 1962 he gave a speech every two days, quite apart from his remarks in the Senate. He continued his conservative-liberal approach to issues, and was a vigorous critic of President Kennedy's Cuban policies.

He said he believed Mr. Kennedy was complacent about Soviet military help to Cuba, and warned of a missile build-up. After the crisis of 1962, which Mr. Keating had seen approaching, he argued that the President had retreated from a strong anti-Castro attitude.

Popular moods shifted in the mid-nineteen-sixties, and Mr. Keating was a man out of his times when he opposed Robert Kennedy for the Senate in 1964. Old-fashioned oratory, membership in scores of fraternal organizations and a sterling record of anti-Communism no longer sufficed to attract votes, especially from Mr. Kennedy, who centered his campaign on urban issues. Mr. Keating lost by 800,000 votes.

He joined the New York law firm of Royall, Koegel & Rogers, and then in 1965 he was elected to the Court of Appeals, New York's highest. He was nearing retirement in 1969 when President Nixon appointed him as envoy to India.

Mr. Keating's first wife, the former Louise Dupuy, died in 1968. Last June he married Mary Pitcairn Davis, a widow, whose husband had been Mr. Keating's classmate at Harvard.

A daughter by his first marriage, Judith K. Howe of Short Hills, N.J., also survives.

AMBASSADOR, SENATOR, JUDGE—KENNETH B. KEATING DIES AT 74

(By Jean R. Hailey)

Kenneth B. Keating, 74, U.S. ambassador to Israel, former U.S. ambassador to India and former U.S. senator from New York, died yesterday in New York.

He had been admitted to the Harkness Pavilion Hospital of the Columbia Presbyterian Medical Center April 17 after he was stricken with what was described at the time as "the mildest form of a heart attack."

Ambassador Keating, who had served in Israel since August, 1973, suffered the attack at the hospital while visiting his daughter, Judith K. Howe, who had undergone minor surgery.

He had been recalled to this country last month to participate in talks on the reassessment of American policy in the Middle East.

Ambassador Keating was a popular figure in Israel.

While serving as ambassador to India from 1969 to 1972, Ambassador Keating was equally popular in that country, while relations between India and this country worsened steadily.

Actually, Ambassador Keating was at odds with the Nixon Administration over its policies toward India and Pakistan during the war in Bangladesh in 1971, when this country opposed the Bangladesh independence movement, while India supported the Bangladesh rebels in their attempt to separate from Pakistan.

A year later, however, Ambassador Keating left his post in India to work for the re-election of former President Nixon.

He said then that he felt Mr. Nixon wanted to improve relations between the two countries and also that he was impressed by the diplomatic initiatives that Mr. Nixon had taken with China and the Soviet Union.

Ambassador Keating, considered a liberal Republican, had served New York as a U.S. representative for 12 years, beginning in 1946. During the last two years, he was ranking Republican member of the House Judiciary Committee.

In 1958, although reluctant, he was persuaded to run for the Senate on an underdog ticket headed by now Vice President Nelson A. Rockefeller, who was seeking New York's governorship. Both won upset victories.

Ambassador Keating's service in Congress ended in 1964, when he was defeated for re-election to his Senate seat by the late Robert F. Kennedy.

He waged what was probably one of the hardest campaigns in his political career, but he took a calculated chance. He withheld support of Sen. Barry Goldwater of Arizona, a conservative running for president on the Republican ticket, and waged his own campaign independent of the national ticket.

During his years in Congress, Ambassador Keating, who had been told more than once that he truly looked like a senator, had been a champion of civil rights, immigration and congressional reform, draft law revisions, crime and narcotics legislation, and a GOP version of health care for the aged under Social Security.

He became best known, however, for his criticism of the Kennedy Administration's handling of the 1962 Cuban arms buildup and subsequent missile crisis.

In a Senate speech on Aug. 31, 1962, he said that Russian ships had landed 1,200 troops in Cuba earlier that month.

In another Senate speech on Oct. 10, 1962, the then Sen. Keating said that construction had already begun on at least six sites in Cuba for launching of intermediate tactical missiles, which could reach either the Panama Canal or the U.S. heartland.

Twelve days later, President John F. Kennedy admitted in a nationwide television address that Russian missiles had been detected in Cuba and declared the quarantine that resulted in the eventual removal of the missiles.

Ambassador Keating never revealed the sources of the information he had received.

In the following statement, President Ford said of Ambassador Keating:

"Ken Keating was an outstanding public servant and an old and valued friend . . . With the conclusion of his congressional years, Ken began another distinguished career, this time as a diplomat, ably representing America as ambassador to both India and Israel . . .

"As U.S. representative to Tel Aviv for the past two years, Ambassador Keating has played a key role in the formulation and execution of our policies in the Middle East. He was known by both Americans and Israelis for his statesmanship, his gentle grace and his commitment to peace."

Yesterday, Israeli Ambassador Simcha Dinitz, in a cable to Ambassador Keating's wife in New York, expressed his country's deep sorrow and described Ambassador Keating as a distinguished servant of his country.

Vice President Rockefeller issued the following statement:

"Our nation has lost a great American. I have lost a dear friend.

"With courage in wartime, with effectiveness in both the House and Senate, with justice on the bench of the highest court of New York State, with diplomatic acumen in India and Israel, Ambassador Keating served this nation and its people brilliantly and tirelessly. His death at this time is a particular loss because of the key role he had been playing in the search for peace in the Middle East"

Secretary of State Henry Kissinger praised Ambassador Keating as a "valued colleague in search for peace in the Middle East. This country has lost a great public servant."

Sen. Jacob K. Javits (R-N.Y.), who had worked closely with Ambassador Keating in the Senate, said:

"The most distinguished career of a highly patriotic New Yorker has ended. Few men have been permitted so broad a range of public service—congressman, senator, judge and ambassador. His service in Israel for the United States was a source of security and reassurance to Israel's people and to millions of Americans."

"He was a man of good humor, good intent, who conducted himself with dignity," said Senate Majority Leader Mike Mansfield (D-Mont.).

Born in Lima, N.Y., Ambassador Keating was a graduate of Genesee Wesleyan Seminary in Lima and of the University of Rochester. He received his law degree from Harvard and began practicing law in Rochester in 1923, maintaining that practice until 1949.

After his defeat for re-election to the Senate and until his appointment to the diplomatic post in India, Ambassador Keating served as an associate justice of the New York Court of Appeals

He was a veteran of both World Wars, serving with the Army as a sergeant in World War I and being recalled to duty as a major in World War II.

He saw duty in the China-Burma-India theater, received numerous decorations including the Legion of Merit with Oak Leaf Cluster and the Order of the British Empire, and received a reserve brigadier general's commission in 1948.

Ambassador Keating, who held honorary degrees from 12 colleges and universities, was a member of numerous organizations, including the American and New York Bar Associations, the American Legion, Veterans of Foreign Wars, Reserve Officers Association, Kiwanis and the Masons.

In addition to his daughter, of Short Hills, N.J., he is survived by his second wife, the former Mary Pitcairn Davis, whom he married last June.

THE INDOCHINA RESETTLEMENT AND HUMANITARIAN ASSISTANCE ACT—S. 1639

Mr. JAVITS. Mr. President, I have the honor today, with the Senator from Rhode Island (Mr. PELL), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Minnesota (Mr. HUMPHREY) to introduce proposed legislation to provide humanitarian and resettlement assistance for Vietnamese and Cambodian refugees.

Mr. President, we are playing out the final moments of a great American and international tragedy that encompasses the destruction of the hopes and aspirations of the millions of Vietnamese and Cambodians for the future of their countries and of freedom. These men and women fought on behalf of a social and political system with which the U.S. Government was allied. They committed their own lives and fortunes to a struggle which our Government identified also as its own. They had every right to assume that within the limits of our policy the American people would stand with them, no matter what the outcome of the 30 years of devastation and war that tore apart the fabric of life all across Indochina, and was responsible for such deep division in our own country.

I believe, Mr. President, that the American people will stand with the survivors of that tragic struggle to give those who chose to leave their homelands our support and assistance, as they attempt to make new lives in a country that has always welcomed the destitute, the unfortunate, and the honest victims of political and social overturn in danger of their lives.

The headlines, Mr. President, that tell the story—"Wide Hostilities Found as First Exiles Arrive"—can be taken only as initial reaction of some among us who point to our recessionary economy as a reason for turning away from those who fought in alliance beside us. I do not believe that after mature reflection, the great majority of the American people will permit their fears to override the tradition of generosity and welcome to regugees that has made this country the beacon of freedom for the 200 years of its life. When that beacon of freedom and welcome is extinguished, the United States will have come close to losing its very reason for being in the first place among nations.

Most of the American people have been immigrants—a great many of them have been refugees. In the course of our own adult lives, the United States has opened its doors to 450,000 displaced persons in the aftermath of World War II—to over 30,000 men and women who fought for freedom in the Hungarian Revolution—to 675,000 Cubans who refused to live under the Castro regime—and nearly 200,000 who chose to leave Eastern Europe for the United States in the early 1950's.

In other words, Mr. President, we have created 1,135,000 new Americans in the 30 years since the end of World War II. They have enriched our national spirit. They have added new and vigorous strains to the national character, and their successors, who have already given so much of themselves in a cause we adopted as our own, will do the very same.

I believe that these last tragic moments, in which 140,000 Vietnamese and Cambodians have fled their homelands to seek safety on our shores, can be the beginning of a great renewal of the American spirit. Mr. President, the American people will want to make Americans out of former allies—to ennoble the record of the over 50,000 soldiers and sailors and marines who gave their lives at the call of our Nation.

It is true that we suffer serious unemployment. It is true also that we wish to wipe away the memories of the long and tragic Vietnamese conflict which has ended in what must be called defeat. It is true that Americans are not used to defeat and that some among us are almost compelled to turn away from former allies because they are a symbol of that loss. But I believe, Mr. President, that most of us are ready to face the realities of the past—to accept its sobering implications—and to face and accept, with grace and strength, the responsibilities of the struggle and its awful conclusion. That goes for those of us who voted yea or nay. We have a collective responsibility. I believe that only by so doing can we rekindle the spirit of candor and the commitment to human dignity that has sparked the American dream into the reality of a great nation and a free people.

In that hope and expectation, I ask the Members of Congress to consider legislation that will provide such sums as may be necessary to see to it that the Vietnamese and Cambodians who need its quality and who wish to resettle in the United States are provided with the essentials of life: housing, food, clothing, job training, and education, and the other bare essentials that will enable them to be absorbed into the American system as productive and happy citizens of their new land. We can never replace the things which they have lost; but we can offer them hope for a future in which all of us can take comfort and pride. We owe it to them, to ourselves, to the United States.

Therefore, Mr. President, on behalf of myself and the Senator from Rhode Island (Mr. PELL), I send a bill to the desk for appropriate reference.

I state to my colleagues that great care has gone into the preparation of this bill, in an effort to deal with such questions as clearance, repatriation, and so forth. But the important point is that we are doing what needs to be done in the dignity and humanity which characterize America.

Mr. President, I ask unanimous consent that the names of the Senator from Connecticut (Mr. RIBICOFF) and the Senator from Minnesota (Mr. HUMPHREY) be added as cosponsors of this bill, if it is agreeable to the Senator from Rhode Island.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I ask unanimous consent that I may yield the remainder of my time to the Senator from Rhode Island.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. Mr. President, I am proud to join the distinguished senior Senator from New York (Mr. JAVITS) in presenting legislation to provide assistance to the thousands of refugees from South Vietnam and Cambodia.

There are two basic justifications for this humanitarian legislation:

First. Providing assistance is the right thing to do.

Second. Providing assistance is a necessity.

We are not dealing here with a theoretical, abstract proposition. We are dealing with tens of thousands of refugees who actually exist. They are human beings who must find new homes in new lands and build new lives. It is not a theoretical question of whether these refugees should have fled their homeland—the reality is that they have. Now—today, tomorrow, and the next day—they must eat, they must have shelter, and they must be resettled. That is why I say the assistance provided by this legislation is a necessity—it recognizes reality. Denying assistance to these refugees will not make the refugees or their problems magically disappear.

This legislation also is the right thing to do. If we have any remaining obligation in Southeast Asia, it is to the refugees from that area. Much as we might like to forget it, the fact is that the United States intervened massively in the struggle in Vietnam in support of the Vietnamese Government. In the course of that intervention, tens of thousands of Vietnamese became closely associated with the United States and its Vietnamese policies and operations. That association placed many of them in the extreme hazard when the Saigon Government collapsed.

President Ford is asking Congress to provide explicit authority for assistance to these refugees who have had to flee their nation. I strongly support President Ford in that request.

With few exceptions, the refugees are persons who fled, not to seek a job or economic advancement abroad, but because they were justifiably afraid they would be killed if they remained in Vietnam.

I propose this legislation to aid Vietnamese refugees as one who long opposed both Democratic and Republican administrations in the U.S. intervention in the disastrous Vietnamese civil war.

I have long proposed that the United States phase out its involvement in Vietnam. And, in 1969, I recognized and stated publicly that the ultimate result might well be a Communist regime in all of Vietnam. I said then that we should face and accept the prospect and the responsibility of providing assistance to thousands of potential refugees from South Vietnam. I believe I was right 6 years ago. And although I opposed U.S. military intervention in Vietnam, I continue to believe today that we have a responsibility to these refugees.

Our Nation committed an estimated $150 billion to the cause of preserving a divided Vietnam, with a non-Communist South Vietnam. I would think that those who supported billions of dollars for U.S. military intervention on behalf of Vietnam would also now support humanitarian assistance for refugees from that area. And I would think that those who, like myself, opposed our military intervention would recognize the obligation our Nation has to provide refugee assistance.

Indeed, after years of division among the American people over nearly every aspect of our policy in Southeast Asia, I would hope that the American people would come together and find a unity of purpose in seeking to write a final, humane chapter to the tragic epic of Vietnam.

There are several additional points which I believe need emphasis in regard to this legislation.

We have heard it suggested that many of the refugees, having fled in an initial panic, would now be better off if they returned to their homeland instead of seeking settlement in another country.

I believe that any of the Vietnamese refugees who decide to return to Vietnam should not only be permitted, but encouraged to do so. However, such a decision must be voluntary and under no circumstances should the United States be a party to any forced repatriation of South Vietnamese refugees.

Second, I am aware that a small minority of these displaced persons may be unprincipled opportunists who are seeking to advance themselves in the midst of tragedy. There undoubtedly are, among the thousands of refugees, some of whose association with the United States in interrogation and penal work we are not proud. But I know, too, that if we seek to exclude such persons from our assistance we will be punishing many tens of thousands of genuinely helpless persons who need and deserve our succor at this time.

I am deeply aware of the cultural and economic problems that so many of these refugees will face in the United States and, for that reason, I am glad that this legislation includes an authorization of funds for transportation of these refugees to other nations to which they might wish to emigrate. Moreover, the lot of a refugee is not a happy one.

Finally, I believe we must confront squarely the argument that we have too many problems here in the United States to contemplate receiving these refugees, or providing assistance to them. I know full well the political force of these arguments. In my own State of Rhode Island, unemployment has now risen to 16.2 percent, and many Rhode Islanders themselves face economic hardship and uncertainty.

It would certainly have been more convenient if this final Vietnamese tragedy had come at a time of economic prosperity in the United States. But history is not arranged to our convenience, and the test of history is how well a nation and a people fulfill their obligations in times of adversity.

I am confident that our American economy will recover its vigor and strength. I hope that when economic prosperity has been regained, we can look back with pride, and not shame or regret, at our treatment of the refugees from Southeast Asia.

As we in the United States enter into the observance of our Bicentennial, it might be well for us to consider how another great world power, Great Britain, handled the refugee problem caused by our own Revolutionary War.

As the American colonies declared their independence and revolted against colonial rule, the British Government realized that it had an obligation to those thousands of residents in the colonies who were loyalists, who opposed the movement for independence, and who, consequently, were subject to prosecution.

The British Government did not turn its back on the Loyalist residents of the colonies, but provided them transportation, land grants, and assistance in building new lives in Canada.

For the English, the American Revolution was not a proud time in the history of Britain, but the British could well be proud that in that time of adversity they did not abandon their Loyalist friends.

The United States is not an empire, and South Vietnam was not our colony, but our obligation to the South Vietnamese is similar. I hope very much that our assistance to the South Vietnamese refugees will be one part of our South Vietnamese involvement that we can in future years look back on with pride.

Mr. TOWER. Will the Senator yield for a question?

Mr. PELL. Certainly.

Mr. TOWER. I commend the Senator on his statement and wish to observe, in connection with what he said about history not being kind enough to allow this to happen in a time of relative prosperity, that during the depths of the depression, we received tens of thousands of immigrants annually into this country at a time when privation and unemployment were in a much worse state than they are now. I like to think that now, with an even larger population and a less severe recession than we had at that time, we shall not turn our backs on our moral and humanitarian responsibilities. I believe this country is big enough, flexible enough, and resilient enough that we can absorb the relatively small number of people that will be thrust on the labor force. It is estimated that perhaps only 35,000 of these people are heads of households. A lot of them are women and children. So it would not occur to me that the impact on the job market will be that great.

Too, I might point out that probably the quality of these refugees is higher than we might be accustomed to ordinarily in these situations, because many of them are people who are trained in various skills or professions. Therefore, in some areas where jobs may be going begging, there might be opportunities for these people.

Mr. PELL. I agree with the Senator from Texas and thank him for his intervention.

I yield the floor.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER (Mr. Morgan). Under the previous order, there will now be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes.

ORDER FOR RECESS UNTIL 10:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10:30 tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Later in the day an order was entered providing that the Senate convene at 11 a.m. tomorrow.)

MESSAGE FROM THE PRESIDENT

A message from the President of the United States was communicated to the Senate by Mr. Heiting, one of his secretaries.

NUCLEAR EXPORTS AND DOMESTIC AND INTERNATIONAL SAFEGUARDS—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. Hathaway) laid before the Senate a message from the President of the United States transmitting a report on U.S. laws and regulations governing nuclear exports and on domestic and international safeguards, which, with the accompanying report, was referred, by unanimous consent, jointly to the Joint Committee on Atomic Energy and the Committee on Banking, Housing and Urban Affairs.

The message is as follows:

To the Congress of the United States:

In accordance with Section 14 of Public Law 93-500, the "Export Administration Amendments of 1974", I am forwarding to the Congress a report on U.S. laws and regulations governing nuclear exports and on domestic and international safeguards. This report considers the effectiveness of such laws and safeguards in preventing the diversion of nuclear capabilities to nonpeaceful purposes.

I have concluded that current laws provide ample authority to control the export and reexport of nuclear-related material, equipment and technology. Nevertheless, existing policies and regulations, are constantly being reexamined and changed as appropriate. Domestic safeguards are under continuing review for the purpose of making them even more effective. The international safeguard system will detect and thus help to deter efforts to divert such materials by other nations.

As the volume of material and the nature of facilities grow in the world, commensurate increases and improvements in the international safeguarding system will be needed. The United States is encouraging the strengthening of international safeguards by aiding and supporting IAEA safeguard development efforts. It is also seeking to enhance physical security through the adoption of an international convention. The U.S. is taking the lead in advocating in-depth physical protection measures necessary to preclude terrorist groups from capturing such material or conducting sabotage activities.

I wish to assure Congress that the prevention of the proliferation of nuclear weapons or the acquisition of nuclear explosive materials for possible nonpeaceful uses is a priority concern in my Administration. Whatever efforts are needed to allow the U.S. and other countries to enjoy the benefits of nuclear power, without fear, will be taken by the Government of the United States.

Gerald R. Ford.

The White House, *May 6, 1975.*

Mr. PASTORE subsequently said: Mr. President, I ask unanimous consent that a message from the President of the United States relative to the export of nuclear materials be referred jointly to the Joint Committee on Atomic Energy and the Committee on Banking, Housing and Urban Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

At 10:32 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House had passed the following bills in which it requests the concurrence of the Senate:

H.R. 1244. An act to establish procedures and regulations for certain protective services provided by the U.S. Secret Service;

H.R. 5158. An act to provide an authorization for an ex gratia payment to the people of Bikini Atoll, in the Marshall Islands of the Trust Territory of the Pacific Islands; and

H.R. 5405. An act to amend the Merchant Marine Act, 1920, in order to permit cargo vessels to carry more than 16 passengers when emergency situations arise.

The message also announced that the House passed the bill (S. 326) to amend section 2 of the Act of June 30, 1954, as amended, providing for the continuance of civil government for the Trust Territory of the Pacific Islands, with an amendment in which it requests the concurrence of the Senate.

At 4:10 p.m, a message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House disagrees to the amendment of the Senate to the resolution (H. Con. Res. 218) entitled "Concurcurent resolution setting forth, on an aggregate basis only, the congressional budget for the United States Government for the fiscal year 1976"; requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. Adams, Mr. Wright, Mr. Ashley, Mr. Giaimo, Mr. Smith of Iowa, Mr. O'Hara, Mr. Gibbons, Mr. Mitchell of Maryland, Mr. Derrick, Mr. Latta, Mr. Broyhill, Mr. Hastings, and Mr. Conable were appointed managers of the conference on the part of the House.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. Hathaway) laid before the Senate the following letters, which were referred as indicated:

REPORT OF THE SECRETARY OF COMMERCE

A letter from the Acting Secretary of Commerce transmitting, pursuant to law, the final report on the National Commission on Fire Prevention and Control (with an accompanying report); to the Committee on Commerce.

REPORT OF THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

A letter from the Secretary of Health, Education, and Welfare transmitting, pursuant to law, an interim report in response to the requirement set forth in Section 405(a)(1) of the Rehabilitation Act of 1973 (with an accompanying report); to the Committee on Labor and Public Welfare.

REPORT OF THE BOARD OF TRUSTEES OF THE FEDERAL OLD-AGE AND SURVIVORS INSURANCE AND DISABILITY INSURANCE TRUST FUNDS

A letter from the board of trustees of the Federal old-age and survivors insurance and disability insurance trust funds transmitting, pursuant to law, the annual report of the board for the year 1975 (with an accompanying report); to the Committee on Finance.

REPORT OF THE BOARD OF TRUSTEES OF THE FEDERAL HOSPITAL INSURANCE TRUST FUND

A letter from the board of trustees Federal hospital insurance trust fund transmitting, pursuant to law, the annual report of the board for 1975 (with an accompanying report); to the Committee on Finance.

Report of the Board of Trustees of the Federal Supplementary Medical Insurance Trust Fund

A letter from the board of trustees of the Federal supplementary medical insurance trust fund transmitting, pursuant to law, the annual report of the board for the year 1975 (with an accompanying report); to the Committee on Finance.

Proposed Amendment to a Concession Contract

A letter from the Deputy Assistant Secretary of the Interior transmitting, pursuant to law, a copy of a proposed amendment to a concession contract on the South Rim of Grand Canyon National Park, Arizona (with accompanying papers); to the Committee on Interior and Insular Affairs.

Proposed Legislation by the Department of Health, Education, and Welfare

A letter from the Secretary of Health, Education, and Welfare transmitting a draft of proposed legislation to extend the date for submission of the report on the statistical survey of the runaway youth population (with accompanying papers); to the Committee on the Judiciary.

Report of the Railroad Retirement Board

A letter from the Chairman of the Railroad Retirement Board transmitting, pursuant to law, the annual report of the Board for the fiscal year ended June 30, 1974 (with an accompanying report); to the Committee on Labor and Public Welfare.

Report of the Student Loan Marketing Association

A letter from the Chairman of the Student Loan Marketing Association transmitting, pursuant to law, the annual report of the Association for the fiscal year ending December 31, 1974 (with an accompanying report); to the Committee on Labor and Public Welfare.

Regulations of the Department of Health, Education, and Welfare

A letter from the Executive Secretary of the Department of Health, Education, and Welfare transmitting, pursuant to law, a copy of a document entitled "Right To Read State Grants; Final Regulations" (with accompanying papers); to the Committee on Labor and Public Welfare.

Proposed Legislation by the Postmaster General

A letter from the Postmaster General transmitting a draft of proposed legislation to preserve the present method of computing the compensation of rural letter carriers (with accompanying papers); to the Committee on Post Office and Civil Service.

A Resolution of the National Academy of Sciences

A letter from the president of the National Academy of Sciences transmitting a copy of a resolution adopted by the Academy (with accompanying papers); to the Committee on Foreign Relations.

Reports of the Office of Management and Budget

Four letters from the Deputy Director of the Office of Management and Budget, each transmitting, pursuant to law, a report as follows: one, "Report of the Board of Visitors to the United States Naval Academy" April 12, 1973 and December 12, 1973; two, "Report of the Board of Visitors to the United States Naval Academy" April 25, 1974, and December 5, 1974; three, a report with respect to the recommendations contained in the report entitled "MR '72, Islands of Excellence" issued in 1973; and, four, a report with respect to the recommendations contained in the report entitled "Report to the President and to the Council on Environmental Quality" October 1973 (with accompanying reports); to the Committee on Government Operations.

Reports of the Comptroller General

Two letters from the Comptroller General of the United States, each transmitting, pursuant to law, a report, one entitled "A Proposal for Disclosure of Contractual and Financial Arrangements Between Hospitals and Members of Their Governing Boards and Hospitals and Their Medical Specialists"; and "Public Hazards from Unsatisfactory Medical Diagnostic Products" (with accompanying reports); to the Committee on Government Operations.

Proposed Research Projects of the Department of the Interior

Six letters from the Deputy Assistant Secretary of the Interior each transmitting, pursuant to law, a copy of a proposed contract for research projects (with accompanying papers); to the Committee on Interior and Insular Affairs.

Report of the Federal Energy Administration

A letter from the Administrator of the Federal Energy Administration transmitting, pursuant to law, a report with respect to any change in market shares for petroleum products (with an accompanying report); to the Committee on Interior and Insular Affairs.

Proposed Legislation By The Department of the Army

A letter from the Secretary of the Army transmitting a draft of proposed legislation to authorize an increase in the monetary authorization for certain comprehensive river basin plans previously approved by Congress (with accompanying papers); to the Committee on Public Works.

Proposed Construction Contracts For the Naval and Marine Corps Reserve

A letter from the Deputy Assistant Secretary of Defense (Installations and Housing) transmitting, pursuant to law, a list of five construction projects proposed to be undertaken for the Naval and Marine Corps Reserve (with accompanying papers); to the Committee on Armed Services.

Proposed Supplemental Appropriations for the Department of Agriculture—(S. Doc. 94–49)

A communication from the President of the United States transmitting a proposed supplemental appropriation in the amount of $889,815,000 and an amendment to a request for supplemental appropriations in the amount of $100,233,000 for the Department of Agriculture for the fiscal year 1975 (with accompanying papers); to the Committee on Appropriations, and ordered to be printed.

Proposed Legislation by the Department of Agriculture

A letter from the Under Secretary of Agriculture transmitting a draft of proposed legislation to authorize the Secretary of Agriculture to accept and administer on behalf of the United States gifts or devises of real and personal property for the benefit of the National Arboretum (with accompanying papers); to the Committee on Agriculture and Forestry.

A letter from the Secretary of Agriculture transmitting a draft of proposed legislation to amendment the Perishable Agricultural Commodities Act relating to the licensing requirements of the law (with accompanying papers); to the Committee on Agriculture and Forestry.

Proposed Standards of the Cost Accounting Standards Board

A letter from the Chairman of the Cost Accounting Standards Board transmitting, pursuant to law, a copy of certain proposed standards, rules, and regulations promulgated by the Board (with accompanying papers); to the Committee on Banking, Housing and Urban Affairs.

Report of the National Railroad Passenger Corporation

A letter from the vice president of the National Railroad Passenger Corporation transmitting, pursuant to law, a report on the operations of the Corporation for the month of January 1975 (with an accompanying report); to the Committee on Commerce.

Supplemental Appropriations for the Commission on Civil Rights and the Small Business Administration

A letter from the Deputy Director of the Office of Management and Budget reporting, pursuant to law, that certain appropriations for the fiscal year 1975 for the Commission on Civil Rights and the Small Business Administration have been apportioned on a basis which indicates a necessity for supplemental appropriations; to the Committee on Appropriations.

Proposed Legislation by the President

A communication from the President of the United States transmitting a draft of proposed legislation authorizing the provision of relief and relocation assistance to refugees from South Vietnam and Cambodia (with accompanying papers); to the Committee on Foreign Relations.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. Hathaway):

House Joint Resolution No. 6 of the Legislature of the Senate of Montana; to the Committee on Finance:

"House Joint Resolution No. 6

"A joint resolution of the Senate and the House of Representatives of the State of Montana petitioning the United States Congress to review the social laws for the purpose of eliminating sexual discrimination from the social security system

"Whereas, when the United States Congress enacted the first Social Security Act in 1935, one of the assumptions then current was that very few married women held employment outside the home, and

"Whereas, section 202 (q) of the Social Security Act, now codified, as amended, at 42 U.S. Code section 402(q), reduces a woman's social security entitlements under various circumstances involving her marital status and bearing no relationship to her contributions into the social security fund, and

"Whereas, now that the United States Congress has adopted and presented to the states an Equal Rights amendment to the national constitution, the Congress should in the same spirit eliminate from the social security statutes any discriminatory classifications based upon sex.

"Now, therefore, be it resolved by the Senate and the House of Representatives of the State of Montana:

"That the United States Congress should study the social security laws, and prepare amendments thereto, designed to eliminate any discrimination based upon sex or upon the assumption that most women cannot or do not combine marriage with gainful employment.

"Be it further resolved, That the Secretary of State transmit copies of this resolution as petitions to the Senate and House of Representatives of the United States, and to the Montana Congressional delegation."

House Joint Resolution No. 32 adopted by the Legislature of the State of Montana; to the Committee on Commerce:

"HOUSE JOINT RESOLUTION No. 32

"A joint resolution of the Senate and the House of Representatives of the State of Montana in support of and endorsing the proposed legislative changes contained in United States Senate bill No. 3910.

"Whereas, the economic prosperity and welfare of the United States agricultural community requires a viable transportation system, and

"Whereas, an agricultural product national transportation policy governing railroad pricing policy will be in the public interest, and

"Whereas, legislative changes in the Interstate Commerce Act have been introduced into Congress, intended to implement and maintain equality for shippers of agricultural commodities.

"Now, therefore, be it resolved by the Senate and the House of Representatives of the State of Montana:

"That this joint august body hereby endorses and supports the provisions of United States Senate bill No. 3910 entitled 'The Agricultural and Rural Commodities Transportation Act of 1974'.

"Be it further resolved, that a copy of this resolution be forwarded to the United States Senate and House of Representatives."

Senate Joint Resolution No. 15 adopted by the Legislature of the State of California; to the Committee on Appropriations:

"SENATE JOINT RESOLUTION No. 15—RELATIVE TO DEVELOPMENT OF WATERBORNE COMMERCE

"Whereas, The Secretary of the Army, acting through the Chief of Engineers, is currently authorized to cooperate with any state in the preparation of comprehensive plans for development, utilization and conservation of water, waterborne commerce, and related resources by Section 22(a) of the Water Resources Development Act of 1974, Public Law 93-251; and

"Whereas, A comprehensive program for the analysis of commodity flow to, and through, our state by means of maritime commerce and industry will assist the Governor, the Legislature, and various State of California agencies in reviewing and updating the California Transportation Plan and the California Coastal Zone Conservation Plan; and

"Whereas, The State of California can establish a five-year program, with these moneys, to aid and assist the State of California's maritime commerce and industry with a comprehensive commodity flow analysis; and

"Whereas, The services provided by the Secretary of the Army, acting through the Chief of Engineers, will have a statewide benefit to California's utilization of water resources, waterborne commerce, and maritime industry; now, therefore, be it

"Resolved by the Senate and Assembly of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to appropriate funds to the Secretary of the Army for the expenditure by the Chief of Engineers, through the South Pacific Division of the Corps of Engineers, to provide a comprehensive program of commodity flow analysis for waterborne commerce and the maritime industry in California in cooperation with the State of California; and be it further

"*Resolved*, That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to the Secretary of the Army, and to each Senator and Representative from California in the Congress of the United States."

Joint Resolution No. 64 adopted by the Legislature of the State of New York; to the Committee on Armed Services:

"JOINT RESOLUTION No. 64

"Joint Resolution of the Legislature of the State of New York memorializing the President and the Congress to refrain from relocating the Benet Weapons Laboratory presently located in Watervliet, Albany County

"Whereas, the Benet Weapons Laboratory at the Watervliet Arsenal, Watervliet, New York, is an important asset to the defense of this nation; and

"Whereas, Several hundred skilled employees work at the Benet Weapons Laboratory at the Watervliet Arsenal; and

"Whereas, The relocation of the Benet Weapons Laboratory to another state would result in the loss of jobs and the loss of commerce in New York State; now, therefore, be it

"Resolved, That the Legislature of the State of New York hereby memorialize the President and the Congress of the United States to refrain from relocating the Benet Weapons Laboratory; and be it further

"Resolved, That copies of this resolution be transmitted to the President of the United States, the President of the Senate of the United States, the Speaker of the House of Representatives and to each member of the Congress of the United States from the State of New York."

House Joint Resolution No. 65 adopted by the Legislature of the State of Montana; to the Committee on the Judiciary:

"HOUSE JOINT RESOLUTION No. 65

"A joint resolution of the Senate and the House of Representatives of the State of Montana declaring the Montana State legislature's unalterable opposition to registration and confiscation of firearms

"Whereas, the right of an individual to keep and bear arms is fundamental to the preservation of freedom and is guaranteed by the Constitution of the United States, and

"Whereas, firearms are, always have been, and always will be very much a part of the way of life in the great state of Montana, and

"Whereas, the private ownership of firearms, including handguns, is the last line of defense against the criminal element, and

"Whereas, the report of the National Advisory Commission on Criminal Justice Standards and Goals, issued in August, 1973, advocates, among other things, the confiscation of all privately owned handguns, and

"Whereas, the people of Montana having seen that federal firearm registration is leading us closer to federal confiscation of firearms.

"Now, therefore, be it resolved by the Senate and the House of Representatives of the State of Montana:

"That the Legislature of the state of Montana go on record as being unalterably opposed to registration and confiscation of firearms in general.

"Be it further resolved, that a copy of this Joint Resolution be sent to the President of the United States, to the Vice-President of the United States, and to Montana's Senators and Representatives in Congress."

House Memorial 2002 adopted by the House of Representatives of the State of Arizona; to the Committee on the Judiciary:

"HOUSE MEMORIAL 2002

"A memorial urging the President and the Congress of the United States to oppose any handgun control proposals for Federal legislation

"Whereas, defense of one's person against assault by another is a natural right recognized by every generation; and

"Whereas, every individual's right to the possession of adequate weapons for his defense or the defense of his home and family is essential to the protection of this natural right; and

"Whereas, the Bill of Rights of the Constitution of the United States and Article 2, Section 26 of the Constitution of the State of Arizona guarantee to its citizens the right to keep and bear arms; and

"Whereas, the handgun is the most effective weapon for self-defense, and its mere possession frequently is sufficient to repel an invader or attacker; and

"Whereas crime statistics only cover the use of firearms in crimes, and do not disclose the many instances where the lawful possession or use of firearms for defense have prevented crimes; and

"Whereas, such legislation would deny a citizen the right to obtain weapons for self-defense, but would not prevent the acquisition of weapons by criminals or their misuse by criminals; and

"Whereas, there are adequate laws now on the books to punish criminals for the misuse of firearms in crimes if properly enforced. Wherefore your memorialist, the House of Representatives of the State of Arizona, prays:

"1. That the President and the Congress of the United States take those steps necessary for the proper enforcement and judicial punishment of criminals, rather than consider legislation to curtail the right of honest citizens to acquire weapons for sport or self-defense.

"2. That the Secretary of State of the State of Arizona transmit a copy of this Memorial to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of the Arizona Congressional delegation."

A resolution relating to certain policies of the Soviet Union adopted by the Senate of the State of New Jersey; to the Committee on Foreign Relations:

"SENATE RESOLUTION

"Whereas, The basic human right to freedom of movement across national boundaries is declared and established in international law under the Universal Declaration of Human Rights, adopted by the United Nations in 1948, which states in Article 13, "Everyone has the right to leave any country, including his own, and to return to his own country"; and,

"Whereas, The Union of Soviet Socialist Republics, in spite of having publicly endorsed the aforesaid Declaration, continually violates the terms of Article 13 and abrogates the basic human right aforesaid; and,

"Whereas, The USSR has maintained a policy of systematically harassing and oppressing those of its citizens—particularly those of the Jewish faith—who have shown interest in emigration; and,

"Whereas, A notable victim of the said policy of harassment and oppression is Dr. Mikhail Stern, a noted endocrinologist, who, for the sole offense of consenting to the departure of his grown sons from the Soviet Union, has been sentenced to eight years in prison after a trial which was a mockery of justice; and,

"Whereas, Doctor Stern's son, August Stern is in attendance at the present session of the Senate; now, therefore,

"*Be It Resolved by the Senate of the State of New Jersey:*

"That this House hereby condemns the Soviet Union's oppressive policies denying the fundamental freedom of movement for all people, and urges that said policy be reversed and that all such political prisoners as Doctor Stern be released; and,

"*Be It Further Resolved*, That this House hereby memorializes the President and the Congress of the United States to maintain a policy in support of freedom of movement for all peoples and in opposition to all such policies of oppression and discrimination as are exemplified by the Soviet Union; and,

"*Be It Further Resolved,* That the President extend the welcome of the Senate to August Stern, together with privileges of the floor, and that a duly authenticated copy of this resolution, signed by the President and attested by the Secretary, be presented to Mr. Stern; and,

"*Be It Further Resolved,* That duly authenticated copies of this resolution, signed by the President and attested by the Secretary, be transmitted to the President of the United States, to the Vice President of the United States and the Speaker of the House of Representatives, and to each of the members of Congress elected from this State."

Thirty-one resolutions from the National Wildlife Federation, as follows:

Resolution No. 1, relating to major conservation issues, 1975; to the Committee on Interior and Insular Affairs.

Resolution No. 17, relating to natural gas transmission in Alaska; to the Committee on Interior and Insular Affairs.

Resolution No. 13, expressing sorrow at recent deaths of conservation leaders; ordered to lie on the table.

Resolution No. 29, relating to observance of National Wildlife Week, 1975; to the Committee on the Judiciary.

Resolution No. 23, relating to preservation of agricultural lands; to the Committee on Agriculture and Forestry.

Resolution No. 15, relating to timber management policies of the U.S. Forest Service; to the Committee on Agriculture and Forestry.

Resolution No. 28, relating to funding for Dickey-Lincoln Project; to the Committee on Public Works.

Resolution No. 24, relating to federal and state highway lighting; to the Committee on Public Works.

Resolution No. 12, relating to treatment plant construction and land use; to the Committee on Public works.

Resolution No. 11, relating to solid waste management; to the Committee on Public Works.

Resolution No. 4, relating to flood plain management; to the Committee on Public Works.

Resolution No. 3, relating to the environment and the economy; to the Committee on Public Works.

Resolution No. 14, relating to financing of wildlife refuge acquisition program; to the Committee on Commerce.

Resolution No. 10, relating to killing of porpoises; to the Committee on Commerce.

Resolution No. 8, relating to environmental hazards and the burden of proof; to the Committee on Commerce.

Resolution No. 7, relating to weather modification; to the Committee on Commerce.

Resolution No. 6, relating to roadside zoos or menageries; to the Committee on Commerce.

Resolution No. 5, relating to marine sanctuaries; to Committee on Commerce.

Resolution No. 30, relating to native rights to fish and wildlife; to the Committee on Interior and Insular Affairs.

Resolution No. 27, relating to Idaho primitive area; to the Committee on Interior and Insular Affairs.

Resolution No. 26, relating to management of wild horses and burros; to the Committee on Interior and Insular Affairs.

Resolution No. 25, relating to Tulana Farms land disposal; to the Committee on Interior and Insular Affairs.

Resolution No. 22, relating to protection of Yellowstone River; to the Committee on Interior and Insular Affairs.

Resolution No. 21, relating to wilderness of Charles M. Russell Game Range; to the Committee on Interior and Insular Affairs.

Resolution No. 20, relating to establishment of Red Deserve Game Range; to the Committee on Interior and Insular Affairs.

Resolution No. 19, relating to management of wildlife; to the Committee on Interior and Insular Affairs.

Resolution No. 18, relating to conversion from the use of lead shot; to the Committee on Interior and Insular Affairs.

Resolution No. 16, relating to land withdrawals in Alaska; to the Committee on Interior and Insular Affairs.

Resolution No 9, relating to national conservation public service program; to the Committee on Interior and Insular Affairs.

Resolution No. 2, relating to establishing a national energy policy; to the Committee on Interior and Insular Affairs.

Resolution No. 31, relating to desert land entries; to the Committee on Interior and Insular Affairs.

A resolution adopted by the Common Council of the City of Cohoes, New York, regarding the proposed relocation of Research and Development at the Watervliet Arsenal out of New York State; to the Committee on Armed Services.

A petition from the Statewide Committees Opposing Regional Plan Areas from Springfield, Missouri, seeking a redress of grievances; to the Committee on Government Operations.

A petition from two citizens of the State of Illinois seeking a redress of grievances; to the Committee on Government Operations.

A petition from a citizen of Terra Haute, Indiana, seeking a redress of grievances; to the Committee on Government Operations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PASTORE, from the Joint Committee on Atomic Energy, with an amendment:

S. 598. A bill to authorize appropriations to the Energy Research and Development Administration in accordance with section 261 of the Atomic Energy Act of 1954, as amended, section 305 of the Energy Reorganization Act of 1974, and section 16 of the Federal Nonnuclear Energy Research and Development Act of 1974, and for other purposes (Rept. No. 94–104) (Referred to the Committee on Interior and Insular Affairs).

Mr. PASTORE. Mr. President, I am filing S. 598, as amended, a bill to authorize appropriations to the Energy Research and Development Administration, and the report of the Joint Committee on Atomic Energy on the nuclear authorizations portions of S. 598.

The PRESIDING OFFICER. The report will be received and printed.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following executive reports of committees were submitted:

By Mr. PASTORE, from the Joint Committee on Atomic Energy:

Alfred D. Starbird, of Virginia, to be an Assistant Administrator of Energy Research and Development.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to agree to appear and testify before any duly constituted committee of the Senate.)

Mr. STENNIS. Mr. President, from the Committee on Armed Services, I report favorably the nomination of Lt. Gen. Louis H. Wilson, Jr., U.S. Marine Corps, to be Commandant of the Marine Corps with the rank of general for a period of 4 years. I ask that the nomination be placed on the Executive Calendar.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H.R. 5158. An act to provide an authorization for an ex gratia payment to the people of Bikini Atoll, in the Marshall Islands of the Trust Territory of the Pacific Islands; to the Committee on Interior and Insular Affairs.

H.R. 5405. An act to amend the Merchant Marine Act, 1920, in order to permit cargo vessels to carry more than 16 passengers when emergency situations arise; to the Committee on Commerce.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that H.R. 1244, to establish procedures and regulations for certain protective services provided by the U.S. Secret Service, received from the House of Representatives earlier in the day, be considered as having been read twice and referred to the Committee on the Judiciary.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. JAVITS (for himself, Mr. PELL, Mr. RIBICOFF, and Mr. HUMPHREY):

S. 1639. A bill to provide resettlement and humanitarian assistance to refugees from Indochina. Referred to the Committee on Foreign Relations.

By Mr. JOHNSTON (for himself, Mr. CRANSTON, and Mr. TUNNEY):

S. 1640. A bill to provide for the establishment of the Santa Monica Mountains and Seashore Urban Recreation Area in the State of California, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. DOLE (by request):

S. 1641. A bill to amend the Agricultural Trade Development and Assistance Act of 1954 to provide the United States with the flexibility to carry out the national interest or humanitarian objectives of that Act;

S. 1642. A bill to amend the Commodity Futures Trading Commission Act of 1974;

S. 1643. A bill to further amend the Agricultural Marketing Act of 1946;

S. 1644. A bill to authorize certain payments to States from National Forest receipts during the period July 1, 1976, through September 30, 1976, and for other purposes;

S. 1645. A bill to establish improved programs for the benefit of producers and consumers of rice;

S. 1646. A bill to establish an improved program for the benefit of producers and consumers of extra long staple cotton;

S. 1647. A bill to amend the Federal Crop Insurance Act, and for other purposes;

S. 1648. A bill to amend section 1114 of Title 18 of the United States Code to include officers and employees of the Department of Agriculture assigned to perform investigative, inspection, or law enforcement functions;

S. 1649. A bill to amend the Act of March 4, 1927, to authorize the Secretary of Agriculture to accept and administer on behalf of the United States gifts or devises of real and personal property for the benefit of the National Arboretum; and

S. 1650. A bill to amend the Perishable Agricultural Commodities Act, 1930. Referred to the Committee on Agriculture and Forestry.

By Mr. TALMADGE:

S. 1651. A bill to authorize the Secretary of Agriculture to encourage and assist the several States in carrying out a program of animal health research. Referred to the Committee on Agriculture and Forestry.

By Mr. STONE (for himself and Mr. McClure):

S. 1652. A bill to amend the Internal Revenue Code of 1954 to provide that no interest is payable on income tax deficiencies in the case of returns prepared by the Internal Revenue Service until the expiration of 30 days after notice to the taxpayer of such deficiency. Referred to the Committee on Finance.

By Mr. SCHWEIKER:

S. 1653. A bill for the relief of Sun Yang Kim and Sun Mi Kim. Referred to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 1654. A bill to amend the Agricultural Trade Development and Assistance Act of 1954. Referred to the Committee on Agriculture and Forestry.

By Mr. TUNNEY:

S. 1655. A bill to create a national Commission on the Olympic Games to review the question of United States participation in the Olympic games and to evaluate and formulate recommendations concerning such participation. Referred to the Committee on Commerce; and, if and when reported by that committee, to the Committee on Foreign Relations, by unanimous consent.

By Mr. CANNON:

S. 1656. A bill to assist the States to provide additional facilities for research in agriculture and forestry at State agricultural experiment stations, land grant colleges and cooperating forestry research institutions funded under Public Law 87–788. Referred to the Committee on Agriculture and Forestry.

By Mr. HUGH SCOTT:

S. 1657. A bill to amend the National Portrait Gallery Act to redefine "portraiture." Referred to the Committee on Rules and Administration.

By Mr. HARTKE (for himself and Mr. Bayh):

S. 1658. A bill to authorize the repayment of certain Federal-aid highway funds by the State of Indiana. Referred to the Committee on Public Works.

By Mr. PHILIP A. HART (for himself and Mr. Griffin):

S. 1659. A bill to provide for the disposition of funds appropriated to pay a judgment in favor of the Grand River Band of Ottawa Indians in Indian Claims Commission Docket numbered 40–K, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. BEALL:

S. 1660. A bill to amend the National Capital Transportation Act of 1969 to authorize an additional Federal contribution toward the effectuation of a transit development program for the National Capital Region, and for other purposes. Referred to the Committee on the District of Columbia.

By Mr. SPARKMAN (for himself, Mr. Case, Mr. Hugh Scott, and Mr. Griffin):

S. 1661. A bill to enable the United States to render assistance to or in behalf of certain migrants and refugees. Referred to the Committee on Foreign Relations.

By Mr. ALLEN (for himself, Mr. Bellmon, Mr. Clark, Mr. Curtis, Mr. Dole, Mr. Eastland, Mr. Helms, Mr. Huddleston, Mr. Humphrey, Mr. Leahy, Mr. McGovern, Mr. Stone, Mr. Talmadge, and Mr. Young):

S. 1662. A bill to amend the Food Stamp Act of 1964. Referred to the Committee on Agriculture and Forestry.

By Mr. TUNNEY (for himself and Mr. Cranston):

S. 1663. A bill to amend the Migration and Refugee Assistance Act of 1962 to provide for assistance to refugees from Southeast Asia. Referred to the Committee on Foreign Relations.

By Mr. KENNEDY (for himself, Mr. Bayh, Mr. Brooke, Mr. Case, Mr. Clark, Mr. Philip A. Hart, Mr. Humphrey, Mr. Inouye, Mr. McGee, Mr. McGovern, Mr. Pell, Mr. Percy, Mr. Ribicoff, Mr. Hugh Scott, Mr. Stevenson, Mr. Williams, Mr. Randolph, Mr. Magnuson, and Mr. Schweiker):

S. 1664. A bill to amend the Lead Based Paint Poisoning Prevention Act. Referred to the Committee on Labor and Public Welfare.

By Mr. KENNEDY (for himself, Mr. Stafford, and Mr. Philip A. Hart):

S. 1665. A bill to provide for financial assistance to public intervenors in nuclear licensing proceedings. Referred to the Joint Committee on Atomic Energy.

By Mr. BROOKE (for himself, Mr. Hugh Scott, and Mr. Weicker):

S. 1666. A bill to prescribe certain rules for Federal, State, and local agencies regulating electric rates. Referred to the Committee on Commerce.

By Mr. BENTSEN:

S. 1667. A bill to prohibit the person holding the position of Secretary of State from holding simultaneously the position of Assistant to the President for National Security Affairs. Referred to the Committee on Government Operations.

By Mr. HATFIELD:

S. 1668. A bill to amend the Agricultural Trade Development and Assistance Act of 1954 in order to broaden and emphasize the humanitarian purposes of such Act, and for other purposes. Referred to the Committee on Agriculture and Forestry.

By Mr. INOUYE:

S. 1669. A bill to amend title 10 of the United States Code relating to retention in active status of certain officers. Referred to the Committee on Armed Services.

By Mr. HATFIELD:

S. 1670. A bill to amend section 8 of the Watershed Protection and Flood Prevention Act to increase the amount that may be made available under such section for a single plan for works of improvement. Referred to the Committee on Agriculture and Forestry.

S. 1671. A bill to amend the Bankhead-Jones Farm Tenant Act to increase the amount of any loan for which funds may be appropriated without prior approval of such loan by the appropriate committees. Referred to the Committee on Agriculture and Forestry.

By Mr. KENNEDY (for himself, Mr. Bayh, Mr. Brooke, Mr. Cranston, Mr. Eagleton, Mr. Philip A. Hart, Mr. Humphrey, Mr. Ribicoff, Mr. Inouye, Mr. Jackson, Mr. Javits, Mr. Mathias, Mr. Mondale, and Mr. Tunney):

S.J. Res. 80. A joint resolution proposing an amendment to the Constitution of the United States granting representation in the Congress to the District of Columbia. Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JAVITS (for himself, Mr. Pell, Mr. Ribicoff, and Mr. Humphrey):

S. 1639. A bill to provide resettlement and humanitarian assistance to refugees from Indochina. Referred to the Committee on Foreign Relations.

(The remarks by Mr. Javits and Mr. Pell on the introduction of the above bill are printed earlier in the Record.)

By Mr. JOHNSTON (for himself, Mr. Cranston, and Mr. Tunney):

S. 1640. A bill to provide for the establishment of the Santa Monica Mountains and Seashore Urban Recreation Area in the State of California, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. JOHNSTON. Mr. President, I am sending to the desk for appropriate reference legislation to provide for the establishment of the Santa Monica Mountains and Seashore Urban Recreation Area in the State of California, and for other purposes.

This legislation proposes a new direction in our national commitment to preserve and protect our natural heritage for the benefit of the American people. The traditional approaches have all been basically one-sided. Either State or local governments, occasionally with Federal financial support, have acted or the entire burden has been placed on the Federal Government. Only rarely have all levels of government, joined in exercising their authorities and expertise. This legislation mandates just such a joint effort.

Overreliance on the Federal Government or sole reliance on State and local governments threatens both our national heritage and local resources. Increasingly, the Federal Government is being asked to step in and preserve urban open space land, because local governments are unwilling or unable to act. Local governments, on the other hand, are beset by a multitude of critical urban demands and are hard pressed to devote needed resources to major recreation and conservation projects.

What is needed is a Federal commitment to assist State and local units of government which are willing to make the difficult land-use decisions which must be made if our urban areas are not to strangle on their own growth.

The decisions to call a halt to unplanned and haphazard development and to pursue open space and recreation rather than an increased tax base are hard ones to make. But if we are to avoid the mistakes of the past, we must begin to act at all levels of government to preserve what remains and recover what we have lost.

This is not to say that our conservation and recreation history has been one solely of defeats. The victories which have been won in preserving something of our heritage are impressive: Redwoods, Everglades, the Grand Canyon, and other units of the national park system. But the price has been high.

If there were no inflation, no land price escalation, and no new additions to the national park system, at current rates of funding it would take 10 years to complete the present backlog of land acquisition for presently authorized units of the national park system. For natural forest areas the prospect is even bleaker. Current estimates for land acquisition for forest areas are approximately $1.4 billion. The total Federal recreation land acquisition backlog for the Bureau of Land Management, the Fish and Wildlife Service, the Forest Service and the National Park Service is in excess of $2½ billion. That over $2½ billion backlog, however, is dwarfed by the over $40 billion short-term needs of States and localities.

The Land and Water Conservation Fund was created to provide a source of funding for Federal recreation land acquisition and for a matching grant program of assistance to States. Almost from its inception, the funds resources have been outdistanced by the demands on it. At present, $300 million a year is covered into the fund. The $70 million which annually is allocated to the National Park Service is not enough to even match inflation and land price escalation, much less to cut into the backlog.

During the last Congress, the Senate passed S. 3839, legislation which I introduced to increase the level of the Land and Water Conservation Fund. That legislation was and is critically needed, but it is not the entire answer. The pressures on our national and local park and recreation areas is intense and the day may soon be upon us when we will have to restrict visitation to places which we preserved for the people.

Overcrowding in Yosemite by people trying to escape our cities threatens to destroy one of the first areas the Federal Government sought to protect. In an era when the threat of rationing restricts our ability to travel, when unemployment spreads through our cities, when the poor and even the middle class find the soaring costs of essential products curtailing their available income, when urban sprawl and ill-advised development gnaws away at our remaining open space, where are our urban residents to go for recreation?

It is imperative if we are to provide a decent environment for our children and future generations that all levels of government fully exercise their authorities. Too often States have sought the easy approach of Federal action rather than making the hard decisions themselves. The lack of not just planning for land use but the hard day-to-day promulgation and enforcement of land use regulations has brought us this situation.

Our urban history, with some notable exceptions, has been a history of lost opportunities. Opportunities to intelligently plan for growth and development while preserving open space and recreation have been mislaid, and only when the cities cry out from their own excesses have acted.

Large metropolitan centers are prodigious users of land and water resources. These centers, with all their power and wealth, lay an imperious hand on woodlands and watersheds drawing them out of earlier uses and transforming them into building lots, streets, shopping centers, schoolyards, throughways, and airports. This process of subjugation of resources to metropolitan use has not followed any planned sequence or orderly procedure. Consequently, the resulting patterns of resource utilization are not likely always to provide efficient satisfaction of the needs for outdoor recreation generated in a metropolitan society.

In a 1930 report to a citizens committee, the outdoor recreation portrait of Los Angeles was already grim:

> The facts are so complicated that condensed statistical comparisons, without personal knowledge of local conditions, can be very misleading. But when the situation in the Los Angeles region is measured carefully and patiently by the crude but common sense method of comparison with experience elsewhere, four conclusions become unmistakably clear:
>
> 1. There is a serious shortage of park-system facilities in this region, even for the present population.
>
> 2. There has been a serious lack of increase of such facilities in comparison with the rapid increase of population.
>
> 3. These shortages seem quite unreasonable considering the agreeable climate, the economic prosperity, and the exceptionally favorable social conditions here.
>
> 4. They appear not only unreasonable but positively reprehensible, because of the very close and direct influence of agreeable living conditions on the continued health of the people and the prosperity of the community.

The problems of uncontrolled and ill-planned growth in Los Angeles are well known. Four corners, Navajo, Mojave—the entire Southwest powerplant complex is a result directly or indirectly of the growth and hunger of Los Angeles. Unable to survive with any more pollution, powerplants are built in New Mexico to provide power to Los Angeles.

Air quality is by far the most critical form of pollution in the Los Angeles region. Levels of air pollution are most severe over the northern half of the Los Angeles basin. Fresh air to dilute this zone comes in off the Pacific over the length of the Santa Monicas. Further contamination of this airshed will result in even worse smog conditions over the cities at the eastern end of the range. It is not just a question of recreation, but almost of survival to protect this area.

With a resident population of approximately 10 million and annual visitation of approximately 8 million, existing recreational resources for the Los Angeles area are overcrowded and inadequate. The Santa Monica Mountains may well offer the last chance for the region.

Over the years the forces of nature and man have left their marks on the proposed recreation area. The result is a rich heritage of micro and macro environments, varied land forms, spectacular geological formations, areas of great natural beauty, fossils from earlier epochs, and the artifacts and inhabitations of Indian, Hispanic, and early California cultures. As tangible links to the past, these phenomena offer an enrichment of present day living. Though hardy enough to survive the aging forces of nature, many are easily disrupted or destroyed by man's heavyhandedness.

While the State of California has made great strides in land-use planning at both the State and local level, the forces of uncontrolled development are strong. The county of Los Angeles recently set a precedent by negotiating one of the largest open space easements in the United States for 41,000 acres on Santa Catalina Island, but this victory may be short lived.

With this legislation I propose an increased commitment by the Federal Government to explore new policies and programs to improve the quality of life for the American people. To preserve and improve the environment of our urban areas will require new initiatives in the areas of historic preservation and restoration of our cities, acquisition and protection of open spaces, development of intelligent zoning and land use, and improvement of our transportation systems.

There is a great deal of work which still lies before us. We must be willing to commit our resources to the task and we, Federal, State, local, and private, must commit our resources and energies to the task.

What I propose in this legislation is a joint effort to formulate and implement a land-use plan for the Santa Monica area.

In brief this legislation provides for the creation of a planning commission for the Santa Monica Mountains and seashore. The commission will be composed of members recommended by the Governor and the chief executive officers of the local units of government which have jurisdiction over the area. The commission is directed to formulate a land use plan for the area. The plan is to be as detailed as possible. It must identify areas for development of recreational facilities, for preservation, and for compatible public or private uses. It must specifically provide for the preservation of and public access to beaches and coastal uplands, undeveloped inland stream drainage basins, and existing park roads and scenic corridors.

The plan must be approved by the Secretary of the Interior who is authorized to assist the commission upon request. Upon approval of the plan, the Federal Government will commit $50 million to help implement the plan.

Mr. President, this legislation is the product of extensive discussions. It may not be the final answer, but it does point the way whereby all levels of Government can combine their resources, expertise, and authorities for the benefit of the people.

I ask unanimous consent to have printed in the RECORD at this point a section-by-section analysis of the legislation together with the text of the bill. I invite the attention of my colleagues, and I welcome any comments or suggestions on how we can meet the recreational crisis which confronts us.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 1640

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, The Congress finds that, (a) there are significant scenic, recreational, educational, scientific, natural, and public health values provided by the Santa Monica Mountains and adjacent coastline area, (b) there is a national interest in protecting and preserving those values for the residents of and visitors to the area, (c) the primary responsibility for the provision of recreational, educational, and scientific opportunities, the preservation of scenic and natural areas, and the safeguarding of the health of the public who live, work, and play in or visit the area rests with the State of California and the various local units of government having jurisdiction over the area, (d) in recognition of the multi-State and national significance of some of the recreational values, the Federal government has an interest in the management of the resources and should assist the State of California and its local units of Government in fulfilling their responsibilities, (e) the State of California and its local units of government have authority to prevent or minimize adverse uses of the Santa Monica Mountains and adjacent coastline area and can, to a great extent, protect the health, safety and general welfare by the use of its authorities.

SEC. 2. The purposes of this Act are (1) to provide for the preservation of the outstanding natural features and open undeveloped land and water resources of the Santa Monica Mountains and nearby seashore areas in California, (2) to assure the protection of the public health by preserving the airshed of the Region, and (3) to provide adequate outdoor recreation facilities and opportunities for the people of the Los Angeles metropolitan area.

SEC. 3. There is hereby established the Santa Monica Mountains and Seashore Urban Recreation Area (hereinafter referred to as the "recreation area"). The boundaries of the recreation area shall be those generally depicted as "Study Area Boundary" on the maps comprising Appendix B of the report prepared by the Pacific Southwest Region of the Bureau of Outdoor Recreation, Department of Interior, published in 1973, entitled "Santa Monica Mountains Study", which shall be on file and available for public inspection in the offices of the Department of Interior, Washington, D.C. The boundaries of the recreation area may be revised from time to time by the commission established in Section 4 of this Act in the same manner as set forth herein for preparation and approval of land use plans except that the total area within the recreation area may not exceed 205,000 acres.

SEC. 4. PLANNING COMMISSION.—Within one year of the date of enactment of this Act, the Secretary of the Interior (hereinafter referred to as the "Secretary") shall establish a planning commission for the recreation area (hereinafter referred to as the "Commission").

SEC. 5. The Commission shall be composed of not more than twelve members appointed by the Secretary from recommendations submitted to him by the Governor of the State of California and the chief executive officers of such local units of government, including counties and municipalities, which have jurisdiction over the recreation area: *Provided,* That the Secretary shall insure a balance in representation between State and local jurisdictions and appropriate representation from jurisdictions having major responsibilities in the region. The Secretary shall designate a member of the Commission to serve as Chairman.

SEC. 6. The function of the Commission shall be to develop a plan for the development (if any) and use of the land and water resources of the recreation area.

SEC. 7. The plan shall include, but need not be limited to:

(a) an identification of specific areas which are suitable for (1) the development of public recreational facilities; (2) preservation of significant natural, cultural, or historical values, including areas which because of their local, regional, or other ecological importance, should be preserved in their natural state; and (3) public or private uses which are compatible with and which would not significantly impair the scenic, natural, recreational, educational, and scientific values present in the area and which would not have a significant adverse effect on the air quality of the Los Angeles-Santa Monica area;

(b) provision for the preservation of and public access to beaches and coastal uplands, undeveloped inland stream drainage basins, and existing park roads and scenic corridors;

(c) a specific land use program to be implemented which may include the use of the constitutional authority of the State to regulate the use of land and water; other noncompensatory land use regulations which may be appropriate; compensatory land use regulations; tax incentives; acquisition of fee or less than fee interests in land and/or waters; or any combination of land use methods which the Commission deems will best accomplish the purposes of this Act; and

(d) the identification of the units of State or local government which will be responsible for implementing the program: *Provided,* That the plan may not propose an expenditure of Federal funds greater than $50,000,000 exclusive of funds available under other Federal programs including, but not limited to, section 701 of the Housing Act of 1954, as amended, the Land and Water Conservation Fund Act, and the Historic Preservation Act of 1966.

SEC. 8. The Secretary and the heads of other Federal agencies shall cooperate with the Commission in the formulation of the plan upon the request of the Commission and to the extent of available funds.

SEC. 9. (a) Members of the Commission who are employees of a State or local government shall serve without additional compensation as such. All other members shall receive $100 per diem when actually engaged in the performance of the duties of the Commission.

(b) The Secretary shall reimburse all Commission members for necessary travel and subsistence expenses incurred by them in the performance of the duties of the Commission.

(c) Financial and administrative services (including those related to payment of compensation, budgeting, accounting, financial reporting, personnel, and procurement) shall be provided by the Department from the funds appropriated to carry out the provisions of this Act.

(d) The Commission shall have the power to appoint and fix the compensation of such additional personnel and such temporary and intermittent services as may be necessary to carry out the duties, without regard to the provisions of the civil service laws and the Classification Act of 1949, and it shall have the power to hold hearings and administer oaths.

(e) The Commission shall act by affirmative vote of a majority thereof. Vacancies shall be filled in the same manner as the original appointment.

SEC. 10. (a) The Commission shall submit its plan to the Secretary who shall, within one hundred and eighty days of the day it is submitted to him, either approve or disapprove the plan.

(b) The Secretary shall approve the plan if he finds that (1) the Commission has afforded adequate opportunity in the metropolitan area for public comment on the plan, and such comment was received and considered in the plan or revision as presented to him; (2) the State and local units of government identified in the plan as responsible for implementing its provisions have the necessary legislative authority to carry it out, and the chief executive officers of the State and local units of government have indicated their intention to utilize such authority in implementation of the plan in accordance with the program established by the Commission; (3) the plan, if implemented, would preserve significant natural or historical values and provide increased outdoor recreation opportunities for persons residing in the urban areas; and (4) implementation of the plan would not have a serious adverse impact on the air quality of the Los Angeles-Santa Monica region. Prior to making his finding on the air quality impact of the plan, the Secretary shall consult with the Administrator of the Environmental Protection Agency.

(c) If the Secretary disapproves the plan or revision he shall advise the Commission of the reasons therefor together with his recommendations for revision. The plan, following its disapproval, may be resubmitted to the Secretary for his approval in the discretion of the Commission.

(d) Upon approval of the plan, the Secretary shall publish a notice thereof in the Federal Register and shall transmit copies of the plan together with his comments to the President of the Senate and the Speaker of the House of Representatives.

(e) No revision to an approved plan may be made without the approval of the Secretary. The Secretary shall either approve or disapprove a proposed revision within one hundred and eighty days from the date on which it is submitted to him. Whenever the Secretary approves a revision, he shall publish notice thereof in the Federal Register.

SEC. 11. (a) Upon approval of the plan, the Secretary shall make grants in the total amount of $50,000,000 to the State or local units of government identified in the approved plan for the recreation area as having responsibility for implementing its provisions. Such grants shall be made upon application of such State or local units of government, shall be supplemental to any other Federal financial assistance for any purpose, and shall be subject to such reasonable terms and conditions as the Secretary deems necessary to effectuate the purposes of this Act.

SEC. 12. There is hereby established a special account in the Treasury of the United States for the purpose of holding monies to be used for grants, pursuant to Section 11 of this Act, to the State or local units of government. There shall be covered into such special accounts, $50,000,000 from revenue due and payable to the United States under the Outer Continental Shelf Lands Act (67 Stat. 462) as amended and/or under the Act of June 4, 1920 (41 Stat. 813) as amended, which would be otherwise credited to miscellaneous receipts of the Treasury. Monies covered into the account shall be used only for grants made pursuant to Section 11 of this Act and shall be available for expenditure only when appropriated therefor.

SEC. 13. APPROPRIATIONS.—There are authorized to be appropriated to defray the expenses of the Commission established pursuant to Section 3, including salaries and other expenses incident to the preparation or revision of a land-use program, such sums annually as may be necessary, and for grants to the State and local units of government to implement a land use program approved pursuant to Section 10 of this Act, $50,000,000 from the special account created in Section 12 of this Act.

SECTION-BY-SECTION ANALYSIS

Sec. 1. *Findings.* The section sets forth the Congressional findings that the Santa Monica Mountains and adjacent coastline area possess significant scenic, recreational, educational, scientific, natural, and public health values. The section recognizes the national interest in the protection and preservation of the area and that the primary responsibility for the preservation lies with the State of California and its local units of government. The section declares that the Federal Government, due to the national interest, should assist the State and local units of government which have important authorities which can be exercised to preserve the area.

Sec. 2. *Purpose.* This section provides that the purpose of the Act is to preserve the outstanding natural features and open space of the area, to preserve the public health from contamination of the airshed, and to provide outdoor recreational opportunities for the citizens of and visitors to the area.

Sec. 3. This section establishes the Santa Monica Mountains and Seashore Urban Recreation Area to encompass not more than 205,000 acres.

Sec. 4. This section provides that the Secretary of the Interior shall establish a planning commission for the area within one year from the date of enactment of the Act.

Sec. 5. This section sets forth the procedure for selection of the members of the Commission. Since the Act contemplates that the State and local units of government will fully exercise their land use authorities, each governmental entity with jurisdiction over the area will submit nominees to the Secretary for selection. The Secretary must insure a balance between State and local jurisdiction representatives in the final Commission composition. The Secretary will designate one member to serve as Chairman.

Sec. 6. This section provides that the sole function of the Commission is to develop a land use plan for the area.

Sec. 7. This section details the minimum requirements for the land use plan.

Subsection (a) provides that the plan must inventory and identify areas which are suitable for the development of public recreational facilities and for the preservation of significant natural, cultural, or historical values. Areas which should remain in their primitive, wild state are also to be identified. Of critical importance is the requirement that the plan identify those public and private uses, and the extent of those uses, which are compatible with and which would not impose the values for which the area is to be preserved, and most importantly, would not have a significant adverse effect on the air quality of the area.

Subsection (b) provides that the plan should insure public access to the beaches and the coastal uplands which provide the most intensive recreational opportunities. Public access to undeveloped inland stream drainage basins and existing park roads and scenic corridors must also be provided for.

Subsections (c) and (d) provide that a detailed and specific land use program must be developed and the units of government which would have the responsibility for implementing the program are to be identified. The Commission should explore the various non-compensatory and compensatory land use restrictions which are available to the various jurisdictions represented on the Commission. The only restriction placed on the content of the program is that it may not contemplate the expenditure of more than $50,000,000 in direct Federal grants. This restriction, however, does not include grants or assistance available under other Federal programs such as the Land and Water Conservation Fund.

Sec. 8. This section provides that the Secretary and the heads of other Federal agencies shall cooperate with the Commission in the formulation of the plan upon the request of the Commission within available funding. It is important that agencies such as the Environmental Protection Agency and other agencies make their expertise available to the Commission.

Sec. 9. This section provides the general management authorities for the Commission. It provides for the compensation of Commission members, financial and administrative services, the appointment and compensation of consultants and other personnel, and that actions shall be by affirmative vote of a majority of the Commission.

Sec. 10. This section provides that the Secretary of the Interior shall either approve or disapprove the final plan within 180 days from the date it is submitted to him by the Commission. The Secretary must find that the Commission afforded adequate opportunity for public comment on the plan and considered any comments, that the units of government which have the responsibility for implementing the land use program have the necessary authority and are willing to exercise that authority, that the plan will achieve the objectives of preservation and provision of recreational opportunity, and that implementation of the plan will not have a serious adverse impact on air quality. The Secretary is required to consult with the Administration of EPA prior to making any finding on air quality.

If the Secretary disapproves the plan he must advise the Commission of his reasons and his recommendations for revision. If he approves the plan, he is directed to publish notice thereof in the Federal Register and transmit copies to both Houses of Congress.

The section provides that no revision in the plan may be made without the Secretary's approval.

Sec. 11. This section provides that upon approval of the plan, the Secretary is to make grants totalling $50,000,000 to the State or local units of government which were identified in the plan as having the responsibility for implementing the land use program. The grants are supplemental to any other Federal financial assistance and may be used to implement the program. The governmental unit may use the funds to offset any tax loss, to compensate landowners should a taking or purchase be necessary, for the development of recreational facilities, or for whatever purpose such governmental unit deems appropriate.

Sec. 12. This section creates a special account in the United States Treasury to hold the grant monies. Funds for the grants will be derived from revenues due and payable the United States under the Outer Continental Shelf Lands Act and/or the Mineral Leasing Act of 1920. The sum of $50,000,000 is to be covered into this special account and may be used only for grants pursuant to Section 11.

Sec. 13. This section authorizes the appropriation of such sums as may be needed for the work of the Commission and the $50,000,000 in the special account for grants.

Mr. CRANSTON. Mr. President, I am pleased to cosponsor this bill to provide for the establishment of the Santa Monica Mountains and Seashore Urban Recreation Area in the State of California.

I want to express my deep appreciation to Senator BENNETT JOHNSTON for the great interest he has shown in the preservation of this urban recreation area.

Last year Senator JOHNSTON held hearings both in Los Angeles and Washington, D.C., on a proposal Senator JOHN TUNNEY and I offered to establish a Santa Monica Mountains and Seashore Urban National Park under the Department of Interior.

Senator JOHNSTON has now drafted a bill which provides an alternative approach to saving the mountains.

Rather than direct Federal acquisition, Senator JOHNSTON is proposing Federal grant assistance to the State of California and the local governments so that they may preserve the Santa Monica Mountains.

I believe this is a workable concept and a first step in developing a program in which the Federal, State, and local governments can cooperate to protect the Santa Monicas.

While I continue to support direct Federal acquisition and management of the park, I recognize the problem of cost and the backlog of authorized parks under the Land and Water Conservation Fund.

Senator JOHNSTON's bill is both realistic and fiscally responsible, though I realize some amendments in the bill may be necessary. For example, I believe the provision for the Planning Commission needs to be strengthened in order to insure participation of the public at large as well as representative of State and local government.

While there has been considerable difference of opinion about the proper role of the Federal Government in protecting the Santa Monica Mountains and seashore, there is little controversy over the desirability of preserving the region.

The Santa Monica Mountains and seashore comprise over 200,000 acres of undeveloped land stretching from the beaches of Santa Monica Bay eastward to the coastal mountain ranges of Los Angeles and Ventura Counties.

The area can provide such needed open space and urban parkland to the 10 million residents of the Los Angeles Basin and the many thousands of Americans from all over the country who visit southern California each year.

The Santa Monica Mountains also have been recognized as an important buffer against continuing urban sprawl, as an airshed, a refuge from urban pressures, and a resource for scientific studies.

Because of the continuing pressures of urban development in the Santa Monica Mountains, I hope hearings can be held on the various Santa Monica Park bills in the very near future.

Mr. President, for more than 2 years this issue has been before the Senate. It is time to find a workable solution—one that enjoys the broadest possible support—so that the Santa Monica Mountains and Seashore Park can at last become a reality.

Mr. TUNNEY. Mr. President, on February 19, 1975, Senator CRANSTON and I introduced S. 759, a bill to establish the Santa Monica Mountains and Seashore Urban National Park in California. In the House, Congressmen BELL, CORMAN, and REES introduced identical legislation, H.R. 3201, which now has 19 additional cosponsors. I continue to feel that this legislation is the way to proceed to insure maximum protection for the proposed park area.

Senator J. BENNETT JOHNSTON, chairman of the Senate Interior Subcommittee on Parks and Recreation, is today introducing alternative legislation which I feel should also be considered at hearings. Senator JOHNSTON has spent considerable time studying this matter and feels that his approach would also protect the area.

Time is of the essence and hearings should be held as quickly as possible on both these proposals and legislation acted upon by the Senate this year. Hearings will certainly air the differences in the two approaches and I am hopeful that a combination of the best of the two bills can be passed by the Senate in the near future.

Mr. President, the Santa Monica Mountains and seashore are an integral part of the identity of the Los Angeles basin. The need to protect this region, by creation of a national park, is urgent. Never before in America has such a large, concentrated population suffered from such a scarcity of recreational resources. Although 10 million people live in metropolitan Los Angeles, they have less open space for public recreational and cultural uses than any other major city in the United States, including New York. This imbalance is intensified by the great yearly influx of visitors to the area—over 8 million annually in southern California. The strain on existing recreational resources is near the breaking point. Beaches are overcrowded, camping for hundreds of miles around require reservations long in advance, tens of thousands are turned away on many weekends. A county park in the Santa Monica Mountains is a case in point: Its facilities were consistently so overused that officials were forced to close the area to overnight campers.

The resource at stake in the area is unique. It is the only example of a Mediterranean climate in North America—with all the plant and animal life indigenous to that particular climate. Sage, sumac, and yucca cover the hillsides.

There are deer, coyote, bobcat, raccoon, rabbit, fox, grey squirrel, and quail. Marsh and water birds frequent the coastal area.

Mr. President I believe enactment of a Santa Monica Mountains and Seashore Urban National Park bill is the only way to protect this valuable resource and I urge the committee to schedule early hearings on both bills.

By Mr. DOLE (by request):

S. 1641. A bill to amend the Agricultural Trade Development and Assistance Act of 1954 to provide the United States with the flexibility to carry out the national interest or humanitarian objectives of that act;

S. 1642. A bill to amend the Commodity Futures Trading Commission Act of 1974;

S. 1643. A bill to further amend the Agricultural Marketing Act of 1946;

S. 1644. A bill to authorize certain payments to States from National Forest receipts during the period July 1, 1976, through September 30, 1976, and for other purposes;

S. 1645. A bill to establish improved programs for the benefit of producers and consumers of rice;

S. 1646. A bill to establish an improved program for the benefit of producers and consumers of extra long staple cotton;

S. 1647. A bill to amend the Federal Crop Insurance Act, and for other purposes;

S. 1648. A bill to amend section 1114 of title 18 of the United States Code to include officers and employees of the Department of Agriculture assigned to perform investigative, inspection, or law enforcement functions;

S. 1649. A bill to amend the act of March 4, 1927, to authorize the Secretary of Agriculture to accept and administer on behalf of the United States gifts or devises of real and personal property for the benefit of the National Arboretum; and

S. 1650. A bill to amend the Perishable Agricultural Commodities Act, 1930. Referred to the Committee on Agriculture and Forestry.

Mr. DOLE. Mr. President, at the request of the administration, I am today introducing several bills which would make changes in existing law.

As my colleagues know, the various departments and agencies of the Federal Government develop legislative proposals which they seek to have considered by the Congress in furtherance of the programs they administer.

Often these measures are minor or technical in nature: However, they are often quite controversial. Today, as a courtesy to the administration, I am offering several such proposals for referral to committee and appropriate consideration.

Just as my colleagues may be expected to reserve final judgement on these proposals until after committee investigation, hearings, and consideration, so do I reserve judgment. I introduce these bills today, which have been forwarded by the administration, because I believe that we in the Congress who expect the departments and agencies to implement faithfully and efficiently the laws we pass, owe them the courtesy of considering their suggestions for changes and improvements in the law.

Mr. President, I ask unanimous consent that a summary of the bills prepared by the staff of the Committee on Agriculture and Forestry be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

STAFF EXPLANATION OF ADMINISTRATION REQUEST BILLS

PUBLIC LAW 480

S. 1641 would permit the Secretary of Agriculture to waive the availability criteria for commodities which may be disposed of under the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) if he determines that some part of the exportable supply should be used to carry out the national interest or humanitarian objectives of the Act.

COMMODITY FUTURES TRADING COMMISSION ACT OF 1974

S. 1642 would delete the requirement in the Commodity Futures Trading Commission Act of 1974 (1) for concurrent submission of the Commission's budget requests to the Congress and to the President (or the Office of Management and Budget); (2) for concurrent submission of the Commission's legislative recommendations, or testimony, or comments on legislation to the Congress and to the President (or the Office of Management and Budget); and (3) for Senate confirmation of the Commission's Executive Director, who is not a Presidential appointee, but rather an appointee of the Commission.

INSPECTION OR GRADING UNDER THE AGRICULTURAL MARKETING ACT OF 1946

S. 1643 would prohibit any person from knowingly representing that any agricultural product has been officially inspected or graded pursuant to the Agricultural Marketing Act of 1946 unless the product has been so graded or inspected.

NATIONAL FOREST RECEIPTS FOR SCHOOLS AND ROADS AND TRAILS

S. 1644 provides that National Forest receipts earned during the transition period of July 1, 1976, through September 30, 1976, between the end of fiscal year 1976 and the beginning of fiscal year 1977 will be available for distribution for public schools and roads and trails in accordance with the formula and manner specified in existing law.

TARGET PRICE PROGRAM FOR RICE

S. 1645 would authorize a target price program for the 1976 and 1977 crops of rice. The bill (1) suspends the present acreage allotment, marketing quota, and price support programs for the 1976 and 1977 crops of rice; (2) provides for target prices, loans, freedom to plant, deficiency payments, and set-aside provisions similar to the programs established for upland cotton and grains in the Agriculture and Consumer Protection Act of 1973 (Public Law 93-86); and (3) authorizes the Secretary of Agriculture to establish and carry out through private, local, State and federal agencies, rice production, storage, processing and marketing research programs.

TARGET PRICE PROGRAM FOR EXTRA LONG STAPLE COTTON

S. 1646 would authorize a target price program for the 1976 and 1977 crops of extra long staple cotton. The bill would shift the present extra long staple cotton program to a program similar to the programs established for upland cotton and grains in the Agriculture and Consumer Protection Act of 1973 (Public Law 93-86).

FEDERAL CROP INSURANCE ACT

S. 1647 would authorize the Federal Crop Insurance Corporation to offer crop insurance on a Nationwide basis for feed grains, cotton, and wheat. The bill would repeal the existing disaster payment provisions for those crops which are contained in the Agricultural Act of 1949.

PROTECTION FOR USDA PLANT AND ANIMAL INSPECTORS

S. 1648 would afford plant and animal inspectors of the U.S. Department of Agriculture the same protection from physical assault and death in the line of duty that officers and employees of numerous other Federal agencies now have when performing similar duties. The bill also extends such protection to other officers and employees of the Department (including investigators of the Office of Investigation and of the Forest Service) whose duties expose them to the possibility of physical assault and death.

AUTHORITY TO ACCEPT GIFTS OR DEVISES OF PROPERTY FOR THE BENEFIT OF THE NATIONAL ARBORETUM

S. 1649 would authorize the Secretary of Agriculture to accept and administer on behalf of the United States gifts or devises of real and personal property for the benefit of the National Arboretum.

PERISHABLE AGRICULTURAL COMMODITIES ACT

S. 1650 would amend the Perishable Agricultural Commodities Act to permit the Secretary of Agriculture to set the license fee for applicants at the level he determines necessary to finance adequately the administration of the Act. The basic objective of the Act is to establish a code of fair trading practices in the marketing of fresh and frozen fruits and vegetables and enforcement of contracts for marketing such commodities. Under existing law, the maximum license fee is $100 per year.

By Mr. TALMADGE:

S. 1651. A bill to authorize the Secretary of Agriculture to encourage and assist the several States in carrying out a program of animal health research. Referred to the Committee on Agriculture and Forestry.

Mr. TALMADGE. Mr. President, I am introducing today a bill that has already received considerable study and attention by the Congress.

This bill, the Animal Health Research Act, was passed by the Congress in 1974. However, in one of his first acts upon assuming the Presidency, President Ford vetoed this legislation.

I can understand the President's reluctance to sign any new spending program. However, I think that the record shows a tremendous need for increased veterinary research, particularly in view of the demonstrated need to improve productivity and efficiency in the livestock industry.

The livestock sector of our agricultural economy has gone through a difficult economic crisis during the last two years. The value of U.S. livestock and poultry exceeds $35 billion. The estimated annual loss of over $3.6 billion worth of livestock from animal diseases and parasites is intolerable.

The Subcommittee on Agricultural Research and General Legislation of the Senate Agriculture Committee conducted hearings on the Animal Health Research Act on September 27, 1973. The witnesses who appeared before the subcommittee documented substantial unmet need for increased Federal assistance for animal health research. Assistant Secretary of Agriculture Robert W. Long testified that animal diseases are costly and persistent. He quoted the 1972 Terry Report of the National Academy of Sciences, which estimated that losses on all animals run as high as 15 to 20 percent.

Under questioning by a subcommittee member, a representative of the American Veterinary Medical Association indicated that a properly funded program for animal health research could cut in half our present annual losses of livestock and poultry.

In this time of economic recession and persistent inflation, the Congress must weigh carefully the value of any new spending program. However, we must not blindly refuse to authorize any new spending program, no matter how meritorious, simply because we are already spending too much in other areas. We must evaluate every new program authorization in terms of national priorities and in terms of whether it will be a wise and prudent investment of taxpayers' dollars. I believe the Animal Health Research Act meets these tests.

The purpose of this legislation is to place increased emphasis on, and provide added funding for, animal health research within the structure of our Federal-State university veterinary medical institutions and agricultural experiment stations.

The specific objectives of the legislation include:

First, improving the health and productivity of fresh water fish and shellfish, domestic livestock, poultry, and other income producing animals;

Second, preventing disease epidemics;

Third, minimizing losses due to sicknesses and diseases, and transportation and handling of livestock and poultry;

Fourth, protecting human health through control of animal diseases transmissible to humans;

Fifth, improving the health of companion animals; and

Sixth, improving methods of controlling the birth of predators and other animals.

The recipients of Federal grants under this legislation would be the colleges of veterinary medicine, or at institutions where there are no colleges of veterinary medicine, the State agricultural experiment stations conducting animal health research.

Mr. President, the total grants that would be authorized under this bill are $47 million. I think that even if this bill were fully funded, it would be a small investment when compared to the $3.6 billion in losses due to animal diseases and parasites that we suffer each year. As I have pointed out, about half of these losses could be avoided with proper research activities. Currently, the Department of Agriculture invests only $23.4 million in animal health research. This is far too small when we consider that the livestock industry exceeds $35 billion.

Mr. President, I hope that the Congress can again give thorough consideration to the Animal Health Research Act and that the President will look more favorably on this legislation this year.

By Mr. STONE (for himself and Mr. McClure):

S. 1652. A bill to amend the Internal Revenue Code of 1954 to provide that no interest is payable on income tax deficiencies in the case of returns prepared by the Internal Revenue Service until the expiration of 30 days after notice to the taxpayer of such deficiency. Referred to the Committee on Finance.

LIMITING TAXPAYER LIABILITY FOR UNDERPAYMENT OF TAXES DUE TO INTERNAL REVENUE SERVICE ERROR

Mr. STONE. Mr. President, on behalf of the Senator from Idaho (Mr. McClure) and myself, I am today introducing a bill which would protect taxpayers from interest penalties on income tax deficiencies when the taxpayer's income tax return was prepared by the Internal Revenue Service. This legislation would prevent taxpayers from being held responsible for mistakes made by taxpayer service representatives of the Internal Revenue Service in preparing taxpayer returns.

The need for this legislation is illustrated by a survey recently made by a House Ways and Means Subcommittee indicating that incorrect advice was given by Internal Revenue Service agents at least 25 percent of the time in response to inquiries about specific tax matters. I understand that Commissioner of Internal Revenue Service Donald Alexander is concerned about this problem and is working to improve the situation.

Mr. President, I introduce this legislation not to discourage the Internal Revenue Service from continuing to provide the excellent and most helpful assistance it has been providing to millions of taxpayers every year. Rather, I introduce this bill to make certain that mistakes made by employees of the Government do not have the effect of penalizing taxpayers who want to take advantage of the taxpayer assistance program of Internal Revenue Service. Indeed, I believe the enactment of this bill will result in greater use of the Internal Revenue Service's taxpayer assistance program because of its assurance that no taxpayer will suffer from good-faith reliance on Internal Revenue Service advice.

It is important to understand that this bill relieves the taxpayer of interest liability for unpaid taxes only to the extent that the taxpayer's return is actually prepared by an Internal Revenue Service representative and the taxpayer does not fail to provide information concerning his tax situation to Internal Revenue employees in the preparation of the tax return. The bill would not relieve the taxpayer of his obligation to pay any additional taxes he might owe to the Federal Government.

Mr. President, I ask unanimous consent that the complete text of this bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1652

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6601(c) of the Internal Revenue Code of 1954 (relating to suspension of interest in certain income, estate, gift, and chapter 42 or 43 tax cases) is amended by adding at the end thereof the following new sentence: "In the case of an income tax deficiency, if the return was prepared by a taxpayer service representative of the Internal Revenue Service acting under the program established by the Secretary or his delegate to provide assistance to taxpayers in the preparation of income tax returns, and if the deficiency did not result from a failure by the taxpayer to provide information to the taxpayer service representative who prepared his return, or from a willful misrepresentation of information by the taxpayer, interest shall not be imposed on such deficiency for any period beginning before the 30th day after the date of notice and demand by the Secretary or his delegate for payment of the deficiency.".

SEC. 2. The amendment made by this section applies to returns filed for taxable years beginning after the date of enactment of this Act.

By Mr. HUMPHREY:

S. 1654. A bill to amend the Agricultural Trade Development and Assistance Act of 1954. Referred to the Committee on Agriculture and Forestry.

HUMPHREY PROPOSES MAJOR REVISION OF U.S. FOOD ASSISTANCE

Mr. HUMPHREY. Mr. President, as our food for peace program enters its third decade, I believe that it is time to take a fresh look at our foreign food assistance policies. I think that we must look at the situation and assumptions upon which the Agricultural Trade Development and Assistance Act, Public Law 480, was based when it was constructed in 1954, and revised in 1966, and apply these against the situation and requirements of today.

Today, I am introducing legislation which provides for the most comprehensive restructuring of our food for peace program since it was enacted over 20 years ago. This bill is offered as a concrete initiative to begin discussion on new directions and as a follow-up to the World Food Conference.

The bill I am introducing today is the compilation of ideas, experience, and suggestions I have received as a result of numerous hearings and personal contacts over the past few years.

This bill addresses four basic areas: First, clarification of food for peace program objectives and priorities; second, stabilization of humanitarian food assistance levels and the necessity for long-term supply planning; third, strengthened linkage between food aid and agricultural development; and fourth, establishment of effective disaster relief provisions.

CLARIFICATION OF OBJECTIVES AND PRIORITIES

Until the recent tight supply situation, there did not seem to be significant competition for available commodities between the four objectives of the program: surplus disposal, market development, complement to foreign policy, and humanitarian assistance. However, over the past 2 years, there has been considerable conflict over whether priority should be given to humanitarian food assistance or to foreign policy uses of available Public Law 480 commodities.

During fiscal year 1974, over 66 percent of title I, or almost half of the commodities shipped under Public Law 480, went to Cambodia and Vietnam. Had not the 30-percent limitations on the political uses of food aid been enacted, the administration was planning to ship up to two-thirds of the program to Southeast Asia, the Middle East or to other countries such as Chile with which the Department of State had made special foreign policy commitments.

Significantly, humanitarian food assistance does not seem to conflict with the surplus disposal and market development objectives of the program. It is generally the case that when supplies are tight, humanitarian need is the greatest and market development/surplus disposal requirements the least, and vice-versa.

To deal with the conflict between humanitarian and foreign policy uses, the proposed amendment to section 2 would modify the statement of policy to insure that the foreign policy uses of Public Law 480 are not inconsistent with the humanitarian objectives of the act.

Also, proposed amendments to title IV would provide for a base level volume commitment to humanitarian programs and an ordering of priorities in the distribution of food supplies available for distribution under the act. Public Law 480 commodities would be programed first, for disaster relief, then established title II programs, next to agricultural assistance programs under the new title III, and finally for market development, foreign policy uses and surplus disposal under title I.

Such a reordering of priorities would in no way deny the utility of any of the original objectives but simply establish a mechanism to adjust the distribution of agricultural commodities on the basis of general commodity availability and current needs.

LONG-TERM PLANNING AND STABILIZATION OF FOOD ASSISTANCE

The fluctuations in commodities available for shipment under Public Law 480 have had a very disruptive impact on the long-term benefits of food aid. Food shipments have varied from an average of 9 million metric tons annually during the period of 1969–72, to 3.3 million metric tons in fiscal year 1974. Uncertain supply conditions make long-term program planning and coordination with program agency staffs, the local counterpart agencies' personnel, the host country government, local volunteers and food recipients difficult or impossible.

The proposed amendments to section 201, 301, and 401 would provide for a stable volume commitment to ongoing and humanitarian programs.

Each of these amendments provides for a 5-year base level volume commitment for humanitarian programs. If necessary, the Secretary of Agriculture can use the flexibility of CCC borrowing authority to maintain those commitments and spread reimbursement of the CCC over a longer period of time.

STRENGTHENING THE LINKAGE BETWEEN FOOD AID AND AGRICULTURAL DEVELOPMENT

Reflecting the priority coming out of the World Food Conference to assist the developing world to increase their own food production, an entirely new title III is proposed. This title would program the proceeds—generated from the sale of food commodities—for agricultural development under a 5-year plan, developed by the recipient nation.

Countries taking steps to use resources made available under Public Law 480, to develop their agricultural sector, would be eligible under title III for concessional terms similar to those presently provided under development loans of other foreign assistance programs.

Thereby, there would be an incentive for food deficit countries to direct more resources to increase their food production. Public Law 480 would be an effective vehicle for dealing with the long-term, as well as the short-term, problem of food availability.

Countries choosing to participate in a 5-year agricultural assistance program would develop a plan providing for the specific use of the proceeds from sales of Public Law 480 commodities. For the part of our Government, we would assure these countries a stable volume of commodities over the 5-year period. And we would credit, against the loan repayment, funds programed for agricultural development as we have done previously under section 104.

There also would be specific safeguards against the accumulation of large currency balances, and comprehensive reporting requirements.

Past efforts to strengthen the self-help dimension within Public Law 480 have been largely ineffective. Self-help provisions are routinely written into title I agreements with little monitoring of their actual implementation or integration into a comprehensive development plan. An "agricultural assistance program" would provide a way of encouraging greater attention to agricultural development and to the integration of resources available for such development into a medium to long-term development strategy.

DISASTER RELIEF PROGRAM

A major problem impairing the long-term benefits of food assistance is the disruptive drain of food commodities from ongoing program efforts in order to meet emergency and disaster relief needs. Not only does it require reallocation of resources within the country struck with such a disaster, but it also requires the United States to reallocate supplies between nations to meet the food emergency.

Often when massive emergencies strike, a large portion of the commodities available for food assistance may have already been allocated. A more orderly and effective means of meeting such emergencies would be to have in place a logistical scheme for distributing food relief without draining away commodities servicing ongoing programs.

The proposed title V would provide the legislative authority to accomplish all of these objectives. A minimum of 1 million metric tons would be set aside annually for disaster relief.

Because, such stocks would be purchased early in the year, production planning could take these needs into account. In addition, we could program costs by making purchases when commodity prices are most favorable rather than being forced into the market late in a crop year.

INTEGRITY OF ORIGINAL OBJECTIVES MAINTAINED

In my revision of Public Law 480, I have tried to maintain the strength and intent of all four original objectives of the act.

The changes would in no way interfere with the market development/surplus disposal objectives which have been so important to the development of foreign markets for U.S. farm production, and for reducing the costs to the American taxpayer of maintaining stable commodity supplies and prices despite surplus production. Title I would still be available for these purposes, and the terms of title I would be strengthened, and while still significantly concessional, would reflect more closely today's commercial credit terms. This would make the program more self-supporting and would potentially make more funds available to allow a larger volume of commodities to be used for each of the purposes of the program.

Similarly, Public Law 480 would continue to serve as an important complement to our foreign policy. The strategic importance of using our advantage in food production to assist other countries is an essential component of a sound foreign policy. The revisions would not encumber such objectives but would assure the continued programing of commodities for such uses.

It should be clear that my proposals do not entail increased Federal expenditures. The purpose of my initiative is more effective application of those resources already available for use in our food for peace program.

BLUE RIBBON PANEL OF FOOD AID

I am convinced that there is room for imagination and foresight as we begin to shape our food assistance policies to fit the needs of the coming decades.

I intend this bill to be a starting point—a vehicle within which to review all aspects of our Public Law 480 program. In this regard, I am calling together a panel of experts involved in various dimensions of national and international food policy.

This panel may choose to use my bill and other legislative proposals as a starting point. They may decide to begin anew. The objective of this effort is to review our foreign food assistance programs and make recommendations on legislative changes to meet today's needs with today's resources.

Working together with the Administration and others who are involved in food aid and agricultural development, we can insure that our food assistance policies and programs are responsive to the needs and requirements of a changing world.

Public Law 480 is a proven program. It is a model for what food aid can and should do throughout the world. Yet, I think we can do better. I think that we can get much more out of our food for peace program, and without increasing its cost. Using those resources already available for food assistance, we can go much further in addressing the present and future need.

Progress is an active, not a passive term. I have offered a vehicle to discuss constructive improvements in our food assistance policies. I now invite others to pick up on this initiative and help us to meet the challenges of increasing food security around the world.

We must reshape our food assistance priorities to avoid confusion, conflict, and contradiction.

We must strengthen the self-help provisions of our food assistance programs to insure that our resources are being used as effectively and efficiently as possible to help developing nations help themselves.

We must assure a continued and stable flow of our food resources for humanitarian programs and disaster relief.

The solution to the world food problem, I am convinced, lies in the political will to act. This is the task ahead. Let us go forward.

Mr. President, I ask unanimous consent that two tables describing the proposed legislative changes to Public Law 480, and the text of the bill to amend the Agricultural Trade Development and Assistance Act of 1954, be included in the RECORD.

There being no objection, the tables and bill were ordered to be printed in the RECORD, as follows:

PROPOSED LEGISLATIVE CHANGES TO PUBLIC LAW 480—SUPPLY STABILIZATION AND ALLOCATION OF AVAILABLE SUPPLIES

[In decreasing order of priority]

Direct food aid grants	Established programs, disaster relief.
Humanitarian:	
Highly concessional sales	Transfer of resources for agricultural development.
Surplus disposal	Moderately.
Foreign policy	Concessional.
Market development	Credit terms.

NOTES

First priority in the allocation of available supplies would be for humanitarian programs. As commodity availability increases, market development, foreign and surplus disposal would absorb available supplies.

Volume of humanitarian component remains reasonably stable. The annual volume programed for primarily humanitarian uses is adjusted every 5 yrs.

CCC borrowing authority is drawn upon to maintain the target volume for humanitarian programs in times of tight supply and high commodity prices. Level of appropriation remains fairly constant and is used to reimburse CCC in times of abundant commodity supplies and lower prices.

PROPOSED LEGISLATIVE CHANGES TO PUBLIC LAW 480—COMPARISON WITH EXISTING LEGISLATION

Legislation	Purpose of title	Criteria for allocation	Credit terms	Means of distribution	Long-term planning and monitoring provisions
Title I:					
Existing	Surplus disposal; market development; humanitarian food aid; complement to foreign policy.	Commodity availability; foreign policy leverage; marketing opportunities; humanitarian need.	20–40 yr loans at 2–3 percent (terms of development loans under the Foreign Assistance Act of 1961).	Commercial market channels	Few planning requirements or monitoring facilities subsequent to issuance of purchase authorization.
Proposed	Strictly humanitarian aid would be placed under the authority of other titles.	Same except that humanitarian needs generally met through other titles.	Terms linked to minimum cost of borrowing to the U.S. Government (approximately 6 percent) and for period of 5 yr.	Unchanged	Unchanged.
Title II:					
Existing	Direct food aid through established programs; disaster relief.	Needs of established programs; to meet emergency requirements; availability of commodity.	Grant	Through voluntary agencies, the world food program, or recipient country governments directly to needy.	Few monitoring or planning requirements.
Proposed	Same except that disaster relief separated into title V.	Same except that disaster relief provisions transferred to title V.	Unchanged	Unchanged	Multiyear supply commitments to facilitate long-term planning.
Title III:					
Existing	Barter for strategic materials. (functions previously transferred.				
Proposed	Transfer of resources in the form of surplus agricultural commodities to raise funds for ag development.	Interest of developing country; ability of such country to benefit.	10 yr at 2–3 percent	Commercial market channels proceeds of sales used for agricultural development.	Multiyear supply commitments to facilitate long-term planning; requires 5 yr ag development plan; yearly reports.
Title V:					
Existing	No comparable provision				
Proposed	Disaster relief	Humanitarian food needs necessitated by disaster.	Grant	U.S. and multilateral relief agencies.	Administrator responsibilities contingency plans for disaster relief.

S. 1654

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691–1736d) is amended as follows:

(1) Section 2 (7 U.S.C. 1691) is amended by striking out the matter following the last semicolon and inserting in lieu thereof the following: "and to use such agricultural productivity to promote in other ways the foreign policy of the United States to the extent that such use is not inconsistent with the humanitarian purposes of this Act."

(2) Section 102 (7 U.S.C. 1702) is amended by striking out the colon after the word "Corporation" and all that follows through the end of the section and inserting in lieu thereof a comma and the following: "but such corporation may not finance the sale and export of agricultural commodities under this Act for any exporter or to any country if the sale and export of such commodities would, in any way, be inimical to the interests of the United States."

(3) Section 103 (b) (7 U.S.C. 1703 (b)) is amended to read as follows:

"(b) take steps to assure that, insofar as possible, all sales under this title are for dollars (or to the extent that sales for dollars under the terms applicable to such sales is not possible, sale for foreign currencies on credit terms no less favorable to the United States than the minimum cost of funds to the United States Treasury, calculated on the basis of a current rate of exchange and on terms which permit conversion to dollars at the exchange rate applicable to the agreement), except where he determines that foreign currencies of a specific amount are needed in the case of any foreign country for uses specified in section 104 or title III, the agreement for credit sales to such country shall (A) provide for the expenditure of such currencies over a period not in excess of 30 months, if the expenditure of such currencies is not to be administered by an agency of the United States, in the case of one or more purposes under section 401, or (B) specify the specific uses for which such currencies may be used in carrying out an agricultural assistance program under title III. Such payment may be considered as an advance payment of the earliest installments."

(4) Section 103 (c) amended by striking out the semicolon at the end of such section and inserting in lieu thereof the following: "or act as a disincentive to agricultural production in the recipient country;".

(5) Section 103 (d) is amended to read as follows:

"(d) enter into sales agreements with those countries which he determines are friendly to the United States and which lack the internal resources to purchase commodities on a normal commercial basis. In carrying out this provision, the President shall publish not later than March 31 of each year a list of the nations eligible to enter into sales agreements under this Act;".

(6) Section 103(e) (7 U.S.C. 1703(e)) is amended by inserting immediately after "Corporation" a comma and the following: "that free and open competition is assured in contracting for goods and services of United States and foreign companies under this title,".

(7) Section 103(j) (U.S.C. 1703(j) is repealed.

(8) Section 103(k) is amended by striking out "5 per centum" and inserting in lieu thereof "10 per centum".

(9) Section 103(l) is repealed.

(10) Section 103 is further amended by striking out "and" at the end of subsection (p); by striking out the period at the end of subsection (q) and inserting in lieu thereof a semicolon and the word "and"; and by adding at the end of such section a new subsection as follows:

"(r) obtain commitments from purchasing countries that appropriate steps will be taken to assure that the neediest individuals in such countries will have reasonable access to all or part of the agricultural commodities made available to such countries under this Act."

(11) Section 104(c) (7 U.S.C. 1704(c)) is amended to read as follows:

"(c) To purchase or contract to purchase commodities for strategic food reserves, including the facilities for handling, storage, and distribution of such reserves, for the purpose of providing market stabilization and emergency relief food reserves;".

(12) Section 104(e) is amended to read as follows:

"(e) For making loans to United States or developing country private business firms (including cooperatives) engaged in activities to improve the economic welfare of the developing country or to increase utilization of agricultural commodities of the United States, but only to the extent that such loans are not inconsistent with the economic objectives of the developing country concerned. Detailed proposals describing the specific uses of funds and the benefits to the United States and the developing countries involved shall accompany any request for funds under this provision. The President shall designate an appropriate Federal agency to administer this provision which shall make annual reports to the Congress on the specific uses of funds under this out subsection (i).

(13) Section 104 is amended by striking subsection (i).

(14) Section 104 is further amended by striking out the word "and" at the end of subsection (j); by striking out the period at the end of subsection (k) and inserting in lieu thereof a semicolon and the word "and"; and by adding at the end of such section a new subsection as follows:

"(l) For grants to cooperating organizations under title II of this Act to assist such organizations in the expansion of the distribution of food to the neediest individuals in countries which receive food assistance under such title II."

(15) Section 106 (7 U.S.C. 1706) is amended to read as follows:

"Sec. 106. Payment by any friendly country for commodities shall be on terms as favorable to the United States as the economy of such country will permit. Payment for such commodities shall be in dollars and on such others terms and conditions as the President may prescribe, but in no event shall the rate of interest be less than the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year next preceding the date of the sale and adjusted to the nearest one-eight of 1 per centum less one-half of 1 per centum. The terms applicable to such sales to any country shall not be for a period of time greater than that normally extended by the Commodity Credit Corporation or five years from date of delivery of the agricultural commodities made available under agreements pursuant to this title, whichever period is longer, unless the President demonstrates to the Congress that such terms would create undue economic hardship to the recipient country. In any case in which more favorable terms are extended to any country the President shall promptly notify the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives of such terms and the justification therefor. In no case shall the terms be less favorable to the United States than those for development loans made under section 201 of the Foreign Assistance Act of 1961, as amended."

(16) Section 109 (7 U.S.C. 1709) is repealed.

(17) The first sentence of section 201 is amended by inserting "to support maternal and child health programs;" immediately after "friendly developing areas;".

(18) Section 201 (7 U.S.C. 1721) is further amended by inserting "(a)" after "Sec. 201.", and by adding a new subsection as follows:

"(b) Consistent with the provisions of section 401 of this Act and not later than March 31, 1976, the President shall determine and announce the quantity by type of food commodities by class or type including specially blended fortified and high-nutritional foods which shall be made available under this title during each of the subsequent five fiscal years."

(19) Section 202 (7 U.S.C. 1722) is amended by deleting the third sentence.

(20) The second sentence of section 204 (7 U.S.C. 1724) is amended by inserting "make dollar grants to, or to" immediately after $7,500,000 annually to".

(21) Title II is further amended by adding at the end thereof a new section as follows:

"Sec. 206. There is hereby authorized to be expended from the funds made available under this title in any fiscal year a sum not to exceed $2,000,000 to fund experimental programs utilizing commodities not currently programed under this Act, or for applying or demonstrating new techniques for distribution of food under this title.".

(22) Title III is amended to read as follows:

"TITLE III

"Sec. 301. Whenever the Secretary of Agriculture, in consultation with the Administrator of the Agency for International Development and the government of a developing country, determines that such country could usefully benefit from the sale of United States agricultural commodities (including processed and blended foods) within such country by generating funds for agricultural development and improving food distribution within such country, the Secretary may designate such country as eligible for an 'Agricultural Assistance Program'. The criteria for designating any country for an Agricultural Assistance Program shall be determined solely on the basis of (1) the humanitarian need for external resources to improve the marketing, distribution, and storage system of such country and the need to increase the access of the neediest individuals of such country to available food supplies and to increase the productivity of the small farmer of such country; (2) the overall level of the economic development of each country; (3) the ability of such country to utilize effectively the resources made available by the sale of food commodities under this section for the purposes specified in clause (1); (4) the impact of food assistance under this title on domestic food production of such country; (5) the political will of such country to take steps to meet the above objectives; and (6) the extent to which such country has successfully implemented past agreements, if any, under this section.

"Sec. 302. (a) A county designated as eligible and wishing to participate in an Agricultural Assistance Program shall formulate a five-year agricultural development plan with the assistance of the Agency for International Development and other appropriate U.S. and international agencies. Such plan shall emphasize and provide for making farm production equipment and facilities available to farmers; credit on reasonable terms and conditions for small farmers; and farm extension and technical information services designed to improve the marketing, storage, and distribution system for agricultural commodities and to develop the physical and institutional infrastructure supporting the small farmer. Such plan shall have as its overall objective to increase the access of the poorest majority in the participating country to an adequate nutritious and stable food supply. Such plan shall also provide for participation, insofar as possible, at both the regional and local levels, and shall be designed so as to reach the majority of farmers.

"(b) The five year agricultural development plan of any country shall specify an annual volume of food commodities to be procured under concessional arrangement pursuant to this title, and specific amounts and uses of proceeds resulting from the sale of commodities supplied under this title.

"(c) The five year agricultural plan shall be integrated with other forms of bilateral and multilateral development assistance, including assistance made available under any other title of this Act.

"Sec. 303. Whenever an agricultural development plan for any country has been approved by the Secretary of Agriculture, the Commodity Credit Corporation is authorized to furnish credit to the participating country for the purchase of a specific annual volume of agricultural commodities to be delivered over a five year period at terms no less favorable to the United States than the minimum rate required by section 201 of the Foreign Assistance Act of 1961 for loans made under that section.

"Sec. 304. Funds generated from the sale of agricultural commodities by any participating country under this title shall be held in a special account to be disbursed for the specific uses described in the approved five year agricultural development plan of such country, or for uses specified in sections 104 and 406. The amount of funds disbursed for such purposes shall be considered as an advance payment of the earliest installments of the loan obligation to the Commodity Credit Corporation unless the amount of the disbursements for such purposes creates an outstanding balance in the special accounts established above which cannot be disbursed, within a period of two calendar years (1) through normal program operations budgeted for the agricultural development plan of the participating country, or (2) for uses described in sections 104 and 406. In either such case no more payments may be credited against the loan obligation to the Commodity Credit Corporation until such outstanding balance is reduced.

"SEC. 305. Not less than 5 nor more than 10 percentum of the funds made available for carrying out Agricultural Assistance Programs under this title shall be used for administration purposes, including reimbursement for salaries and fees of officials of the Agency for International Development and for professional consultants.

"SEC. 306. Not more than one year after the signing of an agreement with any country under this title and each year thereafter for the period of the agreement, the government of the participating country with the assistance of the Agency for International Development shall submit a comprehensive report to the Secretary of Agriculture on the activities under the Agricultural Assistance Program for such country, including a specific accounting for funds generated, their specific uses, and the outstanding balances at the end of the most recent fiscal year. Such annual report may also include recommendations for modification and improvement in the uses of funds under the agricultural development plan of such country."

(23) Section 401 (7 U.S.C. 1731) is amended by inserting "(a)" immediately after "Sec. 401.", by striking out the second sentence, and by adding the following new subsections:

"(b) Not later than March 31, 1976, the Secretary of Agriculture shall announce an annual volume of food commodities to be made available for humanitarian food assistance under this Act for each of the five fiscal years following the fiscal year in which the announcement is made. The volume for each such fiscal year shall be not less than 60 percentum of the average annual volume of food assistance made available under this Act for the previous five years. Such a commitment should reflect the volume necessary to continue established programs under title II, agricultural assistance programs under title III, and such volume as is required to bring contingency reserves for disaster relief up to one million metric tons. The Secretary shall use loan repayments, Commodity Credit Corporation financing, and funds appropriated for such purpose to maintain the volume of food shipments for humanitarian programs within 10 percentum of the announced volume, except that the total credit exposure of the Commodity Credit Corporation shall not exceed $1 billion for activities under this program. Funds appropriated to reimburse the Commodity Credit Corporation may be budgeted over a five year period. In arriving at any decision under any other provision of law affecting agricultural production, the Secretary shall take into account the minimum volume of food needed to fulfill the humanitarian requirements provided for in this Act.

"(c) No commodity shall be available for disposition under this Act if such disposition would reduce the domestic supply of such commodity below that needed to meet domestic requirements, adequate carryover, and anticipated exports for dollars as determined by the Secretary of Agriculture at the time of exportation of such commodity, except that if the President determines that any part of the exportable supply should be used to carry out the humanitarian objectives of this Act, he may allocate any such portion of such supply for distribution under this Act and such distribution shall be made in the following order of priority: (1) disaster relief, (2) established programs under title II, (3) agreements under title III, and (4) other humanitarian food assistance programs.

"(d) In order to minimize the costs of assuring a stable volume of food commodities to carry out the provisions of titles I and II of this Act, the Secretary of Agriculture shall utilize, to the maximum extent practicable, forward purchases and government held inventories of food commodities.

(24) The first sentence of section 407 (7 U.S.C. 1736a) is amended to read as follows: "There is hereby established an Advisory Committee composed of the Secretary of State, or his designee, the Secretary of the Treasury, or his designee, the Secretary of Agriculture, or his designee, the Director of the Office of Management and Budget, or his designee, the Administrator of the Agency for International Development, or his designee, two members of the Committee on Agriculture and Forestry of the Senate, two members of the Committee on Agriculture of the House of Representatives, two members of the Committee on Foreign Relations of the Senate and two members of the Committee on International Relations of the House of Representatives, one member of each such committee to be designated by the chairman of such committee and one member of each such committee to be designated by the ranking minority member of such committee."

(25) Section 409 (7 U.S.C. 1736c) is amended by striking out "December 31, 1977" and inserting in lieu thereof "December 31, 1982".

(26) Title IV is amended by adding at the end thereof the following new sections:

"SEC. 412. (a) Not later than March 31 of each year, the Secretary of Agriculture shall submit to the appropriate committees of the Congress (1) a global assessment of food needs for the coming fiscal year specifying expected food grain deficits in aggregate, and by individual countries accounting for the major shortfalls, and the cost and probable means of covering such deficits, such assessment to be updated on a quarterly basis; and (2) a projection of the total value and volume by type of commodities to be programed under the provisions of this Act and a projected allocation, by country and by program, for the next fiscal year.

(b) Not less than 10 days after the end of each calendar month, the Secretary of Agriculture shall submit to the appropriate committees of the Congress a report entitled, "Monthly Summary of Activity Under P. L. 480". Such report shall indicate with respect to each title of this Act, and on a country by country basis, the total volume and value of commodities (1) expected to be allocated for the current fiscal year, (2) to be made available under agreements signed as of the end of the last calendar month, and (3) to be shipped as of the end of the last calendar month.

"SEC. 413. (a) Disposition of agricultural commodities under title II or title III of this Act shall be executed in such a manner as to complement economic assistance efforts carried out under (1) the Foreign Assistance Act of 1961, (2) the auspices of the International Bank for Reconstruction and Development, (3) the Food and Agriculture Organization of the United Nations, (4) the World Food Program, and (5) other multilateral institutions.

"(b) In his annual report submitted to the Congress pursuant to section 408, the President shall indicate by major recipient countries the relationship of food assistance under this Act to other foreign assistance efforts carried out by the United States.

"SEC. 414. Notwithstanding any other provision of this Act, the President shall terminate all assistance under this Act to any country if he determines that food commodities made available to such country under this Act are being used by such country for personal or partisan political purposes.

"SEC. 415. In any case in which another country has agricultural commodities which it is willing to exchange on an equitable basis for agricultural commodities which the United States has in surplus and such exchange would assist the United States to meet the needs of humanitarian programs under this Act, the Secretary of Agriculture is authorized, after notifying the appropriate committees of the Congress, to enter into an agreement with such country for an exchange of such commodities. Whenever the Secretary exchanges any quantity of agricultural commodities under authority of this section, he shall receive commodities of equivalent market value in return.

"SEC. 416. (a) There is established an advisory group to be known as the Food Assistance Advisory Group. Such group shall be composed of fourteen members to be appointed by the President as follows:

"(1) four members from private voluntary organizations;

"(2) two members from the World Food Program of the United Nations;

"(3) four members from United States industry or producer organizations engaged in the processing, handling, or distributing of food assistance under this title; and

"(4) four members from academic or nonprofit institutions who have special experience or expertise in the field of foreign food assistance.

"(b) Seven of the members first appointed to the Food Assistance Advisory Group shall be appointed for a term of one year and seven shall be appointed for a term of one year and seven shall be appointed for a term of two years. Thereafter all appointments shall be for a term of two years.

"(c) The chairman of the Food Assistance Advisory Group shall be appointed by the President.

"(d) Meetings of the Food Assistance Advisory Group shall be at the call of the Chairman."

(27) At the end of the Act add a new title as follows:

"TITLE V

"SEC. 501. (a) Not later than March 30 of each year, the Secretary of Agriculture shall announce a minimum quantity of food commodities that will be available for foreign emergency and disaster relief during the next fiscal year and the quantity of food commodities to be purchased by the Commodity Credit Corporation during the next crop year necessary to bring food stocks held by the Commodity Credit Corporation for such purpose up to the announced level. In no event shall the quantity be less than one million metric tons of cereals equivalent. The quantity of food commodities announced by the Secretary under this subsection shall be known as the 'Foreign Emergency and Disaster Relief Reserve.' In making his decision on the quantity of food commodities to be held for foreign emergency and disaster relief, the Secretary shall take into consideration current world cereal stocks and production estimates, both worldwide and in countries vulnerable to wide production fluctuations.

"(b) Dispersal of stocks from the Foreign Emergency and Disaster Relief Reserve shall be made on behalf of a foreign country only when the Secretary of Agriculture, in consultation with the Administrator of the

Agency for International Development, determines that a hurricane, tornado, storm, flood, tidal wave, earthquake, volcanic eruption, landslide, snowslide, drought, military conflict, or other catastrophe renders the availability of food supplies in such country to a level insufficient to meet the minimal requirements necessary to avoid widespread starvation and human suffering.

"(c) In order to assure the timely dispersal of the food supplies drawn from the Foreign Emergency and Disaster Relief Reserve, the President may order the facilities of the armed forces of the United States or any other department or agency of the United States to be used in the distribution of supplies made available under this Act.

"(d) In carrying out the provisions of this title, the President may draw upon funds made available pursuant to section 104(d) of this Act.

"SEC. 502. The Administrator for International Development shall formulate contingency plans for providing disaster relief to foreign nations under this Act. Such plans shall include provision for the transportation and distribution of food and other supplies to the victims of disaster and for the integration of relief efforts under this Act with international relief efforts. The Administrator shall continually update and improve such contingency disaster relief plans."

By Mr. TUNNEY:

S. 1655. A bill to create a national Commission on the Olympic Games to review the question of United States participation in the Olympic Games and to evaluate and formulate recommendations concerning such participation. Referred to the Committee on Commerce; and, if and when reported by that committee, to the Committee on Foreign Relations, by unanimous consent.

Mr. TUNNEY. Mr. President, today I am introducing a bill which would create a National Commission on the Olympic Games.

Following the 1972 Summer Games in Munich, I introduced a bill to create such a commission. This bill, and a subsequent version introduced last year, passed overwhelmingly in the Senate but, unfortunately, were never acted upon by the House. Up to now, I held off reintroducing this much-needed legislation in this Congress because the administration indicated it would create an Olympic Commission by Executive order. More than 4 months have passed. Though the White House has issued repeated "assurances" of imminent action, a commission still has not been named. We can wait no longer.

The 1976 Winter Games are less than a year away. If we fail to act now, the opportunity for significant reform for the 1976 U.S. Olympic team will be lost. Further hearings are not necessary. The need for this commission already has been clearly demonstrated. Delay no longer is permissible. I call on the Senate and the House of Representatives to act rapidly to pass this legislation and rejuvenate our Olympic effort.

At Munich, the Olympic ideal of peace and friendship through sporting competition was permanently bloodstained by the assassination of the 11 Israeli athletes. It was further marred by administrative bungling, inflexibility, and petty nationalism. Our own athletes were hamstrung by inefficiencies, and they, and athletes from around the world, were unfairly treated by officials who were clearly more interested in politics than in fair and impartial judging of the various competitions.

Many have called for the abolition of the games. I remain steadfast in the belief that we can achieve the Olympic ideal. But we must not allow the memory of Munich to fade. Indeed, the recollection of those tragic events should strengthen our resolve to insure that future Olympics will more nearly approach that ideal, and that the U.S. effort is the best we can produce, both as a country and individually.

Certainly, the time, energy and efforts of the individual competitors, in many cases amounting to a virtual lifetime of work, should not be wasted, corrupted and overshadowed by events irrelevant to the competition itself.

The proposed Olympic Commission would be composed of nine members appointed by the President. It would review all facets of U.S. participation in the Olympics and make recommendations to the President and to Congress concerning the future of our Olympic effort. If continued participation is recmended, the Commission is to formulate specific proposals governing such participation.

Specific factors are to be considered in the formulation of the Commission's proposals. It is to evaluate the role of the U.S. Olympic Committee—USOC—in international sports and in administration of the U.S. Olympic program. The Commission is further instructed to consider the objectives of the Olympics, the administration of the games, policies concerning selection and development of Olympic participants, and arrangements which will protect the best interests of the athletes in training for, traveling to and competing in the games.

The Commission is given powers to appoint a staff and fix its compensation, to procure services, to hold hearings, and to request records and other information from governmental and private organizations.

The membership of the Commission would be limited by allowing not more than two past or present officers or directors of the USOC or any other national sports group to serve as members. This will insure that a majority of the Commission will be able objectively to consider all conflicting criticisms and viewpoints of our previous Olympic efforts, and to make meaningful recommendations without preconceptions about particular alternatives. Further, at least two of the members would be athletes who participated at the 1972 Olympic games. This will guarantee input from the athletes, the essence of our Olympic effort.

It is my hope that the President will appoint members from various groups in the field of amateur sports, including athletes, coaches and administrators, as well as members of the general public who have shown a particular interest in the Olympics or amateur sports. I believe that there should be at least one member with a legal background who can deal with the many legal intricacies involved in Olympic issues. Such breadth and diversity of membership would go a long way in guaranteeing that the Commission's deliberations would be successful.

The bill provides for an appropriation from general revenues. Cost of this Commission should not exceed $750,000. The pay of the members of the Commission is set at $100 a day in addition to reimbursement for expenses incurred.

I would like to elaborate briefly on the specific factors to be considered. The first and most important would be a thorough evaluation of the structure and policies of the USOC. The USOC is presently charged with exclusive jurisdiction over all matters relating to the Olympics in the United States by the terms of its Federal charter. Much of the criticism of the U.S. effort in past Olympics has centered on the role of the USOC.

Many organizations, such as the recently formed Committee for a Better Olympics, have committed themselves to seeking restructuring of the USOC.

Indeed, the USOC itself has taken some steps toward internal reorganization. Recently it appointed several well-known Olympic athletes to its board of directors and executive board. Such self-corrective action is a commendable step toward the broad reform required to improve our Olympic program. More sweeping action is needed and this must come from a representative and independent commission.

The Commission is also directed to review the selection process of athletes, coaches, and officials for the Olympic team. The selection process has been marred in the past by jurisdictional disputes, political factors, and personal friendships. If we are to compete in the Olympics, we must commit ourselves to selection of the best athletes, coaches, and officials. Anything else is a betrayal of the competitors and the American public, which regards the Olympic team as its national representative.

Development and training programs for athletes must also be considered. The haphazard approach of the past is clearly inadequate. The efforts of the vast millions of our young people in amateur sports all too often pale before the concerted efforts of other nations to develop and train their athletes. We ask too much of our athletes if we ask them alone to sacrifice time, employment opportunities, and families to train for Olympic competition.

The Commission should further consider arrangements for training and participation in the Olympics by those selected to compete. Athletes should not be subjected to administrative harassment and inflexibility as they have been too many times in the past.

Finally, we must review areas over which the United States does not have direct control. A good example is the conduct of awards ceremonies, which has been criticized for excessive nationalism. The International Olympic Committee controls this and many other policies. Although the United States cannot unilaterally change such policies, we can make a comprehensive evaluation and framework for future action by American representatives within the IOC.

It is essential that Congress take immediate action on the Olympic question. I have, therefore, proposed a 4-month deadline for the Commission's report to Congress and the President. In the limited time still available, I submit that my proposal provides the most effective means to generate a comprehensive and reasonable evaluation of our Olympic program.

The Olympic ideal was eloquently summarized by U.S. Olympian Ken Moore in the September 18, 1972, issue of Sports Illustrated:

> In Mexico and here the village had been a refuge, admittedly imperfect, from a larger, seedier world in which individuals and governments refused to adhere to any human code. For two weeks every four years we direct our kind of fanaticism into the essentially absurd activities of running and swimming and being beautiful on a balance team. Yet, even in the rage of competition, we keep from hurting each other.

That ideal was severely damaged in Munich. We can resurrect it if we act now. If we delay, we risk further deterioration and possible destruction of the Olympics as a means of promoting that ideal. We risk further national discord over the conduct of our Olympic program. And most important, we risk further waste of the dedicated efforts of those who take part in the Olympic games.

We cannot afford further delay. Reports of renewed conflict between the AAU and the NCAA, this time over participation on the track team that is to represent this country in Red China later this spring, demonstrate the need for immediate action. If we do not act, we can count on this rivalry to hamstring our efforts to prepare for the 1976 games. The creation of this National Olympic Commission is the first and most effective step which we can take to reform our Olympic program. I strongly urge the Senate to take that step by passing this bill.

Mr. President, I ask unanimous consent that the bill I introduce today under the title "National Olympic Commission Act of 1975" be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1655

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Olympic Commission Act of 1975".

SEC. 2. The Congress hereby finds and declares that—

(1) serious problems have arisen in the conduct of the Olympic games, both summer and winter, which have led to widespread and continuing criticism of certain aspects of the games and the manner in which the United States administers its preparation for and participation in the games;

(2) the participation of the United States in the Olympic games has a substantial effect on commerce between the United States and other nations, and such participation involves many issues relating to the area of amateur sports which have a substantial and continuing effect on interstate commerce, such as jurisdiction over various areas of amateur sports and training and development of amateur athletes;

(3) an evaluation is required of the form of organization and the means by which the United States can participate most effectively in the Olympic games and provide leadership in accomplishing action to assure that future games will be organized and conducted in a manner which will contribute to the achievement of the high ideals of the games and promote international friendship and good will through athletic competition between individuals; and

(4) the establishment of a National Commission on the Olympic Games would provide an effective means of determining constructive action toward accomplishing these goals and preparing specific legislative proposals which would command broad public support.

SEC. 3. There is hereby established a National Commission on the Olympic Games (hereinafter referred to as "the Commission").

SEC. 4. The Commission shall be composed of nine members, including not less than two amateur athletes who competed in the 1972 Olympic games as representatives of the United States, who shall be appointed by the President of the United States. In designating the members, the President shall give appropriate consideration to the representation of women and minority groups within the United States. No more than two members of the Commission may be or at any time have been officers or directors of the United States Olympic Committee, or of any national athletic association, federation, or union.

SEC. 5. The President shall designate a Chairman from among the members of the Commission. Any vacancy on the Commission shall not affect its powers and shall be promptly filled.

SEC. 6. The Commission shall review the participation of the United States in the Olympic games, and, if it recommends that such participation should be continued, shall also recommend the form of organization by means of which the United States should participate in the Olympic movement and shall present specific proposals for any legislation required to implement its recommendations. In formulating its legislative recommendations, the Commission shall take into account—

(1) the objectives of the modern Olympic movement and the extent to which those objectives are being met;

(2) the manner in which the Olympic games are administered, with particular attention to the views of those who participate in those games as athletes, coaches, officials, or otherwise, or who have attended such games in any other capacity;

(3) the role which the United States Olympic Committee has played in international sports and the manner in which the United States' participation in the Olympic games has been organized and administered by that Committee;

(4) the policies which would assure the selection on a fair and equitable basis of the best-qualified athletes, coaches, managers, trainers, and other officials and which would provide the maximum opportunity for persons to develop their athletic skills and participate in international athletic competition; and

(5) the arrangements which will best protect the interests of the individual athletes during the period of their training for, travel to, and participation in the games.

SEC. 7. The Commission shall submit to the President and Congress a final report of its findings and recommendations not later than August 31, 1975, or 120 days after all of the members of the Commission have been appointed, whichever is later.

SEC. 8. Subject to such rules and regulations as may be adopted by the Commission, the Chairman shall have the power to—

(1) appoint and fix the compensation of an Executive Director, and such additional staff personnel as he deems necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate for GS-18 of the General Schedule under section 5332 of such title;

(2) procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed $100 a day for individuals; and

(3) hold such hearings, sit and act at such times and places, and administer such oaths, as the Commission or any subcommittee or any three of the members thereof may deem advisable.

SEC. 9. Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed to furnish to the Commission, upon request made by the Chairman, such data, reports, and other information as the Commission deems necessary to carry out its functions under this title. The Commission is further authorized to request from any public or private organization or agency and from the United States Olympic Committee any information deemed necessary to carry out its functions.

SEC. 10. Five members of the Commission shall constitute a quorum, but a lesser number may conduct hearings.

SEC. 11. Members of the Commission shall receive $100 per diem when engaged in the actual performance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of such duties.

SEC. 12. There is authorized to be appropriated to carry out the purpose of this Act, the sum of $750,000 to remain available until expended.

SEC. 13. The Commission shall cease to exist thirty days after the submission of its final report.

Mr. TUNNEY subsequently said: Mr. President, I ask unanimous consent that the bill I introduced earlier in the day to create a National Commission on the Olympic Games be referred to the Committee on Commerce, and upon being reported, if favorably reported by that committee, that it be referred to the Committee on Foreign Relations.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. CANNON:

S. 1656. A bill to assist the States to provide additional facilities for research in agriculture and forestry at State agricultural experiment stations, land-grant colleges, and cooperating forestry research institutions funded under Public Law 87-788. Referred to the Committee on Agriculture and Forestry.

Mr. CANNON. Mr. President, I introduce for appropriate reference a bill to revise the formula for allocation of funds to assist in construction at State university experiment stations and to extend participation in the program to land-grant colleges and Tuskegee Institute.

This program of assistance has not been funded since 1972 because the present distribution formula has been found to be inequitable and unworkable. Nevada and other States with small populations derive a maximum of only $7,152 per $1 million appropriated for the program. In today's economy, this simply is not enough to make the program worthwhile.

The efforts of our agriculture research scientists contribute significantly to our Nation's ability to meet its food and fiber requirements. Many scientists of the Department of Agriculture are housed in State facilities and contribute over 40 percent of the science man-years of these institutions. Yet during the period 1963 through 1972, Federal funding of such facilities was less than one-eighth the amount provided to similar Federal laboratories. The cooperative nature of Federal-State research demands that the Federal Government meet its fair share of the cost of facilities. Additionally, Federal standards for housing animals used for research activities requires the modernization of many of these facilities. These goals cannot be met under the present formula.

I hope the Senate will have an opportunity to consider this matter expeditiously.

By Mr. HUGH SCOTT:

S. 1657. A bill to amend the National Portrait Gallery Act to redefine "portraiture." Referred to the Committee on Rules and Administration.

Mr. HUGH SCOTT. Mr. President, the National Portrait Gallery Act of 1962 defines portraiture as "painted or sculpted likenesses." The original bill approved by the Board of Regents of the Smithsonian Institution in January 1961, and introduced by former Senator Clinton P. Anderson in February 1961, had defined portraiture as "portraits and reproductions thereof made by any means or processes, whether invented or developed heretofore or hereafter." The more restrictive language that became part of the final legislation was submitted by the Senate committee at the request of the Librarian of Congress who argued that the National Portrait Gallery would otherwise enter into competition with the Library of Congress in the collecting of prints and photographs.

It has become increasingly clear over the years that the National Portrait Gallery cannot fully perform its legislated functions, either in exhibition or in research, under the existing restriction. More than half of our national history has occurred since the invention of photography. Many Americans who should be represented in our National Portrait Gallery are best portrayed by photographs, and some are portrayed only by photographs. As a center for the study of history through portraiture, the Gallery requires photographic and printed reproductions of portraits in all media not in its own collection.

Given the very restricted area in which the Portrait Gallery would collect and display prints, photographs, films, and other likenesses, competition with the collections of the Library of Congress would be minimal. Indeed, I am confident that sensible cooperative arrangements between the Library and the Gallery can be worked out.

No other Smithsonian museum is prevented by law from collecting prints and photographs in its areas of specialization; it is difficult to imagine that any of them could operate effectively if it were so limited. I urge the adoption of my bill.

By Mr. HARTKE (for himself and Mr. Bayh):

S. 1658. A bill to authorize the repayment of certain Federal-aid highway funds by the State of Indiana. Referred to the Committee on Public Works.

Mr. HARTKE. Mr. President, I introduce, on behalf of myself and Senator Bayh, a bill which will enable the State of Indiana to embark upon a program to build highways which will give the people of our State access to public recreation areas.

With the assistance or the Federal Government, several reservoirs have been constructed in Indiana. Although these reservoirs afford Hoosiers with an unparalleled opportunity for recreation and an enjoyment of nature, the road system prevents all but a handful of the State's residents from taking advantage of that opoprtunity.

The legislation I introduce today will open up these recreational areas to the people of Indiana. It enables the State of Indiana to return $1,936,894 which it had received from the Federal Government in the form of highway assistance. That money was used to pay approximately 2 percent of the cost of the East-West toll road—Interstate 80/90—in Indiana. The repayment of that money will enable the State of Indiana to enter into an agreement with the Indiana Toll Road Commission—which operates the East-West toll road—to finance the construction of minitoll roads which will permit access to reservoir recreation areas. If that money were not repaid, the conditions which were attached to it by the Federal Government would prohibit the State from entering into an agreement with the toll road commission.

Mr. President, the Federal Government made it possible for these reservoirs to be constructed in Indiana knowing that they would create useful public recreation facilities. But there are no public roads to reach the reservoirs at the present time. The bill Senator Bayh and I have introduced today makes it possible for the reservoirs to achieve their full recreational potential and is in keeping with the Federal public works program which built the reservoirs.

The only solution to this dilemma is the bill which we introduce today. Indiana does not have the money to build these new highways out of its general revenues, and the State presently gets about 40 cents back in Federal highway aid for every dollar it contributes to the highway trust fund.

This bill will enable Indiana to create a pool of highway toll revenues to help finance the construction of the minitoll roads. Its concept has twice been endorsed by the Indiana State Legislature, and it has received the official support of the Indiana Toll Road Commission and Gov. Otis R. Bowen.

I urge the Public Works Committee to give this legislation its early and favorable consideration.

Mr. BAYH. Mr. President, at the specific request of the Governor of Indiana, I join my senior colleague (Mr. Hartke) in introducing this legislation to permit the State of Indiana to return to the Federal Government approximately $1.9 million in highway assistance received some years ago from the Department of Transportation. The purpose of the proposed payback is to free the State from contracts entered into when it received these funds for interchanges with the East-West toll road in northern Indiana.

Wide support for this proposal has been expressed in Indiana. Enabling legislation has been enacted twice by the Indiana State Legislature. As I said, the proposal has the strong support of Indiana's distinguished Governor, Otis R. Bowen. I ask unanimous consent to include in the Record at the conclusion of my remarks a letter I received from Governor Bowen on this issue last year in which he endorsed the legislation we are introducing today. In addition, companion legislation has been introduced in the House of Representatives by all 11 Indiana Representatives.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BAYH. Mr. President, as explained to my office by State representatives, the legislation is desired by the State so that it might embark on a new road building program, at the State level, for so-called "minitoll roads" which would provide citizen access to large reservoirs. We are in the remarkable situation in which access to reservoirs, built with public funds and offering valuable recreational opportunities, is severely limited because of the lack of highway funds. The problem has been worsened in the past by the impoundment of Federal highway assistance. However, I am pleased to have taken a leadership role, as chairman of the Transportation Appropriations Subcommittee, in overturning the deferral of Federal-aid highway funds.

To help meet the need for access roads to reservoirs in Indiana the State would like to create a central pool of toll road revenues. However, this cannot be done unless it is free from its prior commitment to the Department of Transportation regarding future collections on the East-West toll road. And the only way this can be accomplished is to pass the legislation we are introducing today to permit the State to return these funds to the Federal Government.

Mr. President, this is a straightforward case of giving the State of Indiana the option to decide at the State level how it can best meet the local highway needs of its citizens. It may be said fairly that this legislation does not involve any substantive change in Federal highway policy, but merely responds to a specific problem in a single State. Since this is an issue about which the State government feels strongly I see no reason why the Congress should not respect the wishes of the State of Indiana. I hope this simple and unique measure can receive speedy, affirmative action.

EXHIBIT 1

OFFICE OF THE GOVERNOR,
Indianapolis, Ind., June 17, 1974.
Hon. BIRCH BAYH,
363 Old Senate Office Building,
Washington, D.C.

DEAR BIRCH: In an effort to move forward on one of Indiana's high priority highway programs, Don Newman, our Indiana liaison, and Richard A. Boehning, Chairman of the Indiana State Highway Commission, have been working with you and the rest of our Congressional delegation on proposed legislation which would allow Indiana to implement the mini-toll road concept. The mini-toll program received Indiana legislative approval some years ago and was updated in the recent 1974 session of the Indiana General Assembly. One of the problems in the financing of any such mini-toll road involves certain provisions in three contracts which were executed by the Indiana State Highway Commission, the Indiana Toll Road Commission and the federal government many years ago. The proposed legislation would abrogate these three contracts and allow Indiana to proceed with the program. This Congressional action would be similar to that successfully initiated by other states in similar circumstances.

I have been informed that Don Newman has furnished you with information concerning the technicalities of the program and of the legislation. I certainly endorse the legislation and urge that you use your best efforts in seeking its passage as soon as possible so that Indiana can move forward in implementing its mini-toll program.

Kindest personal regards,
OTIS R. BOWEN, M.D.,
Governor.

Mr. HARTKE. Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1658

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That upon repayment by the State of Indiana to the Treasurer of the United States of the sum of $1,936,894 which is the amount of Federal-aid highway funds received for the construction of the following interchanges with the east-west toll road (Interstate 80/90) in northern Indiana:

(1) the interchange in Interstate Route 69 with such toll road in Steuben County, Indiana;

(2) the interchange of Interstate Route 80 with such toll road in Lake County, Indiana;

(3) the interchange of Interstate Route 65 with such toll road in Lake County, Indiana;

then such east-west toll road (Interstate Route 80/90) in northern Indiana shall be free of all restrictions with respect to the imposition and collection of tolls or other charges thereon or for the use thereof contained in title 23, United States Code, or in any regulation or agreement thereunder. The amount to be repaid shall be deposited to the credit of the appropriation for "Federal Aid Highway (Trust Fund)." Such repayment shall be credited to the unprogramed balance of the Federal-aid highway funds of the same class last apportioned to the State of Indiana. The amount so credited shall be in addition to all other funds then apportioned to such State and shall be available for expenditure in accordance with the provisions of title 23, United States Code. Any agreement heretofore entered into by the head of any department, agency, or instrumentality of the United States, the Indiana Toll Road Commission, and the State of Indiana, acting by and through the Indiana State Highway Commission, which is inconsistent with this Act, is hereby abrogated to the extent of such inconsistency.

By Mr. PHILIP A. HART (for himself and Mr. GRIFFIN):

S. 1659. A bill to provide for the disposition of funds appropriated to pay a judgment in favor of the Grand River Band of Ottawa Indians in Indian Claims Commission Docket numbered 40-K, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. PHILIP A. HART. Mr. President, on October 21, 1968, the Grand River Band of Ottawa Indians received a favorable judgment from the Indian Claims Commission.

The funds awarded in that judgment have yet to be distributed. The primary reason for this delay has been a controversy surrounding the determination of entitlement to these funds. These people need this money now.

Therefore, on behalf of Senator GRIFFIN and myself, I am introducing a bill that establishes, among other criteria, distribution entitlement to these people who oppose Grand River Ottawa blood of the degree of one-fourth or more. It is my hope that this bill can receive prompt attention from the appropriate committee.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection the bill was ordered to be printed in the RECORD, as follows:

S. 1659

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any other provision of law, the funds appropriated by the Act of October 21, 1968 (82 Stat. 1190, 1198), to pay a judgment to the Grand River Band of Ottawa Indians in Indian Claims Commission docket numbered 40-K, together with any interest thereon, after payment of attorney fees and litigation expenses and expenses of the Grand River Band of Ottawas Descendants Committee and such expenses as may be necessary in effecting the provisions of this Act, shall be distributed as provided herein.

SEC. 2. The Secretary of the Interior shall prepare a roll of all persons of Grand River Band of Ottawa Indian blood who meet the following requirements for eligibility: (a) they were born on or prior to and were living on the date of this Act; and (b) their name or the name of a lineal ancestor from whom they claim eligibility appears as a Grand River Ottawa or the Ottawa and Chippewa Tribe of Michigan, Durant Roll of 1908, approved by the Secretary of the Interior February 18, 1910, or on any available census rolls or other records acceptable to the Secretary of the Interior; (c) who possess Grand River Ottawa Indian blood of the degree of one-fourth or more; and (d) are citizens of the United States: *Provided,* no person shall be eligible to have his name placed on the roll who at the same time is an enrolled member of any tribe other than the Grand River Band of Ottawa Indians or the Ottawa and Chippewa Tribe of Michigan.

SEC. 3. Applications for enrollment must be filed with the Great Lakes Agency of the Bureau of Indian Affairs at Ashland, Wisconsin, in the manner and within the time limits prescribed for that purpose. The determination of the Secretary of the Interior regarding the eligibility of an applicant shall be final.

SEC. 4. The judgment funds shall be distributed per capita to the persons whose names appear on the roll prepared in accordance with section 2 of this Act.

SEC. 5. Sums payable to adult living enrollees or to adult heirs or legatees of deceased enrollees shall be paid directly to such persons. Sums payable to enrollees or their heirs or legatees who are less than eighteen years of age or who are under legal disability shall be paid in accordance with such procedures, including the establishment of trusts, as the Secretary of the Interior determines appropriate to protect the best interests of such persons.

SEC. 6. None of the funds distributed per capita or held in trust under the provisions of this Act shall be subject to Federal or State income taxes, and the per capita payments shall not be considered as income or resources when determining the extent of eligibility for assistance under the Social Security Act.

SEC. 7. The Secretary of the Interior is authorized to prescribe rules and regulations to carry out the provisions of this Act.

By Mr. BEALL:

S. 1660. A bill to amend the National Capital Transportation Act of 1969 to authorize an additional Federal contribution toward the effectuation of a transit development program for the National Capital Region, and for other purposes. Referred to the Committee on the District of Columbia.

Mr. BEALL. Mr. President, I am today introducing the National Capital Transportation Act of 1975.

This legislation is designed to insure that the Washington-Metropolitan Area MetroRail System will be completed in a timely fashion and it will be of a scope which will make it an economically viable rapid transit system.

The legislation will accomplish this goal by applying the current Federal/State rapid transit cost-sharing formula of 80 percent Federal/20 percent local funding, which was enacted into National policy as of July, 1973, to the Washington-Metropolitan Area Metro-Rail System. At the present time, Metro is funded at a cost-sharing ratio of two-thirds Federal/one-third local, and this legislation would bring the system into line with our other mass transit commitments throughout the country.

I do not have to remind my colleagues of the terrible inflationary cycle which has gripped the construction industry in the last several months. Because of inflation and other situations, costs for construction of the MetroRail System have skyrocketed by $1,477 million. This increase has brought the estimated cost for the completion of the system from $2,977 million to $4,454 million.

In July 1973, the Congress enacted legislation increasing the funding formula for mass transit projects from the two-thirds to one-third to an 80 to 20 ratio. The National Capital Transportation Act of 1975 would apply that formula to the Metro System retroactive to that date. By doing so, we will increase the Federal share by $1,257 million as well as requiring local governments to increase their level of funding from $721 million to $856 million.

In order to finance this increased funding, the bill would permit the Federal Government to authorize WMATA to sell 40-year bonds with debt service paid by the Federal Government. This method would provide WMATA with the flexibility in obtaining funds and would have minimal impact on the budget. In fact, the average annual budgeted Federal outlay would amount to $88 million for principal and interest. However, the tax recapture of at least 25 percent through the use of taxable bonds would result in a net increase of $74 million.

The bonding format is one possible way of financing this additional expenditure. Certainly there are other ways, but I believe we must rapidly explore all the alternatives and make sure that this money is provided in a rapid fashion so that planning for the entire Metro System can move forward.

To understand the importance of this proposal, I would like to discuss for a moment what would happen if this additional money is not made available.

Instead of having a system of 98 miles and 86 stations, the MetroRail System would be reduced to a system of 47.7 miles and 48 stations. To reduce the system would require an additional 300 lane miles of freeway to meet the growing transportation needs of the Washington metropolitan area, and vast parking facilities would have to be constructed at the terminus of the truncated system in order to handle the great number of cars which would be necessary to even get to our Metro System.

Further, service to much of the suburban area and to critical areas of low-income within the District of Columbia would be either completely eliminated or substantially curtailed. In Virginia, service to Fairfax County, other than just beyond its boundary to Huntington, Fairfax City, and Falls Church would be entirely eliminated and service to Alexandria and Arlington curtailed.

In Maryland, only 1 of 4 lines into Prince George's County would be built and the 2 lines into Montgomery County would be sharply cut back. Two lines within the District serving the Shaw and Columbia Heights areas and Anacostia would be eliminated, adversely affecting these areas and the Federal employment in Suitland.

In addition to the seriously reduced effectiveness, the region would be left with unusable construction projects, substantially underway, in the amount of $140.7 million and unusable design projects in the amount of $22.7 million, which translates into about $470 million worth of construction, all of which would be lost effort.

In terms of revenue effect, the 38 stations eliminated by this reduction in the system have been estimated by the year 1990 to have a daily usage of 600,000 patrons—380,000 of these could be expected to continue to use mass transit, mainly MetroBus, and 220,000 would be lost to transit representing a 26 percent reduction in ridership and a 35 percent reduction in revenue. The MetroBus fleet would have to be increased by 980 buses to accommodate the additional bus ridership.

The loss to transit through truncation of the system would result in 150,000 daily additional automobile trips. Coupled with the additional buses required, highway usage would increase air pollution and the use of gasoline and diesel fuel. The region would thus find it less possible and more costly to meet the clean air standards mandated by the Envrionmental Protection Agency. Further, the Environmental Protection Agency is even now establishing rules to further limit the vehicle miles traveled, which will also serve to increase the use of mass transit.

I also fear that unless we complete the entire system, the unique nature of the Interstate Compact which has come about to develop mass transportation policies on a regional basis will be severely strained. Inasmuch as the schedule of construction was designed to maximize the revenue input and minimize cost escalation, the system was broken into a series of operation phases. As a result, failure to complete the system substantially as planned would create serious inequities. Such a prospect could be expected to generate litigation requiring fulfillment of contract or appropriate financial adjustment and place a devastating strain on the Compact, especially considering the fact that the authority has no independent resources to meet such problems.

If the system is not completed, it can be argued that the District of Columbia would receive the lion's share of benefits at the expense of both Maryland and Virginia. In any event, the final adjudication of the matter will come only after extensive and prolonged litigation, which certainly does not help either the mass transit problems of the region or overall regional cooperation.

Mr. President, the MetroRail System, if it is to achieve the goals in pursuit of which the Federal Government and the eight local governments of the area have joined in partnership, must be completed. If we do not complete the entire system, we will be saddled with a rapid transit system which has no chance of economic viability, and which will waste the billions of dollars which has already been invested in the project. Therefore, I urge the Congress to take swift action on this legislation.

Mr. President, I ask unanimous consent that an article from the March 1975 issue of the Constructor magazine, which details the promise and some of the problems of the MetroRail System, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Metro, Washington's Bedeviled Subway

(By Eric Bolton)

After nearly 50 years of talk and two decades of specific public and private efforts, supporters of Washington, D.C.'s 98-mile, rapid rail transit system will finally have something tangible to celebrate this August when Phase I of the massive, four-phase project—4.6 miles of line and six stations serving the downtown area—is officially slated to open, three years behind schedule.

Given the labyrinth of difficulties and delays that have plagued Metro construction since ground was first broken December 9, 1969, just the completion of Phase I alone, which roughly accounts for half the downtown distributor service, is being heralded as a victory of no small proportions.

According to the Washington Metropolitan Area Transit Authority (WMATA), an interstate compact agency charged with overall responsibility for the design, construction and operation of Metro, current planning calls for the entire system to be in operation by 1981.

When completed, Metro will serve two of Maryland's most populous suburban counties, Montgomery and Prince Georges, as well as five independent county and urban jurisdictions in Northern Virginia in addition to the city of Washington.

Total trackage for the system will include 42 miles of surface track, much of that utilizing existing railroad right-of-ways, and 48 miles of track below grade, and eight miles on aerial structure connecting a total of 86 stations, 53 of which will be subsurface.

While the final quarter-mile sections of continuously-welded rail are being installed, sans crossties, on the concrete trackbeds of the Phase I section, simultaneous work on Phases II and III is continuing, with a total of 40 Metro stations and 40.4 miles of line presently under construction. Another 25 stations and 30 miles of line are in the final design stages.

Phase II, known in Metro circles as the bicentennial phase, was scheduled to be operational by May 1976, but the completion date has been pushed back to later in the year, hopefully still in time to help handle the more than 20 million visitors expected to visit Washington during the Bicentennial Year.

Phase II will extend the downtown distributor service dramatically, connecting the city's residential northwest area and the Robert F. Kennedy Memorial Stadium and the National Guard Armory in the southwest section with that complex of government buildings downtown known as the Federal Triangle and the Capitol area.

In suburban Virginia, Phase II will provide the first commuter feeder service to become operational, connecting National Airport and the Pentagon with the downtown area via a twin-bore, 4000-foot, double track, horseshoe rock tunnel under the Potomac River at Georgetown.

One of the thorniest problems facing Metro right from the beginning has been the rising cost of the project. When construction first began in 1969, the total price tag for the entire system was estimated at about $2.5 billion. By January 1975, the original estimate had been revised upward to $4.5 billion with no assurances from anyone that is the final dollar figure.

Principal villains vying for top honors in the scenario of rising costs include double-digit inflation, material shortages and construction delays caused by strikes or strike threats from ironworkers, rodmen and stonemasons; by holdups in planning decisions regarding routing and funding by some local jurisdictions; by complaints from minority contractors that they were being excluded from meaningful participation in the project; and by a recent court decision requiring that extensive environmental studies of alternatives routes be made.

According to the WMATA, as of December 1974, the total number of active construction contracts and other contractual agreements totaled 470, representing financial commitments and obligations approaching $1.5 billion. Of these 470 active contracts, 67 have been let for line and station work involving structural and finishing contracts while another 23 stage contracts are also currently active. This contractual and financial breakdown does not include 126 contracts and agreements already completed, mostly in conjunction with Phase I, which account for additional financial outlays of $146.4 million. All told, about $2.1 billion have been obligated or committed since construction began, covering 596 active and completed contracts and contractual agreements.

DREAMS TURN INTO PROBLEMS

Crystal-ballers at WMATA estimate that when and if Metro is finally completed, some 730 prime contracts will have been let while sub and sub-subcontracts will number in the thousands.

In terms of manpower, Metro has become one of the area's major employers. More than 8000 workers have been employed by the more than 70 prime contractors and numerous subcontractors to date, while general consultants and other consulting firms accounted for an additional 1768 employees working on Metro. Also, the more than 5000 WMATA staff members are actively engaged in Metro affairs on a daily basis.

But with Phase I nearing completion and work on Phase II and III accelerating, more and more of Metro's affairs are turning into problems.

Strictly speaking, of course, Metro's rapid rail facilities are only a part—albeit an extremely important part—of a totally revamped transportation system for the entire region which includes improvements in bus, taxi and automobile transportation. As part of its multimodule approach to improving the area's public transportation, the WMATA, in early 1973, acquired the operating assets of the four private bus companies previously serving the Nation's Capital and environs. By year-end 1973, Metrobus had carried 110 million passengers to and from work with much of that service on exclusive bus lanes, marking the first time in its history Washington has publicly owned and operated its own bus transit system. Nevertheless, to most Washingtonians, Metro means rapid rail, and area interest and attention have been focused underground.

Actually, rail transit is not new to Washington at all. Until the early 1960s, the city boasted one of the nation's, and the world's, finest streetcar systems. In 1962, however, at congressional insistence, the last of Washington's streetcars headed for the dismantling sheds in favor of private bus transportation.

The city's first experience with rail transit pointed out some unique problems involved in bringing any kind of rail transit to the Nation's Capital. Congress, for example, prohibited overhead wires in downtown Washington as being a detraction from the beauty and inspiration of the city's numerous public buildings and monuments.

As a result of the congressional ban, an underground conduit system was constructed. This concept, imported from Budapest, Hungary, was highly unusual for American cities and the system has been installed in only one other U.S. city—New York.

Underground conduit or not, however, Congress felt that streetcars were unsuited esthetically and functionally to the growing National Capital region and created the National Capital Transportation Agency in 1960 to bring the latest in transportation technology to the area.

In creating the NCTA, a temporary federal agency which was replaced by the independent WMATA in 1967, Congress clearly indicated its support for an improved area-wide transportation system as ". . . essential to the continued and effective performance of the functions of the government of the United States, for the welfare of the District of Columbia, for the orderly growth and development of the National Capital region, and for the preservation of the beauty and dignity of the Nation's Capital. . . ."

Funded steadily by Congress, the NCTA submitted plans for an 83-mile, rapid rail system to be constructed in conjunction with improvements in highways, bus and taxi facilities throughout the region. In 1965, Congress approved the heart of the system—25 miles of rail line—and appropriated $100 million in federal funds and $50 million in District of Columbia funds to initiate construction.

But it was not until 1967 when Virginia, Maryland and the District of Columbia joined together to form the WMATA, a congressionally approved, interstate agency charged with coordinating inter-regional cooperation, that real progress was made. Initally, that progress was both real and rapid.

After more than a dozen public hearings, the following year, 1968, saw the eight independent political jurisdictions Metro will serve in Washington, Maryland and Virginia approving the Adopted Regional System, a sort of interregional Declaration of Independence from traffic congestion. On paper, the ADS mapped out specific routes and outlined a cost-sharing plan on a two-thirds federal, one-third local basis.

In 1969, Congress continued its support of Metro in the form of legislation signed into law by former President Richard M. Nixon authorizing $1.1 billion in federal funds to be spent over a 10-year period.

As agreed upon by the participating political jurisdictions, Metro will operate on its own exclusive right-of-way through the area, including 38.3 miles and 43 stations in Washington, 29.4 miles and 22 stations in Maryland and 30.3 miles and 21 stations in Virginia.

To fully integrate rapid rail transit facilities with other transportation systems in the area, "park'n'ride, bus'n'ride and kiss'n'ride" coordination is being planned to provide better neighborhood, cross-city and cross-county service.

Under the "park'n'ride" concept, some 27,000 parking spaces will be built at stations to enable commuters to park their cars and take Metro to and from work. "Kiss'n'ride" facilities will offer auto lanes and short-term parking for husbands and wives to drop off and pick up their spouses at many stations. In addition, coordinated Metrobus service with direct platform or entrance connections will complete full integration of bus, auto and rail transit capabilities.

On paper, then, bringing the nation's, and possibly the world's, most modern rapid rail facility to the auto-dominated Washington area and the civic cooperation the plan initially engendered appeared to be a hallmark chapter in the long history of public works projects undertaken in this country.

But somewhere between the drawing board and the construction site, the unfortunate realities of inflation, fuel and material shortages and construction delays caused by a host of political and social forces had begun to threaten the entire project.

Not surprisingly, the most serious difficulty facing Metro is the problem of financing the project in the face of inflation. Just how much inflation has affected Metro can be seen in the rising costs of construction materials.

To date, approximately two million cubic yards of concrete have been poured, but the cost of ready-mix concrete is up approximately 150 percent compared to January 1969 prices.

THE INFLATION SPIRAL

More than 150,000 tons of structural and reinforcing steel have gone into Metro construction to date (excluding steel tracking), but the WMATA estimates that structural steel has risen nearly 200 percent in the past five years, with reinforcing steel bars costing 225 percent more than when construction began.

Although in recent months the price of Douglas fir timber decking has declined steadily, the more than 20 million board of feet of timber used by contractors so far is up by about 185 percent over the January 1969 price.

As costs continue their upward spiral, some jurisdictions are becoming hard pressed to come up with increasing dollar volumes to meet their cost quotas and commitments. In Northern Virginia, for example, Fairfax County's board of supervisors recently proposed a 1 percent increase in the county sales tax to meet the burden of increasing Metro costs.

However, the need for additional funds had become so acute that at the annual year-end meeting at Airlie, Va., in December, transit officials came up with some alternative finance proposals.

The most dramatic request to come from the Airlie conference is a proposal that federal aid to Metro construction increase from the present two-thirds to 80 percent. with the remaining 20 percent to come from the regional jurisdictions.

In addition, the conference suggested that additional revenue would come from the sale of more federally-guaranteed bonds with debt service provided by the federal government. Congress had already approved a federal guarantee of $1.2 billion in Metro revenue bonds in 1972.

As if to add insult to the inflationary injuries, some of the civic and public cooperation that characterized Metro's early days seems to have taken a more parochial course. Despite the initial ADS agreement which mapped out specific rail routes and station locations throughout the area, some regional jurisdictions held up final planning decisions for as long as two years.

Most damning of all, however, have been some environmental and commercial lawsuits resulting in unfavorable and costly court decisions.

One such suit, brought before the U.S. District Court of the District of Columbia by two displaced commercial tenants in downtown Washington, resulted in a court decision requiring the WMATA to conduct what are essentially precondemnation hearings before such properties can be acquired.

In another court decision some residents in Washington's residential northwest section brought suit against Metro for failure to comply with the National Environmental Policy Act which requires environmental impact studies be made and statements issued on any federal action that might have an impact on the environment.

Although the WMATA is not a federal agency, the U.S. Court of Appeals for the District of Columbia agreed with a lower court decision in favor of the complainants and ordered the WMATA to conduct environmental impact studies on alternative routes not yet under construction.

IMPACT OF COURT DECISION

According to one Metro official, that decision will require a literal "reinvention of the wheel" in terms of future route and station planning.

Another problem which threatened to stall Metro progress, particularly in Phase II and III, were complaints by minority contractors that they were being excluded from meaningful participation in Metro construction. D.C. transit board members had requested that minority contractors and other small firms, many from the local area, receive a minimum 30 percent share of all contracts.

The dispute was settled following a recent transit board meeting which set goals but not quotas, calling for 10 percent minority participation in structural work and 20 percent in finishing work. According to Metro officials, the compromise arrangement is a landmark program in the nation's heavy construction industry and will channel at least $123 million in contracts to minority-owned contractors.

While political, social and economic factors conspire to add months and many dollars to Metro's original cost and schedule estimates, transit officials hope that the completion of Phase I will reexcite area interest in seeing the ambitious project through to completion.

Just how ambitious the project is can be defined by the number of superlatives that can be applied to virtually every aspect of the system.

Underground stations will be 600 feet long and generally 64 feet wide utilizing side or central train platforms. Endorsed by the Washington Commission on Fine Arts, the substations will reflect the city's classic architectural theme underground. Stations will consist of cast-in-place concrete sidewalls and arches soaring to a maximum 35 feet. All stations throughout the system will be fairly uniform in design, featuring free-standing mezzanines and station platforms which will be unencumbered by columns and other free-standing supports.

The mezzanines and platforms are separated from station sidewalls by about three feet of space with a precast concrete parapet extending along edges nearest the wall. This design not only provides an open, airy look but also discourages graffiti artists and other would-be vandals.

All stations will encompass the ultimate in patron convenience and comfort, including escalators from street entrances to mezzanines and from mezzanines to train platforms. Additionally, controlled entry elevators for the handicapped will be located at each substation.

Above-grade stations will be constructed of architectural concrete with 600-foot platforms partially covered by concrete gull wing canopies. All stations will have information and administration kiosks, indirect lighting, automatic fare collection utilizing magnetic fare cards and a variety of auxiliary rooms.

Elaborate measures have been taken to insure that unpleasant ride sensations and train noise are either reduced or eliminated. The rail gauge is smaller than normal, more than a quarter-inch closer together, to reduce train sway while below grade, and aerial track will be padded with a three-quarter-inch-thick synthetic rubber cushion between the continuously welded steel rail and the concrete trackbed. Where extra quiet conditions are called for, trains will ride on a "floating slab" which will introduce additional synthetic rubber or fiberglass padding between the concrete trackbed and the tunnel base.

Metro tunnels will be single-track and double-track horseshoe in rock (using shotcrete or cast-in-place concrete), single-track bore in earth, and some mixed-face, double-track horseshoe. Single-track tunnel bores will normally provide 16 feet 6 inches finished inside diameter.

Deepest station in the system is the bi-level Rosslyn station in Virginia which measures 129 vertical feet cut in rock (260 feet linear) including the normal 30-degree slant. Most downtown construction consists of cut and cover work involving single-track and double-track box sections.

Arched ceilings in the substations will be coffered, reminiscent of the soaring vaulted Roman domes. The recessed coffers vary in depth from about three-quarters of an inch on sidewalls to as much as 2 feet 6 inches at the top of the arch.

Achieving the progressively recessed coffered effect efficiently called for some ingenious form work. An arch form consisting of a series of inverted fiberglass tub pans were devised to be bolted to the sidewall and arch forms. Once the form jumbo is in place, ranging anywhere from 122 to 168 pans, a section of the arch measuring 106 feet from side to side and 66 feet long can be made in two weeks.

Initially, it was thought each individual pan had to be removed separately, but utilizing a radial knuckle system the entire arch form can be collapsed without piecemeal destruction. The form is assembled in three sections and hinged so that the direction of the withdrawal can be varied, with the side plates swinging inward and up and the crown plate lowering so stripping can be completed.

DESPITE THE PROBLEMS

And so Metro construction continues, threatened not so much by the engineering and construction challenges provided by the system's location on a geographical fall line and the varying subterranean conditions thus encountered, but, rather, by financial and political considerations.

Everyday, area residents are regaled with press accounts of the latest developments in rising costs and lingering delays that may eventually force the system to be cut back considerably. But as one area newspaper put it, "It is simply unthinkable that reckless politics could succeed . . . in sending this project to an early grave."

By Mr. TUNNEY (for himself and Mr. CRANSTON):

S. 1663. A bill to amend the Migration and Refugee Assistance Act of 1962 to provide for assistance to refugees from Southeast Asia. Referred to the Committee on Foreign Relations.

Mr. TUNNEY. Mr. President, I am introducing, on behalf of Senator CRANSTON and myself, a bill which would amend the Migration and Refugee Assistance Act of 1962 to authorize the expenditure of such sums as may be appropriated for relief of Vietnamese and Cambodian refugees in the United States.

The Migration and Refugee Assistance Act of 1962 was enacted to provide authorization for such appropriations as "from time to time may be necessary" to aid in the relief and resettlement of Cuban refugees in the United States. It permitted the President of the United States to designate certain other groups as refugees eligible for assistance under its provisions as well. Besides authorizing direct refugee relief, it also allowed expenditures for assistance to State and local agencies in their efforts to aid displaced persons.

Unfortunately, the act covered only Cubans and other persons from Western Hemisphere countries. Hence its provisions would be inapplicable under current circumstances to Vietnamese and Cambodians. Today, relief and resettlement of these two groups is a major task facing officials at both the Federal and State level and it is imperative that the act be amended to include Vietnamese and Cambodians as eligible recipients of such aid.

Other provisions of my amendment would include requirements for due consultation with States and local governments and agencies who might be involved in relief projects and periodic progress reports to the Congress. Mr. President, if State and local governments are going to be called upon to participate in the refugee relief effort, then they must be given an opportunity to voice their feelings and opinions on the way the program is to be conducted. Clearly, the success or failure of the program depends ultimately upon a coherent policy based on close cooperation and consultation among officials at all levels of government.

In conclusion, I believe that there will be difficult days ahead both for the refugees themselves and the American people who will have to bear the financial burden of their resettlement. But the American people have always met such challenges with a vigorous determination to make the best of a difficult situation. I am certain that this will be no different today. While every effort must be made to minimize the impact of this influx on economically hard-hit areas, it is my sincere hope that the Indochinese who have been forced from their nations by threat of death will be accepted into the American community with all the hospitality and consideration shown so often in the past to other refugees.

I encourage all of my colleagues to join with Senator CRANSTON and myself in supporting this legislation.

By Mr. KENNEDY (for himself, Mr. BAYH, Mr. BROOKE, Mr. CASE, Mr. CLARK, Mr. PHILIP A. HART, Mr. HUMPHREY, Mr. INOUYE, Mr. McGEE, Mr. McGOVERN, Mr. PELL, Mr. PERCY, Mr. RIBICOFF, Mr. HUGH SCOTT, Mr. STEVENSON, Mr. WILLIAMS, Mr. RANDOLPH, Mr. MAGNUSON, and Mr. SCHWEIKER):

S. 1664. A bill to amend the Lead-Based Paint Poisoning Prevention Act. Referred to the Committee on Labor and Public Welfare.

Mr. KENNEDY. Mr. President, I am pleased to introduce, together, with the bipartisan support of 18 of my colleagues, the 1975 amendments to the Lead-Based Paint Poisoning Prevention Act of 1971 (Public Law 91–695). This act had a three-pronged purpose. First, to establish programs to detect children suffering from lead paint poisoning; second, to eliminate the causes of lead paint poisoning; and third, to establish research programs to study the extent of the problem and to suggest ways of combatting it. Under the provisions of this act, the Secretary of Health, Education, and Welfare is authorized to make grants to State and to local units for the development of programs to identify and treat lead poisoned victims while the Secretary of the Department of Housing and Urban Development is authorized to conduct research to determine the best ways to eliminate lead paints from the surfaces of children's homes.

Since 1971, when the Federal attack on lead poisoning began, 850,000 children in the United States have been screened for lead based paint poisoning.

When I first introduced legislation to combat this crippling disease 6 years ago, experts believed the effects of lead based paint poisoning touched only a fraction of the children that have subsequently been found to be potentially subject to lead poisoning.

Studies launched and statistics compiled since that time show that there are at least 2½ million children that are presently in danger of being lead poisoned. This includes children under 5 years of age from families living in poor.

dilapidated housing in our Nation's inner-cities. But results from the studies and programs that have been launched since that time show that many more youngsters have been exposed to the hazards of lead based paint poisoning.

From these efforts, medical authorities determined that lead based paint poisoning in children is caused not only by peeling paint chips from the walls of deteriorating housing in our Nation's big cities, but harmful quantities of lead were also found in cooking utensils, toys, pencils, and in a variety of implements that are readily available to children.

For that reason, I introduced amendments to the Lead-Based Paint Poisoning Prevention Act in 1973 to provide protection from these sources of lead paint poisoning.

That package of amendments also increased the ceiling on Federal grants for lead poisoning programs from 75 to 90 percent to increase the accessibility to Federal assistance for communities around the Nation to combat this crippling malady. In addition, those amendments prohibited the use of lead paint on any residential structure constructed or rehabilitated by the Federal Government or with any Federal assistance.

The original act, Public Law 91–695, defined lead based paint as "any paint containing more than 1 percentum lead by weight in the total nonvolatile content of liquid paints or in the dried film of paint already applied." When the problems of lead paint poisoning were first addressed by federally supported programs, it was not unusual to find a reading of 40 percent or even 50 percent of lead imbedded in the paints applied to those homes that had been constructed prior to World War II. Those same homes had become the inner-city slum dwellings of the sixties and the seventies, and thus, provided fertile ground for our children to be subject to the hazards of lead based paint poisoning.

Health authorities realized it was important not only to identify high concentrations of lead in the bodies of little children they examined, but that it was equally important to establish levels to measure dangerous concentrations of lead in newly applied paints. For, the experience from earlier years suggests that reductions in lead contained in paints applied to walls today, can reduce the incidence of poisoning in tomorrow's children.

Thus, the 1973 Lead Poisoning Amendments directed the chairman of the Consumer product Safety Commission to determine whether new levels of lead in paint intended for use on interior residential surfaces should be set at 0.5 or 0.06 percent lead by weight, or at some level in between these two limits.

Last December, the Chairman of the Consumer Products Safety Commission, in his report to the Congress described a safe level of lead in paint as "a level where we have reasonable assurance, with expected exposures, of the absence of serious toxic effects." Having thus defined a safe level the report determined that one-half of 1 percent lead in paint is safe for us. In so ruling, the CPSC report all but ignored the recommendations of the Assistant Secretary of Health for HEW and of the Director of the Environmental Health Service Division of the Center for Disease Control. Both of them strongly emphasized that they did not feel, based on their studies and research, that 0.5-percent level was safe.

Spokesmen for the paint industry applauded the CPSC's decision. Consumer and medical organizations insisted on the level of 0.06 percent on the belief that even one-half of 1 percent of lead by weight in paint is too hazardous a level when absorbed into the blood stream of a young child.

I am impressed by those who believe that only through immediate action can we expect to control the intake of dangerous lead particles. The most direct way to accomplish that goal is by imposing strict controls on the amount of lead added to paints. We should begin now to limit the content of lead in paints to no more than 0.06 percent for those paints used on interior residential surfaces.

Many paint manufacturers already produce paint with 0.06 percent lead with no discernible difference either in quality or in cost. This low level will minimize the risk to children from the intake of lead and benefit not only today's children, but also future generations of children who may be needlessly exposed to lead covered wall surfaces.

The surest way to protect young children from the hazards of lead based paint poisoning is to eliminate lead entirely from the paint that youngsters may ingest. On that point, everyone is agreed. While the body can absorb and dispose of a certain amount of lead, once the capacity is reached it can cause extensive damage. And young children are much more vulnerable than adults, to the dangers of lead based paint poisoning. Lead is present not only in paint, but also in our water, in the atmosphere and in the soil where many children play. Lead pollution is an ever increasing environmental hazard. Consequently, this amendment provides for the reduction of the amount of lead allowed in paint to 0.06 percent by weight to reduce that environmental hazard.

My bill also provides for support of Federal programs that can begin to delead homes in which young children have been found to be suffering from high blood lead levels. One of the main health problems with a lead poisoned child is that once he has been treated, he is often returned to the same conditions that caused his illness in the first place. In order for a child's deleading treatment to be effective, the lead must be removed from the walls in his residence. Unfortunately, this is rarely done principally because of the cost involved. Many times parents or landlords are unable to bear the economic burden of deleading the houses.

Therefore, this legislation provides for funding direct local programs for the elimination of lead in such homes. Under my amendment, priority would go to removing the hazard in children who have been diagnosed to have an elevated body lead burden.

This legislation authorizes $85 million for fiscal year 1976; $95 million for fiscal year 1977 and $105 million for fiscal year 1978. This money is needed if we are to continue our commitment to eliminate the threat of lead poisoning for our Nation's children. In the years since the passage of the Lead Based Paint Poisoning Prevention Act, appropriations for the act have been restricted to a bare minimum. We must continue Federal support of the vital health projects that have already been launched under this law. At the same time, officials who have worked in this field, insist that the lead must be removed from the homes of those children who have been identified as sufferers of lead based paint poisoning. These amendments are specifically designed to do that.

I intend, therefore, to work diligently for funds that can support essential health programs to extend full treatment for lead based paint poisoning to those young sufferers. Once a child has been found with too much lead in his body and has been referred to medical authorities for treatment, his medical care cannot be completed until the source of the illness has been removed. That is why we must seek funds for deleading.

There are many elements in our daily environment that are hazardous to our health. Some of them we do not presently know how to control. But the control of excessive lead is readily understood. I believe it is essential to take every step available and feasible to reach that goal.

In introducing this legislation, the main objective is to provide maximum protection to the children of our Nation.

By Mr. KENNEDY (for himself, Mr. STAFFORD, and Mr. PHILIP A. HART):

S. 1665. A bill to provide for financial assistance to public intervenors in nuclear licensing proceedings. Referred to the Joint Committee on Atomic Energy.

PUBLIC INTERVENORS ASSISTANCE ACT

Mr. KENNEDY. Mr. President, I am introducing as separate legislation with Senator ROBERT STAFFORD and Senator PHILIP HART a measure to authorize the payment of legal and technical expert fees for public interest intervenors in nuclear power licensing proceedings.

Last session, the Senate adopted this measure as an amendment I introduced with Senator STAFFORD to the Energy Reorganization Act of 1975. It would have provided for the financing of eligible parties to nuclear licensing proceedings where there was a showing of financial need and where the intervention contributes to the hearing process.

Unfortunately, it was deleted from the conference report. However, the report expressed the view that—

> There is nothing in the Atomic Energy Act, as amended, which would preclude the Commission from reimbursing parties where it deems it necessary.

The Commission, while taking into consideration this statement, the Comptroller General's ruling in a similar matter affecting the Federal Trade Commission and a 1974 district court decision—*West Michigan Environmental Action Council* v. *AEC,* W.D. Mich. No. G-5873, June 19, 1974—still refused to provide such assistance in three recent cases involving requests for financial assistance from intervenors. This decision came even though the Commission indicated that—

> We are tentatively inclined to the conclusion that such authority exists.

However, the Commission would not make a final determination of the matter and argued instead that the new Nuclear Regulatory Commission should consider the matter anew in a separate rulemaking proceeding.

Unfortunately, there has been no indication of the NRC's acknowledgment of existing authority to institute payment of fees nor any rulemaking procedure to implement such authority. The FTC, on the other hand, has nearly completed its new regulations to implement a similar law approved by the previous Congress directly authorizing intervenor financial aid.

For that reason, I believe that if we are committed to the principle of public participation in the regulatory agency decisionmaking process, it is essential that the Congress take early action on this measure.

The benefit of full public participation in licensing decisions seems evident. The former Nuclear Safety and Licensing Appellate chairman, Alan Rosenthal, has testified to the positive contributions of public intervenors in the regulatory process. If we provide the opportunity in the law and in regulations for public participation where criteria of eligibility are met, then we should be sure the opportunity is not illusory. If the eligible intervenor is indigent, and there is evidence that it will contribute to the proceedings, then I think the public interest is served by insuring that their lack of funds does not deny them the opportunity to fully participate.

This legislation contemplates two stages of eligibility: First, the Nuclear Regulatory Commission will have its distinct eligibility criteria for becoming a party to a licensing proceeding, as the Atomic Energy Commission did under title 10 CFR section 2.714; Second, the bill would require a twofold standard before any eligibility for financial assistance would be reached; First, demonstrated financial need such that otherwise the eligible party could not participate, and second, the satisfactory demonstration that the participation of the intervenor contributes to the development of facts, issues and arguments relevant to the proceedings.

In addition, as to the cost involved, the bill specifies that the NRC will establish a ceiling for each proceeding. Intervenors eligible for financial assistance would have to share whatever funds the NRC had established as the ceiling for those proceedings. The effect, rather than to delay or stretch out proceedings, would be for intervenors to more frequently consolidate and narrow their interventions. The intervenors would be limited by that amount. And from previous AEC experience, that amount is not anticipated to be a major expenditure even over the entire 3-year trial period contemplated by the legislation.

I believe that the end result of having public interest intervenors with access to adequate legal and technical experts will be final decisions more in the public interest and more acceptable to the public.

It was thus, the conclusion of the Nuclear Safety and Licensing Appellate Board in its River Bend decision, ALAB-183, that—

> Public participation in licensing proceedings not only can provide valuable assistance to the adjudicatory process but on frequent occasions demonstrably has done so . . . many of the substantial safety and environmental issues which have received the scrutiny of licensing boards and appeal boards were raised in the first instance by an intervenor.

Lee White, former member of the Federal Power Commission, has written:

> As a former regulator, I believed then, and I believe equally strongly today, that the adversary process is essential to the regulator process, but to be effective, the advocacy must be equally good from all view points. To me, this means the ability to bring into any contested issue the sicentific, technical, economic and legal skills essential to presenting the strongest possible case. I assume every regulator would feel that his or her job would be more effective if there were assurance of a strong presentation by citizen groups as well as by industry groups.

This bill seeks to provide that assurance.

I want to emphasize that on July 17, 1974, the Atomic Safety and Licensing Board in a New York prelicensing conference recommended strongly to all prospective intervenors that they obtain legal counsel. Clearly, the licensing board recognized the value of having adequate legal representation for all parties at the proceedings, through aiding in consolidating interventions, removing duplication and overlapping and ultimately shortening the length of the proceedings.

In addition, there has been strong support, evident both in the Senate Government Operations Committee hearings last session and in testimony before the Joint Atomic Energy Committee of the need for technical assistance for financially limited citizen intervenors.

Although there are several examples of citizen groups which, because of inadequate funding, have been unable to participate, let me cite a single case. Consolidated Intervenors in California intervened in the case involving nuclear reactors in San Onofre, Calif. After an initial hearing, the issue of the adequacy of their opportunity to present information was taken to an appellate panel. The panel ruled in favor of the intervenors, citing the substantial nature of the issues the intervenors were raising. The panel ordered another hearing. Despite the existence of issues which the AEC appellate board considered to be sufficient for an additional hearing, they are unlikely to be presented since the intervenor group has insufficient funds with which to proceed.

This is only one example of the rationable underlying this bill. Substantial issues affecting the health and safety of the public will not be pursued in certain cases since intervenors may be unable to finance the presentation of those issues. I do not believe the public interest is served in this situation.

To summarize the provisions of this bill: First, regarding eligibility, public financing is to be available to responsible parties who demonstrate financial need and who can establish that their participation has or is reasonably likely to help develop facts, issues, and arguments relevant to the regulatory proceeding.

Second, the Commission will also establish a maximum amount to be allocated to each hearing. This will do more than place a check on the upper limit on expenditures. It will also encourage consolidation of groups and the nonduplicative presentation of opposing viewpoints on all relevant issues.

Third, judgments as to funding will be made by the Commission and if that judgment is appealed, the bill specifically provides that the decision could not be a basis for reversing the substantive licensing decision.

Finally, the bill will provide only a 3-year authority to permit the Congress the opportunity to review the practices and results of the payment of intervenor costs.

Mr. President, this bill was endorsed last year by the section on individual rights and responsibilities of the American Bar Association, the National Wildlife Federation, the Environmental Defense Fund, the Sierra Club, Friends of the Earth, Environmental Action, the Environment Policy Center, the National Resources Defense Counsel, and Public Citizens, Inc.

I am hopeful that there can be early action on this matter by the Congress this session.

Mr. President, I am looking forward to enactment of this legislation so that we may continue the vitally needed assault upon the problems of childhood lead poisoning.

I ask unanimous consent that my bill amending this law be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1665

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Intervenors Assistance Act".

SEC. 2. The Atomic Energy Act of 1954 (42 U.S.C. 2011) is amended by adding after section 192 the following new section:

"PUBLIC INTERVENORS; COSTS AND FEES

"SEC. 193. (a) With respect to any hearing held pursuant to section 189a or any other agency proceeding for the granting, suspending, revoking, or amendment of any license or construction permit or application to transfer control, or any agency proceeding for the issuance or modification of rules and regulations dealing with the activities of licenses, the Commission shall, upon request, reimburse eligible parties for the cost of participation, including reasonable attorneys' fees, of any party in any related hearing or agency proceeding. The amount paid, if any, shall be determined after consideration of the following eligibility factors:

"(1) The extent to which the participation of the party contributed to the development of facts, issues, and arguments relevant to the hearing or proceeding.

"(2) The ability of the party to pay its own expenses.

"(b) The Commission shall establish a maximum amount to be allocated to each hearing or agency proceeding and shall apportion that amount among the parties seeking reimbursement of costs based upon the factors enumerated in subsection (a). The maximum amount established pursuant to this subsection shall be established and adjusted from time to time by the Commission with regard to the following factors:

"(1) The actual costs of public participation in the hearing or proceeding based upon a nonduplicative presentation of opposing viewpoints on all relevant issues.

"(2) The cost of participation in the hearing or proceeding of the Commission's staff and applicants of the Commission.

"(c) In order to facilitate public participation, the Commission shall, wherever possible, make a determination of a party's eligibility for reimbursement pursuant to subsection (a)(2) of this section prior to the commencement of a hearing or proceeding.

"(d) Payment of costs under this section shall be made within 90 days of the date on which a final decision or order disposing of essentially all of the matters involved in the hearing or proceeding is issued by the Commission, except that if a party establishes that—

"(1) its ability to participate in the hearing or proceeding will be severely impaired by the failure to receive funds prior to conclusion of the hearing or proceeding; and

"(2) there is reasonable likelihood that its participation will help develop facts, issues, and arguments relevant to the hearing or proceeding,

then the Commission shall make from time to time (but at least quarterly) advance payments to permit the party to participate or to continue to participate meaningfully in the hearing or proceeding with regard to the maximum amount payable for costs of the subject hearing or proceeding and the possible requests for reimbursement of costs of other parties.

"(e) In the case of any judicial review arising out of an appeal of a decision reached in a hearing or agency proceeding before the Commission, the court may order the Commission to reimburse a party for all costs incurred in the course of such judicial review, including reasonable attorney's fees, if such party meets the requirements of subsection (a).

"(f) The provisions of this section shall become effective upon the adoption by the Commission of such regulations as are deemed necessary for implementation or upon the expiration of 90 days after the date of enactment of this section, whichever first occurs. This section shall apply to all hearings, agency proceedings, and judicial proceedings in which final decisions or orders disposing of essentially all of the issues involved in the hearing or proceeding or final orders or courts have not been issued by the Commission or court prior to the date of enactment of this section and to all hearings, agency proceedings, and judicial proceedings commenced after such date of enactment. In the case of any judicial proceedings pending when this section is enacted, the reimbursement of costs provided for in this paragraph shall apply only to costs referred to in subsection (e) and not to costs of the hearing or proceeding being reviewed.

"(g) Nothing in this section shall diminish any right which any party may have to collect any costs, including attorneys' fees, under any other provision of law.

"(h) The authority to make payments under this section shall not apply to any proceedings arising out of such hearings or proceedings, if the hearings or proceedings commence later than 3 years after the date of enactment of this section.

"(i)(1) Any decision made by the Commission pursuant to this section shall be reviewable to the same extent as any other Commission decision, except that no stay may be issued based upon any alleged violation of this section and no court order determining that the provisions of this section have been violated shall, solely as a result of that determination, require a reversal of the Commission's decision with respect to any other issue.

"(2) Any determination pursuant to subsection (c) or (d) of this section shall be a final and appealable order within the meaning of section 2342 of title 28, United States Code, if the Commission determines that the party is not financially able or

"(i) the party has the ability to pay its own costs and therefore is not eligible for reimbursement, or

"(ii) the party, although not financially able to participate meaningfully in the hearing or proceeding, is nonetheless not entitled to the relief requested.

"(j) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.".

By Mr. BROOKE (for himself, Mr. HUGH SCOTT, and Mr. WEICKER):

S. 1666. A bill to prescribe certain rules for Federal, State, and local agencies regulating electric rates. Referred to the Committee on Commerce.

THE ELECTRIC UTILITIES RATE REFORM ACT OF 1975

Mr. BROOKE. Mr. President, it must be apparent to all of us in the Congress that few of the energy problems facing us today are as acute as the issue of consumers' electric bills and the related financial problems of the utility industry. Households in every part of the Nation have seen their electric bills skyrocket in the last 18 months. Regulatory commissions are besieged on the one hand by the utilities who are clamoring for relief and rate increases, and, on the other hand, by the public which is calling for a halt to these price increases.

In Massachusetts, we pay the second highest electric bills in the entire Nation. Even more disturbing is the fact that, while everyone in the United States is seeing an alarming rise in their electric utility costs, our rates in Massachusetts are increasing annually at twice the average national rate of change. Even in the face of the rate increases our residents have already been forced to pay, we have rate increase applications pending before the Massachusetts Department of Public Utilities totaling nearly $130 million. On a per capita basis, these proposed increases are as high as or higher than those pending anywhere in the Nation.

Although many believe our energy-related problems in New England to be unique, they really are not. Everywhere utilities are in trouble; everywhere energy costs are high now and are going to get higher. New England may currently be suffering some competitive disadvantage because of our heavy reliance on foreign oil, but our problems of today are everyone else's problems of tomorrow.

It is time that the Congress take a long, hard look at what is causing these price increases and what Federal assistance and Federal standards can do to help. This is our responsibility not simply because beleaguered constituents are coming to us for help, but also because the development of a national electric pricing policy is part of a rational Federal energy policy.

For one thing, much of our electric power is generated from our precious supplies of oil and coal whose future lies mainly in the hands of this Congress. Thus, decisions affecting our national supply of fuels have direct consequences on the cost and amount of electricity the Nation can produce. More important, the nature and quality of our electric power resources are major variables in the Nation's energy supply in the next 50 years. With many analysts predicting that, by the turn of the century, more than half our energy will be in the form of electric power, intelligent planning decisions must be made at the Federal level at once to guide the development of our precious resources in the future. Our State and local public utility commissions must be given explicit standards of fairness and efficiency as they regulate the utility industry.

As part of President Ford's effort to develop a national energy policy, he has proposed legislation to alleviate some of the short-range problems of supplying electric power. However, the evolution of systematic policies regarding electricity is a responsibility the legislative branch must share with the executive. Toward this end, I am introducing, with Senators HUGH SCOTT of Pennsylvania and WEICKER, the Electric Utility Rate Reform Act of 1975.

This proposal is a result of taking a long hard look at the causes of the high prices for electricity and the options for providing legislative remedy. Let me say quite frankly at the outset that this is no panacea. If I knew a quick, easy way to solve the problem of electric costs, I would be proposing it; but I do not; now I believe, does anyone else.

The problem lies with the three major factors underlying rate increases. Simply put, these are: plant operating cost fuel costs, which we all know have soared, and fixed costs. Fixed costs represent a major part of the problem. They include the cost of capital which has been rising as old, 5 percent bonds mature and are replaced by bonds with yields of 10.5 percent and up. Utilities will have $20 billion of capital construction expenditures this year and will need to borrow enough to cover at least $100 billion more in building programs by 1980. Fixed costs also include materials and skilled labor whose prices are still inflating at double-digit rates.

But it is important to realize that utilities are committed to the present pattern of fixed costs because they have priced their service according to obsolete principles. One has to understand how rate structures appropriate to high-growth periods of the 1950's and early 1960's have created a wasteful demand for more and more expensive capital growth. When today's rate systems were established, it was in an environment of bargain capital and low-cost energy. The addition of plant capacity at the margin to accommodate extra usage had real economies of scale. As a result, rate structures with "declining block" pricing were established. Under this system, the price of electricity goes down, in steps, the more electricity a customer consumes. This provides an incentive to consume rather than conserve, and customers trying to use less power are penalized by having to pay a higher rate per kilowatt hour.

To add to the impact of such rate structures, utilities are permitted, under current regulatory policy, to use promotional rate designs for special markets, like hot water heating and "all-electric residential." Regulators have not dealt with the fact that if a utility generates its electricity by burning oil, it will consume two to three times more oil to heat the house electrically than if that oil were used to heat the house directly. This is particularly important to us New Englanders because we depend so heavily on oil to heat our homes and need to assure an adequate, long term supply.

To summarize, rate designs have rewarded use of power, not conservation of our energy resources and, as a consequence, they have encouraged the construction of heavy capital facilities which are now imposing so high a cost on every American family. Electric generating capacity must be built to accommodate the most intensive possible peak-period demand and then provide a substantial margin of "spare" capacity for safety. In the United States today, the average utilization of generating capacity is 49 percent. What this means to you and me is that half the figure charged to us for plant costs goes for a generator that is just sitting there idle in case someone wants some extra power.

Our regulated utilities' pricing system has failed to perform the important role price usually plays in the marketplace. It is not signalling to the buyer of energy what costs his or her incremental use of electricity are imposing on the system. Even though a customer carelessly using a lot of power during peak-load periods is both forcing the generating station to use its least efficient combustion turbines to meet the spurt of demand and forcing the leaders of the utilities to plan for expensive new plants, no extra charge is billed against him. The result of this is that in the last 10 years, demand for peak-period power has grown much faster than the overall demand for power. This is compounding the problem of costly growth. Our proposed legislation sets a simple standard for all rate structures: Users will pay for the true cost of service they consume.

By charging users the actual, incurred costs of customer services, operating capacity, fuel and additional capacity, rate structures can build in incentives for general conservation and for shifting use to off-peak hours. The FEA has estimated that as much as $120 billion in capacity that would otherwise be built and charged on fuel bills can be made unnecessary by peak-load pricing structures. Seen another way, this represents a potential saving of 500,000 barrels of oil a day.

Certainly there is a need for expansion of our energy resources, and we will have to build many new plants for the last quarter of this century. But what we do not need is a system of energy pricing which forces us to squander our valuable resources.

The legislation I introduce has other provisions that can help reduce costs as well. For example, utilities cannot recover the cost of advertising which encourages further wasteful use of energy. Also, public utility commissions must act on utility rate requests within a 10-month period, thus affording our private utilities some measure of predictability in their planning.

Finally, it seeks to regularize procedures for the fuel adjustment charges which so burden all consumers of power. In 1974 the rate increase due to fuel charges was $6.5 billion in this Nation. That is over four times as great as the previous year's increase attributable to fuel costs. In spite of several well publicized incidents involving outright fraud in utility fuel transactions, most States require little or no disclosure of fuel bills from their utilities. In order to provide some mechanism to check on potential fraud or mismanagement, this legislation requires utilities to give notice of changes in their fuel charges and present full documentation, with respect to their fuel-buying, at public hearings.

None of these reforms is an ultimate solution to the problems of electric costs. Energy costs of all kinds are going to remain high. Several other strategies could be combined with cost of service pricing. Among the proposals are direct subsidies from taxes, tax relief for private utilities and public ownership of powerplants. But I do not think any of these is as useful or workable a first step toward ultimate reform as the establishment of a rational pricing scheme.

In the long run, I firmly believe we must make a radical reexamination of our system for regulating the price structures of certain industries in this country. I suspect that the methods devised in earlier years for the computation of equitable returns on investment for a variety of basic services are now penalizing both consumers and producers and are creating improper allocations of vital national resources. But we cannot wait for the study and litigation such fundamental reform entails. We must move quickly to change our rate structures so customers and utilities can afford to pay for meeting our long-range national needs for electricity.

Mr. HUGH SCOTT. Mr. President, the massive rise in utility rates is undoubtedly one of the hardest blows that the energy crisis has dealt the consumer. I have received dozens of letters complaining of the hardship the new electricity prices cause, and I have no doubt my colleagues have had many similar letters from their constituents. Unfortunately, Congress would have a problem directly reducing the price of utilities, but it can ensure that each consumer pays a price which reflects the real cost of the power he uses.

Our present pricing system encourages extravagant consumption by large users who benefit from promotional discounts such as the "declining block rate." Under this system the more you use, the less you pay. In the past, such rates reflected the trend of industry costs which were declining: by promoting increased use they gave the companies more income. But this rate structure is no longer appropriate.

The present trend in the utility industry is an enormous increase in demand, which in turn necessitates costly expansion of power plants. Higher prices affecting all customers come from the wasteful habits of a few. The bill I am introducing today with Senators BROOKE and WEICKER would flatten out these promotional rates and thus reduce demand, conserve energy and help keep prices down. It would do away with a situation in which the small domestic consumer pays for the extravagance of some industries and owners of luxurious homes.

My bill also tackles another fundamental problem facing the utility industry—that of uneven demand. Electricity demand fluctuates by season and even by the hour. The demand for electricity peaks in early evening and hot months. The utilities have to be prepared to accommodate this "peak load" demand, even though the equipment required is not used at any other time. The power produced to meet this peak demand is very costly but in most instances today's prices make no distinction between loads that add to this peak and require extra capacity to be built, and those that are offpeak and do not. Some plants are built solely for use during peak periods. If pricing provided incentives for conumers to use less electricity at peak periods these plants would not be needed. My bill specifically directs the State utility commissions to alter the way they set rates to a system of peak pricing.

It obviously makes sense to price electricity to encourage conservation. My legislation will eliminate the incentive for indifferent and wasteful consumption. It should improve standards of efficiency in air-conditioning and insulation. Peak load pricing will help to correct the unjust "Catch 22" effect experienced by those consumers who conscientiously try to conserve electricity and are rewarded with higher prices caused by the reduction in use on an overbuilt system designed to meet peak demand. If the rate system had been designed to discourage peak use and wasteful use the utilities need never have overexpanded their capacity and the consumer who saves electricity would have saved money as well.

Today, the Nation is being urged on all sides to conserve energy. In spite of this, electricity is still being sold in a way that encourages greater consumption. My bill would substitute as a system designed to encourage more frugal use of electricity. It will benefit the consumer because it insures that the costs of generating electricity are borne by those who cause them. The average householder's bill will probably decline slightly as a result. In the long run, peak load pricing will not only restrain utility prices, but by reducing the number of new powerplants required it will also help protect the environment. I urge my colleagues to support this and I hope it will receive speedy consideration by the Congress.

Mr. WEICKER. Mr. President, I am today introducing, along with my distinguished colleagues, Senator Brooke and Senator Hugh Scott, the "Electric Utilities Rate Reform Act of 1975," legislation to totally revamp utility rate structures.

Mr. President, the State of Connecticut is but one of the many experiencing skyrocketing utility costs and fuel adjustment clauses. However, since utilities in New England depend heavily on imported oil to generate electricity, Connecticut is particularly vulnerable to escalating utility fuel costs which translate into sharply higher monthly bills for each consumer.

Presently, as fuel prices escalate, utilities automatically pass on these increased energy costs to consumers under the controversial fuel adjustment clauses on monthly electric bills. This passthrough procedure is automatic and these very substantial fuel adjustment clauses are only rebatable at some later date if determined by the State utility commission to have been unwarranted.

This automatic passthrough provision of the utility rate structure has a number of obvious drawbacks. First, since it is automatic, there is no reason for the utility to seek to improve its efficiency to hold down generating costs. Also, there is little incentive for the utility to "shop around" to contract for the cheapest fuel available, since higher fuel prices are simply passed on to the consumer.

In particular, the lack of prior review of automatic fuel adjustment clauses can hardly be justified at a time when consumers as well as utilities are struggling to survive under inflated costs.

For these reasons, this legislation would prohibit the arbitrary assessment of fuel adjustment costs without prior public hearings to justify the increased charges. Through these public proceedings, a utility would be required to show: First, that it "continually manages fuel purchases, uses, and generating facilities prudently and efficiently"; and second, that it distributes fuel costs and charges consistent with "cost of service" standards established under the bill.

Under "cost of service" pricing, utility rate schedules would be revised to reflect actual costs of serving each customer. Under present rate structures, utilities charge a uniform rate per kilowatt hour over the day, even though production costs vary substantially between so-called peak periods and off-peak periods of electrical consumption.

During peak periods, normally the early morning and early evening hours, heavy demand is placed on electrical generating facilities. For this reason, these facilities must be designed and built to meet peak demand, even though this capacity may be up to 50 percent idle during much of the rest of the day, in off-peak hours. In addition, in many cases, utilities must operate inefficient, fuel-expensive gas turbines for very short periods to meet the highest peak of consumption.

Therefore, because current consumption patterns require electric generating facilities to meet the heavy peak-load demand, the average consumer ends up paying for substantial idle capacity during the off-peak period.

In order to provide electrical power more efficiently, utilities must encourage customers to change their consumption patterns. The legislation we propose would mandate—on the basis of "cost of service" standards—lower off-peak rates to induce customers to shift their power needs from peak-load periods.

Under restructured rates, the consumer would pay a realistic higher rate for more expensive peak power, and a lower rate for consumption on off-peak hours. That is, the consumer pays for what he uses, and is rewarded for what he saves.

As the demand curve for energy consumption tends to "flatten out" over the day, utilities should be able to operate with greater efficiency, and better forecast future demand.

The legislation would further end the current practice of charging large users, such as industrial customers, progressively lower per kilowatt hour rates. Again, such arrangements merely encourage consumption, no matter how wasteful or inefficient, and effectively discourage conservation.

Mr. President, I submit that this comprehensive rate reform package is an important step toward rationalization of the utility industry. There will of course be other proposals in this area, but what is needed now is positive action to bring back some sanity to soaring utility costs.

I should note that the Federal Energy Administration—FEA—has recently announced $1.2 million in grants to six public utilities to test more efficient methods of producing electricity. Among those chosen as participants in the FEA program, designed to consider such reforms as variable rates as means of promoting conservation and holding down consumer electric bills is the Connecticut Public Utilities Commission.

While I am encouraged by FEA's interest in these issues, I would suggest that this Nation cannot afford to wait three years or more for test results. I therefore urge my colleagues to carefully consider the legislation I have introduced today, and other alternatives that will be formulated, in order that the Congress might move expeditiously toward comprehensive utility rate reform.

Mr. President, I ask unanimous consent that the text of the Electric Utilities Rate Reform Act of 1975 be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1666

***Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Electric Utilities Rate Reform Act of 1975".**

FINDINGS

Sec. 2. The Congress hereby finds that:

(a) the continued generation and transmission of an adequate supply of electrical energy is critical to the Nation's defense, a sound and stable economy and the general health and welfare of the people of the United States;

(b) rapid changes in the economic environment of the electric utility industry call for adaptation by the regulatory authorities in their rate-making practices which influence total revenues and, therefore, the return on capital of electric utilities;

(c) present utility pricing practices and local regulatory rate-making practices often result in a disproportionate distribution of the costs of generating and transmitting electricity among different classes of customers;

(d) the disproportionate distribution of costs in electric rate schedules often results in some classes of customers paying less than the full cost of the service they receive, including the cost of capacity needed reliably to meet their demand during peak-load periods, and thereby encourages wasteful use of energy;

(e) sales below actual cost of service encourage excessive consumption of electrical energy and unnecessary construction of electricity generating facilities at a time when the Nation gravely needs to conserve its energy resources;

(f) the unnecessary construction of generating capacity by the electric utility industry is creating burdens on the financial markets which will be difficult to meet;

(g) the capital inadequacy of the electric utility industry has impaired its ability to finance conversion of generating facilities from oil to coal and to invest in equipment necessary to limit adverse environmental effects of energy production;

(h) shortages and unreliable supplies of electricity caused by the financial problems of the utilities now exist or are imminent and jeopardize the normal flow of interstate and foreign commerce by creating severe economic dislocation, including loss of jobs, closing of factories and businesses, and curtailments of vital public services; and

(i) existing rates and rate bases are significant elements in the present and future generation, transmission, and conservation of electricity, and affect interstate commerce.

PURPOSES

Sec. 3. The purposes of this Act are:

(a) to establish minimum standards of electric ratemaking in order that the actual costs of generating and transmitting electricity are equitably distributed among all customer classes;

(b) to insure that all electric utility customers are charged prices which are proportionate to the actual cost of the service they receive;

(c) to encourage the conservation of electricity by all users;

(d) to avoid the construction of unnecessary electricity generating facilities;

(e) to restore the electric utility industry to financial soundness and reliability of service; and

(f) to affirm and maintain the power of regulatory authorities to regulate the sale, generation, and transmission of electricity, including the specific application of the principles of regulation in individual cases, subject to the provisions of this Act.

DEFINITIONS

Sec. 4. As used in this Act—

(a) "corporation" includes any corporation, joint stock company, partnership, association, business trust, organized group of persons whether incorporated or not, receiver or receivers, trustee or trustees;

(b) "fuel adjustment clause" means that part of a rate schedule for sales of electric power which reflect changes in the fuel component per kilowatt-hour of delivered energy cost;

(c) "longrun incremental costs" means those costs which utilities will incur in adding generating capacity necessary to meet additional demand for electricity;

(d) "peak-load periods" means annual, seasonal, and diurnal periods of time in which the consumption of electricity exceeds the average consumption of electricity for such periods of time;

(e) "rate base" means the value established by a regulatory authority upon which a utility is permitted to earn a specified rate of return;

(f) "regulated public utility" or "utility" means a corporation which is engaged in the business of furnishing or sale of electric power if rates for such furnishing or sale have been established or are subject to approval by a regulatory authority; and

(g) "regulatory authority" means any agency of a State, the District of Columbia, or a territory or possession of the United States, or political subdivision thereof, or any agency of the United States which has jurisdiction to establish or regulate rates or charges for the sale of electric power.

STANDARDS FOR COST OF SERVICE PRICING

SEC. 5. Regulatory authorities shall implement and maintain rate schedules which distribute costs to customer classes in accordance with the costs these classes impose on utilities by their consumption patterns. To meet this requirement:

(a) all utility rate schedules made lawful by a regulatory authority shall provide for the sale of electricity to different customer classes at different prices only to the extent that such prices reflect documented differences in the actual costs of service to such customer classes;

(b) all utility rate schedules made lawful by a regulatory authority shall provide for the sale of electricity during peak-load periods at prices higher than prices for the sale of electricity during off-peak-load periods, provided that such prices are documented by differences in the actual costs of service during such periods; and

(c) all utility rate schedules made lawful by a regulatory authority shall provide for the sale of electricity at prices which reflect the long-run incremental costs of service so as to distribute all such costs proportionately among customer classes to the degree their consumption patterns are responsible for such costs, provided that such cost differences are documented.

RATES FOR CUSTOMERS USING SMALL AMOUNTS OF POWER

SEC. 6. Nothing in this Act shall prohibit any utility from establishing or maintaining rates for electric power at less than cost to customers using no more than 300 kilowatt hours per month for the purpose of alleviating the burden of high electricity prices to low-income households.

STANDARDS FOR TREATMENT OF PROMOTIONAL AND ADVERTISING EXPENSES

SEC. 7. No regulatory authority, for ratemaking purposes, may allow recoupment of promotional and advertising expenses, unless such expenses finance efforts encouraging the conservation of electricity or the shifting of the consumption of electricity from peak load periods to off-peak load periods.

STANDARDS FOR TREATMENT OF FUEL ADJUSTMENT CLAUSES

SEC. 8. No regulatory authority may allow or otherwise make lawful, as part of any rate schedule, a fuel adjustment clause permitting monthly changes in the utility's lawful rate equal to the changes in the cost to the utility of generating fuels, including all applicable taxes, tariffs, or similar charges without:

(a) requiring prior notice of the changed cost of fuel and the adjusted rate before any rate change can be implemented;

(b) public proceeding to establish that the utility continually manages fuel purchases, uses, and generating facilities prudently and efficiently;

(c) such rate adjustments distributing fuel costs and charges consistently with the standards established in section 5 of this Act; and

(d) reserving the power to subsequently determine that the adjusted rates or parts thereof are unlawful and subject to refund.

STANDARDS FOR EXPEDITING THE RATEMAKING PROCESS

SEC. 9. (a) No regulatory authority may suspend or otherwise defer the operation of a utility's rate schedule properly filed with it and defer the use of the rate, charge, classification, or service established by such schedule for a period longer than ten months from the date such schedule accompanied by all required supporting documentation is filed, or ten months beyond the time when it would otherwise go into effect, whichever is later. The proposed change or rate, charge, classification, or service shall go into effect, upon motion of the utility, at the end of such period and shall continue in effect until the proceeding on the proposed change has been concluded and a final order issued approving or otherwise disposing of the proposed change.

(b) In the case of a proposed increased rate or charge, the regulatory authority shall, by order, in a manner to be determined by the regulatory authority, require the interested utility to keep accurate account of all amounts received by reason of such increase, and upon completion of the final determination on the rate schedule, shall by further order require, in a manner to be determined by the regulatory authority, such utility to adjust the lawful rate or to refund, with interest, such portion of such increased rates or charges as by its decision shall be found unlawful.

(c) For purposes of this Section, any rate schedule properly filed and pending with a regulatory authority prior to the effective date of this Act shall be deemed to be filed as of the effective date of this Act.

EFFECTIVE DATES

SEC. 10. (a) This Act shall be effective upon enactment, with the exception, however, of section 5 hereof, which shall become effective after 540 days following such date of enactment.

(b) The Federal Power Commission shall report to the Congress by the last day of each succeeding year after the effective date of this Act describing in detail the measures undertaken by the regulatory authorities to comply with the provisions of this Act.

SEVERABILITY

SEC. 11. If any provision of this Act or the applicability thereof to any entity or circumstances is held invalid, the remainder of this Act and the application of such provision to other entities or circumstances shall not be affected thereby.

FINANCIAL ASSISTANCE TO NON-FEDERAL REGULATORY AUTHORITIES

SEC. 12. (a) The Federal Power Commission is authorized to make grants to non-Federal regulatory authorities, in accordance with regulations established by the Commission, in such amounts as are necessary to compensate such authorities for additional costs incurred in complying with the provisions of this Act.

(b) There are authorized to be appropriated such amounts as are necessary to carry out the provisions of this section.

By Mr. BENTSEN:

S. 1667. A bill to prohibit the person holding the position of Secretary of State from holding simultaneously the position of Assistant to the President for National Security Affairs. Referred to the Committee on Government Operations.

Mr. BENTSEN. Mr. President, I am certain that many of my colleagues in this body share my grave concern over the present status of U.S. foreign policy. I believe it would not be an overstatement to describe our Nation's foreign policy as a shambles. And the prospects for improvement are dim unless major changes are carried out in both the concepts on which our foreign policy is based and the tactics used in carrying out that policy.

I am a strong supporter of détente and I will support further steps to strengthen détente. But the world is a sphere, not a triangle. A foreign policy predicated on great power relationships alone is increasingly irrelevant and ignores the emergence of a new international and political order.

We cannot expect to build a structure of world peace on a special relationship with either China or the Soviet Union, or both, while neglecting our traditional allies and our potential allies. There are many new actors on the world scene today whose roles are becoming major. We neglect them at our own risk.

The major themes of international politics today are less and less determined by great power relationships—and increasingly defined by such issues as energy, food and raw material shortages, worldwide inflation, recession and unemployment, the population explosion, disorder in the international monetary area, and abuse of the world's oceans and environment.

We live in an increasingly complex world with new challenges for the United States to face, but this administration's conceptual approach to foreign policy is inadequate to respond to these challenges. And so is the process by which our foreign policy decisions are made. That process has become dangerously constricted and convoluted with an undemocratic emphasis on secret diplomacy, personal negotiations, and one-man authoritarianism.

Never before has the foreign policy machinery of this country been so concentrated in the hands of one person—one person who wears two official hats and unofficially wears a third: that of roving ambassador. It is time to restructure the foreign policy decisionmaking apparatus in this country.

I am today introducing legislation to begin that jom. I am seeking to prohibit future Secretaries of State from serving as the President's National Security Advisor, Executive Secretary of the National Security Council or any other position directing or controlling the National Security Council.

I view this as an important first step to diversify and strengthen the process by which the foreign policy of this country is developed.

With the lack of a real consensus in this country on the goals of our foreign policy, on our tactics, on the role of the United States in the new international political and economic order, we need a different kind of policymaking structure than we now have. We need a structure that will expand the range of policy options being presented to the President rather than narrow them, a structure which will improve our ability to deal with crisis in the future, a structure which is more consistent with our democratic form of Government.

There are many who believe that Secretary of State Kissinger is an able and brilliant man but who also believe that his serving as both Secretary of State and National Security Advisor to the President dangerously centralizes power in the hands of one man. I count myself among that group. I believe that there should be more balance in our decision-making process.

During my study of what I believe are a number of structural reforms which should be effected in our foreign policy-making process I seriously considered having this bill apply to the incumbent Secretary of State. However, I am advised that serious questions of unconstitutionality surround the Congress' authority to remove officers of the executive branch except through the impeachment process. Consequently, I have drafted my bill to apply to future Secretaries of State, although I would hope that the President will heed the desire expressed in this legislation that Secretary Kissinger should resign one of his official hats.

I was struck recently by an article in the New York Times by John Hersey, who described several days he spent with President Ford.

In the article, Mr. Hersey pointed out that a sizable group of aides and Cabinet Officers met regularly with the President to debate, discuss and advise him as he shapes domestic policy.

But on foreign policy questions, the President meets with the Secretary of State alone. Just the two of them. No outside views. No differing perspectives.

Mr. Hersey wrote:

> In the formulation of settled policy, this President, who had a minimal exposure to foreign affairs before he came to office, hears, I am told, only one voice, and a mercurial voice it is, Henry Kissinger's."

He continued:

> Yes, this is the most alarming thought I have had all week.

Mr. President, this thought alarms me too. And I am hopeful that this body will give swift approval to my proposed legislation so we can begin correcting this situation.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1667

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That no person who holds the position of Secretary of State may at the time he is holding such position also hold the position of Assistant to the President for National Security Affairs, Executive Secretary of the National Security Council, or any other position supervising, directing or controlling the staff of the National Security Council.

(b) This Act shall apply with respect to any individual who is appointed to the position of Secretary of State on or after the date of enactment of this Act.

(c) It is the sense of the Congress that the provisions of this Act should be applied with respect to the person who holds the position of Secretary of State on the date of enactment of this Act.

By Mr. HATFIELD:

S. 1668. A bill to amend the Agricultural Trade Development and Assistance Act of 1954 in order to broaden and emphasize the humanitarian purposes of such act, and for other purposes. Referred to the Committee on Agriculture and Forestry.

AMENDING PUBLIC LAW 480

Mr. HATFIELD. Mr. President, I am introducing legislation to bring the operations of the Public Law 480 program into greater conformance with its popular title, "Food for Peace." When the law was written in 1954, it was designed to serve several purposes, and it has done so reasonably well. In this time of global food emergency we need to sharpen the focus of the program so that it is devoted entirely to providing food aid and agricultural assistance to people in need. I do not necessarily deny the validity of the other original purposes of Public Law 480, such as market development or surplus disposal. I simply argue that these projects should be undertaken under different authority.

The bill I am introducing today is a bare-bones approach. It amends the act in order to remove from it purposes, programs, and restrictions which I believe to be inappropriate to the primary task of helping feed the world's hungry. It is by no means a final solution, but is only intended to become part of a basis for discussion in the development of a new food-for-peace program in keeping with the needs of today.

Briefly, the legislation I am introducing would: First, expand and emphasize the purpose of Public Law 480 for the provision of food aid to people in need; second, exclude nonfood commodities from shipment under the act; third, remove anticipated exports for dollars from availability criteria in section 401; fourth, insure that food aid and agreements established under the act do not disrupt the usual marketings of the recipient nations' agricultural commodities as well as those of the United States; fifth, repeal the prohibition on Public Law 480 aid to countries that trade with North Vietnam or Cuba; and sixth, remove the restriction in section 103 on title I sales to the United Arab Republic.

These are the basics. More needs to be done in emphasizing and amplifying the good parts of Public Law 480 rather than just excising the bad. With the amendments I am proposing, we will have the skeletal framework on which to build a healthy and humanitarian food aid program.

To further explicate the purposes of this legislation, I ask unanimous consent that my February 18 testimony to the Senate Agriculture Committee on amending Public Law 480 be printed in the RECORD, along with the text of the bill.

There being no objection, the statement and bill were ordered to be printed in the RECORD, as follows:

TESTIMONY OF SENATOR MARK O. HATFIELD, SENATE AGRICULTURE AND FORESTRY COMMITTEE, FEBRUARY 18, 1975

Mr. Chairman, the Food for Peace program has been operating fairly quietly and fairly effectively for twenty years. It is the only government program we have that is specifically designed to help feed the world's hungry. There is no doubt that it has made a difference.

In the past two years, the manifold ramifications of a global food shortage have gradually dawned upon us. In November, the U.S. delegation supported a resolution of the World Food Conference pledging an end to world hunger by 1985. If we mean what we say, the inadequacies of the P.L. 480 program become apparent in light of the immensity of the task.

The purposes for which it was created in 1954 do not fit the circumstances of today. Our Food for Peace program does not always ship food, and it does not always serve peace. It is frequently motivated more by a desire to create new demand for American agricultural commodities than a desire to meet needs for food that already exist. It often responds to political requirements more quickly than it does to the basic requirements of existence. The magnitude of today's problems and the prospects for the future demand that we do more than make incremental alterations of P.L. 480. I believe substantive changes must be made.

For several of us here, the most recent argument about what P.L. 480 is and what it should become has been over the political use of food aid. The 1974 shipment to Southeast Asia of half the aid in P.L. 480 aroused the Congress to restrict the political uses of food aid. First, Congress declared that no more than 10% of P.L. 480 aid could be sent to any one country. Then in the language and legislative history of the Foreign Assistance Act of 1974 (P.L. 93–559), we clearly stated that no more than 30% of Title I concessional food aid can be directed to countries not identified by the United Nations as "most seriously affected" by the world food shortage. Despite that clear expression of intent, the Administration attempted to exclude aid to Southeast Asia from the limitation. When that failed, it was decided that the restriction, which specified "concessional food aid," did not cover shipments of cotton and tobacco, which will be used to boost political aid. But at least in the process we managed to have funds for P.L. 480 increased to $1.4 billion.

This skirmish should prompt us to make some changes in the intent and extent of Food for Peace.

First, political considerations should be completely excluded from decisions about allocating P.L. 480 aid. When the law was written, world hunger was not so critical (or we were not so aware of it) and Cold War mentality demanded that we exclude certain countries from our assistance programs despite their needs. Now global hunger is all too evident, and détente has blurred distinctions between "them" and "us."

It should always have been so, but now it is imperative that our food aid be directed to those in need, not those who think we need for the accomplishment of some grand foreign policy strategy. We must not refuse aid to starving people who do not agree with our scheme of world order. On the other hand, we should not ship food to foreign countries because they happen to be our allies and regardless of their food need. Nor should food be allocated on the basis of what natural resources the recipient countries control and how they could use that control as an economic weapon.

These are all real problems for our foreign policy, and must be dealt with. But P.L. 480 should not be the tool. Therefore, I recommend that for at least as long as the world food shortage continues all Food for Peace aid be directed only to those countries that require and request assistance to feed their people, regardless of their or our political inclinations. At least for the immediate future, I suggest that we use the United Nation's list of those nations "most seriously affeced" by the world food crisis to determine what countries should receive P.L. 480 aid. As of January 24, that list included 32 countries with a total food deficit of 4.74 million tons, 3.2 million tons of which was attributable to India, Bangladesh, Pakistan, and Sri Lanka. I might add that South Vietnam and Egypt are not on the list. Cambodia and Laos are.

For similar reasons, I recommend that the Act be amended to excise the portion that establishes the creation of export markets as one of the purposes of the program. U.S. agricultural exports have quintupled since passage of P.L. 480, and export markets are well established around the world. Food shortages continuing indefinitely into the future will assure sustained high export levels. P.L. 480 need not be used, therefore, to stimulate exports. So long as the world food crisis continues, the sole purpose of Food for Peace should be feeding people.

In keeping with that purpose, I recommend the Act be amended to remove cotton, tobacco, and all non-food commodities from the program. In FY72 we shipped tobacco and cotton with an estimated market value of $114 million under Title I of P.L. 480. In FY73 the amount rose to $126 million in estimated market value. This came to a total of slightly less than half the estimated market value of wheat and flour ($505 million) for the two fiscal years 1972 and 1973. (Data from Agricultural Statistics, 1974 published by USDA).

The shipment of tobacco under the Food for Peace program is particularly disturbing to me. I was astounded to learn last year that our government, which has found that cigarette smoking is hazardous to health, and has placed restrictions on all advertising of tobacco, then uses taxpayers' money to buy tobacco, store it, and ship it to other countries, giving low interest loans to support its purchase. Like many citizens, I had no idea this was being done in the name of "Food for Peace." It makes a mockery of the entire program. How much food rich in protein could have been grown on the land that provides all this tobacco?

A better case can perhaps be made for cotton. At least it can be made into clothing and provide one of the necessities of life. Here again, however, we confuse the public by sending a non-food item overseas under the guise of Food for Peace. More importantly, we expend funds that could be used for food.

I realize that P.L. 480 purchases of tobacco and cotton help subsidize the production of these commodities. I do not want to debate the question of agricultural subsidies here—it may be that these subsidies are quite legitimate. If we wish to continue them, so be it. But they do not belong in the P.L. 480 program. Again, if we present this program to the American people as "Food for Peace," it should be exactly that.

While I do not believe the production of tobacco and cotton should be subsidized through P.L. 480, I do think we have an obligation to use the program to support the price of food products. Cynics might say that I make this suggestion because Oregon produces no tobacco or cotton but a good deal of wheat, for example. But I have a different reason. The government of the United States has committed itself to the effort to end world hunger by 1985 and has called upon the American farmer to achieve maximum production in order to meet that goal. We not only have an obligation to aid foreign countries in need we also have an obligation to protect the price of farm products when the American farmer responds to the call for all-out production with record harvests. If we do not, we will again have land lying fallow in the United States while millions go hungry abroad.

Therefore, I recommend that this Committee make it quite clear to the American agricultural community that P.L. 480 purchases of food will be increased to meet the food aid need and to protect the producer from the price-deflating effects of a surplus the commercial markets cannot handle.

In a similar vein, I recommend that P.L. 480 be amended so that the establishment of food aid levels will not be dependent upon commercial considerations. Presently P.L. 480 levels are set only after allowances have been made for domestic needs, commercial exports, and carryover stocks. While I agree with the first and last of those criteria. I believe commercial exports should not take precedence over Food for Peace aid.

The countries that are most seriously affected by the world food shortage do not have the money to meet their food requirements by purchases on the commercial market. As a consequence, most of our exports have gone to developed nations such as Russia, China, Taiwan, and Korea. Food should be sent where it is needed most first, and then any remaining surplus can be sold for export. Again, P.L. 480 purchases can be used to support prices against the effect of any decline in commercial exports.

All of these recommended amendments to P.L. 480 attempt to establish what I believe to be an appropriate balance of economic, political, and humanitarian concerns. Obviously, I believe that the last of these should be first, and that economic and political considerations should always be subservient to human needs. Even if all my suggestions should become law, the Food for Peace program would still be a football to be kicked back and forth between the State Department's foreign policy makers and the Agriculture Department's farm economists. That is one reason why I will be introducing legislation to create an Office of Food Administration headed by a Food Administrator appointed by the President with the consent of the Senate.

I have discussed this proposal on other occasions, most recently at the December 18, 1974, hearings of the Select Committee on Nutrition and Human Needs, so I will not go into it in detail here. Suffice it to say that it is patterned after the Office of Food Administration created by President Wilson and run by Herbert Hoover during and after World War I. It is intended to insulate the Food for Peace program from bureaucratic infighting, and ensure that food aid is allocated on the basis of human needs rather than political or economic interests. Furthermore, the Food Administrator would coordinate all government and private food aid efforts to enhance their effectiveness. I expect to introduce this legislation later this week. Your support is welcome.

The Food for Peace program has always had a great deal of potential for alleviating suffering around the world. In this time of global food shortages it is absolutely crucial that the potential be fully realized. I believe the changes I have recommended can help us accomplish that goal.

S. 1668

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691) is amended by striking out "to expand international trade; to develop and expand export markets for United States agricultural commodities;".

SEC. 2. Section 102 of such Act (7 U.S.C. 1702) is amended by striking out the colon preceding the first proviso and all that follows down to but not including the period at the end of such section.

SEC. 3. (a) Section 103 (c) of such Act (7 U.S.C. 1703 (c)) is amended by inserting "and of the recipient nation" immediately after "United States".

(b) Section 103 (d) of such Act (7 U.S.C. 1703 (d)) is amended by striking out the comma after the word "government" in clause (2) and all that follows down through the period in the third complete sentence of such section (which ends with the words "United Arab Republic under title I of this Act") and inserting in lieu thereof a period.

SEC. 4. (a) Section 104 (b) of such Act (7 U.S.C. 1704 (b)) is amended by striking out "not less than the equivalent of 5 per centum" and inserting in lieu thereof "not more than the equivalent of 5 per centum".

(b) Section 104 (c) of such Act (7 U.S.C. 1704 (c)) is repealed.

Sec. 5. Section 107 (a) of such Act (7 U.S.C. 1707 (a)) is amended by striking out the first sentence and that portion of the second sentence which reads: "In furtherance of this policy, the" and inserting in lieu thereof "The".

SEC. 6. Section 202 of such Act (7 U.S.C. 1722) is amended by striking out the last sentence thereof.

SEC. 7. The first sentence of section 204 of such Act (7 U.S.C. 1724) is amended to read as follows: "There are authorized to be appropriated such sums as may be necessary to reimburse the Commodity Credit Corporation for all costs incurred by such corporation in connection with programs of assistance carried out under this title (including the Corporation's investment in commodities made available)."

SEC. 8. (a) The first sentence of section 401 of such Act (7 U.S.C. 1731) is amended by striking out "commercial exports,".

(b) The second sentence of section 401 of such Act is amended by striking out "adequate carryover, and anticipated exports for dollars" and inserting in lieu thereof "and adequate carryover".

SEC. 9. The proviso contained in the first sentence of section 402 of such Act (7 U.S.C. 1732) is amended by striking out "beverages, and for the purposes of title II of this Act, tobacco or products thereof" and inserting in lieu thereof "beverages or non-food commodities or products thereof".

SEC. 10. Such Act is further amended by adding at the end thereof a new section as follows:

"SEC. 412. Notwithstanding any other provision of this Act, no agricultural commodities may be made available to any foreign country under title I or III of this Act which is not, at the time, a country designated by the United Nations as 'Most Seriously Affected' by economic crisis unless, at the time such commodities are made aavilable, food needs of all countries designated as 'Most Seriously Affected' have been adequately met."

By Mr. HATFIELD:

S. 1670. A bill to amend section 8 of the Watershed Protection and Flood Prevention Act to increase the amount that may be made available under such section for a single plan for works of improvement. Referred to the Committee on Agriculture and Forestry.

S. 1671. A bill to amend the Bankhead-Jones Farm Tenant Act to increase the amount of any loan for which funds may be appropriated without prior approval of such loan by the appropriate committees. Referred to the Committee on Agriculture and Forestry.

Mr. HATFIELD. Mr. President, section 8 of the Watershed Protection and Flood Prevention Act, an act commonly known as Public Law 566, established a ceiling of $5 million on loans by the Farmers Home Administration to the local sponsors and participants in small watershed projects undertaken with the assistance of the Soil Conservation Service. This loan ceiling has been at the level of $5 million since the passage of the act in 1954. Since that time, inflation has cut the purchasing power of $5 million nearly in half—to $2.25 million as of March 1975.

Obviously this means that a number of small watershed projects around the country that could not only be preventing flood damage, conserving resources, and providing recreation areas, but also providing vitally needed jobs, have been shelved because of a lack of funding. Raising the FmHA loan ceiling to $10 million will simply counteract the effects of inflation on the small watershed program and give an impetus to employment.

This matter of inadequate FmHA loan levels for small watershed projects was first called to my attention by constituents in Oregon experiencing funding problems with a particular project, but I am sure there are many other projects around the country that are having similar problems and would benefit greatly from an increase in the loan ceiling from $5 million to $10 million.

The first bill I am introducing would authorize this increase.

The second piece of legislation is similar to the first, in that it authorizes an increase in FmHA loan limitations for loans made under the Bankhead-Jones Farm Tenant Act for resource conservation and development projects conducted with the assistance of the Soil Conservation Service. The loan ceiling is now at $250,000, and has been at that level since 1962. My bill would raise the ceiling to the more realistic level of $1 million, allowing projects now stymied for lack of funds to get under way, providing jobs for unemployed Americans.

I urge my colleagues to support this legislation, and would appreciate hearing from them about projects in their own States which could proceed where these loan limitations increased.

By Mr. KENNEDY (for himself, Mr. BAYH, Mr. BROOKE, Mr. CRANSTON, Mr. EAGLETON, Mr. PHILIP A. HART, Mr. HUMPHREY, Mr. RIBICOFF, Mr. INOUYE, Mr. JACKSON, Mr. JAVITS, Mr. MATHIAS, Mr. MONDALE, and Mr. TUNNEY):

S.J. Res. 80. A point resolution proposing an amendment to the Constitution of the United States granting representation in the Congress to the District of Columbia. Referred to the Committee on the Judiciary.

Mr. KENNEDY. Mr. President, I am pleased to introduce a resolution to amend the Constitution to provide full voting representation in the Congress for the District of Columbia. This vital measure for guaranteeing the constitutional rights of the citizens in our Nation's capital has the bipartisan support of 13 Senators: Mr. BAYH, Mr. BROOKE, Mr. CRANSTON, Mr. EAGLETON, Mr. PHILIP A. HART, Mr. HUMPHREY, Mr. INOUYE, Mr. JACKSON, Mr. JAVITS, Mr. MATHIAS, Mr. MONDALE, Mr. RIBICOFF, and Mr. TUNNEY.

The purpose of the resolution is to amend the Constitution of the United States to provide full voting representation in the Congress for the District of Columbia—two Senators and proportional representation in the House based upon the District's population.

There is no difference between the proposal I am offering today and the one I first introduced 5 years ago, to give full voting representation in Congress to the people of the District of Columbia.

The amendment contains six principal provisions:

First. Citizens of the District of Columbia would elect two Senators and the number of Representatives in Congress, probably two, to which the District would be entitled on the basis of population;

Second. Each Senator or Representative would be required to be a resident of the District of Columbia;

Third. Each Senator or Representative would possess the same qualifications as to age and citizenship and have the same rights, privileges and obligations as other Senators or Representatives;

Fourth. A vacancy in the representation of the District of Columbia in the Senate or the House of Representatives would be filled by a special election by the voters of the District;

Fifth. The amendment would have no effect on the provisions in the 23d amendment for determining the number of electors for President and Vice President to be appointed for the District; and

Sixth. Congress would have the power to implement the amendment by appropriate legislation.

To some people, the attempt to achieve full voting representation in Congress appears to be futile or unnecessary.

On two previous occasions, I introduced proposals for D.C. representation that were not approved by the Senate.

Over two-thirds of the Senate voted in 1971 to table my motion to add the D.C. provisions to the amendment extending the voting age to 18 years old.

Again, after introducing the amendment in 1973, no Senate action took place on the D.C. proposal.

I am concerned that the right for every American citizen to be fully and equitably represented in the U.S. Congress is a right that cannot be abridged. The residents of Washington, D.C., are regarded as full citizens of the United States, for every purpose. But they do not have a voice equal to other Americans in the Federal legislature that affects their lives in so many ways and in so many matters.

No one has yet made it clear why the 200-year-old anticolonialist mandate for "government by the people" should exclude the people who live on the doorstep of the Federal Capital. During 1971, 68 Senators voted against consideration of the D.C. proposal. And 23 Senators voted for its consideration. Since that time the residents of the District of Columbia have elected a nonvoting delegate to the Congress who has been the city's most effective advocate for full congressional representation. Indeed, when the Congress approved a nonvoting congressional delegate for the District of Columbia, for many people that move signaled the beginning of the campaign for full representation. The nonvoting delegate is an interim measure that can sustain the momentum to achieve full voting representation. The Honorable WALTER FAUNTROY has used his exceptional skills to insure that the struggle for congressional representation will not recede.

WALTER FAUNTROY has already introduced legislation in the House to provide for full representation in the Congress for the District of Columbia. I intend to work diligently with my colleagues in the Senate to insure that this worthy goal will not be overlooked by the Senate during the 94th Congress.

At least three compelling reasons explain why full voting representation in Congress for the District of Columbia is needed.

First, full voting representation in Congress is an act of simple justice. The people of the District are required to fulfill all the obligations of American citizenship. They are taxed for hundreds of millions of dollars and their sons are drafted for our Armed Forces. But D.C. citizens have no voice in shaping the laws by which they are governed.

When the 23d amendment to the Constitution was adopted in 1961, D.C. residents were for the first time eligible to vote for President and Vice President. There is no reasonable justification therefore to permit them to vote for their President, but not for their own representatives in Congress.

Second, this proposal can assure that D.C. residents are represented by elected officials whose foremost concern is the interest of those who elected them.

The District of Columbia has required the attention of two full congressional committees, whose members are too often obliged to put their work on national legislation ahead of their work on District legislation.

Full congressional representation for the District of Columbia cannot be expected to end participation by Members of Congress on the Senate and House District Committees. But it is reasonable to assume that Senators and Representatives from the States would have more time to devote their attention to their own constituents and would not also be assigned the responsibility of the detailed local work of a District Committee. To deny District citizens a voice and a vote in the Congress is not only to deny 723,000 people their rightful representation in the Senate or the House. At least in part, it is also to deny more than 60 million people in 11 different States the full attention of their own Senators and Representatives. These are the people represented by the 12 Senators and 34 Representatives serving on the Senate and House Committees on the District of Columbia.

Third, fair and equal participation of every citizen is the most basic right of all—the right to vote—has been emphasized by many major national events of the past decade. The Civil Rights Act, the Voting Rights Act, abolition of the poll tax, the 18-year-old vote are some of the great steps made toward full justice that the Constitution offers to every

American. As we approach the Nation's Bicentennial, clearly the principle of representative government should be firmly established in the Nation's Capital. But in Washington, democracy is weakest where it should be strongest.

Visitors to this city from other nations of the world and visitors from across the United States who will be searching for their proud symbols of democracy during the Nation's 200th birthday celebration, will find that here in their Capital City the symbol of freedom is shamefully lacking.

Washington, D.C., is a city of 723,000 people. It has a population greater than that of seven States. Bicentennial visitors to the District of Columbia from those States are represented in Congress by 14 Senators and 9 Representatives. Yet, the people of Washington do not enjoy their rightful share of representation in the Congress. From the following table, it is clear the people of the District of Columbia have not enjoyed comparable representation as that realized by the people from the Nation's smallest States:

[Population July 1, 1974 estimates, U.S. Census]

No Senator, no representatives, one non-voting Delegate:	
District of Columbia	723,000
Two Senators, two Representatives:	
South Dakota	682,000
North Dakota	637,000
Two Senators, one Representative:	
Delaware	573,000
Nevada	573,000
Vermont	470,000
Wyoming	359,000
Alaska	337,000

As our Nation struggles through the difficult period of recrimination at the close of the war in Indochina, perhaps it is fitting that we seize upon the concern in this national mood to establish full justice for the citizens in our Nation's Capital.

For, Washington, D.C., stands in sharp contrast to other capital cities of the world—Canberra, Australia; New Delhi, India; Vienna, Austria; Bonn, West Germany, Berne, Switzerland; Moscow, Russia; Buenos Aires, Argentina; Mexico City, Mexico; and in Caracus, Venezula—citizens in these major world capitals are not denied representation in their national legislatures.

Surely the United States can also affirm that the citizens of our grand Capital City deserve the dignity and respect of representation in their national legislature. And this is an appropriate time—both because of the Bicentennial and because this is a period of national reassessment—this is an appropriate time to seek full representation in the Congress for citizens of Washington, D.C.

Finally, Mr. President, I believe that this is an excellent opportunity to gain the goal we seek because of the cooperative spirit of determination from Senator Birch Bayh, chairman of the Senate Subcommittee on Constitutional Amendments, and from other Senators who share our view on the importance of congressional representation for the District of Columbia.

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTIONS

S. 120

At the request of Mr. Inouye, the Senator from Minnesota (Mr. Mondale) was added as a cosponsor of S. 120, the reduced postage rates to Members of Congress legislation.

S. 123

At the request of Mr. Inouye, the Senator from Colorado (Mr. Haskell) was added as a cosponsor of S. 123, a bill to amend the Social Security Act.

S. 454

At the request of Mr. Chiles, the Senator from Florida (Mr. Stone) and the Senator from Oklahoma (Mr. Bartlett) were added as cosponsors of S. 454, a bill to amend the Occupational Safety and Health Act of 1970.

S. 472

At the request of Mr. Javits, the Senator from Alaska (Mr. Gravel) was added as a cosponsor of S. 472, the Full Employment and Job Development Act of 1975.

S. 829

At the request of Mr. Fong, the Senator from Oklahoma (Mr. Bartlett) was added as a cosponsor of S. 829, a bill to increase the increment in old-age benefits payable to individuals who delay their retirement beyond age 65.

S. 1009

At the request of Mr. Stone, the Senator from Arizona (Mr. Fannin) was added as a cosponsor of S. 1009, a bill to amend title 13 of the United States Code to require the compilation of current data on total population between censuses and to require the use of such current data in the administration of Federal laws in which population is a factor.

S. 1281

At the request of Mr. Proxmire, the Senator from Illinois (Mr. Stevenson) was added as a cosponsor of S. 1281, a bill to improve public understanding of the role of depository institutions in home financing.

S. 1421

At the request of Mr. Schweiker, the Senator from Colorado (Mr. Haskell) was added as a cosponsor of S. 1421, a bill to amend the Federal Energy Administration Act of 1974 in order to provide for the prohibition of certain discriminatory practices in the pricing of fuels and other forms of energy, including electricity.

S. 1447

At the request of Mr. Stevenson, the Senator from Illinois (Mr. Percy) and the Senator from New York (Mr. Javits) were added as cosponsors of S. 1447, the Federal Handgun Control Act of 1975.

S. 1618

At the request of Mr. Hugh Scott, the Senator from Arizona (Mr. Fannin) was added as a cosponsor of S. 1618, the American Folklife bill; and at his own request, the Senator from Kentucky (Mr. Huddleston) was added as a cosponsor of S. 1618, supra.

SENATE RESOLUTION 20

At the request of Mr. Kennedy, the Senator from Colorado (Mr. Gary W. Hart), the Senator from Nevada (Mr. Laxalt), the Senator from Vermont (Mr. Leahy), the Senator from Kansas (Mr. Pearson), and the Senator from Vermont (Mr. Stafford) were added as cosponsors of Senate Resolution 20, relating to the Vladivostok Agreement and strategic arms control.

SENATE RESOLUTION 122

At the request of Mr. Hathaway, the Senator from Minnesota (Mr. Humphrey) was added as a cosponsor of Senate Resolution 122, a resolution expressing to the Secretary of Agriculture the sense of concern felt by the Senate for the present plight of potato growers across the country.

SENATE JOINT RESOLUTION 65

At the request of Mr. Inouye, the Senator from Florida (Mr. Chiles) and the Senator from New Jersey (Mr. Williams) were added as cosponsors of Senate Joint Resolution 65, to authorize and request the President to call a White House Conference on Women in 1976.

SENATE JOINT RESOLUTION 69

At the request of Mr. Domenici, the Senator from Delaware (Mr. Roth) was added as a cosponsor of Senate Joint Resolution 69, a joint resolution relating to obtaining a full and accurate accounting for members of the U.S. Armed Forces missing in action in Southeast Asia and U.S. contributions to the United Nations.

SENATE CONCURRENT RESOLUTION 11

At the request of Mr. Randolph, the Senator from Missouri (Mr. Eagleton) was added as a cosponsor of the concurrent resolution (S. Con. Res. 11) to express as a national policy that all citizens have the right to live and work in a barrier-free environment.

AMENDMENTS SUBMITTED FOR PRINTING

NATURAL GAS REGULATORY ACT OF 1975—S. 692

AMENDMENT NO. 395

(Ordered to be printed and referred to the Committee on Commerce.)

Mr. TUNNEY submitted an amendment intended to be proposed by him to the bill (S. 692) to regulate commerce to assure increased supplies of natural gas at reasonable prices for the consumer, and for other purposes.

ANTITRUST IMPROVEMENTS ACT OF 1975—S. 1284

AMENDMENT NO. 396

(Ordered to be printed and referred to the Committee on the Judiciary.)

Mr. BAYH submitted an amendment intended to be proposed by him to the bill (S. 1284) to improve and facilitate the expeditious and effective enforcement of the antitrust laws.

Mr. BAYH. Mr. President, I am today submitting an amendment to S. 1284, the Antitrust Improvements Act of 1975, which Senators PHILIP A. HART and HUGH SCOTT introduced earlier in this Congress. The amendment is in two parts. Section 3A would extend the Sherman Act's remedies and penalties to any criminal or fraudulent action taken with an intent to exclude others from engaging in business. Section 3B would permit the United States to recover from corporations violating the Sherman Act up to 20 percent of the revenues received from the sale of products related to the violation.

EXCLUSIONARY PRACTICES

Section 3A of my amendment would extend the Sherman Act's remedies and penalties to all criminal or fraudulent actions that are intentionally taken to exclude others from the marketplace. This type of predatory conduct would be actionable regardless of whether the victims' business constitutes any specific line of commerce or relevant market, and regardless of whether the party engaging in this unreasonable and anticompetitive conduct achieves, comes near to achieving, or even could achieve, a true economic "monopoly" position by its action. No longer would a "dangerous probability of success" have to be proven as to these actions.

This amendment is necessary because of some recent court decisions. These have taken the position that the present Sherman Act provisions do not penalize attempts at monopolization, or other efforts to exclude others from the marketplace—no matter how pernicious the conduct—unless it can be established that there exists a specific market segment which the defendant was seeking to capture, which can be defined in terms of costly economic surveys as to cross-elasticity of demand and supply, and like data, and that the defendant, had it fully carried out its intended actions, could have succeeded in capturing a "monopoly" of that market segment. This view is exemplified in the recent case *Acme Precision Products, Inc.*, v. *American Alloys Corp.*, 484 F. 2d 1237 (8th Cir. 1973). The better view, however, endorsed by my proposal, is expressed in *Lessig* v. *Tidewater Oil Co.*, 327 F. 2d 459 (9th Cir.), certiorari denied, 377 U.S. 993 (1964), and has been supported by the Department of Justice as *amicus curiae* in *Highland Dairy, Inc.*, v. *The Kroger Co.*, May 26, 1969.

Competition is the lifeblood of our Nation. All efforts to remove or destroy or exclude competitors are antagonistic to our Nation's heritage. As the late Mr. Justice Black once observed, monopoly should "not be tolerated merely because the victim is just one merchant whose business is so small that his destruction makes little difference to the economy," for predatory conduct which tends to create monopoly conditions should be suppressed whether "the tendency is a creeping one" or "one that proceeds at full gallop," *Klor's, Inc.*, v. *Broadway-Hale Stores, Inc.*, 359 U.S. 207, 213–14 (1959). See also *International Salt Co.* v. *United States*, 332 U.S. 392, 396 (1947). Whether exclusionary actions are taken by a firm that becomes or could become a monopolist, or by a firm that would never achieve or come dangerously close to achieving full monopoly power, the conduct and effect on the competitor aimed at is the same and should come under the scrutiny and remedies of our antitrust laws.

CIVIL PENALTIES

Mr. President, monopolists today can engage in anticompetitive conduct and still not risk effective prosecution by our Government. For this reason, I am proposing a new section 3B to supplement the Sherman Antitrust Act's penalties by permitting the Attorney General to sue corporate violators of that act for civil penalties.

Our present law permits the Government to bring three types of suits against Sherman Act violators: Criminal actions, suits seeking injunctions, and suits seeking single damages for actual injuries sustained. Often, it may be considered inappropriate to bring a criminal action for the activity complained of, even though it may be highly antisocial, anticompetitive, and criminal. This may be because the conduct has never been held previously to be a violation of the act, or because it is not a recognized "per se" violation. In such a circumstance, it may be unlikely that a jury or court would convict the violator, and a judgment of acquittal cannot be appealed to a higher court. If it were a civil case, however, the Government could take an appeal to correct what may have been an erroneous decision at the trial court level.

Similarly, there are other cases in which the Government would not find it appropriate to bring an injunctive suit. The violator may have discontinued and abandoned its anticompetitive conduct, after the Government brought the matter to light, so that there is nothing necessary to enjoin. Moreover, it is often the case that the Government itself does not suffer actual damages, and thus would not sue for them, although the damage to the general public may be significant.

There is therefore often a crack between present civil and criminal remedies, into which the conduct falls. It is too late to bring an ordinary civil case in equity, but not yet a clear enough occasion of illegality for a criminal case. Yet the corporation may have profited handsomely from the illegal acts.

The civil penalty provision I propose would correct these problems by permitting the Government to sue the violator for up to 20 percent of the revenues it gained from sales of the restrained product or services, and which thus directly relate to its anticompetitive behavior. Each violation of the Sherman Act would then be met by an appropriate remedy that would afford the necessary relief. No longer would the Government's hands be tied when it seeks to prosecute these violations of our antitrust laws.

Further reasons compel the addition of the proposed provision. The fines that our present law provides, even as recently raised to a $1 million maximum, are not always enough to act as a deterrent to this brand of crime. To the corporations that drive out of business those who wish to compete with them, and to those that take hundreds of millions of dollars from our pocketbooks by monopolistically controlling the prices we pay, even the maximum fine we now provide is just a license fee, which they may pay for the privilege of violating our laws and can treat as a cost of doing business. Nor is the threat of a damage suit by an injured party sufficient to deter this behavior. Treble damage suits were provided in 1914 by the original Clayton Act; yet violations of our antitrust laws have continued unabated. Largely, this is because damages in a civil suit need to be proven with precision, after lengthy, expensive, and burdensome litigation that the injured party often lacks the stamina or capital to endure. Furthermore, the present damage provisions do not compensate the general public for the higher prices it paid and continues to pay, and the general injury to competition it suffered and continues to suffer.

Under our present system of remedies and penalties, corporations can still gain economically by violating the law. The maximum amount by which the last Congress increased the fines that corporations must pay for violating our antitrust laws is minute in comparison to the profits which corporations can make by violating those laws. Yet, this is the only major change in penalties for corporations we have provided in over 85 years of continuing monopolistic practices. Plainly, our present remedies and penalties are insufficient.

My proposal would add more teeth to our antitrust laws. Our Government's hands will no longer be tied. At the same time, recovery of up to 20 percent of the violator's ill-gained revenues will make it far less likely than at present that the violator will still gain economically by committing anticompetitive and predatory acts. By providing the Attorney General as the one to enforce this additional remedy we will assure a strong litigating arm for the public, and assure that the public's damage is compensated.

For justice to be done, our Government must be a strong enforcer of the laws, and the profits that the violator takes from the public must, at the very least, be returned to the public.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENTS NOS. 308 AND 309

At the request of Mr. ABOUREZK, the Senator from North Dakota (Mr. BURDICK) was added as a cosponsor of amendments Nos. 308 and 309, intended to be proposed to the bill (S. 663) to provide supplemental assistance to Cambodia.

AMENDMENT NO. 342

At the request of Mr. WEICKER, the Senator from Alabama (Mr. ALLEN), the Senator from Nebraska (Mr. CURTIS), the Senator from Kansas (Mr. DOLE), the Senator from Arizona (Mr. FANNIN), the Senator from Utah (Mr. GARN), the Senator from Wyoming (Mr. HANSEN), the Senator from Oregon (Mr. HATFIELD), the Senator from North Carolina (Mr. HELMS), the Senator from Nebraska (Mr. HRUSKA), the Senator from Nevada (Mr. LAXALT), the Senator from Idaho (Mr. MCCLURE), the Senator from Ohio (Mr. TAFT), the Senator from South Carolina (Mr. THURMOND), and the Senator from Texas (Mr. TOWER) were added as cosponsors of amendment No. 342 intended to be proposed to the bill (S. 200), the Consumer Protection Act of 1975.

NOTICE OF HEARING

Mr. HUMPHREY. Mr. President, on May 22 the Subcommittee on Foreign Agricultural Policy will hold a hearing on S. 1354, a bill introduced by Senator DOLE which would permit foreign countries to hold reserve stocks of agricultural commodities in the United States that would not be subject to export controls. This hearing will begin at 10 a.m. in room 324 of the Russell Senate Office Building. Testimony will be heard from administration officials and a limited number of public witnesses.

ADDITIONAL STATEMENTS

S. 200: A THREAT TO THE AMERICAN FARMER

Mr. MCCLURE. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the distinguished Senator from Nebraska (Mr. CURTIS), and the material attached thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR CURTIS

The American agricultural industry produces approximately $200 billion in food and fiber for the U.S. consumer annually. For this reason, the impact of the proposed ACA (S. 200) on the industry is of immense importance to the country.

Those proponents of this consumer fraud, S. 200, would further extend the fraud by having us believe that S. 200 does not have an impact on the farmer.

Mr. President, the facts are that nothing—nothing could be further from the truth.

On April 14 of this year, I received a letter from Mr. Kenneth D. Naden, President of the National Council of Farmer Cooperatives. The National Council is not the representative of huge farm production, but rather the average working American farmer.

The National Council has a membership in excess of 3,100,000 with a nationwide network of more than 6,800 cooperatives in all 50 States. These cooperatives are farmer-owned and operated, providing their members with a wide range of marketing and farm supply services. During the 1972–73 marketing year, these 3.1 million farmer-owners provided goods and services valued at more than $30 billion.

Therefore, Mr. President, the comments of Mr. Naden represent a significant segment of the "grass roots" farm interests.

Mr. Naden says, "Few pieces of legislation to come before the U.S. Congress threaten the efficient production, processing and distribution of this nation's critical food and fiber supply as does S. 200. If allowed to become law, this legislation could cause havoc with production of our food and fiber, its orderly marketing, and the stability of its pricing structure. We urgently ask your support in protecting American agriculture and the U.S. food industry from the provisions of such ill-conceived legislation."

He adds, "But if Congress sees fit to enact S. 200 to create a new Agency for Consumer Advocacy, then it must assume much of the consequences of a bureaucracy that could:

a. Disrupt emergency food aid to foreign nations through the beneficial P. L. 480 food assistance programs, and thus seriously affect U.S. foreign policy;

b. Suspend or otherwise disrupt the orderly processes of Federal marketing orders that exist to even out the distribution—and thus the prices—of milk, fruits, and vegetables to market;

c. Embargo the export of U.S. agricultural commodities to foreign customers, thus reducing markets for U.S. farmers, adding to the critical balance of payments deficit, and disrupting long-standing contracts with buyers around the world;

d. Burden and negate the contractual arrangements of UEDA's commodity procurement and distribution program that provides food for the nation's School Lunch project;

e. Damage the orderly marketing and price surveillance activities provided to U.S. livestock producers by the Packers and Stockyards Administration;

f. Boost operating costs, administrative delays, and tax revenue needs of the Food Stamp program;

g. Delay beyond critical deadline dates USDA price support and Commodity Credit Corporation food supply programs and inventory control operations;

h. Negate and render ineffective the food inspection services and responsibilities of USDA in protecting the consumer public;

i. Duplicate and complicate the federal channels of responsibility for consumer protection and representation."

Finally Mr. Naden states, "More than 200 programs and proceedings of the U.S. Department of Agriculture can be determined to be 'in the consumer's interest,' and thus open to unwelcome intrusion by ACA-appointed consumer advocates. Delays, appeals, and litigatory proceedings by these consumer advocates would not be unique in their occurrence at USDA. But they would be unique in the damage they could do to the nation's food and fiber programs.

"Perishable commodities cannot wait weeks and months for appeals to be heard. Farmers' pricing and commodity programs cannot be delayed beyond the start-up date for cropping operations. Weekly release of foodstuffs through marketing orders cannot be stopped without serious disruption in supply and pricing to consumers."

Mr. President, I recently shared a platform here in Washington with Mr. Radph Nader, the singular most active spokesman outside of Congress for this super bureaucracy. During the question and answer period a representative of the National Grange who represents an equally important segment of the agricultural industry, voiced equally strong opposition to S. 200.

The American Farm Bureau Federation has also voiced strong opposition to S. 200 on behalf of the American farmer (consumer). The American Farm Bureau Federation represents a membership of 2,393,731 families in 44 states and Puerto Rico. The Farm Bureau in their February 24, 1975 testimony on S. 200 before the Senate Committee on Government Operations stated that they are opposed to the ACA "on the basis that it is wrong in concept and wrong in principle." They go on to say, "The thing we fear most is that this bill is a clear danger to the most unique institution we have in our society—as free a market as there is on earth. Properly circumscribed and policed, the market has and will serve us well. The tools to provide needed regulation are already in place. Congressional oversight will do more than a new bureau to cure their shortcomings."

Let no one be fooled, Mr. President. If S. 200 ever becomes law, America's agricultural industry will be severely adversely impacted and consequently so will the American consumer.

It is my hope, Mr. President, that this fraud on the American consumer, S. 200, will never become law.

I ask unanimous consent that Mr. Kenneth D. Naden's letter to me dated April 24, 1975 and the testimony of the American Farm Bureau Federation be printed in the RECORD and I sincerely hope my colleagues will read carefully this analysis of S. 200.

The material ordered to be printed in the RECORD is as follows:

NATIONAL COUNCIL OF FARMER COOPERATIVES,
Washington, D.C., April 14, 1975.

Hon. CARL T. CURTIS,
U.S. Senate, Dirksen Senate Office Building, Washington, D.C.

DEAR SENATOR CURTIS: The National Council of Farmer Cooperatives, on behalf of its member farmer-owned cooperatives across the nation, is alarmed at the potentially far-reaching consequences of S. 200, the Agency for Consumer Advocacy Bill.

Few pieces of legislation to come before the U.S. Congress threaten the efficient production, processing and distribution of this nation's critical food and fiber supply as does S. 200. If allowed to become law, this legislation could cause havoc with production of our food and fiber, its orderly marketing, and the stability of its pricing structure. We urgently ask your support in protecting American agriculture and the U.S. food industry from the provisions of such ill-conceived legislation.

Citizens intimately familiar with the statutory responsibilities of existing state and federal regulatory agencies of government agree that machinery already exists to adequately protect the American consumer.

But if Congress sees fit to enact S. 200 to create a new Agency for Consumer Advocacy, then it must assume much of the consequences of a bureaucracy that could:

(a) Disrupt emergency food aid to foreign nations through the beneficial P.L. 480 food assistance programs, and thus seriously affect U.S. foreign policy;

(b) Suspend or otherwise disrupt the orderly processes of Federal marketing orders that exist to even out the distribution—and thus the prices—of milk, fruits, and vegetables to market;

(c) Embargo the export of U.S. agricultural commodities to foreign customers, thus reducing markets for U.S. farmers, adding to the critical balance of payments deficit, and disrupting long-standing contracts with buyers around the world;

(d) Burden and negate the contractual arrangements of USDA's commodity procurement and distribution program that provides food for the nation's School Lunch project;

(e) Damage the orderly marketing and price surveillance activities provided to U.S. livestock producers by the Packers and Stockyards Administration;

(f) Boost operating costs, administrative delays, and tax revenue needs of the Food Stamp program;

(g) Delay beyond critical deadline dates USDA price support and Commodity Credit Corporation food supply programs and inventory control operations;

(h) Negate and render ineffective the food inspection services and responsibilities of USDA in protecting the consuming public;

(i) Duplicate and complicate the federal channels of responsibility for consumer protection and representation.

More than 200 programs and proceedings of the U.S. Department of Agriculture can be determined to be "in the consumer's interest," and thus open to unwelcome intrusion by ACA-appointed consumer advocates. Delays, appeals, and litigatory proceedings by these consumer advocates would not be unique in their occurrence at USDA. But they would be unique in the damage they could do to the nation's food and fiber programs. Perishable commodities cannot wait weeks and months for appeals to be heard. Farmers' pricing and commodity programs cannot be delayed beyond the start-up date for cropping operations. Weekly release of foodstuffs through marketing orders cannot be stopped without serious disruption in supply and pricing to consumers.

American agriculture is unique, and it must be treated as such under legislation as far-reaching as S. 200. The Congress cannot afford to harness American farmers with still another burden in their struggle to produce food and fiber for U.S. and world markets. We sincerely hope that you will convey our concern to your colleagues in the Senate on this crucial matter.

Thank you kindly.

Sincerely,

KENNETH D. NADEN.

STATEMENT OF THE AMERICAN FARM BUREAU FEDERATION BEFORE THE SENATE GOVERNMENT OPERATIONS COMMITTEE

(Presented by John Datt, Director, Congressional Relations, and Fred Poole, Assistant Director, Congressional Relations, Feb. 24, 1975)

Farm Bureau is the largest general farm organization in the United States with a membership of 2,393,731 families in 49 states and Puerto Rico. It is a voluntary, nongovernmental organization, representing farmers who produce virtually every agricultural commodity that is produced on a commercial basis in this country.

Farm Bureau policies are developed through study, discussion, and decision by majority vote at community, county, state, and national meetings. Our statement today is based on the following policy adopted by the voting delegates of the member State Farm Bureaus at our 1975 annual meeting in New Orleans early last month:

"Government standards of quality, safety, health, and labeling have a role in the marketplace.

"However, we do not believe the government can protect every consumer in each of his transactions without infringing upon his personal freedom.

"Therefore we oppose the establishment of any consumer agency or council having other than advisory powers."

In the past our organization has opposed the creation of a Consumer Protection Agency—now referred to as the Agency for Consumer Advocacy (ACA)—the basis that it is wrong in concept and wrong in principle.

We will not take time today to elaborate upon these two points, but we reaffirm them.

We need not now repeat the arguments well made in the past that the "consumer" is not an identifiable or homogeneous group. This is the flaw in the concept of a government agency to represent consumers. Those who have not grasped this essential fact probably cannot be convinced in the few minutes we shall take here today.

This Agency for Consumer Advocacy will, in our view, lead inevitably to unilateral government decisions on many matters which are better left to the marketplace. Moreover, it is a mechanism which lends itself to government control of the economy.

Despite its assertions of consumer protection the proposed ACA Act is, in fact, quite wide of that mark. It is instead a design for government agency chaos.

It proposes agency vs. agency confrontations with final resolution of differences to be made in the federal courts, if need be.

Necessarily, we look with keenest interest upon the impact such legislation would have on the agency with which agriculture has the most dealings, the USDA. This department has long administered the programs, regulations, practices, and government corporations that affect American agriculture. It is here that the American farmer would meet the Administrator of the Agency for Consumer Advocacy.

From all that has been said in the past, and all that we can understand today, prices would be the first target of any ACA created by the Congress. This is in the nature of things.

Agriculture's peculiar sensitivity to this matter lies not just in the turmoil of the current beef situation which has its roots in the price freeze of two years ago. Rather it comes from the nature of the farming business itself, and what is the most overlooked feature of its market situation. The nature of the farming business is that it deals almost entirely in futures. So one might say, does all business. The difference lies in this: Farming is a productive process that once begun, cannot be shut down. From seed to crop and birth to finished animal farm production is a continuing progression. It begins with a production cost against an uncertain quantity of production, to be sold at an uncertain future price. And this is a sale that in many cases must be made within time limits. It can be deferred only in some cases.

In the case of most producers, and certainly farmers, hoped-for prices set the level of production. The American farmer can produce only when and what he perceives will return him his costs and a profit. Overhang his markets with artificial imponderables affecting prices and his problems are compounded.

The farmer has long lived with expensive and only marginally successful attempts of the Congress and the USDA to improve his "price" situation. He now sees the ACA proposal as another government mechanism almost certain to influence his price structure, but in the opposite direction.

Thus, he is concerned over the enormous grant of powers in this bill for another agency to intercede at the policy and operating levels of the USDA, and there are more than 150 activities carried on by the USDA into which an ACA could intervene.

And finally, there is the matter of the power of such an agency to appeal to the federal courts for changes in decisions with which it did not agree.

We see all of this as a certain expansion of what is rapidly becoming a quagmire of administrative law and procedure, which inevitably lends itself to more and more delay and uncertainty along with increased expenditures of time and resources. The process can be manipulated. Law, procedures, and bureaucracy can, in this fashion, become ends in themselves.

All this comes at a time when the whole area of regulation and regulating agencies are coming into sharp question. Plans to conduct staff studies in this area are before the Congress at this moment and the idea of a commission to examine regulatory efficacy and efficiency has been presented in several bills. While this question is under active consideration, involving as it does the future structure of our government, the pending proposal to establish a superagency with the independence and broad authority contained in S. 200, seems to us a study in contradictions.

If the answer is that regulation has not served us well, and if some agencies have failed to discharge their obligations, then the creation of still another layer of regulating authority, another party, if you will, is not a truly credible alternative or choice.

S. 200 may well not serve the consumer and it may very well do great harm to government.

Though the farmer is set forth with particularity as a consumer in S. 200, Sec. 5(14), we must say we felt the definition in S. 707 last year included the farmer as a consumer.

In our opinion the language of Section 16 (b) does not constitute an exemption although it appears under that title. This, however, is of small concern. We would not in any case favor an agricultural exemption. Our observations over the years have been that exemptions granted, can as easily be withdrawn.

However, if S. 200 is to be considered a consumer protection bill, then all aspects of government regulations affecting production, preparation for marketing, and marketing should be accessible to the ACA. If that indeed be the case, then the exemption afforded labor in the bill is not understandable, and we oppose it.

We see repeated claims, in the stated needs for this bill by its supporters, that this or that agency, such as the CAP, ICC, or FDA has defaulted on its mission and the consumer has been injured. Others refer to injury-causing products, deceptive advertising, packaging, and so forth.

Our question in this case comes in two parts. How much expertise will there have to be in the ACA to make it effective in its intervention into the proceedings of these other agencies? Will it have to have the technical competence of the CAB, ICC, the FDA, and the Consumer Product Safety Commission and scores of other agencies in order adequately to protect the consumer as these agencies allegedly have not?

Secondly, is it not too much to expect that one more agency—reducing no one knows how much of our future government operations to adversary proceedings—will provide all the better results and consumer protection that the existing agencies allegedly have not? We doubt that there is that much magic in an expanded adversary process. An ACA will not always be right. It may agree with the regulatory body in vital mistakes. And it can make its own mistakes. In short, an agency created to correct the errors of others is hardly certain to improve the product of government regulatory activities.

This we think is a fundamental misunderstanding by the enthusiasts of more bureaucracy. Bureaus are composed of humans and as such capable of, and victims of, human error. None will be perfect. We do not contend that the marketplace is perfect. Our concern is that in trying to cure the market of imperfections we may create a worse evil.

Government can be carried to excess and an over-large bureaucracy may be the clearest expression of that excess.

We in the U.S. have perhaps created the greatest bureaucracy in all history. And the questions about it are being raised more loudly each day.

The thing we fear most is that this bill is a clear danger to the most unique institution we have in our society—as free a market as there is on earth. Properly circumscribed and policed, the market has and will serve us well. The tools to provide needed regulation are already in place. Congressional oversight will do more than a new bureau to cure their shortcomings.

IN SEARCH OF MODERATE EGYPTIANS

Mr. CHURCH. Mr. President, the charge has been raised of late that negotiations in the Middle East have broken down because of Israeli intransigence and not because of the Arab side. The Arab side has moderated, we are told.

But is that true?

According to an article in the May issue of Commentary magazine by Joan Peters, the belief in growing moderation in Egypt is more a wish than a fact. Ms. Peters finds little sign of moderation in that nation despite a search for it which included interviews with Egyptians in every walk of life and Egyptians of diverse philosophical views.

In seeking peace in the Middle East, the world must deal with facts rather than wishes. Mr. President, this article deserves careful reading. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IN SEARCH OF MODERATE EGYPTIANS

(By Joan Peters)

The recent breakdown of Secretary of State Kissinger's step-by-step negotiations in the Middle East was immediately followed by what seems to have been a carefully planned if private effort on the part of American officials to blame the failure of the mission on Israeli "intransigence" and lack of "flexibility." Implied in this view, which was attributed to both President Ford and Secretary Kissinger, and quickly made its way into newspapers and radio and television reporting, is the notion that on the Egyptian side, a new willingness has been shown to deal with Israel as an established fact and to take steps that might eventually lead to normal relations between the two countries—a process now allegedly jeopardized by Israel's "stubbornness." The Egyptians, in other words, according to this scenario, have changed; they no longer demand the destruction or disappearance of Israel; they have become moderate, while Israel has become inflexible and belligerent.

Even before the fighting ended in the 1973 war, reports had begun to circulate in the West about the new "reasonableness" in Egypt. Many Arabists argued that the restoration of Arab pride on the battlefield would permit Egypt to reach a peace with Israel. After the cease-fire, when Egyptians met Israelis for disengagement negotiations at Kilometer 101 in the Sinai; they did so in the presence of a Finnish UN observer force and to the acclamation of an army of nine hundred journalists. These hopeful beginnings were accompanied by a new kind of rhetoric emanating from Egyptian officialdom in which the old bellicosity and threats of throwing Israel into the sea were replaced by announcements of a readiness and a desire for peace.

For this change of rhetoric President Sadat was hailed by *Time* and *Newsweek* as "that most moderate of Arab leaders"; recently Egypt has been seen as synonymous with moderation. Editorials in the New York *Times* and other important newspapers around the country have seen "clear signs that Egypt . . . has already come around to accepting the desirability of coexistence with Israel." The *Time's* Henry Tanner, just four months after the October war, reported with elation that he had seen a book on self-taught Hebrew in a Cairo display-window, an "illustration of the psychological and political transformation that Cairo has undergone since the war under Anwar el-Sadat's Presidency." Tanner in his reports from Cairo has consistently stressed what he sees as the "psychological trend in the Arab world toward accepting the existence of Israel." In a piece headed, "Why Egypt's No Threat Now," the syndicated columnist Rowland Evans spoke of Sadat's "no-war policy" and cited the example of Egypt's "vast investment" in the reconstruction of cities on the Suez Canal. Sadat, according to Evans, was "trying hard," as the lone voice of "moderation," to reach for a settlement with Israel. Thomas Ross of the Chicago *Sun-Times* Washington bureau reported that if Israel cooperated in the "delivery of the Sinai passes and oil fields," Sadat would "negotiate for a full peace . . . at Geneva." Jesse Zel Lurie wrote in the *New Leader* that he, as editor of *Hadassah* magazine, could talk politics openly with an Egyptian in the Cairo Hilton coffee shop: "Under Nasser, such a meeting would have been reported to Egyptian secret police." In the New York *Times Magazine,* Trudy Rubin indicated that, although some Egyptians could not be "friendly" with Israelis, at least not in this generation, the Egyptians she met "are tired of this war and willing to accept Israel's existence as the price for getting out of the quagmire and on with their living."

Recently I went to Cairo on journalistic assignment. Before setting out, I immersed myself in the literature attesting to the positive change in Egyptian attitudes toward Israel, including an essay in these pages by Nadav Safran, "Conversations in Cairo" (December 1974). To my amazement, once in Egypt I found virtually no evidence of such a change, although I interviewed as representative a cross-section of Egyptians as I could find—government officials, writers, academics, scientists, demographers, doctors, architects, engineers, housewives, shopkeepers, students, soldiers, salesmen, cab drivers, waiters, women's-rights activists, secretaries, carpenters, travel agents; Communists, leftists, nationalists, and right-wing conservatives. The consensus that emerged from these interviews, so far from conforming to the current Western perception of Egypt, seemed rather to suggest its opposite. Vehement anti-Israeli—and, what is more, anti-Jewish—sentiments continue to be the norm in Egypt, and are characteristic of government officials at the highest levels no less than of the man in the street.

I had applied for a visa at the Egyptian embassy in Washington, which entailed a short interview. "Which side are you on?" The side of peace, of course. Had I ever been to Israel? I had. Was the Byzantine coin I wore as a ring a religious symbol? No. The aide took my passport and a couple of articles I'd written on the Middle East conflict, and told me my visa would be ready the next morning. The pasport was clean—I'd just had it renewed; he laughed as he leafed through it, commenting that many journalists seemed to feel the need of a passport without an Israeli visa in it. He insisted it made no difference, although I'd been told the contrary by at least half-a-dozen writers, some of whom had made unsuccessful attempts to get to Egypt with an Israeli-stamped passport. The next morning I got the visa and my articles were returned, with a word of welcome from the aide who said Egypt made no demand that I see things from her side, only that I be fair and balanced. The foreign ministry in Cairo had been called regarding my arrival, and would do everything possible to assist me.

MONDAY

Thanks to the friend of a friend, I had a room confirmed and waiting for me at the Cairo Hilton—which, I found upon arrival, I could have sold for four figures, so crowded was the hotel. Through mutual contacts I called Dr. Maksoud,* an engineer, and was graciously invited to lunch. Dr. Maksoud is engaged in the redevelopment of the port town of Ismailia. Over vermouth apertif, spaghetti and filet mignon, and demitasse, the Maksoud family conversed about politics. Dr. Maksoud denounced Leninism as counter to the Muslim and Christian religions, and vigorously disavowed leftists of all sorts. Yet his daughter Zenab, an architect, had spent four years in Cuba, "studying." Zenab and her fiancé, a physics professor at Cairo's American University, seemed indifferent to the discussion—they giggled a great deal—until suddenly Zenab began to speak fiercely about Israeli stubbornness. "They won't deal with the Arabs. Every initiative the Arabs have made has been refused by Israel." Her financé joined in, "They want more land—and more land. The Palestinians want their land back—they were expelled by Israel." Mrs. Maksoud began hesitantly, "The Jews were also expelled from Egypt in 1956 . . ." but her entire family broke in at once, "They left—they weren't expelled—50 to 60 per cent of Egypt's economy was in Jewish hands before '48—there was a Jew finance minister." Why should Jews have a separate state, they wanted to know. "We're not anti-Semitic, but why should not Israel accept to live together with Palestinians?" As for peace, they derided the idea that Sadat could come to terms with Israel. In fact, no President who made peace with Israel would "last a day," they explained.

THURSDAY

Tahsin Basheer, President Sadat's press spokesman, had agreed to squeeze in an interview. The French foreign minister would be arriving within the next few hours, the Shah of Iran was due soon, and the phones were ringing incessantly. But Basheer plunged doggedly if listlessly into a statement he'd no doubt repeated many times before. Suspicion in the "Arab mind" toward the Zionists had existed since the 1947 partition plan in the United Natins. The "Zionists wanted the partition as a first stage toward taking the whole coutry." The "Arab reaction was . . . not to divide the country. Even today this is the PLO solution, a secular country like America, where each man—irrespective of religion—can have the same rights." Basheer vigorously defended the PLO position, although he admitted after some urging that Yasir Arafat did mean to "replace Israel as it now exists." His conversation was peppered with slurs; he called the Israeli army "Hitlerian" and Prime Minister Rabin a terrorist.

Basheer supplied the phone numbers of some Egyptians he suggested I see during my stay. One was Chalad Mohadeen, formerly known as "the Red Major" for his early Communst activities (others in Cairo told me he is still a Communist). Mohadeen heads a movement called the "Egyptian Peace Committee," which is "fully supported" as a semi-official arm of the Egyptian government and holds frequent international conferences. The EPC is dedicated to the fight against "British, French, American . . . imperialism and colonialism." As a Marxist, Mohadeen says he fears "economic domination by the Israelis," but the real reason the Egyptian Peace Committee is "against the political foundation of Israel" is "racial difference"—namely, the fact that "Judaism is the official religion of the country." That Islam, as I pointed out, is constitutionally designated the official religion of Egypt and practically every other Arab state, he summarily dismissed: "So long the 'Law of Return' . . . considers all Jews as world citizens in Israel," the Peace Committee will be against the Jewish state. "If any other Arab tells you that he is not against Israel he is a liar," Mohadeen exclaimed.

Arafat, according to Mohadeen, is "a moderate man," and to the Arab world the

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*All names used here are fictitious, except those of officials or public figures. Most interviews were recorded on tape.

Palestinians are "something great." "The United States, the Soviet Union, every country in the world is afraid of the movement." As for the Russians, "good relations with the Soviet Union are one of the main political cards for all Arabs" and of paramount importance to "the policy of the peace movement. American "circles who benefit from the production of arms and from the cold war" are creating barriers to détente. American support of Soviet Jewish emigration naturally causes suspicion on the part of the Soviets; the U.S. has no right to interfere with the internal "sentiments" of the Soviet Union. Doesn't this run against the Arab objection to Israel's Law of Return, I asked? Mohadeen evaded the question addressing himself instead to the issue of anti-Semitism. There was no anti-Jewish in Egypt, he asserted, but because of the "situation in Israel," Egyptians no longer make a distinction between "the Jew, Israel, and Zionism."

SATURDAY

I became acquainted with Ismail, a brigadier general who had accompanied General Gamassy to Kilometer 101 for the signing of the cease-fire accords with Israel's General Yariv, whom he knew well. We met at the home of Jean, an American friend of mine now living in Egypt. At our first meeting Ismail declared that he felt like an Israeli, he knew so many of them from Kilometer 101. He loved Israel, and declared, "I know my people—no talk about war—we want to deal with Israel. We have other problems: illiteracy, development." Here at last was the moderation I had heard so much about in the United States.

In subsequent meetings, however, Ismail's warm feeling for Israel cooled noticeably. His description of the Israeli military grew less amicable. General Yariv's "Britishness." General BarLev's "Russianness," a joke when he first reminisced about them, later came to seem offensive to Ismail. He explained that "Egypt couldn't accept European Jews—so harsh. In another generation Sadat says he will make peace. Sabras are different, softer . . . more Arab. After all, Arab Jews are Arabs. In another generation. . . ." We were eating at pizzaria in the Hilton (Ismail's choice) as he expounded the virtues of "kindly Arafat, gentle Arafat." He knew Arafat well, he said. He contrasted Arafat's proposed "Palestine" to Israel, that "land of religious fanatics." He worked himself into a fury as he spoke, then just as suddenly the rage passed and he was grinning again. I went to make a phone call. When I returned, Ismail was chatting affably with a couple from Damascus. The man was a doctor who headed the Syrian Red Crescent, the equivalent of the Red Cross. He advised me that if I wanted a visa for Syria, "you must say you are very pro-Arab."

THURSDAY MORNING

I was invited to wait in the luxurious and palatial main headquarters of the Egyptian foreign ministry while my arrival was announced. Then I was ushered in for a taped interview I'd labored for ten days to achieve with Ismail Fahmy, Egypt's Foreign Minister. As I sipped good Turkish coffee from a china demitasse, Fahmy amiably lit my chain of cigarettes and answered my questions with angry, accusatory questions of his own; by the end of the interview he was shouting.

Israel's demand for a declaration of nonbelligerency was the first topic of discussion. Egypt, Fahmy asserted, could not consider Israel's request for formal assurances that Egypt would not attack her. "Non belligerency is a political and legal status. It does not come automatically. Nonbelligerency means permanent peace." Fahmy said Israel had "more responsibilities" than Egypt—he came close to saying that Egypt accepted no obligations or responsibilities toward Israel whatsoever—and he denigrated nonbelligerency as a "fallacy."

To Fahmy's mind, Geneva was the place where all these questions should be worked out, but Israel did not want to go. We discussed the then current justification for the "step-by-step" approach of the U.S. State Department as a substitute for Geneva. Fahmy indicated an acceptance of this approach only if it led "quickly" to Israel's "complete withdrawal from all Arab lands occupied in '67—and at the same time the recognition of the political rights of the Palestinians." I brought up Fahmy's recent public pronouncement, that either the Jewish state must be replaced by the "democratic secular state" demanded by Arafat or the state of Israel must move back, not to the 1967 borders but to the 1947 borders. Fahmy saw no inconsistency here. "The 1967 border is our own international border. If *we* [Egypt] go back to the '67 borders, and on the Syrian front, and as far as Jerusalem is concerned, that does not solve the Palestinian problem. . . . Besides," he pointed out, "the 1947 [UN partition] resolution does provide for an Israeli-Jewish state."

The best solution of all, Fahmy stated, was one which "both Israel and Palestinians accept, peaceful coexistence and two states—one Palestianian state with clear-cut borders, and a Jewish state." The locale, Fahmy said, would be "formalized through a long process of negotiations." Egypt would go along "if it is a good compromise, which gives everybody his own rights." [1]

Israel's fear that retreat to the 1967 borders would be dangerous struck Fahmy as irrelevant; Israel's absolute certainty that the 1947 borders would be suicidal Fahmy dismissed as unreasonable. And "if the Israelis would like to be unreasonable, we are in a better situation to be unreasonable and to react as such." If only Israel would let the Arabs live in peace, the Arabs would cause no problems, Fahmy said, even though "we have suffered here during the last twenty-six or twenty-seven years from the very existence or intrusion of Israel." His voice rose several decibels as he continued, punctuating every word by pounding his fist on the desk, *"They will go to Geneva sooner or later.* Nobody can run from this—*even the Israelis!* And the Palestinians *will participate in Geneva and this is a must!"*.

I raised the issue of the public statement by Fahmy that any settlement of the Middle East conflict would have to include a fifty-year ban on further immigration to Israel. He said he was "appalled" at the negative reaction to this demand, because "really it is pacifist." If more Jews come to Israel, "we will have an explosion—at my expense, Syrian expense, Jordanian expense, Iraqi expense, Lebanese expense." Fahmy urged me to "go and find the big map in the Knesset"; I would be shocked by Israel's plans for expansion. As national policy, he assured me, the Israelis intend to take all the land from the "Euphrates to the Nile. Israel is against human rights, against our civilization, against international order."

Then Fahmy launched a tirade against the Americans. He denounced the "embezzlement" and "blackmail" perpetrated by the "Jewish lobby," and asserted that the U.S. had lost its "freedom of action" in the world. The supply of American arms to Israel was both evil and futile. For "Who will survive at the very end? The three million [Israelis] or the 150 million [Arabs]?" Fahmy refused to discuss the Soviet role in Egypt in any context—the provision and installation of missiles at the Suez Canal in 1971, the sending of thousands of technicians, the massive supplies of Soviet arms and materiel used by the Arabs in 1967 and 1973, the furnishing of troops from North Korea, North Vietnam, and Cuba to fight on the Arab side, and so forth. Whenever I mentioned the Soviets, Fahmy attacked the U.S. or Israel, feigning incredulity that I presumed to bring up a matter so irrelevant to our discussion.

In closing Fahmy offered me a word of caution: if I wrote the truth about what I saw in the Middle East, *they* would never leave me alone, *they* would be after me, I would lose my job. Who? "The Jewish lobby in your country. I guarantee you . . . you will lose your job. *I am warning you!* I'm afraid for your future." As we parted I asked Fahmy what he would say if he were talking to the Israel Foreign Minister. Through gritted teeth Fahmy answered that the Israelis must "respect international order, be realistic, abandon personal ambitions. Egypt will take what Israel offers but there will be no peace on that basis. But this is the right moment for peace," he concluded. "And they are playing with *fire!"*

THURSDAY AFTERNOON

I was sitting in the office of Khayam, the government press-information officer, along with another press attaché by the name of Maher. A man poked his head into the office. He was slight, with aquiline features above a disorderly beard, and he seemed uncertain whether he'd been sent to the right place. Maher recognized the bearded fellow and warmly introduced him as Swartz, a writer from France. Swartz seemed amazed at the chance meeting, reciprocated the greeting, and then answered Khayam's routine questions about affiliation and made his interview requests. Maher promised to do "anything we can" to assist Swartz and walked him out of the office arm in arm, only to return a moment later and address a barrage at Khayam in Arabic; the words "Swartz" and "Yehud," repeated frequently, were all I could recognize. The Frenchman was Jewish. As Maher spoke, Khayam reacted at first with surprise, then, enraged, he quickly passed on Maher's revelations by phone to someone else, crumpled the calling card Swartz had left behind and furiously flung the tiny wad into the wastebasket.

SATURDAY

The drive out of Cairo to the Egyptian front lines east of the Suez Canal began about an hour behind schedule. Gamel, a member of the "President's Staff" who had been appointed to accompany me, was quiet, answering my questions perfunctorily and tersely. About half an hour out of the city the broad expanse of the Sinai began to resemble a lunar landscape, with the Adaka mountain range spread out in the distance. We passed soldiers directing trucks into fueling stations, areas of bivouac, billboards advertising cigarettes in Arabic and English. As we got nearer to Suez, tanks began to appear.

We crossed the Suez Canal, scene of the all-important "crossing" that nearly every Egyptian proudly proclaims as the "glorious victory of the October war." (What happened

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[1] This idea is similar to that outlined by Mohammed Heykal, formerly the acknowledged spokesman of Egypt's leadership as editor of the influential newspaper *Al Ahram*. In 1971, Heykal called for a change of rhetoric—no more threats of throwing Isreal into the sea—and a new political strategy aimed at reducing Israel to indefensible borders and pushing her into diplomatic and economic isolation. He predicted that "total withdrawal" would "pass sentence on the entire state of Israel." Last year, Sadat replaced Heykal with another editor, but Heykal is again surfacing as a political influence via private briefings with Sadat. Heykal has also recently published an article in the New York *Times*, and in a featured interview in *Newsweek* has declared that the "1947 partition" is Israel's "only" alternative to Arafat's "greater Palestine."

after the crossing is yet unknown or unimportant in Egypt.) The water was still. Our car stopped and we were joined by a Third Army major and a motorcycle escort, complete with screaming siren.

As we drove alongside the Israeli-built wall of sand, I asked Gamel and the major how well the Israelis had fought in the last war, and they laughed. "Egyptian soldiers can fight under *any* circumstances, without air power," while Israelis "need all security, and surrender when they have no cover. Egyptians fight to die. Israelis want to save their lives." Gamel described the Israeli shelters as "comfortable, with ice-water, a kind of luxury Egyptian soldiers don't have." Translating for the major, Gamel continued, "Egyptian soldiers can fight without eating or drinking." This brought to mind the food and water passed by the Israelis to the surrounded Egyptian Third Army—how did the major and Gamel feel about that memorable exchange (which I, though I did not say so, had witnessed and photographed)? They both exploded with laughter, looking at me as though I'd put my foot in my mouth. Calming down, Gamel finally explained, "There was no such thing—the Third Army had enough supplies for another month. Those supplies were only for Suez City civilians. It was the Third Army that surrounded the Israelis—the Third Army was *never* surrounded!"

We went through the rubble in Suez City, decimated target of battles dating back to the time of the British. Despite some reconstruction activity and a sprinkling of people recently planted there, Suez still looked like a ghost town. Osman Ahmad Osman, Egypt's Minister for Reconstruction, had told a group of visiting editors last summer that Egypt would drop reconstruction if the "peace" offered by Israel did not totally satisfy Egyptian demands. Did Gamel and the major agree with this position? Would the present efforts to rebuild prove as meaningless as those at the time of the 1970–71 War of Attrition? Gamel brusquely replied that the major didn't discuss political matters. Then the major and the motorcycle escort left us, and Gamel spent the two-hour drive back to Cairo justifying his claim that the Israelis had never surrounded the Third Army. He even drew a map for me, to prove his point.

SUNDAY AFTERNOON

I was concluding a luncheon interview concerning the population explosion with Samira, one of Cairo's leading demographic experts. She'd been recommended by a mutual friend in the States, and her name had been mentioned often in Cairo as someone I must meet if I were interested in learning about Egypt's attempts to deal with the staggering swell of its birthrate. Samira spoke English fluently and seemed typical of a new breed of Egyptian women—charming, with well-groomed good looks, dynamic—qualities that men in Egypt labeled "aggressveness." Here was a truly intelligent, reasonable woman, and I was dumbfounded when she abruptly launched into a bitter attack against Jews and the United States, in that order. She had, she said, no time for "people who don't see the issues the right way"; she was fed up with talk about the "Holocaust" and Israel's historical rights. The Holocaust was a "German thing we don't have time for." As Samira saw it, "Israel has no right to exist." It is composed of "religious fanatics, colonial people, all wanderers." Senator Fulbright, who had put things in "proper perspective," had in her view been deprived of his place in the Senate not because he lost an election but because he would not accept a "payoff" from the Jews. Suddenly, as though the outburst had never taken place, the furious intensity disappeared. She flashed a dazzling smile, promised to deliver the data and statistics I needed, offered a warm handshake, and hurried back to work.

MONDAY EVENING

A festive cocktail party at Ma'adi, an affluent, scrubbed suburb of Cairo, in the home of Bill, an expatriate from Michigan. Bill has been working in press relations at Cairo's American University. It was a fascinating mixed bag—dozens of guests, most of whom were Egyptian or American. A lovely woman talked about her job—she was called a "television news editor," but all the news was censored before she saw it. Hamdi, a law professor, was anxious to know what reactions I'd formed to his country, and to the "conflict," and suggested we adjourn the discussion to a small restaurant he knew in Cairo.

The restaurant was a small, inconspicuous storefront with appetizing cooking odors and trays of tehina, taamea, flatbread, and other Arab specialties displayed delicatessen style in a showcase. Hamdi ordered prudently—we could always get more, he assured the waiter—then he began to talk excitedly about Israel and the Jews. Israel was ruining the economies of many African countries that were ostensibly the recipients of her foreign aid—Tanzania and Ethiopia, for instance; these countries were being turned into Israeli "satellites." Israel was taking over everywhere. "It is bad for world progress, not in the interests of the Middle East or of the West to have a Jewish state." I said that her so-called "African satellites" consistently voted against Israel in the United Nations and had in fact cut off diplomatic ties to the Jewish state, becoming *de facto* puppets of the Soviet-Arab bloc. Hamdi brushed me aside. I obviously did not understand Jewish imperialism. "Egyptian Jews ruled my country here before Israel was a state. Jews would be ruling *me* if it weren't for the Middle East conflict."

TUESDAY

I had arranged to meet Ali, a law professor who I had been assured was "well-informed, a man of the regime," a former politician—and of "common sense." Ali apologized profusely for the paralyzing traffic that had made him late. I asked if he could arrange an informal gathering of students—young people—and he promised to try.

The meeting with Professor Ali's group was held after hours, in one of the offices of an old and somewhat deteriorated enclosed-court building which Ali told me had once been the grand meeting place of Egypt's aristocrats. Unfortunately Ali could not remain at the meeting but he introduced me to his friend, and settled me in. Dr. Amin, a lawyer and former member of the foreign ministry, rose from behind his desk to greet me; he was a tall, powerfully built, well-dressed man with silver hair and mustache, and a deep reverberating voice. There were only two young people, he apologized—a young man who studied at Cairo University, and Dr. Amin's secretary, a girl about nineteen. The other guests included a well turned-out woman lawyer in her thirties, a balding former judge, and a fortyish "engineer-businessman." Comfortably ensconced in couches and chairs around Dr. Amin's desk, they exchanged a few reserved, awkward remarks, taking the official line on the "conflict" and the prospects for "peace." But by the end of thirty minutes Dr. Amin and his guests were passionately reacting to one another—never in dispute, but in corroboration of their common position. Except for the retired judge's occasional angry lapse into French, everyone spoke English, often all at once.

The only reason for Israel's existence, the group agreed, was to "make trouble all over the world." But Israel was fated to "fade out, disappear," because "there is no real reason for it to exist." As soon as Israel became "secure"—which meant shrinking to the size of a "very small state" with "no political activities" and few resources—the world would forget about it. They expressed exasperation at America's rejection of Arafat's "secular state." Was it so impossible to accept the dissolution of the Jewish state? Dr. Amin quoted long passages from a 1970 *Foreign Affairs* article by Nahum Goldmann—he said he knew it by heart. According to Dr. Amin, Goldmann proved that Zionism was based on fallacious premises. The Palestinians *would* have their land, and the Egyptians would get back the Sinai, which they'd held for "six thousand years"—even if it took "a hundred wars to get it." They seemed genuinely unaware that the Sinai had come into Egypt's possesison only after World War I.

The world has "no time for religious fanatics," they went on. Israel is "finished" because it "does no good to anybody." "The Jews dominate England, France, the United States. Once upon a time a madman started persecuting the Jews . . . maybe he had a grudge against them. Maybe it was justified?" In fact, the Bible itself—they purported to know it well—told of incest and social diseases that Jews "like Abraham" had brought to Egypt. Jews had always "asked for trouble" and made a "show." "When Shakespeare wrote his Shylock, he drew him well." "Shylock is the universal Jew of all time, all place . . . not just Israel." "You see, the Jews want their pound of flesh."

They passionately defended PLO terrorism—"What should matter is to kill as many Jews—as many Israelis—as they can." "The terrorist attempts are never successful because the boys are not really destructive, they don't want to be barbarians, they don't have it in their blood, not like the Irish." "They are peaceful people, not like the cold-blooded Jews." It was "the difference between Shylock and Mohammed—the Jews are Shylock all over . . . not a peace-loving people." "Even when the Arabs were in domination of the world, they were never bloodthirsty; always peaceful, loving, and idealistic." "Most of the time," they affirmed, acts of Palestinian terrorism "are really maneuvered by the Jews themselves, by Israel." It is "more than just coincidence," they believed, that "every time the Jews . . . antagonize world opinion, the Arab commandos do something that arouses sympathy for the Jews." The Munich massacre of Israeli Olympic players had been "maneuvered by Israel." "They [the Jews] are very clever."

"Maybe the United States will force Israel into accepting a settlement," they suggested. "That's why Egyptians spend so much hard hope on the United States, not on idealistic grounds." The Arabs were all "very anxious" for a settlement, but Israel "would never sign to any borders whatsoever, because once the borders are settled, Israel won't exist any more. They know that and we know it better!"

Everyone was laughing now, but the tension seemed unrelieved. I forced a smile, mumbled something about the lateness of the hour—we'd been "discussing" for almost three hours—and thanked them for their kind cooperation. All assured me they had had "a very good time," and hoped I'd "take their good ideas" back home with me, and "do good work." It was very important to "do good work," because "Jews dominate mass communications." "There is no place for Arab voices to express their opinion in Europe or the United States."

We may ask, then: what does "moderate" mean in the present Middle East context? To describe the Egyptian position as "moderate" implies an attitude of reconciliation to peaceful coexistence with Israel. I found no such attitude. To all the people I spoke with (not one of whom could fairly be called an "extremist" within the spectrum of Egyptian political opinion), the position we call "moderate" does not mean reconciliation, but merely an acceptance of the withdrawal of Israeli troops to the pre-June 1967 borders, with no compensatory concession from the Arab side in the form of recognition. To many Egyptians, indeed, it means more, or perhaps I should say less: first, an Israeli withdrawal to the 1967 borders, and then a further push back to the lines envisioned in the 1947 partition plan, accompanied by the establishment of a Palestinian state: this, for instance, is the position of Mohammed Heykal and of Egyptian Foreign Minister Ismail Fahmy. That from such truncated borders the Arabs hope that Israel will in time shrink, through war or some other means of attrition, to absolutely nothing, is the unspoken but clear implication of this position. It is often said that there is on the Arab side today a *de facto* recognition of Israel's existence, a recognition that Israel is a "fact," a Minsiter Fahmy called it in his conversation with me; but what Fahmy quite clearly conveyed was that to many Arabs Israel's "existence" means only the existence of an intrusion in the Arab world, called Israel, that must in time be eliminated.[2]

The use, or misuse, of the term "moderate" to describe the Egyptian position is not merely a matter of semantics; it alters psychological attitudes on a large scale. If one is a "moderate," his statements are treated as reasonable; conversely, any refusal by the opponent of a "moderate" to accede to his proposals is regarded as intransigence. To have attained the status of the "moderate" party is a major propaganda achievement. And the advantages accruing to the Arab cause from the widespread positive interpretation of it in the West are considerable—to Israel's virtually complete political isolation in the world there is now added a badge of moral opprobrium, for her alleged failure to respond to a proffer of peace. "Moderation," in other words, is a successful "line" to pursue.[3]

But does it conform to reality? So far Egypt has merely accepted whatever concessions could be extracted in negotiations from Israel, without offering any commitment to permanent peace in return. When, in Secretary Kissinger's last mission to the Middle East, some more concrete gesture in that direction was demanded by Israel, the Egyptians refused and the talks broke down. If further pressure does not induce resumption of private talks through some third party, the next act of the drama will be played at Geneva. But the fundamental question, as yet unanswered, remains the same: does Egypt's present policy portend a realistic shift toward genuine peace with Israel, or does she still envision Israel's eventual destruction—"peace" without Israel? As long as Egypt is evasive on this question, talk of a moderation in her position obscures reality and distorts the truth; the failure to correct such distortions can have the gravest of consequences.

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[2] It may be noted in this connection that Egypt's ambassador to the United States, Asraff Ghorbal, in an interview conducted in Argentina and published in *Marchar* earlier this year, declared that "extermination of Judaism in the Middle East is the point of departure for the process of liberation" of the Arab peoples. "It is our irrevocable decision to destroy Judaism," the ambassador asserted, "as our friends in the United States, Russia, and this country [Argentina] have promised."

[3] Upon returning from the Middle East I found that a widely hailed series on public television in this country, *Arabs and Israelis*, had made much of Arab willingness, especially Egyptian willingness, to coexist with Israel in peace; the series sponsor expressed hope of using the power of television to "magnify the moderate." But in fact the producer of this series, Professor Roger Fisher of Harvard, is reported to have admitted that he edited out of filmed conversation the remark made by a highly respected Palestinian from Jerusalem, "There isn't a *single* Arab who recognizes the Jewish state," because it did not conform to the picture he wishes to present of Arab sentiment.

MAKING OUR PUBLIC BUILDINGS PUBLIC

Mr. McCLURE. Mr. President, on May 19, the Senate Subcommittee on Buildings and Grounds will conduct a hearing on S. 865, the Public Buildings Cooperative Use Act of 1975.

This is legislation that seeks to make the Federal Government a better neighbor. It is a bill to encourage greater use of existing Federal buildings and to allow the Government to purchase older buildings and to renovate them as Federal office space, where practical.

I congratulate the distinguished ranking Republican on the subcommittee (Mr. Buckley) for his development of the bill.

The bill, I would note, is cosponsored by the chairman of the full Committee (Mr. Randolph), the chairman of the subcommittee (Mr. Morgan), and the ranking Republican on the full committee (Mr. Baker).

As a member of the subcommittee, I look forward to the hearings on this legislation.

Mr. President, the Christian Science Monitor in its issue of April 25, ran a most interesting column discussing and analyzing this legislation. Mr. Marlin, the column's author, calls this enlightened legislation. It is the product of the intelligence and vision of an enlightened and resourceful legislator. We should all applaud this contribution by Senator Buckley. I ask unanimous consent that the article be printed in the Record.

There being no objection, the article ordered to be printed in the Record, as follows:

[From the Christian Science Monitor, Apr. 25, 1975]

Uncle Sam's General Store

(By William Marlin)

Washington.—Uncle Sam has built thousands of public buildings. At least they are called public buildings—post offices, picnic shelters in the national parks, court houses, the regional headquarters for myriad agencies, military barracks, mints, weather stations.

The thing is, most public buildings, especially those plonked down in the center of our cities, are stand-offish in physical scale and downright unneighborly in relation to the ongoing life of the communities around them.

With all the character of a shoulder-high banking counter, except for the assembly-line symbolism of bald eagles, flags and agency emblems, the entrance areas of these buildings convey a cold-shoulder message: Stay away unless you have business here.

That is no way to house the services of a government which is supposed to be of, by and for the people. Perhaps, as E. M. Forster, the English writer, once suggested, we should yell out at least two cheers for democracy—and insist on at least two uses for the public buildings which we pay for.

Early next month, the Senate Committee on Public Works begins hearings on the Public Buildings Cooperative Use Act of 1975 (S. 865), introduced in late February by James Buckley (R) of New York with the cosponsorship of Jennings Randolph (D) of West Virginia, Howard Baker (R) of Tennessee, and Robert Morgan (D) of North Carolina. This is called, in capital parlance, bipartisan support, and here is why S. 865 deserves it.

This bill would conserve money, conserve jobs, and conserve the salutary scale and identity of important urban districts. Why else, it might be asked, would a conservative like Mr. Buckley come out for it?

For the first time, multiple uses, meshing of public and private functions, would be encouraged so that, in ground-floor areas, commercial, cultural, educational and recreational activities could add a vital dimension, for employees and visitors alike, to the presence of government on our streets

If a court room and an IRS office can coexist in the same building, why can't a court room and concert hall? If a post office and a Secret Service headquarters can function within a couple hundred feet of each other, why can't a post office and a shopping concourse? Why should the only evidence of life and laughter around a public building be the splashing of a fountain, or the palaver of people brown-bagging lunch, or some lonely sculpture abstracting the isolation of the buildings it is meant to enhance? Mr. Buckley's bill would unbend existing law so that the needs of government can be accommodated along with the public's.

A second provision of S. 865 would encourage the adaptation and reuse of worthy, well-built existing buildings which, dovetailed with the multiple-use measure, would bring the public into closer proximity, on a daily basis, with the evidence of America's incredibly rich architectural heritage.

The bill thus gives cultural values a chance to break even with economic ones. Older buildings, for example, use considerably less energy than do many new ones and, don't forget, it takes a whopping lot of energy to tear down an old building and then replace it.

Another dividend pertains to America's unemployment lines. In case you were wondering what preserving old structures has to do with putting bread and butter on the table, it might be useful to point out, as the General Services Administration did in February, that a million dollars for repairing and improving an existing federal building produces five times as many jobs as does the construction of some spanking new slab.

The Public Buildings Cooperative Use Act may seem somewhat peripheral to many Americans during these perilous days, but it embodies the essence of the relationship between people and government. By engaging a wider spectrum of activity, not for just eight hours a day but into our evenings too, and by making good use of the buildings we already have, this bill would have a beautiful bearing on the way our downtowns look from now on, and on the way we think about and use the resources of government.

Given this enlightened legislation, Uncle Sam's public buildings should have a lot in store—the kind of store which many would welcome the chance to mind.

THE MINORITY WE WILL ALL JOIN

Mr. CHURCH. Mr. President, the remarkable Margaret Kuhn, convenor of the Gray Panthers organization, is a robust person who fights false stereotypes with words and with facts. But perhaps most of all she debunks these stereotypes with the vitality of her own life. Her dedication should give pause to anyone inclined to routinely regard the aged as timid, feeble, or over the hill.

Margaret Kuhn also strikes to the heart of what should be our concern when she notes that the senior minority is the one we are all hoping to join one day. If we lack the decency to end our indifference, then we must at least be intelligent enough to see our own eventual self-interest.

To anyone who believes that the fires of indignation burn low in old age, I refer them to her remarks a year ago at Washington Cathedral. Her words are worth our attention. Mr. President, I ask unanimous consent that the text of her speech be printed in the RECORD.

There being no objection, the text of the speech was ordered to be printed in the RECORD, as follows:

[Washington Cathedral, May 26, 1974]

SPECIAL SERVICES HONORING OLDER PEOPLE

(Guest speaker: Ms. Margaret Kuhn, Convenor, Gray Panthers, a coalition of old and young)

It's an honor and an awesome responsibility to participate in this Evensong worship and to reflect with you in the beauty and quiet of this place and this hour about the meaning of life, our own personal lives and the lives of nearly 21,000,000 old people now living in the United States. We do our reflecting about age in a new age, an age of liberation and self-determination; when the powerless people of the world are struggling for empowerment, selfhood, dignity and freedom. The continuing struggles of black people, Indians, Chicanos, Puerto Ricans, Asians, against racism and the emerging struggles of women of all races against the domination of men and sexism; and the struggles of third world peoples against economic and political tyranny are all of a piece. And the efforts of the radical old people joined with those of radical young people to conquer ageism and all forms of discrimination solely on the basis of age now join in the revolutions that have gone before.

Now our struggles against ageism are different from the others—because we are all aging. The youngest of you here this afternoon and the oldest of you have something in common: age. There is no escaping it. Our efforts, therefore, have a universalizing force that other revolutions have lacked. None of us can escape this power. It has an enormous potential for our society that we've barely begun to glimpse.

This afternoon we celebrate the gift of life, and examine our own special calling as the elders of our society to live it fully, responsibly, involved in the lives of others as long as life—a spark of life—remains. Now life itself as we know is precarious and precious, fragile, finite. Yet it is our Creator's plan that it must be lived abundantly, expanded, poured out in advocacy for others, in service for others, and in the work for the common good. So we affirm this afternoon what we the elders must do to consider age not as a disaster or some incurable disease—but as a time of fulfillment and integrity, the flowering and the maturing of all of life.

Now this requires the liberation of each of us from our own fears and self-hate; it requires liberation from the kind of degrading and devaluing of our experience that society has conditioned us to feel. Our silly deceptions and lies about how old we are have no place. An acceptance of ourselves as liberated oldsters involves accepting our age—our oldness, our middle years, our youth; with grace and honesty—and the building of sturdy recycled egos—not wasted lives but recycled egos, to face the physical impairments of age with a new understanding of what is involved in the refreshment of the spirit and mind. So that we become until the end of life—the very closure of life—maturing, developing growing adults, not wrinkled babies. To rejoice in our years, to think of our gray hair and our many wrinkles, which I have indeed as you can see, as badges of honor and distinction rather than as things to hide, makes life quite new even at my age—68, going on 69.

To use our experience, to value our skills and the judgment and wisdom that come with age requires a new concept and a new role for ourselves. These can be briefly spelled out and left to you to elaborate. We refuse to abide by the limits which society has placed upon us; a sophisticated, arrogant, affluent, technological society devalues persons at every level. It makes the young and old "waste-people," and this we fight against. Our wasteful technological society has defined the age of 65, or even 55 or 60, as the cut-off date for power—for status and place. And we have in our own inner being incorporated the sterotypes that society has dumped on us—indeed, to such a degree that we are brain-damaged by these stereotypes. So our challenge today is to look beyond those defined limits that society has set and to be what we can be—and what we should be—as the elders of the tribe.

There are two things about growing old that make me feel glad, and I pass them on to you, that you may take comfort from them, too. One: if you have kept abreast of the times, if you have kept reading and growing and acquiring new knowledge, you have the right to speak your mind and be heard. The second great thing about getting old is that if you are lucky you will have survived much of your opposition. You can look around, and the people who tried to put you down at any earlier age aren't there.

Now, to take these new roles as elders of the tribe, we ought to be the advocates of those who are oppressed, we ought to be the social critics of a society that has lost its capacity to be human, and to remind the people—the people in high places who determine how our society shall be run—of their common humanity, which they have forgotten. We could take risks. We could be sent on dangerous missions because we have nothing to lose. Nobody is going to take away my pension. It isn't very much. I am not going to lose my Social Security benefits. They are crumbs from the rich and affluent table. These legal benefits are mine and they give me a place at the table where decisions are made.

We are the risk-takers. We are the innovators, we are the developers of new models. We are trying the future on for size. That is our role. And I give great acclaim, and I rejoice in the innovative ways of life that your church, this Diocese, is attempting to build; a new community that unites the old and the young and puts an end to the old paternalism that has too long marked retirement communities that have been developed even under the auspices of churches and synagogues which ought to know better.

Our churches, our synagogues have been acculturated and they too have been defined by the founders of society and so there are old and dying congregations—so-called "dying congregations" that are made up principally of old people—who consider themselves "at the end." And indeed, the governing body of a particular religious group considers them "at the end of the line."

But if the churches and synagogues and all religious groups in this great country of ours could assess anew the rich human resources that are present in the lives of the old people who worship in these congregations, there could be a force so renewing, so cleansing and so invigorating that it would make the Reformation pale, in contrast. Such is our potential power!

To proclaim humanity to a society that has become inhuman, we gain strength from our weakness. There are groups of deaf people, hearing-impaired people of New York and Baltimore, who joined in a massive effort to assess the way in which hearing aids were sold in the United States to hearing-impaired persons. To remind those people who are making profits—enormous profits—from our infirmities required a lot of whistle-blowing by the people who were deaf and who could—out of their own weakness and infirmity, be the social critics of a society that has lost its way.

Next month, when the American Medical Association meets in Chicago, with all of its grandeur, there will be a group of radicalized, wrinkled old folks joined with some radicalized concerned compassionate young folks who will challenge the AMA. The AMA is sick, and we propose to dispatch an ambulance to care for it. It may be a terminal illness, who can say? The Medical Committee for Human Rights, the Sisters of Mercy, the Dominican Sisters of Detroit, the Order of Nuns from Canada, and assorted Methodists, Jews, Presbyterians and Baptists will be joining in this reminder of the AMA of what it must do for positive mental and physical health. Using our infirmaties, our chronic diseases, our arthritic hands and knees, to change a health delivery system so it will benefit all Americans.

We see old age as a time of freedom and fulfillment. We see old age as a time of integrity when all the experiences of life can be lived together in one whole flowering of existence. It's well that we could do this because so much of our society is sick and parts of it are moribund, parts of it dead. They are dead in jobs. They are dying daily. There are dead-end marriages. There are dead-end politics—I'll not go further. But along with this death comes new life; and we the radical oldsters choose life!

There are many signs of hope and renewal all around us. The fact that there are so many concerned and compassionate young people standing with us is an extraordinary surprise. New movements that proclaim social justice of various kinds are popping up tiny green shoots in places of sadness and injustice.

These are signs of life and renewal—God working great purposes out. Now, it just could be that the Almighty God has a great surprise for us. God, in her majesty—or his majesty, however you look at our Creator—just might be using us old folks in our infirmities, our weaknesses, the people in our society who are closest to death to point to new life and a human, just society which is our legacy, and an act of faith for those who come after us.

INFLATION—A POLITICAL, RATHER THAN AN ECONOMIC, PROBLEM

Mr. GRIFFIN. Mr. President, recently, the Economic Club of Detroit was addressed by David L. Babson, an investment counselor of Boston.

On the basis of very disturbing but persuasive facts, Mr. Babson reaches the conclusion that inflation is a political, rather than an economic, problem.

I believe his analysis merits the attention of a wider audience and, accordingly, I ask that a copy of his speech, as it appeared in the April 27, 1975, edition of the Detroit Sunday News, be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

[From the Detroit Sunday News, Apr. 27, 1975]

INFLATION'S CLOUT STRIKES ALL OUR LIVES

(By David L. Babson)

Everyone is encouraged to see the rate of inflation cooling down.

The rise in the consumer price index has already slowed by a third, while the wholesale price index is actually going down.

But because things look better at the moment, it doesn't mean inflation's back is broken.

For years, economists and politicians have been kidding us—and themselves—about inflation. They've blamed it on one fleeting event after another and have told us that after each of these problems disappeared it would go back to its old historic rate.

But instead, each new wave of inflation comes up higher—and stays higher—on the beach. Inflation is—and will continue to be—by all odds the number one force affecting the social, political and economic trends of our lifetimes.

The superinflation of 1973–74 stemmed from two causes:

1. The sudden coming together of commodity shortages, crop failures and the oil embargo.

2. The piling of this extra inflation on top of the chronic wage-push, government spend-borrow-and-tax inflation that has been gaining momentum year after year.

Today's depression is obviously washing out some of the temporary inflation induced by the shortages. But the fundamental, hard-core forces behind inflation—far from being lessened—are more powerful right now than ever before.

In fact, the biggest difficulty with inflation may well be that so few people understand that it's a political—and not an economic—problem.

I don't think the public has had much help in gaining an insight into the reason why inflation has become a chronic, self-perpetuating problem. John Q. Public gets every reason under the sun tossed at him by the professors, the politicians and the press, except the ones which are at the root of the problem. The five that I would name are:

1. The inordinate growth of government spending, which, since the mid-1960's, has climbed at a pace two-thirds faster than the expansion of the tax-supporting private economy.

2. Lopsided taxation policies, which hold down the rate of national savings and investment, and, thereby, impede the flow of capital into productive channels.

3. A spreading regulatory network, which impairs the long-range ability of industry to cut costs and raise efficiency.

4. The upward ratchet effect in the rate of pay increases, which leads to a progressively widening gap between labor costs and output per man hour.

5. The above four causes of inflation stem from a common root: the widespread lack of understanding about how our system works.

As a result, Congress, the media and many segments of the public continually place more demands on the economy than it has the capacity to deliver.

I think it is worth noting that at the end of World War II—in 1945—the U.S. wholesale price index was virtually no higher than it had been when George Washington was President.

For nearly all of those 150 years—with very limited government interference, regulation or expenditures—the United States had enjoyed stable prices, except for the brief self-correcting ups and downs of war periods. Yet, our economy had grown rapidly and inflation was not a familiar way of life. I mention this because it belies the widely accepted notion of recent times that you cannot have growth without inflation.

Even during the explosive economic growth of the first two decades after World War II, the wholesale price index rose at only 3 percent annually. It was not until the mid-1960's—when the Great Society launched the nation on the road to a full-fledged welfare state—that inflation really took off.

And it's amazing how far down this road we've traveled in just the last 10 years. Let's take a quick look.

Since 1965, our population has increased by 10 percent. But the number of people receiving social welfare payments has grown at least six times faster. The federal welfare burden has more than quadrupled—from less than $40 billion to over $160 billion. In the early 1960's, the government was running about 200 separate social welfare programs. Today there are over 1,100 bearing on almost every aspect of daily life.

The growth of these programs over the last decade has been responsible for almost two-thirds of the increase in total federal outlays and for nearly one-half the increase in spending at all levels of government.

As a people we love euphemisms. We refer to food stamps, welfare, medicaid, Social Security and the like as "transfer payments." This euphemism discourages public debate about the real issue: How far can we go in shifting our economic resources from producers to the nonproducers—from those who are pulling the wagon to those who are riding in it?

As Congress continuously passes laws that give more and more people a free ride, private initiatives are weakened progressively. Meanwhile, the public sector looms bigger and bigger in the economy.

A decade ago, total government spending was 35 percent as large as the private, tax-supporting economy. Today it is 55 percent as big and gaining ground rapidly.

As a nation it took us almost 200 years—until the early 1960's—for our federal budget to cross the $100 billion mark for the first time. Now—only a dozen years later—we have a third $100 billion but we are fast approaching the $400 billion mark.

The trends are going on in our state and local governments. In Massachusetts our budget passed $500 million in the early 1960's. It's now $3 billion with a current deficit of another half-billion.

Within my adult lifetime a presidential candidate made this ringing charge:

"Too many nations have been wrecked on the rocks of loose fiscal policy. I charge this administration with the most reckless spending in history."

That speech was made in October, 1932, by Franklin Roosevelt. The total federal budget—not the deficit—was $3 billion then. Next year's deficit will approach $100 billion. And we aren't that much bigger a country now than we were then—our population, for example, hasn't even doubled.

Unfortunately, whenever we talk about billions, it's hard to grasp their significance, but Fig. 1 (below) illustrates the huge growth in government spending.

Now you will say this huge growth and projected growth is absurd—that the rate must slow down. My reply is: Can you offer just one reason or one bit of evidence why you think it will? Actually, the rate for the last several years has been 12 percent and for this year it is 15 percent.

Some of you might still think Congress won't allow all this spending and inflation to occur—that it will do something about the problem. Well, Congress has already done something. It has linked over half of all federal welfare payments to the future advance in the consumer price index.

How this works out for Social Security benefits, for example, is shown in Fig. 2.

It assumes that the cost of living will increase at an average rate of only 3 percent annually and wage rates at 5 percent over the next 25 years, which may suggest I'm a dreamer.

On this basis, the maximum benefit will go from the current $5,900 per year to almost $25,000 in the year 2000. And the top tax required to support just this one social program will increase from this year's $1,600 for each worker to more than $6,000.

In his State of the Union message, President Ford laid it on the line. He pointed out that 75 percent of federal expenses are mandated by programs enacted by previous Congresses—that unless the automatic built-in increases in these programs are altered there is no prospect of bringing runaway federal spending under control.

What are the chances Congress will do so? In view of its record, I'd put them right smack on zero. In the last 45 years, only two Congresses have held down spending—the last one to do so was 20 years ago. Since then the ratio of voters who receive regular government checks to voters who pay taxes has really ballooned.

Today, 50 million adults—nearly all non-workers—get at least one monthly check from Uncle Sam. Another 15 million are public employes. These 65 million compare with 69 million private job-holders. So there's nearly one voter on the public payroll for each private employe who is supporting it.

To finance the soaring federal deficits, the U.S. Treasury sops up a larger and larger share of the funds available for all borrowers. This makes it progressively more difficult for the private economy to obtain the capital it needs to finance its growth and to create the 1.3 million new jobs needed each year to make room for the young people who will be entering the labor force during the next decade.

Back when the projected 1975 deficit was $10 or $20 billion less than the current estimates, Treasury Secretary William Simon pointed out that public financing would absorb 30 percent of all the new bond capital available this year, leaving only 20 percent for the private economy, compared with 40 percent last year when long-term financing wasn't very easy.

As things look now, the federal deficits in calendar 1975, '76 and '77 will swell the nation's debt total by $200 billion.

As the growing burden of debt outruns the economy, its quality goes downhill. For example, the interest charges paid today by manufacturing companies eat up 25 percent of their available pretax income, against 8 percent in 1960 and 3 percent in 1950. By 1980, the debt total will cross the $5 billion mark. So inflation makes debt grow faster, which, in turn, makes inflation grow faster.

And just as inflation and debt go hand in hand, so do inflation and anti-business sentiment.

There is a steady drumbeat of demands for new controls, new investigations, new regulations, new business taxes, new threats of government intervention. The result is to discourage the public from investing its savings in the billions upon billions of new bonds and stocks which must be sold to finance increased productive capacity. This, in turn, holds back the growth of employment and output and brings about still more inflation.

Rising costs and prices provide a made-to-order environment for the political demagogs. They scream for the government to control this and take over that. And the more areas the bureaucrats get into, the worse things get.

In the continuing debate over the role of profits in our society, few good comparisons have ever been developed of the respective benefits we all receive from a private vs. public operation. This is partly because there aren't many areas of the economy which are dominated by a profit-motivated organization on the one hand, and a publicly operated one on the other. But the communications field is.

So it is interesting to see how we, as consumers and as taxpayers, have fared at the hands of our two dominant communications systems.

The cumulative figures since 1932 show that the Bell System has put $55 billion into the coffers, while the post office has drained almost $23 billion out.

Well, we could go on and on, but the basic point is that now inflation is a political rather than an economic problem. And because it is, it is hard to foresee how it can be solved under our present system of government.

Now, what are the implications of all this for investors? Here are some of my thoughts for what they may be worth:

1. Few people—only some very nimble and lucky speculators—are able to profit from inflation. So your basic objective should be to see how well you can conserve your assets—not to see how fast you can make them grow.

2. Inflation creates deflation. Every inflation in history has finally resulted in deflation and/or a lower standard of living. I doubt if anyone can say with conviction when the breakup of our inflation will come or what form it will take. But it is apparent the economy is becoming progressively more uncertain and unstable. So the most important thing for the investor to do is to diversify his assets.

3. Long-term debt instruments with fixed rates are destroyed by inflation. Most people would be out of their minds to buy and hold a large number of long-term bonds. Over the last 25-50 years they have been a disaster in every country—and in ours, too.

4. Not only does inflation bring about uncertainties and instability but it also creates a shortage of liquid assets. So, investors should keep a good portion of their capital in a three-to-five-year, rollover portfolio of short-term notes and bonds.

5. Common stocks, although far from a perfect hedge, have fared the best in most other countries. However, many industries are very vulnerable during a high rate of inflation, and their stocks offer a poor hedge. So the investor must be very selective in seeking the shares of companies which have the best inflation-resistant characteristics.

6. There's real estate, but that's a whole subject in itself. It's not my field, and my comment on it would be of no value to anyone.

7. Gold has come to the fore. If I were very wealthy, and I would get some peace of mind from doing it, I'd put a little money into gold coins as disaster insurance, hoping it would turn out to be a mistake.

8. There are the more esoteric hedges against inflation—art, stamps, rare coins, antiques and the like. If you enjoy collecting and owning these things, that's fine as a hobby. By definition they aren't an investment. They're hard to protect and you can't eat them.

LABOR SUPPORTS SPACE SHUTTLE DEVELOPMENT

Mr. MOSS. Mr. President, I would like to announce today that I have received communications from three very important labor organizations reinforcing their position in support of NASA's Space Shuttle program.

Two years ago, when I first became chairman of the Aeronautical and Space Sciences Committee, I solicited labor's views on this program and was gratified to learn of their wholehearted support for this program.

What is their principal interest here; is it jobs? Certainly it is. The Space Shuttle program is now employing about 31,000 people in 47 States, a figure which will rise to more than 50,000 in 2 years. In these times when unemployment is at more than 8 percent and likely to go to 10 percent or higher, these figures should not be taken lightly.

Today's jobs, of course, are not the only reason labor supports the Shuttle. Floyd Smith, president of the International Association of Machinists and Aerospace Workers says:

> [W]hat makes the Space Shuttle unique is that it stimulates growth and will be putting entirely new industries in place here on earth and in earth orbit. We can see the promising beginnings of these industries now in communications, weather forecasting, navigation, oceanography, and earth resources detection, management and protection. Their continued development and expansion is dependent on the future of the Shuttle—we cannot put space to work for us until we can get there reliably and relatively inexpensively.
>
> New industries, of course, breed new jobs. Moreover, the high technology advances that are coming from the Shuttle's development now, and which will flow from its future uses, are already filtering into the commercial sector. This spells "productivity," our most effective inflation fighter.

The idea here, of course, is that advanced R. & D. such as the Space Shuttle, not only provides current jobs, but, by increasing productivity, reduces inflation, and creates more jobs in more industries in the future.

Mr. President, I ask unanimous consent that these three letters, from the IAM, AFL–CIO, and the UAW be printed in the Record, and I strongly urge all Senators to consider the impact of the Space Shuttle program on the overall employment situation in this country.

There being no objection, the letters were ordered to be printed in the Record, as follows:

April 1, 1975.

Hon. Frank E. Moss,
Chairman, Committee on Aeronautical and Space Sciences, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: On behalf of the International Association of Machinists and Aerospace Workers, I appreciate this opportunity to express our support for S. 573, providing for the continued funding of the Space Shuttle program.

Two years ago I communicated to this Committee the IAM's wholehearted support for the shuttle project. Since then, NASA seems to have cleared the major technological hurdles. The technicians are well along in cutting metal on the prototype spacecraft. From my vantage point it appears that the only question about the Space Shuttle's success is Congress' willingness to continue funding it.

I can understand why the Congress and our citizens would want to look more carefully at all federal programs, including the Space Shuttle, in this time of economic recession. Let me assure you that the interests of the trade union which I represent lie with the health of the economy as a whole, and not with the aerospace industry alone. Our members are employed in a wide range of industries, and they work in every city and almost every town in America. As the overall economy goes, so goes the IAM.

Nevertheless, I am confident that the Space Shuttle Program is the kind of government spending that we must continue, and even expand, if we are to get this nation back on its feet today and for the longer term.

For instance, there are 31,000 jobs in 47 states directly involved in the Shuttle program, and multiplier effects bring the total to about 100,000 jobs.

Two years from now 50,000 meaningful, productive jobs will depend directly on the Shuttle. In fact 85 percent of NASA's overall budget is spent on manpower and only 15 percent for materials. Few, if any, industries can match that.

Yet, what makes the Space Shuttle unique is that it stimulates growth and will be putting entirely new industries in place here on earth and in earth orbit. We can see the promising beginnings of these industries now in communications, weather forecasting, navigation, oceanography, and earth resources detection, management and protection. Their continued development and expansion is dependent on the future of the Shuttle—we cannot put space to work for us until we can get there reliably and relatively inexpensively.

New industries, of course, breed new jobs. Moreover, the high technology advances that are coming from the Shuttle's development now, and which will flow from its future uses, are already filtering into the commercial sector. This spells "productivity," our most effective inflation fighter.

Furthermore, these technological advancements will be incorporated into aerospace products sold throughout the *world*. In my opinion, our balance of payments deficit can be traced directly to faltering federal support of basic research and development. Aerospace is one of the very few areas where we have the edge in world trade. We must fight to keep it.

Consequently, I support the Space Shuttle not only because it provides more jobs for the dollar in the aerospace industry and widespread secondary employment in related industries, but because it is an investment in technology that will stimulate the kind of productivity we need to combat inflation, to kindle economic growth, and to reverse our balance of payments difficulties.

Obviously, the IAM would oppose any proposal to slow or stop the Shuttle. To sanction the slowing or dismantlement of the Space Shuttle program in the face of its unique economic attractions would bode ill for the future of this nation as a technological leader.

Your continued support for this valuable program is vital.

Sincerely yours,

Floyd E. Smith,
International President.

April 2, 1975.

Hon. Frank E. Moss,
Chairman, Committee on Aeronautical and Space Sciences, Dirksen Office Building, Washington, D.C.

Dear Senator Moss: You will recall that President Leonard Woodcock appeared before your Committee on April 4, 1973 and testified in support of funding for the Space Shuttle.

During his remarks, he said: "In the coming decade of space exploration, however, we must make every effort to reduce the enormous costs of space flight and to relate our space activities to the problems we face here on earth. This is precisely why we believe the Space Shuttle should be approved."

I am happy to restate UAW's support for this project and I hope that adequate funding will be approved.

Sincerely,

Jack Beidler,
Legislative Director.

April 24, 1975.

Hon. Frank E. Moss,
Chairman, Senate Aeronautical and Space Science Committee, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: The AFL–CIO Executive Council in February 1972 approved a resolution in support of congressional appropriations for the development of the Space Shuttle.

Since that time we have seen that the progress made by NASA has proven that the resolution in support of the Space Shuttle was correct.

In this year of great unemployment we are now, more than ever before, in continued support for the Space Shuttle. We are aware of the many benefits in communications, medicine and meteorology that this program will bring. Further, in 1975 it will give help to the economy that is urgently required. It will also give to America what it needs most, JOBS.

At a time when the United States prestige world wide is on the downside we should be increasing our endeavors in the field in which we are the undoubted leaders.

In view of all that the Space Shuttle means to the people of the United States, we most earnestly recommend that the committee continue its support.

Sincerely,

Andrew J. Biemiller,
Director, Department of Legislation.

IN THE FOOTSTEPS OF FAISAL

Mr. McCLURE. Mr. President, the continued stability of Saudi Arabia is a matter of deep concern to the United States. It is reassuring, therefore, to witness the political and social strength which has been demonstrated in recent weeks by that nation's new leaders. In both domestic and foreign affairs, King Khalid and Crown Prince Fahd have shown the leadership necessary to prevent the vacuum which some had feared would appear in the gulf region.

An article in the Washington Post dated April 29, 1975, and written by Columnist Joseph Kraft, gives us an excellent description of the conditions in Saudi Arabia and the relationships with world concerns. Of particular significance is Mr. Kraft's statement that "it makes no sense to put off movement toward a settlement between Israel and the Arabs on the theory that division and squabbling will weaken the Arabs and make life easier for Israel in the near future." With this position, I am in complete agreement.

Mr. President, I ask unanimous consent that Mr. Kraft's article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

In the Footsteps of Faisal

Riyadh—A month after the assassination of King Faisal the widespread fears about Saudi Arabia have been almost completely dissipated. The regime of King Khalid and Crown Prince Fahd is governing with authority in both domestic and foreign affairs.

Growth through high oil production is being pushed vigorously at home while in foreign policy the Saudis continue to play a lead role in fostering consensus among the Arab states. Which means the moment is ripe for all parties to drive toward a settlement between Israel and the Arab states.

Perhaps the best sign of the smooth transition is the attitude of the royal family itself toward the assassination and its aftermath. The other day three young princes gave full accounts of how the family prevailed upon Khalid to be king. They told the story of how the new king insisted that Prince Fahd be designated as his heir—and in effect the strong man of the regime.

I asked them how Saudi Arabia was able to maintain political stability and social order at a time when there was turmoil in the rest of the Arab world, and a rapid move here from a traditional to a modern economy. The answer was that faith in Islam was one binding force in this country, the royal family itself was another. The princes claimed the family was so extended as to be practically a representative body.

"Why do you even suppose the murder of King Faisal was a mark of instability in Saudi Arabia?" one of the princes asked heatedly. "We didn't say the United States was unstable when John Kennedy was shot in the middle of Dallas."

The self-confidence of the new Saudi regime probably finds its most cogent evidence in oil policy. Many of the older and more conservative members of the royal family—and not a few young economists in the finance ministry and the central planning agency—argue that Saudi Arabia should cut back oil production from the present 6.5 million barrels a day level to about 3 million barrels daily.

They claim the lower figure would permit harmonious development of the country. They argue the present production figure yields revenues which the country cannot spend or invest fruitfully. The upshot, they say, is inflation, waste, corruption and a rate of growth which strains the social order.

But that cautious view has been rejected more decisively by the new Saudi regime than it was by King Faisal himself. Aramco, the dominant oil company here, is being encouraged to expand capacity, which should reach over 11 million barrels a day by the end of this year. The huge revenues are to be creamed off for a new five-year plan (estimated to cost about $150 billion) which probably represents the most ambitious commitment to development ever made by a single country.

Precisely because the Saudis are betting heavily on the future, their foreign policy is primarily aimed at curbing dissension in Arab ranks. The Saudis want, at all costs, to avoid turbulent events which force them to choose between Arab loyalties and close economic ties to the United States.

Though lacking the prestige of King Faisal, Prince Fahd has been no less forward in trying to promote Arab harmony. The mini-summit meetings he held here with Presidents Anwar Sadat and Hefaz Assad last week ended a period of bitter feuding between Egypt and Syria.

The Saudi oil minister, Ahmed Zaki Yamani, dashed to Baghdad and Damascus last Saturday to patch up relations between Iraq and Syria. Earlier the Saudis had tried a hand at smoothing matters between King Hussein of Jordan and Yasser Arafat of the Palestine Liberation Organization. The visit of the Shah of Iran here this week provides an occasion for coordinating oil policy among the leading producers and for confirming the detente that now governs relations among the states bordering the Persian Gulf.

The success of the new Saudi regime in carrying on in the footsteps of King Faisal makes it practically certain that the Arab world is not going to sink into confusion and chaos. This country's vast financial resources, plus its interest in moderate leadership, should sustain Sadat in Egypt, Assad in Syria, Hussein in Jordan and Arafat in the PLO.

So it makes no sense to put off movement toward a settlement between Israel and the Arabs on the theory that division and squabbling will weaken the Arabs and make life easier for Israel in the near future. On the contrary, the optimum time for settlement is now while the Arabs are ready to swallow terms which they might find unacceptable later when their power and cohesion have grown even greater.

SENATOR SYMINGTON RE NUCLEAR PROLIFERATION

Mr. CLARK. Mr. President, yesterday's New York Times carried an excellent article on the increasing dangers of nuclear proliferation, written by the Senator from Missouri (Mr. Symington). Senator Symington, who serves on both the Senate Armed Services and Foreign Relations Committees, and on the Joint Atomic Energy Committee, certainly stands as Congress leading expert on nuclear proliferation. The timely suggestions he presents in this article require the immediate attention of the Senate and the Nation.

Mr. President, I ask unanimous consent that Senator Symington's article, entitled "Mushrooms for Dinner," be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Mushrooms for Dinner

(By Stuart Symington)

Washington.—On April 2, the news media reported that an Argentine legislator had introduced a bill calling for his Government to develop nuclear weapons. This was a clear indication of the pressures on a growing number of governments to "go nuclear."

The possibility that nuclear weapons may soon be in the hands of many more governments—as well as terrorist or criminal groups—is one of the gravest security issues facing the United States.

Our nuclear forces, upon which we place our main reliance to deter any major would-be aggressor, were not planned to protect us in a world in which nuclear-armed groups abound. But such a world is now close on the horizon.

Economic costs and technical restraints are no longer decisive factors in preventing other countries or nongovernmental groups from acquiring various types of nuclear explosive devices.

Furthermore, respected nuclear physicists tell us that between 100,000 and one million people throughout the world now have the basic information necessary to assemble nuclear weapons.

Today more than 50 countries have nuclear reactors. Not including the five nuclear powers—the United States, Soviet Union, Britain, China and France—as well as India, which recently exploded an atomic device, about 30 countries currently possess weapons quantities of plutonium that could be used in a bomb development program.

Enough plutonium has already been produced in the nuclear plants of these 30 countries to build some 9,000 nuclear weapons, each with the same destructive power as the bomb dropped on Hiroshima. And five years from now that number is projected to reach 50,000.

Moreover, half of these same 30 countries, plus two of the nuclear powers (France and China), have refused to ratify the 1970 Treaty on the Non-Proliferation of Nuclear Weapons, which forbids the acquisition or distribution of nuclear explosive devices.

Growing worldwide diffusion of nuclear technology and fuel also increases the opportunity for theft and usage by terrorist and criminal groups. We should be especially concerned with the possibility of piracy of nuclear materials in transport, or in a foreign country where security measures might not be as effective as in the United States.

It is not inconceivable that an international black market in stolen nuclear materials—possibly complete nuclear weapons—could develop.

What can be done to prevent the cancer of nuclear weapons from spreading throughout the world? Here are some suggestions:

When the parties to the non-proliferation treaty meet in Geneva next month to review its operation, the Ford Administration should avail itself of this key opportunity to help shape policies necessary to gain additional membership in the treaty and strengthen its safeguards.

In order to tighten control over nuclear materials, countries supplying nuclear fuel should carry out a comprehensive plan for the enrichment, reprocessing and/or leasing of world fissionable materials, and should not supply any nuclear materials to nations that have not agreed to accept International Atomic Energy Agency safeguards on all their nuclear programs.

The International Atomic Energy Agency should be empowered to develop and supervise security arrangements designed to protect nuclear materials from theft. At a minimum, the agency could exercise periodic surveillance over nationally-operated security systems.

Until such adequate safeguards and security arrangements have been developed, nations supplying nuclear materials should put a freeze on the further reprocessing of plutonium.

To discourage non-nuclear nations from embarking upon nuclear weapons programs, the nuclear powers should make a concerted effort both to put an end to their own arms race and to provide security assurances to non-nuclear states that nuclear weapons will not be used against them. At a minimum, the former effort would require the United States and the Soviet Union to negotiate various types of reductions in nuclear weapons.

We must learn to handle the growing danger of this nuclear proliferation before it handles us.

MISCONCEPTIONS ABOUT CATTLE AND GRAIN

Mr. DOMENICI. Mr. President, the cattle industry today is facing many problems. The cattle producer is confronted with depressed markets, increased feed costs and a substantial increase in foreign imports. The cattlemen are experiencing, like many industries in the United States today, marked increases in their costs of production while at the same time prices for their products have been declining.

In March, Secretary of Agriculture Earl Butz estimated 1975 imports of meat subject to the meat import law at 1.18 billion pounds. This estimate is 30 million pounds higher than the estimate announced on December 31, but just below the quantity required to trigger imposition of import quotas under the law.

The cattle industry has suffered serious financial difficulties for the past 2 years. In 1974, total industry operating losses amounted to $5 billion. Depressed prices reduced the inventory value of the Nation's cattle herd, in a single year, from $41 billion to $21 billion—an incredible drop of 48 percent.

As if these problems were not enough, the world food shortage has prompted frequent comments that have been detrimental to the cattle industry. These comments, from Government spokesmen, national commentators and even in recent Food Day commercials, have contained strong implications that the livestock industry is responsible for a food shortage, which in actuality, has been brought on by a wide diversity of problems.

One of the most unfortunate of these remarks has been a call for "meatless days" and an implication that if Americans ate one less hamburger per week, we would save millions of tons of grain to feed the world's hungry.

The facts show, however, that much of the hamburger we eat is produced from nonfed beef, either raised domestically or imported. These are cattle which have been fed no grain whatsoever. In addition, much of this nonfed beef would have no market, and a considerable amount of our Nation's forage would be wasted, if it were not for its use in hamburger and sausage products.

I certainly do not mean to discourage the American citizen's participation in efforts to alleviate hunger in other parts of the world. I do believe, however, that their efforts can and should be directed to more productive channels.

The various voluntary agencies dealing with the food shortage have made it quite clear the most productive and needed aid our people can contribute is cash. Milton Lounsberry with the CARE organization, has stated that with $2 they can serve 12 children a daily bowl of high protein porridge for a month and that with $10 they can serve 3,600 children a cup of protein enriched breakfast or lunch beverage.

Mr. President, I ask unanimous consent that this article by Nadine Broznan, "Best Food Crisis Aid Is Cash," from the November 29 issue of the Washington Star-News be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Best Food Crisis Aid Is Cash

(By Nadine Broznan)

What can you do to help in the world food crisis?

The answer, repeated over and over by officials of government and voluntary agencies, is give money to those organizations with the expertise and connections to channel it effectively to the malnourished.

Although it may appear that countless church and secular groups are tumbling over one another in efforts to help, the chances are that they will all funnel their proceeds to a handful of major agencies.

And the individual dollar does help. "Do you know what $2 can do?" asked Milton Lounsberry, of the CARE staff.

"Two dollars can serve 12 children a daily bowl of high protein porridge for a month," he said. "Ten dollars can serve 3,600 children a cup of protein enriched breakfast or lunch beverage, and $100 buys a ton of food. For every dollar," he said, "we can provide $6 worth of aid."

Bulk purchases and government grants and commodity allocations are among the factors that help charities stretch the dollar.

Such long established agencies as CARE, Catholic Relief Services and Church World Service, as well as newer organizations such as AFRICARE, agree that it's cash, not cans, that help. In fact, CARE no longer sends CARE packages overseas, although it does feed as many as 22 million people in 36 countries a year.

"The money given to us goes so much further than would equivalent value in food," said an official of Catholic Relief Services. The foreign aid arm of the Roman Catholic Church in this country, it feeds about 20 million people in 75 countries and conducts development and assistance programs in 55.

It also is one of the four agencies through which the federal government distributes its Food For Peace funds (the others are Church World Service, Lutheran World Relief and CARE).

Packing and shipping costs, it was explained, make food donations prohibitive. "We couldn't possibly handle a contribution of less than a carload of wheat," said Melvin B. Myers, director of the material resources program for Church World Services, the overseas relief, rehabilitation and development coalition of the major Protestant denominations.

Then there's also the matter of local taste. "We might think something is yummy that the people of Mali wouldn't give to the animals," said a staff member at the American Council of Voluntary Agencies for Foreign Service.

In addition to the question of how best to be generous, there also is the matter of how that donation will be used: for immediate relief to the hungry or long-range development of local self-sufficiency.

"The American public is always great on emergencies," observed the council of voluntary agencies spokesman, "but the ongoing development assistance is of greater importance."

"We will get to the point that, if the developing countries don't increase the capacity to produce for themselves, there won't even be the shipping facilities to send them the amount of food they will need," she said.

"If someone gets his bowl of rice for one day, that helps for one day, but what is he going to do for the rest of his life?" asked Carrie Levenson of Oxfam-America, sponsor of the fast that last week had 250,000 Americans forego eating for a day.

"We do short-term relief, but our primary interest is in long-term development," she added citing projects in water storage construction and livestock replacement.

Similarly, AFRICARE, an agency founded three years ago to promote agricultural development, health and maternal and child care in rural Africa, is heavily involved in well construction in five of the six countries of the Sahel, the drought-stricken sub-Sahara region of West Africa. The agency has also just completed a feasibility study for the creation of a combination agriculture and livestock ranch in Niger.

Although AFRICARE does little if any direct provision of food, "we do such things as help the vehicle get to the village or give the village an ox to help it grow food," said Dr. Joseph C. Kennedy, director of international programs.

Mr. DOMENICI. Mr. President, the role of the ruminant animal in agriculture has not been thoroughly recognized by the general public nor has it been publicized by the mass media. A recent publication, entitled "The Importance of Beef Cattle in Converting Forage and Other Biological Materials Into Protein Food for Humans," contains the following passage which helps to illuminate the function of the ruminant animal:

> Cattle and other ruminant animals (like sheep and goats) have four "stomachs", including the rumen. The ruminant animal is unique in that it is capable of converting fibrous plant materials—including grass, forage and crop by-products and residues—into human food. The rumen is a "fermentation vat" which can digest cellulose and can produce protein and other nutrients from materials which are indigestible or inedible by man or other single-stomach animals (like poultry and swine). This is

Nature's way of taking otherwise wasted energy and other nutrients and converting them into highly nutritious foods like beef and milk.

The rumen contains vast armies of microbes which digest and mobilize nutrients for the cow to assimilate. Some digest cellulose; others make vitamins; others produce digestible protein for the cow from non-protein nitrogen in the diet. This fermentation vat can digest not only plant roughage but also wastes from the processing of grains, vegetables and other plants products for human food use.

We should note that there are far greater tonnages of biological materials in the world (like grasses, leaves and crop residues) which the ruminant can and must convert for man's use than there are materials which man can consume directly.

Even when the role of the ruminant animal is understood, there are still many questions and issues concerning the present and future status of the livestock industry that must be discussed. Some of these issues include feed conversion, the difference between feed grains and food grains, the role of forage in cattle production, changes in beef grading, per capita consumption of beef, and the value of animal by-products.

The American National Cattlemen's Association has prepared an excellent series of questions and answers which address these important issues, and Dr. Ed Uvacek of Texas A. & M. University has written an illuminating article on the health aspects of beef consumption.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the ANCA, Dec. 18, 1974]

THE ROLE OF CATTLE AND GRAIN IN FEEDING THE WORLD

QUESTIONS AND ANSWERS

Q. It has been suggested that people in the United States reduce their consumption of meat (including beef) in order to provide more grain for direct human consumption—including consumption by the hungry and starving overseas. Would this help alleviate the problem?

A. A reduction in meat consumption would not automatically make available to other countries additional grain for human use.

We already export 75% of our wheat crop and 57% of our rice. These are food grains, which are not consumed by livestock to any extent. Cutting back on meat would not make any more food grain available.

The corn and other feed grains which we produce are used overseas as well as in the U.S. largely for livestock and poultry production. Use of feed grains as human food is limited by custom and tradition as well as economic and other factors.

Over the long term, we may be able to export more grain for human use, but "meatless days" are not a solution to today's problem.

Q. But couldn't much of the feedstuffs now consumed by livestock and poultry be used by humans?

A. Animals and man compete for food to a far lesser extent than most persons realize. Only about one-third of all of the feedstuffs consumed by livestock and poultry in the U.S. are in the form of grain. By far most of that grain is feed grain (like field corn, grain sorghum, barley and oats), which is in little demand for human use. In fact, that is why it is called feed grain. Very little food grain (wheat and rice) is fed to livestock.

Feed for beef cattle consists almost entirely of (1) rough, fibrous materials (like forage and grasses) which man can't eat, and (2) feed grains which most people won't eat.

There are far more tons of plant material in the world which man can't eat than there are tons of materials which he can eat. The only way to convert these non-food plant materials into human food is to make them available to livestock.

Q. How much of these fibrous materials do cattle eat?

A. More than three-fourths of all of the feed units used in beef cattle production come from forage, grass and various by-products—materials which would go to waste if it weren't for cattle.

The millions of tons of by-products consumed by cattle come from the processing of grains, vegetables, nuts, oilseeds, sugar beets, fiber and other commodities for human use. If it weren't for livestock, these by-products would present a huge disposal problem. Also, the by-product values provided by livestock use result in lower costs of the processed foods than otherwise would be the case.

Q. Why is it that cattle can use these fibrous materials?

A. It's because they are ruminant (four-stomach) animals. They have the unique capability to convert things like grass, hay, silage, crop residues (stems and stalks) and grain milling by-products into high-protein foods like meat or milk. Single-stomach animals like hogs, poultry and man himself cannot or will not eat these things.

Q. Where does all of this grass and forage come from? Couldn't we replace it with grain and other crops which humans could eat directly?

A. Out of the 2.2 billion acres of land in the United States, only about 15% is used for crop production. More than 80% of all of the land in this country cannot be used to grow crops. If it isn't already occupied by people or forests, it's too rough, too dry or too infertile to grow grain and other crops.

However, about half of this non-crop land (or almost 900 million acres) does grow grass which can be converted into food by grazing animals like cattle and sheep. Without these ruminant animals, we would have no way to produce food from the renewable resources available on 40% of our land.

We also should note that it takes ½ calorie of fossil fuel—an exhaustible resource—to produce 1 calorie of food energy from cultivated crops. Cattle, of course, do not require fuel to harvest the grass from grazing land, and to recover the energy which is stored in grass each year.

Q. It often is said that cattle need 8 to 10 or even 20 pounds of grain to produce a pound of beef. Is that correct?

A. If cattle ate nothing but grain, such statements would make some sense. However, less than 25% of total beef cattle feed needs have been in the form of grain, and that percentage is declining.

Mother cows on the range eat virtually no grain. Prior to entering the feedlot, cattle being grown for market receive little or no grain.

Feeder cattle usually are not placed on feed containing grain until they weigh at least 600 pounds. They are then fed to a market weight averaging 1,050 pounds. To produce a pound of gain in the feedlot may require 9 pounds of feed, including roughage and by-products as well as grain. No more than about two-thirds of the ration may be grain. Thus, 6 pounds of grain might be used to produce each of the 450 pounds of weight gain added in the feedlot. However, when we consider the total market weight of this grain-fed animal, the amount of grain used per pound of animal is usually less than 3 pounds.

Even on the basis of beef as processed, cut and wrapped at the supermarket (rather than on the basis of live weight), it usually requires less than 6 pounds of grain to produce a pound of grain-fed beef. Depending on the area, weight of feeder cattle entering the feedlot and the particular feeding program, it may take as little as 3 or 4 pounds of grain per pound of saleable beef.

Furthermore, we should note that, at this time, about 40% of all cattle marketed are non-fed cattle—including cows and other cattle which have received little or no grain. This reduces the average amount of grain per pound of beef even more.

Q. If cattle can eat so much roughage and by-products, why is grain used at all?

A. The grain that is used results in better quality beef, a more even supply through year-round feedlot feeding, and a greater over-all volume of beef.

Until fairly recently, feed grains were in very large supply and relatively cheap. It often was more efficient and less expensive to obtain feed energy from grain than from roughage. Also, the use of grain hastens the growth of the animal, making more beef available to consumers and making possible the marketing of younger animals, with more desirable meat.

The faster growth obtained through feedlot finishing makes use of grain less inefficient than it would appear to be on the surface. If we had to rely entirely on grass for our beef, we would have the added costs involved with a longer total growing period, less overall efficiency in conversion of feed to meat, and added non-feed costs of production.

In addition, both experience and consumer research have shown that most people prefer grain-fed beef because it is more tender, flavorful and palatable than so-called grass-fed beef. At least some grain feeding is necessary with most cattle to produce the marbling (small flecks of fat in the muscle tissue) which is desired. It is only realistic to acknowledge that most Americans eat for enjoyment as well as sustenance.

Q. But aren't we wasting a lot of food energy and protein when we feed grain to cattle?

A. Animal scientists point out that, with the beef production techniques that are now common, it is easily possible to recover at least as many human food calories from animal foods as the animals ate of cereal grains and oilseed meals that could have been consumed by humans. And, of course, the improvement in nutritional quality and palatability of human diets is tremendous when the feed is converted to meat or milk.

Also, even at the level of grain feeding recently practiced in the U.S., beef and dairy cows normally return as much protein in milk and meat products as is supplied in the corn and other grains and the by-product oilseed meals used in feeding the animals.

As pointed out above, most of cattle's energy and protein needs come from forage and by-products, and not from grain. That is why we still can obtain meat and milk protein and energy which are equal in amount to that supplied by the grain and oilseed meals.

Q. More specifically, how do the amounts and availability of protein from grain versus beef compare?

A. A university animal scientist provided this example in analyzing whether we should feed corn or milo to humans directly, or process it through a feeder steer and eat the beef:

A ton of corn or milo (grain sorghum) contains 8% protein, or 160 pounds. On the other hand, the same 2,000 pounds of grain will finish a 650-pound feeder steer to a Choice grade finish weight of 1,056 pounds. The liveweight steer yields 660 pounds of carcass beef, containing 17% protein. The yield of beef protein then is 112 pounds.

Compare the two amounts of protein in this particular example—160 and 112 pounds—and it appears that the nod is tipped heavily in favor of the cereal form. However, it's necessary to compare net protein utilization by the human body.

Out of the total 160 total pounds of cereal protein in a ton of feed grain, only 90 pounds of actual protein are available for utilization by the human body. Because of superior content of amino acids (the building blocks of protein), a greater percentage of the beef protein can be used by humans. In fact, the amount available to humans is 90 pounds—the same as for the ton of grain.

"Thus," said the scientist, "it's a stand-off. Given a choice, I'd rather eat beef."

Question. Can less grain be used in feeding cattle?

A. Yes, we can use and are using less, simply because there is now less feed grain available for feeding and because of the current economics of feeding. The current trend is for cattle to stay on grass and forage longer and to go into feedlots at heavier weights and to be fed for shorter periods of time. It is still possible with such a system to produce quality grain-fed steaks and roasts.

For example, suppose that a steer gets to about 800 pounds before he enters the feedlot and that he is fed for only about 100 days, on a ration containing 50% grain. This would mean only about 2.3 pounds of grain per pound of saleable beef.

Because of the great versatility of the ruminant animal, it may be possible to reduce grain use even more, to produce quality beef with less grain per pound of meat than is used in pork or poultry production.

In total, even now, much more corn is fed to hogs and poultry than is fed to beef cattle.

Thus, it can be seen that it is not in any sense correct to say that 10 or more pounds of grain are needed to produce a pound of beef.

Also, of course, there is no real comparison between the nutritional value of meat (with its high content of completely balanced protein, plus large amounts of essential vitamins and minerals), and the nutritional value of grain (with its "empty" calories).

Q. Assuming use of some grain to feed cattle can be fairly efficient, isn't it still relatively more efficient to use feed grains to produce poultry meat or pork?

A. Here again, there is misunderstanding. In the first place, as noted above, a considerable amount of beef is produced with no grain at all. In the case of fed beef, the amount of grain used depends on the weight of the animal and the type of feeding program. The amount of grain fed per pound of beef might range from around 6 pounds down to 2 pounds or even less.

For all types of animals, the ration includes ingredients (such as by-products) other than grain. However, it takes about 2 pounds of grain to produce a pound of saleable chicken broiler meat; for turkeys, producers use at least 3 pounds of grain to produce a pound of meat; and it takes about 5 pounds of grain to produce a pound of ready-to-cook pork.

Q. It has been said that, if we ate one less hamburger per week, we would have millions of tons of grain for possible human use.

A. This is one of those statements based on mis-information. For one thing, much of the hamburger we eat is produced from non-fed beef, either domestic or imported—from cattle which have had no grain whatsoever.

Much of this non-fed beef would have no market, and a considerable amount of forage would be wasted, if it weren't for use in hamburger and sausage products.

Q. Couldn't more of our feed grains be used for human feeding?

A. Probably there could be some additional use for humans, but the use still would be limited because of the physical and nutritional characteristics of the grain, because of food customs, and because of inadequate processing facilities.

For example, even when grain sorghum has been given away, some persons in foreign countries have refused to eat it.

Less than 10% of our total domestic supply of feed grains goes into food and industrial (starch and alcohol production) use.

Of all of the large amount of feed grain exported, only 10 to 15% is for food and industrial use. Just as in the United States, feed grain shipped overseas goes largely for feeding of livestock and poultry.

Some corn is used for food purposes, primarily in Latin America. However, feed grain is not used as human food to much extent in most nations where people face famine. Wheat and rice are used to a far greater extent.

Most of the corn produced in the United States has been bred and grown specifically for domestic animal feeding and export. It is high in energy but low in other nutrients. Much of it is hard and flinty, which makes for better handling, and it is not so useful for food. Also, most of our yellow corn is No. 2 grade and lower, and much of it could not be used as is in foods for humans.

Even when we had large surpluses of corn and other feed grains, little of these grains was used for food, either overseas or in this country.

To make more use of corn for food, the direction of plant breeding efforts—including increasing the protein content—should be changed.

Q. Let's assume that more people overseas could find ways, or be persuaded, to use more feed grain as human food. Wouldn't it help to cut back on meat consumption in this country, to have "meatless days?"

A. If we were to use less feed grain for animals in this country, our exports for feed use no doubt would increase. This is because of the increasing world demand for feed grain. The grain still would not become available to the hungry and starving unless the countries needing it, the U.S. taxpayers or charitable organizations would buy the feed grain and see that it was used for human food. Grain farmers obviously could not produce the grain and then give it away. Someone would have to pay for it at the going market price.

It is increased livestock production, both here and overseas, which created a market for feed grains and stimulated the production. If livestock numbers were cut back sharply, and corn producers had to wait around for their corn to move into human stomachs, most of them would be out of business. We wouldn't even have the corn and other feed grains whose use is sometimes debated.

All feed grain producers remember the years they overproduced their markets, and relatively little of this surplus grain moved into direct human consumption. Therefore, any artificial reduction in animal production would simply reduce the farmer's incentive to produce feed grain.

Q. If feed grains aren't likely to find much demand for human food, why can't we cut back sharply on livestock production and shift a lot of our corn acreage to food grains like wheat?

A. This also is a lot easier said than done. Yields of corn per acre in the main corn producing area are much larger than wheat yields—in fact, two or three times greater. The corn farmer in no way could afford to switch use of his high-price land from corn to wheat and still stay in business.

As an illustration of the fact that use of corn in cattle feeding is not so inefficient as some persons say, consider this: One analysis, based on average yields, shows that the use of an acre of corn in a feedlot ration winds up as 1,810 pounds of dressed beef, compared with 1,530 pounds of white flour from an acre of wheat. Thus, the combination of corn and otherwise wasted roughage results in more food per acre, with greater nutritional value and eating satisfaction, than we may be able to get from other crops.

Also, a superficial consideration of man versus animal in use of grain overlooks the importance of beef cattle production to the total agricultural and business economy of the United States.

Agriculture is by far the nation's biggest industry—with assets equal to about three-fifths of the assets of all corporations in the United States. The cattle industry, with a fourth of all cash receipts from farm marketings, is the largest segment of U.S. agriculture.

About 1.8 million farmers produce cattle either full or part time. To cut out cattle production would adversely affect the entire economy, virtually destroy some communities, and cause tremendous unemployment.

Not only farmers and ranchers but hundreds of thousands of workers who store, transport, process and merchandise meat would be hurt. For example, the meat and poultry processing industries alone employ 302,000 workers and have a payroll of $2.5 billion. There also are hundreds of thousands of persons engaged in supplying feed, machinery, trucks, fertilizer and other goods and services for cattlemen.

Even a reduction of ½ pound in weekly per capita beef consumption would cause staggering economic effects. And, needless to say, the U.S. economy is already suffering from excessive unemployment.

Q. If we shouldn't artificially try to cut back on beef consumption, what can we do to help feed the hungry?

A. Over the longer term, the only real solution to the world's food problem is more population control and greater production of food grains and other crops in the countries where it is needed.

What the world needs is more total food—including livestock products—not less. That means more meat, milk and eggs as well as more grain, vegetables and other foods.

And that is one reason why ruminant animals like beef cattle are so important. They can convert forage and otherwise wasted plant materials into human food. We should take more advantage of this capability and produce more beef and milk.

Gradually, too, it may be possible to produce more corn and other feed grains of a type which is more suitable for direct human consumption.

If we can increase grass and forage production on lands not suited for grain, we can probably get to a point where cattle obtain at least 85% of their feed units from forage. This would free more feed grain for use by monogastric animals like chickens and hogs as well as humans, where feasible.

Q. It was indicated that less feed grain could be used in cattle production. Is this occurring now?

A. Yes, reduced supplies of feed grains for domestic use and extremely high prices are dictating use of less grain per animal on feed. Even with reduced exports, the small 1974 crops means that the supply of feed grain available for cattle in the 1974–75 marketing year could be down by 25% or more. This alone is bringing changes in feeding programs and is altering the proportion of fed and non-fed beef.

One development which can help reduce further the need for grain is the proposed change in government beef grading standards. Grain will still be needed to produce quality fed beef, but the amount of grain can be reduced through proposed modifications of the grading system. There also will be a reduction in production of excess trimmable fat.

Q. How can more grain or other food be provided on at least a short term basis for people overseas?

A. More effective than "meatless days" in getting grain to the hungry would be donations to charitable organizations, or payment of taxes to governmental agencies, which are engaged in purchasing and transporting food grains and other foods from the "have" to the "have not" countries. Simply eating meat in fewer days won't automatically get more food grain to other countries.

At the moment, feed grain is in short supply, while beef is in surplus. As a result, some persons are proposing that our government buy and ship canned beef (from non-grain-fed cattle) to people who are badly in need of the balanced protein and other nutrients which meat contains.

Meanwhile, we must recognize the continued importance of animal proteins in this country. Ruminant animals alone (including beef and dairy cattle) provide more than half of our total protein, plus other essential nutrients.

The Food and Agriculture Organization of the United Nations says that the world's diet needs animal protein in amounts up to one-third of total protein requirements. This group also supports livestock production as one important way to use otherwise wasted land and inedible by-products or grains and other crops.

We also should note that the by-products of animal production are not without value. They include such things as vital medicines (like insulin for the millions of diabetics), leather, wool, glue, photo film, candles and fine china—plus fertilizer and feed products.

INSTEAD OF TOO MUCH BEEF, WE MAY NOT BE EATING ENOUGH

(By Ed Uvacek)

Texas A&M Unversity

Recently, a well-known consumer magazine, discussed the issue of buying beef. One of its sections dealt with how much beef is enough for health. In this, they referred to the American Heart Assn.'s recommendation that a 3½ ounce serving of beef per day is adequate for most Americans. They then quoted the popular beef consumption level of 116 pounds per person, the record high of 1972, and thus implied that we all eat too much beef. Let's examine that conclusion because it seems to be a quite common one today.

Assuming that we accept these two statistics as actual fact (and there are some doubts on that), they may still be compared if they are realistically understood.

The 3½ ounces of beef means—a serving of that amount of cooked beef per day per person would be sufficient from the standpoint of protein needs. Such servings of beef each day, however, add up to a total of 78.75 pounds of cooked beef in one year. (3½ ounces times 360 days, divided by 16 ounces equals 78.75 pounds of cooked beef per year).

The 116 pounds of beef consumption in 1972 means—that there was produced in the U.S. an average of 116 pounds of carcass beef for each person in that year. This does not indicate the amount each person actually ate but it indicates the amount available. Beyond that, the 116 pounds of carcass beef would yield only about 81 pounds of boneless retail beef cuts, since about 30 percent of a carcass is lost in the form of cutting loss, bones, and fat.

Since the first figure is on a cooked beef basis and the second is raw beef, we must also adjust one or the other to make them comparable. Typical cooking reduces the weight of beef another 25 percent.

On the basis of the adjustment, therefore, 116 pounds of carcass beef, the record high level of 1972, then, would give us only 61 pounds of cooked beef per year. (116 pounds minus 30 percent equals retail cuts, minus another 25 percent equals the amount of cooked beef).

Americans, then, on the average, actually only consumed about 61 pounds of beef in 1972—that's 18 pounds of beef less than recommended by the American Heart Assn. diet for good health. Remember also that the 1973 production level provided about 10 pounds of carcass beef per person less than that 1972 record high, and this year may even be lower.

It's easy to see that even with the figures, the consumer group and health faddists like to quote—the truth is really quite different than their conclusions. We really are not eating too much beef in this country. Actually, we may not be eating enough.

Eat more beef!!

BERNARD H. RIDDER, SR.

Mr. MONDALE. Mr. President, a man who made a great contribution to Minnesota and to journalism there and around the country died yesterday. He was Bernard H. Ridder, Sr., chairman emeritus of Ridder Publications, Inc.

Mr. Ridder lived a full and contributive life that spanned 92 years of quickly changing and historic events. He was a New Yorker by birth, but, fortunately for Minnesota, he moved to St. Paul in 1938 as publisher of the St. Paul Pioneer Press and Dispatch. The mark he left on that city and on our State has been matched by few men.

Many tributes will be made to Bernard Ridder in the coming weeks. But I would like to share some that have already been made, and the rich details of his life, with you and my colleagues.

Mr. President, I ask unanimous consent that an editorial in today's Pioneer Press, as well as obituaries that appeared in that paper and the New York Times, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

BERNARD H. RIDDER, SR.

Bernard H. Ridder lived a little less than his long life in St. Paul, but few men have been so intimately identified with a city's life and spirit as he was with St. Paul's. In this city the creed he lived by and the cultural and intellectual interests he pursued found ready acceptance. If he was a St. Paulite by transplant, he discovered the soil and climate here rich and receptive and he added to it his own gifts which for more than a generation have enriched the community.

He was the inheritor of a family and ethnic tradition of ambition, hard work and responsibility and in this his personal life fit the pattern of the city he came to in 1938. His grandfather was an immigrant from Westphalia, in Germany; his father, who founded the Ridder newspaper enterprise, began his career in journalism as a messenger boy on Horace Greeley's New York Tribune. A good deal later, his father took over a floundering German-language daily, the New York Staats-Zeitung. It was on this soon flourishing newspaper that Bernard Ridder and his brothers, Joseph and Victor, learned their profession.

The ties with the European heritage remained close. Bernard Ridder for many years made annual trips to that continent as correspondent and as a skilled photographer. The files of these newspapers bulge with dispatches which reflect the insights and invaluable personal contacts he had developed all over western Europe; his first-hand accounts of the travail and resurgence of Germany after World War II are particularly valuable. He and his wife, Agnes Kennedy Ridder, also took thousands of pictures of Europe's art and historical treasures, and these they generously and enthusiastically shared with Minnesotans, who saw them at their clubs and churches and social groups.

He shared, too, other enthusiasms: a talent for horticulture reflected in the colorful abundance of his home garden on Lincoln Avenue; a love of and an aptitude for creating poetry; an appreciation of the deep religious commitment of the community, which found expression in, among other things, sponsorship of an annual Christmas pageant which became a well-attended civic event. The St. Paul Women's Institute, which for years brought speakers and musical artists of wide reputation to St. Paul, was a valued Ridder contribution to a richer cultural ambience.

Bernard H. Ridder Sr., long presided over a publishing enterprise which grew to be one of the nation's largest and most influential. His home and his heart, however, were in St. Paul. Here he found values which complemented his own, and which his life and work here have enhanced.

B. H. RIDDER FUNERAL FRIDAY

Funeral services for Bernard H. Ridder, 92, chairman emeritus of Ridder Publications, will be held at 10 a.m. Friday at St. Luke's Catholic Church, Summit Avenue and Lexington Parkway, with burial in Calvary Cemetery.

Mr. Ridder died about noon Monday in St. Mary's Hospital, West Palm Beach, Fla.

Mr. Ridder, who resided at 1033 Lincoln Ave., was the last survivor of the three sons of Herman Ridder, founder of the New York German language newspaper Staats-Zeltung & Herold.

He came to St. Paul from New York in 1938 as publisher of the St. Paul Pioneer Press and Dispatch, which the Ridder family, including his late brothers Joseph and Victor, purchased in 1927. He remained publisher until 1952, when he became president.

Mr. Ridder, who presided over these newspapers for 37 years, was primarily a journalist.

He knew the complete operation but he had a special interest in the newsroom, an interest he never lost.

He called the Dispatch city desk late in 1974 to report that his neighborhood bank had just been robbed. He was delighted that he had called in ahead of the police reporter. He was more than delighted when he received a $10 check in the mail for having furnished the tip.

Besides being a journalist-publisher Mr. Ridder was the father of four sons, all of whom became publishers.

But he was also a gifted photographer who toted his heavy equipmnt through European art galleries and historical buildings on his long vacations abroad.

He was a gardener who turned the grounds around his home at 1033 Lincoln Ave. into a spring paradise. He had great beds of tulips in every color and shape blooming against a backdrop of flowering apple trees and purple lilacs.

Until recent years, he walked around his garden admiring the flowers, often giving a visitor an escorted tour. Thousands of persons stopped there to get a sight and smell of spring.

When the tulip bulbs were dug up in the fall, Mr. Ridder divided some of the extra bulbs among a dozen or so paper sacks and carried them downtown to give to employees. So Mr. Ridder's tulips bloom in many a St. Paul area garden now.

He was always a well-tailored and well-shod man. He had a weakness for colorful silk ties with matching handkerchiefs, which he had made for many years by a St. Paul seamstress. These accessories gave him a jaunty, youthful look.

A world traveler, he could talk about his adventures without being a bore. And he had adventures in Paris and Rome and London. He sought out journalists in the great cities and interviewed them about the state of the world. The pieces he wrote were informative analyses.

He also wrote and mailed back witty comments on hotels, dinners, and friends met abroad. His wife, Agnes, helped him carry the paraphernalia that photographers must have. She wrote a weekly article from the capitals of the world.

Mr. Ridder was also a poet. He was a superb raconteur and an excellent bridge player.

He was always impressed with his accumulation of years and made no secret of his age. One day when he was probably 85 years old, he was riding up to the fourth floor of the newspaper building when some solicitous soul said, "And how are you Mr. Ridder?"

"I'm fine," he replied. "If I weren't at my age I'd be dead."

Another time, half seriously, he said: "If I had known that I was going to live this long, I'd have taken better care of myself."

His longevity was no strain on anyone but Mr. Ridder. In recent years his eyesight had declined, which restricted him somewhat. But he could still build pun on pun with the best of them.

Bernard Ridder, Publisher, Dead

West Palm Beach, Fla., May 5.—Bernard H. Ridder, chairman emeritus of Ridder Publications, Inc., died today at St. Mary's Hospital here. He was 92 years old.

Mr. Ridder's organization owned or had a substantial interest early last year in 19 daily newspapers in 10 states. Late last year, Ridder Publications merged with Knight Newspapers, Inc., to form Knight-Ridder Newspapers, Inc., a 35-newspaper group with publications in 17 states.

Mr. Ridder was the last of three surviving sons of Herman Ridder, founder of the New York German-language newspaper Staats-Zeitung und Herold. He joined that paper in 1905, after studies at Columbia University and in Germany.

Mr. Ridder became president of the Staats-Herold Corporation in 1915 when he and his brothers, Joseph and Victor, inherited the paper. In 1927, the three purchased The New York Journal of Commerce and The St. Paul Dispatch and The Pioneer Press. In 1938, he became publisher of The Dispatch and The Pioneer Press, serving until 1952, when he was named president.

Mr. Ridder had also been chairman of Northwest Publications, Inc., a division of Ridder Publications. In 1973, he was named chairman emeritus of Ridder.

Survivors include his widow, Agnes Kennedy Ridder; 3 sons, Bernard H. Jr., Joseph B. and Daniel; 11 grandchildren and 12 great-grandchildren.

Daniel Ridder is a vice president of Knight-Ridder and publisher of The Long Beach (Calif.) Independent and The Press Telegram. Joseph Ridder is publisher of The San Jose (Calif.) Mercury and The News. Bernard Ridder Jr. is president of Ridder Publications and vice chairman of the board of Knight-Ridder.

Confronted Nazi Spokesman

In 1933, a few months after the Nazi regime came to power in Germany, one Heinz Spanknoebel appeared in The Staats-Herold office here and showed Victor Ridder letters from the German Labor Front and the chief of the foreign division of the Nazi party, which, he told Mr. Ridder, gave the newcomer "authority to assume power over the German-language press in the United States." His first order, Mr. Ridder testified in a 1943 proceeding to void the citizenship of Nazis in this country, was to stop publishing "your pro-Jewish articles."

As Mr. Ridder was explaining he would do no such thing, his brother Bernard walked in, was shown the letters and immediately said, "All I can tell you, Spanknoebel, is to get the hell out and stay out."

The Nazi representative caused turmoil among Americans of German descent and continued to attack the Ridders until he left the country a few months later.

THE CHICAGO DEFENDER

Mr. PERCY. Mr. President, the Chicago Daily Defender is celebrating its 70th anniversary. Over the years the paper has become one of the most respected black publications. The Society of Professional Journalists, Sigma Delta Chi, has named the publication "a historic site in journalism" and praised the Defender for having "consistently and vigorously championed the needs of black America."

I would like to take this opportunity to congratulate the Defender on its long history of journalistic excellence. The following editorial, published in the Defender on its 70th anniversary, clearly reflects the paper's high standards and goals. I ask unanimous consent that it be printed in the Record at this point.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Abbott and History

In celebrating its 70th anniversary, the Chicago Defender finds satisfaction in the unfailing pursuit of its program for betterment of the black citizenry in the context of a progressive democratic society. While never unmindful of its obligation to the nation, the Defender has always felt that its primary responsibility was to black America and to the lingering struggle for justice and equality. Seventy years in the life of any publication are not mere pebbles on the seashores of history.

The Defender has been able to withstand the pounding waves of national crises in times of war, and the jolting impact of economic imbalance in peacetime. And despite perennial changes in the national economy, despite unpredictable political variations of the two-party system, the Chicago Defender goes on, never missing a single day of publication. Its pages match the turbulent events of our history in its swift pace and intensity.

This newspaper is the fulfillment of a dream that its founder, Robert S. Abbott, had when he brought forth the nation's greatest defender of the civil and constitutional rights of black citizens since the emancipation of the slaves in 1863.

Abbott fought with unflagging zeal to hold America to its commitments and to keep American democracy from the aura of fairy tale. Though a crusader of indomitable resolve and perseverance, he was never disheartened and never once entertained the ugly impulses of retribution and revenge. The issues to which he consecrated much of his energy were, in some quarters, thought to be fulminations of an incurable visionary. But times and events have vindicated Abbott's visionary outlook.

Such issues as black representation on the President's cabinet, on the U.S. Supreme Court, and Police and Fire Departments, were in the opinion of many, too far removed from reality to be considered attainable. Today, all of them have come to pass. It was Abbott's fearless crusade against segregation that finally ignited the spark that years later blew open the iron door to civil rights. His prophecy that "American Race Prejudice Must Be Destroyed," is finding fulfillment in the school desegregation mandate, in integration in the armed forces, in FEPC, in churches, in colleges and universities, in such sports as football, baseball, basketball, in the Olympic games where the color line has been virtually obliterated.

What was thought to be an impossible dream 70 years ago, has taken on the flesh and blood of a living reality today. Stinging like a gadfly the conscience of America, Abbott succeeded in awakening the nation to its moral responsibility to a world that is still spilling blood in the struggle for justice, freedom and equality for all mankind.

For 70 years the Chicago Defender has been in the front line of the battle for black recognition. Even though the nation continues to be enmeshed in a web of caution over the political and economic outlook, the Defender has kept in step with the rhythm of history. The heat of the battle has not wilted its will or dimmed its vision of an eventually just and equitable American society. It is keeping faith with its commitment to the cause of justice, thus fulfilling the destiny that was marked out by its founder. Abbott had a sense of history, a vision of the future and the impulse to move mountains. He left footprints deep enough to withstand the erosion of time.

AMERICA AND THE WORLD FOOD CRISIS

Mr. HUMPHREY. Mr. President, I recently had the privilege to participate in a food conference at Bemidji State College. The purpose of this conference was to try to stimulate discussion about the world food situation.

I pointed out some of the basic issues underlying the world food situation and the main steps which should be taken to deal with the problem. I suggested that there are at least three main related issues: First, food aid for the needy nations; second, expanding food production and slowing population growth; and third, establishing a realistic U.S. food and agricultural policy.

Obviously, our food aid can be of great assistance in meeting hunger in the short run, but longer range steps to increase world food production are also needed. And a sensible national food and agricultural policy on the part of the United States would be a major step forward in expanding production in the United States.

I indicated that it made little sense to encourage our farmers to cut back from production when the world needs their great productivity.

I also indicated some of the ideas or initiatives which I had proposed to increase food production, such as developing an improved world agricultural information system; expanding the role of our land-grant universities to increase food production in developing countries; improving our research efforts; focusing our foreign assistance more directly on food production, nutrition, health, family planning and education; establishing domestic and international food reserves; and programing a reasonable quantity of food aid to meet humanitarian needs each year.

While this list is not exhaustive, it

does address some of the main issues regarding the world food crisis.

Mr. President, I ask unanimous consent that my remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR HUBERT H. HUMPHREY

I am happy to participate in your food conference here at Bemidji. There is no topic that is more urgent or timely.

You are to be commended on this undertaking which, as I understand it, is designed to educate and stimulate discussion. There has been an overwhelming interest in this topic on the part of church, civic and educational groups.

Your group, and others like it, can play a central role in helping our nation to face up to the importance of dealing with this issue.

We do not know precisely how many people are hungry or suffer from malnutrition. Poor people often are not counted, and governments find it embarrassing to admit they have starving people.

However, it is generally reported that today some 500 million people suffer from starvation or malnutrition throughout the world. And it also is estimated that about 10 percent of the American people now face malnutrition or starvation.

There was a record world production of 1.1 billion metric tons of cereal grain in 1971. Dr. Norman Borlaug has said that this would amount to a highway of cereal grains 55 feet wide and 6 feet deep, built around the world at the Equator. And this production was required to feed current world populations.

However, just to keep pace with population growth—some 76 million more people each year—without doing anything to improve peoples' diets, we must add another 24 million metric tons of cereal grain annually to this record production of 1971.

Meanwhile, there can be no decline in present food production, as there was last year, resulting in a world food crisis.

In other words, just to keep even, we must build another Trans-Global highway of cereal grains at the rate of 580 miles every year, according to Dr. Borlaug.

But meanwhile, each year we have to rebuild completely the first highway.

Harsh statistics like these should shame our conscience and inspire us to act without delay out of a simple, deep sense of compassion.

As the world's chief food surplus nation—supplying half of the food moving in international channels—the United States cannot hang back and wait for others to act.

We need to face at least three main food related issues. They are:

(1) Food aid for the needy nations;

(2) Expanding food production and slowing population growth; and

(3) Establishing a realistic U.S. food and agricultural policy.

FOOD AID FOR NEEDY NATIONS

The United States has been extremely generous with its food aid, providing more than $25 billion in food assistance over the last 20 years. However, much of this food was supplied because we had more than we could use.

The test comes now when our reserves are low. Will we be prepared to share when our supplies are tight? Can organizations such as yours provide the spark to help our government respond to the hunger of needy nations?

At the World Food Conference, which I attended in Rome last November, it was clear that the Administration wanted to avoid any major increased food aid commitments.

While we had provided nine million tons of food as recently as 1972, our volume of assistance last year dropped to 3.3 million tons.

I, and other members of the Congressional delegation, felt that our food aid should be increased by a million tons to encourage other nations to respond.

This request was rejected on the grounds that such an increase would be inflationary. In spite of this announcement, our government leaders conceded at Rome that we already were programming this year's food aid at around the 4.3 million ton level.

After a further delay of around two and a half months, our food aid level finally was announced at 5.5 million tons.

EXPANDING FOOD PRODUCTION AND SLOWING POPULATION GROWTH

Because of these delays in determining our food aid levels, I introduced a resolution calling for the establishment of a Food Coordinator to be located in the White House.

The Coordinator would give priority attention, not only to food aid, but also to efforts to increase food production in the developing world.

There is little doubt that food production can be increased significantly in the developing countries. This was one of the main conclusions of the World Food Conference. But to increase production, a greater priority must be given to land reform. Increased fertilizer production, research to help the small farmer and increased credit.

Above all, a greater emphasis must be placed on increasing agricultural production. The priority in many developing countries has been on building up industry, while neglecting investments in food production.

Last year I and others revised our foreign aid legislation to place primary emphasis on agricultural production: health and family planning; and education training.

We need to push ahead in implementing this program. The developing countries are in many cases facing population growth rates of over 3 percent per year. This will mean a doubling of their populations in one generation, or by the end of this century.

The countries with high population growth rates are the ones most vulnerable in terms of their food supplies.

A renewed interest has surfaced in recent years concerning Thomas Malthus, who, in 1793, predicted that man would breed himself into a corner of misery by increasing his numbers beyond his ability to feed himself.

While his ideas have been subject to occasional debate, the advances of sciences and the general belief that the world's natural resources were unlimited, resulted in their being given little serious attention.

But now we will need to consider such predictions more carefully, although I do not share the gloom and doom conclusions of some experts.

We need a solid, long-range development effort which recognizes that there are no easy, short-term solutions to the food and population problems.

Our food aid can help in crisis situations and buy time until longer range programs get going.

ESTABLISHING A NATIONAL FOOD AND AGRICULTURAL POLICY

At the same time, we must begin to develop a U.S. National Food and Agricultural Policy which is relevant to today's needs.

What we do about developing a food policy is, of course, critical to the rest of the world.

The prices our farmers receive dropped by about twelve percent last year, while their production costs went up by nearly twenty percent.

Since the government has asked the farmer to produce to the limit, it should share some of the risk, Why should farmers face ruin and bankruptcy because of good weather and bumper crops?

It seems unbelievable to me that we allow over three thousand Minnesota dairy farmers to be driven out of production, and all in one year.

Our livestock producers have been losing as much as $200 per head now for the last two years. And the situation keeps getting worse.

And now our grain farmers are facing a very uncertain future.

It seems rather ironic to me that at a time when the world food reserves are at their lowest point in twenty-five years, we treat our farmers as if they were of little account.

Farmers are asked to produce bumper crops. But when they do, prices drop through the floor. A crop of 2.2 billion bushels of wheat or 6.5 billion bushels of corn would ruin many farmers because today's target prices and loan levels are so low as to be a mockery.

If we continue to ride the roller coaster with our farm prices, we not only will ruin our markets, but also those in the developing countries.

If our grain prices drop sharply this year because of a good harvest, we will face the likely prospect of having outside nations raiding our markets. This would assure that our valuable food supplies would go to other countries at rock bottom prices.

What we need is a policy which first takes into account the needs of both our farmers and our consumers.

And at the same time, that policy needs to recognize the influence which we have on other nation's food supplies.

In the past, we have been beset by surplus production. Today the outlook is uncertain, but the chances are that we will have continuing scarcity.

Our policy must be prepared for occasional years of surplus as well as the likely food shortages. And that is why a reserve program is so important.

We need a program which will enable the government to make purchases and support the market when there is excess production. At the same time, firm rules are required so that any reserves held by the government are not used to depress prices.

A reserve can give some stability to our markets and meet export and disaster requirements. Reserves held exclusively by trading companies cannot be relied upon to meet national needs.

I have recommended that the government hold a very modest level of reserves. We owe this to our consumers and our farmers who are the main users of grains. It also is needed for our own national defense.

We have reserves of guns and weapons. Our banks have monetary reserves as required by law, but we have no strategic food reserves.

Why should we be so foolish as to be willing to sell off all we have to anyone who comes along with money in hand?

A reserve program can be devised to give our consumers some assurance or adequate supplies of food. And a reserve can be utilized to keep farm prices at reasonable levels when there is excess production.

In an era where food is likely to be in short supply, we need to treat it as the scarce and valuable commodity that it is.

Beyond these three key areas which I have developed, we need to look for new ideas and approaches. And we need your help in coming up with new ideas.

We also must follow up on the work of the World Food Conference. While there have been many critics of the conference, it did focus the world's attention on food and hunger.

The Foreign Agricultural Policy Subcommittee, which I chair, will be holding a series of hearings over the coming months to look particularly at progress since the World Food Conference and the programming of our food aid.

I have suggested a number of ideas to increase the world's food supply including:

(1) Developing an improved world agricultural information system;

(2) Expanding the role of our Land Grant Institutions to increase food production in the developing countries;

(3) Expanding our research effort in the areas of better seeds, weather trends, and tropical agriculture;

(4) Focusing our foreign assistance more directly on food production, nutrition, health, family planning, and education;

(5) Establishing domestic and international food reserve programs; and

(6) Budgeting each year a reasonable quantity of food aid to meet humanitarian needs.

How we respond to the challenge of world hunger may well mean life or death for millions of people around the world.

We need your words of guidance and counsel so that this power is used wisely. And you need to make certain that you are heard.

These critical decisions should not be made with only our national interests in mind.

In the words of Albert Schweitzer, "You don't live in a world all alone. Your brothers are here, too."

We all need to keep these thoughtful words in mind as we struggle to find solutions to the problem of world hunger.

I urge you to lend your strength to this important effort.

OUR NATION'S HANDICAPPED

Mr. DOMENICI. Mr. President, I would like to take this opportunity to share with my colleagues a very insightful article concerning the neglect we have allowed to take place with regard to our Nation's handicapped. The essay is authored by Kathy MacLennan of my home State of New Mexico. I am proud to point out that her essay, "Full Employment Opportunity: Does It Exist for the Handicapped?" won first place in a contest sponsored by the Governor's Committee on Employment of the Handicapped in New Mexico. Miss MacLennan is a senior at Highland High School in Albuquerque.

In her essay, Miss MacLennan discusses the need to break down old barriers which impede handicapped citizens from obtaining jobs and leading useful and productive lives. She points out the need to improve the rehabilitation process for the handicapped. Without full rehabilitation, the handicapped will continue to be excluded from equal job opportunity. She further cites that rehabilitation is a more desirable alternative to institutionalizing handicapped persons who could be contributing to society. However, the trend has been the contrary.

I ask unanimous consent to have printed in the RECORD the full text of Miss MacLennan's award winning essay.

There being no objection, the essay was ordered to be printed in the RECORD, as follows:

FULL EMPLOYMENT OPPORTUNITY: DOES IT EXIST FOR THE HANDICAPPED?

(By Kathy MacLennan)

Handicapped persons are employable, although full use of this vast potential is not being realized due to barriers within the disabled and society. A handicap is defined as "The cumulative result of the obstacles interposed between the individual and his maximum function level."[1] The first obstacle a handicapped person encounters on his way to a satisfying life is his own attitude. Once past this adjustment, he approaches the snags of society: attitude and architectural barriers. His final task is that of obtaining and keeping a fulfilling and well-paying job.

The first step toward employment in the rehabilitation process is the acceptance of the limitations that have been incurred due to the physical handicap. Often, the individual's self-esteem has been lost and he feels superfluous in an active society. A switch must occur in his thinking: he must realize and believe in what can be done instead of what cannot be done. When this adjustment has been made, the individual has a great motivation to use his remaining capabilities to construct as near a normal life as possible.

The attitude of society toward disabled persons is another stumbling block in the path of the handicapped individual. Society does not expect normality from the handicapped. Many people associate a physical handicap with mental deficiency and they feel that since something is wrong with the body, the mind must also be affected. For this reason, the general public is fearful of the handicapped. As "disabled" is not what is usually associated with "normal," much of the population prefers to wash its hands of the entire matter.

Architectural barriers often impede the progress of handicapped individuals. Only recently has a law been passed stating that all new public buildings must be accessible to wheelchairs. Therefore, unless some civic-minded individual or group sees that the situation is corrected, most older buildings and facilities are virtually inaccessible to the handicapped populace. Sidewalks, elevators, bathroom facilities, curbs, water fountains, and parking spaces are among the things which must be modified to meet the needs of the disabled. Airplanes, buses, taxis, and all forms of public transportation must be made available to the disabled at the same cost as to the able-bodied.

Most handicapped people will choose careers to fit their remaining capabilities. The Division of Vocational Rehabilitation (DVR), a state- and federally-funded organization, aids in achieving this goal. DVR provides and/or pays for training for its clients, whether the training be in a university or in a vocational program. James Aquini, a DVR counselor, stated that it costs society more in tax dollars to institutionalize an individual than to rehabilitate him and send him back into society. Employment of the handicapped person increases the productivity of the money spent on his vocational rehabilitation.

Many trained individuals, however, became "rehabilitation triumphs and social failures," in other words, they are successfully trained individuals who cannot find jobs. Employers have many reasons for not hiring the handicapped. An employer wants to give no preferential treatment to a disabled employee. He thinks that a handicapped individual will take advantage of his situation by taking extra sick leave. He feels that this individual will not be as reliable as an able-bodied person. He is also concerned with increased insurance rates. In actuality, the disabled person does not want preferential treatment. He does not want to handicap himself further by being a sloppy or unreliable worker. As for insurance rates, they are determined by the type of work the employees are engaged in, and the past accident record of the company, not the type of workers employed.

Our society today cares for the basic needs of the handicapped with welfare and social security, but completely ignores one essential need that is common to all human beings; the desire to be useful. Disabled individuals are people in their own right, and deserve all of the considerations that are given to able-bodied persons. Handicapped persons do not want sympathy, but they must have empathy. Full equal employment opportunity does not exist at this time. Equality is a give-and-take process. Both society and the disabled must work together to overcome the barriers placed in the way of equality in order to attain full employment opportunities for the handicapped. Such equality can exist in the future only if we are all willing to tear down the barriers of the past.

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MARY McGRORY

Mr. PHILIP A. HART. Mr. President, yesterday the Pulitzer Prize for commentary was awarded to Mary McGrory. She was cited for her "trenchant commentary over more than 20 years as a reporter and columnist in the Nation's Capital." Today her column in the Washington Star demonstrates the wisdom of the Pulitzer Prize committee. Because she works such magic with words my brevity is to avoid as far as possible comparison. The message is as sincere as it is brief. Congratulations from your constant admirers at the Hart house on the deserved honor. I ask unanimous consent that the column in today's Star be printed.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

SO WHAT HAPPENED, AMERICA?

(By Mary McGrory)

The Irish poet, William Butler Yeats put his finger on the trouble a long time ago. In his great poem, "Easter 1916," he foresaw the national nervous breakdown that has attended the arrival of the Vietnamese refugees to our shores:

"Too long a sacrifice can make a stone of the heart."

It remained for the young governor of Arkansas, David Pryor, to bring it up to date when the first wretched platoons arrived.

"If you for some reason encounter some who are less than friendly," he told them at Fort Smith, "I hope you will understand that they are people who, like yourselves, have met unknown circumstances, and you will understand how to deal with them."

His remarks were translated for the weary travelers into Vietnamese. If the words did not get through, maybe the music did. In the absence of the President, who considering the magnitude of the hostility and spite which greeted the refugees, should have been there, Pryor was doing his best.

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[1] U.S. Department of Health, Education, and Welfare, *An Introduction to the Vocational Rehabilitation Process*, (United States of America: U.S. Government Printing Office, 1967) p. 10.

The young governor had been galvanized into action by the vindictiveness of his people. One Fort Smith resident observed, for example, that, considering the disparity of the temperature between Saigon and Arkansas, the visitors "might all die of pneumonia."

Once again, Vietnam has shoved into the nation's face the question we have all avoided What kind of people are we?

The response has been roughly what it was when we were confronted with the My Lai massacre. It is no. When Lt. William L. Calley was convicted of the murders of babies and women and old men, the nation rose up and said it was not so. We defended the myth. We do not shoot children at point-blank range. We give them candy.

And now we are asked once again who we are, and the crazed answer is given, from right and left. We are a nation of hawks who would have fought into the next century to save the South Vietnamese from communism but who don't want them in the next block. And we are a nation of doves who said we would accept any consequence of stopping the war except, it seems, to find room for its most unattractive victims here.

It is not just Arkansas which has fled from the sight of what we did. In Portland, Maine, a local television station, WGAN, conducted a poll on the question of whether we should let adult South Vietnamese enter the country. The results were 85 in favor and 1,018 opposed. That from people who three weeks ago were breaking down the doors to adopt their babies.

America is responding to its first defeat. It is responding to 10 years of lies from its government. It is blaming the victims. These little people who could not be distinguished from their and our adversaries, these hapless souls who destroyed our country psychically as we destroyed their country physically, are coming here, living reminders of their failure and ours.

President Ford has reminded us that we are a nation of immigrants. He has cited us Emma Lazarus' great lines about "your tired, your poor, your huddled masses yearning to breathe free." He should tell us what follows: "The wretched refuse of your teeming shores."

That good anti-war liberal, Elizabeth Holtzman, D-N.Y., pressed the head of the Immigration and Naturalization Service, Gen. Leonard Chapman on the question of screening out the "criminal" element from the incoming thousands. Would he finger the torturers, the Tiger Cage guards, the war profiteers from the applicants.

To his credit, Gen. Chapman bit the bullet. It is the hard fact, the inexorable fact, he said, that there were such among those coming in.

And that is the fact we must all swallow. The more "criminal" they are, the more eligible they are. They are our people. Gen. Ky, the admirer of Adolph Hitler, must be admitted. And the lesser fry must come, too. They were Oliver Twist; we were Fagin. We corrupted them, as they corrupted us.

There is no escape. They are not, perhaps by the thousands, exploiters or monsters who abused their own for gain.

Economics is only part of it. Their numbers are not so great as to menace the unemployed or the welfare recipients.

What they threaten to do to us is to bring the war home to us in the most unbearable, ineradicable way. Whatever hall we look down in the next years, we will see the grinning ghost of the mad folly, of our Vietnam delusion.

Yeats was right and so was Gov. Pryor. The heart is of stone, but the responsibility is clear and inescapable. We did this. We must pay the price.

SENATOR SAM NUNN ON ENERGY AND PRODUCTIVITY

Mr. PERCY. Mr. President, I would like to call to the attention of the Senate a speech by our colleague Senator Sam Nunn relating to energy and productivity. Senator Nunn's speech was the keynote address of the 1975 Joint Engineering Legislative Forum, held recently in Washington.

In his speech Senator Nunn addresses two problems to which I also give great importance: energy conservation and productivity.

With regard to energy, Senator Nunn described his recent efforts as acting chairman of the Government Operations Committee. I share his call for national leadership on the conservation issue: that the administration and Congress should cease assessing blame for this delay in policymaking—they should explain the need to conserve, not criticize each other for not agreeing on how to do it. While we are now in the fortunate position of importing less oil because of our economic downturn, and thus are putting some pressure on the oil cartel, we must now accelerate our efforts to agree on a meaningful energy conservation program in order to be prepared for the new energy demands our economy will make as it rebound to renewed growth.

The same need for policy leadership is present in the field of productivity. Senator Nunn and I have introduced bills to create for America a National Center for Productivity and Quality of Working Life. This center would play a role similar to that which centers play in Japan and Europe. Its purpose would be, as Senator Nunn states—

> To inject some positive national leadership into the field of productivity and the quality of working life. It will encourage productivity growth and improved quality of working life consistent with the needs of the economy, the environment, and the needs, rights and best interests of management and the work force.

I commend the Senator on his statement. It has been a privilege to work with him on this legislation, which is now redrafted and near to markup by our committee. Because of my work on this issue through the years, he knows that I intend to work very hard for enactment of this measure, which has administration support.

I ask unanimous consent that the text of Senator Nunn's keynote address be printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

KEYNOTE ADDRESS BY SENATOR SAM NUNN AT THE 1975 JOINT ENGINEERING LEGISLATIVE FORUM—INFLATION AND PRODUCTIVITY: THE NEED FOR EFFECTIVE NATIONAL LEADERSHIP

I appreciate the opportunity to address this joint engineering forum. In reading your program, I notice that you have had outstanding speakers on many of the areas of prime importance to our Nation today.

I always envy engineers, after attending Georgia Tech and not having enough vision to pass mechanical drawing.

Engineers have played a significant role during the 200 year history of our Nation, and particularly in the last thirty years. Many people today seem to blame technology for supposedly creating many of the problems in our country.

That may be partially true, but technology also has created the highest standard of living in the world; and technology must be relied on by our Nation to play a leading role in energy and productivity. Your work during the next few years will be even more important than during the last thirty years because many technological innovations are going to be absolutely essential if we are going to successfully solve our many economic and resources problems.

Members of your professional groups have made contributions in two important areas which I have been working on. First, they testified on national productivity and quality of working life hearings before the Senate Government Operations Committee last December. Most recently, they testified before my oversight subcommittee's hearings on energy conservation which were held last week. As the acting chairman of both of these hearings, I appreciate your advice and assistance.

This morning, I would like to briefly discuss the present inflation and recession problems our Nation is experiencing; the energy problems that we face; our declining national productivity, and the inter-relationship between these serious national problems.

As we all know, our economy is faced with a double-barrel illness—inflation coupled with recession. The difficulty in dealing with this situation has been magnified by the fact that the medicine for one of the illnesses is the poison for the other.

There are many causes of inflation, but I would have to place the following four at the top of my list:

(1) First, the 400 percent increase in the price of crude oil over a short period of time;

(2) Second, our food dilemma. When I came to the United States Senate two and one-half years ago, the U.S. food situation was one of surpluses. Our Nation was properly concerned with the dilemma of how to continue adequate food production without having our farmers' great productivity drive the price of farm products so low that many would face bankruptcy.

In two short years, our food problem has completely reversed, we are now struggling to increase production in order to accommodate foreign demands—our humanitarian commitment to nations who cannot produce sufficient food; and, at the same time, to prevent such large exports of agricultural products so as to cause continued inflation to the housewife here at home.

(3) Third, the continued pattern of deficit spending over a period of years. This accumulation of deficits—including years where the economy was over-heated and where we should have had at least small surpluses—has added to our inflationary problems. It has provided such a major momentum in terms of overall Federal budget totals that reversing spending programs is a difficult proposition at best.

(4) The fourth problem has been the decline in productivity which I will discuss in a moment.

Perhaps the most important of all the factors has been the energy problem. Certainly, over the past two years, the price of imported crude oil has created the most intensive inflationary pressures in our economy.

I remember well speaking about our energy needs to the Georgia Association of Broadcasters in 1973. At that time I expressed alarm over our increasing dependency on crude oil imports.

I had considerable doubt that our country would be able to pay the projected 1980 bill for imported crude which, at the 1973 rate, was estimated to be $18 billion. This pre-embargo rate for 1980 represented a 300 percent increase over the 1972 level.

Of course, we are now faced this year—not in 1980—of importing almost $27 billion of crude oil. This price increase has been an economic shock of major magnitude.

Our Nation must embark on a major effort to develop alternate sources of energy. Let's consider for a moment the time required to develop these alternate sources. Offshore drilling has a lead time of six years from the beginning of any drilling to production. Coal production takes approximately five years from the beginning of any new coal mine. Of course, construction of a nuclear energy plant takes approximately eight years to bring power on line. The Alaskan pipe line will not deliver oil until 1978, and our promising sources of more exotic energy—geothermal and solar energy—will not be available in substantial amounts before 1985 at the earliest.

If we're going to put any degree of pressure in the next two years on the oil producers and the OPEC cartel, and protect the value of the dollar, we aren't going to do it with alternative energy sources. We have to do it through conservation.

Productivity increases can take place only with a view toward energy conservation.

Waste is our best immediately available new domestic source of saving on imported crude oil, and we haven't even scratched the surface as fas as conservation is concerned.

Conservation is undoubtedly our most potent weapon in dealing with our balance of payments problem while simultaneously placing pressure on OPEC.

One of the few good signs of our recession is that declining energy consumption is beginning to create surpluses which are, in turn, putting pressure on the OPEC nations.

However, as the Nation recovers from the recession—hopefully in the summer or fall—increased production and consumption will cause the surpluses now in existence to dry up, forcing us to become even more dependent than we are now on the OPEC nations and their monopoly.

At this time, the Federal Government is considering varying ways of approaching the Nation's overal conservation effort.

The President has proposed a tax on crude oil.

The House Ways and Means Committee is discussing a gasoline tax which would escalate over a period of years.

The other committee proposals, including the ad hoc committee, center on an allocation program to cut back on our imported crude oil. There are also suggestions to begin to tax automobiles with poor gas mileage.

Some form of these proposals may emerge in the coming weeks, but all of them have one thing in common—they are going to significantly damage certain segments of our economy and certain portions of our population.

The paradox I find is that we have not even begun to utilize our existing technology and knowledge to fully implement voluntary programs of energy conservation. We also have failed to provide tax incentives for Americans to utilize the existing technology to start implementing large energy savings.

Last week, as chairman of the Government Operations Subcommittee on Oversight Procedures, I conducted three days of hearings on the conservation efforts on the Federal Government. The committee also heard testimony on the conservation practices of private enterprise. Your association was also kind enough to testify.

During these hearings, information was disclosed which was literally astounding to me. Witnesses testified that millions of barrels of crude oil imports could be saved in the next two years to five years with the proper utilization of existing technology and a coordinated national effort.

Some of these examples are:

(1) The General Services Administration is confident that they can save 30 percent on every existing Federal building, and 50 percent on every new Federal building. One of the interesting suggestions made was that tax incentives be given for partial reimbursement to owners of existing buildings who seek professional assistance to cut energy usage.

Rich's and Lockheed have both undertaken a tremendous energy saving program that is conserving by the use of computers to reduce the peak load. This is savings thousands of dollars per year and has proved to be self-amortizing in less than one year.

I am informed that these savings do not just apply to large buildings; they can apply to every commercial building in the country to some degree.

In addition, there are other methods that can be utilized—radial tires—lighter autos—better installation—energy efficient appliances.

The biggest obstacle to overcome in all of these methods of conservation is the lack of leadership and coordination from a national level. I will be submitting a formal report to the Government Operations Committee on these hearings and my recommendations.

The Energy Research and Development Administration has been charged with the responsibility of coordinating conservation efforts throughout the Federal Government. In fairness to this organization, they have just undertaken this mission, and need to be given more time to consolidate their efforts.

Coordination with businessmen, labor leaders, private enterprise, local, State and Federal governmental units is vital to the success of Project Independence.

Rather than spending valuable time assessing blame for this delay in policymaking, President Ford and the leaders of Congress should go on national television and spell out the dimensions of our energy problem. They should explain the need to conserve, not criticize each other for not agreeing on how to do it. Perhaps then the American people will then understand that just because we don't have gasoline lines, we still do have a serious energy problem that requires immediate and effective conservation efforts by each and every one of us. Engineers must play a vital role in this regard.

THE PROBLEM OF PRODUCTIVITY

Unfortunately, energy is not the only area in which we lack an effective national policy. Another is our nation's falling productivity.

For about 20 years after World War II, the United States maintained an average productivity growth rate of nearly 3 percent annually. This growth rate contributed greatly to our becoming the world's foremost economic power. Since 1965, however, our growth rate has averaged 1.7 percent a year—30 percent less than the preceding post-war average.

This decline in productivity growth rate has tremendous implications for our future material wealth and for our political and economic position in the world. For as our rate has slipped, the productivity growth rate in the other western industrialized countries has increased. Even discounting the fact that Japan and the countries of Western Europe started from a war-ravaged base 30 years ago, they have far outstripped us in terms of productivity growth.

The productivity growth in Japan and Western Europe is ironic, for many of these countries have well-established, government-supported productivity centers or other organizations whose mission is to promote productivity growth. These centers were an outgrowth of American insistence that they be created in countries receiving U.S. reconstruction aid after World War II.

The recession has caused total industrial output in the U.S. to decrease steadily. Last month it fell one percent. Back in January it fell 3.6 percent, the steepest one-month drop since 1937. With total production decreasing as a result of the recession, it is difficult to focus attention on the overall decline in productivity growth, which must be considered on a long-range basis.

Economists are not in total agreement about the reasons for our declining productivity growth, but the lack of capital investment in new plants and equipment is one of the prime reasons. Certainly, the attitude of the American people toward productivity and work habits is also an important ingredient. There is no doubt that this historically positive attitude has gradually eroded, especially when compared with some of our principal competitors. Of course, the energy embargo has also created a decline that would not have been present under normal pressures.

Another important ingredient is a trend away from manufacturing toward a more service oriented society. The service industries have not kept pace with manufacturing's rate of productivity.

In its simpliest term, growth and productivity mean that American businessmen make more money; their employees make more money; and there is more money that can be invested in new plants, equipment, and technological innovations. It all adds up to more real income for the American people.

The decline in productivity growth in recent years has meant less money available for capital. In addition, new federal capital intensive programs such as environmental pollution control, OSHA, and others, make this squeeze more intensive. Realistically, reversing the decline in the productivity growth rate will be very difficult.

In addition, as we have already discussed, the artificially high prices now being charged by the oil producing cartel will make this difficult job even more tedious for several major reasons.

First, these prices create world inefficiency since, for example, it takes more resources to bring oil to New York from Alaska than it does from the Middle East.

Second, there is a large drain of capital from the American economy which could have been used for the development of new technology and capital investment.

If we are to continue to increase our standard of living in real terms as opposed to inflationary dollars; and, if we are to maintain our position in the world trade market, our productivity must increase more rapidly.

Frankly speaking, no legislative or presidential proposal can reverse our decline in productivity growth. Only coordinated action by our leaders in business and labor, and by each individual American can do the job.

What we can do, however—and the legislation I have introduced attempts to do this—is to place the spotlight on this problem and bring it to the level of a top national priority. Hopefully, then our nation can begin to work together from the governmental level, from the business level and from the employee level to address this long-term and fundamentally essential problem.

THE NEED FOR EFFECTIVE LEADERSHIP

We have an existing national commission on productivity, but we lack a clear national policy to stimulate productivity growth. The commission has been in existence for nearly four years, but it never has been properly funded, nor given adequate authority, or a guarantee of life past the next fiscal year. Its statutory life runs out on June 30, 1975.

While the National Commission on Productivity has made some contributions, it just has not been enough. Its staff has managed to perform even with serious funding problems.

Despite the good work done by the productivity centers in Japan and the western European countries, we still do not have an effective productivity effort in America. We do not have a productivity center, nor do we have a national productivity policy.

I have had an opportunity to explore these deficiencies as a member of the Senate Committee on Government Operations. Last December, I served as acting chairman of the committee for the purpose of conducting hearings on national productivity and quality of work. Last month we conducted more hearings, this time dealing specifically with bills introduced by Senator Charles H. Percy and myself, along with a number of other senators.

Our bills are S. 937 and S. 765. Senator Percy and I are now drafting a substitute for these bills, based on the contributions of many persons, including several engineers who represent your professional associations.

The purpose of our combined legislation will be to inject some positive national leadership into the fields of productivity and this quality of working life.

It will establish a national policy which will encourage productivity growth and improved quality of working life consistent with the needs of the economy, the environment and the needs, rights and best interests of management and the work force.

This policy will have the federal government draw on the resources of the private sector and state and local governments. The federal government will help provide financial and technical assistance to stimulate productivity growth. In addition, it will require that all federal laws, rules and regulations be reviewed and interpreted to give full force and effect to the productivity goals of the nation.

The measure will create a national center for productivity and quality of working life on productivity. The center will operate under a director, who will be under the supervision of an eleven-man board of directors appointed by the President.

The center will be responsible for administering a grant and contract program to fund research and development activities, demonstration projects, and state and local productivity centers.

In addition, it will coordinate the internal productivity efforts of the federal agencies, who in turn will be required to review all their laws, rules and regulations to determine their impact on productivity. Each agency also will be directed to encourage and support productivity efforts in the private sector.

Senator Percy and I intend for the national center for productivity to be a small agency whose main function will be to assist other agencies, state and local governments, universities, and private organizations to increase our national productivity growth. Neither of us want another cumbersome federal bureaucracy that will defeat its own purpose.

Our bill provides for the authorization of $10 million for the center for the next fiscal year, with an increase to $20 million for each of the next two years. The center itself will be authorized for five years, but it must come back to Congress after three years for more funding. I believe this will increase the chances of the center's answering responsibility to the desires of Congress.

Once the center is created and in full operation, I hope that it will make substantial progress in reversing the trend of declining productivity growth.

In the final analysis, American technology, capital investment, businessmen and the labor force will determine our productivity. Government can and should put our house in order and help provide leadership in this important area.

The solution to these problems will not be easy, nor will they be found overnight. But they must be found.

Engineers have played a vital role in the development of America, and you can play an even more important role in solving our very pressing national problems. We in the Congress do need your help. Only with this help can all of us expect to find the caliber and degree of national leadership that we so desperately need.

EXPECTED WEATHER PATTERNS AND 1975 CROP PROSPECTS

Mr. HUMPHREY. Mr. President, I invite the attention of Senators to an article in the April issue of Commodities magazine entitled, "Commodities Talks With Gordon Barnes."

Mr. Gordon Barnes is a meteorologist, and the purpose of the interview was to determine what the weather prospects were for the 1975 growing season. The interview was extremely informative, and Mr. Barnes indicated a great deal about how he examines weather patterns.

He also indicated his belief that during the 1975 growing season we would have even more widespread drought than in 1974. And he offered his view that there would again be a drought in 1976.

Mr. President, I would like to call these words to the attention of my colleagues and the Department of Agriculture as it makes its crop estimates for the 1975 season. Last year the Department treated us to an overdose of optimism, and it was not until late in the growing season that we began to obtain more realistic figures based on the conditions that our farmers and the business people were experiencing first-hand. We should learn from that lesson and keep a very careful eye on the weather during this growing season. The Department also should make a greater effort to integrate weather trends in its long-range forecasts.

At this time, with our reserves at an all-time low, we would be in serious trouble if we had another year of drought. On the other hand, bumper harvest would create problems in terms of sharply reduced prices, since we have reduced our livestock herd, and we have no policy to deal with surplus production.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COMMODITIES TALK WITH GORDON BARNES

(The following interview with meteorologist Gordon Barnes was conducted on February 13, 1975. The interviewer was Daniel C. Ruck, Senior Editor for Commodities Magazine).

COMMODITIES. Let me ask you an off-the-wall question first, and then we'll get down to the serious stuff. What's the weather going to be like on July 4, 1975?

BARNES. Um, I have to look that up in my charts. I never carry a long-range forecast around in my head. Because it's very tempting to give a quick answer, and very easy to give the wrong one. There are certain highlights of the upcoming year for various parts of the country, and because those highlights are going to be very important to the economy of the country—those I remember. For example, the drought we had last year was just a "tease" compared to what is coming up in the next couple of years. It'll spread farther northward and westward this year; and, of course, that means that far more agricultural acreage will be affected this year than in 1974.

COMMODITIES. That's a pretty controversial statement.

BARNES. I know. It goes dead against what the USDA is currently saying in their projected crop estimates for this year. But, then, they're at a disadvantage because they don't know what the weather patterns are going to be for the coming year. They realize they can't obtain long-range forecasts from the National Weather Service, and the weather service is the first to admit it.

COMMODITIES. They don't even try to forecast long range?

BARNES. They have an experimental program. In addition to their 5-day and 30-day outlooks, they have a seasonal outlook they've tried. Last year it was fairly good. But this year they've had some problems. And the USDA hasn't come to me for any forecasts yet.

COMMODITIES. Maybe when the people at USDA read this they'll change their ways.

BARNES. I was invited by a member of the USDA last year to participate in a symposium . . . to discuss long-range forecasting techniques. They asked what my fee would be for a one- or two-day conference. I submitted it to them. However, I also made it very clear that I didn't want to go to Washington to sit down and argue with other meteorologists over whether or not long-range weather forecasting can be done. I'm doing it. And not only am I doing it, but my track record is good.

COMMODITIES. Then, you saw the drought coming last year?

BARNES. Well, I was not the first to predict it. It was first predicted back in the 1950s by two other famous meteorologists, one of whom taught me a technique of long-range forecasting in 1966. He said to watch for this, and watch for that. I did, and things began to fall into place. The drought had to come. You know, if you go back in history and reduce all the complex factors to their simplest terms, you can learn an awful lot about the weather. For example, let's take our plains states. You'll find that ever since the white man has occupied the plains states, there has been a drought every 20 to 25 years. There was a small one in the Fifties. Prior to that was a big one in the Thirties. Before that was one in the 'Teens. And I just read something the other day that made me wonder whether or not someone else had gotten ahold of one of my charts, where I took it all the way back to the 1890s.

COMMODITIES. Are there reliable weather data that far back?

BARNES. No . . . that's part of the problem. But, when we have droughts in the agricultural plains states in the United States, you find severe winters in Britain. That correlation verified my theory, except that I couldn't fit in 1890. Then, at a seminar last year I made a statement that I did not have complete confidence in my data for 1890, because who was out there then besides a few Indians and Matt Dillon? A lady said during the break that she had just finished reading a book that said one of the worst winters in history had hit England in 1891 and '92.

COMMODITIES. And this further verified your theory?

BARNES. Yes. I had not had time to research English weather records relating back to the 1890s. The point is, weather is not as irrational as some people say. For example, USDA said last year that the 1974 drought was just one of those random years of unusual weather. I don't believe that.

COMMODITIES. I have talked to another weather forecaster who voiced the same opinion; that it was a "singularity," a freak, so to speak; that the chances of its happening again this year were one in 50.

BARNES. Tell him to call me, and I'll put $1,000 down to his $50,000.

COMMODITIES. You obviously have a great deal of confidence in your forecast. How do you arrive at your conclusions?

BARNES. The first question you have to ask is ... what really is a drought? I prefer to use analysis of all weather conditions affecting the crop, from its inception to the end. Are weather conditions going to be favorable for planting? Will the farmers be able to get the corn in by the 10th of June? If they switch from corn to soybeans because of the weather, will they be able to get all the soybeans in by July the 4th? During the pollination period, which is from about the third week of July to the middle of August, prolonged periods of high temperatures and high winds decrease not only the pollination process but also the quality of the crop. And then all you need on top of all that adversity is an early freeze, and there go your crops. We had all three last year. What's going to happen this year? The only thing I am willing to say publicly at this time is that the prolonged period of high temperatures and lack of rain will be longer than last year.

COMMODITIES. Will the heat be as severe as last year?

BARNES. There's no question of that.

COMMODITIES. How about subsoil moisture?

BARNES. During the months of July and August there will be no moisture at all, to speak of. Remember, when you talk of moisture you have to rule out thunderstorms. A thunderstorm, first of all, is a hit-or-miss kind of thing. It can hit one farm and miss 35 around it. And there's always the possibility of crop damage, particularly at the end of a hot spell, when thunderstorms are more violent. There's a greater potential for high winds and hail, which are going to wipe out certain types of crops. A thunderstorm on Tuesday and then another thunderstorm 10 days later does not help a crop. You need prolonged periods of precipitation, whether it be light or moderate, to make a crop grow and give you good soil. And it just isn't going to be there.

COMMODITIES. Isn't it true that the drought last year was centered mostly in Iowa?

BARNES. It was in Nebraska, Iowa, parts of South Dakota, and parts of Kansas.

COMMODITIES. And you think this year it is going to spread further?

BARNES. It will spread further northward and westward. As far as the Dakotas, Montana, and Canada.

COMMODITIES. So, for the corn and soybean belt, it's not going to be that serious?

BARNES. Sure it is. Because it got hit last year, and that same area will get hit again. The only corn areas not affected by drought were Illinois, Indiana, and Ohio. But they had other problems. Everyone caught an early freeze. No one escaped that. They also had poor planting conditions in the spring, and there will be poor planting conditions again this spring—but not for as long a period of time last year.

COMMODITIES. By "poor" do you mean wet?

BARNES. Right.

COMMODITIES. Will this be widespread over the whole growing belt?

BARNES. Yes—what I would call the lower Midwest, the Ohio Valley area. Lots of rain at planting time.

COMMODITIES. And the drought will still come earlier, then?

BARNES. I wouldn't say it is going to come earlier, but it will last for a longer period of time.

COMMODITIES. In the Southeast and the Southwest, what do you see there?

BARNES. The Southeast will be wet through the spring season, and then they'll have a fairly normal summer. The Southwest I really haven't looked into.

COMMODITIES. How about Texas?

BARNES. They should have a longer period of drought than a lot of other states in the Great Plains, and they're off to a poor start already. Their grassland range now is in below-average condition, and I don't see any improvement coming in the next few months.

COMMODITIES. How will fieldwork conditions be in the North this spring?

BARNES. They'll have delays in planting.

COMMODITIES. It seems to me farmers always have trouble around planting time. That's all they talk about in the springtime. You know the old farm joke, "Can't dance, and it's too wet to plow . . ."

BARNES. Well, I think that if farmers know they're going to have another spring like the last one, it'll mean nothing but frustration. Farmers like to have lots of rain, but spread evenly over a long period of time. If it comes too fast and furious, like it did last year—and like it's going to again this year—it just causes delay. And that means replanting, more fertilizer, more time, more fuel.

COMMODITIES. Have you looked into the fall? Are we going to have the triple whammy again? A bad spring, drought, and then early frosts?

BARNES. I haven't looked that closely at the fall, because if we're going into a bad situation, all that's going to do is add to it. You're not going to have a good crop because of the long drought in July and August. That's the important thing. As for frost, let me say this: It will arrive before the normal frost dates.

COMMODITIES. To recap for a minute, you seem to be exempting Illinois and Indiana pretty much from drought problems this year.

BARNES. Yes, I'm saving them for next year.

COMMODITIES. What about the next year?

BARNES. There will also be a similarity between 1975 and 1976.

COMMODITIES. So, we're in for two years of bad weather?

BARNES. Yes. Including last year, we're going to have three years of whatever-you-want-to-call-it . . . "unusual" weather. And by "unusual" I don't mean unpredictable. There's a big diference. I don't believe this is just one of those random things. There's too much evidence to point the other way. I believe in cyclical patterns. Every 22 years (give or take a couple of years) we've had drought in the agricultural plains states in the U.S. At the same time, the frequency of hurricanes—tropical storms—increases along the Eastern Seaboard of the U.S. In 1974, we had storms coming up the coast that we hadn't seen for 10 or 12 years. Drought conditions in the plains states in the U.S. also coincide with floods in northern India and Bangladesh. You get severe winters in the United Kingdom, as I mentioned earlier. These are not all random events. I have not completed my study of them, but I have enough information now relating solar or sunspot activity to catastrophic weather events around the world to convince me there is one hell of a correlation. It's there, and it can be used to forecast.

COMMODITIES. You mean your work is based on a study of sunspots?

BARNES. That's part of it. As far as this drought is concerned, it's also going back to research the weather patterns we had in the 1930s and 1950s, and finding that weather patterns now are very similar. Except that we are now in a period of quiet sunspot years, and weather becomes more extreme during those years.

COMMODITIES. I knew sunspots affected the weather on earth, but I thought the more sunspots there were the greater effect they would have.

BARNES. It's not necessarily the number of sunspots, but the intensity of sunspots in relationship to where they fall from the sun. For example, sunspots from just south of the sun's equator usually provide us with the extremes in weather. And, from what I've seen so far—at least up until three or four months ago—activity has been increasing south of the sun's equator, which is what has been giving us our abnormal weather.

COMMODITIES. Another forecaster told me he wasn't able to forecast last year's drought because there wasn't the cold trend in the Pacific Northwest, which would prevent storms from blowing in from the Pacific across the Midwest. And he doesn't see it developing this year, either.

BARNES. I don't take into consideration analogies of that type when preparing my forecasts. I am a student of the Cal-Tech weather "types," which were developed by the meteorological department there during the 1930s and 1940s, when Dr. Irving Krick headed that department. He's a fantastic man. He's responsible for my success, there's no question about it. He took the "types" theory and developed and refined it, and found that in the 1950s he was able to project years into the future with it. He found that weather moved across the 48 contiguous states in six-day cycles.

Now, that doesn't mean that it takes six days for a storm to travel from Seattle to New York. What it means is that all the weather patterns associated with a particular type—both surface and aloft, the whole system—take six days to come across the country. In the winter some of them move a little faster, and in the summer a little slower, so he just averaged it out to six days. He catalogued all these types and gave them symbols: A, B, C, D, EH, EM, EL, and so on.

He was then able to predict that weather starting on a particular day would be a certain type, and merely go to his book and look up, for example, what an EM winter does to Boise, Idaho; New York City; New Orleans, Louisiana; or, Tampa, Florida. If you don't understand what went into that book, if you don't believe in his technique, you're lost. I believe in it. I've seen it work. I can use it. But if I were to give one page of that book to any five other meteorologists—just as it is, without any information on how the maps were put together—and say to them, "Make me up forecasts based on these maps," the chances of their preparing a forecast similar to mine are very, very slim because they don't know what went into the book.

COMMODITIES. Your theories are based on past histroy, then. Do you look for similar weather cycles?

BARNES. No. That's called an "analogue." Dr. Krick's forecasts are based on history, but projected into the future. For example, a particular weather "type" occurs X number of times after a certain one. So, if you have this one to start with, this one will follow, followed by this one and followed by that one.

COMMODITIES. You mean that if you have a wet spring a dry summer will follow . . . that sort of thing?

BARNES. No. That has nothing to do with it. We're talking about six-day weather patterns. An E is followed sometimes by a B North, and sometimes by an A; his computer has calculated these probabilities. Then you take the book and interpret the forecast for those types. After you've done your interpretation, you ask yourself, "When did we last have a weather type like this, at this time of the year?" And then you look back and see what happened.

COMMODITIES. So, what Dr. Krick has done is predict the weather into the future *ad infinitum*, saying these weather "types" follow one another across the country in a predictable pattern, and that these patterns make up cycles, and that the cycles repeat themselves over and over. All you have to do is identify a certain type, and then interpret, in terms of weather, what the appearance of that particular type portends for a particular region, and you have your forecast. Knowing the pattern these types follow in their appearance is what allows you to make forecasts far into the future. Is that correct?

BARNES. Right.

COMMODITIES. What have you done beyond what you learned from Dr. Krick?

BARNES. Each observer adds something of himself to the equation. Everyone interprets the maps a little bit differently. Remember, they are for "ideal" conditions, and conditions are rarely ideal.

COMMODITIES. And the work with sunspots? Is that something you learned with Dr. Krick, too?

BARNES. No, that's work I've done with someone else. We started in 1969.

COMMODITIES. And, you're finished now?

BARNES. We're not through a complete cycle yet. The cycles run 11 years.

COMMODITIES. How many people did Dr. Krick teach to use his system?

BARNES. I don't know. I don't think there are half a dozen of us using it commercially, the way I am, in the country.

COMMODITIES. For the record, why are other forecasters saying the chances of a repeat of last year's weather are one in 50?

BARNES. There are probably a lot of reasons for it. The most important is that there are not that many forecasters who have been delving into long-range forecasting for very long. I'm fortunate to have been associated with a group which has the techniques. I don't know the methods being used by others, the same as they don't know the methods we're using. When you have a technique that works, you don't talk about it. There are many in the profession who say that people like myself should publish their work so it can be verified. But, does Macy's tell Gimbel's their secrets? Of course not. And I'm not going to tell mine.

COMMODITIES. Getting back to the drought question, there's another aspect of it we haven't talked about yet, and that is what the effect will be on cattle. There are seven-per-cent more cattle on grass than there were a year ago.

BARNES. You've also got a lack of grassland, particularly in the Texas area. You see that report every week.

COMMODITIES. Well, the speculation is that if we have a hot, dry summer those cattle will be forced to slaughter, because rangeland conditions will be poor and feed prices will be going up. On the other hand, average weather might result in those cattle remaining on the range. Do you think range conditions are going to be that good?

BARNES. I'm afraid not. This spring they'll be fairly good, but I don't see that condition continuing into the summer. This summer could be as bad, if not worse, than last year. I've had people call me for forecasts in the last two or three months regarding that same concern—not so much for spring and summer, but for the winter, particularly in Texas and Oklahoma, the Panhandle region.

COMMODITIES. You mean next winter?

BARNES. No, this past winter. What we're going through right now. They asked whether or not they should buy cattle in the Texas Panhandle area January 1 of this year. The question was, would they be able to get them up to 1100 pounds by April 1? I look at it strictly from a weather point of view, of course. And, my own personal opinion is you'd be better off at a blackjack table at Las Vegas. At least at the blackjack table you've got two cards in your hand. I mean, I would personally feel more confident in wheat . . . corn . . . soybeans. There you're dealing with Mother Nature. There are a lot of factors that go into cattle prices that have very little to do with weather.

COMMODITIES. Well, you get people involved in the grains, too. They decide what they'll plant and when. . . .

BARNES. That's true. But, you have to remember that once it is planted, or the attempt is made to plant, the weather is going to make or break that particular commodity.

COMMODITIES. Okay, let's move on to something you can plant. What about the cotton situation? What will the weather be like when the farmers in the Southeast and the Delta regions go to plant their cotton?

BARNES. They'll have problems planting. But once it's planted, particularly from Louisiana east, it will be in pretty good shape. Texas will have problems.

COMMODITIES. You see excessive rainfall?

BARNES. Yes—rainfall, thunderstorms, tornadoes. Spring is a tough time for the Gulf Coast. Another thing you have to take into consideration is the condition of the planting land, particularly if you have a lot of snow up to the north, through the Ohio and Mississippi rivers. When you get down close to the Delta region, you have flood possibilities. I can't forecast if there's going to be flooding, but I can forecast the *potential* for flooding. Take the northeastern U.S. Many people are happy that New England has had a pretty good snowfall from around the third week of January on. The skiers are ecstatic. They're finally having a good season after three years of virtual disaster. But I look at it from another point of view. What about the spring run-off? Suppose, God forbid, you have heavy snow cover combined with a rapid warming trend and heavy rainfall. What follows are floods, loss of homes, and maybe the loss of tobacco land down through the Connecticut River valley and other parts of New England. So, while some people enjoy all of this, there are other ramifications. The same is true with cotton. How much snow will there be in the Ohio Valley when the melting starts? Will there be the combination of melting and heavy rain? What will be the status of the river downstream? Those answers I don't have. That is something you have to go back to short-range forecasting for.

COMMODITIES. You have an idea how much snow there's going to be in the northern states?

BARNES. I have a pretty good idea. But, then you get into a situation where you have two or three days of 35- or 40-degree temperatures and some of it melts. That you can't forecast long-range. You have a hell of a time forecasting it the day before. There are limitations to what a long-range forecaster can do, and that's one of them. We can just give a general opinion of what we expect is going to happen, and set up certain criteria for everyone to be looking for.

COMMODITIES. You've told us the type of forecasting you do, and I think everyone's familiar with the type they get on the evening news. What other kinds of weather forecasts are there?

BARNES. You can buy several kinds of forecast services. You can buy a forecast service that tells you what's going to happen today, tonight, tomorrow, and a couple days ahead. You can buy a forecast service for a month in advance, with a general outlook of what's going to happen beyond that. There are some people in weather-forecasting who are able to pinpoint certain dates for major events. They also can extend it out several months ahead. There's one thing I'd like to mention about this business. You have to be enthusiastic about your product. I believe in my product. I believe that when my forecast is wrong, God has slapped me on the knuckles and said, "Let's slow down. I'll teach you a certain amount about this show I'm running, but you're not going to know everything."

COMMODITIES. What does your service cost?

BARNES. It depends. If you have a situation where, say, in the agricultural or plains states for a corn or wheat crop . . . for someone who wants to buy a service for the planting, growing, and harvesting seasons, which is about six- or seven-month period. In that case, long-range, plus monitoring and consultation would run a minimum of $50,000.

COMMODITIES. What should a commodity speculator look for this spring? Are there any telltale signs the ordinary man on the street could identify?

BARNES. I don't like to give advice on that for this reason: It can be misinterpreted. And this is particularly true since this magazine is read by others than professional forecasters. I would hate to say, "Buy Maine potatoes," or "You should go long wheat." Other events can take place, non-weather events can take place, non-weather events, and they can hurt. My barber keeps saying to me, "Should I buy a couple of contracts of potatoes?" And I say to him, "You know, Joe, I'm not going to tell you what to do." However, when it comes to professional organizations or commodity groups it's different. But, here again, I don't tell them *what* to do. I say, "Here is the weather forecast. Here is how I think the weather is going to affect these crops."

COMMODITIES. Do you do world forecasts?

BARNES. Not forecasts, no. I have not had any requests for them. I have had requests for world weather information, though, and on April 1 I'm going to be in a position to give detailed information every day for just about every place in the world.

COMMODITIES. Well, you've certainly given us a whale of a good story. Thank you.

BARNES. Not at all. It's been my pleasure.

INFLATION-IN-RECESSION

Mr. ABOUREZK. Mr. President, one hears lately that our phenomenal inflation is due to the price charged for imported oil. But the nature of this inflation-in-recession cannot be explained simply by scapegoating, by blaming the cost on imports alone. It is the organization and structure of the American economy to which we must look to for an explanation. Part of this structure involves the domination of markets by a few firms in many industries. These respond neither to the laws of supply and demand, nor to general market tendencies.

A description of the role of these companies in the current inflation was given at a Council on Wage and Price Stability conference on April 14, by Gardiner C. Means, an economist. Means' statement showed that almost half the current inflation is traceable to price increases in concentrated industries—industries in which four companies do at least one-fourth of the business. I ask unanimous consent that the relevant portion of Mr. Means' statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

ADMINISTRATIVE INFLATION AND RECESSION IN 1974–75

Next we must ask: to what extent has administrative inflation contributed to the current inflation?

As we all know, this particular inflation is a highly complex affair. It is easy to point to the oil cartel and its inflationary effect as higher fuel prices work their way through the economy. It is easy to point to the increased cost of imported raw materials. We cannot point to demand inflation because demand has been declining. We cannot point to a wage-push inflation because real wage rates have been going down faster than real productivity. And while farm prices rose sharply in the two years prior to 1974, they have been falling during the last year. This leaves us with the oil cartel and imports as the most obvious sources. Did administrative inflation also contribute significantly?

In order to throw light on this question, I have prepared a chart showing four indexes—farm products, fuel and related products, a weighted index for six concentrated industry groups and a weighted index of two competitive industry groups. Together these four indexes include nearly 70 percent of the total weight of the BLS wholesale price index. Excluded are foods, chemicals, furniture and household durables and miscellaneous which tend to be mixtures of competitive and concentrated industries. The index for lumber and wood products was also omitted because it reflects special problems of the housing industry. It shows even more marked cyclical behavior than the competitive industries that are included.

What is of immediate importance is the behavior in the last year of the indexes for the concentrated industry groups and the competitive groups. The former index has forged ahead, rising 23 percent since the first quarter of 1974, while the competitive industry index is hardly higher than a year ago. Farm prices have also fallen in that year as have the prices of lumber and wood products. Thus in that year, we have been having inflation from the oil cartel and from the rise in the concentrated industry prices, but a net decline in the competitive industries. I believe that an intensive study of the inflation in recession of the past twelve months would show that something like a half of the wholesale price rise should be attributed to the direct and indirect effects of the oil cartel and most of the rest to administrative inflation. The price effect of the oil cartel is in the nature of a one-shot effect such as occurs when a competitive industry is monopolized. In the absence of government efforts to raise the price of gasoline and other oil products, we could expect the inflation effect of the cartel to reach a plateau. But the forces making for administrative inflation in the concentrated industries appear likely to continue. The steady 4.7 percent rise of the price index for the concentrated industries from the time that government dropped all price restraints at the beginning of 1969 to the price freeze of August 1971 was more than cut in half during Phases I and II. But under Phases III and IV it was renewed at an accelerating rate. With no restraint over prices in the concentrated industries we are likely to have continued strong single-digit inflation in a large part of industry whether we have a continued stagnation, a deepening depression or a recovery restricted by inflation.

AUTHORITY OF THE PRESIDENT TO USE THE ARMED FORCES IN DEFENSE OF AMERICAN LIVES, LIBERTY, AND PROPERTY

Mr. GOLDWATER. Mr. President, on more than one occasion during the recent Senate consideration of the supporting legislation which President Ford requested in order to demonstrate national unity in the evacuation of American citizens and endangered Vietnamese from South Vietnam, there has been inserted in the Record a memorandum which is cited as authority for the proposition that the President lacks authority to use the Armed Forces to evacuate citizens of South Vietnam from that country under hostile conditions or in a situation where hostilities are likely. In my opinion, the President was wise to request the participation by Congress in a military operation which is of great importance to this Nation and its credibility around the world, but I want to correct the erroneous arguments that have been presented in Congress, during our lengthy and incomplete deliberation on the evacuation matter, to the effect that the President lacked authority to carry out the operation upon his own initiative.

In the first place, I am not entirely sure that the memorandum which is addressed to this question actually contradicts the view that the President has the independent power under the Constitution to use the Armed Forces of the United States to evacuate from South Vietnam citizens of South Vietnam in the process of bringing Americans out of the area. The paper recognizes that practice may over the years raise a presumption that a constitutional power exists and it implicitly finds that Presidents have engaged in a constitutional course of action which "has been characterized by uses of the Armed Forces connected with and required for the protection of an immediate, identifiable interest of the United States, as in the case of citizens of the United States or members of the Armed Forces threatened by hostilities."

That is exactly the situation that was recently at hand in South Vietnam. The President took under his own hands the protection of an immediate, identifiable interest of the United States, the evacuation of American citizens whose lives and safety were endangered. In connection with the withdrawal of Americans, the President also provided for the evacuation of many South Vietnamese as well. The one was tied to the other.

The memo may stand for no more than the conclusion that the President may not, on his separate authority, constitutionally use the Armed Forces to evacuate foreign nationals in hostile situations where this is the sole and distinct purpose of the operation. For example, the paper does not expressly state that the President may not authorize the evacuation of the South Vietnamese spouses of Americans at the same time as these Americans are withdrawn.

In any event, the memorandum is addressed to a narrow legal point and does not meet the constitutional points which I have been raising in support of the President's defense functions during the current proceedings and while we were acting on the war powers resolution.

In summary of the constitutional position which I have taken, I will insert today in the Record a legal brief which contains a thorough discussion of the issues involved. This paper sets forth the basis for the President's separate constitutional authority to use the Armed Forces in defense of American lives, liberty, and property. It is not answered by the brief conclusions stated in the memorandum prepared for the Senate Committee on Foreign Relations for the following reasons:

First. The memorandum does not cite one judicial decision in support of its conclusions.

Two. The memorandum does not distinguish or explain seven Supreme Court decisions which may point to judicial endorsement of a broad view of the President's warmaking authority.

Third. The memorandum fails to discuss two Supreme Court cases which have upheld the President's independent exercise of a constitutional power based upon long years of practice, even though such practice had often been the subject of congressional criticism in the past.

Fourth. The memorandum does not examine the sources of the President's constitutional war powers which are raised on behalf of Presidential action.

Fifth. The memorandum fails to cite any source of power for Congress to regulate or limit the independent powers of the President.

Sixth. The memorandum fails to discuss the possibility of a conflict between the exercise by the President of his constitutionally independent power and a statute of Congress which purports to restrict or prohibit such exercise of power.

Seventh. The memorandum fails to devote one word to the intent of the Founding Fathers of the Constitution, as determined from a study of original 18th century materials.

Eighth. The memorandum fails to discuss the distinction between an "offensive" and a "defensive" war.

Ninth. The memorandum does not address itself to any of the several writings by constitutional authorities which conclude that the President occupies an entirely independent position in regard to use of the Armed Forces as a means of defending the vital interests of the United States.

Mr. President, I ask unanimous consent that a legal brief which does discuss the varied issues presented by the war powers subject and sets forth numerous citations to cases and both primary and secondary source materials be printed in the Record.

There being no objection, the brief was ordered to be printed in the Record, as follows:

CONSTITUTIONAL AUTHORITY OF THE PRESIDENT TO USE THE ARMED FORCES IN DEFENSE OF AMERICAN LIVES, LIBERTY, AND PROPERTY

(By J. Terry Emerson, Counsel to Senator Barry Goldwater)

I. SCOPE OF AUTHORITY OF PRESIDENT

The President has extensive and independent Constitutional powers to use the Armed Forces abroad in defense of United States' citizens, United States' property, and important national interests related to the Constitutional guarantees of the liberties and safety of the United States and its citizens.

The President may use force or the threat of force for these defensive purposes without a declaration of war and without policy restriction by Congress, even if such action involves a risk of introducing American forces into hostilities.

The kinds of defensive responses the President may take upon his own authority include, but is not limited to, the direct protection of United States citizens abroad, the evacuation of United States citizens from crisis areas, the protection of American commerce in international waters or airspace, and the defense or rescue of foreign citizens or interests whose welfare is directly tied to the durable safety of the United States and its citizens.

II. PRECEDENTS

For the first 184 years of our Republic, the Constitution has been interpreted as to permit United States Presidents to take defensive actions in response to, or anticipation of, foreign dangers to our citizens, property or security.

As early as 1798, John Adams unilaterally issued an order allowing American merchant vessels to arm without the approval of Congress, for defense against attacks by French war ships. 8 Annals of Congress 1271. This was questioned in the legislature on the grounds that if the President could take the measures which he had taken, "He, and not Congress, had the power of making war." 8 Annals of Congress 1324.

The Congress debated the matter extensively, but rejected any legislation that would regulate the President's action. The House also defeated amendments which proposed to limit the manner in which the President could employ an enlarged naval force Congress established. (See votes at 8 Annals of Congress 1459, 1462, 1521.) From the printed debate in the House of Representatives, it is clear that Congress distinguished between offensive and defensive military measures, recognizing that the President can take proper actions for the defense of the country, without restriction by Congress and without a declaration of war. 8 Annals of Congress 1325, 1330.

The Speaker of the House, Mr. Dayton, argued that the President, as Commander-in-Chief, was the official "whom the Constitution has made exclusively the judge of employing the armed vessels of the United States wherever he thought the common defense and general welfare required." 8 Annals of Congress 1410, 1454–55.

The President was also supported by Congressman Sewall, who ridiculed the idea that, "Our citizens going without the territory of the United States are to be no longer objects of our attention" and "were to be abandoned to the elements or to the hostility of mankind, wherever they went." 8 Annals of Congress 1457–58.

This view of the President's primary responsibility for the public safety has been followed by nearly every President since. Only three years later Thomas Jefferson sent into the Mediterranean, on his authority, a squadron of four ships with instructions that should hostilities be commenced by the Barbary powers before its arrival, "this force will be immediately employed in the defense and protection of our commerce. . . ." His orders provided that pirate attacks against our shipping will be "repelled and punished." It was only after actual fighting had erupted that Jefferson came to Congress for support. II *American State Papers, Class I, Foreign Relations*, at 347–48.

An erroneous conception has grown up that Jefferson did not authorize the use of force before obtaining Congressional concurrence, but his actual instructions prove that Jefferson on his own directed force to be employed to repel and punish attacks upon our private commercial ships. It is only because the Naval Commander on the scene was hesitant to take vigorous measures that more serious battles did not occur than actually did prior to subsequent Congressional collaboration in the matter.

Even President Buchanan, cited in a recent report by the Senate Committee on Foreign Relations as acknowledging the war power of Congress, risked a confrontation with Great Britain by ordering, upon his own authority, a naval force "to protect all vessels of the United States on the high seas from search or detention by the vessels of war of any other nation." A conflict was avoided at the last moment when Great Britain abandoned, under this pressure, her claim to the right of boarding and searching our merchant vessels. Berdahl, C., *War Powers of the Executive in the United States*, at 51 (1921).

Prior to our official entry into World War II, President Roosevelt, without consulting Congress, sent troops to occupy Greenland and Iceland and ordered United States warships to protect the British lifeline in the Atlantic. He believed that a Congress which had extended the draft in the same year by barely a single vote could not be counted upon to authorize these actions at the time they were needed. (See testimony of Arthur Schlesinger, Jr., *Hearings on War Powers Legislation Before the Subcommittee on National Security Policy and Scientific Developments of the House Committee on Foreign Affairs*, 93d Congress, 1st Session, at 167 (1973).)

American marines evacuated United States citizens from Communist-encircled Shanghai in 1949; from the Tachen Islands of China in 1954 and 1955; from Alexandria, Egypt, during the 1956 Suez crisis; from the Congo in 1964; and from the Dominican Republic in 1965. Thousands of foreign citizens were brought out as well, in connection with these operations.

According to a documented study by the office of Senator Goldwater, Presidents have so deployed troops into crisis areas and used force or the threat of force for defensive purposes, on more than two hundred occasions since the founding of the Republic without any prior declaration of war. These events show a consistent and growing practice by which Presidents have responded to foreign threats with the force they believed was necessary, and technologically available, in the particular moment of history. (See Emerson, J. Terry. *War Powers Legislation*, 74 W. Va. L. Rev. 53, 367 (1972), Appendix A, as reprinted with supplementary data in *Hearings on War Powers Legislation, supra*, at 328).

Although these measures have been reviewed and debated in Congress many times, not once before the 1970's had Congress approved any legislative proposals to halt or prohibit any such defensive action. (See discussion of several such debates in Congress set forth in Goldwater, *The President's Ability to Protect America's Freedoms—The Warmaking Powers*, 1971 Law and the Social Order, at 426–429.)

III. CONSTITUTIONAL SIGNIFICANCE OF PRECEDENTS

Usage was decisive in resolving an early separation of powers issue between two of the three great branches of government. In 1802, the Congress enacted a Judiciary Act which continued the former practice of the Justices riding circuit. Chief Justice Marshall promptly wrote letters to the Associate Justices stating that he doubted the constitutionality of this provision upon the ground that the Constitution required separate appointments for holding circuit court. He suggested the possibility that his colleagues refuse to carry the law into effect. Yet with such a serious cloud of doubt over Congress' authority to require additional judicial duties of the Justices, especially without specific commissions to do so, the "Marshal Court" subsequently decided the issue on the principle of usage during the previous 15 years: "To this objection, which is of recent date, it is sufficient to observe, that practice and acquiescence under it for a period of several years, commencing with the organization of the judicial system, affords an irresistible answer, and has indeed fixed the construction." *Stuart v. Laird*, 1 Cranch 309 (1803); L. Baker, *John Marshall*, at 378–381. (Marshall did not participate.)

Usage has also been accepted by the Supreme Court on at least two occasions as a basis for rejecting Congressional attempts to reverse its earlier ideas of Executive authority.

In *United States v. Midwest Oil Co.*, 236 U.S. 459, 473 (1915), the Court approved the validity of a long continued practice of the President to withdraw public land from private acquisition even though this conflicted with a statute by Congress which made such lands free and open to occupation and purchase.

That practice fixed the construction, the Court explained "is not reasoning in a circle but the basis of a wise and quieting rule that in determining the meaning of a statute or *the existence of a power*, weight shall be given to the usage itself—even when the validity of the practice is the subject of investigation." *Id.*, at 472, 573. (emphasis added)

A decade later the Court again relied on usage as a basis for rejecting Congressional control over the Presidency. In holding that Congress could not alter 73 years of prior practice and start setting conditions on the removal by the President of executive officers, even though such practice had often been the subject of bitter controversy in the past, the Court ruled:

"Nor can we concur . . . that when Congress, after full consideration and with the acquiescence and long practice of all the branches of the Government, has established the construction of the Constitution, it may by its mere subsequent legislation reverse such construction. It is not given power by itself thus to amend the Constitution." *Myers v. United States*, 272 U.S. 52, 152, 17 (1926).

These two cases closely parallel debate over the military command powers. Here there are over a hundred years of practice in which Presidents have reacted on their own initiative to any crisis which they believed might present an unacceptable threat to the national safety. Many Presidents have been questioned from the floor of both Houses for taking these strong military actions. But Congress has never once before the 1970's passed a law prohibiting, or ordering a halt to, any of these conflicts. Congress cannot now, after full consideration and acquiescence for almost two centuries, reverse the construction of the Constitution which has become so firmly set.

This concept does not give an unrestrained power to the President to do anything he wants. The President cannot conduct a war of aggression. He cannot bully another country with threats of armed action simply because we do not like its tariff policies or the way it governs its internal affairs. His Constitutional power of independent action is limited to the defense of our country, its citizens, and its freedoms; but he may act whenever and wherever in his judgment a danger exists, imminently or prospectively, which he believes compels a response on our part.

IV. CONSTITUTIONAL SOURCE OF PRESIDENT'S POWERS

But the President need not rely upon practice to establish his authority. The basic source of his power rests in the Constitution itself.

First, the opening sentence of Article II of the Constitution reads: "The Executive power shall be vested in a President of the United States of America." This is not a passive grant, but includes the traditional power of protecting the national safety that has been historically recognized by the law of nations as a right of the Executive

For example, an edition of Vattell widely circulated among leaders of the American Revolution by Benjamin Franklin, states the rule that the Executive ought "to watch for the nation, and take care to preserve it . . . and to secure it, as far as possible, against everything that threatens its safety or its happiness. Hence all the rights which a nation derives from its obligation to preserve and protect itself . . . reside in the [Executive.]" Vattell, *The Law of Nations*, at 14, 15 (1863 reprint).

Second, the President is "the sole organ of the nation in its external relations, and its sole representative with foreign nations." At least six sitting members of the Supreme Court have accepted this description of Executive power by John Marshall and interpreted it to mean that the President has "*primary* responsibility for the conduct of foreign affairs." (Marshall's quote, while a Member of the House of Representatives, is cited approvingly in *United States v. Curtiss-Wright Export Corp.*, 299 U.S. 304, 319, 320 (1936).)

Justice Stewart, joined by Justice White, state the Constitution endows the President with "a large degree of *unshared* power in the conduct of foreign affairs and the maintenance of our national defense. . . ." *New York Times Co. v. United States*, 403 U.S. 713, 729 (1971). (emphasis added)

Justice Blackmun states: "Article II of the great document vests in the Executive Branch primary power over the conduct of foreign affairs and places in that branch the responsibility for the Nation's safety." *Id.*, at 761.

Justice Thurgood Marshall adds "it is beyond cavil that the President has broad powers by virtue of his primary responsibility for the conduct of our foreign affairs and his position as Commander-in-Chief," *Id.*, at 741.

Chief Justice Burger, joining Justices Harlan and Blackmun, describes executive power as one of "Constitutional primacy in the field of foreign affairs. . . ." *Id.*, at 756.

Justice Rehnquist, joined by Chief Justice Burger and Justice White, speak of "The primacy of the Executive in the conduct of foreign relations" and "the lead role of the Executive in foreign policy," in *First National City Bank v. Banco Nacional De Cuba*, 406 U.S. 759, 767 (1972).

Third, section 2 of Article II designates the President as "Commander-in-Chief." This power has been traditionally defined to encompass "the conduct of all military operations in time of peace and of war, embracing control of the disposition of troops, the direction of vessels of war and the planning and execution of campaigns . . ."

The quoted description is by Professor Quincy Wright, one of the foremost authorities of this century on the law of nations. Wright, *Validity of the Proposed Reservations to the Peace Treaty*, 20 Colum L. Rev. 121, 134 (1920).

Also see *United States* v. *Sweeney* in which the Supreme Court states that "the Commander in Chief power confers upon the President such *supreme* and *undivided* command as would be necessary to the prosecution of a successful war." 157 U.S. 281, 284 (1895). (emphasis added)

Contrary to assertions that the Commander-in-Chief power has been cited only recently as a functional base for the President's authority to use force "in such manner as, in his judgment, the public good . . . might require," this view was specifically argued and accepted by votes in Congress as early as 1798. (See debates in House of Representatives, 8 Annals of Congress 1269, 1410, 1445, 1447–48, 1451, 1454–55, 1457–58, 1477, 1521.

Fourth, section 3 of Article II vests with the President the duty and right to "take care that the laws be faithfully executed." The Supreme Court has construed this power to include enforcement not only of statutes and treaties, but also of "the rights, duties and obligations growing out of the Constitution itself, our international relations, and all the protection implied by the nature of the government under the Constitution." *In re Neagle*, 135 U.S. 1, 64 (1889).

V. INTENT OF THE FOUNDING FATHERS

However much the Founding Fathers may have wished to avoid foreign troubles, they recognized that the nation cannot be safe if its defensive capabilities are shackled by unrealistic rules. It must be remembered that the Framers had witnessed at firsthand the inefficiency of the Continental Congress in the management of military affairs during the War of Independence. Of the fifty-five framers who attended the Constitutional Convention, no less than thirty had performed military duty in the Revolution.

These Framers knew that at the time of the American Revolution Congress had possessed the powers both of an executive and legislature, jointly. They knew that the directives of Congress had interfered with Washington's operations and very nearly caused disaster.

For example, a prominent military historian writes:

"The amount of harm, caused by the unwise military control usurped by Congress, can only be measured in terms of the appalling sufferings of the American soldiers at Valley Forge. . . ." T. Frothingham, *Washington, Commander in Chief*, at 234 (1930). Also, see Dr. David Watson, *The Constitution of the United States*, at 912 (1910).

The Framers also held fresh memories of Shays Rebellion, in which Governor Bowdoin of Massachusetts had been required to single-handedly call out the militia and raise an army to restore order, before the reluctant and divided legislature could be moved to action. (See M. Starkey, *A Little Rebellion*, at 49, 186 (1955). See also Governor Bowdoin's explanation to the legislature of the necessity for "speedy and vigorous measures" pursuant to the independent powers vested in him by the Constitution of the Commonwealth reprinted in "Boston Gazette" of February 5, 1787.)

The Founding Fathers also had before them the example of recently established State Constitutions, such as that of Massachusetts, which conferred far broader defense powers upon the State Executives than had the earlier Charters adopted in the immediate aftermath of the Revolution. Eight Constitutions had been completed in the year of independence and two royal charters had been adopted in the same year as the basis of government. The following year was marked by the adoption of three more Constitutions. These Charters generally provided for a weak Executive. (See Poore, *The Federal and State Constitutions, Colonial Charters and other Organic Laws of the United States*, Parts I and II.

But in the following decade of the 1780's, two of the original thirteen States, Massachusetts and New Hampshire, turned away from these principles and framed new Constitutions which alloted strong military defense powers to the Executive. The fact that the last two Constitutions promulgated in the Revolutionary period vested the greatest military powers with the Executive of all the thirteen State Charters provides additional evidence of the trend in political thinking that was gaining acceptance by the date of the Constitutional Convention of 1787.

Experience had by then established the truth of the position that nothing short of conferring an independent power in the Chief Executive for defense of the Nation's safety will secure to the country a rational prospect of escaping the loss of its freedoms. Thus, the Framers designated the President to be Commander-in-Chief.

In the words of Charles Evans Hughes:

"The prosecution of war demands in the highest degree the promptness, directness and unity of action in military operations which alone can proceed from the executive. This exclusive power to command the army and navy and thus direct and control campaigns exhibits not autocracy but democracy fighting effectively through its chosen instruments and in accordance with the established organic law." Hughes, *War Powers Under the Constitution*, 85 Cent. L.J. 206 (1917).

Those who would dwell upon the concern of the Founders with a King would do well to study the fear of our forefathers with an unregulated Congress. James Wilson instructed his law class in 1790 that "[t]o control the power and conduct of the legislature by an overruling constitution, was an improvement in the science and practice of government reserved to the American States." *Wilson's Works, Vol. III*, Lorenzo Press, Phila., 1804, P. 292.

See also Jefferson's portrayal, quoted in the Federalist 48, of Congressional government as the equivalent of "despotic government."

In Jefferson's words: "It will be no alleviation that these powers will be exercised by a plurality of hands, and not by a single one. One hundred and seventy-three despots would surely be as oppressive as one."

Consistent with this theme is the remarkable study of history published by John Adams in 1787, which was much circulated at the Constitutional Convention and undoubtedly contributed to the opinions of the members. This work, Volume I of *A Defense of the Constitutions of Government of the United States of America*, argued:

"If there is one certain truth to be collected from the history of all ages, it is this; that the people's rights and liberties, and the democratical mixture in a constitution, can never be preserved without a strong executive, or, in other words, without separating the executive from the legislative power." (See pages 275–76, 290 (1851 reprint of edition of 1787).)

If the Framers, contrary to this concern with vesting excessive power in the legislature and contrary to their recognition of the inadequacies of the legislature in deliberating upon and conducting defensive war, meant to provide Congress with the entire panoply of war powers—the sole power to decide when to employ the Armed Forces, the power to compel a halt to any military activity already begun, the power to define or limit the geographical areas where the forces shall be deployed and even to set numerical ceilings upon deployments in specified areas—they certainly had a perfect model before them in the Articles of Confederation. Article IX of the Confederation conferred upon the Continental Congress the "exclusive right and power of determining on peace and war."

The fact the Constitutional Convention turned away from this clear-cut language, voting *not* to give Congress the power to make "peace" and changing the power of "determining on" war to the mere power "to declare" war, is conclusive evidence that the Framers intended the legislative branch to have less authority over military matters than it possessed under the Articles, not the same extent of powers and certainly not the all-inclusive, superior powers claimed for it as authority to enact the War Powers Resolution.

Another contemporary model the Framers could have followed, but did not, was Article 26 of the South Carolina Constitution of 1776, which specifically restrained the governor by prescribing that the "Commander-in-Chief" shall have no power to make war or peace, or enter into any final treaty, without the consent of the general assembly." In other words, if the Framers meant to make the Executive no more than the "agent" of the legislature in matters of military affairs, why did they not say so in clear words of the kind they had available for use?

VI. THE POWERS OF CONGRESS DISTINGUISHED

In the famous book which first formulated the war powers of this country, William Whiting wrote:

"Congress may effectually control the military power by refusing to vote supplies, or to raise troops, and by impeachment of the President; but for the military movements and measures essential to overcome the enemy—for the general conduct of the war—the President is responsible to and controlled by no other department of government." W. Whiting, *The War Powers of the President* 82 (2d ed. 1862).

Whiting added that the Constitution "does not prescribe any territorial limits, within the United States, to which his military operations shall be restricted." *Id.* at 83.

Dr. John Pomeroy, then Dean of the University of New York Law School, emphatically rejected the idea that "the disposition and management of the land and naval forces would be in the hands of Congress. . . ." "The Policy of the Constitution is very different," Pomeroy instructs. The Legislature may "furnish the requisite supplies of money and materials" and "authorize the raising of men" but "all direct management of warlike operations . . . are as much beyond the jurisdiction of the legislature, as they are beyond that of any assemblage of private citizens." J. Pomeroy, *An Introduction to the Constitutional Law of the United States* 288, 289 (1870).

Professor Clarence Berdahl, who published a comprehensive study of the Executive's war powers in 1921, squarely tackled this issue. He concluded:

"Although there has been some contention that Congress, by virtue of its power to declare war and to provide for the support of the armed forces, is a superior body, and the President, as Commander-in-Chief, is 'but the Executive arm . . . in every detail and particular, subject to the commands of the lawmaking power,' practically all authorities agree that the President, as Commander-in-Chief, occupies an entirely independent position, having powers that are exclusively his, subject to no restriction or control by either the legislative or judicial departments." C. Berdahl, *War Powers of the Executive in the United States* 116, 117 (1921).

Professor Willoughby, author of a famous multi-volume study on Constitutional law, agreed with this position. He wrote that the power of the President to commit troops outside the country "as a means of preserving or advancing the foreign interests or relations of the United States" is a "discretionary right constitutionally vested in him, and, therefore, not subject to congressional control." 3 W. Willoughby, *The Constitutional Law of the United States* 1567 (2d ed. 1929).

Congress has great powers over military matters. It controls the size and the strength of the Armed Forces and the amounts and kinds of materials with which we can wage war. Congress can provide or refuse a multitude of emergency powers involving foreign trade and strategic materials. Congress can approve or reject treaties or area resolutions having defense implications. Ultimately, the impeachment power is available if a President should commit an irresponsible abuse of a Constitutional discretion.

But once Congress has made its decisions of how many men shall be enlisted, or what arms constructed, the President may station those forces and send out those arms to such parts of the world as he determines appropriate in the national defense. The Constitution gives the President the authority to protect American rights and interests abroad and Congress cannot by mere legislation redefine the allotment of powers made by the Framers.

VII. THE DECLARATION OF WAR POWER IS NOT THE EXCLUSIVE WAY THE UNITED STATES CAN WAGE WAR

The idea that the only way this nation can go to or wage war is by a declaration is a myth. The vast majority of wars are begun without any declaration. This was as well known to the Founding Fathers as it is to us today.

In the 87 years preceding the Constitutional Convention, 38 wars were held in the Western World and only one of them was preceded by a declaration. Maurice, *Hostilities Without Declaration of War* 12–27 (1883). That the Founders knew of this condition is proven by Hamilton's statement in the Federalist No. 25 that declarations of war were already in disuse in the Eighteenth Century.

The Founding Fathers also recognized what was then a well-known distinction in the law of nations between an "offensive" and a "defensive" war. By the law of nations a declaration of war is *not* required for "defensive" war. Vattel, *The Law of Nations*, at 303 (1863 reprint of 1767–1775 edition); Grotius, *On the Law of War and Peace*, at 184 (1925 reprint of edition of 1646); Wolff, *The Law of Nations*, 314, 368 (1934 reprint of edition of 1764).

Thus, there is no question that when the Constitutional Convention narrowed the authority of Congress by substituting "declare" for "make" in the declaration of war clause, the Framers understood that there had been and might continue to be many instances in which hostilities would occur with no declaration. To argue that no defensive military operations can begin without a declaration by Congress is to ignore the historical setting in which the Constitution was drafted.

VIII. CONGRESS CANNOT PASS LAWS UNDER THE "NECESSARY AND PROPER CLAUSE" WHICH USURP THE PRESIDENT'S POWER AS COMMANDER IN CHIEF

Congress cannot restrain Presidential defensive operations under the guise of the "necessary and proper" clause of Article I. As Whiting counseled President Lincoln, Congress is "bound to pass such laws as will *aid* him" in carrying into execution his military powers. Thus, Congressional measures under the "necessary and proper" clause must be supplementary to and in aid of, the functions of the President as Commander in Chief; they cannot restrict his exercise of those functions.

That this is the correct interpretation of the Constitution is clear from the decision of the Supreme Court in *Myers v. United States*, 272 U.S. 52 (1926), where the Court held that Congress could not limit the President's discretion of removal of executive officers even though Congress itself created those offices. Chief Justice Taft, writing for the Court, emphasized that Congress cannot vary the exercise of the President's separate power. This, he said, "would be a delegation by the [Constitutional] Convention to Congress of the function of defining the primary boundaries of another of the three great divisions of government." *Id.*, at 127.

The Court also took a restrictive view of the necessary and proper clause in *Kinsella v. Singleton*, 361 U.S. 234, 247 (1960). Here it held the Clause "is not a grant of power," but merely removes uncertainty that Congress may implement the powers *otherwise* vested by the Constitution.

Neither can Congress use its power of the purse to legislate policy restrictions over the conduct of the President's defense powers. This would be placing "the keys of the Treasury and the command of the army into the same hands," something that Madison rejected in the Federalist No. 37 as being "particularly dangerous" and therefore unintended by the Constitutional Convention.

Thus, legislative measures such as the War Powers Resolution, are not Constitutionally binding on the President. In the words of the Department of State: "It is the Department's opinion that Section 2(c) [of the Resolution] does not constitute a legally binding definition of the President's Constitutional power as Commander-in-Chief. . . .

"There are, of course, fundamental questions whether such legislation could, even if so intended, limit the Constitutional authority of the President." Letter of Marshall Wright, Assistant Secretary of State for Congressional Relations, to Senator Thomas Eagleton, dated Nov. 30, 1973.

IX. NO DECISION OF THE SUPREME COURT HAS EVER ORDERED THE PRESIDENT TO HALT ANY ONGOING MILITARY ACTION

There is very little case law on point. But the Supreme Court has never directed any President to stop an ongoing defense operation. When Supreme Court Justice William Douglas ordered a stop to the American bombing of Cambodia in August of 1973 the eight other members of the Court promptly overturned his decision.

Three early decisions that are sometimes cited in connection with the powers of Congress arose out of captures of ships during the undeclared Naval War of 1798 to 1800 between the United States and France. But these cases squarely involved the power of Congress "to make Rules concerning Captures on Land and Water," and did not turn on the respective roles of Congress and the President in the defense of the Nation and its vital interests. *Bas* v. *Tingy*, 4 U.S. 36 (1800); *Talbot* v. *Seeman*, 5 U.S. 1 (1801); and *Little* v. *Barreme*, 6 U.S. 170 (1804).

Another case cited in support of Congressional restrictions on the President's use of force is *Ex parte Milligan*, in which the Court held that neither Congress nor the President could impose martial law in a State which had been loyal to the Union during the Civil War. This case in no way restricts the authority of the President to use troops abroad in defense of American interests.

In fact, a concurring opinion by Chief Justice Chase joined by three Justices, states that Congress cannot interfere "with the command of the forces and the conduct of campaigns. That power and duty belong to the President as commander-in-chief." 71 U.S. 2, 139 (1866). (emphasis added)

A remaining decision relied upon by advocates of Congressional supremacy over the employment of the Armed Forces is the "Steel Seizure" case which arose out of President Truman's attempted takeover of the nation's major steel mills. Though the Court held, six to three, the President lacked authority on his own to take possession of private property, it is plain the Court's majority treated the case as a domestic issue far removed from matters of military action in a theater of war. *Youngstown Sheet & Tube Co.* v. *Sawyer*, 343 U.S. 579, 587 (1952).

Justice Jackson appears to have expressed the mood of the Court aptly when he wrote:

"We should not use this occasion to 'circumscribe,' much less to contract, the lawful role of the President as Commander-in-Chief. I should indulge the widest latitude of interpretation to sustain his exclusive function to command the instruments of national force, at least when turned against the outside world for the security of our society." *Id.*, at 645.

Accordingly, the "Steel Seizure" case has no relevance to the use of United States troops outside the country for the protection of American interests. The issue in that case was not the President's authority to conduct defensive actions, but the scope of his power over a clearly domestic matter—labor management relations.

On the other hand, occasional cases have pointed to judicial endorsement of the President's war-making authority. The following cases are pertinent:

(1) The *Prize Cases,* a Civil War case involving the legality of President Lincoln's blockade against the Confederacy, which was decided upon the ground that the President, acting alone, possessed a right to take military action "on the principles of international law, as known and acknowledged among civilized States." 67 U.S. 635, 671 (1863).

(2) *In re Neagle,* 135 U.S. 1, 64 (1889), in which the Court recognizes a power of the President to uphold "the rights, duties and obligations growing out of the Constitution itself, our international relations, and all the protection implied by the nature of the government under the Constitution."

(3) *United States v. Sweeney,* 157 U.S. 281, 284 (1895), in which the Court states that "the Commander in Chief power confers upon the President such *supreme* and *undivided* command as would be necessary to the prosecution of a successful war." (emphasis added)

(4) *Swain v. United States,* 28 Ct. Cl. 173, 221, aff'd., 165 U.S. 553 (1897), in which the High Court affirmed a holding by the Court of Claims that: "Congress cannot in the disguise of 'rules for the government' of the Army impair the authority of the President as Commander-in-Chief."

(5) *The Slaughter-House Cases,* 83 U.S. 36, 79 (1872), in which the Court recognized the right of a citizen abroad "to demand the care and protection of the Federal Government over his life, liberty, and property."

(6) *United States v. Curtiss-Wright Export Corp.,* 299 U.S. 304 319–20 (1936), in which the Court embraced the doctrine of "inherent" powers of the Executive in the conduct of foreign affairs.

(7) *Johnson v. Eisentrager,* 339 U.S. 763, 789 (1950), in which the Court stated: "Certainly, it is not the function of the Judiciary to entertain private litigation—even by a citizen—which challenges the legality, the wisdom, or the propriety of the Commander-in-Chief in sending our armed forces abroad or to any particular region . . . The issue tendered . . . involves a challenge to the conduct of diplomatic and foreign affairs, for which the President is exclusively responsible."

U.S. CORPORATE BRIBES OVERSEAS

Mr. CLARK. Mr. President, I would to bring to the attention of the Senate an interesting and informative article from yesterday's New York Times. The article, by Michael Jensen, concludes that bribes and political payoffs by U.S. multinational corporations have become a way of life overseas. These payments, usually illegal under the local law, are defended by American businessmen as "necessary" for doing business in foreign countries.

The U.S. Government cannot condone these practices. When they come to light—as they do eventually—they seriously tarnish not only the reputation of the company involved, but that of U.S. corporations generally and the United States itself.

Once they become an accepted part of doing business overseas, such payoffs are difficult to confine to the foreign activities of U.S. corporations. Indeed, the article notes that one of the most pervasive forms of bribery has been the payments to the directors of U.S. military clubs and post exchanges in the Far East and Europe.

The argument is often made that, if an American business refuses to participate in such payoffs, its customers will go elsewhere. But as Commissioner Irving Pollack of the SEC points out, any American company which finds itself losing business in this way can say: "You know, we were offered it, but we did not take it because they wanted us to put $5 million into a Swiss bank account."

As the article notes, the Subcommittee on Multinational Corporations has begun a full investigation of this question to consider whether legislation is necessary. The subject is of general interest to all Senators, and I ask unanimous consent to have it printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

U.S. Company Payoffs Way of Life Overseas—Such Activities Are Often Sanctioned by Washington

(By Michael C. Jensen)

American companies doing business abroad are spending hundreds of millions of dollars each year for agents' fees, commissions and outright payoffs to foreign officials.

The payments range from $5 bribes for customs agents and other minor officials to multi-million-dollar rake-offs on defense contracts. Sometimes even heads of state are involved.

The practice of funneling cash into the hands of government officials or their representatives is long-standing and is defended by many businessmen as the only way they can compete effectively abroad. Indeed, some such payments are officially sanctioned by the United States Government.

Nevertheless, the practice is coming under increased scrutiny in the United States, spurred by disclosures that the United Brands Company, based in New York, paid more than $2-million in bribes to officials in Honduras and Europe.

INQUIRY STARTED

The Senate Foreign Relations subcommittee on multinational corporations has begun a full inquiry into the United Brands case.

It is also looking into expenditures by the Northrup Corporation, which paid out more than $30-million in agents' fees and commissions, much of it for overseas sales, from 1971 to 1973.

The Gulf Oil Company's disbursements of more than $4-million overseas, most of it reportedly to a single unidentified country, is also being investigated.

Until now, most of the Government attention to corporate bribery has come from the Securities and Exchange Commission, which is responsible for insuring adequate disclosure of corporate activities to shareholders. The current investigations are an outgrowth of the Watergate prosecutions of illegal campaign contributions.

The Internal Revenue Service, which is concerned with the proper handling of foreign transactions for tax purposes, also is looking into some of the foreign situations.

QUESTION OF LAW

It is apparently not a violation of United States law for an American corporation to bribe foreign officials. Such action may be illegal in the host country, but bribery laws are seldom enforced in many parts of the world.

Few American businessmen will discuss their companies' payoff practices openly, although some agreed to interviews with news reporters with the understanding that they not be identified.

Some of the most blatant cases of bribery have become public, however, and a few have spawned major scandals overseas.

In the United Brands case, for example Eli M. Black, the chief executive of the company, committed suicide shortly before the company's overseas bribes became known publicly. The ensuing scandal also resulted in the overthrow of the chief of state of Honduras, Gen. Oswaldo Lopez Arellano.

GULF TESTIMONY

In other cases, there is almost certain to be a growing furor as further details become known. For example, the reported testimony of Bob R. Dorsey, chairman of the Gulf Oil Corporation, about cash "contributions" abroad is being studied by the S.E.C.

Mr. Dorsey and other Gulf officials reportedly told the S.E.C. that foreign politicians had forced them to pay large amounts of cash in order to stay in business.

While some commissions and agents' fees are nothing more than thinly disguised bribes, others are said to be legitimate payments to local representatives overseas, designed to cut through red tape.

The Defense Department authorizes defense contractors to pay "reasonable" agents' fees as part of their "cost of sales" and to pass these costs along to the Pentagon when it acts as the middleman in arms contracts.

PATTERN OF FEES

In an advisory memorandum issued to several defense contractor associations last summer, the Defense Security Assistance Agency said United States arms manufacturers selling major systems usually limited their standard agents' fees to 4 to 6 per cent of the selling price. It added, however, that on less expensive equipment the percentage sometimes exceeded 25 per cent.

Some Middle Easterners have gotten rich on such fees. Persian Gulf sources say that Adnan M. Khashoggi, a Saudi Arabian businessman who has an international string of industrial and financial ventures, including a bank in California, made his initial capital as the Sadui agent for Raytheon Hawk missiles and Lockheed aircraft bought by Saudi Arabia.

Mr. Khashoggi's connection is said to be his friendship with Prince Sultan, the Saudi Defense Minister, and his commissions were said to run to $10-million to $20-million.

A VEXING REGION

American executives says the Middle East is one of the world's most vexing regions as far as doing business is concerned. An illustration of the problems they face there was contained in a limited-circulation Defense Department memorandum entitled "Agents' Fees in the Middle East."

"There is the classic example," the memo said, "of a new vice president of a United States firm who, after reviewing agents' fees, decided that a local Middle East agent's contract could be canceled. All that the company had in the country at that time was a continuous but lucrative servicing contract that had been negotiated many years ago.

"Within 48 hours after the agent had been canceled all local work permits of the company's employes were withdrawn. Needless to say, the agent was reinstated immediately."

In another case cited by the memorandum, two American companies in a North African country were competing for a contract. As the competition became keener, one of the contractors found it almost impossible to obtain visas for its sales personnel and was thus prevented from making a sales presentation. The reason? The influence of a competitive agent, the memo said.

One agent admitted, the memo said, that three members of his country's national assembly were on retainer fees to provide "inner circle intelligence" and to promote his principal's products.

It also said influence was not always bought with cash. "It can include the rent-free use of a villa in France or a flat in London, along with car and servants. Sometimes the government official is a silent partner in the agency or other business completely divorced from his normal activities."

Although the most dramatic instances of corruption are those involving millions of dollars, a far more widespread type of bribery takes place at a much lower level. It is variously called baksheesh, la mordita or dash, depending on whether it is offered in the Middle East, Latin America or Africa.

One businessman in Africa said in an interview: "In countries like Nigeria and Zaire, you have to pay small bribes, called 'dash,' to get anything done. It's part of the price of visas, getting customs clearance on materials—even getting your suitcase in the instance of Nigeria."

In other parts of the world, the pressures take a different form. For example, one type of harassment for American companies in the Philippines is the stream of requests for donations for charities from government and military officials or members of their families. Such requests, invariably granted, sometimes run to more than $100,000.

POLITICAL REQUESTS

In Italy, on the other hand, requests are more likely be for contributions to political parties.

An executive of a United States-controlled multinational electronics group, who insisted on anonymity, said: "To do business in Italy, as in other European countries, you have to render all sorts of favors, including outright bribery.

"It's up to your ingenuity to disguise such practices in reports to your board and in financial statements. You send lavish gifts to key people and their wives. You have your own workers install costly appliances in their seaside villas free of charge. You hire their relatives and protégés if you have staff vacancies. Sometimes cool cash changes hands.

"Don't expect company headquarters to give you any instructions on how to handle such situations," he continued. "You are completely on your own—just keep the sales performance going up."

Although many Americans profess astonishment and sometimes disgust at reports of bribery and under-the-table gratuities offered abroad, such practices are also widespread in this country.

Gifts, some of them lavish, often are pressed on officials with purchasing responsibilities in the United States, and a number of corporate contributions to political campaigns were uncovered during the Watergate investigations.

Furthermore, American companies are quick to point out that overseas competitors also employ such methods, making it more difficult to resist the pressures.

For example, the president of a French-based company in international transport won contracts from a foreign ministry official by seeing that he found his way to one of the exclusive and illegal brothels of Paris. He said he clinched the contract by giving the official's wife a high-speed, electric sewing machine from Switzerland.

GASOLINE COUPONS

In another case, still in the French courts, Guy Schneider, president of a public works company called Ermest, confessed that he had bribed public officials with gasoline coupons, paid holidays at a winter sports retreat and special funds placed at their disposal to win civic contracts.

Faced with such an atmosphere, some American companies say they have no choice but to compete on equal terms. In India, for example, there are about 40 American companies, and it is widely believed that many of them deal with "liaison officers" who in turn bribe Indian officials.

These companies make donations to political parties, spend money to maintain lobbies inside the Government and in Parliament and provide other inducements such as liquor supplies, entertainment in luxury hotels and hospitality outside India when officials are traveling.

In many countries, corruption in the military is widespread, particularly where officers are poorly paid and have major responsibilities.

Corruption surfaced in the Brazilian Army's quartermaster corps in 1973 when an investigation was ordered into allegations that a dozen high Army officers had received kickbacks from civilian contractors who supplied food and equipment. Some sources said the bribes totaled as much as $5 million.

American officials who deal with high military officers abroad confirm such stories.

A former Defense Department official said in an interview that the general in charge of procurement for one Persian Gulf country insisted on siphoning 15 percent "off the top" of all defense contracts except those negotiated with the United States military.

LITTLE BLACK BOOK

"When foreign countries try to sell the general, he has a little black book," the former official said. "If they give a quote on a price, he'll look at the book and say, 'Ah, the U.S. price is such-and-such.' Then, if there's something in it for him, he might consider giving them a contract. Otherwise he insists on going for our military sales."

The importance that American companies attach to employing local representatives was vividly demonstrated by the International Telephone and Telegraph Corporation in mid-1971 after Salvadore Allende Gossens, a Marxist who was opposed by I.T.T., was elected President of Chile.

Confronted with a hostile regime and anxious to protect its telephone properties, I.T.T. moved quickly to foster better relations. In a memo to P. J. Dunleavy, who is now president of I.T.T., J. W. Guilfoyle, another I.T.T, executive, related what had been done to try to improve matters for the company

MEETING ARRANGED

He said that two I.T.T. officials were meeting with a Dr. Schaulson, "the consultant I obtained on our last trip," to determine the outcome of Dr. Schaulson's discussions with President Allende.

"Schaulson is a lawyer and a former politician," Mr. Guilfoyle wrote, "and is considered friendly with Allende and, as a Christian Democrat, is not committed to the U.P. [Allende's party]."

Later, despite the hiring of Dr. Schaulson, Chile expropriated the telephone company, and I.T.T. was subsequently compensated by a United States Government agency which insures overseas investments.

I.T.T., in response to a query, confirmed that it had hired a Chilean legal consultant but declined to confirm that it was a Dr. Schaulson. The company said it had hired the consultant on the advice of its Chilean outside counsel.

In the Northrop case, a private report written by the accounting firm of Ernst & Ernst disclosed that Northrop made more than $9-million worth of consultants' payments in 1971, then $7.8-million in 1972 and $12.9-million more in 1973. The report pointed out that the big aircraft manufacturer employed 400 to 500 consultants and agents in the 1971–73 period.

The S.E.C. is looking into these overseas disbursements, which it says were made "without adequate records of controls." The commission also says there was no indication whether services provided in exchange for the $30-million were "commensurate with the amounts paid."

One internal Northrop memorandum included in the Ernst & Ernst report was from James Allen, a former Northrop executive, to Thomas V. Jones, Northrop's chief executive. In the memo, Mr. Allen described attempts by the company to sell its P–530 aircraft to the Netherlands, and he told of his discussions with William Savy, a European consultant.

CONTENTS OF MEMO

The Allen memo said: "Depending upon developments in the Netherlands and the situation in France, he [Mr. Savy] anticipates that commitments of a substantial nature may have to be made and made soon.

"He said that he did not like to go ahead even preliminarily unless he is covered by adequate funds . . . He suggested we send an advance of $60,000 to him at Euradvice, in Basel, to cover the Netherlands operation and an equivalent amount to him directly to cover the more sensitive French operation."

Another instance of high-level dealings between Americans and foreign officials took place in Kenya. This invoved John Saul, United States geologist who attempted to develop a ruby mine in Tsavo National Park.

Mr. Saul and his partner, Elliott Miller, gave a 51 per cent interest in the mine to a group of Kenya politicians, including the country's vice president, Daniel Arap Moi.

However, the two Americans were expelled from Kenya when they resisted pressures to take in more partners. A new claim on the mine was subsequently filed by a Greek entrepreneur who is a business partner of the wife of Kenya's President, Joma Kenyatta.

One of the most dramatic instances of corruption and bribery abroad involved military clubs and post exchanges in the Far East and Europe.

The Senate Permanent Subcommittee on Investigations reported in late 1971 that military personnel, both uniformed and civilian, stole and received kickbacks and gratuities with the "complicity" of vendors, brokers and salesmen.

"Many American brokers and salesmen representing large American firms were reminiscent of camp followers of former times moving with United States troops from Korea to Vietnam to West Germany," the committee reported.

"They used every corrupting device—gifts, bribes, kickbacks, free housing, entertainment, sex—to persuade PX and club personnel to buy their goods."

One such "camp follower," the committee said, was William J. Crum.

LUXURIOUS VILLA

A typical example of Mr. Crum's methods, the committee said, "was his providing a luxurious villa in 1965 to the principal procurement executives of the Army Air Force Exchange System. Not only did he place them in his debt in this fashion, but he bragged about it to officials of James Beam Distillers and Carling Brewery, whom he represented as a broker in Vietnam."

"People have said what can we do," said Irving Pollack, a S.E.C. commissioner. "They say, 'It's overseas, and we can't do business in a country without paying off. If we don't do it, the customer will go to the Japanese, or the Germans or someone else, and they will pay off.'

"The only answer I can see is if the contract goes to the Japanese or the Germans, the Americans should speak up and say, 'You know, we were offered it, but we didn't take it because they wanted us to put $5-million into a Swiss bank account.' "

EPA SAYS FAA DRAFT ENVIRONMENTAL IMPACT STATEMENT IS INSUFFICIENT

Mr. PROXMIRE. Mr. President, a letter from the Administrator of the Environmental Protection Agency to Hon. JOHN W. WYDLER has recently come to my attention. The correspondence supports my conclusion that the Federal Aviation Administration draft environmental impact statement on the Anglo-French Concorde is deficient, especially in regard to the impact of the vibrations attributable to the Concorde.

I ask unanimous consent that a portion of the EPA letter to Congressman JOHN W. WYDLER, relating to the insufficiency of the FAA impact statement, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

> Although we have not completed our analysis, at this point we do not believe that sufficient information is presented in the Draft EIS to conclude that the projected Concorde operations at J.F.K. and Dulles Airports will have an insignificant impact on private and public dwellings and the well-being of the people who will be exposed to this additional noise intrusion. A more comprehensive analysis of the vibration effects of Concorde operations should be presented by the FAA together with a more realistic presentation of the cumulative noise exposures the public can expect.

Mr. PROXMIRE. Mr. President, instead of detailing the potential danger posed by the low-frequency noise, instead of assessing the secondary impacts on individual health and the likelihood of damage to public and private property, the impact statement says only that the impact of this noise is "dependent upon the number of flight operations. The more flights by Concorde, the greater the impact."

As I said in my statement to the FAA on April 14, these truisms are of little value to anyone.

Mr. President, I join the Environmental Protection Agency in requesting a more comprehensive analysis of the potential environmental effects of the Concorde supersonic aircraft.

THE ROLE OF FARM COOPERATIVES

Mr. HUMPHREY. Mr. President, I invite the attention of Senators to a thoughtful article by Prof. Thomas A. Brewer of Pennsylvania State University entitled, "Farmer Cooperatives: The Struggle for Market Power," which was reprinted by the Washington State Cooperative Extension Service.

A central point of this article is that cooperatives have made a substantial contribution to farm income and the public interest. They enable farmers to obtain a more equitable share of the market and manage their operations more effectively.

By providing a history of farm cooperatives and related legislative activity, Dr. Brewer demonstrates the need for an organization effort by farmers and answers the Administration's charge that cooperatives are too large and powerful. The Administration continually focuses on the size of various farm cooperatives while ignoring an important factor which separates cooperatives from other large agribusiness corporations.

Dr. Brewer articulately makes this distinction, stating that:

> A cooperative differs from other forms of business not in the rules for success but in how gains from that success are distributed.

I have always supported the right of our Nation's farmers to organize for marketing purposes. This is central in our economy today if our farmers are to have an opportunity to get a fair return. They won legislative permission to organize with the passage of the Capper-Volstead Act and have formed numerous associations in the years since its enactment. Cooperatives should be regarded as an appropriate and legitimate exercise of economic power.

This article provides some perceptive commentary on farmer cooperatives which should be kept in mind by the Members of this body.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FARMER COOPERATIVES: THE STRUGGLE FOR MARKET POWER

(By Thomas A. Brewer)

Individual farmers are at a disadvantage in buying farm supplies or selling farm products. They have relatively little economic power compared to those they must deal with. Farmers acting together in cooperatives have been able to gain much of the economic power associated with size. Cooperatives operate for the benefit of their member-owners. If you, as a cooperative member, are dissatisfied with your organization you should ask yourself, "Do I have any ideas which might improve it and if so have I passed them on to directors and managers who might implement them?" Cooperative members have a responsibility to understand their organizations' problems and to help solve them.

There are only a few Washington farmers who do not regularly do business with one or more of the cooperatives in the state. Cooperative businesses in Washington provide farmers with farm inputs ranging from pesticides, fertilizer, gasoline, and artificial insemination services on the one hand to short- and long-term credit on the other. In addition, cooperatives play major roles in the marketing of nearly all farm products produced in Washington.

MEMBERS' VIEWPOINTS DIFFER

In recent months a few cooperatives have been under fire for various shortcomings and some have been accused of illegal activities. In some cases support from farmers—the people who can gain most from strong cooperatives—is not very great. Some appear to have little appreciation for the important role cooperatives play or how they can contribute to the success of their individual farm businesses. Some cooperative members believe their organizations have become too large to function as they should. Most farmer-members, however, recognize the importance of cooperatives even though they may not think about them very often. If farmers do need cooperatives to give them sufficient economic power and thus prevent their exploitation in the marketplace, then farmer-members must work to keep them viable, thriving organizations. If they don't, there is always the risk that they'll lose their effectiveness through neglect. Power once lost may be difficult to regain.

EARLY FARMER COOPERATIVES

The economic forces which lead 19th and early 20th century farmers to form cooperatives may provide producer-members with a framework for evaluating the importance of their present organizations. Dairy processing cooperatives were the earliest type of farmer cooperative organized in the United States. Farmers had been making butter and cheese in their own homes and trading with local merchants and other farmers. They saw the development of distant markets without any means for serving them. By pooling their home-produced products and standardizing the production process they could penetrate these markets. It was a natural step to move from home processing and cooperative selling to cooperative processing and selling. Centralized processing was more efficient and it improved product marketability because a more consistent quality could be obtained.

Early cooperatives had one thing in common. Farmers pooled resources and their farm products to do a job which they as individuals couldn't do. The gaining of market power to insure an equitable sharing of market returns was not then a primary reason for forming cooperatives.

The situation changed during the last thirty-five years of the 19th century. The westward movement had opened up vast new areas of agricultural land. The devastation of the South's economy and its society during the Civil War encouraged many to move to the West. A big influx of European immigrants with agrarian interests led to even more people settling and establishing farms in the Plains states.

Railroads were given grants of land to build transcontinental rail lines. Once built, railroad executives were anxious to haul freight and passengers. They also wanted to achieve returns on their land holdings. As a result, they encouraged migration westward which added to the increased agricultural production. Homesteading opportunities also contributed to the growth in agriculture's productive capacity.

These factors inevitably lead to oversupply of many agricultural commodities. Much of the excessively large harvest was located far from consumers, and farmers were dependent upon others to market their products. Many felt that railroads, elevator operators, brokers, and speculators were making too much money and returning too little to the farmer. Farmers who had started business and purchased farms during the war-inflated price years of the 1860s were trying to pay off these debts with drastically reduced farm-product prices. Overproduction had created a buyer's market and farmers wre not organized to minimize its effects. Grains, for instance, were sold at harvest time to country elevators or terminal warehouses. Many of these were owned by the railroads. Rail rates were set by railroads without public regulation. Farmers took what was offered by buyers or left the grain on the farm where the lack of storage facilities or money to build them caused it to spoil. If farmers were to receive more equitable treatment in the marketplace they would have to take over some of the marketing functions themselves. During the 1870s and through the rest of the century, many cooperative county elevators were organized giving farmers an alternative to selling at harvest. They had gained some market power, but still had a long way to go to achieve equity. During this period, cooperative emphasis changed from horizontal integration to forward or vertical integration. Since that time many cooperatives have had as a major goal the gaining of sufficient market power to assure farmer-members equitable economic treatment.

During the latter part of the 19th century the rural viewpoint was politically dominant in most states and at the federal level. Many economic conditions which were creating problems for farmers were blamed on developments such as the growth and abuse of the economic power wielded by railroads and others. Toward the end of the century mergers of steel companies and firms in other basic industries concerned much of the public. Various political movements developed. Legislation was proposed and adopted to slow the concentration and prevent some of the abuses from recurring. Interestingly enough, labor felt much the same as agriculture about these giants of industry. While farmers were forming cooperatives and general farm organizations to combat or gain equality with them, labor was organizing unions. The anti-trust laws left marketing cooperatives unsure of their legal status, and made formation of labor unions almost impossible. Federal legislation affecting cooperatives and labor unions was for the most part identical during the period from 1890 to the early 1920s. From that time each received special legislative attention. Farmer cooperatives and labor unions were attempting to correct what they believed were economic injustices for their members. To be effective, each group had to unite. The anti-trust laws were opposed to the uniting of business firms to gain economic power. It took over 30 years of legislation and court actions to differentiate between combinations of farmers or laborers and those of business firms.

EVOLUTION OF ANTITRUST LAWS

The historical developments of the anti-trust laws makes clearer the status of Farmer Marketing Cooperatives with respect to these laws.

The public at large was becoming alarmed at the centralization of economic power via mergers and consolidations and the control of large business firms over the economic welfare of so many people. In 1890 Congress passed the Sherman Anti-Trust Act. It states in part, "Every contract, combination in the form of trust or otherwise, or conspiracy in restraint of trade or commerce among the several states or with foreign nations is declared to be illegal." No special note was taken of cooperatives or labor unions.

When the act was under consideration the following amendment was offered and defeated and thus does not appear in the enacted law. "Provided, that this act shall not be construed to apply to any arrangements, agreements or combinations between laborers made with a view of lessening the number of hours of their labor or of increasing their wages nor to any arrangement, agreement, associations or combinations among persons engaged in horticulture or agriculture made with the view of enhancing the price of their own agricultural or horticultural products." Even at this early date some members of Congress were recognizing a difference between combinations of business firms and combinations of farmers or laborers.

Failure to include this amendment allowed employers to frustrate the efforts of labor to form unions. Employers were backed in such actions by the courts. Attempts to organize employees were held to be conspiracies in restraint of trade. The courts freely provided restraining orders to prevent continuance of organizing efforts. Organization of farmers to do business cooperatively was not thwarted to the same degree that labor unions were.

Nevertheless, as larger and larger producer marketing and bargaining associations were formed, the question of how the Sherman Act might apply to such associations gained the attention of agricultural leaders.

The Clayton Act of 1914 answered the question of whether or not combinations of laborers or farmers could be held to be illegal combinations. Section 6 of the act reads as follows: "The labor of a human being is not a commodity or article of commerce. Nothing contained in the anti-trust laws shall be construed to forbid the existence and operation of labor, agricultural or horticultural organizations, instituted for the purposes of mutual help and not having capital stock or conducted for profit or to forbid or restrain individual members of such organizations from lawfully carrying out the legitimate objectives thereof; nor shall such organizations or the members thereof, be held or construed to be illegal combinations or conspiracies in restraint of trade, under the anti-trust laws."

Labor unions could now organize—but employers responded by forcing employees to sign a contract stating they wouldn't join a union. These were the famed "Yellow Dog" contracts which persisted until the Norris-La Guardia Act made them unenforceable. Labor unions seeking new members found that many had signed this type of contract and thus couldn't join a union. If the union persisted in its organizational efforts with those who had contractually agreed to not join a union it could be charged with "inducing breach of contract." In such cases courts would issue restraining orders forbidding continuance.

Under the Clayton Act, cooperatives did not gain much more than freedom to organize. The following quotation from an opinion by the U.S. Supreme Court helps clarify what Section 6 of the Clayton Act did for farmer cooperatives. The language of that section "shows no more than a purpose to allow farmers to act together in cooperative associations without the associations as such being held or construed to be illegal combinations or conspiracies in restraint of trade under the anti-trust laws as they otherwise might have been." Farmers and laborers were free to organize but it was unclear what activities, if any, they could legally engage in. The law stated they could engage in legitimate activities but didn't explain which of many possible activities were legitimate and which were illegitimate. Labor unions did not get legislative relief from the injunction which generally made union organizational efforts and activities ineffective until the Norris-La Guardia Act was passed in the early 1930s. The Wagner Act in 1935 further enhanced union opportunities for development and growth.

Farmer cooperatives did not have to wait that long. The Capper-Volstead Act of 1922 is the primary federal act which establishes the status of farmer marketing cooperatives with respect to the anti-trust laws. Before the Capper-Volstead Act it was not clear whether or not farmers combining to form marketing cooperatives were at the same time, violating the anti-trust laws. The Capper-Volstead Act authorizes and sanctions the elimination of competition among independent farmers.

It should be observed that the law does not permit cooperatives to operate in ways or indulge in activities which would be illegal for noncooperative forms of business. In a sense, all the legislative and court battles were fought to allow farmers and laborers to achieve organizational parity with noncooperative forms of business organizations. The laws do not allow cooperatives to operate any differently than other forms of business.

THE CAPPER-VOLSTEAD ACT

The act reads in part: "Be it enacted . . . that persons engaged in the production of agricultural products as farmers, planters, ranchmen, dairymen, nut or fruit growers may act together in associations . . . in collectively processing, preparing for market, handling and marketing in interstate and foreign commerce, such products of persons so engaged. Such associations may have marketing agencies in common; and such associations and their members may make the necessary contracts and agreements to effect such purposes:

Provided . . . that such associations are operated for the mutual benefit of the members thereof, . . ." It further requires that no member be allowed more than one vote because of the amount of stock or membership capital he may own or, that the association not pay dividends on stock or membership capital at a rate greater than 8 percent per annum if voting on number of shares of stock or volume of business is permitted. In addition it is required that every association not deal in the products of nonmembers to such an extent that the value of nonmember products is greater than the value of those handled for members.

The act permits cooperatives to finance their operations with capital stock. Section 2 of the act states that the U.S. Secretary of Agriculture, if he has reason to believe that any association monopolizes or restrains trade in interstate or foreign commerce to such an extent that the price of any agricultural product is unduly enhanced, can serve a complaint on the alleged offender and initiate an inquiry into the matter. If, after hearing the evidence, he believes the allegations are true, he may issue a cease and desist order to the cooperative. The cooperative has access to the courts for modification of possible set-aside of the order. The Secretary of Agriculture can petition the court to enforce his order. The Department of Justice enforces the order or its modified version. Cooperatives were given no special privileges under this law. It simply allowed one group of independent businessmen (farmers) to act collectively in marketing without fear of prosecution under the anti-trust statutes so long as those combinations do not violate the laws as they apply to actions of other business organizations.

Farmers won legislative permission to organize for marketing purposes without fear of being prosecuted under the anti-trust laws. They were now free to make their weight felt in the marketplace and obtain more equitable treatment for farmers.

When one remembers that the legislative posture of the country during the late 1800s and thru the 1920s was inclined toward the rural point of view, it is surprising the battle was so long and difficult. One can wonder whether or not today's Congress, with its more urban views, would pass such legislation. The legislation was difficult to achieve but it may be even more difficult to keep. Without it the opportunities afforded farmers to achieve economic equality in the marketplace would be seriously hampered. Labor appears to be better organized to protect the legislative gains they have achieved.

IS SIZE REALLY AN ISSUE?

As early cooperatives organized and took their initial steps into the marketing or farm-supply businesses, they tended to organize on a community basis. Each member of the cooperative knew everyone else and the business, being fairly simple, was easy enough to keep track of. As farmers found it more and more advantageous to increase their involvement in the marketing process and become involved in processing, storing, and distributing consumer products it became necessary for them to develop a larger farm base. They needed a greater volume of agricultural products if they were to penetrate mass markets and do it efficiently. They needed more capital to build facilities and develop markets. In some cases two or more local cooperatives federated to perform these functions and raise the required capital. Some chose other routes. As cooperatives became larger, the frontiers of cooperative decision making became more remote and less well understood by individual cooperative members. Some cooperatives have done an excellent job of keeping members informed and helping them participate in the decision-making process. Others must work on this important area. Some members feel alienated from their cooperatives and feel that they are as unimportant to them as they would be to a large corporation. Size can create such problems.

Nevertheless when hearing farmers say "XYZ Cooperative is too big now; It isn't a cooperative anymore," one can only wonder whether or not they are simply reflecting a nostalgic longing for the past. Do these farmers want their cooperatives to give up the market power they have attained, or the backward integration to secure control of supplies which may go all the way back to the oil wells and fertilizer deposits in some cases? Upon serious reflection most would probably not want to give up those gains which size has made possible. But they still must feel that they are a part of the organization and an important part they are.

Six cooperatives are now included among Fortune Magazine's 500 largest businesses, based upon annual sales. None are very high on that list, but more are on the list than were there ten years ago. Several organizations with which farmers and farmer cooperatives deal are much higher on the list. Does this mean cooperatives are too big? Does it mean they are not yet big enough? Farmers should evaluate their cooperative's size on the basis of whether or not it is large enough to do the job they expect of it and not on the basis of some irrelevant ranking. Bigger cooperatives mean greater economic power. Bigger cooperatives also require better direction from their boards and better management.

SUCCESS OF A FARMER COOPERATIVE

The successfulness of a cooperative depends upon the same factors as any other business. Sound plans aimed at meeting real demands of those they sell to; efficient operations; adequate financing; carefully thought out procedures and policies spelled out and monitored by a well-trained board of directors and translated into action by strong competent management will go a long way toward assuring success. A cooperative differs from other forms of business not in the rules for success but in how the gains from that success are distributed.

Cooperatives and other types of businesses occasionally fail. Failure usually occurs because of a lack of one or more of the ingredients in the above recipe. The business in trouble may have had the problem for years without its surfacing, but eventually such deficiencies come to the forefront. As competition gets more and more intense each of the ingredients gets more critical. A cooperative can be no stronger than its board of directors which in turn can be no stronger than the members who elect them.

Every farmer should ask himself: "If I don't like the way my cooperative operates do I have any ideas of how it could be improved and if so what am I doing to make them known to those in a position to put them into action?"

THE FAIRNESS DOCTRINE OF THE COMMUNICATIONS ACT

Mr. HUDDLESTON. Mr. President, on April 28, 1975, I had the honor of testifying before the Subcommittee on Communications of the Committee on Commerce, which was holding hearings on S2, S1178, and S608. I compliment the subcommittee members and its chairman, the distinguished Senator from Rhode Island (Mr. PASTORE), on the thorough and fair manner in which they conducted the hearings.

My testimony before the subcommittee was confined primarily to the issue of whether or not the fairness doctrine should be repealed. The doctrine simply requires that broadcasters present contrasting views on controversial topics of public importance. The need for this guarantee has been clearly demonstrated over the many years it has been in effect and the constitutionality of the doctrine has been upheld by the Supreme Court.

Broadcast frequencies are a scarce resource in that they are not available to all who wish to exercise their first amendment rights over the airwaves. Because the use of the airwaves must be regulated and restricted it is vitally important that a duty be imposed upon the limited few who receive licenses to utilize this precious resource in the best interest of the general public rather than merely promoting their own personal points of view. It is my firm belief that it would not be in the best interest of the public or the broadcasting industry to make the fortunate few who are eligible to secure a license the sole custodians of our first amendment rights as they apply to radio and television.

I ask unanimous consent that my statement be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WALTER D. HUDDLESTON BEFORE THE SENATE COMMERCE COMMITTEE'S SUBCOMMITTEE ON COMMUNICATIONS, APRIL 28, 1975

Mr. Chairman, I am pleased to appear before the Senate Commerce Committee's Subcommittee on Communications which presently is holding hearings on S. 2 and S. 1178 which would overturn the "fairness doctrine" as it applies to federally licensed broadcasting stations. I am testifying before this subcommittee today for two primary reasons. First, as a Senator, I am concerned that the elimination of the fairness doctrine may deprive the public of the broad spectrum of ideas, concepts and information that is vital to the successful operation of any democracy. And, secondly, I would like to share with the members of this subcommittee my firsthand knowledge of the doctrine which I acquired during the twenty years that I owned and managed broadcasting stations in Kentucky. My long experience in the broadcasting industry has permitted me to observe closely the operation of the fairness doctrine from a point of view that is not accessible to many. Hopefully, my comments will lend some balance to the testimony of some detractors of the doctrine who have never dealt with it on a day-to-day basis and, therefore, are unfamiliar with its practical application.

The fairness doctrine has been a viable part of our communications laws for many years and is well founded in both statutory and case law. I believe that it is important to know the history of the doctrine in order to understand how its development meets specific needs of the American people while complimenting and enhancing our first amendment rights.

Before 1927 the Federal Government adopted a laissez-faire policy in regard to the broadcasting industry. Private broadcasters were left to regulate themselves with each broadcaster deciding when, where and how to broadcast. The result was chaos. Frequencies often overlapped and broadcast interference was a common part of almost every program.

A series of National Radio Conferences recognized the need to bring some order to the chaotic conditions by imposing some type of control. The result was a resolution calling for regulation of the broadcasting industry by the Federal Government. With this resolution and knowledge of the existing chaotic conditions as impetus, the Congress established the Federal Radio Commission in 1927 to allocate frequencies among competing applicants in a manner consistent with public convenience, interest and necessity. Thus, the concept of public trustee of the airways was established on the basis of clear and convincing need.

From this authority the Commission developed the two-fold duty of broadcasters which has become known as the fairness doctrine. In the *Report on Editorializing by Broadcast Licensees*, 13 FCC 1246 (1949) this duty was described as requiring the broadcaster to give adequate coverage to public issues and such coverage must be fair in that it accurately reflects opposing views. The basic fairness concept was consistently supported and upheld by case law and later ratified by the Congress.

In 1959, Congress amended Section 315 of the Communications Act to state specifically that broadcasters had an obligation under the act "to operate in the public interest and to afford reasonable opportunity for the discussion of conflicting views on issues of public importance." It was clearly evident to Congress, after seeing the chaos of self-regulation and reviewing the operation of the industry under the *two-fold duty* imposed by the Commission, that the fairness obligation should be formally recognized and restated in the statute.

The validity of the fairness doctrine has been upheld by the courts on numerous occasions. In 1969, the Supreme Court, which is the ultimate voice on the constitutionality of our laws, reviewed the issue of the doctrine and spoke out forcefully in its defense. The court in the case of *Red Lion Broadcasting Co. Inc.*, v. *FCC* 395 U.S. 367 (1969), held that the FCC had the authority to enforce the doctrine and that the doctrine did *not* violate the First Amendment of the Constitution. The court stated in this historic decision that:

"It does not violate the First Amendment to treat licensees given the privilege of using scarce radio frequencies as proxies for the entire community, obligated to give suitable time and attention to matters of great public concern. To condition the granting or renewal of licenses on a willingness to present representative community views on controversial issues is consistent with the ends and purposes of those constitutional provisions forbidding the abridgment of freedom of speech and freedom of the press. Congress need not stand idly by and permit those with licenses to ignore the problems which beset the people or to exclude from the airways anything but their own views of fundamental questions. The statute, long administrative practice, and cases are to this effect."

The Supreme Court could not have been clearer or more unequivocal in its holding and, as we all know, this case still stands as controlling law.

In recent weeks the Red Lion case has come under attack because of allegations made by Mr. Fred Friendly in an article written for the *New York Times*. According to Mr. Friendly, the Kennedy and Johnson Administrations carried on organized and covert campaigns to harrass unsympathetic radio commentators by demanding that they present opposing views as required by the fairness doctrine. Mr. Fred Cook, the principal figure in the case, was a participant in the White House efforts to discourage the broadcasts.

For the fairness doctrine to be used by some politicians for their own political ends is most distressing and discouraging. But, we should not be stampeded into hasty and unwise actions by these allegations. Just because a particular statute allegedly has been utilized in an unethical manner not originally intended by its framers does not mean that the law is basically unsound or has not dealt effectively with the problem it was designed to cope with.

The vitally important point to bear in

mind is that the basic principles which underlie the fairness doctrine are still as sound and applicable as they were over forty years ago. Admittedly, the doctrine has not worked perfectly, but I fear that the alternative proposed—its termination—would leave our first amendment rights in far greater jeopardy than they presently are.

Let me turn for a moment to the underlying philosophy of the fairness doctrine which is based simply on the allocation of a scarce resource; consistent with the interest, convenience and necessity of the public which, after all, owns the airwaves. When we experimented with self-regulation in the 1920's, it became abundantly evident that a referee was needed to assign specific frequencies for transmissions. The referee became the federal government and to it fell the responsibility of deciding which applicant received a license to broadcast. Since there were more applicants than available frequencies, many who wished to have the privilege of exercising their first amendment rights over the airwaves were denied this right by the referee. This arrangement forced the referee to devise a system whereby the licensee could not monopolize this scarce resource by only presenting views that the licensee adheres to or which are profitable to the licensee. The court in the Red Lion case found nothing objectionable with this arrangement and so stated on page 38.9:

"As far as the First Amendment is concerned those who are licensed stand no better than those to whom licenses are refused. A license permits broadcasting, but the licensee has no constitutional right to be the one who holds the license or to monopolize a radio frequency to the exclusion of his fellow citizens. There is nothing in the First Amendment which prevents the Government from requiring a licensee to share his frequency with others and to conduct himself as a proxy or fiduciary with obligations to present those views and voices which are representative of his community and which would otherwise, by necessity, be barred from the airwaves."

The key word in this paragraph is fiduciary—or one who holds something of value in trust for another. A fiduciary is bound not to misuse that which he holds in trust or to use it for any other than the stated reason.

Furthermore, implicit in the right to express oneself freely is the right of others to hear those views. If the referee is required to limit the number of broadcasters, others have been denied by this action their right to hear the ideas of those refused licenses, and there arises a duty to provide a means whereby opposing or competing views can be presented. As the court in the Red Lion case stated, ". . . it is the right of the viewers and listeners, not the right of the broadcaster, which is paramount." In order to protect this paramount right, the trust of the airwaves must be administered fairly and equitably for all.

The argument has been made that the fairness doctrine, as administered by the FCC, has a "chilling" effect on creative programming and actually inhibits the initiation of more discussion programs or aggressive news coverage. As the argument goes, this constitutes an abridgement of the First Amendment rights of those who hold a broadcast license and engage in broadcast journalism.

In response to these contentions, let me say that my experience as a broadcaster and my personal knowledge of the operating policies of many stations lead me to believe that no substantial inhibition has resulted from the application of the fairness doctrine. If the doctrine has served as an inhibitor, and, again, I say that I do not believe that it has, it certainly would be a sad commentary on those who have received a license to use the public's airwaves on a pledge to operate in the public's "interest convenience and necessity."

I believe that for every instance in which First Amendment rights might have been inhibited or restricted by the doctrine there are numerous instances where these rights have been vastly extended because of it.

The value of guaranteeing the presentation of opposing viewpoints and of extending the opportunity to be heard to other voices far outweigh, in my judgment, any additional burden there might be imposed upon the broadcaster in complying with the regulations. The burden imposed by the doctrine is not onerous and does not stand in the way of broadcasters who really want to engage in creative programming. I believe the allegations that the FCC's enforcement of the fairness doctrine and other communications regulations pose a pervasive threat to licensees are greatly exaggerated.

The FCC does not attempt to substitute its judgment for that of the licensee. The standard used by the Commission is one of reasonableness and good faith. The FCC states in its publication the *Fairness Doctrine and Public Interest Standards* that:

Our rulings are not based on a determination of whether we believe that the licensee has acted wisely or whether we would have proceeded as he did. Rather, we limit our inquiry to a determination of whether, in the light of all of the facts and circumstances presented, it is apparent that the licensee has acted in an arbitrary or unreasonable fashion.

The statistics involving fairness doctrine complaints and violations do not support the contention that it is a suppressive statute which stifles controversial programming. During 1973 and 1974 the FCC received approximately 4300 complaints under the fairness doctrine. Of these, 97 percent (4150) were dismissed without requiring the licensee to respond at all. In the remaining 150 cases the complaints were forwarded to the broadcasters for their comment. 88 percent of these were resolved favorably by the licensee without any further government involvement. In only 19 cases did the complaint result in either a letter of admonition (11 cases) or a fine (8 cases).

In only two cases have stations lost their licenses because of fairness violations. Both of these cases involved situations where the licensee was explicitly advised of fairness complaints and requested to reexamine their policies. These figures certainly do not support the allegation that the FCC is a super editor peering over the shoulder of every broadcaster.

In a recent article in T.V. Guide, Senator Proxmire attempted to promote anti-fairness sympathy by claiming that the 7 FCC Commissioners decide what is heard or seen on radio and T.V. I find this point of view somewhat misleading and simplistic. The statement implies that the commissioners exercise some form of censorship over program content which is not true. Section 326, Title 47 of the U.S. Code specifically provides that the Commission does not have the power of censorship nor the authority to interfere with the freedom of speech. Under the authority of the fairness doctrine the Commission can not change, alter or delete program content; it can only require that divergent points of view be aired when a controversial topic is the subject of a program.

The case of *Miami Herald v. Tornillo*, 418 U.S. 241 (1974) has been heralded by those who fault the fairness doctrine as proof positive that the Supreme Court would overturn their previous decision in the Red Lion case if given the opportunity.

As you know, the Miami Herald refused to print a candidate's reply to editorials critical of the candidate in compliance with a State statute and the court held that the State law violated the First Amendment's guarantee of a free press. I strongly agree with the Constitutional provisions guaranteeing a free press and concur in the court's staunch upholding of that right.

But, I do not believe you can compare the Miami Herald case with the Red Lion case. One is readily distinguishable from the other on the basis that each involves a completely different type of media—one a newspaper and a broadcasting station. The Supreme Court also recognized this difference and applies different standards to each:

"Although broadcasting is clearly a medium affected by a First Amendment interest * * * differences of news media justify differences in the First Amendment Standards applied to them. (*Red Lion Broadcasting Co.* v. *FCC*, 395 U.S. 386 (1969)."

The fact that the printed media is not licensed by the Federal Government while broadcasting stations are, and the fact that no person is prohibited by regulations from printing a newspaper or magazine, while all but a relative handful of citizens are prohibited from owning and operating a broadcasting station cannot be ignored in applying the provisions of the First Amendment.

I think it is important to remember that the First Amendment to our Constitution guarantees both freedom of speech and freedom of the press. In the great media of broadcasting these two rights may conflict and in order to extend the former to all citizens it is necessary to regulate the latter which is only available to a select few.

I do not believe that it would be consistent with the Constitution, or in the best interest of our country or the broadcasting industry to make the fortunate few who are able to secure a license the sole custodians of these precious rights as they apply to radio and television.

Mr. Chairman, at this time, perhaps more than any other in our history, it is imperative that the American people be able to hear and consider a wide variety of ideas and viewpoints. The legislation before this subcommittee regarding the fairness doctrine would, in my judgment, substantially reduce the opportunity for our citizens to participate in full discussion of the major issues of the day. For this reason I urge that the subcommittee reject the pending measures as they apply to the fairness doctrine.

S. 608 is another important bill presently being considered by these hearings. The bill introduced by Senator Pastore and, of which I am happy to be a cosponsor, would modify the "equal time requirement" found in Section 315 of the Communications Act. This section, as amended, presently requires that a broadcaster who permits the use of his broadcasting facilities by a legally qualified candidate for any public office must allow all other such candidates for that office equal opportunities for use of the broadcasting station. S. 608 would exempt broadcasters from this equal time requirement only in regard to legally qualified candidates for the offices of President and Vice President of the United States.

As the 1976 election year rapidly approaches, the need for this legislation becomes increasingly apparent. There are a multitude of confusing issues which confront us today and it is imperative that the American people be given every opportunity to hear the leading candidates for the two highest offices in the land discuss and debate these issues. I believe that to fail to assure this opportunity would be a dereliction of our duty to promote the broadest dissemination of information during a campaign.

In the past, broadcasters have been unwilling to appropriate time to the leading candidates because to do so would require that they also give equal time to the numerous minor candidates who are attracted to the Presidential race. There are few of us who would not agree that the burden imposed upon the broadcasters by these minor candidates would be excessive and the benefits derived from granting them equal time would be minimal. On the other hand, the loss to the nation from being deprived the opportunity to hear the major candidates state and defend their positions on the pressing issues of the day would be considerable. The temporary suspension in 1960 undoubtably resulted in a remarkable political exercise that is worth repeating again and again.

During this time of spiraling inflation, rising costs are a significant concern to all of us including the candidates for the offices of President and Vice President. This legislation will have the effect of reducing the astronomical costs that are associated with the Presidential campaign because broadcasters stand ready to offer substantial amounts of air time for debate and discussion to the major candidates if relieved from the requirements of Section 315.

There are some who believe that supporting a modification of the equal time provision is somewhat inconsistent with opposing the repeal of the fairness doctrine. However, I view the problems as being separate and distinguishable. First, the equal time requirement is much narrower in scope in that it only applies to political broadcasts where the candidate appears, whereas the fairness doctrine comes into play on a broader spectrum when candidates are not a part of the programming. Second, there is a positive duty imposed by the doctrine upon broadcasters to cover controversial issues and to afford reasonable opportunity for opposing views, but under the equal time requirement it is specifically provided that there is no obligation imposed on a licensee to allow the use of its station by any candidate. Thus broadcasters are free to close their doors to candidates where they believe that there would be unreasonable demands for time if opened for Presidential candidates. Third, S. 608 is a careful fine tuning of the equal time provision which would retain the requirement substantially as it exists now while eliminating what is viewed as an unreasonable and counterproductive aspect of it. With this piece of proposed legislation we have attempted to identify the major problems associated with the equal time requirement and to deal with those specific problems rather than terminate the entire provision as has been proposed for the fairness doctrine.

The need for the modification provided by S. 608 is evident and I respectfully urge that the bill be favorably reported in order that the Congress may consider it in time for the American electorate to reap the full benefits of it during the upcoming Presidential election in 1976.

THE GENOCIDE CONVENTION AND AMERICAN TRADITION

Mr. PROXMIRE. Mr. President, ever since the founding of this country, a belief in human rights has been a driving force in our history. The Constitution itself is based on a belief in human dignity.

The American dream of rights for all the people caught the imagination of mankind. By the millions, men and women from all over the globe came to this land to gain those rights which they were denied in their native lands.

In this century we have seen the expansion of the American tradition of human rights. From something confined to our own shores it has grown to an international ideal. At the end of the First World War, President Wilson sought to make certain human rights a part of the final settlement. At the end of World War II, the United States supported the establishment of the United Nations. Part of the purpose of this international organization was to secure and guard our precious rights.

Mr. President, we must not reject this longstanding tradition. The quest for human rights has been an indispensable pare of our national heritage.

To fail to ratify the United Nations Genocide Convention, which has as its sole purpose the protection of the rights of men and women everywhere, is nothing less than a denial of the spirit of this Nation. Once again I urge the Senate to act now to approve the Genocide Convention.

TRIBUTE TO JOHN BLATNIK

Mr. HUMPHREY. Mr. President, recently I was privileged to participate in a major event in Duluth, Minn., honoring former Representative John Blatnik who served the Eighth District with great distinction for 14 consecutive terms prior to his recent retirement.

John Blatnik set the standard for Congressmen in hard legislative work and constant service to his constituents. His major legislative accomplishments include outstanding contributions to the economy and environmental protection of northeastern Minnesota and the entire Nation.

Above all, however, it has been my privilege to have known John as a close friend. And I am honored to have had the opportunity to express my sincere commendation to this great man and his fine family.

Mr. President, I ask unanimous consent that my remarks of tribute to John Blatnik, as prepared for delivery, be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

Remarks by Senator Hubert H. Humphrey: An Evening With Danny Thomas, John Blatnik, and Their Friends

I am proud to be here this evening as a friend of Danny Thomas and John Blatnik, in a tribute to the finest Congressman Minnesota has ever known.

No one could be in better company, than to be with these two men who, although they are in different professions, have so much in common.

In their own ways, each has worked to better and to nurture the lives of our fellow citizens.

Danny Thomas is known throughout the world for the laughter and the tears and the joy he has brought to millions.

And for thousands of children, Danny's work on behalf of St. Jude's Children's Hospital has meant the gift of life.

His entertainment, his compassion, and his charity, make him a very special man, and I'm honored to be here with him tonight.

As a former colleague, as a liberal, as a Minnesotan, I could praise John Blatnik for many things. Principally, I thank him for his friendship. Muriel and I value greatly the hours we've spent with John and his lovely wife Gisela. John's character and strength are well reflected in his family.

I know John Blatnik to be a man of uncommon honor, decency and compassion. I share my respect for him with thousands of Minnesotans and those who worked with him in Washington for over a quarter of a century. His sense of justice and understanding of the practical needs of his constituents served him well throughout his years in public office. His legislative record stands as a monument to the work he did on their behalf.

John was not always so highly regarded. In the post World War II days of 1946, in his first campaign for the Congress, there were those who called him a communist, a radical, and a socialist. They charged that if he were elected he would be a menace to our country and that he would destroy our economic system.

But they were wrong—dead wrong.

John's long legislative record has clearly shown him to be a chief architect of a strong economy and an enduring democracy.

At the time, he had served a brief five years in the Minnesota State Senate. Yet, he had already begun to legislate a bright future for northeastern Minnesota.

He knew the mainstay of the area's economy, its iron mining industry, was coming to a close. He knew that those who would remain on the iron range were destined to live in poverty—in despair.

As a member of the state legislature, he had authored the now-famous Minnesota Taconite Tax Law, which was the first basic legislation to stimulate the mining and processing of taconite ore in Minnesota. He understood then that taconite held the key to economic progress in Minnesota.

During the war John Blatnik had spent three and one half years in the Air Corps Intelligence Branch and the Office of Strategic Services. He served for 8 months overseas in Italy and Northern Yugoslavia. For 8 months he was behind enemy lines gathering information and rescuing American airmen forced down behind enemy lines.

Therefore, there could be no question of John's absolute commitment to the principles of democracy, and his critics' charges were reduced to nonsense.

Yes, John made many "radical" speeches for that time. He talked about programs for people—he clearly saw their needs for housing, for health care, and for economic development.

But he was also a chief fighter for political reform, battling for a strong Democratic-Farmer-Labor Party that would be responsible to the people, and with communist and other selfish interests cleaned out.

And so it was that in 1946 we cleaned up the DFL Party, and John Blatnik became our first representative in Washington in a stunning victory for the state's progressive movement.

This young Congressman had accomplished what had never been done before—he had taken the paper coalition of two fiercely independent, uniquely Minnesotan political parties, the Democratic Party and the Farmer-Labor Party, and made that coalition work. I followed on that new ground broken by John Blatnik. And I have been privileged to be part of the most successful political party in this state's history.

So ask a friend of John Blatnik what he means to progressive politics in Minnesota—ask a DFLer.

Some people forget what it was like to be a Democrat and to be in Congress in those early days. I don't. And certainly John Blatnik doesn't.

Many times I've heard him explain the formal procedure for putting the midwest Democratic Congressional Caucus on record in his first years in Washington. And it's fair to say, he was as powerful in that group as he was to be many years later as Chairman of the Public Works Committee. He held the swing vote, in fact, the only vote. John Blatnik could hold those caucuses in a phone booth. He was the only midwest Democrat in the Congress. He was Chairman, Secretary and the membership itself.

But more importantly, John Blatnik, alone, spoke for the interests and the needs of midwestern progressives, liberals and Democrats, and I want to say with all sincerity, that we were well represented.

During his years in Congress, John Blatnik got his share of headlines and editorials. But he never set out to make a name for himself. Instead, his constituents received his priority attention.

The needs of this vast eighth district always came first. Perhaps that is one of the reasons they returned him to office for 14 consecutive terms by landslide margins.

There is a center for mentally retarded children in Chisholm, and it has served hundreds of people, because John Blatnik cared enough to see that the federal government took a special interest in some very special children.

So ask a friend of John Blatnik what he has done for those in our society with special needs—ask a parent of a mentally retarded child.

The federal government's water pollution standards, enforcement policies and funding since 1956 have been the work of John Blatnik. The water treatment centers in this district, the laws under which Reserve Mining's dumping of tailings are being challenged, the funds which hopefully will help them construct an on-land site, all grew out of the deep concern and consistent action John Blatnik brought to the Congress on behalf of a cleaner environment.

The national water quality laboratory here in Duluth exists today because John knew the necessity of hard data and constant experimentation if we were to solve our environmental problems.

So ask a friend of John Blatnik if he cares about clean water and clean air—ask an environmentalist.

John Blatnik has always been an active man. He likes the outdoors. He enjoys nature. The Voyageurs National Park was established under legislation he authored. The Grand Portage National Monument and the protection of the Boundary Water Canoe Area are Blatnik accomplishments.

So ask a friend of John Blatnik if he cares about the protection of our treasured national parks and forests and waterways—ask a conservationist.

The year-round open harbor of Duluth, the St. Lawrence Seaway as we know it today, the new highways and the industrial parks—each represents an effort by John Blatnik to build a strong, viable economy in northeastern Minnesota.

Perhaps one of the most important victories in John's struggle to bring jobs to this region of the country took place in 1964. The Minnesota Legislature had acted to place a constitutional amendment on the ballot—the taconite amendment—in order to insure the development of this area's taconite industry.

This was a hard-fought issue within the DFL Party, and one might argue that a Congressman should stay out of this "state" fight—but not John Blatnik. No, the passage of this amendment was the culmination of the work he began in the 40's.

John campaigned across the length and breadth of this state. He took the message of northeastern Minnesota to the metropolitan areas, the farming communities and the small towns throughout the state.

Although I couldn't campaign side by side with him that year, I did join with him in full support of the amendment. It passed—and today, new plants are being constructed and thousands of Minnesotans are employed by the growing taconite industry.

So ask a friend of John Blatnik if he understands the importance of jobs and industry and economic growth—ask any of the thousands of union workers right here in Duluth or on the Range.

John Blatnik served this district so well because he took the time and made it his personal work to stay in touch, to know what the communities needed and what kind of service the people were getting.

A former aide of John's once told me about the night they were leaving a meeting at the Cloquet Labor Temple and had to drive up on the Range for an early morning meeting. As they left the hall, they noticed a sleet storm was beginning. As they got outside of town, the storm got worse, and for a while they were unable to make it up a hill. John got out and pushed, and soon they were on their way.

The aide, who had been on these midwinter trips for many years, asked John what in the world they had done to deserve being caught in the worst sleet storm of the season that year. John simply told his aide that when you're out every night of the year, you are bound to be out on the night of the worst storm.

And that's the way it was for John Blatnik—without doubt one of the hardest working men I have ever known to serve in the Congress.

His constituents loved him, and he was so well respected in Congress because he is a tough, proud man—a fierce partisan for what he believes, and a man who does not rest until he has completed his task.

As a young man, John Blatnik was part of a new breed of politicians. He advocated the kind of politics that stand for economic and social justice, genuine concern for the problems of working men and women, farmers, small businessmen, and the opportunity for each individual to pursue his talents to the fullest.

His record is one of tremendous accomplishment. His word has always been good. His talk—always straight. His politics—always principled.

The name "Blatnik" has meant confidence and leadership to two generations of Minnesotans.

His compassion, his sense of duty, and his concern mark an admirable record of assistance to those in our society with special needs.

His early and sustained record as a conservationists and as an environmentalist, mean that future generations will enjoy the scenic splendor of this land he loves.

His untiring efforts to bring a new industry—taconite—to northern Minnesota will help assure a prosperous economy.

John Blatnik's work stands as an example for his Party, his state and his nation.

He is a man of uncommon strength and vision. He is a teacher and a politician and a statesman. I have always been proud to stand with him and will continue to regard it as a privilege to call him a friend.

PROLIFERATION OF NUCLEAR WEAPONS

Mr. GARY W. HART. Mr. President, the nations of the world have made a very poor record in respect to controlling the proliferation of nuclear weapons and the threats to the peace that uncoordinated international policies and slipshod security measures encourage. Only a few days ago the press carried reports that Libya was seeking to purchase an atomic bomb for use against Israel. Congress has also been concerned about the vulnerability of our own nuclear weapons which are scattered all over the world and are poorly protected from theft by determined terrorists. We also know that weapons-grade plutonium is transported around the United States without guards and in ordinary trucks.

But it is more than a casual attitude toward nuclear weapons and carelessness in their handling that should concern us. We also have a responsibility to tighten international controls so as to limit nuclear proliferation. Our distinguished colleague, the Senator from Missouri (Mr. SYMINGTON), has clearly outlined the options the Congress should be considering in an article in the May 5 edition of the New York Times. I am particularly struck by how many measures can be taken almost immediately by the United States; but perhaps the most important is an acceptance by our country and the Soviet Union that we must do something about our bilateral arms race if we expect the world to follow our example. I ask unanimous consent that Senator SYMINGTON's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, May 5, 1975]

MUSHROOMS FOR DINNER

(By Stuart Symington)

WASHINGTON.—On April 2, the news media reported that an Argentine legislator had introduced a bill calling for his Government to develop nuclear weapons. This was a clear indication of the pressures on a growing number of governments to "go nuclear."

The possibility that nuclear weapons may soon be in the hands of many more governments—as well as terrorist or criminal groups—is one of the gravest security issues facing the United States.

Our nuclear forces, upon which we place our main reliance to deter any major would-be aggressor, were not planned to protect us in a world in which nuclear-armed groups abound. But such a world is now close on the horizon.

Economic costs and technical restraints are no longer decisive factors in preventing other countries or nongovernmental groups from acquiring various types of nuclear explosive devices.

Furthermore, respected nuclear physicists tell us that between 100,000 and one million people throughout the world now have the basic information necessary to assemble nuclear weapons.

Today more than 50 countries have nuclear reactors. Not including the five nuclear powers—the United States, Soviet Union, Britain, China and France—as well as India, which recently exploded an atomic device, about 30 countries currently possess weapons quantities of plutonium that could be used in a bomb development program.

Enough plutonium has already been produced in the nuclear plants of these 30 countries to build some 9,000 nuclear weapons, each with the same destructive power as the bomb dropped on Hiroshima. And five years from now that number is projected to reach 50,000.

Moreover, half of these same 30 countries, plus two of the nuclear powers (France and China), have refused to ratify the 1970 Treaty on the Non-Proliferation of Nuclear Weapons, which forbids the acquisition or distribution of nuclear explosive devices.

Growing worldwide diffusion of nuclear technology and fuel also increases the opportunity for theft and usage by terrorist and criminal groups. We should be especially concerned with the possibility of piracy of nuclear materials in transport, or in a foreign country where security measures might not be as effective as in the United States.

It is not inconceivable that an international black market in stolen nuclear materials—possibly complete nuclear weapons—could develop.

What can be done to prevent the cancer of nuclear weapons from spreading throughout the world? Here are some suggestions:

When the parties to the non-proliferation treaty meet in Geneva next month to review its operation, the Ford Administration should avail itself of this key opportunity to help shape policies necessary to gain additional membership in the treaty and strengthen its safeguards.

In order to tighten control over nuclear materials, countries supplying nuclear fuel should carry out a comprehensive plan for the enrichment, reprocessing and/or leasing of world fissionable materials, and should not supply any nuclear materials to nations that have not agreed to accept International Atomic Energy Agency safeguards on all their nuclear programs.

The International Atomic Energy Agency should be empowered to develop and supervise security arrangements designed to protect nuclear materials from theft. At a minimum, the agency could exercise periodic surveillance over nationally-operated security systems.

Until such adequate safeguards and security arrangements have been developed, nations supplying nuclear materials should put a freeze on the further reprocessing of plutonium.

To discourage non-nuclear nations from embarking upon nuclear weapons programs, the nuclear powers should make a concerted effort both to put an end to their own arms race and to provide security assurances to non-nuclear states that nuclear weapons will not be used against them. At a minimum, the former effort would require the United States and the Soviet Union to negotiate various types of reductions in nuclear weapons.

We must learn to handle the growing danger of this nuclear proliferation before it handles us.

AMERICAN FOLKLIFE PRESERVATION ACT—S. 1618

Mr. HUDDLESTON. Mr. President, I am pleased to join in cosponsoring the American Folklife Preservation Act, which was introduced last week.

This bill would establish an American Folklife Center in the Library of Congress with a broad mandate to collect, document, and publish available folk material such as folk music, manuscripts, documents, books, photographs, and other graphic materials which portray our folk culture. The bill also directs the Center to undertake the dissemination, exhibition, and performance of American folklife. The rich variety and depth of our folk heritage is certain to provide endless hours of educational enjoyment and entertainment. Programs utilizing folk singing, craft demonstrations, storytelling, exhibitions, lectures, ethnographic films, and traditional dance and drama would become available for all to appreciate.

The soul of a nation can be perceived in the culture of its people and ours is a rich, full, and varied culture that has been shaped and influenced by the uniqueness of our geography and the diversity of the ethnic backgrounds of our people. Our national heritage is an important and integral part of our lives and must be preserved and protected just as any other thing of value. To fully understand ourselves as a nation, we must understand our past attitudes and beliefs which helped shape us into a great country.

The United States is steeped in a wondrous variety of folklife and, as we approach our 200th birthday, it is highly appropriate that the Nation as a whole undertake to formally collect and preserve its many aspects. For years, various groups and organizations have worked diligently to keep these threads to the past alive and meaningful for our children. This bill, should it be approved, will provide additional assistance in this important and necessary task.

The diversity of American folklife is astounding, but this only serves to emphasize that we need a central organization to coordinate and lead the tremendous effort that is required. It truly will be a monumental task but one, I assure you, that will reward us many times over when we enjoy the product of these efforts. I urge the Senate to approve this bill before we lose more of our folk culture to the dim memories of the past.

FIRST URBAN CENTER TO SERVE NATIVE AMERICANS IS DEDICATED IN MINNEAPOLIS, MINN.

Mr. HUMPHREY. Mr. President, on May 4 I was honored to participate in the dedication of the Minneapolis Regional Native American Center. This is the first facility in America designed to serve native Americans living in an urban area. But the scope of its numerous programs will also definitely have a regional perspective, reaching out to Indians of the several tribes in Minnesota as well as neighboring States. This excellently designed center will offer a varied program of recreation opportunities, social and manpower training services, and important education and library facilities. It is a center in which native Americans of Minnesota can justly take great pride.

In remarks prepared for delivery at the dedication ceremony, I emphasized the importance of establishing an action agenda in Washington and across the Nation to work toward assuring the rights of justice and the opportunities of freedom for native American people. I underscored the serious problems confronting native Americans—high unemployment, inadequate housing, poor health care, limited education opportunities. Fundamentally, Congress should give priority to Federal programs which stress self-help, self-development, and self-determination of native Americans.

Mr. President, I ask unanimous consent that my prepared remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS BY SENATOR HUBERT H. HUMPHREY: DEDICATION OF MINNEAPOLIS REGIONAL NATIVE AMERICAN CENTER

This is a memorable day. It marks the beginning of American Indian Week in the state of Minnesota. And today marks the beginning—the dedication—of this new Minneapolis Regional Native American Center.

I think it is very important to note that this building is named the Minneapolis Regional Native American Center.

I commend Mr. Don Cook, the Chairman of the Board, Mr. Irv Sargeant, the Director of this center, and all the board and staff members who have worked so hard to make this Native American Center a reality. I commend you for your vision in selecting the name Regional Native American Center for this location.

This title says "welcome," not only to the Indian people in the greater region. It says welcome to our many Indian brothers in our sister city of St. Paul, as well as to our Indian brethren in the 7 Chippewa and the 4 Sioux reservations of Minnesota.

As a regional center, it welcomes the Native Americans from our neighboring states as well.

This beautiful center shows vision in many other ways. Besides being a fine building—well constructed and functional—it shows vision in the design of interior space, to handle the varied activities that are planned.

The excellent gymnasium facilities will provide many, many hours of fun and competitive sports, not only for our young people in this urban area, but also for many adults and, as I understand, for visiting Native American teams from around the state.

In addition to recreation, this facility will offer vitally needed social services to our Native American population. Services to be provided here under one roof include legal aid, family and children's service, Hennepin County Welfare service, and Indian Health service. It will also headquarter the manpower training program to assist Native Americans in obtaining jobs.

But there is more. The educational facilities of this building are remarkable. There will be here a museum, a photo gallery, a marvelous library, open to all for research on the great heritage of our Native Americans. The library not only will be filled with books and microfilms, but also will have valuable audiovisual equipment and many other works. A gallery will feature Native American works of art by artists of all tribal nations and will include traditional, contemporary and protest art.

These facilities will assist Native American youngsters to learn about their heritage and will offer adults vital education opportunities. Moreover, non-Indian people in the area, school children as well as adults, can come to learn the rich history and major contributions of the first Americans.

This Center is unique. It is unique in that the planning and designing was done with a great deal of consultation and input from the Native American community of Minneapolis. It is unique in that it is the first center of its type in this entire nation in an urban area.

It is unique in that it once again shows to these United States that we here in Minnesota can get together, can cooperate as citizens, as minority groups, as government at all levels—city, county, state and federal—and can put together this nation's first urban Native American Center.

But it is mainly the dedication, the conviction, the idealism, and the vision of the Native American population of this city, that are to be most highly commended.

It is fitting that this Center should open now, during America's Bicentennial. For the past month and for the remainder of this year and extended to July 4, 1976, America will be celebrating its 200th year as a nation. Today, across this land in many towns and villages throughout America, various celebrations are planned in honor of that Bicentennial year.

But we as Americans—all of us—must seriously re-evaluate and examine this Bicentennial celebration. We in Congress, those of you who are officials in state and local governments, all of us who are citizens of America must use this year of the Bicentennial to examine and re-evaluate.

Certainly, it is a year of celebration—the celebration of independence and democracy.

But if we are truly to rededicate ourselves to the wise, constructive use of these hard-won gifts and opportunities of political freedom, then a first priority on our agenda should be to work toward assuring the rights of justice and the opportunities of freedom for Native American people.

There is no longer any need to spell out the record of countless ways in which America's progress has been established at a great cost to Native Americans. The heavy costs they have borne—the loss of property, of self-sustaining economy, of human dignity and freedom, of life itself—in the course of America's drive toward its "Manifest Destiny," are now well known and fixed upon our conscience.

The time has come for government and the people to respond to the urgent petition for a redress of grievances that has been put forward, patiently and responsibly, for years by Native Americans.

There can be only one answer to this petition: To assure to every Native American his just and God-given right to self-determination, as a full and equal citizen of the United States.

When I served as Vice President of the United States, many federal programs were initiated to address the plight of Native Americans in areas of housing, health, education and job training.

But the Native American deserves a chance to develop further his talents and share fully in the future of our Nation.

There are about 800,000 Native Americans in America today. This includes Aleutians and Eskimos in Alaska.

Native Americans are taking more leadership and initiative in solving their problems. But they need to have more opportunities to make their own plans and decisions in programs affecting their daily lives.

Yes, we have made progress. The number of scholarships to Native Americans from the federal government for higher education has risen significantly—from 139 in 1950, to 12,438 in 1972.

But there is much more that can and must be done.

The median education of the Native American is 9.8 years, compared to 12.1 years for the general population.

Only one third of Indian children graduate from high school. The general population figure is 52.3 percent.

Life expectancy is 5 years less for a Native American than for the general population.

One out of every four Native Americans lives in overcrowded housing. Compare this to one out of twelve for the general population.

And more than one-fourth of Native Americans live in housing which lacks plumbing.

Economically, unemployment rates are painfully higher for Native Americans.

Their median income is far below the national average.

In this year of the Bicentennial we must erase the old attitudes of paternalism toward Native Americans. We in the Congress must support federal programs which stress self-help, self-development and self-determination.

We must continue to work to bring the standard of living for Native Americans to equal that of the country as a whole.

We must equip those Indians who choose to live in cities with the necessary skills to live in equality and dignity.

This Regional Center is a good start toward achieving these goals at the grass-roots level, where there is first-hand knowledge of the job that needs to be done. And it can become a model for the nation of what can and must be accomplished.

The Declaration of Independence, which proclaimed America's independence, states that all men are created equal with certain God-given and unalienable rights, including life, liberty and the pursuit of happiness.

Our forefathers established a government to secure these rights. This is what the whole Bicentennial is about. It is about a revolution for human dignity and decency.

Let us now, therefore, dedicate ourselves to guaranteeing these rights for all our people.

KENNETH B. KEATING

Mr. SCHWEIKER. Mr. President, I would like to join my colleagues in paying tribute to a distinguished American, Kenneth B. Keating.

For 18 years, Ken Keating represented the people of New York with distinction in the Congress, serving in both the House of Representatives and the Senate. From the early days of the post-World War II period, through the fifties and sixties, Ken Keating was an effective spokesman for effective policies that served the people, and for reforms to make Government work better. He demonstrated the highest qualites of integrity and forthrightness, and always worked to help achieve greater respect for human dignity, and the rights of all citizens.

In addition to his outstanding congressional service, Ken Keating has served the Nation abroad as an Ambassador, to India for 3 years, and for the past 2 years, to Israel. He has earned the respect of the people of these two nations for his dignity, and high regard for their interests as well as those of the Nation he served.

Congressman, Senator, Ambassador and judge; Ken Keating had a remarkable career of personal integrity, of leadership, and of service to his country. His counsel and his wisdom will be sorely missed.

KENNETH B. KEATING

Mr. McGEE. Mr. President, death has robbed the family of, the friends of, the country and the free world of former Congressman and Senator Kenneth B. Keating. Mr. Keating most recently served as our ambassador to Israel. The passing of people, because there is never an explanation given, will always remain a sort of mystery, but Mr. Keating's contributions to others still living is no mystery.

He was a mixture of practical idealism and wit. His goals of a free society, not only for the American people he represented in the House of Representatives and the Senate, but for the societies which have not realized the freedoms of this Nation, never wavered. He faced tough assignments in India and Israel. He qualified for those ambassadorships by facing tough assignments representing his State of New York in Congress and living up to the responsibilities cast upon an elected and demanded public official. Keneth B. Keating was a success in life. Each man and woman in this land has a responsibility. Mr. Keating carried that out and more—succeeding because he gave it his all to the end.

Through death, we are able to fully realize the good things about men and it is the time, hopefully not too late, to speak about those things before the passing is forgotten.

Praise from the Nation and the world and the deepest sympathies go out to the family.

May his soul rest in peace.

HUMAN RIGHTS IN THE PHILIPPINES

Mr. HARTKE. Mr. President, during recent months there has been increasing concern among many Members of Congress over the continued abrogation of human and civil rights under the marital law regime in the Philippines. Attention was first focused upon the Philippine situation last November, when two of the most prominent political prisoners entered upon a hunger strike protesting the detention of more than 5,000 Filipinos for periods of more than 2 years without proper charges, without trials, and often without the opportunity to consult with counsel. These two men, Eugenio Lopez, Jr., the noted Philippine publisher and television executive, and Sergio Osmena III, son of the last opposition presidential candidate, have become symbols of the continued repressive nature of the administration of President Ferdinand Marcos. Lopez and Osmena ended their hunger strike on the promise that political prisoners, including themselves, would be released. While some political prisoners have been freed, over 3,500, including Lopez and Osmena, continue to be political prisoners.

I am informed that approximately 40 Members of Congress, from both Houses, have raised questions or launched protests about the specific cases of Lopez and Osmena, and many of these protests—including my own—expressed concern in regard to the basic negation of human rights under Philippine martial law. The congressional concern is only a reflection of the growing international attention to limitations on liberty in the Philippines. On March 2, 1975, Parade magazine, in an article entitled "Extortion in High Places," pointed out that the detention of Lopez had all the implications of extortion of the Lopez family to force them not only to keep quiet politically but to assign under onerous terms much of their assets to friends, supporters, and relatives of President Marcos.

On March 1, 1975, the London Economist pointed out that Lopez and Osmena "may be seen as hostages to deter their self-exiled fathers from action." On March 11, 1975, the prestigious International Press Institute renewed its protest to President Marcos in regard to the continued detention of Lopez. There have also been complaints concerning various aspects of martial law from religious leaders both within and without the Philippines, from Amnesty International—the organization particularly concerned with the existence of political prisoners—and from numerous Philippine exiles.

None of the responses of the Philippine Government to Members of Congress can obscure the following facts:

First. That more than 3,500 Filipinos remain in jail, for periods up to 2½ years without being presented with specific charges, without trial and without access to counsel. The Philippine Government has recently claimed that Lopez and Osmena were involved in plots to assassinate Marcos, but no step has been taken toward holding a trial. The numerous political prisoners include not only Lopez and Osmena but Philippine Senator Benigno Aquino and many others who at one time or another have voiced opposition to martial law conditions.

Second. That the Philippine judiciary remains under the thumb of the executive branch by the simple expedient of requiring all Philippine judges to submit undated resignations to the President. Furthermore, the writ of habeas corpus has been in suspension for more than 2½ years. It would be difficult to see how any trial could be conducted in regard to any matter of concern to the Philippine President in an open and fair manner under these conditions. The integrated bar of the Philippines and all Philippine Catholic bishops have protested this situation.

Third. That at the time of the advent of martial law in September 1972, all publications and media, except a handful favorable to the President, were shut down. From time to time new publications and radio and television stations were allowed to operate, but in every case, the operation was in the hands of friends and relatives of the President. This situation in regard to lack of freedom of press and media is exemplified by the fact that ABS–CBN, the largest television and radio network in the Philippines owned by Eugenio Lopez, Jr., and his family, was turned over to a small radio network (KBS) which had been a supporter of the President. This was accomplished in part by forcing a lease of some facilities upon ABS–CBN without any consideration for such a lease stated. No compensation has been paid for the lease. Many others of the ABS–CBN stations were merely turned over to KBS with the assistance of the military. The two leading Philippine newspapers, the Manila Times and the Manila Chronicle, were shut down, and the facilities of the Manila Chronicle, published by Lopez, had its facilities "leased" to a newspaper favorable to the President. Lease payments for such printing facilities have been sporadic.

Fourth. That President Marcos continues to rule long after the expiration of his legal term on the basis of a series of referendums in which the people are asked to vote yes or no in regard to his continued rule. His government reports overwhelming support in these votes, but the opportunity for opposition to voice its objections in the last referendum, for example, was limited to a few days without access to the media. President Marcos refuses to convene the interim assembly provided for in the 1973 Philippine Constitution which could pave the way for elections. There seems no end in view to his continued dictatorship and the present negation of human and civil rights in the Philippines.

No matter how much Americans may abhor these repressive conditions, it is not our proper role to interfere with the internal workings of a foreign government, including the Philippines, with which the United States has had such long historic ties. However, the Philippines is presently scheduled to receive more than $25 million in military aid under the Foreign Assistance Act of 1974. If the conditions which have been described are not ameliorated in the near future, I do not see how Congress in good conscience can give this military aid to the Marcos administration, which will use this very assistance to enforce its abrogation of human rights and civil liberties. I am informed that the State Department has brought the provisions of section 502(b) of the Foreign Assistance Act to the attention of the Philippine Government.

I believe that when we adopted section 502(b) last year it was intended that it be invoked in a situation such as faces the people of the Philippines. Section 502(b) states:

> It is the sense of Congress that, except in extraordinary circumstances, the President shall substantially reduce or terminate security assistance to any government which engages in a consistent pattern of gross violations of internationally recognized human rights, including torture or cruel, inhuman or degrading treatment or punishment; prolonged detention without charges; or other flagrant denials of the right to life, liberty and the security of the person.

For 2½ years under the imposition of martial law in the Philippines there has been a consistent pattern of flagrant denials of the right to liberty and the security of the person, there has been prolonged detention without charges, there has been degrading treatment and punishment, and there has been a system developed to maintain the present regime without a return to even the semblance of democratic institutions. I ask Congress to call upon the President to terminate military assistance to the Philipipine government. If the President does not do so, I urge that Congress strike the military assistance to the Philippines from the budget for fiscal year 1975–76. I believe the American people will overwhelmingly support such action, for the purpose of military aid is to provide for the security of the United States and not to further the abrogation of the human values which we hold dear.

AFTER INDOCHINA

Mr. KENNEDY. Mr. President, last week, a gathering of Washington Asian specialists was addressed by Mr. Raul Manglapus, a senior associate at the Carnegie Endowment for International Peace in New York, on the subject of American foreign policy "After Indochina." Dr. Manglapus, a former Senator and Foreign Minister of the Philippines, is now president of the Movement for a Free Philippines.

As an Asian, a distinguished scholar, and a former political figure with extensive experience in the difficulties and pressures of the regional politics of South East Asia, his thoughts and suggestions concerning the future directions of American policy in the region are particularly valuable at the present time. I ask unanimous consent that the text of his remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

AFTER INDOCHINA

In the last few years two outstanding factors appear to have influenced the unique configuration of your policy in Southeast Asia. One is that the nuclear stalemate. The other is the democratic character of your society which permits popular opposition to reverse the thrust of foreign policy. These two factors have compelled you to withdraw to more realistic perimeters from the old rhetorical and, if you will, romantic dimensions which were once predicted for the "American Century". America, since the days of Woodrow Wilson, has travelled the course from "Savior of World Democracy" to "Liberator from Fascism" to "Leader of the Free World". Freedom and democracy are today seldom heard from the lips of the Secretary of State. The current byword is stability.

As one deeply and personally concerned over freedom and democracy in my country, I should perhaps be expected to lament this. But I say so be it. Let us strip policy of rhetoric. Let us bare our naked interests. Then perhaps we might come down to lasting solutions.

It is the strategic Thieu withdrawal, now apparently turned into a rout, that quite symbolically will occasion the American retreat to reality. Whether all of us concerned can somehow extract a happier future out of this tragedy, or whether this American retreat will itself turn into an eventual diplomatic rout will depend largely, I submit, on the boldness and creativity with which U.S. policy makers will assess for themselves the full implications of this debacle.

Stripped now of its rhetoric, we could discover that, after all, your policy in its objectives differs little from those of other nations. You are, as all nations are, out to protect your national interests. All your foreign activities, including your foreign aid, must be viewed in the light of this supreme objective. To defend your territorial integrity and to continue enjoying the highest standard of living in the world, you must deploy your resources, first, for military security, and second, for the preservation and growth of your economic interests abroad.

Essentially, the main military threats to your territorial integrity remain the same—the two Communist giants, the Soviet Union and China.

To meet these threats, you appear to be striving (1) to preserve the nuclear balance, (2) to bring your defenses as close as possible to the doorsteps of your potential aggressors and (3) to keep third countries from coming under their ideological, economic or military influence.

In Europe, a reunited Western Christendom with its cultural homogeneity provided you with a ready access to Russia's doorstep. You attempted to duplicate NATO in Southeast Asia. It was my privilege to sit as Secretary-General at the Manila Conference of 1954 at which a singularly heterogeneous and almost artificial gathering of eight nations, only three of them truly Asian, met to draft and sign the treaty that brought SEATO to life. SEATO was born in the conviction, now proven to be a tragic illusion, that Communism could be stopped in any given country by supporting a government, any government, that declared itself anti-communist, regardless of the character of its relationship with its people.

In NATO, it happened that all members (except later, Portgual) were democracies. In Asia it was not so. Most of the working Asian democracies—India, Ceylon, later Malaysia—refused to join. Of the participants, only the Philippines was a fully operative democracy. Pakistan was still operating under an interim constitution and Thailand was in one of its spells of military rule.

Thailand has just returned to democracy

not by SEATO or American intervention but by shedding of Thai blood in the streets of Bangkok. I was told by Thais of several persuasions and ages in Bangkok last February that, if their army were tempted to take over again, the soldiers "would have to kill many more people".

A determined democratic Thailand, in spite of initial difficulties to which I was witness, is displaying a stability that should disqualify it from the list of unsteady dominoes. Elsewhere in Asia, it is the working democracies—India, Ceylon, Malaysia—that cause no worry among the domino watchers. They may require grain and economic aid—but for them there is no need to alert the U.S. Marines.

A policy of containment by military alliance which disregards the extent of the popular base of the member governments can not succeed. It would seem today that it is the stability that comes with popular government that stops communism and saves American blood and money. Right wing dictatorships are brittle and will collapse before the advance of an organized ideological force. If the dictatorship lasts long enough, as in Portugal, it drives large numbers of people to the other extreme. When at last the dictatorship collapses, a return to democracy is difficult since it is the Communist party that emerges the best organized political movement, even if it may command the outright allegiance of a small minority.

The policy of "he who is not with us is against us" has driven nations like neutralist India into the arms of the Soviet Union. Neutralism, one of the original sins of the 1950s, could be turned into a virtue if a recognition is made of the automatic contribution that a country, simply by maintaining itself as a stable democracy, can make to the cause of American security and world peace.

It is easy to dismiss as a perilous invitation to intervention the suggestion that for the sake of security and stability the United States go back, this time more realistically, to its original commitment to democracy. But one could just as easily fall into false piety if one were to deny that, precisely for the sake of that security and that stability, a great power like the United States has in some form to intervene in the lives of other nations.

You need not force a country to turn democratic. You need only, in most cases, to allow it to return to democracy. You need only to resist what appears to be your current driving impulse, in spite of the lessons of Greece, Portugal and now Indochina, to support dictators in the name of stability, and incidentally, of profits.

Asia's dictators are nervous over the collapse in Indochina. Marcos in the Philippines is the first of the lot to play on the fears of the American public in the wake of the collapse. He needs your support for his dictatorship and he realizes that in this crisis U.S. attitudes could swerve either way depending on how successfully the dictators play their cards. He has called for a revision of Philippine-American military agreements. At the same time, Mrs. Marcos has her picture taken, as *The New York Times* puts it, at the right time and in the right place, to show that she can embrace Mao as firmly as the Maoists on Luzon, and the controlled Manila press makes it clear that Soviet advances are now welcome. All this would sound like welcome *realpolitik* were it not a brazen attempt to extort continued American military support for this brittle regime and did it not go against the grain of the fundamental instincts of the Filipino people.

If the feint to the Communist powers does not work, Marcos thinks he still has his ace. He has declared open house to American investment in the hope that if the American people reject him, the American investors may not. For it has been his successful propaganda thus far that all American investment in the Philippines would have been thrown out had he not instituted his dictatorship.

I have documentation with me that establishes what I mean by the brittleness of the Marcos dictatorship. Continued military support from the United States will prolong the life of the dictatorship, but it cannot postpone forever a final reckoning with the people. More and more Filipinos are realizing the role which American arms are playing in the repression of their rights. It would be best to speed that reckoning so that less, or perhaps no, blood will be shed and goodwill for America is conserved.

When democracy returns to the Philippines it is possible, depending on the forthcoming attitudes of the United States toward the dictatorship, that, as in Thailand, there could be a demand for U.S. military withdrawal from our territory while continuing our military alliance. But if this improbable event should happen, you could remain strong in the regard of the people. There could be less profits for investors from abroad—more of the healthy nationalism recognized as essential to development by former Secretary of State William Rogers. But in the long run it will be a healthier relationship and a bigger market for your industry.

Unlike the Atlantic front, in the Pacific you need not base yourselves in Asian nations to bring your military presence to the doorsteps of the Soviet Union and China. While you might be withdrawing from the Asian mainland, your policy in the Pacific islands is the reverse. Your entrenchment there will soon be formalized with the incorporation of most of the islands into U.S. territory. Even if you should withdraw into Fortress America, it would be a fairly extended fortress indeed. More important, the real Fortress America will be in the hearts of the people, in their refusal, even as neutrals, to run to the embrace of your rivals, in their acceptance of you as partners for their development in freedom.

I am not cynical about American freedom because I am enjoying it even as I speak here today. And I am thankful for it. In this Bicentennial year it might be time to think of recapturing some of the original luster of that freedom which once shone in reflection in the eyes of many Asians and Filipinos. Today, in the fight for freedom in the Philippines, one no longer hears quotations from Jefferson or Lincoln. In the far South, they quote the Koran; in some hills, Mao Tse Tung; and in the plains and cities of the majority, the Christian theology of liberation.

If democracy has become a difficult, perhaps even an abrasive, shibboleth, you might turn to something less controversial—like the Universal Declaration of Human Rights, which is, after all, the inventory of democratic rights. It has been signed by most governments and you yourselves have invoked it for Soviet Jewry. Why distinguish between a detained Soviet Jew and Benigno Aquino, Jr., who is today on the twenty-second day of his hunger strike in protest against a regime which has destroyed those rights which his American Jesuit teachers taught him to be sacred?

A commitment to human rights is not incompatible in the larger measure with your military and economic interests. Will it, as some have suggested, take a revolution in America to drive you to this commitment? Perhaps. But as Jean Francois Revel has said in Without Marx or Jesus, the only true social revolution in the world can happen in America and it has already begun. All that may be needed now is for that revolution to catch up with your foreign policy. Without your realizing it, you may have in your hands the power to make that begin to happen today.

MUSKIE'S VICTORY

Mr. FANNIN. Mr. President, as one who voted against the Senate Budget Committee's proposed budget resolution for fiscal 1976 as a "blueprint for economic disaster" and in favor of the alternative resolution introduced by Senator BUCKLEY, I wish to call the attention of my colleagues to an editorial which appeared in the Wall Street Journal of May 5.

This brief article sums up the feelings of uncertainty and disappointment I had as I studied the $365 billion Federal spending level and almost $70 billion planned deficit recommended by Senator MUSKIE and his committee and approved by this body.

Senators BUCKLEY, MCCLURE, and BROCK proposed instead to set total budget outlays for the next fiscal year at $340 billion, with a deficit at $34.7 billion. Unfortunately the Senate decided that an additional $25 billion would be needed to get us out of the recession, at a time when many economists and business indicators tell us that we are already coming out of our economic difficulties.

The Buckley substitute was defeated, and the Budget Committee won the day. Many of us wonder, however, whether we can safely and for long sustain such huge red-ink budgets. Or will such spending and deficits in fact threaten our country's recovery, rekindle the fires of inflation and increase interest rates, and so cause a severe credit crisis for industry and a loss of jobs for workers? Can we even count on the authorizing committees to stay within these target spending levels, or will the Members be tempted to seek even more funds for their favorite special programs?

We shall soon know the answers to these questions. We shall soon determine if the Congress can practice self-restraint and if the new budgetary process will really produce positive results.

Mr. President, I ask unanimous consent that the full text of the Wall Street Journal editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MUSKIE'S VICTORY

Senator Muskie's success in beating off an attempt by Senator Buckley to halve the budget deficit projected by the Senate for fiscal 1976 has been described as a "victory" for the Maine Democrat.

And indeed the head of the Senate's new Budget Committee displayed a sure hand. The Buckley proposal, he said, would lop $100 billion off the GNP and raise unemployment to 12%. Senator Beall, a Maryland Republican, offered his own assurances that the economy can afford a $70 billion deficit.

No doubt we should all be thankful that we have Senators with so much self-assurance about the economic outlook, particularly when men who know a great deal about economics are crouching in fear before the prospect of such huge federal deficits. And the precision of Mr. Muskie's numbers on what a $35 billion smaller deficit would or would not do is absolutely astounding.

As a result of such coolness under fire, Senator Muskie has another victory and Senator Buckley has suffered defeat. But to paraphrase the ancient Pyrrhus, a few more such Muskie victories and we may all be undone.

KENT STATE: 5 YEARS LATER

Mr. KENNEDY. Mr. President, we pause in a mood of somber reflection upon a national tragedy which occurred 5 years ago as a small group of national guardsmen halted a noontime campus demonstration against America's involvement in the invasion of Cambodia. Power and lawlessness ran riot. Four young people died attempting to give a message of peace and hope for the future of our country.

For the parents of the victims, that day 5 years ago was a time of grief and anger. Their pain lingers on today as they continue to search for the truth in their efforts to learn how and why their children were killed, maimed, and injured. This month may well mark the beginning of the final phase of that quest. The complex civil litigation stemming from the fatal shootings at long last goes to trial in Ohio. A Federal judge and a jury will hear their longstanding arguments against a Governor, two Guard generals, numerous officers, and other members of the State's militia who were present at the scene of the killings.

For 5 years these parents have suffered one setback after another in their tireless determination to get this case into a courtroom where the merits of their charges might be tested according to judicial procedures, rather than in the streets where divided public opinion has held sway for so long. It is there, in that forum, that they believe the myths and innuendos surrounding the Kent State tragedy may be dispelled and some elements of justice finally reached.

After all those years, the only official verdict on what happened and why is that of the Scranton Commission's 1970 conclusion that the gunfire was "unnecessary, unwarranted, and inexcusable."

Had these parents, along with the strangers who came to their aid, not responded to the awesome challenge those killings posed for the American conscience, we would know far less than we now do—and, Kent State would never have become the symbol of the tragedy that lies inherent in lawless action. I admire them for believing in America's basic principles of freedom, responsibility, and justice. What they and their dedicated friends have done during the past 5 years is so appropriately embodied in these words that were spoken by Attorney General Robert Kennedy:

> Laws can embody standards; governments can enforce laws—but the final task is not a task for government. It is a task for each and every one of us. Every time we turn our heads the other way when we see the law flouted—when we tolerate what we know to be wrong—when we close our eyes and ears to the corrupt because we are too busy, or too frightened—when we fail to speak up and speak out—we strike a below against freedom and decency and justice.

Now, however, we are simply remembering that four young Americans—two girls and two boys—were shot to death by fellow Americans during a peaceful protest demonstration. Since then, tens of thousands of Cambodians have perished as the consequence of a military venture that so many Kent State student openly opposed.

We remember a grief-stricken father asking his fellow countrymen, "Have we come to such a state in this country that a young girl has to be shot because she disagrees with the actions of her government?" Sunday, on that campus, thousands of citizens gathered together to remember what happened, and, by their presence, answered that lingering question with a resounding no. Throughout the night, young people stood silent vigil at the markers where the four students fell, and in so doing they have once again silently demonstrated their, and our, renewed commitment to the proposition that our government at every level shall itself obey those laws it is pledged to enforce.

TAX CREDITS FOR AUTO PURCHASES

Mr. HARTKE. Mr. President, on January 28, I introduced two bills to give tax credits to people who purchase homes and cars A modified version of the tax credit for home purchasers was adopted as a part of the Tax Reduction. Some of the criticism that has been directed at the housing tax credit since its adoption makes me wish my original bill had been put into law rather than the modification. However, I am glad the concept was adopted, and evidence is abundant that the tax credit is working.

I think it is time we also acted on my bill to give tax credits to people who buy new, domestically produced automobiles. U.S. automobile production in April was at the highest rate so far this year, but it was also a 14-year low point for auto production in the month of April. While the rest of the economy is suffering the destructive, demeaning, and demoralizing effects of a deep recession, the auto industry is in a depression. There are tens of thousands of automobile workers who have been out of work for over a year. Last month, nearly 180,000 auto workers, and countless thousands more of workers in supply industries, still were not working.

We are also losing ground to foreign production. Yesterday's Wall Street Journal reported that imported cars now capture 21 percent of the U.S. auto market. While total sales in this country are declining rapidly, sales of imports are growing. Sales of domestically produced automobiles last month were down 20 percent from the already depressed level a year earlier, but sales of imported cars were up 10 to 15 percent.

We cannot allow these circumstances to continue. The American economy will not recover from recession until the automobile industry recovers. And auto sales are not recovering. We need a program of selective fiscal policy to stimulate those industries which are the most depressed, have the greatest effect on the American economy, and employ the most workers. For this reason, I urge immediate action on my bill, S. 452, to give tax credits to people who purchase new, domestically produced automobiles.

LET'S PREPARE TO DEAL WITH THE VICTORS

Mr. HATHAWAY. Mr. President, last Saturday the Kennebec Journal, located in my State's capitol city, Augusta, carried an editorial titled: "Let's Prepare To Deal With the Victors."

This editorial supported President Ford's comment that the surrender of the South Vietnamese Government and the evacuation of Americans from South Vietnam ends a chapter in the American experience. But this paper carried that thought forward, without reservations, and with full respect toward human values and ideals, in calling for an American helping hand toward the war-weary Vietnamese citizens.

The paper's position is a bold one, for it not only calls upon the American citizen to end this chapter of involvement but to end this chapter on a note of concern. The editorial integrity of the Kennebec Journal is to be commended for taking this position.

I ask unanimous consent that the editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Let's Prepare To Deal With the Victors

> The surrender of the South Vietnamese government to the Viet Cong and the evacuation of remaining Americans from Saigon ends, as President Ford rightly noted, "a chapter in the American experience." But the end of the chapter does not mean that the United States may reasonably close the entire book on Southeast Asia.
>
> The end of America's physical presence in South Vietnam and Cambodia as well must now be replaced by the temperate involvement of American diplomacy and humanitarianism. As a practical course the United States must now ready itself to deal realistically with the new Communist governments in Saigon and Phnom Penh. The collapse of American-supported governments in the two nations does not mean the fall of the two countries themselves.
>
> How easily diplomatic relations may be restored with the new governments will depend in large part on the American mood. If we should mistakenly assume the new governments are publicly unsupported and exist only through military might we will be badly under-estimating the popular support of both the Viet Cong and the Khmer Rouge.
>
> In addition, the new American diplomatic presence should devote itself to the broad humanitarian cause of safely resettling thousands upon thousands of refugees who became victims of the wars. The need for humanitarian aid to the area is not diminished solely because governments the United States supported have failed and fallen.
>
> In short, the area now holds the promise of peace and tranquility for the first time in years under governments that appear to pose no direct threat to America. The framers and shapers of United States foreign policy in Southeast Asia should reflect that awareness in developing new relationships there.

FOREIGN ASSISTANCE

Mr. INOUYE. Mr. President, 30 days after enactment of annual appropriations, section 653 of the Foreign Assistance Act requires the agencies concerned to submit to Congress revised country allocations of foreign assistance based on the levels appropriated.

Such reports are now available for certain programs carried on by the Agency for International Development, the military assistance program, and the international narcotics program.

I ask unanimous consent that this information be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AGENCY FOR INTERNATIONAL DEVELOPMENT SECTION 653 REPORT, PROGRAM ALLOCATIONS—FISCAL YEAR 1975

[In thousands of dollars]

Country or other programs	Total program	Food and nutrition	Population planning and health	Education and human resources development	Selected development problems	Selected countries and organizations	Security supporting assistance	Indochina postwar reconstruction	Contingency fund	Famine/disaster assistance	International organizations and programs	Other appropriations
Africa—Total	115,000	50,400	16,000	14,900	22,700	1,000						10,000
Ethiopia	8,057	838	6,500	719								
Ghana	2,288	535	1,086	522	145							
Kenya	16,030	15,442	479	109								
Liberia	12,078	5,500	1,957	570	4,051							
Nigeria	6,719	3,596	544	2,579								
Rwanda	705	705										
Tanzania	14,876	14,361	515									
Zaire	1,597	1,267	330									
Central West Regional	21,207	1,552	2,130	420	16,865	240						
East Africa Regional	985	410		575								
Southern Africa Regional	4,816	2,676	215	1,925								
Africa Regional	15,642	3,518	2,244	7,481	1,639	760						
Portugese Territories	10,000											10,000
Cape Verde Islands	(5,000)	( )	( )	( )	( )	( )	( )	( )	( )	( )	( )	(5,000)
Mozambique, Guinea-Bissau and Angola	(5,000)	( )	( )	( )	( )	( )	( )	( )	( )	( )	( )	(5,000)
Countries that receive self-help funds:												
Botswana	34				34							
Burundi	60				60							
Cameroon	59				59							
CAR	75				75							
Chad	35				35							
Dahomey	124		50		74							
Gabon	25				25							
Gambia	20				20							
Guinea	10				10							
Ivory Coast	40				40							
Lesotho	63		3		60							
Malagasy	3				3							
Malawi	43		3		40							
Mali	40		5		35							
Mauritania	40				40							
Mauritius	34		15		19							
Niger	58		3		55							
Rwanda	81		32		49							
Senegal	49				49							
Seychelles	10				10							
Sierra Leone	63				63							
Swaziland	55				55							
Togo	80				80							
Upper Volta	84				84							
Zambia	13		3		10							
Zaire	16				16							
Undistributed	186		186									
Total	1,400		300		1,100							
Latin America	197,600	109,900	14,900	35,200	23,900	13,700						
Bolivia	19,891	17,970	603	1,277	40							
Brazil	3,320	80		3,240								
Chile	20,529	20,285		149	95							
Colombia	13,511	7,900	276		5,335							
Costa Rica	629	280	349									
Dominican Republic	5,419	320	5,054		45							
Ecuador	1,756	350	446	910	50							
El Salvador	1,427	515	660	117	135							
Guatemala	9,130	1,024	600	7,462	44							
Guyana	1,025			1,000	25							
Haiti	3,598	1,745	1,732		121							
Honduras	25,298	18,090	528	1,516	5,164							
Jamaica	381		329	2	50							
Nicaragua	25,090	14,260	511	113	10,206							
Panama	6,084	5,080	366	608	30							
Paraguay	6,525	5,677	400	407	41							
Peru	1,610	665	102	565	278							
Uruguay	7,735	7,413		297	24							
Venezuela	20			20								
Regional Office of Central America Programs	6,354	5,316		470	568							
Caribbean Regional	7,375			7,300	75							
Latin America Regional	17,194	2,930	2,943	9,747	1,574							
Org. of American States	13,700					13,700						
East Asia	518,296	86,100	19,239	11,400	2,100	1,000	157	398,300				
Indonesia	44,001	37,400	4,901	1,700								
Korea	20,358	6,858	5,560	5,840	2,100							
Philippines	44,993	39,171	5,615	50			157					
Thailand	4,280	2,071	1,309	900								
Cambodia	98,000							[1] 98,000				
Laos	26,098		498					25,600				
Vietnam	266,027		1,327					264,700				
Regional	7,539	600	29	2,910		1,000		3,000				
Multilateral Agencies	7,000							7,000				

Footnotes at end of table.

AGENCY FOR INTERNATIONAL DEVELOPMENT SECTION 653 REPORT, PROGRAM ALLOCATIONS—FISCAL YEAR 1975—Continued

[In thousands of dollars]

Country or other programs	Total program	Food and nutrition	Population planning and health	Education and human resources development	Selected development problems	Selected countries and organizations	Security supporting assistance	Indochina postwar reconstruction	Contingency fund	Famine/disaster assistance	International organizations and programs	Other appropriations
Near East and South Asia	1,023,726	129,800	47,639	10,400	3,200	500	665,100		1,800	27,987		137,300
Afghanistan	15,245	8,300	1,603	2,992	2,350							
Bahrain	600						600					
Bangladesh	67,709	60,000	1,972		450					2,987		[2] 2,300
Cyprus	25,000									25,000		
Egypt	251,800						250,000		1,800			
Israel	344,500						324,500					[3] 20,000
Jordan	77,500						77,500					
Malta	9,500						9,500					
Morocco	9,498	9,050	448									
Nepal	2,434	1,068	991	375								
Pakistan	67,322	40,948	25,902	472								
Portugal	15,000											15,000
Spain	3,000						3,000					
Sri Lanka	8,000	8,000										
Syria	25,000											[3] 25,000
Tunisia	2,301	1,093	1,030	178								
Turkey	774	207		567								
Yemen	14,521	381	13,717	250	173							
Regional	9,022	753	1,976	5,566	227	500						
Middle East Special Requirements Fund (undistributed)	75,000											75,000
Multilateral Programs	176,755	14,755	18,000				4,800				125,000	14,200
U.N. Development Programs	77,897										77,897	
U.N. Disaster Relief Organization	750										750	
U.N. Children's Fund	17,000										17,000	
Intl. Atomic Energy Agency Operational Fund	2,500										2,500	
World Meteorological Org. Vol. Assist. Pro	1,500										1,500	
U.N. Food and Agri. Org. World Food Pro	1,500										1,500	
U.N. Inst. for Trng. and Res	400										400	
Intl. Secretariat for Vol. Service	60										60	
U.N. Relief and Works Agency	23,200										[5] 23,200	
U.N. Fund for Southern Africans	50										50	
World Heritage Fund	143										143	
U.N. Environment Pro. Fund	5,000											5,000
U.N. Fund for Population Activities	18,000		18,000									
U.N. Forces in Cyprus	4,800						4,800					
Indus Basin Loans	200											200
Indus Basin Grants	9,000											9,000
International Agriculture Research Centers	14,755	14,755										
Undistributed Famine or Disaster Relief	7,013									7,013		
Total Assistance to Foreign Foreign Countries and International Organizations [6]	2,038,390	390,955	115,778	71,900	51,900	16,200	670,057	398,300	1,800	35,000	125,000	161,500

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[1] The Operational Year Budget was prepared prior to recent military eve nts in Cambodia. Agency records indicate obligations through Mar. 31, 1975 total $82,153,000.

[2] Refugee Relief (Bangladesh).

[3] Prototype Desalting Plant.

[4] Middle East Special Requirements Fund.

[5] In addition, $6,000,000 is earmarked in the Middle East Special Requirements Fund and $10,000,000 was made available by Public Law 93-570.

[6] Excludes operating expenses, certain centrally funded programs and American Schools and Hospitals Abroad.

International Narcotics Control Program—Fiscal year 1975

[In thousands of U.S. dollars]

I. Country programs:

Latin America

Argentina	120
Bolivia	577
Brazil	244
Chile	41
Colombia	561
Ecuador	527
Jamaica	750
Mexico	11,605
Paraguay	16
Peru	200
Uruguay	27
Venezuela	56
Total	14,724

East Asia

Burma	623
Indonesia	74
Laos	924
Philippines	356
Thailand	4,822
	6,799

Near East and South Asia

Lebanon	5
Pakistan	123
Jordan	162
	290
Total country programs	21,813

II. International organizations:

U.N. Fund for Drug Abuse Control	5,000
CENTO	8
Colombo Plan	159
INTERPOL	135
Total international organizations	5,302

III. Inter-regional program

Training	4,945

IV. Program development and support	816
Total program	32,876

Country allocations of grant military assistance for fiscal year 1975

[In millions of dollars]

European Region:

Austria	0.024
Finland	.024
Portugal	.960
Spain	1.600
Turkey	16.253
Regional	.040

Near East and South Asian Region:

Afghanistan	0.220
India	.100
Jordan	59.852
Lebanon	.135
Morocco	.850
Nepal	.035
Pakistan	.280

Saudi Arabia	.054
Sri Lanka	.015
Tunisia	2.200
Regional	.075
East Asian Region:	
Republic of China	0.415
Indonesia	15.835
Khmer Republic	[1]180.285
Korea	82.600
Laos	27.475
Malaysia	.285
Philippines	21.000
Thailand	30.000
Regional	.465
African Region:	
Ethiopia	12.500
Ghana	0.070
Kenya	.035
Liberia	.100
Senegal	.035
Zaire	.300
Regional	.060
Latin American Region:	
Argentina	0.100
Bolivia	3.137
Brazil	.875
Chile	.665
Colombia	.700
Dominican Republic	1.085
Ecuador	.400
El Salvador	1.190
Guatemala	.645
Haiti	.028
Honduras	1.190
Mexico	.210
Nicaragua	1.087
Panama	.540
Paraguay	.990
Peru	.905
Uruguay	1.482
Venezuela	.720
Regional	.385

*This sum does not include the value of military assistance to the Khmer Republic furnished under Section 506, FAA, as amended.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business?

If not, morning business is closed.

INCREASED AUTHORIZATION FOR THE COUNCIL ON WAGE AND PRICE STABILITY

THE PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the pending business, S. 409, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (S. 409) to amend the Council on Wage and Price Stability Act to confer additional authority on the Council with respect to the prices of commodities and services, and for other purposes.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. I ask unanimous consent that the following members of the staff of the Committee on Banking, Housing and Urban Development be allowed the privilege of the floor during the debate and rollcalls on this matter, if we have any rollcalls: Ken McLean, Bob Weintraub, Steve Paradise, Tony Cluff, Jerry Buckley, John Bennison, Tommy Brooks, and Dan Wall.

Mr. KENNEDY. Mr. President, will the Senator also include Mr. Carey Parker?

Mr. PROXMIRE. And Mr. Carey Parker, of Senator Kennedy's staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, Senate consideration today of S. 409, an extension of the Council on Wage and Price Stability, gives us the opportunity to reexamine the adequacy of the Council's present authority. The question of a Federal institutional response to inflation has divided the Senate for many months.

I hope we can resolve the issue today in favor of a monitoring agency with the authority and capability to forecast potential economic problem areas and help plan long-term policy to guard against inflation.

I think a short review of Senate action on inflation monitoriny would be useful.

My colleagues will recall that in April of last year, just before the expiration of the Economic Stabilization Act, the Democratic Caucus accepted a proposal by Senators STEVENSON, JOHNSTON and I, and 18 others to establish an agency to continue authority to monitor and enforce decontrol commitments and to monitor inflation generally. Indeed, the Caucus expanded our proposal to include standby control authority.

On the floor, our proposal was divided, and the portion which provided standby control authority was tabled. The provision to continue inflation and decontrol commitment monitoring authority of the Cost of Living Council was tentatively adopted by the Senate, but was effectively killed a week later.

It was extremely unfortunate that an irresistible momentum toward complete and abrupt decontrol of the economy built up as a result of the dislocations which developed under the Nixon administration's helter-skelter imposition of phases and freezes. In the months which followed the expiration of the Economic Stabilization Act, double-digit inflation continued unchecked. The Consumer Price Index increased at an annual rate of 12.6 percent over those months. The annual rate of increase in the Wholesale Price Index was 44 percent in July, and more than 55 percent at a compound annual rate, promising more consumer price inflation ahead.

Finally, President Nixon did ask last summer for authority to monitor wage-and-price increases. His proposal called for the establishment of a new agency to address the lack of an institutional focus in the Federal Government's fight against inflation. But the agency to be established by the proposal was viewed by many as inadequate to deal with our complex inflation problems.

So, Senators STEVENSON, JOHNSTON, JAVITS, PROXMIRE, and I proposed a substitute. Our proposal would have granted sufficient authority and resources to the new agency to enable it to make its efforts effective and useful for alerting us to short-term inflation and shortage problems, and help us evaluate long-term inflationary trends and their causes in order to fashion long-term anti-inflation policies. Further, our proposal would have vested the agency with authority to delay for 45 days price-and-wage increases with "significant inflationary impact" and to extend the delay for an additional 45 days to avoid "significant injury to the economy as a whole."

That proposal was tabled by the Senate, partly because some Senators feared it was a first step toward the reimposition of controls, and partly because there was significant pressure to accommodate President Ford with a bill he had endorsed in his first speech to the Congress as President. Therefore, the Congress enacted, without substantial change, the administration proposal for a Council on Wage and Price Stability without the authority or the resources to adequately perform the functions for which it was established.

Having twice fought unsuccessfully last year to maintain some more meaningful Federal response to inflation than the Council on Wage and Price Stability has been able to provide, I have followed the introduction and consideration of S. 409 with interest.

As originally introduced by Senators PROXMIRE and STEVENSON, the bill would have granted new authorities to the Council, similar to those which I proposed with Senators STEVENSON, JOHNSTON, and many others when we considered legislation creating the Council last August. The major differences between our earlier proposal and S. 409 as originally introduced were that S. 409 proposed more limited information-gathering power and would have granted the Council authority to control the price of "new" and "old" domestic oil.

The committee conducted 2 days of hearings, and heard from industry, labor, and consumer groups. Industry and labor opposed the bill, fearing a return to wage-and-price controls. Consumer groups, on the other hand, such as the National Retired Teachers Association and the American Association of Retired Persons, gave qualified support to the bill.

As I understand it, the committee was unable to agree on additional authorities for the Council, and it chose simply to extend the existing authorities and to grant an administration budget request for a modest increase in funding.

Our experience with the Council as currently structured gives us empirical evidence on which to judge its effectiveness. Mr. President, I think most of us here would agree that the Council has been a useful Federal response to the problem of inflation, but the Council has been handicapped by minimal information-gathering powers and resources too scanty to provide the in-depth analysis of inflation we should have to intelligently respond to the problems of inflation and its causes.

The Director of the Council, Dr. Rees,

has conceded that he needs subpena power, and the administration's fiscal year 1976 budget recognizes the need for increased resources, though it does not go as far as I would like. The Council on Wage and Price Stability, because of its limited authority and resources, has been able to do little more than collect data and issue periodic reports on what has happened in the past. It is essential that it perform the more useful function of forecasting price and wage policy decisions to come, in both the public and private sectors. To do this, the Council must have additional information-gathering authority, as well as increased funding to more adequately fulfill its role as watchdog against inflation.

Mr. President, the basic purpose of the Council on Wage and Price Stability is to provide a distinct institutional focus for Federal action on inflation.

This agency must collect and analyze economic data so that it can forecast inflationary and shortage problems. Conventional economic data, such as that collected by the Bureau of Labor Statistics and the Commerce Department, are most often historical by nature, telling us what kinds of inflation and shortages we have experienced in the recent past, but not what we can expect in the future. Only under the Cost of Living Council was there adequate "forecasting-type" data, such as: Wage rates by locality in the construction industry; fertilizer prices, production capacity, import and export data; projected demand data on health; and data on the ability to substitute one raw material for another. Only with the expansion of the Council will the Federal Government have the capacity to perform this important data collection and analysis function.

Mr. President, an anti-inflation agency with teeth is needed to take positive action, short of wage-and-price controls, to avoid inflation and shortages in specific economic sectors. No other conventional agency now performs these kinds of functions, such as: Establishing communications among government, management, and labor in particular sectors; calling attention, publicly and privately, to the need for voluntary restraints in selected instances; and the promotion of planning to avoid shortages which might have a ripple effect on the rest of the economy.

None of these functions are now the mission of any other agency. The only other executive branch body with the potential economic overview to perform these functions is the Council of Economic Advisers—and its permanent staff of 46—including both professional and clerical positions—is far too small to allow it to assume this mission.

Only by providing the Council with the tools and resources necessary to do a meaningful job can we have sufficient warning of special short-term inflation and shortage problems we might face in the months ahead, and assurance that there will be an adequate study of the long-term inflation problems our Nation faces.

Finally, Mr. President, I would like to point out that the psychology of having a monitoring agency, even though it has no standby control authority, is at least marginally helpful to the economy. A watchdog on inflation is better than providing no attention at all. And no one will ask for higher wages, and higher prices, merely because this agency exists. But its activities could help promote a responsible attitude toward inflation on the part of business, labor, the administration, and the public at large.

By giving the Council authority and funds to better meet its broad mandate, the Senate would be taking a positive step to meet the inflationary dangers of the months ahead.

Therefore, I was disappointed that the Banking Committee could agree to no more than a simple extension of authorities, and a modest increase in funding to the Council. Naturally, however, I am gratified that most of the amendments which will be offered to this bill parallel portions of the proposals which I have sponsored previously, and I will support such efforts.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the name of the Senator from Maine (Mr. HATHAWAY) be added as a cosponsor of amendment No. 379.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending question is on agreeing to amendment No. 379 of the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I intend to call up three amendments to S. 409, the Council on Wage and Price Stability Extension Act.

The first amendment, No. 379, will set the expiration date for the Council's authority at June 30, 1976, rather than September 30, 1977, as in S. 409. I believe it would be unwise at this time to set the 1977 date, which might result in Congress ignoring inflation for the next 2 years. The Council is the Nation's first line of defense against inflation. Therefore, the Senate and House of Representatives should consider the Council's authority on at least a yearly basis, to insure that anti-inflation policy is on the right track. The favorable recent CPI figures are no grounds for complacency. We must take every responsible step to guarantee that inflation is not rekindled. Now is the time to set a realistic anti-inflation policy in place.

The second amendment, No. 390, is designed to enhance the status of the Council by raising the position of Director from level IV—$38,000 annual salary—to level III—$40,000 annual salary—of the executive schedule, and by requiring Senate confirmation of future Directors.

The third amendment, No. 380, would provide a modest increase in the number of staff personnel for the Council. Under the current act, the Council is authorized to employ five persons in the GS–16 to GS–18 category. The amendment would add three new positions, and would instruct the Council to give preference in filling the new positions to persons who are specialists in various sectors of the economy. The first 8 months of the Council's work—particularly its price-monitoring activities in steel, aluminum, metal cans, rubber tires, industrial chemicals, sugar, and bakery products—demonstrate the value of a sector-by-sector approach. The amendment will encourage the Council to continue and expand this role. If Congress intends the Council to be a watchdog against inflation, we must give the Council the resources with which to watch. My hope is that in its ongoing role, the Council will vigorously pursue its sector-by-sector approach, and will attract and develop a highly professional staff with the ability and experience to establish a comprehensive and fully effective anti-inflation policy.

Mr. President, the success of the original wage-price guideposts and other measures initiated in 1962 was due in part to the fact that they were launched long before serious excess demand pressure appeared in the economy. For the same reason, we should start now to build an effective anti-inflation policy. After the inflationary binge of recent years, we cannot afford to let inflation take hold again before we act.

In general, the amendments I propose are designed to build on the constructive role the Council on Wage and Price Stability has played in its early operation, by enabling the Council to obtain the additional resources and direction it needs from Congress to provide a genuinely effective defense against inflation.

The purpose of the amendments is to encourage a sector-by-sector approach to the problem of inflation. One of the most important lessons of our experience with wage and price controls in recent years is that the various sectors of the economy have different problems and different needs, and that inflation in these sectors has different causes and different symptoms.

The advantage of the sector-by-sector approach is that it targets anti-inflation policy on individual areas of the economy where inflation is a serious problem. It encourages the development of programs tailored to meet the specific needs of each sector, with full regard for structural, supply, and other problems of the sector and for local industry and practice.

Under a sector-by-sector approach, for example, price increases that reflect excessive market power in a sector rather than competitive economic forces would be discouraged. Pay increases that might be justified by productivity gains in one sector might be unjustified in another sector in the absence of such gains. In these and other ways, the sector approach allows anti-inflation policy to deal with the unique characteristics of inflation, wherever it is found.

Inflation today is largely a sectorial problems. As the following Bureau of Labor Statistics tables indicate, the 1973 inflation was highly sectoral, with the primary concentration in food and fuel.

WHOLESALE PRICE INDEX

[In percent]

	April 1973 to April 1974	March 1974 to March 1975
All items	18.8	12.5
Contribution of major groups to WPI change:[1]		
Fuels and related products	29.4	17.0
Farm products	19.9	(−)14.0
Processed foods and feeds	12.6	12.0
Metal and metal products	16.3	21.0
Chemicals and allied products	6.6	18.0
Textile products and apparel	4.8	(−)1.0
Machinery and equipment	5.2	19.0
Pulp, paper and allied products	5.0	8.0
Lumber and wood	1.6	(−)3.0
Other	8.6	21.0
Total	100.0	100.0

[1] Figures may not add to totals because of rounding.

CONSUMER PRICE INDEX

[In percent]

	March 1973 to March 1974	March 1974 to March 1975
All items	10.2	10.3
Contribution of major groups to CPI change:[1]		
Food at home	33.8	6.7
Food away from home	6.3	11.5
All energy	17.8	8.8
Household services less rent	16.5	13.9
Medical services	4.0	14.4
Rent	2.3	5.5
Apparel commodities	4.8	5.9
Durables	5.5	14.3
Nondurables	5.3	8.5
Other services	3.7	9.1
Total	100.0	100.0

[1] Figures may not add to totals because of rounding.

To a substantial extent, in contrast to the primary sector inflation of 1973, inflation in 1974 was downstream sector inflation, as the soaring cost of food and energy rippled through other sectors of the economy.

By adopting a sector-by-sector approach to inflation, the Council on Wage and Price Stability can adjust to such developments. It can work closely with parties in key sectors to expose the specific causes of inflation in the sector. It can encourage specific solutions to specific inflation problems. But such a result can be achieved only if the Council has adequate resources and expertise and experience to undertake the task.

Perhaps the most successful example of the success of a sector approach in recent years was the work of the Construction Industry Stabilization Committee, under the leadership of John Dunlop, now Secretary of Labor. Working closely with industry and labor, and adopting an approach tailored to specific situations, the committee was able to reduce the size of first year wage settlements in newly negotiated construction agreements from 17 percent in 1970, to 11 percent in 1971, to 5.9 percent in 1972, and to 5.4 percent in 1973. And it reduced work stoppages from 33 percent of all agreements in 1970 to less than 5 percent in 1973.

The sector approach will also encourage economic policy to steer clear of the misguided tendency to fix a single price or wage standard on the economy. As the Labor-Management Advisory Committee to the Cost of Living Council stated in February 1973, in issuing a unanimous statement on economic stabilization policy:

> The parties to collective bargaining agreements should address themselves both to short-term and longer run structural problems which they confront in their industries, localities and particular economic environments. Collective bargaining is pre-eminently a method of problem solving through negotiations. No single standard or wage settlement can be equally applicable at one time to all parties in an economy so large, decentralized and dynamic.

As simple and appealing as a freeze of uniform price and wage guideline might be at this time, it should be opposed as we would oppose the suggestion that everyone wear a size 10 shoe.

Now, we have our best chance in perhaps a decade to do something about the inflation that has been endemic in our economy in recent years. As the current consumer price index figures make clear, the worst of the recent bout of inflation now seems behind us. At last, we can multiply the monthly inflation rate by 12 and come out with an annual rate of inflation that yields a tolerable result. It is even safe to hope that, with a wise policy for the future, double digit inflation may be an aberration of the past.

But the success of the fight against inflation has been achieved at a serious cost. And that cost is America's sixth and worst recession since World War II. Unemployment is now a 8.9 percent across the Nation. Many experts have predicted it will surpass 9 percent before the recovery takes hold. Such levels of unemployment are unacceptable. They bring intolerable hardship to millions of citizens and their families, especially the poor and the lower income groups, while the economy runs hundreds of billions of dollars a year below its real capacity.

In the name of fighting the double-digit inflation of recent years, the administration and the Federal Reserve carried out a policy which put the economy through the wringer and which has been the principal cause of the severe recession we are now enduring.

But the recession that is now working its harsh medicine on the economy has also brought inflation down from the height of recent months. Now, therefore, the time is ripe to establish an anti-inflation policy for the future. We cannot afford to be lulled into complacency by one good CPI result.

We must also be aware of the international dimensions of inflation. With the notable exception of West Germany, as the following table illustrates, double-digit inflation has been a worldwide problem, and its solution will require greater cooperation among nations and a greater understanding of the consequence that actions in our Nation may have for inflation in other nations in the international community.

INFLATION RATES—COMPARISON OF LATEST 12-MO INCREASE WITH THE 12-MO PERIOD FROM JUNE 30, 1973 TO JUNE 30, 1974

[In percent]

	Latest	June 1973 to June 1974
United States	10.3 (March)	11.0
Canada	11.3 (March)	10.9
Japan	14.0 (March)	24.0
West Germany	5.9 (December)	6.5
Great Britain	21.2 (March)	17.0
Italy	20.3 (March)	17.5
France	15.2 (December)	14.0
Australia	16.0 (January)	15.0

What we need is a policy to keep inflation under control, by giving us adequate early warning signals when particular sectors of the economy begin to overheat. We need a policy that enables appropriate countervailing measures to be adopted before an emerging problem of inflation in one sector becomes a crisis for the whole economy. The key to that approach can be the Council on Wage and Price Stability.

The choice is not between "do nothing" and "do too much." The alternatives are not a hands-off policy or mandatory wage and price controls.

If all we do is curse the deficit and cut the budget, our anti-inflation policy will fail again, and we will condemn the economy to future rounds of inflation and recession that have so badly scarred the country in the recent past. The last thing the economy needs is another recession to fight the next inflation.

There is a middle ground, and now is the time to adopt it, before inflation gains a new foothold and before more drastic remedies are demanded or imposed. By endowing the Council on Wage and Price Stability with modest additional resources to monitor inflation in important sectors of the economy we will build on the Council's strength. We will give it the resources it needs to develop an effective and scrupulously even-handed anti-inflation policy—fair to business, labor, and agriculture alike—a policy whose hallmark will be a spirit of voluntary cooperation among groups in every sector of the economy, as they work together to reach the goal of permanent peacetime price and wage stability.

There is an additional advantage to beginning a vigorous anti-inflation policy now. It will enable us to achieve a faster recovery from the recession than may otherwise be possible or desirable. In fact, the danger of doing nothing is obvious—at the first breath of new inflation, the administration and the Federal Reserve are likely to abandon the fight against recession or stretch out the recovery, with the result that the country will be put through a lengthy and unnecessary period of slow recovery and chronic unemployment and slack capacity.

It does not have to be that way. In Albert Rees as Director of the Council on Wage and Price Stability and John Dunlop as Secretary of Labor, we have two outstanding public servants, who, I believe, can make a voluntary anti-inflation policy work. All they need is the tools to do the job and the encouragement of Congress to undertake the task.

We all agree that our three most critical economic problems are inflation, recession, and energy.

In the tax cut bill, Congress has begun to deal effectively with the recession. Major energy legislation is rapidly nearing completion in both the House and Senate. Now, in S. 409, we have the chance to act against inflation. As we renew the authority of the Council on Wage and Price Stability, we have an excellent opportunity to address the problems of inflation by launching a workable and responsible anti-inflation policy.

Let no one doubt the challenge we face. If we do nothing, if we allow inflation to burst forth again, then we can look ahead to yet another boom-and-burst cycle of the economy, and once again we may find ourselves in the position of fighting inflation with recession.

"We must not fight recessionary problems with inflationary cures," President Ford told the New York Society of Security Analysts earlier this year. True, but we also must not fight inflationary problems with recessionary cures.

Inflation is a serious problem. Its solution is going to strain our most enlightened economists and policymakers. But we cannot afford to ignore the challenge. We cannot afford to do nothing in the foolish hope that inflation has gone away.

Let us build a firm base now for noninflationary prosperity in the future. Let us get on with the job of developing effective remedies to end inflation, without resorting to the time-dishonored tactic of ravaging the economy in the process. If we have learned anything from our present economic troubles, let it be the lesson that this is the last time we will have to suffer because of the dangerous myth that a scorched Earth policy of recession is the Nation's only answer to inflation.

Mr. President, in connection with amendment No. 379, which is the pending business, I have had an opportunity to talk with the Senator from Wisconsin (Mr. PROXMIRE), the floor manager of the bill and chairman of the committee, as well as with the ranking minority member of the committee about this amendment.

It is a simple amendment, but I think an important one.

This bill provides for Congress to consider the Council again 2 years hence. This amendment would move the expiration date forward to June 30, 1976, in offering this amendment it is certainly my intention that there will be an extension of the Council's authority beyond 1976.

This amendment would permit Congress to review the problems of inflation next year, and to consider the steps that have been taken by the Council in fulfilling its anti-inflation responsibilities. It would give Congress an opportunity to determine whether additional powers are necessary for the Council at that time to carry out these responsibilities. It would give Congress, a greater opportunity to exercise its judgment and oversight on this vital area of economic policy.

Congress has already shown willingness to spend a great deal of time in considering tax cut legislation. Committees of Congress are spending a good deal of time now on issues relating to energy.

Quite clearly, the responsibilities of this Council, must be one of our most important concerns as we address ourselves to economic policy in this country. I think it would be wise for Congress to review anti-inflation policy next year.

As I mentioned we are heartened by the Consumer Price Index figures for March. But I do not think we can relax our guard. It is extremely unlikely that inflation has disappeared for any significant or prolonged period of time. Our task is to be prepared to deal with it when it begins to revive.

The purpose of this amendment is to give Congress an opportunity to review this program again next year.

Finally, let me say that I realize a year-by-year extension may involve some administrative difficultes in obtaining high quality staff, if it appears that the extension will go only from year to year.

I want to make it very clear that I expect this Council will continue to function for a number of years, at least for the immediate future. It is the purpose of this amendment to give Congress and its committees, which under Senator PROXMIRE and others have been real watchdogs on the issue of inflation, an opportunity to exercise some additional judgment and oversight.

So I hope the amendment will be accepted.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. PROXMIRE. I enthusiastically support the amendment of the Senator from Massachusetts. I think if there is one area in all of our public life which is uncertain, it is the economic area, particularly with respect to price levels. At the beginning of 1974, the entire economic profession, virtually, predicted that inflation would ease up at the end of 1974, and they were all wrong. They completely missed that.

We have had a constant lack of ability to predict what is going to happen to prices in this country. We have also had considerable disagreement as to the causes of inflation. This Wage-Price Monitoring Board is the only agency in our Government, really, which has the full-time job of working to stop inflation. This is their responsibility, and their entire responsibility.

In view of the way things change, and the very strong likelihood that we are going to have an entirely different kind of situation, hopefully far better, in a year or so, but possibly much worse—at any rate, different than we can foresee now—I think the Kennedy amendment makes a great deal of sense, and I am very glad to support it.

I also wish to underline what the Senator from Massachusetts has said about the importance of providing continuity in this agency. It is a small agency, with a relatively small budget, and an enormous responsibility in Government: to try to prevent inflationary actions. For that reason, it is necessary to have people of relatively high quality who can be assured of continuity of their jobs. So I join with the sponsor of the amendment in saying that it is certainly my intention that the Wage-Price Monitoring Board shall continue for at least a couple of years, because, though we cannot predict accurately, we know we are going to have this problem for some years to come.

So, in supporting the Kennedy amendment, which would limit the life of the agency to June 30, 1976, I want to make it clear that I think it will continue, in all likelihood, beyond that date.

Mr. TOWER. Mr. President, I would prefer to retain the date of September 30, 1977, rather than substitute June 30, 1976, first for the reason that the distinguished Senator from Massachusetts has already cited: the inability to recruit quality personnel for the Council for a short period of time. I think quality people would like to expect some kind of longevity in terms of their jobs, some kind of job security.

The second reason why I prefer the 1977 date is that June 30, 1976, comes up at a time at which the political climate is likely to be very hot indeed, and I would dislike seeing the Council becoming a political football and subject to some of the temptations to demagoguery on the part of people on both sides of the issue.

But I can count, Mr. President, and I recognize that there is substantial sentiment for this amendment, so I shall not oppose it.

I would suggest to my friend from Massachusetts that he modify his amendment so that in S. 409 as reported on page 8, line 18, after "1976" a period is inserted, and the words "not to" in that line, line 19, line 20, and line 21, are struck. That provides for the out year funding, and I do not think the Senator wants to include that authorization in there if, indeed, the terminal date is to be June 30 of 1976.

Mr. KENNEDY. That seems satisfactory. Does the language the Senator wants to strike deal with funding beyond 1976?

Mr. TOWER. The language I suggested striking provided for the authorization for funding for the quarter that follows June 30 next year, and then the year following that until September 30. It is just a technical correction.

Mr. KENNEDY. The only point I would make is that I would not object to continuing the authorization as an indication that it is really our intention to have a continuation of the program, but with an opportunity to review the Council's activities next year.

I do have strong feelings about it.

The real purpose of my amendment is to give Congress and the committees a chance to review anti-inflation policy next year.

Mr. PROXMIRE. As I understand the suggestion of the Senator from Texas, he is suggesting really what is kind of a technical change.

Mr. TOWER. Yes.

Mr. PROXMIRE. On page 8, what the Kennedy amendment does in its present form is simply to strike the September 30, 1977, date and substitute June 30, 1976, but it does not touch the additional authorization that is $2 million for the fiscal year ending June 30, 1977. As I understand, the Senator from Texas would simply perfect it.

Mr. TOWER. That is correct. It conforms to our usual procedure. I do not know of any time that we authorize appropriations beyond the time we authorize or the authorization itself. It is something of an unusual procedure.

Mr. KENNEDY. The change is acceptable to me, Mr. President, and I move to modify my amendment in that way.

The PRESIDING OFFICER. The amendment is so modified. Will the Senator please send his modification to the desk.

The amendment, as modified, is as follows:

On page 8, line 23, strike out "September 30, 1977" and insert in lieu thereof "June 30, 1976".

On page 8, line 17, after "1975," add "and".

On page 8, line 18, strike the comma after "1976" and insert in lieu thereof a period, and strike all language beginning with the word "not" down through line 21.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts, as modified.

The amendment, as modified, was agreed to.

AMENDMENT NO. 390

Mr. KENNEDY. Mr. President, I call up my amendment No. 390 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) proposes amendment No. 390.

The amendment is as follows:

At the end of the Act, add the following new section:

SEC. . (a) The first sentence of section 2(c) of the Council on Wage and Price Stability Act is amended by adding "by and with the advice and consent of the Senate" after the word "President".

(b) Section 2(c) of such Act is further amended by—

(1) striking out "level IV" and inserting in lieu thereof "level III"; and

(2) striking out "section 5315" and inserting in lieu thereof "section 5314".

(c) The amendment made by subsection (a) of this section shall take effect immediately after the individual holding the office of Director of the Council on Wage and Price Stability on the date of the enactment of this Act ceases to hold that office. The amendment made by subsection (b) of this section shall take effect on the date of the enactment of this Act.

Mr. KENNEDY. Mr. President, this amendment would do two things. It would provide for the confirmation of future directors of the Council, and it would raise the position of directors from level IV to level III in the executive pay schedule.

The purpose of this amendment is to enhance the position of the director of the Council and bestow the kind of prestige and standing which this important position rightfully deserves.

At the present time there are some 59 positions at level III in the Federal Government, including a variety of agency heads and undersecretaries, as well as members of the Federal Reserve Board of Governors. Level IV has some 97 positions, which include many assistant secretaries, members of other agencies, and a number of general counsels and senior staff positions.

In addition, the requirement for Senate confirmation of future directors is desirable to permit the Banking Committee and the Senate to give specific consideration to the qualifications and abilities of any new designee for this position.

The confirmation requirement would not apply to Mr. Albert Rees, the incumbent director, who I believe has done an outstanding job in fulfilling the responsibilities of this office. But this shift to level III would take place immediately, so that Mr. Rees could obtain its benefit. Unfortunately, we hear that in the late summer or early fall, Mr. Rees may be leaving the Council. We are going to find it extremely difficult to replace him. Perhaps the increase of the level from level IV to III may provide some additional incentives, even though we will be hard-pressed to replace his talents, his energy and his industry in fulfilling his responsibility.

It does seem to me to be desirable to enhance the status Council and give it the kind of prestige it deserves. I am hopeful that this amendment will be accepted.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. PROXMIRE. Mr. President, I think this is a very important amendment because the head of this agency is the person who, more than any other, is responsible for conducting and administering the anti-inflation program.

There is a strong difference of opinion between this Congress and this President on an anti-inflation policy, and there would be whether we had a Democratic President and a Democratic Congress or otherwise. There always will be differences.

This is such a vital part of our domestic economy that I think it is most important that we have a clear, emphatic congressional input.

We all know from our experience in the Senate that our ability to confirm nominees is a very important aspect of affecting a policy.

The nomination of Governor Hathaway is now being considered by the Committee on Interior and Insular Affairs. It is no secret that the hearings will have a profound effect on the kind of environment policy this country follows in the next few years. I am not just saying whether Governor Hathaway is approved or not approved, but in the course of that particular hearing the position that Governor Hathaway takes, the understanding that Congress has of his position, is significant.

In the same way, it seems to me, when Mr. Rees leaves—and I would agree with Senator KENNEDY he has done an excellent job—when he leaves, it seems to me we should have the man who would succeed him before us, we should know what his policies are, what he intends to do about inflation. We should be able to apprise him of our views, and we should be able to get commitments perhaps under some circumstances from him.

Without the Kennedy amendment, we will not be in a position to do any of that.

For these reasons, I think it is an important amendment, and I am very happy to support it.

Mr. TOWER. Mr. President, I am perfectly prepared to accept the amendment of the Senator from Massachusetts. I am informed the administration supports it and, for the reasons cited by the Senator from Wisconsin and others, I think it is meritorious. Therefore, for the minority, I am prepared to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

AMENDMENT NO. 380

Mr. KENNEDY. Mr. President, I call up my amendment No. 380 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Massachusetts (Mr. KENNEDY) proposes an amendment No. 380.

The amendment is as follows:

At the end of the bill, adding the following new section:

SEC. . (a) Section 2(d) (relating to the number of authorized positions for the Council in grades 16, 17, and 18 of the General Schedule) of the Council on Wage and Price Stability Act is amended by striking out "five" and inserting in lieu thereof "eight".

(b) In appointments to the additional positions authorized by the amendment made by subsection (a), the Council shall give preference to economists and other persons with special ability and experience in one or more of the various sectors of the economy.

Mr. KENNEDY. Mr. President, this amendment would provide three new senior staff positions at grade levels 16 to 18 for the Council. It would require that the Council give preference in this hiring to experts in various sectors of the economy. My expectation is that the positions would be filled in the so-called Wage and Price Monitoring Office of the Council.

It is my understanding now that five supergrades are authorized for the Council, and that they are divided among the Deputy Director, a General Counsel, a Public Affairs and Congressional Relations Office, an Office on Government Operations and Research, and Wage and Price Monitoring Office.

The purpose of the amendment is to give the Council modest additional staff in the area of its most critical functions, the monitoring of inflation in the private sector. My hope is that the Council will use this authority to continue and expand its sector-by-sector approach to anti-inflation policy.

The spirit behind this amendment, Mr. President, is to try to create in this important area the kind of senior staff capacity which I think both the Federal Reserve and the Council of Economic Advisers have developed. I hope that the Council will be able to obtain senior economists, willing to take the time and effort to devote their energies to the kind of specialized responsibility which is so important if the Council is to be successful.

Although the administration itself has not specifically requested increases in this particular area, I believe Mr. REES indicated during the hearings that a modest increase would be acceptable. I have taken the opportunity to talk with others who have followed the functions and workings of the Council over the past 8 months, including some distinguished economists, and almost uniformly they agree that this additional assistance would be valuable and helpful.

What we are talking about is incidental in terms of the actual outlay of resources. In terms of providing Congress and the American public with information on the problem of inflation, the additional expenditures can easily be justified.

Mr. PROXMIRE. Will the Senator yield?

Mr. KENNEDY. I yield to the Senator.

Mr. PROXMIRE. I have mixed feelings about this amendment. I instinctively and automatically oppose any increase. The Federal Government is much too big. We should reduce the size. It is far too burdensome.

There is no question in my mind that under almost all circumstances when an agency does not specifically request an increase and the Budget Bureau does not approve it, Congress should not go ahead and increase it.

I do think this is one of those very rare exceptions. The No. 1 problem in this country, according to every poll I have seen today—not last year or last month, but today, when unemployment is high as it is—is not unemployment. In the view of most people, it is overwhelmingly inflation. That is the No. 1 problem.

Now, this agency—the only agency we have in Government that has exclusive responsibility, the fundamental responsibility, to combat inflation—consists of only about 25 professionals. Twelve of those professionals are concerned with the activities of the Federal Government, the inflationary activities of the Federal Government, and that leaves only about 12 or 13 professionals for the entire gamut of our private complicated economy.

I can understand how we could have as many as 100 or 200 people studying the steel industry alone, or studying the utility industry, or studying any number of other areas that would be under the jurisdiction of this agency. However, I think it is unnecessary to do that.

It is necessary, however, to have the most competent professional experts to man the position Senator KENNEDY is proposing here because what they can do is get details, and to do that, have the research done by the Commerce Department, by the Council of Economic Advisers, by the Treasury, by the Federal Reserve, the Labor Department, Agriculture Department, Housing and Urban Development, and the various regulatory agencies.

A great number of people can provide information, but we have to have the experts in the position to ask for it, to be able to analyze and understand it, and that takes a high degree of competence and what the Senator from Massachusetts (Mr. KENNEDY) is providing by what is a very modest amendment.

The Senator is only asking, I understand, for an increase in three positions. He is not asking 400,000. He is asking for only three people, so that we can have this additional capability in coping with the No. 1 economic problem in the minds of the overwhelming majority of the American people.

For that reason, I think this amendment does deserve support and I intend to vote for it.

Mr. TOWER. Mr. President, I should like to make a little legislative history here and I would like to ask for the attention of the Senator from Massachusetts.

Does the Senator comprehend that these experts could be in the field of labor and labor markets when he says various sectors of the economy? Could this include labor markets as well?

Mr. KENNEDY. They certainly could. But any fair review of areas in need of attention in anti-inflation policy would not be targeted primarily on wages, since wages have not been the cause of our recent severe inflation.

So far, the major investigations of the Council have been restrospective. It has investigated the large steel and sugar price increases effectively, but on an after-the-fact basis. What I am trying to do is provide some additional resources for the Council to do its job prospective, so it can look into the barn before the horse is stolen.

I hope they will be free to analyze various sectors of the economy, and will not be prohibited from getting into any area.

Mr. TOWER. I just wanted to make that point that they would not be proscribed from putting a labor economist on that could do what the Senator suggests: make prognoses on the impact on labor markets.

Mr. KENNEDY. That is correct. But I want to make it exceedingly clear to the Senator from Texas that the functions and workings of this Council have to be scrupulously even handed between business and labor. I think that is what all of us desire and want, and that certainly would be my intention in proposing this amendment.

Mr. TOWER. I would not disagree with the Senator from Massachusetts on that.

With that, Mr. President, I am prepared to agree to the amendment offered by the Senator from Massachusetts.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

Mr. KENNEDY. Mr. President, I would like to thank both the Senator from Wisconsin and the Senator from Texas for their support for these particular amendments.

I yield the floor.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CHURCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 392

Mr. CHURCH. Mr. President, I call up my amendment No. 392 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Idaho (Mr. CHURCH), for himself and others, proposes an amendment No. 392.

The amendment is as follows:

On page 8, after line 23, insert the following new section:

SEC. 2. Section 5 of the Council on Wage and Price Stability Act is amended by adding at the end thereof the following new sentence: "Nothing in this Act shall be construed to authorize or permit the Council to make any recommendation which, if implemented, would result in or have the effect of imposing any ceiling on social security cost-of-living benefit increases authorized under existing law, it being the sense of the Congress that no such ceiling be imposed.".

Mr. CHURCH. Mr. President, the purpose of this amendment is to express the sense of Congress that no ceiling on social security cost-of-living increases be imposed. My amendment would also make it clear that the Council on Wage and Price Stability does not have any authority to make any recommendation which, if implemented, would result in or have the effect of imposing any ceiling on social security.

This measure is also sponsored by Senators KENNEDY, WILLIAMS, MONDALE, CLARK, and RANDOLPH.

In his state of the Union message last January, President Ford called for a 5-percent ceiling for the July automatic adjustment.

As the author of the cost-of-living provision, I was deeply disturbed by this recommendation to thrust the elderly into the front ranks as inflation fighters.

The automatic escalator provision was designed to make social security inflation proof and to protect older Americans from the uncertainties of the political process.

President Ford's proposal, however, strikes at the very heart of this principle.

At a time when the elderly need help in fighting inflation, the President wants to place an arbitrary limit on social security increases due to them by law.

Social security beneficiaries are scheduled to receive an 8-percent across-the-board increase in July under the existing cost-of-living formula.

But if the administration's proposal should become law, the purchasing power of 31 million social security beneficiaries would be slashed by $2.1 billion.

On an individual basis the administration's recommendation would have the following impact:

Average monthly benefits for retired couples are now scheduled to increase from $314 to $341 in July. But the administration's 5-percent ceiling would cut back benefits to $331, or $10 less per month.

Retired workers would be similarly affected. Average benefits would rise from $184 to $200 under the 8-percent cost-of-living increase. But their monthly payments would be $194 under the administration's proposal, or $6 less per month to spend on food, medicine, and other essentials.

Aged widows would also receive, on the average, $5 less each month to pay for everyday necessities.

For these reasons, I introduced legislation in January to express congressional opposition to any reduction in the social security cost-of-living adjustment. This measure would also nullify the proposed 5-percent lid for the supplemental security income program, since the SSI automatic escalator provision is pegged to the social security cost-of-living mechanism.

I was joined in this legislation by Senators KENNEDY, MONDALE, WILLIAMS, CLARK, and RANDOLPH. My resolution, I am pleased to say, received strong bipartisan support. All in all, 54 Senators—a clear majority—sponsored this measure.

The amendment that I introduce now is similar to Senate Concurrent Resolution 2.

The need for favorable action on this amendment is all the more compelling now.

Secretary of Health, Education, and Welfare Caspar Weinberger announced on April 25 that social security beneficiaries and SSI recipients are due an 8-percent cost-of-living increase in July. But he coupled the announcement with a renewed plea to limit the raise to 5 percent.

This amendment is also needed to place the administration on notice that the Congress will not be a silent partner to this ill-conceived recommendation.

Moreover, it can help preserve the rights of the elderly under existing law.

The automatic escalator was designed to protect the aged from inflation. Democrats and Republicans joined me in fighting for this goal.

President Ford's proposal, however, would completely undermine this objective.

I share the President's zeal to reduce unnecessary Federal spending in connection with the general effort to temper inflation. Quite clearly, there are numerous areas where spending can and should be trimmed. And I have supported such efforts.

But all of the possibilities to reduce the budget—and tighter spending controls are certainly needed—the administration could not have selected a more inappropriate target than the elderly to bear this burden.

For these reasons, I urge the adoption of this amendment.

Mr. TOWER. Mr. President, will the Senator yield for a question?

Mr. CHURCH. I yield.

Mr. TOWER. Do I correctly understand that the Senator's amendment would prohibit a recommendation issuing from the Council but would not prohibit an observation in the context of some sort of prognosis on future economic impact of various aspects of what goes on in the economy?

Mr. CHURCH. Yes. The Senator is correct. The amendment simply provides as follows:

> Nothing in this act shall be construed to authorize or permit the Council to make any recommendation which, if implemented, would result in or have the effect of imposing any ceiling on social security cost of living benefit increases authorized under existing law . . .

It seems to me that Congress has spoken in this area. It has adopted a policy and written it into law. The policy is that beneficiaries under the social security program will be entitled to automatic increases in their benefits based upon the cost of living.

Inasmuch as Congress has fixed the policy, I see no reason why the council should engage in recommendations that would change that policy. But observations concerning the overall economic situation or the place that social security fits in the general picture would not be prohibited by the amendment.

Mr. TOWER. With that understanding, then. Originally, I did not fully understand the amendment of the Senator from Idaho. I thought for a moment that it proscribed any mention at all and referred to an economic projection of some sort by the Council. This is one important aspect that cannot be ignored.

Therefore, with that understanding, although I am not wildly enthusiastic about the amendment of the Senator from Idaho, I will not oppose it.

Mr. CHURCH. I thank the Senator from Texas.

The purpose of the amendment is not to muzzle the Council. It is simply to put the Council on notice that Congress has established a policy in this field, and it will be up to Congress to change that policy if a change is considered necessary.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. CHURCH. I am happy to yield.

Mr. PROXMIRE. Mr. President, although we did not have hearings on this amendment, and it is not really explicitly germane, I suppose, in a sense, to the bill before the Senate, I support the amendment. Senator CHURCH deserves a great deal of credit for offering it.

I have been back in my State a great deal lately, and I have found that the older people are concerned about whether they are going to get the 5 percent that the President favors or the 8 percent that Congress favors. There is great uncertainty in the country.

As I understand it, in order for the President's will to prevail and for the amount to be reduced from 8 percent to 5 percent, there has to be an action on the part of Congress—which is what Senator CHURCH is preventing today—his amendment will make it clear that the people of this country on social security will get their 8-percent increase.

Mr. President, there is no way I can see that this particular kind of increase will be inflationary. I realize that it is a whale of a lot of money, but let us recognize the situation we are in. Right now, we have 8.9 percent unemployment. We are operating far below our potential. We are operating at 65 to 70 percent of our capacity in manufacturing. There is every indication that unemployment will go to 9 percent or above by June 30. That is the time when this increase would be received.

This would not increase the payroll of the Federal Government. It would not establish a permanent program that would affect the economy in late 1975, let alone 1976, 1977, or 1978. The overwhelming majority of these people will have to spend that money, because it is a matter of survival. It will enable them to keep pace with the cost of living.

Since it is not inflationary, and since it serves the useful purpose of making absolutely clear to the people of this country that they will receive their 8 percent—30 million people are on social security—I think it is a most useful amendment, and I am happy to support it.

Mr. CHURCH. I thank the Senator. His remarks are extremely pertinent. He is one of the most knowledgeable Members of the Senate on economic matters.

I concur completely with the Senator's observation that one of the best ways to get money out to the people who need it and will spend it is simply to adhere to the automatic cost-of-living escalator device that Congress has already made part of the social security law.

Just a few weeks ago, we undertook to authorize sizable tax rebates, in the hope of stimulating an economic recovery. We have also endorsed larger public works projects for the same purpose.

I think there is no more efficacious way of getting money into the pockets of people who need it and who will spend it than the cost-of-living provision under the social security system. Moreover, this measure can have a stimulative effect on the economy and help to turn around our recession.

The second objective of this amendment is to express the sense of Congress that this device should not be revised. This measure puts the President on notice that Congress simply is in disagreement with his recommendation that cost-of-living benefits to social security beneficiaries should be limited to 5 percent this year.

For this reason, Mr. President, I hope that the Senate will adopt the amendment.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. PROXMIRE. I think it would be very helpful to have a rollcall vote, because a rollcall would make it absolutely clear how the Senate stood. If the Church amendment is adopted by a rollcall vote in the Senate, then I think there can be no question in anybody's mind that we are not going to turn around between now and June 30 and adopt the President's proposal of only a 5-percent increase in social security.

For that reason, I hope we can get

enough Senators in the Chamber so that we can have the yeas and nays.

Mr. TOWER. Mr. President, we could go ahead and expedite this business by adopting the amendment by a voice vote, but sometimes we have to have some political rollcall votes around here. There is no question that this amendment will be accepted overwhelmingly.

I think it is fine to want to embarrass the President from time to time, and perhaps I have been a party to that, myself. But I really see no need for a rollcall vote, when this amendment could be adopted expeditiously by a voice vote. If we have to make a little politics here, I suppose we had better take the time away from further consideration of the people's business to have a rollcall, and I will certainly second the request for the yeas and nays.

Mr. PROXMIRE. I say to the Senator from Texas that I do not intend to embarrass the President of the United States, but he has asked for a 5-percent increase in social security. Spokesmen of the administration have reiterated that over and over. Literally millions and millions of people in this country think the President may prevail. This vote will clear it up. It will be a very useful way of doing it. Without a rollcall, there is no way. It could always be said that there was a voice vote; that only a few Senators were in the Chamber; and that if there had been a rollcall vote, the President would have prevailed.

Mr. CHURCH. Mr. President, I concur in the statement of the distinguished Senator from Wisconsin, and I ask for the yeas and nays.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum, so that we can get a sufficient number of Senators in the Chamber to have the yeas and nays.

The PRESIDING OFFICER (Mr. FORD). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CHURCH. Mr. President, I ask unanimous consent that two tables that have been prepared be printed in the RECORD following my remarks in support of the amendment.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

FISCAL 1976 COSTS OF 8 PERCENT AND 5 PERCENT INCREASES

	Social security	Supplemental security income
8 percent	$5, 500, 000, 000	$180, 000, 000
5 percent	3, 400, 000, 000	95, 000, 000
Difference	2, 100, 000, 000	85, 000, 000

MONTHLY SOCIAL SECURITY BENEFITS: IMPACT OF PRESIDENT FORD'S 5 PERCENT CEILING AND THE 8 PERCENT COST-OF-LIVING ADJUSTMENT AS AUTHORIZED BY LAW (PUBLIC LAW 93-233)

	Present law rate (June 1975)	President Ford's 5 percent ceiling	8 percent increase authorized under cost-of-living formula
Maximum benefit for worker retiring in 1975 at age 65	$316. 30	$332. 10	$341. 70
Minimum benefit for worker retiring at age 65	93. 80	98. 50	101. 40
Average benefit, retired worker alone	184. 00	194. 00	200. 00
Average benefit, retired couple both receiving benefits	314. 00	331. 00	341. 00
Average benefit, aged widow	178. 00	188. 00	193. 00
Average benefit, all disabled workers	207. 00	218. 00	224. 00
Average benefit, mother and 2 children	439. 00	461. 00	474. 00

Note: Projected cost of 8 percent cost-of-living increase for fiscal 1976: $5,500,000,000.

SEVENTY MILLION AMERICANS MAY EXPERIENCE THE DIRECT EFFECTS OF UNEMPLOYMENT IN 1975

Mr. HUMPHREY. Mr. President, when the President presented his economic report to the Congress, the unemployment rate was 8.2 percent; in April unemployment rose to 8.9 percent. In spite of the fact that unemployment today is higher than it has been since the Great Depression, the administration has consistently minimized its severity and has failed to propose a program designed to restore full employment.

How can unemployment be the focus of administration policy when the President of the United States says:

> Unemployment is the biggest concern of the 8.2 percent of American workers temporarily out of work. But inflation is the universal enemy of 100 percent of our people in America today.

I take issue with the President. The 8 million or more workers who are unemployed today represent only a fraction of those who will directly suffer the effects of unemployment during 1975. If our past experience is any guide, the number of people who will be unemployed at some time during the year or who live in a household with an unemployed worker will total over 70 million in 1975.

During the last recession year, 1971, when the monthly unemployment rate averaged 5.9 percent, 16.3 percent of the work force experienced a spell of unemployment sometime during the year. If a similar relationship hold in 1975, almost 25 percent of the U.S. labor force will suffer unemployment at some time during 1975. This means 24 million workers and their families could be affected—or a total of over 70 million persons. These are the numbers the President and his advisers should be studying—that one-third of the population will be directly affected by unemployment this year. Millions of others, the underemployed, the part-time employed, and businessmen, will suffer indirectly, through shorter work hours, smaller take-home pay, and lower sales and profits.

This week Congress for the first time has been concretely expressing its own economic program through action on concurrent budget resolutions. These resolutions reflect Congress rejection of the incredibly slow path which the administration recommended back to full employment. Yet the economy has fallen so far and so quickly during this recession, that even the congressional program implies unemployment rates above 7 percent throughout next year.

The Federal budget does not operate in a vacuum. Even if the outlays recommended by Congress take place, the strength of our economic recovery vitally depends on the cooperation of the Federal Reserve in supporting budget policy. In testimony before the Joint Economic Committee last week, Franco Modigliani reiterated that—

> Congress has cut taxes not for the purpose of having no deficit; not for the purpose of crowding out things; not for the purpose of raising interest rates, but for the explicit purpose of expanding real and money income. Real and money income cannot expand properly unless money supply grows with it. Therefore, if the Federal Reserve is to respect the will of the Congress it must make sure that in the initial phase, as the tax cut has its effect on aggregate demand, interest rates are kept constant and the money supply is increased as needed to maintain interest rates constant.

I maintain that in his testimony before the Senate Banking Committee last week, Arthur Burns expressed his intention not to respect the will of Congress. According to Dr. Burns, the Fed will aim in the next year to increase the money supply between 5 and 7½ percent. It has been the almost unanimous opinion of economists, business and labor leaders testifying before the Joint Economic Committee that the money supply should expand at least between 8 and 10 percent, and perhaps as much as 12 percent, during the year if the economy is to be restored to a path of sustainable growth. Without such support from the Federal Reserve, we could well experience again the short-lived recovery of 1958. Congress has and will provide stimulus to economic growth in the form of a tax cut and higher Government spending. But, as in 1958, the Federal Reserve apparently intends to restrain the forces of recovery that have already been set in motion.

By law, the Federal Reserve is a creature of the Congress. Yet in the policy expressed by Arthur Burns last week, it is clear that the Fed expects to follow its own independent economic program. Today's Congress is more aware than ever of the crucial supportive role that the Fed must play, and it will not permit it to abort a still tenuous recovery.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the rollcall vote which has been ordered on the amendment by Mr. CHURCH occur today at the hour of 2 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 394

Mr. DOLE. Mr. President, I call up my amendment No. 394, as modified, and ask for its immediate consideration.

The PRESIDING OFFICER. Does the Senator ask unanimous consent that the pending matter be set aside?

Mr. TOWER. Mr. President, I ask unanimous consent that the amendment of the Senator from Idaho be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the amendment of the Senator from Kansas.

The legislative clerk proceeded to read the amendment, as modified.

Mr. DOLE. I ask that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

INFLATIONARY IMPACT STATEMENT ACT

SECTION 1. SHORT TITLE.—That this Act may be cited as the "Inflationary Impact Statement Act of 1975".

SEC. 2. FINDINGS.—The Congress finds that—

(1) inflation is one of the principal economic problems facing Americans;

(2) Federal programs and expenditures which Congress authorize have a significant impact on the economy and can play a major role in contributing to inflation;

(3) it is imperative that Congress, in keeping with its unique responsibility for balancing the possible adverse effects of programs it considers against the beneficial aspects of the same, be informed in advance of the impact on inflation of any legislative proposal to come before it for action.

SEC. 3. INFLATIONARY IMPACT STATEMENTS.—(a) Section 403 of the Congressional Budget Act of 1974 is amended—

(1) by striking out "and" at the end of paragraph (1);

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and";

(3) by inserting after paragraph (2) the following new paragraph:

"(3) an inflationary impact statement relative to such bill or resolution covering the fiscal year in which it is to become effective and each of the four fiscal years following such fiscal year. As used in this paragraph, the term 'inflationary impact statement' means an estimate, to the extent practicable, of the probable impact of a particular bill or resolution on the aggregate rate of inflation and the cost of goods and services to be affected by its enactment. Such estimate shall be based on the amount of new budget authority contained in such bill or resolution, as well as the new budget authority at specified projected levels assumed to be authorized by subsequent legislation, unless, with respect to any fiscal year for which an estimate is required, the Director determines that it is improbable that outlays will occur."; and

(4) by striking out "estimate and comparison" in the last sentence and inserting in lieu thereof "estimate, comparison, and statement".

(b) The provisions of subsection (a) are enacted by the Congress as an exercise of its rulemaking power as provided by section 904 (a) of the Congressional Budget Act of 1974.

Mr. DOLE. Mr. President, as I indicated in my remarks yesterday on page S7371 of the RECORD, this amendment incorporates the language of S. 15—a bill I introduced on the first day of this session.

It would, briefly, place on the Congressional Budget Office a requirement very similar to that sought to be established for the Wage and Price Stability Council through an amendment offered by the distinguished floor manager Mr. PROXMIRE and the Senator from Minnesota (Mr. HUMPHREY).

That is, it would call for the Congressional Budget Office to prepare "Inflationary Impact Statements" in connection with any legislation reported for consideration by a House or Senate committee. The House already has such a concept built into its rules, but there is no official stipulation as a matter of law.

Since we are today discussing the purpose and objectives of the Council on Wage and Price Stability, it seems entirely appropriate that we should address ourselves to its primary responsibility—that of reviewing the probable inflationary impact of governmental programs and policies. Moreover, we should seek to assist the Council in reaching its specified objectives by ourselves reviewing, in advance, the probable inflationary impact of legislative proposals on which we must vote.

Certainly, a thorough evaluation of such statements as I am recommending would not only complement the activities of the Wage and Price Stability Council, but would also enable us to directly analyze and share responsibility for the long-run fiscal consequences of any new governmental spending program which we enact. The time to begin that assessment is now—while inflation is at least at a comparative manageable level.

Because this amendment is rather basic in its thrust—and completely understandable in its need—I would hope that the committee might accept it as a welcome and noncontroversial addition to S. 409. While, admittedly, it has not yet been the subject of special hearings, I hasten to point out that we are all familiar with inflation and its impact—and can easily recognize the benefit to be derived from the added information contained in an analytical statement in both.

Therefore, I think it would be prudent as well as advisable to proceed with action which would impose on ourselves the requirement for preparation of these inflationary impact statements. It has been nearly 8 months now since I first introduced the principle—and almost that long since the President asked the Congress to formally endorse it—so one can hardly say we should put it off any longer in favor of further deliberation.

Mr. President, before inviting the response of the distinguished committee chairman (Mr. PROXMIRE) on this amendment, I would like to ask unanimous consent that the Senator from Ohio (Mr. TAFT) be designated as a principal cosponsor. I also wish to reiterate from my statement yesterday that Senators BUCKLEY, FANNIN, THURMOND, HANSEN, YOUNG, CURTIS, GARN, DOMENICI, MCCLELLAN, LAXALT, BARTLETT, HELMS, PROXMIRE, and GOLDWATER have previously indicated their support of its merits through cosponsorship of the original bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. PROXMIRE. Mr. President, I am in a rather difficult position on this matter. I was not an original cosponsor of this amendment. But I do favor the idea very strongly. I think it is one of the most important and significant actions to be taken to cope with inflation.

There is not any question that the Federal Government, and by our legislation especially Congress, is strongly responsible for the kind of inflation we are suffering now and may be responsible for a far worse inflation in the future.

All this amendment would do would be to give us notice of the effect of legislation on prices, or the expected effect, and it would use the Congressional Budget Office, which has a very strong and large staff, to do the job.

The reason I am in a difficult position on this amendment is that the chairman of the Budget Committee was informed that I would like to oppose the amendment—I do not know how he got that information; it was a mistake that he was told that—in part, on the grounds that I do not favor the enactment without hearing or consideration by the Committee on Government Operations. I think the chairman of the Budget Committee should know about it. After all, it is his staff that is going to have to do this work. It is going to take a tremendous amount of time and effort. He may need a larger staff to do that.

But I cannot think of money better spent for the economy than in this way, and in view of the fact that I have taken the consistent position that I favor this amendment—in fact I proposed it more than a year ago—I do not see how I can possibly oppose the amendment now. I find I must support it, and I will support it. I intend to vote for it, and I hope that the committee can accept the amendment.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. DOLE. In response to the Senator's concern over the additional burden which the requirements of this amendment might place on the staff of the Budget Committee, I would like to point out that it actually only contemplates another delegation of responsibility to the Congressional Budget Office—and not to the committee itself.

The Senator from Kansas is a member of the Budget Committee and is fully aware of the workload carried by its staff in complying with existing provisions of the Congressional Budget Act. But while I agree that the chairman of the committee should know about this new function, I want to stress that the extra involvement from his standpoint would be limited to reading and commenting on the Congressional Budget Office findings—once the bill in question is brought to the floor.

Mr. PROXMIRE. That is very helpful.

Can the Senator give me an estimate as to the amount of man-hours that he thinks this might require? Does he have any notion of the burden this would impose on the Congressional Budget Office?

Mr. DOLE. No, not with any degree of certainty, and of course, it would depend on the particular legislation being considered.

I can say, however, that section 403 of the Budget Act already requires a two-step cost analysis to be performed by the Congressional Budget Office, and my amendment would simply add a third. Thus the number of man-hours should not be substantial, and in any event, would be time well spent.

The Congressional Budget Office is currently in the process of "staffing up," and once this is completed and they are ready to go—which I assume will be in the next few months—they will be required to submit this estimate of costs to the appropriate committee.

They are also required by paragraph (2) of section 403 to include a comparison of their own projections with those of the administration and the committee having jurisdiction. So again, this amendment would simply add a third feature to their report—that of an inflationary impact statement relative to the bill or resolution in question covering the fiscal year in which it is to become effective and each of the 4 fiscal years following.

The purpose of such a statement would, of course, be to let both ourselves and the public know what economic impact would likely result from a bill introduced by the Senator from Wisconsin, or one proposed by the Senator from Kansas. So I really believe it would be a worthwhile and productive undertaking, consistent with requirements already in the law.

Mr. PROXMIRE. On page 2, line 21 of the Senator's amendment the phrase "to the extent practicable" appears, and the sentence reads as follows:

> As used in this paragraph, the term "inflationary impact statement" means an estimate, to the extent practicable, of the probable impact of a particular bill or resolution on the aggregate rate of inflation.

Who determines the extent practicable, the Congressional Budget Office?

Mr. DOLE. The Senator is correct. It is implicit in the entire section that the Director of the Congressional Budget Office will necessarily have that discretion.

Mr. PROXMIRE. I strongly favor the amendment. The only real concern I have now is that whether or not this will be regularly communicated in a conspicuous way so Members of Congress will know. I think we have had some provisions in the past in the law that require that there will be information as to the fiscal impact of legislation, and I introduced legislation last year that would require a fiscal note to be put on the front of every bill that would tell us what the legislation would cost that year and the ensuing 5 years.

Perhaps it would not be practical to put the inflationary impact statement in that position, but I would hope that it would be given as conspicuous a position as possible so that it is not covered up in any way, and we are all fully aware of the inflationary effect of what we are voting on.

Mr. DOLE. It is the intent and understanding of the Senator from Kansas that such a statement would be required to accompany every report on a bill or resolution coming out of a committee, except for appropriations. That is already set out in the relevant portion of the law I am proposing to amend.

In that way, information on the inflationary impact over a 5-year period would be right there before us and the public. It seems to me, then, that we would be on notice, and then on record as voting for or against after knowing what the consequences will be.

Mr. PROXMIRE. Mr. President, I thank the distinguished Senator, and I think it is a very good and useful amendment. We should have adopted it long ago. Had we done so we probably would not be suffering from the kind of inflation we have been suffering during the last 2 years, and for that reason I am happy to support the Senator's amendment.

Mr. TAFT. Mr. President, I am pleased to join the Senator from Kansas (Mr. Dole) as a cosponsor of his amendment identical to S. 15, the Inflationary Impact Statement Act of 1975.

This legislation is a combination of separate bills which the Senator from Kansas and I introduced in the last Congress. We combined our efforts and those of the bills' cosponsors to introduce this legislation on the first legislative day of the 94th Congress, because it is crucial that Congress evaluate the total cost rather than simply the budget cost of legislative proposals. This legislation will foster those types of evaluations.

Basically, S. 15 and the amendment would require the new Congressional Budget Office to supply the Congress with an estimate of the impact on the aggregate rate of inflation and the cost of goods and services affected for 5 fiscal years, of any legislation which is reported by congressional committees for further congressional consideration. In my view, the enactment of this requirement would be a great advance over the important step forward this congress took when it imposed a similar reporting requirement for projected actual Federal budget costs of legislative proposals in the Congressional Budget Act of 1974.

In last year's economic summits and debate on the inflation problem, it has been emphasized that Government programs are often considerably more costly to consumers than their direct cost in terms of Government funding. For example, the expense of just completing required paperwork for the Government has been estimated to be $50 billion per year. Government safety and antipollution standards have added $320 to the cost of a new car over the last 4 years; milege requirements which would bring about a 30 to 40 percent improvement in miles per gallon would add another $200 to $400 to the price of a new car by 1980. The use of tariffs and import quotas to protect domestic industries costs consumers $10 billion per year in higher prices. When the medicare and medicaid programs were put into effect, the additional pressure on hospital services helped increase the inflation rate from about 8 percent per year to around 12 to 15 percent.

All too often, these types of Government-induced inflation escape adequate legislative attention because they do not show up in the Federal budget. Congress clearly should decide whether such programs or requirements are worthwhile only after facing up to their total inflationary impact.

In recognition of this problem, President Ford recently announced that future new Government regulations would carry an inflation impact statement. However, the imposition of that requirement at the regulation stage is only part of the battle. It is probably even more important that overall impact on inflation be considered fully at the time the Congress shapes the basic legislation which determines the structure of the Government's programs. Thus, I feel that President Ford was on target when he urged Congress several months ago to pass legislation such as this amendment promptly. I am hopeful that the 94th Congress will fulfill that responsibility.

Mr. DOLE. Mr. President, I yield back the remainder of my time.

Mr. PROXMIRE. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. Ford). There is no time limitation.

The question is on agreeing to the amendment (No. 394) of the Senator from Kansas.

The amendment was agreed to.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 1:45 P.M.

Mr. PROXMIRE. Mr. President, I move that the Senate stand in recess until 1:45 p.m. today.

The motion was agreed to, and at 12:30 p.m., the Senate recessed until 1:45 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Culver).

INCREASED AUTHORIZATION FOR THE COUNCIL ON WAGE AND PRICE STABILITY

The Senate continued with the consideration of the bill (S. 409) to amend the Council on Wage and Price Stability Act to confer additional authority on the Council with respect to the prices of commodities and services, and for other purposes.

Mr. TAFT. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> At the end of the bill add the following new section:
>
> Sec. . Section 11(c)(2) of the Energy Supply and Environmental Coordination Act of 1974 is amended by adding the following new subparagraph:
>
> "(E) Price trends and related develop-

ments for coal and for other major energy sources which are not subject to direct price regulation at any level by the United States government. As soon as practicable after the date of enactment of this subparagraph and at such times thereafter as he deems appropriate, the Federal Energy Administrator, after consultation with such other persons and agencies as he deems appropriate, shall provide an assessment of the relationship between price trends and related developments for energy sources covered by this subparagraph and energy policies, including any recommendations he may have in connection with such assessment."

The PRESIDING OFFICER. The Senator from Ohio is advised that the amendment is not in order at this time due to the fact that there is another amendment pending. However, it could be made in order upon a unanimous-consent request.

Mr. TAFT. Mr. President, I suggest the absence of a quorum at this time.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STONE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TAFT. Would it be in order at this time to ask that the amendment which I have just introduced and which is pending at the desk be made the order of business after the vote on the Church amendment at 2 o'clock?

The PRESIDING OFFICER. That would be in order if agreed to by unanimous consent.

Mr. TAFT. Mr. President, I ask unanimous consent that my amendment which is pending at the desk be made the order of business immediately after the vote on the Church amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STONE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The hour of 2 o'clock having arrived, pursuant to the previous order, the question is on agreeing to the amendment of the Senator from Idaho (Mr. Church). On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Arkansas (Mr. Bumpers), the Senator from Mississippi (Mr. Eastland), the Senator from Alaska (Mr. Gravel), the Senator from Montana (Mr. Metcalf), and the Senator from Alabama (Mr. Sparkman) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. McGovern) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. Buckley), the Senator from Nebraska (Mr. Curtis), and the Senator from Wyoming (Mr. Hansen) are necessarily absent.

I further announce that the Senator from Maryland (Mr. Mathias) is absent due to illness.

The result was announced—yeas 76, nays 13, as follows:

[Rollcall Vote No. 163 Leg.]

YEAS—76

Abourezk
Allen
Bartlett
Bayh
Beall
Bellmon
Bentsen
Biden
Brock
Brooke
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Eagleton
Fong
Ford
Glenn
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
McClellan
McGee
McIntyre
Mondale
Montoya
Morgan
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Stafford
Stennis
Stevenson
Stone
Symington
Taft
Talmadge
Thurmond
Tunney
Weicker
Williams
Young

NAYS—13

Baker
Fannin
Garn
Goldwater
Griffin
Helms
Hruska
Laxalt
McClure
Percy
Scott,
  William L.
Stevens
Tower

NOT VOTING—10

Buckley
Bumpers
Curtis
Eastland
Gravel
Hansen
Mathias
McGovern
Metcalf
Sparkman

So Mr. Church's amendment was agreed to.

The PRESIDING OFFICER. (Mr. Packwood). Under the previous order, the Chair lays before the Senate the amendment of the Senator from Ohio (Mr. Taft), which the clerk will state.

The legislative clerk read as follows:

The Senator from Ohio (Mr. Taft) proposes an amendment, at the end of the bill, to add a new section.

Mr. Taft's amendment is as follows:

At the end of the bill add the following new section:

Sec. —. Section 11(c)(2) of the Energy Supply and Environmental Coordination Act of 1974 is amended by adding the following new subparagraph:

"(E) Price trends and related developments for coal and for other major energy sources which are not subject to direct price regulation at any level by the United States Government. As soon as practicable after the date of enactment of this subparagraph and at such times thereafter as he deems appropriate, the Federal Energy Administrator, after consultation with such other persons and agencies as he deems appropriate, shall provide an assessment of the relationship between price trends and related developments for energy sources covered by this subparagraph and energy policies, including any recommendations he may have in connection with such assessment."

Mr. TAFT. Mr. President, the amendment before the Senate is very simple. It requires the Federal Energy Administration to include, in its quarterly energy information reports, information on pricing and related developments in the coal industry and other major energy industries not subject to Federal price regulation. It also requires an assessment and report as soon as practicable on the relationship between these price-related developments and national energy policies, including any recommendations the Administrator of FEA may wish to make.

Largely because both crude oil and natural gas prices have been subject to a degree of Federal price controls, prices in these industries have been carefully monitored. Exhaustive analyses have been done concerning the relationship of these prices to our national energy policy and goals. Unfortunately, probably because it is a major energy source not subject to any such controls, to a large extent the coal industry and pricing developments within it have escaped this scrutiny. The drastic recent price increases in that industry, resulting partly from the artificially high OPEC oil prices, are a good indication that this lack of attention has not been warranted.

I feel it is about time we remedied this situation. Because of the abundance of coal in America, particularly in Ohio and other States of the Midwest, it is bound to play a major continuing role in the national energy picture and expanded production is crucial. As we try to assess what actions and policies are desirable in the energy field, it is important that we understand what is happening to coal prices. Regular and continuing analyses are particularly important in view of major complicating factors, such as the effect of any strip mining legislation.

But there is another reason, more pressing at the moment, why we must correct this situation immediately. Consumers from my State and many others are beset by staggering increases in their electricity bills. They want to know what is happening and why, and they deserve answers.

This amendment will promote a new understanding of the electric utility situation. Electric utilities now account for about 70 percent of the coal market. Almost 40 percent of the electricity generated in the United States in 1973 was based on coal. Obviously, the average increase between September 1973 and September 1974 of almost 200 percent in coal spot market prices and about 45 percent in contract prices could have a direct relationship to many consumers' skyrocketing electricity bills. They deserve a continuing monitoring of coal prices, and an analyses now to assess and evaluate the price increases which have already occurred.

This amendment does not try to bias in any way the recommendations FEA may make after it reviews the coal price situation. It is designed solely to correct the present lack of attention to coal pricing developments, relative to prices in the energy industries subjected to direct Government controls.

Mr. President, I yield the floor.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. PROXMIRE. As I understand this amendment by the distinguished Senator from Ohio, what it does is correct an omission in previously enacted legislation, in that it simply requires, particularly with respect to coal, but also to other fuels that might also have been omitted, we have the benefit of information which is made available; and also the Senator is calling on the Wage-Price Council to make a study?

Mr. TAFT. It is the FEA that is required to make the study and assessment involved.

Mr. PROXMIRE. The FEA, I see.

Has the Senator from Ohio discussed this with the Interior Committee?

Mr. TAFT. The amendment has been discussed with both sides on the Committee on Interior and Insular Affairs. They have no objection to it, and I think would go along with the amendment.

Mr. FORD. Mr. President, will the Senator from Wisconsin yield for a question?

Mr. TAFT. If the Senator from Wisconsin has completed his questions, I am glad to yield to the Senator from Kentucky.

Mr. FORD. Will the Senator explain to me again what this amendment would do to the price of coal?

Mr. TAFT. I would advise the Senator that it will not do anything to the price of coal. It does not put any controls on the price of coal in any way. What it does is to require the FEA in its quarterly report on other energy sources to report as to what is happening with regard to the supply and the price of coal, and assess price developments from the standpoint of national energy policy.

Mr. PROXMIRE. As I understand it, this is simply an informational amendment requiring that when FEA makes its quarterly reports to include coal and other fuels; is that correct?

Mr. TAFT. The Senator is correct in his understanding. The FEA would have to report on price trends in these industries and to make an assessment of price developments.

Mr. PROXMIRE. It does not provide any limitation on the price of coal?

Mr. TAFT. There is no limitation at all. As I made clear, there is no bias at all as to what direction the FEA might recommend, or what it thinks might be done about the situation.

Mr. PROXMIRE. Mr. President, I think this is a useful amendment. It gives information we otherwise would not have, and I congratulate the Senator from Ohio on offering the amendment.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. TAFT. I am glad to yield to the Senator from Texas.

Mr. TOWER. This is not suggesting a bias toward price controls?

Mr. TAFT. It certainly is not. The Senator is correct. I think that such a bias might be very unfortunate.

Mr. TOWER. As a matter of fact, it could suggest that perhaps the price increases might be desirable as an incentive for greater production and for reintroduction of more capital to reinvest in the energy business; is that possible?

Mr TAFT. The Senator is absolutely correct; the problem of the finding of the capital to put into the coal business would have to be addressed by FEA. It costs millions and millions of dollars to open the new mines we are going to have to open in the next few years. I think public information on all such price-related matters is extremely important, and I think it is also important that those who pay additional utility bills have the information on which they can judge whether the utility rate increases that result from the increases in the price of coal are justified.

Mr. TOWER. Yes.

Mr. TAFT. I think it will help both consumers and the regulatory agencies around the country

Mr. TOWER. I thank the Senator from Ohio, and on that basis I have no objection to the amendment.

Mr. TAFT. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Ohio (Mr. TAFT).

The amendment was agreed to.

Mr. STEVENSON. Mr. President, I have an amendment at the desk which I call up.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk proceeded to read the amendment.

Mr. STEVENSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end thereof insert the following:

That section 2 of the Council on Wage and Price Stability Act is further amended by adding at the end thereof the following:

"(g) The Council shall have authority, for any purpose related to this Act, to require periodic reports and to issue subpoenas, signed by the Chairman or the Director, for the attendance and testimony of witnesses and the production of relevant books, papers, and other documents relating to wages, prices, costs, profits, and productivity by product line, or by such other categories as the Council may prescribe to carry out the purposes of this Act, and to administer oaths. Witnesses summoned under the provisions of this section shall be paid the same fees and mileage as are paid to witnesses in the courts of the United States. In case of refusal to obey a subpoena served upon any person under the provisions of this section, the Council may request the Attorney General to seek the aid of the United States district court for any district in which such person is found, to compel that person, after notice, to appear and give testimony, or to appear and produce documents before the Council."

Mr. STEVENSON. Mr. President, I offer this amendment on behalf of myself, also the Senator from Minnesota (Mr. HUMPHREY) and the Senator from New York (Mr. JAVITS). The purpose of this amendment is to confer subpena and information-gathering authority on the council. Such authority is essential if the council is to do an effective job.

The Council on Wage and Price Stability was created to identify the causes of inflation, expose inflationary behavior to public scrutiny, and temper irresponsible wage and price increases. To fulfill its mandate, the Council is required to review and analyze economic concentration, anticompetitive practices, and the inflationary impact of governmental policies and programs.

It is required to work with labor and management in sectors of the economy having special economic problems in order to improve the structure of collective bargaining as well as to improve the performance of those sectors in restraining prices. The Council is required to improve wage and price data bases in order to improve collective bargaining and encourage price restraint. It is required to conduct public hearings in order to provide public scrutiny of inflationary problems. And it is required to monitor the economy as a whole by acquiring reports on wages, costs, productivity, prices, sales, profits, imports, and exports.

This is a monumental task requiring a high degree of accurate information. But the Council's ability to acquire such information is seriously impaired by the lack of compulsory process. When met with a refusal to supply information essential to fulfillment of its statutory responsibilities, the Council is without remedy. The result is to undermine the Council's effectiveness in carrying out its mandate.

Our amendment would rectify this defect by empowering the Council to compel disclosure of the information it needs to do an effective job. Its Chairman, Dr. Rees, now acknowledges the need for subpena power. Specifically, the amendment would authorize the Council to require periodic reports and to subpena information and witnesses when necessary to carry out the purposes of the Wage and Price Stability Act. It would convey no new substantive authority. Instead, it would give the Council the minimum necessary tools to fulfill its existing responsibilities.

Mr. President, for those reasons, I urge its adoption by the Senate.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. STEVENSON. Mr. President, I happily yield to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I do hope the managers of this bill will see fit to accept this amendment. It is, I think, long overdue. It will, as the distinguished Senator from Illinois has so well pointed out, strengthen the stability of the Council, and it will give Congress information that it will need from time to time.

The Joint Economic Committee has from time to time recommended this very amendment, after hearings. Dr. Rees appeared before the Joint Economic Committee and, under cross-examination from members of the committee, recognized the helpfulness of this particular proposal.

I am very pleased to join with the Senator from Illinois in its sponsorship, and trust it will be adopted.

Mr. STEVENSON. Mr. President, I thank the Senator for his comments and I am glad he made the additional point. With this power, the Council can make available information to Congress as well as itself in the execution of its responsibilities.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. STEVENSON. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I also support the amendment of the distinguished Senator from Illinois. I think this is a necessary amendment.

The bill as it was originally drafted contained this provision. We took it out in committee, and one of the reasons why we took it out is that we took out the part to which this was specifically attached.

We provided for a product line disclosure, and we recognized that would not survive in committee, and probably would not survive on the floor, so we have not offered it.

However, we questioned Dr. Rees when he appeared before the committee on this particular amendment the Senator is now offering in the event we did not have that product line disclosure and this was the reaction of Dr. Rees. I quote from page 21 of the hearings:

> I would have very little objection to a subpena power provision if it were combined with our present disclosure provision. Under those circumstances I would think that we would not have to use it very often. It would not be our intention to use it very often, but there might be occasions when we would find it useful.

So that is a mild kind of approval but, considering the very strong opposition there had been to the previous part of the bill, it seems to me that this is something we can provide.

Furthermore, Mr. President, if we want a commission that is not going to be a namby-pamby commission that can be pushed around, and can do something about inflation—which is the No. 1 economic problem in the minds of most Americans, according to every poll I have seen—we need to have the muscle on the part of the Wage-Price Board to secure information even when businesses and unions do not want to release it, do not want to disclose it.

As Dr. Rees said, they would use it sparingly, they would use it rarely. They have been a very temperate board, but there are occasions, he said, when they could find it useful. It seems to me we would make a mistake if we did not provide the board with that kind of power.

Earlier today, I think the Senators ought to realize, we limited the life of this commission so that it expires on June 30, 1976. It will last for only a year. So that in the event the Senate has second thoughts on this, in the event this power is abused, we can then change it at that time.

I might point out, Mr. President, that every standing committee of the U.S. Senate and the House has subpena powers. We have the powers; we find them useful. We use them sparingly but when we do use them we often find it is necessary, and without them we would not get information which is essential to the public's business.

So for all these reasons, Mr. President, I am happy to support the Senator from Illinois, and I congratulate him on offering the amendment. It does strengthen the bill substantially.

Mr. STEVENSON. I thank the Senator from Wisconsin, Mr. President.

I would like to add that, following his testimony before the Banking Committee to which the Senator from Wisconsin referred, Dr. Rees strengthened his statement in support of subpena powers. His subsequent experience within the Council indicated the need for subpena powers. He said that the Council, in the course of its investigation of the sugar industry, was unable to obtain the information it sought; in the case of the steel industry it received cooperation from about two-thirds of the firms, but it received very little information from the other third. Based on such experience, such frustration in the exercise of its inflation-fighting responsibility, it is my understanding that the Director of the Council on Wage and Price Stability now strongly supports such subpena powers and, in my own opinion, without such power the Council is little more than a charade.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois (Mr. STEVENSON).

Mr. TOWER. Mr. President, I oppose this amendment. This amendment would authorize the council to issue subpenas to obtain information from private sources or require periodic documents and reports relating to wages, prices, costs, profits, productivity by product line or any other categories deemed appropriate.

This amendment was considered, but not agreed to, by the members of the Banking Committee in considering the original version of S. 409. I believe it is fair to say that it was not included in the bill reported from the committee because it: First, represents a substantial broadening of the Council's power; second, the usefulness of a product line data is highly controversial and questionable; and third, the requirement for documentation and recordkeeping would impose an unnecessary and unjustifiable burden on the private sector of the economy.

The authorization for the Council to issue subpenas and required recordkeeping is the first step back toward the type of mandatory controls program in effect from 1971 to 1974. Although the information which the council would obtain through these means would not be subject to public disclosure, it would lead eventually to pressure for such information being disclosed to the public.

Once such information was disclosed, there would be pressures for requiring the Council to take action in cases where wage or price increases may appear unjustifiably large.

The requirement that such information be made available along product lines is particularly worrisome. This authority would require businesses to disclose to the Council their pricing data for individual product lines. The committee heard expert testimony from a number of witnesses who questioned the usefulness of such information. For example, Robert Mautz, certified public accountant and partner of Ernst & Ernst, testified that there are no generally accepted accounting principles yet established to provide guidance and to assure some degree of uniformity, reliability, and comparability in the preparation and presentation of line of business reports. The Financial Accounting Standards Board, the independent authoritative body established within the private sector to establish financial accounting standards, has been studying this issue for some time now and is expected to reach a decision on proposed financial accounting standards relating to line of business reporting in the near future. In the absence of such standards, widely diverse methods of accounting will mean that the usefulness and understandability of such data will be largely destroyed.

The entire issue of product line reporting is now receiving a great deal of attention because of a Federal Trade Commission order calling on 345 large firms to file specified line of business information with the FTC under stated conditions of confidentiality. At the present time the FTC is in litigation in two district courts over this very issue.

A major problem is the start-up costs for line of business reports. The Federal Trade Commission, on the one hand, has stated its belief that the cost of obtaining line-of-business data from the Nation's largest 345 corporations will be modest in relationship to the substantial benefits which will result. However, it has been estimated that the total initial cost of the first report from these 345 companies will be about $190 million. As Murray L. Weidenbaum has noted in a study of Government-mandated price increases:

> This may be a "modest" sum from the viewpoint of the government, but it is a substantial overhead cost to the companies involved and ultimately will be passed on, in good measure, to the consumer.

I ask unanimous consent to have printed in the RECORD a table showing the estimated start-up costs for FTC line-of-business reports. For the 25 companies shown in that table, the estimated cost would total more than $13½ million.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ESTIMATED START-UP COSTS FOR FTC LINE-OF-BUSINESS REPORTS

[In thousands]

Company	*Estimated mean start-up costs*
American Metal Climax	$75
Anaconda	1,000
Combustion Engineering	100
Crown Zellerbach	100
Deere	1,000
Dow Chemical	400
DuPont	500
Ex-cell-o	350
Exxon	1,000
General Instrument	100
Inland Steel	100
Lear Siegler	400
McGraw-Hill	45
Mobil	500
Nabisco	100
Northrop	300
Outboard Marine	100
R. J. Reynolds	1,000
Singer	500
Standard Oil, California	800
Union Carbide	1,100

ESTIMATED START-UP COSTS FOR FTC LINE-OF-BUSINESS REPORTS—Continued

[In thousands]

Company	*Estimated mean start-up costs*
U.S. Steel	2,000
Varian Associates	63
Westinghouse	2,000
Westvaco	75
Total	13,708
Mean	548

SOURCE.—U.S. Congress, Senate, Subcommittee on Budgeting, Management, and Expenditures of the Committee on Government Operations, *Hearings on Corporate Disclosure,* 93d Congress, 2d session (1974), p. 922.

Mr. TOWER. Mr. President, this leads me to the final concern which I have regarding this amendment, and that is, the unnecessary and unjustifiable burden which it would place on the private sector. In view of the questionable nature of the information which would be received, I have serious doubts that the benefits of such information will outweigh the costs. Perhaps the amendment's author can provide me with some idea of what this information may mean in terms of dollar benefits.

I recognize that Dr. Rees, Director of the Council on Wage and Price Stability, testified before the Banking Committee that he had no objection as such to a periodic reporting requirement on a product line basis, providing the Council were permitted to aggregate such data and to reveal the resulting totals to the public. In spite of this, I remain convinced that subpena power and authority to require recordbreaking would give new direction and meaning to the Council's authority and in the end would result in the Council on Wage and Price Stability ultimately becoming the Cost of Living Council in everything but name.

Mr. President, let us make no mistake. If we have rejected in the committee, we have rejected on the Senate floor the idea of mandatory wage and price controls.

This is a means of going back to wage and price controls through the back door and I think that this amendment, if adopted, will set up an anticipatory reaction throughout the business community which is precisely the thing we do not want.

As a matter of fact, having laid wage and price control to rest last year, I wish we had not even taken it up this year because I fear it has already had an anticipatory effect.

Maybe we have forgotten what a disaster wage and price controls were, but they were a disaster. Wage and price controls created inequities, distortions, dislocations, anomalies, and shortages that helped bring about the economic phenomenon we see in the United States today.

Nobody wants to return to wage and price controls. Business does not want to return to them, labor does not want to return to them, agriculture does not want to return to them; nobody wants to return to wage and price controls.

Obviously a few people in Congress would like to return to them. But it seems to me that once having been burned by wage and price controls we should have learned a lesson from very recent history that we should not move back in the direction toward a program that failed, and perhaps had a great deal to do with the present inflation-recession phenomenon we find ourselves in.

So make no mistake. This is a back-door approach to wage and price controls, and I fervently hope that the amendment will be rejected. If it is not rejected, I shall recommend to the administration that the bill be vetoed because I do not think that the value of the Council on Wage and Price Stability—and it has functioned well and I think has done some valuable work—and the benefits that are derived from the existence of that organization exercising its present authority outweigh the evil that would be wrought by the acceptance and the passage of this amendment, and the passage of the act with this amendment included therein.

I fervently hope that the Senate will reject this amendment.

Mr. PROXMIRE. Will the Senator yield?

Mr. TOWER. I yield the floor.

Mr. PROXMIRE. Mr. President, my good friend from Texas has just used a howitzer to kill a fly. He is talking about a return to wage and price controls.

Nobody, as far as I know, on the committee or in the Senate wants to return to wage and price controls. I voted against them in 1970.

I certainly think what the Senator has said about wage and price controls is largely correct. I support that.

This is not a return to wage and price controls in any way, shape, or form.

Furthermore, Mr. President, all the Stevenson amendment would do would be to provide that the Wage and Price Review Board has the authority to issue subpenas, the authority to require periodic reports and not the authority, and it is very clear they would not have the authority, to make this product line information public.

All they would be able to do is get this information for analytical purposes to determine whether or not there was the basis for discussion and negotiations with a particular firm to try to hold down prices that would be, in their view, considered to be inflationary.

I call the attention of the Senate to page 18 in the report, in the hearing record, and to the testimony by Mr. REES when he said:

> As a practical matter, subpoena power may not make a significant contribution to the Council's monitoring activities because of the long time necessary to compel compliance should a firm choose to fight a subpoena. On the other hand, subpoena power could produce more prompt or more complete voluntary submission of data, since the firms or organizations from whom information is requested will know that it could be subpoenaed if necessary.

So that all this is a fly swatter in the closet, not a shotgun, in the event that this information is not forthcoming.

This, as we know, is a wage and price board which has been extraordinarily moderate and modest in their demeanor and in their attitude. We have had testimony from Dr. Rees that he would not use this very often. We have the record of his performance in office.

On the other hand, it seems to me that the consumers of this country need all the assurances they can get that we do have a wage-price monitoring board that is doing something, that is keeping track of this inflationary situation, and that is in a position to report to the people of the United States on what is going on and what the inflationary forces in the economy are.

Mr. BROCK. Will the Senator yield?

Mr. PROXMIRE. I am happy to yield to my friend from Tennessee.

Mr. BROCK. I am a little surprised at the Senator's statement. I appreciate the fact that we have this benign little old agency down there that is trying to do good for everybody and does not want to do anybody harm. That is a marvelous thing. Maybe it is not typical of all Federal agencies. But the problem is not that they would abuse the subpoena power with this directive. When we pass a law, we pass a law that applies to an agency and its authority, period. I do not know who the next director will be.

We go back to the good old saying, are we a government of laws or a government of men? We pass laws based upon their merit and based upon the quality of the individual who will implement that law.

Mr. PROXMIRE. Will the Senator yield?

Mr. BROCK. Yes.

Mr. PROXMIRE. I think the Senator makes an excellent point. He is absolutely correct. We should tailor these laws so that if we have any kind of an administration down there that, as a consequence, would be adverse to the public there would be a remedy. I think that is the case with the Stevenson amendment.

There is no question in my mind about the principal fears which the business community has, and I understand those fears very well, that if product line information is made public their competitors might gain, they might be put at an international competitive disadvantage, that all kinds of disadvantages might or might not develop. This has been their argument. But no argument was made at any time in the hearings, and I think I was at every hearing we have had and I have read the Record carefully, that this council, any council, since they are prohibited by law from disclosing this information, would be in a position to abuse business or adversely affect their competitive position.

Mr. BROCK. Let us go to the second point. The Senator says that all they want is this information so that they can discuss this information.

Mr. PROXMIRE. And analyze it.

Mr. BROCK. What do they want to analyze it for?

Mr. PROXMIRE. The reason they want to analyze the information, of course, is so that they will be in a position to make the proper recommendations.

Mr. BROCK. Make recommendations to whom and what for?

Mr. PROXMIRE. I will read to the Senator from Tennessee what is intended. On the basis of the information they get and without disclosing the product line information, they can then conduct public hearings necessary to provide for public scrutiny of inflationary problems in various sectors of the economy. That is their mandate under the law. That does not, in any sense, mean that they are empowered—in fact, they are prohibited by law—to disclose product line information. So the main concern of business is protected.

Mr. BROCK. I am not so worried about disclosure of product line information. I am not so worried about any dot and tittle that they come up with on a particular report. I am worried about the report itself, and what it implies.

Let me just take the Senator through a hypothetical case. We have a company with 10 product lines. They come in and says, "Well, look here. You have 28 percent profit on this particular line. You are really gouging the public. That is too much. You do not need that much."

Does the Senator honestly think they will criticize the company for having a loss on another product line? Will they single out the 28 percent profit and maybe hold public hearings on that in order to put the screws on that company?

Mr. PROXMIRE. I would agree with the Senator from Tennessee that the concern by business about product line revelation is not very well based, if that is what he is saying. However, what I am saying is that these trained economists, these experts who serve on the Wage-Price Monitoring Board, will be in a position to understand. There may be full justification for a very high profit on some lines.

Mr. BROCK. They never seem to understand that, though.

Mr. PROXMIRE. This would not be made public. There would be no basis for it to be exploited either by demagogues or by competition. But it would be useful to the agency to see that in the event that there is a situation where a firm is charging a wholly unjustified price because of certain advantages they may have, that then they may move in to discuss it with them, to find out why, and perhaps to negotiate a reduction in price.

Mr. BROCK. So, in effect, that is getting back to controls, is it not?

Mr. PROXMIRE. No.

Mr. BROCK. Is that not what the Senator from Texas was just saying? The only purpose the Senator has cited to me is to get some information so they can go back to the company and crack down on them. There is not any other single purpose for product line reports.

Mr. PROXMIRE. If the Senator from Tennessee is saying that we should not have legislation on the books, we should not have a law on the books, to try to hold down unjustified price increases, I disagree. The whole purpose of the act is to do that. To do that means that you have to step in and crack down once in awhile.

If a firm does what the steel industry did the year before last, if they increase their prices 45 percent, we should have a wage-price monitoring board in a position to move in and raise the devil about it, complain about it and try to negotiate a lower increase. If the Senator calls that controls, so be it. But it does not provide for any mandatory power on the part of the Government to fix prices at any particular level.

Mr. TOWER. Will the Senator yield?

Mr. BROCK. If I might just ask the forbearance of the Senator from Texas, one of the reasons I have such huge respect for the Senator from Wisconsin is that he is not only articulate but also honest and totally forthright in debate. We now have the issue. It is a matter of control or noncontrol. That is the purpose and the effect of an increase in authority in this agency. The Senator says to the Senator from Tennessee that he does not want any controls. The Senator knows I do not believe in controls. I never have. I will do anything in my power to oppose controls over the American people.

Mr. PROXMIRE. If the Senator will yield, the law on the books now does provide for a council on wage and price stability. The purpose of that law is to hold down price increases that are not justified. It is not simply to make a statement on inflation.

Mr. BROCK. If the Senator will wait, we did not grant that agency one iota of statutory authority to hold down prices. The Senator knows that.

Mr. PROXMIRE. That is correct, not to hold down prices in terms of fixing prices. But in terms of negotiating, in terms of public disclosure—some of the public disclosure, as I pointed out, is limited—in the area that is not prohibited, I think they have a very valuable and useful function. If that function had been used in the past, we could have avoided much of the inflation we have suffered. If the Senator wants to call "controls" any action on the part of the Federal Government that discourages price increases, then he is entitled to that view. In my view, that is not a control because it does not affect the price.

Mr. BROCK. I just do not believe there is any GS-8 or above in Washington who is competent to say what is a warranted price level. I think the American housewife and the American consumer can say that, but I do not believe there will ever be anyone here who can make the decisions for 220 million Americans.

Mr. PROXMIRE. The Senator from Wisconsin is not disputing that.

I am saying that this Council will do their best to let this information become public, as much as they can. There is some of it, as I say, that is limited. Then this will have a salutary effect on pricing policy on the part of business. We have found again and again that business does react to intelligent, informed, moderate expression by government.

When President Ford criticized an increase in prices by General Motors shortly after he came into office, General Motors reduced, in part, their price increase. That was not price controls, in my view. That is the kind of action which the Council on Wage-Price Stability will conduct in a quiet way. They have been successful in persuading some industries to reduce their prices, in antifreeze and other areas.

Mr. BROCK. Even businessmen learn their lesson after being rousted out by the FBI and being kicked in the head by by wage and price controls. They learn. They learn that we can stick it to them if we want to. That is why this sort of an amendment is so dangerous. It creates a clear indication of inching right back into that same process where the Government rather than the marketplace, rather than the American people, determines our economic enterprise system. That is counterproductive. It leads to an inflation psychology, it leads to anticipatory raises in prices, and it leads to controls. That is the most atypical thing we can do in terms of preserving our system.

Mr. PROXMIRE. The Senator from Tennessee is arguing very ably. He has great ability and great knowledge in this area. He served on this committee for several years. What the Senator is really driving at is that we repeal the act, that we do not pass the bill, that we let the law expire. I think this is a respectable argument on that side.

Mr. BROCK. I would be delighted to proceed in that direction.

Mr. PROXMIRE. Very good. Now we really know what the distinguished Senator's objective is. He objects to the whole act.

Mr. BROCK. Absolutely. I have not been hiding that under a bushel.

Mr. PROXMIRE. The Senator can vote no, whether the Stevenson amendment is adopted or not.

Mr. BROCK. I do not want to make the act worse. We have a little bad now. Let us not make it even worse.

Mr. TOWER. Mr. President, one thing that should be pointed out now is that this product line information is useless, because there are no accepted principles that assure any degree of unanimity, reliability, or comparability in the preparation and presentation of line of business reports. We have had expert witnesses testify to that effect.

Another aspect of this matter is that, in an effort to hold down costs and prices to the consumer, we are going to impose a big, additional paper burden on industry, which is going to cost millions of dollars, and that cost is going to be passed along to the consumer in the form of higher prices. That is what it means.

Every time we empower the bureaucracy to require something more of business, we require business to take on an additional overhead cost, and that cost is passed along to the consumer. Congress should look at the cost impact of things that we require of the business community. Some of these things standing alone are meritorious. But I was amazed to find, on the Commitee on Armed Services, when we were looking into the cost overruns of shipbuilding, that 2.5 percent of the increase on naval vessels was a result of required compliance with the Occupational Safety and Health Act alone.

There are many instances in which we legislate increased cost to business, and it is passed along to the consumer, and it is legislation that has not been submitted to a plebescite of the consumers in this country. They may not even know about it. It may be legislation that represents a small constituency interest that is highly vocal and highly influential in Congress.

I submit that what we are doing here is legislating an additional cost to the total overheard of doing business, and that cost is going to be passed along to the American consumer.

So far as wage and price controls are concerned, do not believe for 1 minute that once subpenaed information is made available, there will not be pressure for disclosure; and disclosure will lead to pressure for action to prevent what might appear to be unjustifiable wage and price increases.

We are moving back to wage and price controls, through the back door. I repeat: Business does not want them. Labor does not want them. Agriculture does not want them. I do not know of many sophisticated economists in this country who suggest a return to wage and price controls. But we are going to create the expectation that this is precisely the direction in which we are headed if this amendment is adopted.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. TOWER. I yield to the Senator from Tennessee.

Mr. BROCK. Does the Senator have any figures on the amount of money the American consumers spend in order to pay more for products which cost more because of unnecessary reports required by the Federal Government?

Mr. TOWER. We do not really have such a figure, but it is up in the millions. I do not have the precise figure on that. It is a figure we should have.

I might note that some of the most useful work that the Council on Wage and Price Stabilization is doing is in looking into the matter of how much we are legislating additional costs that are in turn impacting on prices and impacting on inflation and impacting on the consumer's pocketbook.

Mr. BROCK. One of the more interesting arguments that is made any time we have more regulations, more reports, is that it does not cost anything to the taxpayers. People are taxpayers and people are consumers, and consumers are taxpayers. How do you separate one from the other? The fact is that when they are required to pay a higher price for the product, it costs something. It may not cost anything through their taxes. It costs something in the product they buy.

The Senator mentioned 2.5 percent on the ships we buy, as a result of the requirements of OSHA. That is more conservative than some figures I have heard.

Time and time and time again, when we have had hearings in the Select Committee on Small Business, people have begged us to stop burdening them with paperwork, mandatory paperwork, with which they simply cannot afford to comply. We have heard from companies that spend a huge percentage of their time on this, time that they could spend in productivity, in producing a product, time they could use in service to their consumers.

These reports are not going to be published. They have no purpose in fact. They do not do any good for the commission; they do not do any good for the company; they do not do any good for the consumer. For whom do they do anything? For the GS–8's who will have to be hired in that department to read the darn things. That is ridiculous. We are going to put a burden on the American people to justify hiring a few thousand more Federal employees to read a report that does not go anywhere and serves no useful purpose. I just do not understand the logic of this kind of amendment.

Mr. GARN. Mr. President, as a member of the Committee on Banking, Housing, and Urban Affairs, I would not have agreed to report this bill if it had not been cleaned of the types of amendments that were in the original bill.

The Senator from Texas has outlined the matter very well. He is not saying that this is going back to wage and price controls. He says it is a step toward them, and it is. It is the old situation of the camel's nose under the tent, of going back to the most disastrous period we have had in this country with respect to government interfering and trying to dictate wage and price controls.

I think we are missing the point here. The distinguished chairman of the committee, the Senator from Wisconsin, I know shares the same concerns I do about inflation, but I believe we are looking in the wrong direction. There is an antibusiness attitude in Congress. There is a tendency to try to blame someone else for the problems of inflation in this country, and I submit that the No. 1 cause of inflation is government.

Last week, the Senate approved a budget report with a proposed deficit of $67.5 billion. The House of Representatives approved a larger figure, in excess of $70 billion. I submit that both Houses of Congress are going to be wrong, because it will be much larger than that. It will be $75 billion, at a minimum; perhaps as high as $100 billion, as we continue to cut taxes, with money we do not have, and as we continue to approve bills in this Chamber without even knowing what the price tag is, and committing the taxpayers of this country to pay for them 15, 20, and 25 years into the future.

The No. 1 cause of inflation is government. Through a combination of deficit spending and rules and regulations, as the Senator from Tennessee has pointed out, we impose additional burdens on business which must be tagged onto the consumer's bill. The Senator from Tennessee is absolutely correct: There is no difference between a taxpayer and a consumer. It does not matter whether you pay for it in taxes or in increased prices.

Perhaps I would agree to the Cost of Living Council having subpena power, if they had the subpena power to call in Congress and hold us responsible for the irresponsibility of the spending spree we have been on—$100 billion in deficits in the last few years. They are going to have $150 billion of deficits this year and next year.

I submit that Congress is looking for the cause of inflation outside of Congress, and it should take a better look inside. When we stop this irresponsible spending and when we quit deficit financing to the tune of $75 billion a year, perhaps we will start to see prices coming down. Until then, I cannot support an amendment that places an additional burden on business and attempts to make business the scapegoat for the economic problems of this country.

Mr. HUMPHREY. Mr. President, obviously, the amendment which has been offered by the able Senator from Illinois and myself and the Senator from New York (Mr. JAVITS) is somewhat controversial, and it should be, because what it seeks to do is to give the appropriate agency of Government some of the powers it needs if it is going to do its job.

In other words, unless we are establishing a sort of facade here of administrative organizations, we ought to give the Council on Wage and Price Stability the subpena power that the Director of that Council has agreed to, that he could use and that would be helpful. I regret that I do not have the transcript of the hearing before the Joint Economic Committee, but I repeat here, and the membership of that committee knows it to be a fact, that Dr. Rees in those hearings recognized that the subpena power could be helpful. I do not believe it will be abused and, as has been said here by the distinguished chairman managing this bill, the authorization for the continuation of the Council on Wage and Price Stability is until June 30, 1978. I cannot imagine that this administration, that seems to be very pro-business, is going to use the subpena power to club American business over the head. It will be difficult enough to get them to use it when it ought to be used, much less to abuse it.

Finally, let me say that, insofar as Congress being held accountable, that is what elections are for. I am going to be up before the electorate of the State of Minnesota next year. I have not the slightest doubt that there will be people who will remind that electorate that the junior Senator from Minnesota voted for a number of spending bills, and I shall be there to take them on. Make no mistake about it: I shall be there to defend my vote for the agricultural bill. And I shall be there to point out what this administration is doing to our farmers, too, with their penny-pinching tactics. And I shall be there to talk about my vote for public service employment. I shall defend every vote and I shall be willing to be held accountable by the electorate. That is what elections are all about.

But who holds the Council on Wage and Price Stability accountable? Only the Congress of the United States. If we are going to hold them accountable, they have to have the tools to do their job.

Mr. PROXMIRE. Will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. PROXMIRE. I think the Senator has put his finger on excatly what is the point here. There is something repetitive and automatic about the opposition that has arisen: They make an automatic speech on every issue, regardless of the pertinence of the speech we always hear it. Now they indicate that the Stevenson amendment would be some kind of burden on the taxpayer, would create a bigger bureaucracy. The fact is it will not add one single position, or one person; it will not cost a single penny. All it will do is permit an agency that is in existence to do a better job. That is all the Senator from Illinois and the Senator from Minnesota are contending for. They want to make it effective, they want the money it costs to bring a return.

Mr. HUMPHREY. We are only seeking the same power for the Council on Wage and Price Stability that every committee of Congress has, as has been said here.

Mr. President, I recognize the validity of the argument that has been made by some of our colleagues on the other side, and, I hope, on this side, that Government actions sometimes do impose increased costs. In fact, I have an amendment to a bill which I offered, to S. 1169, introduced on March 12, known as the Economic Impact Act of 1975. The purpose of that amendment was to require every Government agency, once it imposed rules and regulations and once Congress authorized that agency to take certain actions, that that particular agency or the Office of Management and Budget must file with Congress an economic impact statement. But I am happy to say that the President of the United States saw fit recently to take action to require the agencies under his control to prepare inflationary impact statements. These statements are to accompany all major decisions made which impact on the rate of inflation.

I also took this up with this distinguished chairman of the Committee on Commerce (Senator MAGNUSON). Senator MAGNUSON wrote to me noting his intention to immediately press on the regulatory bodies the need to assess the inflationary effects of their decisions. Senator Magnuson said in part:

> I intend to question each of the agencies as it appears before the Commerce Committee on the specific steps the agency has taken to analyze the inflationary impact of its actions. I believe strong Congressional oversight of the agencies will be the most productive way of achieving the objective we both share.

I commend Senator MAGNUSON for this action. It is a timely and necessary interim step to take while the major but lengthy process of regulatory reform is undertaken by Congress. I hope that this, along with the matching actions of the President, will minimize regulatory inflation.

Mr. President, I introduced last year and reintroduced this year a resolution to set up a special select commission to look into these regulatory agencies to see if they were doing their job. It is my judgment that the legislative committees, with their oversight function, can do that and do it very well. Now, with the regulation of President Ford, with the commitment that we have from the Chairman of the Committee on Commerce, with the work that is being undertaken by the Committee on Government Operations, with the studies to be made by the Joint Economic Committee on the impact of the regulatory agencies upon price structure—and they do have an impact, make no mistake about it—I think we are closer to getting a handle on this.

I said to one of my colleagues earlier today that I took a look at our little private family business and found out how much the Occupational Safety Act was placing on one little private enterprise. It was a substantial sum of money. So there are reasons we should know about these things.

I appeal to my two very dear friends on the other side of the aisle who are standing there, looking at me, waiting to get on me. I just want them to know that the Stevenson amendment, the one that I have been privileged to cosponsor, does not have as its objective to add an additional burden. It does not have as its objective to bring increased inflation. It may very well decrease inflation.

We have done some work in terms of the difference between what the farmer gets and what we pay at the supermarket. I am happy to say that it has had some effect. Yet may I say, most respectfully, to my colleagues, because I knew that that material was sensitive that was subpenaed, that material has not been used to cause one single supermarket any embarrassment. I believe that when we have material that is related to an industry that is in a competitive position, we have special responsibilities for the security of that information. I, for one, would not want to see that violated. I believe we can be trusted. If we can be trusted here in Congress—after all, we do have to get a headline here, now and then—cannot we trust our own Council on Wage and Price Stability? Dr. Rees is not running for anything that I have heard of of late. I do not believe he is going to go out and exploit this. But I do not think we ought to hold Dr. Rees, head of the Council on Wages and Price Stability, responsible for certain actions that this Congress has mandated to him and not give him some of the authority that he reasonably ought to have.

I think the only question here is, as we develop the legislative history on this particular amendment, what we really want out of it—and I do not believe there is any disagreement as to what we really want out of it.

Mr. STEVENSON. Will the Senator yield?

Mr. GARN. Will the Senator yield?

Mr. HUMPHREY. I yield first to my esteemed friend from Illinois, and then I shall come to those who are joining us in just a moment.

Mr. STEVENSON. I thank the Senator. He said that this possibly could decrease inflation. I ask the Senator if he recalls the case of the mysteriously quadrupled sugar prices which took place over a period of about 1 year, without any significant changes in either the supply or the demand of sugar? The price quadrupled and then, mysteriously and perhaps by no coincidence, they began to come down at about the very moment that the Council on Wage and Price Stability began to take a look at the sugar industry.

Mr. HUMPHREY. I recall it very well. As the Senator from Illinois has said, there was no economic reason at all for what happened in terms of the price going up. There was really no economic reason for it when it came down. But there was another reason; namely, that somebody did not want to get caught, not with his hand in the cookie jar, but hands and feet both. They were all in there, literally exploiting the market.

Mr. STEVENSON. Far from anticipatory price increases, in that case prices began to come down, and according to the Director of Council on Wage and Price Stability what was done in that securities case might be sufficient authority to be done in other cases.

I am sure the Senator is aware, and I want to make sure the Senator from Utah is aware, that this Council also has the authority and the responsibility for monitoring of the public sector, the Government sector, the actions of governmental agencies as well as the actions of business.

In fact, I came across a study of the Council on Wage and Price Stability the other day which ought to be made public. It, too, could perhaps prevent inflation. This was a study conducted for the Council on Wage and Price Stability, that agency had undertaken to monitor the President's proposed energy program, and the study concluded that in addition to the recessionary consequences of the President's own energy program the effect of that program on wholesale and consumer price indexes within a year or at most 2 would be 4 percent. In other words, his own program would increase the present rate of inflation by some 3 or 4 percent. But while such information might be of more value to us in Congress, it might be of far more value to other agencies of government, perhaps including the President of the United States.

Mr. HUMPHREY. I agree with the Senator. It can be helpful. Everything depends on how it is administered, there is no doubt about that.

But my earlier point was that I believe that by the discussions of the distinguished Senator from Wisconsin (Mr. PROXMIRE), who is managing this bill, and the discussion of this amendment by the author of this amendment and its cosponsors, plus those who have interrogated and questioned the amendment, we have established a legislative history here as to what this amendment's purpose is, and it is my judgment that it surely would be of a beneficial effect at least modestly to the Wage Price Stability Council, and I hope we can adopt it.

Mr. BROCK. Mr. President, will the Senator yield?

Mr. HUMPHREY. Yes, of course.

Mr. BROCK. I, first of all, would like to take the positive side of the argument a minute and commend the Senator for his efforts with regard to Government-created inflation. I thoroughly agree with the Senator.

I might add to the list of things that are being done by the Joint Economic Committee, the Commerce Committee and others, that in our Government Operations Committee we have just brought out the Agency for Consumer Advocacy bill, S. 200.

Mr. HUMPHREY. Yes.

Mr. BROCK. That bill contains an amendment which I offered, which I think has been cosponsored by the Senator from Florida (Mr. CHILES), the Senator from Georgia (Mr. NUNN), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Illinois (Mr. PERCY), and the Senator from New York (Mr. JAVITS), all of whom have responsibility for it, which would require a cost-benefit analysis of proposed regulations on the part of independent as well as executive agencies to demonstrate that what we do in government is in fact of ultimate and net benefit to the American people, and I could not think of any more important project for Congress to undertake this year than to pursue that to fruition.

Mr. HUMPHREY. I support the Senator in that effort. I think this is highly desirable.

As I recall, a year ago we were both talking about the necessity of legislative oversight.

Mr. BROCK. That is correct.

Mr. HUMPHREY. That was on all measures Congress passes.

Mr. BROCK. I just wanted to pay my respects to the Senator because he has been a strong advocate in this area, and there is nothing of greater interest to the American people than protection from our own Government in some of these actions, and there is no possible way we can justify refusing to justify our actions when we say the corporations should justify theirs. What is the difference? We placed people in a position where they have to pay.

The problem I have with the amendment offered by the Senator from Illinois, as the original sponsor, is that, first I do not see it having any positive effect. I do not see that there is any advantage to it.

I do see costs, and I cannot accept the statement that it does not cost anybody anything. When work is done people have to put effort into that, and there is a cost involved. It may not cost the taxpayer, I say to the Senator from Illinois, but it does cost the consumer.

Companies do not pay for things; people do, and people have to buy the products that are produced by those companies.

We had some testimony before the Senate Select Committee on Small Business, and we had testimony from a small corporation—I think it was the Graymills Corp.—on the list of forms they are required to fill out every year. There are 40 different Government forms.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point, a list of forms, some of which are filled out several times a year. These forms are required by the Government on the part of this small company with basically 100 employees, and who knows how much that costs the company and the people who buy his products and the employees who earn its wages.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

The Stevenson amendment would authorize periodic reports from the private sector on wages, prices, profits and other indicators of economic activity. This would be in addition to all of the other paperwork which is required by the Federal government already.

To illustrate the problem of paperwork, on corporations, one small corporation has compiled a list of forty different government forms which it is required to fill out. Some are filled out several times a year, others are filled out for each of the firms employees.

The list compiled by the Graymills Corporation is as follows:

GOVERNMENT FORMS REQUIRED OF GRAYMILLS CORPORATION

Agency, form or subdivision, and form number:

FEDERAL

Department of Commerce, Census of Manufacturers, MC-35M.

Office of Equal Employment Opportunity, Employer Information Report EEO-I, 265-41.

Federal Trade Commission, Division of Financial Statistics, MG-1.

Department of Labor, Log of Occupational Injuries and Illnesses, 100.

Department of Labor, Supplementary Record of Occupational Injuries and Illnesses, 101.

Department of Labor, Summary—Occupational Injuries and Illnesses, 102.

Department of Labor, Wage Developments in Manufacturing, BLS 2675b.

Department of Labor, Employee Welfare or Pension Benefit Plan Description, D-1.

Department of Labor, Employee Welfare or Pension Benefit Plan Description Amendment, D-1A.

Department of Labor, Employee Welfare or Pension Benefit Plan Annual Report, D-2.

Department of Labor, Information on Employee Welfare or Pension Benefit Plan Covering Fewer than 100 Participants, D-3.

Department of Treasury, Federal Tax Deposits—Withheld Income and FICA taxes, 501.

Department of Treasury, Unemployment Taxes, 508.

Department of Treasury, Employer's Annual Federal Unemployment Tax Return, 940.

Department of Treasury, Employee's Withholding Exemption Certificate, W-4.

Department of Treasury, Reconciliation of Income Tax Withheld from Wages, W-3.

Department of Treasury, Report of Wages Payable Under the Federal Insurance Contributions Act, 941a.

Department of Treasury, Return of Employee's Trust Exemption from Tax, 990-P.

Department of Treasury, U.S. Information Return for the Calendar Year 1971, 1099.

STATE OF ILLINOIS

Industrial Commission, Application for Adjustment, of Claim—Notice of Disputed Claims and Memorandum of Names and Addresses, None.

Industrial Commission, Employer's Report of Compensable Injury, None.

Industrial Commission, Memorandum of Names and Addresses for Service of Notices, None.

Industrial Commission, Notice of Filing Claim, 77.

Industrial Commission, Report of Accident, C174.

Employment Service, DOL-BES Form, None.

Division of Unemployment Compensation, Notice of Possible Ineligibility, UC (Ill.) Ben-22.

Division of Unemployment Compensation, Employer's Contribution Report, UC-3D.

Department of Revenue, Retailers' Occupation Tax, Use Tax, County, Municipal Service Occupation and Service Use Tax Return, RR-1A.

Department of Revenue, Employee's Illinois Withholding Exemption Certificate, Il-W-4.

Department of Revenue, Monthly State Income Tax Payment Form, Il-501.

Department of Revenue, Application for Renewal of Resale Certificate Number, RR-4904.

STATE OF CALIFORNIA

Department of Business Taxes, State, Local, and District Sales and Use Tax Return, BT 401C.

STATE OF NEW JERSEY

Division of Taxation, Resale Certificate, SF-3.

Division of Taxation, Blanket Exemption Certificate, 1788 AC.

CITY OF CHICAGO

Commission on Human Relations, Contractor Employment Practices Report, None.

Metropolitan Sanitary District, Industrial Waste Surcharge Certified Statement, FI-235.

Metropolitan Sanitary District, Report of Exemption Claim or Estimate of Liability for Surcharge, FI-236.

Metropolitan Sanitary District, Computation of Initial Estimate of Liability for Surcharge, FI-236A.

CITY OF LOS ANGELES

Department of Building and Safety, Application and Agreement for Testing Electrical Equipment, B&S E-147.

Department of Building and Safety, Application for Approval Labels, B&S R9.

Source: U.S. Senate, Subcommittee on Government Regulation of the Select Committee on Small Business, *Hearings on the Federal Papework Burden*, 93d Congress, 1st session (1973), Part 1, pp. 124-28.

Mr. BROCK. I do not know how you can put a figure on this cost, but I know it is enormous, and to me we have to somehow, some day, face up to the cost that Government imposes, not on corporations—let us quit talking about business—but on people. People pay taxes, and they are the ones who will ultimately suffer as a result of our unwillingness to face up to the ultimate costs of our actions here.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. BROCK. I yield.

REGULATORY AGENCY INFLATION IMPACT STATEMENT

Mr. HUMPHREY. Mr. President, even as inflation moderates due to our recession, we hear dire warnings that inflation will start anew next year. These warnings should not be ignored.

The increase granted by Congress in the investment tax credit is one solution to this anticipated inflation. By encouraging capacity expansion, it enables a larger quantity of goods to be produced as demand rises—thereby delaying, if not preventing, inflation as economic activity picks up.

It is now appropriate for Congress to address sources of inflation outside the area of the private markets—inflation due to congressional or executive branch actions.

For two centuries, Congress and the Federal regulatory agencies have made far-reaching decisions largely within an economic impact vacuum. In evaluating proposed legislation, or rules and regulations, attention has been given in most cases, only to the likely impact on short-run Government costs, on the budget and on the industry or sector directly affected. We frequently have had situations in which the probable impact on prices, of import controls or of regulations governing transportation rates, for example, was ignored.

The fact is that Congress and the Federal regulatory agencies should make a comprehensive evaluation of the likely economic impact prior to making significant decisions. The regulatory authorities now receive economic evaluations pertaining largely, if not only, to the specific industry involved.

Most public policy decisions that seriously affect the economy require each decisionmaker to do a mental balancing act. Unless the total economic impact is estimated, as best as possible, and made available, it is unlikely that the proper balance will be struck.

President Ford has recently taken action to require agencies under his control to prepare "inflationary impact statements." These statements are to accompany all major decisions made which impact on the rate of inflation.

The Senate Commerce and Government Operations Committees are reviewing the role of the independent regulatory agencies and inflation currently as one component of their joint study to determine the economic impact of regulation. To my mind a thorough review and reform of the regulatory process is the only way to effectively achieve a balance in regulatory decisions between narrow industry interests and the broader concerns for holding the line on prices.

I note also that the much needed Consumer Protection Agency bill has been reported by the Senate Government Operations Committee with a provision requiring regulatory agencies to evaluate the economic aspects of proposed actions. I am alarmed that this provision will be lost should the bill be vetoed—and the veto not overridden by both Houses of Congress.

It is, I am sure, with this possibility partly in mind that Senator MAGNUSON wrote to me earlier today, noting his intention to immediately press on regulatory bodies the need to assess the inflationary effects of their decisions. Senator MAGNUSON, in part, noted:

> **I intend to question each of the agencies as it appears before the Commerce Committee on the specific steps the agency has taken to analyze the inflationary impact of its actions. I believe strong Congressional oversight of the agencies will be the most productive way of achieving the objective we both share.**

I commend Senator MAGNUSON for this action. It is a timely and necessary interim step to take while the major but lengthy process of regulatory reform is pursued by the Congress. And it is my hope that this step, along with the matching efforts of President Ford, will effectively minimize regulatory inflation.

Again I thank the distinguished Senator from Tennessee for placing in the RECORD this type of material that shows what an independent business, or any other kind of a business has to go through, with the innumerable government regulations and forms that have to be filled out. They do get more every year, I recognize this, and somewhere along the line somebody somewhere in Congress ought to take the time to try to find a way to see if we cannot minimize this because it has become a very serious burden. I do not deny it one bit. It is not only a burden, sometimes it is outrage.

Mr. BROCK. Yes; it is.

Mr. HUMPHREY. And for people that do not have all the facilities at their command, as a large corporation has, it becomes a very, very time-consuming—which in turn indeed is a cost-making—burden upon the individual and the business, which as well, of course, is passed on to the consumer.

But again I think the subpena power that is asked for here is not going to be burdensome. I will not say, however, that it would not require time on the part of the company. It may very well.

At the time the Federal Energy Agency looked into some of the overcharges on oil and some of the petroleum products they did use subpena power. They had to use it and they did get it, and it saved the Government millions of dollars. In fact, right now they are still in some kind of negotiation or lawsuit—I have forgotten which it is—with companies that supply the Government with petroleum materials.

Mr. BROCK. That was where the Government had that product under price controls. We do not in this instance.

Mr. HUMPHREY. That is correct, but they used the powers that they had, the subpena powers, to get that information

Mr. BROCK. Right.

Mr. HUMPHREY. It may be an exaggerated case, and I do not think it is a traditional or normal case, as the Senator has indicated, because of the price control regulations, but again I do believe that the sensible use of this particular proposal, and I repeat sensible use, would not be injurious. It could be helpful, and it is, as I understand, a part of the bill that only extends for another year.

Mr. GARN. Mr. President, will the Senator yield?

Mr. HUMPHREY. Yes, I yield.

Mr. GARN. I suppose I am speaking more, as I said a few minutes ago, to the former mayor of Minneapolis as the former mayor of Salt Lake City.

Mr. HUMPHREY. It was the best job I ever had.

Mr. GARN. There are many days I agree and wish I were back.

When the distinguished Senator from Minnesota was a mayor of Minneapolis I doubt very much if the Senator had the interference and the governmental control in his life as a mayor that I did until December 1974.

The Senator was talking about the cost of Government and the inflationary impact on the regulatory agencies. The point that I was trying to make very strongly is the impact of Congress.

Now, who is watching Congress? The people are, yes.

Mr. HUMPHREY. I will say.

Mr. GARN. The people are watching. But are they informed enough to see the results of our actions? I want to give a specific example.

Mr. HUMPHREY. If the Senator will permit me just for a minute, day after day I look up here and see these intelligent, these perceptive, these articulate, these gifted, talented journalists, and do they inform the public.

Mr. TOWER. Oh, come on.

Mr. HUMPHREY. Oh, do they inform them.

I will tell you, the mail comes flooding in. They really inform them.

Sometimes in some ways, though not too obviously, through journalism there is some misinformation that gets out. But I think they are relatively well informed.

Mr. GARN. Let me give the Senator a specific example.

Last year the Congress of the United States passed some amendments to the Fair Labor Standards Act, despite the fact that the representatives of the 15,000 cities, including the president of the National League of Cities, Tom Bradley, and the first vice president, Jay Garn, the mayor of Salt Lake City, came back and unanimously opposed that imposition on the cities of this country.

I think that is a pretty large group, representatives of 15,000 cities, but we were ignored.

We told this Congress the economic impact it would have on our cities, so it is not just the regulatory agencies asking Congress to investigate inflation. It is like asking the arsonist to investigate the cause of the fire, because they pass these bills even though we told this Congress—I personally appeared as a mayor before a Senate committee—and do you know what happened to the people of Salt Lake City because of that act? And $3.5 million had to be put into my budget, my last budget, as mayor because of an act of Congress.

Where do I get that money from? I either raise local taxes or I come back here for a handout.

Tom Bradley testified it would cost the citizens of Los Angeles $32 million a year. That one act alone of Congress is going to cost over the next 5 years local taxpayers across this country in those 15,000 cities hundreds and hundreds of millions of dollars, with no increase in services.

What I am specifically referring to is most of our firemen do not want to go to 40-hour workweeks. They do not want to be taken off their 24-on and 24-off schedule; they do not want to be paid time and a half for their overtime when they are in their sleeping periods.

Our seasonal employees did not like the requirements of Congress that they must take time and a half compensatory time off during the week in which the overtime was incurred or the following week.

Now, this happened time and time and time again, and for many days I did not really feel like the mayor of Salt Lake City, but just the local manager for the Federal Government, with the GSA the Senator from Tennessee was talking about telling me how to run my city. Yet I was that elected official accountable to the voters, as the Senator says, but being forced by a bureaucracy enforcing acts created by Congress.

Do not kid yourself that what Congress does is a great inflationary impact only to business. I commend the Senator, too, for working on the regulatory agencies. My point simply is that somebody has got to start watching Congress and the impact of our actions on business and local governments.

I think everyone in this Chamber is starting to realize how the Governors feel, how the county commissioners feel, and how the mayors feel, and I believe that the only way we are going to start getting at the heart of inflation is when we control our own spending, when we are aware of the economic impact our actions in Congress have on business and, more importantly, at least at this point, after only 4 months being away from my capacity as mayor of a city, on the local government officials of this country, and it does not matter to a taxpayer whether it is a Federal tax or a local tax.

If I have got to collect $3.5 million more in Salt Lake City, they do not really care whether it went to me or came back here. They are being taxed; their prices are going up, and that is all they know. That is the point I wanted to make.

But just one other quick point to the Senator from Illinois: Sugar prices did start to go down. I would not attribute that to the fact that the Cost of Living Council started looking into them. The Senator may or may not be aware that there happened to be a large antitrust suit in which sugar companies in my area of the country, a large part of the West, were found guilty of price-fixing about that time, and I would suggest that that antitrust action on the part of the Justice Department had some effect on sugar prices starting to go down.

Mr. STEVENSON. Mr. President, I am prepared to vote on this amendment.

Mr. TOWER. Mr. President, one thing we have not touched on, as I noted earlier, is that this is going to add to the cost of doing business, and it is going to require a massive amount of new paperwork on the part of business and labor.

One thing we have, perhaps sometimes overlooked in terms of legislative cost, the legislation from which flows regulations requiring compliance to Federal fiats, is that a lot of money that corporations would otherwise invest in expanded capacity and productivity is going into compliance with Federal regulations.

Mr. PROXMIRE. Mr. President, will the Senator yield on that point?

Mr. TOWER. I shall yield in just a moment.

One of the things that is critical now with Government, which in the aggregate in this country, is already occupying 60 percent of the debt market, and increased deficits threatening further Government intrusion into the debt market, is that we are forcing more capital into bringing companies into compliance with Federal regulations and Federal standards.

There is no question now but what we are going to add to the cost of doing business through more paperwork.

I would like to note testimony by the Office of Management and Budget before the House Committee on Government Operations in the 93d Congress. This testimony indicated that the United States Office of Management and Budget estimates the burden imposed on American businesses by the Federal Government increased by 50 percent between December 1967 and June 1974. Major new programs, occupational safety and health activities, medicare and medicaid, environmental protection regulations, equal employment opportunity compliance, were the principal sources of the increase.

I am not saying that some of these things standing alone are not meritorious. Some of them are. But the fact of the matter is they were not submitted for a plebiscite of the American people as to whether or not they wanted these additional things, that they are going to have to pay for them.

The sources of major increases in reporting burden on American business between December 1967 and June 1974 in terms of millions of man-hours are as follows: Occupational safety and health a 4.6-percent increase; social security, mainly in medicare and medicaid, an increase of 2.7 percent; manpower programs 1.3 percent; equal employment opportunity 1.1 percent; aircraft and airport regulations 1 percent; housing production mortgage guaranty programs 0.9 percent; foreign trade documentation 0.7 percent; environmental protection 0.6 percent; employment statistics 0.6 percent; adding up to a total increase of 13.5 percent in millions of man-hours to carry this additional burden imposed on American business.

Do not tell me that does not contribute to inflation. Do not tell me that does not contribute or eat into capital recovery or capital formation. It does.

Mr. President, this must be taken into consideration when we legislate. We do not know what additional paperwork burden this is going to place on American corporations in terms of costs and man-hours and in costs of money, but it is money that is going to come out of the consumer's pocket one way or the other.

Mr. PROXMIRE. Mr. President, will the Senator yield?

The hour is late and I hope we can vote in a very few minutes. But I just cannot resist pointing out the Senator has made an excellent speech, and I would like to support everything he said, except it has no application to this bill at all.

There is no possibility that the Council on Wage and Price Stability is going to subpena the records of 5 million American businesses or 500,000 or 5,000 or 500 or a hundred. In fact, I would be astounded if they subpenaed five companies.

The committees of Congress have had the subpena power for years, and we rarely use it. Usually we go 3, 4, 5, or 6 years before we do use it.

The head of the Council on Wage and Price Stability indicated his attitude when he said:

> Subpena power could produce more prompt or more complete voluntary submission of data since the firms, organizations from whom information is requested will know that it could be subpenaed, if necessary.

That is what this is all about. The subpena power is not going to be used to require any more paperwork, any significant additional paperwork, on the part of any firm, really. It simply gives the Council on Wage and Price Stability the authority to get the information they have to have to do the job.

Mr. President, I hope we can have a vote within the next few minutes because we have debated this for more than an hour.

Mr. TOWER. Mr. President, the Senator from Wisconsin contended the arguments I have made have no relevance to this bill.

This bill will ultimately require additional paperwork. It will require the kind of recordkeeping on product line information for which there is no uniform standard at all. It is going to bring pressures to bear once this information is acquired for the information to be disclosed and that, ultimately, brings pressure to do something about prices.

The fact of the matter is, Mr. President, this is simply a back-door approach to wage and price control, going back to it again, and if we oppose wage and price controls we should defeat this amendment.

Let us get back into the paperwork business for 1 more minute. The Office of Management and Budget estimates that in 1973 industry spent a total of 145 million man-hours answering Federal questionnaires. Now, at $10 an hour, that comes to $1,450,000,000.

Mr. President, we keep on imposing more and more paperwork burdens on business. This amendment will do that, it will have that effect. Beyond that, the fact it is a back-door approach to wage and price controls makes it an odious amendment. Mr. President, I hope it will be defeated.

If there is no further debate on the matter, I intend to move to table at an appropriate point, but I do not want to shut anybody off from the opportunity to talk.

Mr. STEVENSON. Mr. President, I am prepared to vote. There are just one or two points I would like to make first.

This is not a back-door approach to wage and price controls. It has nothing to do with wage and price controls.

These arguments remind me a little of the man who did not turn the hose on his burning house because his water bill was already too high.

It is obvious that in some sectors, in some industries, a free market is not working to produce reasonable prices.

The demand for steel goes down, the cost of some of the components of the production of steel, like the cost of ferrous scrap, goes down and the cost of steel goes up.

The cost of sugar quadrupled in the space of a year with no significant changes in either the supply or demand worldwide of sugar.

This is a modest proposal. My amendment is intended simply to help the Cost of Living Council do its job, and that job is to make the free enterprise system work and work without controls.

If we do not take such moderate steps as this to end administered rigged pricing, the American public is sometime going to demand the reimposition of wage and price controls, and that I, as well as the Senator from Wisconsin and the other proponents, as well as the opponents of this measure, want to prevent.

There is no reason to be concerned about abuse of this authority. The council would use it wisely. As Dr. Rees has indicated, it would be used sparingly and any information that was obtained by the council pursuant to its use of the powers conferred on it by this amendment would be protected by the Freedom of Information Act.

With that, Mr. President, I am prepared to vote.

Mr. TOWER. Mr. President, I just want to say that I am sure the amendment is well intentioned and well motivated, and all that I have said should be construed as an opinion on my part to the contrary.

But I think in spite of the good intentions that the ultimate result of this is going to be undesirable and will impact unfavorably on our economy.

Therefore, Mr. President, I move to table the amendment of the Senator from Illinois.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. Eastland), the Senator from Alaska (Mr. Gravel), the Senator from Montana (Mr. Metcalf), the Senator from Alabama (Mr. Sparkman), the Senator from North Carolina (Mr. Morgan), and the Senator from Delaware (Mr. Biden) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. McGovern) is absent on official business.

Mr. GRIFFIN. I announce that the Senator from New York (Mr. Buckley), the Senator from Nebraska (Mr. Curtis), and the Senator from Wyoming (Mr. Hansen) are necessarily absent.

I further announce that the Senator from Maryland (Mr. Mathias) is absent due to illness.

The result was announced—yeas 41, nays 47, as follows:

[Rollcall Vote No. 164 Leg.]

YEAS—41

Allen
Baker
Bartlett
Beall
Bellmon
Brock
Byrd,
  Harry F., Jr.
Cannon
Cranston
Dole
Domenici
Fannin
Fong
Garn
Goldwater
Griffin
Hatfield
Helms
Hruska
Laxalt
Long
Magnuson
McClure
Nunn
Packwood
Percy
Roth
Schweiker
Scott, Hugh
Scott,
  William L.
Stafford
Stennis
Stevens
Stone
Taft
Talmadge
Thurmond
Tower
Weicker
Williams
Young

NAYS—47

Abourezk
Bayh
Bentsen
Brooke
Bumpers
Burdick
Byrd, Robert C.
Case
Chiles
Church
Clark
Culver
Eagleton
Ford
Glenn
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Mansfield
McClellan
McGee
McIntyre
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Stevenson
Symington
Tunney

NOT VOTING—11

Biden
Buckley
Curtis
Eastland
Gravel
Hansen
Mathias
McGovern
Metcalf
Morgan
Sparkman

So the motion to lay on the table was rejected.

The PRESIDING OFFICER. The question occurs on agreeing to the amendment of the Senator from Illinois.

Mr. Tower addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. PASTORE. Mr. President, I have a resolution which will not take long. Will the Senator yield?

Mr. TOWER. Mr. President, I am delighted to yield to the Senator from Rhode Island, provided that I am recognized at the completion of his remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPREAD OF NUCLEAR WEAPONS

Mr. PASTORE. Mr. President, I send to the desk a resolution, which has been cleared on the other side of the aisle, and I ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

S. Res. 146

Whereas the spread of nuclear weapons poses an increasing threat to the peace and security of all nations; and

Whereas the maintenance of international stability and security would be greatly weakened, if not made impossible, in a world of many nuclear powers; and

Whereas it is essential that all nations of the world work urgently toward improving safeguards against the diversion of nuclear materials from peaceful to weapons use; and

Whereas the Non-Proliferation Treaty serves to deter the further spread of nuclear weapons; and

Whereas, pursuant to Article VIII of that Treaty, a Conference of parties commenced yesterday in Geneva to review the operation of the Treaty with a view to assuring that its purposes and provisions are being realized; and

Whereas the President of the United States, in his message to the Conference, has stated "nuclear energy can and should promote the fortunes of nations assembled at this conference. But its destructive potential can and must be contained:" Therefore be it

Resolved, That the Senate of the United States—

Endorses the purpose of the Conference as stated in Article VIII of the Non-Proliferation Treaty; and

Commends the President's commitment to furthering the objectives of this Treaty.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. WILLIAM L. SCOTT. Mr. President, is the Senator going to explain this matter to us?

Mr. PASTORE. The resolution is self-explanatory.

This is the fifth anniversary of the Non-Proliferation Treaty. The Senate of the United States enacted a resolution in 1966—Senate Resolution 179—by a vote of 84 to 0, in support of such an instrument for the nonproliferation of nuclear weapons. This year is the fifth anniversary of the Non-Proliferation Treaty, and a meeting is being held in Geneva by the nations that signed the Treaty. That is all it amounts to.

Mr. WILLIAM L. SCOTT. I thank the Senator.

Mr. PASTORE. Mr. President, today the Conference of those who have signed the Non-Proliferation Treaty begins in Geneva. The purpose of this meeting as called for in article VIII of the Treaty is to assure that the purposes of the NPT are being properly carried out. In this connection, I am introducing a resolution which would put the Senate of the United States on record once again as strongly supporting efforts to halt the further spread of nuclear weapons.

In 1966, when the United States was attempting to negotiate this treaty, I submitted Senate Resolution 179 in which:

> The Senate commends the President's serious and urgent efforts to negotiate international agreements limiting the spread of nuclear weapons and supports the principle of additional efforts by the President which are appropriate and necessary in the interest of peace for the solution of nuclear proliferation problems.

On May 17, 1966, this resolution was approved unanimously by the Senate by a vote of 84 to 0.

Today there are 91 countries which have ratified this treaty and 17 additional nations that have signed but have not yet ratified. The treaty obligates non-nuclear parties not to acquire nuclear weapons and nuclear parties not to facilitate the acquisition of nuclear weapons by others. It also obligates the nuclear weapons parties to cooperate with other parties in the peaceful uses of nuclear energy.

As this reexamination of the NPT begins, I believe we are faced with an even greater crisis over the spread of nuclear weapons than we faced in 1966. The danger of proliferation is greater today because rapidly advancing technology and expanding peaceful nuclear applications, such as power reactors, threaten to put technology at the disposal of an increasing number of other countries which could be used to develop nuclear weapons.

The explosion of a nuclear device by India, which is not a signatory to the Non-Proliferation Treaty, directed new attention to the problem. It is clearly impossible for a nonnuclear weapon nation to develop a capability to conduct nuclear explosions for peaceful purposes without, in the process, acquiring a device which could be used as a nuclear weapon. The fissionable material used in the Indian explosive device was plutonium accumulated from the operation of a nuclear power plant obtained through an agreement with Canada which predated the stringent safeguards currently advocated by Canada.

Today there are thousands of nuclear weapons under the control of the United States and the Soviet Union. We must take steps mutually to reduce the number of these weapons.

Four other nations possess smaller quantities of nuclear weapons which also must be reduced.

While we struggle to lessen the dangers of nuclear war by seeking ways and means of eliminating existing stockpiles of nuclear weapons, we also face the vitally important task of keeping additional nations from joining the deadly race to achieve a nuclear weapons capability.

We must not fail to reduce the world's existing stock of nuclear weapons—and we must not fail to halt the spread of nuclear weapons. If we fail, we invite nuclear disaster.

The **PRESIDING OFFICER.** The question is on agreeing to the resolution.

The resolution (S. Res. 146), with its preamble, was agreed to.

DETERMINATION OF THE CONGRESSIONAL BUDGET

Mr. MUSKIE. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on House Concurrent Resolution 218.

The **PRESIDING OFFICER** (Mr. PACKWOOD) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the concurrent resolution (H. Con. Res. 218) setting forth, on an aggregate basis only, the congressional budget for the U.S. Government for the fiscal year 1976 and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. MUSKIE. I move that the Senate insist upon its amendment and agree to the request of the House for a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Messrs. MUSKIE, MAGNUSON, MOSS, MONDALE, HOLLINGS, CRANSTON, BELLMON, DOLE, BEALL, and DOMENICI conferees on the part of the Senate.

INCREASED AUTHORIZATION FOR THE COUNCIL ON WAGE AND PRICE STABILITY

The Senate continued with the consideration of the bill (S. 409) to amend the Council on Wage and Price Stability Act to confer additional authority on the Council with respect to the prices of commodities and services, and for other purposes.

Mr. TOWER. Mr. President, I know that some people who may agree in substantial measure with the amendment offered by the Senator from Illinois still have some reservations about the requirement of periodic reports on records kept by product line.

As I noted in my earlier discussion, the committee heard expert testimony from a number of witnesses who questioned the usefulness of this information. Robert Mautz, a certified public accountant and a partner of Ernst & Ernst, testified that there are no generally accepted accounting principles yet established to provide guidance and to assure some degree of unanimity, reliability, and comparability in the preparation and presentation of line-of-business reports.

I know, too, that there is great apprehension on the part of business of the disclosure of product-line information. It is a legitimate concern, and it is a concern that my friends who have supported the amendment have admitted to.

Although there is no provision for public disclosure in this amendment, I fear that there may be pressure to disclose this information once it becomes available. I am hopeful that the Senator from Illinois will accept an amendment to his amendment and delete that portion that requires or that could result in requirement of product line reporting. I therefore propose an amendment to the amendment offered by the Senator from Illinois: On the line beginning with "productivity", after the word "productivity" delete "by product line or by such other categories as the Council may prescribe".

I propose an amendment to delete that section of his amendment. The relevant part of the amendment would then read: read:

> (g) The Council shall have authority, for any purpose related to this Act, to require periodic reports and to issue subpoenas, signed by the Chairman or the Director, for the attendance and testimony of witnesses and the production of relevant books, papers, and other documents relating to wages, prices, costs, profits, and productivity to carry out the purposes of this Act, and to administer oaths.

It simply eliminates the requirement of product line reporting, which I think business has a legitimate fear of because it could be disclosed, and, too, it would not be useful information. It is a complete lack of any generally accepted accounting principles that provide guidelines that assure uniformity or reliability or comparability.

I first ask my friend from Illinois if he will accept that amendment and I hope that he will.

Mr. STEVENSON. Mr. President, this is a modest proposal to begin with, to give the Council on Wage and Price Stability some power with which to perform its responsibility. That responsibility requires it to obtain information about price and wage decisions. The amendment gives the Council for that purpose the authority to require periodic reports or, by the issuance of subpenas, relevant books, papers, and other documents, and productivity by product line or by such other categories as the Council may prescribe.

The reason for that last provision, which the Senator from Texas proposes to eliminate, is purely and simply that many companies have many different product lines. It avails the Council very little to obtain information about its aggregate prices or profits or costs when the decision may be with respect to a single product.

In order to enable this Council to carry out its responsibility effectively and also fairly, and in a way that does not unnecessarily burden industry, it is, I believe, important to permit the Council to request with some selectivity the relevant information.

For that reason, I have to oppose this amendment, and for the further reason that I think that we can trust the Council, as an agency of the administration, President Ford, to use its authority wisely, discreetly and expertly and in a way, as the director has already promised, that will not interfere with any legitimate interests and rights of business.

Mr. PROXMIRE. Will the Senator yield?

Mr. STEVENSON. I gladly yield to the Senator from Wisconsin.

Mr. PROXMIRE. Is it not true that the amendment as drafted, permitting the Council to subpena documents relating to productivity by product line, enables them to make a rifle shot so that they go in and get only that information which is relevant to what may seem to be very inflationary behavior in a particular area? For example, we have washing machines. We have Maytag Co. That is all they make. We have General Electric, which has 100 or 200 other products. The only way we can determine the impact of General Electric, which has a much bigger share of the market in washing machines than Maytag, is to subpena that particular product record from GE. Otherwise, we are being very discriminatory against a small business compared to a gigantic business.

If the Council subpenaed all of the records of General Electric, they would be in a position where they could not really make a fair analysis. They would not get the useful information. It would serve a far less effective purpose than if they could go in by product line.

Mr. STEVENSON. The Senator is correct. This authority, especially in the hands of this Council, would be a benefit to business. Without it, the Council might be under a duty to go on a fishing expedition, to subpena all of the records, and in a cumbersome, burdensome process, both for itself and the business, seek to get the information about the pricing of the particular washing machine.

Mr. PROXMIRE. Is it not also true that the only real objection that business had to product line information was in the original bill, that I introduced, that provided for public disclosure, and therefore their competition would know what their profits were and what their costs were and so forth? That is not in the amendment of the Senator from Illinois at all. This information would have to be kept discreet. It could not be disclosed publicly. It would be only used for analysis and for enabling the Council on Wage and Price Stability to do its job, to get a handle on what the inflationary situation is in that industry, and then to move in and negotiate and see if they could get a reasonable reduction in price if the price increase were not justified.

Mr. STEVENSON. The Senator is correct again. That provision requiring public disclosure is not a part of my amendment or of the bill which we were considering. Without linkage between the two—the authority on the one hand to compel information on product lines and the public disclosure on the other—I would think that provision now, which permits the rifle shot, would be of benefit to the businesses that are affected, as well as to the Council on Wage and Price Stability. The only objections that I can recall to this provision came up, as the Senator indicated earlier, in conjunction with public disclosure provisions, which are absent now from the bill and from the amendment.

Mr. PROXMIRE. I thank the Senator. I agree with him in opposing the amendment offered by the Senator from Texas, although I recognize that he does have very strong objection to the product line approach. I just do not see, personally, how we can take that out without, in effect, gutting the Stevenson amendment.

Mr. TOWER. Mr. President, I call up my amendment to the amendment of the Senator from Illinois and ask that it be stated.

The PRESIDING OFFICER (WILLIAM L. SCOTT). The amendment will be stated.

The legislative clerk read as follows:

Delete the words in the proposed amendment: "by product line, or by such other categories as the council may prescribe."

Mr. TOWER. Mr. President, while we have enough souls aboard, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The years and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas to the amendment of the Senator from Illinois. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from Montana (Mr. METCALF), the Senator from North Carolina (Mr. MORGAN), the Senator from Indiana (Mr. BAYH), and the Senator from Delaware (Mr. BIDEN) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. McGOVERN) is absent on official business.

I further announce that, if present and voting, the Senator from Indiana (Mr. BAYH) would vote "nay".

Mr. GRIFFIN. I announce that the Senator from New York (Mr. BUCKLEY) and the Senator from Nebraska (Mr. CURTIS) are necessarily absent.

I further announce that the Senator from Maryland (Mr. MATHIAS) is absent due to illness.

The result was announced—yeas 38, nays 51, as follows:

[Rollcall Vote No. 165 Leg.]

YEAS—38

Allen
Baker
Bartlett
Beall
Bellmon
Brock
Byrd,
  Harry F., Jr.
Chiles
Dole
Domenici
Fannin
Fong
Garn
Goldwater
Griffin
Hansen
Hatfield
Helms
Hruska
Laxalt
McClure
Nunn
Packwood
Pearson
Percy
Roth
Scott, Hugh
Scott,
  William L.
Sparkman
Stafford
Stennis
Stevens
Stone
Taft
Talmadge
Thurmond
Tower
Young

NAYS—51

Abourezk
Bentsen
Brooke
Bumpers
Burdick
Byrd, Robert C.
Cannon
Case
Church
Clark
Cranston
Culver
Eagleton
Ford
Glenn
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Long
Magnuson
Mansfield
McClellan
McGee
McIntyre
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Stevenson
Symington
Tunney
Weicker
Williams

NOT VOTING—11

Bayh
Biden
Buckley
Curtis
Eastland
Gravel
Mathias
McGovern
Metcalf
Morgan

So Mr. TOWER's amendment was rejected.

Mr. STEVENSON. Mr. President, on the amendment which I have offered——

The PRESIDING OFFICER. The Senate will be in order, please. The Senator cannot be heard.

Mr. STEVENSON. Mr. President, on the amendment which I have offered I am fully prepared to put it to a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois (putting the question).

The Chair is in doubt.

Those in favor of the amendment will stand.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Delaware (Mr. BIDEN), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from Montana (Mr. METCALF), and the Senator from North Carolina (Mr. MORGAN) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. McGOVERN) is absent on official business.

Mr. HUGH SCOTT. I anounce that the Senator from New York (Mr. BUCKLEY), the Senator from Nebraska (Mr. CURTIS), and the Senator from Michigan (Mr. GRIFFIN) are necessarily absent.

I further announce that the Senator from Maryland (Mr. MATHIAS) is absent due to illness.

The result was announced—yeas 49, nays 39, as follows:

[Rollcall Vote No. 166 Leg.]

YEAS—49

Abourezk
Bentsen
Brooke
Bumpers
Burdick
Byrd, Robert C.
Case
Chiles
Church
Clark
Culver
Eagleton
Glenn
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Magnuson
Mansfield
McGee
McIntyre
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Stafford
Stevenson
Symington
Tunney
Williams

NAYS—39

Allen
Baker
Bartlett
Beall
Bellmon
Brock
Byrd,
  Harry F., Jr.
Cannon
Cranston
Dole
Domenici
Fannin
Fong
Ford
Garn
Goldwater
Hansen
Hatfield
Helms
Hruska
Laxalt
Long
McClellan
McClure
Packwood
Roth
Schweiker
Scott, Hugh
Scott,
  William L.
Sparkman
Stennis
Stevens
Stone
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NOT VOTING—11

Bayh
Biden
Buckley
Curtis
Eastland
Gravel
Griffin
Mathias
McGovern
Metcalf
Morgan

So Mr. STEVENSON's amendment was agreed to.

Mr. STEVENSON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. RIBICOFF. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER. The Senate will be in order.

VISIT TO THE SENATE BY MEMBERS OF THE GOVERNMENT OF THE REPUBLIC OF KOREA

Mr. SPARKMAN. Mr. President, we are honored by several of our friends from the Republic of Korea. I should like to read their names.

With us are the Honorable Il Kwon Chung, Speaker of the National Assembly of Korea; His Excellency Pyong-Choon Hahm, Ambassador of Korea; the Honorable Kyung Soon Chang, a member of Parliament; the Honorable Woon Kap Chung, a member of Parliament; the Honorable Yeo Tark Kim, a member of Parliament, and the Honorable Hon Dong Hwang, a member of Parliament.

I would like to ask our guests to stand so that Senators may see them.

[Applause.]

Mr. SPARKMAN. Mr. President, I ask

unanimous consent that the Senate stand in recess for 3 minutes so that Members might meet our friends from the Republic of Korea.

There being no objection, the Senate, at 4:56 p.m. recessed until 4:59 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. PACKWOOD).

INCREASED AUTHORIZATION FOR THE COUNCIL ON WAGE AND PRICE STABILITY

The Senate continued with the consideration of the bill (S. 409) to amend the Council on Wage and Price Stability Act to confer additional authority on the Council with respect to the prices of commodities and services, and for other purposes.

Mr. BEALL. Mr. President, I call up my amendment which is at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

At the end of the bill, insert the following: Truth in Spending Act.

The amendment is as follows:

At the end of the bill, insert the following:

TRUTH IN SPENDING ACT

SECTION 1. SHORT TITLE.—That this Act may be cited as the "Truth in Spending Act of 1975".

SEC. 2. Title IV of the Congressional Budget Act of 1974 (Public Law 93–344) is amended by adding at the end thereof the following new section:

"ESTIMATES OF COSTS TO EACH TAXPAYING FAMILY OF LEGISLATIVE PROPOSALS

"SEC. 405. (a) (1) Any bill or resolution of a public character introduced in the House of Representatives or the Senate, and the report on any such bill or resolution reported by any committee of the either House, shall contain an estimate of the average cost for each taxpaying family, if that bill or resolution were to be enacted into law. Such estimates shall be determined by multiplying the total amount of funds of the United States Government expected to be obligated in carrying out such bill or resolution by the percentage of the total Federal corporate and individual income taxes attributable to individuals and by dividing such product by the number of taxpaying families for the year immediately preceding the year in which the bill or resolution is introduced or reported, as the case may be. In the case of an introduced bill or resolution, such estimates shall be contained in a note following the text of the bill or resolution.

"(2) It shall not be in order to receive or consider any bill or resolution referred to in paragraph (1) of this subsection unless the provisions of such paragraph have been satisfied.

"(b) At the end of any week during which either House of the Congress has been in session for at least one day, the Director of the Congressional Budget Office shall tabulate the amount of authorization of budget authority contained in each bill or resolution passed by each House during such week, the average cost for each taxpaying family for each bill or resolution passed by each House during such week, and the total amount of authorizations of budget authority contained in, and the total average cost for each taxpaying family for, all bills and resolutions passed by each House from the first day of that session of Congress through the week for which the tabulation is made. Each such tabulation shall be printed in that issue of the Congressional Record which is first published after the tabulation for that week is completed.

"(c) For purposes of this section, the number of taxpaying families is determined by dividing the total population of the United States by the average number of individuals in a family of the United States, rounded to the nearest five hundred thousand, on the basis of the most recent satisfactory data available from the Department of Commerce for the year immediately preceding the year in which the bill or joint resolution is introduced or reported, as the case may be.".

SEC. 3. The provisions of section 904 of the Congressional Budget Act of 1974 shall apply to section 405 of such Act (as added by this Act) in the same manner as if such section were included in such Act at the time of its enactment.

Mr. BEALL. Mr. President, this amendment is similar to a bill I introduced earlier in the year, entitled the Truth in Spending Act of 1975.

For the edification of my colleagues, I think I can assure them that this amendment probably has so much merit and that merit will be so readily identifiable by the managers of the bill that they might be willing to accept it in a period of 5 minutes. Therefore, we should be able to dispose of the matter rather handily.

We recently established procedures that are going to streamline the methods used by Congress in fulfilling the constitutional responsibility of appropriating money for the operation of the Federal Government. We have created the Congressional Budget Office and Budget Committee, and we have established new procedures under the Congressional Budget and Impoundment Act of 1974.

I think it is becoming readily apparent to all of us that the taxpayers or consumers of Government services in this country are extremely concerned about the cost of their Government. They are concerned about the fact that those of us in public office do not too broadly advertise the benefits of programs proposed in Washington and rarely inform the taxpayer-consumer of what these programs are going to cost them in the way of additional burden on their pocketbook, in the form of new taxes or in the form of paying the inflationary cost of the growing Federal deficit.

In this age of candor, it is incumbent upon us to be totally candid with the American public. I hope the managers of the bill agree that this approach has some merit and agree to adopt this proposal as an amendment to the bill under consideration, so that we can inform the taxpayers of America what each bill coming through Congress is costing them in the way of additional taxes.

Mr. President, this measure provides that all public bills and resolutions introduced in the Congress, and the reports of bills and resolutions by congressional committees, shall include an estimate of the average cost per taxpaying family. This cost would be calculated by dividing the total cost of the bill or resolution by the number of taxpaying families.

Second, the proposal directs the new Congressional Office of the Budget to tabulate the total cost per taxpaying family separately for the authorizations and appropriations measures passed each week and a running year to date total. This would be printed each week in the CONGRESSIONAL RECORD.

I first advanced this proposal as part of S. 758, the Congressional Budget Control and Oversight Improvement Act, which I introduced on February 5, 1973. S. 758 was one of the major budget bills which resulted in enactment of Public Law 93–344, the Congressional Budget Act of 1974—legislation which some have called the most significant budget reform measure in the Congress in a half century. I was pleased to have been named to the Budget Committee, established under the act, and I am hopeful that the committee will enable the Congress to deal with budgetary matters and determine priorities in a more responsible and disciplined manner. Certainly, the Congress passed its first test in approving the first concurrent resolution of the budget.

Millions and billions are not sums easily comprehended, even in these inflationary times. Johnny Carson and Ed McMahon on the February 6 "Tonight Show," were discussing the President's fiscal year 1976 budget of $349.3 billion and the difficulty for the average American to imagine, let alone understand, the meaning of these staggering sums.

My proposal seeks to bring these astronomical figures down to earth. It will do this by providing an estimate of what each bill or proposal costs each taxpaying family. What this means is that in addition to taking the credit and heralding the benefits of proposals, Members of Congress must also apprise the electorate, in terms they will understand, of the program costs to their family. The taxpayer will then be able to balance the promised benefits of the program against the tax burdens.

Mr. President, I am deeply concerned regarding the growing tax bite taken by government at all levels. More than 37 cents out of each dollar generated in the Nation goes to taxes—Federal, State, and local. This is a record tax burden, 40 percent heavier than three decades ago and up nearly 20 percent in the last decade.

The Joint Economic Committee in their recent report "Inflation and the Consumer 1974," found that—

> Higher tax payments outstripped all other price increases in the consumer budget in 1974 . . . While food prices rose 11.9%, housing 13.5%, personal income and social security taxes rose twice as fast.

While all consumers suffered a dramatic loss of disposable income, the study revealed that middle- and low-income individuals were hardest hit. I ask unanimous consent that a recent article by Mr. George Will entitled "The Largest Tax Increase: Taxes" be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection it is so ordered.

(See exhibit 1.)

Mr. BEALL. While admittedly this program is gimmick-like, I feel it will have a useful purpose. The late Senator Ellender in 1971 tried to help the public comprehend the colossal size of the national debt which then stood at nearly $400 billion. In this interesting and colorful speech Senator Ellender said:

> If every member of the United States Senate counted two one-dollar bills every second of every minute of every hour of every day of every week, it would take approximately 64 years to count $400 billion. If the Senators worked the standard work year (8 hours per day for 260 days a year) taking no coffee breaks, or holidays or vacations, it would take them 267 years to accomplish the same count. At its current capacity, it would take the Bureau of Printing and Engraving about 171 years to print 400 billion one-dollar bills. Four hundred billion dollars in one-dollar bills would fill about 3,456 railway boxcars, making a train almost 36 miles long. The 400 one-dollar bills stacked on top of each other would reach about 27,095 miles, or 4.5 trips from New York to Los Angeles. Placed end to end, that many bills would make a path, 160 bills or 35 feet wide, to the moon.

The $400 billion debt of which Senator Ellender spoke is now $538.5 billion and the Senate recently raised the limit to $531 billion. The President had requested a debt ceiling of $604 billion and it is expected that later this year Congress will have to again raise the debt ceiling. Using a debt of $600 billion and updating Senator Ellender's colorful illustrations, we would now find—

That if every Senator counted two $1 bills every second of every minute of every hour of every day of every week, it would now take 96 years to count the debt rather than 64 years in 1971;

That if all Senators worked only the standard work week, it would take them 400 years to count the $600 billion debt rather than 267 years in 1971;

That the Bureau of Engraving and Printing would take 256 years to print $600 billion worth of $1 bills, rather than 171 years in 1971;

That Senator Ellender carrying the debt in $1 bills would have to add 1,719 boxcars to his 3,456 boxcars in order to carry the increased debt and would stretch for 56 miles rather than 36;

That the bills stacked on top of each other would reach about 40,643 miles or about 6¾ round trips from New York to Los Angeles rather than 27,095 miles and 4.5 round trips in 1971.

While citizens may have difficulty in comprehending billions, they will readily understand the cost per taxpaying family. This proposal should make Members of Congress more cost conscious and think harder and more realistically regarding the authorization and appropriations levels of the proposals a Member introduced. The authorization levels that Congress has been approving are often unrealistic. As Elliot Richardson, when he was Secretary of the Department of Health, Education, and Welfare observed:

> Historically, one set of committees in the House and Senate creates programs and another set actually provides the money for them. The political incentives for a member of an authorizing committee is to pass bills with big price tags—and much publicity—to show he cares about solving problems. Such an incentive does not apply to members of appropriating committees. Time after time the figures on the price tag are higher than anything the executive branch can in good conscience request, and higher than anything that appropriations committees are willing to provide.
>
> There results, then an "Authorization-Appropriations gap"—a gap which has grown by $3 billion in the last year alone and is now over $13 million. For the public, the authorization-appropriation process has become, in a sense, a shell game. Hopes are raised by attention to the authorization hoopla, only to be dashed by the less flamboyant hand of the appropriations process.

The Wall Street Journal in a 1972 editorial stated:

> Any procedural reform that encouraged the Congress to be aware of the overall effect of their individual actions would have substantial benefits for us all. . . . It would be a healthy discipline for Congress to ask each sponsor of a spending bill to also say how the money is to be raised since a government that is running a $40 billion deficit obviously doesn't have spare cash lying around.

I might add that with the deficit now estimated to run anywhere from $52 billion to $70 billion, that it is even clearer that we do not in the words of the Journal editorial, "have any spare cash lying around."

Mr. President, last year the Tax Foundation, a nonprofit group which follows Government budgetary and fiscal matters, pointed out that the average American would spend 2 hours and 38 minutes out of every workday to pay his Federal, State, and local taxes. The average taxpayer last year worked until May 1 in order to earn enough to pay his 1974 taxes. In other words the taxpayer in effect worked from January to May for the Government.

I have not seen Tax Foundation figures for this year, but undoubtedly the average taxpayer is working longer days for the Government. Thus, the burden is getting heavier. My measure will make us more mindful of this burden and help assure that Congress does not, as one commentator charged, manage "to divorce the joys of spending from the misery of taxing."

Mr. President, many taxpayers are feeling the pinch and Government is a principal culprit. Mr. President, the Evening and Sunday Times of Cumberland, Md., last December editorialized in favor of a proposal, such as I am advancing, saying:

> What the average taxpayer in this country needs is a handy pocket scale that would translate big government into manageable terms. . . . Bringing the "stupendosities" casually tossed about in Washington down to human size might help to achieve firmer control over the politicians by those who make it all possible—the taxpayers.

To illustrate how the concept would operate, the Library of Congress and my staff have calculated the cost per taxpaying family of some of the authorization and appropriation bills enacted in the last Congress and also two measures, S. 281, a bill to aid the bankrupt Penn Central, passed on January 29, 1975, and S. 7, the Surface Mining Control and Reclamation Act, approved March 12, 1975, by the Senate. From this table and examining last year's authorization acts, the Housing and Community Development Act, Public Law 93-383, authorizes $2.5 billion the first year and a 3-year total of $16.4 billion. Translating these sums in terms the taxpayer can understand, as my proposal would do, one finds the estimated first year cost per taxpaying family comes to $40.78, and a total cost of $268.02 over the 3-year life of the measure.

Similarly, the Education Amendments of 1974 authorizes $7.2 billion for the initial year, or $117.55 per taxpaying family, and a total of $28.9 billion, or $473.82 per taxpaying family over a 4-year period.

For this year, the Regional Rail Reorganization Act recently cleared by the Congress cost $347 million or $5.69 per taxpaying family.

Looking at the appropriation acts, we find the costs vary from $82.1 billion, or $1,345.84 per taxpaying family for defense to $543 million, or $8.90 per taxpaying family for energy research and development.

In recent years, the Congress has enacted various laws to better inform the consumer, such as the truth in banking, truth in lending, and other consumer legislation. This bill might be viewed as truth in legislating or as I have titled the bill, the Truth in Spending Act.

I plan to have, at least on a trial basis, tabulated the cost per taxpaying family of the various bills in this session.. In summary, I believe this proposal will be good for the Congress—it will make us aware of the estimated cost to taxpayers—and good for the taxpayer—it will make him or her aware of the costs as well as the benefits of programs.

Mr. President, I ask unanimous consent to have printed in the Record a series of tables calculating the cost per taxpaying family of several bills recently passed by Congress.

There being no objection, the tables were ordered to be printed in the Record, as follows:

93D CONGRESS—A. SELECTED AUHTORIZATIONS

Bill	1975		1976		1977		1978		1979		1980		Total	
	Authorization [1]	CPTF [2]	Authorization	CPTF	Authorization	CPTF	Authorization	CPTF	Authorization	CPTF	Authorization	CPTF	Authorization	CPTF
Housing and community development, Public Law 93-383	2,500,000,000	40.98	5,450,000,000	89.34	8,400,000,000	137.70							16,350,000,000	268.02
Urban mass transit, Public Law 93-503	300,000,000	4.91	500,000,000	8.20	650,000,000	10.65	775,000,000	12.70	850,000,000	13.93	900,000,000	14.75	3,975,000,000	65.14

Footnotes at end of table.

93D CONGRESS—A. SELECTED AUTHORIZATIONS—Continued

Bill	1975		1976		1977		1978		1979		1980		Total	
	Authorization [1]	CPTF [2]	Authorization	CPTF	Authorization	CPTF	Authorization	CPTF	Authorization	CPTF	Authorization	CPTF	Authorization	CPTF
Elementary and secondary education amendments, Public Law 93-269	7,171,000,000	117.55	8,263,000,000	135.46	6,719,000,000	110.14	6,751,000,000	110.67					28,904,000,000	473.82
Foreign aid, Public Law 93-559	2,679,000,000	44.21											2,679,000,000	44.21
Foreign trade, Public Law 93-618	[3] 460,000,000	7.54											460,000,000	7.54
Legal services, Public Law 93-355	90,000,000	1.47											90,000,000	1.47

[1] Authorization figures are rounded off to the nearest million.

[2] CPTF is the cost per taxpaying family, determined by dividing the total cost of the legislation by the number of taxpaying families. The number of taxpaying families is determined by dividing the total population of the United States by the average number of individuals in a family in the United States, rounded to the nearest 500,000. (61,000,000 taxpayers.)

[3] Estimated cost.

B. APPROPRIATIONS

Bill	Appropriations	CPTF
Labor/HEW Public Law 93-517	33,045,856,000	$541.74
1st supplemental, Labor/HEW, Public Law 93——	8,659,352,078	141.95
Transportation and related agencies, Public Law 93-391	2,406,899,000	39.45
State Department, Justice, Commerce, Judiciary, 93-433	5,290,175,000	86.72
Housing and Urban Development, Space, Science, Veterans and independent agencies, Public Law 93-414	5,199,721,000	85.24
Defense, Public Law 93-437	82,096,000,000	1,345.84
Legislative, Public Law 93-371	718,440,000	11.78
2d supplemental, Labor/HEW, Public Law 93-554 chapter 4	5,840,542,000	95.74
Energy Research and Development, Public Law 93-322	543,166,000	8.90
Public Works, Public Law 93-393	4,505,472,000	73.86
Agriculture, environmental and consumer protection, Public Law 93——	13,389,851,000	219.50
Treasury, Postal Service, Public Law 93-381	5,561,169,000	91.17
Interior, Public Law 93-404	2,070,137,000	33.94

94TH CONG.—A. SELECTED AUTHORIZATION MEASURES

Bill	1975		1976		1977		1978		1979		1980		Total	
	Authorization	CPTF	Authorization	CPTF	Authorization	CPTF	Authorization	CPTF	Authorization	CPTF	Authorization	CPTF	Authorization	CPTF
Regional Railroad Reorganization Act (S. 281 as passed by the Senate Feb. 28, 1975)	347,000,000	4.04											347,000,000	4.04
Surface Mining Control and Reclamation Act of 1975 (as passed by the Senate Mar. 12, 1975)	10,200,000	.12	85,300,000	1.03	85,400,000	1.03	65,400,000	0.79	65,400,000	0.79	65,400,000	0.79	377,100,000	4.55

EXHIBIT 1

[From the Washington Post, Feb. 14, 1975]

THE LARGEST INCREASE: TAXES

(By George F. Will)

Hubert Humphrey is amazed. Releasing a report on "Inflation and the Consumer in 1974," he exclaims: "Amazingly, the biggest increases in the middle-income family's budget resulted from higher social security and income tax payments."

The report was prepared by the staff of the Joint Economic Committee of Congress, of which Humphrey is chairman. The report obviously comes as a startling intrusion of the outer world on the inner peace of Humphrey. It says:

"While food prices rose 11.9 per cent, housing 13.5 per cent and transportation 14.3 per cent, personal income and social security taxes rose twice as fast. For the family at the intermediate income level of $14,466, social security taxes rose 21.6 per cent in 1974, from $647 in 1973 to $787 in 1974. Personal income taxes rose even more—by 26.5 per cent. The family at the intermediate budget level would pay $2,033 in federal, state and local income taxes in 1974 compared to only $1,607 in 1973—an increase of $426—even though its real standard of living remained the same."

The less wealthy you are, the more inflation hurts your tax position by devaluing the standard deduction and exemptions. The report gives this example:

"An average four-person family with an income of $13,000 in 1973 took the standard deduction and paid $1,391 in federal income taxes. Its disposable, after-tax income was $11,609. Let us assume that this family's income rose 8 per cent in 1974 (per capita personal income rose 8.3 per cent from third quarter 1973 to third quarter 1974) to $14,040. This family would be liable for $1,609 in federal income taxes and its after-tax income would be $12,431. This means that family's after-tax income in dollar terms has risen by 7 per cent. The higher taxes that resulted from the diminished value of the standard deduction and the exemption actually increased the tax burden on this family from 10.7 per cent of income to 11.5 per cent.

"In real terms, of course, this family's real after-tax income has fallen as a result of higher taxes and inflation. Measured in 1973 dollars, its 1974 disposable income of $12,431 is actually worth only $10,939. Therefore, even though the family's income rose by 8 per cent during 1974, its purchasing power has dropped 6 per cent.

"Even if this family's income had risen by the rate of inflation, 12 per cent, its after-tax purchasing power would have declined 3 per cent from 1973 to 1974."

The perverse effect of inflation on the tax system is responsible for this American "first": We are in the first recession in which the overall tax burden on individuals and families has increased.

In a normal recession—economic decline without inflation—the tax system operates, at least a little bit, as a counter-cyclical device. As incomes decline, the tax bite becomes smaller.

But when a virulent inflation accompanies recession, the tax system reinforces rather than counters the downward recessionary trend. The tax bite grows, cutting real disposable income just when the economy needs the stimulation of consumer demand.

So while waiting for the mailman to bring your tax rebate check this spring, ponder the examples cited above.

The House Ways and Means Committee favors rebates ranging from about $100 to a maximum of $200. That news must have been received with, shall we say, muted jubilation by the family that in 1974 earned $14,466 and paid an extra $140 just in social security taxes.

Remember that the family the Humphrey report describes as "at the intermediate budget level" paid $426 more in federal, state and local income taxes in 1974 than in 1973. Its rebate may be a quarter of that sum.

And remember the family that earned $13,000 in 1973 and $14,040 in 1974. Perhaps they will get a rebate of $149.20, which would be one-tenth of the $1,492 they, in effect, lost in real disposable income between 1973 and 1974.

Government is a font from which blessings—like rebates of our own money—flow. Inflation, too, flows from government.

Government giveth and government taketh away, and it does a lot more of the latter than of the former. So Humphrey should not be amazed if the public, once it has those rebate checks in hand, still feels filleted.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. BEALL. I yield.

Mr. PROXMIRE. I like the title of this amendment very much—Truth in Spending. It is the kind of title that should make the amendment attractive. But I have some problems with it. I am inclined to support the amendment. I like the idea behind it very much. I have several difficulties with it.

One difficulty is that it seems to indicate that we would have a report on any spending bill and its cost that could be allocated to individual taxes. But how about a tax reduction bill that would provide a privilege to certain kinds of taxpayers? For example, what about a real estate bill that would give a big benefit of many hundreds of millions of dollars to a particular industry? That is a tax expenditure of a kind that would mean a higher burden on the other taxpayers.

Mr. BEALL. It would, indeed. As I think the Senator knows, Congress pays too little attention to tax expenditures. I hope that one of the high priority items for consideration by the Budget Committee will be to put expenditures in their proper perspective.

Mr. PROXMIRE. Would this amendment require us, when such amendments were offered on the floor of the Senate or came out of committee, to have that information as it would affect the individual taxpayer?

Mr. BEALL. This amendment could be interpreted as requiring that. It suggests that we provide the cost per taxpaying family. Obviously, if we are reducing taxes for a particular segment of our economy and it is going to require others to pick up some additional cost of Government, that would be a cost imposed on the individual taxpayer.

Mr. PROXMIRE. Suppose we add, about two-thirds of the way down the page, after "in carrying out such bill or resolution," the following phrase: "or the total amount of reduced tax revenues as the case may be"?

Mr. BEALL. I have no objection to that.

Mr. President, I ask unanimous consent that the amendment be modified accordingly.

The PRESIDING OFFICER. (Mr. Leahy). The Senator has a right to modify the amendment, and the amendment is so modified.

The modified amendment is as follows:

At the end of the bill, inserting the following:

TRUTH IN SPENDING ACT

SECTION 1. Short Title—That this Act may be cited as the "Truth in Spending Act of 1975".

Sec. 2. Title IV of the Congressional Budget Act of 1974 (Public Law 93–344) is amended by adding at the end thereof the following new section:

"ESTIMATES OF COSTS TO EACH TAXPAYING FAMILY OF LEGISLATIVE PROPOSALS

"Sec. 405. (a) (1) Any bill or resolution of a public character introduced in the House of Representatives or the Senate, and the report on any such bill or resolution reported by any committee of the either House, shall contain an estimate of the average cost for each taxpaying family, if that bill or resolution were to be enacted into law. Such estimates shall be determined by multiplying the total amount of funds of the United States Government expected to be obligated in carrying out such bill or resolution or the total amount of reduced tax revenues as the case may be by the percentage of the total Federal corporate and individual income taxes attributable to individuals and by dividing such product by the number of taxpaying families for the year immediately preceding the year in which the bill or resolution is introduced or reported, as the case may be. In the case of an introduced bill or resolution, such estimates shall be contained in a note following the text of the bill or resolution.

"(2) It shall not be in order to receive or consider any bill or resolution referred to in paragraph (1) of this subsection unless the provisions of such paragraph have been satisfied.

"(b) At the end of any week during which either House of the Congress has been in session for at least one day, the Director of the Congressional Budget Office shall tabulate the amount of authorization of budget authority contained in each bill or resolution passed by each House during such week, the average cost for each taxpaying family for each bill or resolution passed by each House during such week, and the total amount of authorizations of budget authority contained in, and the total average cost for each taxpaying family for, all bills and resolutions passed by each House from the first day of that session of Congress through the week for which the tabulation is made. Each such tabulation shall be printed in that issue of the Congressional Record which is first published after the tabulation for that week is completed.

"(c) For purposes of this section, the number of taxpaying families is determined by dividing the total population of the United States by the average number of individuals in a family of the United States, rounded to the nearest five hundred thousand, on the basis of the most recent satisfactory data available from the Department of Commerce for the year immediately preceding the year in which the bill or joint resolution is introduced or reported, as the case may be.".

Sec. 3. The provisions of section 904 of the Congressional Budget Act of 1974 shall apply to section 405 of such Act (as added by this Act) in the same manner as if such section were included in such Act at the time of its enactment.

Mr. PROXMIRE. I have one other problem. The way in which the Senator has this amendment phrased indicates that that part of an expenditure or a tax reduction which would be borne by the individual taxpayers would be reported. In my view, the individual taxpayer ultimately is the person who pays for everything, whether they are corporation income taxes or excise taxes or whatever.

It seems to me that the Senator could simplify the amendment by providing, rather than the complicated percentage the Senator suggests, that we take the cost of the proposal, divide it by the number of families, and indicate that this is the average cost per family for the bill. This would mean that there would be a bigger showing than if we allocated the amount subject to the individual income tax. The individual taxpayer pays the corporate income tax. He pays everything, ultimately.

Mr. BEALL. I say to the Senator from Wisconsin that when we started on this, we started at that point. It was my fear that we really were not making ourselves altogether clear; because, erroneously, most American taxpayers feel that a cost that might be attributed to a corporation or an additional cost imposed on a corporation does not affect the taxpayer, when taxes paid by corporations come out of the consuming pocket.

I thought we were relating directly to the individual taxpaying family if we deducted those other taxes and the proportion of expenses that might be attributed to the other taxes and divided the remaining cost by the taxpaying families and came up with the cost of the remainder. This gave them an idea of what it was costing them as individual taxpayers.

Mr. PROXMIRE. Mr. President, I have discussed this matter with the Senator from Maryland. I feel that in the event the conferees decided to modify this amendment in order to attribute the full cost of a bill to the individual taxpayer, they would be free to do so without violating the amendment of the Senator from Maryland. I understand that he agrees to that.

Mr. BEALL. I have no objection to such an amendment. That is where I started originally.

Mr. PROXMIRE. It is my understanding that the House is very unlikely to have this provision in its bill. Therefore, with the understanding that we would have the freedom to do so——

Mr. BEALL. The Senator has a great deal of freedom to move, because the House does not have that.

Mr. PROXMIRE. With that in mind, I have no objection to the amendment.

Mr. TOWER. Mr. President, I praise the Senator from Maryland for his innovativeness, his ingenuity, and the initiative he has taken in this matter. I believe it reflects the sentiment that is probably shared by a majority of the taxpayers of this country and proposes to do what they can and should expect us to do.

On behalf of the minority, I am delighted to say that the amendment has our support, and I commend it to the Senate.

Mr. BEALL. I appreciate the remarks of the Senator from Texas. He has been so generous in his comments that I will not impose upon the Senate any longer.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment, as modified, was agreed to.

Mr. ROTH. Mr. President, more than a year ago, as the mandatory wage and price controls program expired, I proposed the establishment of a National Commission on Inflation to monitor the economy and to hold public hearings on large wage and price increases. I further proposed that the Inflation Commission be made up of representatives of all segments of the economy and work for a national policy to restrain inflation. Dr. Arthur Burns, the Chairman of the Federal Reserve System, and Dr. John Dunlop, the present Secretary of Labor, both endorsed my proposal.

Last August, after repeated urging in my behalf and with the inflation rate running at 11 percent, the President endorsed my idea to establish an inflation council in the form of the Council on Wage and Price Stability.

The legislation before the Senate today would extend the life of the Council and provide for a slight increase in its staff capabilities. And although I had previously urged that the Council be given the authority to delay large price and wage increases for up to 60 days, I will accept the Banking Committee's recommendation that this provision not be included in this legislation. The inflationary pressures in the economy have begun to decline in recent months, but if I detect an upsurging in wholesale and consumer prices, I will not hesitate to renew my call for this proposal.

I believe in view of the powers given the Council, it has been doing a commendable job of fulfilling its mandate to monitor the economy and identify inflationary pressures.

In the past 6 months, it has reviewed industrial capacity, demand and the productivity of the private sectors. It has conducted hearings on the wage and price patterns of a number of selected industries, and it has commented on the inflationary impact of various Federal regulatory proposals.

But despite these successes, I believe that the Council has failed to identify one of the main sources of inflationary pressures in the economy—the Congress.

The years of deficit spending created the inflationary pressures that pumped up the economy until it exploded and collapsed into today's recession. And now Congress is trying to spend its way out of the recession at the risk of renewing even greater inflationary pressures.

I believe that the inflation Council should turn its attentions to the Congress, and begin to monitor and comment on the irresponsible and inflationary actions of Congress.

All too often, Congress has enacted well-intentioned politically appealing legislation only to discover that the added costs have put a tremendous inflationary pressure on the economy.

I am deeply disturbed about the impact of recession and the rising unemployment rate, but if Congress continues to try to spend our economy out of this recession, the resulting inflation will lead us into an even greater recession and mass unemployment.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. PROXMIRE. Mr. President, I ask for the yeas and nays on passage of the bill.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Delaware (Mr. BIDEN), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from Montana (Mr. METCALF), the Senator North Carolina (Mr. MORGAN), and the Senator from California (Mr. TUNNEY) are necessarily absent.

I further announce that the Senator from South Dakota (Mr. MCGOVERN) is absent on official business.

Mr. SCOTT of Pennsylvania. I announce that the Senator from New York (Mr. BUCKLEY), the Senator from Nebraska (Mr. CURTIS), and the Senator from Michigan (Mr. GRIFFIN) are necessarily absent.

I further announce that the Senator from Maryland (Mr. MATHIAS) is absent due to illness.

The result was announced—yeas 67, nays 20, as follows:

[Rollcall Vote No. 167 Leg.]

YEAS—67

Abourezk
Baker
Beall
Bentsen
Brooke
Bumpers
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Case
Chiles
Church
Clark
Cranston
Culver
Dole
Domenici
Eagleton
Fong
Ford
Glenn
Hart, Gary W.
Hart, Philip A.
Hartke
Haskell
Hathaway
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Laxalt
Leahy
Long
Magnuson
Mansfield
McClellan
McGee
McIntyre
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Sparkman
Stafford
Stennis
Stevens
Stevenson
Stone
Symington
Taft
Talmadge
Williams

NAYS—20

Allen
Bartlett
Bellmon
Brock
Cannon
Fannin
Garn
Goldwater
Hansen
Hatfield
Helms
Hollings
Hruska
McClure
Packwood
Scott,
William L.
Thurmond
Tower
Weicker
Young

NOT VOTING—12

Bayh
Biden
Buckley
Curtis
Eastland
Gravel
Griffin
Mathias
McGovern
Metcalf
Morgan
Tunney

So the bill (S. 409) was passed as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—COUNCIL ON WAGE AND PRICE STABILITY

SEC. 101. The Council on Wage and Price Stability Act is amended by striking out sections 6 and 7 and inserting in lieu thereof the following:

"SEC. 6. There are hereby authorized to be appropriated to carry out the purposes of this Act not to exceed $1,000,000 for the fiscal year ending June 30, 1975, and not to exceed $1,600,000 for the fiscal year ending June 30, 1976.

"SEC. 7. The authority granted by this Act terminates on June 30, 1976.".

SEC. 102. Section 2 of the Council on Wage and Price Stability Act is further amended by adding at the end thereof the following:

"(g) The Council shall have authority, for any purpose related to this Act, to require periodic reports and to issue subpoenas, signed by the Chairman or the Director, for the attendance and testimony of witnesses and the production of relevant books, papers, and other documents relating to wages, prices, costs, profits, and productivity by product line, or by such other categories as the Council may prescribe to carry out the purposes of this Act, and to administer oaths. Witnesses summoned under the provisions of this section shall be paid the same fees and mileage as are paid to witnesses in the courts of the United States. In case of refusal to obey a subpoena served upon any person under the provisions of this section, the Council may request the Attorney General to seek the aid of the United States district court for any district in which such person is found, to compel that person, after notice, to appear and give testimony, or to appear and produce documents before the Council.".

SEC. 103. (a) The first sentence of section 2(c) of the Council on Wage and Price Stability Act is amended by adding "by and with the advice and consent of the Senate" after the word "President".

(b) Section 2(c) of such Act is further amended by—

(1) striking out "level IV" and inserting in lieu thereof "level III"; and

(2) striking out "section 5315" and inserting in lieu thereof "section 5314".

(c) The amendment made by subsection (a) of this section shall take effect immediately after the individual holding the office of Director of the Council on Wage and Price Stability on the date of the enactment of this Act ceases to hold that office. The amendment made by subsection (b) of this section shall take effect on the date of the enactment of this Act.

SEC. 104. (a) Section 2(d) (relating to the number of authorized positions for the Council in grades 16, 17, and 18 of the General Schedule) of the Council on Wage and Price Stability Act is amended by striking out "five" and inserting in lieu thereof "eight".

(b) In appointments to the additional positions authorized by the amendment made by subsection (a), the Council shall give preference to economists and other persons with special ability and experience in one or more of the various sectors of the economy.

SEC. 105. Section 5 of the Council on Wage and Price Stability Act is amended by adding at the end thereof the following new sentence: "Nothing in this Act shall be construed to authorize or permit the Council to make any recommendation which, if implemented, would result in or have the effect of imposing any ceiling on social security cost-of-living benefit increases authorized under existing law, it being the sense of the Congress that no such ceiling be imposed.".

TITLE II—INFLATIONARY IMPACT STATEMENT ACT

SEC. 201. SHORT TITLE.—That this Act may be cited as the "Inflationary Impact Statement Act of 1975".

SEC. 202. FINDINGS.—The Congress finds that—

(1) inflation is one of the principal economic problems facing Americans;

(2) Federal programs and expenditures which Congress authorize have a significant impact on the economy and can play a major role in contributing to inflation;

(3) it is imperative that Congress, in keeping with its unique responsibility for balancing the possible adverse effects of programs it considers against the beneficial aspects of the same, be informed in advance of the impact on inflation of any legislative proposal to come before it for action.

SEC. 203. INFLATIONARY IMPACT STATEMENTS.—(a) Section 403 of the Congressional Budget Act of 1974 is amended—

(1) by striking out "and" at the end of paragraph (1);

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and";

(3) by inserting after paragraph (2) the following new paragraph:

"(3) an inflationary impact statement relative to such bill or resolution covering the fiscal year in which it is to become effective and each of the four fiscal years following such fiscal year. As used in this paragraph, the term "inflationary impact statement' means an estimate, to the extent practicable, of the probable impact of a particular bill or resolution on the aggregate rate of inflation and the cost of goods and services to be affected by its enactment. Such estimate shall be based on the amount of new budget authority contained in such bill or resolution, as well as the new budget authority at specified projected levels assumed to be authorized by subsequent legislation, unless, with respect to any fiscal year for which an estimate is required, the Director determines that it is improbable that outlays will occur."; and

(4) by striking out "estimate and comparison" in the last sentence and inserting in lieu thereof "estimate, comparison, and statement".

(b) The provisions of subsection (a) are enacted by the Congress as an excercise of its rulemaking power as provided by section 904(a) of the Congressional Budget Act of 1974.

TITLE III—TRUTH IN SPENDING ACT

SEC. 301. SHORT TITLE.—That this Act may be cited as the "Truth in Spending Act of 1975".

SEC. 302. Title IV of the Congressional Budget Act of 1974 (Public Law 93-344) is amended by adding at the end thereof the following new section:

"ESTIMATES OF COSTS TO EACH TAXPAYING FAMILY OF LEGISLATIVE PROPOSALS

"SEC. 405. (a) (1) Any bill or resolution of a public character introduced in the House of Representatives or the Senate, and the report on any such bill or resolution reported by any committee of the either House, shall contain an estimate of the average cost for each taxpaying family, if that bill or resolution were to be enacted into law. Such estimates shall be determined by multiplying the total amount of funds of the United States Government expected to be obligated in carrying out such bill or resolution or the total amount of reduced tax revenues as the case may be by the percentage of the total Federal corporate and individual income taxes attributable to individuals and by dividing such product by the number of taxpaying families for the year immediately preceding the year in which the bill or resolution is introduced or reported, as the case may be. In the case of an introduced bill or resolution, such estimates shall be contained in a note following the text of the bill or resolution.

"(2) It shall not be in order to receive or consider any bill or resolution referred to in paragraph (1) of this subsection unless the provisions of such paragraph have been satisfied.

"(b) At the end of any week during which either House of the Congress has been in session for at least one day, the Director of the Congressional Budget Office shall tabulate the amount of authorization of budget authority contained in each bill or resolution passed by each House during such week, the average cost for each taxpaying family for each bill or resolution passed by each House during such week, and the total amount of authorizations of budget authority contained in, and the total average cost for each taxpaying family for, all bills and resolutions passed by each House from the first day of that session of Congress through the week for which the tabulation is made. Each such tabulation shall be printed in that issue of the Congressional Record which is first published after the tabulation for that week is completed.

"(c) For purposes of this section, the number of taxpaying families is determined by dividing the total population of the United States by the average number of individuals in a family of the United States, rounded to the nearest five hundred thousand, on the basis of the most recent satisfactory data available from the Department of Commerce for the year immediately preceding the year in which the bill or joint resolution is introduced or reported, as the case may be.".

SEC. 303. The provisions of section 904 of the Congressional Budget Act of 1974 shall apply to section 405 of such Act (as added by this Act) in the same manner as if such section were included in such Act at the time of its enactment.

TITLE IV—ENERGY SUPPLY AND ENVIRONMENTAL COORDINATION ACT

SEC. 401. Section 11(c)(2) of the Energy Supply and Environmental Coordination Act of 1974 is amended by adding the following new subparagraph:

"(E) Price trends and related developments for coal and for other major energy sources which are not subject to direct price regulation at any level by the United States Government. As soon as practicable after the date of enactment of this subparagraph and at such times thereafter as he deems appropriate, the Federal Energy Administrator, after consultation with such other persons and agencies as he deems appropriate, shall provide an assessment of the relationship between price trends and related developments for energy sources covered by this subparagraph and energy policies, including any recommendations he may have in connection with such assessment.".

The title was amended so as to read: "A bill to increase the authorization for the Council on Wage and Price Stability, and to extend the duration of such Council.".

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical changes in the engrossment of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. I ask unanimous consent that 500 copies of the bill as passed be printed for the use of the Committee on Banking, Housing and Urban Affairs.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATORS HARRY F. BYRD, JR., HELMS, STONE, AND STENNIS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees be recognized under the standing order on tomorrow the following Senators be recognized, each for not to exceed 15 minutes, and in the order stated:

Mr. HARRY F. BYRD, JR., Mr. HELMS, Mr. STONE, and Mr. STENNIS.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF EXECUTIVE NOMINATIONS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the conclusion of the orders for recognition of Senators on tomorrow, the Senate go into executive session and proceed to the consideration of nominations on the Executive Calendar, beginning with Calendar No. 69, message No. 120.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that upon the disposition of the nominations tomorrow, the Senate return to legislative session and that the Senate resume its consideration of the Consumer Protection Agency legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW, 10:30 A.M. ON THURSDAY, 9 A.M. ON FRIDAY AND 12 NOON ON MONDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent the Senate convene tomorrow at 11 a.m. rather than 10:30 a.m. as previously ordered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that when the Senate completes its business on tomorrow, it stand in recess until the hour of 10:30 a.m. on Thursday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that when the Senate completes its business on Thursday, it stand in recess until the hour of 9 o'clock a.m. Friday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business on Friday, it stand in recess until the hour of 12 o'clock noon on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSUMER PROTECTION ACT OF 1975

The PRESIDING OFFICER (Mr. LEAHY). Under the previous order, S. 409 having been disposed of, the Senate will proceed to the consideration of S. 200 which the clerk will state.

The legislative clerk read as follows:

A bill (S. 200) to establish an independent consumer agency to protect and serve the interests of consumers, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

The Senate proceeded to consider the bill, which had been reported from the Committee on Government Operations, with amendments, as follows:

On page 2, in line 1, after the semicolon insert: that regulations have been adopted and statutes have been enacted by the Federal Government without first securing available information as to the estimated costs and benefits of such regulations and statutes;

On page 2, in line 11, after the period, insert: Federal programs which fail to provide benefits that are commensurate with the costs thereof may be a factor in the economic problems of the United States.

On page 4, at the end of line 4, strike out "and".

On page 4, in line 6, change the period to a semicolon and insert:

and

(G) providing of estimates of the costs and benefits of programs and activities established by Federal Government regulations and legislation.

(4) It is the purpose of section 24 of this Act to establish a means for estimating in advance the costs and benefits of Federal legislation or rules that have substantial economic impact, in order to determine which Government programs entail unreasonable or excessive costs.

On page 4, at the beginning of line 15, strike out "(4)" and insert "(5)".

On page 14, in line 4, strike out "provide" and insert "provides".

On page 16, after the period at the end of line 5, insert:

When the Administrator initiates a judicial proceeding arising out of a Federal agency proceeding or activity in which he did not intervene or otherwise participate, he shall file a statement setting forth the reasons why he did not so intervene or otherwise participate in such proceeding or activity, for the court's consideration in connection with whether the initiation of such proceeding would impede the interests of justice.

On page 18, at the end of line 1, strike out "with" and insert "with, providing information to, or providing assistance requested by any".

On page 20, at the end of line 23, strike out "or the complaint is unsigned,".

On page 20, at the end of line 26, change the period to a semicolon and insert:

(4) no unsigned complaint shall be placed in the public document room.

On page 23, at the end of line 25, insert "consumer fraud or".

On page 24, in line 10, after "person" strike out "that (A)" and insert "that,".

On page 24, in line 14, after "average" insert "annual".

On page 24, in line 17, strike out "loss), and (B) has had over the preceding two years an average number of full time employees not in excess of twenty-five." and insert "loss)."

On page 28, in line 14, strike out "No officer or employee of the Agency shall disclose to the public or to any State or local agency" and insert:

"Except as provided in this section, section 552 of title 5, United States Code, shall govern the release of information by any officer or employee of the Agency.

On page 28, beginning with line 19, strike out:

(1) any information (other than complaints published pursuant to section 7 of this Act) in a form which would reveal trade secrets and commercial or financial information as described in section 552(b)(4) of title 5, United States Code, obtained from a person and privileged or confidential unless the Administrator determines that the release of such information is necessary to protect health or safety; or

On page 29, at the beginning of line 3, strike out "(2)" and insert "(b) No officer or employee of the Agency shall disclose to the public or to any State or local agency".

On page 29, at the beginning of line 14, strike out "(b)" and insert "(c)".

On page 29, in line 15, after "information" insert "by the Administrator".

On page 30, in line 1, strike out "11(a)(2)" and insert "11(b)".

On page 31, at the beginning of line 1, strike out "(c)" and insert "(d)".

On page 31, in line 6, after "subsection" strike out "(a)(2)" and insert "(b)".

On page 36, in line 20, after the comma, strike out "to any agency action in the Federal Communications Commission with respect to the renewal of any radio or television broadcasting license,".

On page 39, beginning with line 3, insert:

(5) For the purposes of this section, the term "small business" shall have the same meaning as provided in section 10(a)(4) of this Act.

On page 39, in line 8, after "Act" insert a comma and "except section 24,".

On page 44, beginning with line 12, insert:

COST AND BENEFIT ASSESSMENT STATEMENTS

SEC. 24. (a) In furtherance of the purpose and policy of section 2(b)(4) of this Act, and except as otherwise provided in this Act, each Federal agency which is authorized to promulgate rules (as defined in section 551(4) of title 5, United States Code) shall prepare a cost and benefit assessment statement with respect to any rules to which section 553(b) of title 5, United States Code, is applicable, which are likely to have a substantial economic impact. Each such statement shall be short and concise and, together with such supporting documentation as the agency in its discretion determines to be necessary or appropriate, shall consist of the following three elements:

(1) estimated costs, that are foreseeable as a result of the effective implementation of such rule;

(2) estimated benefits, that are foreseeable as a result of the effective implementation of such rule; and

(3) the apparent relationship, if any, between such costs and benefits.

To the extent deemed practicable by the agency responsible for its preparation, each cost and benefit assessment statement shall indicate in an appendix the assumptions, if any, which were made by it regarding the means, or alternative means, and attendant costs of compliance with the proposed rule, including any manufacturer's costs and consumer costs reflected in the price of any product affected by such rule.

(b) With respect to any proposed rule subject to the requirements of subsection (a), each Federal Register notice of proposed rulemaking shall request interested persons to submit to the applicable agency, in writing, comments, materials, data, information, and other presentations relevant to the preparation of the required cost and benefit assessment statement.

(c) Each such agency shall, to the extent it deems necessary or appropriate, seek to obtain comments, materials, data, information, and presentations relevant to the costs and benefits, if any, likely to ensue from effective implementation of any proposed rule, within the time prescribed for consideration of the proposed rule, from other Federal agencies and persons. No extentions of time for comment shall be granted solely for the purpose of receiving any such presentations with respect to such benefits.

(d) Each person who contends that effective implementation of a proposed rule will result in increased or decreased costs, shall furnish to the applicable agency the information upon which he bases such assertion, and which is in his possession, is known to him, or is subject to his control. Such information shall be furnished to the agency in such form, manner, and detail as such agency in its discretion prescribes. Whenever any relevant information, which an applicable agency deems necessary or appropriate to the preparation of a cost and benefit assessment statement, is or may be in the possession or control of a person who may be directly affected by the proposed rule, such agency is authorized to request such relevant information as reasonably described by it, and such person shall furnish such relevant information promptly to such agency. Such request for information shall be enforceable by appropriate orders by any court of the United States. Such information as is furnished shall be considered a statement for purposes of section 1001 of title 18, United States Code.

(e) A cost and benefit assessment statement prepared pursuant to subsection (a) shall be first published at the end of the year in the Federal Register in a report which shall contain all cost and benefit assessment statements applicable to rules promulgated during the preceding twelve months. All relevant information developed or received by the applicable agency in connection with the preparation of such statement shall be available to all interested persons, subject to the provisions of section 552 of title 5, United States Code.

(f) The President shall issue, pursuant to the provisions of this subsection, (1) regulations providing guidelines for Federal agencies as to the nature and content of any cost and benefit assessment statement required by subsection (a) and (2) regulations which shall insure that any agency shall be able to obtain information deemed by it to be necessary or appropriate to the preparation of any such cost and benefit assessment statement. Such regulations shall be issued by the President upon the recommendations submitted to the President by the Office of Management and Budget, the General Accounting Office, and the Agency for Consumer Advocacy. In issuing or modifying any regulations implementing this section, the President shall proceed in accordance with the procedures prescribed by subsections (b) and (c) of the new section inserted by section 202, Public Law 93-637, (88 Stat. 2193; 15 U.S.C. 57a (b), (c)). The President shall provide public notice of proposed rulemaking to implement this subsection within sixty days of the effective date of this Act. After issuance of any regulations implementing this section, the President shall transmit them to the Congress, together with all recommendations submitted to the President pursuant to this subsection. Such regulations shall take effect ninety legislative days after such transmittal to the Congress by the President, unless either House of Congress by resolution of disapproval, pursuant to procedures established by chapter 35, title 44, United States Code, and by section 1017 of the Congressional Budget and Impoundment Control Act of 1974 (31 U.S.C. 1407), disapproves such regulations, except that Congress may by concurrent resolution modify such regulations within such ninety-day period, in which case such regulations shall take effect in such modified form.

(g) No Federal officer or agency shall submit proposed legislation to the Congress which is likely, if enacted, to have a substantial economic impact, unless such legislation is accompanied by a cost and benefit assessment statement. The statement required by this subsection shall be prepared in accordance with the provisions of subsection (a). The requirements of this subsection may be postponed upon the request of a committee of Congress having jurisdiction over such legislative proposal, for a period not to exceed thirty days from the date of submission to the Congress of such legislation.

(h) In addition to the definitions in section 14 of this Act, the following definitions shall apply with respect to the provisions of this section:

(1) the term "rule" means "rule" as defined by section 441(4) of title 5, United States Code;

(2) the term "legislation" or "law" means a statute of the United States or any amendment thereto;

(3) "benefit" includes any direct or indirect, tangible or intangible, gain or advantage which the agency, in its discretion, deems proximately related to the promulgation of a proposed regulation or the enactment of the proposed legislation. The term shall include such nonquantifiable benefits as the agency identifies and describes. Benefits may include the costs that would be likely to result from the agency's failure to act, but which are likely to be avoided by the agency's action; and

(4) "cost" includes any direct or indirect expense, including component costs of production and supply, and any loss, penalty, or disadvantage which the agency, in its discretion, deems proximately related to the promulgation of a proposed regulation, or the enactment of proposed legislation. The term shall include such nonquantifiable costs as the agency identifies and describes.

(i) The Comptroller General of the United States shall monitor and evaluate the implementation of this section. In addition to any other reports or studies made by the Comptroller General relating to this section, he shall, three years after the effective date of this section, conduct a comprehensive review of this section including an evaluation of the advantages and disadvantages of cost and benefit assessment statements and of the nature and extent of Federal agency compliance with this section. The Comptroller General shall prepare and submit to the Congress a report based on such study and review. Such report shall include, but need not be limited to, his recommendations as to the necessity or advisability of the provisions of this section, and of the need to amend subsection (k), or any other provision, of this section.

(j) No court shall have the jurisdiction to review, or enforce or shall review, or enforce and, except for the general review of the effectiveness of this section provided for in subsection (i), no officer or agency of the United States, other than the agency of the sible for the preparation of a cost and benefit assessment statement and the duly authorized committees of the Congress, shall have the authority to review, or enforce or shall review, or enforce, in any way the compliance of any cost and benefit assessment statement with this section, or, except where the agency preparing such a statement seeks to enforce in court its request for information, the compliance, by such agency with any other requirement of this section, including the manner or process by which such statement is prepared: *Provided*, That a Federal court may, upon the request of any interested person, review and enforce compliance with the provisions of this subsection.

(k) The requirements of this section shall supersede the requirements of any existing executive order imposing any economic, cost-benefit, inflationary, or other similar impact assessment requirement. No requirement of this section shall alter or supersede any Federal agency statutory requirement, regulation, or lawful practice which such agency determines to be inconsistent with any of the requirements of this section. Further, no agency shall be required to prepare and issue a cost and benefit assessment statement required by this section, if information which would be contained in such statement is encompassed within another statement required by law to be prepared in connection with the promulgation of the applicable rule.

(l) The provisions of this section shall become effective upon the effective date of implementing regulations submitted by the President under subsection (g) of this section. There are hereby authorized to be appropriated such sums as are necessary to carry out the provisions of this section for the fiscal years 1976, 1977, and 1978.

On page 51, in line 24, after "SEC." strike out "24" and insert "25".

On page 51, in line 24, after "This", strike out "Act" and insert "Act, other than section 24 of this Act,".

On page 52, in line 11, after "SEC." strike out "25" and insert "26".

AUTHORITY FOR WINFRED O. CRAFT, JR., TO TESTIFY AS A WITNESS

Mr. FANNIN. Mr. President, I send to the desk a resolution relating to a subpena directed to Winfred O. Craft, Jr., deputy minority counsel of the Senate Interior and Insular Affairs Committee, and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the resolution.

Mr. FANNIN. The resolution relates to a subpena directed to Winfred O. Craft, Jr., deputy minority counsel of the Senate Interior and Insular Affairs Committee. It is a civil subpena from the U.S. District Court for the District of Columbia in the case of R. O. Goad, et al., Plaintiff, versus Senator HENRY M. JACKSON, et al., Defendant, Civil Action No. 75-595.

Mr. President, the resolution provides that Winfred O. Craft, Jr., is authorized to appear at the time and place before the court named in such subpena, and that Winfred O. Craft, Jr., in response to such subpena, may testify to any matter determined by the court to be material and relevant in the case stated.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution, Senate Resolution 147, was considered and agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

Whereas a subpena issued on application of R. O. Goard et al., plaintiff, in the case of R. O. Goad et al., v. Senator Henry M. Jackson et al., (No. 75-595), addressed to and served upon Winfred O. Craft, Jr., an employee on the staff of the Senate Interior and Insular Affairs Committee, directs him to appear and testify before the United States District Court for the District of Columbia, on May 7, 1975, at 10:00 a.m.: Now, therefore, be it

Resolved, That by the privileges of the Senate of the United States no evidence in the possession and under the control of the Senate of the United States can, by the mandate of process of ordinary courts of justice, be taken from such possession or control but by its permission.

SEC. 2. By the privilege of the Senate and by rule XXX thereof, no Member or Senate employee is authorized to produce Senate documents, papers, or evidence but by order of the Senate, and information secured by Senate staff employees pursuant to their official duties as employees of the Senate may not be revealed without the consent of the Senate.

SEC. 3. When it appears by the order of the court or of the judge thereof, or of any legal officer charged with the administration of the orders of such court or judge, that testimony of an employee of the Senate is needful for use in any court of justice or before any judge or legal officer for the promotion of justice and that such testimony may involve documents, papers, or evidence related thereto under the control of or in the possession of the Senate, the Senate will take such order thereon as will promote the ends of justice consistently with the privileges and rights of the Senate.

SEC. 4. Winfred O. Craft, Jr., an employee on the staff of the Senate Interior and Insular Affairs Committee, is authorized to appear at the time and place and before the court named in such subpena; but shall not take with him any papers, documents, or evidence on file in his office, under his control, or in his possession as an employee on that staff and of the Senate.

SEC. 5. Winfred O. Craft, Jr., in response to such subpena may testify to any matter determined by the court to be material and relevant in the case of R. O. Goad et al., v. Senator Henry M. Jackson et al.

SEC. 6. The Secretary of the Senate shall transmit a copy of this resolution to the United States District Court for the District of Columbia.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, tomorrow the Senate will convene at the hour of 11 a.m. After the two leaders or their designees have been recognized under the standing order, the following Senators will be recognized, each for not to exceed 15 minutes and in the order stated: Mr. HARRY F. BYRD, Jr., Mr. HELMS, Mr. STONE, and Mr. STENNIS.

At the conclusion of the aforementioned orders, the Senate will go into executive session and will take up the nominations on the Executive Calendar.

The first nomination to be considered will be that of William C. Harrop to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Guinea. Other nominations on the calendar as of now will be considered and, as far as I know at this time, there will be no debate on any of them, with the except of the nomination of Mr. William C. Harrop.

Upon the conclusion of action on nominations, the Senate will return to legislative session and will then resume consideration of S. 200, a bill to establish an independent consumer agency to protect and serve the interest of consumers, and for other purposes. Rollcall votes may occur on amendments thereto on tomorrow. There may be a rollcall vote on the nomination of Mr. Harrop. I am in no position to state it at this time.

Conference reports, being privileged matters, may be called up any time, and rollcall votes may occur thereon. Other matters cleared for action by tomorrow may also be called up during the day.

RECESS UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 11 o'clock tomorrow morning.

The motion was agreed to; and at 5:32 p.m. the Senate recessed until tomorrow, Wednesday, May 7, 1975, at 11 a.m.

EXTENSIONS OF REMARKS

NATIONAL HOBBY MONTH

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mrs. SPELLMAN. Mr. Speaker, as you grow ever closer to America's celebration of its Bicentennial celebration, it is especially appropriate that we give special recognition to the millions of hobbyists across the Nation whose model planes and ships remind us of great events in America's colorful history and whose creative expression through various arts and crafts and other types of hobbies exemplify so well the individualistic and creative spirit of America's early pioneers. That is why I am so pleased that my colleague, Congressman ROYBAL, has introduced House Joint Resolution 276, which would establish October 1975, as National Hobby Month.

The celebration of National Hobby Month is more important than simply as part of the Bicentennial celebration. For hobbies have contributed to a multitude of facets of American life, especially in the role they have played in improving the quality of our Nation's school systems. For example in 1971, the Hobby Industry Association of America, representing some 2,000 manufacturers, wholesalers and retailers of hobby products, launched the "Delta Dart Study Project," which made available to the Nation's elementary and secondary school systems a unique balsa wood airplane model kit, designed especially for the program by an expert from the Academy of Model Aeronautics. The kit provided a detailed outline of instruction for the assembling of the model airplane—which had the capability of actual flight.

The program was conducted nationally in 1973 and 1974, with more than 5,000 classes, grade levels 3 to 12, and was sponsored by a number of groups, such as the Education Sections of the Civil Air Patrol and the Federal Aviation Administration, the National Aerospace Education Council, and the National Association of State Aviation officials. All "Delta Dart" models were donated by the Hobby Industry Association of America.

The program has received wide praise for its educational benefits and the high interest and enthusiasm evidenced by participating students, who through the program were exposed to a wide variety of disciplines, such as mathematics, geometry, general and aerospace science, industrial arts and social studies. The following are excerpts from reports of teachers and comments of students who participated in the program:

A learning tool for new mathematics and physics concepts.

Improves reading habits.

An aid to teach measuring, calculating, analyzing.

Provides new vocabulary.

Promotes verbal communication.

Increases attention span.

Teaches that following directions gives better results.

Develops better hand, eye, mind coordination.

Raises achievement levels, especially of non-confident, low achievers.

Teaches acceptance of failures as well as successes.

Subtly teaches the importance of thinking before acting.

The procedure is self-motivating.

Reduces absenteeism.

Creates excitement beyond standard textbook teaching.

Develops group common interest, cooperation and self-discipline.

Motivates students to consider career possibilities and the requirements to achieve specific goals.

Develops interaction and better communication between student and teacher.

The sense of personal achievement results in better classroom attitude and a greater desire to learn in all areas.

Girls who never before built a model kit did exemplary work and expressed their interest in the model learning method.

Other types of model kit programs have been introduced such as a transportation unit currently in use in the Sacramento School District with support from California and Federal agencies. Expressions of interest and involvement have also been forthcoming from the Department of Health, Education, and Welfare.

Might I also point out that hobbies make a vital contribution to American life in ways that are difficult to measure. How does one measure the value of a hobby for the senior citizen who finds satisfaction in working with his hands, or the handicapped person who can find creative outlets through hobbies? In a time of high pressure and overtension, hobbies provide valuable opportunities for enjoyment of leisure time and creative expression.

Thus, it is essential that this type of contribution to our educational system and many other constructive aspects of hobbies be given recognition, and I deeply hope that the Congress will see fit to establish in the near future National Hobby Month for October 1975.

A TRIBUTE TO DR. RAY W. RAGSDALE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. ANDERSON of California. Mr. Speaker, on June 29, 1975, Dr. Ray W. Ragsdale, a Methodist preacher at the First Church of Torrance, Calif., will be retiring from the ministry after 41 years of faithful service.

Consequently, at this time I feel it would be most appropriate to commemorate this important event.

Dr. Ragsdale's personal career is a most distinguished one. Born in Washington, Ind., on August 22, 1909, he delivered his first sermon at the age of 18. He received his local preacher's license in the same year.

Dr. Ragsdale attended De Pauw University where he received a B.A. degree in June 1931. He also was the recipient of scholar-athlete honors in the same year. In September 1931, he entered the Boston University School of Theology and received his S.T.B. degree, in absentia, June 1934.

On August 9, 1931, Dr. Ragsdale married Eleanor Mahon Hughes, of Mount Carmel, Ill., in Greencastle, Ind. They were blessed with two beautiful children: Judith Elaine Ragsdale, born in Flagstaff, Ariz., on July 17, 1936; and Russell Hughes Ragsdale, born in Fullerton, Calif., on November 19, 1944.

Dr. Ragsdale has always been an effective fundraiser for the various religious institutions that he has been connected with. He raised funds to build the sanctuary for the Community Methodist Church of Holbrook, Ariz., and the administrative wing of the Westwood Community Methodist Church. He also raised funds to liquidate the debt on the Federated Church of Flagstaff, and the First Methodist Church of Fullerton, Calif.

In 1951, Dr. Ragsdale received the honorary degree of doctor of divinity from the University of the Pacific. He received the same degree 4 years later from De Pauw University.

Dr. Ragsdale's elected and appointed leadership role is too long to list here. However, to cite just a few, he served as a trustee for the University Religious at UCLA, and as the president of the Southern California School of Theology Corp.

He was listed in Who's Who in America in 1956, 1958, 1960, 1962, 1972, and 1974. He also was listed in Contemporary Authors in 1974. He has been an active contributor to Zion's Herald magazine, as well as other religious publications.

From 1963 to 1971 he was chairman of the board of the Saturday Evening Forum of Tucson, Ariz. And in 1972 he was a delegate to the Western Jurisdictional Conference of the United Methodist Church. Dr. Ragsdale also later founded the Human Needs Center of Torrance, Calif.

The retirement of Dr. Ragsdale marks the fulfillment of a brilliant career of a man who has been unselfish in his dedication to religious beliefs and the betterment of local community life. I feel that we all owe him a deep personal debt that should not go unnoticed.

We all wish Dr. and Mrs. Ragsdale many years of happiness in their retirement years ahead.

AMERICAN GENEROSITY MUST NOT DIE

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. McCLORY. Mr. Speaker, frequently, distinguished news columnists are able to interpret our American goals and ideals more clearly and eloquently than we who represent the American people in the Congress of the United States. In Monday's Washington Star, Ernest B. Furgurson discusses an element of the American character—generosity—as being in serious jeopardy as we reflect upon the final disastrous chapter of the tragic Vietnam war. Some of the attitudes expressed regarding Vietnamese refugees, including small children and parents and other relatives of the Vietnamese wives of American servicemen, are in sharp contrast to our traditional characteristics of generosity and compassion.

Mr. Speaker, even as we rescue refugees attempting to escape in small boats, we should be reminded that our main goal, however ill-advised, was to assist, support and defend the brave and innocent people of South Vietnam against attack and subjugation. Mr. Furgurson reminds us of the friendship and consideration displayed by our military, as well as our civilian personnel throughout the long Vietnam war. It is well for us to be reminded of these acts of kindness and generosity which truly represent what is best and even typical in the American character. However, Mr. Furgurson describes this quality with some fear that it may be forgotten in this tragic hour of relief and introspection. His article follows:

[From the Washington Star, May 5, 1975]

ANOTHER WAR CASUALTY: AMERICAN GENEROSITY

(ERNEST B. FURGURSON)

The saddest casualty will be our idealism. However serious the military and political consequences of the fall of Vietnam, they are minor beside the prospect that we now will spend years accusing each other of being the villains responsible. All the strategic implications will not matter much, relatively, if we react with such cynicism that we replace our once unlimited generosity with personal and national selfishness.

When the last image of the U.S. presence is of troops battering the fingers of Vietnamese trying to climb the embassy wall to escape, it is hard for many to remember that there ever was any simple goodwill involved in our being there. There was, and even now I cannot believe it was all wasted.

I think of two civilians I met in my first days there, who in their different ways symbolized our whole long effort. One was George Gibbs, a high school principal from suburban Virginia. He was in Saigon to try to teach educational administration to a Buddhist monks' school out the Vung Tau road.

With him I entered the teachers' room there, partitioned off with tin sheeting stamped with American beer labels. He clasped his hands in front of his broad chest and bowed solemnly to the ascetic little man before us. We chatted circuitously as the tin walls vibrated to the drumming of bombs falling in the jungle. We had some perfumed tea, and as we sat I understood the earnestness of this big American, once an all-American guard at William and Mary. Then as we drove away, I also realized that the monk would go right on smiling, bowing, offering tea and administering his school as he had before.

The other civilian was Peter Hunting. He came to Vietnam in 1963 with the International Voluntary Service, a kind of religiously motivated Peace Corps that paid him about $8 a month. He worked closely and alone with teachers and officials in a hamlet near Cam Ranh Bay.

He told how one day earlier the Viet Cong came in, shot the teacher's wife in the legs, killed the hamlet chief and condemned the school as an American imperialist tool. And he told how after that he just kept on working, on the school, on a windmill pump, whatever needed doing. He said seriously, "I'll never forget the Ba Thap project because it was that hamlet that brought me the greatest single opportunity to serve."

When his two years were up, Hunting elected to stay. He was moved to the Delta, and one day in November 1965 he was driving alone toward Soc Trang when his car was ambushed. His body was found with 15 bullet holes in it. He was 24 when he died.

Yes, I know that while they tried their way, many more Americans were saying it with bombs, but most of those thought it was right and necessary. Men in uniform were being gentle, too. I remember the Special Forces squad that put on a puppet show to entice peasants to get cholera shots; the doctors and nurses at Pleiku, working to find a shot for the resistant falciparum malaria; the Marines who played Santa Claus at the leper colony; the senior adviser who organized an airlift of Christmas gifts from home.

Clumsy, almost all of it. Unsubtle. Old-fashioned, too reminiscent of World War II. But seriously well-meant, against the odds of success. The same can be said of what we set out to do there on the larger scale.

Now there is the chance that in bitterness we will abandon our idealism because it got us into such a painful experience. I hope not.

The first opportunity we have to show it remains in the way we treat the Vietnamese who believed in us, and have now turned to America.

H.R. 50: YOUNG COMMUNIST SUPPORT

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. McDONALD of Georgia. Mr. Speaker, for several months the Communist Party, U.S.A.—CPUSA—has been promoting the "virtues" of H.R. 50 as a major step toward full socialism in this country.

I outlined the development of CPUSA's organizing drive to take advantage of the current economic down-cycle in my Extension of Remarks on April 16, 1975, pages 10436–10439. At that time I quoted the YWILL national chairman, James Steele, as admitting that the league is "helping to build youth support for the Hawkins full employment bill—H.R. 50—and formulating proposals to strengthen it." Steele also reported that YWLL had created its own front, Youth United for Jobs, to implement this campaign.

The YWLL/YUJ agitational campaign has apparently had some success to the extent of being invited to present testimony on behalf of H.R. 50 before the House Subcommittee on Equal Opportunities.

On April 2, 1975, the CPUSA newspaper, Daily World, carried a report on YWLL testimony before the subcommittee. It is noted that the YWLL leader presented himself to my colleagues as representing Youth United for Jobs, rather than in his true colors as a leader of the Communist Party youth organization.

I include the Daily World account of the testimony for the information of my colleagues as an indicator of the current CPUSA line:

HEARING TOLD OF DETROIT'S 135,000 JOBLESS TEENAGERS

(By William Allan)

DETROIT.—Some 135,000 young people under the age of 20 will be without a job in this city this summer and most have no hope of getting one, a youth panel told a Congressional hearing here last week. The hearing was held March 25 before the House Sub-Committee on Equal Opportunities on the Hawkins Bill, H.R. 50.

The youth panel was made up of Doug Likkel, organization secretary of the Young Workers Liberation League (YWLL); Ms. Julie Chennault, NAACP Youth Council and Ms. Brenda Love, Detroit Youth Council. Likkel spoke representing Youth United For Jobs, a multi-racial organization composed of youth who are unemployed, church youth groups and young trade unionists. Likkel is a member of UAW Ford Local 600, River Rouge plant.

PROTEST MADE

The youth panel protested to Rep. Augustus Hawkins (D-Calif.), chairman of the hearing, and Rep. John Conyers (D-Mich.), that the youth panel had been pushed to the end of the hearing.

At the end of the testimony by the three youth leaders, both Congressmen praised the presentation and information as well as the concrete proposals, especially those made by Likkel.

Ms. Love said that 175,000 school-aged Detroit youth will be unemployed by June, 1975.

"Only 40,000 are eligible to enter summer programs under the Comprehensive Employment and Training Act guidelines," she said. "That leaves an estimated 135,000 without jobs of any kind."

BILL NEEDED

She pointed out that with over 300,000 adults unemployed in the Metropolitan Detroit area, this is all the more reason for immediate passage of H.R. 50, "The Equal Opportunity and Full Employment Act."

Ms. Chennault, the NAACP youth leader, urged action by the Congressmen to get passage of the bill, because of the desperate plight of Detroit jobless youth, most of whom are Black. Mayor Coleman Young, who had testified earlier, repeated that more than 100,000 youth in Detroit proper are "out of school, out of jobs, and out of luck"—and this must be given top priority.

Doug Likkel, a tall young auto worker, who has been laid off from the Ford Rouge plant, where he had been active in the union's unemployed council, gave some of the most telling testimony the committee had heard.

BILL NEEDS IMPROVEMENT

Likkel said that while the Youth United for Jobs group supported the overall thrust of the Hawkins Bill, for the government to provide full employment for people out of work, he felt the bill should be strengthened. He cited the need to provide jobs for all those unemployed within a period of a year after its passage, especially because of high joblessness among Black and other nationally oppressed people and youth.

Because of monopoly institutional racism, the unemployment rate for Black, Chicano, Puerto Rican, Native American and Asian teenagers is nearly 42 percent officially and is actually even higher in some ghettos and barrios," he said.

"If the present trend continues," he went on, "it will be a matter of months before two out of every five young people will be out of work, with two out of every three Black youth being out of a job. Racism is being used to pit white working people against black, to prevent a solid united movement of black and white youth and all youth to fight against unemployment and its consequences."

OFFERS PROPOSALS

Likkel listed a number of proposals for legislation for creating jobs for youth, besides the passage of the Hawkins Bill. They are:

* Need for a recognition of how deep unemployment is among youth, and especially those sectors where unemployment is permanent and high, such as among Black, Chicano, Puerto Rican, Native American and Asian youth and amongst Vietnam veterans.

* Putting youth to work within one year after passage of H.R. 50; guarantees that youth will be counted amongst the jobless and, therefore, enrolled in job programs; to eliminate discrimination on the basis of race, national origin and sex.

* All jobs programs must provide wages for youth and others at trade union rates and guarantee the right of unions to organize in all aspects of such jobs. Also to provide on the job training especially for younger workers, who would get trade union rates while learning.

POLITICAL DISCRIMINATION HIT

Likkel criticized parts of the Hawkins Bill, which he said could open the door for political discrimination. Rep. Hawkins sharply disagreed with YWLL's leader, but Likkel reminded him that during the 1930s there was political discrimination around Works Progress Administration (WPA) and Civilian Works Administration (CWA) programs. Rep. Conyers supported Likkel, saying he had the right, in this period of history, to sharply raise before the subcommittee the question of political discrimination.

Said Conyers, "from the earliest days of our national history, the people holding political power have often tried to suppress legitimate dissent. The Huston plan, the 'Plumbers,' and the 'enemies' list, are just a part of what this young man is warning us about today. This travesty of justice and the denials of due process were suffered by Reverend Ben Chavis, and the Wilmington 10. If such governmental lawlessness is not checked now, it can get beyond our control. Guarding these political rights must be accompanied with guarding economic rights, the right to a job . . . The federal government is the ultimate protector of both of these rights and the people must demand, as our young friend here today does, this responsibility must be met . . ."

Rep. Hawkins then joined Rep. Conyers in agreeing that the youth panel had made a unique contribution. The testimony of Douglas Likkel and the other youth panelists went into the record in full.

ROY L. ROBERTSON

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. BYRON. Mr. Speaker, last week Carroll County lost a friend and a longtime civic leader—Roy L. Robertson.

Roy Robertson served as mayor of Manchester in the late 1950's and early 1960's and at his retirement in 1969 he was a teacher at North Carroll High School. An elder of Trinity United Church of Christ he had also been a member of the Lineboro-Manchester Lions Club, the Maryland Crime Commission, the Board of the Carroll County General Hospital, the Carroll County Historical Society and a number of other community groups.

I know you join me in extending sincere sympathy to his wife and family. The unselfish civic spirit of Roy Robertson will not be forgotten.

DR. HUBERT HEFFNER

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. McCLOSKEY. Mr. Speaker, the news of Dr. Hubert Heffner's death on April 1, in California, was received with sadness by his many friends in Washington, D.C., and throughout the Nation.

A well known physicist, Dr. Heffner was for 3 years—1969 to 1971—Deputy Head of the White House Office of Science and Technology. During this period OST was headed first by Dr. Lee DuBridge and later by his successor, Dr. Edward David, Science Advisers to the President. In 1972 Dr. Heffner was appointed by President Nixon to a 6-year term as a member of the National Science Board, the governing body to the NSF, on which he was serving at the time of his death.

Dr. Heffner was born in Lincolnton, N.C., in 1924. He attended Stanford University and received a B.S. degree in physics in 1947, a M.S. degree in electrical engineering in 1949, and a Ph. D. degree in electrical engineering in 1952. During 1949–51 he was an Atomic Energy Commission fellow, and from 1952 to 1954 was a member of the technical staff of Bell Telephone Laboratories where he was engaged in research on electron beam dynamics. In 1954 he returned to Stanford University as assistant professor of electrical engineering, becoming associate professor in 1957, and professor of electrical engineering and of applied physics in 1960. In 1960–61 Dr. Heffner was Scientific Liaison Officer in the London Office of Naval Research. Returning to Stanford, he served from 1963 to 1967 as associate provost and dean of research. Following the 3 years from 1969 to 1971 when he was Deputy Director of the OST, he returned to Stanford as professor of applied physics and electrical engineering. At the time of his death he was head of the department of applied physics.

Other Federal affiliations included membership on the Defense Science Board, the General Advisory Committee of the Atomic Energy Commission, and the President's Committee on the National Medal of Science. Dr. Heffner was a member of the National Academy of Sciences and its Assembly of Mathematical and Physical Sciences and a number of professional physics and engineering societies, as well as Phi Beta Kappa and Sigma Xi. He was active in international bodies also, including service on the Science Policy Working Group of the United States-U.S.S.R. Joint Commission on Scientific and Technical Cooperation. He also served as a consultant to a number of industrial concerns in California, and was the author of numerous technical articles on the subjects of electron beam focusing, noise theory, parametric amplifiers, and quantum electronics.

A memorial service for Dr. Heffner was held on April 14 at the Memorial Church on the Stanford campus. Among those attending was Dr. H. Guyford Stever, Science Adviser to President Ford, and Director of the National Science Foundation. Remarks were made by Dr. Heffner's Stanford colleagues and by Dr. Lee DuBridge, former Science Adviser to President Nixon.

Our sympathy is extended to Mrs. Heffner and to the three Heffner children.

POLISH CONSTITUTION

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. MINISH. Mr. Speaker, this month we commemorate a great event in the history of Europe. On May 3, 1791 Poland adopted a constitution which clearly defined the rights of citizens and forcibly portrayed the principles of freedom and justice.

The Polish Constitution of 1791 was a remarkable document in that it took the then unprecedented step of establishing a limited monarchy and a constitutional democracy. The powers of the King were sharply curtailed, and he was to share his executive authority with a council. The nobility lost many of its privileges and its ranks were opened to the townsmen. The peasants' relations with their landlords were regulated by law, and they were not to be subjected to any arbitrary abuse of power. Religious freedom was established. The governmental machinery was opened and liberalized. This was a pioneering step forward in Eastern Europe—in no other country had such sweeping reforms taken place.

Even the later tragedies that befell Poland through invasion could not obliterate the contents and the spirit of this noble document. Through the generations, Polish leaders with the love of freedom and the welfare of their people in their hearts have gone to the Constitution of 1791 for guidance and for inspiration. Today ours is also the challenge to help perpetuate the memory of the Polish Constitution and those brave Poles who have lived by and worked for its high ideals.

The history of the Polish people in our own country provides numerous examples of the outstanding traits which gave birth to the Constitution of 1791. Polish Generals Pulaski and Kosciusko fought valiantly beside George Washington in the Revolutionary War. They set an illustrious example which has been followed throughout our history. In every area of the United States where there are Polish-Americans their splendid influence has been felt in civic responsibility, in community development and leadership, and in the rich cultural heritage of Polish food, song, and dance.

I commend the Polish people and encourage them in the hope that their native land may soon be secure in the ideals represented by the Constitution of 1791.

ALIEF CHAMBER CHALLENGES EPA REGULATIONS

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. ARCHER. Mr. Speaker, the Greater Alief, Texas Chamber of Commerce recently sent to me a statement relating to EPA traffic controls in Houston. I was very impressed by the statement and felt my colleagues should have the opportunity to review their comments:

STATEMENT OF THE GREATER ALIEF, TEXAS, CHAMBER OF COMMERCE IN OPPOSITION TO ENVIRONMENTAL PROTECTION AGENCY PROPOSALS WHICH INCLUDE AN EDICT TO DESTROY OUR ECONOMY THROUGH A 75 PERCENT REDUCTION IN VEHICLE MILES

Once again, the Greater Alief Chamber of Commerce, finds it expedient and necessary to join with area thought-leaders and future planners in stopping an avalanche of stupidity launched by the Environmental Protection Agency against our people, our economy, our business, our recreational facilities, our professional activities, our daily lives, and all the operations which propel us constantly toward building a better tomorrow.

The EPA's proposal is so patently idiotic it would seem unnecessary to express opposition. Yet, the insidiousness of EPA's apparent legislated authority and power, makes it imperative that we mount to the housetops and shout loudly, and in concert, our vigorous opposition to the monstrous proposals of this moronic bureaucratic edict.

All the facts stated in the appearance of the Chamber's authorized representative at the public hearing before the EPA in Houston, Texas, July 17, 1973, are still valid. A copy is enclosed for your records.

It has become obvious that the Environmental Protection Agency, established by a paroxysm of Congress in false concern, without confirmed and validated scientific data, must be corrected, changed, restrained, or abolished.

It is the recommendation of this spokesman for the Greater Alief Chamber of Commerce that EPA be abolished in its present form, and since it appears necessary to have some governmental agency pursue the more intelligent environmental activities, needed in our modern industrial society, that such agency be established with strict guidelines, so that it cannot wander all over the map with punitive proposals.

The government should realize after many mistakes in other fields, that people cannot be protected from themselves. If two million people want to live in the greater Houston area or ten million, for that matter, and breathe the air in this area, then the government should make no effort to stop them, such as EPA is doing.

By proposing to reduce vehicle miles traveled by 75 per cent within the next two years, the government is, in effect, saying to a free people, "You cannot live where you want to live. You will live where we tell you to live." That's what EPA's edict means. There is no conceivable way in which vehicle miles traveled can be reduced by 75 per cent and the economic impetus of this area be maintained.

Have any long-range, scientific studies been carried out to determine if breathing Houston air is any more dangerous than breathing air in any other place in the nation, or in the world!

Shall the people of the Houston area be shipped to North Dakota, or some other sparsely settled state!

Shall the American automobile industry be totally devastated by bureaucratic edict!

MAY 15 MARKS ANNIVERSARY FOR STEWARDESS SERVICE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. ANDERSON of California. Mr. Speaker, May 15, 1975, will mark the 45th anniversary of what was considered a bold and innovative step forward. On that date, in 1930, eight young nurses boarded a United Airlines flight; not as passengers, but as employees to help serve and assist the passengers.

Today, although most passengers take stewardesses for granted, it is still considered to be a glamorous and exciting profession. And it is interesting to take a look back and see the beginning of this service, when it was still a new and unproven idea.

I would like to insert the following text in the RECORD to help recall those early days of commercial aviation, and to add my own congratulations to the men and women who carry on that early tradition in the flight attendant field.

The article follows:

UNITED AIR LINES NEWS

On May 15, 1975, one of the world's most unique career fields will celebrate the 45th anniversary of its creation. It was on that date in 1930 that United Airlines put eight young nurses aboard its aircraft to serve passengers flying the 20-hour, 13-stop route between Chicago and San Francisco.

The commercial air transportation industry had begun in 1926, but it wasn't until 1930 that the idea of having women as crew members on an airplane dawned. Until that time, the co-pilot would take time from his responsibilities in the cockpit to go into the cabin to serve meals and assist passengers. Ellen Church Marshall, the first of the original eight stewardesses hired by United, recalled that there was some good business psychology behind the idea: "How is a man going to say he is afraid to fly when a woman is working on the plane? Pilots—in their big fur coats, goggles and holsters—didn't want women aboard at first; but after three or four months, they found the nurses quite helpful and passengers enjoyed having them aboard."

In 1933, an Ohio newspaper published the following report on the stewardess career: "The sky stewardess represents a unique field for women. She is the girl who goes to work at 5,000 feet above the earth, rushing through space at a rate of three miles a minute. She has been eulogized, glorified, publicized and fictionalized during her comparatively short existence. She has become the envy of stenographers in New York and farmers' daughters in Iowa. She seems to be on the way to becoming to American girlhood what policemen, pilots and cowboys are to American boyhood."

Today, some of the stereotype of the flight attendant career has vanished—worldwide aviation employs 83,000 flight attendants and about seven per cent are male stewards. Yet, the glamour, excitement and appeal of the job is still there—for every flight attendant opening, there are about 30 applicants.

We salute the thousands of men and women who chose the flight attendant career—whether it was dedicating their work to 12 passengers at 5,000 feet in 1930 or to 342 passengers at 35,000 feet in 1975.

CAPITAL PUNISHMENT IS NEEDED IN THE UNITED STATES

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. BIAGGI. Mr. Speaker, one of the most volatile issues being discussed in this Nation today is whether capital punishment should be restored as a tool of justice. The Congress and the Nation are awaiting the decision of the Supreme Court in the Fowler against North Carolina case which is expected to determine the constitutionality of the death penalty.

In 1972 in the landmark case, Furman against Georgia, the Supreme Court ruled on the death penalty. They struck it down but a close examination of the decision showed that it was not the penalty that was being condemned but rather the arbitrary way it was being administered. Since this decision 32 States in the Union have enacted new laws restoring capital punishment but making it for specific crimes so as to avoid the capriciousness administration which the Court objected to.

I have introduced legislation in the Congress, H.R. 2865, which will establish rational criteria for the mandatory imposition of the death penalty. I include among the several crimes for which capital punishment could be administered, the killing of law enforcement officers, terrorist bombings, and crimes committed in an especially heinous fashion. This, to my knowledge, is the only bill of its kind to be introduced in the House. It is identical to legislation which passed the Senate last year. The Congress already has indicated its support of the death penalty for certain crimes when we passed legislation last year which imposed the penalty for hijacking.

The controversy surrounding this question concerns one basic point: Is capital punishment a deterrent? I contend that capital punishment is the most effective deterrent we have not only to punish criminals, but more importantly to deter future murderers, rapists, or bombers. Consider these facts. In the 1950's when capital punishment was still in existence, the murder rate in this Nation steadily declined bottoming out at 7,418 in 1955. By the 1960's when a gradual phaseout of the penalty began the rate increased dramatically and by 1968 the number reached 12,500. The 1970's show a continued rise and by 1972 the murder rate had jumped to 18,520. In addition the number of law enforcement officers killed in the line of duty has increased by 200 percent in the last decade with 132 alone killed in 1974.

Crime is one of this Nation's most serious problems yet we have not addressed ourselves fully to its solution. It will take bold and harsh steps, a strengthening of our criminal justice system to make it less criminal coddling and more justice oriented. We must fight the war against crime with our best weapons and I contend that capital punishment must be considered one of our primary tools.

Mr. Speaker, at this point in the RECORD, I would like to insert a provocative editorial printed in the Long Island Press and written by the nationally syndicated columnist Mike Royko. In the article he discusses the pros and cons of the issue and in the end indicates his support of the need for capital punishment. It is an excellent article and I urge my colleagues to read it as they consider their own positions on this matter of critical importance to all Americans. The article follows:

DEATH PENALTY: PRO AND CON

(By Mike Royko)

The Supreme Court will rule on a key capital punishment case this summer, and this could lead to a reversal of the court's ban on the death penalty. So once again the public debate is on.

But regardless of what the court does, or anyone says, my mind is made up on this subject.

I used to waver. For many years I jumped from one position to another.

As a kid, I felt that the death penalty was deserved by anyone who stole my bike or ran over my dog.

Later, as a young reporter, I covered an execution, got sick to my stomach, and thought it should be banned.

But as a police reporter, I talked to the families of ordinary people who had been murdered in robberies, sadistic sex crimes, or just for the hell of it, and thought that maybe the electric chair wasn't such a bad piece of furniture after all.

I listened to all the arguments pro and con, read court decisions, tried to digest the statistics of criminologists and sociologists, and became completely confused.

Then, in 1962, my mind was made up. I reached a position and I haven't wavered from it since.

A well-known mass-murderer, had been caught and brought to trial that year.

As the testimony came out, I found myself filled with loathing for the man, hoping he would be convicted and executed. In fact, I was all for doing it slowly so he would suffer.

Then I searched my soul. What good could possibly result from killing him? Would it bring his victims back?

The answer was, no, it wouldn't bring them back. But it might make the survivors of his victims feel better.

So I searched my soul further. Would it not serve society just as well to lock him up for the rest of his life? Wouldn't that isolation be a terrible punishment?

Sure it would be a terrible punishment. But as long as we were going to punish him, why not go allout and let him have the ultimate in punishments?

In another corner of my soul I encountered the question: Would his execution deter others from committing murders?

Maybe. Or maybe not. If it deterred others, great. And if it didn't deter others, we would still be rid of a loathsome creature. So how could we lose?

From another soul-cranny came the question: Didn't I revere human life?

Sure I did. But that killer obviously didn't, so let him be punished by his own cold standards.

My conscience kept twitching. Wasn't this punishment cruel and unusual, since others had committed the same kind of acts but had gone unpunished.

Possibly, and that argument is why the death penalty is now banned. Many killers were convicted, but few were executed, which made their punishment cruel and unusual. But I figured the solution wasn't to let this particular louse off the hook, but rather to execute the others, too. Then it wouldn't be all that unusual.

Just about the time I finished frisking the last nook and cranny of my soul, the verdict came in.

Guilty as charged. The penalty has to be death.

Oh, there were some technical objections as to the way he had been arrested, but they were overcome. And there was no doubt as to his guilt.

So he was given his last meal, walked to a small room, and his life was extinguished.

Just like that. One moment he was living, breathing, probably terrified. Maybe he was thinking about his plump wife and sweet-looking little son, only six years old. The next moment, he was dead forever.

That's when my harsh feelings about him were put to the test. I waited for my stomach to feel sick.

Nothing happened. I felt pretty good. As I recall, I went out and ate a pizza.

Since then, I've been in favor of capital punishment. Not only for every murder case, of course. But for those cold-blooded, remorseless, sadistic people, who kill for profit, pleasure, for the hell of it, for those who are not blinded by insanity or some overwhelming passion, but have a choice and choose to kill.

Had it been up to me, Richard Speck would be gone. So would Manson and most of his playmates. So would the guy who robbed the aged grocer and blew him apart with a shotgun as a cruel afterthought. So would the punk who did the same thing to the night counterman in a diner. Or, to the docile cabby. So would any hired killer from the Syndicate. So would the planners and doers of the Jablonski case. I'd have the electric chair going off like a pinball machine.

I can't help feeling that way now because that's how I felt in 1962 when a former SS officer named Adolph Eichmann was executed for murder.

If I believed that the killer of a grocer, a cabby, some Philippine nurses should be spared, then I'd have to be consistent and say the same in Eichmann's behalf.

I'll never be that soft in the heart. Or in the head.

MY VOTE AGAINST H.R. 5272

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. FRENZEL. Mr. Speaker, yesterday I voted against H.R. 5272, the Noise Control Act of 1972 extension. My opposing vote was made for a number of reasons.

First, the bill was brought up under suspension procedures without a chance for normal debate or normal amendment. This is a bad procedure which should not be used for important bills.

Next, this bill was about 50 percent over the budget without satisfactory explanation therefor.

Finally, EPA's attitude on industrial noise has been, in my judgment, unyielding and inflexible.

This bill obviously needs extended discussion in the Committee of the Whole, and we deserve the opportunity to engage in debate and to make regular amendments.

DECLARATION OF FREEDOM

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. GILMAN. Mr. Speaker, on May 5, I met, on the steps of our Nation's Capitol, with members of the National Conference on Soviet Jewry and joined with them in endorsing a Declaration of Freedom for Soviet Jewry.

The National Conference on Soviet Jewry is a fellowship of Christians and Jews who are dedicated to the ideal that Soviet Jews have the inalienable right to emigrate to their homeland. This dedicated group works toward the goal of insuring human rights for Soviet Jews including the right to live, to work, and to worship their religion in freedom. The conference intends to circulate this declaration throughout the Nation.

I was pleased to endorse the leadership assembly's Declaration of Freedom and commend the outstanding work that the National Conference on Soviet Jewry has been doing on behalf of Soviet Jews.

This humanitarian issue, which has become more critical in recent months, has been of paramount concern throughout our Nation. The declining emigration of Jews from the Soviet Union, down from 33,461 in 1973 to 20,788 in 1974 and now down to a mere 1,200 per month, stresses the need for more vigilant dedication to the goal of protecting the human dignity and freedom of Soviet Jewry.

Last year, along with some of my colleagues in the House, I adopted a Soviet prisoner of conscience, David Chernoglaz of Leningrad, and have endeavored, in vain, to obtain information about his whereabouts and welfare. His wife, Mrs. Bronia Chernoglaz, and former Soviet prisoner, Aharon Shpilberg, visited us here in Washington a few months ago, describing to the members of the New York State congressional delegation, the harassment and persecution of those Jews seeking to leave Russia.

Shortly thereafter, 90 of my colleagues joined me in petitioning Secretary Brezhnev to live up to the promises made by the Soviet Union to start adopting a more liberal, responsible policy towards Jewish immigration. The Soviet Embassy refused to acknowledge receipt of that petition, shedding additional light on their shortsighted, irresponsible attitude toward this humanitarian issue.

It is essential that we maintain a strong stand in support of the Vanik-Jackson amendment, denying most-favored-nation status to the Soviet Union until that government relaxes its oppressive emigration policies. While there has been some opposition to this measure, there have been many more voices expressing continued strong support.

The Soviets insist that their policies toward the Jewish citizens of the U.S.S.R. are none of our concern, that this is an internal matter in which we should not be meddling. But freedom and the right to emigrate are the concerns of free men and women everywhere and especially here in our great Nation. The internal affairs allegation has been used to mask many a major campaign of oppression in the history of the world.

Back in 1869, President Ulysses S. Grant went to the aid of 20,000 Russian Jews facing expulsion. Over the past 100 years, 10 Presidents of the United States have intervened on behalf of Russian Jewry. In 1879, the House adopted a resolution criticizing a czarist prohibition of ownership of Russian property by Jews.

The House, in 1883, requested the administration to call upon the Soviet Union to stop its discrimination and persecution against Jews.

In 1892, the House of Representatives refused to allocate funds for food to Russia because, according to Congressman Patterson of Tennessee, the czarist regime, by its treatment of Jews, shocked the moral sensibilities of the Christian world.

In 1911, the House responded to the barbaric practices against the Jews in czarist Russia, by voting overwhelmingly, 301 to 1, to abrogate an 80-year-old Russian American Commercial Treaty.

Those of us who cherish liberty must stand up for human freedom wherever it is threatened. It is a never-ending battle.

The right of an individual to leave any country, including his own, is an internationally recognized fundamental human right, upheld by international law and affirmed in the Universal Declaration of Human Rights, and the International Convention on the Elimination of Racial Discrimination, which was ratified by the Soviet Union.

Mr. Speaker, in requesting that the text of the Declaration of Freedom be set forth in full at this point in the RECORD, I urge my colleagues to heed the pleas of the thousands of human beings who, for months and years, have been unmercifully harassed and sometimes jailed by the Soviet Union while awaiting the right to reunite with their families and while struggling for the right to seek their land of freedom.

DECLARATION OF FREEDOM

NATIONAL CONFERENCE ON SOVIET JEWRY LEADERSHIP ASSEMBLY

Two hundred years ago, the birth of these United States of America offered hope to oppressed people that basic human rights can be secured. Today, in our Bicentennial year, millions of people throughout the world continue to look to this nation for leadership. Among them are three million of our fellow Jews in the USSR.

Whereas it is the natural right of a people to perpetuate its group life and culture;

And, whereas the rights of Soviet Jews are inextricably linked to Jewish destiny;

And, whereas we have a profound obligation to Jewish history and continuity;

We therefore adopt this new Declaration of Freedom:

We reject Soviet practice which prohibits Soviet Jews from realizing their basic rights; including the Right to Leave:

We insist that the Soviet government immediately cease the coercion, intimidation, arrests and trials of Soviet Jews, who seek to emigrate to Israel;

We demand full religious and cultural opportunities for Soviet Jews, including essential Jewish institutions;

We condemn both the continuing anti-Semitic propaganda campaign which, historically, has led to violent excesses, and the discrimination and exclusion of Jews from many sectors of Soviet society. We insist upon the immediate halt to these violations of the International Convention on the Prevention of All Forms of Racial Discrimination and the Universal Declaration of Human Rights;

We urge that the plight of Soviet Jews must be kept on the agenda of every appropriate international forum, and on all levels of bi-national relations between the U.S. and the USSR, as long as restrictions are placed against Jews and there is intimidation and harassment of potential applicants for emigration;

We support the Congress of the United States which, having overwhelmingly demonstrated the will of the American people by passing legislation linking international trade to free emigration, has transformed this great human principle into law signed by the President;

We recommend that the Congress undertake a careful study of Soviet violations of human rights in the areas of restrictive emigration practices, religious persecution, and the illegal interference with international mail and telecommunications;

We appeal to the participating nations in the European Conference on Security and Cooperation to resist the dilution of efforts to protect human rights, including the free flow of ideas, information, and people;

We urge the President and the Administration to continue to articulate this nation's commitment to human rights, including the Jewish minority in the Soviet Union;

We call upon the President to intervene on behalf of the Soviet Jewish Prisoners of Conscience, whose only desire is to emigrate to Israel, in order that they may be allowed to leave;

We call upon the President to communicate to the Soviet government that, in the best American tradition, we seek an end to all discrimination and repression of Soviet Jews and that this nation's commitment to support the right of emigration is steadfast;

We take special note of those Jewish scientists and professionals, not allowed to leave and not allowed to work, and urge their American colleagues and professional associates to render all support during this period of increasing contacts with the USSR;

We note that thirty years after the end of the Second World War there is international recognition and acceptance of the fact that violations of human rights are no longer the internal affair of any one nation. International declarations recognize this principle; international law recognizes this fact.

We believe that by securing equality and freedom for the Jewish minority in the Soviet Union our nation's hope for true détente, based on moral concerns, will become a reality, and that existing tensions will be removed;

We are joined with Soviet Jews who are still struggling to achieve their goals and whose courage and heroism is an inspiration to us,

Therefore do we adopt this Declaration of Freedom with the certainty that their goals will be realized.

May 5, 1975, Washington, D.C.

TRIBUTE TO A DEDICATED TEACHER, MISS KATHERINE M. SMITH

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. ST GERMAIN. Mr. Speaker, on Friday, May 9, 1975, many Rhode Islanders will gather to honor a gentle lady and a distinguished educator, Miss Katherine M. Smith, for her 50 years of selfless service to the schoolchildren of Cumberland, R.I.

Miss Smith is, in the finest sense of the phrase, "a product of the area." Cumberland born and bred, she received her own education in her native State—at the Rhode Island Normal School and later at Bryant College and Brown University.

She embarked upon her teaching career at the Central Grammar School in 1925, and in 1931 she joined the faculty of Cumberland High School. During the years of expanding the horizons of young people she always found time to participate in the work of professional, civic, and religious organizations, as well. Never seeking recognition for her efforts, Miss Smith's considerable contribution to community service and education did not go unnoticed. She was named an Outstanding Secondary Educator, and in 1973 was honored as Rhode Island's Business Educator of the Year.

On that occasion, Robert G. Condon, Cumberland's superintendent of schools said of Miss Smith:

> She is the embodiment of all we in education admire. She is loyal and rock-ribbed in her determination to seek excellence in herself, her staff and her students. She has a dignity and love of God that is manifest in all her endeavors. Duty, Honor, Country are principles in which she finds relevance, and more than this, like the popular song, "She does it her way," and her way is the best way for her teachers, her students, her school (which she loves) and finally to her boss, who appreciates her.

Now, after 50 years, Miss Smith has determined to retire. Her legacy has already been dipersed. Thousands of former students whose lives were enriched by contact with this dedicated, loyal teacher, bear her indelible mark. The personification of what a teacher should be, her influence will go on, like the pebble dropped in the pond, in ever-widening circles, to infinity.

GEN. THOMAS A. LANE

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. SYMMS. Mr. Speaker, few individuals have served their country with the devotion and selfless courage of Gen. Thomas A. Lane. As an outstanding military officer and later as an author and columnist, General Lane placed the future of a nation he loved foremost in his thoughts, winning the respect and admiration of thousands of followers around the Nation and the world. His presence will be sorely missed by those of us who knew him, but his words of wisdom and authority will endure and inspire freedom loving people in the years to come.

I submit for the benefit of my colleagues the following tribute to this fine American:

GEN. THOMAS A. LANE—1906–75

(By Lee Edwards)

When Human Events columnist Thomas A. Lane died two weeks ago it came as a shock to most people. Some knew he had been in the hospital. Fewer knew he had cancer. For despite his illness, he continued his forthright column, his editing of the splendid journal *Strategic Review*, and even the writing of special articles until the very end.

Tom Lane was a soldier, a retired major general in the U.S. Army Engineers, who served his country across the world from the Panama Canal to the South Pacific during World War II under Gen. Douglas MacArthur.

He was a teacher who taught civil engineering and military history at West Point from which he graduated. He also taught at the Air University at Maxwell Air Force Base. He had a knack for putting things into historical perspective for his classes and his friends.

He was a devout Roman Catholic whose faith was central to his life. The funeral home was full the night they said the Rosary for him, and so was St. John's Church the next morning.

He was tall, erect, white-haired, and his speech still carried some of its original Boston accent. He was a man of convictions in an age of vacillations. As a soldier and an historian, he understood war as few of us do.

In an article for HUMAN EVENTS published two weeks before his death, he wrote about the war in Vietnam:

"The chief deterrent to war is the prospect that the aggressor will be defeated. Relieve the aggressor of that prospect and you encourage his aggression.

"This was the policy of the United States in Vietnam which cost the country $120 billion, 360,000 casualties and 50,000 dead."

In column, article and book, Gen. Lane argued that the war in Vietnam would only stop when one side or the other won.

And South Vietnam, he said flatly, could not win as long as the U.S. prevented it from carrying the war to North Vietnam.

The consequences of our failure to help an ally were clear to him. In a review of Sir Robert Thompson's *Peace Is Not At Hand* in the spring issue of *Strategic Review*, Tom Lane wrote:

"There can be no hope of peace for a great power which would betray a small ally. Members of Congress should learn from this book that it is for the United States that the bells toll in Vietnam."

While he was deeply concerned about Vietnam, he was more concerned about general U.S. foreign policy, which seemed to him to be based not so much on detent as on profits. He was repelled by those who used the facade of detente to pursue profits with the Soviet Union and Communist China.

In the April 24 issue of *The Wanderer*, published four days after his death, he concluded his column:

"The U.S. is today pursuing trade with our declared enemies without due regard for considerations of national security and U.S. survival.

"The drive for profits is dominating policy to the exclusion of a prudent address to the enemy. The people must demand new policy which places national security above all profit-making."

AFL–CIO head George Meany made the same point last fall in an appearance before the Senate Foreign Relations Committee, referring to "the myth that trade is the road to peace."

As a soldier who had known war, Tom Lane did not shrink from "thinking the unthinkable," and talking about it as well. After all, as he pointed out in 1968 in his book, *The War for the World*:

"War is very thinkable to conquerors. In fact, thinking about war is one of their chief preoccupations."

He urged the U.S. and the free world, first, to acknowledge that we are at war and, second, to carry the war to the enemy.

Not through the use of nuclear weapons, but for example by encouraging anti-Communist undergrounds in the Soviet Union and Communist China. He stressed that these undergrounds should be of, by and for the people of those countries—not American-dominated. Why not, he suggested, a government-in-exile for the Soviet Union? And why not, he would probably add today, Alexander Solzhenitzyn as its chief spokesman?

In his last book, *The Breakdown of the Old Politics*, published late last year, Tom Lane said flatly: "The United States has been the victim of party politics." He called for a new political order, responsive to the people and not to special interests and a centralizing government.

He wrote: "It may well be that escape from the political paralysis imposed by the two-party system is the most urgent need of our society."

When he retired from the Army 13 years ago, Thomas A. Lane did not fade away, but undertook a new career in writing and editing which has left us a rich and lasting legacy which he would want us, not to admire, but to use to bring about a freer America and world.

PERSONAL EXPLANATION

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. PEYSER. Mr. Speaker, because of the concern with the financial status of all public officials I am again, as I have in the past, entering in the RECORD the pertinent segments of my 1974 income tax.

My total earned income for 1974 was $56,661.86—a decrease of $1,490.46 from my 1973 earnings. Of this income, $9,286.86 comes from life insurance companies on the basis of business that I had developed before I came to Congress. As the record has shown, these earnings decrease every year. I also earned $4,875 in honorariums. My Federal, State, and local income taxes totaled $15,364.94. I contributed $891.50 to various charities. Due to a change in the tax regulations, I had to report on my tax form the amount of money that was transferred to the 23d Congressional District Educational Fund. This figure was $1,000. All of this money, with the exception of $5, was spent for services to the district such as newsletters, et cetera.

As you know, with the exception of a $3,000 tax deduction from my total income, there is no compensation received for my living expenses here in Washington or for the other expenses inherent in this job. I own no tax free bonds or securities and I have filed a full report of my earnings and source of income with the Clerk of the House every year I have been in Congress.

PEOPLE HELPING PEOPLE

HON. GARY A. MYERS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. MYERS of Pennsylvania. Mr. Speaker, recently I called the attention of the House of Representatives to instances of how people help people in the 25th District of Pennsylvania.

In a time of high unemployment, lack of proper recreational facilities for our young, and soaring inflation, the people of Pennsylvania are reviving some of that good old time affection and concern for their fellowman.

Another example of people helping people concerns the efforts of Walter and Rosemary Lang of South Beaver Township in my congressional district. The story of the Lang's is heartwarming and is related in a recent article in the Beaver Falls News-Tribune in my district. The article follows.

DOING SOMETHING FOR SOMEONE ELSE HAS MANY REWARDS

(By Fay Cowan)

Walter and Rosemary Lang, DeHaven Road, South Beaver Township, began volunteer work because they "wanted to do something together."

And they plan to continue because they find "doing something for someone else has many rewards."

They began by helping out in organizing and directing games for teenagers at Pleasantview Homes, Beaver Falls, where there is a large concentration of young people.

Primarily, they assisted Ruth Parker, a resident, who has devoted a lot of time to trying to provide recreation for young people in the community.

In addition, the Langs have devoted considerable time to babysitting retarded children and in providing transportation for retarded adults. Enabling parents to get short breaks from the 24-hour daily task of caring for retarded children has its own compensations for the Langs, who find the children lovable and endearing.

Since the birth of their daughter, Jessica Jo, about two months ago, they have cut down on their volunteer work but plan to get back "in action" as soon as they can take their daughter with them.

In the 30 age group, Lang is an electrical engineer at Westinghouse Electric Corp., Vanport plant. His wife, a former teacher, has taught both fifth grade and business and math classes in high school.

SEVENTH OHIO DISTRICT CONGRESSIONAL YOUTH ADVISORY COUNCIL REPORTS, URBANA COLLEGE, OHIO, APRIL 25, 1975

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. BROWN of Ohio. Mr. Speaker, on Friday, April 25, the Seventh District Congressional Youth Advisory Council for the school year 1974–75 met at Urbana College to make their final reports to me on legislation the members had under study during the current school year.

These students, one selected from each of the district's high schools, organized in the fall of the school year to select four legislative areas of study. The council is formed into four committees, comprising Greene County and Mad River Township of Montgomery County, Clark County, Champaign, and Logan Counties, and Marion and Union Counties. The topics chosen for study this year included: The question of sex and violence on television—Clark County; tax credits for defraying the costs of higher education—Marion-Union Counties; Federal land use planning assistance—Champaign-Logan Counties; and long-range Federal funding for public broadcasting—Greene County-Mad River Township.

After studying the subjects from December through January, including information supplied by the Library of Congress and various House and Senate committees, each of the committees held a 1-day public hearing with witnesses obtained by my office—some of whom traveled to the Seventh District from as far away as New York and Washington, D.C. Following the hearings, another round of study and drafting sessions were held by each committee, culminating in their final reports and/or draft legislation, which was discussed, debated, and voted upon by the full council during the final report session April 25.

Mr. Speaker, the 1974–75 CYAC was the fourth year that I have sponsored its work after initiating the council in 1971. I want to compliment the students for their outstanding work, not only during the current school year, but for all of those years. In at least two instances their reports and recommendations have literally changed my own position on pending or feasible legislation. This is a powerful indication to me, especially when I consider that on one of those issues—newsmens' privilege—I had previously adopted a strong position of my own, that the work of the council has been exceedingly worthwhile and effective. It has given the council members an important opportunity to make a direct impact on Government, along with a firsthand study of the legislative process, using actual legislation and issues. And to emphasize, again, it provides me with a very important source of young people's views. I am pleased to be the sponsor of such a worthwhile project.

For the value that the work of the CYAC may have to many of my colleagues, I wish to place in the RECORD the reports and draft bills submitted to me by this year's council. Following the report is a list of the members of the committee. The report on land use planning by the Champaign-Logan Counties group follows:

A REPORT ON LAND USE PLANNING PROGRAM, CHAMPAIGN-LOGAN COUNTIES

DEFINITIONS

Fiscal Year—A 12 month period in which an organization plans to use its funds.

Ad Hoc Committee—A committee with respect to a specific purpose, case, or situation.

Promulgate—To make known by public declaration; to put into effect by public announcement.

Sanction—The penalty that is specified in a law or degree; any penalty specified that acts to insure a demand or request that is in correspondence with current rules.

I. FEDERAL AUTHORITY

A. Administration of Grant-in-Aids Program: Establishes Office of Land Use Policy Administration within the Department of Interior. Direction of the Office will be appointed by the President. Duties to be assigned by the Secretary.

B. Advisory Committee: Establishes a National Advisory Board on Land Use Policy consisting of Director of Office, representatives of the Federal agencies responsible for instruction, development, assistance, and regulatory programs. Committee to contain two State representatives, two local representatives, and one regional representative. Advisory members to be selected by vote of the Board for period of two years.

C. Review of Statewide Land Use Plans or State Land Use Programs:

(1) Approval:

Bill distinguishes sharply between: a) State planning process, and b) State land use program.

Implementation of State planning process and program development is staged in three phases over the five-year period. First grants made within three years require Secretary to be satisfied, State will use grant for meeting requirements of planning process. Subsequent grants during first three years made on assurance State is expeditiously proceeding to meet requirements of planning process.

Grants after three-year period but before the end of five years, Secretary to be satisfied that State has met and is continuing to meet requirements of planning process and is expeditiously proceeding to develop a State land use program. After the first five years, Secretary will make grants only to States which meet all requirements. Annual reports are required of the States.

Federal agencies which participate in construction, development, assistance or regulatory programs and the National Advisory Board on Land Use Policy will review all grant applications and the Secretary must consider their views and recommendations.

Prior to approval, the Secretary must ascertain that EPA and HUD are satisfied that the land use program is in compliance with Federal laws pertaining to them.

(2) Disapproval:

Upon finding a State ineligible, Secretary will notify President who will establish an ad hoc hearing board consisting of a Governor, an impartial Federal official and a knowledgeable private citizen who is selected by the other two. Upon finding a state ineligible the ad-hoc hearing board will notify the Secretary and funds will be withdrawn.

D. Formulation of guidelines: President will issue guideline to all Federal agencies and States to assist in implementation of the Act. Secretary will publicly declare rules and regulations to implement the guidelines and to administer the Act.

E. Information and Data Systems: Office of Land Use Policy Administration will develop and maintain a Federal Land Use Information and Data Center with appropriate regional branches.

Office will perform a continuing study of land resources, develop standard methods for collection of data, establish procedures for effective dissemination of information, track Federal and private projects, and maintain statistical data on past and future trends in land use.

F. Other: Ad Hoc or Federal-State Joint Committees: At request of Governor or at his own discretion, Secretary may establish a joint committee consisting of Federal agency and State and local representatives to review and recommend solutions to problems relating to jurisdictional conflicts and inconsistencies.

Prior to making its recommendations, each joint committee must conduct a public hearing in the State affected. Each joint committee terminates at the end of two years.

Biennial Report on Federal State coordination: Secretary must prepare a report every two years which concerns problems of coordination between Federal and non-Federal planning, resolution of specific conflicts encountered, any unresolved problems suggested by a Governor.

Biennial Report: Secretary, with the assistance of the Advisory Board, must report every two years on the land resources, uses of land, and current and emerging land use problems.

Four Year Review: At the end of fourth FY, Secretary must submit assessment of programs and recommend amendments to Congress.

G. Authorization for Administration: Department of Interior is authorized $10 million annually for administration of the Act.

II. REGIONAL AUTHORITY

Prior consent is given to States to negotiate interstate agreements and create interstate planning entities.

The Advisory Commission on Intergovernmental Relations is mandated to conduct a review of interstate agencies and report to Congress the results of its findings in two years.

III. GRANTS TO STATES

A. Programs: No funding distinction is made between planning processes and State land and State land use programs, but compliance with the requirements for processes and programs enter in during different time stages for the granting procedure.

B. Percentage of Costs: Annual grants may be made at the rate of 66⅔% of the cost of the program for the first two years, and at the rate of 50% of the cost for the succeeding three years. Secretary will allocate funds to the State on the basis of the amount of resource base, population, growth pressure and financial need.

C. Authorization: $40 million are authorized for the first two years, and $30 million for the next three years.

IV. STATE AUTHORITY AND STATE LAND USE PLAN OR PROGRAM

A. Scope of Land Use Planning or Program: State is required to have a statewide land use planning process and land use program by the end of the five-year period.

B. Technique of State Control: A State land use program may employ either of two methods of control: 1) implementation by local governments pursuant to State standards, along with State veto power, and 2) direct State land use planning and regulation, i.e. zoning.

State must employ its police power to prohibit inconsistent use of areas of critical environmental concern, land impacted by key facilities, regional projects, and large-scale developments.

C. Criteria for Review and Continued Funding:

(1) Content of Plan or Program:

Statewide land use planning process must include: (a) inventory of land and natural resources, (b) compilation of socio-economic and environmental data (c) projection of land needs for various uses, (d) inventory of physical data, (e) inventory of non-Federal needs and priorities concerning use of Federal lands, (f) inventory of financial resources for land use planning, (g) method for identifying large scale developments and regional projects, (h) inventory of critical environmental areas and potential areas of key facilities, (i) technical assistance and training of personnel, (j) methods of data exchange, (k) coordination of State and local programs, (l) mechanisms for public participation in planning process, and (m) interstate coordination.

State land use programs must include: (a) adequate statewide planning process, (b) protection of critical environmental areas, (c) consistency of key facility siting with land use program, (d) consistency of large scale subdivision with land use program, (e) provisions for assuring compliance with pollution standards, (f) periodic update of land use programs, (g) public participation in planning process and public dissemination of information, and (h) coordinated management of coastal zones.

(2) Administration and Performance:

State must have a land use planning agency. Planning agency must have an advisory council composed of chief elected officials of local governments.

State must provide an administrative appeals procedure for resolving conflicts. A person having a legal interest in land affected by State prohibitions or restrictions may petition the appropriate court to determine whether there has been a taking which would justify compensation.

V. COORDINATION OF FEDERAL ACTIVITIES WITH STATE PLAN

A. Compliance with State Land Use Program:

Bill distinguishes between: (1) Federal projects and activities and (2) development on Federal lands.

Federal Projects and Activities: Projects which significantly affect land use must be consistent with State land use programs except in cases of overriding national interest determined by the President. A State or local government applying for Federal assistance for projects in States eligible for land use grants must transmit views of planning agencies concerning compliance with land use program to the Federal funding agency. Federal funding agency may not fund projects inconsistent with State land use program.

Federal lands: Agencies responsible for management of Federal lands must consider State land use programs in planning and managing public lands, to the extent consistent with national policies and objectives. Any agency proposing a new program, policy or regulation for Federal lands must publish a statement showing consistencies with State land use program and explaining any inconsistencies which exist. Draft and final statements must be submitted 45 and 50 days prior to action, respectively, and a public hearing must be conducted.

B. Sanctions: None.

Following an attempt to add one amendment to the bill, to add a section containing federal sanctions against the states which failed to comply with the federal program by withholding a percentage of remaining federal funds the states would otherwise be entitled to (by a vote of 6 yeas, 26 nays) the full report was adopted by the Council by a vote of 32–6.

CHAMPAIGN AND LOGAN COUNTIES COMMITTEE MEMBERS

Mechanicsburg High School—Pat Enciso, 3972 Parkview Rd., Mechanicsburg 43044.

Triad High School—Mark Kerns, R.R. #1, North Lewisburg 43060.

Graham High School—Mark Alty, 3922 Rt. 55, Urbana 43078.

Indian Lake High School—Diane Brunner, R. R. #1, Huntsville 43324.

Benjamin Logan High School—Ernie Holycross, Box 263, Belle Center 43310.

Urbana High School—Megan Richards, Bon Air Rd., Urbana 43078.

Riverside High School—Tim Lundy, 201 N. Boggs St., DeGraff 43318.

Bellefontaine High School—Robert Barnwell, Jr., 1200 Milligan, Bellefontaine 43311.

West Liberty High School—Matt Price, 4030 Dowd's Dr., Urbana 43078.

A RESOLUTION PASSED BY THOMASVILLE, GA., CHAMBER OF COMMERCE

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. MATHIS. Mr. Speaker, no one is more deeply concerned with this country's continued policy of raising our debt limitation to compensate for higher deficit spending than I am. I introduced House Joint Resolution 251 in February which would prohibit the Federal Government from spending any funds in a fiscal year which are in excess of the revenues collected the previous year. I want to share with my colleagues a resolution passed by the Chamber of Commerce in Thomasville, Ga., which supports this concept.

The resolution follows:

RESOLUTION

Whereas there is currently a need in these United States to find a practical method for the Administration and Congress to stop spending more money than we take in by taxation, except in case of a declared national emergency, and,

Whereas the State of Georgia has solved this problem by enacting a law which makes it mandatory for the Governor to balance spending by cutting on a percentage basis all departmental budgets evenly across the board to balance income created by taxes, and

Whereas S.J. Resolution 27 introduced into the 93rd Congress essentially proposes an amendment to the Constitution of the United States prohibiting aggregate expenditures of the Federal Government to exceed the net amount of its revenue in any fiscal year, except in case of a declared national emergency, and,

Whereas this Chamber of Commerce is committed and dedicated to sound, fiscal budgeting by all governmental agencies,

Be it therefore resolved that this Board direct the Governmental Affairs Committee of this Chamber of Commerce to gather petitions, write letters to all Chambers of Commerce and other business and civic groups who might support this action and relay its findings to the President of the United States, to all members of Congress and to the President of the Chamber of Commerce of the United States urging adoption and ratification at the earliest possible moment.

Adopted this seventeenth day of March 1975.

ROBERT C. SISE,
President.

REVISION OF THE HATCH ACT

HON. LEO C. ZEFERETTI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. ZEFERETTI. Mr. Speaker, the Federal Political Rights Act of 1975, H.R. 3000, which I have joined in cosponsoring would amend the Hatch Act by restoring to Federal civilian and Postal Service employees their right to participate in the political life of our Nation. Because of Hatch Act limitation, these citizens, numbering close to 3 million, are presently excluded from active participation of this kind. It is also important to point out that H.R. 3000, if enacted, would continue to protect these Federal employees from improper political influence and coercion.

The Hatch Act was passed in 1939 and was, at the time, a necessary and constructive piece of legislation. Since then, however, not much has been done to update its provisions in order to make it consistent with the new realities of this age. In many ways, the Hatch Act is vague. As a result, the overwhelming majority of Federal employees deliberately removes itself from any political activism so as not to take a chance of violating the law. Regrettably, this has now reached the point where this tendency among employees is doing more harm than good, for the syndrome I have described tends to infringe upon the right of freedom of speech of such Federal workers. As a result, we have a large mass of otherwise eligible people who are being systematically excluded from all meaningful political participation.

Regrettably, the Hatch Act did little to protect Federal employees from certain inroads and abuses of the political system. For example, the merit system abuses have proliferated in recent years, making this mass of workers politically responsive to a given political party. It also did not prevent unscrupulous political people of both parties from preying upon them.

As a result, Federal employees have grown exceedingly cynical about the political process while remaining withdrawn from it. No open society dependent upon political participation can afford such alienation and cynicism on the part of such a large, generally well-educated and economically stable group of people. It is critical for us to recognize this situation and allow them their political rights without compromising them politically. I feel that H.R. 3000, would, in fact, accomplish such a purpose.

Under this legislation, Federal civilian and Postal employees could contribute voluntarily to candidates for public office, and this would be their personal affair. They would also be able to express their views and participate in political management of campaigns as private citizens without any involvement of their official authority of influence. The bill also specifically defines the meaning of political management and campaigns, and includes certain specific activities, now forbidden, as possible areas of participation by Federal employees.

This legislation has commanded broad bipartisan support, indicating that there is widespread concern as well as a desire from all parts of the political spectrum to bring these people into the mainstream of the political process. I realize that some people oppose this, mainly because we are taking a chance. Yet, the political events of the last decade have convinced me that the Hatch Act desperately needs updating; in order to safeguard our institutions, we must open them wider to citizen involvement. The safety of our liberties is only as secure as the willingness of this generation of Americans to defend them. There are many Federal employees who could make constructive contributions by such involvement, and I feel we should welcome them rather than continue to exclude them.

REMARKS ON THE INTRODUCTION OF A BILL TO PERMIT THE AVERAGING OF OVERTIME PAYMENTS TO RURAL LETTER CARRIERS EMPLOYED BY THE U.S. POSTAL SERVICE

HON. ROBERT N. C. NIX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. NIX. Mr. Speaker, one of the unintended effects of recent amendments to the Fair Labor Standards Act was the interpretation which would lead to the scrapping of a long-standing overtime pay system which was established for rural letter carriers.

Because of the variety of ways in which rural letter carriers perform their jobs, and the variety of terrain in which such work is performed, it was necessary for the Postal Service to set up a unique overtime pay system. The system was based on the averaging of overtime on a pay period basis.

However, recent administrative interpretations of the amendments to the Fair Labor Standards Act would lead to the specific hour-by-hour overtime recordkeeping required in most lines of work. This would result in chaos in rural mail delivery and endless redtape. The costs in increased paperwork would be so extravagant that any possible gain from accounting precision would be overwhelmed by redtape.

What is more, the reshuffling of the entire rural mail delivery system would be called for. The delays and confusion would be such that a whole new and expensive burden would be added to those already carried by the Postal Service.

It is my understanding that the Postal Service as well as rural letter carriers support this type of legislation.

DEREGULATION

HON. PHILIP E. RUPPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. RUPPE. Mr. Speaker, the issue of deregulation is being mentioned increasingly as one way of cutting down on Government spending and excessive interference in our daily lives. Recently, however, the Escanaba Daily Press, in Escanaba, Mich., carried an interesting editorial on the issue of deregulation as it could affect a rural area. I am concerned that deregulation could have an adverse effect in areas such as northern Michigan, and I believe this article will be of interest to my colleagues:

DEREGULATION?

To regulate or not to regulate, that is the question.

That phrase "regulation" is not necessarily the most popular one in the American vocabulary today. There is increasing weariness with laws that restrict and rules that prevent, and most Americans tend to chafe at bureaucratic decisions that stifle their initiative and curb their freedoms.

At the same time our increasingly complex society requires that methods be devised and utilized to protect the public in areas that are beyond individual control or influence. Thus it is the Public Service Commission regulates our utilities and attempts to ensure that there will continue to be natural gas, electricity and telephone service at justifiable costs in the future; the Federal Aviation Authority regulates airline routes and rates; the Federal Communications Commission supervises our airwaves; the Army protects us from invasion.

And thus it is that the Interstate Commerce Commission regulates, to a large degree, our public transportation system consisting mostly of the railroads and motor freight carriers.

It has done this since 1887, when it was created largely because farmers in the West had experienced discrimination and unjust pricing by the railroads that fostered development in one favored area or favored certain shippers and froze other competitors and areas out of the marketplace. The Motor Carrier Act of 1935 brought truck lines under the ICC umbrella, and for the first time their routes and rates were regulated.

In a January, 1975 report, the ICC contended that their controls on entry into the field of motor carrier transportation "have been an essential ingredient in the growth and success of our national transportation system. We emphasize again that entry control does not mean creating or maintaining monopolies. Instead, entry control means competition—but not so much of it that no one can profit or grow. Admittedly, the maintenance and acquisition of new facilities and equipment increases carriers' operating costs which are passed on to the public. This is a price which the public must pay to assure itself that goods picked up today will be delivered tomorrow, and that the carrier will still be there the next day to pick up another load."

Discussing regulation, a 1961 report to the Congress on national transportation policy noted, "There appears to be no chance of unregulated competition operating in the national interest until the Golden Rule becomes the universally accepted law of business relations."

Despite the fact that there is no visible evidence of the Golden Rule being adopted, the campaign for deregulation of the trucking industry has reached disturbing dimensions. Ironically, much of the push to deregulate trucking is coming from the government itself—the Department of Transportation and the Department of Justice—and has been embraced by apostles of both the far right and the far left in the political spectrum. The contention is that regulated routes and rates benefit only the regulated companies, to the detriment of the public.

Yet under the present rate structure, 62 per cent of the shipments handled by Clairmont Transfer, the major general commodity common carrier for the Upper Peninsular, are handled at a loss. Under regulation, the present rates are set to allow most trucking firms a five per cent return on gross revenues. That's before interest costs and taxes, making the actual net return closer to 1½ to 2 per cent. That's not exactly exorbitant.

Because of regulation by the ICC, Clairmont serves 275 shipping points in the Upper Peninsula . . . points that have, for the most part, no other method of receiving or shipping goods. The Upper Peninsula may be a large exporter of raw materials shipped in bulk form via rail or boat, but it is also a large importer of consumer goods, and most of these come by truck.

Without regulation for instance, how long would the Copper Country continue to have truck delivery, when for every 10 loads of consumer goods that they import, they export only one?

James T. Henry, executive vice president of the Eastern Central Motor Carriers Association, spoke about deregulation last month and commented, "The more important consideration, to which none of the publicity supporting deregulation addresses itself, is the effect that the various proposals will have upon communities, points and places located beyond major metropolitan areas and upon American business, both large and small, which has located its plants and facilities outside of major metropolitan areas, secure in the knowledge that adequate and reliable transportation service would be available.

"By definition, deregulation would destroy any concept of a national transportation system . . . and the 'benefits' of free competition so loudly and liberally advocated by so many who know so little about the subject, would at best flow to the large companies in the metropolitan areas, at the very painful expense of the less attractive markets scattered throughout the nation."

Simply put, much of the Upper Peninsula—indeed, much of Michigan—would have, without regulation, little to depend upon except extremely bad service and a very unfair rate system.

To quote the January ICC report once again, "Today, shippers of regulated commodities can know, with reasonable certainty, what a given shipment will cost to transport, that enough equipment will be available, that carrier systems are designated to serve both large and small shippers, and that their goods will be insured in transit. The transportation industry is the backbone of our economic system, and the principal reason it operates so satisfactorily is, we believe, because carriers can grow, secure in the knowledge that their investments will be protected from unhealthy competition as long as they continue to provide responsive, reasonably priced service to the public."

The regulatory system we now have may not be the ultimate answer, but it has helped to develop the world's finest transportation system within the framework of private investment and free enterprise.

When we talk of regulation we often forget that its function is to serve and to protect the public as well as to control the regulatee. It's the public's interest that is at stake and in the case of motor carrier deregulation, it would seem to be ill-served.

WHERE THERE IS NO VISION

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. STARK. Mr. Speaker, we are all concerned with efforts to minimize the danger of a possible nuclear war between the superpowers. I have recently come across an article from the April 12 edition of the Nation by Mr. Doron Bar-Levav, a fellow of the Center for Defense Information. The article, I believe, is pertinent, and I commend it to the attention of my colleagues:

"WHERE THERE IS NO VISION"—VLADIVOSTOK ARMS RACE

(By Doron Bar-Levav)

Despite the furore over the arms accord recently concluded between the United States and the Soviet Union, one essential point has been missed. Critics as well as supporters have been arguing about force levels and costs and whether "we gave away too much to the Russians." No one, however, seems to have asked the real question: does the United States need strategic arms limitation agreements at all? The answer appears to be no.

The Vladivostok accords provide for quantitative equalization of force levels. Each side will be permitted to have 2,400 launchers—1,320 of which may be MIRVed—and there can be a free mix within both strategic forces, that is, the new agreement will allow unrestricted allocation of the 2,400 launchers among bombers, land-based Intercontinental Ballistic Missiles (ICBMs) and Submarine Launched Ballistic Missiles (SLBMs).

The United States now has 2,206 launchers, composed of 656 SLBMs, 1,054 ICBMs and 496 bombers. (Some press reports have it that the seventy-six FB-111s are *not* included but that about 200 mothballed B-52s are, for a total of about 600 bombers.) Under the new agreement, the United States will be permitted to add 194 launchers. The USSR has 2,393 launchers, the current mix being 666 SLBMs, 1,587 ICBMs and 140 bombers. Russia therefore, can build only seven more launchers, a fact which may help explain how the figure of 2,400 was derived.

The United States now has a three-to-one advantage in nuclear weapons—8,500 to 2,800. Furthermore, 820 of the American launchers are already MIRVed, while Russia may have only begun to deploy its MIRVs.

These figures show, but do not say explicitly, that both sides have more than enough firepower to lay waste the world. The United States is estimated to have 4,456 megaton equivalents of TNT stockpiled, compared to 3,847 for the Soviet Union. This works out, on a per capita basis, to 36,292 pounds of TNT targeted on every American and 36,375 pounds hanging over the head of every Russian. The figures are based on the concept of equivalent megatonnage, derived from a law of nuclear physics. Warheads larger than a megaton will produce explosions of greater than a megaton but less than the actual raw megatonnage figure. Thus a 5-megaton warhead is not five times as powerful as a 1-megaton warhead.

Both countries have too much; both, however, may be contemplating increases. As Herbert Scoville, former Deputy Director of the CIA, recently remarked, the Vladivostok agreement made the "ceiling" so high that it is, in effect, no limitation at all. Indications are that the United States will view the "ceiling" not as a maximum that need not be reached but as a "floor" for possible increases once the agreement runs out in 1985.

What is even more perplexing is the focus of attention the accords are getting in the press. Almost every article seems to develop the theme that we gave up too much and have, therefore, made ourselves more vulnerable to a Soviet first strike. That is crazy. The whole concept of first-strike capability is a reflection of the 1950s mentality when a first strike was a real option. The situation is entirely different today. Twenty years ago we had a "jump" on the USSR in nuclear development. But once both countries had reached a certain level of weapons, in absolute numbers, numerical advantages were of decreasing importance. One might characterize the last decade as the arms race of diminishing returns.

The present high level of nuclear weapons also points out that it is a country's second-strike, not its first-strike, capability that deters. Unless one side has perfected an extremely accurate delivery system, it cannot rationally contemplate a first strike even against ICBMs for fear of "missing" a few of them. Neither the United States nor the Soviet Union possesses that kind of precision today.

More important, the term first-strike capability is bandied about today in a way to reveal a complete lack of understanding as to how and why deterrence works. The purpose of the United States' Triad system (bombers, land-based missiles and submarines) and the Soviet Union's Dyad system (land-based missiles and submarines) is by diversity to assure the invulnerability of their retaliatory capabilities. Thus, even if Russia were to strike first and succeeded in destroying every missile silo (a most unlikely event), the United States could still retaliate with bombers and submarines which are, for the most part, invulnerable. Furthermore, the possession of an actual first-strike capability does not signify that it will be exploited; the United States had such a capability in the 1950s against the Soviet Union, and the United States, and perhaps the Soviet Union have it now against the People's Republic of China.

The most disturbing aspect of the Vladivostok accords is that they allow for increases instead of decreases in arms levels. The time for reduction is now, not in 1985, since the Russian missiles are old and rapidly becoming obsolete. By 1985 the Soviets will have deployed three new types of missiles and, given time and money committed to those systems, will be far less amenable to arms reductions than at present. What the United States should attempt to do, then, is exploit the fact that the Soviet Union is at a strategic juncture and persuade Moscow simply to retire old missiles rather than replace them.

Is there no utility to bilateral strategic agreements? The answer is, very little. Deterrence is mostly a psychological matter, involving perceptions and intentions. If it makes people feel better to have strategic arms limitation agreements, then by all means let there be a continued positive emphasis on them. But the United States *need not add even one missile* to its complement. Let the Soviet Union build as many weapons as it desires within the arms control agreements. There is not a single reason for trying to stay ahead or even to keep up.

Not only would the United States be saving large sums of money that could be diverted to the civilian sector, but a basis of proof would be quickly established that would demonstrate to Moscow that we are indeed truly interested in meaningful arms control. But most important, by forgoing competition in a strategic arms race, the United States would not be jeopardizing its security interests in the least. America can have the same deterrent capability with fewer arms. Enough is exactly enough.

OKLAHOMA TRADE SCHOOL IS GREAT

Hon. Theodore M. (Ted) Risenhoover

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. RISENHOOVER. Mr. Speaker, quality education always has been a prime concern in Oklahoma. The people of the Sooner State are determined to provide the next generation with proper training and preparation for the leadership needed by our State, our Nation, and the world of the future.

Everyone knows of the academic excellence of great Oklahomans, including our own beloved Speaker, Mr. ALBERT. His intellect and understanding are a credit to himself, his family and Oklahoma's hard-working teachers which led to his selection as a Rhodes scholar.

My own family, including two of my brothers, have a tradition of being educators. They have caused an awareness which prompted me to choose to serve on the important Committee on Education and Labor of this body.

Another inspiring reason is the excellence of vocational-technical education in Oklahoma. In common schools, the vo-tech system and in higher education, there is respect and excellence in Oklahoma for training people for technical vocations.

This spirit, combined with the fine leadership of its remarkable staff and president, Wayne Miller, Oklahoma State Tech of Okmulgee, Okla., has gained national stature which led the Washington Star of May 2 to carry a headline under "Career Corner" which said: "Oklahoma Trade School Is Great." The writer, Joyce Lain Kennedy, called Oklahoma Tech, "the Harvard of residential vocational schools."

This article, and the success of vocational education in Oklahoma, are a tribute to the 88th Congress which passed the first Vocational Education Act of 1963, and to our great chairman of the Education and Labor Committee, CARL PERKINS. Currently, the Subcommittee on Elementary, Secondary and Vocational Education is considering the equally vital H.R. 19, the Vocational Education Amendments of 1975.

The Star article, which I insert in the RECORD, dramatizes the interest and impact of vocational education:

OKLAHOMA TRADE SCHOOL IS GREAT

(By Joyce Lain Kennedy)

Dear Joyce: About three years ago, I read somewhere about a vocational school in Oklahoma which is similar to a college except that you learn a trade. I can't track it down—you're my last hope.—A. T., Camden, N.J.

It's Oklahoma State Tech, which is Oklahoma State University's school of technical training. This unusual school is operated similar to a state college, complete with dorms on campus, clubs, intramural sports, student center, medical facilities, and so forth. While no state should be without one, there are less than a dozen somewhat comparable institutions in the nation. Oklahoma State Tech (OST) is the Harvard of residential vocational schools. Although intended to serve Oklahoma residents, OST is open to students from any state.

Even in today's economy, its grads are having no difficulty finding jobs. Many have from eight to 10 offers. Graduates train in one of 43 different programs, ranging from automotive and heavy equipment to food services and leathercraft. Students enroll in 15-week trimesters; most programs require two years to complete.

One current emphasis at OST is on training for petro-chemical industry workers who will be employed in Oklahoma, Texas and Louisiana. Here the help-wanted signs are still out for many types of skilled workers, especially electronic technicians, drafters, machinists and mechanics. Houston and Tulsa are centers for many petro-chemical operations. Nearby, the Dallas-Fort Worth metroplex also seeks skilled employes for its aircraft production and servicing industries and for several major electronic industries located there.

Related industries in these petro-chemical states are employing accountants, data processing specialists, secretaries and construction workers, in addition to their own skilled technicians.

Why do Oklahoma State Tech grads do so well getting jobs? The answer hinges on the quality of the students' education.

Because OST is a state institution, it's partly supported by public funds. In-state students pay $211 per trimester; out-of-state students pay $381. Rates for a dorm room on campus range from $68 to $136 per trimester. Anyone over 17½, with or without a high school diploma, is admitted. Catch-up courses are available to those who need them.

For more information on this outstanding residential vocational school (also called a technical college), write to the registrar at Oklahoma State Tech, Okmulgee, Okla. 74447.

INDOCHINA REFUGEE RESETTLEMENT ASSISTANCE

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. ANDERSON of Illinois. Mr. Speaker, yesterday I introduced the administration's Indochina refugee assistance bill, H.R. 6652. With available funds for the evacuation program due to run out within a week, it is essential that the Congress give this legislation its immediate attention. It is estimated that over $500 million will be needed over the next 14 months to resettle up to 150,000 refugees in the United States and third countries.

Mr. Speaker, I have been disturbed and even ashamed in recent days by the reactions of some Americans, even some Members of Congress, that we should lock our doors, turn our backs and even return to Vietnam these refugees from Communist aggression and potential oppression. Have 200 years of independence from tyranny brought us to a point at which we have forgotten who we are, whence we came, and what we represent? I sincerely hope not. Has the welcoming torch of freedom held high by the Statue of Liberty—that "Mother of Exiles"—been snuffed out, condemning to eternal darkness the hopes of those who would aspire to live under freedom? I sincerely hope not.

Mr. Speaker, I would sincerely hope that this Congress will have the guts, the good sense, and the moral decency to lead American opinion in this area rather than simply follow the perceived passions of the moment, and that this leadership will be reflected in prompt consideration and enactment of the administration's humanitarian relief bill.

REQUESTING PRESIDENTIAL VOTE FOR PEOPLE OF GUAM AND VIRGIN ISLANDS

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. WON PAT. Mr. Speaker, today, I have the privilege and honor of joining with my territorial colleague from the Virgin Islands, Mr. RON DE LUGO, as we introduce legislation which seeks to authorize the American citizens of Guam and the Virgin Island the right to vote in Presidential and Vice Presidential elections in the United States.

Speaking for the 100,000 Americans on Guam, I can think of no greater testimonial of our desire to draw ever closer to the American political system than the privilege of full participation in our political processes. This great country was founded on the democratic principles of liberty and equality. The American citizens of Guam take their responsibility as citizens of this great country most seriously, and fully desire to participate in our democratic system to the fullest extent. Without the ability to cast ballots in the quadriannual Presidential elections, territorial Americans are, for no practical reason, denied the opportunity to express their voice in national affairs and to perform their duty as full-fledged citizens.

In this age of increased participation in government by our citizens, there is no justification for continuing to exclude Americans in the territories their rightful role in future Presidential elections. To do so only debases our image as a democratic country, and denies the profound truth in that ancient observation by the Greek philosopher, Aristotle, that—

> If liberty and equality—are chiefly to be found in democracy, they will be best attained when all persons alike share in government to the utmost.

Two thousand years later, there is little we can add to that sage comment, except to ask that this philosophy guide our fellow Americans during their deliberations on the legislation Congressman DE LUGO and I put before you today.

To correct this inequity in the present laws, Congressman DE LUGO and I have drafted two separate measures, both designed to satisfy our ultimate goal of granting the national franchise to the people of Guam and the Virgin Islands.

Under the first bill, the present system of electing our President and Vice President would be amended to include U.S. citizens residing in the two aforementioned territories. Each territory would be allocated one delegate to the electoral college. As you know, present law permits only those qualified voters who reside within the boundaries of 1 of the 50 States to vote in Presidential elections and to choose delegates to the electoral college. Should a qualified voter move to Guam or the Virgin Islands, he loses his right to vote for our Chief Executive should he register as an island resident. Conversely, a native-born territorial American who is forbidden to vote in Presidential elections may do so providing he establishes legal residence in a State.

This measure follows the precedent established by Congress in June 1960, when it successfully proposed an amendment to the U.S. Constitution granting voters in the District of Columbia the vote in Presidential elections.

We believe that this formula is a sound one, and in view of its established role in American history, it is the path in which our constituents would be proud to follow.

However, Congressman DE LUGO and I are also cognizant of the growing support in Congress and the Nation for legislation to abolish the electoral college and replace it with a simplified popular vote system. This proposal has great merit and for this reason we have chosen to introduce another bill which would amend the Constitution by establishing both a method of direct popular election for the President and Vice President and by including the necessary language to provide for the participation of the voters in Guam and the Virgin Islands in such an electoral system. I hasten to add, that this measure should not be construed at indicating that territorial Americans are in any way displeased with the present method of selecting those who occupy the White House; rather, we wish only to indicate our desire to secure the rights for our constituents to vote in Presidential elections, regardless of whatever constitutional changes Congress may have in mind.

Both of these measures are similar to those we introduced in the 93d Congress.

Congress in its wisdom, has in recent years struck down a number of laws restricting the voting rights of Americans. We now have equal voting rights for the poor, the uneducated and for persons of all races and creeds. Why, then, should we continue to discriminate against these Americans who choose to live in the territories? For the common good of our country, the civic duties of all citizens should be equal as are the sacrifices we expect of each citizen in defense of our democratic form of government.

Since I was honored 2 years ago to take my place in this Congress as Guam's first delegate, I have often spoken of the great and undying loyalty to America possessed by the people of Guam. We have proven this loyalty on the field of battle and in our ready acceptance of our duties as Americans. In view of our proud heritage of service to this country, is it not time for Congress to support legislation removing this barrier which separates one citizen from another, to cancel out any artificial bonds which prevent all Americans, no matter where they may choose to live in our Nation, from assuming their rightful role in America's destiny?

We hope and pray that others in the Congress will agree with us and that in the months ahead, our colleagues in this Congress will give this legislation the serious consideration it so richly deserves.

Thank you.

CITIZEN IRVING

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. FINDLEY. Mr. Speaker, the Washington atmosphere at times can be heady stuff. Headline personalities become common place. The evening news often deals almost exclusively with events we ourselves experienced in at least a peripheral way.

Now and again each of us surely is caught up in the illusion that everything of importance in this land takes place within view of the U.S. Capitol building.

An obituary this week reminded me that much of Washington is frosting on the political cake—and perhaps more aptly described as froth—and that the real substance of our political system is to be found far from Capitol Hill.

It was the obituary of Don Irving, longtime chairman of the Democratic Central Committee of Pike County, Ill. As a young country editor in the years after World War II, I first observed this remarkable citizen. He worked fulltime as a politician. He was proud to be one. He was proud to be a Democrat. Was he proud. And it rubbed off. Over the years he converted his home precinct totally to democracy. It was a proud day when a Republican like myself could pick up a few votes.

He was county supervisor board chairman for years. He was a stalwart church leader all his life. He never ducked a civic responsibility. He wrote a flavorful weekly report on hometown news for the county-seat weekly. But he never wanted any recognition other than being Mr. Democrat of Pike County.

He brought zeal and fun and commitment to the humdrum business of precinct politics. He worked day and night at citizenship without thinking of it that way.

There are other Don Irvings, past and present, thank God. They are the underpinnings of our society. They do more to keep liberty alive than most of us inhaling heady stuff in Washington.

A worthy tribute to Citizen Irving, penned by my newspaper partner Allan A. Seiler, appeared in the April 30 issue of the Pike County Press, Pittsfield, Ill., as follows:

DON IRVING

To those who were his friends, and they were many, Don Irving was a rare individual.

For one thing, he was a politician of the old school. Declare your beliefs, work in their behalf, and if you win, accept the responsibility. If you lose, look to another day. We observed him in both victory and defeat. When his candidates won, he was naturally pleased and proud. When he lost, he took it in stride, without rancor.

We first met him in the fall of 1959 at a reception in Quincy for Sen. John F. Kennedy, who was then dipping his toe in the testing waters of Presidential aspirants.

At that reception we took a picture of him with Kennedy that proved to be one of his favorites (along with one he had taken of Harry Truman.) He asked us to make several reprints of the Kennedy photo and gave one to many of his friends. Later, we had the print blown up and we've had it on the front wall of our Pike Press office since we moved into our new building in January of 1973.

To us, the picture represents the essence of grassroots politics: the Presidential hopeful listening to one of his party's county chairmen. We've often thought if Presidents and Governors would listen more to these people, rather than to some of their inner guard, they might get better advice.

We remember other things. Notably, his avid interest in the St. Louis Cardinal baseball team and the Red Bird Special he'd wheel toward nearly every home game, filled with friends and other fans. He'd take his camera to the games and take pictures of his fellow fans as well as the Cardinal players from a vantage point near the playing field. Then he'd bring the pictures back to us to publish with his column.

He was likewise a loyal follower of local high school sports. He had a phenomenal memory of past Pike county athletes and athletic records, as well as earlier day local hometown baseball teams and their stars.

He was a believer in open government and the power of the people.

When we'd ask him a question, we'd always get a straight answer except on those occasions when we deliberately asked a "loaded" political question we knew he couldn't answer. (Then, all we got was a sly grin.)

One of his friends remarked Sunday, "The thing he enjoyed most was doing a favor for somebody."

Until his illness compelled him to give it up, readers of this newspaper and the Democrat-Times before that, looked forward each week to his "Chambersburg Hash" column, written under the byline of the Chief Cook and Bottle Washer.

Not everybody saw eye to eye with him on politics, but he provided nevertheless an insight into a small community and its people that was intimate, uncommon, and colorful.

Some of his expressions were pure Don Irving.

He'd salute women's birthdays by saying, "it's candle whiftin' time for the following beauties . . ." He'd report the Sunday collection at church by specifying the number of "smackers in the church cooky jar." He'd write about anniversaries by naming the men who were "smiling wide and mighty frisky as they celebrate the day they fooled their beauties into standin' still while the preacher slaped on the double harness."

Church singers he enjoyed he'd describe as "my kind of warblers." When the census taker came to his door one year, he reported that she was "a very beautiful young lady and even though it was raining, she, like the angles from heaven, had sunshine all over her map." High praise was "a clean-cut sermon that hit smack dab on the point." You knew something was good if he said it was "major league all the way."

He had little use for fancy language. His readers knew what he meant. He was one of that vanishing fraternity of Pike county writers with a style all their own. Others were John Caughlan, Jess Thompson, and Burr Swan.

So long, "old windjammer." You'll be missed.

LIQUID METAL FAST BREEDER REACTOR—LMFBR

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mrs. LLOYD of Tennessee. Mr. Speaker, the liquid metal fast breeder reactor—LMFBR—has been supported as the highest priority energy development program for many years in the United States and has received almost equal attention abroad. It has been supported because it is the only scientifically proven technology in sight which will give us a long-range, ample source of energy; it could provide energy for thousands of years. It promises to be economical, reliable, and environmentally acceptable.

The next U.S. step toward commercialization of this concept is the construction of a demonstration-size—350 megawatts electric—breeder called the Clinch River breeder reactor—CRBR—to be located in Oak Ridge, Tenn. This demonstration reactor would, when completed in 1982, be comparable in size to the French Phenix reactor which has been operating for more than 1 year at full power and similar to British and Russian demonstration reactors of the same or smaller size.

The allegations and charges that are being made against nuclear energy and the breeder are particularly important to me and my constituents. I have taken a great interest in the CRBR because it will be built in my district. Any impact on public health and safety and on the environment would have the greatest effect in my area. Therefore, I have spoken at great length to the technical staff of the ERDA laboratory located in Oak Ridge on the breeder reactor. I wish to share with you some of the information I obtained during my discussions.

Estimated costs of the CRBR have, indeed, risen over the last few years due to inflation, the inclusion of specific development costs as a part of the capital cost of the project, a realistic reassessment of the cost of the CRBR plant itself, and unwarranted delays. However, we must remember that the costs are still just estimates on a one of a kind device for which no previous cost experience is exactly applicable. Although these costs appear to be high, they are less than the cost of 1 month's supply of imported oil—an increasingly scarce commodity that the breeders when fully developed will help to conserve.

In many respects the LMFBR may be safer than the light, water-cooled reactors now being used—there are 50 large reactors now operating in the United States. These light water reactors have an unblemished safety record: no member of the public has ever been injured or killed by an accident involving these reactors. This fact, coupled with the impressive French operation, gives me personal assurance of the safety of the LMFBR system.

Safeguarding of plutonium is certainly an important requirement. New and more stringent regulations and accountability systems are being implemented now, prior to breeder use, because the problem is one that must be carefully attended to in present reactors which also produce and use large quantities of plutonum. These new regulations most certainly will be carried over to the safeguarding of plutonium in the LMFBR after having been proven in the present generation of reactors.

Plutonium is a very hazardous material and the concerns about it are justified, but some of the claims concerning its toxicity are somewhat exaggerated. It is alleged that the toxicity of plutonium is such that virtually any exposure results in death or that exposure to a few particles carries a high probability of developing lung cancer. These allegations have not been supported by studies of plutonium workers exposed in the early 1940's or experimental animal data. Concern about unusual toxicity of particulate plutonium has been discounted by all reputable studies conducted both here and abroad. Exposure does not equal death.

The issues raised about plutonium have been considered at length in the LMFBR program environmental impact statement, soon to be sent to Congress. This impact statement at the moment is being reviewed by ERDA as a result of comments by other Federal agencies. It is my belief that the more exaggerated arguments about plutonium are unfounded; there appears to be appropriate protective systems and procedures to prevent plutonium from damaging either workers or the public.

The attacks on the authorization of funds for the LMFBR program and the CRBR, in particular, come at a very crucial time. As a member of the Subcommittee on Energy of the House Committee on Science and Technology, I have been impressed with the magnitude of the energy problem and with the long time necessary to create new or improved technology. To turn off or seriously delay the LMFBR, to slow the significant progress already made, or to deny the funds for the demonstration of one of the very few proven methods of producing amounts of abundant energy would surely be irresponsible.

A TRIBUTE TO BILL BONSELL

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1975

Mr. SHUSTER. Mr. Speaker, I know that my colleagues on both sides of the aisle join me in extending sincere appreciation to Bill Bonsell for his service to the Congress and best wishes to him on the occasion of his retirement as minority doorkeeper of the U.S. House of Representatives.

As a relatively new Member of this distinguished body, I regard Bill's friendship very highly and value his straightforward guidance. His expertise in the legislative process and his willingness to share that knowledge with others will be sorely missed.

I feel a very special affinity toward Bill Bonsell for he is a native of Huntingdon County, Pa., which is part of my congressional district. He and his family are highly regarded residents of central Pennsylvania and it is my sincere hope that upon his retirement, Bill and his loved ones will return to our area often.

I congratulate Bill Bonsell for his three decades of dedicated service to the Congress of the United States and I wish him the best of health and happiness in the months and years ahead.

SPENDING CEILING MUST BE ADHERED TO

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. GRADISON. Mr. Speaker, now that the Congress has debated at great length and finally adopted aggregate figures for our budget resolution, it is essential that we adhere to these limits for the coming fiscal year.

Nothing could be more damaging to our fledgling budgetary process than to casually disregard the spending ceiling we have just approved. Although I believe that the deficit finally adopted is still too large, failure to stay within its bounds will certainly impair the chances for recovery from recession without renewed inflation.

It was apparent that most of my colleagues shared my feelings that the proposed deficit is too large. The Landrum amendment which would have reduced the deficit to $66 billion was adopted 227–180. However, it was overridden by the O'Neill substitute which I believe did a clear disservice to the budget process by making reference to the funding of specific programs.

The O'Neill substitute was justified on the basis that it eliminated all caps in retirement benefit increases and Federal employee salary increases. The actual funding level of specific programs will be decided by individual committees; the budget resolution deals only in aggregate figures and as such had no power to include specific funding. The result is that the House adopted this substitute on a false premise that we were actually removing the caps. I believe all Congressmen are for full funding of those who depend on fixed pension retirement benefits for their income. The issue before us, however, is the spending limit we seek to stay within. The only actual effect the O'Neill substitute had was to increase the proposed deficit from $66 to $73 billion and for that reason I voted against it. As my colleague from Georgia (Mr. LEVITAS) has noted, we need to eliminate unnecessary spending in other areas so we can provide for the elderly. We should direct our attention to those areas and not be duped by such fallacious reasoning.

Concerning other amendments, the Reuss amendment to the O'Neill substitute pledged to close tax loopholes to increase revenues. I opposed this amendment. Although it related to tax reform there was no justification of the figure arrived at or the specific loopholes to be closed. Merely railing against tax loopholes serves no real purpose in attempting to arrive at a realistic spending limit.

Regarding other amendments, I voted against the balanced budget amendment for fiscal year 1976 because I felt it was not a realistic goal in a year of high unemployment.

Finally, I believe that the Congress must employ this budget resolution as a firm standard by which to examine spending proposals for this fiscal year. If this budget process is to be successful, the Congress must make some difficult decisions as to spending priorities. In this trial of the Budget Act of 1974, we have completed the first step; now we have to make it work.

PRESIDENT AND MILITARY MERIT COMMENDATION FOR EFFORTS IN VIETNAM EVACUATION

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. COUGHLIN. Mr. Speaker, as the curtain falls on the tragedy in Southeast Asia, I feel compelled to comment on the dark suspicions cast by some Members of this Congress on the motives of President Ford, our military leaders and, indeed, the American people.

Cynical statements and misgivings have been expressed about the use of American military personnel, the evacuation of South Vietnamese refugees, and even the movement of homeless orphans.

To the contrary, President Ford and those who planned and participated in these operations acted with resolve, restraint, efficiency, and compassion.

The evacuation of some 8,000 Americans, 55,000 Vietnamese, and hundreds of orphans by air, under the most difficult conceivable circumstances, was a massive and delicate undertaking. The fact that these operations were accomplished so quietly and with so little loss is a tribute to both President Ford and our armed services.

Surely, there were things that went awry. No one condones any individual dishonesty or chicanery that may have developed in Saigon in evacuating Americans and Vietnamese. Certainly, some children were improperly brought out.

But, for the immense logistics problem, coupled with the desperate potential for violence, the evacuation was successful, not only in numbers but in the humanitarian sense which was its basis. I think the American people understand this.

I can well understand the plight of the President, the Secretary of State and our military commanders. Overwhelmingly, the American people wanted no more money committed as was the sentiment of the majority of the Congress.

Yet, they were faced with a situation in which miscalculation or misjudgment could have triggered a reaction in Saigon that would have been the ultimate tragic irony—South Vietnamese fighting Americans over our withdrawal and evacuation.

I felt some of the same pressures as a member of the Appropriations Committee. As a longstanding opponent of our Indochina intervention, I opposed further military involvement or continued massive military aid.

Yet, our responsibility to those still in South Vietnam meant giving the President authority to use military personnel to assist in the evacuation. And the real possibility that South Vietnamese anger could be turned against our nationals in Saigon meant voting for limited military funds for South Vietnam even knowing that they would never be spent.

I am grieved, as a Member of the House of Representatives, that in these last several days some of my colleagues saw fit to subject this chamber to near-hysterical arguments and poisonous allegations directed at the President which will stand as a historic commentary for which they bear the responsibility. The President's actions including the successful evacuation will stand in stark contrast as documentary facts to the Chief Executive's commonsense and his own responsibility.

Many lessons can be drawn at this juncture about our Vietnam involvement. Many lessons must wait on the tide of events and the judgment of history.

I only want to pay my respects to President Ford, who inherited this tragedy, for his commonsense and decency in these last frantic days; to the Secretary of State and our military leaders for their responsible actions, and to the American people whose enduring commitment to basic humanitarian instincts is a source of pride to me and a source of wonder to others throughout the world.

BLOOD BATH CONTINUES IN CAMBODIA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. McDONALD of Georgia. Mr. Speaker, contrary to the testimony of certain parties such as Gareth Porter, who have been trying to sell everyone on the idea that the Communists do not indulge in blood baths, the leopard has not changed its spots. A blood bath is taking place in Cambodia, and the signs in Vietnam are that preparation is taking place for a larger blood bath in that newly conquered area. It behooves us in the Congress not to listen to these apologists for the proponents of violent Marxism. Communism has not changed. The article from the Washington Star of May 4, 1975, follows:

BLOODBATH REPORTED IN CAMBODIA

NEW YORK.—A massive bloodbath has begun in Cambodia and thousands have already been executed according to a U.S. official, Newsweek magazine reports.

Newsweek said the reports came from intercepts of Khmer Rouge radio communications picked up by U.S. intelligence. The intercepts were said to indicate that the first victims were to be all officers of the Cambodian army down to the rank of second lieutenant and their wives.

Newsweek said sources told it that intercepts of the official Khmer Rouge radio transmissions gave the orders for the executions and that field radio reports indicated they were being carried out. They quoted the sources as saying the killings were not isolated cases but part of a full-fledged campaign.

"I'm not speculating," the magazine quoted an official as saying. "I am not dealing in third hand reports. I am telling you what is being said by the Cambodians themselves in their own communications."

NATIONAL MARINE CORPS SCHOLARSHIP FOUNDATION

HON. HAMILTON FISH, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. FISH. Mr. Speaker, it came as quite a surprise to discover that so few people are aware that the National Marine Corps Scholarship Foundation is devoting such a concentrated effort toward providing college scholarships to the most deserving children of members of the corps. Over the past 13 years, 350 such scholarships have been awarded.

And now a new one has been awarded in memory of Col. I. Robert Kriendler, with the first scholarship given to Michael Hammer, of Gloucester City, N.J., a junior at Rutgers University, whose father, Lt. Donald Hammer is a 20-year Marine Corps veteran. Lieutenant Hammer saw service in both Korea and Vietnam, and was wounded in action several times.

Although the foundation just recently awarded 115 scholarships to a group of 385 applicants, its directors are concerned that so few sons and daughters of Marine Corps veterans who might be eminently qualified file applications for these scholarships.

The foundation has informed me that they urgently need more applicants, and would like to make more Marines and their families aware of this extraordinary opportunity for their children.

I hope that by bringing this opportunity to the attention of my colleagues, and to all the Members of Congress through this insertion in the RECORD, that the word will be spread far and wide across the country. It is noteworthy that the first Colonel Kriendler Award for leadership and public service in connection with the foundation scholarship fund was presented to David J. Mahoney, chairman of the board of Norton Simon, Inc., a former marine who has been in the forefront of the scholarship drive.

I hope that my colleagues in both the Senate and the House will spread the word throughout their constituencies that this opportunity exists for qualified children of marine veterans.

I am attaching an address by Norton Simon board chairman, David J. Mahoney, to the Annual Leatherneck Ball and Marine Corps Scholarship Foundation Banquet.

The address by David J. Mahoney follows:

A PRECIOUS LEGACY

Thank you, Florence Kriendler, for your comments and thoughtfulness. This has moved me deeply. I am truly honored by this award and can think of no greater honor than to march at least symbolically in the company of your husband and my good friend, Bob Kriendler, Colonel, United States Marine Corps; his good friend General Cushman; and all the present and past members of the Corps here tonight.

In reflecting on what I would say this evening, I recalled the very moving eulogy by Bob's closest friend, Colonel Alex Gentleman, at Temple Emmanuel. He listed many of Bob's virtues, and the one that came through strongest was pride. Bob had deep pride—pride in you and his family—pride in his friends—pride in his accomplishments—pride in his country—pride in his university—and always, and foremost, pride in the Marine Corps that he loved so much and served so valiantly.

There is no other institution quite like the Marine Corps, which is set apart by its unique spirit and dedication to the cause of free men everywhere. None could challenge that over the broad sweep of our history, this unit must rank among the finest of all military organizations.

In California, recently, I noticed a billboard for recruiting Marines that perhaps tells the whole story. The billboard simply read—"Quality not Quantity." The Marines have always been selective and have established a camaraderie and morale that have been their trademark, and it is not an idle statement that "Once a Marine, always a Marine." The Marines believe in what they stand for and stand for what they believe—their country, their flag, their corps, their squad.

And, as the long list of Marines who have won the Medal of Honor testifies, the Marines will lay down their lives rather than let down their comrades or the causes in which they so fervently believe.

As they celebrate the 200th anniversary of their founding on November 10 of this year, Marines are as modern as today. It is a recognized military truth that their ability to strike quickly and effectively—on land, sea, or in the air, around the world—is one of the surest guarantees to the free world that it will remain a free world.

But, more important than their armament, or their historical record, are the foundations on which the Marines are built. Some of these tenets are considered, in many quarters, to be old-fashioned and outmoded; and, by some, totally obsolete.

The Marines still believe that the flag is sacred and patriotism is a virtue. Yet, these and other concepts—such as pride in their organization and in their institutions, honesty, loyalty, devotion to duty, the willingness to work hard and to give one's best efforts at all times—do not rate as high on the American philosophical scene as they once did.

This country was founded on the principle that it is admirable to be ambitious and to desire to succeed, but there are those who would have us believe that there is something a touch unsavory about success, especially when it involves material gains, security, and profits. In fact, in many quarters, the word "profit" is a dirty six-letter word. Similarly, the idea that one should do an honest day's work for an honest day's pay has come into equally low repute.

And one of the most worrisome erosions has come in the concept of leadership. When this country was young, we dreamed of becoming leaders and we encouraged and trained our men and women to become leaders, from the family level to the national level. We once made heroes of our leaders and through the esteem we showed them, and our willingness to follow them, thus encouraged others to aspire to leadership.

We should recheck our thinking to see if this is still what we believe in America. For it now seems that we use up our leaders in government, education, church, and business—no matter how qualified or deserving they may be—at an unprecedented rate. Just as we use and throw away disposable products in our homes, we quickly discard and dispose of our leaders on history's rubbish heap. To put it another way, we have introduced the concept of "planned obsolescence" to the realm of leadership.

It would naturally follow that our attitudes and thoughts regarding authority within our institutions at all levels would have changed. Scorn them, challenge them, put them down seems to be the rallying cry. We do not need leaders, we need consensus, the thinking goes. We do not need *action*, we need *activity*. The words may sound alike, but there is a big difference in their meaning. It can be said, in fact, that we have been living in the era of the *non*-hero, or even worse, the *anti*-hero. The attitude seems to be that anything having to do with authority is bad per se and should be attacked and mocked.

No one is perfect, so this is not to say that all or even the greater majority of our leaders and institutions have been worthy of total reverence or allegiance. In all fields, business, government, education, and even the military—there have been—and continue to be—failures. But it is balance that we are talking about, and our country over its two hundred years has been well served on balance by its leaders.

What is called for is a rededication to the qualities and beliefs that American organizations such as the Marines have stood for throughout their history. We hear much these days about the shortages of natural resources—oil, metals, natural gas, and so forth; but we must be more concerned by the equally serious shortage of energy factors called "inner resources," which are the beliefs and principles that determine character and action.

We know that these inner resources are renewable but not if they are allowed to atrophy. The passing of time and the acute need dictate that we must hasten a massive recycling and regeneration process to rebuild the stockpiles of these resources that have been so important to our nation's welfare. We cannot continue to exist in a climate that might best be described as "Nothingism"—a time in which too many believe in too little.

We cannot continue to wander aimlessly, goal-less, and without motivation. We cannot bring back the past—and would not want to. Yet, without being guilty of falling back into a neonostalgic lethargy, we certainly can learn from the past and take pride in what we have accomplished. We must begin to cope with the great forces that have swept our nation into its present state of confusion—the mental milling around, this shuffling of our minds as well as our feet.

In the "can do" spirit of the Marines, the time has come to dedicate ourselves to a new and vigorous, and positive Era of Reaffirmation.

Let's resolve to build, not to tear down our country or each other.

Let's look for the good and not pander to the bad, real or imaginary.

Let's stress self-discipline, not surrender to our every whim.

Let's emphasize excellence rather than settle for mediocrity.

Let's reward and recognize accomplishment, not demean it or challenge it.

Most important of all, let's be proud as individuals to lead and to seize control of our destiny.

We need more of the spirit and tradition of the Marine Corps and Bob Kriendler. Too often our military establishment has been vilified as war mongers. Douglas MacArthur said it for us all: that basically military people must hate war, for they are the ones who die fighting it. However, they must always stand ready to protect the freedom and sovereignty and rights of our nation.

In carrying out this mission, untold numbers of brave Americans—including parents of many recipients of National Marine Corps Scholarships—have died or been seriously wounded. Through their sacrifices they have passed on to their children, and to all of us, a precious legacy, which we must preserve and enhance through our own rededication to the basic principles on which America was built.

In this context, and on this occasion, we might appropriately consider one final thought: our country is described as "the land of the free and the home of the brave." At a time when we hear all too much of the gospel of defeatism and despair, we would do well to remember this: we shall remain the land of the free only as long as we stay the home of the brave.

EXTENSION OF GI BENEFITS

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mrs. SCHROEDER. Mr. Speaker, I am today introducing legislation to amend the GI bill of education by removing the restriction on the 9-month extension of veterans education benefits.

Currently, the 9-month extension is applicable only to veterans in undergraduate level programs. While this extension of eligibility for undergraduates is certainly a boost to the programs, it stops short of a full measure of needed relief. My bill would allow the 9-month extension to be applied to all educational programs under chapter 34 of title 38 of the United States Code.

I am particularly concerned with graduate students and students in professional programs who are faced with the rising cost of living and of education, and who usually find it extremely difficult to supplement their incomes with outside employment due to the demanding nature of their studies. Many of these students have been forced to discontinue their educations because their benefits have expired prior to completion of their program, and other assistance is increasingly hard to come by in this time of economic uncertainty.

If a fair and equitable solution is to be obtained, all veterans should be given the same opportunity to advance themselves and to pursue the program of their choice with as few impediments as possible. I, therefore, urge early adoption of this legislation, so that it may go into effect by the start of the 1975 fall term.

NUTRITIONAL REVENUE SHARING

HON. THOMAS N. KINDNESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. KINDNESS. Mr. Speaker, when the Food Stamp Act was passed in 1964, several assumptions were made by its supporters that have since then slowly eroded into oblivion.

The program was designed for the poor and the hungry, for those who needed assistance in meeting the basic nutritional needs of life. But what has evolved is a system under which not only the "involuntary poor" are assisted, but also the "voluntary poor"—college students, strikers—those who, of their own choice, are on a certain income level.

It was originally thought that food stamps would be used for food. However, it has been proposed that personal hygiene items be covered by the program and a couple years ago hunting items were added for Eskimos. This has led to proposals for fuel stamps, rent stamps, and even cotton stamps.

When the program was started, stamps were to go only to immediate families of those who qualified and were to be used to purchase food which was to be prepared at home. As it now stands, drug and alcoholic clinics may use stamps to feed their patients and proposals have been put forth which would allow stamps to be cashed in at restaurants and carryouts.

The food stamp program was initiated as a supplemental nutritional program. It was not, per se, designed to provide a complete diet. Now many people urge that the program should be a complete diet; and every six months a cost-of-living increase automatically raises the amount of support given. Earlier this year a district court judge in California ruled that a pregnant mother qualified for double stamps.

Finally, there is the ethic of outreach. The USDA has been sued repeatedly to require it to publicize the program in an attempt to attract recipients. It is now assumed by many that food stamps are a right, much the same as life, liberty, and the pursuit of happiness.

The resulting bureaucratic growth and cost of the program is nothing short of staggering. Eleven years ago there were 117 Federal employees involved in a program which cost under $31 million. Today, there are approximately 2,000 Federal positions and the cost is approaching $5 billion. This accounts for nearly two-thirds of USDA's budget. Currently, over 17 million people are participating in the program. What should be even more alarming to taxpayers is the Joint Economic Committee's study completed in 1974 which estimated that if current legislative trends continue, 25 percent of the U.S. population would be covered by the food stamp program by the end of fiscal year 1976. How much would this cost and who would pay for it?

The legislation I have introduced, H.R. 6269, would replace the current program with a nutritional revenue sharing program under which the States would be allowed to design and administer their own programs. The revenue sharing program would be funded for 5 years with authorizations decreasing from $4.5 billion the first year to $1 billion during the last of the 5 years.

Not only would this reverse the current direction in which we at the Federal level are headed, but it would allow the States to develop their own nutritional programs and to establish and enforce their own standards of participation, thus better insuring that tax dollars are used to assist the truly needy and not the "voluntary poor."

The legislation provides the same basic requirements for accounting and reporting that are found in the provisions for general revenue sharing.

For too many years our answer to social and economic problems has been, directly or indirectly, to generate more and more Government involvement in our society and our economy. If we are ever going to permanently pull ourselves out of the current economic malaise, we must resist the urge to create expensive new programs which are all aimed at worthwhile goals and all have such appealing titles and all of which are paid for out of the taxpayer's pocket. And we must work to pare those programs, such as the food stamp program, which are becoming so bloated and uncontrollable as budget items.

MORE INVESTMENT FOR MORE PRODUCTION

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. CONABLE. Mr. Speaker, as we endeavor to deal in Congress with the Nation's economic problems it is important that we understand what is necessary to achieve the goal of a strong, stable economy that we all desire. One of our colleagues from New York, the Honorable JACK KEMP, recently had some enlightening remarks about the importance of encouraging private investment, stimulating production, and restraining the overregulation of Government agencies which is hobbling our economic system. I am submitting a report on his remarks from the Buffalo Courier-Express newspaper, as well as a related editorial:

[From the Buffalo (N.Y.) Courier Express, Apr. 16, 1975]

KEMP CALLS INVESTMENT KEY TO ECONOMIC GAINS

(By Peter Andrews)

"One of the most incredible statistics of today's economy" said Rep. Jack Kemp recently "is the fact that well over 40 per cent of private income—corporate, business and personal—is being devoted to government at the state, federal and local level."

"When you add that to the fact that one out of every six people is working for the government at some level—a figure which has doubled in the last 12 to 14 years—you come to a point where you can see we are starting to consume in the public sector so much that we are starting to interfere with the production of wealth," he said.

"The only real way to increase the standard of living in America is to increase the amount of capital invested per capita," said the Hamburg Republican. He explained his economic views at a recent breakfast meeting with reporters at the National Press Club.

"As a nation, we are investing enough of our gross national product in new plants and machinery and equipment to upgrade our current industrial capacity. To that extent we have fallen behind our competitors in the world.

Last year we reinvested somewhere between 10 and 11 per cent of our GNP, while Japan's figure was 34 per cent, West Germany's 23 per cent, France's 24 per cent and even Britain's was higher than the United States," he said.

"In order to finance this year's deficit the Federal Reserve last month expanded the money supply at a rate of 15 per cent—and all of us who have any familiarity with economics realize that an increase in the money supply without a corresponding increase in productivity means inflation. It is not just the too many dollars in the equation, it is the too few goods that we also have to be concerned about."

"We have to stimulate savings, investment and capital formation to handle that other side of the equation—the stimulation of our economy to produce more goods."

"This is one of the great mistakes in the debate on energy—we have talked so much about conservation of energy, which is important, but there are not enough people talking about increasing production."

"It is incredible today that because of the regulatory agencies, it is against the law to lower the prices of certain services in our society—transportation for one. The strongest defense of the Civil Aeronautics Board comes from the presidents of such outfits as United Airlines who do not want World Airways and other competing firms to lower the prices on established air routes.

The CAB allows British Airways to service more domestic markets than we allow Pan American to service. The Export-Import Bank loaned Air France money at 6 percent interest because the airline wanted to buy a 707 from Seattle—because we want to stimulate exports—while Pan Am is paying 12 percent for their money. Boss Linco trucking lines in Buffalo cannot go the most direct route to Philadelphia because of the Interstate Commerce Commission.

"I am not suggesting we have a return to 18th century cutthroat competition—it is not a question of that—but these regulatory agencies should be promoting competition rather than inhibiting it. Last year the ICC made over 475,000 individual decisions as to routes and rates, what can be carried, what the profit can be etc. etc. Imagine that type of bureaucracy making a decision equal to the market place forces of competition!"

Kemp's answer to our economic problems is a program of fiscal restraint coupled with the deregulation of those agencies which are hindering free competition in the U.S.

He said estimates of what these regulations cost the consumer annually range from $20-to-$30 billion, in addition to artifically created shortages such as the natural gas shortage in Western New York. He said this was caused by the Federal Power Commission, which, since 1954, set the price of natural gas at such a low point that it stimulated consumption without stimulating production.

Today we are buying gas from Communist Algeria at four times the price of natural gas sold in interstate commerce, under the price allowed by the FPC, he continued.

I recognize there is no way the budget is going to be balanced this year for many reasons, but we ought to move to reduce the size of that deficit—it is out of control, absolutely out of control to the point where the bond market is being jeopardized and major financings are being called off. If the federal government is financing $170 billion in the 18 months, where is the money going to come from to finance the private sector?

"I think that capital formation is the most serious emergency that our country faces today. Where are we going to find the capital necessary to raise the standard of living, to make sure there is money available for the thrift institutions to loan out for mortgages, and to finance the industrial growth? There has not been a major expansion of our steelmaking capacity in the United States in the last 10 years."

With that Kemp deplored the direction that many members of the Republican Party seem to be taking now—the abandonment of the basic laws of economics. "I can win as an independent," he said, "but I think the President should not give up on his programs—I think he should draw the line and fight—and I just hate to see the party drifting away from these principles."

Kemp said there were some other Republicans who felt the way he did. They are an increasingly vocal reminder to the President and the rest of the Republican party that it appears to be losing some of its original constituency.

[From the Buffalo (N.Y.) Courier Express, April 19, 1975]

RIGHT KIND OF ECONOMIC THINKING

Part of the "good news" that government economists are pointing to as sign that the "bottom has been reached"—and the upturn begun—stems from the index of industrial output. And indeed the March report, listing the smallest rate of decline since last October, was energizing: The Federal Reserve Board noted that the output of consumer goods actually rose for the first time since last summer. Still, the over-all index showed the nation's factories, mines, utilities and so forth were producing 12 per cent less than in March a year ago.

Therein lies a point: In a recent talk at the National Press Club, Rep. Jack Kemp of Hamburg said that "we are not investing enough . . . in new plants and machinery and equipment to upgrade our current industrial capacity." Kemp also noted that "one of the most incredible statistics of today's economy" is that well over 40 per cent of private income is being devoted to government at the state, federal and local levels. He further stressed that one out of every six people is working for government at some level.

We agree particularly with Kemp's comments about what some of the policies of the so-called federal regulatory agencies have done to raise (inflate) the cost of goods and services to the consuming public at large (one of the major faults spelled out previously in remarks by the chairman of the Federal Trade Commission). Unhappily, the idea of tight fiscal (budgetary) restraint seems not very popular either in Congress or the White House at the moment.

But, as Kemp suggested (and Sen. James L. Buckley made a similar budget point the other day) Congress ought to be moving to slash or curb the size of the federal deficit. It could run as high as $80-billion. And it is a runaway engine capable of yanking the whole country off on another crushing ride on the inflation-recession roller coaster. We wish there were more legislators—federal, state and county—whose economic thinking was along the main line laid out in Kemp's talk.

GEORGIA'S 1974 FARM FAMILY

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. MATHIS. Mr. Speaker, I had the distinct honor of being present at the awards ceremony where Mr. and Mrs. Edward D. (Bob) Fiveash of Seminole County, Ga., were honored as being the Georgia Farm Family of the Year.

The Fiveash family epitomizes the highest ideals for which all Americans should strive. The goals they set for themselves and the attainment of those goals through perseverance, stamina, and faith in our American system should serve as an example for all Americans.

I am inserting the acceptance speech made at the awards banquet by Mrs. Fiveash for the benefit of my colleagues:

ACCEPTANCE OF AWARD—GEORGIA'S 1974 FARMERS HOME ADMINISTRATION FARM FAMILY OF THE YEAR

(By Mrs. Edward D. (Bob) Fiveash)

When we found out that the family would have to say a few words tonight, my family looked at me—and—when they did that I knew who was going to have to say these few words. And, you know, this is the first time in 25 years my family has offered to let me speak first. They said, "Mom, tonight you can have the floor all to yourself." And you know I don't mind one bit. These last two months have been so exciting for us, we'll probably be talking about it the rest of our lives.

We began farming on our own 20 years ago. Before that we sharecropped for 5 years and getting no where. So we started looking for a farm to buy. We found one and went to FmHA for a loan. They loaned us the money for the farm, and since October 25, 1954, we have been making steady progress, working for a higher standard of living for ourselves and our three children—Edward, Bobby and Sara. October 25, 1954, was a very special day in our lives; we got our new farm and also our new baby daughter, Sara, both on the same day, October 25th, 1954. We give all the credit to FmHA for our new farm—but they sure don't get any credit for our new baby daughter. Every year for the past 20 years on October 25th Sara has said, "Daddy, aren't you proud of this day, you got me and a farm all in one day." He says, "Yes, dear, I am proud." And, you know, I hope every year for the next 20 years, on October 25th she will still be saying, "Dad, aren't you proud?"

FmHA has been a major factor in our progress. When we began 20 years ago, they are the ones that stressed the fact to us to keep good records, to always know the best buy for our particular situation.

We have increased our acreage over the years from 212—to triple that amount. Planning long in advance if the land would be worth the price. Bob plans long in advance before he makes any major investment, then discusses it with the family to get everyone's ideas. We are a close family, and I pray to God every day we can stay that way. We all love farming, and we grow peanuts, corn, soybeans, cattle and hogs. The latter being my preference. I find hogs to be the most fascinating, irritating, unpredictable creatures on earth, but I love to work with them—even though sometimes they make me lose my religion. A word to you farm wives who help your husbands with their hogs—if he ever asks you to help him up an electric fence, which you need sometimes if you raise hogs, make sure you don't plug in the electric fence charger before your husband gets through working on it. If you do, you won't get spoken to for at least a week. But we have always been able to forgive and forget. We love our family and we love our farm.

Yes, I think you could say we are a Family of the Soil. We live out in our little corner of Seminole County, Georgia, The Empire State of the Southland, and we love it. It is here that my husband and I can have a richer and more complete companionship than is possible elsewhere. It is here, close to the heart of nature, that we, Partners with God, can find a greater joy in our work, because it is creative. It is here that our family relationships are closer than could be anywhere else. Yes, as a farm family, we can give ourselves toward placing agriculture on a firmer basis and make rural life what we want it to be. I think the family farm is here to stay, with proper planning and proper management and always keeping up with the latest in farming technology. I think the backbone of America's agriculture has long been the farm family. We have always looked toward the future with optimism and flexibility, and tonight we thank FmHA for giving us a start in farming. We wish to thank Mr. Reynolds and Mrs. Howard for their advice, guidance and help. These two people I know have devoted many years of hard work, helping thousands of people like us to a better way of life.

And, now, to Congressman Mathis, to Farmers Home Administration, to Mr. Reynolds and Mrs. Howard, we wish to thank you from the bottom of our hearts for this beautiful banquet, surrounded by our relatives, friends, acquaintances, and some we don't know, honoring us as 1974 State Farmers Home Administration Farm Family of the Year. We shall, as long as we live, never forget this memorable event.

GILMAN SEEKS AID FOR MUCKLAND FARMERS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. GILMAN. Mr. Speaker, in Orange County of the 26th Congressional District of New York, the clock is quietly ticking away the financial solvency of a number of large family-type farms which have been struggling to overcome the disastrous results of Hurricane Agnes in 1972.

Repeated efforts by my office to intercede with the USDA for the purpose of obtaining new loans or in the alternative to refinance existing indebtedness have proved fruitless. As a result, these muckland farmers in my district face the prospect of barren fields during this planting season.

The only real hope for these farmers now lies with this body.

Mr. Speaker, in order to more fully inform my colleagues concerning this critical problem and to enlist their support, I include the following letter from one of my constituent farmers, Anthony LaScala, depicting the present deplorable state of large family-type farms in this country, in this portion of the RECORD:

GOSHEN, N.Y.,
April 7, 1975.

Congressman BEN GILMAN,
Longworth Building,
Washington, D.C.

DEAR BEN: You have on record letters that I have written pertaining to the agricultural situation which I think shows the severity of the situation.

As of this date we have absolutely no direction as pertains to financing for 1975. As I have stated previously the United States and even the world cannot afford the luxury of squandor as pertains to farmers' talents and ability to produce food. Each date we receive or see press releases on malnutrition and starvation yet we persist (society as a whole and all of Congress categorically speaking) in forcing farmers to beg on bended knees for loans in order to produce food. We are not asking for grants but only for the chance to farm by granting us loans without going through 3 years of bureaucratic red tape.

It is completely incomprehensible to me that our great country has on its books legislation whose interpretation brings farmers into a state of serfdom while at the same time removing all means to rise above it. We as a nation have shown compassion to countries which we fought a few years ago by granting them grace and forgiveness by writing off their debt (Japan, Germany), we were willing to write off tremendous debts to Russia and even today we are granting aid to the mid-east and writing off loans but when it comes to the farmers of the United States who are literally and figuratively feeding the world—we are forced to mortgage our very families in order to produce food. Even with those rules we are pleading for financial help and because of our bureaucratic laws that hinge on stupidity we find ourselves without any funds with which to operate in 1975, after going through three years of financial hell.

Our legislators who created the laws governing the U.S. Department of Agriculture either forgot all about them after their creation or paid absolutely no heed as to their intent. The people working for the Farmers Home Administration are in fear of interpreting the laws liberally or in many cases of even interpreting them at all.

This department (F.H.A.) of the U.S. Government was created with the *intent* of helping farmers in situations such as ours. The laws have been interpreted to help within certain guidelines however they were not structured to help farmers in situations such as ours of—the interpretation was not made properly.

Farmers in almost every state are working under duress, many of us have suffered draught, floods, poor prices or a combination of these. In our area, 1972 was declared a disaster area (Presidentially declared), however the enclosed document also from the U.S. Department of Agriculture shows that 1973 and 1974 were as bad if not worse. Must the President of the United States declare an area as eligible for disaster aid under a set of rules and regulations that are archaic and inflexible? Can't common sense dictate such a policy if the case justifies it?

Changes must be mandated immediately or we will lose many of our farmers. The whole Mississippi Valley shouldn't have to flood for some of the farmers to be eligible for aid; we shouldn't have to have homes floating down the Hudson or Susquehanna Rivers to be eligible for aid in our area; the farmers of Minnesota, South Dakota, and North Dakota don't have to have a complete annihilation of their corn crop by flood and draught so that some are eligible for aid. My point is clear—a disaster could mean one farmer suffering one flash flood or one hail storm. Furthermore if the local banks can't loan (bona fide farmer) money to operate then the government should assume this responsibility—the alternative is complete apathy and I can assure you that your children will pay dearly in the very near future. We in Orange County, New York have fought this battle for 3 years with numerous trips to Washington, many meetings and will in all probability end with a law suite against the U.S. Government. It would have been much easier for us to give our security to our creditors and give up farming but some of us still *believe* that enough of our Congressmen care to resolve this issue because it is a class action issue.

A few congressmen cannot do it alone, it will take many of you on both sides of the fence to resolve this problem. It must be done in a nonpartisan way without biasness and with the attitude that many honest changes are due immediately.

We are willing to meet with any member of Congress at your convenience because we are only the first of the many farmers who find ourselves in this serious financial situation and who fully understand what must be done to resolve it.

Some of us have even turned to the Arab oil nations for help which should be an insult to our nation however we have no other recourse at this time.

I am hoping that enough congressmen come to the aid of family type farms both large and small before the situation becomes so acute that it be irreversible in nature.

Very truly yours,
ANTHONY J. LA SCALA,
President, Sleepy Hollow Produce Growers, Inc.

LEGISLATION ADOPTED BY DISTRICT OF COLUMBIA COUNCIL—JANUARY TO APRIL, 1975

HON. CHARLES C. DIGGS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. DIGGS. Mr. Speaker, I am submitting for the CONGRESSIONAL RECORD a list and short summary of the first seven acts adopted by the new Council of the District of Columbia.

Acts 1 to 1 and 1 to 4 took effect when signed by the Mayor and are only in effect for 90 days. They were passed by a two-thirds vote under the authority of section 412(a) of Public Law 93–198 which permits the Council in an emergency to waive a second reading of a bill.

The other five acts take effect 30 legislative days after being transmitted to the Speaker and to the President of the Senate. During that period the House and Senate could veto any of those five acts by adopting a concurrent resolution. Of course, Congress also retains the power to legislate for the District of Columbia in the ordinary way on any matter, whether within or without the scope of legislative power granted to the Council of the District of Columbia.

The House Committee on the District of Columbia has copies of the committee reports of the Council accompanying these acts. I shall be happy to make such reports and additional information contained in our files available to any Member upon request.

I include the following:

ACTS OF THE DISTRICT OF COLUMBIA COUNCIL RECEIVED BY SPEAKER ALBERT THROUGH APRIL 28, 1975

Act 1–1: A 90-day Emergency Act to implement the Emergency Unemployment Compensation Act of 1974 adopted by Congress in December, 1974. It provides supplemental unemployment compensation benefits for D.C. individuals who have exhausted their titlement to regular and extend unemployment benefits.

Act 1–2: Provides $100 per day compensation to citizen members of the D.C. Zoning Commission and the Board of Zoning Adjustment. This Act, requested by Mayor Washington, would cost approximately $30,000 per year. The public officials who are members of the Zoning Commission would not receive additional compensation.

Act 1–3: Reenacts Act 1–1 as permanent law.

Act 1–4: A 90-day Emergency Act to waive for trucks and stands vending ice cream and related products the new requirement for mechanical freezing equipment and to permit them to continue to use dry ice. The regulation had been adopted by the old City Council last fall. A bill has been introduced in the Council to make this change permanent.

Act 1–5: An amendment to the Condominium Law at the request of Mayor Washington, to permit condominium projects consisting of 5 or more detached single family units rather than just as row houses. This proposal was introduced by Chairman Diggs as H.R. 9926, 93d Congress (by request), but no action was taken by the Committee.

Act 1–6: Permits the Mayor to lease space under DuPont Circle for the development of abandoned trolley car tunnels. The Mayor intends to develop a commercial retail and entertainment mall generating additional revenue to the City tax base.

Act 1–7: Repeals a 1971 law that authorized the Mayor to pay a landlord the rental allotment of a public assistance recipient who had not paid his rent for 10 days.

The 1971 law was a rider to the D.C. Revenue Act of 1971. The rider was opposed in supplemental views signed by the following Members: Gude, Fauntroy, Diggs, Dellums, Link, Fraser, McKinney and Jacobs. The Conference Committee kept the provision but required notice and hearing.

ACT ENACTED

Number	Sponsor	Title	Transmittal date[1]
1-1[2]	Coates	To amend the District of Columbia Unemployment Compensation Act to provide for certain emergency unemployment compensation.	Jan. 23.
1-2	Tucker	To establish a rate of pay for Zoning Commission and Board of Zoning Adjustment members	Mar. 14.
1-3	Coates	To amend the District of Columbia Unemployment Compensation Act (Note: This supercedes act 1-1)	Mar. 14.
1-4[2]	Wilson	To modify the Vending Regulation (No. 74-39) with regard to ice cream vendors	Mar. 17.
1-5	Tucker (Mayor)	To amend the Horizontal Property Act (bill No. 1-12)	Apr. 31.
1-6	Tucker (Mayor)	To authorize the Mayor to permit the use of public space under Dupont Circle (bill No. 1-14)	Apr. 1.
1-7	Tucker (Mayor)	To amend the District of Columbia Public Assistance Act of 1962 (bill No. 1-13)	Apr. 3.

[1] Transmittal date—Except for emergency acts, acts passed by the council shall not take effect for a 30 day period (excluding Saturday, Sunday, and holidays, and any day on which either House was not in session) beginning on the day such act was transmitted by the Council to the Speaker of the House of Representatives and the President of the Senate. The act shall take effect on the day indicated unless both the House and Senate adopt a disapproving resolution.

[2] Indicates emergency legislation in effect for not more than 90 days.

LOOK WEST, MISS LIBERTY, AND SHINE YOU LIGHT

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. SIMON. Mr. Speaker, the backlash which so many of us in Congress have sensed on the part of people who have reacted unfavorably to any possible assistance by this Nation to the refugees from Vietnam is a reaction which grows out of frustration, over the obvious mess from which we have just extracted ourselves in Vietnam, and out of fear, on the part of many who face uncertainty about their jobs.

There can be no compromise on moving as rapidly as possible to guarantee jobs to all Americans, but there can also be no compromise of our fundamental ideals. And those ideals compel us to help suffering mankind, particularly those to whom we have a special debt as a result or our actions in Vietnam. The question is not whether we were right or wrong in Vietnam. History can decide that. Right now the question is whether we are going to help desperate people who out of great fear have sought help in this land of freedom. I voted for that help the other day and I shall vote for it again—soon I hope.

While I do not support the President in many of his policies, in this humanitarian gesture I support him completely, and I hope that enough of us speak out quickly so that the already tarnished image of this Nation abroad is not tarnished further. The best way to take care of the image is to take care of the substance. Congress must show that we care for people, both our citizens and those who do not claim our citizenship. This is a nation that cares, and we must show it.

I was proud to read the statement of George Meany, the president of the Nation's AFL–CIO, who took the stand which all Americans of conscience should take: We want to help people. This Nation became a great nation not by being selfish and narrow but by being open and warmhearted. In that connection, the Art Buchwald column in this morning's Washington Post is worth reading, for those of my colleagues who have not read it.

The article follows:

LOOK WEST, MISS LIBERTY, AND SHINE YOUR LIGHT

(By Art Buchwald)

The Statue of Liberty was gazing toward Europe when I tapped her on her shoulder. "Ma'am," I said, "if you look the other way, we have about 130,000 Vietnamese refugees coming in from Guam and the Philippines. I thought you might hold your torch high and light the way for them."

The statue seemed irritated. "We have too many people in this country now. What am I going to do with 130,000 Orientals?"

"The same thing you did with everybody else. Welcome them. They're tired and they're poor and they are yearning to breathe free."

"And what about jobs? Who is going to support them?" she said petulantly.

"You never worried about that before," I said. "Whoever came to this country eventually found jobs, and almost all of them made very good citizens. There is no reason to think the Vietnamese will be different. After all, you are the mother of exiles."

"Times have changed," she growled. "The American people are not that thrilled about having a bunch of refugees dumped on them. Who is going to feed them? How many will go on welfare? How do we know their kids won't get in trouble in the streets? We have enough problems in this country without asking for more."

"But," I pleaded, "we're responsible for them being refugees. We screwed up a country like it's never been screwed up before. We supported their corrupt governments, loaded them down with weapons they couldn't use, defoliated their rice paddies and wrecked their families.

"We left the country in a mess. The least we can do is take in whatever huddled masses escaped to our teeming shore."

"That's easy for you to say," the Statue of Liberty replied, "but we have to think of Americans first. They don't want any more foreigners in this country."

"But most of our fathers and grandfathers and great-grandfathers were foreigners. You've welcomed them all. Tell me the truth. Do you have anything against Orientals?"

"I don't personally. But you know how some people are. The Vietnamese have different habits, and they're from another culture. They just don't fit in. Besides I'm supposed to welcome the homeless from Europe. That's why I'm looking in that direction."

"These people need refuge," I protested. "Their lives are in ruins. Remember a few weeks ago when they flew in orphans from Vietnam and Cambodia? Nobody seemed to object to that."

"It's not the same thing," the statue said. "You can adopt orphans. But what can you do with refugees?"

"Help them find homes, jobs, make them citizens."

"It's out of the question. It isn't our fault they lost the war. Look, no one minds one or two Vietnamese in a community. But you're talking about thousands. They'll stick out like a sore thumb. The unions would never stand for it."

"Please don't turn your back on them," I begged. "If somebody just said, 'Welcome. We're glad you came,' most Americans would go along with it. The American people gripe a lot, but they'll do the right thing if somebody leads them. If you could shine your torch toward the Golden Gate bridge, perhaps the people will be ashamed of the way they've behaved."

The Statute of Liberty turned slowly. There was a tear in her eye. "I've been here so long I almost forgot why I was holding this lamp. Where did you say I should shine my torch?"

"Over there. Hold it as high as you can and point it toward the West so every American can see it. That's it. Now repeat after me, 'Send these, the homeless tempest tossed to me, I lift my lamp beside the golden door.' "

THE SEPARATION OF EDUCATION AND STATE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. McDONALD of Georgia. Mr. Speaker, our system of government was founded on the belief that the power of government, which by its very nature constitutes the legalized use of coercion and force, must be limited. This was the purpose of the Constitution of the United States.

So well did the Founding Fathers understand the nature of government, that they placed certain areas of human activity entirely outside the sphere of government authority—for example, speech and religion—whereas power over any other area not specifically granted to the central government, was to be reserved to the States or to the people.

Thus while the principle of the separation of church and state was explicitly stated in the Constitution, the separation of state and many other spheres of human activity was expressly implied by the 10th amendment.

One of these areas is education. Although Federal aid to—and control of—education continues to grow, it is still unconstitutional. And well it should be: the arguments for the separation of church and state are the same arguments for the separation of education and state.

This is the subject of an excellent speech by Dr. John A. Howard, president of Rockford College, presented at the annual meeting of the American Association of Presidents of Independent Colleges and Universities on December 6, 1974, at French Lick, Ind.

I commend the speech, titled "Principles in Default," to the attention of my colleagues:

PRINCIPLES IN DEFAULT

Sometimes it is helpful when dealing with a complex and emotion-laden issue to back off from the specific points of concern and try to view the matter in the context of basic purposes and basic principles. Let me attempt such an overview with regard to the government's programs to enforce equal opportunity on the campuses.

There has been a generally accepted recognition that it would be unwise in our country to commingle the responsibilities of church and state. This principle derives from the fact that the two have separate functions to perform, and that neither should have control over the other to such an extent that force could be used to require the functions of one to accomplish the chosen purposes of the other. This separation essentially frees both to be operated according to the judgments of people selected for their competence in their respective fields. The separation has a subordinate virtue of permitting either one to use its own techniques for discouraging flagrant error on the part of the other. For example, one would expect government to prevent the burning at the stake of even the most thoroughly authenticated witches. That kind of intervention, is however, something far removed from government's prescribing the qualifications for becoming a clergyman or trying to influence the subject of the sermon or the amount of money spent for hymnals.

There is, I believe, an equally compelling need to maintain a separation of education and government, a need that derives from the same justification. Education and government have separate functions to perform. Government's work is to regulate, adjudicate, and protect the citizens in those activities which, through properly authorized procedures, have been judged to be necessary for the good of the society. Education's role is to inform and activate the intellectual and aesthetic powers of man so that he may dream, probe, invent, compare, judge, challenge and create—to the end that knowledge shall prevail over ignorance, wisdom prevail over folly, and humaneness prevail over savagery. The people who are trained and competent in government can scarcely be expected to have the expertise to make proper judgments to guide education, and vice versa. Education cannot prosper in a society if it is operated by amateurs, and neither can government.

In the case of the separation of education and government, there has been no traditional axiom comparable to the separation of church and state. I would suppose that that lacuna reflects an enduring assumption that the fundamental requirements of academic freedom have been so clear and would always be so fiercely guarded it was unthinkable that government would ever usurp the prerogatives of academic decision-making. At all events, the recognition that education needed to be free of government domination was almost universal among American educators until seventeen years ago.

In 1945, the Problems and Policies Committee of the American Council on Education, and the Educational Policies Committee of the National Education Association met in an unprecedented joint session to consider a matter of the gravest concern to both. From that meeting issued a statement of alarm. I quote the opening paragraphs:

"The first purpose of this document is to warn the American people of an insidious and ominous trend in the control and management of education in the United States.

"For more than a quarter of a century, and especially during the last decade, education in the United States, like a ship caught in a powerful tide, has drifted ever further into the dangerous waters of federal control and domination.

"This drift has continued at an accelerated pace during the war. Present signs indicate that unless it is sharply checked by an alert citizenry, it will continue even more rapidly after the war.

"It is the deliberate and reasoned judgment of the two educational commissions who join in the appeal which this document makes to the people of the United States that the trend toward the federalizing of education is one of the most dangerous of the current scene."

I ask you to remember that that warning cry emanated from the policy committees of NEA and ACE. Their fears of pressure in behalf of government funding were, of course, confirmed by events that followed. President Truman in the late forties pressed hard for legislation to provide federal aid to education. College presidents across the nation were rallied under the leadership of Carleton College's President Emeritus Donald Cowling, sending strongly worded messages to Congressman Graham Barden, Chairman of the House Subcommittee on Education.

Northwestern's President Franklyn Snyder wired Mr. Barden, "I sincerely hope that neither HR 4643 nor HR 4711 will be approved by your committee . . . The American educational system . . has been built on the principles of local autonomy and local responsibility. No need has yet arisen which justifies discarding these principles." The Very Rev. Vincent Flynn, President of St. Thomas College, wrote the Congressman, "None of our institutions in America is perfect . . We wish them all improved, but not by any means whatever . . Least of all, in my opinion, do we wish our educational system improved by means inherently dangerous. Far better for it to struggle along with its imperfections, gradually improving as its constitutents grow in wisdom, than to have it immediately raised to standards set by federal authority. The ways of freedom are often slower than those of despotism; but most Americans, I submit, *still prefer* freedom to any despotism, however benevolent." Florence Read, President of Spelman College, wrote, "To have permanent federal support for education on any level would, in my judgment, tend toward dictatorship by a bureaucracy which would endanger the freedom and growth of all individuals in this country. There could hardly be anything worse than an imposed system of education without regard to differences in community conditions."

And so the messages poured in from the presidents of Columbia University, Brown University, Elon College, Fulton College, Yankton College, Union College, and a host of others, and the legislation was defeated. Grinnell's President Samuel Stevens then wrote Dr. Cowling, "We may have succeeded this time in stopping this most unwise development, but I am of the opinion that unrelenting vigilance will be required. One member of the . . lobby said to me, 'You may stop us now, but we are not going to be finally denied.' "

The historic belief among educators that general governmental funding would compromise education held relatively firm until October 4, 1957. Sputnik Number One sent a chill into the hearts of all Americans with the realization that Russia had outdistanced us in space technology. As a result of that scare, even the educators were suddenly, if reluctantly, willing to grant new powers to the government, overriding the historic and well-reasoned objections to federal funding of education. The National Defense Education Act of 1958 put into being vast new programs that embraced under the label of "defense" activities that certainly stretched the meaning of the word.

The wall of principle was broken and a new era arrived. Each group began to press its case for federal subsidy. As Homer Babbidge and Robert Rosenzweig wrote in their 1962 book, *The Federal Interest in Higher Education,* "There is a kind of tacit understanding among the several organizations in American higher education that no one of them will openly object to federal benefits directed toward another group . . . Where one educational association can support legislation that will benefit another, it does; where it cannot support such legislation, it at least remains silent." Even in 1962, however, there was still a residue of concern for principles and for sound public policy that had thus far blocked legislation to subsidize building construction. Quoting again from the Babbidge Book "Another obstacle in the construction-legislation affair that offers insight into a broader problem was the fact that education assembled could not resist the instinct to speak as statesmen. That may sound cynical, but the fact of the matter is that the very same educators who attested to their need for and interest in federal assistance when they responded to the aforementioned questionnaire were those who understand their common interest by questioning its wisdom in the context of public policy. When they debated the possibility of aid to higher education. they were not content to describe their needs and the most effective manner of meeting them, instead they took on the larger issue, whether it would constitute sound public policy to meet these need . . . What the Executive Secretaries (of the national organizations) did not do was to attract attention to the issues involved. Their years in Washington had taught them what others may not have understood so clearly, that effective pursuit of one's interests often involves finding ways to avoid broader issues that serve to obstruct action, and never involves raising such issues gratuitiously."

Well, as you know, the Executive Secretaries won out. Principles and issues were subordinated to self interest. The people who still objected to federal funding were to some extent placated by protective language written into the funding legislation. Typical of this presumed safeguard was section 102 of the National Defense Education Act which states, "Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school system."

Those few educators who still persisted in their concern were subject to mockery. Turning once more to Babbidge and Rosenzweig, ". . . The argument seems to suggest that no limits can be placed upon a federal-institutional relationship once begun; that a first kiss leads inexorably to the total surrender of virtue. A terribly Victorian view, to say the least. In the view of those who take this position and make this use of the federal-control issue, institutions are helpless to resist the encroachments of government. The autonomy of higher education is threatened by 'creeping' federal aid and 'insidious' federal envelopment. The lurid manner in which the inevitability of all this is described has led to its being dubbed the 'parade of horrors' argument."

Unfortunately, many of the proponents of federal funding were skilled in directing public discussions of the federal aid issue to those arguments they could turn aside with such derision. I think it may be useful to remind ourselves of some of the less publicized reasons stated by former generations of college presidents in their opposition to federal funding, and note briefly what has happened in each case.

1. Given the separation of church and state, there was a fear that as state moved into education, church would be obliged to move out. In the Maryland Case, as you may know, the State Supreme Court found that several of the colleges being subsidized by the state were so closely affiliated with their churches that it was unconstitutional to provide them with government funds. Thereafter the question became how much church did a college have to get rid of in order to receive government funding. It may have been coincidental, but shortly thereafter a number of church-related institutions reconstituted their boards of trustees, markedly diminishing the number of clergy who served as trustees. In the succeeding years, as we know, the role of religion on many campuses has diminished greatly.

2. There was a fear expressed that when education became dependent upon federal funding, the educational profession would become a political captive, forced to support whichever candidates were likely to vote for the most federal subsidy. In 1972, the NEA put major emphasis on the re-election of Senator Clayborn Pell, the federal aid enthusiast who serves as Chairman of the Senate Subcommittee on Education. After the election, Senator Pell was quoted as saying, "My election is a victory for teacher power. Before the teachers began to help me, I was a two-to-one underdog." Encouraged by their success in 1972, the NEA, I understand, worked in behalf of quite a number of "friends of education" in the 1974 elections.

One other aspect of the political captivity hazard is the question of whether educational institutions, having become dependent upon the flow of Federal money, might diminish their resistance to damaging legislation or mute their objections to inappropriate regulatory control. Certainly educator's arguments against objectionable provisions of the 1969 Tax Reform Act and other recent legislation have not achieved the intensity nor the public clamor that characterized the resistance to the disclaimer affidavit of the National Defense Education Act back in the days when Federal funds were much scarcer on the campus.

3. The fear was expressed that educational institutions might forfeit the initiative in planning their own instructional and research programs, responding to those opportunities for which federal funds were available, rather than planning their programs to fulfill their own institutional purposes according to the talents and training of their own faculties and the locally determined judgments of the needs of their students. The president of one metropolitan university stated in a speech that when it was decided to add Ph.D. programs to the university offering, the first eight programs were all in science, developed with the help of federal funding. Do you suppose that left to their own resources, the faculty would have excluded the humanities and social sciences in the initial provision of doctoral programs? Other examples of the skewing of higher education resulting from the availability of Federal funds might include the great expansion of the research function and the relative decline of the teaching function of the professors, the trend toward similarity of programs and policies among the colleges, and the preoccupation with innovation in academia.

4. Another concern that was repeatedly cited is the ever multiplying cost of sustaining the bureaucracy which processes the grants. Not only must the government provide an army of clerks, accountants, secretaries, compliance officers, supervisors and lawyers to receive the requests, judge them, issue the funds, monitor and spot check the performance of the grantee, and audit the records, but the colleges, too, must pay for personnel to keep apprised of the grant opportunities, prepare the requests, keep records on the utilization of the grants, fill out the forms required by the government, provide legal counsel, etc. If higher education is short on money nowadays, think of the enormous amount of financial resources spent on the processing of grants which might otherwise be available for productive activity.

5. The one other argument I would cite is that of direct federal control, the one so condescendingly set aside by Messrs. Babbidge and Rosenzweig. Going clear back to the National Defense Education Act, one finds even in that early legislation an instance of policy imposed on the colleges and universities which would have brought instant and forceful rejection from any self-respecting college, had it been proposed by any other source of funds. That Act, among other things, provided for the establishment and the total subsidy of language institutes at institutions of higher learning where language teachers could improve their skills. The bill provided full tuition for the students who enrolled in these institutes and, in addition, a stipend for their living expenses and for each of their dependents, but the latter benefits were only available to public school teachers. Teachers in private schools were excluded. I do not believe there is a reputable college in the country that would tolerate such a double standard in any program of its own devising. And yet scores of erstwhile honorable institutions compromised their integrity on that matter in order to obtain the language institute programs from the federal government.

As you know, the early posture of government officials insisting that they would not control education through the leverage of federal subsidies faded away in the early sixties. When several of us called on Commissioner Francis Keppel to present a recommendation for using the gift tax-credit as the best means for government to aid education, if government insisted on providing aid, the Commissioner quickly responded that such a plan was out of the question because it would "prevent us from accomplishing our social objectives." He did not elaborate on what they were, but it was apparent that he intended to use government funds to bend American education in the direction of government's purposes. By April of 1966, such comments from government officials were no longer confined to office discussions. Commissioner Harold Howe gave an address at the New Jersey Conference on Education, entitled "Who's In Charge here?" He stated, "Your state government pays only 21% of the cost of education in New Jersey. By that index, it ranks 46th in the nation. What does that mean? It means that your state has relatively little control over education . . . In spite of the fact that extending state prerogatives would diminish local freedom, I support that extension."

And now, we are faced with the ultimate in governmental usurpation of the control of education—the dictation and supervision by the federal government of policies which have the effect of preventing the college from appointing and promoting its faculty according to their academic competence. Through the Affirmative Action program, education is now being forced to subordinate its own proper purposes and functions to the purposes and functions of the government. The separation of education and government has now collapsed.

The grave distortions of the educational enterprise which have resulted from this regrettable circumstance are being publicly recited with increasing frequency. George Roche's book, *The Balancing Act,* presents perhaps the most comprehensive survey of the problem. On October 10, Estelle Fishbein, the Special Assistant Attorney General for the University of Maryland, presented at the annual meeting of the American Council of Education, a lawyer's view of the price paid by a university for its subjugation to Affirmative Action. Among the points she listed were, and I am paraphrasing:

1. The laws, statutes and executive orders pertaining to equal employment opportunity are so numerous and so broadly stated that legal counsel is becoming involved in institutional decision-making to an unprecedented extent.

2. The compliance officers of the government much too often seem to measure equal employment opportunity progress solely with reference to numbers. There is, after all, no government agency which is charged with measuring progress toward academic excellence. Often the government investigator is unqualified to delve int academic affairs and make a knowledgeable and reasoned judgment of the facts presented to him.

3. The legal hazards flowing from a failure to comply with these laws include the possibility of the loss of government contracts and of being named as a defendant in litigation undertaken both by members of the groups intended to be protected by the legislation and by individuals who perceive themselves to be victims of reverse discrimination.

4. In their fear of not meeting the government's requirements, institutions are bidding frantically against each other and may offer salary or rank, or both, vastly disproportionate to the candidate's credentials, just to appease the government investigators.

5. Blatantly favored treatment of a woman or a minority member is practically guaranteed to impair morale of other faculty members.

6. In their present mode of organization, the Equal Employment Opportunity Commission and the Department of Health, Education and Welfare simultaneously act in the roles of prosecutor and judge. This duality defies the most basic tenets of American judicial philosophy. Furthermore, the agencies charged with enforcing anti-discrimination laws are not neutral fact-gatherers. EEOC, for example, is frank to admit it considers itself an advocate of the complainant.

7. University administrators and faculty members who have responsibility for hiring, admit feeling intimidated with regard to personnel decisions, for in state universities the individuals responsible for hiring are personally subject to legal action seeking monetary damages in cases alleging discrimination.

8. The amount of time, money and talent that must be diverted from the adademic mission in order to deal with these maters is substantial.

If you have not seen Attorney Fishbein's paper, I urge you to study it.

Let us register on a proposed new extention of government's forthright control of education. Recently Senators Javits and Kennedy introduced legislation designed to force every fledgling doctor who graduates from a medical school that uses federal funds to begin his or her medical practice in areas designated by the government. Concerned about the unequal distribution of doctors, the proponents of the bill have judged that since the government pays for a large part of the medical training, the government has a right or an obligation to make sure that all the citizens get their proper return on that investment of their tax funds. If that rationale should prevail, then the leverage of federal subsidy will have reached beyond the campus into the working lives of the graduates, an extension of federal control far beyond the most extravagantly fearful projections of the "parade of horrors" people who were scoffed at by Babbidge and Rosenzweig.

Returning now to the matter which prompts this analysis, we have just heard a presentation by Miss Gwendolyn Gregory who has major responsibility in the Depart- of HEW for drafting the terms of the regulations governing sex discrimination under Title IX of the Education Amendments of 1972. She has reported to us what our government proposes to permit us to do and to forbid us to do with regard to hiring of our personnel, admissions, scholarships and financial aid, counselling services, physical education courses, dormitory regulations, honorary societies, athletics, and fraternities and sororities. It has been an enlightening experience to hear the representative of our government speaking with the presumption of full authority over certain aspects of our entire educational undertaking. An enlightening experience and, for college executives who believe in the separation of government and education, a frightening experience.

Well, what is the purpose of this historical review of the relationship between higher education and the government? It is to give us perspective on our response to this newest massive intervention in our proper and once discrete areas of responsibility and judgment. I suggest that we not attempt merely to negotiate a less burdensome implementation of a governmental action which is fundamentally erroneous in its concept and devastating in its consequences. This is the mistake education has so often made in the past. It is time for us to face directly and forthrightly the issue which is really at stake.

The Swiss philosopher Amiel observed, "Truth is violated by falsehood, but it is outraged by silence". Let us rescue truth from outrage. The fact is that the loss of autonomy predicted by Northwestern's President Snyder, the creation of a federal despotism predicted by St. Thomas's President Flynn, the dictatorship of a bureaucracy which threatens the freedom of all citizens predicted by Spelman's President Read have all come to pass. The National Defense Education Act ban on federal control has been nullified. The alarm expressed by the commissions of the National Education Association and the American Council on Education has been fully justified.

I suggest we request the President of the United States and the Congress to acknowledge that a terrible mistake has been made, that the provision of federal subsidy to evolved is restricting and homogenizing and higher education in the manner which has stultifying and warping the educational process to such a degree that the integrity and vitality and productivity of our educational institutions are gravely compromised. I suggest we request the Congress to declare a moratorium on any implementation of title IX, and refrain from enacting any new regulations governing higher education until a thorough and honest review can be completed which evaluates the present techniques of federal support and their actual impact upon the educational enterprise.

The separation of education and government is so absolutely essential to the well-being of a free society, that it behooves the Congress to examine the tuition voucher plan, the tax credit for gifts to educational institutions, and any other options that can be devised which would protect the integrity and the autonomy of the colleges and which might be put into operation, gradually substituting for and phasing out those programs of grants which have proved to be the basis for the governmental dominion over education.

That it should fall to our particular Association to assume the leadership in this call for a re-evaluation is most fitting, for our central purpose has consistently been to protect the independence of private colleges, and independence is clearly what is at issue. In this case, of course, it is the independence of all colleges and universities, public and private, which has been circumscribed.

Let me conclude these remarks by a reminder of another prediction which bears on our present concern, one that was directed at the private colleges. Seven years ago, Alan Pifer, President of the Carnegie Corporation, in his address at the annual meeting of the Association of American Colleges asserted, "The financing of higher education will, like the support of agriculture, more and more come to be regarded as a federal responsibility." He went on to suggest that the government should set standards of efficiency and productivity, and it should make judgments about which educational institutions are worthy of support, rather than distribute funds according to some general formula. Finally, he foresaw the ultimate elimination of any significant distinction between public and private colleges.

His first forecast is, I believe, on its way to being fulfilled. Certainly the fate of American higher education is just as regrettably vulnerable to the ebb and flow of government's purposes and judgments as is the fate of American agriculture. Whether the private colleges shall ultimately coalesce into a common glob with their public brethren, funded and directed from Washington according to Washington's judgments of each institution's merits, may well depend upon how much understanding, wisdom and courage we can summon at this meeting, and how we choose to respond to our present circumstances.

REINTRODUCTION OF PRISONER RIGHTS ACT

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. BADILLO. Mr. Speaker, I have consistently supported the idea of strong, affirmative action to insure that basic human and civil rights are granted to prisoners. Because of this commitment, I have received grievances and testimony from prisoners across the country and have observed conditions in many prisons including the Tombs and Attica. I have become convinced by the evidence that one of the fundamental causes of prisoner unrest is the denial of those basic rights of human dignity and just treatment. Indeed, an analysis of prisoner grievances indicates that the major complaints of prisoners, the denial of those basic rights are nearly identical in nature from one jurisdiction to another.

Prisoners have sought to call public attention to this situation and to bring about an improvement in prison conditions. Importantly, they have also sought a mechanism for maintaining the improved conditions after public attention would insure that prisoners could redress their grievances in a peaceful and positive manner.

The bill I reintroduce today, H.R. 3200, the Prisoner Rights Act, establishes such a mechanism. The need for such a mechanism has been clearly established. It would provide a means by which acts of brutality against prisoners and other forms of unjust treatment could be ended.

The bill sets forth basic principles in the treatment of prisoners in Federal correctional institutions. The bill affirms the fact that prisoners retain all the rights and privileges of the ordinary citizen, except those expressly withdrawn by law.

In addition to declaring that prisoner rights include such things as the right to adequate meals in compliance with the religious dietary laws of the individual involved, medical care and acceptable level of sanitation, proper housing, protection against physical and psychological mistreatment, it also stipulates that Federal penal and corrections officials will be responsible for maintaining these minimum standards and taking steps to prevent inhumane treatment of inmates.

Included in the legislation are minimum rules for the treatment of prisoners placed in solitary confinement; that is, the cell must be as large as other cells in the institution; the person must receive at least 2,500 calories of food while confined; the cell must be adequately lighted during daylight hours; and the necessities of civilized existence such as a toilet, bedding, adequate clothing, and water for drinking and washing must be provided. Additionally, solitary confinement is to be solely used for the protection of the person or to protect others and should not continue beyond the duration of the emergency period, unless approved by a medical doctor.

The Prisoner Rights Act also requires that the Attorney General establish a grievance procedure for prisoners and the procedure must provide for an investigation of alleged grievances by independent investigators appointed by the Attorney General.

While I recognize that the Prisoner Rights Act may not be a panacea, it does represent an important beginning and will hopefully serve as a model for State legislative action. I am reintroducing the bill today with the following cosponsors: Hon. Bella S. Abzug, Hon. Glenn M. Anderson, Hon. Edward P. Beard, Hon. Alphonzo Bell, Hon. Lindy Boggs, Hon. George E. Brown, Jr., Hon Phillip Burton, Hon. Shirley Chisholm, Hon. William Clay, Hon. Cardiss Collins, Hon. John Conyers, Jr., Hon. James C. Corman, Hon. George E. Danielson, Hon. Ronald V. Dellums, Hon. Robert F. Drinan, Hon. Don Edwards, Hon. Walter E. Fauntroy, Hon. Donald M. Fraser, Hon. Michael Harrington, Hon. Augustus Hawkins, Hon. Henry Helstoski, Hon. Elizabeth Holtzman, Hon. Edward I. Koch, Hon. Romano L. Mazzoli, Hon. Ralph H. Metcalfe, Hon. Helen Meyner, Hon. John M. Murphy, Hon. Robert N. C. Nix, Hon. Edward W. Pattison, Hon. Benjamin S. Rosenthal, Hon. Edward R. Roybal, Hon. Fortney H. Stark, Hon. Patricia Schroeder, Hon. Louis Stokes, Hon. Stephen J. Solarz, and Hon. Henry A. Waxman.

We would appreciate your support and cosponsorship in the future.

MIGRATION AND REFUGEE ASSISTANCE ACT OF 1975

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. ANDERSON of Illinois. Mr. Speaker, yesterday I introduced H.R. 6652, the administration's Migration and Refugee Assistance Act of 1975. This bill authorizes appropriations over a 2-year period to cover the evacuation and resettlement of Vietnamese and Cambodian refugees. While the bill provides that funds shall remain available until expended, none would be available after June 30, 1976 except those necessary for carrying out clauses (3), (4), (5), and (6) of section 2(b) of the Migration and Refugee Assistance Act of 1962 as amended. Those clauses relate to functions within the U.S., and section 3 of the bill I have introduced extends to the Vietnamese and Cambodian refugees assistance currently available to Western Hemisphere refugees; namely, assistance to State and local public agencies, transportation of refugees to other areas within the United States, and training for employment. The same financial need requirement of the 1962 act would be applicable to the new refugees.

Mr. Speaker, it is estimated by the administration that in the next 14 months $507 million will be needed to carry out a program of temporary relief, transportation, and resettlement in the United States and third countries of 150,000 Vietnamese and Cambodian refugees. The legislation which I have introduced is urgent and essential since only $98 million is available under existing authority for the evacuation program, and the Defense Department has already incurred costs of over $70 million. It is estimated that without additional funds, the U.S. Government will be able to continue the resettlement program for only 1 more week. I would therefore urge that the appropriate committees and the Congress give this legislation the emergency attention which it requires.

Mr. Speaker, I have been disturbed and even ashamed in recent days by the reaction of some Americans, even some Members of Congress, that we should lock our doors, turn our backs, and even return to Vietnam these refugees from Communist aggression and potential oppression. Have 200 years of independence from tyranny brought us to a point at which we have forgotten who we are, whence we came, and what we represent? I sincerely hope not. Has the welcoming torch of freedom held high by the Statute of Liberty—that "Mother of Exiles"—been snuffed out, condemning to eternal darkness the hopes of those who would aspire to live in the "land of the free?" I sincerely hope not.

Mr. Speaker, we have long prided ourselves on our historic tradition of being a "nation of immigrants," a "melting pot," and a haven for those fleeing persecution. Our Nation was founded by people fleeing from religious and political persecution. Following World War II this Nation welcomed some 450,000 displaced persons; between 1953 and 1956 we took in some 189,000 refugees from Eastern Europe; between 1956 and 1957 we accepted some 30,700 Hungarians; and, most recently, between 1959 and the present, we absorbed some 675,000 persons fleeing Communist Cuba. The number of Indochinese refugees is palish in comparison with some of these earlier humanitarian efforts and is but a small percent of the total number of legal immigrants who will be arriving anyway this year.

Mr. Speaker, the early reaction against welcoming these refugees has been attributed in part to our current economic situation. It is argued by some that with the Nation's unemployment nearing 9 percent, we can ill-afford to asborb these refugees into our economy—that they would be competing for scarce jobs. But, when one considers that a large number of these refugees consists of women and children and dependents of American citizens, this employment factor is minimal in impact. Moreover, the administration has announced that every effort will be made to insure that resettlement will not be concentrated in a few enclaves in the country and therefore will not result in economic hardship. And the legislation which I have introduced would make it possible for the Department of Health, Education, and Welfare to provide full reimbursement to State and local social service and health agencies for costs they may incur in providing income assistance, health maintenance, social services, and educational services to those refugees who are in need of such assistance.

It has also been suggested that the negative reaction is connected with American disgust for the war, America's involvement in it and the tragic toll it has already extracted from our society. Americans would now like to put it all behind them and forget, yet these refugees bring it all home once again as a lasting reminder. Harvard sociologist David Reisman has explained it this way:

> Americans are full of self-pity. We are all justifying our grievances by striking out at others. The national mood is poisonous and dangerous and this is one symptom—striking out at helpless refugees whose number is infinitesimal.

Mr. Speaker, while it is understandable that many Americans would like to once and for all wash their hands of Vietnam and forget, the fact remains that we cannot and should not forget an experience which has left such a deep scar on our national psyche and which could be repeated if we fail now to face up to the lessons of that experience. By the same token, the refugees are a fact of that experience—they are here, they are with us, and we must squarely confront that fact and deal with it rationally and morally. It just will not do to claim that our original involvement was immoral and therefore we have no moral obligation to its victims. That is like saying that father has no moral commitment to a child born out of wedlock because the act of conception was immoral. To a great extent, America has fathered these refugees because of their close association with us over the years. As Neil Sheehan has written in the April 22 Washington Post:

The United States has a profound moral commitment to Vietnamese who placed themselves and their families in jeopardy by taking the American side in the long war against their Communist-led countrymen . . . Precisely who was responsible for the original policy and who is to blame for the current debacle is beside the point at the moment. The end has come. The only thing that matters now is to make the U.S. exit from Vietnam as decent as possible in terms of the human obligation involved. If there is any American honor and any American credibility to be salvaged from the Vietnam venture, it lies in fulfilling that human obligation to those Vietnamese who put their faith in us.

In a similar vein, Robert Tucker has written the following in the May issue of Commentary:

The responsibility for granting asylum must be seen as a kind of litmus-paper test of the sense of obligation we feel, if not toward those who will be placed in danger for whatever reason in a new regime, then at least toward those who have compromised themselves through past association with us . . . Nor is it only a matter of simple moral obligation that is involved in the case of Vietnam; it is also a test of the racism which we have been taxed by others, and particularly in our attitudes and actions toward Asians. A refusal to make every effort to take in those Vietnamese who wish to leave and whose position has been compromised by us will confirm, as perhaps nothing else could, the charge we have so indignantly denied throughout the war.

Mr. Speaker, I would sincerely hope that this Congress will have the guts, the good sense, and the moral decency to lead American public opinion in this area rather than simply follow the perceived passions of the moment, and that this leadership will reflect in prompt consideration and enactment of the administration's humanitarian relief legislation. I, for one, am confident that the American people, upon sober reflection and with strong and responsible political leadership, will ultimately accept these new refugees in the same fine tradition in which we have welcomed so many before them.

At this point in the RECORD, Mr. Speaker, I include an editorial from the May 2 Washington Post, "The Newest Americans," and a column from the May 5 New York Times by Anthony Lewis entitled "Reminders."

[From the Washington Post, May 2, 1975]

THE NEWEST AMERICANS

The 50,000 Vietnamese evacuated by the United States, and perhaps 30,000 others who made their own way out, have already provoked controversy in the country in which most of them hope to make their homes. Some of this is the result of the haste and confusion of evacuation, some the result of bad planning or non-planning by the administration, and some the result of misunderstanding and meanness among American citizens. Unless the whole refugee situation is taken promptly into hand, a nasty pall will be cast over a valid and necessary rescue operation, and many individuals—"old" Americans as well as the "new" Americans—may be unnecessarily hurt.

It needs first to be understood that the Vietnamese are here because, in honor, the United States gave them the personal choice. They were not kidnapped; they are legitimate refugees. If some in the "high risk" category are the mandarins of Vietnam, corrupt generals, failed politicians, greedy businessmen with satchels of gold, even they do not thereby automatically lose their claim to American refuge. For like it or not, the United States did invest its political fortunes in those people. Some larger number of the newest Americans, however, can be said to be honest and conscientious Vietnamese who believed in their cause and who associated with Americans out of concern for their own country and for something other than personal gain. They deserve our special respect, however hard it may be to separate them from the others in an official way.

The problems of receiving these immigrants are considerable but hardly unmanageable. Despite a spreading contrary impression, the numbers involved are relatively small, perhaps only 12 or 15 per cent of the total of legal immigrants who would be arriving anyway and a much smaller part of the annual total of illegal immigrants. The federal government has an unarguable responsibility to assume whatever financial load falls upon both the voluntary agencies that are belatedly being called on to handle the relocation, and state and local governments that face additional costs. Given the economic slack in the country, it is altogether reasonable that the burden of care be dispersed geographically as widely and fairly as possible. This is the best way to ensure that anxieties about job competition, welfare payments or cultural assimilation do not undermine the sympathetic welcome that Americans have traditionally offered to immigrants.

It is particularly important that the Vietnamese relatives of American citizens—including *all* members of the extended families accompanying some of these relatives—be quickly admitted and settled in the United States. If this requires a change in the letter or interpretation of immigration regulations, this should be done at once. It is galling to find that the extended families of certain South Vietnamese VIPs are being processed faster in some cases than extended families related to American citizens.

Already reports have come from Guam indicating that some evacuees may wish to return to Vietnam. If life does not turn out so well in America, and especially if conditions in Vietnam turn out to be less menacing than anticipated; it would not be surprising to see some considerable number of the refugees going home. The important consideration remains, however, that any such decision must be voluntary. Though the principle was often trampled during the American years in Vietnam, that *is* the American way of doing things.

[From the New York Times, May 5, 1975]

REMINDERS

(By Anthony Lewis)

SALT LAKE CITY.—In the distance the new church office building, a characterless white shaft, loomed over the pioneer baroque of the Mormon Temple. We are talking about the Mormon values of thrift and self-reliance—essentially unchanged since Brigham Young saw the great valley and said "This is the place"—when the waitress came to take the orders for lunch.

She was a young Asian woman, delicate, wide-eyed, with a soft accented voice and a manner so timid that she seemed almost frightened. And when she was asked, it turned out that she was frightened: for her family in Saigon.

"My dad could be killed right away," she said. "He was the head of the ——— Department in the Government. The Communists know everyone who worked for the Government, and they have a list of everyone who had more than $6,000 in a bank account.

"I telephoned my father four days before the Communists came to Saigon. He said the family were trying to get out. He brought all the right papers to the American Embassy, but a man there asked him for $10,000."

An American asked for the money? "Yes, I was surprised, too, but I told him to pay.

"Two days later I telephoned again, and there was no answer. It was 4 o'clock in the morning there, and no answer. I just pray that they had already left. But I have heard nothing."

Nguyen Thi Ha, as we can call her, is one of nine children, all girls. A few years ago her father's "American supervisor," as she put it, a man from Casper, Wyo., arranged for her oldest sister and her to go to a junior college in Casper. She moved to the University of Utah, where she is studying chemical engineering.

Why was she so afraid of the Communists?

"On television I saw downtown in Hanoi, and the women were all dressed the same, like in China. And an American major here, who was 12 years in Vietnam, told me the other day that in Phan Rang the Communists killed 3,000 people."

Then, in the way it so often happens in conversation with Vietnamese, she said she had family on the other side.

"I was born in Hanoi," she said, "in 1949. In 1964 the family moved South. My dad's Buddhist, my mom's Catholic, they were afraid of Communists. You know our grandparents are still in North Vietnam. We used to be able to send small cards to them, but that stopped.

"If the Communists don't kill my dad, he wouldn't want to leave. It's his country, he's worked there all his life. Here he would have to start everything from the beginning. But if they would kill him. . . ."

Her eyes blinked back tears. She said she knew a Vietnamese man in Salt Lake City whose wife had just made it out of Saigon—by paying $4,000 to someone in the American Embassy.

"People got out by friends or influence or money," she said. There was no detectable bitterness in her voice.

In Nguyen Thi Ha's story are the confusions, moral and political, that confront us Americans at the end of our Vietnam adventure. Did the deserving people get out of Saigon before the fall? Were those who got out really in danger? Might they have a better life in their own country, even under the Communists? Can they adjust in America?

Traveling across the United States, one feels doubts and resentments about the Vietnamese refugees everywhere. A Chicago Tribune headline says, "Exiles Airlift: It's Who You Know, or Are." In San Francisco a U.S. official is quoted as saying that 5,000 of the refugees may be "hired killers" from the C.I.A.'s Phoenix program. There are stories about refugees laden with gold and jewels.

Well, it is undoubtedly true that not all the refugees are sympathetic characters. Many bribed or bullied their way to the refugee camps. And, yes, the refugees are entering this country at a difficult time. But the short answer is that what happened in South Vietnam was our responsibility right down to the end, and we must bear it. William L. Colby and his colleagues enlisted those Vietnamese in the Phoenix program to kill suspected Communists among their countrymen. We built the jails and trained the jailers. And at the end it was the contemptible decision of our high officials to delay the evacuation that caused much of the disastrous confusion over who got out, and how.

Settling the refugees will cost less than we spent this fiscal year on the futile policy of sending arms to a South Vietnam that could not stand on its own. In the long run many of the refugees may want to return to Vietnam. But that must be their choice, and it can come only after a difficult transition in Saigon. For us to force the choice now would be a final American shame in Vietnam. We shall have to live with the reminders, encountered all over this country, of Nguyen Thi Ha and others like her.

REPEAL THE DAVIS-BACON ACT

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mr. ARCHER. Mr. Speaker, I have introduced legislation to repeal the Davis-Bacon Act. This law, passed in 1931 during the Great Depression, has provided that contractors on Government projects must pay the workers the prevailing wage scales in the locality of the project. It has been the practice of the Secretary of Labor to apply the union scale for wages in the closest metropolitan site of the work. The involvement of the Federal Government in this economic area has forced up local labor cost and thus the cost of entire projects.

Documented cases have demonstrated that local construction wages have been artificially inflated by the importation of nonlocal wage rates as well as the specialized work classifications on Federal and federally related projects to which the Davis-Bacon provisions apply. Since its enactment, the Davis-Bacon provisions have been added to many pieces of legislation involving Federal assistance on construction projects.

As our country faces the serious economic problems of recession and inflation, we should seek ways to reduce cost to the Federal Government. In a special study in 1971 on the construction cost on Federal and federally assisted projects, the General Accounting Office estimated that these projects could have been built for at least 15 percent less if the Davis-Bacon provisions were not in effect. Dr. Armand J. Theiblot, Jr., author of the recent study entitled "The Davis-Bacon Act" published by the Industrial Research Unit of School—University of Pennsylvania—noted that the benefits from the Davis-Bacon Act "accrue to a limited group of beneficiaries rather than to the overall economy, and that many of its aspects which were advantageous 40 years ago can no longer be claimed to be so." He added that the greatest disadvantage of the Davis-Bacon Act has been its cost—a total annual cost estimated to be $1.5 billion.

I would like to enter into the Congressional Record two articles concerning the Davis-Bacon Act. One is an article by Charles Stevenson entitled "Your Move on Inflation, Mr. President," from the Reader's Digest, April 1975. Although Mr. Stevenson urges executive action by the President to suspend the provisions of this law, he details some very enlightening examples of the inflationary impact of the Davis-Bacon Act. The second article is an editorial entitled "The Law is the Law—When Convenient," from the Engineering News Record, April 24, 1975, which describes the problem of Westchester County, N.Y., with the Davis-Bacon Act.

The articles follow:

[From Reader's Digest, April 1975]

Your Move on Inflation, Mr. President

(By Charles Stevenson)

Simply by signing an executive order, President Ford could suspend an obscure but highly inflationary law that unfairly costs taxpayers billions. This law, the Davis-Bacon Act, requires minimum wages of as much as $100 a day in the 4.5-million-employe construction industry, the Nation's largest. It is thus the bellwether of our runaway inflation.

The President's Council of Economic Advisers has put itself on record as having "long favored the removal of such restrictions as the Davis-Bacon Act." Other knowledgeable critics are even more outspoken. "It is my intention to use such influence as I have to encourage repeal of this act," says Arthur F. Burns, chairman of the Federal Reserve System. Says Armand J. Thieblot, Jr., associate professor of management at the University of Maryland, "The act is anachronistic, obsolete and inflationary. It has had undesirable consequences for almost everyone except, perhaps, unionized construction labor."

Yet nothing happens—and for one reason. Over the years, a shadowy alliance of powerful labor leaders, their Congressional minions and subservient administrators have turned this law into a device for raiding the U.S. Treasury, for compelling the government to both finance and enforce AFL–CIO efforts to take over the entire $134-billion-a-year construction industry.

Davis-Bacon was enacted in 1931 to prevent itinerant contractors from importing low-wage crews from distant points to displace local workers in government construction. It directs the Secretary of Labor to set minimum-pay rates at the level of prevailing wages in the immediate area. Before a contractor can bid on a government job, he is informed by Washington what he must pay. Over the years these minimums have skyrocketed to the point where they no longer represent average rates in the area. Instead, they are almost invariably union scales, often imported from great distances. Cases like the following are all too common:

In Chittendon County, Vt., roofers make $4 an hour. There is not a single union roofer in the county. Nevertheless, the Labor Department imposed on local contractors bidding for public-housing jobs a $9.25-an-hour minimum, a rate prevalent in union-dominated Albany, N.Y., 125 miles away. Local electricians charge $5.96 an hour for their services; Washington insisted that contractors pay them $8.52. As a result, costs of government-financed projects soared from $36,000 to $82,000 in a typical case.

In Pittsburgh, a 500-unit housing project, 40 percent federally financed, was halted when the Labor Department in 1972 ruled that union wage rates had to be paid. In that area, 90 percent of all residential construction was open-shop, at 40 percent below union rates. Engineers estimated that the Labor Department rates would add $9000 per unit.

In a remote non-union section of north Georgia, the Army Corps of Engineers estimated it would cost $40.6 million for the Carters Dam flood-control project. That was before Davis-Bacon entered the picture. Thus, when one contractor volunteered a bonus for dangerous tunneling, federal officials decreed that super-wages had to be paid for all non-hazardous work as well. Rulings like this raised pay scales as much as 82 percent in just 22 months. After completion this fall, the project will have cost $106 million—a cost overrun of 157 percent.

Through the years the General Accounting Office has repeatedly detailed such distortions of the Davis-Bacon Act. With federally financed construction now running at about $40 billion a year, Davis-Bacon is costing taxpayers $1.5 billion annually. And no wonder. Congress has extended coverage of the law at least 63 times until it now applies not merely to dams, post offices and such but also to local schools and hospitals that are only partly U.S.-financed. It even affects privately sponsored cooperative apartments aided by government-guaranteed loans, and nursing homes and homes for the elderly in which government's only interest is an FHA mortgage. Moreover, the AFL-CIO has persuaded 41 states to back up the national law with "little Davis-Bacon Acts" covering state-financed construction.

Indeed, the Department of Labor has been moving in on those states which have refused to adopt such supplementary laws. For example, it insists that Vermont municipalities pay Davis-Bacon wages on any construction financed by revenue-sharing funds, money supposedly distributed by Washington without strings. Result: wages are 60 percent higher than local workers normally receive, and project costs are up 35 percent.

Further, Davis-Bacon reaches beyond kited pay scales. Labor Department officials have increased construction costs by requiring open-shop contractors to abide by union make-work and jurisdictional rules. Thus, when the Marine Corps sought bids for spray-painting some buildings, the resulting wage determination prevented this mechanization because it was out of line with local union policy.

"If a man picks up a hammer, you're guilty unless you pay him carpenter's wages," a zealous Labor Department investigator told an Iowa contractor who allowed laborers to drive some nails into a concrete form. As a result, the builder underwent 600 hours of investigation before the Department finally settled for a $512 penalty—a sum substantially below the $7287 it had attempted to collect.

Davis-Bacon has sent the cost of U.S.-subsidized housing spiraling. GAO probers who looked at federally financed public housing in four widely scattered states found that Davis-Bacon had added $24 million to the $15.6 million cost. In Oklahoma City, for example, a $5.3-million project for the city's poor contained a 20-percent, $1-million gratuity for the construction workers. Says University of Chicago economics professor Yale Brozen: "Federal subsidies are largely consumed in paying higher rates to construction workers. As a consequence, little benefit emerges for the families who are presumably to be assisted."

And Davis-Bacon inevitably spreads its evils to the free market. Near Camden, N.J., Davis-Bacon apartments must rent for $13 a month more than they should simply because the builder had to pay 63-percent higher wages than those received by workers on a conventionally financed project next door. And jobs are lost. When wage rates from Council Bluffs, Iowa, were imposed on a Methodist home planned for tiny Walnut (pop. 1000), contractors could not bring their bids within the $200,000 available, so the project was abandoned.

The 78,000-member National Association of Home Builders has called upon Congress to kill Davis-Bacon "if Congress truly wants to hold housing costs down as much as possible." But last year Congress adopted still another $11.3-billion housing program and made virtually all of it—even housing that will be leased to individual tenants by private owners—subject to Davis-Bacon costs.

Is it any wonder that inflation spins out of control? The nation's total construction bill has increased from $76.4 billion to $133.7 billion in the past nine years, and all of us have had to pay for it. To meet the ever-increasing bill, we extract more pay from our employers. They in turn have to raise prices. Then the construction workers leapfrog their demands, which the government protects with Davis-Bacon, and the spiraling continues.

By the end of 1974 the average union bricklayer across the United States collected $10.33 an hour, the average electrician, $10.25. Ironworkers in northern Arizona were up to $14.02½ an hour, bricklayers in Rockland County, N.Y., up to $13.08, and pile drivers in Niagara County, N.Y., up to $17.89.

Our economy is in such a critical situation that emergency action is imperative. There is strong support for suspension of Davis-Bacon. It comes from, among others, the University of Michigan's Paul McCracken, who served on the Council of Economic Advisers under two Presidents. Alan Greenspan, the current Council chairman, long ago found that wages on government construction are so 'rigged on what are clearly non-competitive levels" that "the only solution is to open up the forces of competition by eliminating this artificial wage-support legislation."

But reform is a long shot at best. Last September, after the Associated Builders and Contractors appealed to President Ford for action and met with top-level White House officials, this word was passed around: "Yes, we believe the law should be suspended, too—but it would be a bad political move." Following up, Albert Rees, picked by the President to head the Council on Wages and Price Stability, told the Chicago Tribune that because of Congressional opposition, the Administration would do nothing about Davis-Bacon. "We want to work on those things we think are of greatest importance and where we have the greatest chance of immediate success," he said.

Thus fortified, Secretary of Labor Peter J. Brennan, who came to this job from the presidency of both the New York City and the State Building and Construction Trades Councils, dispatched a memo to all government departments. It instructed each to do an even better job of enforcing the Davis-Bacon Act and the "rights of working people which are entrusted to our protection."

Clearly, an opportunity to attack the heart of the inflationary spiral is being allowed to slide by. But is the President willing to put himself to the acid test by suspending the Davis-Bacon Act?

[From Engineering News Record, Apr. 24, 1975]

THE LAW IS THE LAW—WHEN CONVENIENT

It's nice to see things that help people. That makes it hard to find fault with a public service job program launched by Westchester County, N.Y., to relieve high unemployment among building trades workers. The fault in the program may be its probable conflict with federal law.

Since the project is funded under legislation that incorporates the provisions of the Davis-Bacon Act, the work it provides would seem to require payment of wages at scales prevailing in the area. Westchester is paying less.

The county manpower director says the terms of the law don't apply "because of the emergency nature of the program and because all the workers have volunteered for employment." That rationale does not hold water. The Davis-Bacon Act was passed during an emergency, the Great Depression, to protect workers, including "volunteers"—whatever that word means—from exploitation at substandard wages.

Obviously Westchester County is not trying to exploit the workers hired under its program or to undermine local union wages or conditions. On the contrary, the program, established and funded under Title 6 of the federal Comprehensive Employment and Training Act, is motivated largely by humanitarianism.

Why, then, if the program is good, is it necessary to waive the requirements of the law or assume that in this case the law does not apply in order to set up a good program? Why is it that a humanitarian program runs afoul of a humanitarian law? A good law should be applicable without fear or favor. By definition, it should not cancel its own objectives through application of its detailed requirements.

A possible answer is that the Westchester program is faulty and should be restructured to avoid the conflict.

A better answer may be to repeal the act, not because of this instance or even this type of case alone, but because the Davis-Bacon apparatus—the original act, the several dozen laws extending and defining its application, and the administration of the machinery—does not now achieve the ends for which it was created. In fact, it appears to hamper achievement of those ends in some instances by pricing some workers out of the market.

A REMARKABLE MAN

HON. GLADYS NOON SPELLMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 6, 1975

Mrs. SPELLMAN. Mr. Speaker, I would like to tell this body about a truly remarkable man, a Marylander. Mr. Simon Carmel, 36, has been selected as one of the six winners of the 1974 National Volunteer Awards sponsored by the National Center for Voluntary Action. The national volunteer awards program accords recognition to individuals and groups engaged in exceptional volunteer service to improve the quality of life of mankind.

Mr. Carmel has worked as a volunteer to open up opportunities for one of America's most neglected groups, the deaf. Deaf himself, Mr. Carmel has been a tireless organizer, promoter, administrator, fundraiser, teacher, and coach in a volunteer career that runs in interest from competitive athletics to dramatics and other entertainment activities.

Carmel, who is employed as a physical chemist at the National Bureau of Standards in Washington, was graduated from Gallaudet College in 1961. The summer after his graduation, he participated in the 9th International Summer Games for the Deaf in Helsinki, Finland, as a member of the U.S.A. deaf swimming team. For the 1965 International Summer Games, which where held in Washington, he served as the official interpreter provided by the U.S. Government for the Russian athletes.

But it is skiing that is Simon Carmen's abiding interest. After his second stint with the World Summer Games for the Deaf in 1965, he organized the idea of having a U.S. ski team, to be sponsored by the American Athletic Association for the Deaf, to participate in the World Winter Games for the Deaf. To help his idea become reality, he served as both coach and manager of that first U.S. deaf ski team.

Carmel went on from there to found the National Deaf Skiers Association, to chair the Eastern Deaf Skiers Committee of the ski organization, U.S. Eastern Amateur Ski Association, and to organize such competitions as a New England Deaf Skiers Ski Week in Waterville Valley, N.H., and the Eastern Deaf Skiers race championships at Haystack ski area in Vermont.

In 1971, Carmel was the man behind a bid by Lake Placid, N.Y., to be the host city for the Eighth World Winter Games for the Deaf to be held in 1975. The winter games had never before been held outside Europe, but the Lake Placid bid was accepted, and Carmel served as the general chairman of the Lake Placid Organizing Committee for the games. Through this competition, an estimated 300 deaf athletes from 16 countries came to the United States to participate in alpine and nordic skiing, speed and figure skating, and hockey.

In all of these activities, Simon Carmel has taken on a great promotional, organizational, and administrative responsibility. He has drawn, in a modest way, on the resources of the U.S. Ski Association—for things like mailings—but he has mostly drawn on his own resources, contributing all his annual leave to these volunteer efforts. He has presided over the selection of competitors for many of of the meets, to see that selection was done in accordance with established criteria; he has done the logistical work of getting foreign teams here, and taking American teams abroad; he has served as fundraiser for the U.S.A. deaf ski team and as publicity director for a convention of the U.S. Deaf Skiers Association.

But above all else, Simon Carmel has had the vision to see that skiing could, indeed, be an important vehicle for opening competitive athletics up to the deaf, and the drive to bring his ideas to fruition.

This can-do attitude has characterized all that he has done for the deaf. An interest in magic, for example, led him to organize the first national tournament for deaf magicians. An interest in psycholinguistics led to his current stature as one of the world's experts on sign language. And with respect to skiing, officials of the U.S. Ski Association say that the World Winter Games for the Deaf at Lake Placid would never have happened without him.

The national volunteer awards program is a nationwide program of volunteer recognition sponsored annually by the National Center for Voluntary Action—NCVA. The Program seeks to identify and focus national attention on outstanding and innovative volunteer efforts. Each year, hundreds of individuals and groups are nominated by friends, colleagues, supervisors, political and governmental leaders, educators, ministers, and others. All nominations are formalized for consistency and reviewed by NCVA to insure that all eligibility requirements are met The nominations are then sent to an independent screening organization for review by a panel representing a broad variety of volunteer backgrounds and experiences. Through this process citation winners are selected. Final selection is made by a distinguished group of judges who determine the three individual and three group winners for the year.

The national volunteer awards program was begun 26 years ago by Lane Bryant, Inc., in an attempt to spotlight the generosity, dedication, and achievement of all volunteers. The program was transferred to NCVA in 1970. The nomination and screening process for the national volunteer awards is based on Lane Bryant's many years of experience.

The national volunteer awards program is an important part of the National Center for Voluntary Action's major goal: to stimulate new responses to America's most pressing needs through the greater recognition, utilization and coordination of volunteers. Founded in 1970, NCVA is a private, nonprofit, nonpartisan organization.